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Economic Trends Update: Douglas County

Prepared by

Luke Middleton
Research Economist

and

Genna Hurd
Co-Director
KCCED

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Steven Maynard-Moody
Interim Director, Policy Research Institute

Foreword

The Kansas Center for Community Economic Development (KCCED) is a joint center of the Policy Research Institute at the University of Kansas and the Kansas Center for Rural Initiatives at Kansas State University. Its purpose is to enhance economic development efforts by bringing university expertise to rural Kansas.

KCCED is funded by a grant from the Economic Development Administration of the U.S. Department of Commerce. The statements, findings, and conclusions of this report are those of the authors and do not necessarily reflect the views of the U.S. Government, the University of Kansas, or any other individual or organization.

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Economic Trends Update: Douglas County

Introduction

The following report is an annual update of the 1992 review of economic and demographic trends for Douglas County and the City of Lawrence, conducted by the Policy Research Institute (PRI) at the University of Kansas. This review was part of the strategic planning process for the county called Horizon 2020. The original 181-page report contained data on: global, regional and national trends, population, housing, education, employment, earnings and income, geographic location and infrastructure, business environment, financial capital, innovation and technology, and quality of life.¹

The Lawrence-Douglas County area is a community with a growing population, high quality work force, and modern economic base enhanced by the presence of three universities. Its development in recent years has been shaped by two significant forces. First, with three universities, it is a major center for higher education: much of its development has been influenced by its large student population. Second, Douglas County is located between two metropolitan areas and has captured some of the spill-over benefits from this location.

This year's report includes an update of selected variables from the 1992 study as well as some additional variables. This report looks at variables categorized under the following areas:

- population,
- employment,
- earnings and income,
- retail trade,
- agriculture, and
- education.

Throughout the report, Douglas County's performance is compared with the performance of the State of Kansas, Comparative Counties² and Surrounding Counties.³ It is by no means a comprehensive analysis of economic trends facing Douglas County but rather an overview of some key economic and demographic variables.

¹ *Horizon 2020 Data Analysis*, Kansas Center for Community Economic Development, Institute for Public Policy and Business Research, University of Kansas, Technical Report Number 12, August 1992.

² "Comparative Counties" are Boone County, Missouri (University of Missouri, Columbia); Johnson County, Iowa (University of Iowa, Iowa City); Larimer County, Colorado (Colorado State University, Fort Collins); and Champaign County, Illinois (University of Illinois, Urbana-Champaign).

³ "Surrounding Counties" used for comparison in this report are Johnson, Shawnee, and Wyandotte counties. "Selected Counties" include both the Comparative and the Surrounding Counties.

POPULATION

In every community population size and economic activity are closely related. The size of population is directly related to employment opportunities within the area, wage differentials between regions, and a community's overall economic and social conditions. Growing communities are more likely to adapt successfully to a changing economic environment than areas with constant or decreasing population. New residents in a community mean additional consumers, taxpayers, and suppliers of labor. Without population growth, communities face problems of a tightening labor market, lack of new customers for businesses, a shrinking tax base, and an overall decline in economic activity. Generally, areas of population growth are also areas of economic growth, whereas areas of population loss suffered previous economic decline and restructuring.

Characteristics of the region's population are regarded as indicators of economic conditions and economic potential of this region. Past and projected population changes indicate economic trends in the community and can be compared to other counties, as well as the statewide and national averages.

The size of Douglas County's population compared to the population of the entire state of Kansas reflects the county's overall level of competitiveness with respect to other regions within the state. The presence of three major universities in Douglas County determines the specifics of the local population. To provide a better picture the Lawrence-Douglas County area is compared not just with the surrounding metropolitan areas but also with a number of college towns in other states.

Another characteristic of the economic potential of the region is migration of the population. Migration is linked to job opportunities and demand as well as wage differentials between regions. Counties with low rates of job creation and low wages will face higher worker mobility due to the lack of opportunity, or a "pull" phenomenon by urban areas with higher wages, better job opportunities, and a perceived better quality of life. Age and education also determine regional migration. Generally, the population aged 18 to 45 is the most mobile age group. The effect of education on migration is reflected by the movement of well-educated workers toward better job matches for themselves and their spouses and their attempts to raise their income levels by migrating to areas with employment opportunities.

The following section consists of population tables, figures, and maps, which together illustrate population totals, population growth rates, percent net migration, and population rankings.

Population: Key Findings

- Between 1980 and 1990 Douglas County's population grew almost 21 percent, which was four times as fast as the growth rate of Kansas and twice the rate of the U.S. The county's population has grown every decade since 1920 and has grown by 10,000 or more per decade since 1940. Population has almost doubled between 1960 and 1990 (Table 1).

- Since 1993, the county's annual growth rates were more than twice the state's rates. In 1999, population of the county grew three times as fast as the state. (Table 1).
- From 1980 to 1990, all the "college town" counties except for Champaign, Illinois grew faster than the national average of 9.8 percent. Between 1990 and 1999 Douglas County population increased by 20 percent, which is considerably higher than the national growth rate of 7.1 percent. The highest growth rate among the comparable university towns was in Larimer County, Colorado (27.2 percent) (Table 2 and Figure 1).
- Johnson County, Kansas, consistently has the highest growth rate for the neighboring metropolitan counties in Kansas with a 31.4 percent increase from 1980 to 1990 and a 24 percent increase from 1990 to 1999 (Table 2 and Figure 1a).
- Between 1980 and 1990 Douglas County population increased by 21 percent, compared to 17 percent growth rate of the previous decade. For the past three decades, Douglas County's population has grown at a considerably faster rate than the state of Kansas or the U.S. (Table 2 and Figure 1b).
- Each decade since the 1970s, Douglas County's net migration has grown rapidly. Net migration is calculated as the change in population less the difference between births and deaths. Between 1990 and 1999 Douglas county's net migration was 10,960. Net migration in the state of Kansas from 1990 to 1999 was 43,924. It is the first time since the 1970's that the state of Kansas had a positive net migration, or in other words, had more people moving into the state than out. (Table 3 and Map 3).
- Douglas County had moved from being the sixteenth most populated county in Kansas in 1940 to being the fifth most populated county in 1990, remained the fifth in 1999, and is projected to maintain this standing through the year 2020 (Table 4).
- In 1990 the ten-year growth rate in Douglas County was the third fastest in Kansas, surpassed only by Johnson and Finney Counties (Map 1). Between 1990 and 1999 population growth rates had decreased from the decade before;⁴ however Douglas County remains the third fastest growing county in Kansas, behind Johnson and Butler counties (Map 2).

⁴ 1990-1999 is a nine-year period compared to the previous ten-year period.

Table 1

**Population Totals, Growth Rates, Rank & Share
Douglas County and Kansas**

<u>Year</u>	<u>Douglas County</u>		<u>Kansas</u>		<u>Douglas County</u>	
	<u>Population Total</u>	<u>Growth Rate</u>	<u>Population Total</u>	<u>Growth Rate</u>	<u>Rank in state</u>	<u>Share (%)</u>
1890	23,961		1,428,108		15	1.7
1900	25,096	4.7 %	1,470,495	3.0 %	13	1.7
1910	24,724	-1.5	1,690,949	15.0	15	1.5
1920	23,998	-2.9	1,769,257	4.6	17	1.4
1930	25,143	4.8	1,880,999	6.3	17	1.3
1940	25,171	0.1	1,801,028	-4.3	16	1.4
1950	34,086	35.4	1,905,299	5.8	10	1.8
1960	43,720	28.3	2,178,611	14.3	9	2.0
1970	57,932	32.5	2,249,071	3.2	6	2.6
1980	67,640	16.8	2,364,236	5.1	5	2.9
1990	81,798	20.9	2,477,588	4.8	5	3.3
1991*	83,131	1.6	2,493,577	0.6	5	3.3
1992*	83,883	0.9	2,517,896	1.0	5	3.3
1993*	85,906	2.4	2,538,069	0.8	5	3.4
1994*	87,109	1.4	2,558,077	0.8	5	3.4
1995*	88,275	1.3	2,574,567	0.6	5	3.4
1996*	89,708	1.6	2,584,650	0.4	5	3.5
1997*	91,107	1.6	2,601,437	0.6	5	3.5
1998*	93,137	2.2	2,638,667	1.4	5	3.5
1999*	98,343	1.9	2,654,052	0.6	5	3.7
2000**	95,849	-2.5	2,668,000	0.5	n/a	3.6
2005**	100,419	4.8	2,761,000	3.5	n/a	3.6
2015**	102,015	1.6	2,939,000	6.4	n/a	3.5
2025**	102,503	0.5	3,108,000	5.8	n/a	3.3

* Estimates ** Projections

Source: U.S. Bureau of the Census, Fifteenth Census of the United States, 1930, Vol..1; "Census of Population, 1960: Number of Inhabitants; 1980 Census of Population," Vol.1, Chapter A, Part 18; "1990 Census of Population and Housing" Floerchinger, Teresa D., "Kansas Population Projections 1990-2030," Kansas Division of the Budget, September 1992; Population Estimates, and Population Distribution Branches, U.S. Bureau of the Census. Calculations: PRI.

Table 2

Population Growth Rates
Douglas County, Selected Counties, Kansas, and United States
1970-1999

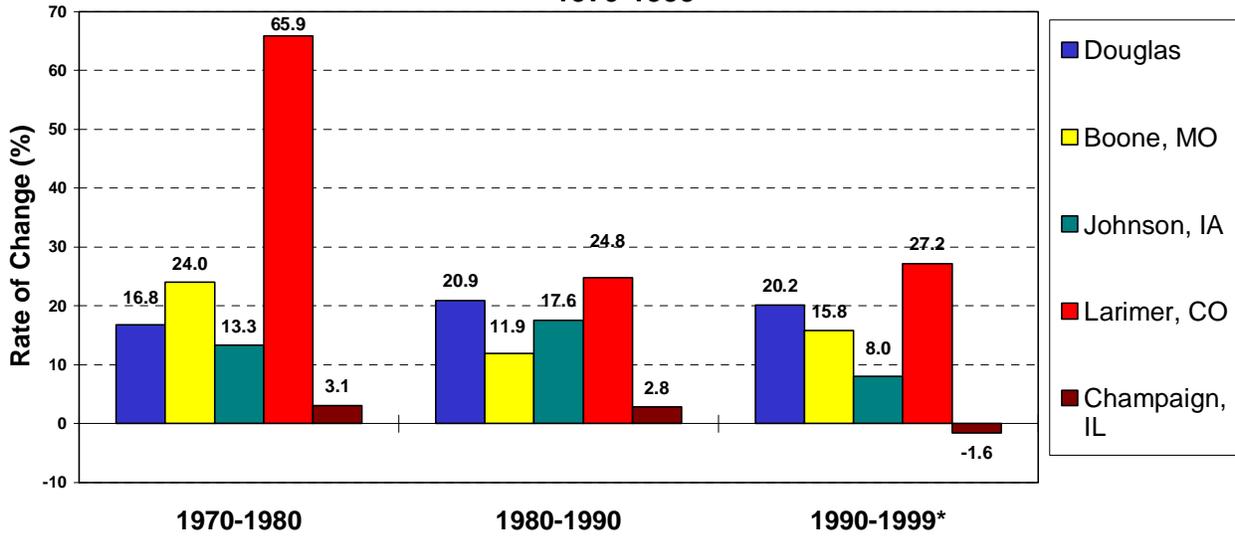
<u>Year</u>	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-1999*</u>
Douglas	16.8	20.9	20.2
Johnson	22.8	31.4	24.0
Shawnee	-0.3	3.9	6.1
Wyandotte	-7.8	-6.0	-6.6
Boone, MO	24.0	11.9	15.8
Johnson, IA	13.3	17.6	8.0
Larimer, CO	65.9	24.8	27.2
Champaign, IL	3.1	2.8	-1.6
Kansas	5.1	4.8	7.1
United States	11.4	9.8	9.6

* 1998 Population estimate

Note: 1990-99 is a nine-year period compared to the previous ten-year periods.

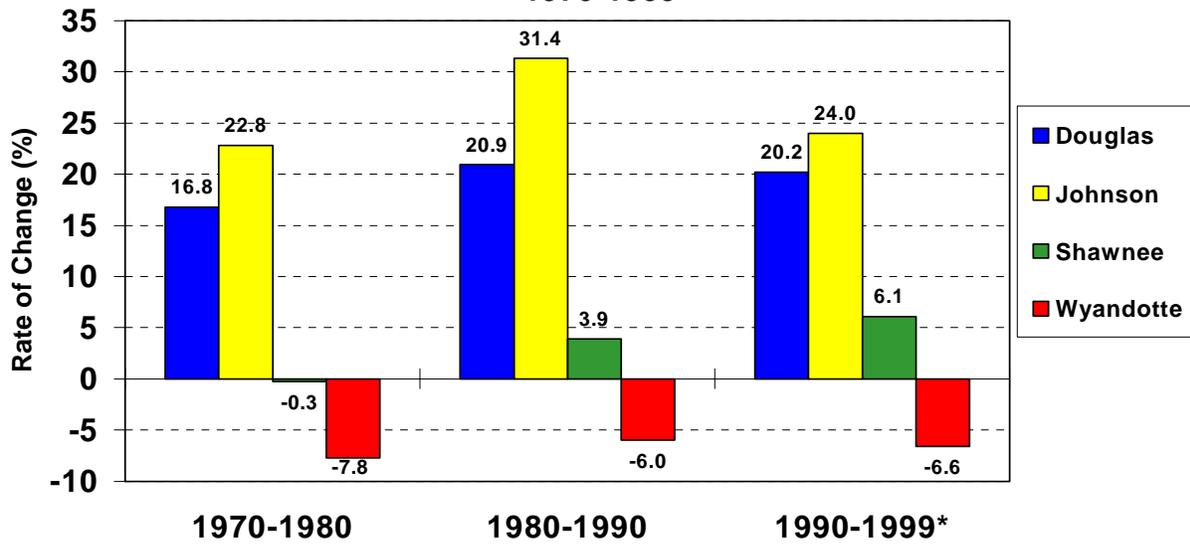
Source: U.S. Bureau of the Census, "1980 Census of Population," PC90-1-A; "1990 Decennial Census." U.S. Department of Commerce, Bureau of Economic Analysis, Kansas Center for Community Economic Development, "Profile for Douglas County." 1990-1998 estimates: U.S. Bureau of the Census.

Figure 1
Rates of Population Change
Douglas and Comparative Counties
1970-1999



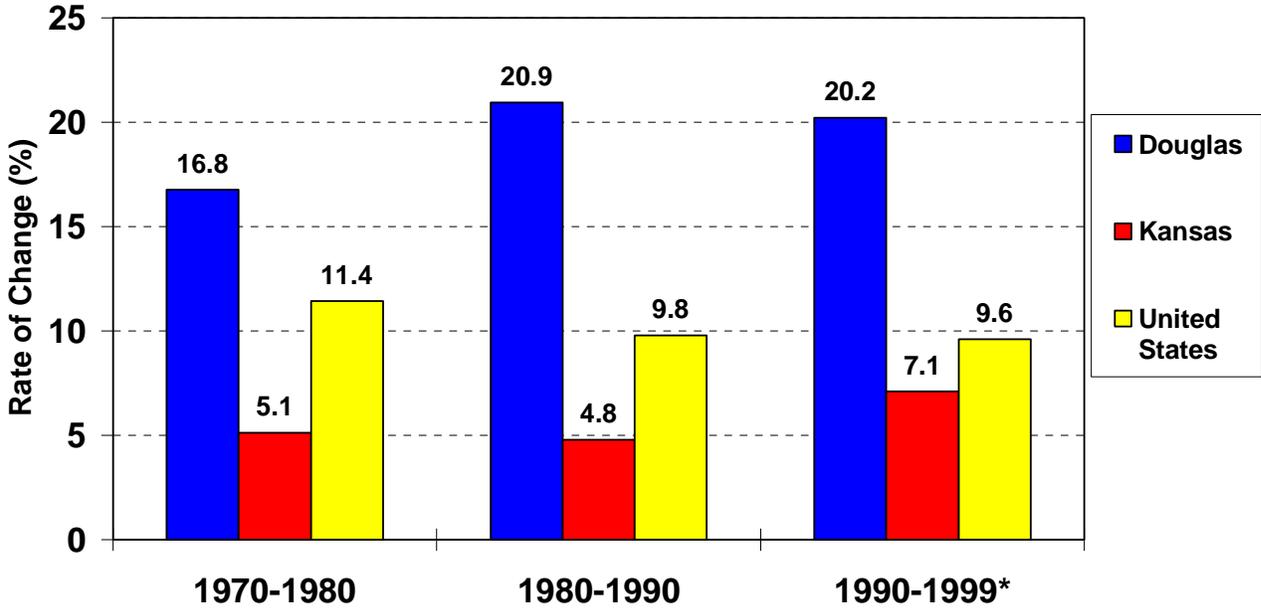
* 1990 – 1999 is a nine-year period compared with other ten-year periods

Figure 1a
Rates of Population Change
Douglas and Surrounding Counties
1970-1999



* 1990 – 1999 is a nine-year period compared with other ten-year periods

Figure 1b
Rates of Population Change
Douglas County, Kansas, and U.S.
1970-1999



* 1990-1999 is a nine-year period compared with other ten-year periods

Table 3
Net Migration
1970-1999

Douglas County

<u>Year</u>	<u>Population</u>	<u>Population Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Births - Deaths</u>	<u>Net *** Migration</u>	<u>% Net Migration</u>
1970*	57,932	14,212	8,802	3,668	5,134	9,078	20.8
1980*	67,640	9,708	8,228	3,611	4,617	5,091	8.8
1990*	81,798	14,158	10,049	3,908	6,141	8,017	11.9
1999**	98,343	16,545	9,909	4,324	5,585	10,960	13.4

Kansas

<u>Year</u>	<u>Population</u>	<u>Population Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Births - Deaths</u>	<u>Net *** Migration</u>	<u>% Net Migration</u>
1970*	2,249,071	70,460	409,189	219,067	190,122	-119,662	-5.5
1980*	2,364,236	115,165	355,861	218,713	137,148	-21,983	-1.0
1990*	2,477,588	113,352	397,215	220,466	176,749	-63,397	-2.7
1999**	2,654,052	176,464	348,226	215,686	132,540	43,924	1.8

* Decade ending

** Population estimate

*** Net migration = Population change - (births-deaths)

Source: Population Totals: U.S. Bureau of the Census, "Census of Population, 1970: Number of Inhabitants; 1980 Census of Population," Vol.1, Chapter A, Part 18; "1990 Census of Population and Housing;" Population Estimates U.S. Bureau of the Census. Calculations: PRI.

Table 4

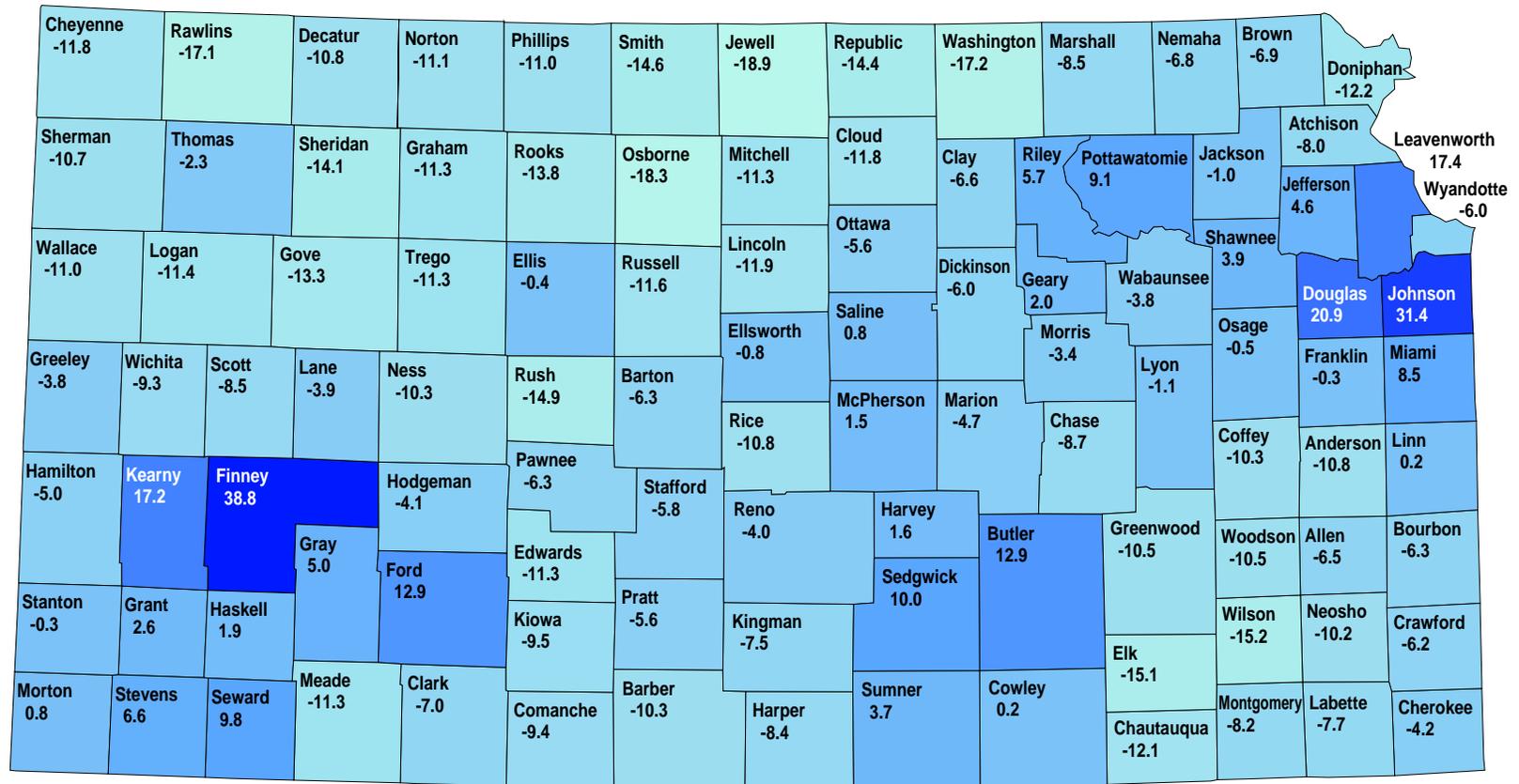
**Population of Top Ranking Kansas Counties
(Thousands)**

Rk	1940	Pop.	Rk	1990	Pop.	Rk	1999	Pop.	Rk	2020*	Pop.
1	Wyandotte	145	1	Sedgwick	404	1	Sedgwick	452	1	Johnson	624
2	Sedgwick	143	2	Johnson	355	2	Johnson	440	2	Sedgwick	478
3	Shawnee	91	3	Wyandotte	162	3	Shawnee	171	3	Shawnee	171
4	Reno	52	4	Shawnee	161	4	Wyandotte	151	4	Wyandotte	158
5	Montgomery	49	5 Douglas	82	5 Douglas	98	5 Douglas	103			
6	Crawford	45	6	Riley	67	6	Leavenworth	72	6	Leavenworth	85
7	Leavenworth	41	7	Leavenworth	64	7	Riley	64	7	Finney	80
8	Cowley	38	8	Reno	62	8	Reno	64	8	Riley	77
9	Johnson	33	9	Butler	51	9	Butler	63	9	Butler	64
10	Butler	32	10	Saline	49	10	Saline	51	10	Reno	54
11	Labette	30	11	Montgomery	39	11	Finney	37	11	Saline	44
12	Cherokee	30	12	Cowley	37	12	Cowley	37	12	Ford	41
13	Saline	30	13	Crawford	36	13	Montgomery	37	13	Geary	38
14	Lyon	26	14	Lyon	35	14	Crawford	36	14	Cowley	38
15	Sumner	26	15	Finney	33	15	Harvey	34	15	Lyon	37
16 Douglas	25	16	Harvey	31	16	Lyon	34	16	Crawford	34	
17	Barton	25	17	Geary	30	17	Ford	30	17	Montgomery	32
18	McPherson	24	18	Barton	29	18	McPherson	29	18	Harvey	32
19	Dickinson	23	19	Ford	27	19	Barton	29	19	Miami	30
20	Atchison	22	20	McPherson	27	20	Sumner	27	20	Sumner	29

* Population Projection

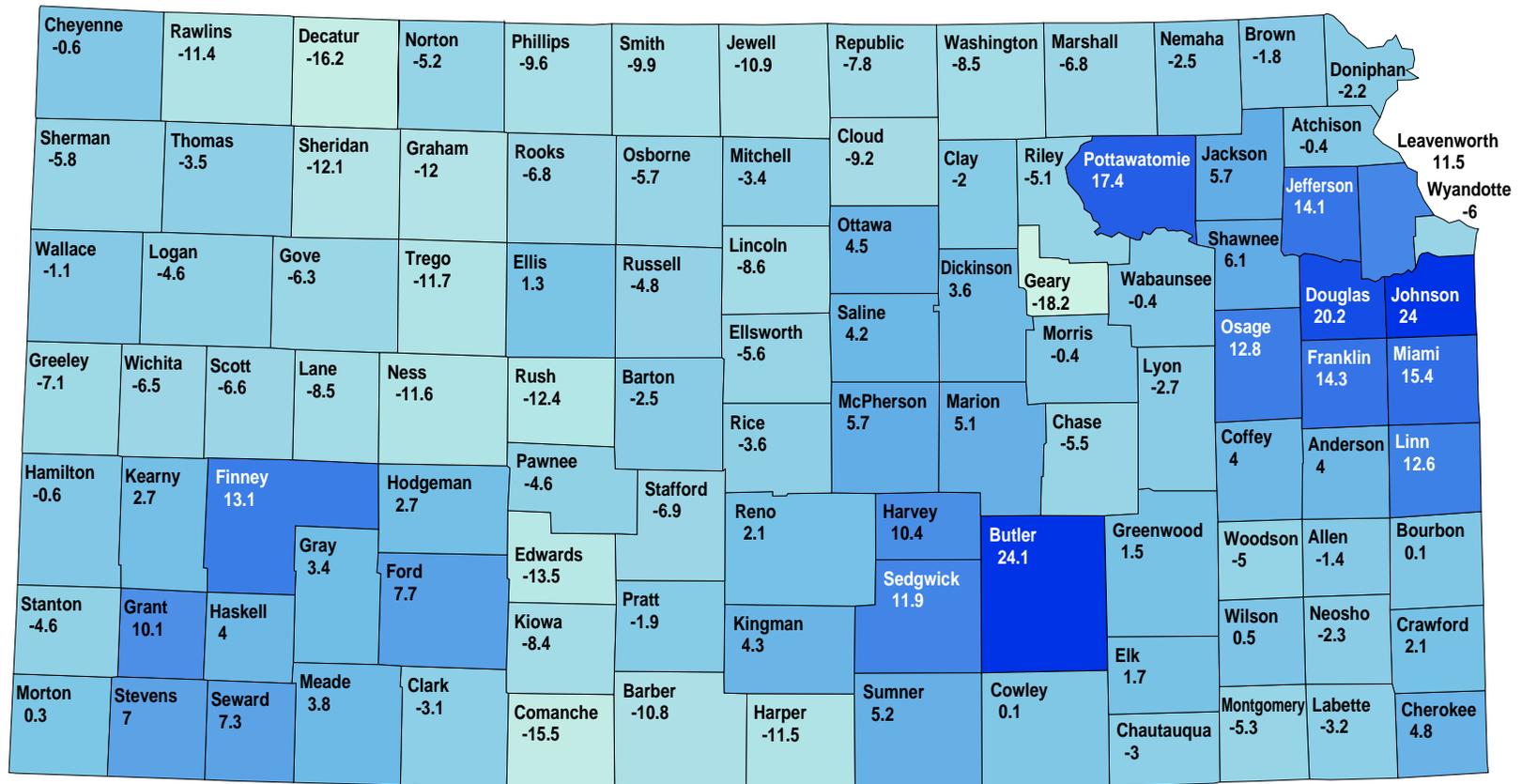
Source: University of Kansas, Institute for Public Policy and Business Research, "Kansas Statistical Abstract," 1992-1993, "Population of Kansas Counties, 1890-1980; U.S. Bureau of the Census, "1990 Census of Population and Housing." Floerchinger, Teresa D., "Kansas Population Projections, 1990-2030, "Kansas Division of the Budget, September, 1992. Calculations: PRI.

Map 1
Percent Population Change: 1980 - 1990



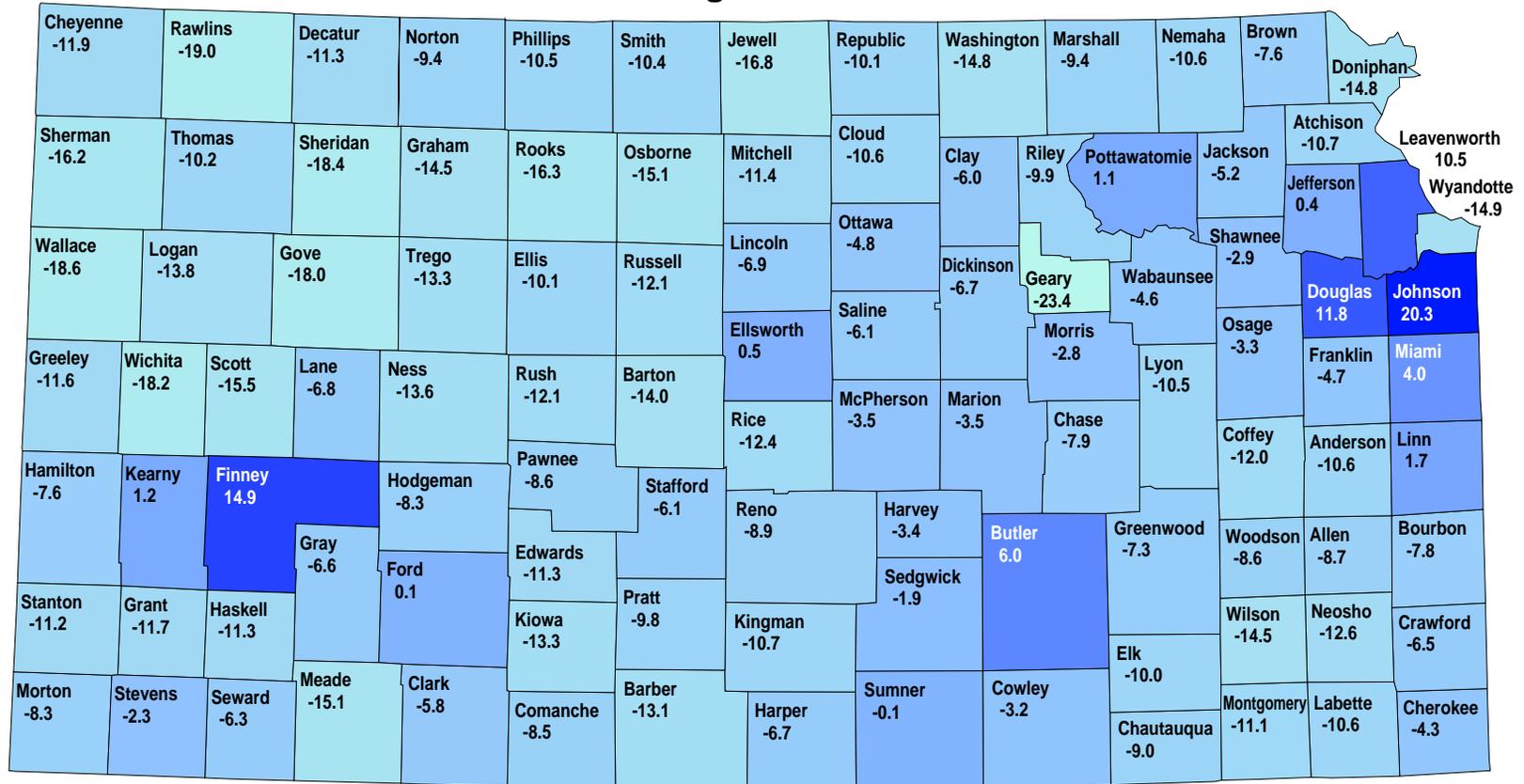
Source: Policy Research Institute, The University of Kansas, using data from U.S. Census 1990.

Map 2 Percent Population Change: 1990-1999



Source: Policy Research Institute, The University of Kansas: data from the U.S. Bureau of the Census.

Map 3
Percent Net Migration: 1980 - 1990



Source: Policy Research Institute, The University of Kansas: data from the U.S. Bureau of the Census.

EMPLOYMENT

Economic vitality of every community is reflected in the employment situation. This section compares the key employment measurements such as labor force size, job creation rate, and unemployment in the Lawrence-Douglas County area with its comparative counties and the state of Kansas.

The number of people who are either working or willing to work determines the size of the labor force. This number is influenced not only by the size of population but also by the perceptions of individuals that suitable job opportunities exist within the community. Diverse healthy economies tend to offer the widest variety of job opportunities and thereby attract a large number of job seekers, which increases the size of the labor force.

The unemployment level reflects the amount of economic activity within an area and how well the local market is able to match the supply and demand for labor.

Job creation rates (net change in average annual employment) reflect the growth in employment levels and the range of employment opportunities. As some jobs are lost in a community due to changing economic circumstances, they may be replaced by new jobs. Net job creation reflects the net gain or net loss in jobs over a given period of time.

Place of work data compared to the place of residence data provide the insight of the employment opportunities within the area.

The following data include tables, maps, and graphs on employment growth rates, number of firms by number of employees, percentage distribution of firms by number of employees, employment levels by industry, labor force participation, unemployment rates, and job growth.

Employment: Key Findings

- Between 1988 and 1998 (the latest data available), the average annual employment in Douglas County (U.S. Bureau of Economic Analysis data by place of work) increased from 42.5 thousand employees in 1988 to 59.9 thousand in 1998. This translates into a 15.4 percent growth from 1988 to 1993 and a 22.2 percent growth from 1993 to 1998 (Table 5). During both periods, the average annual employment growth in Douglas County is higher than both the state of Kansas and national growth rates (Table 5 and Figure 2).
- In the first half of the decade Douglas County, with 15.4 percent growth, was second in employment growth rate among the selected counties in Kansas, Johnson County coming in first at 18.4 percent. Nationwide, Douglas County had the third highest employment growth rate among the selected counties, outpaced only by 23.9 percent growth in Larimer County, Colorado and 16.1 percent growth in Johnson County, Iowa. Between 1993 and 1998, Johnson County, Kansas, and Larimer County, Colorado both had higher growth rates than Douglas County (Table 5, Figures 2a and 2b).

- The number of firms located in Douglas County has increased 42.9 percent between 1988 and 1998, compared to a 12.6 percent increase for the state of Kansas over the same time period (Table 6).
- The percentage distribution patterns of firms by the number of employees are very similar in Douglas County and the entire state of Kansas. The majority of firms are small companies with less than 20 employees and between 1988 and 1998 their number decreased from 88 percent to 86.6 percent in Douglas County and from 88.4 percent to 86.5 percent in the entire state of Kansas. The percentage of the medium-sized companies with up to one hundred employees increased from around 10 percent to around 11 percent in both Douglas County and the state of Kansas. Both Douglas County and the state of Kansas have a small percentage of companies with more than one hundred employees, but their share in the total number of firms has increased in both Douglas County and Kansas (Tables 6 and 7). This shows once again the importance of small companies to the economy and indicates a need for strategies that nurture new business development and assist already existing small businesses
- Total employment for Douglas County grew from 49,005 in 1993 to 59,899 in 1998, which represents a growth rate of 22.2 percent, compared with 13.5 percent growth rate for the state of Kansas during the same period of time (Table 8).
- From 1993 to 1998, farm employment increased by 0.5 percent in Douglas County and fell by 1.0 percent in Kansas. Mining had the largest decline in employment in Douglas County, with 139 jobs for 1998, a decrease of 76 since 1993. However, historically neither farming nor mining are major employment groups in Douglas County.
- Traditionally, Douglas County's economy has been dependent upon government employment due to the presence of the University of Kansas. Government and Government Services remain among the top employers by providing an additional 2,579 new jobs in five years, raising the annual average number of government employees from 12,553 in 1993 to 15,132 in 1998 (Table 8).
- Major categories that surpassed government employment in both the number of employees added and the growth rate were Services and Retail Trade. Services increased by 25.8 percent from 12,428 employees in 1993 to 15,635 in 1998. Employment in retail trade increased by 28.2 percent from 9,315 in 1993 to 11,941 in 1998 (Table 8 and Figure 3).
- The Agricultural Services sector demonstrated the highest percent growth in jobs in Douglas County from 1993 to 1998, but the nominal increase of 191 jobs was rather moderate (Table 8).
- In 1998, Services was the largest employment category in Douglas County (26.1 percent); in five years since 1993 it increased its share of total employment by 0.7 percent and outpaced the Government sector, which now represents 25.3 percent of total employment. Retail trade with 19.9 percent of total employment is the third largest employment category in Douglas County (Table 8a).

- Recent wage and salary employment estimates based on the place of work data show that employment of all industries in the Lawrence MSA (Douglas County) have increased by 2.3 percent from 1998 to 1999. Employment estimates for the state of Kansas show a 1.1 percent increase from 1998 to 1999 (Table 8b).
- The labor force participation rate is the percentage of population 16 and over that is in the labor force. The labor force participation rate in 1990 for Douglas County was 65.3 percent (Map 4). This participation rate was similar to Kansas' rate of 65.4 percent and slightly above the U.S. rate of 64.4 percent (1990 U.S. Census). In comparison, nearby Johnson County had a 75.3 percent participation rate in 1990 (Map 4).
- Place of residence data for Douglas County indicate a 2.9 percent annual increase in employment between 1998 and 1999 (these figures are from the Kansas Department of Human Resources, and as the name suggests, are based on the place of residence of individuals rather than their place of work). At the same time the civilian labor force increased by 1.6 percent, leading to a 25.5 percent decrease in unemployment. (Table 8b).
- The unemployment rate in Douglas County decreased from 4.4 percent in 1998 to 3.2 percent in 1999. The rate remains quite respectable compared to the surrounding counties (Table 8b and Map 5).
- In the state of Kansas total employment (place of residence data) increased by 2 percent between 1998 and 1999. A much smaller increase in the civilian labor force resulted in a 20.4 percent decrease in the number of unemployed (Table 8b).

Table 5

Employment Growth Rates
Douglas County, Selected Counties, Kansas, and United States
1988-1998

	Average Annual Employment			% Employment Growth	
	<u>1988</u>	<u>1993</u>	<u>1998</u>	<u>1988-1993</u>	<u>1993-1998</u>
Douglas	42,452	49,005	59,899	15.4 %	22.2 %
Johnson	223,689	264,883	339,393	18.4	28.1
Shawnee	107,843	112,516	122,805	4.3	9.1
Wyandotte	93,482	88,998	94,127	-4.8	5.8
Boone, MO	72,769	83,766	98,257	15.1	17.3
Johnson, IA	61,567	71,506	83,097	16.1	16.2
Larimer, CO	98,593	122,129	155,767	23.9	27.5
Champaign, IL	111,805	108,042	116,481	-3.4	7.8
Kansas	1,440,158	1,535,965	1,743,012	6.7	13.5
United States	134,517,900	141,996,400	160,198,700	5.6	9.7

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System (1969-1996), Table CA25, May 1999.

Figure 2
Employment Growth Rates
Douglas County, Kansas, and U.S.
1988-1998

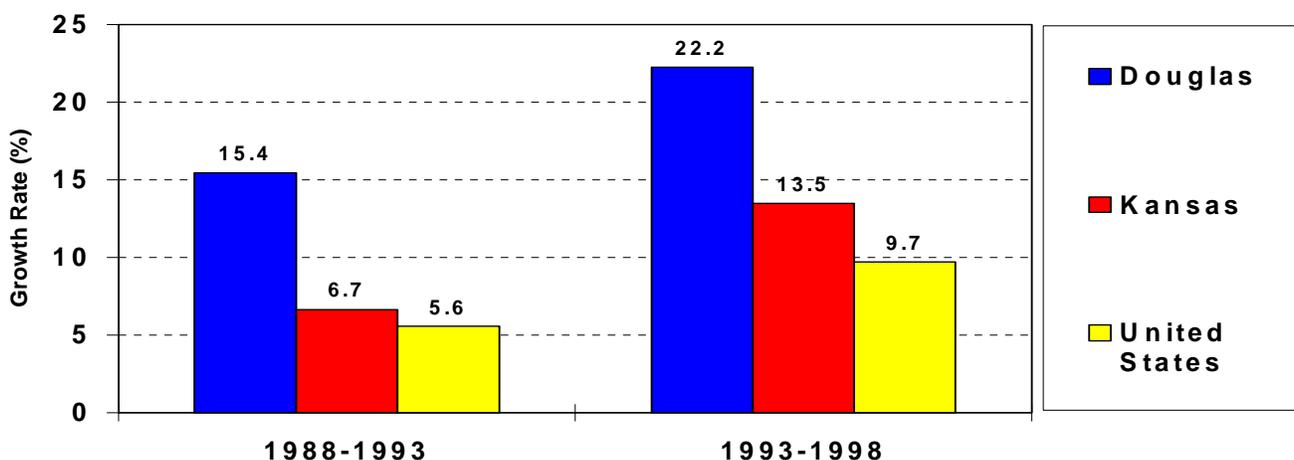


Figure 2a
Employment Growth Rates
Douglas County and Surrounding Counties
1988-1998

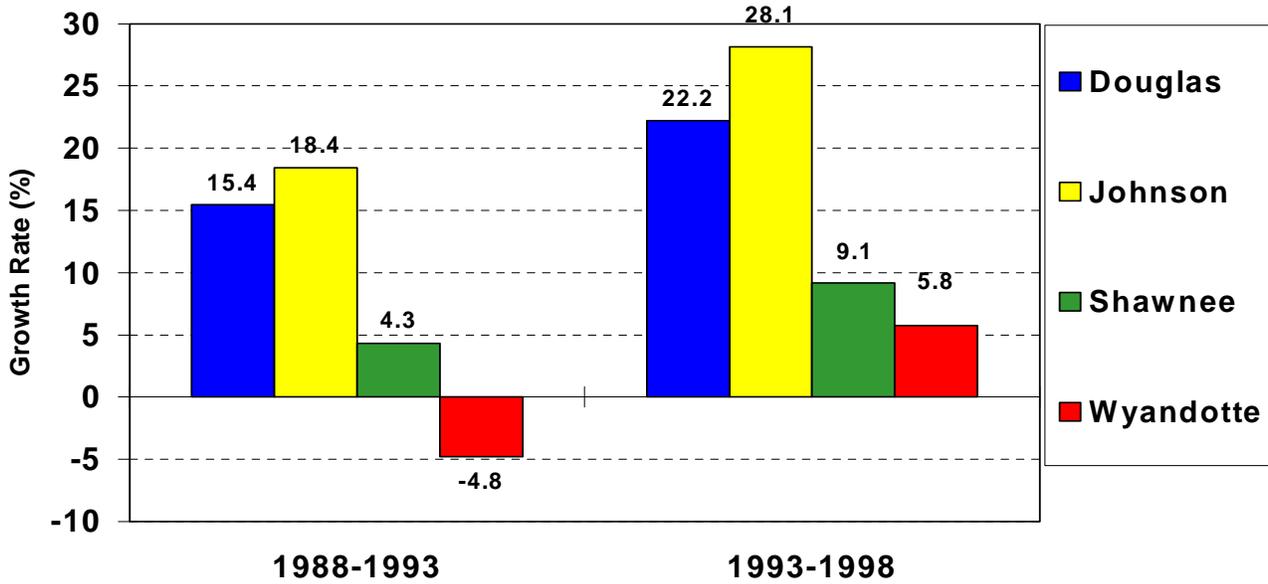


Figure 2b
Employment Growth Rates
Douglas County and Comparative Counties
1988-1998

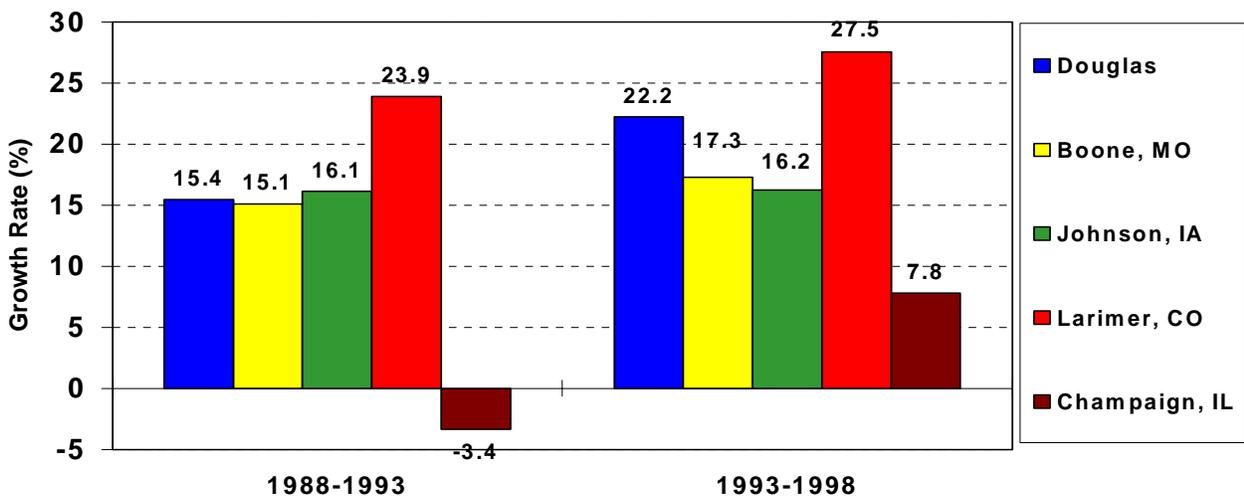


Table 6

**Number of Firms, by Number of Employees
Douglas County and Kansas
1988-1998**

<u>Employees</u>	Douglas			Kansas		
	<u>1988</u>	<u>1998</u>	<u>% Change</u>	<u>1988</u>	<u>1998</u>	<u>% Change</u>
1 -- 19	1,595	2,243	40.6%	58,081	64,030	10.2%
20 -- 99	188	288	53.2	6,604	8,401	27.2
100 -- 499	28	53	89.3	958	1,441	50.4
500+	2	6	200.0	93	147	58.1
Total	1,813	2,590	42.9	65,736	74,019	12.6

Source: U.S. Bureau of the Census, "County Business Patterns," 1988 and 1998; PRI.

Table 7

**Percentage Distribution of Firms, by Number of Employees
Douglas County and Kansas
1988-1998**

<u>Employees</u>	Douglas		Kansas	
	<u>1988</u>	<u>1998</u>	<u>1988</u>	<u>1998</u>
0 - 19	88.0%	86.6%	88.4%	86.5%
20 - 99	10.4	11.1	10.0	11.3
100 - 499	1.5	2.0	1.5	1.9
500+	0.1	0.2	0.1	0.2

Source: U.S. Bureau of the Census, "County Business Patterns," 1988 and 1998; PRI. Due to numbers being rounded up, percentages may not equal 100%.

Table 8

Employment Levels by Industry Douglas County and Kansas 1993-1998

<u>Industry</u>	Douglas				Kansas			
	<u>1993</u>	<u>1998</u>	<u>Change</u>	<u>% Change</u>	<u>1993</u>	<u>1998</u>	<u>Change</u>	<u>% Change</u>
Ag. Services	359	550	191	53.2%	17,039	21,159	4,120	24.2%
Mining	215	139	-76	-35.3	28,274	20,491	-7,783	-27.5
Construction	2,268	3,212	944	41.6	69,834	90,576	20,742	29.7
Manufacturing	5,058	5,708	650	12.9	187,914	219,402	31,488	16.8
Transportation	1,295	1,480	185	14.3	75,247	84,832	9,585	12.7
Wholesale Trade	1,601	1,443	-158	-9.9	74,037	82,421	8,384	11.3
Retail Trade	9,315	11,941	2,626	28.2	251,571	298,627	47,056	18.7
Finance, Insur., Real Est.	2,974	3,715	741	24.9	95,702	107,350	11,648	12.2
Services	12,428	15,635	3,207	25.8	387,242	467,121	79,879	20.6
Gov't. and Gov't. Services	12,553	15,132	2,579	20.5	268,035	270,802	2,767	1.0
Subtotal -- Non-Farm	48,066	58,955	10,889	22.7	1,454,895	1,662,781	207,886	14.3
Farm Employment	939	944	5	0.5	81,070	80,231	-839	-1.0
Total Employment	49,005	59,899	10,894	22.2	1,535,965	1,743,012	207,047	13.5

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1998), Table CA25, May 2000.

Figure 3
Percent Change in Employment by selected industries
1993-1998

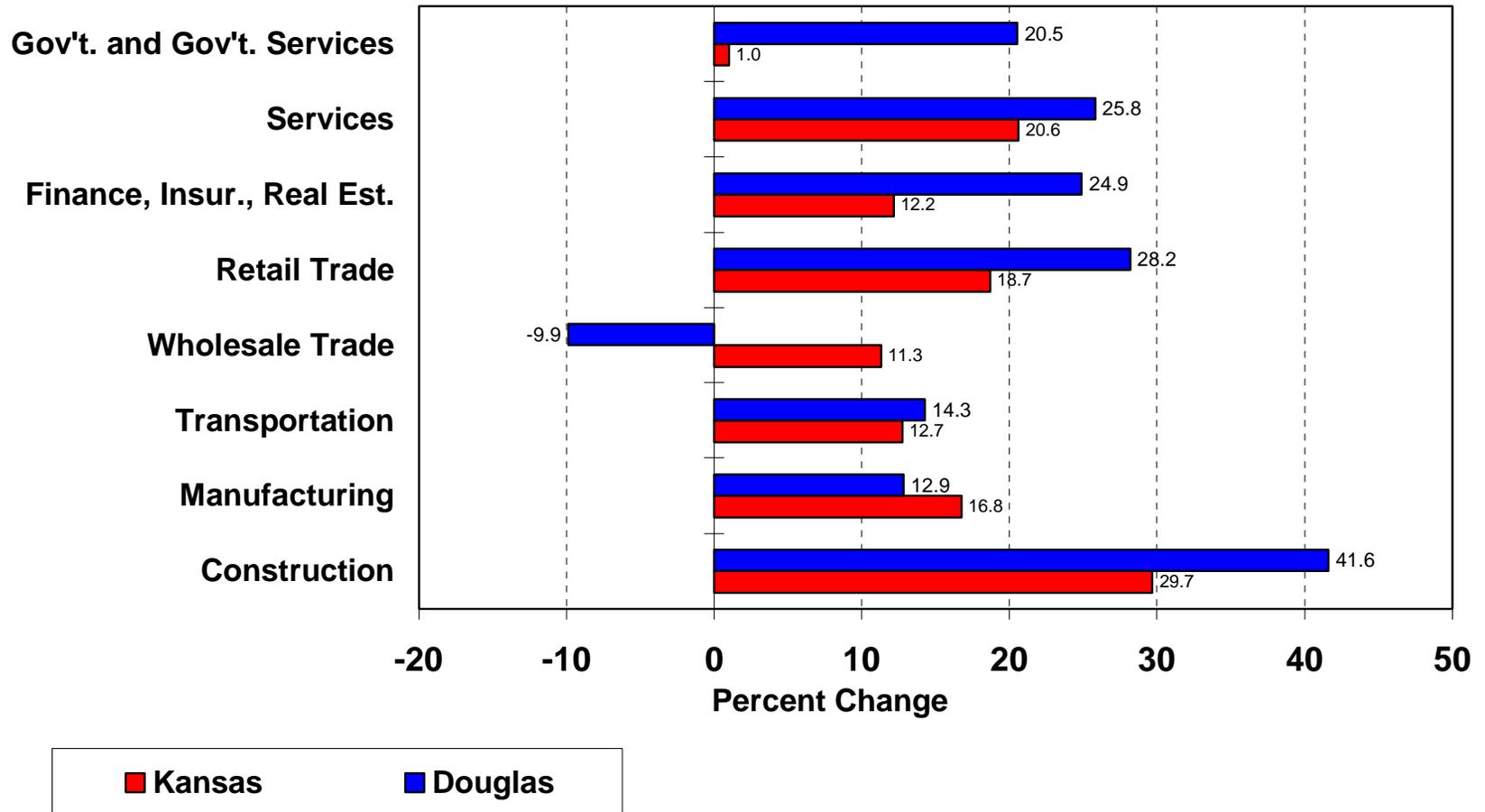


Table 8a

**Employment Percent Share by Industry
Douglas County and Kansas
1993-1998**

<u>Industry</u>	Douglas			Kansas		
	<u>1993</u>	<u>1998</u>	<u>Change</u>	<u>1993</u>	<u>1998</u>	<u>Change</u>
Ag. Services	0.7	0.9	0.2%	1.1	1.2	0.1%
Mining	0.4	0.2	-0.2	1.8	1.2	-0.7
Construction	4.6	5.4	0.7	4.5	5.2	0.6
Manufacturing	10.3	9.5	-0.8	12.2	12.6	0.4
Transportation	2.6	2.5	-0.2	4.9	4.9	0.0
Wholesale Trade	3.3	2.4	-0.9	4.8	4.7	-0.1
Retail Trade	19.0	19.9	0.9	16.4	17.1	0.8
Finance, Insur., Real Est.	6.1	6.2	0.1	6.2	6.2	-0.1
Services	25.4	26.1	0.7	25.2	26.8	1.6
Gov't. and Gov't. Services	25.6	25.3	-0.4	17.5	15.5	-1.9
Subtotal -- Non-Farm	98.1	98.4	0.3	94.7	95.4	0.7
Farm Employment	1.9	1.6	-0.3	5.3	4.6	-0.7

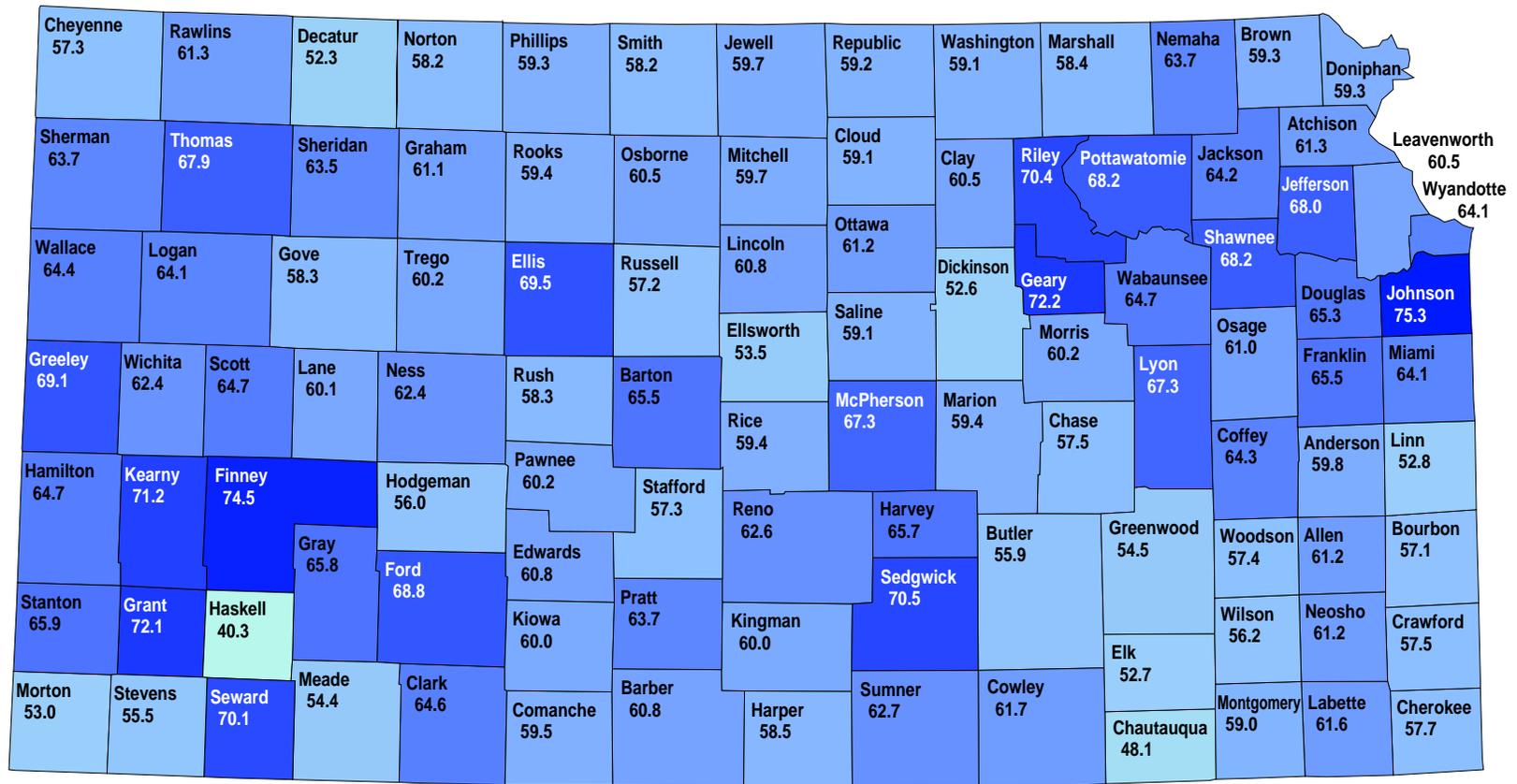
Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1998), Table CA25, May 1999.

Table 8b
Labor Market Summary
1998-1999

	Lawrence MSA (Douglas County)		Kansas	
	1998 Average	1999 Average	% Change 1998-99	% Change 1998-99
<u>Place of Residence Data</u>				
Civilian labor force	54,826	55,730	1.6	1.1
Employment	52,425	53,941	2.9	2.0
Unemployment	2,401	1,789	-25.5	-20.4
Unemployment rate	4.4	3.2		
<u>Place of Work Data</u>				
<u>Wage and Salary Employment</u>				
All industries	47,500	48,600	2.3	1.1
Goods producing industries	7,700	7,900	2.6	0.8
Construction and mining	2,200	2,500	13.6	4.5
Manufacturing	5,500	5,400	-1.8	-0.4
Service producing industries	39,800	40,800	2.5	1.2
Transportation & Public utilities	1,300	1,400	7.7	4.3
Wholesale & Retail Trade	11,900	12,100	1.7	-0.1
Finance, Insurance, & Real estate	2,100	2,000	-4.8	1.6
Services	11,400	11,700	2.6	2.6
Government	13,100	13,600	3.8	0.0

Source: Kansas Department of Human Resources, Labor Market Information Services. Developed in cooperation with the U.S. Bureau of Labor Statistics. January 2001.

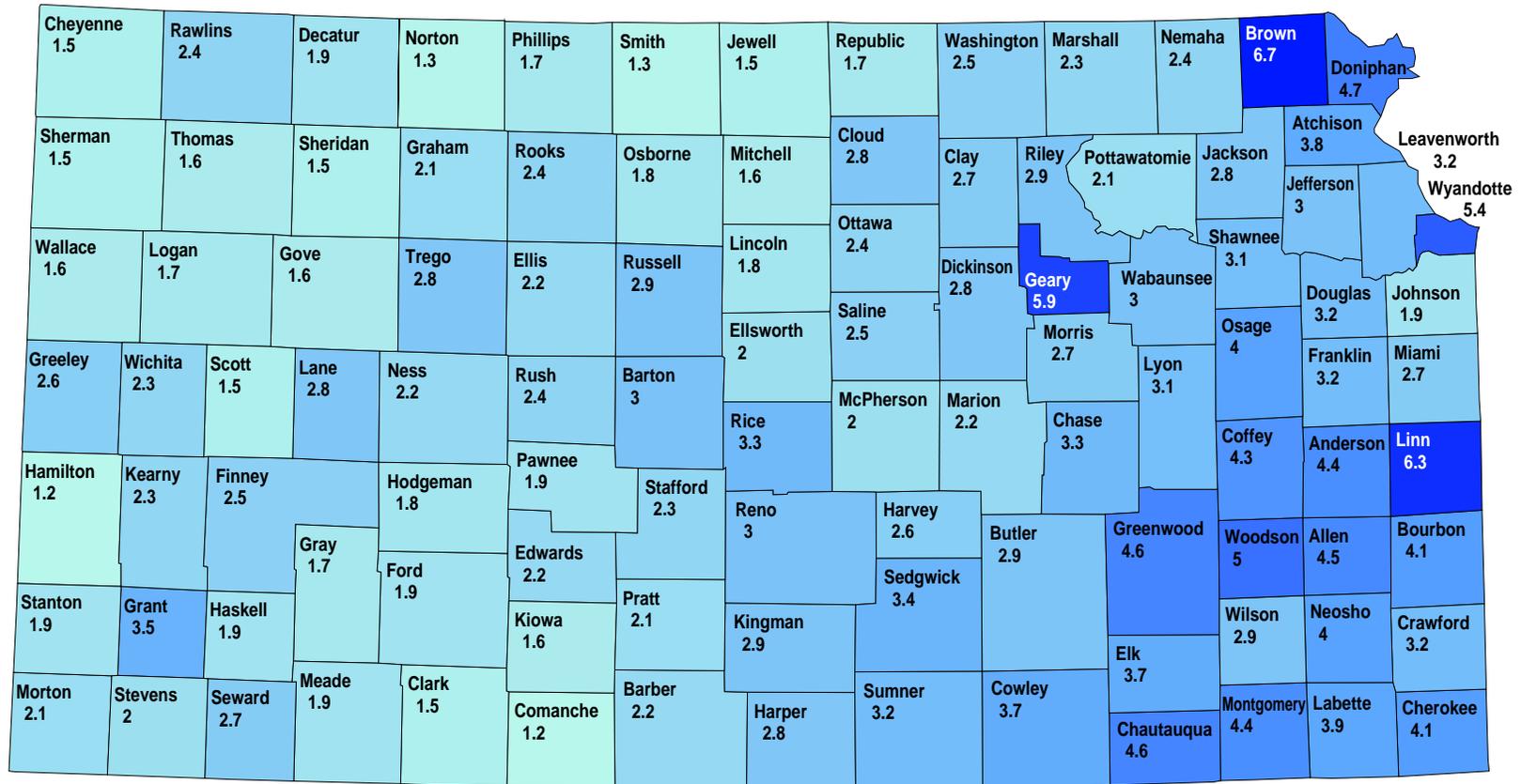
Map 4 Labor Force Participation: 1990



Source: 1990 U.S. Bureau of the Census.

Kansas: 65.4%

Map 5 County Unemployment Rates: 1999



Note: Employment data are based on an individual's place of residence.

Source: Policy Research Institute, The University of Kansas, "Kansas Statistical Abstract, 1999" using data from Kansas Labor Force Estimates Annual Average, 1999. Kansas Department of Human Resources, Labor Market Information Services, developed in cooperation with U.S. Bureau of Labor Statistics.

Earnings and Income

The economic base of the community is determined by the income of the community residents. Higher average wages may indicate a greater number of jobs in high growth, high performance businesses. Low wage growth may indicate a higher concentration of stable, declining industries.

This report looks at two major components of earnings and income: average wage per job and per capita personal income. Average wage per job reflects the productivity of local labor and the performance of local businesses. Per capita personal income indicates the relative wealth of the area compared to the state. As the productivity of business and industry increases, personal per capita income also rises. Decreasing or stable rates may be the result of mature or declining industry.

Earnings and Income: Key Findings

- In 1998 the average wage per job in Douglas County was \$20,815. It is \$5,435 less than the average wage for the state of Kansas and \$10,484 less than the national average (Table 9, Figure 4). This could be the result of the high number of low wage student jobs.
- In 1998, Douglas County had the lowest average wage per job among the comparative counties. All three of the neighboring metropolitan counties (Johnson, Shawnee and Wyandotte) also had higher average wages than Douglas County (Table 9, Figure 4a).
- Between 1988 and 1993 the average wage per job in Douglas County increased 15.3 percent and between 1993 and 1998 it increased 15.2 percent. These are the lowest rates of increase among all comparative counties, as well as statewide and nationwide results (Table 9).
- Per capita personal income in Douglas County in 1998 grew slower than the state's rate, and at \$20,645 is still far behind the state's average of \$25,537 per year (Table 10). Historical data confirm this trend (Figure 4b).
- Per capita personal income for Douglas County is higher than for Wyandotte County but lower than for Johnson and Shawnee counties (Map 6).

Table 9

Average Wage Per Job
Douglas County, Selected Counties, Kansas and U.S.
1988-1998

	Average Wage per Job (Dollars)			% Growth	
	<u>1988</u>	<u>1993</u>	<u>1998</u>	<u>88-93</u>	<u>93-98</u>
Douglas	15,661	18,061	20,815	15.3	15.2
Johnson	21,440	25,967	31,657	21.1	21.9
Shawnee	19,695	23,430	27,392	19.0	16.9
Wyandotte	22,677	26,413	32,032	16.5	21.3
Boone, MO	16,761	20,197	23,810	20.5	17.9
Johnson, IA	17,863	21,567	25,147	20.7	16.6
Larimer, CO	18,960	22,345	28,073	17.9	25.6
Champaign, IL	17,639	21,391	25,217	21.3	17.9
Kansas	18,545	21,899	26,250	18.1	19.9
United States	21,527	25,888	31,299	20.3	20.9

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1998), Regional Economic Profile, Table CA30.

Figure 4
Average Wage per Job
Douglas County, Kansas and United States
1988-1998

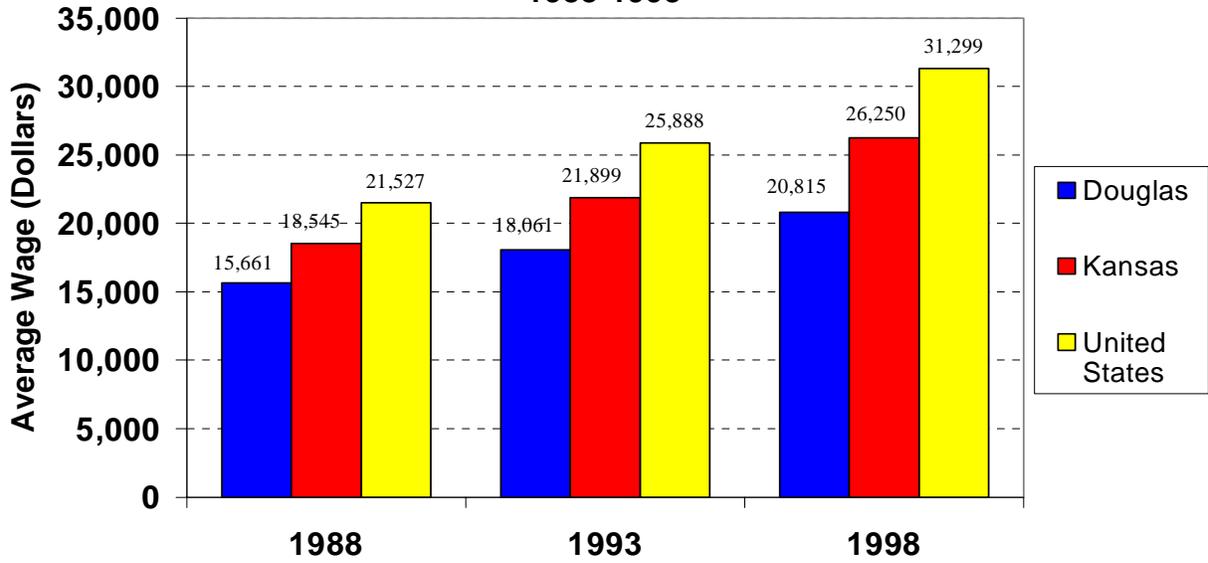


Figure 4a
Average Wage per Job
Douglas County and Surrounding Counties
1988-1998

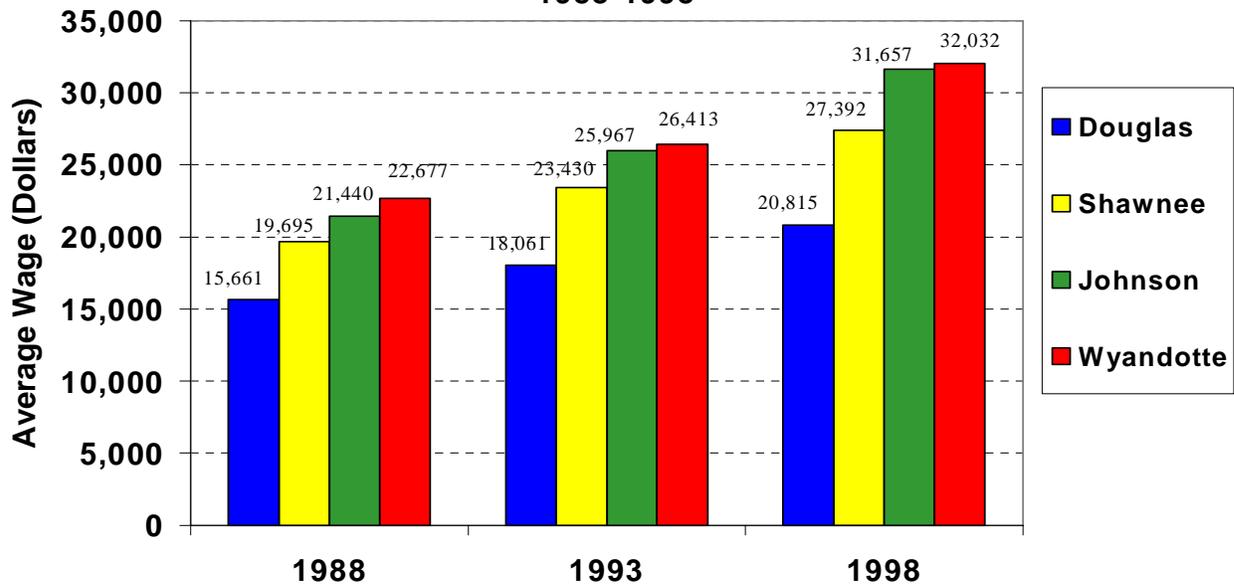


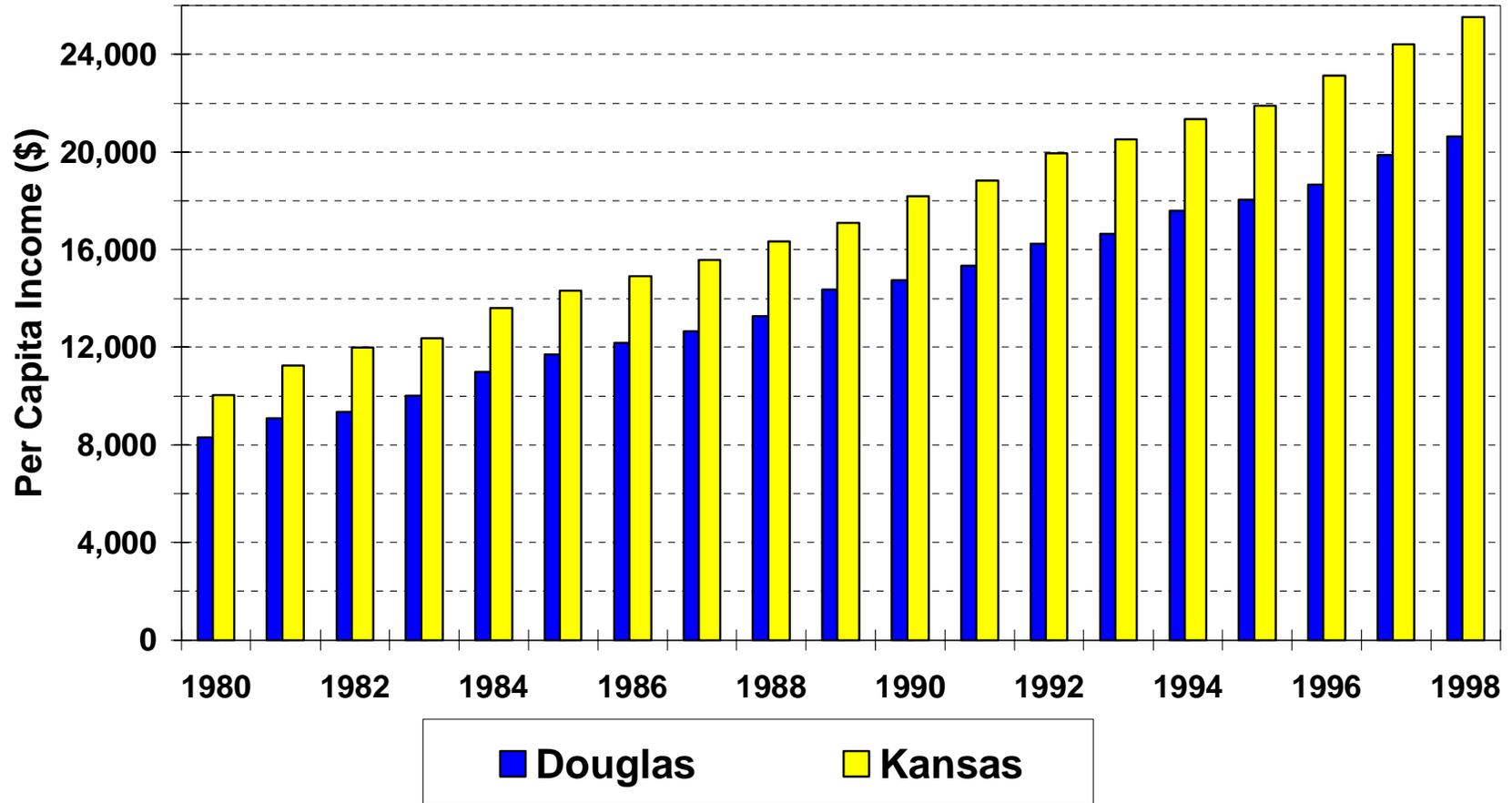
Table 10

Per Capita Personal Income Douglas County and Kansas 1980-1998

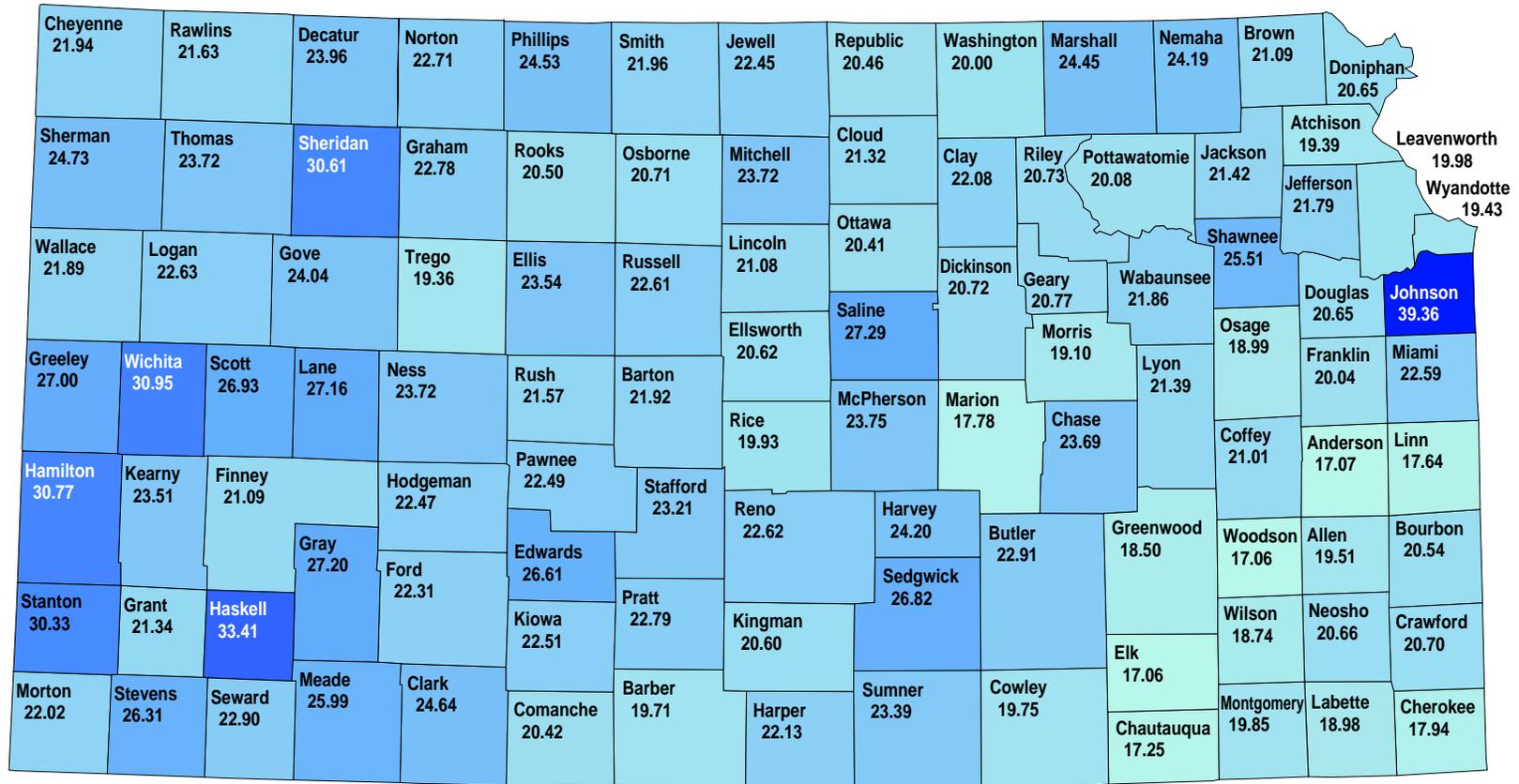
	Income (\$)		Growth Rates	
	<u>Douglas</u>	<u>Kansas</u>	<u>Douglas</u>	<u>Kansas</u>
1980	8,305	10,038		
1981	9,095	11,248	9.5 %	12.1 %
1982	9,361	11,989	2.9	6.6
1983	10,032	12,373	7.2	3.2
1984	10,983	13,602	0.0	9.9
1985	11,693	14,330	6.5	5.4
1986	12,170	14,904	4.1	4.0
1987	12,645	15,583	3.9	4.6
1988	13,289	16,331	5.1	4.8
1989	14,357	17,093	8.0	4.7
1990	14,737	18,182	2.6	6.4
1991	15,354	18,832	4.2	3.6
1992	16,254	19,955	5.9	6.0
1993	16,656	20,510	2.5	2.8
1994	17,611	21,352	5.7	4.1
1995	18,050	21,889	2.5	2.5
1996	18,671	23,121	3.4	5.6
1997	19,878	24,406	6.5	5.6
1998	20,645	25,537	3.9	4.6

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1998), County Summary, Table CA5, May 1999.

Figure 4b
Per Capita Personal Income
Douglas County and Kansas
1980-1998



Map 6 Per Capita Personal Income in Thousands of Dollars: 1998



Source: Policy Research Institute, The University of Kansas, "Kansas Statistical Abstract 1999"; using data from the U.S. Bureau of Economic Analysis, Regional Economic Information System, Table CA5, May 2000.

RETAIL

Retail trade is an important part of a community's business environment as well as source of revenues for the local governments. Retail trade is affected by a number of factors; for example, past decisions by investors, business managers, taxpayers, and policy makers contribute to a business climate, which either promotes or inhibits the productivity of local businesses and therefore affects decisions about growth and expansion. Other contributing factors include the level of competition, the availability of suppliers and supporting industries, the cost of labor, and taxation and regulation within the community. Some types of establishments will thrive in an environment in which other firms cannot operate profitably.

The following section contains a table and a figure, outlining the retail sales growth rates.

Retail: Key Findings

- Since a four- percent decrease in 1995, taxable retail sales in Douglas County were increasing from year to year at a rate higher than that of the state of Kansas. However, in 1998, taxable retail sales demonstrated a lower rate of increase than the previous year and lower than the state of Kansas (Table 11 and Figure 5). The trend reversed itself again, however, for 1999, when Douglas County's retail sales growth rate (6.4 percent) was more than double the state's rate (3.1 percent).

Table 11

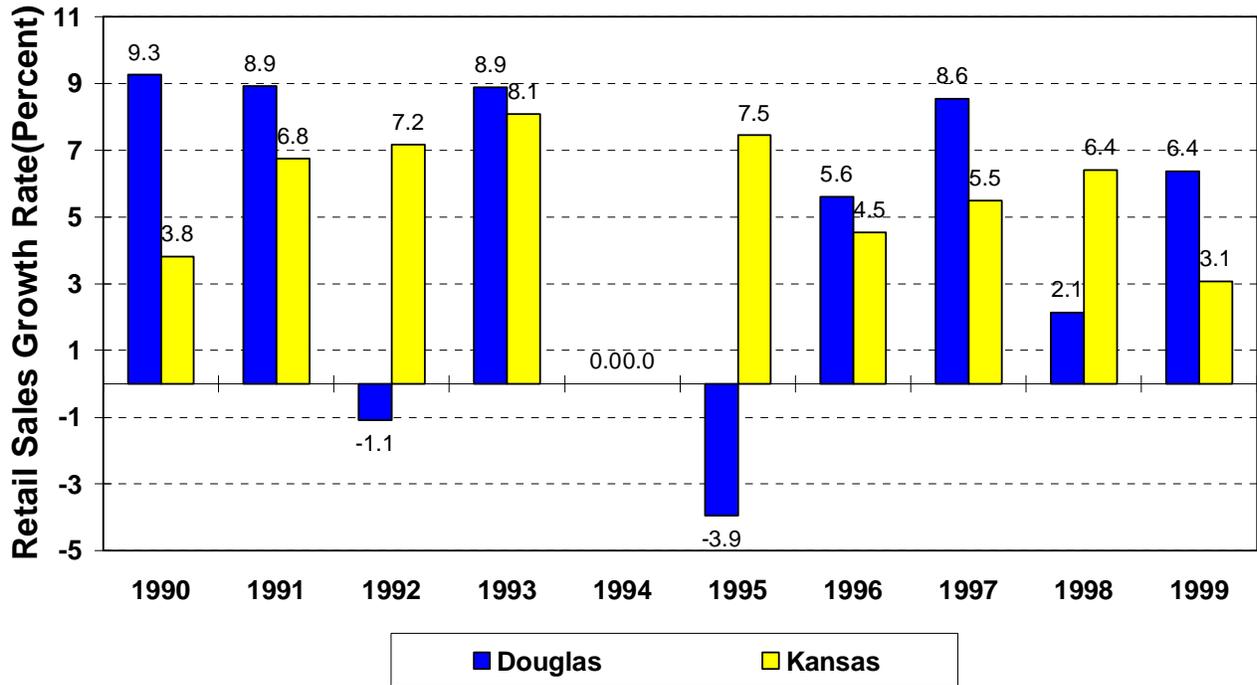
**Taxable Retail Sales and Growth Rates
Douglas County and Kansas
1989-1999**

<u>Year</u>	Douglas		Kansas	
	<u>Nominal Sales (\$Millions)</u>	<u>Growth Rate (%)</u>	<u>Nominal Sales (\$Millions)</u>	<u>Growth Rate (%)</u>
1989	477.8		18,034.4	
1990	522.1	9.3%	18,723.3	3.8%
1991	568.7	8.9	19,988.0	6.8
1992	562.5	-1.1	21,421.3	7.2
1993	612.5	8.9	23,154.4	8.1
1994	687.0	n/a	22,603.5	n/a
1995	659.9	-3.9	24,289.1	7.5
1996	696.9	5.6	25,393.9	4.5
1997	756.5	8.6	26,788.9	5.5
1998	772.7	2.1	28,507.0	6.4
1999	822.0	6.4	29,381.0	3.1

Note: Data from 1994 to 1999 are not comparable to 1987-1993 data.

Source: Kansas Department of Revenue, State Sales Tax Collections by County Classification. Calculations, 1987-1993, CEDBR, W. Frank Barton School of Business, Wichita State University; 1994-1999, PRI, University of Kansas.

Figure 5
Taxable Retail Sales Growth Rates
Douglas County and Kansas
1990-1999



AGRICULTURE

In the past, the economic well-being of Douglas County was not dependent on the strength of this industry sector, but it is interesting to look at the level of activity in agriculture and examine how the character of this industry is changing in the county. The following agricultural data will help determine whether or not the overall importance of this sector in the county has been increasing or decreasing and how this compares with other counties and the state as a whole.

The agriculture section contains tables and figures on the total value of field crops and the total value of livestock and poultry.

Agriculture: Key Findings

- Except for 1997, in which the total value of field crops in Douglas County reached a decade high of \$29.7 million, the trend seems to be a decrease in value, with the value in 1999 about half of what it was two years prior, at only \$15.4 million. Annual percent changes were as follows: 14.6 percent increase in the value of crops from 1996 to 1997, 34.2 percent decrease from 1997 to 1998 and a 21 percent decrease in 1999 (Table 12).
- The total value of livestock and poultry in Douglas County has recovered slightly from a drop in 1997, but has still not reached its 1996 value. In four years it has declined 5.1 percent from \$11.1 million in 1996 to \$10.5 million in 1999. In the state of Kansas the value of livestock and poultry increased 8.4 percent between 1996 and 1999 (Table 13).

Table 12

Total Value of Field Crops*
Douglas County, Surrounding Counties, and Kansas
1996-1999

	<u>Total Value of Crops (\$Millions)</u>				<u>Percent Change</u>			
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>96-99</u>
Douglas	25.9	29.7	19.5	15.4	14.6%	-34.2%	-20.9%	-40.4%
Johnson	19.9	14.8	10.7	10.8	-25.5	-28.0	1.1	-45.8
Shawnee	29.6	29.9	22.1	14.6	1.1	-26.2	-34.1	-50.8
Wyandotte	2.2	2.2	1.9	1.4	1.2	-14.7	-23.8	-34.2
Kansas	4,154.6	4,474.9	3,594.3	3,118.2	7.7	-19.7	-13.2	-24.9
Crop Price Index⁺	127	115	106	96				

* Does not include any government program payments.

+ Since 1975, index numbers are on 1990-92 base = 100

Note: Numbers may not add due to rounding

Source: Kansas Agricultural Statistics, "Kansas Farm Facts"; Kansas County Profile Report, KCCED, The University of Kansas; Calculations: KCCED; National Agricultural Statistics Service, 2000

Table 13

**Total Value of Livestock and Poultry
Douglas County, Surrounding Counties, and Kansas
1996-1999**

	Total Value of Livestock and Poultry (\$Millions)				Percent Change			
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>96-99</u>
Douglas	11.1	10.2	10.4	10.5	-8.4%	2.5%	1.0%	-5.1%
Johnson	9.3	9.8	13.0	12.2	6.1	32.2	-6.1	31.6
Shawnee	6.3	6.1	6.7	6.8	-3.1	10.5	1.0	8.2
Wyandotte	1.2	1.4	1.9	1.7	10.1	38.9	-10.5	36.8
Kansas	2,629.0	2,806.4	2,670.4	2,849.1	6.8	-4.8	6.7	8.4
Livestock Price Index⁺	99	98	97	95				

* Does not include any government program payments.

+ Since 1975, index numbers are on 1990-92 base = 100

Note: Numbers may not add due to rounding

Source: Kansas Agricultural Statistics, "Kansas Farm Facts"; Kansas County Profile Report, KCCED, The University of Kansas; Calculations: KCCED; National Agricultural Statistics Service, 2000

EDUCATION

The educational level of residents is likely to influence the well being of the whole community. Communities able to provide the higher skilled workforce are more likely to benefit from the new developing industries. Residents who have a good educational background will be more employable and able to command higher salaries. Employers will benefit as well because they will most likely experience lower turnover and training costs. On the other hand, individuals with lower education levels have a harder time finding jobs that can supply a living wage and may be more likely to use social services.

Education: Key Findings

- Douglas County is the home of three universities: University of Kansas, Baker University, and Haskell Indian Nations University. As the result the education level of the county's population was greater than the state's average in 1990 (Table 14).
- Twenty five percent of Lawrence and 22 percent Douglas County over-25 population have a Bachelors degree, which is higher than the 14.2 percent state average for Kansas (Table 14).
- The number of persons with graduate degrees also is high. Lawrence and Douglas County have 19.4 percent and 16.8 percent, respectively, of their over-25 population with graduate degrees compared to 7.0 percent for Kansas (Table 14).
- The percentage of Lawrence and Douglas County population with associate degrees is slightly below the percentage for Kansas, which would tend to indicate that the county may be lacking in technically trained workers (Table 14).

Table 14

**Educational Attainment of Persons over 25
As a Percentage of the Population of Persons over 25
Lawrence, Douglas County, and Kansas, 1990**

	<u>Completed Less Than 9th Grade</u>	<u>9-12th Grade No Diploma</u>	<u>High School Diploma</u>	<u>Some College</u>	<u>Associate Degree</u>	<u>Bachelor's Degree</u>	<u>Graduate Degree</u>	<u>Pop. Over 25</u>
Lawrence	995	1,939	6,927	6,942	1,317	7,965	6,271	32,356
Douglas County	1,627	3,095	10,669	8,958	1,695	9,192	7,072	42,160
Kansas	120,951	172,321	514,177	342,964	85,146	221,016	109,361	1,561,417

As a Percent of Population of Persons over 25:

Lawrence	3.1%	6.0%	21.4%	21.5%	4.1%	24.6%	19.4%
Douglas County	3.9%	7.3%	25.3%	21.2%	4.0%	21.8%	16.8%
Kansas	7.7%	11.0%	32.9%	22.0%	5.5%	14.2%	7.0%

Source: U.S. Bureau of the Census, 1990. Percent calculations by KCCED/PRI

CONCLUSION

Economic data is an important tool of the community economic development process because it gives the community members a better view of the current facts and trends in different areas of economic and demographic performance in the community. However, data alone are not enough. Data must be analyzed and interpreted, taking into account the intuition of those within the community as to what the trends really mean. In other words, economic data serve as the foundation for analysis which concludes: 1) what is happening in the community relative to other regions over time, and 2) what potential impacts or consequences can be inferred from the data. The data in this report suggest the following interpretation:

Douglas County is an area with constantly growing population, low unemployment rates and strong employment increases in most sectors. Growth rates of job creation in Douglas County are higher than both statewide and nation-wide rates. The adult population of the area is highly educated; however, the average wage per job for Douglas County is considerably below not only state and national averages but also below any comparative “university” county. This low average wage per job indicates that most of the job growth is in lower-paying jobs, which is consistent with the information that the fastest growing industry in Lawrence at the present time is the retail trade with rather modest wages.

Given the high education level of the population and the lower average wage per job, additional effort is still needed to reduce the gap between Douglas County and similar areas in level of earnings. The original 1992 study noted many opportunities could be capitalized upon to assist in bridging the gap between education and pay, such as new state technology policies, university linkages, and the proximity to a metropolitan center to generate higher value-added employment opportunities in developing industries.

The Lawrence-Douglas County area is a desirable place to live, and it is proven by the population and employment data. The areas’ proximity to Johnson County, Kansas, one of the fastest growing counties in the nation, and the presence of three institutions of higher education, are part of its desirability. The higher education institutions provide a great deal of stability while the location of the county provides opportunities for growth. How these two assets are utilized will have a lot to do with the type of community Douglas County will be in the future.