

Center for Economic & Business  
Research  
Donald L. Harrison College of  
Business

# *SOUTHEAST* *MISSOURI* **BUSINESS** **INDICATORS**

Winter, 2008 Volume 10, No.2



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Sikeston, MO

### **Executive Summary**

Third quarter growth in Gross Domestic Product increased to 4.9%. All sectors contributed to the increase except for the housing sector, which continues to act as a drag on the economy and will likely continue to do so for the next 12-18 months. Given unfavorable trends (credit difficulties, rising energy, housing problems), the economy's growth will slow considerably in the next few months.

Southeast Missouri saw employment decline under the weight of seasonal factors. Over the past year, employment has risen and personal income growth remains strong.

## ***Southeast Missouri Business Indicators***

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The information contained in this newsletter comes from government sources and is generally believed to be accurate. Forecasts are meant to give an impression of future economic activity but are not intended to impart recommendations for investment purposes. All forecasts and commentary are the product of the Center for Economic & Business Research and do not necessarily reflect the position of Southeast Missouri State University.

### **New Associate Director**

CEBR has a new Associate Director. Starting with the fall semester, 2007, **Dr. Diane Primont** is the new Associate Director of the Center for Economic & Business Research. Dr. Primont brings a wealth of experience and enthusiasm to her role of Associate Director. She is a welcome addition to the Center's staff. The Center was able to name an Associate Director thanks to a grant from the U.S. Economic Development Administration.

### Third Quarter Was Outstanding: Can It Last?

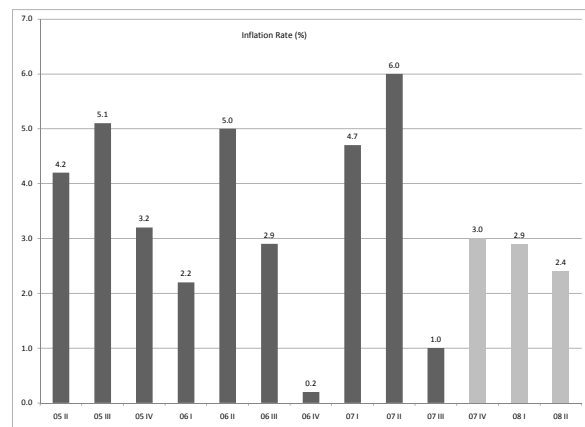
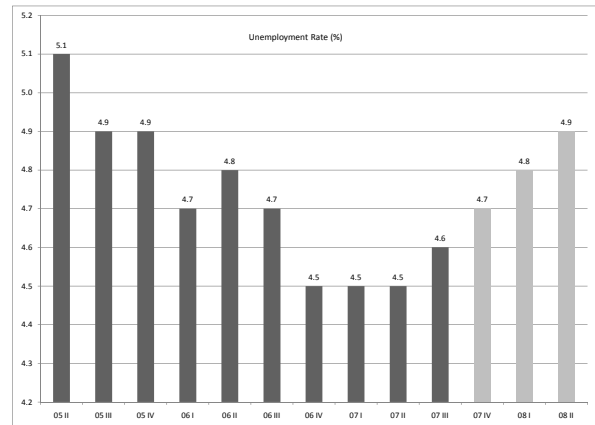
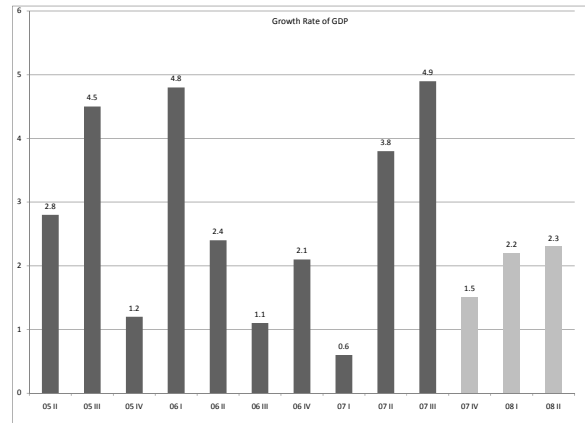
Third quarter growth in real Gross Domestic Product (GDP) was the highest in the past four years. The annual average rate of 4.9% exceeded most analysts' expectations. Buoyed by strong export growth, steady consumer and government spending, the economy zoomed ahead in the third quarter.

The big question is: can it last? The short answer is: probably not. Too many headwinds are buffeting the economy at the present time: continued problems in the housing sector, a full-fledged credit crunch, and rising energy prices. It is likely that the economy will have difficulty sustaining any momentum for at least the next six months. Will there be a recession? It is a possibility, but for now, it is unlikely. Consumers still are spending and exports will stay strong, given the falling value of the dollar, which makes our goods cheaper in international markets.

The unemployment rate remains at a manageable level (4.7%), though it is forecast to creep up a couple of tenths of a percent as labor markets weaken a bit. Job creation has been inconsistent over the past few months, which means that the economy may have difficulty absorbing new entrants into the labor force each month (about 100,000 people on average). Any sustained slowdown in job growth, of course, will cause the unemployment rate to rise quickly.

Inflation, as always, is the most difficult economic variable to forecast. The vagaries of energy and food markets cause wide swings in the average annual rate from quarter to quarter. The third quarter was fairly quiet as inflation fell to a one percent average annual rate. But with rising energy and food prices, look for the inflation rate to increase going forward. If we strip out volatile food and energy prices, we do find that prices in the rest of the economy are relatively predictable, rising at around 2% - 2.5% per year. This makes it easier for the Federal Reserve System to lower interest rates if the economy needs some stimulus as economic growth slows.

Industrial production continues to be a bright spot in the economy, primarily due to the boom in exports over the past year. There has

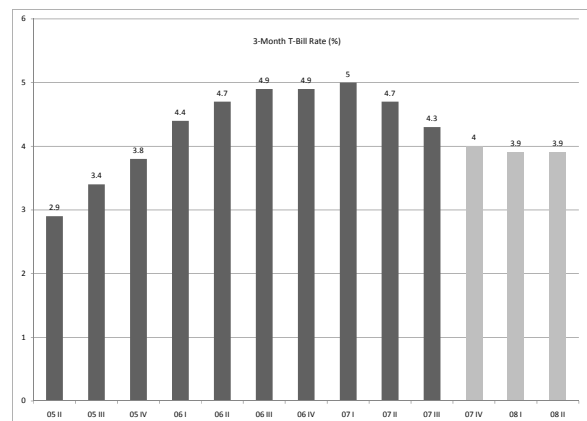
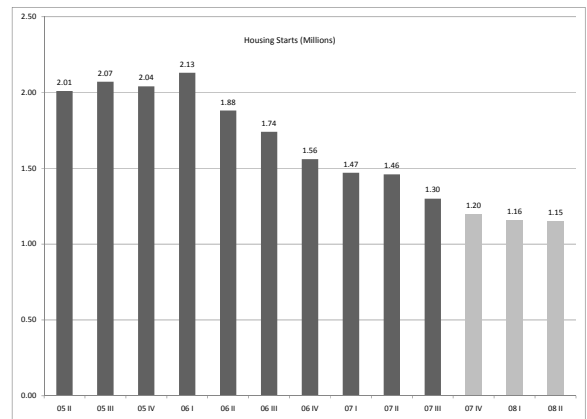
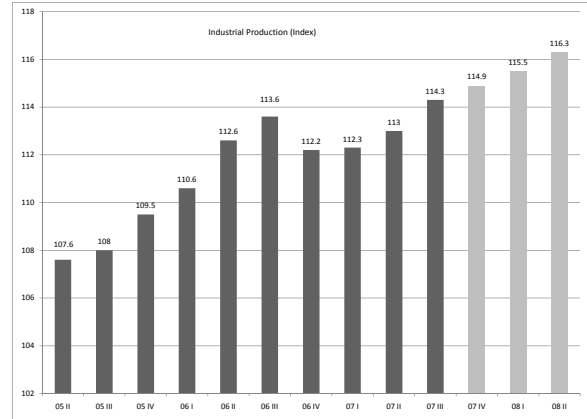


been some slowdown in the production of big ticket items (durable goods such as automobiles, furniture, etc.) the past three months, but overall, industrial production is still rising.

The housing market remains a mess and there is no indication yet of any type of a recovery. Housing prices are slipping nationwide and in many regional markets. Housing starts are off by almost one million units per year since their peak in the first quarter of 2006. What will it take for a recovery in the housing sector? The main problem seems to be a significant excess of housing units on the market. For several years, we were building homes faster than people were forming families. The result is an excess supply of housing that will take some time to work off. It is difficult to see any significant recovery in the sector over the next 12 months and probably beyond.

The Fed is doing its best to avoid a recession as it has lowered interest rates twice already by a total of 0.75 percentage points. This is reflected in the 3-month T-Bill graph. While the Fed is concerned about cutting rates too much and too rapidly, it is determined to keep the economy out of recession, so further cuts could occur.

One potential problem facing the Fed when cutting rates, is the effect on the value of the dollar. The dollar is already at historic lows versus the euro and is at parity with the Canadian dollar. When U.S. interest rates are lowered, the dollar becomes a less attractive currency for foreign investors to hold, further reducing the demand for dollars. The solution to the falling value of the dollar is obvious: the U.S. needs to spend less as a nation and save more. Between the government budget deficit and the foreign trade deficit, the U.S. must borrow about \$1 trillion per year. Much of that borrowing is from foreign countries and investors. This will continue as long as we do not rein in our spending.



## Southeast Missouri Summary

The raw data for southeast Missouri show a 1.3% drop in employment in the third quarter from the previous one. This translates into a decline of about 5,300 workers. The decline was very widespread as well since only four counties (Carter, Franklin, Jefferson and Washington) showed a positive trend over the period. As to be expected, the unemployment rate rose sharply from 5.2% to 5.8%.

So what are we to make of this, especially given the fact that the national economy grew so strongly? There is a strong seasonal trend in southeast Missouri such that employment typically rises in the second and fourth quarters, and falls in the first and third quarters. Therefore, we are left with the problem of attempting to discern if the economy is experiencing an actual slowdown or is just responding to seasonal factors.

There are several approaches to adjusting for seasonal factors, but one of the easiest is just to compare the same quarter in a year with its counterpart a year earlier. Assuming that seasonal trends are similar over time, we can look at employment a year ago (2006 III) and compare it to employment in 2007 III. We find that employment rose by about 1,300 or 0.3% during the period in question. While the measured growth is modest, it does indicate that the local economy is still expanding.

The unemployment rate, at 5.8% in 2007 III is higher than a year ago (5.4%), so there are more people in the labor force looking for jobs as compared to a year ago. This could actually be a good thing in the sense that an expanding labor force (people working plus people looking for jobs) is at least partially reflective of people's perceptions of the labor market. When labor markets are perceived to be more

favorable and that jobs are easier to find, more people tend to enter the labor force. All else the same, this will also cause the unemployment rate to rise. But as people find jobs and the economy continues to expand, we can expect the rate to start to fall.

Personal income growth in the first three quarters of the year has fallen off a bit from its torrid pace in 2006, but remains healthy. The region is experiencing average annual rates of growth in the 5.5% range, which gives a nice gain in real personal income after adjusting for inflation of about 3%.

Note: Beginning with this issue of the *Southeast Missouri Business Indicators*, we are commencing a project to include profiles of communities in southeast Missouri in each issue of the *Indicators*. The inaugural community is Sikeston in Scott and New Madrid Counties. We thank Missy Marshall, Executive Director of the Sikeston Area Chamber of Commerce, Mike Marshall, Mayor of Sikeston, and Ed Dust, Sikeston's Director of Economic Development, for their input into this quarter's profile.

**Southeast Missouri Summary**

	2006 II	2006 III	2006 IV	2007 I	2007 II	2007 III
<b>Bollinger</b>						
Employment	5,716	5,594	5,703	5,743	5,758	5,598
Change (%)	0.9	-2.1	1.9	0.7	0.3	-2.8
Unemployment (%)	5.0	5.3	5.3	5.9	4.4	5.0
Personal Income	270,570	271,862	275,614	281,543	285,225	
Change (%)	6.3	5.8	5.4	5.6	5.4	
Retail Sales	15,286	15,833	13,108	15,806	16,084	15,437
Last 4 Quarters	59,934	59,619	59,189	60,003	60,831	60,435
<b>Butler</b>						
Employment	20,376	19,862	19,920	20,044	20,315	20,040
Change (%)	1.7	-2.5	0.3	0.6	1.4	-1.4
Unemployment (%)	5.0	5.5	6.2	7.1	6.1	6.5
Personal Income	1,161,166	1,163,749	1,176,550	1,200,621	1,215,829	
Change (%)	6.7	5.7	4.7	4.9	4.7	
Retail Sales	145,907	143,724	130,371	146,507	146,943	141,055
Last 4 Quarters	559,633	562,383	559,031	566,509	567,545	564,876
<b>Cape Girardeau</b>						
Employment	37,806	37,000	37,717	37,985	38,082	37,025
Change (%)	0.9	-2.1	1.9	0.7	0.3	-2.8
Unemployment (%)	4.1	4.2	3.7	4.3	3.9	4.4
Personal Income	2,150,139	2,159,238	2,189,688	2,238,958	2,268,673	
Change (%)	6.3	5.9	5.6	5.7	5.5	
Retail Sales	310,405	301,354	296,007	338,446	330,377	317,947
Last 4 Quarters	1,228,847	1,224,761	1,228,614	1,246,212	1,266,184	1,282,776
<b>Carter</b>						
Employment	2,673	2,784	2,863	2,714	2,848	2,894
Change (%)	4.2	4.2	2.8	-5.2	4.9	1.6
Unemployment (%)	5.5	6.1	6.1	7.2	5.4	5.5
Personal Income	135,173	135,921	137,803	140,641	142,473	
Change (%)	6.3	5.7	5.3	5.6	5.4	
Retail Sales	10,334	11,908	8,972	9,134	11,294	11,780
Last 4 Quarters	40,773	41,043	40,891	40,348	41,308	41,180
<b>Crawford</b>						
Employment	11,334	11,299	11,120	11,034	11,425	11,327
Change (%)	5.0	-0.3	-1.6	-0.8	3.5	-0.9
Unemployment (%)	5.4	5.6	6.1	7.5	6.2	7.0
Personal Income	646,188	652,015	663,066	678,922	690,056	
Change (%)	7.7	7.2	6.8	7.0	6.8	
Retail Sales	49,153	53,260	45,520	47,677	46,518	54,694
Last 4 Quarters	194,143	193,422	193,389	195,610	192,975	194,679

(Note: Personal Income & Retail Sales are in thousands of dollars.)

	2006 II	2006 III	2006 IV	2007 I	2007 II	2007 III
<b>Dent</b>						
Employment	6,170	5,993	6,105	6,062	6,253	6,013
Change (%)	3.0	-2.9	1.9	-0.7	3.2	-3.8
Unemployment (%)	5.7	6.2	6.0	7.0	5.9	6.9
Personal Income	353,175	355,119	360,174	367,759	372,874	
Change (%)	6.4	5.9	5.6	5.8	5.6	
Retail Sales	39,208	40,090	34,228	37,660	37,892	36,093
Last 4 Quarters	145,221	148,281	147,995	151,186	149,870	145,873
<b>Dunklin</b>						
Employment	13,346	12,868	12,964	12,845	12,947	12,495
Change (%)	2.9	-3.6	0.8	-0.9	0.8	-3.5
Unemployment (%)	7.0	7.7	7.0	8.8	7.9	8.2
Personal Income	833,319	838,701	849,988	867,042	878,607	
Change (%)	6.3	5.8	5.4	5.6	5.4	
Retail Sales	NA	NA	NA	NA	NA	NA
Last 4 Quarters	NA	NA	NA	NA	NA	NA
<b>Franklin</b>						
Employment	50,521	50,635	50,698	50,384	50,911	51,012
Change (%)	1.7	0.2	0.1	-0.6	1.1	0.2
Unemployment (%)	4.8	5.3	4.9	5.9	5.0	5.9
Personal Income	3,306,585	3,335,254	3,387,387	3,465,949	3,515,501	
Change (%)	7.9	7.1	6.5	6.6	6.3	
Retail Sales	269,144	278,682	244,137	262,472	280,621	279,406
Last 4 Quarters	1,055,911	1,050,839	1,038,706	1,054,435	1,065,912	1,066,636
<b>Gasconade</b>						
Employment	7,655	7,523	7,614	7,564	7,774	7,652
Change (%)	3.7	-1.7	1.2	-0.7	2.8	-1.6
Unemployment (%)	5.3	6.0	4.8	5.6	5.1	6.1
Personal Income	420,889	423,580	429,876	439,078	445,256	
Change (%)	6.5	6.1	5.8	6.0	5.8	
Retail Sales	41,951	44,899	41,793	43,363	43,552	44,351
Last 4 Quarters	157,498	161,370	165,527	172,006	173,607	173,059
<b>Iron</b>						
Employment	4,629	4,519	4,567	4,619	4,674	4,535
Change (%)	1.4	-2.4	1.0	1.1	1.2	-3.0
Unemployment (%)	5.2	5.6	5.5	6.5	5.5	5.9
Personal Income	242,096	243,247	246,353	251,289	254,531	
Change (%)	6.1	5.5	5.1	5.3	5.1	
Retail Sales	18,482	17,008	16,011	18,004	18,396	20,026
Last 4 Quarters	73,841	67,633	65,902	69,505	69,419	72,437

(Note: Personal Income & Retail Sales are in thousands of dollars.)

	2006 II	2006 III	2006 IV	2007 I	2007 II	2007 III
<b>Jefferson</b>						
Employment	111,897	112,149	112,288	111,593	112,670	112,983
Change (%)	1.7	0.2	0.1	-0.6	1.1	0.3
Unemployment (%)	4.5	4.9	4.5	5.5	4.7	5.2
Personal Income	6,262,601	6,300,082	6,390,623	6,525,432	6,613,722	
Change (%)	6.6	6.0	5.6	5.8	5.6	
Retail Sales	538,034	533,085	451,010	509,214	538,713	539,456
Last 4 Quarters	2,063,384	2,054,373	2,015,286	2,031,343	2,032,022	2,038,393
<b>Madison</b>						
Employment	5,609	5,451	5,595	5,561	5,618	5,533
Change (%)	2.3	-2.8	2.6	-0.6	1.0	-1.5
Unemployment (%)	5.3	5.5	5.3	6.3	5.3	5.8
Personal Income	274,873	277,061	281,695	288,328	292,801	
Change (%)	7.9	7.2	6.6	6.8	6.5	
Retail Sales	25,748	24,726	23,504	25,170	27,823	25,394
Last 4 Quarters	96,075	97,871	97,973	99,148	101,223	101,891
<b>Mississippi</b>						
Employment	5,488	5,269	5,407	5,232	5,325	5,096
Change (%)	3.0	-4.0	2.6	-3.2	1.8	-4.3
Unemployment (%)	6.3	7.0	6.6	7.0	6.5	7.4
Personal Income	296,419	294,666	296,599	299,511	300,769	
Change (%)	2.4	2.0	1.7	1.9	1.5	
Retail Sales	21,348	24,241	19,169	22,069	23,255	26,362
Last 4 Quarters	84,217	84,726	84,775	86,827	88,734	90,855
<b>New Madrid</b>						
Employment	8,051	7,772	7,904	7,908	7,978	7,637
Change (%)	1.6	-3.5	1.7	0.1	0.9	-4.3
Unemployment (%)	6.4	6.9	6.8	7.7	6.9	7.5
Personal Income	472,479	475,667	482,941	494,068	501,569	
Change (%)	5.3	5.4	5.7	6.3	6.2	
Retail Sales	74,164	73,891	69,044	75,335	75,540	70,075
Last 4 Quarters	293,352	293,828	293,225	292,434	293,810	289,994
<b>Pemiscot</b>						
Employment	7,475	7,269	7,413	7,449	7,512	7,239
Change (%)	1.6	-2.8	2.0	0.5	0.8	-3.6
Unemployment (%)	6.7	7.2	6.2	7.0	6.2	7.1
Personal Income	472,911	472,209	479,325	489,662	494,520	
Change (%)	6.5	6.0	5.6	4.7	4.6	
Retail Sales	36,268	37,646	32,340	38,066	46,601	37,212
Last 4 Quarters	133,719	137,572	139,346	144,320	154,653	154,219

(Note: Personal Income & Retail Sales are in thousands of dollars.)

	2006 II	2006 III	2006 IV	2007 I	2007 II	2007 III
<b>Perry</b>						
Employment	9,903	9,846	9,906	9,882	9,911	9,869
Change (%)	1.3	-0.6	0.6	-0.2	0.3	-0.4
Unemployment (%)	3.5	3.7	3.3	4.0	3.6	4.1
Personal Income	487,008	490,386	497,794	508,649	515,644	
Change (%)	7.0	6.3	5.9	6.1	5.9	
Retail Sales	58,208	59,035	54,497	59,823	59,976	59,323
Last 4 Quarters	224,736	225,281	226,505	231,563	233,331	233,619
<b>Reynolds</b>						
Employment	2,313	2,396	2,359	2,332	2,538	2,424
Change (%)	8.0	3.6	-1.5	-1.1	8.8	-4.5
Unemployment (%)	6.3	6.4	7.2	7.7	6.0	6.6
Personal Income	150,076	150,882	152,929	156,058	158,046	
Change (%)	6.3	5.7	5.2	5.5	5.3	
Retail Sales	NA	NA	NA	NA	NA	NA
Last 4 Quarters	NA	NA	NA	NA	NA	NA
<b>Ripley</b>						
Employment	6,123	5,920	6,124	6,081	6,197	5,921
Change (%)	1.4	-3.3	3.4	-0.7	1.9	-4.5
Unemployment (%)	5.5	6.1	6.2	6.8	6.3	7.1
Personal Income	296,661	298,703	303,204	309,859	314,256	
Change (%)	6.9	6.3	5.9	6.1	5.9	
Retail Sales	NA	NA	NA	NA	NA	NA
Last 4 Quarters	NA	NA	NA	NA	NA	NA
<b>Scott</b>						
Employment	19,406	18,869	19,115	19,070	19,295	18,738
Change (%)	3.1	-2.8	1.3	-0.2	1.2	-2.9
Unemployment (%)	5.1	5.6	5.7	6.0	5.2	5.9
Personal Income	1,111,290	1,116,741	1,131,721	1,154,713	1,169,225	
Change (%)	6.2	5.6	5.2	5.4	5.2	
Retail Sales	84,278	91,367	76,347	85,967	105,050	87,791
Last 4 Quarters	328,680	329,757	328,781	337,959	358,967	355,391
<b>Ste. Genevieve</b>						
Employment	9,274	9,179	9,167	9,096	9,261	9,194
Change (%)	2.8	-1.0	-0.1	-0.8	1.8	-0.7
Unemployment (%)	4.5	4.8	4.5	5.5	4.4	4.9
Personal Income	478,939	483,167	491,021	502,534	510,610	
Change (%)	6.8	6.8	6.9	6.8	6.6	
Retail Sales	39,791	43,037	36,211	38,846	43,195	40,844
Last 4 Quarters	151,410	151,683	155,210	157,885	161,289	159,096

(Note: Personal Income & Retail Sales are in thousands of dollars.)

	2006 II	2006 III	2006 IV	2007 I	2007 II	2007 III
<b>St. Francois</b>						
Employment	26,417	25,710	26,011	26,162	26,730	25,987
Change (%)	3.1	-2.7	1.2	0.6	2.2	-2.8
Unemployment (%)	5.7	6.0	5.7	6.4	5.4	6.2
Personal Income	1,460,029	1,465,834	1,486,127	1,520,652	1,545,188	
Change (%)	7.0	6.4	6.0	6.1	5.9	
Retail Sales	179,714	173,832	161,573	173,091	184,315	180,197
Last 4 Quarters	680,607	682,229	684,317	688,230	692,811	699,176
<b>Stoddard</b>						
Employment	14,618	14,257	14,656	14,551	14,627	14,222
Change (%)	-0.8	-2.5	2.8	-0.7	0.5	-2.8
Unemployment (%)	5.5	5.9	5.8	7.2	6.0	6.3
Personal Income	759,218	763,954	773,834	790,016	799,488	
Change (%)	7.5	6.5	5.7	5.5	5.0	
Retail Sales	69,635	65,764	58,864	68,539	70,534	67,776
Last 4 Quarters	264,485	262,335	255,518	262,712	263,701	265,713
<b>Washington</b>						
Employment	9,329	9,350	9,362	9,304	9,401	9,420
Change (%)	1.7	0.2	0.1	-0.6	1.1	0.2
Unemployment (%)	7.0	7.1	8.3	9.7	7.3	7.6
Personal Income	499,785	501,463	507,102	516,498	522,032	
Change (%)	5.7	5.0	4.4	4.6	4.5	
Retail Sales	38,222	39,458	33,773	39,757	39,111	39,485
Last 4 Quarters	148,228	148,754	146,632	151,210	152,099	152,126
<b>Wayne</b>						
Employment	5,304	5,139	5,156	5,120	5,250	5,117
Change (%)	2.6	-3.1	0.3	-0.7	2.5	-2.5
Unemployment (%)	6.1	6.6	6.8	7.9	6.7	7.0
Personal Income	288,766	290,788	295,206	301,724	306,047	
Change (%)	7.0	6.4	5.7	6.2	6.0	
Retail Sales	22,853	23,897	19,728	22,041	24,414	24,172
Last 4 Quarters	88,707	88,275	86,914	88,519	90,080	90,355
<b>Southeast Missouri</b>						
Employment	401,433	396,653	399,734	398,335	403,300	397,971
Change (%)	2.0	-1.1	0.8	-0.3	1.2	-1.3
Unemployment (%)	5.0	5.4	5.2	6.1	5.2	5.8
Personal Income	22,830,356	22,960,289	23,286,620	23,789,506	24,112,842	
Change (%)	6.7	6.1	5.7	5.8	5.6	
Retail Sales	2,088,133	2,096,717	1,866,207	2,076,795	2,170,204	2,118,876
Last 4 Quarters	8,073,361	8,069,014	8,013,795	8,128,044	8,210,371	8,232,779

Note: Personal Income & Retail sales are in thousands of dollars.)

## **Mark Your Calendars Now**

### **Upcoming CEBR-Sponsored Workshops and Conferences:**

What: GIS Workshop

When: February 20, 2008, 9AM – 3 PM

Where: Bootheel Regional Planning Commission  
Dexter, Missouri

Co-sponsored by the Bootheel Regional Planning Commission, Ozark Foothills Regional Planning Commission, Missouri GIS Advisory Committee

More Information and Registration: 573.651.2013  
cebr@semo.edu

What: Economics & Finance Research Conference

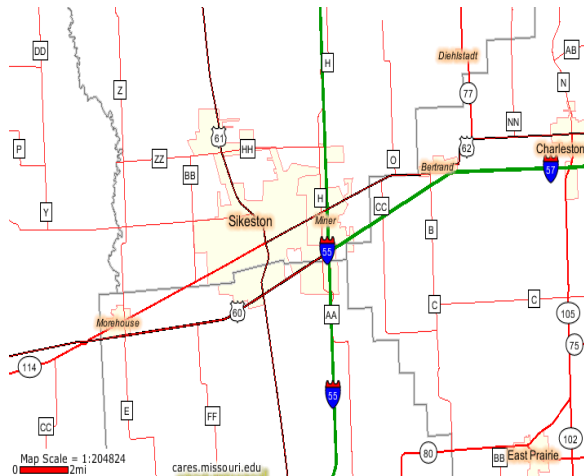
When: April 11, 2008, 10 AM – 12 PM

Where: Glenn Auditorium, Dempster Hall  
Southeast Missouri State University

More Information: 573.651.2013  
cebr@semo.edu

Support for these conferences comes from a grant provided by the United States Economic Development Administration.

## *Sikeston: Where Southern Hospitality Begins*



Centrally located at the intersection of I-55 and I-57 and the junctions of U.S. Highways 60, 61, and 62, Sikeston stands on beautiful fertile prairie lands, about halfway between St. Louis and Memphis. Sikeston is situated in both Scott and New Madrid counties.

Mayor Mike Marshall describes Sikeston as “a small, but progressive, southern town.” Sikeston is this and much more.



From the quaint cobblestone Front Street to its historic buildings, downtown Sikeston welcomes

visitors and residents alike to its variety of restaurants, shops, and services. Sikeston’s historic railroad Depot, now a cultural center and museum, is on the National Register of Historic Places. City Hall is housed downtown, as is the Sikeston Department of Public Safety. The Department of Public Safety is unique in that its 91 uniformed officers are also trained as firefighters. Also slated for downtown is the new \$7 million YMCA of southeast Missouri, which when completed in late 2008 will boast an indoor aquatic center and track.



Sikeston is one of 10 communities recently named by the Department of Economic Development as a DREAM (Downtown Revitalization and Economic Assistance for Missouri) city. Plans are underway for new street lights, sidewalks, and renovating the brick streets in downtown Sikeston.

Missy Marshall, executive director of the Sikeston Area Chamber of Commerce says, “Sikeston is a flag-waving, apple-pie, family-oriented community.” Neighborhoods are filled with friendly

people. Sikeston offers 14 parks, including a recreational complex with tennis courts, and soccer, baseball, and football fields. Two golf courses are located in the area. "Sikeston is a great place to work and live," she adds. As Mayor Marshall says, "Southern hospitality starts in Sikeston."

The Sikeston community is generous, as well. For more than 50 years, the community has hosted the Sikeston Jaycee Bootheel Rodeo, one of the largest in the Midwest, each August. The rodeo, along with live musical entertainment, attracts tens of thousands of fans. All profits from the event are donated to charity, including such organizations as the Kenny Roger's Children Center (a local center for children with disabilities), the Sikeston Public Library, Salvation Army, YMCA, and may others.

Sikeston is known for having an excellent public education system. Sikeston Public High School has earned the A+ designation from the Missouri Department of Elementary and Secondary Education. A+ schools commit to reducing their dropout rates, raising academic expectations, providing career pathways for all students, and working with local business and higher education leaders to better prepare students for life after graduation. In 2007, 50% of high school graduates in Sikeston enrolled in a four-year college or university (as compared to only about 40% for the State of Missouri). Clearly, Sikeston has earned its A+ designation.



Further evidence to Sikeston's commitment to education is the Southeast Missouri State University – Sikeston campus, housed in a modern \$6 million facility. The facility was constructed in 2000 with state funds (\$1.5 million) that were matched by the city of Sikeston from a special one-quarter cent city sales tax. The sales tax has raised sufficient funds to allow the addition of four classrooms and a child development center in 2006. The Sikeston campus offers a wide variety of undergraduate courses, allowing students to complete a bachelor's degree in general studies while never leaving Sikeston. Master's degree courses are also offered at the Sikeston campus. Scholarship funds are available specifically for students attending the Sikeston campus through the generosity of individuals, businesses, and organizations, including Montgomery Bank (the largest privately owned, family bank in Missouri, which is headquartered in Sikeston), the Sikeston Jaycees, the Sikeston Lions Club, and many others. Campus Director, Judy Buck, notes that students like the smaller classes and comfortable setting of the Sikeston campus, as well as the convenience that it offers to its 750 attendees.

In the hope of facilitating redevelopment in its distressed neighborhoods, Sikeston's Land Clearance for Redevelopment Authority uses its powers, with City Council approval, to acquire land, remove abandoned structures, and redevelop blighted areas. So far, "one hundred and fifty abandoned houses have been demolished," reports Mayor Marshall, "and no families have been displaced." The acquired lots have been reconfigured to make them larger and more buildable. The LCRA has recently sold its first lots, and the city anticipates new construction to begin in the near future.

For a city its size (17,180 in 2005), Sikeston has an incredibly diverse economy. Major employers include manufacturers (Unilever, 800 employees; Tetra Pak 143 employees; Cott Beverages, 145 employees), health services (Missouri Delta, 640 employees), retail (Lowe's, 120 employees; Wal-Mart, 485 employees; Food Giant, 255 employees), financial services (Montgomery Bank, 116 employees) and government (Sikeston Public Schools, 550 employees; Missouri Department of Transportation, 141 employees; Board of Municipal Utilities, 145 employees). Several of these firms have expanded recently or plan to expand in the near future, further enhancing Sikeston's economic base. While no area is immune to recessions, Sikeston's diversity gives it the economic balance that it needs to weather the inevitable slowdowns that occur from time to time at the national and state levels.

As Sikeston looks forward to its sesquicentennial in 2010, it boasts a wealth of assets that insure a bright economic future. The city seems particularly well situated to capitalize on its location to become a major distribution hub. Sikeston sits at the crossroads of two major railroad lines (Union Pacific and Burlington Northern). In addition, major highways (I-55, I-57, and US 60) offer access in all four directions. The continuing construction by the Missouri Department of Transportation to make US 60 into a four-lane highway all the way to Springfield will significantly improve access to the west for truckers. Sikeston is also close to the Southeast Missouri Port Authority in Scott City and is within a couple of hours of both the St. Louis airport and Memphis airports. So whether a business wishes to ship by barge, truck, or train, Sikeston can easily accommodate it.



Economic development is important to Sikeston. The city's industrial park is an important asset. Ed Dust, Director of Economic Development for the city, offers a one-stop source of assistance for any business, large or small, that has a problem, question, or suggestion for improvement. Other businesses call this customer

service, while Sikeston just calls it their way of doing things. The Sikeston Business, Education and Technology Park offers 600 acres at affordable prices for new businesses to locate. "Sikeston offers an abundance of infrastructure," notes Dust. "The city owns and operates the Sikeston Power Plant, a 235 megawatt coal-fired power plant, providing low-cost electricity." The city also owns and operates eight wells, three water plants, and two waste treatment plants. The two communications companies in the area offer Fiber Optic Loop/DSL. When we put all of these assets together: great location, affordable space and abundance of developed industrial property, we can see that Sikeston is a particularly attractive site for any business.


The biggest challenge facing Sikeston as it moves forward is the development and retention of a quality labor force. Similar to many rural cities, Sikeston sees many of its best and brightest young people leave for college and seek opportunities elsewhere after graduation. The city is trying to reconnect with former residents and show them that Sikeston is a family-friendly place with many employment opportunities that offer meaningful personal growth and development. This can be a challenge for any city, but Sikeston sees this as a necessity as it moves forward in the 21<sup>st</sup> Century.

-- Diane F. Primont and Bruce R. Domazlicky

*Sikeston, MO, by the Numbers*

<b>Population (2005)</b>	<b>Sikeston</b>	<b>17,180</b>
	Scott County	41,143
	New Madrid County	18,566
<b>Labor Force (2006)</b>	Scott County	20,079
	New Madrid County	8,481
<b>Unemployment Rate (2006)</b>	Scott County	5.4%
	New Madrid County	6.7%
<b>Median Household income (2004)</b>	Scott County	\$33,707
	New Madrid County	\$29,676
<b>Sales Tax Receipts (2006)</b>	<b>Sikeston</b>	<b>\$2,835,418</b>

Source: U.S. Census Bureau; Missouri Department of Revenue

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