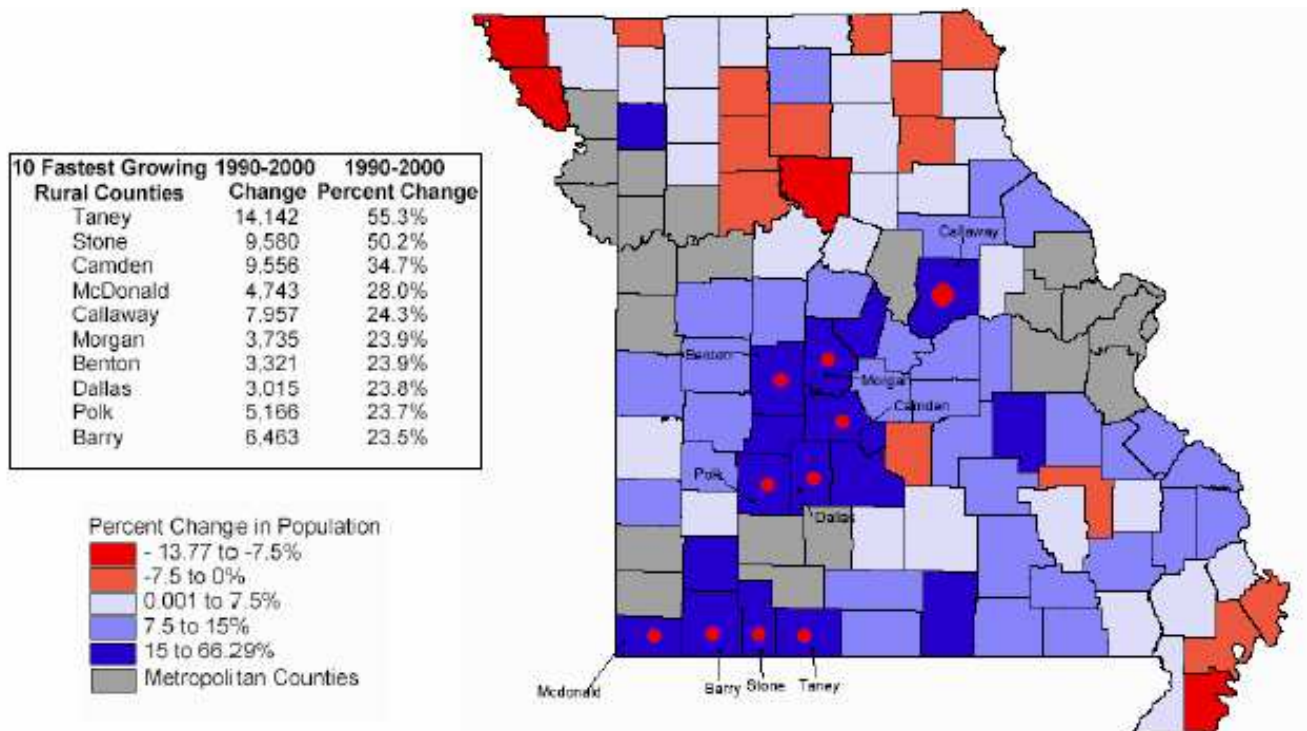


DEMOGRAPHICS

Demographics is the characteristics of the population (age and income distribution and trends, mobility, educational attainment, home ownership and employment, for example) for purposes of social studies. It is also useful in marketing, marketing research, opinion research, political research, and study of consumer behavior.



General Population 3.1

total population, age, language, family and household size

Social Characteristics 3.2

community, education, disability, veterans

Economic Characteristics 3.3

income, poverty, labor force, industry and occupation, time to work

Housing Characteristics 3.4

home ownership, availability, affordability, household expense

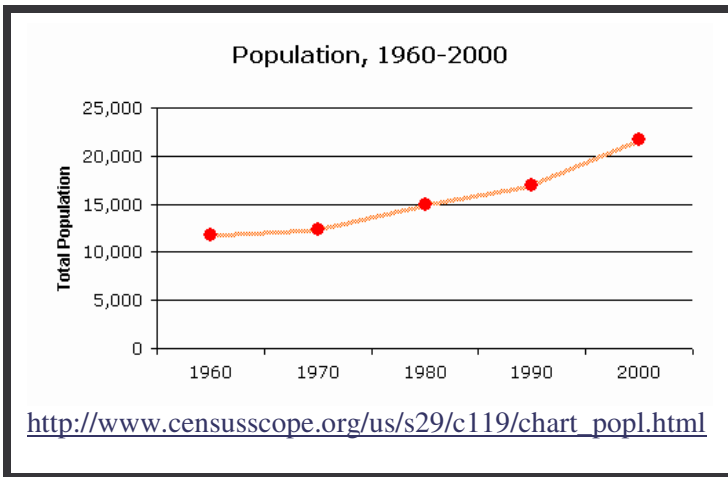
Projections and Trends 3.5

Population trends, County Budget, Business Expansion, Unemployment, Highway upgrades, Economic Growth Momentum, School Enrollment Increases

General Population 3.1

Demographic Information about McDonald County residents was attained from the U.S. Census 2000 Data. At that time, the population of McDonald County was 21,681 with 40 persons per square mile. Population growth between 1990 and 2000 was 28.0%. Of the total County population, 10,701 (49.4%) are women, and 10,980 (50.6%) are men. Of the complete population, 28.9% is under the age of 18 years old (6,259 minors), and 11.3% is over 65 years old (2,440 elderly persons). Estimates for 2004 showed the greatest concentration of population to be in open country areas of McDonald County. While 29.7 percent lived in small towns, 70.3 percent lived in open country areas.

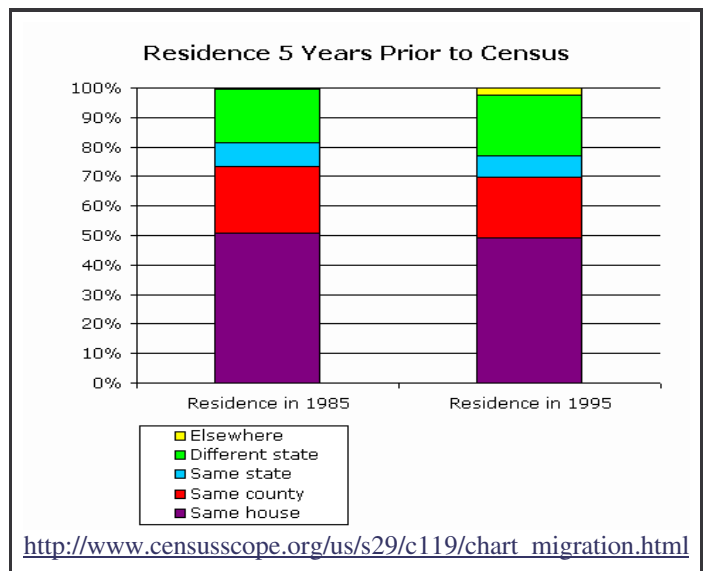
McDonald County Population Statistics		
People Quick Facts	McDonald County	Missouri
Population, 2000	21,681	5,595,211
Population, percent change, 1990 to 2000	28.0%	9.3%
Persons Under 5 years old, 2000	1,687 (7.8%)	369,284 (6.6%)
Persons Under 18 years old, 2000	6,259 (28.9%)	1,426,779 (25.5%)
Persons 65 years old and over, 2000	2,440 (11.3%)	755,353 (13.5%)
<i>Source: US Census Bureau 2000</i>		



McDonald County now ranks 52nd in total population out of the 115 Missouri Counties, but it ranks number four in growth of rural counties. Influence from the Fayetteville -Springdale - Rogers Metropolitan Statical Area (MSA) in NW Arkansas is largely responsible for the explosive growth that is occurring, resulting in McDonald County becoming officially a part of that MSA. Although now part of a Metropolitan area, McDonald County remains largely rural and many current residents are perfectly willing to

remain that way. That same rural atmosphere and beauty attracts newcomers to settle here - bringing population growth to the county. However, the potential and change promised by growth lends an excitement to the future for McDonald County.

The chart to the right shows that the population of McDonald County is quite stable. Half of the population have lived in the same house for at least ten years. An additional 20% resided at another home within the county. Of the remaining 30%, who would be the newcomers, most came from another state rather than within Missouri. As of the 2000 census (this chart ended in 1995) a large percent of the newcomers

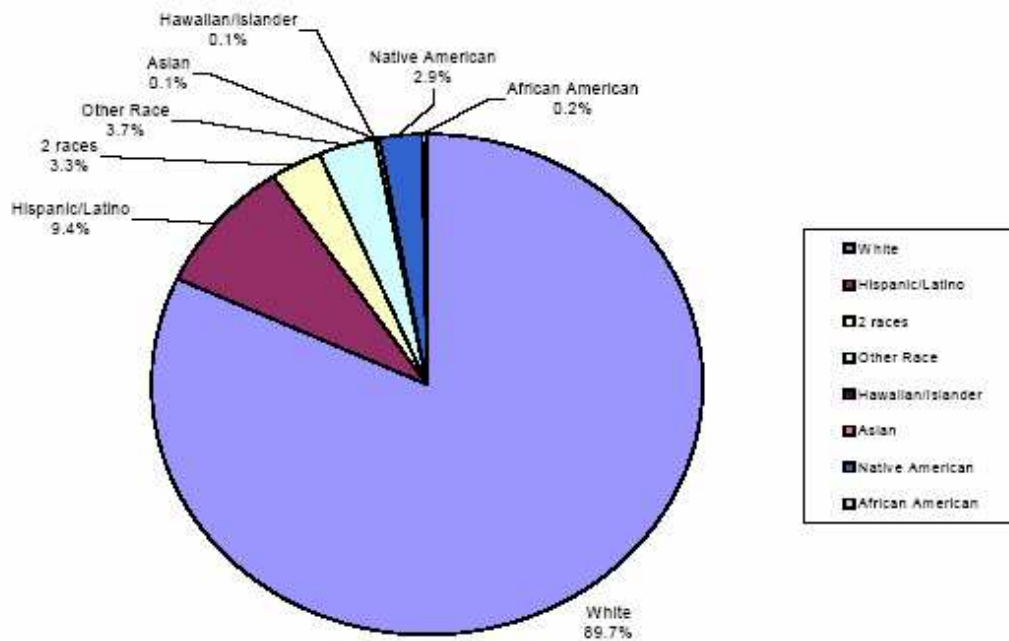


PLACE OF BIRTH	2000 US Census	
Total population 2000	21,681	100.0
Native	20,466	94.4
Born in United States	20,319	93.7
State of residence	7,220	33.3
Different state	13,099	60.4
Born outside United States	147	0.7
Foreign born	1,215	5.6
Entered 1990 to March 2000	775	3.6
Naturalized citizen	213	1.0
Not a citizen	1,002	4.6

are from another country such as Mexico, a trend which was just beginning to be evident in 1995.

Of the 21,681 persons, 19,440 (89.7%) are Caucasian, and the other 2,241 people are minorities (10.3% are Hispanic/Latino, African American, Asian, Native American, and/or other non-white people).

McDonald County population Breakdown Chart



<http://www.hstc>



McDonald County Population Density Map

Population Density (Persons/Square Mile)



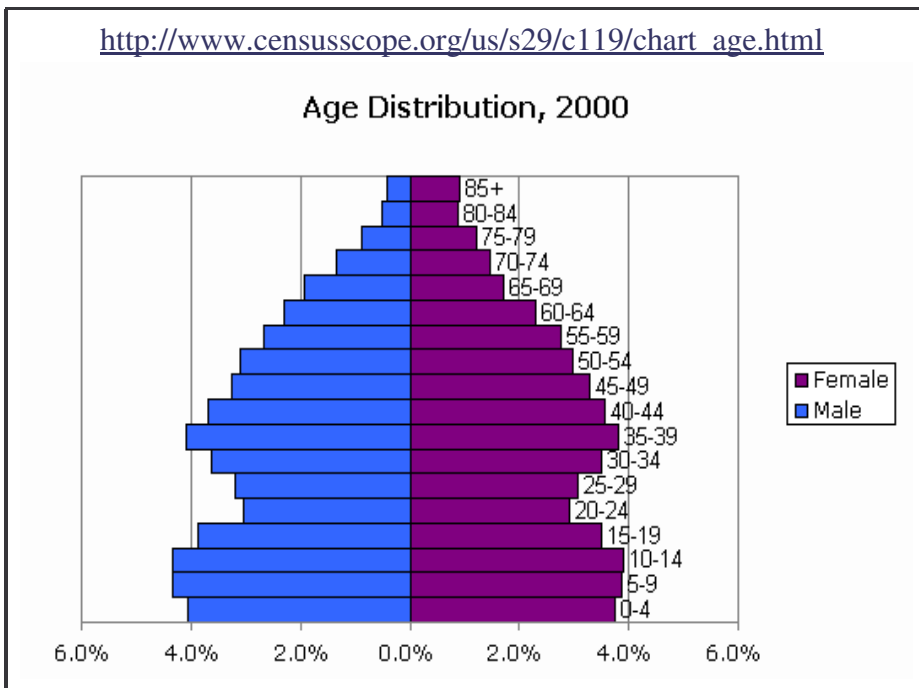
<http://mc-dc-maps.missouri.edu/website/popperch/viewer.htm>

Strong families grow in McDonald County. The rate of married couples is 5% higher than the national average. Additionally, many families have parents who, although not legally married, function quite well in this non-traditional relationship. Never the less, the 2000 census showed a slight decline in the percent of married couples and a corresponding increase in non-family and single parent households. The percentage of married couples **with** children under 18 has declined slightly. Although percentage of married couples **without**

	1990		2000	
	Number	Percent	Number	Percent
Total Households	6,386	100.00%	8,113	100.00%
Married Couple	4,058	63.55%	4,677	57.65%
With Children*	1,818	28.47%	2,120	26.13%
Without Children*	2,240	35.08%	2,557	31.52%
Female Householder, no spouse	504	7.89%	777	9.58%
With Children*	309	4.84%	510	6.29%
Without Children*	195	3.05%	267	3.29%
Male Householder, no spouse	222	3.48%	413	5.09%
With Children*	142	2.22%	265	3.27%
Without Children*	80	1.25%	148	1.82%
Non-Family Households	1,602	25.09%	2,246	27.68%
Living Alone	1,434	22.46%	1,890	23.30%
Two or More Persons	168	2.63%	356	4.39%

*In this table, children are people under age 18.
2000 US Census data

children under 18 has declined, they out-number couples with young children. Missouri has 6.6% of its population as children under five compared to the US average of 6.8%. In McDonald County, children under five represent a much larger 7.2% of our population, which is 10% higher than the state average. This will have consequences on the educational system.



Household size in McDonald County is slightly larger than the national average and the age of citizens is slightly younger than that of the national average.

Although the population of the US is aging, in McDonald County the percentage of citizens over 65 has decreased significantly. The number of seniors remains the same, but the percent goes down. This indicates that seniors are not moving into McDonald County and may even be leaving for retirement.

The most dramatic change in McDonald County population during the past decade has been the emergence of a large Latino community. This has been due in large part to the presence of the poultry industry and the processing plants which serve farmers in this county. From 121 Latinos in 1990, numbers increased to 2,030 in 2000, an astounding jump to 9.4% percent of the county population.

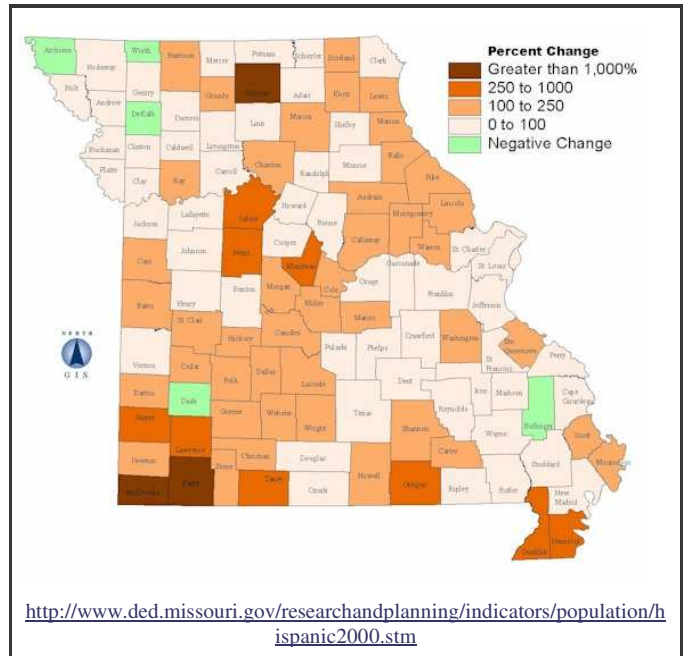
DRAMATIC GROWTH OF HISPANIC POPULATION IN McDONALD COUNTY FROM 1990 TO 2000 AN INCREASE OF 1,577%

<http://oseda.missouri.edu/trendltr/yr2001/tables/hispantbl.html>

The map to the right shows how atypical this increase was for a Missouri county. Jobs are available in the processing plants, but also in the booming construction industry and the increasing numbers of food service establishments.

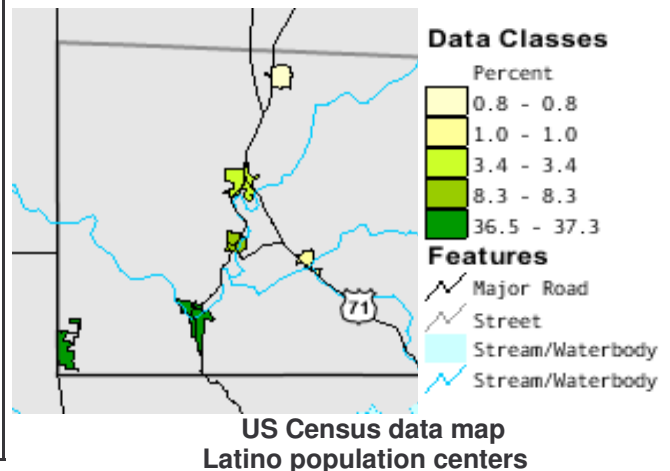
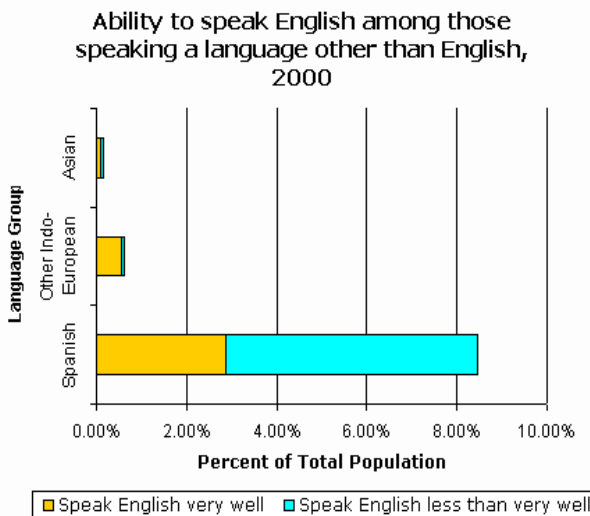
Unemployment levels remain low, but under-employment is an issue for families. With low wages and uncertain work schedules, at least two incomes are often required to move a family from poverty status which stands at 20% in McDonald County.

Many Latino immigrants do not speak English well, contributing to communication problems in the schools and the community. Also at issue is the drain of wealth from the local economy when earnings are sent to Mexico rather than being invested in the community. The



map at right shows the distribution of the Latino population throughout McDonald County.

http://www.censuscope.org/us/s29/c119/chart_language.html



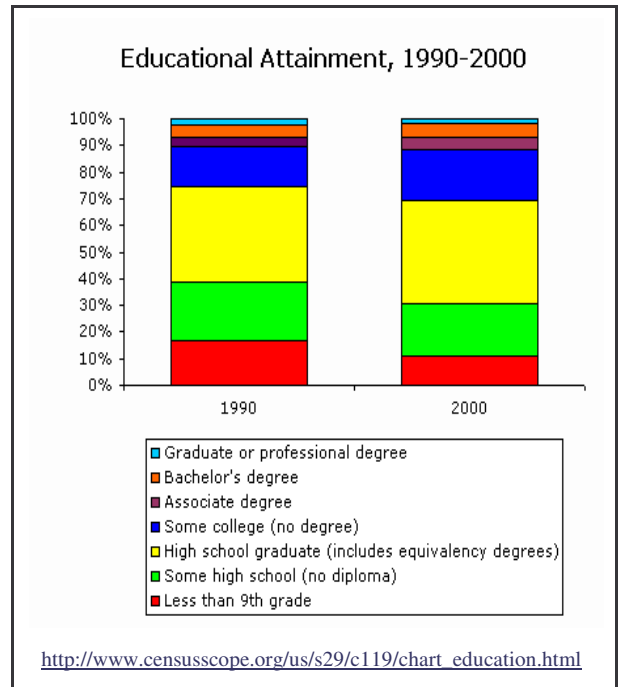
Social Characteristics 3.2

education, veterans, disability

EDUCATION

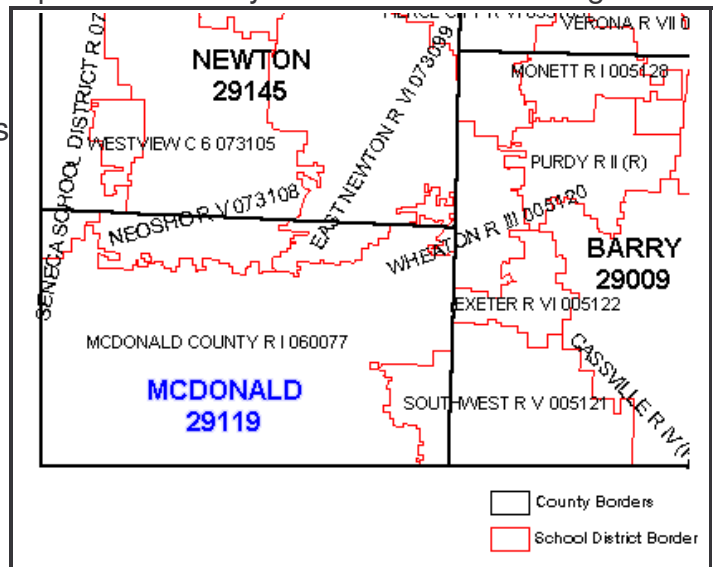
Education attainment in McDonald County lags behind neighboring counties and the national averages for graduation from high school, and is less than half the average in degrees of higher education. The good news is that the past decade has produced a marked improvement in educational achievement levels of county residents. Citizens of McDonald County expressed their commitment for education in 2006 by passing a bond issue to expand school facilities.

Boundaries of our R1 School District are not the county line. In many of the border areas of the county students attend school in cities outside of McDonald County such as Seneca, Neosho and Wheaton. Although these children are not students of the R1 school district, they are all students from McDonald County and should be planned for accordingly.



The Missouri Association of Rural Education reports that family income level is the single largest predictor of student achievement. Twenty percent of the population of McDonald County have income below the poverty level and the average income level is only roughly 60% of the national average, which helps to explain the lower levels of academic achievement in our county.

That same report says that **smaller** schools narrow the achievement gap between wealthier and poorer students. In addition, students in small schools are less likely to drop out, have a more positive attitude and less disruptive behavior. The parents are more involved in the educational process which carries over to improved student involvement in extracurricular activities and higher attendance rates. Safety improves in small schools and rates of incidence of alcohol and drug abuse by students decline. (http://files.ruraledu.org/docs/missouri/small_schools.pdf)



Property tax dollars go toward education. The following chart (statistics predate the 2006 bond issue which passed) shows how the property tax dollar is divided. Over 11% goes to Crowder College which has its main campus in Newton County. Crowder College has plans for a

EDUCATION FINANCE STATISTICS CHART

Where Your McDonald County
PROPERTY TAX DOLLAR Goes:



Schools = 85.02%



Crowder
= 11.34%



Library
= 2.79%



State
= 0.85%

McDonald County campus in the near future, most probably in the Jane community near the state line.

McDonald County has two public libraries which are funded with property tax dollars. The main library is in Pineville with a branch in Noel. The above dollar graphic was found on the McDonald County Library website:

<http://www.librarymail.org/>

VETERANS

Military service is a strong tradition in McDonald County, the home of 2125 veterans of active duty service in the US military. This number is 13.8% of the adults over 25 in our county and a full percent higher than the national average. The Pineville-Jane American Legion Post 392. actively supports and serves both veterans and community members currently serving active duty in the armed forces.

The 203rd Engineer Battalion is a Missouri Army National Guard regiment proudly known as the Houn' Dawg Outfit. Since 1925, the distinctive insignia (DI) of that regiment has been a dog with a banner under it advising: "Don't Kick Our Dog." Battery E of the 203 Engineers, stationed in Anderson, was most recently deployed in support of Operation Iraqi Freedom and has played a vital role in the stabilization and rebuilding of Iraq.



DISABILITY

Nearly 20% of US citizens have a long lasting or permanent disability, about half of which affect employability. In McDonald County, the percentage of disability is roughly 8% higher than the national average. Disability affects income levels and the need for medical care, and in many cases, require assistance with living. Poverty increases in the disabled population. There were 1,342 persons (57.4%) age 65 and older in the county who reported having a disability in 2000. The corresponding Missouri rate was 55.3 percent. Among the working age population in McDonald County, 1,735 reported some disability—a rate of 12.7 percent compared to a state rate of 10.8 percent.

	TOTAL	PERCENT
Population 21 to 64 years	12119	100
With a disability	2636	21.8
Percent employed	51.2	(X)
No disability	9,483	78.2
Percent employed	76.1	(X)

2000 US Census data.

Economic Characteristics 3.3

income, poverty, labor force, industry and occupation, time to work,

INCOME

By all statistical counts, McDonald County is a “poor county”. Income is far below the national average and poverty is considerably above the national average. So why do McDonald Countians not consider themselves poor?

	Number	percent	US
Median household <u>income</u> in 1999 (dollars)	27,010	(X)	41,994
Median family income in 1999 (dollars)	31,530	(X)	50,046
Per capita income in 1999 (dollars)	13,175	(X)	21,587
Families below poverty level	918	15.6	9.2%
Individuals below poverty level	4,447	20.7	12.4%

2000 US Census data

Wealth can be measured in many ways. In the **McDONALD COUNTY SESQUICENTENNIAL FAMILY HISTORIES**, editor George Pogue says *“The only time McDonald County was ever poor was when an outsider called it poor. McDonald County has always remained strong and healthy in family, friends and natural beauty. And that is the wealth of mankind.”*

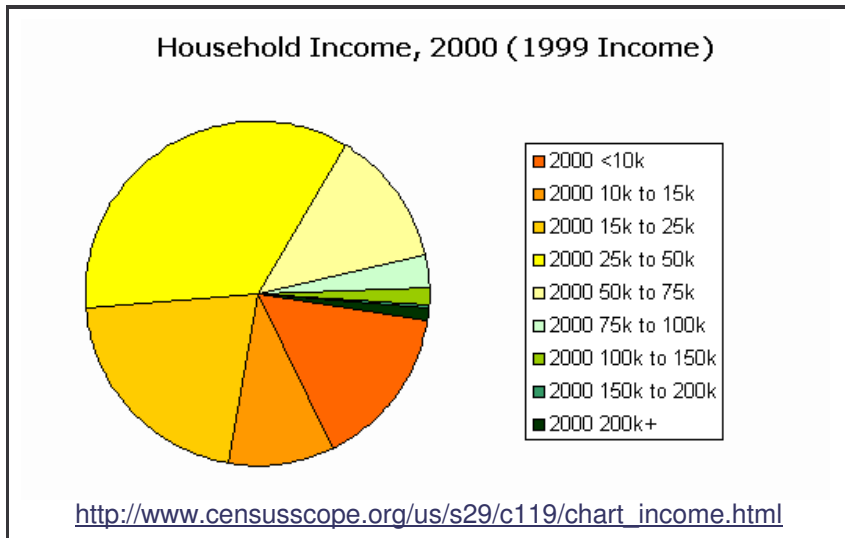
A closer look at the statistics for our county will show that wealth in McDonald County cannot truly be measured by national statistics. Yes, income is lower and many homes do not cost very much – but that enables people of McDonald County to own their homes. They may not be “mansions” but they are home and the citizens here sink their family roots deep into the rural soil. Home ownership is also an investment which adds a measure of stability, savings and wealth for those families.



The **Cost of Living Index** also provides a clue as to why citizens of McDonald County do not consider themselves “poor”. Missouri has the fifth lowest cost of living of any state at 90% of the national average. A look at the chart to the left shows the closest city to us, Joplin, has a considerably lower cost of living than the rest of the state at roughly 82% of the national average. It would be a reasonable assumption that the cost of living in McDonald County is

even lower than in Joplin's metropolitan area. If you adjust the income levels to the cost of living index, our citizens are no longer as poor as the statistics would indicate. And poverty levels would not seem so extreme.

The rural lifestyle has always been the basis for life in McDonald County. In the early days of our county families were self sufficient, producing their own food and clothing, building their own homes and supplying the firewood to heat them, and raising their own horses and mules for transportation. Livestock was easy to raise and the sale of excess stock gave substantial incomes for those early residents to purchase necessities they could not provide themselves.



The electrification of the county in mid-century brought new expenses, TV's and desire for appliances. Automobiles began to carry rural folks to the city to work so they could purchase these new necessities of life. Household work was made easier at just the time when women came into the workforce. Gone were many of the tasks which had made the family self sufficient such as milking the family cow and baking bread.

Not all of the rural self-sufficiency has been lost, and much of what remains contributes greatly to the well being of citizens of McDonald County. Even on small properties, folks still raise beef or a pig for the freezer and a garden for fresh produce. Excess food is likely to be frozen rather than canned and is generously shared with friends, family and co-workers. Hunting season brings a traditional activity for both sport and to fill the freezer with food. Firewood is cut for home use and energetic men sell the extra to supplement their income. Gathering walnuts in the fall is a popular way for families to generate cash for the upcoming holidays. Raising puppies for sale has become a common way to provide extra income for the family. These are just a few of the ways that rural residents supplement their finances to improve their quality of life.

A second face of rural self-sufficiency are those residents who prefer to do without the modern trappings such as cell phones, computers, late model vehicles and new homes in order to remain in their rural environment. They do this in exchange for simpler lifestyle which allows them to avoid becoming 'employees' working for someone else. They find enough income on their farms and by "helping" their neighbors to enable them to "get by". Their dollar incomes may be well below the national "poverty" level, but the lifestyle is of their choosing.

In Missouri, the tax burden on citizens is among the lowest in the nation, ranking 38 out of 50 states. In McDonald County, the tax burden is much lower than the state average. Incomes are lower – less income tax paid. Property costs less – lower property taxes are paid. Sales tax in the county is lower than in cities. Adding up these savings represents a major benefit in our county.

Add all these factors to supplement the average income in McDonald County and one can see that even in dollars, the citizens here are not 'poor'. And just as George Pogue remarks, citizens of McDonald County are VERY wealthy in treasures around them.

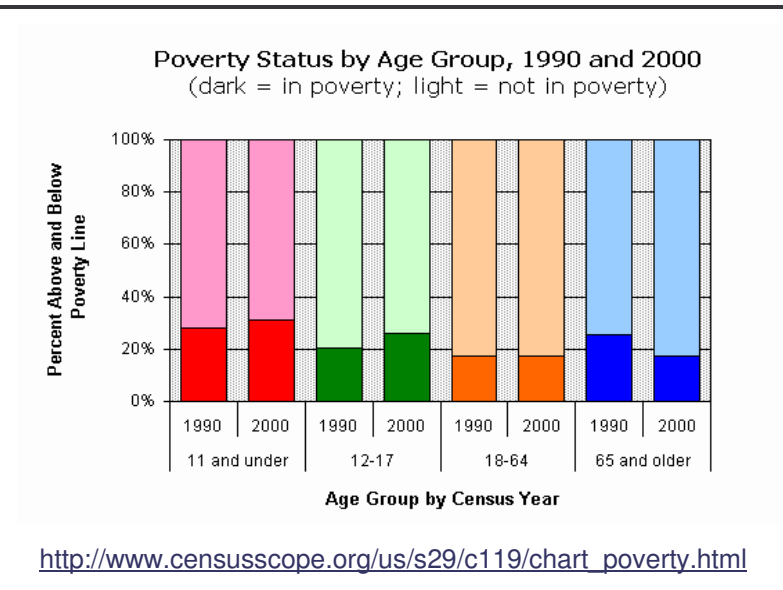
POVERTY

There is no denying that a significant number of individuals and families in McDonald County truly are poor, or living in poverty, without the level of income sufficient to maintain a minimal standard of living. Inadequate food, shelter and clothing are the result.

Poverty rate in the community is an important measure of well being of its citizens.

In 2001, the average income nationally for a family of four to be considered in poverty was \$17,603. The average income deficit for poor families — the amount needed to raise a family out of poverty — was \$6,820. This figure is not adjusted for the cost of living index.

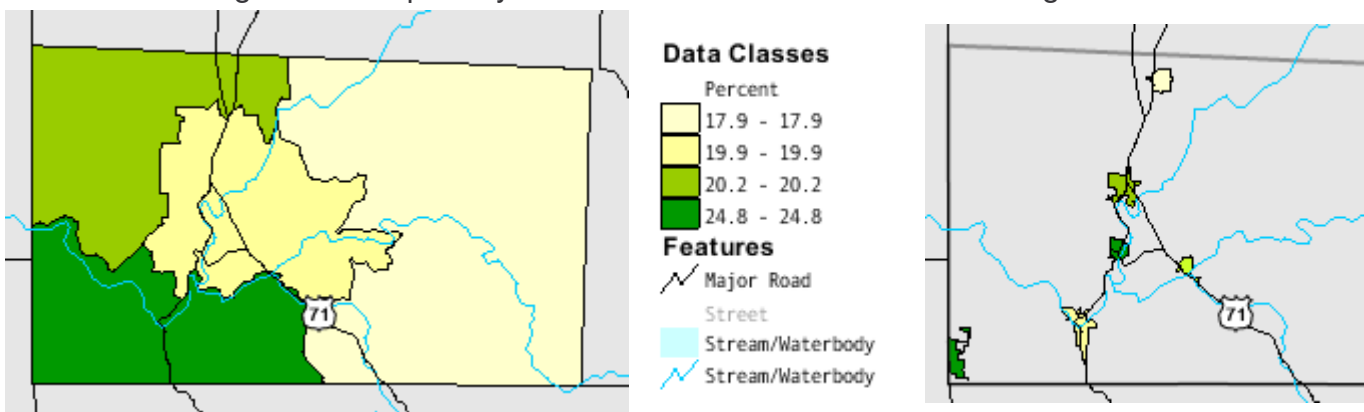
McDonald County has considerably more poverty than Missouri or the US



as a whole. Our lower cost of living here can help alleviate the difficulties faced by these citizens, but that is not enough to provide a minimal standard of living for most of these 4,447 individuals. (2,649 are over 18 years of age, 403 are over 65 years if age and 1,733 are children under the age of 18) (2000 US Census Data)

	County	%	Missouri	US
Families below poverty level	918	15.6	8.6	9.2%
Individuals below poverty level	4,447	20.7	11.7	12.4%

This poverty within McDonald County is not restricted to any one particular area, although differences within areas are distinguishable. In all areas of the county, the percent of individuals living below the poverty level is well above the national average of 12.4%.



Poverty levels in McDonald County 2000 US Census data

The cities in the following chart represent only a fourth of the county population but likely are representative of the surrounding population. With the exception of Goodman, poverty is higher in the cities than in the surrounding rural areas. When adjusting rates of poverty in the area by city and rural, rural areas remain exceptionally impoverished.

2000 US Census Data

CITY	Category	NUMBER	PERCENT	US
ANDERSON	Families below poverty level	101	21.5	9.20%
ANDERSON	Individuals below poverty level	448	25.1	12.40%
GOODMAN	Families below poverty level	48	14.8	9.20%
GOODMAN	Individuals below poverty level	220	18.3	12.40%
NOEL	Families below poverty level	53	15.4	9.20%
NOEL	Individuals below poverty level	293	21.1	12.40%
PINEVILLE	Families below poverty level	43	19.3	9.2%
PINEVILLE	Individuals below poverty level	183	23.2	12.4%
SOUTH WEST CITY	Families below poverty level	59	29.8	9.2%
SOUTH WEST CITY	Individuals below poverty level	330	40.2	12.4%

Noel and South West City had the lowest education level, youngest average age, higher level of employment, more people who spoke a language other than English at home. They spent less time traveling to work, so worked close to those cities. Family and household size was larger than in the other cities and home ownership was lower. Yet despite these similarities between the two cities, there were CRITICAL differences. Noel had the highest income level of the cities and the lowest poverty and public assistance levels. SW City had the opposite, the lowest income level and highest poverty and public assistance levels. No clues were found to these discrepancies in the demographic tables from the census information, so the answer must likely be found within the community employment opportunities.

The cities of Anderson, Pineville and Goodman also share many similarities. Goodman has a slightly older population, more disability, higher home ownership, more social security and public assistance income and a corresponding lower level of poverty. Pineville had the highest educational attainment but a lower proportion of people in the work force or owning their own homes. Of these three cities, Anderson, Pineville and Goodman, the further North in the county, the longer the drive to work for its citizens. This would indicate that they are more likely to travel South to Arkansas to work rather than North to Neosho or Joplin.

	Anderson	Goodman	Pineville	Noel	SW City
High school graduate or higher	70.2	74	77.1	53.9	54.2
Disability status (population 5 years and over)	19.4	25.8	22.1	22.3	21.4
Speak a language other than English at home	5.30%	1.2	3.30%	39.1	44.4
In labor force (population 16 years and over)	60.00%	60	53.80%	66.6	69.2
Mean travel time to work in minutes	22.8	26.6	22.4	19.5	18.3
Median household income in 1999	23966	26349	24886	27,386	22721
Per capita income in 1999 (dollars)	12967	11052	13414	11166	9526
Individuals below poverty level	25.10%	18.3	23.20%	21	40.2
Families below poverty level	21.50%	14.8	19.30%	15.4	29.8
Owner-occupied housing units	60.1	75.3	57.6	48.9	54.3
Median age (years) of population	35	36.2	34.2	32.2	28.9
Non-family households	35.1	29.7	33	37.3	31.2
Householder living alone	30.5	26.2	29.1	29.3	26.4
Householder 65 years and over	14.2	13.7	13.9	9.2	11.3
Average family size	3.05	3.06	2.98	3.25	3.31
Average household size	2.47	2.57	2.41	2.59	2.75
Class of worker - Private wage and salary	76.9	82.6	80.8	83.8	81.9
With Social Security income	27.2	34.8	27.8	22.1	20.6
With public assistance income	6.9	8.5	6.9	5.4	9.7
65 years and over below poverty level	22.1	16.8	20.4	13.8	33.9

One of the most surprising factors is the low level of public assistance that is received in McDonald County. With a 20.7% poverty level, the level of public assistance is only 4.7% of the citizens, with a dollar amount received which averages only \$2,034. Poverty levels are 24.6% in the city of St Louis where 8.1% of the population receive public assistance of \$2,474. Kansas City has a significantly lower level of poverty than McDonald County or St. Louis at 14.3% and 4% receive public assistance at an average of \$2,712.

The national poverty average is 12.4% with a shortage of \$6,820 required to bring individuals out of poverty. The public assistance offered in McDonald County does not begin to bring these citizens out of poverty so that they can provide the necessary food, shelter and clothing, Additional services are required to supplement the dollar amounts of assistance which is received.

labor force

In 2000, McDonald County had 10,202 citizens over 16 who were employed. This is 63% of the over-16 population with an unemployment rate of 4.2%. In 2006, unemployment in McDonald County dropped to 3.2%. Over 2000 commute to Northwest Arkansas for employment. It is this commute pattern which is largely responsible for McDonald County being included in the NW Arkansas MSA. In NW Arkansas, the unemployment rate is 3.1%.

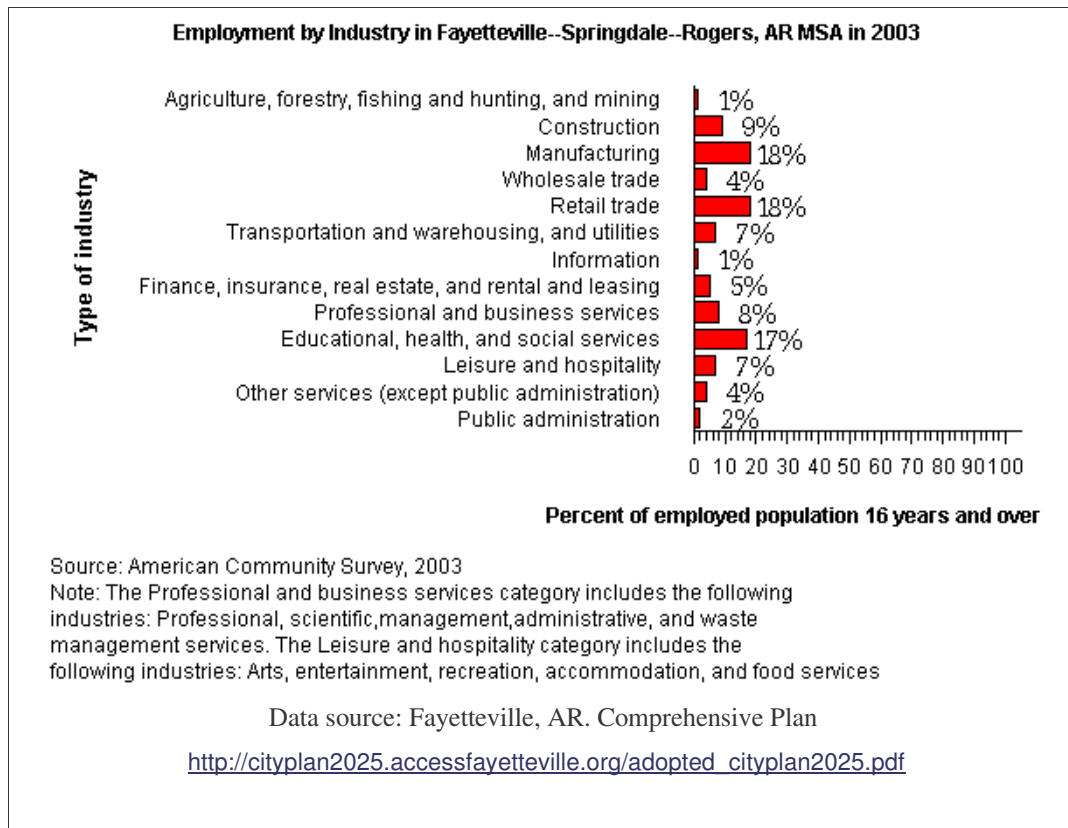
EMPLOYMENT STATUS 2000 US Census Data		
Population 16 years and over	16,134	100.0
In labor force	10,202	63.2
Civilian labor force	10,189	63.2
Employed	9590	60.5
Worked in state of residence	6993	
Worked in county of residence	4953	(X)
Worked outside county of residence	2040	
CLASS OF WORKER		
Private wage and salary workers	7,549	77.4
Government workers	803	8.2
Self-employed workers in own not incorporated business	1,316	13.5
Unpaid family workers	89	0.9

time and commute to work

Mean travel time to work in minutes (workers 16 years and over) for McDonald County is 27.3 minutes versus a national average of 25.5 minutes. Urban workers tend to measure their distance to work in terms of minutes rather than miles due to congestion within urban areas. In our rural county, miles may add to transportation costs, but the precious commodity of time compares reasonably with neighboring urban areas. New residents moving into our county from NW Arkansas are likely to measure their commute in terms of time rather than miles. 67% of commuters from McDonald County drive alone in a vehicle. Only 2.5% could walk to work and 6.7% work at home.

COMMUTING TO WORK		
Workers 16 years and over	9,590	100.0
Car, truck, or van -- drove alone	6,474	67.5
Car, truck, or van -- carpooled	2,129	22.2
Public transportation (including taxicab)	41	0.4
Walked	244	2.5
Other means	103	1.1
Worked at home	599	6.2
Mean travel time to work (minutes)	27.3	(X)

industry and occupation



Because of these employment patterns, it is important to look at the MSA as a whole when considering industry and employment. The dynamic economy of NW Arkansas provides a broad range of employment opportunities within a half hour drive of most McDonald County residents home.

Not only has the makeup of the

American workforce evolved over the past fifty years as more and more women have sought jobs outside the home, but work itself has changed. The service sector has grown and employment in manufacturing has declined.

EARNINGS BY PLACE OF WORK

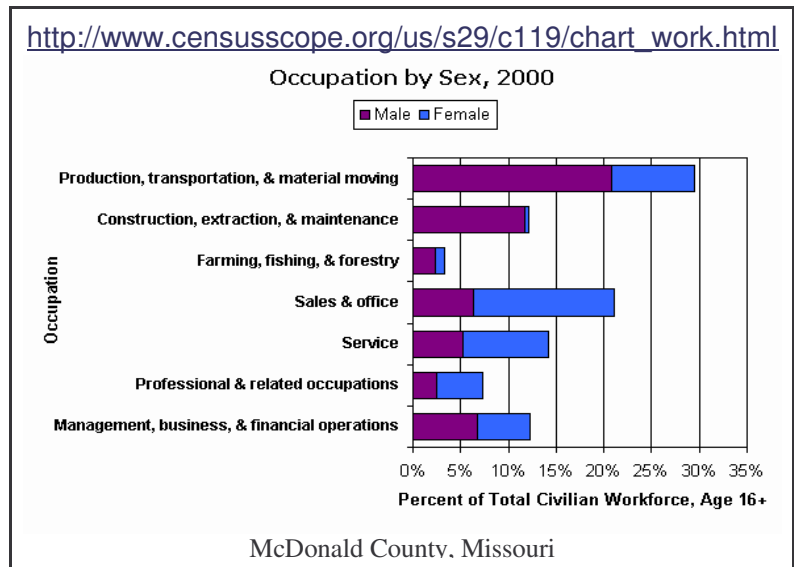
Even though farm incomes have declined, personal incomes are improving in McDonald County - increasing at a much higher rate than the state or national incomes. Earnings of

persons employed in McDonald County increased from \$211,911,000 in 2003 to \$243,058,000 in 2004, an increase of 14.7 percent. The 2003-2004 state change was 5.1 percent and the national change was 6.3 percent. The average annual growth rate from the 1994 estimate of \$123,228,000 to the 2004 estimate was 7.0 percent. The average annual growth rate for the state was 4.8 percent and for the nation was 5.5

The chart below shows that in just 10 years, farm income in McDonald County dropped from

nearly 6% of total income to under 1%. During that same period, however, the income in our county nearly doubled – from \$186,327,000 to \$344,495,000. Farm income dropped from \$11,009,000 to \$2,931,000, a decrease of 73%.

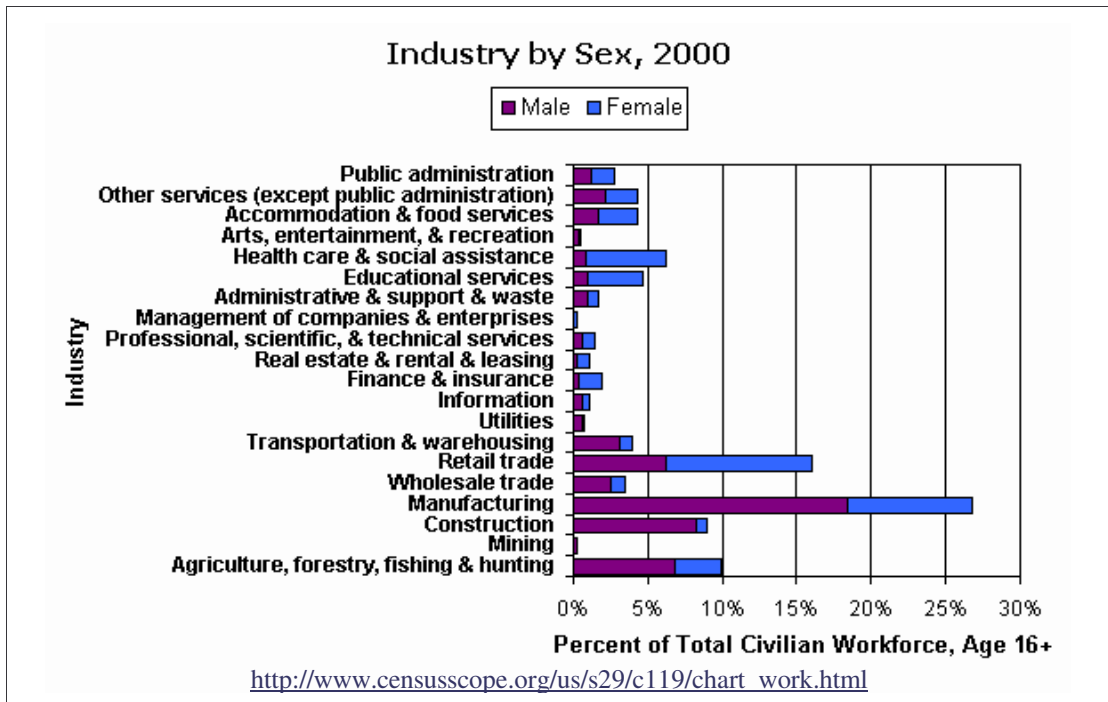
http://www.censusscope.org/us/s29/c119/chart_work.html



DESCRIPTION	1990	% OF TOTAL	2000	% OF TOTAL	CHANGE	PERCENT CHANGE	CHANGE IN % OF TOTAL
PLACE OF RESIDENCE PROFILE							
-Total personal income (\$000)	186,327	100.00	344,495	100.00	158,168	84.89	0.00
--Nonfarm personal income	175,318	94.09	341,564	99.15	166,246	94.83	5.06
--Farm income	11,009	5.91	2,931	0.85	-8,078	-73.38	-5.06

http://www.oseda.missouri.edu/MOSTATS/Missouri/Counties/beapro.McDonald_MO.html

McDonald County Economic Indicators		
Employment Status	Number	Percent
Population (16 years or older)	16,134	100%
Civilian Labor Force	10,202	63.2%
Unemployed	432	2.7%
Industry Sectors		
Manufacturing	2,608	26.7%
Wholesale Trade	334	3.5%
Retail Trade	1,557	16%
Real Estate, Rental, & Leasing	289	3%
Professional, Scientific, Management, Administrative, and Waste Management Services	326	3.3%
Educational, Health Care & Social Services	1,060	10.9%
Arts, Entertainment, & Recreation, Accommodation & Food Services	459	4.7%
Other Services (Except Public Administration)	424	4.3%
<i>Source: US Census Bureau 2000</i>		



The actual industries in McDonald County reflect a much more agricultural and manufacturing base than is found in NW Arkansas.

While farming traditionally has been the primary industry in McDonald County, it is undergoing

tremendous change. In 2000, we ranked fourth in the state for total value of agricultural products sold and third in the value of livestock, poultry and their products. However, that same census reported that number of farms and acreage in farming had decreased at an alarming pace.

2002 Census of Agriculture County Profile for McDonald County Missouri

Number of farms: down 9 percent.

1,113 farms in 2002, 1,217 farms in 1997

Land in farms: down 12 percent.

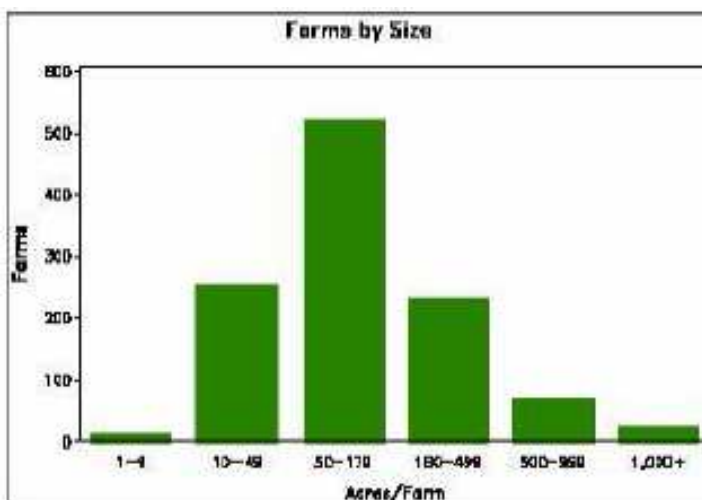
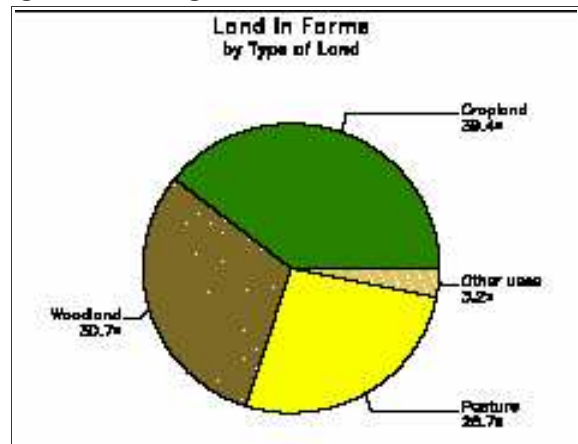
215,939 acres in 2002, 245,659 acres in 1997

Average size of farm: down 4 percent.

194 acres in 2002, 202 acres in 1997

Production Market Value: down 23 percent

\$119,889,000 in 2002, \$155,976,000 in 1997



Market Value of Production, average per farm: down 16 percent. \$107,717 in 2002, \$128,164 in 1997,

Crop sales accounted for \$1,359,000 of the total value in 2002. Livestock sales accounted for \$118,530,000 of the total value in 2002.

Of the 1,113 farms in the county about 12 percent of all farms in the county had sales of \$100,000 or more. About 65 percent had less than \$10,000 in sales.

<http://www.nass.usda.gov/census/census02/profiles/mo/cp29119.PDF>

Housing Characteristics 3.4

Home Ownership

Total housing units	9,287	County	US
Occupied housing units	8,113	87.40%	91.0%
Owner-occupied housing units	5,793	71.40%	66.2%
Renter-occupied housing units	2,320	28.60%	33.8%
Vacant housing units	1,174	12.60%	9.0%
US Census 2000			

With the addition of 28% more people moving into McDonald County between 1990 and 2000 came a need for more housing. The number of housing units increased by 27% with a 1%

decrease in vacancy rate. These new homes brought with them a higher price tag and the median value of a home in this county rose by a whopping 36% - from \$40,966 to \$55,800.

In McDonald County, 62.5% of the homes changed ownership between 1990 and 2000. The median % of income spent on housing was 18.7% for homes with a mortgage or 10.8% if there is no mortgage. Although household income is low in McDonald County compared to the national average, a higher percentage of homes are owner occupied here.

While the majority of homes are single family detached homes at 64%, another 26.5% of the homes in McDonald County were mobile homes. Nationally only 7.8% of homes are mobile homes and this reflects the importance of manufactured housing in McDonald County. In McDonald County, fewer than 7% of all housing units were apartments, many of which were public housing units. At the national level, more than 26% of the population lives in apartments. Adding apartments plus mobile homes, 34% of the national population lives in these combined housing units and in McDonald County that percentage is the same.

Total housing units	9,287	100.00%
UNITS IN STRUCTURE		
1-unit, detached	5,976	64.3
1-unit, attached	136	1.5
2 units	197	2.1
3 or 4 units	141	1.5
5 to 9 units	172	1.9
10 to 19 units	84	0.9
20 or more units	37	0.4
Mobile home	2,463	26.5
Boat, RV, van, etc.	81	0.9
US Census 2000 McDonald County		

It is a reasonable assumption that mobile homes have replaced apartments as affordable housing in McDonald County. An important comparison of construction costs between mobile homes and apartments/condominiums can be made for future growth. Home ownership in mobile homes requires a higher land use than apartments, but also affords occupants equity building, land use and privacy which is not available in apartment living. Amenities for apartment living such as swimming pools, gyms, covered parking, lawn care and laundry facilities may make apartments a desirable housing option for future county residents.

Availability

Despite the low number of apartments in McDonald County, over 12% of the housing units were vacant in 2000. These vacant homes reflect homes for sale, second homes for retirees and out of area residents, and rentals. (Talk to housing authority to see what needs are in public housing and rentals)

OCCUPANTS PER ROOM		
Occupied housing units	8,113	100.0
1.00 or less	7,610	93.8
1.01 to 1.50	305	3.8
1.51 or more	198	2.4
US Census 2000		

The US Government considers living conditions of more than one occupant per room to be over crowded and 1.51 or more persons per room to be severely over-crowded. Two factors are closely related to overcrowding - poverty and foreign born occupants.

Nationally, 5.7% of all occupied units were crowded and 2.7% were severely overcrowded. In McDonald County, those numbers were 3.8% and 2.4% percent respectively, this despite the fact that there was over 20% of citizens below the poverty level and over 1,200 were foreign born residents. This would indicate above average housing availability and affordability for residents within the current housing market.

Housing built from 1995 to March 2000 was considered new housing in the 2000 Census. New housing was scarce in the Midwest constituting 4.7 percent of the housing stock. In McDonald County, 14% of the housing was classified as new. This is an indication of the rapid growth taking place in this county.
<http://www.census.gov/prod/2003pubs/c2kbr-32.pdf>

YEAR STRUCTURE BUILT	number	percent
1999 to March 2000	272	2.9
1995 to 1998	1,031	11.1
1990 to 1994	789	8.5
1980 to 1989	1,480	15.9
1970 to 1979	1,928	20.8
1960 to 1969	946	10.2
1940 to 1959	1,494	16.1
1939 or earlier	1,347	14.5
2000 US Census data		

Federal agencies use data on the year the structure was built to create formulas for allocating funds, determining substandard housing, and surveys. The Department of Housing and Urban Development uses this item as a component in its Community Development Block Grant Program, HOME, and Public Housing Modernization allocation formulas. The year the structure was built helps determine, under the Older Americans Act, the number of older people who live in inadequate housing and who may be candidates for home repair loans or alternative housing. It is also used by local areas for forecasting the need for services such as fire protection.

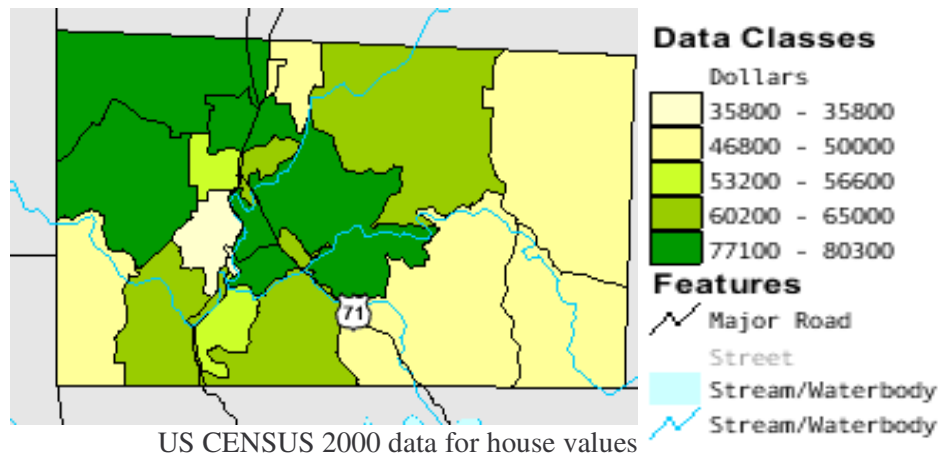
Affordability

Housing Characteristics – McDonald Co.	Number	U.S.
Single-family owner-occupied homes	2,237	
Median value (dollars)	55,800	119,600
Median of selected monthly owner costs		
With a mortgage (dollars)	580	1,088
Not mortgaged (dollars)	190	295

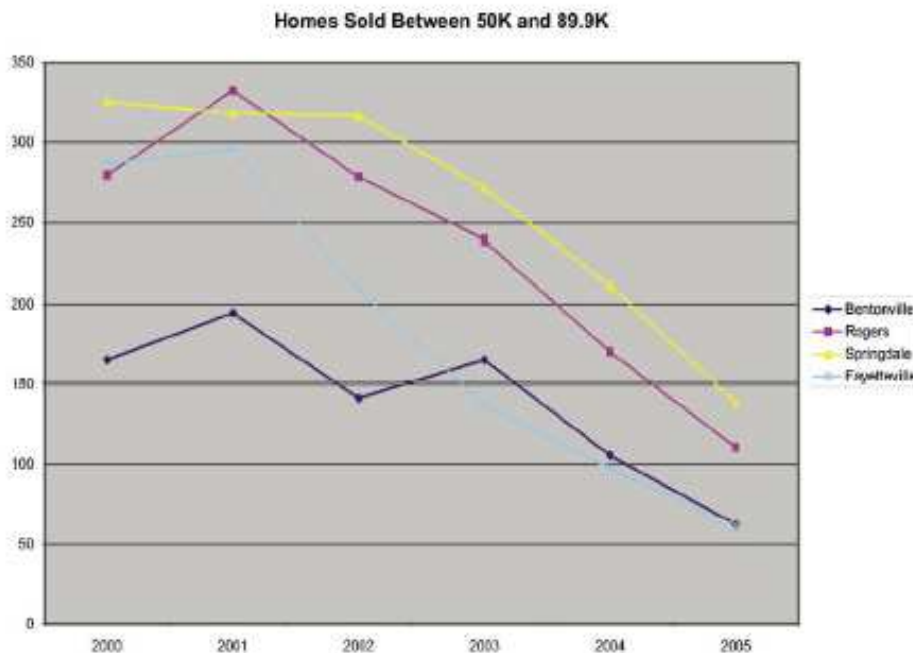
Housing tends to be more affordable in the Mid-West than in other areas of the US. While the national average home value in 2000 census was \$119,600, in Missouri the

average value was \$89,900 and in Arkansas the average home value was \$72,800. In McDonald County, the average home value of \$55,800 was less than half the national average and considerably below average values in Arkansas and Missouri. In fact there were only five cities in the US with 100,000 or more people where home values were below McDonald County's average. Even with the large increase in price between 1990 and 2000, the average home in McDonald County of \$55,800 is considerably less than in Benton County to the south (\$94,800) or Newton County to the north (\$74,299)
<http://www.census.gov/prod/2003pubs/c2kbr-20.pdf>

Additional factors contribute to the affordability of home ownership in McDonald County. The low assessed values of homes also result in lower property taxes paid. Utility expenses are very reasonable and the climate is mild. Land costs, which have been traditionally quite low in McDonald County, are rising but remain below those of neighboring counties.



One way to measure the trend in housing affordability is by comparing changes in median house value and median household income over time. McDonald County's 36 percent change in median house value is greater than the 18.6% increase in median household income, indicating that costs of homes are out pacing increases in household income. This reflects a decrease in the ability of potential home buyers to afford a home purchase in McDonald County. Rental cost increased a more modest 22.5%, not significantly higher than the 18.6 % increase in median household income



Attainable housing is becoming scarce in NW Arkansas. The number of homes in the \$50,000 to \$90,000 price range, which can be afforded by working people in cities, has been steadily decreasing.

McDonald County, on the other hand, had 85% of homes under \$99,999 in the year 2000 and a median home value of \$55,000. Low housing values make it possible for more working families to afford home ownership in McDonald County.

Although lower home values make ownership possible, the age of the homes suggest that maintenance will be an issue for low income families. Increases in the cost of building materials will have serious impact on new home and remodeling expenses. Mobile homes have a significantly shorter useful life than other homes.

There are 148 housing units in McDonald County which are federally subsidized for low-low income, low income, disabled and senior citizens. There were 914 families below the poverty level in 2000, plus individuals living alone.

HOUSE HOLD EXPENSE

In 1999, housing affordability also could be measured by the percentage of household income in 1999 devoted to monthly owner costs. Selected monthly owner costs include the sum of payments for mortgages, deeds of trust, or similar debts on the property (including payments for the first mortgage, second or junior mortgages, and home equity loans); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, water, and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, when appropriate, monthly condominium fees.

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999	Number	percent
Less than 15 percent	1,029	46.0
15 to 19 percent	445	19.9
20 to 24 percent	189	8.4
25 to 29 percent	119	5.3
30 to 34 percent	88	3.9
35 percent or more	333	14.9
Not computed	34	1.5

US Census Data 2000

The median US monthly owner costs as a *percentage* of monthly income for homeowners with a mortgage was 21.7 percent in 2000, up slightly from the 21.0 percent registered in 1990. For units without a mortgage, percentage was lower, at 10.5 percent, down from 11.1 percent in 1990. In McDonald County, the median % of income spent

on housing is 18.7% for homes with a mortgage or 10.8% if there is no mortgage with 66% of households having housing expenses below 20%. This is a remarkable statistic in view of the lower income levels in McDonald County. When this percent exceeds 30%, the occupants are considered “housing stressed” and fewer than 20% of McDonald County households fell in this category.

McDonald County	2000		1990		Change		Notes
	Number	Pct.	Number	Pct.	Number	Pct. (*)	
Housing Unit Basics (1999 dollars)	Universe: Total Housing Units		Metadata: <u>1990</u> <u>2000</u>				
Total Housing Units	9,287		7,327		1,960	26.8	
Occupied Housing Units	8,113	87.4	6,386	87.2	1,727	0.2	
Owner Occupied Units	5,802	71.5	4,826	75.6	976	-4.1	
Renter Occupied Units	2,311	28.5	1,560	24.4	751	4.1	
Vacant Housing Units	1,174	12.6	941	12.8	233	-0.2	

MCDC DemograReport, 1990 - 2000 Profile 3 Trend

Younger people were more likely to rent and spent a considerably higher percent of their incomes on housing. Rent increased during this ten year period from an average of \$321 to \$387 (\$421 Newton County and \$528 in Benton County) and one in three renter households

is financially stressed. Of the renters in McDonald County in 2000, 90% had moved since 1990, indicating a much more mobile segment of the population. Home ownership decreased slightly during this decade to 71.4% (71.5% Benton and 76.6% Newton). Older homes typically became rental units with the exception of the oldest homes where older persons stayed on. Utilities were a bargain in rural areas of the county where electric co-ops and water districts supplied service at reasonable costs. Heating was supplemented by firewood in many homes.

In Missouri, residential real property is assessed throughout the state at 19% of the true or fair market value. Because the property values are low here, property taxes are also low. Bond issues for construction of new schools may significantly increase the tax levied on assessed value and increase housing costs for new and current county residents alike. Senior Citizens of limited income receive a rebate from the state of most of their property taxes.

The rural nature of McDonald County creates transportation issues for residents. Public transportation is extremely limited and distances are long. Vehicles add significantly to the cost of living for families and is related to housing location. Because of the importance of vehicles to housing, the US Census includes this information along with other household expenses, but not in the selected monthly costs listed above.

VEHICLES AVAILABLE		
None	588	7.2
1	2,752	33.9
2	3,178	39.2
3 or more	1,595	19.7
US Census 2000 McDonald County		

The Planning Commission recognizes that the real estate market is controlled by supply and demand. New housing built in McDonald County will find buyers only if they are affordable to those who choose to live here. Mobile homes continue to provide low income home ownership options that are both affordable and fast to set up. Less than 5% of the homes in our county in the year 2000 had values of over \$150,000.

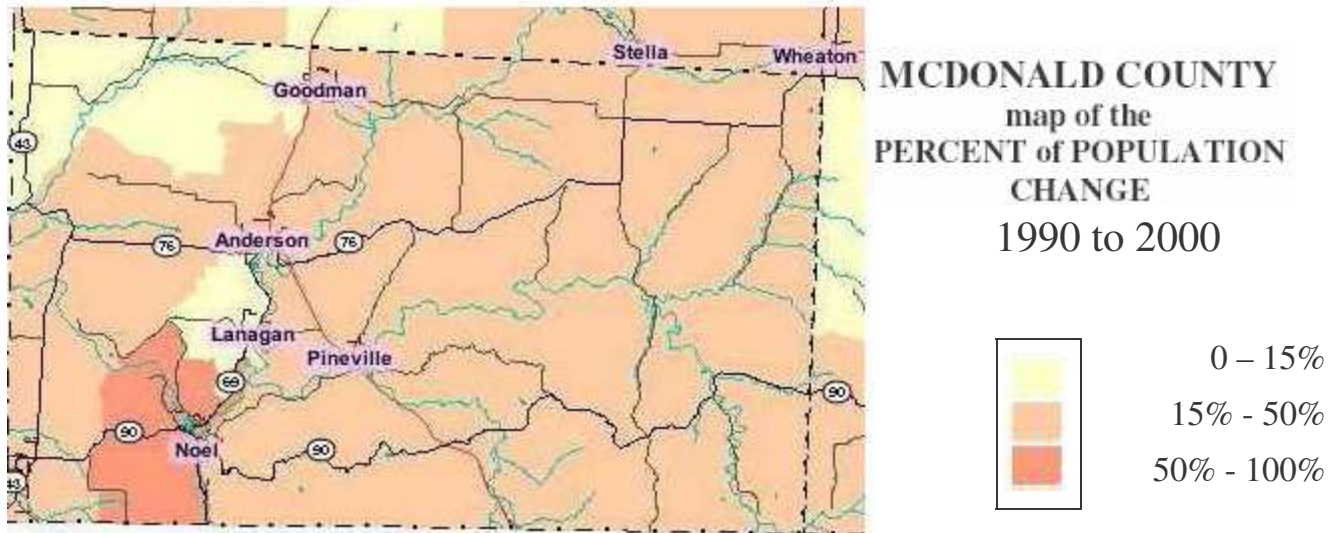
Projections and Trends 3.5

Information presented earlier in this chapter is based on the 2000 census. This plan is being written in 2008 and there have been very significant changes in McDonald County in the period between 2000 and 2008. Many of these changes are difficult to quantify without specific data to work with. The State of Missouri has provided some more recent statistical data which will be presented in this section. Other information comes to us from within our county such as school enrollment and county budgets.

Population trends

There is no crystal ball available to predict the future of McDonald County. We can only look at past trends to attempt to predict trends which will affect the future. Population growth is a factor which will most accurately project County needs in the coming years. During the decade between 1990 and 2000, population in McDonald County increased by 28%. There is no guarantee that population growth since 2000 and into the future will not increase or decrease in comparison with the past decade. The 2010 census will provide a more accurate picture of what happened since the 2000 census. For that reason, this data should be reviewed and updated as soon as new census data becomes available.

There is little doubt that population growth has continued during the past seven years in McDonald County. The exact amount of that increase is unknown. The state of Missouri has a program to predict population growth. However that program has not been updated with information from the 2000 census and as a result was 40% off in its predictions in 2000 and projects little growth during the following seven years. Rather than depending on outdated and flawed programs, the McDonald County Planning Commission has chosen to project three different population growth scenarios, fast, constant, and slowing.



<http://mcdc-maps.missouri.edu/website/popperch/viewer.htm>

A constant growth rate of 28% over a ten year period would result in a 2010 population for the county of 27,828, an increase of 6160 people. If population growth has slowed during this decade to half the rate of the preceding decade, the growth rate would be 14%, 3080 new residents to a total of 24,748. Benton County to the South of McDonald County grew by 150% between 1985 and 2000, and continues to grow at a rate of over 50% per decade. Such an acceleration of population growth remains a strong possibility for McDonald County as well. Therefore, we have also included an accelerated growth projection of 42%. This would produce 9,249 new residents by the year 2010, for a total county population of 30,917.

County Budget

Between the years of 2000 and the end of 2006, the budget of McDonald County doubled. Much of this increase in funding came from sales taxes. Retail sales increased dramatically with the opening of Walmart near the state line in Caverna and new businesses nearby. A 1/2% sales tax was added during this period to finance a 911 emergency response system. This money is also reported as income to the county budget, although it is allocated 100% to the 911 system.

Business Expansion

In March of 2007, Tony Kinnaird, chairman of the McDonald County Business Expo, reported: "People are traveling north to avoid the traffic. As an example of the numbers of people shopping in the area, 29, 000 cars a day were turning into Wal-Mart and the other businesses along U. S. Highway 71." <http://nwanews.com/bvww/Business/3608/> These same businesses also contribute to property tax, adding generous support to the school system budget and

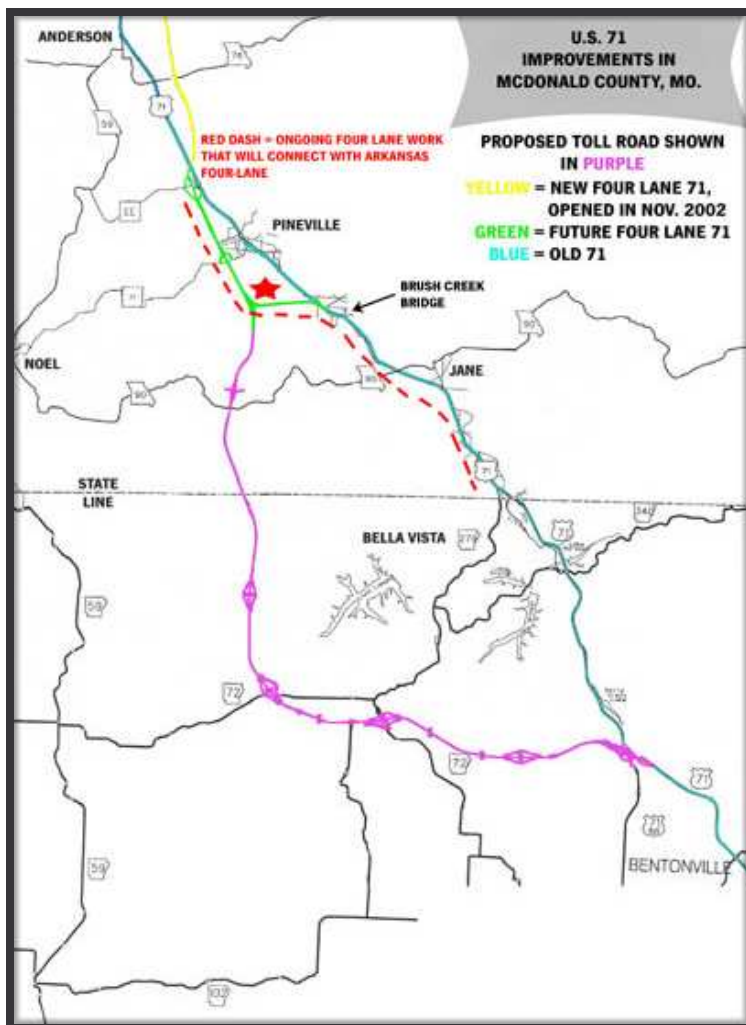
expansion. At the time of this report, another seven retail businesses and a bank were under construction at the area described in this news article. Also in that same area, Freeman Health is constructing a clinic with an ambulance station and heliport.

In addition to the development at the state line, new businesses opened throughout the county during the period between 2000 and 2007. All cities in the county reported increases in sales tax revenue during 2006, some of those increases quite significant. Sales tax for the county was up over \$500,000 in 2006, making it the fourth year in a row to experience greater than a 10% increase in sales tax revenue.

Low Unemployment

McDonald County enjoys a much lower unemployment rate than the state of Missouri. At the end of December 2005 Fayetteville-Springdale-Rogers Metropolitan Statistical Area led the State of Arkansas with the lowest unemployment rate of 2.5%. Benton and Washington Counties tied with the lowest Arkansas rate of 2.4%. Madison County ranked the third lowest in Arkansas with 2.6%. McDonald County in Missouri registered an unemployment rate of 3.1% at the end of December 2005.

http://www.nwarpc.com/housing_pdf/Regional%5B1%5D.Development.Report.4thQuarter.2005.pdf



Highway upgrades

MoDOT is in the process of spending approximately \$105 million to connect the existing four-lane north of Pineville to the existing four-lane in Arkansas. This construction will, in effect, add two lanes to the current two-lane highway. Current construction began at the state line and began working north. The 71 Expressway from the state line to I-44 is now complete.

<http://www.modot.org/southwest/mac71overview.htm>

By beginning construction at the state line and working northward, MoDOT enabled the development of Walmart and other retail businesses to be constructed years earlier than would otherwise be possible. The result is a business boom along the southern end of the new Expressway, greatly enhancing the financial future of McDonald County.

Economic Growth Momentum

The state of Missouri reported in 2006 that McDonald County enjoys a growth momentum 73% greater than Missouri's average. <http://ded.mo.gov/upload/southwest.pdf> Missouri's per capita income rose by 2.7 percent from \$27,493 in 2000 to \$28,221 in 2001. The greatest increase was in McDonald County between 2000 and 2001 at 8.9 percent, with an increase of \$1,420 in per capita income. McDonald County's momentum continued with an increase in per capita income between 2003 to 2004 from \$19,563 to \$21,279 or 8.8%. This is over a 60% increase in per capita income since the 2000 census. Per capita income is the total personal income of the residents of an area divided by the resident population of that area. Per capita income serves as an indicator of the quality of consumer markets and the economic well-being of the residents of an area.

<http://www.missourieconomy.org/indicators/wages/pci04county.stm>

McDonald County R-1 School District Board of Education Minutes September Enrollment	
September 1999	3,443
September 2000	3,400
September 2001	3,427
September 2002	3,547
September 2003	3,636
September 2004	3,703
September 2005	3,826
September 2006	3,751
September 2007	3,821

School Enrollment Increases

Enrollment in the McDonald County R-1 School District has increased by 10% since 2000. In a study prepared for the school district for a bond issue which passed in 2006, school enrollment was predicted to increase by as much as 150% over the next fifteen years. However, the enrollment in September 2006 actually decreased from the year before. The fluctuation in enrollment was surprising, but the increase in student population appears to continue.