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The Pittsburg Micropolitan Area Economic Report, Quarter 2, 2024

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THE PITTSBURGH MICROPOLITAN AREA ECONOMIC REPORT

The State of the Local Shopping Mall Industry

SHOPPING MALL VISITS nationwide dropped by 91.0 percent during the COVID lockdown in April 2020, and numerous mall anchors have filed for bankruptcy since then or left the malls.

At the same time, e-commerce expanded significantly, up 40.8 percent in 2020 and 66.9 percent from 2019 to 2023. Total revenues in the shopping mall management industry declined 18.4 percent in the 2019-2023 period, profits declined 7.7 percent and employment declined 23.8 percent.

However, shopping malls have many advantages, including variety of shops as well as dining and other cultural experiences in a single location, and, like other brick and mortar retail, mall stores allow customers to see what they are buying and take it home right away. From the retailer

side, malls have consistent foot traffic, approximately 75 percent of mall customers buy more goods than they came to buy, and in-store sales have a 67.2 percent lower merchandise return rate than online sales.

Shopping malls are resilient and have reorganized to increase efficiency, resulting in a 7.0 percent increase in revenue per labor hour in the 2019-2023 period. Moreover, malls are more productive than other retail formats in terms of sales per square foot of leasable area according to the International Council of Shopping Centers (ICSC).

The local Meadowbrook Mall, with 184,000 square feet of indoor space, is a popular destination for shoppers and visitors in the region, according to Placer.ai. Their number of visits increased

to 1,001,485 in the last 12 months, up a significant 3.9 percent from the previous 12-month period. The average mall visit lasted 65 minutes, and approximately 15.8 percent of visits were preceded by other shopping and 8.8 percent by dining; 18.5 percent of visitors continued their shopping after leaving Meadowbrook Mall, and 12.9 percent went dining.

During the last 12 months, 57.7 percent of visitors to Meadowbrook Mall were from the Pittsburgh micropolitan area, 89.3 percent were from within a 50-mile radius of Pittsburgh, 82.8 percent were from Kansas, 13.8 percent from Missouri, and 1.2 percent from Oklahoma. December, July, and June had the most visits, and Fridays and Saturdays were the most popular shopping days.

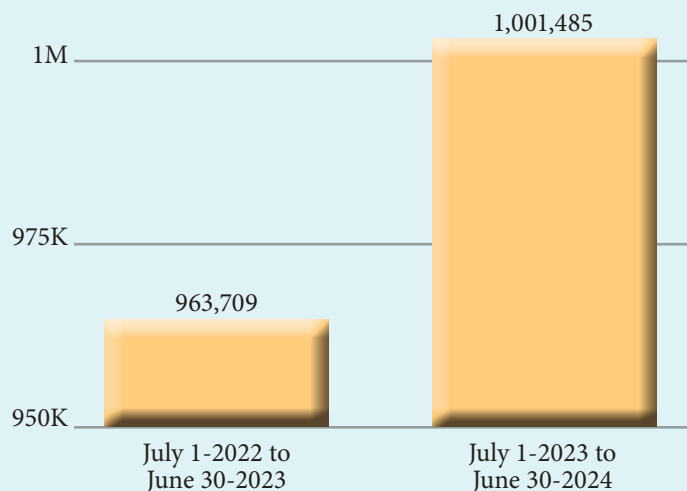
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Number of Visitations Meadowbrook Mall - Pittsburg Kansas



Source: Placer.ai

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LOCAL ECONOMY

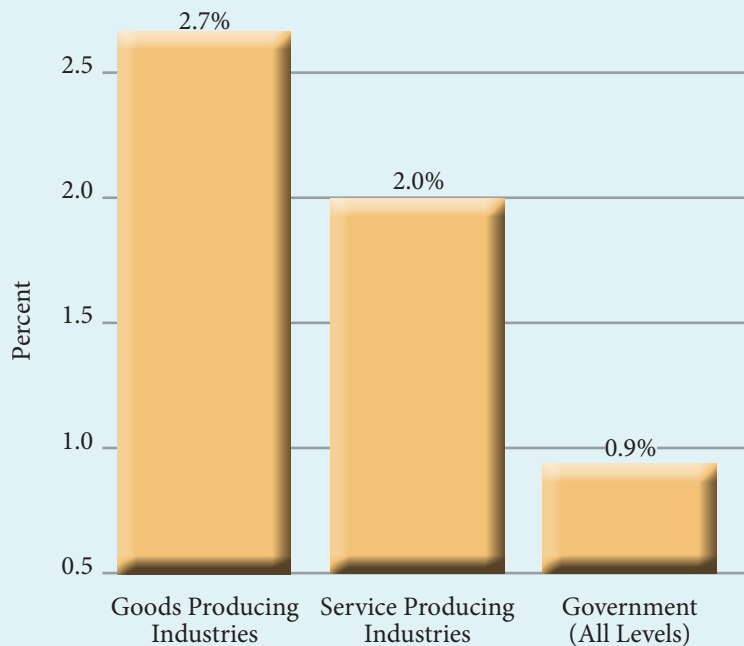
The Bureau of Labor Statistics (BLS) reports that the 1,060 business establishments in the Pittsburgh micropolitan area posted an average of 17,666 jobs during 2023 (up a 1.9 percent from 2022), a total payroll of \$773.2 million (up 5.0 percent), and average monthly wages of \$43,765 (up 3.0 percent).

The goods-producing industries had the most significant growth and posted 3,814 jobs (up 2.7 percent), a total payroll of \$201.6 million (up 5.6 percent), and monthly wages of \$52,846 (up 2.9 percent); the services-producing industries posted 9,634 jobs (up 2.0 percent), a total payroll of \$394.9 million (up 4.5 percent), and monthly wages of \$40,984 (up 2.4 percent); government (all levels) posted 4,218 jobs (up 0.9 percent), a total payroll of \$176.8 million (up 5.3 percent), and monthly wages of \$41,908 (up 4.4 percent).

Most local businesses are small businesses, with approximately 94.6 percent of all area businesses having fewer than 50 jobs, accounting for 42.3 percent of all local employment.

The ADP Research Institute reports that private businesses with fewer than 20 employees are adding 25.2 percent of all jobs nationwide, businesses with 20-49 employees are adding 17.3 percent of all jobs, and business with 50 or more employees are adding 57.5 percent of all jobs.

Job Growth by Super Sector Pittsburg Micropolitan Area 2023



Source: Bureau of Labor Statistics

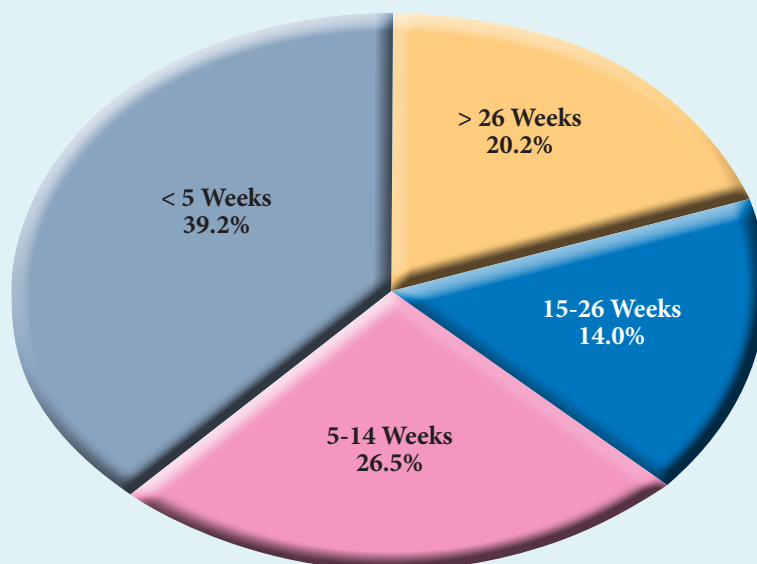
UNEMPLOYMENT

The national unemployment rate increased to 4.3 percent in June 2024, according to the Bureau of Labor Statistics, up from 3.8 percent in June 2023. However, long term unemployment is increasing. Of those unemployed in June 2024, 39.2 percent had been unemployed less than five weeks, 26.5 percent had been unemployed 5-14 weeks, 20.2 percent more than 26 weeks, and 14.0 percent 15-26 weeks.

The unemployment rate is currently highest for transportation and material moving occupations (6.7 percent), followed by service occupations at 5.0 percent; farming, fishing, and forestry occupations at 4.7 percent; construction and extraction occupations at 4.5 percent; production occupations at 4.5 percent; sales and related occupations at 4.5 percent; office and administrative support occupations at 2.9 percent; professional and related occupations at 2.9 percent; installation, maintenance, and repair occupations at 1.6 percent; and management, business and financial occupations at 1.6 percent.

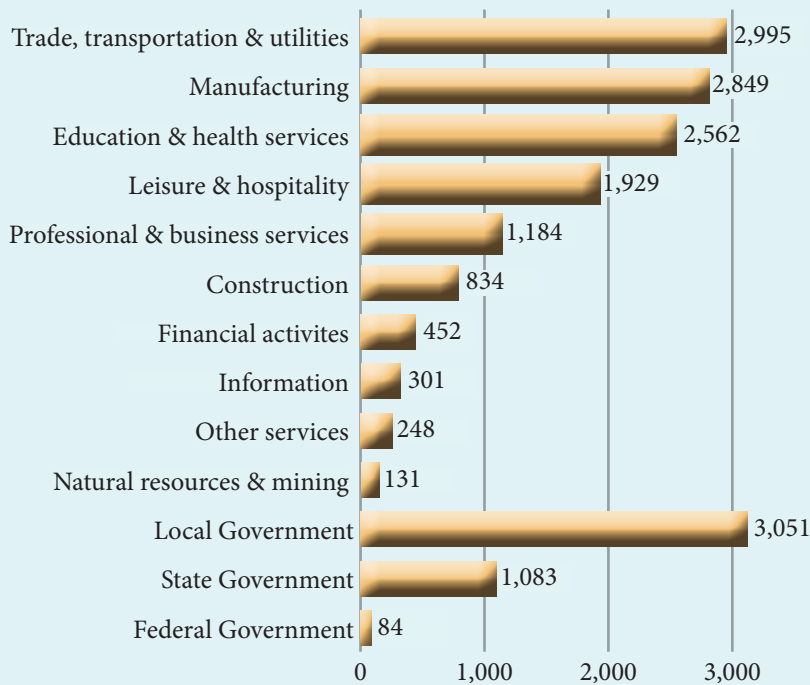
The labor market is cooling, and there were 0.8 unemployed people per job opening in May 2024 (latest available). The unemployment rate was 3.1 percent statewide in June (up from 2.6 percent) and 4.4 percent in the Pittsburgh micropolitan area (up from 3.1 percent).

Composition of Unemployment Nationwide - June 2024



Source: Bureau of Labor Statistics

Number of Jobs by Industry Pittsburg Micropolitan Area, 2023



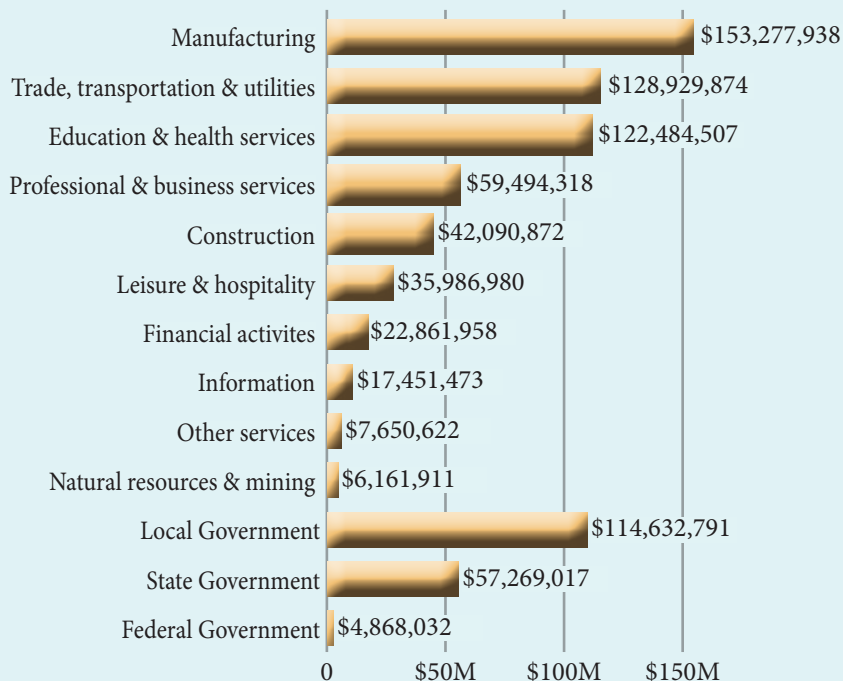
Source: Bureau of Labor Statistics

JOBS BY INDUSTRY

The Bureau of Labor Statistics reports that in 2023 (latest available) trade, transportation, and utilities had the most jobs among the non-government industries in the Pittsburg micropolitan area, with 2,995 jobs (up 1.9 percent from 2022) and \$43,054 in annual wages, followed by manufacturing, with 2,849 jobs (up 0.5 percent) and \$53,794 in wages; education and health services, with 2,526 jobs (up 4.6 percent) and \$48,482 in wages; leisure and hospitality services with 1,929 jobs (down 1.0 percent) and \$18,652 in wages; professional and business services, with 1,184 jobs (down 1.2 percent) and \$50,252 in wages; construction, with 834 jobs (up 7.9 percent) and \$50,489 in wages; financial activities, with 452 jobs (up 0.2 percent) and \$50,617 in wages; information services, with 301 jobs (up 14.9 percent) and \$58,075 in wages; other services (automobile repair, dry cleaners, etc.), with 248 jobs (up 7.8 percent) and \$30,860 in wages; and natural resources and mining, with 131 jobs (up 21.3 percent) and \$47,188 in wages.

Local governments posted 3,051 jobs (up 1.1 percent), with \$37,569 in wages; state government posted 1,083 jobs (up 0.7 percent), with \$52,900 in annual wages, and the federal government posted 84 jobs (down 1.2 percent), with \$57,838 in wages.

Payroll by Industry Pittsburg Micropolitan Area, 2023



Source: Bureau of Labor Statistics

PAYROLL BY INDUSTRY

Manufacturing has more impact on local household finances than any other industry in the Pittsburg micropolitan area with the largest payroll and the second highest wages.

Manufacturing posted \$153.3 million in total annual payroll in 2023 (up 5.0 percent from 2022), followed by trade, transportation and utilities, with annual payroll of \$128.9 million, up 4.5 percent; education and health services, with \$122.5 million in annual payroll, up 3.7 percent; professional and business services, with \$59.5 million in annual payroll, up 1.1 percent; construction, with \$42.1 million in annual payroll, up 5.3 percent; leisure and hospitality services, with \$36.0 million in annual payroll, up 4.0 percent; financial activities, with \$22.9 million in annual payroll, up 9.2 percent; information services, with \$17.5 million in annual payroll, up 16.1 percent; other services, with \$7.7 million in annual payroll, up 8.3 percent; and natural resources and mining, with \$6.2 million in annual payroll, up 28.5 percent.

Local governments posted \$114.6 million in annual payroll, up 7.1 percent; state government posted \$57.3 million in annual payroll, up 1.9 percent; and the federal government posted \$4.9 million in annual payroll, up 6.3 percent.

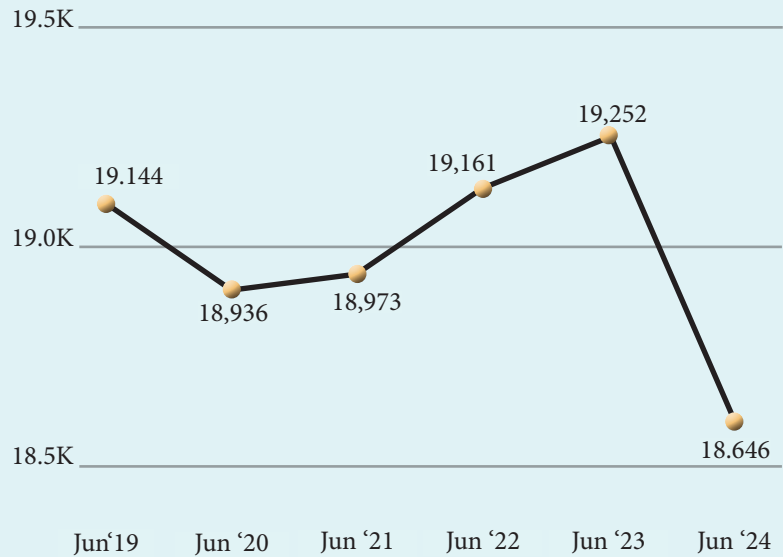
LABOR FORCE

The national labor force increased to 169.0 million in June 2024, according to the Bureau of Labor Statistics (up 0.7 percent from June 2023), and the labor force participation rate was 63.0 percent (up from 62.9 percent).

Approximately 3.1 percent of the Pittsburgh micropolitan area workforce is in building and grounds cleaning and maintenance occupations; 6.0 percent is in business and financial operations occupations; 4.4 percent in construction and extraction occupations; 12.3 percent in education, legal, community service, arts, and media occupations; 6.6 percent in food preparation and serving related occupations; 4.2 percent in health diagnosing and treatment and other technical occupations; 4.7 percent in healthcare support occupations; 3.8 percent in installation, maintenance, and repair occupations; 7.7 percent in management occupations; 4.6 percent in material moving occupations; 10.5 percent in office and administrative support occupations; 8.8 percent in production occupations; 8.7 percent in sales and related occupations; 4.1 percent in transportation occupations; 10.5 percent in other occupations.

The statewide labor force stood at 1,507,224 in June (down 0.5 percent) and 18,646 in the Pittsburgh micropolitan area (down 3.7 percent).

Labor Force Pittsburg Micropolitan Area



Source: Bureau of Labor Statistics

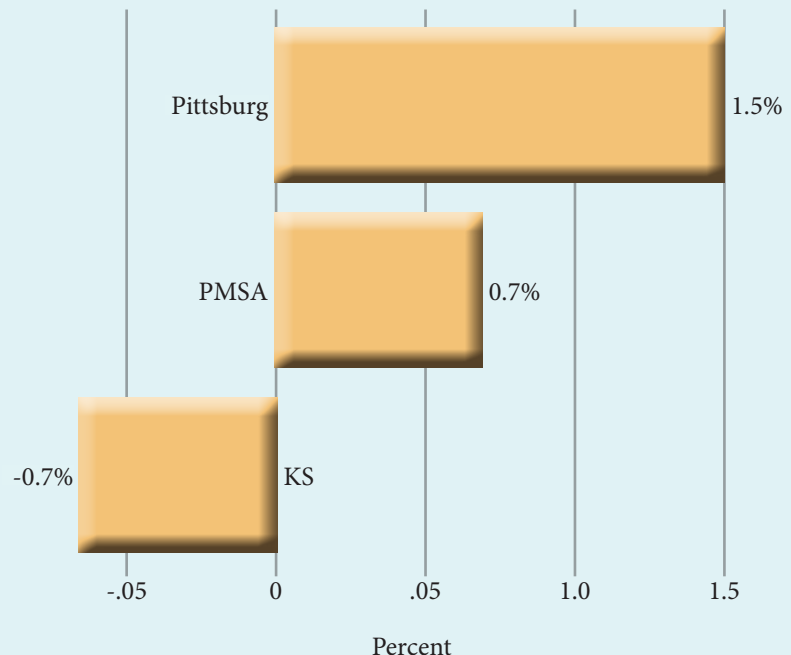
TAXABLE SALES

The Kansas Department of Revenue (KDOR) reports that during the first quarter of 2024, taxable sales (retail sales plus some taxable service sales and tourism taxes such as on hotels and rental cars) were \$105.4 million in the City of Pittsburg (up 1.5 percent from first quarter of 2023), \$138.0 million in the Pittsburgh micropolitan area (up 0.7 percent), and \$12.7 billion statewide (down 0.7 percent).

Retail sales are slowing nationwide due to higher prices, according to Coresight Research, and the Census reports that 61.9 percent of households say it is somewhat or very difficult to pay household expenses. Approximately 84.5 percent of retail sales nationwide were in-store in February 2024, according to CapitalOne shopping research (down from 86.5 percent in February 2023), and brick and mortar store sales increased only 2.2 percent to \$7.1 trillion in 2023, well below the 9.1 percent increase in 2022 and 18.3 percent increase in 2021.

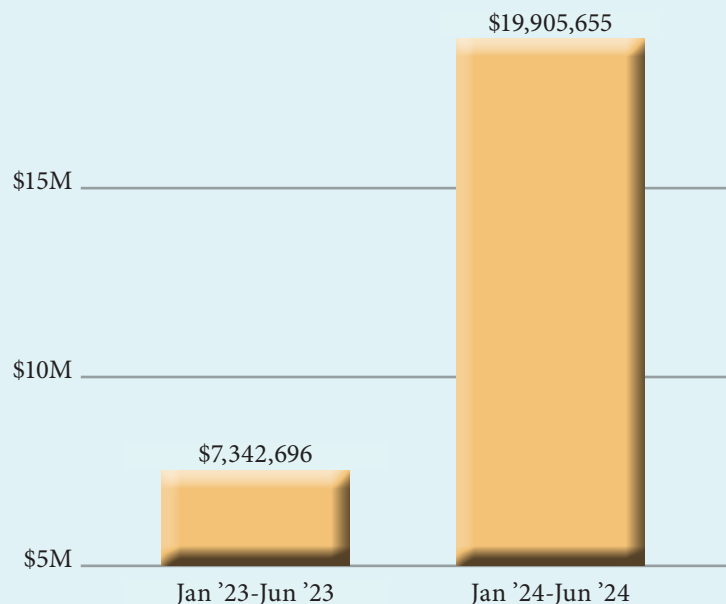
Total annual retail brick and mortar store sales increased 28.3 percent post COVID (2020-2023) while at the same time inflation increased 17.7 percent. Total brick and mortar store sales are projected to increase 2.2 percent in 2024.

Growth in Taxable Sales Jan '23 - Jun '23 to Jan '24 - Jun '24



Source: Kansas Department of Revenue

Value of Residential Permits City of Pittsburgh



Source: City of Pittsburgh

RESIDENTIAL PERMITS

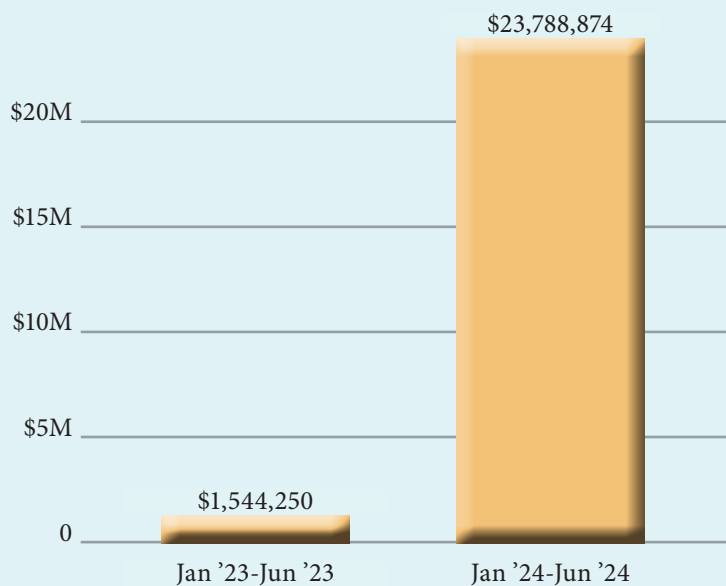
The housing market nationwide has deteriorated significantly since before COVID.

In May 2024, the median price of a home nationwide was \$419,300 (up 55.1 percent from \$270,400 in February 2020), the average mortgage rate was 6.92 percent on a 30-year fixed rate loan (up from 3.89 percent in February 2020), and the average mortgage payment, assuming a 20.0 percent down payment, was \$2,214 (up 117.3 percent from \$1,019 in February 2020).

The National Realtors Association states that only 68.4 percent of would-be first-time home buyers qualify for a mortgage. However, housing sales in Pittsburgh are doing relatively well, with 135 homes sold during the first two quarters of 2024 (up 9.8 percent from the same period last year) for a median price of \$132,000 (up 3.1 percent).

Local construction has also been very active in the first two quarters of 2024, with 113 residential building permits issued in the City of Pittsburgh, with a stated value of \$19.9 million, up 171.1 percent from the first two quarters of 2023. Of the permits issued, 14 were for new single-family homes, for a stated value of \$8.5 million (up 602.5 percent), and 99 were for additions, alterations, and conversions, for a stated value of \$11.4 million (up 85.4 percent).

Value of Commercial Permits City of Pittsburgh



Source: City of Pittsburgh

COMMERCIAL PERMITS

The local commercial real estate market is very active, according to Jones Heritage Realtors, with 35 commercial sales completed in the Pittsburgh area during the last 12 months.

Twenty-five retail properties sold for a total of \$7.5 million five industrial properties sold for \$1.2 million, four office properties sold for \$768,400, and one agricultural property sold for \$300,000. The largest sale was for a retail space property at 1015 S Broadway for \$2.5 million, followed by a retail space property at 4001 Parkview Drive for \$700,000, a retail space property at 710 N Broadway for \$572,000, a healthcare space property at 101 N Broadway for \$385,000, an industrial space property at 205 N Locust for \$360,000, and a retail space property at 1108 E 4th Street for \$310,000.

The local commercial market is doing well in 2024. The City of Pittsburgh reports that 71 commercial building permits were issued during the first two quarters of 2024, with a stated value of \$23.8 million, up a significant 1,440.5 percent.

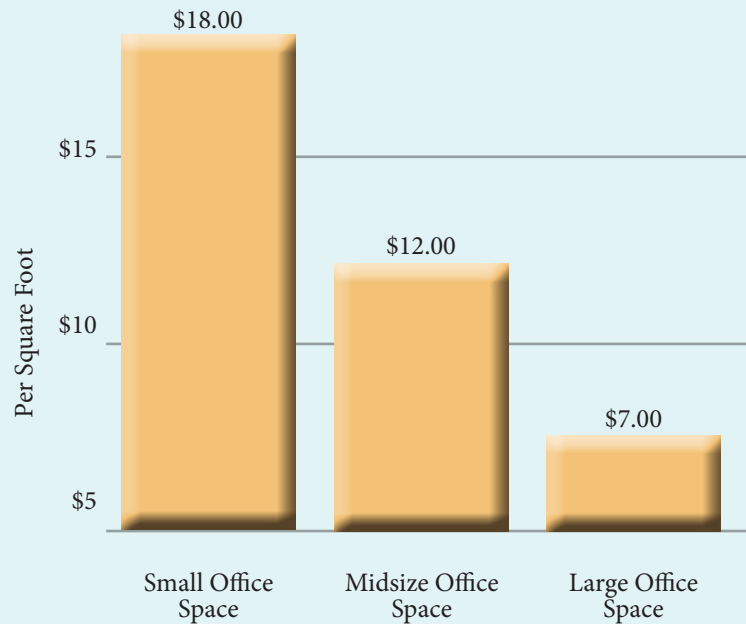
Two permits were issued for new commercial construction, with a stated value of \$517,294, (up from \$0) and 69 permits were issued for additions, alterations, and conversions with a stated value of \$23.3 million (up 1,407.0 percent).

OFFICE SPACE MARKET

The largest office building permit issued in the Pittsburgh area during the first two quarters of 2024 was issued to Washington School at 205 S Locust Street for remodeling, with a stated value of \$3.7 million, followed by development at 902 N Broadway Street for remodeling, with a stated value of \$1.0 million; Community Health Center of SEK at 1011 Mt. Carmel Place for remodeling, with a stated value of \$650,000; Besse Hotel at 121 E 4th Street for interior demolition, with a stated value of \$400,000; Pitt 1902 Broadway LLC at 709 S College Street for roofing, with a stated value of \$400,000; Barnes Millworks Inc at 2920 Rotary Terrace for addition, with a stated value of \$200,000; and Health Center at 2310 S Tucker Terrace for remodeling, with a stated value of \$200,000.

Jones Heritage Realtors (a local authority on retail and commercial space), reports that average gross rental rates (the owner pays basic taxes, insurance, and exterior and all major maintenance) started at \$18.00 per square foot in the Pittsburgh area for small spaces, \$12.00 per square foot for mid-size spaces, and \$7.00 per square foot for large spaces.

Gross Office Rental Rates Pittsburg Area - April 2024



Source: Jones Heritage Realtors

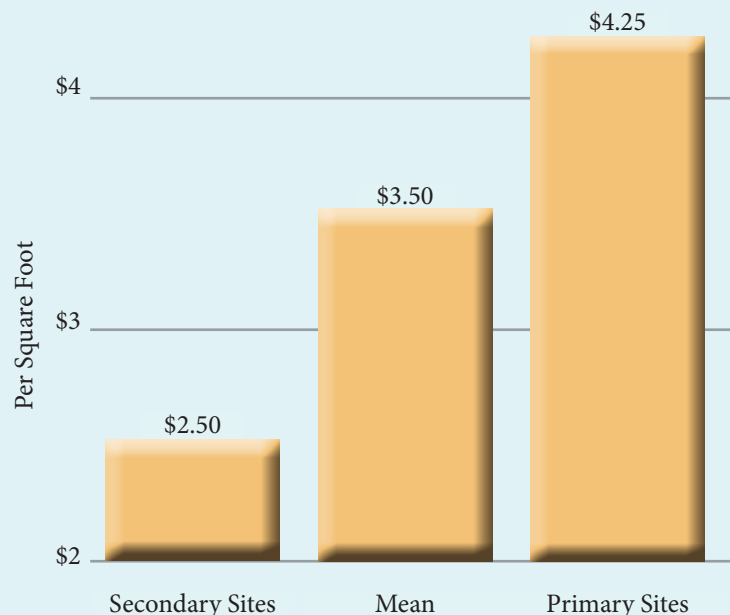
INDUSTRIAL MARKETS

Manufacturing contributes more to the the gross domestic product in the Pittsburgh micropolitan area than any other local industry.

There are 68 manufacturing establishments in the Pittsburgh micropolitan area according to *Demographic Now*. The top three local manufacturing sub-industries were printing and publishing, accounting for 24.1 percent of all local manufacturing jobs; fabricated metal products, except machinery and transportation equipment accounting for 14.8 percent of all local manufacturing jobs; and food and kindred products accounting for 14.7 percent of all local manufacturing jobs.

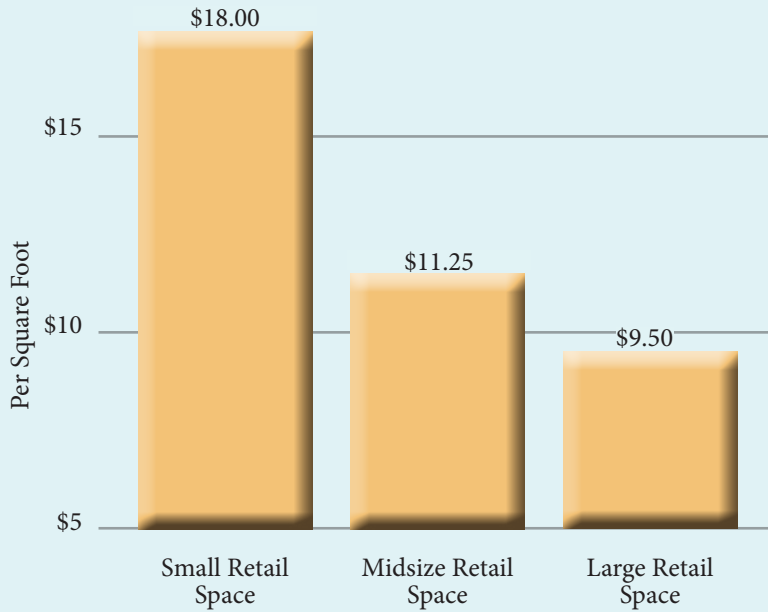
The local manufacturing industry is optimistic and expanding. The largest industrial building permit during the first two quarters of 2024 was issued to Pitt Plastics at 1400 East Atkinson for addition with a stated value of \$13.7 million, followed by Masonite at 605 East Jefferson Street for a new parking lot, with a stated value of \$117,294. Jones Heritage Realtors reports that rental rates for local light industrial and warehouse space start at an average low of \$2.50 per square foot for secondary sites, an overall average rate of \$3.50 per square foot, and an average high of \$4.25 per square foot for primary sites.

Warehouse and Light Industrial Space Pittsburg Area - April 2024



Source: Jones Heritage Realtors

Net Retail Rental Rates Pittsburg Area - April 2024



Source: Jones Heritage Realtors

RETAIL SPACE MARKET

Pittsburg is an anchor of retail sales in Southeast Kansas, and the local retail space market is doing well.

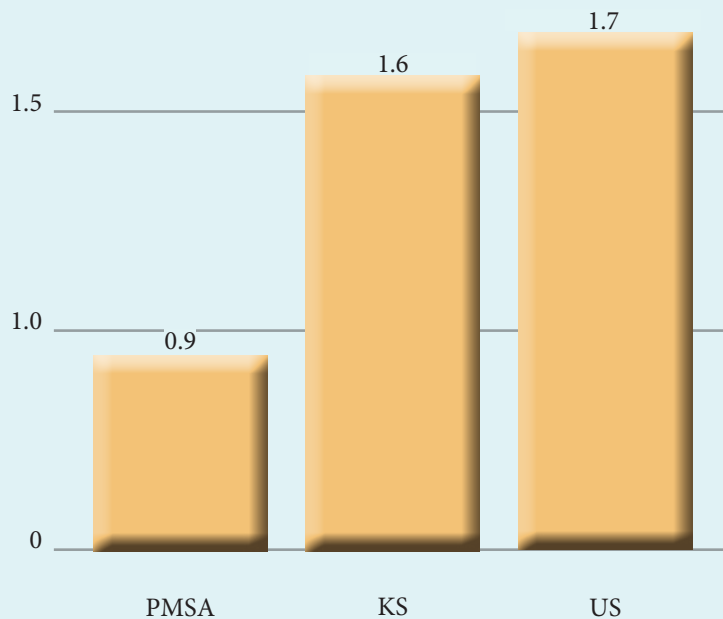
In the Pittsburg micropolitan area, there is considerable optimism in the local retail business community with the completion of the widening of US Highway 69 to Arma which is a boon to the Pittsburg area economy.

Pittsburg is now slated to have three new stores in a new 21,000 square foot commercial building which will be built at the Town Center on North Broadway. The stores are Ulta (a make-up and beauty retailer), Rack Room (a family shoe store), and Five Below (a discount store).

The largest retail building permit during the first two quarters of 2024 was issued to Beef-a-Roo at 1015 South Broadway for remodeling, with a stated value of \$200,000, followed by Walmart at 2710 North Broadway for fire alarms, with a stated value of \$129,000; Pittsburg Town Center at 2910 North Joplin Street for remodeling, with a stated value of \$60,206.

The Pittsburg area retail space market is doing relatively well, according to the Jones Heritage Realtors which report that in the Pittsburg area the average net retail rent is \$18.00 per square foot for small retail space, \$11.25 for mid-size retail space, and \$9.50 for large retail space.

Personal Bankruptcies Per Capita Last 12 Months



Source: US Bankruptcy Courts

BANKRUPTCIES

Bankruptcies are increasing nationwide in 2024. The bankruptcy rate per capita is a good indicator of a community's financial health.

During the 12 months ending in March of 2024, the personal per capita bankruptcy rate in the Pittsburg micropolitan area was 0.9 per 1,000 adults, well below the statewide rate of 1.6 and nationwide rate of 1.7. However, local bankruptcies are increasing, with a total of 27 bankruptcies filed in the Pittsburg micropolitan area during the 12 months ending in March 2024, up 28.6 percent from the 12-month period ending in March 2023. All the bankruptcies were personal bankruptcies, including 12 Chapter 7 bankruptcies (straight bankruptcy, debt wiped out), no change, and 15 Chapter 13 bankruptcies (some debt wiped out and some repayment), up 114.5 percent.

A total of 3,585 bankruptcies were filed statewide during the period (up 7.0 percent), including 3,478 personal bankruptcies (up 6.6 percent) and 107 business bankruptcies (up 25.9 percent), and 467,774 bankruptcies were filed nationwide (up 16.0 percent), including 447,458 personal bankruptcies (up 15.1 percent) and 20,316 business bankruptcies (up 40.4 percent).

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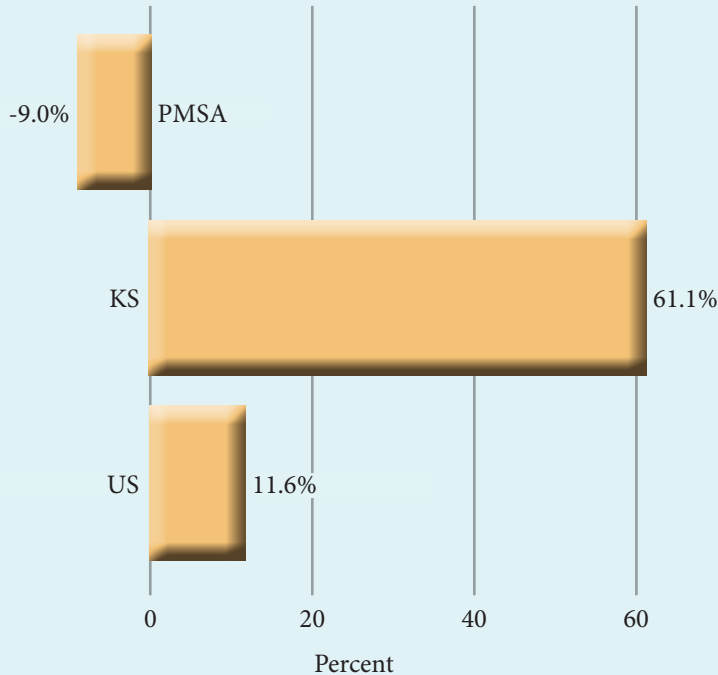


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Growth in Days Past Due Loans (30-89 Days) Banking Industry Q1'23-Q1'24



Source: Federal Deposit Insurance Corporation

BANKING INDUSTRY

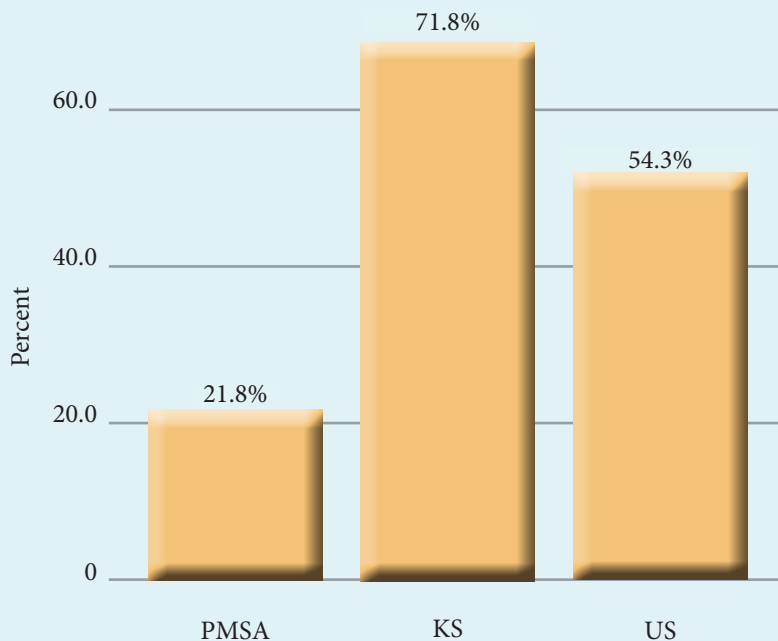
Banks with headquarters in the Pittsburgh micropolitan area posted \$990.3 million in total assets during the first quarter of 2024 (up 3.5 percent from the first quarter of 2023), \$574.8 million in net loans and leases (up 8.4 percent), \$1.5 million in net income (down 33.4 percent) and \$1.4 million in loans past due (30-89 days), down 9.0 percent.

The statewide banking industry posted \$94.8 billion in total assets during the first quarter (up 1.6 percent), \$62.3 billion in net loans and leases (up 5.6 percent), \$229.9 million in net income (down 16.4 percent) and \$314.5 million in loans past due (30-89 days), up 61.1 percent. Nationwide, the banking industry posted \$24.0 trillion in total assets during the first quarter (up 1.0 percent), \$12.2 trillion in net loans and leases (up 1.6 percent), \$64.2 billion in net income (down 19.6 percent), and 71.0 billion in loans past due (30-89 days), up 11.6 percent.

There are significant jitters concerning commercial real estate loans in banks nationwide, especially for office space, which by some estimates are 44.6 percent under water and Moody's states banks need twice the reserves they have now to meet future losses.

Office vacancy rates remain high and were 19 percent during the first quarter of 2024.

Growth in Delinquent Loans Credit Union Industry Q1'23-Q1'24



Source: National Credit Union Administration

CREDIT UNIONS

Delinquencies on loans are increasing significantly in the credit union industry nationwide in 2024.

The Pittsburgh Micropolitan Area credit union industry (credit unions with local headquarters) did relatively well during the first quarter of 2024, posting \$124.1 million in total assets (down 5.9 percent from first quarter of 2023), \$76.3 million in net loans and leases (down 5.4 percent), \$933,637 in delinquent loans and leases (up 21.8 percent), and \$108,706 in net operating income (down 55.3 percent).

Credit unions with headquarters in Kansas posted \$16.8 billion in total assets (up 6.9 percent), \$11.6 billion in net loans and leases (up 3.8 percent), \$94.8 million in delinquent loans and leases (up 71.8 percent), and net operating income of \$21.8 million (up 19.3 percent).

The national credit union industry posted \$2.3 trillion in total assets (up 4.3 percent), \$1.6 trillion in net loans and leases of (up 4.6 percent), \$12.5 billion in delinquent loans and leases (up 54.3 percent), and net operating income of \$3.8 billion (down 15.2 percent).

There was a substantial consolidation of credit unions during the first quarter of 2024, with the number of credit unions declining to 4,572 (down 3.0 percent).

Pittsburg Micropolitan Area Snapshot 2023

	Pittsburg Micropolitan Area	70 Miles Radius Pittsburg, Kansas	100 Miles Radius Pittsburg, Kansas
Labor Force	20,218	329,303	1,272,035
Total Population	37,832	648,438	2,308,081
Population Density (per Sq. Mi.)	63.6	42.1	73.4
Total Households	16,769	259,342	908,546

Population By Gender

Male Population	18,958	322,872	1,147,974
Female Population	18,874	325,565	1,160,108

Population Percentage By Race and Ethnicity

White	83.5%	81.9%	78.6%
Black	2.3%	1.5%	2.2%
American Indian or Alaska Native	1.0%	3.7%	3.3%
Asian/Native Hawaiian/Other Pacific Islander	1.7%	1.3%	2.7%
Some Other Race	3.3%	3.0%	4.0%
Two or More Races	8.2%	8.6%	9.3%
Hispanic Ethnicity	7.1%	6.4%	8.6%
Not of Hispanic Ethnicity	92.9%	93.6%	91.4%

Households By Income

Average Household Income	\$63,594	\$67,742	\$83,422
Median Household Income	\$46,642	\$51,285	\$60,267
Per Capita Income	\$27,052	\$27,347	\$33,076

Employment

Total Population 16+	30,510	514,140	1,827,262
% Blue Collar	44.8%	48.7%	42.1%
% White Collar	55.2%	51.3%	57.9%

Educational Attainment

Total Population Age 25+	22,839	439,678	1,541,150
% Grade K - 8	2.0%	3.0%	2.8%
% Grade 9 - 11	5.3%	8.1%	6.7%
% High School Graduate	28.7%	35.5%	32.1%
% Some College, No Degree	25.2%	23.8%	22.7%
% Associates Degree	8.9%	8.8%	7.8%
% Bachelor's Degree	18.0%	13.0%	17.4%
% Graduate Degree	11.0%	6.8%	9.4%
% No Schooling Completed	0.9%	1.1%	1.0%

Source: Demographics Now

Annual Wages For The Pittsburg Micropolitan Area 2023

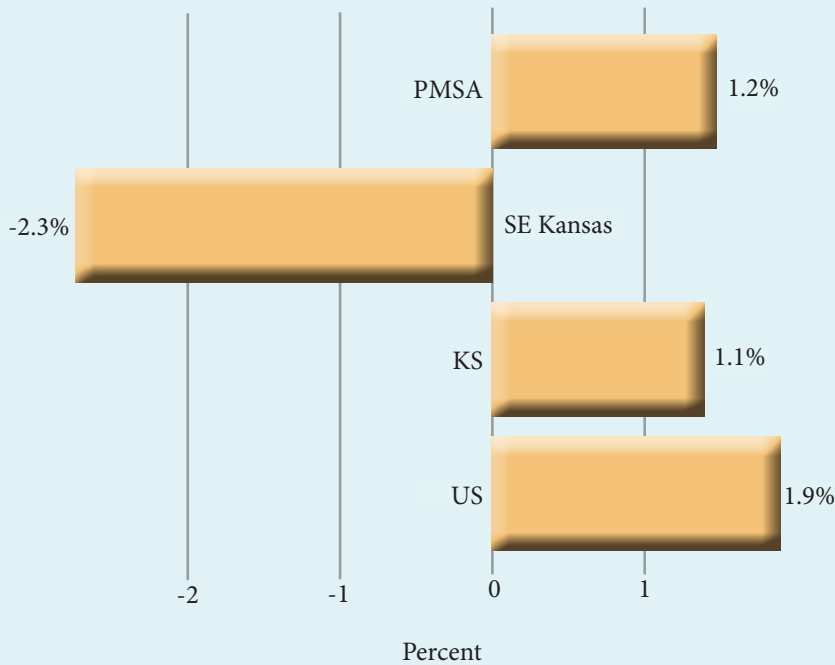
Accountants and Auditors	\$69,972	Healthcare Practitioners and Technical Occupations	\$78,824
Administrative Service Managers	\$114,222	Healthcare Support Occupations	\$32,954
Architecture and Engineering Occupations	\$80,146	Industrial Engineers	\$104,526
Cashiers	\$25,682	Laborers and Freight, Stock, and Material Movers, Hand	\$34,630
Chief Executives	\$153,825	Loan Officers	\$82,762
Child, Family, and School Social Workers	\$49,898	Machinists	\$45,735
Coaches and Scouts	\$42,035	Management Occupations	\$104,072
Computer System Analysts	\$79,015	Market Research Analysts and Marketing Specialists	\$59,914
Computer User Support Specialists	\$47,657	Medical Assistants	\$34,214
Cooks, Institution and Cafeteria	\$29,452	Office and Administrative Support Occupations	\$39,428
Cost Estimators	\$65,655	Pharmacists	\$141,136
Customer Service Representatives	\$36,101	Police and Sheriff's Patrol Officers	\$44,623
Educational Instruction and Library Occupations	\$53,224	Postal Service Mail Carriers	\$57,653
Electricians	\$55,563	Receptionists and Information Clerks	\$31,329
Executive Secretaries and Executive Administrative Assistants	\$56,835	Retail Sales Persons	\$32,679
Financial Managers	\$139,414	Secretaries and Administrative Assistants	\$36,152
Firefighters	\$40,004	Software Developers, Software Quality Assurance Analysts & Testers	\$99,786
Food Preparation and Serving Related Occupations	\$28,072	Transportation and Material Moving Occupations	\$38,248
General and Operations Managers	\$91,198	Waiters and Waitresses	\$31,981
Graphic Designers	\$45,083	Welders, Cutters, Solderers, and Brazers	\$44,026

Source: Kansas Labor Market Information Center

Growth in Lodging Revenue

Lodging Industry

Jan '23 - Jun '23 to Jan '24 - Jun '24



Source: Smith Travel Research

LODGING INDUSTRY

Smith Travel Research reports that the lodging industry's nationwide average occupancy rate was 62.6 percent during the first six months of 2024 (down from 62.9 percent during the first five months of 2023), the average room rate was \$157.50 (up 1.80 percent), and total lodging revenue was \$100.2 billion (up 1.9 percent). State-wide, the average occupancy rate was 56.2 percent (down from 57.5 percent), the average room rate was 104.90 (up 3.75 percent), and total lodging revenue was \$509.8 million (up 1.1 percent).

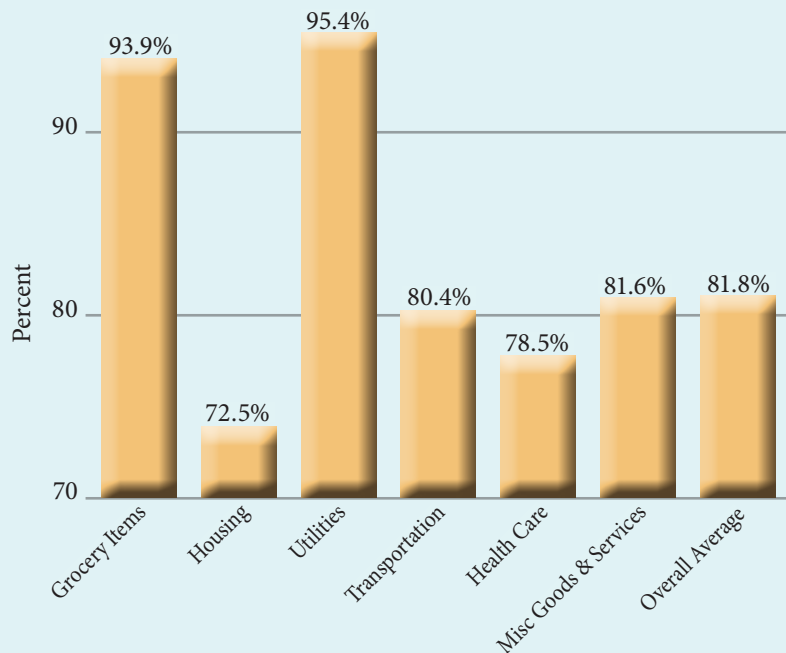
In the Southeast Kansas region, the occupancy rate was 44.1 percent (down from 46.5 percent), the average room rate was \$89.53 (up 3.1 percent), and total lodging revenue was \$8.65 million (down 2.34 percent).

The Pittsburg micropolitan area lodging industry consists of eight properties with 585 rooms. The Pittsburg micropolitan lodging industry posted an average occupancy of 51.8 percent during the period (up from 51.4 percent), an average room rate of \$103.23 (up 0.7 percent), and total lodging revenue of \$5.6 million (up 1.2 percent).

The local lodging industry is increasingly more important for the local economy as the reputation of the City of Pittsburg as a vibrant university town and regional shopping center with high-quality live increases.

Cost of Living

Percent of the National Average - PMSA Q3 '24



Source: Council for Community and Economic Research

COST OF LIVING

The cost of living is an important determinant of quality of life, especially during periods of inflation when prices rise faster than wages.

The cost of living in the Pittsburg micropolitan area is relatively affordable, according to the Council for Community and Economic Research, which states that the cost of living in the micropolitan area was 81.8 percent of the national average during the first quarter of 2024.

The cost of groceries was 93.9 percent of the national average, the cost of housing was 72.5 percent of the national average, the cost of utilities was 95.4 percent of the national average, the cost of transportation was 80.4 percent of the national average, the cost of health care was 78.5 percent of the national average, and the cost of miscellaneous goods and services was 81.6 percent of the national average.

The largest single expenditure category for households nationwide is housing, accounting for 33.8 percent of the average household budget, according to the Bureau of Labor Statistics, followed by transportation, 16.4 percent; groceries and food away from home, 12.4 percent; personal insurance and pensions, 11.8 percent; health care, 8.1 percent; entertainment, 5.3 percent; and all other categories, 12.2 percent.

BUSINESS HIGHLIGHTS

FREEMAN SOUTHEAST KANSAS HOSPITAL LOCATED IN FRONTENAC

Freeman Health System President and Chief Executive Officer Paula Baker proudly showed off the future site of the Freeman newest, full-service hospital.

She also unveiled the hospital's official name: Freeman Southeast Kansas Hospital. The site she's referring to located adjacent to E. 600th Avenue just minutes from downtown Pittsburg will soon transform into a 170,000-square-foot, state-of-the-art hospital. During a time when rural hospitals are closing across the nation 58 percent of rural Kansas hospitals were at risk of closing in 2023 alone.

Freeman is constructing a new facility that will serve the healthcare needs of Crawford County and the outlying Southeast Kansas communities. The \$168 million, 50-bed hospital will offer a full array of comprehensive care, maternity, pediatrics, outpatient/inpatient surgery, robotic procedures as well as medical and radiation oncology, pulmonary and radiology, among other key services.

Overall, the hospital will create at least 500 to 1,000 new jobs in Pittsburg.
Dustin R. Strong – The Morning Sun

CHANUTE COMPANY LOOKING TO EXPAND IN PITT

Josh and Meg Smeed, owners of Oakwood Homes in Chanutte, met with city officials to discuss expanding their business into Pittsburg.

"Not enough housing is the major barrier holding back Pittsburg from its growth potential, and builders, especially framers, are the scarcest resource," said Deputy City Manager Jay Byers.

With Pittsburg's current economic expansion and the need for affordable housing in the city, the Smeeds saw an opportunity to expand their business as well. Skilled in fine carpentry and custom cabinetry, Oakwood is looking at bringing in more new construction jobs.

Initially, they are looking at subcontracting work to do the framing, but, if all goes well, Oakwood is looking at moving into the general contracting part of construction and even hiring crews locally. "Right now, we are just looking for opportunities in framing, but we are open to taking over the build from start to finish" said Smeed.

Dustin R. Strong – The Morning Sun

KELCE COLLEGE OF BUSINESS EXPANSION REVITALIZES DOWNTOWN PITTSBURG

Pittsburg State officials are excited about the Gorilla Rising project. As we recently reported, the Gorilla Rising project is moving Pitt State's Kelce College of Business to downtown Pittsburg. "The types of

programs and academic adventures that our students will have there will be much different than other campuses and other universities," said university president, Dr. Dan Shipp.

The project includes renovating the historic Besse Hotel into student housing on the upper floors and turning the first floor into the Center for Reading. The city will invest 10 million dollars to help cover part of the estimated 50 million dollars plus price tag for the project.

Pitt State will receive 17 million dollars from a state grant, and the remaining cost of the project will come from private funding and state historical tax credits.

Expectations are that the project will be complete and ready by fall 2026.

Da'Yon Dunlap, KSNF Joplin

CITY APPROVES STRA FOR NEW DEVELOPMENT

The Frontenac City Council voted unanimously to annex more than 500 acres for the construction of a new housing development.

The annexation lies between U.S. 69 to the west and S 230th to the east and extends north from U.S. 160 to one-half mile past E 600th Avenue and includes most of the acreage because of some private property and the State Park that were not included.

The annexation was made to provide room for a new housing development. Porch Light Development, based in Carl Junction, is planning to build a 500-plus home community over the next decade dubbed Woodland Park Estates.

Dustin R. Strong – The Morning Sun

WORK TO BEGIN SOON ON DOWNTOWN COLLEGE OF BUSINESS, BESSE HOTEL

The project will move Kelce College of Business downtown. It also will transform the historic Besse Hotel, into student apartments on the upper floors and a mix of public and office space, including the Center for Reading, on the first floor. For the Kelce College of Business, a site at 216 N. Broadway was chosen. The tentative original proposal was to build at Fifth and Broadway.

It is anticipated the new Kelce building initially will serve about 500 students. It also will be the home of the Business and Economic Research Center and the Professional Sales Center.

The City of Pittsburg is investing \$10 million in the project over 10 years, including \$1 million from the Revolving Loan Fund. This renovation will have a tremendous impact on our downtown, as well as addressing the ongoing parking challenges we face as Pittsburg continues to grow.
Gorilla Connection at Pittsburg State University

ECON UPDATE TO THE CITY

Area Chamber of Commerce President Blake Benson and Pittsburg State Chief Strategy Officer Shawn Naccarato briefed the commissioners on the economic impact of local organizations in the city.

Benson began with a breakdown of unemployment figures, which currently sit at 3.4 percent, a 0.3 increase from last year. Benson is optimistic with these numbers, saying that the city is considered fully employed but there are still enough able people available for Human Resource directors to fill open slots.

According to Benson, in 2021, the average median income was \$29,304 annually, or \$14.09 per hour. As of 2023, that has risen to \$36,503 annually, \$17.55 hourly.

Since 2013, nearly \$600 million has been invested in Crawford County, creating 1,760 new jobs. Those investments are diversified among more than a dozen industries, with the largest slice of investments, 17 percent, going into manufacturing.

Dustin R. Strong – The Morning Sun

Pittsburg Micropolitan Area Economic Report

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All sources are provided on request.

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Pittsburg Micropolitan Area Employment Trends

Industry title	Average Monthly Employment Q4-2023	Average Monthly Wages Q4-2023	Average Monthly Employment Q4-2022	Average Monthly Wages Q4-2022	Average Monthly Employment Growth	Average Monthly Wage Growth
Administration, human resource except education, public health, & veterans' affairs	58	\$3,249.77	54	\$2,979.97	6.13%	9.05%
All other general merchandise retailers	87	\$1,542.67	73	\$1,717.85	19.72%	-10.20%
Automotive body, paint, and interior repair and maintenance	23	\$4,240.40	34	\$4,220.29	-33.33%	0.48%
Beauty salons	39	\$1,915.80	29	\$2,069.57	34.48%	-7.43%
Beef cattle ranching and farming	27	\$4,505.43	24	\$4,762.11	12.50%	-5.39%
Child care services	126	\$2,093.75	126	\$1,990.07	0.00%	5.21%
Commercial banking	168	\$4,902.94	180	\$4,589.17	-6.31%	6.84%
Commercial printing (except screen and books)	543	\$4,674.34	585	\$4,325.26	-7.18%	8.07%
Death care services	46	\$2,681.73	44	\$3,025.81	3.79%	-11.37%
Electronics and appliance retailers	62	\$3,775.75	106	\$2,992.06	-42.01%	26.19%
Full-service restaurants	673	\$1,317.97	694	\$1,209.05	-3.03%	9.01%
Gasoline stations with convenience stores	159	\$1,833.93	163	\$1,763.60	-2.05%	3.99%
General freight trucking, long-distance, truckload	32	\$6,235.29	35	\$5,648.90	-9.52%	10.38%
General medical and surgical hospitals	197	\$6,337.90	197	\$4,943.07	0.17%	28.22%
Grain and field bean merchant wholesalers	69	\$4,117.90	67	\$4,004.84	1.98%	2.82%
Home health care services	189	\$3,145.10	160	\$2,952.23	17.92%	6.53%
Janitorial services	74	\$2,583.99	80	\$2,480.56	-8.30%	4.17%
Legal counsel and prosecution	31	\$4,614.67	27	\$4,363.46	16.25%	5.76%
Legal counsel and prosecution	31	\$4,614.67	27	\$4,363.46	16.25%	5.76%
Legislative bodies	517	\$3,226.59	481	\$3,236.06	7.34%	-0.29%
Libraries and archives	13	\$1,316.49	10	\$1,446.73	30.00%	-9.00%
Machine shops	76	\$4,655.83	81	\$4,492.80	-6.20%	3.63%
Nonresidential site preparation contractors	20	\$3,207.80	24	\$2,934.55	-17.81%	9.31%
Nursery, garden center, and farm supply retailers	42	\$3,762.10	41	\$3,648.97	3.28%	3.10%
Nursing care facilities (skilled nursing facilities)	271	\$3,198.67	261	\$3,317.75	3.84%	-3.59%
Offices of chiropractors	28	\$3,037.63	24	\$3,431.06	16.90%	-11.47%
Offices of dentists	83	\$4,111.79	128	\$5,412.26	-35.25%	-24.03%
Offices of optometrists	43	\$3,517.41	39	\$3,949.50	9.40%	-10.94%
Offices of physical, occupational and speech therapists, and audiologists	38	\$1,873.42	52	\$1,862.49	-26.92%	0.59%
Oilseed and grain combination farming	37	\$4,061.79	36	\$3,344.49	3.74%	21.45%
Other accounting services	34	\$5,297.59	30	\$4,487.34	14.61%	18.06%
Pharmacies and drug retailers	50	\$3,017.88	57	\$3,416.74	-13.37%	-11.67%
Postal service	65	\$4,463.16	68	\$3,951.82	-4.39%	12.94%
Power and communication line and related structures construction	56	\$4,332.01	60	\$4,373.40	-6.63%	-0.95%
Public finance activities	17	\$3,619.19	16	\$3,629.08	8.33%	-0.27%
Regulation and administration of transportation programs	27	\$3,531.55	27	\$3,099.35	-2.44%	13.94%
Regulation of agricultural marketing and commodities	14	\$6,240.86	12	\$5,115.95	13.51%	21.99%
Regulation of agricultural marketing and commodities	8	\$2,360.17	12	\$5,115.95	-35.14%	-53.87%
Residential property managers	51	\$3,095.80	36	\$3,435.81	40.74%	-9.90%
Residential site preparation contractors	12	\$3,376.69	9	\$3,478.38	38.46%	-2.92%
Services for the elderly and persons with disabilities	194	\$2,739.99	198	\$3,174.41	-2.02%	-13.68%
Sports and recreation instruction	20	\$908.61	19	\$728.02	7.02%	24.81%
Beer, wine, and liquor retailers	35	\$1,540.27	37	\$1,483.68	-3.64%	3.81%
Commercial and institutional building construction	74	\$4,501.95	82	\$4,541.13	-8.98%	-0.86%
Corporate, subsidiary, and regional managing offices	144	\$5,516.53	202	\$5,949.38	-29.00%	-7.28%
Executive offices	15	\$1,494.80	16	\$1,200.00	-8.16%	24.57%
Insurance agencies and brokerages	38	\$3,484.26	34	\$3,106.04	10.68%	12.18%
Landscaping services	40	\$2,892.66	31	\$3,103.89	27.66%	-6.81%
New single-family housing construction (except for-sale builders)	24	\$2,023.03	19	\$2,279.40	25.86%	-11.25%
Water supply and irrigation systems	12	\$3,419.75	14	\$3,297.37	-12.20%	3.71%

Source: Bureau of Labor Statistics

A man in a dark suit, light blue shirt, and striped tie is sitting at a desk, looking towards two people whose backs are to the camera. He is holding a pen and looking at some papers on the desk. The background shows an office setting with bookshelves.

**There's no time like
now to plan your future.**



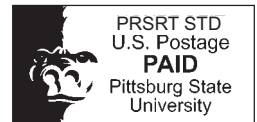
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