

Missouri's New Business Formations 2009

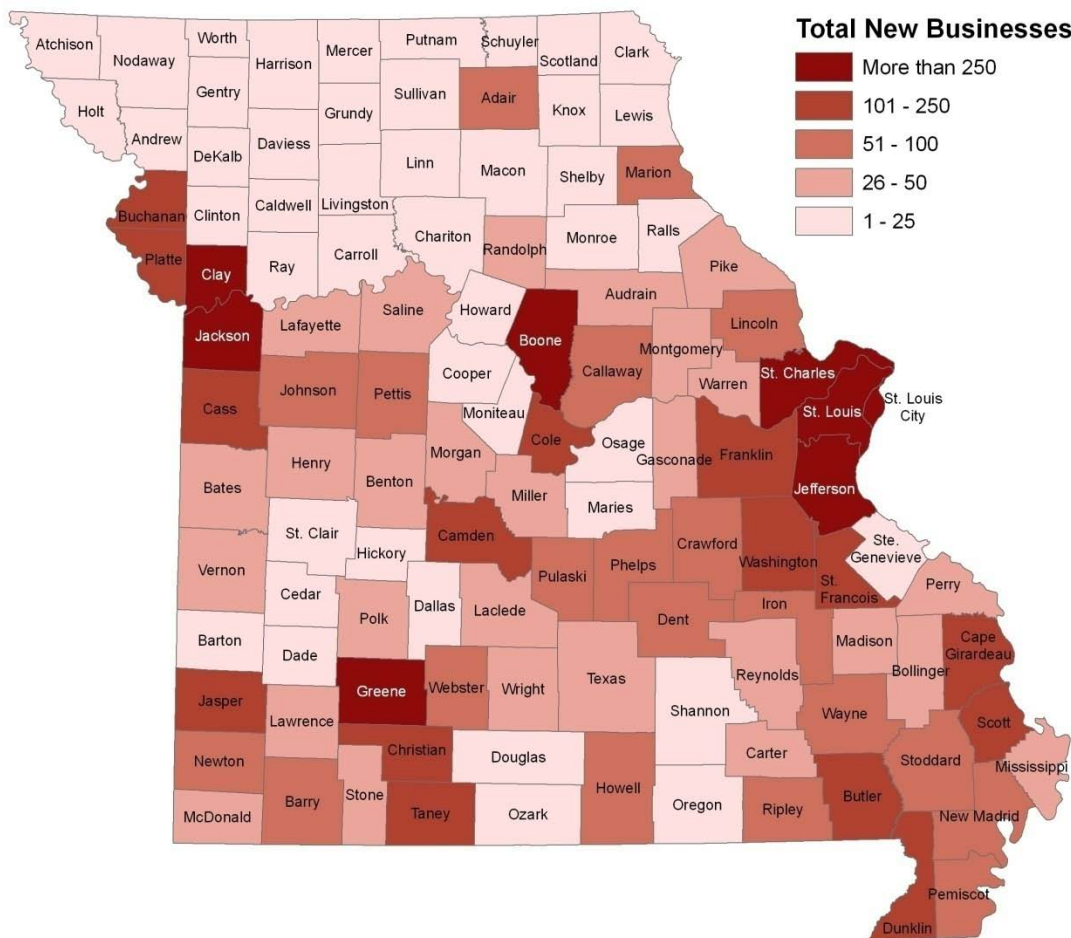
New businesses bring industry diversity and job growth to a region and are a major engine for economic growth. Research has shown a positive relationship between levels of entrepreneurial activity and economic growth across countries.¹

The Missouri Economic Research and Information Center (MERIC) monitors new business formations through the use of its business indicator. The indicator measures unemployment insurance accounts established in the state. This allows MERIC to gauge the number of new Missouri businesses by industry as well as by county.

In 2009, Missouri had 13,415 new business formations, a decrease from the 2008 total of 14,259.

Every county in Missouri had new business formations in 2009. The five counties with the highest number were St. Louis County, Jackson, St. Louis City, St. Charles, and Greene. Counties encompassing the metro areas of Kansas City, St. Louis, Columbia, and Springfield also had high new business formation counts.

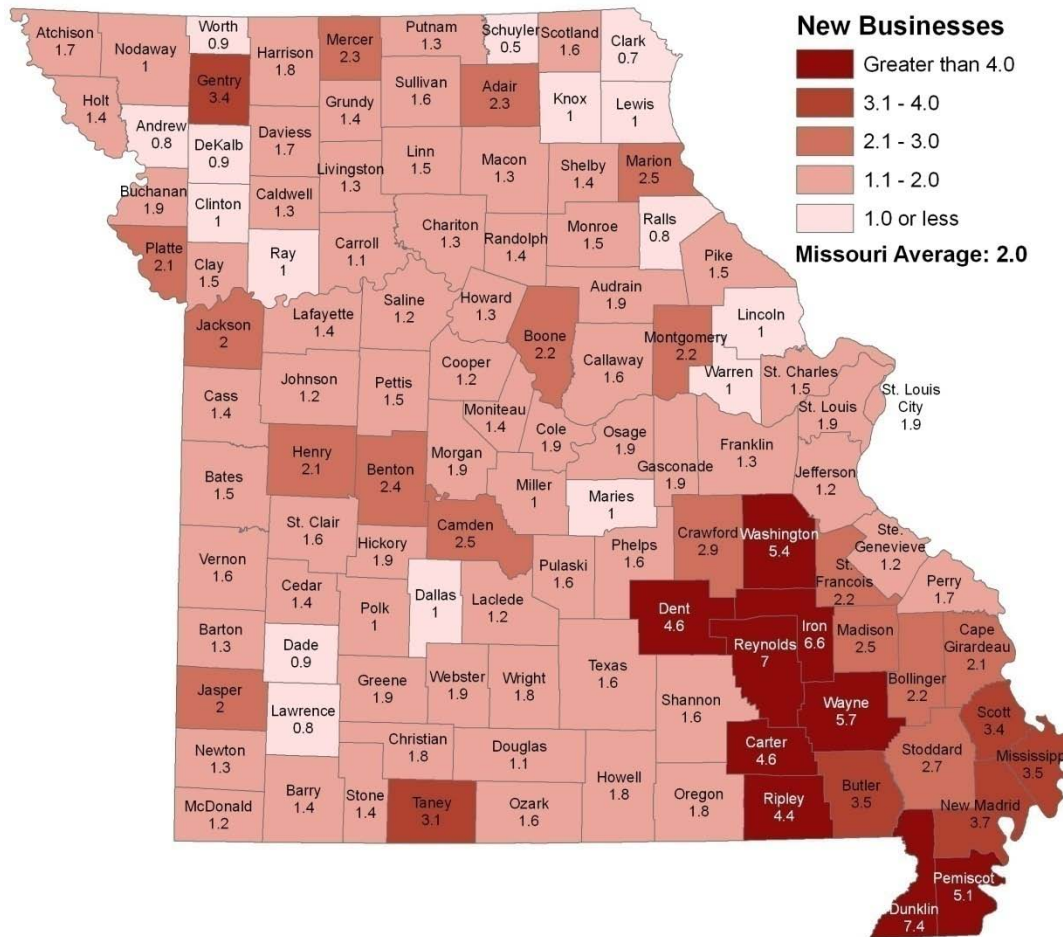
Total New Businesses in Missouri 2009



Total business formation tends to be highest in urban areas that have high population density. The map below shows new business starts per 1,000 people for each county in Missouri. This map is useful because it allows business growth to be standardized by population, making it possible to identify rural counties with high business growth.

This map shows that counties in the southeastern region of the state experienced high business formation compared to the average new business formation rate for Missouri of 2.0 new businesses per 1,000 population in 2009.ⁱⁱ Tourist areas such as Taney County (Branson) and Camden, Benton, and Henry Counties (Lake of the Ozarks) also experienced high business growth relative to population in the area. Gentry County shows high growth relative to its population due to 22 business starts in 2009.

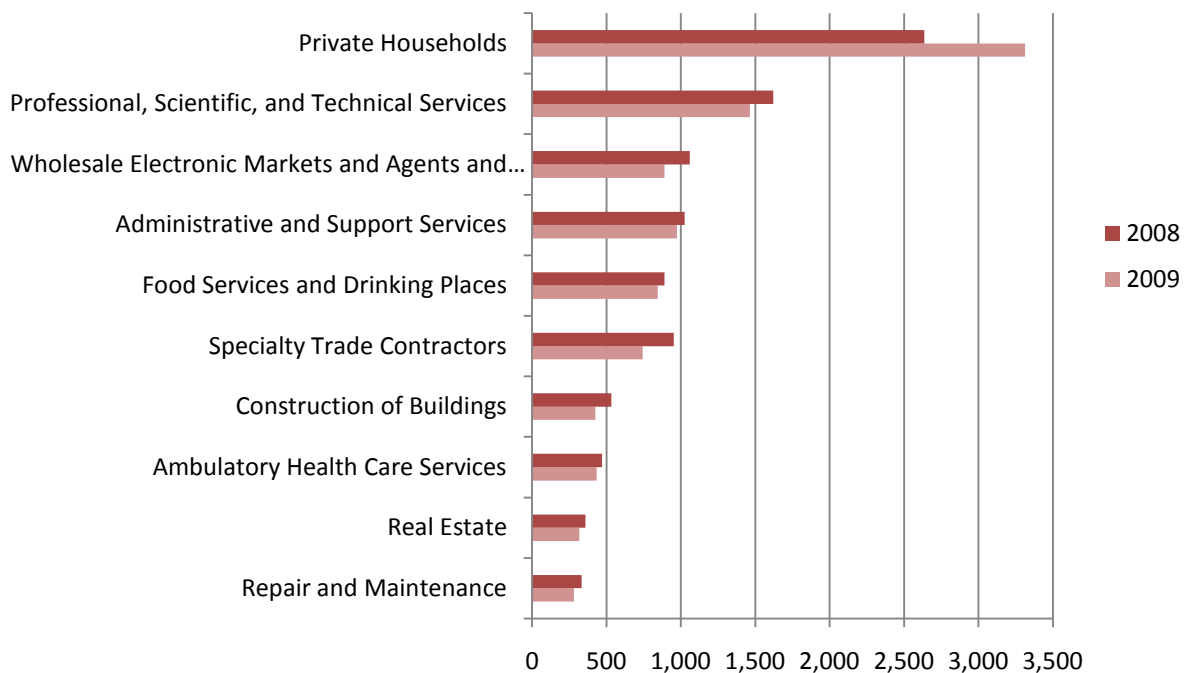
New Businesses in Missouri Counties Per 1,000 Population, 2009



Missouri's new business growth was concentrated in Private Household Employers (24.7%), Professional and Technical Services (10.9%), Wholesale Electronic Markets (6.6%), Administrative and Support Services (7.3%), and Specialty Trade Contractors (5.5%). These industries and their definitions are listed below.

- **Private Households:** Private households engage in employing workers in activities concerned with the operation of households. This includes households that employ cooks, butlers, nannies, housekeepers, and gardeners.
- **Professional and Technical Services:** Businesses highly dependent on technical skills. Examples include law firms, accounting firms, architectural and engineering firms, and business consulting.
- **Wholesale Electronic Markets:** Establishments whose primary activity is arranging for the sale of goods owned by others, generally on a fee or commission basis. This includes agents and brokers as well as business to business electronic markets that facilitate wholesale trade.
- **Administrative and Support Services:** Establishments engaged in activities that support the day-to-day operations of other organizations such as cleaning services, general management, and personnel administration.
- **Specialty Trade Contractors:** Establishments whose primary activity is performing specific activities (e.g., pouring concrete, site preparation, plumbing, painting, and electrical work) involved in building construction.

Missouri's Top Ten Industries for New Business



New Businesses in Missouri by Major Economic Sector 2009

Sector	New Businesses	Percent
Agriculture, Forestry, Fishing & Hunting	88	0.7%
Mining	13	0.1%
Utilities	7	0.1%
Construction	1263	9.4%
Manufacturing	266	2.0%
Wholesale Trade	1100	8.2%
Retail Trade	764	5.7%
Transportation and Warehousing	473	3.5%
Information	201	1.5%
Finance, Insurance & Real Estate	876	6.5%
Services	8345	62.2%
Public Administration	12	0.1%
Unknown	7	0.1%
Total	13,415	--

**New Business Formations by County
2009**

Area	New Businesses	Area	New Businesses	Area	New Businesses
Missouri	13,415	Greene	509	Pemiscot	97
Adair	56	Grundy	14	Perry	32
Andrew	14	Harrison	16	Pettis	62
Atchison	10	Henry	48	Phelps	67
Audrain	50	Hickory	18	Pike	27
Barry	52	Holt	7	Platte	180
Barton	17	Howard	13	Polk	32
Bates	26	Howell	69	Pulaski	71
Benton	45	Iron	69	Putnam	7
Bollinger	27	Jackson	1,371	Ralls	8
Boone	347	Jasper	233	Randolph	36
Buchanan	166	Jefferson	271	Ray	24
Butler	143	Johnson	63	Reynolds	46
Caldwell	12	Knox	4	Ripley	60
Callaway	69	Laclede	41	Saline	27
Camden	103	Lafayette	46	Schuyler	2
Cape Girardeau	156	Lawrence	32	Scotland	8
Carroll	11	Lewis	10	Scott	140
Carter	28	Lincoln	53	Shannon	14
Cass	142	Linn	19	Shelby	9
Cedar	19	Livingston	19	St. Charles	551
Chariton	10	Macon	21	St. Clair	15
Christian	143	Madison	30	St. Francois	139
Clark	5	Maries	9	St. Louis	1,952
Clay	321	Marion	70	St. Louis City	669
Clinton	21	McDonald	28	Ste. Genevieve	21
Cole	142	Mercer	8	Stoddard	80
Cooper	21	Miller	26	Stone	47
Crawford	70	Mississippi	48	Sullivan	11
Dade	7	Moniteau	22	Taney	149
Dallas	17	Monroe	14	Texas	38
Daviess	14	Montgomery	27	Vernon	32
DeKalb	11	Morgan	41	Warren	31
Dent	69	New Madrid	70	Washington	132
Douglas	15	Newton	73	Wayne	74
Dunklin	237	Nodaway	23	Webster	69
Franklin	131	Oregon	19	Worth	2
Gasconade	31	Osage	25	Wright	33
Gentry	22	Ozark	15	Unassigned	2,147

Non-Employer Firms

This report primarily captures employment and firm counts of businesses that employ one or more individuals. Non-employer firms represent another group of businesses which tend to provide supplementary income to their owners but are most likely not a primary source of income. Non-employer firms are registered with the Secretary of State and constitute roughly 80% of the total businesses and 3% of total sales activity in the state.ⁱⁱⁱ

Endnotes

ⁱ Reynolds, Paul D., Hay, Michael, Bygrave, William D., Camp, S. Michael, and Autio, Erko. *Global Entrepreneurship Monitor (GEM) 2000 Executive Report*. (Ewing Marion Kauffman Foundation, 2000). <http://www.esbri.se/gem-rapport.pdf>

ⁱⁱ Population data for calculating per 1,000 population figures uses 2009 population estimates from ESRI Business Analyst 2009 data update.

ⁱⁱⁱ U.S. Census and Missouri Secretary of State