

The Economic Barometer

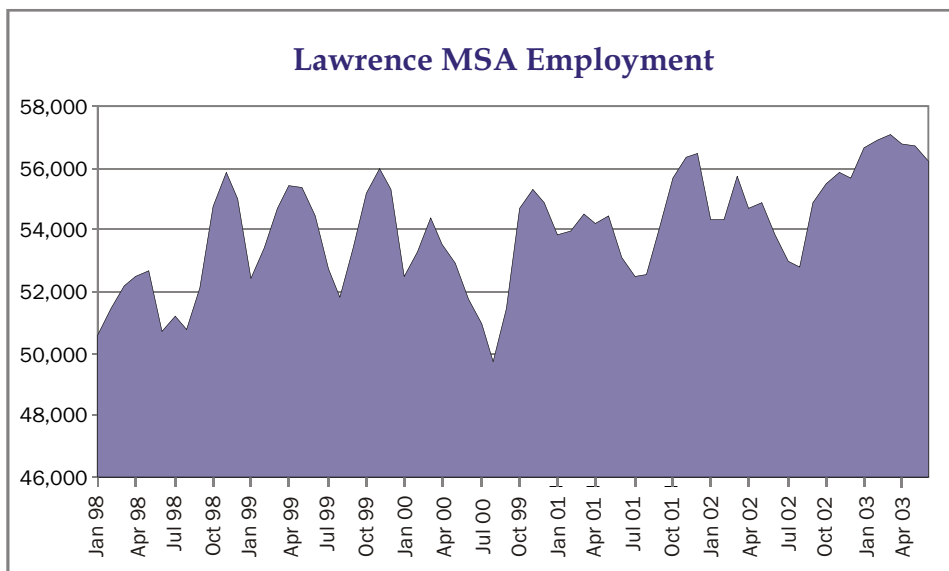
A Quarterly Economic Report



September 2003

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Employment



The second quarter employment situation in Lawrence looked quite nearly like the first quarter. Although some jobs were lost the difference was less than one percent. Total number of people employed remained at record-high levels, though the predominant cause behind this has been population growth rather than job creation.

Civilian Employment by Quarter - Lawrence MSA

	1999	2000	2001	2002	2003	% Change 2002-2003
First Quarter	53,506	53,390	54,119	54,784	56,870	3.8%
Second Quarter	55,097	52,733	53,919	54,466	56,576	3.9%
Third Quarter	52,650	50,698	53,044	53,542	-	
Fourth Quarter	55,477	54,975	56,177	55,683	-	

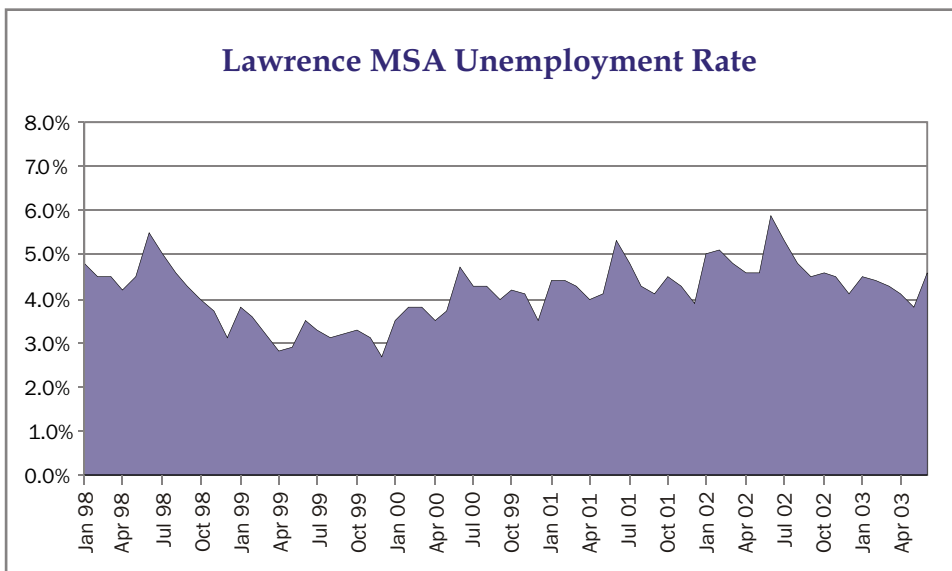
Employment (con't)

Second Quarter 2003 Employment Data

	Civilian Employment	Unemployment Rate
U.S.	137,565,000	6.2%
Kansas	1,404,989	4.8%
Kansas portion of		
Kansas City MSA	381,573	5.8%
Lawrence MSA	56,576	4.2%
Topeka MSA	90,148	3.9%
Wichita MSA	275,585	6.4%

The Lawrence unemployment rate came down from 4.4 percent in the first quarter to 4.17 in the second, the lowest quarterly average reached since the year 2000. The rate was also low compared to other large cities in Kansas as well as the statewide average.

Lawrence MSA Unemployment Rate

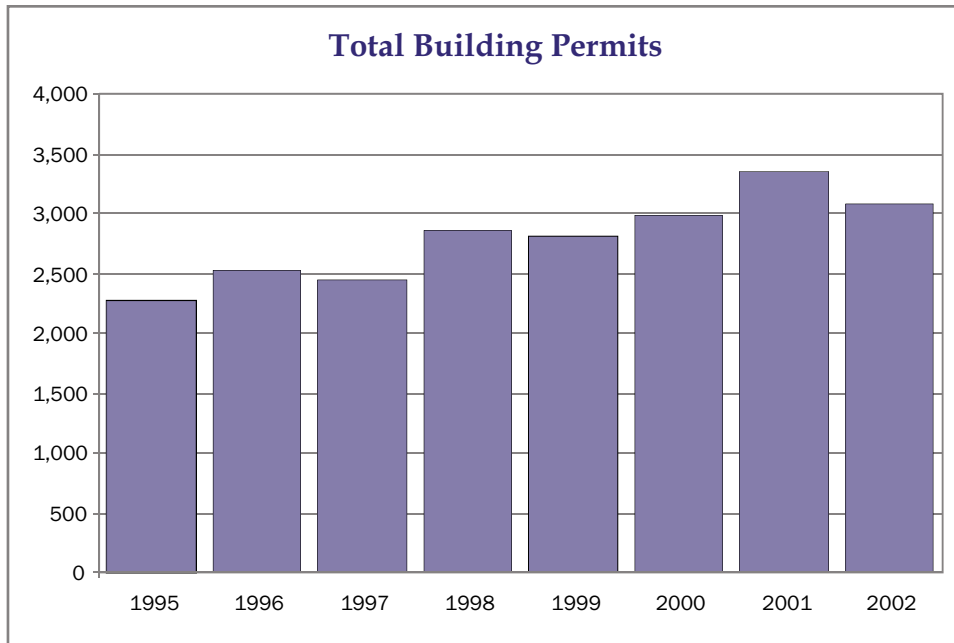


Unemployment Rate by Quarter - Lawrence MSA

	1999	2000	2001	2002	2003	% Change 2002-2003
First Quarter	3.53%	3.70%	4.37%	4.97%	4.40%	-11.4%
Second Quarter	3.07%	3.97%	4.47%	5.03%	4.17%	-17.2%
Third Quarter	3.20%	4.20%	4.40%	4.87%	-	
Fourth Quarter	3.03%	3.93%	4.23%	4.40%	-	

Source: Kansas Department of Human Resources.

Real Estate



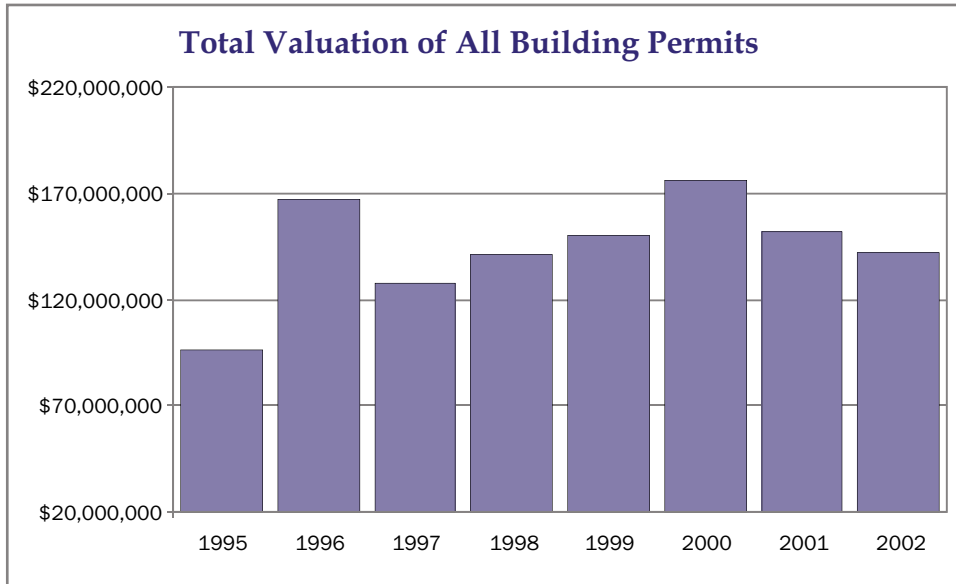
The dollar value of all building permits taken out in Lawrence in the second quarter increased 26 percent from a year ago. The growth was driven largely by construction on the new Serologicals plant, valued at \$18.5 million. The number of new homes begun in the second quarter was also higher than at the same time last year, though 2002 was the slowest year for new home construction in the last decade.

Fourth Quarter Building Permits in Lawrence

	Q2 2002	Q2 2003	% Change 2001-2002
TOTAL			
Number	904	688	-23.9%
Valuation	40,517,742	51,052,602	26.0%
RESIDENTIAL			
Number	115	132	14.8%
Valuation	29,427,946	23,902,830	-18.8%
NON-RESIDENTIAL			
Number	31	41	32.3%
Valuation	7,121,199	23,984,217	236.8%

Source: City of Lawrence, Building Inspection Division.

Real Estate (con't)



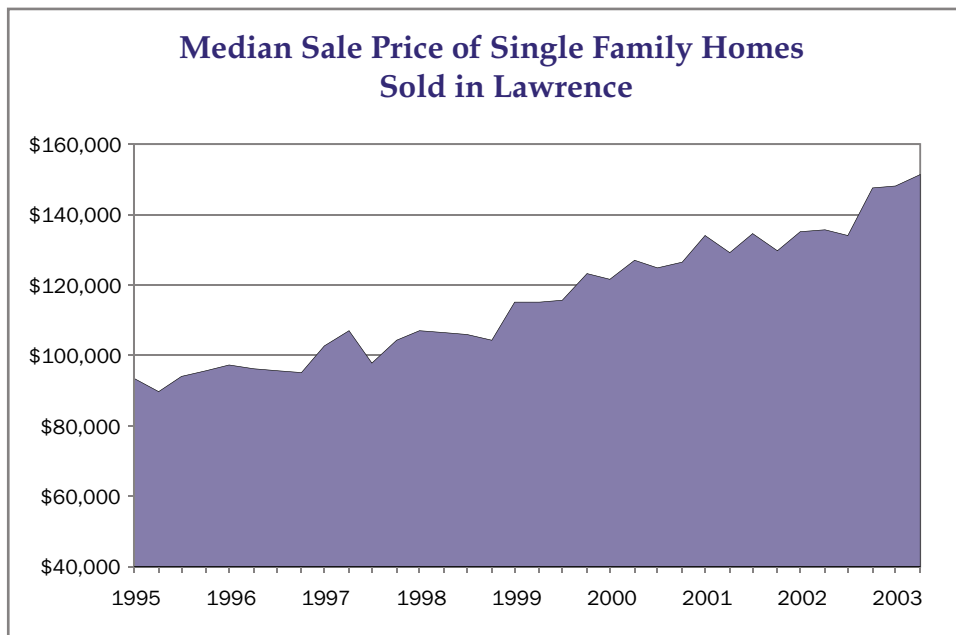
There were 281 single family homes sold within Lawrence in the first quarter, five less than the same quarter a year ago. Second quarter sales data have yet to be finalized.

The median sale price of all single family homes sold in Lawrence in the second quarter was \$151,550. The median sale price in any given quarter routinely reaches a record, since it continuously rises. The price in the second quarter was 11.5 percent higher than a year earlier.

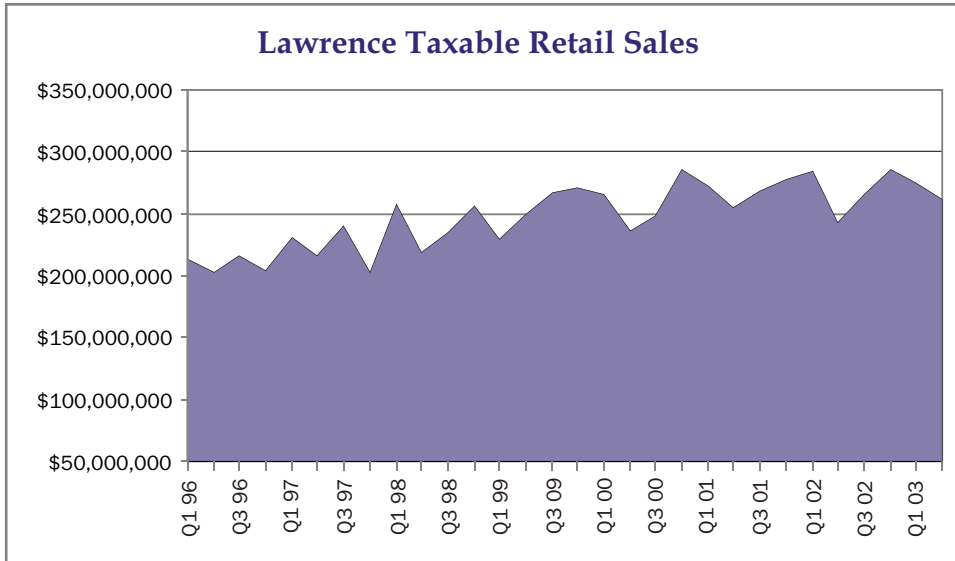
Lawrence Residential Real Estate Sales

	Q1 2002	Q1 2003	% Change 2002-2003
Value	286	281	-1.7%

Source: Douglas County Appraiser's Office.



Retail Sales



For both the city of Lawrence and the rest of Douglas County, taxable retail sales in the second quarter were a bit over 7 percent higher than a year ago, and cumulative sales for the first six months of the year were 2 percent ahead of the level reached by last July.

Taxable Retail Sales

	Q2 2002	Q2 2003	% Change 2002-2003
City of Lawrence	\$243,337,651	\$261,275,563	7.37%
Douglas County	\$268,284,006	\$287,282,454	7.08%

Source: Kansas Department of Revenue.

Year End Taxable Retail Sales

	2001	2002	% Change 2002-2003
City of Lawrence	\$1,073,991,289	\$1,078,983,794	0.46%
Douglas County	\$1,169,720,668	\$1,177,214,266	0.64%
Kansas	\$29,788,530,115	\$29,239,009,500	-1.84%

Source: Kansas Department of Revenue

Cost of Living

Lawrence Consumer Price Index

	CPI	% Change from Same Period, Previous Year
Third Quarter, 2002	108.0	6.96%
Fourth Quarter, 2002	108.6	4.28%
First Quarter, 2003	111.6	6.45%
Second Quarter, 2003	108.9	3.77%

Source: Policy Research Institute.

First Quarter 2003 Comparative Cost of Living Index

U.S. Average	100.0%
Lawrence, KS	101.5%
Manhattan, KS	97.5%
Topeka, KS	91.1%
Fort Collins, CO	100.3%
Champaign, IL	95.0%
Ames, IA	98.7%
Columbia, MO	93.6%

Source: ACCRA.

The local consumer price index stood at 108.9 in the second quarter, where 2000 is the base year for reference. In other words, it costs nearly 9 percent more to live here now than it did in 2000. A related but different index is the comparative cost of living index calculated by ACCRA. This shows not the change in cost over time, but the relative cost difference between locations, with the national average equal to an index of 100. In the second quarter Lawrence's comparative index came to 98 percent of the national average. The least expensive place to live amongst the comparative cities would have been Columbia, Missouri.

This report was researched and written by Luke Middleton and designed by Laura Kriegstrom Stull of the Policy Research Institute at the University of Kansas. Data sources include the City of Lawrence, the Douglas County Appraiser's Office, the Kansas Department of Human Resources, the Kansas Department of Revenue, and ACCRA. This report is available online at www.lawrencechamber.com

