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Economic Trends Report: Lecompton

Prepared by

Luke Middleton
Research Economist

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Genna M. Hurd
Co-Director, KCCED

Steven Maynard-Moody
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.

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DOUGLAS COUNTY



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Economic Trends: Lecompton

Introduction

The following report is an objective look at several key economic trends occurring in Lecompton 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, Lecompton's performance is compared with the performance of Baldwin, Eudora, Lawrence and Douglas County overall, as well as the state of Kansas in some occasions. It is by no means a comprehensive analysis of economic trends facing Lecompton but rather an overview of some key economic and demographic variables.

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.

Population and Housing: Key Findings

- The population of Lecompton has grown steadily every decade since 1940, save for the last. The 2000 Decennial Census showed Lecompton's population to be at 608 residents. (Table 1 and 2)
- Population in Lecompton fell 6 percent from 1990 to 2000, a reversal of 50 years of growth. All of the comparative cities experienced very strong growth during this decade, with Eudora even registering a 43 percent increase in the number of residents. The overall growth rate of the state was 8.5 percent for the decade and 8.7 percent nationwide. (Table 2 and Figure 1, Map 2)
- In 2000 the largest age group segment in Lecompton was those in the 25-44 year-old range, comprising nearly 32 percent of total population. The segment with the strongest growth for the decade, however, was in the 5-17 year-old cohort, which increased from 20 to 25 percent of the total from 1990 to 2000. If age trends continue the next decade could see even more overall population declines for Lecompton: as those in the 5 to 17 year-old range move up to the 18 to 24 bracket it appears common they tend to move away. Because of low birthrates in the 1990s they wouldn't be completely replaced, unless through in-migration of new residents. (Table 3a and 3b, Figure 2)
- From 1980 to 2000, the percentage of owner-occupied housing in Lecompton grew from 74 to 78 percent. Renter occupied housing also grew slightly, with the result that Lecompton's vacant housing rate was the lowest of the comparative cities in 2000 (only 2 percent). (Table 4)

Table 1
Population Totals and Growth Rates
Lecompton and Kansas

<u>Year</u>	<u>Lecompton</u>		<u>Kansas</u>	
	<u>Population Total</u>	<u>Growth Rate</u>	<u>Population Total</u>	<u>Growth Rate</u>
1910	386		1,690,949	
1920	310	-19.7	1,769,257	4.6
1930	288	-7.1	1,880,999	6.3
1940	250	-13.2	1,801,028	-4.3
1950	263	5.2	1,905,299	5.8
1960	304	15.6	2,178,611	14.3
1970	434	42.8	2,249,071	3.2
1980	576	32.7	2,364,236	5.1
1990	647	12.3	2,477,588	4.8
1991*	618	-4.5	2,495,209	0.7
1992*	619	0.2	2,526,042	1.2
1993*	619	0.0	2,547,605	0.9
1994*	620	0.2	2,569,118	0.8
1995*	619	-0.2	2,586,942	0.7
1996*	623	0.6	2,598,266	0.4
1997*	613	-1.6	2,616,339	0.7
1998*	624	1.8	2,638,667	0.9
1999*	654	4.8	2,654,052	0.6
2000	608	-7.0	2,688,418	1.3

* Estimates

Source: U.S. Bureau of the Census.

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

<u>Year</u>	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-2000</u>
Lecompton	32.7	12.3	-6.0
Baldwin	12.3	2.9	16.8
Eudora	41.7	2.5	43.3
Lawrence	15.4	24.5	22.0
Douglas County	16.8	20.9	22.2
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."

Figure 1
Rates of Population Change
Lecompton and Comparative Cities
1970-2000

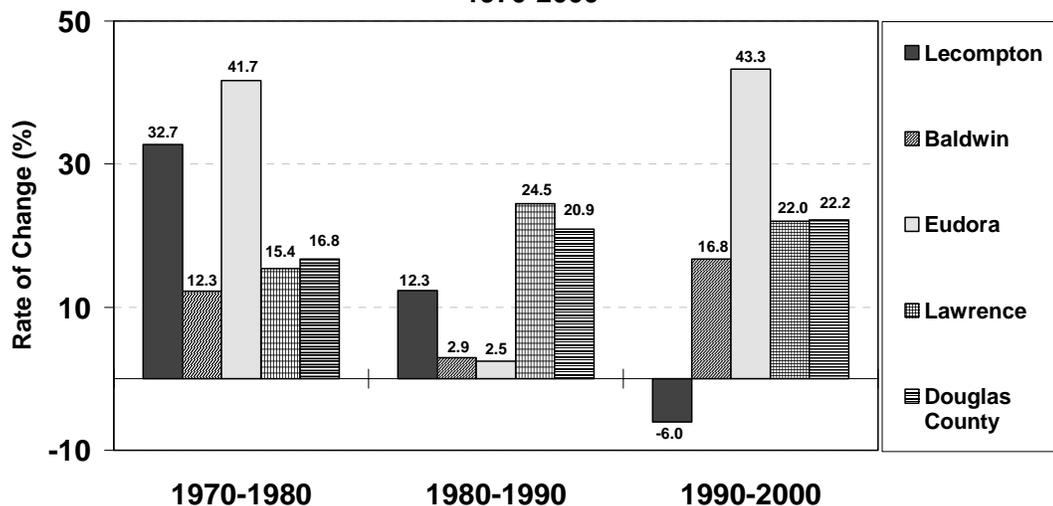


Table 3a
Population by Selected Age Groups
Lecompton and Kansas
1990-2000

	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>
Lecompton	1990	72	132	73	190	103	77
	2000	41	151	50	192	108	66
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
Lecompton 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>
Lecompton	1990	11.1 %	20.4 %	11.3 %	29.4 %	15.9 %	11.9 %
	2000	6.7	24.8	8.2	31.6	17.8	10.9
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
Lecompton
1990-2000

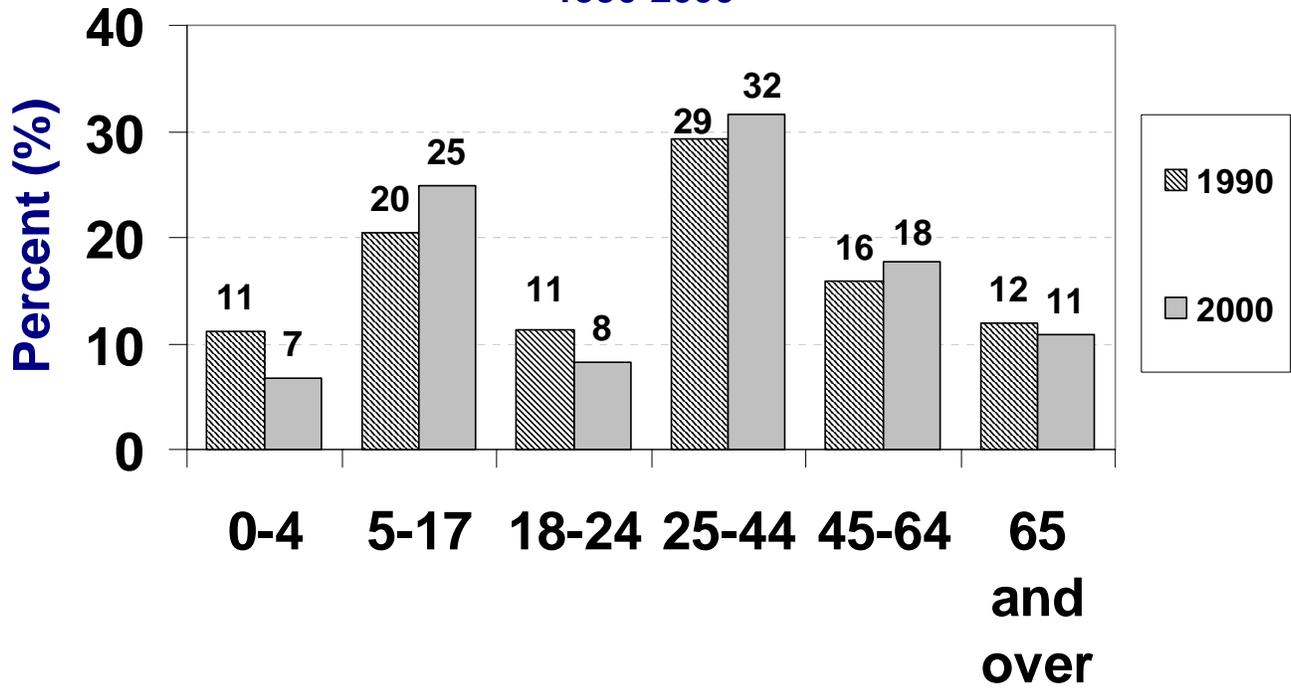
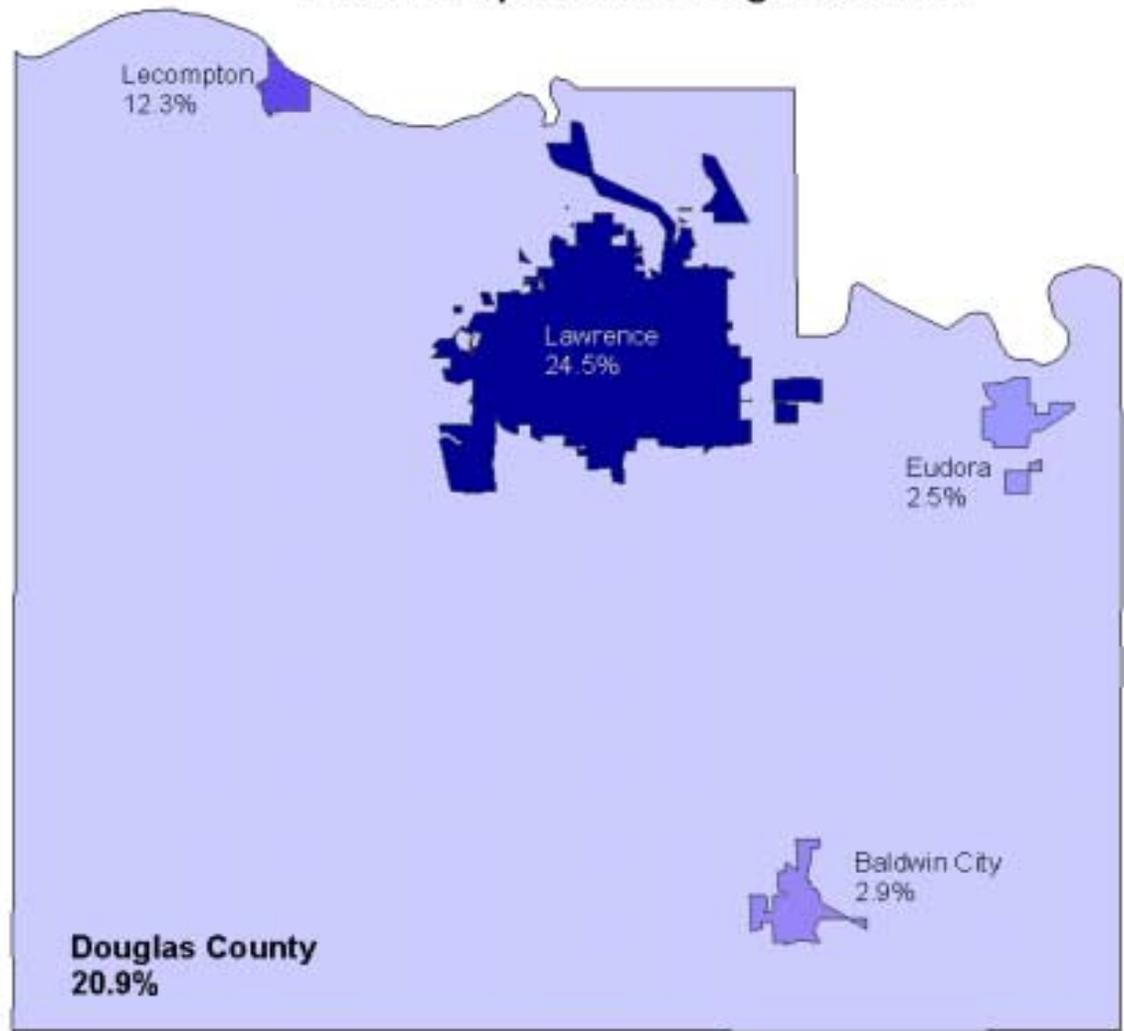


Table 4
Percent Types of Housing
Lecompton, Comparative Cities and County
1980-2000

	1980			2000		
	<u>% Owner-Occupied</u>	<u>% Renter-Occupied</u>	<u>% Vacant</u>	<u>% Owner-Occupied</u>	<u>% Renter-Occupied</u>	<u>% Vacant</u>
Lecompton	74%	19%	7%	78%	20%	2%
Baldwin	62	32	7	62	30	8
Eudora	69	26	5	59	38	3
Lawrence	45	48	7	44	52	4
Douglas County	51	43	7	50	46	4

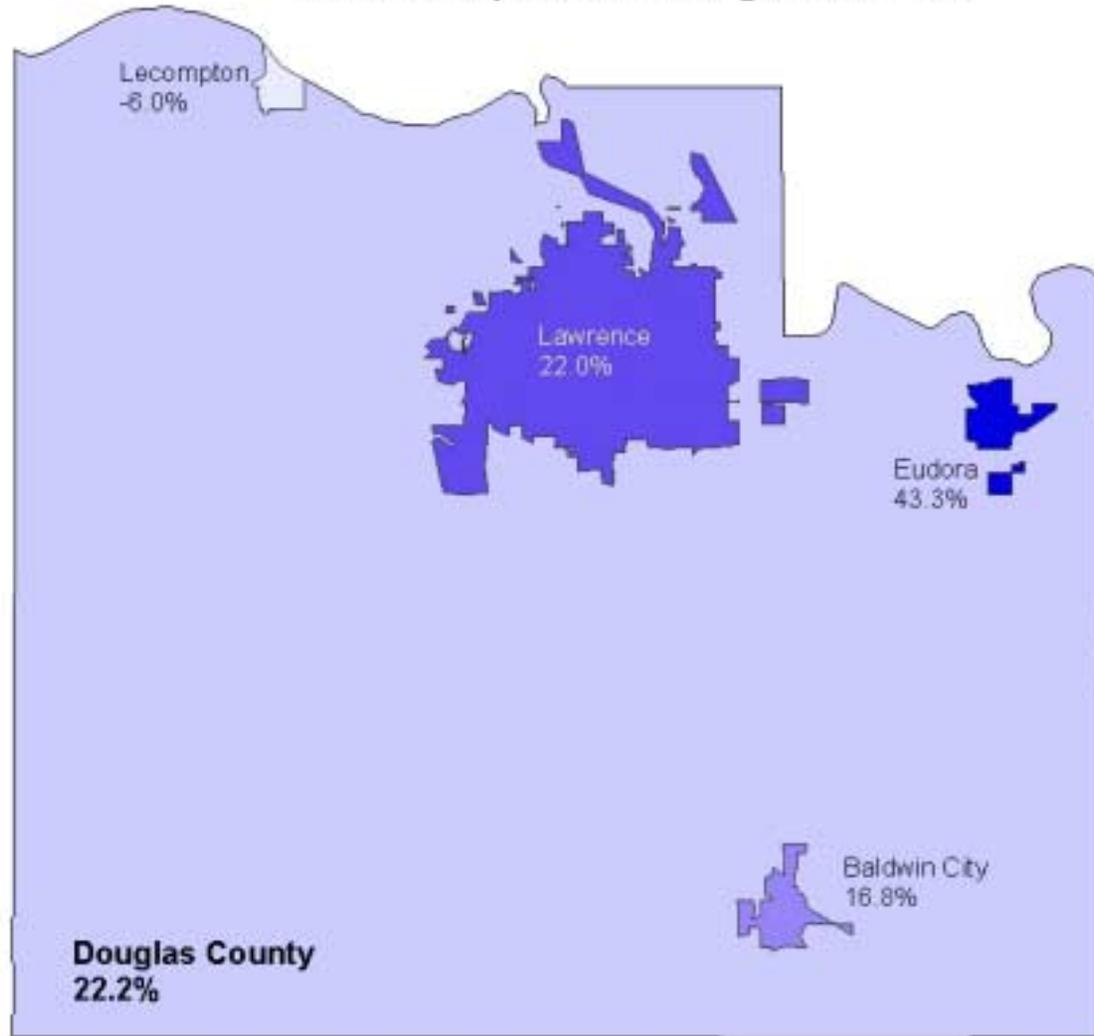
Source: U.S. Bureau of the Census

Map 1
Percent Population Change 1980-1990



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

Map 2
Percent Population Change 1990-2000



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

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 Lecompton area with its comparative cities.

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.

Employment: Key Findings

- Between 1990 and 2000 average annual employment in Lecompton grew 4 percent (U.S. Bureau of the Census data by place of residence). This occurred during the exact same time population fell by 6 percent. The discrepancy was possible because place of residence data does not reflect the total number of jobs in Lecompton, but rather the total number of people who live there but may be employed anywhere, such as Lawrence or Kansas City. And although total employment grew 4 percent, that rate was much less than the growth seen in Baldwin, Eudora or Lawrence for the decade. (Tables 5a and 5b, Figure 3)
- 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 Lecompton was 4.0 percent, a bit below the average for Douglas County at that time, and near the state average. (Table 5a and Map 3)
- Employment details can also be broken down by industry. However, due to 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 can be said that in 2000 Manufacturing jobs accounted for the largest portion of those held by Lecompton residents at 22 percent of the total. Following that were jobs in the Education sector (21 percent), Construction (14 percent), and Retail Trade (10 percent). The rest of the industry categories comprised relatively small portions of the total employment pie, all less than ten percent. (Tables 6a and 6b, Figure 4)

Table 5a
Labor Market Summary
Lecompton, Comparative Cities and County, Kansas
2000

	<u>Civilian Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
Lecompton	302	290	12	4.0
Baldwin	1,816	1,785	31	1.7
Eudora	2,234	2,137	97	4.3
Lawrence	47,128	44,705	2,423	5.1
Douglas County	57,890	55,212	2,678	4.6
Kansas	1,411,000	1,359,000	52,000	3.7

Source: U.S. Bureau of the Census

Table 5b
Labor Market Summary
Percent Change
Lecompton, Comparative Cities and County, Kansas
1990-2000

	<u>% Percent Change, 1990-2000</u>			
	<u>Civilian Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
Lecompton	-2%	4%	-59%	-58%
Baldwin	23	25	-35	-47
Eudora	48	48	52	2
Lawrence	35	36	18	-13
Douglas County	29	30	21	-7
Kansas	11	11	-9	-18

Source: U.S. Bureau of the Census

Figure 3
Employment Growth Rates
Lecompton, Comparative Cities and County
1990-2000

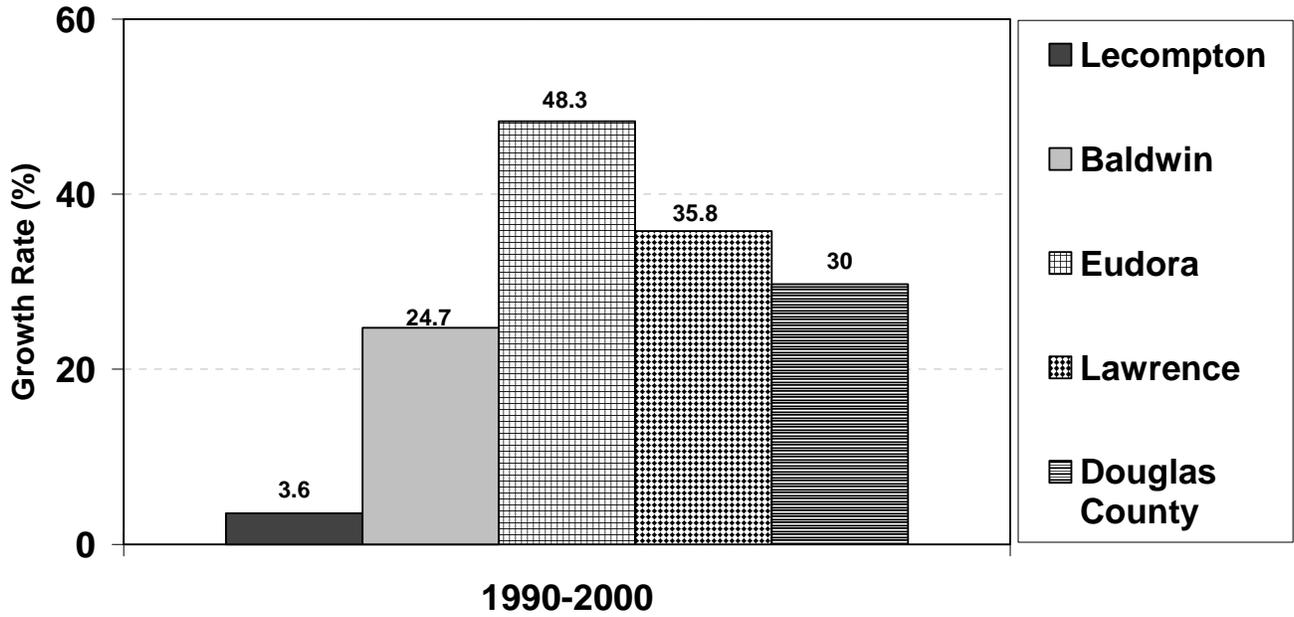


Table 6a
Employment Levels by Industry
Lecompton and Comparative Cities
2000

<u>Industry</u>	<u>Lecompton</u>	<u>Baldwin</u>	<u>Eudora</u>	<u>Lawrence</u>
Ag., Forestry, Mining	1	5	27	195
Construction	40	127	243	2,252
Manufacturing	64	238	344	3,558
Wholesale Trade	2	27	88	712
Retail Trade	28	164	208	5,546
Transportation	16	62	118	1,185
Information	14	77	109	2,095
Finance, Insur., Real Est.	2	59	135	2,687
Professional	11	71	196	3,776
Educational	60	681	430	13,539
Arts & Entertainment	24	131	105	5,430
Other Services	14	65	53	2,021
Public Administration	14	78	81	1,709
Total Employment	290	1,785	2,137	44,705

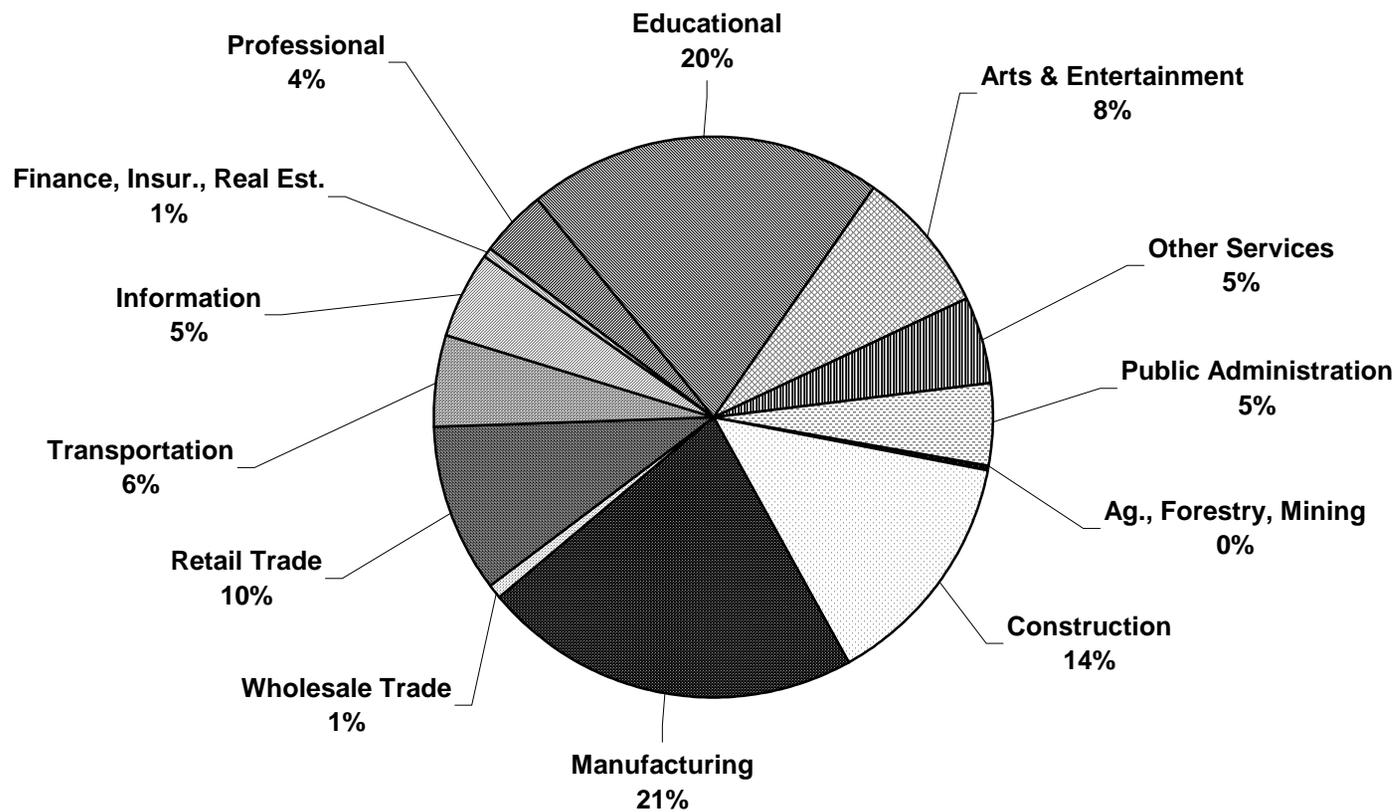
Source: U.S. Bureau of the Census

Table 6b
Employment Shares by Industry
Lecompton and Comparative Cities
2000

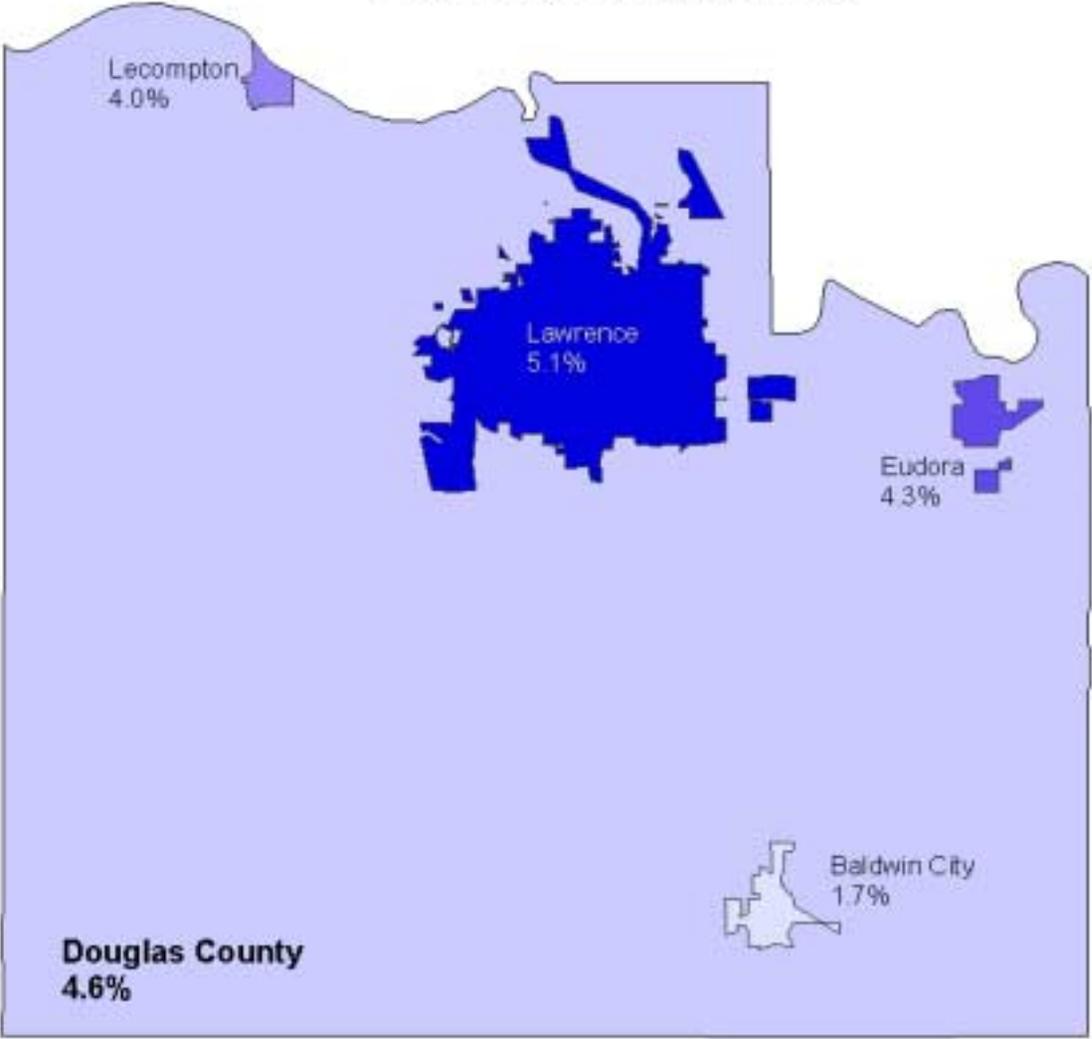
<u>Industry</u>	<u>Lecompton</u>	<u>Baldwin</u>	<u>Eudora</u>	<u>Lawrence</u>
Ag., Forestry, Mining	0.3 %	0.3 %	1.3 %	0.4 %
Construction	13.8	7.1	11.4	5.0
Manufacturing	22.1	13.3	16.1	8.0
Wholesale Trade	0.7	1.5	4.1	1.6
Retail Trade	9.7	9.2	9.7	12.4
Transportation	5.5	3.5	5.5	2.7
Information	4.8	4.3	5.1	4.7
Finance, Insur., Real Est.	0.7	3.3	6.3	6.0
Professional	3.8	4.0	9.2	8.4
Educational	20.7	38.2	20.1	30.3
Arts & Entertainment	8.3	7.3	4.9	12.1
Other Services	4.8	3.6	2.5	4.5
Public Administration	4.8	4.4	3.8	3.8
Total Share	100	100	100	100

Source: U.S. Bureau of the Census

Figure 4
Employment Percent Share by Industry
Lecompton
2000



**Map 3
Unemployment Rates: 2000**



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

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

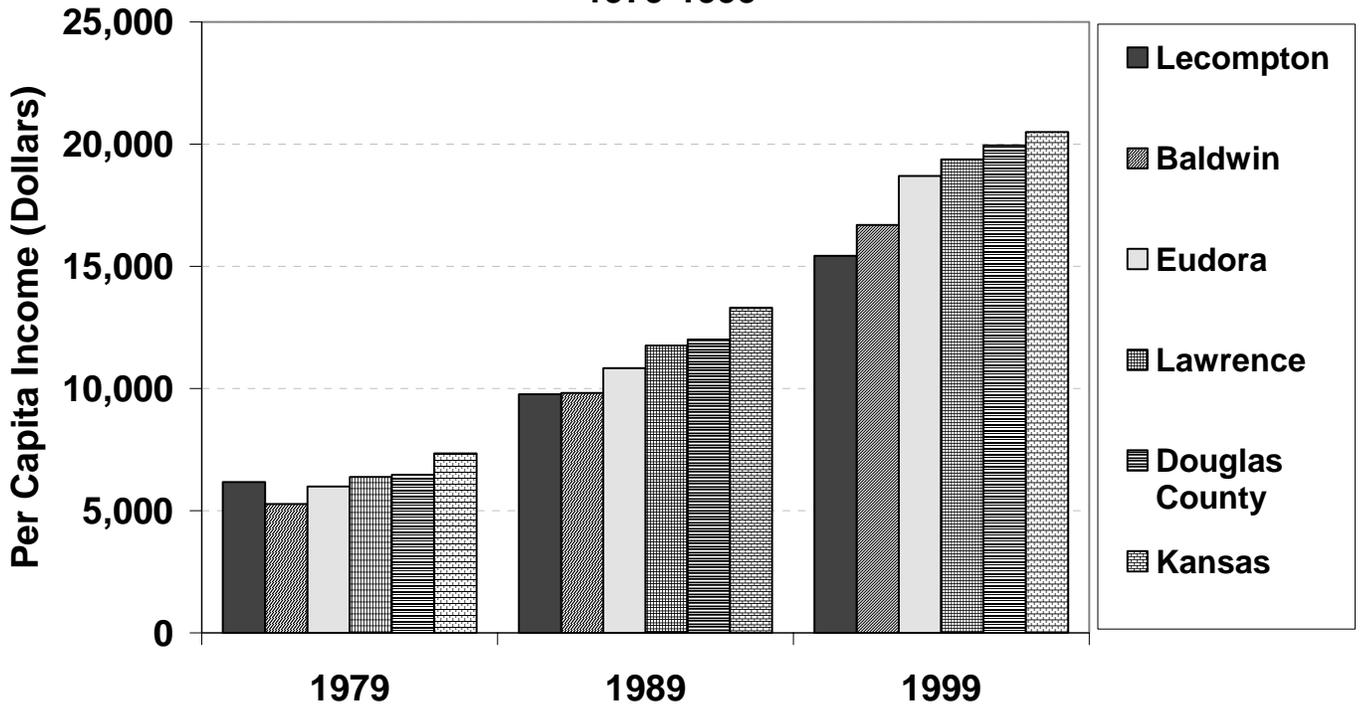
- Per capita personal income in Lecompton in 1999 stood at \$15,433, an amount \$5,073 less than the average across the state, and \$4,519 less than the county average. Indeed, it was the lowest per capita income of all the comparative cities. Furthermore, Lecompton's growth in income over the last twenty years was also the slowest of the comparative cities and even the state, at 150 percent. That equates to a 7.5 percent rate of growth annually, which although low compared to its immediate neighbors, would still have exceeded the inflation rate. (Table 7, Figure 5, and Map 4)

Table 7
Per Capita Income
Lecompton, Comparative Cities and County, Kansas
1979-1999

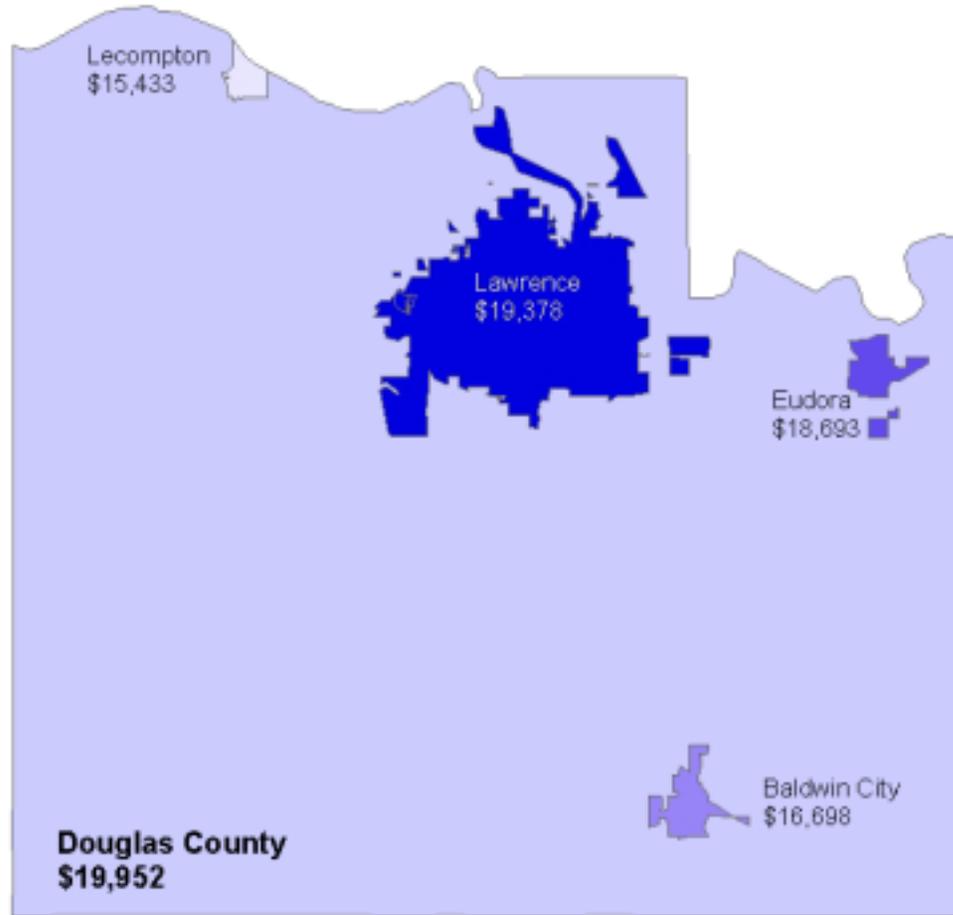
	Per Capita Income			% Growth		
	<u>1979</u>	<u>1989</u>	<u>1999</u>	<u>79-89</u>	<u>89-99</u>	<u>79-99</u>
Lecompton	6,172	9,758	15,433	58.1	58.2	150.0 %
Baldwin	5,277	9,823	16,698	86.1	70.0	216.4
Eudora	5,982	10,825	18,693	81.0	72.7	212.5
Lawrence	6,384	11,760	19,378	84.2	64.8	203.5
Douglas County	6,473	12,003	19,952	85.4	66.2	208.2
Kansas	7,350	13,300	20,506	81.0	54.2	179.0

Source: U.S. Bureau of the Census

Figure 5
Per Capita Income
Lecompton, Comparative Cities and County, Kansas
1979-1999



Map 4
Per Capita Income: 1999



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

TAXES

Of all the taxes residents pay, the one that varies most from city to city 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 city to another, it is important to keep in mind differences in the level of services between those places.

Furthermore it is also important to think about property *values*. In a city 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

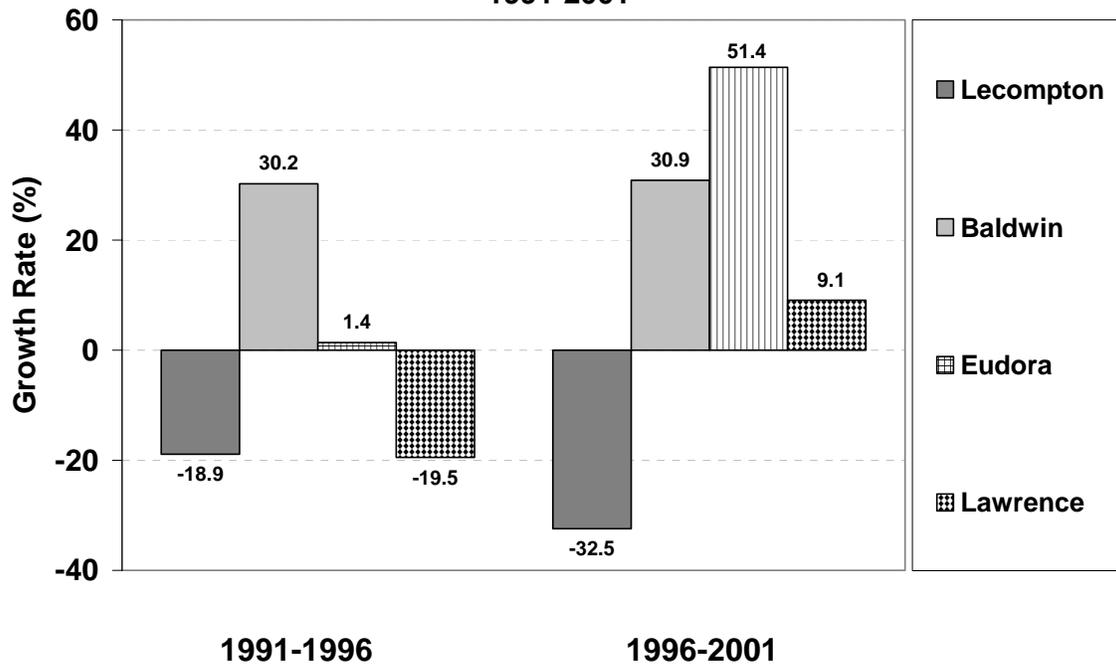
- In 2001 the total property tax levied by the city of Lecompton was 12.30 mills, the lowest of all the comparative cities. Partly Lecompton can levy less because as a small town it needs offer fewer costly services than the larger cities. This had not always been so; in 1991 Lecompton's mill levy was higher than Eudora's and comparable to Baldwin's. Since then Lecompton's has steadily lowered the property tax burden a significant 45 percent. Over this same time period, as we have seen, Lecompton's population has been contracting. This could have two theoretical effects on the mill levy: either to raise it, since fewer people remain to support city services; or lower it, as fewer citizens require less services for the city to provide. The latter seems to have occurred in Lecompton. (Table 8 and Figure 6)
- 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. In all cases examined here, total assessed valuations followed population rankings. That is, the more people who reside in a city, the higher the assessed valuation, therefore Lawrence had the highest and Lecompton the smallest. Since population in Lecompton has been decreasing over the last decade, it makes sense their assessed valuation has increased the least. Nevertheless, it has grown nearly 11 percent a year, which would help offset a the shrinking mill levy mentioned above. (Table 9 and Figure 7)
- Of all the comparative cities Lecompton is the only one without a sales tax. Eudora's is 0.5 percent, both Baldwin and Lawrence have theirs at the limit set by state laws: 1.0 percent.

Table 8
City Mill Levies
Lecompton and Comparative Cities
1991-2001

	Total Mill Levies			% Growth		
	1991	1996	2001	91-96	96-01	91-01
Lecompton	22.45	18.21	12.30	-18.9	-32.5	-45.2 %
Baldwin	24.44	31.83	41.66	30.2	30.9	70.4
Eudora	11.91	12.08	18.29	1.4	51.4	53.5
Lawrence	28.17	22.67	24.73	-19.5	9.1	-12.2

Source: Douglas County Budget, FY 2002

Figure 6
City Mill Levy Growth Rates
Lecompton and Comparative Cities
1991-2001

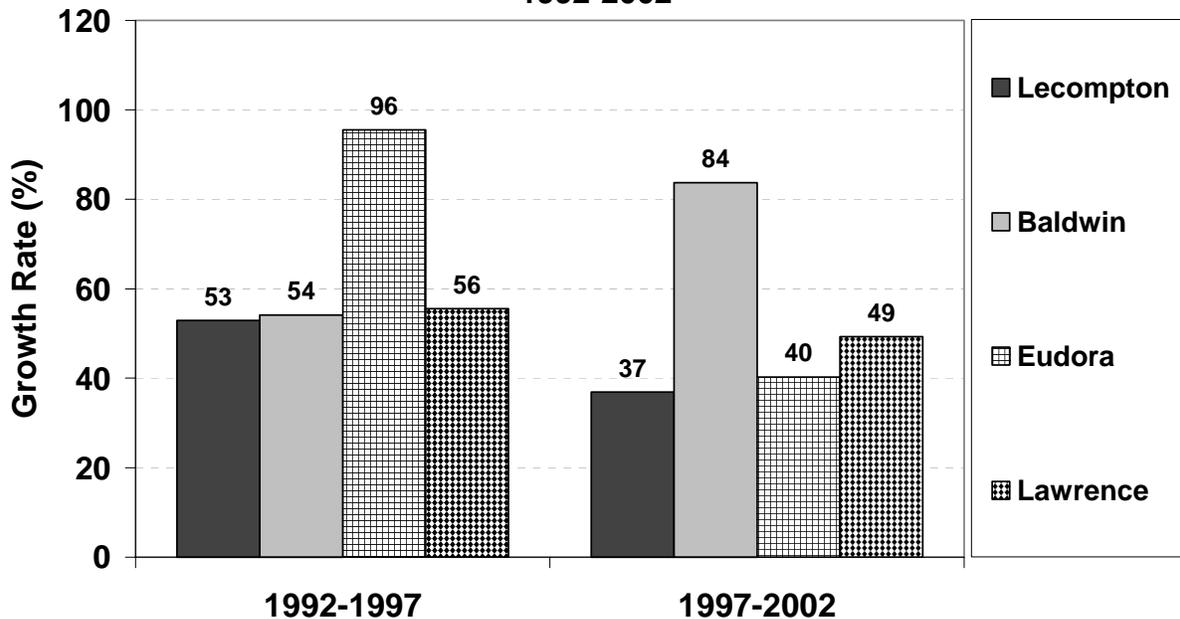


**Table 9
Assessed Tangible Valuation
Lecompton and Comparative Cities
1992-2002**

	Assessed Tangible Valuation (in thousands of dollars)			% Growth		
	<u>1992</u>	<u>1997</u>	<u>2002</u>	<u>92-97</u>	<u>97-02</u>	<u>92-02</u>
Lecompton	1,213	1,855	2,540	52.9	36.9	109.3 %
Baldwin	7,069	10,896	20,019	54.1	83.7	183.2
Eudora	9,201	17,991	25,231	95.5	40.2	174.2
Lawrence	271,615	422,416	630,439	55.5	49.2	132.1

Source: Douglas County Appraiser's Office

**Figure 7
Assessed Valuation Growth Rates
Lecompton and Comparative Cities
1992-2002**



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 Lecompton residents over the age of 25 who had achieved less than a high-school diploma was 13.7 in 2000, nearly exactly the statewide average of 14 percent. Furthermore, the percentage in Lecompton was down from 1990 in nearly the same proportion as that of the state's: in 1990 the number of adult residents without a high school diploma in Lecompton was 18.3, across the state the percentage was 18.7. (Table 10)
- The number of people in Lecompton who had completed college, whether through an associate's, bachelor's, or graduate program, all increased or remained the same from 1990 to 2000, a positive indication. And not surprisingly then, the number of those who had dropped out of college fell. Overall, the number of Lecompton residents who held at least one college degree in 2000 was 15.6 percent, about half the comparable statewide rate. (Table 10)

Table 10
Educational Attainment of Persons over 25
As a Percentage of the Population of Persons over 25
Lecompton 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>
Lecompton	1990	29	39	171	91	17	8	15	370
	2000	16	34	158	69	18	24	15	366
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:

Lecompton	1990	7.8 %	10.5 %	46.2 %	24.6 %	4.6 %	2.2 %	4.1 %
	2000	4.4	9.3	43.2	18.9	4.9	6.6	4.1
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.

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 performance for 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.

Like many small towns near major metropolitan areas, Lecompton has seen steady population growth, in this case, since 1940. However, in the decade of the nineties this trend finally reversed itself and population dropped 6 percent. A look at demographics indicate this was largely through children of the baby-boomer population finally reaching college age, and leaving. Whether they will be replaced in the future is uncertain. The low number of births over the last decade will further serve to decrease the number of people native to Lecompton, people more likely to stay or return after time away.

Of those that do live in Lecompton they possess education at about the same level as the state average on the high school level, and somewhat less in the college arena. No recent industry figures exist for the number of jobs actually within the city, but of the employed residents who live there a good many of them probably commute to work. Most of these people are employed in the manufacturing or education sectors, and as such, the per capita income of Lecompton is commensurately low.

However, the ability to work for low wages can be a positive. This would indicate fair housing values in the city, and we also know Lecompton has the lowest mill levy of any place in the county, and no sales tax. These are all attractive attributes for prospective firms, as well as Lecompton's general location near larger metropolitan areas and universities. The city will face some challenges in the years to come if it is to reverse the recent population declines, but has a good base upon which to build.