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The Pittsburg Micropolitan Area Economic Profile, 2018

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ECONOMIC 2018 PROFILE

Pittsburg
Micropolitan
Area



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2018 ECONOMIC SUMMARY

THE CITY OF PITTSBURG is the seat of the Pittsburgh Micropolitan Area and the center of economic activity in Southeast Kansas. The population of the city was 20,231 in 2018, according to Woods & Poole, 39,338 in the Pittsburgh Micropolitan Area, and 655,553 within about a one-hour radius. The Pittsburgh Micropolitan Area had a vibrant business community in 2018, with 1,291 business establishments employing over 17,000 people. Manufacturing has been one of the most important industries in the area with 74 percent greater local concentration than on average nationwide, resulting in a large skilled and semi-skilled labor pool (lower training costs), knowledge spillovers, and better industry operating environment.

It is no surprise that local manufacturing is doing well. The local workforce is much younger than the nationwide average, is 42.5 percent blue-collar (well above the 39.4 percent nationwide average), and is well-educated (34.1 percent having some college or an associate degree, skilled or semi-skilled, which is well above the 29.0 percent national average). Some Pittsburgh companies attribute their success to the local labor force. Pitt Plastics, which has over 300 area employees, 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 local manufacturing industry completed some major expansions in 2018, such as the \$10 million (60,000 square foot) Kendall Packaging expansion.

Several major companies have headquarters in Pittsburgh, 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 1,219 Pizza Huts and 394

Wendy's restaurants) has functional specialization in Pittsburgh. There is considerable optimism about the future of the local economy. The value of single-family residential building permits increased to \$6.5 million in 2018

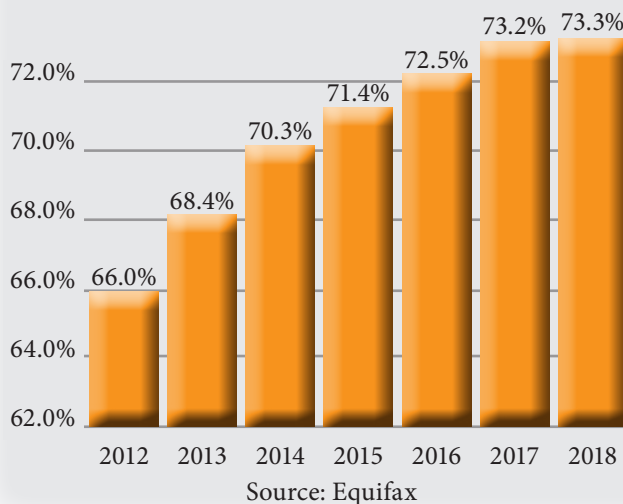
(up 296.4 percent from 2017), and the value of commercial permits increased to \$29.4 million (up 131.7 percent). Furthermore, almost \$453 million has been invested in the city in the last five years (most of it private), which is a lot for a city the size of Pittsburgh.

Pittsburg is a 21st-century city, and a regional center for consumer services. Nearly 40,000 people are estimated to visit the city annually for shopping and other services. Kiplinger's Personal Finance Magazine says, "Nothing matches the vibe of a college town." Pittsburg is the home to Pittsburg State University (with around 7,000 students), ranked as the best regional public university in Kansas in 2019 by U.S. News and World Report, and the third best family-friendly business school nationwide by the Princeton Review.

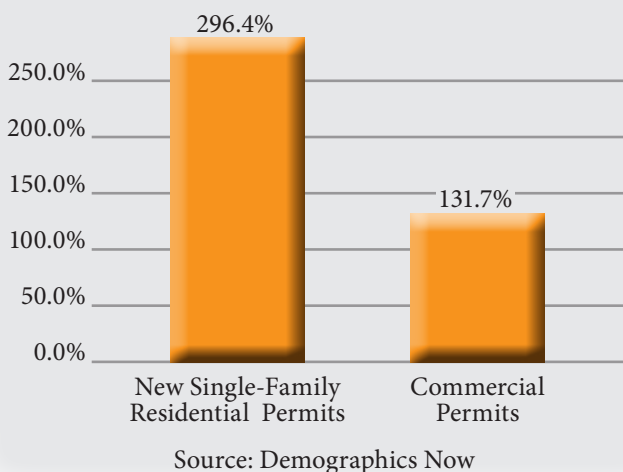
Local households are doing well. Demographics Now reports that during the 2015-2018 period, the number of households with incomes of \$50,000 - \$100,000 increased 1.3 percent in Pittsburg and 1.2 percent in the Pittsburgh Micropolitan Area, which is well above the 0.8 percent increase statewide and 0.3 percent increase nationwide. Furthermore, the Equifax credit agency reports that 73.3 percent of the population in the Pittsburgh Micropolitan Area had a prime FICO credit score (above the sub-prime credit FICO score of 639) during the first three

quarters of 2018, the highest level in the history of this indicator and up from 66 percent in 2012.

**Percent of Population with Prime FICO Score
Pittsburg Micropolitan Area**



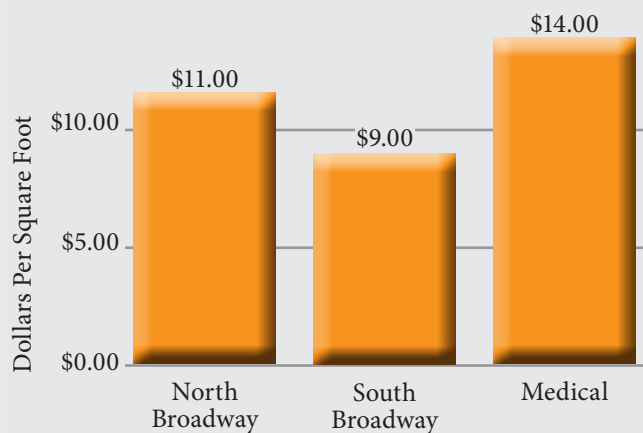
**Value of Permits
Percent Increase
Pittsburg 2018**



OFFICE AND RETAIL SPACE MARKETS

OFFICE: Regional businesses need to be able to tap into accounting, payroll, office administrative, management and technical consulting, and legal services. Pittsburg is the anchor of

**Gross Office Space
Market Rental Rates**
Pittsburg Micropolitan Area - 2018



Source: Jones Heritage Realtors

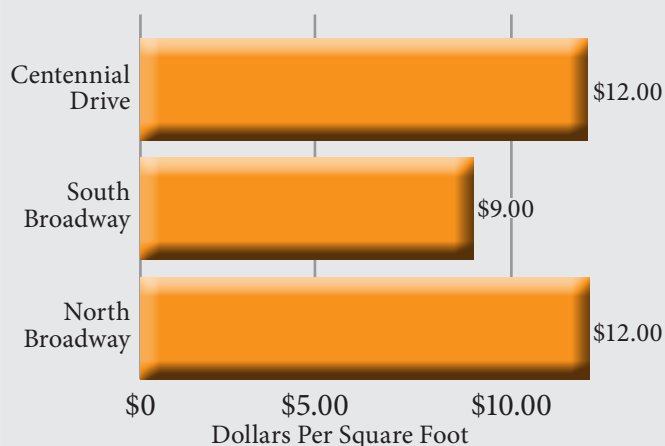
economic growth in Southeast Kansas with 65.7 percent of jobs in the city filled by people who commute into the city from other areas in the region. Polèse & Shearmur in a 2005 study found that easy access to business services is one of the most important factors conducive to regional growth. Pittsburg, as a regional center for business services, provides this access. Approximately 13.4 percent of the jobs in the Pittsburg area are in office and administrative support, and the demand for these services is growing in the region. There are 473 private office-based business establishments in the Pittsburg area, according to Demographics Now, employing 4,887 people. This includes 33 depository institutions and non-depository credit institution establishments, employing 237 people; 49 business services establishments, employing 468 people; 23 communications and utilities establishments, employing 653 people; 38 engineering, accounting, research, and management establishments, employing 269 people; 131 health service establishments, employing 2,047 people; 26 insurance broker and insurance carrier establishments, employing 30 people; 25 legal services establishments, employing 158 people; 55 personal services establishments, employing 148 people; 40 real estate establishments, employing 169 people; 8 securities and commodities brokers, dealers and related, employing 23 people; and 45 social services establishments, employing 685 people.

The future of the Pittsburg area office market looks good. Average office gross rental rates (owner pays basic taxes, insurance, and all exterior and interior maintenance) for high visibility space (which is the prime office market and has the highest traffic counts in Pittsburg) are \$11.00 per square foot on North Broadway and \$9.00 per square foot on South Broadway. Furthermore, high-end medical office space containing elaborate plumbing and mechanical systems (mostly on Broadway and Centennial Drive) average \$14.00 per square foot.

RETAIL: The City of Pittsburg is a regional commercial center in Southeast Kansas. The Pittsburg area has 308 retail and wholesale establishments, employing 4,145 people, according to the latest information from Demographics Now, including 79 eating and drinking establishments, employing 1,221 people; 30 automotive dealers and gasoline service establishments, employing 785 people; 25 food retail establishments, employing 193 people; 16 apparel and accessory retail establishments, employing 125 people; 13 building materials, hardware, and garden supply retail establishments, employing 214 people; 12 home furniture, furnishings, and equipment retail establishments, employing 107 people; 10 general merchandise retail establishments, employing 587 people; 64 other retail establishments (specialty stores and used goods), employing 269 people and 59 wholesale establishments, employing 644 people.

In 2019, Gordmans Department Stores are opening a location in the enclosed Meadowbrook Mall on Centennial Drive in Pittsburg, 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 \$12 per square foot on North Broadway (the main thoroughfare), \$9.00 per square foot on South Broadway, and \$12.00 per square foot on Centennial Drive (where the Meadowbrook Mall is). The Pittsburg area has almost 3.2 million square feet of space zoned for retail activities, according to the Crawford County Appraiser's Office. The future of the Pittsburg area retail space market looks good. The Kansas Department of Revenue reports that the City of Pittsburg is growing as a regional shopping center and that the income-adjusted retail trade pull factor for Pittsburg was 1.69 in 2018, meaning the population in Pittsburg would have to be 69 percent larger if all the consumption was local.

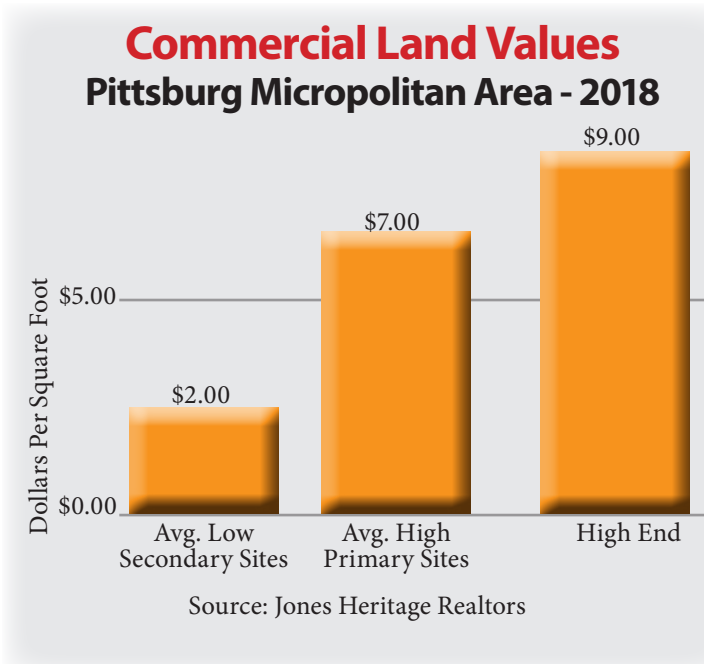
**Net Retail Space
Market Rental Rates**
Pittsburg Micropolitan Area - 2018



Source: Jones Heritage Realtors

COMMERCIAL AND RESIDENTIAL LAND MARKETS

COMMERCIAL: The Pittsburgh area commercial real estate market is doing well according to Jones Heritage Realtors (a local authority on the commercial real estate market), with



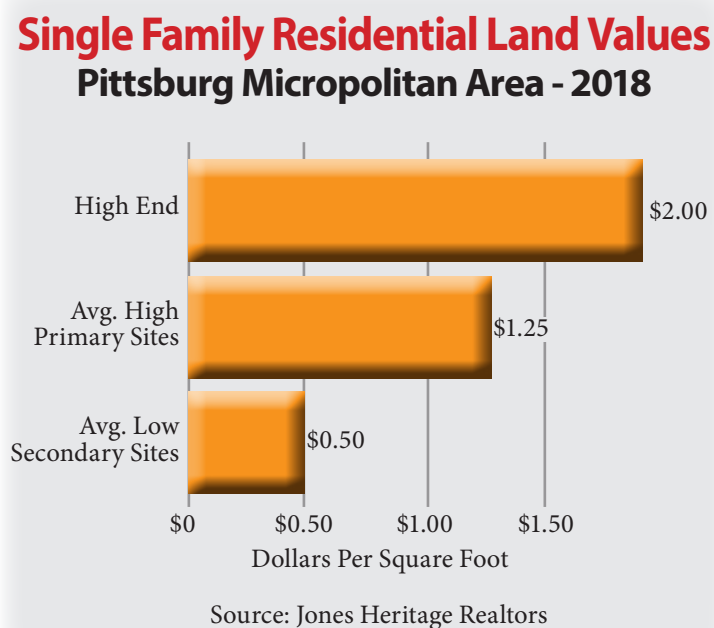
average commercial land prices starting at \$2.00 per square foot for secondary sites, increasing to an average of \$7.00 per square foot for primary sites, and an average of \$9.00 per square foot for high end sites. Overall, there is business optimism about the future of the local economy, and almost \$453 million has been invested in the City of Pittsburgh in the last five years, including \$31.3 million in education infrastructure (USD 250 and Pittsburgh State University), \$50.0 million in entertainment infrastructure, \$17.8 million in hospitality infrastructure, \$74.1 million in housing infrastructure, \$54.8 million in industry infrastructure, \$37.0 million in other infrastructure (including over \$10 million in fiber optic cable and internet infrastructure), \$66.4 million in medical infrastructure, \$3.4 million in recreation infrastructure, \$35.2 million in retail infrastructure, and \$1.7 million in service infrastructure.

There were several major local commercial sales in 2018, including a 19,881 square foot warehouse on a 4.4 acre site at the Northeast Industrial Park, which sold for \$18.36 per square foot; a 36,000 square foot industrial building on a 5.3 acre site which sold for \$16.34 per square foot; a 12,600 square foot warehouse in the East Jefferson Street industrial area which sold for \$17.46 per square foot; and a 5,000 square foot office/warehouse building off Broadway sold for \$24.00 per square foot. Jones Heritage Realtors report that in the Pittsburgh area, light industrial and warehouse rental rates start at average low of \$2.00 per square foot and increase to an average high of \$4.00 per square foot with an overall average rent of \$3.00 per square foot.

The future of the commercial land market looks good. A TranSystems study completed few years ago found that traffic on Highway 69 into Pittsburgh is increasing about 25 percent every ten years and 100 percent compounded in 30 years.

RESIDENTIAL: Affordable local residential land prices are vital for high quality of life. Buying a home is the most significant lifetime investment for most households, and 33.1 percent of the average household budget is spent on housing. The City of Pittsburgh is aware of the importance of suitable residential real estate options for attracting residents and has initiated several new land development programs during the last few years, such as the land bank program and a land swap with Pittsburgh State University for 72.7 acres of prime residential land. These efforts are paying off, and several new housing developments are in the pipeline or already completed. This includes the \$18 million Block 22 project with 100 micro-lofts in the heart of downtown; the Pittsburgh Highlands, a \$3.3 million development with 20 single-family homes; and the Silverback Landing housing addition with up to 150 homes and amenities such as a pool, clubhouse, and park. Furthermore, the city is analyzing the possibilities of a mixed residential, office, and retail neighborhood in the downtown area with recreational spaces and possible solar energy complex. In general, homes are very affordable in Pittsburgh. For example, the Center for Regional Economic Competitiveness states that a 2,400 square foot home on an 8000 square foot lot in a middle to upper middle class neighborhood in Pittsburgh would have been priced at \$263,992 in 2018, 70.0 percent of the national average.

In the city of Pittsburgh, residential land values currently range from an average of \$0.50 per square foot in the older neighborhoods to an average high of \$1.25 in good locations and can go as high as \$2.00 per square foot in high-end locations, according to Jones Heritage Realtors. Multi-family residential land prices start at an average of \$1.00 per square foot in secondary locations and increase to an average of \$1.75 per square foot, but can go as high as \$2.00 in the best locations, such as close to the university.

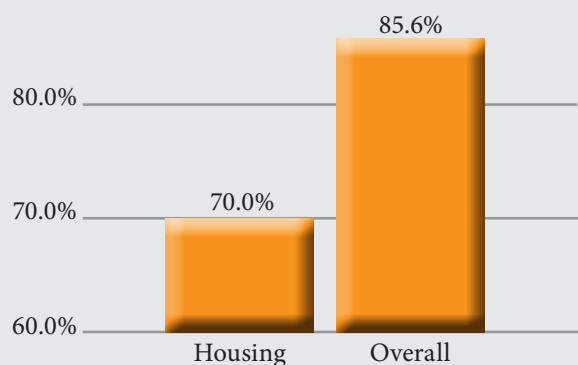


QUALITY OF LIFE AND PER CAPITA INCOME

THE QUALITY OF LIFE IS HIGH IN PITTSBURG. The average cost of living was only 85.6 percent of the national average in 2018, and the cost of housing is 70.0 percent of the national average. Pittsburgh area urban amenities include 308 retail, eating, and drinking establishments; two performing arts centers (the Bicknell Family Center for the Arts and the Memorial Auditorium); a 11,910-seat NCAA Division II football stadium; three golf courses; a philharmonic orchestra; an opera; and more. Some of the area's many natural amenities include a trail system connecting city parks, schools, and business hubs, and aesthetic backdrops such as fourteen parks, walking and biking trails, and access to eight major lakes and rivers within a one-hour drive. The number of people visiting Pittsburgh has been increasing significantly in recent years, according to STR. The number of hotel rooms rented in the Pittsburgh Micropolitan Area in 2018 increased 12.9 percent in 2018,

well above the 1.8 percent increase statewide and the 2.0 percent increase nationwide. Per capita income has also grown at a healthy rate in recent years, according to Woods & Poole, increasing to \$37,946, up 11.1 percent in the last three years.

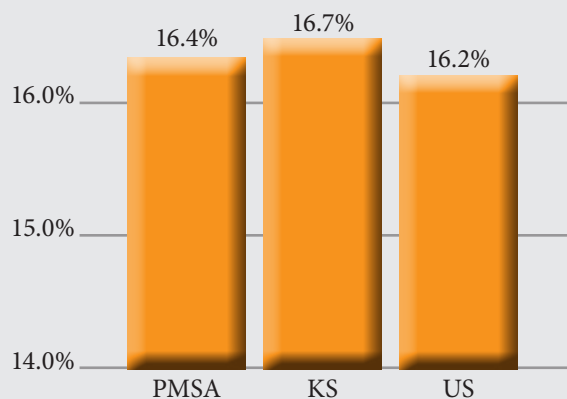
Cost of Living Pittsburg Micropolitan Area - 2018 Relative to National Average



Source: The Center for Regional Economic Competitiveness

Per Capita Income Growth Projections

2018-2022



Source: Woods & Poole

PROJECTIONS:

As a regional center for retail sales and consumer and health services, Pittsburgh offers plenty of shopping and dining. Prosperity is taking hold, cost of living is low and per capita income has increased well above the national average in the last few years. Per capita income (average income per person) in relation to cost of living gives an indication of purchasing power, an important economic indicator of the average standard of living in an area. In 2019, per capita income is expected to increase to \$39,324 in the Pittsburgh Micropolitan Area (up 3.6 percent), and it is expected to rise to \$44,182 by 2022 (up 16.4 percent).

Per Capita Income

	PMSA	Growth	Kansas	Change	US	Growth
2013	\$33,927.00	1.3%	\$45,867.00	2.4%	\$44,493.00	0.5%
2014	\$33,655.00	-0.8%	\$46,568.00	1.5%	\$46,494.00	4.5%
2015	\$34,145.00	1.5%	\$46,994.00	0.9%	\$48,450.00	4.2%
2016	\$34,508.00	1.1%	\$47,228.00	0.5%	\$49,245.00	1.6%
2017	\$36,635.00	6.2%	\$48,426.00	2.5%	\$51,073.00	3.7%
2018*	\$37,946.00	3.6%	\$50,252.00	3.8%	\$52,920.00	3.6%

Source: Woods & Poole
*estimate

Per Capita Income Projections

	PMSA	Growth	Kansas	Growth	US	Growth
2019	\$39,324.00	3.6%	\$52,116.00	3.7%	\$54,819.00	3.6%
2022	\$44,182.00	16.4%	\$58,649.00	16.7%	\$61,493.00	16.2%

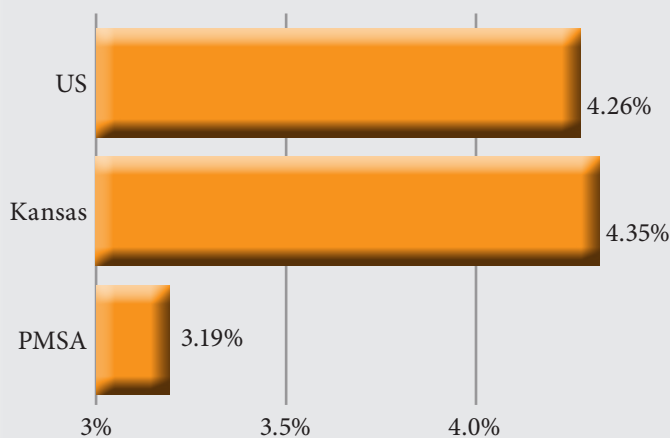
Source: Woods & Poole

GROSS DOMESTIC PRODUCT

THE NATIONAL ECONOMY saw a significant increase in the gross domestic product in 2018, despite a trade war with China and slowing world economy. The national economy got a boost from the new tax bill signed into law in December 2017, which lowers the corporate income tax rate from 35.0 percent to 21.0 percent and permits specified partnerships, S corporations, and sole proprietorship to deduct 20 percent of their income if it is \$157,500 or less for individuals and \$315,000 or less for joint filers. It furthermore allows for 100 percent depreciation of business expenses on structures, machinery, and equipment meeting the criteria set out in the bill. The tax bill was also a significant boost to consumers, lowering individual income tax rates, almost doubling the standard tax deductions for individuals to \$12,000 and to \$24,000 for married couples filing jointly, and doubling child tax credits to \$2,000. The

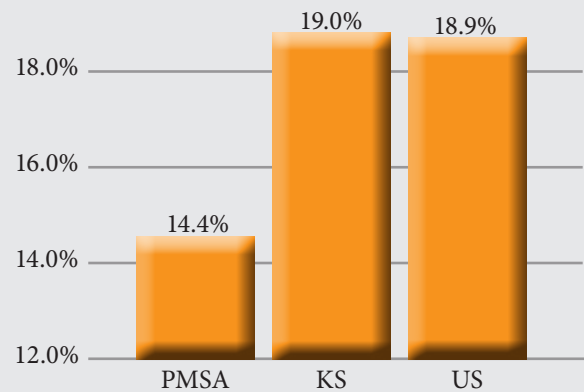
Tax Policy Center estimates that the average filer nationwide will get a \$1,600 cut in taxes in 2018. Many local businesses sell nationwide and benefitted from the improving national economy. The gross domestic product for the Pittsburg Micropolitan Area increased to \$1.585 billion in 2018 according to Woods & Poole, up 3.2 percent.

GDP Growth 2018



Source: Woods & Poole

GDP Growth Projections 2018-2022



Source: Woods & Poole

PROJECTIONS:

The Federal Reserve Bank began to increase the federal funds rate in December 2015, for the first time after the 2007-2009 recession. The rate furthermore increased four times in 2017 and four times in 2018. The gross domestic product for the Pittsburg Micropolitan Area is projected to increase to \$1.634 billion in 2019 (up 3.1 percent) and to \$1.814 billion by 2022 (up 14.4 percent), which is more robust growth than in 101 micropolitan areas nationwide.

Gross Domestic Product

	PMSA	Change	Kansas	Change	US	Change
2013	\$1,459.3	1.6%	\$143,471.0	1.8%	\$16,576,737.0	3.3%
2014	\$1,472.1	0.9%	\$148,468.0	3.5%	\$17,312,385.0	4.4%
2015	\$1,481.0	0.6%	\$151,314.0	1.9%	\$18,007,083.0	4.0%
2016	\$1,476.5	-0.3%	\$150,576.0	-0.5%	\$18,511,501.0	2.8%
2017	\$1,536.1	4.0%	\$155,078.6	3.0%	\$19,382,297.1	4.7%
2018*	\$1,585.2	3.2%	\$161,819.4	4.3%	\$20,208,455.6	4.3%

Source: Woods & Poole
in millions of dollars, *estimate

Gross Domestic Product Projections

	PMSA	Change	Kansas	Change	US	Change
2018-2019	\$1,634.3	3.1%	\$168,667.6	4.2%	\$21,056,231.8	4.2%
2018-2022	\$1,814.2	14.4%	\$192,571.0	19.0%	\$24,026,432.7	18.9%

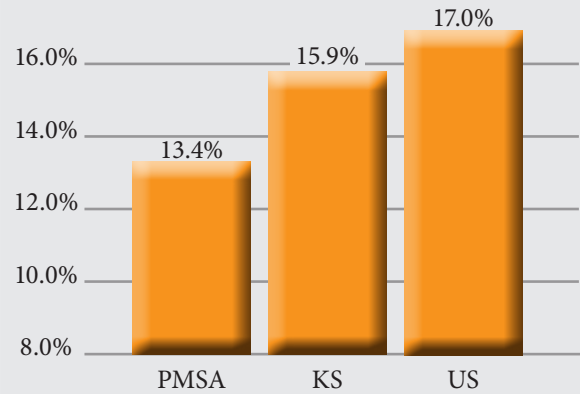
Source: Woods & Poole
in millions of dollars

RETAIL SALES

AN ESTIMATED 38,848 PEOPLE annually visit Pittsburg for retail shopping, making Pittsburg a regional center for retail sales and consumer services. Overall, local retail sales were healthy in 2018 with preliminary estimates by Woods & Poole showing that total retail sales increased to \$537.2 million in the Pittsburg Micropolitan Area (up 2.8 percent), with furniture and home furnishing stores having the largest increase in sales in 2018 at \$11.6 million in total sales (up 7.4 percent from 2017), followed by building materials and garden equipment stores (\$68.6 million, up 5.7 percent), general merchandise (\$105.0 million, up 3.9 percent), health and personal care stores (\$27.3 million, up 3.3 percent), eating and drinking establishments (\$70.3 million, up 2.4 percent), clothing and clothing accessory stores (\$10.0 million, up 2.0 percent), gasoline stations (\$54.1 million, up 2.0 percent), electronics and appliance stores (\$5.3 million, up 1.6 percent), food and beverage stores (\$76.1 million, up

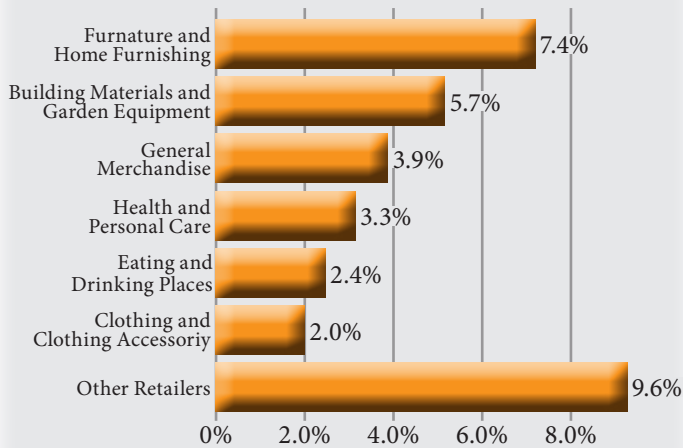
1.2 percent), sporting goods, hobby, book, and music stores (\$7.3 million, up 1.0 percent), motor vehicles and parts (\$81.7 million, up 0.9 percent), and other retail such as gift stores, flower stores, and non-store retail sales (\$19.7 million, up 2.8 percent). Eight new food service establishments opened locations in Pittsburg in 2018.

Retail Sales Growth Projections 2018 - 2022



Source: Woods & Poole

Retail Sales by Category Pittsburg Micropolitan Area - 2018



Source: Woods & Poole

PROJECTIONS:

The future of local retail sales looks good. Total retail sales are projected to increase to \$552.5 million in the Pittsburg Micropolitan Area in 2019 (up 2.9 percent from 2018), \$52.6 billion statewide (up 3.4 percent), and \$6.0 trillion nationwide (up 3.6 percent). By 2022, total retail sales are projected to increase to \$609.3 million in the micropolitan area (up 13.4 percent from 2018), to \$58.9 billion statewide (up 15.9 percent), and to \$6.8 trillion nationwide (up 17.0 percent).

Retail Sales

	PMSA	Change	Kansas	Change	US	Change
2013	\$471.9	2.6%	\$43,659.9	3.2%	\$4,903,360.5	3.6%
2014	\$487.9	3.4%	\$45,277.2	3.7%	\$5,111,761.6	4.3%
2015	\$494.8	1.4%	\$46,194.3	2.0%	\$5,240,734.9	2.5%
2016	\$505.5	2.2%	\$47,334.2	2.5%	\$5,406,828.2	3.2%
2017	\$522.7	3.4%	\$49,194.7	3.9%	\$5,632,813.3	4.2%
2018*	\$537.2	2.8%	\$50,824.4	3.3%	\$5,833,357.5	3.6%

Source: Woods & Poole
in millions of dollars, *estimate

Retail Sales Projections

	PMSA	Change	Kansas	Change	US	Change
2018-2019	\$552.5	2.9%	\$52,551.4	3.4%	\$6,046,029.1	3.6%
2018-2022	\$609.3	13.4%	\$58,881.5	15.9%	\$6,823,155.0	17.0%

Source: Woods & Poole
in millions of dollars

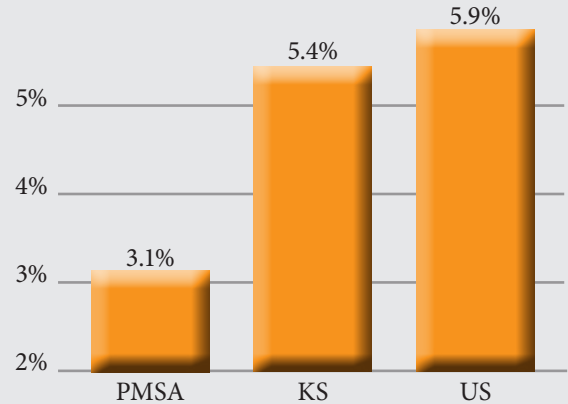
JOB GROWTH

THE NATIONAL BUSINESS ENVIRONMENT improved significantly in 2018, Preliminary estimates from Woods & Poole show that local job growth slowed in 2018. The number of jobs increased to 146.2 million nationwide in 2018 (up 1.7 percent), to 1.3 million statewide (up 1.2 percent), and to 17,341 in the Pittsburgh Micropolitan Area (up 0.5 percent). During the 2016-2018 period, the number of jobs increased 2.9 percent in the Pittsburgh Micropolitan Area, 1.5 percent statewide, and 4.8 percent nationwide.

The fastest growing industry in the Pittsburgh Micropolitan Area in 2018 was Construction, with 1.8 percent growth, followed by Natural Resources and Mining, up 1.1 percent; Trade, Transportation, and Utilities, up 0.7 percent; Government (all levels), up 0.6 percent; Manufacturing, up 0.6 percent; Other Services (automobile repair, dry cleaners, etc.), up 0.4 percent; Professional and Business Services, up 0.3 percent; Education and Health Services, up 0.3 percent; Leisure and Hospitality, up 0.2 percent; Financial Activities,

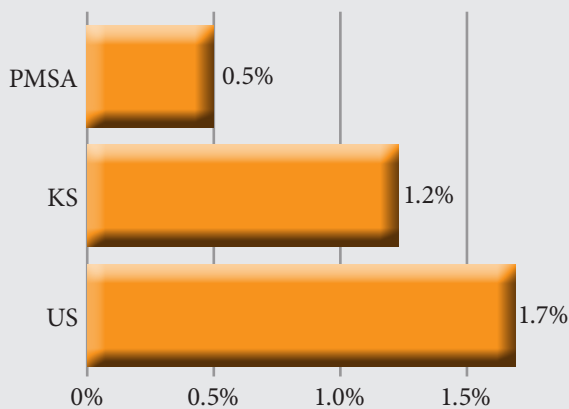
up 0.1 percent; and Information Services, with no growth. The latest information from the Brookings Institution shows \$188.8 million in exports from the Pittsburgh Micropolitan Area, with the Manufacturing Industry being the biggest source of exports, accounting for 61.2 percent of all exports.

Job Growth Projections 2018 - 2022



Source: Woods & Poole

Job Growth 2018



Source: BLS and BERC

PROJECTIONS:

The Pittsburgh Micropolitan Area economy is heavily dependent on the national economy, especially manufacturing which is making a comeback nationwide. There have been several local expansions in manufacturing during the last two years. There is a significant manufacturing cluster in the region. In 2022, the number of jobs is projected to increase to 17,882 (up 3.1 percent) in the Pittsburgh Micropolitan Area, to 1,462,430 statewide (up 5.4 percent), and to 154.9 million nationwide (up 5.9 percent).

Total Jobs

	PMSA	Change	Kansas	Change	US	Change
2013	16,908	0.7%	1,336,948	1.3%	133,968,434	2.1%
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	16,976	0.8%	1,370,645	0.2%	141,844,489	1.7%
2017	17,255	1.6%	1,370,947	0.1%	143,841,230	1.4%
2018	17,341	0.5%	1,387,398	1.2%	146,286,531	1.7%

Source: BLS-BERC

Total Jobs Projections

	PMSA	Change	Kansas	Change	US	Change
2019	17,481	0.8%	1,407,137	1.4%	148,526,203	1.5%
2022	17,882	3.1%	1,462,430	5.4%	154,932,709	5.9%

Source: BLS-QCEW, Woods & Poole and BERC

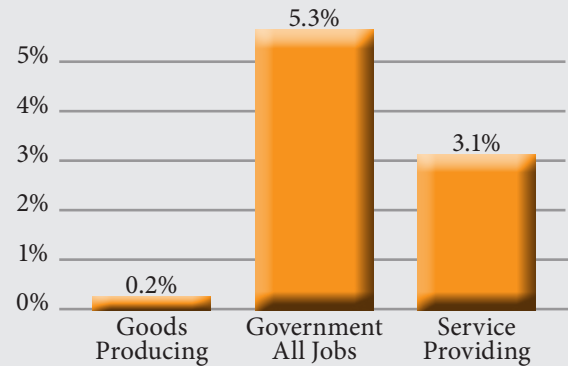
INDUSTRY MIX

PRELIMINARY ESTIMATES show the biggest industry in the Pittsburgh Micropolitan Area in 2018 was government with 4,318 jobs (up 26 jobs from 2017) and paid average wages of \$35,681.

The biggest private industry in 2018 was Trade, Transportation and Utilities with 219 establishments, 3,123 jobs (up 23 jobs) and wages of \$35,459, followed by: Manufacturing with 51 establishments, 2,664 jobs (up 15 jobs), and wages of \$41,464; Education and Health Services with 130 establishments, 2,322 jobs (up six jobs) and wages of \$37,540; Leisure and Hospitality with 92 locations, 2,106 jobs (up four jobs) and wages of \$14,496; Professional and Business Services with 126 establishments, 1,362 jobs (up one job) and wages of \$39,299; Financial Activities with 98 establishments, 457 jobs (up four jobs) and wages of

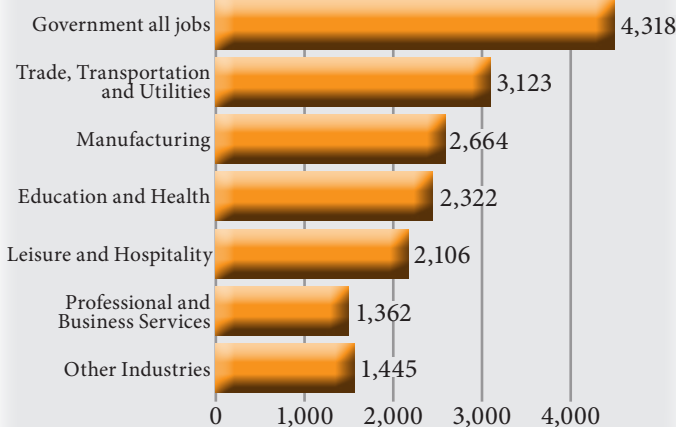
\$41,332; Construction with 83 establishments, 434 jobs (up eight jobs) and wages of \$37,442; Information Services with 13 establishments, 234 jobs (flat growth) and wages of \$50,116; Other Services (clergy, etc.) with 70 establishments, 225 jobs (up one job) and wages of \$27,611 and Natural Resources and Mining with 22 establishments, 95 jobs (up one job) and wages of \$46,705.

Job Growth Projections Pittsburg Micropolitan Area 2018 - 2022



Source: Woods & Poole

Number of Jobs by Industry Pittsburg Micropolitan Area 2018



Source: Bureau of Labor Statistics

PROJECTIONS:

The local good producing industries had an estimated \$41,072 in average wages in 2018, which is 26.6 percent higher wages than the average in the service producing industries, 15.1 percent than the average wages in Government and 17.9 percent higher than the average local wages. The industry projected to contribute the most to job growth in the next four years is Government, up 228 jobs, followed by Trade, Transportation and Utilities (up 130 jobs) and Financial Activities (up 63 jobs).

Pittsburg Micropolitan Area

PMSA	Establishment	Jobs	Change	Wages
Total, all industries, Federal government	17	82	0	\$49,963
Total, all industries, State Government	20	1,169	7	\$49,379
Total, all industries, Local Government	36	3,068	18	\$30,079
Trade, Transportation, and Utilities	219	3,123	23	\$35,459
Manufacturing	51	2,664	15	\$41,464
Education and Health Services	130	2,322	6	\$37,540
Leisure and Hospitality	92	2,106	4	\$14,496
Professional and Business Services	126	1,362	1	\$39,299
Financial Activities	98	457	4	\$41,332
Construction	83	434	8	\$37,442
Information	13	234	0	\$50,116
Other Services	70	225	1	\$27,611
Natural Resources and Mining	22	95	1	\$46,705

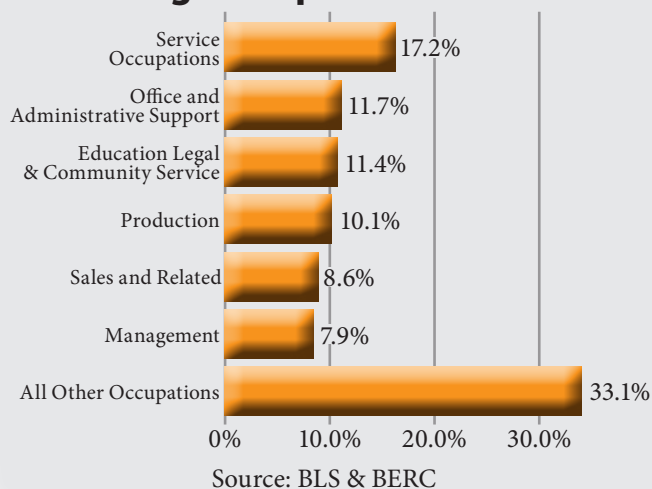
Source: BLS-QCEW, Woods & Poole and BERC

LABOR FORCE

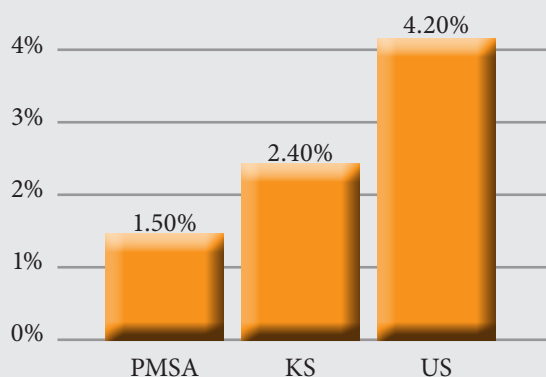
TRAINING IS EXPENSIVE, and having a skilled labor force in the area reduces training costs, especially in the 21st century's high-tech work environment. The Pittsburgh Micropolitan Area labor force is relatively well educated. Approximately 10.8 percent have a graduate degree, 16.9 percent have a bachelor's degree, 33.8 percent have some college or associate's degree, 27.6 percent have a high school diploma, and only 10.9 percent have less than a high school diploma. About 54.9 percent of the micropolitan area workforce is in white-collar occupations, and 45.1 percent are in blue-collar occupations (well above the 39.4 percent blue-collar nationwide) Approximately 7.9 percent of the micropolitan area labor force works in management occupations; 3.8 percent in business and financial; 2.2 percent in computer, engineering, and science; 11.4 percent in education, legal, and community service; 3.9 percent in health diagnosing; 2.3 percent in health

technology; 4.0 percent in healthcare support; 17.2 percent in service occupations (other than healthcare related); 8.6 percent in sales related occupations; 11.7 percent in office and administrative support; 10.1 percent in production; 3.6 percent in transportation; 3.5 percent in material moving; and 10.0 percent in other occupations. In 2018, the labor force in the Pittsburgh Micropolitan Area was 18,891 (down 1.2 percent from 2017).

Work Force by Occupation Pittsburg Micropolitan Area - 2018



Labor Force Growth Projections 2018 - 2022



PROJECTIONS:

In 2018, the labor force participation rate rose to 62.9 percent, still well below the 66.1 percent labor force participation rate in 2007. The labor force participation rate was 66.3 percent for Latinos and Hispanics, 63.5 percent for Asians, 62.8 percent for Caucasians, and 62.3 percent for African Americans. During the 2018-2022 period, the labor force is projected to grow 1.5 percent in the Pittsburgh Micropolitan Area, 2.4 percent statewide, and 4.2 percent nationwide.

Labor Force

	PMSA	Change	Kansas	Change	US*	Change
2013	19,281	-0.01%	1,485,917	0.05%	155,389	0.3%
2014	19,132	-0.8%	1,491,709	0.4%	155,922	0.3%
2015	18,927	-1.1%	1,489,829	-0.1%	157,130	0.8%
2016	18,919	0.0%	1,485,337	-0.3%	159,187	1.3%
2017	19,124	1.1%	1,478,783	-0.4%	160,320	0.7%
2018	18,891	-1.2%	1,481,784	0.2%	162,075	1.1%

Source: Bureau of Labor Statistics
*in thousands

Labor Force Projections

	PMSA	Change	Kansas	Change	US*	Change
2019	18,960	0.4%	1,490,674	0.6%	163,771	1.05%
2022	19,167	1.5%	1,517,346	2.4%	168,857	4.18%

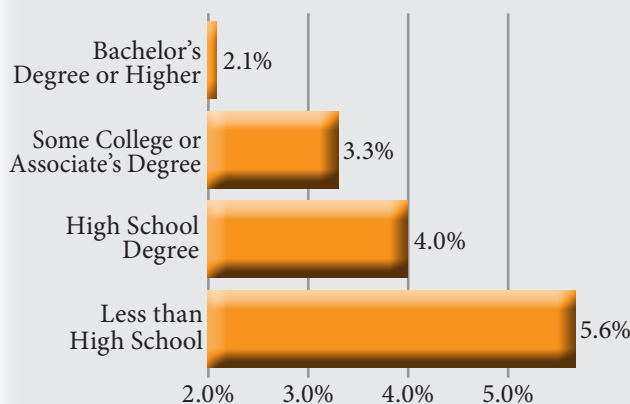
Source: Woods & Poole
*in thousands

UNEMPLOYMENT

ACCORDING TO THE BUREAU OF LABOR STATISTICS (BLS), the unemployment rate in 2018 was 4.0 percent in the Pittsburgh Micropolitan Area, 3.3 percent statewide, and 3.9 percent nationwide. After the last recession, unemployment increased because involuntarily out-of-work workers gave up on finding a job and stopped searching, resulting in a fewer out-of-work people being classified as unemployed. Now the unemployment rate is declining because employment is increasing faster than the labor force is growing. In 2018, the unemployment rate was 2.1 percent for people with at least a Bachelor's degree, 3.3 percent for people with some college or an associate's degree, 4.0 percent for people with a high school diploma, and 5.6 percent for people with no high school diploma. Nationwide, the unemployment rate has declined most for African Americans. The nationwide unemployment rate was 6.5 for African Americans in 2018 (down from 9.6 percent in 2015), 4.7 percent for Latinos and His-

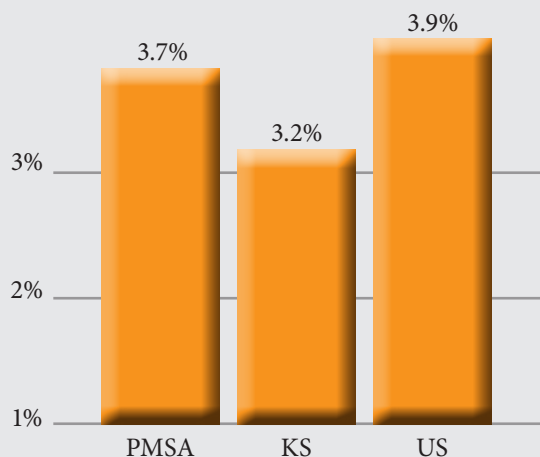
panics (down from 6.6 percent), 3.5 percent for Caucasians (down from 4.6 percent), and 3.0 percent for Asians (down from 3.8 percent). Asians had the lowest unemployment rate both in 2015 and in 2018.

Unemployment Rate by Education Nationwide 2018



Source: Demographics Now

Unemployment Rate Projections 2022



Source: Demographics Now

PROJECTIONS:

The labor force participation rate is still well below the 2008 rate, which means there are fewer people looking for a job than in 2007. That is a drag on the economy. The question is, how low can the unemployment rate go? The unemployment rate is expected to stabilize somewhat in the near future, according to Demographics Now. The unemployment rate is projected to be 3.7 percent in the Pittsburgh Micropolitan Area in 2022, 3.2 percent statewide and 3.9 percent nationwide.

Unemployment Rate

	PMSA	Kansas	US
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	4.2%	3.7%	4.4%
2018	4.0%	3.3%	3.9%

Source: Bureau of Labor Statistics

Unemployment Rate Projections

	PMSA	Kansas	US
2019	3.9%	3.3%	3.9%
2022	3.7%	3.2%	3.9%

Source: Woods & Poole

Pittsburg Micropolitan Area Economic Profile

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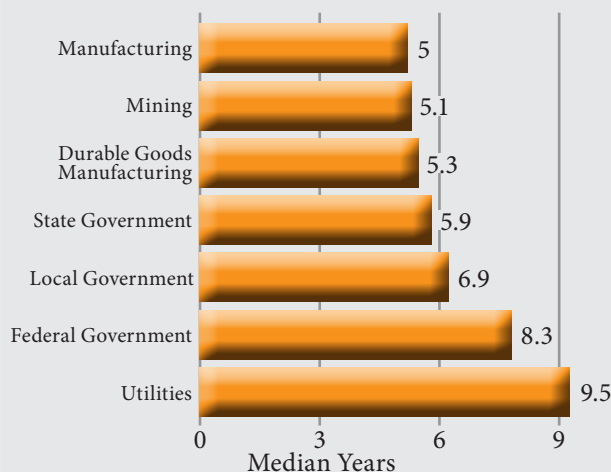
ON THE COVER: Production services at
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EMPLOYMENT

IN 2018, APPROXIMATELY 18,147 PEOPLE in the Pittsburgh Micropolitan Area said that they were employed (defined as working for someone else locally or in other cities, working unpaid in a family business, self-employed, or engaged in farming), down 1.0 percent from 2017 but up 0.8 percent from 2016. Total employment increased to 1,432,491 statewide in 2018 (up 0.5 percent) and 155.7 million nationwide (up 1.6 percent). A recently released report from the BLS on employee tenure by industry shows that employee tenure is longest in Utilities, with a median employee tenure of 9.5 years, followed by Federal Government, 8.3 years; Local Government, 6.9 years; State Government, 5.9 years; Durable Goods Manufacturing, 5.3 years; Mining, 5.1 years; Manufacturing, 5.0 years; Non-Durable Goods Manufacturing, 4.7 years; Financial Activities, 4.7 years; Information Services, 4.4 years; Transportation and Warehousing, 4.2 years; Construction, 4.1 years; Education and Health Ser-

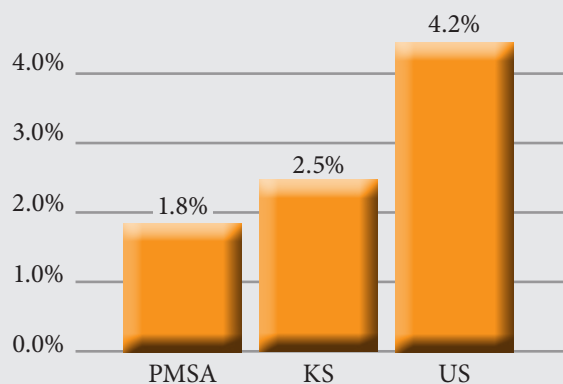
vices, 3.9 years; Professional and Business Services, 3.6 years; Wholesale and Retail Trade, 3.2 years; Leisure and Hospitality, 2.2 years; Accommodations and Food Services, 2.1 years; and Food Services and Drinking Places, 2.0 years. The low labor force participation and the low unemployment rate in 2017 made it more difficult for employers to find qualified employees, and by the close of 2018, job openings nationwide outnumbered unemployed people by more than one million.

Employee Tenure by Industry Nationwide - 2018



Source: Bureau of Labor Statistics

Employment Growth Projections 2018 - 2022



Source: Woods & Poole

PROJECTIONS:

In 2019, employment is projected to increase to 18,227 in the Pittsburgh Micropolitan Area (up 0.4 percent), to 1.4 million statewide (up 0.6 percent), and to 157.4 million nationwide (up 1.1 percent). During the 2018-2022 period, employment is projected to increase 1.8 percent in the micropolitan area, 2.5 percent statewide, and 4.2 percent nationwide. Some economic analysts anticipate little increase in labor force participation because they say that everyone who wants to be employed is currently in the labor force.

Employment

	PMSA	Change	Kansas	Change	US*	Change
2013	18,144	0.8%	1,407,217	0.5%	143,929	1.0%
2014	18,108	-0.2%	1,424,016	1.2%	146,305	1.7%
2015	17,964	-0.8%	1,427,731	0.3%	148,833	1.7%
2016	18,005	0.2%	1,425,413	-0.2%	151,436	1.7%
2017	18,323	1.8%	1,425,216	0.0%	153,337	1.3%
2018	18,147	-1.0%	1,432,491	0.5%	155,761	1.6%

Source: Bureau of Labor Statistics
*in thousands

Employment Projections

	PMSA	Change	Kansas	Change	US*	Change
2019	18,227	0.4%	1,441,620	0.6%	157,411	1.1%
2022	18,473	1.8%	1,469,007	2.5%	162,363	4.2%

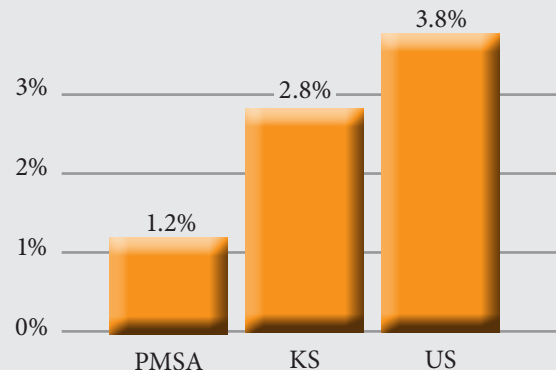
Source: Woods & Poole
*in thousands

POPULATION GROWTH

THE NATIONAL FERTILITY RATE has been declining for ten years and is now at the lowest level since 1978. The average number of births per 1,000 women is only 1,765 babies (rate is 1.765 babies), well below the replacement fertility rate of 2.1 babies. Despite the low fertility rate, the national population is increasing because of immigration. In 2018, population increased to 39,400 in the Pittsburg Micropolitan Area, up 0.3 percent from 2017. Approximately 89.1 percent of the local population is Caucasian, 2.4 percent is African American, 2.2 percent is Asian or Pacific Islander, 1.1 percent is American Indian or Alaska Native, and 5.3 percent are other races. The Census states that 63.1 percent of Pittsburg jobs in are filled by people who do not live in Pittsburg. Furthermore, Kelce College of Business conducted a local survey which revealed that 70.9 percent of the jobs provided by the major employers

in Pittsburg were filled by commuters, almost 30 percent of whom were commuting in from other counties in Kansas or other states. The City of Pittsburg has since implemented numerous new housing programs in order to induce commuters who are employed in the city to move to Pittsburg.

Population Growth Projections 2018-2022

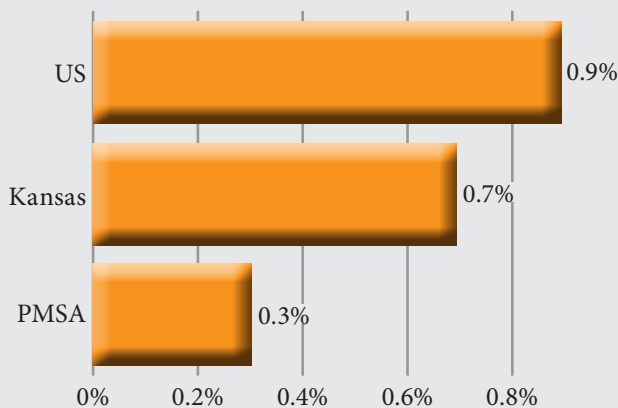


Source: Woods & Poole

PROJECTIONS:

A significant \$142.4 million has been invested in educational infrastructure, housing infrastructure and other basic infrastructure in Pittsburg in the last five years (to make it a 21st-century city and to make it more livable), which is a lot for a city with a population like Pittsburg. The population in the Pittsburg Micropolitan Area is projected increase to 39,900 in 2022 (up 1.2 percent from 2018), 3,027,900 statewide (up 2.8 percent) and 341.3 million nationwide (up 3.8 percent).

Population Growth 2018



Source: Woods & Poole

Population

	PMSA	Change	Kansas	Change	US	Change
2013	39.3	-0.1%	2,892.8	0.3%	316,204.8	0.7%
2014	39.3	0.0%	2,899.4	0.2%	318,563.1	0.7%
2015	39.2	-0.2%	2,906.7	0.3%	320,898.8	0.7%
2016	39.2	-0.2%	2,907.3	0.0%	323,132.3	0.7%
2017	39.3	0.2%	2,925.2	0.6%	325,888.1	0.9%
2018*	39.4	0.3%	2,945.4	0.7%	328,910.9	0.9%

Source: Woods & Poole
numbers in thousands
*estimate

Population Projections

	PMSA	Change	Kansas	Change	US	Change
2018-2019	39.5	0.3%	2,965.8	0.7%	331,969.3	0.9%
2018-2022	39.9	1.2%	3,027.9	2.8%	341,327.7	3.8%

Source: Woods & Poole
numbers in thousands

Pittsburg Micropolitan Area Business Summary

	2018 Jobs	Percent	2018 Establishments	Percent	Average Employment Size
Forestry, and Fishing	216	1.3%	54	4.2%	4.0
Mining	27	0.2%	4	0.3%	6.8
Construction	566	3.4%	70	5.4%	8.1
Transportation, Communications, Electric, Gas, & Sanitary Services	1,426	8.5%	70	5.4%	20.4
Wholesale Trade	644	3.9%	59	4.6%	10.9
Finance, Insurance, & Real Estate	505	3.0%	109	8.4%	4.6
Services	6,785	40.6%	559	43.3%	12.1
Public Administration	1,148	6.9%	57	4.4%	20.1
Retail Trade	3,501	21.0%	249	19.3%	14.1
Manufacturing	1,886	11.3%	60	4.6%	31.4
Food and Kindred Products	215	1.3%	4	0.3%	53.8
Apparel, Finished Products from Fabrics and Similar Materials	19	0.1%	4	0.3%	4.8
Lumber and Wood Products, Except Furniture	8	0.1%	3	0.2%	2.7
Furniture and Fixtures	5	0.0%	1	0.1%	5.0
Paper and Allied Products	472	2.8%	3	0.2%	157.3
Printing, Publishing and Allied Industries	426	2.6%	6	0.5%	71.0
Chemicals and Allied Products	106	0.6%	3	0.2%	35.3
Rubber and Miscellaneous Plastic Products	79	0.5%	2	0.2%	39.5
Stone, Clay, Glass, and Concrete Products	60	0.4%	3	0.2%	20.0
Primary Metal Industries	15	0.1%	2	0.2%	7.5
Fabricated Metal Products, Except Machinery & Transport Equipment	101	0.6%	5	0.4%	20.2
Industrial and Commercial Machinery and Computer Equipment	227	1.4%	14	1.1%	16.2
Electronic, Electrical Equipment & Components, Except Computer Equipment	76	0.5%	4	0.3%	19.0
Transportation Equipment	5	0.0%	1	0.1%	5.0
Mesr/Anlyz/Cntrl Instruments; Photo/Med/Opti- cal Goods; Watches/Clocks	4	0.0%	1	0.1%	4.0
Miscellaneous Manufacturing Industries	68	0.4%	4	0.3%	17.0

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

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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



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Pittsburg 8 Theater.....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	University Bank ATM.....231-4200
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