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### The Pittsburg Micropolitan Area Economic Report, Quarter 2, 2019

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# THE PITTSBURGH MICROPOLITAN AREA ECONOMIC REPORT

## A Healthy Downtown is Vital for Economic Development

A GOOD REGIONAL ECONOMIC development policy integrates strategies for recruiting business, strengthening public schools, improving housing supply, and revitalizing downtown areas, all under the same umbrella. It is well established in economic literature that a vibrant downtown attracts both talented labor and companies. When prospective employers evaluate a regional city for possible business relocation, they always look carefully at the downtown area. If it is depressed, they run for the hills. A vibrant downtown with character has historical buildings, specialty retail stores, restaurants, and cultural and recreational amenities.

The City of Pittsburgh has initiated

several revitalization programs to make the downtown area more attractive, including renovation of several historical buildings, facilitating conversion of empty second floor business spaces into micro-loft apartments, removal of structurally unsound buildings to make the land available for redevelopment, and granting facade improvement funds for downtown businesses.

There are over 40 small specialty retailers in downtown Pittsburgh, including boutiques and specialty clothing stores, jewelry stores, specialty candy and ice cream stores, bridal shops, sporting goods stores, specialty foods and art shops, and recreational activity centers, including axe throwing. The downtown business community is also growing, with two new breweries, three

new restaurants, and a specialty grocery store slated to open later this summer.

The downtown area is also host to several events and festivals during the summer, including Artwalk, Little Balkans Days, which celebrates Pittsburgh's historic roots and regional identity, and the Paint the Town Red Celebration which commemorates Pittsburgh's role as home to Pittsburgh State University.

Sales in Pittsburgh's downtown specialty retail stores are driven more by regional economic improvement and tourism rather than consumer preferences. The overall biggest customer group for small specialty retail stores are people 45-64 years old (29.2 percent of all sales) and average profits are approximately five percent.

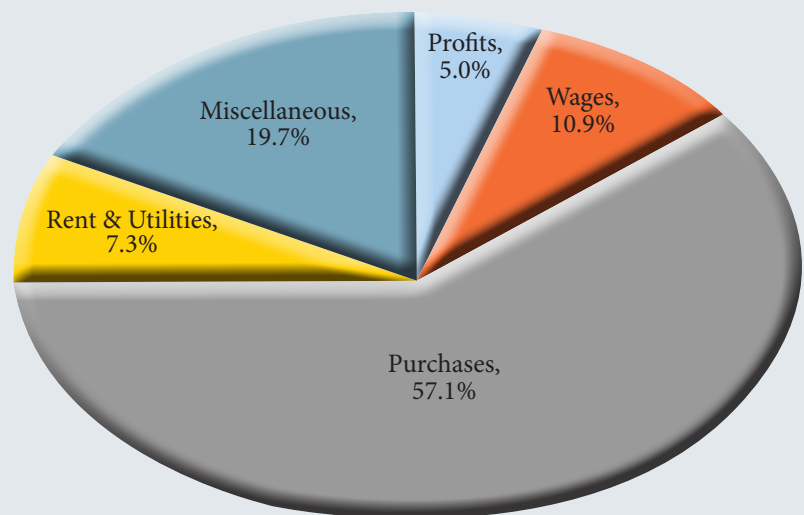
### INSIDE

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**KELCE**  
COLLEGE OF BUSINESS  
Pittsburgh State University

### Small Specialty Stores Distribution of Revenue to Costs



Source: IBIS World

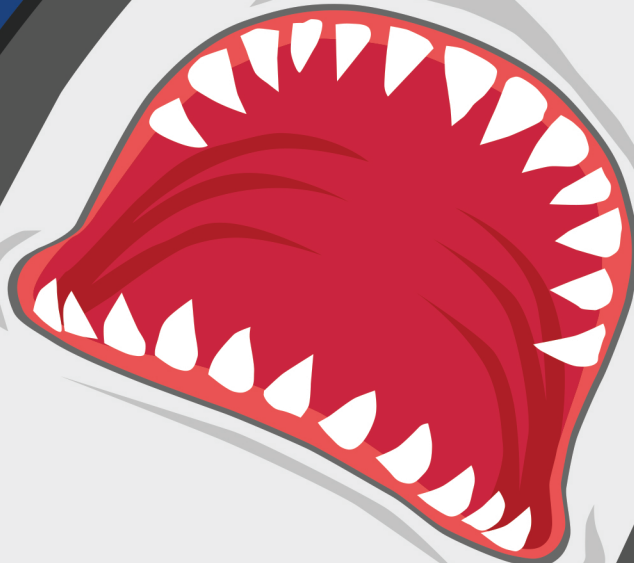
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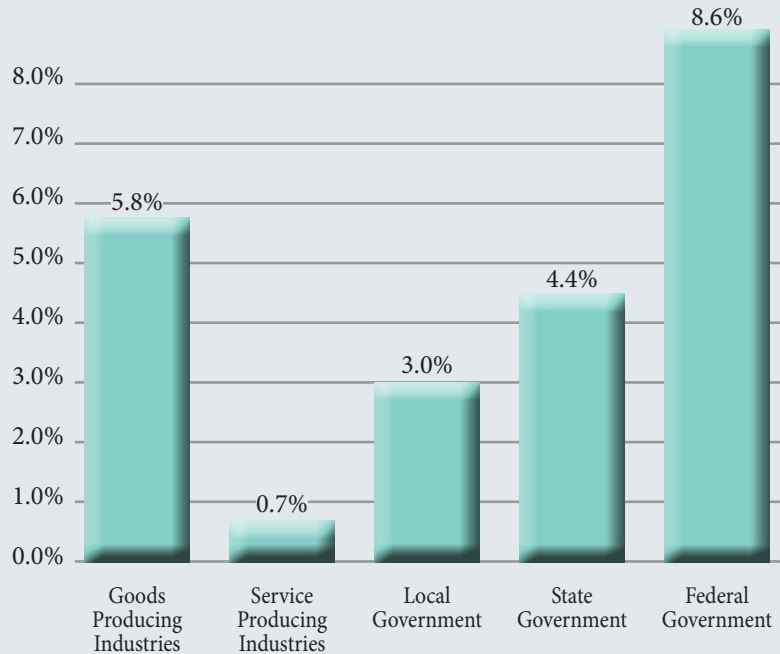
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## TOTAL JOBS AND WAGES

Wages are growing at a very healthy rate in the Pittsburgh area, especially in the goods-producing industries, which have 36 percent more concentration locally than nationwide. The most recent information from the Bureau of Labor Statistics shows that the average number of jobs in the Pittsburgh Micropolitan Area increased to 17,408 during the fourth quarter of 2018 (up 0.02 percent from the fourth quarter of 2017) with an average monthly wage of \$2,996 (up 2.5 percent). The goods-producing industries posted 3,329 jobs (up 2.0 percent), with an average monthly wage of \$3,675 (up 5.8 percent), and the service-producing industries posted 9,808 jobs (down 0.1 percent) with an average monthly wage of \$2,717 (up 0.7 percent). Local governments posted 3,100 jobs (up 0.5 percent), with an average monthly wage of \$2,491 (up 3.0 percent); state government posted 1,089 jobs (down 5.5 percent), with an average monthly wage of \$4,745 (up 4.4 percent); and the federal government posted 83 jobs (up 1.2 percent), with an average monthly wage of \$4,648 (up 8.6 percent). There were 1,402,035 jobs statewide (up 0.8 percent), with an average monthly wage of \$4,017 (up 3.7 percent), and 148.0 million jobs nationwide (up 1.6 percent), with an average monthly wage of \$4,959 (up 3.2 percent).

## Wage Growth Pittsburgh Micropolitan Area, Q4 '17 - Q4 '18

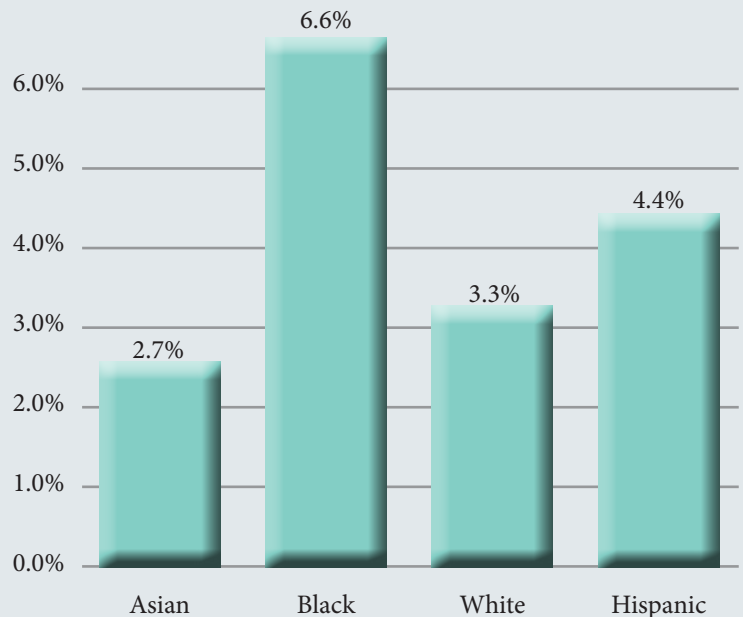


Source: Bureau of Labor Statistics

## UNEMPLOYMENT

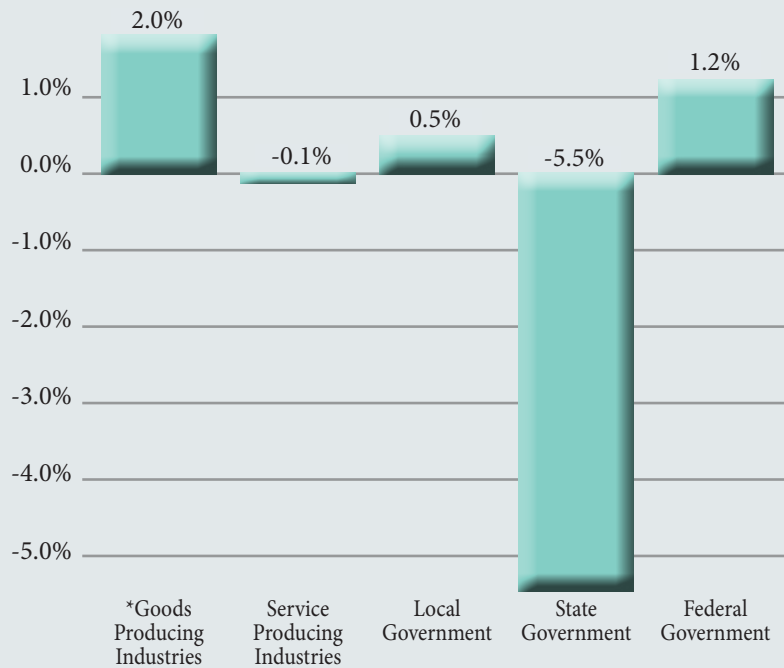
To be counted in the labor force, a person has to be employed or to be actively looking for work. There are now more job openings nationwide than there are people who are unemployed, and it is becoming difficult for businesses to hire qualified people. The 21st century economy is increasingly high tech, and employers tend to demand more education, with the result that the unemployment rate is lower for people with more education. The average unemployment rate during the first four months of the year was 2.1 percent for people with a bachelor's degree or higher, 3.1 percent for people with some college or an associate degree, 3.7 percent for high school graduates with no college, and 5.9 percent for people without a high school diploma. The average unemployment rate was 2.7 percent for Asians, 3.3 percent for whites, 4.4 percent for Hispanics, and 6.6 percent for blacks. The average unemployment rate was 3.9 percent nationwide during the first four months of 2019 (down from 4.2 percent during the same period last year), 3.6 percent statewide (up from 3.4 percent), and 4.2 percent in the Pittsburgh Micropolitan Area (up from 4.0 percent).

## Unemployment Rate by Race Nationwide First Four Months of 2019



Source: Bureau of Labor Statistics

## Job Growth Pittsburg Micropolitan Area, Q4'17 - Q4'18

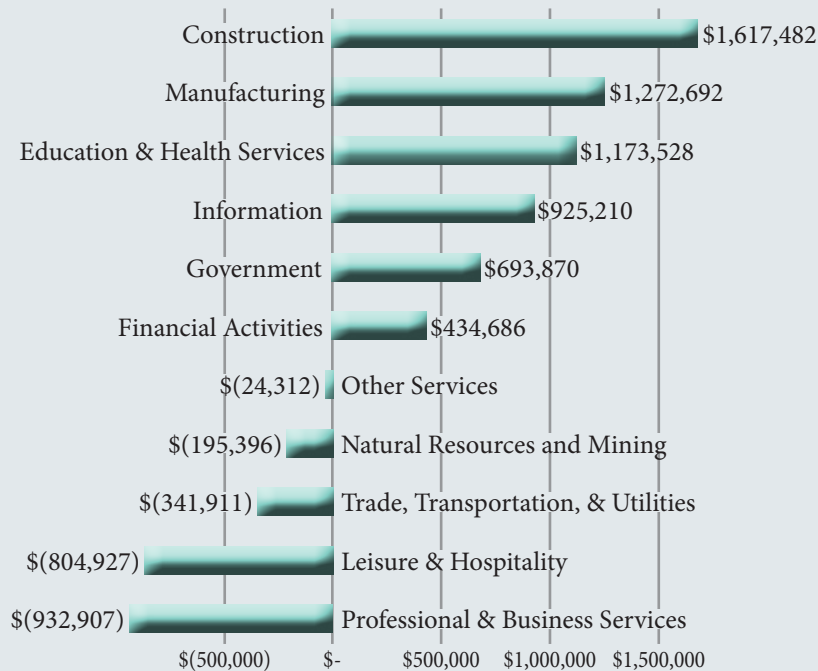


\*Goods Producing Industries include Natural Resources & Mining, Manufacturing and Construction Industries.  
Source: Bureau of Labor Statistics

## JOB GROWTH BY INDUSTRY

The Information Services Industry had the largest growth in the number of jobs in the Pittsburg Micropolitan Area during the fourth quarter of 2018, with the 14 firms in the local industry posting 301 average jobs, up 76 job from the fourth quarter in 2017 (up 34.0 percent), followed by Construction, with 83 firms and 471 jobs, up 75 jobs (up 18.9 percent); Education and Health Services, with 128 establishments and 2,286 jobs, up 74 jobs (up 3.3 percent); Financial Activities, with 101 firms and 482 jobs, up 43 jobs (up 9.8 percent); Other Services (automobile repair, dry cleaners, etc.), with 72 firms and 233 jobs, up 12 jobs (up 5.4 percent); Manufacturing, with 50 firms and 2,767 jobs, down 3 jobs (down 0.1 percent); Trade, Transportation, and Utilities, with 220 firms and 3,138 jobs, down 5 jobs (down 0.1 percent); Government (all levels), with 72 locations and 4,272 jobs, down 46 jobs (down 1.1 percent); Leisure and Hospitality, with 96 firms and 2,093 jobs, down 104 jobs (down 4.7 percent); Natural Resources and Mining, with 24 firms and 91 jobs, down 8 jobs (down 7.8 percent); Leisure and Professional and Business Services, with 132 firms and 1,275 jobs, down 110 jobs (down 8.0 percent).

## Growth in Payroll by Industry Pittsburg Micropolitan Area, Q4'17 - Q4'18



Source: Bureau of Labor Statistics

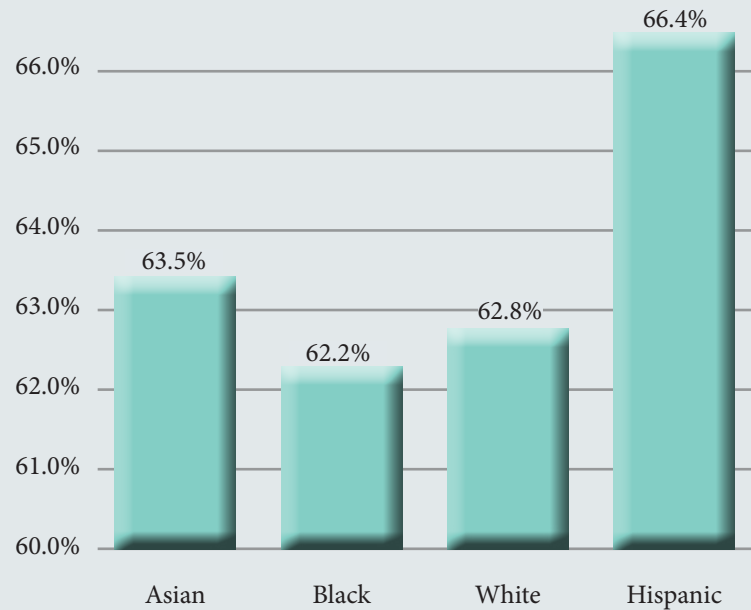
## INCOME BY INDUSTRY

Total payroll in the Pittsburg Micropolitan Area was \$156.5 million during the fourth quarter of 2018 (latest available), up 2.5 percent from the fourth quarter of 2017. The Construction Industry had the largest increase in payroll, posting \$5.3 million in quarterly payroll, adding \$1.6 million to payroll (up 44.4 percent), followed by Manufacturing, with a payroll of \$30.5 million, up by \$1.3 million (up 4.4 percent); Education and Health Services, with a payroll of \$22.2 million, up by \$1.2 million (up 5.6 percent); Information Services, with a payroll of \$3.6 million, up by \$925,210 (up 34.2 percent); Government (all levels), with a payroll of \$39.8 million, up by \$693,870 (up 1.8 percent); Financial Activities with a payroll of \$5.0 million, up by \$434,686 (up 9.5 percent); Other Services (automobile repair, dry cleaners, etc.), with a payroll of \$1.4 million, reducing payroll by \$24,312 (down 1.6 percent); Natural Resources and Mining, with a payroll of \$986,549, down by \$195,396 (down 16.5 percent); Trade, Transportation, and Utilities, with a payroll of \$27.8 million, down by \$341,911 (down 1.2 percent); Leisure and Hospitality, with a payroll of \$7.3 million, down by \$804,927 (down 9.9 percent); and Professional and Business Services, with a payroll of \$12.6 million, down by \$932,907 (down 6.9 percent).

## LABOR FORCE

The average labor force was 162.4 million nationwide during the first four months of 2019 (up 0.8 percent from the same period last year), 1.5 million statewide (up 1.1 percent), and 18,699 in the Pittsburgh Micropolitan Area (down 1.8 percent). The average nationwide labor force participation rate was 62.9 percent during the first four months of 2019, still well below the labor force participation rate of 65.8 percent during the same period in 2007 (before the recession). The labor force participation rate was 73.9 percent during the period for people with a bachelor's degree or higher, 65.2 percent for people with some college or an associate degree, 57.8 percent for people with only a high school diploma, and 45.6 percent for people with less than a high school diploma. Labor force participation was 66.4 percent for Hispanics, 63.5 percent for Asians, 62.8 percent for whites, and 62.2 percent for blacks. The Census Bureau reports that 8.3 percent of all working people have more than one job, and most held both jobs the entire year. Approximately 8.8 percent of working women have more than one job and 8.0 percent of men.

## Labor Force Participation Rate by Race Nationwide First Four Months of 2019

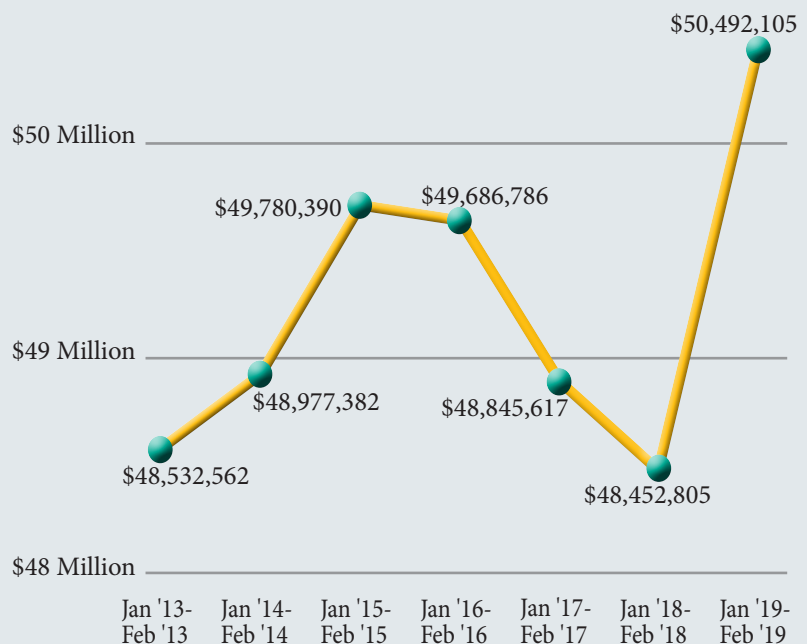


Source: Bureau of Labor Statistics

## TAXABLE SALES

Discount retailers like Walmart, Target, and Dollar Stores are doing well in 2019. A possible reason for that is an improvement in economic expectations among lower income groups. Kansas Department of Revenue states that taxable sales (retail sales and some taxable tourist services, such as hotels and car rentals) increased to \$50.5 million in the City of Pittsburgh during the first two months of 2019 (up 4.2 percent from the same period last year) and \$66.6 million in the Pittsburgh Micropolitan Area (down 5.0 percent). The cause of the decline in taxable sales in the micropolitan area outside Pittsburgh is unclear. Taxable sales declined to \$6.1 billion statewide during the period (down 1.6 percent), while total retail sales increased to \$903.9 billion nationwide (up 2.4 percent). (Taxable sales figures are not available nationwide.) Walmart Inc. is the largest retailer nationwide, according to IBISWorld, with more than 11,700 stores and accounting for 7.2 percent of all retail sales in the US, followed by Amazon.com Inc. (2.8 percent), Kroger (2.3 percent), Home Depot (1.8 percent), and Best Buy (0.7 percent).

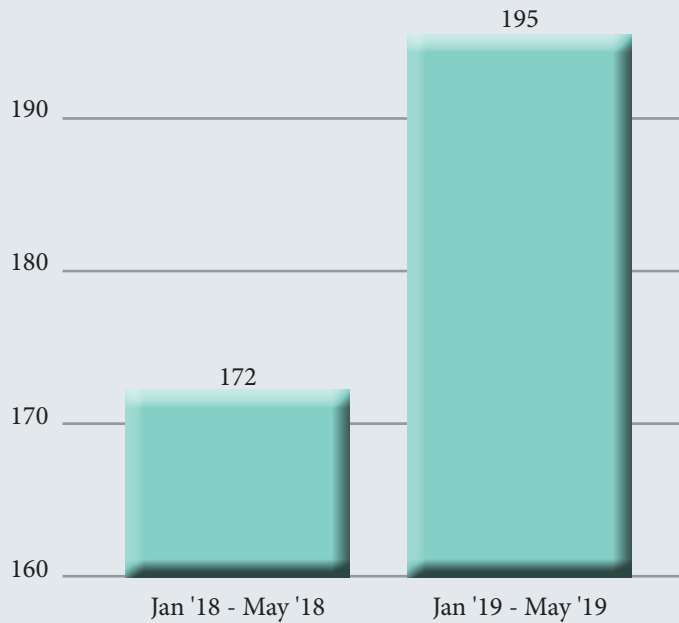
## Taxable Sales City of Pittsburgh



Source: Kansas Department of Revenue



## Home Sales Pittsburg Area

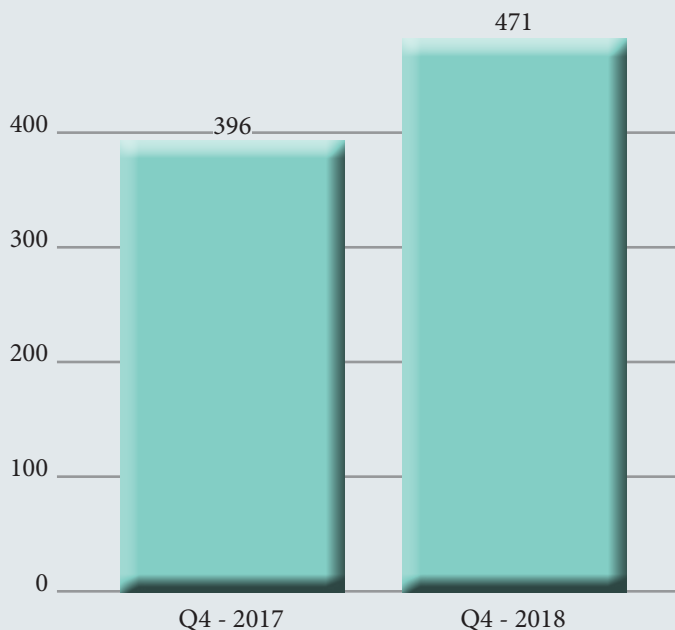


Source: Pittsburg Area Association of Realtors

## RESIDENTIAL PERMITS

The Pittsburg Area Realtors Association reports that 195 homes were sold during the first five months of the year (up 13.4 percent from the first five months of 2018), for an average price of \$101,001 (up 17.0 percent). Three new homes were sold (down 25.0 percent), for an average price of \$181,254 (down 1.9 percent), and 192 existing homes (up 14.3 percent), for an average price of \$99,747 (up 18.8 percent). However, home sales declined slightly in May, with 57 homes sold (down 3.4 percent from May 2018), for an average price of \$94,966 (up 2.1 percent). The City of Pittsburg reports that five new residential building permits were issued during the first three months of 2019, with a stated value of \$723,000 (down 63.0 percent from the first quarter 2018), no multi-family permits were issued, and 14 residential permits were issued for additions, alterations, and conversions, with a stated value of \$136,023 (down 54.0 percent). Overall, 19 building permits were issued during the period, for a stated value of \$859,023 (down 61.8 percent). The total value of local residential permits rose almost 200 percent in 2018.

## Construction Employment Pittsburg Micropolitan Area



Source: Bureau of Labor Statistics

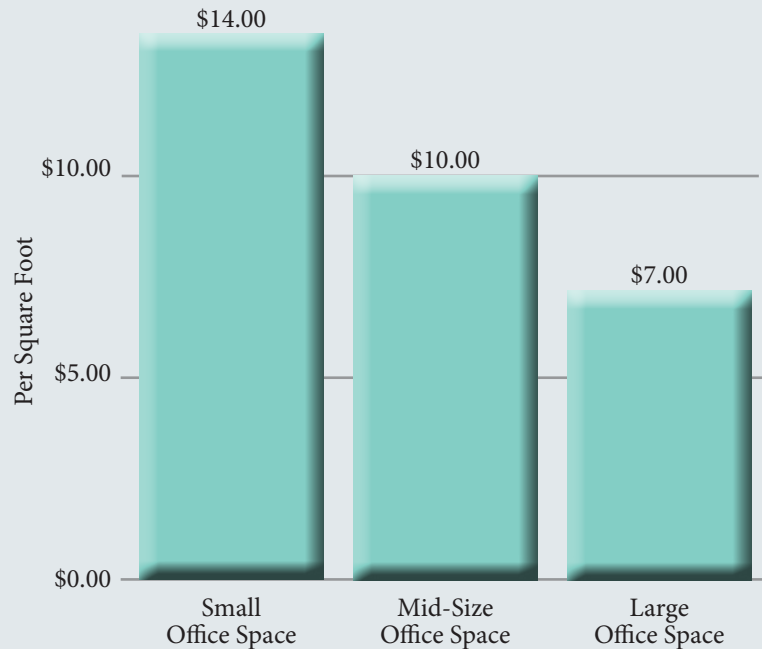
## COMMERCIAL PERMITS

The total value of local commercial building permits increased 133.2 percent in 2018. A total of 22 commercial permits were issued by the City of Pittsburg during the first three months of 2019, with a stated value of \$2.4 million, down 78.3 percent from the same period last year. Of these, three new permits were issued for new commercial construction, with a stated value of \$916,000 (up from \$0), and 19 commercial permits were issued for additions, alterations, and expansions, with a stated value of \$1.5 million (down 86.7 percent). The local construction industry is booming. Overall employment in the Pittsburg area construction industry increased almost 18.9 percent during the fourth quarter of 2018 (latest information available). The national construction industry is also doing well, with total revenue increasing 3.5 percent in 2018 according to IBISWorld. The key drivers of the industry are corporate profits, interest rates, and consumer spending. Approximately 33.9 percent of revenues in the national industry come from construction of office buildings, 15.9 percent from warehouses and storage, 14.8 percent from lodging, and 35.4 percent from other construction. Interestingly, 3.7 percent of revenues in the industry in 2018 were profits.

## OFFICE SPACE MARKET

Pittsburg is a 21st-century city. Over the past few years \$10 million has been invested in updating the local internet infrastructure. The office market is doing relatively well, according to Jones Heritage Realtors (a local commercial real estate authority). The average annual median gross office rent (the owner paying basic taxes, insurance, and also exterior and major maintenance) is \$14 per square foot in the Pittsburg area for small office space, \$10 for mid-size office space, and \$7 for large office space. There are 473 private office-based business establishments in the Pittsburg area, according to Demographics Now, and almost 20 percent of the local labor force works in management, office and administrative support occupations. Overall, 57.5 percent of the labor force works in white-collar occupations. Pittsburg is a regional city for business services, and regional businesses need to be able to tap into accounting, payroll, office administrative, management and technical consulting, and legal services. Several major companies also have headquarters in Pittsburg, including Miller's Professional Imaging (the nation's largest professional photo lab), Jake's Fireworks, and Watco Companies. Furthermore, NPC International, which owns 1,235 Pizza Huts and 391 Wendy's Restaurants, has most of their functional specialization in Pittsburg.

## Median Gross Office Space Rent Pittsburg Area - 2019



Source: Jones Heritage Realtors

## LAND SUPPLY AND ECONOMIC GROWTH

A study done by the Kelce College of Business on 536 cities nationwide similar to Pittsburg during the 1990-2010 period found that flexible housing supply is a significant determinant of economic growth. A lack of readily developed residential land hurts economic growth, because when demand for housing increases in the absence of readily available developed land, then the impact will be an increase in housing prices rather than an increase in housing supply. Cities with flexible housing supply had in most cases higher population, higher employment, and stronger wage growth during the study. The study determined that flexible housing supply was a necessary condition for economic growth, but not a sufficient condition (cities still have to do economic development). Pittsburg has rolled out numerous successful programs in the last few years to stimulate the supply of developable residential land locally. The value of single-family residential building permits increased almost 300 percent in 2018. Jones Heritage Realtors report that the average local land prices are currently \$1.25 per square foot for single-family residential land and \$1.75 per square foot for multi-family land.

## Average Residential Land Prices Pittsburg Area - 2019



Source: Jones Heritage Realtors



## Median Net Retail Space Rent Pittsburg Area - 2019

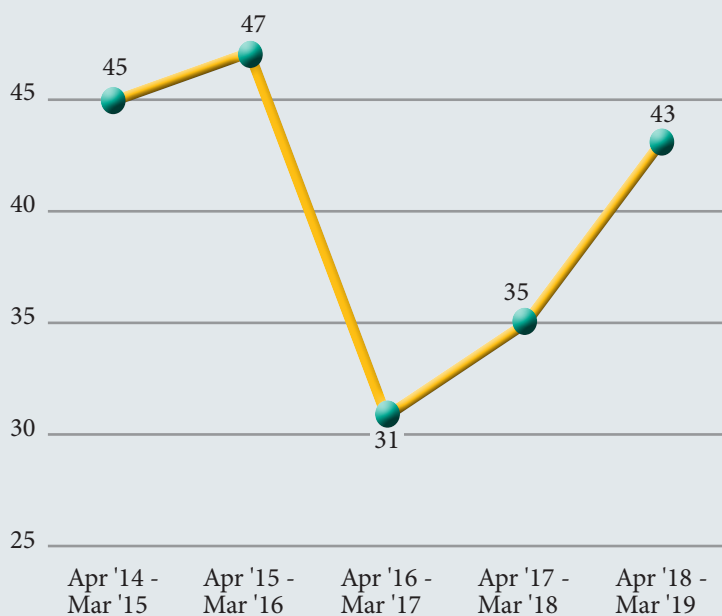


Source: Jones Heritage Realtors

## RETAIL SPACE MARKET

The growth of e-commerce has hit brick and mortar stores hard. Furthermore, spending among consumers making less than \$50,000 is increasing faster than spending at higher income levels, according to Merrill Lynch, a factor that is probably related to the increasing popularity of discount stores. In the first half of 2019, there have been 7,037 announced closures of brick and mortar stores (according to Coresight Research) compared to 2,992 store openings. Store closings include some that have been major anchors in malls and shopping centers, and many malls are also closing. However, the enclosed Meadowbrook Mall on Centennial Drive in Pittsburg is showing healthy sales. Stage Stores is opening a Gordmans department store in Meadowbrook Mall, a nice addition to JCPenney, Hibbett Sports, and other major retailers at the mall. Overall, the Pittsburg area retail space market is doing relatively well, according to Jones Heritage Realtors, which reports that the average median net retail rent (the tenant pays the property taxes, insurance premiums, and some maintenance) is \$15 per square foot in the Pittsburg area for small retail space, \$10 for mid-size retail space, and \$7 for large retail space.

## Number of Total Bankruptcies Pittsburg Micropolitan Area



Source: US Bankruptcy Courts

## BANKRUPTCIES

A total of 6,805 bankruptcies were filed statewide during the 12 month period ending in March 2019 (down 0 percent from the previous 12 month period). However, the composition of bankruptcies statewide changed significantly. Of those, 6,598 were personal bankruptcies (down 0.4 percent), with a total of 3,541 Chapter 7 personal bankruptcies (straight bankruptcy, debt wiped out), down 4.7 percent; three Chapter 11 personal bankruptcies (reorganization of personal debt and temporary protection from creditors), up 50 percent; and 3,054 Chapter 13 personal bankruptcies (some debt wiped out and some repayments), up 5.1 percent. A total of 207 business bankruptcies were filed (up 13.1 percent), including 116 Chapter 7 business bankruptcies (total liquidation with no repayments), up 16.0 percent; 32 Chapter 11 business bankruptcies (reorganization of business debt and temporary protection from creditors), up 10.3 percent; 37 Chapter 12 business bankruptcies (reorganization of debt for family farms), up 42.3 percent; and 22 Chapter 13 business bankruptcies (total liquidation with some repayments), down 21.4 percent. A total of 43 bankruptcies were filed in the Pittsburg Micropolitan Area during the period (up 22.9 percent), and 772,646 bankruptcies were filed nationwide (down 0.9 percent).



*Reprint of our phone book ad from 1957.*

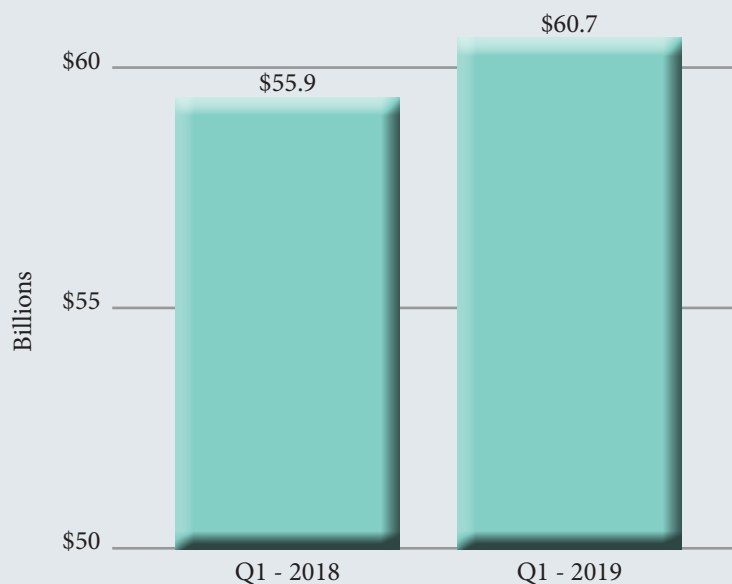
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## Growth in Net Income Nationwide Banking Industry



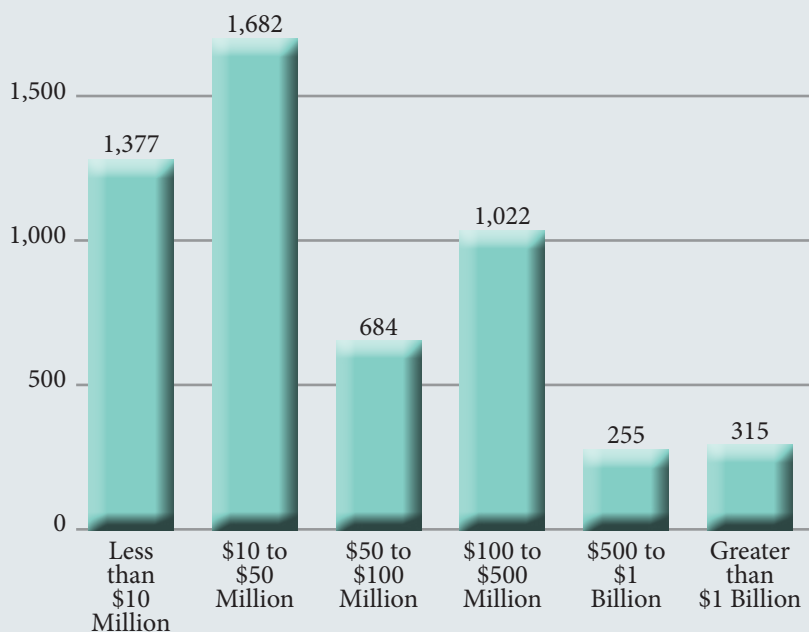
Source: Federal Deposit Insurance Corporation

## BANKING INDUSTRY

The Federal Reserve Board met in late June and decided not to increase interest rates, which is good news for borrowers but not for banks. Interest rates increased nine times in the last three years, but at this point we are more likely to see rate cuts in the near future. The national banking industry did well during the first quarter of 2019, posting \$18.1 trillion in total assets (up 3.2 percent from the first quarter of 2018), \$10.0 trillion in net loans and leases (up 4.1 percent), \$60.7 billion in net income (up 8.5 percent), and \$100.7 billion in noncurrent loans and leases (down 10.4 percent).

The statewide banking industry posted \$73.3 billion in total assets (up 4.4 percent), \$48.8 billion in net loans and leases (up 7.0 percent), \$205 million in net income (up 3.4 percent), and \$441.1 million in noncurrent loans and leases (up 10.8 percent). The Pittsburgh Micropolitan Area banking industry posted \$717.7 million in total assets (down 0.4 percent), \$494.4 million in net loans and leases (up 1.6 percent), \$2.0 million in net income (down 1.1 percent), and \$4.7 million in noncurrent loans and leases (down 45.9 percent).

## Number of Credit Unions By Total Assets, Q1-2019 Nationwide



Source: National Credit Union Administration

## CREDIT UNIONS

The national credit union industry consists of 1,377 institutions with assets of less than \$10.0 million, 1,682 institutions with assets of \$10-50 million, 684 institutions with assets of \$50-100 million, 1,022 institutions with assets of \$100-\$500 million, 255 institutions with assets of \$500 million-\$1 billion, and 315 institutions with assets over \$1.0 billion. The national credit union industry did well during the first quarter of 2019, posting \$1.5 trillion in total assets (up 6.3 percent from the first quarter of 2018), \$1.1 trillion in net loans and leases (up 7.9 percent), \$3.6 billion in net operating income (up 12.1 percent), and \$6.1 billion in noncurrent loans and leases (down 4.9 percent).

The statewide credit union industry posted \$10.7 billion in total assets (up 4.7 percent), \$7.7 billion in net loans and leases (up 7.1 percent), \$20.4 million in net income (up 32.1 percent), and \$47.5 million in noncurrent loans and leases (down 11.2 percent).

The Pittsburgh Micropolitan Area credit union industry posted \$100.1 million in total assets (up 4.5 percent), \$70.7 million in net loans and leases (up 5.1 percent), \$218,123 in net income (up 26.5 percent), and \$105,990 in noncurrent loans and leases (down 70.1 percent).

# Pittsburg Micropolitan Area Business Summary

	2018 Jobs	Percent of Total Jobs	2018 Establishments	Percent of Total Establishments	Average Employee size
<b>Forestry, and Fishing</b>	<b>216</b>	<b>1.3%</b>	<b>54</b>	<b>4.2%</b>	<b>4.0</b>
<b>Mining</b>	<b>27</b>	<b>0.2%</b>	<b>4</b>	<b>0.3%</b>	<b>6.8</b>
<b>Construction</b>	<b>566</b>	<b>3.4%</b>	<b>70</b>	<b>5.4%</b>	<b>8.1</b>
<b>Transportation, Communications, Electric, Gas, &amp; Sanitary Svcs</b>	<b>1,426</b>	<b>8.5%</b>	<b>70</b>	<b>5.4%</b>	<b>20.4</b>
<b>Manufacturing</b>	<b>1,886</b>	<b>11.3%</b>	<b>60</b>	<b>4.6%</b>	<b>31.4</b>
<b>Wholesale Trade</b>	<b>644</b>	<b>3.9%</b>	<b>59</b>	<b>4.6%</b>	<b>10.9</b>
<b>Finance, Insurance, &amp; Real Estate</b>	<b>505</b>	<b>3.0%</b>	<b>109</b>	<b>8.4%</b>	<b>4.6</b>
<b>Services</b>	<b>6,785</b>	<b>40.6%</b>	<b>559</b>	<b>43.3%</b>	<b>12.1</b>
Educational Services	2,186	13.1%	53	4.1%	41.2
Health Services	2,047	12.3%	131	10.2%	15.6
Social Services	685	4.1%	45	3.5%	15.2
Business Services	468	2.8%	49	3.8%	9.6
Membership Organizations	361	2.2%	75	5.8%	4.8
Engineering, Accounting, Research, Mgmt & Related Svcs	269	1.6%	38	2.9%	7.1
Amusement and Recreation Services	166	1.0%	20	1.6%	8.3
Legal Services	158	1.0%	25	1.9%	6.3
Personal Services	148	0.9%	55	4.3%	2.7
Automotive Repair, Services and Parking	112	0.7%	36	2.8%	3.1
Miscellaneous Services	185	1.1%	32	2.5%	4.2
<b>Public Administration</b>	<b>1,148</b>	<b>6.9%</b>	<b>57</b>	<b>4.4%</b>	<b>20.1</b>
<b>Retail Trade</b>	<b>3,501</b>	<b>21.0%</b>	<b>249</b>	<b>19.3%</b>	<b>14.1</b>
Eating and Drinking Places	1,221	7.3%	79	6.1%	15.5
Automotive Dealers and Gasoline Service Stations	785	4.7%	30	2.3%	26.2
General Merchandise Stores	587	3.5%	10	0.8%	58.7
Building Mater, Hrdwr, Garden Supply & Mobile Home Dealrs	214	1.3%	13	1.0%	16.5
Food Stores	193	1.2%	25	1.9%	7.7
Home Furniture, Furnishings and Equipment Stores	107	0.6%	12	0.9%	8.9
Miscellaneous Retail	394	2.4%	80	6.2%	4.2

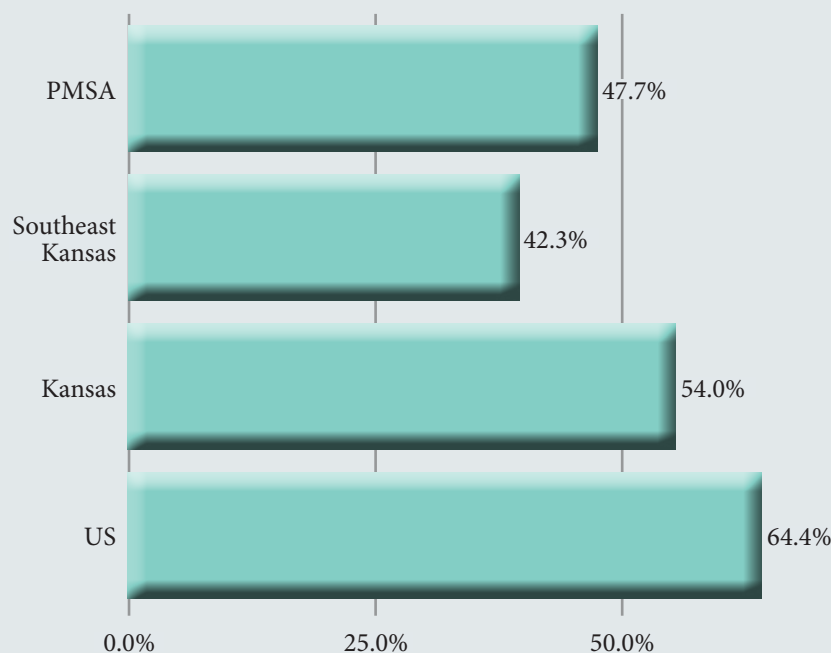
Source: Demographics Now

## Annual Mean Wages for Pittsburg Micropolitan Area 2018

Accountants and Auditors	\$58,628	Human Resources Specialists	\$53,408
Architecture and Engineering Occupations	\$54,930	Industrial Engineers	\$80,479
Cashiers	\$19,358	Janitors and Cleaners	\$23,043
Chefs and Head Cooks	\$27,803	Library Technicians	\$27,295
Childcare Workers	\$18,318	Loan Officers	\$47,286
Clinical, Counseling, and School Psychologists	\$62,131	Machinists	\$35,333
Coaches and Scouts	\$35,037	Management Occupations	\$95,875
Computer User Support Specialists	\$30,388	Marketing Managers	\$143,545
Construction Laborers	\$32,704	Medical Secretaries	\$30,991
Cooks, Institution and Cafeteria	\$22,957	Office and Administrative Support Occupations	\$29,431
Customer Service Representatives	\$23,122	Pharmacists	\$131,661
Education, Training, and Library Occupations	\$39,966	Police and Sheriff's Patrol Officers	\$39,386
Electricians	\$44,929	Postal Service Mail Carriers	\$48,329
Elementary School Teachers, Except Special Education	\$48,806	Receptionists and Information Clerks	\$25,792
Financial Managers	\$124,006	Retail Salespersons	\$23,766
Firefighters	\$31,552	Secretaries and Administrative Assistants	\$29,359
Food Preparation and Serving Related Occupations	\$20,565	Teacher Assistants	\$22,160
General and Operations Managers	\$83,289	Tellers	\$27,251
Graphic Designers	\$61,636	Transportation and Material Moving Occupations	\$28,192
Healthcare Practitioners and Technical Occupations	\$60,089	Waiters and Waitresses	\$19,959

Source: Kansas Labor Market Information Center

## Average Occupancy Rate First Five Months of 2019

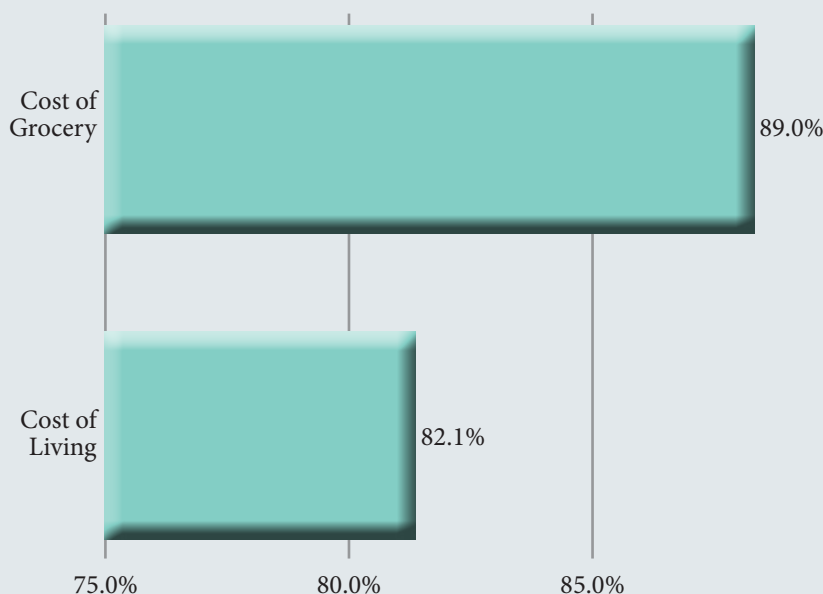


Source: Smith Travel Research

## LODGING INDUSTRY

Smith Travel Research reports that the lodging industry's nationwide average occupancy rate was 64.4 percent during the first five months of 2019 (up from 64.1 percent during the first five months 2018), the average room rate was \$130.4 (up 1.2 percent), and total lodging revenue was \$66.7 billion (up 3.7 percent). Statewide, the average occupancy rate was 54.0 percent (up from 53.2 percent), the average room rate was \$88.2 (up 0.5 percent), and total lodging revenue was \$337.5 million (up 4.7 percent). In the Southeast Kansas region, the occupancy rate was 42.3 percent (down from 44.3 percent), the average room rate was \$74.5 (up 2.7 percent), and total lodging revenue was \$5.8 million (down 0.7 percent). The Pittsburg Micropolitan Area lodging industry consists of eight properties with 589 rooms. The micropolitan lodging industry posted an average occupancy of 47.7 percent during the period (down from 48.9 percent), an average room rate of \$87.6 (up 1.5 percent), and total lodging revenue of \$3.7 million (down 0.8 percent). The most recent addition is a \$7.8 million La Quinta Inn and Suites hotel on South Broadway at Centennial, with 72 rooms, two conference areas, and an indoor pool.

## Cost of Living Pittsburg Micropolitan Area Q1 - 2019 (As a Percent of National Average)



Source: The Center of Regional Economic Competitiveness

## QUALITY OF LIFE AND COST OF LIVING

The cost of living in Pittsburg is well below the national average and was only 82.1 percent of the national average during the first quarter 2019, according to the Center for Regional Economic Competitiveness. For a small city, Pittsburg is remarkable cosmopolitan and has a high quality of life. The Census Bureau reports that over 65 percent of the jobs in Pittsburg are filled by commuters, and the Kansas Department of Revenue states that the city's retail sales are comparable to a city 167 percent of Pittsburg's size. Tourism is becoming more important every year, with thousands of people visiting Pittsburg annually. Local attractions include Pittsburg State University's Plaster Center, which has an Olympic-grade synthetic rubber track surface and is one of only 15 university track and field centers nationwide with a 300 meter indoor track. Major national track and field events are held in Pittsburg, including National Association of Intercollegiate Athletics (NAIA), National Collegiate Athletic Association (NCAA), and Mid-America Intercollegiate Athletics (MIAA) conference. The Plaster Center attracts over 40,000 visitors annually, resulting in almost \$2.8 million spending on hotels, restaurants and retail sales.



# BUSINESS HIGHLIGHTS

## HIGHWAY 69 PROJECT – ANOTHER PHASE COMPLETE

On Monday 24th June 2019, several city and county officials from the area, local leaders and politicians gathered outside of Cherry Grove Baptist Church next to Highway 69 for a ribbon cutting. Pittsburg Area Chamber of Commerce President Blake Benson, called the ribbon cutting, “a milestone event” in an effort to provide a four-lane Highway 69.

Starting 2017, the Kansas Department of Transportation worked on expanding six miles of the highway, from the two-lane section south of Fort Scott to the Bourbon County and Crawford County line. The cost of construction so far is \$21.8 million. The ribbon cutting marked 76 miles of completed four-lane highway. According to Highway 69 Association Chairman Ken Brock, a four-lane highway will reach Pittsburg within the next five years. According to KDOT, the next U.S. 69 expansion is six miles long, starting just north of the U.S. 69/K-47 junction and ends three miles north of the north city limits of Arma. This project is scheduled to complete in September. *Stephanie Potter, Pittsburg Morning Sun*

## CITY OF PITTSBURG ADOPTS FIVE-YEAR FINANCIAL PLAN

On Tuesday, 25th June 2019, city Manager Daron Hall and Finance Director Jamie Clarkson presented the City’s five-year financial forecast at Pittsburg City Commission meeting, highlighting city’s fiscal planning through 2023. Following the presentation, the city commission voted to approve the plan, and Pittsburg Public Information Manager Sarah Runyon sent out a media release.

The five-year plan shows a steady increase in sales tax revenues, a healthy balance in reserves, declining debt service, and an increase in assessed valuations. The financial forecast also incorporates aspects of the Imagine Pittsburg 2030 community visioning plan. While housing, economic development, public wellness and infrastructure remain priorities for Pittsburg, education and marketing have been added to the list.

According to the Plan, half of the city’s revenues in 2018 came in from two sources: utility revenues and sales taxes, each accounting for about 25 percent of total revenues. The next largest contributor was property taxes at 21 percent of total

revenues, adding up to more than \$7 million, followed by several smaller categories, none of which individually topped 10 percent of revenues. Total city revenues for 2018 amounted to \$35,108,096.

*Jonathon Riley, Pittsburg Morning Sun*

## RENOVATIONS ON HISTORIC BUILDING UNDERWAY

On Thursday 20th June, 2019, on North Locust, a crew does brick work on a historic building in Pittsburg which is being renovated as a ‘Family Fun Center’. The building dates back to the 1880s and was called the Pittsburg Foundry and Machine Company. The building once produced equipment and goods used by miners. After the business moved to its new location around the year 2000, the building has sat empty since.

The new owner, Larry Fields, plans to keep the Pittcraft painting on the building, in fact, he touched it up a bit to help it last for several years to come. Fields began demolition of the interior of the building in January. The old windows have been removed and will soon be replaced with new glass. Fields said ventilation and most of the new roof is complete. The brick work is approximately 90 percent complete. The tentative completion date is spring, 2020. *Stephanie Potter, Pittsburg Morning Sun*

## STATE OFFICIALS CUT RIBBON ON NORTH WALNUT PROJECT

Local community stakeholders as well as state level officials including Gov. Laura Kelly, Kansas Department of Health and Environment Secretary Lee Norman, and Rep. Monica Murnan (D-Pittsburg) cut the ribbon on the North Walnut Street extension and environmental cleanup project on Thursday, May 16 at the formerly contaminated site of what was once the Weir City Zinc Works. It is a result of efforts over several years to improve the site, located just south of Home Depot, by federal, state and local stakeholders including the City of Pittsburg and current property owners Bob and Sandra Boys.

“The EPA, the Kansas Department of Health and Environment, various city departments, property owners and consultants all engaged productively and provided resources and services that led to the solution that we’re looking at here,” Pittsburg Deputy City Manager Jay Byers said. KDHE Secretary Lee Norman also discussed the benefits of private stakeholders partnering with agencies at multiple levels of government to

improve the area.

*Jonathan Riley, Pittsburg Morning Sun*

## UNIQUE CONFERENCE AIMED AT HELPING RURAL INNOVATORS, ENTREPRENEURS

Enterprise PSU will host the Rural and Independent Innovators Conference on July 18 at Block22 in Downtown Pittsburg. The conference is aimed at helping rural innovators and entrepreneurs who have an idea for a new product or business, who want to start or grow their business, or who want to take their product to market. The event was designed by the Kansas SBDC to support those who lack the support of robust research programs that can be found in larger, metropolitan areas.

Assistant Director Dacia Clark said experts from across the state will assist entrepreneurs in all stages of starting and growing a business by covering topics that include patents, trademarks, government contracting, exporting, and raising funds, including grants.

*Pittsburg Morning Sun*

## Pittsburg Micropolitan Area Economic Report

is written and produced by:

Dr. Michael Davidsson  
Writer and Editor

Dr. Janet Zepernick  
Contributing Editor/Proofreading

Mr. David Oldham  
Art Director/Layout

Ms. Shipra Paul, MBA, MS  
Assistant to the Editor

Mr. Bhavesh Mestry  
Economic Development Assistant

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# PITTSBURG MICROPOLITAN AREA EMPLOYMENT TRENDS

	Average Number of Employees Q4 18	Average Wages for Q4 18	Average Number of Employees Q4 17	Average Wages for Q4 17	Average Job Growth	Average Wage Growth
Postal service	67	\$4,343.43	68	\$4,049	-1.5%	7.3%
Oilseed and grain combination farming	25	\$3,681.49	29	\$3,466	-11.6%	6.2%
Commercial building construction	57	\$3,420.52	65	\$3,263	-11.3%	4.8%
Residential poured foundation contractors	17	\$3,235.19	19	\$3,303	-7.1%	-2.1%
Tire dealers	38	\$3,782.83	38	\$4,236	-0.9%	-10.7%
Nursery, garden, and farm supply stores	32	\$1,518.73	35	\$1,443	-8.6%	5.2%
Supermarkets and other grocery stores	305	\$1,964.69	307	\$1,937	-0.4%	1.4%
Convenience stores	10	\$1,016.63	11	\$945	-9.1%	7.6%
Pharmacies and drug stores	57	\$3,489.28	59	\$2,893	-3.4%	20.6%
Women's clothing stores	18	\$921.05	19	\$990	-5.2%	-6.9%
Commercial banking	197	\$4,038.14	201	\$4,053	-2.0%	-0.4%
Offices of real estate agents and brokers	12	\$1,693.97	12	\$1,864	0.0%	-9.1%
Other accounting services	37	\$3,539.85	39	\$3,206	-6.8%	10.4%
Office administrative services	198	\$3,629.86	179	\$3,763	10.8%	-3.5%
Janitorial services	108	\$2,267.10	111	\$2,158	-2.7%	5.1%
Landscaping services	33	\$1,483.76	34	\$1,533	-3.0%	-3.2%
Solid waste collection	29	\$3,043.20	32	\$2,117	-10.3%	43.8%
Offices of dentists	91	\$6,019.43	106	\$5,805	-14.7%	3.7%
Offices of optometrists	35	\$3,403.30	36	\$2,836	-0.9%	20.0%
Home health care services	116	\$2,525.75	121	\$2,371	-4.1%	6.5%
All other amusement & recreation industries	21	\$2,080.53	19	\$1,965	10.7%	5.9%
Full-service restaurants	799	\$967.12	885	\$1,136	-9.7%	-14.9%
Agricultural market & commodity regulation	11	\$6,222.91	10	\$5,704	6.7%	9.1%
Masonry contractors	52	\$3,017.66	37	\$2,308	42.7%	30.7%
Site preparation contractors	29	\$2,305.10	35	\$2,211	-18.9%	4.2%
Printing	587	\$4,053.25	589	\$3,957	-0.3%	2.4%
Motorcycle, boat, and other vehicle dealers	38	\$3,138.56	39	\$2,896	-3.4%	8.4%
Electronics and appliance stores	94	\$2,402.63	81	\$2,424	15.6%	-0.9%
Insurance agencies and brokerages	43	\$3,422.59	39	\$3,518	9.4%	-2.7%
Accounting and bookkeeping services	58	\$3,386.89	59	\$3,369	-1.7%	0.5%
Management consulting services	30	\$5,850.50	25	\$5,730	18.4%	2.1%
Child day care services	124	\$1,720.39	121	\$1,750	3.0%	-1.7%
Automotive body, interior, and glass repair	28	\$3,154.10	30	\$2,951	-6.7%	6.9%
Administration of economic programs	12	\$6,011.74	11	\$5,442	6.1%	10.5%
Justice, public order, and safety activities	39	\$4,421.79	38	\$4,239	1.7%	4.3%
Water, sewage and other systems	14	\$2,889.36	13	\$3,205	10.5%	-9.9%
Natural resources and mining	91	\$3,613.73	99	\$3,993	-7.8%	-9.5%
Other wood product manufacturing	162	\$4,011.71	151	\$3,624	7.5%	10.7%
Architectural and structural metals mfg.	327	\$3,432.85	319	\$3,522	2.3%	-2.5%
Farm product raw material merch. whls.	55	\$3,952.63	55	\$4,251	0.0%	-7.0%
Automobile dealers	139	\$2,943.30	113	\$3,126	22.6%	-5.9%
Building material and supplies dealers	149	\$1,708.04	155	\$1,663	-3.7%	2.7%
Grocery stores	315	\$1,934.62	318	\$1,903	-0.7%	1.7%
Health and personal care stores	89	\$2,539.32	89	\$2,192	-0.4%	15.8%
Gasoline stations	161	\$1,436.49	156	\$1,471	3.2%	-2.3%
Specialized freight trucking	35	\$2,444.31	28	\$2,425	22.4%	0.8%
Depository credit intermediation	243	\$3,747.49	246	\$3,757	-1.1%	-0.3%
Legal services	88	\$3,661.47	94	\$3,480	-6.4%	5.2%
Nursing care facilities, skilled nursing	358	\$2,038.11	270	\$2,123	32.5%	-4.0%
Traveler accommodation	322	\$2,095.59	325	\$2,064	-0.7%	1.6%

Source: Bureau of Labor Statistics

# WHEELER & MITCHELSON

## CHARTERED ATTORNEYS AT LAW

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*Business, Corporations and L.L.C.s, Employment, Real Estate, Taxation,  
Estate, Trust and Charitable Planning and Administration*

**JOHN H. MITCHELSON, KEVIN F. MITCHELSON, MARSHALL W. BLINZLER**  
*Of Counsel: Eric W. Clawson, Mary Jo Goedeke and Daniel S. Creitz*

Fourth and Broadway, Pittsburg 620-231-4650  
[www.wheelerandmitchelson.com](http://www.wheelerandmitchelson.com)



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Best of Southeast Kansas

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Mall Deli  
1st - All Around Restaurant  
1st - Place to have a Business Lunch  
1st - Restaurant/Deli • 1st - Sandwich  
3rd - Carry Out 3rd - Dining Experience

Gusano's  
1st - Bloody Marry  
1st - Pizza  
1st - Sports Bar

Café Del Rio Restaurant  
2nd - Appetizer  
3rd - Mexican Restaurant

Pittsburg 8 Theater  
1st - Movie Theater

J.C. Penney  
1st Department Store

Westco  
2nd- Furniture Store  
2nd - Mattress Store

Comeau Jewelry Co.  
1st - Jewelry Store



## MEADOWBROOK MALL

JCPenney .....	231-2300	GNC .....	231-1008
Gordmans <small>NEW - MARCH 2018</small> .....	235-0147	Regis Hairstylist .....	231-0100
AMC 8 Theaters .....	232-2256	Claire's Accessories .....	231-1522
Theater Arcade .....	232-2256	Fashion Nails .....	231-9141
Maurices .....	231-1940	KS Drivers License .....	231-0711
The Buckle .....	231-0210	GNB Bank ATM .....	231-4200
The Mall Deli .....	231-7590	Tech World .....	687-3100
Cafe Del Rio .....	232-5895	<b>HOURS: MON-SAT 10AM TO 9PM SUN 12-5PM</b>	
Hibbett Sports .....	232-6760		
Bath & Body Works .....	232-6589		
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Comeau Jewelry Co. ....	231-2530	Mag-Lab .....	232-1900
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OneMain Financial .....	235-0425	Via Christi Beh. Health .....	231-1068
U.S. Recruiting Ofc .....	231-3600	SEK Urgent Care .....	231-8003
Hospices Compassus .....	232-9898		



## MEADOWBROOK ANNEX

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Cryo & Chiropractic .....	308-6576

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