

The Governor's
Economic
and
Demographic
Report

1998-1999

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Readers of *The Governor's Economic and Demographic Report* can access this information on the Kansas Division of the Budget's website at <http://da.state.ks.us/budget>.

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Chapter 1

1998 in Review

The expansion of the U.S. economy continued in 1998, although it was at a slower pace compared to 1997. Real (adjusted for inflation) Gross Domestic Product (GDP) grew at an annual rate of 3.4 percent in 1998 compared to a 3.9 percent growth rate in 1997. Nominal (not adjusted for inflation) personal income grew by 5.0 percent in 1998 compared to 5.6 percent in 1997. Inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U) remained modest, decreasing from 2.3 percent in 1997 to 1.6 percent in 1998. The unemployment rate remained low, declining from 5.0 percent in 1997 to 4.7 percent in 1998. Although the economy slowed somewhat, it continued to grow at a respectable rate. Table 1-1 presents major U.S. economic indicators for both 1997 and 1998.

Table 1-1

Major U.S. Economic Trends 1997 and 1998		
	<u>1997</u>	<u>1998</u>
GDP Growth (\$Constant)	3.9 %	3.4 %
Personal Income Growth (\$Current)	5.6	5.0
Consumer Prices Index Increase (CPI-U)	2.3	1.6
Unemployment (Monthly Average)	5.0	4.7

The performance of the Kansas economy also remained steady in 1998. As shown in Table 1-2, which presents major Kansas economic indicators

Table 1-2

Major Kansas Economic Trends 1997 and 1998		
	<u>1997</u>	<u>1998</u>
GSP Growth (\$Constant)	4.6 %	4.3 %
Personal Income Growth (\$Current)	6.0	4.7
Employment Growth Rate (Place of Residence)	2.3	3.1
Employment Growth Rate (Place of Work)	3.4	2.4
Unemployment (Monthly Average)	3.8	3.6

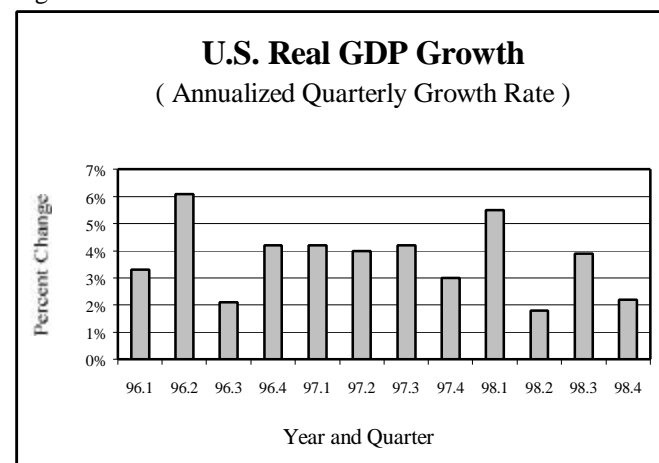
for 1998, nominal personal income grew at a rate of 4.7 percent in 1998, compared to 6.0 percent in 1997. Employment by place of residence grew by 3.1 percent in 1998, while employment by place of work increased by 2.3 percent, compared to 2.3

percent and 3.4 percent, respectively, in 1997. The state unemployment rate decreased slightly from 3.8 percent in 1997 to 3.6 percent in 1998.

The National Economy

Over the first quarter of 1998, real GDP growth increased at an annualized rate of 5.5 percent. This is a significant increase over the annualized growth rate of 3.0 percent for the last quarter of 1997. However, the annualized growth rate fell to 1.8 percent in the second quarter, then increased substantially during the third quarter of 1997, when the annualized growth rate was 3.9 percent. Growth over the fourth quarter of 1998 is expected to be at a 2.2 percent annual rate. Figure 1-1 presents the quarterly U.S. real GDP growth rates for the first quarter of 1996 through the fourth quarter of 1998.

Figure 1-1



Income. Personal income growth in 1998 was 5.0 percent, which is lower than the 5.6 percent growth rate experienced in 1997. In contrast, real disposable income rose 3.0 percent in 1998, which is higher than the 2.5 percent growth experienced in the previous year. Salary and wage disbursements increased by 6.6 percent, down from 7.2 percent in 1997, while other labor income growth increased to a 3.5 percent growth rate. This is compared to a 1.6 percent rate in the previous year. Proprietors' income increased at a 4.1 percent rate in 1998, compared to a 4.8 percent rate in 1997. Transfer

payments grew less rapidly in 1998 at a rate of 3.5 percent when compared to a 4.0 percent rate of increase in 1997.

Employment. Because of the sustained economic growth, the unemployment rate continued to fall. In 1998 the rate was 4.7 percent, compared to 5.0 percent in 1997.

Inflation. Inflation also continued to fall. The inflation rate, as measured by the CPI-U, was 1.6 percent in 1998, compared to 2.3 percent in 1997. Inflation has now been at or below 3.0 percent for seven consecutive years. Food prices increased at a rate of 2.1 percent, while energy prices fell 7.6 percent in 1998.

Inflation, as measured by the broader based GDP-Implicit Price Deflator (IPD), placed the inflation rate at 1.0 percent in 1998. According to components of the IPD, the most noticeable decreases were in computer prices, (29.7 percent); office equipment prices, (25.1 percent); gasoline and oil prices, (12.0 percent), and fuel oil and coal prices, (8.6 percent). No major components recorded extraordinary price increases.

Productivity. Productivity growth, as measured by Cyclically Adjusted Output per Hour, rose 3.5 percent in 1998 compared with a 4.0 percent increase in the previous year. The Employee Cost Index for Wages and Salaries increased 3.6 percent in 1998, which is up from a 3.1 percent increase in 1997. Manufacturing output per hour increased by 3.5 percent in 1998, which is down from 4.0 percent in 1997.

Consumer Spending and Saving. Consumer spending, the largest component of GDP, continued to be a major contributor to the continued expansion of the economy. Overall, real personal consumption surged to 4.7 percent in 1998, compared to a 3.4 percent rate in 1997. The increase in consumer spending was led by an 8.7 percent increase in durable goods purchases. Durable goods are products with an expected useful life of more than one year. The largest gain was in computer purchases, which increased 61.9 percent. Purchases of furniture and appliances, other than computers, increased 12.5 percent. Purchases of other durable goods, excluding motor vehicles and parts, increased 8.6 percent, while purchases of motor vehicles and parts increased 5.0 percent.

Spending on non-durable goods also rose in 1998 but at a slower rate than durable goods. Non-durable goods are those with an expected useful life of one year or less. The spending rate for non-durables grew at a rate of 3.8 percent in 1998. This is an increase from a 2.4 percent growth rate in 1997. Leading the increase was expenditures for clothing and shoes. This category increased 8.1 percent in 1998, while other non-durable goods increased 4.7 percent.

Expenditures for energy were mixed. Although spending on gasoline and oil rose 2.0 percent in 1998, expenditures for fuel oil and coal fell 4.9 percent. Food and beverage expenditures rose 2.3 percent.

Overall consumer spending advanced 4.4 percent in 1998, but expenditures for services grew more rapidly. Housing expenditures rose only 2.4 percent in 1998. However, this growth was offset by a 6.8 percent increase in expenditures for other services, and a 5.5 percent increase in expenditures for household operation. The 8.8 percent decrease in natural gas expenditures was tempered by the 5.5 percent increase in electricity expenditures. Additionally, transportation expenditures increased 4.2 percent, while medical expenditures increased 3.0 percent.

Changes in consumer spending are affected by changes in a variety of factors. Included are personal income, the savings rate, debt accumulation, discretionary income, and confidence in the economy.

The savings rate in 1998 fell to 0.4 percent, compared with 2.1 percent in 1997. However, consumer credit outstanding rose 4.5 percent in 1998, which is equivalent to the 1997 rate. This indicates some moderation in consumer credit behavior, given the double-digit increases in consumer credit in recent years.

Continued low interest rates extended the trend of home mortgage refinancing, which has persisted over recent years. This is significant because lower monthly mortgage payments tend to increase consumer spending on other goods and services.

Business Investment. Non-residential fixed investment increased by 11.3 percent in 1998, which is up from 10.7 percent last year. Non-residential fixed investment spending was led generally by a 16.6 percent increase in durable equipment investment, and specifically by a 55.0 percent increase in office equipment investment. However, investment in private, non-residential structures decreased 1.6 percent in 1998, contrasted with a 7.1

percent increase in 1996. Additionally, residential construction increased 9.2 percent in 1998 after a 2.4 percent increase a year ago.

Inventory changes contributed to GDP growth in 1998, but at a slower rate than in 1997. Real business inventory stocks increased at a rate of 4.7 percent in 1998, compared to a 5.2 percent rate in 1997. While this accumulation added to GDP growth, it is likely to dampen future growth as the inventories are depleted.

Government. A continued decline in federal government spending had a dampening effect on GDP growth. In real terms, federal government spending decreased 1.4 percent in 1998 compared to a 1.2 percent decrease in 1997. However, state and local government spending continued to increase in 1998 (2.1 percent), but at a slower rate than in 1997 (3.1 percent).

International. Real exports grew only 0.3 percent in 1998, down significantly from a 12.8 percent growth rate in 1997. Conversely, real imports surged 104.0 percent in 1998, after experiencing a growth of 13.9 percent in 1997. This resulted in further expansion of the trade deficit. A stronger dollar relative to the currencies of major trading partners, especially in Asia, made U.S. exports less attractive and imports more so. This continued the dampening affect of net trade on real GDP in 1998.

Overall export of capital goods increased only 0.5 percent, while the export of consumer goods increased only 2.7 percent. Real export growth was strongest in aircraft with an 18.9 percent increase. The export of automobiles and parts actually decreased 6.1 percent, while the export of foods, feeds, and beverages declined 2.9 percent. The export of industrial supplies and materials fell 1.4 percent.

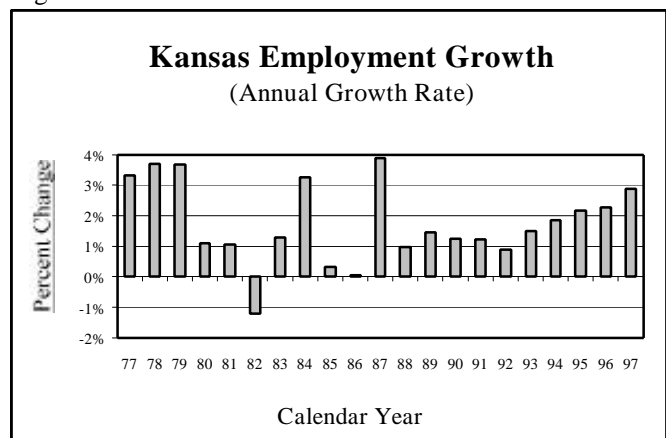
In contrast, the import of capital goods increased by 11.3 percent, while the import of consumer goods increased 15.4 percent, and the import of consumer goods increased 13.8 percent. Specifically, the import of aircraft increased 31.4 percent, the import of business machines increased 21.5 percent, and the import of industrial supplies and materials increased 10.2 percent. However, the import of petroleum products increased only 5.6 percent and the import of automobiles increased only 2.6 percent

The Kansas Economy

Although the Kansas economy slowed somewhat in 1998, it continued to fare well. Kansas employment growth through October of 1998 was 2.4 percent, which exceeded that of the Plains states (1.9 percent), and the U.S. (2.3 percent).

Employment Trends. Although no industries in Kansas experienced extraordinary employment growth in 1998, the major areas of manufacturing, services, and trade exhibited stable, modest employment growth. Figure 1-3 presents Kansas employment growth from 1977 through 1997.

Figure 1-2



The key employment sectors of aircraft manufacturing and construction maintained healthy employment growth in 1998. Overall employment growth in Kansas by place of residence increased by 3.1 percent, while employment by place of work increased by 2.4 percent in 1998. Kansas has experienced employment growth in every year since 1986 and has experienced accelerated employment growth from 1992 through 1997.

Although average monthly unemployment rose in 1998, employment growth continued to push the unemployment rate lower in 1998. The average monthly unemployment rate fell slightly from 3.8 percent in 1997 to 3.6 percent in 1998. Although the average monthly unemployment rate for 1998 is below that of 1997, monthly unemployment rates from July through October, the most recent month for which data were available, were at or above the rate for the same month a year earlier. This indicates the Kansas economy is at or near full employment.

Table 1-3 at the top of the next page shows the employment rates, by sector, for the U.S., Kansas, and

Table 1-3

Plains States Employment Growth October 1997-October 1998								
	<u>Total</u>	<u>Const.</u>	<u>Manuf.</u>	<u>Trans./Util.</u>	<u>Trade</u>	<u>FIRE</u>	<u>Services</u>	<u>Government</u>
Kansas	2.4 %	4.7 %	2.7 %	2.9 %	2.8 %	0.2 %	2.2 %	1.9 %
Plains States:	1.9	4.2	1.0	2.0	1.7	3.4	2.3	1.2
Iowa	2.1	3.0	1.4	4.5	1.0	2.6	3.4	1.4
Minnesota	2.2	6.9	1.0	1.3	1.6	3.9	3.5	0.9
Missouri	1.3	3.3	0.0	0.5	2.0	3.5	0.6	1.7
Nebraska	2.3	4.1	1.5	4.6	2.0	4.7	2.7	0.3
North Dakota	0.7	1.4	-1.3	1.1	-0.2	4.7	1.9	0.1
South Dakota	1.5	0.6	0.8	0.6	1.6	6.5	2.8	-0.1
U.S.	2.3	4.6	-0.5	2.1	2.3	3.6	3.7	1.6

the Plains states for October 1997 through October 1998. Although not shown on the table, 1998 represents the fourth consecutive year in which the employment growth in the goods industry exceeded that of the services industry. This is only the fifth time over the past 17 years this has occurred.

Table 1-3 indicates overall manufacturing employment growth remained strong at 2.7 percent in 1998 but has slowed when compared to 4.5 percent growth in 1997. Aircraft manufacturing, a key component of overall manufacturing, increased employment by 5.6 percent in 1998, even in light of anticipated layoffs at Wichita's Boeing Company.

Mining employment fell by 4.8 percent in 1998. This was due largely to the depressed oil and gas markets, which resulted in a 7.2 percent decrease in oil and gas employment.

Construction employment increased at a 4.6 percent rate in 1998. Continued economic growth and low interest rates stimulated additional housing starts and commercial construction.

Transportation and public utility employment grew at a rate of 2.9 percent in 1998. This is the same rate as realized in 1997. Railroad transportation employment experienced a robust 12.3 percent growth in 1998, largely because of on-going restructuring within the industry. Trucking and warehousing employment increased 3.6 percent in 1998, while electric, gas, and sanitary services employment remained unchanged.

Employment in the wholesale and retail trade industry increased by 2.8 percent in 1998. Most of

the increase was realized in the larger retail trade industry where employment grew by 3.8 percent. Wholesale trade employment actually experienced an employment decrease of 0.1 percent by contrast. Within retail trade, apparel and accessory stores registered the largest increase of 7.4 percent. Automotive dealers and service stations with a 4.9 percent increase, and general merchandise stores with a 4.7 percent increase experienced smaller increases. Food stores employment actually fell 0.3 percent.

Employment in the finance, insurance, and real estate (FIRE) sector increased only 0.2 percent in 1998. Depository and non-depository credit institutions increased employment by 2.0 percent and insurance carriers significantly decreased employment by 5.0 percent.

The services industry, which is typically one of the fastest growing industries in the state, grew only 2.2 percent in 1998. Much of the slowdown may be attributable to workers gravitating toward the higher paying aircraft manufacturing sector, as jobs became available.

Total government employment increased 1.9 percent in 1998. Federal government employment in the state grew by 0.7 percent, while state and local government employment increased by 2.0 percent.

On-going problems in the farm economy caused farm employment to fall 12.0 percent in 1998. This follows an 11.7 percent decline in 1997.

During 1998, the state's major labor markets exhibited a wide variation in growth of employment. The variation is displayed in Table 1-4 on the next page.

While the Wichita area experienced employment growth of 3.8 percent, the Lawrence area

Table 1-4

Major Kansas Labor Market Employment Growth Rates, 1997-1998	
	<u>Growth Rate</u>
Kansas	3.1 %
Metropolitan Areas:	
Wichita	3.8
Lawrence	3.7
Topeka	2.2
Other Labor Markets:	
Saline	3.0
Barton	2.9
Ford	2.8
Reno	1.9
McPherson	1.4
Lyon	1.3
Crawford	1.0
Montgomery	0.9
Finney	0.9
Ellis	0.6
Riley	0.5

experienced a 3.7 percent increase, and the Topeka area experienced a 2.2 percent increase. Among the major non-metropolitan labor markets, Saline County was the fastest growing with a 3.0 percent growth rate, followed by Barton County with 2.9 percent growth rate, and Ford County with a 2.8 percent growth rate. Riley and Ellis Counties had the lowest non-metropolitan labor market growth rates of 0.5 percent and 0.6 percent, respectively.

Personal Income Trends. Moderate but continued growth in salaries and wages; dividends, interest, and rent; and non-farm proprietors' income contributed to the sustained growth of Kansas personal income in 1998. The growth rate of personal income slowed to 4.7 percent in 1998 compared with 6.0 percent in 1997, while personal income in the U.S. slowed to 5.0 percent in 1998, down from 5.6 percent in 1997. Table 1-5 presents Kansas personal income growth for 1997 and 1998.

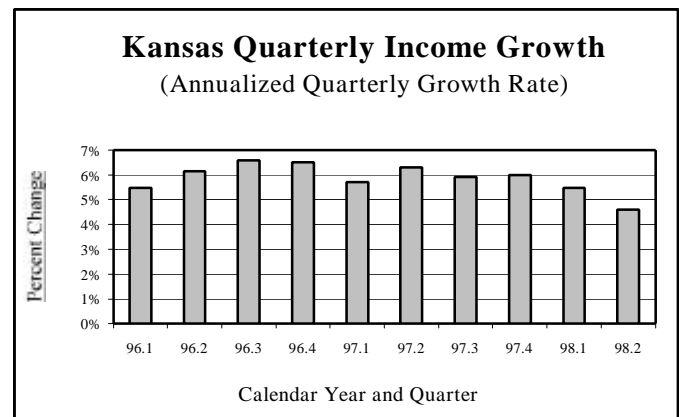
Figure 1-3 presents quarterly Kansas personal income growth rates from 1996 through 1998.

Table 1-5

Kansas Personal Income Percent Change from 1997 Actual to 1998 Estimate		
	<u>% Chg.</u> <u>1996-97</u>	<u>% Chg.</u> <u>1997-98</u>
Salaries & Wages	7.6	5.1
Other Labor Income	2.4	1.6
Proprietors' Income	5.7	1.5
Farm	0.6	-15.0
Nonfarm	6.8	5.0
Div., Int., & Rent	5.5	4.2
Transfer Payments	3.4	4.9
Adj. for Residence	3.3	5.0
Less: Soc. Ins. Contrib.	7.5	-1.5
Total Personal Income	6.0	4.7

Preliminary estimates based on the first half of 1998 indicate strong gains were being experienced in the areas of agricultural services, other services, construction, and retail trade. However, declines were being experienced during the first half of 1998 in the agricultural, mining, and military sectors.

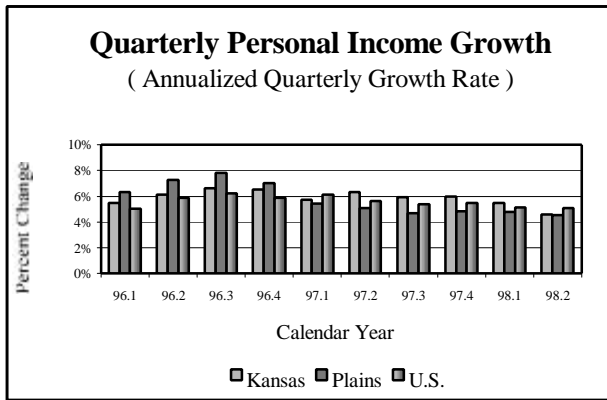
Figure 1-3



The largest component of personal income, salaries and wages, is projected to increase 5.1 percent in 1998. This is down from the robust 7.6 percent growth experienced in 1997. Other labor income is projected to increase only 1.6 percent in 1998, after a 2.4 percent gain in 1997. Figure 1-4 presents comparative quarterly personal income for Kansas, the Plains states, and the U.S. for the first quarter of 1995 through the fourth quarter of 1997.

Proprietors' income is projected to increase only 1.5 percent in 1998 after a strong 5.7 percent increase in 1997. Farm proprietors' income is projected to experience a significant decrease of 15.0 percent, while non-farm proprietors' income is projected to increase 5.0 percent. After a 5.5 percent increase in 1997, dividends, interest, and rent is expected to increase 4.2 percent in 1998. Transfer payments are projected to increase 4.9 percent in 1998, compared to 3.4 percent in 1997.

Figure 1-4



The residence adjustment for income earned by Kansas residents from out-of-state sources is projected to increase 5.0 percent in 1998. This is compared to 3.3 percent in 1997.

Compared to the other six states in the Plains region, Kansas employment growth fared remarkably well in 1998. Kansas recorded higher total employment growth at 2.4 percent, than both the Plains region (1.9 percent) and the U.S. (2.3 percent).

Kansas also outpaced both the Plains states and the U.S. in construction; manufacturing; transportation

and utilities; trade; and government employment growth. Only in the areas of FIRE and services employment growth did Kansas lag behind the regional and national averages. Table 1-6 presents the average annual personal income growth rates for Kansas, the Plains states, and the U.S. for 1992 through 1997.

Table 1-6

Average Annual Personal Income Growth Rates Kansas, Plains States, U.S.	% Chg.		
	% Chg.	% Chg.	Avg. Ann.
	'95-'96	'96-'97	'92-'97
Kansas	6.2	6.0	5.5
Plains States:	7.1	5.0	5.7
Iowa	8.2	5.1	5.6
Minnesota	7.3	4.9	6.1
Missouri	5.4	5.6	5.8
Nebraska	9.4	3.9	5.5
North Dakota	11.3	-0.7	4.2
South Dakota	9.6	3.4	5.6
United States	5.8	5.6	5.8

In 1997, Kansas had a higher personal income growth rate at 6.0 percent than both the Plains states (5.0 percent) and the U.S. (5.6 percent). In fact, Kansas outranked all states in the region. However, for the period 1992 through 1997, Kansas, at 5.5 percent, lagged behind both the Plains states average (5.7 percent) and the U.S. average (5.8 percent). Within the region over this five-year period, Kansas ranks fourth. Minnesota has the highest five-year annual growth rate of 6.1 percent, followed by Missouri (5.8 percent), and South Dakota and Iowa (5.6 percent).

The national economic expansion, which began following the 1991 recession, is expected to continue through 1999, although at a slower pace. Moderating growth, continued low inflation, and a stable unemployment rate are forecasted for the U.S. economy during 1999. The Kansas economy also is forecasted to grow less rapidly. However, the state's economy will grow slightly more rapidly than that of the nation as a whole. As a result, the Kansas and the national growth rates will be approximately the same. The forecasts presented in this chapter were prepared in October of 1998 as the basis for the state's revenue forecast by the Census Revenue Estimating Group.

The National Economy

Although the economic expansion will continue to slow, no recession is expected. Real GDP growth is forecasted to be 2.0 percent for 1999, which is down from a 3.4 percent rate in 1997. The unemployment rate is expected to increase slightly to 4.8 percent compared to 4.7 percent in 1997. Nominal personal income is forecasted to increase by 4.0 percent in 1999 compared to 5.0 percent in 1998. The CPI is expected to increase to 2.3 percent, which is higher than the extraordinarily low rate of 1.6 percent in 1998. Table 2-1 presents the major U.S. economic forecasts for 1999.

Table 2-1

Major U.S. Economic Trends 1999	
	<u>1999</u>
GDP Growth (\$Constant)	2.0 %
Personal Income Growth (\$Current)	4.0
Consumer Prices Index Increase (CPI-U)	2.3
Unemployment (Monthly Average)	4.8

A major factor in reducing inflationary pressures has been strong productivity increases. Cyclically Adjusted Output per Hour is expected to increase 2.3 percent in 1999 compared to a 1.2 percent increase in 1998. Although employment costs for salaries and

wages are forecasted to rise 4.1 percent in 1999 compared to 3.5 percent in 1998, the productivity increase will tend to keep labor costs and associated inflationary pressure from rising rapidly even though the economy is at or near full employment. Decreasing commodity prices, especially energy prices, and a strong dollar also will contribute to keeping inflation in check. In addition, changes in the methodology used to compute the basic CPI indices will result in a 0.2 percent reduction in the CPI's annual rate of increase.

The growth of GDP consists of the composite growth of its four major components. The components include consumer spending, business investment spending, government spending, and net exports. Although the U.S. economy has been able to withstand weak export demand, the continuing decline in net exports will overwhelm the moderating growth of consumer and investment spending. These are the two factors which have sustained the U.S. economy over recent years.

Since the last recession in 1991, consumer spending has continued to increase more rapidly than disposable income. The result is a continued decrease in the saving rate.

This means most of the spending growth has been supported by capital gains returns and/or consumer credit. The result will be a moderation in consumer spending, which will dampen growth in 1999. Inventory accumulation also will slow in 1999, which will contribute to slowing the economy. In addition, volatility in financial markets will slow the flow of capital into real estate investment, which has already substantially outpaced the demographic demand for new construction. Because of the Asian economic crisis, the value of Asian currencies has plunged precipitously, pricing many of these economies out of the market for U.S. agricultural exports. This is significant because one-half of U.S. agricultural output is typically exported. In addition, good harvests across most of the U.S. have caused agricultural prices to plummet further.

Consumer Spending and Saving. The tight labor market, combined with low inflation, has allowed consumers to realize significant gains in real purchasing power. However, the slowing economy will moderate this trend. In addition, moderating stock market gains and a softening labor market will decelerate consumer spending. Real disposable income is expected to increase by 2.5 percent in 1999, compared to 3.0 percent in 1998. Consumer spending is forecasted to increase by 2.7 percent in 1999, which is down from 4.7 percent in 1998. The savings rate is forecasted to remain near zero, at 0.3 percent in 1999, which is slightly lower than the 0.4 percent rate in 1998. Consumer confidence, which remained relatively high in 1997, has eroded continuously in 1998. Although this erosion does not mean consumers are anticipating an imminent recession, it does signal that consumers expect the economy to slow dramatically.

Durable goods will remain the dominant component in the growth of consumer spending. In real terms, consumer spending on durable goods is expected to increase 3.3 percent in 1999. This is dramatically down from 8.7 percent rate in 1998.

The key growth sector in recent years has been computers. Consumer expenditures on computers are expected to increase 36.5 percent in 1999 after a 61.9 percent increase last year. Spending on furniture and appliances is expected to rise 7.7 percent in 1999 following a 12.5 percent increase in 1998. Purchases of motor vehicles and parts are expected to fall 2.0 percent after a 5.0 percent increase in 1998.

Expenditures for non-durable goods are forecasted to increase 2.2 percent in 1999, which is down from a 3.8 percent increase in 1998. Expenditures for clothing and shoes are expected to increase by 2.9 percent, and expenditures on food and beverages are expected to increase 1.4 percent. Additionally, expenditures for gasoline and oil are expected to increase 2.7 percent, while expenditures for fuel oil and coal are expected to increase 3.0 percent in 1999. The increase in fuel oil and coal expenditures follows significant decreases in both 1997 and 1998.

Expenditures for services are forecasted to increase 2.8 percent in 1999 compared to a 4.4 percent increase in 1998. Expenditures for other sectors are also expected to increase in 1999, including medical services (2.8 percent), transportation (2.7 percent), household

operation (2.5 percent), and housing (2.3 percent). Electricity expenditures also are expected to increase 1.1 percent and natural gas expenditures are expected to increase 7.9 percent.

Business Investment. The growth in business investment spending is forecasted to soften significantly in 1999. Equipment outlays will slow significantly, as a sluggishly growing economy will not necessitate greatly expanded production capacity. Computing and telecommunication equipment are the only areas likely to exhibit strong growth over this period.

Following a healthy 11.3 percent increase in 1998, non-residential fixed investment spending is forecasted to grow at a meager 3.8 percent rate in 1999. Investment in both equipment and buildings will experience the slackened pace of investment spending. Business spending on producer durable equipment is forecasted to increase 6.5 percent in 1999, which is down substantially from a 16.6 percent increase in 1998. Spending on buildings is expected to decrease 3.8 percent in 1999 compared to a 1.6 percent decline in 1998. Inventory accumulation is expected to increase by 2.1 percent in 1999 compared with 4.7 percent in 1998.

Government. Real spending by the federal government is expected to increase 1.7 percent in 1999, compared to a 1.4 percent decline in 1998. State and local government spending is expected to increase by 3.1 percent in real terms in 1999, which is up from 2.1 percent in 1998. The 1999 increase will result as state and local governments continue to deal with funding for mandated programs and expanding demand for services.

International. The international economy will continue to play an important role in the U.S. economy. The on-going trade deficit will continue to dampen the U.S. economy. The strong dollar and the continuing Asian financial crisis will soften further export demand and strengthen import demand. Real exports are forecasted to grow 2.1 percent compared to an expected 5.7 percent rise in imports in 1999.

The strongest export expansion is forecasted for business machines with a 24.4 percent growth. Capital goods, the single largest component of exports, are expected to increase 2.7 percent. Auto exports are forecasted to decrease 4.6 percent. The aircraft

component, which accounts for 7.1 percent of exports, is expected to decrease 5.6 percent. The food, feeds, and beverages sector, which also accounts for 7.1 percent of exports, is expected to increase 2.1 percent. Industrial supplies exports are forecasted to increase by 1.3 percent.

Overall, capital goods account for 30.6 percent of total imports. The largest increase in imports is expected to be an 18.3 percent increase in business machine imports. Consumer goods, which account for 23.5 percent of imports, are forecasted to grow 5.6 percent. Auto imports account for 14.6 percent of total imports and are forecasted to fall 0.8 percent, while petroleum products, which account for 5.1 percent of imports, are forecasted to increase only 0.3 percent.

The Kansas Economy

The slower pace of the national economic expansion will tend to dampen the growth rate of the Kansas economy in 1999. Employment growth based on place-of-residence data is forecasted to increase 2.1 percent in 1999 compared with a 3.1 percent increase in 1998. Employment by place of work is expected to increase 1.6 percent in 1999 compared to a 2.4 percent increase in 1998. Correspondingly, the unemployment rate is expected to increase slightly to 3.7 percent, up from 3.6 percent a year ago. Table 2-2 presents major Kansas economic forecasts for 1999.

Employment. Manufacturing employment is expected to exhibit only minimal growth in 1999. Durable goods manufacturing employment is forecasted to increase more rapidly than non-durable goods employment.

Table 2-2

Major Kansas Economic Trends 1999	
	<u>1999</u>
GSP Growth (\$Constant)	3.3 %
Personal Income Growth (\$Current)	4.1
Employment Growth Rate (Place of Residence)	2.1
Employment Growth Rate (Place of Work)	1.6
Unemployment (Monthly Average)	3.7

Aircraft manufacturing has provided the bulk of manufacturing growth in the recent past. However, the robust increases in aircraft manufacturing

employment over recent years is expected to reach a plateau. The manufacturing boom is likely to subside in 1999 because of wavering demand for large, long-haul aircraft as a result of the lingering Asian economic crisis and manufacturing bottlenecks at Boeing facilities in the aftermath of the Boeing/McDonnell-Douglas merger. Boeing's Wichita facility is primarily responsible for producing the fuselage and other components for the 737-series aircraft and demand for these remains strong. However, it also manufactures components for other models for which demand is waning.

Although the general aviation sector remains healthy, announcements made by Boeing at the end of 1998 indicate it may reduce its workforce by up to 3,000 positions. Boeing is the largest employer in Wichita. However, this will be moderated because Cessna, LearJet, and Raytheon have announced combined project workforce enhancements of nearly the same number over the next two years.

The Teal Group, an aerospace industry forecasting firm, predicts a robust market for over 4,000 business aircraft worth over \$53.0 billion over the next decade. This is a 10.0 percent increase over its 1997 forecast. The aircraft industry accounts, either directly or indirectly, for over 20 percent of jobs and over 15 percent of wages paid in the Wichita area economy.

Construction employment in 1999 is expected to remain relatively stable, increasing only 1.8 percent. This stability is forecasted based on the number of projects underway or already contracted for construction. This stability should occur even though a number of major construction projects in the Wichita, Topeka, and Kansas City areas were completed, and a majority of the Comprehensive Highway Program projects were nearing completion in 1998. Specifically, the construction of the \$200.0 million International Speedway in Wyandotte County should be well underway in 1999. In addition, Boeing, Cessna, and Executive Aircraft are constructing multimillion-dollar aviation facilities in the Wichita area.

The decline in mining employment is expected to continue unless there is a significant increase in oil prices. At the end of 1998, oil prices were at the lowest levels in 25 years. In light of the low prices, mining employment is forecasted to decrease 6.1 percent.

Among the service-producing industries, the services sector is expected to be the primary source of employment growth, because it should continue to grow in 1999. Services added over 10,000 jobs in 1998, with business services creating nearly 5,000 of those jobs.

Kansas has realized benefits from a comprehensive communications network and a skilled work force, two factors, which have lured several call centers and telemarketing operations to Kansas in recent years. Over the past two years, call centers and telemarketing operations have created an average of 300 new job openings per month. The Royal Caribbean call center in Wichita had a temporary increase in employment in 1998, as many employees were temporarily reassigned from a south Florida call center as the result of an approaching hurricane.

The Royal Caribbean call center is expected to almost double its Wichita area workforce to nearly 300 by early 1999. Viking Office Products, a Los Angeles-based office products catalog marketer, is expected to have a 300-person call center on-line in Wichita by early 1999. The site will handle Viking's entire call overflow, serve as its credit center, and house its computer backup system. Overall service employment is expected to increase by 3.8 percent in 1999. However, employment growth in the services sector will tend to be in the lower wage jobs.

More than 650 communications jobs were added in 1998 and the expansion is expected to continue in 1999. Spring North Supply is expanding its distribution center in Olathe. A Michigan-based regional trucking company plans to build a service center in the Fairfax Industrial District in Kansas City, Kansas next spring, and Airborne Express has announced plans to relocate its entire Topeka operation to a new facility on the flight line at Forbes Field. Transportation and utilities employment is expected to increase by 1.7 percent.

The retail trade sector generated more than 16.0 percent of total job growth in 1998, with eating and drinking establishments adding more than 2,800 jobs and general merchandise stores adding more than 2,400 jobs. Although several major retailers curtailed operations in Kansas (Luby's, Shoney's, and Venture), Home Depot, Kohl's, J.C. Penney, and Sears Roebuck are opening major new facilities. Trade employment is expected to increase by 1.5 percent in 1999.

The merger of NationsBank and BankAmerica is not expected to have an effect on employment in Kansas. The NationsBank call center in Wichita, which employs over 650 people, is expected to remain in Wichita. Finance, insurance, and real estate (FIRE) employment is expected to increase 0.8 percent.

The Kansas Department of Social and Rehabilitation Services continues to privatize many of its social services. However, government employment is expected to increase 0.8 percent.

Farm employment is expected to decrease 0.1 percent because farm prices are expected to remain low. Additionally, export demand is expected to remain soft.

Personal Income. After growing at a 4.7 percent rate in 1998, Kansas personal income growth is expected to slow to 4.1 percent in 1999. Salaries and wages are expected to grow 4.1 percent in 1999 also. This is down from 5.1 percent in 1998. As in most years, salary and wage growth in services will be the dominant contributor to the growth of personal income. Other labor income, which showed only modest growth of 1.6 percent in 1998, is expected to experience a 4.1 percent growth rate in 1999.

Table 2-3

Kansas Personal Income			
1997 Actual, 1998 Estimate, and 1999 Forecast			
<i>Dollars in Millions</i>			
	1998	1999	% Chg.
	<u>Estimate</u>	<u>Forecast</u>	<u>1998-9</u>
Salaries and Wages	\$36,049	\$37,519	4.1
Other Labor Income	3,788	3,943	4.1
Proprietors' Income	5,675	5,860	3.3
Farm	844	861	2.0
Nonfarm	4,830	5,000	3.5
Div., Int., & Rent	11,817	12,219	3.4
Transfer Payments	9,753	10,244	5.0
Adj. for Residence	1,235	1,297	5.0
Less: Soc. Ins. Contrib.	(3,075)	(3,167)	3.0
Total Personal Income	65,241	67,916	4.1

Table 2-3 presents estimated Kansas personal income for 1997 and forecasted Kansas personal income for 1998. Proprietors' income is expected to rebound to a 3.3 percent growth rate in 1999 after only a 1.5 percent increase in 1998. Proprietors' income was held down

in 1998 by a 15.0 percent decline in farm proprietors' income. However, the farm economy is expected to remain soft. Growth in the dividends, interest, and rent category is expected to moderate to 3.4 percent in 1999 as the stock market cools. This compares to a 4.2 percent increase in 1998.

The residence adjustment is expected to increase by 5.0 percent in 1999, which is the same rate as in 1998. Transfer payments are forecasted to rise by 5.0 percent in 1999, compared to 4.9 percent in 1998. These transfer payments are income paid to individuals for reasons other than participation in production.

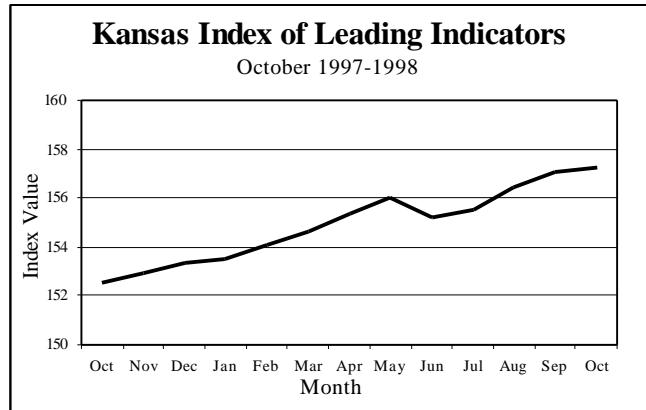
Kansas Index of Leading Economic Indicators. The outlook for the Kansas economy is monitored with a variety of data sources and techniques. Among these is the Kansas Index of Leading Economic Indicators (KILEI). The index was designed to forecast turning points (recessions or recoveries) in the Kansas economy and to supplement the usual econometric forecasting techniques.

The KILEI is a weighted composite of seven components, six of which are specific to Kansas. The Kansas components of the index are (1) initial claims for unemployment compensation in Kansas, (2) average hours worked in manufacturing in Kansas, (3) new housing starts authorized for construction in Kansas, (4) stock prices of approximately 100 Kansas-based or Kansas-related companies, (5) wheat prices paid to Kansas farmers, and (6) cattle prices paid to Kansas farmers. In addition, a measure of the nation's money supply, M2, is included. The index was constructed from monthly data beginning with January 1970. In the majority of cases during this more than

20-year period, the index has been successful in forecasting turning points in the Kansas economy.

Figure 2-1 presents the Kansas Index of Leading Economic Indicators for the period January 1997 through October 1998. For October, the latest month for which data are available, KILEI continued its upward trend. This trend was driven primarily by increases in the money supply and wheat prices.

Figure 2-1



Average hours worked in manufacturing, Kansas stock prices, cattle prices, and new housing prices also advanced in October. The only negative indicator in October was the number of initial unemployment claims. Although the index continues to increase overall, the rate of increase has been slowing. This inverse relationship is substantiated by comparing the index values for 1998 to 1997. The 1998 values have been consistently above the index for comparable months in 1997. This information indicates the Kansas economy may be approaching a plateau, but it does not necessarily imply a recession is imminent.

Chapter 3

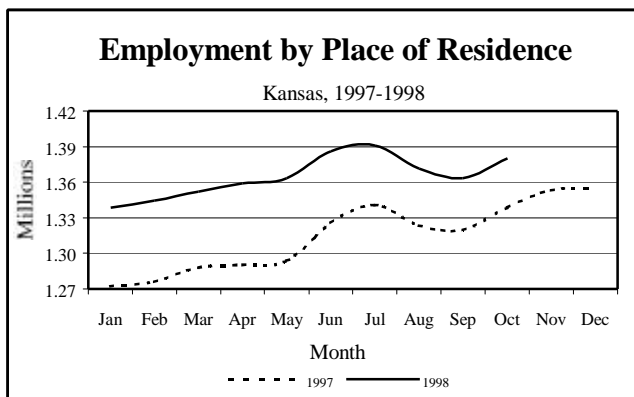
Employment Changes

Although no industries in Kansas experienced extraordinary employment growth in 1998, the major industries all exhibited stable, modest growth. The individual industries include manufacturing at 2.7 percent, services at 2.2 percent, and trade at 2.8 percent. The key sectors of aircraft manufacturing and construction maintained health employment growth in 1998 with rates of 5.6 percent and 4.6 percent, respectively. Overall employment growth in Kansas, by place of residence, increased by 3.1 percent, while employment by place of work increased by 2.4 percent. This is compared to 2.3 percent and 3.4 percent increases, respectively, in 1997.

1998 Kansas Employment Changes

There are two measures of employment in Kansas, which are place-of-residence data and place-of-work data. The former are based on a sample survey of Kansas households, while the latter are based on data primarily obtained directly from firms as part of the unemployment insurance program. Figure 3-1 presents trends in Kansas employment by place of

Figure 3-1



residence for 1997 and 1998. In 1998, place-of-residence data indicated Kansas employment grew 3.1 percent, while place-of-work data showed a 2.4 percent increase. These increases compare to 2.3 percent and 3.4 percent, respectively, in 1997. Monthly averages for 1998 are based on data available through October. Unless otherwise noted data for this

chapter were obtained from the Kansas Department of Human Resources, Labor Market Information Services. Table 3-1, which is shown on page 19, presents Kansas employment by industry for 1996 through 1998. Figure 3-2 presents trends in Kansas employment by place of work for 1997 and 1998.

Figure 3-2

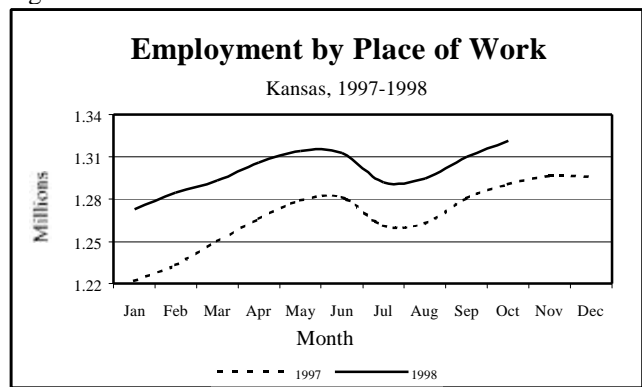
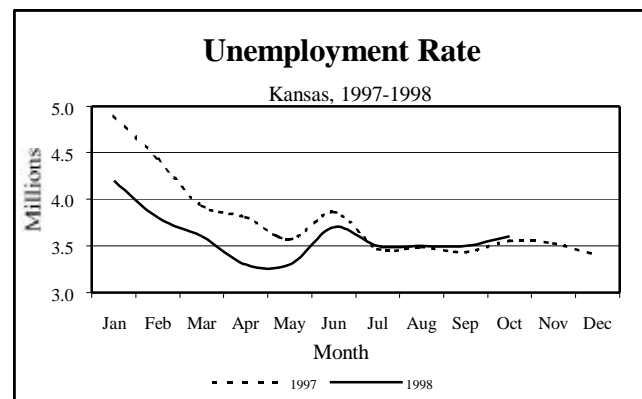


Figure 3-3 presents trends in the unemployment rate for 1997 and 1998. Although average monthly

Figure 3-3



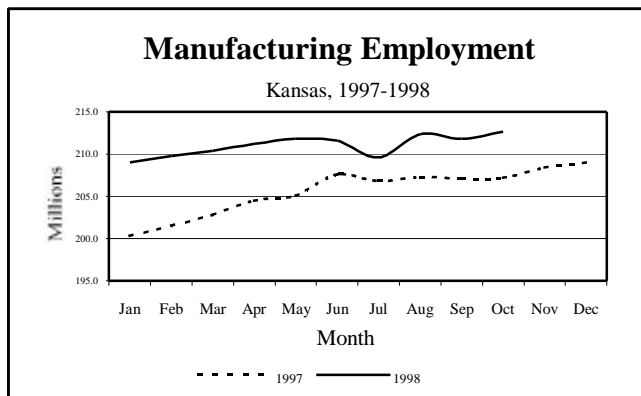
unemployment rose from 52,000 in 1997 to 53,623 in 1998, employment growth continued to push the unemployment rate lower in 1998. The average monthly unemployment rate fell slightly from 3.8 percent in 1997 to 3.6 percent in 1998. Although the average monthly unemployment rate for 1998 is below the rate in 1997, monthly unemployment rates from July through October were at or above the rate for the same month a year earlier. This indicates the Kansas

economy is at or near full employment. October is the most recent month for which data were available. The June upturn is largely attributable to seasonal unemployment from students on summer vacation.

For the fourth straight year employment growth in the goods industry exceeded that of the services industry. Employment in the goods-producing industry increased at a 2.9 percent rate compared to a 2.2 percent rate for the services-producing industry. This is only the fifth time over the past 17 years the employment growth in the goods-producing industry exceeded the rate for the services-producing industry.

Manufacturing. Although manufacturing growth slowed from 4.5 percent in 1997 to 2.7 percent in 1998, overall manufacturing employment remained strong. Figure 3-4 presents trends in manufacturing employment for 1997 and 1998. Average monthly

Figure 3-4



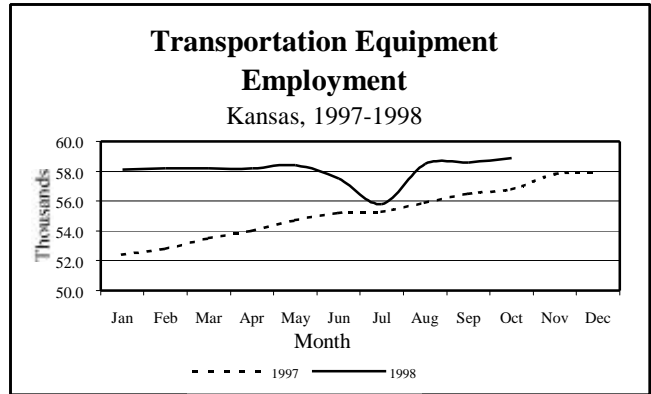
manufacturing employment increased from 205,600 in 1997 to 211,058 in 1998. Even with anticipated layoffs at the Boeing Company in Wichita, the key sector of aircraft manufacturing increased employment by 5.6 percent in 1998.

The drop in manufacturing employment generally and aircraft manufacturing specifically in July is largely the result of workforce reductions at Boeing. Most of the reduction was in the form of retirements and attrition. It is noteworthy the other aircraft manufacturers absorbed most of the employment reduction at Boeing within a month. Aircraft manufacturing is included. Figure 3-5 presents trends in transportation equipment manufacturing employment for 1997 and 1998.

Durable goods manufacturing employment increased by 2.9 percent in 1998. This increase was driven

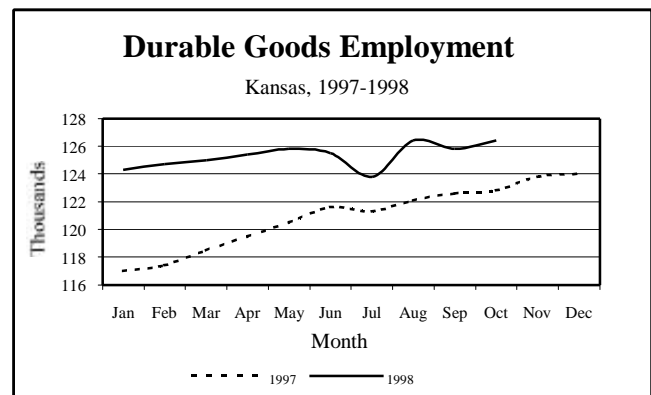
primarily by increases in transportation equipment generally and aircraft manufacturing specifically. Order deferrals and cancellations resulting from the

Figure 3-5



Asian economic crisis and manufacturing bottlenecks resulting from corporate restructuring cloud the employment horizon at Boeing. Figure 3-6 presents

Figure 3-6



trends in durable goods manufacturing employment for 1997 and 1998. However, a robust general aviation market has resulted in significant gains in employment at Cessna, Learjet, and Raytheon.

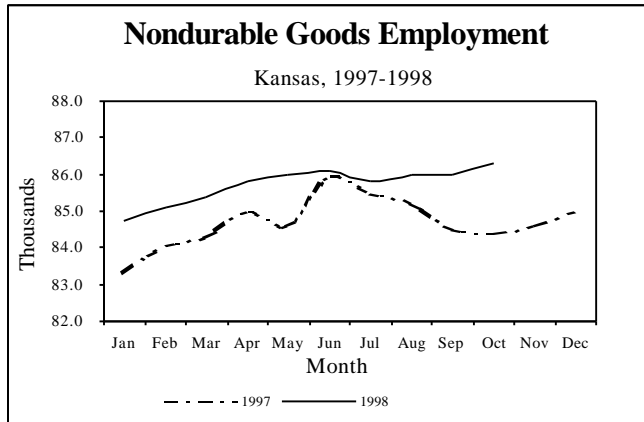
Non-durable goods manufacturing employment increased by 2.3 percent in 1998. Most of the major sub-sectors of this industry exhibited slow to modest growth in 1998. Figure 3-7 on the next page presents trends for non-durable goods manufacturing employment for 1997 and 1998.

Figure 3-8, which is also shown on the next page, presents trends in food and kindred products employment for 1997 and 1998.

Mining. Mining employment decreased by 4.8 percent in 1998. This was due largely to the depressed

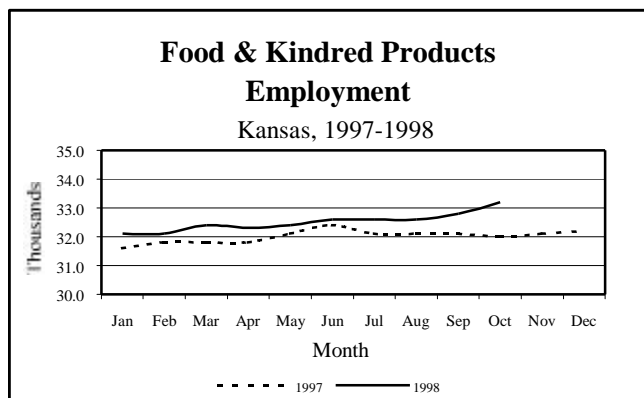
oil and gas markets, which resulted in a 7.2 percent decrease in oil and gas employment. Figure 3-9 presents mining employment for 1997 and 1998.

Figure 3-7



Construction. Construction employment increased at a 4.6 percent rate in 1998 compared to a 3.7 percent rate in 1997. Continued economic growth and low

Figure 3-8

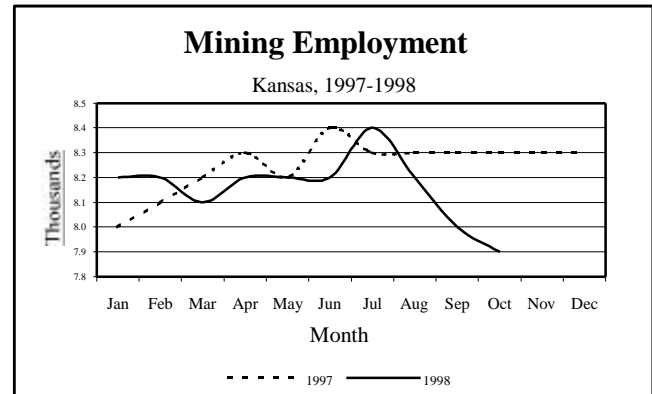


interest rates stimulated additional housing starts and commercial construction. In fact, contractors in the Wichita area indicated construction was being hampered by the lack of construction workers in the area. Note that much of the variation in construction employment during the year is due to the inherently seasonal nature of the industry. Figure 3-10 presents trends in construction employment for 1997 and 1998.

Transportation, Communication, and Utilities. After several years of restructuring of some of the industries' major components, the transportation and public utility industry grew 2.9 percent in 1998, which is equivalent to the rate in 1997. Average annual employment grew from 72,100 in 1997 to 74,174 in 1998. Spring PCS, which is headquartered in Kansas City, is undergoing a nationwide workforce reduction in response to the completion of its nationwide

wireless network. However, no direct losses are anticipated in the Kansas City area. In fact, the parent company of Sprint expects to increase its workforce by

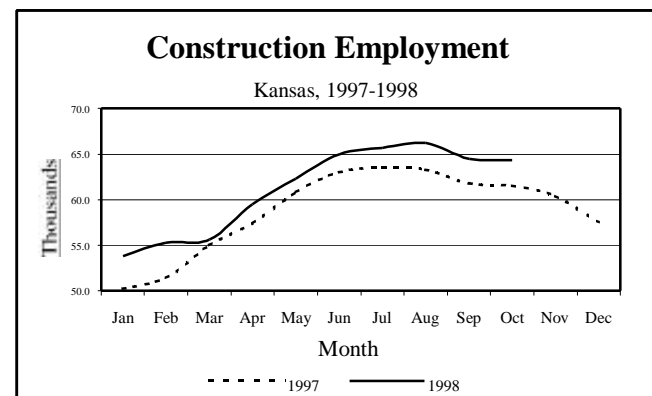
Figure 3-9



approximately 300 in the Kansas City area. Moreover, the Kansas City Action Committee on Information Technology Worker Shortage estimates over 3,000 information technology jobs in the Kansas City area have gone unfilled because of the lack of skilled technical workers in the area.

Railroad transportation employment experienced a robust 12.3 percent growth in 1998 after a 4.3 percent decline in 1997. This increase was due to ongoing restructuring within the industry. In fact, Kansas City Southern Railroad benefited from Union Pacific's shipping backlog by picking up substantial additional shipments to Mexico. After securing the Northwest Railroad, which services Monterrey and Mexico City, Kansas City Southern prided itself as being the

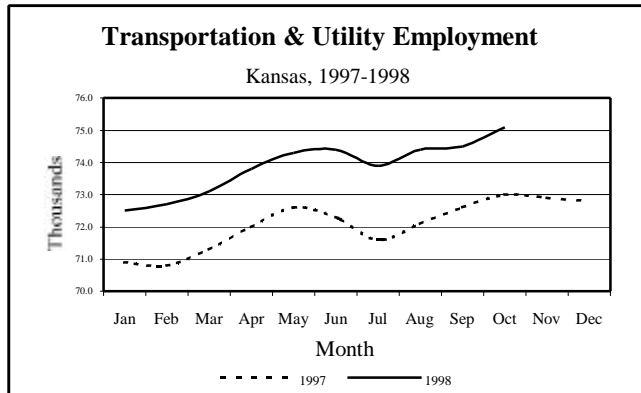
Figure 3-10



“NAFTA Railway.” Trucking and warehousing employment increased 3.6 percent in 1998, while electric, gas, and sanitary services employment was unchanged. Figure 3-11 located on the next page presents trends in transportation and public utilities employment for 1997 and 1998.

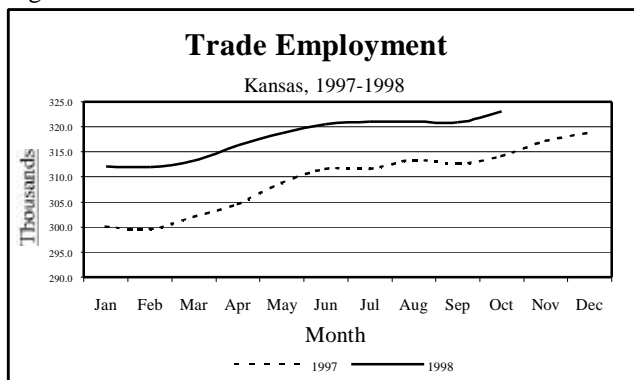
Wholesale and Retail Trade. Wholesale and retail trade increased employment by 8,767 jobs in 1998, which is a 2.8 percent increase. Most of the increase was in the larger retail trade industry where

Figure 3-11



employment grew by 8,859, or 3.8 percent. This increase was offset slightly because wholesale trade employment actually experienced a decrease of 0.1 percent. Figure 3-12 presents trends in trade employment for 1997 and 1998.

Figure 3-12

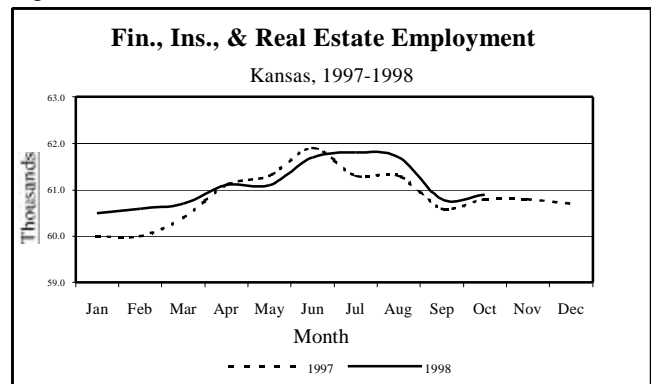


Within retail trade, apparel and accessory stores registered the largest employment increase (7.4 percent). Smaller increases were experienced by automotive dealers and service stations (4.9 percent), and general merchandise stores (4.7 percent). Food stores' employment actually fell 0.3 percent. Historically, slow population growth and the lack of major national tourist draws have hampered Kansas trade employment growth.

Finance, Insurance, and Real Estate. Employment in the finance, insurance, and real estate sector (FIRE) increased only 0.2 percent in 1998. Depository and non-depository credit institutions increased employment by 2.0 percent and insurance carriers

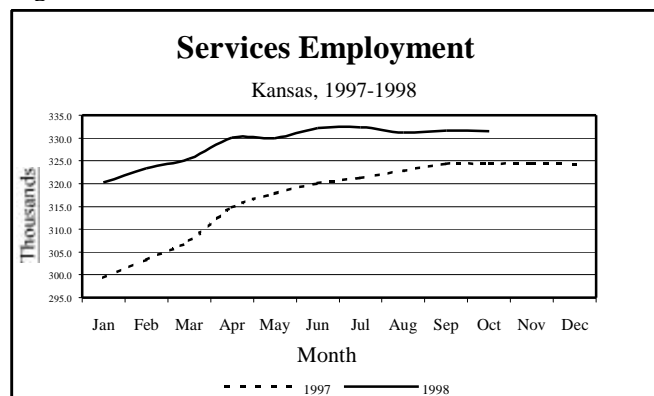
employment declined significantly by 5.0 percent. Figure 3-13 presents trends in FIRE employment for 1997 and 1998.

Figure 3-13



Services. The services industry, which is typically one of the fastest growing industries in the state, grew only 2.2 percent in 1998. Wichita was hurt when Coleman, Thorn America, and Tricon Global Restaurants announced they were relocating corporate operations out of state. Figure 3-14 presents trends in

Figure 3-14

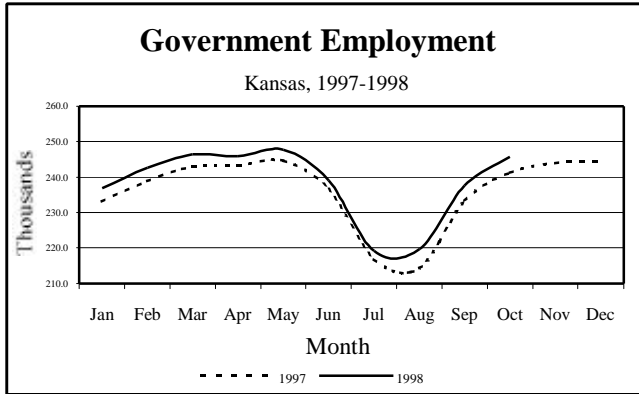


services employment for 1997 and 1998. In addition, some of the slowdown in the services industry's growth may be attributable to workers gravitating toward the higher paying aircraft manufacturing sector as jobs became available. As the demand for aircraft workers slackens, the service sector should see a rebound.

Government. Total government employment increased 1.9 percent in 1998 compared to 1.1 percent in 1997. Federal government employment in the state grew by 0.7 percent in 1998 after a 0.4 percent decline in 1997. State and local government employment increased by 2.0 percent in 1998 compared to a 1.3 percent increase in 1997. The summer downturn is

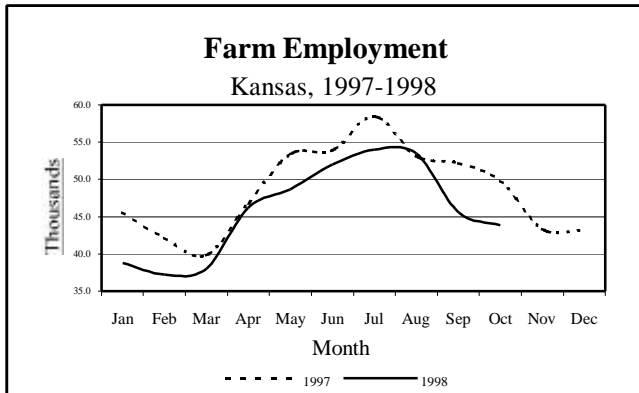
largely attributable to faculty at public schools and universities being on nine-month appointments. Figure 3-15 present trends in government employment for 1997 and 1998.

Figure 3-15



Farming. On-going problems in the farm economy caused farm employment to fall 12.0 percent in 1998, following an 11.7 percent decline in 1997. Figure 3-16 presents trends in farm employment for 1997 and 1998. Much of the variation in farm employment during the year is due to the inherently seasonal nature of the industry.

Figure 3-16



Kansas, Regional, and National Growth

Based on the most recent comparable data for 1996 through 1997, employment growth in Kansas exceeded growth in both the Plains states region and the U.S. Table 3-2, which is shown on page 20, presents employment growth rates for Kansas, the Plains states, and the U.S. for 1996-1997.

Kansas employment growth was 2.9 percent compared to 2.2 percent for the Plains states and 2.5 percent for the U.S. In 1997, Kansas led the region in

employment growth and ranked ninth nationally. Of the major industry groups, agricultural services, construction, manufacturing, wholesale trade, retail trade, FIRE, and services employment grew more rapidly in Kansas compared to the Plains states. Agricultural services, manufacturing, retail trade, services, and government employment grew more rapidly in Kansas than the U.S. during the 1996-1997 period. Robust gains were recorded in manufacturing employment generally and durable goods specifically. Services and FIRE employment also posted strong gains.

Construction. Construction employment in Kansas increased by 3.6 percent in 1997 compared to 3.4 percent for the Plains region and 4.1 percent for the U.S. In Kansas, special trade construction had the highest employment growth rate of 3.8 percent in 1997, while general building construction employment increased by 3.5 percent, and special trade construction employment increased by 2.6 percent.

Manufacturing. In 1997, overall manufacturing employment in Kansas increased by 5.0 percent compared to 1.9 percent in the Plains states and 1.1 percent in the U.S. Specifically, durable goods manufacturing employment increased at a strong 6.7 percent rate in Kansas compared with 3.3 percent for the Plains states and 2.1 percent for the U.S.

Most of the employment growth was concentrated in the other transportation equipment sector. This includes aircraft manufacturing, which increased by 16.0 percent. The expanding commercial airline industry boosted transportation equipment manufacturing employment by over 6,000 in 1997. Boeing received a record number of orders for the popular 737 series airliner, whose fuselage and other key components are manufactured in Wichita. The record number of orders resulted, in part, for the manufacturing employment growth rate in Wichita, which led all metropolitan areas in the nation in 1997.

Additionally, the aircraft boom also has prompted many parts suppliers to relocate to the area. As a result, Kansas had the fastest growth in fabricated metal producers in 1997. The fabricated metal and primary metal sectors also experienced healthy gains of 9.7 percent and 9.0 percent, respectively. However, several other sectors of the industry experienced employment declines. Miscellaneous manufacturing employment declined 6.6 percent; motor vehicle manufacturing declined 4.5 percent; instrument

manufacturing declined 3.3 percent; stone, clay, and glass manufacturing declined 3.0 percent; and electronic manufacturing declined 0.7 percent.

Non-durable goods manufacturing employment in Kansas increased at a 2.6 percent rate in 1997 compared to no growth for the Plains states and a 0.3 percent loss for the U.S. The largest gain was experienced by the textile mill sector, which experienced an 11.0 percent increase. Healthy employment gains were realized in 1997 in other sectors also, including paper and allied products (8.3 percent), chemicals and allied products (6.5 percent), leather products (6.2 percent), and printing and publishing (5.8 percent). However, the petroleum and coal sector suffered a 6.9 percent employment loss in 1997.

Transportation and Utilities. Transportation and utilities employment increased by 3.0 percent in Kansas in 1997 compared to 3.7 percent for the Plains states and 3.4 percent for the U.S. The communications sector experienced a robust employment gain of 10.7 percent. However, other sectors suffered employment losses in 1997, including water transportation (-5.3 percent); non-natural gas pipelines (-4.1 percent); air transportation (-3.4 percent); electric, gas, and sanitary services (-3.3 percent); railroad transportation (-1.8 percent); and other transportation (-0.5 percent).

Wholesale and Retail Trade. Wholesale trade employment in Kansas increased by 1.6 percent in 1997 compared to 1.4 percent for the Plains states and 2.4 percent for the U.S. Retail trade employment in Kansas increased by 2.5 percent in 1997 compared to 1.5 percent for the Plains states and 1.9 percent for the U.S. All the major sectors of the retail trade industry in Kansas experienced employment gains in 1997 except building materials and garden equipment.

Finance, Insurance, and Real Estate. Employment in the finance, insurance, and real estate (FIRE) industry increased by 3.6 percent in 1997 compared to 3.4 percent for the Plains states and 3.7 percent for the U.S. The strongest growth was experienced by the security and commodity brokers sector, which experienced 11.4 percent employment growth in 1997. Most of this growth can be attributed to the strong stock market performance during the year.

Services. Services employment in Kansas grew by 4.5 percent in 1997, higher than the 3.4 percent rate of the

Plains states and the 3.5 percent rate of the U.S. Within the services industry, the most rapidly growing sector was social services, with an 11.2 percent growth rate. Much of this growth may be attributed to the State of Kansas effort to “privatize” many social services. Business (7.5 percent) and engineering and management (6.7 percent) services also experienced healthy employment increases.

Major Labor Markets

During 1998, the state's major labor markets exhibited a wide variation in growth of employment. While the Wichita area experienced employment growth of 3.8 percent, Lawrence experienced a 3.7 percent increase, and Topeka experienced a 2.2 percent increase. Tables 3-3 to 3-5 present employment for the state's four metropolitan labor markets for 1997 and 1998. Table 3-6 presents a comparison of metropolitan area employment growth in Kansas and adjacent states for 1997 through 1998.

Comparing mid-year performance for metropolitan areas in Kansas and adjoining states indicates that out of 12 areas, Omaha had the highest employment growth rate of 3.6 percent, while Kansas City ranked 4th with a growth rate of 2.8 percent; Wichita ranked 8th with a 2.3 percent growth rate; while Topeka ranked 12th with a 0.6 percent growth rate. Among the major non-metropolitan labor markets in Kansas, Saline County was the fastest growing, with a 3.0 percent growth rate, followed by Barton and Ford Counties, with 2.9 percent and 2.8 percent growth rates, respectively. Riley (0.5 percent) and Ellis (0.6 percent) were the slow growing labor markets in 1998. Tables 3-7 to 3-17 present employment for the state's largest non-metropolitan labor markets for 1997 and 1998.

Tables

Supporting tables for Chapter 3 are shown on pages 19 through 25.

Tables. Table 3-1 presents Kansas employment by sector for 1997 and 1998, while Table 3-2 presents employment growth rates for Kansas, the Plains states, and the U.S. for 1996 and 1997. It should be noted the information in Table 3-1 and Table 3-2 may not conform exactly because each was compiled using

different data sources. Table 3-1 is based on data from the Kansas Department of Human Resources, Labor Market Information Service. These data are specific to Kansas and comparable among years. Table 3-2 is based on data from the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. These data are more detailed and comparable among states. Also note the data from the two sources are kept on different time periods.

Tables 3-3 through 3-5 present employment for the state's four metropolitan labor markets for 1997 and 1998. It should be noted the information in Tables 3-3 through 3-5 also might not be in exact conformity with

Table 3-6 because each was compiled using data from different sources. Tables 3-3 through 3-5 are based on data from the Kansas Department of Human Resources, Labor Market Information Service. Table 3-6 is based on data from the U.S. Department of Labor, Bureau of Labor Statistics. It also should be noted the data from the two sources have a different basis. Table 3-6 presents a comparison of metropolitan area employment growth in Kansas and adjacent states for 1997 through 1998.

Tables 3-7 through 3-17 present employment for the state's largest non-metropolitan labor markets for 1997 and 1998.

Table 3-1

Kansas Employment, 1996-1998					
	1996	1997	1998	% Change '96-'97	% Change '97-'98
Place of Residence Data					
Civilian Labor Force	1,346,000	1,366,000	1,408,399	1.5	3.1
Employment	1,285,000	1,314,000	1,354,776	2.3	3.1
Unemployment	61,000	52,000	53,623	-14.8	3.1
Unemployment Rate	4.5	3.8	3.6		
Place of Work Data					
All Industries	1,226,700	1,268,300	1,298,472	3.4	2.4
Goods Producing Industries	261,300	272,700	280,477	4.4	2.9
Mining	7,900	8,300	7,900	5.1	-4.8
Oil & Gas Extraction	6,600	6,900	6,400	4.5	-7.2
Construction	56,700	58,800	61,477	3.7	4.6
Manufacturing	196,700	205,600	211,058	4.5	2.7
Durable Goods	113,500	120,900	124,444	6.5	2.9
Stone, Clay & Glass Products	6,200	6,000	5,803	-3.2	-3.3
Primary Metal Industries	3,700	4,100	4,393	10.8	7.1
Fabricated Metal Products	10,100	10,800	11,097	6.9	2.8
Machinery (incl. Electric)	32,100	32,500	33,098	1.2	1.8
Transportation Equipment	49,100	55,200	57,241	12.4	3.7
Aircraft & Parts	38,300	44,800	47,300	17.0	5.6
Nondurable Goods	83,200	84,700	86,607	1.8	2.3
Food & Kindred Products	31,400	32,000	33,200	1.9	3.8
Meat Products	17,400	18,000	18,796	3.4	4.4
Grain Mill Products	4,300	4,200	4,302	-2.3	2.4
Apparel & Other Textile Prod.	3,500	3,400	3,500	-2.9	2.9
Printing & Publishing	22,200	23,100	23,507	4.1	1.8
Chemicals & Allied Products	6,100	6,500	6,700	6.6	3.1
Petroleum/Coal & Rubber/Plastics	15,000	14,400	14,501	-4.0	0.7
Service Producing Industries	965,400	995,600	1,017,997	3.1	2.2
Transportation & Public Utilities	70,100	72,100	74,174	2.9	2.9
Railroad Transportation	6,900	6,600	7,412	-4.3	12.3
Trucking & Warehousing	21,000	21,800	22,586	3.8	3.6
Elect., Gas & Sanit. Serv.	11,300	11,000	11,000	-2.7	0.0
Trade Total	302,300	309,500	318,267	2.4	2.8
Wholesale Trade	74,500	76,400	76,301	2.6	-0.1
Retail Trade	227,800	233,200	242,059	2.4	3.8
General Merchandise Stores	30,900	32,100	33,620	3.9	4.7
Food Stores	34,600	35,000	34,900	1.2	-0.3
Auto. Deal. & Serv. Stations	25,700	26,400	27,681	2.7	4.9
Apparel & Accessory Stores	10,900	11,400	12,248	4.6	7.4
Fin., Ins., & Real Estate	58,700	60,900	61,000	3.7	0.2
Dep. & Nondep. Credit Inst.	23,500	25,400	25,908	8.1	2.0
Insurance Carriers	12,000	11,900	11,300	-0.8	-5.0
Services	300,700	317,000	324,038	5.4	2.2
Hotels & Other Lodging Places	9,700	10,000	10,096	3.1	1.0
Personal Services	12,300	12,300	11,480	0.0	-6.7
Government	233,500	236,100	240,505	1.1	1.9
Federal Government	27,100	27,000	27,200	-0.4	0.7
State & Local Government	206,400	209,100	213,298	1.3	2.0
Farm Employment	54,900	48,500	42,657	-11.7	-12.0

1998 estimates are based on data for the first ten months of the year.

Table 3-2

Employment Growth, 1996-1997			
Percentage Change			
	% Chg.	% Chg.	% Chg.
	Kansas	Plains	U.S.
Total Employment	2.9	2.2	2.5
Salary and Wage	3.1	2.2	2.4
Proprietors'	1.9	2.2	2.7
Farm Proprietors'	-1.1	-0.6	0.1
Nonfarm Proprietors'	2.7	2.9	2.9
Farm Employment	-1.3	-1.2	0.3
Nonfarm Employment	3.1	2.4	2.5
Private	3.7	2.6	2.8
Agricultural Services, Forestry, Fisheries, & Other	5.4	4.9	4.3
Agricultural Services	5.5	5.0	4.5
Forestry, Fisheries, & Other	3.2	2.3	2.1
Forestry	-1.8	3.1	2.7
Fisheries	6.4	1.1	2.2
Other	--	--	--
Mining	-1.1	-1.1	1.0
Metal Mining	8.3	-0.7	-0.6
Coal Mining	34.0	-8.4	-2.5
Oil & Gas Extraction	-1.5	-1.7	1.9
Nonmetallic	0.8	0.8	1.0
Construction	3.6	3.4	4.1
General Building	3.5	2.9	3.0
Heavy Construction	2.6	2.1	2.0
Special Trade	3.8	3.8	4.7
Manufacturing	5.0	1.9	1.1
Durable Goods	6.7	3.3	2.1
Lumber and Wood	--	3.3	2.3
Furniture & Fixtures	--	-0.1	1.2
Stone, Clay, & Glass	-3.0	1.2	1.4
Primary Metal	9.0	2.2	0.2
Fabricated Metal	9.7	4.7	2.3
Industrial Machinery	2.7	4.2	2.7
Electronic & Other	-0.7	2.5	2.1
Motor Vehicles & Equipment	-4.5	2.4	1.7
Other Transportation Equipment	16.0	7.3	4.6
Instruments	-3.3	1.0	1.2
Miscellaneous Manufacturing	-6.6	-2.3	1.2
Ordnance	--	--	--
Nondurable Goods	2.6	0.0	-0.3
Food and Kindred Products	2.5	-0.4	0.0
Tobacco	--	19.4	--
Textile Mill	11.0	-1.6	-2.1
Apparel & Other Textiles	-1.8	-3.1	-4.8
Paper & Allied	8.3	-0.6	0.7
Printing & Publishing	5.8	0.8	1.2
Chemicals & Allied	6.5	1.5	0.3
Petroleum & Coal	-6.9	-3.0	-1.4
Rubber & Miscellaneous Plastic	-4.1	1.4	1.6
Leather	6.2	-1.8	-5.0

Table 3-2 (Continued)

Employment Growth, 1996-1997			
Percentage Change			
	% Chg.	% Chg.	% Chg.
	Kansas	Plains	U.S.
Transportation & Public Utilities	3.0	3.7	3.4
Railroad Transportation	-1.8	-1.8	-1.8
Trucking & Warehousing	3.8	4.2	3.6
Water Transportation	-5.3	0.5	3.2
Other Transportation	-0.5	2.8	3.1
Local & Interurban Transportation	0.1	3.2	3.5
Transportation by Air	-3.4	2.6	1.9
Pipelines, except Natural Gas	-4.1	-2.8	--
Transportation Services	4.0	3.1	5.4
Communications	10.7	8.6	7.2
Electric, Gas, & Sanitary Services	-3.3	-0.3	-1.0
Wholesale Trade	1.6	1.4	2.4
Retail Trade	2.5	1.5	1.9
Building Materials and Garden Equipment	-0.3	3.0	4.3
General Merchandise	2.9	1.0	0.6
Food Stores	1.2	0.6	1.2
Automotive Dealers and Service Stations	2.2	1.9	1.6
Apparel & Accessory Stores	3.4	-0.9	0.2
Home Furniture & Furnishing Stores	3.5	1.8	2.8
Eating & Drinking Places	2.3	1.0	1.6
Miscellaneous Retail	4.0	2.9	3.5
Finance, Insurance, and Real Estate (FIRE)	3.6	3.4	3.7
Depository & Non-depository Institutions	5.1	3.1	3.0
Other Finance, Insurance, and Real Estate (FIRE)	3.1	3.5	4.0
Security & Commodity Brokers and Services	11.4	8.0	8.3
Insurance Carriers	-0.1	2.2	1.2
Insurance Agents, Brokers, & Services	4.8	2.9	3.6
Real Estate	2.8	1.7	1.7
Combined Real Estate	--	--	--
Holding & Other Investment Companies	2.0	9.1	11.7
Services	4.5	3.4	3.5
Hotels & Other Lodging Places	3.5	3.4	2.1
Personal Services	1.8	1.7	1.7
Private Households	-1.4	-1.5	-1.0
Business Services	7.5	5.1	6.9
Auto Repair, Services, & Parking	4.0	4.2	2.8
Miscellaneous Repair Services	1.9	1.2	1.8
Amusement & Recreation Services	3.0	3.9	3.8
Motion Pictures	4.7	1.2	4.4
Health Services	3.1	2.6	2.1
Legal Services	1.3	1.5	1.9
Educational Services	2.1	2.0	2.4
Social Services	11.2	5.3	4.3
Museums, Botanical, Zoological Gardens	-1.4	4.9	6.0
Membership Organizations	2.4	2.4	2.6
Engineering & Management Services	6.7	5.2	3.9
Miscellaneous Services	2.9	3.4	3.0
Government & Government Enterprises	0.4	0.7	0.6
Federal--Civilian	2.3	-0.6	-2.1
Military	-2.2	-1.9	-2.4
State and Local	0.5	1.2	1.4
State	-2.8	-0.4	0.4
Local	1.9	1.8	1.8

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information Service

Table 3-3

Wichita Metropolitan Area Employment Butler, Harvey & Sedgwick Counties 1997-1998			
	<u>1997</u>	<u>1998</u>	<u>% Chg.</u>
Place of Residence Data			
Civilian Labor Force	274,661	285,229	3.8
Employment	265,392	275,423	3.8
Unemployment	9,269	9,815	5.9
Unemployment Rate	3.4	3.4	
Place of Work Data			
All Industries	274,500	280,690	2.3
Goods Producing Industries	84,800	88,013	3.8
Mining	1,400	1,400	0.0
Construction	14,100	14,294	1.4
Manufacturing	69,300	72,317	4.4
Durable Goods	57,400	60,299	5.1
Machinery (including Electrical)	7,600	7,800	2.6
Transportation Equipment	42,200	44,790	6.1
Nondurable Goods	11,900	12,001	0.8
Food & Kindred Products	2,800	2,904	3.7
Printing & Publishing	3,200	3,200	0.0
Service Producing Industries	189,700	192,659	1.6
Transportation & Public Utilities	10,800	10,996	1.8
Trade Total	61,800	62,998	1.9
Wholesale Trade	15,900	16,101	1.3
Retail Trade	45,900	46,896	2.2
Finance, Insurance, & Real Estate	11,000	11,300	2.7
Services	73,300	74,287	1.3
Government	33,000	33,290	0.9
Farm Employment	2,100	1,900	-9.5

Table 3-4

Topeka Metropolitan Area Employment Shawnee County 1997-1998			
	<u>1997</u>	<u>1998</u>	<u>% Chg.</u>
Place of Residence Data			
Civilian Labor Force	88,911	90,364	1.6
Employment	84,532	86,399	2.2
Unemployment	4,379	3,993	-8.8
Unemployment Rate	4.9	4.4	
Place of Work Data			
All Industries	99,300	99,897	0.6
Goods Producing Industries	14,200	14,700	3.5
Construction & Mining	4,500	4,787	6.4
Manufacturing	9,800	10,006	2.1
Durable Goods	1,600	1,700	6.3
Nondurable Goods	8,200	8,304	1.3
Printing & Publishing	3,300	3,410	3.3
Service Producing Industries	85,100	85,199	0.1
Transportation & Public Utilities	6,300	6,200	-1.6
Trade Total	21,400	21,500	0.5
Wholesale Trade	3,400	3,500	2.9
Retail Trade	18,000	18,000	0.0
Finance, Insurance, & Real Estate	6,800	6,701	-1.5
Services	28,200	28,395	0.7
Government	22,400	22,400	0.0
Farm Employment	400	400	0.0

Table 3-5

Lawrence Metropolitan Area Employment Douglas County 1997-1998			
	<u>1997</u>	<u>1998</u>	<u>% Chg.</u>
Place of Residence Data			
Civilian Labor Force	52,691	54,740	3.9
Employment	50,500	52,381	3.7
Unemployment	2,191	2,365	7.9
Unemployment Rate	4.2	4.3	
Place of Work Data			
All Industries	46,300	46,978	1.5
Goods Producing Industries	7,400	7,500	1.4
Construction & Mining	2,100	2,200	4.8
Manufacturing	5,300	5,300	0.0
Service Producing Industries	38,900	39,478	1.5
Transportation & Public Utilities	1,300	1,207	-7.2
Trade Total	11,800	12,097	2.5
Wholesale Trade	1,400	1,400	0.0
Retail Trade	10,400	10,692	2.8
Finance, Insurance, & Real Estate	2,000	2,000	0.0
Services	10,900	11,189	2.7
Government	13,000	13,094	0.7
Farm Employment	500	400	-20.0

Table 3-6

Metropolitan Area Employment Growth Kansas and Adjacent States October 1997-October 1998			
	<u>1997</u>	<u>1998</u>	<u>% Chg.</u>
Omaha, NE	407,300	421,800	3.6
Tulsa, OK	378,800	392,100	3.5
Denver, CO	1,069,600	1,104,900	3.3
Kansas City, MO	931,300	957,400	2.8
Lawton, OK	37,100	38,000	2.4
Enid, OK	24,900	25,500	2.4
Oklahoma City, OK	506,200	518,000	2.3
Wichita, KS	279,400	285,700	2.3
Lincoln, NE	147,500	150,300	1.9
Springfield, MO	162,300	165,200	1.8
St. Louis, MO	1,302,800	1,317,500	1.1
Topeka, KS	99,800	100,400	0.6

Table 3-7

Barton County Employment 1997-1998			
	<u>1997</u>	<u>1998</u>	<u>% Chg.</u>
Place of Residence Data			
Civilian Labor Force	14,831	15,369	3.6
Employment	14,354	14,775	2.9
Unemployment	477	606	27.1
Unemployment Rate	3.2	3.9	
Place of Work Data			
All Industries	13,600	13,824	1.6
Goods Producing Industries	2,975	3,023	1.6
Manufacturing	1,675	1,747	4.3
Durable Goods	875	851	-2.8
Nondurable Goods	800	894	11.8
Mining	675	651	-3.6
Construction	625	625	0.0
Service Producing Industries	10,625	10,800	1.7
Transportation & Public Utilities	575	575	0.0
Trade Total	3,550	3,651	2.8
Wholesale Trade	975	975	0.0
Retail Trade	2,575	2,676	3.9
Finance, Insurance, & Real Estate	425	425	0.0
Services	3,750	3,750	0.0
Government	2,325	2,398	3.1
Farm Employment	750	653	-12.9

Table 3-8

Crawford County Employment 1997-1998			
	<u>1997</u>	<u>1998</u>	<u>% Chg.</u>
Place of Residence Data			
Civilian Labor Force	17,964	18,011	0.3
Employment	17,066	17,245	1.0
Unemployment	898	752	-16.3
Unemployment Rate	5.0	4.2	
Place of Work Data			
All Industries	17,825	17,850	0.1
Goods Producing Industries	4,225	4,277	1.2
Manufacturing	3,625	3,651	0.7
Durable Goods	1,825	1,799	-1.4
Nondurable Goods	1,800	1,851	2.9
Mining	100	133	33.3
Construction	500	500	0.0
Service Producing Industries	13,600	13,575	-0.2
Transportation & Public Utilities	925	1,065	15.2
Trade Total	4,050	4,050	0.0
Wholesale Trade	800	775	-3.1
Retail Trade	3,250	3,275	0.8
Finance, Insurance, & Real Estate	450	450	0.0
Services	3,950	3,902	-1.2
Government	4,225	4,128	-2.3
Farm Employment	525	453	-13.6

Table 3-9

Ellis County Employment 1997-1998			
	<u>1997</u>	<u>1998</u>	<u>% Chg.</u>
Place of Residence Data			
Civilian Labor Force	16,866	17,101	1.4
Employment	16,452	16,556	0.6
Unemployment	414	560	35.3
Unemployment Rate	2.5	3.3	
Place of Work Data			
All Industries	15,200	15,103	-0.6
Goods Producing Industries	2,075	2,000	-3.6
Manufacturing	1,300	1,251	-3.8
Durable Goods	1,025	952	-7.1
Nondurable Goods	275	300	9.1
Mining	300	273	-9.1
Construction	475	475	0.0
Service Producing Industries	13,125	13,101	-0.2
Transportation & Public Utilities	575	551	-4.2
Trade Total	3,950	4,050	2.5
Wholesale Trade	500	525	5.0
Retail Trade	3,450	3,525	2.2
Finance, Insurance, & Real Estate	425	450	5.9
Services	4,850	4,801	-1.0
Government	3,325	3,257	-2.1
Farm Employment	475	404	-15.0

Table 3-10

Finney County Employment 1997-1998			
	<u>1997</u>	<u>1998</u>	<u>% Chg.</u>
Place of Residence Data			
Civilian Labor Force	19,042	19,251	1.1
Employment	18,498	18,659	0.9
Unemployment	544	594	9.1
Unemployment Rate	2.9	3.1	
Place of Work Data			
All Industries	19,100	19,051	-0.3
Goods Producing Industries	6,650	6,700	0.7
Manufacturing	5,375	5,350	-0.5
Durable Goods	325	279	-14.3
Nondurable Goods	5,050	5,075	0.5
Mining	300	327	9.1
Construction	975	1,024	5.0
Service Producing Industries	12,450	12,353	-0.8
Transportation & Public Utilities	850	850	0.0
Trade Total	4,275	4,251	-0.6
Wholesale Trade	1,000	975	-2.5
Retail Trade	3,275	3,275	0.0
Finance, Insurance, & Real Estate	525	525	0.0
Services	4,000	3,926	-1.8
Government	2,800	2,800	0.0
Farm Employment	975	853	-12.5

Table 3-11

Ford County Employment 1997-1998			
	1997	1998	% Chg.
Place of Residence Data			
Civilian Labor Force	15,519	15,911	2.5
Employment	15,069	15,493	2.8
Unemployment	450	412	-8.4
Unemployment Rate	2.9	2.6	
Place of Work Data			
All Industries	15,600	15,917	2.0
Goods Producing Industries	5,200	5,422	4.3
Manufacturing	4,725	4,946	4.7
Durable Goods	550	574	4.3
Nondurable Goods	4,175	4,373	4.7
Mining	0	0	0.0
Construction	475	475	0.0
Service Producing Industries	10,400	10,497	0.9
Transportation & Public Utilities	800	825	3.1
Trade Total	3,925	3,997	1.8
Wholesale Trade	825	874	5.9
Retail Trade	3,100	3,124	0.8
Finance, Insurance, & Real Estate	500	500	0.0
Services	2,800	2,825	0.9
Government	2,375	2,351	-1.0
Farm Employment	825	725	-12.1

Table 3-12

Lyon County Employment 1997-1998			
	1997	1998	% Chg.
Place of Residence Data			
Civilian Labor Force	19,407	19,672	1.4
Employment	18,633	18,877	1.3
Unemployment	774	797	2.9
Unemployment Rate	4.0	4.1	
Place of Work Data			
All Industries	18,200	18,792	3.3
Goods Producing Industries	5,800	5,973	3.0
Manufacturing	5,250	5,397	2.8
Durable Goods	1,150	1,126	-2.1
Nondurable Goods	4,100	4,273	4.2
Mining	N.A.	N.A.	--
Construction	N.A.	N.A.	--
Service Producing Industries	12,400	12,819	3.4
Transportation & Public Utilities	675	675	0.0
Trade Total	3,900	4,328	11.0
Wholesale Trade	850	925	8.8
Retail Trade	3,050	3,403	11.6
Finance, Insurance, & Real Estate	425	450	5.9
Services	3,125	3,075	-1.6
Government	4,275	4,299	0.6
Farm Employment	525	453	-13.6

Table 3-13

McPherson County Employment 1997-1998			
	1997	1998	% Chg.
Place of Residence Data			
Civilian Labor Force	15,981	16,187	1.3
Employment	15,551	15,768	1.4
Unemployment	430	419	-2.6
Unemployment Rate	2.7	2.6	
Place of Work Data			
All Industries	14,025	14,123	0.7
Goods Producing Industries	4,050	4,025	-0.6
Manufacturing	3,375	3,375	0.0
Durable Goods	1,750	1,621	-7.4
Nondurable Goods	1,625	1,750	7.7
Mining	100	100	0.0
Construction	575	552	-4.0
Service Producing Industries	9,975	10,096	1.2
Transportation & Public Utilities	325	325	0.0
Trade Total	3,125	3,125	0.0
Wholesale Trade	875	875	0.0
Retail Trade	2,250	2,250	0.0
Finance, Insurance, & Real Estate	700	725	3.6
Services	3,975	4,071	2.4
Government	1,850	1,850	0.0
Farm Employment	825	704	-14.7

Table 3-14

Montgomery County Employment 1997-1998			
	1997	1998	% Chg.
Place of Residence Data			
Civilian Labor Force	18,128	18,369	1.3
Employment	17,186	17,337	0.9
Unemployment	942	1,039	10.3
Unemployment Rate	5.2	5.7	
Place of Work Data			
All Industries	17,525	17,525	0.0
Goods Producing Industries	6,600	6,794	2.9
Manufacturing	6,050	6,269	3.6
Durable Goods	4,525	4,692	3.7
Nondurable Goods	1,525	1,577	3.4
Mining	100	100	0.0
Construction	450	426	-5.3
Service Producing Industries	10,925	10,725	-1.8
Transportation & Public Utilities	700	700	0.0
Trade Total	3,500	3,426	-2.1
Wholesale Trade	675	675	0.0
Retail Trade	2,825	2,752	-2.6
Finance, Insurance, & Real Estate	475	449	-5.5
Services	3,700	3,777	2.1
Government	2,550	2,382	-6.6
Farm Employment	425	375	-11.8

Table 3-15

Reno County Employment 1997-1998			
	1997	1998	% Chg.
Place of Residence Data			
Civilian Labor Force	32,641	33,259	1.9
Employment	31,457	32,058	1.9
Unemployment	1,184	1,200	1.4
Unemployment Rate	3.6	3.6	
Place of Work Data			
All Industries	29,425	29,648	0.8
Goods Producing Industries	6,975	7,050	1.1
Manufacturing	5,800	5,900	1.7
Durable Goods	3,250	3,250	0.0
Nondurable Goods	2,550	2,650	3.9
Mining	150	125	-16.7
Construction	1,025	1,025	0.0
Service Producing Industries	22,450	22,599	0.7
Transportation & Public Utilities	875	875	0.0
Trade Total	8,075	7,975	-1.2
Wholesale Trade	1,350	1,350	0.0
Retail Trade	6,725	6,625	-1.5
Finance, Insurance, & Real Estate	975	975	0.0
Services	7,575	7,673	1.3
Government	4,950	5,099	3.0
Farm Employment	1,150	1,006	-12.5

Table 3-16

Riley County Employment 1997-1998			
	1997	1998	% Chg.
Place of Residence Data			
Civilian Labor Force	30,441	30,585	0.5
Employment	29,196	29,352	0.5
Unemployment	1,245	1,232	-1.0
Unemployment Rate	4.1	4.0	
Place of Work Data			
All Industries	27,500	27,691	0.7
Goods Producing Industries	2,000	2,025	1.3
Manufacturing	775	775	0.0
Durable Goods	100	100	0.0
Nondurable Goods	675	675	0.0
Mining	0	0	0.0
Construction	1,225	1,251	2.1
Service Producing Industries	25,500	25,667	0.7
Transportation & Public Utilities	400	400	0.0
Trade Total	6,175	6,301	2.0
Wholesale Trade	600	575	-4.2
Retail Trade	5,575	5,726	2.7
Finance, Insurance, & Real Estate	1,525	1,501	-1.6
Services	6,275	6,299	0.4
Government	11,125	11,171	0.4
Farm Employment	450	403	-10.5

Table 3-17

Saline County Employment 1997-1998			
	1997	1998	% Chg.
Place of Residence Data			
Civilian Labor Force	29,918	30,629	2.4
Employment	28,832	29,690	3.0
Unemployment	1,086	925	-14.8
Unemployment Rate	3.6	3.0	
Place of Work Data			
All Industries	30,300	30,845	1.8
Goods Producing Industries	8,400	8,629	2.7
Manufacturing	6,750	6,903	2.3
Durable Goods	4,150	4,277	3.1
Nondurable Goods	2,600	2,626	1.0
Mining	25	25	0.0
Construction	1,625	1,675	3.1
Service Producing Industries	21,900	22,219	1.5
Transportation & Public Utilities	1,225	1,176	-4.0
Trade Total	8,275	8,324	0.6
Wholesale Trade	1,475	1,450	-1.7
Retail Trade	6,800	6,873	1.1
Finance, Insurance, & Real Estate	1,050	1,100	4.8
Services	7,575	7,649	1.0
Government	3,775	3,971	5.2
Farm Employment	475	425	-10.5

Chapter 4

Kansas Personal Income

Moderated, but continued growth in salaries and wages; dividend, interest, and rent; and non-farm proprietors' income contributed to the sustained growth of Kansas personal income in 1998. The growth rate of personal income in Kansas slowed to 4.7 percent in 1998 compared with 6.0 percent growth in 1997. U.S. personal income growth also slowed. In 1998 the growth rate was 5.0 percent compared to 5.6 percent in 1997. Salaries and wages, the largest component of personal income, increased at a 5.1 percent rate in Kansas in 1998, compared to 7.6 percent in 1997.

Preliminary estimates based on the first half of 1998 indicate strong gains were experienced in the areas of agricultural services (10.7 percent), other services (9.5 percent), construction (8.9 percent), and retail trade (8.5 percent). Although the relatively small agricultural services sector experienced strong gains, farm proprietors' income was down 10.6 percent through the first half of 1998, and overall farm earnings were down 7.3 percent. Also experiencing losses during the first half of 1998 were the mining (-1.54 percent) and military (-0.3 percent) sectors.

The 1999 forecast is for a slower personal income growth rate than was experienced in 1998. The forecast for Kansas personal income growth in 1999 is 4.1 percent. This is slightly above the forecasted U.S. personal income growth rate of 4.0 percent. Personal income for Kansas is defined as the income received by, or on behalf of, all residents of the state. It consists of income from all sources received by persons. These sources include income from participation in production, from both government and business transfer payments, and from government interest, which is treated as a transfer payment. "Persons" includes individuals, nonprofit institutions primarily serving individuals, private non-insured welfare funds, and private trust funds. Personal income is calculated as the sum of salaries and wages disbursements, other labor income, proprietors' income, rental income of persons, personal dividend income, personal interest income, and transfer payments to persons, less personal contributions for

social insurance. Figure 4-1 presents Kansas personal income and growth rates for 1969 through 1997.

Figure 4-1

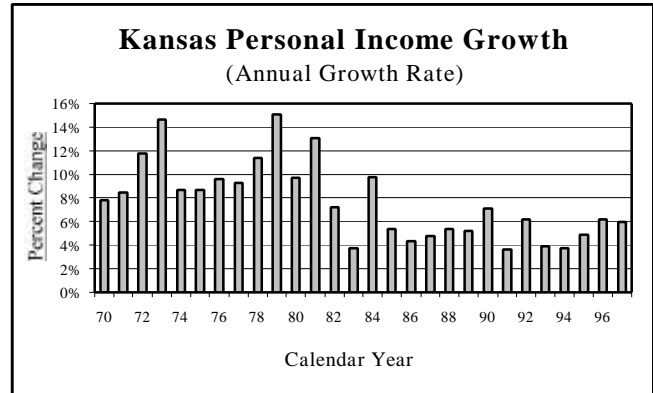


Table 4-1 presents actual Kansas personal income by major components for 1997 and the preliminary

Table 4-1

Kansas Personal Income					
1997 Actual, 1998 Estimate, and 1999 Forecast					
<i>Dollars in Millions</i>					
	1997 Actual	1998 Estimate	1999 Forecast	% Chg. 97-98	% Chg. 98-99
Salaries & Wages	\$34,300	\$36,049	\$37,519	5.1	4.1
Other Labor Income	3,729	3,788	3,943	1.6	4.1
Proprietors' Income:	5,593	5,675	5,860	1.5	3.3
Farm	993	844	861	-15.0	2.0
Nonfarm	4,600	4,830	5,000	5.0	3.5
Dividends, Int. & Rent	11,341	11,817	12,219	4.2	3.4
Trans. Paymts.	9,295	9,753	10,244	4.9	5.0
Adjustment for Residence	1,176	1,235	1,297	5.0	5.0
Less: Social Ins. Contrib.	(3,122)	(3,075)	(3,167)	(1.5)	3.0
Total Personal Income	62,312	65,241	67,916	4.7	4.1

estimates for 1998. This table also includes the forecasts for 1999.

1997 in Review

Detailed final estimates of 1997 Kansas personal income were released in August 1998, after an eight-month lag. These data are not only the best current estimate of state personal income, but they also provide the basis for comparisons among industries and among states.

Kansas personal income totaled \$62.3 billion in 1997, which represents a 6.0 percent increase over the previous year. Although this was slightly lower than the 6.2 percent growth rate in 1996, it was well above the overall growth rate for the Plains states (5.0 percent) and the overall growth rate of the U.S. (5.6 percent).

Among the Plains states, Kansas had the highest growth rate. However, the average annual growth rate for Kansas over the five-year period from 1992 through 1997 was 5.5 percent. This is compared to 5.7 percent for the Plains states overall and 5.8 percent for the U.S. as a whole. Table 4-2 presents the average annual personal income growth rates for Kansas, the Plains states, and the U.S.

Table 4-2

	Average Annual Personal Income Growth Rates Kansas, Plains States, U.S., 1995-1997			
	<i>Dollars in Millions</i>			
		Avg. Ann.		
	1997	% Chg. '95-'96	% Chg. '96-'97	% Chg. '92-'97
Kansas	62,312	6.2	6.0	5.5
Plains States:	447,560	7.1	5.0	5.7
Iowa	66,110	8.2	5.1	5.6
Minnesota	123,207	7.3	4.9	6.1
Missouri	128,151	5.4	5.6	5.8
Nebraska	39,195	9.4	3.9	5.5
North Dakota	12,954	11.3	(0.7)	4.2
South Dakota	15,632	9.6	3.4	5.6
United States	6,770,709	5.8	5.6	5.8

Salaries and wages is the largest portion of state personal income, and represents 55.0 percent of the total. In 1997, salaries and wages increased by 7.6 percent compared to 6.2 percent in 1996. Three major industries combine to represent nearly three-fourths of salary and wage disbursements in Kansas, with services accounting for 29.5 percent, manufacturing at

24.0 percent, and government at 20.5 percent of the total.

Dividends, interest, and rent are the second largest major source of personal income for Kansans. These sources represent 18.2 percent of total personal income. Dividends, interest, and rent increased by 5.5 percent in 1997, which is down from 6.9 percent in 1996.

Transfer payments grew at a slightly more rapid pace in 1997 compared to 1996. Transfer payments increased by 3.3 percent in 1997, while they increased by 2.9 percent in 1996.

Proprietors' income grew at a 5.7 percent rate in 1997 compared to 17.2 percent in 1996. The large increase in 1996 is the result of the recovery of the farm economy from a dismal year in 1995. Non-farm proprietors' income increased at a 6.8 percent rate in 1997, while farm proprietors' income increased by only 0.6 percent.

Total farm income also increased by only 0.6 percent in 1997 compared to 92.8 percent in 1996. Kansas farm income, as per the U.S. Bureau of Economic Analysis, is largely farm proprietors' income.

In 1997, Kansas farm proprietors' income of \$1.0 billion accounted for 78.9 percent of total farm income. In recent years, the fluctuation in farm proprietors' income has been greater than the variation of total farm income. Significantly, the 1996 Farm Bill, or Freedom to Farm Act, gave U.S. farmers participating in government commodity programs greater flexibility in their operations. The new approach's objective was to allow farmers to plant according to market price signals for all crops, allowing farmers to respond to both relative and absolute price movements in the commodity markets.

A study by the United States Department of Agriculture, Economic Research Service concluded the North American Free Trade Agreement (NAFTA) had a positive effect on the nation's farm economy. According to the study it is estimated slightly more than one-fifth of the increase in domestic agricultural exports made to Canada and Mexico since 1994 can be attributed to the trade agreement. Conversely, slightly less than one-fifth of the increase in agricultural imports received from Canada and Mexico can be attributed to NAFTA.

Other labor income, consisting largely of employer payments for health insurance and other benefits, rose 2.4 percent in 1997 compared to a 2.3 percent decrease in 1996. Other labor income reached more than \$3.7 billion in 1997. This indicates the importance of fringe benefits in personal income growth. Personal contributions for social insurance increased 7.5 percent in 1997 compared to a 5.1 percent increase in 1996.

A significant portion of Kansas personal income is paid to Kansans from out-of-state sources. This is particularly significant for residents who live in Johnson and Wyandotte Counties and work in Missouri. This is reflected in the residence adjustment, which increased 3.4 percent in 1997 compared to 7.1 percent in 1996.

Agricultural Services, Forestry, and Fisheries.

Agricultural services, forestry, and fisheries is a relatively small industry representing only 0.8 percent of total salaries and wages. Agricultural services employment increased by 9.1 percent in 1997 compared to a 1.1 percent increase in 1996.

Mining. Salaries and wages in mining increased in 1997 by 8.9 percent. The sector's major component, oil and gas extraction, also increased in 1997 by 8.7 percent. This compares, respectively, with 4.3 percent and 5.0 percent increases recorded in 1996.

Construction. Construction salaries and wages increased by 6.5 percent in 1997, which is down from a strong 10.7 percent growth rate in 1996. Heavy construction contractors increased their salaries and wages by 9.7 percent, special trade contractors increased by 5.9 percent, and general building contractors increased by 5.8 percent.

Manufacturing. Manufacturing is the second largest generator of salaries and wages. In 1997 manufacturing salaries and wages increased 8.7 percent compared to 6.6 percent in 1996. Durable goods manufacturing salaries and wages rose by 10.8 percent, while non-durable goods manufacturing salaries and wages increased 5.2 percent.

Four manufacturing sectors account for nearly two-thirds of manufacturing salaries and wages. By this measure, non-motor vehicle transportation equipment manufacturing, largely aircraft and parts manufacturing, is the largest and accounted for 30.5 percent of total manufacturing salaries and wages in 1997. The other sectors account for the remaining

portion of manufacturing salaries and wages and include food and kindred products (12.6 percent), machinery and computers (11.3 percent), and printing and publishing accounts (9.1 percent).

In 1997, food and kindred products' salaries and wages increased by 5.4 percent compared to 3.7 percent in 1996. The machinery and computer equipment manufacturing sector experienced growth of 6.2 percent in 1997 compared to a 1.2 percent decline in 1996. In 1997, printing and publishing salaries and wages increased 7.6 percent compared to 2.2 percent in 1996.

Motor vehicle manufacturing experienced a modest increase of 0.9 percent in 1997 following a 3.7 percent decline in the prior year. Fabricated metal products manufacturing again experienced double-digit growth of 11.8 percent in 1996 following a 13.4 percent increase in 1996. The tobacco sector also experienced double-digit growth of 13.7 percent in 1997. Other manufacturing industries experienced declines in 1997, including the miscellaneous manufacturing industries (-4.5 percent), petroleum and coal products (-3.2 percent), instruments and related products (-0.5 percent), and rubber and miscellaneous plastics products (-0.3 percent).

Transportation and Utilities. The transportation and public utilities sector grew at a healthy 8.1 percent rate in 1997 compared to 4.3 percent in 1996. Communications and water transportation led the increase with gains of 17.5 percent and 13.0 percent, respectively. Non-natural gas pipelines suffered a decline of 2.1 percent.

Wholesale and Retail Trade. Wholesale trade increased 7.7 percent and retail trade increased by 7.2 percent in 1997. This compares to increases realized in 1996 of 6.4 percent and 5.0 percent, respectively.

The most rapidly growing retail sectors in 1997 were apparel and accessory stores, which grew at an 11.4 percent rate. Next were eating and drinking establishments, which grew at a 9.4 percent rate, and home furniture and furnishings stores, which grew at an 8.0 percent rate.

Finance, Insurance, and Real Estate. The finance, insurance, and real estate (FIRE) category experienced a 7.6 percent increase in 1997 compared to a 5.2 percent increase in 1996. Security and commodity brokers and services experienced the largest increase

in 1997 of 24.8 percent. This was due largely to the continued strong performance of the stock market. Conversely, holding and other investment companies suffered a 15.7 percent decline in 1997.

Services. In terms of salaries and wages, services are the largest industry. The services industry registered an increase of 8.7 percent in 1997 compared to a 5.6 percent increase in 1996. Within the services industry, health services are the largest salary and wage generator, representing 35.7 percent of the total. Health services experienced a gain of 5.2 percent in 1997 compared to 3.8 percent in 1996. Other services experiencing double-digit increases were business services (17.0 percent), social services (13.4 percent), and engineering and management services (10.4 percent).

Government. In 1997 government salaries and wages grew at a 2.2 percent rate compared to a 1.4 percent rate in 1996. Within total government, civilian federal government salaries and wages grew more rapidly (5.2 percent) than either local (3.7 percent) or state (-1.9 percent) payrolls. Military payrolls in Kansas fell a modest 0.8 percent in 1997 compared to a 12.7 percent decline in 1996.

Comparative Trends. Personal income growth for Kansas exceeded both the Plains states region and the U.S. as a whole in 1997. Kansas experienced a growth rate of 6.0 percent. During the same time period the Plains states grew at a 5.0 percent rate, and the U.S. at a 5.6 percent rate.

Kansas was the fastest growing state in the seven-state region. Missouri was the state with the second fastest growth rate at 5.6 percent. A decline of 0.7 percent in personal income was realized in North Dakota in 1997 after a robust growth rate of 11.3 percent in 1996.

Kansas per capita income in 1997 was \$24,014, and represents a 5.3 percent increase from the 1996 level of \$22,796. This is above both the 4.4 growth rate for the Plains region and the 4.7 percent growth rate for the U.S. as a whole.

Per capita personal income in Kansas continues to lag behind the growth rate for both the Plains region and the U.S. Kansas per capita income in 1997 was 0.4 percent below the Plains states' average and 5.1 percent below the U.S. national average. Table 4-3, shown at the bottom of the page, presents comparative per capita personal income and growth rates for Kansas, the Plains states, and the U.S. for the years 1987 through 1997.

Nationally, Kansas ranked 14th in personal income growth, while Missouri ranked 27th, Minnesota ranked 31st, Nebraska ranked 43rd, Iowa ranked 47th, South Dakota ranked 48th, and North Dakota ranked 50th. This is a marked reversal from 1996 when the Plains states were among the fastest growing states in terms of personal income. Table 4-5 presents comparative state personal income growth rates for 1997.

In terms of per capita personal income growth, Kansas ranked 7th, while other Plains states rated significantly

Table 4-3

Per Capita Personal Income, Kansas, Plains States, and U.S., 1987-1997								
Year	Kansas	Plains	U.S.	Percentage Change from Prior Year			Kansas As Percentage of	
				Kansas	Plains	U.S.	Plains	U.S.
1987	15,327	15,152	15,945	--	--	--	101.2	96.1
1988	16,040	15,776	17,038	4.7	4.1	6.9	101.7	94.1
1989	16,802	16,863	18,153	4.8	6.9	6.5	99.6	92.6
1990	17,940	17,807	19,156	6.8	5.6	5.5	100.7	93.7
1991	18,500	18,340	19,624	3.1	3.0	2.4	100.9	94.3
1992	19,464	19,391	20,546	5.2	5.7	4.7	100.4	94.7
1993	20,075	19,810	21,220	3.1	2.2	3.3	101.3	94.6
1994	20,672	20,876	22,056	3.0	5.4	3.9	99.0	93.7
1995	21,547	21,686	23,063	4.2	3.9	4.6	99.4	93.4
1996	22,796	23,083	24,169	5.8	6.4	4.8	98.8	94.3
1997	24,014	24,100	25,298	5.3	4.4	4.7	99.6	94.9

lower. Missouri ranked 30th, Minnesota ranked 34th, Nebraska ranked 42nd, Iowa ranked 43rd, South Dakota ranked 44th, and North Dakota ranked 50th. Again, this is a complete turnaround from 1996 when the Plains states were among the fastest growing states in terms of per capita personal income. Table 4-6, which is shown on page 33, presents comparative state per capita personal income growth rates for 1997.

1998 Estimate

Stability in aircraft manufacturing coupled with strong performance in the service, construction, and trade industries, sustained Kansas personal income growth in 1998. Compared to a 6.0 percent increase in 1997, Kansas personal income is projected to slow to 4.7 percent in 1998. Consistent with the historical trend, Kansas personal income growth is expected to lag behind the U.S. personal income growth of 5.0 percent in 1998.

However, over recent years, the rate of job creation in Kansas exceeded both the Plains region and the U.S. as a whole. Slow population growth in the state, combined with strong employment growth, has continued to push the unemployment rate lower, leaving many sectors to battle for scarce workers.

The largest component of personal income, salaries and wages, is projected to increase 5.1 percent in 1998 which is a decrease from the robust 7.6 percent increase in 1997. Other labor income is projected to rise a modest 1.6 percent in 1998 compared to a 2.4 percent increase in 1997. Proprietors' income is projected to increase 1.5 percent in 1998. Farm proprietors' income is expected to decrease 15.0 percent, and non-farm proprietors' income is expected to increase 5.0 percent.

After a 5.5 percent increase in 1997, dividends, interest, and rent is projected to increase 4.2 percent in 1998. Transfer payments are projected to increase 4.9 percent. The residence adjustment for income earned by Kansas residents from out-of-state sources is projected to increase 5.0 percent. Table 4-4, which is shown on page 31, presents a detailed breakdown of Kansas personal income and growth rates by industry for 1995 through 1997.

1999 Forecast

In 1999, a slowdown of national economic growth is expected and with it a further dampening of the state's growth in personal income. Although the U.S. economy is expected to remain relatively healthy with modest growth, low inflation, and low unemployment, a combination of converging events may threaten the continued expansion.

The continuing Asian economic crisis has had a substantially negative effect on U.S. exports, especially large capital goods. Most significantly, the Boeing Company is anticipating large-scale layoffs during the year because of an eroding order base. The erosion is attributed to the Asian economic crisis and ongoing manufacturing bottlenecks resulting from a major corporate restructuring following the merger with McDonnell-Douglas Aerospace. In addition, recent volatility in the U.S. and overseas stock markets is likely to have a moderating effect on consumer confidence and consumer spending. A recent University of Michigan survey of consumer sentiment indicated financial market uncertainties have caused significant erosion in consumer confidence, especially among higher income households.

After a 4.7 percent estimated growth rate in 1998, Kansas personal income growth is forecasted to continue to soften to 4.1 percent in 1999. Likewise, growth in salaries and wages is forecasted to slow to 4.1 percent. As in most years, the growth in salaries and wages for services will be the dominant contributor to the growth of personal income. Manufacturing, which remained steady in 1998, is expected to moderate in 1999 because of on-going uncertainties in the Asian economies. Other labor income also is forecasted to grow at a 4.1 percent rate.

Overall proprietors' income is expected to increase 3.3 percent. Farm proprietors' income is expected to increase 2.0 percent, and non-farm proprietors' income is expected to increase 3.5 percent. Dividend, interest, and rent income growth is expected to slow to 3.4 percent as the stock market levels off. Transfer payments are forecasted to increase 5.0 percent. The residence adjustment is expected to increase 5.0 percent. Personal contributions for social insurance are expected to increase 3.0 percent in 1999.

Table 4-4

Kansas Personal Income, 1996-1997				
<i>Dollars in Thousands</i>				
	1996	1997	% Chg. '95-'96	% Chg. '96-'97
Total Personal Income	58,793,075	62,311,969	6.2	6.0
Nonfarm Personal Income	57,541,694	61,052,984	5.2	6.1
Farm Income	1,251,381	1,258,985	92.8	0.6
Mid-Year Population (Persons)	2,579,149	2,594,840	0.4	0.6
Per Capita Personal Income (Dollars)	22,796	24,014	5.8	5.3
Earnings by Place of Work	40,812,636	43,622,510	6.6	6.9
Less: Personal Contributions for Social Insurance	2,903,875	3,122,467	5.1	7.5
Plus: Adjustment for Residence	1,137,782	1,175,965	7.1	3.4
Equals: Net Earnings by Place of Residence	39,046,543	41,676,008	6.8	6.7
Plus: Dividends, Interest, and Rent	10,744,803	11,340,836	6.9	5.5
Plus: Transfer Payments	9,001,729	9,295,125	2.9	3.3
Wages and Salaries	31,877,754	34,299,655	6.2	7.6
Other Labor Income	3,640,804	3,729,387	(2.3)	2.4
Proprietors' Income	5,294,078	5,593,468	17.2	5.7
Farm	987,494	993,034	140.4	0.6
Nonfarm	4,306,584	4,600,434	4.9	6.8
Total Farm	1,251,381	1,258,985	92.8	0.6
Total Nonfarm	39,561,255	42,363,525	5.2	7.1
Private	32,674,016	35,322,330	6.0	8.1
Agricultural Services, Forestry, Fisheries and Other	253,334	276,317	1.1	9.1
Agricultural Services	252,794	275,707	1.4	9.1
Forestry, Fisheries, and Other	540	610	(57.1)	13.0
Forestry	(579)	(652)	--	12.6
Fisheries	1,119	1,262	--	12.8
Mining	409,777	446,426	4.3	8.9
Coal Mining	10,460	12,015	(10.9)	14.9
Oil and Gas Extraction	358,103	389,313	5.0	8.7
Nonmetallic	41,214	45,098	3.1	9.4
Construction	2,480,129	2,640,109	10.7	6.5
General Building Contractors	541,948	573,179	8.5	5.8
Heavy Construction Contractors	378,476	415,050	7.8	9.7
Special Trade Contractors	1,559,705	1,651,880	12.2	5.9
Manufacturing	7,598,484	8,262,636	6.6	8.7
Durable Goods	4,812,451	5,331,752	9.2	10.8
Lumber and Wood Products	N.A.	N.A.	--	--
Furniture and Fixtures	N.A.	N.A.	--	--
Stone, Clay, and Glass Products	232,653	234,982	1.5	1.0
Primary Metal Industries	125,801	137,389	5.7	9.2
Fabricated Metal Products	331,869	370,962	13.4	11.8
Machinery and Computer Equipment	876,878	931,086	(1.2)	6.2
Electronic Equipment, Exc. Computer Equipment	312,906	338,017	2.9	8.0
Motor Vehicles and Equipment	421,890	425,689	(3.7)	0.9
Transportation Equipment, Exc. Motor Vehicles	2,146,722	2,520,608	20.4	17.4
Instruments and Related Products	150,370	149,549	4.2	(0.5)
Miscellaneous Manufacturing Industries	45,580	43,517	3.7	(4.5)
Nondurable Goods	2,786,033	2,930,884	2.3	5.2
Food and Kindred Products	990,687	1,043,973	3.7	5.4
Tobacco	51	58	--	13.7
Textile Mill Products	4,168	4,266	(58.7)	2.4
Apparel and Other Textile Products	84,078	85,442	(2.4)	1.6
Paper and Allied Products	165,697	181,341	4.9	9.4
Printing and Publishing	700,602	753,875	2.2	7.6
Chemicals and Allied Products	298,055	324,115	(1.5)	8.7
Petroleum and Coal Products	129,576	125,474	(0.8)	(3.2)
Rubber and Miscellaneous Plastics Products	408,293	407,141	4.8	(0.3)
Leather and Leather Products	4,826	5,199	8.1	7.7

Table 4-4 (Continued)

Kansas Personal Income, 1996-1997				
<i>Dollars in Thousands</i>				
	1996	1997	% Chg. 95-'96	% Chg. 96-'97
Transportation and Public Utilities	3,189,336	3,446,107	4.3	8.1
Railroad Transportation	420,755	429,187	5.0	2.0
Trucking and Warehousing	805,280	863,970	(12.1)	7.3
Water Transportation	1,759	1,987	98.3	13.0
Other Transportation	420,475	441,801	61.3	5.1
Local and Interurban Passenger Transit	50,838	55,698	(6.4)	9.6
Transportation by Air	198,925	207,714	266.0	4.4
Pipelines, Except Natural Gas	35,192	34,455	(7.1)	(2.1)
Transportation Services	135,520	143,934	18.8	6.2
Communications	925,688	1,087,954	7.2	17.5
Electric, Gas, and Sanitary Services	615,379	621,208	0.1	0.9
Wholesale Trade	3,010,654	3,242,592	6.4	7.7
Retail Trade	4,019,991	4,307,739	5.0	7.2
Building Materials and Garden Equipment	253,726	257,896	4.5	1.6
General Merchandise Stores	482,630	516,268	7.4	7.0
Food Stores	558,933	588,789	5.2	5.3
Automotive Dealers and Service Stations	719,334	762,941	5.4	6.1
Apparel and Accessory Stores	205,505	228,883	8.1	11.4
Home Furniture and Furnishings Stores	232,516	251,092	10.9	8.0
Eating and Drinking Places	971,026	1,062,272	1.7	9.4
Miscellaneous Retail	596,321	639,598	5.2	7.3
Finance, Insurance, and Real Estate	2,412,524	2,594,731	5.2	7.6
Depository and Nondepository Credit Inst.	709,628	782,904	4.1	10.3
Other Finance, Insurance, and Real Estate	1,702,896	1,811,827	5.7	6.4
Security and Commodity Brokers and Services	161,640	201,683	25.1	24.8
Insurance Carriers	555,763	585,490	4.4	5.3
Insurance Agents, Brokers, and Services	441,851	480,048	0.7	8.6
Real Estate	403,848	426,790	9.2	5.7
Holding and Other Investment Companies	139,794	117,816	(0.5)	(15.7)
Services	9,299,787	10,105,673	5.6	8.7
Hotels and Other Lodging Places	166,758	182,675	7.9	9.5
Personal Services	391,138	410,493	1.6	4.9
Private Households	71,976	72,081	0.8	0.1
Business Services	1,784,528	2,087,825	11.6	17.0
Auto Repair, Services, and Parking	322,269	349,407	2.4	8.4
Miscellaneous Repair Services	203,400	214,060	1.2	5.2
Amusement and Recreation Services	161,050	176,189	3.6	9.4
Motion Pictures	51,523	55,959	5.0	8.6
Health Services	3,431,926	3,611,681	3.8	5.2
Legal Services	401,028	423,109	1.1	5.5
Educational Services	267,891	281,233	6.6	5.0
Social Services	356,784	404,558	7.3	13.4
Museums, Botanical, Zoological Gardens	4,591	4,836	12.2	5.3
Membership Organizations	406,752	422,395	3.2	3.8
Engineering and Management Services	1,143,259	1,262,010	7.3	10.4
Miscellaneous Services	134,914	147,162	6.5	9.1
Government and Government Enterprises	6,887,239	7,041,195	1.4	2.2
Federal, Civilian	1,092,183	1,149,445	1.3	5.2
Military	667,105	661,524	(12.7)	(0.8)
State and Local	5,127,951	5,230,226	3.5	2.0
State	1,572,730	1,542,660	2.8	(1.9)
Local	3,555,221	3,687,566	3.9	3.7

Table 4-5

State Personal Income Growth, 1996-1997			
	% Change		Avg. Ann.
	'95-'96	'96-'97	'92-'97
1 Texas	6.4	7.9	7.5
2 Nevada	9.9	7.7	10.9
3 Arizona	8.1	7.7	9.8
4 Utah	8.1	7.6	9.6
-- Southwest	6.4	7.5	7.5
5 Washington	7.1	7.4	7.1
6 Colorado	7.1	7.2	8.9
7 Oregon	7.2	7.1	8.4
8 Georgia	7.0	6.6	8.1
9 North Carolina	6.5	6.6	7.7
-- Rocky Mountains	6.7	6.6	8.4
10 Massachusetts	5.4	6.3	6.1
-- Far West	6.0	6.3	5.5
11 Connecticut	4.8	6.2	5.4
12 California	5.7	6.1	5.0
13 Florida	6.3	6.1	7.3
14 Kansas	6.1	6.0	5.7
-- New England	5.0	6.0	5.7
15 New Hampshire	5.3	5.9	6.4
16 Virginia	5.0	5.7	6.1
-- Southeast	5.7	5.7	6.8
-- United States	5.6	5.7	6.0
17 Oklahoma	5.2	5.7	5.2
18 Tennessee	4.6	5.7	6.9
19 Delaware	7.1	5.6	6.6
20 South Carolina	5.3	5.5	6.3
21 Illinois	5.4	5.5	5.9
22 Maryland	4.9	5.4	5.5
23 New York	4.9	5.3	4.8
24 New Mexico	4.6	5.2	7.1
25 Ohio	4.4	5.2	5.6
26 Louisiana	4.0	5.2	5.7
27 Missouri	5.6	5.2	6.0
28 Kentucky	5.6	5.2	5.7
29 Wisconsin	5.0	5.1	6.0
30 New Jersey	4.9	5.1	5.0
31 Minnesota	7.6	5.1	6.5
-- Midwest	4.9	5.1	4.9
-- Great Lakes	4.8	5.1	6.0
32 Idaho	5.5	5.0	7.9
33 Maine	4.6	5.0	4.6
34 Indiana	4.9	4.9	6.0
35 Wyoming	3.3	4.9	4.9
36 Mississippi	5.7	4.8	6.9
37 Alabama	4.8	4.7	5.8
-- Plains	7.0	4.7	5.9
38 Pennsylvania	4.9	4.7	4.8
39 Rhode Island	3.3	4.6	4.3
40 Michigan	4.3	4.4	6.5
41 Vermont	5.0	4.2	5.5
42 Montana	4.6	4.2	5.8
43 Nebraska	8.1	4.1	5.6
44 Arkansas	5.6	3.9	6.0
45 West Virginia	3.6	3.7	4.2
46 Alaska	2.1	3.6	3.8
47 Iowa	7.5	3.6	5.5
48 South Dakota	9.4	3.4	5.9
-- District of Columbia	2.3	2.9	2.6
49 Hawaii	1.6	2.7	3.3
50 North Dakota	10.9	(1.3)	4.2

Table 4-6

State Per Capita Income Growth, 1996-1997			
	% Change		Avg. Ann.
	'95-'96	'96-'97	'92-'97
1 Connecticut	4.8	6.1	5.5
2 Texas	4.4	6.0	5.0
3 Massachusetts	5.0	5.8	5.6
4 Washington	5.4	5.7	4.8
-- Southwest	4.4	5.6	5.0
-- New England	4.7	5.6	5.3
5 Oregon	5.5	5.5	6.0
6 Utah	5.8	5.4	6.2
7 Kansas	5.7	5.4	5.0
8 New York	4.9	5.2	4.7
9 Colorado	5.0	5.1	5.7
10 Oklahoma	4.4	5.0	4.3
11 Illinois	5.0	5.0	5.2
12 Ohio	4.1	5.0	5.2
13 North Carolina	4.8	4.9	5.5
14 Louisiana	3.7	4.9	5.2
-- Midwest	4.7	4.9	4.6
-- District of Columbia	4.8	4.9	4.9
15 Wyoming	3.0	4.9	4.1
16 Pennsylvania	5.0	4.9	4.8
-- Rocky Mountains	4.7	4.8	5.4
17 Arizona	5.0	4.8	5.3
18 New Hampshire	4.1	4.8	5.1
-- United States	4.6	4.8	4.8
-- Far West	4.7	4.8	4.1
19 California	4.7	4.7	3.9
20 Maine	4.3	4.7	4.4
21 Virginia	4.0	4.7	4.7
22 Maryland	4.2	4.7	4.5
23 Rhode Island	3.5	4.7	4.7
24 Wisconsin	4.3	4.6	5.1
-- Great Lakes	4.3	4.6	5.3
-- Southeast	4.4	4.5	5.1
25 Georgia	5.0	4.5	5.4
26 Tennessee	3.2	4.5	5.1
27 Kentucky	4.9	4.5	4.6
28 Delaware	5.9	4.5	5.0
29 New Jersey	4.3	4.4	4.3
30 Missouri	4.8	4.4	5.0
31 Florida	4.6	4.4	5.2
32 South Carolina	4.3	4.3	5.2
33 Indiana	4.2	4.3	5.1
34 Minnesota	6.6	4.3	5.3
-- Plains	6.3	4.1	5.0
35 New Mexico	3.1	4.1	4.8
36 Mississippi	4.9	4.0	5.7
37 West Virginia	3.7	4.0	4.1
38 Montana	3.6	4.0	4.1
39 Michigan	3.5	4.0	5.6
40 Alabama	4.2	3.9	4.7
41 Vermont	4.3	3.8	4.6
42 Nebraska	7.2	3.6	4.8
43 Iowa	7.2	3.5	5.1
44 South Dakota	9.0	3.4	5.1
45 Arkansas	4.5	3.3	4.7
46 Idaho	3.5	3.1	4.6
47 Alaska	1.6	2.9	2.9
48 Nevada	5.0	2.8	4.6
49 Hawaii	1.3	2.4	2.6
50 North Dakota	10.7	(1.0)	4.0

Chapter 5

County and Regional Income

Personal income can be calculated for Kansas counties and regions. County income estimates have the advantage of permitting easy comparisons between counties, regions, and the state. Three tables have been included for comparison purposes. Table 5-1 presents Kansas personal income and growth rates by

Table 5-1

Kansas Personal Income Components, 1996-1997			
<i>Dollars in Thousands</i>			
	1996	1997	% Chg. 96-97
Total Personal Income	58,793,075	62,311,969	6.0
Nonfarm	57,541,694	61,052,984	6.1
Farm	1,251,381	1,258,985	0.6
Population	2,579,149	2,594,840	0.6
Per Capita Pers. Inc.	22,796	24,014	5.3
Earnings (Work)	40,812,636	43,622,510	6.9
Less: Pers. Cont. Soc. Ins.	2,903,875	3,122,467	7.5
Plus: Adj. for Res.	1,137,782	1,175,965	3.4
Equals: Earnings (Res.)	39,046,543	41,676,008	6.7
Plus: Div., Int. & Rent	10,744,803	11,340,836	5.5
Plus: Trans. Payments	9,001,729	9,295,125	3.3
Wages & Salaries	31,877,754	34,299,655	7.6
Other Labor Income	3,640,804	3,729,387	2.4
Proprietors' Income	5,294,078	5,593,468	5.7
Farm	987,494	993,034	0.6
Nonfarm	4,306,584	4,600,434	6.8
Farm earnings	1,251,381	1,258,985	0.6
Nonfarm earnings	39,561,255	42,363,525	7.1

major components for 1996 and 1997. Table 5-2, which begins on page 38, presents county personal income by major components for 1996 while Table 5-3, which begins on page 40, presents the same components for 1997.

Total Personal Income

Total personal income in Kansas grew at a 6.0 percent rate in 1997. Johnson County generated the highest level of personal income with \$14.9 billion, followed by Sedgwick County with \$11.1 billion. Shawnee,

Wyandotte, Douglas, Reno, Saline, Leavenworth, Butler, and Riley Counties also generated over \$1.0 billion of personal income. Wallace, Greeley, and Comanche Counties recorded the lowest levels of personal income in 1997 with less than \$40 million per county.

Geary County experienced the highest personal income growth rate in 1997 of 18.1 percent. Wyandotte County followed with a 17.0 percent growth rate. Coffey County was third with a 12.5 percent growth rate.

At the other extreme, Jefferson, Osage, Wabaunsee, Sumner, Jackson, Butler, and Miami Counties experienced declines in personal income in 1997. In the state's largest metropolitan areas, Sedgwick County experienced personal income growth of 8.9 percent, Shawnee County experienced 8.5 percent growth, and Johnson County experienced 4.9 percent growth.

Salaries and wages in Kansas grew at a 7.6 percent rate in 1997. Salaries and wages are distributed across the state in a pattern generally corresponding to population, i.e., the larger population areas generally have higher personal income totals. Johnson and Sedgwick Counties ranked first and second with salaries and wages of \$7.9 billion and \$7.5 billion, respectively. In 1997, Shawnee and Wyandotte Counties also generated over \$1.0 billion of salaries and wages. Wallace County had the lowest salaries and wages total with less than \$10.0 million.

Other labor income in Kansas grew at a rate of only 2.4 percent in 1997. While the correlation between salaries and wages and other labor income is not exact, they are closely related. County rankings are nearly the same for both components. Sedgwick County ranked first with \$865.1 million in other labor income, followed by Johnson County at \$758.7 million. The lowest level of other labor income was realized by Wallace County with just over \$1.0 million.

The relative importance of farm proprietors' income, as a component of total personal income, is varied

among the 105 Kansas counties. There are many components of farm owners' income which are measured. However, the major determinants of this source of personal income are farm production of crops and livestock, profitability of farm operations, and federal government payments to farmers.

Farm proprietors' income is disproportionately larger in agriculturally oriented counties because of large-scale production, high profitability, and government support payments. After a strong year in 1996, farm proprietors' income increased only 0.6 percent in 1997. Wichita County reported the highest level of farm proprietors' income in 1997 of \$61.1 million, while Decatur County reported a loss of \$5.2 million.

Non-farm proprietors' income grew at a rate of 6.8 percent in 1997. Non-farm proprietors' income is the net earnings of unincorporated business owners. Again, county size is a major determinant in the distribution of this income component. In 1997, Johnson County ranked first with \$1.1 billion, while Wallace County was the lowest with \$3.5 million.

Dividends, interest, and rent grew in Kansas at a 5.5 percent rate in 1997. Dividends, interest, and rent represent a large component of personal income in Johnson County, which represents 27.6 percent of the state total. Sedgwick County also had dividends, interest, and rent of over \$1.0 billion. Greeley and Wallace were the only counties with less than \$10.0 million in dividends, interest, and rents.

Transfer payments in Kansas grew at a modest 3.3 percent rate in 1997. The distribution of transfer payments across the state generally reflects county population. The majority of transfer payments are Social Security benefits. In 1997, the state's urban counties, Sedgwick, Johnson, Shawnee, and Wyandotte, received transfer payments of over \$4.0 billion, while Comanche, Greeley, Hodgeman, Lane, Stanton, and Wallace Counties, each received less than \$10.0 million.

The residence adjustment for Kansas grew at a 3.4 percent rate in 1997. Because personal income is measured on a residence basis, an adjustment must be made for out-of-county earnings. A residence adjustment is made for salaries and wages, other labor income, and both farm and non-farm proprietors' income. For the state as a whole, the 1997 residence adjustment was \$1.2 billion. The positive value

indicates, in total, Kansans earn more income out-of-state than non-residents earn in Kansas.

Within Kansas, four situations are present. First, for most counties the resident adjustment component is relatively small. Second, Riley County residents earn considerable salaries and wages at Fort Riley, which is in Geary County. The third situation relates to out-of-county earnings provided in two of the large Kansas counties. For example, the Sedgwick County resident adjustment is a negative \$694.0 million. Most of this income appears in bordering counties. For neighboring Butler County residents, the adjustment is a positive \$413.4 million. This information implies Sedgwick County provides earnings and jobs for Butler County residents. A similar situation exists for Shawnee County. The final situation exists in the Kansas City area. The Wyandotte County resident adjustment is a negative \$809.7 million, indicating the county provides net earnings for residents of other counties and possibly for Missouri residents.

Johnson County is unique. Its resident adjustment is a positive \$1.5 billion, which is more than the state's overall residence adjustment of \$1.2 billion. Besides providing jobs for residents of bordering counties, even larger earnings of Johnson County residents come from Missouri.

Personal contributions for social insurance in Kansas grew at a 7.5 percent rate in 1997. These personal contributions are closely related to the distribution of salaries and wages and positive proprietors' income. This relationship is based on the definition of the social security tax base.

Personal contributions for social insurance exceeded \$100.0 million in each of the state's four major urban counties. In Johnson County the personal contribution was \$733.8 million, in Sedgwick it was \$674.6 million, in Shawnee it was \$239.4 million, and in Wyandotte it was \$223.0 million.

County Income Growth

The highest personal income growth rate for 1997 of 18.0 percent was experienced in Geary County. The other counties experiencing the highest growth rates are Wyandotte (17.0 percent), Coffey (12.5 percent), Sedgwick (8.9 percent), and Shawnee (8.5 percent) Counties. Conversely, in 1997 negative personal

income growth was experienced in Jefferson (-3.1 percent), Osage (-2.4 percent), Wabaunsee (-2.3 percent), Sumner (-1.7 percent), Jackson (-1.6 percent), Butler (-0.8 percent), and Miami Counties (-0.5 percent).

It is important to examine the extent to which the growth of total Kansas personal income is concentrated in a very small number of counties. Between 1996 and 1997, Johnson and Sedgwick Counties accounted for 45.6 percent of the personal income growth in the state. From this, it is clear Kansas personal income growth is concentrated in the two most densely populated counties. Figure 5-1 is a map on page 44 and presents the change in personal income by county for 1997.

Per Capita Income

Per capita income for each county may be obtained by dividing the total population of the county by the total personal income of the county. The population data used for these calculations were estimates of county population as of July 1, 1997, based on the U.S. Bureau of the Census Current Population Reports. Figure 5-2 is a map on page 44 and presents per capita personal income by county for 1997.

In 1997, Kansas per capita income was \$24,014. Marion County had the highest per capita income with \$49,877, followed by Wichita (\$38,631), Johnson (\$35,631), and Stanton (\$31,394). McPherson County had the lowest per capita income with \$9,343. It should be noted county per capita income may fluctuate dramatically from year to year because of the inherent volatility of the farm economy and the relatively low population in many rural Kansas counties.

The relatively low-income counties in rural Kansas tend to have a high reliance on the farm economy and negative or low farm proprietors' income. In the eastern half of the state, particularly in Southeast Kansas, the low-income counties are those with relatively high population densities and are not part of major urban areas.

The counties with high per capita incomes are associated with two conditions. First, most relatively high per capita income counties are rural and rely heavily on agriculture. These counties are primarily

located in Southwest Kansas. Second, three of the state's major urban counties have high per capita incomes. This income influences not only the core county of the metropolitan areas, but also many bordering counties where some individuals employed in the core counties live.

The Four Urban Counties

In 1997 Sedgwick, Johnson, Wyandotte, and Shawnee, accounted for 45.2 percent of the state's population and 53.4 percent of total personal income. Having a larger share of income relative to population means that per capita income is larger in the four counties than in the state. Wyandotte County per capita income is significantly below the state average. Sedgwick and Shawnee Counties are slightly above the state average, and Johnson County is 48.4 percent above the state average. For the four urban counties, the average per capita income is \$28,334, or 18.0 percent, higher than the state average.

Concentration of most income components also is apparent in the urban counties. These counties earn 61.1 percent of Kansas salaries and wages, 60.7 percent of Kansas other labor income, 59.9 percent of Kansas personal contributions for social insurance, 52.4 percent of Kansas dividend, interest, and rent income, 48.9 percent of Kansas non-farm proprietors' income, and 43.1 percent of Kansas transfer payments. Only for farm proprietors' income and residence adjustment do these four counties sum to a small share of the Kansas total. Johnson or Sedgwick rank either first or second among the 105 counties in most income components and total income, while Shawnee or Wyandotte rank either third or fourth.

Regional Income

Because boundaries of economic activity do not necessarily respect political boundaries, comparisons of county income do not necessarily provide an accurate measure of the economic performance of a geographic area. Income concentrated in a small area is subject to greater variability than is income spread over a wide area. For example, personal income measures income received by individuals on the basis of the location of their residence and is not directly concerned with the location of earnings. This fact requires a residence adjustment for each county in

order to account for inter-county commuting to work. It also must account for income components, such as farm proprietors' income, where the residence may be considerably distant from where the income was generated. An additional problem exists for states such as Kansas, where farm income is sizeable. Extreme fluctuations in small-area farm earnings occur, particularly because of variable weather conditions and the changing location where farm products are marketed.

Although these problems exist, county data still may provide helpful insights because they may be aggregated over larger regions. For the purposes of this report, Kansas has been divided into 11 planning regions and may be considered the "official" aggregation. Figure 5-3, on page 45, presents total personal income by region for 1996 and 1997. Figure 5-4, also shown on page 45, presents the percentage change in total personal income from 1996 to 1997 and per capita income for 1997 by region.

In terms of total personal income, the 1997 average for the 11 regions is \$5.7 billion. Region I, which surrounds Kansas City, ranks first with \$27.3 billion. Only one other, Region IV, which surrounds Wichita, has a total personal income above the average total personal income per region at \$16.0 billion. At the

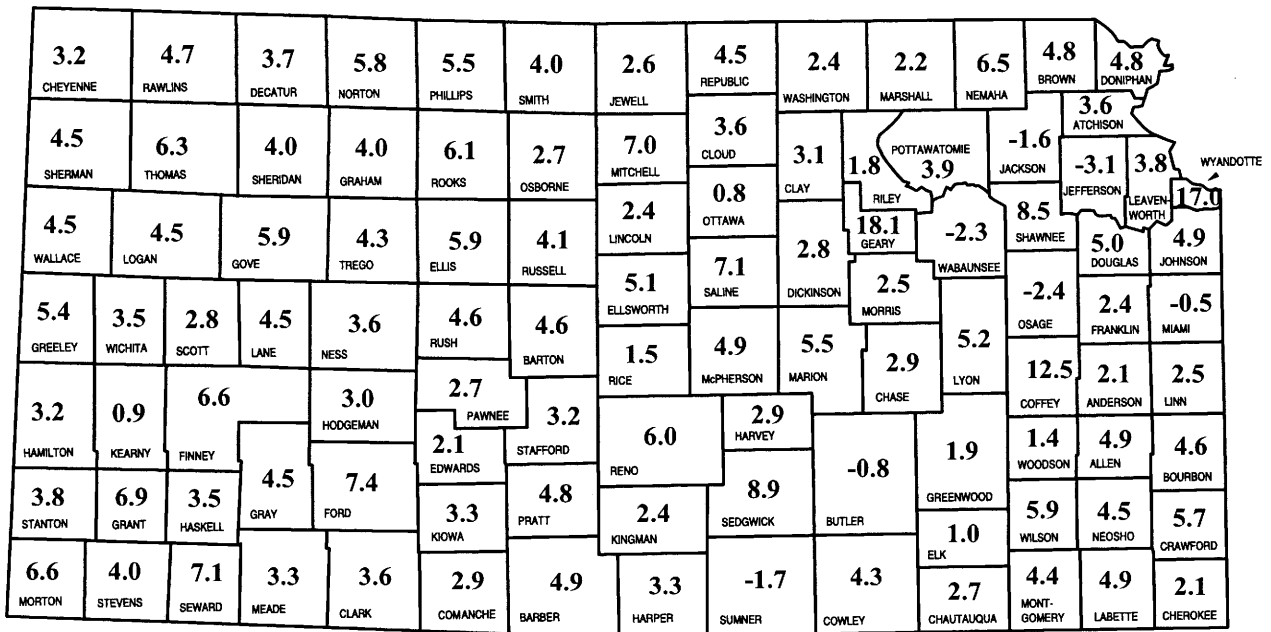
other end of the scale, Region VIII had the lowest personal income in 1997 of \$680.2 million.

Generally, regional population rankings correspond to regional total personal income rankings. High incomes are associated with large populations. Therefore, Kansas population and total personal income are highly concentrated. This is shown by the concentration of 69.4 percent of the state's total personal income being located in Regions I and IV. Only 1.1 percent of the state's total personal income is located in Region VIII.

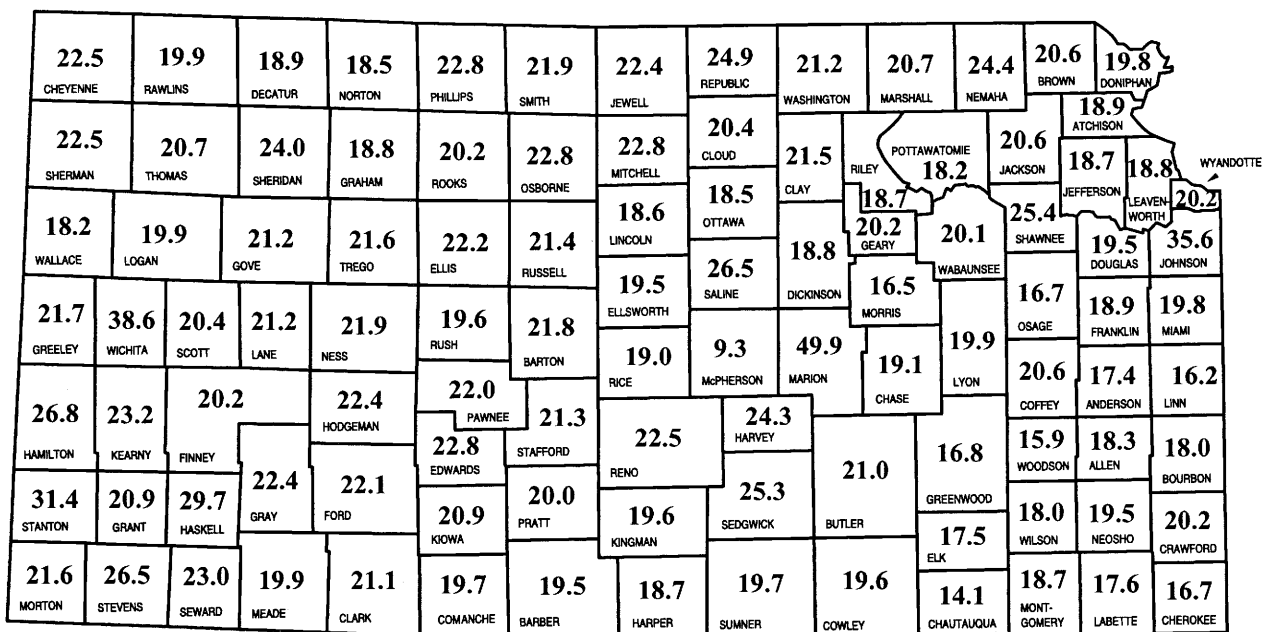
Recent income and population growth has been uneven across Kansas. In 1997 Kansas total personal income rose by 6.0 percent. The most rapid growth was in Region IV, with a 7.0 percent increase. The lowest growth was experienced by Region V, with 2.5 percent growth.

In terms of per capita personal income, Region I ranked first with \$27,097. The next highest per capital personal income was Region X with \$24,080. Region II in southeast Kansas ranked last with \$18,511. The extent of regional income inequality is illustrated by comparing the highest income region to the lowest income region. This comparison shows a 46.4 percent difference in per capita income.

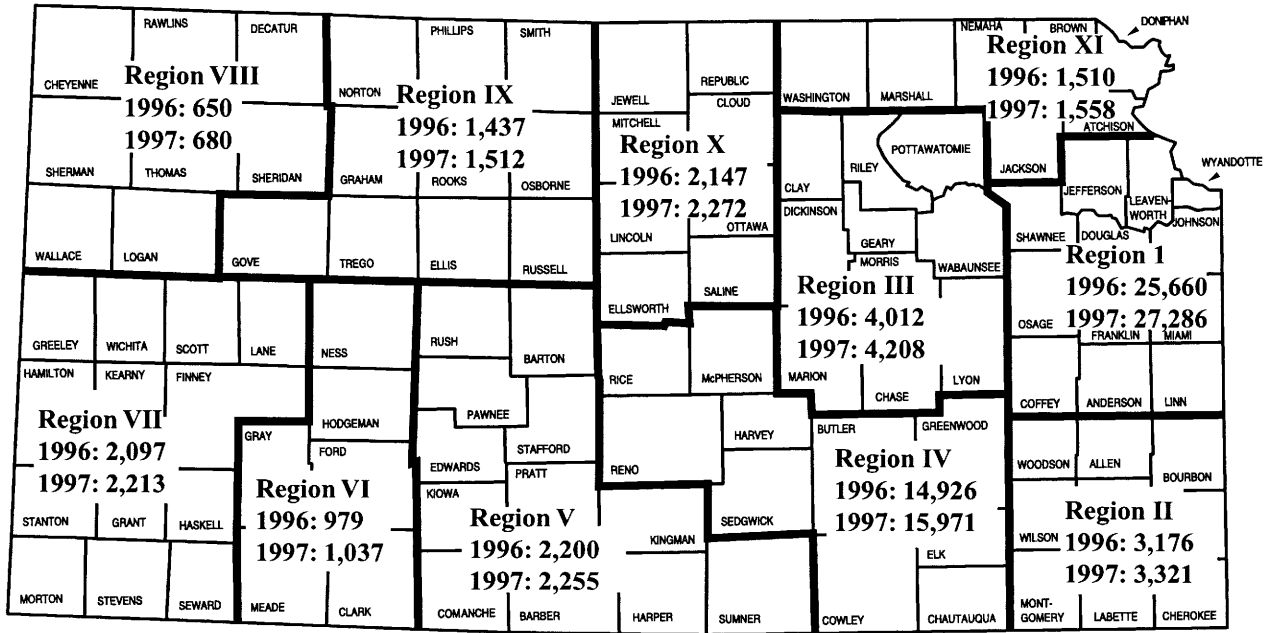
Figure 5-1. Percentage Change in County Personal Income, 1996-1997



**Figure 5-2. Per Capita Personal Income, 1997
(Dollars in Thousands)**



**Figure 5-3. Total Personal Income, by Region, 1996 and 1997
(Dollars in Millions)**



**Figure 5-4. Percentage Change in Total Income,
1996-1997 and Per Capita Income 1997, by Region**

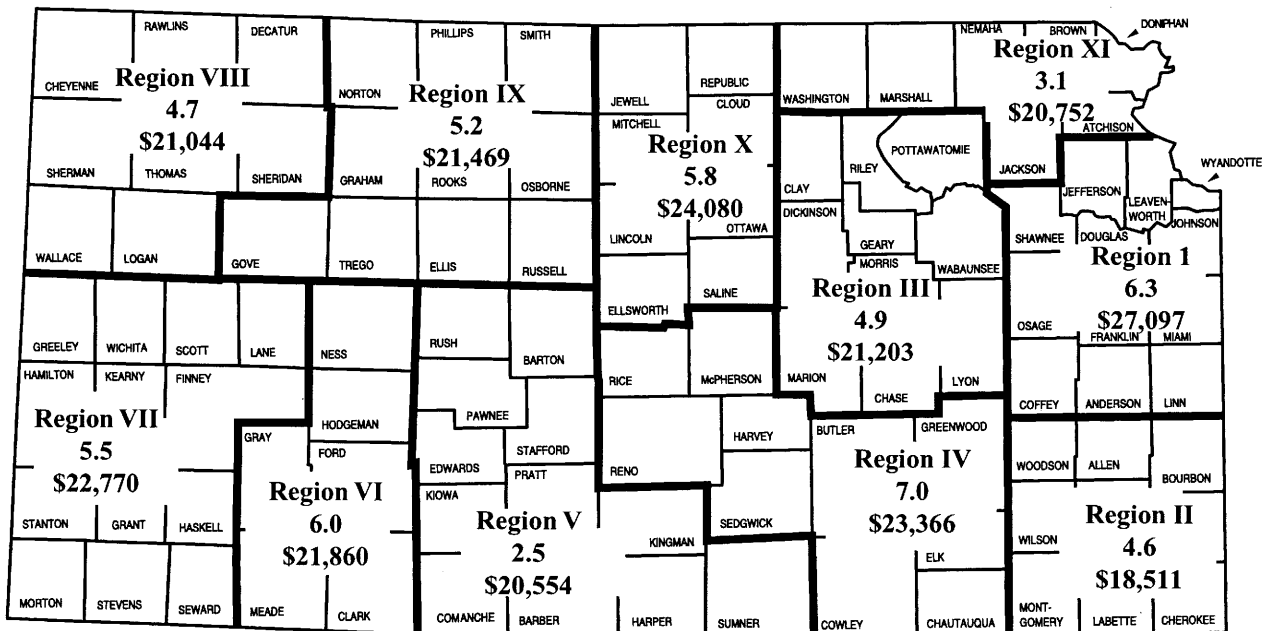


Table 5-2

Kansas County Personal Income, 1996									
<i>Dollars in Thousands</i>									
County	Salaries and Wages	Other Labor Income	Farm Proprietors' Income	Nonfarm Proprietors' Income	Dividends, Interest, and Rent	Transfer Payments	Adjustments for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
Allen	118,424	16,725	7,571	18,919	43,401	57,335	548	11,659	251,263
Anderson	36,198	4,375	8,694	10,567	33,876	31,173	15,688	4,172	136,399
Atchison	142,363	17,825	8,688	18,282	54,415	62,584	8,820	13,757	299,220
Barber	38,559	4,821	(3,737)	10,540	29,886	26,790	(2,014)	4,135	100,710
Barton	286,405	32,578	22,178	45,006	120,367	111,088	(6,779)	27,982	582,862
Bourbon	125,613	14,853	647	17,886	50,244	62,128	3,001	12,454	261,918
Brown	79,362	9,009	19,332	15,008	56,237	46,986	(1,041)	8,059	216,833
Butler	330,467	42,950	(1,037)	100,173	186,866	166,059	474,936	35,033	1,265,381
Chase	14,447	1,885	(2,817)	8,520	15,638	12,034	5,821	1,947	53,582
Chautauqua	16,156	1,929	(3,087)	6,457	16,527	21,423	3,032	2,132	60,306
Cherokee	137,378	18,812	14,629	20,908	53,222	89,855	48,878	13,936	369,746
Cheyenne	15,701	1,778	13,524	6,811	19,321	14,285	350	1,975	69,796
Clark	14,784	1,627	0	4,252	15,134	11,907	3,503	1,402	49,805
Clay	53,633	6,291	24,035	20,687	40,981	38,027	14,949	6,405	192,198
Cloud	73,430	8,215	17,391	15,457	43,421	48,162	2,278	7,888	200,466
Coffey	113,211	16,283	1,870	13,008	35,813	32,674	(42,383)	10,299	160,177
Comanche	11,298	1,466	(1,065)	4,055	13,612	9,723	855	1,282	38,664
Cowley	336,260	42,495	3,045	42,657	127,484	144,876	22,793	31,257	688,353
Crawford	346,584	44,749	10,445	25,890	137,838	159,432	(4,699)	30,931	689,309
Decatur	21,369	2,425	(5,156)	5,629	24,134	16,891	1,216	2,285	64,222
Dickinson	137,458	15,854	9,362	22,711	66,344	84,301	38,711	14,087	360,653
Doniphan	64,614	8,000	11,526	12,063	21,418	30,248	3,533	6,368	145,035
Douglas	915,402	105,051	7,165	89,357	315,353	220,611	113,191	75,286	1,690,844
Edwards	23,231	2,620	10,351	5,616	18,190	17,187	1,808	2,391	76,613
Elk	10,217	1,486	3,514	5,445	13,204	16,891	8,972	1,417	58,312
Ellis	280,368	32,760	4,345	61,642	97,333	91,518	10,870	27,195	551,640
Ellsworth	47,388	5,724	2,816	8,330	31,979	26,950	(1,973)	4,595	116,618
Finney	425,579	48,325	9,240	68,281	98,290	83,202	(12,809)	38,426	681,683
Ford	344,902	40,375	23,081	56,718	99,687	90,392	(21,858)	32,138	601,159
Franklin	177,097	19,262	5,068	26,202	64,419	83,462	80,113	17,080	438,543
Geary	543,126	29,790	5,750	27,090	64,871	102,079	(306,740)	33,141	432,825
Gove	22,612	2,446	4,111	9,016	14,858	12,809	(1,800)	2,415	61,637
Graham	21,513	2,575	(566)	6,916	15,518	14,132	977	2,278	58,786
Grant	87,958	10,027	10,423	21,791	24,970	18,570	(10,912)	8,346	154,482
Gray	43,571	4,456	20,695	12,716	20,967	15,752	3,871	4,158	117,870

Table 5-2 (Continued)

Kansas County Personal Income, 1996									
<i>Dollars in Thousands</i>									
County	Salaries and Wages	Other Labor Income	Farm Proprietors' Income	Nonfarm Proprietors' Income	Dividends, Interest, and Rent	Transfer Payments	Adjustments for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
Greeley	13,459	1,424	7,355	4,077	6,455	5,409	(1,412)	1,259	35,508
Greenwood	34,834	4,094	(2,883)	11,458	34,392	39,399	15,152	4,293	132,154
Hamilton	16,026	1,733	15,597	4,106	11,653	11,585	169	1,478	59,390
Harper	41,879	5,010	(4,046)	11,712	26,760	33,500	7,027	4,511	117,331
Harvey	313,569	35,835	18,017	84,774	114,276	119,196	95,190	34,309	746,549
Haskell	31,954	3,143	41,177	9,332	17,282	12,093	2,610	2,591	115,000
Hodgeman	10,018	1,240	10,141	5,653	12,782	7,670	2,111	1,109	48,506
Jackson	52,398	6,151	6,554	21,195	33,872	42,537	95,231	6,203	251,736
Jefferson	65,893	8,336	7,521	20,300	45,511	53,320	151,266	7,009	345,138
Jewell	17,269	2,143	19,762	6,542	22,305	16,280	4,431	2,066	86,666
Johnson	7,210,403	734,898	5,541	1,061,151	2,948,726	1,119,743	1,760,993	671,741	14,169,713
Kearny	25,944	2,969	24,157	4,963	17,056	12,460	11,170	2,042	96,677
Kingman	51,451	6,274	431	12,244	40,149	35,259	22,590	5,539	162,859
Kiowa	23,661	2,689	3,035	5,962	17,973	16,476	2,388	2,464	69,719
Labette	205,070	25,335	684	28,338	61,489	97,228	(15,083)	19,221	383,841
Lane	15,515	1,690	2,750	5,606	11,877	8,594	(181)	1,529	44,321
Leavenworth	688,022	56,904	3,905	75,934	165,998	233,178	94,983	49,099	1,269,824
Lincoln	16,138	2,002	334	4,457	21,032	13,587	5,048	1,769	60,829
Linn	49,772	6,803	765	9,659	24,501	39,608	17,014	5,319	142,805
Logan	20,027	2,119	1,461	6,789	16,369	11,829	1,600	2,188	58,005
Lyon	365,440	47,135	7,255	35,627	118,540	112,285	(7,865)	31,869	646,548
McPherson	301,307	38,361	28,776	55,311	107,316	102,985	6,615	30,289	610,381
Marion	71,374	8,692	18,110	17,737	42,008	47,556	28,188	8,027	225,638
Marshall	98,437	12,335	25,143	17,211	49,399	54,461	(701)	10,583	245,702
Meade	26,812	2,937	9,022	6,953	18,841	15,974	6,754	2,522	84,771
Miami	150,104	16,775	7,699	27,465	76,240	81,151	175,833	14,523	520,744
Mitchell	67,308	7,390	9,945	11,728	38,509	29,551	(8,788)	6,476	149,166
Montgomery	348,352	46,070	473	41,187	119,469	165,594	(21,629)	33,605	665,912
Morris	31,121	3,714	578	10,021	19,373	26,215	12,192	3,642	99,572
Morton	32,722	3,950	266	6,382	19,302	11,065	(2,569)	2,864	68,254
Nemaha	90,761	11,490	28,351	12,543	62,340	41,014	(2,790)	8,926	234,782
Neosho	159,581	19,390	844	31,497	52,248	71,845	(2,571)	15,957	316,877
Ness	26,009	3,362	(685)	11,211	22,283	15,934	1,764	3,079	76,798
Norton	47,738	5,548	427	8,011	23,229	23,148	(2,132)	4,392	101,577
Osage	57,253	6,929	10,956	16,310	39,850	63,075	104,300	6,601	292,073

Table 5-2 (Continued)

Kansas County Personal Income, 1996									
<i>Dollars in Thousands</i>									
County	Salaries and Wages	Other Labor Income	Farm Proprietors' Income	Nonfarm Proprietors' Income	Dividends, Interest, and Rent	Transfer Payments	Adjustments for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
Osborne	26,128	3,189	9,931	9,781	30,409	21,584	2,234	3,251	100,006
Ottawa	27,565	3,655	5,508	7,491	21,029	21,503	23,253	3,023	106,980
Pawnee	62,923	6,641	14,754	16,367	28,412	28,638	2,492	5,472	154,755
Phillips	51,493	7,864	3,868	17,166	32,045	26,773	(2,668)	5,690	130,850
Pottawatomie	148,603	17,814	395	26,792	47,831	57,810	34,422	14,425	319,241
Pratt	88,554	9,477	(2,627)	16,878	40,630	40,587	(250)	8,487	184,761
Rawlins	18,137	2,122	3,503	6,044	19,798	12,815	497	2,030	60,887
Reno	706,158	79,702	22,291	67,080	271,119	246,324	5,186	64,738	1,333,123
Republic	41,452	4,976	29,182	10,376	36,165	25,527	3,328	4,494	146,512
Rice	59,945	7,265	15,584	13,699	42,037	41,561	13,147	6,259	186,978
Riley	518,997	63,053	5,610	66,981	181,203	151,319	212,529	40,452	1,159,240
Rooks	40,720	5,238	(466)	8,921	33,676	24,468	446	4,183	108,820
Rush	24,496	3,220	959	4,244	15,260	18,592	94	2,528	64,337
Russell	51,611	6,236	(695)	12,848	52,032	40,553	161	5,634	157,113
Saline	689,803	79,968	8,567	214,141	217,143	184,036	(39,576)	74,440	1,279,641
Scott	43,108	4,024	2,522	10,264	24,217	14,507	3,913	3,657	98,899
Sedgwick	6,967,890	843,413	14,693	742,219	1,705,031	1,456,666	(893,554)	627,297	10,209,061
Seward	274,173	32,924	47,509	41,737	54,109	51,880	(44,501)	24,479	433,351
Shawnee	2,655,039	283,732	13,933	210,794	682,805	646,952	(407,316)	224,453	3,861,486
Sheridan	16,729	1,956	9,505	9,561	16,418	10,246	1,043	2,085	63,372
Sherman	55,349	6,222	14,915	11,601	27,301	29,942	2,267	5,309	142,287
Smith	24,640	2,871	15,396	8,429	27,974	20,967	922	3,021	98,177
Stafford	29,115	3,266	14,084	9,428	25,914	25,792	671	3,091	105,179
Stanton	18,363	1,625	30,164	4,037	13,492	5,268	(1,021)	1,373	70,554
Stevens	47,382	5,511	26,825	12,538	27,430	16,717	5,588	4,414	137,578
Sumner	135,739	17,382	3,043	34,948	79,997	99,317	186,657	15,060	542,022
Thomas	76,282	8,286	14,659	17,375	29,732	26,932	(6,395)	7,168	159,704
Trego	22,837	2,483	615	7,084	21,797	14,634	1,675	2,265	68,860
Wabaunsee	22,100	2,737	3,379	11,977	24,198	23,241	53,282	2,959	137,954
Wallace	9,371	1,065	2,292	3,319	9,314	7,054	0	985	31,432
Washington	33,733	4,213	23,788	7,870	31,967	31,267	7,593	3,682	136,749
Wichita	17,216	1,734	59,687	5,603	10,664	7,677	(198)	1,518	100,864
Wilson	83,865	10,705	3,021	13,915	30,758	41,354	(388)	8,408	174,823
Woodson	13,724	1,637	(2,212)	5,449	18,490	20,230	6,910	1,929	62,300
Wyandotte	2,540,216	339,887	1,863	91,577	269,180	646,653	(1,049,264)	208,213	2,631,900
Total	31,877,754	3,640,804	987,494	4,306,584	10,744,803	9,001,729	1,137,782	2,903,875	58,793,075

Table 5-3

Kansas County Personal Income, 1997									
<i>Dollars in Thousands</i>									
County	Salaries and Wages	Other Labor Income	Farm Proprietors' Income	Nonfarm Proprietors' Income	Dividends, Interest, and Rent	Transfer Payments	Adjustments for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
Allen	126,365	17,013	7,617	20,448	45,485	58,683	440	12,458	263,594
Anderson	38,673	4,458	8,748	11,199	35,419	31,893	13,366	4,433	139,323
Atchison	149,821	17,828	8,741	19,740	56,381	64,517	7,384	14,508	309,905
Barber	40,509	4,847	(3,750)	11,237	31,412	27,382	(1,614)	4,348	105,675
Barton	303,214	32,531	22,277	47,631	124,693	114,368	(5,235)	29,611	609,869
Bourbon	134,446	15,129	651	19,158	51,559	63,659	2,584	13,307	273,878
Brown	84,380	9,040	19,451	16,033	59,861	48,000	(878)	8,575	227,312
Butler	356,054	44,073	(1,044)	108,525	198,961	173,327	413,358	37,895	1,255,358
Chase	15,518	1,935	(2,812)	9,054	16,478	12,150	4,912	2,077	55,157
Chautauqua	17,011	1,938	(3,106)	6,889	17,180	21,848	2,434	2,246	61,949
Cherokee	146,818	18,976	14,719	22,183	55,424	92,004	42,318	14,854	377,587
Cheyenne	16,459	1,795	13,467	7,131	20,280	14,687	293	2,064	72,049
Clark	15,833	1,661	0	4,530	15,835	12,364	2,896	1,500	51,620
Clay	58,185	6,471	24,183	22,197	42,560	39,399	12,136	6,903	198,227
Cloud	77,168	8,234	17,498	16,462	45,356	49,298	1,907	8,285	207,638
Coffey	120,699	16,768	1,922	13,781	37,314	33,994	(33,261)	10,950	180,267
Comanche	11,776	1,463	(1,071)	4,250	14,196	9,799	717	1,332	39,798
Cowley	359,435	43,767	3,064	44,685	133,993	147,676	18,785	33,393	718,011
Crawford	373,578	46,016	10,510	27,349	146,179	162,027	(3,889)	33,264	728,506
Decatur	22,094	2,402	(5,227)	5,727	25,528	17,408	1,033	2,344	66,622
Dickinson	146,348	16,146	9,419	24,361	70,066	87,013	32,254	15,012	370,595
Doniphan	69,982	8,208	11,931	12,859	22,003	31,019	2,896	6,900	151,999
Douglas	985,760	107,780	7,209	96,090	335,670	229,122	95,898	81,345	1,776,184
Edwards	24,174	2,592	10,232	5,849	18,817	17,574	1,473	2,479	78,233
Elk	10,867	1,518	3,352	5,886	13,808	17,308	7,686	1,507	58,917
Ellis	302,788	33,746	4,476	65,160	103,130	94,861	9,046	29,285	583,922
Ellsworth	50,206	5,758	2,760	8,927	33,959	27,423	(1,574)	4,869	122,590
Finney	456,512	49,111	9,297	73,125	102,735	86,698	(9,968)	41,172	726,338
Ford	372,665	41,607	22,890	60,795	105,714	93,398	(16,958)	34,657	645,454
Franklin	192,367	20,081	5,100	28,330	67,123	86,124	68,379	18,569	448,934
Geary	557,739	30,601	5,786	28,647	68,303	104,786	(251,457)	33,265	511,141
Gove	24,194	2,476	4,136	9,607	15,617	13,253	(1,428)	2,574	65,281
Graham	22,472	2,586	(570)	7,407	16,165	14,638	827	2,395	61,130
Grant	93,619	10,106	9,945	23,506	26,341	19,276	(8,671)	8,923	165,199
Gray	47,228	4,653	20,637	13,554	22,061	16,253	3,297	4,486	123,198

Table 5-3 (Continued)

Kansas County Personal Income, 1997									
<i>Dollars in Thousands</i>									
County	Salaries and Wages	Other Labor Income	Farm Proprietors' Income	Nonfarm Proprietors' Income	Dividends, Interest, and Rent	Transfer Payments	Adjustments for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
Greeley	14,385	1,442	7,401	4,337	6,737	5,617	(1,149)	1,346	37,424
Greenwood	36,708	4,148	(2,900)	12,071	36,002	40,272	12,945	4,519	134,726
Hamilton	17,119	1,761	15,205	4,243	12,316	12,038	146	1,559	61,268
Harper	44,149	5,036	(4,071)	12,605	27,847	34,316	6,066	4,763	121,186
Harvey	335,982	36,299	18,281	90,314	120,151	123,209	80,966	36,909	768,292
Haskell	34,350	3,223	41,546	9,808	18,182	12,522	2,127	2,760	118,999
Hodgeman	10,660	1,277	10,204	5,912	13,383	7,947	1,767	1,173	49,976
Jackson	56,967	6,397	6,594	22,553	35,337	43,956	82,668	6,679	247,795
Jefferson	70,938	8,630	7,567	22,118	47,825	55,012	129,893	7,559	334,425
Jewell	18,345	2,196	19,884	6,898	23,383	16,746	3,696	2,192	88,955
Johnson	7,895,726	758,672	5,575	1,131,531	3,134,060	1,178,222	1,500,071	733,809	14,870,048
Kearny	27,352	3,003	23,574	5,186	17,848	13,073	9,623	2,142	97,516
Kingman	55,300	6,418	434	13,107	42,009	36,427	18,987	5,946	166,736
Kiowa	24,740	2,671	2,898	6,504	18,833	16,890	2,066	2,600	72,002
Labette	215,424	25,171	689	30,412	64,309	99,269	(12,274)	20,244	402,755
Lane	16,283	1,702	2,773	6,077	12,414	8,826	(148)	1,615	46,312
Leavenworth	729,393	58,194	3,929	81,883	174,457	242,312	79,514	52,097	1,317,584
Lincoln	16,950	2,025	336	4,619	22,098	13,761	4,343	1,845	62,286
Linn	52,939	6,937	770	10,468	25,340	41,340	14,244	5,657	146,379
Logan	21,080	2,123	1,470	7,285	17,255	12,399	1,339	2,319	60,632
Lyon	386,414	47,684	7,300	38,183	125,430	115,037	(6,325)	33,829	679,895
McPherson	323,623	38,738	28,953	59,258	113,695	106,629	5,692	32,473	644,116
Marion	76,368	8,907	18,222	18,807	43,893	49,035	23,847	8,551	230,528
Marshall	106,148	12,669	25,298	18,403	51,376	55,885	(586)	11,354	257,839
Meade	28,668	2,972	9,078	7,494	19,661	16,722	5,660	2,694	87,560
Miami	163,604	17,315	7,746	29,447	80,193	83,864	151,995	15,875	518,289
Mitchell	73,090	7,653	10,006	12,646	40,370	30,298	(7,357)	7,059	159,649
Montgomery	363,831	45,697	476	43,574	124,994	169,863	(17,991)	35,128	695,316
Morris	33,231	3,788	581	10,800	20,291	27,104	10,109	3,879	102,026
Morton	35,268	4,046	267	6,858	20,294	11,280	(2,151)	3,078	72,786
Nemaha	98,682	11,991	29,532	13,546	66,177	42,123	(2,336)	9,710	250,005
Neosho	169,277	19,531	824	33,379	54,335	72,891	(2,164)	16,920	331,153
Ness	27,056	3,383	(690)	12,010	23,205	16,344	1,476	3,231	79,554
Norton	51,310	5,709	429	8,484	24,082	23,919	(1,700)	4,714	107,519
Osage	61,269	7,118	11,024	17,526	40,744	65,143	89,239	7,075	284,989

Table 5-3 (Continued)

Kansas County Personal Income, 1997									
<i>Dollars in Thousands</i>									
County	Salaries and Wages	Other Labor Income	Farm Proprietors' Income	Nonfarm Proprietors' Income	Dividends, Interest, and Rent	Transfer Payments	Adjustments for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
Osborne	26,751	3,032	9,993	10,463	32,000	22,008	1,870	3,363	102,754
Ottawa	29,976	3,716	5,542	7,992	22,023	22,135	19,668	3,257	107,794
Pawnee	65,649	6,589	14,153	17,210	29,564	29,481	2,086	5,761	158,971
Phillips	54,493	8,041	3,948	18,645	33,349	27,665	(2,063)	6,053	138,024
Pottawatomie	160,482	18,271	397	28,599	50,192	60,092	29,105	15,518	331,622
Pratt	93,767	9,528	(2,643)	17,884	42,078	42,213	(199)	8,979	193,648
Rawlins	19,290	2,145	3,442	6,515	20,749	13,382	409	2,165	63,768
Reno	763,623	81,512	23,461	70,853	286,139	253,657	4,032	69,802	1,413,475
Republic	44,052	5,045	30,658	10,991	37,964	26,271	2,823	4,766	153,039
Rice	61,678	7,164	15,721	14,447	43,524	42,551	11,200	6,456	189,829
Riley	560,551	64,811	5,710	71,381	193,123	155,160	173,017	43,823	1,179,929
Rooks	44,261	5,510	(469)	9,342	35,992	24,971	373	4,508	115,472
Rush	26,024	3,281	927	4,536	15,901	19,267	78	2,690	67,323
Russell	53,577	6,177	(699)	13,303	55,114	41,714	135	5,839	163,481
Saline	742,268	81,348	8,620	229,213	230,268	189,940	(31,305)	79,885	1,370,468
Scott	45,413	4,011	2,537	10,974	25,139	14,073	3,319	3,830	101,636
Sedgwick	7,503,272	865,075	14,193	796,907	1,797,764	1,504,316	(693,985)	674,567	11,112,975
Seward	291,760	33,419	47,186	44,553	56,662	53,600	(36,846)	26,028	464,307
Shawnee	2,828,905	287,410	14,019	225,506	723,533	666,616	(316,418)	239,436	4,190,137
Sheridan	17,842	2,001	9,383	10,205	17,274	10,553	866	2,224	65,900
Sherman	59,549	6,397	14,859	12,415	28,640	30,579	1,895	5,708	148,625
Smith	26,047	2,900	16,004	9,010	29,271	21,330	755	3,199	102,118
Stafford	31,022	3,312	13,816	9,929	26,908	26,282	546	3,276	108,538
Stanton	19,367	1,623	30,568	4,330	14,187	5,481	(861)	1,453	73,242
Stevens	51,392	5,687	26,798	13,298	28,554	17,437	4,678	4,750	143,095
Sumner	144,475	17,719	3,061	37,311	83,638	102,241	160,438	16,039	532,844
Thomas	82,281	8,465	14,525	18,279	31,139	27,662	(4,927)	7,686	169,737
Trego	24,431	2,541	619	7,525	22,798	14,908	1,392	2,413	71,800
Wabaunsee	23,895	2,857	3,305	12,704	25,213	24,076	45,872	3,183	134,740
Wallace	9,969	1,086	2,232	3,452	9,816	7,323	0	1,038	32,839
Washington	35,750	4,252	23,935	8,348	33,070	32,019	6,502	3,899	139,977
Wichita	18,323	1,767	61,075	6,018	11,142	7,872	(158)	1,618	104,420
Wilson	91,425	11,103	2,870	14,758	31,998	42,437	(325)	9,193	185,073
Woodson	14,180	1,622	(2,226)	5,702	19,315	20,604	5,983	2,006	63,175
Wyandotte	2,716,332	352,136	1,872	97,176	282,658	661,686	(809,677)	222,969	3,079,213
Total	34,299,655	3,729,387	993,034	4,600,434	11,340,836	9,295,125	1,175,965	3,122,467	62,311,969

Chapter 6

Kansas Demographics

On July 1 of each year the official population for Kansas is certified. For 1998, the official Kansas population is 2,583,745, representing a 1.0 percent increase compared to the official population for 1997. By statute, the official population of Kansas is certified from the latest estimates released by the United States Bureau of the Census. Because the certified population is based on estimates, a brief discussion of the methodology used by the Census Bureau is presented below.

Methodology Used by the U. S. Bureau of the Census to Estimate State Populations

For the past eight years, national population estimates have been based on the 1990 decennial census data, which are used as a benchmark. The methodology incorporates both the benchmark and administrative data from federal agencies to formulate statistically an estimate of national population. The next step is to formulate estimates for each state, county or parish, city, and township in the United States. All of these estimates sum to the national estimate, which is used as a control.

The administrative data used to produce population estimates include vital statistics, such as births and deaths, school statistics from state and parochial school systems, and selected data from federal income tax returns. Also incorporated in the estimates are data pertaining to housing permits issued, certificates of occupancy, and utility hookups. The latter three variables were included in the methodology beginning with the 1997 estimates. The inclusion of these variables is a significant change in the methodology because, prior to 1997, no housing variables were included at all. Analysis indicates the inclusion has improved the accuracy of the estimates.

The 1990 benchmark for the total Kansas population is 2,480,587, which is the total population resulting from the last full census. Using this benchmark as a base, Kansas population has increased 4.2 percent between 1990 and 1998.

This 4.2 percent increase is not dramatic; however, the demographic make up of Kansas is becoming more diverse. In 1990, the racial population of Kansas was predominantly White and non-Hispanic in ethnicity. In 1997, the same overall makeup exists; however, the proportion of other races and ethnicity display a definite upward trend.

Additionally, the population density within selected geographic areas has shown significant changes, both positive and negative. A general decrease in county population has occurred in northwest Kansas. Conversely, selected counties in southwest Kansas, including Seward and Finney Counties are among the top 25.0 percent of counties in the nation experiencing high rates of net international migration.

Demographics

Demographics are the components included in the population. The categories used by the United States Bureau of the Census include age, race, gender, and ethnicity.

This report identifies five age categories, including less than 5 years of age, 5 to 19 years of age, 20 to 64 years of age, 65 years of age and older, and 85 years of age and older. It should be noted the category of 85 years of age and older is a sub-category included in the total of the 65 years of age and older category.

Each age category is presented in terms of gender, race, and ethnicity. Also presented is the proportion of total population for both race and ethnicity. Statistics for both 1990 and 1997 are included for comparison purposes. Specific analysis is included for the categories of 65 and 85 years of age and older. Table 6-1, which is shown at the top of the next page, is a summary of Kansas demographics for 1990 and 1997.

Age

Analysis indicates the population of Kansas is aging. As of July 1, 1997, there were 2,583,745 people in

Table 6-1

	1990					1997				
	< 5 yrs.	5-19 yrs.	20-64 yrs.	65 yrs. & Older	85 yrs. & Older	< 5 yrs.	5-19 yrs.	20-64 yrs.	65 yrs. & Older	85 yrs. & Older
Kansas Population Estimates--1990 and 1997										
By Age, Race, Gender, and Ethnicity										
Kansas										
Male	97,662	280,554	701,356	136,874	11,570	92,168	301,951	739,980	143,582	13,882
Female	92,319	265,372	700,513	205,937	30,601	87,111	285,161	736,847	208,013	34,821
Am. Indian, Eskimo & Aleut	2,161	6,439	12,744	1,431	105	1,747	6,336	13,464	1,641	193
Asian & Pac. Islander	2,966	9,319	19,965	978	99	4,574	11,276	26,470	1,708	108
Black	15,470	40,521	81,535	12,181	1,593	13,048	42,559	85,419	11,755	1,354
White	169,384	489,647	1,288,625	328,221	40,374	159,910	526,941	1,351,501	336,491	47,048
Hispanic	11,911	29,146	50,994	4,514	478	16,318	40,193	69,816	6,296	625
Total:	189,981	545,926	1,401,869	342,811	42,171	179,279	587,112	1,476,827	351,595	48,703
Race as a Percent of Total Population										
Am. Indian, Eskimo & Aleut	1.1%	0.1%	0.9%	0.4%	0.2%	1.0%	0.1%	0.9%	0.5%	0.4%
Asian & Pacific Islander	1.6	1.7	1.4	0.3	0.2	2.6	1.9	1.8	0.5	0.2
Black	8.1	7.4	5.7	3.6	3.8	7.3	7.2	5.8	3.3	2.8
White	89.2	89.7	91.9	95.7	95.7	89.2	89.8	91.5	95.7	96.6
Ethnicity as a Percent of Total Population										
Hispanic										
White Hispanic	5.7%	4.8%	3.3%	1.3%	1.1%	8.2%	6.2%	4.3%	2.0%	1.2%
Non-White Hispanic	0.1	<0.1	<0.1	<0.1	<0.1	0.1	0.1	<0.1	<0.1	<0.1

Kansas with a median age of 35.7 years compared to a median age of 34.9 years in 1990.

Included in the 1997 total are 179,279 individuals who were less than five years of age. In 1990, the same cohort contained 189,981 individuals. A comparison between the two years indicates a 5.6 percent decrease in the number of children in Kansas who are less than five years of age.

When considering the time series of data from 1990 to 1997, analysis indicates the number of individuals less than five years of age has decreased each year since 1990. At that time, this cohort represented 7.7 percent of the total state population. In 1997, it represents 6.9 percent of the total population. In contrast, the number of individuals over five years of age has increased each year since 1990.

The population of school age children who are 5 to 19 years of age has increased by 41,186 (7.5 percent) since 1990 and by 4,835 (0.8 percent) since 1996. The population from 20 to 64 years of age has increased by 74,985 (5.3 percent) since 1990 and by 12,433 (0.8

percent) since 1996. The population which is 65 years or older has increased by 8,784 (2.6 percent) since 1990, but has decreased by 1,001 (0.3 percent) since 1996. The population of individuals 85 years of age or older has increased also. This cohort realized an increase of 6,532 (15.5 percent) since 1990 and 595 (1.2) percent since 1996.

Gender

In 1997, the total population in Kansas consisted of 1,277,681 males and 1,306,064 females, which is a ratio of 0.97 male to 1.0 female. This is compared to the 1990 benchmark ratio of 0.96 male to 1.0 female. The chronology of data indicates more males than females from birth through middle age. By 65 years of age, the number of females is greater than the number of males, with the ratio increasing as the population ages. This increase is consistent with the statistics showing life expectancy for males of 73 years and 79 years for females.

The population of individuals less than five years of age consists of 92,168 males (51.4 percent) and 87,111

females (48.5 percent). This is a ratio of 1.1 males to 1.0 female. These statistics compare to 1990 levels of 97,662 males and 92,319 females. Although the 1990 populations are higher, the percentage breakdown and ratio have remained constant from 1990 through 1996.

The population from 5 to 19 years of age consists of 301,951 males and 285,161 females. Similar to the less than five years of age cohort, this cohort also consists of 51.4 percent males and 48.5 percent females, equating to a 1.1 to 1.0 ratio of males to females.

The population from 20 to 64 years of age consists of 739,980 males and 736,874 females. The percentage breakdown is 50.0 percent for each gender category and equates to a 1.0 to 1.0 ratio of males to females.

Females 65 years of age and older represent 59.2 percent of this cohort's total population, while males represent 40.8 percent. Females outnumber males 208,013 to 143,582, which equates to a ratio of 0.69 male to 1.0 female. This is a slight change compared to 1990 when this cohort's population consisted of 60.1 percent females and 39.9 percent males. Additionally, from 1990 through 1997, the numbers of both males and females have increased steadily.

For the population 85 years of age and older, females represent 71.5 percent of this cohort's total population, while males represent 28.6 percent. Females outnumber males 34,821 to 13,882, which equates to a ratio of 0.4 male to 1.0 female. These levels are a change from 1990, when the population of individuals 85 years of age and older consisted of 30,601 females, or 72.6 percent, and 11,570 males, or 27.4 percent. These data equate to a male to female ratio of 0.38 to 1.0.

Race

The United States Bureau of the Census has included six race categories in population estimates: American Indian, Eskimo, and Aleut; Asian and Pacific Islander; Black; and White. Table 6-1, previously presented on page 47, shows the dynamics between 1990 and 1997 of each race category as a percent of the total population.

The table indicates the population of Kansans less than five years of age has declined in all categories and shows only minor shifts in percentages between race

categories. The population of school age children 5 to 19 years of age has continued to increase since 1990. However, the demographic makeup by race has remained relatively static with only minor shifts in the number of Black students, American Indian, Eskimo, and Aleut students, as well as Asian and Pacific Islander students.

The demographic makeup by race for the population of 20 to 64 years of age basically remains unchanged. Between 1990 and 1997 there was only a minor increase in the proportion of the population within the Black category, as well as the Asian and Pacific Islander category. A corresponding decrease was realized in the proportion of the population in the White category.

For the 65 years of age and older category, the only decrease in proportion realized between 1990 and 1996 was in the Black category. All other race categories remained static. In the 85 years of age and older category, the same trend has been evident.

Ethnicity

The United States Bureau of the Census presents ethnicity in two categories, Hispanic and non-Hispanic. These overall categories are exclusive of race.

As of 1997, there were 132,623 Hispanic individuals in Kansas, which represents 5.1 percent of the state's total population. In 1990 there were 93,565 Hispanic individuals in Kansas, which represents 3.8 percent of the state's total population. Comparison between 1990 and 1997 shows a net increase of 1.3 percent in the proportion of Hispanics in Kansas. Table 6-1, which was previously presented on page 47, also shows the ethnicity dynamics by age category for 1990 and 1997.

Of the state's total population, the proportion which is Hispanic and less than five years of age increased from 6.3 percent in 1990 to 9.1 percent in 1997. The proportion of Hispanic school age children between 5 and 19 years of age has increased also from 5.3 percent in 1990 to 6.9 percent in 1997. The Hispanic proportion of the population between 20 and 64 years of age has increased as well, from 3.6 percent in 1990 to 4.7 percent in 1997. This overall increase in the proportion of the Hispanic population holds for individuals 65 years of age and older, as well as for those 85 years and older.

Kansas Population over 65 Compared to the Plains States and the United States

The estimated population of individuals 65 years of age and older is 351,595 for 1997. In the U.S. an estimated 34.1 million individuals are over 65. The Kansas population for this cohort is slightly more than 1.0 percent of the nation's population over the age of 65. This proportion (1.0 percent) is slightly higher than the proportion of total Kansas population compared to the total population of the U.S. (0.97 percent). Table 6.2, shown below, presents the population over 65 years of age for Kansas, the Plains states, and the U.S.

Table 6-2

Population and Percent of Population Over 65, Kansas, Plains States, 1997			
<i>In Thousands</i>			
	Total Pop.	Pop. Over 65 Yrs.	Percent Over 65 Yrs.
U.S.	267,636	34,076	12.7
Plains States:			
Minnesota	4,686	578	12.3
Iowa	2,852	429	15.0
Missouri	5,402	741	13.7
North Dakota	641	92	14.4
South Dakota	738	105	14.3
Nebraska	1,657	228	13.7
Kansas	2,595	352	13.5

For the Plains states, the average proportion of the population over 65 years of age was 13.8 percent in 1997, while the national proportion was 12.7 percent. Comparatively, Kansas (13.5 percent) was slightly lower than the average in the Plains states (13.8 percent) but significantly higher than the national proportion. Approximately 2,525,000 individuals in the Plains states are estimated to be over the age of 65. Iowa has the highest proportion of individuals over 65 years of age. North Dakota ranks second, with South Dakota a close third. Missouri and Nebraska are ranked fourth and fifth, while Kansas is sixth. The only state in the Plains with a lower proportion of the population over 65 years of age is Minnesota.

Kansas Population over 85 Compared to the Plains States and the United States

The frailest elderly are generally considered to be those individuals over 85 years of age. For 1997, the estimated population of individuals 85 years and older is 48,703. This cohort represents 1.9 percent of the total Kansas population compared to 1.5 percent of the total U.S. population. Table 6.3, shown below, presents the population over 85 years of age for Kansas, the Plains states, and the U.S.

Table 6-3

Population and Percent of Population Over 85, Kansas, Plains States, 1997			
<i>In Thousands</i>			
	Total Pop.	Pop. Over 85 Yrs.	Percent Over 85 Yrs.
U.S.	267,636	3,871	1.5
Plains States:			
Minnesota	4,686	79	1.7
Iowa	2,852	61	2.1
Missouri	5,402	95	1.8
North Dakota	641	14	2.2
South Dakota	738	15	2.0
Nebraska	1,657	33	2.0
Kansas	2,595	49	1.9

When comparing the proportion of the population over 85 years of age, Kansas shows 1.9 percent of the total state population is 85 years of age or older, while the U.S. shows a lower proportion at 1.5 percent. The average proportion for the Plains states is 2.0 percent. This implies that proportionally, Kansas has a greater than average percentage of its population over 85 years of age compared to the nation but a slightly lower proportion than the Plains states. Approximately 346,000 individuals in the Plains states are estimated to be over 85 years of age. The highest ratio in the area is in North Dakota, with Iowa a close second and South Dakota and Nebraska only slightly lower. Kansas ranks fifth in the Plains states. Only Missouri and Minnesota have lower proportions than Kansas.

Table 6-4

	Total	Under 5 Years	5 - 17 Years	18 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75 - 84 Years	85 years and Older	% Over 65 Years
United States	267,636	19,150	50,378	24,979	39,610	43,998	33,633	21,813	18,499	11,706	3,871	12.7
Alabama	4,319	293	779	436	630	684	551	385	312	188	61	13.0
Alaska	609	49	139	67	80	114	86	42	21	9	2	5.3
Arizona	4,555	374	904	425	649	703	536	361	335	208	59	13.2
Arkansas	2,523	177	486	248	336	373	312	230	192	125	42	14.3
California	32,268	2,661	6,291	3,049	5,285	5,373	3,789	2,249	1,954	1,229	389	11.1
Colorado	3,893	274	742	363	547	701	553	321	220	130	44	10.1
Connecticut	3,270	217	575	258	489	563	429	269	242	169	59	14.4
Delaware	732	49	128	65	119	125	91	60	54	31	9	12.9
Dist. of Columbia	529	33	74	43	105	88	67	46	40	25	9	13.9
Florida	14,654	951	2,520	1,180	1,968	2,261	1,753	1,312	1,458	958	293	18.5
Georgia	7,486	558	1,430	738	1,220	1,274	955	573	416	245	77	9.9
Hawaii	1,187	88	214	117	161	199	156	95	90	52	15	13.2
Idaho	1,210	92	260	135	151	187	150	99	72	49	16	11.3
Illinois	11,896	904	2,271	1,095	1,764	1,950	1,469	963	788	517	177	12.5
Indiana	5,864	407	1,090	569	859	961	748	496	399	251	84	12.5
Iowa	2,852	184	542	270	376	445	357	251	214	154	61	15.0
Kansas	2,595	179	509	252	356	423	317	207	179	124	49	13.5
Kentucky	3,908	257	704	399	563	633	512	351	269	164	55	12.5
Louisiana	4,352	314	877	468	608	686	538	365	280	164	53	11.4
Maine	1,242	69	228	110	172	216	169	104	93	59	21	13.9
Maryland	5,094	347	922	429	819	917	675	402	325	198	61	11.5
Massachusetts	6,118	399	1,052	500	1,014	1,028	782	479	446	307	109	14.1
Michigan	9,774	653	1,852	922	1,434	1,641	1,261	797	664	417	132	12.4
Minnesota	4,686	316	935	427	671	805	587	367	294	205	79	12.3
Mississippi	2,731	202	551	298	385	412	322	228	183	110	39	12.2
Missouri	5,402	367	1,040	498	756	873	667	462	392	254	95	13.7
Montana	879	54	175	87	98	144	123	82	61	41	14	13.2
Nebraska	1,657	114	330	164	218	264	203	135	116	79	33	13.7
Nevada	1,677	130	313	141	254	279	219	149	119	60	14	11.5
New Hampshire	1,173	74	222	94	186	219	152	85	76	49	17	12.1
New Jersey	8,053	557	1,430	667	1,170	1,385	1,055	683	596	386	124	13.7
New Mexico	1,730	134	365	174	225	281	216	142	110	63	20	11.2
New York	18,137	1,314	3,246	1,579	2,767	2,948	2,312	1,543	1,313	825	290	13.4
North Carolina	7,425	519	1,355	696	1,147	1,201	946	635	524	309	94	12.5
North Dakota	641	41	125	67	85	101	77	54	45	33	14	14.4
Ohio	11,186	749	2,090	1,045	1,602	1,831	1,423	952	817	513	165	13.4
Oklahoma	3,317	226	652	332	437	510	416	300	240	150	55	13.4
Oregon	3,243	213	598	296	434	542	457	274	224	155	51	13.3
Pennsylvania	12,020	738	2,126	1,023	1,670	1,963	1,546	1,049	1,015	676	213	15.8
Rhode Island	987	62	171	83	157	163	120	75	80	56	20	15.8

Table 6-4 (Continued)

	Total	Under 5 Years	5 - 17 Years	18 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75 - 84 Years	85 years and Older	% Over 65 Years
South Carolina	3,760	254	702	377	567	603	485	319	262	149	43	12.1
South Dakota	738	49	148	76	93	117	88	61	53	37	15	14.3
Tennessee	5,368	362	963	509	798	875	712	480	371	225	75	12.5
Texas	19,439	1,609	3,969	1,993	2,882	3,188	2,353	1,486	1,106	638	216	10.1
Utah	2,059	196	492	278	294	282	207	131	98	62	20	8.7
Vermont	589	35	111	51	86	104	83	47	39	24	9	12.3
Virginia	6,734	453	1,192	647	1,095	1,159	888	544	425	253	78	11.2
Washington	5,610	386	1,068	522	819	983	752	433	343	230	75	11.5
West Virginia	1,816	104	308	184	231	280	253	181	152	93	30	15.1
Wisconsin	5,170	335	1,011	484	725	859	650	422	355	240	88	13.2
Wyoming	480	31	101	52	54	80	66	41	31	18	6	11.3

Table 6-5

Kansas Resident Population by Age 1997								
	Total	Under 5 Years	5 - 19 Years	20 - 64 Years	65 years and Older	85 years and Older	% Over 65 Years	% Over 85 Years
Kansas	2,594,840	179,279	587,112	1,476,854	351,595	48,703	13.5	1.9
Allen	14,442	887	3,477	7,330	2,748	463	19.0	3.2
Anderson	8,021	473	1,797	3,973	1,778	296	22.2	3.7
Atchison	16,319	1,046	4,005	8,436	2,832	480	17.4	2.9
Barber	5,412	325	1,200	2,727	1,160	157	21.4	2.9
Barton	27,936	1,902	6,337	15,048	4,649	615	16.6	2.2
Bourbon	15,227	964	3,465	7,703	3,095	466	20.3	3.1
Brown	11,037	695	2,524	5,372	2,446	449	22.2	4.1
Butler	60,235	4,019	14,649	33,727	7,840	1,054	13.0	1.7
Chase	2,893	170	609	1,434	680	122	23.5	4.2
Chautauqua	4,399	234	857	2,147	1,161	175	26.4	4.0
Cherokee	22,547	1,317	5,202	12,086	3,942	516	17.5	2.3
Cheyenne	3,208	173	640	1,609	786	121	24.5	3.8
Clark	2,444	125	511	1,219	589	111	24.1	4.5
Clay	9,226	525	1,958	4,620	2,123	411	23.0	4.5
Cloud	10,190	530	2,170	4,945	2,545	513	25.0	5.0
Coffey	8,741	508	2,033	4,475	1,725	297	19.7	3.4
Comanche	2,021	117	404	966	534	100	26.4	4.9
Cowley	36,716	2,341	8,394	19,963	6,018	923	16.4	2.5
Crawford	35,986	1,939	7,689	19,301	7,057	1,097	19.6	3.0
Decatur	3,527	217	706	1,701	903	186	25.6	5.3
Dickinson	19,705	1,192	4,302	10,318	3,893	669	19.8	3.4
Doniphan	7,664	455	1,861	3,956	1,392	195	18.2	2.5
Douglas	91,093	5,379	20,272	57,922	7,520	1,134	8.3	1.2
Edwards	3,426	189	726	1,714	797	143	23.3	4.2
Elk	3,360	184	574	1,603	999	176	29.7	5.2
Ellis	26,342	1,613	6,383	14,802	3,544	450	13.5	1.7
Ellsworth	6,284	306	1,251	3,347	1,380	246	22.0	3.9
Finney	35,909	3,790	9,979	19,533	2,607	335	7.3	0.9
Ford	29,254	2,545	7,150	16,005	3,554	473	12.1	1.6
Franklin	23,790	1,711	5,502	12,829	3,748	600	15.8	2.5
Geary	25,321	2,516	5,776	15,083	1,946	226	7.7	0.9
Gove	3,085	184	694	1,575	632	94	20.5	3.0
Graham	3,248	167	722	1,692	667	118	20.5	3.6
Grant	7,896	670	2,290	4,269	667	80	8.4	1.0
Gray	5,493	413	1,473	2,893	714	111	13.0	2.0
Greeley	1,728	137	423	913	255	42	14.8	2.4
Greenwood	8,043	440	1,645	3,923	2,035	347	25.3	4.3
Hamilton	2,284	142	493	1,210	439	84	19.2	3.7
Harper	6,497	376	1,347	3,253	1,521	279	23.4	4.3
Harvey	31,594	1,977	7,225	17,156	5,236	964	16.6	3.1
Haskell	4,008	335	1,079	2,203	391	52	9.8	1.3
Hodgeman	2,229	150	499	1,150	430	74	19.3	3.3
Jackson	12,036	778	2,889	6,418	1,951	293	16.2	2.4
Jefferson	17,930	1,091	4,146	10,112	2,581	374	14.4	2.1
Jewell	3,966	210	793	1,971	992	151	25.0	3.8
Johnson	417,336	29,543	90,648	258,698	38,447	4,052	9.2	1.0
Kearny	4,199	371	1,140	2,226	462	72	11.0	1.7
Kingman	8,512	558	1,947	4,338	1,669	240	19.6	2.8
Kiowa	3,440	198	782	1,728	732	100	21.3	2.9
Labette	22,852	1,433	5,295	11,896	4,228	609	18.5	2.7
Lane	2,186	135	496	1,126	429	64	19.6	2.9
Leavenworth	70,176	4,480	15,874	43,273	6,549	750	9.3	1.1

Table 6-5 (Continued)

Kansas Resident Population by Age 1997								
	Total	Under 5 Years	5 - 19 Years	20 - 64 Years	65 years and Older	85 years and Older	% Over 65 Years	% Over 85 Years
Lincoln	3,344	167	676	1,624	877	179	26.2	5.4
Linn	9,064	503	2,016	4,579	1,966	323	21.7	3.6
Logan	3,045	185	684	1,562	614	99	20.2	3.3
Lyon	34,085	2,466	8,325	19,105	4,189	678	12.3	2.0
McPherson	27,596	1,780	6,135	14,729	4,952	802	17.9	2.9
Marion	12,914	676	2,641	6,490	3,107	527	24.1	4.1
Marshall	11,146	708	2,373	5,471	2,594	454	23.3	4.1
Meade	4,396	294	983	2,298	821	133	18.7	3.0
Miami	26,190	1,675	6,196	14,735	3,584	498	13.7	1.9
Mitchell	7,002	405	1,574	3,484	1,539	280	22.0	4.0
Montgomery	37,144	2,343	8,267	19,371	7,163	1,096	19.3	3.0
Morris	6,197	360	1,291	3,166	1,380	194	22.3	3.1
Morton	3,374	230	884	1,811	449	65	13.3	1.9
Nemaha	10,254	715	2,393	4,996	2,150	337	21.0	3.3
Neosho	16,951	1,045	3,770	8,925	3,211	469	18.9	2.8
Ness	3,638	187	798	1,817	836	129	23.0	3.5
Norton	5,815	292	1,133	3,097	1,293	248	22.2	4.3
Osage	17,082	1,037	3,917	9,151	2,977	521	17.4	3.0
Osborne	4,508	271	857	2,136	1,244	238	27.6	5.3
Ottawa	5,825	332	1,239	3,042	1,212	204	20.8	3.5
Pawnee	7,240	385	1,589	3,894	1,372	175	19.0	2.4
Phillips	6,062	352	1,236	3,057	1,417	262	23.4	4.3
Pottawatomie	18,206	1,324	4,438	9,765	2,679	388	14.7	2.1
Pratt	9,705	554	2,235	5,075	1,841	298	19.0	3.1
Rawlins	3,211	174	727	1,625	685	111	21.3	3.5
Reno	62,920	3,932	13,861	35,039	10,088	1,416	16.0	2.3
Republic	6,140	324	1,133	2,963	1,720	300	28.0	4.9
Rice	9,991	661	2,166	5,091	2,073	321	20.7	3.2
Riley	63,186	4,400	14,604	40,051	4,131	565	6.5	0.9
Rooks	5,724	360	1,254	2,867	1,243	186	21.7	3.2
Rush	3,430	180	654	1,722	874	122	25.5	3.6
Russell	7,630	379	1,505	3,920	1,826	236	23.9	3.1
Saline	51,620	3,481	11,426	29,434	7,279	924	14.1	1.8
Scott	4,991	343	1,201	2,642	805	118	16.1	2.4
Sedgwick	438,679	34,234	98,688	256,480	49,277	5,538	11.2	1.3
Seward	20,154	1,861	5,293	11,235	1,765	204	8.8	1.0
Shawnee	164,932	10,806	35,953	96,797	21,376	2,839	13.0	1.7
Sheridan	2,747	176	641	1,426	504	91	18.3	3.3
Sherman	6,600	464	1,507	3,564	1,065	154	16.1	2.3
Smith	4,659	221	880	2,239	1,319	274	28.3	5.9
Stafford	5,101	329	1,064	2,508	1,200	148	23.5	2.9
Stanton	2,330	212	599	1,294	225	37	9.7	1.6
Stevens	5,405	437	1,348	2,881	739	87	13.7	1.6
Sumner	26,983	1,844	6,517	14,153	4,469	667	16.6	2.5
Thomas	8,183	553	2,122	4,315	1,193	168	14.6	2.1
Trego	3,331	177	731	1,621	802	114	24.1	3.4
Wabaunsee	6,704	413	1,541	3,578	1,172	161	17.5	2.4
Wallace	1,800	126	454	925	295	51	16.4	2.8
Washington	6,598	341	1,380	3,118	1,759	296	26.7	4.5
Wichita	2,703	199	717	1,386	401	63	14.8	2.3
Wilson	10,292	600	2,253	5,187	2,252	288	21.9	2.8
Woodson	3,973	210	816	1,893	1,054	156	26.5	3.9
Wyandotte	152,627	11,381	36,124	85,603	19,519	2,322	12.8	1.5