

St. Francois County Baseline Report 2005-2015

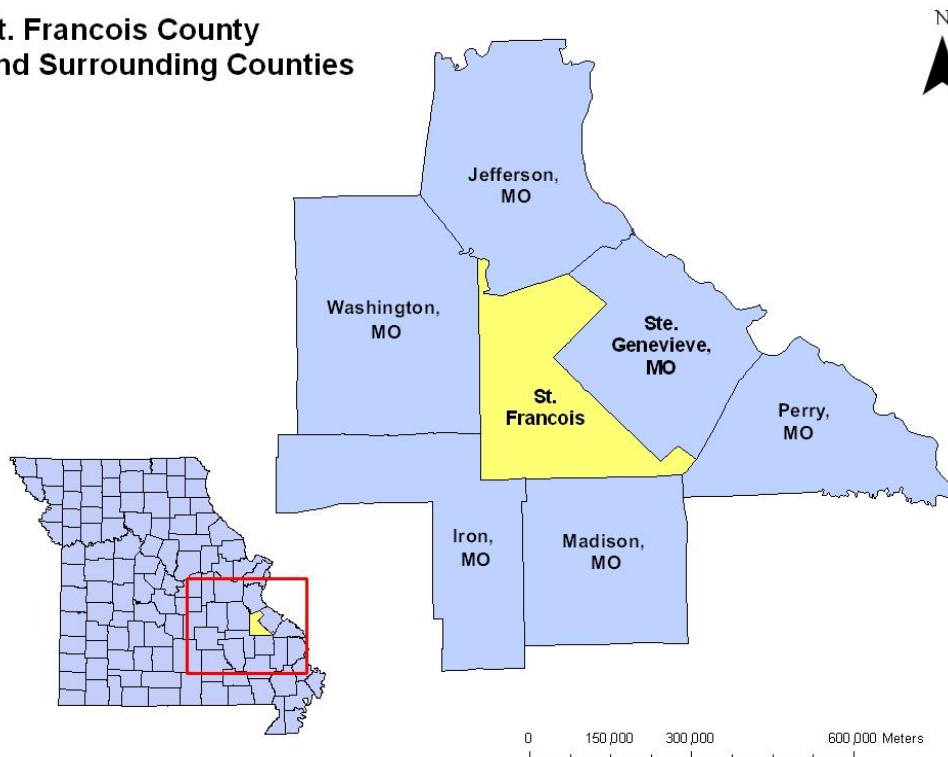
Report R-2008-07
September 2008

Jill Lucht
Dennis Robinson
Tom Johnson



CPAC
COMMUNITY POLICY ANALYSIS CENTER
215 Middlebush Hall
University of Missouri
Columbia, Missouri 65211-6200
cpac@missouri.edu
www.cpac.missouri.edu

St. Francois County and Surrounding Counties



Source: US Census Bureau
Maps by Community Policy Analysis Center (CPAC)

For more information about St. Francois County, please contact:

Al Sullivan
Executive Director
St. Francois County Community Partnership
200 W First Street, Suite 182
Farmington, MO 63640
(573)760-0212 / 431-3173
FAX: (573) 760-0451
<http://www.sfccp.org>

For questions about the information provided in this report, please contact:

Jill Lucht, Research Associate
Community Policy Analysis Center, UMC
227 Middlebush Hall / Columbia MO 65211
573-884-3185 / 573-884-9009 or [email luchtj@missouri.edu](mailto:luchtj@missouri.edu)

For a copy of the full report: <http://www.cpac.missouri.edu/>

Table of Contents

Table of Contents	3
Executive Summary	5
Project Overview	8
1. Socio-Demographic Characteristics	9
Population	9
Age.....	10
2. Workforce Characteristics	11
Employment (Full- and part-time jobs): Forecasts.....	11
Employment by Workplace: Characteristics of Industry.....	11
Employment by Workplace: Number of Establishments by Size.....	11
Labor Force.....	14
Education	14
Number of Unemployed.....	15
Unemployment Rates	15
Poverty	16
Commuting.....	17
3. Housing	18
Housing Demand.....	18
Median Housing Value.....	19
Median Monthly Rent.....	20
4. Economics	21
Real Personal Per Capita Income	21
Median Household Income.....	21
Assessed Property Value	22
Taxable Retail Sales.....	23
5. Public Finances	24
Annual Public Revenues and Expenditures	24
Public Education Expenditures	26
6. Conclusion	27
Appendix 1: Four Key Variables and the Show-Me Model	28

Acknowledgements

This report was completed at the request of St. Francois County, and is an extension of a report released by the Community Policy Analysis Center (CPAC) in October 2003: *St. Francois County Economic Analysis and Baseline, 2001-2011*. The 2003 report was authored by Anna Kovalyova and Morgan Mundell from CPAC, in cooperation with the St. Francois County Advisory Panel and Shelley Bush, Community Development Specialist with University of Missouri Extension.

The following CPAC staff helped with the development of this updated report:

Amy Lake, MS, CPAC Extension Associate, provided narrative, editorial support and report design.

Sara Alva-Lizarraga, CPAC Graduate Research Assistant and PhD candidate in Agricultural Economics, gathered, analyzed and summarized data for this report.

Yancy Vaillant, PhD, CPAC Visiting Scholar and Professor from Grup de Recerca en Desenvolupament Rural de la Universitat Autònoma de Barcelona (DRUAB), provided review and editorial support.

Executive Summary

This report includes a set of annual baseline forecasts of demographic, economic, and fiscal conditions through 2015 for St. Francois County, Missouri. Findings are based on a comprehensive statistical analysis of the most recent secondary data available. The base year for the forecasts in this report is 2005, the most recent year that data were available when the study began. Dollar figures are reported in constant 2005 terms, with no attempt to estimate future inflation rates.

The forecasts in this report are based on the following growth rates for four key variables. These four key variables guide the forecasts in this statistical model. (See Appendix 1 for a full discussion of the Show-Me Model and Key Variable Growth Rates.)

Employment growth rate in St. Francois County	2.80
Labor Force growth rate in surrounding counties	0.97
Employment growth rate in surrounding counties	2.41
Real Per Capita Income growth rate in St. Francois County	-0.02

A NOTE TO THE READER:

The growth rates listed above are an average of the 10-year, 5-year, and 2-year annual growth rates in St. Francois County. The 10-year rate is the average annual growth rate from 1995 to 2005; the 5-year rate is the average annual growth rate from 2000-2005; and the 2-year rate is the average annual growth rate from 2003-2005. The use of the growth rates listed above is based on CPAC's extensive experience in conducting baseline studies, (which shows that using an average of the three growth rates provides the most accurate assumption), as well as a decision made by a representative of St. Francois County.

The forecasts in this report do not represent predictions of local economic conditions. Rather, this report is designed to help decision-makers see local economic activity as a comprehensive system that is both logically consistent and statistically valid. The model does not account for changes due to the national business cycle or other macroeconomic effects. However, it does measure the potential impacts that changes in one variable such as population have on other variables such as Retail Sales and Public Revenues. See Appendix 1 for a full discussion of the estimation method used in this report.

Key Findings

- In 2015, St. Francois County's population is forecasted to be approximately 74,168. Between 2005 and 2015, St. Francois County's population is expected to increase by 12,501 people, an overall increase of 20.3%.
- The number of school aged children is forecasted to increase overall by 21.3 percent, a gain of approximately 2,359 children in St. Francois County from 2005 to 2015.
- The demand for housing will increase by approximately 4,998 housing units from 2005 to 2015. The total demand for housing in St. Francois County in 2015 will be approximately 27,510.
- St. Francois County's median housing value is not forecasted to change significantly from 2005 to 2015. The 2015 forecasted value is \$78,781 (in real 2005 dollars), which is an increase 1.4% over the total 10 year period.
- Median household income (in real 2005 dollars) will remain relatively flat from 2005 to 2015, increasing by \$416 in the ten-year period to \$35,917. According the US Census, St. Francois County's 2004 median household income was reported to be 82.5 percent of the State of Missouri's.
- According to the Missouri Department of Economic Development, St. Francois County's 2007 unemployment rate was 5.8 percent, which was higher than the state rate of 5.0 percent. According to CPAC projections, the *number* of unemployed people in the County is expected to increase by 262 people from 2005 to 2015.
- The largest industrial sector in St. Francois County is services. In 2006, the service sector accounted for 39.1 percent of the jobs in St. Francois County.
- Small businesses are prominent in St. Francois County, which is typical of many Missouri counties. Approximately 57.6 percent of all St. Francois County businesses employed fewer than five people in 2005 and 76.6% employed fewer than 10. There was a net gain of 146 small businesses with fewer than five employees between 2001 and 2006.
- Taxable retail sales are projected to increase to \$776.1 million (in real 2005 dollars) by 2015, an overall increase of 16.4% in the ten-year period.
- Both public revenues and expenditures are projected to increase between 2005 and 2015. While public revenues are projected to remain higher than public expenditures during the study period, expected public expenditures are growing at a slightly faster pace than revenues. New sources of public revenue may become necessary in the future.

Table 1: St. Francois County Summary Table

	2005	2015	Absolute Change (2015-2005)	Cumulative Percentage Change* 2005 to 2015	Annual Growth Rate*
Demographics					
Total Population	61,667	74,168	12,501	20.3%	1.9%
0 to 4 Years	3,738	4,554	816	21.8%	2.0%
5 to 17 Years	11,081	13,440	2,359	21.3%	1.9%
18 to 64 Years	37,686	45,341	7,655	20.3%	1.9%
65 Years & Older	9,162	10,833	1,671	18.2%	1.7%
Workforce Characteristics					
# of Full- and Part-Time Jobs	29,463	38,848	9,385	31.9%	2.8%
Total Labor Force	27,895	34,762	6,867	24.6%	2.2%
Female Labor Force	13,184	16,526	3,342	25.3%	2.3%
Number of Unemployed People	1,839	2,101	262	14.2%	1.3%
Population Living Below Poverty Threshold	9,083	11,384	2,301	25.3%	2.3%
In-commuters	6,033	9,792	3,759	62.3%	5.0%
Out-commuters	6,228	8,356	2,128	34.2%	3.0%
Housing					
Total Demand for Housing	22,512	27,510	4,998	22.2%	2.0%
Demand for Owner-occupied Housing	16,411	19,894	3,483	21.2%	1.9%
Median Housing Value**	\$77,714	\$78,781	\$1,067.0	1.4%	0.1%
Median Monthly Rent **	\$458	\$463	\$5.0	1.1%	0.1%
Economics					
Personal Per Capita Income**	\$22,258	\$22,221	(\$37.0)	(0.2%)	(0.02)%
Median Household Income**	\$35,501	\$35,917	\$416.0	1.2%	0.1%
Assessed Property Value (millions)**	\$540.1	\$702.6	\$162.5	30.1%	2.7%
Taxable Retail Sales (millions)**	\$666.7	\$776.1	\$109.4	16.4%	1.5%
Public Finances					
Total Annual Public Revenues (millions)**	\$155.8	\$191.6	\$35.8	23.0%	2.1%
Demand for Annual Public Expenditures (millions)**	\$140.6	\$173.8	\$33.2	23.6%	2.1%
Revenues minus Expenditures (millions)**	\$15.2	\$17.8	\$2.6	17.1%	1.6%
Total Education Expenditures (millions)**	\$101.8	\$123.8	\$22.0	21.6%	2.0%

*Cumulative Percentage Change is not 10 x Annual Growth Rate due to compounding issues (i.e. similar to the compounding of interest in the banking industry).

**All monetary figures have been adjusted to 2005 dollars

Project Overview

This report was completed at the request of St. Francois County, and is an extension of a report released by the Community Policy Analysis Center (CPAC) in October 2003. The previous report was titled *St. Francois County Economic Analysis and Baseline, 2001-2011*. This baseline report is meant to extend the years covered in the previous report, and provide updated information about St. Francois County to help local leaders and residents better understand their regional economy.

CPAC uses the Show-Me Model¹ and IMPLAN in order to develop baseline studies. Baseline studies provide information on historical patterns of employment, labor force, commuting patterns, population, taxable retail sales, county revenues and expenditure, and other key economic and demographic variables. Baseline studies also provide 10 year projections of demographic and economic variables. This can help groups think about economic issues that their communities might face in the future.

As mentioned earlier, the forecasts in this report are not predictions of local economic conditions. Rather, the forecasts are intended to help communities plan for the future by better understanding their local economy as a comprehensive system. The model does not account for changes due to the national business cycle or other macroeconomic effects, including recent developments in the financial sector and the housing markets in the United States. However, the Show-Me Model does measure the potential impacts that changes in one variable such as population have on other variables such as Retail Sales and Public Revenues. See Appendix 1 for a full discussion of the estimation method used in this report.

This report also includes information on the following:

- Employment (number of full-time and part-time jobs) by industry (2000 and 2005)
- Business size by number of employees (2000 and 2005)

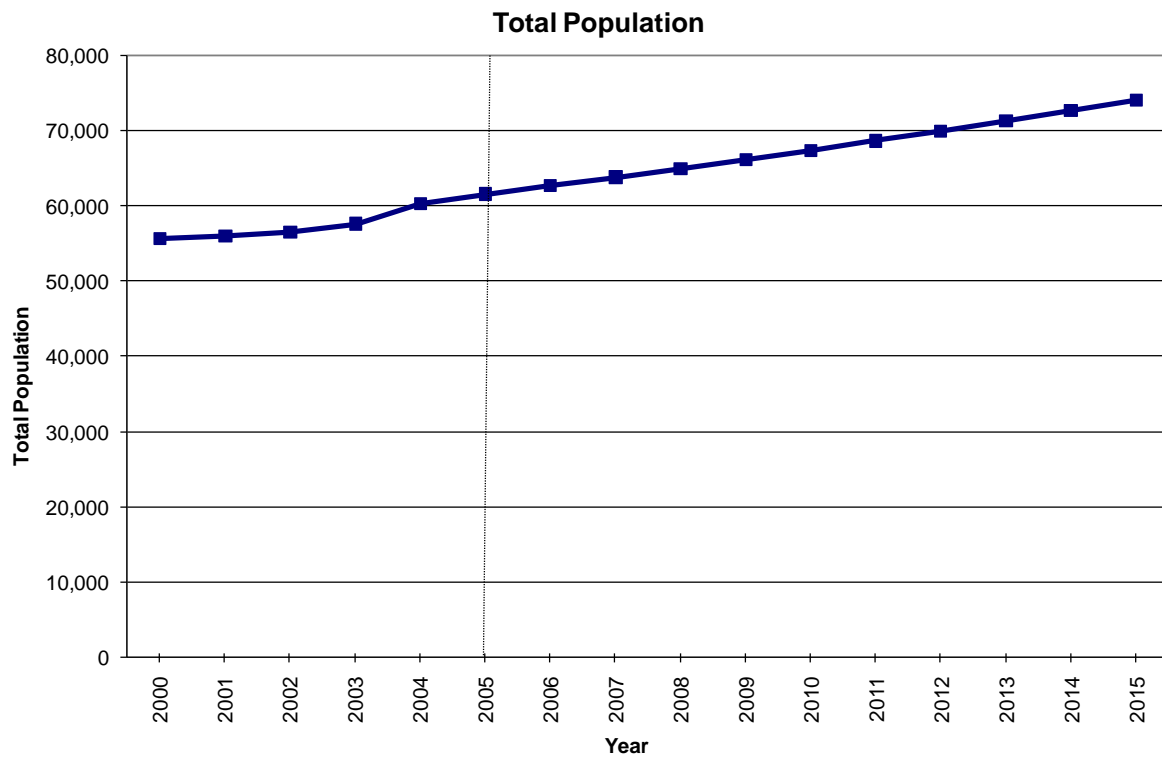
¹ The Show-Me Model is an economic model developed by CPAC faculty. It is designed to be used interactively in communities and provides 10-year projections for a variety of socioeconomic variables. A more detailed explanation is provided in Appendix 1. The projections in this report were generated using the Show-Me Model Version C2.2, designed by Dennis Robinson, PhD.

1. Socio-Demographic Characteristics

Population

According to CPAC forecasts, St. Francois County's total population will increase from 61,667 in 2005 to 74,168 in 2015, an overall increase of 20.3 percent. (See Figure 1 below.) This forecast is consistent with St. Francois County's historical trend of population gain. According to the US Census, the County's population increased by 11.8 percent from 2000 to 2006. In comparison, the State of Missouri grew by 4.4 percent during the same six years (2000 to 2006).

Figure 1: St. Francois County Population Forecast



Note: Vertical scale set at "0"

Source: 2000 US Census. Analysis by CPAC

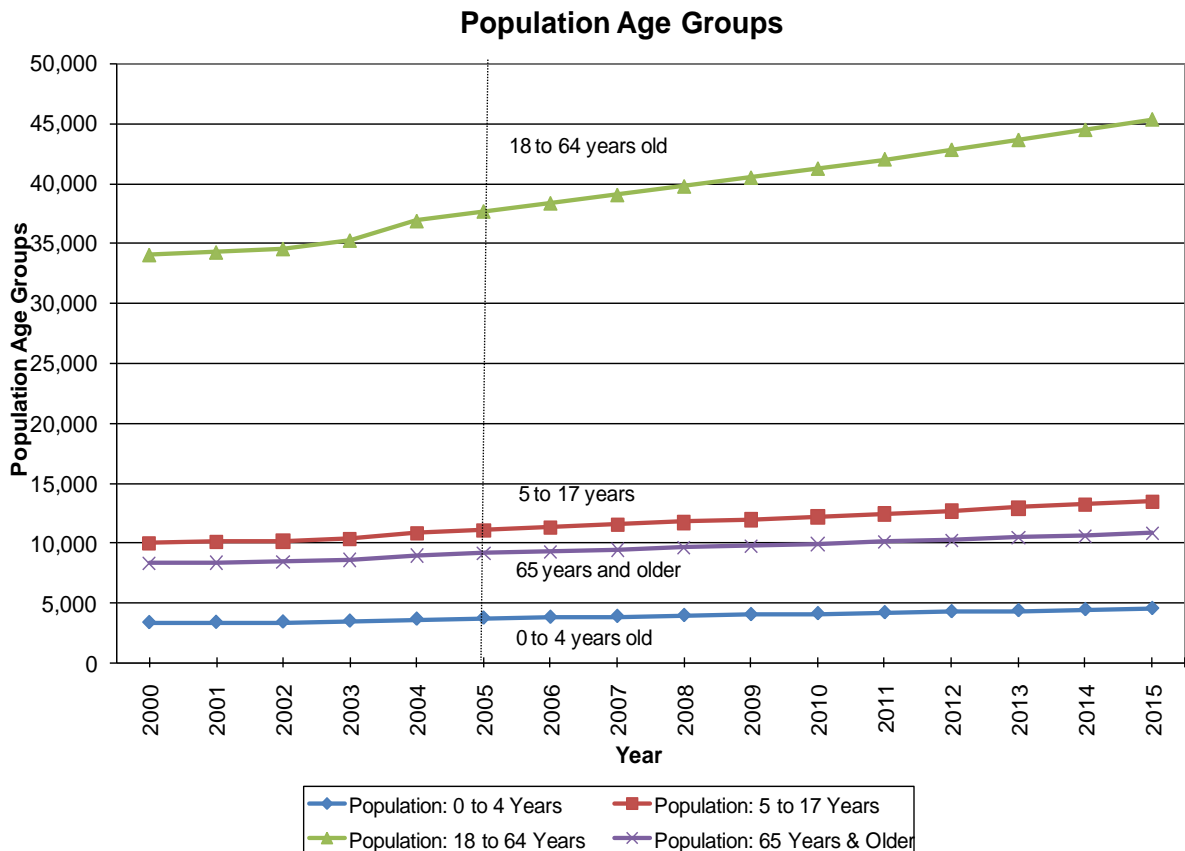
NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

Age

St. Francois County is gaining population in all age groups as shown in Figure 2 below. The county is projected to gain approximately 2,359 school-aged children (ages 5-17) between 2005 and 2015, an overall gain of 21.3 percent.

Around 15 percent (14.8%) of St. Francois County residents were 65 years or older in 2005, which is just slightly higher than the state of Missouri (approximately 13 percent), according to the US Census. The *number* of people 65 years and older is projected to increase by 18.2 percent by 2015, a gain of 1,671 people. The population of working age adults is forecasted to increase by 7,655 people (20.3 percent) between 2005 and 2015.

Figure 2: St. Francois County Population Projections by Age



Source: 2000 US Census. Analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

2. Workforce Characteristics

Employment (Full- and part-time jobs): Forecasts

For this analysis, it was assumed that St. Francois County would gain employment (i.e., full- and part-time jobs) at an annual rate of 2.8 percent per year from 2005 to 2015. This assumption is based on an analysis of employment trends in St. Francois County from 1995 to 2005.²

There were 29,463 jobs in St. Francois County in 2005. If employment increases at 2.8 percent per year, St. Francois County will gain 9,385 jobs in the ten-year study period, leaving it with approximately 38,848 full- and part-time jobs in 2015 (Bureau of Economic Analysis).

Employment by Workplace: Characteristics of Industry

According to the Bureau of Economic Analysis, St. Francois County had 30,297 full- and part-time jobs in 2006.³ This is a net gain of 834 jobs over the previous year. The majority of employment in 2006 (11,845 jobs or 39.1 percent) was in the service sector. Government was the next highest category, with 5,917 jobs or 19.5 percent in local and other government. Retail trade was the next largest employment category with 3,643 jobs.

Manufacturing employment did not change dramatically between 2001 and 2006, with a loss of just 9 jobs. Manufacturing accounts for 8.1 percent of all jobs in the county.

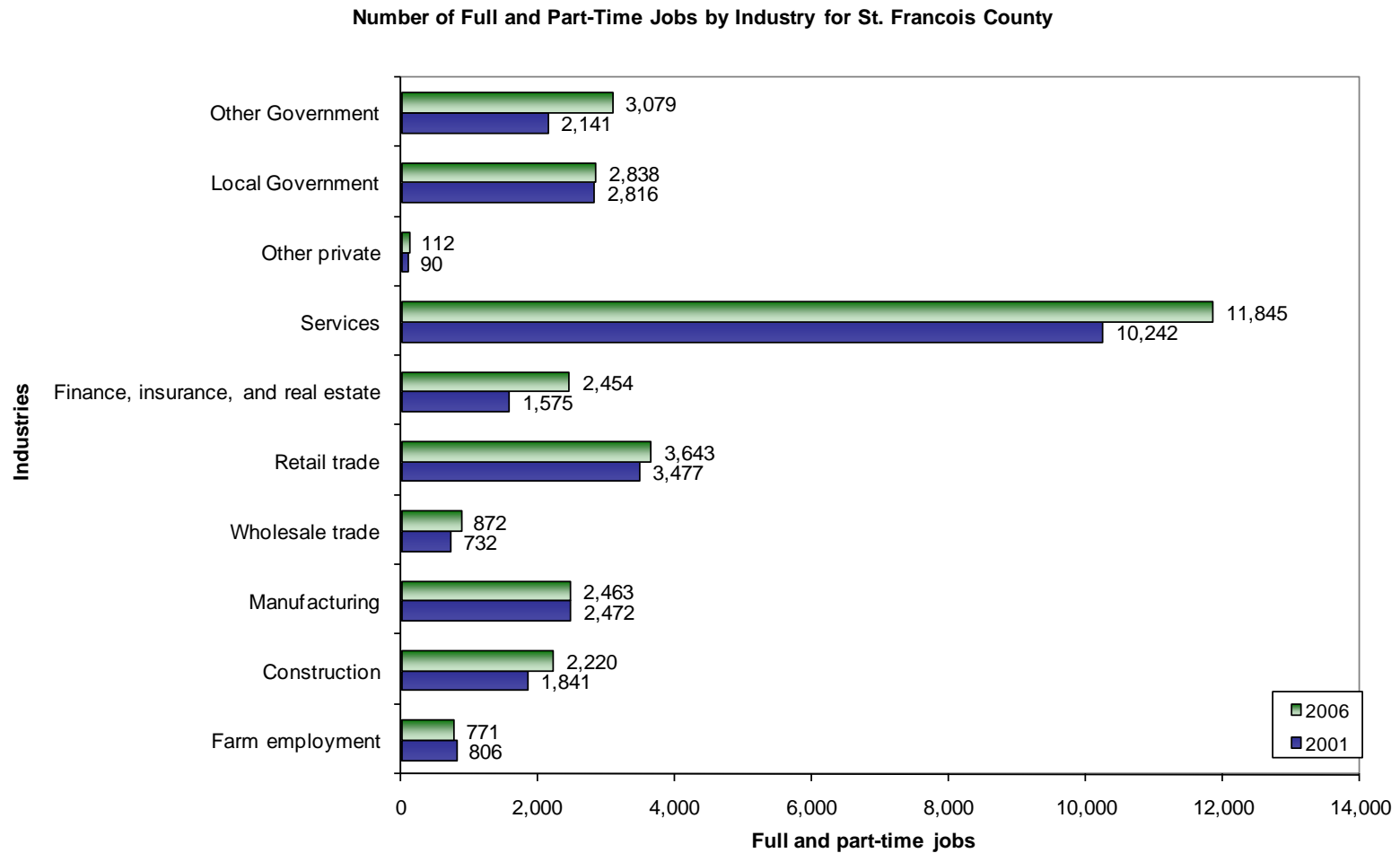
Employment by Workplace: Number of Establishments by Size

Approximately 57.6 percent of St. Francois County's business establishments employed fewer than 5 people in 2006, and 76.6 percent of all firms employed fewer than 10 employees. While the vast majority of firms employ less than 10 employees, St. Francois County hosts a number of larger employers as well, including 27 firms with greater than 100 employees (US Census, County Business Patterns).

² For a full description of why CPAC assumed this annual growth rate, please see Appendix 1.

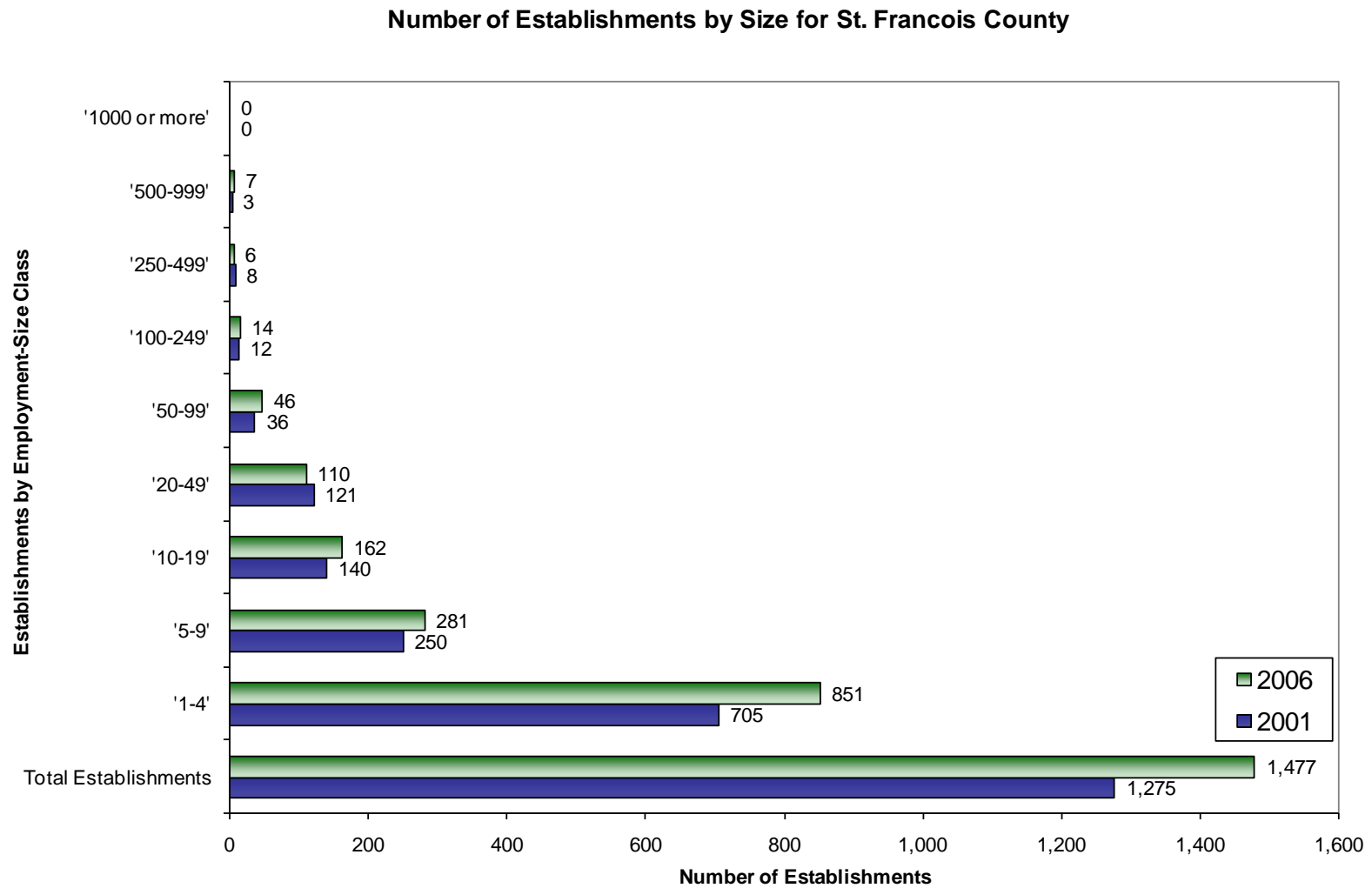
³ Readers should note that the year 2006 is used for the base year in the sections titled "Characteristics of Industry" and "Number of Establishments by Size." The rest of the report uses 2005 as the base year.

Figure 4: Characteristics of Industry



Source: Bureau of Economic Analysis

Figure 5: Number of Establishments by Size

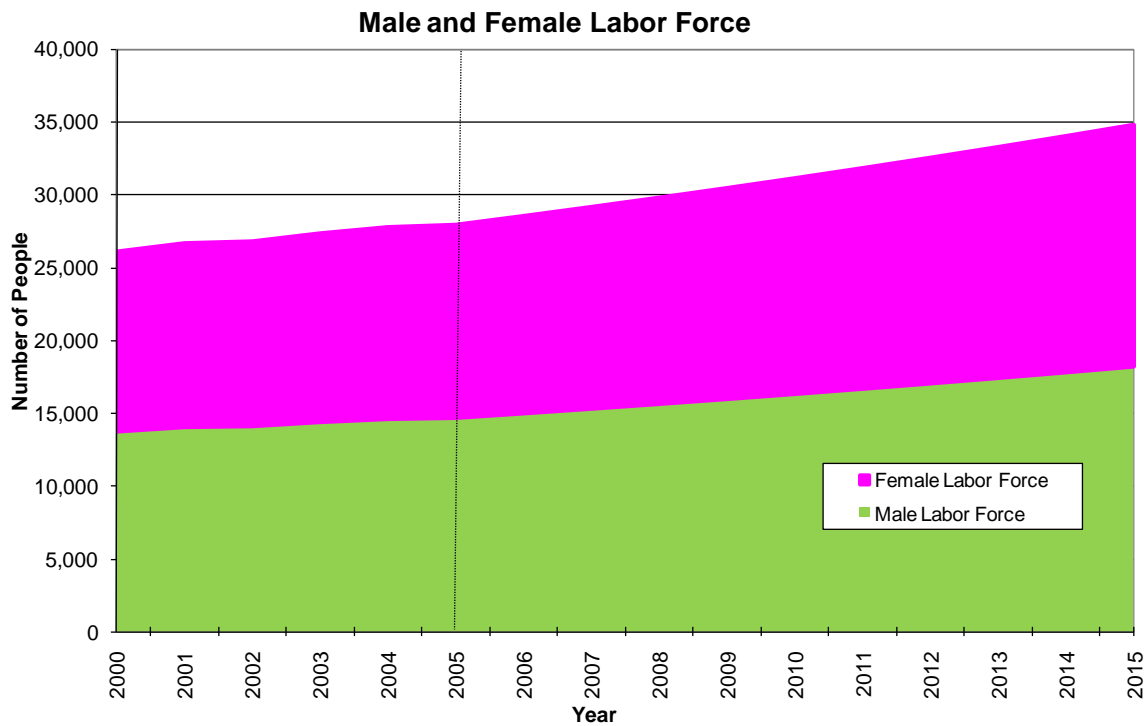


Source: US Census Bureau

Labor Force

Labor force is the number of people 16 years of age and older that are either (a) working or (2) unemployed and looking for work. According to CPAC forecasts, there will be 34,762 people in St. Francois County’s labor force in 2015. This is an overall increase of 24.6 percent from 2005 to 2015. Women make up almost one-half of the total labor force in the county.

Figure 7: St. Francois County Labor Force Forecast



Source: Bureau of Labor Statistics with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

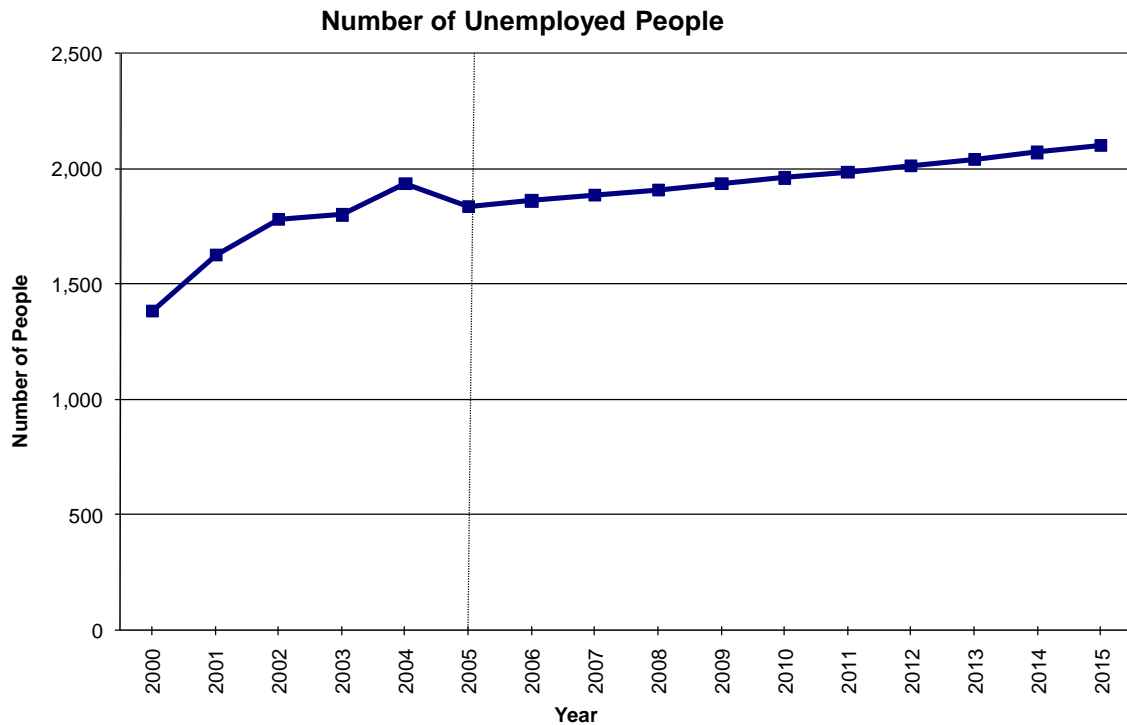
Education

Just 72.4 percent of St. Francois County’s population had a high school diploma, according to the 2000 Census, which is less than the state of Missouri at 81.3 percent. Only 10.2% of St. Francois County residents had a Bachelors degree or higher, which is much lower than the state at 21.6% (US Census).

Number of Unemployed

The *number* of unemployed people (not the unemployment *rate*) is projected to increase slightly from 2005 to 2015, with an increase of 262 unemployed people. The number of unemployed people tends to increase as population and the number of jobs increase.

Figure 8: St. Francois County Forecast for Number of Unemployed People



Source: Bureau of Economic Analysis with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

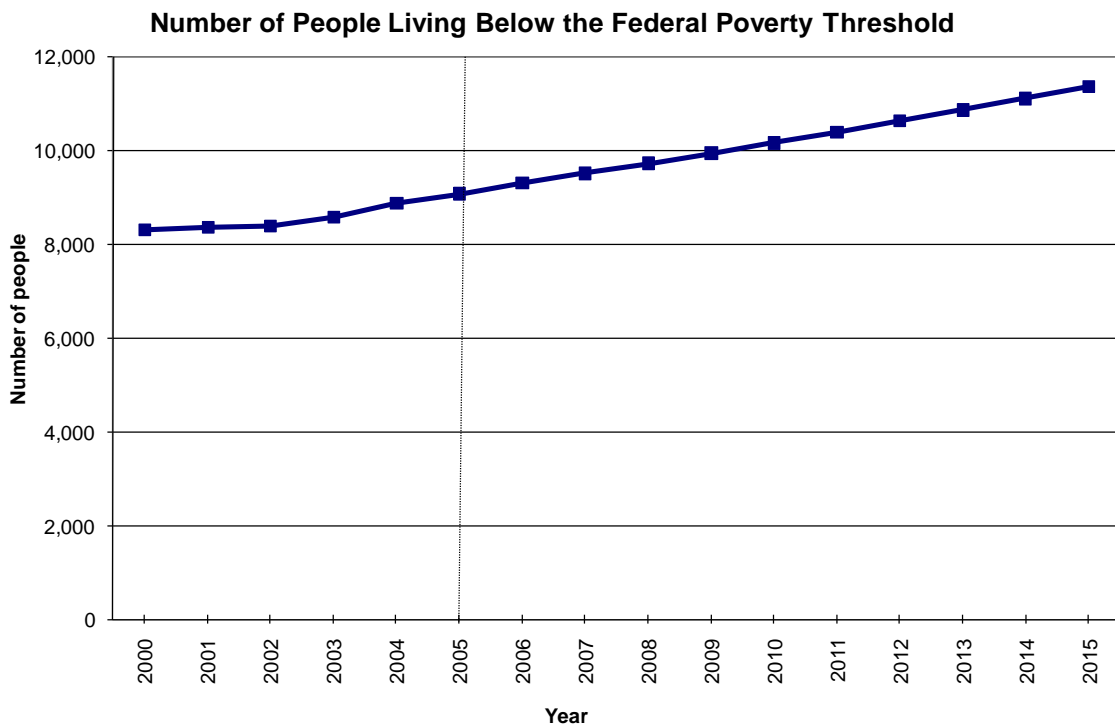
Unemployment Rates

St. Francois County's annual unemployment rate remained constant at 5.8 percent from 2006 to 2007. The state of Missouri's annual unemployment rate, on the other hand, increased from 4.6 percent in 2006 to 5.0 percent in 2007. Nonetheless, St. Francois County's average annual unemployment rate was higher than the state of Missouri (Missouri Local Area Unemployment Statistics by MERIC and U.S. Department of Labor, Bureau of Labor Statistics).

Poverty

The number of people living below the Federal Poverty Threshold⁴ in St. Francois County is projected to increase by 2,301 people from 2005 to 2015, or 25.3 percent overall. This is consistent with the fact that St. Francois County's overall population is increasing. However, it should be noted that the number of people predicted to be in poverty is increasing faster than the overall population. The US Census provides estimates of population living below the federal poverty threshold between Census years. In 2004, the Census estimated that 15.9 percent of people in St. Francois County were living below the poverty threshold, compared to 13.0 percent for Missouri.

Figure 8: St. Francois County Forecast for Number of People Living Below the Federal Poverty Threshold



Note: Vertical scale not set at "0"

Source: 2000 US Census with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

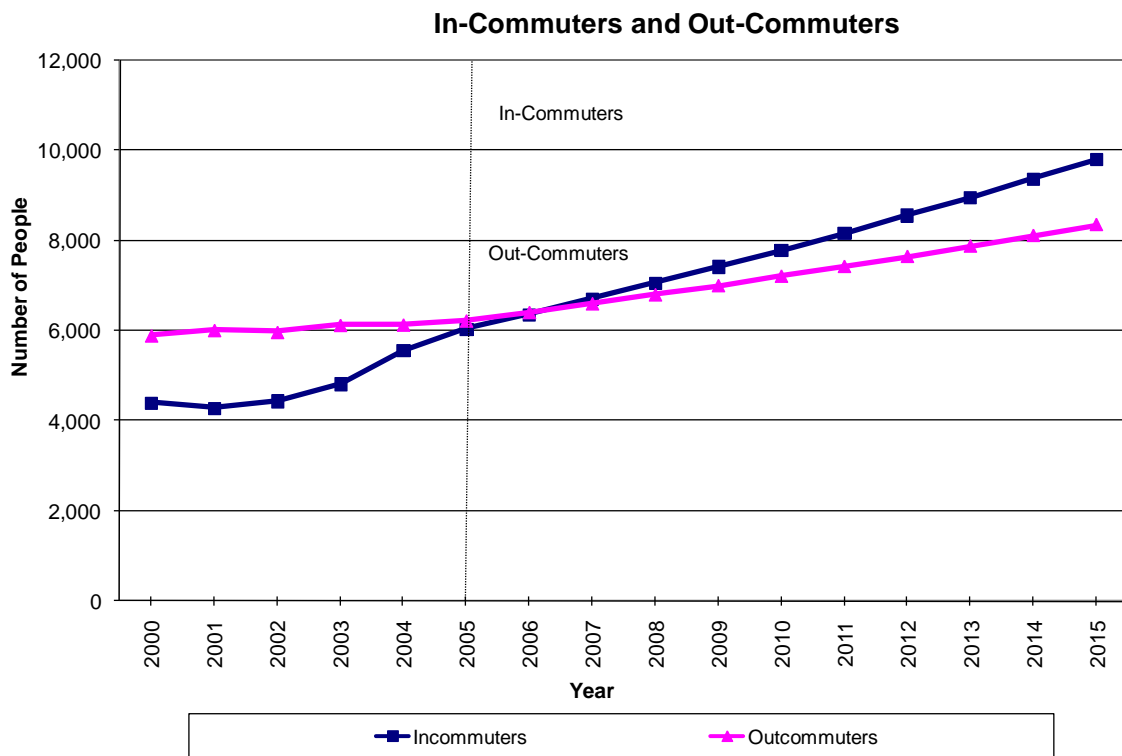
⁴ The 2006 US Census Poverty Threshold for a family of 4 with 2 children is \$20,444. The Threshold is adjusted depending in the number of people in the family and the number of children compared to adults.

Commuting

The number of out-commuters (St. Francois County residents travelling to other counties for work) is expected to increase between 2005 and 2015 by 34.2 percent (2,128 workers) overall. The number of in-commuters (people travelling into St. Francois County from other counties to work) is projected to increase even more quickly, with a 62.3 percent (3,759) increase in the same ten year period. In fact, in 2005 the number of out-commuters (6,228) was higher than the number of in-commuters (6,033). By 2015, CPAC projections indicate that there will be more in-commuters than out-commuters in St. Francois County. See Figure 9 for more information on the trends in commuting patterns.

The mean travel time to work for St. Francois County workers (ages 16 and older) was 27.6 minutes. This is slightly higher than the state mean travel time, which was 23.8 minutes. (US Census)

Figure 9: St. Francois County Commuting Forecast



Source: 2000 US Census with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

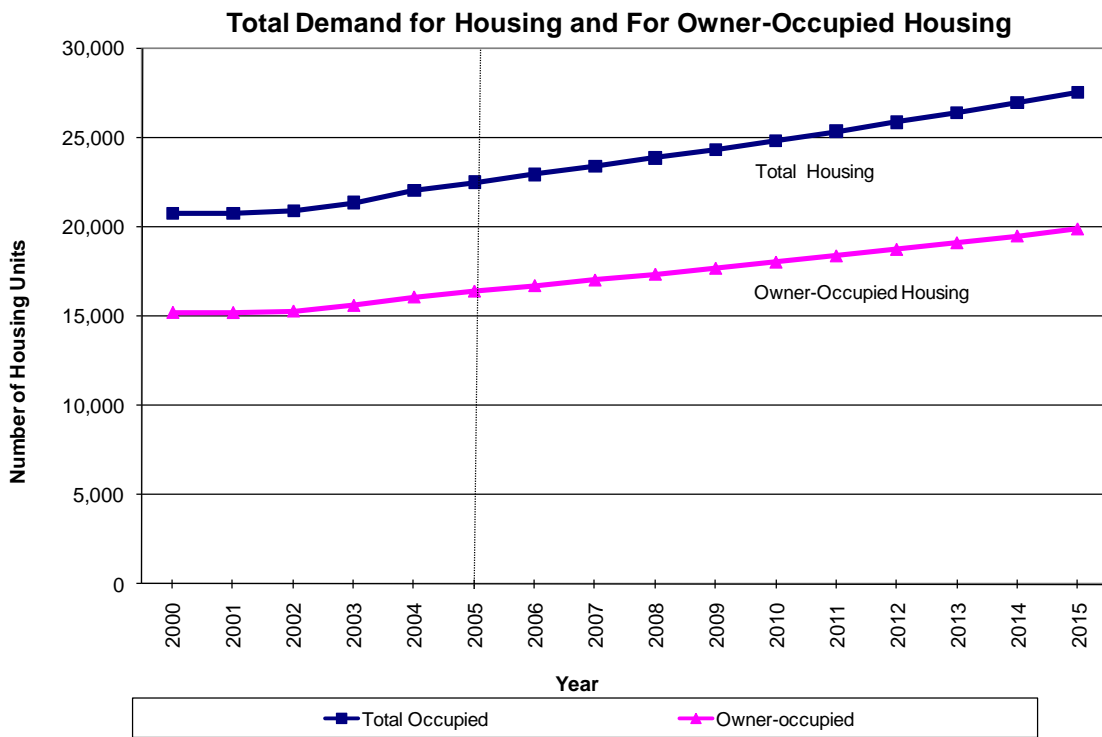
3. Housing

Housing Demand⁵

The demand for housing in St. Francois County is projected to increase by 22.2 percent from 22,512 in 2005 to 27,510 in 2015. Again, this reflects the overall population increase forecasted for the county. Demand for owner-occupied housing will increase at a slightly slower overall pace (21.2 %).

St. Francois County’s 2000 home ownership rate was 73.1 percent, which is slightly higher than the state rate of 70 percent. This indicates that St. Francois County has a higher proportion of home owners compared to renters than the state. It is unclear what the long-term impact of the recent mortgage lending crisis will be on homeownership rates in the County. Twelve percent of St. Francois County’s housing units were in multi-unit structures in 2000, compared to 20 percent for the state. (US Census)

Figure 10: Housing Forecast



Source: 2000 US Census with analysis by CPAC

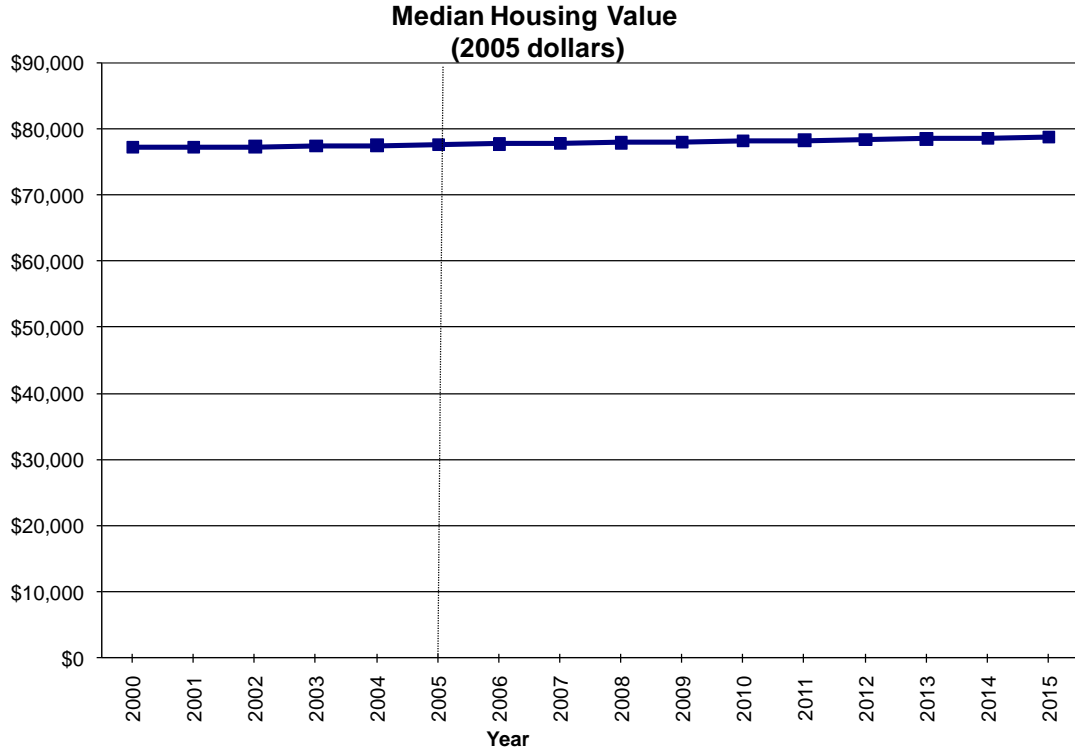
NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

⁵ The demand for housing is defined as the number of housing units that is theoretically necessary to house the number of people and households in the county.

Median Housing Value

Despite the increased demand for housing in St. Francois County, median housing value is not forecasted to change significantly from 2005 to 2015. The 2015 forecasted value is \$78,781 (in real 2005 dollars), which is an increase 1.4% over the total 10 year period. (All monetary figures have been adjusted to 2005 dollars.)

Figure 10: Median Housing Value



Note: Vertical scale set at "0"

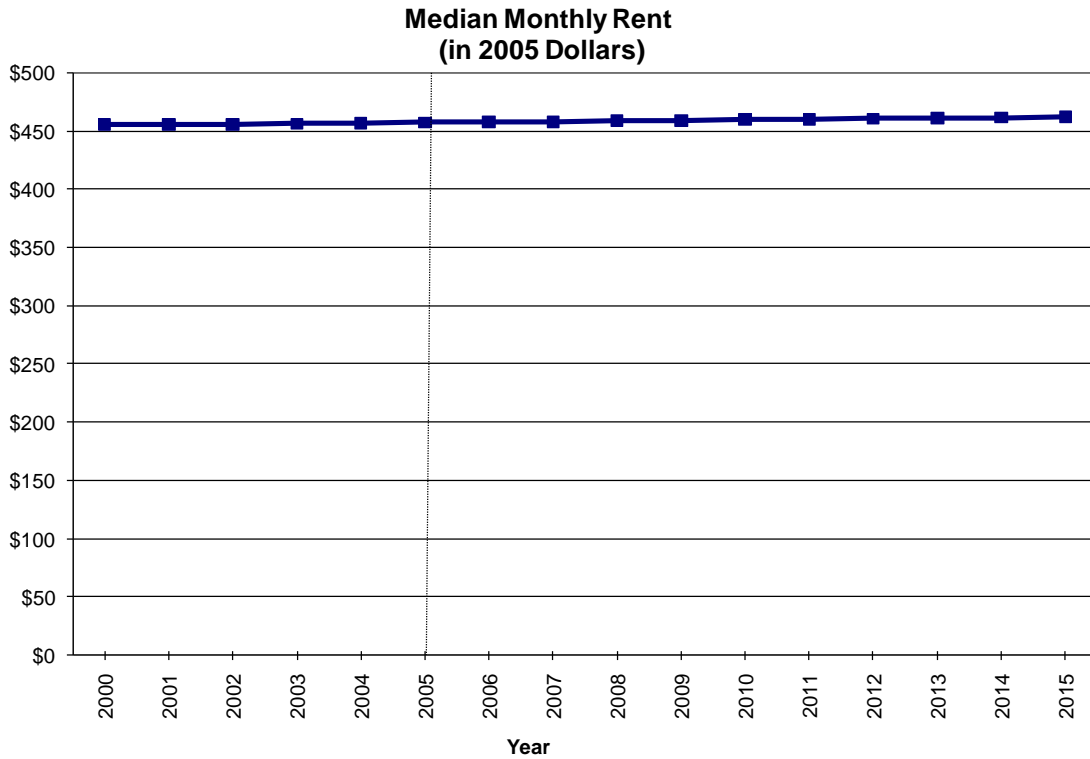
Source: 2000 US Census with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

Median Monthly Rent

Median monthly rent is projected to change just slightly from 2005 to 2015. In 2005 median rent was \$458 per month. In 2015 median monthly rent is expected to be approximately \$463. (All monetary figures have been adjusted to 2005 dollars.)

Figure 11: Median Monthly Rent



Source: 2000 US Census with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

4. Economics

Real Personal Per Capita Income

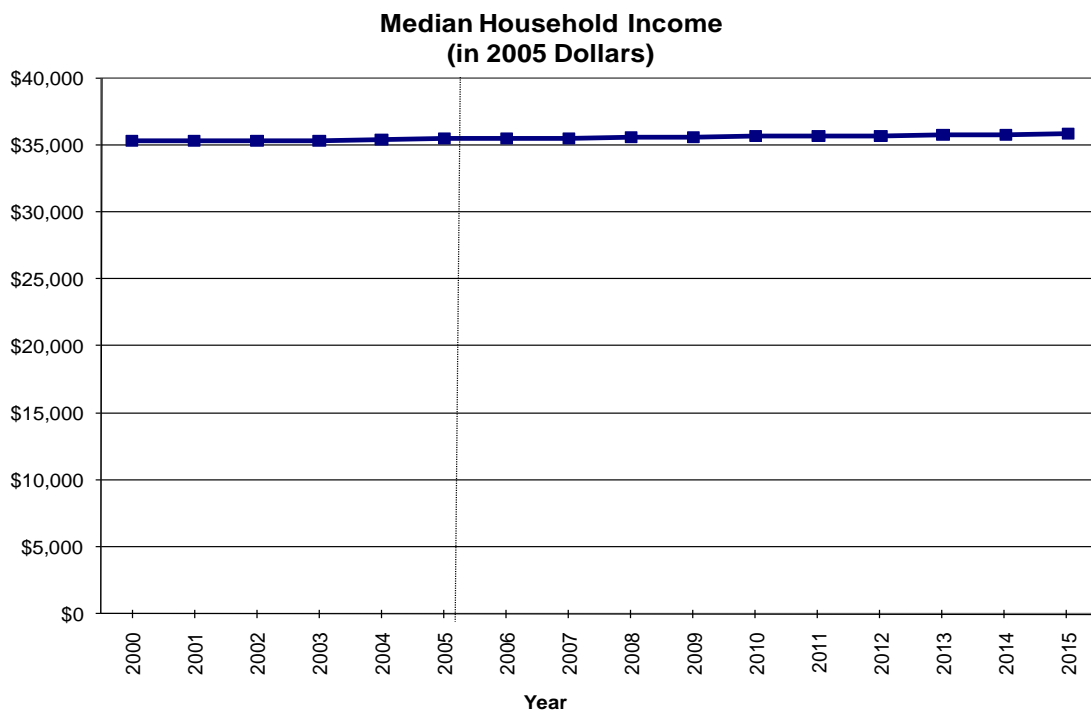
For this analysis, it was assumed that St. Francois County's Real Personal Per Capita Income would decrease by 0.02 percent on average per year from 2005 to 2015 (an overall change of -0.2 percent). This assumption is based on an analysis of income trends in the County from 1995 to 2005.⁶

In 2005, St. Francois County's Personal Per Capita Income was \$22,258. If it decreases at 0.02% per year for the next 10 years, it will be \$22,221 in 2015. This is a loss of approximately \$37.00. (All monetary figures have been adjusted to 2005 dollars). (Source: Bureau of Economic Analysis.)

Median Household Income

Median household income is projected to increase slightly in real terms from 2005 to 2015. The 2015 median household income is projected to be \$35,917, approximately \$416 higher than in 2005 (in real 2005 dollars). In 2004, St. Francois County's median household income was reported to be approximately 82.5 percent of the state's median household income. (US Census)

Figure 13: St. Francois County Median Household Income



Source: 2000 US Census with analysis by CPAC

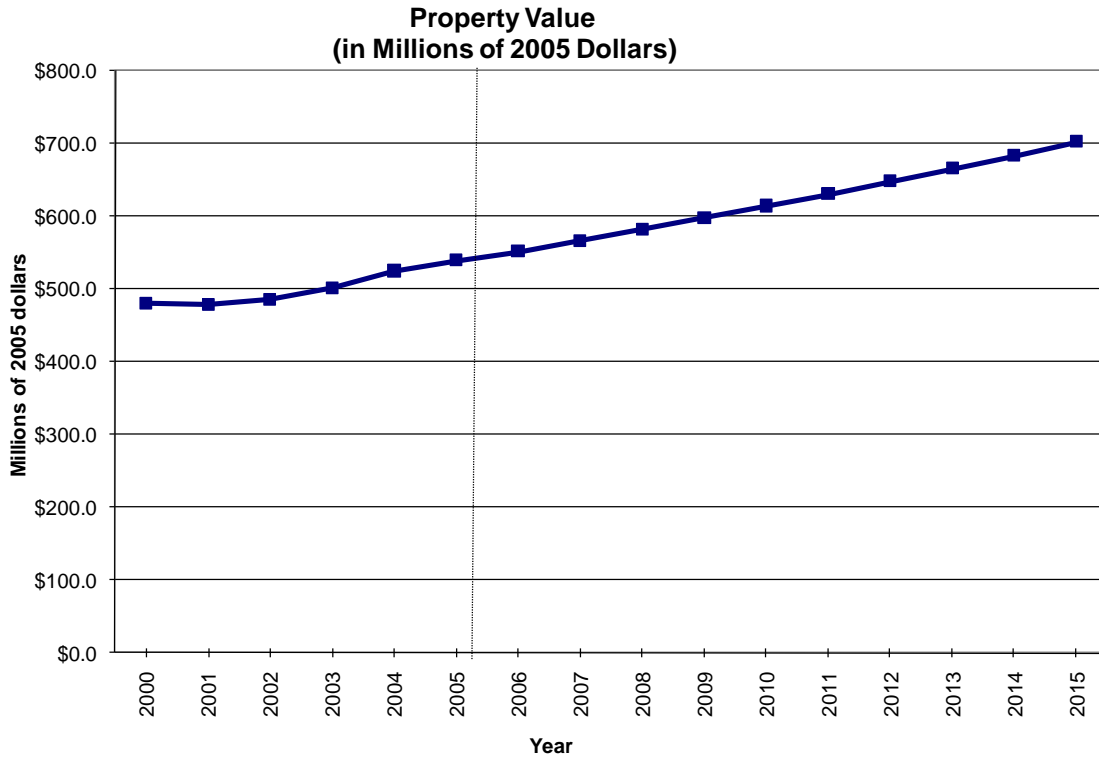
NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

⁶ For a full description of why CPAC assumed this annual growth rate, please see Appendix 1.

Assessed Property Value

In 2015, assessed property value in St. Francois County is projected to be \$702.6 million (in real 2005 dollars). This represents an overall increase of 30.1 percent from the 2005 value of \$540.1 million. Assessed property includes all property for all uses such as residential, industrial, vacant properties, etc.

Figure 14: St. Francois County Property Value Forecast



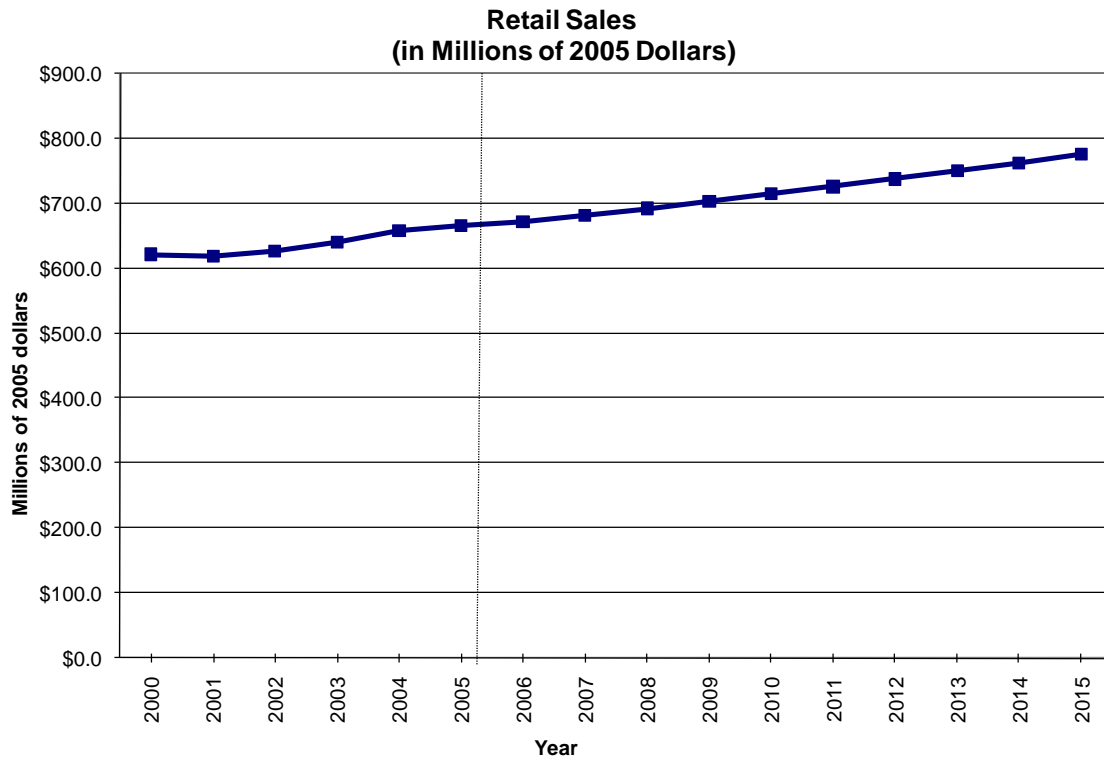
Source: Bureau of Economic Analysis with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

Taxable Retail Sales

Taxable retail sales are forecasted to increase by 16.4 percent overall between 2005 and 2015. In 2015, taxable retail sales are projected to be \$776.1 million (in 2005 dollars) compared to \$666.7 million in 2005.

Figure 15: St. Francois County Taxable Retail Sales Forecast



Source: 2000 US Census with analysis by CPAC

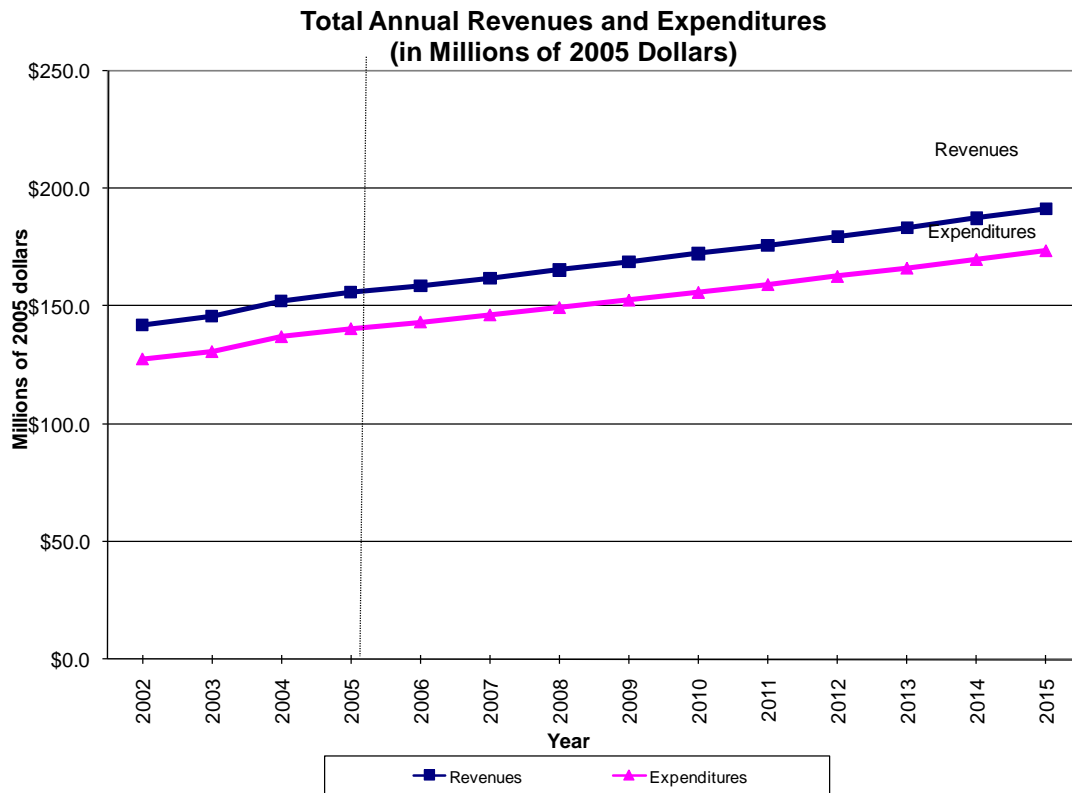
NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

5. Public Finances

Annual Public Revenues and Expenditures

St. Francois County's public revenues and expenditures are each forecasted to increase from 2005 and 2015. Revenues are forecasted to increase by 23.0 percent, from \$155.8 million in 2005 to \$191.6 million in 2015. St. Francois County's annual expenditures are forecasted to increase at a slightly higher rate than revenues: 23.6%. At this overall rate increase, expenditures would grow from \$140.6 million in 2005 to \$173.8 million in 2015 (in real 2005 dollars).

Figure 16: St. Francois County Revenues and Expenditures Forecast



Source: US Census of Governments, with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

Discussion of the data and projections

All public finance forecasts in this report include revenues and expenditures for all levels of local government (including county, cities, townships, and special districts). These figures are estimated on a yearly basis. Therefore, revenue forecasts do not include carry-over from year to year. Additionally, expenditures do not include large, one-time capital expenditures (such as a new fire engine or new school). The annual expenditures account only for the yearly “operating” expenses for local governments. Annual public expenditures may be interpreted as the cost that local governments will incur to meet the demand for services by local residents.

The Show-Me Model does not account for macro-economic shifts and events, such as the recent increase in gas prices.

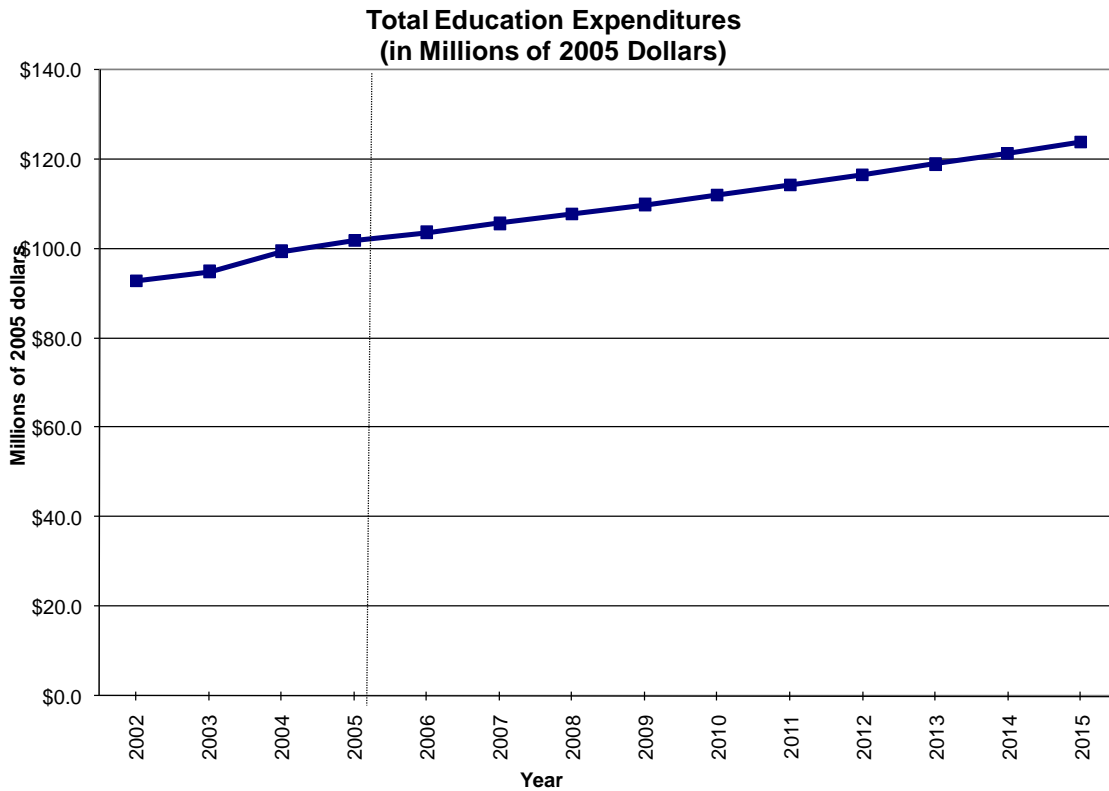
Finally, while local governments are not technically supposed to carry expenditures that exceed revenues in their budgets, the Show-Me Model does statistically allow this. In St. Francois County’s case, revenues will remain higher than expenditures, assuming that there will be no major capital expenditures from 2005 to 2015.

Public Education Expenditures

Annual forecasts for education expenditures are included in the total public expenditures reported above. However, because school funding issues tends to be an important issue for communities, education expenditures (or demand for education services) are provided here separately.

In 2015, annual public education expenditures are estimated to be \$123.8 million (in constant 2005 dollars). Education expenditures are projected to increase by approximately \$22 million (in constant 2005 dollars) from 2005 to 2015, a 21.6% overall increase in the ten-year time period.

Figure 17: St. Francois County Education Expenditure Forecast



Source: US Census of Governments, with analysis by CPAC

NOTE: 2005 is the base year in all forecasts. All 2005-2015 values are forecasts calculated with the CPAC Show-Me Model Version C2.2. All values before 2005 are actual values.

6. Conclusion

St. Francois County has been gaining population and jobs for at least the past 20 years. It is currently ranked number 21 in the list of fastest growing counties in Missouri in terms of population (US Census). Based on the projections generated through CPAC's Show-Me Model, the population in St. Francois County is forecasted to continue increasing in the next 10 years, by approximately 20.3 percent between 2005 and 2015. The number of full-and part-time jobs is projected to increase at an even faster rate (31.9%) over the same time period.

Historical trends indicate that employment and labor force in the counties surrounding St. Francois will also continue to grow over the period 2005-2015. However, at the same time that population and employment are growing in St. Francois County and the region, personal per capita income and median household income are projected to remain relatively flat. Furthermore, the number of people living below the poverty line is projected to increase by over 25 percent. These projections indicate that the quality of economic opportunities in St. Francois County may be eroding over time, even as the number of jobs increases.

The increasing population in St. Francois County will have impacts on local government expenditures and revenues. Greater population will have greater demands for local services (i.e. expenditures), as well as a greater capacity to generate revenues in terms of property taxes and retail sales. CPAC's projections show that both expenditures and revenues are expected to increase between 2005 and 2015, with demand for public services (i.e. expenditures) growing at a slightly faster pace than revenues.

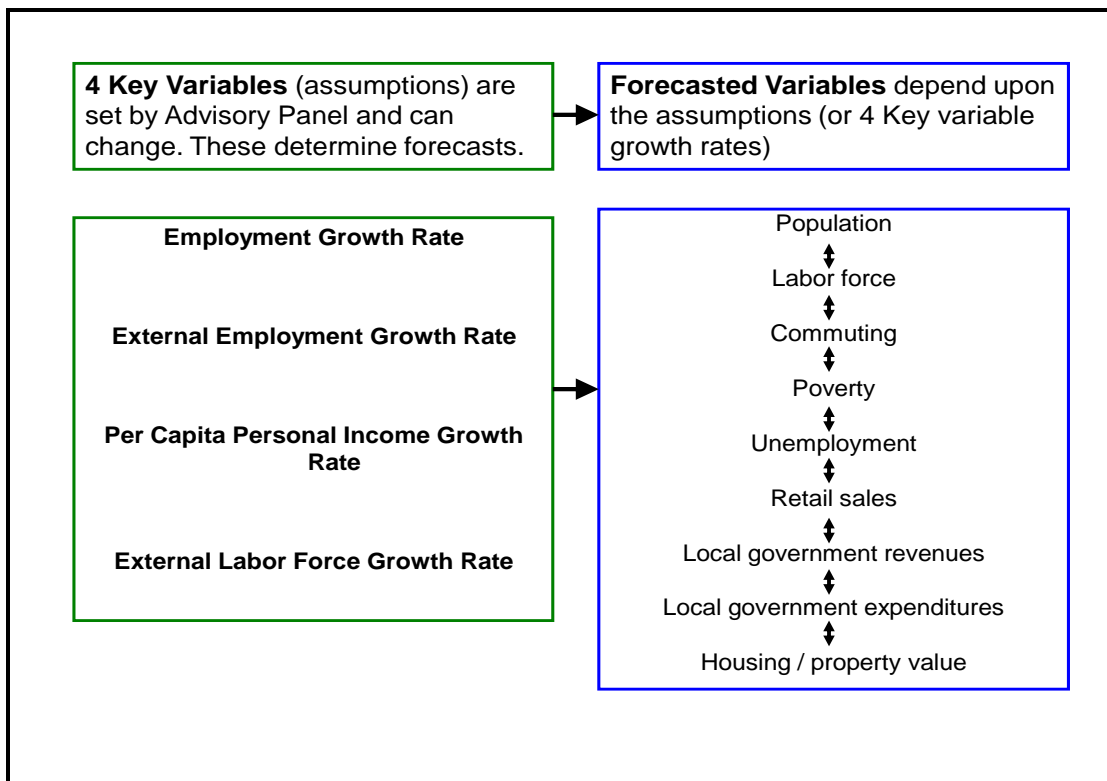
Appendix 1: Four Key Variables and the Show-Me Model

CPAC's Show-Me Model is an economic modeling system that is built upon the premise that there are four key variables (economic forces) that tend to drive change in regional economies. These four key variables (economic forces) are:

- Personal per capita income
- Employment (full-time and part-time jobs)
- External Employment (employment in the counties that are adjacent and outside of the Region)
- External Labor Force (labor force in the counties that are adjacent and outside of the Region)

As these four variables change at faster or slower rates, they drive change in the rest of the community (population, housing demand, public service demand and expenditures, school enrollment, sales tax and retail tax revenues, etc). All these variables act together within the regional economy and community as a system. For example, an increase in employment may spur a population increase. Then, as population grows, so do retail sales, demand for housing and the labor force. CPAC built the Show-Me Model so that, by entering different growth rates for each of the four key variables (or making different “assumptions” about the driving economic forces), it captures all these interactions within the system in its forecasts. See Illustration A.

Illustration A: CPAC Show-Me Model



The table below reports growth rates for the four key variables. The 10-Year Annual Average Growth Rate is based on the rate of growth between 1995 and 2005. The 5-Year Annual Average Growth Rate is based on the rate of growth between 2000 and 2005. The 2-Year Annual Average Growth Rate is based on the rate of growth between 2003 and 2005. The Total Average Growth rate is an average of the 10-Year, 5-Year and 2-Year Growth Rates. This number is useful because it takes 10 years worth of historical data into account, but it weights more recent history more heavily when providing projections of future growth and/or decline. At the request of St. Francois County, CPAC used the Total Average Growth Rates reported in the table below to set the assumptions in the Show-Me Model.

St. Francois County Key Variable Annual Average Growth Rates								
	10-Year Annual Average Growth Rate 1995-2005		5-Year Annual Average Growth Rate 2000-2005		2-Year Annual Average Growth Rate 2003-2005		Total Average (Average of 10-yr, 5-yr, and 2-yr growth rates)	
	St. Francois	MO	St. Francois	MO	St. Francois	MO	St. Francois	MO
Personal Per Capita Income <i>(Adjusted to 2005 dollars)</i>	1.2	1.3	-0.2	0.3	-1.1	0.8	-0.02	0.8
Employment (Full and part-time)	2.2	0.6	2.4	0.2	3.9	0.3	2.8	0.4
External Employment (full and part-time)	2.3	X	1.7	X	3.2	X	2.4	X
External Labor Force	1.4	X	0.6	X	0.9	X	1.0	X

The Community Policy Analysis Center provides objective analysis and policy decision support for Missouri Communities. Located at the University of Missouri-Columbia, CPAC is part of the Social Sciences Unit of MU's College of Agriculture, Food and Natural Resources. Significant funding for the Center is provided by University of Missouri Outreach and Extension.

CPAC researchers work closely with state and local government leaders, local businesses and community groups to provide research and educational programs that will inform key decisions, and assist them in understanding how policy decisions at all levels of government affect their community's quality of life.

For further information, please contact
Community Policy Analysis Center,
by phone (573) 884-9009, by fax (573) 882-2504, by mail or email



**215 Middlebush Hall
University of Missouri
Columbia, Missouri 65211-6200
cpac@missouri.edu
www.cpac.missouri.edu**

Copyright © 2008

The Community Policy Analysis Center

Notice of nondiscrimination: CPAC and the University of Missouri do not discriminate on the basis of race, color, religion, national origin, ancestry, sex, age, disability, or status as a disable veteran or veteran of the Vietnam era. For more information, call Human Resource Services at (573) 882-4256, or the U.S. Department of Education, Office of Civil Rights.