



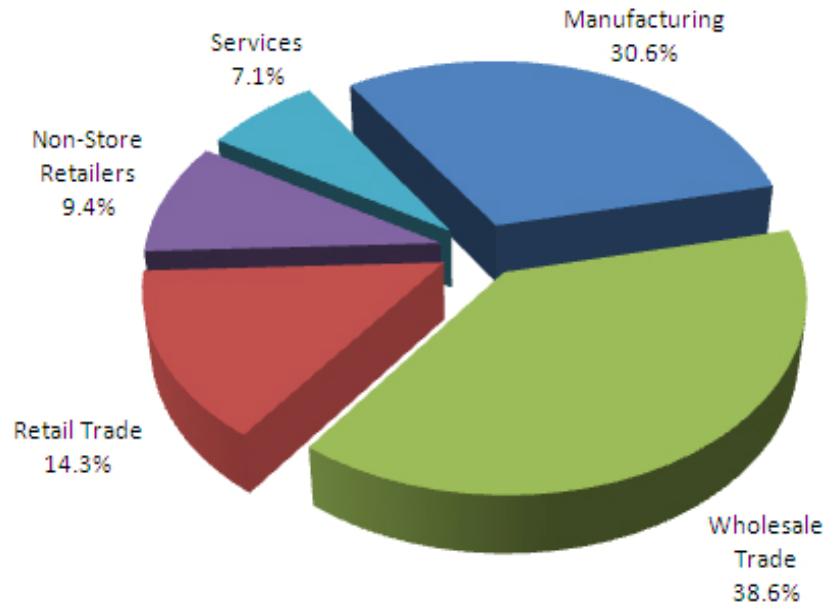
# Missouri Economic Research Brief E-Commerce Industries

## Missouri's E-Commerce

Missouri's E-Commerce sales were estimated at \$2.4 billion, constituting about 1% of the gross state product. E-Commerce sales in wholesale trade accounted for \$931.6M, followed by manufacturing at \$738.7M, retail at \$343.7M, non-store retailers at 227.4M and services at \$170.6M. An estimated 177,209 workers were employed at 6,901 firms in Missouri.

E-Commerce retail sales were estimated for each county based on market share and the map below shows that e-commerce retail sales in the regions surrounding major metropolitan areas are relatively higher than the rest of the state. A few exceptions are Marion, Howell, Pettis and Butler Counties.

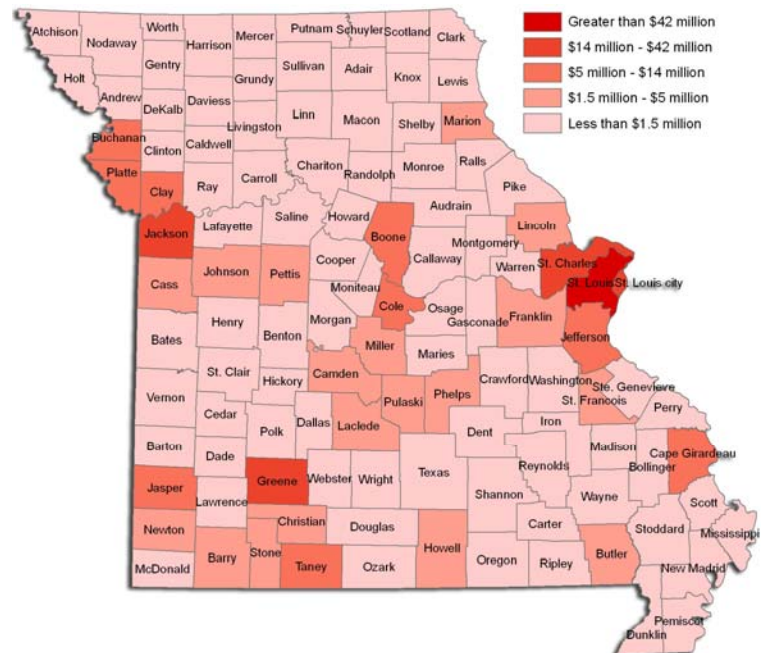
## Missouri's E-Commerce Industries Share



## Missouri E-Commerce Facts

Employment
<b>177,209</b>
Sales
<b>\$2.4 Billion</b>
Number of Firms
<b>6,901</b>

## Estimated E-Commerce Retail Sales, 2008



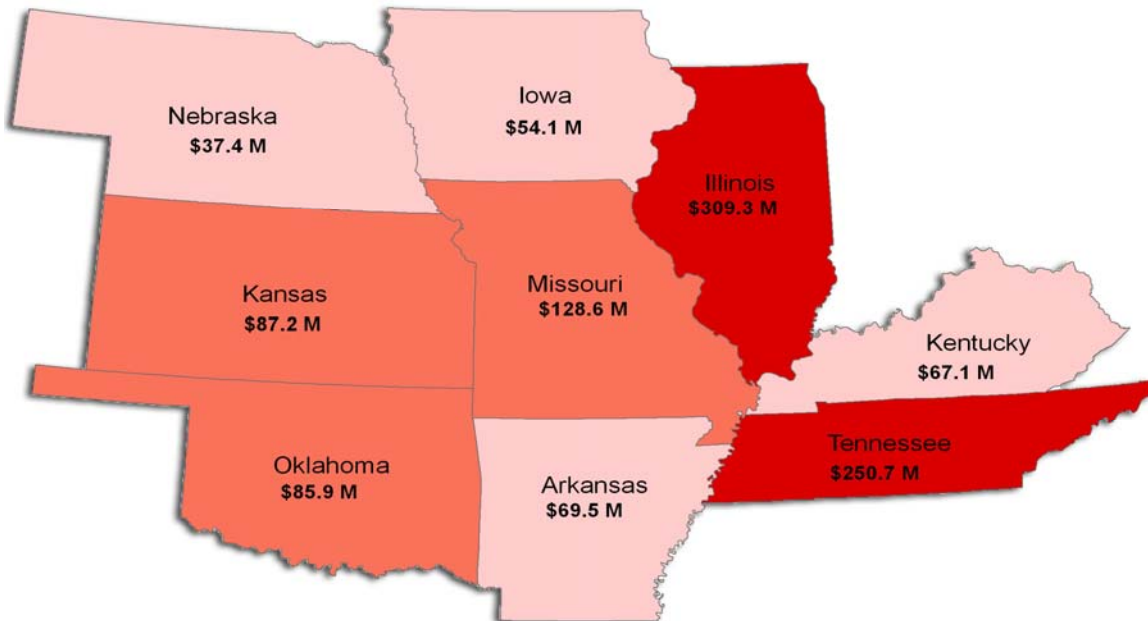
## Missouri's E-Commerce Labor, 2008

Missouri's E-Commerce industries include manufacturing, wholesale trade, retail trade, non-store retailers and services. Among these sectors, workers in the wholesale trade sector are paid the highest wages, the manufacturing sector employs the most workers and services sector has the most firms. On the other hand, workers in the retail trade sector are paid the lowest wages, employ the lowest number of workers and have the least number of firms in the state.

E-Commerce Sectors	Average Income per Worker	Employment	% Total	Firms	% Total
Manufacturing	\$51,362	86,913	49.0%	1,800	26.1%
Wholesale Trade	\$51,445	19,800	11.2%	1,375	19.9%
Retail Trade	\$24,782	2,340	1.3%	122	1.8%
Non-Store Retailers	\$34,518	4,073	2.3%	310	4.5%
Services	\$48,608	64,084	36.2%	3,295	47.7%

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

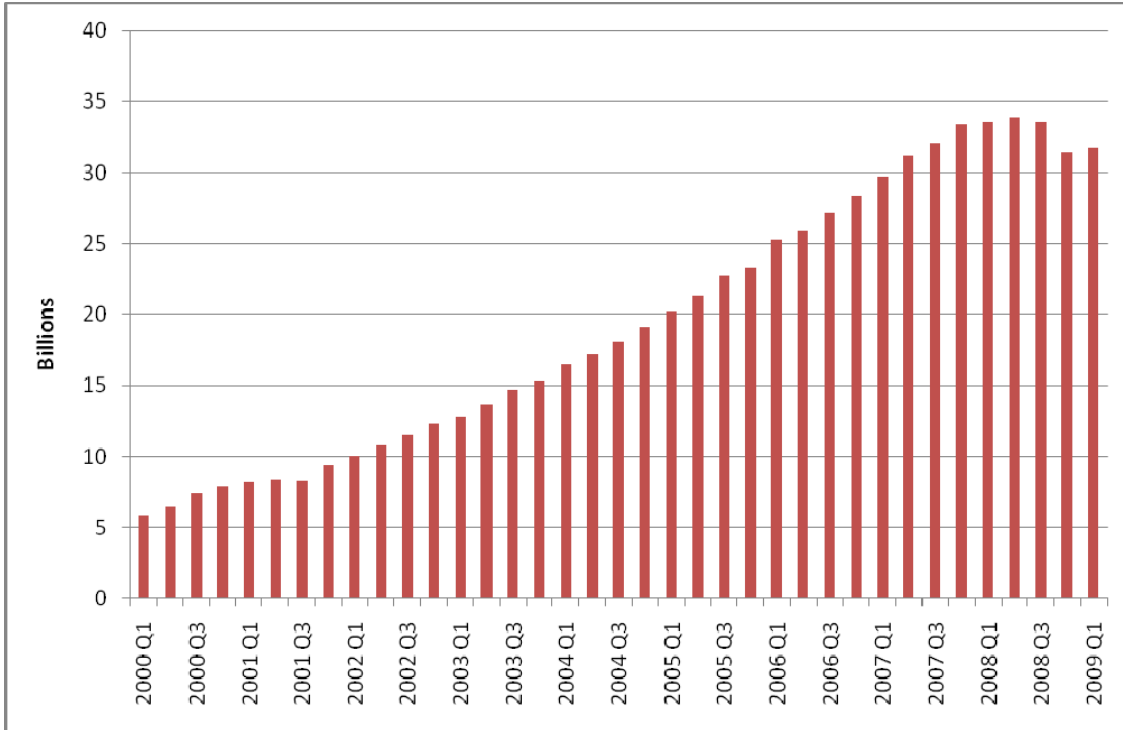
## Tax Revenue Potential from E-Commerce Sales, 2009



Source: Bruce, Fox and Luna, 2009

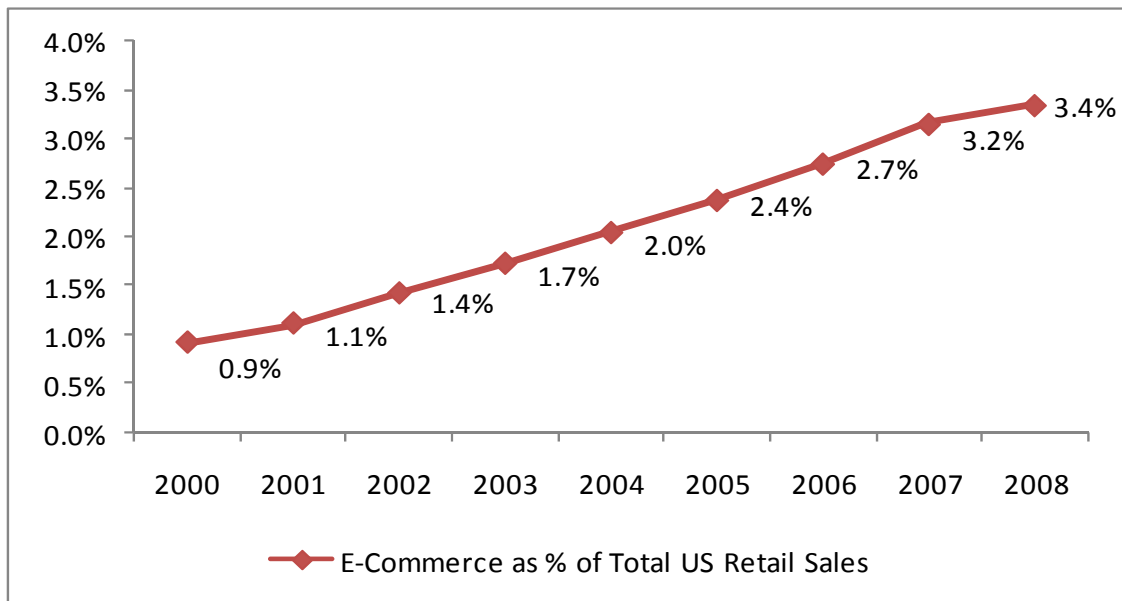
Based on a recent report, state and local governments have the potential to capture a substantial amount of revenue from internet sales. The potential tax revenues were calculated by deducting the tax collected from the projected tax due from E-Commerce sales. The map above illustrates the E-Commerce revenue potential available to be captured in Missouri and surrounding states. Among the surrounding states, Illinois and Tennessee tops the list of potential E-Commerce capture followed by Missouri, Oklahoma, Kansas, Arkansas, Kentucky, Iowa and Nebraska.

## Quarterly U.S. E-Commerce Retail Sales

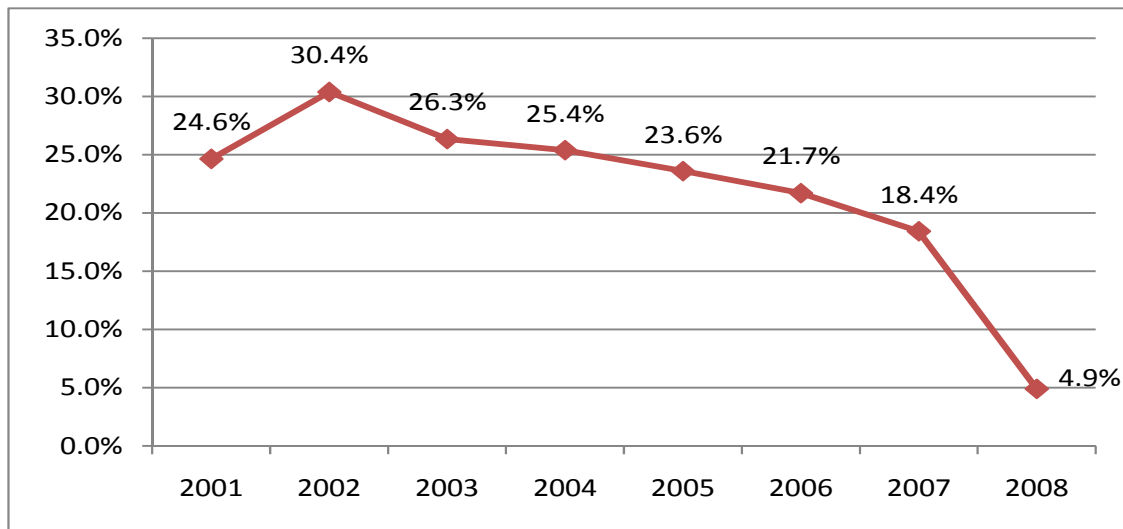


Source: US Census Bureau Quarterly E-Commerce Sales Data

The quarterly U.S. E-Commerce retail sales have grown steadily until 2008 as evident from the chart above. The proportion of E-Commerce retail sales to that of total retail sales has also grown steadily from 0.9% in 2001 to 3.4% in 2008 as shown in the chart below. At the same time the rate of E-Commerce retail sales growth declined from its peak in 2002 at 30.4% to 4.9% in 2008 and is projected to remain sluggish in 2009.

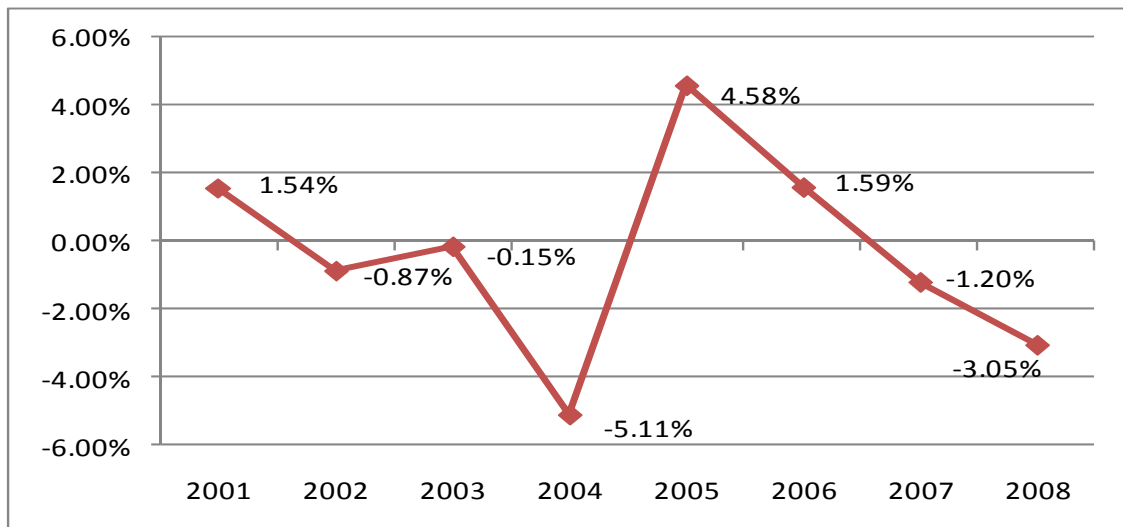


## Annual U.S. E-Commerce Retail Sales Growth



Source: US Census Bureau Quarterly E-Commerce Sales Data

## Missouri Retail Sales Growth Rate, 2001-2008



Source: Missouri Department of Revenue Taxable Sales Data

Missouri retail sales growth rate displayed a “W-shaped” growth curve during 2001-2005; grew incrementally slower and eventually declined between 2005 and 2008. The retail sales grew half the time and declined during the other half between 2001 and 2008. Retail sales grew at its peak in 2005 at 4.58% rallying up from the nadir in 2004 at -5.11%. Retail sales shrunk consecutively for the next three years. The sluggish retail sales correlate with the retail sector having the lowest wages, employment and least number of firms among E-Commerce sectors.

## Notes

According to the US Census Bureau, E-Commerce is defined as goods and services sold online whether over open networks such as the internet, or proprietary networks running systems such as electronic data interchange.

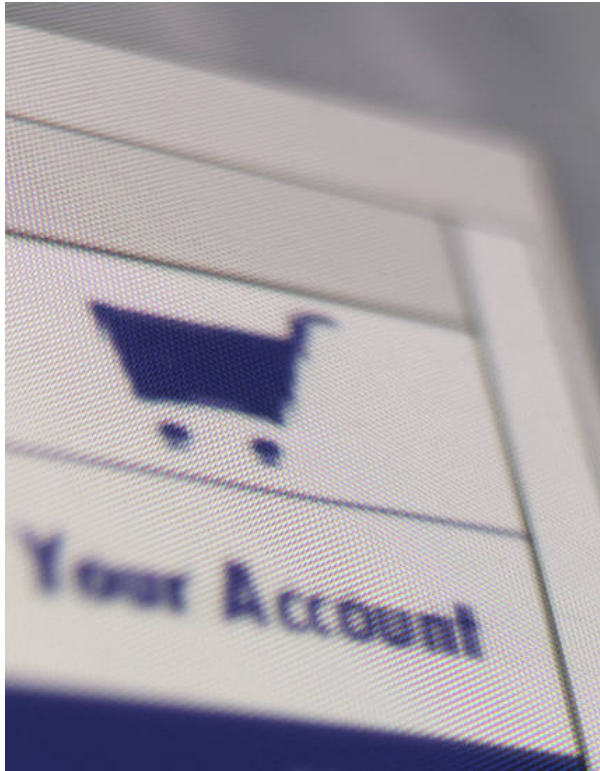
E-Commerce data were collected by US Census Bureau in four surveys using different measures of economic activity such as manufacturing shipments, wholesale trade, retail trade and revenue from services.

E-Commerce retail sales for Missouri were estimated in the following steps:

1. The total E-Commerce sales for Missouri were obtained for the year 2008.
2. The market share of retail sales for each county relative to the state were calculated based on taxable sales collected.
3. Based on the assumption that the market share of retail sales is equivalent to the market share of E-Commerce retail sales, the E-Commerce retail sales for each county was apportioned from the total E-Commerce retail sales for Missouri.

## Data Sources

1. U.S. Census Bureau Quarterly Retail E-Commerce Sales Data
2. U.S. Census Bureau E-Commerce Multi-sector Data Tables
3. Missouri Department of Revenue Taxable Sales Data
4. Bureau of Labor Statistics -Quarterly Census of Employment and Wages Data
5. Bruce, D., Fox, W.F. and Luna, L., 2009. "State and Local Government Sales Tax Revenue Losses from Electronic Commerce" available at [www.streamlinedsalestax.org](http://www.streamlinedsalestax.org)
6. Missouri Retail Trade Analysis 2000-2007, MERIC Report



NAICS	E-Commerce Industries
311	Food manufacturing
312	Beverage and tobacco product manufacturing
313	Textile mills
314	Textile product mills
315	Apparel manufacturing
316	Leather and allied product manufacturing
321	Wood product manufacturing
322	Paper manufacturing
323	Printing and related support activities
324	Petroleum and coal products manufacturing
325	Chemical manufacturing
326	Plastics and rubber products manufacturing
327	Nonmetallic mineral product manufacturing
331	Primary metal manufacturing
332	Fabricated metal product manufacturing
333	Machinery manufacturing
334	Computer and electronic product manufacturing
335	Electrical equipment, appliance, and components
336	Transportation equipment manufacturing
337	Furniture and related product manufacturing
339	Miscellaneous manufacturing
423	Durable goods
424	Nondurable goods
441	Motor vehicles and parts dealers
442	Furniture and home furnishings stores
443	Electronics and appliance stores
444	Building materials and garden equipment and supplies stores
445	Food and beverage stores
448	Clothing and clothing accessories stores
452	General merchandise stores
453	Miscellaneous store retailers
454	Non-store retailers
484	Truck transportation
492	Couriers and messengers
493	Warehousing and storage
511	Publishing industries (except Internet)
517	Telecommunications
518	Internet service providers and web search portals
523	Securities and commodity contracts intermediation and brokerage
532	Rental and Leasing Services
541	Computer systems design and related services
561	Travel arrangement and reservation services
62	Health Care and Social Assistance Services
71	Arts, Entertainment, and Recreation Services
72	Accommodation and Food Services
811	Repair and maintenance
813	Religious, grantmaking, civic, professional, and similar organizations