

**KANSAS CENTER FOR COMMUNITY ECONOMIC DEVELOPMENT**  
Institute for Public Policy and Business Research  
University of Kansas

***Economic Development in Medium-Sized  
Kansas Communities: From 1989 to 1993***

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## EXECUTIVE SUMMARY

In May 1993 the Kansas Center for Community Economic Development at the University of Kansas updated its 1989 economic development survey of medium-sized Kansas communities. The purpose of the update was to determine current economic development efforts and to see how these efforts may have changed. Thirty communities participated in the study, which included a telephone interview regarding organization, planning and funding of economic development as well as follow up (by mail and telephone) to verify information. The following is a summary of the results.

*Organizational Structure.* The three organizational models for economic development identified in the 1989 study were also the three major models in 1993, which are: partnership, government and chamber of commerce. A comparison of 1989 to 1993 results shows that the trend is away from the single entity, such as city or chamber, claiming primary responsibility for economic development toward alternative, partnership organizations such as non-profit corporations, public/private advisory councils and multi-government agencies. Of 30 communities surveyed, fifteen (50 percent) utilize the partnership model, where a public/private organization takes the lead in economic development. One third, or ten, of the communities use the government model, which involves the city, county or multi-government agency taking the lead in economic development. Only five communities (17 percent) use the chamber of commerce model for economic development. Two thirds of the communities have economic development directors, eight working for economic development organizations, six for the city, and six for the chamber of commerce.

The level of participation by city and county governments and chambers of commerce in community economic development has increased. More communities identified the chamber as providing leadership in 1989 than city and county governments combined. By 1993 all three organizations are more involved in providing leadership, with city government (77 percent) being identified slightly more times than the chamber (68 percent). In 28 cities (93 percent) city government provides financing for economic development, making it the leading financial supporter of economic development in communities. Counties are also major financial supporters with 25 communities reporting that the county provides financing. The role of chambers of commerce is seen primarily as providing leadership and human resources.

*Financing Economic Development.* Total funding for economic development increased by 18 percent from 1989 to 1993. The public sector continues to be the primary funding source for economic development with 78 percent of the total budget for 1993 from city and county sources, through higher general and special taxes, such as sales tax and mill levies. Fourteen cities (47 percent) reported that they have a city mill levy to support public economic development activities. An equal number report that their county has a mill levy. Cities are also looking to other sources to help fund their efforts, such as state and federal grants, in-kind contributions, interest and program revenues.

*Cooperation and Economic Development.* Cities are working more with other cities, with their county and with other counties in their economic development efforts that they had in the past. Twenty-five cities (83 percent) reported working with other cities, nineteen (63 percent) with their county and fourteen (47 percent) with several counties.

*Strategic Planning.* In 1989 only five cities reported having a strategic plan. Now twenty

cities have written strategic plans and seven others are in the process of developing a written plan. Ten cities (one third) indicated that their economic development organization was responsible for their strategic planning process. Six cities (20 percent) utilize special task groups or committees, the second most common mode for leading the planning process. Of the twenty communities with strategic plans, nineteen are implementing their plans, with ten communities using their economic development organizations as primarily responsible for implementation.

*Economic Development Strategies.* Cities are not likely to name a single, primary strategy for economic development but preferred a balanced approach between recruiting, retaining and assisting new firm creation. However when pressed to choose one strategy as primary, eleven communities named focussing on existing business retention and expansion. Ten communities refused to chose any one over the combination of retain, assist and recruit. Not one community in 1993 identified recruiting outside business as their primary strategy compared with six communities in 1987. Resources devoted to this strategy have also decreased and communities are spending more time and money on assisting existing businesses and entrepreneurs. Eighty percent of those surveyed reported that their communities had a program in place to assist existing business.

*Economic Development Efforts.* All but one of the communities surveyed have used financial incentives in the past two years to encourage economic development. The range of incentives varied, with the three most frequent being the issuance of tax exempt bonds (87 percent), infrastructure development (83 percent) and the use of tax abatements (73 percent).



## *Economic Development in Medium-Sized Kansas Communities: From 1989 to 1993*

### INTRODUCTION

With the development of a state strategy for economic development in 1986 (Redwood and Krider, 1986), communities in Kansas started to become more organized in their efforts to increase jobs. Economic development organizations emerged and funds were designated specifically to these efforts. Communities found themselves competing more with other communities (both in and out of state) to attract new jobs and retain existing ones by offering incentives, such as tax abatements, enterprise zones, training programs and other business programs. In 1989 the Kansas Center for Community Economic Development (KCCED) at the University of Kansas conducted a study of medium-sized communities to determine how they organize, finance and plan economic development activities (Ott and Skalla, 1989). Few of the communities surveyed at that time were engaged in strategic planning for economic development. However, in 1990 the Kansas Legislature passed the Community Strategic Planning Assistance Act to help counties develop strategic plans and finance action elements of those plans. Since the passage of the Act, strategic planning in Kansas has increased and Kansas communities have begun to assume greater responsibility for economic development (Ott and Tatarko, 1992). Consequently, the thirty communities surveyed in 1989 were re-surveyed in an effort to update knowledge of the status of economic development in Kansas and determine how it has changed with regard to the changing business environment in the state.

This report discusses the results of that survey and investigates what medium-sized Kansas communities are doing to encourage economic development and how their efforts may have changed since 1989<sup>1</sup>. Specifically, this report looks at:

- how these communities are organizing for economic development;
- who is financing economic development and to what amount;
- what levels of cooperation are occurring;
- what strategic planning has been completed;
- what is the primary strategy for economic development; and
- what kinds of economic development effort are being undertaken and, in particular, what is the range of financial incentives being offered to induce economic development.

#### METHODOLOGY

In March, 1989 the Kansas Center for Community Economic Development at the University of Kansas conducted a survey to discover what medium-sized Kansas communities are doing to promote economic development and whether or not they have developed strategic plans. The results of that survey were published in the *Kansas Business Review* in 1989 (Kridler, Ott and Skalla, 1989). In May 1993 the KCCED again surveyed the same communities to discover how economic development has evolved in medium-sized Kansas communities. The new survey investigated three main areas: organizational structure, financing economic development and current economic development efforts.<sup>2</sup>

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<sup>1</sup>Refers to the 1989 Survey of Medium-Sized Kansas Communities conducted by the Kansas Center for Community Economic Development at the University of Kansas.

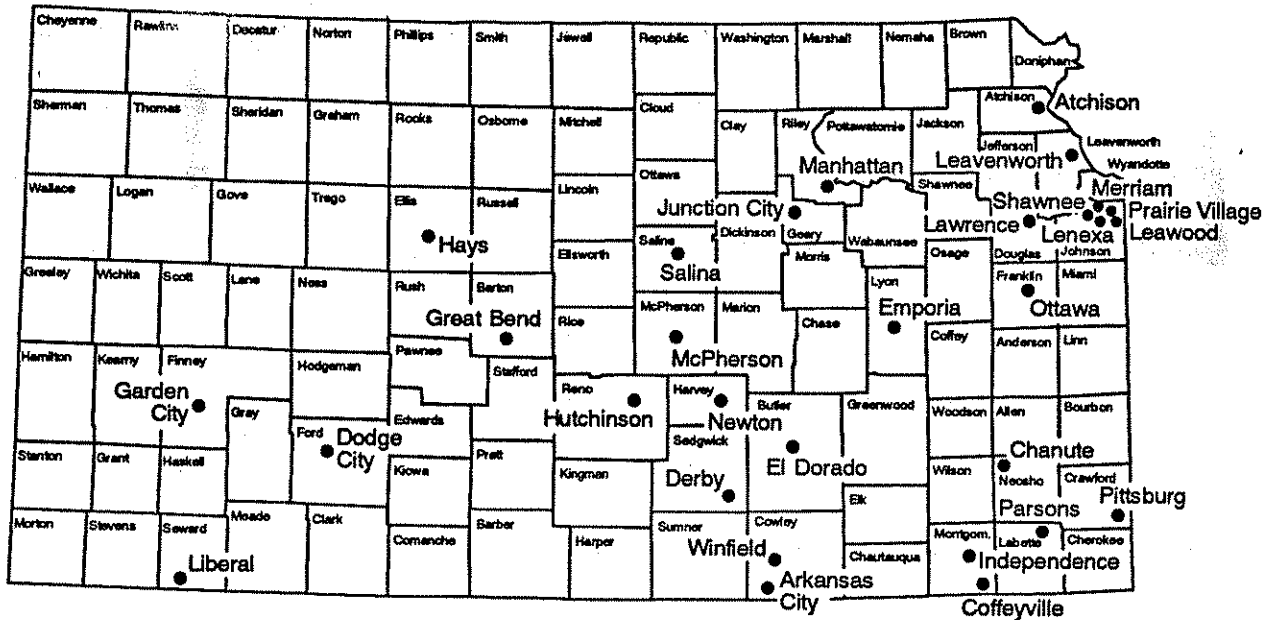
<sup>2</sup>A copy of the survey can be obtained upon request.

*Telephone Survey.* A telephone survey was administered to 30 medium-sized cities across Kansas (Figure 1). For each community, initial contact for the survey was made with the city manager or administrator. In about half of the cases, the city manager or administrator was not the economic development expert for the community, and he or she referred researchers to the person who was most involved in economic development. The analysis for this report is based on one interview for each community. Table 1 lists the organization interviewed for each city as well as the organization designated as primarily responsible for economic development.

Of the thirty organizations interviewed, slightly over one half (sixteen) were city governments although only five city governments were designated as primarily responsible for economic development (Table 1). Their interviews can be justified by recognizing that city governments are active partners in economic development either through the public/private corporations or multi-government agencies and/or as major contributors to the economic development budgets. All nine of those cities and chambers identified as primarily responsible were themselves surveyed.

According to 1990 Census figures, the cities included in the survey ranged in population from 9,488 (Chanute) to 65,608 (Lawrence). Most of the cities are located in the eastern half of the state, with only five located in western Kansas (Figure 1). Eight of the cities are located in or adjacent to urbanized areas: Derby, Lawrence, Leavenworth, Leawood, Lenexa, Merriam, Prairie Village, and Shawnee. In addition, El Dorado and Newton are located in the outlying counties of the Wichita Metropolitan Statistical Area. The remaining twenty cities are situated in predominantly rural areas. (For further analysis of the cities, see Appendix A for detailed information on population, unemployment, per capita income and employment.)

**Figure 1. Medium-Sized Kansas Communities**



Source: KCCED/IPBPR, 1993 Survey of Medium-Sized Kansas Communities.

**Budget Survey.** During the telephone interview, a special effort was made to obtain the 1993 economic development budgets for each community. Besides a request for an amount during the interview, letters were sent to all communities in June and August requesting budget information. The August correspondence included a draft table asking for verification of the budget amounts. Additional phone calls were also made to clarify some of the amounts.

**Comparison with 1989 Study.** Table 2 compares the population of those interviewed in 1989 to those interviewed in 1993. More city governments were interviewed in 1993, fewer

chambers of commerce and public-private non-profit corporations, one additional multi-government agency, and the same public-private for-profit corporation.<sup>3</sup>

**Table 1**  
**Organization Interviewed for 1993 KCCED Survey and Organization**  
**Primarily Responsible for Economic Development by Medium-Sized Kansas Communities**

<u>City</u>	<u>Organization Interviewed</u>	<u>Organization Primarily Responsible</u>
Arkansas City	City	City
Atchison	Chamber	Multi-Government
Chanute	City	City
Coffeyville	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Derby	City	Multi-Government
Dodge City	Pub/Priv Non-Profit	Pub/Priv Non-Profit
El Dorado	City	City
Emporia	City	Multi-Government
Garden City	City	Pub/Priv Non-Profit
Great Bend	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Hays	City	Pub/Priv Non-Profit
Hutchinson	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Independence	City	Chamber & Pub/Priv Non-Prof
Junction City	Multi-Government	Multi-Government
Lawrence	Chamber	Chamber
Leavenworth	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Leawood	City	City
Lenexa	Chamber	Chamber
Liberal	City	Pub/Priv Non-Profit
Manhattan	Chamber	Chamber
McPherson	Pub/Priv For-Profit	Pub/Priv For-Profit
Merriam	City	None
Newton	City	Pub/Priv Non-Profit
Ottawa	Chamber	Pub/Priv Non-Profit
Parsons	City	Pub/Priv Non-Profit
Pittsburg	City	City
Prairie Village	City	Pub/Priv Advisory Council
Salina	Chamber	Chamber
Shawnee	City	Pub/Priv Advisory Council
Winfield	Multi-Government	Multi-Government

Source: KCCED/IPPBR, 1993 Survey of Medium-Sized Kansas Communities.

<sup>3</sup>As previously mentioned, the over-representation of city governments interviewed can be explained by their knowledge of economic development in their community and their ability to respond to the interview questions.

**Table 2**  
**Comparison of Interview Subjects, 1989 and 1993**

Organization	Interviewed	
	1989	1993
City government	13	16
Chamber of Commerce	8	6
Multi-government agency	1	2
Public/private		
Non-profit corporation	7	5
For-profit corporation	1	1
Total	30	30

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

#### ORGANIZATIONAL STRUCTURE OF ECONOMIC DEVELOPMENT

The survey found a trend away from cities and chambers of commerce claiming primary responsibility for economic development towards the assumption of that role by alternative organizations, such as multi-government agencies and public/private corporations and councils (Table 3). In 1989 KCCED found that the organizational structure for encouraging economic development can be classified according to three models: government, chamber of commerce and partnership. These three models were also found to be the three major economic development models in 1993 with the most common being the partnership model (Table 4).

**Table 3**  
**Organization Primarily Responsible for Economic Development**

Organization	Primarily Responsible	
	1989	1993
City government	8	5
Chamber of Commerce	9	4
Multi-government agency	2	5
Public/private		
Non-profit corporation	10	11
For-profit corporation	1	1
Advisory Council	--	2
Combination*	--	1
No Organization	--	1
Total	30	30

*\*Both the chamber of commerce and the public/private non-profit organization share responsibility for economic development.*

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

**Partnership Model.** The partnership model involves a public/private corporation taking the lead in the community's economic development effort. The organization can be either not-for-profit or for-profit. In some cities it is called an economic development corporation, in others a commission and in still others a council. No matter what the organization's title, it is a partnership between the government (city and/or county) and the private sector. Fifteen communities (50 percent) can be classified under the partnership model for economic development. Of those fifteen, eleven have a person designated as an economic development director. The economic development director is most likely to work for a public/private partnership. However, in three communities the director works for the city and in one community for the chamber.

**Table 4**  
**Community Economic Development Leaders**

<u>Primary Economic Development Organization</u>	<u>Cities</u>
<b>GOVERNMENT MODEL:</b>	
City Government	Arkansas City, Chanute, El Dorado, Leawood, Pittsburg
Multi-Government	Atchison, Derby, Emporia, Junction City, Winfield
<b>CHAMBER MODEL:</b>	
Chamber of Commerce	Independence*, Lawrence, Lenexa, Manhattan, Salina
<b>PARTNERSHIP MODEL:</b>	
Public/Private Non-Profit	Coffeyville, Dodge City, Garden City, Great Bend, Hays, Hutchinson, Independence*, Leavenworth, Liberal, Newton, Ottawa, Parsons
Public/Private For-Profit	McPherson
Pub./Priv. Advisory Council	Prairie Village, Shawnee
<b>NO ORGANIZATION:</b>	Merriam

\* Note: Independence listed both the Chamber and Public/Private Non-Profit Corporation (Montgomery County Action Council) as primarily responsible for economic development in their community.

Source: KCCED/IPPBR, 1993 Survey of Medium-Sized Kansas Communities.

**Government Model.** In the government model, economic development leadership is provided by the city or county government or a multi-government agency that is a combination of city and county governments. One third, or ten, of the communities employ the government model, with the number evenly split between those communities where the city holds primary development responsibility and those where a multi-government agency has acquired that responsibility. Notably, as in 1989 there are no medium-sized communities reporting that their county government is charged with primary economic development duties. Of the ten communities categorized under this model, only five have economic development directors, which are most likely to work for the city.



*Chamber Model.* The chamber of commerce model consists of the chamber taking the leadership role in economic development. Five communities fit into this model (Table 4).<sup>4</sup> Under this model, the economic development director works for the chamber. In only one instance did the director not work for the chamber but for a county-wide public/private partnership of which the chamber was an active partner. If there is no director, a chamber executive performs this function. All five of the chamber model communities had an economic development director.

*Levels of Participation.* The level of participation in community economic development by city and county governments and the chambers of commerce has increased. More communities are working cooperatively within their community, have staff devoted to economic development and are providing leadership and funding for economic development. City government was clearly identified as the most active participant in economic development efforts in comparison with county government and chambers of commerce (Tables 5, 6 and 7). Cities were reported more often to provide leadership (77 percent) and financing (93 percent) for economic development, although counties were also named frequently as providers of financing (83 percent). Chambers of commerce were reported to employ staff for economic development duties a little more often than cities (60 percent and 53 percent, respectively). All three types of entities were generally perceived as willing to cooperate with each other when working to advance development in their communities. Thus, cities were seen as the leading and most active agents of economic development in most communities. The role of chambers of commerce was

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<sup>4</sup>Independence was classified under both models because both the chamber and a county-wide public/private partnership were primarily responsible.

seen as primarily that of providing additional leadership and human resources, while counties were reported to act primarily in the area of financing.

**Table 5**  
**Role of City Government in Economic Development**

<u>Role</u>	1989		1993	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Provides leadership	7	23.3%	23	76.7%
Staff devoted to economic development	4	13.3	16	53.3
Works with the county	6	20.0	26	86.7
Works with the chamber	11	36.7	27	90.0
Provides financing	24	80.0	28	93.3
Other*	20	66.7	18	60.0

*\*Other 1989 includes: financial incentives, works with economic development organization, infrastructure, corporation board member, etc. Other 1993 includes: producing brochures and promotional information, tax incentives, infrastructure improvements, networks with KDOCH and Kansas City area development councils, partners and supports, coordinates with other organizations, etc.*

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

**Table 6**  
**Role of the Chamber of Commerce in Economic Development**

<u>Role</u>	1989		1993	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Provides leadership	11	36.7%	20	67.7%
Staff devoted to economic development	12	40.0	18	60.0
Works with the county	15	50.0	25	83.3
Works with the city	5	16.7	28	93.3
Provides financing	8	26.7	10	33.3
Other*	13	43.3	10	33.3

*\*Other 1989 includes: support staff, works with primary economic development organization, marketing. Other 1993 includes: provides staff, provides office administration, coordinates marketing, provides secretarial support.*

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

*Leadership Changes since 1989.* The 1989 study found the chamber more likely to provide leadership for community economic development than the city or county governments. By 1993 city governments had assumed the greater leadership role. In both studies, county governments were least likely to provide leadership for economic development. However, county government was more involved in economic development in 1993 than it was in 1989.

**Table 7**  
**Role of the County in Economic Development**

Role	1989		1993	
	Number	Percent	Number	Percent
Provides leadership	2	6.7%	13	43.3%
Staff devoted to economic development	1	3.3	9	30.0
Works with the city	7	23.3	28	93.3
Works with the chamber	6	20.0	23	76.7
Provides financing	13	43.3	25	83.3
Other*	16	53.3	8	26.7

\*Other 1989 includes: works with primary economic development organization, limited involvement. Other 1993 includes: industrial recruitment, assistance with industrial park development, advertising, marketing tax abatements, etc.

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

*Economic Development Directors.* Twenty of the thirty communities surveyed responded that they have economic development directors (Table 8).<sup>5</sup> Eight had directors who worked for economic development organizations, six worked for cities, and six were employed by chambers of commerce (Table 8). The economic development director positions are more frequently financed by the cities (85 percent), followed by the county (45 percent) and then the chamber (30 percent).

<sup>5</sup>Communities that said their community did NOT have an economic development director were: Arkansas City, Derby, El Dorado, Emporia, Garden City, Leawood, Merriam, McPherson, Newton and Prairie Village.

**Table 8  
Economic Development Directors and  
Organizations For Whom They Work**

<u>Has a Director City</u>	<u>Organization Director Works For</u>	<u>Organization Primarily Responsible</u>
Atchison	Chamber	Multi-Government
Chanute	City	City
Coffeyville	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Dodge City	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Great Bend	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Hays	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Hutchinson	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Independence	Pub/Priv Non-Profit	Chamber & Pub/Priv Non-Prof
Junction City	Multi-Government	Multi-Government
Lawrence	Chamber	Chamber
Leavenworth	Pub/Priv Non-Profit	Pub/Priv Non-Profit
Lenexa	Chamber	Chamber
Liberal	City	Pub/Priv Non-Profit
Manhattan	Chamber	Chamber
Ottawa	Chamber	Pub/Priv Non-Profit
Parsons	City	Pub/Priv Non-Profit
Pittsburg	City	City
Salina	Chamber	Chamber
Shawnee	City	Pub/Priv Advisory Council
Winfield	City	Multi-Government

Source: KCCED/IPPB, 1993 Survey of Medium-Sized Kansas Communities.

## FINANCING ECONOMIC DEVELOPMENT

The 1989 study found that despite its relatively low-profile leadership role, the public sector was primarily responsible for financing economic development efforts (Kridler, Ott and Skalla, 1989). In 1993 the public sector (city and county) continues to be the primary funding source for economic development (Table 9). According to the budget information reviewed, 78 percent of the economic development funding comes from public sources. Budgets for economic development ranged from \$4,000 to \$260,000. Only one community did NOT designate any money for economic development.

**Table 9**  
**Medium-Sized Kansas Communities:**  
**1993 Economic Development Budgets**

<u>City</u>	<u>Econ Dev Budget '93</u>	<u>Sources of Income/Revenues</u>			
		<u>City</u>	<u>County</u>	<u>Private</u>	<u>Other</u>
<i>Population over 30,000:</i>					
Hutchinson	\$ 227,255	\$ 20,000	\$ 109,250	\$ 70,000	\$ 28,005
Salina	187,500	85,000	15,000	67,500	20,000
Lawrence	171,000	55,000	55,000	55,000	6,000
Lenexa	167,212	139,212	--	20,000	8,000
Manhattan	130,000	75,000	30,000	25,000	--
Leavenworth	109,440	14,500	67,000	25,000	2,940
Shawnee	40,000	40,000	--	--	--
<i>Population 20,000 to 30,000:</i>					
Junction City*	260,000	180,000	80,000	--	--
Garden City	151,387	20,000	60,000	--	71,387
Dodge City	139,468	60,000	1,000	40,000	38,468
Emporia*	105,000	70,000	15,000	20,000	--
Prairie Village*	0	--	--	--	--
<i>Population 15,000 to 20,000:</i>					
Great Bend	227,000	55,000	160,000	--	12,000
Hays*	212,000	50,000	50,000	--	112,000
Newton	174,836	55,000	55,000	--	64,836
Liberal	145,609	100,109	40,000	--	5,500
Pittsburg	134,521	134,521	--	--	--
Leawood	15,000	15,000	--	--	--
<i>Population less than 15,000:</i>					
El Dorado					
El Dorado Inc.	72,200	35,500	--	35,500	1,200
Butler County	170,000	--	130,000	40,000	--
Montgomery County					
Action Council	142,500	29,000	82,500	23,000	8,000
Coffeyville/ Independence		14,000 11,000			
Parsons*	140,000	60,000	--	80,000	--
Atchison	110,775	83,275	20,000	--	7,500
Merriam*	104,000	104,000	--	--	--
Winfield*	15,000	15,000	--	--	--
Ottawa	86,000	50,000	32,000	--	4,000
Chanute	83,050	83,050	--	--	--
McPherson*	77,000	45,000	32,000	--	--
Derby*	70,000	50,000	--	20,000	--
Arkansas City*	4,000	4,000	--	--	--

\* Budget obtained from the KCCED Telephone Survey of Medium-Sized Kansas Communities, May 1993. No other budget documentation was reviewed.

Source: KCCED/IPPBR, 1993 Survey of Medium-Sized Kansas Communities and 1993 Budget Survey.

**Table 9 (continued)**  
**Medium-Sized Kansas Communities: 1993 Economic Development Budgets**

**Arkansas City:** The 1993 budget obtained from telephone survey. No separate economic development budget; Arkansas City works with Strother Field Airport and Industrial Park and Winfield for economic development. Strother is owned by the two cities and is operated as a business. Approximately \$61,500 is spent on economic development activities from the Strother budget. Cowley County has recently formed a public/private economic advisory council (CCEAC), which currently has no formal budget.

**Atchison:** The 1993 budget obtained from the Atchison Chamber of Commerce. Other includes encumbrances.

**Chanute:** 1993 budget obtained from the City of Chanute. Budget is the Economic Development Department budget.

**Montgomery County Action Council - Coffeyville and Independence:** The 1993 budget obtained from the Montgomery County Action Council. Coffeyville and Independence contract with MCAC for economic development. Coffeyville contributes \$14,000 and Independence contribute \$11,000. The budget does NOT include \$100,000 for the City of Coffeyville's Industrial Levy Fund and \$148,180 from the City of Independence's Industrial Fund.

**Derby:** The 1993 budget obtained from telephone survey.

**Dodge City:** The 1993 budget obtained from Dodge City/Ford County Development Corporation. Other includes in-kind contributions, utility grants, crop revenue, interest revenue, and expenses reimbursements.

**El Dorado:** The City of El Dorado contracts with El Dorado, In. to perform economic development efforts. The 1993 budget includes El Dorado, Inc.'s budget plus Butler County's economic development budget. Other includes interest.

**Emporia:** The 1993 budget obtained from telephone survey. Emporia is in the process of setting up a multi-government agency for economic development called the Regional Development Association of East Central Kansas; consequently, their budget is subject to change. The city's portion comes out of the \$182,000 Industrial Fund. The private amount is in-kind contributions from the Chamber.

**Garden City:** The 1993 budget obtained from Finney County Economic Development Corporation. Other includes interest, other and carryover (\$67,824).

**Great Bend:** The 1993 budget obtained from Mid-Kansas Economic Development Commission. Other includes \$5,000 from the City of Ellinwood and \$7,000 from the City of Hoisington.

**Hays:** The 1993 budget obtained from telephone survey. Other includes City and County subtracted from the total.

**Hutchinson:** The 1993 budget obtained from Reno County Economic Development Council. Other includes cash on hand and action grant funds.

**Junction City:** The 1993 budget obtained from telephone survey.

**Lawrence:** The 1993 budget obtained from the Lawrence Chamber of Commerce. Other includes carryover grants revenue.

**Leavenworth:** The 1993 budget obtained from the Leavenworth Area Economic Development Corporation. Other includes interest and CDC monthly revenues.

**Leawood:** The 1993 budget obtained from the City of Leawood.

**Lenexa:** The 1993 budget obtained from the Lenexa Chamber of Commerce - Economic Development Council budget. Other includes interest and program revenues.

**Liberal:** The 1993 budget obtained from the City of Liberal. Other includes miscellaneous income revenue.

**Manhattan:** The 1993 budget obtained from the Manhattan Chamber of Commerce. The City of Manhattan finances its \$75,000 from the Industrial Promotion mill levy fund which had accumulated revenues of \$316,898 in 1993.

**McPherson:** The 1993 budget from telephone survey.

**Merriam:** The 1993 budget obtained from telephone survey.

**Newton:** Newton is a partner in a county-wide economic development effort and the 1993 budget included is the Harvey County Jobs Development Council's budget, which Newton contributes \$55,000. Other sources include \$4,096 from the City of North Newton, \$6,917 from the City of Halstead, \$9,603 from the City of Hesston; and \$44,220 from reserves and earned interest.

**Ottawa:** The 1993 budget obtained from the Ottawa Area Chamber of Commerce.

**Parsons:** The 1993 budget from telephone survey. Private amount was estimated by KCCED.

**Pittsburg:** The 1993 budget obtained from the City of Pittsburg - Industrial Development Fund.

**Prairie Village:** No budget for economic development.

**Salina:** The 1993 budget obtained from the Salina Chamber of Commerce. Other includes Salina Airport Authority.

**Shawnee:** The 1993 budget obtained from the City of Shawnee.

**Winfield:** The 1993 budget obtained from telephone survey. Winfield has \$115,000 in a future land acquisition fund to expand the industrial park; \$20,000 is put aside each year into this fund. Winfield also works with Arkansas City and Strother Field Airport and Industrial Park for economic development. Strother is owned by the two cities and is operated as a business. Approximately \$61,500 is spent on economic development activities from the Strother budget. Cowley County has recently formed a public/private economic advisory council (CCEAC), which currently has no formal budget.

Twenty-two cities (73 percent) reported relying on general tax revenues to support economic development (Table 10). Several cities also have a special sales tax to help fund economic development. Other financial sources mentioned in addition to special and general tax revenues were transient guest taxes, federal grants, and special benefit district bonds. Nearly one half of the respondents (14) reported that their communities support public economic development activities with a city property tax mill levy.<sup>6</sup> An equal number reported financing their budgets with a county mill levy.<sup>7</sup>

**Table 10**  
**How Cities Finance Economic Development**

<u>Source of Financing</u>	<u>1989</u> <u>Number</u>	<u>% of Total</u>	<u>1993</u> <u>Number</u>	<u>% of Total</u>
General Tax Revenues	16	53.3%	22	73.3%
Special Tax Revenues	7	23.3	9	30.0
Combination General and Special	1	3.3	8	26.7
Other*	1	3.3	10	33.3

*\*Other includes: transient guest tax, federal grants, tax abatements, special benefit district bonds, sales tax exemptions, CDBGs, utilities, etc.*

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

<sup>6</sup>Communities reporting that their city had a property tax mill levy designated for economic development were: Chanute, Coffeyville, El Dorado, Emporia, Garden City, Great Bend, Independence, Junction City, Manhattan, McPherson, Parsons, Pittsburg, Salina and Winfield.

<sup>7</sup>Those communities reporting that their county had a property tax mill levy designated for economic development were: Coffeyville (Montgomery), Derby (Sedgwick), El Dorado (Butler), Garden City (Finney), Hays (Ellis), Independence (Montgomery), Junction City (Geary), Leavenworth (Leavenworth), Manhattan (Riley), McPherson (McPherson), Newton (Harvey), Ottawa (Franklin), Pittsburg (Crawford) and Salina (Saline).

Slightly more than half (16) of the communities surveyed had a separate budget specifically for economic development. A number of economic development activities, however, were funded off-budget. The most prevalent item was travel and tourism promotion. Thirteen communities reported off-budget travel and tourism promotion activities. Other off-budget items included promotion and marketing of industrial parks (in six communities), research support and contact, and seed capital pools (in five each). Three respondents reported transportation and highway development as an off-budget economic development expenditure.

*1989 vs. 1993 Budgets.* Economic development expenditures are increasing; total funding for economic development increased by 18 percent from 1989 to 1993 (Table 11). Because the financial survey conducted in 1989 generated budgets for 21 of the 30 communities (Upmeier, 1989), comparisons can only be made for those communities. In all but three communities the budgets increased. The changes ranged from a decrease of 38 percent to an increase of 82 percent, with Liberal, Great Bend and Chanute showing the greatest percentage increase.

In looking at who is financing economic development in 1993 compared to 1989, the public sector is still the main source (Table 12). In 1989, for the 21 budgets reviewed, 83 percent of the total amount budgeted for economic development came from city and county sources. In 1993, for the 30 budgets reviewed, 78 percent of the total amount came from the city and county. The city's contribution to economic development has increased while the county and private sources has declined slightly. Communities are turning more to "other" sources to fund economic development activities, which include: grants (federal and state), interest, in-kind contributions, program revenues and cash reserves.



**Table 11**  
**Change in Economic Development Budgets, 1989, 1993**

City*	1989 Budget	1993 Budget	Net Change	Percent Change
<i>Population over 30,000:</i>				
Lawrence	130,000	171,000	41,000	31.5 %
Salina	169,600	187,500	17,900	10.6
Hutchinson	215,000	227,255	12,255	5.7
Leavenworth	100,000	109,440	9,440	9.4
Manhattan	180,000	130,000	-50,000	-27.8
Lenexa	163,000	167,212	4,212	2.6
<i>Population 20,000 to 30,000:</i>				
Emporia	72,365	105,000	32,635	45.1
Garden City	100,000	151,387	51,387	51.4
Junction City	175,000	260,000	85,000	48.6
<i>Population 15,000 to 20,000:</i>				
Pittsburg	151,000	134,521	-16,479	-10.9
Hays	198,270	212,000	13,730	6.9
Liberal	80,000	145,609	65,609	82.0
Newton	154,000	174,836	20,836	13.5
Great Bend	131,500	227,000	95,500	72.6
<i>Population less than 15,000:</i>				
Coffeyville/Independence	103,000	142,500	39,500	38.3
McPherson	125,000	77,000	-48,000	-38.4
El Dorado	189,000	242,200	53,200	28.1
Ottawa	84,000	86,000	2,000	2.4
Atchison	94,100	110,775	16,675	17.7
Chanute	48,500	83,050	34,550	71.2
<b>TOTAL</b>	<b>\$2,663,335</b>	<b>\$3,144,285</b>	<b>\$480,950</b>	<b>18.1%</b>

\*Arkansas City, Derby, Dodge City, Leawood, Merriam, Parsons, Prairie Village, Shawnee and Winfield were not part of the 1989 Financial Survey and are therefore not included in this table.

Source: KCCED/IPPBR, 1993 Budget Survey and IPPBR, 1989 Survey.

**Table 12**  
**Change in Funding Sources: 1989 vs 1993**

Year	Total Budget	Sources of Funding as a Percent of Total			
		City	County	Private	Other
1989*	\$2,663,335	45.1%	38.2%	13.3%	2.9%
1993**	\$3,671,753	47.9	30.3	12.0	9.7

\*Analysis for 21 of the 30 medium-sized communities.

\*\*Analysis for all 30 medium-sized communities.

Source: KCCED/IPPBR, 1993 Budget Survey and IPPBR, 1989 Survey.

## COOPERATION AND ECONOMIC DEVELOPMENT

Communities are working more cooperatively in their economic development efforts than they had in the past. Communities are most likely to work with other cities with 83 percent reported that their communities worked with other cities as part of their economic development efforts (Table 13). Nearly two thirds said that they work with the county in economic development efforts, and a large minority (47 percent) reported that they work with several counties. These numbers are all up from the 1989 findings.

Table 13  
Cooperation with Cities and Counties

<u>Cooperates With</u>	<u>1989</u>		<u>1993</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Other Cities	17	56.7%	25	83.3%
County	17	56.7	19	63.3
Several Counties	9	30.0	14	46.7

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

## STRATEGIC PLANNING

**Strategic Planning Efforts.** Two thirds (20) of the communities reported having written strategic plans in place and seven others (23 percent) are currently developing plans. Only three communities reported that they were not engaged in some phase of the strategic planning process (Table 13). This compares with only five communities having engaged in strategic planning in 1989 (Kridler, Ott and Skalla, 1989). Communities commonly used citizen surveys, open meetings, consultants and, especially, advisory committees in their strategic planning process.

Economic development organizations were most often identified as the entity responsible for strategic planning in the communities surveyed (Table 14). This was reported to be the case

in ten communities (37 percent). Special task groups or committees were the second most common organizations charged with planning efforts, with six communities (22 percent) utilizing this approach. In only one case each was the city government and the chamber of commerce considered to be the primary agent of strategic planning. While county governments play a role in county-wide economic development, in no case was the county classified by a respondent as responsible for developing the strategic plan.

Nineteen of the twenty communities with strategic plans in place reported that they were implementing their plans. Once again, economic development organizations were named as the responsible party in ten cases (50 percent), and cities, chambers of commerce, or counties were named in only a few cases.

#### **ECONOMIC DEVELOPMENT STRATEGIES**

In general, economic development strategies are to recruit existing businesses from other locations, to foster creation of new business, and to help existing business expand. Studies have shown that more (net) new jobs come from existing firms, certain kinds of small businesses, and new firms than from recruiting branch plants (National Governors' Association, 1988). Medium-sized communities in Kansas are moving away from using recruitment to create new jobs to a more balanced approach that emphasized job creation from within the community.

While most of the cities surveyed in 1989 recognized the importance of existing business, few had directed their resources toward encouraging them. In contrast, the majority of communities surveyed in 1993 say they are focusing strategies and resources on existing business retention and expansion to encourage economic growth. Eleven (37 percent) of the communities said that retaining and assisting existing business was their primary strategy for economic

**Table 14**  
**Strategic Planning Efforts in Medium-Sized Communities**

<u>Planning Status</u>	<u>Number</u>	<u>Percent of Total (N=30)</u>
No Plan	3	10.0%
Has Written Plan	20	66.7
Developing Plan	7	23.3
Implementing Plan	19	95.0 (N=20)

PROCESS USED FOR THOSE COMMUNITIES WITH PLANS:

<u>Steps</u>	<u>Number</u>	<u>Percent of Total (N=20)</u>
Citizen Surveys	16	80.0%
Open Meetings	19	95.0
Advisory Committees	20	100.0
Consultants	15	75.0

PROCESS USED FOR THOSE COMMUNITIES DEVELOPING PLANS:

<u>Steps</u>	<u>Number</u>	<u>Percent of Total (N=7)</u>
Citizen Surveys	5	71.4%
Open Meetings	5	71.4
Advisory Committees	6	85.7
Consultants	5	71.4

RESPONSIBLE FOR DEVELOPING PLAN:

<u>Group</u>	<u>Number</u>	<u>Percent of Total (N=27)</u>
City	1	3.7%
Chamber of Commerce	1	3.7
County	0	0.0
Economic Development Organization	10	37.0
Special Task Group/Committee	6	22.2
Other*	9	33.3

RESPONSIBLE FOR IMPLEMENTING PLAN:

<u>Group</u>	<u>Number</u>	<u>Percent of Total (N=20)</u>
City	2	10.0%
Chamber of Commerce	2	10.0
County	1	5.0
Economic Development Organization	10	50.0
Special Task Group/Committee	1	5.0
Other - Combination of the Above	4	20.0

*\*Other includes: local port authority, city/county/chamber, all of the above, small business development corporation, county/economic development organization, etc.*

Source: KCCED/IPPBR, 1993 Survey of Medium-Sized Kansas Communities.

development (Table 15). Only one community reported that assisting entrepreneurs in the creation of new businesses was its primary strategy and no one reported the recruitment of outside business as primary strategy. However, ten communities identified various combinations of these three elements as their primary strategy, with six of these (20 percent) reporting a combined strategy of retention and assistance of existing business and recruitment of outside business.

**Table 15**  
**Strategies for Economic Growth in Medium-Sized Kansas Communities**

<u>Primary Strategy</u>	1989		1993	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Recruiting outside business	6	20.0%	0	0.0%
Retaining and assisting existing business	12	40.0	11	36.7
Assist in creating new business	0	0.0	1	3.3
Combination recruit, retain, and create	8	26.7	10	33.3
Other*	4	13.3	8	26.7

*\*Other for 1989 includes: no primary strategy, linkage with other industry and groups, and raising capital. Other for 1993 includes: job opportunities, housing, development of industrial park, and find use for 4-year college.*

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

***Change in Resources Devoted to Strategies.*** As shown in Table 16, the resources that communities devoted to each type of strategy, whether primary or secondary, varied widely both in 1989 and 1993. The reported percentages of funding and staff apportioned to each type of activity indicate that the emphasis on business retention and expansion has become even more focused. On average, over fifty percent of communities' economic development resources are devoted to retention and expansion. Twenty four (80 percent) of the respondents reported that their communities had a program in place to assist existing industry (Table 17). Of the twenty

three who identified the components of these programs, all stated that personal visits were part of their community's program. The other most common elements, in descending order of frequency, included training, financial assistance, tax incentives, and surveys. Less than half reported utilizing export assistance or other various activities. In 1989 eighteen communities (60 percent) reported having an existing industry program which most frequently consisted of annual surveys and visits usually conducted by a Chamber committee. Existing business programs are in the infancy stage in most communities and the exact elements of such programs has not yet been determined. Existing business programs are not formalized to the extent that industrial recruitment programs are and most state and local incentive programs still favor recruitment efforts.

**Table 16**  
**Change in Resources Devoted to Economic Development**

<u>Strategy</u>	1989 N=22			1993 N=28		
	<u>Minimum</u>	<u>Maximum</u>	<u>Mean</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Mean</u>
Recruit	5%	80%	39.1%	0%	75%	32.1%
Retain & assist	9	90	43.5	5	100	50.3
Assist entrepreneurs*	0	34	15.3	0	50	16.9

\*1989, N=19; 1993, N=26.

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

**Table 17**  
**Existing Industry Programs in Medium-Sized Kansas Communities**

<u>Status</u>	<u>Number</u>	<u>Percent of Total (N=30)</u>
Has a Program	24	80.0%
<u>Program Consists of:</u>		
	<u>Number</u>	<u>Percent of Total (N=23)</u>
Surveys	15	65.2%
Personal visits	23	100.0
Financial assistance	16	69.6
Training	17	73.9
Tax incentives	15	65.2
Export assistance	10	43.5
Other* (N=21)	9	42.9

*\*Other includes: manufacturers round table, "TLC," counselling, management, industrial advisory council, coordination of state agencies, information clearinghouse, other activities as needed - customized to each business, etc.*

Source: KCCED/IPPB, 1993 Survey of Medium-Sized Kansas Communities.

### ECONOMIC DEVELOPMENT EFFORTS

Most communities try to make themselves attractive to new industries and most encourage current companies to stay in town. To give themselves what they consider to be a slight edge, cities offer various incentives, from money to speculative buildings, to infrastructure improvements.

Twenty six (87 percent) of the communities in 1993 responded "yes" when asked if their city uses financial incentives to encourage economic development (Table 18). While four communities reported that their city did NOT use financial incentives to encourage economic development, a closer look at their responses, regarding whether or not any of the incentives listed in Table 18 had been used in the past two years, revealed that only one community had NOT used any of the incentives. Consequently, it can be said that all but one medium-sized community in Kansas uses incentives to encourage economic development.

**Table 18**  
**Use of Financial Incentives in the Past Two Years**

<u>Status</u>	<u>Number</u>	<u>Percent of Total (N=30)</u>
Uses Incentives	26	86.7%
INCENTIVES USED IN THE PAST TWO YEARS:		
<u>Incentives</u>	<u>Number</u>	<u>Percent of Total (N=30)</u>
Tax abatements	22	73.3%
Loan guarantees	11	36.7
Loan subsidies	11	36.6
Direct loans to private businesses	14	46.7
Share equity	2	6.7
Sale-leaseback	9	30.0
Direct cash contribution	7	23.3
Donation of unused real property	5	16.7
Issue tax exempt bonds	26	86.7
Infrastructure development	25	83.3

Source: KCCED/IPPBR, 1993 Survey of Medium-Sized Kansas Communities.

The diversity of approaches utilized by the communities has increased since 1989. Tax-exempt bonds, infrastructure development, and tax abatements remain the leading incentive methods, with bond issuance having increased in frequency most among these three activities followed by infrastructure development (Table 19). Among the remaining financial incentives, the greatest growth in use over the four-year period was for loan subsidies, which rose from six to eleven, an increase of eighty-three percent. Only donations of unused real property decreased in use as a financial incentive.



**Table 19**  
**Change in the Use of Economic Development Incentives**

<u>Economic Development Incentive</u>	<u>Cities Using Incentive</u>	
	<u>1989</u>	<u>1993</u>
Issuance of tax-exempt bonds	19	26
Infrastructure	21	25
Tax abatements	19	22
Direct loans to private business	13	14
Loan guarantees	8	11
Loan subsidies	6	11
Sale-leaseback	6	9
Direct cash contribution	6	7
Donations of unused real property	9	5
Shared equity	1	2

Source: KCCED/IPPBR, 1989 Survey of Community Economic Development and 1993 Survey of Medium-Sized Kansas Communities.

## CONCLUSIONS

All the cities in our survey recognize the need for economic development. Each city, however, defines economic development according to its own standards, each is at a different point in creating a economic development program, and their strategies are diverse. Nevertheless, several conclusions can be drawn from the survey results.

- Medium-sized Kansas communities are split in their organizational approach between three models: government, chamber and partnership. The public/private partnership approach was the most common model.
- City governments are taking the leadership role in economic development through their involvement in partnership organizations and through their strong financial support of economic development activities.
- County governments are still a main contributor to economic development budgets but are not considered leaders in economic development efforts for the communities.

- The role of chambers of commerce in community economic development efforts has changed from that of primary leadership and responsibility to providing additional leadership and staff.
- Financing of economic development has increased in most communities in the past four years and communities are looking more to outside sources to help fund their efforts.
- Communities are taking a more balanced approach to economic development strategies and are allocating more resources to business retention and expansion and new business creation strategies than they had in the past. No community claims recruiting outside industry as its primary economic development strategy.
- Strategic planning has increased significantly for communities with local economic development organizations taking the lead in overseeing the process and implementing the plan.
- All of the communities surveyed but one are using financial incentives to encourage economic development. The most frequently used incentives are tax exempt bonds, infrastructure development and tax abatements. Communities are using more incentives than they had in the past.

In 1989 communities viewed other communities as competitors; in 1993 communities are looking more towards cooperative efforts to accomplish their economic development goals. Medium-sized Kansas communities have come a long way in the past few years regarding their economic development efforts. They are better organized and better funded. More partnerships exist and more formal programs, such as strategic plans, have been developed. In 1989 those surveyed believed that Kansas and its communities had potential but that a better game plan was needed. By 1993 many of those game plans (strategic plans and economic development organizations) had been developed and communities are consequently more focussed in their efforts.

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## APPENDIX A

### Population and Economic Characteristics and Trends in Medium-Sized Kansas Communities: 1980 to 1992

Population and economic statistics for the communities included in the survey are provided in the tables that follow. With the exception of population figures and unemployment rates for a few cities, the data are only readily available at the county level. Therefore, it is necessary to examine comparisons among counties in order to compare the relative positions of cities with regard to these characteristics and trends. The thirty cities are located in twenty-four counties. One city is located in each county except for Johnson County, where five cities are located, and Cowley and Montgomery counties, where two each are located. Table A indicates which cities these are. Six of the counties are located in metropolitan statistical areas, accounting for ten of the cities.

#### POPULATION

Generally, any given city in this survey grew at a rate comparable to its host county from 1980 to 1990 (Table A). However, there are a few notable exceptions. Derby, Hays, Manhattan and Winfield all grew at considerably higher rates than their counties. Dodge City, Junction City and McPherson grew at less dramatic but noticeably higher rates than the counties in which they are located. The population of Coffeyville declined at a considerably higher rate than did Montgomery County. Rates of growth varied for the five cities in Johnson County, which grew rapidly, but rapid growth was the case for all but one of the five.

**Table A**  
**County and City Populations for Medium-Sized Kansas Communities**  
**1980, 1990, and Percent Change**

<u>County</u>	<u>City</u>	<u>County</u>			<u>City</u>		
		<u>1980</u>	<u>1990</u>	<u>% Change</u> <u>1980-90</u>	<u>1980*</u>	<u>1990</u>	<u>% Change</u> <u>1980-90</u>
Atchison	Atchison	18,397	16,932	-8.0%	11,407	10,656	-6.6%
Barton	Great Bend	31,343	29,382	-6.3	16,608	15,427	-7.1
Butler	El Dorado	44,782	50,580	12.9	10,510	11,504	9.5
Cowley	Arkansas City	36,824	36,915	0.2	13,201	12,762	-3.3
Cowley	Winfield	36,824	36,915	0.2	10,736	11,931	11.1
Crawford	Pittsburg	37,916	35,568	-6.2	18,770	17,775	-5.3
Douglas	Lawrence	67,640	81,798	20.9	52,738	65,608	24.4
Ellis	Hays	26,098	26,004	-0.4	16,301	17,767	9.0
Finney	Garden City	23,825	33,070	38.8	18,256	24,097	32.0
Ford	Dodge City	24,315	27,463	12.9	18,001	21,129	17.4
Franklin	Ottawa	22,062	21,994	-0.3	11,016	10,667	-3.2
Geary	Junction City	29,852	30,453	2.0	19,305	20,604	6.7
Harvey	Newton	30,531	31,028	1.6	16,332	16,700	2.3
Johnson	Leawood	270,269	355,054	31.4	13,360	19,693	47.4
Johnson	Lenexa	270,269	355,054	31.4	18,639	34,034	82.6
Johnson	Merriam	270,269	355,054	31.4	10,794	11,821	9.5
Johnson	Prairie Village	270,269	355,054	31.4	24,657	23,186	-6.0
Johnson	Shawnee	270,269	355,054	31.4	29,653	37,993	28.1
Labette	Parsons	25,682	23,693	-7.7	12,898	11,924	-7.6
Leavenworth	Leavenworth	54,809	64,371	17.4	33,656	38,495	14.4
Lyon	Emporia	35,108	34,732	-1.1	25,287	25,512	0.9
McPherson	McPherson	26,855	27,268	1.5	11,753	12,422	5.7
Montgomery	Coffeyville	42,281	38,816	-8.2	15,185	12,917	-14.9
Montgomery	Independence	42,281	38,816	-8.2	10,598	9,942	-6.2
Neosho	Chanute	18,967	17,035	-10.2	10,506	9,488	-9.7
Reno	Hutchinson	64,983	62,389	-4.0	40,284	39,308	-2.4
Riley	Manhattan	63,505	67,139	5.7	32,644	37,712	15.5
Saline	Salina	48,905	49,301	0.8	41,843	42,303	1.1
Sedgwick	Derby	367,088	403,662	10.0	9,786	14,699	50.2
Seward	Liberal	17,071	18,743	9.8	14,911	16,573	11.1

\* These figures do not include annexations and consolidations since April 1, 1980.

Source: U.S. Bureau of the Census, "Census of Population, 1980: Number of Inhabitants, Kansas" (PC80-1-A-18);  
 "1990 Census of Population, Summary Population and Housing Characteristics: Kansas" (CPH-1-18).

Of the eleven cities in the survey that grew by more than ten percent from 1980 to 1990, five are located in metropolitan areas and three are in southwest Kansas. The nine counties

growing by more than five percent over the decade included five metropolitan counties and three southwestern counties. Finney County in the southwestern region was the fastest growing county during that period, followed by four metropolitan counties. Thus, the most rapid population growth among the communities surveyed was centered in metropolitan areas, the southwest, and Manhattan/Riley County.

All the cities and counties surveyed from the southeast part of the state suffered population declines in the 1980s. Five of the eight cities with declines greater than five percent and four of the six counties with decreases in the same range are located in southeast Kansas. Those cities that held relatively steady in population included Newton and Salina, with increases of less than five percent, and Arkansas City, Hutchinson and Ottawa, with declines of less than five percent.

#### **ECONOMIC CHARACTERISTICS AND GROWTH**

*Per Capita Income.* Johnson County was by far the county with the highest annual income per capita in 1991 with \$27,097 (Table B). Among the counties included in the survey, Geary County exhibited the lowest per capita income (PCI) with \$12,997. This is largely due to the high number of lower-paid military enlisted personnel stationed at Fort Riley. Likewise, the low PCI amounts for Riley and Leavenworth counties should also be viewed with caution due to the large number of Fort Riley and Fort Leavenworth personnel residing in those counties. Amounts for Douglas and Riley counties are similarly low due to the large numbers of university students residing in Lawrence and Manhattan. In addition to Johnson County, those counties with PCI greater than \$17,000 annually include (in rank order) Sedgwick, Saline, Seward, Butler,

McPherson and Barton. Excluding the counties with military installations and universities, Atchison County had the lowest PCI among those surveyed with \$14,825 per year.

**Table B**  
**Per Capita Annual Personal Income by County**  
**1980, 1986, 1991, Percent Change**

<u>Area</u>	<u>1980</u>	<u>1986r</u>	<u>1991</u>	<u>% Change</u> <u>1980-1986</u>	<u>% Change</u> <u>1986-1991</u>	<u>% Change</u> <u>1980-1991</u>
Atchison	\$ 7,803	\$ 11,713	\$ 14,825	50%	27%	90%
Barton	10,466	13,492	17,041	29	26	63
Butler	10,428	14,750	17,428	41	18	67
Cowley	9,229	12,667	15,531	37	23	68
Crawford	8,356	12,289	15,985	47	30	91
Douglas	8,124	11,456	14,590	41	27	80
Ellis	9,058	12,458	16,410	38	32	81
Finney	9,355	12,737	16,081	36	26	72
Ford	10,332	14,682	16,880	42	15	63
Franklin	8,796	12,687	15,166	44	20	72
Geary	6,988	9,808	12,997	40	33	86
Harvey	9,535	13,183	16,076	38	22	69
Johnson	13,912	20,858	27,097	50	30	95
Labette	8,001	12,510	15,437	56	23	93
Leavenworth	8,667	12,167	14,672	40	21	69
Lyon	8,926	12,487	15,688	40	26	76
McPherson	9,831	14,395	17,296	46	20	76
Montgomery	9,052	12,107	15,202	34	26	68
Neosho	8,797	12,041	15,861	37	32	80
Reno	9,446	13,395	16,615	42	24	76
Riley	7,558	10,813	14,122	43	31	87
Saline	10,404	14,515	18,630	40	28	79
Sedgwick	11,331	15,779	19,666	39	25	74
Seward	10,064	14,495	17,827	44	23	77

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

Per capita income for most of the counties subject to the survey grew considerably more from 1980 to 1986 than in the period of 1986 to 1991, contrasting the rapidly expanding national economy of the mid-1980s with the slow growth of recent years. The growth rates presented are

nominal rates, which do not take into account inflationary increases in the cost of living. For the eleven-year period from 1980 to 1991, those counties with nominal PCI growth rates of more than eighty-five percent included (in rank order) Johnson, Labette, Crawford, Atchison, Riley and Geary. Those with rates of less than seventy percent included (in rank order from the slowest) Ford, Barton, Butler, Montgomery, Cowley, Leavenworth and Harvey. The picture looks somewhat different, however, for just the period from 1986 to 1991. In rank order, the counties with nominal growth rates of thirty percent or more were Geary, Ellis, Neosho, Riley, Johnson and Crawford, and those with twenty percent or less were Ford, Butler, Franklin and McPherson.

*Unemployment.* Unemployment rates decreased between 1986 and 1992 in all of the counties surveyed except Leavenworth after having worsened in most counties between 1980 and 1986 (Table C). The counties with the highest rates (all over five percent) in 1992 were (in rank order) Montgomery, Franklin, Geary and Atchison. Those with the lowest rates (all below three and one-half percent and ranked from lowest) included McPherson, Johnson, Ford, Douglas, Riley and Ellis. Those counties with the greatest fluctuations from 1980 to 1986 and 1986 to 1992 were Barton, Ellis, Montgomery and Neosho. Those with rates that changed the least between the above years included Franklin, Geary, Johnson and Labette.



**Table C**  
**Unemployment Rates for Counties and Selected Cities,**  
**1981, 1986, 1992**

	<u>1981*</u>	<u>1986**</u>	<u>1992</u>
Atchison	7.1%	6.0%	5.3%
Barton	2.3	10.1	4.2
Butler	3.0	5.4	4.1
Cowley	3.4	6.4	4.6
Crawford	6.0	6.3	4.4
Douglas	4.6	4.5	3.1
Ellis	2.9	9.3	3.3
Finney	2.8	4.9	3.5
Ford	2.3	3.5	3.0
Franklin	5.7	5.8	5.4
Geary	5.7	5.9	5.4
Harvey	3.6	4.6	3.9
Johnson	3.6	3.0	2.9
Labette	6.0	6.6	6.6
Leavenworth	5.5	2.7	4.3
Lyon	4.5	5.9	3.6
McPherson	2.6	3.4	2.8
Montgomery	4.1	8.0	5.7
Neosho	3.6	9.2	4.4
Reno	5.7	7.5	4.5
Riley	4.3	3.2	3.2
Saline	5.1	5.6	3.6
Sedgwick	4.2	6.0	4.3
Seward	2.9	5.1	4.1
City of Emporia	NA	NA	3.8
City of Hutchinson	NA	NA	5.0
City of Lawrence	NA	NA	3.2
City of Leavenworth	NA	NA	4.7
City of Lenexa	NA	NA	2.8
City of Manhattan	NA	NA	2.7
City of Salina	NA	NA	3.7
City of Shawnee	NA	NA	2.8

\*March 1981

\*\*June 1986

NA -- Not available.

Source: Kansas Department of Human Resources, Labor Market Information Services. Developed in cooperation with the U.S. Bureau of Labor Statistics. These estimates are based partly on unemployment insurance records through 1991.

**Employment.** The relative importance of six key industrial sectors and trends in their growth or decline are indicated by **Tables D** and **E** below. **Table D** indicates how much each sector has grown in terms of employment for each county from 1980 to 1986 and from 1986 to 1991. **Table E** shows what percentage share of total employment in a given county can be attributed to each sector for the years 1980, 1986 and 1991. An increase or decline in employment for a particular sector does not necessarily mean that the sector's share of total employment will similarly increase or decline. Percentage shares of total employment are relative to trends in other sectors and to growth in total employment. For example, although manufacturing employment increased in Johnson County in both the 1980-86 and 1986-91 periods, the manufacturing sector's share of total employment declined over both periods due to more rapid growth in other sectors. Thus, the relative importance of manufacturing in Johnson County's economy has lessened.

Table D  
Change in Employment by Selected Industrial Sector: 1980, 1986 and 1991

County	Farm			Manufacturing			Trans/Pub Util			Retail			Services			Government			Total		
	80-86	86-91	80-86	86-91	80-86	86-91	80-86	86-91	80-86	86-91	80-86	86-91	80-86	86-91	80-86	86-91	80-86	86-91	80-86	86-91	80-86
Atchison	-12.8%	-4.5%	-37.0%	18.2%	-20.4%	-13.2%	-5.0%	30.2%	7.0%	16.2%	-0.3%	8.6%	-11.8%	11.0%							
Barton	-17.4	-3.6	-15.8	4.8	-4.3	-6.0	-6.0	-6.1	8.3	7.6	16.3	11.8	-5.6	-3.0							
Butler	-11.6	-3.6	-30.9	-28.8	-6.8	2.3	15.2	10.1	15.2	17.6	21.6	21.3	3.9	4.9							
Cowley	-14.6	-4.2	-23.0	7.6	-21.1	-15.2	0.6	4.5	22.8	13.9	6.5	14.9	0.2	5.0							
Crawford	-16.2	-4.3	-8.9	27.2	-8.8	-6.4	-1.0	11.5	9.1	11.0	-4.8	22.9	-2.9	13.6							
Douglas	-6.0	-2.7	-4.7	4.6	-7.5	10.5	18.2	22.8	39.3	33.5	-9.8	25.8	7.7	24.9							
Ellis	-7.3	-2.6	-67.6	77.8	-11.0	-2.7	19.2	2.7	17.9	14.8	5.9	20.3	6.2	6.0							
Finney	-28.2	-5.8	203.1	20.3	46.1	1.3	26.2	11.4	27.2	16.5	28.5	14.3	31.3	13.5							
Ford	-18.3	-4.0	47.8	28.9	-5.0	6.9	6.8	5.7	21.4	17.8	11.7	16.7	8.9	11.4							
Franklin	-6.8	-4.1	-17.1	-5.7	25.7	-14.8	-2.5	8.9	15.6	12.4	2.2	12.6	-3.0	5.6							
Geary	-14.8	-2.9	1.3	-27.8	-29.4	-3.4	30.2	-10.5	15.5	16.5	-1.1	-18.4	2.3	-14.5							
Harvey	-9.9	-2.8	-29.6	7.3	-39.4	-11.2	9.0	5.0	9.5	5.4	3.7	12.9	-4.3	3.8							
Johnson	-20.4	-5.6	13.6	7.8	48.3	63.0	27.5	23.6	58.7	34.2	24.4	29.2	40.2	23.9							
Labette	-12.3	-3.5	22.3	8.2	-19.5	-11.2	5.8	9.3	4.5	0.5	3.7	20.0	2.3	6.4							
Leavenworth	-4.9	-3.5	-37.9	-13.3	-4.0	-17.3	12.2	15.5	20.6	29.9	2.6	5.3	4.9	8.4							
Lyon	-9.1	-3.2	0.3	12.6	-0.2	-15.5	1.8	12.0	10.8	14.3	-0.1	25.3	1.8	10.8							
McPherson	-6.9	-3.4	9.7	4.6	-20.8	-16.4	-0.1	11.5	6.2	13.4	4.7	10.4	1.7	3.3							
Montgomery	-8.6	-2.9	-21.3	8.9	8.0	12.0	-13.2	5.4	2.6	10.5	-5.3	11.5	-13.3	6.2							
Neosho	-13.0	-3.5	-14.6	31.7	-13.7	-14.4	1.6	4.4	1.8	24.9	2.4	6.4	-6.9	10.6							
Reno	-12.3	-3.7	-31.8	-9.2	-10.9	-9.4	12.3	0.4	23.2	11.3	8.7	15.0	-1.8	0.3							
Riley	-9.2	-4.3	-9.2	-0.2	-15.2	3.3	1.5	22.3	29.7	19.0	-0.4	28.3	6.9	18.6							
Saline	-11.9	-3.2	-13.0	26.6	-26.9	10.1	0.5	7.5	13.3	12.2	1.5	18.8	-0.6	12.5							
Sedgwick	-12.9	-3.3	-14.7	10.5	-5.1	12.1	12.4	5.7	17.3	24.0	2.4	12.8	3.8	10.3							
Seward	-16.9	-4.2	28.2	2.2	-3.8	32.6	16.8	15.4	21.0	12.5	12.8	18.7	9.1	9.6							

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

Table E  
Shares of Employment by Selected Industrial Sector, 1980, 1986 and 1991

County	Farm			Manufacturing			Trans. & Pub. Util.			Retail			Services			Government			Total Employment		
	80	86	91	80	86	91	80	86	91	80	86	91	80	86	91	80	86	91	80	86	91
Atchison	11.0%	10.9%	9.4%	23.6%	16.8%	17.9%	4.2%	3.8%	2.9%	12.8%	13.8%	16.2%	18.4%	22.3%	23.4%	13.9%	15.7%	15.4%	8,689	7,660	8,502
Barton	7.3	6.3	6.3	10.4	9.3	10.0	4.9	5.0	4.8	16.7	16.7	16.1	16.8	19.3	21.5	9.5	11.8	13.6	20,356	19,217	18,632
Butler	9.9	8.4	7.7	10.4	6.9	4.7	4.3	3.9	3.8	14.4	15.9	16.7	19.2	21.2	23.8	14.9	17.4	20.1	17,560	18,252	19,146
Cowley	7.6	6.5	5.9	19.4	14.9	15.3	4.2	3.3	2.7	14.6	14.7	14.6	18.4	22.5	24.4	17.9	19.0	20.8	18,920	18,966	19,913
Crawford	6.2	5.3	4.5	15.7	14.7	16.5	5.0	4.7	3.9	16.7	17.0	16.7	21.1	23.8	23.2	19.5	19.1	20.7	17,513	17,000	19,305
Douglas	3.1	2.7	2.1	14.2	12.6	10.6	3.9	3.3	3.0	17.6	19.3	19.0	18.2	23.5	25.1	30.1	25.2	25.4	34,443	37,103	46,354
Ellis	7.3	6.4	5.9	9.5	2.9	4.8	4.1	3.4	3.1	18.2	20.4	19.8	21.6	24.0	26.0	15.5	15.4	17.5	15,661	16,637	17,633
Finney	10.1	5.5	4.6	9.6	22.1	23.4	4.5	5.0	4.5	16.1	15.4	15.2	22.1	21.4	22.0	12.6	12.4	12.5	14,506	19,045	21,610
Ford	9.1	6.8	5.9	12.4	16.8	19.5	7.4	6.5	6.2	19.4	19.0	18.0	18.5	20.6	21.8	13.8	14.1	14.8	14,660	15,961	17,780
Franklin	12.3	11.8	10.7	18.6	15.9	14.2	3.3	4.3	3.5	15.1	15.2	15.7	16.7	19.9	21.2	14.6	15.4	16.4	10,171	9,870	10,418
Geary	1.3	1.1	1.2	2.2	2.2	1.9	3.0	2.1	2.3	6.8	8.7	9.1	6.8	7.6	10.4	75.5	72.9	69.6	30,665	31,380	26,829
Harvey	6.6	6.2	5.8	21.2	15.6	16.1	7.1	4.5	3.9	13.8	15.7	15.9	27.3	31.2	31.7	9.4	10.2	11.1	16,928	16,204	16,826
Johnson	0.7	0.4	0.3	11.7	9.5	8.3	4.5	4.8	6.3	20.6	18.8	18.7	24.7	28.0	30.3	10.0	8.9	9.2	144,430	202,486	250,903
Labette	10.2	8.7	7.9	20.4	24.4	24.8	8.2	6.5	5.4	12.7	13.2	13.5	15.5	15.8	14.9	19.2	19.5	21.9	12,774	13,062	13,900
Leavenworth	5.8	5.2	4.7	9.6	5.7	4.6	2.6	2.4	1.8	11.2	11.9	12.7	13.0	14.9	17.9	46.9	45.9	44.6	24,448	25,650	27,793
Lyon	6.2	5.5	4.8	21.3	20.9	21.3	6.8	6.7	5.1	16.4	16.4	16.5	17.5	19.1	19.7	18.2	17.9	20.2	18,645	18,989	21,049
McPherson	10.5	9.6	9.0	16.8	18.2	18.4	5.6	4.4	3.5	11.8	11.6	11.6	20.7	21.6	23.7	9.1	9.4	10.0	16,806	17,088	17,644
Montgomery	5.3	5.6	5.1	25.6	23.2	23.8	5.5	6.8	7.2	16.7	16.8	16.6	15.9	18.8	19.5	12.8	14.0	14.7	22,942	19,898	21,126
Neosho	9.9	9.2	8.1	19.8	18.2	21.7	4.7	4.4	3.4	12.9	14.1	13.3	14.9	16.3	18.5	15.0	16.5	15.9	10,213	9,506	10,509
Reno	6.2	5.5	5.3	23.3	16.1	14.6	4.3	3.9	3.5	17.9	20.5	20.5	18.0	22.6	25.1	11.5	12.8	14.7	35,558	34,927	35,029
Riley	3.4	2.9	2.4	2.8	2.4	2.0	2.7	2.1	1.9	18.4	17.5	18.0	19.3	23.4	23.4	36.7	34.2	37.0	23,672	25,311	30,022
Saline	3.5	3.1	2.6	17.1	15.0	16.9	5.7	4.2	4.1	19.8	20.0	19.1	23.5	26.7	26.6	11.1	11.3	12.0	29,616	29,446	33,140
Sedgwick	0.9	0.8	0.7	26.8	22.0	22.1	4.6	4.2	4.3	15.0	16.2	15.5	20.8	23.5	26.4	11.4	11.3	11.5	237,231	246,343	271,784
Seward	5.1	3.9	3.4	15.2	17.9	16.7	9.5	8.4	10.2	17.1	18.4	19.3	14.5	16.0	16.5	12.3	12.7	13.8	11,149	12,161	13,332

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Table CA282zm. Although farm employment still accounts for one tenth to one eighth of total employment in several of the more rural, less populated counties in the survey, it continues to decrease in every county as its share of total employment shrinks.

**Farm.** Although farm employment still accounts for one tenth to one eighth of total employment in several of the more rural, less populated counties in the survey, it continues to decrease in every county as its share of total employment shrinks.

**Manufacturing.** Finney County exhibited explosive growth in the manufacturing sector through the 1980s due to the rapid expansion of the meat-packing industry. Manufacturing jobs grew by over 200 percent in Finney County from 1980 to 1986 and by over 20 percent from 1986 to 1991. Generally, growth in manufacturing has been highest in the non-metropolitan counties of western and southeastern Kansas, especially since 1986. Counties posting declines in manufacturing were located on the edge of metropolitan areas (Butler, Leavenworth and Reno). As a share of a county's economy, manufacturing has decreased in importance in all metropolitan counties while increasing its percentage share of jobs in Finney County and southeast Kansas.

**Transportation and Utilities.** Although most counties in the survey posted declines in transportation and public utilities employment for the periods examined, the number of jobs in this sector increased rapidly in Johnson County, by 48 percent in 1980-86 and 63 percent in 1986-91. Finney County showed a large increase during the 1980 to 1986 period as did Seward County from 1986 to 1991. Transportation and public utilities remains a small sector of the local economy in most counties. Seward County has a larger share of jobs in this sector than any other county in the survey and Leavenworth County's relative share is smaller than that of the other counties.

**Retail.** Most counties in the survey experienced growth in their retail sectors over the two periods, with the most consistent growth in metropolitan counties and in Finney and Seward counties. Employment in this sector declined over both periods in only one of the counties

(Barton). The retail share of total employment appeared to be declining in the central metropolitan counties (especially Johnson) while increasing in the outer metropolitan counties (Butler, Douglas, Harvey and Leavenworth). Trends in percentage shares of jobs also appeared to indicate that Hays, Hutchinson, Liberal, Manhattan, and Salina were the major retail centers for the non-metropolitan regions, based on the figures for their host counties. Douglas County also retained one of the larger shares of retail employment in its local economy.

*Services.* All of the counties in the survey experienced growth in services employment, with Douglas, Johnson and Leavenworth counties exhibiting the highest growth rates. Growth was higher from 1980 to 1986 and then tapered off except in Neosho and Sedgwick counties where the increase in services jobs picked up from 1986 to 1991. Harvey, Johnson and Saline counties (in that order) have consistently had the proportionally largest services sectors throughout the 1980s. The services share of jobs has increased in most of the counties for the periods shown and fluctuated in the others.

*Government.* Counties in the survey with the highest growth in government employment from 1980 to 1986 were (in rank order) Finney, Johnson, Butler, Barton, Seward and Ford. From 1986 to 1991 Johnson posted the highest rate of growth in this sector, but five of the next six counties with the fastest public sector growth were those with state universities, indicating the source of that growth was most likely employment with institutions of higher education. The governmental share of employment generally remained stable or fluctuated slightly in the counties surveyed. Geary and Leavenworth counties had the highest shares of public sector employment, due to the presence of military bases. Riley County had the third highest share, due to both military and public university employment, followed by Douglas County with the largest state university work force.