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Economic Trends Update: Douglas County

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This report available on the web at: <http://www.ku.edu/pri/resrep/Mono.shtml>
For more county data, go to: <http://www.ku.edu/pri/ksdata/kcced/profiles>

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 Update: Douglas County

Introduction

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

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

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

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

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

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

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

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

POPULATION

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

Characteristics of the region's population are regarded as indicators of economic conditions and economic potential. 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

- Except for a few decades in the early part of the century when the population of Douglas County struggled to expand, growth has been explosive in the county when compared to the vast majority of Midwestern communities. Douglas County has averaged population growth in excess of 20 percent for the last 80 years and latest estimates put the population total at 100,005. (Table 1 and 2)
- Population in Douglas County grew 22.3 percent from 1990 to 2001, which ranked it favorably among the selected counties. Only Johnson County, Kansas and Larimer, Colorado experience greater population increases; all the rest of the selected counties fell below and some significantly so: Wyandotte County in Kansas actually

lost residents, Champaign, Illinois grew less than 4 percent. (Table 2, Figure 1a and 1b)

- 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 been growing about twice as fast. (Table 2)
- The largest age group segment in Douglas County in 2000 was made up of people in the 25 to 44 year-old range, though this amount was down several percentage points since 1990. And while 25 to 44 year olds may be the largest age segment, the fastest growing cohort by far consists of those aged 45 to 64 cohort, which comprised 4 percent more of the total population in 2000 than it did 1990. The ratio of young, college-aged residents in Lawrence to older baby-boomer types is continuously shrinking. (Table 3a and 3b, 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, 2,725 people in Douglas 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 4a and 4b)
- The population of Douglas County is not tremendously diverse in terms of race, but is becoming more so over time. The percentage of the total population that is white was 86 percent in 2000, a slight decrease from the 89 percent two decades previous. The fastest growing segment seems to be the Asian and Native American population, which comprised slightly under 7 percent of all people in Douglas County in 2000 (and the percentage would likely have been higher had the old Census classifications been used in 2000). (Tables 4a and 4b)
- Net migration is calculated as the change in population less the difference between births and deaths. A positive net migration indicates more people have moved into the county than have moved out, after factoring-in the effect of births and deaths. From 1980 to 1999 total net migration in Douglas County was the highest it's been in 40 years, with 10,561 people moving into the county on net. This in spite of the birth-rate for the county decreasing at the same time the number of deaths rose, both probably concomitant effects of an aging population. The state of Kansas had a positive net migration of 1.8 percent over the last decade, the first time in four the state's rate was positive. In terms of ranking, Douglas County's net migration rate was the 4th best out of 105 counties in the state from 1990 to 1999. (Table 5 and Map 3)
- Douglas County moved from being the 16th most populated county in Kansas in 1940 to being the 5th in 2000. (Table 6)

- In 1990 the ten-year population growth rate in Douglas County was the 3rd fastest in the state, the rank it maintained for 2000 as well. (Map 1 and 2)

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

Year	Douglas		Kansas		Douglas County Rank in State	Share (%)
	Population Total	Growth Rate	Population Total	Growth Rate		
1890	23,961		1,428,108		15	1.7
1900	25,096	4.7	1,470,495	3.0	13	1.7
1910	24,724	-1.5	1,690,949	15.0	15	1.5
1920	23,998	-2.9	1,769,257	4.6	17	1.4
1930	25,143	4.8	1,880,999	6.3	17	1.3
1940	25,171	0.1	1,801,028	-4.3	16	1.4
1950	34,086	35.4	1,905,299	5.8	10	1.8
1960	43,720	28.3	2,178,611	14.3	9	2.0
1970	57,932	32.5	2,249,071	3.2	6	2.6
1980	67,640	16.8	2,364,236	5.1	5	2.9
1990	82,197	21.5	2,477,588	4.8	5	3.3
1991*	83,519	1.6	2,495,209	0.7	5	3.3
1992*	85,120	1.9	2,526,042	1.2	5	3.4
1993*	87,571	2.9	2,547,605	0.9	5	3.4
1994*	89,232	1.9	2,569,118	0.8	5	3.5
1995*	90,844	1.8	2,586,942	0.7	5	3.5
1996*	92,695	2.0	2,598,266	0.4	5	3.6
1997*	94,886	2.4	2,616,339	0.7	5	3.6
1998*	96,554	1.8	2,638,667	0.9	5	3.7
1999*	98,343	1.9	2,654,052	0.6	5	3.7
2000	99,962	1.6	2,688,418	1.3	5	3.7
2001*	100,005	0.0	2,694,641	0.2	5	3.7

* Estimates

Source: U.S. Bureau of the Census.

Table 2
Population Growth Rates
Douglas County, Selected Counties, Kansas and U.S.
1970-2001

<u>Year</u>	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-2001</u>
Douglas	16.8	20.9	22.3
Johnson	22.8	31.4	31.0
Shawnee	-0.3	3.9	5.7
Wyandotte	-7.8	-6.0	-2.8
Boone, MO	24.0	12.0	21.7
Johnson, IA	13.3	17.6	15.7
Larimer, CO	65.9	24.8	39.4
Champaign, IL	3.1	2.8	3.8
Kansas	5.1	4.8	8.8
United States	11.4	9.8	14.5

Source: U.S. Bureau of the Census.

Figure 1a
Rates of Population Change
Douglas and Comparative Counties
1970-2001

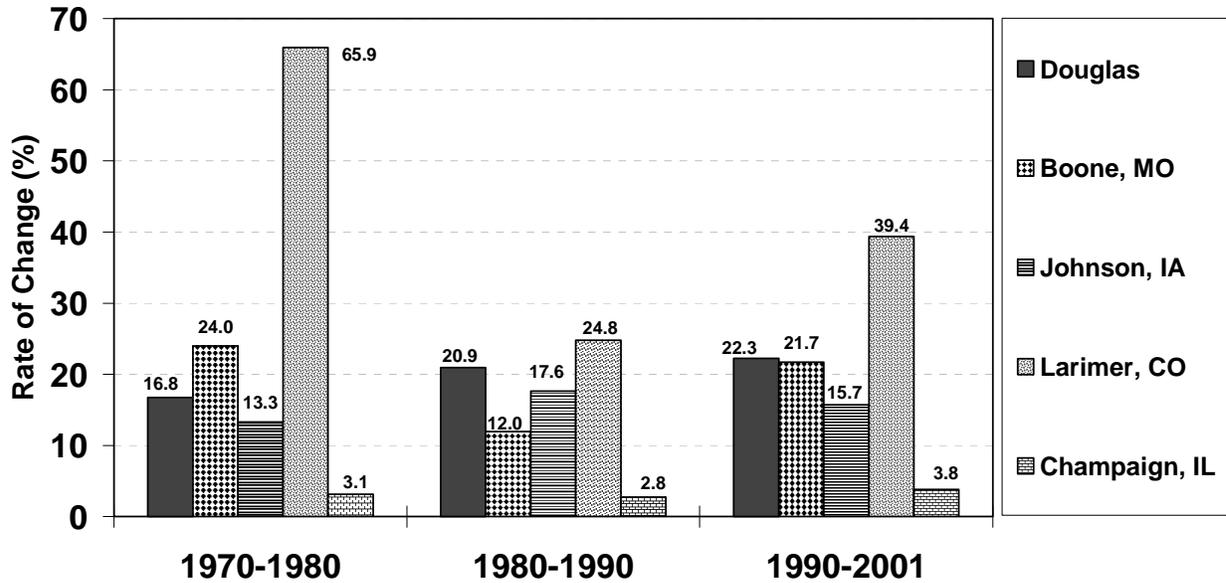


Figure 1b
Rates of Population Change
Douglas and Surrounding Counties
1970-2001

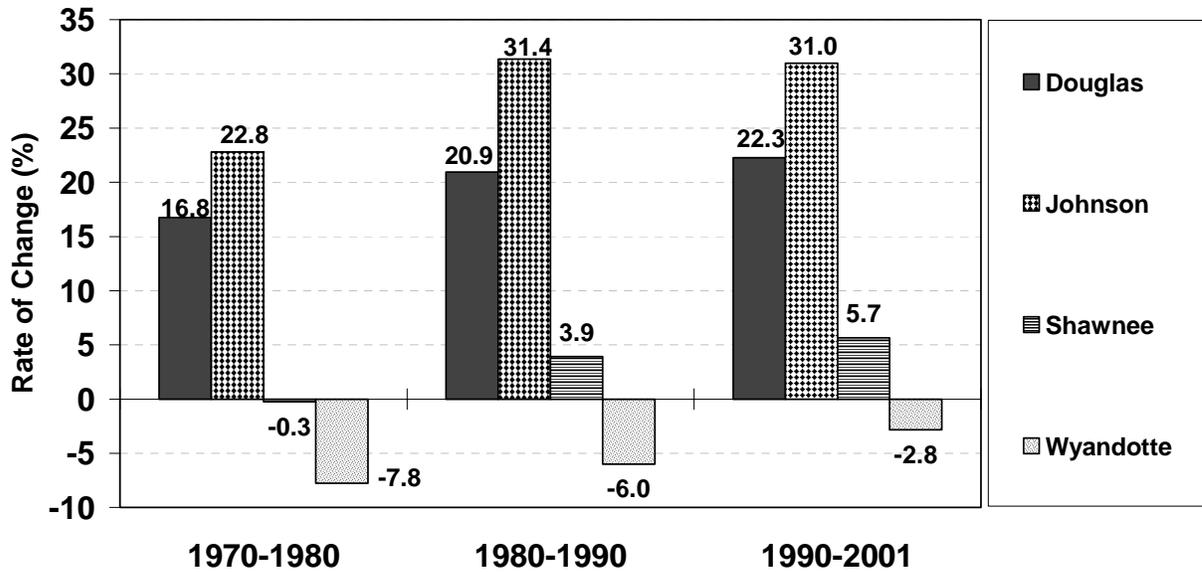


Table 3a
Population by Selected Age Groups
Douglas County and Kansas
1990-2000

	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>
Douglas	1990	5,209	11,615	23,045	25,138	10,533	6,657
	2000	5,568	14,833	26,420	28,292	16,912	7,937
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 3b
Population by Selected Age Groups as Percent of Total
Douglas 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>
Douglas	1990	6.3 %	14.1 %	28.0 %	30.6 %	12.8 %	8.1 %
	2000	5.6	14.8	26.4	28.3	16.9	7.9
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
Douglas County
1990-2000

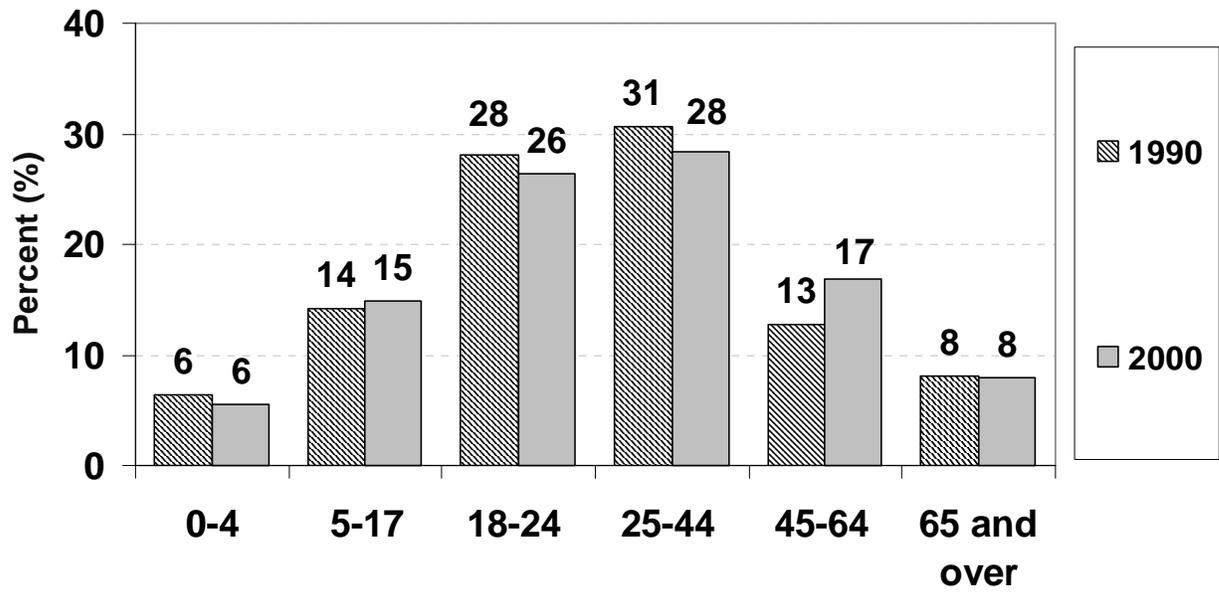


Table 4a
Population by Hispanic Origin
Douglas County and Kansas
1980-2000

	Year	Total	White		Total Black	Total Hispanic	Others	2 or More Races
			Total	Hispanic				
Douglas	1980	67,820	60,422	n/a	n/a	3,065	1,548	2,785
	1990	83,089	72,885	1,027	71,858	3,324	2,138	4,742
	2000 *	99,962	86,060	1,517	84,543	4,238	3,268	6,939
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

Note: Totals may not add up to population totals in previous tables, due to difference in revisions.

* 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 4b
Population by Hispanic Origin as Percent of Total
Douglas County and Kansas
1980-2000

	Year	White		Total Black	Total Hispanic	Others	2 or More Races
		Total	Hispanic				
Douglas	1980	89.1%	n/a	n/a	4.5%	2.3%	4.1%
	1990	87.7	1.2	86.5	4.0	2.6	5.7
	2000 *	86.1	1.5	84.6	4.2	3.3	6.9
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

* 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>Douglas 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*	57,932	14,212	n/a	n/a	5,134	9,078	20.8
1980*	67,640	9,708	n/a	n/a	4,617	5,091	8.8
1990*	82,197	14,557	10,049	3,908	6,141	8,416	12.4
1999**	98,343	16,146	9,909	4,324	5,585	10,561	12.8
<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)

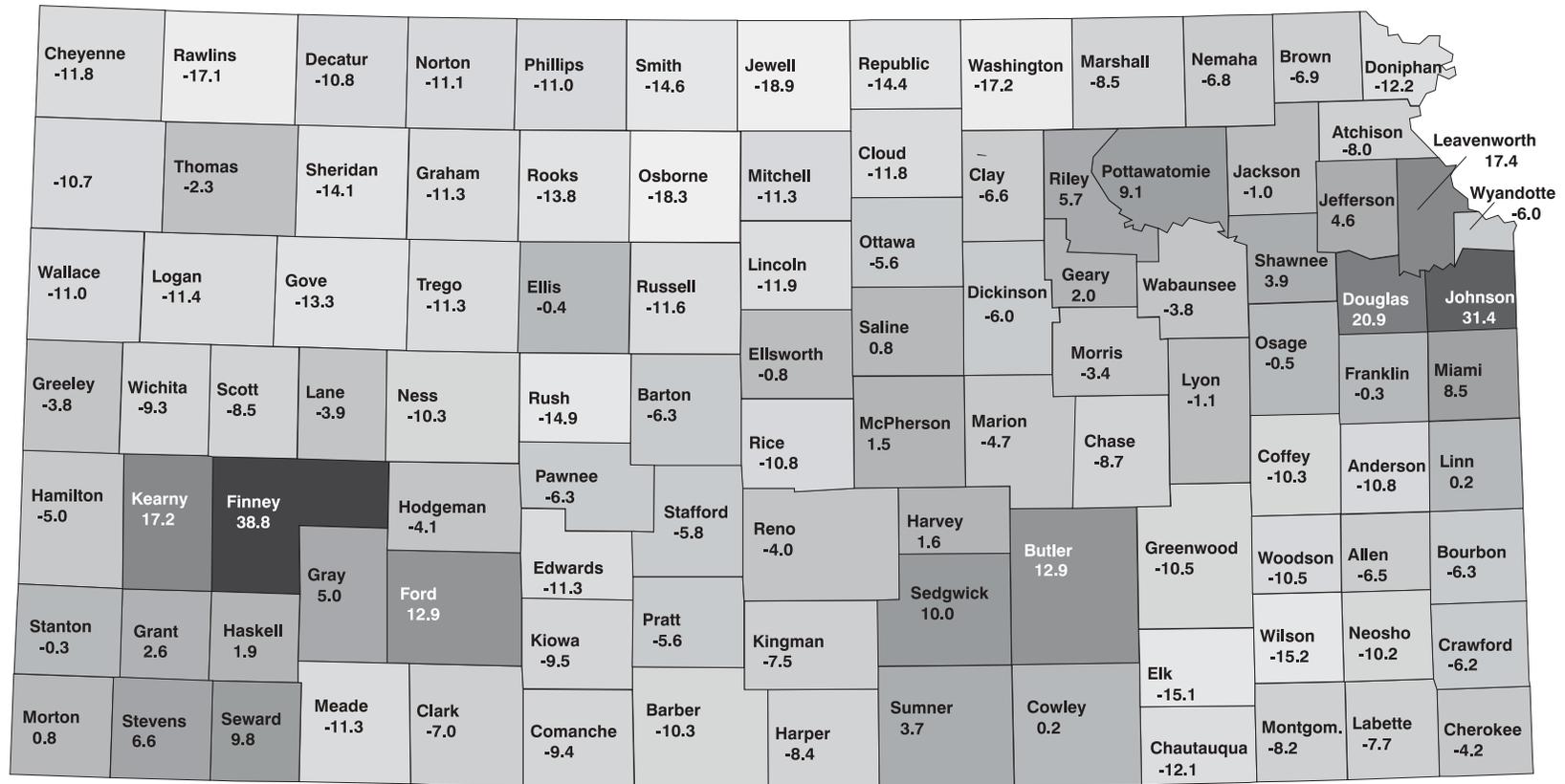
Source: Population Totals: U.S. Bureau of the Census, "Census of Population, 1970: Number of Inhabitants; 1980 Census of Population," Vol.1, Chapter A, Part 18; "1990 Census of Population and Housing," Population Estimates U.S. Bureau of the Census. Calculations: PRI.

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

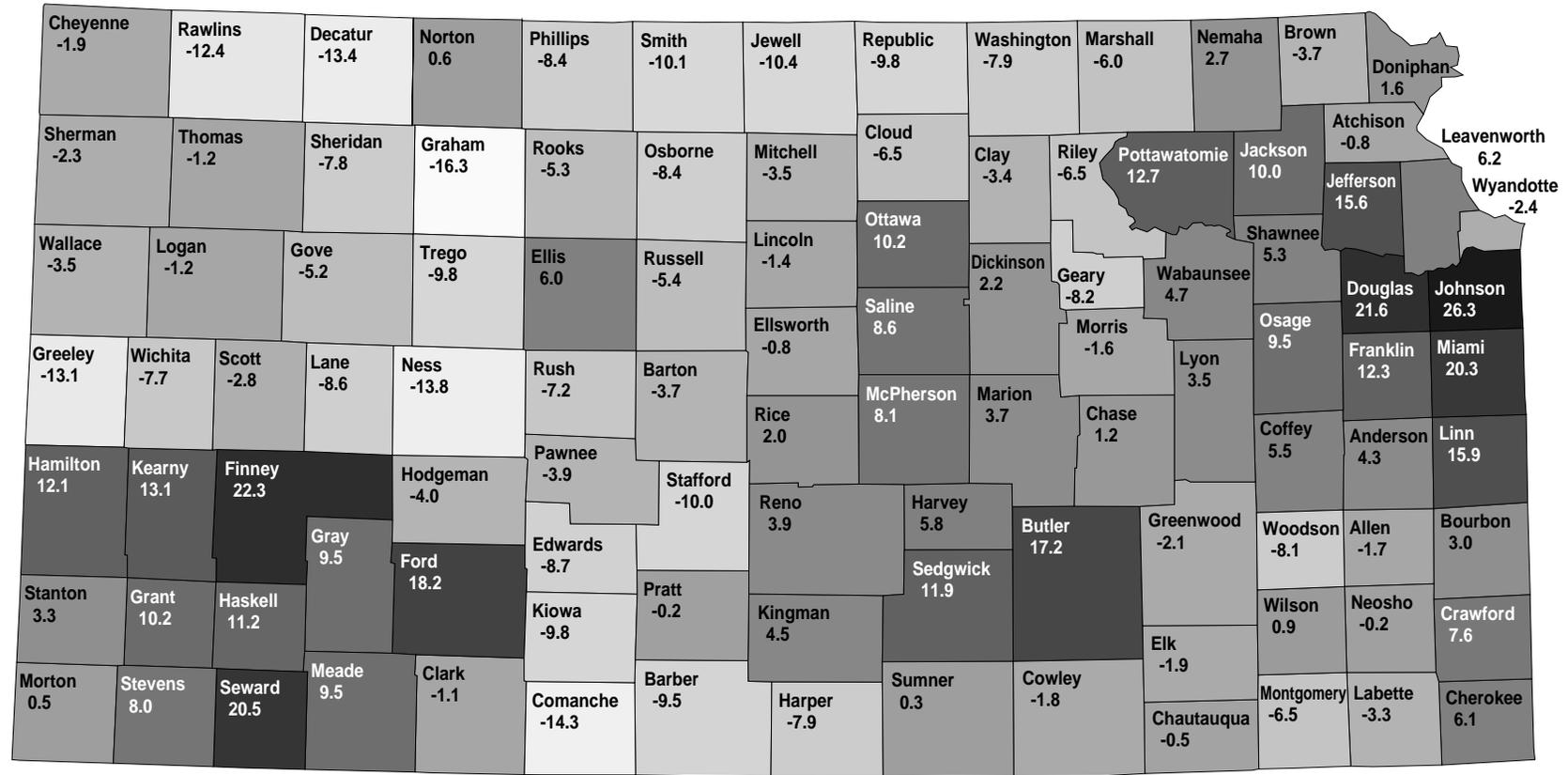
Source: University of Kansas, Policy Research Institute, "Kansas Statistical Abstract," 1992-1993, "Population of Kansas Counties, 1890-1980; U.S. Bureau of the Census, "1990 Census of Population and Housing." Floerchinger, Teresa D., "Kansas Population Projections, 1990-2030," Kansas Division of the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

Map 1 Percent Population Change: 1980 - 1990



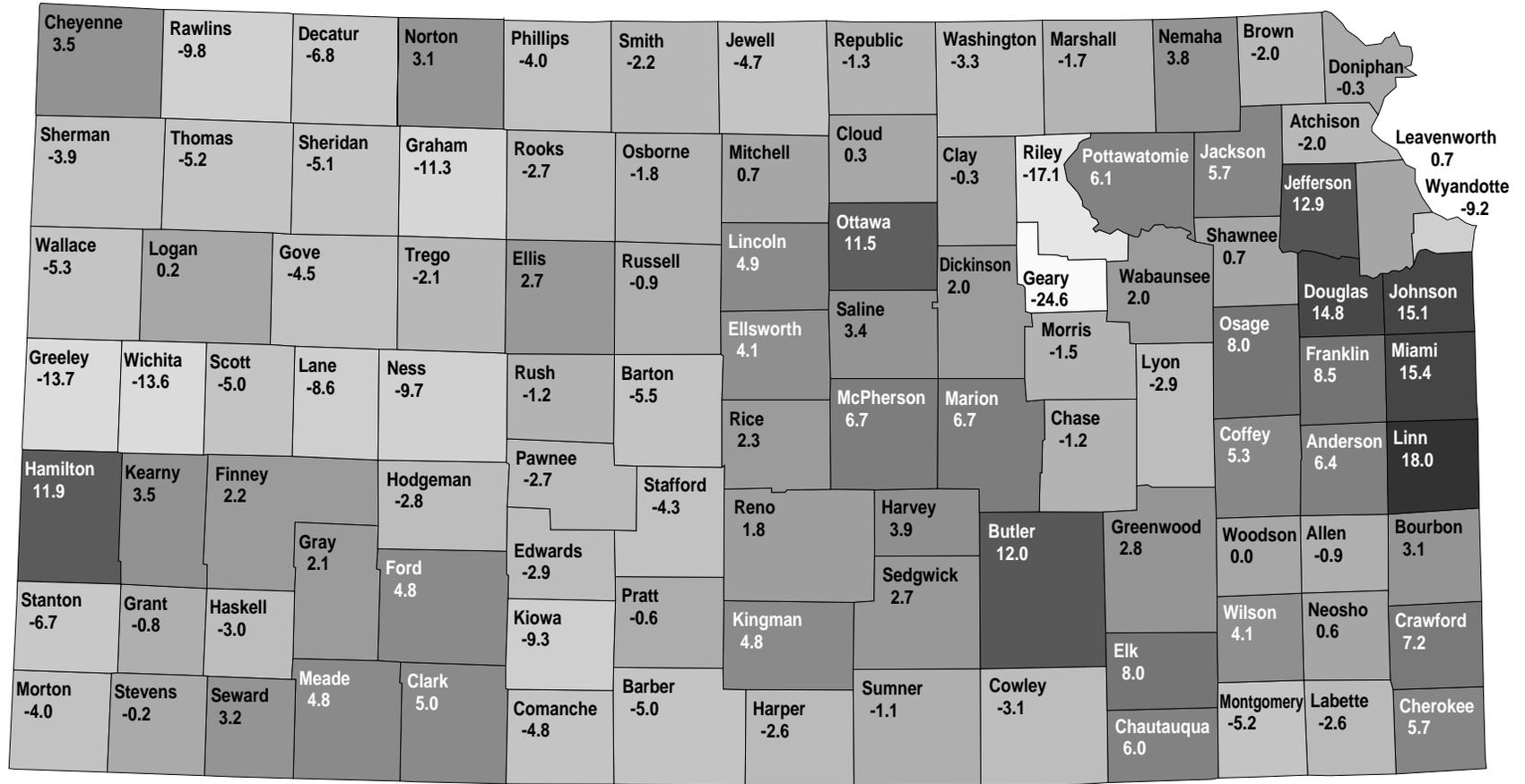
Source: Policy Research Institute, The University of Kansas: data from the U.S. Bureau of the Census.

Map 2 Percent Population Change: 1990-2000



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

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 Douglas County area with its comparative counties and the state of Kansas.

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

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

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

Place of work data compared to the place of residence data provide 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 1991 and 2001 average annual employment in Douglas County increased from 43,348 employees to 53,676 in 2001. This was a 23.8 percent increase. (Table 7)
- When placed alongside performance in the selected counties, Douglas's employment growth did not compare to the percentage of jobs created in other Midwestern college towns save Champaign, but total population in Champaign grew only a fifth of what was experienced in Douglas. Most unique was Johnson County Iowa, where population increased only 16 percent in ten years while employment exploded by nearly 33 percent during the same time. As expected, employment growth in Douglas County closely paralleled levels observed in Johnson County,

Kansas, and far outpaced the other two Kansas counties used for comparison, Shawnee and Wyandotte. (Table 7, Figure 3a and 3b)

- The total number of firms located in Douglas County increased a phenomenal 38 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 716 firms for the county. (Table 8a)
- The patterns of distribution of firms by the number of employees are nearly identical in Douglas County as to the state overall. The vast majority of firms in both cases are small companies with less than 20 employees (86.3 percent in Douglas County in 1999). Between 1989 and 1999 their total number rose 598 firms, to 2,239 total in 1999. The percentage of medium-sized companies (up to one hundred employees) increased 43 percent (87 firms) in the same time period, while the number of companies with up to 500 employees increased 100 percent (30 firms). (Tables 8a and 8b).
- Total industry-level employment for Douglas County rose 18.4 percent from 1995 to 2000, a net increase of 9,811 jobs in five years. This compared to a 10.5 percent growth rate for the state of Kansas during the same period. (Table 9a)
- Employment in the Construction sector, though only accounting for about 6 percent of total county employment, grew the most percentage-wise from 1995 to 2000: 36 percent, an increase of 954 jobs. Growth is expected to continue there so long as increasing numbers of people and firms move to Douglas County and require homes and other buildings. In terms of sheer numbers, the sector which grew the most was that of the Government, which added 3,427 jobs in five years (26 percent). The University of Kansas is considered a government employer and is also the largest employer of any type within the county. It is likely that most of the increase in that sector came from KU, though city and county governments have also grown in size and complexity as they expand to accommodate the population influx. (Tables 9a and 9b and Figures 4a and 4b)
- Place of residence data for Douglas County showed the unemployment rate in 2000 to be 4.0 percent, a reasonable 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 9c and Map 5)
- Comparing place of residence data and place of work data can sometimes indicate commuting trends. Table 9c shows that the number of jobs (place of work data) in Douglas County in 2000 was 7,015 less than the number of people employed in Douglas County (place of residence data). This could indicate that up to 13 percent or more of the number of people who live in Douglas county and are employed are actually employed in work outside the county. While Place of Work data does not include some types of businesses which Place of Residence data does, and therefore the actual number of commuters cannot be determined precisely from

these numbers, the difference is great enough that in general it is reasonable to state more people commute out of Douglas County to work than commute in. For those who live in Douglas County, this comes as no surprise. (Table 9c)

- 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 9c)
- 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 2000 for Douglas County was 67.7 percent. This rate was 30th in a list of 105 counties. The rate for Kansas was 68.5 percent. (Map 4)

Table 7
Employment Growth Rates
Douglas County, Selected Counties, and Kansas
1991-2001

	Average Annual Employment			% Employment Growth		
	<u>1991</u>	<u>1996</u>	<u>2001</u>	<u>1991-1996</u>	<u>1996-2001</u>	<u>1991-2001</u>
Douglas	43,348	48,251	53,676	11.3 %	11.2 %	23.8 %
Johnson	204,787	232,624	257,984	13.6	10.9	26.0
Shawnee	81,814	85,443	85,149	4.4	-0.3	4.1
Wyandotte	70,560	68,670	69,743	-2.7	1.6	-1.2
Boone, MO	66,642	79,495	87,060	19.3	9.5	30.6
Johnson, IA	58,081	66,805	77,131	15.0	15.5	32.8
Larimer, CO	85,165	111,962	133,286	31.5	19.0	56.5
Champaign, IL	96,186	97,048	105,872	0.9	9.1	10.1
Kansas	1,214,000	1,288,000	1,322,000	6.1	2.6	8.9

Source for Kansas: Kansas Department of Human Resources, place of residence data.

Source for other states: Bureau of Economic Analysis, place of work data.

Figure 3a
Employment Growth Rates
Douglas and Comparative Counties
1991-2001

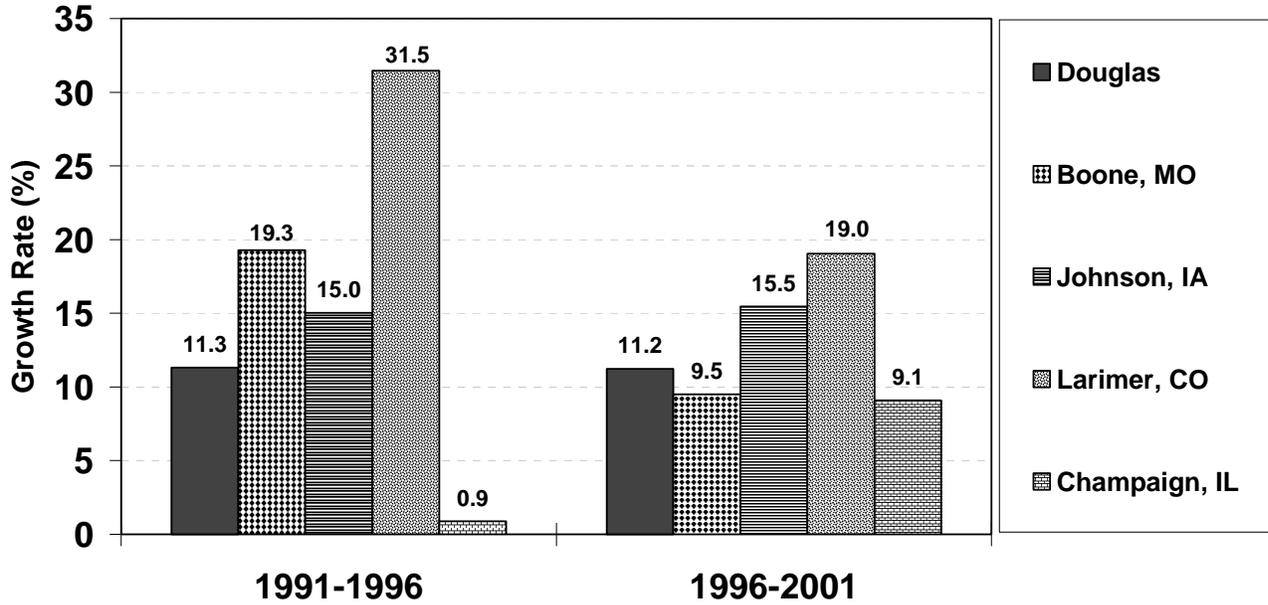


Figure 3b
Employment Growth Rates
Douglas and Surrounding Counties
1991-2001

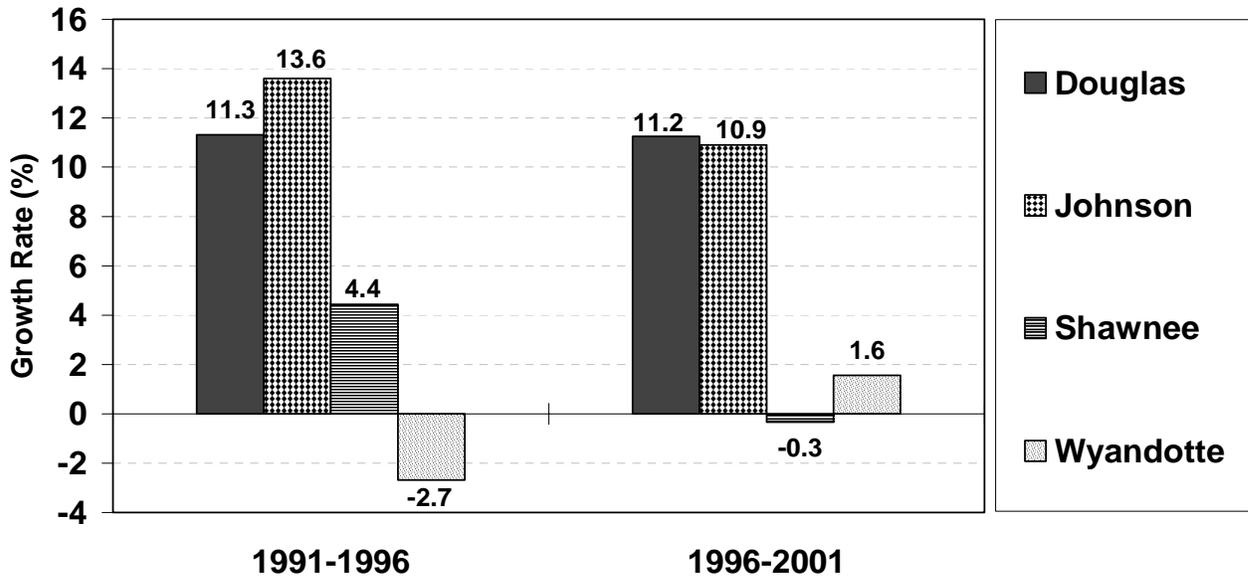


Table 8a
Number of Firms, by Number of Employees
Douglas County and Kansas
1989-1999

<u>Employees</u>	<u>Douglas</u>			<u>Kansas</u>		
	<u>1989</u>	<u>1999</u>	<u>% Change</u>	<u>1989</u>	<u>1999</u>	<u>% Change</u>
1 -- 19	1,641	2,239	36.4 %	57,845	64,239	11.1 %
20 -- 99	203	290	42.9	6,713	8,564	27.6
100 -- 499	30	60	100.0	1,027	1,536	49.6
500+	4	5	25.0	107	147	37.4
Total	1,878	2,594	38.1	65,692	74,486	13.4

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

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

<u>Employees</u>	<u>Douglas</u>		<u>Kansas</u>	
	<u>1989</u>	<u>1999</u>	<u>1989</u>	<u>1999</u>
0 - 19	87.4 %	86.3 %	88.1 %	86.2 %
20 - 99	10.8	11.2	10.2	11.5
100 - 499	1.6	2.3	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 9a
Employment Levels by Industry
Douglas County and Kansas
Place of Work Data
1995-2000

<u>Industry</u>	<u>Douglas</u>				<u>Kansas</u>			
	<u>1995</u>	<u>2000</u>	<u>Change</u>	<u>% Change</u>	<u>1995</u>	<u>2000</u>	<u>Change</u>	<u>% Change</u>
Ag. Services	453	606	153	33.8 %	18,437	23,125	4,688	25.4 %
Mining	153	129	-24	-15.7	23,233	19,960	-3,273	-14.1
Construction	2,641	3,595	954	36.1	78,797	94,432	15,635	19.8
Manufacturing	5,287	5,850	563	10.6	197,257	214,292	17,035	8.6
Transportation	1,338	1,652	314	23.5	77,948	98,366	20,418	26.2
Wholesale Trade	1,685	1,278	-407	-24.2	78,641	82,453	3,812	4.8
Retail Trade	10,710	12,358	1,648	15.4	273,381	295,583	22,202	8.1
Finance, Insur., Real Est.	3,268	3,434	166	5.1	99,331	120,364	21,033	21.2
Services	13,736	16,764	3,028	22.0	413,880	478,875	64,995	15.7
Gov't. and Gov't. Services	13,060	16,487	3,427	26.2	273,545	277,760	4,215	1.5
Subtotal -- Non-Farm	52,331	62,153	9,822	18.8	1,534,450	1,705,210	170,760	11.1
Farm Employment	930	919	-11	-1.2	78,389	77,604	-785	-1.0
Total Employment	53,261	63,072	9,811	18.4	1,612,839	1,782,814	169,975	10.5

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

Figure 4a
Percent Change in Employment by Industry
1995-2000

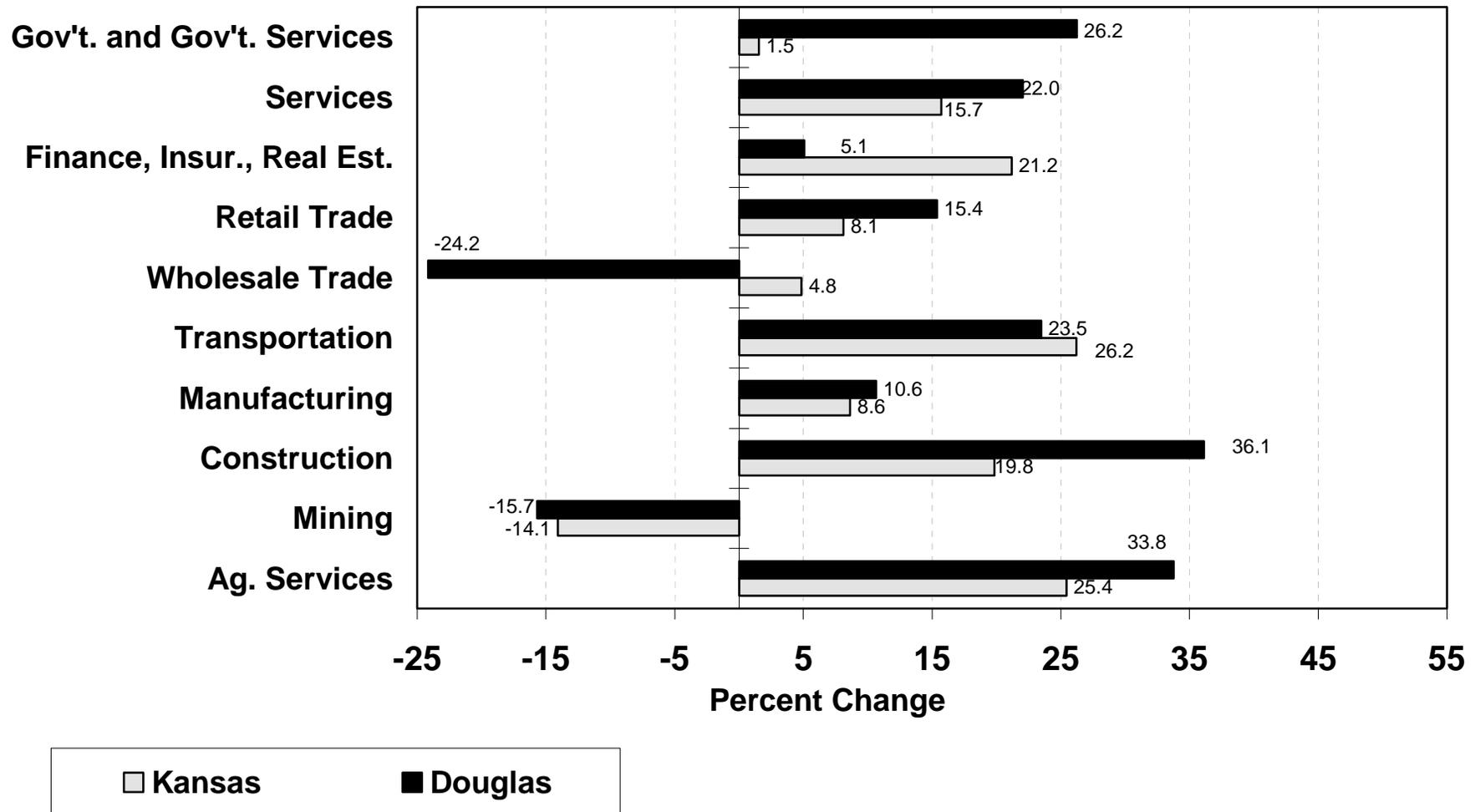


Table 9b
Employment Percent Share by Industry
Douglas County and Kansas
Place of Work Data
1995-2000

<u>Industry</u>	<u>Douglas</u>			<u>Kansas</u>		
	<u>1995</u>	<u>2000</u>	<u>Change</u>	<u>1995</u>	<u>2000</u>	<u>Change</u>
Ag. Services	0.9	1.0	0.1 %	1.1	1.3	0.2 %
Mining	0.3	0.2	-0.1	1.4	1.1	-0.3
Construction	5.0	5.7	0.7	4.9	5.3	0.4
Manufacturing	9.9	9.3	-0.7	12.2	12.0	-0.2
Transportation	2.5	2.6	0.1	4.8	5.5	0.7
Wholesale Trade	3.2	2.0	-1.1	4.9	4.6	-0.3
Retail Trade	20.1	19.6	-0.5	17.0	16.6	-0.4
Finance, Insur., Real Est.	6.1	5.4	-0.7	6.2	6.8	0.6
Services	25.8	26.6	0.8	25.7	26.9	1.2
Gov't. and Gov't. Services	24.5	26.1	1.6	17.0	15.6	-1.4
Subtotal -- Non-Farm	98.3	98.5	0.3	95.1	95.6	0.5
Farm Employment	1.7	1.5	-0.3	4.9	4.4	-0.5

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

Figure 4b
Employment Percent Share by Industry
Douglas County
2000

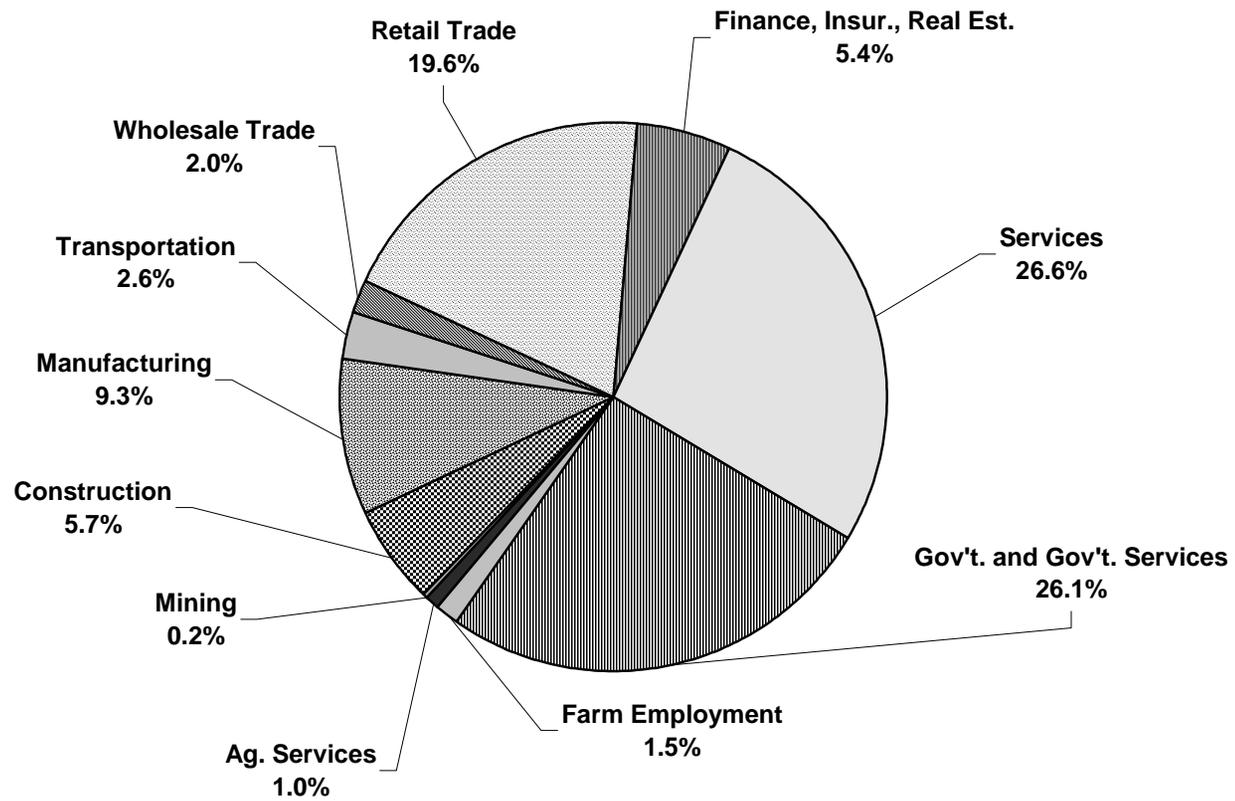
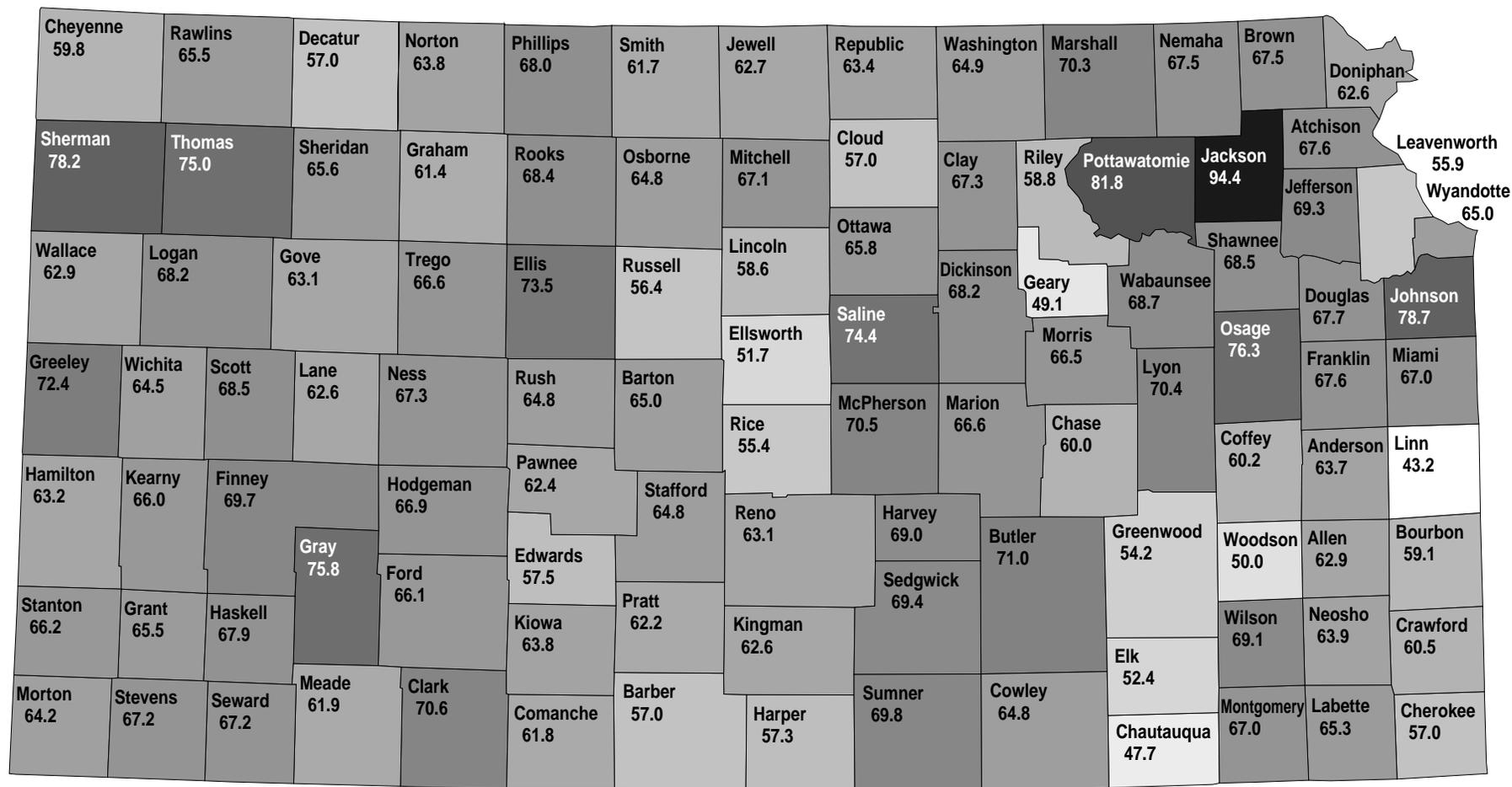


Table 9c
Labor Market Summary
1990-2000

	Douglas County			Kansas
	1999 Average	2000 Average	% Change 1990-00	% Change 1990-00
<u>Place of Residence Data</u>				
Civilian labor force	55,976	55,377	-1.1	-1.6
Employment	54,183	53,180	-1.9	-2.3
Unemployment	1,793	2,197	22.5	20.9
Unemployment rate	3.2	4.0	25.0	23.3
<u>Place of Work Data</u>				
All industries	45,145	46,165	2.3	1.1
Goods producing industries	8,241	8,484	2.9	0.4
Construction and mining	2,471	2,544	3.0	2.0
Manufacturing	5,405	5,563	2.9	-0.5
Service producing industries	36,899	37,676	2.1	1.3
Transportation & Public utilities	1,316	1,411	7.2	9.7
Wholesale & Retail Trade	12,043	12,057	0.1	-0.4
Finance, Insurance, & Real estate	2,043	1,908	-6.6	1.3
Services	11,027	11,589	5.1	1.1
Government	10,470	10,711	2.3	1.3

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

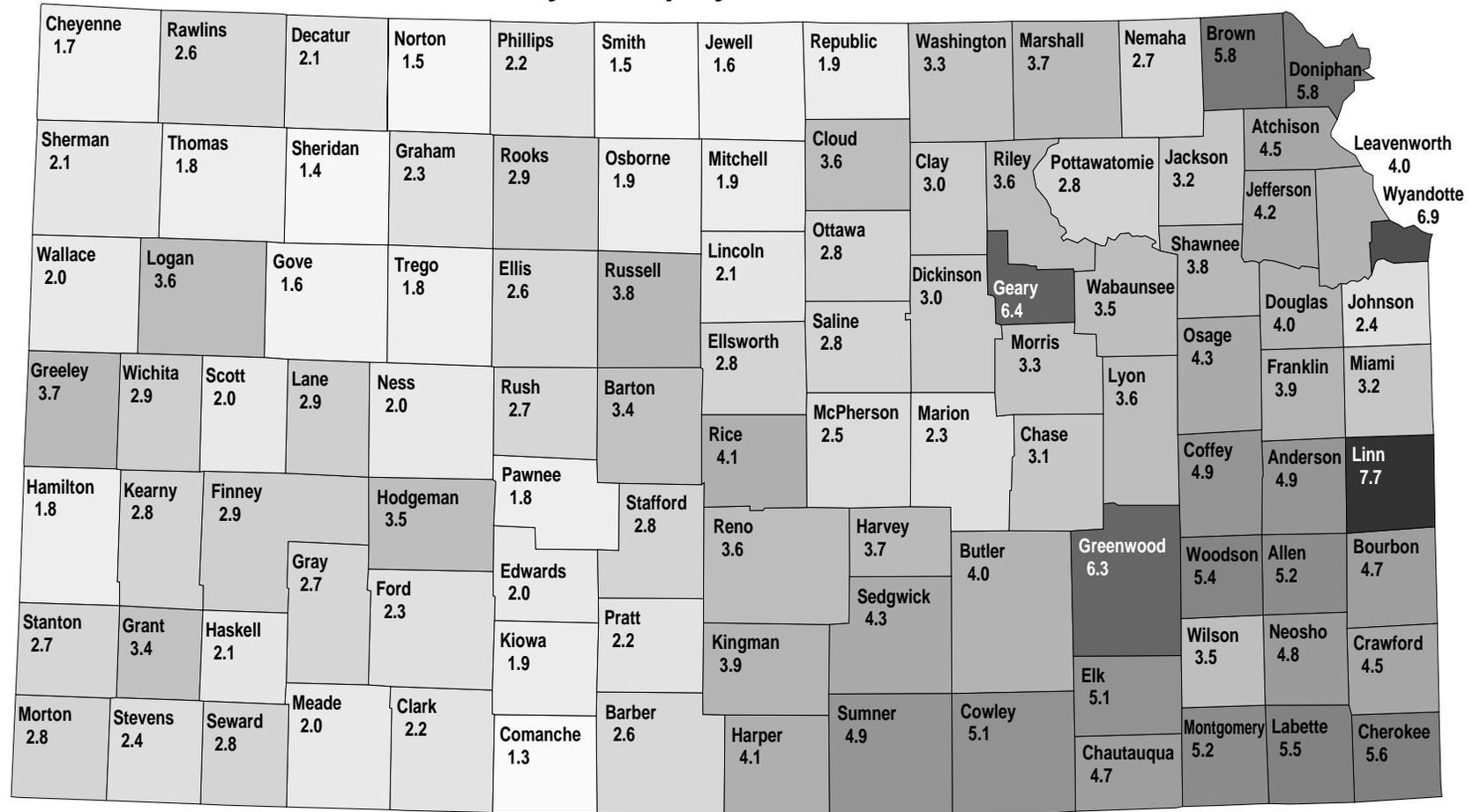
Map 4 Labor Force Participation: 2000



Source: 2000 U.S. Bureau of the Census.

Kansas: 68.5%

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 2001 the average wage per job in Douglas County was \$23,724. That was \$5,803 less than the average wage for the state of Kansas and \$11,826 less than the national average. (Table 10)
- Douglas County's average wage per job was the lowest of all the selected counties, both in and out of state, though wage growth kept pace with most. The highest average wage in 2001 was found in Johnson County, Kansas (\$36,389) and followed by Wyandotte. Out of state, Larimer, Colorado had the highest at \$32,247, but this can largely be attributed to higher costs of living in mountainous Colorado compared to Kansas. (Table 10, Figures 5a and 5b)
- Per capita personal income in Douglas County in 2000 grew faster than the state's rate, but at \$22,747 was \$4,627 behind the state's average of \$27,374. 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 6)
- In 2000 per capita personal income for Douglas County ranked 51st in a state with 105 counties. (Map 6)

Table 10
Average Annual Wage Per Job
Douglas County, Selected Counties, Kansas and U.S.
1991-2001

	<u>Average Wage per Job (Nominal Dollars)</u>			<u>% Growth</u>	
	<u>1991</u>	<u>1996</u>	<u>2001</u>	<u>90-95</u>	<u>95-00</u>
Douglas	16,915	19,440	23,724	14.9	22.0
Johnson	23,912	28,568	36,389	19.5	27.4
Shawnee	21,930	25,419	30,431	15.9	19.7
Wyandotte	24,672	30,089	35,127	22.0	16.7
Boone, MO	19,140	22,157	26,421	15.8	19.2
Johnson, IA	20,406	23,580	29,086	15.6	23.4
Larimer, CO	21,086	25,259	32,247	19.8	27.7
Champaign, IL	20,144	23,408	28,763	16.2	22.9
Kansas	20,493	24,071	29,527	17.5	22.7
United States	24,216	28,469	35,550	17.6	24.9

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

Figure 5a
Average Wage per Job
Douglas and Comparative Counties
1991-2001

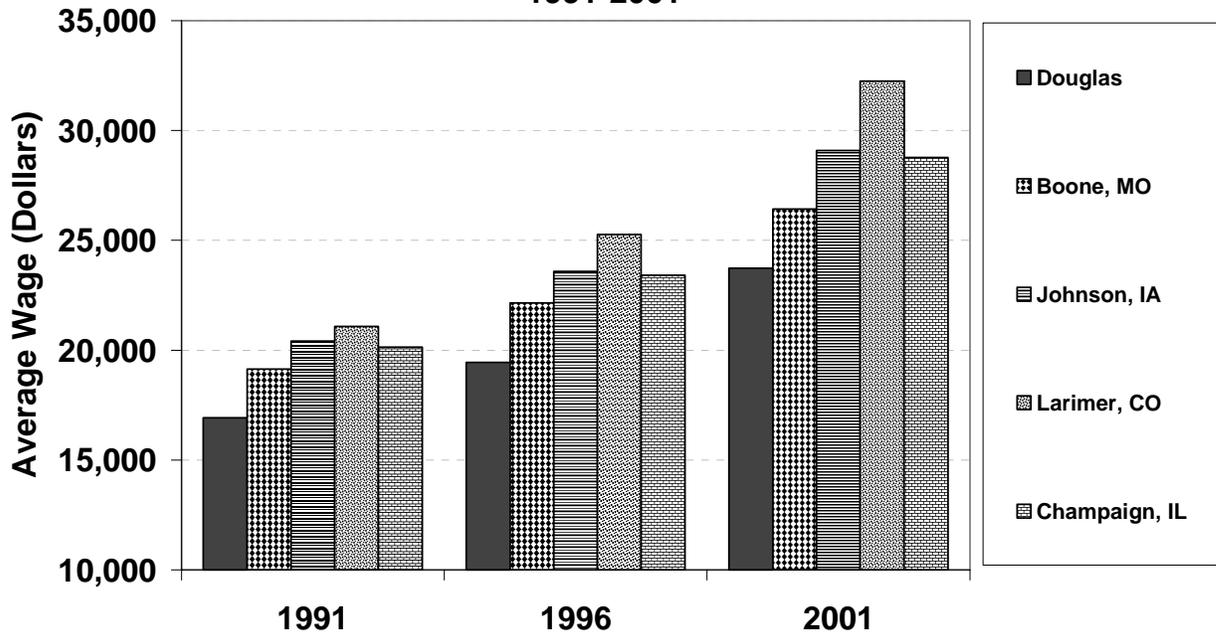


Figure 5b
Average Wage Per Job
Douglas and Surrounding Counties
1991-2001

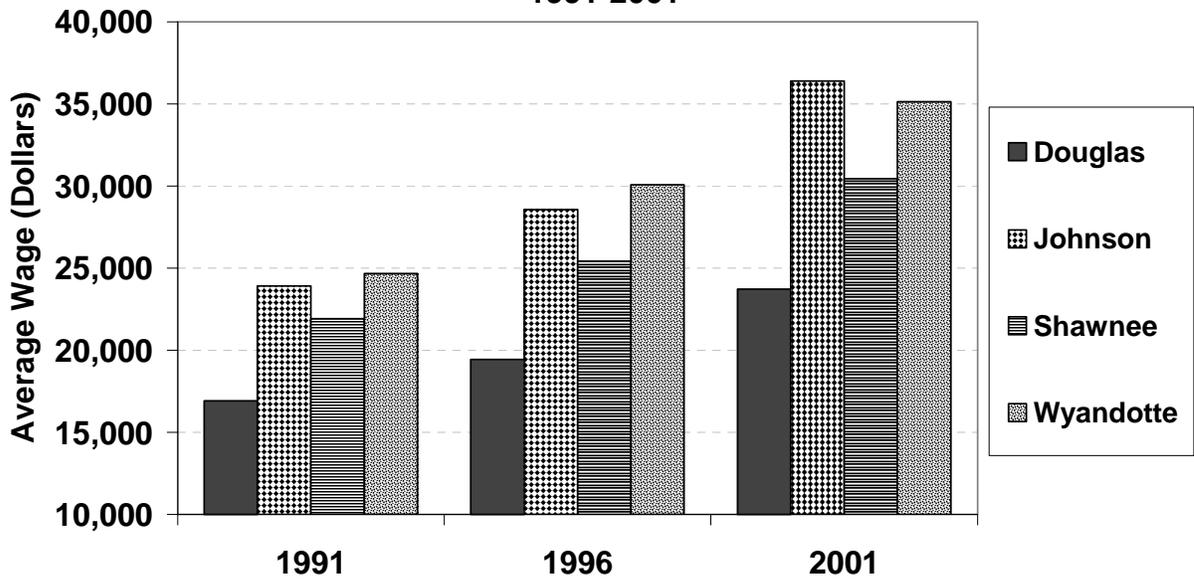
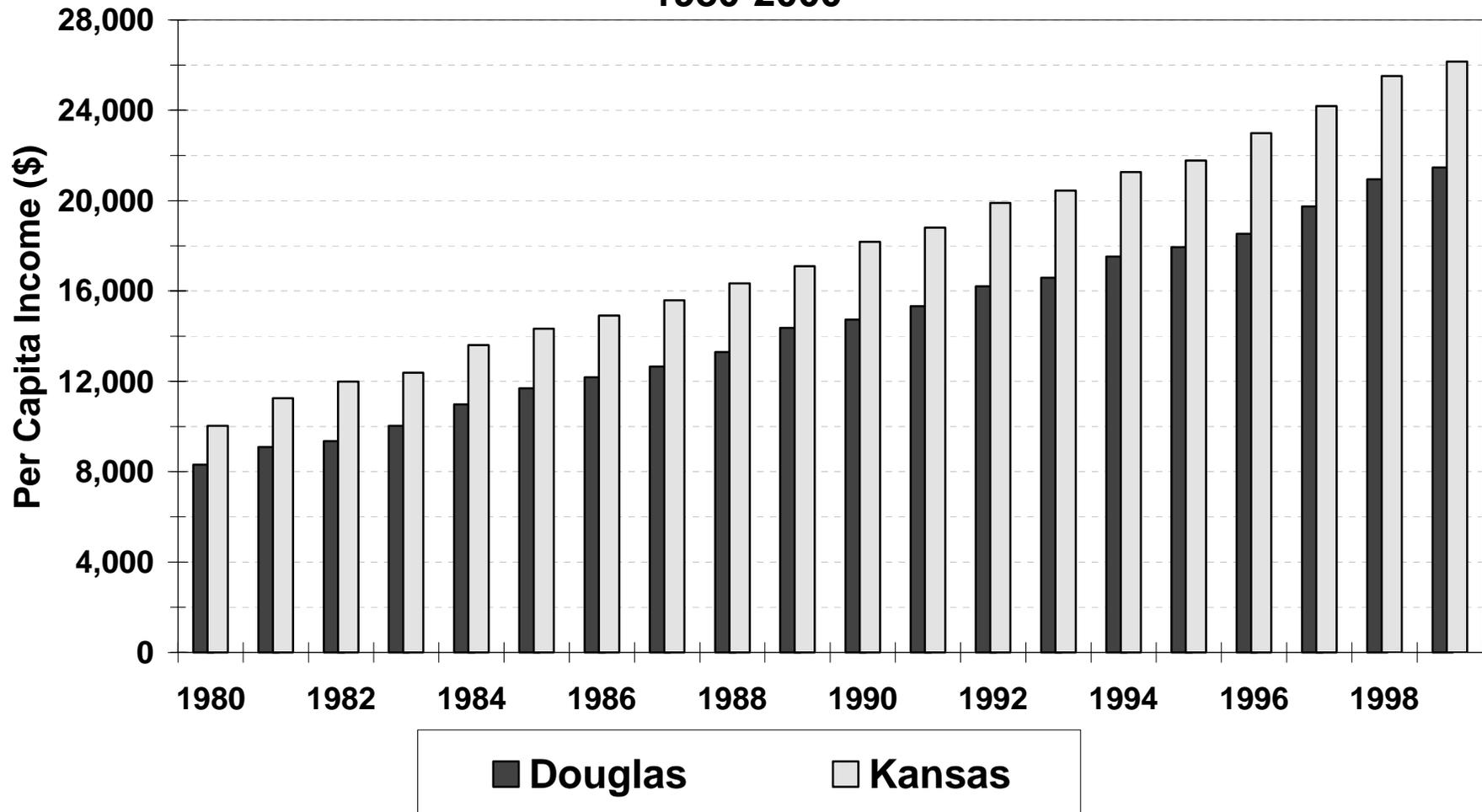


Table 11
Per Capita Personal Income
Douglas County and Kansas
1980-2000

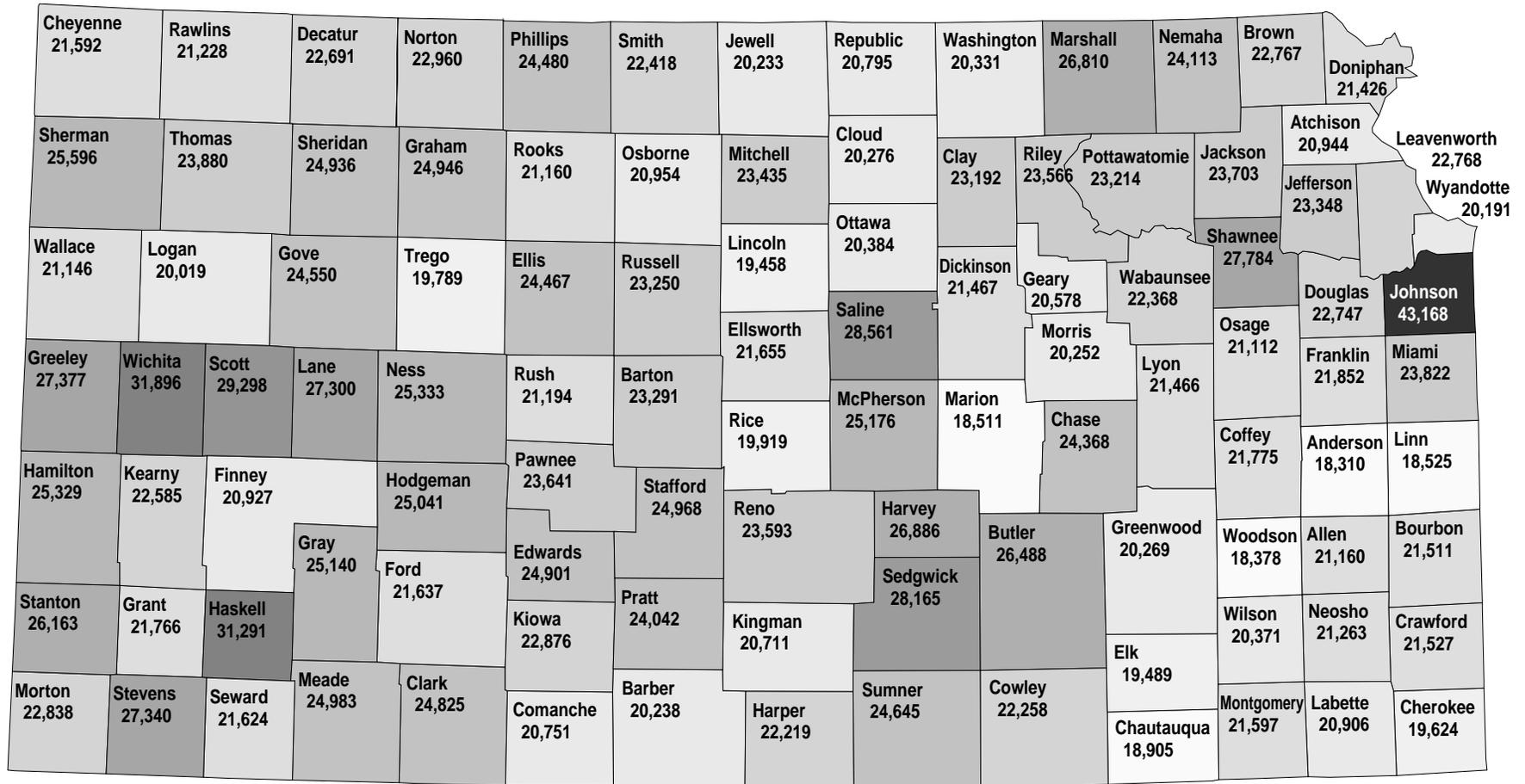
	Income (\$)		Growth Rates	
	Douglas	Kansas	Douglas	Kansas
1980	8,305	10,038		
1981	9,095	11,248	9.5 %	12.1 %
1982	9,361	11,989	2.9	6.6
1983	10,032	12,373	7.2	3.2
1984	10,983	13,602	0.0	9.9
1985	11,693	14,330	6.5	5.4
1986	12,170	14,904	4.1	4.0
1987	12,645	15,583	3.9	4.6
1988	13,289	16,331	5.1	4.8
1989	14,357	17,093	8.0	4.7
1990	14,731	18,177	2.6	6.3
1991	15,324	18,806	4.0	3.5
1992	16,204	19,905	5.7	5.8
1993	16,588	20,438	2.4	2.7
1994	17,523	21,258	5.6	4.0
1995	17,939	21,771	2.4	2.4
1996	18,534	22,977	3.3	5.5
1997	19,750	24,182	6.6	5.2
1998	20,941	25,519	6.0	5.5
1999	21,461	26,155	2.5	2.5
2000	22,747	27,374	6.0	4.7

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-2000), County Summary, Table CA13.

Figure 6
Per Capita Personal Income
Douglas County and Kansas
1980-2000



Map 6 Per Capita Personal Income: 2000



Source: Policy Research Institute, The University of Kansas, using data from the U.S. Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

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 Douglas 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 Douglas County between 1993 and 1994.
- Taxable retail sales in Douglas County have grown slowly, but steadily, for the last decade, slowing only in recent years. This parallels the general welfare of the national economy, which affects consumer's spending habits. From 2000 to 2001 nominal taxable retail sales grew 2.1 percent after suffering a small decline the year prior. Growth for the decade (1991 to 2001) was slightly over 87 percent in Douglas County, a much stronger showing than the state's 51 percent growth. (Table 12, Figure 7)
- Douglas County's trade pull factor in 2001 was 0.93. A trade pull factor of less than one means the county is estimated to have lost more retail activity to other counties than it was able to 'pull in'. Of the surrounding counties, Johnson and Shawnee were the only ones near with pull factors greater than one, suggesting that Lawrence and Douglas County are still losing retail opportunities to those areas. (Map 7)

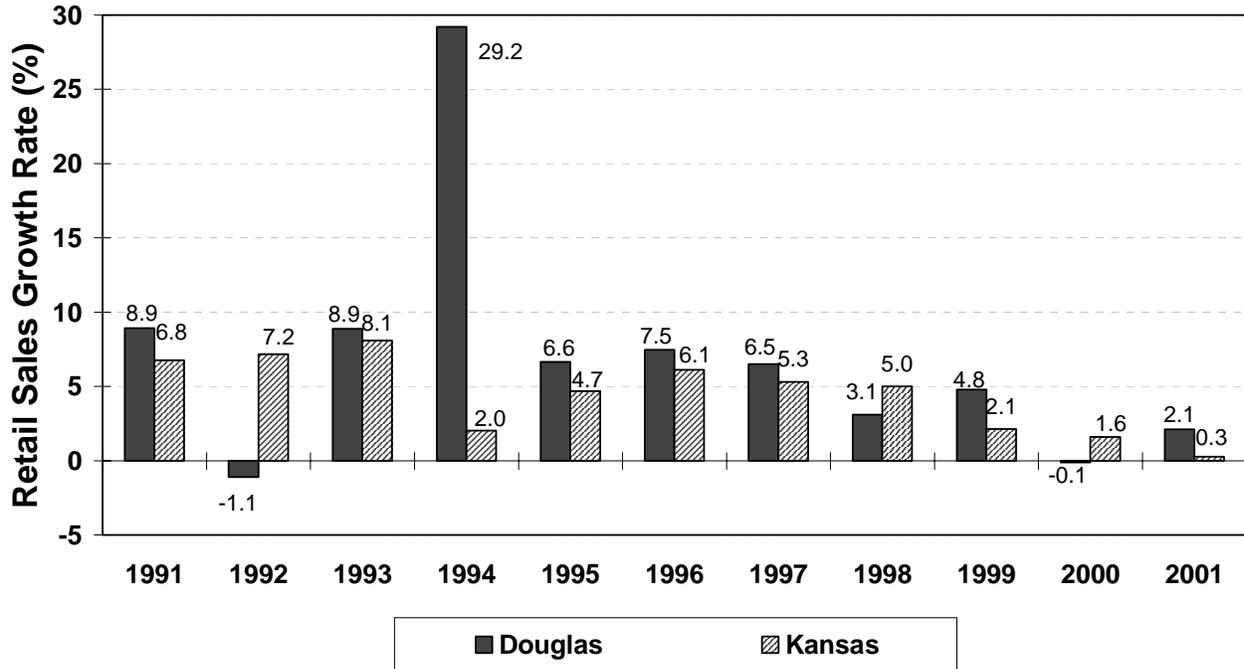
Table 12
Taxable Retail Sales and Growth Rates
Douglas County and Kansas
1989-2001

<u>Year</u>	<u>Douglas</u>		<u>Kansas</u>	
	<u>Nominal Sales (\$Millions)</u>	<u>Growth Rate (%)</u>	<u>Nominal Sales (\$Millions)</u>	<u>Growth Rate (%)</u>
1989	477.8		18,034.4	
1990	522.1	9.3 %	18,723.3	3.8 %
1991	568.7	8.9	19,988.0	6.8
1992	562.5	-1.1	21,421.3	7.2
1993	612.5	8.9	23,154.4	8.1
1994	791.5	29.2	23,625.8	2.0
1995	844.1	6.6	24,735.9	4.7
1996	907.2	7.5	26,247.7	6.1
1997	966.3	6.5	27,640.5	5.3
1998	996.3	3.1	29,021.6	5.0
1999	1,044.1	4.8	29,641.9	2.1
2000	1,042.9	-0.1	30,119.0	1.6
2001	1,065.0	2.1	30,202.2	0.3

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

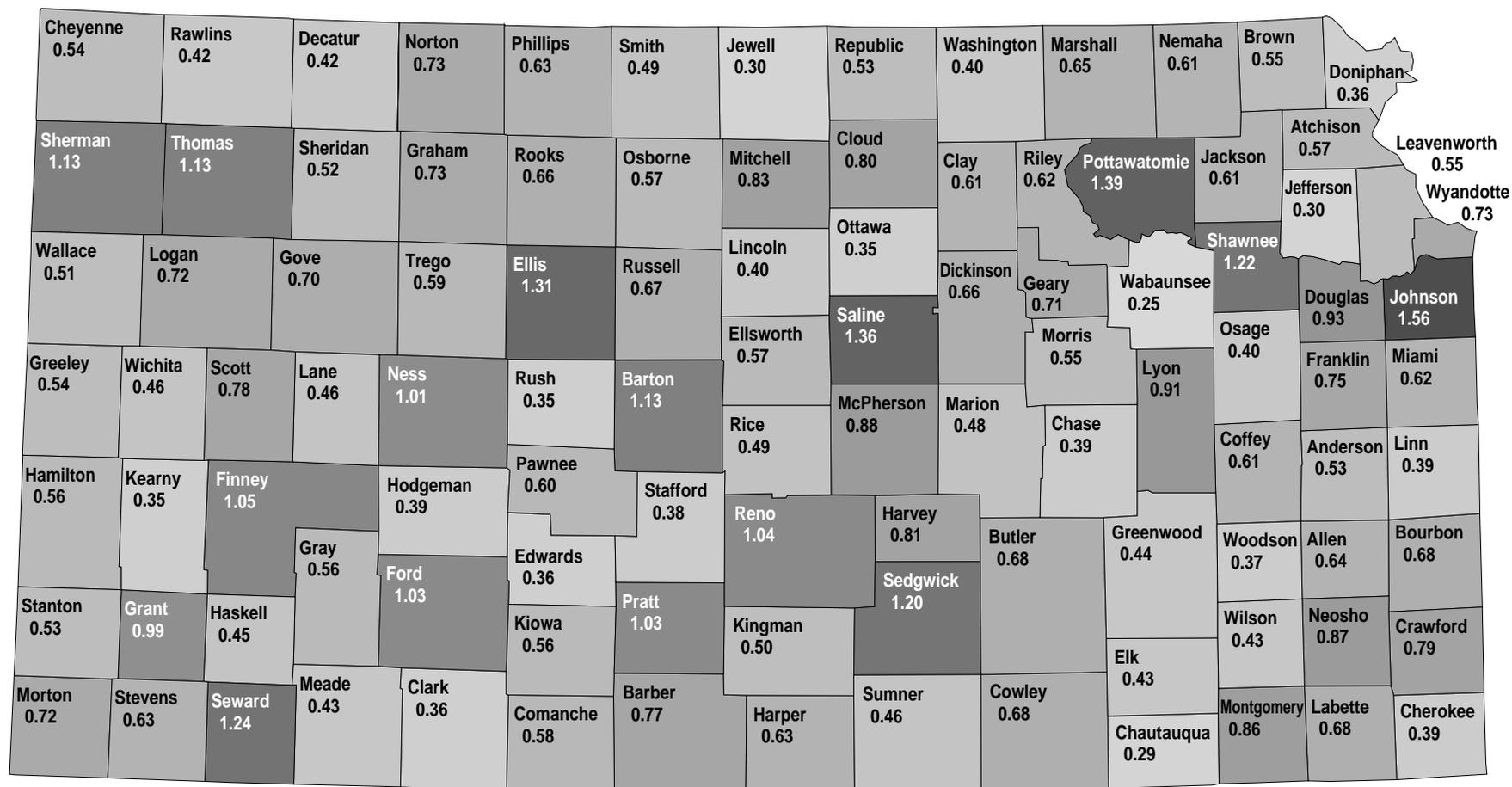
Source: Kansas Department of Revenue, State Sales Tax Collections by County Classification. Calculations, 1987-1993, CEDBR, W. Frank Barton School of Business, Wichita State University; 1994-2001, PRI, University of Kansas.

**Figure 7
Taxable Retail Sales Growth Rates
Douglas County and Kansas
1991-2001**



*Data from 1994-2001 are not comparable to previous years.

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.

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

- Given the presence of three universities within the county borders, it comes as no surprise that Douglas County's population is highly educated. Indeed, Douglas County had the 6th highest percentage of adults with a bachelor's or graduate degree of all cities in the U.S. in 2000, according to the Census Bureau. Fewer people in Douglas County over the age of 25 possess only a high-school diploma or partial college credit than the state, but this is because most of them have gone on to complete college. Nearly 25 percent of the adult population in Douglas County have completed a bachelor's program compared to only 17 percent statewide. The difference is even more pronounced in the case of graduate-degree holders. (Table 13)
- Less than 8 percent of the above-25 population in Douglas County had failed to finish high-school in 2000, compared to 14 percent statewide. (Table 13)
- Douglas County graduated roughly 700 high school students on average each year from 1990 to 2000. The number of high school dropouts each of those years fluctuated from a low of 80 to a high of 174, with the average being 138. (Table 14)
- High school dropouts as a percent of graduates in Douglas County averaged about 20 percent a year from 1990 to 2000, slightly higher than the average rate for Kansas of about 23 percent. (Table 14)

Table 13
Educational Attainment of Persons over 25
As a Percentage of the Population of Persons over 25
Douglas County and Kansas
2000

	<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>
Douglas	1,198	2,871	11,859	12,029	2,568	13,007	9,725	53,141
Kansas	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:

Douglas	2.3%	5.4%	22.3%	22.6%	4.8%	24.5%	18.3%
Kansas	5.2%	8.8%	29.9%	24.6%	5.8%	17.1%	8.7%

Note: Numbers may not add up to totals due to rounding.

Source: U.S. Bureau of the Census, 2000.

Table 14
High School Graduates and Drop-Outs
Douglas County and Kansas
1990-2000

	<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>	<u>2000</u>
Douglas											
Grads	650	630	593	638	660	656	652	770	696	846	887
Drops	80	140	110	169	174	149	172	159	133	133	97
Kansas											
Grads	25,367	24,414	24,129	24,720	25,319	26,125	25,786	26,648	27,856	28,543	29,102
Drops	4,995	5,738	5,651	6,490	6,698	6,422	6,420	6,042	5,802	5,802	4,974
<i>High school drop-outs as percent of graduates</i>											
Douglas	12.3%	22.2%	18.5%	26.5%	26.4%	22.7%	26.4%	20.6%	19.1%	15.7%	10.9%
Kansas	19.7%	23.5%	23.4%	26.3%	26.5%	24.6%	24.9%	22.7%	20.8%	20.3%	17.1%

n/a: Data not available

Grads: High school graduates, year ending:

Drops: High school dropouts, year ending:

Source: Kansas State Department of Education

CONCLUSION

Douglas County's population has grown consistently and rapidly for the better part of a century, and statistics show that growing Kansas counties tend to remain in that course for the long run, as most Douglas County residents fully expect the case will be. The make-up of residents in the county is growing older over time, even with the steady base of younger students attending the universities. Additionally, the county is becoming more racially diverse, though slowly. The residents of the county are highly educated, over 40 percent of the adult population possesses bachelor's or graduate degrees.

Employment growth has kept pace with population, and the number of firms has been growing at nearly double the rate of people. However, compared to surrounding counties and similar college-towns, wages in Lawrence remain relatively low on average. The prime economic driver in the county is government and service-sector employment, and with state funding issues problematic on the government side and an economic slowdown affecting services, it will be a difficult job to influence beneficial changes in the average wage of Lawrencians. Nevertheless, the data would indicate this may be an important aspect of community development to focus on.