



WICHITA STATE
UNIVERSITY

FAIRMOUNT COLLEGE OF
LIBERAL ARTS AND SCIENCES

Hugo Wall School of Urban
and Public Affairs

The Economic Base

Prepared for
The Regional Economic Area Partnership (REAP)
Economic Development Committee (EDC)

by
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Identifying the Economic Base

- The industries that account for the largest share of employment or earnings are not necessarily the same as those that underpin growth in the local economy
- The industries that are most crucial to local economic growth are those that produce goods and services sold outside the local economy resulting in an inflow of income

Location Quotient Analysis

- *Location quotient*—A ratio that compares the percentage of industry employment in the local economy to the percentage of industry employment in a reference economy
- Location quotient analysis indicates which industries have a comparatively larger presence in the local economy

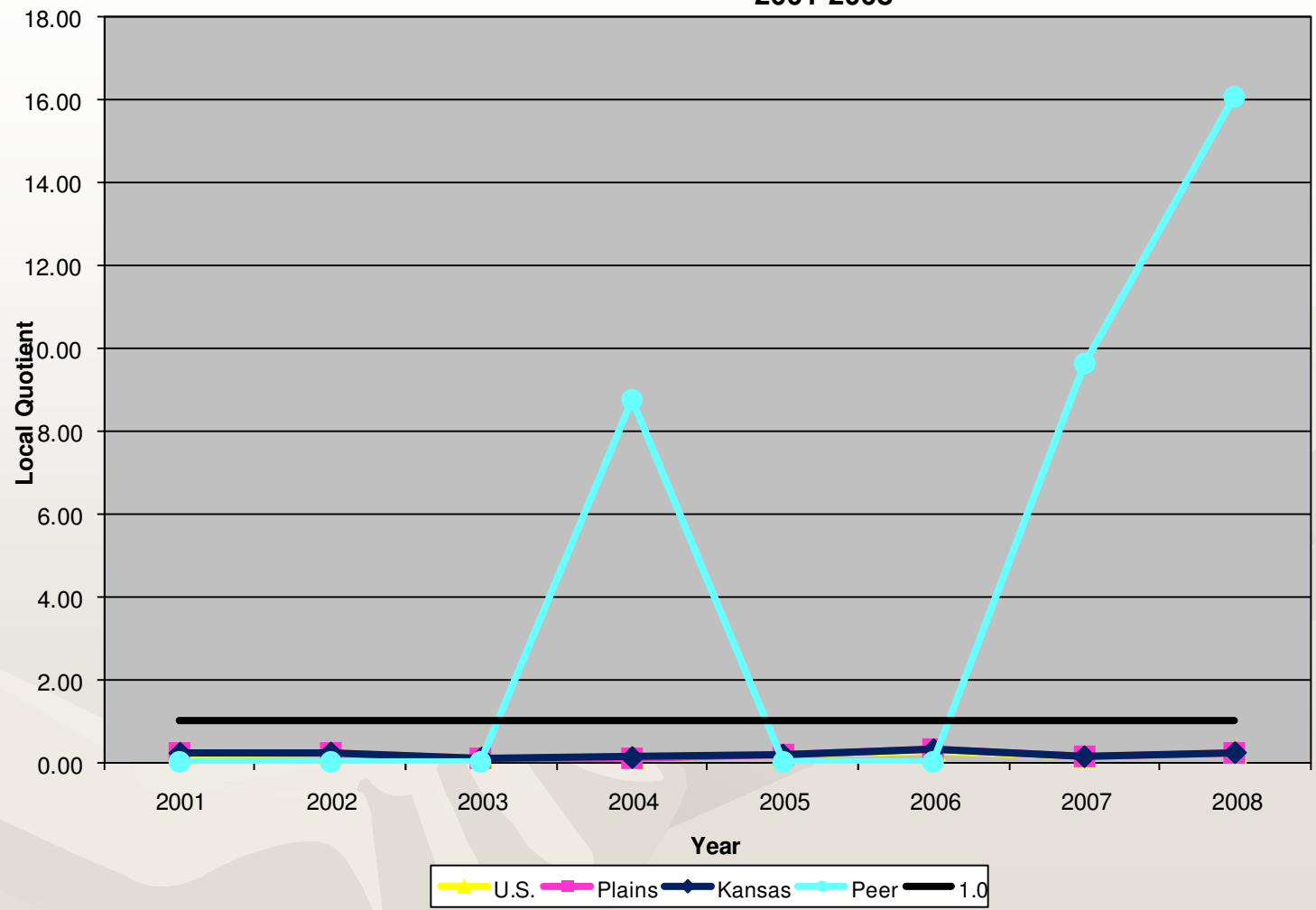
Location Quotient

$$\text{Location Quotient} = \frac{\frac{\text{Local Industry Employment}}{\text{Local Total Employment}}}{\frac{\text{Benchmark Industry Employment}}{\text{Benchmark Total Employment}}}$$

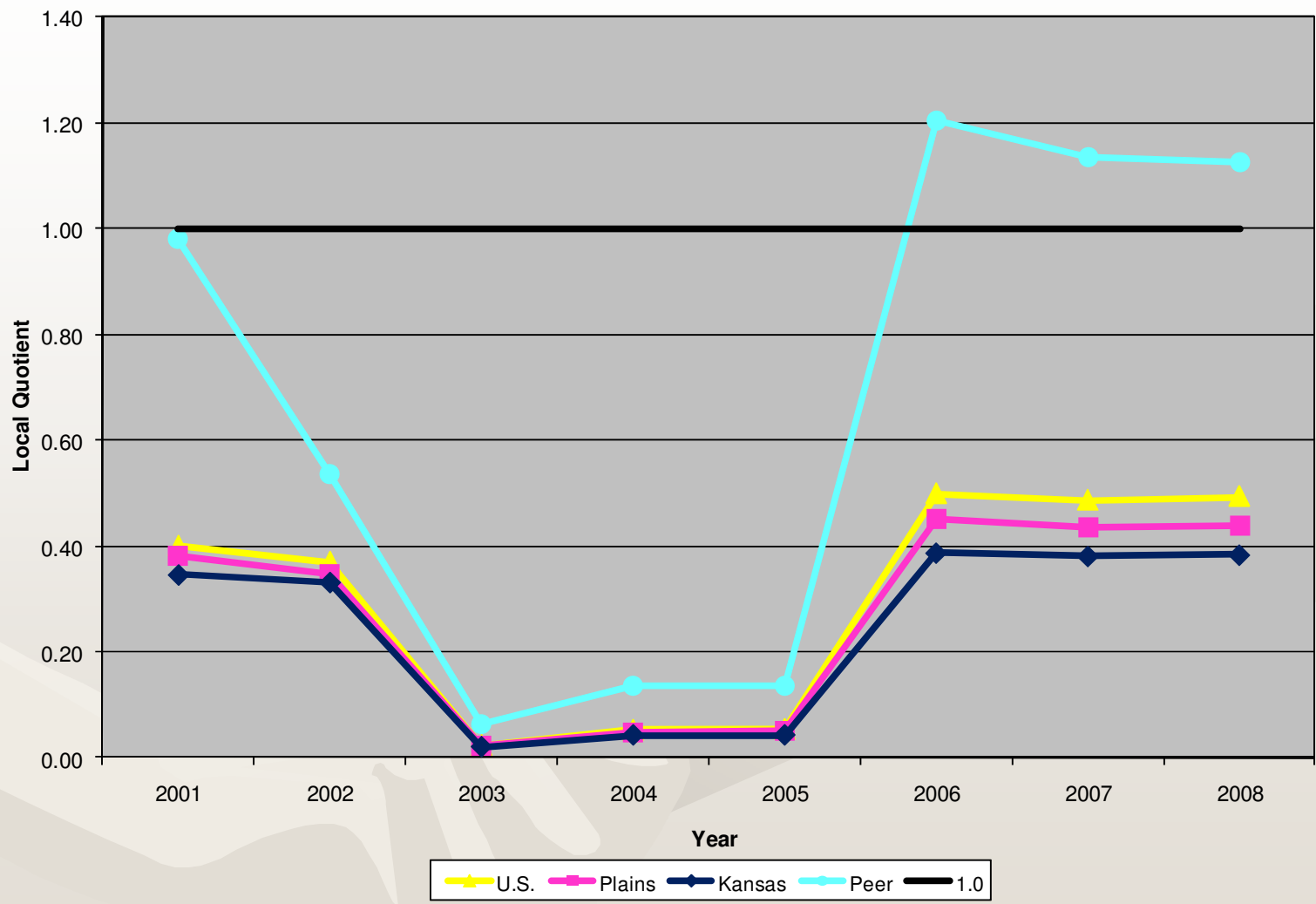
Basic and Nonbasic Industries

- *Basic industries*—Industries with a location quotient greater than one are considered basic industries because they have the potential to export products out of the local economy
- *Nonbasic industries*—Industries with a location quotient less than one are considered nonbasic industries because they only have the ability to supply local demands for their product

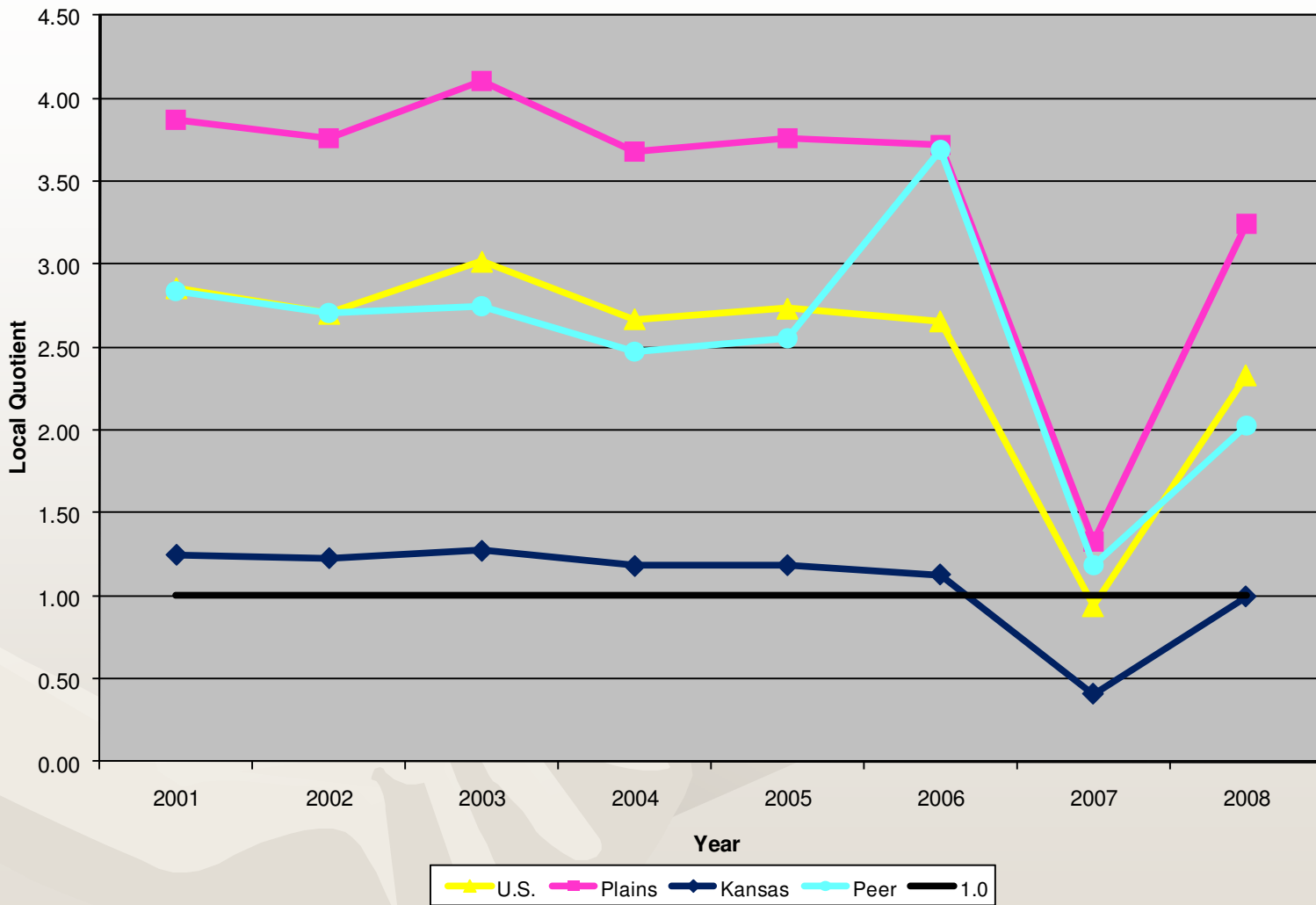
Location Quotients Forestry, Fishing, Related Activities, and Other 2001-2008



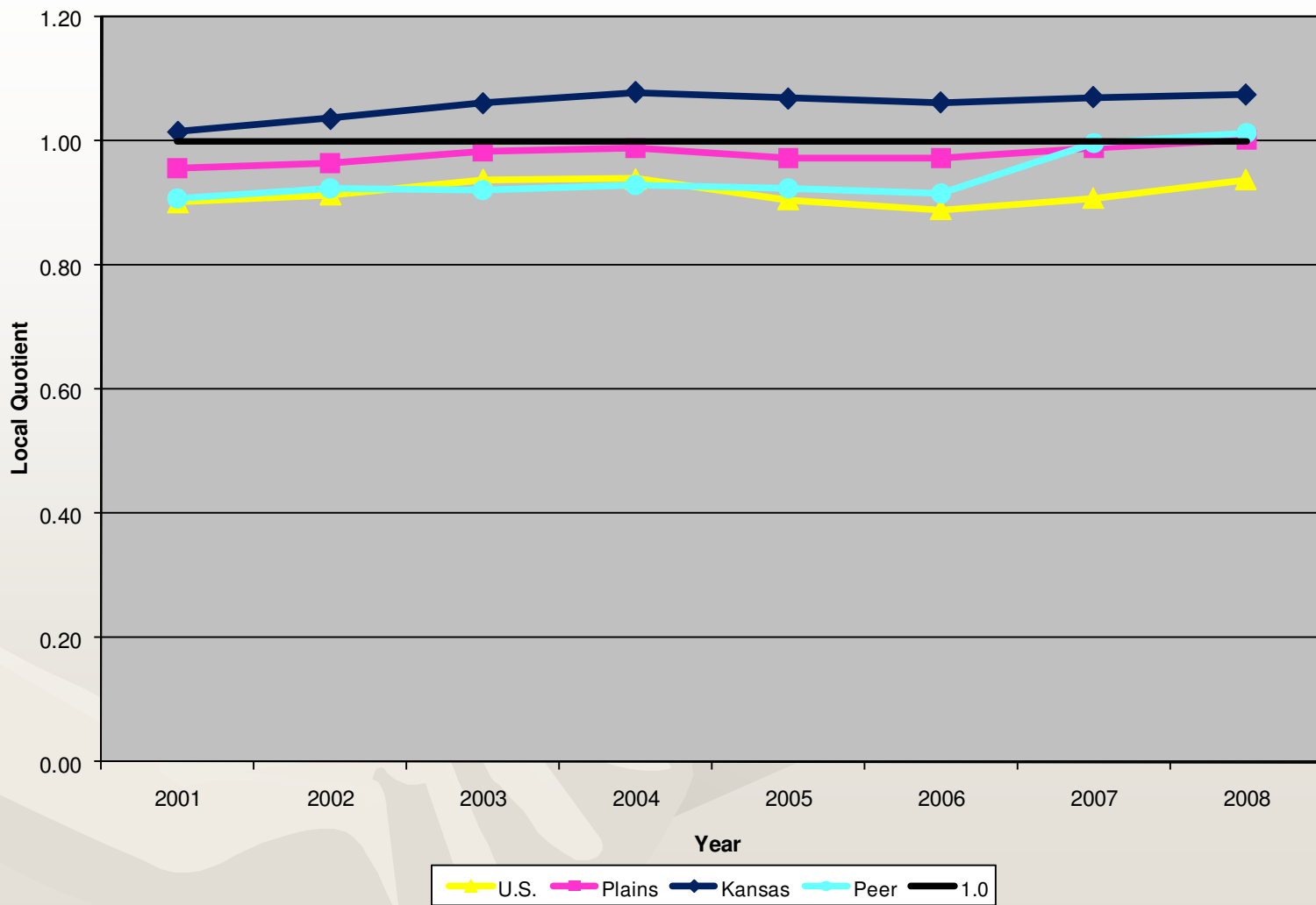
Location Quotients
Utilities
2001-2008



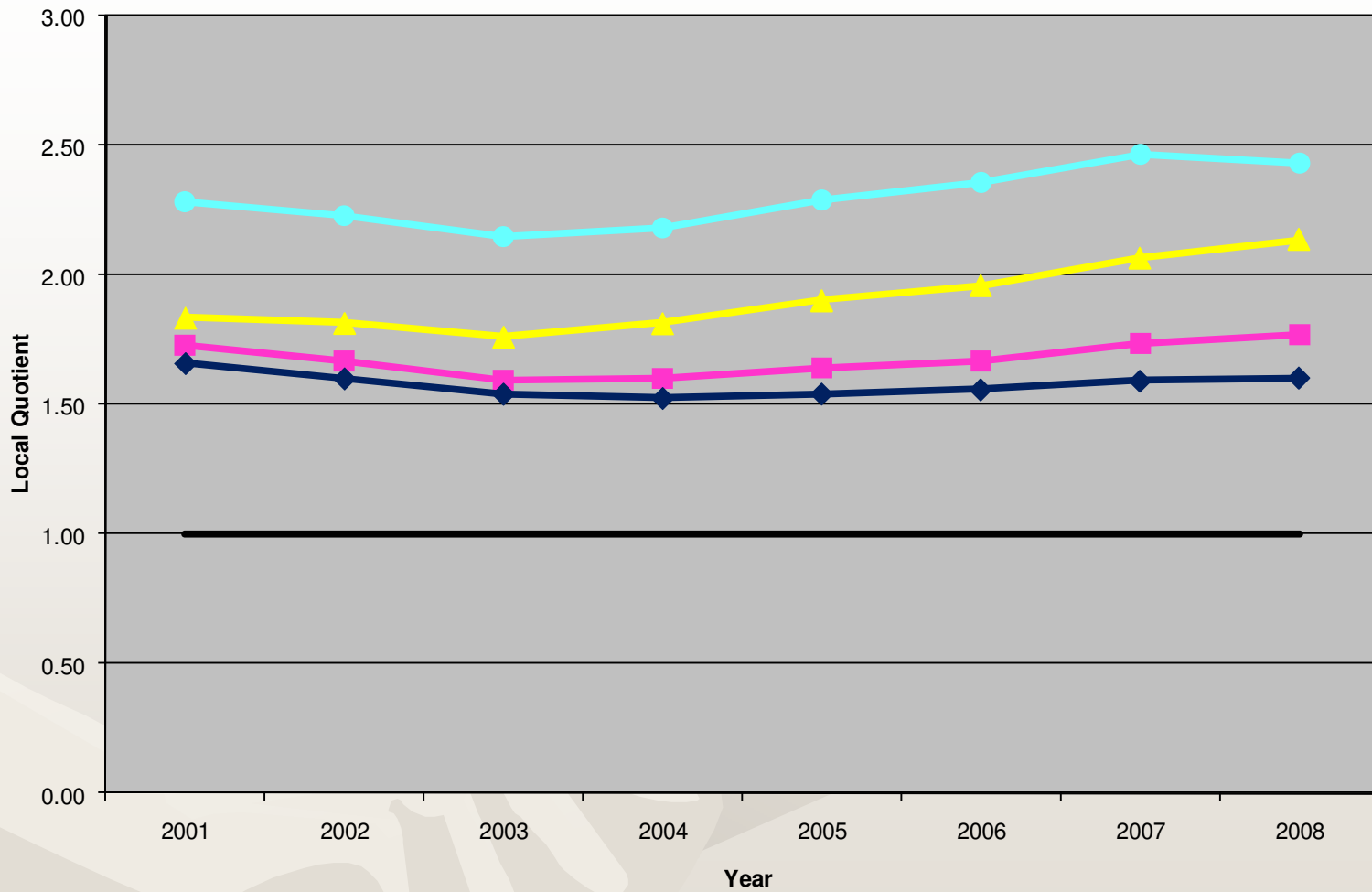
Location Quotients Mining 2001-2008



Location Quotients Construction 2001-2008

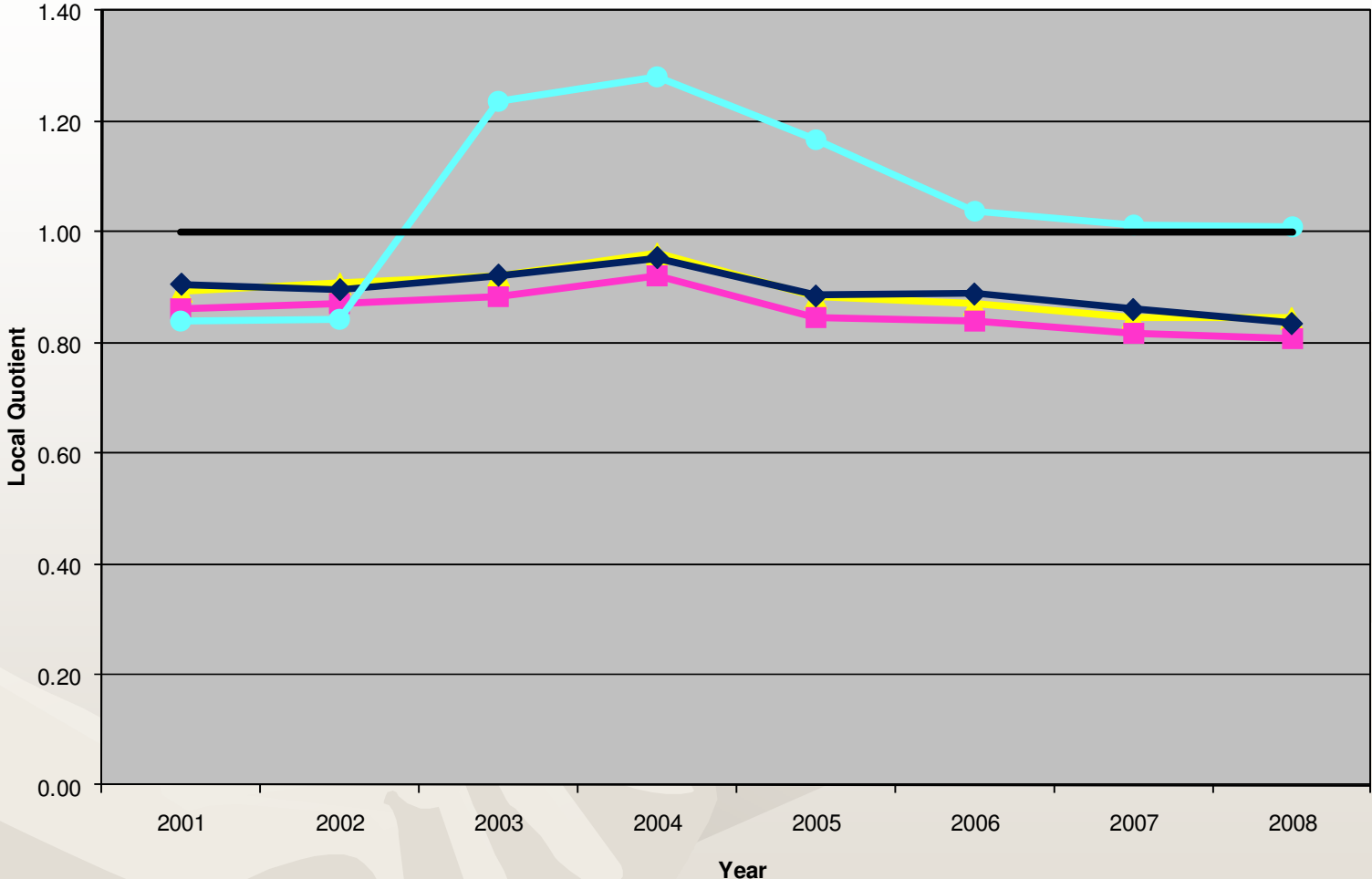


**Location Quotients
Manufacturing
2001-2008**



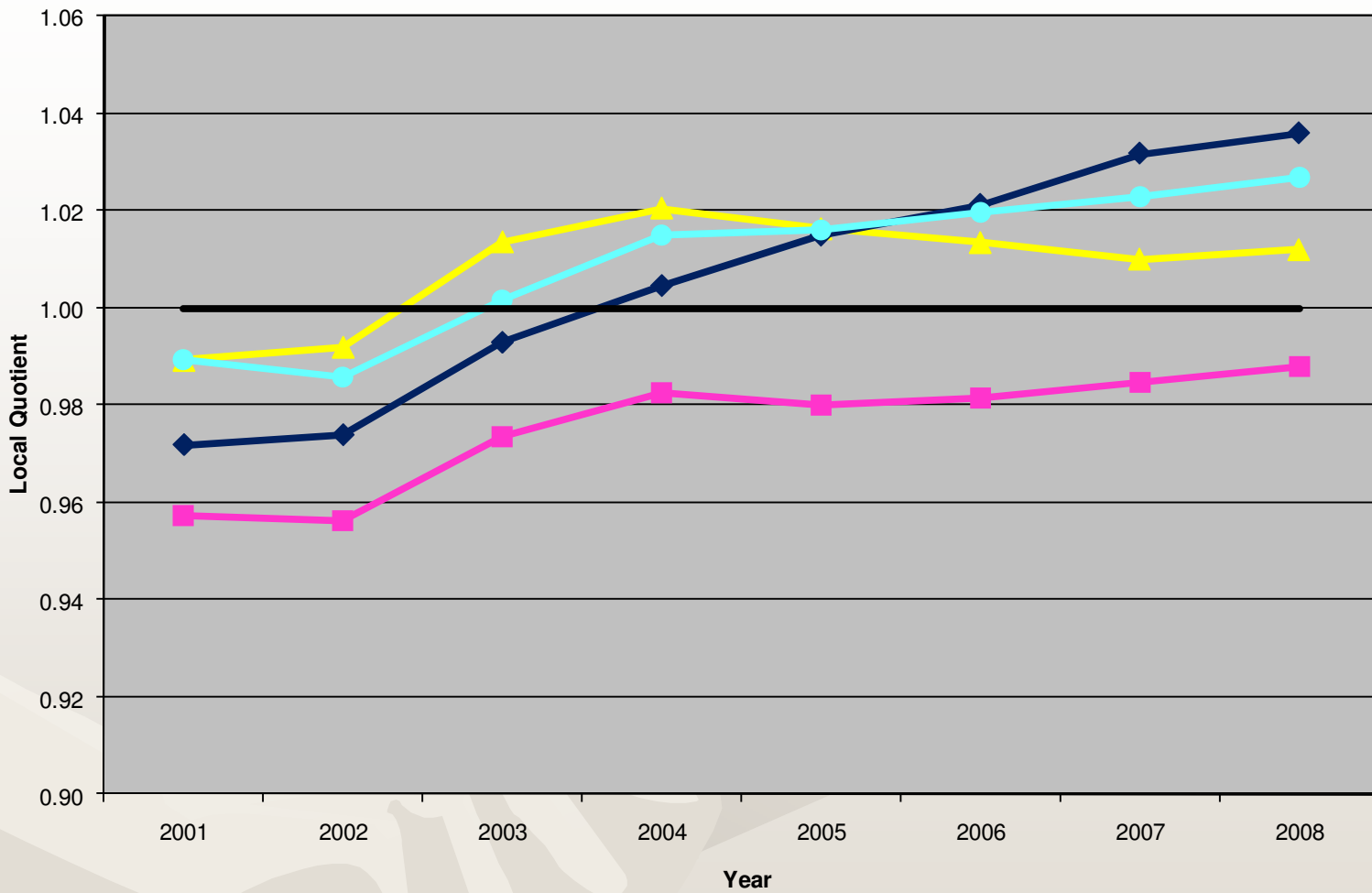
U.S. Plains Kansas Peer 1.0

**Location Quotients
Wholesale Trade
2001-2008**



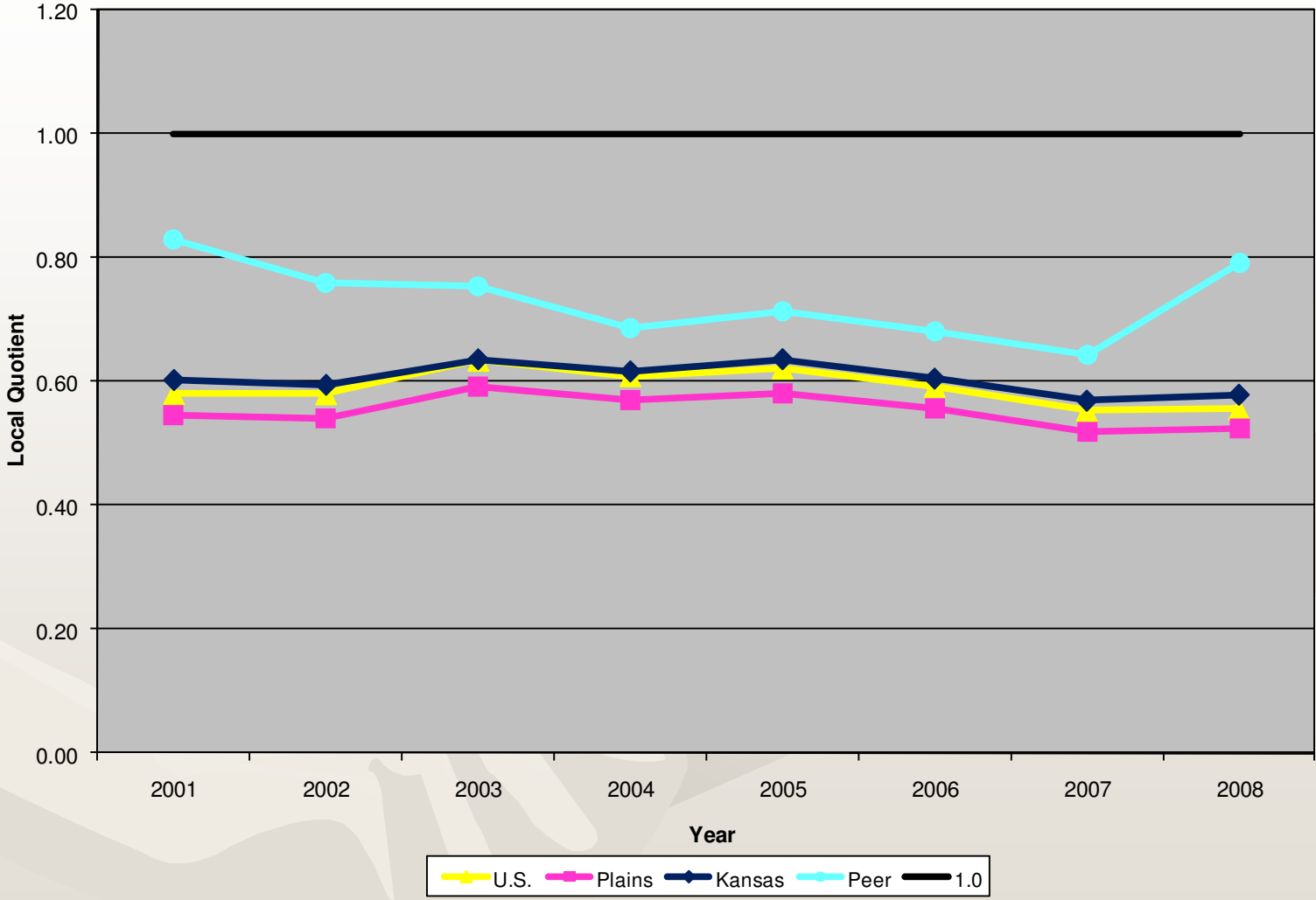
U.S. Plains Kansas Peer 1.0

Location Quotients
Retail Trade
2001-2008

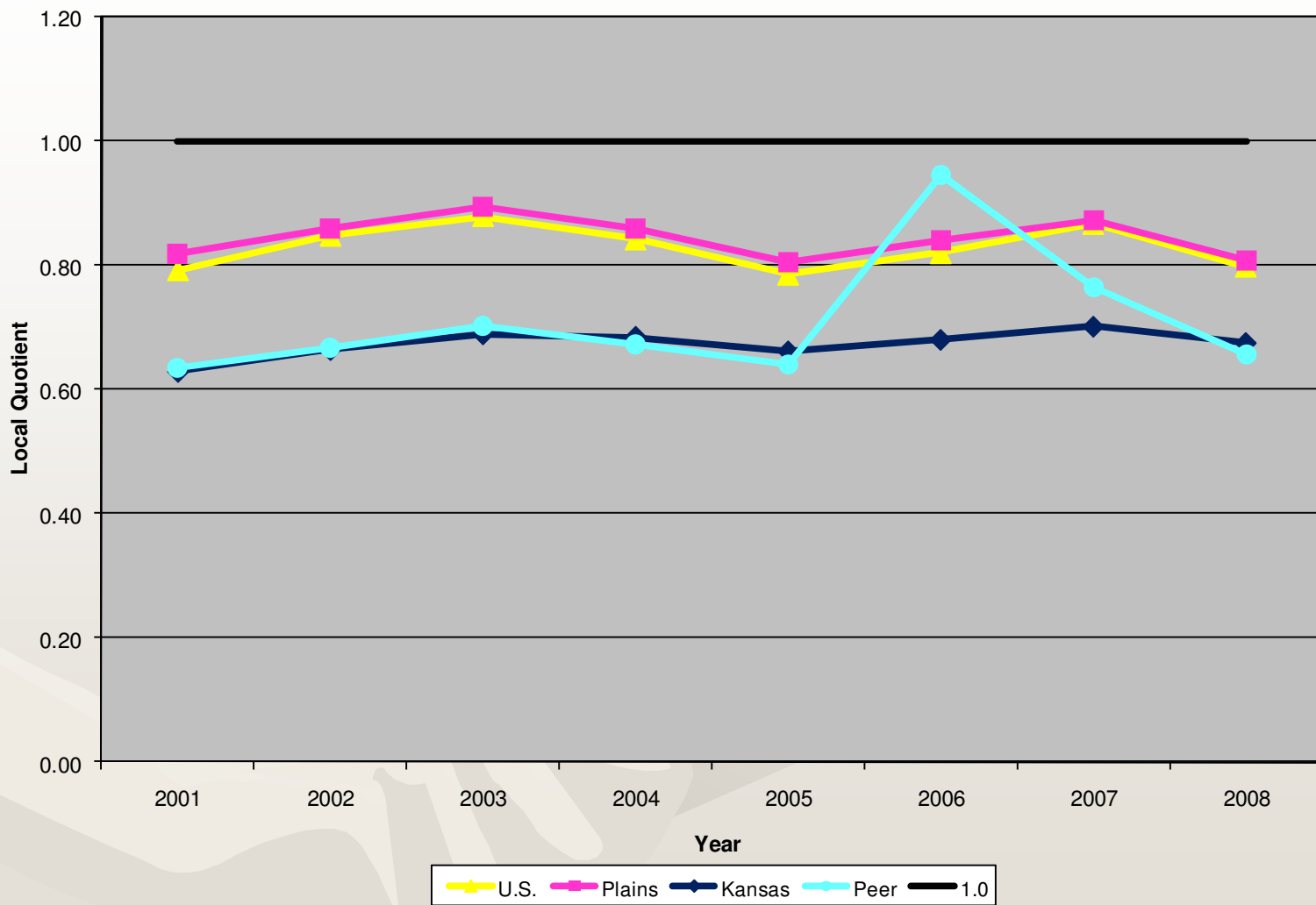


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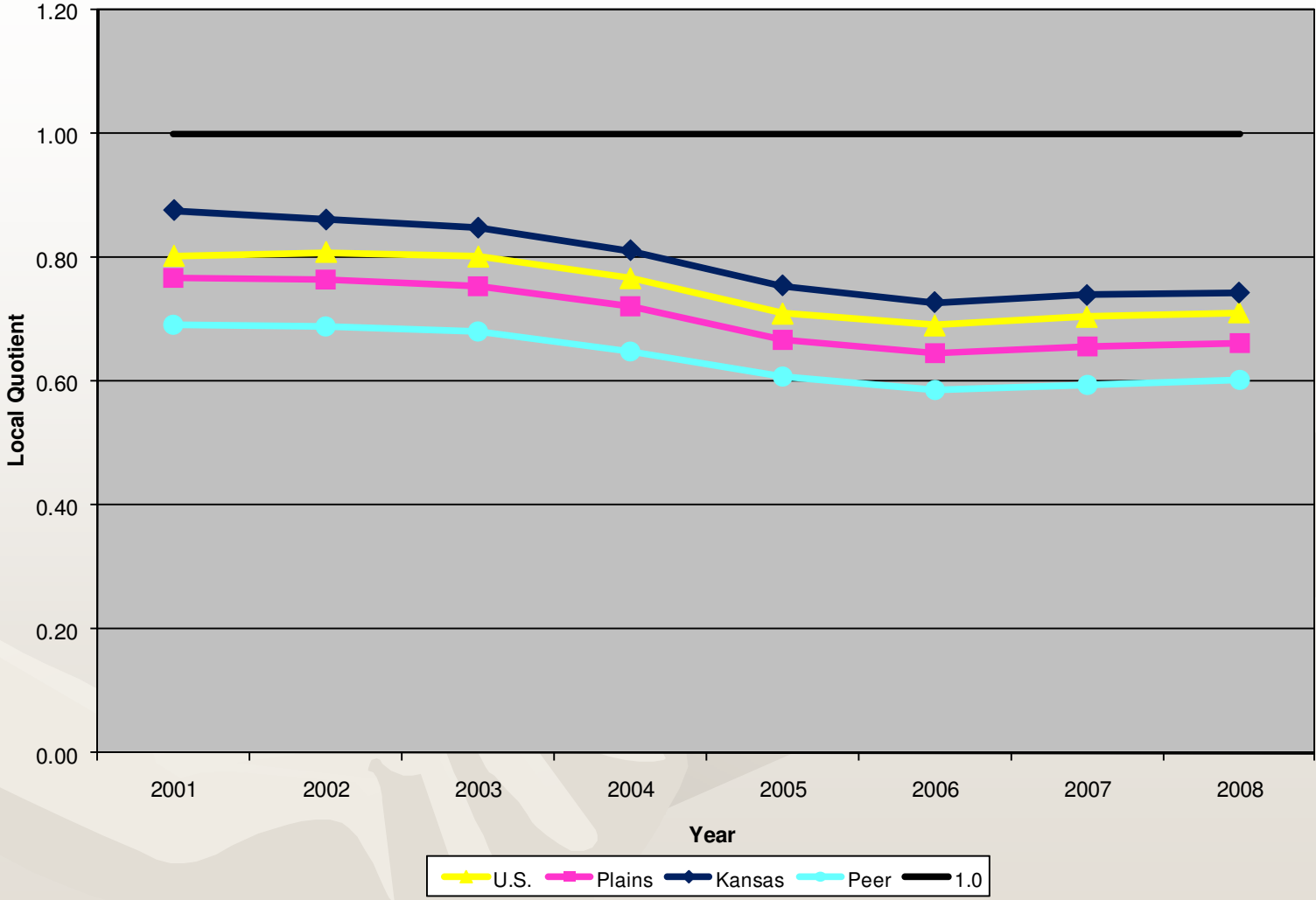
**Location Quotients
Transportation and Warehousing
2001-2008**



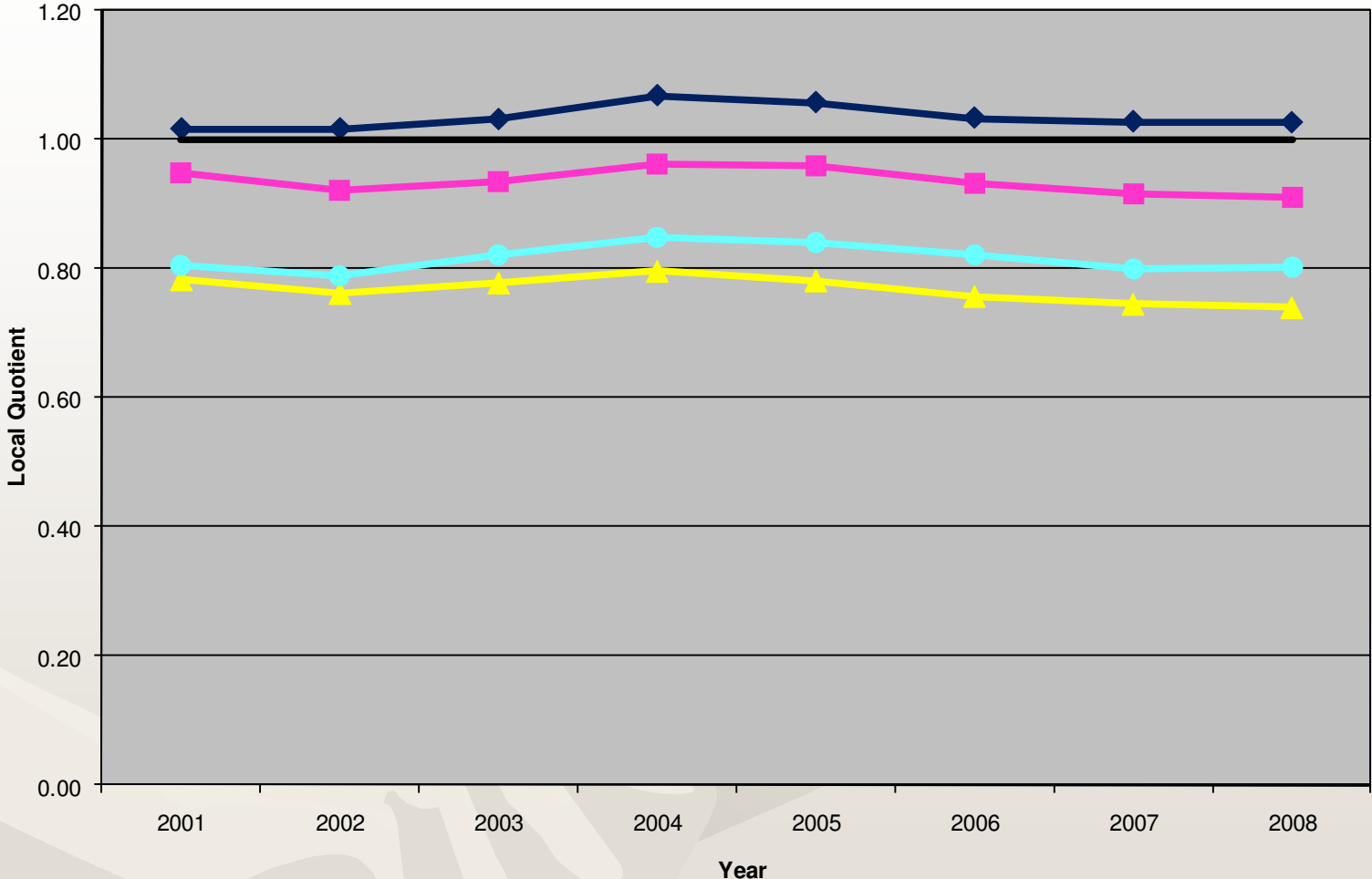
Location Quotients
Information
2001-2008



**Location Quotients
Finance and Insurance
2001-2008**

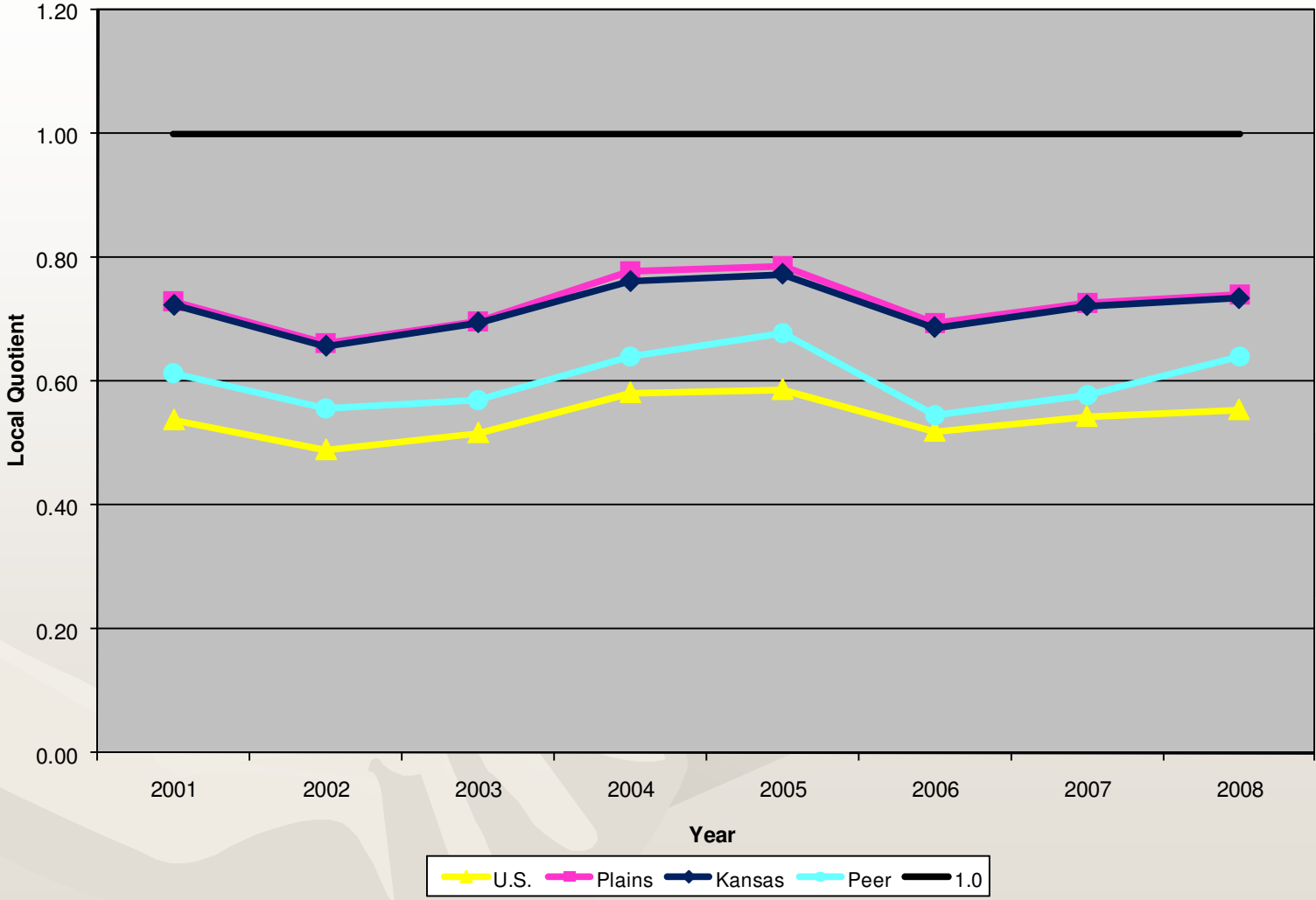


**Location Quotients
Real Estate and Rental and Leasing
2001-2008**

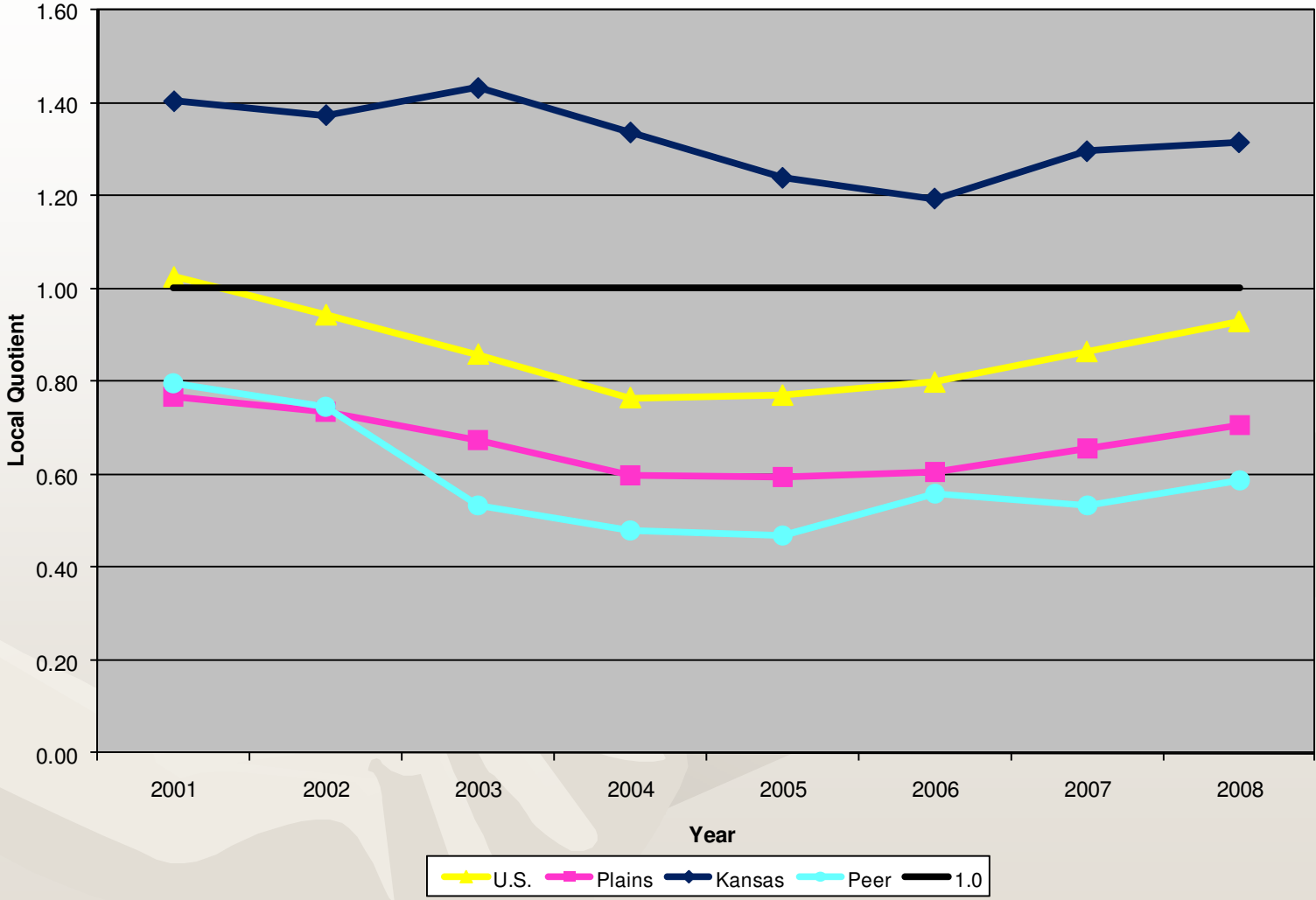


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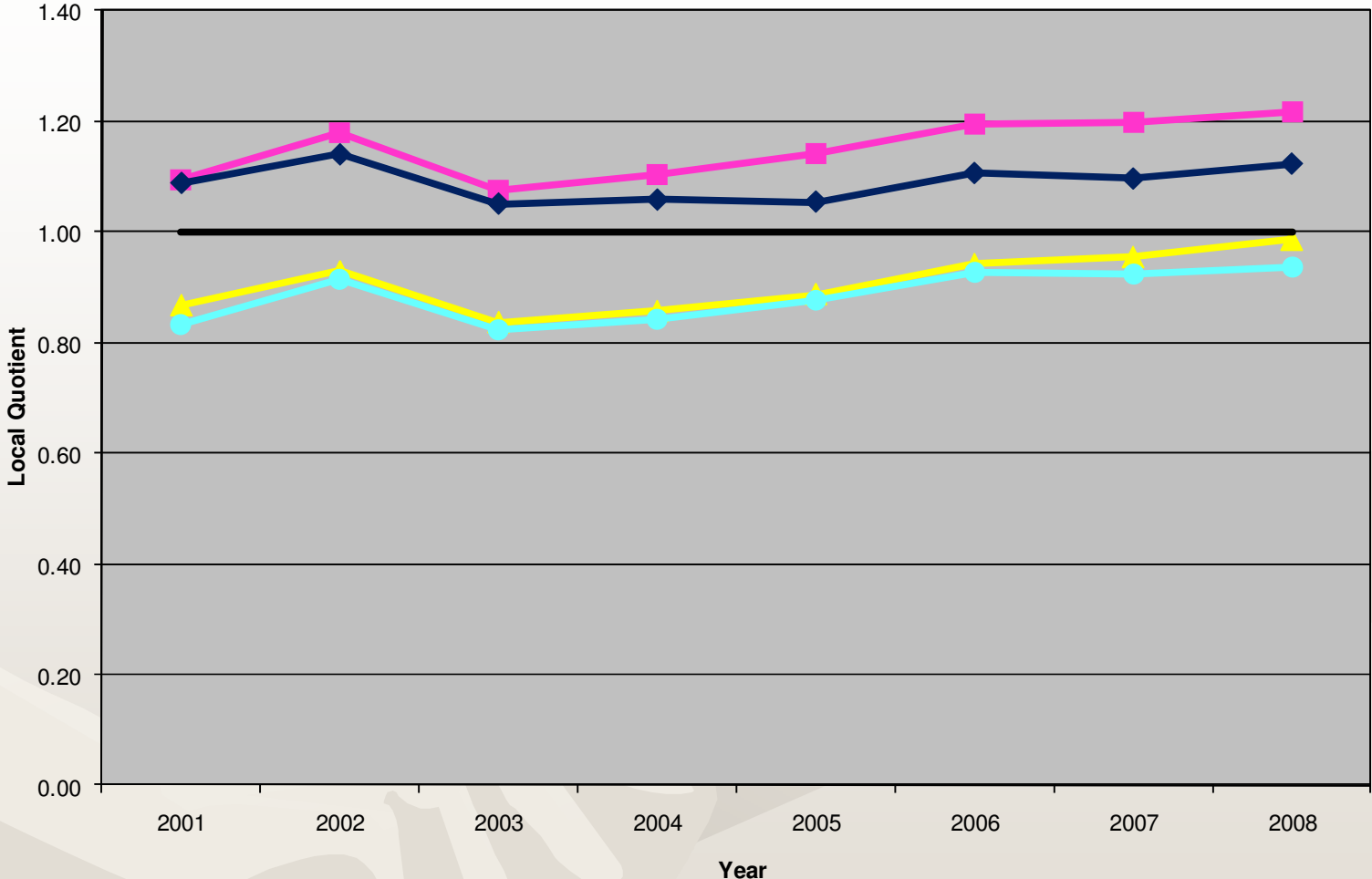
**Location Quotients
Professional and Technical Services
2001-2008**



**Location Quotients
Management of Companies and Enterprises
2001-2008**

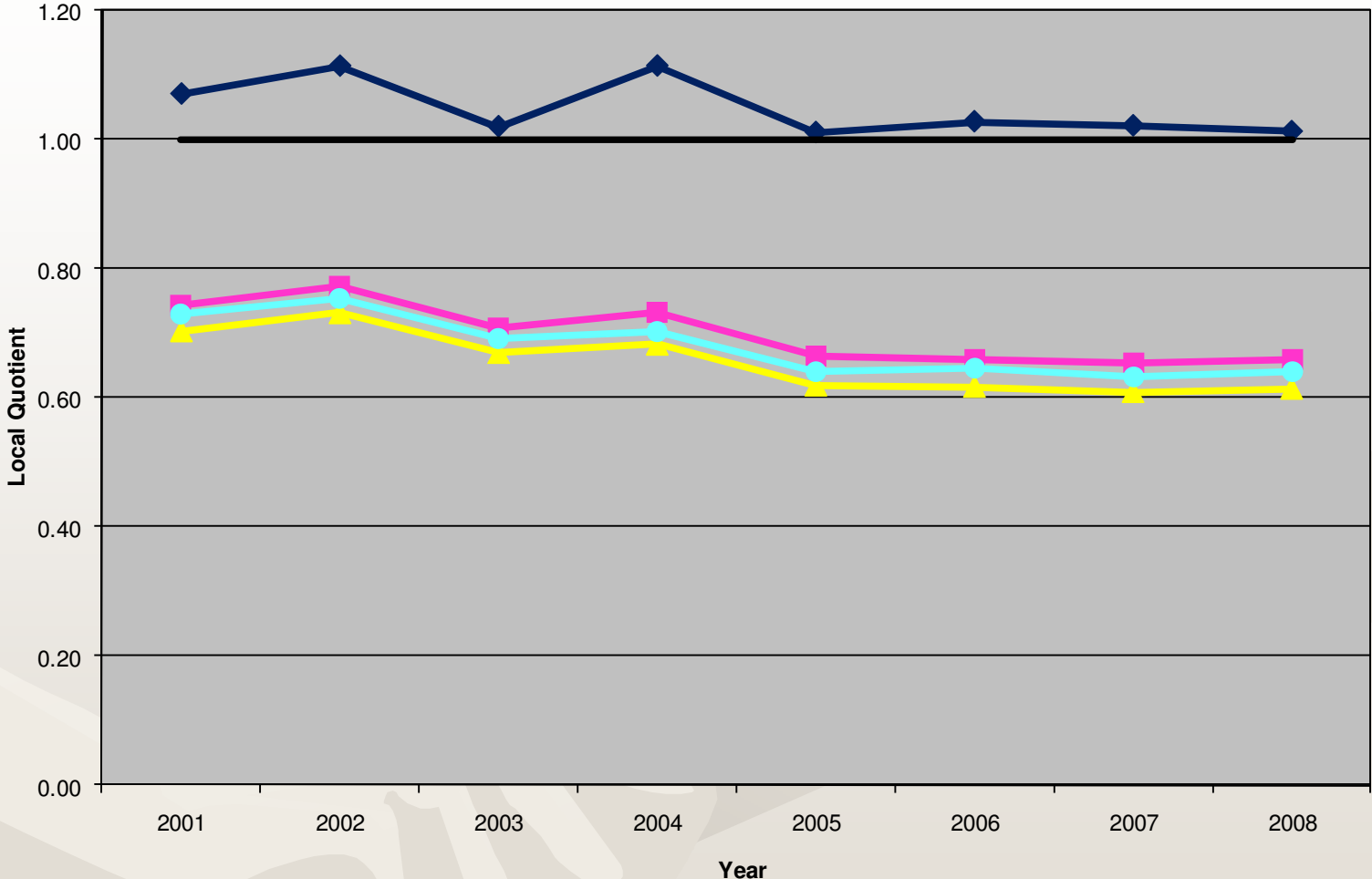


**Location Quotients
Administrative and Waste Services
2001-2008**



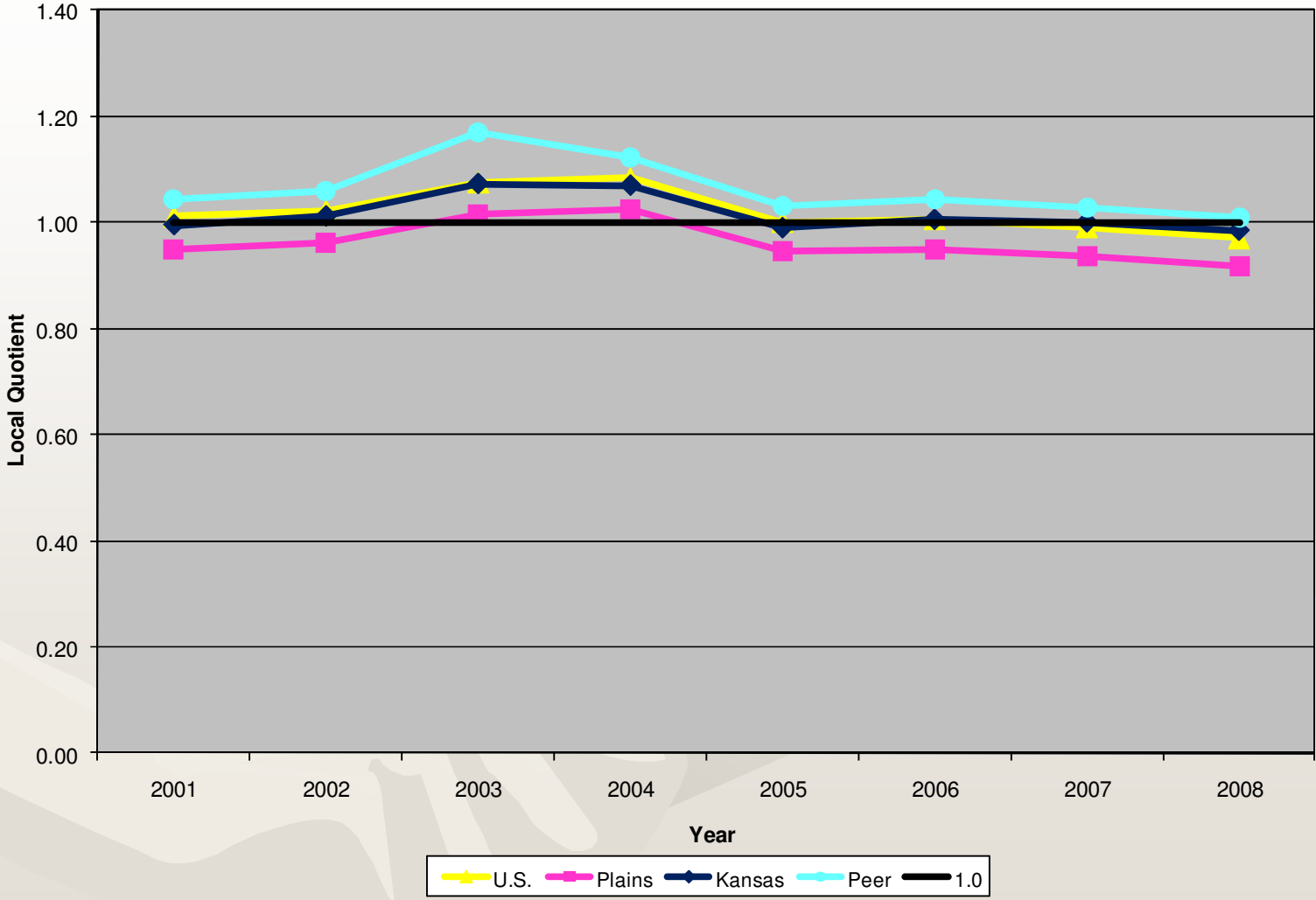
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Location Quotients
Educational Services
2001-2008

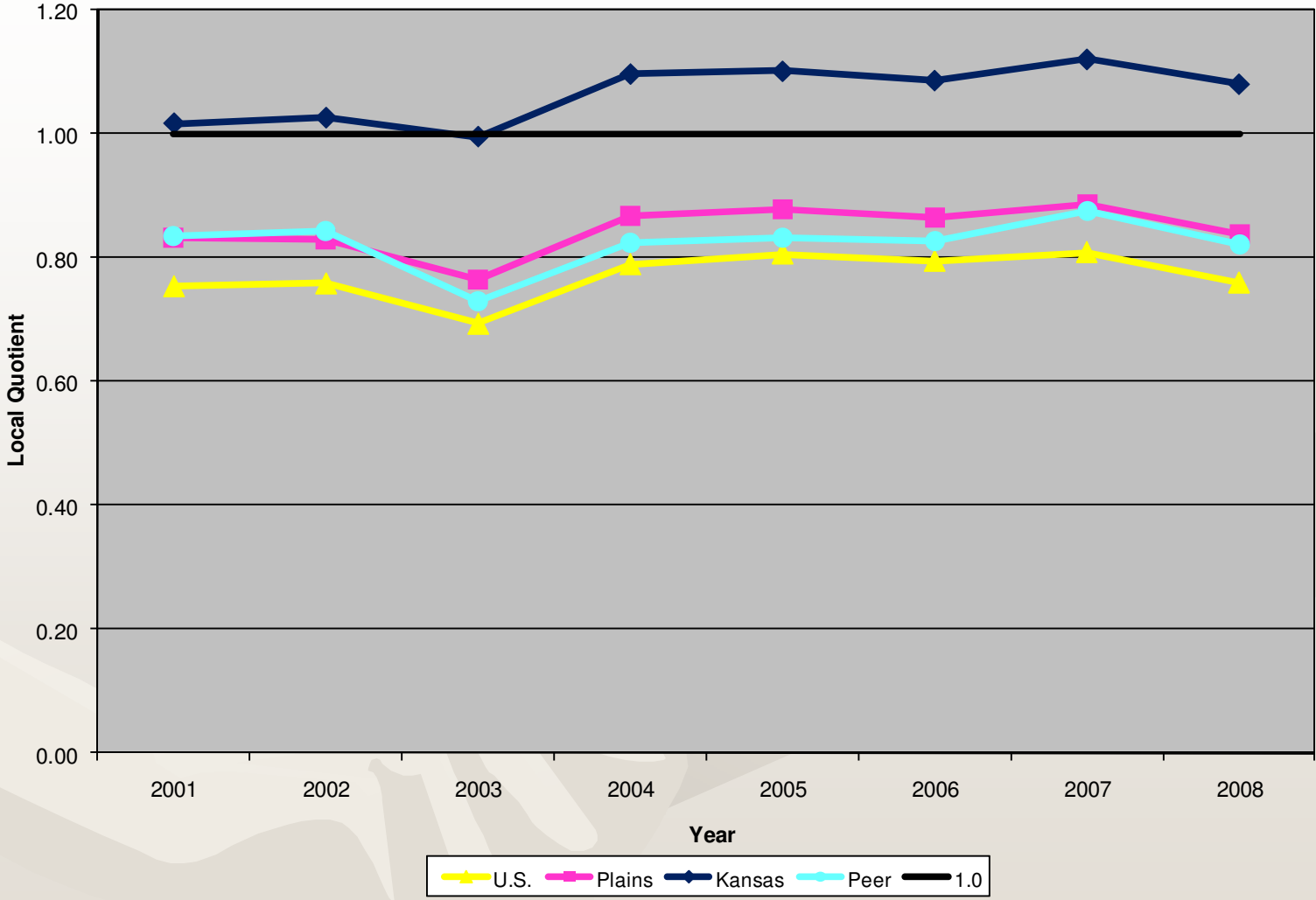


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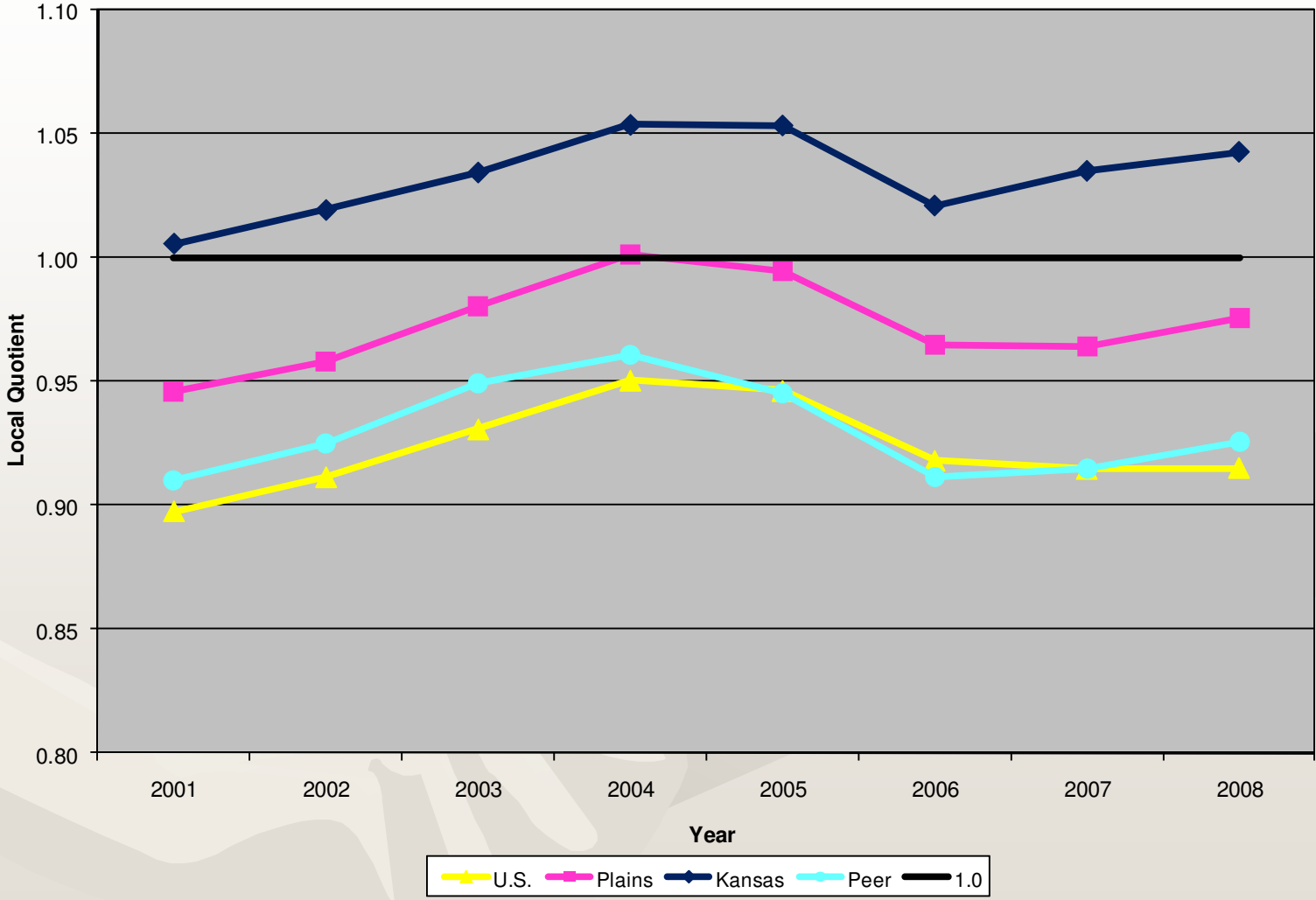
**Location Quotients
Health Care and Social Assistance
2001-2008**



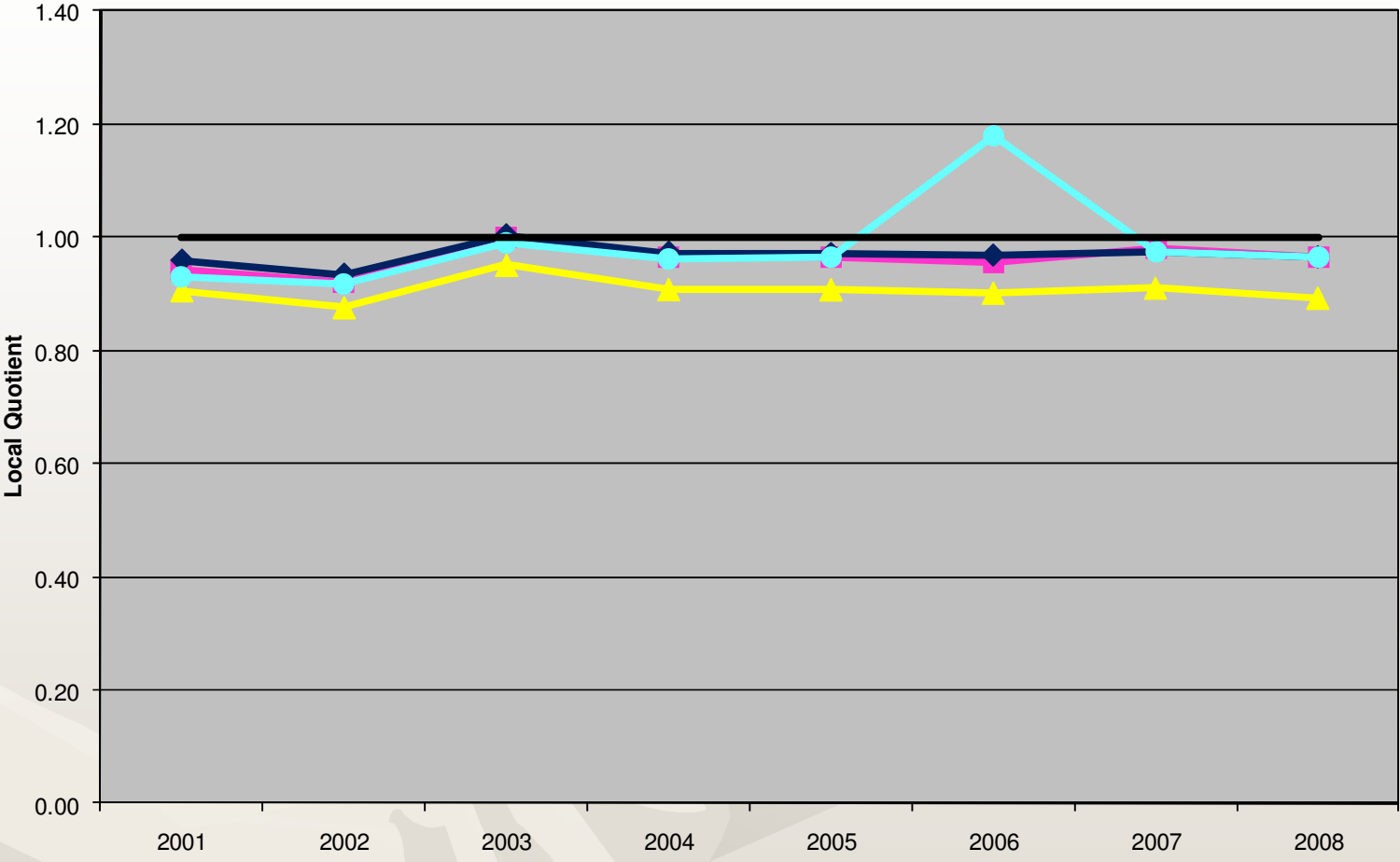
**Location Quotients
Arts, Entertainment, and Recreation
2001-2008**



**Location Quotients
Accommodation and Food Services
2001-2008**

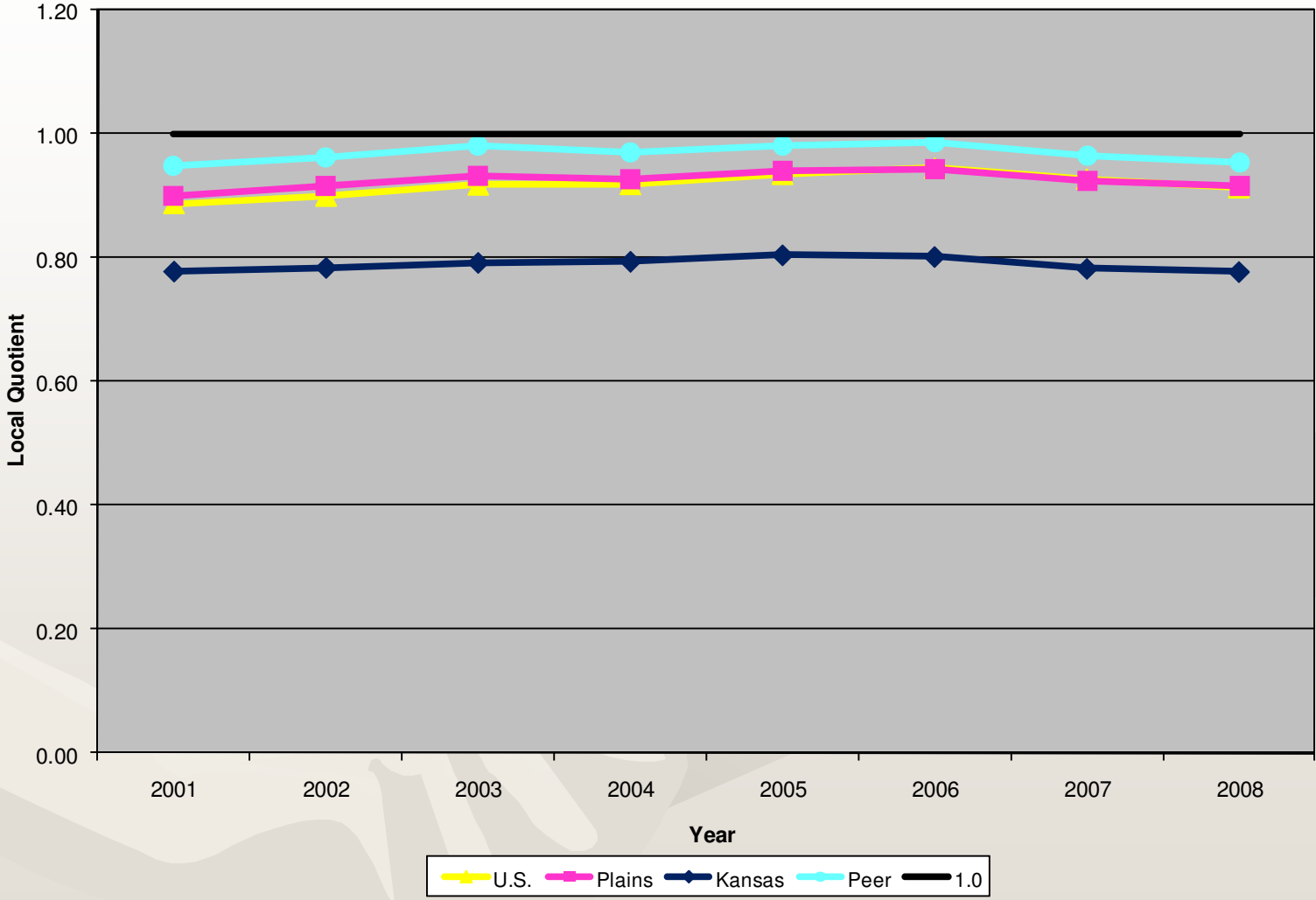


**Location Quotients
Other Services, Except Public Administration
2001-2008**

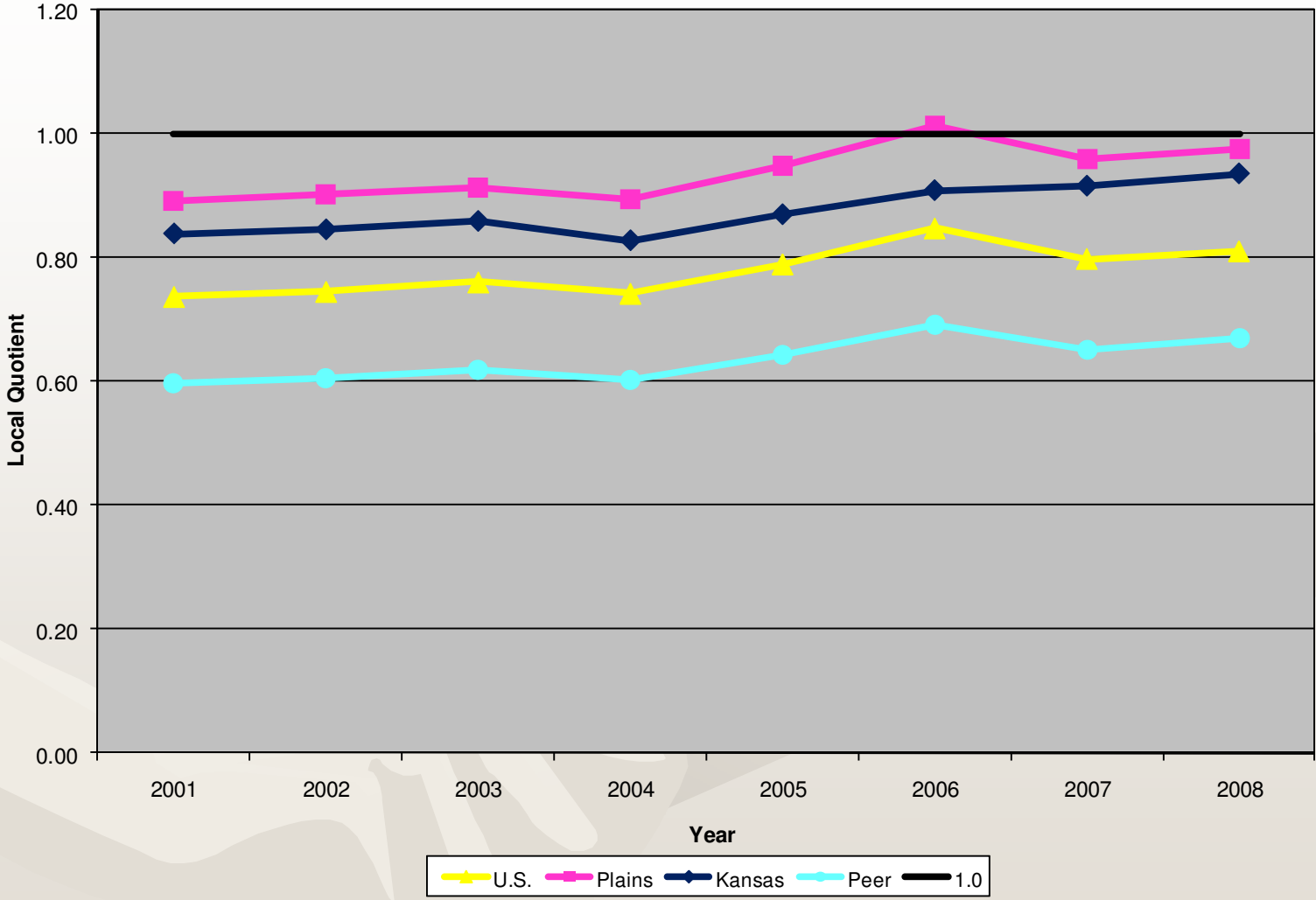


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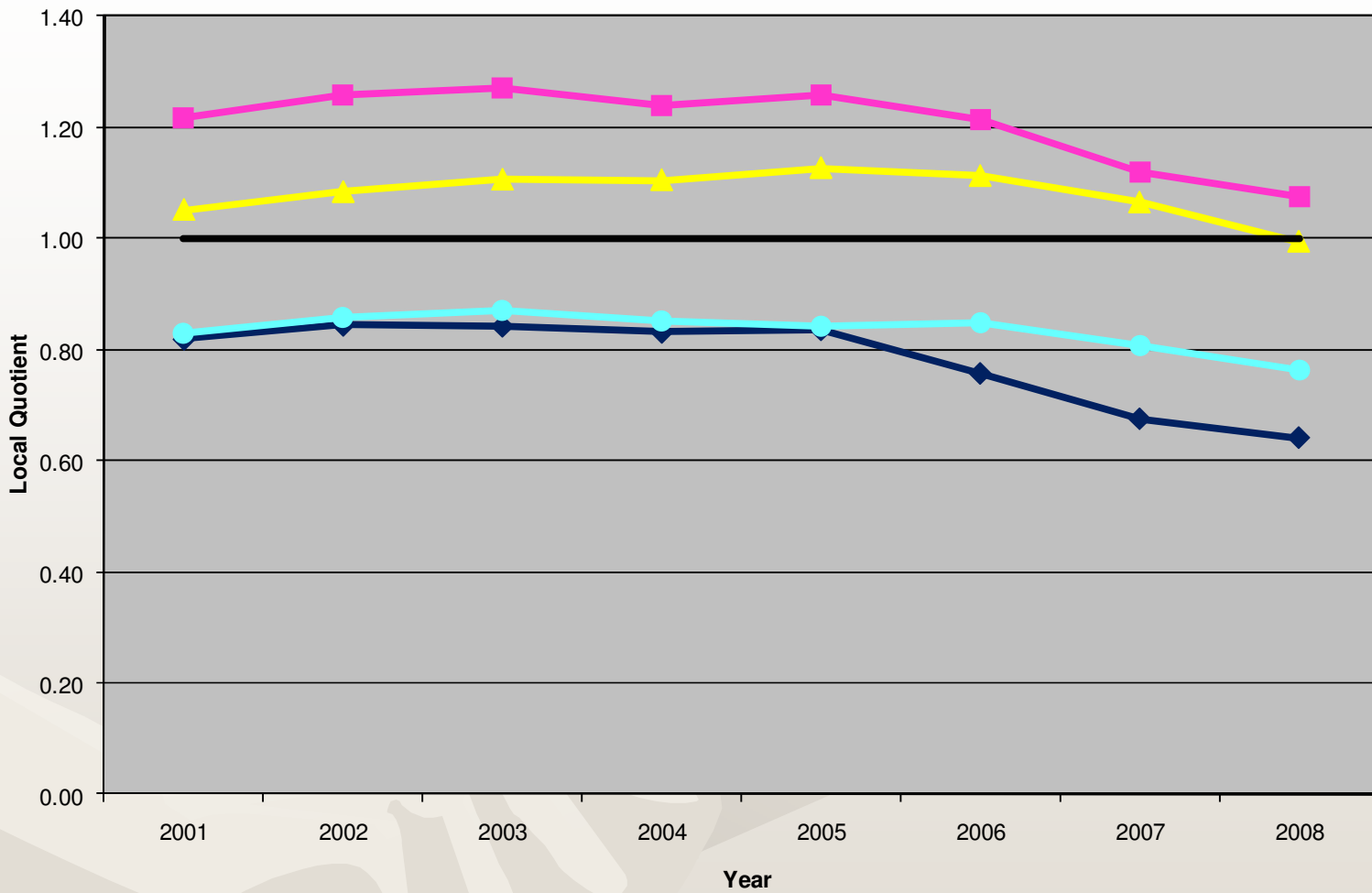
**Location Quotients
Government and Government Enterprises
2001-2008**



**Location Quotients
Federal Government, Civilian
2001-2008**

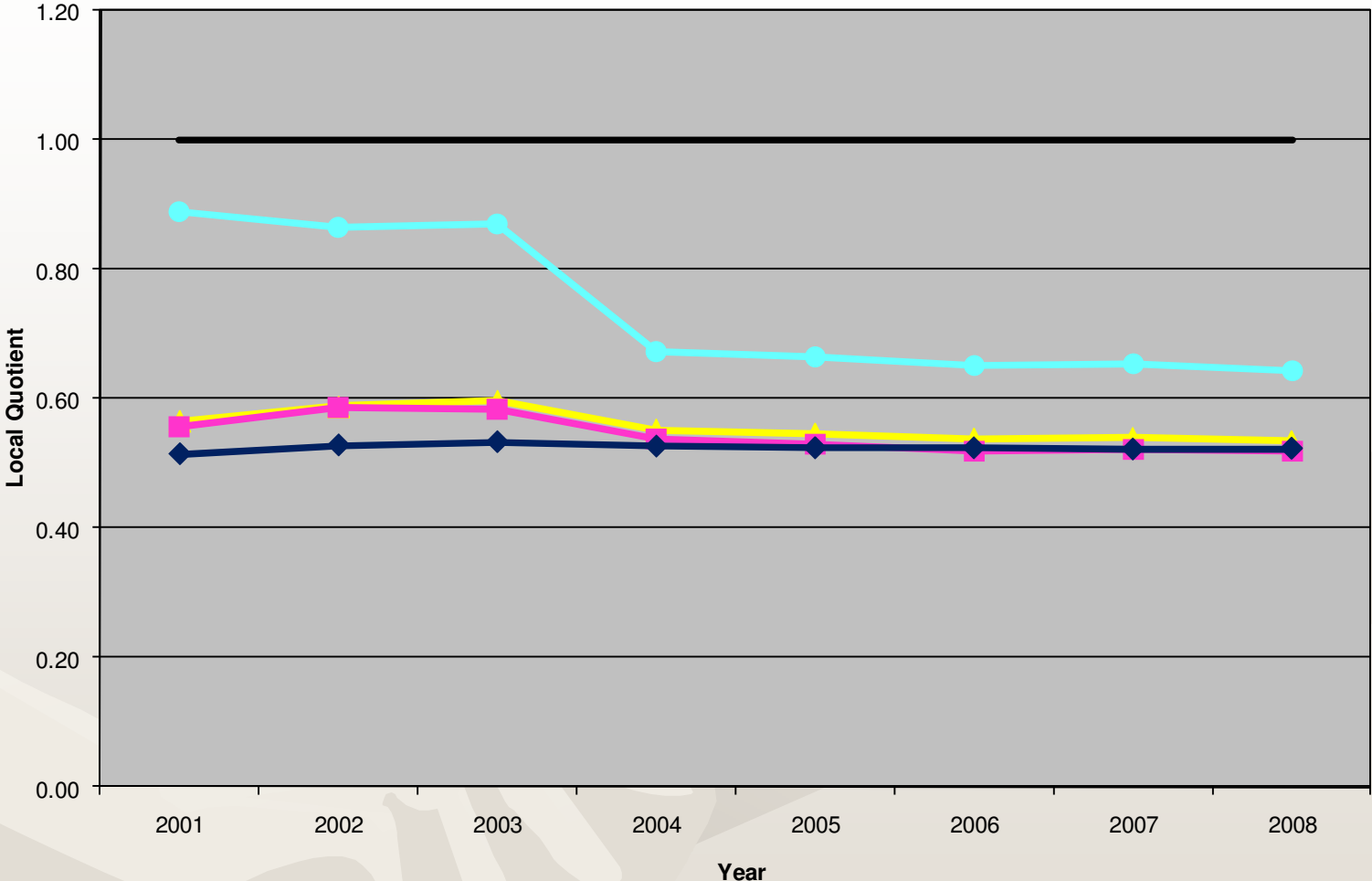


Location Quotients
Military
2001-2008



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Location Quotients
State Government
2001-2008



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Location Quotients
Local Government
2001-2008

