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Economic Trends Update: Douglas County

Prepared by

Genna Ott
Assistant Director
KCCED

and

Cade Hobbick
Graduate Research Assistant
KCCED

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Charles E. Krider
Co-Director, Kansas Center for Community Economic Development
Director, Institute for Public Policy and Business Research

Foreword

The following report was prepared for a presentation by Dr. Charles Krider to the Lawrence Chamber of Commerce's 1997 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.

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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 spill over 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 includes an update of selected variables from the 1992 study as well as some additional variables. This report looks at variables categorized under the following areas:

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

Throughout the report, Douglas County's performance is compared with the performance of the State of Kansas, Comparative Counties² and Surrounding Counties³. It is by no means a comprehensive analysis of economic trends facing Douglas County but rather an overview of some key economic and demographic variables.

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.

² "Comparative Counties" are 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).

³ "Surrounding Counties" used for comparison in this report are Johnson, Shawnee, and Wyandotte counties. "Selected Counties" include both the Comparative and the Surrounding Counties.

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. Communities with growing populations are generally regarded as being more able to adapt to a changing economic environment due to the 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. Generally, areas of population growth are also areas of economic growth, whereas areas of population loss suffered previous economic decline and restructuring.

Population characteristics are regarded as indicators of a region's economic conditions and economic potential. The level 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 differentials between regions. Counties with low rates of job creation and low wages will face higher worker mobility due to a "push" factor (lack of opportunity) or a "pull" phenomenon by urban areas with higher wages, better job opportunities, and a perceived better quality of life. Other determinants of regional migration are age and education. Generally, there is a life-cycle pattern to migration with the population aged 18 to 45 being the most mobile age group. The effect of education on migration is reflected by the movement of well-educated workers toward better job matches for themselves and their spouses and their attempts to raise their income levels by migrating to areas with employment opportunities.

The following section consists of the population tables, figures, and maps which together illustrate population totals, population growth rates, percent net migration, and population rankings.

Population: Key Findings

- During the 1980's, 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. 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 between the end of the 1950's and the end of the 1980's (Table 1).
- The county's rates of growth for 1991 and 1992 were both greater than the state's rates for those years, and in 1993 the county's rate of growth was more than three times greater than

the state's rate. In 1995, however, the county's rate of growth is less than half that of the state (Table 1).

- From 1980 to 1990, all the "college town" counties except for Champaign, Illinois, grew faster than the national average of 9.7 percent. From 1990 to 1995, Douglas County had a growth rate of 7.8 percent. This growth rate, for the college towns, was surpassed only by Boone County, Missouri (10.1 percent), and Larimer County, Colorado (16.7 percent). Larimer County's rate was more than double the rate of Douglas County and more than three times the national average (Table 2).
- 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 a 13.0 percent increase from 1990 to 1995. These rates were higher than Douglas County's rates during the same time periods. Johnson County's rate for 1990 to 1995 was nearly double that of Douglas County's rate for 1990 to 1995 (Table 2).
- For the past four and one-half decades, Douglas County's population has grown at a faster rate than Kansas or the U.S. (Table 2 and Figure 1).
- Douglas County's percent population change from 1971 to 1980 (23.4 percent) was less than half of what it had been the previous decade, but it was about four times greater than the state's percent population change. For this same time period, the net migration for Douglas County had dropped by more than half to 15.4 percent, highlighting the fact that Douglas County's population increase for that time was due primarily to migration (Table 3).
- From 1991 through 1994, Douglas County's net migration was positive for each year, as was the state's from 1992 to 1995. Counter to the state trend in 1995, however, Douglas County's net migration was negative (-0.5 percent). Its population change was a positive 0.2 percent that year (Table 3).
- Douglas County had moved from being the sixteenth most populated county in Kansas in 1940 to being the fifth most populated county in 1990. Douglas County is projected to maintain through the year 2020 (Table 4).
- 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 1890 - 1990 and Estimates 1991 - 1995

<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>		
1890	23,961		1,427,096		15	1.7
1900	25,096	4.7 %	1,470,495	3.0 %	13	1.7
1910	24,724	-1.5	1,690,949	15.0	15	1.5
1920	23,998	-2.9	1,769,257	4.6	17	1.4
1930	25,143	4.8	1,880,999	6.3	17	1.3
1940	25,171	0.1	1,801,028	-4.3	16	1.4
1950	34,086	35.4	1,905,299	5.8	10	1.8
1960	43,720	28.3	2,178,611	14.3	9	2.0
1970	57,932	32.5	2,249,071	3.2	6	2.6
1980	67,640	16.8	2,364,236	5.1	5	2.9
1990	81,798	20.9	2,477,588	4.8	5	3.3
1991*	83,182	1.7	2,491,407	0.6	5	3.3
1992*	84,338	1.4	2,514,839	0.9	5	3.4
1993*	86,411	2.5	2,532,458	0.7	5	3.4
1994*	88,031	1.9	2,550,897	0.7	5	3.5
1995*	88,206	0.2	2,565,328	0.6	5	3.4

* Estimation

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 Estimates, and Population Distribution Branches, U.S. Bureau of the Census; 1995 Population Estimates for Counties, Population Estimates Branch, U.S. Bureau of the Census 1996. Calculations: IPPBR.

Table 2

Population Growth Rates (percent): 1950 - 1995*
 Douglas County, Selected Counties, Kansas, and United States

	<u>1950 - 60</u>	<u>1960 - 70</u>	<u>1970 - 80</u>	<u>1980 - 90</u>	<u>1990 - 95**</u>
Douglas	28.3 %	32.5 %	16.8 %	20.9 %	7.8 %
Johnson	129.0	53.0	26.9	27.1	13.0
Shawnee	34.0	9.9	-0.3	3.9	2.5
Wyandotte	12.2	0.7	-7.8	-6.0	-5.1
Boone, MO	14.0	46.6	24.0	21.9	10.1
Johnson, IA	17.3	34.4	13.3	17.6	4.3
Larimer, CO	22.5	68.5	65.9	24.8	16.7
Champaign, IL	24.8	23.3	3.1	2.8	-2.3
Kansas	14.3	3.2	5.1	4.8	3.5
United States	18.5	13.4	11.5	9.7	5.6

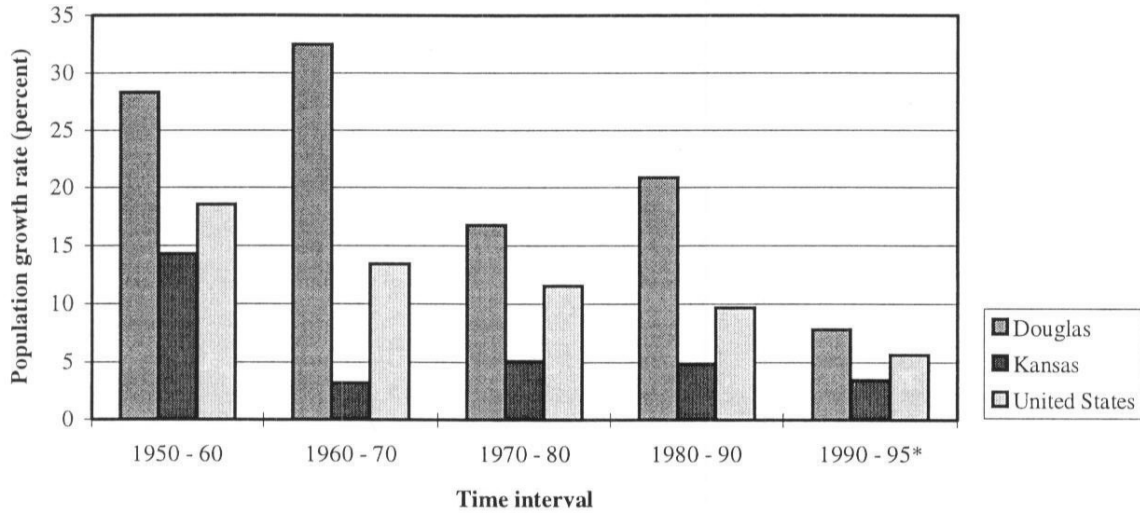
* 1995 Population Estimate.

** This is a five-year period compared to ten years for the previous periods.

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." U.S. Department of Commerce, Bureau of Economic Analysis, Kansas Center for Community Economic Development, "Profile for Douglas County, 1995." 1990-1995 estimates: U.S. Bureau of the Census Abstract 1996. U.S. Calculations by IPPBR, based on Population estimates: U.S. Bureau of the Census Abstract 1996. Calculations: IPPBR.

Figure 1

Population Growth Rates
Douglas County, Kansas, and U.S., 1950-1995



* This is a five-year period compared to ten years for the others.

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." U.S. Department of Commerce, Bureau of Economic Analysis, Kansas Center for Community Economic Development, "Profile for Douglas County, 1995." 1990-1995 estimates: U.S. Bureau of the Census Abstract 1996. U.S. Calculations by IPPBR, based on Population estimates: U.S. Bureau of the Census Abstract 1996. Calculations: IPPBR.

Table 3

Births, Deaths, Population Change, and Net Migration: 1970 - 1995
Douglas County and Kansas

Year	<u>Douglas</u>							
	<u>Births</u>	<u>Deaths</u>	<u>Births - Deaths</u>	<u>Population</u>	<u>Population Change</u>	<u>Population Change (%)</u>	<u>Net Migration</u>	<u>Net Migration (%)</u>
1970*	8802	3668	5134	57,932	21,631	49.5	16,497	37.7
1980*	8228	3611	4617	67,640	13,560	23.4	8,943	15.4
1990*	10123	3925	6198	81,798	14,154	20.9	7,956	11.8
1991	1081	437	644	83,182	1,384	1.7	740	0.9
1992	1050	428	622	84,338	1,156	1.4	534	0.6
1993	1078	480	598	86,411	2,073	2.5	1,475	1.7
1994	1111	450	661	88,031	1,620	1.9	959	1.1
1995	1077	494	583	88,206	175	0.2	-408	-0.5

(Continued on the following page)

Table 3 (continued)

Kansas

<u>Year</u>	<u>Births</u>	<u>Deaths</u>	<u>Births - Deaths</u>	<u>Population</u>	<u>Population Change</u>	<u>Population Change (%)</u>	<u>Net Migration</u>	<u>Net Migration (%)</u>
1970*	409189	219067	190122	2,249,071	102,917	4.7	-87,205	-4.0
1980*	355861	218713	137148	2,364,236	119,308	5.3	-17,840	-0.8
1990*	395546	220359	175187	2,477,588	88,386	3.7	-86,801	-3.7
1991	37630	22363	15267	2,491,407	13,819	0.6	-1,448	-0.1
1992	37848	22052	15796	2,514,839	23,432	0.9	7,636	0.3
1993	37283	23508	13775	2,532,458	17,619	0.7	3,844	0.2
1994	37269	23219	14050	2,550,897	18,439	0.7	4,389	0.2
1995	37087	23807	13280	2,565,328	14,431	0.6	1,151	0.0

* Decade ending, calculated as follows: 1970 decade birth and death figures are years 1961 through 1970; population change is from years 1961 to 1970.
 Net migration = population change - (births - deaths)
 Percent net migration = 100 x (net migration / population total of year beginning the time interval)

Source: Population totals: U.S. Bureau of the Census, "Census of Population, 1960: Number of Inhabitants; 1980 Census of Population," Vol. 1, Chapter A, Part 18, "1990 Decennial Census," mimeographed sheet; Population Estimates U.S. Bureau of the Census; Kansas Center for Community Economic Development Summary for Douglas County 1996. Birth and Death totals for 1961-1990: Kansas State Board [Department] of Health, Division of Vital Statistics, "Annual Summary of Vital Statistics," 1960-1991, using the revised figures provided. Birth and Death totals for 1995: Kansas State Department of Health, Division of Vital Statistics, "Annual Summary of Vital Statistics," 1996.

Table 4

Population of Top Ranking Kansas Counties
(in Thousands)

<u>1940</u>			<u>1990</u>			<u>2020*</u>		
1	Wyandotte	145	1	Sedgwick	404	1	Johnson	624
2	Sedgwick	143	2	Johnson	355	2	Sedgwick	478
3	Shawnee	91	3	Wyandotte	162	3	Shawnee	171
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	44
12	Cherokee	30	12	Cowley	37	12	Ford	41
13	Saline	30	13	Crawford	36	13	Geary	38
14	Lyon	26	14	Lyon	35	14	Cowley	38
15	Sumner	26	15	Finney	33	15	Lyon	37
16	Douglas	25	16	Harvey	31	16	Crawford	34
17	Barton	25	17	Geary	30	17	Montgomery	32
18	McPherson	24	18	Barton	29	18	Harvey	32
19	Dickinson	23	19	Ford	27	19	Miami	30
20	Atchison	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 an 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. The size of the labor force 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 employment section: employment growth rates, number of firms by number of employees, percentage distribution of firms by number of employees, employment levels by industry, labor force participation, unemployment rates, and job growth.

Employment: Key Findings

- The average annual employment (by place of work) for Douglas County has shown strong growth in the last 10 years with a 22.8 percent growth from 1984 to 1989 and 17.6 percent growth from 1989 to 1994 (Table 5). The average annual employment growth for Douglas County has outperformed both the state and national growth rates (Table 4 and Figure 2a).
- Of the selected counties, Johnson County, Kansas, Boone County, Missouri, and Larimer County, Colorado, had higher average annual employment growth rates for 1984 to 1989. For 1989 to 1994, only Johnson County, Kansas, and Larimer County, Colorado had higher rates (Table 5 and Figure 2b).
- The number of firms located in Douglas County has increased 43 percent from 1984 to 1994, compared to a 7.4 percent increase for Kansas (Table 6).
- For both the county and the state, around 87 percent of the firms employ fewer than 19 workers (Table 7). The importance of small firms to the economy indicates a need for strategies that nurture new business development and assist existing small businesses.
- Total employment for Douglas County grew from 35,363 in 1984 to 51,081 in 1994, for a growth rate of 44 percent, compared to 15 percent for Kansas during the same time period. Farm employment for the same time period declined by 20 percent in Douglas County and declined by 24 percent for Kansas. Contrary to the state's decline in mining (negative 43 percent change), mining in Douglas County increased 89 percent (Tables 8a and 8b).

- Traditionally, Douglas County's economy has been dependent upon government employment due to the presence of the University of Kansas. Government and Government Services remains nearly the top employer (12,739) in 1994 but is surpassed by Services (12,836). These sectors are followed closely in 1994 by the Retail Trade sector with 10,037 employed (Table 8a).
- Douglas County's employment levels by industry follow state trends. The Services sector in Douglas County offered the largest growth in jobs in Douglas County from 1984 to 1994. In 1994 Douglas County's Services sector was 25.1 percent of total employment, while Government and Government Services and Retail Trade were 24.9 and 19.6 percent of total employment respectively (Table 8a).
- The largest number increase in employment from 1984 to 1994 for Douglas County occurred in the Services sector with an increase of 5,320 persons employed. The next two strongest sectors were Retail Trade and Government and Government Services, with increases of 3,317 and 3,064, respectively. These sectors were also the sectors of largest employment gains for the State of Kansas during the same time period. The largest number increase occurred in the Services sector followed by the Government and Government Services and then Retail Trade (Tables 8a and 8b and Figure 3).
- Recent wage and salary employment estimates show that during the first 10 months of 1996, employment for all industries for the Lawrence SMSA have increased by 1.2 percent from the 1995 estimates. From 1994 to 1995 employment for all industries increased by 2.9 percent. Estimates for the State of Kansas show a 2.1 percent employment increase during the first 10 months of 1996. From 1994 to 1995 employment for the state increased by 3.0 percent (Table 8c).
- The labor force participation rate is the percentage of population 16 and over that is in the labor force. The labor force participation rate in 1990 for Douglas County 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. rate of 64.4 percent (1990 U.S. Census). In comparison, nearby Johnson County had a 75.3 percent participation rate in 1990 (Map 3).
- The 1995 unemployment rate for Douglas County was 4.7 percent, which was among the lower rates in the region, suggesting that the county is doing a good job supplying jobs for its residents (Map 4).
- Change in employment from 1990 to 1995 for Douglas County was 13.96 percent. This employment data is based on an individual's place of residence unlike other data, which have been based on place of work. Douglas County's employment data indicate that job opportunities have increased for residents of Douglas County both in and out of the county (Map 5).

Table 5

Employment Growth Rates: 1984 - 1994
 Douglas County, Selected Counties, Kansas, and United States

	<u>Average Annual Employment</u>			<u>% Employment Growth</u>	
	<u>1984</u>	<u>1989</u>	<u>1994*</u>	<u>1984 to 1989</u>	<u>1989 to 1994*</u>
Douglas	35,357	43,418	51,081	22.8 %	17.6 %
Johnson	175,701	231,836	275,118	31.9	18.7
Shawnee	98,950	108,884	114,396	10.0	5.1
Wyandotte	92,377	92,073	92,109	-0.3	0.0
Boone, MO	61,840	73,791	85,409	19.3	15.7
Johnson, IA	54,845	63,612	73,213	16.0	15.1
Larimer, CO	83,988	100,850	123,496	20.1	22.5
Champaign, IL	97,933	110,997	110,363	13.3	-0.6
Kansas	1,368,559	1,449,774	1,574,442	5.9	8.6
United States	113,544,000	123,869,000	131,056,000	9.1	5.8

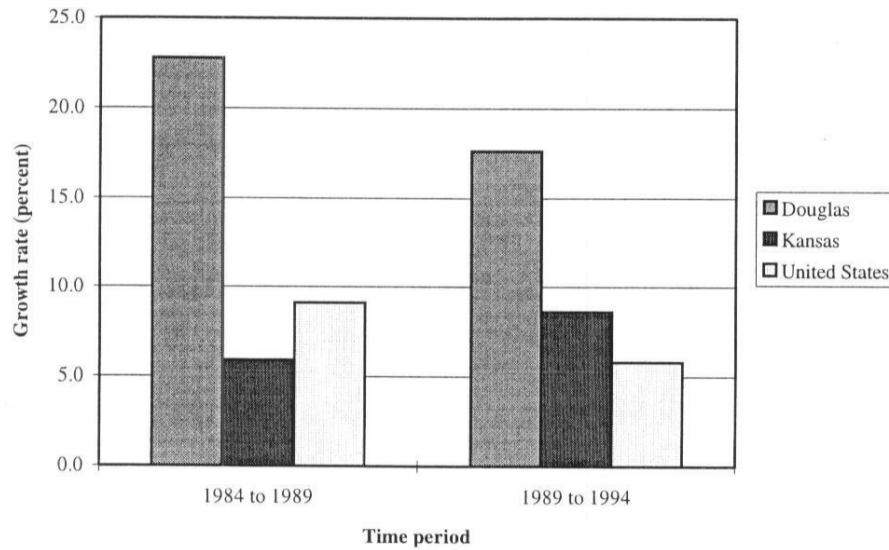
* Data for 1994 are not directly comparable with data from earlier years.

Note: Employment by 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 2 a

Employment Growth Rates: 1984 - 1989 and 1989 - 1994*
Douglas County, Kansas, and United States

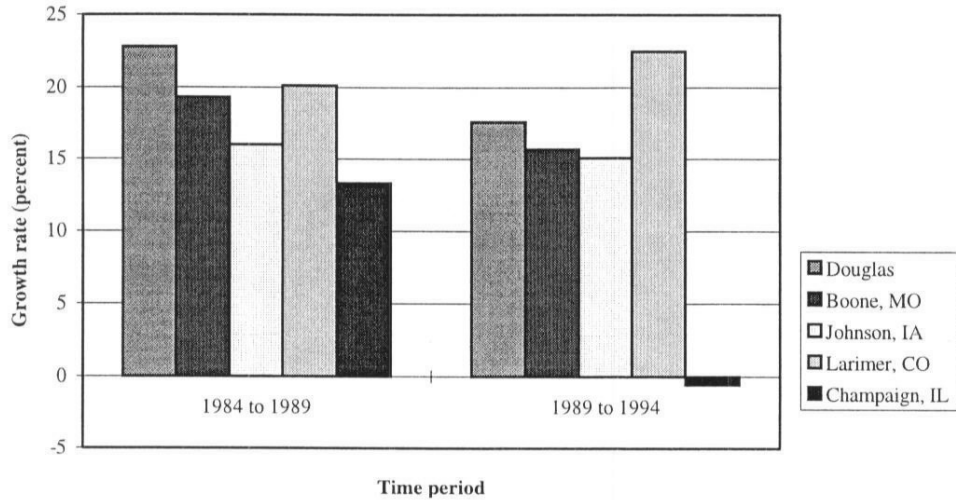


* Data for 1994 are not directly comparable with data from earlier years.

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

Figure 2 b

Employment Growth Rates: 1984 - 1989 and 1989 - 1994*
Douglas County and Comparative Counties



* Data for 1994 are not directly comparable with data from earlier years.

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

Table 6

Number of Firms, by Number of Employees: 1984 and 1994
Douglas County and Kansas

<u>Employees</u>	<u>Douglas</u>			<u>Kansas</u>		
	<u>1984</u>	<u>1994</u>	<u>% Change</u>	<u>1984</u>	<u>1994</u>	<u>% Change</u>
1 -- 19	1,413	1,954	38.3 %	58,092	60,903	4.8 %
20 -- 99	133	258	94.0	6,015	7,560	25.7
100 -- 499	27	35	29.6	820	1,230	50.0
500+	1	4	300.0	88	129	46.6
Total	1,574	2,251	43.0%	65,015	69,822	7.4

Source: U.S. Bureau of the Census, "County Business Patterns, 1994" and Kansas Center for Community Economic Development Summary for Douglas County 1996.

Table 7

Percentage Distribution of Firms, by Number of Employees: 1984 and 1994
Douglas County and Kansas

<u>Employees</u>	<u>Douglas</u>		<u>Kansas</u>	
	<u>1984</u>	<u>1994</u>	<u>1984</u>	<u>1994</u>
1 -- 19	89.8 %	86.8 %	89.4 %	87.2 %
20 -- 99	8.4	11.5	9.3	10.8
100 -- 499	1.7	1.6	1.3	1.8
500+	0.1	0.2	0.1	0.2

Source: U.S. Bureau of the Census, "County Business Patterns, 1994" and Kansas Center for Community Economic Development Summary for Douglas County 1996.

Table 8 a

Employment Levels by Industry: 1984 and 1994
Douglas County

Industry	Douglas			As a Percent of Total Employment			
	1984	1994	Change in Employment	% Change in Employment	1984	1994	Change in Employment
Ag. Services	137	444	307	224 %	0.4 %	0.9 %	2.0 %
Mining	121	229	108	89	0.3	0.4	0.7
Construction	1,579	2,563	984	62	4.5	5.0	6.3
Manufacturing	4,564	5,219	655	14	12.9	10.2	4.2
Transportation	1,199	1,339	140	12	3.4	2.6	0.9
Wholesale Trade	742	1,651	909	123	2.1	3.2	5.8
Retail Trade	6,720	10,037	3,317	49	19.0	19.6	21.1
Finance, Insur., Real	1,990	3,123	1,133	57	5.6	6.1	7.2
Services	7,516	12,836	5,320	71	21.3	25.1	33.8
Gov't. and Gov't. Serv	9,675	12,739	3,064	32	27.4	24.9	19.5
Subtotal -- Non-Farm	34,243	50,180	15,937	47			
Farm Employment	1,120	901	-219	-20	3.2	1.8	-1.4
Total Employment	35,363	51,081	15,718	44			

Note: Employment by place of work.

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas County 1996," Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Table 8 b

Employment Levels by Industry: 1984 and 1994
Kansas

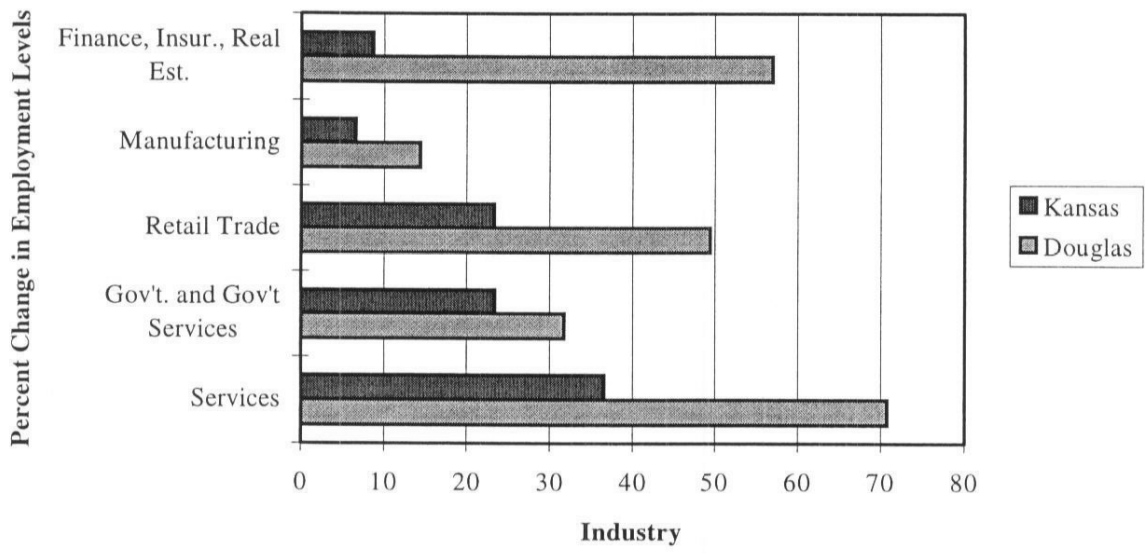
Industry	Kansas			As a Percent of Total Employment			
	1984	1994	Change in Employment	% Change in Employment	1984	1994	Change in Employment
Ag. Services	11,471	19,365	7,894	69 %	0.9 %	1.3 %	3.4 %
Mining	46,729	26,706	-20,023	-43	3.7	1.8	-8.7
Construction	65,739	74,953	9,214	14	5.2	5.0	4.0
Manufacturing	182,149	194,204	12,055	7	14.4	13.0	5.2
Transportation	73,954	76,854	2,900	4	5.8	5.1	1.3
Wholesale Trade	70,790	75,305	4,515	6	5.6	5.0	2.0
Retail Trade	213,424	263,054	49,630	23	16.9	17.6	21.5
Finance, Insur., Real Est.	89,390	97,131	7,741	9	7.1	6.5	3.4
Services	286,801	391,367	104,566	36	22.7	26.2	45.3
Gov't. and Gov't. Services	224,563	277,137	52,574	23	17.8	18.5	22.8
Subtotal -- Non-Farm	1,265,010	1,496,076	231,066	18			
Farm Employment	103,549	78,366	-25,183	-24	7.6	5.0	-12.2
Total Employment	1,368,559	1,574,442	205,883	15			

Note: Employment by place of work.

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas County 1996," Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Figure 3

Change in Employment Level by Selected Industry: 1984 - 1994
Douglas County and Kansas



Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas County 1996" Bureau of Economic Analysis, Regional Economic Information System, Table CA5.

Table 8 c

Labor Market Summary: 1994 - 1996
Lawrence SMSA (Douglas County) and Kansas

	Lawrence SMSA (Douglas County)				Kansas		
	1994r Average	1995 Average	1996* Average	Percent Change 1994r-95	Percent Change 1995-96*	Percent Change 1994r-95	Percent Change 1995-96*
Place of Residence Data							
Civilian labor force	49189	49960	50855	1.6	1.8	0.0	2.1
Employment	46614	47556	48587	2.0	2.2	0.9	2.5
Unemployment	2575	2404	2268	-6.6	-5.7	-15.5	-7.9
Unemployment rate	5.2	4.8	4.5	-7.7	-7.1	-17.0	-8.9
Place of Work Data							
Wage and Salary Employment							
All industries	42000	43200	43730	2.9	1.2	3.0	2.1
Goods producing industries	6700	6900	7100	3.0	2.9	2.6	3.6
Construction and mining	1800	1800	1920	0.0	6.7	3.8	8.1
Manufacturing	4900	5100	5180	4.1	1.6	2.1	2.2
Service producing industries	35200	36300	36630	3.1	0.9	3.1	1.7
Transportation & public utilities	1100	1100	1080	0.0	-1.8	1.0	2.5
Trade	10300	11000	11030	6.8	0.3	4.1	3.0
Wholesale	1500	1600	1700	6.7	6.3	4.7	2.2
Retail	8800	9400	9330	6.8	-0.7	3.9	3.3
Finance, insurance, and real estate	1800	1800	1900	0.0	5.6	-1.2	2.5
Services	9400	9600	9870	2.1	2.8	4.7	1.5
Government	12600	12800	12750	1.6	-0.4	1.8	-0.3
Farm employment	600	600	610	0.0	1.7	6.8	-0.2

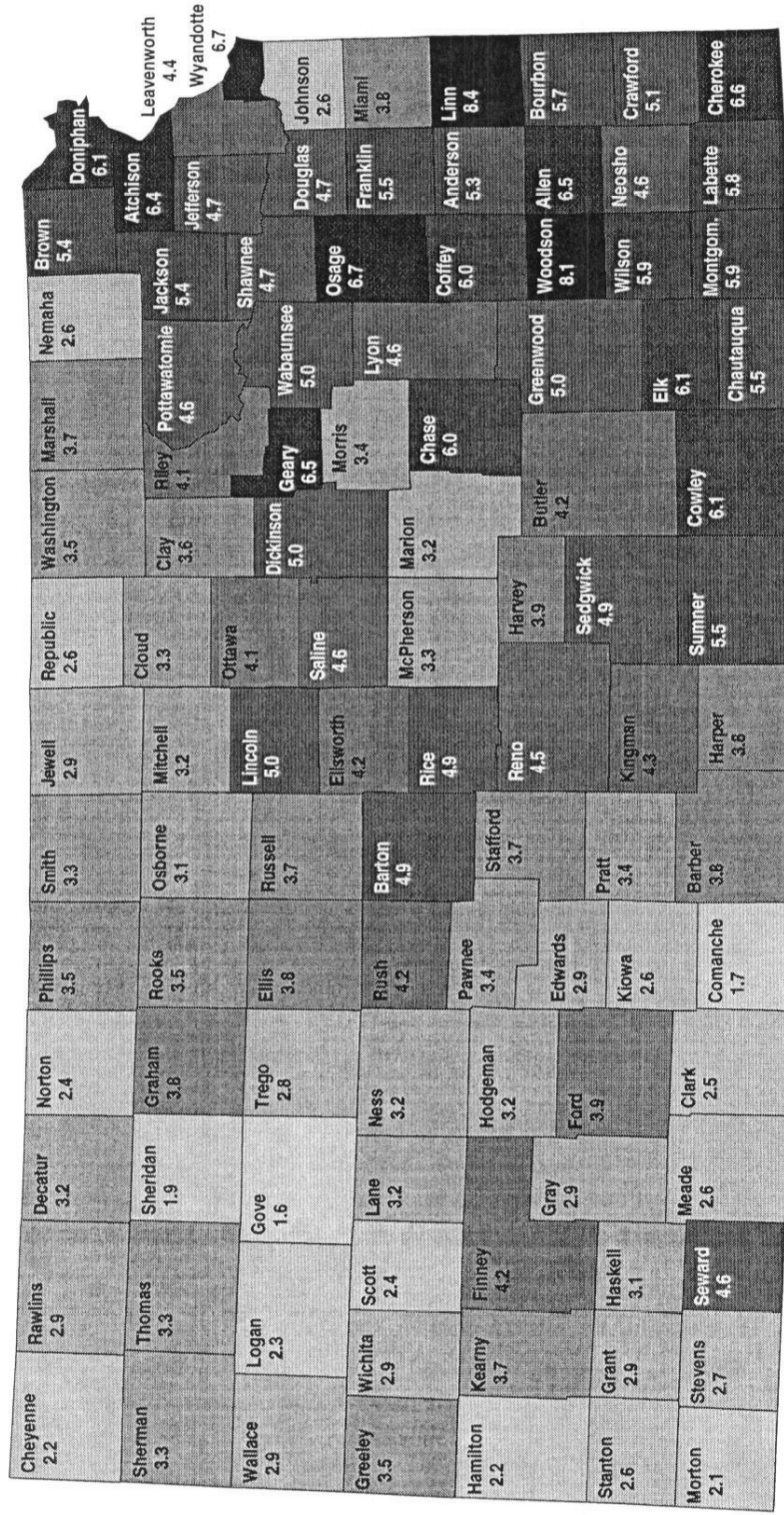
r = revised

* 1996 Average calculated using the first 10 months of 1996.

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

Map 4

Unemployment Rates: 1995



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

Source: Institute for Public Policy and Business Research, The University of Kansas, "Kansas Statistical Abstract, 1995," using data from Kansas Labor Force Estimates Annual Average 1995, Kansas Department of Human Resources, Labor Market Information Services, developed in cooperation with U.S. Bureau of Labor Statistics.

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 \$18,685 in 1994 was \$3,801 lower than the state average and \$7,784 lower than the national average (Table 9).
- Douglas County also had a lower average wage than its comparative counties. All three of the neighboring metropolitan counties (Johnson, Shawnee and Wyandotte) had higher average wages than Douglas County (Table 9).
- Per capita personal income for Douglas County lags behind the state's figures. Douglas County's per capita personal income in 1994 was \$16,785, while Kansas' per capita personal income was \$20,760 (Table 10 and Figure 4).
- Douglas County's Per Capita Personal Income was 82.9 percent of the Per Capita Personal Income for the state in 1984; it was 80.9 percent of the state Per Capita Personal Income in 1994 (Table 10).
- Douglas County has one of the lower per capita personal incomes in the region and in the state (Map 6).

Table 9

Average Wage per Job: 1984 - 1994
Douglas County, Comparative Counties, and Kansas

	Average Wage per Job (Dollars)			Percent Growth	
	<u>1984</u>	<u>1989</u>	<u>1994</u>	<u>1984-1989</u>	<u>1989-1994</u>
Douglas	13,940	15,972	18,685	14.6	17.0
Johnson	17,972	21,940	26,377	22.1	20.2
Shawnee	17,500	20,438	24,176	16.8	18.3
Wyandotte	19,360	23,010	27,713	18.9	20.4
Boone, MO	14,497	17,240	21,128	18.9	22.6
Johnson, IA	14,703	18,559	22,280	26.2	20.0
Larimer, CO	16,184	19,438	23,599	20.1	21.4
Champaign, IL	17,048	17,933	20,704	5.2	15.5
Kansas	16,195	19,030	22,486	17.5	18.2
United States	17,878	22,121	26,469	23.7	19.7

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA34, 1996.

Table 10

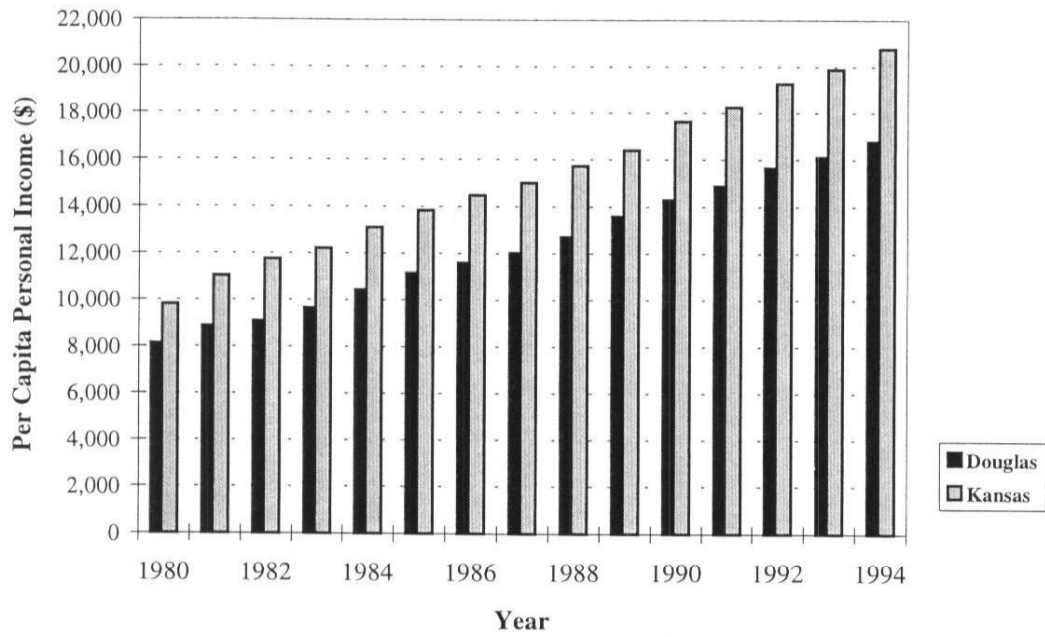
Per Capita Personal Income: 1980 - 1994
Douglas County and Kansas

	<u>Income (\$)</u>			<u>Growth Rates</u>	
	<u>Douglas</u>	<u>Kansas</u>	<u>Douglas/Kansas</u>	<u>Douglas</u>	<u>Kansas</u>
1980	8,146	9,829	82.9 %		
1981	8,893	11,034	80.6	9.2 %	12.3 %
1982	9,096	11,760	77.3	2.3	6.6
1983	9,669	12,192	79.3	6.3	3.7
1984	10,448	13,114	79.7	8.1	7.6
1985	11,133	13,847	80.4	6.6	5.6
1986	11,586	14,472	80.1	4.1	4.5
1987	12,021	15,017	80.0	3.8	3.8
1988	12,705	15,748	80.7	5.7	4.9
1989	13,599	16,399	82.9	7.0	4.1
1990	14,300	17,642	81.1	5.2	7.6
1991	14,875	18,251	81.5	4.0	3.5
1992	15,658	19,261	81.3	5.3	5.5
1993	16,112	19,892	81.0	2.9	3.3
1994	16,785	20,760	80.9	4.2	4.4

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas" Bureau of Economic Analysis, Regional Economic Information System, Table CA5; Local Area Personal Income 1969-94, U.S. Department of Commerce, BEA.

Figure 4

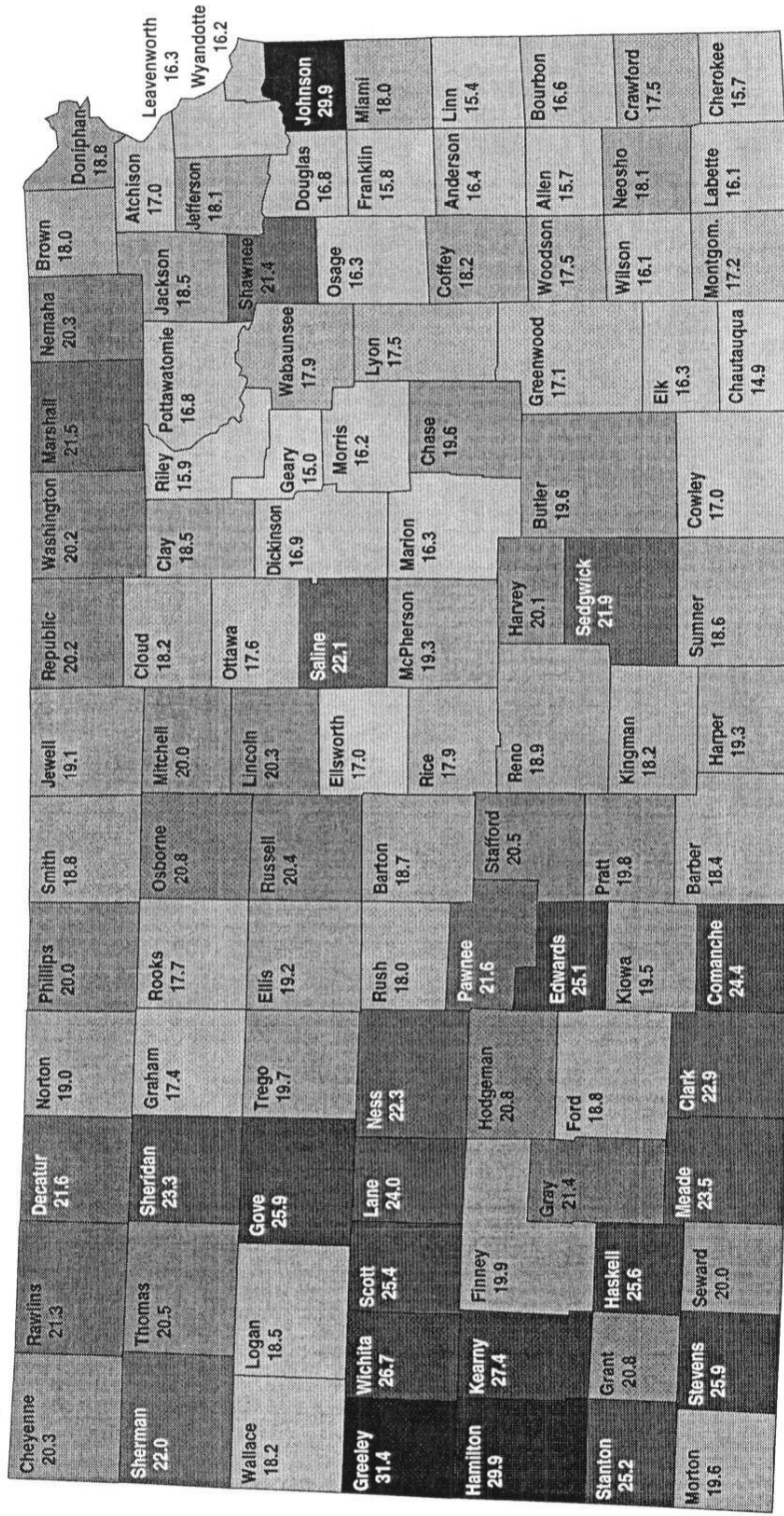
Per Capita Personal Income: 1980 - 1994
Douglas County and Kansas



Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Douglas" Bureau of Economic Analysis, Regional Economic Information System, Table CA5; Local Area Personal Income 1969-94, U.S. Department of Commerce, BEA.

Map 6

Per Capita Personal Income: 1994



Source: Institute for Public Policy and Business Research, The University of Kansas, "Kansas Statistical Abstract 1995"; using data from The U.S. 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 contribution factors include the level of competition, the availability of suppliers and supporting industries, the cost of labor, and taxation and regulation within the community. Some types of establishments will thrive in an environment in which other firms cannot operate profitably.

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.⁴ 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 contains a table and a figure, outlining the retail sales growth rates, and a map illustrating County Trade Pull Factors.

Retail: Key Findings

- Since 1985, retail sales in Douglas County have grown at a rate faster than the state's rate, except for the periods from 1987 to 1988 and 1991 to 1992. From 1991 to 1992, Douglas County's growth rate in Retail Sales was negative 1.1 percent (Table 11 and Figure 5).
- The trade pull factor for Douglas County for 1996 was 1.00, which indicates that the trade it loses to surrounding counties is equal to the trade it gains. Johnson County and Shawnee County with CTPFs of 1.44 and 1.26, respectively, out-performed Douglas County in attracting customers (Map 7)

⁴ Chatura Ariyaratne and David Darling, "County Retail Trade Activity and Changes from 1990 through 1994," *Kansas Business Review*, Vol. 18, No. 3, Spring 1995.

Table 11

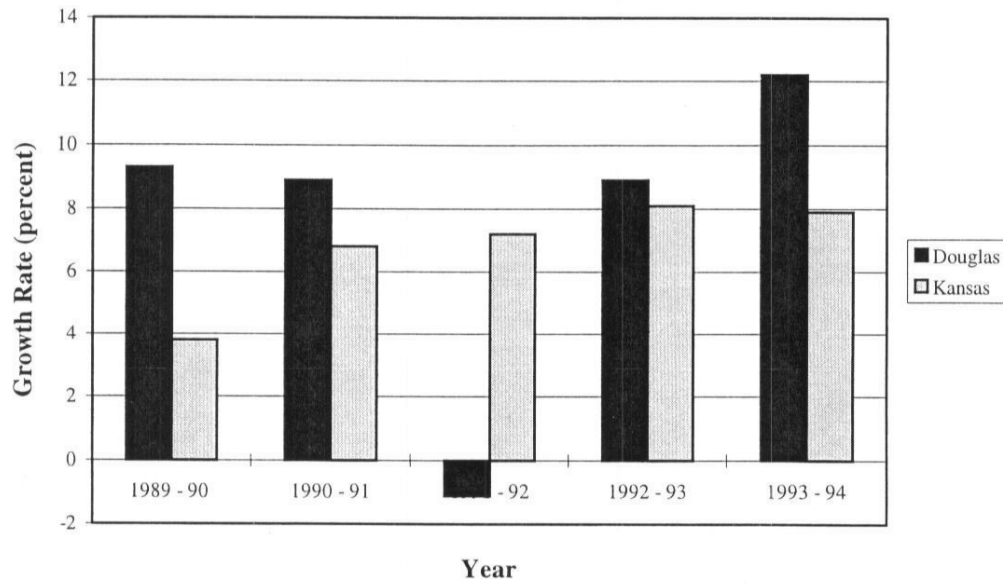
Retail Sales and Growth Rates: 1984 - 1994
 Douglas County and Kansas
 (\$ Millions)

<u>Year</u>	<u>Douglas</u>		<u>Kansas</u>	
	<u>Nominal Sales</u>	<u>Growth Rate</u>	<u>Nominal Sales</u>	<u>Growth Rate</u>
1984	351.3		15,806.8	
1985	383.8	9.3 %	16,299.1	3.1 %
1986	400.8	4.4	16,165.9	-0.8
1987	426.5	6.4	16,746.0	3.6
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	612.5	8.9	23,154.4	8.1
1994	687.0	12.2	24,979.0	7.9

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.

Figure 5

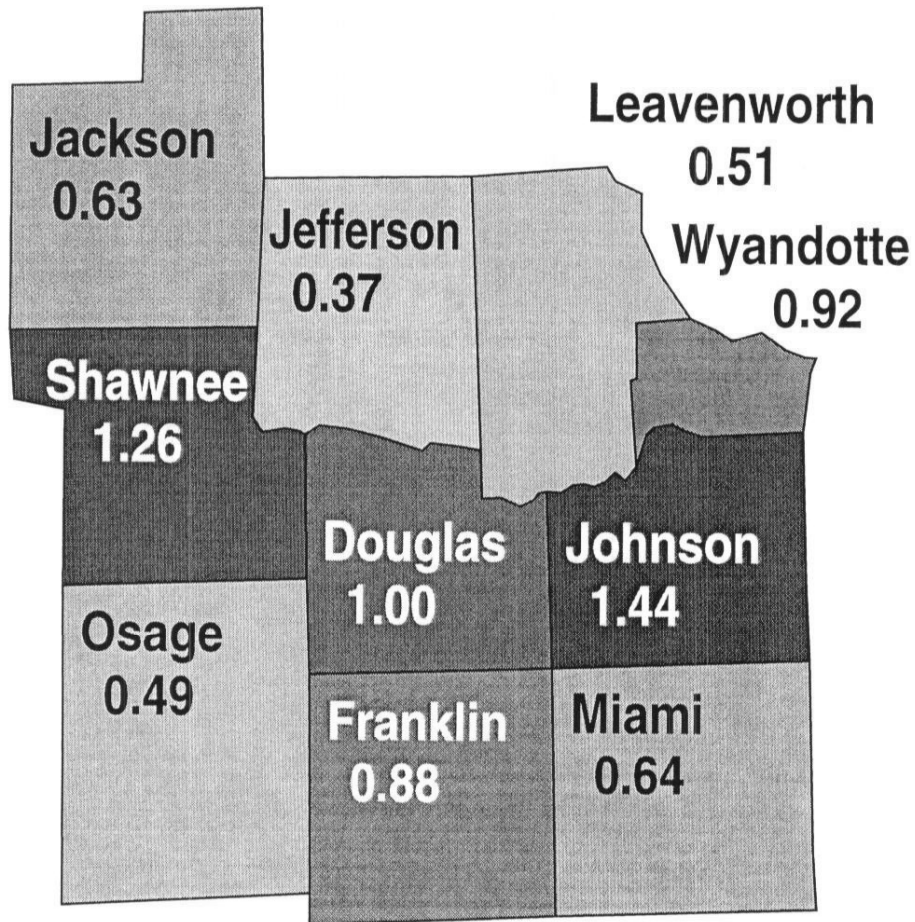
Retail Sales Growth Rates: 1989 - 1994
Douglas County and Kansas



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.

Map 7

County Trade Pull Factors: 1996* Douglas County and Surrounding Counties



* The CTPF for Leavenworth County is the 1995 figure.

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. The CTPF for Leavenworth is 1995.

Source: David Darling and Chatura Ariyaratne, Cooperative Extension Service, Kansas State University, Department of Agricultural Economics, 1997.

AGRICULTURE

The data on agriculture 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. The economic well-being of Douglas County in the past was not dependent on the strength of this industry sector, but it is interesting to look at the level of activity in agriculture and how the character of this industry is changing in the county. The agriculture section contains tables and figures on the total value of field crops and the total value of livestock and poultry.

Agriculture: Key Findings

- The total value of field crops for Douglas County for the 1989 to 1994 time period was highest in 1992. The state totals, on the other hand, have fairly consistently increased over the time interval. Douglas County's business economy is not highly dependent upon field crop production, and it has not been more than 0.74 percent of the state's total value between 1989 and 1994. In 1994, its field crop value ranked 86th out of the 105 counties in Kansas, having increased rank from 87th position in 1993 (Table 12).
- The value of livestock and poultry varies from year to year, having declined from 0.53 percent of Kansas' total value in 1989 to 0.41 percent of Kansas' total value in 1994. Douglas county's rank in value of livestock and poultry has steadily declined from 77th out of 105 counties in 1989 to 92nd in 1994 (Table 13).

Table 12

Total Value of Field Crops: 1989 - 1994
Douglas County and Kansas

	Total Value of Field Crops* (\$1,000's)					
	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
Douglas	17,020	16,354	15,123	21,955	14,993	19,949
Kansas	2,310,335	2,728,644	2,578,640	2,988,468	3,014,079	3,555,000
Crop Price Index+	124	103	99	97	101	113
County Rank	66	81	80	71	87	86
<i>As a Percent of Kansas:</i>	0.74	0.60	0.59	0.73	0.50	0.56
Percent Change:		<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
Douglas		-3.91	-7.53	45.18	-31.71	33.06
Kansas		18.11	-5.50	15.89	0.86	17.95

+ Since 1975, index numbers are on 1990-1992 = 100 base.

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

Source: Kansas Agricultural Statistics, Kansas Department of Statistics; Kansas Farm Facts; Kansas County Profile Report, KCCED, The University of Kansas, 1996; KCCED calculations.

Table 13

Total Value of Livestock and Poultry: 1989 - 1994
Douglas County and Kansas

	Total Value of Livestock and Poultry (\$1,000's)					
	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
Douglas	14,133	15,260	13,902	12,639	13,493	12,260
Kansas	2,651,606	2,928,822	2,856,751	2,758,569	2,873,600	2,966,198
Livestock & Products Price Index+	96	103	99	98	101	91
County Rank	77	79	79	86	85	92
As a Percent of Kansas:	0.53	0.52	0.49	0.46	0.47	0.41
Percent Change:		<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
Douglas		7.97	-8.90	-9.09	6.76	-9.14
Kansas		10.45	-2.46	-3.44	4.17	3.22

+ Since 1975, index numbers are on 1990-1992 + 100 base.

Source: Kansas Agricultural Statistics, Kansas Department of Statistics; Kansas Farm Facts; Kansas County Profile Report, KCCED, The University of Kansas, 1996; KCCED calculations.

EDUCATION

Education is another key to a strong community. Residents who have a strong educational background will be more employable and command higher salaries. Employers will benefit as well because they will most likely experience lower turnover and training costs. Individuals with lower education levels have a harder time finding jobs that can supply a living wage and may be more likely to use social services, such as food stamps.

Education: Key Findings

- Douglas County is the home of the University of Kansas, Baker University, and Haskell Indian Nations University. Therefore, it is not surprising to find that the education level of the county's population was greater than the state's average in 1990 (Table 14).
- 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 14).
- The number of persons with graduate degrees also is 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 14).
- The percentage of Lawrence and Douglas County population with associate degrees is slightly below the percentage for Kansas, which would tend to indicate that the county may be lacking in technically trained workers (Table 14).

Table 14

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

	<u>Completed Less Than 9th Grade</u>	<u>9-12th Grade No Diploma</u>	<u>High School Graduate</u>	<u>Some College</u>	<u>Associate Degree</u>	<u>Bachelor's Degree</u>	<u>Graduate Degree</u>	<u>Population Over 25</u>
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	
Douglas	3.8	7.3	25.2	21.2	4.0	21.7	16.7	
Kansas	7.7	11.0	32.8	21.9	5.4	14.1	7.0	

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

CONCLUSION

The use of data in economic development is important because it assists a community in “taking stock” and understanding its current situation across several different areas of economic and demographic performance. However, data alone do not lead to a well-founded understanding of the community. Data must be analyzed and interpreted, taking into account the intuition of those within the community as to what the trends really mean. In other words, data serve as the foundation for analysis which concludes: 1) what is happening in the community relative to other regions over time, and 2) what potential impacts or consequences can be inferred from the data. The data in this report suggest the following interpretation.

Douglas County has a highly educated adult population, low unemployment rates, strong employment increases in most sectors, particularly services, retail trade, and government and government services. The data also show that small firms, those with fewer than 19 employees, are very important to the county’s economy. Despite the high growth rates in job creation, the average wage for Douglas County has 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 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 center 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.