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Economic Trends Report: Spring Hill

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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.

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Economic Trends: Spring Hill

Introduction

The following report was prepared for the Spring Hill Chamber of commerce. It is an objective look at several key economic trends occurring in Spring Hill over the last few decades. We look at variables categorized under the following areas:

- population and housing,
- employment,
- income,
- taxes,
- and education.

Throughout the report, Spring Hill's performance is compared with the performance of several Comparative Cities and Counties¹, as well as the state of Kansas in some occasions. It is by no means a comprehensive analysis of economic trends facing Spring Hill but rather an overview of some key economic and demographic variables.

¹ "Comparative Cities" used for comparison in this report are De Soto, Eudora, Gardner, Louisburg, Osawatomie, and Paola. "Comparative Counties" used for comparison are Douglas, Franklin, Johnson, and Miami counties. Finally, the cities of Baldwin, Tonganoxie, and Wellsville are included in some tables for comparison, but are not textually expounded upon or represented in graphs.

POPULATION AND HOUSING

In every community, population size and economic activity are closely related. 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 population changes indicate economic trends in the community and can be compared to other cities, 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. Cities 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.

Finally, the availability and affordability of housing is a necessary pre-condition for population growth. The following section includes tables and graphs to examine these areas.

Population and Housing: Key Findings

- The population of Spring Hill has grown every decade since 1940, and only once was the growth less than 10 percent. The 2000 Decennial Census showed Spring Hill's population to be at 2,727, which is more than double what it was in 1970. The latest estimate puts the Spring Hill population at 3,063. (Table 1 and 2)
- Population in Spring Hill grew nearly 40 percent from 1990 to 2001. This far exceeded the population growth rate of the state (8.8 percent) and the nation (14.5 percent). It was far higher than the growth rates seen in the two counties it spans: 22.6 percent in Miami County and 31 percent in Johnson. In relation to the

comparative cities, Spring Hill's growth rate for the last 11 years was the median. (Table 2, Figures 1a and 1b, and Map 1 and 2)

- The state of Kansas as a whole has seen steady population increases, with an 8.8 percent growth rate for the 1990's. The United State's population has also been growing rapidly.
- The largest age group segment in Spring Hill in 2000 was made up of people in the 25-44 year-old range, and this amount was also up since 1990 (33 percent compared to nearly 35 percent in 2000). While 25 to 44 year olds may be the largest age segment, the fastest growing segment is the 45-64 age segment, which added 137 members to its ranks in the decade of the 1990's, growing from 15 percent of the population to 17 percent. This indicates the effect of the aging baby-boomer population. The percentage of the elderly has remained about the same in the last decade, but the number of teens and young adults has decreased. This may be an indication that young people leave Spring Hill for college or to work in larger cities. (Table 3 and 3a, Figure 2)
- In 1980, Spring Hill had the highest ratio of owner-occupied housing of any of the comparative cities or counties at 78 percent. Higher rates of owner-occupied housing is good for population stability, as homeowners are less likely to move than renters. However, by 2000, Gardner and Louisburg among the comparative cities and Franklin, Johnson and Miami counties all had owner-occupied percentages higher than Spring Hill, whose rate had dropped from 78 to 67 percent in 2000. The difference was made up entirely by rental units. Douglas County had the lowest percentage of owner-occupied housing at only 50 percent in 2000, but this is due the high student population there. (Table 4)
- The average home price in Spring Hill varies quite considerably depending on which area of town one lives in; for 2001 the average home price in the Miami County portion was over \$48,000 more than in the Johnson County portion. Furthermore, housing prices increased at twice the rate in the Miami County portion from 1998 to 2001 as it did in the rest of the city. The home price in the Johnson County portion of Spring Hill is much lower than the average price of homes for the rest of the county: \$168,000 was the average in Johnson County in 2001 compared to \$99,425 in the relevant portion of Spring Hill. A similar comparison on the Miami County side was not possible due to a lack of data. (Table 4b)
- The city of Spring Hill spans the border between two Kansas counties, Johnson and Miami. In 1940 Johnson County was the 9th most populated in the state while Miami County ranked 28th. However, Johnson County quickly grew to become the second most populated county in Kansas after Sedgwick County. Miami County, on the other hand, has remained lower in the population ranking, only making it in the top-20 in 2000 when it became the 19th most populated county. (Table 5)

Table 1
Population Totals, Growth Rates, Rank & Share
Spring Hill and Kansas

<u>Year</u>	<u>Spring Hill</u>		<u>Kansas</u>	
	<u>Population Total</u>	<u>Growth Rate</u>	<u>Population Total</u>	<u>Growth Rate</u>
1910	605		1,690,949	
1920	555	-8.3%	1,769,257	4.6%
1930	566	2.0	1,880,999	6.3
1940	489	-13.6	1,801,028	-4.3
1950	619	26.6	1,905,299	5.8
1960	909	46.8	2,178,611	14.3
1970	1,186	30.5	2,249,071	3.2
1980	2,005	69.1	2,364,236	5.1
1990	2,189	9.2	2,477,588	4.8
1991*	2,204	0.7	2,495,209	0.7
1992*	2,287	3.8	2,526,042	1.2
1993*	2,436	6.5	2,547,605	0.9
1994*	2,468	1.3	2,569,118	0.8
1995*	2,483	0.6	2,586,942	0.7
1996*	2,479	-0.2	2,598,266	0.4
1997*	2,466	-0.5	2,616,339	0.7
1998*	2,472	0.2	2,638,667	0.9
1999*	2,538	2.7	2,654,052	0.6
2000	2,727	7.4	2,688,418	1.3
2001*	3,063	12.3	2,694,641	0.2

* Estimates

Source: U.S. Bureau of the Census.

Table 2
Population Totals
Spring Hill, Comparative Cities and Counties, Kansas, and U.S.
1970-2001

<u>Year</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2001</u>
Spring Hill	1,186	2,005	2,189	3,063
De Soto	1,839	2,061	2,291	4,665
Eudora	2,071	2,934	3,006	4,411
Gardner	1,839	2,392	3,103	10,203
Louisburg	1,033	1,744	1,964	2,668
Osawatomie	4,294	4,459	4,590	4,635
Paola	4,622	4,557	4,698	5,033
Baldwin	2,520	2,829	2,912	3,503
Tonganoxie	1,717	1,864	2,347	3,030
Wellsville	1,183	1,612	1,560	1,607
Douglas County	57,932	67,640	81,798	100,005
Franklin County	20,007	22,062	21,994	24,943
Johnson County	220,073	270,269	355,021	465,058
Miami County	19,254	21,618	23,466	28,780
Kansas	2,249,071	2,364,236	2,477,588	2,694,641
United States	203,302,031	226,545,805	248,718,291	284,796,887

Source: U.S. Bureau of the Census.

Figure 1a
Rates of Population Change
Spring Hill and Comparative Cities
1970-2001

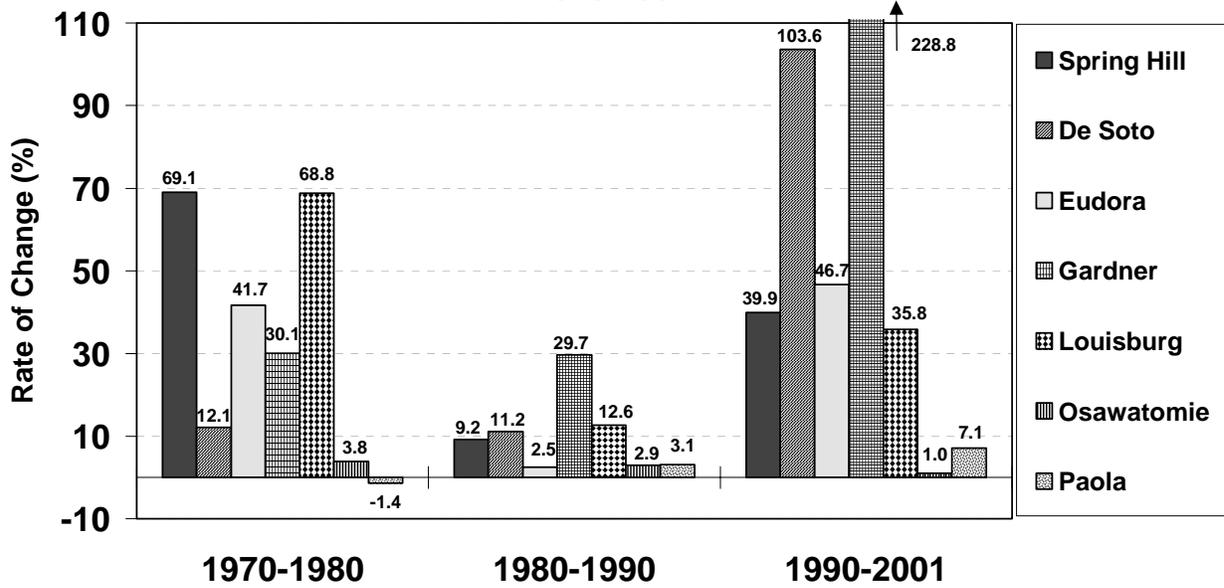


Figure 1b
Rates of Population Change
Spring Hill and Comparative Counties
1970-2001

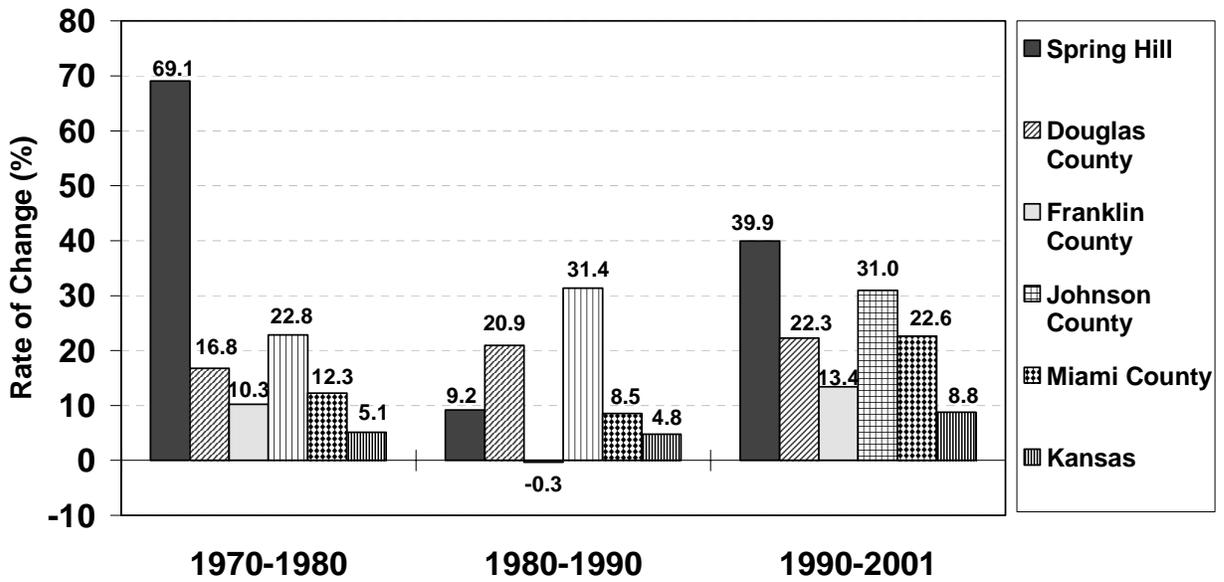


Table 3
Population by Selected Age Groups
Spring Hill and Kansas
1990-2000

	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>
Spring Hill	1990	206	535	208	728	327	185
	2000	260	609	222	942	464	230
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
Spring Hill 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>
Spring Hill	1990	9.4 %	24.4 %	9.5 %	33.3 %	14.9 %	8.5 %
	2000	9.5	22.3	8.1	34.5	17.0	8.4
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
Spring Hill
1990-2000

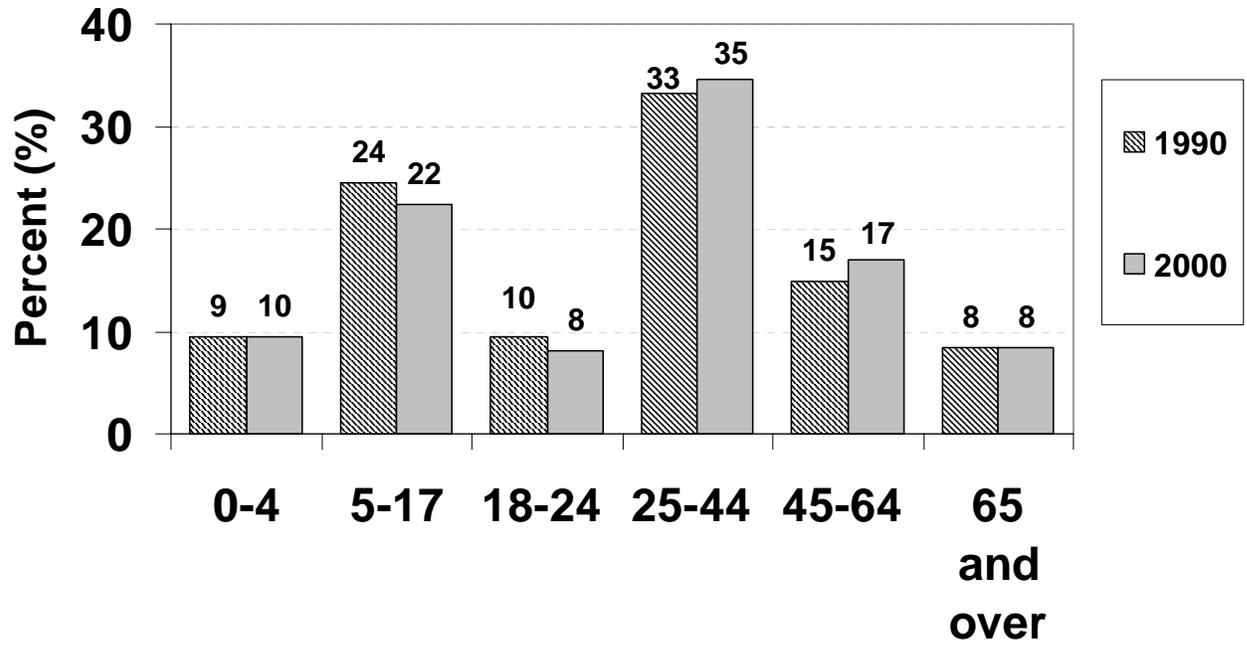


Table 4a
Percent Types of Housing
Spring Hill and Comparative Cities and Counties
1980-2000

	1980			2000		
	<u>% Owner-Occupied</u>	<u>% Renter-Occupied</u>	<u>% Vacant</u>	<u>% Owner-Occupied</u>	<u>% Renter-Occupied</u>	<u>% Vacant</u>
Spring Hill	78%	16%	6%	67%	29%	4%
De Soto	62	34	3	62	33	5
Eudora	69	26	5	59	38	3
Gardner	72	23	6	68	26	6
Louisburg	71	21	8	69	23	8
Osawatomie	62	24	14	56	35	9
Paola	62	31	7	60	36	4
Baldwin	62	32	7	62	30	8
Tonganoxie	72	22	6	66	31	3
Wellsville	78	17	5	71	24	5
Douglas County	51	43	7	50	46	4
Franklin County	72	22	7	68	25	8
Johnson County	70	25	6	69	27	4
Miami County	69	20	10	74	20	6

Source: U.S. Bureau of the Census

Table 4b
Average Home Sale Prices
Spring Hill, Selected Cities, and Comparative Counties
1998-2001

	<u>Home Sale Price (\$)</u>		<u>% Growth</u>
	<u>1998</u>	<u>2001</u>	<u>1998-2001</u>
Spring Hill (Johnson Co.)	\$89,948	\$99,425	10.5%
Spring Hill (Miami Co.)	121,227	147,536	21.7
De Soto	131,946	178,801	35.5
Eudora	n/a	n/a	-
Gardner	115,281	134,757	16.9
Louisburg	122,870	147,789	20.3
Osawatomie	47,641	67,065	40.8
Paola	78,832	116,966	48.4
Douglas County	116,900	139,160	19.0
Franklin County	73,087	86,859	18.8
Johnson County	146,910	168,000	14.4
Miami County	n/a	n/a	-

n/a: not available.

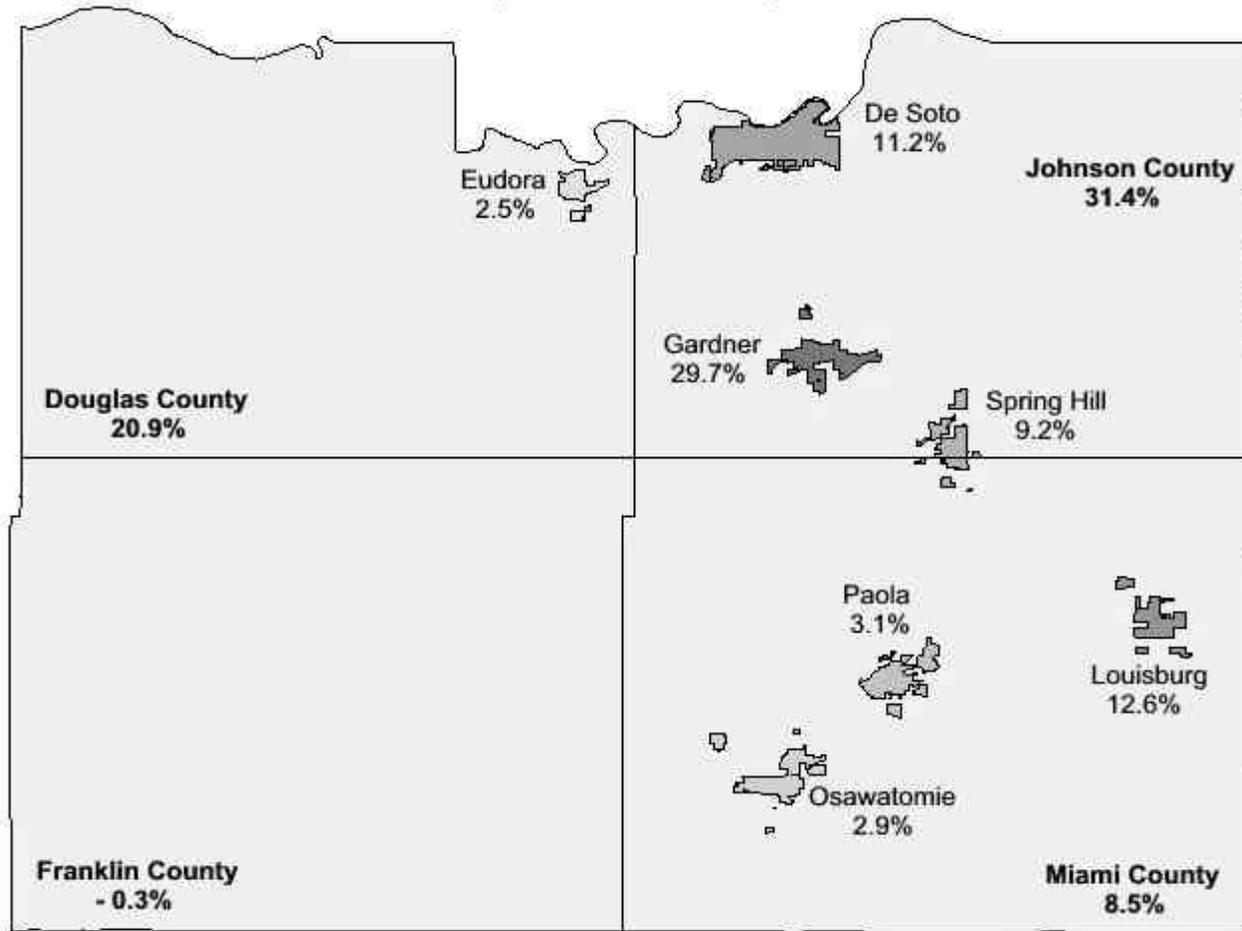
Source: County Appraiser's offices.

Table 5
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
28	Miami	19	26	Miami	22	24	Miami	24			

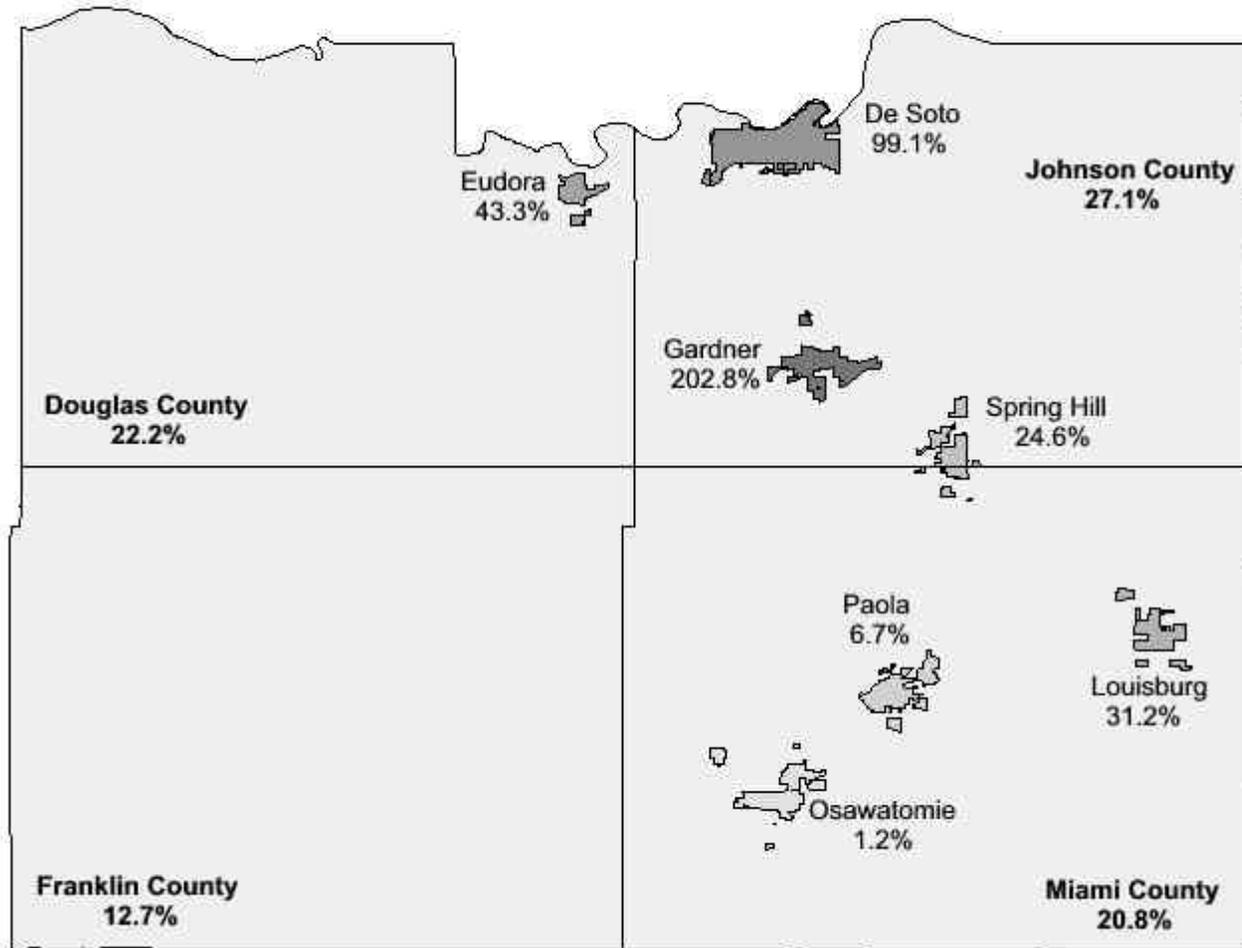
Source: University of Kansas, Policy Research Institute, "Kansas Statistical Abstract," 1992-1993, "Population of Kansas Counties, 1890-1980; U.S. Bureau of the Census, "1990 Census of Population and Housing." Floerchinger, Teresa D., "Kansas Population Projections, 1990-2030," Kansas Division of the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

Map 1
Percent Population Change 1980 - 1990



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

EMPLOYMENT

Economic vitality of every community is reflected in the employment situation. This section compares the key employment measurements such as labor force size and unemployment in the Spring Hill area with its comparative cities and counties as well as 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.

The following data include tables, maps, and graphs on employment growth rates and employment levels by industry.

Employment: Key Findings

- Between 1990 and 2000, the average annual employment in Spring Hill (U.S. Bureau of the Census data by place of residence) increased from 1,078 employees to 1,404 in 2000. This was a 30.2 percent increase. As the name of the data-source implies, this is the number of people who live in Spring Hill and hold jobs, though the jobs themselves may not necessarily be in Spring Hill. (Table 6)
- Spring Hill's employment growth in the last decade ranked against the comparative cities along population-growth tiers. That is, the cities which saw the most population growth (De Soto, Eudora, Gardner and Louisburg) also saw the most employment growth, up to an incredible 206 percent for Gardner in 10 years. The cities which experience lesser population increases also had fewer new jobs created. Paola fared the worst with employment growth of less than 4 percent for the decade. (Table 6 and Figure 3a)
- Spring Hill's employment growth of 30.2 percent from 1990 to 2000 was much better than that seen in all of the comparative counties as well as the state of Kansas as a whole. Johnson County, of which most of Spring Hill is a part, came the closest with

decade employment growth at 28.5 percent. Miami County, in which the rest of Spring Hill resides, saw employment grow of only 20 percent. (Table 6 and Figure 3b)

- Employment details for Spring Hill residents who are employed can be further detailed. However, because of a new industry classification system, data from 2000 can not be compared to previous years, so a per-industry growth analysis can not be conducted. Nevertheless, it is noted that in 2000 more people living in Spring Hill were employed in the Manufacturing sector than in any other, at 17 percent of the workforce. This was followed by 16 percent in the Educational, Health and Social Services sector and 15 percent in Retail activities, then 10 percent in Construction. Among the comparative cities, Gardner was the only other where Manufacturing was the occupation of the largest workforce segment. In all the other cities, more people worked in the Educational, Health and Social Services sector than any other industry. (Tables 7 and 7b, Figure 4)
- Another way to break down employment is to compare the number of persons who are employed with those looking for employment. In 2000, the unemployment rate in Spring Hill was 2.2 percent, the second lowest rate among all the comparative cities, counties and the state. Louisburg had the lowest unemployment rate at 1.2 percent. Eudora, Gardner and Paola all had unemployment rates of 4 percent or more. (Table 8a and Map 3)
- From 1990 to 2000, the civilian labor force increased 26 percent, while the number of persons employed increased even more at 30 percent. This necessarily resulted in a decrease of the number of people who were unemployed, and the unemployment rate dropped 57 percent from its 1990 level of 5.1 percent. The story was mostly similar for the other comparative units except for the city of Gardner, whose civilian labor force grew faster than the number of jobs. The unemployment rate consequently increased from 2.7 in 1990 to 4.2 in 2000. (Table 8b)

Table 6
Employment Growth Rates
Spring Hill, Comparative Cities and Counties, Kansas
1990-2000

	<u>Average Annual Employment</u>		<u>% Employment Growth</u>
	<u>1990</u>	<u>2000</u>	<u>1990-2000</u>
Spring Hill	1,078	1,404	30.2%
De Soto	1,120	2,432	117.1
Eudora	1,441	2,137	48.3
Gardner	1,562	4,789	206.6
Louisburg	968	1,317	36.1
Osawatomie	1,628	2,014	23.7
Paola	2,108	2,188	3.8
Baldwin	1,431	1,785	24.7
Tonganoxie	1,031	1,337	29.7
Wellsville	694	776	11.8
Douglas County	42,569	53,180	24.9
Franklin County	10,518	12,216	16.1
Johnson County	204,872	263,281	28.5
Miami County	11,564	13,866	19.9
Kansas	1,219,000	1,359,000	11.5

Source: U.S. Bureau of the Census

Figure 3a
Employment Growth Rates
Spring Hill and Comparative Cities
1990-2000

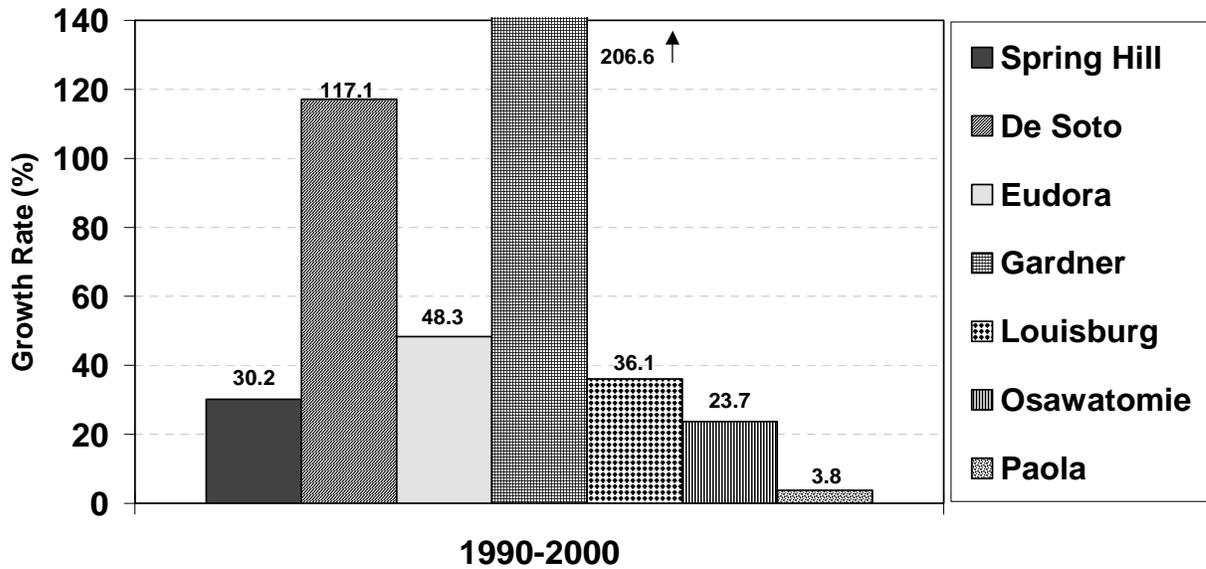


Figure 3b
Employment Growth Rates
Spring Hill, Comparative Counties, Kansas
1990-2000

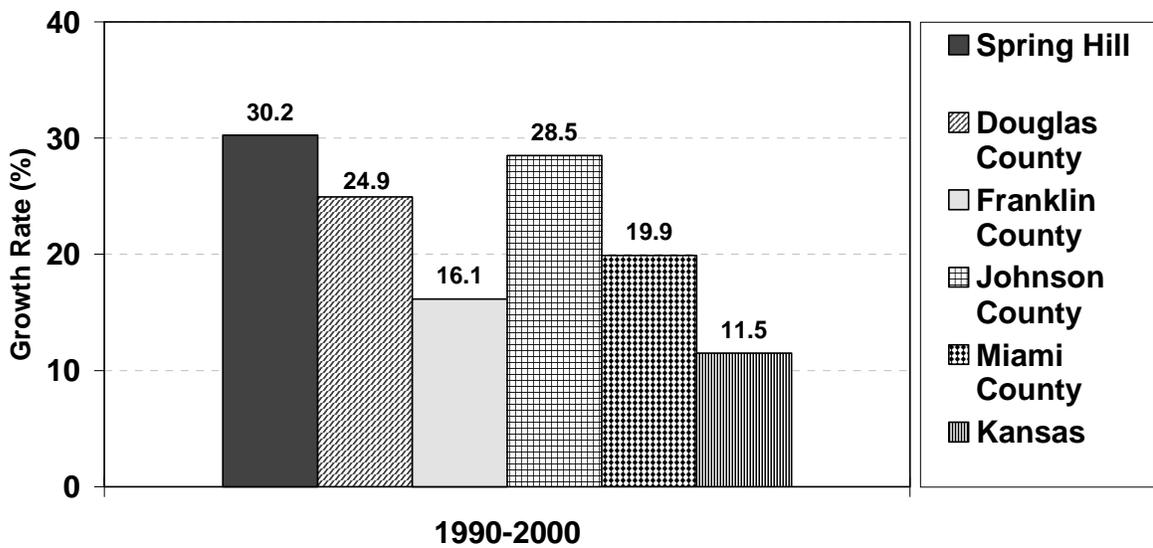


Table 7a
Employment Levels by Industry
Spring Hill and Comparative Cities
2000

<u>Industry</u>	<u>Spring Hill</u>	<u>De Soto</u>	<u>Eudora</u>	<u>Gardner</u>	<u>Louisburg</u>	<u>Osawatomie</u>	<u>Paola</u>
Ag., Forestry, Mining	3	28	27	45	19	9	22
Construction	142	283	243	457	206	207	292
Manufacturing	244	337	344	840	102	284	343
Wholesale Trade	54	69	88	245	49	44	71
Retail Trade	212	294	208	553	180	331	300
Transportation	108	166	118	288	72	119	116
Information	40	109	109	360	52	33	72
Finance, Insur., Real Est.	107	161	135	262	144	65	162
Professional	72	207	196	330	121	106	145
Educational	230	437	430	730	211	557	427
Arts & Entertainment	93	133	105	336	59	59	73
Other Services	54	58	53	154	50	82	121
Public Administration	45	150	81	189	52	118	44
Total Employment	1,404	2,432	2,137	4,789	1,317	2,014	2,188

Source: U.S. Bureau of the Census

Table 7b
Employment Shares by Industry
Spring Hill and Comparative Cities
2000

<u>Industry</u>	<u>Spring Hill</u>	<u>De Soto</u>	<u>Eudora</u>	<u>Gardner</u>	<u>Louisburg</u>	<u>Osawatomie</u>	<u>Paola</u>
Ag., Forestry, Mining	0.2 %	1.2 %	1.3 %	0.9 %	1.4 %	0.4 %	1.0 %
Construction	10.1	11.6	11.4	9.5	15.6	10.3	13.3
Manufacturing	17.4	13.9	16.1	17.5	7.7	14.1	15.7
Wholesale Trade	3.8	2.8	4.1	5.1	3.7	2.2	3.2
Retail Trade	15.1	12.1	9.7	11.5	13.7	16.4	13.7
Transportation	7.7	6.8	5.5	6.0	5.5	5.9	5.3
Information	2.8	4.5	5.1	7.5	3.9	1.6	3.3
Finance, Insur., Real Est.	7.6	6.6	6.3	5.5	10.9	3.2	7.4
Professional	5.1	8.5	9.2	6.9	9.2	5.3	6.6
Educational	16.4	18.0	20.1	15.2	16.0	27.7	19.5
Arts & Entertainment	6.6	5.5	4.9	7.0	4.5	2.9	3.3
Other Services	3.8	2.4	2.5	3.2	3.8	4.1	5.5
Public Administration	3.2	6.2	3.8	3.9	3.9	5.9	2.0
Total Share	100	100	100	100	100	100	100

Source: U.S. Bureau of the Census

Figure 4
Employment Percent Share by Industry
Spring Hill
2000

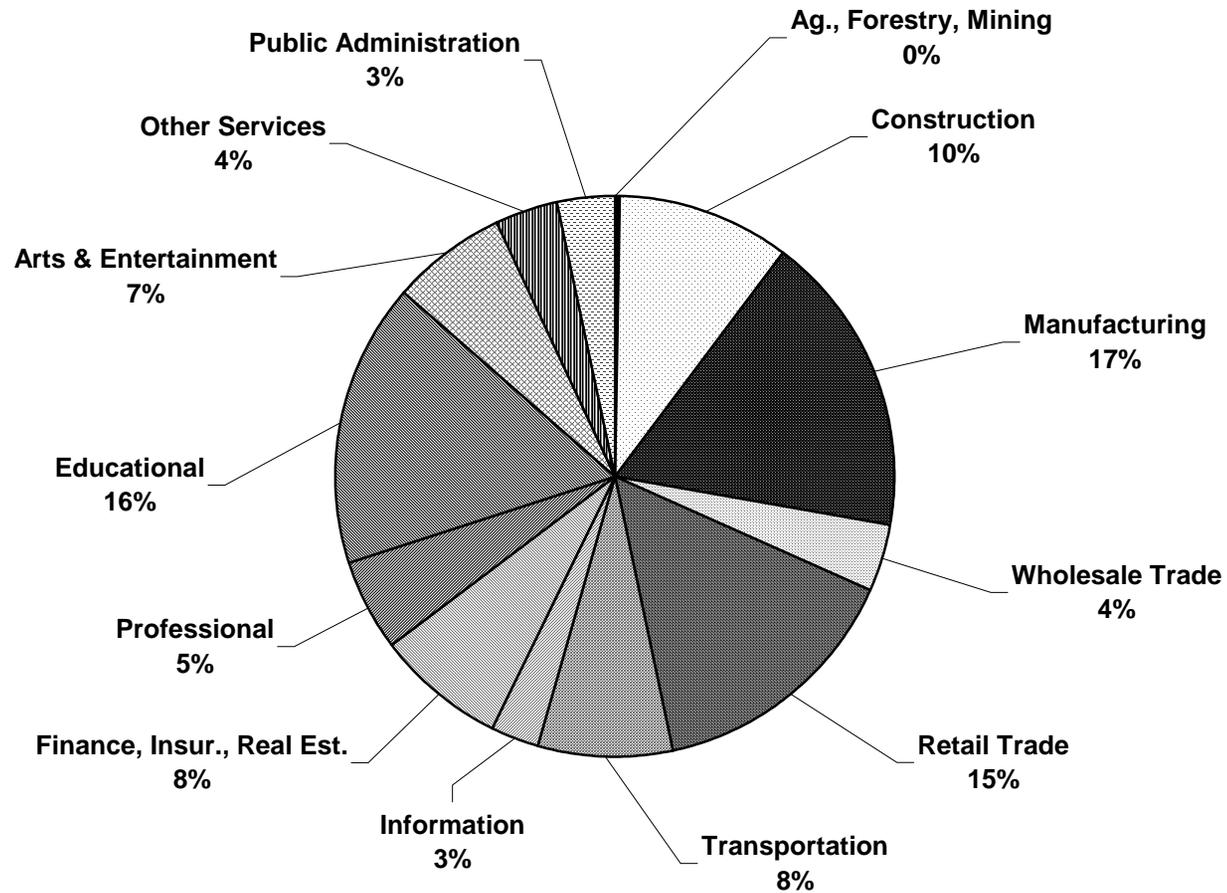


Table 8a
Labor Market Summary
Spring Hill, Comparative Cities and Counties, and Kansas
2000

	<u>Civilian Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
Spring Hill	1,435	1,404	31	2.2%
De Soto	2,488	2,432	56	2.3
Eudora	2,234	2,137	97	4.3
Gardner	4,999	4,789	210	4.2
Louisburg	1,333	1,317	16	1.2
Osawatomie	2,066	2,014	52	2.5
Paola	2,279	2,188	91	4.0
Baldwin	1,816	1,785	31	1.7
Tonganoxie	1,381	1,337	44	3.2
Wellsville	791	776	15	1.9
Douglas County	57,890	55,212	2,678	4.6
Franklin County	12,791	12,346	445	3.5
Johnson County	252,998	247,166	5,832	2.3
Miami County	14,771	14,403	368	2.5
Kansas	1,411,000	1,359,000	52,000	3.7

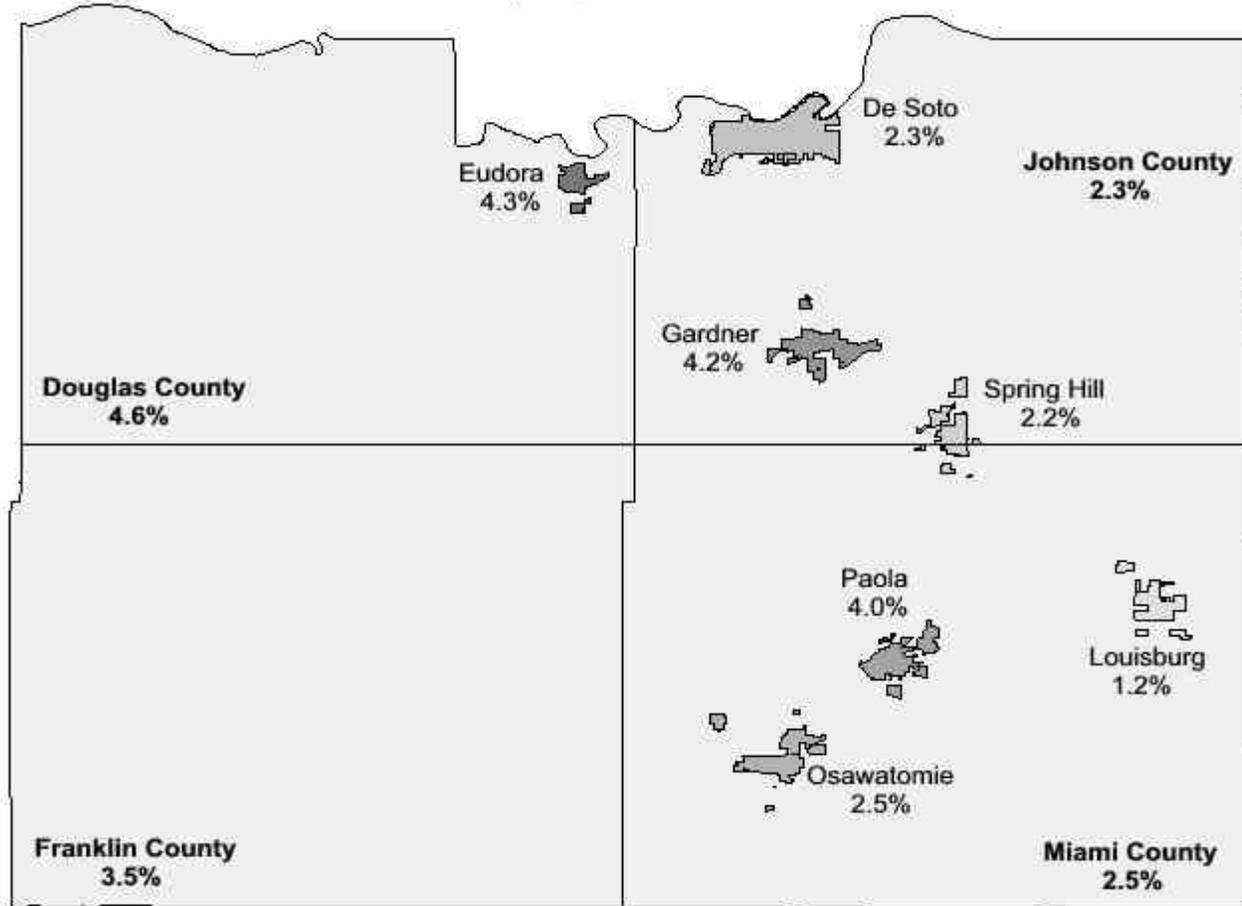
Source: U.S. Bureau of the Census

Table 8b
Labor Market Summary
Percent Change
Spring Hill, Comparative Cities and Counties, and Kansas
1990-2000

	% Percent Change, 1990-2000			
	Civilian Labor Force	Employed	Unemployed	Unemployment Rate
Spring Hill	26 %	30 %	-47 %	-57 %
De Soto	109	117	-22	-62
Eudora	48	48	52	1
Gardner	211	207	377	53
Louisburg	30	36	-72	-78
Osawatomie	17	24	-63	-69
Paola	4	4	8	4
Baldwin	23	25	-35	-47
Tonganoxie	27	30	-23	-38
Wellsville	8	12	-62	-64
Douglas County	29	30	21	-7
Franklin County	14	17	-36	-43
Johnson County	20	21	-10	-25
Miami County	21	25	-41	-51
Kansas	11	11	-9	-17

Source: U.S. Bureau of the Census

Map 3
Unemployment Rates: 2000



Source: U.S. Bureau of the Census

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 per capita personal income. 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.

Income: Key Findings

- Per capita personal income in Spring Hill in 1999 was \$19,642: higher than that in Eudora and Osawatomie, but lower than De Soto, Gardner, Louisburg, Paola, the comparative counties, and the state average. However, per capita income grew more rapidly in Spring Hill from 1979 to 1999 than the state, all the comparative counties, and all but two of the comparative cities, De Soto and Louisburg. In 1979 per capita income in Spring Hill was only \$5,997; by 1999 that number had grown 227 percent. (Table 9, Figures 5a and 5b, and Map 4)
- Of the comparative cities, De Soto has the highest per capita income at \$23,141. Furthermore, De Soto has seen the most growth over the last 20 years. Osawatomie was the city with the lowest per capita income in 1999 at \$15,353. Likewise, Osawatomie has experienced the most stagnant growth in per capita income the last two decades. (Table 9, Figure 5a and Map 4)

Table 9
Per Capita Income
Spring Hill, Comparative Cities and Counties, and Kansas
1979-1999

	Per Capita Income			% Growth		
	<u>1979</u>	<u>1989</u>	<u>1999</u>	<u>79-89</u>	<u>89-99</u>	<u>79-99</u>
Spring Hill	\$5,997	\$10,915	\$19,642	82.0 %	80.0 %	227.5 %
De Soto	5,866	12,774	23,141	117.8	81.2	294.5
Eudora	5,982	10,825	18,693	81.0	72.7	212.5
Gardner	7,156	12,870	20,434	79.8	58.8	185.6
Louisburg	6,171	10,991	21,560	78.1	96.2	249.4
Osawatomie	6,224	9,518	15,353	52.9	61.3	146.7
Paola	7,421	11,729	22,191	58.1	89.2	199.0
Baldwin	5,277	9,823	16,698	86.1	70.0	216.4
Tonganoxie	6,609	10,805	18,026	63.5	66.8	172.7
Wellsville	6,594	11,278	18,215	71.0	61.5	176.2
Douglas County	6,473	12,003	19,952	85.4	66.2	208.2
Franklin County	6,643	11,483	17,311	72.9	50.8	160.6
Johnson County	10,680	20,592	30,919	92.8	50.2	189.5
Miami County	6,975	12,563	21,408	80.1	70.4	206.9
Kansas	7,350	13,300	20,506	81.0	54.2	179.0

Source: U.S. Bureau of the Census

Figure 5a
Per Capita Income
Spring Hill and Comparative Cities
1979-1999

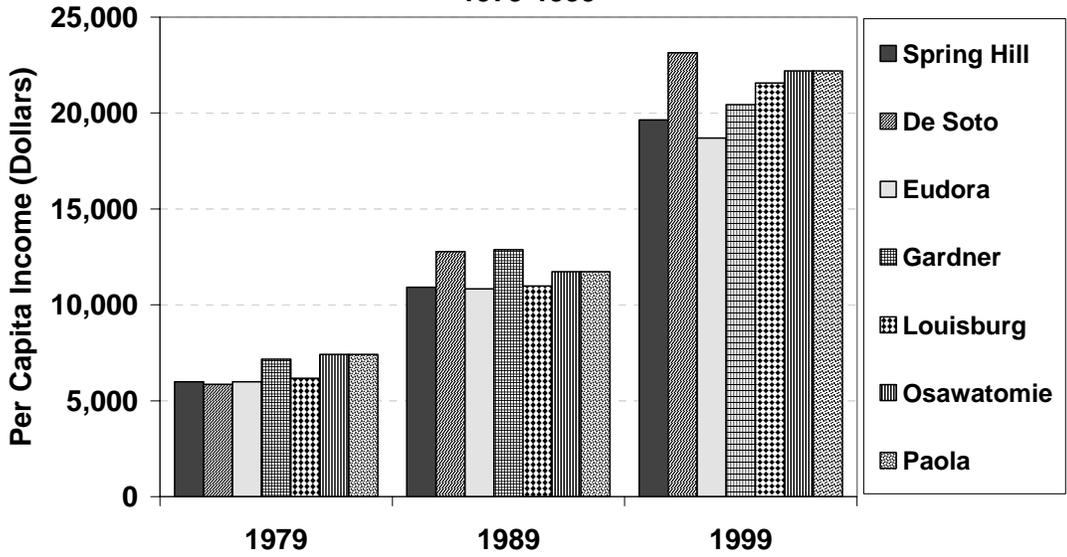
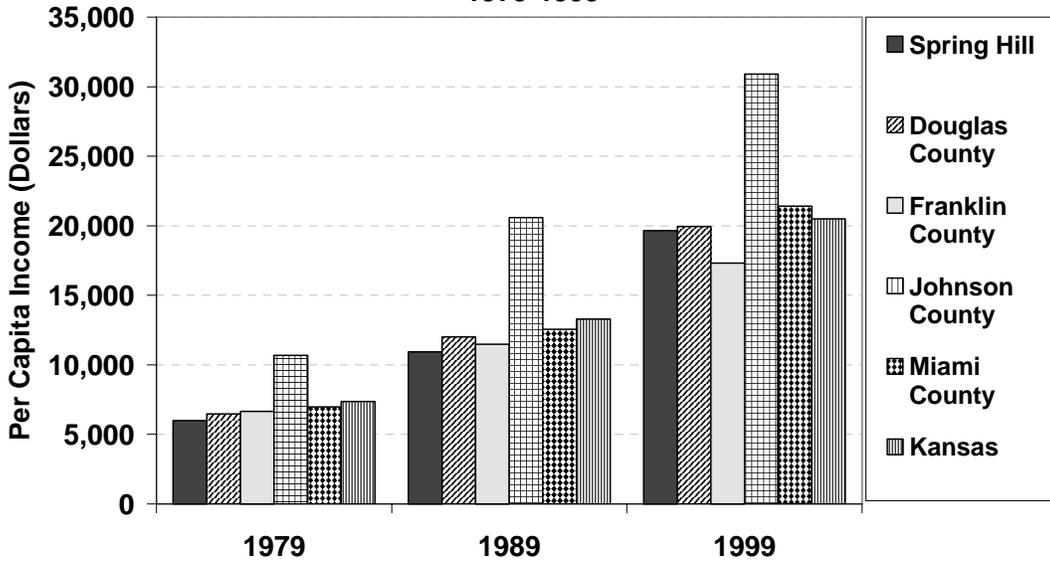
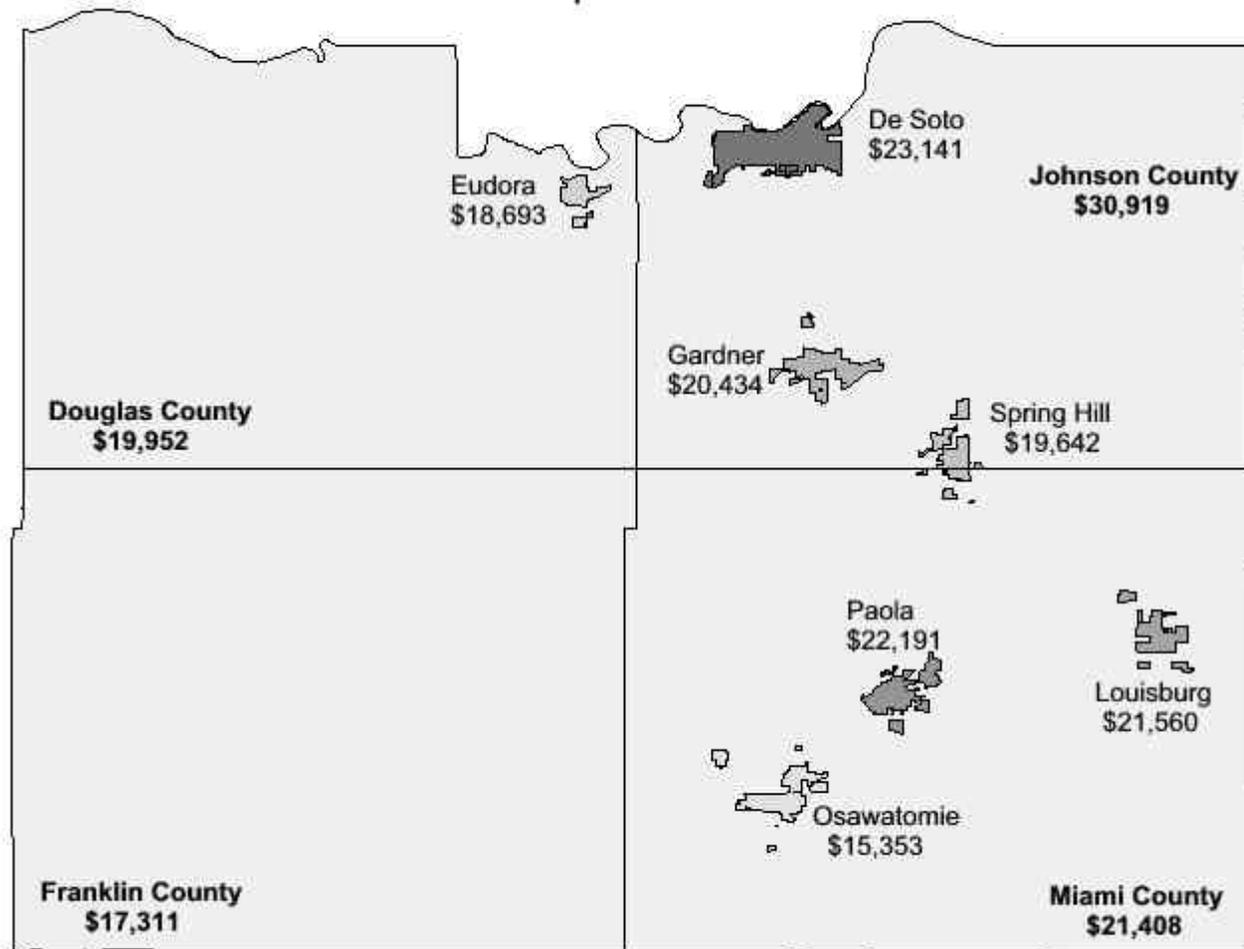


Figure 5b
Per Capita Income
Spring Hill, Comparative Counties, Kansas
1979-1999



Map 4
Per Capita Income: 1999



Source: U.S. Bureau of the Census

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.

The other major tax levied by local government is the sales tax. This section looks at property and sales taxes in Spring Hill and its comparative areas.

Taxes: Key Findings

- The total mill levy in a city is the sum of the levies implemented by the city itself, the county, applicable school districts, and any other special levying institutions which sometimes include water or fire districts. In 1999 the total property tax levy in Spring Hill was 131.07 mills. This is the levy for the portion of Spring Hill in Johnson County, which is the majority of the city. Among the comparative cities, all but Osawatomie and Paola had lower levies. The lowest was Eudora at 100.64 mills, Eudora is in Douglas County. The highest was Paola at 141.65 mills, Paola is in Miami County. From 1989 to 1999, most of the comparative cities experienced declining total property tax rates. Although it has a relatively high property tax mill levy, Spring Hill is fortunate in that its rate declined the most during the decade in question: over 13 percent. (Table 10 and Figure 6a)
- The assessed valuation in a city is the dollar value of all property within the city limits. Over time, the assessed valuation increases as new structures are built, or more land is annexed to the city, or as property values rise. For the most part, total assessed valuation follows population rankings. That is, the more people reside in a city, the higher the assessed valuation. The exception is Osawatomie, which had the lowest total assessed valuation in 1999 of the comparative cities, even though its population in 2000 was greater than all but Paola and Gardner. This indicates that Osawatomie has low property values, which would help it offset its relatively high property tax. (Table 11 and Figure 6b)

- The assessed tangible valuation of growing cities rarely ever declines. From 1989 to 1999, assessed valuations of the comparative cities increased from 42 to 227 percent. Spring Hill had the second highest increase at 201.6 percent, behind De Soto. Osawatomie, the city with the lowest valuation, is also the city where growth has been the slowest. (Table 11 and Figure 6b)
- Retail businesses charge consumers the applicable sales taxes for that area and remit the collections to the state. The state then keeps the portion of the revenues which are its own, and distributes the remainder back to the appropriate cities and counties. So although a city may levy a sales tax, the state actually does the collecting and distribution, and this is why sales tax revenues for a given city or county are often termed 'local sales tax distributions.' The amount of sales tax distributed to Spring Hill in 2002 was \$290,725. (Table 12)
- All of the comparative cities have a sales tax. At present they are 1 percent for Gardner, Louisburg, Paola and Spring Hill. Eudora and Osawatomie's are at 0.5 percent, and De Soto's is 1.75. Typically 1 percent is the limit the state holds cities to, but upon special approval the rate can be made higher. All of the comparative counties also have sales taxes at present; these are: 0.85 percent for Johnson County, 1 percent for Douglas County, 1.25 percent for Miami, and 1.5 percent for Franklin.
- Table 12 and Figure 7 display the growth in sales tax distributions among the various comparative cities. These growth rates can not be compared between cities, however, for in some cities the sales tax rate has changed once or even several times in the last decade. Therefore, growth or decline can be attributable to either actual growth or decline in spending or a change in the rate. For Spring Hill though, the sales tax rate has been a constant 1 percent since 1984. Therefore, the nearly 210 percent growth in sales tax collections from 1990 to 2002 there is attributable entirely to increased population and spending.
- Related to retail spending is the concept of "trade pull." Spring Hill's trade pull factor in 2001 was 0.84. A trade pull factor of less than one means the city lost more retail activity to other areas than it was able to 'pull in.' Of the surrounding cities, only Louisburg and Paola had trade pull factors above 1.0, and it is possible that some of the lost spending in Spring Hill went to these cities. More likely, though, residents shop in the big metropolitan areas of Kansas City. (Map 5)

**Table 10
Total Mill Levies
Spring Hill and Comparative Cities
1989-1999**

	Total Mill Levies			% Growth		
	1989	1994	1999	89-94	94-99	89-99
Spring Hill*	151.33	159.21	131.07	5.2	-17.7	-13.4 %
De Soto	100.64	125.88	127.16	25.1	1.0	26.3
Eudora	107.50	103.05	100.64	-4.1	-2.3	-6.4
Gardner	137.47	123.87	123.28	-9.9	-0.5	-10.3
Louisburg	108.46	113.70	122.34	4.8	7.6	12.8
Osawatomie	140.49	129.48	133.50	-7.8	3.1	-5.0
Paola	141.75	134.40	141.65	-5.2	5.4	-0.1
Baldwin	112.03	123.49	103.87	10.2	-15.9	-7.3
Tonganoxie	120.34	105.72	110.94	-12.1	4.9	-7.8
Wellsville	159.32	145.32	141.74	-8.8	-2.5	-11.0

* Total levies for Spring Hill are for the Johnson County side.

Source: League of Kansas Municipalities, *Kansas Government Journal*.

**Figure 6a
Total Mill Levy Growth Rates
Spring Hill and Comparative Cities
1989-1999**

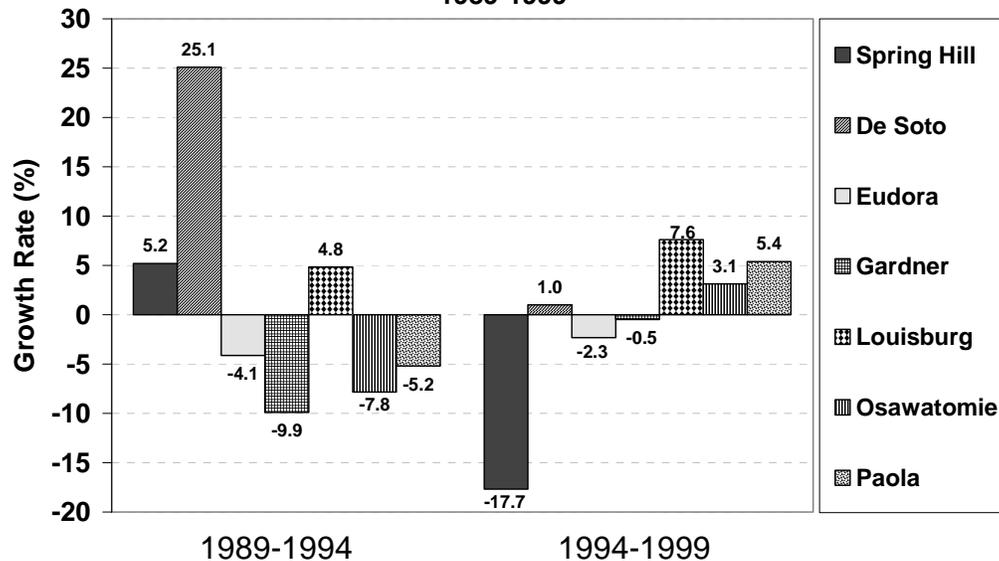


Table 11
Assessed Tangible Valuation
Spring Hill and Comparative Cities
1989-1999

	Assessed Tangible Valuation (in thousands of dollars)			% Growth		
	<u>1989</u>	<u>1994</u>	<u>1999</u>	<u>89-94</u>	<u>94-99</u>	<u>89-99</u>
Spring Hill	6,413	8,102	19,343	26.3	138.7	201.6 %
De Soto	8,051	10,638	26,331	32.1	147.5	227.1
Eudora	6,889	11,185	20,710	62.3	85.2	200.6
Gardner	13,673	17,210	40,196	25.9	133.6	194.0
Louisburg	6,082	7,015	15,171	15.3	116.2	149.4
Osawatomie	9,148	8,955	12,964	-2.1	44.8	41.7
Paola	17,377	19,161	28,764	10.3	50.1	65.5
Baldwin	6,205	7,926	13,349	27.7	68.4	115.1
Tonganoxie	7,427	8,054	12,929	8.5	60.5	74.1
Wellsville	3,028	4,256	6,024	40.6	41.5	99.0

Source: League of Kansas Municipalities, *Kansas Government Journal*.

Figure 6b
Assessed Valuation Growth Rates
Spring Hill and Comparative Cities
1989-1999

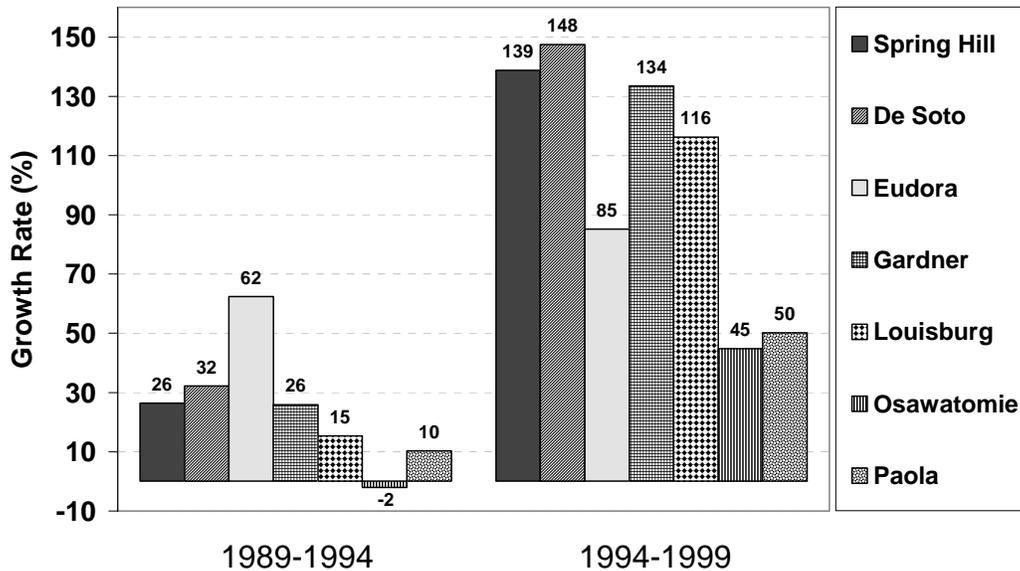


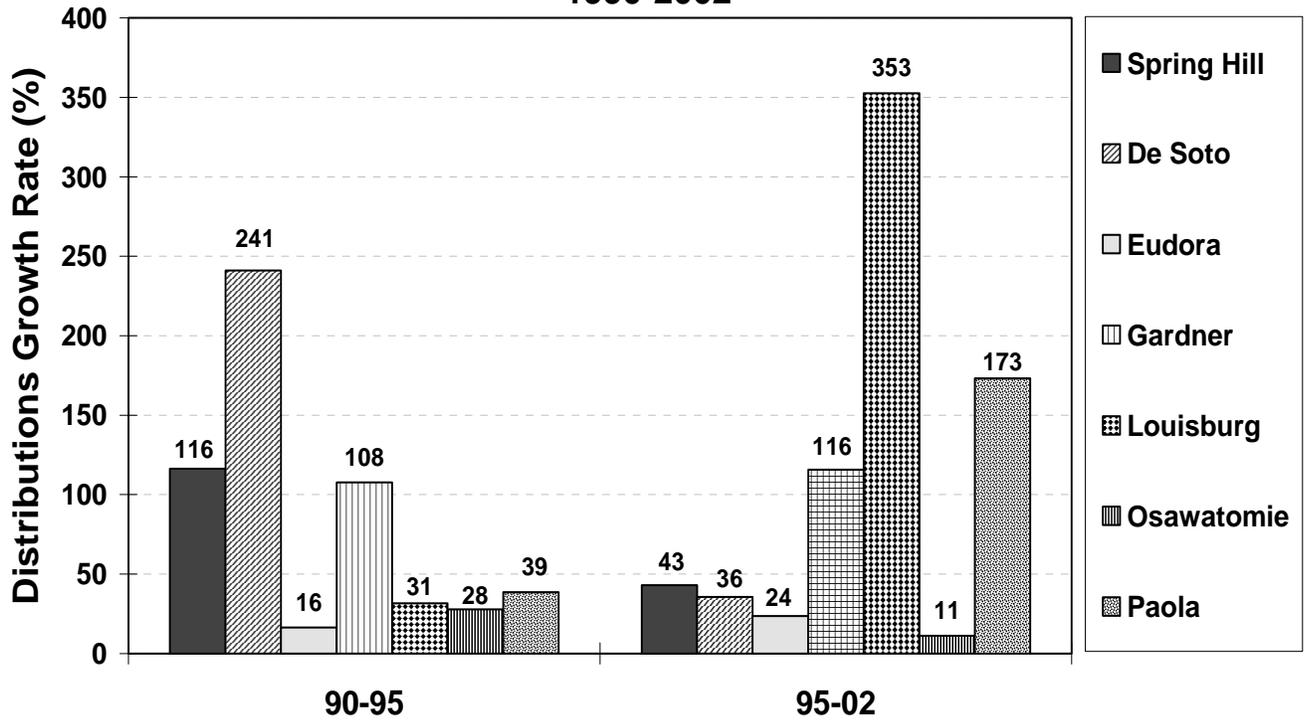
Table 12
Local Sales Tax Distributions
Spring Hill and Comparative Cities and Counties
1990-2002

	Distributions			% Growth		
	<u>1990</u>	<u>1995</u>	<u>2002</u>	<u>90-95</u>	<u>95-02</u>	<u>90-02</u>
Spring Hill	\$93,991	\$203,249	\$290,725	116.2 %	43.0 %	209.3 %
De Soto	51,703	176,329	239,210	241.0	35.7	362.7
Eudora	59,058	68,656	84,827	16.3	23.6	43.6
Gardner	177,088	367,922	793,516	107.8	115.7	348.1
Louisburg	76,206	100,181	453,585	31.5	352.8	495.2
Osawatomie	89,425	114,131	126,951	27.6	11.2	42.0
Paola	262,586	363,880	993,777	38.6	173.1	278.5
Baldwin	47,134	135,464	234,825	187.4	73.3	398.2
Tonganoxie	164,239	243,628	321,497	48.3	32.0	95.7
Wellsville	n/a	41,163	51,019	-	23.9	-
Douglas County	n/a	3,146,596	11,714,705	-	272.3	-
Franklin County	1,371,013	2,890,101	3,547,347	110.8	22.7	158.7
Johnson County	198,980,440	35,607,322	83,389,916	-82.1	134.2	-58.1
Miami County	1,173,000	1,630,260	2,903,603	39.0	78.1	147.5

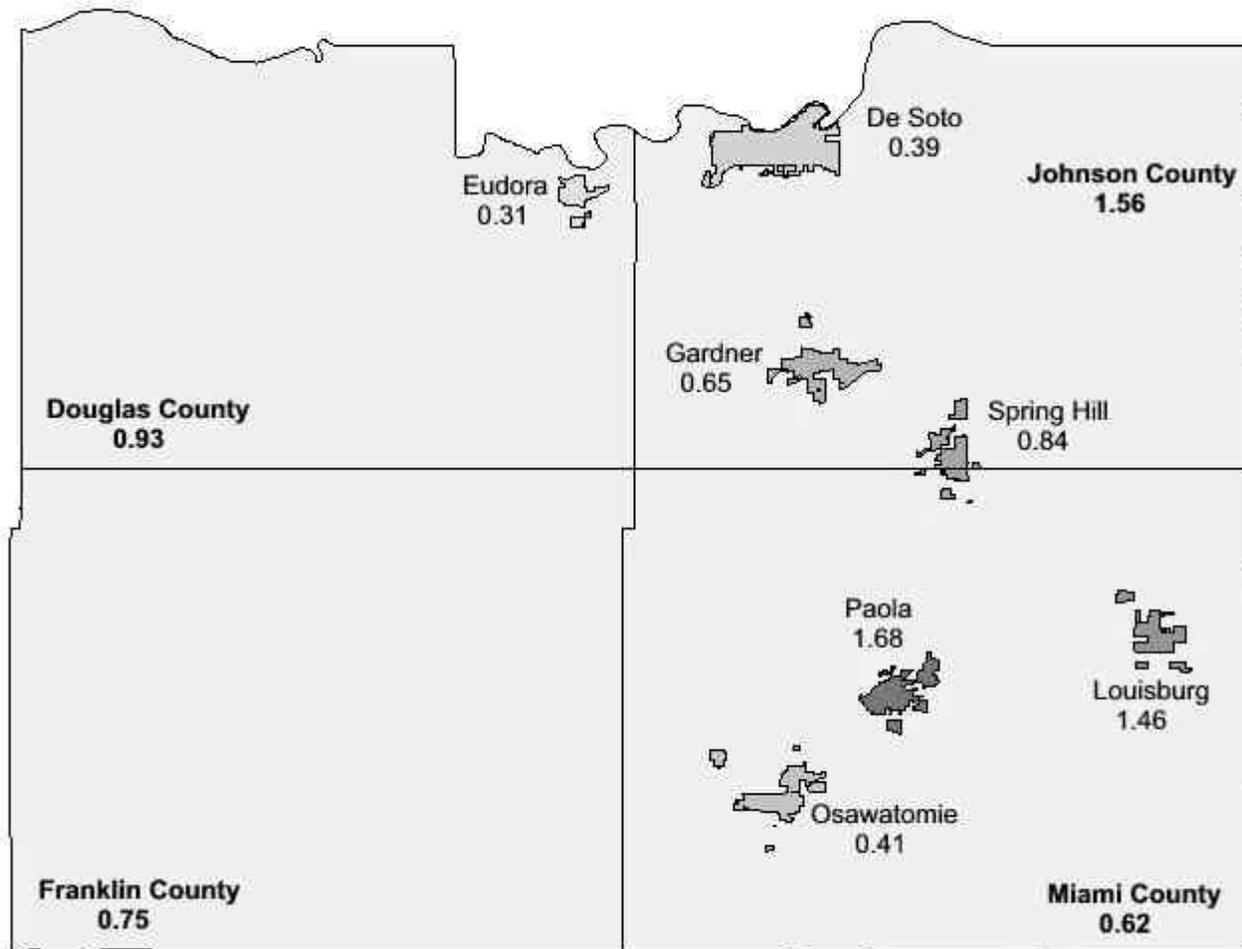
n/a: no sales tax in place.

Source: Kansas Department of Revenue.

Figure 7
Local Sales Tax Distribution Growth Rates
Spring Hill and Comparative Cities
1990-2002



Map 5
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: David Darling, K-State Extension and Research, Department of Agricultural Economics. Revised September 2001.

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

- The percentage of Spring Hill residents over the age of 25 who had achieved less than a high-school diploma was close to 11 percent in 2000, but this was considerably less than the statewide percentage of 14. Furthermore, this number was down significantly from 1990, in which the over-25 population in Spring Hill who had not completed high-school was 18 percent. Additionally, in 2000 more than 42 percent of Spring Hill's adult population had completed high school whereas only 30 percent had done so across the state. (Table 13)
- The number of people in Spring Hill who had completed college, whether through an associate's, bachelor's, or graduate program, all increased from 1990 to 2000. However, even in 2000 the percentage of college graduates in Spring Hill was still only a bit over half as much as the comparable rate for the state (18.4 percent compared to 31.6 percent). There is an encouraging sign though, and that is the number of Spring Hill residents who have completed some college: 21 percent in 1990 up to 31 percent in 2000. This indicates that more people are giving college a try. Even if they do not graduate, it at least represents an important shift in attitude towards higher education. (Table 13)
- Spring Hill graduated roughly 87 high school students on average each year from 1993 to 2001. The number of high school dropouts each of those years fluctuated from a low of 8 to a high of 16, with the average being about 14. (Table 14)
- High school dropouts as a percent of graduates in Spring Hill averaged about 16 percent a year from 1993 to 2001. This is much lower than the average rate for Kansas during the same period, which was about 21 percent. (Table 14)

Table 13
Educational Attainment of Persons over 25
As a Percentage of the Population of Persons over 25
Spring Hill and Kansas
1990-2000

	<u>Year</u>	<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>
Spring Hill	1990	84	139	579	255	52	102	29	1,240
	2000	55	121	694	507	81	154	65	1,636
Kansas	1990	120,951	172,321	514,177	342,964	85,146	221,016	109,361	1,561,417
	2000	88,124	149,675	507,612	417,722	99,096	290,271	148,707	1,699,833

As a Percent of Population of Persons over 25:

Spring Hill	1990	6.8 %	11.2 %	46.7 %	20.6 %	4.2 %	8.2 %	2.3 %
	2000	3.4	7.4	42.4	31.0	5.0	9.4	4.0
Kansas	1990	7.7	11.0	32.9	22.0	5.5	14.2	7.0
	2000	5.2	8.8	29.9	24.6	5.8	17.1	8.7

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

Table 14
High School Graduates and Drop-Outs
Spring Hill and Kansas
1993-2001

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Spring Hill									
Grads	79	87	91	93	81	80	90	89	90
Drops	13	15	14	16	14	14	16	15	8
Kansas									
Grads	26,019	26,481	27,769	26,997	27,931	29,331	30,015	30,592	30,883
Drops	5,753	6,505	6,680	6,432	6,541	6,156	5,810	4,837	4,689
<i>High school drop-outs as percent of graduates</i>									
Spring Hill	16.5%	17.2%	15.4%	17.2%	17.3%	17.5%	17.8%	16.9%	8.9%
Kansas	22.1	24.6	24.1	23.8	23.4	21.0	19.4	15.8	15.2

Grads: High school graduates, year ending:

Drops: High school dropouts, year ending:

Source: Kansas State Department of Education

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:

Like many small towns near major metropolitan areas, Spring Hill has seen rapid population growth for well over 50 years. The population has also been getting older, but not nearly at the same rate seen across the rest of the state. A growing population means a steady influx of new residents, and the most mobile people, or those most likely to move to a new place, are the relatively young. The data indicates further that when people move to Spring Hill, they tend to stay there. Home-ownership rates in the city are high. These observations are important, and positive. Many small communities experience high rates of out-migration, especially by highly educated young citizens who can't find adequate employment. This does not seem to be the trend in Spring Hill.

The residents of Spring Hill are modestly educated. Much more of them have completed high-school than in the statewide population, as evidenced by the low high-school dropout rate. And while the number of college graduates in the city is relatively low compared to the state, more and more residents in Spring Hill are working toward obtaining additional education. If this trend continues, the percentage of college graduates in Spring Hill will soon parallel the state's.

Employment growth has kept pace with the increasing population in Spring Hill, evidencing a good match between the supply and demand for labor. The unemployment rate in Spring Hill is typically lower than in surrounding areas. Employees living in Spring Hill are predominantly blue-collar workers, but the per capita income level is comparable to those seen in the comparative cities as well as the state average.

Spring Hill is a small community, but a steadily-growing one. Good housing and job opportunities exist there, and the population is relatively stable. Spring Hill residents are predominantly in the prime of life and modestly educated, and trends indicate an increase in the level of education is very likely.