

## Chapter 9

# Economic Development

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## DEFINING ECONOMIC DEVELOPMENT 9.1

Change is occurring rapidly in McDonald County making this an exciting time to live here. Although much of the change seems positive to our economy, it has not been welcomed by all residents. Without direction, changes are likely to become unwelcome to a larger number of citizens. This chapter looks at promoting economic development in ways that become an asset to the quality of life for the people of McDonald County.

The Planning Commission recognizes that there is more to satisfaction than monetary wealth. As discussed earlier in this plan, McDonald County is rich in beauty, natural resources, climate, water, history and so much more. A reasonable cost of living has helped make up for lower wages. Jobs in nearby counties have provided additional employment opportunities for a varied job market. If future increases in jobs and income within McDonald County are accompanied by a loss in quality of life, that would not be an asset to county growth. This plan looks at economic development in a broad definition as follows:

Economic development is measured in terms of jobs and income, but it also includes improvements in human development, education, health, choice and environmental sustainability. This plan recognizes the importance of quality of life such as recreational and environmental amenities, as well as social infrastructure, in attracting and retaining businesses.

## MISSOURI ECONOMY 9.2

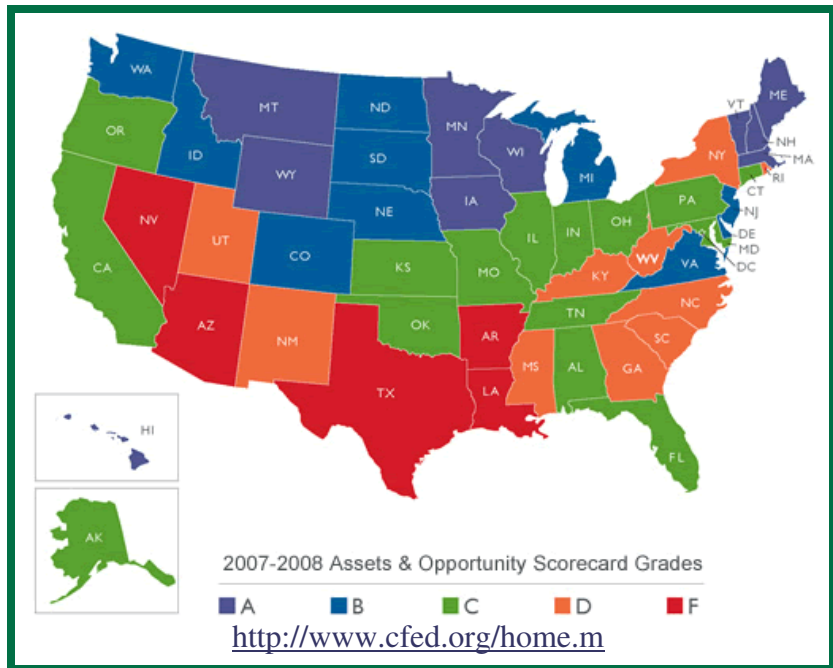
McDonald County is a place unique from any other. However, it is influenced by the laws, taxes and economy of the state and the nation, as well as areas immediately surrounding the county. If we look to the state of Missouri to see how it is faring, we can predict ways in which McDonald County will be affected.

According to a 2007 report released by the Corporation for Enterprise Development (CFED), a national economic nonprofit organization, when it comes to achieving financial success. Missouri residents have had some success in building wealth, however significant challenges remain in protecting those assets. The state earned a "C" on the 2007-2008 Assets and Opportunity Scorecard, with Missouri lagging in measures of financial security and education.

Index	Grade
Financial Security	C
Business Development	C
Homeownership	B
Health Care	B
<b>Education</b>	<b>D</b>
<b>OVERALL</b>	<b>C</b>
<a href="http://www.cfed.org/home.m">http://www.cfed.org/home.m</a>	

CFED's Assets and Opportunity Scorecard (online at [www.cfed.org/go/scorecard](http://www.cfed.org/go/scorecard)) measures the financial security of families in the U.S. by looking beyond just income to the whole picture of building ownership and protecting against financial setbacks. The Scorecard ranks the 50 states and the District of Columbia on 46 performance measures in the areas of Financial Security, Business Development, Homeownership, Health Care and Education.

Homes are a relatively attainable asset in Missouri (3rd in affordability of homes), but fewer people are purchasing them (45th in change in homeownership rate). Missouri has done a laudable job in bringing a significant number of its residents into the financial mainstream, and in reducing racial asset inequality (10th in asset poverty by race, 12th in household asset particularly homeownership, 40th in homeownership by gender, 36th in household asset equality by gender).



Though Missouri residents have managed to keep credit card and installment debt at relatively manageable levels (11th in median installment debt, 17th in median credit card debt), they are having an increasingly difficult time in protecting their assets (41st in bankruptcy rate).

**While the state could do a better job of educating its youth at all grade levels, significant improvements are needed to increase college attainment and better prepare Missourians for a changing global economy (46th in two-year college degrees, 36th in four-year college degrees).**

“Family financial security rests upon the ability to invest for the future and having safety nets in place in the event of job loss or emergencies,” says CFED President Andrea Levere. “By making higher education more accessible, promoting homeownership and improving health insurance availability, states can foster an environment of opportunity, inspiring more residents to plan for a more secure future.” <http://www.cfed.org/home.m>

**Missouri Ranks Favorably in Costs for Business:** The Milken Institute, a renowned independent economic think tank, released its study of the most expensive and least expensive states for businesses. The Show-Me state shows favorable to business with Missouri coming in as one of the states least expensive for operating a business, ranking at 43 of 50 in total cost index overall. (1 represents most expensive, 50 the least expensive)

The study compares state to national costs of employee wages, state tax burden, commercial electricity costs, industrial and office rent to come up with an overall Cost of Doing Business Index. Missouri’s neighbors here in the Four-State Area ranked favorably as well with Kansas at 38, Oklahoma at 40, and Arkansas at 41. <http://www.workforcezone.net/?p=174>

Missouri itself is a diverse state and provides regional programs to assist in planning and development. One of those programs is the **Workforce Investment Board, or WIB**, for short. WIB is a progressive workforce intermediary that oversees employment and training programs

across the region while leveraging resources to improve Southwest Missouri's portfolio of human capital. Connecting businesses with a skilled workforce to create economic vitality for Southwest Missouri is the mission of WIB

WIB has identified the top employers for Southwest Missouri being broadly characterized as advanced manufacturing, healthcare, retail, transportation/distribution, and the service sectors. In terms of both wages and significant levels of employment, the top three sectors include healthcare, transportation/warehousing, and advanced manufacturing.



One problem area identified by the WIB is a lack of soft skills in the workforce. Examples of soft skills are the personal qualities of responsibility, sociability, integrity, punctuality, and self-management. Interpersonal skills would also fall under this category such as: participate as member of a team, serves customers; leadership ability; and work with cultural diversity.

WIB has initiated a program to improve the basic/thinking, technical, and soft skills of job candidates and incumbent workers (both youth and adult) to ensure a high quality workforce, reduce turnover, increase productivity, increase job satisfaction, promote upward mobility, and increase business customer satisfaction. [http://www.workforcezone.net/?page\\_id=22](http://www.workforcezone.net/?page_id=22)

**McDonald County Community Development Council (MCCDC)** is a non-profit organization dedicated to the improvement of McDonald County. Director Matt Thornton was hired by MCCDC and acts as a liaison between County government and businesses and developers interested in McDonald County. MCCDC meets the first Tuesday at 7:00 p.m. at the MCCDC office in the Pineville Plaza. MCCDC functions as an advisory body to the McDonald County Commission on development issues. The McDonald County Commission contracts with the ten member MCCDC board for the services of Matt Thornton, contributing to the funding of the office of Director of MCCDC.

**Harry S. Truman Coordinating Council (HSTCC)** is another organization which has been providing services to Southwest Missouri since 1991. Member governments of the Council include cities and communities in our four-county district of Barton, Jasper, Newton and McDonald Counties. In 2004, HSTCC created a Comprehensive Economic Development Plan for the area. That plan recommended comprehensive efforts be undertaken to protect and improve infrastructure, preserve and develop qualified workers, and protect the general quality of life in the HST region in order to further the economic well-being of the region. Included in that plan are the specific goals listed below for economic development.

SPECIFIC GOALS FOR PROVIDING SUCCESSFUL ECONOMIC DEVELOPMENT FOR SOUTHWEST MISSOURI. HSTCC [http://www.hstcc.org/plandocs/2004\\_CEDS.pdf](http://www.hstcc.org/plandocs/2004_CEDS.pdf)

- ◆ Establish support for industrial development organizations, chambers of commerce, financial institutions so they may attract new industries and expand existing industries.
- ◆ Promote government programs, both state and federal, that stimulate economic growth and development.

- ◆ Identify and prioritize local economic development needs.
- ◆ Provide communities assistance by writing appropriate grants.
- ◆ Maintain highly skilled staff to provide project management and administration of grants through government programs.
- ◆ Encourage local counties and cities to evaluate sewer/water systems frequently.
- ◆ Ensure the opportunity for sewer and water facilities for all citizens possible.
- ◆ Promote opportunities for all levels of jobs within the region and encourage training for displaced and under skilled labor.
- ◆ Encourage local industries to expand their operations.
- ◆ Promote business incubator projects to assist local entrepreneurs in starting successful new businesses.
- ◆ Explore national and international markets for the region's manufactured products.
- ◆ Collect data that promotes the region for new business and industry.
- ◆ Match local capabilities with outside needs to attract new business and industry.
- ◆ Remain highly competitive in economic development efforts.

## METROPOLITAN AREA ECONOMY 9.3

The Fayetteville-Springdale-Rogers Metropolitan Statistical Area (MSA) in which McDonald County is included and the neighboring Joplin Metropolitan Area to the North which includes Newton County are strong influences on the economic development of McDonald County. The economic health of those areas directly influence the economic well-being of this county. The US Census Bureau added McDonald County to the NW Arkansas MSA due to employment patterns as over 2000 McDonald County residents commute to jobs in Arkansas. A large number of workers commute to jobs in the Joplin MSA as well.

Tom Simpson, Missouri Southern State University political science professor and director of the Regional Economic Development Center, said wages in the Joplin metro area are low, but explanations justifying it by the lower cost of living don't add up.

The average wage in the Joplin area is \$3 less than the state average, Simpson said, and even though housing and other goods and services may be less expensive, the lower cost of living does not account for the full difference.

Simpson also said Joplin-area residents may pay less for health care than people in other parts of the state and the nation, for example, but are sick more, so the lower cost is negated. He said lower wages are not a conspiracy among business owners, but reflect a basic economic principle: Only 9 percent of Joplin-area residents are college educated, so a large supply of low-skilled workers is available to companies.

**“It’s just businesses taking advantage of the over abundance of low-skilled workers,” Simpson said. “To change it, we have to make a long-term commitment to training and schools have to steer these kids to college or trade school. “We live in the future we create,” he added.**

[http://www.joplinglobe.com/local/local\\_story\\_139190301.html/resources\\_printstory](http://www.joplinglobe.com/local/local_story_139190301.html/resources_printstory)

**Joplin Metropolitan Area's** cost of living is 81.6 percent of the national average, making it the U.S. metropolitan area with the lowest cost of living for the first quarter of 2007 according to

the Council for Community and Economic Research’s cost-of-living index. The average wage earned in Joplin's MSA is \$3 less than the state average wage. Although the lower cost of living contributes to the lower wages, much of that disparity can also be attributed to an unskilled, under-educated work force. Workers from McDonald County commuting to the Joplin MSA reflect this same background. (see insert: Tom Simpson, Missouri Southern State University political science professor and director of the Regional Economic Development Center). According to U.S. Department of Labor, of the 77,760 jobs in the Joplin metropolitan area, more than 50,000 of them paid less than \$10 an hour in 2005.

Per-capita income in the Joplin metro area — defined as Newton and Jasper counties — was \$25,008 in 2005, the last year that information was available. That’s about 73 percent of the per-capita income average for the entire United States in 2005, which came to \$34,471. Northwest Arkansas, officially the **Fayetteville-Springdale-Rogers MSA**, (Metropolitan Statistical Area), has been, and will continue to be, the economic growth engine for the state of Arkansas. It is comprised of Benton and Washington Counties (the most northwestern counties in Arkansas) and **McDonald County** (the most southwestern county in Missouri). Known for a diverse economy and bolstered by such giants as Wal-Mart, Tyson Foods and J.B. Hunt Transportation world headquarters, industry thrives alongside tourism and agriculture.

The MSA was named the #1 best performing in the nation by the Milken Institute in 2003 and was the sixth-fastest growing MSA in the country from 1990-2000 at 47.5%, with Benton County growing 57.3% and Washington County growing 39.1%. Due to rapid growth, the information from the U.S. Census Bureau 2000 Census has become quickly outdated.

5-Year Population Projections % Growth			
	Population	% Growth	
<b>MSA</b>	<b>368224</b>	<b>18</b>	
<b>Benton County</b>	<b>186319</b>	<b>21</b>	
<b>Washington County</b>	<b>181905</b>	<b>15</b>	
<b>Arkansas</b>	<b>2805500</b>	<b>4</b>	

[http://www.rogerslowell.com/econdev/facts\\_stats.asp](http://www.rogerslowell.com/econdev/facts_stats.asp)

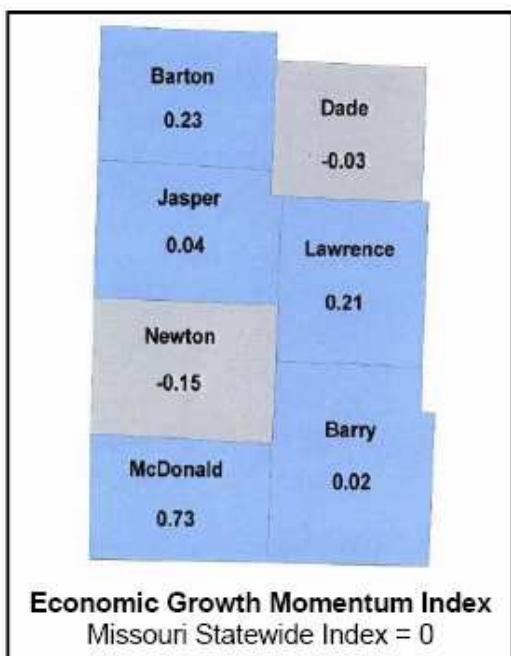
Explosive population growth has translated into jobs, consistently placing the MSA in the ranks of the fastest growing job markets in the U.S., as measured by percentage of job growth. The unemployment rate is significantly lower than the national average, hovering around 3% for the MSA. The ACCRA Cost of Living Index, places the MSA at an affordable 91.3% of the U.S. Cost of Living Index average

This population projection for NWA is a 50% increase in population in the next 15 years. It is important to note that these lower percentages amount to more actual people. Example: 150% increase experienced in last 16 years was about 240,000 people while the 50% growth in next 15 years would be 220,000 people. **McDonald County starts with such a small population base that it would be easy to have huge percentage growth in population with relatively few new residents.** [http://www.rogerslowell.com/econdev/facts\\_stats.asp](http://www.rogerslowell.com/econdev/facts_stats.asp)

Northwest Arkansas offers higher education opportunities that surpass those offered by many larger metropolitan areas. The University of Arkansas, the state's flagship, land-grant institution, is located 20 miles south of Rogers in Fayetteville. John Brown University, an interdenominational Christian liberal arts college is located in Siloam Springs on the western side of the county. Northwest Arkansas Community College, located between Rogers and Bentonville, offers an Associate of Arts degree, along with 15 Associate of Applied Sciences degrees and a variety of other programs. Courses in business, computers, industry and electronics are offered at Northwest Technical Institute, located south of Lowell in Springdale.

Bentonville High School became one of only 37 high schools in the country to be named a 2007 Blue Ribbon School by the U. S. Department of Education. The U. S. Department of Education established this prestigious award, the No Child Left Behind Blue Ribbon School Award, to honor elementary and secondary schools in the United States that make significant

progress in closing the achievement gap or whose students achieve at the highest levels.



At the end of December 2005 Fayetteville-Springdale-Rogers MSA led the State 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.

The NW Arkansas area is not immune to national pressures. An overheated housing market is slowing the economy in 2007, as an excess inventory of housing and commercial space is being absorbed. Regional experts point out that the economy remains strong, dropping from outstanding to excellent. Bentonville schools, which were experiencing seven and a half percent per year population increase, have dropped to five percent per year. At the current growth

rate of the metropolitan area, the building industry will likely rebound in 2008 and once more strengthen the area economy.

As the newest county to be included in the NWA MSA, McDonald County enjoys a growth momentum of 73 percent greater than the state of Missouri, according to the SW Missouri Workforce Investment Board. As seen from the chart to the right, economic growth in McDonald County is significantly higher than other counties in SW Missouri.

<http://ded.mo.gov/upload/southwest.pdf>

## AGRICULTURE 9.4

McDonald County has traditionally been an agricultural area. The 2002 Agriculture Census reported total sales of agriculture commodities in this county at \$119,889,000, including crops, livestock and poultry. The number of farms and acreage in farming in the county is decreasing

rapidly. For the farmers in McDonald County, farming represents more than an occupation, it is a way of life. Of the 1,113 farms in the county in 2002, about 12% had sales of \$100,000 or more. Sixty-five percent had less than \$10,000 in sales. For the majority of farm families, production is a supplement to income rather than the main source of support.

- **McDonald County agriculture ranks fourth in the state for total value of agricultural products sold and third in the value of livestock and poultry. In McDonald County agriculture ranks as the number one industry.**
- **Keeping the valuable agriculture component of the economy should be of utmost concern in planning for the future.**
- **Agriculture remains an essential part of McDonald County's economy and the county should also do everything possible to encourage expansion of this section of the economy.**

The development of value added agricultural products and agritourism activities are ideally suited for expansion in McDonald County. Farms often produce a large "economic multiplier effect" by re-circulating dollars in local economy. An example of this multiplier effect can be shown by the results of a farmers market to sell locally produced farm foods. Dollars are kept in the community, rather than being spent for products shipped in from thousands of miles away. The USDA estimates these local dollars generated by farmers market sales are turned over nine times in the local economy. Farmers' markets give growers access to a large base of customers. The markets are good for the city as well as the farmers, as they attract customers who patronize other downtown businesses.

Much of the retail price of food pays for marketing and distribution. By selling directly to food retailers, farmers and ranchers can capture more profit. Growing numbers of natural and specialty food stores are expressing interest in selling local farm products. Encouraging restaurants to use local produce and meats and promote them on their menus may help build a retail customer base for both local farms and dining establishments.

The dog breeding industry is an example of farming on small acreages which is important to the economy of McDonald County. Missouri has the highest percentage of licensed commercial dog breeders in the nation and McDonald County is a leader in that industry. The nation's largest puppy broker is located here, employing more than 150 people and providing a reliable market for local breeders, buying puppies at eight weeks of age and providing a week of quality care to insure they are healthy before being shipped to upscale pet stores around the country. This and other such brokers provide a sustainable farming option which supplements the income of many of this county's rural families.

- **McDonald County supports responsible dog breeding operations.**

University of Missouri Extension community development specialists advise farmers to diversify in order to safeguard their farms and communities: "Diversifying allows farmers to get income throughout the year and decreases their level of risk. There are a lot of opportunities for someone willing to do something a little bit different." The U.S. Department of Agriculture provides Sustainable Agriculture Research and Education (SARE) grants to promote

sustainable farming, foster sustainable communities and preserve rural heritage by helping farmers diversify. Grant recipients are expected to share results of their projects with the community so that their readiness to try something new becomes a model for other farmers.

Growers who market agricultural products directly to customers usually receive higher prices than farmers and ranchers who sell wholesale. The county can encourage development of agricultural retail businesses by specifically promoting roadside stands, pick-your-own operations, nurseries and other agricultural uses. One possible way to promote farm products would be to develop and distribute maps showing the location of farmstands, pick-your-own operations and farmers' markets, and post signs directing drivers to farm businesses. This approach holds great promise for a successful future for local agriculture as farms decrease in size. Supporting new farm ventures will help ensure farming as a way of life and valuable source of income in McDonald County.

## TOURISM 9.5

In the fiscal year 2007, Missouri's tourism industry generated over \$692.6 million in state tax revenues. Tourism is McDonald County's number two industry, contributing greatly to the local economy. Expansion of tourism offers an excellent opportunity to expand the county's economic base. Most of the tourism has traditionally centered around the waterways such as canoe rentals and campgrounds. With the area population base continuing to expand and travel costs increasing, recreational tourism opportunities are a "natural" to target consumers' desire to stay closer to home for shorter, more frequent getaways.

Agricultural tourism is increasingly popular in farming communities near urban areas. Entrepreneurial growers can offer educational and recreational services such as school tours, hay and sleigh rides, farmers markets, crop mazes, petting zoos, restaurants, ranch vacations and bed-and-breakfast facilities. These services bring in new customers and promote farm products, strengthening the farm economy as well as bringing in tourism dollars.

The rich heritage of McDonald County has great potential for bringing historical tourism to the county. An increasing population of travelers center their vacation activities around history such as the Civil War and Route 66. Promoting McDonald County's history potentially could attract many visitors to the area. Prominent examples that could be promoted include the McDonald County Museum, the old log cabin courthouse, Heritage Farms, and the Historic Powell Bridge over Big Sugar Creek, a favorite place for artists to sketch and paint. Similarly, genealogy attracts visitors to discover their roots and explore old cemeteries.

The Missouri Division of Tourism reports that for every \$1 the state of Missouri invests on marketing tourism, \$49.47 is returned in visitor expenditures. Marketing for tourism could be expected to return invested tax dollars to the county, while improving the economy. The Missouri Department of Transportation, Division of Tourism operates six Welcome Centers in rest areas along the interstate highway system. At the Joplin Welcome Center, promotional information about McDonald County could effectively entice travelers to visit here.



The state will cost share such promotional literature through a cooperative matching funds program to local tourism organizations, but local efforts are required to prepare the literature and pursue the matching funds.

Research by the Missouri Division of Tourism indicates that over 90 percent of all travel research is done on the web. Update of the [www.VisitMO.com](http://www.VisitMO.com) website is a state priority, and offers the opportunity to promote McDonald County tourism experiences. Even more importantly, the internet is an inexpensive forum to promote McDonald County and should be used effectively to improve the local economy.

## McDONALD COUNTY EMPLOYMENT OPPORTUNITIES 9.6

For decades, off-farm jobs have provided the income to allow families to remain on the land in McDonald County. The abundance of jobs in this county and neighboring counties has been a major asset to the continuance of farming and the quality of rural life in McDonald County.

Geography of the county strongly affects jobs. The 2000 census reports 10,202 people in the labor force. Fewer than half of those workers, 4,953 people, were employed within McDonald County. Twenty-five hundred worked out-of-state and 2,040 more worked in another Missouri County. Residents of the northern most areas of McDonald County tend to commute north into the Joplin MSA. Workers from the mid and southern parts of the county tend to travel south into Arkansas for employment.

East/west travel within the county is slow. The southwestern corner of McDonald County is home to two large poultry processing plants with thousands of employees. Due to a lack of local workers, those companies have recruited workers from other areas. As a consequence, Hispanic employees have settled into the Noel area, where Hispanic public school students make up 60% of the Noel school population. In the SW corner of the county, workers commute INTO McDonald County from Arkansas and Oklahoma, as opposed to the OUT of county migration of workers experienced throughout most of the county.

Along the Highway 71 Expressway, completed in 2007, retail growth boomed in the past five years. Sales taxes collected in 2000 were \$3.9 million and have grown to over \$9 million in 2007. Bella Vista Village borders McDonald County to the south and has a larger population than the whole of this county. Benton County is a dry county, and shoppers from Arkansas have traditionally crossed into McDonald County for liquor and gas purchases. That retail base has expanded into a superstore, mini-malls and fast food establishments. Workers are now commuting INTO McDonald County for employment along the Expressway. Those same workers tend to shop in this county, adding to the sales tax revenue.

McDonald County residents who work within the county may be employed at the processing plants and the new retail developments. Many work in the established businesses in the incorporated areas of the county and unincorporated communities. Ten percent work in agriculture. Public employees such as teachers, county and city personnel represent roughly 8.2% of jobs held as of the 2000 census. Another 13.5% of workers are self-employed in their own unincorporated businesses. Cottage industries are a major force in the McDonald County economy. Transfer payment such as Social Security, retirement income, and public assistance add over 20% to the income for county residents. Rental income also acts as a supplement to earned income.

## ENHANCING ECONOMIC OPPORTUNITES 9.7

McDonald County sits squarely in the path of growth from NW Arkansas. The lower cost of doing business, lower cost of living, lower taxes, beautiful environment, and special quality of life in McDonald County will act as a vacuum for growth into this county. The Planning Commission recognizes the need to accommodate this growth. It is not within our power or intent to stop or even slow growth in McDonald County. Our concern is to see that growth comes in a responsible pattern to ensure the preservation and enhancement of quality of life within McDonald County and to protect our natural environment.

Missouri Extension posts an article entitled **The Elements of Economic Development** on Mizzu website at <http://extension.missouri.edu/explore/commdm/dm0462.htm> . The article advises that good economic development programs are built around five basic objectives and will address all five.

**Make existing employers more competitive.** Many professionals feel this is the most cost-effective approach to economic development because it emphasizes holding onto what a community already has. Improved profitability could also mean business expansion. Some strategies include establishing job training programs, providing business counseling and helping firms improve their marketing skills. These strategies help local businesses "tune in" to the changing world.

If McDonald County were to concentrate on new businesses, ignoring the issues affecting existing businesses, it could take one step back for each step forward. Existing businesses have made an investment in communities and provide valuable services for citizens. They provide wealth and jobs locally. We need to listen to the concerns of the owners of existing business and stand ready to help in any way within county resources to ensure their success.

Farming is a diminishing employment for citizens of McDonald County. As farm land goes on the market, it is now purchased by developers who break the property into smaller parcels for resale. These small parcels are not economically feasible for traditional farms. The changing environment is conducive for agritourism which is now beginning to grow in McDonald County. A commercial corn maze will bring thousands of visitors to a farm in SW McDonald County each fall and is a fine example of agritourism. A farmer's market is an excellent project to promote agritourism for McDonald County. The Pineville/Jane Area Chamber of Commerce is working to establish a farmers market in Pineville beginning in 2008. The Extension Service is an valuable resource for small landowners wishing to develop an agritourism venture.

**Encourage new employers.** This objective strives to create new enterprises that serve local markets or those outside the community. The essence of entrepreneurship is the development of new products for manufacturing or the creation of innovative services not presently available. New businesses that add value to local resources or products may be created. Additional services and businesses can add to the quality of life in McDonald County. By providing these locally, the necessity for citizens to invest the time and expense of travel to obtain these needed services will be eliminated. Local jobs are created in the process.

One concept that has taken hold in recent years is the “business incubator”. Under this program, local agencies provide the rental of shared office space which includes office equipment and receptionist for the period of one year. Once established, the new business moves into its own office to make room for other new businesses in the “incubator”. This concept has proven to be quite successful, but is not within the means of this small community. We can, however, use the concept to good advantage using existing resources.

Existing businesses can register with the “business incubator” co-ordinator to rent out excess space within their facilities. New businesses could then negotiate with the existing business as to rental costs and amenities. This arrangement has the advantage of adding income to the existing business while potentially adding to the foot traffic and exposure of both businesses. Where such arrangements prove beneficial to both parties, there would be no requirement to move the new business to another location, adding to the stability of that business. If this program proved to be successful, it would enhance both existing and new businesses.

**Capture more local dollars:** Many of the dollars that come into a community leave just as quickly, in lost retail sales, taxes paid to higher governments, and purchases of services and supplies elsewhere. For example, up to 20 percent of a community's income leaves town to pay energy costs. A housing weatherization program could succeed in putting a large chunk of that back into community pockets. Programs that encourage institutions to purchase goods and services locally are another effective strategy for capturing the local dollar.

McDonald County has long been an area where citizens spent much of their disposable income elsewhere. This has lessened in recent years and, fortunately, McDonald County has become more of a place for out-of-state residents to shop. The result has been an increase in sales tax of nearly three-fold since 2000 and supporting the needs of county government. Being aware of this benefit will allow McDonald County to concentrate on opportunities to capture local dollars, as well as attracting dollars from neighboring Arkansas.

**Attract new employers:** Recruiting businesses and industries that are looking to move or expand into new locations is an important part of an overall economic development program. Effectively targeting industries can help a community diversify, raise income levels and fill voids. Enticing a manufacturer to locate in a community may involve the use of tax credits or infrastructure improvements.

McDonald County is unique in that there is a very low unemployment level. Many of the jobs held require travel time and expense. More local jobs could help improve the quality of life for many residents. New jobs in McDonald County have proven to be an attraction for residents living nearby in Arkansas as well.

Infrastructure such as roads, water and sewer is essential to attract new businesses. The PWSD # 1 Sewer District extended a sewer line from the Bella Vista, AR wastewater treatment plant's sewer line near the Jane Walmart Supercenter to the Gordon Hollow Bridge at the Hwy 71 Expressway. When that sewer line was completed in 2007, response from businesses was immediate with over a dozen new establishments connecting within the first year of sewer service. This is an indication that the lack of sewer will inhibit business, while the availability will greatly enhance such development.

In 2006, the McDonald County Commission funded a wastewater engineering study for the Hwy 71 corridor from the Arkansas state line to north of Pineville. Acting on that study, the PWSD # 1 sponsored a bond issue in November, 2007, to extend the sewer lines from the Gordon Hollow Bridge on to the Village of Jane. That bond issue passed by an overwhelming margin in excess of 6 to 1. The extension depends upon additional funding from grants, and without those grants can not be completed. Only those businesses and homes which connect to the sewer line will be responsible for repaying the bond issue with their monthly sewer service bill.

Missouri has a very low state sales tax on food, only 1.25% and a very moderate tax on other items. The low sales tax in McDonald County is a draw to out-of-state shoppers and a benefit to the citizens of the county. Every effort should be made to keep this advantage. The rapid growth in retail sales has proven the success of low sales tax in providing for the financial needs of McDonald County.

**Access outside sources of capital:** Retirees bring with them resources that may spur activity throughout the community. Transfer payments are an important source of income throughout the state. In addition, the array of programs and services available from federal and state governments and other public sector agencies increase a small community's opportunity to grow.

The neighboring community of Bella Vista, AR was founded as a retirement community providing amenities such as golf, fishing and other recreation as well as a mild, pleasant climate. McDonald County has that same climate and could be a draw to retirees. Bella Vista amenities are easily available through the Homeowners Association by purchasing membership lots and paying monthly membership fees. There is great potential for retirement living available in McDonald County.

State and Federal programs are based on taxes paid by citizens. In order to access the return of those funds to the county, it is often necessary to apply for grants. Such grants can be invaluable to providing upgrades to aging infrastructure and other needs of McDonald County and her communities. This is a resource which needs in-depth and continuing exploration. Following are two examples of grants available for McDonald County:

**The Community Development Block Grant (CDBG) Program** administers grants to cities with fewer than 50,000 population and counties with less than 200,000 population. The program is designed to improve local communities by providing funds to develop suitable living environments and expand economic opportunities, principally for low-and moderate-income persons. The grant process is open to all non-entitlement local governments and provides assistance in areas such as public facilities, housing, economic development and downtown revitalization. Funds are provided through the U.S. Dept. of Housing and Urban Development.

**The Neighborhood Assistance Tax Credit Program (NAP)** administers a tax credit program designated for the betterment of communities and neighborhoods. The Neighborhood Assistance Act provides a tax credit incentive to encourage business participation in community development projects operated by not-for-profit organizations in areas such as crime prevention, community services, physical revitalization, job training, economic development, new generation cooperatives and education.

**Quality of life:** Many communities find that increasing capacity is not just a quantitative goal, but a qualitative ideal.

- **It may be more important to increase the skills of current employees than to increase the number of low-skill jobs. A good economic development program will use all the resources within a community: economic, cultural and social.**

Encouraging training programs and benefits such as on-site child care by employers in McDonald County can have a tremendous impact on quality of life for employees. The Planning Commission salutes Simmons Poultry Processing in Southwest City for instituting a medical center on-site for employees and their families.

With concepts such as flex-time, job-sharing and transitional placement becoming part of the work world, it is no longer appropriate to define economic development only in terms of jobs. Telecommuting will make transportation unnecessary for many workers in the future. Cottage industries and home offices will enable workers to stay at home and avoid child care and transportation costs and provide more time for the things most dear to them. These alternate job markets should be encouraged for McDonald County residents.

Education is necessary for economic development - education by whatever definition you want to use - whether education implies the school system or Extension education or higher education, technical support, adult ed or informal education on life skills. Access to a quality education is key to asset accumulation and financial security.

McDonald County is extremely fortunate to have Crowder College in Newton County to provide higher education, granting certificates and associates degrees in over 40 fields of study. Having a local campus in McDonald County would save students the time and cost of commuting and increase the ability for residents of McDonald County to access higher education. Such a campus would also provide quality jobs within our county and have a positive financial ripple affect through the local economy.

Many positive developments take place spontaneously, without deliberate planning efforts to achieve them. The deliberate practice of economic development is important, however, because desired improvements do not often appear spontaneously. As Dr. Simpson reminds us, **“We live in the future we create.”**