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Economic Trends: Montgomery County

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Foreword

The following report was prepared for a presentation by Dr. Charles Krider to the Coffeyville Area Chamber of Commerce and the Independence 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.

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Economic Trends: Montgomery 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.

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

Throughout the report, Montgomery County’s performance is compared with the performance of the State of Kansas and Selected Counties¹. It is by no means a comprehensive analysis of economic trends facing Montgomery 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 Montgomery County’s population relative to the state’s population reflects the county’s overall level of competitiveness with respect to other regions

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

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

- Montgomery County’s population peaked in 1930 at 51,411. The decade from 1960 to 1970 showed the most severe population decline of 11.2 percent. The decade of greatest population growth for the county was the 1900’s at 70.4 percent (Table 1). Population is projected to decrease for every decade approaching the year 2020.²
- Montgomery County experienced a 5.8 percent population increase during the 1970’s followed by a sharp population decline of 8.2 percent during the 1980’s (Table 2).
- Population estimates from 1990 to 1996 show the county’s population declining by 3.6 percent (Table 2).
- Kansas and the U.S. experienced positive population growth during the 1980’s while Montgomery 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).
- Most of the counties in the southeastern portion of the state experienced declining populations during the 1980’s (Table 2).

² Floerchinger, Teresa D., “Kansas Population Projections 1990 – 2030,” Kansas Division of the Budget, September 1992.

- Montgomery County's rank in population is projected to decline from 11th out of 105 counties, in 1990 to 17th in 2020 (Table 3).
- During the 1980's, most of the counties in Kansas, particularly the rural counties, experienced a negative net migration. Montgomery County experienced a negative 11.1 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>Montgomery 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	23,104		1,427,096		18	1.6
1900	29,039	25.7 %	1,470,495	3.0 %	8	2.0
1910	49,474	70.4	1,690,949	15.0	5	2.9
1920	49,645	0.3	1,769,257	4.6	5	2.8
1930	51,411	3.6	1,880,999	6.3	4	2.7
1940	49,729	-3.3	1,801,028	-4.3	5	2.8
1950	46,487	-6.5	1,905,299	5.8	6	2.4
1960	45,007	-3.2	2,178,611	14.3	8	2.1
1970	39,949	-11.2	2,249,071	3.2	10	1.8
1980	42,281	5.8	2,364,236	5.1	11	1.8
1990	38,816	-8.2	2,477,588	4.8	11	1.6
1991*	38,682	-0.3	2,491,618	0.6	11	1.6
1992*	38,020	-1.7	2,513,609	0.9	11	1.5
1993*	37,908	-0.3	2,531,637	0.7	11	1.5
1994*	37,761	-0.4	2,549,972	0.7	11	1.5
1995*	37,610	-0.4	2,563,618	0.5	11	1.5
1996*	37,414	-0.52	2,572,150	0.33	11	1.45
2005**	34,846	-6.86	2,604,664	1.26	n/a	1.34
2010**	33,706	-3.27	2,645,887	1.58	n/a	1.27
2015**	32,980	-2.15	2,688,165	1.60	n/a	1.23
2020**	32,445	-1.62	2,723,689	1.32	n/a	1.19

* 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*
 Montgomery 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>
Montgomery	-3.2 %	-11.2 %	5.8 %	-8.2 %	-3.6 %
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
Neosho	-4.4	-3.3	0.8	-10.2	-0.8
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

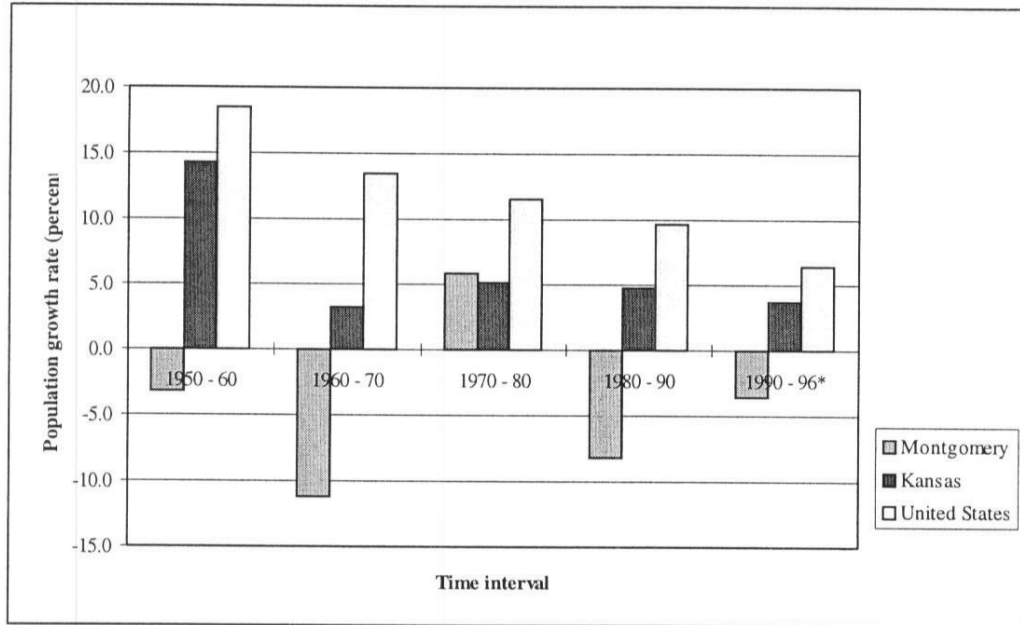
* 1996 Population Estimate.

** 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 Montgomery 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
Montgomery 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 Montgomery County, 1996." 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.

Table 3

Population of top-ranking Kansas Counties
(in Thousands)

1940			1990			2020*		
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

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

- From 1990 to 1995, Montgomery County experienced an increase in employment (place of work) of 4.5 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 4 and Figure 2a).
- The total number of firms in Montgomery County remained fairly stable from 1984 to 1994, while the total number of firms in the state increased by 7.4 percent. There was a minimal decline in the number of firms with fewer than 20 employees. The number of firms with more than 100 employees great at 33 percent while the comparable state rate was 50 percent (Table 5).
- The majority of firms in Montgomery County, as in Kansas, are small firms employing fewer than 20 people (Table 6).
- Total employment for Montgomery County grew by 10 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 Wholesale Trade sector, which saw an increase of 66.6 percent in number of people employed from 1985 to 1995. Agricultural Services and Services also experienced strong employment increases of 65.2 and 25.1 percent respectively (Table 7a).
- For non-farm employment, the greatest number of jobs lost were in the Mining sector with a 63.9 percent decrease in number of people employed and the Transportation sector which experienced a decrease of 15.7 percent (Table 7a).

- Farm employment for Montgomery County decreased by 8.1 percent (or a loss of 97 people employed) from 1985 to 1995, which was less than the state's 16.8 percent decrease (Table's 7a & 7b).
- At 59 percent Montgomery 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 Montgomery County in 1996 was 7.5 percent, which is substantially higher than the state's unemployment rate of 4.5 percent for 1996³ (Map 4).
- Employment data based on place of residence shows an employment decline 5.2 percent for Montgomery County from 1990 to 1996 (Map 6).

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 4

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

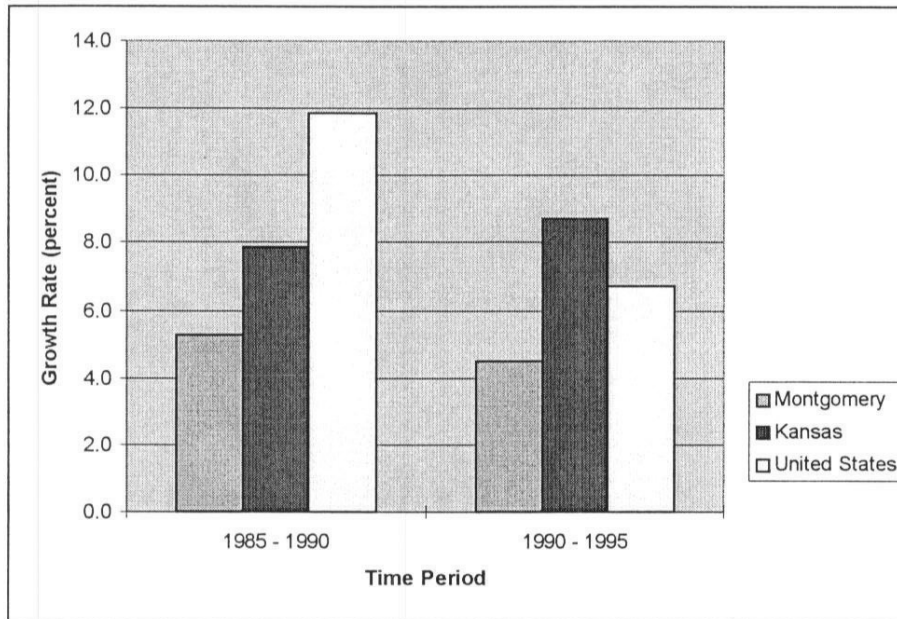
	<u>Average Annual Employment</u>			<u>% Employment Growth</u>	
	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>1985 to 1990</u>	<u>1990 to 1995</u>
Montgomery	20,286	21,358	22,319	5.3 %	4.5 %
Cherokee	8,268	8,614	9,433	4.2	9.5
Crawford	16,679	18,484	21,340	10.8	15.5
Labette	13,163	13,620	13,115	3.5	-3.7
Neosho	10,672	10,305	11,141	-3.4	8.1
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, KCCED County Summaries, the University of Kansas.

Figure 2 a

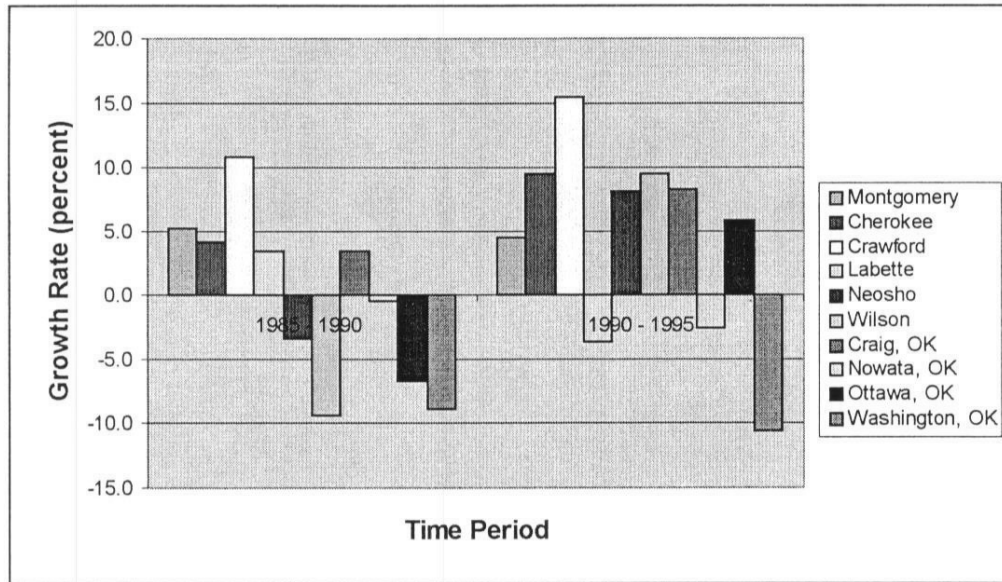
Employment Growth Rates: 1985 - 1990 and 1990 - 1995
Montgomery County, Kansas, and United States



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

Figure 2 b

Employment Growth Rates: 1985 - 1990 and 1990 - 1995
Montgomery County and Selected Counties



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

Table 5

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

Employees	Montgomery			Kansas		
	1984	1994	% Change	1984	1994	% Change
1 -- 19	954	925	-3.0 %	58,092	60,903	4.8 %
20 -- 99	72	94	30.1	6,015	7,560	25.7
100 -- 499	15	20	33.3	820	1,230	50.0
500+	3	2	-33.3	88	129	46.6
Total	1,044	1,041	-0.3%	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 Montgomery County 1996.

Table 6

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

Employees	Montgomery		Kansas	
	1984	1994	1984	1994
1 -- 19	91.4 %	88.9 %	89.4 %	87.2 %
20 -- 99	6.9	9.0	9.3	10.8
100 -- 499	1.4	1.9	1.3	1.8
500+	0.3	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 Montgomery County 1996.

Table 7 a

Employment Levels by Industry: 1985 and 1995
Montgomery County

Industry	Montgomery			As a Percent of Total Employment	
	1985	1995	Change in Employment	1985	1995
Ag. Services	115	190	75	0.6 %	0.9 %
Mining	976	352	-624	4.8	1.6
Construction	768	819	51	3.8	3.7
Manufacturing	4,520	5,486	966	22.3	24.6
Transportation	1,304	1,099	-205	6.4	4.9
Wholesale Trade	515	858	343	2.5	3.8
Retail Trade	3,327	3,588	261	16.4	16.1
Finance, Insur., Real Est.	1,020	874	-146	5.0	3.9
Services	3,748	4,689	941	18.5	21.0
Gov't. and Gov't. Services	2,797	3,265	468	13.8	14.6
Subtotal -- Non-Farm	19,090	21,220	2,130		
Farm Employment	1,196	1,099	-97	5.9	4.9
Total Employment	20,286	22,319	2,033	100 %	100 %

Note: Employment by place of work.

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

Table 7 b

Employment Levels by Industry: 1985 and 1995
Kansas

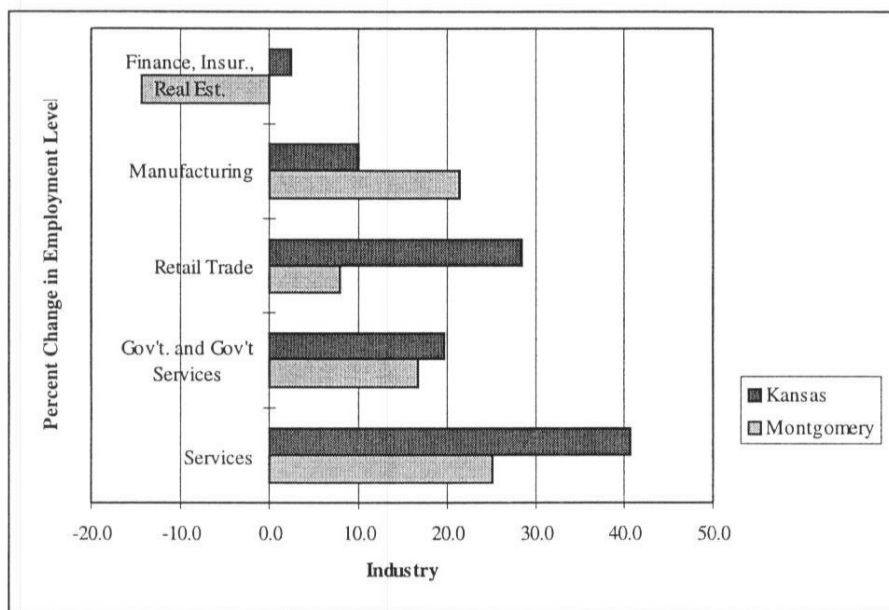
Industry	Montgomery <i>Kansas</i>			As a Percent of Total Employment	
	1985	1995	Change in Employment	% Change in Employment	
Ag. Services	10,270	18,986	8,716	84.9 %	1.2 %
Mining	52,573	26,881	-25,692	-48.9	3.8
Construction	66,139	77,895	11,756	17.8	4.8
Manufacturing	179,124	197,144	18,020	10.1	13.0
Transportation	73,679	78,309	4,630	6.3	5.3
Wholesale Trade	70,353	78,905	8,552	12.2	5.1
Retail Trade	212,159	272,498	60,339	28.4	15.4
Finance, Insur., Real Est.	97,826	100,265	2,439	2.5	7.1
Services	295,321	415,717	120,396	40.8	21.4
Gov't. and Gov't. Services	229,824	275,019	45,195	19.7	16.6
Subtotal -- Non-Farm	1,287,268	1,541,619	254,351	19.8	
Farm Employment	93,988	78,165	-15,823	-16.8	6.8
Total Employment	1,381,256	1,619,784	238,528	17.3	100 %

Note: Employment by place of work.

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

Figure 3

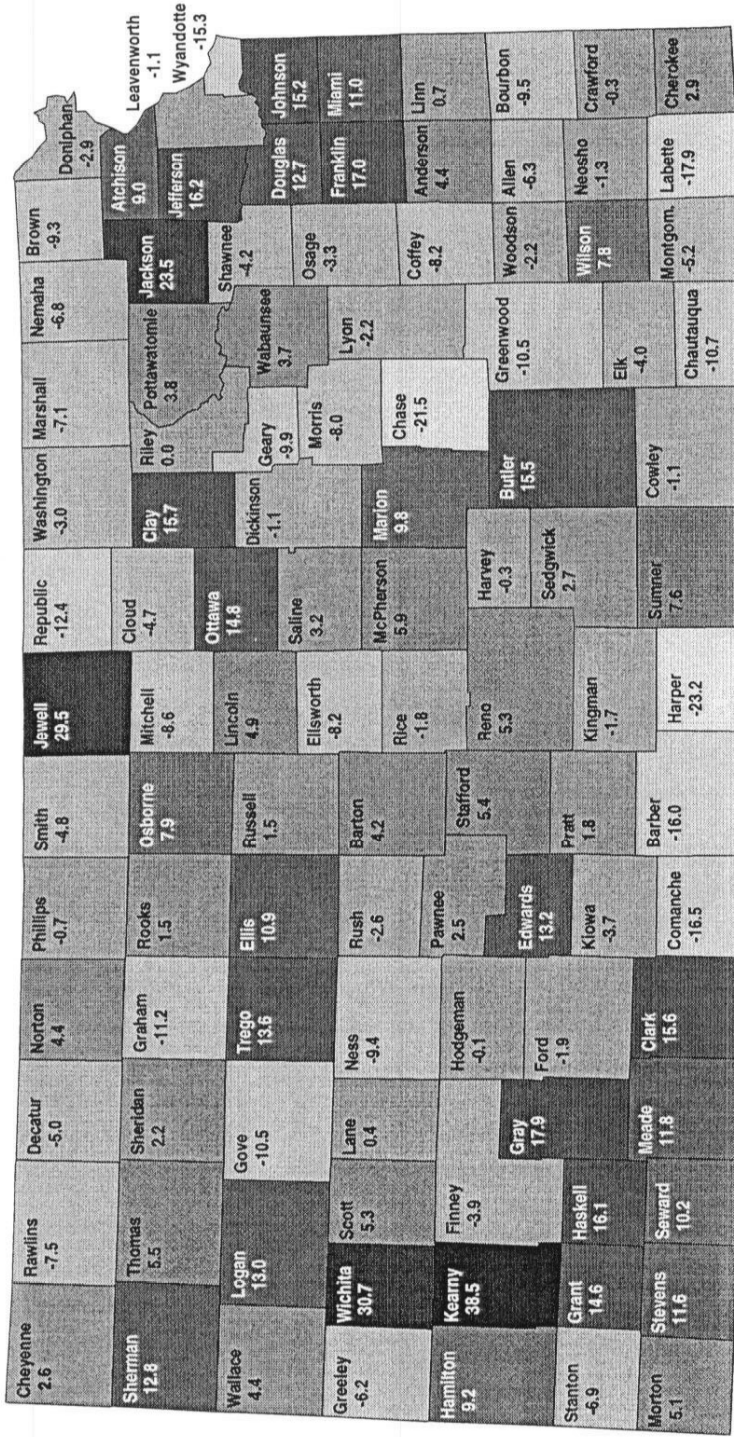
Change in Employment Level by Selected Industry: 1985 - 1995
Montgomery County and Kansas



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

Map 5

Change in Employment (percent): 1990 - 1996



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

Source: Kansas Statistical Abstract, IPPBR, University of Kansas, Kansas Labor Force Estimates Annual Average 1996, Kansas Department of Human Resources.

Earnings and Income

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

Earnings and Income: Key Findings

- From 1985 to 1995, the average wage per job for Montgomery County was consistently lower than the state and national averages. The average wage per job for Montgomery County at \$19,450 in 1995 was \$3,769 lower than the state average and \$7,969 lower than the national average (Table 8).
- Per capita personal income for Montgomery County lags behind the state's figures. Montgomery County's per capita personal income in 1995 was \$17,548, while Kansas' per capita personal income was \$21,781 (Table 9 and Figure 4).
- Montgomery County's per capita personal income was 91.5 percent of the per capita personal income for the state in 1985; it was 80.6 percent of the state per capita personal income in 1995 (Table 9).

Table 8

Average Wage per Job: 1985 - 1995
 Montgomery County, Selected 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>
Montgomery	15,369	17,642	19,450	14.8	10.2
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
Neosho	14,603	15,569	18,311	6.6	17.6
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 9

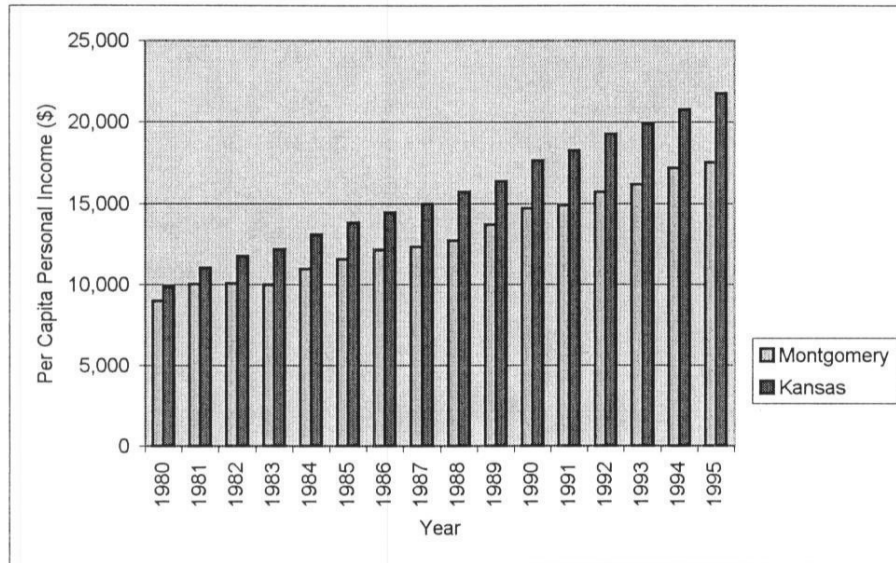
Per Capita Personal Income: 1980 - 1995
Montgomery County and Kansas

	<u>Income (\$)</u>			<u>Growth Rates</u>	
	<u>Montgomery</u>	<u>Kansas</u>	<u>Montgomery/Kansas</u>	<u>Montgomery</u>	<u>Kansas</u>
1980	8,991	9,829	91.5 %		
1981	10,046	11,034	91.0	11.7 %	12.3 %
1982	10,078	11,760	85.7	0.3	6.6
1983	10,003	12,192	82.0	-0.7	3.7
1984	10,957	13,114	83.6	9.5	7.6
1985	11,595	13,847	83.7	5.8	5.6
1986	12,160	14,472	84.0	4.9	4.5
1987	12,345	15,017	82.2	1.5	3.8
1988	12,721	15,748	80.8	3.0	4.9
1989	13,720	16,399	83.7	7.9	4.1
1990	14,727	17,642	83.5	7.3	7.6
1991	14,924	18,251	81.8	1.3	3.5
1992	15,723	19,261	81.6	5.4	5.5
1993	16,187	19,892	81.4	3.0	3.3
1994	17,190	20,760	82.8	6.2	4.4
1995	17,548	21,781	80.6	2.1	4.9

Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Montgomery" 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
Montgomery County and Kansas



Source: The University of Kansas, Kansas Center for Community Economic Development, "Kansas County Profile for Montgomery" 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, Montgomery County experienced steady improvement in retail sales growth after losses in 1985 and 1986. Retail sales growth rates for Kansas during the same period 1984 to 1994 have been positive all years except 1986 (Table 10).
- The trade pull factor for Montgomery County for 1996 was 0.8, which indicates that the county is losing retail customers to surrounding counties. The pull factors for adjacent Labette County is .07, indicating a similar 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 10

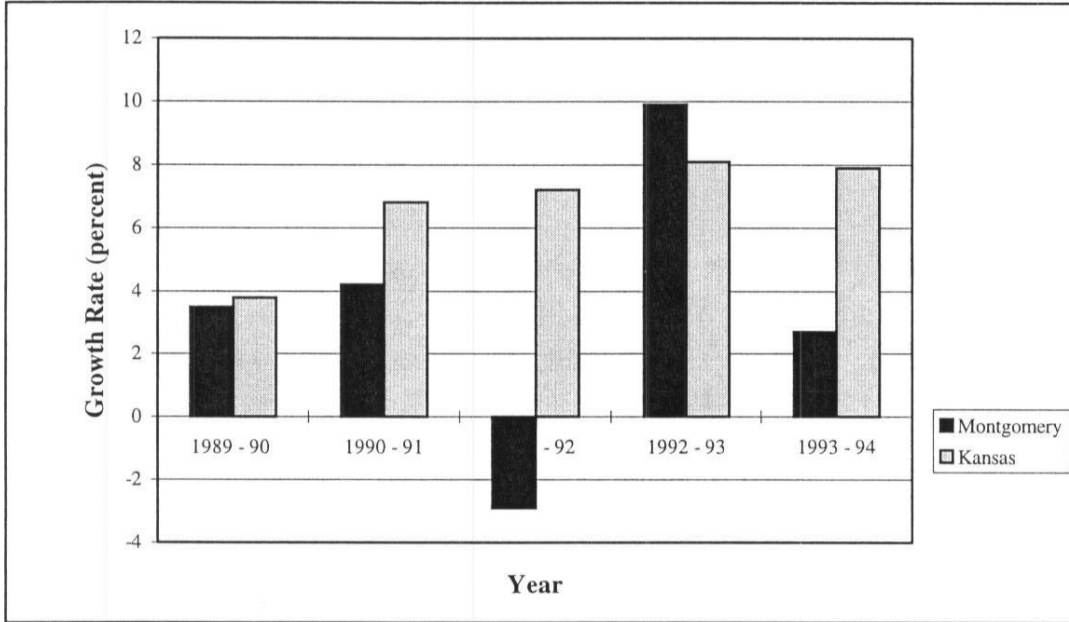
Retail Sales and Growth Rates: 1984 - 1994
 Montgomery County and Kansas
 (\$ Millions)

Year	Montgomery		Kansas	
	Nominal Sales	Growth Rate	Nominal Sales	Growth Rate
1984	204.1		15,806.8	
1985	202.9	-0.6 %	16,299.1	3.1 %
1986	202.0	-0.4	16,165.9	-0.8
1987	207.8	2.9	16,746.0	3.6
1988	202.2	-2.7	17,548.0	4.8
1989	209.7	3.7	18,034.4	2.8
1990	217.0	3.5	18,723.3	3.8
1991	226.1	4.2	19,988.0	6.8
1992	219.5	-2.9	21,421.3	7.2
1993	241.3	9.9	23,154.4	8.1
1994	247.8	2.7	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

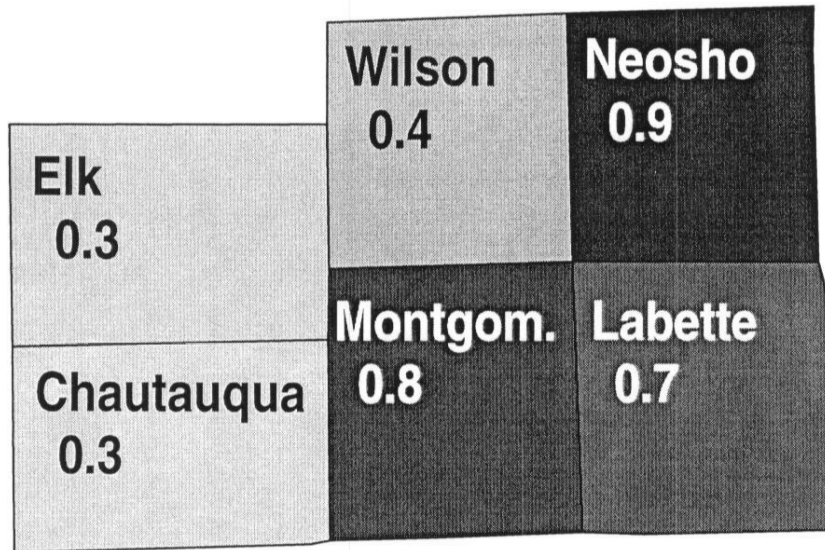
Retail Sales Growth Rates: 1989 - 1994
Montgomery County and Kansas



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 Montgomery 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 Montgomery 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 Montgomery County has fluctuated from 1990 to 1995, the trend has generally been a positive one. In 1990, the value was \$11.4 million and in 1995 it was \$ 14.4 million (Table 11).
- Montgomery County's rank in value of field crops has remained fairly steady rising from 95th out of 105 counties in 1990 to 93rd in 1995 (Table 11).
- The value of livestock and poultry for Montgomery County has fluctuated from 1990 to 1995. In 1990, the value was \$17.2 million and in 1995 it was \$11.1 million (Table 12).
- Montgomery County's rank in value of livestock and poultry produced has steadily declined from 1990 to 1995. Montgomery County's rank has fallen from 67th out of 105 counties in 1990 to 89th in 1995 (Table 12).
- The value of Montgomery County's oil production has steadily declined from 1991 to 1995, having fallen 34 percent from 1991 to 1993 and 26.6 percent from 1993 to 1995. The state of Kansas has faced similar declines of 14.8 percent from 1991 to 1993 and 8.8 percent from 1993 to 1995 (Table 13).

Table 11

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

	Total Value of Field Crops* (\$1,000's)					
	1990	1991	1992	1993	1994	1995
Montgomery	11,389	13,394	20,632	15,453	20,880	14,439
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	95	84	76	85	84	93
<i>As a Percent of Kansas:</i>	0.42	0.52	0.69	0.51	0.59	0.41
Percent Change:		1990-91	1991-92	1992-93	1993-94	1994-95
Montgomery		17.60	54.04	-25.10	35.12	-30.85
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 12

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

	Total Value of Livestock and Poultry (\$1,000's)					
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Montgomery	17,234	14,453	12,931	13,936	14,050	11,134
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	67	77	82	83	82	89
<i>As a Percent of Kansas:</i>	0.59	0.51	0.47	0.48	0.47	0.42
Percent Change:		<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>
Montgomery		-16.14	-10.53	7.77	0.82	-20.75
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 13

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

	<u>Oil Production (1000's of barrels)</u>			<u>Growth Rates</u>	
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1991-93</u>	<u>1993-95</u>
Montgomery	388	256	188	-34.0 %	-26.6 %
Crawford	32	26	21	-18.8	-19.2
Labette	36	32	30	-11.1	-6.3
Neosho	151	94	79	-37.7	-16.0
Wilson	224	173	142	-22.8	-17.9
Trade Area	443	325	272	-26.6	-16.3
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 Independence had a greater percentage of their over 25 population with some college education than did the state of Kansas (Table 14). Given that most new jobs created will require some post high school education, Independence may be well positioned to face this challenge.
- While Independence's adult population, in 1990, could be considered well-educated, 31.8 percent of Coffeyville's and 27 percent of Montgomery County's over 25 population had less than a high school education (Table 14). This indicates a need for adult education and training.
- Though Montgomery County's high school dropout rates have been significantly higher than the state of Kansas' from 1991 to 1996, there has been substantial improvement over this time period. In 1991 to 1992, Montgomery County's high school dropout rate was 5.8 percent and in 1995 to 1996 it had fallen to 4.4 percent (Table 15).

Table 14

Educational Attainment of Persons over 25: 1990
 As a Percentage of the Population of Persons over 25
 Independence, Coffeyville, Montgomery 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>
Independence	545	1,002	1,908	1,477	458	760	346	6,376
Coffeyville	1,174	1,494	2,485	1,560	680	648	386	8,400
Montgomery	2,877	4,011	7,873	5,389	1,876	2,330	1,134	25,485
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:

Independence	8.5	15.7	29.9	23.2	7.2	11.9	5.4
Coffeyville	14.0	17.8	29.6	18.6	8.1	7.7	4.6
Montgomery	11.3	15.7	30.9	21.1	7.4	9.1	4.4
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 15

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

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
Montgomery	5.8 %	5.2 %	5.1 %	4.2 %	4.4 %
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
Neosho	3.0	3.5	3.5	2.8	2.9
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 Montgomery County 1997. KCCED calculations.

Table 16

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

	<u>1979</u>	<u>1989</u>	<u>1979-89 Increase</u>	<u>1979 Percent of Population</u>	<u>1989 Percent of Population</u>
Montgomery	4,636	5,937	28.1 %	11.2 %	15.7 %
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
Neosho	1,707	2,271	33.0	9.2	13.7
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 Montgomery County. KCCED calculations.

Table 17

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

	1990	1992	1994	1990-92	1992-94
Montgomery	2,167	2,051	2,435	-5.4 %	18.7 %
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
Neosho	468	520	478	11.1	-8.1
Wilson	252	191	244	-24.2	27.7
Trade Area	3,753	4,188	3,992	11.6	-4.7
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 Montgomery 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.

Montgomery County’s population peaked in 1930 with a population of 51,411. Its 1996 estimated population is 37,414. The counties around Montgomery 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 Montgomery County and the region offers mixed indicators. The average annual employment (place of work) for Montgomery County increased from 1990 to 1995, indicating an increase in employment opportunities for 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 show declines for Montgomery 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 Montgomery 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 which are not attracting employment to the county.

Labor force participation rates in Montgomery County at 59 percent is one of the higher rates for the region, indicating that employers may have difficulty supplying workers when additional jobs are created. And, the decline in employment by place of residence shows that this is indeed the situation.

Montgomery County has a greater percentage of their 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 (27 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 Montgomery County economy is manufacturing based followed by services, retail trade, and government services. 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 Montgomery 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. Montgomery 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.