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The Pittsburg Micropolitan Area Economic Report, Quarter 2, 2015

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THE PITTSBURG MICROPOLITAN AREA ECONOMIC REPORT

Local Amenities are Important for 21st Century Economic Growth

Professional and business services and other industries requiring skilled and educated workers in occupations such as computer, mathematical and financial occupations are the industries of the future, according to the Bureau of Labor Statistics. Thus, it is important to cultivate and attract a skilled and educated labor force to foster local economic growth. Several studies have found that jobs follow people in the twenty-first century. Training in an increasingly high-tech world is expensive for firms. A skilled and educated labor force attracts firms that compete for labor, generating better skill matching, which results in higher wages. Higher wages in turn attract labor from other regions that increases the labor force and the local den-

sity of skills, which attracts more firms.

Numerous studies have found that both urban amenities and aesthetic backdrop are important in order to attract and retain a skilled and educated labor force. Pittsburg area urban amenities include 255 retail, eating, and drinking establishments; two performing arts centers (the Bicknell Family Center for the Arts and the Memorial Auditorium); a 11,910 capacity NCAA Division II football stadium; three golf courses; a philharmonic orchestra; an opera, and more. Some of the area's many natural amenities include aesthetic backdrops such as fourteen parks, walking and biking trails, and access to eight major lakes and rivers within a one-hour drive.

The City of Pittsburg, the seat of the

Pittsburg Micropolitan Area, is committed to creating economic conditions conducive to local economic growth with programs that improve the local infrastructure and add local urban and natural amenities. Current projects include a trail system connecting parks, schools, and business hubs, laying of fiber optic cables to increase the access speed of internet networks, and annexation of land for a casino project. The \$70 million Kansas Crossing Casino will both add additional local urban amenities and have a significant, long-lasting annual economic impact, including more than 500,000 annual visitors to the Pittsburg Area, \$39 million in annual casino revenue, 300 direct jobs, and \$1.2 million in local taxes.

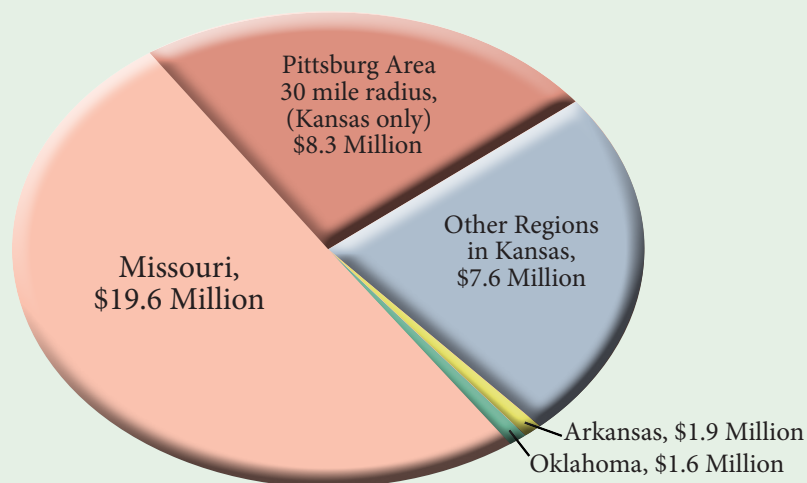
INSIDE

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- Banking, Credit Unions and More



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Kansas Crossing Casino Projected Revenue from Visitors by Location of Residence



Source: Union Gaming and various sources for story



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TOTAL JOBS AND PAYROLL

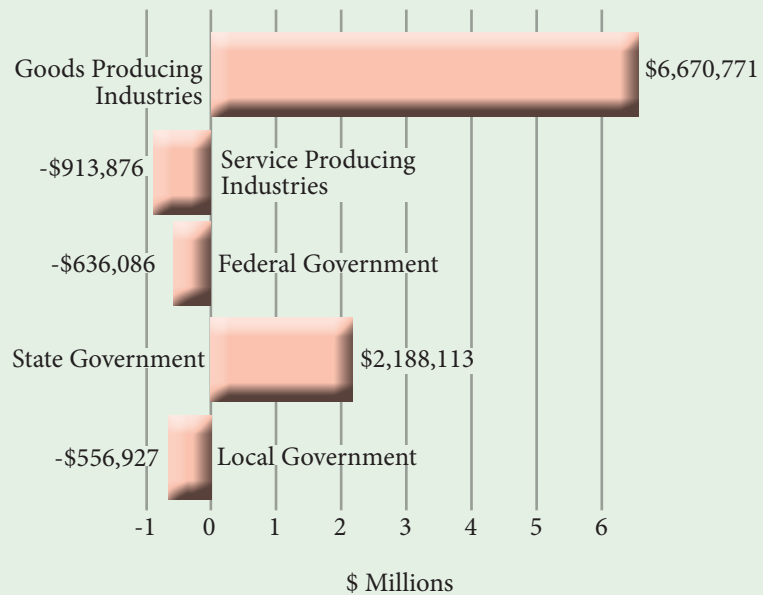
The number of jobs in the Pittsburgh Micropolitan Area increased 0.9 percent during the fourth quarter of 2014 but was down for the year according to the Bureau of Labor Statistics (BLS). The 982 local businesses posted 16,892 jobs in 2014 (down 16 jobs from 2013), a payroll of \$533,835,380 (up \$6,751,995), and an average wage of \$31,604 (up 1.4 percent).

The 143 firms in the goods producing industries posted 3,001 jobs during 2014 (up 84 jobs), \$113,137,753 in annual payroll (up \$6,670,771), and an average wage of \$37,702 (up 3.3 percent); the 770 firms in the service providing industries posted 9,580 jobs (down 102 jobs), \$274,207,371 in payroll (down \$913,876), and \$28,624 in average wages (up 0.7 percent).

The Federal Government posted 84 jobs (down 12 jobs), \$3,905,916 in payroll (down \$636,086), and \$46,361 in average wages (down 2.5 percent) while the state government posted 1,130 jobs (up 13 jobs), \$55,299,727 in payroll (up \$2,188,113) and \$48,952 in average wages (up 2.9 percent). Local government posted 3,097 jobs (no change), \$87,284,613 in payroll (down \$556,927) and \$28,183 in annual wages (down 0.7 percent).

Overall, there were 1,357,144 jobs in Kansas during 2014 (up 1.5 percent) and 136,603,124 nationwide (up 2.0 percent).

Increase In Payroll The Pittsburgh Micropolitan Area 2014



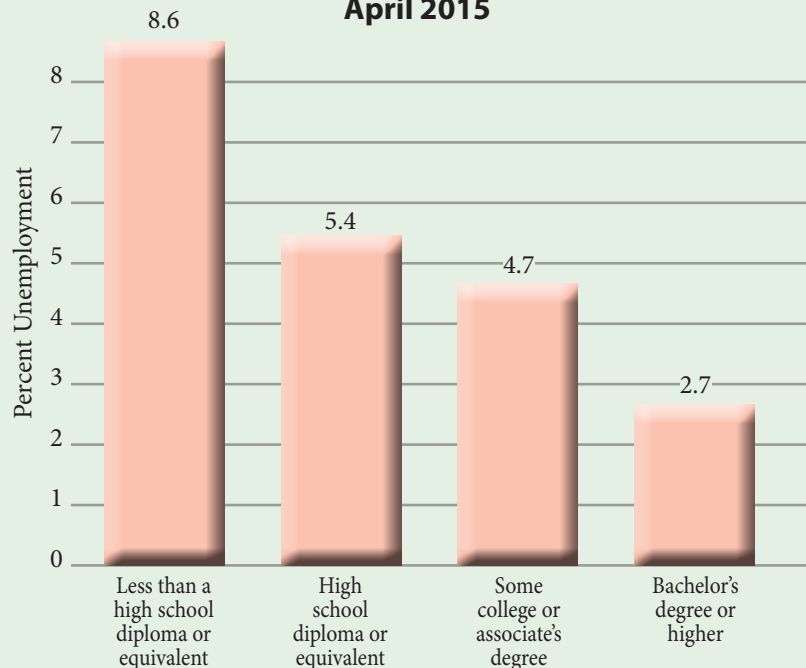
Source: Bureau of Labor Statistics

UNEMPLOYMENT

The national unemployment situation is improving, as evidenced by unemployment hovering at levels not seen since the beginning of the economic downturn in 2007, according to the BLS. Furthermore, the nationwide labor force participation rate increased slightly from March to April, and at the same time the unemployment rate declined. This is a positive change from the trend during the last few years where the unemployment rate was declining due to people leaving the labor force. The unemployment rate in April 2015 was 8.6 percent for high school dropouts, 5.4 percent for people with a high school degree, 4.7 percent for people with some college or an associate's degree, and only 2.7 percent for people with a Bachelor's degree or more.

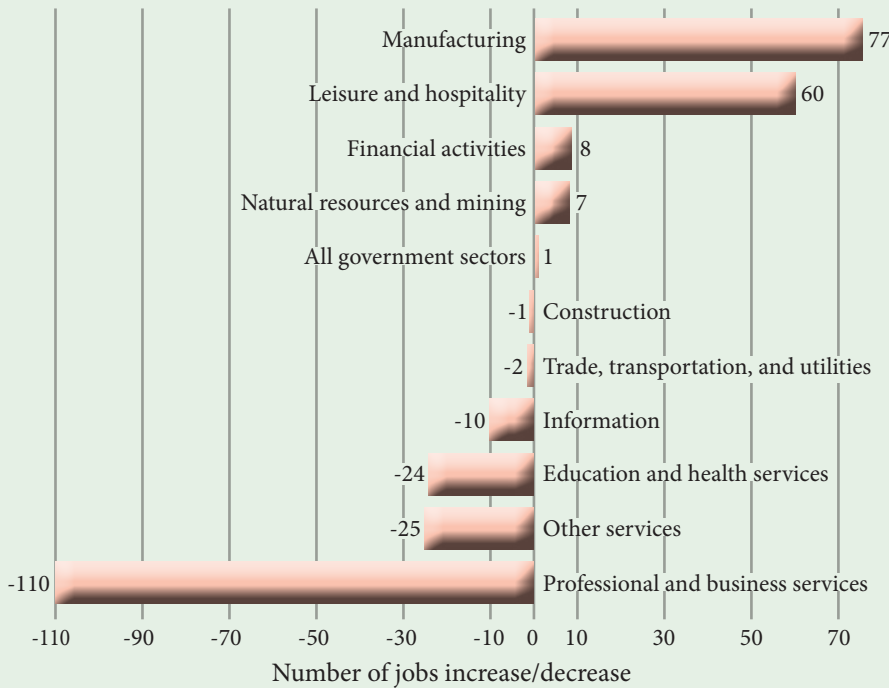
The national unemployment stood at 5.1 percent in April 2015 (down from 5.9 percent in April 2014), 4.3 percent statewide (down from 4.5 percent), and 5.3 percent in the Pittsburgh Micropolitan Area (up from 4.9 percent). The average national unemployment rate for the first four months was 5.7 percent (down from 6.7 percent from the same period last year), 4.2 percent statewide (down from 4.6 percent), and 5.3 percent in the Pittsburgh Micropolitan Area (down from 5.6 percent).

Nationwide Unemployment by Educational Attainment April 2015



Source: Bureau of Labor Statistics

Increase In Jobs By Industry The Pittsburgh Micropolitan Area 2014



Source: Bureau of Labor Statistics

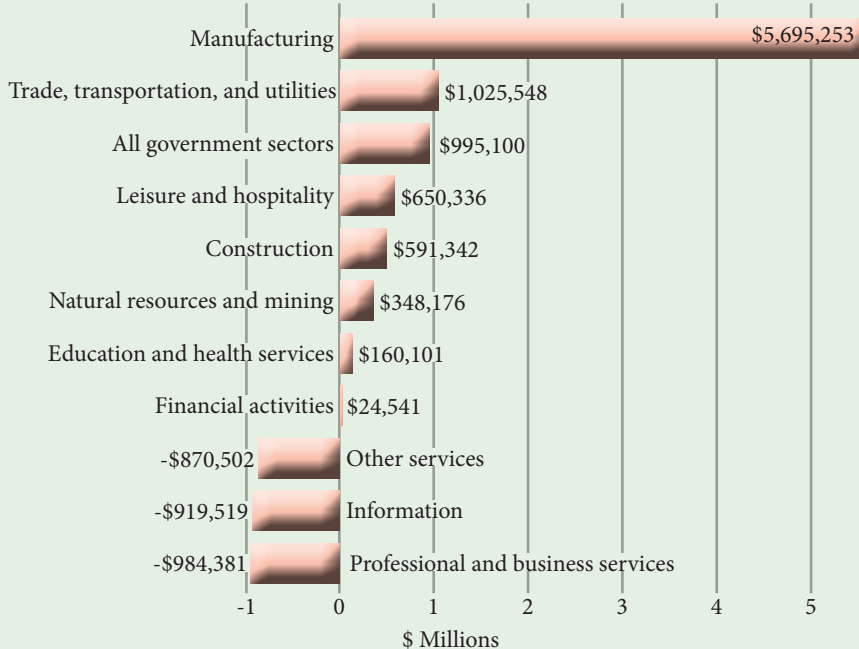
JOBS BY INDUSTRY

Five industries added jobs in the Pittsburgh Micropolitan Area during 2014. The Manufacturing industry had the largest increase in the number of jobs, posting 2,482 (up 77 jobs from 2013), followed by Leisure and Hospitality with 1,959 (up 60 jobs). Financial Activities posted 552 jobs (up eight jobs), and Natural Resources and Mining posted 94 jobs (up seven jobs). Finally, the Government industry posted 4,311 (up one job).

However, six industries lost jobs. Construction posted 424 jobs (down one job), while Trade, Transportation and Utilities posted 3,084 jobs (down two jobs); Information Services posted 294 (down 10 jobs). Education and Health Services posted 2,422 (down 24 jobs), and Other Services posted 271 (down 25 jobs). The greatest loss of jobs was in the Professional and Business Services industry, which posted 1,034 jobs (down 110 jobs).

Four industries added jobs statewide during 2014 with Professional and Business Services posting 169,476 jobs (up 7,771 jobs) followed by Trade Transportation and Utilities with 259,031 jobs (up 4,830 jobs). Construction posted 59,785 jobs statewide (up 2,993 jobs), and Financial Activities offered 71,788 jobs (up 1,072 jobs). The Professional and Business Services industry was the fastest growing nationwide, adding 594,845 jobs.

Increase in Payroll by Industry The Pittsburgh Micropolitan Area 2014



Source: Bureau of Labor Statistics

INCOMES BY INDUSTRY

Eight industries had an increase in payroll in the Pittsburgh Micropolitan Area during 2014, and three saw a decline. Manufacturing had the highest increases, posting a total payroll of \$94,906,650 (up \$5,695,253) and \$38,235 in average wage (well above the \$31,604 average wage in the area), followed by: Trade Transportation and Utilities: \$91,098,313 (up \$1,025,548) and \$29,885 in average wages; Government: \$146,490,256 (up \$995,100) and \$41,165 in average wages; Leisure and Hospitality: \$20,686,404 (up \$650,336) and \$10,559 in average wages; Construction: \$14,110,646 (up \$591,342) and \$33,247 in average wages; Natural Resources and Mining: \$4,120,457 (up \$384,176) and \$43,718 in average wages; Education and Health Services: \$80,374,614 (up \$160,101) and \$33,192 in average wages; Financial Activities: \$20,528,179 (up \$24,541) and \$37,266 in average wages; Other Services: \$6,066,526 (down \$870,502) and \$22,365 in average wages; Information Services: \$13,228,060 (down \$919,519) and \$45,032 in average wages; and Professional and Business Services \$42,195,275 (down \$984,381) and \$40,808 in average wages.

Professional and Business Services had the highest increase in payroll both statewide and nationwide, posing average wages of \$53,524 statewide and \$66,657 nationwide.

LABOR FORCE

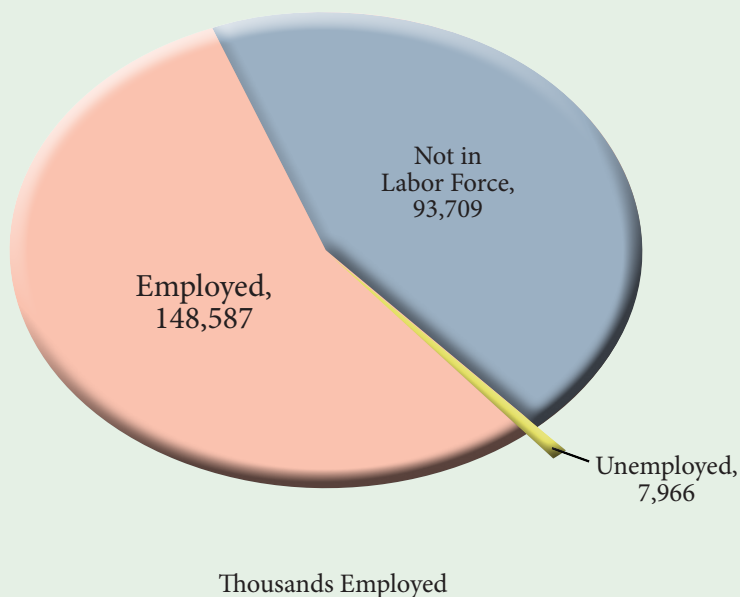
The Bureau of Labor Statistics reports that the labor force in the Pittsburgh Micropolitan Area increased to 19,285 in April 2015 (up 0.4 percent from April 2014). Meanwhile, the Kansas labor force was reported to be 1,501,538 (up 0.2 percent), and the national labor force was approximately 156,554 million (up 1.1 percent). During the first four months of the year, the average labor force was 19,259 in the Pittsburgh Micropolitan Area (down 0.4 percent from the same period last year), 1,502,094 in Kansas (up 0.2 percent), and 156,284 nationwide (up 0.8 percent).

The labor force consists of the employed and unemployed. The unemployment rate is calculated by the BLS from a nationwide household survey and includes self-employment, home-based businesses, farm employment, and domestic employment. The latest survey shows that there were 18,269 residents of the Pittsburgh Micropolitan Area employed locally or somewhere else in April 2015 (up 0.1 percent from April 2014), 1,437,521 employed in Kansas (up 0.5 percent) and 147,473 million employed nationwide (up 1.1 percent).

Labor Force Status

Adult Populations Nationwide

April 2015



Source: Bureau of Labor Statistics

TAXABLE SALES

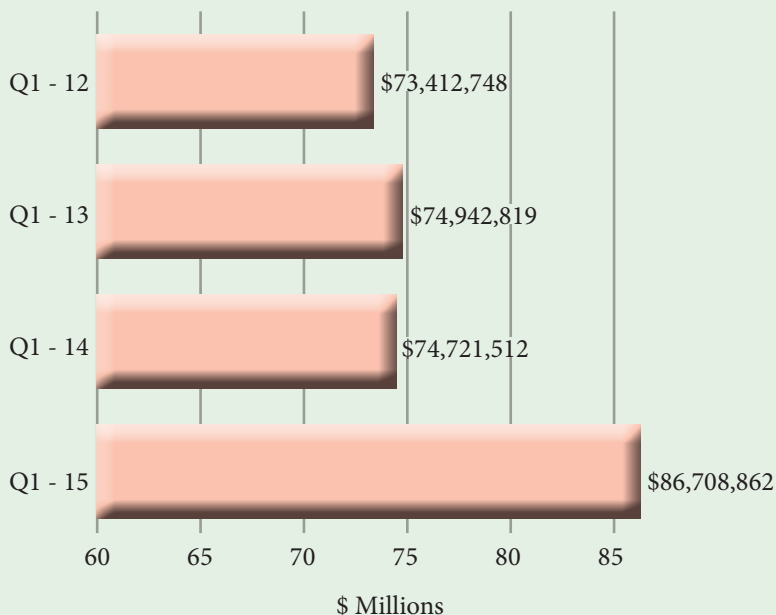
Local retailers have a reason to smile because taxable sales continue to be strong in 2015. Total taxable sales (including retail sales, gasoline sales, food services, and other services which are taxed, such as lodging and car rental services) in the Pittsburgh Micropolitan Area increased to \$43.9 million in March (up 29.1 percent from March 2014), \$30.3 million in the City of Pittsburgh (up 17.2 percent) and \$3.6 billion statewide (up 4.0 percent). Overall taxable sales increased to \$121.7 million during the first quarter (up 23.2 percent from the first quarter 2014), \$86.7 million in Pittsburgh (up 16.0 percent) and \$9.7 billion statewide (up 2.7 percent).

This is also beneficial to the local governments. Total tax collections increased to \$7.5 million for local governments in the Pittsburgh Micropolitan Area during the first quarter (up 23.2 percent from the first quarter 2015), \$5.3 million in the City of Pittsburgh (up 16.0 percent) and \$598.8 million for local governments statewide (up 2.7 percent).

Total retail sales nationwide (taxable sales not available) increased to \$442.9 billion in March 2015 (up 2.3 percent) and \$1.2 trillion during the first quarter (up 2.4 percent).

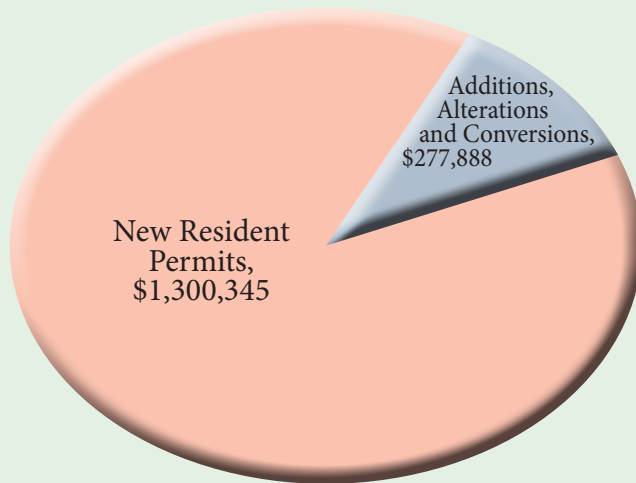
Taxable Sales

The City of Pittsburgh



Source: Kansas Department of Revenue

Value of Residential Building Permits City of Pittsburgh First Quarter 2015



Source: City of Pittsburgh

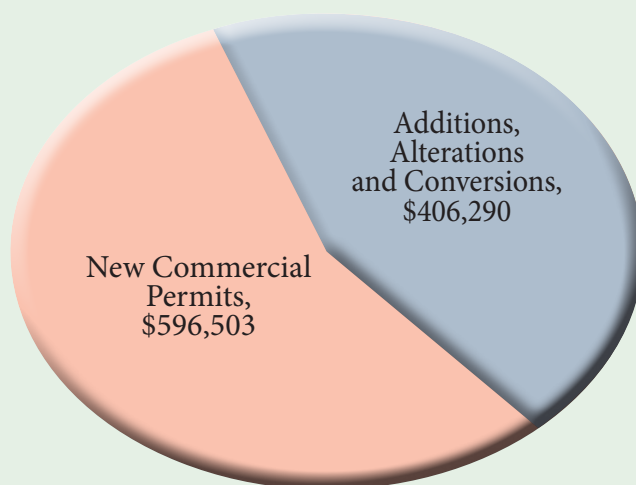
RESIDENTIAL PERMITS

There were seven new single family residential building permits issued in the City of Pittsburgh during the first quarter of 2015 with a stated value of \$1,300,345 (up 0.2 percent from the same quarter last year), and 22 residential permits were issued for additions, alterations, and conversions with a stated value of \$277,888 (up 14.1 percent).

Local home sales are up significantly, according to the Pittsburgh Area Realtors Association, which reports that there were 55 homes sold in May of 2015 (up 44.7 percent from May 2014) with an average price of \$101,099 (up 15.5 percent) and a median price of \$66,000 (up 2.3 percent). Furthermore, there were 174 homes sold in the first five months of 2015 (up 33.8 percent from the same period last year) with an average price of \$83,423 (up 2.9 percent) and a median price of \$67,750 (down 3.1 percent).

There are signs that the local housing market is tightening. The average time it took to sell a home during the first five months declined to 167 days (down from 193 days), and the median time was 124 days (down from 126 days).

Value of Commercial Permits City of Pittsburgh First Quarter 2015



Source: City of Pittsburgh

COMMERCIAL PERMITS

There were five new commercial building permits issued in the City of Pittsburgh during the first quarter of 2015 with a stated value of \$596,503 (down 43.5 percent from first quarter 2014), and eleven permits were issued for additions, alterations, and conversions with a stated value of \$406,290 (down 31.9 percent).

The near future looks good for the local construction industries, which currently have around 424 employees and pay average wages of \$33,247. There is some significant building permit activity in the pipeline in the City of Pittsburgh, including: a building permit for the \$70 million Kansas Crossing Casino project on the northwest corner of Highway 69 and Highway 400 (this will include 625 slot machines, 16 table games, 120 hotel rooms, a 400 seat event center, and a 125 seat restaurant), a building permit for a seventy-five room La Quinta Inn & Suites facility (which will have two conference areas and an indoor pool to be located on South Broadway), and a building permit for a Colton's Steakhouse to be built at Broadway and the Highway 69 bypass.

OFFICE SPACE MARKET

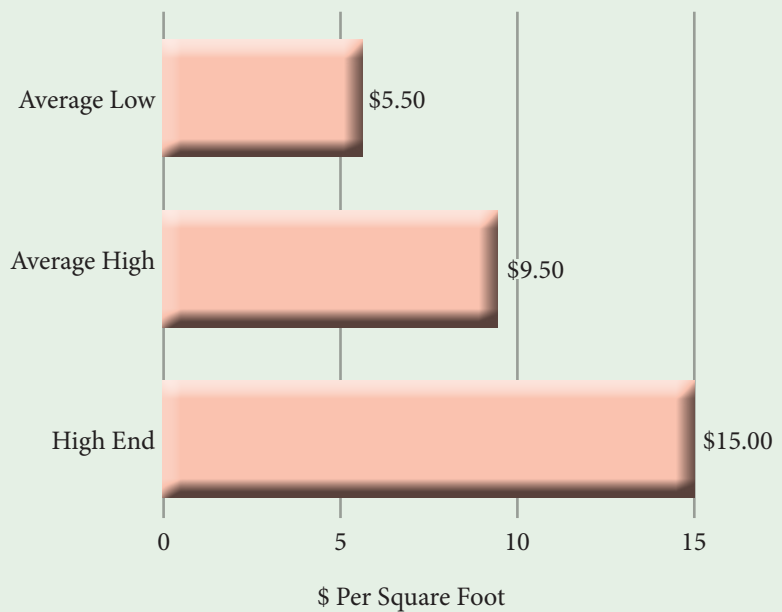
Many regional businesses are too small to have their own functional specialization departments, such as administrative support, payroll, tax preparation marketing, and legal services. As the seat of the Pittsburgh Micropolitan Area, the City of Pittsburgh is a center for these business services in southeast Kansas. Recently released information by the US Census shows that 13.4 percent of the jobs in the Pittsburgh Micropolitan Area are in office and administrative support, and the demand for these services is growing in the region. A report released by Project 17 and the Kansas Department of Labor shows that job vacancies and job postings increased by 38 percent for office and administrative support occupations in southeast Kansas during the Q4'13-Q4'14 period.

According to Jones Heritage Realtors, North Broadway, the major thoroughfare in Pittsburgh, has mid-point rents ranging from \$5.50 per square foot for lower-end units in the 2,000 sq. ft. to 4,000 sq. ft. range (on gross basis) to an average high of \$9.50 per square foot. Mid-point rents are currently \$15.00 per square foot for higher-end facilities.

Gross Office Space Rental Rates

North Broadway - City of Pittsburgh

June 2015



Source: Jones Heritage Realtors

COMMERCIAL AND RESIDENTIAL LAND VALUES

There is some movement in the commercial real estate market. An industrial building at 2911 Rotary Terrace standing at 15,348 square feet was sold for \$80,000, and the former Social Security building at 801 S. Broadway sold on June 20, 2015 for \$203,000. There is also some movement in the residential land market. Pittsburgh State University exchanged 72.7 acres of prime residential land south of the intersection of Quincy and Rouse for 30.3 acres of city owned land consisting of lots on the southeast corner of Centennial and Rouse and the rugby field east of the Technology Center.

The city also recently approved a plan for a land bank which will buy abandoned, vacant, or dilapidated land for future residential development. Residential land values currently range from an average of \$0.50 per square foot in older neighborhoods to an average high of \$1.00 in good locations, but prices can go as high as \$1.50 per square foot in prime locations, according to Jones Heritage Realtors.

Single Family Land Values

City of Pittsburgh

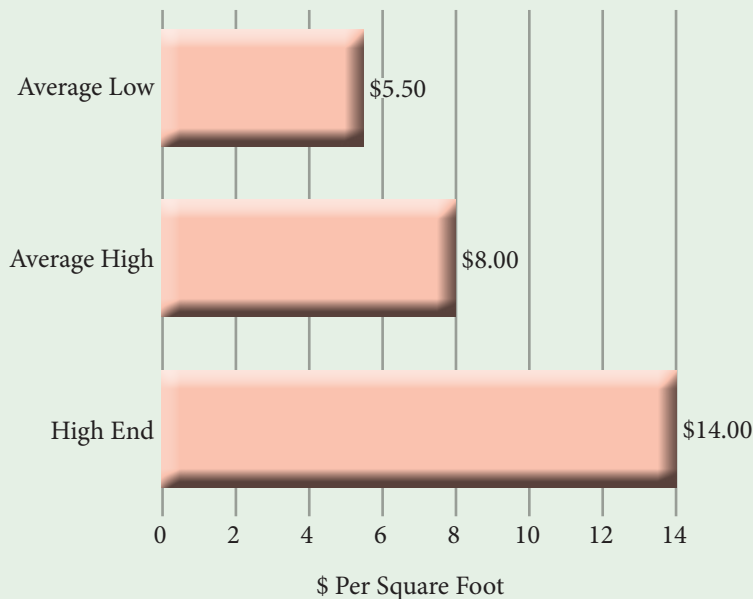
June 2015



Source: Jones Heritage Realtors

Net Small to Medium Retail Space Rental Rates

City of Pittsburgh
June 2014



Source: Jones Heritage Realtors

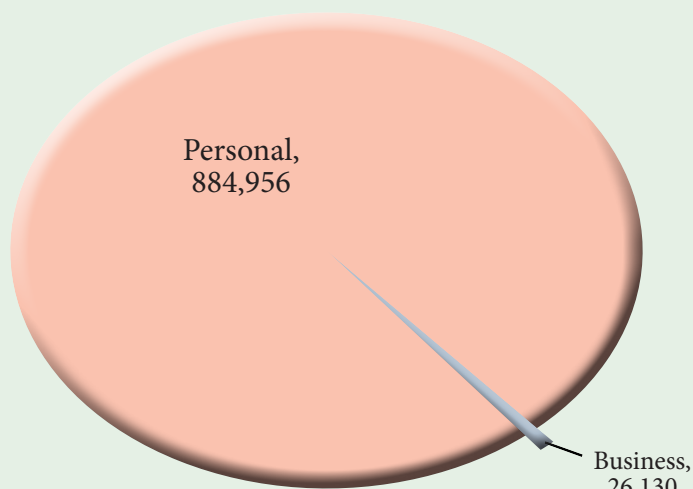
RETAIL SPACE MARKET

Retail space is expanding in Pittsburgh. The Walmart Company is building a new Walmart Neighborhood Market at Centennial and Rouse. The sale closed on May 22, and the Wal-Mart Real Estate Business Trust paid a total of \$1,916,000 (including some improvements) for the complex. The sale consisted of three separate purchases: land on the corner of the intersection for \$620,000 (\$6.42 per square foot); a dry cleaner's complex for \$660,000 (\$13.2 per square foot); and a house in between for \$636,000 (\$9.33 per square foot).

The Pittsburgh area retail space market is improving. Recently, numerous restaurant chains have expanded into the Pittsburgh area, with Rib Crib being the latest addition. Retail space rentals (except for large retail spaces) start at an average low of \$5.50 per square foot (on net basis), according to Jones Heritage Realtors, increasing to an average high of \$8.00 per square foot and reaching as high as \$14.00 per square foot for prime locations.

Nationwide Bankruptcies by Type

During the 12 Month Period Ending March 2015



Source: US Bankruptcy Courts

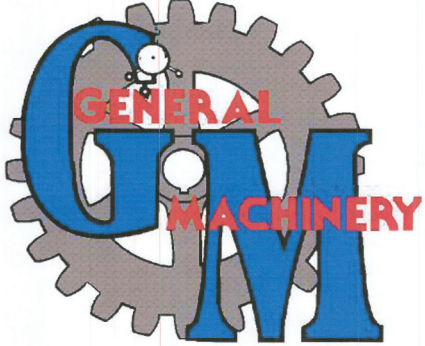
BANKRUPTCIES

A total of 45 bankruptcies were filed in the Pittsburgh Micropolitan Area during the 12 month period ending on March 31, down a significant 27.7 percent from the 12 month period ending March 31, 2014.

Nationwide, there were 884,956 personal bankruptcies filed during the period (down 12.1 percent), with a total of 579,340 Chapter 7 personal bankruptcies (straight bankruptcy, debt wiped out), down 14.6 percent; 1,099 Chapter 11 personal bankruptcies (reorganization of personal debt and temporary protection from creditors), down 12.6 percent; and 304,513 Chapter 13 personal bankruptcies (some debt wiped out and some repayments), down 6.8 percent.

A total of 26,130 business bankruptcies were also filed (down 17.5 percent), including 17,527 Chapter 7 business bankruptcies (total liquidation with no repayments), down 17.5 percent; 5,954 Chapter 11 business bankruptcies (reorganization of business debt and temporary protection from creditors), down 18.5 percent; 353 Chapter 12 business bankruptcies (reorganization of debt for family farms), down 9.0 percent; and 2,216 Chapter 13 business bankruptcies (total liquidation with some repayments), down 16.2 percent.

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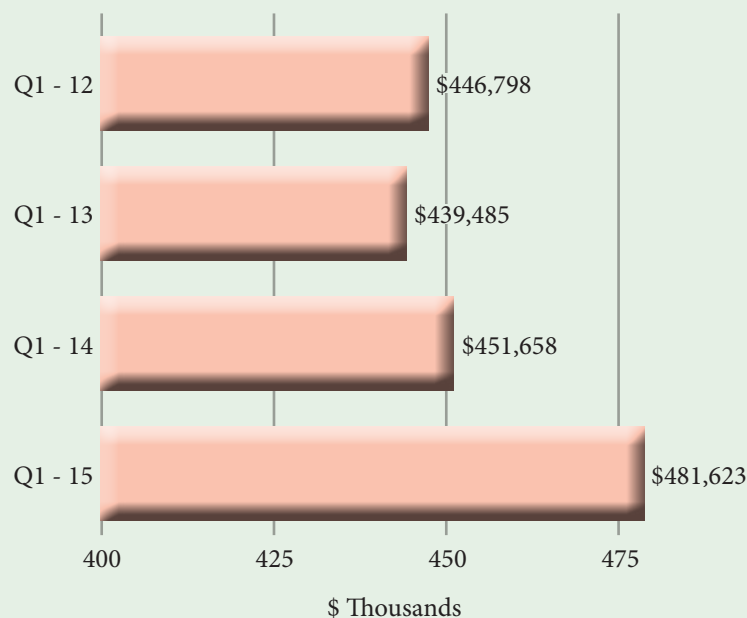
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Net Loans and Leases

Banks with Headquarters in The Pittsburgh Metropolitan Area



Source: Federal Deposit Insurance Corporation

BANKING INDUSTRY

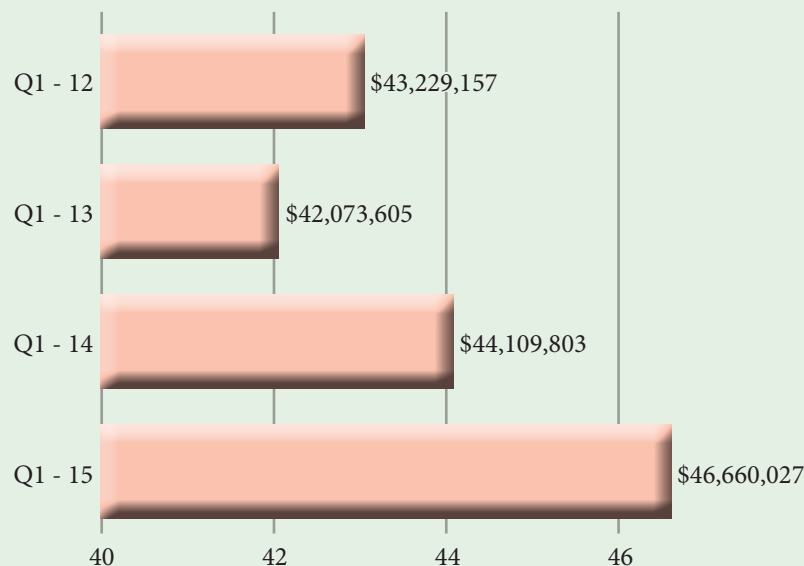
The national banking industry continues to improve, according to the Federal Deposit Insurance Corporation (FDIC). The number of unprofitable commercial banking institutions insured by the FDIC declined to only 359 during the first quarter 2015, the lowest level in decades, and sixty-seven percent of the institutions had earnings increases.

The national industry posted \$15.9 trillion in total assets during the quarter (up 6.6 percent from Q1-2014), \$8.3 trillion in net loans and leases (up 6.2 percent), \$39 billion in net income (up 4.8 percent), and \$153 billion in noncurrent loans and leases (down 21.6 percent).

The statewide banking industry reported total assets of \$66.7 billion (up 4.8 percent), \$38.7 billion in net loans and leases (up 8.5 percent), \$165.4 million in net income (up 8.6 percent), and \$398.4 million in noncurrent loans and leases (down 11.5 percent). The Pittsburgh Metropolitan Area banks with local headquarters posted \$777.4 million in total assets (up 2.2 percent), \$481.6 million in net loans and leases (up 6.6 percent), \$1.9 million in net income (up 12.3 percent) and \$6.5 million in net loans and leases (down 6.9 percent).

Net Loans and Leases

Credit Unions with Headquarters in The Pittsburgh Metropolitan Area



Source: National Credit Union Administration

CREDIT UNIONS

The National Credit Union Administration (NCUA) reports that the national credit union industry did well during the first quarter of 2015 with the industry posing the twenty-first consecutive quarter of positive net income. Total assets in the nationwide industry increased to \$1.2 trillion during the first quarter (up 5.5 percent from first quarter 2014), net loans and leases increased to \$730.5 billion (up 10.6 percent), net operating income increased to \$2.2 billion (up 5.8 percent), and noncurrent loans and leases declined to \$5 billion (down 6.5 percent).

The statewide industry posted \$8.5 billion in total assets during the quarter (up 11.5 percent), \$5.5 billion in net loans and leases (up 14.9 percent), \$13 billion in net operating income (up 37.7 percent) and \$38.9 million in noncurrent loans and leases (up 4.0 percent). Credit unions with headquarters in the Pittsburgh area posted \$83.5 million in total assets during the quarter (up 4.5 percent), \$46.7 million in net loans and leases (up 5.8 percent), \$168,651 in net income (up 35.2 percent), and \$298,986 in non-current loans and leases (up 28.5 percent).

ECONOMIC SNAPSHOT

City of Pittsburg

POPULATION DEMOGRAPHICS

| | 2010 Census | % | 2014A Estimates | % |
|--------------------------------|-------------|------|-----------------|------|
| Total Population | 20,233 | | 20,376 | |
| Population Density (Pop/Sq Mi) | 613.18 | | 1,580.84 | |
| Total Households | 8,153 | | 8,232 | |
| Population by Gender | | | | |
| Male | 10,128 | 50.1 | 10,247 | 50.3 |
| Female | 10,105 | 49.9 | 10,130 | 49.7 |

HOUSEHOLDS BY INCOME

| Household Income | 2010 Census | % | 2014A Estimates | % |
|--------------------------|-------------|------|-----------------|------|
| \$0 - \$15,000 | 2,199 | 27.0 | 2,159 | 26.2 |
| \$15,000 - \$24,999 | 1,106 | 13.6 | 1,184 | 14.4 |
| \$25,000 - \$34,999 | 1,129 | 13.8 | 1,152 | 14.0 |
| \$35,000 - \$49,999 | 1,331 | 16.3 | 1,342 | 16.3 |
| \$50,000 - \$74,999 | 1,092 | 13.4 | 1,073 | 13.0 |
| \$75,000 - \$99,999 | 564 | 6.9 | 1,425 | 7.1 |
| \$100,000 - \$149,999 | 555 | 6.9 | 551 | 6.7 |
| \$150,000 + | 176 | 2.2 | 187 | 2.3 |
| Average Household Income | \$44,622 | | \$44,842 | |
| Median Household Income | \$32,019 | | \$31,849 | |
| Per Capita Income | \$18,919 | | \$19,050 | |

EMPLOYMENT

| | 2010 Census | % | 2014A Estimates | % |
|---------------------------------------|-------------|------|-----------------|------|
| Total Population 16+ | 16,450 | | 16,510 | |
| Population 16+ : Civilian, Employed | 8,682 | 91.1 | 9,863 | 93.8 |
| Population 16+ : Civilian, Unemployed | 851 | 8.9 | 6500 | 6.2 |
| Population 16+ : In Armed Forces | 0 | 0.0 | 0 | 0.0 |
| Population 16+ : Not In Labor Force | 6,917 | 42.1 | 5,997 | 36.3 |

Source: Demographics Now



Sushi

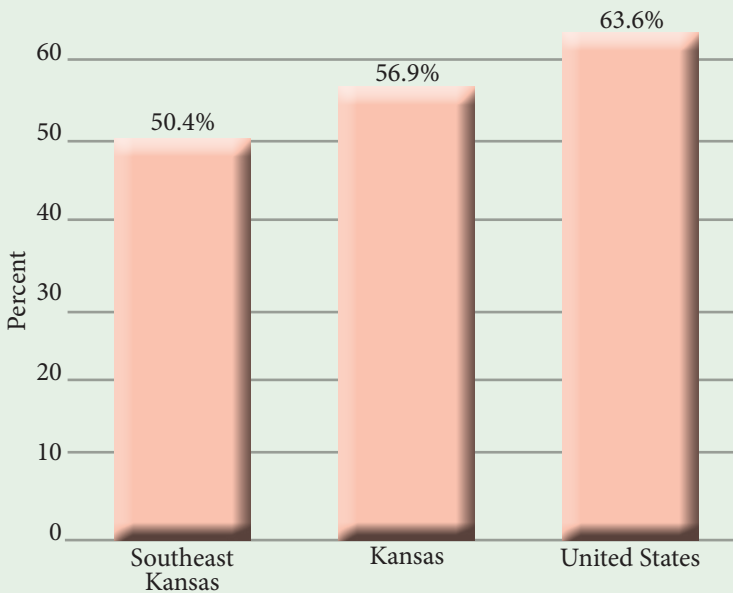
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Occupancy Rates First Five Months of 2015



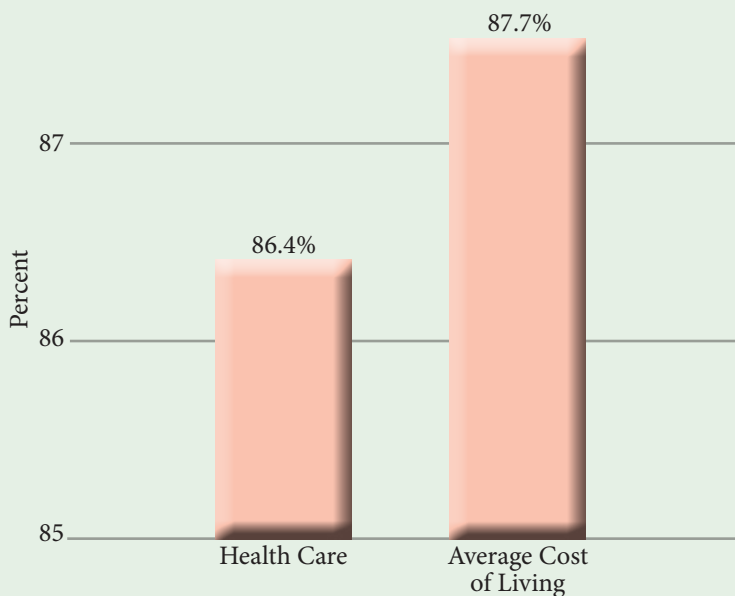
Source: Smith Travel Research

LODGING INDUSTRY

When tourists visit the area, the circular flow of local income increases because the money that is spent comes from the outside and represents new local income that is used again to buy local goods and services.

According to Smith Travel Research, the average occupancy in the Southeast Kansas lodging industry for the first five months of 2015 was 50.4 percent (down from 52.1 percent during the first five months of 2014), the average daily room rate was \$64.51 (up 3.6 percent), room supply increased 5.3 percent, room demand increased 2 percent and overall lodging revenues increased 5.7 percent. Statewide the average occupancy rate was 56.9 percent (up from 56.3 percent), the average daily room rate \$79.6 (up 3.6 percent), room supply increased 2.7 percent, room demand increased 3.8 percent and overall lodging revenue increased 7.5 percent. Nationwide the average occupancy rate was 63.6 percent (up from 62.1 percent), the average daily room rate \$118.4 (up 4.7 percent), room supply increased 1.0 percent, room demand increased 3.4 percent and overall lodging revenue increased 8.2 percent.

Pittsburg Micropolitan Area Percent of National Average Quarter 1 - 2015



Source: Center for Regional Economic Competitiveness

COST OF LIVING AND QUALITY OF LIFE

Studies on quality of life typically evaluate the cost of living and access to healthcare. The Pittsburg area ranks well in both these categories. A recent survey by the CREC finds that the cost of living in the Pittsburg Area is relatively low and that the purchasing power of money is relatively high. The survey found that the first quarter cost of living is only 87.7 percent of the national average in the Pittsburg area, which was well below most cities with similar populations in the study.

Healthcare is both relatively affordable and accessible in the Pittsburg Area. The state-of-the-art Via Christi hospital is located in Pittsburg with ninety-eight hospital beds in a 401,000 sq. ft. facility. The hospital also features a Level III Trauma Center, a new 40,000-square-foot Surgery Center with state-of-the-art technology and robotics-assisted minimally invasive surgeries, a newly renovated \$2.6 million Cardiac Stepdown Unit and a state-of-the-art catheterization lab, a women's center with a level II nursery and a central fetal monitoring system, a comprehensive cancer center, plus physical therapy and occupational health, and other health services.

BUSINESS HIGHLIGHTS

KANSAS RANKS FIFTH BEST IN EDUCATION

Based on metrics including dropout rates, academic performance, and student-teacher ratios, a study conducted by Wallethub determined that Kansas is the fifth best state in terms of education. U.S. Census Bureau data from 2009 to 2013 shows that 87.5% of Kansans aged 25 and older possess a high school degree or equivalent, and 35.2% of this demographic have earned a bachelor's degree or higher. As of March 2015, the Kansas unemployment rate falls at 4.2%, 1.3% lower than the national average. It is likely that the high level of education in Kansas has helped reduce the unemployment rate.

Laurie Kulikowski, The Street, April 25, 2015

WALMART TO ADD NEW LOCATION IN PITTSBURG

Scheduled to open in 2016, a Wal-Mart Neighborhood Market is expected to bring additional revenue to the Pittsburg area while simultaneously creating around 95 new jobs. The new facility will be smaller than the current supercenter, but Pittsburg officials believe it will still introduce new amenities to the city. However, some citizens and business owners are worried that the competition from the new Wal-Mart store will hurt small, local grocers, but most believe that both the smaller businesses and the new store will be able to thrive due to the growing size of the community.

Jasmine Woods, Nexstar Broadcasting, Inc., April 21, 2015

REGIONAL SLOW ECONOMIC GROWTH PREDICTED BY SURVEY

A survey conducted by Creighton University and led by economist Ernie Goss indicates a decrease in economic growth for the states of Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota. The survey uses data from supply managers to generate indices with values ranging from 0 to 100; values below 50 indicate a decline in growth while higher values indicate an increase. The recent survey shows that the Mid-America Business Conditions Index dropped 1.3 points from 52.7 in April to 50.4 in May. Goss states that in particular, economic

growth in energy production and agriculture is declining.

The Associated Press, The Topeka Capital-Journal, June 1, 2015

SKILL GAP HITS PITTSBURG

With currently 600,000 jobs in the US left unfilled due to lack of training, Pittsburg has even had difficulty with what is called a skills gap. Gary Mattson of AZZ Enclosure Systems said that there is a desperate need for certified electricians. "The biggest concern we hear from our local businesses is they just can't find enough employees," said Blake Benson, President of the Pittsburg Area Chamber of Commerce. The Pittsburg Industrial Park is the future home of the southeast Kansas Career and Technical Education Center. Officials hope the center will help close the skills gap.

Tim Spears, KOAM TV 7, February 5, 2015

U.S. GRANT WILL FUND DEVELOPMENT OF SCIENCE AND RESEARCH PARK

After the cooperative work between the city of Pittsburg, Pittsburg State University, and other regional committees, the U.S. Department of Commerce rewarded a \$330,000 dollar grant to Pittsburg State University which will be used to develop a science and research park. The proposed park will create commercial applications based on the polymer research currently being conducted by PSU, and the city hopes that the creation of new products will generate manufacturing jobs and revenue for the local economy. The region's ability to manufacture commercial polymers and related products, potential innovations from the park, and possible building plans are currently being researched.

Andra Bryan Stefanoni, The Joplin Globe, July 13, 2015

KANSAS CROSSING RECOMMENDED BY STATE BOARD FOR SOUTHEAST KANSAS CASINO

The proposed Kansas Crossing casino received the support of five of the seven LGFRB members. Kansas Crossing is valued at \$70 million and hopes to generate \$47.2 million in revenue, and though consultants believe the revenue estimation may be too high, the

experienced team, prime location, and feasibility of the project won out. The remaining board members voted for Castle Rock Casino, but critics maintained that it would generate far less revenue than their projected \$91 million due to competition from nearby tribal casinos and other factors. Kansas Crossing is also expected to create more jobs than the proposed Camptown Casino, and the proposal will soon pass to the state for further review.

Dan Voorhis, The Wichita Eagle, June 10, 2015 and June 23, 2015

LEGO EDUCATION NORTH AMERICA TO RELOCATE TO BOSTON

By June 2016, LEGO Education plans to have transitioned to a new main office in Boston, MA. Due to the city's advanced education industry, availability of new technology, and proximity to the Denmark LEGO headquarters, the company believes Boston possesses "strong potential to support LEGO Education's long term strategy." The loss of the business will likely cause some trouble for the local economy, and some employees are expected to be unable to relocate with the company. LEGO Education is providing relocation packages to all employees, and special measures are being taken to find new opportunities for those workers who cannot transition to Boston.

Michael Bauer, The Morning Sun, May 11, 2015

Pittsburg Micropolitan Area Economic Report

is written and produced by:

Dr. Michael Davidsson
Writer and Editor

Dr. Janet Zepernek
Contributing Editor/Proofreading

Mr. David Oldham
Art Director/Layout

Bienvenido W. Cortes
Economic Development Assistant

with support and direction from

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PITTSBURG MICROPOLITAN AREA JOB TRENDS

Q4 2013

Q4 2014

| INDUSTRY TITLE | Avg Number of Jobs | Avg. Wkly Earnings | Avg Number of Jobs | Avg. Wkly Earnings | Growth in Jobs | Growth Avg Weekly Earnings |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-------------------|-------------------------------|
| Accommodation | 98 | \$264 | 89 | \$316 | -9% | 16% |
| Administrative and support services | 435 | \$571 | 377 | \$658 | -15% | 13% |
| Ambulatory health care services | 599 | \$884 | 621 | \$827 | 4% | -7% |
| Architectural and structural metals mfg. | 264 | \$883 | 268 | \$795 | 2% | -11% |
| Auto parts, accessories, and tire stores | 96 | \$526 | 94 | \$503 | -2% | -5% |
| Automotive repair and maintenance | 87 | \$544 | 85 | \$550 | -3% | 1% |
| Building material and garden supply stores | 178 | \$427 | 175 | \$440 | -2% | 3% |
| Construction | 437 | \$626 | 420 | \$663 | -4% | 6% |
| Credit intermediation and related activities | 280 | \$786 | 254 | \$836 | -11% | 6% |
| Depository credit intermediation | 236 | \$761 | 222 | \$840 | -6% | 9% |
| Education and health services | 2171 | \$537 | 2151 | \$547 | -1% | 2% |
| Electrical equipment and appliance mfg. | 184 | \$798 | 218 | \$808 | 16% | 1% |
| Electronics and appliance stores | 95 | \$421 | 75 | \$418 | -27% | -1% |
| Elementary and secondary schools | 1969 | \$498 | 1954 | \$504 | -1% | 1% |
| Executive, legislative and general government | 859 | \$559 | 897 | \$538 | 4% | -4% |
| Fabricated metal product manufacturing | 362 | \$986 | 376 | \$933 | 4% | -6% |
| Financial activities | 566 | \$741 | 535 | \$776 | -6% | 5% |
| Food and beverage stores | 390 | \$349 | 367 | \$365 | -6% | 4% |
| Food services and drinking places | 1688 | \$209 | 1782 | \$211 | 5% | 1% |
| Gasoline stations | 150 | \$291 | 168 | \$291 | 11% | 0% |
| General freight trucking | 83 | \$1,064 | 93 | \$1,069 | 11% | 0% |
| General merchandise stores | 528 | \$340 | 528 | \$365 | 0% | 7% |
| Grocery stores | 292 | \$349 | 278 | \$365 | -5% | 4% |
| Health and personal care stores | 112 | \$517 | 99 | \$564 | -13% | 8% |
| Heavy and civil engineering construction | 118 | \$772 | 80 | \$885 | -48% | 13% |
| Information | 291 | \$965 | 295 | \$916 | 1% | -5% |
| Legal services | 112 | \$778 | 109 | \$760 | -3% | -2% |
| Leisure and hospitality | 1923 | \$212 | 2010 | \$216 | 4% | 2% |
| Machinery and supply merchant wholesalers | 83 | \$754 | 97 | \$705 | 14% | -7% |
| Management of companies and enterprises | 276 | \$1,043 | 342 | \$1,056 | 19% | 1% |
| Manufacturing | 2451 | \$770 | 2587 | \$789 | 5% | 2% |
| Merchant wholesalers, durable goods | 127 | \$916 | 118 | \$744 | -8% | -23% |
| Merchant wholesalers, nondurable goods | 368 | \$804 | 389 | \$803 | 5% | 0% |
| Misc. nondurable goods merchant wholesalers | 200 | \$836 | 220 | \$782 | 9% | -7% |
| Motor vehicle and parts dealers | 199 | \$581 | 208 | \$602 | 4% | 3% |
| Natural resources and mining | 87 | \$1,013 | 94 | \$989 | 8% | -2% |
| Nursing and residential care facilities | 702 | \$401 | 680 | \$402 | -3% | 0% |
| Nursing care facilities | 416 | \$437 | 399 | \$424 | -4% | -3% |
| Office administrative services | 120 | \$973 | 126 | \$1,047 | 5% | 7% |
| Offices of dentists | 118 | \$1,225 | 125 | \$1,183 | 5% | -4% |
| Offices of physicians | 127 | \$878 | 136 | \$832 | 7% | -6% |
| Other general merchandise stores | 445 | \$358 | 455 | \$385 | 2% | 7% |
| Other services | 286 | \$461 | 272 | \$440 | -5% | -5% |
| Other specialty trade contractors | 92 | \$610 | 82 | \$639 | -11% | 5% |
| Other wood product manufacturing | 136 | \$731 | 146 | \$757 | 7% | 3% |
| Outpatient care centers | 241 | \$730 | 244 | \$739 | 1% | 1% |
| Printing and related support activities | 489 | \$854 | 544 | \$809 | 10% | -6% |
| Professional and business services | 1038 | \$746 | 1044 | \$814 | 1% | 8% |
| Professional and technical services | 285 | \$759 | 283 | \$758 | -1% | 0% |
| Publishing industries, except internet | 155 | \$898 | 159 | \$768 | 2% | -17% |
| Real estate | 123 | \$427 | 115 | \$434 | -7% | 2% |
| Rental and leasing services | 91 | \$716 | 87 | \$743 | -5% | 4% |
| Repair and maintenance | 125 | \$577 | 96 | \$538 | -30% | -7% |
| Restaurants | 1496 | \$211 | 1602 | \$209 | 7% | -1% |
| Services to buildings and dwellings | 216 | \$348 | 116 | \$459 | -87% | 24% |
| Specialty trade contractors | 250 | \$569 | 268 | \$615 | 7% | 7% |
| Telecommunications | 87 | \$1,414 | 89 | \$1,442 | 3% | 2% |
| Traveler accommodation | 98 | \$264 | 89 | \$316 | -9% | 16% |
| Truck transportation | 100 | \$968 | 111 | \$993 | 10% | 3% |
| Utility system construction | 98 | \$800 | 63 | \$913 | -57% | 12% |
| Wood product manufacturing | 136 | \$731 | 146 | \$757 | 7% | 3% |

Source: Bureau of Labor Statistics

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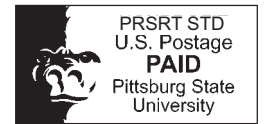
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