

The Governor's
Economic
and
Demographic
Report

2002-2003

Kansas Division of the Budget

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Acknowledgements

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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>.

Overview

The economic slowdown and subsequent recession that began in April 2001 was relatively mild by historical standards. The mildness resulted from several key items that were implemented to bolster the economy, including fiscal and monetary policy interventions. Federal tax rebates in 2001 increased disposable income and supported consumer spending. The Federal Reserve substantially lowered its target for the federal funds interest rate, which, in turn, brought down consumer interest rates significantly. Interest rates on home mortgages fell to a four-decade low, spurring home sales and raising mortgage refinancing to record high levels. However, lower interest rates had little effect on businesses' investments in plants and equipment because firms, especially those in the information technology sector, had built up excess capacity prior to the economic slowdown.

Nine recessions have occurred since World War II, and they have lasted from 6 to 18 months, with an average duration of approximately 12 months. A recession involves substantial declines in both output and employment. During the last six recessions, industrial production fell by an average of 4.6 percent and employment fell by 1.1 percent. During this latest recession, industrial production fell by 5.3 percent and employment fell by 0.7 percent.

In late 2001, the economy began to improve. Consumer spending on motor vehicles increased dramatically, responding to low-interest rate financing offers from vehicle manufacturers. Federal spending on national defense, homeland security, and disaster recovery also rose significantly after the September 11th terrorist attacks. Nevertheless, the overall level of final product demand has remained relatively weak during the recovery. Although the economic recovery has been somewhat anemic, a "double-dip" recession is unlikely.

However, waning consumer confidence and lingering doubts about the reliability of corporate financial

reporting has threatened to dampen the economic recovery. Stock price indices were very volatile during the course of the year, which reduced consumer wealth and increased the cost of capital for businesses. This volatility, combined with additional uncertainty about the likelihood of future terrorist attacks and military action against Iraq, may restrain consumer confidence and business spending in the near term.

The Philadelphia Federal Reserve's Business Conditions Index measures the six-month outlook for capital expenditures. Although this index jumped to its highest level in two years in November, the confidence of businesses and investors is still a critical determinant of corporate capital spending. Lingering concerns about the integrity of corporate accounting, even if exaggerated or misplaced, together with volatility in the financial markets, may lead many businesses to delay planned capital expenditures.

According to the Federal Reserve's November *Beige Book*, the economy was recovering slowly in October and November. Concerns focused on business spending and the manufacturing sector, both of which have been sluggish in recent months. Many businesses are still hesitant to undertake new capital spending. Employment growth continued to be marginal in many areas and consumer spending varied across the U.S. While sales at discount retailers rose, business at luxury stores dropped significantly, confirming that consumers are tightening their budgets. In the real estate market, residential sales remained solid while commercial sales softened further.

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Even though the economy experienced a downturn in 2001, real (adjusted for inflation) gross domestic product (GDP), on an annual basis, still recorded positive growth of 0.3 percent. In fact, real GDP growth was negative only in the second and third quarters of 2001. By the fourth quarter of 2001, real

GDP growth resumed at a modest rate. Nevertheless, growth in 2001 was much lower than the 4.1 percent level that occurred in 1999 and the 3.8 percent growth experienced in 2000. In addition to the growth in GDP, nominal (not adjusted for inflation) personal income still grew by 3.3 percent in 2001 compared to 8.0 percent in 2000. In 2002, real GDP grew at a 2.5 percent rate, while nominal personal income grew at a 3.2 percent rate in 2002. Table 1-1 presents major U.S. economic trends for 2002 and 2003.

Table 1-1

Major U.S. Economic Trends 2002 & 2003		
	2002	2003
GDP Growth (\$ Constant)	2.3 %	2.6 %
Personal Income Growth (\$ Current)	3.0	4.2
Consumer Price Index Increase (CPI-U)	1.7	2.5
Unemployment Rate (Monthly Average)	5.8	6.0

Prices remained relatively stable during 2001 and 2002 with the Consumer Price Index for All Urban Consumers (CPI-U) increasing a modest 2.8 percent in 2001 and increasing only 1.7 percent in 2002. In spite of the recession, the unemployment rate for 2001 stood at a respectable level of 4.8 percent. However, the unemployment rate did increase to 5.8 percent in 2002. 2001 was the first year since 1992 that the unemployment rate has increased over the previous year's rate. In 1992 the unemployment rate was 7.5 percent.

Figure 1-1 shows the U.S. civilian labor force growth rate from 1970 through 2003. The civilian labor force

Figure 1-1:



includes those who are at least 16 years old and either employed or looking for employment. Military personnel are not included. In 2001, the civilian labor force grew at a 0.7 percent rate. In 2002, labor force expansion slowed slightly to 0.6 percent.

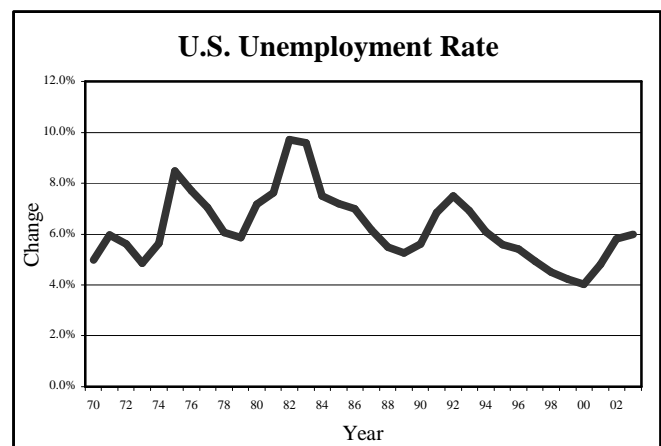
Although the civilian labor force increased in 2001, employment decreased slightly by 0.1 percent, which is significantly lower than the 1.3 percent increase in 2000. The employment level slipped further in 2002 when it decreased by 0.4 percent. The decrease that occurred in 2001 is the first employment decline since 1991 when employment fell by 0.9 percent. Figure 1-2 shows the U.S. employment growth rate from 1970 through 2003.

Figure 1-2:



The unemployment rate is expressed as a percentage of the number of people unemployed to the total number of people in the labor force. Figure 1-3 shows the U.S. unemployment rate from 1970 through 2003.

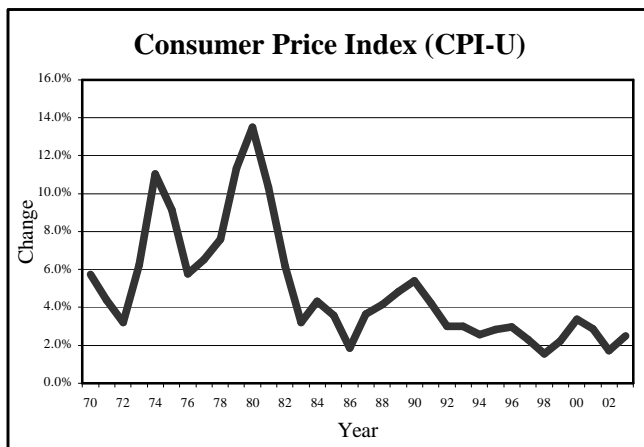
Figure 1-3:



In 1992, the unemployment rate was 7.5 percent. Since that time, the unemployment rate in the U.S. has steadily declined every year through 2000. At that point, the unemployment rate was 4.0 percent was the last decline. In 2001, the unemployment rate increased to 4.8 percent and then soared to 5.8 percent in 2002, which is the largest increase since 1990.

The rate of inflation, as measured by the CPI-U, increased 1.7 percent in 2002 compared to a 2.8 percent increase in 2001. Figure 1-4 shows the CPI-U from 1970 through 2003.

Figure 1-4:



The decrease in inflation largely resulted from slow product demand and moderating gasoline and energy prices. However, because of a 3.8 percent increase in food prices, the core rate of inflation in 2002, excluding food and energy prices, stood at 2.4 percent.

Gross Domestic Product

Gross domestic product, or GDP, is the value of final goods and services produced within the country during a given year. GDP is measured both in real terms and in nominal terms. Nominal GDP is the dollar value of the final goods and services produced, while real GDP is the value of the final goods and services produced, as adjusted for price changes (inflation) that occurred over the course of that year. U.S. nominal GDP increased at a 3.7 percent rate in 2002. This level compares to a 2.6 percent growth rate in 2001 and a 5.9 percent growth rate in 2000. Figure 1-5, which is shown in the next column, presents U.S. gross domestic product growth from 1970 through 2003.

Figure 1-5:

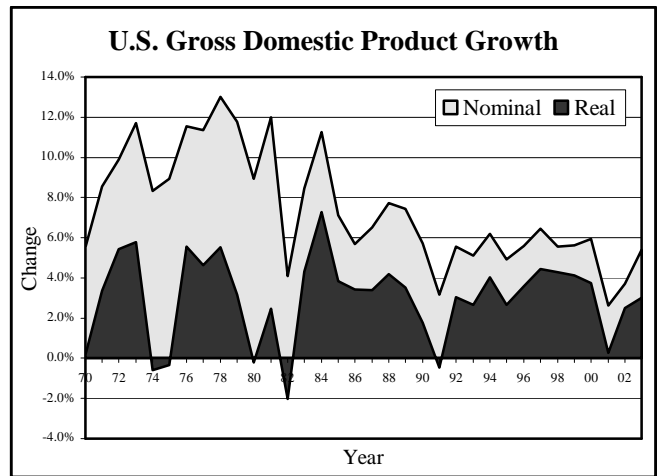


Figure 1-6 presents the annualized quarterly growth rate for the U.S. real GDP from the first quarter of 1999 through the fourth quarter of 2002.

Figure 1-6:



Real GDP also increased in 2002, but because it was adjusted for inflation, it increased by a smaller amount than nominal GDP increased. In 2002, real GDP grew by 2.3 percent, compared to a 0.3 percent increase in 2001, and a 3.8 percent increase in 2000. The four major categories of GDP are consumption, investment, international trade, and government spending. The largest component of GDP is consumption. Table 1-2, which is shown on the next page, presents U.S. GDP composition and growth for 2001 and 2002.

Consumption. Changes in consumption, or consumer spending, are affected by a variety of factors, including personal income, the savings rate, debt accumulation, discretionary income, and consumers'

confidence in the economy. Although consumer spending recovered somewhat from the September 11th terrorist attacks, both consumer spending and

consumer confidence remained somewhat anemic in 2002.

Table 1-2

U.S. GDP Composition & Growth, 2001-2002			
<i>(Dollars in Billions)</i>			
	Nominal	Percent Change	
	2002	2000-2001	2001-2002
Gross Domestic Product	10,434.0	2.6 %	3.5 %
Consumption	7,291.0	4.5	4.4
Durables	865.0	4.0	3.5
Nondurables	2,108.9	3.5	3.3
Services	4,317.1	5.2	5.0
Investment	1,588.6	(9.7)	0.2
Fixed	1,588.4	(2.7)	(3.5)
Nonresidential	1,119.9	(5.1)	(6.8)
Equipment	847.4	(7.8)	(3.4)
Structures	272.5	3.3	(16.0)
Residential	468.5	4.4	5.3
Chng. in Invent.	0.2	(195.0)	(100.4)
Exports	1,019.4	(6.1)	(1.4)
Imports	1,433.0	(5.7)	3.6
Government	1,968.0	6.1	5.9
Federal	691.1	6.6	10.0
National Defense	445.9	6.7	11.5
Nondefense	245.2	6.5	7.5
State and Local	1,276.9	5.9	3.8
	Real	Percent Change	
	2002	2000-2001	2001-2002
Gross Domestic Product	9,425.5	0.3 %	2.3 %
Consumption	6,563.5	2.5	2.9
Durables	990.9	6.0	6.3
Nondurables	1,924.2	2.0	2.9
Services	3,675.4	2.0	2.2
Investment	1,583.6	(10.7)	0.6
Fixed	1,570.7	(4.0)	(3.6)
Nonresidential	1,184.8	(5.2)	(5.6)
Equipment	969.5	(6.4)	(1.9)
Structures	228.7	(1.7)	(15.6)
Residential	385.9	0.3	3.3
Chng. in Invent.	0.8	(194.4)	(101.4)
Exports	1,062.4	(5.4)	(1.3)
Imports	1,540.7	(2.9)	3.3
Government	1,707.9	3.7	4.1
Federal	610.4	4.8	7.0
National Defense	335.1	5.0	8.5
Nondefense	166.5	4.8	3.3
State and Local	880.5	3.1	2.8

Source: U.S. Department of Commerce, Bureau of Economic Analysis and Global Insight (DRI-WEFA)

In 2002, nominal consumption increased by 4.4 percent, compared to a 4.5 percent increase in 2001. The rate of consumption of services increased faster than overall consumption in 2002. The consumption of services grew at a rate of 5.0 percent. However, consumption of both durable and nondurable goods increased slower than overall consumption. Durable goods are products with an expected useful life of more than one year, while nondurables are goods with an expected useful life of one year or less. The growth rate for durable goods consumption was 3.5 percent in 2002 and 3.3 percent for nondurable goods consumption.

In 2002, real consumption increased by 2.9 percent in 2002 compared to a 2.5 percent rate in 2001. The increase in real consumer spending was led by a 6.3 percent increase in the purchase of durable goods. Expenditures for computers led the increase in durable goods purchases in 2002, which increased by 36.6 percent.

Expenditures on nondurable goods increased by 2.9 percent in 2002, compared to a 2.0 percent increase in 2001. Pharmaceuticals and clothing expenditures led the increase in nondurable goods purchases in 2002. Pharmaceuticals increased by 7.1 percent and clothing increased by 5.1 percent. Spending on fuel oil and coal actually decreased by 4.5 percent in 2002.

Overall expenditures on services grew by 2.2 percent in 2002, which compares to 2.0 percent in 2001. Housing expenditures rose only 1.6 percent in 2002 after a 1.7 percent increase in 2001. Household operation expenditures increased only 0.3 percent in 2002 compared to 1.3 percent in 2001. The increase in spending on household operation was led by increases in both natural gas (4.6 percent) and telephone services (2.5 percent).

Expenditures on electricity actually declined 2.5 percent in 2002 after a 3.1 percent decline in 2001. In 2002, consumer expenditures for transportation actually decreased by 0.6 percent following a 0.8 percent decrease in 2001. The difference substantiates that fewer people were traveling after September 11, 2001.

Personal expenditures on medical care rose by 4.4 percent in 2002 after a 4.2 percent rise in 2001. Personal business expenditures also increased (2.5 percent) in 2002 after remaining steady in 2001. Finally, spending on recreation increased by 1.6 percent in 2002, which is considerably lower than the 3.0 percent increase in 2001. Table 1-3 presents U.S. real personal consumption expenditure growth for 2001 and 2002

Table 1-3

	Expenditures	
	2001	2002
U.S. Personal Consumption Expenditure Growth		
Percent Change, Seasonally Adjusted, 2001-2002		
Personal Consumption	2.5 %	2.9 %
Durables	6.0	6.3
Motor Vehicles & Parts	6.9	3.5
Furniture & Appliances	6.4	9.9
Computers	33.8	36.6
Software	2.7	11.0
Other Furniture	4.3	7.7
Ophthalmic Goods	(8.9)	3.4
Other Durables	3.4	6.1
Nondurables	2.0	2.9
Food & Beverages	0.9	1.3
Clothing & Shoes	2.5	5.1
Gasoline & Oil	2.3	4.4
Fuel Oil & Coal	(9.9)	(4.5)
Tobacco Products	(1.8)	(1.8)
Drugs & Medicines	8.3	7.1
Other Nondurables	3.9	4.3
Services	2.0	2.2
Housing	1.7	1.6
Household Operation	1.3	0.3
Electricity	(3.1)	(2.5)
Natural Gas	1.0	4.6
Telephony	7.2	2.5
Other Utilities	(0.1)	(2.0)
Transportation	(0.8)	(0.6)
Leasing	(6.4)	(6.9)
Other Transportation	1.7	1.4
Medical	4.2	4.4
Recreation	3.0	1.6
Personal Business	0.0	2.5
"Free" Financial	3.4	2.9
Other Financial	(2.2)	2.2
Other Services	2.0	1.9

Source: Global Insight (DRI-WEFA)

Business Investment. In nominal terms, overall investment increased by 0.2 percent in 2002. Specifically, fixed investment fell by 3.5 percent, while nonresidential investments declined by 6.8 percent. However, residential investment rose 5.3 percent in 2002.

Real overall business investment increased by 0.6 percent in 2002. In 2001, real business investment fell by 10.7 percent. Specifically, fixed investments fell by 3.6 percent in 2002, following a 4.0 percent decline realized in 2001. Nonresidential investment also decreased in 2002. The rate of decline was 5.6 percent. This decline follows a 5.2 percent decline in 2001. Within nonresidential investment, equipment spending decreased 1.9 percent and spending on structures plummeted 15.6 percent in 2002. However, residential investment rose 3.3 percent in 2002, after a 0.3 percent increase in 2001.

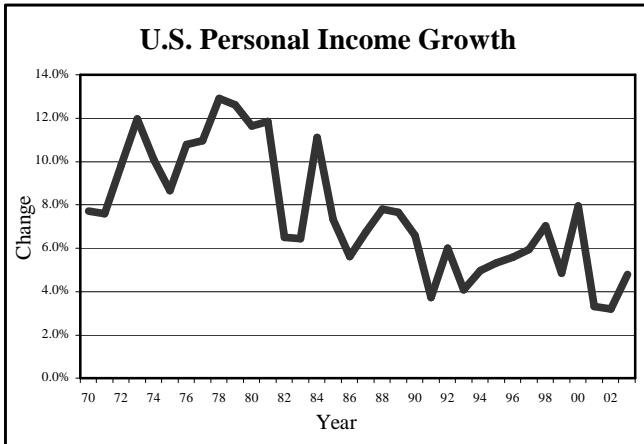
International Trade. In 2002, in nominal terms, exports decreased 1.4 percent, while imports rose by 3.6 percent. In real terms, exports decreased by 1.3 percent in 2002. The decrease follows the 5.4 percent decrease in 2001. Simultaneously, real imports rose by 3.3 percent, following a 2.9 percent decline in 2001. The result was that real net exports recorded a trade deficit of nearly \$500.0 billion in 2002.

Government Expenditures. Nominal government spending increased 5.9 percent in 2002. In real terms, government spending increased by 4.1 percent, which is greater than the 3.7 percent increase in 2001. Specifically, federal government expenditures increased 7.0 percent in 2002, which is greater than the 4.8 percent increase in 2001. National defense expenditures rose by 8.5 percent in 2002 compared to a 5.0 percent increase in 2001. Much of this increase was due to spending in the aftermath of the September 11th terrorist attack. Meanwhile, non-defense expenditures increased 3.3 percent in 2002. Non-defense expenditures increased 4.8 percent in 2001. At the state and local government level, expenditures increased at a 2.8 percent rate in 2002 compared to a 3.1 percent increase in 2001.

Personal Income. Personal income is the dollar value of income available to households for consumption expenditures. Nominal personal income grew from \$8.7 trillion in 2001 to \$8.9 trillion in 2002, which

represents a 3.0 percent growth rate. In 2000, the growth rate was 3.3 percent. Figure 1-7 presents U.S. personal income growth from 1970 through 2003.

Figure 1-7:



To derive total personal income, salaries and wages, other labor, proprietors' income, rental income, personal dividend income, personal interest income, and transfer payments are summed. From this sum, personal contributions for social insurance and personal taxes are deducted. The result is disposable personal income. Table 1-4, which is shown in the next column, presents U.S. personal income composition and growth from 2000 to 2002.

The first category of total personal income, salaries and wages, increased by 1.4 percent in 2002, which is lower than the 2.4 percent growth rate in 2001. Other labor income increased by 7.0 percent in 2002, which is a substantial increase over the 4.8 percent growth rate in 2001. The large increase in other income resulted largely to increasing health care costs.

Proprietors' income also increased in 2002 (3.7 percent). The increase in 2001 was 1.8 percent. Rental income rose by 5.4 percent in 2002, compared to a 1.1 percent decrease in 2001. Dividend income increased in 2002, albeit less than it did in 2001. Dividend income rose 5.9 percent in 2002, compared to an 8.9 percent increase in 2001. However, interest income in 2002 decreased by 1.3 percent, following a 1.3 percent increase in 2001. Finally, transfer payments increased significantly by 10.0 percent in 2002 following a 9.4 percent increase in 2001.

Disposable personal income, that is, personal income less personal taxes, rose by 5.7 percent in 2002

Table 1-4

	2002*	Percent Change	
		00-01	01-02
Personal Income	8,942.3	3.3 %	3.0 %
Salaries & Wages	5,017.9	2.4	1.4
Private	4,165.9	1.8	0.6
Government	851.9	5.4	5.1
Other Labor Income	610.5	4.8	7.0
Proprietors' Income			
Farm	13.3	(15.6)	(30.0)
Nonfarm	741.6	2.4	4.6
Rental Income	215.5	(1.1)	5.4
Personal Dividend Income	433.5	8.9	5.9
Personal Interest Income	1,076.9	1.3	(1.3)
Transfer Payments	1,287.3	9.4	10.0
Less:			
Personal Contributions for Social Insurance	384.7	3.9	3.3
Equals:			
Disposable Personal Income	7,817.6	3.8	5.7
Less:			
Personal Consumption Expenditures	7,291.0	4.5	4.4
Interest	189.5	0.0	(7.7)
Personal Foreign Transfers	32.2	5.2	3.7
Equals:			
Personal Saving	304.9	(15.8)	79.6
Real Disposable Pers. Inc.	7,037.4	1.8	4.3
Personal Saving Rate (%)	3.9	(0.6)	1.6

* Estimated

Source: U.S. Department of Commerce, Bureau of Economic Analysis, and Global Insight (DRI-WEFA)

compared to a 3.8 percent increase in 2001. In real terms, disposable personal income rose by 4.3 percent in 2002 compared to a 1.8 percent increase in 2001. Personal contributions for social insurance contributions also increased in 2002. The rate for 2002 was 3.3 percent and is lower than the 3.9 percent increase realized in 2001.

Personal Savings. Personal savings is derived by subtracting personal outlays from disposable personal income. In 2002, disposable personal income was \$7,817.6 billion and total personal outlays were \$7,512.7 billion. The result was personal savings of \$304.9 billion in 2002. This level of personal savings represents an increase of 79.6 percent over the 2001 level. In 2001, personal savings realized a 15.8

percent decrease. Similarly, the personal savings rate in 2002 rose 1.6 percentage points, which is up from a 0.6 percentage point decrease in 2001.

Inflation & Prices. In general, inflation has been less than 4.0 percent since 1992. Inflation can be measured using several methods. Two specific methods are to use the Consumer Price Index for All Urban Consumers (CPI-U) and the Gross Domestic Product (GDP) Price Index. Table 1-5 presents price changes in various sectors of the economy, as measured by

Table 1-5

	Prices	
	2001	2002
Personal Consumption	2.0 %	1.4 %
Durables	(1.9)	(2.7)
Motor Vehicles & Parts	0.4	(1.4)
Furniture & Appliances	(5.6)	(5.3)
Computers	(28.0)	(24.4)
Software	(7.4)	(6.3)
Other Furniture	(3.1)	(3.3)
Ophthalmic Goods	3.2	0.7
Other Durables	(0.1)	(1.0)
Nondurables	1.5	0.4
Food & Beverages	3.0	2.0
Clothing & Shoes	(2.0)	(2.7)
Gasoline & Oil	(3.6)	(7.2)
Fuel Oil & Coal	1.3	(11.0)
Tobacco Products	7.7	9.3
Drugs & Medicines	4.2	3.8
Other Nondurables	2.4	1.9
Services	3.1	2.7
Housing	3.9	3.9
Household Operation	3.9	(0.7)
Electricity	7.2	(0.9)
Natural Gas	19.9	(14.8)
Telephony	(2.5)	(0.1)
Other Utilities	3.2	6.6
Transportation	2.1	2.0
Leasing	3.8	(1.7)
Other Transportation	3.4	4.7
Medical	3.7	2.8
Recreation	3.3	2.9
Personal Business	0.3	2.2
"Free" Financial	(2.7)	(0.5)
Other Financial	2.4	4.2
Other Services	4.2	4.1

Source: Global Insight (DRI-WEFA)

components of the GDP Price Index for 2001 and 2002.

In 2002, inflation, as measured by the CPI-U, remained very low at 1.7 percent compared to 2.8 percent in 2001. Inflation, as measured by the GDP Price Index, stood at 1.4 percent in 2002 compared to 2.0 percent in 2001.

Based on components of the GDP Price Index, the price of durable goods fell by 2.7 percent in 2002, which is an even greater decline than the 1.9 percent decrease that occurred in 2001. The price of items in the furniture and appliances category all declined in 2002. Specifically, the price of furniture and appliances declined 5.3 percent in 2002, following a 5.6 percent decline in 2001. The price of computers dropped 24.4 percent in 2002, following a 28.0 percent drop in 2001. In addition, the price of computer software declined by 6.3 percent in 2002 compared to a 7.4 percent decline in 2001.

On the other hand, the price of nondurable goods increased slightly in 2002. The increase was 0.4 percent compared to a 1.5 percent increase in 2001. The increase in the cost of nondurable goods was fueled by increases in food and drug costs. The price of drugs and medicines rose by 3.8 percent in 2002 following a 4.2 percent increase in 2001. The price of food and beverages rose 2.0 percent in 2002 compared to a 3.0 percent increase in 2001.

The prices of fuel oil and coal, gasoline and oil, and clothing and shoes actually decreased in 2002. The price of fuel oil and coal dropped 11.0 percent in 2002 following a 1.3 percent increase in 2001. The price of gasoline and oil fell slightly by 7.2 percent in 2002 after a 3.6 percent decrease in 2001. The price of clothing and shoes declined 2.7 percent in 2002 after a 2.0 percent decrease in 2001.

Aside from goods, services are the other major category of consumption. The price of services increased at a 2.7 percent rate in 2002, which is less than the 3.1 percent increase that occurred in 2001. Specifically, the price of housing rose at a 3.9 percent rate in 2002, the same rate of increase as in 2001. The price of household operation actually decreased 0.7 percent in 2002, compared to a 3.9 percent increase in 2001. Only the cost of other utilities increased in 2002, with a 6.6 percent increase in 2002. That growth follows a 3.2 percent increase in 2001. The

price of natural gas actually dropped 14.8 percent in 2002, following a 19.9 percent rise in 2001. The cost of electricity also decreased in 2002, but by 0.9 percent. Electricity costs increased by 7.2 percent in 2001. Finally, the price of telephone services continued to fall in 2002. These services decreased slightly by 0.1 percent in 2002 after a 2.5 percent decrease in 2001.

Other price increases also occurred in transportation, medical care, and recreation. The price of transportation increased by 2.0 percent in 2002, slightly less than the 2.1 percent increase in 2001. The price of medical care increased by 2.8 percent in 2002, which is less than the 3.7 percent increase in 2001. Recreation prices increased by 2.9 percent in 2002, a little less than the 3.3 percent increase in 2001. Personal business services prices increased by 2.2 percent in 2002 after a 0.3 percent increase in 2001.

Productivity. One major factor contributing to holding inflation in check in recent years has been strong productivity growth. Although productivity growth slowed markedly to 1.1 percent in 2001, productivity grew at a 4.9 percent rate in 2002.

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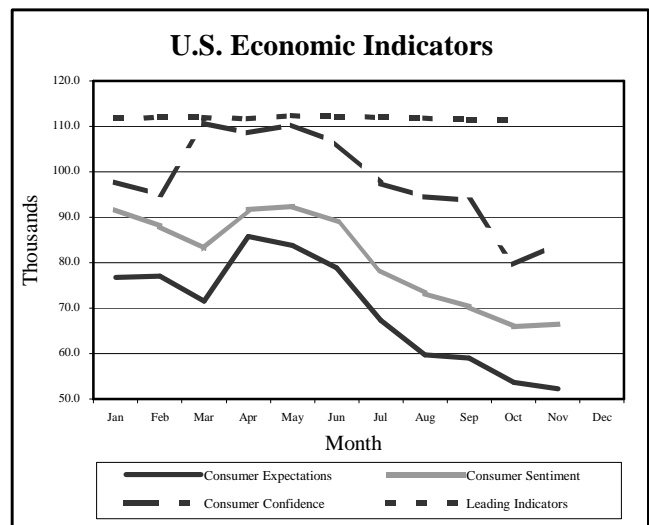
Slightly increased growth, slightly higher inflation, and a steady unemployment rate are forecasted for the U.S. economy during 2003. The national economic expansion that began in 1991 came to a halt in March 2001, and the economy turned downward. Fortunately, the duration of the downturn was short, but the recovery has been modest. For the first five years of the economic expansion, real GDP grew at a rate very close to its long-run historical average of 2.8 percent. Then, between 1997 and 2000, real GDP growth was greater than 4.0 percent annually. In 2001, real GDP growth was 0.3 percent and in 2002 it rebounded to 2.3 percent. Both growth rates, respectively, reflect the downturn and the modest recovery.

Four commonly cited predictors of future economic performance are the Composite Index of Leading Economic Indicators, the Consumer Confidence Index, the Index of Consumer Sentiment, and the Index of Consumer Expectations. The Composite Index of

Leading Economic Indicators and the Consumer Confidence Index are compiled by the Conference Board, which is a private, not-for-profit organization that conducts business and economic research and forecasting.

The Composite Index of Leading Economic Indicators is a composite index of ten leading economic indicators that reach cyclical turning points before the actual turning point occurs in the economy as a whole. Each series included in the composite Index of Leading Indicators is selected because of its performance on six important characteristics, including economic significance, statistical adequacy, consistency of timing at business cycle peaks and troughs, conformity to business expansions and contractions, smoothness, and prompt availability. Figure 1-8 presents these indices for 2002.

Figure 1-8



The Consumer Confidence Index is based on the Consumer Confidence Survey, which is compiled from a representative sample of 5,000 households in the United States. The Index of Consumer Sentiment and the Index of Consumer Expectations are compiled by the Survey Research Center at the University of Michigan. These indices focus on how consumers view prospects for their own financial situation, how they view prospects for the general economy over the near term, and their view of prospects for the economy over the long term.

Through October, the Composite Index of Leading Economic Indicators has remained relatively stable

throughout the year. This stability indicates that a double-dip recession is unlikely. However, the Consumer Confidence Index, which rose momentarily in March, has trended downward through most of the year and finally bottomed out in October. Similarly, both University of Michigan indices also declined for much of the year, with the Consumer Sentiment Index turning upward in November, while the Consumer Expectations Index does not yet appear to have bottomed out.

In 2003, nominal GDP is expected to increase by 4.7 percent, while real GDP is forecasted to increase 2.6 percent, after a 2.3 percent real growth in 2002. The unemployment rate is expected to increase slightly to 6.0 percent in 2003. Nominal personal income also is forecasted to increase 4.2 percent in 2003, up from 3.0 percent growth in 2002. However, inflation as measured by the CPI-U, is expected to increase slightly to 2.5 percent in 2003 compared to 1.7 percent in 2002.

Gross Domestic Product. Prior to the recent downturn, the robust growth in the U.S. economy was driven by strong consumer spending, which was fueled largely by the rapid growth in stock market wealth. Although the stock market recovered somewhat during the second half of 2002, stock prices have been volatile, especially in light of the September terrorist attacks and the instability in the Middle East. That volatility may continue in 2003. Table 1-6, which is shown in the next column, presents the nominal and the real U.S. GDP composition and growth estimates for 2002, as well as the forecasts for 2003.

Consumption. Since the last recession in 1991, consumption, or consumer spending, consistently increased at a more rapid pace than disposable income increased. The result was that the savings rate continued to fall. The decline implies that most of the spending growth was supported by capital gains returns and/or consumer credit. However, in 2002, the level of personal savings increased by 79.6 percent to \$304.9 billion and the personal savings rate increased from 2.3 percent to 3.9 percent.

Because both personal savings and the personal savings rate are increasing, the 2003 forecast is that further moderation in consumer spending will dampen economic growth. In 2003, personal savings are expected to increase by 8.1 percent, resulting in a

Table 1-6

U.S. GDP Composition & Growth, 2002-2003			
<i>(Dollars in Billions)</i>			
	Nominal		Percent Change
	2002*	2003**	
Gross Domestic Prod.	10,434.0	10,926.0	4.7 %
Consumption	7,291.0	7,603.2	4.3
Durables	865.0	874.1	1.0
Nondurables	2,108.9	2,181.2	3.4
Services	4,317.1	4,548.0	5.3
Investment	1,588.6	1,671.1	5.2
Fixed	1,588.4	1,642.5	3.4
Nonresidential	1,119.9	1,170.1	4.5
Equipment	847.4	902.1	6.5
Structures	272.5	268.0	(1.7)
Residential	468.5	472.4	0.8
Chng. in Invent.	0.2	28.6	11,452.9
Exports	1,019.4	1,092.7	7.2
Imports	1,433.0	1,498.7	4.6
Government	1,968.0	2,057.7	4.6
Federal	691.1	750.3	8.6
Natl. Defense	445.9	488.2	9.5
Nondefense	245.2	262.1	6.9
State & Local	1,276.9	1,307.4	2.4
Real			
(\$Chained 1996)			
	2002*		Percent Change
	2002*	2003**	
Gross Domestic Prod.	9,425.5	9,670.0	2.6 %
Consumption	6,563.5	6,705.1	2.2
Durables	990.9	1,008.9	1.8
Nondurables	1,924.2	1,958.8	1.8
Services	3,675.4	3,763.6	2.4
Investment	1,583.6	1,645.2	3.9
Fixed	1,570.7	1,610.3	2.5
Nonresidential	1,184.8	1,230.4	3.9
Equipment	969.5	1,035.7	6.8
Structures	228.7	216.6	(5.3)
Residential	385.9	379.9	(1.6)
Chng. in Invent.	0.8	26.6	3,085.0
Exports	1,062.4	1,118.3	5.3
Imports	1,540.7	1,595.2	3.5
Government	1,707.9	1,749.9	2.5
Federal	610.4	648.2	6.2
Natl. Defense	335.1	360.2	7.5
Nondefense	166.5	172.7	3.7
State & Local	880.5	886.1	0.6
*Estimated			
**Forecasted			

Source: U.S. Department of Commerce, Bureau of Economic Analysis, and Global Insight (DRI-WEFA)

personal savings rate of 4.0 percent. Also, the flow of capital into the real estate market will slow as the supply of funds overtakes the demographic demand for new construction and refinancing. Table 1-7 presents U.S. Personal Consumption Expenditure Growth estimates for 2002 and the forecasts for 2003.

Table 1-7

	Expenditures	
	2002	2003
	%	%
U.S. Personal Consumption Expenditure Growth		
Percent Change, Seasonally Adjusted, 2002-2003		
Personal Consumption	2.9 %	2.2 %
Durables	6.3	1.8
Motor Vehicles & Parts	3.5	(2.5)
Furniture & Appliances	9.9	5.3
Computers	36.6	23.3
Software	11.0	11.6
Other Furniture	7.7	3.7
Ophthalmic Goods	3.4	7.3
Other Durables	6.1	4.6
Nondurables	2.9	1.8
Food & Beverages	1.3	0.6
Clothing & Shoes	5.1	1.7
Gasoline & Oil	4.4	2.7
Fuel Oil & Coal	(4.5)	1.8
Tobacco Products	(1.8)	(2.2)
Drugs & Medicines	7.1	6.4
Other Nondurables	4.3	3.7
Services	2.2	2.4
Housing	1.6	1.6
Household Operation	0.3	1.9
Electricity	(2.5)	3.2
Natural Gas	4.6	(1.4)
Telephony	2.5	2.6
Other Utilities	(2.0)	(0.9)
Transportation	(0.6)	0.8
Leasing	(6.9)	(6.6)
Other Transportation	1.4	1.6
Medical	4.4	3.4
Recreation	1.6	2.9
Personal Business	2.5	3.0
"Free" Financial	2.9	2.3
Other Financial	2.2	3.5
Other Services	1.9	2.1

Source: Global Insight (DRI-WEFA)

During the last economic expansion, a tight labor market and low inflation allowed consumers to realize significant gains in real purchasing power. However, the slow economic recovery in 2003 will dampen this

trend. In addition, a soft labor market and the aftermath of stock market losses during 2001 and 2002 will further weaken consumers' spending power. Real disposable income is expected to increase by 2.3 percent in 2003 after 4.3 percent growth in 2002. Real consumer spending is expected to increase 2.2 percent in 2003 after a 2.9 percent increase in 2002. This modest increase will be supported heavily by a 2.4 percent increase in services consumption. However, the increase will be offset somewhat by a slower growth in both durable goods (1.8 percent) and nondurable goods (1.8 percent) consumption.

Within the durable goods category, the key growth sector in recent years has been computers. Although spending on computers is still the primary driver of consumer spending on durables, the growth in expenditures on computers is expected to slow from 36.6 percent in 2002 to 23.3 percent in 2003. However, spending on software is expected to increase 11.6 percent in 2003, which is slightly higher than the 11.0 percent increase in 2002. Significantly, purchases of automobiles are expected to decrease by 2.5 percent in 2003 because many of the manufacturer-sponsored low interest rate financing offers expire. The increase in 2002 was 3.5 percent.

Expenditures for nondurable goods are also forecasted to increase 1.8 percent in 2003. This increase is lower than the increase in 2002 of 2.9 percent. Increases in expenditures on pharmaceuticals (6.4 percent) and gasoline and oil (2.7 percent) are expected to lead the sector. Food and beverage expenditures are expected to increase only modestly at 0.6 percent, while expenditures on clothing and shoes increase 1.7 percent, and expenditures on fuel oil and coal increase 1.8 percent.

Expenditures for services also are forecast to increase in 2003. The expected increase for 2003 is 2.4 percent, which is slighter higher than the 2.2 percent increase in 2002.

Housing expenditures are expected to increase by 1.6 percent in 2003, which is the same rate as in 2002. Expenditures for housing operations are expected to increase by 1.9 percent in 2003, compared to a 0.3 percent increase in 2002. Within housing operations, electricity consumption is expected to increase 3.2 percent in 2003 after a 2.5 percent decrease in 2002, and telephone service consumption is expected to

increase by 2.6 percent in 2003, following a 2.5 percent increase in 2002. The consumption of natural gas is expected to decrease 1.4 percent in 2003, compared to a 4.6 percent increase in 2002. Other areas where expenditures are expected to increase include medical care (3.4 percent), personal business services (3.0 percent), recreation (2.9 percent), and transportation (0.8 percent).

Business Investment. Overall real business investment is forecast to increase by 3.9 percent in 2003. Specifically, fixed investment is expected to increase by 2.5 percent and nonresidential investment is anticipated to increase by 3.9 percent. Residential construction also is expected to decline (-1.6 percent). Within nonresidential investment, spending on equipment is expected to increase 6.8 percent, while spending on structures is expected to decrease by 5.3 percent.

International Trade. Real trade exports are expected by increase 5.3 percent in 2003 compared to a 1.3 percent decrease in 2002. Real trade imports are expected to increase 3.5 percent in 2003 compared to a 3.3 percent increase in 2002. The result is that the trade deficit, in real terms, is likely to shrink, but still remain at a level over \$400.0 billion in 2003.

Government Expenditures. In real terms, government expenditures are estimated to increase by 2.5 percent in 2003. The two major categories of government spending are federal expenditures and state and local expenditures. In 2003, total federal government expenditures are estimated to increase by 6.2 percent. Specifically, national defense expenditures are anticipated to increase by 7.5 percent, while nondefense expenditures are expected to increase by 3.7 percent. Most of the increase in federal government spending may be attributed to increases in homeland security and military expenditures. State and local government expenditures are forecasted to increase by a modest 0.6 percent.

Personal Income. In 2003, personal income in the U.S. is forecasted to grow at a 4.2 percent rate. Of the categories of personal income, only personal interest income is expected to decrease.

Estimates show that interest earnings will decrease by 0.6 percent in 2003. Salaries and wages are expected to increase 4.1 percent, while other labor income is

expected to increase by 6.4 percent and proprietors' income is expected to increase by 7.0 percent. In addition, increases also are anticipated in rents (6.2 percent) and dividends (6.0 percent). The final category of personal income is transfer payments. In 2003, they are expected to increase by 4.4 percent. Social insurance contributions also are expected to increase 4.1 percent in 2003. Table 1-8 shows U.S. Personal Income Growth for 2002 and 2003.

Table 1-8

U.S. Personal Income Growth, 2002-2003			
<i>(Dollars in Billions)</i>			
	2002	2003	Percent Change
Personal Income	8,942.3	9,313.6	4.2 %
Salaries & Wages	5,017.9	5,225.8	4.1
Private	4,165.9	4,339.4	4.2
Government	851.9	886.4	4.0
Other Labor Income	610.5	649.8	6.4
Proprietors' Income			
Farm	13.3	21.5	61.1
Nonfarm	741.6	786.1	6.0
Rental Income	215.5	228.9	6.2
Personal Dividend Inc.	433.5	459.6	6.0
Personal Interest Inc.	1,076.9	1,070.6	(0.6)
Transfer Payments	1,287.3	1,343.5	4.4
Less:			
Personal Contributions for Social Insurance	384.7	400.6	4.1
Equals:			
Disposable Personal Inc.	7,817.6	8,161.1	4.4
Less:			
Personal Consumption Expenditures	7,291.0	7,603.2	4.3
Interest	189.5	193.3	2.0
Pers. Foreign Trans.	32.2	34.9	8.4
Equals:			
Personal Saving	304.9	329.6	8.1
Real Dispos. Pers. Inc.	7,037.4	7,196.9	2.3
Personal Saving Rate (%)	3.9	4.0	0.1

Source: U.S. Department of Commerce, Bureau of Economic Analysis, and Global Insight (DRI-WEFA)

Disposable personal income is estimated to increase by 4.4 percent in 2003. In real terms, disposable personal income will realize a 2.3 percent increase.

Personal Savings. The level of personal savings is forecast to increase by 8.1 percent to \$329.6 billion in

2003. The rate of personal savings is expected to increase only slightly from 3.9 percent in 2002 to 4.0 percent in 2003.

Inflation & Prices. Inflation is forecast to remain low in 2003. As measured by the CPI-U, inflation is forecasted to be 2.5 percent. Inflation, as measured by the GDP Price Index, is expected to be 2.1 percent and is shown in Table 1-9, which presents price changes

Table 1-9

	Prices	
	2002	2003
U.S. Personal Consumption Price Changes		
Percent Change, Seasonally Adjusted, 2002-2003		
Personal Consumption	1.4 %	2.1 %
Durables	(2.7)	(0.7)
Motor Vehicles & Parts	(1.4)	0.5
Furniture & Appliances	(5.3)	(2.6)
Computers	(24.4)	(15.7)
Software	(6.3)	(6.8)
Other Furniture	(3.3)	(1.2)
Ophthalmic Goods	0.7	0.8
Other Durables	(1.0)	--
Nondurables	0.4	1.6
Food & Beverages	2.0	1.7
Clothing & Shoes	(2.7)	(0.8)
Gasoline & Oil	(7.2)	3.8
Fuel Oil & Coal	(11.0)	--
Tobacco Products	9.3	7.8
Drugs & Medicines	3.8	4.2
Other Nondurables	1.9	2.2
Services	2.7	2.9
Housing	3.9	2.7
Household Operation	(0.7)	1.7
Electricity	(0.9)	1.4
Natural Gas	(14.8)	2.4
Telephony	(0.1)	0.2
Other Utilities	6.6	3.8
Transportation	2.0	2.6
Leasing	(1.7)	0.6
Other Transportation	4.7	3.4
Medical	2.8	3.9
Recreation	2.9	2.3
Personal Business	2.2	2.3
"Free" Financial	(0.5)	0.7
Other Financial	4.2	3.3
Other Services	4.1	3.2

Source: Global Insight (DRI-WEFA)

for 2002 and 2003 as measured by the GDP Price Index.

The price of durable goods is anticipated to decrease by 0.7 percent in 2003. Specifically, the cost of computers is expected to continue to decline, dropping 15.7 percent in 2003. The price of computer software also is estimated to drop by 6.8 percent, and the price of furniture is estimated to decrease by 1.2 percent in 2003. On the other hand, the price of automobiles is expected to increase in 2003. However, the increase is anticipated to be only 0.5 percent.

In 2003, the price of nondurable goods is forecasted to increase modestly. The estimate is for a 1.6 percent increase in 2003. The price of drugs and medicines are expected to increase by 4.2 percent, while the price of gasoline and oil is anticipated to increase by 3.8 percent, and the price of food and beverages is forecast to increase by 1.7 percent. The price of fuel oil and coal are expected to remain steady, while the price of clothing and shoes is forecast to decrease by 0.8 percent.

Services are the other major category of consumption. In 2003, the price of services is anticipated to increase by 2.9 percent. The price of housing is expected to increase 2.7 percent, while the price of housing operation is expected to increase 1.7 percent. Within the housing operation category, the price of natural gas is expected to increase 2.4 percent, the price of electricity is estimated to increase 1.4 percent, and the price of telephone service is expected to increase 0.2 percent. The price of transportation services is expected to increase by 2.6 percent. Medical services are anticipated to experience the largest price increase at 3.9 percent. Finally, the prices of business services and recreation are both expected to increase by 2.3 percent.

Productivity. Productivity is expected to grow in 2003. However, the growth is expected to be at a slower pace than 2002's growth rate of 4.9 percent. Productivity growth is expected to increase by 2.8 percent in 2003 and industrial production is expected to increase by 3.7 percent in 2003, following a 0.4 percent decrease in 2002. Factories are expected to be operating at 74.6 percent of capacity in 2003 compared to 73.9 percent in 2002.

Kansas Employment & Income

Overview

The state's robust economic expansion tapered off considerably late in 2001, and continued to lag in 2002. Although the Kansas economy, like the national economy, is projected to recover in 2003, the state's economic recovery is anticipated to be slower than the national economy. In Kansas, only modest growth is expected in 2003. Table 2-1 presents major Kansas economic trends for 2002 and 2003.

Table 2-1

Major Kansas Economic Trends		
	2002	2003
GSP Growth (\$ Constant)	3.4 %	5.0 %
Personal Income Growth (\$ Current)	3.1	4.4
Employment Growth Rate (Place of Residence)	2.2	0.7
Employment Growth Rate (Place of Work)	0.6	0.8
Unemployment Rate (Monthly Average)	4.4	4.3

Gross State Product (GSP) is forecasted to increase by 5.0 percent in 2003, compared to a 3.4 percent increase in 2002. Personal income also is expected to increase (4.4 percent). Similar to past years, personal income growth in 2003 will be sustained by growth in most of its components. Increases are anticipated in salaries and wages (2.7 percent) and other labor income (5.4 percent). Proprietors' income also is expected to increase (14.3 percent) and the increase will be determined largely by moderate growth in the farm sector. Dividend, interest, and rent growth is projected to recover modestly to 2.5 percent in 2003 from its lower level in 2002. The growth in transfer payments is expected to recede to a 6.4 percent rate from the higher level in 2002. Personal contributions for social insurance are expected to rise by 3.6 percent.

Income in the farm sector also is expected to temper the economic recovery in Kansas. Net farm income in Kansas decreased 2.0 percent from \$974.5 million to \$958.2 million in 2001. For this same period, the national net farm income decreased by 5.0 percent. Economic Research Service figures show that net farm income will continue to drop because of low livestock prices. Cattle marketings through the third quarter of

2002 were 7.0 percent above last year, but prices remain well below last year's levels. Hog prices also are below a year ago. Another factor that is expected to decrease farm income is federal relief, which is not expected to be as significant as last year because crop prices are above the levels needed for deficiency payments to be triggered.

Similar to personal income, employment is estimated to increase in 2003. Specifically, employment by place of residence is forecasted to increase by 0.7 percent, while employment by place of work is forecasted to increase by 0.8 percent.

The unemployment rate is expected to decrease slightly in 2003, with the unemployment rate in Kansas remaining well below the national rate. The state unemployment rate is expected to decrease from 4.4 percent in 2002 to 4.3 percent in 2003.

The Kansas economy maintained positive job growth through the first half of 2002, in spite of severe cuts in manufacturing employment, especially aircraft production. With over 20.0 percent of the manufacturing jobs in Kansas related to aircraft production and aircraft manufacturing, the state's employment has been affected severely since the September 11 terrorist attacks and the resulting downturn in aircraft production. Despite the dramatic downturn in aircraft manufacturing, overall employment in the state has continued to grow, which is contrary to the result in many states that were less severely affected by the events of September 11.

Employment growth in Kansas has been bolstered by strong growth in construction, services, and government. The growth in construction employment has been fed largely by ongoing state highway projects, numerous local school bond projects, and residential construction that was fueled by historically low interest rates. In 2002, the service sector experienced particularly strong growth that was driven by growth in the demand for health professionals. The Wichita area also has become home to a number of call centers. Bank of America, Royal Caribbean, and

Accutel recently have announced plans to expand their customer service centers in the area. Government employment growth has been fueled by increases in the number of faculty and staff at educational institutions.

Alternatively, the trade sector and the transportation, public utilities, and communications sector experienced job losses during the year. Sagging consumer confidence has constrained the retail sector. The result is that trade employment in Kansas is at its lowest point in five years. The communications sector also has been dramatically affected during 2002. Rocked by the MCI/WorldCom accounting scandal and an overcapacity in the market, telecommunications companies cut their workforces substantially in 2002. In fact, Southwestern Bell Corporation (SBC) and Sprint both announced workforce reductions in Kansas.

Although Kansas is expected to experience job growth in the coming years, the level of growth will be much lower than that experienced during the robust growth in the late 1990s. Overall growth in the manufacturing sector will depend on the fortunes of the state's aircraft manufacturers. Boeing expects to deliver 380 airplanes in 2002, which is a significant drop from the 527 delivered in 2001. In 2003, Boeing also anticipates that deliveries will drop even further to between 275 and 300 planes. However, Boeing is negotiating to lease 100 converted 767 jetliners to the U.S. Air Force for use as aerial refueling tankers. The Air Force will use these converted jetliners to replace some of its aging KC-135 fleet. It is likely that much of the work will be completed in Boeing's Wichita facility. Deliveries to the Air Force are expected to begin in 2005.

Over the next few years, employment growth in the services sector likely will be led by employment growth in health services. This employment growth will be the result of an aging population that will need more health services. Trade employment also is expected to make a significant contribution to future employment growth.

The greatest risk to the economic recovery in Kansas during 2003 will be the lingering aftermath of the events of September 11. A report by the Milkin Institute identified Wichita as being one of the metropolitan economies most severely affected by the

September 11th terrorist attacks. In the Wichita area, over 80.0 percent of the manufacturing jobs are aircraft related. Boeing, Bombardier, Cessna, and Raytheon all have announced workforce adjustments. If the demand for commercial travel remains soft, many of the jobs lost in the aircraft manufacturing sector may be slow to return.

The Milkin Institute's report also identified the Kansas City and Topeka areas as being significantly affected. The Kansas City area was identified as being potentially vulnerable because of the area's high concentration of telecommunications workers. Sprint, which operates the nation's third-largest long-distance telephone service and is based in Overland Park, announced plans to reduce its workforce by 1,500 positions. These layoffs are being implemented as part of the company's struggle to reduce its costs so that it can compete more effectively with other big long-distance operators like AT&T and MCI. The Topeka area was cited as being vulnerable because of its concentration of transportation workers and the uncertainty of how budgetary issues will affect the state's \$13.0 billion comprehensive transportation plan.

Job growth is expected to be led by job creation in the services industry. The completion of the Kansas International Speedway near Kansas City will add new jobs both in services and retailing. Construction employment is expected to receive a major boost in the future with many bonded construction projects at schools and the continuance of the comprehensive transportation program. The growth in construction employment may be dampened slightly if reductions are made to the transportation program

Kansas Employment Review

Employment data are compiled in two ways: by place of residence and by place of work. Table 2-2, which is shown on the next page, presents both compilations. The first, employment by place of residence, is based on a sample survey of households. From the sample survey, the civilian labor force is determined. Once the civilian labor force is determined, then employment, unemployment, and the unemployment rate are derived. The civilian labor force does not include children, retirees, military personnel, and those who are not actively seeking work.

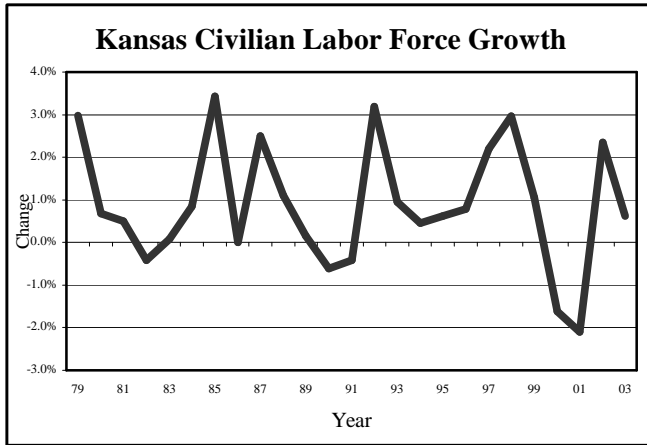
Table 2-2

Kansas Employment, October 2001-October 2002				
	<u>2001</u>	<u>2002</u>	<u>% Change</u> <u>2000-2001</u>	<u>% Change</u> <u>2001-2002</u>
Place of Residence Data				
Civilian Labor Force	1,379,505	1,455,154	(1.7) %	5.5 %
Employment	1,319,149	1,388,416	(2.1)	5.3
Unemployment	60,356	66,738	7.9	10.6
Unemployment Rate	4.4	4.6	0.4	0.2
Place of Work Data				
All Industries	1,368,700	1,372,600	0.8 %	0.3 %
Goods Producing Industries	277,800	276,600	(1.9)	(0.4)
Mining	7,300	7,300	(1.4)	--
Oil & Gas Extraction	5,800	5,700	(3.3)	(1.7)
Construction	65,900	69,400	(1.6)	5.3
Manufacturing	204,600	199,900	(2.1)	(2.3)
Durable Goods	122,700	116,200	(1.7)	(5.3)
Stone, Clay & Glass Products	6,400	6,700	(3.0)	4.7
Primary Metal Industries	3,400	3,200	3.0	(5.9)
Fabricated Metal Products	12,000	11,700	1.7	(2.5)
Machinery (incl. Electric)	30,300	30,500	(5.3)	0.7
Transportation Equipment	56,300	49,900	(1.1)	(11.4)
Aircraft & Parts	47,100	41,000	0.9	(13.0)
Nondurable Goods	81,900	83,700	(2.6)	2.2
Food & Kindred Products	32,200	32,900	(4.2)	2.2
Meat Products	18,900	19,300	(6.9)	2.1
Grain Mill Products	3,900	4,100	(4.9)	5.1
Printing & Publishing	21,100	21,500	--	1.9
Chemicals & Allied Products	7,400	7,500	1.4	1.4
Petroleum/Coal & Rubber/Plastics	12,900	13,500	(3.0)	4.7
Service Producing Industries	1,090,900	1,096,000	1.5	0.5
Transportation, Comm., & Public Utilities	90,800	88,200	2.4	(2.9)
Railroad Transportation	6,100	5,800	(7.6)	(4.9)
Trucking & Warehousing	23,900	23,800	(2.8)	(0.4)
Elect., Gas & Sanit. Serv.	9,800	9,400	1.0	(4.1)
Total Trade	316,400	314,500	(1.0)	(0.6)
Wholesale Trade	73,200	72,800	(1.9)	(0.5)
Retail Trade	243,200	241,700	(0.8)	(0.6)
General Merchandise Stores	35,800	35,100	(2.5)	(2.0)
Food Stores	33,400	32,200	(3.7)	(3.6)
Auto. Deal. & Serv. Stations	26,800	27,200	0.4	1.5
Apparel & Accessory Stores	10,800	10,300	3.8	(4.6)
Fin., Ins., & Real Estate	66,500	65,600	3.3	(1.4)
Dep. & Nondep. Credit Inst.	27,000	26,100	4.2	(3.3)
Insurance Carriers	12,700	12,700	10.4	--
Services	361,800	371,100	3.2	2.6
Hotels & Other Lodging Places	11,000	11,400	--	3.6
Personal Services	12,900	13,300	4.9	3.1
Government	255,400	256,600	1.7	0.5
Federal Government	25,800	25,200	(2.6)	(2.3)
State & Local Government	229,600	231,400	2.2	0.8
Farm Employment	54,200	54,500	1.9	0.6

Source: Kansas Department of Human Resources, Labor Market Information Services

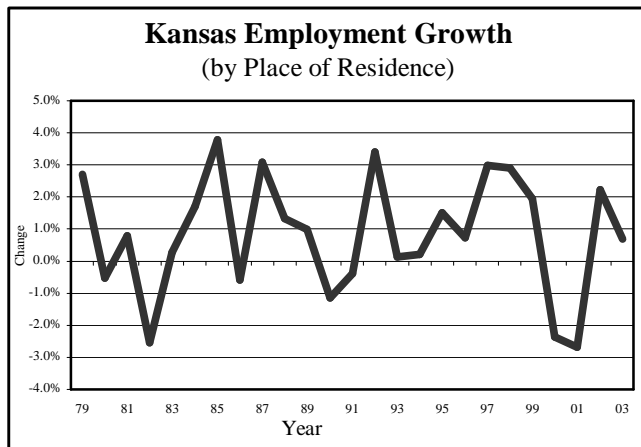
Using the civilian labor force as the base, other information can be derived. Specifically, employment in Kansas can be determined. Similar to the civilian labor force, Kansas employment, as measured by place of residence, grew during 2002. The positive growth followed the negative growth that was realized the previous year. Figure 2-1 presents trends in the Kansas civilian labor force from 1979 through 2003.

Figure 2-1:



In 2002, Kansas employment grew at a rate of 2.2 percent. This level of employment compares to the 2.7 percent decline in Kansas employment that occurred during 2001. Figure 2-2 presents Kansas employment trends by place of residence from 1979 through 2003.

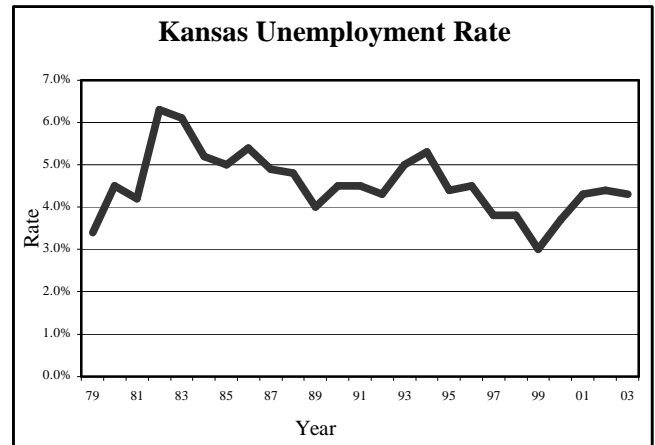
Figure 2-2:



Other economic indicators that use the civilian labor force as a base are overall unemployment and the unemployment rate. Average monthly unemployment in Kansas rose by 6,400 in 2002. In addition, the average monthly unemployment rate in Kansas increased by 0.2 percentage point from 4.4 percent in

October of 2001 to 4.6 percent in October of 2002. Although the unemployment rate increased in Kansas in 2002, it should be noted that the Kansas unemployment rate has been consistently below the U.S. unemployment rate since 1971. Figure 2-3 presents the Kansas unemployment rate from 1979 through 2003.

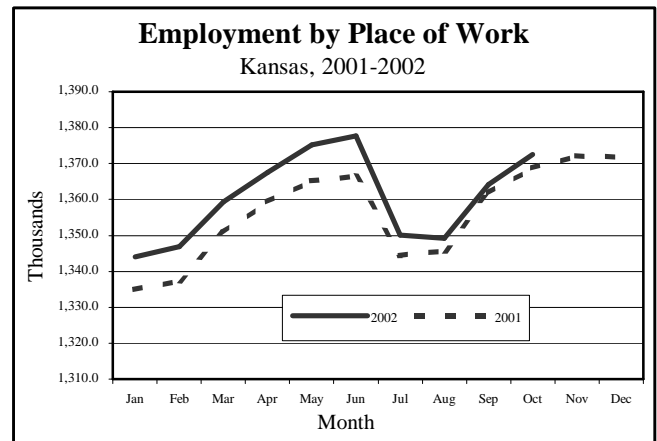
Figure 2-3:



Employment by Place of Work

Compared to October a year ago, overall employment in Kansas, as measured by place of work, increased at a 0.3 percent rate. Figure 2-4 shows that employment levels in 2002 remained consistently above 2001 levels through October, the most recent data available when this report was prepared.

Figure 2-4:



There are three broad classifications of employment by place of work: the goods producing industries, the services producing industries, and farming. This

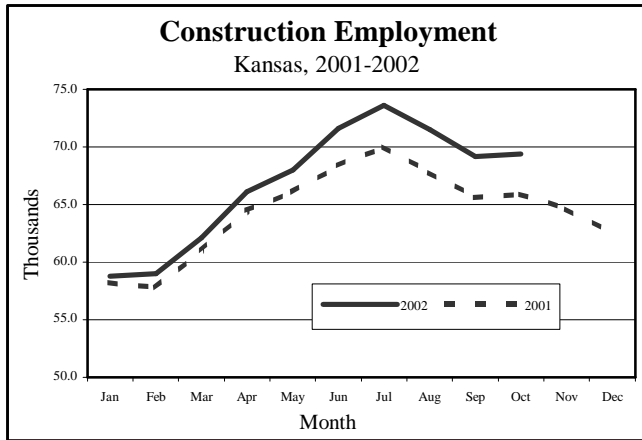
section will present an overview of employment in the goods producing industries by subcategory. The following section will present employment in the services producing industries in the same manner and the final section will present farming employment.

Goods Producing Industries

As measured by place of work, employment in the goods producing industries decreased 0.4 percent in 2002. This level compares to a 1.9 percent decline in employment in the goods producing industries during 2001. There are three general categories within the goods producing industries, including construction, mining, and manufacturing.

Construction. Construction employment grew at a 5.3 percent rate in 2002. This notable level of growth follows a 1.6 percent decline during 2001. Monthly construction employment in 2002 has remained consistently above 2001 levels and has trended upward for most of the year. Figure 2-5 presents construction employment in Kansas for 2001 and 2002.

Figure 2-5

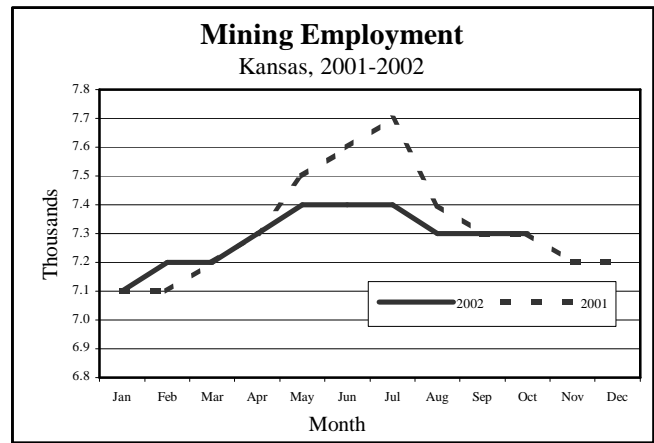


The construction sector, in particular, is affected greatly by both the seasons and the weather. For this reason, it is important to remember that when analyzing construction employment changes the inherent seasonal nature of the industry should be considered.

Mining. Mining employment remained unchanged in 2002 after a 1.4 percent decrease in 2001. A key subcomponent of the mining sector is oil and gas extraction. During 2002, employment in oil and gas

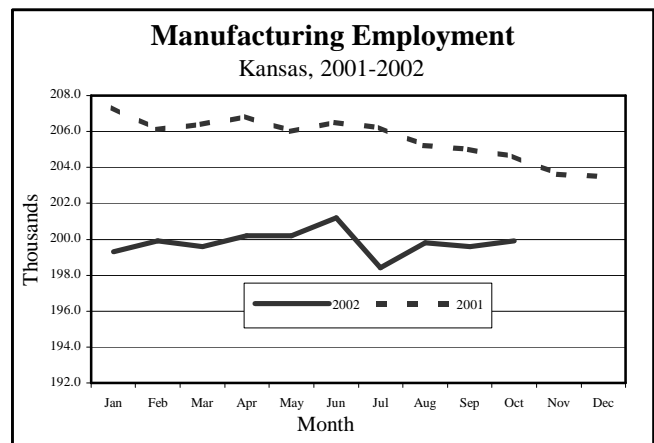
extraction decreased by 1.7 percent. In 2001, this subcomponent declined 3.3 percent. Kansas ranks seventh in the nation in oil production and eighth in gas production. In contrast to some other states, most of the oil and gas in Kansas is produced in small stripper wells, of which there are approximately 40,000 in the state. For most of the 1990s, the number of active drilling rigs in the state fluctuated between 25 and 35. The state rig count then dropped below 10 during most of 1998 and 1999, when energy prices were very low. Figure 2-6, which is shown below, presents mining employment in 2001 and 2002.

Figure 2-6



Manufacturing. In 2002, Manufacturing employment continued to be sluggish with monthly data consistently below 2001 levels. Figure 2-7 presents manufacturing employment for 2001 and 2002.

Figure 2-7

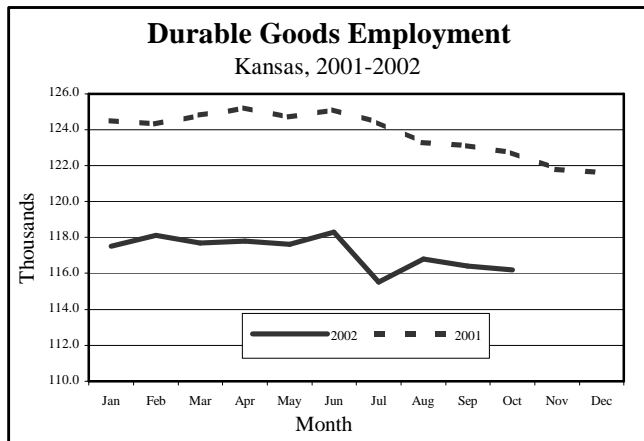


Manufacturing employment declined by 2.3 percent in 2002, following a 2.1 percent decline in 2001. The 2.3

percent decline during 2002 is due to sizeable layoffs at aircraft production facilities in the Wichita area. It should be noted that these layoffs already had begun before the September 11 terrorist attacks in 2001. In fact, most of the layoffs that resulted from the aftermath of the terrorist attacks were not realized until 2002. In fact, some of the job losses will not materialize until early 2003 and therefore are not reflected in these data.

The overall downward trend in manufacturing employment is defined by a large decline in durable goods manufacturing employment. In 2002, it declined by 5.3 percent following a 1.7 percent decline in 2001. Durable goods are defined as goods with an expected useful life of more than one year. Monthly durable goods manufacturing employment in 2002 has remained consistently below 2001 levels and have trended downward for most of the year. Figure 2-8 presents the yearly trends in durable goods manufacturing employment, by month, for both 2001 and 2002.

Figure 2-8

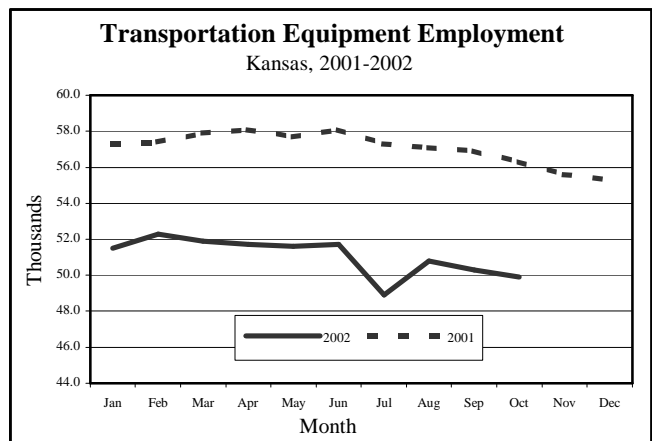


Five important subsectors within the durable goods manufacturing sector are stone, clay, and glass products; primary metal industries; fabricated metal products; machinery (which includes electric product manufacturing); and transportation equipment. Of these subsectors, only stone, clay, and glass products (4.7 percent) and machinery manufacturing (0.7 percent) experienced an employment increase during 2002. Transportation equipment employment plunged 11.4 percent in 2002 and employment in primary metal industries declined 5.9 percent, while employment in fabricated metal products manufacturing decreased by 2.5 percent.

The dynamics of the aircraft and parts manufacturing employment in the Wichita metropolitan area are of particular interest when analyzing the Kansas economy. Employment trends in transportation equipment, a subcomponent of durable goods manufacturing, are important for four reasons. First, transportation equipment manufacturing is a major exporting subsector within the Kansas economy. Second, aircraft and related parts manufacturing is a major subcategory of the transportation equipment manufacturing subsector. Third, the Wichita metropolitan area's economy is driven largely by aircraft related manufacturing. Fourth, the Kansas manufacturing industry is driven to a considerable extent by the Wichita metropolitan area's manufacturing employment. For these reasons, employment changes in transportation equipment manufacturing potentially have a significant effect on the Kansas economy.

During 2002, transportation equipment manufacturing employment in Kansas decreased by 11.4 percent. More specifically, employment in aircraft and parts manufacturing fell 13.0 percent. As shown in Figure 2-9, transportation equipment manufacturing employment in 2002 has been consistently below 2001 levels and has trended downward for most of the year.

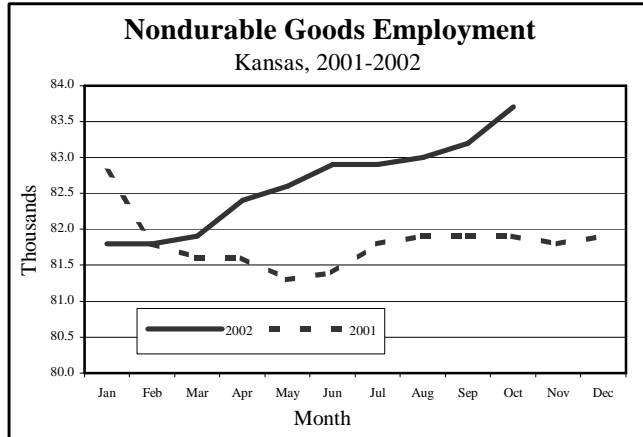
Figure 2-9



However, employment in the nondurable goods manufacturing sector experienced a 2.2 percent increase in 2002 compared to a 2.6 percent decrease in 2001. Nondurable goods manufacturing employment in 2002 has trended upward and has been above 2001 levels for most of the year. Nondurable goods are defined as goods with an expected useful life of less than one year.

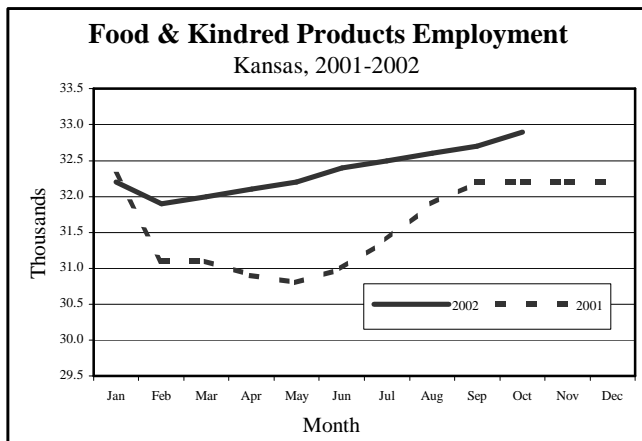
Within the nondurable goods manufacturing category, there are seven important subsectors of manufacturing. The subsectors include food and kindred products; meat products; grain mill products; apparel and other textile products; printing and publishing; chemicals and allied products; and petroleum/coal and rubber/plastics. Figure 2-10 shows nondurable goods manufacturing employment for 2001 and 2002.

Figure 2-10



The largest of these sectors, and the one with the most effect on the Kansas economy, is food and kindred products manufacturing. This sector accounts for over 40.0 percent of all nondurable goods employment in Kansas. Employment in the food and kindred products manufacturing sector increased by 2.2 percent in 2002, following a 4.2 percent decrease in 2001. Figure 2-11 presents trends in food and kindred products employment in Kansas for 2001 and 2002.

Figure 2-11



Within the other nondurable goods producing sectors, grain mill products experienced the largest employment

increase at 5.1 percent, followed by petroleum, coal, and rubber and plastic products, which had a 4.7 percent increase. Meat products employment increased by 2.1 percent, while printing and publishing employment increased by 1.9 percent.

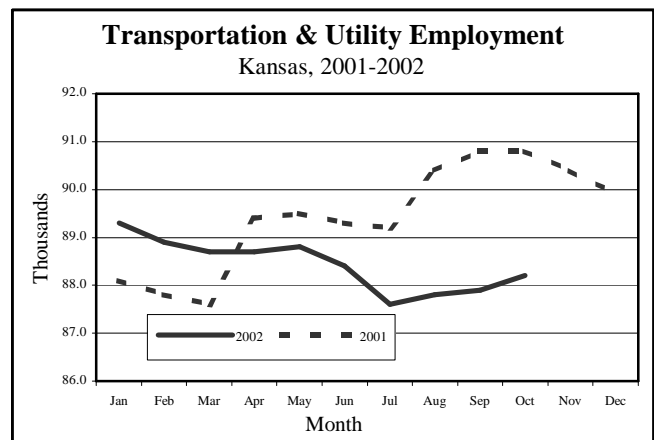
Services Producing Industries

The second broad classification of employment by place of work is the services producing industries. Employment in the services producing industries grew at a 0.5 percent rate in 2002, following a 1.5 percent rate in 2001. There are five important categories within the service producing industries, including transportation, communication, and public utilities; trade; finance, insurance, and real estate (FIRE); “pure” services; and government employment. In 2002, only “pure” services and government employment increased.

Transportation, Communication, & Public Utilities.

Transportation, communication, and public utilities employment in 2002 trended downward for most of the year and ran consistently below 2001 levels. Employment in the industry declined by 2.9 percent in 2002 compared to a 2.4 percent increase in 2001. Figure 2-12 presents trends in transportation and public utilities employment for 2001 and 2002.

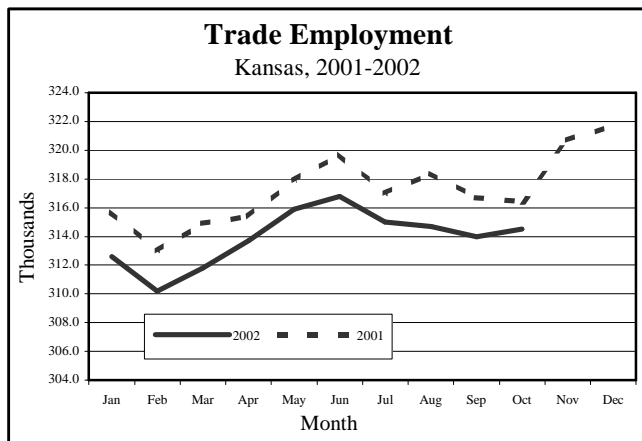
Figure 2-12



Within the transportation, communications, and public utilities sector, employment in railroad transportation declined by 4.9 percent; employment in electric, gas, and sanitary services declined by 4.1 percent; and employment in trucking and warehousing declined by 0.4 percent in 2001.

Wholesale & Retail Trade. Sales tax revenues have slowed sharply in the state, suggesting that consumer spending has indeed weakened. Both in Kansas and the nation, retailers selling discretionary items appear to have suffered the biggest decline in sales. Wichita, for example, has seen an increase in furniture store closings within the last year. Nationwide, discount stores have fared somewhat better, because consumers have become more value-conscious. Total trade employment decreased by 0.6 percent in 2002 following a 1.0 percent decrease in 2001. Figure 2-13 presents trade employment for 2001 and 2002.

Figure 2-13



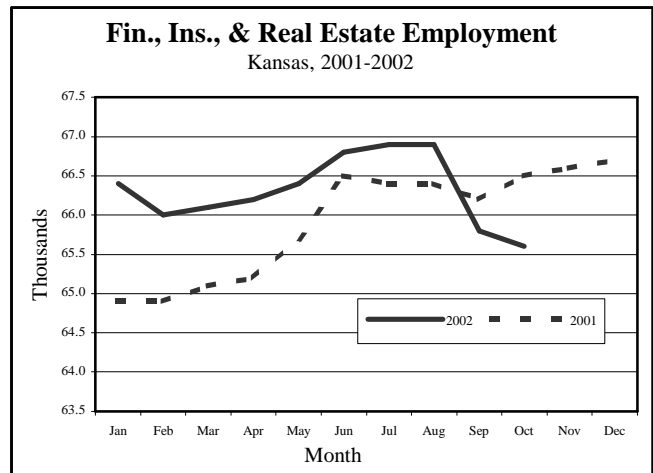
In 2002, trade employment has remained consistently below 2001 levels. This industry is made up of two sectors: wholesale and retail trade. During 2002, wholesale trade employment decreased by 0.5 percent, compared to a 1.9 percent decrease in 2001. Retail trade employment also decreased in 2002, but the decrease in 2002 of 0.6 percent was slightly less than the 0.8 percent decrease in 2001.

Within retail trade, only automobile dealers and service stations experienced an employment increase. The 1.5 percent employment increase is due in large part to strong automobile sales that resulted from low interest rate financing that was sponsored by manufacturers. Apparel and accessory stores experienced an employment decline of 4.6 percent. Food stores also experienced an employment decline of 3.6 percent, while general merchandise store employment decreased by 2.0 percent.

Finance, Insurance, & Real Estate (FIRE). Employment in FIRE decreased by 1.4 percent in 2002 compared to a 3.3 percent increase in 2001. Within

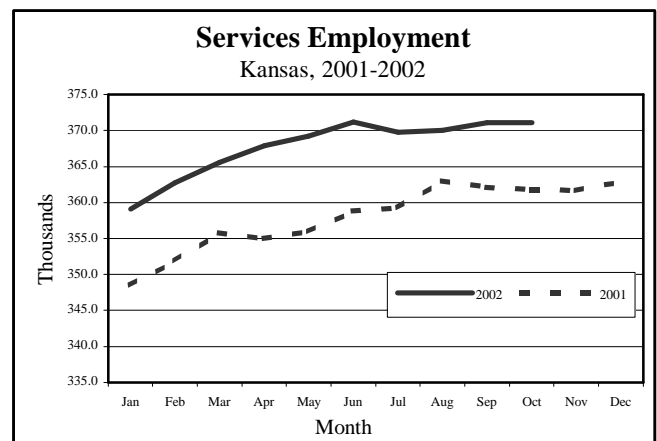
the FIRE industry, employment by depository and nondepository credit institutions declined by 3.3 percent in 2002, while employment by insurance carriers remained unchanged. As shown in Figure 2-14, FIRE employment levels began the year above the 2001 level, but began trending downward after the middle of the year.

Figure 2-14



Services. Over recent years one of the fastest growing industries in the economy has been pure services. In 2002, employment in this industry grew by 2.6 percent, compared to a 3.2 percent growth rate in 2001. Service employment has remained consistently above 2001 levels and has trended upward for most of the year. Figure 2-15 presents trends in service employment for 2001 and 2002.

Figure 2-15

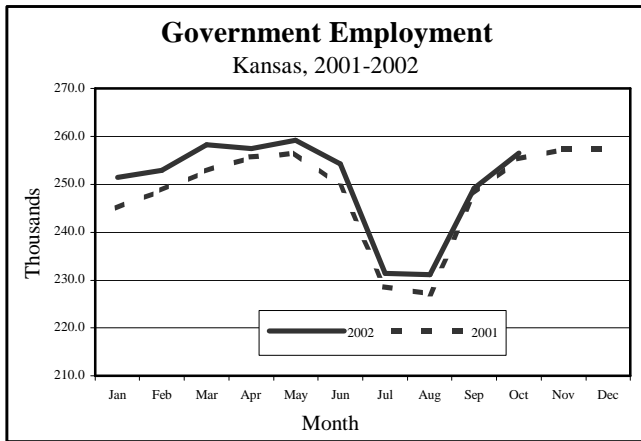


Within this industry, employment in hotels and other lodging places rose 3.6 percent, while employment in personal services rose by 3.1 percent in 2002.

Contributors to the service employment expansion over recent years are growth in business, medical, management, and social services. Telemarketing also has been a significant source of employment growth over recent years.

Government. Overall government employment in Kansas during 2002 remained consistently above 2001 levels. Total government employment increased by 0.5 percent in 2002. This increase follows a 1.7 percent increase in 2001. Figure 2-16 presents trends in government employment for 2001 and 2002.

Figure 2-16

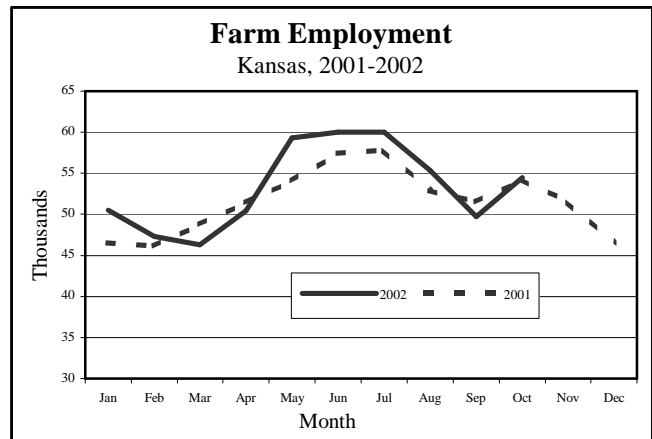


State and local government employment followed the same trend as overall government employment followed. In 2002, the state and local workforces grew at a 0.8 percent rate. This modest increase followed a 2.2 percent increase in 2001. However, federal government employment in the state declined for the second year in a row. In 2002, federal employment in Kansas decreased by 2.3 percent and by 2.6 percent in 2001. A downturn in employment typically occurs each July and August and is attributable largely to faculty at public schools and universities being on nine-month appointments.

Farming

Farm employment increased by 0.6 percent in 2002, compared to a 1.9 percent increase in 2001. Much of the variation in farm employment during the year is due to the inherently seasonal nature of the industry. Figure 2-17, which is shown in the next column, presents trends in farm employment for 2001 and 2002.

Figure 2-17



Comparative Employment in the Plains Region

The employment data presented in this section may not be in exact conformity with data presented earlier because the data are compiled from different sources. The information in earlier sections is based on data from the Kansas Department of Human Resources, Labor Market Information Services, while the information in this section is based on data from the U.S. Department of Labor, Bureau of Labor Statistics. In all cases, this report presents the most recent data available. Two tables are presented on the following page. Table 2-3 presents employment growth rates for Kansas and the Plains region from 2000 to 2001. Table 2-4 shows employment growth rates for Kansas and the Plains region from October 2001 to October 2002.

Total non-farm employment in Kansas grew at a 0.9 percent rate in 2001 compared to a 0.1 percent decrease for the Plains region as a whole. This was the highest growth rate in the seven-state region. North Dakota had the second highest growth rate in the region at 0.6 percent, followed by South Dakota with a 0.4 percent growth rate, and Nebraska with a 0.1 percent growth rate. Iowa (-0.6 percent), Missouri (-0.6 percent), and Minnesota (-0.1 percent) all experienced employment decreases in 2001.

Through October 2002, the employment growth rate for Kansas continued to lead the Plains region at 0.3

Table 2-3

	Plains Region Employment Growth Rates, 2000-2001							
	KS	IA	MN	Percent Change			SD	Plains
				MO	NE	ND		
Total Non-Farm	0.9 %	(0.6) %	(0.1) %	(0.6) %	0.1 %	0.6 %	0.4 %	(0.1) %
Mining	2.8	--	(16.7)	(3.8)	--	2.8	(8.3)	(4.3)
Oil & Gas Extraction	5.3	NA	NA	NA	NA	5.0	NA	5.2
Construction	(1.8)	(1.2)	2.5	2.2	(2.9)	(3.2)	2.2	0.6
Manufacturing	(2.0)	(3.6)	(4.0)	(5.5)	(2.1)	1.2	(6.9)	(3.9)
Stone, Clay, & Glass Products	(3.0)	1.2	(1.9)	(6.2)	5.9	NA	NA	(2.0)
Primary Metal Industries	--	--	(6.2)	(9.7)	NA	NA	NA	(5.4)
Fabricated Metal Products	4.3	(2.3)	(5.0)	(5.7)	(4.2)	7.7	NA	(3.6)
Transportation Equipment	(0.2)	(8.6)	(3.2)	(3.8)	(13.0)	--	NA	(3.3)
Aircraft & Parts	2.1	NA	NA	(5.5)	NA	NA	NA	--
Food & Kindred Products	(5.4)	0.6	(1.1)	(1.6)	3.5	--	1.1	(0.6)
Meat Products	(7.0)	3.4	--	NA	6.4	NA	NA	1.3
Grain Mill Products	(2.5)	(4.1)	(8.6)	NA	(2.6)	NA	NA	(5.2)
Printing & Publishing	(1.8)	(4.8)	(3.6)	(3.9)	(2.1)	NA	NA	(3.5)
Chemicals & Allied Products	--	--	(0.9)	(7.2)	8.3	NA	NA	(2.9)
Transportation & Public Utilities	3.6	(1.4)	(1.2)	(2.1)	(0.7)	1.1	1.2	(0.6)
Railroad Transportation	(7.5)	(5.7)	NA	--	(4.2)	NA	NA	(4.1)
Trucking & Warehousing	(2.5)	0.9	(1.3)	(0.9)	0.8	(1.9)	NA	(0.6)
Electric, Gas, & Sanitary Services	--	(1.1)	(0.7)	(0.5)	(4.5)	--	--	(0.6)
Trade	(0.8)	(1.3)	0.3	(0.4)	(1.6)	(0.2)	1.1	(0.5)
General Merchandise Stores	(0.6)	(2.2)	1.6	(0.7)	1.0	(1.3)	NA	(0.2)
Food Stores	(2.6)	(1.4)	--	(3.2)	(3.2)	(2.7)	3.1	(1.7)
Auto. Dealers & Service Stations	(0.7)	NA	0.5	(0.3)	--	1.1	NA	--
Apparel and Accessory Stores	2.9	NA	2.1	(3.2)	--	--	NA	0.2
Finance, Ins., & Real Estate (FIRE)	3.3	2.8	2.2	2.2	1.5	2.4	6.9	2.5
Insurance Carriers	7.8	NA	3.1	3.6	0.9	NA	NA	3.3
Services	3.1	0.4	1.1	0.4	2.2	1.4	(1.3)	1.1
Hotels & Other Lodging Places	--	NA	(1.4)	(3.4)	3.0	(1.9)	NA	(1.5)
Personal Services	3.1	NA	0.8	--	3.7	--	NA	1.2
Total Government	1.5	1.4	0.6	0.4	1.0	0.7	4.1	1.0
Total Federal Government	(5.8)	(6.7)	(6.4)	(6.0)	(3.6)	3.1	(2.6)	(5.2)
Total State & Local Government	2.4	1.6	1.2	1.5	1.5	0.2	5.3	1.7

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 2-4

	Plains Region Employment Growth Rates, October 2001-October 2002							
	KS	IA	MN	Percent Change			SD	Plains
				MO	NE	ND		
Total Non-Farm	0.3 %	(0.1) %	(0.4) %	(1.4) %	0.2 %	(0.2) %	(0.7) %	(0.5) %
Mining	--	--	(4.8)	11.8	--	(5.1)	(33.3)	(1.1)
Construction	5.3	4.0	(1.1)	(5.9)	(1.1)	(3.5)	(6.5)	(1.3)
Manufacturing	(2.3)	--	(2.6)	(2.3)	(2.8)	(2.3)	(3.5)	(2.1)
Transportation & Public Utilities	(2.9)	(1.0)	(3.0)	(2.1)	0.2	(1.0)	(5.6)	(2.1)
Trade	(0.6)	(1.0)	(0.5)	(1.3)	0.5	(0.1)	(0.4)	(0.7)
Finance, Ins., & Real Estate (FIRE)	(1.4)	2.2	0.8	(1.8)	1.9	--	--	0.1
Services	2.6	(0.6)	0.9	(1.3)	--	(0.2)	1.0	0.1
Total Government	0.5	(0.1)	0.2	0.5	2.2	1.5	0.5	0.5

Source: U.S. Department of Labor, Bureau of Labor Statistics

percent. Nebraska was the only other state experiencing employment growth in 2002, with a 0.2 percent growth rate. Declines were experienced in all other states in the region. Specific declines include -1.4 percent in Missouri; -0.7 percent in South Dakota; -0.4 percent in Minnesota; -0.2 percent in North Dakota, and -0.1 percent in Iowa.

Employment by Industry Type

In 2001, employment growth in Kansas exceeded the Plains region's average in six of the eight major industry groupings. Employment growth in Kansas was below the Plains region's average in only the construction and trade industries. The groupings in which Kansas employment growth exceeded the regional average include mining, manufacturing, transportation and public utilities, FIRE, services, and government. In 2001, mining employment in Kansas increased by 2.8 percent compared to a 4.3 percent decline in the region as a whole. Manufacturing employment in Kansas decreased only 2.0 percent compared to a 3.9 percent decline in the region as a whole. Transportation and public utility employment also increased 3.6 percent in Kansas compared to a 0.6 percent decrease in the region. FIRE employment in Kansas rose 3.3 percent compared to a 2.5 percent increase across the region. Service employment rose 3.1 percent in Kansas compared to 1.1 percent across the region. Finally, government employment increased 1.5 percent in Kansas compared to a 1.0 percent increase in the region as a whole.

Through October 2002, employment growth in Kansas exceeded the regional average in four of the eight major industry groupings. Kansas experienced the highest growth in the region in construction employment and service employment. In mining employment growth, Kansas tied for second behind Missouri. In manufacturing employment growth, Kansas tied for second behind Iowa. Kansas ranked fifth in transportation and public utility employment. In FIRE employment growth, Kansas ranked sixth. In government employment, Kansas tied for third behind Nebraska and North Dakota.

Mining. Mining employment in the Plains region fell by 4.3 percent in 2001. In Kansas, mining employment rose by 2.8 percent, which tied with North Dakota for the largest increase in the region.

Mining employment fell by 16.7 percent in Minnesota, by 8.3 percent in South Dakota, and by 3.8 percent in Missouri. Mining employment remained unchanged in Iowa and Nebraska.

In 2002, mining employment in the Plains region declined by 1.1 percent. Missouri was the only state to experience an increase in mining employment with an 11.8 percent rise. South Dakota experienced a 33.3 percent fall in mining employment, while Minnesota experienced a 4.8 percent decline. Mining employment in Kansas, Iowa, and Nebraska remained steady in 2002.

Construction. Construction employment in the Plains region, on average, increased by 0.6 percent in 2001. Minnesota recorded the largest increase at 2.5 percent, followed by Missouri and South Dakota, each with a 2.2 percent increase. Construction employment decreased by 1.2 percent in Iowa; by 1.8 percent in Kansas; by 2.9 percent in Nebraska; and by 3.2 percent in North Dakota.

In 2002 construction employment in the region decreased 1.3 percent. However, in Kansas construction employment rose by 5.3 percent. Iowa was the only other state to report an increase in construction employment with a 4.0 percent rise. Minnesota and Nebraska each recorded a 1.1 percent decrease, North Dakota had a 3.5 percent decline, Missouri has a 5.9 percent decline, and construction employment in South Dakota fell by 6.5 percent.

Manufacturing. Manufacturing employment in the Plains region declined by 3.9 percent in 2001. Only North Dakota experienced an increase in manufacturing employment with a 1.2 percent increase. After North Dakota, Kansas had the smallest decrease in manufacturing employment with a 2.0 percent decrease, followed by Nebraska with a 2.1 percent decrease, Iowa with a 3.6 percent decrease, Minnesota with a 4.0 percent decrease, Missouri with a 5.5 percent decrease, and South Dakota with a 6.9 percent decrease.

In 2002, manufacturing employment in the Plains region decreased by 2.1 percent overall. Iowa was the only state in the region that did not experience a decline in manufacturing employment; it remained steady. After Iowa, Kansas tied with Missouri and North Dakota. All had a 2.3 percent decrease in

manufacturing employment. Minnesota recorded a 2.6 percent decrease, followed by Nebraska with a 2.8 percent decrease, and South Dakota with a 3.5 percent decline.

Transportation & Public Utilities. In 2001, employment growth for transportation and public utilities in Kansas led the Plains region with a 3.6 percent growth rate. Overall, transportation and public utilities employment in the Plains region decreased by 0.6 percent. Following Kansas, South Dakota recorded a 1.2 percent increase and North Dakota reported a 1.1 percent increase. Missouri (-2.1 percent), Iowa (-1.4 percent), Minnesota (-1.2 percent), and Nebraska (0.7 percent), all experienced decreases in transportation and public utility employment.

In 2002, transportation and public utilities employment growth in the Plains region decreased by 2.1 percent. Nebraska was the only state that reported an increase with a 0.2 percent increase. After Nebraska, Iowa and North Dakota recorded the smallest employment decreases with 1.0 percent losses each. These states were, followed by Missouri with a 2.1 percent decrease, Kansas with a 2.9 percent decrease, Minnesota with a 3.0 percent decrease, and South Dakota with a 5.6 percent decline.

Trade. In 2001, trade employment in the Plains region decreased by 0.5 percent. Only South Dakota (1.1 percent) and Minnesota (0.3 percent) experienced increases in trade employment, with increases of 1.1 percent and 0.3 percent, respectively. After Minnesota, North Dakota had the smallest employment decrease of 0.2 percent, followed by Missouri with a 0.4 percent decrease, Kansas with a 0.8 percent decrease, Iowa with a 1.3 percent decrease, and Nebraska with a 1.6 percent decrease.

In 2002, trade employment in the Plains region decreased 0.7 percent. Only Nebraska experienced growth in trade employment with 0.5 percent growth. After Nebraska, North Dakota had the smallest decrease in trade employment at 0.1 percent, followed by South Dakota at 0.4 percent, Minnesota at 0.5 percent, Kansas at 0.6 percent, Iowa at 1.0 percent, and Missouri at 1.3 percent.

Finance, Insurance, & Real Estate (FIRE). All seven states in the Plains region experienced growth in

FIRE employment in 2001, with the average growth rate across the region at 2.5 percent. South Dakota had the highest growth rate at 6.9 percent, followed by Kansas at 3.3 percent, Iowa at 2.8 percent, North Dakota at 2.4 percent, Minnesota and Missouri at 2.2 percent each, and Nebraska at 1.5 percent.

In 2002, FIRE employment in the Plains region was only 0.1 percent. Only Iowa (2.2 percent), Nebraska (1.9 percent), and Minnesota (0.8 percent) reported gains in FIRE employment. Employment in Missouri decreased 1.8 percent and employment in Kansas decreased 1.4 percent. FIRE employment in North Dakota and South Dakota remained steady.

Services. Kansas led the region in service employment growth with a 3.1 percent rise in 2001. Service employment in the Plains region as a whole increased only 1.1 percent. After Kansas, Nebraska recorded the highest growth at 2.2 percent, followed by North Dakota with 1.4 percent growth, Minnesota with 1.1 percent growth, and Iowa and Missouri with 0.4 percent growth each. South Dakota reported a 1.3 percent decrease in service employment.

In 2002, Kansas again led the Plains region with 2.6 percent growth in service employment. The region as a whole experienced only 0.1 percent growth. Other than Kansas, only South Dakota (1.0 percent) and Minnesota (0.9 percent) recorded growth in service employment. Service employment decreased by 1.3 percent in Missouri, 0.6 percent in Iowa, and 0.2 percent in North Dakota. Service employment in Nebraska remained steady.

Government. Government employment in the Plains region increased by 1.0 percent in 2001. South Dakota had the highest rate of increase at 4.1 percent, followed by Kansas with a 1.5 percent increase, Iowa with a 1.4 percent increase, Nebraska with a 1.0 percent increase, North Dakota with a 0.7 percent increase, Minnesota with a 0.6 percent increase, and Missouri with a 0.4 percent increase.

Total government employment in Kansas increased at the same rate as the Plains region (0.5 percent). Missouri and South Dakota also reported the same rate of increase. Nebraska experienced the highest growth rate at 2.2 percent, followed by North Dakota at 1.5 percent. Minnesota recorded a 0.2 percent increase, while Iowa had a 0.1 percent decrease.

Kansas Personal Income Review

Personal income is defined as the income received by, or on behalf of, all residents. It consists of income from all sources received by persons, which includes participation in production, both government and business transfer payments, and government interest, which is treated as a transfer payment. "Persons" are defined as individuals, nonprofit institutions primarily serving individuals, private noninsured welfare funds, and private trust funds.

Personal income is calculated by summing its components, which include salaries and wages, other labor income, proprietors' income, personal rental income, personal dividend income, and personal interest income. Personal transfer payments, less personal contributions for social insurance, are also included in the calculation.

A lag of eight months occurs before final estimates of state personal income for the previous calendar year are released. Accordingly, it is not until August 2002 that estimates of 2001 Kansas personal income are available. Kansas personal income totaled nearly \$77.0 billion in 2001, which is a 3.8 percent increase over the previous year. This increase is somewhat lower than the 6.0 percent growth rate experienced in 2000.

Personal Income by Source

Salaries and wages accounted for 54.4 percent of Kansas personal income and increased at a 3.1 percent rate in 2002. Salaries and wages increased at a 3.3 percent rate in 2001 and a 5.7 percent rate in 2000. Three major industries make up approximately three-fourths of non-farm earnings in Kansas. Specifically, services account for 24.3 percent, manufacturing represents 17.2 percent, and government constitutes 18.0 percent of the total.

After salaries and wages, dividends, interest, and rent is the second largest source of personal income in Kansas. Dividends, interest, and rent accounts for 20.0 percent of total personal income in 2001 and increased by 3.1 percent over the previous year. This increase is notably lower than the 9.8 percent decrease that occurred in 2000.

Other labor income increased by 6.0 percent in 2001 compared to a 6.1 percent increase in 2000. This category consists largely of employer payments for health insurance and other benefits. Other labor income reached a level of approximately \$5.2 billion in 2001, indicating the importance of fringe benefits in personal income growth.

Proprietors' income rose by 2.0 percent in 2001. The increase follows a 7.3 percent decrease in 2000. Farm proprietors' income fell by a 6.7 percent rate in 2001, compared to a 2.4 percent increase for non-farm proprietors' income.

Transfer payments grew more rapidly in 2001 than in 2000. Transfers increased at an 8.2 percent rate in 2001 compared to a 6.8 percent increase in 2000. Personal contributions for social insurance also increased in 2001. In addition, the 4.7 percent growth in 2001 is higher than the 3.9 percent increase that was experienced in 2000.

A significant portion of Kansas personal income is paid to Kansans from out-of-state sources. This portion is particularly significant for residents who live in Johnson and Wyandotte Counties and work in Missouri. The magnitude of the portion of Kansans who work in another state is reflected in the residence adjustment, which increased by 1.3 percent in 2001. In 2000, the residence adjustment increased by 48.9 percent.

Nonfarm Earnings by Industry

Agricultural services, forestry, and fisheries earnings grew at a 6.2 percent rate in 2001, compared to a 7.9 percent rate in 2000. Mining earnings grew at a 4.5 percent rate in 2001, which is down from a 15.2 percent growth rate in 2000. Earnings in construction increased by 2.0 percent in 2001 compared to a 6.6 percent increase in 2000.

Manufacturing is the second largest generator of nonfarm earnings in Kansas. Manufacturing earnings increased by 1.4 percent in 2001, the same rate as in 2000. Specifically, durable goods manufacturing earnings rose by 2.3 percent in 2001, while nondurable goods manufacturing earnings decreased by 0.4 percent.

Earnings in the transportation, communication, and public utilities sector decreased 0.5 percent in 2001, compared to a 14.8 percent increase in 2000. Wholesale trade earnings decreased by 0.5 percent in 2001 compared to 5.4 percent growth in 2000. Retail trade earnings increased 3.1 percent in 2001, after a 4.0 percent increase in 2000. FIRE earnings grew 6.2 percent in 2001, following 5.6 percent growth in 2000.

The service industry accounts for the largest proportion of nonfarm earnings in Kansas. In 2001, service earnings increased by 5.6 percent, following a 6.1 percent growth in 2000. Earnings from government employment grew at a 5.4 percent rate in 2001, slightly higher than the 5.3 percent growth experienced in 2000. Within total government, civilian federal government earnings grew slightly by 0.2 percent, military earnings grew by 4.3 percent, and state and local government salaries and wages grew at a 6.9 percent rate.

Appendix A presents a breakdown of Kansas personal income and growth rates by industry for 1999 through 2001. Note that much of the industry detail that was reported prior to 2001 is no longer available because the Bureau of Economic Analysis, the agency responsible for reporting personal income, is no longer tabulating the detailed data according the Standard Industrial Classification (SIC) code, but is transitioning to reporting the data according to the North American Industrial Classification System (NAICS) beginning in 2003.

Kansas Personal Income Estimates

Table 2-5 presents Kansas personal income in 2001. In addition, the table shows the 2002 estimates and the forecasts for 2003. Personal income in Kansas grew by 3.1 percent in 2002 following 3.8 percent growth in 2001. This growth was sustained by moderate increases in other labor income, transfer payments, and nonfarm proprietors' income.

Salaries and wages, the largest component of Kansas personal income, increased by only 1.3 percent in 2002, which is much lower than the 3.3 percent increase in 2001 and the 5.7 percent increase in 2000. Other labor income also is estimated to increase 6.0 percent in 2002, the same rate as in 2001, and slightly less than the 6.1 percent rate of increase in 2000.

Proprietors' income increased by 14.7 percent in 2002, which is notably greater than the 2.0 percent increase experienced in 2001, and the 7.3 percent decline in 2000. Specifically, farm proprietors' income increased by 252.3 percent in 2002 after a 6.7 percent decline in 2001, and a 72.7 percent falloff in 2000. Nonfarm proprietors' income increased by 3.4 percent in 2002, after 2.4 percent growth in 2001, and 5.8 percent growth in 2000. Dividends, interest, and rent increased by only 0.3 percent in 2002, following 3.1 percent growth in 2001, and 9.8 percent growth in 2000. Transfer payment growth remained high at 7.2 percent growth in 2002, compared to 8.2 percent growth in 2001, and 6.8 percent growth in 2000.

Table 2-5

	2001		2002		2003	
	Actual		Estimate		Forecast	
					Percent Change	
					2001-2002	2002-2003
Salaries & Wages Disbursements	\$ 42,667	\$ 43,209	\$ 44,388		1.3 %	2.7 %
Other Labor Income	5,220	5,534	5,833		6.0	5.4
Proprietors' Income:	5,992	6,870	7,855		14.7	14.3
Farm	270	951	1,723		252.3	81.1
Nonfarm	5,721	5,919	6,132		3.4	3.6
Dividends, Interest, & Rent	15,413	15,453	15,831		0.3	2.5
Transfers	10,082	10,809	11,504		7.2	6.4
Residence Adjustment	952	948	988		(0.4)	4.2
Less: Social Insurance	(3,354)	(3,464)	(3,587)		3.3	3.6
Total Personal Income	76,973	79,359	82,812		3.1	4.4

The residence adjustment for income earned by Kansas residents from sources outside the state grew only 0.4 percent in 2002, after 1.3 percent growth in 2001, and 48.9 percent growth in 2000.

In 2003, Kansas personal income is forecasted to grow at a 4.4 percent rate. Growth in salaries and wages is expected to rebound modestly to 2.7 percent. Other labor income growth will remain relatively high at 5.4 percent. Proprietors' income growth also is expected to continue strong growth at 14.3 percent. Dividend, interest, and rent growth is estimated to recover modestly at 2.5 percent. Transfer payment growth will remain moderately high at 6.4 percent.

Comparative Personal Income

In 2001, personal income growth in Kansas (3.8 percent) was higher than the growth that occurred in the Plains region (3.4 percent) and the U.S. (3.3 percent). Within the Plains region, Nebraska was the fastest growing state (4.1 percent), followed by Kansas (3.8 percent), Minnesota (3.6 percent), South Dakota (3.4 percent), Missouri (3.3 percent), Iowa (2.7 percent), and North Dakota (2.5 percent). Appendix B presents a listing of comparative state personal income and per capita personal income data for all states for the years 1999 through 2001.

In 2001, per capita personal income growth in Kansas also exceeded that of the Plains region and the U.S. per capita personal income in Kansas grew at a 3.7 percent rate, compared to a 3.1 percent growth rate for the Plains region, and a 2.4 percent growth rate for the U.S. Nebraska (4.1 percent) had the largest increase in per capita personal income in the Plains region, followed by Kansas (3.7 percent), North Dakota (3.6 percent), South Dakota (3.3 percent), Iowa (2.9 percent), and Missouri and Minnesota (2.8 percent each).

Personal Income. Nationally, Kansas ranked 31st in total personal income in 2000, while Minnesota ranked 17th, Missouri ranked 18th, Iowa ranked 30th, Nebraska ranked 36th, South Dakota ranked 47th, and North Dakota ranked 50th. In terms of personal income growth, the Plains region, which averaged 3.4 percent growth was slightly higher than the national

average (3.3 percent) and was ranked sixth out of the eight statistical regions. The Southwest region was the fastest growing at a rate of 4.1 percent. Kansas ranked 21st (3.8 percent), while Nebraska ranked 18th (4.1 percent), Minnesota ranked 26th (3.6 percent), South Dakota ranked 32nd (3.4 percent), Missouri ranked 34th (3.3 percent), Iowa ranked 44th (2.7 percent), and North Dakota ranked 47th (2.5 percent).

Per Capita Personal Income. The Plains region's average per capita personal income, at \$29,313, lagged behind the national average of \$30,472 and ranked fifth out of the eight regions in 2001. The New England region had the highest per capita personal income of \$37,115, followed by the Mideast region at \$34,968. In 2001, Kansas ranked 29th (\$28,565) in the U.S. in per capita personal income, while Minnesota ranked 9th (\$33,101), Nebraska ranked 24th (\$28,886), Missouri ranked 30th (\$28,226), Iowa ranked 34th (\$27,331), South Dakota ranked 37th (\$26,664), and North Dakota ranked 38th (\$25,902).

In terms of per capita personal income growth, the Plains region, which averaged 3.1 percent, exceeded the national average of 2.4 percent, and ranked first out of the eight regions in 2001. The Plains region was followed by the Mideast region (3.0 percent). Kansas ranked 10th (3.7 percent), while Nebraska ranked 8th (4.1 percent), North Dakota ranked 12th (3.6 percent), South Dakota ranked 21st (3.3 percent), Iowa ranked 25th (2.9 percent), Missouri ranked 26th (2.8 percent), and Minnesota ranked 29th (2.8 percent).

Disposable Personal Income. Disposable personal income is defined as the amount equal to personal income minus personal taxes. In other words, disposable income is the income available for personal use. Nationally, Kansas ranked 31st in disposable personal income in 2001, while Minnesota ranked 17th, Missouri ranked 19th, Iowa ranked 30th, Nebraska ranked 36th, South Dakota ranked 47th, and North Dakota ranked 50th. In terms of disposable income growth, the Plains region, which averaged 3.6 percent growth, lagged behind the national average of 3.8 percent and was ranked seventh out of the eight statistical regions. The Rocky Mountain region was the fastest growing at a rate of 4.6 percent. Nebraska ranked 20th (4.4 percent), Minnesota ranked 27th (4.1 percent), and Kansas ranked 29th (4.0 percent), while Missouri ranked 40th (3.4 percent), South Dakota

ranked 43rd (3.3 percent), Iowa ranked 47th (2.7 percent), and North Dakota ranked 50th (2.3 percent). Appendix C presents comparative state total and per capita disposable personal income data for all states for years 1999 through 2001.

Per Capita Disposable Personal Income. The Plains region's average per capita disposable personal income (\$25,278) lagged behind the national average (\$25,939) in 2001. The Plains region ranked fifth regionally. New England had the highest regional per capita personal income (\$30,586). The Mideast followed (\$29,235). Kansas ranked 29th (\$24,607) in per capita personal income while Minnesota was 10th (\$27,998), Nebraska was 24th (\$25,022), Missouri was 30th (\$24,448), Iowa was 34th (\$23,864), South Dakota ranked 35th (\$23,856), and North Dakota ranked 37th (\$23,068).

In terms of per capita disposable personal income growth, the Plains region averaged 3.3 percent, which was higher than the national average of 2.9 percent. The New England region was the fastest growing region at a rate of 3.9 percent followed by the Mideast region at a rate of 3.5 percent. The Plains region

ranked third out of the eight national regions. Kansas ranked 14th (3.9 percent), while Nebraska ranked 10th (4.3 percent), North Dakota ranked 23rd (3.4 percent), Minnesota ranked 26th (3.2 percent), South Dakota ranked 29th (3.1 percent), Missouri ranked 30th (3.0 percent), and Iowa ranked 32nd (3.2 percent).

Per Capita Personal Income Trends. Kansas per capita personal income in 2001 was \$28,565, which is a 3.7 percent increase from its 2000 level of \$27,537. This increase is above the 3.1 percent growth rate for the Plains region and the 2.4 percent growth rate for the U.S. Kansas' per capita personal income continues to lag behind both the Plains region and the nation. In fact, Kansas per capita income has lagged behind the Plains region's average since 1994. Kansas per capita income in 2001 was 2.6 percent below the Plains region's average and 6.3 percent below the national average. Over the past ten years Kansas per capita income, as a percent of the national average, has ranged from a high of 95.2 percent, which occurred in both 1994 and 1997, to a low of 92.5 percent in 2000. Table 2-6 presents historical per capita personal income data for Kansas, the Plains region, and the U.S. from 1992 through 2001.

Table 2-6

Per Capita Personal Income, 1992-2001								
Kansas, Plains Region, & U.S.								
Year	Kansas	Plains Region	U.S.	Percentage Change from Prior Year			Kansas as a Percentage of:	
				Kansas	Plains Region	U.S.	Plains Region	U.S.
1992	19,905	19,838	20,960	-- %	-- %	-- %	100.3 %	95.0 %
1993	20,438	20,258	21,539	2.7	2.1	2.8	100.9	94.9
1994	21,258	21,381	22,340	4.0	5.5	3.7	99.4	95.2
1995	21,771	22,138	23,255	2.4	3.5	4.1	98.3	93.6
1996	22,977	23,520	24,270	5.5	6.2	4.4	97.7	94.7
1997	24,182	24,517	25,412	5.2	4.2	4.7	98.6	95.2
1998	25,519	26,001	26,893	5.5	6.1	5.8	98.1	94.9
1999	26,121	26,769	27,880	2.4	3.0	3.7	97.6	93.7
2000	27,537	28,429	29,770	5.4	6.2	6.8	96.9	92.5
2001	28,565	29,313	30,472	3.7	3.1	2.4	97.4	93.7

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

Local & Regional Employment & Income

Major Labor Market Employment

The economy of Kansas generally is concentrated in urbanized areas, each with a similar economic base. For statistical purposes, these geographic areas include the three metropolitan areas and 11 selected counties. The three metropolitan areas include the Wichita metropolitan area (Butler, Harvey, and Sedgwick Counties), the Topeka metropolitan area (Shawnee County), and the Lawrence metropolitan area (Douglas County). The selected counties each contain a city that is the major economic base for the region. In addition, the city has a population that is in excess of 12,000 people and constitutes at least 50.0 percent of the total county population. The 11 selected counties and associated cities are Barton (Great Bend), Crawford (Pittsburg), Ellis (Hays), Finney (Garden City), Ford (DodgeCity), Lyon (Emporia), McPherson (McPherson), Montgomery (Coffeyville/Independence), Reno (Hutchinson), Riley (Manhattan), and Saline (Salina). It should be kept in mind that employment estimates reported in this section are based on data through October 2002, which is the most recent information available at the time this report was prepared.

Employment by Place of Residence

Employment by place of residence is based on a sample survey of households. From the sample survey, the civilian labor force is determined. This number is then used as the basis from which employment, unemployment, and the unemployment rates are derived.

Kansas employment by place of residence in the state's three major labor markets experienced growth in 2002 despite the lingering effect of the economic downturn. Although the economic downturn began before the September 11, 2001 terrorist attacks, the major effect of the attacks was not reflected in the employment data until 2002 because many of the announced layoffs did not go into effect until after the beginning of the year.

In 2002, the civilian labor force grew by 4.9 percent in the Wichita metropolitan area, 4.8 percent in the Topeka metropolitan area, and 4.6 percent in the Lawrence metropolitan area. Employment increased by 5.0 percent in the Lawrence metropolitan area, by 4.9 percent in the Topeka metropolitan area, and by 3.2 percent in the Wichita metropolitan area. In addition, on an annual basis for 2002, the unemployment rate fell from 4.5 percent to 4.1 percent in the Lawrence metropolitan area and from 4.4 percent to 4.3 percent in Topeka. However, the unemployment rate increased from 4.3 percent to 5.9 percent in the Wichita metropolitan area. The increase resulted from the large number of layoffs in the aircraft industry.

Employment by Place of Work

Employment by place of work is determined by compiling data primarily from information obtained from businesses covered by the unemployment insurance program. Place of work data then are broken down further by industry type. The following section presents employment by place of work for the three major metropolitan areas and the 11 counties.

Wichita Metropolitan Area. Based on place of work data, the employment in all industries in the Wichita metropolitan area decreased by 2.7 percent in 2002. The two major categories of employment by place of work are the goods producing industries and the services producing industries. Employment in the Wichita area that is related to the goods producing industries actually fell by 7.3 percent. Specifically, construction and mining employment fell by 0.6 percent, while manufacturing employment fell by 8.8 percent.

The manufacturing sector is separated into two categories, which are durable and nondurable goods manufacturing. Analysis indicates that durable goods manufacturing employment fell by 10.5 percent. Within that category, machinery employment rose by 1.3 percent and transportation equipment employment

fell by 14.7 percent. Analysis of the data also indicates that nondurable goods manufacturing employment remained unchanged during 2002. Within the nondurable goods category, printing and publishing employment rose by 3.7 percent, while food and kindred products employment remained unchanged. Table 3-1 presents employment in the Wichita metropolitan area for 2001 and 2002.

Table 3-1

Wichita Metropolitan Area Employment Butler, Harvey & Sedgwick Counties October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	277,603	291,291	4.9
Employment	265,532	274,107	3.2
Unemployment	12,071	17,184	42.4
Unemployment Rate	4.3	5.9	1.6
Place of Work Data			
All Industries	289,500	281,800	(2.7)
Goods Producing Indus.	88,900	82,400	(7.3)
Construct. & Mining	16,200	16,100	(0.6)
Manufacturing	72,700	66,300	(8.8)
Durable Goods	61,200	54,800	(10.5)
Mach. (Incl. Elect.)	7,700	7,800	1.3
Trans. Equipment	45,000	38,400	(14.7)
Nondurable Goods	11,500	11,500	--
Food & Kind. Prod.	2,800	2,800	--
Printing & Publishing	2,700	2,800	3.7
Serv. Producing Indus.	200,600	199,400	(0.6)
Trans. & Pub. Util.	11,700	11,400	(2.6)
Trade Total	62,200	62,500	0.5
Wholesale Trade	14,600	14,400	(1.4)
Retail Trade	47,600	48,100	1.1
FIRE	12,000	11,500	(4.2)
Services	77,700	76,900	(1.0)
Government	37,000	37,100	0.3
Farm Employment	2,300	2,300	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Employment in the services producing industries decreased 0.6 percent in 2002. However, several categories within the sector actually increased. Specifically, employment in retail trade increased by 1.1 percent and government employment increased by 0.3 percent. On the other hand, employment in finance, insurance, and real estate declined by 4.2 percent, while employment in wholesale trade

decreased by 1.4 percent and employment in the transportation, communication, and public utilities sector declined by 2.6 percent. "Pure services" employment also decreased in 2002, but by 1.0 percent. Farm employment in the Wichita metropolitan area remained unchanged in 2002.

This decade is the fourth consecutive one in which Wichita's manufacturing sector has experienced a significant downturn early in the ten-year period. In the recessions of the early 1970s and 1980s, total employment also declined, but most of the job losses were confined to the manufacturing sector. During the recession of 1992-1993, while significant job losses occurred once again in the manufacturing sector, the number of jobs overall continued to grow. In each of these recessions, total personal income declined, but by a smaller percentage than employment declined. Also, government transfer payments, primarily unemployment insurance, helped to offset partially the lost wages. In addition, retail sales growth seemed to slow during those downturns. However, the growth rates tended to remain positive.

Most of the employment loss in the Wichita area can be attributed to an ongoing slump in demand for commercial airliners, as well as business and general aviation aircraft. Boeing, which is the Wichita area's largest employer, recently eliminated an additional 150 local jobs as part of a company-wide 30,000-job workforce reduction. Boeing has announced layoffs of over 8,000 positions in Wichita since 2001.

United Airlines' Chapter 11 bankruptcy reorganization filing in December poses another threat facing Boeing. United's most recent request for federal loan guarantees was denied. United will continue to fly worldwide as it attempts to reorganize under protection from the U.S. Bankruptcy Court in the Northern District of Illinois. The company stressed in a statement that it will be "business as usual" for customers. However, changes are in store for employees, suppliers, and others. In the wake of the bankruptcy filing, Boeing announced that it would consider selling some of the airline's assets in bankruptcy if they do not fit and someone else is willing to pay a "superior" price.

The threat to Boeing is that United is the biggest customer of Boeing's capital financing subsidiary. Although United is meeting its debt payment schedule

to Boeing, it owes Boeing Capital Corp. more than \$1.3 billion in financing for the purchase of approximately a dozen aircraft. The bankruptcy filing was widely expected so the threat may never be realized. In general, analysts currently expect a successful, but lengthy court process.

Even though Boeing is experiencing an ongoing downturn in demand for its aircraft, some portions of Boeing's Wichita operations experienced growth. In fact, Boeing's Development and Modification Center added 200 employees for modification work on commercial and military aircraft.

Despite the ongoing downward trend in demand for Boeing aircraft, the machinists were poised to strike in 2002. However, the company narrowly averted the strike. After a two-month long federally mediated negotiation between the machinist union and Boeing, both sides still could not reach an agreement. The major points of dispute were in the areas of job security, pension, and health care benefits. Boeing's offer included an 8.0 percent ratification bonus and a 2.5 percent wage increase in the second and third years of the three-year contract. The offer also retained the company's present pension plan, but increased the monthly benefit from \$50 per month for each year of service to \$58 in the first year of the contract, \$59 in the second year of the contract, and \$60 in the third year of the contract. However, the contract offer would increase the amount employees would pay for health care premiums, deductibles, and co-payments. After a union vote, but with the result uncounted, the union called for a strike and scheduled a revote. The result of the revote was that 61.0 percent of the machinists voted to strike, which was short of the two-thirds majority necessary for the union strike.

Cessna was the last of the Wichita area's four major aircraft manufacturers to announce layoffs. Cessna Aircraft announced the layoff of 400 workers in September as aircraft orders continued to fall below expectations. In October, only 400 employees agreed to the company's voluntary retirement plan and the company was forced to reduce payrolls in Wichita for the first time in 16 years. Previously, Cessna was able to keep employment levels fairly high because it had a high backlog of orders. Subsequently, Cessna announced that it would cut about 1,500 jobs in the Wichita plant early next year because of the continued downturn in the business-jet market.

The soft business aircraft market also forced Raytheon to reduce its 2003 delivery forecast and shrink its workforce. Raytheon reduced its workforce by about 1,600 workers in January and announced an additional 400 layoffs in September.

Bombardier Aerospace reduced its workforce by approximately 600 workers in January with 150 additional layoffs announced in September. Bombardier permanently halted production of its oldest entry-level business jet, the Learjet 31A, which was replaced by the new Learjet 40. However, work on the Learjet 40, as well as the Learjet 60, has also been temporarily suspended.

According to industry experts, in order for the general aviation industry to rebound, the economy must improve and corporate profits return. Typically orders for general aviation and business jets lag behind improvements in the stock market and a rebound of corporate profits by six months to a year. Industry experts also have been expressing concern that the new Department of Homeland Security may impose new government regulations that would restrict the operation of general aviation and business aircraft because of national security. These types of regulations would severely impede any recovery to the industry.

According to the Center for Economic Development and Business Research at Wichita State University, manufacturing accounted for 24.0 percent of all jobs in the Wichita Metropolitan Statistical Area (MSA). Payroll earnings for the manufacturing industry totaled \$3.4 billion in 2001 and the average earnings per job were \$47,173. Within the manufacturing industry, aviation manufacturing accounted for 69.0 percent of the industry's total payroll in 2001 with average earnings per job of \$52,603. Other manufacturers with a total payroll of just more than \$1.0 billion had average earnings per job of \$38,242.

Actually, Wichita's manufacturing sector is quite diversified. These other manufacturers are not affected by aircraft cycles and it is likely that they will see economic improvement more quickly than the aviation sector. Bank of America closed a call center in Wichita in August, but subsequently announced plans to open a loan-processing center at the site. The 575 employees who were laid off from the call center were invited to apply for the new, higher-paying

positions. Initially, 200 people will be employed at the center, and as many as 600 could eventually be hired.

Topeka Metropolitan Area. Based on place of work data, all industries employment in the Topeka metropolitan area fell by 1.2 percent in 2002. Overall, employment in the goods producing industries increased by 2.1 percent, while employment in the services producing industries fell by 1.7 percent. Farm employment remained unchanged. Table 3 -2 presents employment in the Topeka metropolitan area for 2001 and 2002.

Table 3-2

Topeka Metropolitan Area Employment			
Shawnee County			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	88,204	92,398	4.8
Employment	84,334	88,431	4.9
Unemployment	3,870	3,967	2.5
Unemployment Rate	4.4	4.3	(0.1)
Place of Work Data			
All Industries	104,200	103,000	(1.2)
Goods Producing Indus.	14,100	14,400	2.1
Construct. & Mining	4,900	5,100	4.1
Manufacturing	9,200	9,300	1.1
Durable Goods	1,400	1,400	--
Nondurable Goods	7,800	7,900	1.3
Printing & Publishing	2,800	2,800	--
Service Producing Indus.	90,100	88,600	(1.7)
Trans. & Pub. Util.	6,200	5,400	(12.9)
Trade Total	22,700	22,300	(1.8)
Wholesale Trade	3,600	3,700	2.8
Retail Trade	19,100	18,600	(2.6)
FIRE	7,100	6,700	(5.6)
Services	32,100	32,300	0.6
Government	22,000	21,900	(0.5)
Farm Employment	500	500	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Within the goods producing industries, construction and mining employment increased 4.1 percent, while nondurable goods manufacturing rose 1.3 percent. Employment in durable goods manufacturing and printing and publishing remained unchanged. Within the services producing industries, only wholesale trade (2.8 percent) and “pure” services (0.6 percent)

experienced increases. Declines were realized in transportation and public utilities (-12.9 percent), FIRE (-5.6 percent), retail trade (-2.6 percent), and government employment (-0.5 percent).

On the down side, the Menninger Clinic announced in December that its Board of Directors and Trustees unanimously approved a partnership with Baylor College of Medicine and the Methodist Hospital to create a “comprehensive, world-class center for psychiatric care, research, and education.” The partnership will combine Menninger’s clinical program with Baylor University College of Medicine and the Methodist Hospital’s educational and research environment. This will finalize Menninger’s anticipated move from its Topeka, Kansas-based clinic to Houston, Texas. The new partnership is expected to move to its new facilities during the spring of 2003 and to be fully operational in its new location by early June 2003.

On the up side, Goodyear Tire and Rubber announced plans to invest \$100.0 million over the next five years in its Topeka facility. The sizeable investment will be used to expand the company’s tire lines. The enhancements will facilitate the production of a new type of tire to be used on mining vehicles. Local and state tax incentives, as well as a union vote to delay pay raises that were scheduled for 2002, contributed to the decision to expand the Topeka facility. Goodyear employs about 1,700 workers in the Topeka area.

Target Corp.’s choice to locate its new regional distribution center in Topeka also will add to the employment base. The 1.3-million-square-foot facility will initially employ 650 workers, with several hundred more jobs expected to be added over the next five years. The facility is anticipated to open in 2004.

Lawrence Metropolitan Area. Based on place of work data, all industries employment in the Lawrence metropolitan area decreased by 0.9 percent in 2002. Despite job losses during the year at the areas’s major employers, such as Sprint PCS and Davol Inc., the *New York Times* ranked Lawrence second among the nation’s metropolitan areas for job growth. The *New York Times* based its analysis on data obtained from the U.S. Bureau of Labor Statistics. Interestingly, Lawrence, Kansas ranked second only to Fayetteville, Arkansas, which has a very strong manufacturing base and a population that is nearly three times as large as

Lawrence's. Table 3-3 presents employment in the Lawrence metropolitan area for 2001 and 2002.

Table 3-3

Lawrence Metropolitan Area Employment			
Douglas County			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	57,338	59,957	4.6
Employment	54,748	57,473	5.0
Unemployment	2,590	2,484	(4.1)
Unemployment Rate	4.5	4.1	(0.4)
Place of Work Data			
All Industries	53,000	52,500	(0.9)
Goods Producing Indus.	8,100	8,000	(1.2)
Construct. & Mining	2,600	2,600	--
Manufacturing	5,500	5,400	(1.8)
Service Producing Indus.	44,900	44,500	(0.9)
Trans. & Pub. Util.	2,000	1,900	(5.0)
Trade Total	12,000	11,500	(4.2)
Wholesale Trade	1,000	1,000	--
Retail Trade	11,000	10,500	(4.5)
FIRE	1,600	1,600	--
Services	13,600	13,900	2.2
Government	15,700	15,600	(0.6)
Farm Employment	600	600	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Employment in the goods producing industries decreased by 1.2 percent in 2002. Within the goods producing industries, construction and mining employment remained unchanged from the previous year's level, while manufacturing employment declined by 1.8 percent. Employment in the services producing industries fell by 0.9 percent. Only "pure" services employment experienced an increase (2.2 percent). Wholesale trade and FIRE employment remained unchanged, while employment declined in transportation and public utilities (-5.0 percent), retail trade (-4.5 percent), and government (-0.6 percent). Farm employment remained unchanged.

Kansas City Metropolitan Area. Employment in the Kansas City area has a significant effect on the Kansas economy. However, the Kansas City metropolitan area is not regarded as a Kansas labor market for statistical purposes. It is, in fact, included in the Kansas City, Missouri Metropolitan Statistical

Area (MSA). The portion of the Kansas City MSA that is part of Kansas is comprised of Johnson, Leavenworth, Miami, and Wyandotte Counties. This report includes employment by place of residence data only for the four counties that are part of the Kansas City MSA because of the counties important part of the Kansas economy. Employment by place of work data for only the Kansas portion of the MSA are not available from any source. Table 3-4 presents employment by place of residence data for Johnson, Leavenworth, Miami, and Wyandotte Counties.

Table 3-4

Kansas City Area Employment			
Johnson, Leavenworth, Miami, & Wyandotte Cos.			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	386,028	408,561	5.8
Employment	366,964	387,215	5.5
Unemployment	19,064	21,346	12.0
Unemployment Rate	4.9	5.2	0.3

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Between October 2001 and October 2002, the civilian labor force in the Kansas portion of the MSA increased from 386,028 to 408,561, which is a 5.8 percent increase. The level of employment also increased from 366,964 in 2001 to 387,215 in 2002, or a 5.5 percent increase. However, the number of unemployed also increased from 19,064 in 2001 to 21,346 in 2002. The unemployment rate in this four county area stood at 5.2 percent in October 2002 compared to 4.9 percent in October 2001, which equates to a 0.3 percentage point increase.

Regional Labor Market Employment

The civilian labor force and employment levels increased in all 11 of the state's secondary labor markets in Kansas during 2002. However, two of the 11 secondary labor markets, Barton County and Ellis County, experienced increases in both the level of unemployment and the unemployment rate.

Barton County. Great Bend is the largest city in Barton County with a population of 15,142, which is 54.4 percent of the county's total population of

27,810. In 2002, the civilian labor force in the Great Bend area increased by 6.0 percent, while employment by place of residence increased by 5.4 percent. However, the unemployment rate rose by 0.6 percentage points. Based on place of work data, all industries employment in Barton County decreased by 1.3 percent in 2002. Employment in the goods producing industries decreased by 3.5 percent, while employment in the services producing industries fell by 0.7 percent. Farm employment remained unchanged. Table 3-5 presents employment in Barton County for 2001 and 2002.

Table 3-5

Barton County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	13,694	14,513	6.0
Employment	13,322	14,036	5.4
Unemployment	372	477	28.2
Unemployment Rate	2.7	3.3	0.6
Place of Work Data			
All Industries	13,325	13,150	(1.3)
Goods Producing Indus.	2,875	2,775	(3.5)
Manufacturing	1,575	1,500	(4.8)
Durable Goods	800	700	(12.5)
Nondurable Goods	775	800	3.2
Mining	600	575	(4.2)
Construction	700	700	--
Service Producing Indus.	10,450	10,375	(0.7)
Trans. & Pub. Util.	500	475	(5.0)
Trade Total	3,250	3,225	(0.8)
Wholesale Trade	850	850	--
Retail Trade	2,400	2,375	(1.0)
FIRE	850	850	--
Services	3,375	3,375	--
Government	2,475	2,450	(1.0)
Farm Employment	850	850	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Within the goods producing industries, only nondurable goods manufacturing employment increased (3.2 percent), while durable goods manufacturing employment declined by 12.5 percent and mining employment fell 4.2 percent. Construction employment remained constant. Within the services producing industries, transportation and public utilities

employment decreased 5.0 percent, retail trade employment decreased 1.0 percent, and government employment fell by 1.0 percent, while wholesale trade and FIRE employment held steady.

Crawford County. Pittsburg is the largest city in Crawford County, with a population of 19,067, which is 50.3 percent of the county's total population of 37,927. The civilian labor force in the Pittsburg area increased by 7.2 percent in 2002. Employment by place of residence increased by 7.9 percent and the unemployment rate fell by 0.6 percentage points. Table 3-6 presents employment in Crawford County for 2001 and 2002.

Table 3-6

Crawford County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	18,216	19,523	7.2
Employment	17,432	18,809	7.9
Unemployment	784	714	(8.9)
Unemployment Rate	4.3	3.7	(0.6)
Place of Work Data			
All Industries	19,200	19,450	1.3
Goods Producing Indus.	4,850	4,900	1.0
Manufacturing	4,300	4,350	1.2
Durable Goods	2,500	2,575	3.0
Nondurable Goods	1,800	1,775	(1.4)
Mining	25	25	--
Construction	525	525	--
Service Producing Indus.	14,350	14,550	1.4
Trans. & Pub. Util.	550	525	(4.5)
Trade Total	4,475	4,450	(0.6)
Wholesale Trade	1,025	950	(7.3)
Retail Trade	3,450	3,500	1.4
FIRE	475	475	--
Services	4,100	4,375	6.7
Government	4,750	4,725	(0.5)
Farm Employment	575	600	4.3

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

All industries employment, as measured by place of work, rose by 1.3 percent in 2002. Specifically, employment in the goods producing industries rose by 1.0 percent. Within that sector, durable goods manufacturing employment increased by 3.0 percent, while nondurable goods manufacturing decreased by 1.4 percent. Mining and construction employment

remained constant. Employment in the services producing industries rose by 1.4 percent during 20 02. "Pure" service employment increased by 6.7 percent and retail trade employment increased by 1.4 percent, while wholesale trade employment fell by 7.3 percent. Transportation and public utilities employment fell by 4.5 percent, and government employment fell by 0.5 percent. FIRE employment remained constant in 2002, while farm employment increased by 4.3 percent.

Ellis County. Hays is Ellis County's largest city with a population of 19,817, which is 72.7 percent of the county's total population of 27,247. The civilian labor force in the Hays area rose by 5.9 percent in 2002, and employment by place of residence also increased (5.5 percent). However, the unemployment rate increased from 2.6 in 2001 to 2.9 in 2002. Table 3-7 shows employment by place of residence and by place of work in Ellis County for 2001 and 2002.

Table 3-7

Ellis County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	16,404	17,368	5.9
Employment	15,981	16,856	5.5
Unemployment	423	512	21.0
Unemployment Rate	2.6	2.9	0.4
Place of Work Data			
All Industries	15,525	15,475	(0.3)
Goods Producing Indus.	1,900	1,800	(5.3)
Manufacturing	1,100	1,000	(9.1)
Durable Goods	1,000	900	(10.0)
Nondurable Goods	100	100	--
Mining	300	300	--
Construction	500	500	--
Service Producing Indus.	13,625	13,675	0.4
Trans. & Pub. Util.	650	650	--
Trade Total	4,225	4,175	(1.2)
Wholesale Trade	525	500	(4.8)
Retail Trade	3,700	3,675	(0.7)
FIRE	425	450	5.9
Services	4,675	4,725	1.1
Government	3,650	3,675	0.7
Farm Employment	550	550	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

All industries employment that is based on place of work data decreased by 0.3 percent in Ellis County. Employment in the goods producing industries fell by 5.3 percent. Within that industry, durable goods manufacturing employment decreased by 10.0 percent, while nondurable goods manufacturing, mining, and construction employment all remained unchanged.

Employment in the services producing industries rose by 0.4 percent. Specifically, FIRE employment rose by 5.9 percent, pure services employment rose by 1.1 percent, while government employment increased by 0.7 percent. On the other hand, wholesale trade employment fell 4.8 percent, while retail trade employment declined by 0.7 percent. In 2002, farm employment remained steady.

Finney County. Garden City is the largest city in Finney County with a population of 27,984, which is 69.8 percent of the county's total population of 40,082.

In 2002, the civilian labor force increased by 1.6 percent in the Garden City area and employment by place of residence in Finney County increased by 5.7 percent. Simultaneously, the number of unemployed fell from 1,206 in 2001 to 530 in 2002, which resulted in the unemployment rate falling from 6.7 percent in 2001 to 2.9 percent in 2002.

Based on place of work data, Finney County's all industries employment fell by 0.6 percent in 2002. Employment in the goods producing industries declined by 3.3 percent. Within the goods producing industries, employment in the nondurable goods manufacturing sector declined by 4.7 percent. Durable goods manufacturing, mining, and construction employment all remained unchanged.

During 2002, employment in the services producing industries rose by 0.6 percent. Within the services producing industries, retail trade employment increased by 4.6 percent, while wholesale trade remained unchanged. Employment in transportation and public utilities, FIRE, and "pure" services also remained unchanged. Government employment decreased by 2.3 percent in 2002, while farm employment remained unchanged. Table 3 -8, which is shown at the top of the next page, presents employment in Finney County for 2001 and 2002.

Table 3-8

Finney County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	17,908	18,189	1.6
Employment	16,702	17,659	5.7
Unemployment	1,206	530	(56.1)
Unemployment Rate	6.7	2.9	(3.8)
Place of Work Data			
All Industries	17,825	17,725	(0.6)
Goods Producing Indus.	5,300	5,125	(3.3)
Manufacturing	3,975	3,800	(4.4)
Durable Goods	250	250	--
Nondurable Goods	3,725	3,550	(4.7)
Mining	300	300	--
Construction	1,025	1,025	--
Service Producing Indus.	12,525	12,600	0.6
Trans. & Pub. Util.	950	950	--
Trade Total	4,075	4,225	3.7
Wholesale Trade	800	800	--
Retail Trade	3,275	3,425	4.6
FIRE	550	550	--
Services	3,700	3,700	--
Government	3,250	3,175	(2.3)
Farm Employment	1,100	1,100	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Ford County. Dodge City is the largest city in Ford County, with a population of 25,049, which is 77.5 percent of the county's total population of 32,314. The civilian labor force in the Dodge City area increased by 6.8 percent in 2002. Employment by place of residence in Ford County also increased, but by 7.2 percent, and the unemployment rate fell from 2.5 percent to 2.2 percent.

Based on place of work data, all industries employment in Ford County increased by 0.9 percent. Employment in the goods producing industries rose by 0.4 percent. Within that industry sector, nondurable goods manufacturing increased by 0.5 percent, while employment in durable goods manufacturing employment decreased by 5.6 percent. Mining employment held steady.

Employment in the services producing industries rose by 1.2 percent. The overall increase was fueled by increases in retail trade employment (2.6 percent) and

government employment (2.0 percent). Employment in transportation and public utilities, wholesale trade, FIRE, and "pure" services remained constant. Farm employment increased by 2.8 percent in Ford County during 2002. Table 3-9 presents employment in Ford County for 2001 and 2002.

Table 3-9

Ford County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	15,015	16,031	6.8
Employment	14,635	15,682	7.2
Unemployment	380	349	(8.2)
Unemployment Rate	2.5	2.2	(0.3)
Place of Work Data			
All Industries	15,950	16,100	0.9
Goods Producing Indus.	5,700	5,725	0.4
Manufacturing	5,225	5,225	--
Durable Goods	450	425	(5.6)
Nondurable Goods	4,775	4,800	0.5
Mining	--	--	--
Construction	475	500	5.3
Service Producing Indus.	10,250	10,375	1.2
Trans. & Pub. Util.	875	875	--
Trade Total	3,700	3,775	2.0
Wholesale Trade	800	800	--
Retail Trade	2,900	2,975	2.6
FIRE	400	400	--
Services	2,775	2,775	--
Government	2,500	2,550	2.0
Farm Employment	900	925	2.8

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Lyon County. Emporia is the largest city in Lyon County with a population of 26,469, which is 74.4 percent of the county's total population of 35,560. The civilian labor force in the Emporia area increased by 6.0 percent in 2001, while employment by place of residence in Lyon County increased by 6.9 percent. The unemployment rate fell from 4.7 percent in 2001 to 3.8 percent in 2002.

Based on place of work data, all industries employment in Lyon County rose by 0.9 percent in 2002. Employment in the goods producing industries rose by 0.5 percent. This employment increase was fueled by an increase in nondurable goods

manufacturing employment of 2.5 percent. However, that increase was offset by a 9.1 percent decline in durable goods manufacturing employment. Mining and construction employment both remained unchanged. Table 3-10 presents employment in Lyon County in 2001 and 2002.

Table 3-10

Lyon County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	18,999	20,130	6.0
Employment	18,112	19,368	6.9
Unemployment	887	762	(14.1)
Unemployment Rate	4.7	3.8	(0.9)
Place of Work Data			
All Industries	18,700	18,875	0.9
Goods Producing Indus.	5,450	5,475	0.5
Manufacturing	4,825	4,850	0.5
Durable Goods	825	750	(9.1)
Nondurable Goods	4,000	4,100	2.5
Mining	--	--	--
Construction	--	--	--
Service Producing Indus.	13,250	13,400	1.1
Trans. & Pub. Util.	1,150	1,150	--
Trade Total	3,850	3,875	0.6
Wholesale Trade	575	600	4.3
Retail Trade	3,275	3,275	--
FIRE	475	500	5.3
Services	3,000	3,075	2.5
Government	4,775	4,800	0.5
Farm Employment	600	600	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Lyon County's employment in the services producing industries rose by 1.1 percent in 2002. Within the services producing industries, FIRE employment increased by 5.3 percent, wholesale trade employment increased by 4.3 percent, "pure" services employment increased by 2.5 percent, and government employment increased 0.5 percent. Employment in transportation and public utilities and retail trade remained constant. Farm employment in Lyon County also remained unchanged in 2002.

McPherson County. McPherson is the largest city in McPherson County, with a population of 13,770, which is 46.2 percent of the county's total population

of 29,757. The civilian labor force in the McPherson area increased by 5.7 percent in 2002. Employment by place of residence in McPherson County increased by 6.9 percent. The unemployment rate fell from 3.1 percent in 2001 to 2.6 percent in 2002. Table 3-11 presents employment in McPherson County in 2001 and 2002.

Table 3-11

McPherson County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	15,817	16,720	5.7
Employment	15,321	16,380	6.9
Unemployment	496	340	(31.5)
Unemployment Rate	3.1	2.0	(1.1)
Place of Work Data			
All Industries	14,550	14,625	0.5
Goods Producing Indus.	3,900	3,875	(0.6)
Manufacturing	3,200	3,175	(0.8)
Durable Goods	1,600	1,575	(1.6)
Nondurable Goods	1,600	1,600	--
Mining	75	75	--
Construction	625	625	--
Service Producing Indus.	10,650	10,750	0.9
Trans. & Pub. Util.	375	350	(6.7)
Trade Total	3,275	3,350	2.3
Wholesale Trade	1,050	1,125	7.1
Retail Trade	2,225	2,225	--
FIRE	750	775	3.3
Services	4,250	4,275	0.6
Government	2,000	2,000	--
Farm Employment	925	925	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Based on place of work data, all industries employment in McPherson County rose by 0.5 percent in 2002. However, employment in the goods producing industries fell by 0.6 percent. The decrease was largely the result of a 1.6 percent decline in employment in durable goods manufacturing. Employment in nondurable goods manufacturing, mining, and construction all remained unchanged in McPherson County during 2002.

Alternatively, employment in the services producing industries rose by 0.9 percent. Within the services producing industries, increases were experienced in

wholesale trade (7.1 percent), FIRE (3.3 percent), and “pure” services (0.6 percent), while employment in transportation and public utilities declined by 6.7 percent. Employment in retail trade and government remained unchanged. McPherson County’s farm employment also was unchanged in 2002.

Montgomery County. This county has a regional labor market that includes both Coffeyville and Independence. Coffeyville has a population of 10,728 and Independence has a population of 9,607. Together these two cities constitute 57.3 percent of Montgomery County’s total population of 35,520. Table 3-12 presents employment in Montgomery County in 2001 and 2002.

Table 3-12

Montgomery County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	18,256	18,998	4.1
Employment	16,978	18,082	6.5
Unemployment	1,278	916	(28.3)
Unemployment Rate	7.0	4.8	(2.2)
Place of Work Data			
All Industries	18,225	18,275	0.3
Goods Producing Indus.	5,900	5,900	--
Manufacturing	5,450	5,475	0.5
Durable Goods	3,850	3,775	(1.9)
Nondurable Goods	1,600	1,700	6.3
Mining	75	50	(33.3)
Construction	375	375	--
Service Producing Indus.	12,325	12,375	0.4
Trans. & Pub. Util.	950	925	(2.6)
Trade Total	3,725	3,750	0.7
Wholesale Trade	525	500	(4.8)
Retail Trade	3,200	3,250	1.6
FIRE	450	475	5.6
Services	4,575	4,575	--
Government	2,625	2,650	1.0
Farm Employment	475	475	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

In 2002, Coffeyville/Independence’s civilian labor force increased by 4.1 percent. Employment by place of residence rose by 6.5 percent. The unemployment rate fell from 7.0 percent in 2001 to 4.8 percent in 2002.

Based on place of work data, all industries employment in Montgomery County rose by 0.3 percent. Employment in the goods producing industries remained constant in 2002. This increase was the result of a 6.3 percent increase in nondurable goods employment. Alternatively, mining employment fell by 33.3 percent and durable goods manufacturing employment decreased by 1.9 percent. However, this figure does not include most of the recently announced layoffs at Cessna’s piston-engine production facility in the Independence area. Construction employment remained unchanged in 2002.

Employment in the services producing industries increased by 0.4 percent in 2002. Within the services producing industries, FIRE employment rose by 5.6 percent, retail trade employment increased by 1.6 percent, and government employment increased by 1.0 percent, while wholesale trade employment fell 4.8 percent, and transportation and public utilities employment fell by 2.6 percent. “Pure” services employment remained unchanged. Farm employment in Montgomery County also remained unchanged in 2002.

Reno County. Hutchinson is the largest city in Reno County with a population of 40,349, which is 62.8 percent of the county’s total population of 64,237. The civilian labor force in the Hutchinson area increased by 5.6 percent in 2002. Employment by place of residence in Reno County increased by 6.3 percent. The unemployment rate fell from 4.3 percent in 2001 to 3.7 percent in 2002.

All industries employment in Reno County, as measured by place of work data, rose by 0.3 percent in 2002. However, employment in the goods producing industries decreased by 4.1 percent. Specifically, while construction employment increased by 2.2 percent, employment in durable goods manufacturing fell by 6.9 percent and employment in nondurable goods manufacturing fell by 4.3 percent. Mining employment remained unchanged.

In the services producing industries employment rose by 1.4 percent during 2002. Employment in retail trade increased by 2.7 percent, employment in “pure” services increased by 1.3 percent, and government employment increased by 0.9 percent. Employment in transportation and public utilities, wholesale trade, and FIRE remained constant in 2002. Reno County’s farm

employment also held steady in 2002. Table 3 -13 presents employment in Reno County in 2001 and 2002.

Table 3-13

Reno County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	30,869	32,598	5.6
Employment	29,544	31,401	6.3
Unemployment	1,325	1,197	(9.7)
Unemployment Rate	4.3	3.7	(0.6)
Place of Work Data			
All Industries	29,025	29,100	0.3
Goods Producing Indus.	6,100	5,850	(4.1)
Manufacturing	4,875	4,600	(5.6)
Durable Goods	2,550	2,375	(6.9)
Nondurable Goods	2,325	2,225	(4.3)
Mining	75	75	--
Construction	1,150	1,175	2.2
Service Producing Indus.	22,925	23,250	1.4
Trans. & Pub. Util.	775	775	--
Trade Total	7,725	7,900	2.3
Wholesale Trade	1,325	1,325	--
Retail Trade	6,400	6,575	2.7
FIRE	950	950	--
Services	7,850	7,950	1.3
Government	5,625	5,675	0.9
Farm Employment	1,300	1,300	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Riley County. Manhattan is the largest city in Riley County with a population of 42,945, which is 71.1 percent of the county's total population of 60,368. The civilian labor force in the Manhattan area increased by 4.7 percent in 2002. Employment by place of residence in Riley County increased by 5.3 percent. The unemployment rate decreased from 3.5 percent in 2001 to 3.0 percent in 2002.

Although the employment by place of residence increased in Riley County, employment by place of work decreased by 1.5 percent during 2002. Employment in the goods producing industries fell by 3.5 percent. Within the goods producing industries, mining employment fell to zero, while construction employment declined 3.5 percent. Employment in manufacturing remained steady.

Employment in the services producing industries fell 1.3 percent in 2002. Within the services producing industries, transportation and public utilities employment rose by 6.7 percent and wholesale trade employment increased 3.7 percent. On the other hand, FIRE employment fell 9.1 percent, retail trade employment declined 2.0 percent, and government employment decreased by 1.2 percent. "Pure" services employment remained steady. Farm employment in Riley County also remained steady during 2002. Table 3-14 presents employment in Riley County in 2001 and 2002.

Table 3-14

Riley County Employment			
October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	30,647	32,081	4.7
Employment	29,569	31,124	5.3
Unemployment	1,078	957	(11.2)
Unemployment Rate	3.5	3.0	(0.5)
Place of Work Data			
All Industries	30,650	30,200	(1.5)
Goods Producing Indus.	2,150	2,075	(3.5)
Manufacturing	700	700	--
Durable Goods	75	75	--
Nondurable Goods	625	625	--
Mining	25	--	(100.0)
Construction	1,425	1,375	(3.5)
Service Producing Indus.	28,500	28,125	(1.3)
Trans. & Pub. Util.	375	400	6.7
Trade Total	6,850	6,750	(1.5)
Wholesale Trade	675	700	3.7
Retail Trade	6,175	6,050	(2.0)
FIRE	1,650	1,500	(9.1)
Services	6,700	6,700	--
Government	12,925	12,775	(1.2)
Farm Employment	525	525	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Saline County. Salina is the largest city in Saline County with a population of 45,729, which is 85.2 percent of the county's total population of 53,646. The civilian labor force in the Salina area increased by 6.4 percent in 2002. Employment by place of residence in Saline County increased by 7.3 percent and the unemployment rate fell from 3.6 percent in 2001 to 2.8 percent in 2002.

Based on place of work data, all industries employment in Saline County increased by 1.1 percent. However, employment in the goods producing industries declined by 1.5 percent. Within the goods producing industries, mining employment increased by 25, while durable goods manufacturing declined by 2.3 percent, construction employment declined by 1.6 percent, and nondurable goods manufacturing decreased by 1.0 percent.

Employment in the services producing industries rose by 2.0 percent during 2002. Within the services producing category, FIRE employment increased by 17.8 percent, retail trade employment increased by 4.1 percent, while whole sale trade employment decreased 1.7 percent. Transportation and public utility employment and pure services employment remained unchanged. Saline County's farm employment also remained unchanged during 2002. Table 3 -15 presents employment in Saline County in 2001 and 2002.

Table 3-15

Saline County Employment October 2001-October 2002			
	2001	2002	% Chg.
Place of Residence Data			
Civilian Labor Force	29,401	31,293	6.4
Employment	28,336	30,409	7.3
Unemployment	1,065	884	(17.0)
Unemployment Rate	3.6	2.8	(0.8)
Place of Work Data			
All Industries	31,650	32,000	1.1
Goods Producing Indus.	8,450	8,325	(1.5)
Manufacturing	6,850	6,725	(1.8)
Durable Goods	4,400	4,300	(2.3)
Nondurable Goods	2,450	2,425	(1.0)
Mining	--	25	--
Construction	1,600	1,575	(1.6)
Service Producing Indus.	23,200	23,675	2.0
Trans. & Pub. Util.	1,475	1,475	--
Trade Total	8,125	8,375	3.1
Wholesale Trade	1,475	1,450	(1.7)
Retail Trade	6,650	6,925	4.1
FIRE	1,125	1,325	17.8
Services	8,400	8,400	--
Government	4,075	4,100	0.6
Farm Employment	525	525	--

Source: Ks Dept. of Human Res., Labor Mkt. Info. Service

Kansas & Adjacent State Metro Areas' Employment Trends

This section presents employment trends through October 2002, by major industry types, for the region that includes Colorado, Kansas, Missouri, Nebraska, and Oklahoma. Table 3-16, which is shown at the top of the next page, presents employment growth rates for the 15 metropolitan areas in the five-state region from 2001 through 2002.

Employment by Industry Type

Within the five-state area, Wichita, Kansas experienced the highest total employment growth in 2002, of 2.7 percent. Wichita was followed by Boulder-Longmont, Colorado at 2.5 percent, St. Louis, Missouri at 1.4 percent, and Denver, Colorado at 1.3 percent. Topeka, Kansas ranked fifth in the five-state region with employment growth of 1.2 percent and Lawrence, Kansas ranked sixth with a growth rate of 1.0 percent. The average growth rate for the 15 metropolitan areas in the five-state region was 0.8 percent during 2002.

Construction and Mining. Construction and mining employment in the major metropolitan areas in the five-state region declined at an average rate of 1.3 percent in 2002. Springfield, Missouri experienced the highest growth in construction and mining employment at 5.4 percent, followed by Oklahoma City, Oklahoma at 5.1 percent, and Topeka at 4.1 percent. Construction and mining employment decreased by 0.6 percent in Wichita and remained unchanged in Lawrence during 2002.

Manufacturing. Manufacturing employment in the major metropolitan areas in the five-state region declined at an average rate of 2.9 percent in 2002. Only Topeka (1.1 percent), Tulsa, Oklahoma (0.7 percent), and Kansas City, Missouri (0.3 percent) experienced growth in manufacturing employment. Manufacturing employment in Wichita fell by 8.8 percent, while manufacturing employment in Lawrence declined by 1.8 percent in 2002.

Transportation & Public Utilities. Transportation and public utilities employment in the major

Table 3-16

Metropolitan Area Employment Growth Rates, October 2001-October 2002									
Kansas and Adjacent States									
	<u>Total</u>	<u>Const./</u>	<u>Manuf.</u>	<u>Trans./</u>	<u>Trade</u>	<u>FIRE</u>	<u>Services</u>	<u>Gov't</u>	
		<u>Mining</u>		<u>Util.</u>					
Kansas									
Lawrence	1.0 %	-- %	(1.8) %	(5.0) %	(4.2) %	-- %	2.2 %	(0.6) %	
Topeka	1.2	4.1	1.1	(12.9)	(1.8)	(5.6)	0.6	(0.5)	
Wichita	2.7	(0.6)	(8.8)	(2.6)	0.5	(4.2)	(1.0)	0.3	
Colorado									
Boulder-Longmont	2.5	(12.5)	(9.4)	(6.8)	(4.6)	--	0.3	5.8	
Colorado Springs	0.9	(7.1)	(4.4)	(9.7)	(1.3)	4.0	--	4.0	
Denver	1.3	(1.6)	(4.1)	(5.4)	(1.7)	(1.6)	(0.9)	2.9	
Missouri									
Kansas City	0.4	2.0	0.3	(2.9)	1.2	(0.8)	(0.7)	(2.6)	
St. Louis	1.4	(6.3)	(1.4)	(3.9)	(1.6)	1.4	(0.5)	(0.6)	
Springfield	(1.8)	5.4	(3.3)	(2.5)	5.5	1.1	0.2	3.5	
Nebraska									
Lincoln	(0.8)	(4.0)	(2.3)	(2.3)	1.2	7.9	(0.2)	2.8	
Omaha	0.9	4.2	(1.1)	(1.6)	(3.1)	(3.3)	(0.3)	1.5	
Oklahoma									
Enid	(1.3)	--	--	--	1.6	--	--	5.3	
Lawton	(1.3)	(5.9)	--	--	(2.3)	5.3	5.1	1.7	
Oklahoma City	(0.9)	5.1	(5.8)	(1.9)	0.8	2.4	2.9	(0.2)	
Tulsa	(0.1)	0.4	0.7	(0.8)	(2.3)	0.5	1.4	1.1	
All Area Average	0.8	(1.3)	(2.9)	(3.7)	(0.8)	(0.1)	--	0.7	

Source: U.S. Department of Labor, Bureau of Labor Statistics

metropolitan areas in the five -state region declined by 3.7 in 2002. None of the metropolitan areas in the five-state region experienced growth in transportation and public utility employment. Enid, Oklahoma and Lawton, Oklahoma had the highest rankings with growth only steady for the year in transportation and public utilities employment. In Wichita, transportation and public utility employment declined by 2.6 percent. It also declined by 5.0 percent in Lawrence and fell 12.9 percent in Topeka during 2002.

Trade. Trade employment in the major metropolitan areas in the five-state region decreased 0.8 percent in 2002. Springfield, Missouri experienced the highest growth in trade employment at 5.5 percent, followed by Enid, Oklahoma at 1.6 percent, and Kansas City, Missouri and Lincoln, Nebraska both at 1.2 percent. In Wichita, trade employment increased 0.5 percent, while trade employment decreased by 1.8 percent in Topeka and Lawrence had a 4.2 percent decline.

Finance, Insurance, & Real Estate (FIRE). FIRE employment in the major metropolitan areas in the

five-state region decreased by 0.1 percent in 2002. Within the five-state region, Lincoln, Nebraska experienced the highest growth in FIRE employment at 7.9 percent, followed by Lawton, Oklahoma at 5.3 percent, and Colorado Springs, Colorado at 4.0 percent. FIRE employment in Topeka declined by 5.6 percent and by 4.2 percent in Wichita. FIRE employment in Lawrence remained steady.

Services. Service employment in the major metropolitan areas in the region remained steady in 2002. Lawton, Oklahoma had the high est growth rate in service employment at 5.1 percent, followed by Oklahoma City, Oklahoma at 2.9 percent and Lawrence at 2.2 percent. Service employment in Topeka increased by 0.6 percent, while service employment in Wichita declined by 1.0 percent.

Government. Total government employment in the major metropolitan areas in the five -state region increased by 0.7 percent in 2002. Boulder -Longmont, Colorado experienced the highest growth rate in government employment at 5.8 percent, followed by

Enid, Oklahoma at 5.3 percent, and Colorado Springs, Colorado at 4.0 percent. Total government employment in 2002 increased by 0.3 percent in Wichita, while Topeka experienced a 0.5 percent decrease and Lawrence experienced a 0.6 percent decrease.

County Personal Income

Both the levels and the components of personal income are important in understanding local economies. Because of this importance, county personal income is presented in this section.

Total Personal Income

Total personal income in Kansas grew at a 3.8 percent rate in 2001. Johnson County generated the highest level of personal income with \$20.8 billion, followed by Sedgwick County with \$13.4 billion. Shawnee, Wyandotte, Douglas, Butler, Reno, Leavenworth, Saline, and Riley Counties each generated over \$1.0 billion of personal income in 2001. The lowest levels of income were recorded in Hodgeman, Comanche, Greeley, and Wallace Counties, each with less than \$50.0 million in total personal income.

The highest growth rates of personal income in 2001 were experienced in Logan (19.1 percent), Geary (10.5 percent), and Graham (10.4 percent) Counties. At the other extreme, Chase County experienced a 10.3 percent decline in personal income. It should be kept in mind that these rates of change may be distorted by erratic fluctuations in the farm economy.

Of the state's major urban counties, Wyandotte County had the highest personal income growth in 2001 at 6.2 percent, followed by Johnson County (5.4 percent), Shawnee County (4.1 percent), and Sedgwick County (3.7 percent). In 2001, Johnson and Sedgwick accounted for 54.3 percent of the personal income growth in the state. Thus, Kansas personal income growth is concentrated in the two most populous counties. Appendix D presents county personal income by major components for 2000. Appendix E shows county personal income estimates by major components for 2001. Figure 3-1, which is shown on

page 46, presents the percent change in county personal income from 2000 to 2001.

Salaries & Wages. Salaries and wages are distributed across the state in a pattern that generally corresponds to population, i.e., the areas with higher population density generally have higher total salaries and wages. In 2001, salaries and wages in Kansas grew at a 3.3 percent rate. Johnson and Sedgwick ranked first (\$12.2 billion) and second (\$8.7 billion). Shawnee and Wyandotte each generated over \$3.0 billion of salaries and wages in 2001. Comanche, Elk, and Wallace had the lowest salaries and wages total with less than \$15.0 million each.

Other Labor Income. Other labor income in Kansas grew at a rate of 6.0 percent in 2001. While the correlation between salaries and wages disbursements and other labor income is not exact, the two are closely related. County rankings are nearly the same for both components. Johnson County ranked first with \$1.2 billion in other labor income, followed by Sedgwick County at \$1.0 billion. Comanche, Greeley, and Wallace all had other labor income of less than \$2.0 million.

Farm Proprietors' Income. The relative importance of farm proprietors' income, as a component of total personal income, varies among the 105 Kansas counties. While there are many measured components of farm proprietors' income, the major determinants are farm production of crops and livestock, profitability of farm operations, and federal payments to farmers. Farm proprietors' income is disproportionately larger in agriculturally oriented counties because of large-scale production, high profitability, and government support payments. In 2001, farm proprietors' income declined by 6.7 percent. Haskell County had the highest level of farm proprietors' income in 2001 at \$30.2 million, followed by Gray County with \$18.0 million, and Scott County with \$16.5 million.

Non-farm Proprietors' Income. The net earnings of unincorporated business owners constitute non-farm proprietors' income. County size also is a major determinant of the distribution of this income component. Non-farm proprietors' income grew at a 2.4 percent rate in 2001. Johnson County had the highest level of non-farm proprietors' income at \$1.6 billion followed by Sedgwick County with \$983.9

million. Greeley County was the lowest with less than \$3.0 million.

Dividends, Interest, & Rent. Dividends, interest, and rent grew by 3.1 percent in 2001. This category represents a large component of personal income in Johnson County. In fact, the \$4.2 billion of dividends, interest, and rents in that county account for 27.4 percent of the state total. Sedgwick County also had a total that was approximately \$2.7 billion. Only Greeley County had less than \$10.0 million in dividends, interest, and rents in 2001.

Transfer Payments. Transfer payments in Kansas grew at 8.2 percent rate in 2001 and are largely Social Security benefits. The distribution of transfer payments across the state generally reflects county population. Collectively, the state's four urban counties received over \$4.0 billion in transfer payments, while Greeley, Hodgeman, Stanton, and Wallace Counties each received less than \$10.0 million.

Residence Adjustment. 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 nonfarm proprietors' income. The residence adjustment for Kansas grew by 1.3 percent in 2001. For the state as a whole, the 2001 residence adjustment was \$952 million. The positive value indicates that, in total, Kansans earn more income out-of-state than non-Kansans earn in Kansas.

Within Kansas, four situations are present. First, for most counties, this component is relatively small. Second, there are considerable earnings of Riley County residents in Geary County. These earnings are associated with Fort Riley. The third situation relates to out-of-county earnings provided in two of the large Kansas counties. For example, the Sedgwick County residence adjustment is negative (-\$1.1 billion.) Most of this income appears in bordering counties. For neighboring Butler County, the adjustment is positive (\$585 million). Thus, 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 residence adjustment is negative (-\$1.1 billion), indicating that the county provides net earnings for residents of other counties and perhaps for

Missouri residents. Johnson County is unique in that its residence adjustment is positive (\$1.4 billion) and greater than the state's overall residence adjustment of \$951.9 million. Besides providing jobs for residents of bordering counties, even larger earnings of Johnson County residents come from the Missouri side of the Kansas City area.

Personal Social Insurance Contributions. Personal contributions for social insurance in Kansas grew at a 4.7 percent rate in 2001. Because of the definition of the social security tax base, personal contributions for social insurance are closely related to the distribution of salaries and wages, as well as positive proprietors' income. Personal contributions for social insurance exceeded \$200.0 million in each of the state's four major urban counties during 2001. Johnson County's contributions totaled \$1.0 billion and Sedgwick's were \$701.6 million. Shawnee followed with contributions of \$235.7 million and Wyandotte had \$206.2 million.

Per Capita Personal Income

Per capita income for each county may be obtained by dividing the total personal income of the county by the total population of the county. The population data used for these calculations were estimates of county population as of July 1, 2001, based on the U.S. Bureau of the Census *Current Population Reports*. Figure 3-2, which is shown on page 46, presents per capita personal income by county for 2001.

In 2001, Kansas per capita income was \$28,565. Johnson County had the highest per capita income with \$44,781, followed by Saline County with \$29,823, Sedgwick with \$29,320, and Shawnee with \$29,175. The lowest per capita incomes were in Woodson (\$18,585), Anderson (\$18,860), Marion (\$18,880), and Linn (\$19,011) Counties. It should be kept in mind that county per capita income could fluctuate dramatically from year to year because of the inherent volatility of the farm economy, coupled with the relatively low population in many rural Kansas counties.

The relatively low-income counties in rural Kansas generally tend to have a high reliance on the farm economy. Specifically, these counties have a negative, or low, farm proprietors' income. In the eastern half of the state, particularly the southeastern portion of

Kansas, the low-income counties are primarily those that have relatively high population densities, but 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 agricultural and, for the most part, are in the southwestern part of the state. 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 area, but also many bordering counties that provide the place of residence for individuals who are employed in the core counties.

The Four Urban Counties

In Kansas, it also is important to examine personal income levels and components for the state's four urban counties. These counties are Sedgwick, Johnson, Wyandotte, and Shawnee.

Total Personal Income

In 2001, Sedgwick, Johnson, Wyandotte, and Shawnee accounted for 46.3 percent of the state's population and 55.3 percent of the state's total personal income. Having a larger share of income than population means that per capita income is larger in the four counties than in the state. Wyandotte County per capita income (\$21,660) is significantly below the state average (\$28,565), while Sedgwick County (\$29,320) and Shawnee County (\$29,175) are both above the state average. Johnson County is 56.8 percent above the state average. For the four urban counties, the average per capita income is \$34,095, or 19.4 percent, higher than the state average.

These four counties generate 64.1 percent of personal contributions for social insurance; 63.8 percent of Kansas' salaries and wages; 57.7 percent of the other labor income; 54.3 percent of dividend, interest, and rent income; 51.8 percent of non-farm proprietors' income; and 42.9 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 ranks either first or second among the 105 counties in

most income components, as well as total income. Shawnee and Wyandotte rank third and fourth.

Regional Personal 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 that is concentrated in a small area is subject to greater variability than is income that is spread over a wide area. For example, personal income measures the income received by individuals on the basis of their residence location and is not directly concerned with the location of earnings. Thus, a residence adjustment is necessary for each county for two reasons. First, the residence adjustment is necessary to account for inter-county commuting to work. Second, it is necessary to account for some income components, such as farm proprietors' income, where the location of the residence may be far removed from the location of the income generation.

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 of farm products marketing.

County data 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, which may be considered the "official" aggregation. Figure 3-3, which is shown on page 47, presents total personal income by region for 2000 and 2001, while Figure 3-4, which is also shown in page 47, presents the percent change in total personal income by region from 2000 to 2001 and per capita income for 2001.

In terms of total personal income, the 2001 average for the 11 regions is \$7.0 billion. Region I, which surrounds Kansas City, has the highest level of personal income with \$35.8 billion. The only other region that is above the average total personal income per region is Region IV, which surrounds Wichita. That region had total personal income of \$19.6 billion in 2001. At the other end of the scale, Region VIII, which is in northwest Kansas, had the lowest personal income in 2001 at \$769.0 million.

Generally, regional population rankings correspond to regional personal income rankings. High incomes are associated with large populations. Based on these factors, Kansas population and personal income are highly concentrated. Accordingly, 71.9 percent of the state's total personal income is located in Regions I and IV, while just under 1.0 percent of the state's total personal income is located in Region VIII.

Recent income and population growth have been uneven across Kansas. In 2001, Kansas total personal income rose by 3.8 percent. The most rapid growth was in Region I with a 4.8 percent increase. Regions

V (1.8 percent), VI (2.2 percent), and VII (2.4 percent) were the slowest growing regions in 2001. These regions are all located in southwestern Kansas.

In terms of per capita personal income, Region I ranked first with \$33,188. It was followed by Region IV with \$27,769, and Region X in north-central Kansas with \$26,390. Region II in southeast Kansas ranked last with \$22,190. The extent of the inequality in regional income is illustrated by the observation that from the highest income region to the lowest income region there exists a 49.6 percent difference in per capita income.

Figure 3-1. Percent Change in County Personal Income, 2000-2001

4.7 CHEYENNE	3.8 RAWLINS	2.2 DECATUR	2.2 NORTON	2.4 PHILLIPS	2.2 SMITH	0.8 JEWELL	4.0 REPUBLIC	2.1 WASHINGTON	4.3 MARSHALL	1.8 NEMAHA	3.8 BROWN	8.6 DONIPHAN
2.7 SHERMAN	2.3 THOMAS	1.5 SHERIDAN	10.4 GRAHAM	3.4 ROOKS	2.6 OSBORNE	2.7 MITCHELL	1.6 CLOUD	1.5 CLAY	1.8 RILEY	3.3 POTTAWATOMIE	2.9 JACKSON	3.0 ATCHSON
3.6 WALLACE	19.1 LOGAN	3.5 GOVE	0.4 TREGO	1.7 ELLIS	3.1 RUSSELL	1.7 LINCOLN	1.7 OTTAWA	1.6 DICKINSON	10.5 GEARY	-0.3 WABAUNSEE	4.1 SHAWNEE	-0.2 JEFF.
1.6 GREELEY	-1.3 WICHITA	1.7 SCOTT	2.9 LANE	2.0 NESS	3.1 RUSH	2.4 BARTON	3.6 ELLSWORTH	3.7 SALINE	9.8 MORRIS	0.7 OSAGE	4.0 DOUGLAS	3.0 LEAVEN.
1.6 HAMILTON	0.0 KEARNY	3.1 FINNEY	0.9 HODGEMAN	1.7 PAWNEE	2.4 STAFORD	2.1 RICE	3.3 MCPHERSON	1.5 MARION	-10.3 CHASE	2.9 LYON	0.8 FRANKLIN	5.4 JOHNSON
0.0 STANTON	1.8 GRANT	-1.0 HASKELL	2.1 GRAY	2.4 FORD	0.7 EDWARDS	2.0 RENO	1.2 HARVEY	0.7 BUTLER	1.9 GREENWOOD	3.6 COFFEY	3.0 ANDERSON	6.2 WYANDOTTE
3.4 MORTON	1.4 STEVENS	4.1 SEWARD	2.1 MEADE	2.3 CLARK	4.8 COMANCHE	2.5 KIOWA	2.8 PRATT	3.7 SEDGWICK	2.6 ELK	1.3 WOODSON	3.8 ALLEN	3.1 BOURBON
						2.7 HARPER	-0.4 SUMNER	3.7 COWLEY	3.8 MONTGOMERY	4.5 WILSON	2.6 NEOSHO	3.3 CRAWFORD
						3.9 BARBER			3.6 CHAUTAUQUA	3.8 LABETTE	3.8 LABETTE	3.5 CHEROKEE

Figure 3-2. Per Capita Personal Income, 2001
(Dollars in Thousands)

22.7 CHEYENNE	22.8 RAWLINS	23.7 DECATUR	23.7 NORTON	25.6 PHILLIPS	23.2 SMITH	21.4 JEWELL	22.8 REPUBLIC	21.0 WASHINGTON	28.3 MARSHALL	24.7 NEMAHA	23.8 BROWN	22.7 DONIPHAN
26.6 SHERMAN	24.0 THOMAS	25.3 SHERIDAN	27.4 GRAHAM	22.5 ROOKS	22.3 OSBORNE	24.4 MITCHELL	21.3 CLOUD	23.7 CLAY	25.2 RILEY	24.1 POTTAWATOMIE	24.6 JACKSON	21.8 ATCHSON
22.4 WALLACE	25.7 LOGAN	25.5 GOVE	20.9 TREGO	25.1 ELLIS	24.8 RUSSELL	20.0 LINCOLN	20.9 OTTAWA	22.2 DICKINSON	24.0 GEARY	22.6 WABAUNSEE	29.2 SHAWNEE	23.3 JEFF.
26.5 GREELEY	27.6 WICHITA	28.5 SCOTT	27.6 LANE	26.7 NESS	22.4 RUSH	24.3 BARTON	22.5 ELLSWORTH	29.8 SALINE	22.6 MORRIS	21.4 OSAGE	23.9 DOUGLAS	44.8 JOHNSON
23.8 HAMILTON	21.4 KEARNY	21.8 FINNEY	23.2 HODGEMAN	24.5 PAWNEE	20.4 RICE	26.1 MCPHERSON	20.4 RENO	18.9 MARION	20.9 CHASE	22.5 LYON	23.2 COFFEY	23.2 ANDERSON
24.4 STANTON	22.4 GRANT	27.1 HASKELL	23.9 GRAY	22.2 FORD	24.6 EDWARDS	24.9 STAFORD	24.4 HARVEY	26.6 BUTLER	20.4 GREENWOOD	23.2 WOODSON	18.5 ALLEN	22.4 BOURBON
24.6 MORTON	26.8 STEVENS	22.7 SEWARD	24.2 MEADE	25.8 CLARK	24.7 KIOWA	25.2 PRATT	22.0 KINGMAN	29.3 SEDGWICK	20.3 ELK	21.8 WILSON	22.3 NEOSHO	22.6 CRAWFORD
					22.3 COMANCHE	22.2 BARBER	23.7 HARPER	24.9 SUMNER	20.2 CHAUTAUQUA	23.0 MONTGOMERY	22.2 LABETTE	20.6 CHEROKEE

Figure 3-3. Total Personal Income, by Region, 2000 & 2001

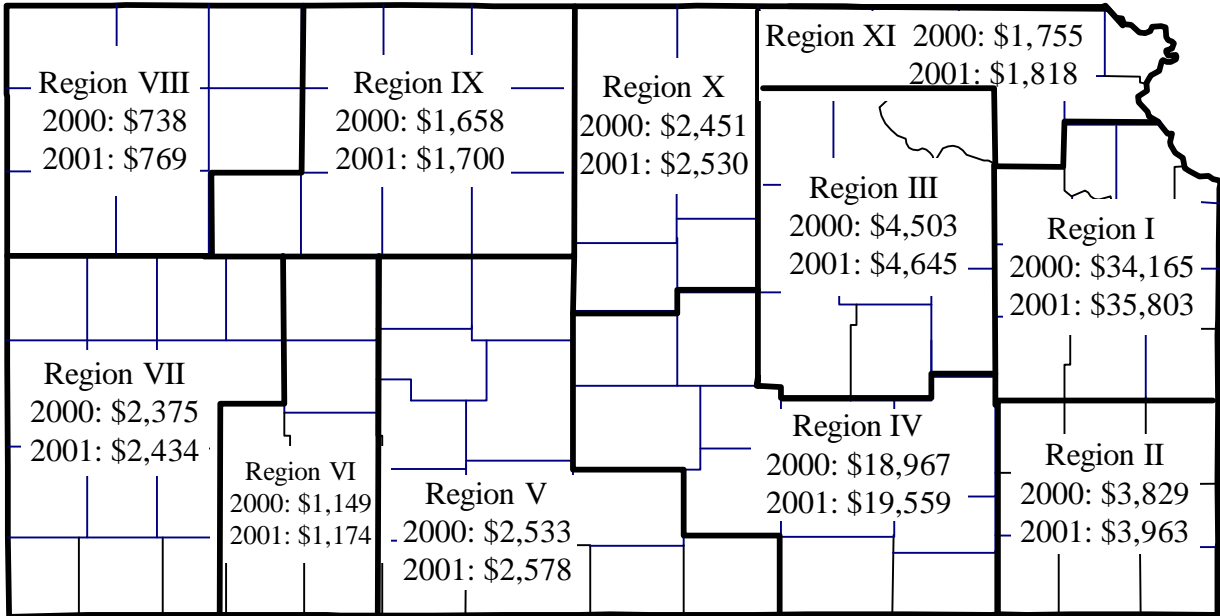
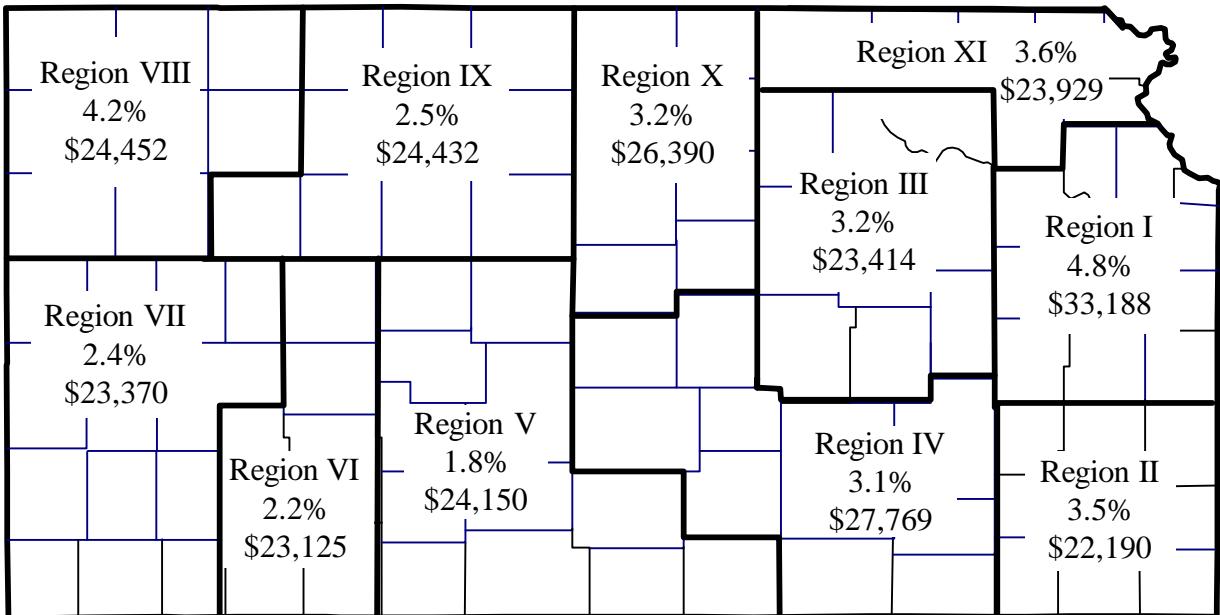


Figure 3-4. Percent Change in Total Income, 2000 & 2001, & 2001 per Capita Income, by Region



Chapter 4

Kansas Demographics

On July 1 of each year the official population for Kansas is certified. By state statute, the official population of Kansas is certified from the latest estimates released by the United States Bureau of the Census. For 2002, the official population of Kansas uses the 2000 census as a base from which the estimate was made. As of April 1, 2000, the Kansas population was 2,688,418. On July 1, 2002, the population for 2002 was certified at 2,694,641. The population as certified on July 1, 2002, serves as the official population of the state.

Although the population in Kansas continues to increase, the state remains predominantly rural. Of the 628 cities in Kansas, 427 have populations of less than 1,000 people. These 427 cities and the rural areas account for 24.3 percent of the total population. This level is up from last year when 21.8 percent of the total population resided in cities of less than 1,000 people and rural areas. There are 573 cities in Kansas that have populations of less than 5,000 people. These cities have a total population of 450,132 and, combined with the rural areas, account for 28.5 percent of the total population, which is down from last year's level of 36.0 percent.

According to the certified population, Kansas gained 6,223 people between 2000 and 2001 and ranked 40th nationally. The greatest population growth in the U.S. occurred in California, which gained 629,482 people during that same time period. Texas ranked second with a gain of 473,198, and Florida ranked third with an increase of 414,137 people. In terms of percent growth, Nevada outpaced the rest of the nation with a growth rate of 5.4 percent. Arizona was second with a growth rate of 3.4 percent, and Colorado was third with a rate of 2.7 percent. The growth rate for Kansas was 0.2 percent.

The Plains region, which includes Kansas, grew at a slower rate than the nation as a whole. The Plains region also includes Minnesota, Iowa, Missouri, North Dakota, South Dakota, and Nebraska. Among the Plains region states, Minnesota realized the greatest

growth rate (1.1 percent). Next were Kansas and South Dakota (0.2 percent), followed by Nebraska (0.1 percent). Iowa and North Dakota both realized negative population growth for the year. Iowa's population decreased at a rate of -0.1 percent, while North Dakota's population decreased at a rate of -1.2 percent. The resident population for the U.S., Kansas, and Kansas counties for 1999, 2000, and 2001, is shown in Appendix F.

The data used in this report are based on both full count census information and on estimates. Because both methods are presented, a brief discussion of each methodology follows.

U. S. Census Bureau's Methodology of Estimating State Populations

National population estimates are formulated by using the latest decennial census data as a benchmark and incorporating administrative data from federal agencies. For the past two years, the 2000 Census has been the benchmark. Each year following a decennial census, the benchmark is statistically adjusted using numerous variables and a national estimate is reached. 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 annual estimates help identify population shifts as well as trends and potential changes in some federal grants-in-aid formulas. The total state population and a state's proportion of the national total are factors in some formulas used to calculate federal grant-in-aid program allotments, including the Social Services Block Grant and the annual state private activity bond limitations. However, for most grant-in-aid programs, changes in population do not directly affect allocations. In Kansas, the August distribution of the

Local Ad Valorem Tax Reduction Fund and the City County Revenue Sharing Fund to local governments is based on population.

Annual estimates in population change because of two factors: migration and natural growth. Migration refers to the net effect of migration to and from each state. In 2001, there were 7,927 individuals who migrated into Kansas from another country, while 19,306 individuals migrated out of the state. Natural growth refers to the additions to population from births and the subtractions from deaths. There were 48,712 births and 31,045 deaths in Kansas in 2001.

The variables used to produce population estimates are based on data series that capture both migration and natural growth. Variables include vital statistics, such as births and deaths, school statistics from state and parochial school systems, and data from federal income tax returns. Also incorporated into 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 Decennial Census

Each decennial census yields a wealth of data that are important to a diversified user-group. The actual count for 2000 was completed on April 1, 2000. It is now the new benchmark from which all population estimates will be derived from 2001 through 2009.

The decennial census assists in determining how much money states will receive in a number of federal grant programs because several of the programs include population count as a component of their distribution formulas.

The electoral effects of the census have been the focus of media accounts and are fairly well understood because of the effect on increases and decreases in congressional seats. However, less understood is the interaction between the population count and federal grant programs. The U.S. Supreme Court ruled that

for the purposes of reapportioning seats in the House of Representatives, sampling techniques are prohibited. However, the ruling does not prohibit sampling from being used to allocate funds for federal formula grant programs.

According to the General Accounting Office, there are 22 large formula grant programs that rely in part on data derived from the decennial census. Medicaid is the largest program. The three large formula grant programs that do not use census data are special education; the administrative portion of the nutrition program for women, infants, and children (WIC); and low-income home energy assistance (LIHEAP).

The complete data set for the U.S. is contained in the Census 2000 Summary File 1. All information from every census form is included in this file. Another important file that was derived from the census is the Summary File 3.

Summary File 3

The Summary File 3 consists of 813 detailed tables of Census 2000 social, economic, and housing characteristics. These tables are compiled from a sample of approximately 19.0 million housing units, or approximately one in six households, that received the Census 2000 long-form questionnaire.

The Summary File 3 presents data for the United States, the 50 states, the District of Columbia, and Puerto Rico in a hierarchical sequence down to the block group for many tabulations, but only to the census tract levels for others. Summaries are included for other geographic areas, such as Zip Code Tabulation Areas (ZCTAs) and Congressional districts (106th Congress).

This report will present selected social, economic, and housing characteristics for Kansas. Relevant information was gleaned from the state-specific detailed tables and is presented as appendices.

Social Characteristics

Social characteristics data enable one to quantify an individual's quality of life. These data should not be

considered value judgments, rather a presentation that is measurable of the social well-being of a group, in this case Kansas. Standard indicators of social well-being included in this report are educational attainment and military service, household composition, disability status, as well as place of birth, ancestry, and languages spoken in the household.

Educational Attainment. School enrollment data indicate that 756,960, or 28.1 percent of the Kansas population, were enrolled in school in 2000. Of those individuals, 6.8 percent were in nursery school or preschool, 5.2 percent were in kindergarten, 43.0 percent were in elementary school (first grade through eighth grade), 21.7 were in high school, and 23.3 percent were in college or graduate school.

Overall, 86.0 percent of the Kansas population that was 25 years or older in 2000 have at least a high school education and 25.8 percent have at least a bachelor's degree. Specifically, 14.0 percent had not graduated from high school or achieved the equivalent, while 29.8 percent of the Kansas population had earned a high school diploma or a general educational diploma (GED). Individuals who had some college, but no degree, accounted for 24.6 percent of the population, while those with associate degrees accounted for 5.8 percent. Bachelor's degrees were earned by 17.1 percent of the population and 8.7 percent hold a graduate or professional degree.

Military Service. Veteran status is described for census data product, as an individual "civilian veteran," or a person who is 18 years old and over who, at the time of the enumeration, had served on active duty in the U.S. Army, Navy, Air Force, Marine Corps, or Coast Guard in the past. People who had served in the National Guard or Military Reserves were classified as veterans only if they had ever been called or ordered to active duty. All other civilians 18 years old and over were classified as nonveterans. In Kansas, approximately 2.0 million individuals are over the age of 18 years and of those individuals, 13.6 percent are veterans.

Household Composition. Data show that more than half of the population that is at least 15 years of age is married (58.1 percent). Alternatively, 24.1 percent have never been married. Of the 6.6 percent of the population that are at least 15 years of age and

widowed, 5.4 percent are female. Of the 10.1 percent of the population that is divorced, 5.6 are female.

Another facet of household composition involves multigenerational family-type groups. In 2000, 35,274 grandparents were living in households with one or more of their own grandchildren who were under the age of 18. In 50.7 percent of those households, grandparents were responsible for the basic needs of the grandchildren.

Disability. For census purposes, disability status was determined if individuals who were over the age of five years answered that they had one or more of the following long-lasting conditions: blindness, deafness, or a severe vision or hearing impairment (sensory disability). The individual also could be determined to be disabled if a condition existed that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying. In Kansas, 7.2 percent of the population between 5 and 20 years had a disability, while 16.8 percent of the population between 21 and 64 years of age had a disability. The proportion of the population with a disability increases dramatically for those 65 years of age and older; 41.5 percent of the population in that category is disabled.

In Kansas, employment of those with a disability is high. Of the 246,092 individuals who are disabled and between 21 and 64 years of age, 62.0 percent are employed. For those without a disability in the same population category, 82.0 percent are employed.

Nativity, Ancestry, & Language. In 2000, of the total state population, 95.0 percent are native Kansans; 94.2 were born in the United States; and 5.0 percent were foreign born. In addition, 44,763 are naturalized citizens and 89,972 are not U.S. citizens. Other countries of nativity for Kansans include Europe (11.2 percent), Asia (28.2 percent), Latin America (54.7 percent), Africa (2.7 percent), and North America (2.7 percent).

The predominant language spoken in Kansas households is English, with 91.3 percent of the population five years and older speaking only English. Other major languages spoken include Spanish, which is spoken in 5.5 percent of the households, and Asian, which is spoken in 1.3 percent of the households.

Kansans' ancestries are diverse and include cultures from around the world. However, the most cited ancestry is German. It was cited as the ancestry of 695,442 individuals and accounts for 25.9 percent of the population. Other major ancestries listed include Irish (11.5 percent), English (10.8 percent), and United States or American (8.8 percent). Other ancestries account for 21.7 percent of the population.

Economic Characteristics

Economic characteristics data also measure quality of life. However, these data focus on earnings, salaries and wages, physical wealth as manifested in durable goods, and work-related information. Standard economic characteristics categories included in this report are employment, income, and poverty.

Employment. Employment is determined by the labor force, or those who are at least 16 years of age and actively seeking employment or who are employed already. The population of Kansas that was at least 16 years of age was 2.1 million in 2000. Of that population, 66.8 percent were in the civilian labor force, with 63.9 percent being employed. The armed forces labor force accounted for 0.7 percent, while 32.5 percent were not employed or actively seeking employment.

The employed labor force was categorized in 6 general occupational categories and 13 industry sectors. In Kansas, 33.9 percent of the employed labor force had jobs in management, professional, and related occupations; 25.8 percent were in sales and office occupations; 15.0 percent were in production, transportation, and material moving occupations, 14.4 percent were in service occupations, 9.9 percent were in construction, extraction and maintenance occupations; and 1.0 percent was employed in farming, fishing, and forestry occupations. Educational, health, and social services was listed as the industry with the largest proportion of employees (21.9 percent) and retail trade was listed as the second largest (11.5 percent).

One other category of employment is the class of workers. In Kansas, 76.3 percent of employees were private salaries and wages workers; 15.5 percent were government workers; 7.8 percent were self-employed; and 0.4 percent was unpaid family workers.

Income. For census purposes, income was divided into ten categories that range from less than \$10,000 to \$200,000 or more. In Kansas, the greatest proportion of the households (20.3 percent) and families (24.8 percent) make between \$50,000 and \$74,799. Mean household income was \$40,624 and mean family income was \$49,624. Of the total households, 26.2 percent receive social security income at an average level of \$11,871, while 2.4 percent receive public assistance at an average level of \$2,372.

Poverty. Poverty status for census purposes is determined by comparing the person's total family income with the poverty threshold appropriate for that person's family size and composition. If the total income of that person's family is less than the threshold appropriate for that family, then the person is considered "poor," together with every member of his or her family. If a person is not living with anyone related by birth, marriage, or adoption, then the person's own income is compared with his or her poverty threshold. Poverty status was determined for all people except institutionalized people, people in military group quarters, people in college dormitories, and unrelated individuals under 15 years of age. These groups are considered neither "poor" nor "nonpoor." See Appendix J for the poverty thresholds in 1999.

In Kansas, 47,299 families, or 6.7 percent, of the population were below poverty level. Of those families, 13.5 percent had children less than five years of age. In addition, 23.5 percent of families with female householder, with no spouse present, were below poverty. On an individual basis, 9.9 percent of the population were below the poverty level.

Housing Characteristics

Living quarters are either housing units or group quarters and are usually found in structures intended for residential use. However, they also may be found in structures intended for nonresidential use, as well as in places, such as tents, vans, and emergency and transitional shelters.

Housing units may be houses, apartments, mobile homes, a group of rooms, or a single room that is occupied as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building

and which have direct access from outside the building or through a common hall.

Physical Attributes of Housing Units. In 2000, Kansas had 1.1 million housing units, of which 72.4 percent were single units that were detached from all other structures. In addition, the greatest percentage of all housing units were built before 1959 (42.8 percent). Only 2.2 percent of the units were built between January 1, 1999, and March 31, 2000. The average number of rooms per housing unit was 5.6.

Housing units also can be categorized as either occupied or unoccupied. In 2000, 1.0 million housing units were occupied and 28.3 percent of them had been occupied by the same householders from between 1995 and 1998.

Occupied housing units typically were heated by utility gas, had one or less person to a room, and had two vehicles. Only 0.4 percent of occupied housing units were lacking complete plumbing facilities and only 0.5 percent did not have complete kitchen facilities. No telephone service existed in 2.8 percent of the housing units.

Value, Mortgage, & Rent. Owner occupied housing units were categorized into eight general value categories ranging from less than \$50,000 to \$1.0 million or more. Most owner occupied housing units were valued between \$50,000 and \$99,999 (37.1

percent). Only 24.5 percent were valued at less than \$50,000 and only 0.1 percent was valued at \$1.0 million or more. The average value was \$83,500.

In 2000, 34.3 percent of owner occupied housing units did not have a mortgage, while 65.7 percent did. The mortgage costs associated with those units ranged from less than \$300 per month to \$2,000 or more per month. The average mortgage payment was \$888 per month with the greatest number of owners paying between \$700 and \$999 per month (19.4 percent). Only 0.6 percent of owners paid \$300 or less per month and 3.3 percent paid \$2,000 or more per month.

Mortgage costs as a percentage of household income ranged from less than 15.0 percent to 35.0 percent or more. The greatest percentage of owners paid 15.0 percent or less of their household income for mortgage costs (43.5 percent), while 10.5 percent paid at least 35.0 percent of their household income for mortgage costs.

In renter occupied housing units, 33.4 percent of renters paid from \$300 to \$499 per month. Average rent was \$498 per month. Of those renting housing units, 25.0 percent paid at least 35.0 percent of their household income for rent.

Selected social, economic, and housing characteristics are presented in Appendices G, H, and I. Poverty Thresholds in 1999 are presented in Appendix J.

Appendix A

Kansas Personal Income, 1999-2001

(Dollars in Millions)

	1999	2000	2001	Percent Change	
				1999-2000	2000-2001
Personal Income	69,960	74,124	76,973	6.0 %	3.8 %
Nonfarm Personal Income	68,578	73,494	76,308	7.2	3.8
Farm Income	1,382	629	664	(54.5)	5.5
Earnings by Place of Work	50,078	52,116	53,879	4.1	3.4
Less:					
Personal Contributions for Social Insurance	3,085	3,204	3,354	3.9	4.7
Plus:					
Adjustment for Residence	631	940	952	48.9	1.3
Equals:					
Net Earnings by Place of Residence	47,624	49,852	51,477	4.7	3.3
Plus:					
Dividends, Interest, & Rent	13,617	14,957	15,413	9.8	3.1
Plus:					
Transfer Payments	8,719	9,315	10,082	6.8	8.2
Equals:					
Personal Income	69,960	74,124	76,973	6.0 %	3.8 %
Salaries & Wages Disbursements	39,092	41,314	42,667	5.7	3.3
Other Labor Income	4,644	4,926	5,220	6.1	6.0
Proprietors' Income	6,342	5,877	5,992	(7.3)	2.0
Farm Proprietors' Income	1,061	290	270	(72.7)	(6.7)
Nonfarm Proprietors' Income	5,281	5,587	5,721	5.8	2.4
Farm Earnings	1,382	629	664	(54.5)	5.5
Nonfarm Earnings	48,696	51,487	53,215	5.7	3.4
Private Earnings	40,064	42,394	43,632	5.8	2.9
Ag. Services, Forestry, Fishing, & Other	359	388	412	7.9	6.2
Agricultural Services	357	385	NA	7.9	NA
Forestry, Fishing, & Other	2	2	NA	0.3	NA
Mining	462	532	556	15.2	4.5
Coal Mining	NA	NA	NA	--	NA
Oil & Gas Extraction	382	454	NA	18.8	NA
NonMetallic Minerals (Except Fuels)	NA	NA	NA	--	NA
Construction	2,996	3,195	3,259	6.6	2.0
General Building Contractors	674	722	NA	7.0	NA
Heavy Construction Contractors	435	463	NA	6.5	NA
Special Trade Contractors	1,887	2,010	NA	6.5	NA
Manufacturing	8,891	9,012	9,135	1.4	1.4
Durable Goods	5,731	5,806	5,942	1.3	2.3
Lumber & Wood Products	146	144	NA	(1.5)	NA
Furniture & Fixtures	58	70	NA	20.6	NA
Stone, Clay, & Glass Products	255	272	NA	6.5	NA
Primary Metal Industries	134	124	NA	(7.8)	NA
Fabricated Metal Products	351	377	NA	7.4	NA
Industrial Machinery & Equipment	947	1,001	NA	5.7	NA
Electronic & Other Electric Equipment	378	391	NA	3.6	NA
Motor Vehicles & Equipment	448	402	NA	(10.1)	NA
Other Transportation Equipment	2,749	2,730	NA	(0.7)	NA
Instruments & Related Products	178	175	NA	(1.7)	NA
Miscellaneous Manufacturing Industries	85	119	NA	39.2	NA

Appendix A (Continued)

Kansas Personal Income, 1999-2001

(Dollars in Millions)

	1999	2000	2001	Percent Change	
				1999-2000	2000-2001
Nondurable Goods	3,160	3,206	3,193	1.4	(0.4)
Food & Kindred Products	1,120	1,162	NA	3.8	NA
Textile Mill Products	NA	9	NA	--	NA
Apparel & Other Textile Products	87	86	NA	(0.9)	NA
Paper & Allied Products	204	192	NA	(6.1)	NA
Printing & Publishing	748	762	NA	1.9	NA
Chemicals & Allied Products	457	451	NA	(1.1)	NA
Petroleum & Coal Products	103	105	NA	2.3	NA
Rubber & Misc. Plastics Products	422	426	NA	0.8	NA
Leather & Leather Products	NA	12	NA	NA	NA
Transportation & Public Utilities	4,486	5,148	5,121	14.8	(0.5)
Railroad Transportation	NA	NA	NA	NA	NA
Trucking & Warehousing	990	1,060	NA	7.0	NA
Water Transportation	NA	NA	NA	--	NA
Other Transportation	522	619	NA	18.6	NA
Local & Interurban Passenger Transit	69	71	NA	2.5	NA
Transportation by Air	254	281	NA	10.5	NA
Pipelines (Except Natural Gas)	39	50	NA	26.3	NA
Transportation Services	159	218	NA	36.6	NA
Communications	1,870	2,375	NA	27.0	NA
Electric, Gas, & Sanitary Services	646	643	NA	(0.3)	NA
Wholesale Trade	3,448	3,635	3,615	5.4	(0.5)
Retail Trade	4,643	4,827	4,977	4.0	3.1
Building Materials & Garden Equipment	283	295	NA	4.1	NA
General Merchandise Stores	609	637	NA	4.5	NA
Food Stores	657	681	NA	3.7	NA
Automotive Dealers & Service Stations	828	840	NA	1.4	NA
Apparel & Accessory Stores	229	247	NA	7.7	NA
Home Furniture & Furnishings Stores	313	338	NA	8.0	NA
Eating & Drinking Places	1,071	1,126	NA	5.1	NA
Miscellaneous Retail	653	664	NA	1.7	NA
Finance, Insurance, & Real Estate	3,221	3,400	3,609	5.6	6.2
Depository & Nondepository Institutions	911	945	NA	3.7	NA
Other Finance, Insurance, & Real Estate	2,310	2,455	NA	6.3	NA
Security & Commodity Brokers	368	441	NA	20.1	NA
Insurance Carriers	639	665	NA	4.0	NA
Insurance Agents, Brokers, & Services	543	565	NA	4.2	NA
Real Estate	601	615	NA	2.4	NA
Holding & Other Investment Offices	160	168	NA	5.3	NA
Services	11,558	12,258	12,949	6.1	5.6
Hotels & Other Lodging Places	196	198	NA	0.8	NA
Personal Services	432	431	NA	(0.3)	NA
Private Households	76	80	NA	5.9	NA
Business Services	2,498	2,673	NA	7.0	NA
Auto Repair, Services, & Parking	428	453	NA	5.9	NA
Miscellaneous Repair Services	221	252	NA	13.6	NA
Amusement & Recreation Services	239	249	NA	4.4	NA
Motion Pictures	43	45	NA	4.3	NA
Health Services	3,947	4,173	NA	5.7	NA

Appendix A (Continued)

Kansas Personal Income, 1999-2001

(Dollars in Millions)

	1999	2000	2001	Percent Change	
				1999-2000	2000-2001
Legal Services	447	475	NA	6.2	NA
Educational Services	338	361	NA	7.1	NA
Social Services	517	540	NA	4.6	NA
Museums, Botanical, Zoological Gardens	6	10	NA	48.9	NA
Membership Organizations	458	475	NA	3.7	NA
Engineering & Management Services	1,516	1,629	NA	7.5	NA
Miscellaneous Services	195	213	NA	9.6	NA
Government & Government Enterprises	8,633	9,093	9,583	5.3	5.4
Federal, Civilian	1,519	1,615	1,618	6.4	0.2
Military	1,019	1,084	1,131	6.4	4.3
State & Local	6,095	6,393	6,834	4.9	6.9
State	1,698	1,766	1,879	4.0	6.4
Local	4,397	4,627	4,954	6.8	7.1

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

Appendix B

State Personal Income & Growth Rates, 1999-2001

(Dollars in Thousands)

	Personal Income		Percent Change			Per Capita Personal Income		Percent Change		
	2001	Rank	99-00	00-01	Rank	2001	Rank	99-00	00-01	Rank
			%	%				%	%	
United States	8,678,255,000		8.0 %	3.3 %		30,472		6.8 %	2.4 %	
Far West	1,535,950,159	3	9.6	2.8	7	32,047	3	8.0	1.2	8
Great Lakes	1,365,555,463	4	6.4	2.4	8	30,103	4	5.9	2.0	7
Mideast	1,626,912,252	2	8.0	3.3	5	34,968	2	7.4	3.0	2
New England	520,439,958	7	9.7	3.2	6	37,115	1	8.9	2.6	4
Plains	566,456,964	6	6.9	3.4	4	29,313	5	6.2	3.1	1
Rocky Mountain	271,485,904	8	9.6	4.0	3	28,859	6	7.6	2.4	6
Southeast	1,915,548,521	1	7.1	4.0	2	27,246	8	5.7	2.8	3
Southwest	875,905,779	5	8.5	4.1	1	27,439	7	6.6	2.4	5
Alabama	109,773,054	24	5.2	3.8	24	24,589	44	4.7	3.5	17
Alaska	19,641,252	48	6.8	4.6	11	30,936	15	6.4	3.4	18
Arizona	137,313,561	23	8.9	4.8	8	25,872	39	5.9	2.0	41
Arkansas	61,612,669	34	5.7	4.1	19	22,887	49	4.7	3.5	14
California	1,128,256,352	1	10.5	2.6	45	32,702	11	8.9	1.1	49
Colorado	147,860,094	21	11.4	3.6	28	33,470	8	8.8	1.4	46
Connecticut	145,341,415	22	7.9	3.0	40	42,435	1	7.2	2.5	31
Delaware	25,853,206	44	8.9	4.4	14	32,472	12	7.3	3.1	22
District of Columbia	22,958,688	45	8.1	3.6	27	40,150	2	7.9	3.5	16
Florida	474,625,595	4	6.9	4.5	12	28,947	23	5.0	2.3	36
Georgia	240,895,710	11	8.6	3.8	25	28,733	26	6.2	1.8	43
Hawaii	35,509,586	40	5.3	3.5	30	29,002	22	5.2	2.5	33
Idaho	32,524,914	42	8.2	3.9	20	24,621	43	6.3	2.2	39
Illinois	412,199,759	5	7.3	2.8	43	33,023	10	6.7	2.4	34
Indiana	169,885,402	16	7.0	2.5	49	27,783	32	6.2	2.0	40
Iowa	79,893,017	30	6.7	2.7	44	27,331	34	6.3	2.9	25
Kansas	76,972,623	31	6.0	3.8	21	28,565	29	5.4	3.7	10
Kentucky	101,326,275	26	7.7	3.3	35	24,923	41	6.9	2.8	28
Louisiana	109,560,182	25	4.8	5.5	3	24,535	45	4.6	5.6	3
Maine	34,384,068	41	7.0	4.9	7	26,723	36	6.2	4.1	9
Maryland	189,141,723	15	7.8	4.9	6	35,188	6	6.7	3.6	11
Massachusetts	248,202,140	10	11.3	2.9	42	38,907	3	10.6	2.5	32
Michigan	297,609,334	9	6.2	1.3	51	29,788	19	5.6	0.9	50
Minnesota	164,588,791	17	8.1	3.6	26	33,101	9	6.9	2.8	29
Mississippi	62,163,207	33	5.2	3.8	22	21,750	51	4.4	3.5	15

Appendix B (Continued)

State Personal Income & Growth Rates, 1999-2001

(Dollars in Thousands)

	Personal Income					Per Capita Personal Income				
	2001	Rank	99-00	00-01	Rank	2001	Rank	99-00	00-01	Rank
Missouri	158,905,914	18	6.9	3.3	34	28,226	30	6.1	2.8	26
Montana	21,673,131	46	6.7	4.8	9	23,963	47	6.0	4.7	5
Nebraska	49,489,022	36	5.0	4.1	18	28,886	24	4.5	4.1	8
Nevada	62,966,282	32	8.3	5.0	4	29,897	18	3.8	0.7	51
New Hampshire	42,985,971	37	11.7	3.3	36	34,138	7	10.1	1.7	45
New Jersey	326,723,335	8	9.9	3.0	41	38,509	4	9.0	2.3	37
New Mexico	42,353,504	38	5.3	6.5	1	23,155	48	4.5	6.0	1
New York	684,773,804	2	8.0	3.0	39	36,019	5	7.4	2.9	24
North Carolina	225,233,835	13	7.8	3.1	37	27,514	33	6.1	1.7	44
North Dakota	16,433,657	50	8.0	2.5	47	25,902	38	8.5	3.6	12
Ohio	327,744,899	7	5.2	2.3	50	28,816	25	5.0	2.2	38
Oklahoma	86,749,508	29	7.2	4.5	13	25,071	40	6.7	4.3	7
Oregon	97,813,547	28	7.1	2.5	48	28,165	31	6.0	1.2	48
Pennsylvania	377,461,496	6	6.6	3.4	31	30,720	16	6.4	3.4	19
Rhode Island	31,995,433	43	6.9	4.1	17	30,215	17	5.9	3.3	20
South Carolina	101,110,225	27	7.0	3.5	29	24,886	42	5.7	2.5	30
South Dakota	20,173,940	47	6.2	3.4	32	26,664	37	5.5	3.3	21
Tennessee	154,910,561	20	6.5	3.0	38	26,988	35	5.4	2.4	35
Texas	609,489,206	3	8.9	3.8	23	28,581	28	6.9	1.9	42
Utah	54,883,681	35	7.6	4.3	16	24,180	46	5.7	3.0	23
Vermont	17,530,931	49	7.4	5.0	5	28,594	27	6.5	4.4	6
Virginia	233,106,915	12	8.6	4.8	10	32,431	13	7.0	3.5	13
Washington	191,763,140	14	7.2	2.6	46	32,025	14	6.0	1.3	47
West Virginia	41,230,293	39	5.4	4.4	15	22,881	50	5.7	4.7	4
Wisconsin	158,116,069	19	6.3	3.4	33	29,270	21	5.5	2.8	27
Wyoming	14,544,084	51	6.7	6.0	2	29,416	20	6.2	5.9	2

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

Appendix C

State Disposable Income & Growth Rates, 1999-2001

(Dollars in Thousands)

	Disposable Income		Percent Change			Per Capita Disposable Income		Percent Change		
	2001	Rank	99-00	00-01	Rank	2001	Rank	99-00	00-01	Rank
United States	7,387,363,000		7.4 %	3.8 %		25,939		6.3 %	2.9 %	
Far West	1,281,390,116	3	8.1	3.8	6	26,736	3	6.5	2.2	8
Great Lakes	1,167,752,791	4	6.6	2.6	8	25,742	4	6.0	2.2	7
Mideast	1,360,181,102	2	7.6	3.8	5	29,235	2	7.0	3.5	2
New England	428,878,907	7	8.0	4.5	3	30,586	1	7.2	3.9	1
Plains	488,467,730	6	6.7	3.6	7	25,278	5	5.9	3.3	3
Rocky Mountain	231,908,230	8	9.0	4.6	1	24,652	6	7.0	3.0	5
Southeast	1,661,736,728	1	6.9	4.2	4	23,636	8	5.5	3.0	4
Southwest	767,047,396	5	8.0	4.5	2	24,029	7	6.1	2.8	6
Alabama	96,676,732	25	5.3	3.9	32	21,655	43	4.8	3.6	20
Alaska	17,170,755	48	6.6	4.6	16	27,045	14	6.1	3.4	22
Arizona	119,006,738	22	8.8	5.4	5	22,423	39	5.9	2.5	39
Arkansas	54,191,535	33	5.5	4.3	22	20,130	50	4.4	3.8	16
California	932,835,102	1	8.5	4.0	30	27,038	15	6.9	2.5	40
Colorado	124,946,880	21	10.7	4.4	21	28,283	8	8.2	2.1	46
Connecticut	117,238,617	23	6.6	3.9	31	34,230	1	5.9	3.5	21
Delaware	21,966,928	44	9.0	4.9	11	27,591	11	7.5	3.6	19
District of Columbia	18,781,699	46	7.3	4.2	23	32,845	2	7.2	4.1	12
Florida	410,136,034	4	6.3	4.8	13	25,014	25	4.3	2.6	36
Georgia	206,771,609	10	8.4	4.2	26	24,663	28	6.0	2.2	45
Hawaii	30,930,425	40	5.0	3.8	35	25,262	20	4.8	2.8	33
Idaho	28,239,902	42	7.4	4.5	18	21,378	45	5.5	2.8	34
Illinois	349,489,340	5	7.2	3.0	45	27,999	9	6.6	2.6	37
Indiana	147,316,464	16	7.6	2.7	46	24,092	31	6.8	2.3	44
Iowa	69,759,813	30	7.1	2.7	47	23,864	34	6.7	2.8	32
Kansas	66,306,705	31	5.8	4.0	29	24,607	29	5.3	3.9	14
Kentucky	87,685,785	27	8.1	3.3	42	21,568	44	7.3	2.8	31
Louisiana	96,994,368	24	4.6	5.6	3	21,721	42	4.4	5.8	3
Maine	29,592,887	41	6.5	5.3	8	23,000	38	5.6	4.5	7
Maryland	158,291,351	15	7.2	5.4	6	29,449	6	6.1	4.1	11
Massachusetts	202,401,813	11	9.0	4.7	14	31,728	4	8.4	4.3	9
Michigan	254,748,666	9	6.6	1.5	51	25,498	19	6.0	1.1	50
Minnesota	139,215,644	17	7.2	4.1	27	27,998	10	6.0	3.2	26
Mississippi	55,778,802	32	5.4	4.1	28	19,517	51	4.6	3.8	15

Appendix C (Continued)

State Disposable Income & Growth Rates, 1999-2001

(Dollars in Thousands)

	Disposable Income		Percent Change			Per Capita Disposable Income		Percent Change		
	2001	Rank	99-00	00-01	Rank	2001	Rank	99-00	00-01	Rank
	Missouri	137,633,352	19	6.9	3.4	40	24,448	30	6.1	3.0
Montana	19,000,314	45	6.4	5.1	9	21,008	46	5.7	4.9	5
Nebraska	42,867,973	36	4.6	4.4	20	25,022	24	4.2	4.3	10
Nevada	54,069,470	34	7.9	5.3	7	25,673	18	3.4	1.0	51
New Hampshire	37,003,496	38	10.6	4.2	24	29,387	7	9.0	2.6	38
New Jersey	272,356,394	8	9.2	3.9	34	32,101	3	8.3	3.2	28
New Mexico	37,172,526	37	4.7	6.9	1	20,322	48	4.0	6.4	1
New York	565,238,271	2	7.6	3.5	39	29,732	5	7.0	3.3	24
North Carolina	194,234,077	13	7.7	3.5	38	23,727	36	6.0	2.1	47
North Dakota	14,635,152	50	8.0	2.3	50	23,068	37	8.5	3.4	23
Ohio	280,622,541	7	5.1	2.5	49	24,673	27	4.9	2.3	43
Oklahoma	75,845,733	29	7.0	4.7	15	21,920	40	6.5	4.5	8
Oregon	82,917,429	28	6.4	3.3	41	23,876	33	5.3	2.0	48
Pennsylvania	323,546,459	6	6.3	3.7	37	26,332	16	6.2	3.6	18
Rhode Island	27,503,254	43	5.8	4.8	12	25,973	17	4.9	4.0	13
South Carolina	88,455,987	26	7.3	3.7	36	21,771	41	6.0	2.7	35
South Dakota	18,049,091	47	6.3	3.3	43	23,856	35	5.6	3.1	29
Tennessee	138,241,423	18	6.8	3.1	44	24,084	32	5.6	2.4	41
Texas	535,022,399	3	8.2	4.2	25	25,089	23	6.2	2.3	42
Utah	47,302,115	35	7.5	4.5	17	20,840	47	5.6	3.2	27
Vermont	15,138,840	49	6.7	5.6	4	24,693	26	5.8	5.0	4
Virginia	196,098,107	12	8.7	4.9	10	27,282	13	7.1	3.7	17
Washington	163,466,935	14	8.0	2.6	48	27,299	12	6.8	1.3	49
West Virginia	36,472,269	39	5.3	4.5	19	20,241	49	5.6	4.8	6
Wisconsin	135,575,780	20	7.1	3.9	33	25,098	22	6.3	3.3	25
Wyoming	12,419,019	51	5.6	6.4	2	25,118	21	5.2	6.3	2

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

Appendix D

Kansas County Personal Income, 2000

(Dollars in Thousands)

County	Salaries & Wages	Other Labor Income	Proprietor's Income		Dividends, Interest, & Rent	Transfer Payments	Adjust. for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
			Farm	Nonfarm					
Allen	\$147,359	\$18,918	(\$3,718)	\$31,495	\$65,452	\$62,793	(\$1,223)	\$12,425	\$308,652
Anderson	44,924	5,908	(940)	15,740	36,279	33,703	18,803	4,446	149,971
Atchison	170,470	19,800	422	19,681	78,227	65,206	13,795	13,923	353,678
Barber	41,470	5,939	(3,199)	11,582	31,833	27,873	(1,894)	3,508	110,095
Barton	317,237	35,610	2,166	60,270	161,186	114,719	(4,704)	26,844	659,640
Bourbon	147,472	17,728	(849)	34,026	75,857	69,952	3,650	13,273	334,563
Brown	110,839	12,460	3,142	20,322	57,048	50,612	(1,008)	9,329	244,086
Butler	396,663	49,860	1,264	131,296	235,963	187,960	619,018	34,717	1,587,307
Chase	16,043	2,534	6,877	10,007	16,327	13,160	7,438	1,719	70,667
Chautauqua	19,548	2,717	(480)	8,582	25,507	24,293	5,219	2,043	83,342
Cherokee	161,288	19,692	3,150	33,502	78,821	98,804	62,829	14,384	443,701
Cheyenne	24,429	2,990	1,980	7,492	20,182	15,405	(2,673)	2,210	67,596
Clark	21,153	2,792	(74)	4,537	18,070	10,723	3,750	1,137	59,815
Clay	63,649	8,072	2,457	23,189	55,446	36,472	21,908	5,898	205,296
Cloud	75,686	9,728	(398)	17,192	59,327	50,810	3,962	6,810	209,498
Coffey	130,735	16,744	(3,013)	17,131	52,366	35,623	(42,505)	10,000	197,081
Comanche	12,709	1,912	(1,391)	5,262	13,200	10,379	775	1,170	41,674
Cowley	393,025	47,294	4,791	55,386	153,655	155,251	31,735	31,058	810,081
Crawford	433,906	55,320	(12)	32,874	180,926	169,905	(12,258)	30,987	829,676
Decatur	22,546	3,071	(24)	7,375	29,500	17,652	1,525	2,080	79,566
Dickinson	160,519	19,417	1,212	25,872	96,708	77,708	50,741	13,774	418,402
Doniphan	77,726	9,697	7,478	10,543	29,348	32,982	11,943	6,032	173,684
Douglas	1,253,314	160,413	(2,265)	129,730	460,575	237,892	137,995	79,890	2,297,764
Edwards	24,702	3,017	8,462	8,032	19,834	16,772	2,488	2,196	81,112
Elk	13,549	2,543	233	6,901	13,181	18,014	10,045	1,328	63,138
Ellis	342,929	42,498	4,042	70,112	137,507	95,370	8,499	26,963	673,994
Ellsworth	55,706	7,318	3,478	12,668	37,344	30,758	(1,881)	4,457	140,933
Finney	524,285	55,500	15,019	94,975	129,814	85,379	(15,354)	40,747	848,870
Ford	409,919	44,906	15,026	66,467	132,592	89,857	(24,330)	32,337	702,099
Franklin	208,178	23,105	(3,939)	35,087	93,410	89,140	120,428	16,922	548,488
Geary	614,003	216,849	(734)	29,087	111,816	81,348	(437,577)	33,066	581,726
Gove	26,622	3,493	2,993	11,358	20,165	13,535	(1,798)	2,223	74,145
Graham	22,525	3,284	5,185	8,776	15,499	16,028	1,168	1,986	70,478
Grant	99,211	10,494	2,349	23,627	33,087	21,243	(10,999)	7,432	171,580
Gray	57,912	7,104	18,728	13,069	24,894	17,296	4,227	3,838	139,393

Appendix D (Continued)

Kansas County Personal Income, 2000

(Dollars in Thousands)

County	Salaries & Wages	Other Labor Income	Proprietor's Income		Dividends, Interest, & Rent	Transfer Payments	Adjust. for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
			Farm	Nonfarm					
Greeley	\$15,910	\$1,828	\$5,705	\$2,325	\$8,763	\$6,458	(\$844)	\$946	\$39,199
Greenwood	39,137	5,560	2,289	15,193	38,836	40,022	18,307	4,064	155,280
Hamilton	22,656	2,747	9,028	4,276	15,264	10,472	(451)	1,299	62,692
Harper	46,673	6,935	(255)	17,008	37,134	33,326	9,318	4,179	145,960
Harvey	359,077	37,780	3,332	99,515	154,622	128,413	139,225	34,221	887,743
Haskell	37,967	4,412	32,861	10,644	19,315	10,971	3,234	2,339	117,065
Hodgeman	12,614	2,150	5,672	4,917	13,942	8,635	2,427	852	49,505
Jackson	98,881	10,649	(4,136)	28,530	52,284	43,639	83,817	8,995	304,669
Jefferson	73,583	10,607	(2,437)	21,711	65,356	58,592	213,396	6,464	434,343
Jewell	18,171	3,086	1,212	9,279	23,783	16,944	5,540	1,742	76,273
Johnson	11,344,802	1,101,611	4,544	1,568,269	4,079,493	1,109,661	1,472,552	928,888	19,752,044
Kearny	29,321	4,060	9,632	5,844	22,062	13,222	14,791	1,486	97,445
Kingman	59,349	7,490	(3,190)	17,156	43,534	36,901	27,234	5,487	182,987
Kiowa	26,547	3,731	(397)	4,568	22,862	17,082	3,109	1,992	75,511
Labette	243,029	30,772	(884)	47,734	92,358	103,770	(17,497)	19,163	480,119
Lane	18,106	2,409	5,445	4,675	17,013	9,746	(95)	1,277	56,022
Leavenworth	771,396	196,528	(3,526)	87,294	288,319	191,344	99,225	45,426	1,585,156
Lincoln	17,894	3,178	830	7,150	20,336	15,505	6,436	1,596	69,733
Linn	58,732	7,959	(1,068)	13,600	38,759	40,554	26,587	5,224	179,899
Logan	26,201	3,549	(3,755)	7,774	18,134	12,729	1,264	2,116	63,779
Lyon	445,716	55,092	1,666	44,534	156,409	117,987	(13,092)	31,275	777,038
McPherson	376,910	41,496	6,408	82,885	156,480	111,647	5,094	33,629	747,291
Marion	81,613	11,277	(57)	20,412	57,212	54,380	32,281	7,427	249,691
Marshall	125,208	16,349	5,987	20,911	75,637	59,872	154	11,515	292,603
Meade	38,237	4,420	11,320	8,186	24,654	17,601	8,262	2,455	110,225
Miami	206,785	23,776	(3,537)	29,239	105,856	95,297	242,867	15,827	684,458
Mitchell	84,387	9,821	4,069	11,990	38,508	29,478	(10,675)	6,492	161,086
Montgomery	422,197	49,125	1,727	42,876	155,578	175,654	(26,331)	34,562	786,264
Morris	39,595	5,252	(1,773)	10,889	33,049	27,603	14,901	3,621	125,896
Morton	41,254	5,185	(757)	7,742	19,179	13,295	(2,776)	2,450	80,672
Nemaha	103,395	12,301	9,354	16,086	78,199	41,949	2,982	8,717	255,550
Neosho	179,156	21,456	(3,218)	30,659	69,814	79,073	1,952	14,329	364,563
Ness	28,992	4,362	617	12,890	24,291	17,117	2,079	2,778	87,569
Norton	59,067	7,815	3,851	11,103	34,748	25,636	(2,566)	4,075	135,579
Osage	76,892	11,005	(4,781)	16,403	71,004	66,035	128,906	6,609	358,855

Appendix D (Continued)

Kansas County Personal Income, 2000

(Dollars in Thousands)

County	Salaries & Wages	Other Labor Income	Proprietor's Income		Dividends, Interest, & Rent	Transfer Payments	Adjust. for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
			Farm	Nonfarm					
Osborne	\$29,467	\$4,076	(\$668)	\$10,857	\$27,721	\$22,823	\$3,022	\$3,003	\$94,295
Ottawa	29,272	4,182	(35)	7,844	36,809	23,515	28,172	2,534	127,226
Pawnee	75,599	10,989	6,004	14,600	35,291	28,018	1,830	3,889	168,441
Phillips	57,083	8,253	1,621	17,390	41,383	28,603	(2,213)	5,075	147,045
Pottawatomie	198,799	22,079	883	30,164	92,584	57,291	41,468	16,053	427,214
Pratt	103,940	12,436	326	27,036	57,212	41,040	253	8,663	233,580
Rawlins	20,945	2,988	(1,030)	7,614	19,981	13,905	1,545	1,847	64,102
Reno	793,572	85,507	5,043	84,255	359,375	256,690	15,151	62,263	1,537,331
Republic	46,950	6,407	(3,198)	12,873	33,394	27,554	3,799	4,122	123,657
Rice	75,052	10,215	6,811	16,482	49,835	45,001	14,543	6,183	211,756
Riley	660,958	99,101	(1,703)	62,224	255,179	136,154	315,872	35,622	1,492,162
Rooks	46,600	6,559	(1,566)	13,109	32,453	25,849	3,037	3,991	122,049
Rush	27,868	3,995	(181)	5,291	21,671	18,711	863	2,320	75,898
Russell	56,876	7,307	361	17,900	52,203	42,910	563	5,526	172,595
Saline	864,396	92,536	(1,641)	246,242	285,217	185,684	(50,541)	79,246	1,542,645
Scott	52,906	5,603	17,521	12,383	33,202	16,524	5,648	3,348	140,439
Sedgwick	8,623,363	1,001,741	(2,556)	959,089	2,586,588	1,531,206	(1,133,851)	681,848	12,883,732
Seward	334,480	36,258	2,839	56,886	74,313	56,455	(46,071)	25,459	489,700
Shawnee	3,217,347	367,770	579	261,314	961,264	661,401	(477,899)	226,606	4,765,170
Sheridan	21,260	2,824	4,683	9,860	18,857	11,302	1,036	1,927	67,894
Sherman	72,666	8,869	8,107	14,754	32,545	32,671	4,979	5,588	169,005
Smith	29,848	4,010	2,624	10,102	32,518	23,576	1,073	2,865	100,886
Stafford	33,113	5,054	8,335	12,779	29,740	28,680	530	2,782	115,450
Stanton	22,951	2,503	8,205	4,779	15,217	7,416	(964)	1,273	58,834
Stevens	53,197	6,606	15,446	13,244	32,697	17,444	7,023	3,590	142,068
Sumner	177,413	22,687	1,094	36,067	106,045	101,769	212,956	15,204	642,827
Thomas	90,529	11,323	12,375	19,834	40,385	28,585	(6,513)	6,927	189,591
Trego	22,453	3,321	(1,815)	8,081	17,627	15,560	3,354	2,012	66,567
Wabaunsee	27,264	4,064	(960)	12,174	27,755	24,173	63,470	2,708	155,233
Wallace	11,833	1,532	304	4,624	11,950	7,700	(51)	985	36,907
Washington	39,860	6,209	4,112	8,823	33,338	31,580	9,601	3,246	130,276
Wichita	23,229	2,710	17,908	4,929	13,757	9,935	(120)	1,450	70,899
Wilson	104,530	13,064	(2,842)	19,688	42,404	46,947	(1,870)	8,803	213,118
Woodson	15,140	2,274	1,705	7,541	17,022	19,249	7,693	1,846	68,780
Wyandotte	2,981,402	366,248	(370)	98,833	455,431	673,738	(1,162,883)	200,539	3,211,860
Total	\$41,313,862	\$4,925,799	\$289,518	\$5,587,180	\$14,956,696	\$9,314,887	\$939,855	\$3,204,011	\$74,123,786

Appendix E

Kansas County Personal Income, 2001

(Dollars in Thousands)

County	Salaries & Wages	Other Labor Income	Proprietor's Income		Dividends, Interest, & Rent	Transfer Payments	Adjust. for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
			Farm	Nonfarm					
Allen	\$150,312	\$19,919	(\$3,047)	\$32,162	\$67,496	\$67,912	(\$1,621)	\$12,822	\$320,312
Anderson	46,215	6,239	(700)	16,282	37,129	36,252	17,700	4,655	154,464
Atchison	172,256	20,702	313	20,001	81,332	70,330	13,710	14,278	364,367
Barber	41,135	6,180	(1,871)	11,820	32,437	29,917	(1,699)	3,538	114,381
Barton	318,355	37,111	1,552	62,779	164,230	122,760	(3,985)	27,434	675,368
Bourbon	149,476	18,590	(795)	35,286	77,435	75,193	3,333	13,691	344,826
Brown	114,061	13,126	2,534	21,256	58,328	54,457	(738)	9,742	253,282
Butler	402,203	52,497	11,813	135,345	242,982	204,763	584,819	35,826	1,598,597
Chase	16,203	2,688	(1,584)	10,393	16,480	14,090	6,917	1,773	63,415
Chautauqua	19,607	2,850	(360)	8,853	26,364	26,242	4,869	2,079	86,346
Cherokee	162,609	20,491	7,854	35,901	81,484	106,436	59,338	14,806	459,305
Cheyenne	25,397	3,202	1,592	7,537	20,443	16,500	(1,606)	2,299	70,765
Clark	21,673	2,996	(42)	4,613	18,287	11,482	3,310	1,150	61,169
Clay	63,783	8,423	1,723	23,856	56,539	39,003	20,954	6,001	208,280
Cloud	74,077	9,973	(225)	17,309	60,214	54,302	4,024	6,777	212,897
Coffey	132,610	17,542	(6,414)	17,718	53,845	38,398	(39,258)	10,282	204,159
Comanche	12,770	1,995	(285)	5,355	13,287	11,090	663	1,199	43,675
Cowley	404,555	50,181	6,155	56,867	157,401	167,977	29,280	32,516	839,901
Crawford	443,510	58,768	(10)	32,845	185,458	183,053	(14,460)	31,946	857,219
Decatur	22,369	3,200	(14)	7,528	29,823	19,091	1,423	2,102	81,319
Dickinson	162,150	20,328	826	25,848	99,055	83,363	47,748	14,068	425,252
Doniphan	78,584	10,191	7,300	10,462	30,204	35,362	22,635	6,145	188,594
Douglas	1,307,130	172,535	(3,857)	135,953	474,248	260,846	127,585	84,444	2,389,997
Edwards	24,225	3,084	7,996	8,361	19,999	17,751	2,440	2,202	81,655
Elk	14,486	2,733	200	7,025	13,383	19,131	9,244	1,408	64,795
Ellis	347,974	44,707	(2,815)	71,209	141,242	102,985	7,671	27,775	685,199
Ellsworth	56,258	7,654	3,342	13,601	38,415	33,075	(1,689)	4,598	146,059
Finney	534,767	58,487	14,715	97,725	134,174	92,452	(14,729)	42,106	875,485
Ford	413,134	46,535	13,805	68,499	135,675	96,472	(22,177)	33,051	718,891
Franklin	208,971	23,991	(8,298)	35,691	96,266	96,270	117,475	17,224	553,143
Geary	619,933	231,216	(1,055)	29,538	113,668	88,167	(404,513)	34,165	642,789
Gove	27,347	3,744	2,948	11,645	20,683	14,414	(1,740)	2,312	76,730
Graham	22,585	3,423	10,648	9,174	15,691	17,281	1,074	2,044	77,831
Grant	98,494	10,735	1,726	24,380	33,623	23,039	(9,901)	7,499	174,597
Gray	59,006	7,610	17,995	13,342	25,477	18,907	3,866	3,937	142,265

Appendix E (Continued)

Kansas County Personal Income, 2001

(Dollars in Thousands)

County	Salaries & Wages	Other Labor Income	Proprietor's Income		Dividends, Interest, & Rent	Transfer Payments	Adjust. for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
			Farm	Nonfarm					
Greeley	\$16,290	\$1,930	\$5,099	\$2,252	\$9,005	\$7,000	(\$784)	\$971	\$39,821
Greenwood	39,807	5,907	1,971	15,529	39,423	42,780	16,969	4,182	158,205
Hamilton	23,263	2,934	8,145	4,319	15,672	11,099	(417)	1,330	63,684
Harper	46,953	7,332	(152)	17,957	37,752	35,665	8,639	4,279	149,868
Harvey	360,494	39,112	2,485	101,502	159,382	138,997	131,399	34,962	898,408
Haskell	38,465	4,668	30,246	10,833	19,419	11,781	2,909	2,387	115,933
Hodgeman	12,681	2,290	4,906	4,838	14,392	9,326	2,362	854	49,941
Jackson	110,227	11,646	(5,426)	29,790	54,336	47,341	75,645	10,083	313,476
Jefferson	74,677	11,197	(2,840)	21,723	67,051	63,615	204,918	6,667	433,673
Jewell	17,939	3,208	785	9,622	24,062	17,921	5,142	1,759	76,919
Johnson	12,162,246	1,206,871	4,239	1,610,603	4,221,094	1,215,318	1,410,596	1,005,133	20,825,832
Kearny	29,417	4,239	8,740	5,851	22,413	14,353	13,938	1,484	97,467
Kingman	59,479	7,812	(1,520)	18,033	44,448	39,624	25,208	5,603	187,481
Kiowa	26,882	3,963	(227)	4,478	23,128	18,303	2,885	2,021	77,392
Labette	244,478	32,046	(856)	50,802	95,743	111,627	(15,671)	19,690	498,479
Lane	18,191	2,526	5,877	4,623	17,401	10,384	(70)	1,292	57,640
Leavenworth	789,727	208,803	(9,359)	88,350	295,512	208,551	98,318	47,572	1,632,328
Lincoln	17,798	3,347	500	7,463	20,625	16,601	6,226	1,615	70,944
Linn	59,682	8,367	(2,004)	14,364	39,943	43,322	25,836	5,385	184,125
Logan	26,839	3,819	6,633	7,947	18,286	13,501	1,161	2,196	75,989
Lyon	451,816	57,836	1,309	44,592	160,666	127,551	(12,279)	32,001	799,490
McPherson	385,801	43,707	5,169	85,453	161,789	120,847	4,181	34,928	772,018
Marion	82,286	11,896	(33)	20,576	58,272	58,307	29,683	7,558	253,427
Marshall	130,140	17,802	4,794	21,646	77,810	64,909	93	12,106	305,089
Meade	39,463	4,682	11,113	8,183	25,021	18,885	7,714	2,538	112,524
Miami	215,014	25,348	(4,822)	28,667	108,598	103,697	231,381	16,587	691,295
Mitchell	85,923	10,354	3,001	12,050	39,305	31,406	(9,970)	6,679	165,391
Montgomery	432,559	51,650	1,789	42,616	158,957	188,997	(24,922)	35,793	815,853
Morris	41,028	5,605	6,322	10,925	34,650	29,736	13,805	3,775	138,295
Morton	41,460	5,407	(279)	7,926	19,444	14,485	(2,526)	2,502	83,414
Nemaha	104,550	12,830	8,761	16,700	79,755	44,968	1,523	8,929	260,158
Neosho	178,994	22,251	(2,539)	30,432	71,421	85,419	2,690	14,445	374,223
Ness	29,392	4,609	481	13,096	24,565	18,213	1,835	2,864	89,326
Norton	60,440	8,286	2,411	11,382	35,226	27,379	(2,409)	4,211	138,503
Osage	79,353	11,749	(6,514)	16,111	73,359	72,033	122,100	6,832	361,359

Appendix E (Continued)

Kansas County Personal Income, 2001

(Dollars in Thousands)

County	Salaries & Wages	Other Labor Income	Proprietor's Income		Dividends, Interest, & Rent	Transfer Payments	Adjust. for Residence	Less: Personal Contributions for Social Insurance	Total Personal Income
			Farm	Nonfarm					
Osborne	\$29,515	\$4,257	(\$351)	\$11,092	\$28,073	\$24,346	\$2,894	\$3,048	\$96,777
Ottawa	29,393	4,399	(21)	7,814	38,193	25,450	26,664	2,563	129,330
Pawnee	76,253	11,603	5,744	14,654	35,782	29,671	1,574	3,972	171,309
Phillips	57,306	8,661	1,166	17,749	42,106	30,917	(2,108)	5,195	150,601
Pottawatomie	207,682	23,624	223	31,181	95,171	62,088	38,327	16,987	441,311
Pratt	105,910	13,164	206	27,931	58,118	43,684	129	8,969	240,174
Rawlins	21,250	3,157	(487)	7,939	20,163	14,867	1,586	1,905	66,569
Reno	791,725	88,128	4,076	86,088	368,033	276,829	16,874	62,985	1,568,769
Republic	47,188	6,750	(910)	13,076	33,869	29,377	3,464	4,195	128,619
Rice	76,570	10,861	6,002	16,581	50,735	48,473	13,358	6,356	216,223
Riley	690,459	106,065	(1,600)	61,384	261,365	147,653	290,470	37,473	1,518,323
Rooks	46,914	6,907	(375)	13,499	32,704	27,554	3,116	4,089	126,231
Rush	27,821	4,141	(116)	5,424	22,128	19,888	1,316	2,357	78,245
Russell	57,141	7,597	229	18,113	53,362	46,507	724	5,666	178,008
Saline	891,552	98,003	(554)	250,023	292,797	200,217	(49,467)	82,681	1,599,890
Scott	54,181	5,966	16,528	12,594	33,891	17,791	5,263	3,425	142,789
Sedgwick	8,743,631	1,046,747	(750)	983,866	2,680,377	1,664,216	(1,060,991)	701,576	13,355,519
Seward	341,697	38,045	2,041	59,015	76,578	60,849	(41,921)	26,365	509,939
Shawnee	3,285,720	385,785	(94)	268,364	987,592	717,057	(446,710)	235,655	4,962,061
Sheridan	21,909	3,014	4,009	9,947	19,021	12,126	902	2,001	68,927
Sherman	74,309	9,384	7,181	15,074	33,085	35,309	5,046	5,769	173,620
Smith	30,194	4,250	1,922	10,293	33,093	25,246	987	2,923	103,062
Stafford	33,167	5,402	7,599	13,139	30,157	31,121	426	2,833	118,179
Stanton	23,352	2,660	6,674	4,922	15,357	8,096	(918)	1,329	58,813
Stevens	53,725	6,925	15,026	13,325	33,316	18,782	6,545	3,647	143,997
Sumner	179,610	23,613	734	35,616	110,284	109,897	196,100	15,483	640,370
Thomas	92,092	12,009	10,740	20,006	41,353	30,891	(6,078)	7,154	193,858
Trego	22,645	3,501	(3,093)	8,119	17,996	16,460	3,247	2,052	66,822
Wabaunsee	27,996	4,318	(822)	12,184	28,257	25,891	59,717	2,793	154,749
Wallace	12,078	1,624	190	4,774	12,379	8,261	(35)	1,021	38,250
Washington	40,446	6,562	3,489	8,915	33,903	33,850	9,104	3,312	132,957
Wichita	23,873	2,857	15,157	4,858	14,052	10,771	(92)	1,493	69,983
Wilson	108,528	14,043	(2,542)	20,051	43,759	50,273	(2,142)	9,220	222,752
Woodson	15,216	2,390	1,542	7,668	17,228	20,475	7,054	1,881	69,691
Wyandotte	3,023,909	374,398	(625)	98,824	478,325	724,556	(1,082,630)	206,150	3,410,606
Total	\$42,666,934	\$5,220,488	\$270,010	\$5,721,494	\$15,413,325	\$10,082,144	\$951,859	\$3,353,631	\$76,972,623

Appendix F

Resident Population for U.S., Kansas, & Counties, 1999, 2000, & 2001

Area:	1999	2000	2001	Percent Change	
	(As of 7/1/99)	(As of 4/1/00)	(As of 7/1/01)	1999-2000	2000-2001
U.S.	272,690,813	281,421,906	284,796,887	3.2 %	1.2 %
Kansas	2,639,653	2,688,418	2,694,641	1.8	0.2
Allen	14,556	14,385	14,193	(1.2)	(1.3)
Anderson	8,060	8,110	8,190	0.6	1.0
Atchison	16,908	16,774	16,687	(0.8)	(0.5)
Barber	5,342	5,307	5,163	(0.7)	(2.7)
Barton	28,944	28,205	27,810	(2.6)	(1.4)
Bourbon	15,260	15,379	15,371	0.8	(0.1)
Brown	11,070	10,724	10,630	(3.1)	(0.9)
Butler	61,932	59,482	60,194	(4.0)	1.2
Chase	2,950	3,030	3,033	2.7	0.1
Chautauqua	4,360	4,359	4,270	--	(2.0)
Cherokee	22,552	22,605	22,333	0.2	(1.2)
Cheyenne	3,174	3,165	3,114	(0.3)	(1.6)
Clark	2,361	2,390	2,371	1.2	(0.8)
Clay	9,148	8,822	8,771	(3.6)	(0.6)
Cloud	10,027	10,268	9,985	2.4	(2.8)
Coffey	8,696	8,865	8,815	1.9	(0.6)
Comanche	2,012	1,967	1,961	(2.2)	(0.3)
Cowley	36,685	36,291	35,929	(1.1)	(1.0)
Crawford	36,360	38,242	37,927	5.2	(0.8)
Decatur	3,456	3,472	3,432	0.5	(1.2)
Dickinson	19,742	19,344	19,155	(2.0)	(1.0)
Doniphan	7,856	8,249	8,303	5.0	0.7
Douglas	96,381	99,962	100,005	3.7	0.0
Edwards	3,312	3,449	3,325	4.1	(3.6)
Elk	3,351	3,261	3,189	(2.7)	(2.2)
Ellis	26,550	27,507	27,247	3.6	(0.9)
Ellsworth	6,285	6,525	6,488	3.8	(0.6)
Finney	36,514	40,523	40,082	11.0	(1.1)
Ford	29,382	32,458	32,314	10.5	(0.4)
Franklin	24,768	24,784	24,943	0.1	0.6
Geary	25,370	27,947	26,799	10.2	(4.1)
Gove	3,054	3,068	3,008	0.5	(2.0)
Graham	3,204	2,946	2,845	(8.1)	(3.4)
Grant	8,012	7,909	7,790	(1.3)	(1.5)
Gray	5,595	5,904	5,946	5.5	0.7

Appendix F (Continued)

Resident Population for U.S., Kansas, & Counties, 1999, 2000, & 2001

Area:	1999	2000	2001	Percent Change	
	(As of 7/1/99)	(As of 4/1/00)	(As of 7/1/01)	1999-2000	2000-2001
Greeley	1,704	1,534	1,503	(10.0) %	(2.0) %
Greenwood	8,139	7,673	7,771	(5.7)	1.3
Hamilton	2,343	2,670	2,671	14.0	0.0
Harper	6,430	6,536	6,335	1.6	(3.1)
Harvey	34,361	32,869	33,031	(4.3)	0.5
Haskell	3,976	4,307	4,285	8.3	(0.5)
Hodgeman	2,209	2,085	2,154	(5.6)	3.3
Jackson	12,130	12,657	12,742	4.3	0.7
Jefferson	18,243	18,426	18,610	1.0	1.0
Jewell	3,867	3,791	3,591	(2.0)	(5.3)
Johnson	429,563	451,086	465,058	5.0	3.1
Kearny	4,177	4,531	4,562	8.5	0.7
Kingman	8,543	8,673	8,512	1.5	(1.9)
Kiowa	3,470	3,278	3,132	(5.5)	(4.5)
Labette	23,030	22,835	22,483	(0.8)	(1.5)
Lane	2,264	2,155	2,091	(4.8)	(3.0)
Leavenworth	71,299	68,691	70,261	(3.7)	2.3
Lincoln	3,338	3,578	3,547	7.2	(0.9)
Linn	9,158	9,570	9,685	4.5	1.2
Logan	2,987	3,046	2,957	2.0	(2.9)
Lyon	33,920	35,935	35,560	5.9	(1.0)
McPherson	28,630	29,554	13,423	3.2	(54.6)
Marion	13,605	13,361	10,772	(1.8)	(19.4)
Marshall	11,006	10,965	29,618	(0.4)	170.1
Meade	4,424	4,631	4,647	4.7	0.3
Miami	26,597	28,351	28,780	6.6	1.5
Mitchell	6,936	6,932	6,778	(0.1)	(2.2)
Montgomery	37,089	36,252	35,520	(2.3)	(2.0)
Morris	6,169	6,104	6,112	(1.1)	0.1
Morton	3,440	3,496	3,385	1.6	(3.2)
Nemaha	10,536	10,717	10,516	1.7	(1.9)
Neosho	16,760	16,997	16,759	1.4	(1.4)
Ness	3,607	3,454	3,340	(4.2)	(3.3)
Norton	5,752	5,953	5,841	3.5	(1.9)
Osage	17,139	16,712	16,903	(2.5)	1.1
Osborne	4,712	4,452	4,345	(5.5)	(2.4)
Ottawa	5,905	6,163	6,190	4.4	0.4
Pawnee	7,437	7,233	6,979	(2.7)	(3.5)

Appendix F (Continued)

Resident Population for U.S., Kansas, & Counties, 1999, 2000, & 2001

Area:	1999	2000	2001	Percent Change	
	(As of 7/1/99)	(As of 4/1/00)	(As of 7/1/01)	1999-2000	2000-2001
Phillips	6,080	6,001	5,873	(1.3) %	(2.1) %
Pottawatomie	18,691	18,209	18,336	(2.6)	0.7
Pratt	9,700	9,647	9,544	(0.5)	(1.1)
Rawlins	3,125	2,966	2,918	(5.1)	(1.6)
Reno	63,211	64,790	64,237	2.5	(0.9)
Republic	6,102	5,835	5,646	(4.4)	(3.2)
Rice	10,360	10,761	10,588	3.9	(1.6)
Riley	63,615	62,843	60,368	(1.2)	(3.9)
Rooks	5,660	5,685	5,614	0.4	(1.2)
Rush	3,413	3,551	3,488	4.0	(1.8)
Russell	7,558	7,370	7,166	(2.5)	(2.8)
Saline	51,617	53,597	53,646	3.8	0.1
Scott	5,018	5,120	5,002	2.0	(2.3)
Sedgwick	448,050	452,869	455,516	1.1	0.6
Seward	19,984	22,510	22,434	12.6	(0.3)
Shawnee	170,364	169,871	170,080	(0.3)	0.1
Sheridan	2,741	2,813	2,726	2.6	(3.1)
Sherman	6,511	6,760	6,528	3.8	(3.4)
Smith	4,588	4,536	4,436	(1.1)	(2.2)
Stafford	5,000	4,789	4,755	(4.2)	(0.7)
Stanton	2,265	2,406	2,408	6.2	0.1
Stevens	5,371	5,463	5,379	1.7	(1.5)
Sumner	27,043	25,946	25,749	(4.1)	(0.8)
Thomas	8,037	8,180	8,080	1.8	(1.2)
Trego	3,283	3,319	3,195	1.1	(3.7)
Wabaunsee	6,651	6,885	6,843	3.5	(0.6)
Wallace	1,802	1,749	1,706	(2.9)	(2.5)
Washington	6,490	6,483	6,321	(0.1)	(2.5)
Wichita	2,643	2,531	2,538	(4.2)	0.3
Wilson	10,218	10,332	10,235	1.1	(0.9)
Woodson	3,983	3,788	3,758	(4.9)	(0.8)
Wyandotte	152,355	157,882	157,461	3.6	(0.3)

Source: United States Bureau of the Census

Appendix G

Selected Social Characteristics for Kansas, 2000

	Population	Percent
Population 3 Years of Age or More Who Are Enrolled in School.....	756,960	100.0%
Nursery School, Preschool.....	51,305	6.8
Kindergarten	39,071	5.2
Elementary School (Grades 1-8).....	325,595	43.0
High School (Grades 9-12).....	164,536	21.7
College or Graduate School	176,453	23.3
 Educational Attainment		
Population 25 Years and Over	1,701,207	100.0%
Less than 9th Grade.....	88,124	5.2
9th to 12th Grade, No Diploma	149,675	8.8
High School Graduate (Includes GED)	507,612	29.8
Some College, No Degree	417,722	24.6
Associate Degree.....	99,096	5.8
Bachelor's Degree.....	290,271	17.1
Graduate or Professional Degree.....	148,707	8.7
Percent High School Graduate or Higher	--	86.0
Percent Bachelor's Degree or Higher.....	--	25.8
 Marital Status		
Population 15 Years and Over	2,100,656	100.0%
Never Married.....	505,452	24.1
Now Married, Except Separated.....	1,220,202	58.1
Separated	25,013	1.2
Widowed.....	138,336	6.6
Female	114,268	5.4
Divorced	211,653	10.1
Female	117,035	5.6
 Disability Status of the Civilian Noninstitutionalized Population		
Population 5 to 20 Years.....	645,211	100.0%
With a Disability	46,507	7.2
 Population 65 Years and Over	330,661	100.0%
With a Disability	137,088	41.5
 Population 21 to 64 Years.....	1,464,501	100.0%
With a Disability	246,092	16.8
Percent Employed	--	62.0
No Disability.....	1,218,409	83.2
Percent Employed	--	82.1
 Grandparents as Caregivers		
Grandparent Living in Household with One or More Own Grandchildren under 18 Years of Age.....	35,274	100.0%

Appendix G (Continued)

Selected Social Characteristics for Kansas, 2000

	<u>Population</u>	<u>Percent</u>
Grandparents as Caregivers (Continued)		
Grandparent Responsible for Grandchildren	17,873	50.7%
Veteran Status		
Civilian Population 18 Years and Over	1,962,154	100.0%
Civilian Veterans	267,452	13.6
Nativity and Place of Birth		
Total Population	2,688,418	100.0%
Native	2,553,683	95.0
Born in United States	2,532,564	94.2
State of Residence	1,600,274	59.5
Different State	932,290	34.7
Born Outside United States	21,119	0.8
Foreign Born	134,735	5.0
Entered Kansas between 1990 and March 2000	74,260	2.8
Naturalized Citizen	44,763	1.7
Not a Citizen	89,972	3.3
Residence in 1995		
Population 5 Years and Over	2,500,360	100.0%
Same House in 1995	1,310,009	52.4
Different House in the U.S. in 1995	1,138,888	45.5
Same County	606,365	24.3
Different County	532,523	21.3
Same State	255,737	10.2
Different State	276,786	11.1
Elsewhere in 1995	51,463	2.1
Region of Birth of Foreign Born		
Total (Excluding Born at Sea)	134,733	100.0%
Europe	15,032	11.2
Asia	38,028	28.2
Africa	3,592	2.7
Oceania	680	0.5
Latin America	73,727	54.7
North America	3,674	2.7
Language Spoken at Home		
Population 5 Years and Over	2,500,360	100.0%
English Only	2,281,705	91.3
Language Other than English	218,655	8.7
Speak English Less than "Very Well"	98,207	3.9

Appendix G (Continued)

Selected Social Characteristics for Kansas, 2000

	Population	Percent
Language Spoken at Home (Continued)		
Spanish	137,247	5.5%
Speak English Less than "Very Well"	67,973	2.7
Other Indo-European languages	41,207	1.6
Speak English Less than "Very Well"	10,778	0.4
Asian & Pacific Island Languages	33,203	1.3
Speak English Less than "Very Well"	17,412	0.7
Ancestry (Single or Multiple)		
Total Population	2,688,418	100.0%
Total Ancestries Reported	2,679,577	99.7
Arab	6,785	0.3
Czech ¹	22,794	0.8
Danish	15,145	0.6
Dutch	61,178	2.3
English	289,938	10.8
French (except Basque) ¹	82,565	3.1
French Canadian ¹	12,529	0.5
German	695,442	25.9
Greek	4,145	0.2
Hungarian	3,903	0.1
Irish ¹	309,647	11.5
Italian	50,729	1.9
Lithuanian	2,073	0.1
Norwegian	29,773	1.1
Polish	34,695	1.3
Portuguese	1,805	0.1
Russian	16,903	0.6
Scotch-Irish	51,879	1.9
Scottish	50,339	1.9
Slovak	1,585	0.1
Subsaharan African	9,205	0.3
Swedish	64,308	2.4
Swiss	14,018	0.5
Ukrainian	2,577	0.1
United States or American	237,358	8.8
Welsh	21,882	0.8
West Indian (excluding Hispanic groups)	1,796	0.1
Other ancestries	584,581	21.7

¹ The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes Czechoslovakian. French includes Alsatian. French Canadian includes Acadian/Cajun. Irish includes Celtic.

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrices P18, P19, P21, P22, P24, P36, P37, P39, P42, PCT8, PCT16, PCT17, and PCT19

Appendix H

Selected Economic Characteristics for Kansas, 2000

	Population	Percent
Employment Status		
Population 16 Years and Over	2,059,160	100.0%
In Labor Force.....	1,389,770	67.5
Civilian Labor Force	1,374,698	66.8
Employed	1,316,283	63.9
Unemployed	58,415	2.8
Percent of Civilian Labor Force.....	4.2	--
Armed Forces.....	15,072	0.7
Not in Labor Force.....	669,390	32.5
Females 16 Years and Over	1,054,952	100.0%
In Labor Force.....	642,163	60.9
Civilian Labor Force	640,350	60.7
Employed.....	613,506	58.2
Own Children Under 6 Years.....	217,901	100.0%
All Parents in Family in Labor Force.....	136,553	62.7
Commuting to Work		
Workers 16 Years and Over.....	1,311,343	100.0%
Car, Truck, or Van--Drove Alone	1,068,501	81.5
Car, Truck, or Van--Carpooled	139,348	10.6
Public Transportation (Including Taxi)	6,366	0.5
Walked	33,271	2.5
Other Means.....	11,995	0.9
Worked at Home	51,862	4.0
Mean Travel Time to Work (Minutes)	19	--
Occupation		
Employed Civilian Population 16 Years and Over	1,316,283	100.0%
Management, Professional, and Related Occupations.....	445,588	33.9
Service Occupations	190,142	14.4
Sales and Office Occupations.....	340,049	25.8
Farming, Fishing, and Forestry Occupations.....	13,255	1.0
Construction, Extraction, and Maintenance Occupations.....	129,940	9.9
Production, Transportation, and Material Moving Occupations.....	197,309	15.0
Industry		
Employed Civilian Population 16 Years and Over	1,316,283	100.0%
Agriculture, Forestry, Fishing and Hunting, and Mining.....	50,508	3.8
Construction.....	85,298	6.5
Manufacturing.....	197,960	15.0
Wholesale Trade.....	43,786	3.3
Retail Trade.....	151,262	11.5
Transportation and Warehousing, and Utilities.....	68,864	5.2

Appendix H (Continued)

Selected Economic Characteristics for Kansas, 2000

	Population	Percent
Industry (Continued)		
Information	44,030	3.3
Finance, Insurance, Real Estate, and Rental and Leasing	80,129	6.1
Professional, Scientific, Management, Administrative, and Waste Management Services	94,768	7.2
Educational, Health, and Social Services	288,200	21.9
Arts, Entertainment, Recreation, Accommodation, and Food Services	91,807	7.0
Other Services (Except Public Administration)	61,122	4.6
Public Administration	58,549	4.4
Class of Worker		
Private Salary & Wage Workers	1,004,980	76.3
Government Workers	203,898	15.5
Self-Employed Workers in Own Not Incorporated Business	102,378	7.8
Unpaid Family Workers	5,027	0.4
Income in 1999		
Households	1,038,940	100.0%
Less than \$10,000	88,926	8.6
\$10,000 to \$14,999	66,264	6.4
\$15,000 to \$24,999	143,138	13.8
\$25,000 to \$34,999	145,431	14.0
\$35,000 to \$49,999	187,850	18.1
\$50,000 to \$74,999	211,014	20.3
\$75,000 to \$99,999	99,933	9.6
\$100,000 to \$149,999	62,926	6.1
\$150,000 to \$199,999	16,106	1.6
\$200,000 or More	17,352	1.7
Median Household Income	\$40,624	--
With Earnings	849,979	81.8
Mean Earnings	\$51,037	--
With Social Security Income	272,337	26.2
Mean Social Security Income	\$11,871	--
With Supp. Security Income	32,408	3.1
Mean Supp. Security Income	\$5,986	--
With Public Assistance Income	24,486	2.4
Mean Public Assistance Income	\$2,372	--
With Retirement Income	153,887	14.8
Mean Retirement Income	\$16,030	--
Families	706,786	100.0%
Less than \$10,000	28,902	4.1
\$10,000 to \$14,999	25,110	3.6
\$15,000 to \$24,999	74,820	10.6

Appendix H (Continued)

Selected Economic Characteristics for Kansas, 2000		
	<u>Population</u>	<u>Percent</u>
Families (Continued)		
\$25,000 to \$34,999	90,795	12.8%
\$35,000 to \$49,999	136,865	19.4
\$50,000 to \$74,999	175,304	24.8
\$75,000 to \$99,999	88,683	12.5
\$100,000 to \$149,999	56,325	8.0
\$150,000 to \$199,999	14,618	2.1
\$200,000 or more	15,364	2.2
Per capita income	\$20,506	--
Median Earnings:		
Full-Time, Year Round Workers, Male.....	\$35,104	--
Full-Time, Year Round Workers, Female	\$25,249	--
Median Family Income	\$49,624	--
Poverty Status in 1999 (below poverty level)		
Families	47,299	--
Percent below Poverty Level	--	6.7%
With Related Children under 5 Years.....	19,681	--
Percent below Poverty Level.....	--	13.5
With Related Children under 18 Years.....	36,722	--
Percent Below Poverty Level	--	10.0
Families with Female Householder, No Husband Present.....	21,793	--
Percent below Poverty Level.....	--	23.5%
With Related Children under 5 Years.....	10,209	--
Percent below Poverty Level	--	44.5
With Related Children under 18 Years.....	19,919	--
Percent below Poverty Level.....	--	29.7
Individuals	257,829	--
Percent below Poverty Level	--	9.9%
18 Years and Over	173,872	--
Percent below Poverty Level	--	9.1
65 Years and Over	26,840	--
Percent below Poverty Level	--	8.1
Related Children under 18 Years	80,439	--
Percent below Poverty Level.....	--	11.5
Related Children 5 to 17 Years	53,011	--
Percent below Poverty Level.....	--	10.4
Unrelated Individuals 15 years and Over.....	98,217	--
Percent below Poverty Level.....	--	22.3

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrices P30, P32, P33, P43, P46, P49, P50, P51, P52, P53, P58, P62, P63, P64, P65, P67, P71, P72, P73, P74, P76, P77, P82, P87, P90, PCT47, PCT52, and PCT53

Appendix I

Selected Housing Characteristics for Kansas, 2000

	Population	Percent
Total Housing Units	1,131,200	100.0%
Units in Structure		
1-Unit, Detached	818,954	72.4%
1-Unit, Attached.....	39,495	3.5
2 Units	33,399	3.0
3 or 4 Units	41,047	3.6
5 to 9 Units.....	39,611	3.5
10 to 19 Units.....	34,840	3.1
20 or More Units	49,437	4.4
Mobile Home	72,953	6.4
Boat, RV, Van, etc.....	1,464	0.1
Year Structure Built		
1999 to March 2000	24,462	2.2%
1995 to 1998	73,503	6.5
1990 to 1994	66,960	5.9
1980 to 1989	148,455	13.1
1970 to 1979	193,842	17.1
1960 to 1969	138,855	12.3
1940 to 1959	257,277	22.7
1939 or Earlier	227,846	20.1
Rooms		
1 Room	13,882	1.2%
2 Rooms.....	36,857	3.3
3 Rooms.....	88,878	7.9
4 Rooms.....	165,092	14.6
5 Rooms.....	240,195	21.2
6 Rooms.....	208,283	18.4
7 Rooms.....	147,069	13.0
8 Rooms.....	112,191	9.9
9 or More Rooms	118,753	10.5
Median (Rooms).....	5.6	--
Occupied Housing		
Total Occupied Housing Units.....	1,037,891	100.0%
Year Householder Moved into Unit		
1999 to March 2000.....	221,227	21.3
1995 to 1998.....	293,538	28.3
1990 to 1994.....	167,023	16.1
1980 to 1989.....	156,613	15.1
1970 to 1979.....	98,172	9.5
1969 or Earlier.....	101,318	9.8

Appendix I (Continued)

Selected Housing Characteristics for Kansas, 2000

	Population	Percent
Vehicles Owned by Owners of Occupied Housing Units		
None	59,525	5.7%
1 Vehicle	327,762	31.6
2 Vehicles	424,105	40.9
3 or More Vehicles	226,499	21.8
House Heating Fuel		
Utility Gas	741,988	71.5%
Bottled, Tank, or LP Gas	98,537	9.5
Electricity	178,722	17.2
Fuel Oil, Kerosene, etc.	1,571	0.2
Coal or Coke	27	--
Wood	12,852	1.2
Solar Energy	266	--
Other Fuel	3,002	0.3
No Fuel Used	926	0.1
Selected Characteristics		
Lacking Complete Plumbing Facilities	4,057	0.4%
Lacking Complete Kitchen Facilities	5,270	0.5
No Telephone Service	29,276	2.8
Occupants per Room		
1.00 or Less	1,006,280	97.0%
1.01 to 1.50	20,261	2.0
1.51 or More	11,350	1.1
Specified Owner-Occupied Units	581,960	100.0%
Value		
Less than \$50,000	142,608	24.5%
\$50,000 to \$99,999	216,103	37.1
\$100,000 to \$149,999	120,734	20.7
\$150,000 to \$199,999	53,556	9.2
\$200,000 to \$299,999	32,616	5.6
\$300,000 to \$499,999	12,558	2.2
\$500,000 to \$999,999	3,158	0.5
\$1,000,000 or More	627	0.1
Median (dollars)	\$83,500	--
Mortgage Status and Selected Monthly Owner Costs		
With a Mortgage	382,518	65.7%
Less than \$300	3,580	0.6
\$300 to \$499	37,514	6.4
\$500 to \$699	76,042	13.1
\$700 to \$999	112,639	19.4

Appendix I (Continued)

Selected Housing Characteristics for Kansas, 2000

	<u>Population</u>	<u>Percent</u>
Mortgage Status and Selected Monthly Owner Cost (Continued)		
\$1,000 to \$1,499.....	100,791	17.3%
\$1,500 to \$1,999.....	32,680	5.6
\$2,000 or More.....	19,272	3.3
Median (Dollars).....	\$888	--
Not Mortgaged.....	199,442	34.3
Median (Dollars).....	\$273	--
Selected Monthly Owner Costs as a Percentage of Household Income in 1999		
Less than 15.0 Percent.....	253,402	43.5%
15.0 to 19.0 Percent.....	112,210	19.3
20.0 to 24.0 Percent.....	78,850	13.5
25.0 to 29.0 Percent.....	45,511	7.8
30.0 to 34.0 Percent.....	27,101	4.7
35.0 Percent or More.....	60,961	10.5
Not Computed.....	3,925	0.7
Specified Renter-Occupied Units	310,423	100.0%
Gross Rent		
Less than \$200.....	17,320	5.6
\$200 to \$299.....	25,846	8.3
\$300 to \$499.....	103,580	33.4
\$500 to \$749.....	97,619	31.4
\$750 to \$999.....	32,101	10.3
\$1,000 to \$1,499.....	11,196	3.6
\$1,500 or More.....	3,578	1.2
No Cash Rent.....	19,183	6.2
Median (Dollars).....	\$498	--
Gross Rent as a Percentage of Household Income in 1999		
Less than 15.0 Percent.....	65,448	21.1%
15.0 to 19.0 Percent.....	49,757	16.0
20.0 to 24.0 Percent.....	41,135	13.3
25.0 to 29.0 Percent.....	30,831	9.9
30.0 to 34.0 Percent.....	20,863	6.7
35.0 Percent or More.....	77,683	25.0
Not Computed.....	24,706	8.0

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrices H1, H7, H20, H23, H24, H30, H34, H38, H40, H43, H44, H48, H51, H62, H63, H69, H74, H76, H90, H91, and H94.

Appendix J

Poverty Threshold in 1999, by Size of Family & Number of Related Children under 18 Years

Size of Family Unit	Weighted Average Threshold	Related Children under 18 Years								
		None	One	Two	Three	Four	Five	Six	Seven	Eight or More
One person	\$8,501									
Under 65 Years	8,667	\$8,667								
65 Years and Over	7,990	7,990								
Two People	10,869									
Two with Householder:										
Under 65 Years	11,214	11,156	\$11,483							
65 Years and Over	10,075	10,070	11,440							
Three People	13,290	13,032	13,410	\$13,423						
Four People	17,029	17,184	17,465	16,895	\$16,954					
Five People	20,127	20,723	21,024	20,380	19,882	\$19,578				
Six People	22,727	23,835	23,930	23,436	22,964	22,261	\$21,845			
Seven People	25,912	27,425	27,596	27,006	26,595	25,828	24,934	\$23,953		
Eight People	28,967	30,673	30,944	30,387	29,899	29,206	28,327	27,412	\$27,180	
Nine People or More	34,417	36,897	37,076	36,583	36,169	35,489	34,554	33,708	33,499	\$32,208

Source: U.S. Census Bureau, Census 2000, Summary File 3, Technical Documentation