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Center for Economic Development and Business Research

Kansas Manufacturing

Nonmetallic Mineral Product Manufacturing

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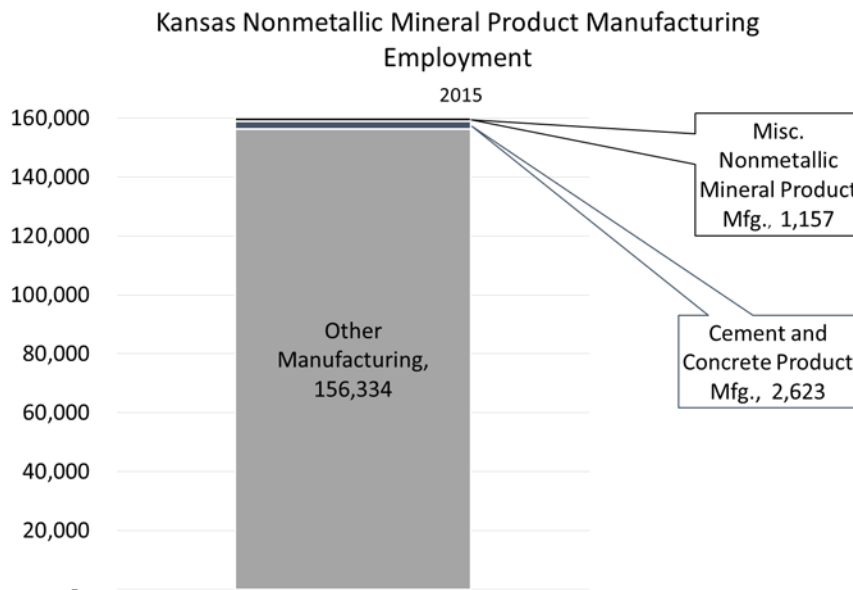
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Nonmetallic Mineral Product Manufacturing

The nonmetallic mineral product manufacturing subsector transforms mined or quarried nonmetallic minerals, such as sand, gravel, stone, clay, and refractory materials, into products for intermediate or final consumption. This subsector includes establishments that manufacture bricks, refractories, ceramic products, and glass and glass products, such as plate glass and containers. Also included are cement and concrete products, lime, gypsum and other nonmetallic mineral products including abrasive products, ceramic plumbing fixtures, statuary, cut stone products, and mineral wool.

There are four components of nonmetallic mineral product manufacturing in Kansas, totaling 2.4 percent of total state manufacturing employment. Cement and concrete product manufacturing is the largest industry in this subsector in Kansas, employing 1.6 percent of the state's manufacturing workers. Glass product manufacturing, lime and gypsum manufacturing, and clay product manufacturing each account for less than one percent of state manufacturing employment.¹



Source: U.S. Census Bureau Annual Survey of Manufacturers 2015

In Kansas, nonmetallic mineral product manufacturing is a low-wage industry with generally declining employment. There are 173 establishments in the state in this industry, the majority have fewer than 20 employees. However, the majority of workers are employed at larger establishments.² Over the past decade, employment in this industry has averaged around 5,400 workers, with employment declining an average of 2.5 percent a year.³

¹ Unless otherwise referenced, all data in this report is from the U.S. Census Bureau Annual Survey of Manufactures 2015

² U.S. Census Bureau – County Business Patterns 2015

³ Bureau of Labor Statistics – Quarterly Census of Employment and Wages

Cement and Concrete Product Manufacturing

This industry group comprises establishments primarily engaged in manufacturing hydraulic cement, acting as a batch or mixing plant, manufacturing concrete pipe, brick, and block, or manufacturing other concrete products.

There is a high concentration of cement and concrete product manufacturing in Kansas, relative to the United States as a whole. There are 13 percent more workers in this industry in Kansas than the national average. This industry accounts for 1.6 percent of Kansas manufacturing employment. There are approximately 110 establishments in Kansas in this industry, the majority of which have fewer than 20 employees. However, the majority of workers are employed at larger establishments.⁴ The largest employer in Kansas is Ash Grove Cement Company.⁵

Over the next five years, this industry is expected to benefit from investments in public, residential, nonresidential, and utility construction. However, reduced demand for U.S. cement from foreign countries will cause exports to decline at an accelerated rate, hindering potential gains.⁶

Employment

There was an average of 3,000 cement and concrete product manufacturing workers in Kansas between 2005 and 2015. Industry employment decreased steadily between 2007 and 2013 but had moderate increases in 2014 and 2015.⁷

Of the 2,623 cement and concrete product manufacturing employees in Kansas in 2015, 78 percent were production workers, and 22 percent were nonproduction workers. There were 0.29 nonproduction workers for each production worker in the state, equal to the national average for this industry.

Between 2014 and 2015, cement and concrete product manufacturing employment increased in Kansas and the United States. Kansas experienced relatively larger increases, 7.3 percent compared to 3.2 percent. There was a total increase in Kansas of 179 workers; production workers increased by 87 and nonproduction workers decreased by 92.

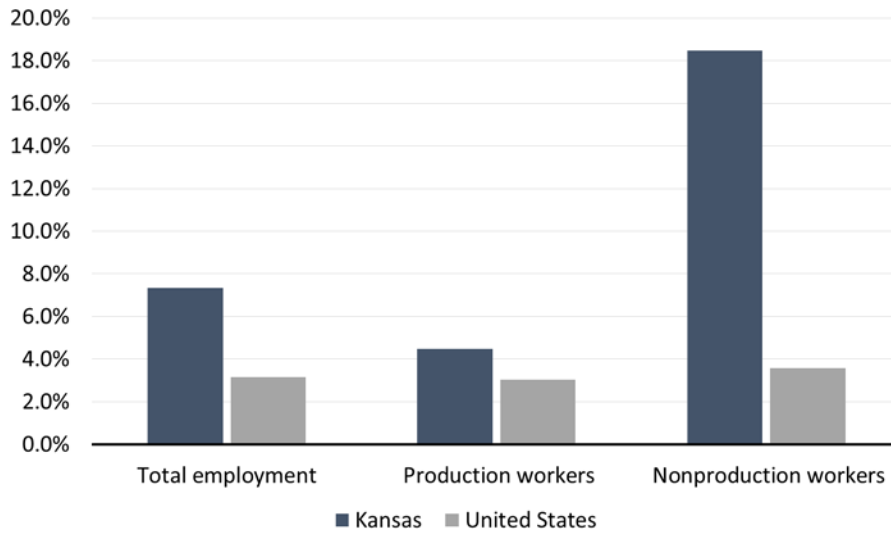
⁴ U.S. Census Bureau – County Business Patterns 2015

⁵ Infogroup, Inc.

⁶ IBIS World Cement Manufacturing in the U.S. – September 2016

⁷ Bureau of Labor Statistics – Quarterly Census of Employment and Wages

**Cement and Concrete Product Mfg.
Employment Change 2014-2015**



Source: U.S. Census Bureau Annual Survey of Manufacturers 2015

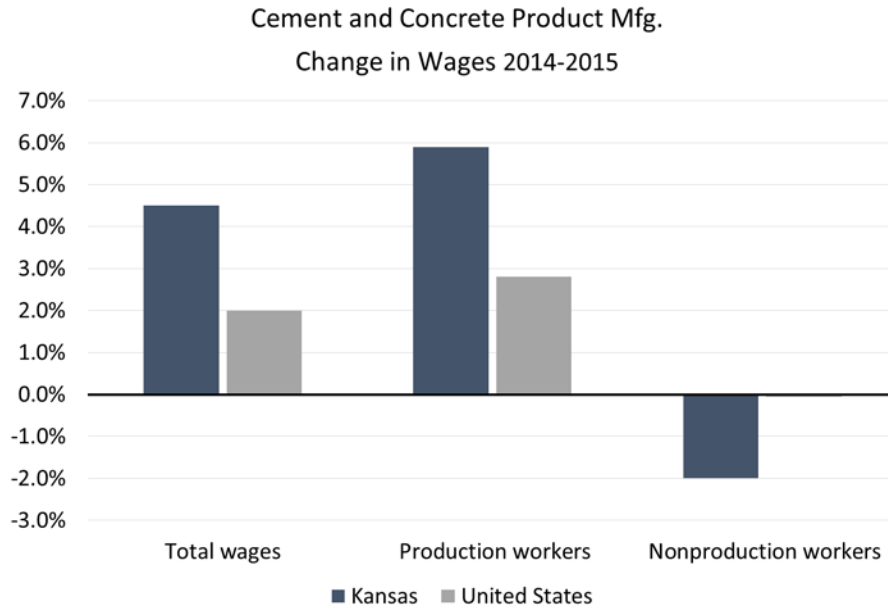
Wages

Cement and concrete product manufacturing is a low-wage industry. The average salary in 2015 for employees in this industry in Kansas was \$47,619, 14.7 percent lower than the average salary for manufacturing in the state. At \$43,695 annually, production workers in this industry earned 8.2 percent less than the average for production workers in Kansas. At \$61,142 a year, nonproduction workers earned 20.1 percent less than the average for nonproduction workers in manufacturing in Kansas.

Cement and Concrete Product Mfg. Annual Wage per Worker 2015	
Total employment	\$47,619
Production workers	\$43,695
Nonproduction workers	\$61,142

Source: U.S. Census Bureau Annual Survey of Manufacturers

Between 2014 and 2015, total wages in this industry increased in Kansas and in the United States. The relative change in Kansas was much larger. The total increase in wages can be attributed to a relatively large increase for production workers that were partially offset by a decrease in wages for nonproduction workers.



Source: U.S. Census Bureau Annual Survey of Manufacturers 2015 - Inflation adjusted growth rate.

In Kansas, there has been an increase in employment and wages for production workers in cement and concrete product manufacturing, indicating an increase in demand for these workers. There has been an increase in employment and decrease wages for nonproduction workers, indicating an increase in the number of these workers available.

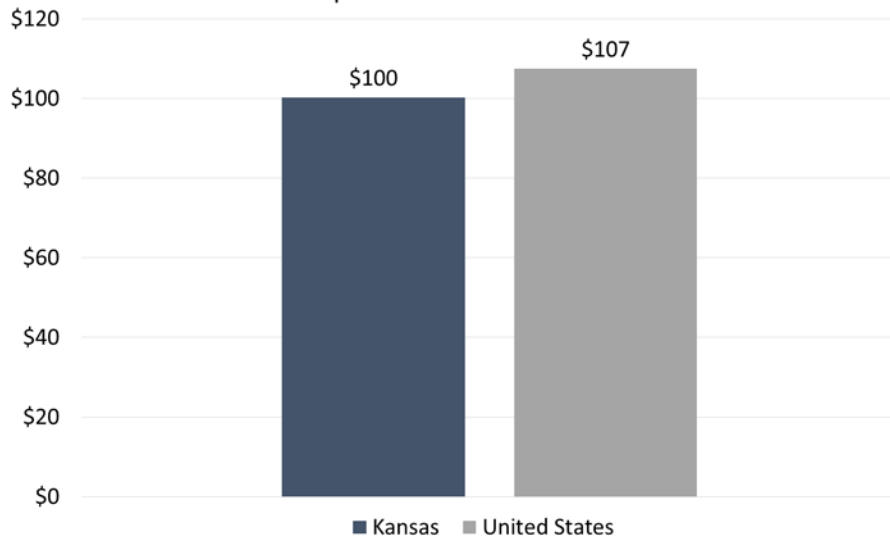
Productivity

In 2015, cement and concrete product manufacturing workers in Kansas worked an average of 38.10 hours a week, up six percent from 2014 and less than the national average for this industry of 40.48 hours, which increased 1.2 percent from 2014. It is also less than the average for manufacturing in Kansas of 39.06 hours a week.

In the United States, the average value added per production worker hour in manufacturing, in general, was \$152 in 2015.⁸ In 2015, the average value added per production worker hour for cement and concrete product manufacturing was \$107. The Kansas average was \$100. This difference in productivity may be attributed to the difference in the specific type of manufacturing done in Kansas, the amount of capital investment by local companies, the skill and experience of local production workers, or other factors.

⁸Productivity is an average measure of the efficiency of production. It can be measured as the ratio of inputs to outputs. In measuring the efficiency of manufacturing industries, it is common to measure productivity as the ratio of the production hours to the value added from the manufacturing activity. The value added from the manufacturing activity is determined by subtracting the cost of materials and supplies from the value of shipments.

Cement and Concrete Product Mfg.
Value Added per Production Worker Hour 2015



Source: U.S. Census Bureau Annual Survey of Manufacturers 2015