

MISSOURI



DEPARTMENT OF ECONOMIC DEVELOPMENT

June 2006

Whether a business is trying to succeed here in Missouri or in the global marketplace, Missouri features many businesses incentives that will help a company reach its full potential. Committed to enhancing Missouri's communities and quality of life, the state represents an innovative and comprehensive approach to sustaining strong communities.

Located in the nation's heartland, Missouri offers a strong, stable and diverse economy that is essential to the success of both large and small businesses. **Missouri is home to the 20th largest economy in the U.S. with a gross state product of over \$203.2 billion.** Each year that economy continues to grow.

- The Missouri Department of Economic Development has over 60 different incentive programs operating out of the department. With these incentive programs, the most important features of a positive business climate that facilitates growth are:
 - A productive and trained workforce that is a reasonable cost - **Missouri's workforce is 5% more productive than the national average and below the national average wage levels. The state is ranked #1 by Business Facilities Magazine for workers quality of education and educational achievement;**
 - A reasonable tax structure – **Missouri is ranked 10th best business tax climate** by the Tax Foundation and 10th by the Pacific Research Institute for overall business-friendly tax system;
 - A good quality of life – **Missouri has the 6th lowest cost of living**, good quality schools, diverse geography and outdoor activities, broad range of cultural and entertainment opportunities and more.
 - A cooperative state and local governments that want to facilitate business growth by facilitating permits and zoning, enacting needed reforms that affect business and assisting businesses where necessary.
- In 2005, Missouri passed several pieces of important legislation designed to promote economic growth; two being the Quality Jobs Act and the Small Business Regulatory Act. **The passing of this legislation, Missouri saw a total of 15,995 new business formations in the past year.**

- Through passing litigation reform in the state, **Missouri experienced a 5 place improvement in our national legal climate rank and was recognized by the US Chamber of Commerce for having the most improved legal climate in the nation.**
- Gov. Matt Blunt signed into law worker's compensation reform that restores common sense to the system and restores the balance between employee and employer. By enacting worker's compensation reform, many businesses are enjoying the economic freedom our market promotes.
- In 2006, Missouri continued to build great successes through legislation.
 - In 2006, an important piece of legislation passed, House Bill 1270. This Bill requires gasoline to contain at least 10% fuel ethanol when the price of the alternative fuel is less than or equal to the price of regular gasoline. Currently, there are 3 ethanol plants across Missouri, producing an estimated 113 million gallons annually. Two new plants are being constructed in the state.
 - Senate Bill 1008 created the Governor's Advisory Council on Agricultural Science and Technology. The council will be responsible for identifying and enlightening Gov. Blunt on new areas of agricultural science and technology, as well as providing recommendations on regulatory matters, long-term needs for the agricultural science and technology sector and future opportunities for the plant biotechnology industry within the state.
 - House Bill 1827 brought an exciting step for small businesses, whose profits are limited to due to the high costs of health insurance for employees. Under this Bill, numerous benefits are afforded to small businesses by allowing professional associations of 50 or more will be allowed to purchase health insurance for their employees. Before this Bill was created, small businesses paid a high premium for health insurance.

Overall, Missouri's economy is improving and by positioning the state to capitalize our resources, Missouri will continue to see economic growth. **Missouri continues to add jobs across the state and has reached over 49,000 new jobs since January 2005 under Gov. Blunt's administration.** The state's unemployment rates stands below the national average.

The bottom line remains that Missouri is attracting and creating jobs and will continue to do so.