

# Franklin County Community Outlook Event

Peter Jacobsen

Gwartney Institute at Ottawa University

With assistance from the Center for Economic Development and  
Business Research (CEDBR) at Wichita State University

# Outline

- I. Introduction
- II. Section One- Lens of Analysis
- III. Section Two- Data
  - I. General Economic Data
  - II. Innovation Data
- IV. Section Three- Institutional Considerations
- V. Conclusion

# What is Economic Health?

- Economists have indicators which are broadly accepted to track economic health
  - Income
  - Employment Rate
  - Education

# What is Economic Health?

- We must be careful not putting the cart before the horse
  - Indicators are measurements, not the goal
    - Think of heart rate in different contexts
    - For an economic example, we can imagine unproductive employment
  - Attempts to replicate the conditions of richer areas in poorer areas has generally been unsuccessful
- Implication: Franklin County being below average on a particular data point don't imply action

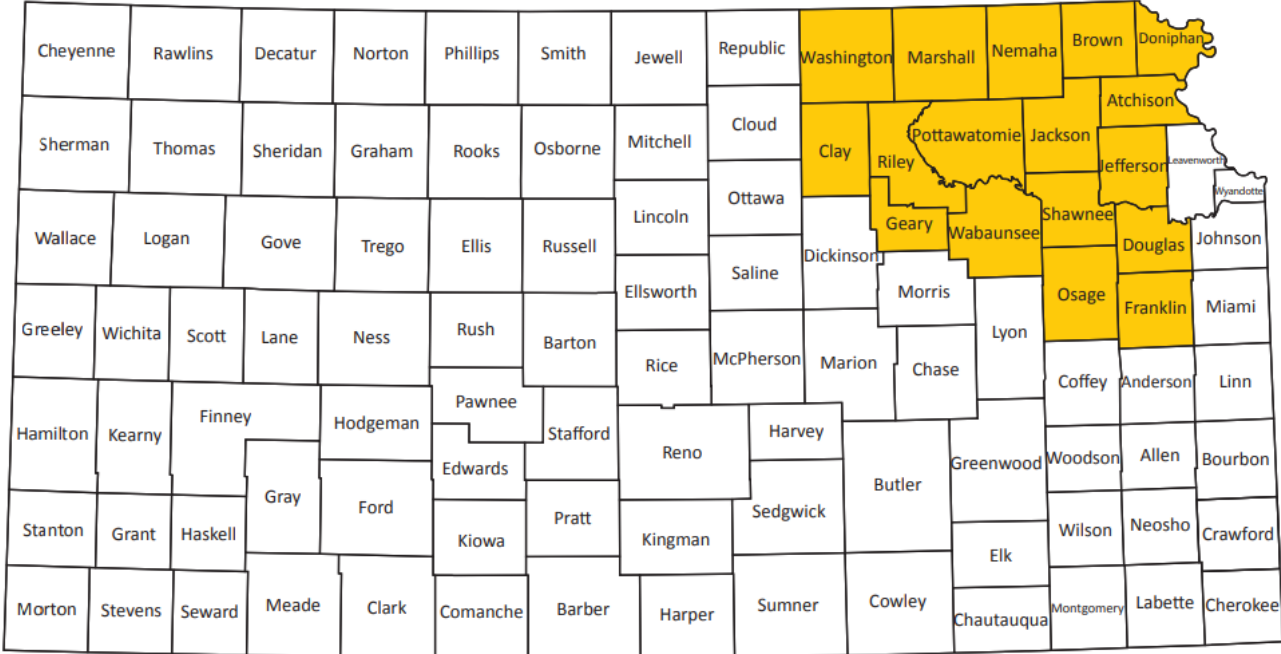
# What is Economic Health?

- Regardless, economic indicators are still generally valuable, and we may be able to draw implications from them

# Compared To What?

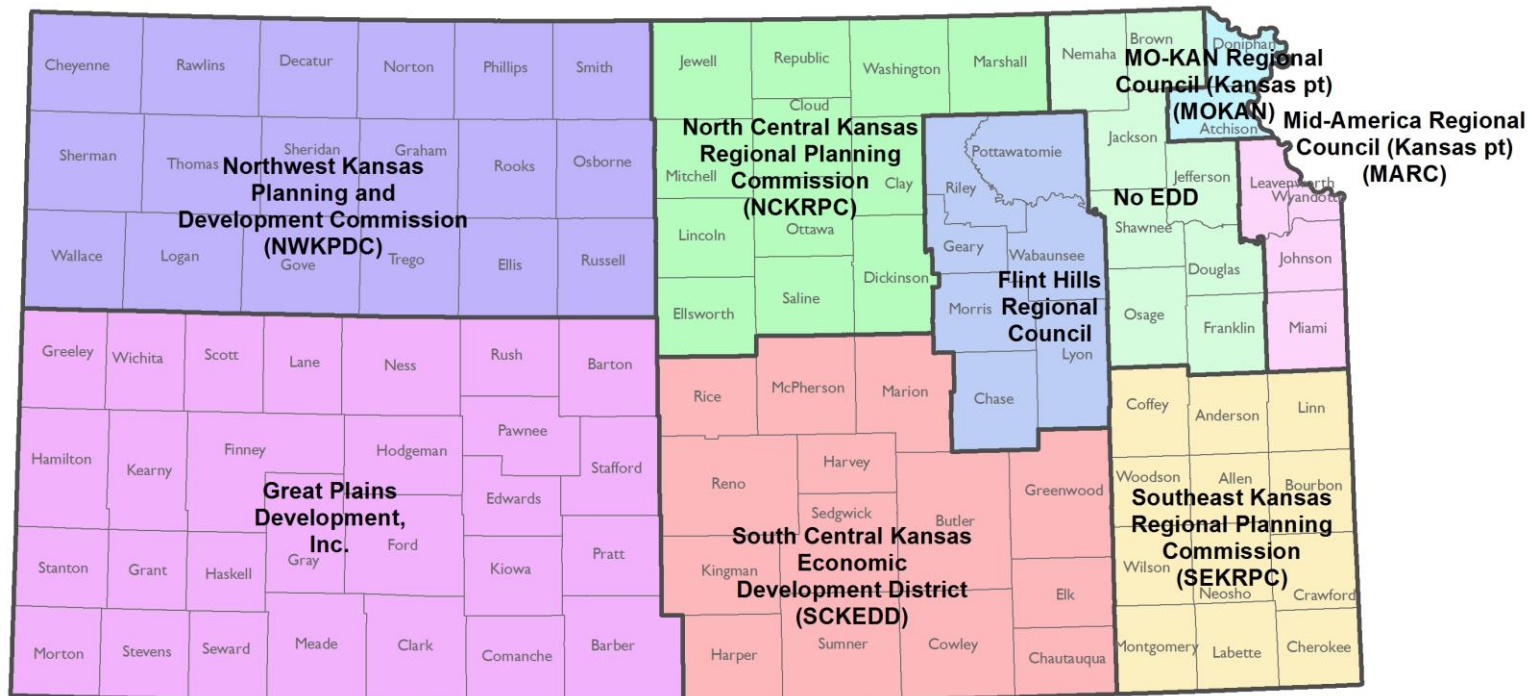
- Another relevant question is what standard should we compare Franklin County to?
  - Obviously not silicon valley or NYC
- Comparisons of interest
  - Other US Counties as a whole
  - Kansas as a whole
  - Two other regional breakdowns...

# Northeast Region



Regional breakdown by Kansas Center for Economic Development and Business Research (CEDBR) at Wichita State University

# The “No Economic Development District”, District

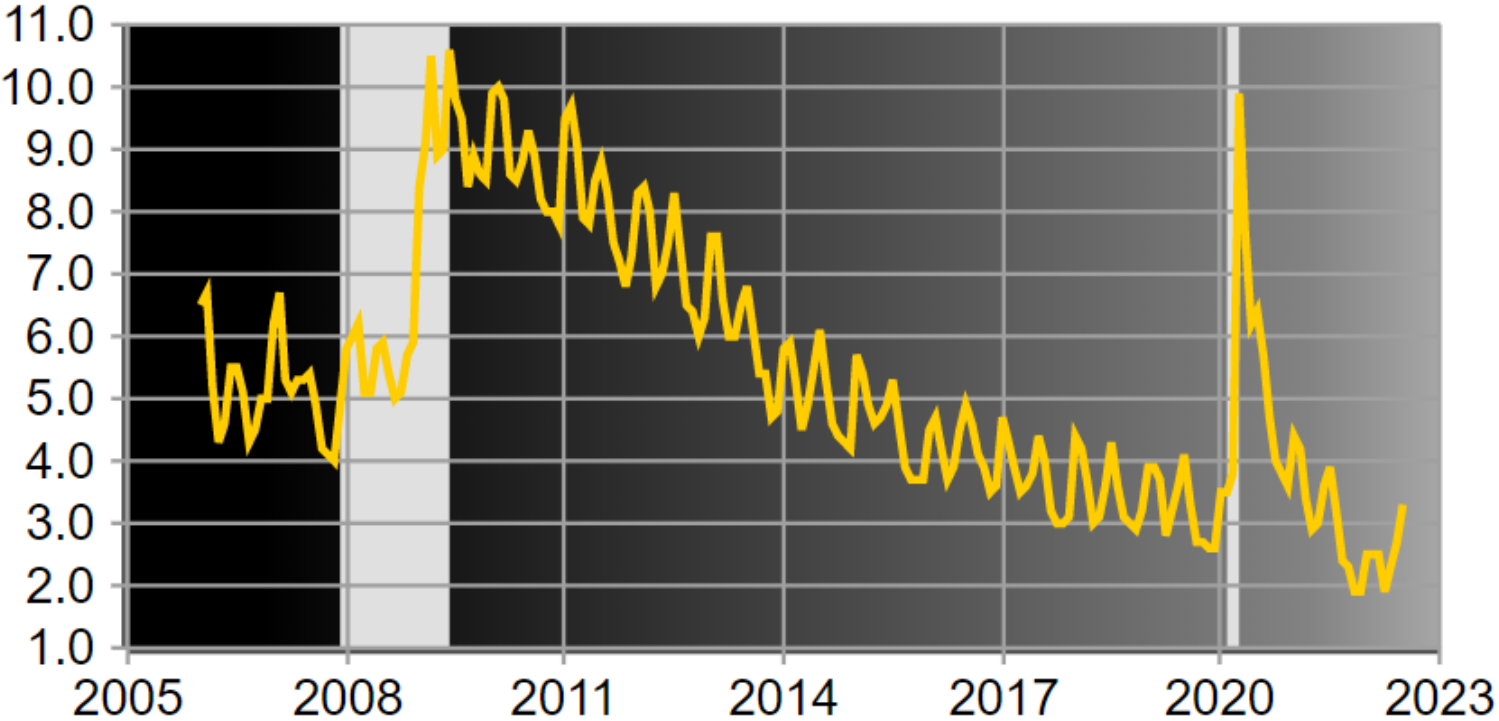


Kansas State Data Center



# Unemployment Rate

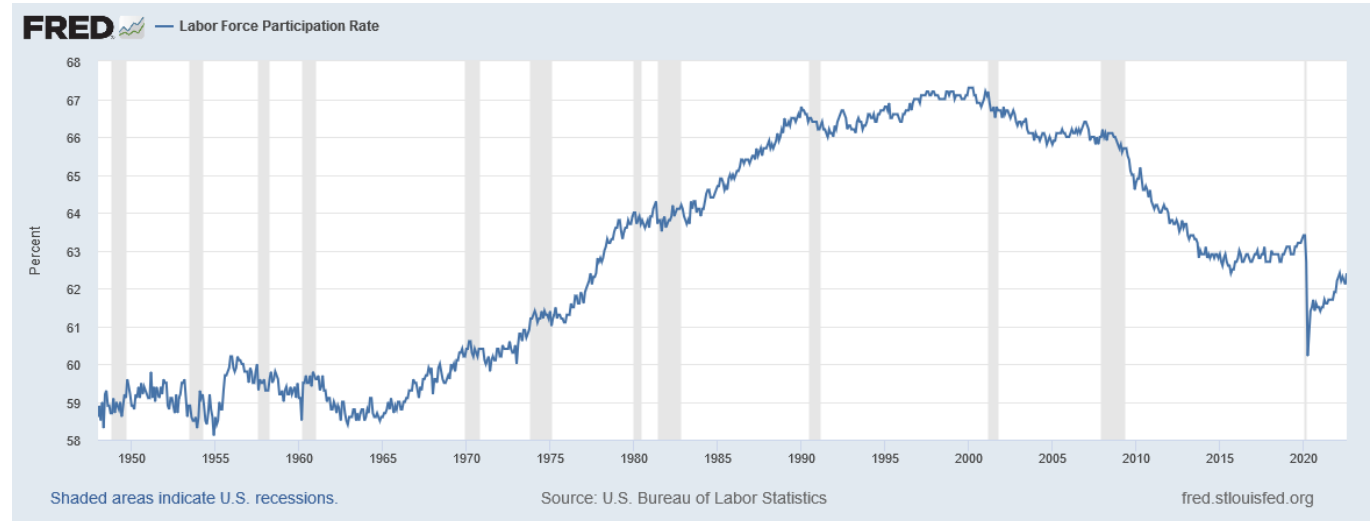
Unemployment Rate - Franklin County, KS - Civilian Labor Force (not seasonally adjusted)



Source CEHDR

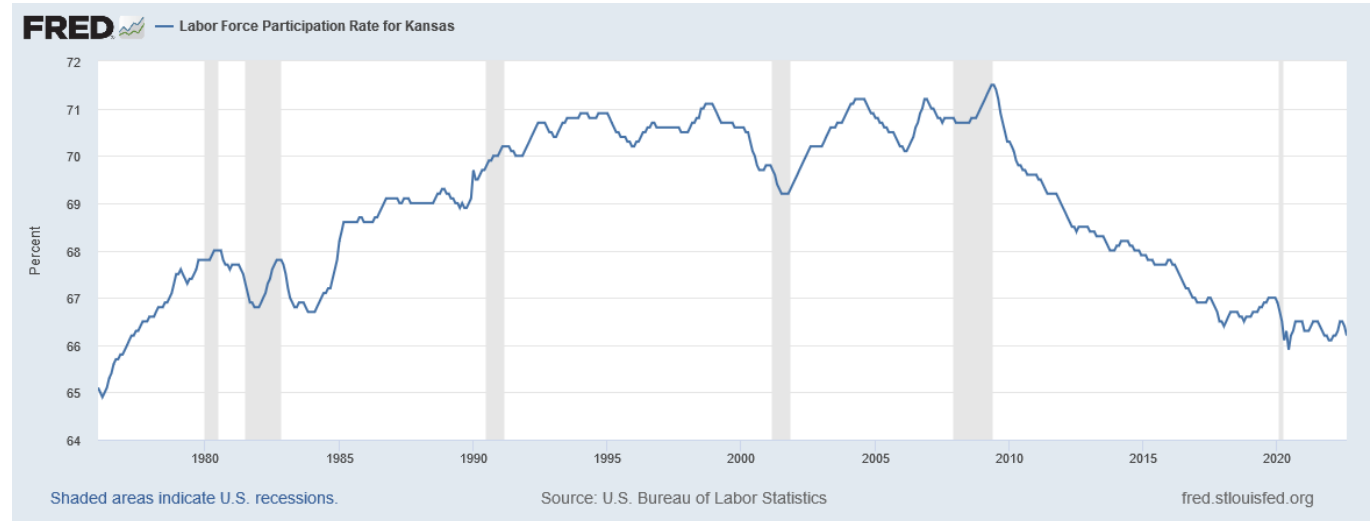
# Labor Force Participation Rate- US

- people ages 16+ who are employed or seeking employment
- US dropped 3 percentage points during COVID, recovered 2 percentage points



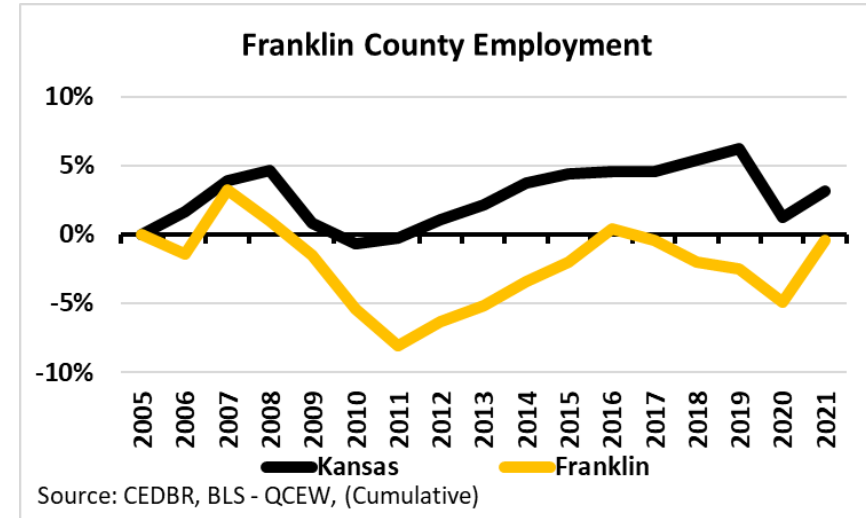
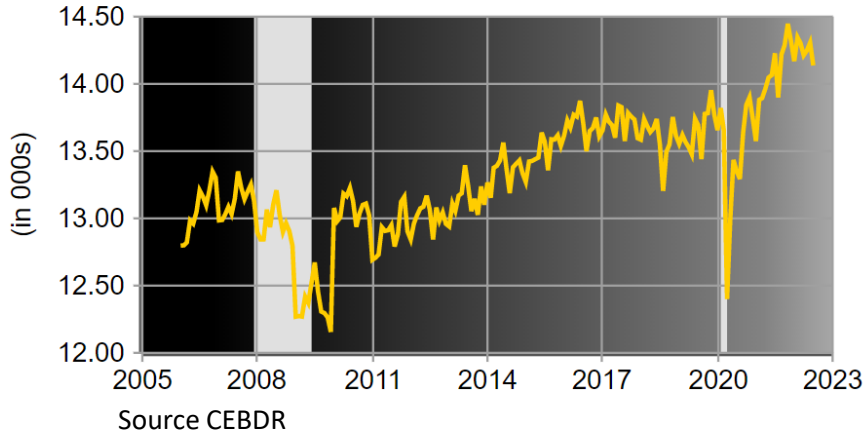
# Labor Force Participation Rate- US

- Kansas has had a similar though less dramatic story
- 1 point drop, half a point of recovery



# Employment Growth

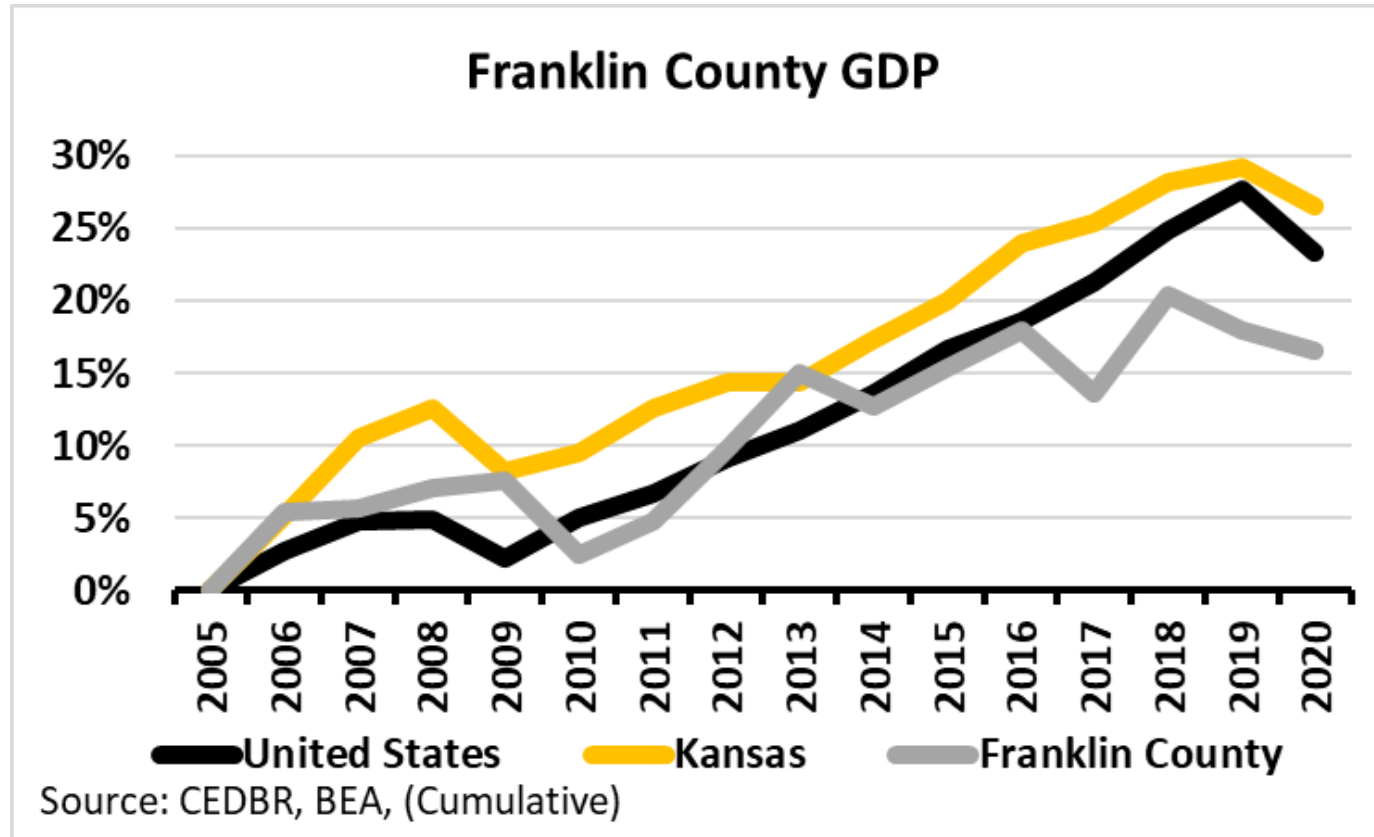
Employment - Franklin County, KS - Civilian Labor Force (not seasonally adjusted)



Employment by Industry						
Industry	Kansas			Franklin County		
	2020	2021	Difference	2020	2021	Difference
Natural resources and mining	18,607	18,619	0.1%	170	167	-1.8%
Construction	63,118	63,945	1.3%	395	393	-0.5%
Manufacturing	158,784	160,731	1.2%	768	775	0.9%
Trade, transportation, and utilities	255,575	262,905	2.9%	3,360	3,467	3.2%
Information	16,734	16,912	1.1%	0	22	N/A
Financial activities	73,310	73,221	-0.1%	174	204	17.2%
Professional and business services	168,813	171,560	1.6%	281	541	92.5%
Education and health services	194,569	194,264	-0.2%	1,450	1,416	-2.3%
Leisure and hospitality	110,526	120,309	8.9%	700	769	9.9%
Other services	31,183	32,361	3.8%	0	159	N/A
<b>Total</b>	<b>1,328,640</b>	<b>1,353,532</b>	<b>1.9%</b>	<b>18,057</b>	<b>18,908</b>	<b>4.7%</b>

Source: CEEDR, BLS - QCEW

# GDP Growth

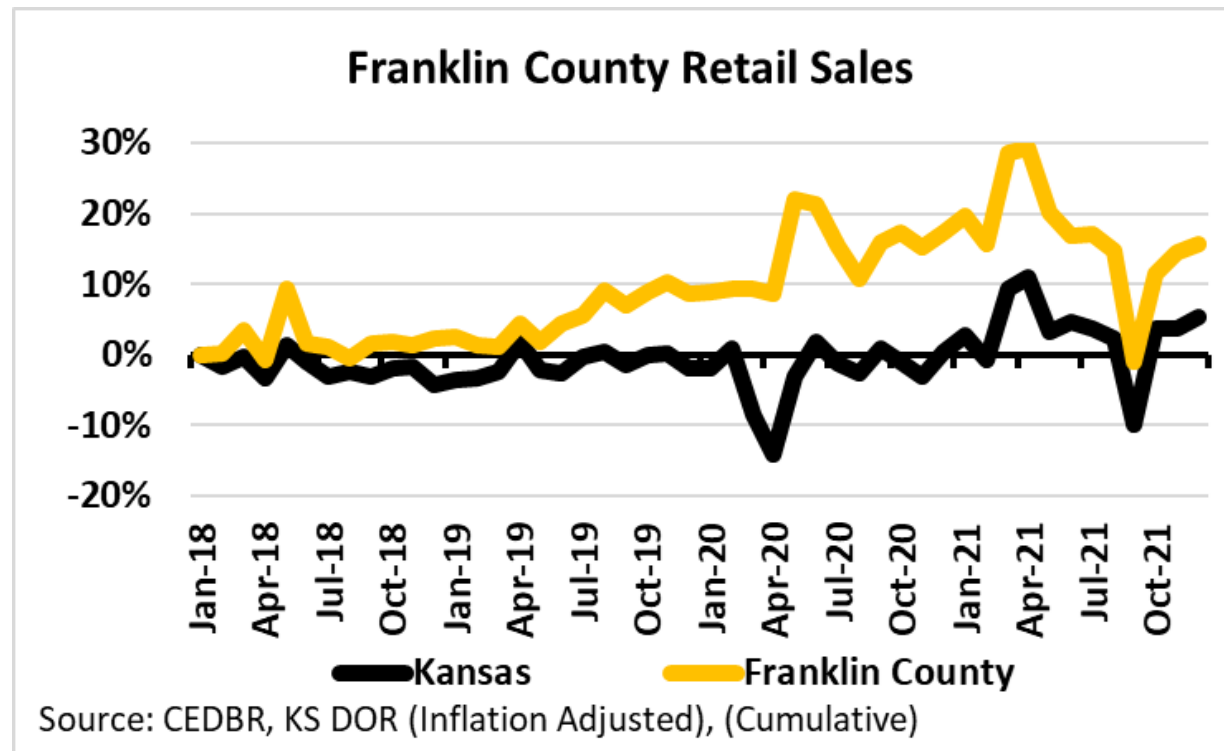


# Annual Pay Growth

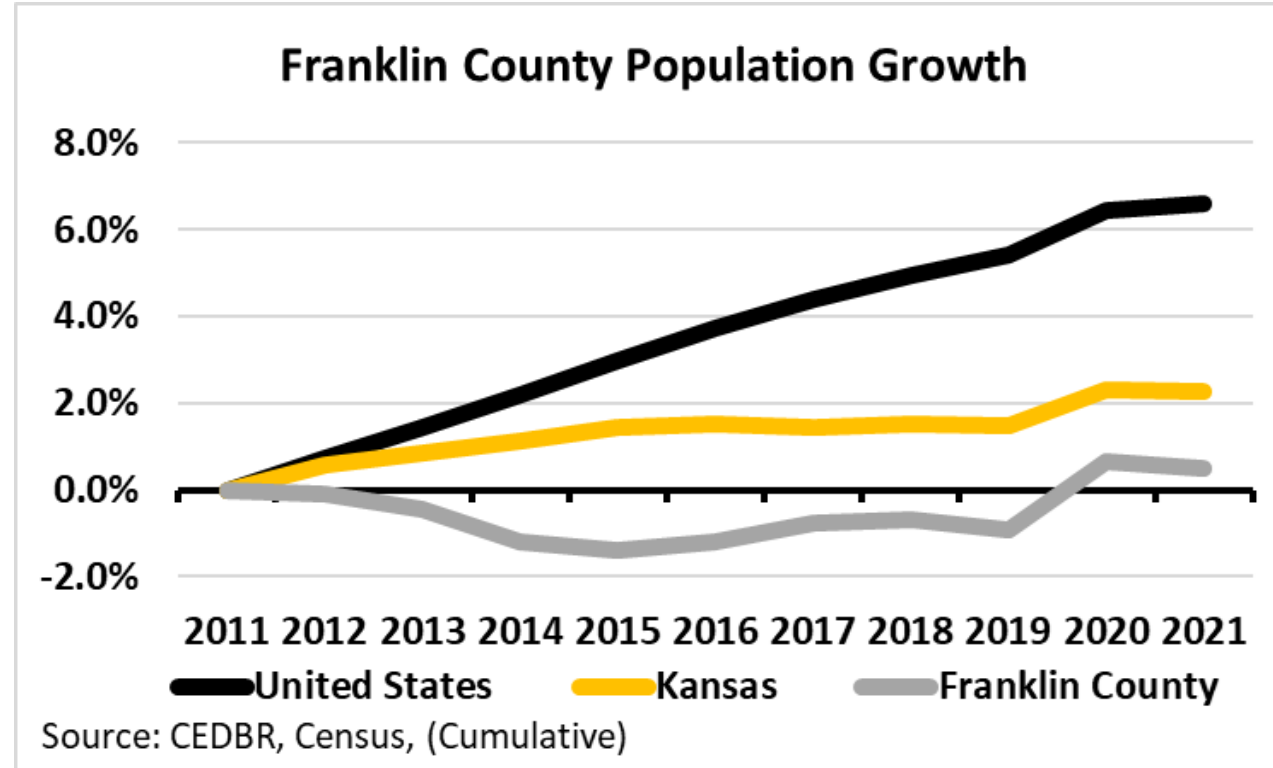
Annual Pay by Industry						
Industry	Kansas			Franklin County		
	2020	2021	Difference	2020	2021	Difference
Natural resources and mining	\$47,721	\$50,132	5.1%	\$49,027	\$51,321	4.7%
Construction	\$59,126	\$60,815	2.9%	\$50,939	\$52,546	3.2%
Manufacturing	\$62,958	\$64,603	2.6%	\$54,299	\$55,071	1.4%
Trade, transportation, and utilities	\$46,012	\$47,912	4.1%	\$45,229	\$46,802	3.5%
Information	\$73,749	\$81,217	10.1%	N/A	\$27,371	N/A
Financial activities	\$75,889	\$81,985	8.0%	\$67,321	\$77,897	15.7%
Professional and business services	\$69,538	\$71,479	2.8%	\$43,964	\$43,336	-1.4%
Education and health services	\$48,486	\$50,954	5.1%	\$42,211	\$42,560	0.8%
Leisure and hospitality	\$18,088	\$19,987	10.5%	\$14,147	\$15,339	8.4%
Other services	\$38,965	\$41,079	5.4%	N/A	\$38,760	N/A
<b>Total</b>	<b>\$51,490</b>	<b>\$53,422</b>	<b>3.8%</b>	<b>\$42,470</b>	<b>\$43,862</b>	<b>3.3%</b>

Source: CEDBR, BLS - QCEW

# Seasonally Adjusted Retail Sales

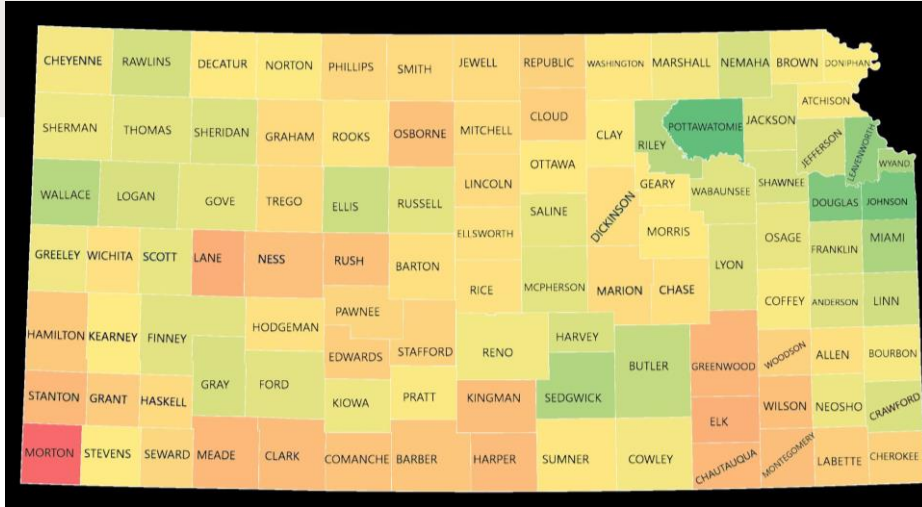


# Population

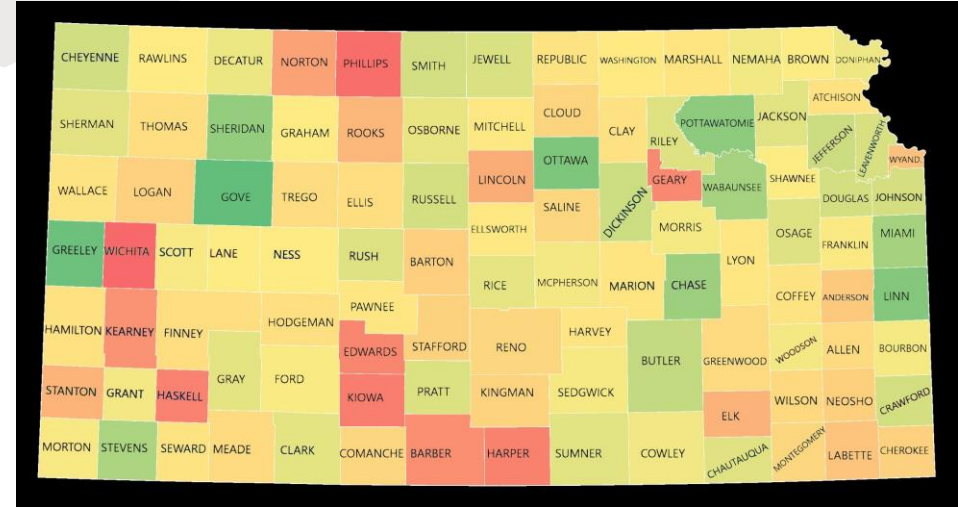




# Population Changes



Kansas Population Changes 2010-2020



Kansas Population Changes 2020-2021

Urban areas grew, rural shrank

But this trend appears to be slowing down

- Urban areas are growing much slower and rural areas are shrinking much slower
- Many possible explanations, COVID movement away from dense areas could contribute

# Innovation Index

- Five categories (source: Stats America)
  - Human Capital and Knowledge Creation
    - *The Human Capital and Knowledge Creation Index suggests the extent to which a region's population and labor force have the collective cognitive capacity and know-how to engage in innovative activities.*
  - Business Dynamics
    - *The Business Dynamics Index gauges the competitiveness of a region by investigating the entry and exit of individual firms—the creative destruction measures.*
  - Business Profile
    - *The Business Profile Index measures local business conditions and resources available to entrepreneurs and businesses.*
  - Employment and Productivity
    - *The Employment and Productivity Index describes economic growth, regional desirability or direct outcomes of innovative activity.*
  - Economic Well-being
    - *The Economic Well-Being Index explores standard of living and other economic outcomes.*
    - Compensation and Broadband connectivity
- US county average = 100

# Innovation- Human Capital

- Insights
  - Franklin County has higher education attainment than Kansas as a whole, but less than our two regions
  - Highest “some college attainment”
  - Highest Associates Degree attainment
  - STEM Lower than comparative regions, though in line with some counties

	Franklin County, KS	Kansas	No EDD	Northeast
Human Capital and Knowledge Creation	119.8	108.5	123.8	121.3
Some College Attainment	165.4	153.5	151.1	152.3
Associate's Degree Attainment	135.6	96.8	119.7	126.6
Patent Technology Diffusion	137.5	108	128.1	123.3
STEM Education and Occupations	88.2	126.2	107.5	106.8

# Innovation- Business Dynamics

- Insights
  - High Establishment Expansions to Contractions Ratio
    - Booms help more than busts hurt
  - Low Establishment Births to Deaths Ratio

	Franklin County, KS	Kansas	No EDD	Northeast
<b>Business Dynamics</b>	103.6	70.5	109.9	108.5
Establishment Expansions to Contractions Ratio	140.8	66.3	117.9	118.0
Establishment Births to Deaths Ratio	94.8	63.6	114.4	120.3

# Innovation- Business Profile

- Insights
  - Generally Low but not compared to the region
  - Rural areas score poorly in this category due to VC and FDI
  - But some strong indicators in “proprietorship”

	Franklin County, KS	Kansas	No EDD	Northeast
<b>Business Profile</b>	74.2	105.6	75.4	75.2
Venture Capital Dollar Measures	50	81.6	54.4	56.3
Foreign Direct Investment Attractiveness	50	127.4	58.4	57.8
Proprietorship	146.9	101.3	130.1	124.7
Farm Operators with Internet Access	198.2	75.3	129.5	106.9

# Innovation- Employment and Productivity

- Insights
  - Close to surrounding region
  - GDP, Job Growth, Patents, Industry Composition

	Franklin County, KS	Kansas	No EDD	Northeast
<b>Employment and Productivity</b>	121.4	128	124.7	120.7

# Innovation- Economic Well-Being

- Insights
  - Slight lag regionally
  - Point of interest- internet connectivity
    - Higher than Kansas but regionally low

	Franklin County, KS	Kansas	No EDD	Northeast
Economic Well-Being	138.4	111.3	145.3	147.0
Broadband Infrastructure and Adoption	96.6	68.3	117.0	118.6
Broadband Adoption Barriers	179.4	84.4	165.5	162.5

# Institutional Considerations

- Explanations surrounding the *cause* of economic health are disputed
- However, many have settled on “the rules” as an important cause of development
  - AKA “Institutions”

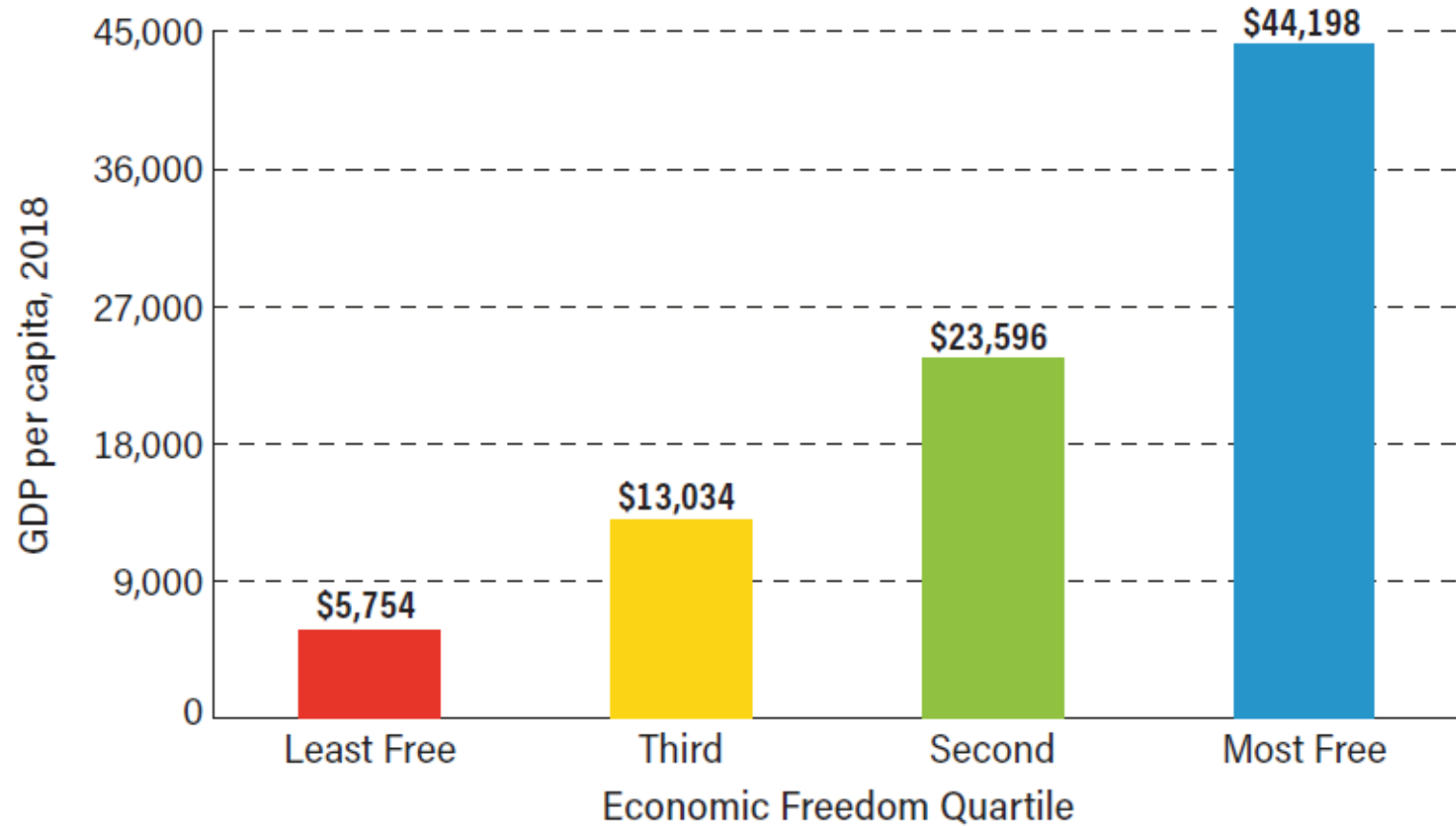


# Freedom: One Measure of Institutions

- Dr. James Gwartney (Ottawa Alumnus) responsible for developing Fraser Institute's Economic Freedom Index
- Five Categories
  - Size of Government
  - Legal System and Property Rights
  - Sound Money
  - Freedom to Trade Internationally
  - Regulation

## Exhibit 1.5: Economic Freedom and Income per Capita

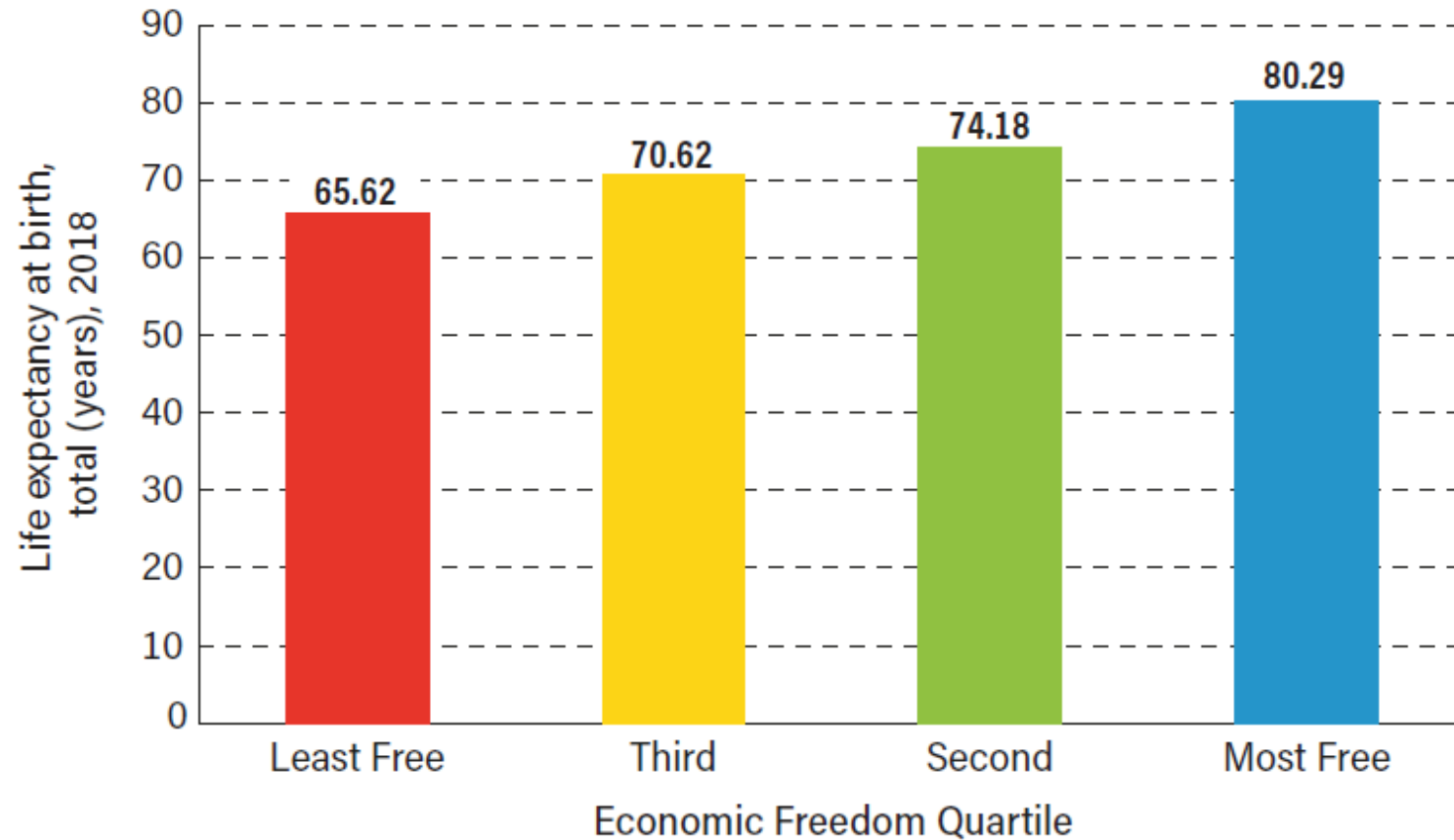
*Countries with greater economic freedom have substantially higher per-capita incomes.*



Sources: Average Economic Freedom Panel Score, 2000–2018; World Bank, 2020, *World Development Indicators*.

## Exhibit 1.6: Economic Freedom and Life Expectancy

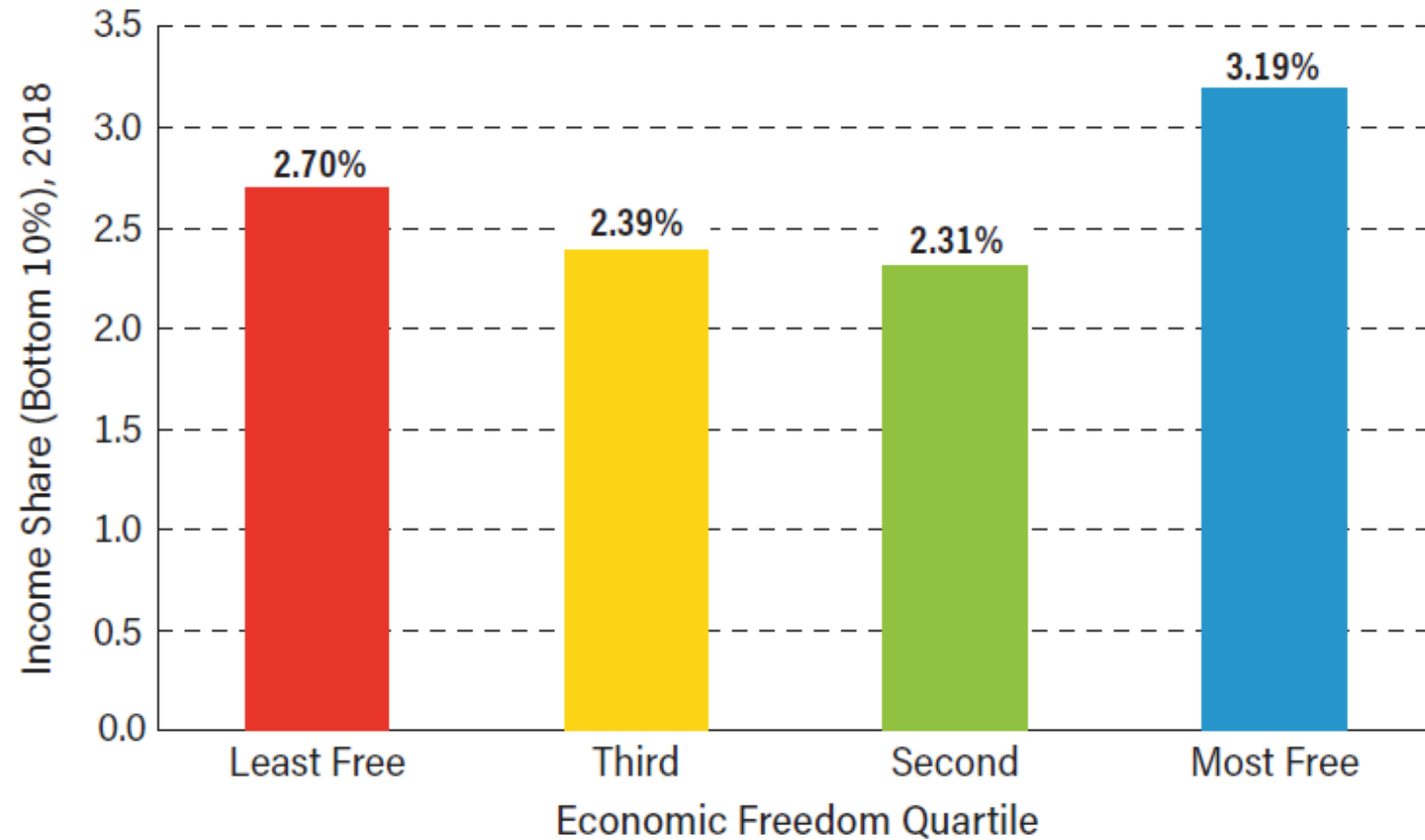
*Life expectancy is over 14 years longer in countries with the most economic freedom than in countries with the least.*



Sources: Average Economic Freedom Panel Score, 2000–2018; World Bank, 2020, *World Development Indicators*.

## Exhibit 1.8: Economic Freedom and the Income Share of the Poorest 10%

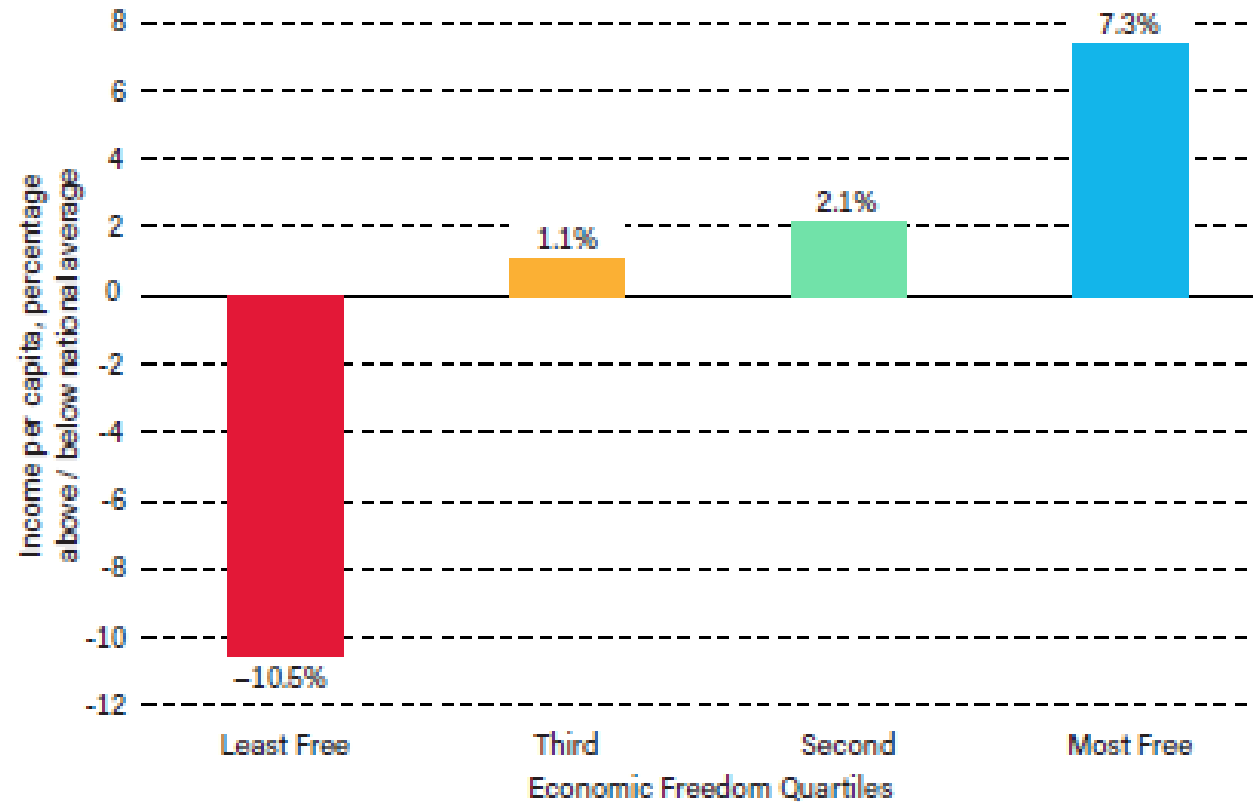
*The share of income earned by the poorest 10% of the population is unrelated to economic freedom.*



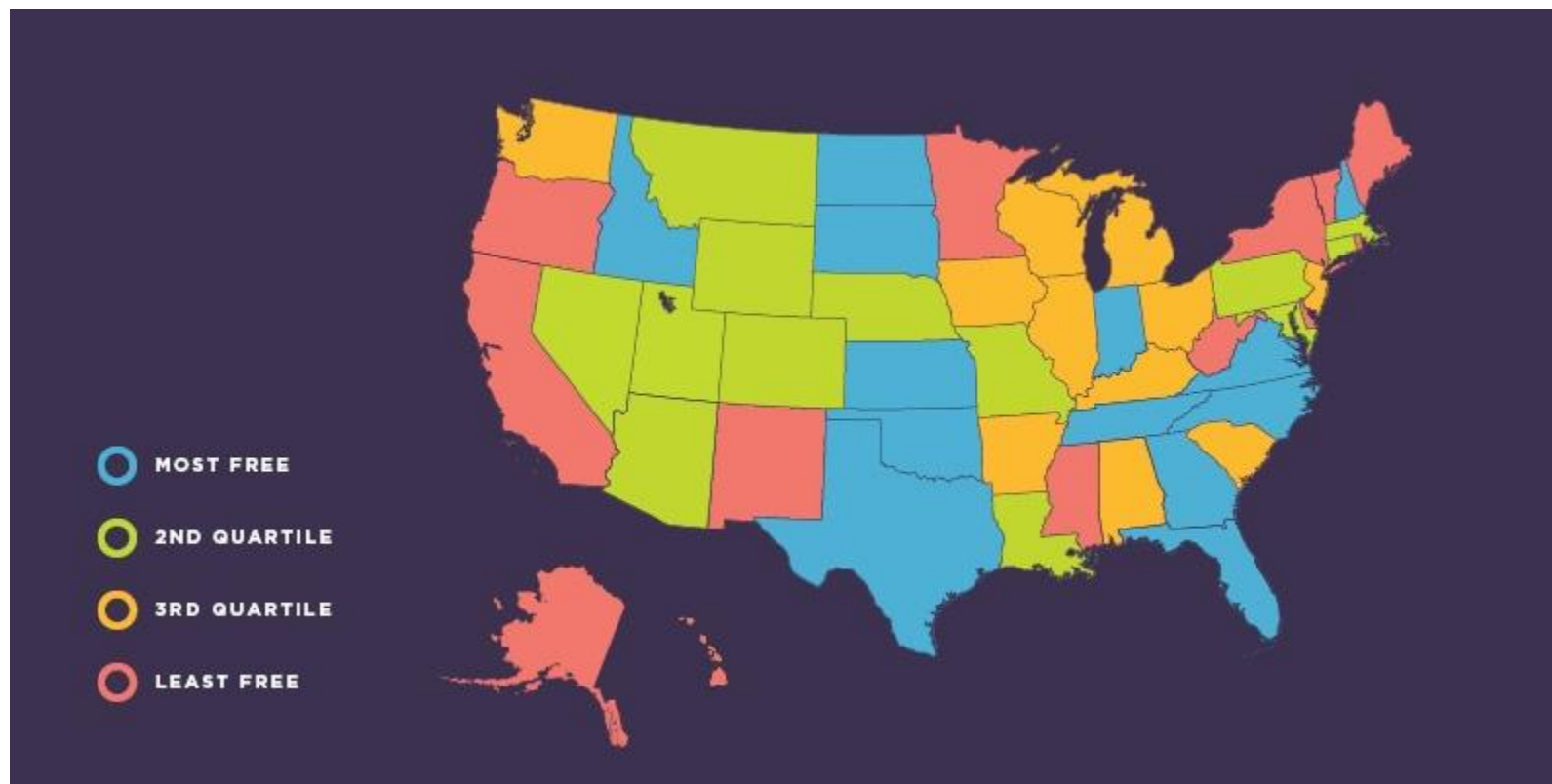
Sources: Average Economic Freedom Panel Score, 2000–2018; World Bank, 2020, *World Development Indicators*.

## State Level

Figure 1.4: Economic Freedom at the Subnational Level and Percentage of Income per Capita above or below the National Average in Canada, the United States, and Mexico, 2016



# Economic Freedom of North America 2021



Source: Fraser Institute

# Thank you

- [Peter.Jacobsen@ottawa.edu](mailto:Peter.Jacobsen@ottawa.edu)