

THE UNIVERSITY OF KANSAS
Kansas Center for Community Economic Development
Institute for Public Policy and Business Research
TECHNICAL REPORT SERIES

Economic Trends: Neosho County

Prepared by

Matt Waddill
Graduate Research Assistant
KCCED

and

Cade Hobbick
Graduate Research Assistant
KCCED

and

Genna Ott
Assistant Director
KCCED

November 1997
Report No. 37

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 Chanute Area Chamber of Commerce. Dr. Krider is Director of the Institute for Public Policy and Business Research (IPPBR) and Co-Director of the Kansas Center for Community Economic Development (KCCED) at the University of Kansas.

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

Table of Contents

Introduction	1
Population	1
Table 1. Population Totals, Growth Rates: 1890 – 1996	4
Table 2. Population Growth Rates: 1950 – 1996	5
Figure 1. Rates of Population Change: 1950 – 1996	6
Map 1. Percent Population Change.....	7
Map 2. Percent Net Migration: 1980 – 1990.....	8
Employment	9
Table 3. Employment Growth Rates: 1985 – 1995	11
Figure 2a. Employment Growth Rates: 1985 – 1990	12
Figure 2b. Employment Growth Rates: 1985 – 1990	13
Table 4. Number of Firms: 1984 – 1994.....	14
Table 5. Percentage of Distribution of Firms: 1984 and 1994	14
Table 6a. Employment Levels by Industry: 1985 and 1995	15
Table 6b. Employment Levels by Industry: 1985 and 1995	16
Figure 3. Change in Employment Level: 1985 – 1995	17
Map 3. Labor Force Participation: 1990	18
Map 4. Unemployment Rates: 1996	19
Map 5. Change in Employment: 1990 – 1996.....	20
Earnings and Income	21
Table 7. Average Wage per Job: 1985 – 1995	22
Table 8. Per Capita Personal Income: 1980 – 1995.....	23
Figure 4. Per Capita Personal Income: 1980 – 1995	24
Map 6. Per Capita personal Income: 1994	25
Retail	26
Table 9. Retail Sales and Growth Rates: 1984 – 1994	27
Figure 5. Retail Sales Growth Rates: 1989 – 1994.....	28
Map 7. County Trade Pull Factors: 1996.....	29
Agriculture and Oil Production	30
Table 10. Total Value of Field Crops: 1990 – 1995	31
Table 11. Total Value of Livestock and Poultry: 1990 – 1995	32
Table 12. Oil Production and Growth Rates: 1991 – 1995	33
Education and Social Environment	34
Table 13. Educational Attainment of Persons over 25: 1990.....	35
Table 14. High School Dropout Rates: 1991 – 1996.....	36
Table 15. Poverty Status: 1979 –1989	37
Table 16. Crime Offenses and Growth Rates: 1990 – 1994	38
Conclusion	39

Economic Trends: Neosho County

Introduction

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 about what the overall trends really mean. In other words, data serve as the foundation for an analysis which includes: 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.

This report looks at the following key demographic and economic variables:

- Population,
- Employment,
- Earnings and Income,
- Retail Trade,
- Agriculture, and
- Education.

Throughout the report, Neosho County’s performance is compared with the performance of the State of Kansas and Selected Counties.¹ It is by no means a comprehensive analysis of economic trends facing Neosho County but rather an overview of some key economic and demographic variables.

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 Neosho County’s population relative to the state’s

¹ “Selected Counties” are Cherokee, Crawford, Labette, Montgomery, and Wilson counties in Kansas. Craig, Nowata, Ottawa, and Washington counties in Oklahoma.

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

- Neosho County's population peaked in 1920 at 24,000 people. The decade from 1980 to 1990 showed the most severe population decline at ten percent since the eight percent decline of 1940 to 1950. The decade of greatest population growth for the county was the 1910's at 23 percent (Table 1). Population is projected to continue to decrease for every decade approaching the year 2020² (Table 1).
- Neosho County experienced a 0.8 percent population increase during the 1970's followed by a sharp population decrease of 10.2 percent in the 1980's (Table 1).
- Population estimates from 1990 to 1996 show the counties population stabilizing after significant declines in the 1980's, with a 0.8 percent decline estimated (Table 2).
- Neosho County's population growth during the 1970's lagged behind Kansas' and the US's. Kansas and the U.S. experienced positive growth during the 1980's while Neosho County's population declined. Most of the counties in the region also experienced the same lagging pattern of population growth compared to Kansas and the U.S. Cherokee County is the only county in the region with growth estimates from 1990 to 1996 greater than Kansas. None of the selected counties had growth estimates greater than the U.S. for the time period (Table 2 and Figure 1).

² Floerchinger, Teresa D., "Kansas Population Projections 1990 - 2030," Kansas Division of the Budget, September 1992.

- Most of the counties in the southeastern portion of the state experienced declining populations during the 1980's (Map 1).
- During the 1980's, most of the counties in Kansas, particularly the rural counties, experienced a negative net migration. Neosho County experienced a negative 12.6 percent net migration from 1980 to 1990 (Map 2).

Table 1

Population Totals, Growth Rates, Rank & Share
 Actual 1890 - 1990, Estimates 1991 - 1996, Projections 2000 - 2020

<u>Year</u>	<u>Neosho 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	18,561		1,427,096		30	1.3
1900	19,254	3.7 %	1,470,495	3.0 %	29	1.3
1910	23,754	23.4	1,690,949	15.0	19	1.4
1920	24,000	1.0	1,769,257	4.6	16	1.4
1930	22,665	-5.6	1,880,999	6.3	21	1.2
1940	22,210	-2.0	1,801,028	-4.3	21	1.2
1950	20,348	-8.4	1,905,299	5.8	24	1.1
1960	19,455	-4.4	2,178,611	14.3	28	0.9
1970	18,812	-3.3	2,249,071	3.2	29	0.8
1980	18,967	0.8	2,364,236	5.1	28	0.8
1990	17,035	-10.2	2,477,588	4.8	29	0.7
1991*	17,111	0.4	2,491,618	0.6	29	0.7
1992*	17,009	-0.6	2,513,609	0.9	29	0.7
1993*	17,010	0.0	2,531,637	0.7	30	0.7
1994*	17,120	0.6	2,549,972	0.7	30	0.7
1995*	17,043	-0.4	2,563,618	0.5	31	0.7
1996*	16,893	-0.88	2,572,150	0.33	31	0.66
2005**	15,444	-8.58	2,604,664	1.26	n/a	0.59
2010**	15,014	-2.78	2,645,887	1.58	n/a	0.57
2015**	14,790	-1.49	2,688,165	1.60	n/a	0.55
2020**	14,652	-0.93	2,723,689	1.32	n/a	0.54

* Estimation.

** Projection.

Source: Population Totals: U.S. Bureau of the Census, Fifteenth Census of the United States, 1930, Vol. 1; "Census of Population, 1960: Number of Inhabitants; 1980 Census of Population," Vol. 1, Chapter A, Part 18; "1990 Decennial Census," mimeographed sheet; Population Estimates, and Population Distribution Branches, U.S. Bureau of the Census; 1996 Population Estimates for Counties, Population Estimates Branch, U.S. Bureau of the Census 1997. Calculations: IPPBR.

Table 2

Population Growth Rates (percent): 1950 - 1996
Neosho 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 - 96*</u>
Neosho	-4.4 %	-3.3 %	0.8 %	-10.2 %	-0.8 %
Cherokee	-11.4	-3.3	3.5	-4.2	5.3
Crawford	-8.0	2.2	0.2	-6.2	2.1
Labette	-8.5	-3.8	-0.4	-7.7	-3.5
Montgomery	-3.2	-11.2	5.8	-8.2	-3.6
Wilson	-11.7	-13.5	7.2	-15.2	0.6
Craig, OK	-10.7	-9.7	2.0	-6.4	2.7
Nowata, OK	-14.8	-9.9	17.5	-13.4	-1.0
Ottawa, OK	-12.2	5.3	10.3	-7.0	-0.8
Washington, OK	28.8	-0.2	13.8	0.4	-1.8
Kansas	14.3	3.2	5.1	4.8	3.7
United States	18.5	13.4	11.5	9.7	6.4

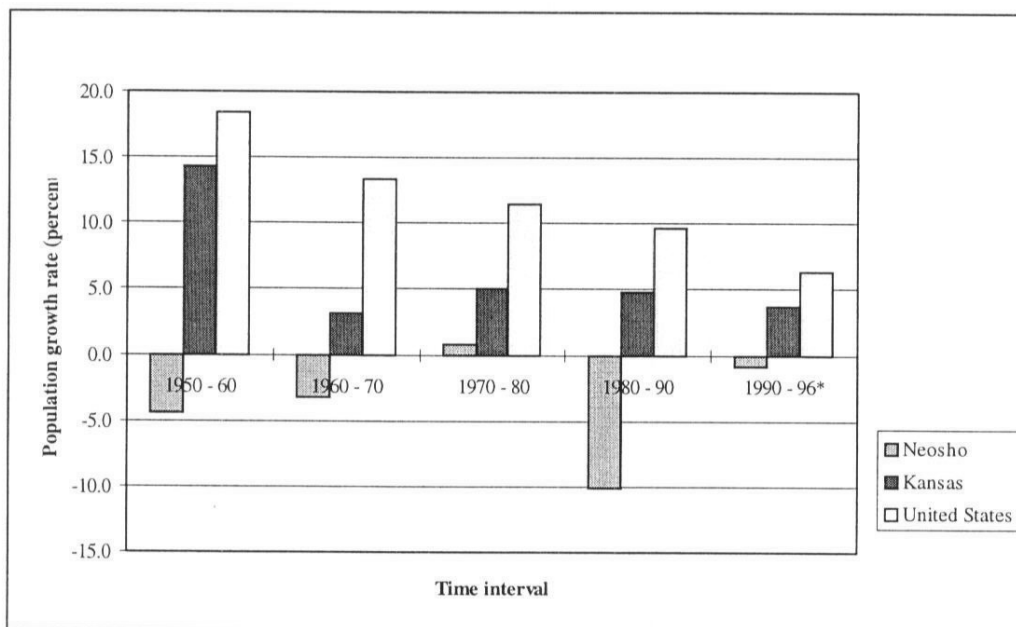
* 1996 Population Estimate.

** This is a six-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 Neosho County, 1997." 1990-1996 estimates: U.S. Bureau of the Census Abstract 1997. U.S. Calculations by IPPBR, based on Population estimates: U.S. Bureau of the Census Abstract 1997. Calculations: IPPBR.

Figure 1

**Population Growth Rates
Neosho County, Kansas, and U.S., 1950-1996**



* This is a six-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 Neosho County, 1997." 1990-1996 estimates: U.S. Bureau of the Census Abstract 1997. U.S. Calculations by IPPBR, based on Population estimates: U.S. Bureau of the Census Abstract 1997. 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

- From 1990 to 1995, Neosho County experienced an increase in employment (place of Work) of 8.1 percent. For the same time period, Kansas and the U.S. experienced an increase in employment of 8.7 percent and 6.7 percent respectively (Table 3 and Figure 2a).
- The total number of firms in Neosho County declined by 9.7 percent from 1984 to 1994, while the total number of firms in the state increased by 7.4 percent. The decline in number of firms occurred mainly in firms with fewer than 100 employees. The number of firms with more than 100 employees grew at 20 percent while the comparable state rate was 50 percent (Table 4).
- The majority of firms in Neosho County, as in Kansas, are small firms employing fewer than 20 people (Table 5).
- Total employment for Neosho County grew by 4.4 percent in the years 1985 to 1995 compared to an increase of 17.3 percent for Kansas during the same time period. The greatest number of jobs were created in the Construction sector, which saw an increase of 51.4 percent in number of people employed from 1985 to 1995. Wholesale trade and Services also experienced strong employment increases of 28.9 and 22.6 percent respectively (Table 6a).
- For non-farm employment, the greatest number of jobs lost were in the Mining sector with a 63.7 percent decrease in number of people employed and the Transportation sector with a decrease of 19.5 percent (Table 6a).

- Farm employment for Neosho County decreased by 12.7 percent (or a loss of 119 people employed) from 1985 to 1995, which was less than the state's 16.8 percent decrease (Table's 6a & 6b).
- At 61.2 percent, Neosho County had one of the higher labor force participation rates in its region, indicating that employers may have difficulty supplying workers when additional jobs are created (Map 3).
- The unemployment rate for Neosho County in 1996 was 4.7 percent, which is comparable to the state's unemployment rate of 4.5 percent for 1996³ (Map 4).
- Employment data based on place of residence shows an employment decline of 1.3 percent for Neosho County from 1990 to 1996 (Map 5).

³ Source: Institute for Public Policy and Business Research, The University of Kansas, "Kansas Statistical Abstract, 1996," using data from Kansas Labor force Estimates annual Average 1996, Kansas Department of Human Resources, Labor Market Information Services.

Table 3

Employment Growth Rates: 1985 - 1995
 Neosho County, Selected Counties, Kansas, and United States

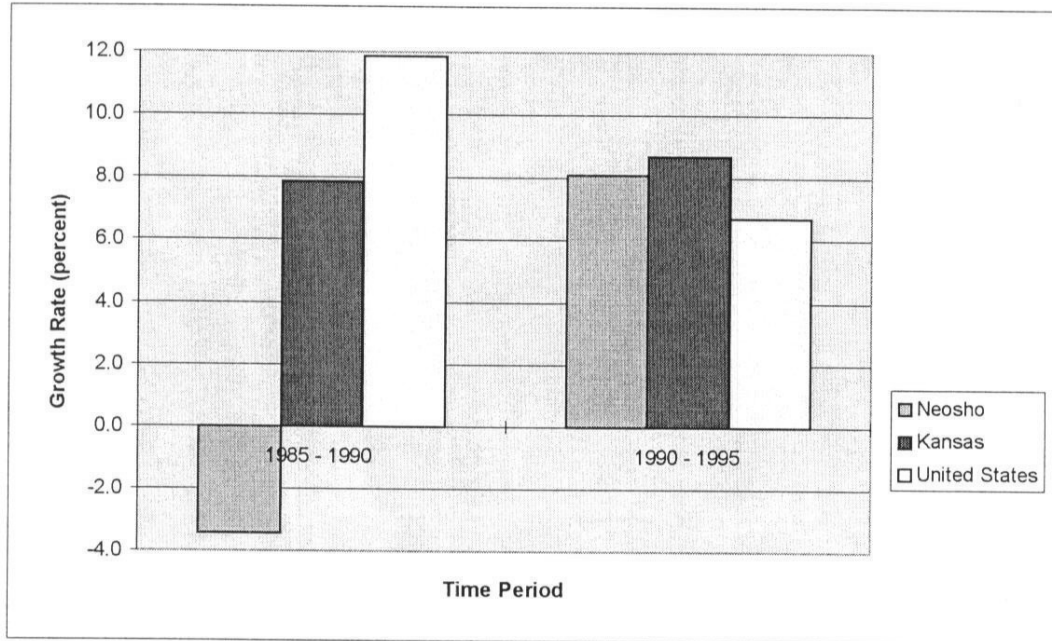
	<u>Average Annual Employment</u>			<u>% Employment Growth</u>	
	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>1985 to 1990</u>	<u>1990 to 1995</u>
Neosho	10,672	10,305	11,141	-3.4 %	8.1 %
Cherokee	8,268	8,614	9,433	4.2	9.5
Crawford	16,679	18,484	21,340	10.8	15.5
Labette	13,163	13,620	13,115	3.5	-3.7
Montgomery	20,286	21,358	22,319	5.3	4.5
Wilson	5,529	5,013	5,488	-9.3	9.5
Craig, OK	7,467	7,725	8,361	3.5	8.2
Nowata, OK	3,863	3,844	3,746	-0.5	-2.5
Ottawa, OK	13,984	13,047	13,805	-6.7	5.8
Washington, OK	28,895	26,323	23,529	-8.9	-10.6
Kansas	1,381,256	1,489,960	1,619,784	7.9	8.7
United States	125,050,100	139,891,300	149,290,100	11.9	6.7

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

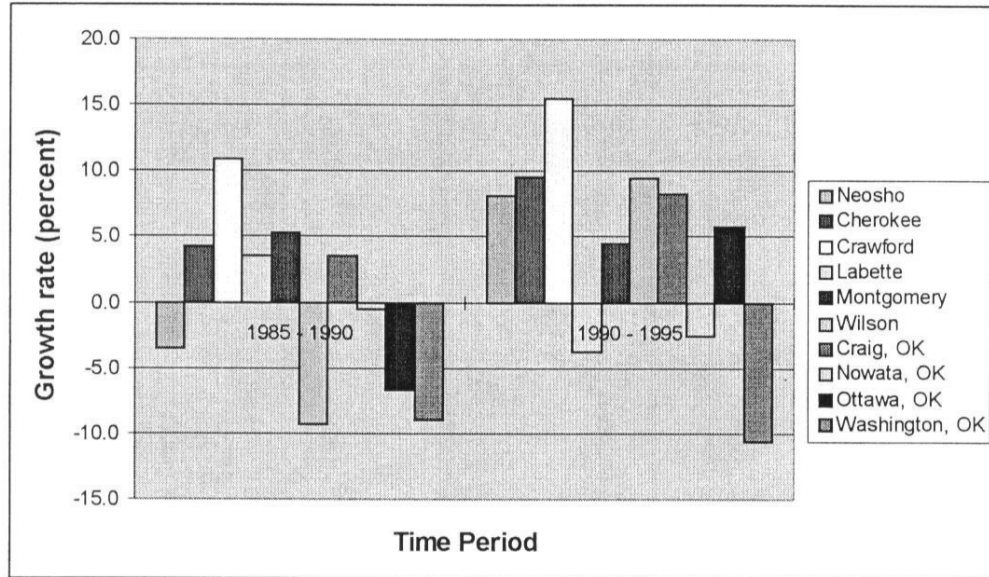
Employment Growth Rates: 1985 - 1990 and 1990 - 1995
Neosho County, Kansas, and United States



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: 1985 - 1990 and 1990 - 1995
Neosho County and Selected Counties



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

Table 4

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

Employees	Neosho			Kansas		
	1984	1994	% Change	1984	1994	% Change
1 -- 19	530	474	-10.6 %	58,092	60,903	4.8 %
20 -- 99	49	46	-6.1	6,015	7,560	25.7
100 -- 499	10	12	20.0	820	1,230	50.0
500+	0	0	n/a	88	129	46.6
Total	589	532	-9.7%	65,015	69,822	7.4

Source: U.S. Bureau of the Census, "County Business Patterns, 1995" and Kansas Center for Community Economic Development Summary for Neosho County 1997.

Table 5

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

Employees	Neosho		Kansas	
	1984	1994	1984	1994
1 -- 19	90.0 %	89.1 %	89.4 %	87.2 %
20 -- 99	8.3	8.6	9.3	10.8
100 -- 499	1.7	2.3	1.3	1.8
500+	0.0	0.0	0.1	0.2

Source: U.S. Bureau of the Census, "County Business Patterns, 1995" and Kansas Center for Community Economic Development Summary for Neosho County 1997.

Table 6 a

Employment Levels by Industry: 1985 and 1995
Neosho County

Industry	Neosho			As a Percent of Total Employment		
	1985	1995	Change in Employment	% Change in Employment	1985	1995
Ag. Services	101	100	-1	-1.0 %	0.9 %	0.9 %
Mining	917	333	-584	-63.7	8.6	3.0
Construction	479	725	246	51.4	4.5	6.5
Manufacturing	2,222	2,356	134	6.0	20.8	21.1
Transportation	400	322	-78	-19.5	3.7	2.9
Wholesale Trade	429	553	124	28.9	4.0	5.0
Retail Trade	1,344	1,612	268	19.9	12.6	14.5
Finance, Insur., Real Est.	537	472	-65	-12.1	5.0	4.2
Services	1,746	2,141	395	22.6	16.4	19.2
Gov't. and Gov't. Services	1,562	1,711	149	9.5	14.6	15.4
Subtotal -- Non-Farm	9,737	10,325	588	6.0		
Farm Employment	935	816	-119	-12.7	8.8	7.3
Total Employment	10,672	11,141	469	4.4	100 %	100 %

Note: Employment by place of work.

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Neosho County 1997," Bureau of Economic Analysis, Regional Economic Information System, Table CA.25.

Table 6 b

Employment Levels by Industry: 1985 and 1995
Kansas

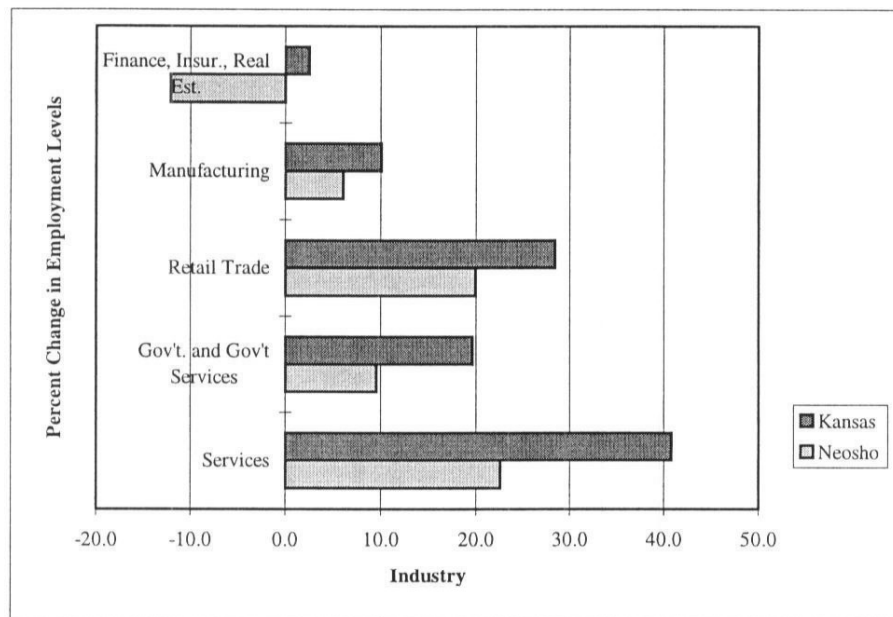
Industry	Kansas			As a Percent of Total Employment	
	1985	1995	Change in Employment	1985	1995
Ag. Services	10,270	18,986	8,716	0.7 %	1.2 %
Mining	52,573	26,881	-25,692	3.8	1.7
Construction	66,139	77,895	11,756	4.8	4.8
Manufacturing	179,124	197,144	18,020	13.0	12.2
Transportation	73,679	78,309	4,630	5.3	4.8
Wholesale Trade	70,353	78,905	8,552	5.1	4.9
Retail Trade	212,159	272,498	60,339	15.4	16.8
Finance, Insur., Real Est.	97,826	100,265	2,439	7.1	6.2
Services	295,321	415,717	120,396	21.4	25.7
Gov't. and Gov't. Services	229,824	275,019	45,195	16.6	17.0
Subtotal -- Non-Farm	1,287,268	1,541,619	254,351		
Farm Employment	93,988	78,165	-15,823	6.8	4.8
Total Employment	1,381,256	1,619,784	238,528	100 %	100 %

Note: Employment by place of work.

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Neosho County 1997," Bureau of Economic Analysis, Regional Economic Information System, Table CA.25.

Figure 3

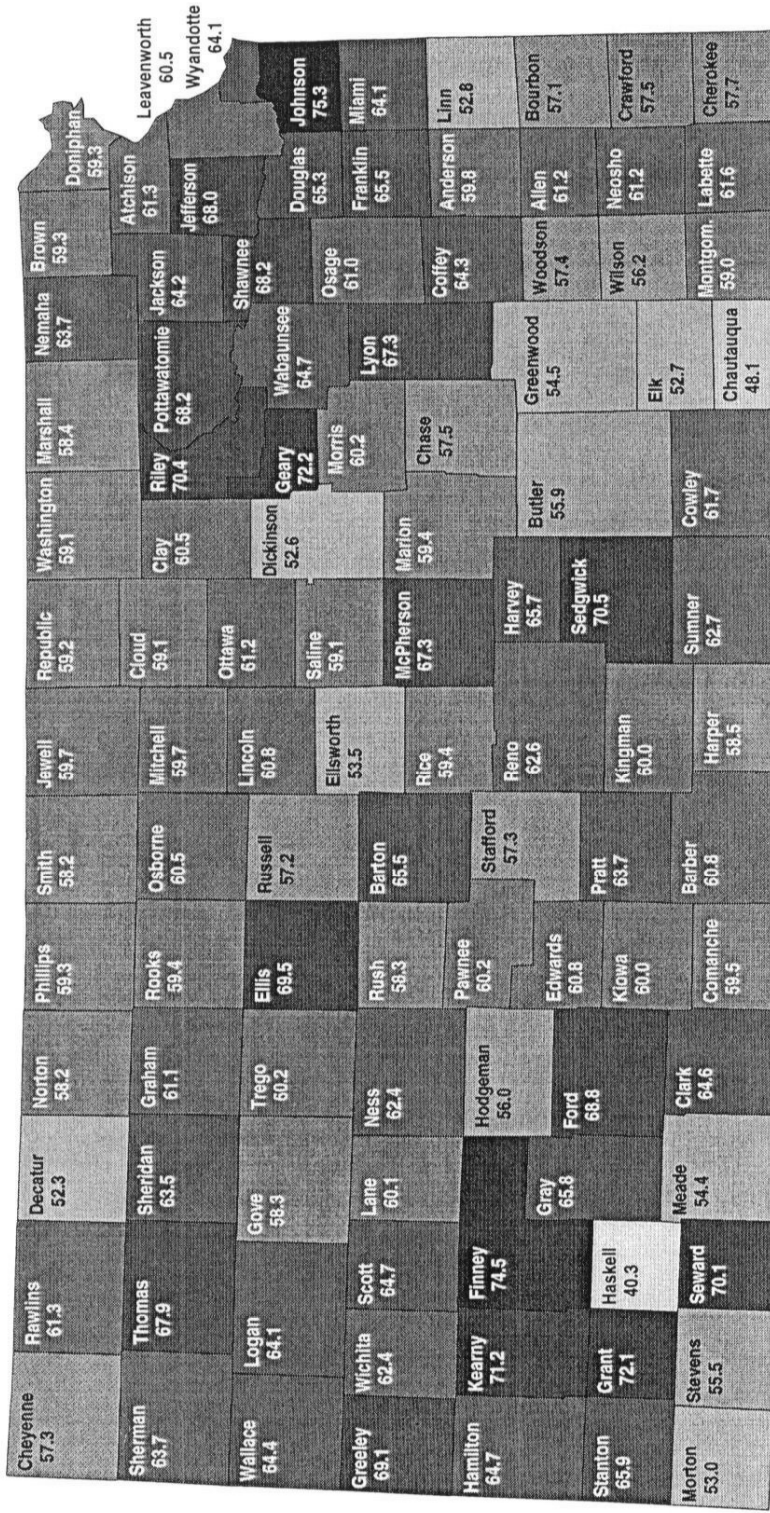
Change in Employment Level by Selected Industry: 1985 - 1995
Neosho County and Kansas



Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Neosho County 1997" Bureau of Economic Analysis, Regional Economic Information System, Table CA25.

Map 3

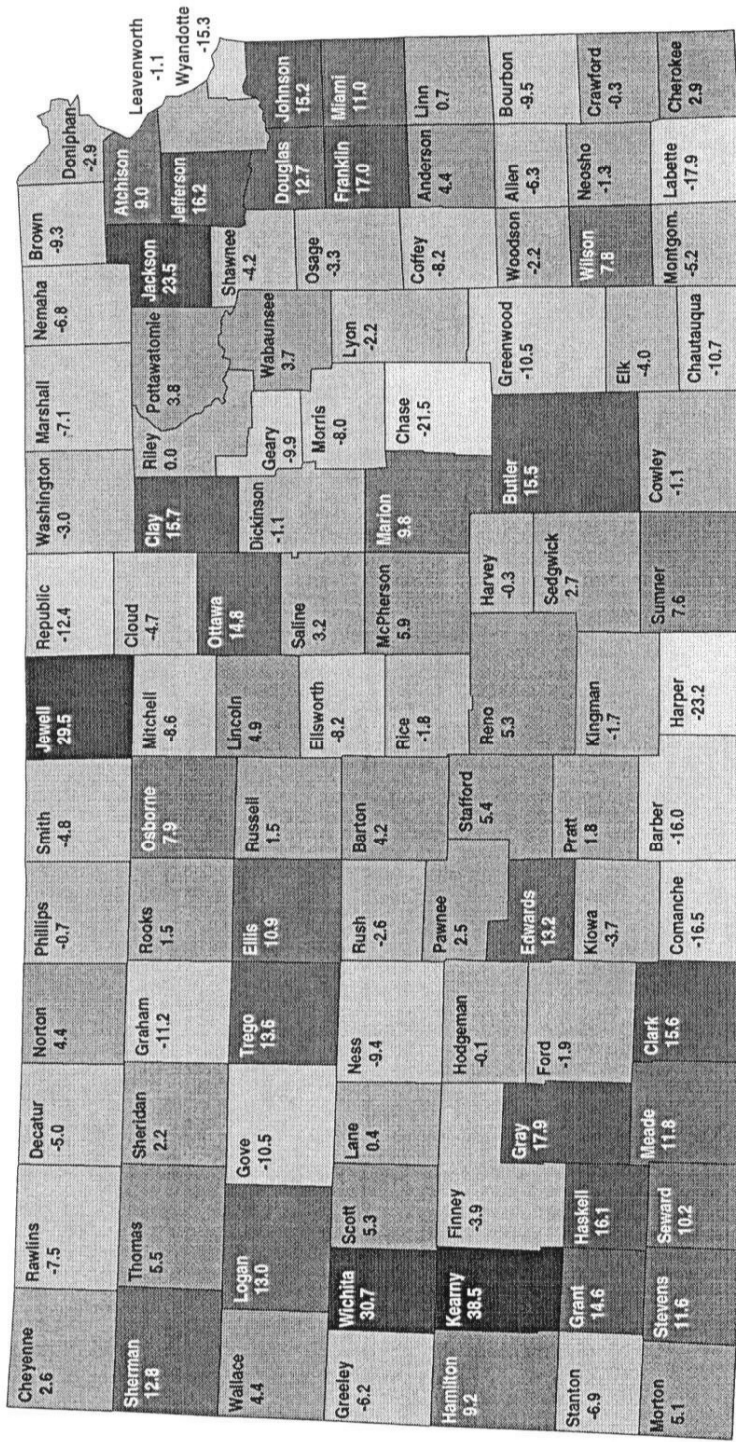
Labor Force Participation: 1990



Source: 1990 U.S. Census.

Map 5

Change in Employment (percent): 1990 - 1996



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

- From 1985 to 1995, the average wage per job for Neosho County was consistently lower than the state and national averages. The average wage per job for Neosho County at \$18,311 in 1995 was \$4,908 lower than the state average and \$9,108 lower than the national average (Table 7).
- Per capita personal income for Neosho County lags behind the state's figures. Neosho County's per capita personal income in 1995 was \$18,467, while Kansas' per capita personal income was \$21,781 (Table 8 and Figure 4).
- Neosho County's per capita personal income was 86.5 percent of the per capita personal income for the state in 1985; it was 84.8 percent of the state per capita personal income in 1995 (Table 8).

Table 7

Average Wage per Job: 1985 - 1995
 Neosho County, Comparative Counties, and Kansas

	Average Wage per Job (Dollars)			Percent Growth	
	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>1985-1990</u>	<u>1990-1995</u>
Neosho	14,603	15,569	18,311	6.6	17.6
Cherokee	13,834	16,388	19,294	18.5	17.7
Crawford	14,118	16,001	17,748	13.3	10.9
Labette	15,295	17,005	19,162	11.2	12.7
Montgomery	15,369	17,642	19,450	14.8	10.2
Wilson	14,130	16,131	19,992	14.2	23.9
Craig, OK	15,680	16,812	18,996	7.2	13.0
Nowata, OK	13,170	13,576	16,422	3.1	21.0
Ottawa, OK	15,836	14,953	17,230	-5.6	15.2
Washington, OK	23,902	26,204	27,465	9.6	4.8
Kansas	16,893	19,868	23,219	17.6	16.9
United States	18,851	23,430	27,419	24.3	17.0

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

Table 8

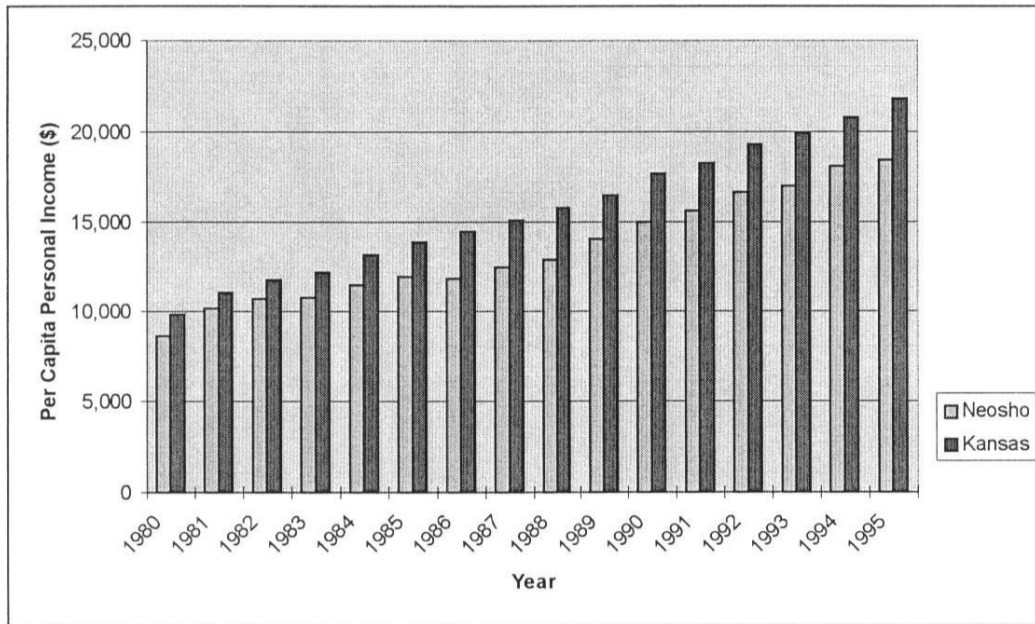
Per Capita Personal Income: 1980 - 1995
Neosho County and Kansas

	<u>Income (\$)</u>			<u>Growth Rates</u>	
	<u>Neosho</u>	<u>Kansas</u>	<u>Neosho/Kansas</u>	<u>Neosho</u>	<u>Kansas</u>
1980	8,652	9,829	88.0 %		
1981	10,178	11,034	92.2	17.6 %	12.3 %
1982	10,698	11,760	91.0	5.1	6.6
1983	10,848	12,192	89.0	1.4	3.7
1984	11,532	13,114	87.9	6.3	7.6
1985	11,980	13,847	86.5	3.9	5.6
1986	11,878	14,472	82.1	-0.9	4.5
1987	12,498	15,017	83.2	5.2	3.8
1988	12,928	15,748	82.1	3.4	4.9
1989	14,047	16,399	85.7	8.7	4.1
1990	14,939	17,642	84.7	6.4	7.6
1991	15,543	18,251	85.2	4.0	3.5
1992	16,590	19,261	86.1	6.7	5.5
1993	16,952	19,892	85.2	2.2	3.3
1994	18,065	20,760	87.0	6.6	4.4
1995	18,467	21,781	84.8	2.2	4.9

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Neosho" Bureau of Economic Analysis, Regional Economic Information System, Table CA5; Local Area Personal Income 1969-95, U.S. Department of Commerce, BEA.

Figure 4

Per Capita Personal Income: 1980 - 1995
Neosho County and Kansas



Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Neosho" Bureau of Economic Analysis, Regional Economic Information System, Table CA5; Local Area Personal Income 1969-95, U.S. Department of Commerce, BEA.

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

- Retail sales varied from year to year; however, in general, Neosho County experienced steady improvement in retail sales growth after losses in 1985 and 1986. Retail sales growth rates for Kansas in the same time period 1984 to 1994 have been positive all years except 1986 (Table 9).
- The trade pull factor for Neosho County for 1996 was 0.9, which indicates that the county is losing retail customers to surrounding counties. The pull factors for adjacent Crawford County is also 0.9, indicating the same trade-pull influence. The other surrounding counties, however, all appear to be losing retail sales to "out-shopping" (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 9

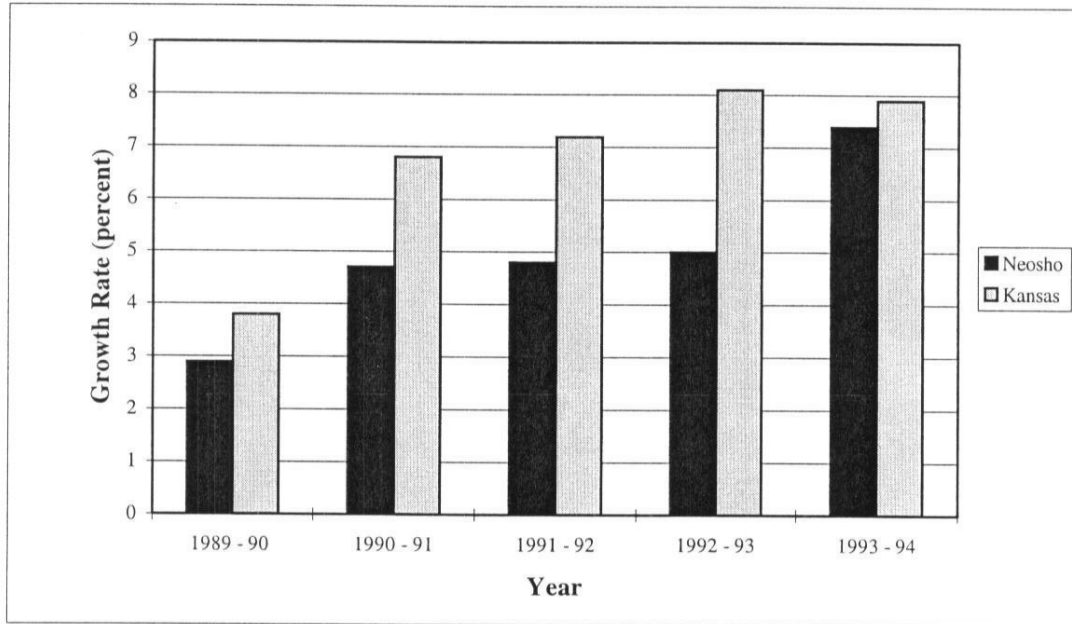
Retail Sales and Growth Rates: 1984 - 1994
Neosho County and Kansas
(\$ Millions)

Year	Neosho		Kansas	
	Nominal Sales	Growth Rate	Nominal Sales	Growth Rate
1984	106.9		15,806.8	
1985	98.5	-7.9 %	16,299.1	3.1 %
1986	93.2	-5.4	16,165.9	-0.8
1987	93.2	0.0	16,746.0	3.6
1988	95.1	2.0	17,548.0	4.8
1989	96.6	1.6	18,034.4	2.8
1990	99.4	2.9	18,723.3	3.8
1991	104.1	4.7	19,988.0	6.8
1992	109.1	4.8	21,421.3	7.2
1993	114.6	5.0	23,154.4	8.1
1994	123.1	7.4	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

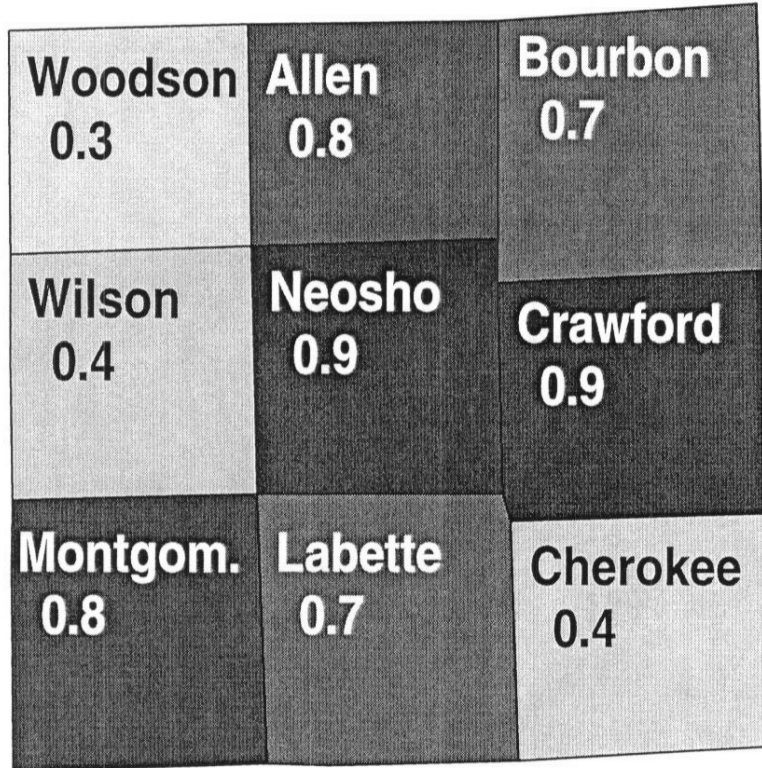
Retail Sales Growth Rates: 1989 - 1994
Neosho County and Kansas



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 Neosho County and Surrounding Counties



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

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

AGRICULTURE AND OIL PRODUCTION

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 Neosho 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

- While the value of field crops in Neosho County has fluctuated from 1990 to 1995, the trend has generally been a positive one. In 1990, the value was \$14.9 million and in 1995 it was \$16.1 million (Table 10).
- Neosho County's rank in value of field crops has remained fairly steady rising from 89th out of 105 counties in 1990 to 88th in 1995 (Table 10).
- The value of livestock and poultry for Neosho County has varied from 1990 to 1995. In 1990, the value was \$17.6 million and in 1995 it was \$15.7 million (Table 11).
- Though the value of livestock and poultry in Neosho County has varied from 1990 to 1995, Neosho County's rank in value of livestock and poultry has remained fairly stable rising from 65th out of 105 counties in 1990 to 63rd in 1995 (Table 11).
- The value of Neosho County's oil production has steadily declined from 1991 to 1995, having fallen 37.7 percent from 1991 to 1993 and 16 percent from 1993 to 1995. The state of Kansas faced similar declines of 14.8 percent from 1991 to 1993 and 8.8 percent from 1993 to 1995 (Table 12).

Table 10

Total Value of Field Crops: 1990 - 1995
Neosho County and Kansas

	Total Value of Field Crops* (\$1,000's)					
	1990	1991	1992	1993	1994	1995
Neosho	14,938	17,441	21,557	16,991	21,588	16,099
Kansas	2,728,644	2,578,640	2,988,468	3,014,079	3,555,000	3,525,926
Crop Price Index+	103	99	108	104	113	130
County Rank	89	68	73	78	81	88
<i>As a Percent of Kansas:</i>	0.55	0.68	0.72	0.56	0.61	0.46
Percent Change:		1990-91	1991-92	1992-93	1993-94	1994-95
Neosho		16.76	23.60	-21.18	27.06	-25.43
Kansas		-5.50	15.89	0.86	17.95	-0.82

+ 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, 1997; KCCED calculations.

Table 11

Total Value of Livestock and Poultry: 1990 - 1995
Neosho County and Kansas

	Total Value of Livestock and Poultry (\$1,000's)					
	1990	1991	1992	1993	1994	1995
Neosho	17,566	16,503	14,967	18,112	18,689	15,681
Kansas	2,928,822	2,856,751	2,758,569	2,873,600	2,966,198	2,678,090
Livestock & Products Price Index+	103	99	98	101	91	86
County Rank	65	64	72	61	59	63
<i>As a Percent of Kansas:</i>	0.60	0.58	0.54	0.63	0.63	0.59
Percent Change:		1990-91	1991-92	1992-93	1993-94	1994-95
Neosho		-6.05	-9.31	21.01	3.19	-16.10
Kansas		-2.46	-3.44	4.17	3.22	-9.71

+ 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, 1997; KCCED calculations.

Table 12

Oil Production and Growth Rates: 1991 - 1995
Neosho, Selected Counties, and Kansas

	<u>Oil Production (1000's of barrels)</u>			<u>Growth Rates</u>	
	<u>1991</u>	<u>1993</u>	<u>1995</u>	<u>1991-93</u>	<u>1993-95</u>
Neosho	151	94	79	-37.7 %	-16.0 %
Crawford	32	26	21	-18.8	-19.2
Labette	36	32	30	-11.1	-6.3
Montgomery	388	256	188	-34.0	-26.6
Wilson	224	173	142	-22.8	-17.9
Trade Area	680	487	381	-28.4	-21.8
Kansas	56,764	48,362	44,113	-14.8	-8.8

Note: Cherokee County has no oil production.

Source: Kansas Geological Survey, Oil and Gas Production in Kansas, Kansas Statistical Abstract 1997, The University of Kansas; KCCED calculations.

EDUCATION AND SOCIAL ENVIRONMENT

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

- In 1990, the city of Chanute and Neosho County had a greater percentage of their over 25 population with some college education than did the state of Kansas (Table 13). Given that most new jobs created will require some post high school education, Neosho County may be well positioned to face this challenge.
- While Neosho's adult population in 1990 could be considered well-educated, 24.1 percent of the city's and 22.9 percent of the County's over 25 population had less than a high school education (Table 13). This indicates a need for adult education and training programs.

Table 13

Educational Attainment of Persons over 25: 1990
 As a Percentage of the Population of Persons over 25
 Chanute, Neosho 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>
Chanute	660	855	2,066	1,512	470	491	241	6,282
Neosho County	1,099	1,469	3,846	2,583	965	886	410	11,245
Kansas	120,951	172,321	514,177	342,964	85,146	221,016	109,361	1,565,936

As a Percent of Population of Persons over 25:

Chanute	10.5	13.6	32.9	24.1	7.5	7.8	3.8
Neosho	9.8	13.1	34.2	23.0	8.6	7.9	3.6
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.

Table 14

High School Dropout Rates: 1991 - 1996
Neosho, Selected Counties, and Kansas

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
Neosho	3.0 %	3.5 %	3.5 %	2.8 %	2.9 %
Cherokee	3.6	3.4	3.9	4.8	3.1
Crawford	2.8	3.1	4.1	3.9	3.2
Labette	2.6	2.9	3.6	2.7	2.4
Montgomery	5.8	5.2	5.1	4.2	4.4
Wilson	2.4	2.7	4.1	2.9	3.9
Kansas	3.1	3.0	3.3	3.2	3.1

Source: Kansas State Department of Education, "Secondary School Dropouts." Kansas State Board of Education. Kansas County Profile for Neosho County 1997. KCCED calculations.

Table 15

Poverty Status: Persons with Incomes below Poverty Level (All Ages): 1979, 1989
 Neosho, Selected Counties, and Kansas

	<u>1979</u>	<u>1989</u>	<u>1979-89</u> <u>Increase</u>	<u>1979 Percent</u> <u>of Population</u>	<u>1989 Percent</u> <u>of Population</u>
Neosho	1,707	2,271	33.0 %	9.2 %	13.7 %
Cherokee	3,298	4,254	29.0	15.0	20.2
Crawford	5,384	6,399	18.9	14.8	18.8
Labette	3,032	3,322	9.6	12.2	14.6
Montgomery	4,636	5,937	28.1	11.2	15.7
Wilson	1726	1554	-10.0	14.4	15.4
Trade Area	16,751	20,415	21.9	12.9	17.1
Kansas	231,718	274,623	18.5	10.1	11.5

Source: U.S. Bureau of the Census, "1990 Census of Population and Housing, Summary Social, Economic, and Housing Characteristics: Kansas" (1990 CPH-5-18). Kansas County Profile for Neosho County. KCCED calculations.

Table 16

Crime Offenses and Growth Rates by County: 1990 - 1994
 Neosho, Selected Counties, and Kansas

	<u>1990</u>	<u>1992</u>	<u>1994</u>	<u>1990-92</u>	<u>1992-94</u>
Neosho	468	520	478	11.1 %	-8.1 %
Cherokee	515	385	560	-25.2	45.5
Crawford	1,680	2,166	2,018	28.9	-6.8
Labette	838	926	692	10.5	-25.3
Montgomery	2,167	2,051	2,435	-5.4	18.7
Wilson	252	191	244	-24.2	27.7
Trade Area	5,452	5,719	5,949	4.9	4.0
Kansas	129,188	132,869	136,838	2.8	3.0

Source: U.S. Department of Justice, Federal Bureau of Investigation, "Uniform Crime Reports," various issues; Kansas Bureau of Investigations, Statistical Analysis Center, "Crime in Kansas," various issues. Kansas County Profile for Neosho County, 1997. KCCED calculations.

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.

Neosho County’s population peaked in 1920 with a population of 24,000. Its estimated 1996 population is 16,893. The counties surrounding Neosho County have also experienced population declines, suggesting that this region has not done as well as other parts of the state in adapting to changing economic conditions.

Employment data for Neosho County and the region offers mixed indicators. The average annual employment (place of work) for Neosho County increased from 1990 to 1995, indicating an increase in employment opportunities in the county. The average annual employment also increased for many of the surrounding counties during the same time period, which further shows that progress is being made with economic restructuring. However, employment data by place of residence shows declines for Neosho County and many other counties in the region. This means that fewer people in the county and region are employed. This is consistent with the population decline for the region; people have left the area to seek employment.

The population is probably leaving to find higher wage jobs with Neosho County’s average wage per job consistently lower than the state and national averages. The per capita personal income for the county also lags behind the state. So, while it appears that the county has been creating jobs in recent years, the jobs are lower wage jobs and are not attracting employment to the county.

Labor force participation rates in Neosho County at 61.2 percent is one of the higher rates for the region, indicating that employers may have difficulty with supplying workers when additional jobs are created. And, the decline in employment by place of residence shows that this is indeed the situation.

Neosho County has a greater percentage of the over 25 population with some college education than does the state of Kansas. This will position the county well given that most new jobs created will require some post high school education. However, the county also has a large segment (23 percent) of its adult population with less than a high school education. This indicates a need for adult education and training programs. It may also account for the low average wage for the county.

The Neosho County economy is manufacturing based followed by services, government and government services, and retail trade. These sectors all experienced employment increases from 1985 to 1995. Agriculture and oil production data show that the overall importance of these sectors has declined.

Data on Neosho County's employment and population show that a restructuring of the economy is taking place. It appears that the county is shifting to service-oriented industries but is still strongly dependent on manufacturing. Some signs of adaptation are the increased employment in manufacturing, services, government services and retail and the decrease in agriculture and oil production. The reliance on manufacturing jobs and the continued population losses make it difficult for the county to adapt quickly to economic changes. Neosho County, like most of Kansas, needs even greater emphasis on creating, retaining and attracting new businesses that will increase the employment base and level of personal income. Such a focus should improve the county's economy and ability to effectively compete with the surrounding trade area.