

**AN ECONOMIC ANALYSIS OF
CRAWFORD COUNTY IN
NORTHWEST ARKANSAS**



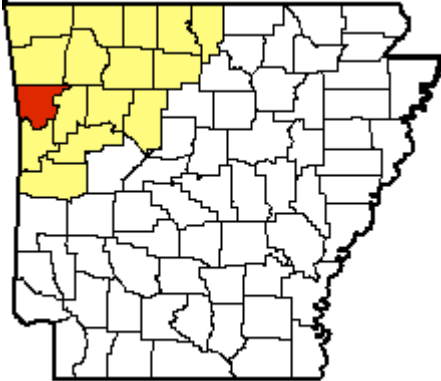
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An Economic Analysis of Crawford County in Northwest Arkansas

I. Geographic Description

Crawford County is comprised of 595 square miles and is located along the Oklahoma-Arkansas border in the Boston Mountains in the northern portion of the county and the Arkansas Valley in the southern portion of the county. Figure 1 highlights the counties that comprise the Northwest Arkansas region, as defined by the Arkansas Department of Economic Development. Crawford County is shown in red; all other counties in the region are shown in yellow.

Figure 1 – Crawford County’s Location



The Ozark National Forest is located in the northern portion of the county. East of U.S. Highway 71 in northeast Crawford County are Lake Fort Smith and the White Rock Wildlife Management Area. The Arkansas River constitutes the county’s southern border with Sebastian County.

Sources:

United States Census Bureau. State and County QuickFacts.

<http://quickfacts.census.gov/qfd/states/05/05033.html>

Chart 2-5: Physiographic Regions. Arkansas Statistical Abstract – 2000. April 2000.

Census State Data Center, University of Arkansas at Little Rock. Page 72.

The Rand McNally Road Atlas, 2002 Edition. Page 10.

II. Demographic Characteristics

Population

In 1980, the population of Crawford County was 36,892 persons. The county ranked 16th in terms of population among Arkansas’ 75 counties and 5th among the 16 counties in Northwest Arkansas. By 1990, the population of the county had increased 15.2 percent to 42,493 to rank 15th among Arkansas’ counties and 5th among the counties in Northwest Arkansas. From 1980 to 1990, the population of the state of Arkansas increased 2.8 percent from 2,286,435 to 2,350,725; from 1990 to 2000, the state’s population increased 13.7 percent to 2,673,400 persons. In 2000, the population of Crawford County stood at

53,247, an increase of 25.3 percent from 1990. The county was the 12th most populous county in Arkansas and the 5th most populous county in Northwest Arkansas in 2000. The five most populous cities in Crawford County and their populations in the year 2000 were Van Buren (18,986), Alma (4,160), Mulberry (1,627), Cedarville (1,133), and Kibler (969). Van Buren is the county seat for Crawford County.

DRI-WEFA, an economic analysis consulting firm, projects the population of Crawford County will increase by 16.6 percent to 62,060 people in the year 2010. If the projections are realized, Crawford County will be the 11th most populous county in Arkansas and the fourth most populous county in Northwest Arkansas.

The gender makeup of Crawford County is similar to that of the state on the whole. In the year 2000, the proportions of males and females in the county were 49.4 percent and 50.6 percent, respectively, compared to 48.8 percent and 51.2 percent, respectively, for the state.

In the year 2000, Crawford County had the 17th youngest median age, the 6th highest proportion of residents under age 18, and the 5th lowest proportion of residents age 65 and older among all Arkansas counties. In the year 2000, the median age of residents in Crawford County was 35.1 years, compared to 36.0 years for the state. From 1990 to 2000, the proportion of the county's population that was under 18 years of age decreased from 29.0 percent to 28.2 percent; for the same period, the proportion of Arkansans under 18 years of age decreased from 26.4 percent to 25.4 percent. From 1990 to 2000, the proportion of the county's population that was 65 years of age or older decreased from 12.0 percent to 11.3 percent; for the same period, the proportion of Arkansans age 65 or older decreased from 14.9 percent in 1990 to 14.0 percent in 2000.

The racial composition of Crawford County is decidedly more Caucasian than the population for the state on the whole. In 2000, the proportions of Crawford County's population comprised of Caucasians, African Americans, American Indians and Native Alaskans, and Asians were 92.2 percent, 0.9 percent, 2.0 percent, and 1.2 percent, respectively. For the state, in 2000, the proportions of Caucasians, African Americans, American Indians and Native Alaskans, and Asians were 80.0 percent, 15.7 percent, 0.7 percent, and 0.8 percent, respectively. In 2000, the proportion of residents in Crawford County who were Hispanic was 3.3 percent, compared to the state's proportion of 3.2 percent.

Sources:

United States Census Bureau, Population of Counties by Decennial Census: 1900 to 1990. <http://www.census.gov/population/cencounts/ar190090.txt>

United States Census Bureau, Census 2000, Redistricting Data (Public Law 94-171) Summary File.

http://factfinder.census.gov/servlet/BasicFactsTable?_lang=en&_vt_name=DEC_2000_PL_U_GCTPL_ST7&_geo_id=04000US05

The Rand McNally Road Atlas, 2002 Edition. Page 10.

DRI-WEFA, U.S. Regional Analysis. Data supplied by the Institute for Economic Advancement, University of Arkansas-Little Rock.

United States Census Bureau, Census 2000, Table DP-1. Profile of General Demographic Characteristics: 2000. <http://censtats.census.gov/data/AR/04005.pdf>

United States Census Bureau, 1990 Census, Table DP-1. Profile of General Demographic Characteristics: 1990. http://factfinder.census.gov/servlet/BasicFactsTable?_lang=en&_vt_name=DEC_1990_STF1_DP1&_geo_id=04000US05

United States Census Bureau, Census 2000, Table DP-1. Profile of General Demographic Characteristics: 2000. <http://censtats.census.gov/data/AR/05005033.pdf>

United States Census Bureau, 1990 Census, Table DP-1. General Population and Housing Characteristics: 1990. http://factfinder.census.gov/servlet/BasicFactsTable?_lang=en&_vt_name=DEC_1990_STF1_DP1&_geo_id=05000US05033

Income

Table 1 presents median household income and median family income for the year 1999 and per capita personal income for the year 2000 for Crawford County. The table also ranks Crawford County in terms of these income statistics among the 75 counties in Arkansas and the 16 counties in Northwest Arkansas.

Table 1 – Crawford County Income Statistics

Income Statistic	Crawford County	Percent of State	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
1999 Median Household Income	\$32,871	102.1%	9	\$20,510	\$42,569	4	\$21,397	\$40,281
1999 Median Family Income	\$36,741	95.0%	25	\$25,846	\$48,717	5	\$27,580	\$45,235
2000 Per Capita Personal Income	\$18,716	85.1%	42	\$14,303	\$30,447	7	\$14,303	\$25,358

Table 2 presents poverty statistics for different resident groups in Crawford County and for the State of Arkansas in 1999. The table ranks the county ranks the 75 counties in Arkansas and among the 16 counties in Northwest Arkansas in terms of the three poverty rates presented. For example, the county ranked 61st among the counties in Arkansas and 13th among the counties in Northwest Arkansas in terms of the poverty rate for individuals in 1999.¹

¹ Note: Rankings are from highest poverty rate to lowest. Hence, a ranking of one indicates relatively high levels of poverty, and a ranking of 75 indicates relatively low levels of poverty.

Table 2 – Crawford County Poverty Rates, 1999

Poverty Statistic	County Rate	Arkansas Rate	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
Individuals	14.2%	15.8%	61	7.2%	32.7%	13	10.1%	23.8%
Families with Related Children	15.8%	18.1%	61	7.8%	40.8%	11	11.2%	26.4%
Individuals 65 and Older	13.7%	13.8%	52	7.3%	27.6%	10	8.6%	26.6%

Table 3 presents average weekly earnings for covered employment in Crawford County in the year 2001. The table also displays average weekly earnings as a proportion of the state’s figure and ranks Crawford County in terms of average weekly earnings relative to the counties in Arkansas and Northwest Arkansas for which data were available. For example, in terms of average weekly earnings in the manufacturing sector, Crawford County ranked 43rd among the 71 counties in Arkansas for which data were available and 8th among the 15 counties in Northwest Arkansas for which data were available.

Table 3 – Crawford County Average Weekly Earnings, by Sector, Calendar Year 2001

Sector	Average Weekly Earnings	Percent of State	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
Manufacturing	\$472.50	82.3%	43 / 71	\$260.75	\$894.22	8 / 15	\$312.98	\$587.60
Wholesale Trade	\$547.99	76.4%	28 / 68	\$214.77	\$995.14	6 / 14	\$214.77	\$995.14
Retail Trade	\$314.18	92.5%	27 / 73	\$215.61	\$439.32	8 / 15	\$244.32	\$358.05
Information	N/A	N/A	N/A	\$306.77	\$869.54	N/A	\$348.10	\$832.62
Financial Activities	\$482.23	76.2%	30 / 73	\$282.76	\$829.55	7 / 14	\$282.76	\$622.20
Professional and Business Services	\$491.37	78.6%	22 / 68	\$218.14	\$955.05	4 / 15	\$256.91	\$955.05
Education and Health Services	\$495.95	91.5%	12 / 74	\$231.49	\$668.35	5 / 16	\$231.49	\$649.85
All Sectors	\$483.43	93.3%	15 / 75	\$316.63	\$681.93	5 / 16	\$316.63	\$631.34

Table 4 presents the share of personal income in Crawford County in 2000 attributable to different sectors of the economy. The table displays how this share compares to the proportion for the state in aggregate and ranks Crawford County in terms of the share of personal income attributed to the sectors relative to the counties in Arkansas and Northwest Arkansas for which data were available. For example, in terms of the share of personal income attributed to the manufacturing sector, Crawford County ranked 38th among the 73 counties in Arkansas for which data were available and 9th among the 15 counties in Northwest Arkansas for which data were available.

Table 4 – Disposition of Personal Income in Crawford County, by Sector, Year 2000

Sector	Share of Personal Income	Greater or Less than State	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
Farm Earnings	2.0%	-0.6%	57 / 75	0.1%	15.9%	14 / 16	0.4%	15.9%
Manufacturing	13.1%	-1.2%	38 / 73	1.3%	77.9%	9 / 15	3.4%	27.1%
Transportation and Utilities	12.2%	6.5%	2 / 71	1.3%	14.5%	2 / 15	1.8%	14.5%
Wholesale Trade	2.3%	-1.2%	32 / 67	0.2%	11.4%	6 / 15	0.4%	5.9%
Retail Trade	4.8%	-3.0%	48 / 75	1.4%	24.4%	9 / 16	2.4%	24.4%
Finance, Insurance, and Real Estate	1.8%	-1.6%	46 / 71	0.8%	8.0%	10 / 15	1.1%	3.5%
Services	8.0%	-6.9%	43 / 75	3.3%	29.0%	9 / 16	4.8%	29.0%
Business Services	0.7%	-1.9%	34 / 65	0.1%	10.5%	8 / 14	0.2%	5.5%
Health Services	2.7%	-3.5%	49 / 72	0.5%	14.4%	12 / 16	0.5%	14.4%
Hotel and Lodging	0.1%	-0.2%	43 / 55	0.04%	1.9%	11 / 14	0.05%	1.9%
Amusement and Recreation Services	0.1%	-0.2%	44 / 48	0.03%	1.0%	9 / 10	0.03%	1.0%

The sale of livestock accounted for 84.8 percent of Crawford County’s cash receipts from farm marketings in the year 2000. Livestock cash receipts and total cash receipts for Crawford County in the year 2000 were \$54.9 million and \$64.8 million, respectively; the county ranked 20th in terms of the former and 35th in terms of the latter among Arkansas’ counties. Cash receipts for crops and government payments for Crawford County in the year 2000 totaled \$9.9 million and \$1.3 million, respectively; the county ranked 28th in terms of the former and 37th in terms of the latter among Arkansas’ counties. Crawford County produced 260,000 bushels of wheat, 150,000 bushels of grain sorghum, and 264,000 bushels of soybeans in 2001; the county ranked 32nd, 24th, and 31st, in terms of wheat production, grain sorghum production, and soybean production among Arkansas’ counties, respectively. The county ranked 42nd among Arkansas’ counties in terms of total production expenses in the year 2000, \$52.8 million. As of January 1, 2002, Crawford County had a total of 31,000 cattle and calves and 15,500 beef cows; the county ranked 24th in terms of the former and 27th in terms of the latter among the counties in Arkansas.

Sources:

United States Census Bureau, Census 2000, Table DP-3. Profile of Selected Economic Characteristics: 2000. <http://censtats.census.gov/data/AR/04005.pdf>

United States Census Bureau, Census 2000, Table DP-3. Profile of Selected Economic Characteristics: 2000. <http://censtats.census.gov/data/AR/05005033.pdf>

U.S. Commerce Department, Bureau of Economic Analysis, Regional Accounts Data, Local Area Personal Income, Table CA1-3: Personal Income Summary Estimates. <http://www.bea.gov/bea/regional/reis/>

Arkansas Employment Security Department, Covered Employment and Earnings, Annual 2001. Table 6: County Summary Employment and Earnings, by Industry, Calendar Year 2001. <http://www.accessarkansas.org/esd/01antb6.htm>

Arkansas Employment Security Department, Covered Employment and Earnings, Annual 2001. Table 1: Average Covered Employment and Average Weekly Earnings, by Industry, 2001. <http://www.accessarkansas.org/esd/01antb1.htm>

U.S. Commerce Department, Bureau of Economic Analysis. Regional Accounts Data, Local Area Personal Income. Table CA05 – Personal Income by Major Source and Earnings by Industry. <http://www.bea.gov/bea/regional/reis/>

Arkansas Agricultural Statistics Service, National Agricultural Statistics Service, United States Department of Agriculture, 2001 County Profiles. <http://www.nass.usda.gov/ar/crawford.PDF>

Education

Crawford County contains the following five school districts, with October 1, 2000 enrollment found in parentheses: Alma (2,793), Cedarville (917), Mountainburg (794), Mulberry (418), Van Buren (5,412). Table 5 displays the average ACT composite score for high school seniors (which ranges from 1 to 36, with 36 being the best), the attendance rate, the dropout rate (percentage of students dropping out of school in Grades 7-12 from October of one school year to October of the next school year), the graduation rate (percentage of students enrolled in Grade 9 and completing Grade 12), and the college remediation rate (percentage of freshmen entering an *Arkansas* college or university who are required to take at least one remedial class) for the above school districts and for the state in aggregate.

Table 5 – Educational Statistics for Crawford County Schools, 2000-2001 School Year

School District	ACT Composite Score	Attendance Rate	Dropout Rate	Graduation Rate	College Remediation Rate
Alma	20.9	93.9%	1.4%	91.8%	36.0%
Cedarville	20.8	92.2%	2.3%	88.2%	53.0%
Mountainburg	20.1	92.3%	2.2%	75.2%	46.0%
Mulberry	22.6	92.0%	8.2%	66.3%	56.0%
Van Buren	20.3	93.0%	1.6%	88.8%	45.0%
State Average	20.1	93.2%	3.0%	84.3%	41.0%

Among the 301 school districts in Arkansas for which data were available, the ACT composite scores for the school districts in Crawford County ranked as follows: Alma (tied for 57th), Cedarville (tied for 67th), Mountainburg (tied for 110th), Mulberry (tied for 4th), and Van Buren (tied for 101st); because of ties, the rankings ranged from 1 through 299. Among the 72 school districts in Northwest Arkansas, the ACT composite scores for the school districts in Crawford County ranked as follows: Alma (tied for 23rd), Cedarville (tied for 26th), Mountainburg (tied for 44th), Mulberry (tied for 3rd), and Van Buren (tied for 41st). District-wide average ACT composite scores for the 301 school districts in Arkansas for which data were available ranged from 24.0 to 14.0; for the school districts in Northwest Arkansas, the district-wide average ACT composite scores ranged from 24.0 to 15.8.

Among the 307 school districts in Arkansas for which data were available, the dropout rates for the school districts in Crawford County ranked as follows: Alma (tied for 201st), Cedarville (tied for 133rd), Mountainburg (tied for 143rd), Mulberry (tied for 11th), and Van Buren (tied for 187th); because of 27 districts' being tied for last place with a 0.0 percent dropout rate, the rankings ranged from 1 through 285.² Among the 72 school districts in Northwest Arkansas, the dropout rates for the school districts in Crawford County ranked as follows: Alma (tied for 48th), Cedarville (24th), Mountainburg (tied for 25th), Mulberry (2nd), and Van Buren (tied for 42nd); because of four districts' being tied for last place with a 0.0 percent dropout rate, the rankings ranged from 1 through 69. For the state, dropout rates ranged from 15.4 percent to 0.0 percent; for the districts in Northwest Arkansas, dropout rates ranged from 12.5 percent to 0.0 percent.

Among the 307 school districts in Arkansas for which data were available, the graduation rates for the school districts in Crawford County ranked as follows: Alma (88th), Cedarville (tied for 131st), Mountainburg (266th), Mulberry (295th), and Van Buren (122nd). Among the 72 school districts in Northwest Arkansas, the graduation rates for the school districts in Crawford County ranked as follows: Alma (22nd), Cedarville (40th), Mountainburg (65th), Mulberry (71st), and Van Buren (38th). For the state, graduation rates ranged from 100.0 percent to 23.6 percent; for the districts in Northwest Arkansas, graduation rates ranged from 100.0 percent to 63.2 percent.

Among the 307 school districts in Arkansas for which there were data available, the college remediation rates for the school districts in Crawford County ranked as follows: Alma (tied for 217th), Cedarville (tied for 113th), Mountainburg (tied for 151st), Mulberry (tied for 95th), and Van Buren (tied for 162nd); because of 31 districts' being tied for last place with a 0.0 percent college remediation rate, the rankings ranged from 1 through 281.³ Among the 72 school districts in Northwest Arkansas, the college remediation rate for the school districts in Crawford County ranked as follows: Alma (tied for 50th), Cedarville (tied for 16th), Mountainburg (tied for 28th), Mulberry (tied for 12th), and Van Buren (tied for 31st); because of three districts' being tied for last place with a 0.0 percent college remediation rate, the rankings ranged from 1 through 70. For the state, college remediation rates ranged from 100.0 percent to 0.0 percent; for the districts in Northwest Arkansas, college remediation rates ranged from 80.0 percent to 0.0 percent.

In the Alma School District, all four of the district's schools are accredited by the North Central Association of Secondary Schools and Colleges (NCASSC). In the Cedarville School District, none of the three of the district's schools is accredited by the NCASSC. In the Mountainburg School District, all three of the district's schools are accredited by the NCASSC. In the Mulberry School District, neither of the district's schools is accredited by the NCASSC. In the Van Buren School District, all 11 of the district's schools are accredited by the NCASSC.

² Note: Rankings are from highest dropout rate to lowest. Hence, a ranking of one indicates a relatively high dropout rate, and a ranking of 285 indicates a relatively low dropout rate.

³ Note: Rankings are from highest remediation rate to lowest. Hence, a ranking of one indicates a relatively high dropout rate, and a ranking of 281 indicates a relatively low remediation rate.

Table 6 displays the proportion of persons 25 years of age or older in Crawford County with various levels of education in the year 2000. The table also presents the proportions for the state in aggregate and ranks the county among the 75 counties in Arkansas and among the 16 counties in Northwest Arkansas in terms of the 4 levels of education presented. For example, Crawford County ranked 55th among Arkansas' counties and 14th among the counties in Northwest Arkansas in terms of the proportion of the persons 25 years of age or older with a bachelor's degree in 2000.

Table 6 – Educational Attainment in Crawford County, 2000

Level of Education	County	Arkansas	Arkansas			Northwest Arkansas		
			Rank	Range		Rank	Range	
				Low	High		Low	High
Bachelor's Degree	6.5%	11.0%	55	4.2%	18.0%	14	5.4%	14.8%
Graduate or Professional Degree	3.2%	5.7%	53	1.8%	10.1%	11	2.8%	9.8%
Bachelor's Degree or Higher	9.7%	16.7%	58	6.3%	28.1%	13	8.4%	24.5%
High School Diploma or Higher	71.5%	75.3%	39	56.2%	84.4%	9	65.4%	80.4%

There are seven Arkansas colleges and universities within 100 miles of Van Buren, Arkansas. The institutions, the number and type of degree programs offered at the institutions, and their enrollment statistics are presented below.

Arkansas Tech University (ATU), located in Russellville, Arkansas in Pope County, is a four-year public university. The Arkansas Higher Education Coordinating Board (AHECB) of the Arkansas Department of Higher Education has approved the dissemination of the following academic degrees and certificate programs at ATU: technical certificates in 3 program areas, associate degrees in 10 program areas, baccalaureate degrees in 54 program areas, master's degrees in 20 program areas, and a specialist degree in educational leadership. Opening fall enrollment for ATU was 5,576 in 2001, 7.8 percent greater than fall 2000. Opening fall enrollment for the four-year public universities in Arkansas stood at 65,704 in 2001, 2.4 percent greater than fall 2000. The school ranked fifth among the ten four-year public universities in terms of fall enrollment in 2001. Since 1997, fall enrollment at ATU has increased 31.6 percent, compared to a 4.8 percent increase for four-year public universities in Arkansas.

John Brown University (JBU), located in Siloam Springs, Arkansas in Benton County, is a private, four-year Christian college (interdenominational) that offers associate degrees in 6 program areas, baccalaureate degrees in 50 program areas, and master's degrees in 6 program areas. Opening fall enrollment for JBU was 1,684 persons in 2001, 9.0 percent greater than fall 2000. Since 1997, fall enrollment has increased 27.1 percent.

Northwest Arkansas Community College (NWACC), located in Bentonville, Arkansas in Benton County, is a two-year public college. The AHECB has approved the dissemination of the following academic degrees and certificate programs at the NWACC: certificates of proficiency in 4 program areas, technical certificates in 3

program areas, associate degrees in 26 program areas, and an advanced certificate in medical dosimetry. Opening fall enrollment for NWACC was 4,292 persons in 2001, 5.8 percent greater than fall 2000. Opening fall enrollment for the two-year public institutions in Arkansas stood at 43,387 in 2001, 6.3 percent greater than fall 2000. The school ranked third among the 23 two-year public institutions in Arkansas in terms of fall enrollment in 2001. Since 1997, fall enrollment at NWACC has increased 32.5 percent, compared to a 16.6 percent for two-year public institutions in Arkansas.

Rich Mountain Community College (RMCC), located in Mena, Arkansas in Polk County, is a two-year public college. The AHECB has approved the dissemination of the following academic degrees and certificate programs at the RMCC: certificates of proficiency in 5 program areas, technical certificates in 10 program areas, and associate degrees in 17 program areas. Opening fall enrollment for RMCC was 1,003 in 2001, 4.0 percent greater than fall 2000. The school ranked 17th among the 23 two-year public institutions in Arkansas in terms of fall enrollment in 2001. Since 1997, fall enrollment at RMCC has increased 29.8 percent.

The University of Arkansas (UA), located in Fayetteville, Arkansas in Washington County, is the flagship institution of the University of Arkansas system. The AHECB has approved the dissemination of the following academic degrees and certificate programs at the UA: associate degrees in 2 program areas, baccalaureate degrees in 123 program areas, post-baccalaureate certificates in 2 program areas, master's degrees in 101 program areas, specialist degrees in 8 program areas, doctoral degrees in 42 program areas, and a professional degree in law. Opening fall enrollment for the UA was 15,752 in 2001, 2.6 percent greater than fall 2000. The school ranked first among the ten four-year public institutions in Arkansas in terms of fall enrollment in 2001. Since 1997, fall enrollment at the UA has increased 7.5 percent.

In January 2002, Westark College, located in Fort Smith, Arkansas in Sebastian County, joined the University of Arkansas system, changed its name to the University of Arkansas at Fort Smith (UAFS), and became a four-year institution. The AHECB has approved the dissemination of the following academic degrees and certificate programs at UAFS: certificates of proficiency in 28 program areas, technical certificates in 17 program areas, associate degrees in 34 program areas, an advanced certificate in industrial automation, and baccalaureate degrees in eight program areas. Opening fall enrollment at UAFS was 5,673 in 2001, 8.3 percent greater than fall 2000. Since 1997, fall enrollment at UAFS has increased 0.7 percent.

The University of the Ozarks, located in Clarksville, Arkansas in Johnson County, is a four-year private liberal arts university and offers baccalaureate degrees in 25 program areas. Opening fall enrollment for the University of the Ozarks was 654 persons in 2001, 5.1 percent greater than fall 2000. Since 1997, fall enrollment at the University of the Ozarks has increased 22.5 percent.

Sources:

- Arkansas Department of Education, Arkansas School Information Site, Performance Report, 2001. <http://www.as-is.org/reportcard/rc2001/>
- North Central Association Commission on Accreditation and School Improvement. <http://www.ncacasi.org/>
- United States Census Bureau, Census 2000, Table DP-2. Profile of Selected Social Characteristics: 2000. <http://censtats.census.gov/data/AR/05005033.pdf>
- United States Census Bureau, Census 2000, Table DP-2. Profile of Selected Social Characteristics: 2000. <http://censtats.census.gov/data/AR/04005.pdf>
- Arkansas Department of Higher Education, Arkansas State Colleges and Universities. <http://www.arkansashighered.com/colleges.html>
- Arkansas Department of Higher Education, Approved Academic Degree and Certificate Programs. http://www.arkansashighered.com/pdfs/RP/degrees_2003.pdf
- Arkansas Department of Higher Education, Opening Fall Enrollment at Public Colleges and Universities. October 29,2001. <http://www.arkansashighered.com/Research/Enrollment/Actual%20Enroll%20Fall%202001.xls>
- John Brown University, "Catalog for 2001-2003." <http://www.jbu.edu/academics/catalog/03catalog.pdf>
- University of the Ozarks. <http://www.ozarks.edu/academics/programs.html>

III. Infrastructure

Ports

The Port of Fort Smith is on the Arkansas River, which offers a 9-foot ice-free channel, open year round with low cost transportation by barge between Fort Smith and points on the navigable waterways. The port is available by numerous carriers that serve Fort Smith. The public port in Fort Smith is in operation with two on-site and several off-site warehouses and has two docks and two cranes. The Port of Fort Smith is part of the 450-mile McClellan-Kerr Arkansas River Navigation System that runs through the heart of the nation. The waterway not only connects Fort Smith to the ports of the world, but also with America's entire inland waterway system, from Houston to New Orleans, to Pittsburgh and Minneapolis.

The Arkansas River provides navigation through Arkansas to Catoosa, Oklahoma, near Tulsa. Some 313 miles of channel are located in Arkansas. Public ports are located at Pine Bluff, Little Rock, and Fort Smith. An estimated \$3 billion in private investments have been made on the navigation system since it was opened in 1971.

Sources:

- Fort Smith Chamber of Commerce. <http://www.fschamber.com/transportation.asp>
- Arkansas Waterways Commission. <http://www.waterways.dina.org>

Highways

Figure 2 displays the major cities, highways, lakes, and rivers found in Crawford County. A new Collum Lane interchange is scheduled to be added to U.S. Interstate 540 in 2003. Also, improvements to the interchange between I-540 and Arkansas Highway 162 are scheduled for 2005. Widening of one mile of Arkansas State Highway 59 in Van Buren is scheduled for 2003; widening of an additional 0.75 miles is scheduled for 2005.

Figure 2 – Crawford County Cities, Highways, Lakes, and Rivers



Sources:

Arkansas State Highway and Transportation Department. Statewide Transportation Improvement Program 2003-2005 Preliminary.

<http://www.ahtd.state.ar.us/contract/progcon/stip/stip%20by%20ffy%202003%2D2005%20prelim.xls>

MapQuest.com, Inc. <http://www.mapquest.com>

Utilities

Table 7 displays the surplus water capacity, the surplus wastewater capacity, the electricity provider, and the natural gas provider for the three most populous cities in Crawford County.⁴

Table 7 – Utilities for the Three Most Populous Cities in Crawford County

City	Water Surplus Capacity	Waste Water Surplus Capacity	Electricity Provider	Natural Gas Provider
Van Buren	0.4 million GPD	N/A	Oklahoma Gas & Electric (OG&E) / Arkansas Valley Electric Cooperative (AVEC)	Arkansas Oklahoma Gas
Alma	1.1 million GPD	0.6 million GPD	OG & E	Arkansas Oklahoma Gas
Mulberry	1.15 million GPD	0.18 GPD	OG & E / AVEC	Arkansas Western Gas

The City of Alma is planning on expanding its water system's capacity in the next two to three years from 3.5 million gallons per day to 5.0 million gallons per day. In addition, the City of Alma recently increased its wastewater treatment facilities. The City of Mulberry recently opened a new water plant.

Sources:

Darryl Manus and the City of Van Buren Water and Sewer Department.

Perry Vanhorn, Alma City Water Treatment Plant.

Jay Christello, Alma City Water Treatment Plant.

Wayne Anstein, Mulberry Water Treatment Plant.

Railroads

The Arkansas & Missouri Railroad passes through Mountainburg and junctions with the Kansas City Southern Railroad in Fort Smith, with the Union Pacific Railroad in Van Buren, Arkansas, and with the Burlington Northern Santa Fe Railroad in Monette, Missouri.

Source:

Arkansas & Missouri Railroad. <http://www.arkansasmissouri-rr.com/map.html>

Airports

There are no airports located in Crawford County. The four major airports closest to Crawford County are the Northwest Arkansas Regional Airport in Bentonville, Arkansas (roughly 80 miles north of Van Buren), Tulsa International Airport in Tulsa, Oklahoma (roughly 120 miles northwest of Van Buren), Adams Field Airport in Little Rock,

⁴ GPD = Gallons Per Day

Arkansas (roughly 150 miles southeast of Van Buren), and Will Rogers World Airport in Oklahoma City, Oklahoma (roughly 190 miles west of Van Buren).

Source:

AirNav, LLC. Arkansas Airports. <http://www.airnav.com/airports/us/AR>

IV. Labor Force

A breakdown of covered employment for Crawford County in 2001 is provided in Table 8 below.

Table 8 – Covered Employment for Crawford County, 2001 Annual Averages

North American Industry Classification System Industry Group	Average Employing Units	Average Covered Employment
Natural Resources & Mining	22	457
Construction	162	1,177
Manufacturing	82	3,891
Trade, Transportation & Utilities	290	5,416
Wholesale Trade	65	579
Retail Trade	163	1,855
Transportation, Warehousing & Utilities	62	2,983
Financial Activities	93	449
Professional & Business Services	96	465
Education & Health Services	91	1,116
Leisure & Hospitality	72	1,193
Local Government	39	1,738
State Government	12	178
Other	89	758
Crawford County - Total	1,048	16,838

The manufacturing sector accounted for 23.1 percent of total covered employment in Crawford County in 2001, compared to the state’s figure of 20.5 percent. In terms of the proportion of covered employment attributed to the manufacturing sector, the county ranked 34th among the 71 counties in Arkansas for which data were available and 9th among the 15 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 62.4 percent (Calhoun County) to 5.1 percent (Perry County); for Northwest Arkansas, the proportions ranged from Marion County’s 48.2 percent to Newton County’s 8.3 percent.

The wholesale trade sector accounted for 3.4 percent of total covered employment in Crawford County in 2001, compared to the state’s figure of 4.1 percent. In terms of the

proportion of covered employment attributed to the wholesale trade sector, the county ranked 26th among the 68 counties in Arkansas for which data were available and 3rd behind Boone County and Washington County among the 14 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 23.0 percent (Woodruff County) to 0.3 percent (Marion County); for Northwest Arkansas, the proportions ranged from Boone County's 7.5 percent to Marion County's 0.3 percent.

The retail trade sector accounted for 11.0 percent of total covered employment in Crawford County in 2001, compared to the state's figures of 11.9 percent. In terms of the proportion of covered employment attributed to the retail trade sector, the county ranked 51st among the 74 counties in Arkansas for which data were available and 12th among the 15 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 18.9 percent (Saline County) to 2.7 percent (Calhoun County); for Northwest Arkansas, the proportions ranged from Baxter County's 14.5 percent to Benton County's 8.6 percent.

The transportation, warehousing, and utilities sectors accounted for 17.7 percent of total covered employment in Crawford County in 2001, compared to the state's figure of 5.5 percent. In terms of the proportion of covered employment attributed to the transportation, warehousing, and utilities sectors, the county ranked 2nd behind Little River County among the 69 counties in Arkansas for which data were available and 1st among the 14 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 18.4 percent (Little River County) to 0.8 percent (Marion County); for Northwest Arkansas, the proportions ranged from Crawford County's 17.7 percent to Marion County's 0.8 percent.

Data for the information sector in Crawford County were not available. For the state, the information sector accounted for 1.9 percent of total covered employment in 2001. Among the 56 counties in Arkansas for which data were available, the proportion of covered employment attributed to the information sector ranged from 3.6 percent (Pulaski County) to 0.3 percent (Little River County). Among the 12 counties in Northwest Arkansas for which data were available, the proportions ranged from Boone County's 3.2 percent to Johnson County's 0.4 percent.

The financial activities sector accounted for 2.7 percent of total covered employment in Crawford County in 2001, compared to the state's figure of 4.3 percent. In terms of the proportion of covered employment attributed to the financial activities sector, the county ranked 67th among the 73 counties in Arkansas for which data were available and 13th ahead of Scott County among the 14 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 7.5 percent (Pike County) to 1.9 percent (Nevada County); for Northwest Arkansas, the proportions ranged from Marion County's 5.0 percent to Scott County's 2.3 percent.

The professional and business services sector accounted for 2.8 percent of total covered employment in Crawford County in 2001, compared to the state's figure of 9.2 percent. In terms of the proportion of covered employment attributed to the professional and

business services sector, the county ranked 37th among the 68 counties in Arkansas for which data were available and 8th among the 15 counties in Northwest Arkansas for which data were available. For the state, the proportions ranged from 23.3 percent (Benton County) to 0.5 percent (Woodruff County); for Northwest Arkansas, the proportions ranged from Benton County's 23.3 percent to Scott County's 0.6 percent.

The education and health services sector accounted for 6.6 percent of total covered employment in Crawford County in 2001, compared to the state's figure of 11.3 percent. In terms of the proportion of covered employment attributed to the education and health services sector, the county ranked 67th among the 74 counties in Arkansas for which data were available and last among the 16 counties in Northwest Arkansas. For the state, the proportions ranged from 19.9 percent (Baxter County) to 2.2 percent (Little River County); for Northwest Arkansas, the proportions ranged from Baxter County's 19.9 percent to Crawford County's 6.6 percent.

The leisure and hospitality sector accounted for 7.1 percent of total covered employment in Crawford County in 2001, compared to the state's figure of 7.8 percent. In terms of the proportion of covered employment attributed to the leisure and hospitality sector, the county ranked 33rd among the 73 counties in Arkansas for which data were available and 8th among the 16 counties in Northwest Arkansas. For the state, the proportions ranged from 16.7 percent (Carroll County) to 1.9 percent (Woodruff County); for Northwest Arkansas, the proportions ranged from Carroll County's 16.7 percent to Madison County's 4.3 percent.

A summary of Crawford County's largest employers is presented in Table 9 below.

Table 9 – Crawford County's Largest Employers

Company Name	City	Product	Employees
USA Truck, Inc.	Van Buren	Transportation	F
Tyson Foods	Van Buren	Poultry	D
Simmons Foods	Van Buren	Poultry	D
Wal-Mart	Alma/Van Buren	Retail	D
Crawford Memorial Hospital	Van Buren	Hospital	C
Bekaert Corporation	Van Buren	Wire Products	C
Law Office Information Systems	Van Buren	Information Services-Legal	C
Therma Tru	Van Buren	Fiberglass Doors	C
Allen Canning	Alma	Canning	C
Danmar Transit	Van Buren	Transportation	B
Southwestern Glass Company	Van Buren	Hand-blown Glass	B

Employee Codes – B: 100-250; C: 251-500; D: 501-1,000; F: 1,501-2,500

Figure 3 displays the annual unemployment rates for Crawford County, the State of Arkansas, and the United States for the period 1995 through 2001. Since 1996, Crawford County experienced unemployment rates at or below the state and national averages; the annual unemployment rate in Crawford County was between 0.3 and 1.0 percent below the annual unemployment rate for the state and up to 0.7 percent below the annual unemployment rate for the U.S. for the period. In 2001, the unemployment rate in

Crawford County was 4.1 percent, compared to the state and national figures of 5.1 percent and 4.8 percent, respectively. Crawford County had the 11th lowest unemployment rate among Arkansas' 75 counties in 2001 and the 7th lowest unemployment rate among the 16 counties in Northwest Arkansas. Unemployment rates in Arkansas ranged from 2.2 percent in Benton County to 13.9 percent in Mississippi County; unemployment rates in Northwest Arkansas ranged from Benton County's 2.2 percent to Newton County's 6.7 percent.

Figure 3 – Historical Unemployment Rate Comparisons: 1995-2001

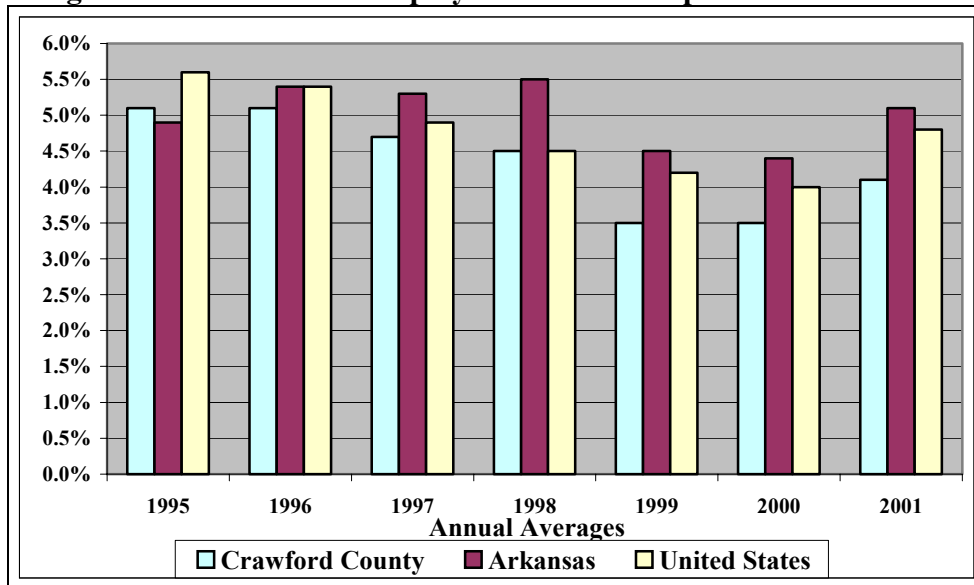
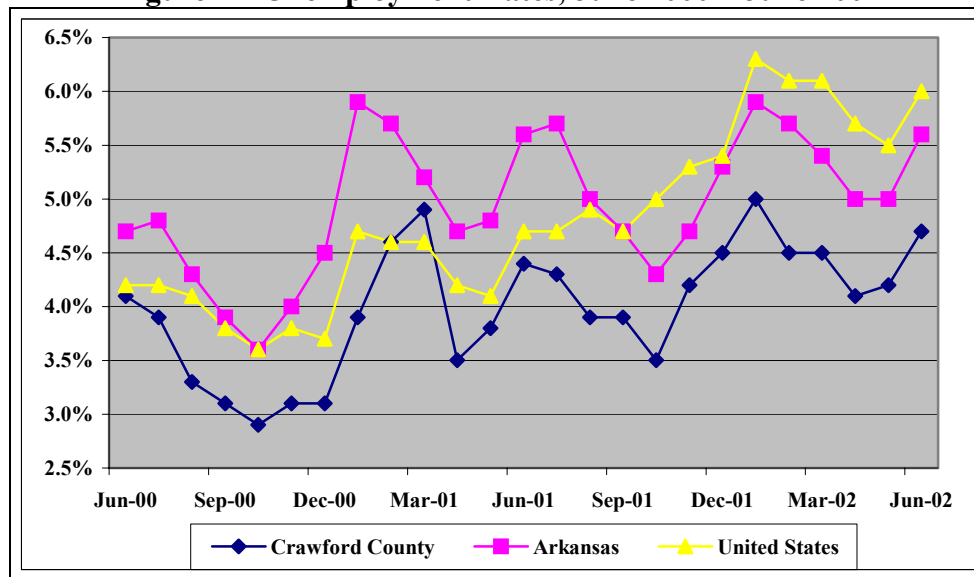


Figure 4 displays the monthly unemployment rates for Crawford County, Arkansas, and the United States from June 2000 to June 2002.⁵

Figure 4 – Unemployment Rates, June 2000 – June 2002



Sources:

Arkansas Employment Security Department, Covered Employment and Earnings, Annual 2001. Table 6: County Summary Employment and Earnings, by Industry, Calendar Year 2001. <http://www.accessarkansas.org/esd/01antb6.htm>

Arkansas Employment Security Department, Covered Employment and Earnings, Annual 2001. Table 1: Average Covered Employment and Weekly Earnings, by Industry, 2001. <http://www.accessarkansas.org/esd/01antb1.htm>

Largest Employers by County data from Arkansas Department of Economic Development.

Arkansas Economic Security Department, Arkansas Revised Labor Force Statistics, Annual Average, 2001. <http://www.accessarkansas.org/esd/lmiaa01.htm>

Arkansas Employment Security Department, Arkansas Labor Force Statistics. <http://www.accessarkansas.org/esd/lmilaborforcestats.htm>

V. Available Industrial Sites and Buildings

There are currently two available industrial sites in Crawford County. The first property is located within the city limits of Mulberry and is owned by the Mulberry Industrial Development Corporation. There are 120 acres of available land within the property priced at \$7,000 per acre, price negotiable. The site is 60 percent cleared and has a slope of less than 2 percent. There are no major structures in the area. U.S. Highway 64 directly services the property, and Interstate 40 is 1 mile north of the site. The Union Pacific Railroad has a line 0.25 miles south of the site. Port facilities with a barge-rail terminal are available at the Port of Van Buren 13 miles west of the site. Commercial air

⁵ Note: Data are not seasonally adjusted.

service is available at Fort Smith Airport 25 miles west of the site. The Port of Fort Smith is 13 miles west of the site. Water services are provided by the City of Mulberry through an 8-inch main with a normal line pressure of 45 pounds per square inch (psi). The City of Mulberry has an eight-inch sewer main 2.84 miles west of the site; extension will be required. The Arkansas Western Gas Company (AWG) provides natural gas service to the site through a 3-inch main with a normal line pressure of 45 psi. The Oklahoma Gas and Electric Company (OG&E) provides electricity to the site with a voltage of 36 kilovolts.

The second property is located within the city limits of Alma and is privately owned. There are 80 acres of available land within the property priced at \$8,000 per acre (negotiable). The site is cleared with a slope of less than 2 percent. There are no major structures in the area. Arkansas Highway 162 is 0.25 miles west of the site, and Interstate 40 is 1.5 miles north of the site. The Union Pacific Railroad has a line on the northern boundary of the site. Passenger air service is provided at the Fort Smith Airport, 20 miles west of the site. There are also port facilities with barge-rail terminal available at the Port of Van Buren west of the site. The City of Alma has an 8-inch water main with a normal line pressure of 90 psi 770 feet east of the site. The City of Alma also has an 8-inch sewer main 770 feet east of the site; extension will be required. The Arkansas Oklahoma Gas Company (AOG) provides natural gas services through a 4-inch main with a normal line pressure of 45 psi. OG&E provides electricity to the site with a voltage of 12.4 kilovolts.

There are four available industrial buildings in Crawford County. The first building is located in Van Buren at 3033 Industrial Park Road and was previously occupied by Therma-Tru, manufacturer of door components. The pre-finished metal facility has 198,070 square-feet of space (192,070 square-feet of manufacturing space and 6,000 square-feet of office space) on 8-inch concrete floors and is accompanied by 11.68 acres of land. Clearance under the beams ranges from 11 feet, 2 inches to 24 feet, 2 inches; the span between the beams ranges from 13 feet, 1 inch to 26 feet, 4 inches. The Union Pacific Railroad has a line 0.25 miles from the site. The facility has 6 floor-level doors, 13 dock-high doors, 13 truck wells, and 100 paved parking spaces. The City of Van Buren provides the facility with water service through a 12-inch main with normal line pressure of 100 psi. The City of Van Buren also provides sewer services through a 12-inch sewer main. AOG provides natural gas service to the site through a 2-inch main. OG&E provides the facility with electricity. The facility is for sale at a price of \$2.2 million or for lease, price negotiable.

The second building, constructed in 1960, is located in Mulberry at 21 South Main and was previously occupied by Palex, manufacturer of pallets. The facility has 69,000 square-feet of space (67,884 square-feet of manufacturing space and 1,776 square-feet of office space) on concrete floors and is accompanied by 16 acres of land. Clearance under the beams ranges from 11 feet, 9 inches to 15 feet, 2 inches; the span between the beams ranges from 12 feet, 0 inches to 25 feet, 3 inches. The facility has 3 rail doors, 1 truck well, and 50 gravel parking spaces. The Union Pacific Railroad directly services the site. The City of Mulberry provides the facility with water services through a 6-inch main with

normal line pressure of 50 psi. The City of Mulberry also provides sewer services through a 10-inch sewer main. The AWG provides natural gas service to the site through a three-inch main. OG&E provides the facility with electricity. The facility is for sale or for lease, price negotiable.

The third building, constructed in 1980, is located in Van Buren at 2804 Industrial Park and was previously occupied by American Limousine Manufactory. The metal facility has 49,000 square-feet of space (46,500 square feet of manufacturing space and 2,500 square-feet of office space) on 5-inch concrete floor and is accompanied by ten acres of land, with an additional 25 acres available for purchase. The building has a paint booth, an 'out' building for flammables, and a six-foot chain link security fence. Clearance under the beams ranges from 9 feet, 7 inches to 13 feet, 5 inches; the span between the beams ranges from 12 feet, 7 inches to 16 feet, 2 inches. The facility has 3 floor-level doors, 4 dock-high doors, 3 truck wells, and 68 paved parking spaces. The Union Pacific Railroad has a line one mile from the site. The City of Van Buren provides the facility with water services through a 12-inch main. The City of Van Buren also provides sewer services through a 12-inch sewer main. AOG provides natural gas service to the site through a six-inch main with a normal line pressure of 190 psi. Arkansas Valley Electric provides the facility with electricity. The facility is for sale at a price of \$1.45 million or for lease with a price of \$1,450 per month or \$3.55 per square-foot per year.

The fourth building, constructed in 1996, is located in Van Buren at 1819 South 28th Street and was previously occupied by Owens-Corning, manufacturer of fiberglass. The exterior of the structure is 26-gauge metal paneling, and the roof is constructed with 24-gauge standing steel. The facility has 31,740 square-feet of space and is accompanied by 2.5 acres of land, with an additional 2.5 acres available for purchase. The facility is for sale, price negotiable.

Sources:

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

http://www.1800arkansas.com/Buildings_Sites/Site.asp?SiteNumber=MUL001

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

http://www.1800arkansas.com/Buildings_Sites/Site.asp?SiteNumber=ALM001

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

http://www.1800arkansas.com/Buildings_Sites/Building.asp?BldNumber=827

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

http://www.1800arkansas.com/Buildings_Sites/Building.asp?BldNumber=791

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

http://www.1800arkansas.com/Buildings_Sites/Building.asp?BldNumber=867

Available Building and Site Database for Arkansas Communities, Arkansas Department of Economic Development.

http://www.1800arkansas.com/Buildings_Sites/Building.asp?BldNumber=762

VI. Economic Goals

Located at the intersection of Interstate 40 and Interstate 540, Crawford County has significant advantages compared to many Arkansas counties. The population of Crawford County is slightly younger than the Arkansas average, per capita personal income is relatively high, and the poverty rate is relatively low. Transportation is key to the success of Crawford County, with major industries located there because of easy access to their product markets.

In order to take past success and translate it into future economic development, Crawford County must work on diversifying its economy to include the high paying service and professional jobs that drive the knowledge-based economy. With easy access to both the University of Arkansas and the University of Arkansas at Fort Smith, residents of Crawford County have significant opportunities to acquire the skills that are in demand in the new economy. As the labor force acquires flexibility, more sectors of the economy will be attracted to locate at this crossroads.

VII. Opportunities for Future Business Development

Transportation

The evolution of electronic commerce has changed the way companies sell and ship their goods. The e-commerce segment that is radically altering the transportation industry is business-to-consumer. Traditionally, goods travel in a chain, from raw materials producer to manufacturer, distributor, retailer, and finally to consumer. But the Internet has shortened this process, essentially eliminating the middleman. This changing pattern will hurt full truckload carriers as shipments between manufacturers, distributors, and retailers are eliminated and as smaller lots prevail. On the other hand, package delivery, airfreight express, and less-than-truckload carriers will become beneficiaries of e-commerce. Currently, the first choice of Internet carriers is United Parcel Service (UPS) with a 55 percent share of all e-commerce transactions, according to Zona Research, a consulting firm based in Redwood City, California.

A shortage of qualified drivers has plagued the trucking industry's long-haul truckload segment since the early 1990s. As recently as 2001, an estimated 80,000 driver slots remained unfilled. Among many factors contributing to the shortage include low pay, long absences of truck drivers from their families, and disrespectful treatment by shippers and carriers. The high turnover rates and driver shortages in the truckload industry can push up carriers' costs. With industry turnover rates of about 100 percent, recruitment and training expenditures can cost some \$3 billion annually. Further, the hiring of inexperienced drivers leads to an increase in accident rates, insurance costs, and claims

paid out for damaged cargo, as the less experienced drivers tend to have more accidents than drivers with more tenure.

Trucking companies are coping with the driver shortage by avoiding long-haul freight or by routing such freight through intermodal rail service. Additionally, by harnessing sophisticated computer software, carriers can match drivers with loads moving in the direction of their domiciles. Many companies have installed on-board computers that link drivers to dispatchers and their families via satellite. Such devices steer drivers around congested roads, help them obtain faster road service, and let them communicate with their families and dispatchers without leaving the highway. These devices may become mandatory equipment for all vehicles if the Department of Transportation implements its proposed hours of service regulations.

Intermodal traffic is the movement of general freight, such as consumer goods and light industrial products, in trailers or containers by means of two or more transport modes. Though intermodal rail service fell out of favor with shippers in 2000 and likely in 2001, Standard and Poor's believes this is temporary and that it will eventually become the preferred transport mode in certain markets. Some 35 percent of the intermodal market goes to truckload carriers, such as J.B. Hunt Transport and Schneider National (which together claim about 10 percent of the market), and to intermodal marketing companies, which are third-party intermediaries.

The future of the intermodal segment — the railroad industry's fastest-growing business — is tied directly to the level of world economic activity, not to heavy industry or mining. Between 1980 and 1999, intermodal railroad traffic soared 196 percent — a compound annual rate of 5.9 percent. In April 2000, the Association of American Railroads, a Washington, D.C.-based trade organization, projected that 3.08 million trailers and 7.80 million containers would be moved by intermodal rail in 2004. This total of 10.88 million units would be up 33.8 percent from the 8.13 million units moved in 1994 (4.38 million containers and 3.75 million trailers). In the longer term, intermodal's prospects are bright, as import/export business between the United States and the rest of the world grows and fuel prices and driver shortages push up truckload rates and force business onto the rails. Standard and Poor's projects that once intermodal's operations are smoothed out, with frequent departures and high on-time reliability, a large portion of e-commerce will be sent via intermodal transportation, since surveys demonstrate online purchasers' willingness to sacrifice time for low costs.

Poultry

The domestic market for the U.S. agribusiness industry is relatively mature, with consistent but modest growth likely in the future. Demand for protein-rich foods is growing more rapidly in developing countries than in the United States, because of their higher population growth, rapid industrialization, and rising disposable income. Furthermore, agricultural output in such countries is growing less rapidly than consumption. Consequently, the U.S. agribusiness industry is strongly positioned to take advantage of future increases in worldwide food demand.

With the world's gross domestic product expected to rise to nearly \$10.1 trillion in 2009 (a 34 percent increase over the preceding 10 years), there is ample reason to expect ever-growing demands on the world's agriculture. Whenever incomes begin to rise, one of the first things people do is to upgrade their diets. With increasing prosperity, people consume more food grains, meat, sweeteners, and vegetable oils. Since 1990, worldwide consumption of beef, pork, and poultry has surged approximately 29 percent.

Another trend in the U.S. agribusiness industry is the number of market participants, ranging from farmers to processors, has steadily declined, as agriculture has moved toward vertical integration and consolidation. According to the Center for Rural Affairs, a private nonprofit group focused on rural development and agricultural policy, as of 2000, an estimated 80 percent of the U.S. beef market was controlled by 4 firms: Tyson Foods, ConAgra, Excel Corp., and Farmland National Beef Inc. These same firms, plus Smithfield Foods, controlled approximately 58 percent of the U.S. pork market. In 1999-2000, 24 percent of pork producers went out of business. Today, 35 producers account for 95 percent of the pork slaughter capacity, although they operate only about 5 percent of the estimated 800 pork slaughterhouses in the United States. According to the National Chicken Council, during 2000, the top 8 chicken producers raised 64 percent of the broilers sold in the United States. Further consolidation in the poultry industry is expected to cut the number of broiler suppliers almost in half by 2010.

For the past three decades, much of the consolidation among meat processors occurred at the slaughter capacity level. Today, however, more and more companies are focusing on acquisitions that will expand their final offerings to include higher-margin processed and prepackaged meat that is ready for the consumer to heat and eat. These can include freshly cooked and frozen meats that have been marinated or seasoned. Advocates of consolidation believe that the process will lead agricultural producers toward more efficiency, less dependence on government assistance, and greater global competitiveness. Furthermore, as larger and more specialized producers realize lower production costs through economies of scale, these savings can be passed through to consumers in the form of lower commodity and processed food prices.

In the mean time, agribusiness is being transformed by modern technology. Technological developments have changed the way things are done on the farm, in assembly, in processing, and in distribution. An increasing number of farmers and ranchers are doing business over the Internet. According to the U.S. Department of Agriculture, 55 percent of all farms were using computers in 2001, up from 38 percent in 1997. In 2000, 24 percent of farms used the Internet as a management tool in their farming operations, including \$665 million in online buying and selling. Use of this technology allows farmers to receive and manage timely information in rural locations. In addition, nearly all farms that used the Internet in 2000 to purchase inputs indicated that they are likely to maintain or increase purchases in the future. Thus, with decreasing costs of computers and Internet access, growth in Internet use is likely to continue.

In April 2000, the world's leading meat and poultry processors took the next step toward realizing "seamless" trade — the transacting of wholesale business without intermediaries, and the streamlining of the purchase and sales process to facilitate higher volumes. Tyson Foods Inc., Cargill, Smithfield Foods, Gold Kist Inc., and Farmland Industries Inc. launched an online marketplace, or portal, for meat and poultry products called Provision X; the venture is headquartered in Chicago. Provision X agreed to be acquired by iTradeNetwork (ITN) in February 2002. ITN provides online e-business solutions for 38 percent of the U.S. retail grocery and food service industries, including seven of the top fifteen food retailers in the nation.

Retail

Retailing is a mature business, and growth opportunities are limited, given the large number of retail outlets spread across the country. Demographic trends primarily affect retail sales. As demographic trends influence consumers' preferences and shopping patterns, they are important to retailers' understanding of target markets. For example, the Baby Boom Generation, comprising individuals born between 1946 and 1964, constitutes some 78 million Americans - about 30 percent of the U.S. population. As the Baby Boomers entered adulthood and formed households, they fueled much of the boom in retail sales in the 1970s and 1980s. Today, having swollen the ranks of Americans in their 40s and 50s, their priorities have shifted from youthful spending to tuition payments for children and to saving for retirement.

Shopping trends also affect all aspects of retailing, from store layout to merchandise assortment. Current shopping trends in the U.S retail market can be summarized as Price + Quality = Value, "cross shopping," "precision shopping," and "going casual."

Although the American retail landscape is saturated with stores, sales can be increased by developing new markets overseas. Discount stores, like Wal-Mart, are expanding overseas more rapidly than other types of retailers, such as department stores. This is because discount stores offer low prices to attract customers; merchandising and cultural differences have made it unattractive for department stores, whose mainstay is apparel, to allocate the capital for overseas expansion.

Hospitals

One of the persistent trends in the hospital industry is the steady decline in the number of hospitals in the United States. According to data published by the American Hospital Association (AHA), the number of U.S. hospitals declined 1.4 percent to 5,810, and the number of licensed beds declined 1.0 percent to 984,000 in 2000. Although the number of hospitals fell, admissions are rising. According to the same AHA survey, admissions rose 2.1 percent to 34.9 million in 2000. These statistics indicate that as the total number of hospitals has declined, capacity utilization — the percentage of occupied beds to total beds — has risen.

While inpatient admissions moderated, the number of patients treated in outpatient settings, whether hospital-based or freestanding outpatient clinics, surgery centers, or

physicians' offices, has grown dramatically due to the cost advantages of outpatient treatment. According to the most recent data available from the AHA, industry-wide outpatient visits reached 593 million in 2000, up more than 3.0 percent from 1999.

The growing role of information technology has become part of the marketing strategy utilized by hospitals. In general, hospitals are viewed as being in the early stages of general Internet use, with most of the sites currently providing basic information about a hospital and its services. It is less common for hospitals to utilize the Internet to provide information about disease management or doctor referrals, communicate with patients, or publish an online newsletter. Hospitals have also been increasing their use of information technology for administration and the storage of patient records, including images, such as those from x-rays, ultrasound, computed tomography (CAT), and positron emission tomography (PET). An area of increasing importance is the use of computer systems to make hospitals safer, particularly regarding medication errors.

With the restrictive pricing environment imposed by the realities of managed care organizations, hospitals' cost-cutting measures are expected to focus on reducing staffing levels and re-engineering to improve worker efficiency. The equipment categories that are likely to suffer the most include automated laboratory testing, cardiac catheterization, computed tomography, critical care, magnetic resonance imaging, nuclear medicine, radiation therapy, ultrasound, and x-rays. There are, however, some areas in which hospitals are expected to invest growing amounts in coming years. These include data processing equipment, telecommunications, energy-saving equipment (such as ventilation systems), and construction of new medical office buildings.

Homebuilding

The nation's changing financial markets and demographic composition are among the prominent trends likely to influence the U.S. homebuilding industry in coming years. As federal regulations on thrifts financing relaxed in the early 1980s, the bond and stock markets offered by Wall Street now have become the primary places that large builders look for construction financing. The new sources of financing have brought about a sea of change in builders' operating strategies and have particularly benefited large firms. Builders looking to expand their territories can focus on areas where the local economy is strong and the demographics are favorable. By increasing their activities in better-situated regions, they can improve their financial performance.

To position themselves for long-term growth, top homebuilders have been paying close attention to changes within the U.S. population. As the vast majority of Baby Boomers (the approximately 75 million Americans born from 1946 to 1964) now fall into the group of trade-up buyers, the market for single-family homes will likely be strong well into the century. More builders are likely to consider switching their focus to this area.

The senior population is another strong growth cohort. Projections have the 65-and-up age group increasing by 3.0 percent between 2002 and 2005 and by 30 percent between 2002 and 2015. This market, made particularly appealing by retirees' tremendous

purchasing power, could become the hot homebuilding concept of the early twenty-first century. According to the Census Bureau's 1991 study (still the latest available), *Housing of the Elderly*, more than four out of five homeowners aged 65 and older had no borrowings outstanding on their homes, compared with only 26 percent for homeowners in other age groups. This tremendous equity build-up among seniors should continue to make it possible for many of them to move into the retirement homes or senior communities of their choice.

In addition to demographic profile, homebuilders also pay attention to regional growth patterns in the United States. The U.S. residents should continue to move to the South and the West in substantial numbers. Minority homeownership is another factor influencing homebuilding industry. According to *The State of the Nation's Housing: 2001*, minorities comprised some 40 percent of the approximately eight million net new homeowners between 1994 and 2000. This trend should continue, as people of African, Hispanic, and Asian heritage are expected to comprise a growing proportion of the U.S. population in coming years. Immigrants will also influence the homebuilding industry, particularly entry-level home buying market.

The 1997 revised tax laws, which contain capital gains tax relief from home sales, will likely have a major impact on residential homebuying decisions. Under the reworked tax laws, married couples filing joint returns are exempt from taxes on up to \$500,000 of profits on the sale of their principal home (defined as a principal residence for at least two of the previous five years). Single filers have a \$250,000 exemption. Taxpayers can use this provision every two years. While there have been no studies to date that assess the impact of the revised tax laws, the individuals most affected by the budget accord would be most likely to buy into active adult/retirement developments or to become renters again. Thus, the areas of homebuilding most apt to benefit from the revamped tax laws are active adult/retirement communities and multifamily construction.

The improved image and the greater affordability of manufactured homes have gained popularity in the homebuilding industry.

Food Production

Demographic changes in the U.S. are reshaping the American food industry. To achieve success in the highly competitive U.S. food industry, companies need a keen understanding of these trends.

The Baby Boom generation- now between the ages of 37 and 55 and accounts for 30 percent of the current U.S. population- creates significant new consumer needs. This generation is at a stage of life in which people usually focus more on nutrition and weight maintenance. Yet in many instances, Baby Boomers' increased work and family responsibilities reduce their time available for exercise. New products seeking to satisfy these needs are "better-for-you" foods that are low-fat, low-sodium, and convenient to prepare. Studies show that average caloric needs for people aged 50 and older decline by about 10 percent every 10 years. At the same time, older adults tend to have a reduced

ability to digest food and absorb nutrients. This factor has led to an expanded market for nutrient-enriched drinks in recent years.

In the over-65 group, nutrition and digestibility remain key dietary concerns. Packaging is also important for this group. Studies show that older consumers prefer packaged food products that are easy to open and have legible labels. Older consumers' demands for nutritionally enriched items may create a new era in processed food industry. Today's food makers say their next step may be to compete with the pharmaceutical industry by offering "nutraceuticals" — processed food products that would replace vitamin supplements and other dietary aids, and eventually release products that will help prevent or even reverse some diseases. Currently under investigation is the role that soy proteins play in inhibiting cancer and heart disease. Also of interest is the potential link between antioxidant compounds — vitamin C, vitamin E, and beta-carotene — and the prevention of cancer, cardiovascular disease, and cataracts.

The population of American children aged five to 17 is projected to total approximately 52.4 million by 2005, according to Census Bureau estimates. This group has significant clout in influencing their parents' purchases. Food manufacturers view these youngsters as important, and they hope to gain lifelong brand-loyal customers.

The increasing diversity of the minority segments of the U.S. population has and will continue to allow U.S. food companies to introduce ethnic cuisines more aggressively. Companies are now trying to make these products "more ethnic" by stressing traditional or "old country" recipes. Beside the established "big three" ethnic cuisines including Mexican, Italian, and Chinese, increasingly popular ethnic food groups will include Indian cuisine and various East Asian cuisines, such as Japanese, Thai, and Vietnamese.

Consumer lifestyles also impact the food industry. Modern consumers face considerable time constraints, raising the demand for foods that are easy to prepare and serve. Food marketers estimate that the average American is willing to spend no more than 15 minutes preparing an ordinary meal. In addition, today's shoppers increasingly want to purchase whole meals. Traditional categories such as frozen dinners have been expanded to include frozen breakfasts and lunches. Products specifically designed for microwave cooking have also proliferated.

As consumers' expenditures on eating out have increased year to year (45.2 percent of total consumer spending on food products in 2001, compared with 44.9 percent in 2000, 42.2 percent in 1990 and 36.5 percent in 1980), food companies have taken advantage of this trend by establishing food service divisions that cater to what were once nontraditional markets — restaurants, schools, airports, corporate cafeterias, and so on. As food companies more frequently distribute their packaged food products through the service outlets, the business lines between food companies and food service outlets are becoming less distinct.

Source: Standard and Poor's NetAdvantage.

<http://0-www.netadvantage.standardpoor.com.library.uark.edu/>

