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Economic Trends Update:
Douglas County

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FOREWORD

The following report was prepared for a presentation by Dr. Charles Krider to the Lawrence Chamber of Commerce's 1996 Economic Outlook Luncheon. Dr. Krider is Director of the Institute for Public Policy and Business Research (IPPBR) and Co-Director of the Kansas Center for Community Economic Development (KCCED) at the University of Kansas.

The KCCED is funded by a grant from the Economic Development Administration of the U.S. Department of Commerce. It is a joint university center between the University of Kansas and Kansas State University. The statements, findings and conclusions of this report are those of the authors and do not necessarily reflect the views of the U.S. Government, the University of Kansas, Kansas State University, or any other individual or organization.

Economic Trends Update: Douglas County

INTRODUCTION

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

In 1992, the Institute for Public Policy and Business Research (IPPBR) at the University of Kansas conducted a review of economic and demographic trends for Douglas County and the City of Lawrence. This review was part of the strategic planning process for the county called Horizon 2020. The 181-page report contained data on: global, regional and national trends, population, housing, education, employment, earnings and income, geographic location and infrastructure, business environment, financial capital, innovation and technology, and quality of life.¹ The following report updates selected key variables from the 1992 study for these areas: population, employment, earnings and income, retail, agriculture, and education. Throughout the report, Douglas County's performance is compared with the State of Kansas and comparative counties, which include neighboring metropolitan counties² and out-of-state counties with similar college communities.³

POPULATION

Population size and economic activity are closely related. Changes in population size are directly linked to employment opportunities, wage differentials between regions, and a community's overall economic conditions and quality of life. Generally, areas of population growth are areas of economic growth and areas of population loss are areas with previous economic decline and restructuring. Communities with growing populations are generally regarded to be more able to adapt to a changing economic environment due to opportunities presented by new residents as additional consumers, taxpayers and suppliers of labor. Without population growth, communities face problems of a tightening labor market, lack of new customers for businesses, a shrinking tax base, and an overall decline in economic activity.

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

²Neighboring counties include Johnson, Shawnee and Wyandotte counties.

³Out-of-state counties include Boone County, Missouri (University of Missouri, Columbia), Johnson County, Iowa (University of Iowa, Iowa City), Larimer County, Colorado (Colorado State University, Fort Collins), and Champaign County, Illinois (University of Illinois, Urbana-Champaign).

The following section examines population totals, growth rates and net migration for Douglas County, Kansas and comparative counties. The total size and the share of Douglas County's population relative to the state's population reflects the county's overall level of competitiveness with respect to other regions within the state. A minimum population is necessary to sustain a basic level of public and private services and facilities. Past and projected population change is indicative of community economic trends and can be compared to other counties and the statewide and national averages. Migration is linked to job opportunities and demand as well as wage differential between regions.

Population: Key Findings

- During the 1980s, Douglas County's population grew almost 21 percent, which was four times as fast as the growth rate of Kansas and twice the rate of the U.S. (Table 1). The county's population has grown every decade since 1890 and has grown by 10,000 or more per decade since 1940. Population has almost doubled in the last 30 years. The county's population is projected to keep growing, albeit at a somewhat slower pace, and is projected to be 103,243 by 2020. Its 1994 population estimate is 88,031.
- From 1980 to 1990, all the "college town" counties except for Champaign, Illinois, grew faster than the national average of 9.7 percent (Table 2). From 1990 to 1993, only Larimer County, Colorado, had a higher growth rate than Douglas, with a 10.2 percent increase compared to 5.6 percent.
- Johnson County, Kansas, had the highest growth rate for the neighboring metropolitan counties in Kansas with a 27.1 percent increase from 1980 to 1990 and an 8.0 percent increase from 1990 to 1993 (Table 2). These rates were both higher than Douglas County's during the same time periods.
- For over 40 years, Douglas County's population has grown at a faster rate than Kansas or the U.S. (Table 2 and Figure 1).
- Douglas County has moved from the sixteenth most populated county in Kansas in 1940 to the fifth highest population in 1990 (Table 3).
- Douglas County was one of the fastest growing counties in Kansas from 1980 to 1990 (Map 1). The percent net migration from 1980 to 1990 for Douglas County was the third highest for Kansas (Map 2).

Table 1
Population Totals, Growth Rates, Rank & Share
Actual 1900-1990, Estimates 1992 - 1994, Projections 2000-2020

<u>Year</u>	<u>Douglas County</u>		<u>Kansas</u>		<u>Rank</u>	<u>Share (%)</u>
	<u>Population Total</u>	<u>Growth Rate</u>	<u>Population Total</u>	<u>Growth Rate</u>		
1900	25,096	4.7	1,470,495	3.0	15	1.71
1910	24,724	-1.5	1,690,949	15.0	13	1.46
1920	23,998	-2.9	1,769,257	4.6	15	1.36
1930	25,143	4.8	1,880,999	6.3	17	1.34
1940	25,171	0.1	1,801,028	-4.3	17	1.40
1950	34,086	35.4	1,905,299	5.8	16	1.79
1960	43,720	28.3	2,178,611	14.3	10	2.01
1970	57,932	32.5	2,249,071	3.2	9	2.58
1980	67,640	16.8	2,364,236	5.1	6	2.86
1990	81,798	20.9	2,477,588	4.8	5	3.30
1991*	83,182	1.7	2,491,659	0.6	n/a	3.33
1992*	84,331	1.4	2,517,791	1.0	n/a	3.35
1993*	86,411	2.5	2,535,097	0.7	n/a	3.41
1994*	88,031	1.9	2,554,047	0.7	n/a	3.45
2000**	95,849	8.9	2,562,890	3.4	n/a	3.74
2010**	102,015	6.4	2,645,887	3.2	n/a	3.86
2020**	103,243	1.2	2,723,689	2.9	n/a	3.79

* Estimation

** 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 Projection: Floerchinger, Teresa D., "Kansas Population Projections 1990-2030", Kansas Division of the Budget, September 1992; Population Estimates, and Population Distribution Branches, US Bureau of the Census; 1994 Population Estimates for Counties, Population Estimates Branch, U.S. Bureau of the Census.

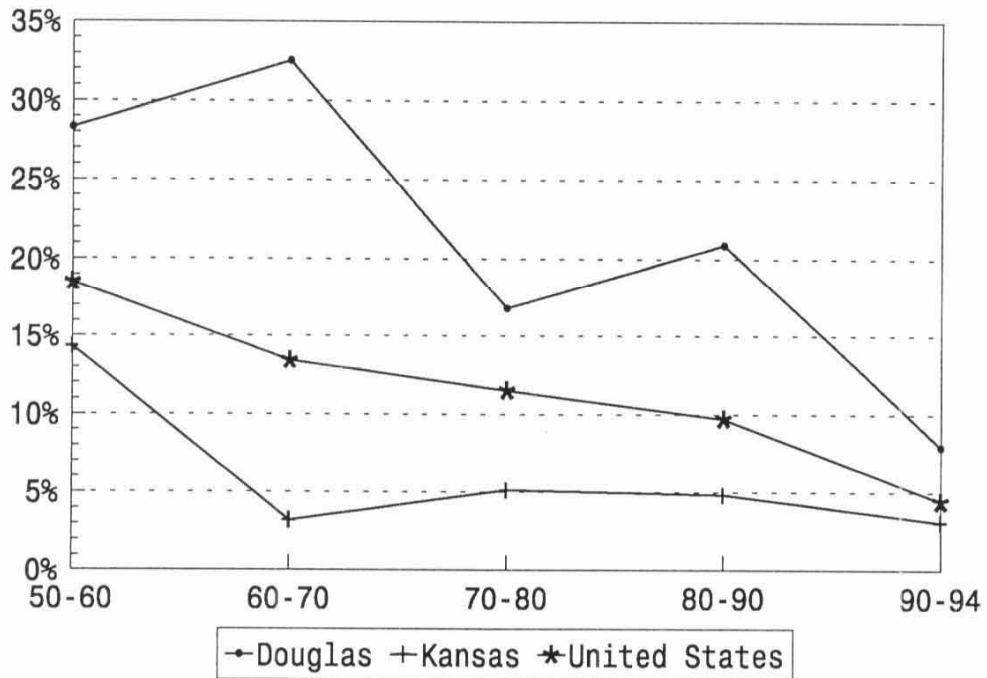
Table 2
Population Growth Rates, 1950-2020
Douglas County, Comparative Counties, Kansas, and United States

	<u>1950-60</u>	<u>1960-70</u>	<u>1970-80</u>	<u>1980-90</u>	<u>1990-93*</u>
Douglas	28.3%	32.5%	16.8%	20.9%	5.6%
Johnson	129.0	53.0	26.9	27.1	8.0
Shawnee	34.0	9.9	-0.3	3.9	2.0
Wyandotte	12.2	0.7	-7.8	-6.0	-3.2
Boone, MO	14.0	46.6	24.0	21.9	-2.5
Johnson, IA	17.3	34.4	13.3	17.6	3.0
Larimer, CO	22.5	68.5	65.9	24.8	10.2
Champaign, IL	24.8	23.3	3.1	2.8	-1.5
Kansas	14.3	3.2	5.1	4.8	2.3
United States	18.5	13.4	11.5	9.7	3.4

*1993 Population Estimate

Source: U.S. Bureau of the Census, "Census of Population, 1960: Number of Inhabitants", Final Report: "1980 Census of Population", PC90-1-A-18; "1990 Decennial Census". Population Projections: Floerchinger, Teresa D., "Kansas Population Projections, 1990-2030, "Kansas Division of the Budget, September, 1992. Calculations: IPPBR.

Figure 1
Population Growth Rates
Douglas County, Kansas, and United States



Source: 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 Census of Population," STF1-A. Population Projections: Floerchinger, Teresa D., "Kansas Population Projections, 1990-2030," Kansas Division of the Budget, September, 1992. Calculations: IPPBR.

Table 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 646
2	Sedgwick 143	2	Johnson 355	2	Sedgwick 478
3	Shawnee 91	3	Wyandotte 162	3	Shawnee 169
4	Reno 52	4	Shawnee 161	4	Wyandotte 158
5	Montgomery 49	5	Douglas 82	5	Douglas 103
6	Crawford 45	6	Riley 67	6	Leavenworth 85
7	Leavenworth 41	7	Leavenworth 64	7	Finney 80
8	Cowley 38	8	Reno 62	8	Riley 77
9	Johnson 33	9	Butler 51	9	Butler 64
10	Butler 32	10	Saline 49	10	Reno 54
11	Labette 30	11	Montgomery 39	11	Saline 43
12	Cherokee 30	12	Cowley 37	12	Ford 41
13	Saline 30	13	Crawford 36	13	Gearly 38
14	Lyon 26	14	Lyon 35	14	Cowley 38
15	Sumner 26	15	Finney 35	15	Lyon 37
16	Douglas 25	16	Harvey 31	16	Crawford 34
17	Barton 25	17	Gearly 30	17	Montgomery 32
18	McPherson 24	18	Barton 29	18	Harvey 32
19	Dickinson 23	19	Ford 27	19	Miami 30
20	Atchinson 22	20	McPherson 27	20	Sumner 29

*Population projections.

Source: The University of Kansas, Institute for Public Policy and Business Research, "Kansas Statistical Abstract", 1992-1993, "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". Population Projections: Floerchinger, Teresa D., "Kansas Population Projections, 1990-2030, "Kansas Division of the Budget, September, 1992. Calculations: IPPBR.

EMPLOYMENT

Employment levels are another important measure of a community's economic vitality. The size of the labor force shows the number of people who are either working or willing to work. It is influenced not only by population but also by the perceptions of individuals that suitable job opportunities exist. Diverse, healthy economies tend to offer the widest variety of job opportunities and thereby attract a large number of job-seekers, which increases the size of the labor force. The 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.

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

The following tables, figures and maps are included in the employment⁴ section: average annual employment and growth rates, number of firms by size, employment levels by industry, labor market summary by industry, retail sales and growth rates, labor force participation, unemployment rates, and job growth.

Employment: Key Findings

- The average annual employment (place of work) for Douglas County has shown strong growth in the last 10 years with a 44.4 percent growth from 1983 to 1993 (Table 4). The average annual employment growth for Douglas County has outperformed both the state and national growth rates (Table 4 and Figure 2a).
- For the comparative counties, only Johnson County, Kansas, and Larimer County, Colorado, have had a higher rate of average annual employment growth (Table 4 and Figure 2b).
- The number of firms located in Douglas County has increased by 73 percent from 1980 to 1993 compared with a 26 percent increase for Kansas (Table 5).
- For both the county and the state, around 87 percent of the firms employ less than 19 workers (Table 6). The importance of small firms to the economy indicates a need for strategies that nurture new business development and assist existing small businesses.

⁴Employment data are given either by *place of work* or by *place of residence*. Different estimate procedures are used by the different sources to calculate these employment numbers. Therefore, it is NOT possible to take place of work data and subtract it from place of residence to determine in-flow and out-flow of workers for the county.

- Total employment for Douglas County grew from 34,443 in 1980 to 49,018 in 1993 for a growth rate of 42.3 percent compared to 17.0 percent for Kansas during the same time period (Table 7a and Figure 3). Farm employment for the same time period declined by 12.9 percent for Douglas County and 20.7 percent for Kansas.
- Traditionally, Douglas County's economy has been dependent upon government employment due to presence of the University of Kansas. Government and government services continues to be the top employment sector in Douglas County with a 1993 employment level of 12,514 (Table 7a). This sector is followed closely by Services with 12,299 employed and then by Retail with 9,389 employed.
- It appears that the economy of Douglas County is diversifying into other sectors besides higher education (Table 7a and Figure 3). The largest increase in number employed from 1980 to 1993 was in the Services sector with an increase of 6,044 or 96.6 percent.
- Recent wage and salary employment estimates show a 2.7 percent increase in employment for the Lawrence SMSA from 1994 to 1995 (Table 7b). Manufacturing experienced the greatest percentage increase in the Lawrence SMSA with a 6.1 percent increase estimated from 1994 to 1995. The next highest employment growth occurred for the construction and mining industry with a 5.6 percent gain for the same time period.
- The labor force participant rate in 1990 for Douglas County's was 65.3 percent (Map 3). This participation rate was similar to Kansas' rate of 65.4 percent for Kansas and slightly above the U.S.'s rate of 64.4 percent (1990 U.S. Census). The labor force participation rate is the percentage of population 16 and over that is in the labor force. In comparison, nearby Johnson County had a 75.3 percent participation rate in 1990 (Map 3).
- The 1994 unemployment rate for Douglas County was 5.4 percent, which was similar to the 5.3 percent rate for Kansas (Map 4).⁵ The U.S.'s unemployment rate in 1994 was 6.1 percent. Douglas County's rate is one of the lower rates in the region, suggesting that the county is doing a good job supplying jobs for its residents.
- Job growth from 1989 to 1994 for Douglas County was 13.9 percent (Map 5). This employment data is based on an individual's place of residence versus other data which has been based on place of work. This indicates that job opportunities have increased for residents of Douglas County both in and out of the county.

⁵For 1995, the average unemployment rate is estimated at 4.7 (Table 7b). This average is based on monthly rates for the first 11 months of 1995.

Table 4
Employment Growth Rates, 1983-1993
Douglas, Selected Counties, and Kansas

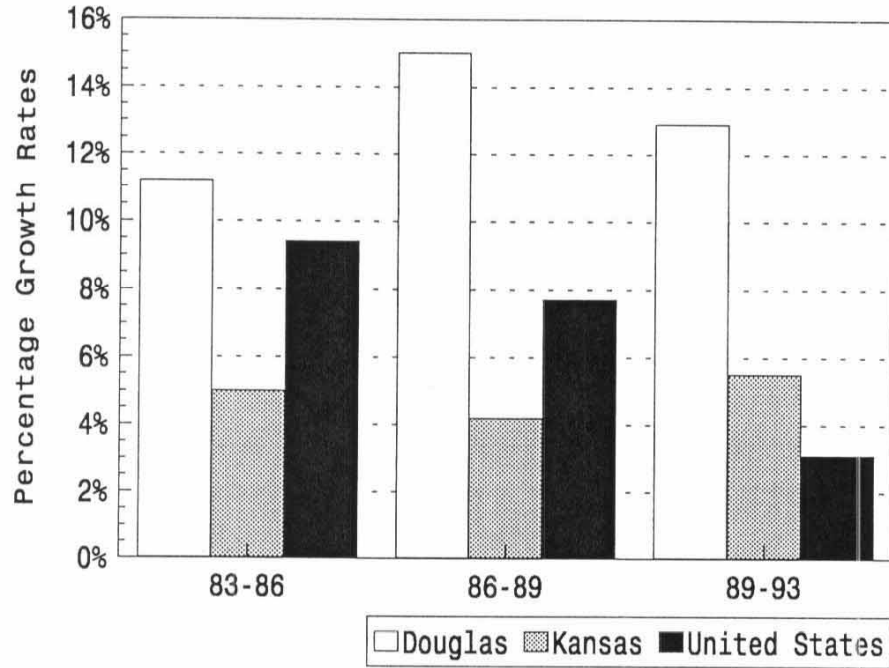
	Average Annual Employment				% Employment Growth		
	<u>1983</u>	<u>1986</u>	<u>1989</u>	<u>1993</u>	<u>83-86</u>	<u>86-89</u>	<u>89-93</u>
Douglas	33,943	37,748	43,418	49,018	11.2	15.0	12.9
Johnson	162,943	200,930	231,836	261,802	23.3	15.4	12.9
Shawnee	94,907	100,870	108,884	111,107	6.3	7.9	2.0
Wyandotte	89,077	95,426	92,073	89,289	7.1	-3.5	-3.0
Boone, MO	59,450	67,403	73,791	81,943	13.4	9.5	11.0
Johnson, IA	52,044	57,180	63,612	69,709	9.9	11.2	9.6
Larimer, CO	79,214	89,608	100,850	118,166	13.1	12.5	17.2
Champaign, IL	95,055	105,558	110,997	108,424	11.0	5.2	-2.3
Kansas	1,326,028	1,391,755	1,449,744	1,529,393	5.0	4.2	5.5
United States*	115,729.7	126,616.4	136,413.8	140,611.5	9.4	7.7	3.1

*United States amounts in 000's

Note: Employment data are based on an individual's place of work.

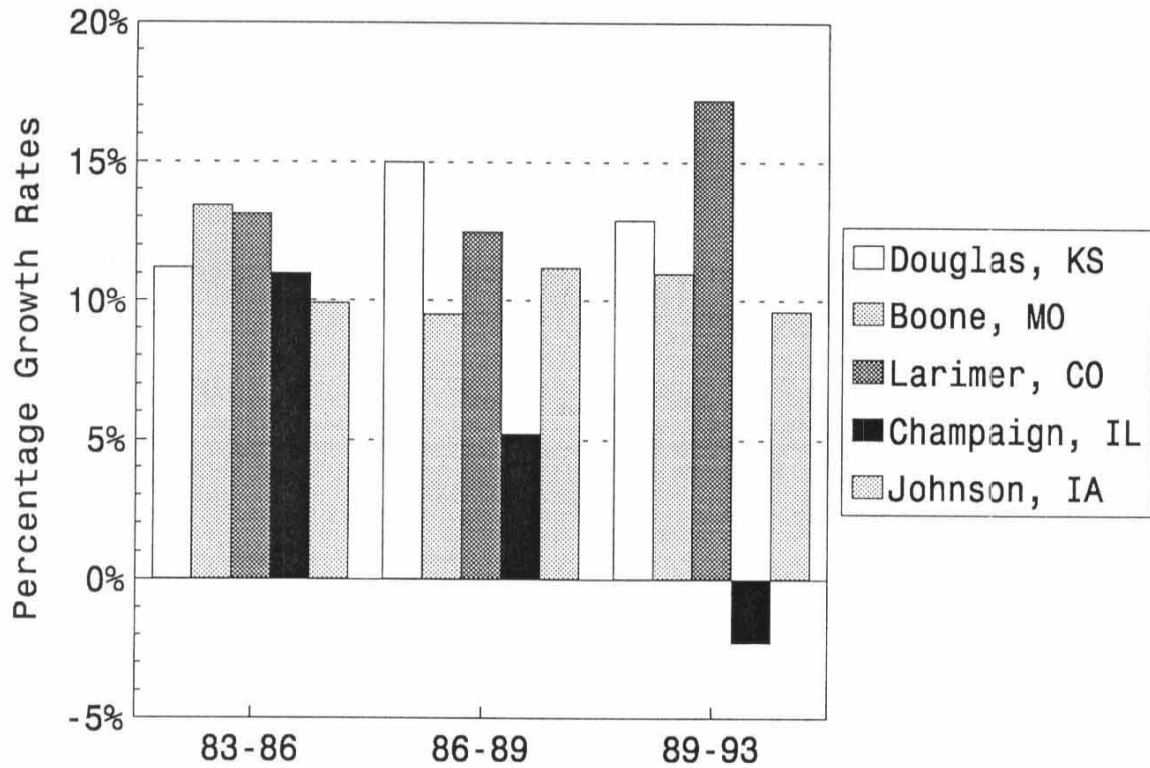
Source: U.S. Department of Commerce, Bureau of Economic Analysis, Kansas Center for Community Economic Development County Summaries, the University of Kansas.

Figure 2a
Employment Growth Rates: 1983-1993
Douglas County, Kansas, and the U. S.



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Kansas Center for Community Economic Development County Summaries, the University of Kansas.

Figure 2b
Employment Growth Rates: 1983-1993
Douglas and Comparative Counties



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Kansas Center for Community Economic Development County Summaries, the University of Kansas.

Table 5
Number of Firms, by Number of Employees
Douglas County and Kansas, 1980, 1993

<u>Employees</u>	<u>Douglas</u>			<u>Kansas</u>		
	<u>1980</u>	<u>1993</u>	<u>1980-93</u>	<u>1980</u>	<u>1993</u>	<u>1980-93</u>
0-19	1,089	1,885	73.1%	48,394	60,398	24.8%
20-99	132	230	74.2	5,689	7,221	26.9
100-499	24	34	41.7	842	1,192	41.6
500+	1	5	400.0	96	119	24.0
Total	1,246	2,154	72.9	55,021	68,930	25.8

Source: U.S. Bureau of the Census, "County Business Patterns", Kansas Center for Community Development Summary for Douglas County.

Table 6
Percentage Distribution of Firms, by Number of Employees
Douglas County and Kansas, 1980, 1993

<u>Employees</u>	<u>Douglas</u>		<u>Kansas</u>	
	<u>1980</u>	<u>1993</u>	<u>1980</u>	<u>1993</u>
0-19	87.4%	87.5%	88.0%	87.6%
20-99	10.6	10.7	10.3	10.5
100-499	1.9	1.6	1.5	1.7
500+	0.1	0.2	0.2	0.2

Source: U.S. Bureau of the Census, "County Business Patterns", Kansas Center for Community Development Summary for Douglas County.

Table 7a
Employment Levels by Industry
Douglas County and Kansas, 1980 to 1993

Industry	Douglas				Kansas			
	1980	1992	1993	1992-93	1980	1992	1993	1992-93
Agricultural Services	104	329	380	15.5%	7,643	17,026	17,214	1.1%
Mining	71	207	215	3.9	35,016	27,771	25,228	-9.2
Construction	1,676	2,195	2,280	3.9	65,275	67,587	70,772	4.7
Manufacturing	4,907	5,067	5,107	0.8	195,149	187,206	187,966	0.4
Transportation	1,342	1,339	1,322	-1.3	73,465	75,304	74,459	-1.1
Wholesale	673	1,657	1,635	-1.3	68,594	76,563	75,253	-1.7
Retail	6,068	8,830	9,389	6.3	198,936	243,566	253,269	4.0
Finance/Insurance/ Real Estate	1,940	3,042	2,962	-2.6	88,384	95,709	93,505	-2.3
Services	6,255	12,018	12,299	2.3	245,851	376,877	379,912	0.8
Govt/ Govt Services	10,356	12,265	12,514	2.0	227,124	268,479	271,523	1.1
Subtotal-- Non-Farm	33,392	47,025	48,103	2.3	1,205,437	1,441,474	1,449,101	0.5
Farm	1,051	932	915	-1.8	101,258	80,866	80,292	-0.7
Total	34,443	47,957	49,018	2.2	1,306,695	1,522,360	1,529,393	0.4

Note: Employment data are based on an individual's place of work.

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas, 1994", Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Table 7b
Labor Market Summary
Lawrence SMSA (Douglas County) and Kansas
1993 - 1995*

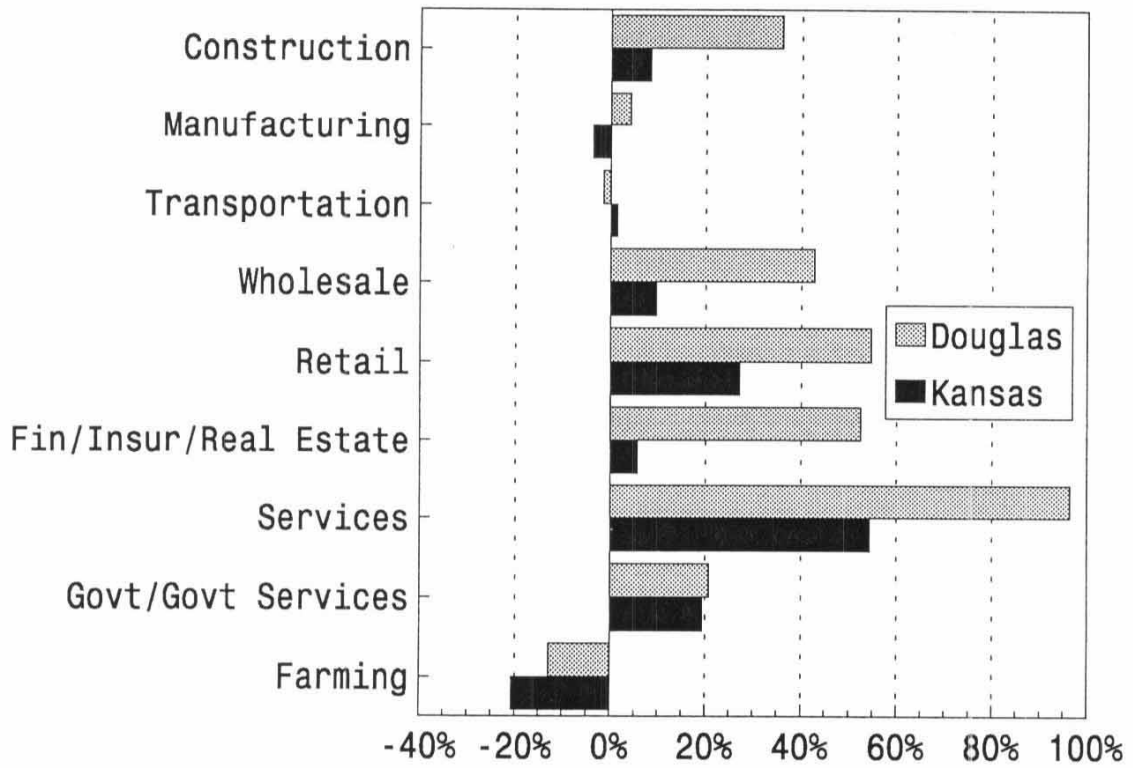
	Lawrence SMSA (Douglas County)				Kansas		
	1993r Average	1994 Average	1995 Average*	Percent Change 1993-1994	Percent Change 1994-1995	Percent Change 1993-1994	Percent Change 1994-1995
Place of Residence Data							
Civilian labor force	49,278	49,707	50,983	0.9%	2.6%	0.4%	1.7%
Employment	46,752	47,033	48,585	0.6%	3.3%	0.2%	2.6%
Unemployment	2,526	2,674	2,398	5.9%	-10.3%	6.1%	-13.4%
Unemployment rate	5.1	5.4	4.7				
Place of Work Data							
Wage and Salary Employment -							
All industries	40,400	41,500	42,600	2.7%	2.7%	2.9%	2.7%
Goods producing industries	6,200	6,700	7,100	8.1%	6.0%	3.4%	3.4%
Construction and mining	1,600	1,800	1,900	12.5%	5.6%	5.9%	6.7%
Manufacturing	4,600	4,900	5,200	6.5%	6.1%	2.7%	2.4%
Service producing industries	34,200	34,900	35,500	2.0%	1.7%	2.8%	2.5%
Transportation and public utilities	1,100	1,100	1,100	0.0%	0.0%	3.6%	3.2%
Trade	9,700	10,200	10,600	5.2%	3.9%	3.1%	2.1%
Wholesale	1,500	1,500	1,500	0.0%	0.0%	1.2%	2.8%
Retail	8,300	8,700	9,100	4.8%	4.6%	3.8%	1.9%
Finance, insurance and real estate	1,800	1,800	1,800	0.0%	0.0%	0.7%	-0.2%
Services	9,000	9,100	9,400	1.1%	3.3%	3.7%	3.5%
Government	12,600	12,600	12,600	0.0%	0.0%	1.7%	2.3%
Farm	500	600	600	20.0%	0.0%	10.7%	6.8%

r=revised

*1995 Average calculated using the first 11 months of 1995.

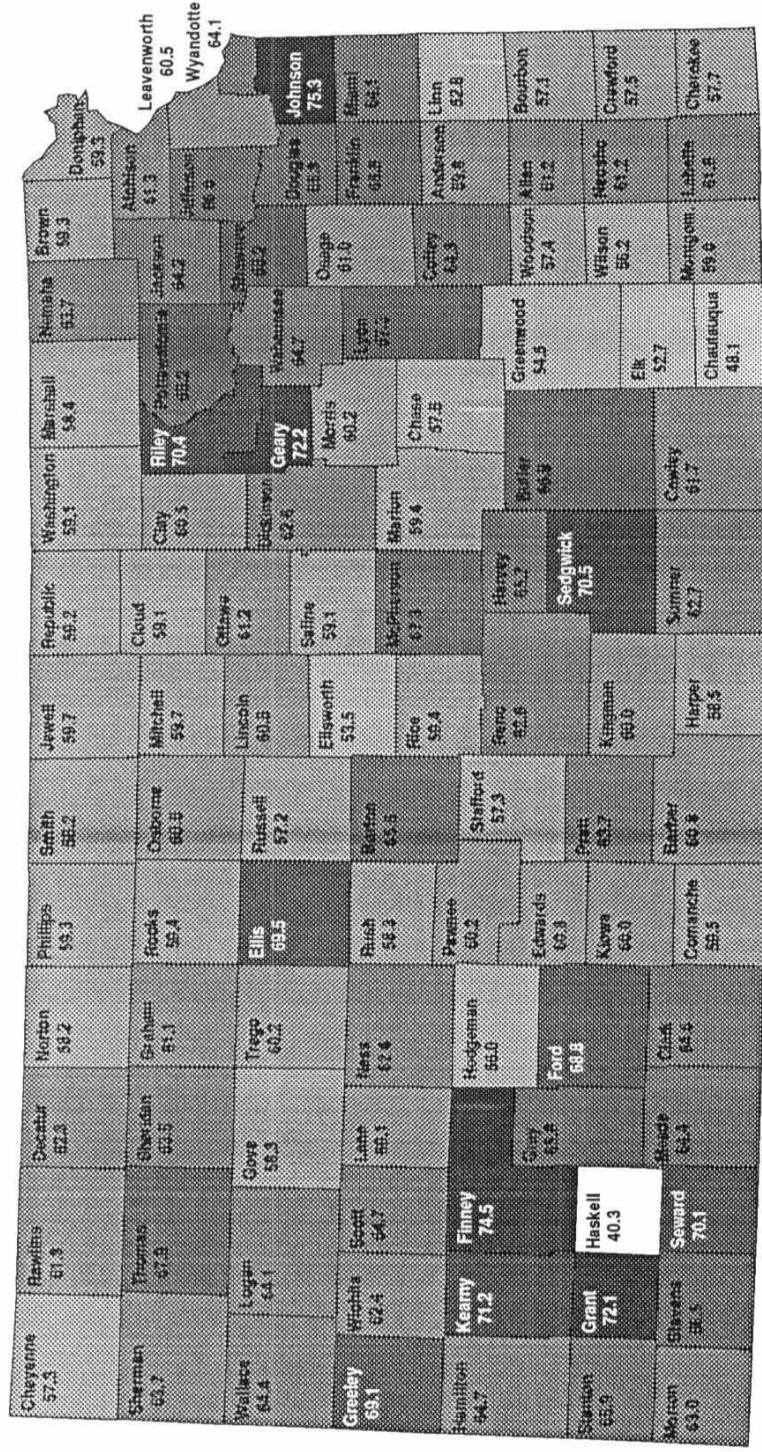
Source: Kansas Department of Human Resources, Labor Market Information Services. Developed in cooperation with the U.S. Bureau of Labor Statistics. Nonfarm wage and salary estimates are based on data drawn from unemployment insurance employer records.

Figure 3
Change in Employment Level by Selected Industry:
1980-1993
Douglas County and Kansas



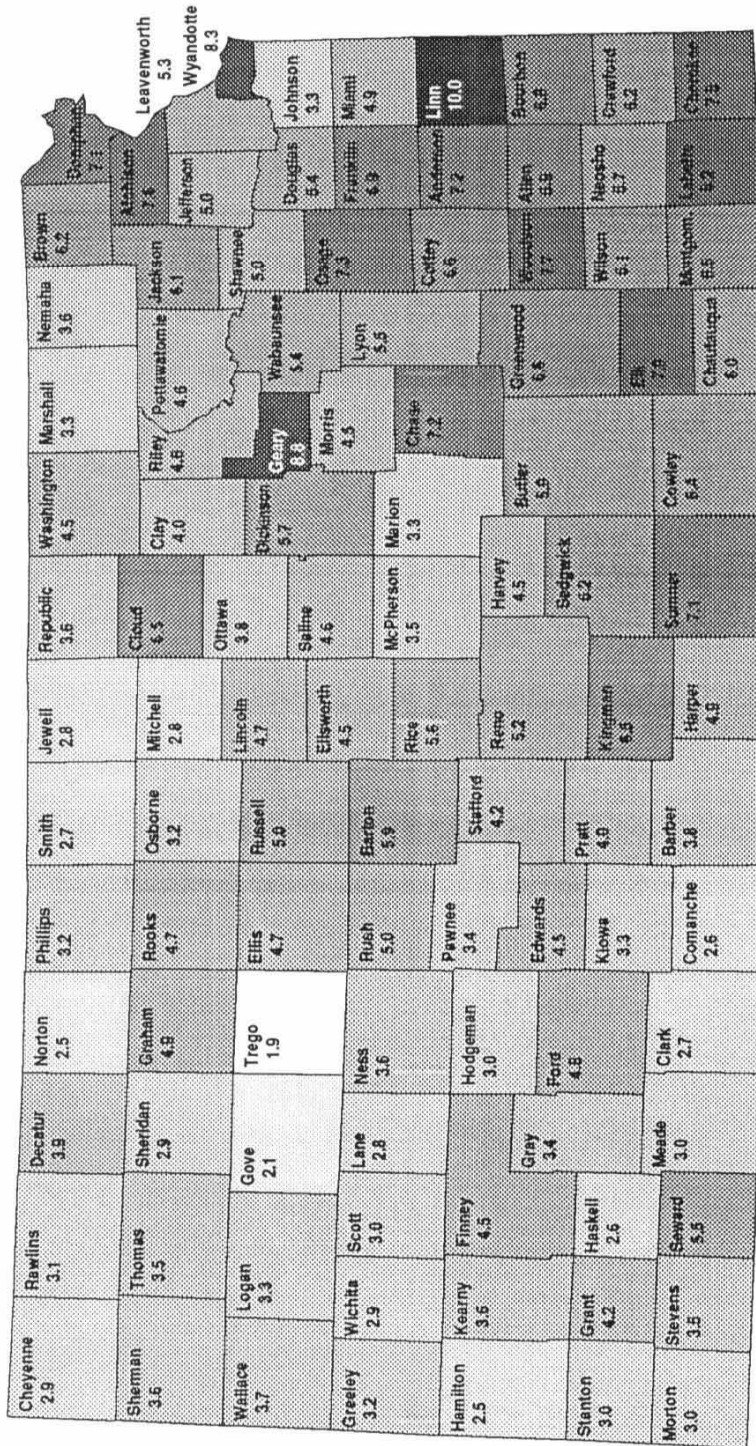
Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas, 1994", Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Map 3. 1990 Labor Force Participation



Source: 1990 U.S. Census.

Map 4. 1994 Unemployment Rates



Note: Employment data are based on an individual's place of residence.

Source: Kansas Labor Force Estimates Annual Average 1994, Kansas Department of Human Resources.

EARNINGS AND INCOME

Earnings and income are the sources of revenue for the community residents. Higher average wages may indicate a greater number of jobs in high growth, high performance businesses. Low wage growth may indicate a higher concentration of stable, declining industries. Per capita personal income indicates the relative wealth of the area compared to the state. As the productivity of business and industry increases, personal per capita income also rises. Decreasing or stable rates may be the result of mature or declining industry. The following section contains data on the average wage per job and per capita personal income.

Earnings and Income: Key Findings

- The average wage per job for Douglas County at \$18,098 in 1993 was lower than the state and national averages (Table 8).
- Douglas County also had a lower average wage than its comparative counties (Table 8). All three of the neighboring metropolitan counties (Johnson, Shawnee and Wyandotte) had higher average wages than Douglas County (Table 8).
- Per capita personal income for Douglas County also lags behind the state (Table 9 and Figure 4). Douglas County's per capita personal income is about 80 percent of the state's.
- Douglas County has one of the lowest per capita personal incomes for the region and the state (Map 6).

Table 8
Average Wage Per Job: 1983, 1986, 1989, 1993
Douglas County, Comparative Counties, and Kansas

	Average Wage				Percent Growth		
	<u>1983</u>	<u>1986</u>	<u>1989</u>	<u>1993</u>	<u>83-86</u>	<u>86-89</u>	<u>89-93</u>
Douglas	\$13,090	\$15,256	\$15,972	\$18,098	16.5	4.7	13.3
Johnson	17,005	19,576	21,940	26,008	15.1	12.1	18.5
Shawnee	16,796	18,957	20,438	23,559	12.9	7.8	15.3
Wyandotte	18,541	20,825	23,010	26,406	12.3	10.5	14.8
Boone, MO	14,090	15,292	17,240	20,401	8.5	12.7	18.3
Johnson, IA	14,628	16,033	18,559	21,543	9.6	15.8	16.1
Larimer, CO	15,476	17,540	19,438	22,757	13.3	10.8	17.1
Champaign, IL	14,395	15,950	17,939	21,473	10.8	12.5	19.7
Kansas	15,394	17,543	19,030	21,936	14.0	8.5	15.3
United States	17,045	19,468	22,121	25,868	14.2	13.6	16.9

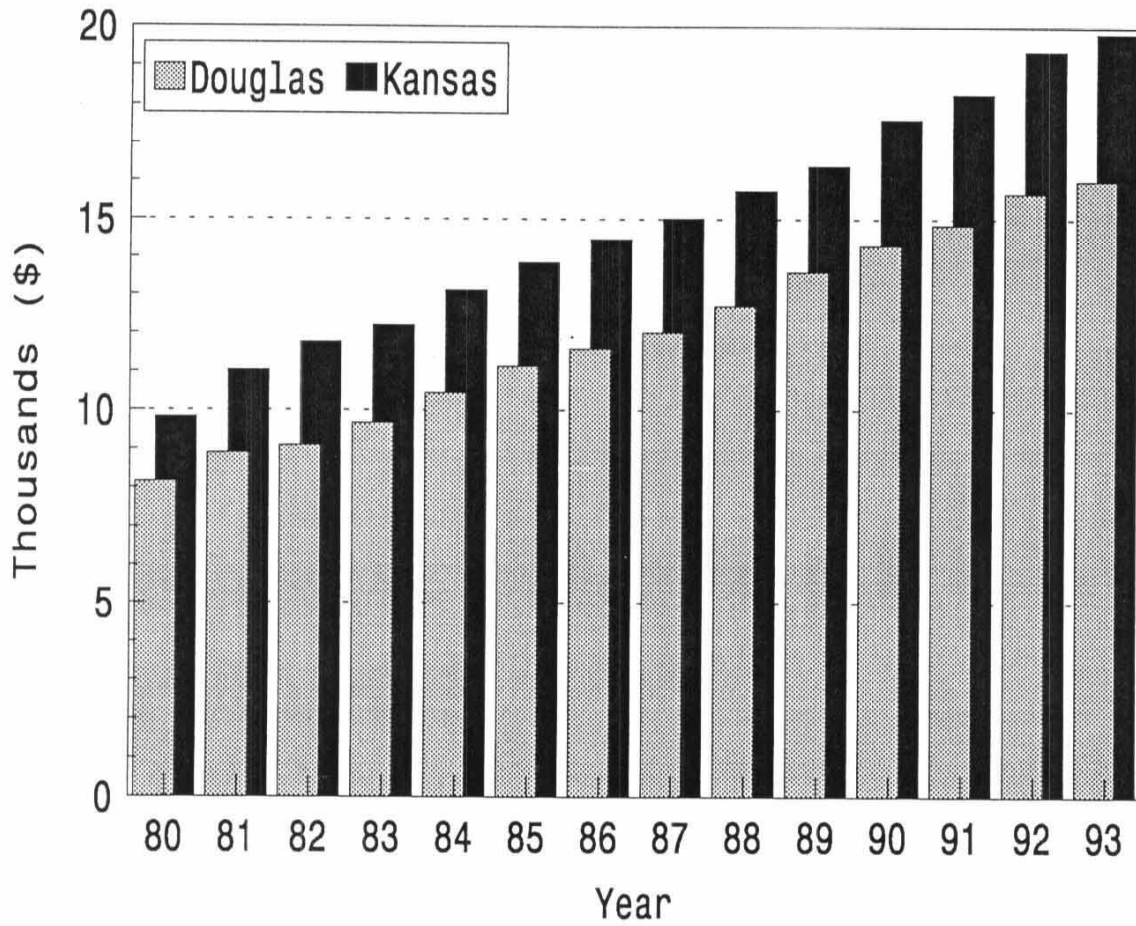
Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA34, 1994.

Table 9
Per Capita Personal Income
Douglas County & Kansas, 1980-1993

	Income		Growth Rates		Income Ratio:
	Douglas	Kansas	Douglas	Kansas	Douglas to Kansas
1980	\$ 8,146	\$ 9,829			82.9%
1981	8,893	11,034	9.2%	12.3%	80.6
1982	9,096	11,760	2.3	6.6	77.3
1983	9,669	12,192	6.3	3.7	79.3
1984	10,448	13,114	8.1	7.6	79.7
1985	11,133	13,847	6.6	5.6	80.4
1986	11,586	14,472	4.1	4.5	80.1
1987	12,021	15,017	3.8	3.8	80.0
1988	12,705	15,748	5.7	4.9	80.7
1989	13,599	16,399	7.0	4.1	82.9
1990	14,302	17,639	5.2	7.6	81.1
1991	14,853	18,290	3.9	3.7	81.2
1992	15,682	19,387	5.6	6.0	80.9
1993	16,023	19,849	2.2	2.4	80.7

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas, 1994", Bureau of Economic Analysis, Regional Economic Information System, Table CA5; Local Area Personal Income 1969-93, U.S. Department of Commerce, BEA.

Figure 4
Per Capita Income
Douglas County and Kansas



Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas, 1994", Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

RETAIL

Retail trade is part of a community's business environment, which is affected by several things. Past decisions by investors, business managers, taxpayers and policy makers each contribute to share a climate which either promotes or inhibits the productivity of local businesses and therefore affects decisions about growth and expansion. Other contributing factors include the level of competition, the availability of suppliers and supporting industries, the cost of labor, and taxation and regulation within the community. Some types of establishments will thrive in an environment which other firms cannot operate in profitably.

The level of taxable retail sales is an indicator of retail sector performance and the overall strength of the local consumer market. The County Trade Pull Factor (CTPF) accounts for the relative retail trade performance of each county in terms of the average retail trade activities of Kansas.⁶ CTPF is calculated by dividing the county's per capita sales by Kansas' per capita sales. A CTPF value of less than 1.00 indicates that the county is losing customers due to out-shopping by residents. A CTPF of more than 1.00 would indicate that the county is attracting retail customers.

The following section discusses data on retail sales and growth rates from 1983 to 1994 and county trade pull factors for 1994-95.

Retail Sales: Key Findings

- From 1983 to 1987, retail sales in Douglas County grew 28.9 percent compared to 11.9 percent for Kansas (Table 10).
- Since 1987, retail sales in Douglas County have grown at a rate faster than the state's rate, except for a two year period from 1991 to 1993 (Table 10 and Figure 5).
- Douglas County has experienced strong growth in retail trade since 1992 with growth rates of 10.8 percent from 1992 to 1993 and 20.3 percent from 1993 to 1994 (Table 10 and Figure 5).
- The trade pull factor for Douglas County for 1995 was 1.01 (Map 7). This indicates that the county is attracting retail customers from adjacent counties. Johnson and Shawnee counties with CTPFs of 1.52 and 1.22, respectively, out performed Douglas County in attracting customers.

⁶Chatura Ariyaratne and David Darling, "County Retail Trade Activity and Changes from 1990 through 1994," *Kansas Business Review*, Vol. 18, No. 3, Spring 1995.

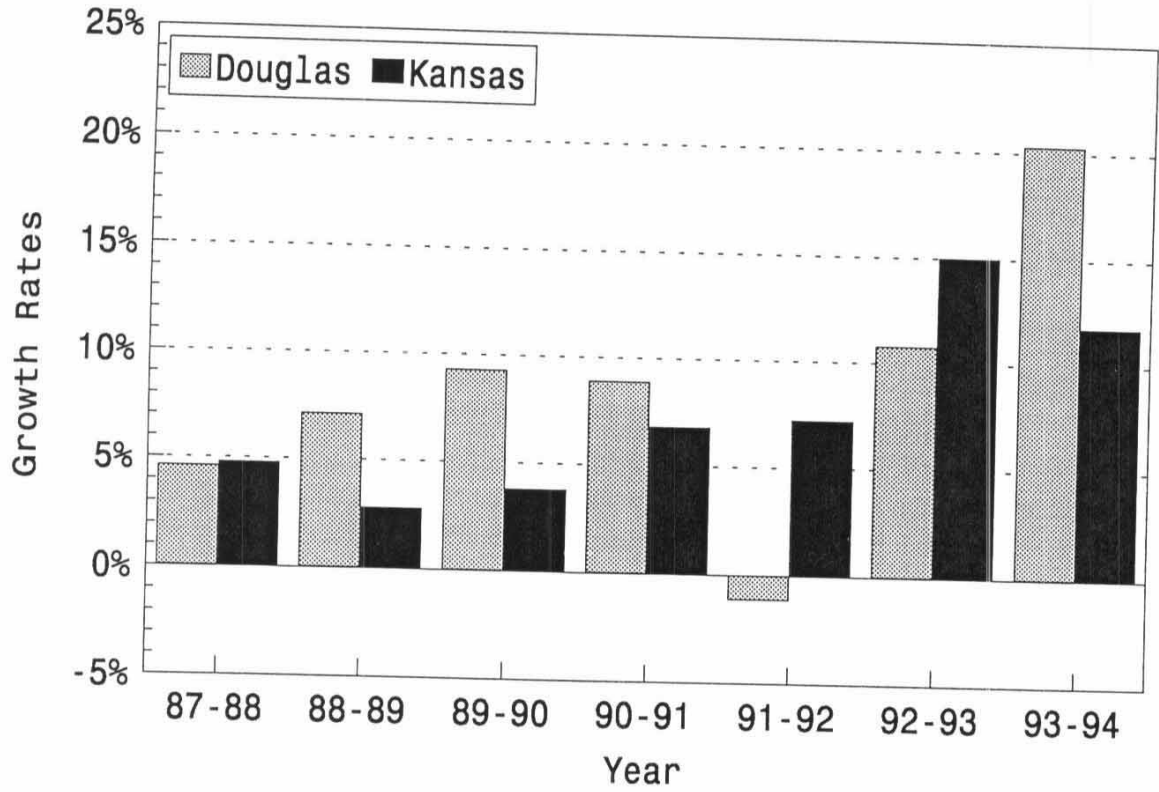
Table 10
Retail Sales and Growth Rates: 1983 to 1994
Douglas County and Kansas
(\$ Millions)

<u>Year</u>	<u>Douglas County</u>		<u>Kansas</u>	
	<u>Nominal Sales</u>	<u>Growth Rate</u>	<u>Nominal Sales</u>	<u>Growth Rate</u>
1983	\$ 330.8		\$ 14,968.0	
1987	426.5	28.9%*	16,746.0	11.9%*
1988	446.0	4.6	17,548.0	4.8
1989	477.8	7.1	18,034.4	2.8
1990	522.1	9.3	18,723.3	3.8
1991	568.7	8.9	19,988.0	6.8
1992	562.5	-1.1	21,421.3	7.2
1993	623.1	10.8	24,643.4	15.0
1994	749.4	20.3	27,542.3	11.8

*Five year growth rate from 1983 to 1987. Other numbers are yearly growth rates.

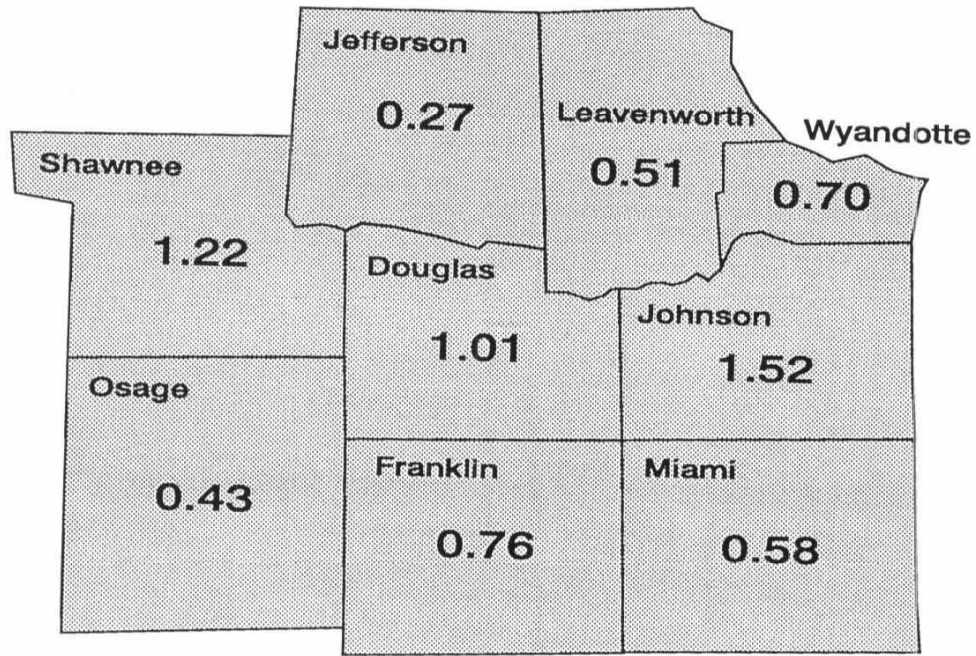
Source: CEDBR Data Base, Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, Kansas County Profile, KCCED/IPPBR, the University of Kansas. Calculations: IPPBR. 1994 figures IPPBR calculations from the Kansas Department of Revenue, State Sales Tax Collection by County classification.

Figure 5
Retail Sales Growth Rates
Douglas County and Kansas



Source: KCCED/IPPBR at the University of Kansas calculations.

Map 7
County Trade Pull Factors: 1995
Douglas and Surrounding Counties



Note: County Trade Pull Factor (CTPF) = County per Capita Sales divided by Kansas per Capita Sales. Population used to compute per capita sales includes institutionalized population.

Source: David Darling and Chatura Ariyaratne, Cooperative Extension Service, Kansas State University, Department of Agricultural Economics, 1995.

AGRICULTURE

Agricultural data, such as the value of field crops and livestock and poultry, are also indicators of the business environment for a community. This data will help determine whether or not the overall importance of this sector in the county has been increasing or decreasing and how this compares with other counties and the state as a whole. It is important to look at the level level of activity in agriculture and how the character of the industry is changing in the county.

Agriculture: Key Findings

- The value of field crops for Douglas County varies a lot from year to year, with increases over 40 percent to declines over 30 percent (Table 11). Douglas County's business economy is not highly dependent upon field crop production. In 1993, its field crop value ranked 87th out of 105 counties in Kansas.
- The value of livestock and poultry also varies from year to year (Table 12). Douglas County's county rank in value of livestock and poultry has declined from 65th out of 105 counties in 1983 to 85th in 1993 (Table 12).

Table 11
Total Value of Field Crops,* 1983-1993
Douglas County and Kansas (in 1000s \$)

	<u>1983</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Douglas County	14,106	19,822	17,020	16,354	15,123	21,955	14,993
Kansas	2,826,268	2,860,949	2,310,335	2,728,644	2,578,640	2,988,468	3,014,079
County Rank	88	70	66	81	80	71	87
<i>As a Percent of Kansas:</i>	0.50%	0.69%	0.74%	0.60%	0.59%	0.73%	0.50%
<i>Percent Change:</i>		<u>1983-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>
Douglas County		40.5%	-14.1%	-3.9%	-7.5%	45.2%	-31.7%
Kansas		1.2%	-19.2%	18.1%	-5.5%	15.9%	0.9%

*Does not include any government programs payments, value of sugar beets, or cotton acreage value, until 1991, then only government payments are not included.

Source: Kansas Agricultural Statistics, Kansas Farm Facts; Kansas County Profile Report, KCCED, the University of Kansas, 1995; KCCED calculations.

Table 12
Total Value of Livestock and Poultry, 1983-1993
Douglas County and Kansas (in 1000s \$)

	1983	1988	1989	1990	1991	1992	1993
Douglas County	13,937	13,701	14,133	15,260	13,902	12,639	13,493
Kansas	2,102,758	2,625,464	2,651,606	2,928,822	2,856,751	2,758,569	2,873,600
County Rank	65	74	77	79	79	86	85
<i>As a Percent of Kansas:</i>	0.66%	0.52%	0.53%	0.52%	0.49%	0.46%	0.47%
Percent Change:		1983-88	1988-89	1989-90	1990-91	1991-92	1992-93
Douglas County		-1.7%	3.2%	8.0%	-8.9%	-9.1%	6.8%
Kansas		24.9%	1.0%	10.5%	-2.5%	-3.4%	4.2%

Source: Kansas Agricultural Statistics, Kansas Farm Facts; Kansas County Profile Report, KCCED, the University of Kansas, 1995; KCCED calculations.

EDUCATION

As present and future jobs begin to require higher skilled employees, the education of the local work force becomes a high priority. The ideal local labor market, in terms of being attractive and conducive to business growth, has an ample supply of workers who have basic skills, advanced skills, and a strong work ethic. A higher concentration of lower skilled workers means that the community must rely on a low skilled jobs with low wages in industries that are either mature or declining. This, in turn, means that unemployment may be a continual or cyclical problem as these firms go out of business due to competition or obsolescence.

Education refers not only to K-12 instruction, but to higher education at universities and community colleges as well. Equally valuable are workers possessing a strong, adaptable technical education from an area vocational technical school, community college, or other technical institution. This section will discuss the highest level of education, ages 25 and over, for the county's residents and compare that information with the state's. Lower levels than the state may be indicative of lower skilled, less adaptable workers, while higher levels may mean a better opportunity to create, attract, and retain high growth, highly productive businesses.

Education: Key Findings

- Douglas County is the home of the University of Kansas, Baker University, and Haskell Indian Nations University. Therefore, it was not surprising to find that the education level of the county's population was greater than the state's average (Table 13).
- Lawrence and Douglas County have a much higher percentage of their over 25 population with bachelors than the state with 24.6 percent for Lawrence and 21.7 percent for Douglas County with Bachelors compared to 14.1 percent for Kansas (Table 13).
- The number of persons with graduate degrees is also high. Lawrence and Douglas County have 19.4 percent and 16.7 percent of their over 25 population with graduate degrees compared to 7.0 percent for Kansas (Table 13).
- The percentage of Lawrence and Douglas County population with associate degrees is slightly below the percentage for Kansas (Table 13). This would tend to indicate that the county may be lacking in technically trained workers.

Table 13
Educational Attainment of Persons over 25
as a Percentage of the Population of Persons over 25: 1990
Lawrence, Douglas County, and Kansas

	Completed Less than 9th Grade	9-12th Grade, No Diploma	High School No Degree, Graduate	Some Degree, College	Associate Degree	Bachelor's Degree	Graduate Degree	Population Over 25
Lawrence	995	1,939	6,927	6,942	1,317	7,965	6,271	32,356
Douglas County	1,627	3,095	10,669	8,958	1,695	9,192	7,072	42,308
Kansas	120,951	172,321	514,177	342,964	85,146	221,016	109,361	1,565,936
<i>As a Percent of Population of Persons over 25:</i>								
Lawrence	3.1%	6.0%	21.4%	21.5%	4.1%	24.6%	19.4%	100.0%
Douglas County	3.8%	7.3%	25.2%	21.2%	4.0%	21.7%	16.7%	100.0%
Kansas	7.7%	11.0%	32.8%	21.9%	5.4%	14.1%	7.0%	100.0%

Source: U.S. Bureau of the Census, 1990. Percent calculations by KCCED/IPPBR, the University of Kansas.

CONCLUSION

Douglas County has a highly educated adult population, low unemployment rates, high growth in services and strong growth in retail. The data also shows that small firms, those with less than 19 employees, are very important to the county's economy. Despite the high growth rates in job creation, the average wage in Douglas County declined in relative terms, indicating more of the growth was in lower paying jobs. Given the high education level of the population and the lower average wage per job, work is still needed to reduce the gap between Douglas County and similar areas in level of earnings. The 1992 study noted that many opportunities could be capitalized upon to assist in bridging the gap between education and pay, such as new state technology policies, university linkages, and the proximity to metropolitan centers to generate higher value-added employment opportunities in developing industries.

The Lawrence-Douglas County area, as indicated by population and employment data, is a desirable place to live. Its proximity to Johnson County, Kansas, one of the fastest growing counties in the nation, and the presence of three institutions of higher education are part of its desirability. The higher education institutions provide a great deal of stability while the location of the county provides opportunities for growth. How these two assets are utilized will have a lot to do with the type of community Douglas County will be in the future.