

**THE UNIVERSITY OF KANSAS
Policy Research Institute
ECONOMIC ANALYSIS REPORT**

**Lawrence / Douglas County
Economic Indicators Report
First Quarter 2000**

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Lawrence/Douglas County Economic Indicators

First Quarter, 2000

The Lawrence /Douglas County economy is still growing compared to a year ago, but a few signs of weakness are emerging in the 1st quarter of 2000. On the positive side, local sales tax collections in both the City of Lawrence and in Douglas County, as well as Lawrence guest tax collections increased compared to a year ago. Sales of single-family homes increased compared with the 1st quarter of 1999. Also, construction increased from a year ago in both the number and the value of permits. Both loans and deposits increased compared with last year's numbers. On the negative side, 1st quarter employment growth, while still positive, was smaller than a year ago. Furthermore, the civilian labor force grew faster than employment, leading to a rise in the unemployment rate.

STATE SALES TAX COLLECTIONS

State sales tax revenue collection data for the 1st quarter of 2000 have not yet been released by the Kansas Department of Revenue.

LOCAL SALES TAX COLLECTIONS

Douglas County's local sales tax revenues in the 1st quarter of 2000 were slightly over \$3 million, which is 17.7% more than in the 1st quarter of 1999 and 22% higher than in the 4th quarter of 1999.

In the City of Lawrence sales tax collections amounted to \$2.6 million - 5.8% higher than in the previous quarter and 9.0% higher than a year before. Local sales tax collection data reflect the period when revenues are processed by the Kansas Department of Revenue, therefore, revenues recorded in the 1st quarter of 2000 will include tax revenues generated during the holiday season of 1999.

TOURISM AND CONVENTIONS

In the 1st quarter of 2000 \$96,146 were collected in transient guest tax revenues, which is 8.9% higher than in the 1st quarter of 1999, but 23.8% lower than in the 4th quarter of 1999. Guest tax collections are seasonal, however, and in the past ten years the first quarter of each year showed the lowest revenues within that year.

The rolling quarterly average, which takes out seasonal effects, produced \$128,213 in the 1st quarter of 2000, which is 1.6% higher than in the previous quarter and 5% higher than a year ago.

FINANCIAL INSTITUTIONS

Starting in the 1st quarter of 2000 these data are reported for seven financial institutions in the Lawrence area.

Historic data were recalculated accordingly and will not match the previous reports. Net loans reported in the 1st quarter of 2000 increased by 11.7% over the same period last year, from \$466 million to \$521 million. At the same time total deposits increased by 5.0%, from \$654 million to \$687 million.

CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT (Place of residence data)

The total civilian labor force in Douglas County in the 1st quarter of 2000 increased by 2.4% over the 1st quarter of 1999. At the same time total employment increased by 2.1%. As the result of the labor force growing at a higher pace than employment the unemployment rate increased from 3.47% in the 1st quarter of 1999 to 3.67% in the 1st quarter of 2000. This is the first time since the 3rd quarter of 1998 that the labor force has grown at an annual rate higher than employment.

Quarterly comparisons show that the total labor force and employment decreased by 1.7% and 2.2%, respectively, between the 4th quarter of 1999 and the 1st quarter of 2000, and the unemployment rate increased from 3.15% in the 4th quarter of 1999 to 3.67% in the 1st quarter of 2000, an increase of 16.6%.

WAGE AND SALARY EMPLOYMENT (Place of work data)

Total non-farm wage and salary employment in the 1st quarter of 2000 stood at 48,600, which is 1.2% higher than in the 1st quarter of 1999. The major increases were in retail trade with 300 new jobs, government employment with 200 new jobs, and services with 167 new jobs. Wholesale trade lost 100 jobs, and finance/insurance/real estate employment decreased by 167. Farm employment did not change over the year.

Comparisons of the 1st quarter of 2000 with the last quarter of 1999 show a different picture, however, because 1,467 jobs were lost during that period. All categories, except manufacturing, which increased by 167 jobs, and wholesale trade, which remained the same, showed decreases. The largest decreases were 400 in retail trade, due to the end of the holiday season, 367 construction/mining, due to the seasonal nature of this industry, and 233 in the government sector, due to the winter break.

JOB SERVICE CENTER

The Lawrence Job Service Center implemented a major change in its operating and reporting systems last year, placing all of its information on the Internet for both job applicants and prospective employers. As a result it became very difficult to track accurately the number of people who found employment through the Job Service Center, so data on job placements and job orders were taken out of this report.

Changes in the Job Service Center reporting did not influence the data on the initial unemployment insurance claims. In the 1st quarter of 2000 there were 860 claims, which is 32.7% higher than in the 1st quarter of 1999, but 5.3% less than was reported in the 4th quarter of last year.

CONSTRUCTION

The number of single family housing permits in Lawrence decreased by 26.4% (from 106 to 78) and the value of single family permits decreased by 29.4% (from \$13.8 million to \$9.7 million) in the 1st quarter of 2000, compared to a year ago. Multifamily permits increased over the past year from 12 permits with 26 units valued at \$2.1 million in the 1st quarter of 1999 to 19 permits with 116 units, valued at \$6.1 million in the 1st quarter of 2000. Commercial permits increased from 5 permits valued at \$1.2 million to 6 permits valued at \$13.2 million.

In the unincorporated part of Douglas County new residential construction increased in the 1st quarter of 2000 by 14.3% in the number of permits (from 14 to 16) and by 18.7% in value (from \$1.6 million to \$1.9 million) over the 1st quarter of 1999. New business commercial permits did not change in number of permits, but the value of commercial permits decreased by just over half compared to the 1st quarter of 1999.

The total number and value of all permits increased in both the City of Lawrence and in the unincorporated part of Douglas County.

NEW AND EXISTING HOME SALES

In the past ten years new and existing home sales decreased in the first and the fourth quarters of each year. In the 1st quarter of 2000 there were 179 homes sold, which is 24.2% less than was sold in the fourth quarter of 1999. However, it is 10.5% higher than 162 homes sold in the 1st quarter of 1999.

Housing price comparisons are based on the standard definition used by ACCRA in constructing city price indexes. In the end of 1999 the square footage of the ACCRA-defined home changed from 1,800-sq. ft. to 2,400-sq. ft., thus making the previous years' data not comparable. Between the 4th quarter of 1999 and the 1st quarter of 2000 there was no significant change in the price of ACCRA-defined homes.

ELECTRIC UTILITIES

Total electricity consumption in the 1st quarter of 2000 increased 8% over the 4th quarter of 1999 and 0.9% over the 1st quarter of 1999. There were 34,547 residential and 4,166 commercial meters registered in the City of Lawrence in the 1st quarter of 2000, which are respectively 2.1% and 5.7% higher than in the 1st quarter of 1999. An average number of industrial electric meters increased to 29 in the 1st quarter of 2000.

Lawrence/Douglas County Economic Indicators
First Quarter, 2000

	Current Period (1q00)	Previous Period (4q99)	Percent Change %	Year Ago (1q99)	Percent Change %
SALES TAX REVENUE (\$000) (note 1)					
State Sales Tax Collections, Jan. to aug '99	n/a	n/a	-	n/a -	
Douglas County Sales Tax Collections	\$3,014	\$2,471	22.0	\$2,560	17.7
Lawrence Sales Tax Collections	\$2,612	\$2,468	5.8	\$2,395	9.0
TOURISM & CONVENTIONS					
Transient Guest Tax	\$96,146	\$126,252	-23.8	\$88,279	8.9
Rolling Quarterly Average	\$128,213	\$126,246	1.6	\$122,084	5.0
FINANCIAL INSTITUTIONS (\$000)					
Bank & S&L Net Loans (note 2)	\$520,815	\$502,442	3.7	\$466,083	11.7
Bank & S&L Deposits	\$687,170	\$674,107	1.9	\$654,174	5.0
CIVILIAN LABOR FORCE (note 3)					
Total Civilian Labor Force	56,334	57,318	-1.7	55,038	2.4
Total Employment	54,265	55,512	-2.2	53,132	2.1
Unemployed	2,069	1,806	14.6	1,906	8.6
Civilian Unemployment Rate	3.67%	3.15%	16.6	3.47%	6.0
EMPLOYMENT (note 4) (Monthly averages)					
Nonfarm Wage & Salary Employees	48,600	50,067	-2.9	48,033	1.2
Manufacturing	5,567	5,400	3.1	5,467	1.8
Construction & Mining	2,133	2,500	-14.7	2,067	3.2
Transportation & Public Utilities	1,400	1,500	-6.7	1,400	0.0
Wholesale Trade	1,200	1,200	0.0	1,300	-7.7
Retail Trade	10,767	11,167	-3.6	10,467	2.9
Finance/Insurance/Real Estate	1,900	1,967	-3.4	2,067	-8.1
Services	11,433	11,900	-3.9	11,267	1.5
Government	14,200	14,433	-1.6	14,000	1.4
Farm Employment	500	533	-6.3	500	0.0
JOB SERVICE CENTER (Quarterly totals)					
Initial Unemployment Insurance Claims	860	908	-5.3	648	32.7
IU Claims, rolling 4-quarter average	688	635	8.3	582	18.1

note 1: Due to limited availability of data, these figures are for January through August of each year. See text of the report. State Sales Tax figures reflect the period in which the taxes were generated.

County and City Sales Tax figures reflect the period in which the collections were processed.

note 2: Banks, Savings & Loans and Credit Unions have been combined in this category, with 7 local institutions reporting.

note 3: Place of Residence figures.

note 4: Place of Work figures, calculated from rounded-off figures received monthly from KS Dept. of Human Resources.

Lawrence/Douglas County Economic Indicators
First Quarter, 2000

	Current Period (1q00)	Previous Period (4q99)	Percent Change %	Year Ago (1q99)	Percent Change %
CONSTRUCTION (Lawrence)					
Total # Building Permits	583	782	-25.4	503	15.9
Single Family	78	107	-27.1	106	-26.4
Multifamily	19	34	-44.1	12	58.3
Number of Units	116	164	-29.3	26	346.2
New Business/Commercial	6	12	-50.0	5	20.0
Total Value of All Permits (\$000)	\$33,688	\$51,636	-34.8	\$24,123	39.7
Single Family	\$9,701	\$13,275	-26.9	\$13,745	-29.4
Multifamily	\$6,161	\$7,081	-13.0	\$2,111	191.9
New Business/Commercial	\$13,205	\$17,480	-24.5	\$1,187	1012.7
Business Remodels/Additions	\$1,675	\$9,352	-82.1	\$3,937	-57.5
All Other (note 5)	\$2,947	\$4,447	-33.7	\$3,143	-6.3
CONSTRUCTION (Douglas County unincorporated)					
Total # Building Permits (all types)	79	76	3.9	46	71.7
New Residential	16	23	-30.4	14	14.3
New Business/Commercial	2	0	200.0	2	0.0
Total Value of All Permits (\$000)	\$2,676	\$3,673	-27.1	\$2,224	20.3
New Residential	\$1,886	\$2,566	-26.5	\$1,589	18.7
New Business/Commercial	\$41	\$0	-	\$86	-52.1
NEW & EXISTING HOME SALES					
Single Family Numbers (note 6)	179	236	-24.2	162	10.5
Price of ACCRA-defined Home (note 7)	\$211,115	\$211,220	-0.1	\$143,055	n/a
ELECTRIC UTILITIES (City of Lawrence)					
Average # Residential Meters	34,547	34,422	0.4	33,827	2.1
Average # Commercial Meters	4,166	4,158	0.2	3,942	5.7
Average # Industrial Meters	29.0	30.0	-3.3	28.3	2.4
Total Kilowatt Hours Used (Millions)	240.7	222.9	8.0	238.6	0.9

note 5: Includes signs, plumbing, electrical, demolition, etc.

note 6: Home sales through Multiple Listing Service only.

note 7: Square footage of ACCRA-defined home had changed from 1,800 sq. ft. to 2,400 sq. ft.

Sources:

Kansas Department of Revenue

Kansas Power & Light

Lawrence Board of Realtors

Labor Market Information Services, Kansas Department of Human Resources

Lawrence Convention and Visitors Bureau

Financial information from phone survey of 8 local institutions.

Office of the Zoning Division, Douglas County Public Works

Building Inspection Department, City of Lawrence

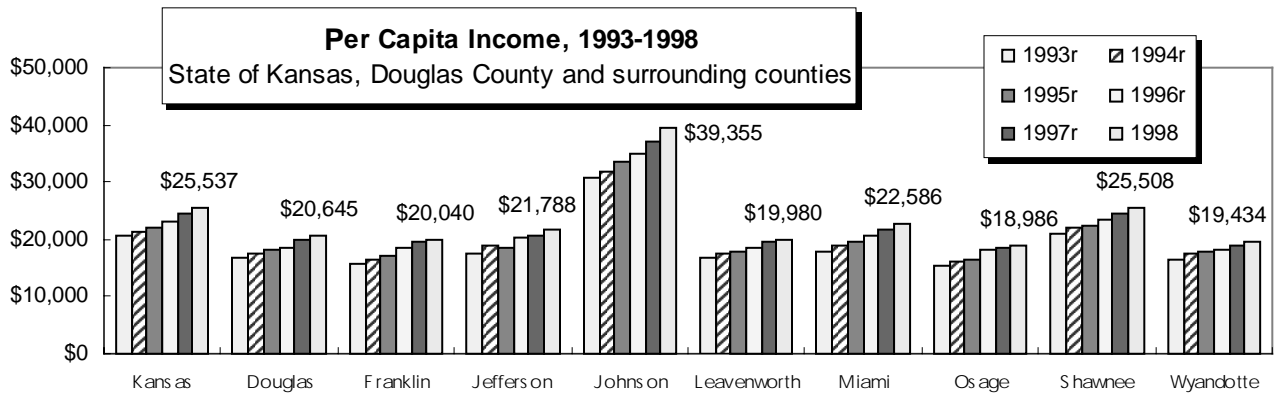
PER CAPITA INCOME IN DOUGLAS COUNTY AND SURROUNDING COUNTIES FOR 1993-1998.

Information for this report was obtained from the U.S. Bureau of Economic Analysis (BEA) web-site. The most recent available information is for 1998. In 1998 an average per capita income for the state of Kansas was \$25,537. The per capita income in Douglas County was \$20,645. Among counties surrounding Douglas County the highest per capita income was \$39,355 in Johnson County and the lowest was \$18,986 in Osage County.

Dollars	1993r	1994r	1995r	1996r	1997r	1998
Kansas	20,510	21,352	21,889	23,121	24,406	25,537
Douglas	16,656	17,611	18,050	18,671	19,878	20,645
Franklin	15,583	16,513	17,234	18,519	19,484	20,040
Jefferson	17,398	18,742	18,665	20,310	20,601	21,788
Johnson	30,715	31,882	33,534	34,865	36,921	39,355
Leavenworth	16,900	17,641	17,918	18,452	19,430	19,980
Miami	17,971	18,770	19,573	20,572	21,693	22,586
Osage	15,529	15,951	16,471	18,128	18,370	18,986
Shawnee	21,048	21,967	22,546	23,486	24,424	25,508
Wyandotte	16,319	17,431	17,866	18,127	18,997	19,434

Source: The U.S. Bureau of Economic Analysis

% Change	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1993-1998
Kansas	4.1	2.5	5.6	5.6	4.6	4.5
Douglas	5.7	2.5	3.4	6.5	3.9	4.4
Franklin	6.0	4.4	7.5	5.2	2.9	5.2
Jefferson	7.7	-0.4	8.8	1.4	5.8	4.7
Johnson	3.8	5.2	4.0	5.9	6.6	5.1
Leavenworth	4.4	1.6	3.0	5.3	2.8	3.4
Miami	4.4	4.3	5.1	5.4	4.1	4.7
Osage	2.7	3.3	10.1	1.3	3.4	4.1
Shawnee	4.4	2.6	4.2	4.0	4.4	3.9
Wyandotte	6.8	2.5	1.5	4.8	2.3	3.6



An average annual per capita income growth rate in Douglas County between 1993 and 1998 was 4.4%, the fifth lowest among the surrounding counties and below the 4.5% statewide average. Data in this report were revised and do not match the previous reports.

