



St. Louis Ranks Poorly in Ease of Doing Business Study

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Missouri and Missouri cities have ranked poorly in several [business](#) and [policy](#) rankings. Missouri's position relative to other cities and states is important because of constant competition for businesses and residents. A new study out of Arizona State University adds to this research, suggesting that government officials could do a lot more to make St. Louis a competitive place for entrepreneurs.

The [study](#), published by ASU's Center for the Study of Economic Liberty, ranks St. Louis 31 out of 115 cities in North America in regulatory competitiveness. That ranking doesn't seem half bad, but 31 out of the 66 U.S. cities included in the study isn't great. Among American cities, St. Louis is just middling.

The table below shows how St. Louis fares in the various categories. St. Louis ranks 12 overall in "Paying Taxes," but sales taxes are not included in the scoring. Anyone who's shopped in the city knows how steep the city's sales taxes are; St. Louis's ranking would likely be lower if they were included. In addition, "resolving insolvency" is a ranking where all American cities are tied for first place, so not much should be made of that stat in this context.

Category	2019 Score	2019 Rank
Starting a Business	80.03	60
Employing Workers	75.16	47
Getting Electricity	90.91	20
Registering Property	63.72	30
Paying Taxes	76.86	12
Resolving Insolvency	91.91	1

In two critically important categories, St. Louis is less than impressive, ranking 60 in “Starting a Business” and 47 in “Employing Workers.” These scores incorporate regulatory costs to business owners, including compliance fees for mandatory procedures and wage regulations like overtime requirements and probationary periods. As our low rankings indicate, starting and staffing a business is a costly and onerous process in St. Louis—and that’s not the inviting economic environment that we want.

Policymakers must recognize that all business regulations carry costs for business owners, and St. Louis’s costs are too high. 46 other major U.S. cities have found less costly ways to meet their public policy objectives for employing workers. And St. Louis was outranked by cities in the U.S., Canada, and Mexico when it came to ease of starting a business!

All this suggests that St. Louis has a lot of room for improvement when it comes to business regulations. Policy changes like lowering licensing requirements, taxes, or procedural costs are just a few things that may get St. Louis a better ranking. Without reform, St. Louis will continue to be mired in mediocrity.

About the Author



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Corianna grew up in Michigan, where she earned her B.S. in Economics from Hillsdale College.

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