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The Pittsburg Micropolitan Area Economic Profile, 2020

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ECONOMIC 2020 PROFILE

Pittsburg
Micropolitan
Area



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2020 ECONOMIC SUMMARY

THE COVID-19 PANDEMIC has taken a big toll on economic activity in every city nationwide. However, the Pittsburgh micropolitan area economy has improved significantly over the past few years and was on a very solid foundation at the beginning of 2020, going into the pandemic. Pittsburgh, the seat of the Pittsburgh micropolitan area, is the anchor of economic activity in Southeast Kansas, with almost 6,800 people commuting to the city every day for work according to the census.

The city administration is very pro-growth and has been the catalyst for local investment, with tax incentives and other economic development programs that are now bearing fruit.

Almost half a billion dollars has been invested in the City of Pittsburgh in the last six years (see page 2), which is possibly a national record for a city with a population of 21,000. This includes a significant investment in fiber optic internet cable, which prompted PCMag in February to rank Pittsburgh as the 31st best city nationwide in which to work from home.

Additionally, there are 29 downtown revitalization programs either ongoing or recently finished, and the area business community is very optimistic about the local economic future. The value of commercial building permits increased a significant 91.8 percent in 2020 and the value of commercial property sales increased 17.2 percent. The city is an excellent business location with a regional population of 658,720 living within a one-hour drive of downtown and a regional hard-working labor force of 331,327 which is 49.1 percent blue collar and 50.9 percent white collar.

Pitt Plastics (a local major employer) 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!"

It is no surprise that many major companies have headquarters in Pittsburgh, including Jake's Fireworks, Miller's Professional Imaging, and Watco Mechanical Services.

Cost of living and housing costs are important

quality-of-life indicators. The cost of living in the Pittsburgh micropolitan area was only 80.6 percent of the national average in 2020, according to the Center for Regional Economic Competitiveness, with a 2,400 square foot home on an 8,000 square foot lot in a middle-to upper-middle-class neighborhood costing \$253,300.

Pittsburgh is home to ten new housing developments consisting of more than 200 single-family homes recently completed or in the pipeline, and the value of residential building permits increased 42.2 percent in 2020. Furthermore, total deposits in the micropolitan area increased 12 percent in

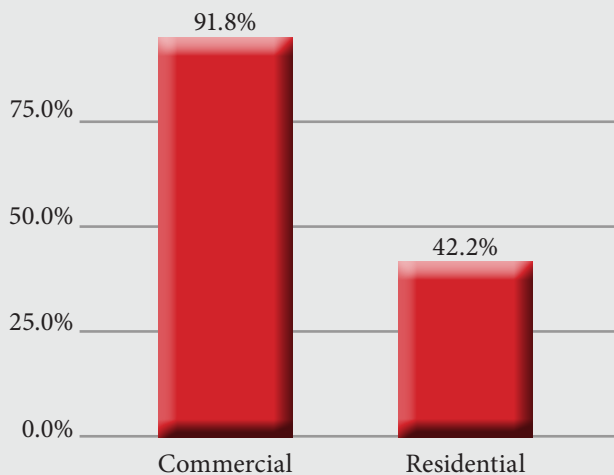
2020, indicating that financial resources are available locally for future development.

Equifax reports that 74.3 percent of the population in the Pittsburgh Micropolitan Area had a prime FICO credit score, 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.

Another good indicator of financial health in communities is per-capita bankruptcies. A total of 1.2 personal bankruptcy cases were filed per 1,000 people in the Pittsburgh Micropolitan Area during 2020, compared to 2.3 cases statewide and 2.5 nationwide. Furthermore, Demographics Now reports that during the 2010-2020 period, the number of middle-income households increased 15.2 percent in the

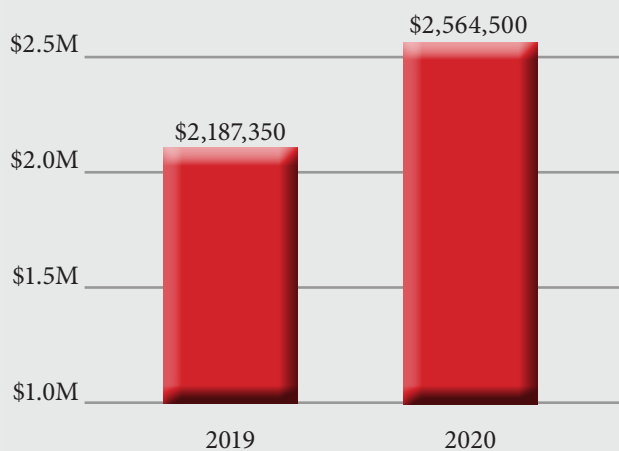
Pittsburgh micropolitan area and 16.7 percent in the City of Pittsburgh, which is well above the 4.9 percent increase statewide and an 8.3 percent increase nationwide.

Growth In The Value Of Building Permits City Of Pittsburgh 2020



Source: City of Pittsburgh

Value Of Commercial Property Sales Pittsburg Area

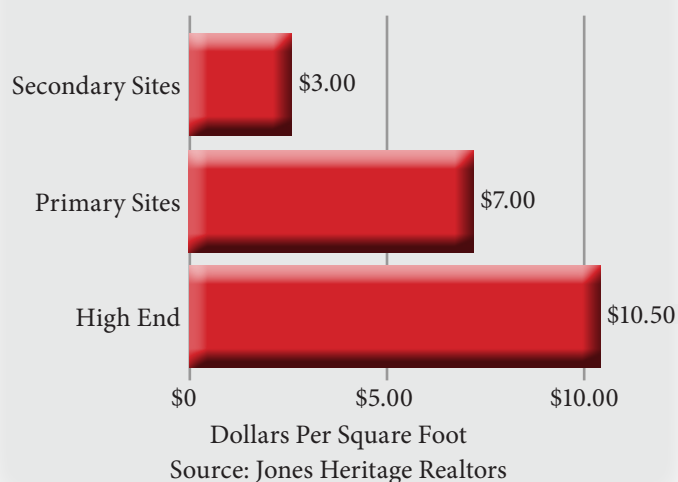


Source: Jones Heritage Realtors

COMMERCIAL AND RESIDENTIAL LAND MARKETS

COMMERCIAL LAND: The future of the Pittsburg area commercial land market looks good, and local businesses are optimistic about the future. More than 496

Commercial Land Values Average Price Pittsburg Area 2020



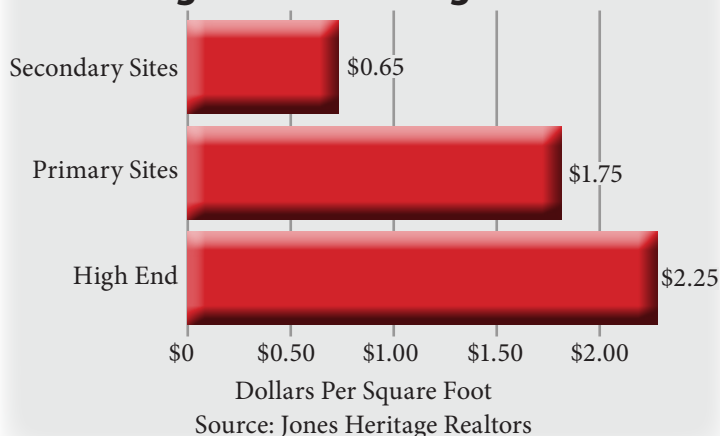
million dollars has been invested in the City of Pittsburg in the last six years (most of it private), which has to be a national record for a city with a population of 21,000. This includes \$79.2 million in housing infrastructure, \$74.5 million in medical infrastructure, \$67.5 million in industry infrastructure, \$50.0 million in entertainment infrastructure, \$43.3 million in public infrastructure, \$45.7 million in retail infrastructure, \$112.6 million in education infrastructure, \$17.8 million in hospitality infrastructure, \$10 million in fiber optic cable and internet infrastructure, and \$40.8 million in other infrastructure. Furthermore, Jones Heritage Realtors (a local authority on the commercial market) reports that the value of commercial building permits issued in Pittsburg increased to \$12.8 million 2020 (up a significant 91.8 percent from 2019), the value of land sales increased to \$630,000 (up 17.8 percent), and 19 commercial buildings were sold in 2020 for a total of \$2.6 million (up 17.2 percent).

According to Jones Heritage Realtors, one factor that will lead to improvement in the local economy is the current widening of Highway 69 from Fort Scott to Arma, which will provide Pittsburg with access to a four-lane highway all the way to Kansas City, and connects Pittsburg to the interstate system. That will be a boost for the local warehouse market. Industries such as manufacturing and trade (wholesale and retail) are heavy users of warehouses for packaging and storage. The average commercial land price of secondary sites is \$3.00 per square foot, increasing to an average high of \$7.00 at primary sites, and going as high as \$10.50 per square foot for high end sites.

RESIDENTIAL LAND: Pittsburg is an anchor of economic growth in the region and a 2016 survey by Kelce College of Business on the city's major employers found that 70.9 percent of all employees lived outside the city. Thereof, 59.2 percent of respondents holding a job in Pittsburg 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. This represents a major leakage of taxes and financial resource out of the city and since then the city has been a catalyst for numerous housing development developments which are either recently finished or still in the pipeline, including Silverback Landing with 140 homes, at \$238,000 to \$261,000 and HOA; Creekside East, 120 homes at \$210,000; Payton's Hamlet building 4 homes at \$350,000; Lakewood Drive Addition with 15 homes, at \$165,000 to \$200,000; Pitt Highlands with 25 low-income homes. Additionally, 30 homes and one commercial property were built through the land bank program at \$87,000 to \$165,000. Villas at Creekside is building more than 29 high-end villas for residents aged 55 and up with amenities. Downtown campus housing includes Block 22, with 99 units. Housing costs account for 32.8 percent of the average household budget, and affordable housing is vital for high quality of life. In the Pittsburg micropolitan area, local housing costs are only 62.8 percent of the national average'

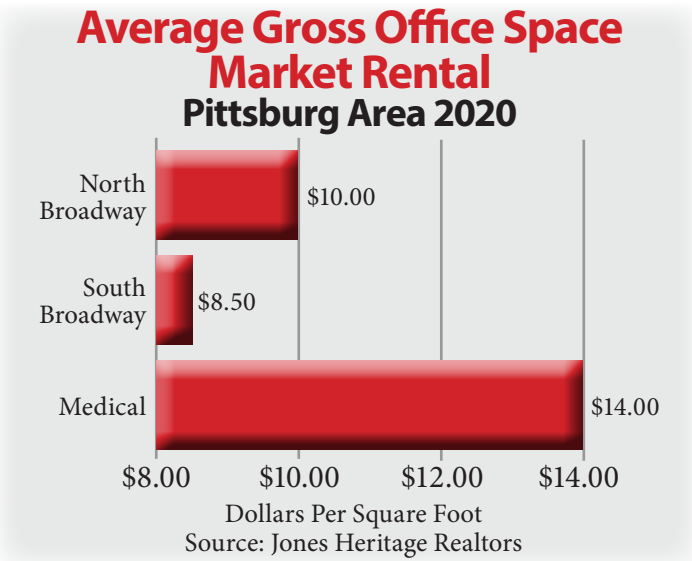
Jones Heritage Realtors reports that the local residential land market is doing well, with residential land values currently ranging from an average of \$0.65 per square foot in older neighborhoods to an average high of \$1.75 in primary sites, and going as high as \$2.25 per square foot in high-end locations. Multi-family residential land prices start at an average of \$0.75 per square foot in secondary locations and increase to an average of \$1.75 per square foot, but can go as high as \$2.25 in the best locations.

Single Family Residential Land Values Average Price Pittsburg Area 2020



OFFICE AND RETAIL SPACE MARKETS

OFFICE: Regional businesses need to be able to tap into services such as accounting, tax preparation, bookkeeping, payroll services, office administrative services, management

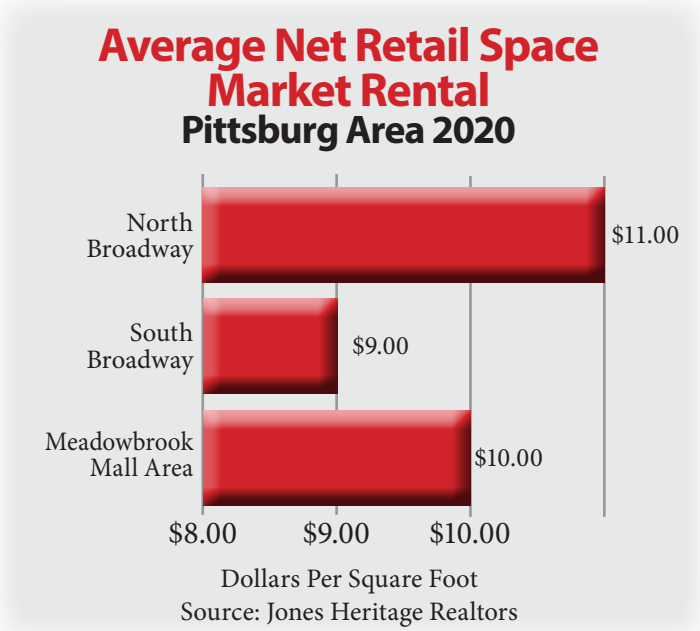


and technical consulting services, legal services, and medical services. As the regional business center for southeast Kansas, Pittsburg provides access to these office-based business services. That access is vital for regional economic growth in southeast Kansas. First estimates show that the number of office establishments in Pittsburg increased to 521 business establishments, employing 5,113 people. There are 141 health service establishments, employing 2,038 people; 61 business services establishments, employing 529 people; 54 personal service establishments, employing 140 people; 49 social services establishments, employing 794 people; 46 real estate establishments, employing 191 people; 46 engineering, accounting, research, management, and related establishments, employing 284 people; 31 depository institutions and non-depository credit institution establishments, employing 230 people; 31 insurance agents, brokers and insurance carrier establishments, employing 79 people; 27 communications and utilities establishments, employing 649 people; 26 legal services establishments, employing 160 people; and 9 security and commodity brokers, dealers, exchanges, and services establishments, employing 19 people.

Pittsburg is also home to the ninety-eight bed, 401,000 square foot Ascension Via Christi Hospital, which features a Level III Trauma Center, a 40,000-square-foot surgery center with state-of-the-art technology, robotics-assisted and minimally invasive surgery capability and a newly renovated \$2.6 million Cardiac Stepdown Unit. Jones Heritage Realtors (a local authority on the commercial real estate market) reports that average office gross rental rates are \$10.00 per square foot on North Broadway (the main thoroughfare), \$8.50 per square foot on South Broadway, and \$14.00 per square foot for medical space.

RETAIL: Pittsburg is a regional shopping center. 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 1.87 in 2020, meaning the population in Pittsburg would have to be 87 percent larger if all the consumption was local.

The Meadowbrook Mall is located in Pittsburg and there are over 40 small specialty retailers in downtown Pittsburg, 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 area is also host to several events and festivals during the year, including Artwalk, Little Balkans Days, and the Paint the Town Red celebration. Jones Heritage Realtors reports that the local office market did relatively well in 2020 (despite COVID-19), with average office net rental rates being \$11.00 per square foot on North Broadway (major thoroughfare), \$9.00 per square foot on South Broadway, and \$10.00 on Centennial (where the mall is). The Pittsburg micropolitan area had a total of 340 retail establishments in 2020 (down slightly from 2019), employing 3,895 people. There are 94 eating and drinking establishments, employing 1,283 people; 70 miscellaneous retail establishments, employing 254 people; 65 wholesale trade establishments, employing 685 people; 34 automotive dealers and gasoline service station establishments, employing 560 people; 26 food store establishments, employing 176 people; 15 apparel and accessory stores establishments, employing 80 people; 15 building materials, hardware, garden supply, and mobile home dealer establishments, employing 217 people; 11 home furniture, furnishings, and equipment store establishments, employing 113 people; and 10 general merchandise store establishments, employing 527 people.

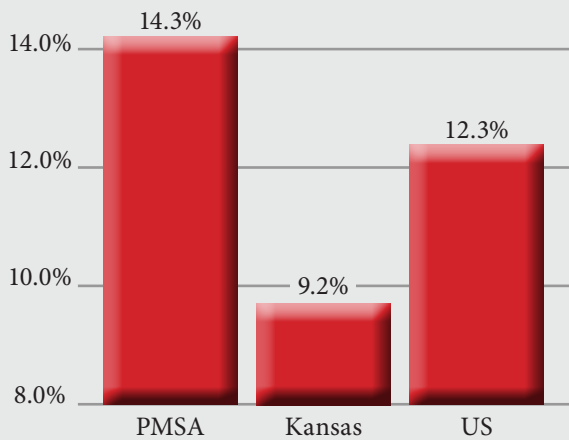


QUALITY OF LIFE AND PER CAPITA INCOME

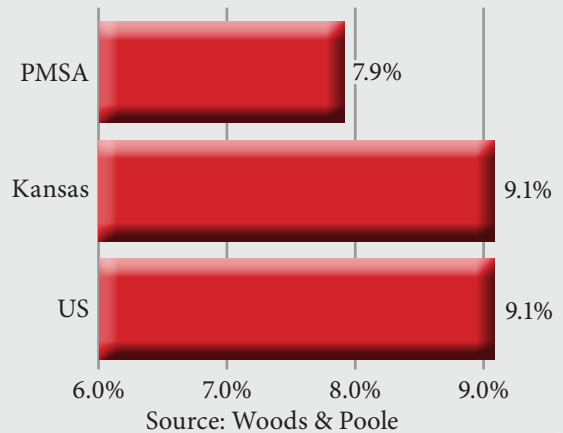
THE HIGH QUALITY OF LIFE in the Pittsburgh area is no secret. In January 2021, Business View Magazine called Pittsburgh a diamond in the rough, and in 2020 SmartAsset ranked Pittsburgh 9th nationwide for seniors who have over \$1 million. Furthermore, a 2019 U.S. News and World Report comprehensive study on the health of communities nationwide found that the Pittsburgh micropolitan area scored higher than most of the 813 communities in its “urban, up-and-coming” peer group. The study found that compared to its peer group the Pittsburgh micropolitan area has 36.1 percent greater access to local hospital beds per capita, 17.3 percent greater job diversity, 3.1 percent higher school expenditure per K-12 student, and 6.0 percent higher high school graduation rate. The area also has 15.4 percent less violent crime and a 32.1 percent lower homicide rate. Per capita income has also been growing at a very

healthy rate, up 16.4 percent in the 2015-2019 period (well above the 11.9 percent increase statewide and 14.9 percent nationwide), and first estimates show that it increased 14.3 percent in the 2015-2020 period (well above the 9.2 percent increase statewide and 12.3 percent nationwide).

Per Capita Income Growth 2015-2020



Per Capita Income Growth Projections 2021



PROJECTIONS:

The urban economic literature finds that amenities attract skilled and educated people, which increases per capita income. The Pittsburgh area urban amenities include 340 retail, eating, and drinking establishments; two performing arts centers; a 11,910-seat NCAA Division II football stadium; three golf courses; a philharmonic orchestra; an opera, and more. Local natural amenities include fourteen parks, walking and biking trails, and access to eight major lakes and rivers. The per capita income in the Pittsburgh micropolitan area is expected to increase to \$42,018 in 2021 (up 7.9 percent) and \$47,119 by 2024 (up 21.0 percent).

Per Capita Income

	Pittsburg Micro	Change	Kansas	Change	US	Change
2015	\$34,069	1.8%	\$47,386	1.1%	\$48,977	4.1%
2016	\$34,328	0.8%	\$47,510	0.3%	\$49,870	1.8%
2017	\$35,923	4.6%	\$48,869	2.9%	\$51,885	4.0%
2018	\$37,921	5.6%	\$51,471	5.3%	\$54,446	4.9%
2019	\$39,641	4.5%	\$53,035	3.0%	\$56,278	3.4%
2020*	\$38,949	-1.7%	\$51,762	-2.4%	\$54,984	-2.3%

Source: Woods & Poole
*estimate

Per Capita Income Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2021*	\$42,018	7.9%	\$56,491	9.1%	\$54,399	9.1%
2024*	\$47,119	21.0%	\$58,804	23.8%	\$61,699	23.7%

Source: Woods & Poole
*estimate

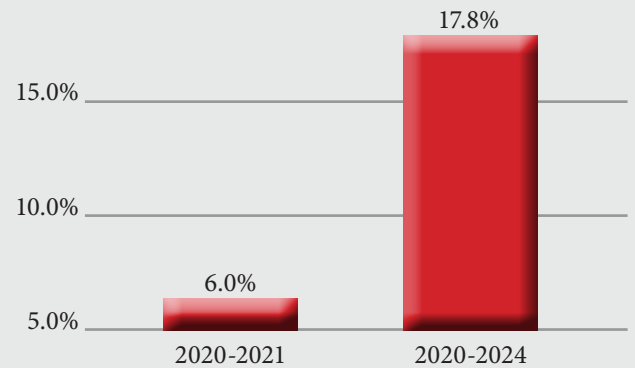
RETAIL SALES

RETAIL SALES WERE VERY VOLATILE nationwide in 2020. The year started out well for national retailers with a 5.2 percent increase in retail sales in January 2020, (from January 2019), and an 8.1 percent increase in February. Then COVID-19 hit, and total retail sales collapsed in April, down 19.4 percent, but increased again 23.9 percent in May and fluctuated significantly for the rest of the year. However, retail sales improved toward the end of the year, and total holiday sales increased 8.3 percent from last year, according to the National Retail Federation.

First estimates show that total retail sales in the Pittsburgh Micropolitan Area increased to \$568.3 million in 2020, up 2.0 percent from 2019. Non-store retailers had the highest increase, up 22.1 percent, following Building Materials and Garden Equipment and Supplies Dealers, up 17.8 percent; Food and Beverage Stores, up 12.2 percent; General Merchandise, up 6.2 percent; Sporting Goods, Hobby, Book, and Music Stores, up 5.7 percent; Health and Personal Care,

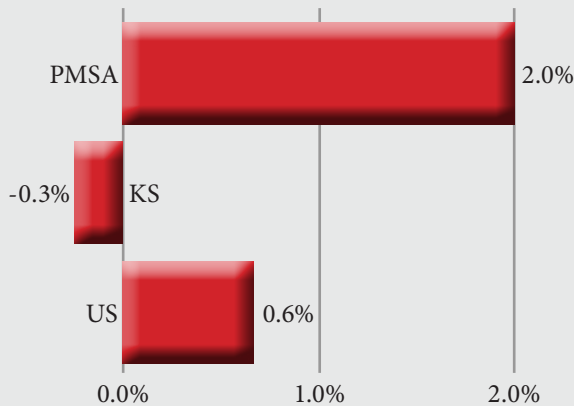
up 1.7 percent; Motor Vehicles and Parts, up 1.1 percent; Miscellaneous retail, down 1.2 percent; Furniture and Home Furnishing Stores, down 4.5 percent; Gasoline Stations, down 12.3 percent; Electronics and Appliance Stores, down 14.6 percent; Eating and Drinking Places, down 16.6 percent; and Clothing and Clothing Accessory Stores, down 26.4 percent.

Total Retail Sales Growth Projections Pittsburg Micropolitan Area



Source: Woods & Poole

Growth In Total Retail Sales 2020



Source: Woods & Poole

PROJECTIONS:

Retail sales in 2021 are expected to increase considerably both locally and nationwide due to pent-up demand stemming from reduced spending in 2020 due to COVID-19. Savings increased nationwide in 2020 and people now have more money to spend. Total retail sales are expected to increase to \$602.6 million in the Pittsburgh micropolitan area in 2021 (up 6.0 percent from 2020), to \$56.9 billion statewide (up 8.5 percent), and to \$6.9 trillion nationwide (up 8.3 percent). The trend in online shopping is expected to continue, and online retail sales are now projected to grow to over 25 percent of all retail sales by 2025.

Retail Sales

	Pittsburg Micro	Change	Kansas	Change	US	Change
2015	\$494.30	1.3%	\$46,233	2.0%	\$5,239,810	2.5%
2016	\$503.50	1.9%	\$47,277	2.3%	\$5,394,172	2.9%
2017	\$520.10	3.3%	\$48,921	3.5%	\$5,619,246	4.2%
2018	\$541.30	4.1%	\$51,000	4.2%	\$5,893,383	4.9%
2019	\$557.20	2.9%	\$52,669	3.3%	\$6,100,371	3.5%
2020*	\$568.30	2.0%	\$52,551	-0.3%	\$6,136,974	0.6%

Source: Bureau of Labor Statistics
in thousands of dollars
*estimate

Retail Sales Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2021*	\$602.6	6.0%	\$56,949.1	8.5%	\$6,874,080.7	8.3%
2024*	\$669.3	17.8%	\$64,332.3	22.5%	\$7,797,228.4	22.8%

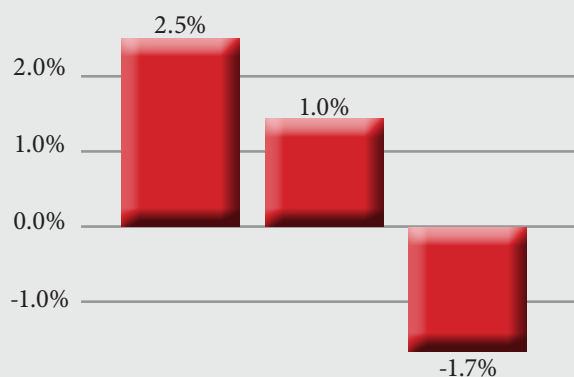
Source: Bureau of Labor Statistics
in thousands of dollars
*estimate

LABOR FORCE

NEW ESTIMATES SHOW that in 2020 the labor force increased 2.5 percent in the Pittsburgh metropolitan area , increased 1.0 percent statewide, and declined 1.7 percent nationwide. The micropolitan area labor force is 44.9 percent blue collar and 55.1 percent white collar. There is plenty of skilled labor in the Pittsburgh region, with 498,075 employed in blue-collar occupations (42.6 percent) and 669,798 in white-collar occupations (57.4 percent) within a 90-minute drive. The overall average labor force participation rate in 2020 was 61.8 percent, down from 63.1 percent in 2019. The average labor force participation rate was 44.9 percent for people without a high school diploma (down from 46.1 percent in 2020), 55.9 percent for people with a high school diploma but no college (down from 57.9 percent), 63.5 percent for people with some college or an associate's degree (down from 65.1 percent), and 72.4 percent for people with a bachelor's degree or higher (down from 73.8 percent). The labor

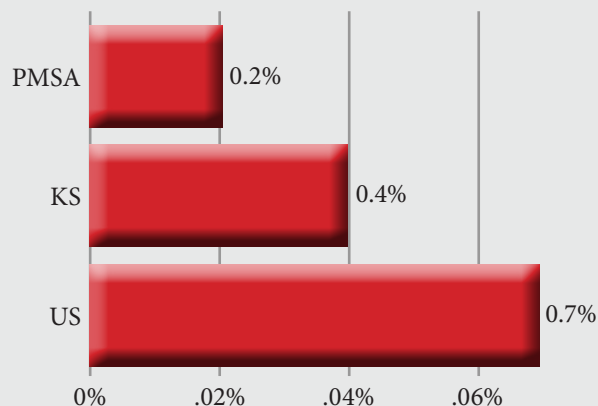
force participation rate was highest for Hispanics during the period 65.6 percent (down from 66.8 percent), 62.7 percent for Asians (down from 64.0 percent), 61.8 percent for Whites (down from 63.0 percent), and 60.5 percent for Blacks (down from 62.4 percent).

Labor Force Growth 2020



Source: Bureau of Labor Statistics

Labor Force Projections 2021



Source: Demographics Now

PROJECTIONS:

In 2021, the labor force is projected to increase to 19,235 in the Pittsburgh micropolitan area (up 0.2 percent from 2020), to 1.5 million statewide (up 0.4 percent), and to 161.9 million nationwide (up 0.7 percent). The micropolitan area skilled labor force in 2020 is relatively well educated according to the Demographics Now. Approximately, 28.2 percent have a four-year college degree or higher; 34.3 percent have some college or an associate degree, 27.7 percent have a high school diploma, and only 8.9 percent have not completed high school.

Labor Force

	Pittsburg Micro	Change	Kansas	Change	US*	Change
2015	18,923	-1.1%	1,489,559	-0.3%	157,130	0.8%
2016	18,895	-0.2%	1,483,633	-0.4%	159,187	1.3%
2017	19,046	0.8%	1,476,110	-0.5%	160,320	0.7%
2018	18,732	-1.6%	1,477,848	0.1%	162,075	1.1%
2019	18,729	0.0%	1,486,621	0.6%	163,539	0.9%
2020	19,195	2.5%	1,500,801	1.0%	160,742	-1.7%

Source: Bureau of Labor Statistics
*in thousands

Labor Force Projections

	Pittsburg Micro	Change	Kansas	Change	US*	Change
2021	19,235	0.2%	1,506,243	0.4%	161,892	0.7%
2024	19,352	0.8%	1,522,568	1.5%	165,340	2.9%

Source: Demographics Now
*in thousands

Snapshot Of The Pittsburg Region

Pittsburg Micropolitan Area	Crawford County Complete Report	70 Miles Radius Pittsburg, Kansas	100 Miles Radius Pittsburg, Kansas
Labor Force	20,717	331,327	1,207,915
Total Population	39,472	658,720	2,270,478
Population Densityx (per Sq. Mi.)	66.3	42.8	72.2
Total Households	16,043	260,591	885,128
POPULATION BY GENDER			
Male Population	19,793	326,245	1,123,482
Female Population	19,679	332,475	1,146,996
POPULATION PERCENT BY RACE AND ETHNICITY			
White	89.1%	86.8%	84.6%
Black	2.3%	1.6%	2.2%
American Indian or Alaska Native	1.1%	3.9%	3.4%
Asian/Native Hawaiian/Other Pacific Islander	2.1%	1.3%	2.4%
Some Other Race	2.4%	2.6%	3.6%
Two or More Races	3.1%	3.8%	3.8%
Hispanic Ethnicity	5.8%	5.7%	7.6%
Not of Hispanic Ethnicity	94.2%	94.3%	92.4%
HOUSEHOLDS BY INCOME			
Average Household Income	\$57,169	\$60,747	\$72,872
Median Household Income	\$41,547	\$45,869	\$53,327
Per Capita Income	\$23,852	\$24,296	\$28,653
EMPLOYMENT			
Total Population 16+	31,836	521,908	1,792,322
% Blue Collar	44.9%	49.1%	42.6%
% White Collar	55.1%	50.9%	57.4%
EDUCATIONAL ATTAINMENT			
Total Population Age 25+	23,738	446,233	1,510,265
% Grade K - 8	2.4%	3.5%	3.2%
% Grade 9 - 11	6.5%	8.9%	7.6%
% High School Graduate	27.7%	35.5%	32.2%
% Some College, No Degree	25.5%	24.0%	23.4%
% Associates Degree	8.8%	8.5%	7.7%
% Bachelor's Degree	17.5%	12.4%	16.6%
% Graduate Degree	10.7%	6.2%	8.7%
% No Schooling Completed	1.0%	1.0%	0.8%

Source: Demographics Now

Annual Mean Wages For Pittsburg Micropolitan Area 2020

Accountants and Auditors	\$56,282	Healthcare Practitioners and Technical Occupations	\$64,799
Advertising, Marketing, Promotions, Public Relations, & Sales Managers	\$101,112	Healthcare Support Occupations	\$26,545
Architecture and Engineering Occupations	\$60,738	Industrial Engineers	\$72,220
Cashiers	\$20,957	Laborers and Freight, Stock, and Material Movers, Hand	\$30,092
Chief Executives	\$183,085	Loan Officers	\$58,063
Child, Family, and School Social Workers	\$39,200	Machinists	\$32,602
Coaches and Scouts	\$25,024	Management Occupations	\$100,534
Computer Programmers	\$62,265	Market Research Analysts and Marketing Specialists	\$52,114
Computer User Support Specialists	\$37,921	Medical Assistants	\$28,025
Cooks, Institution and Cafeteria	\$23,033	Office and Administrative Support Occupations	\$30,347
Counselors, Social Workers & Other Community Social Service Specialists	\$39,819	Pharmacists	\$132,702
Customer Service Representatives	\$26,685	Police and Sheriff's Patrol Officers	\$40,405
Educational Instruction and Library Occupations	\$39,020	Postal Service Mail Carriers	\$52,191
Electricians	\$45,465	Receptionists and Information Clerks	\$26,529
Engineers	\$67,469	Retail Sales Workers	\$20,233
Financial Managers	\$128,888	Secretaries and Administrative Assistants	\$33,702
Firefighters	\$33,428	Software Devs., Software Quality Assurance Anals. & Testers	\$76,544
Food Preparation and Serving Related Occupations	\$19,368	Transportation, Storage, and Distribution Managers	\$85,437
General and Operations Managers	\$89,170	Waiters and Waitresses	\$17,398
Graphic Designers	\$34,639	Woodworkers	\$26,619

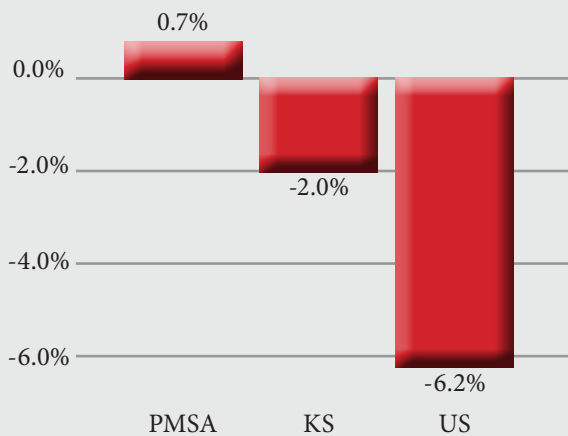
Source: Kansas Labor Market Information Center

EMPLOYMENT

EMPLOYMENT IS ESTIMATED by the Bureau of Labor Statistics from a monthly household survey and includes the self-employed, those working in home-based businesses, farm employment, and domestic employment. The survey asks people if they are employed, unemployed, or not in the labor force. Employment (in the micropolitan area or elsewhere) among residents of the Pittsburg micropolitan area increased 0.7 percent in 2020, while employment declined 2.0 percent statewide and 6.2 percent nationwide. Approximately 8.6 percent of the micropolitan area labor force works in management occupations; 5.0 percent in business and financial; 2.7 in computer, engineering, and science; 13.7 percent in education, legal, and community service; 4.4 in health diagnosing; 2.0 percent in health technology; 6.0 percent in healthcare support; 19.2 percent in service occupations (other than healthcare related); 8.7 percent in

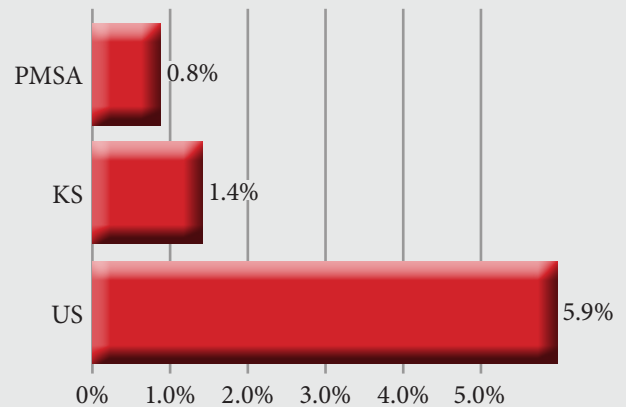
sales-related occupations; 10.0 percent in office and administrative support; 9.4 percent in production; 3.0 percent in transportation; 4.0 percent in material moving; and 3.4 percent in other occupations.

Employment Growth 2020



Source: Bureau of Labor Statistics

Employment Growth Projections 2021



Source: Demographics Now

PROJECTIONS:

Current estimates are that an incredible 30 percent of all small businesses nationwide closed in 2020. However, the number of jobs is projected to grow rapidly in the near future. Total employment is projected to continue to increase to 18,266 in the micropolitan area in 2021 (up 0.8 percent), to 1,430,779 statewide (up 1.4 percent), and to 156.6 million nationwide (up 5.9 percent). During the 2020-2024 period, employment is projected to increase 1.1 percent in the micropolitan area, 2.4 percent statewide, and 9.4 percent nationwide. The nation is expected to gain back all the jobs lost in 2020 in the next two year.

Employment

	Pittsburg Micro	Change	Kansas	Change	US*	Change
2015	17,959	-0.9%	1,427,337	0.1%	148,833	1.7%
2016	17,984	0.1%	1,423,730	-0.3%	151,436	1.7%
2017	18,244	1.4%	1,422,274	-0.1%	153,337	1.3%
2018	18,000	-1.3%	1,429,229	0.5%	155,761	1.6%
2019	18,003	0.01%	1,439,563	0.7%	157,538	1.1%
2020	18,120	0.7%	1,410,444	-2.0%	147,795	-6.2%

Source: Bureau of Labor Statistics
*in thousands

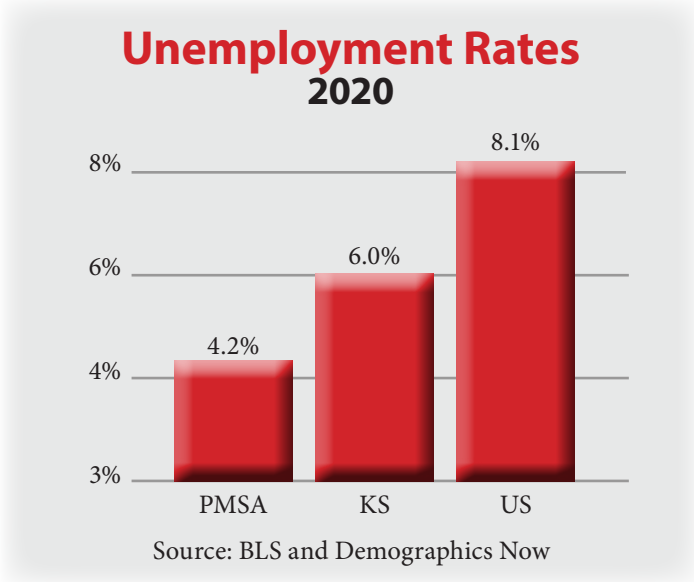
Employment Projections

	Pittsburg Micro	Change	Kansas	Change	US*	Change
2021	18,266	0.8%	1,430,779	1.4%	156,553	5.9%
2024	18,328	1.1%	1,444,235	2.4%	161,627	9.4%

Source: Demographics Now
*in thousands

UNEMPLOYMENT

IN JANUARY AND FEBRUARY 2020, unemployment was at a 50-year low and the economy was doing well. There were only 0.8 unemployed per job opening in February before COVID-19; that increased to 4.6 unemployed people per job opening in April, and then declined to 1.6 unemployed people per job in December. Nationwide, the average unemployment rate in 2020 was 11.8 percent for people with less than a high school diploma, 9.1 percent for high school graduates with no college, 7.8 percent for people with some college or an associate's degree, and 4.8 percent for people with a bachelor's degree. Blacks had the highest unemployment rate during the period (11.5 percent, up from 6.1 percent), followed by Hispanics (10.5 percent, up from 4.3 percent), Asians (8.7 percent, up from 2.7 percent) and Whites (7.3 percent, up from 3.3 percent). People in the Pittsburg micropolitan area were less affected by unemployment during COVID-19 than the rest of the nation. The average unemployment rate in the Pittsburg micropolitan area was 4.2



Unemployment Rate

	Pittsburg Micro	Kansas	US
2015	5.1%	4.2%	5.3%
2016	4.8%	4.0%	4.9%
2017	4.2%	3.6%	4.4%
2018	3.9%	3.3%	3.9%
2019	3.9%	3.2%	3.7%
2020	4.2%	6.0%	8.1%

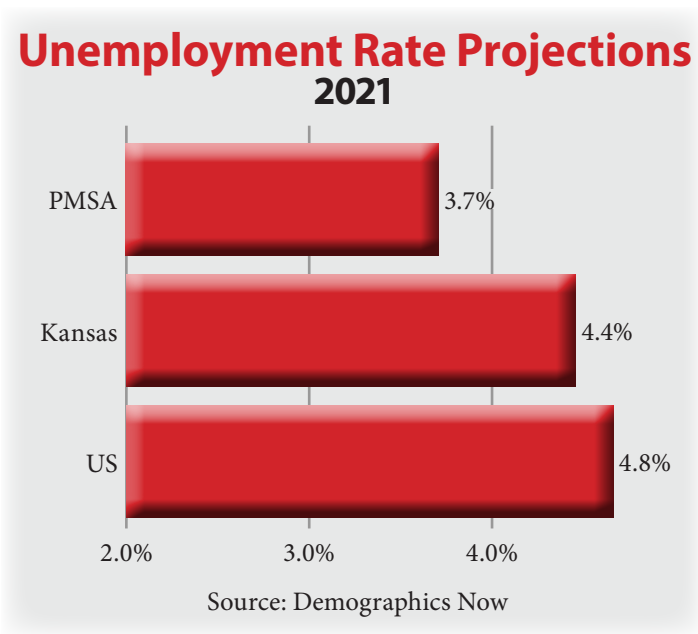
Source: Bureau of Labor Statistics

Unemployment Rate Projections

	Pittsburg Micro	Kansas	US
2021*	3.7%	4.4%	4.8%
2024*	3.5%	3.7%	3.8%

Source: Demographics Now
*estimate

percent in 2020, up from 3.9 percent in 2019), well below the 6.0 percent statewide (up from 3.2 percent) and 8.1 percent nationwide (up from 3.7 percent).



PROJECTIONS: COVID-19 was difficult for labor markets nationwide, with many people losing their livelihood. The Bureau of Labor Statistics reports that as of December 2020, 4.9 million people had dropped out of the labor force, 7.5 million had to take pay/hour cuts, 3.7 were unemployed but misclassified as employed, and 10.7 million were officially unemployed. However, most economists think the unemployment rate nationwide will improve significantly in 2021, with the unemployment rate in 2021 projected to decline to 4.8 percent nationally, 4.4 percent statewide, and 3.7 percent in the Pittsburg micropolitan area.

Pittsburg Micropolitan Area Economic Profile

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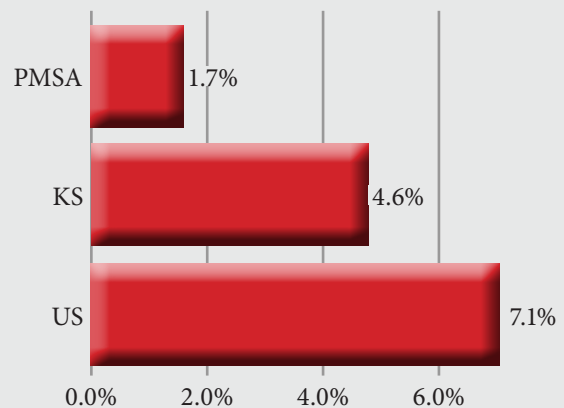
JOB GROWTH

THE NATIONAL ECONOMY was very healthy at the beginning of 2020 with more jobs unfilled nationwide than the number of people unemployed. Then the coronavirus ushered in a policy-induced recession. Non-farm employment began to decline nationwide in March, down 1.0 million from February, and took a nosedive during the April 2020 lockdowns, down 20.8 million. The job losses were disproportionately in small, service-based businesses, but more than half of the jobs created since April were also created by small and mid-size firms, according to the ADP Research Institute.

Approximately 16.2 percent of all jobs created since April were created by firms with 19 or fewer employees, 10.3 percent by firms with 20-49 employees, 18.2 percent by firms with 50-499 employees, and 28.7 percent were created by firms with 500 or more employees. Local authorities in the Pittsburg micropolitan area have kept the economy mostly open since April. First estimates show that the number of jobs declined to 16,820 in the Pittsburg micropolitan area

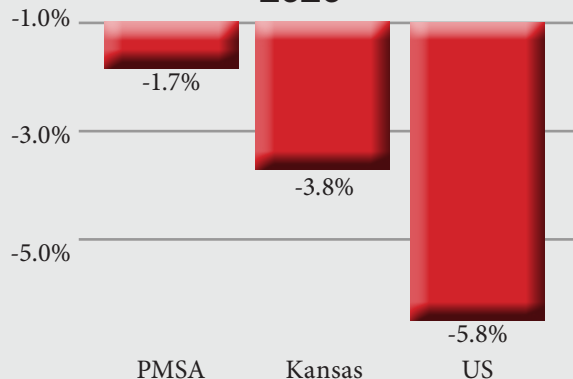
(down 1.7 percent from 2019), 1,340,243 statewide (down 3.8 percent) and 139,514,997 nationwide (down 5.8 percent). Low income jobs were the hardest hit nationwide, down 22.5 percent in December 2020 from January, followed by middle income jobs (down 4.8 percent), and high-income jobs (down 2.3 percent).

Job Growth Projections 2021



Source: Woods & Poole

Job Growth 2020



Source: Bureau of Labor Statistics, BERC

PROJECTIONS:

Most of the major employers in the Pittsburg micropolitan area sell their product nationwide and are therefore heavily dependent on the national economy. The number of jobs is projected to increase 7.1 percent nationwide in 2021 (assuming no COVID-19 flareups), 4.6 percent statewide, and 1.7 percent in the Pittsburg micropolitan area. Local businesses are optimistic about the economy. A Pittsburg Chamber survey done in August 2020 found that 63.3 percent of local business intend to hire in the near future, 36.7 plan to maintain their current workforce, and none indicated planned layoffs.

Total Jobs

	Pittsburg Micro	Change	Kansas	Change	US	Change
2015	16,841	-0.3%	1,367,329	0.8%	139,491,699	2.1%
2016	16,969	0.8%	1,370,665	0.2%	141,870,066	1.7%
2017	17,233	1.6%	1,371,633	0.1%	143,859,855	1.4%
2018	17,051	-1.1%	1,383,119	0.8%	146,131,754	1.6%
2019	17,113	0.4%	1,393,184	0.7%	148,105,092	1.4%
2020*	16,820	-1.7%	1,340,243	-3.8%	139,514,997	-5.8%

Source: BLS-QCEW & Woods and Poole
*estimate

Total Jobs Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2021*	17,113	1.7%	1,402,290	4.6%	149,477,004	7.1%
2024*	17,329	3.0%	1,459,241	8.9%	158,570,716	13.7%

Source: BLS-QCEW & Woods and Poole
*estimate

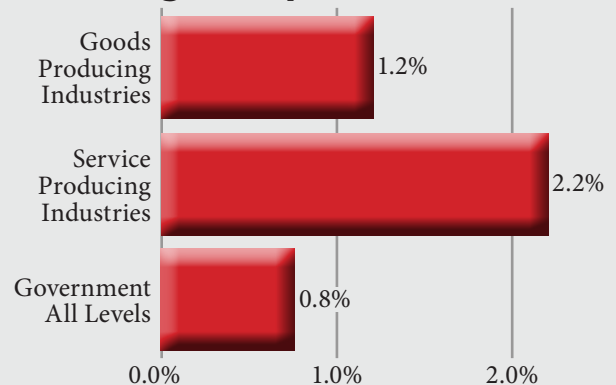
INDUSTRY MIX

FIRST ESTIMATES show that two industries in the Pittsburg micropolitan area added jobs in 2020. Trade, Transportation, and Utilities, with a total of 3,186 jobs, was up 75 jobs from 2019, followed by Construction with 427 jobs, up 10 jobs. Nine industries lost jobs in 2020. Natural Resources and Mining with 91 jobs, down 4 jobs; Information with 288 jobs, down 9 jobs; Financial Activities with 449 jobs, down 10 jobs; Other Services (automobile repair, dry cleaners, etc.) with 202 jobs, down 24 jobs; Professional and Business Services with 1,261 jobs, down 30 jobs; Education and Health Services with 2,292 jobs, down 41 jobs; Government (all levels) with 4,207 jobs, down 51 jobs; Manufacturing with 2,526 jobs, down 74 jobs; and Leisure and Hospitality with 1,893 jobs, down 134 jobs.

Overall, the goods-producing industries had 3,044 jobs in 2020, down 68 jobs, and the service-producing industries had 9,571 jobs, down 172 jobs. Statewide, Transportation, Communication and Utilities also had the largest

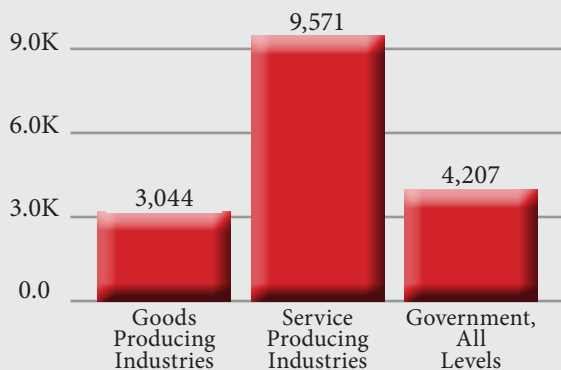
growth (up 2,000 jobs), and Leisure and Hospitality had the largest loss (down 1,800 jobs), while the federal government had the largest job growth nationwide (up 105,000 jobs), and Leisure and Hospitality had the largest job loss (down 3,410,000 jobs).

Job Growth Projections Pittsburg Micropolitan Area 2021



Source: Woods & Poole

Number Of Jobs Pittsburg Micropolitan Area 2020



Source: Bureau of Labor Statistics, BERC

PROJECTIONS:

The Pittsburg micropolitan area economy is resilient. Latest estimates show that the number of businesses in the micropolitan area did not decline in 2020. There are currently several stimulus programs still active nationwide and more in the pipeline and there is considerable optimism nationwide about the overall economic future. In the period from 2020 to 2025, employment in the goods-producing industries is expected to increase 0.7 percent, employment in the service producing industries is expected to increase 3.3 percent, and employment in government is expected to increase 1.2 percent.

Pittsburg Micropolitan Area 2020

Industry*	Establishment	Jobs	Growth	Percentage Growth	Wages
Natural resources and mining	23	91	-4	-3.8%	\$42,025
Construction	77	427	10	2.3%	\$39,540
Manufacturing	45	2526	-74	-2.9%	\$43,636
Trade, transportation, and utilities	227	3186	75	2.4%	\$37,184
Information	16	288	-9	-3.0%	\$49,103
Financial activities	101	449	-10	-2.1%	\$40,292
Professional and business services	137	1261	-30	-2.3%	\$41,543
Education and health services	124	2292	-41	-1.7%	\$40,567
Leisure and hospitality	94	1893	-134	-6.6%	\$15,210
Other services	66	202	-24	-10.6%	\$25,823
Total Government	71	4207	-51	-1.2%	\$36,352
Goods-producing	145	3044	-68	-2.2%	\$42,944
Service-providing	765	9571	-172	-1.8%	\$34,380
Total Covered, All Industries	981	16822	-291	-1.7%	\$36,385

Source: BLS - BERC

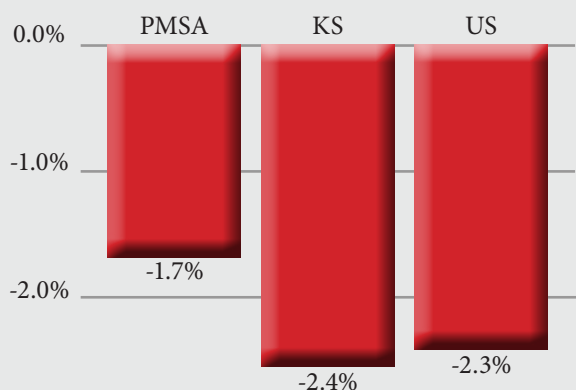
*estimate

GROSS DOMESTIC PRODUCT

THE GROSS DOMESTIC (REGIONAL) PRODUCT measures aggregate production in a given year and is the best measure available for overall economic activity. The gross domestic product is one of the most used economic development indicators worldwide. Based on GDP, the U.S. national economy was in great shape at the beginning of 2020. When COVID-19 hit, national, state and local governments responded by implementing lockdowns, and economic activity collapsed nationwide. This resulted in a nationwide economic calamity unmatched since the Great Depression in the scale of the sudden collapse in consumer spending, business closures, and job losses. Never in history has the US economy stopped as suddenly as it did in late March 2020. The COVID-19 recession is characterized as a service-based recession. The local economy in the Pittsburgh micropolitan area did not decline as steeply as the national economy because it is less dependent on service-producing businesses.

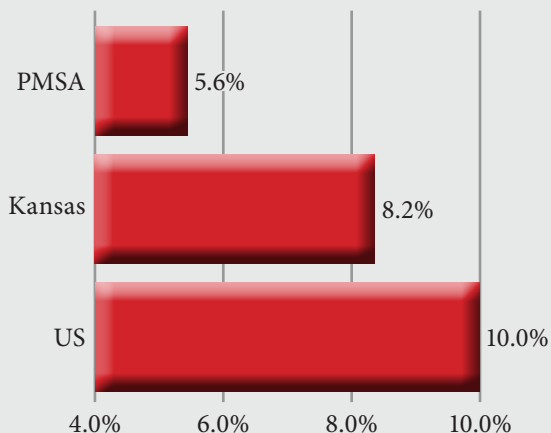
First estimates for 2020 show that the gross domestic product declined 2.3 percent nationwide, 2.4 percent statewide, and 1.7 percent in the Pittsburgh micropolitan area. The Pittsburgh micropolitan area economy was doing well before the COVID-19 recession and has been growing at a very healthy rate.

Gross Domestic Product Growth 2020



Source: Woods & Poole

Gross Domestic Growth Projections 2021



Source: Woods & Poole

PROJECTIONS:

The 2020 recession was a brief, but very deep, policy-induced recession. Congress, the executive government and the Federal Reserve responded with stimulus programs unmatched in the history of the U.S., spending trillions of dollars. The catalyst for the recession was not economic factors such as a decline in consumption or investment; therefore, most economists expect the economy to grow back quickly with the help of the existing stimulus programs. In 2021, the GDP is projected to increase by 5.6 percent in the Pittsburgh micropolitan area, by 8.2 percent statewide, and by 10 percent nationwide.

Gross Domestic Product

	Pittsburg Micro	Change	Kansas	Change	US	Change
2015	\$1,409	2.2%	\$152,374	2.8%	\$18,112,890	4.0%
2016	\$1,420	0.8%	\$156,857	2.9%	\$18,602,095	2.7%
2017	\$1,496	5.3%	\$161,220	2.8%	\$19,405,942	4.3%
2018	\$1,541	3.0%	\$168,318	4.4%	\$20,463,457	5.4%
2019	\$1,573	2.0%	\$173,161	2.9%	\$21,262,941	3.9%
2020*	\$1,545	-1.7%	\$169,006	-2.4%	\$20,773,893	-2.3%

Source: Woods & Poole
in current dollars, *estimate

Gross Domestic Product Projections

	Pittsburg Micro	Change	Kansas	Change	US	Change
2021*	\$1,631	5.6%	\$182,943	8.2%	\$22,848,002	10.0%
2024*	\$1,772	14.7%	\$204,948	21.3%	\$26,194,546	26.1%

Source: Woods & Poole
in current dollars, *estimate



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