
**INSTITUTE FOR PUBLIC POLICY
AND BUSINESS RESEARCH
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STRATEGIC PLANNING DATA ANALYSIS

Reno County

Kansas Center for Community Economic Development

Institute for Public Policy and Business Research
The University of Kansas

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Report No. 7

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FORWARD

The following report has been prepared to assist the people of Reno County in developing a community-based strategic plan. The purpose of this report is to provide data which will yield a better understanding of local issues and broader scale issues which impact upon the local economy. This should assist in the identification of key issues which should be addressed in plans of action.

The Kansas Center for Community Economic Development (KCCED) is funded by a grant from the U.S. Department of Commerce, Economic Development Administration. KCCED is a joint university center between the Institute for Public Policy and Business Research at the University of Kansas and the Kansas Center for Rural Initiatives at Kansas State University. The statements, findings, and conclusions of this report are solely those of the author and do not necessarily reflect the views of the United States Government, the University of Kansas, nor any other individual or organization.

It is hoped that Strategic Planning Data Analysis: Reno County will serve as a useful source of information. Further reproduction of the data presented in this report is permissible on condition that the source is cited. For those wishing to conduct a more in-depth analysis of their county, additional information may be obtained by contacting the sources cited in this manual. KCCED, through the Institute for Public Policy and Business Research at the University of Kansas and the Kansas Center for Rural Initiatives at Kansas State University, has access to additional data and can provide technical assistance, data analysis, and survey support.

Special thanks are extended to the staff at the Kansas Center for Community Economic Development and the Institute for Public Policy and Business Research (IPPBR) who helped make this report possible: Jennifer Dam, Research Assistant, KCCED/KU; Mary Brohammer, IPPBR; Linda Bennett, KCCED/KU; Terri Texley, KCCED/KU; Stacie Houston, KCCED/KU; and Henry Schwaller, Research Associate, KCCED/KU. Guidance was also provided by Genna Ott, Assistant Director, KCCED/KU, by Dr. Charles Krider, Co-Director, KCCED/KU, and by Dr. Anthony Redwood, Executive Director, IPPBR.

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INTRODUCTION

The use of data in strategic planning is important for two reasons. First, data assists a community in "taking stock" and understanding its current situation across several different areas of economic performance. It also provides insight into the internal and external trends which affect the community, comparing community economic performance to other areas, such as the state or nation. Second, by utilizing data in preparing a community strategic plan, it can ensure the long-run success of the planning effort and its eventual outcomes by:

- *Testing Assumptions*--data can validate or challenge hypotheses that a community might have about its current situation.
- *Building Consensus*--data can foster a common understanding regarding trends and concerns affecting the community, and can move the community toward solving common goals.
- *Establishing the Direction the Process Should Take*--data can serve as a compass in the strategic planning process and can help in determining the next step. For example, a community may decide to delay developing its strategies until it has a better understanding of the reasons behind trends in the data.
- *Identifying Key Issues*--data analysis can identify important issues, in terms of relative strengths and weaknesses, which the community may wish to address in the strategic planning process.

It is important to remember that raw data on its own does not lead to an understanding of the community. Data must be analyzed, taking into account the intuition of the community about the overall trends. In other words, data serves as the foundation for an analysis which concludes: 1) what is happening in the community, relative to other regions over time, and 2) what does the data suggest, in terms of potential impact or consequences. From this point, the community can then address possible strategy and solutions.

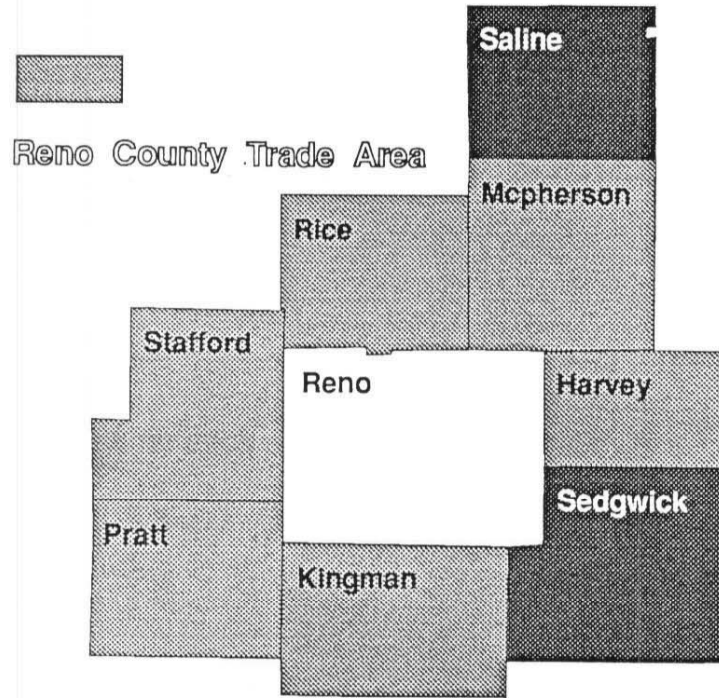
In the following sections, data will first be presented and analyzed in overview fashion for regional and national trends. Following this, data will be reviewed at a more local scale in the following seven areas: population, employment/labor force, education, income and earnings, sectoral performance, business/financial environment, and quality of life.

Throughout the report, local-level materials will be presented relating Reno County's economic performance through the past decade with the State of Kansas, Sedgwick and Saline Counties, and the remaining counties neighboring Reno County. To facilitate comparisons, a "trade area" designation has been used to identify the six-county grouping surrounding Reno County. These counties are Harvey, McPherson, Rice, Stafford, Pratt, and Kingman. Data for

these counties is presented in full detail in tables. Aggregate totals or averages are labelled "Trade Area" for presentation in graphs.

The counties for which data is examined in this report are shown in Map 1.1.

Map 1.1



Source: Institute for Public Policy and Business Research

Section I : OVERVIEW OF REGIONAL AND NATIONAL TRENDS

Why Examine Regional and National Trends?

To be effective, community strategic planning must begin with an understanding of environmental forces affecting the community. These forces provide the context which either limits the options for a community or defines the range of opportunities that can be exploited. It is important to understand the dynamics of change that are beyond local control, in order to maximize the planning efforts within areas where local initiatives can make a difference in the community's performance. The community's ability to be successful in enacting positive change is not only a product of its own internal strengths and weaknesses. The community must also develop the capacity to exploit opportunities or to adapt to external threats to community well-being. By understanding those things that cannot be changed as well as those that must be changed, the community can begin to effectively identify key issues leading towards a workable action plan.

Which Trends Should be Studied?

Community or county level performance relative to its immediate neighbors is considered an internal assessment. An external environmental scan can incorporate state, regional, and national performance relative to the next larger scale of comparison. While global trends may seem too distant to affect the community in the short run, these trends have profound long term impacts. For example, the worldwide industrial restructuring of the early 1980s recession created enormous adjustments in local labor forces. The impacts of the recession were clearly not evenly distributed and for some communities this was a time of opportunity rather than painful adjustment.

Factors to be examined in an external environmental scan include, but are not limited to the following:

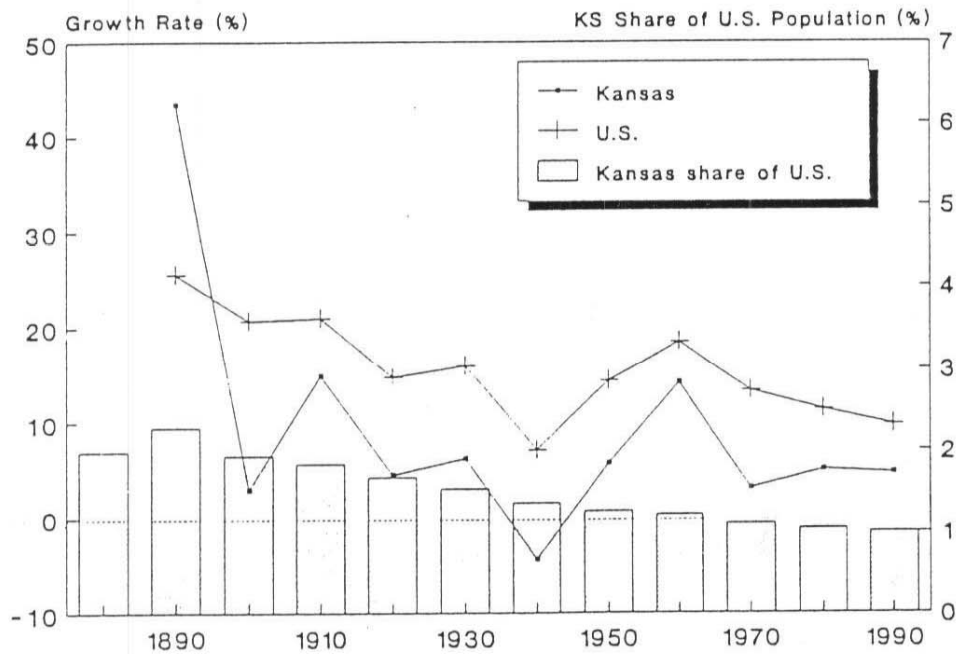
- Population and demographic change
- Industrial restructuring and changes in world market supply and demand
- Changes in the composition of the labor force
- Income patterns
- Changes in the levels of education and skills required of the labor force
- The nature and effects of changing technology
- Other factors affecting the competitiveness of the nation, region and community

Population and Demographic Change

Population growth rates in Kansas have lagged those of the U.S. for every decade of the century. Over the last 100 years, population in Kansas has grown at about one-third the U.S. rate; since 1970, population growth has been about one-half the U.S. rate. As a result of this low growth rate, Kansas' share of U.S. population has been declining consistently since 1890. Figure 1.1 and Table 1.1 show that in 1890, Kansas represented a 2.27 percent share of the nation's population; in 1990, Kansas accounted for 1 percent of U.S. population. Population forecasts predict a much slower rate of growth for the U.S. as a whole, from an annual growth rate of nearly 1.9 percent in the 1950s to a growth rate of only 0.7 percent by the year 2000.¹

Figure 1.1

10-Year Population Growth Rates Kansas and U.S.



Source: KCCED calculations on data from Bureau of Economic Analysis; U.S. Bureau of the Census, *Fifteenth Census of the United States: 1930*, Vol. 1; *Census of Population, 1960*, Number of Inhabitants, Final Report; *1980 Census of Population*, Vol. 1, Chapter A, Part 18; *1990 Decennial Census*, mimeographed sheet.

¹Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Table 1.1
Kansas and U.S. 10-Year Population Growth Rates, 1890-1990

| <u>Decade Ending</u> <u>Growth Rates (%)</u> | <u>1890</u> | <u>1900</u> | <u>1910</u> | <u>1920</u> | <u>1930</u> | <u>1940</u> | <u>1950</u> | <u>1960</u> | <u>1970</u> | <u>1980</u> | <u>1990</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Kansas | 43.4 | 3.0 | 15.0 | 4.6 | 6.3 | -4.3 | 5.8 | 14.3 | 3.2 | 5.1 | 4.8 |
| U.S. | 25.5 | 20.7 | 21.0 | 14.9 | 16.1 | 7.2 | 14.5 | 18.5 | 13.4 | 11.4 | 9.8 |
| <u>Kansas % Share</u> <u>of U.S. Population</u> | 2.27 | 1.93 | 1.83 | 1.67 | 1.53 | 1.36 | 1.26 | 1.21 | 1.10 | 1.04 | 1.00 |

Source: KCCED calculations on data from Bureau of Economic Analysis; U.S. Bureau of the Census, *Fifteenth Census of the United States: 1930*, Vol. 1; *Census of Population, 1960*, Number of Inhabitants, Final Report; *1980 Census of Population*, Vol. 1, Chapter A, Part 18; *1990 Decennial Census*, mimeographed sheet.

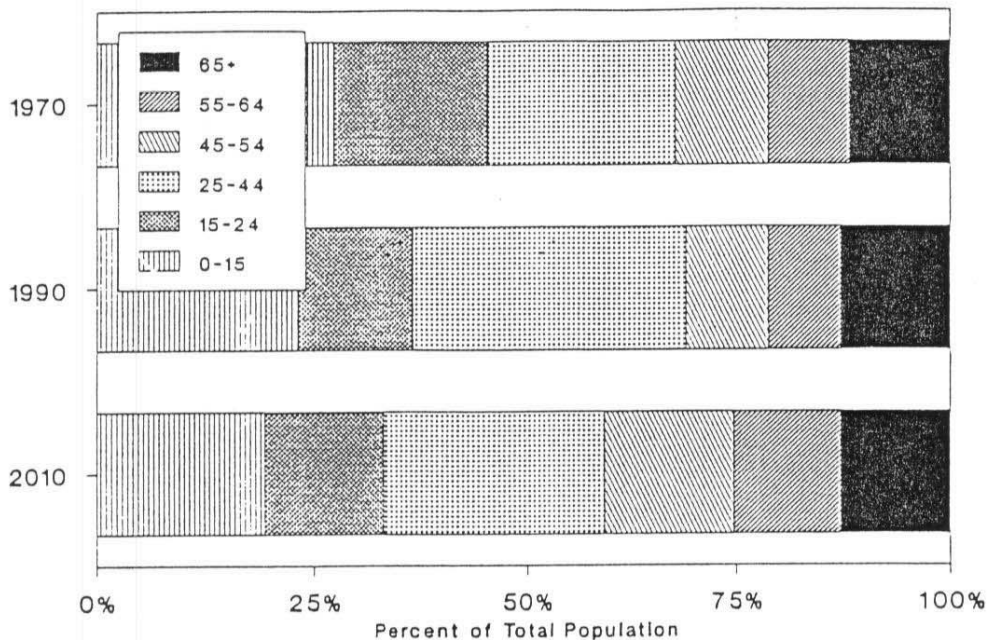
Age of the Population

The median age of the population in Kansas has historically been slightly older than the U.S. average. In 1970, the median age of Kansans was 28.7, compared with 27.0 in the U.S. as a whole. As the baby boom cohorts age, new pressures will be placed on communities for health care services, nursing homes, adult day care and retirement homes. With the expected decline in birth rates, the future job labor market will be characterized by fewer job entrants and therefore higher wages, although increased female participation in the workforce may reduce some of this effect. The adjustments to an aging population will generally be less severe in Kansas than for the U.S. as a whole, since, well before the 1960s, Kansas has had greater proportions in the 55-64 and over 65 age cohorts. By the year 2020, Kansas is expected to have relatively fewer 65+ population, due to higher birth rates than the U.S. and due to high rates of outmigration of young adults during the 1960s and 1970s (see Figure 1.2 and Table 1.2).²

²Upmeier, Helga, and Anthony Redwood, "Kansas Population Trends and Projections," *Kansas Business Review*, Vol. 12, No. 4, Summer 1989.

Figure 1.2

Kansas Population By Age Group
1970 Actual, 1990 and 2010 Projections



Source: Upmeier, Helga, and Anthony Redwood, "Kansas Population Trends and Projections," *Kansas Business Review*, Vol. 12, No. 4, Summer 1989.

Table 1.2
Kansas Projected Population Shares by Age Group (%)

| | <u>0-15</u> | <u>15-24</u> | <u>25-44</u> | <u>45-54</u> | <u>55-64</u> | <u>65+</u> |
|------|-------------|--------------|--------------|--------------|--------------|------------|
| 1970 | 27.3 | 18.1 | 22.3 | 11.0 | 9.4 | 11.9 |
| 1990 | 23.2 | 13.6 | 32.2 | 9.7 | 8.3 | 13.0 |
| 2010 | 19.3 | 14.0 | 25.9 | 15.5 | 12.3 | 13.0 |

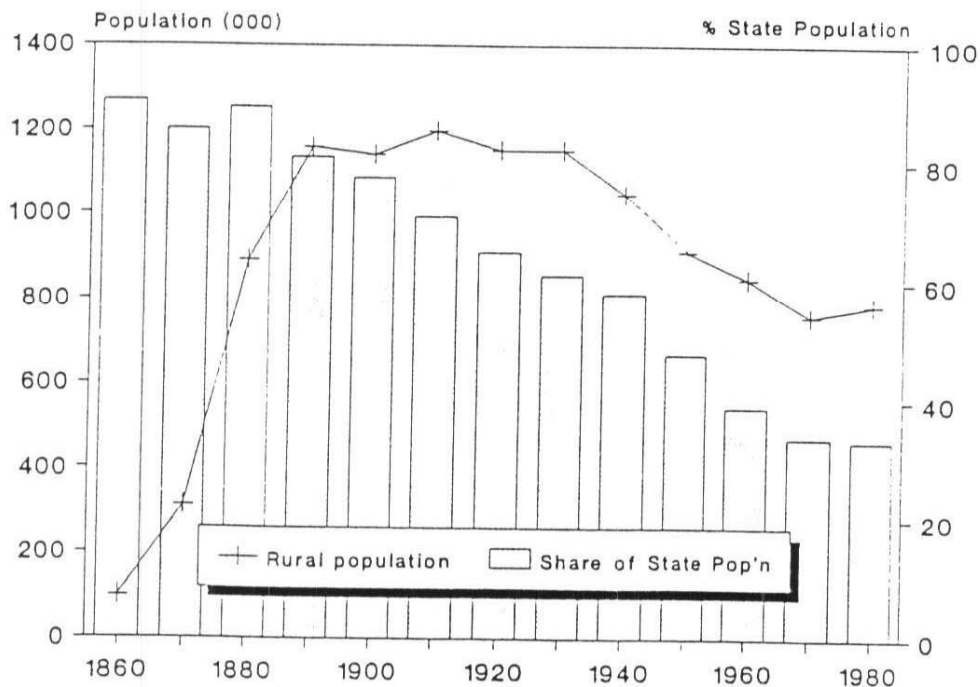
Source: Upmeier, Helga, and Anthony Redwood, "Kansas Population Trends and Projections," *Kansas Business Review*, Vol. 12, No. 4, Summer 1989.

Urban-Rural Population

Until 1970, rural population in Kansas was declining rapidly, not only in absolute terms but also relative to urban population in Kansas. During the period since 1930, rural population in Kansas declined by about 10 percent per decade, while urban population continued to grow. Since 1970, however, the urban to rural shift has become less pronounced, and rural population increased during the 1980s as shown in Figure 1.3. Some of this is due to the new roles for nonmetropolitan counties as commutersheds for urbanized counties. However, not all rural counties are able to assume this new role. Across the Midwestern states during the period 1982 to 1986, nonmetropolitan counties which were adjacent to urban centers grew annually by 0.9 percent, while counties which were not adjacent to urbanized counties declined in population by 0.3 percent per year³.

Figure 1.3

Rural Population in Kansas



Source: U.S. Bureau of the Census, *1960 Census of Population*, PC(1)-18A; *1980 Census of Population*, PC80-1-A-18; *Current Population Reports*, Series P-26, No. 86-WNC-SC; No. 88-WNC-SC.

³National Governors' Association, *Economic Realities in Rural America: Recent Trends, Future Prospects*, Washington: National Governors' Association, 1988.

Table 1.3
Rural Population in Kansas, 1860-1980

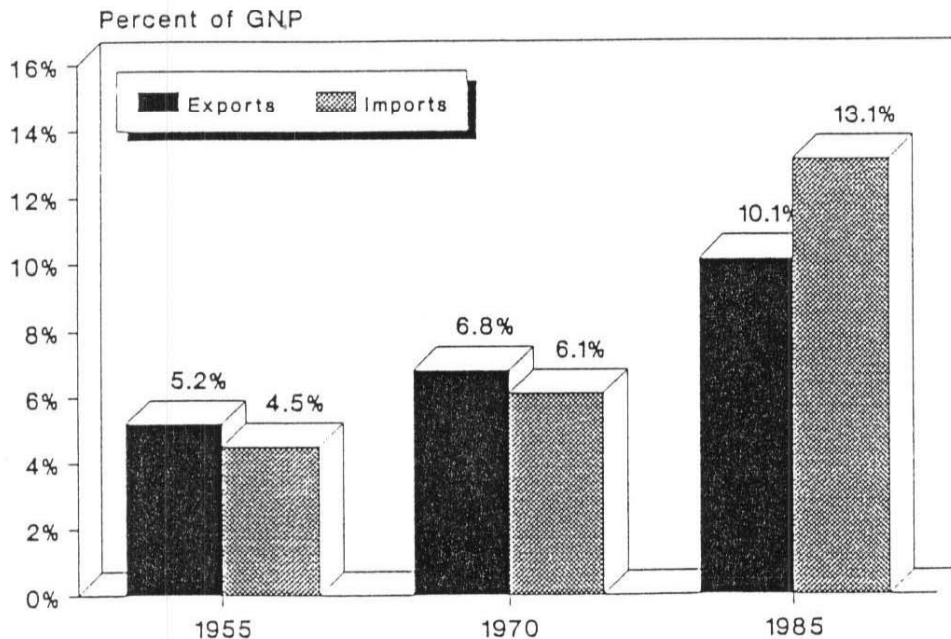
| | 1860 | 1870 | 1880 | 1890 | 1900 | 1910 | 1920 | 1930 | 1940 | 1950 | 1960 | 1970 | 1980 |
|------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Rural Population (thousands) | 97 | 313 | 891 | 1159 | 1141 | 1199 | 1151 | 1151 | 1047 | 912 | 850 | 762 | 788 |
| Share of Kansas Population | 91% | 86% | 90% | 81% | 78% | 71% | 65% | 61% | 58% | 48% | 39% | 34% | 33% |

Source: U.S. Bureau of the Census, *1960 Census of Population*, PC(1)-18A; *1980 Census of Population*, PC80-1-A-18; *Current Population Reports*, Series P-26, No. 86-WNC-SC; No. 88-WNC-SC.

Industrial Restructuring and Changes in World Markets

International competition is now a fact of life in business. From 1955 to 1985, the export share of GNP has doubled, while the import share has nearly tripled, reflecting a continuing trade deficit. International investment movements have also accelerated sharply during the 1980s and international financial investment, rather than trade movements, now dominates the global business environment. These changes have shifted concern from protecting economic sovereignty to achieving higher rates of productivity in order to remain competitive.

Figure 1.4
Exports and Imports, Share of U.S. GNP
1955, 1970, 1985



Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Past Trends and Future Outlook by Industrial Sector

Over the last twenty years, and in particular since the recession of the early 1980s, there has been significant industrial restructuring, with labor shedding in industries which were no longer internationally competitive, such as manufacturing. Although manufacturing has experienced an international comeback, manufacturing in the U.S. is expected to be a much smaller share of the economy in the year 2000 than it is today. While manufacturing accounted for 30 percent of U.S. GNP in 1955, and 21 percent in 1985, its share will drop to less than 17 percent by the year 2000⁴ (see Figure 1.4).

The service industry, which has shown dramatic growth during the 1980s, will account for the largest share of growth during the upcoming decade as indicated by its increasing share of GNP in Table 1.4. This growth of the service industries will have a moderating effect on the business cycle, since service sector employment levels are less volatile than manufacturing. However, economic growth may be harder to achieve because productivity levels have been lower in service industries. Slow growth rates in population and the labor force are expected to slow down economic expansion and shift economy toward more income-sensitive products and services, such as luxury and convenience goods.⁵

Table 1.4
Current and Projected Shares of Output--Goods and Services

| <u>Industry</u> | <u>% Share GNP, 1985</u> | <u>% Share GNP, 2000</u> | <u>% Change 1985-2000</u> |
|---------------------------------|--------------------------|--------------------------|---------------------------|
| Farm, Forest, Fishing | 2.5 | 3.0 | 207.4 |
| Mining | 3.0 | 1.3 | 9.4 |
| Construction | 4.9 | 4.2 | 116.6 |
| Manufacturing | 20.9 | 16.6 | 102.7 |
| Goods | 31.4 | 25.1 | 104.3 |
| Finance, Ins. & Real Estate | 16.0 | 17.0 | 170.3 |
| Wholesale & Retail | 17.1 | 18.9 | 181.9 |
| Other Services | 16.1 | 18.2 | 190.4 |
| Transport. Utils. Communication | 3.5 | 2.8 | 105.6 |
| Services | 52.7 | 57.9 | 175.9 |
| Government & Other | 16.0 | 18.1 | 189.9 |

Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

⁴Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

⁵Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Kansas Industrial Performance Relative to the U.S.

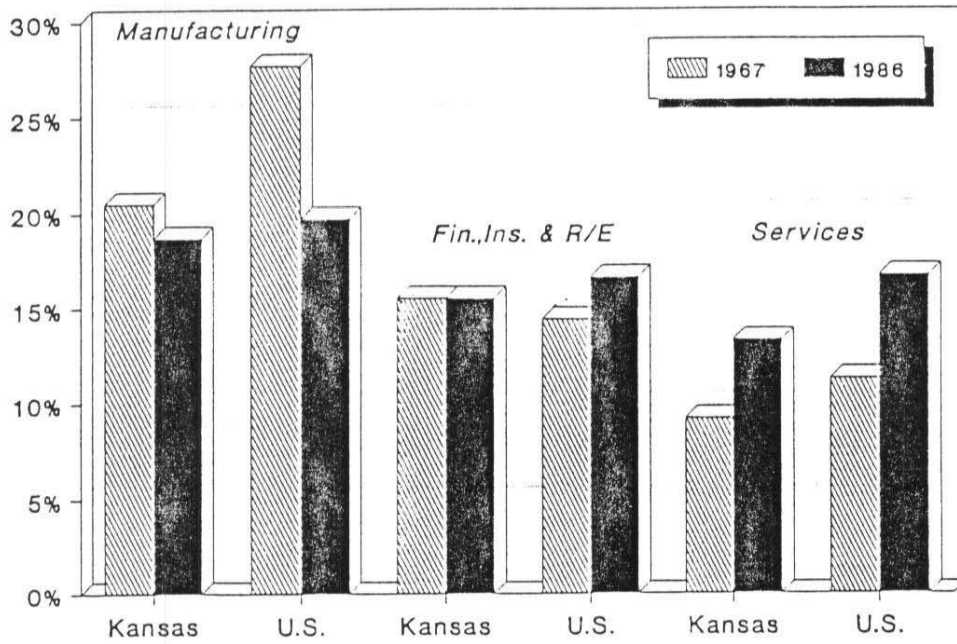
In the last two decades, Kansas' industrial performance relative to the U.S. has been mixed as illustrated by Table 1.5. Manufacturing, not one of Kansas' strong suits, suffered significant declines from 1967 to 1986 in the value of production, but Kansas fared relatively well compared with the U.S. Finance, Insurance and Real Estate, which increased rapidly in the U.S., held stable in Kansas. Services, Kansas' largest source of increase in the gross state product, increased to 13.3 percent in Kansas, but did not achieve the national average 16.7 percent share of GNP. Kansas built upon its strengths in Agriculture and Transportation/Public Utilities, exceeding national growth rates in both industries, while the gross product due to wholesaling in Kansas grew to equal the national average share of GNP (see Table 1.5, Figures 1.5 and 1.6).

Table 1.5
Industry Shares of Kansas and U.S. Gross Product, 1967, 1986

| | <u>Percentage Share of Gross Product</u> | | | | | | | | |
|-------------|--|-----------------|-----------------|--------------------------|-------------------------|------------------------|---------------|---------------------------|---------------------------|
| | <u>Mfg.</u> | <u>F.I.R.E.</u> | <u>Services</u> | <u>Agri- culture</u> | <u>Trans. Util.</u> | <u>Whole- sale</u> | <u>Retail</u> | <u>Pub Adm./ Def.</u> | <u>Con- struction</u> |
| Kansas 1967 | 20.5 | 15.5 | 9.2 | 7.4 | 10.6 | 5.5 | 10.7 | 11.8 | 4.4 |
| Kansas 1986 | 18.7 | 15.5 | 13.3 | 7.0 | 12.0 | 6.9 | 9.0 | 11.6 | 4.1 |
| U.S. 1967 | 27.7 | 14.4 | 11.3 | 3.1 | 8.8 | 6.8 | 9.8 | 11.4 | 4.9 |
| U.S. 1986 | 19.7 | 16.6 | 16.7 | 2.2 | 9.3 | 7.0 | 9.7 | 11.7 | 4.7 |

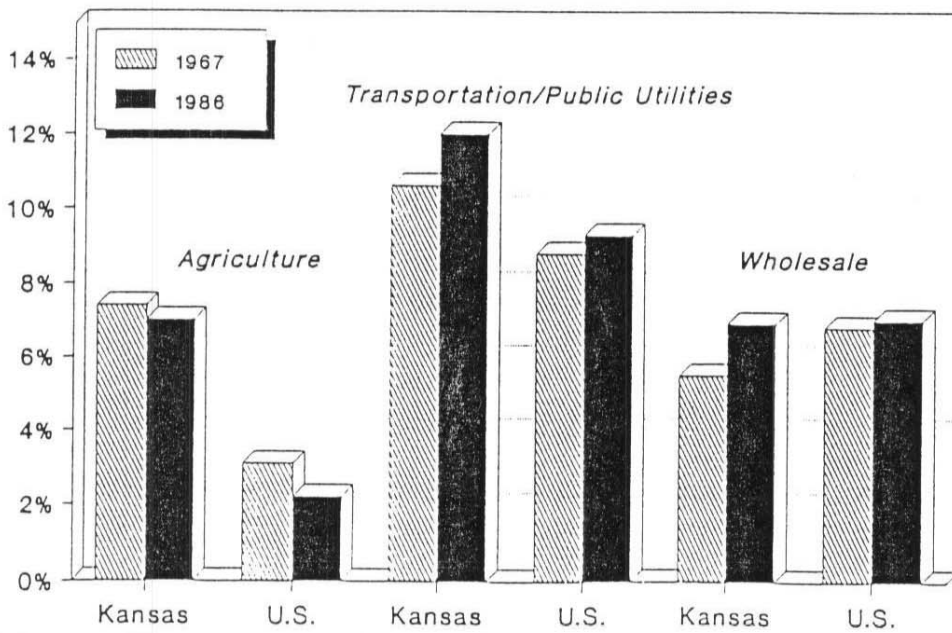
Source: U.S. Bureau of Economic Analysis, *Survey of Current Business*, May 1988.

Figure 1.5
Gross Product by Industry, 1967 and 1986
Percentage Shares (Selected Industries)



Source: U.S. Bureau of Economic Analysis, *Survey of Current Business*, 1988.

Figure 1.6
Gross Product by Industry
Percentage Shares (Selected Industries)



Source: U.S. Bureau of Economic Analysis, *Survey of Current Business*, 1988.

Performance by Firm Size

Small firms have been the greatest source of job growth in the U.S. over the past few years. During the period 1976 to 1982, firms with 0-19 employees generated 4.6 million jobs, for an increase of 29 percent the number employed in this size category. Firms with 500 or more employees created 4.5 million jobs, averaging an increase of 12 percent in the number employed. For all firms combined, the increase in employment over this period was 15.6 percent⁶ (see Table 1.6).

Table 1.6
Job Creation, by Firm Size
U.S., 1976-1982

| Firm Size (# of Employees) | Share of Jobs 1976 | Share of New Jobs 1976-1982 |
|-------------------------------|-----------------------|--------------------------------|
| 0-19 | 21% | 39% |
| 20-99 | 17% | 14% |
| 100-499 | 14% | 10% |
| 500+ | 48% | 38% |

Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Kansas is predominantly a small business state. Of firms within Kansas, 98 percent fall within the Small Business Administration's guidelines for small businesses and more than 88 percent of Kansas firms employ less than 20 people.⁷

Industrial Restructuring: The Rural-Urban Aspects

During the 1980s, rural areas fell further behind metropolitan areas in terms of employment. Although manufacturing jobs were lost throughout the nation, third world competition increased dramatically in low-wage manufacturing, the kind rural areas have in the past specialized in. From 1979 to 1986, new jobs were created in rural areas at less than half (43 percent) the rate for metropolitan areas. During this same period, unemployment rates rose from 0.4 percent to 2 percent higher than metropolitan areas. The economic

⁶U.S. Small Business Administration, Office of Advocacy, unpublished data, referenced in Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-first Century* (Indianapolis: The Hudson Institute, 1987).

⁷Finney, Bartlett J. and Jacob R. Wambsganss, "Family-owned Firms in Kansas: Results of a Survey," *Kansas Business Review*, Vol. 14 No. 1, Fall 1990, pg. 22.

structure of rural areas has hindered its rate of growth and this trend is expected to continue, with much of the nation's growth coming from the expanding service sector, which is heavily concentrated in urban areas. Although new telecommunications technologies enable firms to be less tied to specific locations, there has been little evidence to date of any significant decentralization of high tech industries to rural areas.⁸

The Kansas Experience

The Kansas experience has dramatically illustrated these rural-urban trends in recent years. From 1986 to 1989, the number employed in the civilian labor force increased by about 82,000 jobs in the state's four Metropolitan Statistical Areas (Kansas City, Wichita, Topeka and Lawrence). These areas represent nine of the State's 105 counties. During the same period, a net loss of approximately 7,000 jobs was recorded in the remainder of the state (see Table 1.7).⁹

Table 1.7
Employment in Kansas Metropolitan and Nonmetropolitan Areas, 1986-1989

| | <u>Number Employed</u> | | <u>Net Change</u> |
|--------------------|------------------------|-------------|-------------------|
| | <u>1986</u> | <u>1989</u> | |
| State Total | 1,158,005 | 1,233,003 | +75,028 |
| Metropolitan Areas | 610,279 | 692,096 | +81,817 |
| Balance of State | 547,726 | 540,937 | -6,789 |

Source: KCCED calculations on data from Kansas Department of Human Resources, Labor Market Information Services. Data developed in conjunction with the U.S. Bureau of Labor Statistics, based partly on unemployment insurance records. Metropolitan Statistical Areas include: Kansas City, Kansas MSA (Johnson, Leavenworth, Miami and Wyandotte Counties); Lawrence MSA (Douglas County); Topeka MSA (Shawnee County); and, Wichita MSA (Butler, Harvey and Sedgwick Counties).

⁸National Governors' Association, *New Alliances for Rural America, Chairman's Summary* (Washington: National Governors' Association, 1988).

⁹KCCED calculations on data from Kansas Department of Human Resources, Labor Market Information Services. Data developed in conjunction with the U.S. Bureau of Labor Statistics, based partly on unemployment insurance records. Metropolitan Statistical Areas include: Kansas City, Kansas MSA (Johnson, Leavenworth, Miami and Wyandotte Counties); Lawrence MSA (Douglas County); Topeka MSA (Shawnee County); and, Wichita MSA (Butler, Harvey and Sedgwick Counties).

The Changing Labor Force

With the entry of the baby boom population into the workforce, the labor force grew in size an incredible 2.9 percent per year during the 1970s. By the year 2000, the labor force is expected to expand in size by only 1 percent per year, tightening labor markets and forcing employers to use more capital intensive production systems. The composition of the labor force will undergo a shift in composition as well. The workforce will be older, more experienced, more stable and reliable, but will be less flexible and less adaptable to change. Two career families and older workers are less likely to accept relocation and older workers are less likely to undertake retraining. Table 1.8 and Figure 1.7 illustrate the extent to which the workforce is becoming more middle aged. The proportion of the labor force aged 35-54, 40 percent of the workforce in 1970, will rise to 51 percent by the year 2000.¹⁰

Table 1.8
Age Structure of the Workforce, 1970, 1985 & 2000

| <u>Percentage Distribution</u> | <u>1970</u> | <u>1985</u> | <u>2000</u> |
|--------------------------------|-------------|-------------|-------------|
| Age 16-34 | 42% | 50% | 38% |
| Age 35-54 | 40% | 38% | 51% |
| Age 55+ | 18% | 13% | 11% |

Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

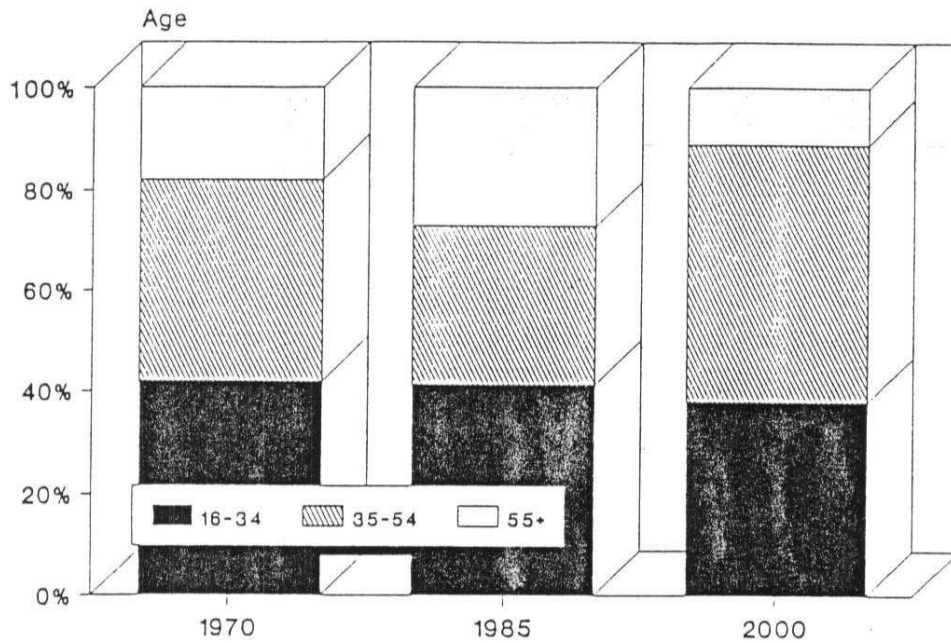
To further illustrate the effect of age on mobility of the labor force, annual moving rates in 1986-87 for individuals aged 20 to 24 was 34.7 percent; for those age 25 to 29, the rate was 31.8 percent; those age 45 to 64 moved residences at a rate of only 9 percent per year.¹¹ Young people are generally more willing to move in response to career opportunity and are also more likely to change occupations, since they have invested less time and effort in building a career and have fewer commitments to a given place, such as children in school or investments in real estate.

¹⁰Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

¹¹Rickman, Bill D., "Outmigration of Fort Hays State University College Graduates: Brain Drain Evidence," *Kansas Business Review*, Vol. 14, No. 1, Fall 1990.

Figure 1.7

Age Structure of the Workforce
U.S., 1970, 1985, 2000



Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

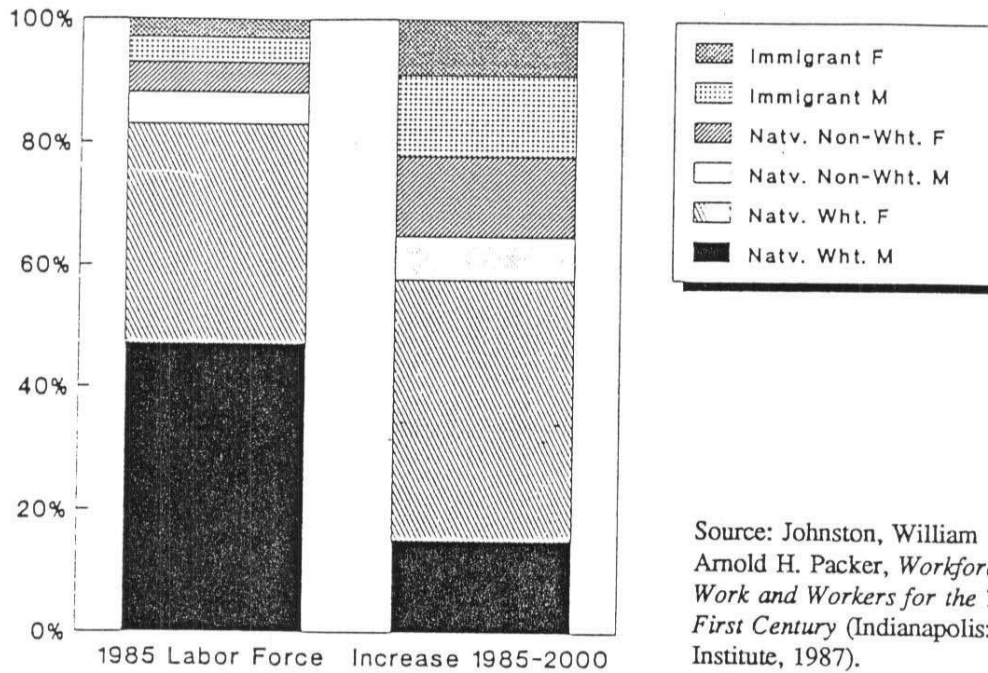
New Entrants to the Workforce

With population growing more slowly, the growth of the labor force will come from new sources in the next decade. Native white males, presently comprising 47 percent of the workforce, will account for only 15 percent of the new jobs to the year 2000, while women will account for two-thirds of the new jobs and minorities, another 29 percent (see Figure 1.8, Table 1.9). By the year 2000, three-fifths of all women over 16 will be working.¹²

¹²Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Figure 1.8

New Entrants to the Workforce, 1985-2000



Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Table 1.9
Changes in the Composition of the U.S. Labor Force 1985-2000

| | <u>Labor Force, 1985</u> | <u>Newcomers to Labor Force, 1985-2000</u> |
|--------------------------|--------------------------|--|
| Native White Males | 47% | 15% |
| Native White Females | 36% | 42% |
| Native Non-White Males | 5% | 7% |
| Native Non-White Females | 5% | 13% |
| Immigrant Males | 4% | 13% |
| Immigrant Females | 3% | 9% |

Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Income Trends

With the growth of the service sector has come a greater awareness of the quality of new jobs. Not all jobs offer the same levels of satisfaction, and wage patterns are very different across sectors. The service sector has more wage earners in the lower wage categories than does industries in goods production or government, and a smaller percentage of its workforce in the upper one-third category, as shown in Table 1.10.

Table 1.10
 Weekly Wages by Industry Category, 1985
 Percentage of Workers In Each Pay Category

| Industry | Weekly Wages | | |
|-----------------|--------------|-----------|--------|
| | \$0-249 | \$250-499 | \$500+ |
| Goods Producing | 30% | 46% | 24% |
| Services | 40% | 42% | 19% |
| Government | 23% | 55% | 23% |

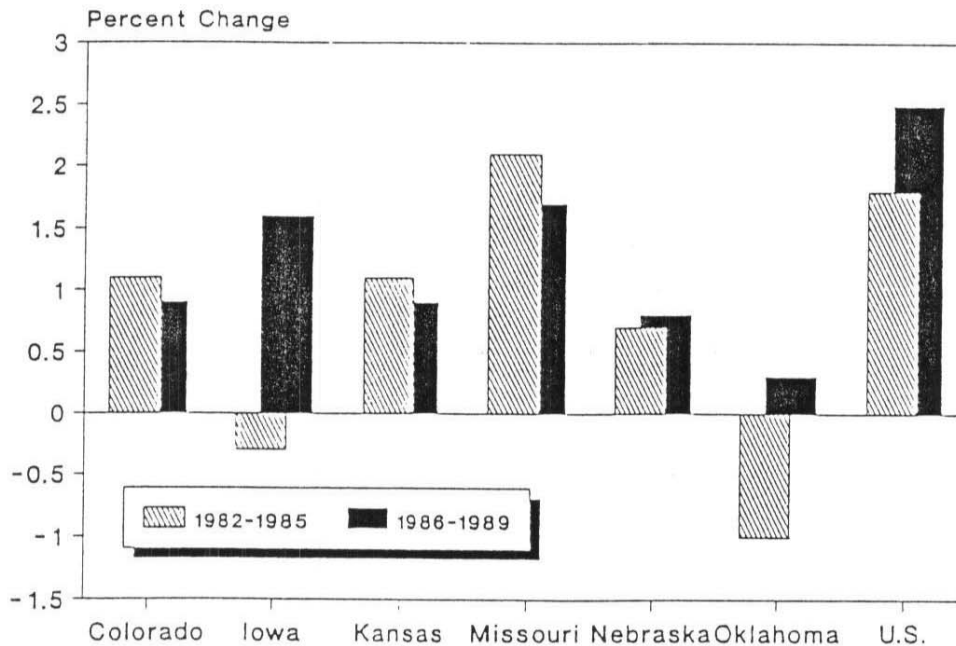
Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Income Trends, Kansas and Neighboring States

Overall, per capita incomes in the state compare favorably with all of the neighboring states except Colorado. Kansas' per capita income is 87 percent of the U.S. level. However, the growth rate in per capita incomes in Kansas has not kept pace with its neighbors in recent years, as illustrated in Figure 1.9 and Table 1.11.

Figure 1.9

Real Per Capita Personal Income Growth
 Kansas, Neighboring States, U.S.



Source: Wichita State University, Center for Economic Development and Business Research, *Business and Economic Report*, December 1990, Table 6. Based on U.S. Bureau of Economic Analysis, Table SA2.

Table 1.11
Real Per Capita Personal Income Growth (\$1982-1984)
Kansas, Neighboring States, and the U.S.

| <u>State</u> | <u>Real Personal Income Per Capita, 1989</u> | <u>Percent Growth Avg. 1982-1985</u> | <u>Percent Growth Avg. 1986-1989</u> |
|---------------|--|--|--|
| Colorado | 14,156 | 1.1 | 0.9 |
| Iowa | 12,490 | -0.3 | 1.6 |
| Kansas | 13,305 | 1.1 | 0.9 |
| Missouri | 13,139 | 2.1 | 1.7 |
| Nebraska | 12,456 | 0.7 | 0.8 |
| Oklahoma | 11,415 | -1.0 | 0.3 |
| United States | 14,190 | 1.8 | 2.5 |

Source: Wichita State University, Center for Economic Development and Business Research, *Business and Economic Report*, December 1990, Table 6. Based on U.S. Bureau of Economic Analysis, Table SA2.

Incomes in Metropolitan and Nonmetropolitan Areas

The median family income in nonmetropolitan areas is presently less than three-fourths the level of metro area families across the U.S., and this gap has widened during the last decade. More significantly, the sources of this income are undergoing dramatic change. Much of the nonmetropolitan income growth during the 1970s and early 1980s came from transfer payments to dependent populations, such as the elderly and the poor.¹³

In Kansas, this disparity between nonmetropolitan and metropolitan area is less severe. Per capita personal incomes in 1988 averaged \$17,073 in the four metropolitan areas (Kansas City, Lawrence, Topeka and Wichita), while the remainder of the state recorded per capita incomes 17 percent lower (\$14,210). However, the rate of growth from 1981 to 1988 was equal, with both categories increasing per capita personal incomes by 40 percent.¹⁴

Sources of Personal Income

In Kansas, nonmetropolitan areas rely much more heavily on non-wage forms of income than do metropolitan areas. Less than one-half of all income earned in 1987 in counties outside Kansas' five Metropolitan Statistical Areas came from wages and labor income, compared with two-thirds of income in the urbanized counties. Transfer payments, which comprised 12 percent of income in metropolitan areas, accounted for 17 percent of nonmetropolitan income. Property income, another form of passive income, comprised 20

¹³National Governors' Association, *Economic Realities in Rural America: Recent Trends, Future Prospects*, Washington: National Governors' Association, 1988.

¹⁴KCCED calculations, using data from U.S. Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

percent of nonmetropolitan income and 17 percent of metropolitan incomes. These sources of income help stabilize the rural economies, but also indicate the more limited valued-added components of their economies.

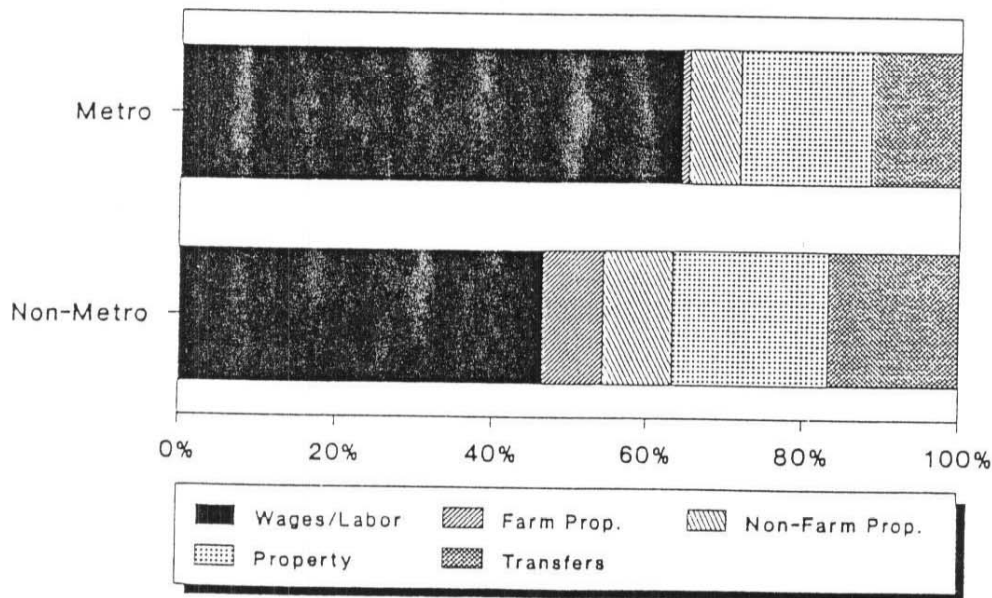
Table 1.12
 Percentage of Personal Income, by Source 1987
 Metropolitan and Nonmetropolitan Counties

| | Wages & Labor | Proprietorships | | Property | Transfers |
|-----------------|---------------|-----------------|----------|----------|-----------|
| | | Farm | Non-Farm | | |
| Metropolitan | 67 | 1 | 7 | 17 | 12 |
| Nonmetropolitan | 47 | 8 | 9 | 20 | 17 |

Source: KCCED calculations on data from Bureau of Economic Analysis, Regional Economic Information System, Table CA5. Shares do not total 100% since adjustments for residence and social security premium payments are not included.

Figure 1.10

Sources of Personal Income, 1987
 Kansas Metropolitan & Non-Metro Counties



Source: KCCED calculations on data from Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Education and Skill Requirements for the Labor Force

In general terms, the problems of poor job skills, poor school systems, and a lack of urban amenities have in the past handicapped rural areas in attracting the knowledge-intensive industries that are the leading growth sectors in the national economy.¹⁵ This challenge facing rural communities is likely to become greater rather than smaller in the future. New jobs in the service industries will demand much higher skill levels than the jobs of today. This in turn is expected to lead to more unemployment among the least skilled and less unemployment among the educationally advantaged.¹⁶

The Increasing Demand for A Highly Skilled Labor Force

From now until the year 2000, the fastest growing jobs are expected to be in the professional, technical and sales fields, requiring the highest education and skill levels. All of the fastest growing job categories, except service industries, require higher than average levels of education. Table 1.13 highlights those occupations expected to grow most quickly to the year 2000, while Figure 1.11 and Table 1.14 illustrate the relationship between job growth and skill levels, using skill ratings and projections prepared by the Hudson Institute. The numerical skill ratings referred to are a composite of the levels of math, language and reading skills required for each job.

Table 1.13
Fastest Growing Occupations, 1984-2000

| <u>Occupation</u> | <u>New Jobs (000s)</u> | <u>Growth Rate</u> |
|----------------------------------|------------------------|--------------------|
| Service Occupations | 5,957 | 37% |
| Managerial & Related | 4,280 | 39% |
| Marketing & Sales | 4,150 | 39% |
| Administrative Support | 3,620 | 20% |
| Technicians | 1,389 | 44% |
| Health Diagnosis & Treatment | 1,384 | 53% |
| Teachers, Librarians, Counselors | 1,381 | 31% |
| Mechanics, Installers, Repairers | 966 | 23% |
| Transportation/Heavy Equip. Op. | 752 | 16% |
| Engineers, Architects, Surveyors | 600 | 41% |

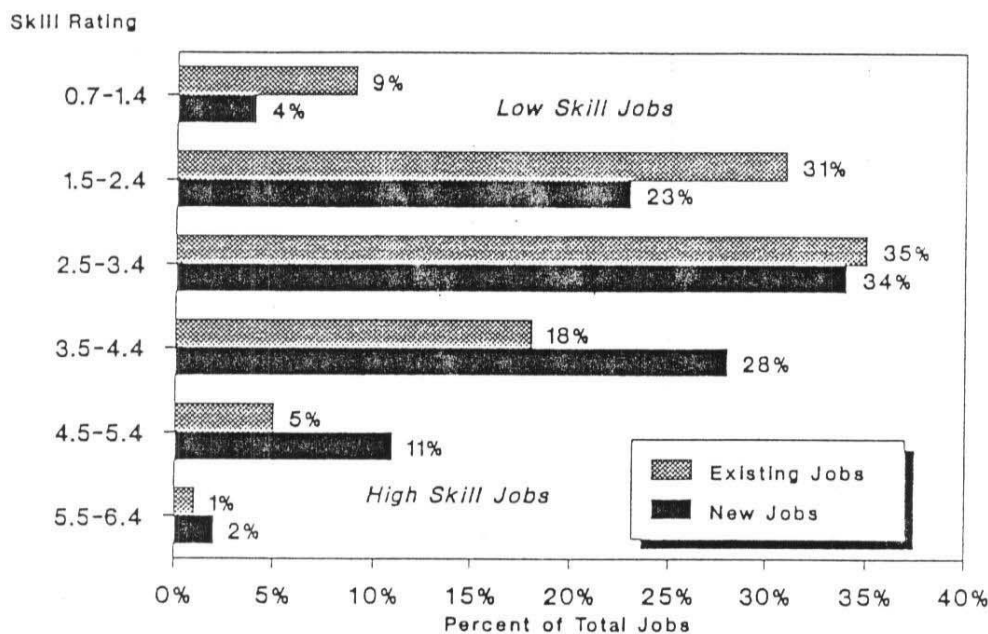
Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

¹⁵National Governors' Council, *Economic Realities in Rural America*, Executive Summary

¹⁶Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Figure 1.11

Projected Shares of Jobs by Skill Levels
Existing (1985) & New Jobs (to 2000)
U.S.



Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Table 1.14
Skill Ratings, Selected Jobs

| <u>LOW</u> | | <u>MEDIUM</u> | | <u>HIGH</u> | |
|--------------------|-----|---------------------|-----|--------------------|-----|
| Farmers | 2.3 | Management | 4.4 | Natural Scientists | 5.7 |
| Transport Workers | 2.2 | Teachers | 4.2 | Lawyers | 5.2 |
| Machine Setters | 1.8 | Technicians | 4.1 | Engineers | 5.1 |
| Hand Workers | 1.7 | Marketing & Sales | 3.4 | | |
| Helpers & Laborers | 1.3 | Construction | 3.2 | | |
| | | Service Occupations | 2.6 | | |

Source: Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

Education Levels and the Kansas Work Force

One of Kansas' strongest assets is its workforce; more specifically, Kansas has one of the best educated available workforces in the country. Kansas has a higher percentage than the U.S. average for each level of educational attainment, and is better than all of the neighboring states except Colorado in its percentage of adults with college educations (see Table 1.15). In a comparison of all states in the nation, Kansas was ranked fourth in percentage of adults completing high school and thirteenth in the quality of its available workforce.¹⁷

Table 1.15
Comparative Education Levels, Adults 25-64
Kansas, U.S. and Comparative States, 1980

| <u>State</u> | <u>Percentage of Adults Age 25 - 64</u> | | | |
|---------------|---|------------------------------|----------------------------|--------------------------------|
| | <u>Median Years School</u> | <u>High School Completed</u> | <u>1 - 3 Years College</u> | <u>4 or More Years College</u> |
| Colorado | 12.8 | 78.6 | 44.1 | 23.0 |
| Kansas | 12.6 | 73.3 | 34.2 | 17.0 |
| Nebraska | 12.6 | 73.4 | 32.8 | 15.5 |
| Oklahoma | 12.5 | 66.0 | 31.2 | 15.1 |
| Iowa | 12.5 | 71.5 | 28.6 | 13.9 |
| Missouri | 12.4 | 63.5 | 27.2 | 13.9 |
| UNITED STATES | 12.5 | 66.5 | 31.9 | 16.2 |

Source: 1987 *Educational Statistics Digest* and Bureau of the Census, *1980 Census*, referenced in Krider, Charles E. et al, *Workforce Training: The Challenge for Kansas* (Lawrence: University of Kansas, Institute for Public Policy and Business Research, 1989).

The Nature and Effects of Changing Technology

The effects of changing technology were first felt in the U.S. in the area of agriculture. Increased productivity through improved farming methods, irrigation and fertilizer enabled crop yields to increase dramatically. Global applications of agricultural technology yielded worldwide surpluses, depressing prices and initiating movement from rural to rural areas. In the late 1970s and 1980s, manufacturing became subject to similar forces emphasizing productivity, with the resultant labor shedding. To date, the service sector has been one of relatively low productivity, when measured by output per worker. However, this is expected

¹⁷Grant Thornton *Manufacturing Climate Studies, 1985-1988*; 1987 *Educational Statistics Digest*; and Bureau of the Census, *1980 Census*, as referenced in Krider, Charles E., et al., *Workforce Training: The Challenge for Kansas* (Lawrence: University of Kansas, Institute for Public Policy and Business Research, November 1989).

to change in the next few years, with an even greater focus upon increasing productivity per worker in the service industries (health care, education, retailing, government, etc.) than in manufacturing. Productivity will still be important for manufacturing, however. Productivity improvements, made possible by new technology will be a much more important factor than foreign competition in maintaining levels of employment.¹⁸

Other Factors Affecting National, Regional and Community Competitiveness

The National Institute of Standards and Technology selected Kansas (Overland Park) in Spring of 1991 as one of four regional centers for technology transfer. A grant of \$12.9 million will fund the establishment of the Mid-America Manufacturing Technology Center to serve the Midwest/Great Plains regions. Its focus will be to transfer advanced manufacturing technology--particularly total quality management, computer-aided design and manufacturing, electronic data interchange and process planning, to manufacturers in Kansas and the region. The center will establish satellite offices in Garden City, Great Bend, Manhattan, Pittsburg and Wichita, and it will develop a mobile factory to allow on-site training on new machinery and techniques.¹⁹ This initiative helps establish a positive climate for manufacturing and technology development within the State of Kansas and could be a positive factor in the expansion of existing establishments by helping them to develop new applications and to achieve the benefits of new technology.

Summary

Challenges and Opportunities

Kansas communities face a number of challenges and opportunities in developing strategies to promote economic development. It is clear, however that new and creative approaches are needed. Although Kansas still fares well relative to its neighboring states when measured by real per capita personal income, it is losing ground. In recent years, the other states have been growing more quickly in this area. Population growth is becoming more concentrated within the U.S. and also within Kansas, limiting the ability of the Kansas and local economies to expand through consumer spending or through the output of the local labor force.

Among the opportunities for Kansas include the increased emphasis of employers for a highly educated, well-skilled workforce. At a time when industries are restructuring to compete internationally, productivity will depend upon how effectively new technologies and

¹⁸Johnston, William B. and Arnold H. Packer, *Workforce 2000: Work and Workers for the Twenty-First Century* (Indianapolis: Hudson Institute, 1987).

¹⁹*Kansas Inc. Reports*, Number 6, Winter 1991.

applications can be put into place. Relative to the U.S., Kansas' workforce is better educated and may be better equipped to adapt to the new technologies and applications required in the more highly skilled occupations of the future. Kansas also has a healthy climate for small businesses, which have been an extremely important source of job creation.

The Nature of Kansas' Recent Economic Performance

Kansas has been shielded from some of the economic adjustment of the 1980s due to the more limited role of manufacturing in the Kansas economy. Relative strengths which Kansas has built upon include the Agriculture, Transportation and Public Utilities and Wholesale industries. However, Kansas has not kept pace with the nation in the very high-growth services area. Business services, one of the fastest growing components of the service sector tends to be highly concentrated in urban areas. Kansas has fewer urban areas than most states, placing the state at a disadvantage in this area, and creating problems of equity in the pattern of the state's economic development. Nonmetropolitan areas consistently lag metropolitan areas in measures such as population growth, job creation and per capita income. The heavier reliance on passive forms of income in nonmetropolitan areas has also helped stabilize local economies, which in itself helps generate a more positive investment climate.

Local Strategies for Economic Development

While local development is influenced by several factors, it is clear that the skills of the local workforce are becoming more important than ever before. The composition of the labor force is also changing, and a growing, more flexible local workforce will be the one that incorporates the increasing contributions of female workers and considers appropriate work support programs, such as day care facilities. Local strengths will also need to be maximized. Rural areas which are less well equipped to expand in the services area may instead focus upon increasing the value-added component of their agricultural base, through further processing or the development of related biotechnologies. In a similar fashion, they may consider adding new processes or techniques which make local industries more productive and efficient, such as has been done in some communities with the meatpacking industry. Toward this end, the presence of the Mid-America Manufacturing Technology Center will be an important resource.

Communities in Kansas face a difficult, but not insurmountable task. A wide variety of federal, state, university and local resources are available to assist in developing and implementing local strategies. Public-private partnerships and inter-community cooperation represent two relatively unexplored opportunities to expand the set of local strengths which can be built upon. With new and creative approaches and the advantages already in place within Kansas communities, the challenge of achieving economic growth should be achievable.

Section II : POPULATION

Population is one of the most basic indicators of community economic conditions. Changes in population levels are often linked to employment opportunity, and the level of population in a community helps define the level of economic activity it can readily support. The size and range of the local labor force are also linked to population levels. Communities with growing populations are generally considered to be more able to adapt to a changing economic environment due to the opportunities presented by new residents as additional consumers, suppliers of labor and taxpayers. Without population growth, local economies face the challenge of improving the productivity of their existing, more limited resources in order to remain competitive.

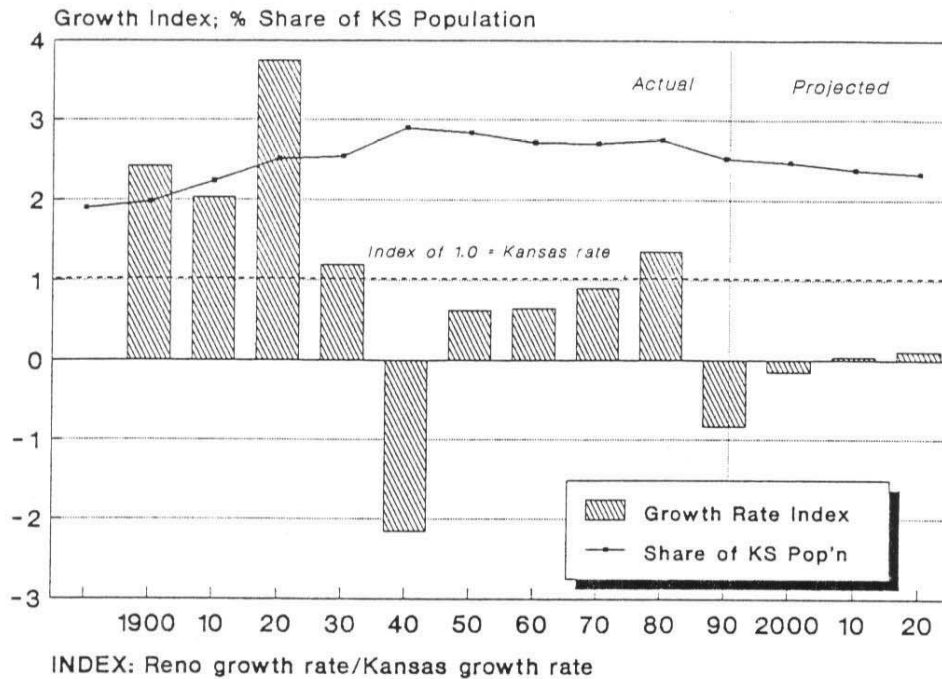
In the following section, population change is examined for Reno County, neighboring counties, and the State of Kansas. Past and projected growth rates across several areas are reviewed as indicators of economic growth for the following reasons:

- the *share of state population* reflects Reno County's overall level of competitiveness relative to other counties within the state;
- *net migration* reflects job opportunity;
- counties with high rates of *job creation* will attract unemployed or underemployed workers to relocate within the county;
- *population by age cohort* is examined to ascertain not only the demands for provision of age-specific services (day care, nursing homes) but also to understand the ability of the labor force to meet the future needs of local employers;
- the breakdown between *urban and rural population* is studied to understand how concentrated or dispersed population is in Reno County. If population is concentrated, there tends to be more demand for services, which affects the sectoral pattern of development.

POPULATION: KEY FINDINGS

- Once the fourth largest county in Kansas, Reno County is now ranked eighth in population.
- Reno County has grown more slowly than the state for 5 of the last 6 decades.
- Over the last 60 years, Reno County's population growth rates have been about half the state average.
- Population projections for the next 30 years predict no net growth.
- Between 1980 and 1988, 3,200 more people left Reno County than moved in. This amount accounted for nearly 20% of the state's net loss in population over this period.
- Reno County had grown in population faster than its trade area from 1950 through to the 1980s. In the 1980s it lost population at a higher rate than any of the nearby counties.
- Reno County has a relatively older population than the state as a whole.
- Reno County's population is more rural than the state's as a whole. Recent growth patterns are reinforcing this trend, since rural growth in Reno is outpacing Kansas as a whole, while Reno's urban growth lags the state's.

Figure 2.1
 Population Change: Rate and Share
 Reno County: Kansas, 1890-2020



INDEX: Reno growth rate / Kansas growth rate.

Source: Population Totals: U.S. Bureau of the Census, *Fifteenth Census of the United States, 1930*, Vol. 1; *Census of Population, 1960: Number of Inhabitants*; *1980 Census of Population*, Vol. 1, Chapter A, Part 18; *1990 Decennial Census*, mimeographed sheet. Population Projections: Upmeier, Helga and Anthony Redwood, "Kansas Population Trends and Projections," *Kansas Business Review*, Vol. 12, No. 4, Summer 1989.

- In 1940, Reno County was the 4th most populated county in Kansas. Today it ranks 8th. This is partly due to the rise of metropolitan counties in the northeast, as well as a low rate of growth in Reno. In the 1990 Census, Reno County dropped from 6th to 8th in the state, with Riley and Leavenworth Counties surpassing Reno.
- Except for the 1970-80 period, Reno's population growth has lagged the state consistently since 1930. Since that time, Reno county's 10-year growth rates have averaged only 55% of the state rates, with a median rate of 3.7% in Reno County compared with the Kansas rate of 6.7%.
- Population projections call for stability in population levels, with no net growth over the next 30 year period. The state is expected to grow an average of 2.4% during each 10 year period to the year 2020.

Table 2.1
Population Totals, Growth Rates, Rank & Share
Actual 1890-1990, Projections 1990-2020

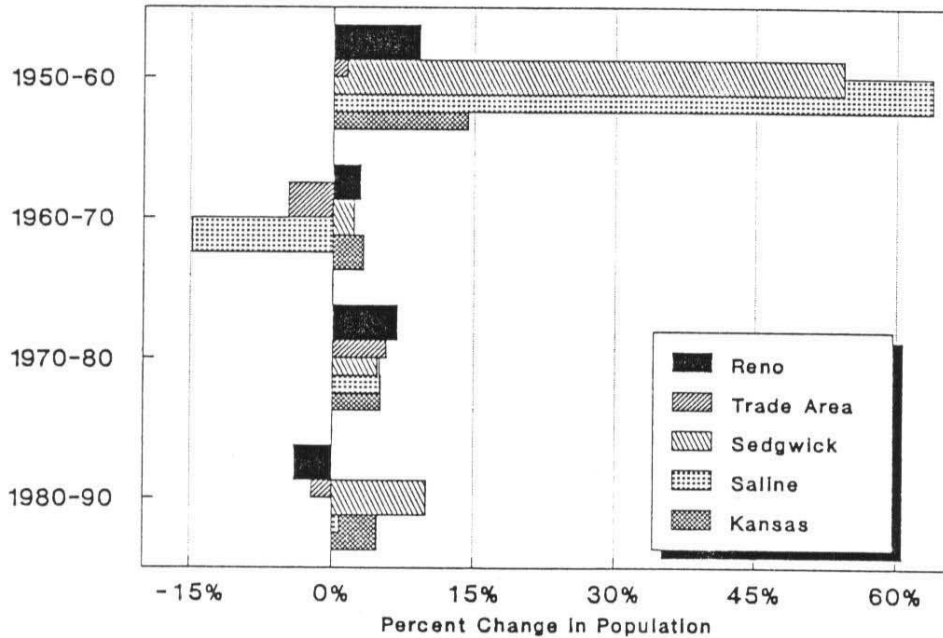
| <u>Year</u> | <u>Reno County Population Totals</u> | <u>Growth Rate%</u> | <u>Kansas Population Total</u> | <u>Growth Rate%</u> | <u>Rank</u> | <u>Share (%)</u> | <u>Reno:KS Growth Index+</u> |
|-------------|--|-------------------------|--|-------------------------|-------------|----------------------|--------------------------------------|
| 1890 | 27,079 | | 1,428,108 | | 10 | 1.90 | |
| 1900 | 29,027 | 7.2 | 1,470,495 | 3.0 | 9 | 1.97 | 2.42 |
| 1910 | 37,853 | 30.4 | 1,690,949 | 15.0 | 8 | 2.24 | 2.03 |
| 1920 | 44,423 | 17.4 | 1,769,257 | 4.6 | 6 | 2.51 | 3.75 |
| 1930 | 47,785 | 7.6 | 1,880,999 | 6.3 | 6 | 2.54 | 1.20 |
| 1940 | 52,165 | 9.2 | 1,801,028 | -4.3 | 4 | 2.90 | -2.16 |
| 1950 | 54,058 | 3.6 | 1,905,299 | 5.8 | 5 | 2.84 | 0.63 |
| 1960 | 59,055 | 9.2 | 2,178,611 | 14.3 | 5 | 2.71 | 0.64 |
| 1970 | 60,765 | 2.9 | 2,249,071 | 3.2 | 5 | 2.70 | 0.90 |
| 1980 | 64,983 | 6.9 | 2,364,236 | 5.1 | 6 | 2.75 | 1.36 |
| 1990 | 62,389 | -4.0 | 2,477,574 | 4.8 | 8 | 2.52 | -0.83 |
| 1990* | 64,519 | | 2,496,862 | | | | |
| 2000* | 64,106 | -0.6 | 2,600,636 | 4.2 | 8 | 2.47 | -0.15 |
| 2010* | 64,208 | 0.2 | 2,698,976 | 3.8 | 8 | 2.38 | 0.04 |
| 2020* | 64,428 | 0.3 | 2,779,581 | 3.0 | 8 | 2.32 | 0.11 |

+Reno County Growth Rate divided by Kansas Growth Rate (=1 when county and state growth rates are equal)
*Projection.

Source: Population Totals: U.S. Bureau of the Census, *Fifteenth Census of the United States, 1930*, Vol. 1; *Census of Population, 1960: Number of Inhabitants*; *1980 Census of Population*, Vol. 1, Chapter A, Part 18; *1990 Decennial Census*, mimeographed sheet. Population Projections: Upmeier, Helga and Anthony Redwood, "Kansas Population Trends and Projections," *Kansas Business Review*, Vol. 12, No. 4, Summer 1989.

Figure 2.2

Rates of Population Change, 1950-1990
Reno, Selected Counties and Kansas



Source: U.S. Bureau of the Census, *Census of Population, 1960: Number of Inhabitants*, Final Report; *1980 Census of Population*, PC80-1-A-18; *1990 Decennial Census*, mimeographed sheet.

- Relative to its trade area and nearby counties, Reno's population growth lagged in the 1980s, following a decade in which population growth outpaced the state and nearby counties.
- Reno County did not share in the population growth of the 1950s which was attributable to the development of the interstate highway system. Since 1960, however, Reno's growth rate had been at least similar, if not better than Saline and Sedgwick Counties' growth rates, until the 1980s.
- Population growth in Reno County had consistently outperformed its six-county trade area (Harvey, McPherson, Rice, Stafford, Pratt, and Kingman Counties) until the 1980s.

Table 2.2
Population Growth Rates, 1950-1990
Reno, Neighboring Counties and Kansas

| | <u>1950-1960</u> | <u>1960-1970</u> | <u>1970-1980</u> | <u>1980-1990</u> |
|------------|------------------|------------------|------------------|------------------|
| Reno | 9.2% | 2.9% | 6.9% | -4.0% |
| Harvey | 19.2 | 5.3 | 12.1 | 1.6 |
| McPherson | 19.2 | 5.3 | 12.1 | 1.5 |
| Rice | -11.0 | -11.4 | -2.7 | -11.5 |
| Stafford | -15.5 | -20.2 | -4.2 | -5.8 |
| Pratt | -0.3 | -17.0 | 2.2 | -5.6 |
| Kingman | -2.7 | -10.8 | 0.8 | -7.5 |
| Trade Area | 1.5 | -4.7 | 5.7 | -2.2 |
| Saline | 63.8 | -14.8 | 5.0 | 0.8 |
| Sedgwick | 54.4 | 2.2 | 4.7 | 10.0 |
| Kansas | 14.3 | 3.2 | 5.1 | 4.8 |

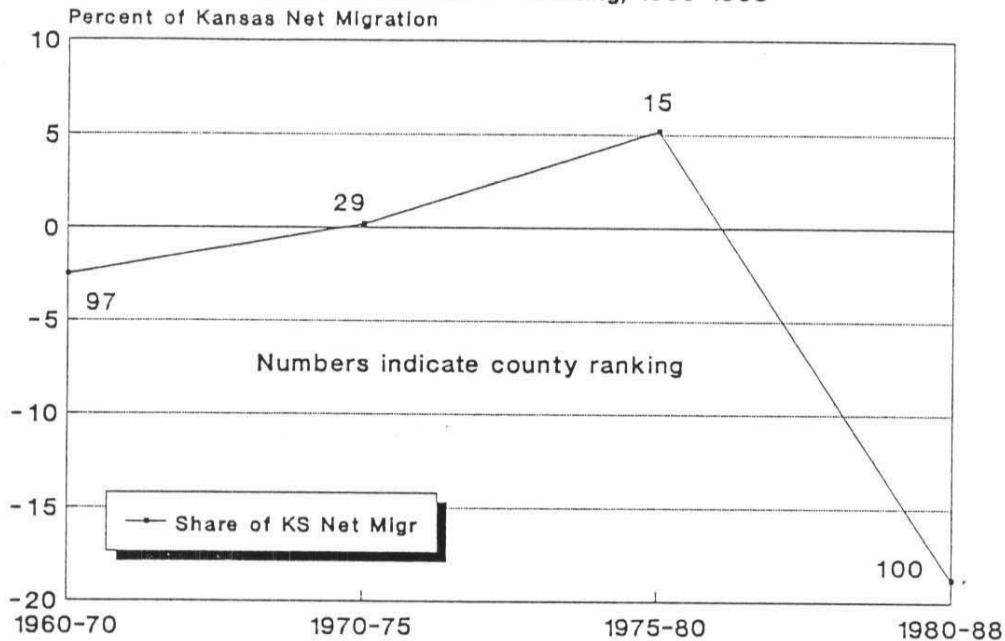
Source: U.S. Bureau of the Census, *Census of Population, 1960: Number of Inhabitants*, Final Report; *1980 Census of Population*, PC80-1-A-18; *1990 Decennial Census*, mimeographed sheet.

Table 2.3
Population of Top Ranking Kansas Counties
(in Thousands)

| | <u>1940</u> | | <u>1990</u> | | <u>2020*</u> |
|---------------|-------------|---------------|-------------|---------------|--------------|
| 1 Wyandotte | 145 | 1 Sedgwick | 403 | 1 Johnson | 476 |
| 2 Sedgwick | 143 | 2 Johnson | 355 | 2 Sedgwick | 476 |
| 3 Shawnee | 91 | 3 Wyandotte | 162 | 3 Wyandotte | 190 |
| 4 Reno | 52 | 4 Shawnee | 161 | 4 Shawnee | 170 |
| 5 Montgomery | 49 | 5 Douglas | 82 | 5 Douglas | 100 |
| 6 Crawford | 45 | 6 Riley | 67 | 6 Leavenworth | 86 |
| 7 Leavenworth | 41 | 7 Leavenworth | 64 | 7 Riley | 71 |
| 8 Cowley | 38 | 8 Reno | 62 | 8 Reno | 64 |
| 9 Johnson | 33 | 9 Butler | 51 | 9 Butler | 57 |
| 10 Butler | 32 | 10 Saline | 49 | 10 Saline | 51 |
| 11 Labette | 30 | 11 Montgomery | 39 | 11 Finney | 46 |
| 12 Cherokee | 30 | 12 Cowley | 37 | 12 Montgomery | 40 |
| 13 Saline | 30 | 13 Crawford | 3 | 13 Lyon | 38 |
| 14 Lyon | 26 | 14 Lyon | 35 | 14 Cowley | 38 |
| 15 Sumner | 26 | 15 Finney | 33 | 15 Crawford | 37 |

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*, "Population of Kansas Counties, 1890-1980; U.S. Bureau of the Census, *Fifteenth Census of the United States, 1930*, Vol. 1; *Census of Population, 1960: Number of Inhabitants*; *1980 Census of Population*, Vol. 1, Chapter A, Part 18; *1990 Decennial Census*, mimeographed sheet; Upmeier, Helga and Anthony Redwood, "Kansas Population Trends and Projections," *Kansas Business Review*, Vol. 12, No. 4, Summer 1989.

Figure 2.3
NET MIGRATION - RENO COUNTY
 Share of Kansas & Ranking, 1960-1988



Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract*, various issues; and U.S. Census Bureau, mimeographed sheets.

- Reno County, like all of its neighboring counties, lost more population than it gained through movers during the 1980-88 period. Net migration in Reno County accounted for a net population loss of 5% during the 1980-88 period, while Kansas lost 0.7% due to net migration.
- In absolute terms, Reno experienced a net loss of 3,200 people over this period, 18.8% of the state's net loss. This large share of the state totals ranked Reno 100th in the state for share of net migration. Only Wyandotte, Riley, Lyon, Geary and Barton lost as much or more population due to movers.

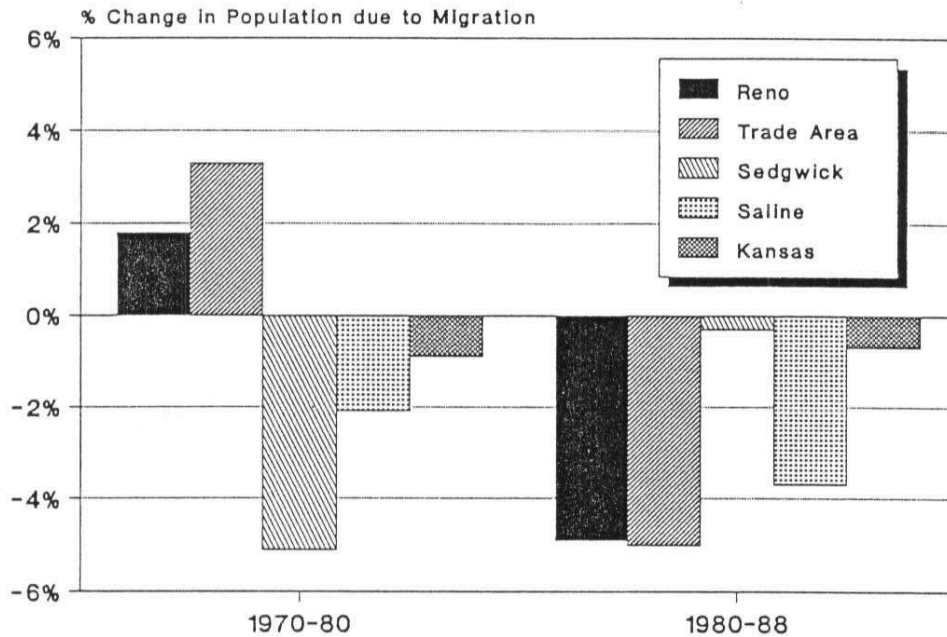
Table 2.4
 Net Migration
 Reno County & Kansas, 1960-1988

| <u>Period</u> | <u>Reno</u> | <u>Kansas</u> | <u>% of KS (+ or -)</u> | <u>Rank</u> |
|---------------|-------------|---------------|-----------------------------|-------------|
| 1960-1970 | -3,375 | -132,966 | -2.5 | 97 |
| 1970-1975 | 100 | -44,000 | 0.2 | 29 |
| 1975-1980 | 922 | 17,826 | -5.2 | 15 |
| 1980-1988 | -3,200 | -17,000 | -18.8 | 100 |

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract*, various issues; and U.S. Census Bureau, mimeographed sheets.

Figure 2.4

Net Migration Rates, 1970-1988 Reno, Selected Counties and Kansas



Source: U.S. Bureau of the Census, mimeographed sheet.

- The 1970s and the 1980s showed nearly opposite patterns for net migration. In the 1970s, Reno County and its trade area enjoyed in-migration, while Sedgwick and Saline lost more population than it gained due to movers. During the 1980s, however, Reno County and its trade area were the heaviest losers of population due to net migration, while Sedgwick County virtually maintained its population.
- During the 1980s, each of the neighboring counties experienced net out-migration. Within the trade area, Rice and Stafford lost the greatest shares of population due to movers, 10.0% and 7.0% respectively.

Table 2.5
Net Migration, 1970-1988
Reno, Neighboring Counties and Kansas

| | <u>1970-1980</u> | <u>% of 1970 Population</u> | <u>1980-1988</u> | <u>% of 1980 Population</u> |
|------------|------------------|---------------------------------|------------------|---------------------------------|
| Reno | 1,114 | 1.8 | -3,200 | -4.9 |
| Harvey | 1,894 | 7.0 | -1,200 | -3.9 |
| McPherson | 1,270 | 4.7 | -1,000 | -3.7 |
| Rice | -416 | -3.4 | -1,200 | -10.0 |
| Stafford | -41 | -0.7 | -400 | -7.0 |
| Pratt | 181 | 1.8 | -500 | -4.9 |
| Kingman | 49 | 0.6 | -400 | -4.4 |
| Trade Area | 2,937 | 3.3 | -4,700 | -5.0 |
| Saline | -959 | -2.1 | -1,800 | -3.7 |
| Sedgwick | -17,979 | -5.1 | -900 | -0.3 |
| Kansas | -20,334 | -0.9 | 17,000 | -0.7 |

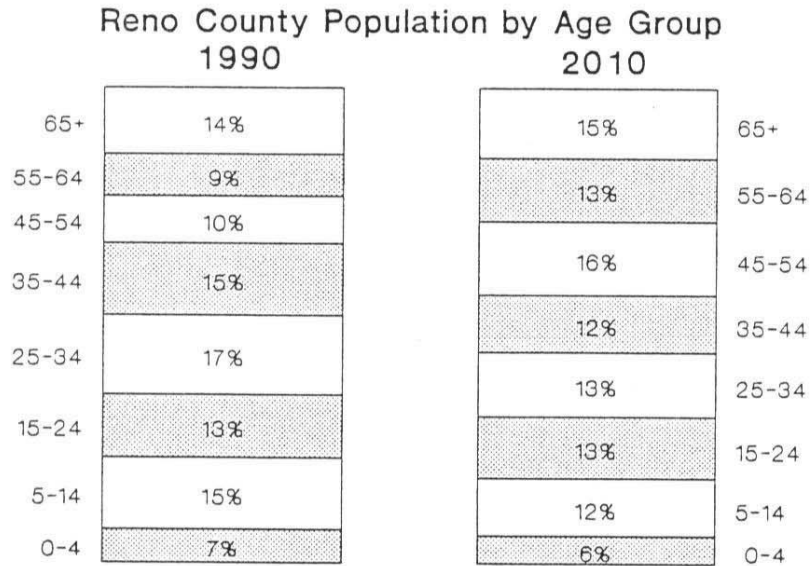
Source: U.S. Bureau of the Census, mimeographed sheet.

Table 2.6
Population Projections, Reno County & Kansas, 1990-2020

| <u>Age Group</u> | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2020</u> |
|------------------|-------------|------------------------|-------------|-------------|
| | | <u>Reno County</u> | | |
| 0-4 | 4,652 | 3,929 | 3,840 | 3,542 |
| 5-14 | 9,595 | 8,640 | 7,673 | 7,540 |
| 15-24 | 8,551 | 9,079 | 8,368 | 7,610 |
| 25-34 | 10,753 | 7,916 | 8,654 | 8,204 |
| 35-44 | 9,789 | 10,391 | 7,730 | 8,530 |
| 45-54 | 6,412 | 9,265 | 9,962 | 7,509 |
| 55-64 | 5,690 | 5,877 | 8,590 | 9,262 |
| 65+ | 9,078 | 9,008 | 9,391 | 12,232 |
| Total | 64,519 | 64,106 | 64,208 | 64,428 |
| | | <u>State of Kansas</u> | | |
| 0-4 | 198,856 | 172,730 | 177,573 | 168,860 |
| 5-14 | 381,783 | 380,627 | 344,748 | 353,119 |
| 15-24 | 340,004 | 377,997 | 377,611 | 342,757 |
| 25-34 | 436,516 | 331,729 | 371,329 | 373,154 |
| 35-44 | 368,387 | 430,115 | 327,506 | 366,961 |
| 45-54 | 241,188 | 357,585 | 418,421 | 318,930 |
| 55-64 | 206,699 | 219,878 | 330,645 | 389,542 |
| 65+ | 323,427 | 329,974 | 351,142 | 466,259 |
| Total | 2,496,862 | 2,600,636 | 2,698,976 | 2,779,581 |

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Population Projections, 1988*.

Figure 2.5



Source: Calculations from IPPBR, *Kansas Population Projections*, 1988, University of Kansas.

Table 2.7
Percentage of 1990 Population, by Age Cohort

| | <u>0-4</u> | <u>5-14</u> | <u>15-24</u> | <u>25-34</u> | <u>35-44</u> | <u>45-54</u> | <u>55-64</u> | <u>65+</u> |
|--------|------------|-------------|--------------|--------------|--------------|--------------|--------------|------------|
| Reno | 7.2 | 14.9 | 13.3 | 16.7 | 15.2 | 9.9 | 8.8 | 14.1 |
| Kansas | 8.0 | 15.3 | 13.6 | 17.5 | 14.8 | 9.7 | 8.3 | 13.0 |

Source: Calculations from IPPBR, *Kansas Population Projections*, 1988, University of Kansas.

- Reno County's population is on the whole older than the state's. Reno County has a smaller proportion of its population in each age cohort from 0-34, as shown above.
- Over the next 20 years the 25-34 and 35-44 age cohorts are expected to shrink from 32% of the population to 25%, as these people move into older age groups. These two age groups are considered to be of prime working age.
- The 45-54 and 55-64 age cohorts are expected to increase from 19% of the population to 29% of the population. These age cohorts have traditionally been the most affected by technological change, job displacement and the need for retraining.
- The aging baby boom population is not predicted to create serious pressure on services for the elderly until between 2010 and 2020, when the over-65 age group increases in share from 15% of the population to 19%.

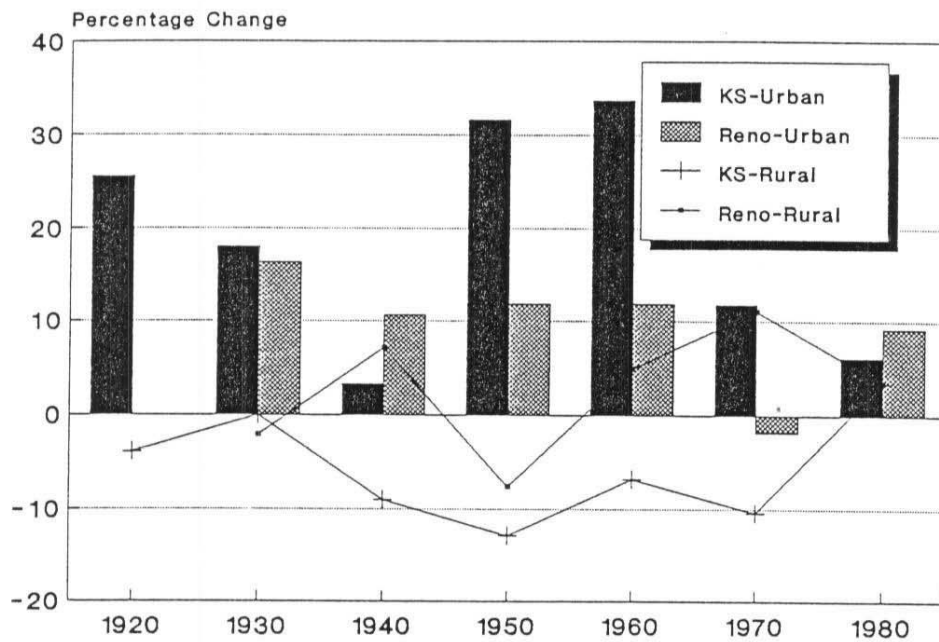
Table 2.8
Population Shares by Age Cohort
Reno County & Kansas, 1990-2020

| <u>Age Group</u> | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2020</u> |
|------------------|-------------|--------------------------|-------------|-------------|
| | | <u>Reno County</u> | | |
| 0-4 | 7.2% | 6.1% | 6.0% | 5.5% |
| 5-14 | 14.9% | 13.5% | 12.0% | 11.7% |
| 15-24 | 13.3% | 14.2% | 13.0% | 11.8% |
| 25-34 | 16.7% | 12.3% | 13.5% | 12.7% |
| 35-44 | 15.2% | 16.2% | 12.0% | 13.2% |
| 45-54 | 9.9% | 14.5% | 15.5% | 11.7% |
| 55-64 | 8.8% | 9.2% | 13.4% | 14.4% |
| 65+ | 14.1% | 14.1% | 14.6% | 19.0% |
| | | <u>Kansas</u> | | |
| 0-4 | 8.0% | 6.6% | 6.6% | 6.1% |
| 5-14 | 15.3% | 14.6% | 12.8% | 12.7% |
| 15-24 | 13.6% | 14.5% | 14.0% | 12.3% |
| 24-34 | 17.5% | 12.8% | 13.8% | 13.4% |
| 35-44 | 14.8% | 16.5% | 12.1% | 13.2% |
| 45-54 | 9.7% | 13.7% | 15.5% | 11.5% |
| 55-64 | 8.3% | 8.5% | 12.3% | 14.0% |
| 65+ | 13.0% | 12.7% | 13.0% | 16.8% |
| | | <u>Reno:Kansas Index</u> | | |
| 0-4 | 0.905 | 0.923 | 0.909 | 0.905 |
| 5-14 | 0.973 | 0.921 | 0.936 | 0.921 |
| 15-24 | 0.973 | 0.974 | 0.931 | 0.958 |
| 24-34 | 0.953 | 0.968 | 0.980 | 0.948 |
| 35-44 | 1.028 | 0.980 | 0.992 | 1.003 |
| 45-54 | 1.029 | 1.051 | 1.001 | 1.016 |
| 55-64 | 1.065 | 1.084 | 1.092 | 1.026 |
| 65+ | 1.086 | 1.108 | 1.124 | 1.132 |

Source: KCCED calculations from University of Kansas, Institute for Public Policy and Business Research, *Kansas Population Projections, 1988*.

Figure 2.6

URBAN & RURAL POPULATION
Rate of Change, Kansas & Reno County



Source: University of Kansas, KCCED, using U.S. Bureau of the Census, *1960 Census of Population (PC(1)-18A)*; *1970 Census of the Population, General Population Characteristics (PC(1)-B18)*; *1980 Census of Population (PC80-1-B18)*.

- Reno County is more rural in nature than the state, with 38% of its population living in rural areas, compared with the state average of 33%.
- Reno's urban/rural growth pattern has been opposite to the state's. For the last two 10-year growth periods for which this data is available, urban areas grew an average 9.0% each 10-year period in Kansas and 3.7% in Reno; Meanwhile, rural areas declined an average 3.7% in the state, but grew an average 7.3% in Reno.
- The 1970-80 period marked the first time that urban growth rates in Reno County outpaced the state since 1940. Rural rates of growth in Reno have consistently outperformed the state over this period.

Table 2.9
Urban and Rural Population Distribution
Reno County & Kansas, 1920-1980

| <u>Year</u> | <u>Reno</u> | | <u>Kansas</u> | |
|-------------|--------------|--------------|---------------|--------------|
| | <u>Urban</u> | <u>Rural</u> | <u>Urban</u> | <u>Rural</u> |
| 1920 | 23,278 | 21,145 | 617,964 | 1,151,293 |
| 1930 | 27,094 | 20,691 | 729,834 | 1,151,165 |
| 1940 | 29,995 | 22,170 | 753,941 | 1,047,087 |
| 1950 | 33,570 | 20,488 | 993,220 | 912,079 |
| 1960 | 37,559 | 21,496 | 1,328,741 | 849,870 |
| 1970 | 36,884 | 23,881 | 1,484,870 | 761,708 |
| 1980 | 40,289 | 24,694 | 1,575,899 | 787,780 |

NOTE: 1920-1940 figures are based on the old urban definition while 1950-1980 are based on the current urban definition which includes unincorporated urban areas.

Source: U.S. Bureau of the Census, *1960 Census of Population (PC(1)-18A)*; *1970 Census of the Population, General Population Characteristics (PC(1)-B18)*; *1980 Census of Population (PC80-1-B18)*.

Table 2.10
Urban & Rural Population in Reno County & Kansas, 1920-1980
Population Distribution and Growth Rates

| <u>Year</u> | <u>Urban-Rural Population Split</u> | | | | <u>Urban & Rural Growth Rates</u> | | | |
|-------------|-------------------------------------|---------------|---------------|---------------|---------------------------------------|--------------|---------------|--------------|
| | <u>Reno</u> | | <u>Kansas</u> | | <u>Reno</u> | | <u>Kansas</u> | |
| | <u>%Urban</u> | <u>%Rural</u> | <u>%Urban</u> | <u>%Rural</u> | <u>Urban</u> | <u>Rural</u> | <u>Urban</u> | <u>Rural</u> |
| 1920 | 52.4 | 47.6 | 34.9 | 65.1 | | | 25.5% | -3.9% |
| 1930 | 56.7 | 43.3 | 38.8 | 61.2 | 16.4% | -2.1% | 18.1% | 0.0% |
| 1940 | 57.5 | 42.5 | 41.9 | 58.1 | 10.7% | 7.1% | 3.3% | -9.0% |
| 1950 | 62.1 | 37.9 | 52.1 | 47.9 | 11.9% | -7.6% | 31.7% | -12.9% |
| 1960 | 63.6 | 36.4 | 61.0 | 39.0 | 11.9% | 4.9% | 33.8% | -6.8% |
| 1970 | 60.7 | 39.3 | 66.0 | 34.0 | -1.8% | 11.1% | 11.8% | -10.4% |
| 1980 | 62.0 | 38.0 | 66.7 | 33.3 | 9.2% | 3.4% | 6.1% | 3.4% |

Source: U.S. Bureau of the Census, *1960 Census of Population (PC(1)-18A)*; *1970 Census of the Population, General Population Characteristics (PC(1)-B18)*; *1980 Census of Population (PC80-1-B18)*.

Section III : EMPLOYMENT

Employment levels are an important measure of a community's economic vitality. Unemployed laborers mean that the community's resources are not being fully utilized and that the locally generated flow of goods and services is less than it could be. It also represents a drain on tax revenues and a higher demand for social services.

In the following section, unemployment levels are examined for Reno County, its neighboring counties, and the State of Kansas as a determinant of the level of economic activity. In order to have a better understanding of the employment picture, three key employment measures are compared simultaneously:

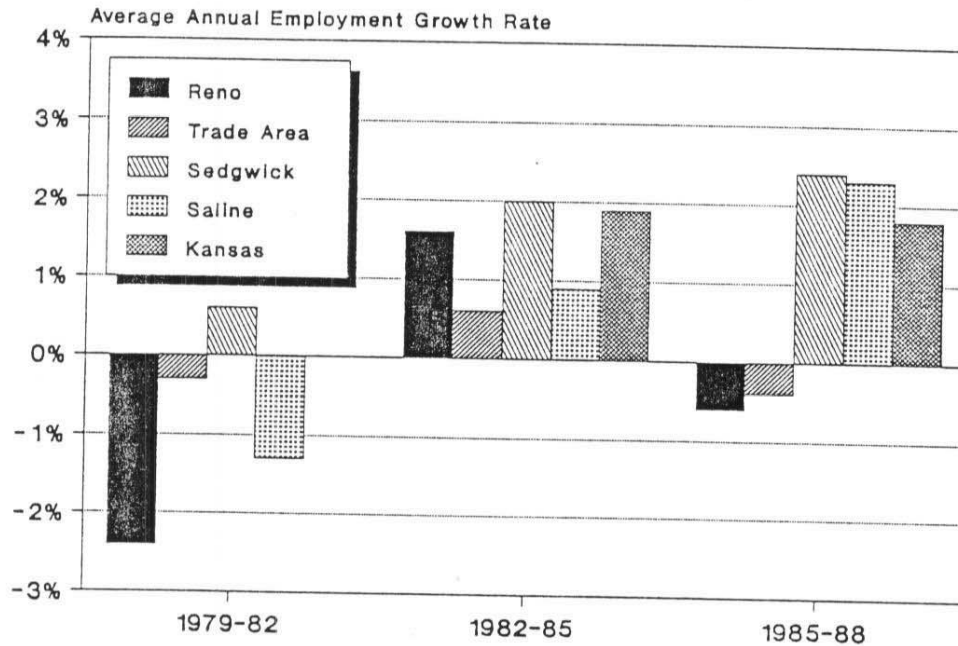
- the level of *unemployment* reflects the amount of economic activity within an area and how well the local market is able to match the supply and demand for labor.
- high *participation rates* mean that a large number of people have declared themselves available for work, and low participation rates reflects the belief that few suitable job opportunities exist. Diverse, healthy economies tend to offer the widest variety of job opportunities and therefore attract a large number of jobseekers;
- *job creation rates* reflect the growth in employment levels and the range of employment opportunities.

EMPLOYMENT: KEY FINDINGS

- During the 1980s, the unemployment rates for Reno County and Hutchinson have exceeded the state's average by 25% and 42%, respectively. However, the county and city rates have been declining steadily since 1987, and during 1989, Reno County and Hutchinson unemployment rates were 11% and 27% higher than the state average, respectively.
- Reno County labor participation rates have also been worse than the state average throughout the 1980s.
- Reno County experienced a net job loss of 987 jobs from 1980-1989. Over the same period, the average annual job creation rate for the county (-0.4%) was well below the state average (1.0%).
- Reno County's job creation rate from 1985 to 1988 was lower than the rate for its trade area, and Saline and Sedgwick Counties.

Figure 3.1

Employment Growth Rates, 1979-1988
Reno, Selected Counties and Kansas



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Table CA25.

- Throughout the 1980s, Reno County's rate of employment growth has lagged the Kansas rate. After outperforming Saline County and the six-county trade area during the period 1982 to 1985, Reno's rate of job growth declined again in the 1985-1988 period, below the rates of the trade area, Saline and Sedgwick County and Kansas.
- Job creation rates improved in the late 1980s, with Kansas averaging a 1.8% annual job creation rate. Rates in both Sedgwick and Saline Counties were more favorable than the state average, at 2.4% and 2.3% respectively, while Reno County's rate slipped, recording a net job loss of 0.6% over this period.
- In 1988, 1,700 fewer were employed than had been in 1979 in Reno County. Over the same period, Saline County gained 1,700 jobs and Sedgwick County had nearly 9,000 more. The six-county trade area employed 200 fewer; however, McPherson County's strong performance (+800 jobs) masked the trend to job losses in the surrounding counties. Of these, only McPherson and Kingman County (+100 employed) had positive job creation rates over this period.

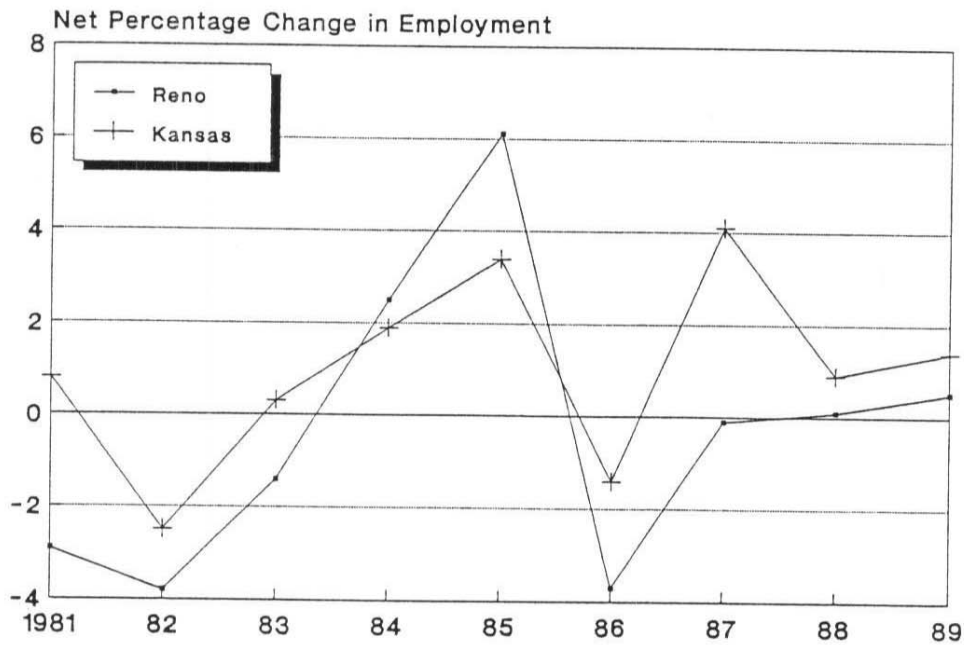
Table 3.1
 Employment Growth Rates, 1979-1988
 Reno, Selected Counties and Kansas

| | Avg. Annual Employment (Thousands) | | | | Avg. Annual Employment Growth | | |
|------------|------------------------------------|--------|--------|--------|-------------------------------|-------|-------|
| | 1979 | 1982 | 1985 | 1988 | 79-82 | 82-85 | 85-88 |
| Reno | 36.3 | 33.4 | 35.3 | 34.6 | -2.4% | 1.6% | -0.6% |
| Harvey | 16.9 | 16.0 | 16.2 | 16.4 | -1.8 | 0.4 | 0.4 |
| McPherson | 16.1 | 16.2 | 16.8 | 16.9 | 0.2 | 1.3 | 0.2 |
| Rice | 6.0 | 6.0 | 5.9 | 5.6 | -0.1 | -0.4 | -1.7 |
| Stafford | 2.9 | 2.9 | 2.9 | 2.7 | -0.1 | -0.2 | -3.0 |
| Pratt | 5.7 | 6.2 | 6.4 | 5.8 | 3.0 | 0.8 | -2.7 |
| Kingman | 4.1 | 4.0 | 4.1 | 4.2 | -0.9 | 0.5 | 0.8 |
| Trade Area | 51.8 | 51.4 | 52.3 | 51.6 | -0.3 | 0.6 | -0.4 |
| Saline | 29.2 | 28.1 | 28.9 | 30.9 | -1.3 | 0.9 | 2.3 |
| Sedgwick | 229.4 | 225.1 | 238.7 | 256.2 | 0.6 | 2.0 | 2.4 |
| Kansas | 1281.2 | 1282.3 | 1354.5 | 1426.8 | 0.0 | 1.9 | 1.8 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Table CA25.

Figure 3.2

Rates of Net Job Change
 Reno & Kansas, 1980-1989



Source: University of Kansas, KCCED, using data from U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Table CA25.

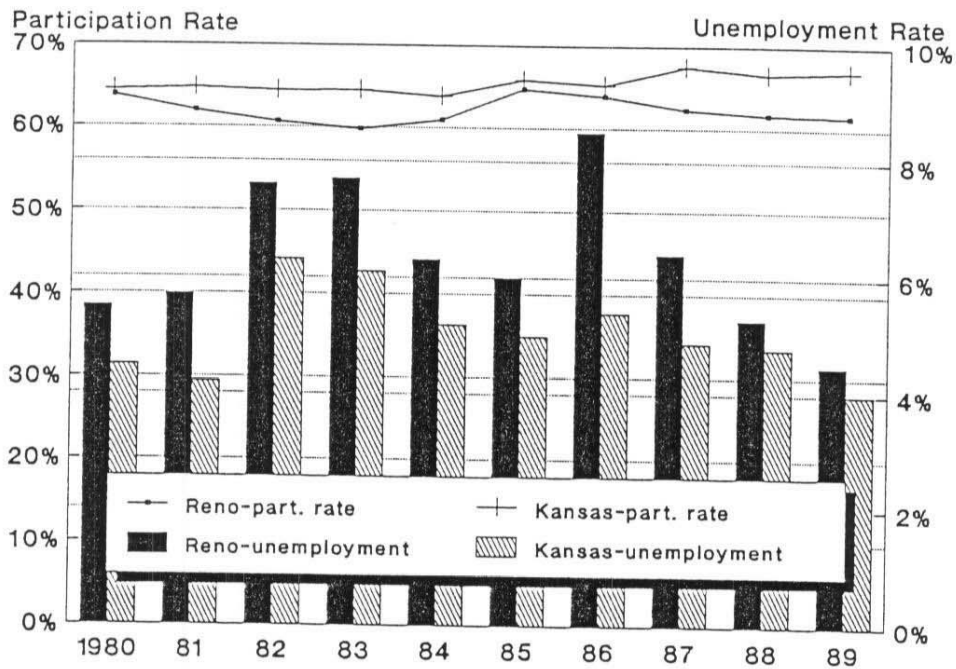
- From 1981 to 1989, there was a net job loss in Reno County of 987 jobs. The average annual job creation rate for Reno was negative, at -0.4% per year, compared with a 9-year Kansas job creation rate of 1.0%.
- More jobs were lost in Reno County in 1986 than in the 1982 recession, mostly in the manufacturing and mining sectors. Since 1986, job creation rates have been improving steadily, converging toward the state average.

Table 3.2
Job Creation Rates
Reno, Kansas & Hutchinson, 1981-1989

| | <u>Net Chg. Employed</u> | <u>Reno Rate (%)</u> | <u>% KS Change</u> | <u>Net Chg. Employed</u> | <u>Kansas Rate (%)</u> | <u>Net Chg. Employed</u> | <u>Hutchinson Rate (%)</u> | <u>% Reno Change</u> |
|------|------------------------------|--------------------------|------------------------|------------------------------|----------------------------|------------------------------|--------------------------------|--------------------------|
| 1981 | -941 | -2.9 | -10.5 | 9,000 | 0.8 | -583 | -3.1 | 62.0 |
| 1982 | -1,194 | -3.8 | 4.1 | -29,000 | -2.5 | -741 | -4.0 | 62.1 |
| 1983 | -415 | -1.4 | -13.8 | 3,000 | 0.3 | -257 | -1.5 | 61.9 |
| 1984 | 747 | 2.5 | 3.6 | 21,000 | 1.9 | 464 | 2.7 | 62.1 |
| 1985 | 1,874 | 6.1 | 4.8 | 39,000 | 3.4 | 1,162 | 6.5 | 62.0 |
| 1986 | -1,203 | -3.7 | 7.5 | -16,000 | -1.4 | -746 | -3.9 | 62.0 |
| 1987 | -39 | -0.1 | -0.1 | 47,000 | 4.1 | -25 | -0.1 | 64.1 |
| 1988 | 29 | 0.1 | 0.3 | 11,000 | 0.9 | 18 | 0.1 | 62.1 |
| 1989 | 155 | 0.5 | 0.9 | 17,000 | 1.4 | 96 | 0.5 | 61.9 |

Source: University of Kansas, KCCED, using data from U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Table CA25.

Figure 3.3
 Unemployment and Participation Rates
 Reno County & Kansas, 1980-1988

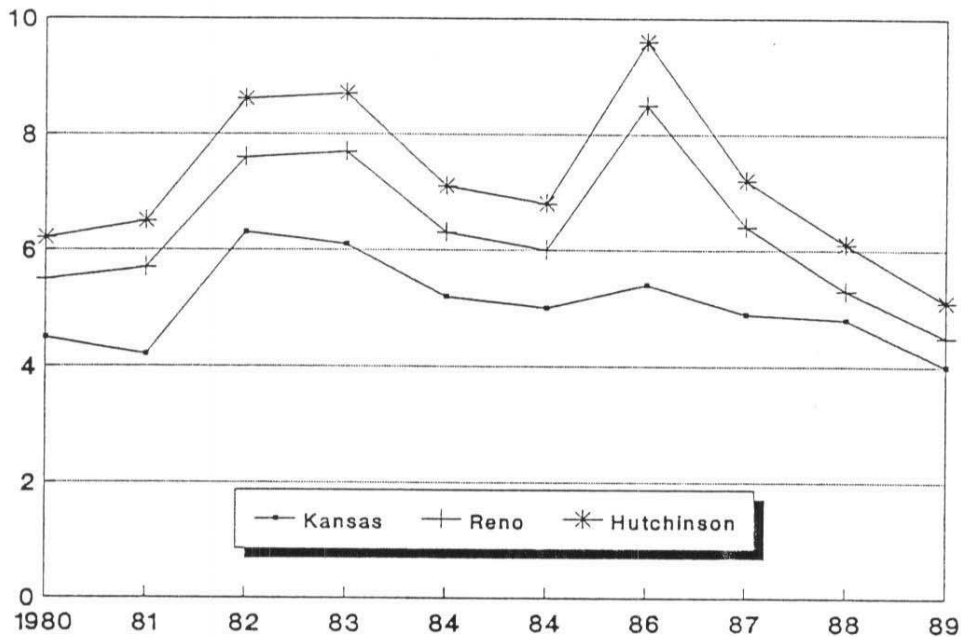


Source: University of Kansas, KCCED, using data from U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Table CA25.

- Unemployment rates in Reno County have been consistently higher than the state average throughout the 1980s. However, these rates have been converging since 1987.
- Labor force participation rates have been consistently lower than the state average. This combination of high unemployment and low participation rates suggests the real unemployment rate may be higher than these figures show, and that some potential workers may have either quit looking for work or do not expect to find work suitable to their interests. Other possible explanations of lower participation rates could be more reliance on non-employment forms of income or value systems favoring staying at home rather than becoming a dual income family. With the older population base in Reno county, these may be quite plausible explanations.
- Low participation rates also mean there is more capacity to expand the local labor force. If participation rates were to be the same as the state average, an additional 2,700 workers could be added to the labor force (using 1989 figures).

Figure 3.4

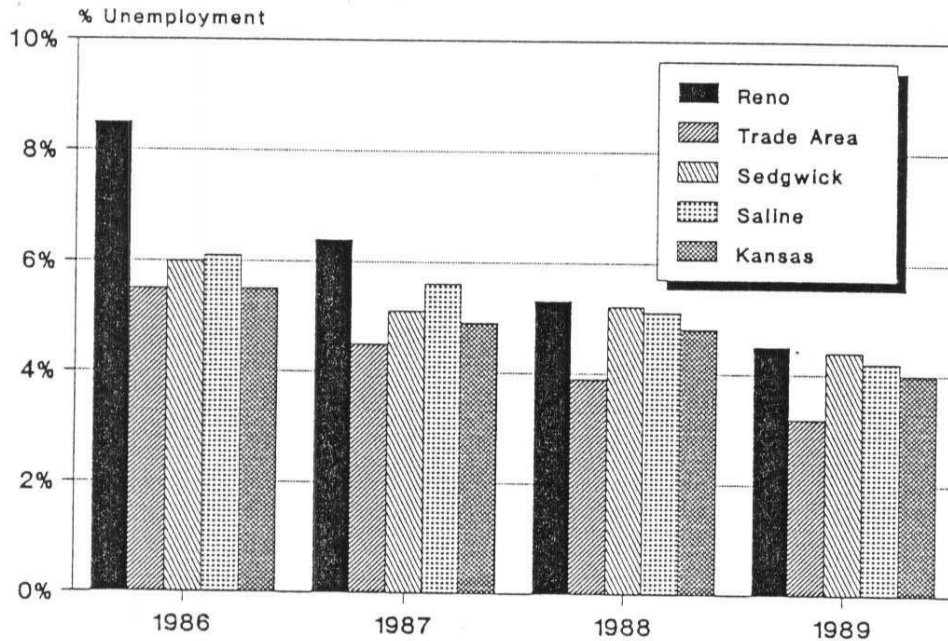
Unemployment Rates, 1980-1989 Kansas, Reno and Hutchinson



Source: University of Kansas, KCCED, using data from U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Table CA25.

- Throughout the 1980s, Reno County and Hutchinson experienced higher rates of unemployment than the state. Reno's average unemployment rate of 6.4% was 25% higher than the state average (5.0%), while Hutchinson's rate, 7.2%, exceeded the state average by 42%.
- Since 1986, these unemployment rates have been converging. During 1988 and 1989, the Reno County unemployment rate exceeded the state average by 11% and Hutchinson's rate was 27% higher than the state's.

Figure 3.5
 Unemployment Rates, 1986-1989
 Reno, Selected Counties and Kansas



Source: Kansas Department of Human Resources, Labor Market Information Services, in cooperation with the U.S. Bureau of Labor Statistics. Trade area data calculated by KCCED.

- Unemployment rates declined sharply from 1986 to 1987, and continued to decline through to 1989 for Reno County, the surrounding counties and Kansas. The only exception was Sedgwick County which recorded a marginal increase in unemployment from 1987 (5.1%) to 1988 (5.2%).
- Reno County's 1989 unemployment rate, 4.5%, was almost half the 1986 rate of 8.5%. Unemployment rates dropped by about 30% in Saline, Sedgwick and Kansas during this time, and by nearly 40% in the trade area.
- Virtually all of the counties within the trade area showed consistent improvement in their unemployment rates over the 1986-1989 period. Stafford County's rate increased in 1988 and rebounded in 1989 to be the lowest in the area, at 2.8%.

Table 3.3
Unemployment and Participation Rates
Reno County & Kansas, 1980-1989

| | Reno | | Kansas | | Hutchinson |
|------|---------------|---------------|---------------|---------------|---------------|
| | <u>% Unem</u> | <u>% Part</u> | <u>% Unem</u> | <u>% Part</u> | <u>% Unem</u> |
| 1980 | 5.5 | 63.7 | 4.5 | 64.4 | 6.2 |
| 1981 | 5.7 | 61.9 | 4.2 | 64.7 | 6.5 |
| 1982 | 7.6 | 60.6 | 6.3 | 64.4 | 8.6 |
| 1983 | 7.7 | 59.8 | 6.1 | 64.5 | 8.7 |
| 1984 | 6.3 | 60.9 | 5.2 | 63.8 | 7.1 |
| 1985 | 6.0 | 64.7 | 5.0 | 65.8 | 6.8 |
| 1986 | 8.5 | 63.9 | 5.4 | 65.2 | 9.6 |
| 1987 | 6.4 | 62.3 | 4.9 | 67.5 | 7.2 |
| 1988 | 5.3 | 61.7 | 4.8 | 66.6 | 6.1 |
| 1989 | 4.5 | 61.5 | 4.0 | 67.0 | 5.1 |

Note: Participation rates calculated using BEA labor force data and estimating proportions of over-15 population from IPPBR, *Kansas Population Projections*, 1988, University of Kansas. (1980 proportions used for 1980-1983; 1985 proportions for 1984-1987; 1990 proportions used for 1988-1990).
Source: Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Table 3.4
Unemployment Rates, 1986-1989
Reno, Neighboring Counties and Kansas

| | <u>1986</u> | <u>1987</u> | <u>1988</u> | <u>1989</u> |
|------------|-------------|-------------|-------------|-------------|
| Reno | 8.5% | 6.4% | 5.3% | 4.5% |
| Harvey | 5.4 | 4.4 | 3.9 | 3.3 |
| McPherson | 4.5 | 4.1 | 3.6 | 2.8 |
| Rice | 7.1 | 5.4 | 4.6 | 4.1 |
| Stafford | 5.4 | 3.7 | 4.2 | 2.8 |
| Pratt | 6.6 | 4.8 | 3.6 | 3.1 |
| Kingman | 5.9 | 5.1 | 4.3 | 3.5 |
| Trade Area | 5.5 | 4.5 | 3.9 | 3.2 |
| Saline | 6.1 | 5.6 | 5.1 | 4.2 |
| Sedgwick | 6.0 | 5.1 | 5.2 | 4.4 |
| Kansas | 5.5 | 4.9 | 4.8 | 4.0 |

Source: Kansas Department of Human Resources, Labor Market Information Services, in cooperation with the U.S. Bureau of Labor Statistics. Trade area totals calculated by KCCED.

Section IV : EDUCATION

As present and future jobs begin to require higher skilled employees, the education of the local workforce will become a higher priority. The ideal local labor market, in terms of being attractive and conducive to business growth, has an ample supply of workers who have advanced skills and a strong work ethic. A higher concentration of lower skilled workers means that the community relies on low skilled, low paying wages in industries which are either mature or declining. This, in turn, means that unemployment may be a continual or cyclical problem as these firms either go out of business, due to competition, or move to cheaper locations in other states or countries.

Education not only refers to K-12 instruction; post-secondary instruction, either at a community college or university is also important. Equally valuable are workers possessing a strong, adaptable technical background from an AVTS or community college. This section presents the following measures of education for Reno county and the state:

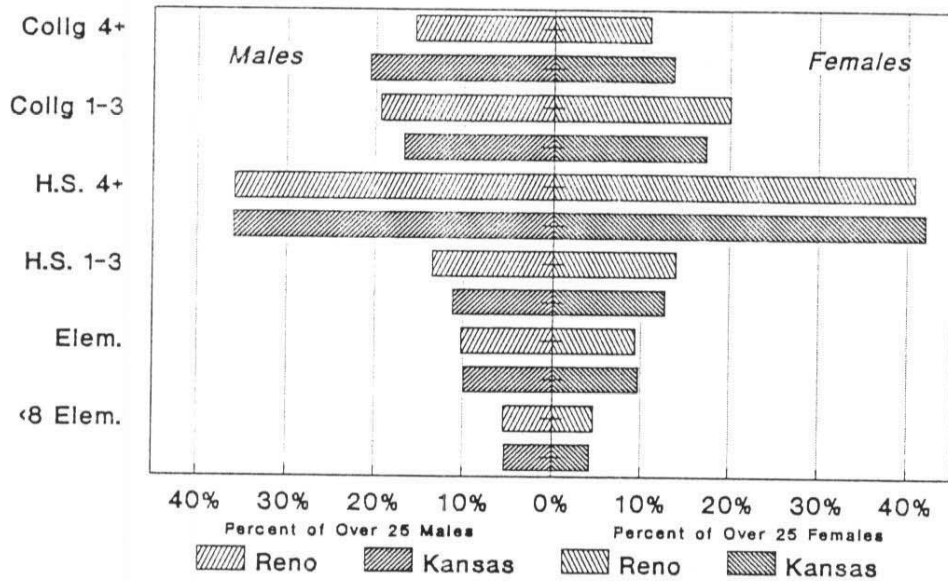
- the *highest level of education received* demonstrates the average length of education for community residents. Lower levels may be indicative of lower skilled, less adaptable workers, while higher levels may mean a better opportunity to create, attract, and retain high growth, high performance businesses;
- the *ratio of graduates to dropouts* indicates the relative completion rate of high school students. High dropout rates may be the result of difficult economic or social circumstances. The result of high dropout rates is a workforce which is not prepared to participate in the workplace without additional education, either in technical or basic academic skills instruction;
- the *pupil-teacher ratio* compares the number of pupils per instructor in grades K-12. Higher ratios may show that the number of students is increasing or that educational resources are either being cut or not keeping pace with growth.

EDUCATION: KEY FINDINGS

- 20% of Reno County residents over 25 have 1-3 years' college education, exceeding the state's average of 17%. However, of those over 25 with 4 years or more of college education, the Reno county average of 13% is below the state's average of 17%.
- Hutchinson Community College is a strong educational base for the county, and with total enrollment exceeding 3,700, it is the 4th largest community college in the state.
- The county's ratio of graduates to dropouts has declined, relative to the state, since 1983. Additionally, the county dropout rate has climbed to 12th in the state, from 6th in 1983, as dropout rates in Reno county soared 55%.
- Reno County's pupil to teacher ratio in 1988 was 15.2, exceeding the state's ratio by 17%. Furthermore, the number of students per teacher was rising in the county over the period but falling in the state as a whole.

Figure 4.1

Highest Level of Education Completed
 % of Population 25+, Reno County & Kansas



Source: Bureau of the Census, 1980 Census, Vol. 1, Characteristics of the Population.

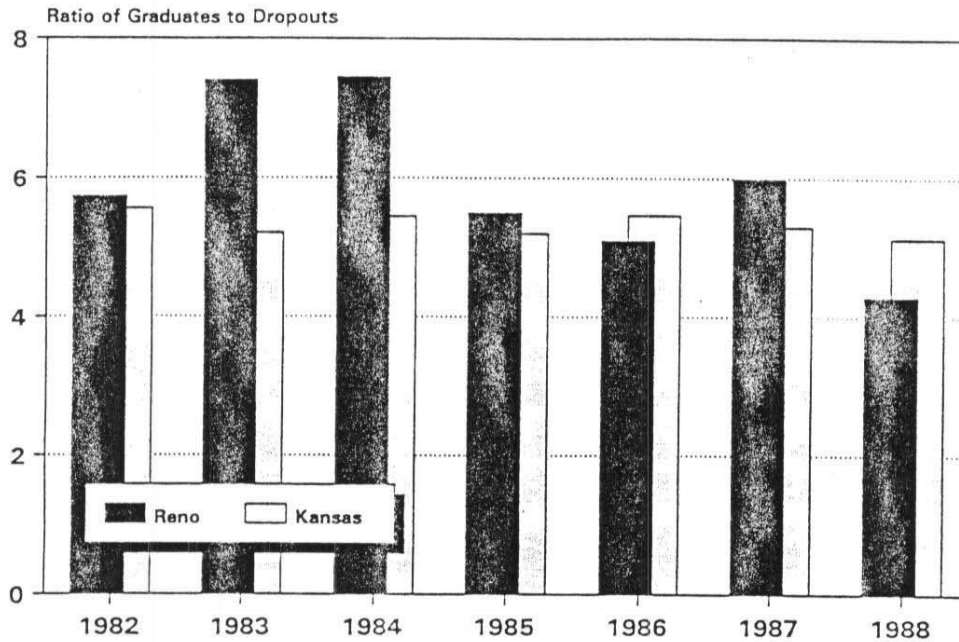
- Reno County residents are well prepared for skilled and technical positions, with nearly 20% of the over-25 population having 1 to 3 years' college education, relative to the state average of 17%. However, only 13% of the over-25 population have 4 or more years' college, compared with 17% for the state. As a result, the Reno labor force is less well equipped for managerial and professional jobs than are those in other parts of the state.
- Since there is no 4-year college in Reno County, one would expect Hutchinson Community College, a 2-year institution, to play a relatively greater role in the community. With a total enrollment exceeding 3,700 it is the 4th largest two-year college in the state. Its strong local presence helps explain the relatively large numbers of residents with 1-3 years college education.

Table 4.1
 Highest Level of Completed Education, 1980
 Reno County & Kansas, Population 25 Years & older

| <u>Sex</u> | <u>Highest Level Education</u> | <u>Percent 25+ Population</u> | |
|------------|--------------------------------|-------------------------------|---------------|
| | | <u>Reno</u> | <u>Kansas</u> |
| Female | College: 4+ years | 11.0 | 13.7 |
| Male | College: 4+ years | <u>15.6</u> | <u>20.7</u> |
| | | 13.2 | 17 |
| Female | College: 1-3 years | 20.0 | 17.4 |
| Male | College: 1-3 years | <u>19.4</u> | <u>16.8</u> |
| | | 19.8 | 17.1 |
| Female | High School: 4+ years | 40.9 | 42.1 |
| Male | High School: 4+ years | <u>35.8</u> | <u>16.8</u> |
| | | 38.5 | 39.2 |
| Female | High School: 1-3 years | 14.0 | 12.8 |
| Male | High School: 1-3 years | <u>13.5</u> | <u>11.2</u> |
| | | 13.8 | 12.0 |
| Female | Elementary School | 9.4 | 9.8 |
| Male | Elementary School | <u>5.5</u> | <u>5.4</u> |
| | | 9.8 | 9.8 |
| Female | Less than 8 yrs Elementary | 4.7 | 4.3 |
| | Less than 8 yrs Elementary | <u>5.5</u> | <u>5.4</u> |
| | | 5.0 | 4.8 |

Source: Bureau of the Census, *1980 Census, Vol. 1, Characteristics of the Population*.

Figure 4.2
High School Graduates and Dropouts
 Reno County and Kansas



Source: KCCED County Profile

Table 4.2
 High School Graduates & Dropouts
 Reno County & Kansas, 1982-1988

| Year | Graduates | | | Dropouts | | | Ratio of Grads/Dropouts | |
|------|-----------|--------|------|----------|--------|------|-------------------------|--------|
| | Reno | Kansas | Rank | Reno | Kansas | Rank | Reno | Kansas |
| 1982 | 762 | 28,343 | 5 | 133 | 5,100 | 8 | 5.73 | 5.56 |
| 1983 | 740 | 26,730 | 5 | 100 | 5,135 | 12 | 7.40 | 5.21 |
| 1984 | 715 | 25,983 | 5 | 96 | 4,776 | 10 | 7.45 | 5.44 |
| 1985 | 631 | 25,587 | 6 | 115 | 4,926 | 8 | 5.49 | 5.19 |
| 1986 | 642 | 26,933 | 7 | 126 | 4,934 | 6 | 5.10 | 5.46 |
| 1987 | 718 | 27,036 | 5 | 120 | 5,105 | 6 | 5.98 | 5.30 |
| 1988 | 665 | 26,848 | 8 | 155 | 5,225 | 6 | 4.29 | 5.14 |

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract*, various issues; Kansas State Department of Education, *Headcount, Enrollment, Kansas Public Schools and Secondary School Dropouts*.

- For 5 of the 7 years shown, Reno has led the state in the ratio of high school graduates to high school dropouts. Since 1983, however, Reno's relative position has declined. The county's dropout ranking has increased since 1983 from 12th to 6th. During this time the number of dropouts in Reno increased by 55%, compared with an increase of only 2% state-wide. Over this same period, the number of high school graduates declined by 11% in Reno County, but increased by 2% in Kansas as a whole.

Figure 4.3
Pupil-Teacher Ratio
 Reno County and Kansas

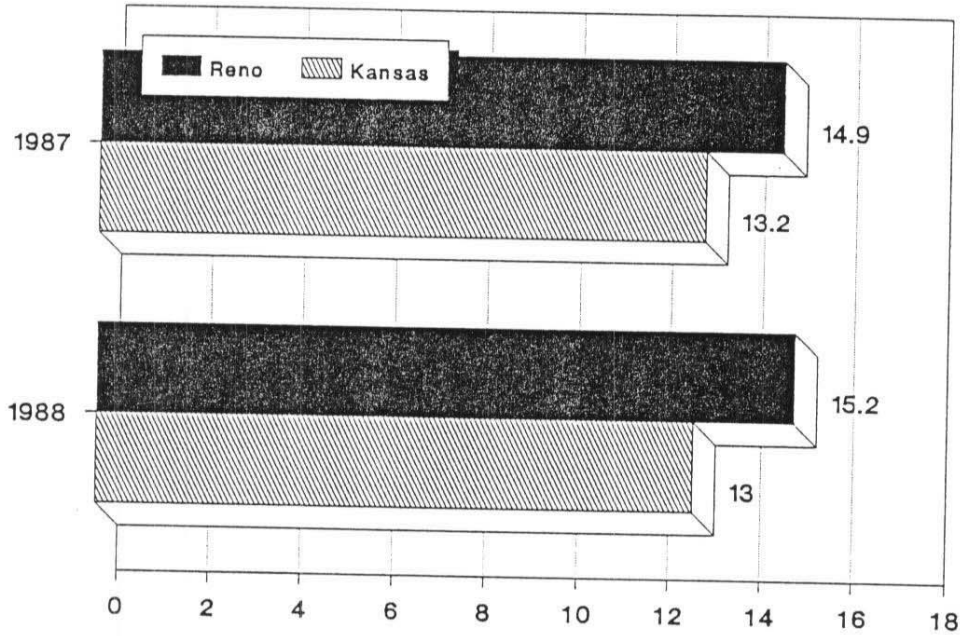


Table 4.3
Pupil-Teacher Ratio
 Reno County & Kansas, 1987-1988

| | <u>Reno</u> | <u>Kansas</u> | <u>Rank</u> |
|------|-------------|---------------|-------------|
| 1987 | 14.9 | 13.2 | 21 |
| 1988 | 15.2 | 13.0 | 18 |

Source: Kansas State Board of Education.

- The Pupil-Teacher ratio for Reno County in 1988 was 15.2, 17% higher than in the state as a whole.
- The number of students for each teacher was rising in Reno County over these years, but was falling in Kansas as a whole.

Section V : INCOME AND EARNINGS

Income and earnings are the sources of revenue for the community residents. There are five principal sources of income, including: (1) *wages and salaries*; (2) *farm property*; (3) *non-farm property*; (4) earnings from *dividends, interest, and rental income*; and (5) *transfer payments*, including social security payments and unemployment insurance. These sources of income describe the economic base of the community. Higher average wages and salaries may indicate a greater number of jobs in high growth, high performance businesses. Low wage growth may indicate a higher concentration of stable, declining industries. Sources of earnings, such as entitlements, may also may demonstrate the strength of the community in generating its own income, as well as give some indication of the population's age (i.e., older people tend to depend more on investment and entitlement income). Declining or stable earnings over time may indicate a decrease in the standard of living for the community.

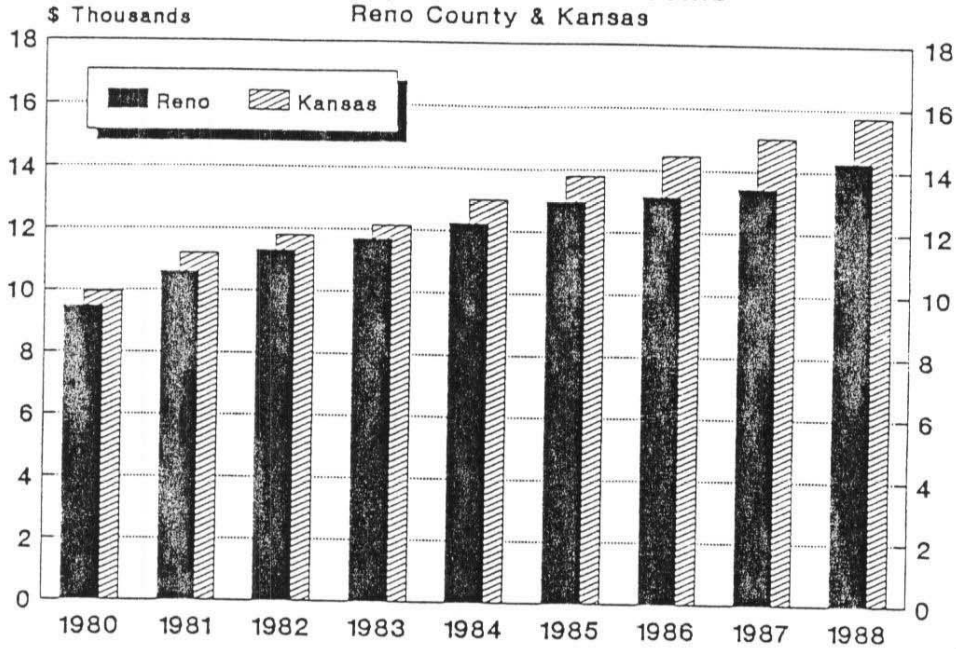
In the following section, income and earnings are examined for Reno County, its trade area, comparable counties, and Kansas across the following measures:

- *per capita personal income* indicates the relative wealth of the area compared to the state. As the productivity of business and industry increase, personal per capita income also rises. Decreasing or stable rates may be the result of mature or declining industry;
- *sources of personal income* show what the population relies on for support. Different sources may indicate relative strength of business growth and productivity, relative age (as in increase in Social Security and other entitlements, and where the money is coming from, in terms of in or out of county);
- *percentage shares by component* represent the areas which are making the greatest impact on income growth in the county;
- *average wage*, over time, demonstrates the strength of area firms in generating income for their employees. Lower rates are indicative of lower productivity and business performance.

INCOME AND EARNINGS: KEY FINDINGS

- Personal per capita incomes in Reno County have fallen from 95% of the state level in 1980 to 91% in 1988. However, in 1988 Reno County income growth rates (6%) exceeded the state average (4%). When comparing to other counties, Reno's per capita personal income dropped from 37th to 56th.
- The greatest growth in personal per capita income was in transfer payments, dividends, interest, and rent. This also means that income derived from inside the county fell from 75% in 1980 to 69% in 1988. These areas became a greater portion of the overall source of income, while the share of wages and salaries fell.
- While the average wage in Reno County increased 21% from 1982-1988, it was below the state average of 24.6%. In comparison to non-metropolitan counties, the average wage was 15% in Reno County. However, it was 19% lower than its neighbor, Sedgwick County.

Figure 5.1
Per Capita Personal Income
Reno County & Kansas



Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

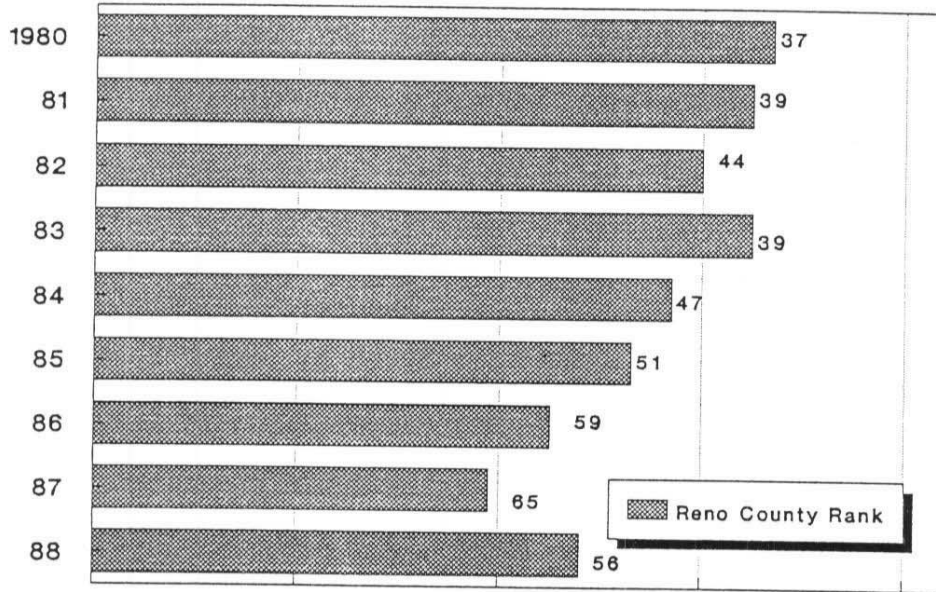
- Over the period 1980-88, Reno County lost ground relative to the rest of the state. During these 9 years, per capita personal incomes fell from 95% of the state level to 91% of the state level. 1988 marked the first year in the period where Reno County income growth rates exceeded the state average, growing at 6%, compared with the Kansas rate of 4%.

Table 5.1
Personal Income Per Capita
Reno County & Kansas, 1980-1988

| | Income | | Rank | Growth Rates | |
|------|----------|----------|------|--------------|--------|
| | Reno | Kansas | | Reno | Kansas |
| 1980 | \$ 9,446 | \$ 9,941 | 37 | | |
| 1981 | 10,593 | 11,188 | 39 | 12.1% | 12.5% |
| 1982 | 11,306 | 11,809 | 44 | 6.7% | 5.6% |
| 1983 | 11,694 | 12,133 | 39 | 3.4% | 2.7% |
| 1984 | 12,251 | 13,017 | 47 | 4.8% | 7.3% |
| 1985 | 12,973 | 13,804 | 51 | 5.9% | 6.0% |
| 1986 | 13,156 | 14,470 | 59 | 1.4% | 4.8% |
| 1987 | 13,442 | 15,083 | 65 | 2.2% | 4.2% |
| 1988 | 14,302 | 15,740 | 56 | 6.4% | 4.4% |

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Figure 5.2
Per Capita Personal Income
Reno County Ranking 1980-1988



Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

- Reno County's ranking for per capita personal income in the state fell during the 1980-1988 period from 37th to 56th.

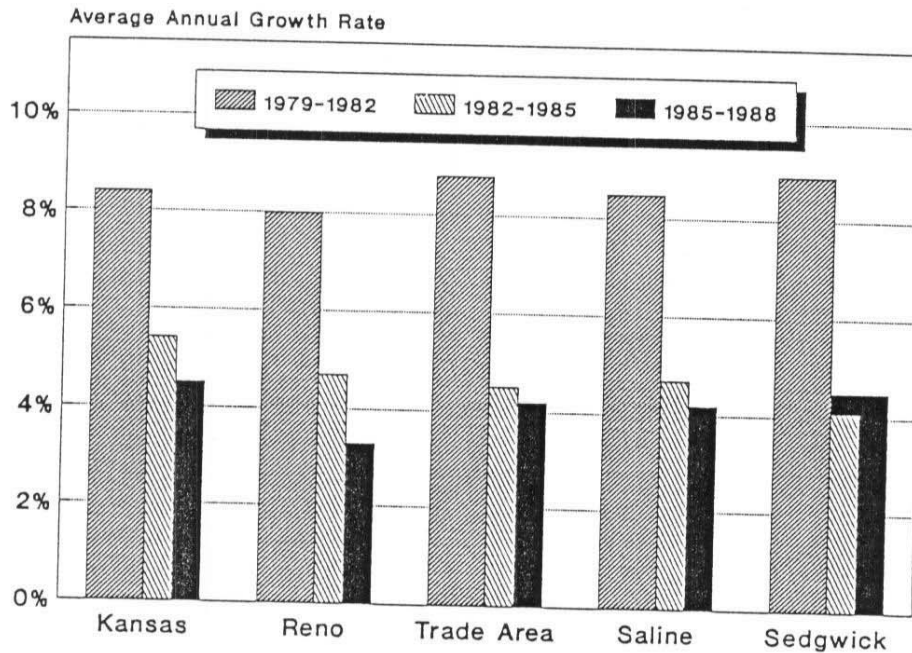
Table 5.2
Per Capita Income, 1988, and Average Annual Growth Rates, 1979-1988
Reno, Neighboring Counties and Kansas

| | <u>Per Capita Income</u> | <u>Average Yearly Growth</u> | | |
|------------|--------------------------|------------------------------|----------------|----------------|
| | <u>1988</u> | <u>1979-82</u> | <u>1982-85</u> | <u>1985-88</u> |
| Reno | \$ 14,302 | 8.0% | 4.7% | 3.3% |
| Harvey | 14,272 | 8.7 | 3.2 | 4.4 |
| McPherson | 15,417 | 8.2 | 5.2 | 4.1 |
| Rice | 14,206 | 10.5 | 4.2 | 1.7 |
| Stafford | 20,037 | 8.6 | 6.0 | 7.3 |
| Pratt | 16,554 | 8.8 | 6.2 | 4.8 |
| Kingman | 13,117 | 8.4 | 3.7 | 3.8 |
| Trade Area | 15,071 | 8.8 | 4.5 | 4.2 |
| Saline | 16,052 | 8.5 | 4.7 | 5.2 |
| Sedgwick | 16,775 | 8.9 | 4.1 | 4.2 |
| Kansas | 15,740 | 8.4 | 5.4 | 4.5 |

Source: 1988 Per Capita Income from Bureau of Economic Analysis, Regional Economic Information System, Table CA5; Average of annual growth rates calculated by KCCED. Trade area calculations were derived using 3-year average growth rates, weighted by 1981, 1984, and 1987 county populations from U.S. Bureau of the Census, Estimates of the Population of Kansas Counties and Metropolitan Areas: July 1, 1981, to 1985, P-26, No. 85-KS-C, County Population Estimates: July 1, 1987, and 1986, P-25, No. 87A, and mimeographed sheets.

Figure 5.3

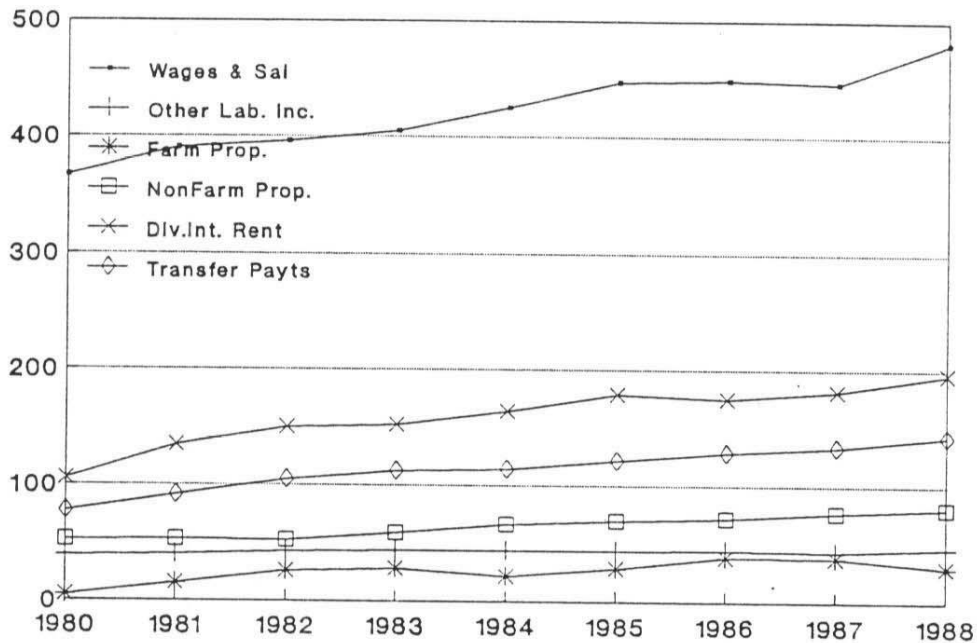
Per Capita Income, Average Growth Rates
Reno County, Kansas & Selected Counties



Source: 1988 Per Capita Income from Bureau of Economic Analysis, Regional Economic Information System, Table CA5; Average of annual growth rates calculated by KCCED. Trade area calculations were derived by using 3-year average growth rates, weighted by 1981, 1984, and 1987 county populations from U.S. Bureau of the Census, Estimates of the Population of Kansas Counties and Metropolitan Areas: July 1, 1981, to 1985, P-26, No. 85-KS-C, County Population Estimates: July 1, 1987, and 1986, P-25, No. 87A, and mimeographed sheets.

- Reno County's per capita income in 1988 was \$14,302. This was 9% lower than the state average, 5% lower than the trade area's, and 11% lower than Sedgwick County's.
- In each of the three year periods 1979-1982, 1982-1985 and 1985-1988, the rates of growth in personal incomes have declined in the state and in the surrounding counties. Only Sedgwick County's growth rate from 1985 to 1988 showed any reversal of this trend.
- Reno County's per capita income growth rate has fallen most sharply of the group shown in Figure 5. By the 1985-1988 period, Reno's growth rate in per capita income was only 41% of its rate in the 1979-1982 period. In contrast, this measure in Sedgwick and Saline Counties was 47%, in the trade area was 48% and in the state as a whole was 54%.

Figure 5.4
Sources of Personal Income
Reno County



Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

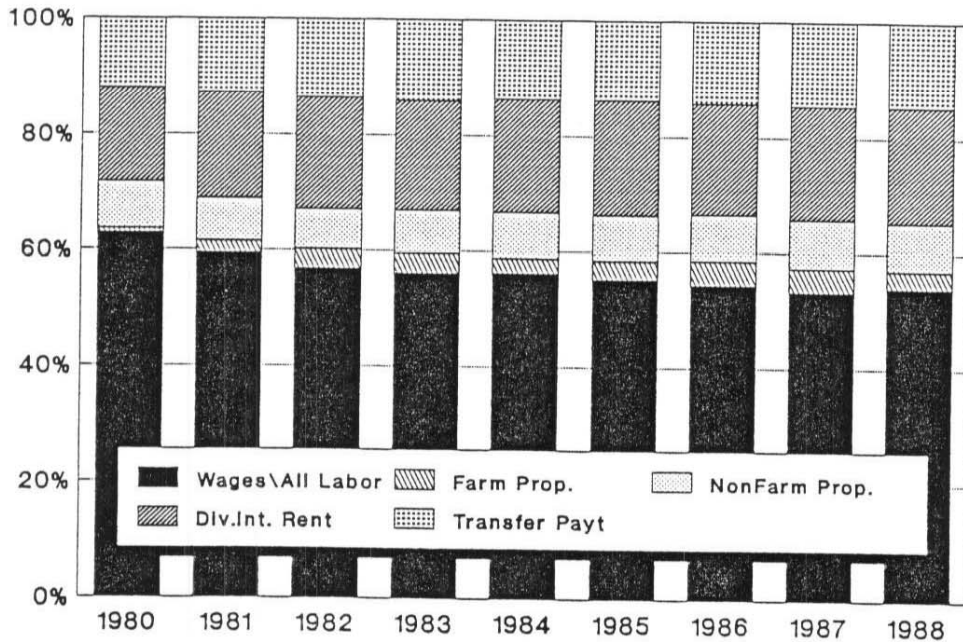
- Wages and salaries grew more slowly than other sources of personal income, increasing at a rate of 36% over the period 1980-88. Transfer payments (+85%) and Dividends, interest and rent (+86%) both outpaced the overall growth rate for personal income (+51%).
- Increased reliance on forms of income derived outside the county (transfer payments; dividends, interest and rent meant that Net Earnings by Place of Residence grew by only 36% through this period. This source of income which had accounted for 75% of Reno County's Personal Income in 1980, held a 69% share in 1988.

Table 5.3
Sources of Personal Income
Reno County, 1980-1988

| | Earnings by Place of Work (\$ millions) | | | | | | | Total Personal Income |
|------|---|--------------------|----------------------|--------------------------|----------------------------------|----------------------------|-------------------|-----------------------|
| | Wages & Salaries | Other Labor Income | Farm Proprietorships | Non-farm Proprietorships | Net Income by Place of Residence | Dividends, Interest & Rent | Transfer Payments | |
| 1980 | 367 | 39 | 5 | 52 | 431 | 106 | 77 | 614 |
| 1981 | 390 | 40 | 15 | 53 | 463 | 134 | 91 | 689 |
| 1982 | 396 | 43 | 26 | 52 | 479 | 150 | 105 | 734 |
| 1983 | 405 | 44 | 28 | 59 | 497 | 152 | 112 | 761 |
| 1984 | 426 | 44 | 21 | 66 | 517 | 164 | 114 | 795 |
| 1985 | 447 | 44 | 29 | 69 | 544 | 179 | 122 | 845 |
| 1986 | 449 | 44 | 38 | 72 | 558 | 175 | 129 | 862 |
| 1987 | 446 | 43 | 38 | 77 | 560 | 182 | 133 | 875 |
| 1988 | 481 | 46 | 29 | 80 | 586 | 196 | 143 | 925 |

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

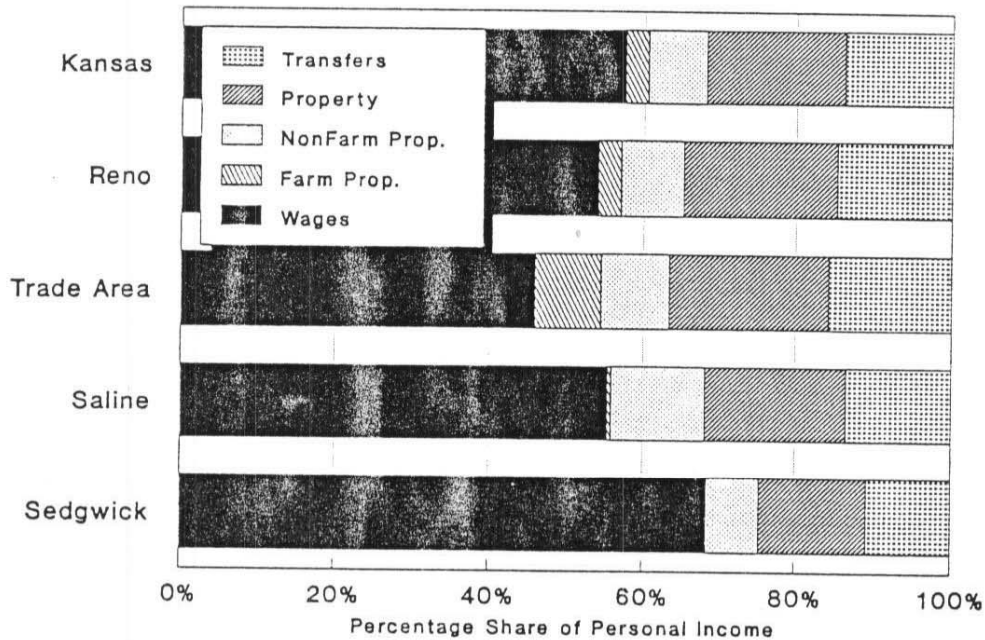
Figure 5.5
Sources of Personal Income -Reno County
Percentage Shares by Component



Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

- The shift to non-residence based sources of income is apparent in the above graph: Dividends, Interest and Rent grew from a 17% share to a 21% share of Personal Income; Transfer Payments rose from 13% to 15%; and Wages & Salaries fell from 60% to 52% of Personal Income.

Figure 5.6
Sources of Personal Income, 1987
Reno, Selected Counties and Kansas



Source: Data from U.S. Bureau of Economic Analysis, Regional Economic Information system, Table CA5.
Note: For purposes of graphic illustration, percentage shares shown in Table 6 have been recalibrated. Note that these percentage shares would otherwise exceed 100% in some cases due to adjustments for nonresident income and social security premiums, which have not been included.

- Income from traditional employment sources accounts for a lower share of personal income in Reno County (57%) than in Kansas or Saline County (59%) or in Sedgwick (77%). This is due in part to the declines in job opportunities in the county through the late 1980s.
- Like its trade area, Reno County relies more heavily than the state on proprietorship forms of income both of the farm and nonfarm variety, indicating a healthy spirit of entrepreneurship in the area.

- Passive income, in the form of transfer payments and property income, accounts for larger proportions of income in Reno County and its trade area than in the State. Transfer payments in 1987 accounted for nearly 16% of income in Reno County and its trade area, and around 14% in Kansas as whole. Property income, such as dividends, interest and rental income, over 20% of income in Reno and the trade area, contributed 18.5% to Kansas income and less than 16% to Sedgwick personal income.

Table 5.4
Sources of Personal Income, 1987
Reno and Neighboring Counties and Kansas

| | Wages & Labor | Percentage Share of Personal Income | | | Transfer Payments | Total* |
|------------|------------------|-------------------------------------|------------------------|--------------------|----------------------|--------|
| | | Farm Proprietors | Nonfarm Proprietors | Property Income | | |
| Kansas | 58.8 | 3.1 | 7.8 | 18.5 | 14.1 | 102.3 |
| Reno | 57.0 | 3.1 | 8.6 | 21.2 | 15.5 | 105.4 |
| Pratt | 40.8 | 16.6 | 8.9 | 21.3 | 16.6 | 104.1 |
| Stafford | 21.7 | 32.8 | 7.6 | 22.7 | 15.6 | 100.5 |
| Harvey | 52.5 | 4.3 | 8.2 | 18.9 | 15.5 | 99.3 |
| Kingman | 34.1 | 6.5 | 9.0 | 26.5 | 17.9 | 93.9 |
| McPherson | 52.3 | 5.0 | 10.6 | 19.2 | 14.1 | 101.2 |
| Rice | 41.3 | 7.1 | 7.1 | 25.8 | 18.7 | 100.0 |
| Trade Area | 46.0 | 8.6 | 8.9 | 20.9 | 15.8 | 100.2 |
| Saline | 59.0 | 0.6 | 13.0 | 19.7 | 14.3 | 106.6 |
| Sedgwick | 77.3 | 0.2 | 7.7 | 15.8 | 12.2 | 113.2 |

*Percentages may exceed 100% due to adjustments for residence and social insurance premium payments, which are not included.

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Table 5.5
Sources of Personal Income
Reno County, 1980-1988

| | Wages & Salaries | Other Labor Income | Percentage Shares by Source | | | | Dividends, Interest & Rent | Transfer Payments |
|------|---------------------|--------------------------|------------------------------|----------------------------------|--|------|----------------------------------|----------------------|
| | | | Farm Proprie- torships | Non-farm Proprie- torships | Net Income by Place of Residence | | | |
| 1980 | 59.7 | 6.3 | 0.8 | 8.5 | 70.2 | 17.2 | 12.6 | |
| 1981 | 56.6 | 5.8 | 2.2 | 7.7 | 67.3 | 19.5 | 13.2 | |
| 1982 | 53.9 | 5.8 | 3.5 | 7.1 | 65.3 | 20.4 | 14.2 | |
| 1983 | 53.2 | 5.8 | 3.7 | 7.7 | 65.3 | 20.0 | 14.7 | |
| 1984 | 53.5 | 5.5 | 2.7 | 8.3 | 65.0 | 20.6 | 14.3 | |
| 1985 | 53.0 | 5.2 | 3.4 | 8.2 | 64.4 | 21.1 | 14.4 | |
| 1986 | 52.2 | 5.1 | 4.5 | 8.3 | 64.7 | 20.3 | 15.0 | |
| 1987 | 51.0 | 4.9 | 4.3 | 8.8 | 64.0 | 20.8 | 15.2 | |
| 1988 | 52.0 | 5.0 | 3.2 | 8.7 | 63.4 | 21.2 | 15.4 | |

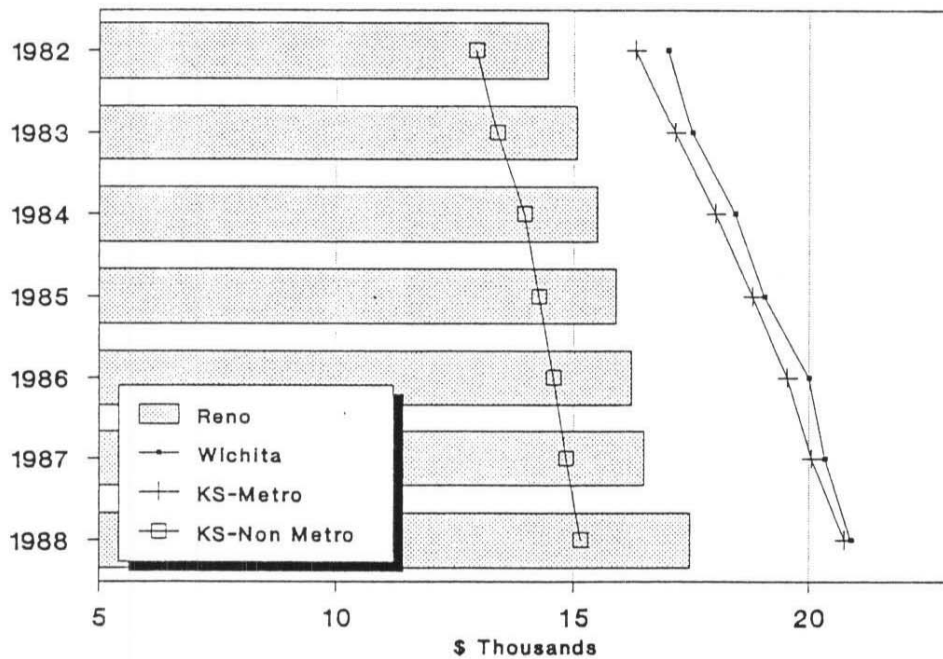
Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Table 5.6
Changes in Sources of Personal Income
Reno County, 1980-1988

| | <u>Earnings by Place of Work</u> | | | | <u>Net Income by Place of Residence</u> | <u>Dividends, Interest & Rent</u> | <u>Transfer Payments</u> | <u>Total Personal Income</u> |
|---|----------------------------------|-----------------------------------|---------------------------------------|---|---|---|------------------------------|--------------------------------------|
| | <u>Wages & Salaries</u> | <u>Other Labor Income</u> | <u>Farm Proprie- torships</u> | <u>Non-farm Proprie- torships</u> | | | | |
| <u>Percent of Personal Income, 1988</u> | | | | | | | | |
| Reno | 52.0% | 5.0% | 3.2% | 8.7% | 63.4% | 21.2% | 15.4% | |
| Kansas | 53.6% | 5.2% | 3.1% | 7.8% | 67.6% | 18.5% | 13.9% | |
| <u>Percentage Change 1980-88</u> | | | | | | | | |
| Reno | 31% | 20% | 503% | 54% | 36% | 86% | 85% | 51% |
| Kansas | 58% | 51% | 597% | 51% | 59% | 93% | 75% | 67% |

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Figure 5.7
Average Wage Per Job



Source: Bureau of Economic Analysis, Regional Information System, December 1989, Table CA34.

Table 5.7
Average Wage Per Job
Reno County, Selected Others, 1982-1988

| | Wages in \$ Thousands | | | |
|------|-----------------------|----------------|-----------------|--------------------|
| | <u>Reno</u> | <u>Wichita</u> | <u>KS-Metro</u> | <u>KS-Nonmetro</u> |
| 1982 | 14.5 | 17.0 | 16.3 | 13.0 |
| 1983 | 15.1 | 17.5 | 17.2 | 13.4 |
| 1984 | 15.5 | 18.4 | 18.0 | 14.0 |
| 1985 | 15.9 | 19.1 | 18.8 | 14.3 |
| 1986 | 16.2 | 20.0 | 19.5 | 14.6 |
| 1987 | 16.5 | 20.3 | 20.0 | 14.8 |
| 1988 | 17.5 | 20.9 | 20.7 | 15.1 |

Source: Bureau of Economic Analysis, Regional Information System, December 1989, Table CA34.

- The average wage per job rose in Reno County from \$14,454 in 1982 to \$17,472 in 1988, a 21% increase. Overall the state wage per job increased 24.6%.

- The Reno average wage is 15% higher than in non-metropolitan counties and 19% lower than in Sedgwick County.

Section VI : SECTORAL PROFILE

A sectoral profile outlines and compares county and state growth across business sectors. Some areas, like manufacturing, are declining nationwide as the overall economic base shifts from manufacturing to services. Some service areas are considered high growth and offer greater economic opportunities for a community. Other areas, like finance, insurance, and real estate (FIRE) usually depend on the growth in other areas in the economy. Agricultural activities depend on weather conditions (for harvests) and regional and world demand (affecting product prices).

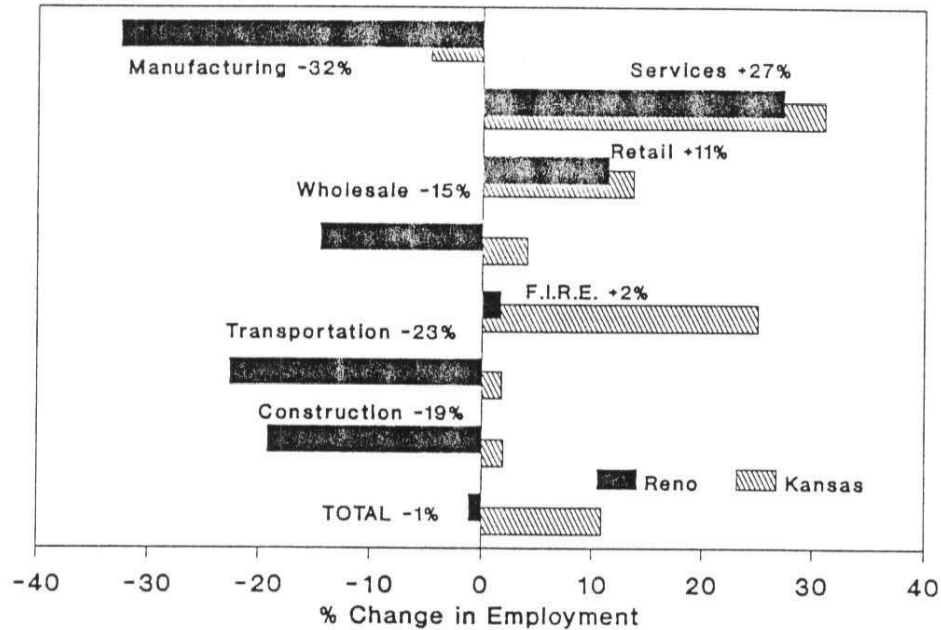
This section presents information about sector performance by analyzing the following:

- *changes in employment, by industry* which shows which areas are creating the greatest numbers of jobs. Positive changes may represent expansion, attraction, or creation of new firms, while negative growth may mean the exodus or decline of businesses;
- *payroll* growth is an indicator of businesses' abilities to maintain or increase growth or productivity. As profitability and productivity of firms increases, it is generally followed by an increase in payroll.
- *number of establishments* shows the creation or attraction of new businesses over a period of time.
- Number of farms and acres harvested, when viewed over time, shows the level of concentration of farming activities and the profitability of agricultural activities within the area.
- Value of field crops, livestock, and poultry reflects the income generated in each activity within the county, and indicate shifts in emphasis from cultivation to animal husbandry and/or dairy.

SECTORAL PROFILE: KEY FINDINGS

- Virtually every industry in Reno county has performed below the state with respect to change in employment. The largest employment increase in the county from 1980-1988 was in services (27%) which still below the state's rate (31%).
- Finance, insurance, and real estate, another weak area, increased in Reno only 2%, compared to the state average of 25%.
- Areas with a loss were: (i) manufacturing, which accounted for 30% of the state's net loss in jobs; (ii) transportation, in which employment fell 23% while the state increased 2%; (iii) wholesale trade (-15%); and (iv) construction (-19%).
- In overall terms, the county shifted toward lower paying jobs and decrease in the size, in terms of employees, of business establishments in comparison to the state as a whole.
- Through the 1980s, Reno County's farms performed on average, better than the state and the trade area, with a smaller decline in the number of farms and acres harvested.
- Throughout the state, the 1980s witnessed a shift in agricultural emphasis from crops to livestock and livestock products. Reno County increased the value of its livestock and related products more than the state and all of the nearby counties.

Figure 6.1
 Change in Employment, by Industry
 Reno County and Kansas, 1980-1988



Source: Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

- Reno County has performed poorly relative to the state in virtually every industry with respect to employment change. Services, Reno's best performing employment sector from 1980 to 1988, increased in employment by 27%, but was still behind the state's pace of 31%. Retail trade, with increased employment of 11%, also lagged the state rate of 13%.
- Particularly poor performers were Reno's manufacturing sector, which absorbed 30% of the state's net loss in jobs. Transportation employment decreased by 23%, while the state's employment in this sector increased by 2%.
- Finance, Insurance and Real Estate grew by 25% in Kansas as a whole and increased in employment by only 2% in Reno County.

Table 6.1
Employment Levels by Industry (in Thousands)
Reno County & Kansas, 1980 and 1988

| Industry | Reno | | | Kansas | | |
|--------------------|------|------|------|--------|--------|------|
| | 1980 | 1988 | Chg | 1980 | 1988 | Chg |
| Manufacturing | 8.3 | 5.6 | -33% | 195.1 | 186.2 | -5% |
| Services | 6.3 | 8.1 | 27% | 243.6 | 319.5 | 31% |
| Retail | 6.4 | 7.1 | 11% | 198.5 | 225.6 | 14% |
| Wholesale | 1.8 | 1.5 | -15% | 68.5 | 71.3 | 4% |
| F.I.R.E. | 1.9 | 2.0 | 2% | 76.8 | 96.2 | 25% |
| Transportation | 1.5 | 1.2 | -23% | 73.2 | 74.5 | 2% |
| Construction | 1.8 | 1.4 | -19% | 65.3 | 67.2 | 3% |
| Mining | .5 | .7 | +28% | 28.0 | 29.2 | +4% |
| Agric. Services | .2 | .2 | -1% | 7.6 | 11.3 | +48% |
| Subtotal--Non-Farm | 32.8 | 32.7 | -- | 1184.6 | 1338.9 | +13% |
| Farm Employment | 2.2 | 1.9 | -13% | 102.2 | 87.8 | -13% |
| ALL EMPLOYMENT | 35.0 | 34.6 | -1% | 1286.7 | 1426.8 | 11% |

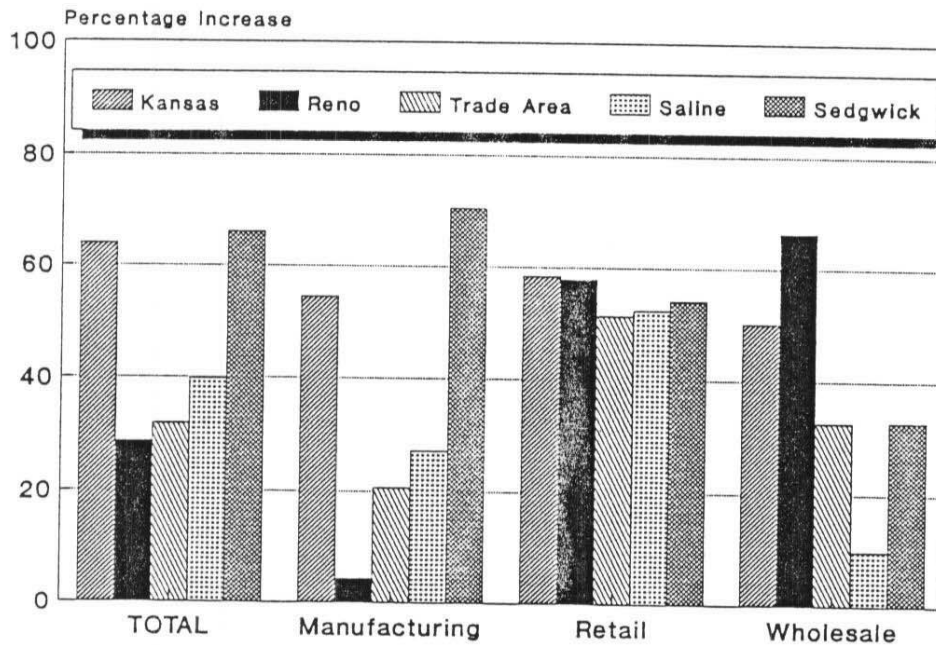
Source: Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Table 6.2
Growth in Payroll by Industry, 1980-1988
Reno and Neighboring Counties and Kansas

| Industry | Kansas | Percentage Change in Value of Payroll | | | |
|--------------------------|--------|---------------------------------------|------------|--------|----------|
| | | Reno | Trade Area | Saline | Sedgwick |
| Total | 64.0 | 28.9 | 32.0 | 39.8 | 66.1 |
| Agricultural Services | 188.8 | 93.8 | N/A | 202.4 | 187.4 |
| Mining | -14.0 | -14.2 | N/A | N/A | 11.4 |
| Construction | 24.5 | -23.7 | 19.4 | -14.6 | 6.0 |
| Manufacturing | 54.5 | 4.3 | 20.7 | 27.3 | 70.5 |
| Transp./Pub. Utilities | 68.7 | 22.3 | 74.8 | 6.3 | 89.6 |
| Wholesale | 50.1 | 66.4 | 32.8 | 9.8 | 33.0 |
| Retail Trade | 58.4 | 57.8 | 51.4 | 52.4 | 54.2 |
| Finance/Ins./Real Estate | 93.6 | 67.8 | 28.1 | 101.2 | 72.3 |
| Services | 117.0 | 76.2 | 70.6 | 88.6 | 104.3 |

Source: U.S. Bureau of the Census, *County Business Patterns*, 1980, 1988.

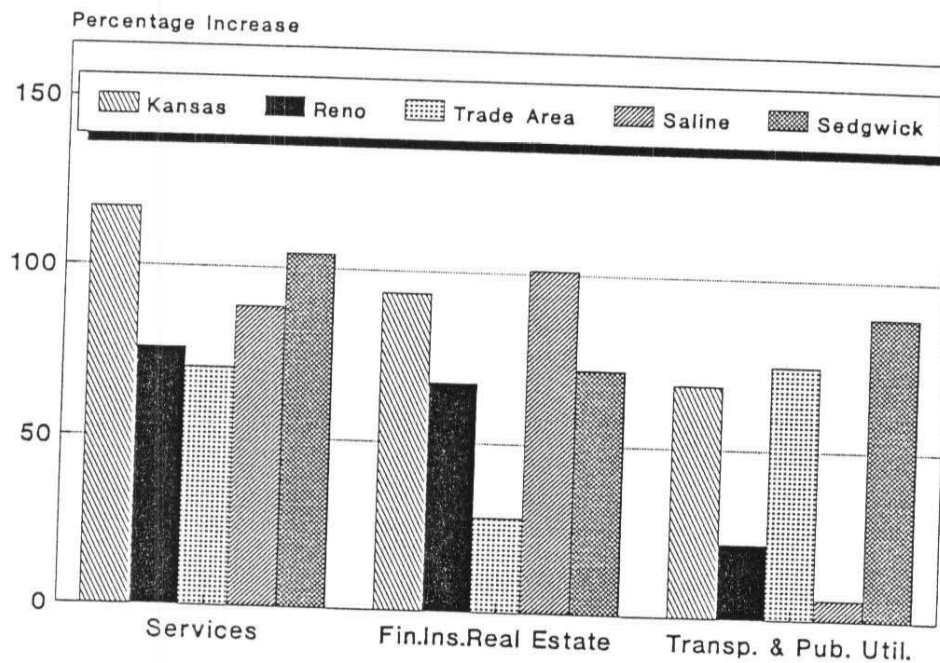
Figure 6.2
 Payroll Growth by Industry, 1980-1988
 Reno County, Kansas & Selected Counties



Source: U.S. Bureau of the Census, *County Business Patterns*, 1980, 1988.

- During the 1980s, Reno County's overall level of payroll growth did not keep pace with the State, Saline and Sedgwick Counties, or its trade area. Payroll increased 28% in Reno County, 64% in the State, and 66% in Sedgwick County.
- Loss of manufacturing jobs was a principal source of poor performance in Reno's overall payroll levels, increasing in nominal terms only 4%, against a state average of 55%. Saline and Sedgwick showed similar, though less dramatic, poor performance in manufacturing payrolls.
- Retail and wholesale payrolls were strong performers for Reno county during the 1980s. With the building of the Hutchinson Mall, retail payrolls increased at virtually the state average, outpacing the neighboring counties. Wholesale payrolls increased by 66%, eclipsing the state average of 50%, and doubling the rates for Sedgwick and the trade area, at 33%.

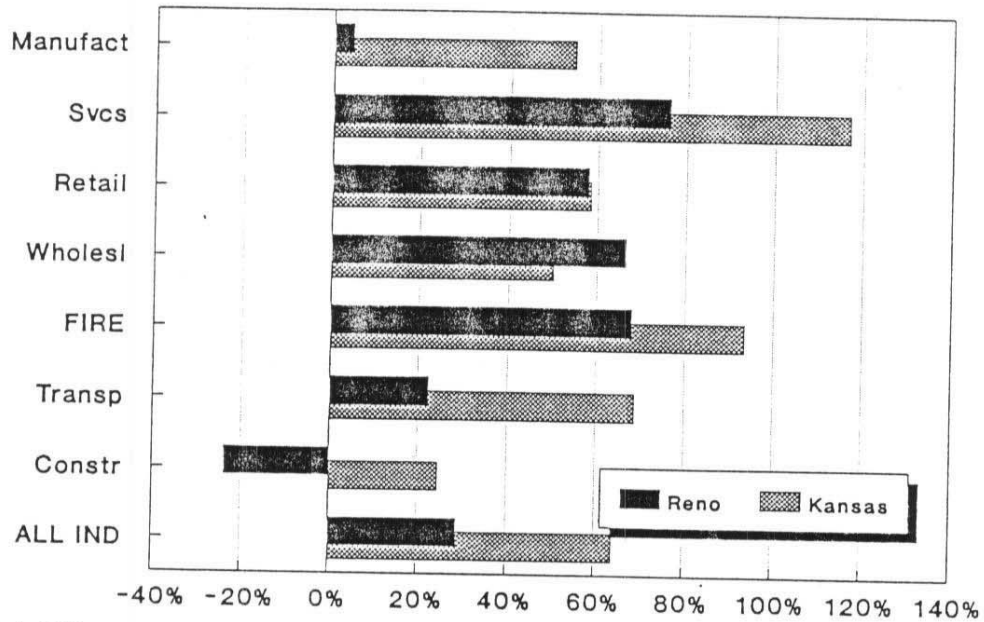
Figure 6.3
 Payroll Growth by Industry, 1980-1988
 Reno County, Kansas & Selected Counties



Source: U.S. Bureau of the Census, *County Business Patterns*, 1980, 1988.

- The Services sector, Kansas' fastest growing sector from 1980 to 1988, was also Reno County's fastest growth sector. However, service sector payrolls in Reno County grew at only two-thirds the state average, increasing by 76%, while Kansas increased 117%. Both Sedgwick and Saline counties also grew more slowly in this sector than the did the state; however Reno County's payroll growth in this sector was 27% less than Sedgwick's and 14% less than Saline's. The service sector tends to grow more quickly in urban areas, yet Reno County only marginally exceeded the performance of its trade area, with a much more rural composition.
- In the Finance, Insurance and Real Estate sectors, Reno's payroll growth was less than the state average of 94%. However, in this sector, Reno's growth rate of 68% nearly matched Sedgwick County's rate of 72%. Saline County showed remarkable growth in this sector, surpassing the state average with a growth rate of 101%.
- Reno County's payroll growth in the Transportation and Public Utilities sector, at 22%, was only one third the rate of increase in the state as a whole (69%), while Reno's trade area (75%) and Sedgwick County both exceeded the state growth rates (90%).

Figure 6.4
 Payroll by Industry
 Rates of Change, Reno & Kansas 1980-88



Source: U.S. Bureau of the Census, *County Business Patterns*, various issues.

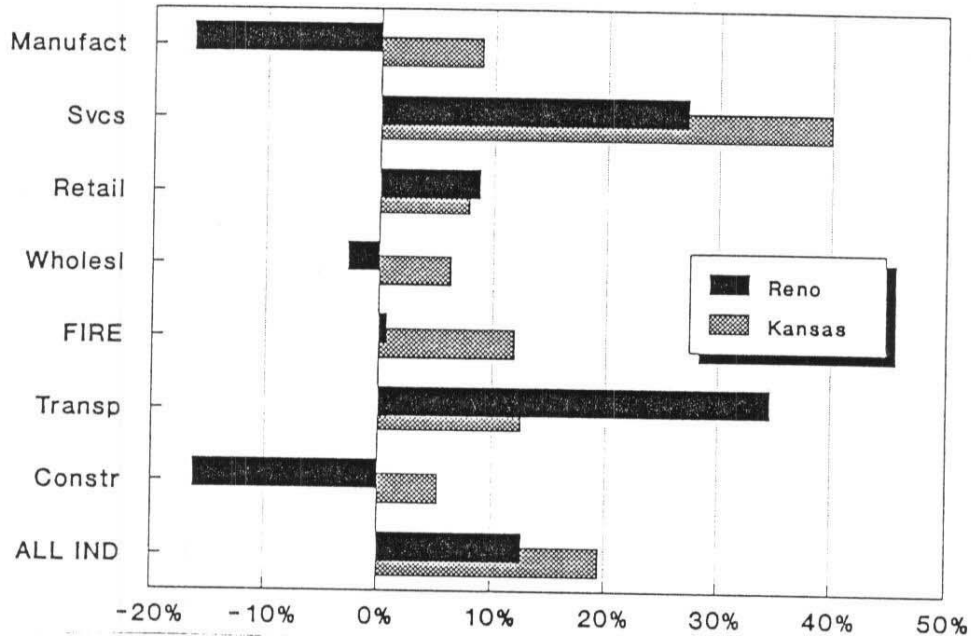
Table 6.3
 Payroll Levels by Industry (in \$ Million)
 Reno County & Kansas, 1980 and 1988

| Industry | Reno | | | Kansas | | |
|-----------------|-------|-------|------|---------|----------|-------|
| | 1980 | 1988 | Chg | 1980 | 1988 | Chg |
| Manufacturing | 124.2 | 129.5 | 4% | 3,195.8 | 4,939.1 | 55% |
| Services | 42.5 | 74.9 | 76% | 1,526.2 | 3,312.1 | 117% |
| Retail | 44.8 | 70.7 | 58% | 1,221.3 | 1,934.7 | 58% |
| Wholesale | 21.0 | 35.0 | 66% | 944.7 | 1,418.2 | 50% |
| F.I.R.E. | 14.5 | 24.2 | 68% | 659.5 | 1,276.9 | 94% |
| Transportation | 17.1 | 20.9 | 22% | 828.6 | 1,398.0 | 69% |
| Construction | 28.8 | 22.0 | -24% | 775.7 | 965.8 | 25% |
| Mining | 3.9 | 3.4 | -14% | 370.1 | 318.1 | -14% |
| Agric. Services | .2 | .4 | +94% | 21.4 | 61.8 | +189% |
| ALL INDUSTRIES | 298.1 | 384.3 | 29% | 9,592.1 | 15,726.8 | 64% |

Note: All figures in current dollars.

Source: Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Figure 6.5
 Number of Establishments
 Rates of Change, Reno & Kansas 1980-88



Source: U.S. Bureau of the Census, *County Business Patterns*, various issues.

Table 6.4
 Number of Establishments by Industry
 Reno County & Kansas, 1980 and 1988

| Industry | Reno | | | Kansas | | |
|-----------------|------|------|------|--------|--------|-----|
| | 1980 | 1988 | Chg | 1980 | 1988 | Chg |
| Manufacturing | 109 | 91 | -17% | 2,919 | 3,179 | 9% |
| Services | 389 | 495 | 27% | 14,270 | 19,962 | 40% |
| Retail | 410 | 446 | 9% | 15,204 | 16,401 | 8% |
| Wholesale | 144 | 140 | -3% | 5,267 | 5,598 | 6% |
| F.I.R.E. | 152 | 153 | 1% | 4,893 | 5,476 | 12% |
| Transportation | 52 | 70 | 35% | 2,881 | 3,240 | 12% |
| Construction | 147 | 123 | -16% | 5,149 | 5,421 | 5% |
| Mining | 18 | 14 | -22% | 1,137 | 1,166 | 3% |
| Agric. Services | 13 | 23 | 77% | 547 | 844 | 54% |
| ALL INDUSTRIES | 1489 | 1678 | 13% | 55,021 | 65,736 | 19% |

Source: U.S. Bureau of the Census, *County Business Patterns*, various issues.

- Reviewing changes in employment payroll and establishments simultaneously relative the state's performance, it is apparent that Reno county wages have suffered the greatest relative decline. Reno County has not successfully competed for high quality new jobs. This is apparent even in its best performing industry, Services. While overall employment levels kept pace and the rate of new of establishments was slightly lower than the state's, change in payroll was significantly below the Kansas performance.
- Other notable trends include a trend toward fewer employees per establishment in wholesale, but improved wage levels per employee; Finance, Insurance and Real Estate also shows a trend toward greater wage rates. The transportation industry, facing tough competition, seems to have relatively more small operations, with a lower wage emphasis.

Table 6.5
Summary: Changes in Employment, Payroll and Establishments
Reno County 1980-1988

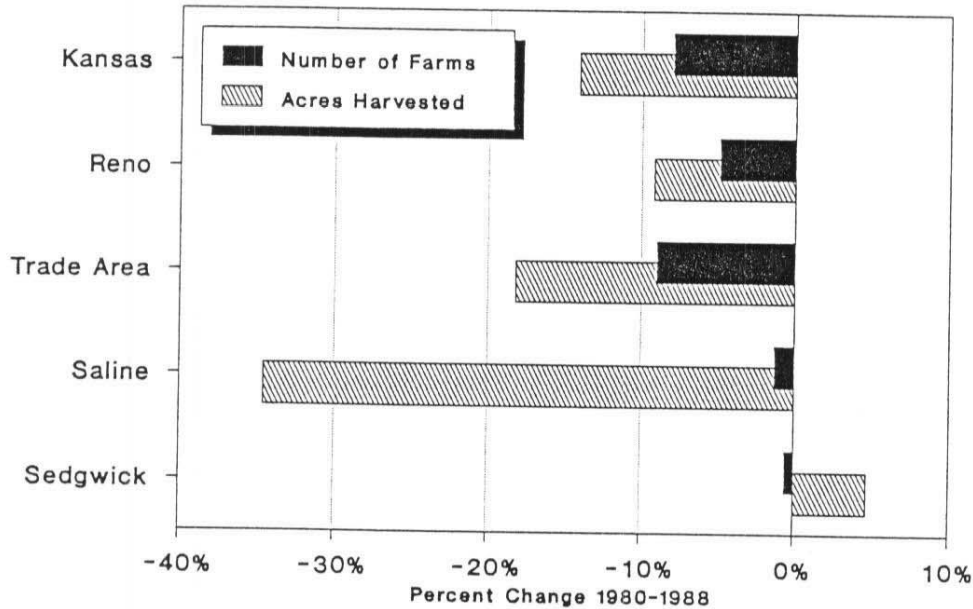
| Industry | Employment | | Payroll* | | Establishments | |
|--|-------------|---------------|-------------|----------------|----------------|---------------|
| | Reno | Kansas | Reno | Kansas | Reno | Kansas |
| Manufacturing | -32% | (- 5%) | + 4% | (+ 55%) | -17% | (+ 8%) |
| Services | +27% | (+31%) | +76% | (+117%) | +27% | (+39%) |
| Retail Trade | +11% | (+14%) | +58% | (+ 58%) | + 8% | (+ 7%) |
| Wholesale Trade | -15% | (-29%) | +66% | (+ 50%) | - 3% | (+ 6%) |
| Finance, Insurance, and Real Estate | + 2% | (- 4%) | +68% | (+ 94%) | + 1% | (+11%) |
| Transportation | -23% | (-25%) | +22% | (+ 69%) | +35% | (+12%) |
| Construction | -19% | (+ 3%) | -24% | (+ 25%) | -17% | (+ 5%) |
| Mining | +28% | (+ 4%) | -14% | (-14%) | -22% | (+ 3%) |
| Agric. Services | -1% | (+48%) | +94% | (+189%) | +77% | (+54%) |
| ALL INDUSTRIES | - 1% | (+11%) | +29% | (+ 64%) | +13% | (+19%) |

* In nominal dollars

Source: University of Kansas, KCCED calculations, based on BEA, *County Business Patterns*, 1980, 1988.

- Overall, Reno County shifted toward lower paying jobs and fewer employees per establishment, relative to the state. This was not true for all industries, however.

Figure 6.6
 Number of Farms and Acres Harvested
 Percent Change 1980-1989



Source: Kansas Agricultural Statistics, Kansas Farm Facts, 1980 and 1989. Data on Acres Harvested are two-year averages, calculated by KCCED.

- Reno County has performed well in agriculture relative to its neighboring counties and the state during the 1980s. From 1980 to 1989, the number of farms in Reno county decreased 5%, compared with the state average of 8%, and an average for the six-county trade area of 9%.
- The number of acres harvested in the two years ending the decade decreased by 9% in Reno County from the two years beginning the decade. This was also less of a decline than the state as a whole, which decreased 14%. Over the same period, the trade area harvested 18% fewer acres and Saline County harvested 35% fewer acres, as the state shifted into livestock and poultry production.

Table 6.6
 Number of Farms and Total Acres Harvested, 1980-1989
 Reno and Neighboring Counties and Kansas

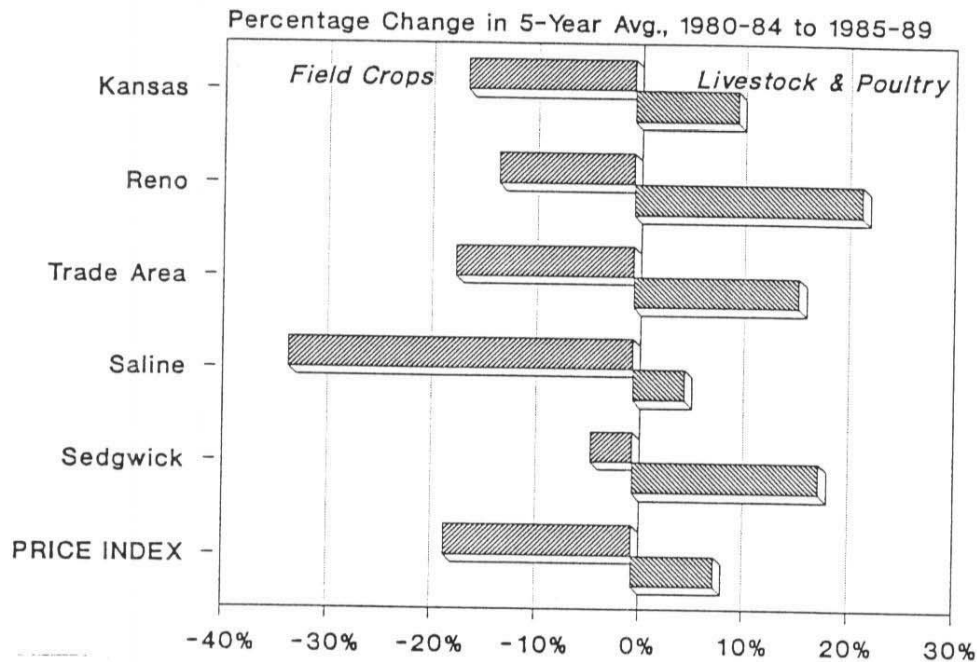
| | <u>Number of Farms</u> | | | <u>Thousands of Acres Harvested*</u> | | |
|------------|------------------------|-------------|-----------------|--------------------------------------|----------------|-----------------|
| | <u>1980</u> | <u>1989</u> | <u>% Change</u> | <u>1980-81</u> | <u>1988-89</u> | <u>% Change</u> |
| Kansas | 75,000 | 69,000 | -8.0 | 21,931 | 18,832 | -14.1 |
| Reno | 1,640 | 1,560 | -4.9 | 447 | 406 | -9.2 |
| Pratt | 570 | 520 | -8.8 | 272 | 225 | -17.3 |
| Stafford | 595 | 540 | -9.2 | 282 | 203 | -28.0 |
| Harvey | 925 | 870 | -5.9 | 245 | 215 | -12.2 |
| Kingman | 890 | 830 | -6.7 | 280 | 232 | -17.1 |
| McPherson | 1,520 | 1,370 | -9.9 | 362 | 335 | -7.5 |
| Rice | 710 | 610 | -14.1 | 290 | 206 | -29.0 |
| Trade Area | 5,210 | 4,740 | -9.0 | 1,731 | 1,416 | -18.2 |
| Saline | 760 | 750 | -1.3 | 214 | 140 | -34.6 |
| Sedgwick | 1,600 | 1,590 | -0.6 | 380 | 398 | 4.7 |

*Data on Acres Harvested are two-year averages.

Source: Kansas Agricultural Statistics, Kansas Farm Facts, 1980 and 1989.

Figure 6.7

Value of Field Crops, Livestock & Poultry
Reno, Neighboring Counties and Kansas



Source: Kansas Agricultural Statistics, Kansas Farm Facts.

- During the last half of the 1980s, the annual value of field crops in Reno County declined an average of 13% from the annual average in the first half of the decade. This was less of a decline than for the state as a whole, which declined by 16%. Crop prices, on average, fell by 18% over this period, meaning that increased harvests were necessary to maintain similar values of crop production; Reno County has performed relatively well in light of this.
- In the latter half of the decade, farms shifted from field crops, which declined in price over the 1980s, into livestock and poultry, which increased in price an average of 8% from the first 5 years to the last 5 years of the 1980s. Reno County's growth in the value of livestock and poultry (22%) outpaced its trade area (16%), the state (10%), and Saline (5%) and Sedgwick (18%) Counties.
- By the end of the decade, Reno County farms had shifted from a ratio of 65:35, crops to livestock and poultry, to a ratio of 55:45.

Table 6.7
Total Value of Field Crops,* 1981-1989
Reno, Neighboring Counties and Kansas

| | Value of Field Crops (\$ millions) | | | | | | | | | | Annual Avg. | | Chg |
|--------------------|------------------------------------|------|------|------|------|------|------|------|------|------|-------------|-------|------|
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 80-84 | 85-89 | |
| Kansas | 3110 | 2882 | 3289 | 2826 | 3012 | 3054 | 2069 | 2376 | 2860 | 2310 | 3024 | 2534 | -16% |
| Reno | 53 | 56 | 63 | 62 | 49 | 56 | 47 | 43 | 63 | 37 | 57 | 49 | -13% |
| Pratt | 34 | 39 | 47 | 43 | 44 | 41 | 35 | 30 | 46 | 28 | 41 | 36 | -12% |
| Stafford | 42 | 39 | 49 | 46 | 47 | 41 | 34 | 36 | 42 | 27 | 45 | 36 | -20% |
| Harvey | 29 | 29 | 36 | 30 | 25 | 30 | 21 | 22 | 33 | 25 | 30 | 26 | -13% |
| Kingman | 30 | 33 | 41 | 37 | 32 | 28 | 24 | 24 | 31 | 17 | 35 | 25 | -29% |
| McPherson | 50 | 45 | 50 | 42 | 42 | 48 | 33 | 38 | 50 | 36 | 46 | 41 | -11% |
| Rice | 42 | 40 | 42 | 37 | 34 | 41 | 28 | 27 | 35 | 21 | 39 | 30 | -23% |
| Trade Area | 227 | 225 | 265 | 235 | 224 | 228 | 175 | 176 | 236 | 154 | 235 | 194 | -17% |
| Saline | 25 | 25 | 29 | 29 | 25 | 23 | 17 | 17 | 24 | 10 | 27 | 18 | -33% |
| Sedgwick | 51 | 39 | 62 | 50 | 48 | 50 | 40 | 44 | 54 | 50 | 50 | 48 | -4% |
| Crop Price Index + | 158 | 163 | 146 | 157 | 154 | 132 | 109 | 101 | 138 | 155 | 156 | 127 | -18% |

*Does not include any Government Program Payments, value of sugar beets, or cotton.

+ 1977 prices = 100

Source: Kansas Agricultural Statistics, Kansas Farm Facts.

Table 6.8
Total Value of Livestock and Poultry, 1981-1989
Reno, Neighboring Counties and Kansas

| | Value of Livestock and Poultry (\$ millions) | | | | | | | | | | Annual Avg. | | Chg |
|--------------|--|------|------|------|------|------|------|------|------|------|-------------|-------|-----|
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 80-84 | 85-89 | |
| Kansas | 2304 | 2156 | 2120 | 2103 | 2238 | 2115 | 2175 | 2438 | 2625 | 2652 | 2184 | 2401 | 10% |
| Reno | 35 | 31 | 28 | 32 | 34 | 32 | 35 | 45 | 41 | 42 | 32 | 39 | 22% |
| Pratt | 25 | 27 | 31 | 33 | 36 | 36 | 37 | 23 | 52 | 37 | 30 | 37 | 22% |
| Stafford | 20 | 16 | 17 | 18 | 20 | 21 | 19 | 25 | 31 | 25 | 18 | 24 | 33% |
| Harvey | 21 | 21 | 19 | 18 | 19 | 18 | 18 | 24 | 23 | 18 | 20 | 20 | 3% |
| Kingman | 17 | 16 | 17 | 15 | 15 | 15 | 15 | 26 | 18 | 17 | 16 | 18 | 14% |
| McPherson | 27 | 26 | 26 | 25 | 27 | 27 | 29 | 35 | 32 | 33 | 26 | 31 | 19% |
| Rice | 25 | 22 | 22 | 24 | 22 | 20 | 22 | 26 | 28 | 23 | 24 | 24 | 0% |
| Trade Area | 135 | 128 | 132 | 133 | 139 | 137 | 140 | 159 | 184 | 153 | 133 | 155 | 16% |
| Saline | 20 | 19 | 23 | 19 | 20 | 18 | 19 | 21 | 29 | 19 | 20 | 21 | 5% |
| Sedgwick | 34 | 31 | 28 | 29 | 28 | 30 | 30 | 37 | 32 | 34 | 30 | 33 | 10% |
| Price Index+ | 163 | 157 | 160 | 155 | 168 | 157 | 155 | 174 | 186 | 192 | 161 | 173 | 8% |

+ 1977 prices = 100

Source: Kansas Agricultural Statistics, Kansas Farm Facts.

Section VII : BUSINESS ENVIRONMENT

Business environment includes a wide range of factors which affect the ability of firms to enact strategies to promote expansion and profitability. Factors which affect firms' competitiveness include taxation, regulations and public sector programs targeted at assisting major industries, tourism promotion and industrial recruitment.

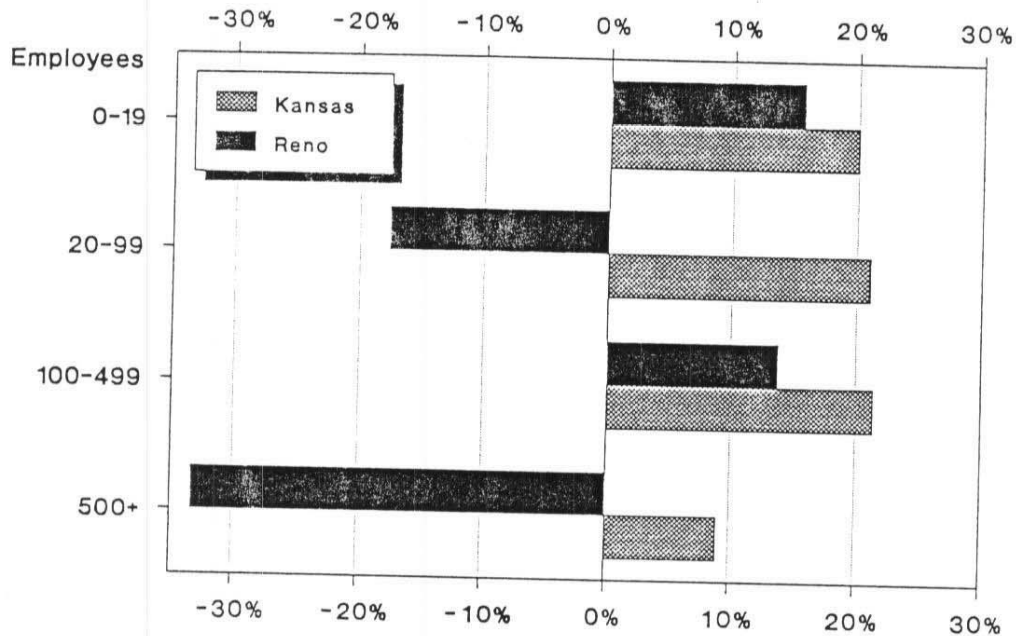
This section reviews the business environment in Reno County through:

- *firm size* as an indicator of trends in the community toward downsizing for competitiveness or expansion to pursue export markets;
- *sales tax collections* as an indicator of the strength of the retail industry in particular, but also as an indication of consumer spending generally, and therefore the potential of local markets;
- *bank deposits* as an indicator of the capacity of local banks to generate loans for expansion and startups;
- *average tax rates* and *current mill rates* can indicate whether the county's tax rates are competitive with nearby counties, and this may influence the location of business investment decisions;
- *composition of municipal debt* as an indicator of the public sector emphasis placed upon industrial development investment.

BUSINESS ENVIRONMENT: KEY FINDINGS

- The firm size profile of Reno County businesses closely reflects state averages, except for the 100-499 employee size group. Although the State as a whole has 1.4% of its businesses in this group, Reno has a 1.9% share in this category, indicating a measure of success in fostering larger businesses.
- Ten years ago, Reno County was relatively under-represented by small firms (1-19 employees). Today the proportion of small businesses mirrors the state average.
- Growth in sales tax collections had not kept pace with Kansas totals from 1982 to 1986; Since 1987, the Growth rate in Reno collections remains lower, but the gap between Reno and state growth rates has narrowed, suggesting a higher degree of consumer purchases being retained locally.
- In 1989-1990, sales tax collections were not growing as quickly in Reno County as in neighboring Sedgwick, Harvey and McPherson Counties.
- The rate of growth in bank deposits in Reno County has not kept pace with the state as a whole. Per capita deposits, once 5% higher than the state average, presently are 12% less than the Kansas average.
- Reno County's tax rates are generally competitive with its neighboring counties.
- The proportion of municipal indebtedness for industrial development projects is generally consistent with the state average.

Figure 7.1
 Number of Firms, by Number Employed
 Rates of Growth, Reno & Kansas



Source: U.S. Bureau of the Census, *County Business Patterns*, various issues.

- The number of establishments increased in Reno County from 1,524 in 1978 to 1,697 in 1987, an increase of 11%. However, this increase did not keep pace with the state average of 20%.
- Reno County's largest growth rate was in the number of small firms (1-19 employees) which grew by nearly 16%. Some of this increase was due to the contraction of medium size firms (20-99 employees), a category in which Reno lost 18% of its firms, while the state increased its firms in this category by 21%.
- In 1978, Reno county was relatively underrepresented in the small firms category (1-19 employees), with this group accounting for 85% of businesses in Reno County and nearly 89% in the state; in 1987, this category held an 89% share in both.

Table 7.1
 Number of Firms, by Number of Employees
 Reno County and Kansas, 1978, 1987

| <u>Employees</u> | <u>Reno</u> | | | <u>Kansas</u> | | |
|------------------|-------------|-------------|------------|---------------|-------------|------------|
| | <u>1978</u> | <u>1987</u> | <u>Chg</u> | <u>1978</u> | <u>1987</u> | <u>Chg</u> |
| 0-19 | 1,299 | 1,503 | 15.7% | 48,137 | 57,769 | 20.0% |
| 20-99 | 193 | 159 | -17.6% | 5,334 | 6,457 | 21.1% |
| 100-499 | 29 | 33 | 13.8% | 739 | 897 | 21.4% |
| 500+ | 3 | 2 | -33.3% | 89 | 97 | 9.0% |
| Total | 1,524 | 1,697 | 11.4% | 54,299 | 65,220 | 20.1% |

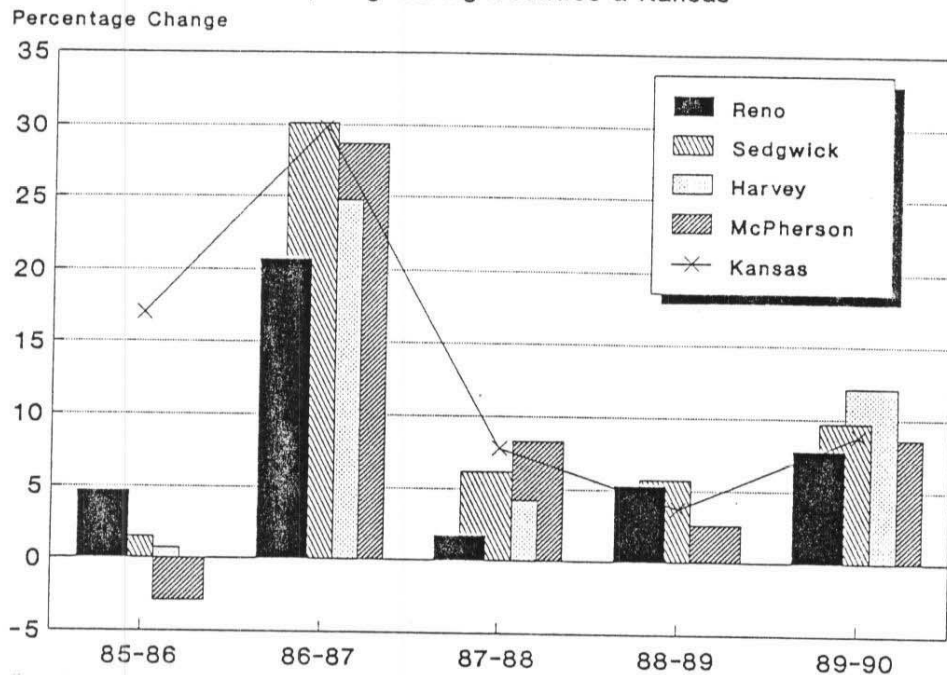
Source: U.S. Bureau of the Census, *County Business Patterns*.

Table 7.2
 Percentage Distribution of Firms, by Number of Employees
 Reno County and Kansas, 1978, 1987

| <u>Employees</u> | <u>Reno</u> | | <u>Kansas</u> | |
|------------------|-------------|-------------|---------------|-------------|
| | <u>1978</u> | <u>1987</u> | <u>1978</u> | <u>1987</u> |
| 0-19 | 85.2% | 88.6% | 88.7% | 88.6% |
| 20-99 | 12.7% | 9.4% | 9.8% | 9.9% |
| 100-499 | 1.9% | 1.9% | 1.4% | 1.4% |
| 500+ | 0.2% | 0.1% | 0.2% | 0.1% |

Source: IPPBR calculations on data from U.S. Bureau of the Census, *County Business Patterns*.

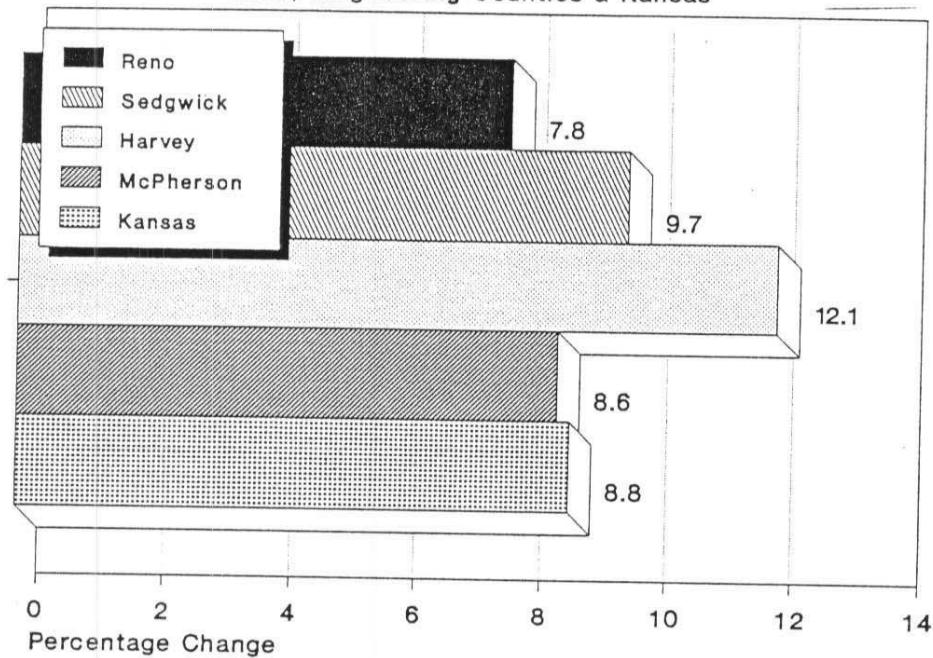
Figure 7.2
 Growth in Sales Tax Collections, 1985-90
 Reno, Neighboring Counties & Kansas



Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; Kansas Department of Revenue.

- Since 1986, Reno County's growth in sales tax collections has consistently performed poorly relative to the neighboring counties, and has exceeded the state growth rate only in 1988-89. This indicates that Reno County's volume of retail and service business has not been increasing as quickly as in nearby counties. Recent changes in the sales tax rates help explain the relatively strong growth rates in 85-86 and 86-87.
- The Counties located on the Highway 81 corridor have shown particularly strong growth relative to Reno County over this period, indicating the pull effect this corridor has upon retail spending.
- In 1988-89 and 1989-90, Reno County's tax collections growth rate became more similar to those of the surrounding counties, indicating a rebounding retail sector, in part due to the Hutchinson Mall.

Figure 7.3
Sales Tax Collections, Growth 1989-90
Reno, Neighboring Counties & Kansas



Source: KCCED calculations from University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; original data from Kansas Department of Revenue.

Table 7.3
Percentage Growth in Sales Tax Collections
Reno, Neighboring Counties & Kansas, 1982-1990

| | 82-83 | 83-84 | 84-85 | 85-86 | 86-87 | 87-88 | 88-89 | 89-90 |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| Reno | 1.6 | 3.3 | 6.2 | 4.7 | 20.7 | 1.7 | 5.3 | 7.8 |
| Sedgwick | 1 | 6.9 | 5.3 | 1.5 | 30.1 | 6.2 | 5.7 | 9.7 |
| Harvey | 4.9 | 8.9 | 2 | 0.7 | 24.7 | 4.2 | 0.04 | 12.1 |
| McPherson | -1.2 | 4.4 | 2 | -2.9 | 28.7 | 8.3 | 2.6 | 8.6 |
| Kansas | 2.9 | 3.6 | 4.5 | 17 | 29.8 | 7.8 | 3.7 | 8.8 |

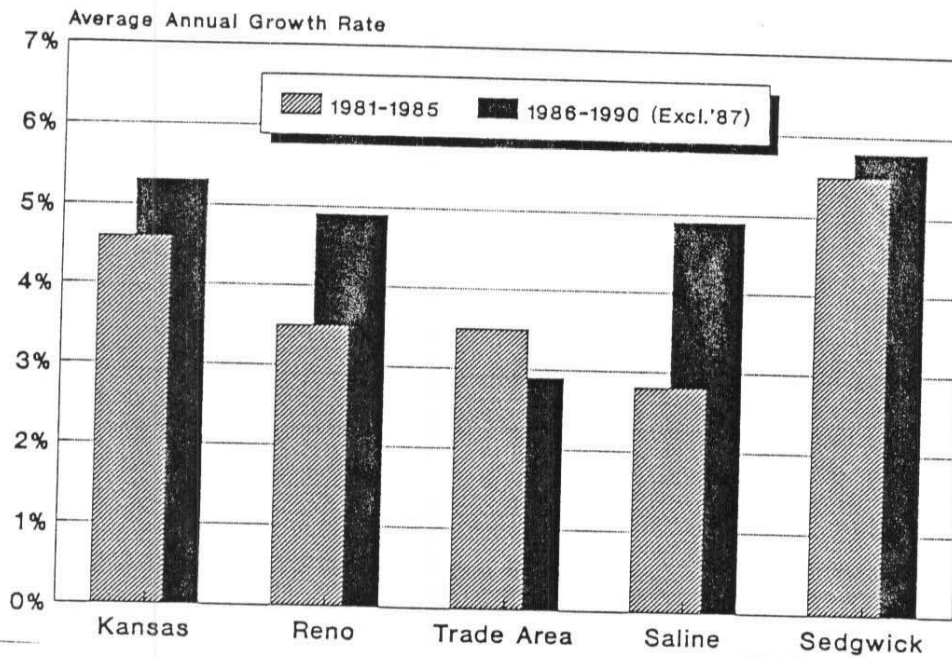
Source: KCCED calculations from University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*; original data from Kansas Department of Revenue.

Table 7.4
Sales Tax Collections (\$ Million)
Reno County & Kansas, 1982-1990

| | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | Growth |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Reno | 11.0 | 11.2 | 11.6 | 12.3 | 12.9 | 15.5 | 15.7 | 16.6 | 17.9 | 62% |
| Kansas | 376.5 | 387.5 | 401.3 | 419.3 | 490.7 | 637.0 | 686.6 | 711.8 | 774.6 | 106% |

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract*, data from Kansas Department of Revenue.

Figure 7.4
 Growth in Sales Tax Collections
 Reno County, Kansas & Selected Counties



Note: State of Kansas data has been adjusted to reflect only sales taxes attributable to counties. Data for 1987 excluded due to tax increase during that year.

Source: KCCED calculations on data from the Kansas Department of Revenue.

- In the early 1980s, Reno County's sales tax collections grew by 3.5% per year, on par with its trade area, more slowly than Sedgwick County and the state and faster than Saline County. By the last half of the decade, Reno County's sales tax collections were increasing by an average of 4.3%, much higher than the trade area, but still behind the rate of growth in Sedgwick and Saline Counties and the state.
- By the late 1980s the gap between Reno's sales tax growth rate and the state's had narrowed. Reno's 1985-1990 rate of growth, 4.3%, was within 13% of the Kansas rate, while the 1980-1985 rate of 3.5%, was 24% off the state's performance.

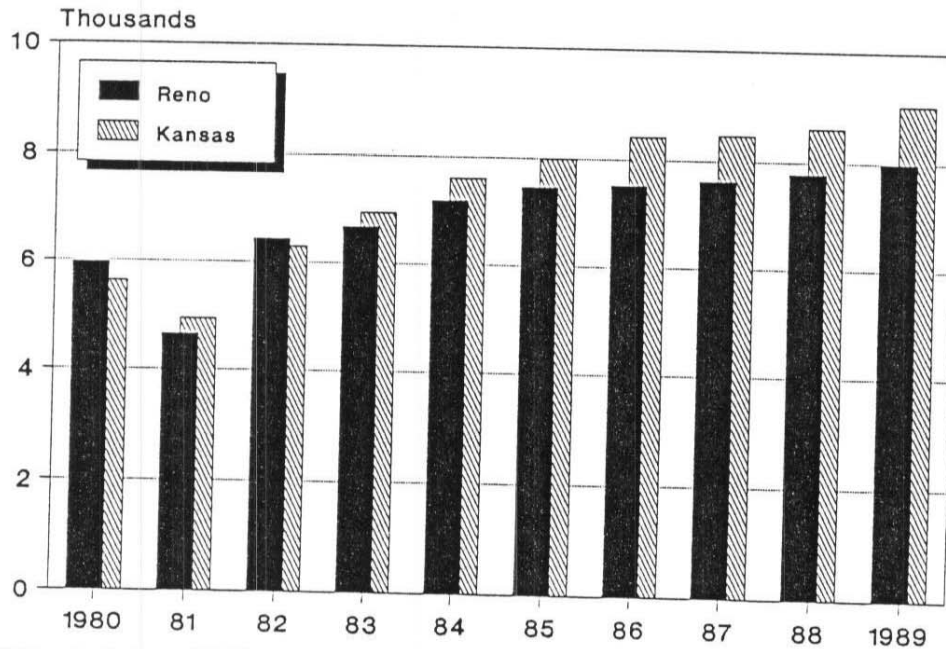
Table 7.5
Annual Growth Rates of Sales Tax Collections
Reno and Selected Counties and Kansas

| | 1981-1985 Avg. (%) | 1986-1990 Avg. (%) (excl. 1987) |
|------------|--------------------|------------------------------------|
| Reno | 3.5 | 4.3 |
| Harvey | 4.1 | 4.3 |
| McPherson | 3.2 | 4.2 |
| Rice | 3.2 | -1.3 |
| Stafford | -0.8 | -6.8 |
| Pratt | 6.0 | 2.4 |
| Kingman | 0.8 | 2.4 |
| Trade Area | 3.5 | 2.9 |
| Saline | 2.8 | 4.9 |
| Sedgwick | 5.5 | 5.8 |
| Kansas | 4.6 | 5.8 |

Note: State of Kansas data has been adjusted to reflect only sales taxes attributable to counties. Data for 1987 excluded due to tax increase during that year.

Source: KCCED calculations on data from the Kansas Department of Revenue.

Figure 7.5
Per Capita Bank Deposits
Reno County & Kansas, 1980-89



Source: KCCED calculations, FDIC data.

- Total bank deposits in Reno County rose by 28% from 1980 to 1987, while increasing 57% in Kansas.
- On a per capita basis, the level of bank deposits in the County reflects the same pattern as shown for personal income, with Reno County losing ground relative to the state since 1984.

Table 7.6
Bank Deposits, 1980-89
Reno County & Kansas

| | KS Total (<u>\$billion</u>) | Reno (<u>\$million</u>) | <u>Per Capita</u> | |
|--------|----------------------------------|------------------------------|-------------------|-------------|
| | | | <u>Kansas</u> | <u>Reno</u> |
| 1980 | 13.3 | 387.3 | 5,628 | 5,959 |
| 1981 | 11.8 | 302.5 | 4,941 | 4,655 |
| 1982 | 15.2 | 417.4 | 6,289 | 6,424 |
| 1983 | 16.9 | 433.4 | 6,940 | 6,669 |
| 1984 | 18.6 | 467.2 | 7,604 | 7,190 |
| 1985 | 19.6 | 484.8 | 8,002 | 7,460 |
| 1986 | 20.7 | 488.6 | 8,417 | 7,519 |
| 1987 | 21.0 | 494.9 | 8,467 | 7,616 |
| 1988 | 21.5 | 505.3 | 8,614 | 7,775 |
| 1989 | 22.4 | 518.6 | 9,031 | 7,981 |
| Growth | 58% | 28% | 60.5% | 33.9% |

Source: KCCED calculations, original data from Federal Deposit Insurance Corporation, *Data Book, Operating Banks and Branches*, various editions.

Table 7.7
Tax Rates by County
Reno and Neighboring Counties

| | <u>Average Rate Per \$1000 Assessed Valuation, 1989</u> | <u>Total County Tax Rate in Mills, 1990</u> |
|------------|---|---|
| Reno | 120.14 | 20.316 |
| Harvey | 135.83 | 30.550 |
| McPherson | 106.40 | 27.630 |
| Rice | 117.06 | 35.105 |
| Stafford | 110.69 | 27.286 |
| Pratt | 127.11 | 29.620 |
| Kingman | 112.28 | 32.240 |
| Trade Area | 121.81 | N/A |
| Saline | 119.57 | 19.074 |
| Sedgwick | 119.73 | 23.111 |

Source: Rate per Valuation--Kansas Department of Revenue, Division of Property Valuation, Statistical Report of Property Assessment and Taxation, 1989; Mill Rates--League of Kansas Municipalities, Kansas Government Journal, January 1990. Trade area totals calculated by KCCED, using Tangible Assessed Valuation and General Property Tax data from the Kansas Department of Revenue.

- Reno County's average tax rate per thousand dollars of tangible assessed valuation was on par with its neighboring counties in 1989. Only McPherson County is significantly less than Reno County's tax rate.

- The 1990 mill rate shows Reno county more favorably, with the lowest mill rate of any of the nearby counties, except for Saline County.

Table 7.8
Municipal Bonds, Notes & Warrants
Reno County & Kansas, 1990

| | <u>Reno</u> | <u>Kansas</u> |
|--------------------|-------------|---------------|
| General & Road | 3% | 5% |
| Cities & Townships | 20% | 12% |
| School Districts* | 10% | 7% |
| Other Districts | 0% | 1% |
| Revenue Bonds | 5% | 8% |
| Warrants & Notes | 0% | 2% |
| Industrial Revenue | 61% | 59% |

*Includes junior colleges

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract*, 1989-90, p. 229

- The pattern of municipal indebtedness for industrial development projects in Reno County is consistent with the state average, with 61% of municipal bonds for industrial revenue in Reno County and 59% for this purpose in the state as a whole.

- Cities and townships account for nearly twice the indebtedness in Reno county as in the state.

Section VIII : QUALITY OF LIFE

Quality of life is more than the combination of factors which combine to make a community a nice place to live. Healthy, stable communities are good places to invest because risk is minimized. This investment increases opportunities for residents in the community, offering a wide variety of choices and perhaps offering new services locally that were once not available. Communities with a good quality of life are better able to retain their young people and attract new residents into the community.

Every person will have their own views on what constitutes good quality of life, because such a judgement is based upon their own values. Of those areas where a consensus may be reached, it tends to focus upon low amounts of crime and poverty and good quality, accessible health care. Other possibilities include the range of recreational facilities available, the quality of the local housing, climate and other factors.

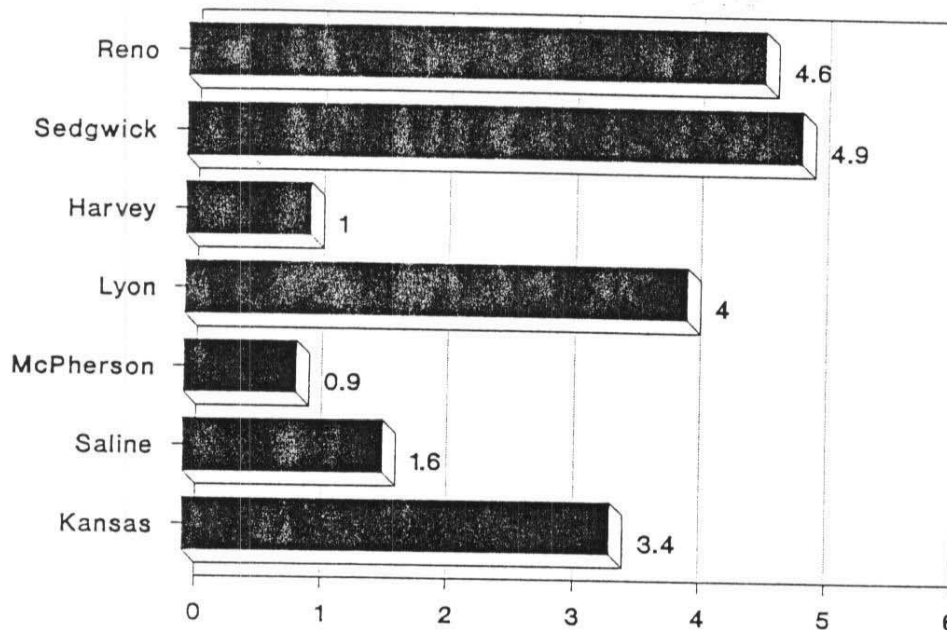
In this section, the following measures are examined:

- *crime index offenses* as an indicator of social stability and the level of safety of the public;
- *number of persons per physician* to determine the size of caseloads of local medical doctors in order to assess accessibility to health care;
- *number of hospital beds* as an measure of the level of public medical infrastructure available to assist in delivering good medical care;
- *persons receiving food stamps* as an indicator of the distribution of income and opportunity within the community.

QUALITY OF LIFE: KEY FINDINGS

- For counties with similar urban/rural structure, the overall level of crime is on par. Violent crime, however, is higher than all the similar counties examined. Violent crime was 35% more likely to occur in Reno than the state average in 1988, and was almost as likely as in the more urban Sedgwick County.
- Increases in the number of physicians practicing in Reno County has improved the ratio of patients to doctors in recent years. However, the average caseload of 808 was still higher than the state average of 774.
- Although Reno County ranks 8th in population, it ranks 20th in number of hospital beds. From 1982 to 1988, the number of beds in Reno County has decreased by 31%, twice the state average.
- Persons receiving food stamps in Reno County has increased by four times the increase in the rest of the state between 1980 and 1988. Over 3,600 people in the County receive food stamps, ranking Reno County highest in the state (from fifth highest in 1980.)

Figure 8.1
Violent Crime Per 1,000 Population
Reno, Neighboring Counties & Kansas, 1988



Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*, from Kansas Bureau of Investigation, *Crime in Kansas 1988*.

- For counties with similar urban/rural structures, the overall level of crime in Reno County is on par. Violent crime, however, is higher than all the similar counties examined. Violent crime in 1988 was 35% more likely to occur in Reno than the state average, and almost as likely as in the more urban Sedgwick County. The incidence of crime is much less in less urban counties, such as Harvey and McPherson Counties

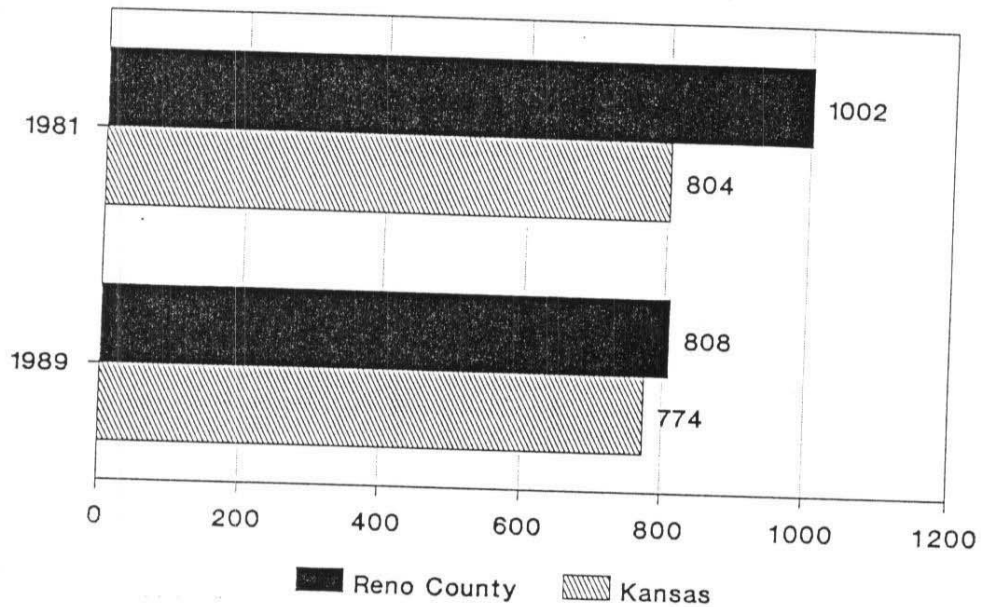
Table 8.1
Crime Index Offenses, Violent & Property Crime
Rate Per 1,000 Population, 1988

| | <u>Crime Index Offenses*</u> | <u>Violent Crime</u> | <u>Property Crime</u> |
|-----------|------------------------------|----------------------|-----------------------|
| Reno | 54.4 | 4.6 | 49.8 |
| Sedgwick | 67.2 | 4.9 | 62.3 |
| Harvey | 22.8 | 1.0 | 21.8 |
| Lyon | 52.6 | 4.0 | 48.6 |
| McPherson | 15.9 | 0.9 | 15.0 |
| Saline | 47.8 | 1.6 | 46.1 |
| Kansas | 47.6 | 3.4 | 44.0 |

*Crime Index Offenses are murder, non-negligent manslaughter, rape, robbery, aggravated assault, burglary, larceny and motor vehicle theft.

Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract, 1989-90*, from Kansas Bureau of Investigation, *Crime in Kansas 1988*.

Figure 8.2
Persons Per Physician
 Reno County & Kansas, 1981, 1989



Source: University of Kansas, Institute for Public Policy and Business Research, KCCED calculations, Kansas Department of Health and Environment, Office of Information Systems and Computing.

- From 1981 to 1989, there was a 22% increase in the number of physicians practicing in Reno County. This decreased the average caseload from 1002 to 804. As a result, the average caseload, which was once 24% higher than the state average, is now within 4%.

Table 8.2
Persons Per Physician
 Reno County and Kansas, 1981, 1989

| | <u>1981</u> | <u>Reno</u> <u>1989</u> | <u>Chg</u> | <u>1981</u> | <u>Kansas</u> <u>1989</u> | <u>Chg</u> |
|-----------------------|-------------|----------------------------|------------|-------------|------------------------------|------------|
| Physicians (M.D.) | 65 | 79 | 22% | 2,957 | 3,212 | 9% |
| Population | 65,100 | 63,544 | | 2,390,000 | 2,486,787 | |
| Persons per Physician | 1002 | 804 | -20% | 808 | 774 | -4% |

Note: 1989 population estimated as average of 1988 estimates and 1990 actual figures.

Source: University of Kansas, Institute for Public Policy and Business Research, KCCED calculations, Kansas Department of Health and Environment, Office of Information Systems and Computing.

Table 8.3
Number of Hospital Beds
Reno County and Kansas, 1980, 1988

| | <u>1980</u> | <u>1988</u> | <u>Change</u> |
|-------------|-------------|-------------|---------------|
| Reno County | 207 | 142 | -31% |
| Kansas | 17,616 | 15,039 | -15% |

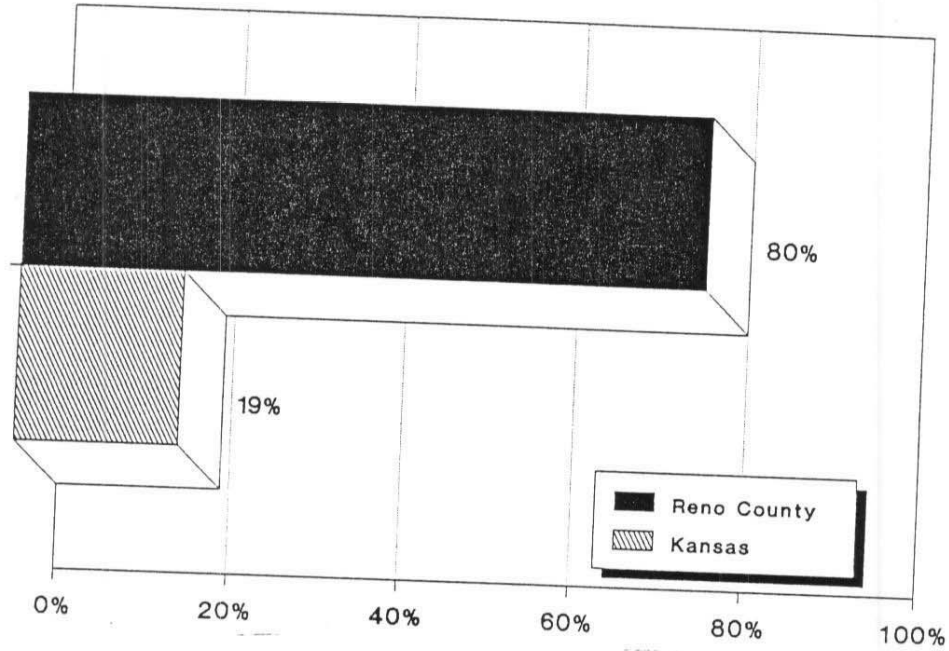
Source: University of Kansas, Institute for Public Policy and Business Research, *Kansas Statistical Abstract*, from Kansas Department of Health and Environment, Office of Information Systems and Computing, 1988.

- The number of hospital beds decreased in Reno County from 207 in 1980 to 142 in 1988. This decrease was twice the state average over the same period of time.

- Although Reno County ranks 8th in population, it ranks 20th in number of hospital beds. Since Reno County and Hutchinson are relatively close to Wichita, there tends to be fewer beds available than there would be for similar sized communities with greater distances to urban centers. For example, Saline County has 403 hospital beds, while Lyon County which is fairly close to Topeka, has only 183 beds.

Figure 8.3

Persons Receiving Food Stamps
Percentage Change, 1980-88



- The number of persons receiving food stamps in Reno County has increased by four times the rate of increase in the rest of the state between 1980 and 1988. Over 3,600 people in the county receive food stamps, ranking Reno County highest in the state (from fifth highest in 1980.)

Table 8.4
Number of Persons Receiving Food Stamps
Reno County and Kansas, 1980, 1989

| <u>Year</u> | <u>Reno</u> | <u>Change</u> | <u>Rank</u> | <u>Kansas</u> | <u>Change</u> |
|-------------|-------------|---------------|-------------|---------------|---------------|
| 1980 | 2023 | | 5 | 98,410 | |
| 1988 | 3641 | 80% | 1 | 116,673 | 19% |

Source: KCCED County database, from USDA *Food Statistical Summary*, U.S. Bureau of the Census, *County City Databook*, 1988.

Section IX : SUMMARY

The 1980s: A Decade of Transition in Reno County

Reno County faces a number of challenges as it plans for the future. Clearly the 1980s were a decade of adjustment and transition for the county, state, and nation. Employment growth rates declined and an outmigration of population followed. The prosperity that Reno County enjoyed relative to its neighboring counties during the 1970s reversed during the 1980s. Much of the county's manufacturing employment was lost, as the employment emphasis shifted in the county and throughout the nation toward a service and information-based economy. Unusually high levels of unemployment were recorded during the early 1980s and again in 1986. Associated with these job losses, Reno County lost considerable ground relative to the state in per capita personal income over the decade.

Highlights and Challenges for Reno County

There were several positive signs amongst the numerous changes in Reno County during the 1980s, particularly in the later part of the decade. Since the heavy losses in manufacturing related employment of 1986, unemployment rates in Reno County have converged toward those of the state and nearby counties. Despite statewide declines in farm activity, Reno maintained a very strong position within the state of Kansas, maintaining more acreage in harvested crops, while at the same time outstripping its neighbors in the rate of growth in its livestock and poultry production. During the latter half of the decade, Reno County re-established a strong position in retail industry, reclaiming business from Sedgwick County and the trade area, and showed outstanding growth in the wholesale industry. Employment in Finance, insurance and real estate grew at virtually same rate as in Sedgwick County, showing some strength.

A few of Reno County's characteristics are, by their nature, mixed blessings. Coincident with the strength of the agriculture sector in the area has been the persistent growth of Reno County's rural population. This is unlike the trend in Kansas, which has seen more urban growth and prosperity, while rural areas have generally declined. Associated with urban growth in Kansas and the nation has been the growth of the service sector, and in particular, business services. Relatively limited urban growth in Reno County accompanied a more moderate level of service sector growth during the 1980s. Another mixed blessing is

labor-intensive business development in the area, it also reduces the net effect of each job on levels of consumer spending in the area and therefore reduces the net benefit to the community's economy.

Reno County's population is generally older than the state's and tends to rely more heavily on passive forms of income. While this may indicate that less value added is occurring at the local level than usual, it also signifies some stability in the local economy. For example, transfer payments are less volatile forms of income than are wages and salaries, so the local economy is better shielded from economic shocks. The older population however, creates additional pressure on health care facilities. While some advances have been made during the 1980s in terms of reducing the size of physician caseloads, the number of hospital beds declined, reducing the capacity of Reno County to respond to specialized forms of health care services.

The older population also presents a series of issues related to workforce training. As new technologies are introduced, higher levels of skills will be needed from the workforce to respond to new business needs in a competitive fashion. Training the older worker represents a special challenge to employers. In Reno County, an additional issue is the relatively small proportion of the workforce with four or more years of university education, generally associated with the higher skilled service, managerial and administrative positions, where new job growth is expected to be most rapid. Further, recent shifts in the ratio of high school graduates to dropouts in Reno County suggest that fewer of the new entrants to the workforce are receiving the necessary preparation to contribute effectively to the county's overall growth.

Small business has become a more important part of Reno County's economy during the 1980s, although it is unclear whether this represents vitality in the business startup rate or shows the contraction of medium size firms. Nevertheless, small business is an important source of job creation. The presence of several small businesses in the county represents considerable potential for expansion.

To preserve the quality of life in Reno County, action must be taken to address the problems of unusually high crime rates and a generally greater incidence of poverty than exists in Kansas, as evidenced by the number of people receiving food stamps.

In summary, Reno County has many strengths to build upon. Yet it faces some very large challenges in building the Reno County of the future. Meeting this challenge will require considerable foresight, hard work and dedication by those who are now participating in preparing the county's strategic plan. If the participants remain committed to a strategic approach to building their community, they will be able to not only adapt to new circumstances facing Reno County; they will be able to better anticipate and take advantage of new opportunities as they arise. With this approach, the community vision can become reality.