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Economic Trends Report: Linn 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: Linn County

Introduction

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

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

Throughout the report, Linn County's performance is compared with the performance of the state of Kansas and selected comparative counties, both in Kansas and Missouri. It is by no means a comprehensive analysis of economic trends facing the County but rather an overview of some key economic and demographic variables.

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.

Population: Key Findings

- Linn County experienced steep population declines in the early part of the century lasting into the 1960's. Since then, however, the direction of growth has changed, and population totals have been creeping up. In 2002 the Census Bureau estimated there were 9,674 people living in Linn County, which was nearly the same amount present in 1950 (Table 1).
- Linn as well as all of the surrounding counties experienced strong growth in the 1970's, sharp declines in the 1980's, and a return to even higher levels of growth in the 1990's. Population in Linn County grew 17.2 percent from 1990 to 2002, a rate higher than all of the surrounding counties save Miami, which has the benefit of close proximity to Kansas City (Table 2 and Figure 1a).

- The state of Kansas as a whole has seen steady population increases, growing 9.6 percent from 1990 to 2002. For the last several decades the United States' population has consistently grown about twice as fast (Table 2 and Figure 1b).
- The largest age group in Linn County in 2000 consisted of people in the 45-64 year-old range, and it was also the age segment which had grown the most: from 21 percent in 1990 to nearly 26 percent in 2000. It grew so much in fact that even though most of the other age cohorts increased in absolute size, they decreased as percentages of the total (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, 101 people in Linn 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 Linn County is not diverse in terms of race, even by Kansas standards. Nevertheless, even though the change has been slight, the direction for Linn County, as everywhere, is towards more diversity. The percentage of the total population that is white was 97.5 percent in 2000, a very slight decrease from the 98.8 percent two decades previous. The fastest growing non-white group are Hispanics, which grew to almost one percent of the total county population in 2000 (and the percentage could have been slightly 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 1990 to 1999 total net migration in Linn County was the highest it has been for perhaps the entire century, with 1,485 people moving into the county on net, for a migration rate of 18 percent (1,485 is 18 percent of the 1990 population of Linn County). This in spite of the birth-rate for the county decreasing at the same time the number of deaths remained the same. In fact, Linn County's net migration rate was the highest in the entire state for the period of time between 1990 and 1999. The state of Kansas had a positive net migration of 1.8 percent over the last decade, the first time in forty years the state's rate was positive (Table 5 and Map 3).
- Linn County moved from being the 53rd most populated county in Kansas in 1940 to being the 44th in 2000 (Table 6).
- In 1990 the ten-year population growth rate in Linn County was the 26th in a state of 105 counties. In 2000 its decade population growth rate had risen to the 8th highest of the state (Map 1 and 2).

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

Year	Linn		Kansas		Linn County Rank in State	Share (%)
	Population Total	Growth Rate	Population Total	Growth Rate		
1890	17,215		1,428,108		35	1.2
1900	16,689	-3.1	1,470,495	3.0	38	1.1
1910	14,735	-11.7	1,690,949	15.0	47	0.9
1920	13,815	-6.2	1,769,257	4.6	49	0.8
1930	13,534	-2.0	1,880,999	6.3	50	0.7
1940	11,969	-11.6	1,801,028	-4.3	53	0.7
1950	10,053	-16.0	1,905,299	5.8	56	0.5
1960	8,274	-17.7	2,178,611	14.3	60	0.4
1970	7,770	-6.1	2,249,071	3.2	58	0.3
1980	8,234	6.0	2,364,236	5.1	54	0.3
1990	8,255	0.3	2,477,588	4.8	49	0.3
1991*	8,394	1.7	2,498,722	0.9	47	0.3
1992*	8,457	0.8	2,532,394	1.3	47	0.3
1993*	8,502	0.5	2,556,547	1.0	47	0.3
1994*	8,602	1.2	2,580,513	0.9	47	0.3
1995*	8,798	2.3	2,601,007	0.8	47	0.3
1996*	9,006	2.4	2,614,554	0.5	46	0.3
1997*	9,146	1.6	2,635,292	0.8	46	0.3
1998*	9,266	1.3	2,660,598	1.0	45	0.3
1999*	9,442	1.9	2,678,338	0.7	45	0.4
2000	9,570	1.4	2,688,418	0.4	45	0.4
2001*	9,668	1.0	2,702,125	0.5	44	0.4
2002*	9,674	0.1	2,715,884	0.5	44	0.4

* Estimates

Source: U.S. Bureau of the Census.

Table 2
Population Growth Rates
Linn County, Surrounding Counties, Kansas and U.S.
1970-2002

<u>Year</u>	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-2002</u>
Linn	6.0	0.3	17.2
Allen	4.1	-6.5	-2.8
Anderson	2.9	-10.8	4.4
Bourbon	5.0	-6.3	1.4
Franklin	10.3	-0.3	15.1
Miami	12.3	8.5	23.2
Bates, MO	2.6	-5.3	13.0
Kansas	5.1	4.8	9.6
United States	11.4	9.8	15.9

Source: U.S. Bureau of the Census.

Figure 1a
Rates of Population Change
Linn and Surrounding Counties
1970-2002

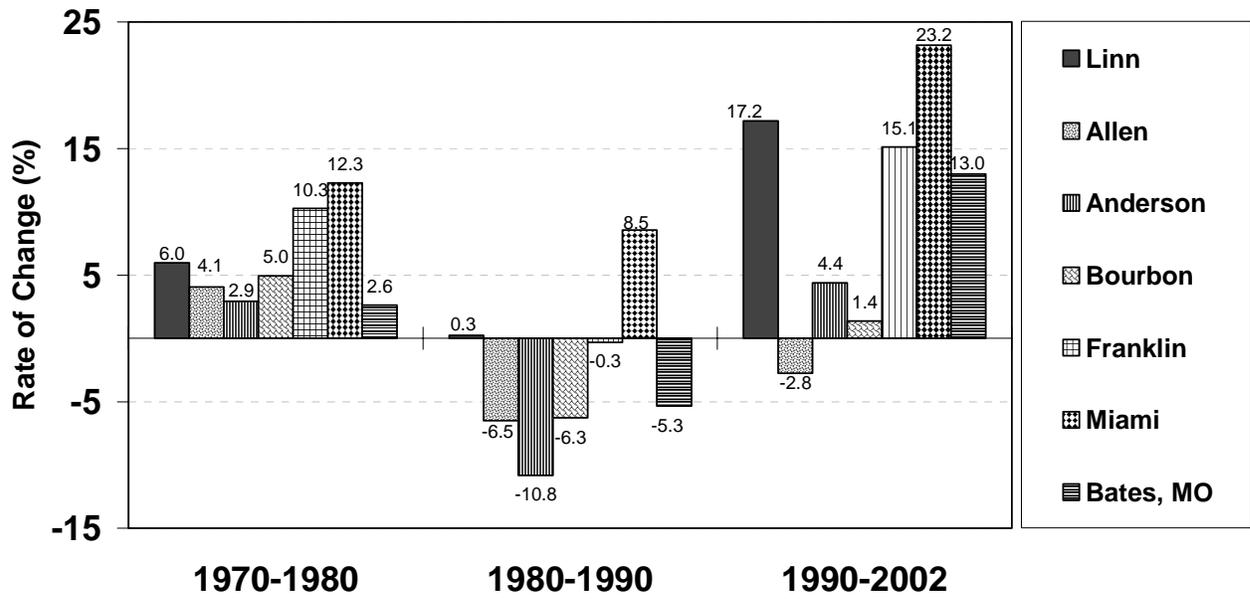


Figure 1b
Rates of Population Change
Linn County, Kansas, US
1970-2002

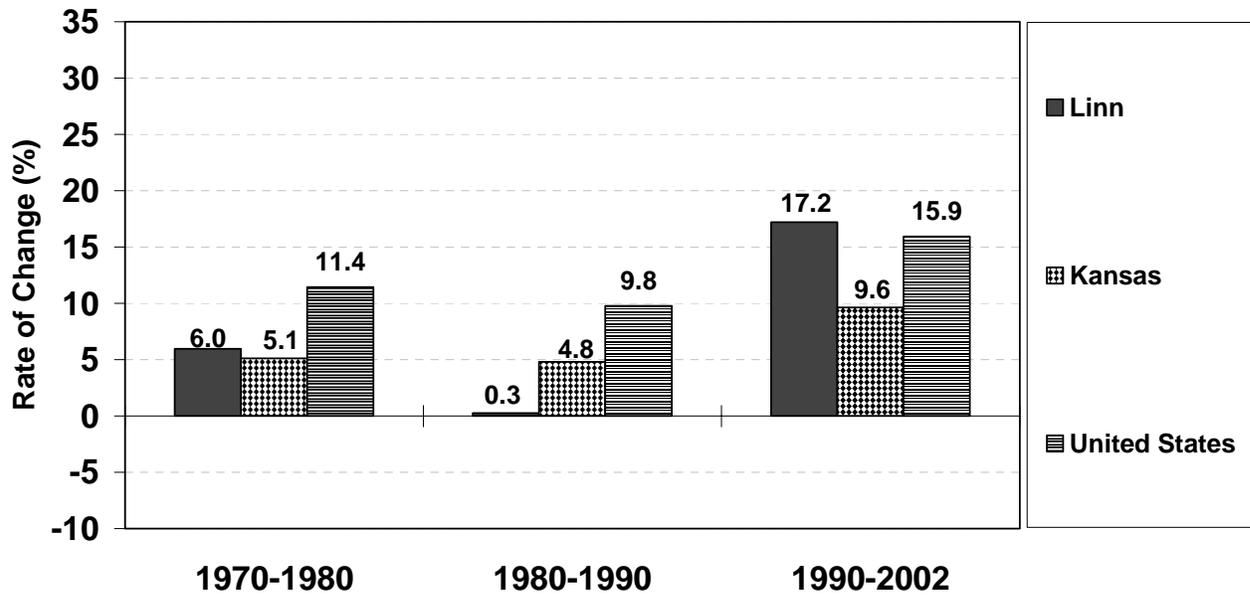


Table 3a
Population by Selected Age Groups
Linn County and Kansas
1990-2000

	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>
Linn	1990	521	1,600	537	2,031	1,746	1,820
	2000	603	1,794	640	2,325	2,458	1,750
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
Linn 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>
Linn	1990	6.3 %	19.4 %	6.5 %	24.6 %	21.2 %	22.0 %
	2000	6.3	18.7	6.7	24.3	25.7	18.3
Kansas	1990	7.7	19.1	10.3	31.3	17.9	13.8
	2000	7.0	19.5	10.3	28.6	21.4	13.3

Source: U.S. Bureau of the Census

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

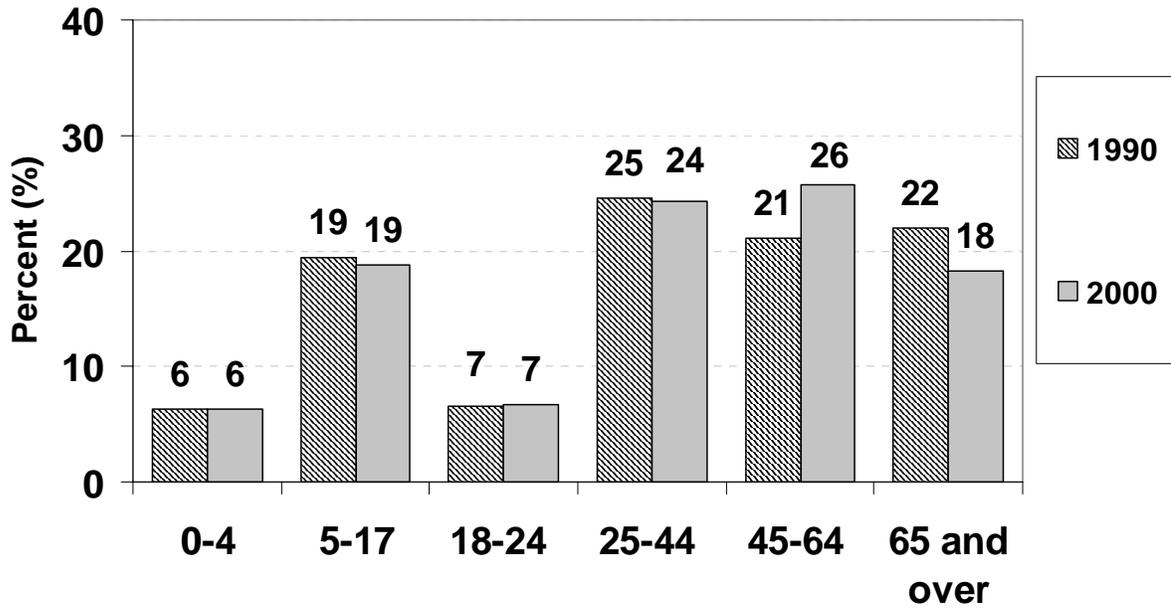


Table 4a
Population by Hispanic Origin
Linn County and Kansas
1980-2000

	Year	Total	White		Total Black	Total Hispanic	Others	2 or More Races
			Total	Hispanic				
Linn	1980	8,251	8,154	15	8,139	35	21	41
	1990	8,272	8,151	1	8,150	37	34	50
	2000 *	9,570	9,331	57	9,274	60	87	78
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
Linn County and Kansas
1980-2000

	Year	White		Total Black	Total Hispanic	Others	2 or More Races
		Total	Hispanic				
Linn	1980	98.8%	n/a	n/a	0.4%	0.3%	0.5%
	1990	98.5	0.0	98.5	0.4	0.4	0.6
	2000 *	97.5	0.6	96.9	0.6	0.9	0.8
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**

Linn County							
Year	Population	Population Change	Births	Deaths	Births - Deaths	Net *** Migration	% Net Migration
1970*	7,770	-504	n/a	n/a	-336	-168	-2.0
1980*	8,234	464	n/a	n/a	-190	654	8.4
1990*	8,255	21	1,063	1,186	-123	144	1.7
1999**	9,442	1,187	868	1,166	-298	1,485	18.0
Kansas							
Year	Population	Population Change	Births	Deaths	Births - Deaths	Net *** Migration	% Net Migration
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)

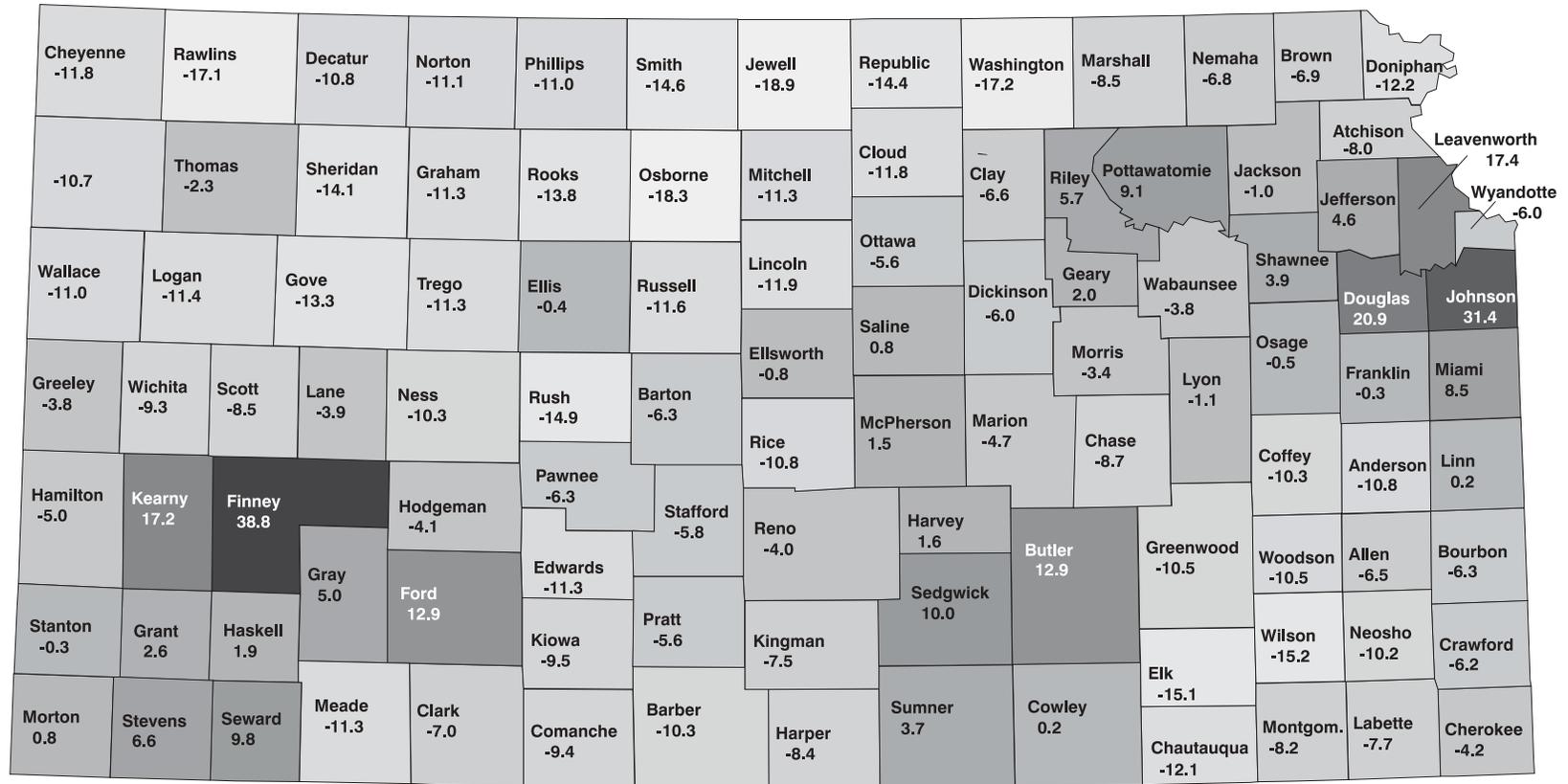
Source: U.S. Bureau of the Census

Table 6
Population of Top Ranking Kansas Counties
(Thousands)

Rk	1940	Pop.	Rk	1980	Pop.	Rk	1990	Pop.	Rk	2002	Pop.
1	Wyandotte	145	1	Sedgwick	367	1	Sedgwick	404	1	Johnson	477
2	Sedgwick	143	2	Johnson	270	2	Johnson	355	2	Sedgwick	462
3	Shawnee	91	3	Wyandotte	172	3	Wyandotte	162	3	Shawnee	171
4	Reno	52	4	Shawnee	155	4	Shawnee	161	4	Wyandotte	158
5	Montgomery	49	5	Douglas	68	5	Douglas	82	5	Douglas	102
6	Crawford	45	6	Reno	65	6	Riley	67	6	Leavenworth	71
7	Leavenworth	41	7	Riley	64	7	Leavenworth	64	7	Reno	64
8	Cowley	38	8	Leavenworth	55	8	Reno	62	8	Riley	61
9	Johnson	33	9	Saline	49	9	Butler	51	9	Butler	61
10	Butler	32	10	Butler	45	10	Saline	49	10	Saline	54
11	Labette	30	11	Montgomery	42	11	Montgomery	39	11	Finney	40
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	Lyon	36
15	Sumner	26	15	Barton	31	15	Finney	33	15	Montgomery	35
16	Douglas	25	16	Harvey	31	16	Harvey	31	16	Harvey	33
17	Barton	25	17	Geary	30	17	Geary	30	17	Ford	33
18	McPherson	24	18	McPherson	27	18	Barton	29	18	McPherson	29
19	Dickinson	23	19	Ellis	26	19	Ford	27	19	Miami	29
20	Atchison	22	20	Labette	26	20	McPherson	27	20	Barton	28
53	Linn	12	54	Linn	8	49	Linn	8	44	Linn	10

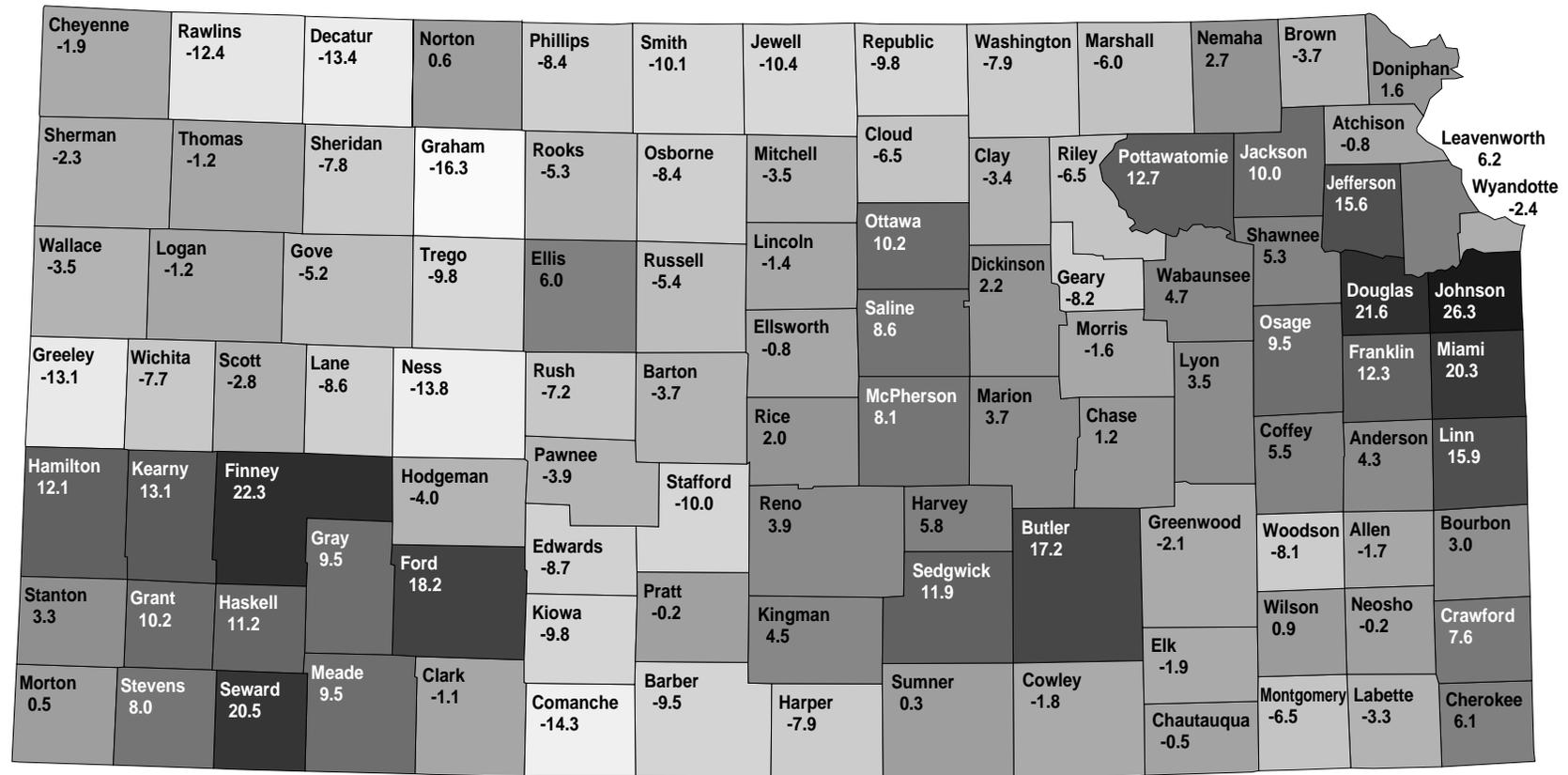
Source: U.S. Bureau of the Census

Map 1 Percent Population Change: 1980 - 1990



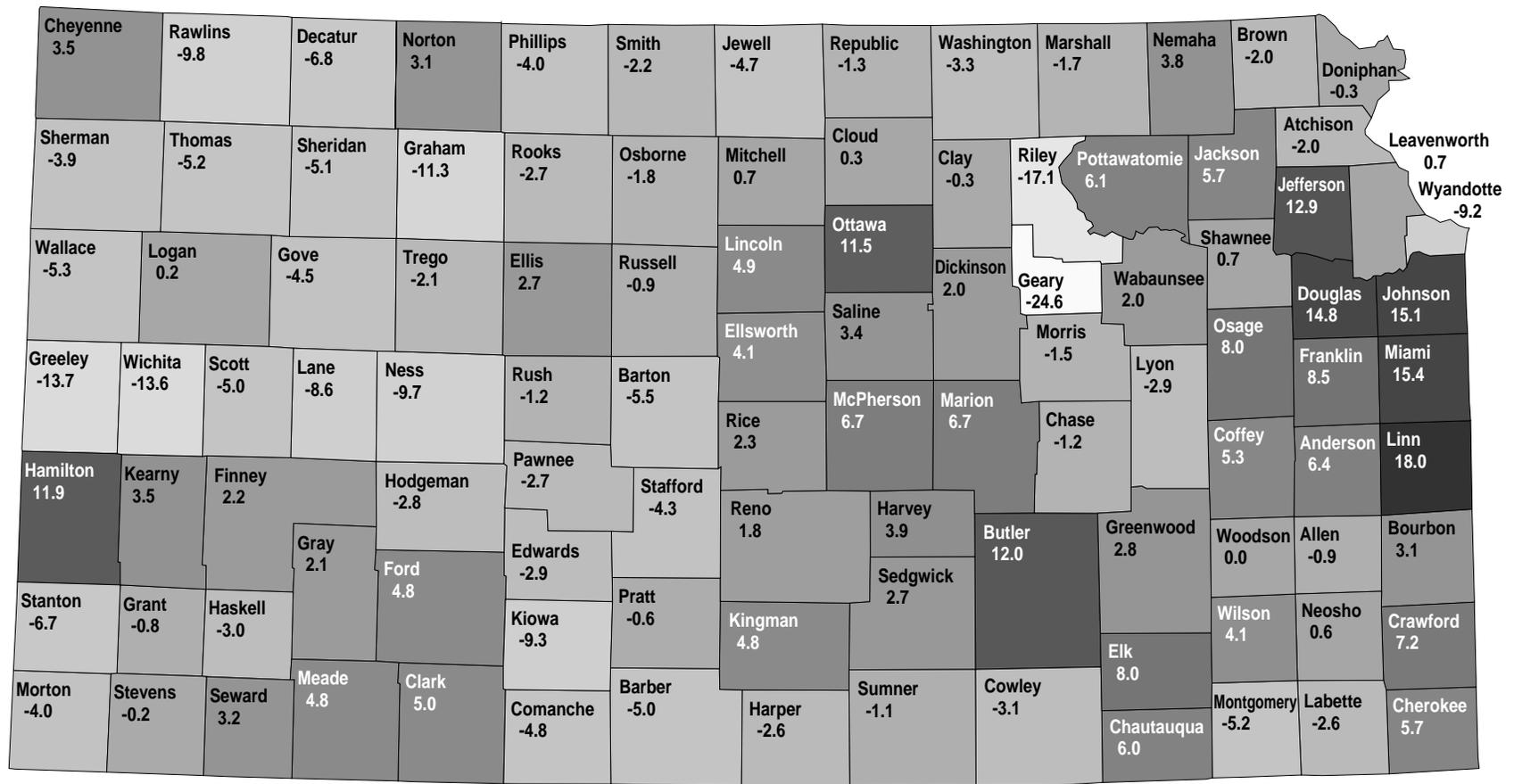
Source: Policy Research Institute, The University of Kansas: data from the U.S. Bureau of the Census.

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 Linn 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.

Employment: Key Findings

- Between 1992 and 2002 the number of employed people in Linn County decreased from 3,034 to 2,862. This was a 5.7 percent decline, during the same period that population grew over 17 percent (Table 7 and Figure 3).
- Compared to the surrounding counties, Linn's employment contraction in the 1990's is surprising. None of the surrounding counties experienced net decreases in employment for the decade, though Franklin and Bates counties did see small declines in the latter few years. Still, even Bates County, Missouri, which grew the least of all the surrounding counties, had 4 percent more working residents in 2001 than in 1991. Bourbon County had the most growth, nearly 20 percent in ten years (Table 7 and Figure 3).
- The total number of firms located in Linn County increased by only 4 from 1991 to 2001, a 2.4 percent increase. This compared to a 13.1 percent increase for the state of Kansas over the same time period. Three of the four new firms employed between 20 and 100 workers (Table 8a).
- The patterns of distribution of firms by the number of employees are somewhat different in Linn County compared to the state. Linn has fewer large firms, and in

2001 93.7 percent of the businesses in the county employed less than 20 people. Statewide the comparable number was 86 percent in 2001 (Table 8b).

- Even though the number of people who lived in Linn County and were employed fell in the last decade, the number of jobs available in the county grew. Total industry-level employment for Linn County rose 8.3 percent from 1990 to 2000, a net increase of 310 jobs in ten years. This compared to nearly 20 percent growth for the state of Kansas during the same period (Table 9a).
- Industry sectors which experienced the most growth in the 1990's were Government, Finance, Construction, and Manufacturing. Interestingly, given the rising population, Retail and Services employment only grew slightly. One possible explanation for this lies in the fact that population in Linn County is fairly decentralized. According to the Census Bureau, in 2002 approximately 51 percent of the population of Linn County lived in unincorporated areas; that is, within the county but outside of any city limit. The largest city in the county in 2002 was Pleasanton with 1,400 people, a level probably not yet large enough to support the chain-style retail and service establishments which typically accompany population increases (Tables 9a and 9b and Figures 4a and 4b).
- Linn's total industry level employment growth for the 1990's was less than the surrounding counties, but this can be attributed in part to the relative size differences of the counties. Except for Anderson, the rest of the surrounding counties are all about 50 percent larger in terms of population than Linn. Studies have shown that larger counties grow faster than smaller ones, and this is illustrated by the difference in employment growth between rural and urban areas. If we choose to define urban counties as those with more than 50,000 people (there are only ten such counties in the state) and rural as all the rest (totaling 95 counties), we see that employment growth in the urban counties is double that of the rural (Table 10).
- The labor force is defined as those who are either employed or who are unemployed but have actively looked for work within the last four weeks. The labor force participation rate is the percentage of population aged 16 and over that is in the labor force. In 2000 the labor force participation for Linn County was 43.2 percent, the lowest in the state and one of only two counties whose participation rate was less than 50 percent. The overall rate for Kansas was 68.5 percent (Map 4).
- Place of residence data for Linn County showed the unemployment rate in 2002 to be 9.0 percent, which was the third highest in the state behind Doniphan and Wyandotte. 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. In other words, residents of Linn County who go unemployed do so because of conditions in their places of work, which for many is a county other than Linn (Map 5).

- One possible explanation for the traditionally high unemployment level and low labor force participation rate seen in Linn County is that some residents hold jobs which employ them at only certain times of the year, or may hold several regularly scheduled jobs during the year with periods of unemployment in-between. To be considered part of the labor force one must be employed or have actively looked for work within the last four weeks. If seasonal workers spend more than four weeks between work but are confident enough in their next job, they may not need to search for work in the meantime, and so might be regularly counted out of the labor force for some portion of the year. One industry which undergoes large seasonal employment variations is the construction sector, which was shown in Table 9b to make up 9 percent of the Linn County employment base. Not only is that a relatively large industry for a county that size, but it has grown over 260 percent in the last thirty years, a rate higher than any of the surrounding or comparative counties (Table 11).
- The Census Bureau measures commuting patterns every decennial census. In 2000 they estimated that 1,589 people who live in Linn County actually work in a county other than Linn. These are termed out-commuters (Map 6). The majority of these, 888, traveled to Johnson County, but another nearly 500 went to Miami County, and about 200 each to Bourbon and Jackson County on the Missouri side. On the other hand, a total of 634 people who don't live in Linn County travel in to work there. These are called in-commuters, and the county which sends the most workers to Linn is Bates County, Missouri (Map 7).
- One might notice the total number of people who commute out of Linn County added to those who both live and work in Linn (Map 6), comes to an amount considerably higher than the employment levels listed by the Kansas Department of Human Resources in Table 7. Although the KDHR data is for 2002 and the Census commuting information is for 2000, the discrepancy is still rather large. The difference lies in methods of data collection. The Census Bureau bases their commuting data on answers to a questionnaire from a sample of the population. They then extrapolate those answers to arrive at an estimate for the entire county. KDHR uses data from the Bureau of Labor Statistics, which regularly surveys nearly every firm in the nation for information on their workers. The KDHR information is probably more accurate in terms of the actual number, but the Census data is still useful in indicating relative percentages of the working population who commute.

Table 7
Employment Growth Rates
Linn County, Surrounding Counties, and Kansas
Place of Residence Data
1992-2002

	Average Annual Employment			% Employment Growth		
	1992	1997	2002	1992-1997	1997-2002	1992-2002
Linn	3,034	3,101	2,862	2.2 %	-7.7 %	-5.7 %
Allen	6,323	6,556	6,654	3.7	1.5	5.2
Anderson	3,631	3,833	3,839	5.6	0.2	5.7
Bourbon	6,446	6,286	7,731	-2.5	23.0	19.9
Franklin	11,051	13,421	12,464	21.4	-7.1	12.8
Miami	11,792	13,200	13,802	11.9	4.6	17.0
	1991	1996	2001	1991-1996	1996-2001	1991-2001
Bates, MO	6,567	7,259	6,854	10.5	-5.6	4.4
Kansas	1,255,000	1,326,000	1,342,000	5.7	1.2	6.9

Source for Kansas: Kansas Department of Human Resources
Source for Missouri: Missouri Department of Economic Development

Figure 3
Employment Growth Rates
Linn and Surrounding Counties
1992-2002

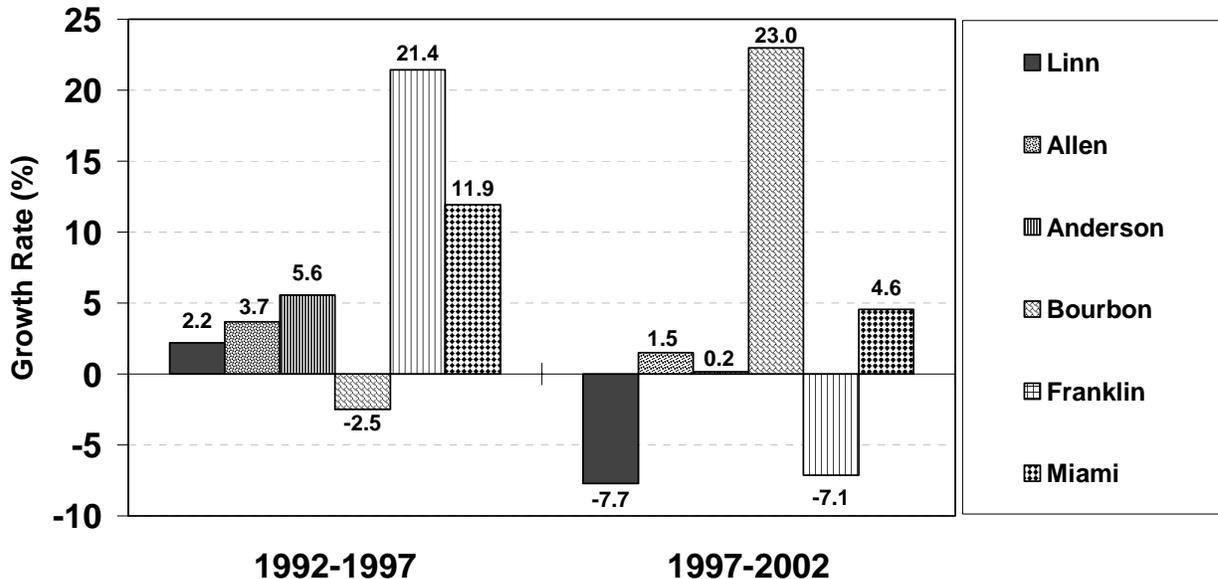


Table 8a
Number of Firms, by Number of Employees
Linn County and Kansas
1991-2001

<u>Employees</u>	<u>Linn</u>			<u>Kansas</u>		
	<u>1991</u>	<u>2001</u>	<u>% Change</u>	<u>1991</u>	<u>2001</u>	<u>% Change</u>
1 -- 19	162	163	0.6 %	57,706	64,176	11.2 %
20 -- 99	7	10	42.9	7,011	8,692	24.0
100 -- 499	1	1	0.0	1,110	1,555	40.1
500+	0	0	-	114	142	24.6
Total	170	174	2.4	65,941	74,565	13.1

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

Table 8b
Percentage Distribution of Firms, by Number of Employees
Linn County and Kansas
1991-2001

<u>Employees</u>	<u>Linn</u>		<u>Kansas</u>	
	<u>1991</u>	<u>2001</u>	<u>1991</u>	<u>2001</u>
0 - 19	95.3 %	93.7 %	87.5 %	86.1 %
20 - 99	4.1	5.7	10.6	11.7
100 - 499	0.6	0.6	1.7	2.1
500+	0.0	0.0	0.2	0.2

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

Table 9a
Employment Levels by Industry
Linn County and Kansas
Place of Work Data
1990-2000

Industry	Linn				Kansas			
	1990	2000	Change	% Change	1990	2000	Change	% Change
Ag. Services	48	(D)	n/a	n/a %	15,193	23,018	7,825	51.5 %
Mining	138	76	-62	-44.9	29,366	19,181	-10,185	-34.7
Construction	269	369	100	37.2	63,355	93,971	30,616	48.3
Manufacturing	98	157	59	60.2	191,066	214,225	23,159	12.1
Transportation	473	(D)	n/a	n/a	75,041	98,190	23,149	30.8
Wholesale Trade	120	48	-72	-60.0	75,504	82,355	6,851	9.1
Retail Trade	419	470	51	12.2	239,064	296,557	57,493	24.0
Finance, Insur., Real Est.	143	253	110	76.9	95,689	115,145	19,456	20.3
Services	574	598	24	4.2	360,878	477,948	117,070	32.4
Gov't. and Gov't. Services	630	763	133	21.1	253,687	277,791	24,104	9.5
Subtotal -- Non-Farm	2,912	3,211	299	10.3	1,398,843	1,698,381	299,538	21.4
Farm Employment	825	836	11	1.3	84,717	77,803	-6,914	-8.2
Total Employment	3,737	4,047	310	8.3	1,483,560	1,776,184	292,624	19.7

(D) - Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals

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

Figure 4a
Percent Change in Employment by Industry
1990-2000

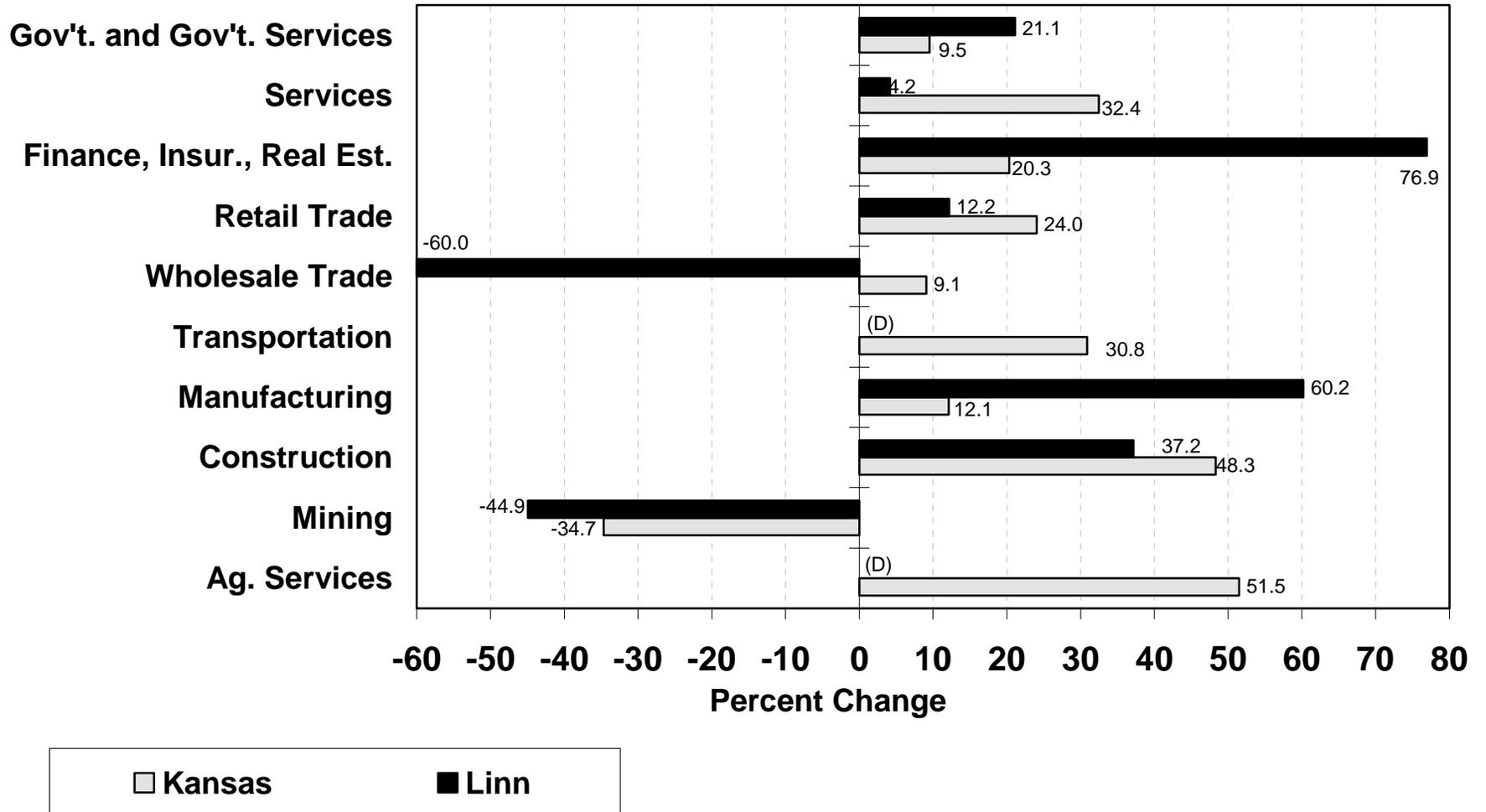


Table 9b
Employment Percent Share by Industry
Linn County and Kansas
Place of Work Data
1990-2000

<u>Industry</u>	<u>Linn</u>			<u>Kansas</u>		
	<u>1990</u>	<u>2000</u>	<u>Change</u>	<u>1990</u>	<u>2000</u>	<u>Change</u>
Ag. Services	1.3	n/a	n/a %	1.0	1.3	0.3 %
Mining	3.7	1.9	-1.8	2.0	1.1	-0.9
Construction	7.2	9.1	1.9	4.3	5.3	1.0
Manufacturing	2.6	3.9	1.3	12.9	12.1	-0.8
Transportation	12.7	n/a	n/a	5.1	5.5	0.5
Wholesale Trade	3.2	1.2	-2.0	5.1	4.6	-0.5
Retail Trade	11.2	11.6	0.4	16.1	16.7	0.6
Finance, Insur., Real Est.	3.8	6.3	2.4	6.4	6.5	0.0
Services	15.4	14.8	-0.6	24.3	26.9	2.6
Gov't. and Gov't. Services	16.9	18.9	2.0	17.1	15.6	-1.5
Subtotal -- Non-Farm	77.9	79.3	1.4	94.3	95.6	1.3
Farm Employment	22.1	20.7	-1.4	5.7	4.4	-1.3

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

Figure 4b
Employment Percent Share by Industry
Linn County
2000

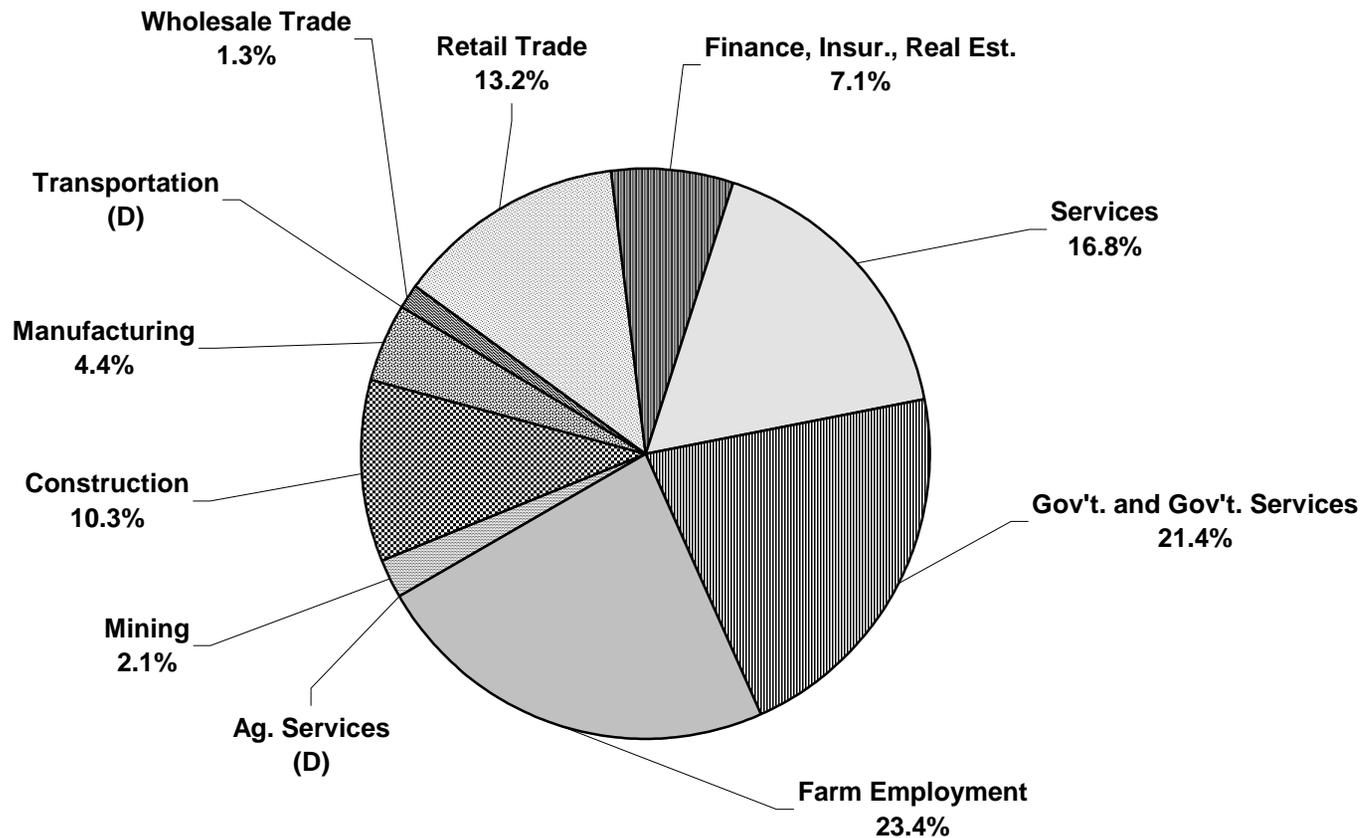


Table 10
Total Industry Employment
Linn and Surrounding Counties, Urban/Rural Areas, Kansas
Place of Work Data
1990-2000

<u>Year</u>	<u>1990</u>	<u>2000</u>	<u>Change</u>	<u>% Change</u>
Linn	3,737	4,047	310	8.3 %
Allen	8,462	9,398	936	11.1
Anderson	3,729	4,364	635	17.0
Bourbon	8,216	9,494	1,278	15.6
Franklin	10,233	13,031	2,798	27.3
Miami	9,973	12,593	2,620	26.3
Bates, MO	6,242	7,924	1,682	26.9
Urban Kansas (pop >50,00)	907,984	1,129,104	221,120	24.4
Rural Kansas (pop <50,00)	575,576	647,080	71,504	12.4
Kansas	1,483,560	1,776,184	292,624	19.7

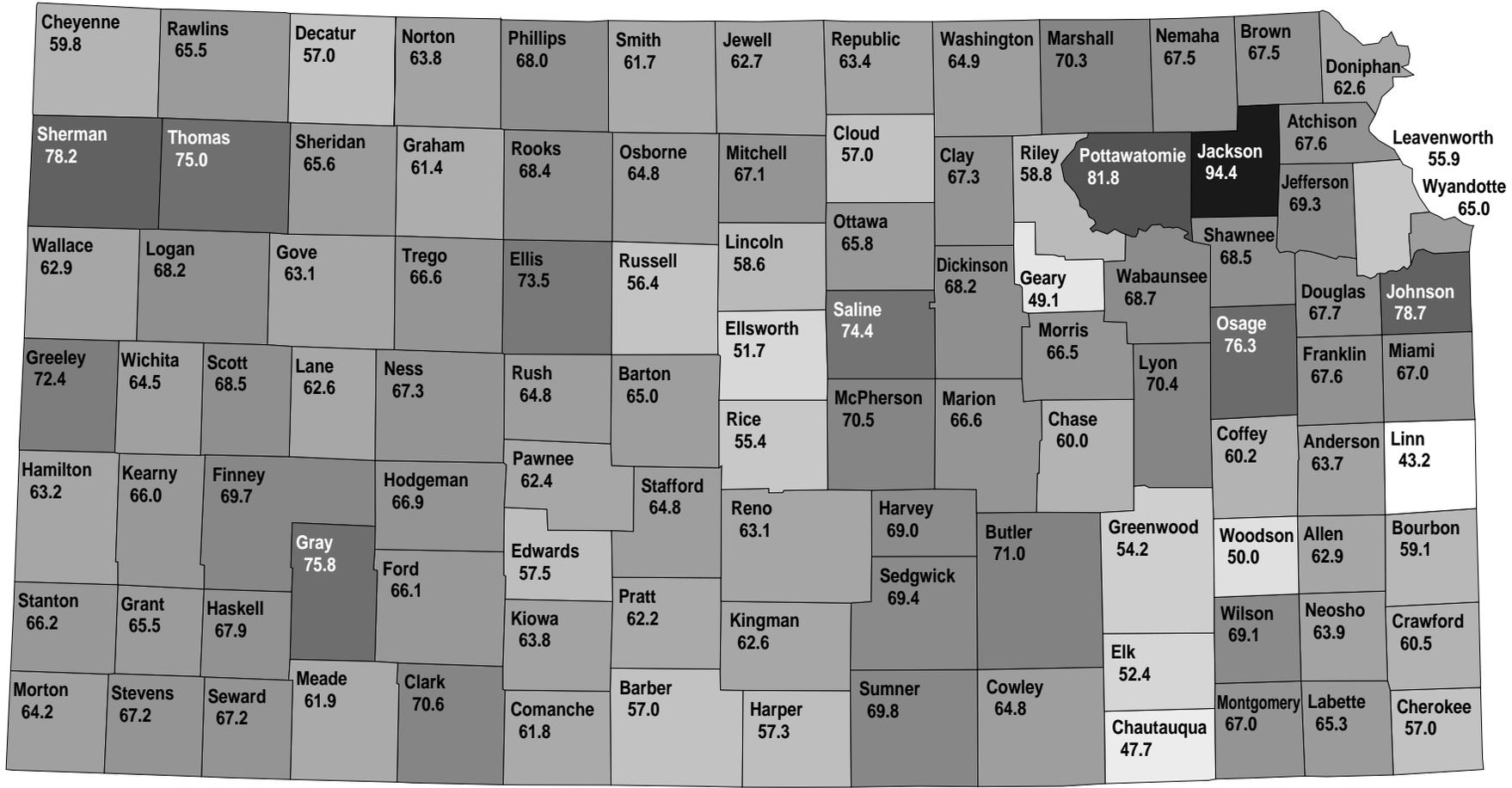
Source: Bureau of Economic Analysis, Regional Economic Information System (REIS), table CA25.

Table 11
Construction Employment
Linn and Selected Counties, Kansas
1970-2000

<u>Year</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>1970-2000</u>
Linn	102	254	269	369	261.8 %
Allen	206	418	298	440	113.6
Anderson	154	159	161	302	96.1
Bourbon	324	357	254	590	82.1
Coffey	105	3,466	332	308	193.3
Neosho	319	452	475	579	81.5
Osage	151	227	293	254	68.2
Wilson	107	185	193	220	105.6
Bates, MO	191	235	277	608	218.3
Kansas	47,452	65,508	63,355	93,971	98.0

Source: Bureau of Economic Analysis, Regional Economic Accounts, Table CA25.

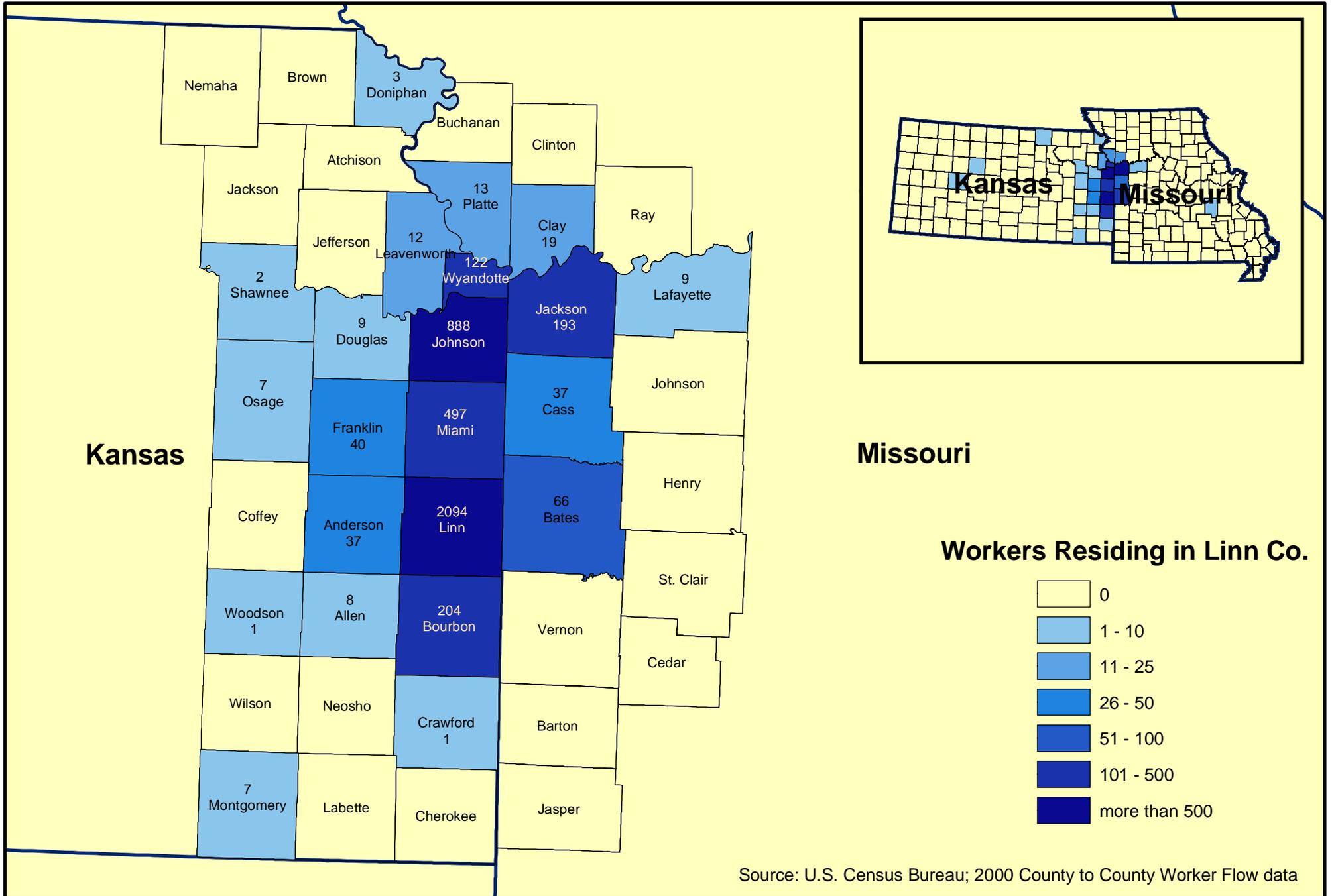
Map 4 Labor Force Participation: 2000



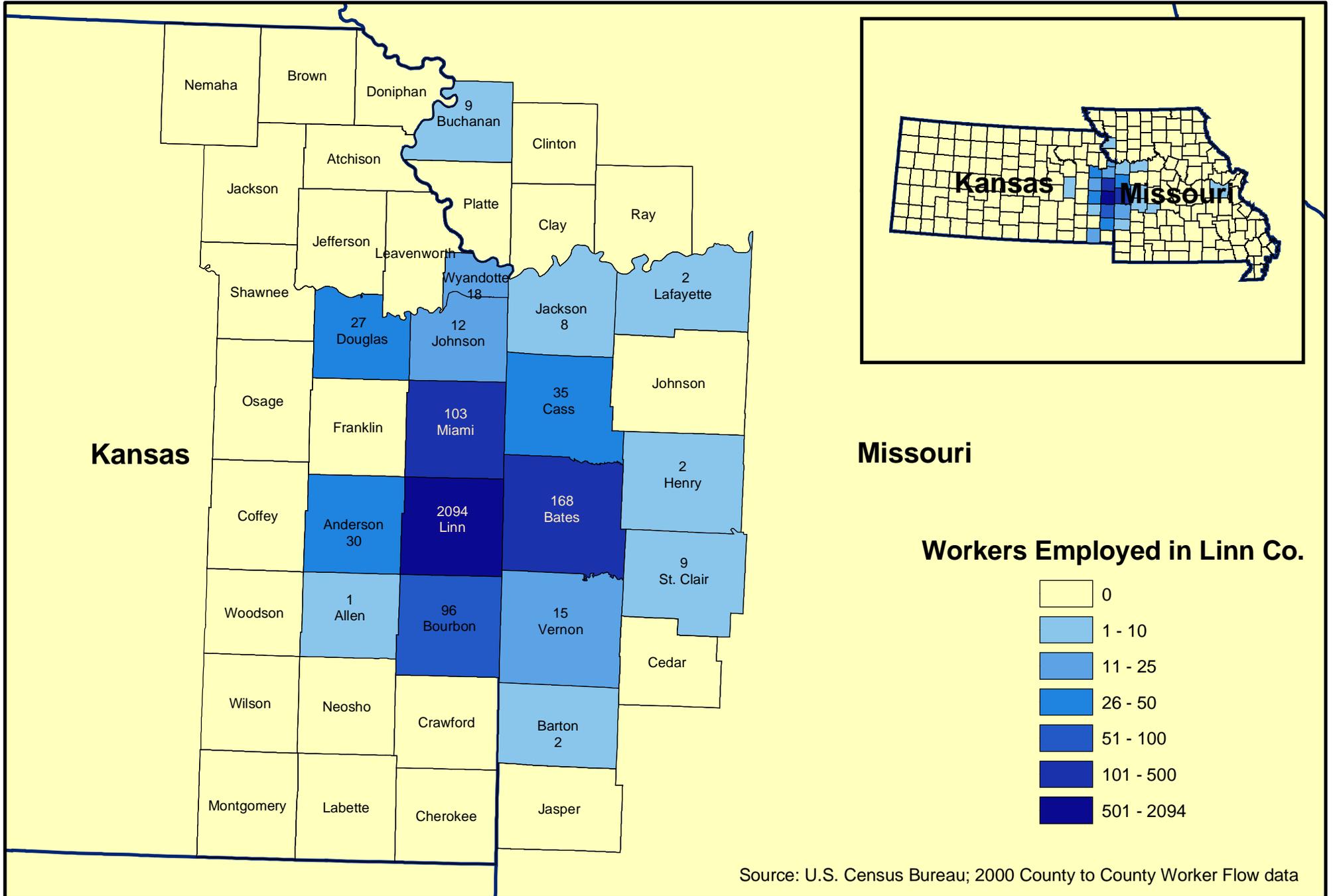
Source: 2000 U.S. Bureau of the Census.

Kansas: 68.5%

Place of Work by Workers Residing in Linn County, Kansas



Place of Residence by Workers Employed in Linn County, Kansas



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 Linn County was \$26,336. That was \$3,191 less than the average wage for the state of Kansas and \$9,214 less than the national average (Table 12).
- Linn County's average wage per job was the highest of all the surrounding counties. Franklin County came next after Linn with an average wage of \$23,902, while Anderson County had the lowest at \$18,682. Linn County's average wage ranks 11th highest in a state of 105 counties (Table 12 and Figure 5).
- In 2001 the per capita personal income in Linn County was \$19,150, nearly ten thousand dollars less than the statewide average. Linn County's income growth rate has also historically been less than that of the state's, so that over time the gap between the two has increased (Table 13 and Figure 6).
- Unlike the average wage in Linn County, per capita personal income ranked 104th in 2001, which was the lowest of the entire state save Woodson County. The two numbers can be very different if there are good paying jobs in a county but not very many of them. In Linn County each job pays a very decent wage, however, the unemployment rate in the county is high. When total incomes for the county are divided by the number of residents, as they are to determine per capita income, the result is a smaller amount per person when there are fewer jobs, no matter how well paying (Map 8).

Table 12
Average Annual Wage Per Job
Linn County, Surrounding 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>
Linn	19,737	21,351	26,336	8.2	23.3
Allen	15,875	18,930	21,794	19.2	15.1
Anderson	13,764	15,713	18,682	14.2	18.9
Bourbon	16,665	19,127	21,321	14.8	11.5
Franklin	15,927	18,780	23,902	17.9	27.3
Miami	16,614	19,365	22,823	16.6	17.9
Bates, MO	13,186	15,718	19,773	19.2	25.8
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 5
Average Wage per Job
Linn and Surrounding Counties
1991-2001

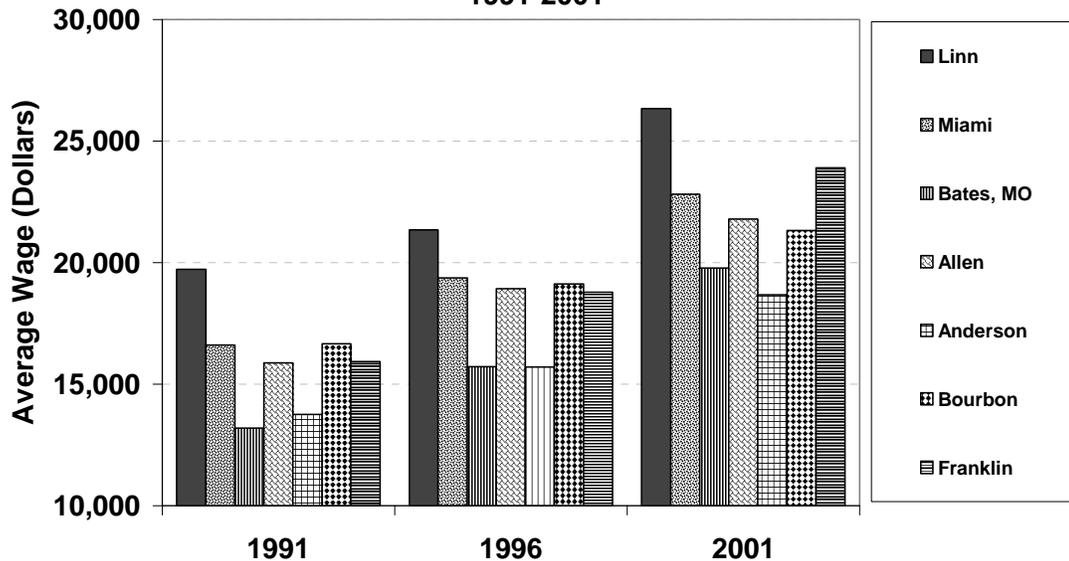
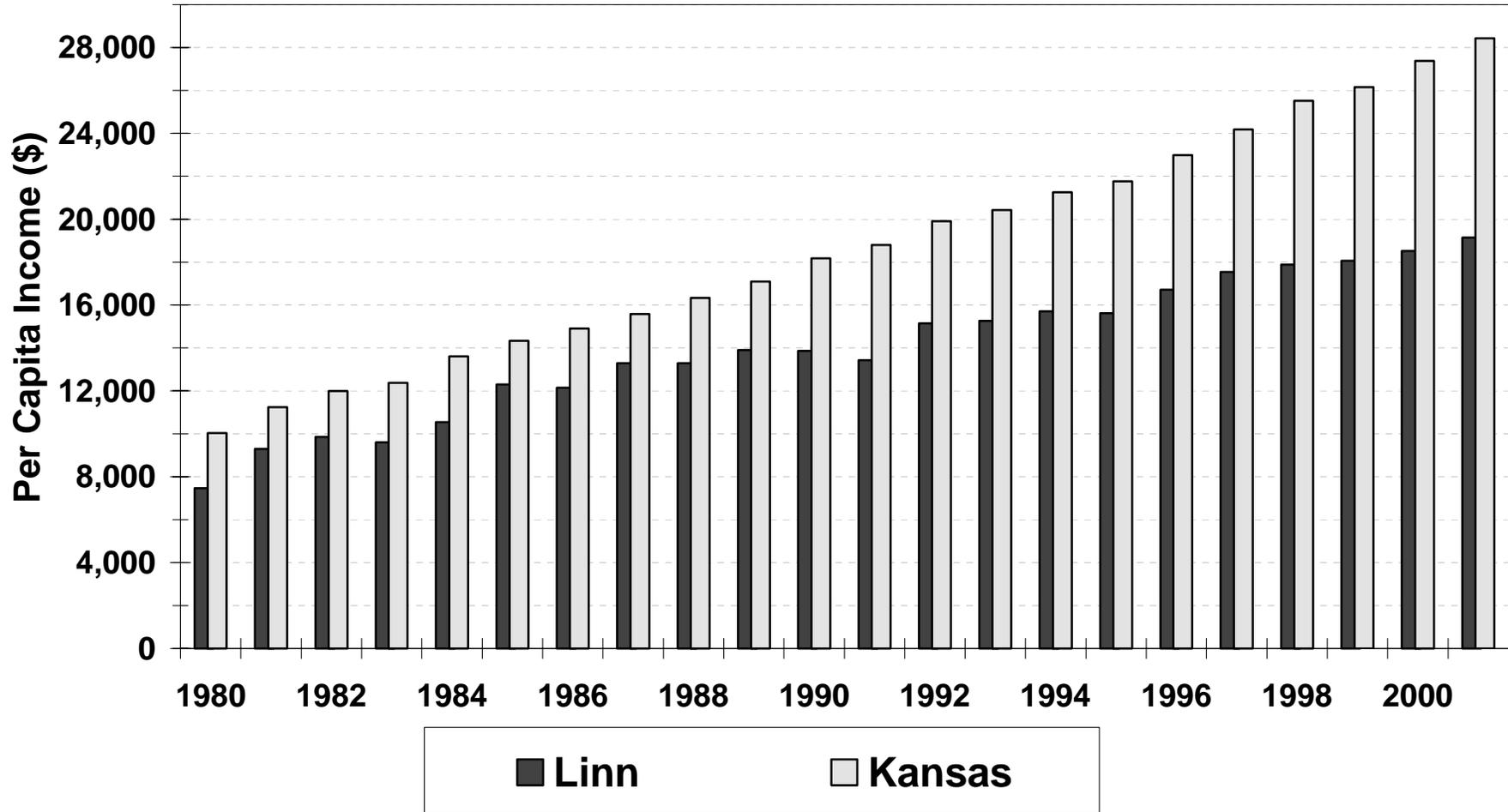


Table 13
Per Capita Personal Income
Linn County and Kansas
1980-2001

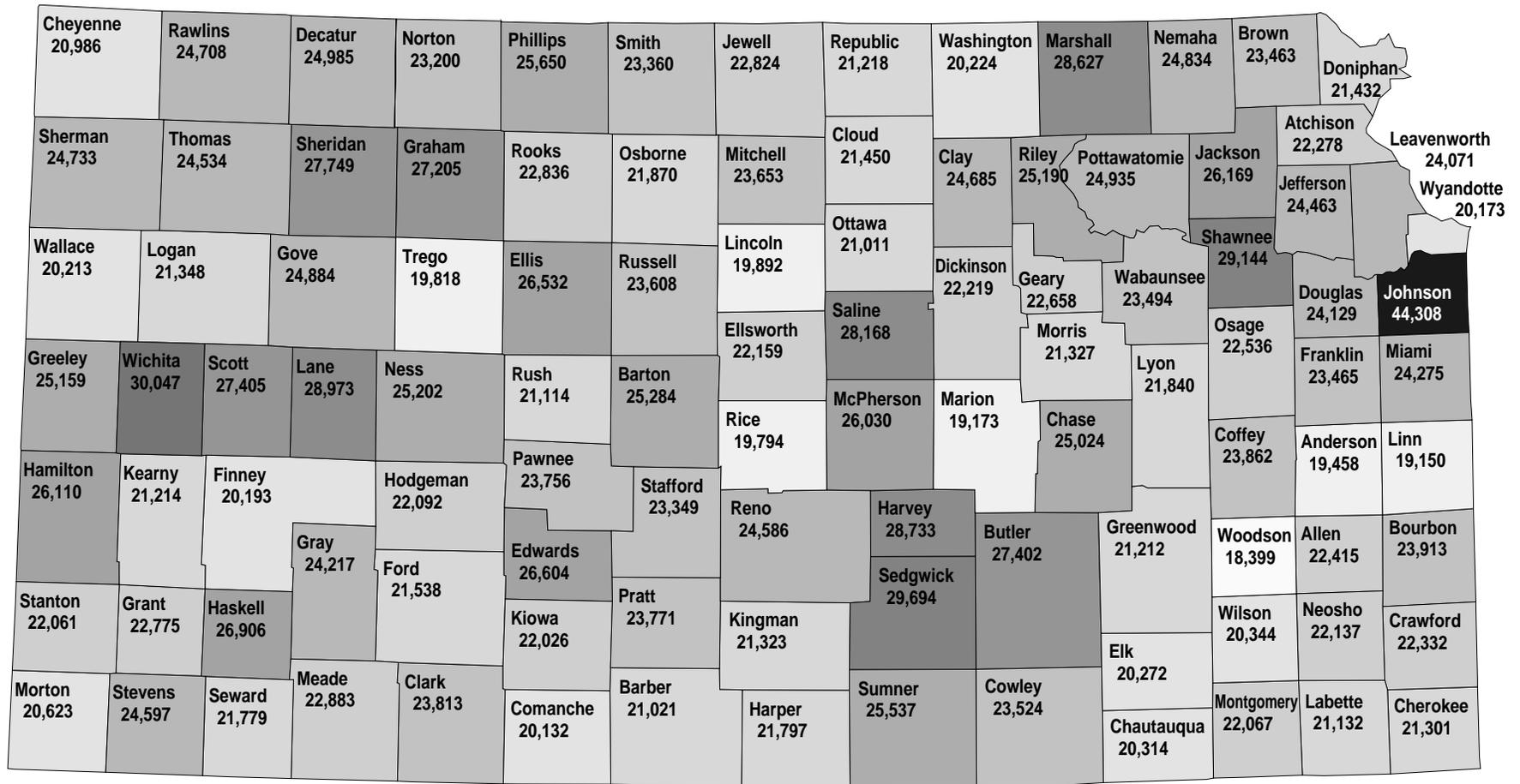
	Income (\$)		Growth Rates	
	Linn	Kansas	Linn	Kansas
1980	7,462	10,038		
1981	9,295	11,248	24.6 %	12.1 %
1982	9,854	11,989	6.0	6.6
1983	9,607	12,373	-2.5	3.2
1984	10,552	13,602	0.0	9.9
1985	12,296	14,330	16.5	5.4
1986	12,141	14,904	-1.3	4.0
1987	13,281	15,583	9.4	4.6
1988	13,285	16,331	0.0	4.8
1989	13,893	17,093	4.6	4.7
1990	13,854	18,177	-0.3	6.3
1991	13,432	18,806	-3.0	3.5
1992	15,151	19,905	12.8	5.8
1993	15,258	20,438	0.7	2.7
1994	15,710	21,258	3.0	4.0
1995	15,612	21,771	-0.6	2.4
1996	16,709	22,977	7.0	5.5
1997	17,539	24,182	5.0	5.2
1998	17,884	25,519	2.0	5.5
1999	18,058	26,155	1.0	2.5
2000	18,525	27,374	2.6	4.7
2001	19,150	28,432	3.4	3.9

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System.

Figure 6
Per Capita Personal Income
Linn County and Kansas
1980-2001



Map 8 Per Capita Personal Income: 2001



Source: 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 Linn 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.
- Taxable retail sales in Linn County had grown rather steadily in the first half of the last decade, but beginning in 1998 began to fall. The year 2000 saw a strong rally in sales which was all but negated in the next two years. By 2002 the total amount of retail sales in Linn was at the same level it had been in 1997. Nevertheless, growth for the decade (1992 to 2002) came to slightly more than 85 percent in Linn County, a much stronger showing than the state's 37 percent growth for the same time period (Table 14 and Figure 7).
- Linn County's trade pull factor in 2001 was 0.36. 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'. None of the surrounding counties had pull factors greater than one; Franklin's was the highest at 0.74. These numbers simply reflect how difficult it is for south-eastern Kansas counties to compete with the retail shopping opportunities in the greater Kansas City metro area (Map 9).

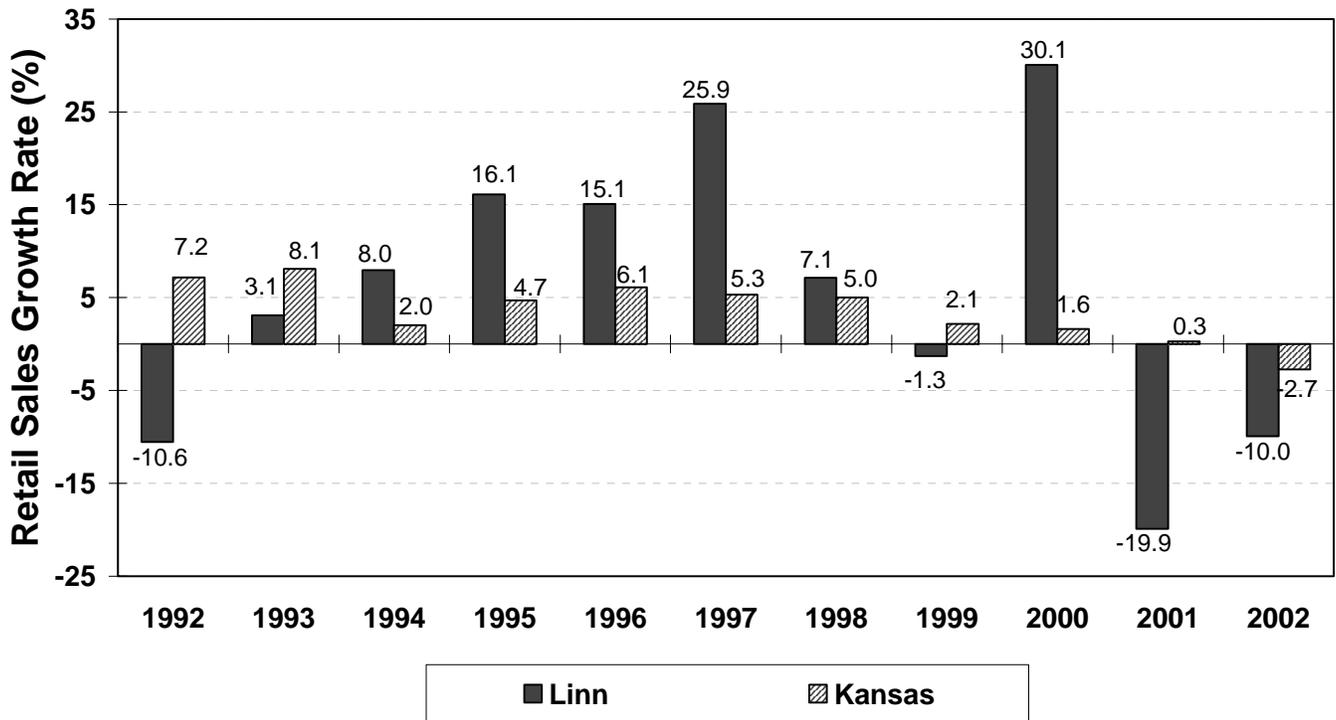
Table 14
Taxable Retail Sales and Growth Rates
Linn County and Kansas
1989-2002

<u>Year</u>	<u>Linn</u>		<u>Kansas</u>	
	<u>Nominal Sales (\$Millions)</u>	<u>Growth Rate (%)</u>	<u>Nominal Sales (\$Millions)</u>	<u>Growth Rate (%)</u>
1989	18.9		18,034.4	
1990	19.6	3.7 %	18,723.3	3.8 %
1991	21.8	11.2	19,988.0	6.8
1992	19.5	-10.6	21,421.3	7.2
1993	20.1	3.1	23,154.4	8.1
1994	21.7	8.0	23,625.8	2.0
1995	25.2	16.1	24,735.9	4.7
1996	29.0	15.1	26,247.7	6.1
1997	36.5	25.9	27,640.5	5.3
1998	39.1	7.1	29,021.6	5.0
1999	38.6	-1.3	29,641.9	2.1
2000	50.2	30.1	30,119.0	1.6
2001	40.2	-19.9	30,202.2	0.3
2002	36.2	-10.0	29,380.8	-2.7

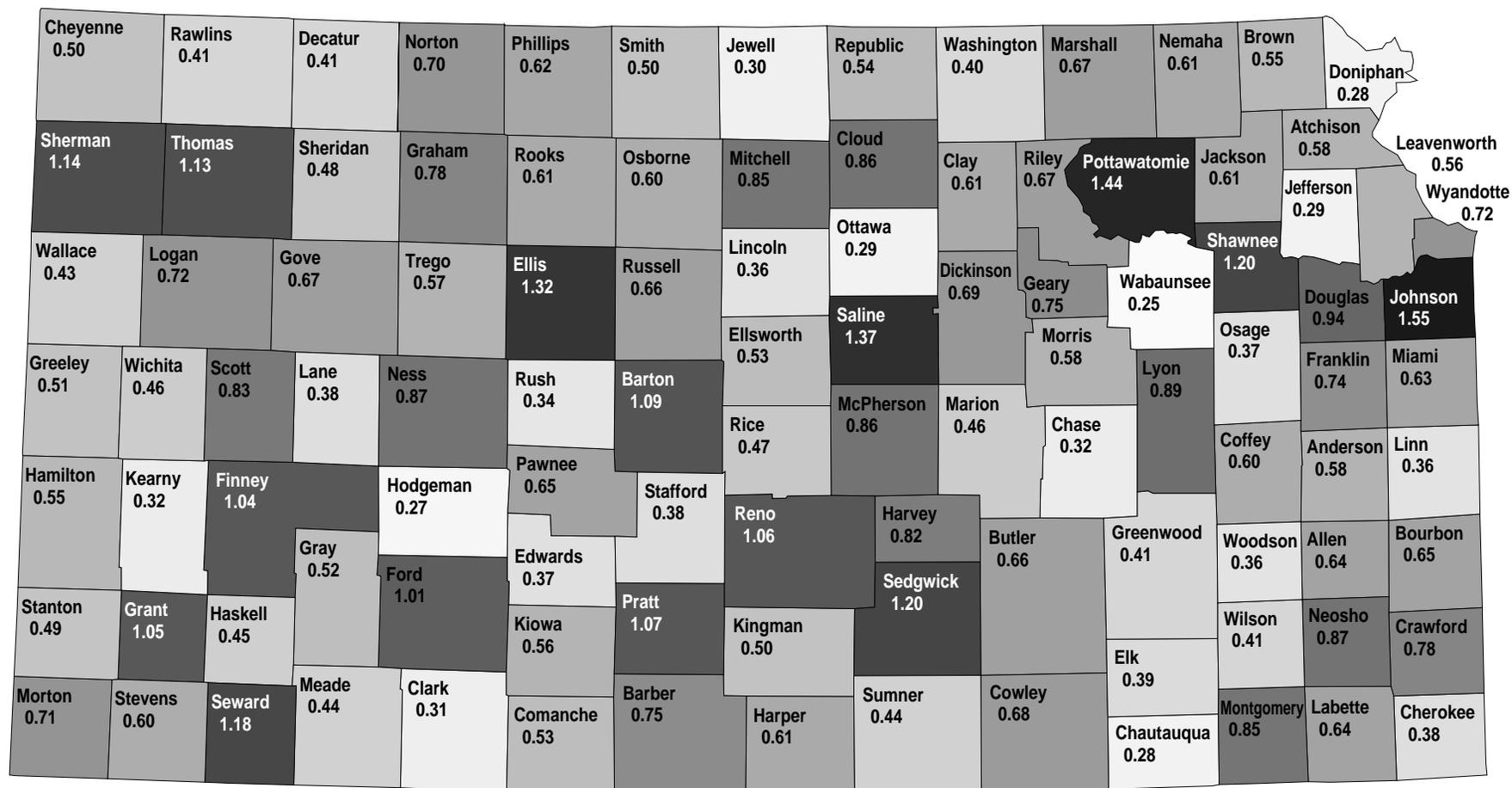
Note: Data from 1994 to 2002 are not comparable to 1989-1993 data.

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; 1994-2002, PRI, University of Kansas.

Figure 7
Taxable Retail Sales Growth Rates
Linn County and Kansas
1992-2002



Map 9 County Trade Pull Factors: 2002



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: Dr. David Darling and Mark Seitz, 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

- Residents in Linn County have completed less education than the statewide average. Only half as many people in Linn County possess Bachelor's or Graduate degrees than the Kansas average, though nearly an equal amount hold associate's degrees. Because of this there are more people percentage-wise in Linn for whom a high school diploma is the highest level of education completed: nearly 40 percent compared to about 30 percent statewide (Table 13).
- About 19 percent of the above-25 population in Linn County had failed to finish high-school in 2000, compared to 14 percent statewide (Table 15).
- Linn County graduated roughly 130 high school students on average each year from 1991 to 2001. The number of high school dropouts each of those years fluctuated from a low of 8 to a high of 25, with the average being 16 (Table 16).
- High school dropouts as a percent of graduates in Linn County averaged a low 12.5 percent a year from 1991 to 2001, compared to 22.4 percent for the state of Kansas (Table 16).

Table 15
Educational Attainment of Persons over 25
As a Percentage of the Population of Persons over 25
Linn 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>
Linn	391	855	2,584	1,521	359	528	300	6,533
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:

Linn	6.0%	13.1%	39.6%	23.3%	5.5%	8.1%	4.6%
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 16
High School Graduates and Drop-Outs
Linn County and Kansas
1991-2001

	<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>	<u>2001</u>
Linn											
Grads	119	107	115	134	148	125	128	142	122	134	140
Drops	14	8	17	17	11	19	22	25	15	13	16
Kansas											
Grads	24,414	24,129	24,720	25,319	26,125	25,786	26,648	27,856	28,543	29,102	28,061
Drops	5,738	5,651	6,490	6,698	6,422	6,420	6,042	5,802	5,802	4,974	4,649
<i>High school drop-outs as percent of graduates</i>											
Linn	11.8%	7.5%	14.8%	12.7%	7.4%	15.2%	17.2%	17.6%	12.3%	9.7%	11.4%
Kansas	23.5%	23.4%	26.3%	26.5%	24.6%	24.9%	22.7%	20.8%	20.3%	17.1%	16.6%

n/a: Data not available

Grads: High school graduates, year ending:

Drops: High school dropouts, year ending:

Source: Kansas State Department of Education

CONCLUSION

Linn County's economic trends are an interesting blend of the possible variations. In the last decade or so its population has grown a significant 17 percent and the number of jobs by 8 percent, and yet the number of residents who were employed decreased by nearly 6 percent. In fact, the latest figures showed Linn county had the third highest unemployment rate in the state and the lowest labor force participation rate of any county. Additionally enigmatic is the fact that even though Linn County workers are relatively less educated than the statewide average, they still command an average wage per job that was 11th highest in a state of 105 counties. But because so few residents hold jobs, high paying or not, the per capita income in Linn ranked second-to-last.

However, not all is bleak on the job front. As already mentioned, the number of jobs in the county is actually growing. And there is some evidence that the traditionally high unemployment rates could be due more to the kinds of workers in the county than in problems matching workers with jobs. The high number of seasonal workers who live in Linn might be supporting themselves adequately enough even though they would routinely be counted as unemployed or even out of the labor force.

There is also no denying that Linn County is an attractive place to live, as evidenced by a dramatic turn-around in the population slide, a turnaround which began in the 1970's. This might have been a result of the expansion of the effective Kansas City metropolitan area, and if it is, the trend can only be expected to continue. This should be seen as positive, for growing communities face fewer barriers to development than those who must reverse a trend of shrinkage. With the need to address population issues largely taken care of, Linn County leaders can focus more attention on creating and expanding local job opportunities.