



CEDBR

Center for Economic Development
and Business Research

**UNDERSTANDING OUR ECONOMY
MANUFACTURING IN SOUTH CENTRAL KANSAS:
THE VALUE IT CREATES FOR KANSANS**

Creating an Impact

Rethinking your Modus Operandi
(mode of operation)

Jeremy Hill,
Director

CEDBR.org

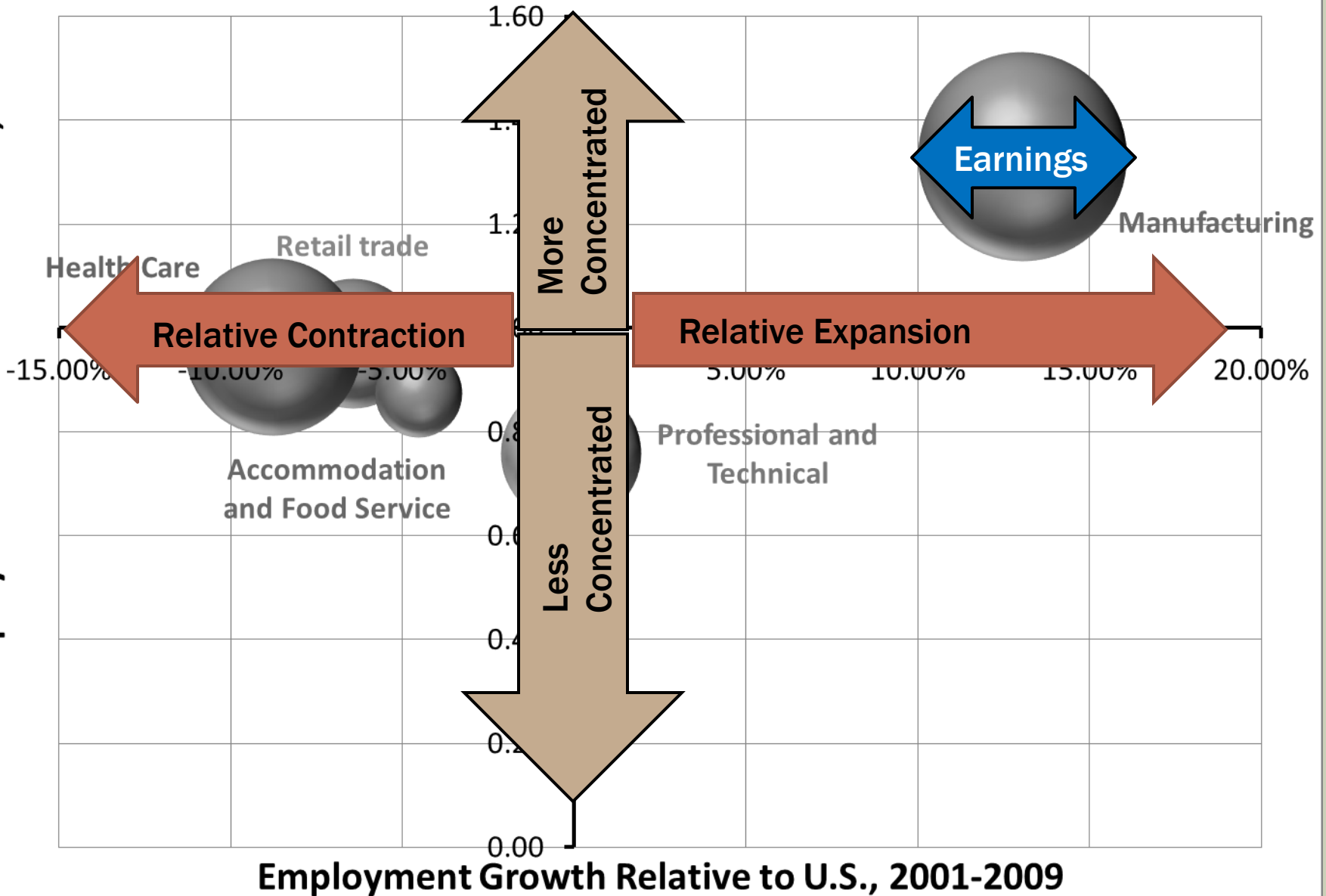
OVERVIEW

- Shifting landscape
 - Quicksand manufacturing?
- Creation of wealth
 - Where does that cash come from?
- The value of producing a widget
 - Who really benefits?
- Panel
 - A.J. Anderson, Director, U.S. Commercial Service, U.S. Department of Commerce
 - John Waltner, Administrator, Harvey County

Shifting landscape
Quicksand
manufacturing?

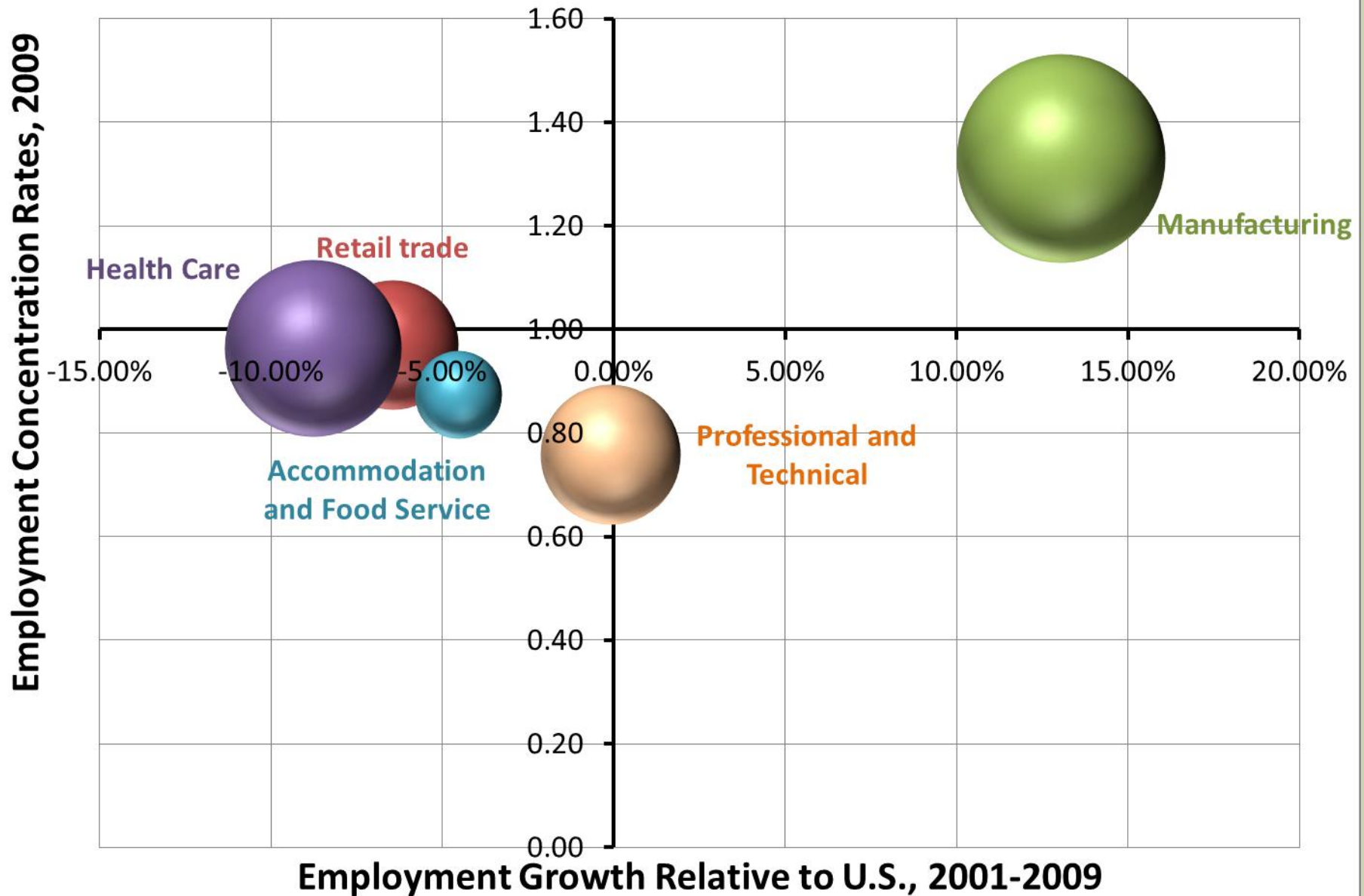
Kansas - High Employment Industries by Earnings

Employment Concentration Rates, 2009



Employment Growth Relative to U.S., 2001-2009

Kansas - High Employment Industries by Earnings

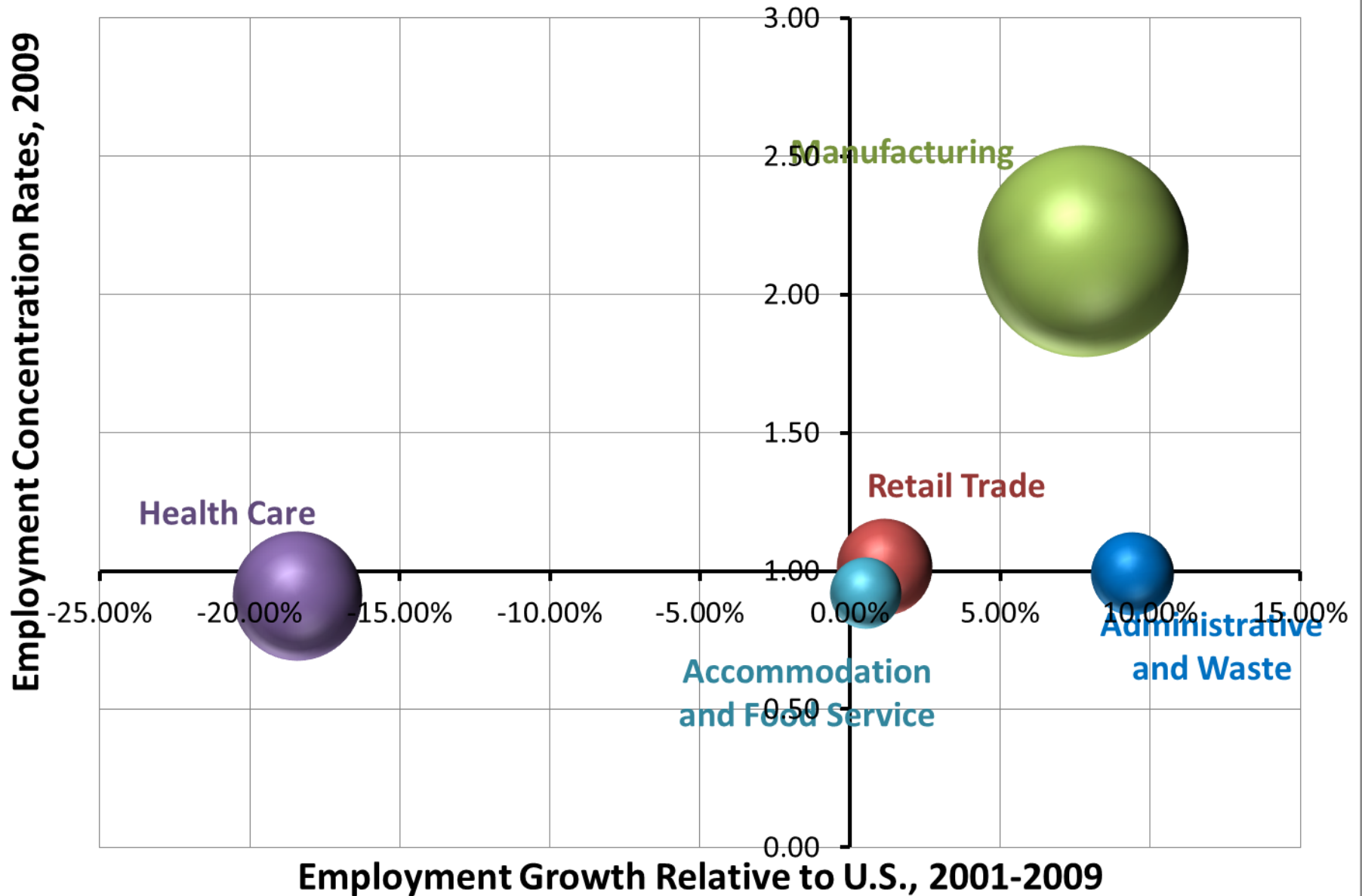


Kansas	Employment		Change in Employment		Change Relative to U.S.		Location Quotient	
	2001	2009	Kansas	U.S.	2001-2009	2001	2009	
Total Employment	1,770,708	1,820,350	2.80%	5.01%	☐	-2.21%		
Farm	78,134	63,580	-18.63%	-13.99%	☐	-4.64%	2.39	2.31
Forestry Fishing	7,058	8,506	20.52%	4.34%	◐	16.17%	0.82	0.97
Mining	19,721	39,779	101.71%	68.46%	●	33.24%	2.29	2.80
Utilities	7,609	8,026	5.48%	-2.53%	◐	8.01%	1.15	1.28
Construction	93,169	90,016	-3.38%	-3.19%	◐	-0.20%	0.89	0.90
Manufacturing	200,071	172,671	-13.70%	-26.72%	◐	13.03%	1.11	1.33
Wholesale Trade	65,761	66,160	0.61%	-1.12%	◐	1.72%	0.99	1.03
Retail Trade	198,827	179,981	-9.48%	-3.04%	☐	-6.44%	1.02	0.97
Transportation	56,436	55,316	-1.98%	0.39%	◐	-2.37%	0.96	0.96
Information	54,629	38,923	-28.75%	-17.01%	☐	-11.74%	1.26	1.11
Finance and Insurance	76,463	93,097	21.75%	20.84%	◐	0.92%	0.92	0.94
Real Estate	45,746	57,280	25.21%	35.81%	☐	-10.60%	0.77	0.73
Professional and Technical	81,792	94,089	15.03%	15.15%	◐	-0.11%	0.74	0.76
Management	13,978	14,460	3.45%	9.87%	☐	-6.42%	0.73	0.70
Administrative and Waste	81,860	91,700	12.02%	3.49%	◐	8.53%	0.80	0.88
Education	21,230	25,036	17.93%	29.94%	☐	-12.02%	0.66	0.61
Health Care	165,770	189,634	14.40%	23.18%	☐	-8.79%	1.02	0.96
Arts and Entertainment	25,113	27,753	10.51%	20.75%	☐	-10.24%	0.74	0.69
Accommodation and Food Service	103,190	109,935	6.54%	11.08%	☐	-4.55%	0.89	0.87
Federal Civilian	25,660	25,938	1.08%	5.50%	☐	-4.41%	0.88	0.86
Military	28,436	34,418	21.04%	1.01%	◐	20.02%	1.28	1.57
State and Local	228,220	240,391	5.33%	7.23%	◐	-1.90%	1.16	1.17

Source: Bureau of Economic Analysis

Location quotients greater than or equal to **1.20** indicate specialization

South Central - High Employment Industries by Earnings

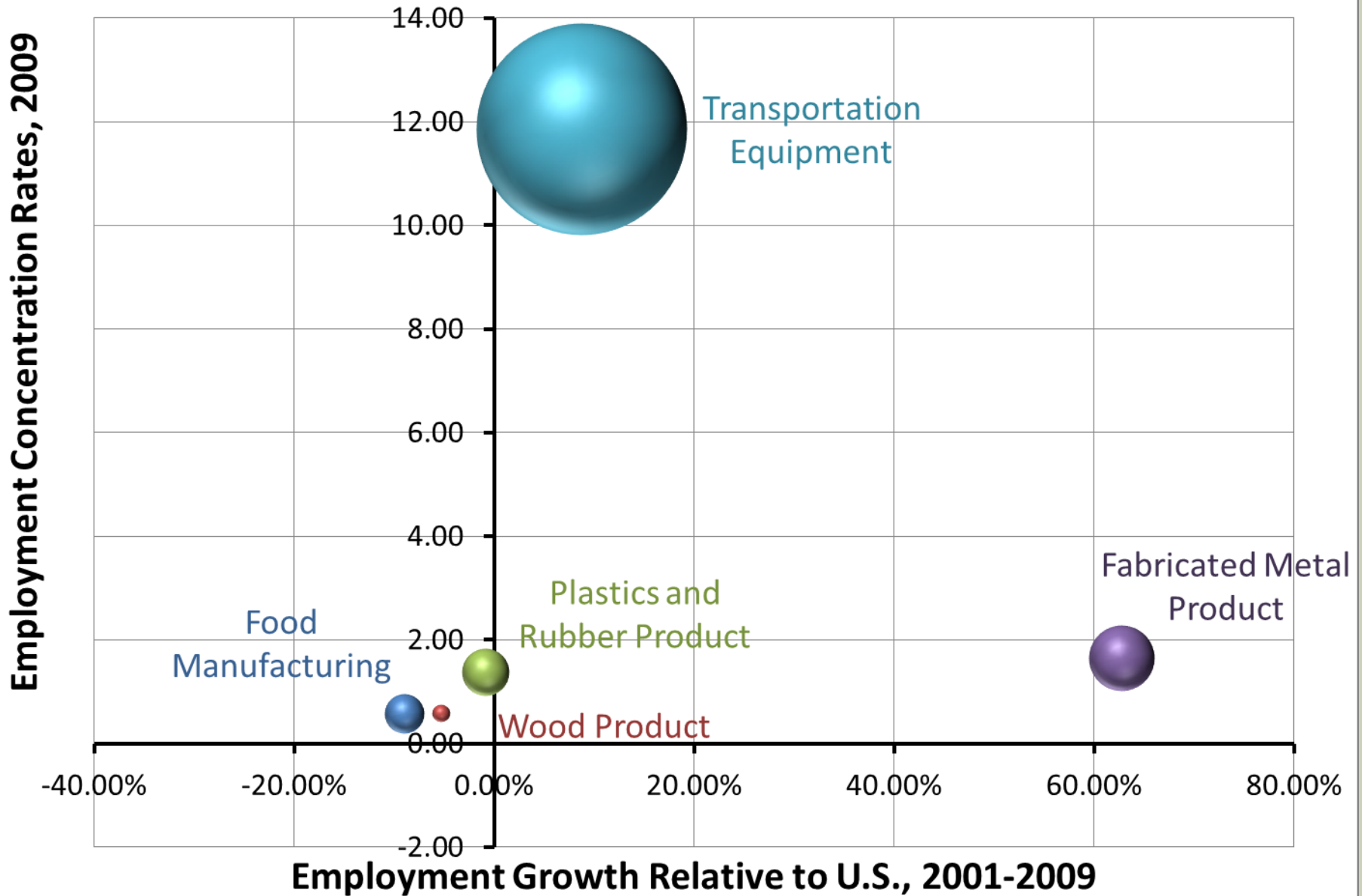


South Central	Employment		Change in Employment		Change Relative to U.S.	Location Quotient		
	2001	2009	South Central	U.S.		2001-2009	2001	2009
Total Employment	402,639	412,966	2.56%	5.01%	◐	-2.45%		
Farm	8,129	6,786	-16.52%	-13.99%	◐	-2.53%	1.09	1.09
Forestry Fishing	265	355	33.96%	4.34%	●	29.62%	0.14	0.18
Mining	5,497	9,546	73.66%	68.46%	◐	5.19%	2.80	2.96
Utilities	656	805	22.71%	-2.53%	●	25.25%	0.44	0.56
Construction	21,412	22,282	4.06%	-3.19%	◑	7.25%	0.90	0.99
Manufacturing	78,411	63,526	-18.98%	-26.72%	◑	7.74%	1.91	2.16
Wholesale Trade	13,143	13,106	-0.28%	-1.12%	◐	0.83%	0.87	0.90
Retail Trade	43,587	42,758	-1.90%	-3.04%	◐	1.14%	0.98	1.02
Transportation	8,248	8,504	3.10%	0.39%	◐	2.71%	0.62	0.65
Information	8,157	6,262	-23.23%	-17.01%	◑	-6.22%	0.83	0.78
Finance and Insurance	15,464	15,783	2.06%	20.84%	○	-18.77%	0.81	0.70
Real Estate	11,015	13,957	26.71%	35.81%	◑	-9.10%	0.82	0.78
Professional and Technical	13,787	16,430	19.17%	15.15%	◐	4.02%	0.55	0.58
Management	3,594	3,602	0.22%	9.87%	◑	-9.65%	0.83	0.77
Administrative and Waste	20,770	23,445	12.88%	3.49%	◑	9.39%	0.89	0.99
Education	5,690	5,830	2.46%	29.94%	○	-27.48%	0.77	0.63
Health Care	38,785	40,629	4.75%	23.18%	○	-18.43%	1.05	0.91
Arts and Entertainment	5,860	6,992	19.32%	20.75%	◐	-1.44%	0.76	0.77
Accommodation and Food Service	23,526	26,254	11.60%	11.08%	◐	0.51%	0.89	0.92
Federal Civilian	5,261	6,080	15.57%	5.50%	◑	10.07%	0.79	0.89
Military	5,630	5,397	-4.14%	1.01%	◑	-5.15%	1.12	1.09
State and Local	38,532	41,337	7.28%	7.23%	◐	0.05%	0.86	0.88

Source: Bureau of Economic Analysis

Location quotients greater than or equal to **1.20** indicate specialization

Wichita MSA Manufacturing Industries by Annual Payroll



Wichita MSA	Employment		Change in Employment		Change Relative to U.S.	Location Quotient	
	2001	2009	Wichita	U.S.	2001-2009	2001	2009
Total Employment	257,928	262,258	1.68%	-0.48%	2.16%		
Food Manufacturing	2,148	1,903	-11.41%	-2.41%	-9.00%	0.65	0.58
Wood Product Manufacturing	817	522	-36.11%	-30.79%	-5.32%	0.65	0.59
Plastics and Rubber Product Manufacturing	3,211	2,193	-31.70%	-30.83%	-0.88%	1.43	1.38
Fabricated Metal Product Manufacturing	3,712	5,283	42.32%	-20.43%	62.75%	0.94	1.65
Transportation Equipment Manufacturing	42,510	34,580	-18.65%	-27.39%	8.73%	10.82	11.86

Source: U.S. Census Bureau, County Business Patterns

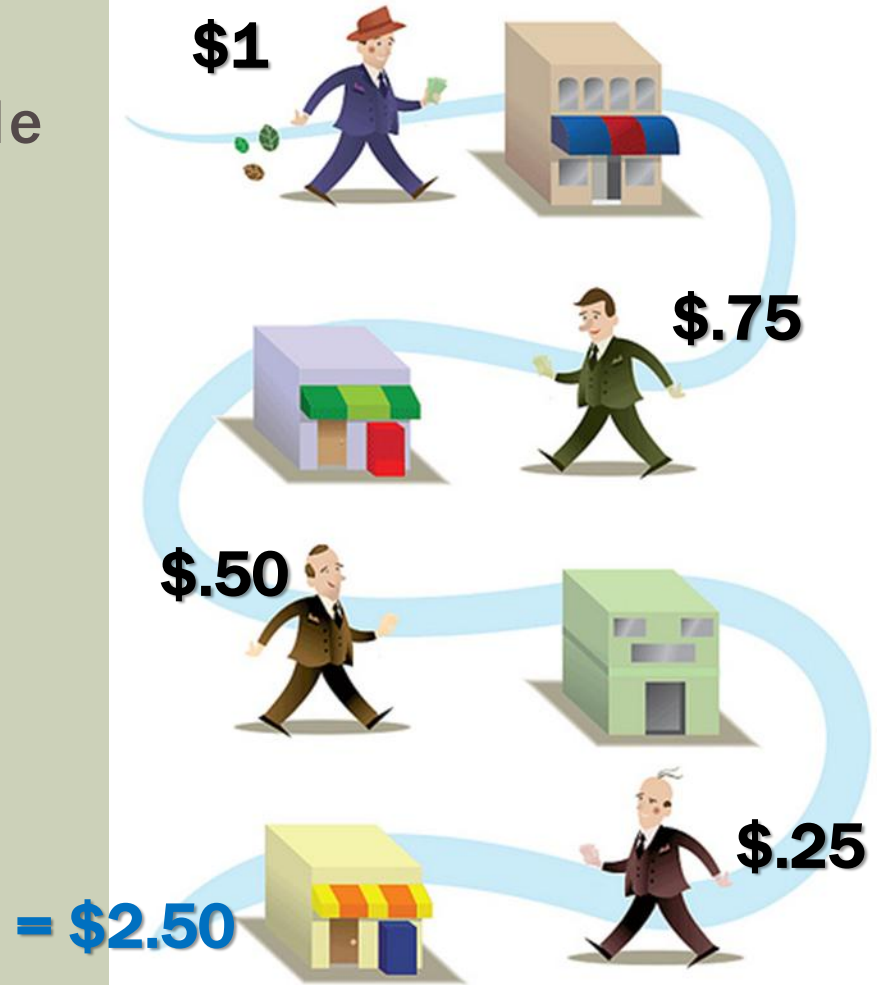
Location quotients greater than or equal to **1.20** indicate specialization

Creation of wealth

Where does that cash
come from?

GROWTH/WEALTH CREATION

- Core -> Demand
- Demand from areas outside your local economy.
 - Maximize Growth/value - Innovation & Resource exploitation
- Multipliers
 - (minus) savings and leakages



KS MULTIPLIERS

	Earnings	Employment
Aircraft Manufacturing	2.4	4.7
Hospitals	1.7	2.0
Bowling Centers	1.7	1.2
Cattle Ranching	4.2	2.1

WICHITA AREA MULTIPLIERS

	Earnings	Employment
Manufacturing Sector		
Fluid milk	3.9	8.3
Meat processed	3.8	5.3
Dog food	2.7	4.5
Aircraft	2.3	4.4
Services Sector		
Professional and tech.	1.7	3.8
Telecommunications	1.9	3.1

**The value of producing
a widget**

Who really benefits?

*TRANSPORTATION EQUIPMENT

	Jobs	Wages Paid
Transportation equipment man	15,000	\$ 1,000,000,000
TOTAL IMPACT	66,000	\$ 2,300,000,000

	Sales Tax	Property Tax	Income Tax	TOTAL
City	\$8,700,000	\$5,600,000		\$14,300,000
County	\$4,400,000	\$6,000,000		\$10,400,000
State	\$83,000,000	\$6,000,000	\$100,000,000	\$189,000,000
TOTAL	\$96,100,000	\$17,600,000	\$100,000,000	\$213,700,000

*Simulated estimates

PANEL

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