

THE UNIVERSITY OF KANSAS
Kansas Center for Community Economic Development
Policy Research Institute
TECHNICAL REPORT SERIES

Economic Trends Report: Montgomery County

Prepared by

Luke Middleton
Research Economist

March 2002

Report No. 59

Genna M. Hurd
Co-Director, KCCED

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: Montgomery County

Introduction

The following report is an objective look at several key economic trends occurring in Montgomery County over the last few decades. We look at variables categorized under the following areas:

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

Throughout the report, Montgomery County's performance is compared with the performance of the state of Kansas and other Comparative Counties.¹ It is by no means a comprehensive analysis of economic trends facing Montgomery County but rather an overview of some key economic and demographic variables.

¹ "Comparative counties" or "Selected counties" used for comparison in this report are Crawford, Labette, Neosho, and Wilson counties in Kansas; and Washington County, Oklahoma.

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. 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.

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 families 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, population by age groups, percent net migration, and population rankings.

Population: Key Findings

- The population of Montgomery County has been decreasing slowly since 1930, except for a brief rise in the 1970's. The 2000 Decennial Census showed Montgomery County's population to be at 36,252. (Table 1 and 2)
- Population in Montgomery County fell 6.6 percent in the last decade. This compares to a 7.5 percent growth rate in Crawford County and a 1.9 percent growth rate in Washington, Oklahoma. Labette and Neosho counties had population declines of smaller orders of magnitude than that seen in Montgomery County; Wilson's population remained nearly steady for the decade. (Table 2 and Figure 1a)

- The state of Kansas as a whole has seen steady population increases, with an 8.5 percent growth rate for the 1990's. The United State's population has also been growing rapidly. (Table 2 and Figure 1b)
- The largest age group segment in Montgomery County in 2000 was made up of people in the 25-44 year-old range, though this amount was down slightly since 1990 (26.6 percent compared to 24.7 in 2000). While 25 to 44 year olds may be the largest age segment, the fastest growing segment is the 45-64 age cohort, which added nearly one thousand members to its ranks in the decade of the 1990's. This indicates the effect of the aging baby-boomer population. Montgomery County's population makeup is in general becoming older. The number of people in every age group up to 45-years-old decreased from 1990 to 2000. (Table 3 and 3a, Figure 2)
- Census race data from 2000 cannot be directly compared to data from previous years, due to a change in reporting which now allows people to select more than one race. In 2000, 1,212 people in Montgomery County indicated they belonged to more than one race. Therefore, the 2000 Census data figures for individual races would probably be slightly higher if the old categorization had been used. Nevertheless, the new data is still useful for indicating trends. (Tables 4 and 4a)
- The population of Montgomery County has become slightly more racially diverse over time. Although whites still make up the vast majority of the population (86 percent in 2000), the percentage of the total occupied by whites has been decreasing (compare to 90.5 percent in 1980). All of the other racial groups have seen numerical increases in the last few decades except for blacks. The group that has seen the most growth is the 'Others' group, which includes Native Americans, Asians, and Pacific Islanders. In 1980 this group comprised only 1.6 percent of the Montgomery County population; in 2000 that percentage had risen to nearly 5 percent (and would likely be higher still had the old Census classifications been used in 2000). (Tables 4 and 4a)
- In each decade since the 1960's Montgomery County's net migration has been negative, except for a respite in the 1970's. Net migration is calculated as the change in population less the difference between births and deaths. A negative net migration indicates that more people have moved out of the county than have moved in, after factoring in the effect of births and deaths. Between 1990 and 1999 Montgomery County's net migration stood at -1,762, a figure indicating that 4.5 percent of the total 1990 population moved out of the county within the next ten years. While not a good indication, it was still a better figure than the nearly 5,000 people which moved out in the 1980's. The state of Kansas had a positive net migration of 1.8 percent for decade of the 1990's, the first time in four decades the state's migration was positive. In terms of ranking, Montgomery County's net migration rate was 69th out of 105 in the state from 1990 to 1999. (Table 5 and Map 3)

- Montgomery County moved from being the 5th most populated county in Kansas in 1940 to being 14th in 2000. (Table 6)
- In 1990 the ten-year population growth rate in Montgomery County was 61st in the state, while in 2000 it was 79th. (Map 1 and 2)

Table 1
Population Totals, Growth Rates, Rank & Share
Montgomery County and Kansas

Year	Montgomery		Kansas		Montgomery County	
	Population Total	Growth Rate	Population Total	Growth Rate	Rank in State	Share (%)
1890	23,104		1,428,108		18	1.6
1900	29,039	25.7	1,470,495	3.0	8	2.0
1910	49,474	70.4	1,690,949	15.0	5	2.9
1920	49,645	0.3	1,769,257	4.6	5	2.8
1930	51,411	3.6	1,880,999	6.3	4	2.7
1940	49,729	-3.3	1,801,028	-4.3	5	2.8
1950	46,487	-6.5	1,905,299	5.8	6	2.4
1960	45,007	-3.2	2,178,611	14.3	8	2.1
1970	39,949	-11.2	2,249,071	3.2	10	1.8
1980	42,281	5.8	2,364,236	5.1	11	1.8
1990	38,816	-8.2	2,477,588	4.8	11	1.6
1991*	38,670	-0.4	2,495,209	0.7	11	1.5
1992*	37,991	-1.8	2,526,042	1.2	11	1.5
1993*	37,860	-0.3	2,547,605	0.9	11	1.5
1994*	37,704	-0.4	2,569,118	0.8	11	1.5
1995*	37,582	-0.3	2,586,942	0.7	11	1.5
1996*	37,301	-0.7	2,598,266	0.4	12	1.4
1997*	37,177	-0.3	2,616,339	0.7	12	1.4
1998*	37,046	-0.4	2,638,667	0.9	12	1.4
1999*	36,773	-0.7	2,654,052	0.6	13	1.4
2000	36,252	-1.4	2,688,418	1.3	14	1.3

* Estimates

Source: U.S. Bureau of the Census.

Table 2
Population Growth Rates
Montgomery County, Comparative Counties, Kansas, and U.S.
1970-2000

<u>Year</u>	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-2000</u>
Montgomery	5.8	-8.2	-6.6
Crawford, KS	0.2	-6.2	7.5
Labette, KS	-0.4	-7.7	-3.6
Neosho, KS	0.8	-10.2	-0.2
Wilson, KS	7.2	-15.2	0.4
Washington, OK	13.7	-0.1	1.9
Kansas	5.1	4.8	8.5
United States	11.4	9.8	8.7

Source: U.S. Bureau of the Census, "1980 Census of Population," PC90-1-A; "1990 Decennial Census"; "2000 Decennial Census." Calculations: PRI.

Figure 1a
Rates of Population Change
Montgomery and Comparative Counties
1970-2000

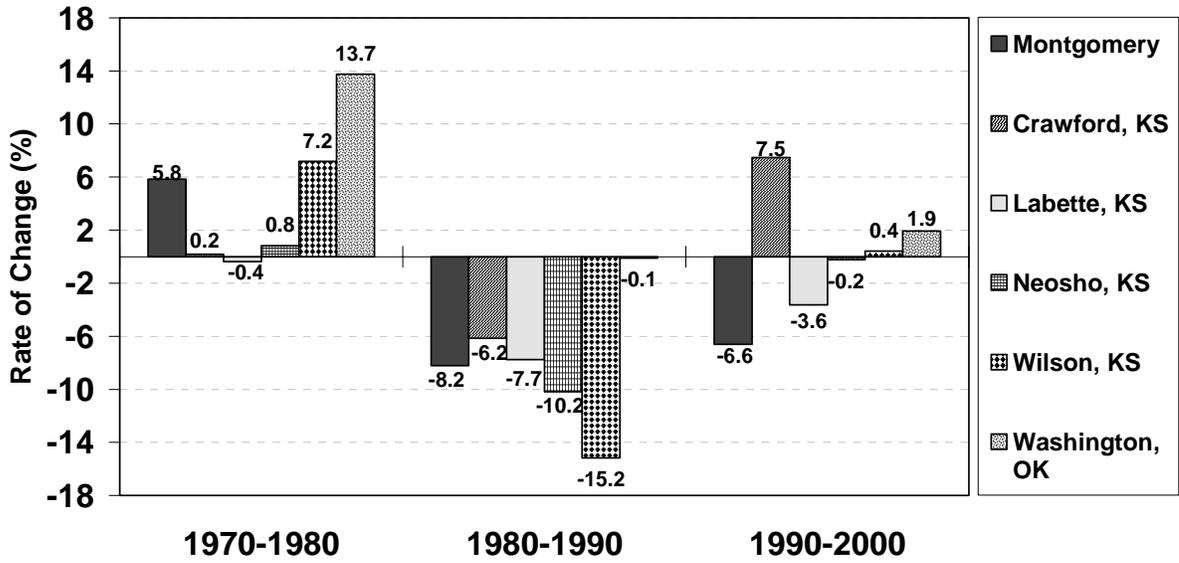


Figure 1b
Rates of Population Change
Montgomery County, Kansas, and U.S.
1970-2000

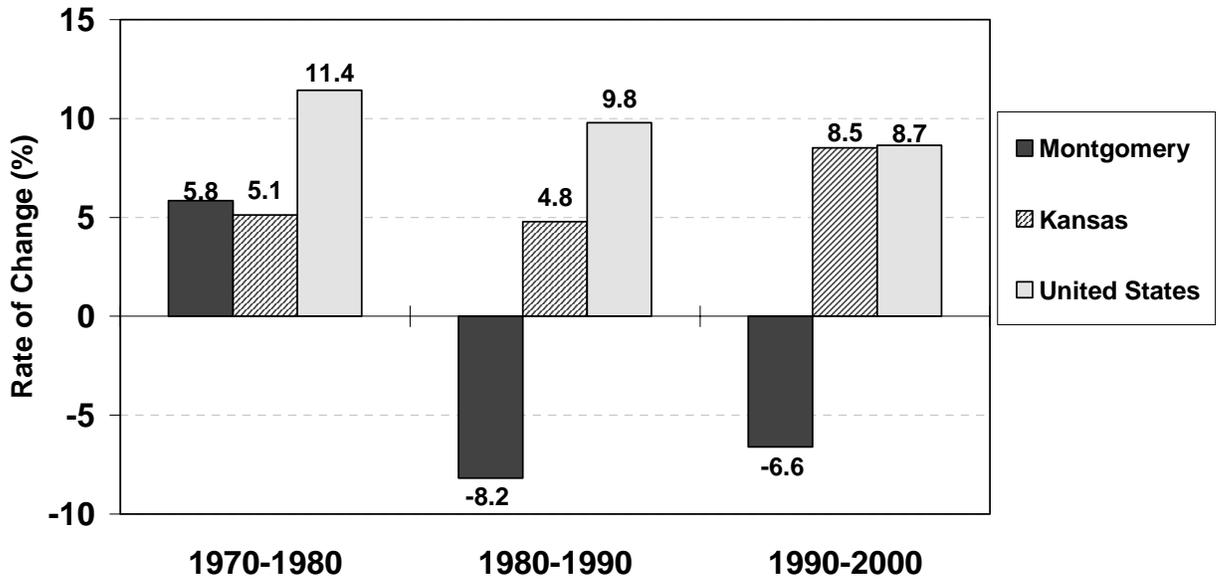


Table 3
Population by Selected Age Groups
Montgomery County and Kansas
1990-2000

	Age:	<u>0-4</u>	<u>5-17</u>	<u>18-24</u>	<u>25-44</u>	<u>45-64</u>	<u>65 and over</u>
Montgomery	1990	2,778	7,231	3,271	10,318	7,688	7,478
	2000	2,189	6,890	3,114	8,972	8,454	6,633
Kansas	1990	189,988	472,267	255,195	776,430	443,877	342,863
	2000	188,708	524,285	275,592	769,204	574,400	356,229

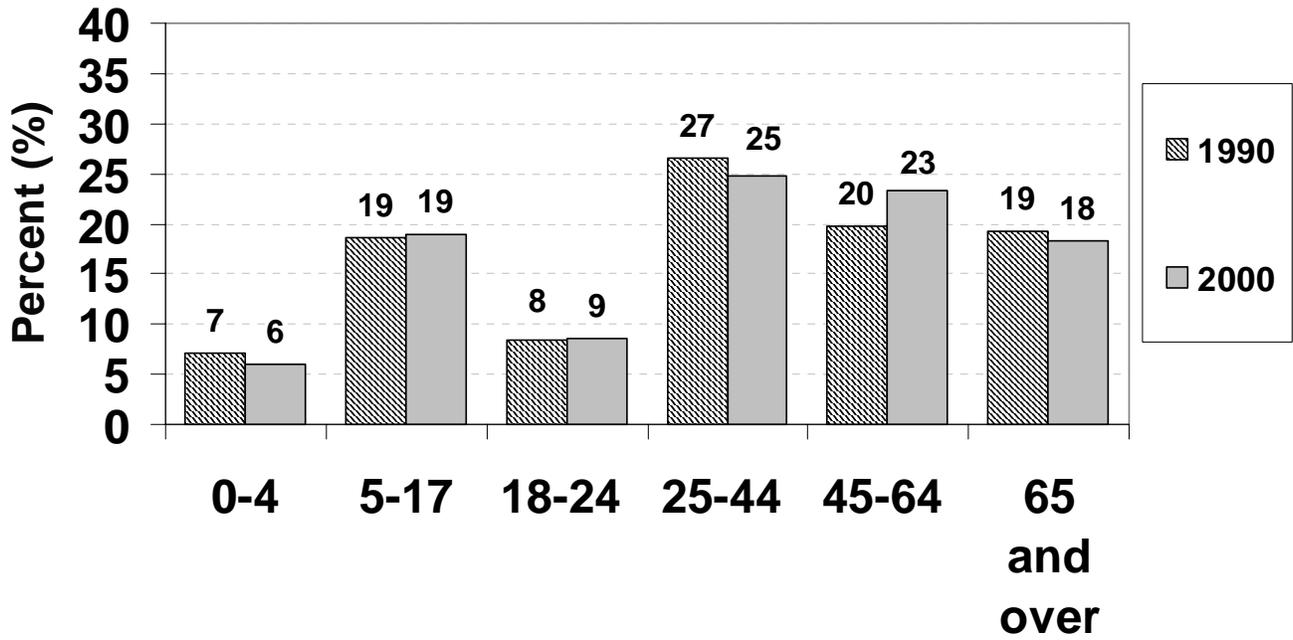
Source: U.S. Bureau of the Census

Table 3a
Population by Selected Age Groups as Percent of Total
Montgomery County and Kansas
1990-2000

	Age:	<u>0-4</u>	<u>5-17</u>	<u>18-24</u>	<u>25-44</u>	<u>45-64</u>	<u>65 and over</u>
Montgomery	1990	7.2 %	18.6 %	8.4 %	26.6 %	19.8 %	19.3 %
	2000	6.0	19.0	8.6	24.7	23.3	18.3
Kansas	1990	7.7	19.1	10.3	31.3	17.9	13.8
	2000	7.0	19.5	10.3	28.6	21.4	13.3

Source: U.S. Bureau of the Census

Figure 2
Population by Age Group as Percent of Total Population
Montgomery County
1990-2000



**Table 4
Population by Hispanic Origin
Montgomery County and Kansas
1980-2000**

	Year	Total	White		Total Black	Total Hispanic	Others	2 or More Races
			Total	Hispanic				
Montgomery	1980	42,560	38,512	n/a	n/a	2,742	645	661
	1990	39,240	35,000	322	34,678	2,437	751	1,052
	2000 *	36,252	31,095	480	30,615	2,199	1,118	1,746
Kansas	1980	2,364,236	2,168,221	n/a	n/a	126,127	63,339	69,331
	1990	2,477,588	2,233,897	40,016	2,193,881	143,076	93,670	102,512
	2000 *	2,688,418	2,313,944	79,947	2,233,997	154,198	188,252	163,780

* 2000 race data is not comparable to previous years due to changes in reporting. See text for more.

Source: U.S. Bureau of the Census

**Table 4a
Population by Hispanic Origin as Percent of Total
Montgomery County and Kansas
1980-2000**

	Year	Total	White		Total Black	Total Hispanic	Others	2 or More Races
			Hispanic	Non-Hispanic				
Montgomery	1980	90.5%	n/a	n/a	6.4%	1.5%	1.6%	
	1990	89.2	0.8	88.4	6.2	1.9	2.7	
	2000 *	85.8	1.3	84.5	6.1	3.1	4.8	3.3
Kansas	1980	91.7%	n/a	n/a	5.3%	2.7%	2.9%	
	1990	90.2	1.6	88.5	5.8	3.8	4.1	
	2000 *	86.1	3.0	83.1	5.7	7.0	6.1	2.1

* 2000 race data is not comparable to previous years due to changes in reporting. See text for more.

Source: U.S. Bureau of the Census

**Table 5
Net Migration
1970-1999**

<u>Montgomery County</u>							
<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*	39,949	-5,058	n/a	n/a	469	-5,527	-12.3
1980*	42,281	2,332	n/a	n/a	31	2,301	5.8
1990*	38,816	-3,465	6,280	5,031	1,249	-4,714	-11.1
1999**	36,773	-2,043	4,189	4,470	-281	-1,762	-4.5

<u>Kansas</u>							
<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

n/a: not available
* 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.

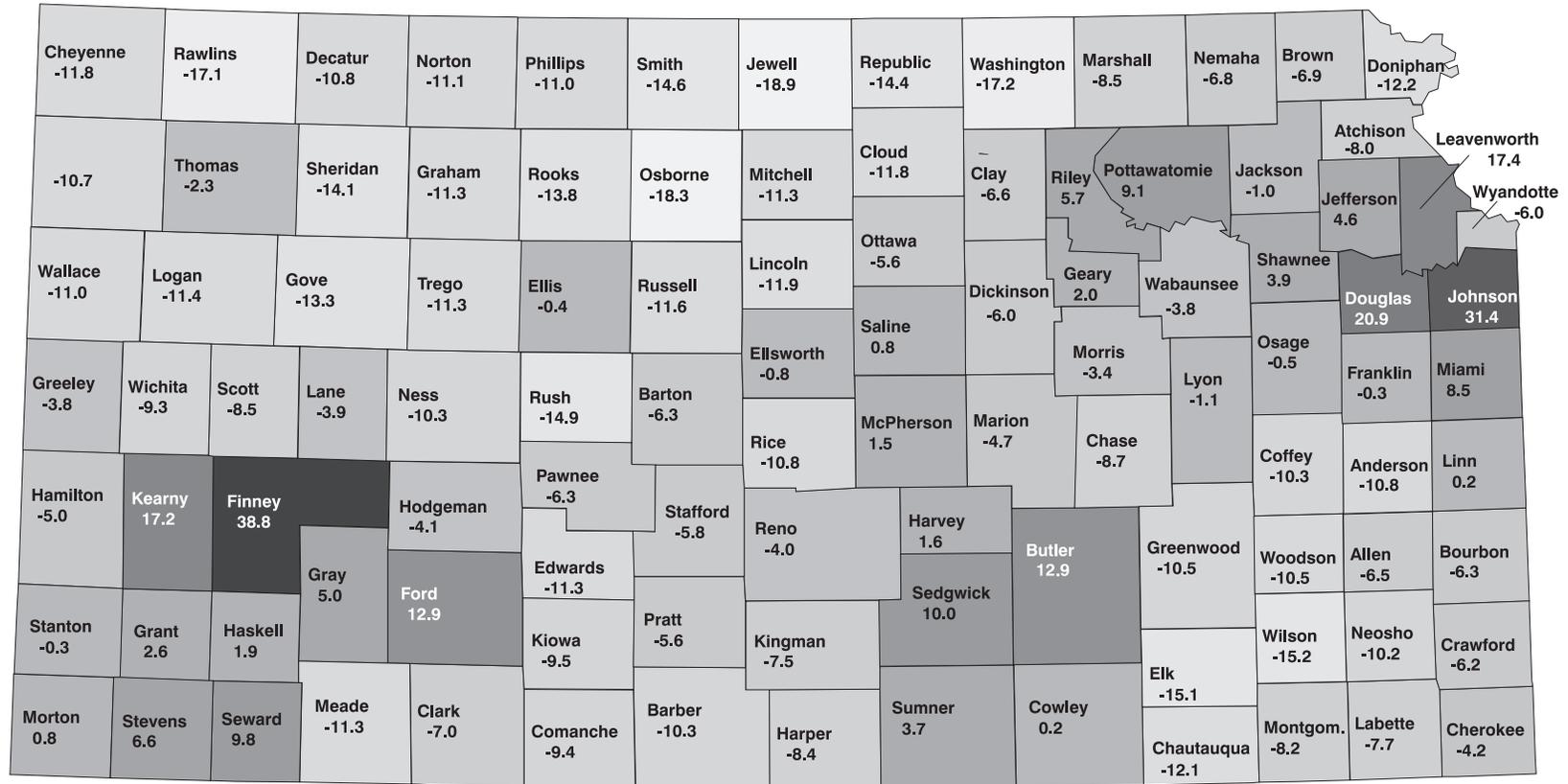
Table 6
Population of Top Ranking Kansas Counties
(Thousands)

Rk	1940	Pop.	Rk	1980	Pop.	Rk	1990	Pop.	Rk	2000	Pop.
1	Wyandotte	145	1	Sedgwick	367	1	Sedgwick	404	1	Sedgwick	453
2	Sedgwick	143	2	Johnson	270	2	Johnson	355	2	Johnson	451
3	Shawnee	91	3	Wyandotte	172	3	Wyandotte	162	3	Shawnee	170
4	Reno	52	4	Shawnee	155	4	Shawnee	161	4	Wyandotte	158
5	Montgomery	49	5	Douglas	68	5	Douglas	82	5	Douglas	100
6	Crawford	45	6	Reno	65	6	Riley	67	6	Leavenworth	69
7	Leavenworth	41	7	Riley	64	7	Leavenworth	64	7	Reno	65
8	Cowley	38	8	Leavenworth	55	8	Reno	62	8	Riley	63
9	Johnson	33	9	Saline	49	9	Butler	51	9	Butler	59
10	Butler	32	10	Butler	45	10	Saline	49	10	Saline	54
11	Labette	30	11	Montgomery	42	11	Montgomery	39	11	Finney	41
12	Cherokee	30	12	Crawford	38	12	Cowley	37	12	Crawford	38
13	Saline	30	13	Cowley	37	13	Crawford	36	13	Cowley	36
14	Lyon	26	14	Lyon	35	14	Lyon	35	14	Montgomery	36
15	Sumner	26	15	Barton	31	15	Finney	33	15	Lyon	36
16	Douglas	25	16	Harvey	31	16	Harvey	31	16	Harvey	33
17	Barton	25	17	Geary	30	17	Geary	30	17	Ford	32
18	McPherson	24	18	McPherson	27	18	Barton	29	18	McPherson	30
19	Dickinson	23	19	Ellis	26	19	Ford	27	19	Miami	28
20	Atchison	22	20	Labette	26	20	McPherson	27	20	Barton	28

* Population Projection

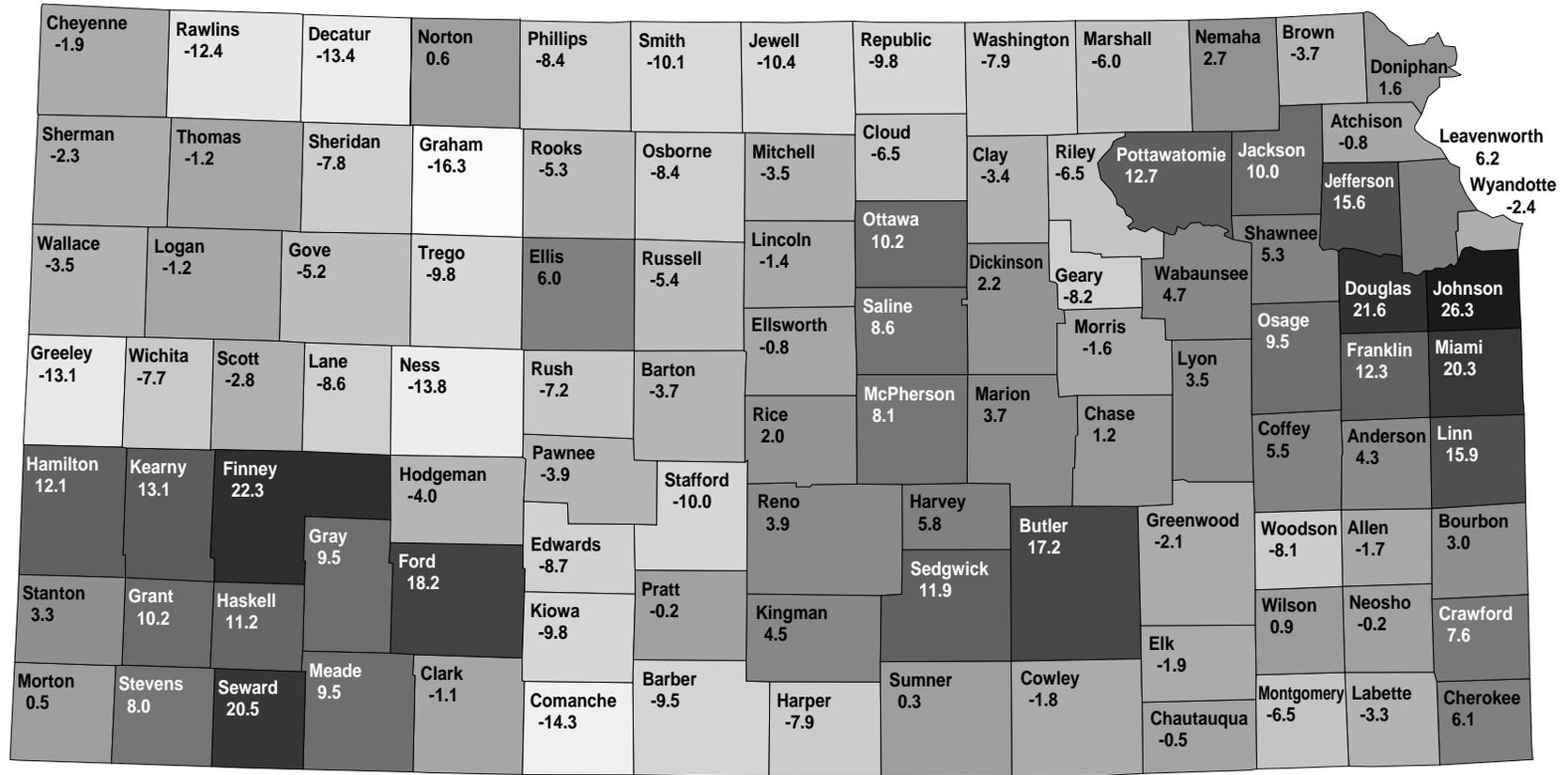
Source: University of Kansas, Policy Research Institute, "Kansas Statistical Abstract," 1992-1993, "Population of Kansas Counties, 1890-1980; U.S. Bureau of the Census, "1990 Census of Population and Housing." Flerchinger, Teresa D., "Kansas Population Projections, 1990-2030," Kansas Division of the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

Map 1 Percent Population Change: 1980 - 1990



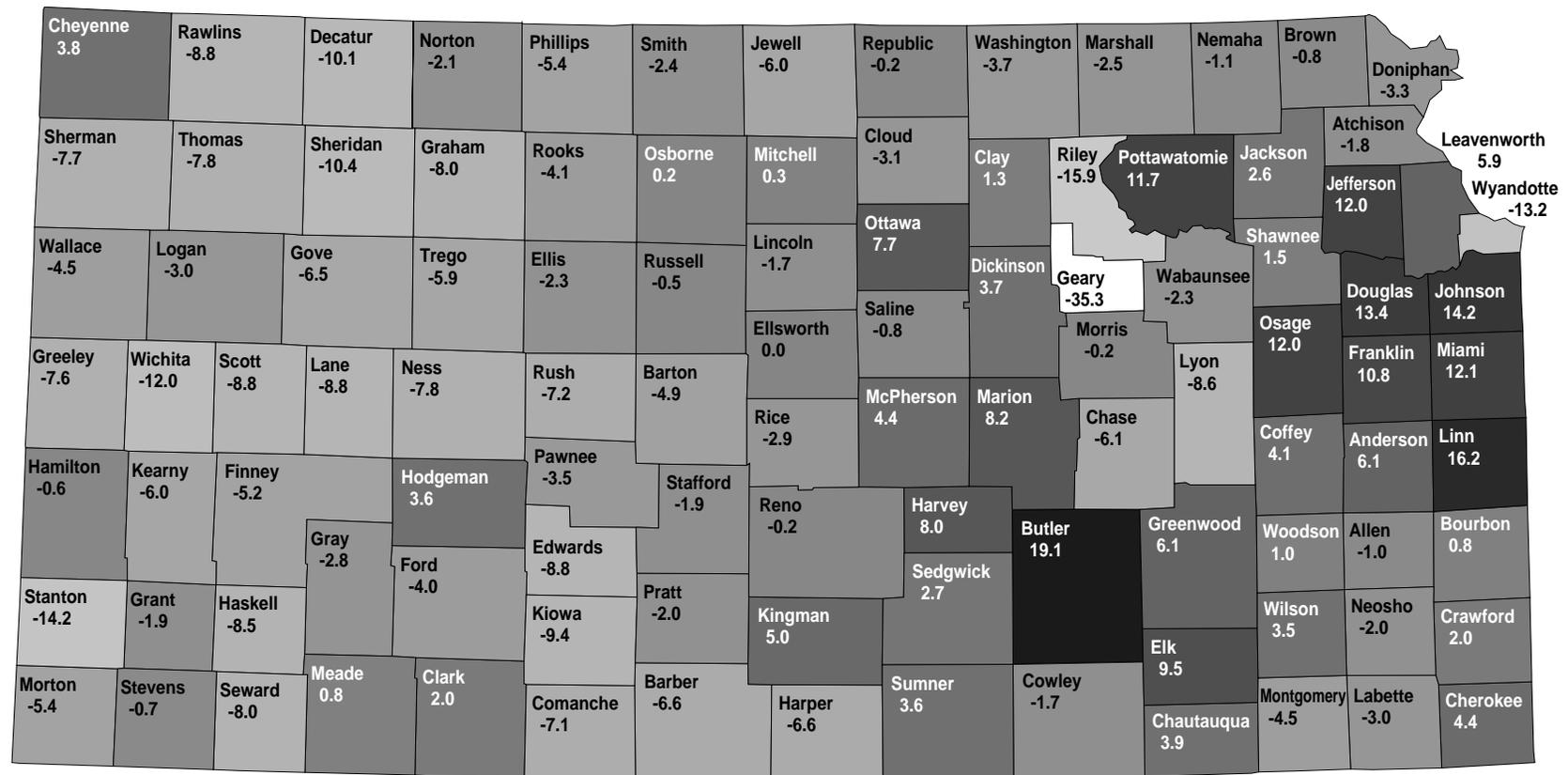
Source: Policy Research Institute, The University of Kansas: data from the U.S. Bureau of the Census.

Map 2 Percent Population Change: 1990-2000



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

Map 3 Percent Net Migration: 1990 - 1999



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 Montgomery 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 insight into 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 1990 and 2000 the average annual employment in Montgomery County (U.S. Bureau of Economic Analysis data by place of work) increased from 17,012 employees to 18,126 in 2000. This was a 6.5 percent increase. (Table 7)
- Compared to the surrounding counties, Montgomery's employment growth was much better than that seen in Labette, Neosho and Washington, Oklahoma. However, employment growth in Crawford and Wilson counties was double and triple the Montgomery County rate for the decade, respectively. Employment in the state grew 11.5 percent in the 1990's. (Table 7, Figures 3a and 3b)
- The total number of firms located in Montgomery County increased only 1.2 percent from 1989 to 1999, compared to a 13.4 percent increase for the state of Kansas

over the same time period. This was a net gain of 12 firms in ten years for the county. (Table 8)

- The patterns of distribution of firms by the number of employees are nearly identical in Montgomery County and the state as a whole. The vast majority of firms in Montgomery County are small companies with less than 20 employees (87 percent). Between 1989 and 1999 their numbers actually fell by three firms, to 895 total in 1999. The percentage of medium-sized companies (up to one hundred employees) increased 11 percent (11 firms) in the same time period, while the number of companies with up to 500 employees increased 22 percent (4 firms). (Tables 8 and 8a).
- Total industry-level employment for Montgomery County rose 5 percent from 1994 to 1999, which was a net increase of 1,094 jobs in five years. This is compared to a 12.7 percent growth rate for the state of Kansas during the same period. (Table 9)
- Employment in the Service sector, the largest in the county, accounted for over 1,468 new jobs from 1994 to 1999, an increase of 34.6 percent for the sector. Other sectors that saw strong growth were Retail Trade, which grew 8.8 percent (302 new jobs) and Finance, Insurance and Real Estate with a five-year growth rate of 25.5 percent (194 new jobs). (Table 9 and Figure 4)
- These employment gains were heavily offset by losses in other sectors. Nearly 300 jobs were cut in the Government sector (a decline of 8.7 percent). Employment in the Mining sector fell 28.7 percent, Wholesale Trade fell 24 percent, Transportation decreased 18.2 percent, and Manufacturing employment declined 3.2 percent. In other words, the number of high paying or highly-valued jobs have been decreasing in the county and are being replaced only with lower paying opportunities (Services, Retail, etc...) (Table 9 and Figure 4)
- Place of residence data for Montgomery County showed the unemployment rate in 2000 to be 5.2 percent, a fairly high figure. This figure is from the Kansas Department of Human Resources, and as the name suggests, is based on the place of residence of individuals rather than their place of work. (Table 9b)
- Comparing place of residence data and place of work data can sometimes indicate commuting trends. Table 9b shows that the number of jobs (place of work data) in Montgomery County in 2000 was 749 less than the number of people employed in Montgomery County (place of residence data). This could indicate a number of people live in Montgomery County but hold jobs elsewhere. However, Place of Work data does not include some types of businesses which Place of Residence data does, therefore, the actual number of commuters, and whether more commute in than out, cannot be determined from these data. Had the difference been greater a generic statement to those questions may have been possible to make. (Table 9b)

- In the state of Kansas total employment (place of residence data) fell by 2.3 percent between 1999 and 2000. A smaller decrease in the civilian labor force resulted in a 21 percent increase in the number of unemployed statewide. (Table 9b)
- The labor force participation rate is the percentage of population aged 16 and over that is in the labor force. The labor force participation rate in 1990 for Montgomery County was 59 percent (Map 4). This rate was 77th in a list of 105 counties. The rate for Kansas was 65.4 percent and the rate for the U.S. was 64.4 percent (1990 U.S. Census).

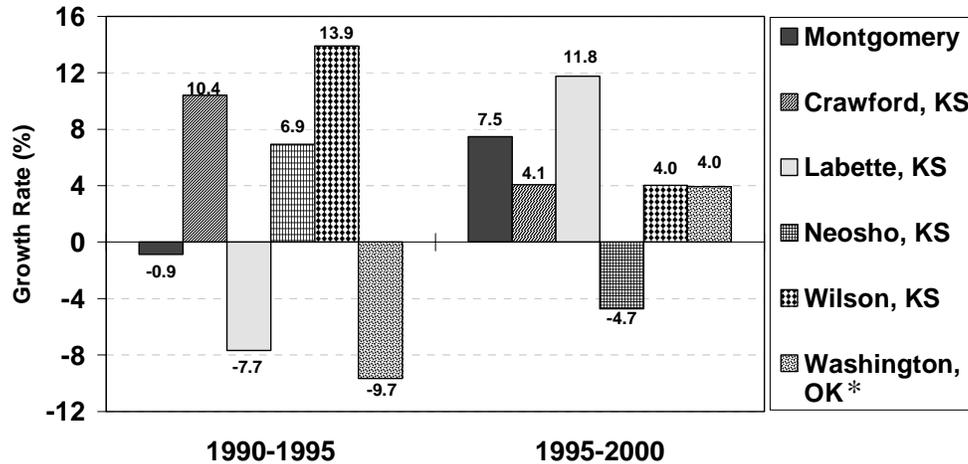
Table 7
Employment Growth Rates
Montgomery County, Comparative Counties, and Kansas
Place of Residence Data
1990-2000

	Average Annual Employment			% Employment Growth		
	1990	1995	2000	1990-1995	1995-2000	1990-2000
Montgomery	17,012	16,867	18,126	-0.9 %	7.5 %	6.5 %
Crawford, KS	15,409	17,013	17,705	10.4	4.1	14.9
Labette, KS	10,773	9,946	11,116	-7.7	11.8	3.2
Neosho, KS	7,985	8,539	8,136	6.9	-4.7	1.9
Wilson, KS	4,398	5,009	5,211	13.9	4.0	18.5
Washington, OK	26,196	23,664	24,599 *	-9.7	4.0	-6.1
Kansas	1,219,000	1,278,500	1,359,000	4.9	6.3	11.5

* Data for Washington County, Oklahoma were only available through 1999.

Source: U.S Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System (1990-2000), Table CA25, Kansas Department of Human Resources.

Figure 3a
Employment Growth Rates
Montgomery and Comparative Counties
1990-2000



* Figures are for 1990-1999 as compared to 1990-2000 for Kansas Counties.

Figure 3b
Employment Growth Rates
Montgomery County and Kansas
1990-2000

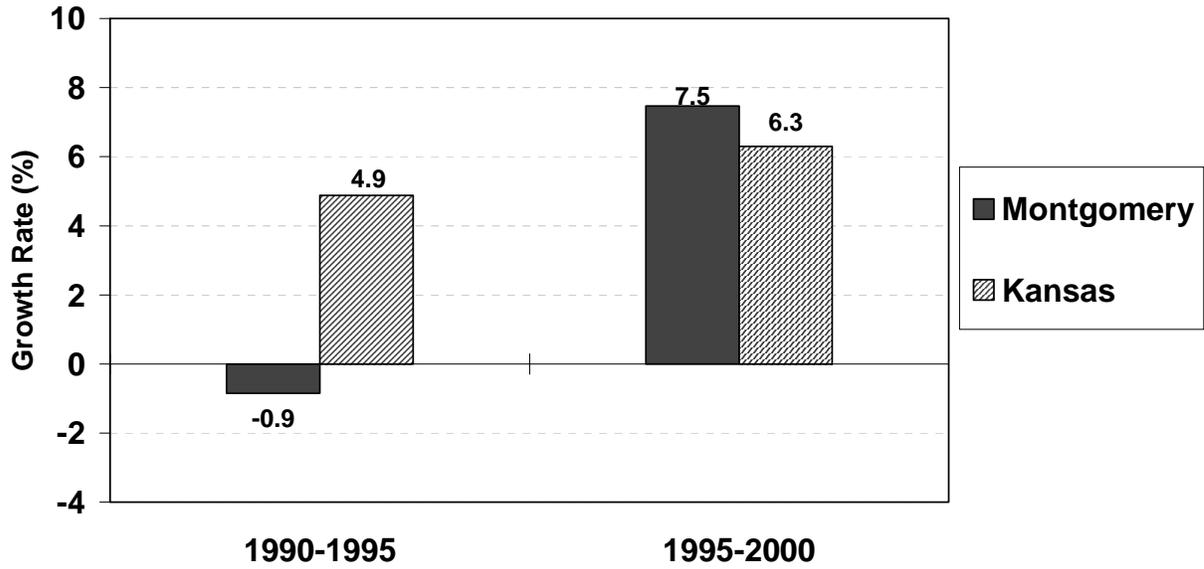


Table 8
Number of Firms, by Number of Employees
Montgomery County and Kansas
1989-1999

<u>Employees</u>	<u>Montgomery</u>			<u>Kansas</u>		
	<u>1989</u>	<u>1999</u>	<u>% Change</u>	<u>1989</u>	<u>1999</u>	<u>% Change</u>
1 -- 19	898	895	-0.3 %	57,845	64,239	11.1 %
20 -- 99	99	110	11.1	6,713	8,564	27.6
100 -- 499	18	22	22.2	1,027	1,536	49.6
500+	2	2	0.0	107	147	37.4
Total	1,017	1,029	1.2	65,692	74,486	13.4

Source: U.S. Bureau of the Census, "County Business Patterns," 1989 and 1999.

Table 8a
Percentage Distribution of Firms, by Number of Employees
Montgomery County and Kansas
1989-1999

<u>Employees</u>	<u>Montgomery</u>		<u>Kansas</u>	
	<u>1989</u>	<u>1999</u>	<u>1989</u>	<u>1999</u>
0 - 19	88.3 %	87.0 %	88.1 %	86.2 %
20 - 99	9.7	10.7	10.2	11.5
100 - 499	1.8	2.1	1.6	2.1
500+	0.2	0.2	0.2	0.2

Source: U.S. Bureau of the Census, "County Business Patterns," 1989 and 1999. Due to numbers being rounded up, percentages may not equal 100%.

Table 9
Employment Levels by Industry
Montgomery County and Kansas
Place of Work Data
1994-1999

<u>Industry</u>	<u>Montgomery</u>				<u>Kansas</u>			
	<u>1994</u>	<u>1999</u>	<u>Change</u>	<u>% Change</u>	<u>1994</u>	<u>1999</u>	<u>Change</u>	<u>% Change</u>
Ag. Services	182	215	33	18.1 %	17,528	20,725	3,197	18.2 %
Mining	331	236	-95	-28.7	25,117	18,445	-6,672	-26.6
Construction	797	885	88	11.0	74,387	92,856	18,469	24.8
Manufacturing	5,355	5,185	-170	-3.2	194,141	218,466	24,325	12.5
Transportation	1,157	946	-211	-18.2	77,355	90,368	13,013	16.8
Wholesale Trade	854	650	-204	-23.9	74,707	82,275	7,568	10.1
Retail Trade	3,420	3,722	302	8.8	262,779	294,991	32,212	12.3
Finance, Insur., Real Est.	760	954	194	25.5	89,031	113,935	24,904	28.0
Services	4,244	5,712	1,468	34.6	397,522	476,032	78,510	19.7
Gov't. and Gov't. Services	3,237	2,956	-281	-8.7	273,272	273,185	-87	0.0
Subtotal -- Non-Farm	20,337	21,461	1,124	5.5	1,485,839	1,681,278	195,439	13.2
Farm Employment	1,069	1,039	-30	-2.8	78,375	81,015	2,640	3.4
Total Employment	21,406	22,500	1,094	5.1	1,564,214	1,762,293	198,079	12.7

S: data suppressed. See text for more.

Source: Bureau of Economic Analysis, Regional Economic Information System (REIS), table CA25.

Figure 4
Percent Change in Employment by Industry
1994-1999

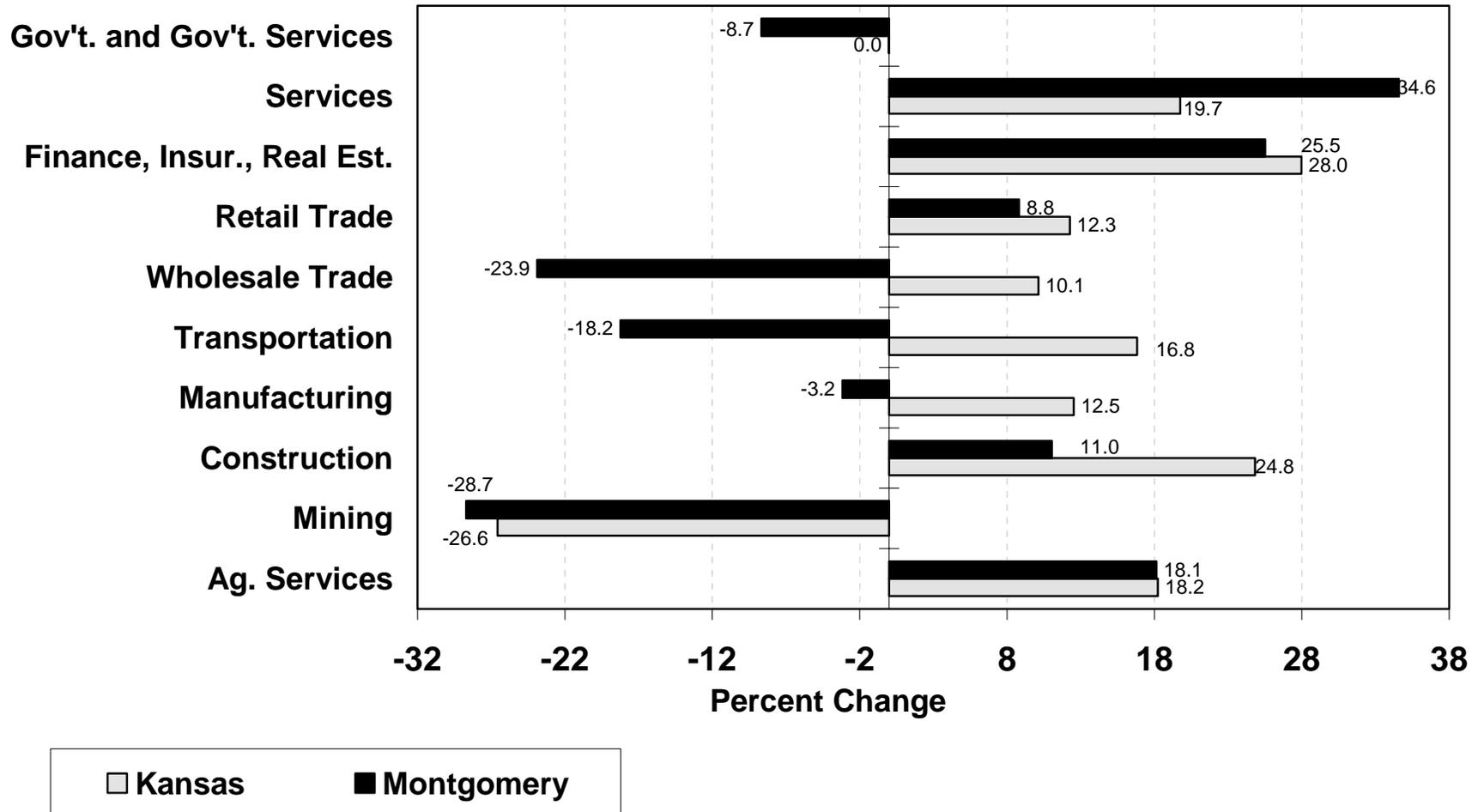


Table 9a
Employment Percent Share by Industry
Montgomery County and Kansas
Place of Work Data
1994-1999

<u>Industry</u>	<u>Montgomery</u>			<u>Kansas</u>		
	<u>1994</u>	<u>1999</u>	<u>Change</u>	<u>1994</u>	<u>1999</u>	<u>Change</u>
Ag. Services	0.9	1.0	0.1 %	1.1	1.2	0.1 %
Mining	1.5	1.0	-0.5	1.6	1.0	-0.6
Construction	3.7	3.9	0.2	4.8	5.3	0.5
Manufacturing	25.0	23.0	-2.0	12.4	12.4	0.0
Transportation	5.4	4.2	-1.2	4.9	5.1	0.2
Wholesale Trade	4.0	2.9	-1.1	4.8	4.7	-0.1
Retail Trade	16.0	16.5	0.6	16.8	16.7	-0.1
Finance, Insur., Real Est.	3.6	4.2	0.7	5.7	6.5	0.8
Services	19.8	25.4	5.6	25.4	27.0	1.6
Gov't. and Gov't. Services	15.1	13.1	-2.0	17.5	15.5	-2.0
Subtotal -- Non-Farm	95.0	95.4	0.4	95.0	95.4	0.4
Farm Employment	5.0	4.6	-0.4	5.0	4.6	-0.4

S: data suppressed. See text for more.

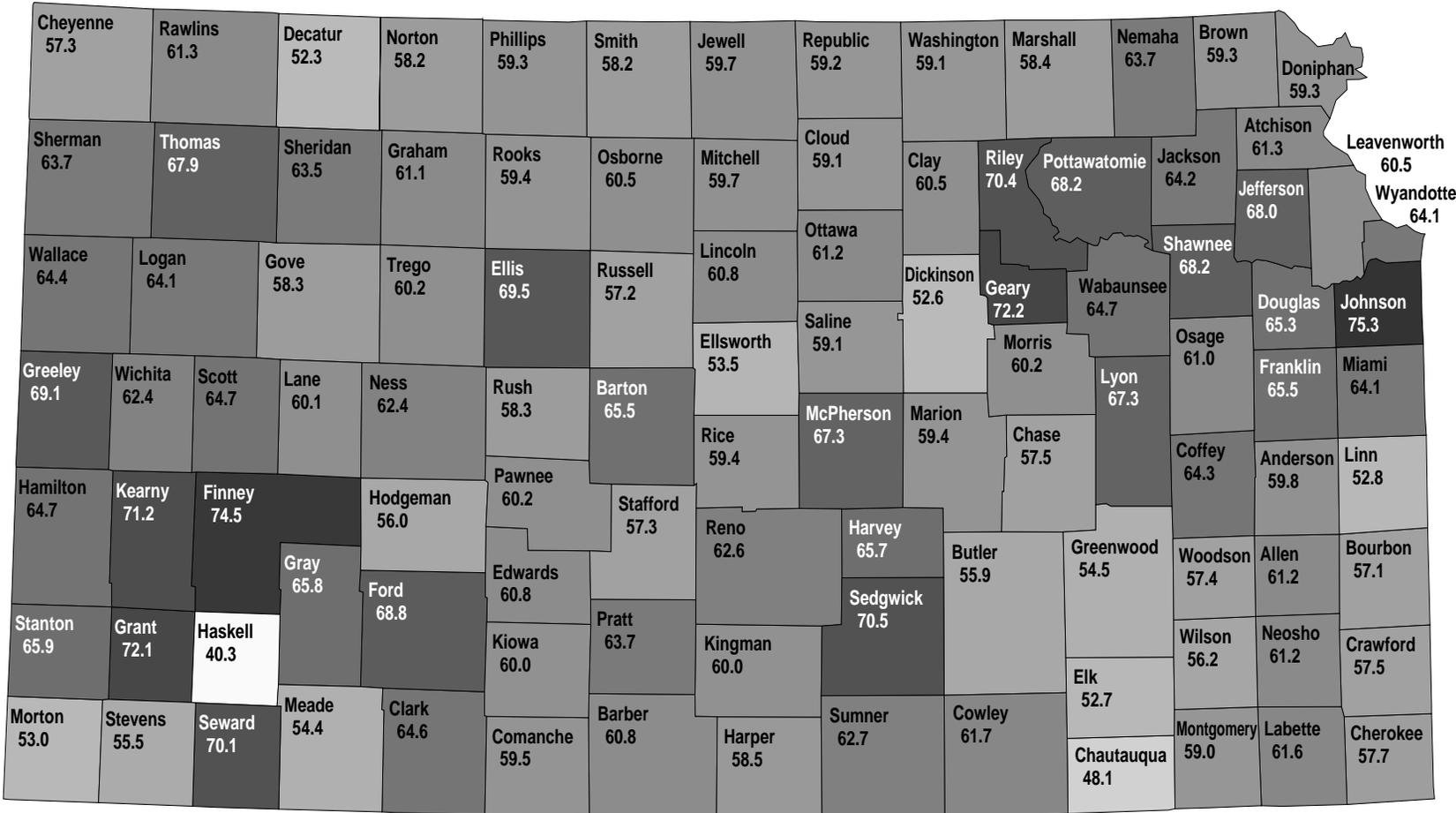
Source: Bureau of Economic Analysis, Regional Economic Information System (REIS), table CA25.

Table 9b
Labor Market Summary
1999-2000

	<u>Montgomery County</u>			<u>Kansas</u>
	<u>1999</u> <u>Average</u>	<u>2000</u> <u>Average</u>	<u>% Change</u> <u>1999-00</u>	<u>% Change</u> <u>1999-00</u>
<u>Place of Residence Data</u>				
Civilian labor force	18,914	19,126	1.1	-1.6
Employment	18,091	18,126	0.2	-2.3
Unemployment	823	1,000	21.5	20.9
Unemployment rate	4.4	5.2	18.2	23.3
<u>Place of Work Data</u>				
<u>Wage and Salary Employment</u>				
All industries	16,813	17,377	3.4	1.1
Goods producing industries	5,769	5,404	-6.3	0.4
Construction and mining	568	573	0.9	2.0
Manufacturing	5,105	4,720	-7.5	-0.5
Service producing industries	11,040	11,971	8.4	1.3
Transportation & Public utilities	701	1,055	50.5	9.7
Wholesale & Retail Trade	3,562	3,684	3.4	-0.4
Finance, Insurance, & Real estate	410	435	6.1	1.3
Services	3,677	4,033	9.7	1.1
Government	2,690	2,764	2.8	1.3

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

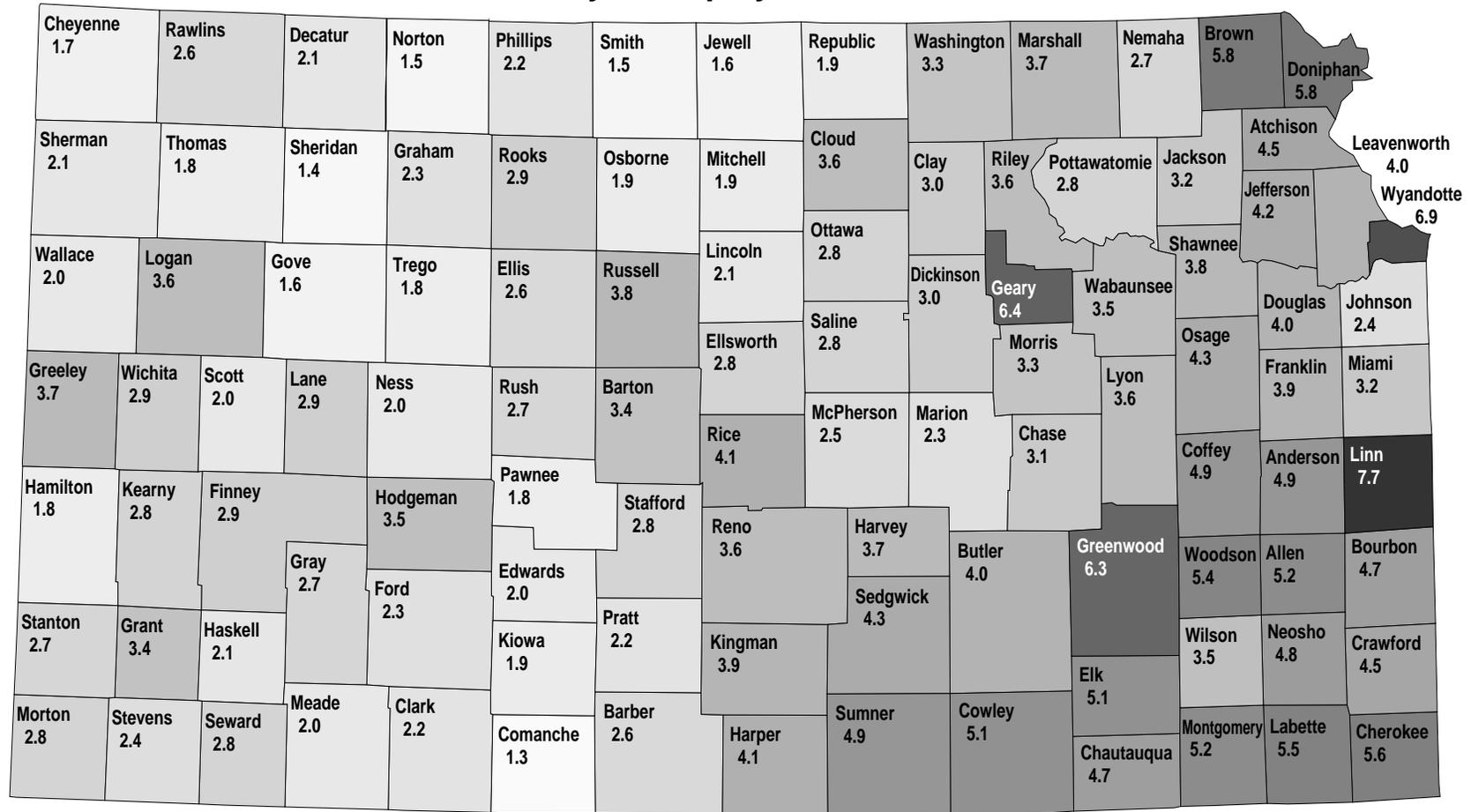
Map 4 Labor Force Participation: 1990



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

Kansas: 65.4%

**Map 5
County Unemployment Rates: 2000**



Note: Employment data are based on an individual's place of residence.
 Source: Policy Research Institute, The University of Kansas, "Kansas Statistical Abstract, 2000" using data from Kansas Labor Force Estimates Annual Average, 2000. 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's 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 or 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, per capita personal income also rises.

Earnings and Income: Key Findings

- In 2000 the average wage per job in Montgomery County was \$22,586. That was \$6,099 less than the average wage for the state of Kansas and \$12,066 less than the national average. (Table 10, Figure 5b)
- Montgomery County's average wage per job compared quite well to the surrounding Kansas counties. However, Washington County, Oklahoma, had an average wage per job 6,764 dollars higher than in Montgomery. Average wage growth rates were also higher on average in the surrounding Kansas counties than they were in Montgomery. (Table 10, Figure 5a)
- Per capita personal income in Montgomery County in 1999 grew slower than the state's rate, and at \$20,226 was behind the state's average of \$26,705 per year. Historical data show that in addition to always having a per capita income level lower than the state's, the gap between the two has widened considerably over time since 1980. (Table 11, Figure 5c)
- In 1999 per capita personal income for Montgomery County ranked 91st in a state with 105 counties. (Map 6)

Table 10
Average Wage Per Job
Montgomery County, Comparative Counties, Kansas, and U.S.
1990-2000

	Average Wage per Job (Dollars)			% Growth	
	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>90-95</u>	<u>95-00</u>
Montgomery	17,605	19,499	22,586	10.8	15.8
Crawford, KS	15,940	17,671	21,555	10.9	22.0
Labette, KS	16,962	19,201	20,663	13.2	7.6
Neosho, KS	15,525	18,281	21,247	17.8	16.2
Wilson, KS	16,143	19,836	23,195	22.9	16.9
Washington, OK	26,172	27,558	29,350	5.3	6.5
Kansas	19,790	23,216	28,685	17.3	23.6
United States	23,322	27,400	34,652	17.5	26.5

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-2000), Regional Economic Profile, Table CA34.

Figure 5a
Average Wage per Job
Montgomery and Comparative Counties
1990-2000

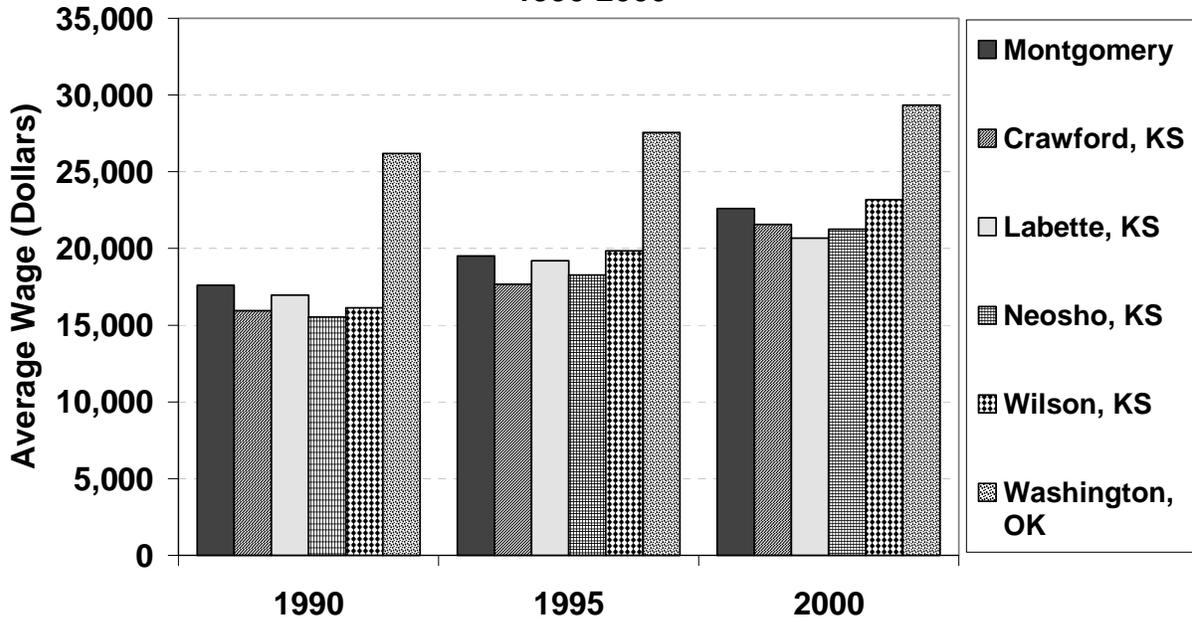


Figure 5b
Average Wage Per Job
Montgomery County, Kansas and United States
1990-2000

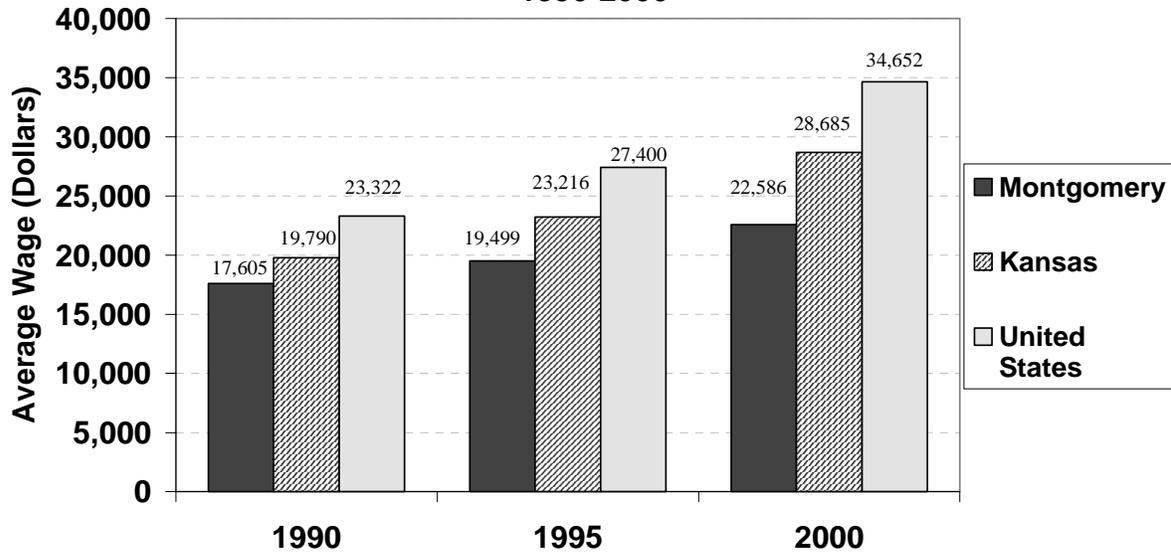
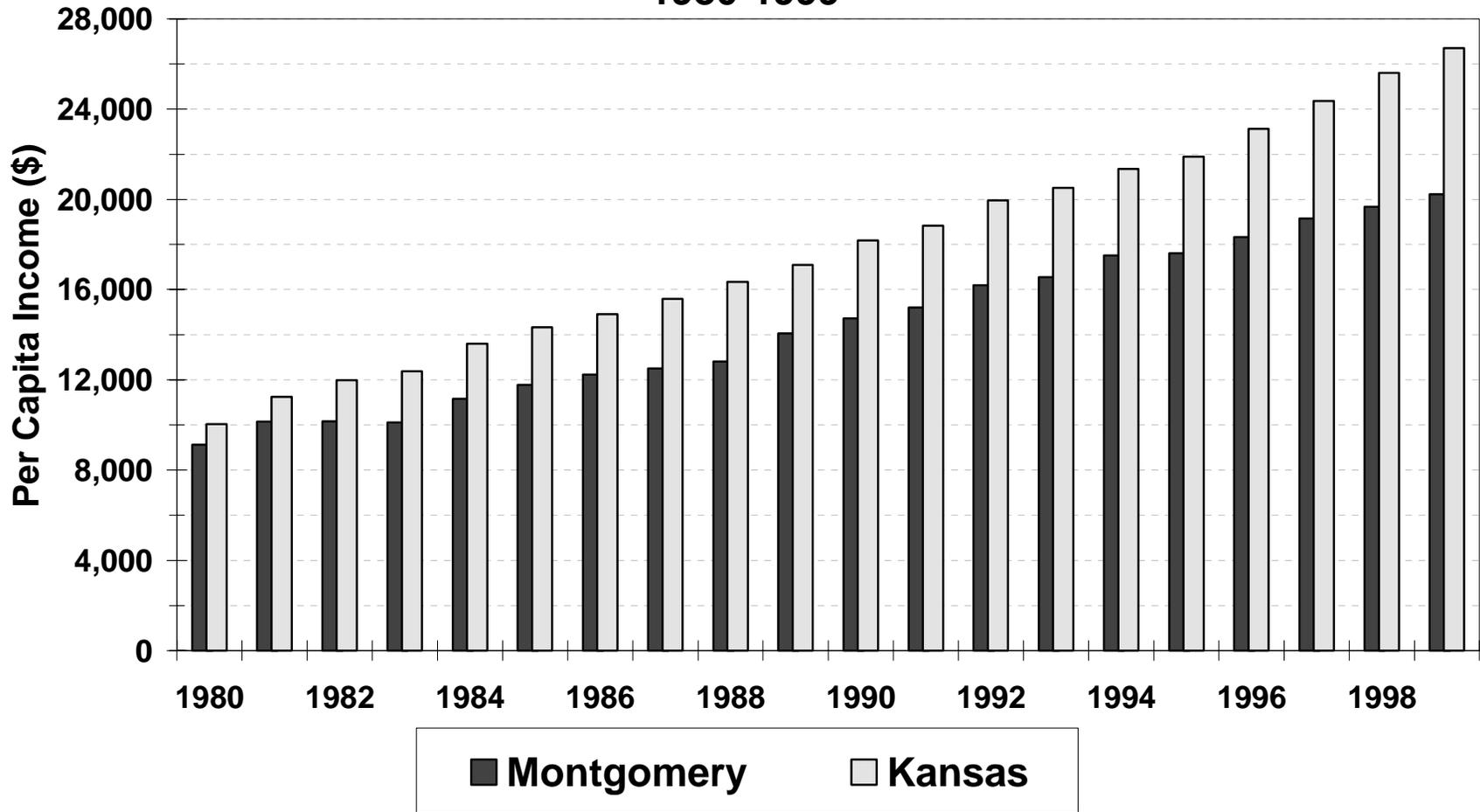


Table 11
Per Capita Personal Income
Montgomery County and Kansas
1980-1999

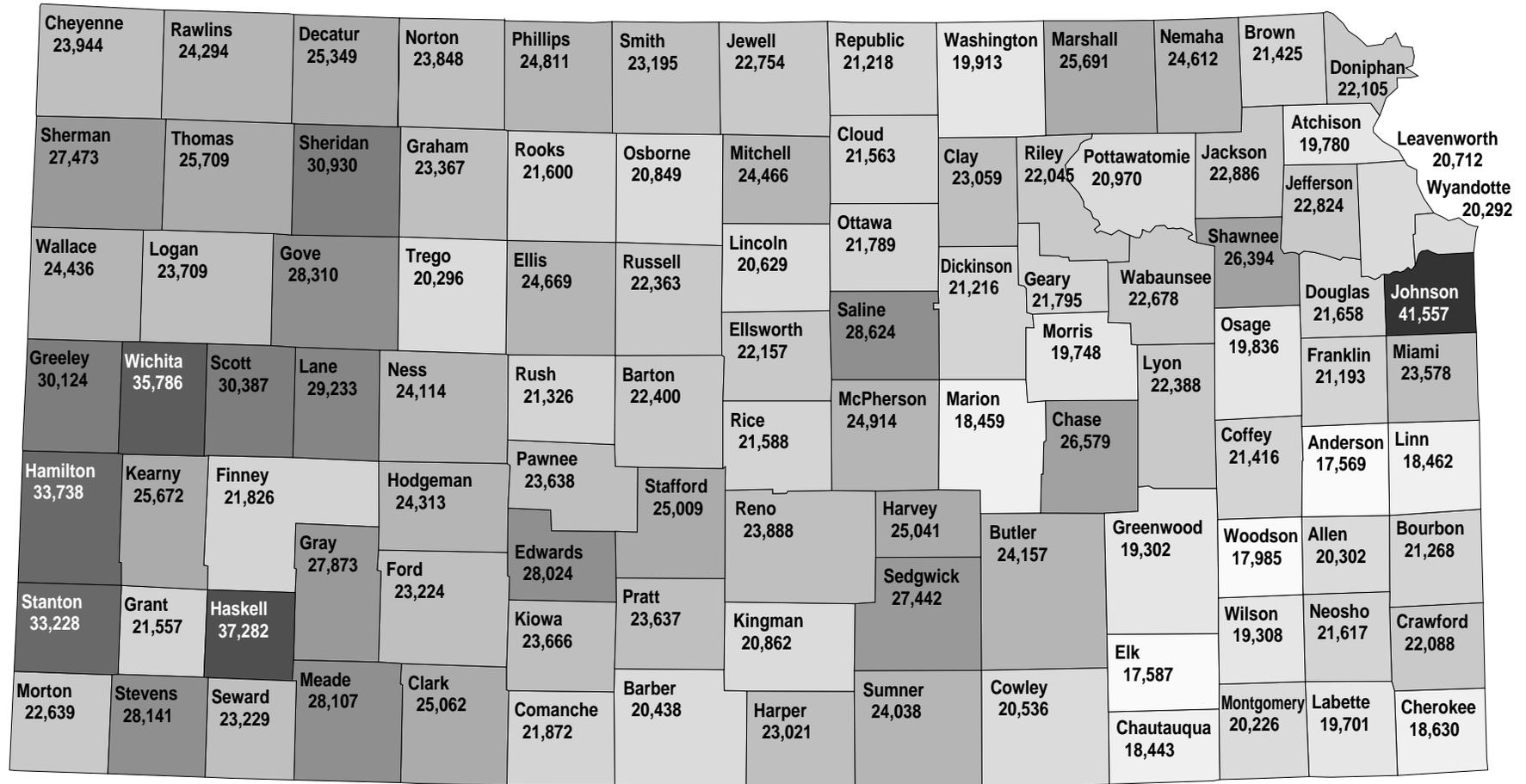
	Income (\$)		Growth Rates	
	Montgomery	Kansas	Montgomery	Kansas
1980	9,116	10,038		
1981	10,153	11,248	11.4 %	12.1 %
1982	10,164	11,989	0.1	6.6
1983	10,110	12,373	-0.5	3.2
1984	11,161	13,602	0.0	9.9
1985	11,780	14,330	5.5	5.4
1986	12,231	14,904	3.8	4.0
1987	12,503	15,583	2.2	4.6
1988	12,821	16,331	2.5	4.8
1989	14,049	17,093	9.6	4.7
1990	14,726	18,182	4.8	6.4
1991	15,203	18,832	3.2	3.6
1992	16,192	19,955	6.5	6.0
1993	16,551	20,510	2.2	2.8
1994	17,512	21,352	5.8	4.1
1995	17,607	21,889	0.5	2.5
1996	18,317	23,121	4.0	5.6
1997	19,156	24,358	4.6	5.4
1998	19,682	25,606	2.7	5.1
1999	20,226	26,705	2.8	4.3

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1999), County Summary, Table CA13.

Figure 5c
Per Capita Personal Income
Montgomery County and Kansas
1980-1999



Map 6 Per Capita Personal Income: 1999



Source: Policy Research Institute, The University of Kansas, 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 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.

Retail: Key Findings

- Taxable retail sales figures for Montgomery County and the state prior to 1994 are not comparable to numbers in 1994 and beyond, due to a change in source and method of calculation. This explains the unnaturally large jump in retail sales in Montgomery County between 1993 and 1994.
- Taxable retail sales in Montgomery County have grown slowly, but steadily, for the last decade. A decline was only seen once, in 1992. In 2000 the nominal level of retail sales were 342 million dollars. Growth for the decade was 58 percent, which compared quite similarly to 61 percent growth for the state as a whole. (Table 12, Figure 6)
- Montgomery County's trade pull factor in 2001 was 0.86. A trade pull factor of less than one means the county lost more retail activity to other counties than it was able to 'pull in'. Of the surrounding counties only Neosho had a higher rate but it was still below 1. This indicates that people in the area do more of their shopping outside their county of residence than in. (Map 7)

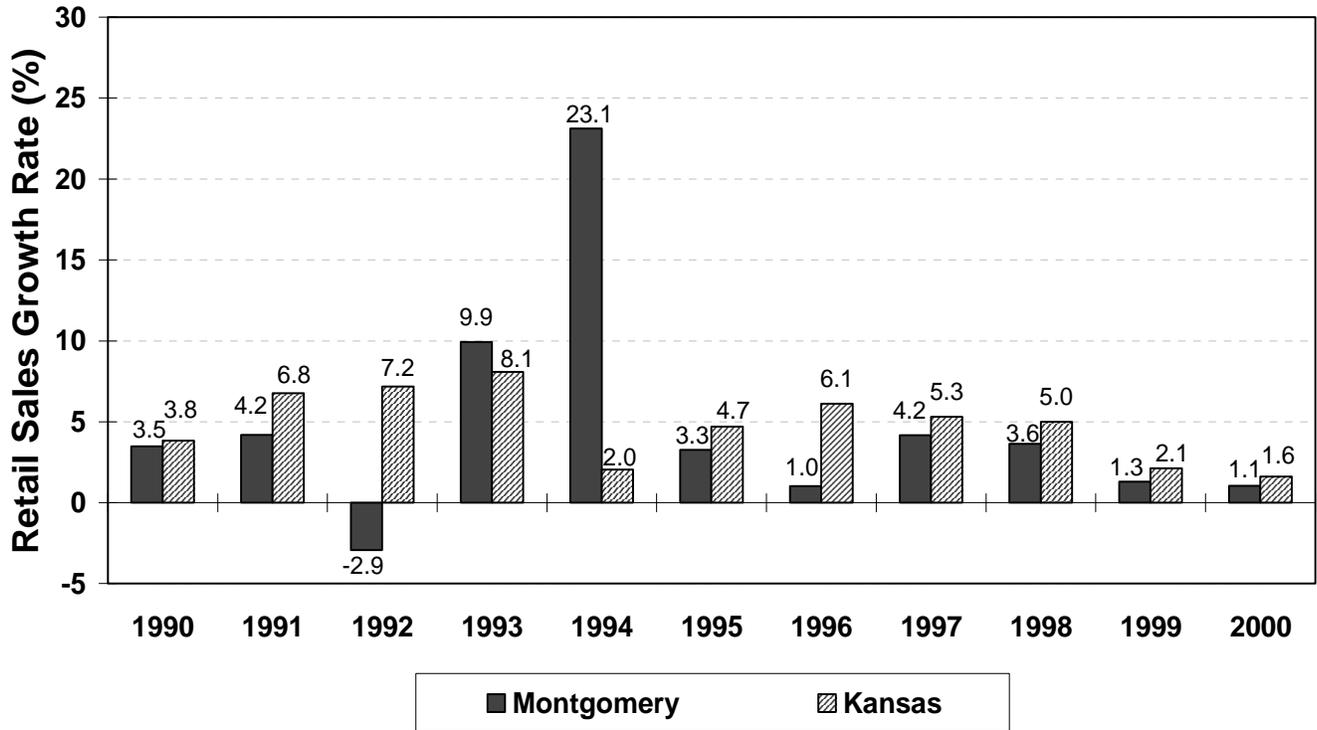
Table 12
Taxable Retail Sales and Growth Rates
Montgomery County and Kansas
1989-2000

Year	Montgomery		Kansas	
	Nominal Sales (\$Millions)	Growth Rate (%)	Nominal Sales (\$Millions)	Growth Rate (%)
1989	209.7		18,034.4	
1990	217.0	3.5 %	18,723.3	3.8 %
1991	226.1	4.2	19,988.0	6.8
1992	219.5	-2.9	21,421.3	7.2
1993	241.3	9.9	23,154.4	8.1
1994	297.1	23.1	23,625.8	2.0
1995	306.8	3.3	24,735.9	4.7
1996	309.9	1.0	26,247.7	6.1
1997	322.8	4.2	27,640.5	5.3
1998	334.6	3.6	29,021.6	5.0
1999	338.9	1.3	29,641.9	2.1
2000	342.5	1.1	30,119.0	1.6

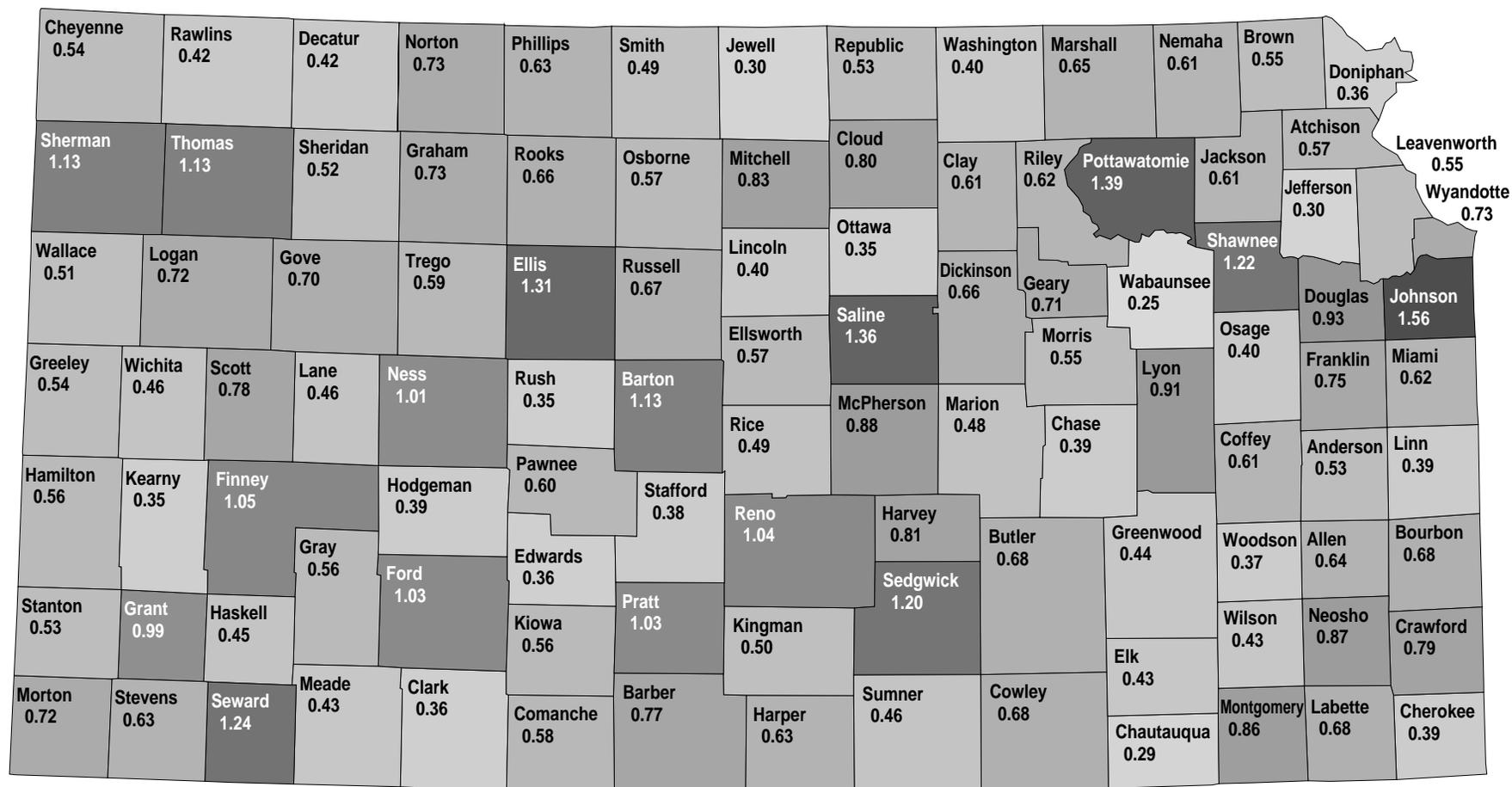
Note: Data from 1994 to 2000 are not comparable to 1989-1993 data.

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 6
Taxable Retail Sales Growth Rates
Montgomery County and Kansas
1990-2000



Map 7 County Trade Pull Factors: 2001



Note: County Trade Pull Factor (CTPF) = County per capita sales tax collections divided by Kansas per capita sales tax collections. Population data used to compute per capita sales includes institutionalized population.

Source: "Time Series of County Trade Pull Factors 1980-2001," by David Darling and Liu Jia, K-State Research and Extension, Department of Agricultural Economics.

AGRICULTURE

The economic well-being of Montgomery County has historically been tied to the agriculture/farming sectors. This section looks at the level of activity in agriculture and examines how the character of this industry is changing in the county.

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

Agriculture: Key Findings

- Without exception, every county as well as the state of Kansas saw sharp declines in the value of field crops between 1997 and 1999. In Montgomery County, after reaching a high of \$24.7 million in 1997, the value of field crops fell 45 percent in 1998 and another 30 percent in 1999, bringing the value down to \$9.5 million. Declines in Montgomery were not atypical of the declines seen in other surrounding counties. The county with the highest valued crops in 1999 was Crawford at \$17.2 million; the county with the lowest value of field crops was Montgomery. (Table 13)
- The total value of livestock and poultry in Montgomery County in 1999 was exactly the same as it had been three years earlier. After increasing in value for two years it shed all of its gains in 1999, bringing the value again to \$12.7 million. Crawford, Labette, and Neosho counties also experienced declining livestock values in 1999. The three-year growth rate in Montgomery County was second lowest among the surrounding counties and the state. (Table 14)

Table 13
Total Value of Field Crops
Montgomery County, Comparative Counties, and Kansas
1996-1999

	Total Value of Crops (\$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>
Montgomery	18.4	24.7	13.6	9.5	34.2 %	-44.9 %	-30.1 %	-48.4 %
Crawford, KS	35.4	39.3	23.8	17.2	11.0	-39.4	-27.7	-51.4
Labette, KS	27.6	38.2	19.4	11.9	38.4	-49.2	-38.7	-56.9
Neosho, KS	21.7	33.3	19.4	12.5	53.5	-41.7	-35.6	-42.4
Wilson, KS	24.8	31.6	18.5	15.1	27.4	-41.5	-18.4	-39.1
Kansas	4,154.6	4,474.9	3,594.3	3,118.2	7.7	-19.7	-13.2	-24.9

Values do not include any government program payments.

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 14
Total Value of Livestock and Poultry
Montgomery County, Comparative 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>
Montgomery	12.7	13.1	14.4	12.7	3.1 %	9.9 %	-11.8 %	0.0 %
Crawford, KS	11.1	13.2	13.7	12.5	18.9	3.8	-8.8	12.6
Labette, KS	21.8	24.6	29.8	27.7	12.8	21.1	-7.0	27.1
Neosho, KS	14.3	15.4	16.4	15.5	7.7	6.5	-5.5	8.4
Wilson, KS	13.0	12.9	11.2	11.7	-0.8	-13.2	4.5	-10.0
Kansas	2,629.0	2,806.4	2,670.4	2,849.1	6.7	-4.8	6.7	8.4

Values do not include any government program payments.

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 a higher skilled workforce are more likely to benefit from 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

- There are two community colleges in Montgomery County, and therefore it is not surprising that in 1990 the percentage of county residents possessing an Associate's degree in the county was slightly higher than the same rate for Kansas (7.4 percent compared to 5.5 percent.) However, the percentage of Montgomery County residents holding either a Bachelor's or Graduate degree was considerably lower than for the rest of the state. (Table 15)
- The percentage of Montgomery County residents over the age of 25 who had achieved less than a high-school diploma was 27 percent compared to only 18.7 percent for the state. (Table 15)
- Montgomery County graduated roughly 375 high school students on average each year from 1990 to 1999. The number of high school dropouts each of those years fluctuated from a low of 90 to a high of 162, with the average being about 130. (Table 16)
- High school dropouts as a percent of graduates in Montgomery County averaged about 35 percent a year from 1990 to 1999. The average rate for Kansas was 23.6 percent. (Table 16)

Table 15
Educational Attainment of Persons over 25
As a Percentage of the Population of Persons over 25
Montgomery 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>
Montgomery	2,877	4,011	7,873	5,389	1,876	2,330	1,134	25,485
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:

Montgomery	11.3%	15.7%	30.9%	21.1%	7.4%	9.1%	4.4%
Kansas	7.7%	11.0%	32.9%	22.0%	5.5%	14.2%	7.0%

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

Table 16
High School Graduates and Drop-Outs
Montgomery County and Kansas
1990-1999

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Montgomery										
Grads	434	385	341	358	355	381	359	376	395	364
Drops	133	161	147	148	125	130	110	162	90	90
Kansas										
Grads	25,367	24,414	24,129	24,720	25,319	26,125	25,786	26,648	27,856	28,543
Drops	4,995	5,738	5,651	6,490	6,698	6,422	6,420	6,042	5,802	n/a
<i>High school drop-outs as percent of graduates</i>										
Montgomery	30.6%	41.8%	43.1%	41.3%	35.2%	34.1%	30.6%	43.1%	22.8%	24.7%
Kansas	19.7%	23.5%	23.4%	26.3%	26.5%	24.6%	24.9%	22.7%	20.8%	n/a

n/a: Data not available

Grads: High school graduates, year ending:

Drops: High school dropouts, year ending:

Source: Kansas State Department of Education

TAXES

Of all the taxes residents pay, the one that varies most from county to county is the property tax. City, county, school districts and occasionally other governmental units use the mill levy (tax per \$1,000) on locally owned property to raise money. Although many residents view high property taxes in a negative light, taxes are necessary to provide services which those residents use. Therefore, high taxes may be a positive situation if they are used wisely to provide for the community in ways which local members deem important and relevant. When comparing the tax structure of one county to another, it is important to keep in mind differences in the level of services between those counties.

Furthermore it is also important for county officials to think about property *values*. In a county where property taxes are high, but property values are low, simply looking at the mill levy may not give a complete picture. Residents can be content to live with high property taxes if their properties were purchased at relatively low prices. Conversely, low property taxes will not necessarily attract home-buyers if the price of those homes is unaffordably high.

Taxes: Key Findings

- County mill levies among the surrounding counties were highest in Wilson County at 64.336, followed by Neosho and then Montgomery County at 36.405. For the city and school mill levies the rates shown in Table 17 are average rates, and therefore are not the actual mill levy in any given town or school district. The “Highest” category, on the other hand, is the actual total tax rate in the city with the highest burden in the county. It includes county, city, school, and any other special district levies. Cherryvale in Montgomery County had the highest total property tax rate of any city in the comparative counties at 178.5 mills. In Washington County, Oklahoma, Bartlesville is the city with the highest property tax rates, but at 103.5 is much lower than the Kansas counties. Oklahoma has lower city and county property tax rates than Kansas counties do in general, but higher-than-average school and vo-tech mill levies. (Table 17)
- The average tax rate per \$1,000 of assessed valuation is a measure of the average total rate in a county. Of course, rates in the cities will be higher than the average, and in other areas the actual tax rate will be lower, so it is not a perfect measure of tax burden. Of the comparative counties, Crawford County, Kansas had the lowest average tax at \$97.71 per \$1,000 of assessed valuation. Washington County, Oklahoma had the second lowest with \$98. Montgomery County was the highest with a rate of \$137.85 per \$1,000 assessed valuation. (Table 17)

Table 17
Measures of Tax Burden
Montgomery and Surrounding Counties
2000

	Mill Levy				Avg. Tax Rate Per \$1000 Assessed Valuation
	County	City Avg.	School Avg.	Highest	
Montgomery	36.405	42.558	39.633	178.498 Cherryvalle	137.85
Crawford, KS	34.614	38.016	35.046	117.893 Mulberry	97.71
Labette, KS	31.082	47.934	42.708	169.726 Oswego	125.39
Neosho, KS	44.215	26.585	45.210	152.542 Chanute	137.01
Wilson, KS	64.336	36.386	40.610	152.935 Neodesha	120.64
Washington, OK *	16.500	15.000	67.438	103.510 Bartlesville	98.00

*Oklahoma figures are for 2001

Source: League of Kansas Municipalities, *Kansas Government Journal*, February 2001; Kansas State Department of Education; Kansas Department of Revenue, Division of Property Valuation, *Statistical Report of Property Assessment and Taxation, 2000*; Washington County, Oklahoma County Assessor's Office.

CONCLUSION

Economic data is an important tool of the community economic development process because it gives community members a better view of the current facts and trends in different areas of economic and demographic performance of the community. However, numbers alone are not enough. The 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 of 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. A simplified look at the previous data would conclude the following:

For the most part, Montgomery County has seen declining population levels for the last several decades. It is a shrinking county. The population living in the county is growing older and the number of younger residents as a percentage of the whole has been declining. Despite having two community colleges in the county, over a third of high school students as a percentage of those who graduate will drop out each year. Over a quarter of all Montgomery County residents above the age of 25 in 1990 did not have even a high school diploma. Quite likely many of those young residents who do achieve modest education goals leave the county for better opportunities elsewhere.

Property tax levels in Montgomery County are a little higher than surrounding Kansas counties, and much higher than rates in neighboring Oklahoma.

Employment levels in the county have been growing overall, but not in those sectors which typically are thought to drive an economy. An increasing percentage of the work force is employed in the Services and Retail industries, while employment in Farming, Manufacturing, Wholesale, and Government sectors has been shrinking. This explains the observation that per capita income is low in Montgomery County, and is getting lower over time compared to the state average. Average wage per job in the county fares well compared to surrounding Kansas counties, but is considerably lower than state averages as well as wages found just over the border in Oklahoma. On the positive side, Montgomery County still possesses a large and fairly diverse employment base with a variety of firms ranging from the small to those employing many hundreds, a situation rarely seen in rural communities.

Montgomery County faces some challenges in the years to come if it is to halt population declines and increase employment in high paying jobs. Nevertheless, it has good education and business resources already in place from which to build on; those should aid considerably in future efforts.