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The Pittsburg Micropolitan Area Economic Profile, 2017

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ECONOMIC 2017 PROFILE

Pittsburg
Micropolitan
Area



KELCE
COLLEGE OF BUSINESS
Pittsburg State University

Without a strong network, your business solutions can't do much.



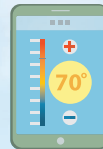
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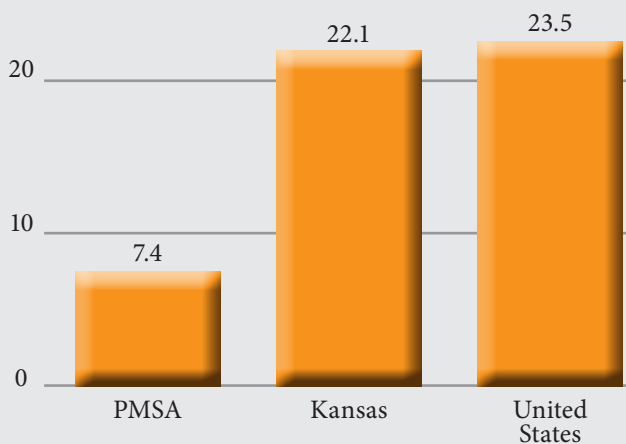
Pittsburg
4007 Parkview Drive, Ste. A
Pittsburg, KS 66762
620-308-6206

2017 ECONOMIC SUMMARY

IN 2017, POPULATION in the Pittsburgh Micropolitan Area increased to 39,351, with 242,967 people living within a 60-minute drive, and 861,047 within a 90-minute drive. Approximately 60.9 percent of residents in the micropolitan area have education beyond high school (65.1 percent

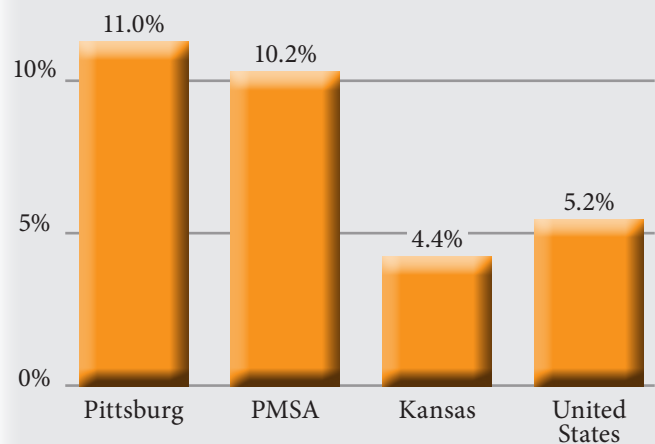
the Pittsburgh Micropolitan Area during 2017, compared to 22.1 cases per 10,000 people statewide and 23.5 cases nationwide. Furthermore, Equifax reports that 73.5 percent of the population in the Pittsburgh Micropolitan Area had a prime FICO credit score (above the sub-prime credit FICO

Personal Bankruptcy Cases Per Capita 2017



Source: US Bankruptcy Courts

Middle Income Households Percent Increase 2010-2017



Source: Demographics Now

in the city of Pittsburgh), well above the nationwide figure of 58.4 percent. Several major companies have headquarters locally, including Miller's Professional Imaging (the nation's largest professional photo lab), Jake's Fireworks, and Watco Companies. NPC International (which owns and manages over 1,140 Pizza Hut and 380 Wendy's restaurants) has functional specialization in Pittsburgh.

Training is expensive for firms, and having a skilled labor force in the area reduces training costs. About 44.6 percent of the labor force in the micropolitan area works in blue-collar occupations (39.3 percent nationwide) and 55.4 percent in white-collar occupations (60.7 percent nationwide). Some major manufacturing firms are located in the area, including Pitt Plastics with more than \$200 million in annual sales, which provides more than 300 jobs. Pitt Plastics states, "Thanks to the success we have had with the local labor force, Pitt Plastics can continue with the mission of delivering excellence as one team and one culture!"

The Pittsburgh Micropolitan Area economy is healthy with almost all the major economic indicators showing significant improvements in 2017 and local household financial positions improving significantly. A total of 7.4 personal bankruptcy cases were filed per 10,000 people in

score of 639), which is a gauge of the financial health of the community. This is the highest level by far in the recorded history of the Pittsburgh Micropolitan Area. Moreover, Demographics Now reports that during the 2010-2017 period, the number of households with income of \$50,000-\$100,000 increased 10.2 percent in the Pittsburgh Micropolitan Area (11 percent in the City of Pittsburgh), which is well above the 4.4 percent increase statewide and a 5.2 percent increase nationwide.

Pittsburgh is a 21st-century city. Almost \$323 million has been invested in the city in the last four years (most of it private), including over \$10 million in fiber optic cable and internet infrastructure, making Pittsburgh a more cosmopolitan city. Cost of living is an important quality-of-life indicator. The cost of living in the Pittsburgh Micropolitan Area is only 84.4 percent of the national average. Pittsburgh is also the home to Pittsburgh State University (with around 7,000 students) which was recently ranked sixth-best university nationwide for forensic accounting (Accounting Degree Review, 2018), third-best family-friendly business school (Princeton Review, 2017) and among the best regional universities in the Midwest (U.S. News, Best Colleges Rankings, 2017).

OFFICE AND RETAIL SPACE MARKETS

OFFICE: The City of Pittsburg is an anchor for economic growth in the region and a regional center for office and business services such as book-keeping, payroll, office administrative and medical services. A recently released study by the National League of Cities analyzing the economic, social and geographic characteristics of cities nationwide shows that Pittsburg has a city character more consistent with a population in the 50,000-100,000 range. Jones Heritage Realtors (a local authority on commercial real estate markets) reports that the Pittsburg area office space market did relatively well in 2017, with the gross median office rental rate starting at \$5.50 per square foot at secondary sites, increasing to \$9.50 for primary sites, and going as high as \$11.50 for high-end sites. Furthermore, North Broadway (the main thoroughfare with the highest traffic count) saw the median gross average office space rent increase to \$11.50 per square foot in 2017 and \$9.00 per square foot on South Broadway.

According to Demographics Now, the Pittsburg Micropolitan area has 126 health service establishments, employing 2,065 people; 60 personal services establishments, employing 173 people; 57 public administration offices employing 1,100 people; 54 business services establishments, employing 488 people; 43 real estate establishments, employing 173 people; 42 social services establishments, employing 701 people; 35 engineering, accounting, research, and management service establishments, employing 191 people; 32 depository institutions and non-depository credit establishments, employing 234 people; 26 communications and utilities establishments, employing 710 people; 25 legal service establishments, employing 155 people; 25 insurance agents, brokers, and insurance carrier establishments, employing 68 people; and six security, commodity, and investment brokers and dealers, employing 20 people.

RETAIL: More than \$20 million has been invested in retail infrastructure in Pittsburg in the last four years. A new study released by the Kansas Department of Revenue shows the City of Pittsburg is indeed a regional center for retail trade and consumer services. The study analyzed retail trade pull and found the income adjusted retail trade pull factor for Pittsburg was 1.67, meaning the population in Pittsburg would have to be 67 percent larger if all the consumption was local. The future of the Pittsburg area retail space market looks good. TranSystems states that traffic on US Highway 69 into Pittsburg is increasing about 25 percent every ten years and 100 percent compounded in 30 years. Furthermore, the new Kansas Crossing Casino is expected to attract more than 400,000 non-local visitors annually, which is likely to increase traffic to other local retailers.

The overall Pittsburg area retail space market did well in 2017, according to Jones Heritage Realtors, with the net median rental rate for retail space increasing to \$6.00 per square foot at secondary sites, rising to \$11.00 for primary sites, and going as high as \$13.50 for high-end sites.

Overall, the Pittsburg Micropolitan Area is home to 314 retail and wholesale establishments, which provide 4,227 jobs, according to the latest information from Demographics Now. There are 77 eating and drinking establishments, employing 1,193 people; 69 other retail establishments, employing 290 people;

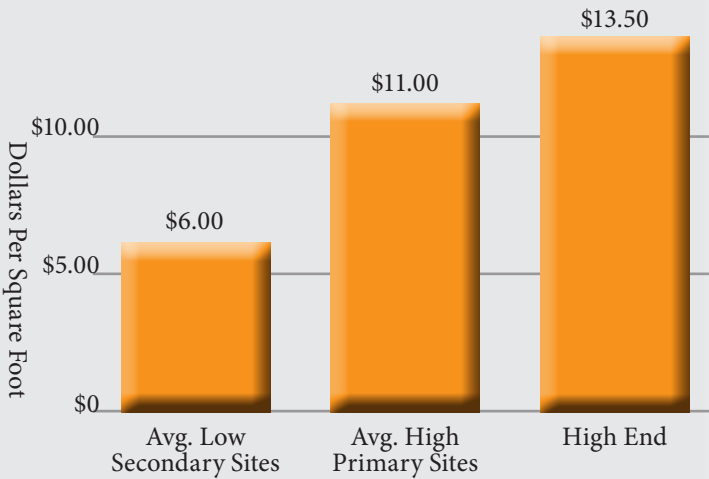
60 wholesale establishments, employing 643 people; 30 automotive dealers and gasoline service establishments, employing 968 people; 25 food retail establishments, employing 193 people; 17 apparel and accessory retail establishments, employing 89 people; 14 building materials, hardware, and garden supply retail establishments, employing 209 people; 12 home furniture, furnishings, and equipment retail establishments, employing 100 people; and 10 general merchandise retail establishments, employing 542 people.

Gross Office Space Rental Rates
City of Pittsburg - 2017



Source: Jones Heritage Realtors

Net Retail Space Rental Rates
City of Pittsburg - 2017



Source: Jones Heritage Realtors

COMMERCIAL AND RESIDENTIAL LAND VALUES

COMMERCIAL: The commercial land market is doing relatively well, with numerous retail and restaurant businesses recently expanding to Pittsburgh. The average commercial land price of secondary sites is \$2.00 per square foot according to Jones Heritage Realtors, increasing to an average high of \$7.50 at primary sites, and going as high as \$10.00 per square foot for high end sites.

The commercial land market was fairly active in 2017 with a total of 17 land sales. These transactions include: a large office building located at 824 East 4th Street (8,890 square foot plus basement on 58,350 square foot site) with 192 foot frontage, sold for \$485,000; a 6000 square foot public type building located at 706 North Broadway on a 17,000 square foot site with large paved parking lot, sold for \$200,000; a 6,000 square foot retail building located at 1123 South Broadway, sold for \$175,000; a 40,890 square foot South Broadway frontage with an old office building (restricted frontage available), sold for \$165,000; and a 24,000 square foot warehouse on a 64,940 square foot site on North Pine in the general downtown area, sold for \$155,000.

The future looks good for the local commercial land market due to both an improvement in the local economy and the widening of US Highway 69 from Fort Scott to Arma, which will provide Pittsburgh with access to a four-lane highway, connecting Pittsburgh to the Interstate system. Widening the highway will have a positive overall impact for local commercial land values in the Pittsburgh area. This will also be a boost for the local warehouse market and the manufacturing and trade (wholesale and retail) industries, which depend on warehouse space and highway access. Currently, rent for warehouse (light industrial) space starts at an average low of \$2.00 per square foot in secondary sites and increases to an average high of \$3.00 per square foot in primary sites, but can go as high as \$5.00 for high end sites.

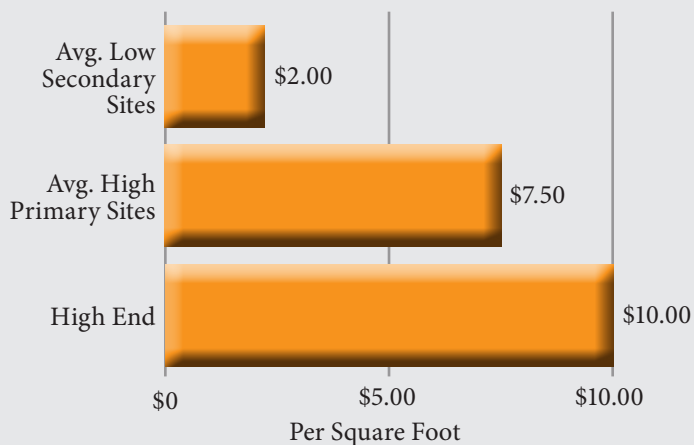
RESIDENTIAL: The City of Pittsburgh is the center of employment in the region. The Census Bureau states that 63.1 percent of jobs in Pittsburgh are filled by people not living in the city, and a survey by Kelce College of Business found that 70.9 percent of people who work for major employers in the city commute from outside the city. The better a job pays in Pittsburgh, the more likely it is to be filled by a commuter.

This represents a significant leakage of sales and property taxes lost to the city. About 59.2 percent of respondents holding a job in Pittsburgh with an annual income of \$30,000 or less commuted, as did 67.4 percent of respondents with an annual income of \$30,000-\$60,000, 82 percent of respondents with an annual income of \$60,000-\$90,000, and 74.5 percent of respondents with an annual income of \$90,000 or more. The city of Pittsburgh has initiated a series of housing programs to increase the supply of residential homes and revitalize downtown in order to attract these commuters to live in the city. This includes the Block 22 project with 100 units of loft apartments downtown along with office space, a makers' space, and retail space to be completed in October 2018; a new housing addition on prime residential land with 150 middle- to upper-middle-income homes with amenities such as a swimming pool, park, and walking trails; and the Mid-City Renaissance project with a mixed residential, office and retail neighborhood in the downtown area with recreational areas and possible solar energy complex.

Jones Heritage Realtors

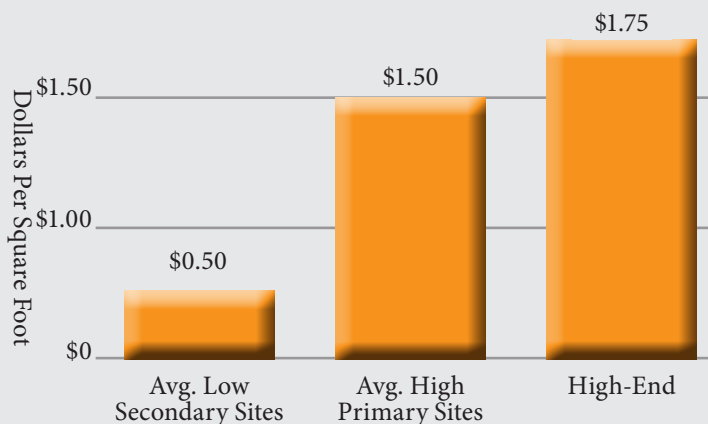
reports that 2017 residential land values in Pittsburgh in 2017 ranged from an average low of \$0.50 per square foot for average low on secondary sites, to an average high of \$1.50 per square foot on primary sites and could go as high as \$1.75 per square foot for high-end locations. Multi-family residential land prices start at an average of \$1.00 per square foot in secondary locations and increase to an average of \$2.00 per square foot at primary sites. Multi-family land prices can increase to \$2.25 per square foot for high-end locations such as those close to Pittsburgh State University.

Commercial Land Values City of Pittsburgh - 2017



Source: Jones Heritage Realtors

Single Family Residential Land Values City of Pittsburgh - 2017



Source: Jones Heritage Realtors

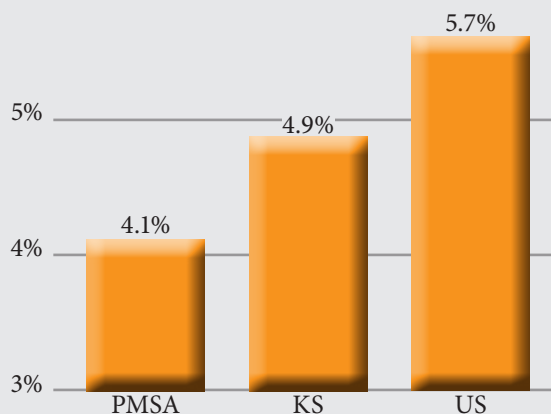
JOB GROWTH

Some significant local economic development efforts that have been rolled out in the last few years are now bearing fruit. Furthermore, the national economy really took off in 2017 and many of the local major employers who are producing for the national market are benefiting. Preliminary estimates are that the number of jobs increased 1.9 percent in the Pittsburgh Micropolitan Area in 2017, which compares well to the 1.3 percent statewide growth and 1.5 percent national growth.

The Leisure and Hospitality Industry added 209 jobs in 2017, up 11.2 percent; Government (all levels) added 78 jobs, up 1.8 percent; Manufacturing added 73 jobs, up 2.8 percent; Professional and Business Services added 51 jobs, up 4.0 percent; Trade, Transportation and Utilities added 23 jobs, up 0.8 percent; and Education and Health Services

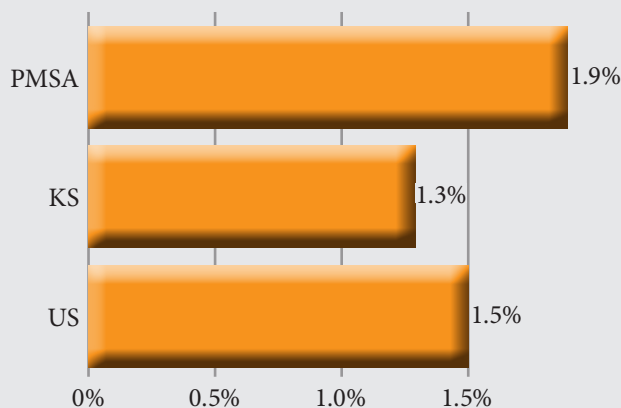
added 14 jobs, up 0.6 percent. All other industries saw job reductions.

Job Growth Projections 2017-2021



Source: Woods and Poole

Job Growth 2016-2017



Source: BLS, W&P and Kelce College of Business

PROJECTIONS:

Eagle-Picher, Kendall Packaging and Apex Stages are the latest major local companies to announce expansion. At the same time, Pittsburg is becoming more important for travel and tourism, with revenues in the lodging industry increasing 28.6 percent in 2017. The new track and field Plaster Center attracts both regional and national competitions and the new Kansas Crossing Casino is expected to attract over 400,000 non-local visitors to the area. The Pittsburg area is becoming increasingly more important in the region. The number of jobs is expected to increase to 17,488 in 2018 (up 1.1 percent) and to 18,017 by 2021 (up 4.1 percent).

Total Jobs

	Pittsburg Micro	Change	Kansas	Change	US	Change
2012	16,782	2.7%	1,320,285	1.3%	131,696,378	1.8%
2013	16,908	0.7%	1,336,948	1.3%	133,968,434	1.7%
2014	16,890	-0.1%	1,357,090	1.5%	136,613,609	2.0%
2015	16,841	-0.3%	1,367,329	0.8%	139,491,699	2.1%
2016	16,973	0.8%	1,370,760	0.3%	141,866,449	1.7%
2017*	17,304	1.9%	1,388,391	1.3%	143,943,913	1.5%

Source: BLS, W&P and Kelce College of Business

Total Jobs Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2017-2018	17,488	1.1%	1,405,551	1.2%	145,991,618	1.4%
2017-2021	18,017	4.1%	1,455,739	4.9%	152,127,772	5.7%

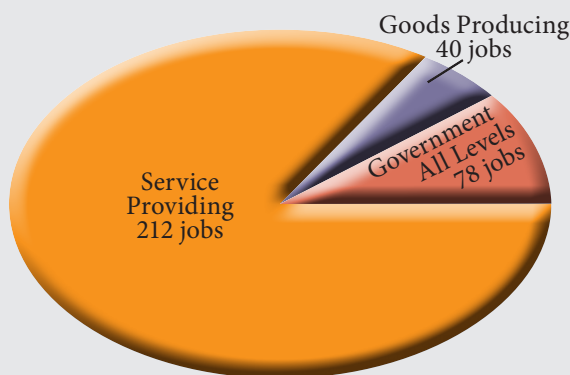
Source: Woods and Poole

INDUSTRY MIX

Wages in the Pittsburgh Micropolitan Area increased at a very healthy rate in 2017, according to new estimates, with the average annual wages increasing to \$34,555 in 2017 (up 4.4 percent), \$40,346 in the goods producing industries (up 3.4 percent), and \$32,057 in the service providing industries (up 6.2 percent). Government was the largest local industry in 2017 with 4,334 jobs and annual wages (payroll/jobs) of \$35,889, up 2.0 percent, followed by: Trade, Transportation and Utilities with 3,084 jobs and wages of \$34,923, up 8.6 percent; Manufacturing with 2,681 jobs and wages of \$40,743, up 2.9 percent; Education and Health Services with 2,339 jobs and wages of \$37,752, up 5.7 percent; Leisure and Hospitality Services with 2,073 jobs and wages of \$13,598, up a significant 17.8 percent; and Professional and Business Ser-

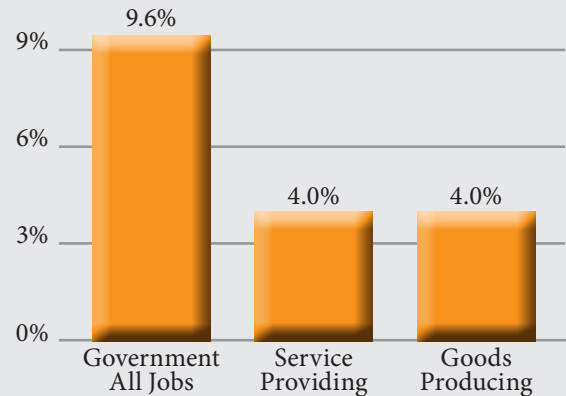
vices with 1,341 jobs and wages of \$38,812 (up 5.5 percent). All the other industries had fewer than 1,000 jobs.

Job Growth by Super Sector Pittsburg Micro Area 2016-2017



Source: BLS, W&P and Kelce College of Business

Job Growth Projections Pittsburg Micro Area 2017-2021



Source: Woods and Poole

PROJECTIONS:

In the next four years (2017-2021), Financial Services is projected to have the highest job growth, at a projected 15.8 percent growth followed by Government (all levels), projected to be up 9.6 percent; Construction, up 5.5 percent; Trade, Transportation and Utilities, up 4.8 percent; Natural Resources and Mining, up 4.1 percent; Education and Health Services, up 2.9 percent; Professional and Business Services, up 2.8 percent; Leisure and Hospitality, up 2.7 percent; Other Services (automotive repair, etc.) up 2.2 percent; and Manufacturing, up 0.4 percent. Information Services is expected to decline 0.4 percent.

Job Growth By Industry Pittsburg Micro Area 2016-2017

	Percent of Jobs Total Added	Growth
Government, all jobs	23.6%	1.8%
Trade, Transportation, and Utilities	7.0%	0.8%
Manufacturing	22.1%	2.8%
Education and Health	4.2%	0.6%
Leisure and Hospitality	63.3%	11.2%
Professional and Business Services	15.5%	4.0%
Financial Activities	-12.1%	-8.0%
Construction	-9.4%	-6.7%
Information	-5.5%	-6.9%
Other Services	-8.2%	-10.9%
Natural Resources and Mining	-0.6%	-2.1%

Source: BLS, W&P and Kelce College of Business

Jobs and Wages By Industry Pittsburg Micro Area 2016-2017

	Number of Jobs	Average Wages
Government, all jobs	4334	\$35,889.20
Trade, Transportation, and Utilities	3084	\$34,923.10
Manufacturing	2681	\$40,743.20
Education and Health	2339	\$37,752.10
Leisure and Hospitality	2073	\$13,598.10
Professional and Business Services	1341	\$38,812.00
Financial Activities	463	\$41,326.50
Construction	433	\$35,964.80
Other Services	241	\$49,101.30
Information	220	\$26,068.40
Natural Resources and Mining	94	\$48,652.00
Total, all industries	17303	\$34,554.90

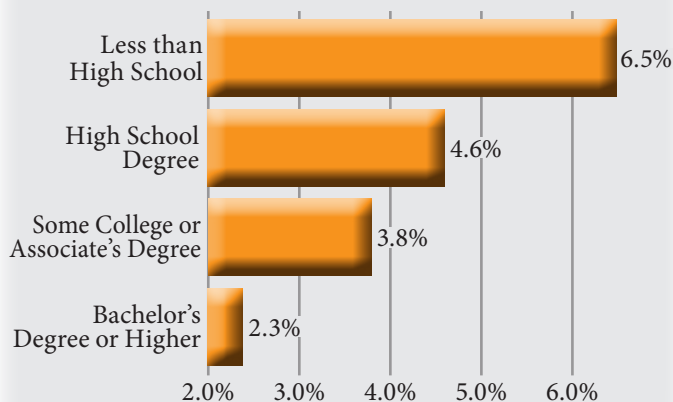
Source: BLS, W&P and Kelce College of Business

UNEMPLOYMENT

Unemployment nationwide is at historical lows. The unemployment rate was 4.3 percent in the Pittsburgh Micropolitan Area in 2017 (down from 4.9 percent in 2016), 3.7 percent statewide (down from 4.1 percent) and 4.4 percent nationwide (down from 4.9 percent). However, sometimes unemployment declines because people have been looking for a job for many years and eventually, after unemployment benefits expire, they become discouraged, give up looking for a job, and leave the labor force. Labor force participation was 66.0 percent in 2008 (in the beginning of last recession), declined to a low of 62.7 percent in 2015 and increased slightly to 62.9 percent in 2017. The portion of unemployed people who have been unemployed more than 27 weeks increased to 19.5 percent in 2009, but declined to 14.6 percent in 2017.

The unemployment rate was 6.5 percent for people with less than a high school degree, 4.6 percent for people with a high school degree, 3.8 percent for people with some college or an

Unemployment Rate by Education Nationwide 2017



Source: Demographics Now

Unemployment Rate

	Pittsburg Micro	Kansas	US
2012	6.7%	5.8%	8.1%
2013	5.9%	5.3%	7.4%
2014	5.4%	4.6%	6.2%
2015	5.1%	4.2%	5.3%
2016	4.9%	4.1%	4.9%
2017	4.3%	3.7%	4.4%

Source: Bureau of Labor Statistics

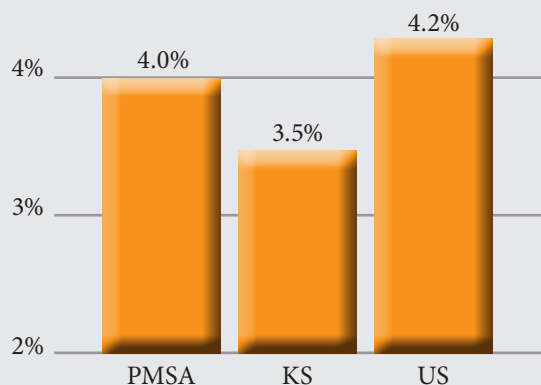
Unemployment Rate Projections

	Pittsburg Micro	Kansas	US
2018	4.2%	3.7%	4.3%
2021	4.0%	3.5%	4.2%

Source: Demographics Now

associate's degree, and 2.3 percent for people with a bachelor's degree or higher. The unemployment rate was 3.8 percent for Caucasians, 7.5 percent for African Americans, 3.4 percent for Asian Americans, and 5.1 percent for Hispanics.

Unemployment Rate Projections 2021



Source: Demographics Now

PROJECTIONS:

Some economic analysts say that the unemployment rate is close to the natural rate of unemployment and that labor force participation is not going to increase much because everyone who wants to get a job is working (for example there is always some portion of parents who decide to work at home and invest their time raising their children rather than joining the labor force). Others say that the labor force participation will continue to increase with better economic conditions. The unemployment rate is projected to continue to decline somewhat to 2021, to 4.0 percent in the Pittsburgh Micropolitan Area in 2021, 3.5 percent statewide, and 4.2 percent nationwide.

Pittsburg Micropolitan Area Economic Profile

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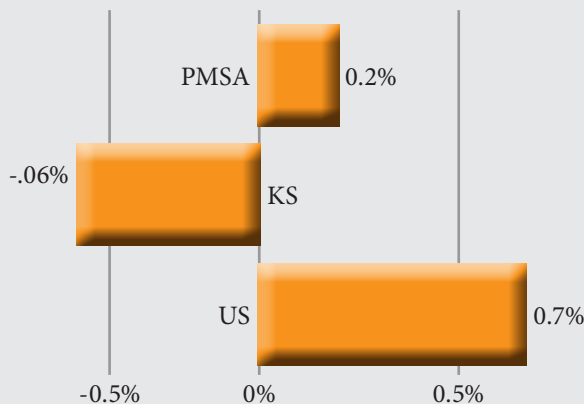
ON THE COVER: Production services at Miller's Professional Imaging located in Pittsburg, Kansas. Miller's provides photographic services for clients locally, nationally and internationally.

LABOR FORCE GROWTH

New firms are concerned with finding a good labor force when they relocate. There is plenty of skilled labor in the Pittsburgh region. There are 150,415 people in blue-collar occupations and 158,678 in white-collar jobs within an 60-minute drive of the City of Pittsburgh, and 462,362 in blue-collar occupations and 619,080 in white-collar occupations within a 90-minute drive. The labor force increased to 19,121 in the Pittsburgh Micropolitan Area in 2017, up 0.2 percent from 2016. Approximately 7.9 percent of the micropolitan area labor force works in management occupations; 3.8 percent in business and financial occupations; 2.2 in computer, engineering, and science occupations; 11.4 percent in education, legal and community service occupations; 3.9 in health diagnosing occupations; 2.3 percent in health technologists occupations; 4.0 in health care support occupations; 17.2 percent in service occupations (other than health care related); 8.6 in sales relat-

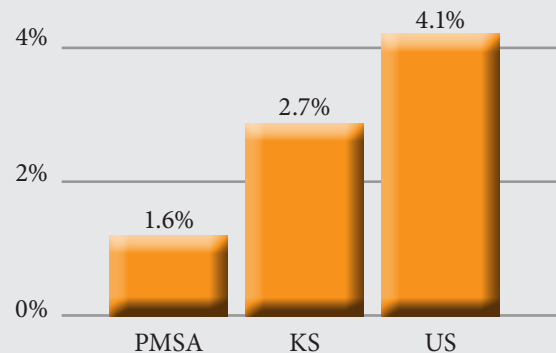
ed occupations; 11.7 percent in office and administrative support occupations; 10.1 percent in production occupations; 3.6 percent in transportation occupations; 3.5 percent in material moving occupations; and 10.0 percent in other occupations.

Labor Force Growth 2016-2017



Source: Bureau of Labor Statistics

Labor Force Growth Projections 2017-2021



Source: Demographics Now

PROJECTIONS:

The Pittsburgh Micropolitan Area labor force is projected to increase to 19,199 in 2018 (up 0.4 percent) and to 19,433 by 2021 (up 1.6 percent). The micropolitan area labor force is hard-working and has high ethics. Training is very expensive for businesses and having a large blue-collar labor force reduces the gap between the skill requirements of firms and the skill set of the labor force. The Pittsburgh State University College of Technology is renowned nationwide and has 11 different programs; among its graduates is the general manager for ACDelco who is a graduate of the PSU automotive technology program.

Labor Force

	Pittsburg Micro	Change	Kansas	Change	US	Change
2012	19,263	0.5%	1,483,573	-0.5%	154,975	0.9%
2013	19,275	0.1%	1,485,404	0.1%	155,389	0.3%
2014	19,165	-0.6%	1,494,188	0.6%	155,922	0.3%
2015	18,977	-1.0%	1,499,009	0.3%	157,130	0.8%
2016	19,081	0.6%	1,492,794	-0.4%	159,187	1.3%
2017	19,121	0.2%	1,484,399	-0.6%	160,320	0.7%

Source: Bureau of Labor Statistics
US Numbers in Thousands

Labor Force Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2017-2018	19,199	0.4%	1,494,293	0.7%	161,969	1.0%
2017-2021	19,433	1.6%	1,523,973	2.7%	166,915	4.1%

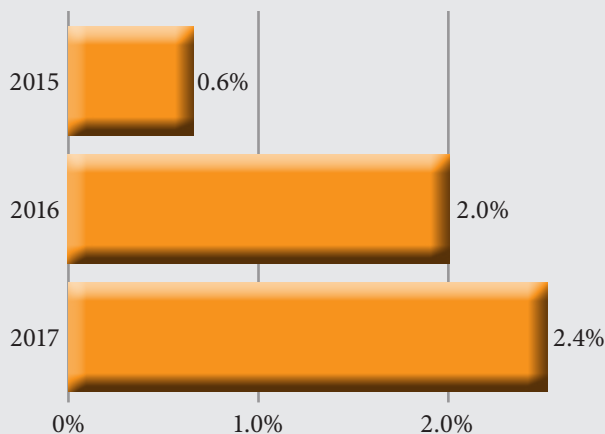
Source: Demographics Now

GROSS DOMESTIC PRODUCT

The Gross Domestic Product is one of the most used economic development indicators. However, it does not measure standard of living. The standard of living increases only when the Gross Domestic Product is increasing faster than the population. Woods and Poole reports that the growth of Gross Domestic (Regional) Product in the Pittsburgh Micropolitan Area has accelerated every year for the last three years, increasing to \$1.5 billion in 2017 (up 2.4 percent). The Gross Domestic Product is a measure of value added in production (total revenue minus cost of inputs) by local companies. The growth of the Gross Domestic Product increased nationwide in 2017 after a prolonged slowdown since the start of the recession at the end of 2007. According to the World Bank, the Gross Domestic Product of the United

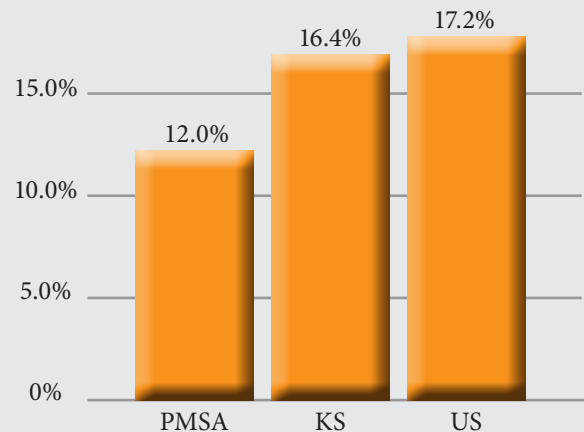
States accounts for 24.3 percent of the world Gross Domestic Product followed by China at 14.8 percent.

GDP Growth Pittsburg Micro Area



Source: Woods and Poole

GDP Growth Projections 2017-2021



Source: Woods and Poole

PROJECTIONS:

The Gross Domestic Product in the Pittsburgh Micropolitan Area is projected to increase to almost \$1.7 billion in 2021, up 12.0 percent. The local economy is dependent on the national economy which is expected to grow at a very healthy rate in the near future. Many national institutions which project the US Gross Domestic Product are currently revising their models to project a much more robust growth of the national economy, so growth projections of all geographies might change. The world economy is also expected to improve significantly, and that is good for the statewide economy which depends on the world market for agricultural products.

Gross Domestic Product

	Pittsburg Micro	Change	Kansas	Change	US	Change
2012	\$1,423.5	1.1%	\$140,964.0	3.0%	\$16,041,241.0	4.1%
2013	\$1,463.9	2.8%	\$143,512.4	1.8%	\$16,582,974.3	3.4%
2014	\$1,431.9	-2.2%	\$147,432.2	2.7%	\$17,270,426.9	4.1%
2015	\$1,441.0	0.6%	\$153,762.9	4.3%	\$18,057,212.6	4.6%
2016	\$1,469.7	2.0%	\$157,860.5	2.7%	\$18,678,295.3	3.4%
2017*	\$1,504.6	2.4%	\$163,151.7	3.4%	\$19,334,341.2	3.5%

Source: Woods and Poole
in Millions of Dollars
*Estimate

Gross Domestic Product Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2017-2018	\$1,542.5	2.5%	\$168,891.1	3.5%	\$20,046,019.5	3.7%
2017-2021	\$1,685.1	12.0%	\$189,962.6	16.4%	\$22,659,224.9	17.2%

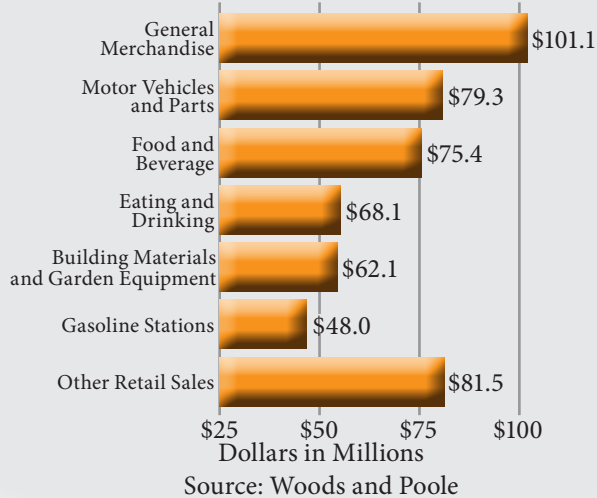
Source: Woods and Poole
Millions of dollars

RETAIL SALES

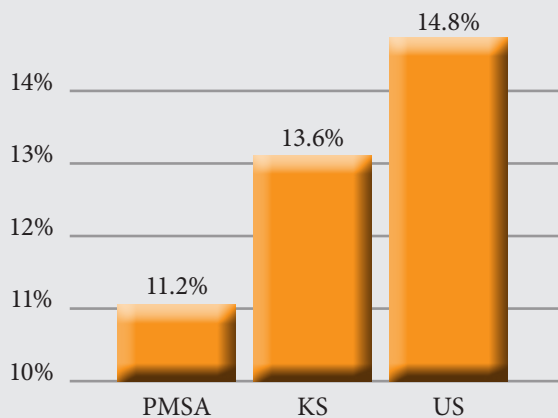
The City of Pittsburg reports that sales tax collections (taxes on retail sales, lodging, etc.) increased over five percent in 2017. The share of online retail sales by locals is only 1.3 percent, compared to 10.2 percent nationwide. This bodes well for Meadowbrook Mall, which reports a healthy 2017 and continued steady growth over the last few years, with all the major anchor businesses doing well. Pittsburg is emerging as a consumer city and is becoming more important every year as a regional center for retail sales, according to the Kansas Department of Revenue. The biggest category of retail sales in 2017 was general merchandise, with \$101.1 million in sales, up \$3.2 million, followed by: motor vehicles and parts with \$79.3 million, up \$1.7 million; food and beverage store sales with \$75.4 million, up \$0.9 million; eating and drinking places, with \$68 million, up \$0.9 million; building materials and garden equipment with \$62.1 million, up \$1.4 million;

and gasoline stations with \$48 million, up \$1.0 million. All other retail sales totaled \$81.5 million, up \$2.8 million.

Retail Sales by Category Pittsburg Micro Area 2017



Retail Sales Growth Projections 2017-2021



PROJECTIONS:

Spending on retail sales reflects consumer confidence about the economic future. The local population is growing slowly, but spending on retail sales is increasing at a very healthy rate. Total retail sales in the Pittsburg Micropolitan Area are projected to increase 11.2 percent in the next four years, with furniture and home furnishing sales expected to increase 22.8 percent, followed by: electronics and appliances, up 16.8 percent; general merchandise, up 14.5 percent; health and personal care, up 13.8 percent; gasoline station sales, up 11.9 percent; building materials up 11.1 percent; miscellaneous retail sales, up 11.1 percent, motor vehicles and parts, up 10.1 percent, and all other retail sales, up 8.3 percent.

Retail Sales

	Pittsburg Micro	Change	Kansas	Change	US	Change
2012	\$460.0	4.4%	\$42,325.1	5.4%	\$4,732,287.4	5.1%
2013	\$471.9	2.6%	\$43,650.9	3.1%	\$4,902,805.9	3.6%
2014	\$487.6	3.3%	\$45,240.6	3.6%	\$5,107,676.9	4.2%
2015	\$491.9	0.9%	\$46,018.3	1.7%	\$5,220,468.9	2.2%
2016	\$503.8	2.4%	\$47,373.7	2.9%	\$5,387,850.0	3.2%
2017*	\$515.7	2.4%	\$48,745.4	2.9%	\$5,557,924.8	3.2%

Source: Woods and Poole
in Millions of Dollars
*Estimate

Retail Sales Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2017-2018	\$527.9	2.4%	\$50,156.9	2.9%	\$5,733,368.2	3.2%
2017-2021	\$573.7	11.2%	\$55,382.4	13.6%	\$6,379,157.4	14.8%

Source: Woods and Poole

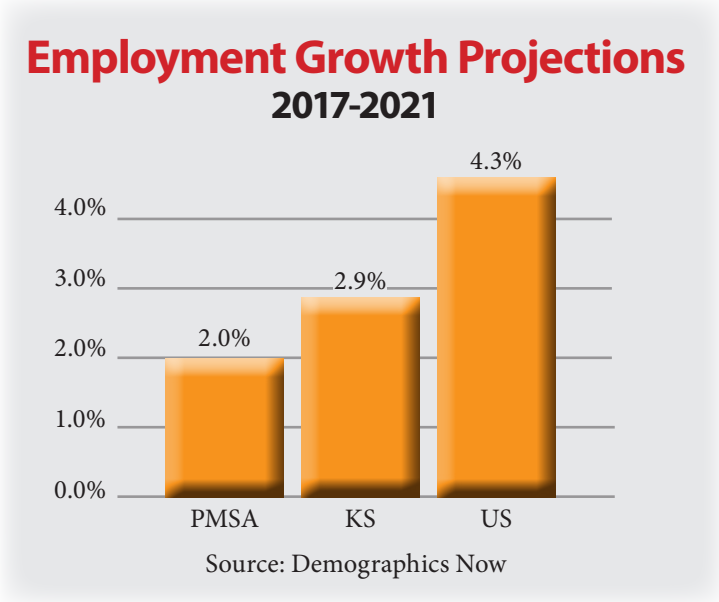
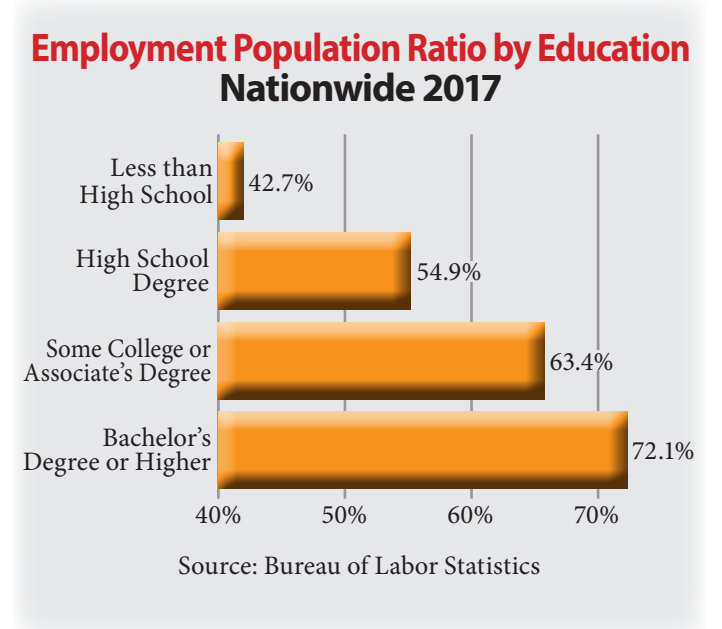
EMPLOYMENT

Total employment in the Pittsburgh Micropolitan Area (living in the micropolitan area and working in the micropolitan or outside the micropolitan area) increased to 18,304 in 2017 (up 0.8 percent from 2016); the total was 1,428,912 statewide (down 0.2 percent) and 153,337,000 nationwide (up 1.3 percent).

The Pittsburgh Micropolitan Area population is hardworking, with 61.1 percent of the adult local population working in 2017, compared to the 60.1 percent employment-population ratio nationwide. The employment-population ratio nationwide was 42.7 for people with less than a high school degree, 54.9 percent for people with a high school degree, 63.4 percent for people with some college or an associate's degree, and 72.1 percent for people with a bachelor's degree or higher. A recent labor market study released by Georgetown University found that the highest paid jobs for people without a bachelor's degree were in Manufacturing, followed by Financial and

Consulting Business Services.

The employment-population ratio was 60.4 percent for Caucasians, 57.7 percent for blacks, 61.5 percent for Asians, and 62.7 percent for people of Hispanic or Latino origin (any race).



PROJECTIONS:

Total employment is projected to continue to increase 0.5 percent in the Pittsburgh Micropolitan Area in 2018, 0.7 percent statewide and 1.1 percent nationwide. Furthermore, employment is projected to increase 2.0 percent in the Pittsburgh Micropolitan Area in the next four years, 2.9 percent statewide and 4.3 percent nationwide. Wages have been stagnant or growing slowly nationwide since the beginning of the 2007-2009 recession, but recent projections show a more robust wage growth in the near future. According to these projections, the reason is the recent federal tax bill which became law in 2018 and lowers federal corporate and personal taxes.

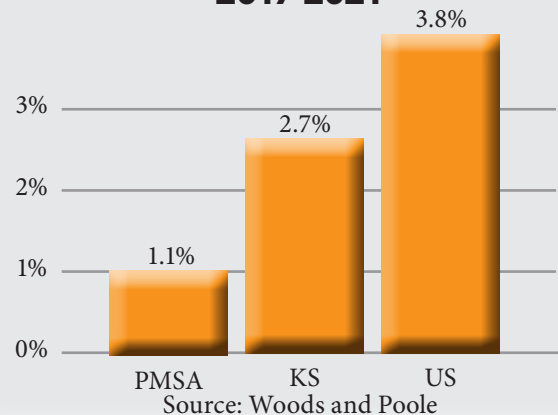
Employment						
	Pittsburg Micro	Change	Kansas	Change	US	Change
2012	17,983	1.9%	1,398,474	0.3%	142,469	1.9%
2013	18,133	0.8%	1,406,374	0.6%	143,929	1.0%
2014	18,133	0.0%	1,425,970	1.4%	146,305	1.7%
2015	18,000	-0.7%	1,435,884	0.7%	148,833	1.7%
2016	18,154	0.9%	1,431,724	-0.3%	151,436	1.7%
2017	18,304	0.8%	1,428,912	-0.2%	153,337	1.3%
Source: Bureau of Labor Statistics						
US Numbers in Thousands						
Employment Projections						
	Pittsburg Micro	Change	Kansas	Change	US	Change
2017-2018	18,394	0.5%	1,439,215	0.7%	154,969	1.1%
2017-2021	18,662	2.0%	1,470,122	2.9%	159,864	4.3%
Source: Demographics Now						

POPULATION GROWTH

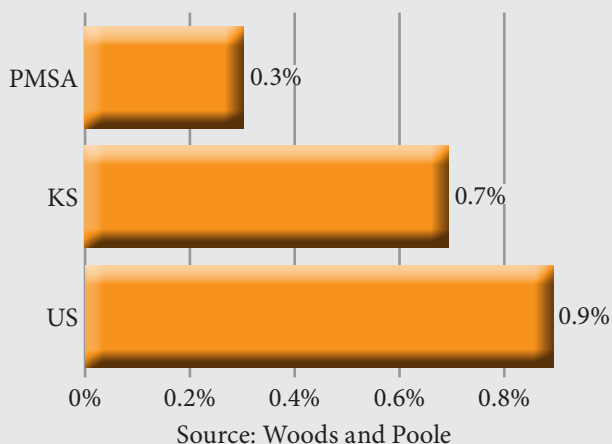
The population in the City of Pittsburg increased to 20,200 in 2017 (up 0.3 percent) and 39,417 in the Pittsburg Metropolitan Area (up 0.3 percent). Demographics Now reports that 89.3 percent of the micropolitan population is Caucasian, 2.3 percent is African American, 2.1 percent is Asian or Pacific Islander, 1.1 percent is American Indian or Alaska Native, 5.2 percent are other races and 5.5 percent of the population is of Hispanic origin (all races). Furthermore, 27.8 percent of the population have a high school diploma (27.9 percent nationwide), 25.6 percent have some college and no degree (21.1 percent nationwide), 8.1 percent have an associate's degree (7.9 percent nationwide), 16.5 percent have bachelor's degree (18.4 percent nationwide), and 10.8 percent have a graduate degree or higher (11.0 percent nationwide). The latest census information on migration shows that 7.6 percent of the Pittsburg Micropolitan Area

population moves between counties or states annually with people in the 18-24 age group being the most mobile by far.

Population Growth Projections 2017-2021



Population Growth 2016-2017



PROJECTIONS:

The population in the Pittsburg Micropolitan Area is expected to increase 0.3 percent in 2018, 0.7 percent state-wide and 0.9 percent nationwide. The micropolitan area population is projected to increase 1.1 percent the next four years, compared to 2.7 percent growth statewide and 3.8 percent nationwide. The Pittsburg Micropolitan Area population is growing more slowly than at the state and national levels.

There is a new effort to attract people to move to the area. Almost \$40 million has been invested in infrastructure in the City of Pittsburg in the last four years and \$2.5 million in recreation, and the City of Pittsburg is implementing numerous new housing programs in order to induce current commuters, to move to Pittsburg.

Population

	Pittsburg Micro	Change	Kansas	Change	US	Change
2012	39.4	0.5%	2,886.3	0.6%	314,102.5	0.8%
2013	39.3	-0.1%	2,894.6	0.3%	316,427.3	0.7%
2014	39.4	0.1%	2,902.5	0.3%	318,906.9	0.8%
2015	39.2	-0.4%	2,911.6	0.3%	321,420.6	0.8%
2016	39.3	0.2%	2,929.1	0.6%	324,160.8	0.9%
2017*	39.4	0.3%	2,948.9	0.7%	327,167.9	0.9%

Source: Woods and Poole
Numbers In Thousands
*Estimate

Population Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2017-2018	39.5	0.3%	2,968.9	0.7%	330,206.7	0.9%
2017-2021	39.9	1.1%	3,029.7	2.7%	339,514.8	3.8%

Source: Woods and Poole

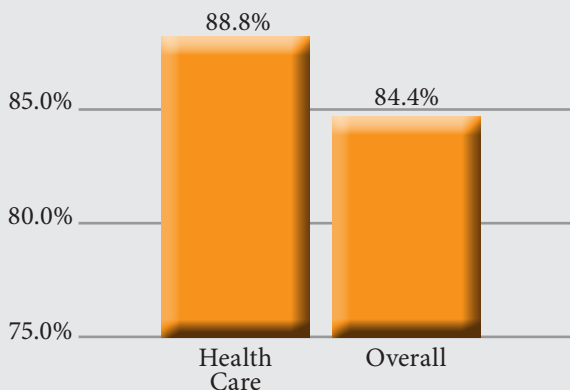
PER CAPITA INCOME AND COST OF LIVING

The per capita income increased 2.9 percent to \$36,912 in the Pittsburgh Micropolitan Area in 2017. Quality of life is high in the Pittsburgh area. The cost of health care is only 88.8 percent of the national average and health care is very accessible in the Pittsburgh area. The 188-bed, 401,000 square foot Via Christi Hospital located in Pittsburgh 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. Some of the Joplin based hospitals also have presence in Pittsburgh.

Local urban amenities include 255 retail, eating, and drinking establishments (including an enclosed mall); two performing arts centers (the Bicknell Family Center for the Arts and the Memorial Auditorium); an 11,910 capacity NCAA Division II football stadium; a 154,000-square-foot track and field indoor facility capable of hosting national

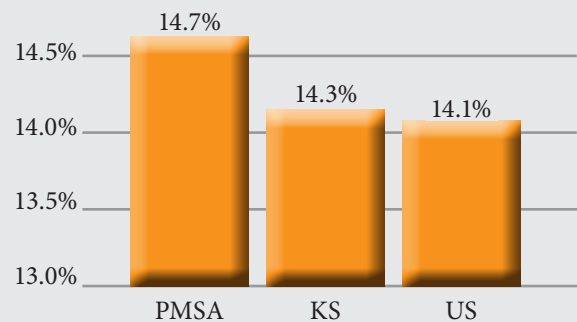
championships; three golf courses; a philharmonic orchestra; an opera; a casino, and more. Some of the area's many natural amenities include aesthetic backdrops such as fourteen parks, walking and biking trails, and access to eight major lakes and rivers within a one-hour drive.

Cost of Living Pittsburg Micro Area 2017 Relative to National Average



Source: The Center for Regional Economic Competitiveness

Per Capita Income Growth Projections 2017-2021



Source: Woods and Poole

PROJECTIONS:

The local per capita income is currently below the per capita income statewide and nationwide, but it is closing the gap, and it is projected to grow at a faster rate in the near future than both statewide and nationwide. The per capita income is projected to increase to \$38,059 in the Pittsburgh Micropolitan Area in 2018 (up 3.1 percent), \$50,969 in statewide (up 3.0 percent) and \$52,321 nationwide (up 3.0 percent). The per capita income is projected to increase to \$42,350 in the Pittsburgh Micropolitan Area in the next four years, \$56,524 statewide, and \$57,982 nationwide.

Per Capita Income

	Pittsburg Micro	Growth	Kansas	Change	US	Growth
2012	\$33,494	3.2%	\$44,795	5.4%	\$44,267	4.3%
2013	\$33,900	1.2%	\$45,838	2.3%	\$44,462	0.4%
2014	\$33,977	0.2%	\$46,393	1.2%	\$46,414	4.4%
2015	\$34,260	0.8%	\$47,161	1.7%	\$48,111	3.7%
2016	\$35,874	4.7%	\$48,111	2.0%	\$49,420	2.7%
2017	\$36,912	2.9%	\$49,472	2.8%	\$50,801	2.8%

Source: Woods and Poole

Per Capita Income Projections

	Pittsburg Micro	Growth	Kansas	Growth	US	Growth
2017-2018	\$38,059	3.1%	\$50,969	3.0%	\$52,321	3.0%
2017-2021	\$42,350	14.7%	\$56,524	14.3%	\$57,982	14.1%

Source: Woods and Poole

Pittsburg Micropolitan Area Business Summary

	2017 Jobs	Percent	2017 Establishments	Percent	Average Employment Size
Forestry, and Fishing	212	1.3%	53	4.0%	4.0
Mining	27	0.2%	4	0.3%	6.8
Construction	562	3.4%	72	5.5%	7.8
Manufacturing	2,032	12.4%	65	5.0%	31.3
Transportation, Communications, Electric, Gas, Etc.	1,318	8.1%	67	5.1%	19.7
Wholesale Trade	643	3.9%	60	4.6%	10.7
Retail Trade	3,584	21.9%	254	19.4%	14.1
Eating and Drinking Places	1,193	7.3%	77	5.9%	15.5
Automotive Dealers and Gasoline Service Stations	968	5.9%	30	2.3%	32.3
Apparel and Accessory Stores	89	0.5%	17	1.3%	5.2
Food Stores	193	1.2%	25	1.9%	7.7
Home Furniture, Furnishings and Equipment Stores	100	0.6%	12	0.9%	8.3
Building Materials, Hardware, Garden Supply & Mobile Home Dealers	209	1.3%	14	1.1%	14.9
General Merchandise Stores	542	3.3%	10	0.8%	54.2
Miscellaneous Retail	290	1.8%	69	5.3%	4.2
Finance, Insurance, & Real Estate Services	495	3.0%	106	8.1%	4.7
Public Administration	6,385	39.0%	572	43.7%	11.2
	1,100	6.7%	57	4.4	19.3

Annual Mean Wages for Pittsburg Micropolitan Area 2017

Accountants and Auditors	\$62,405	Lawyers	\$90,817
Architecture and Engineering	\$54,289	Legal Support Workers	\$38,319
Cashiers	\$19,209	Librarians	\$47,700
Chefs and Head Cooks	\$27,820	Machinists	\$35,705
Childcare Workers	\$17,754	Management	\$89,663
Clinical, Counseling and School Psychologists	\$59,424	Material Moving Workers	\$23,304
Computer Specialists	\$46,730	Metal and Plastic Workers	\$33,865
Construction Laborers	\$26,343	Nursing Assistants	\$20,740
Cooks and Food Preparation	\$19,996	Office and Admin Support	\$29,399
Customer Service Representatives	\$23,428	Pharmacists	\$134,963
Electricians	\$41,261	Police and Sheriff's Patrol Officers	\$37,378
Elementary School Teachers	\$47,506	Postal Service Mail Carriers	\$49,314
Engineers	\$68,579	Receptionists and Information Clerks	\$24,865
File Clerks	\$26,698	Registered Nurses	\$51,748
Financial Managers	\$118,622	Retail Sales Workers	\$20,161
Financial Specialists	\$56,214	Secretaries and Admin Assistants	\$31,641
Firefighters	\$36,951	Teacher Assistants	\$21,778
Graphic Designers	\$46,142	Tellers	\$27,164
Human Resources Specialists	\$54,482	Transportation and Material Moving	\$26,053
Janitors and Cleaners	\$21,380	Waiters and Waitresses	\$19,268

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