

Approved February 19, 1985
Date

MINUTES OF THE Senate COMMITTEE ON Governmental Organization

The meeting was called to order by Senator Vidricksen at
Chairperson

1:30 ~~xxx~~ p.m. on February 18, 1985 in room 531 N of the Capitol.

All members were present except:

Senator Hoferer

Committee staff present:

Julian Efird - Research

Conferees appearing before the committee:

Dr. Anthony L Redwood - Professor of Business, and
Executive Director for the Institute for Economic and Business Research/
Center for Public Affairs

The meeting was called to order by the Chairman who referred to Senator Winter to introduce the guest speaker. Dr. Redwood distributed copies of his presentation entitled "Problems in the Kansas Economy: The Need for Economic Development." He discussed the nature of the Kansas economy and some of its problems as well as the current and future economic conditions. Several tables and graphs were explained and some recommendations were suggested. Dr. Redwood answered questions from the committee and discussion ensued. (Exhibit A)

A motion to approve the minutes of the February 12 meeting was made by Senator Winter and seconded by Senator Gaines. Motion carried.

The meeting was then adjourned by the chairman.

GUEST LIST

COMMITTEE: Senate Governmental Organization DATE: Feb. 18, 1985

NAME	ADDRESS	COMPANY/ORGANIZATION
Dave Toyle	Lawrence	Lawrence Journal-World
Martha Gafchous	1430 S. Topeka, Topeka	Ks. Advisory Cmte on Employment of Phys Handicapped
Barbie Dwyer	503 Kansas	KDEF
Dennis Schwartz	"	"
Tony Redwood	Lawrence	KU
CHARLES E KRIBAR	LAWRENCE	KU
Judy Krueger	40 Topeka Ave - Topeka	DHR

Presentation to Kansas Senate Committee on Governmental Organization

Problems in the Kansas Economy:
The Need for Economic Development

Dr. Anthony L. Redwood
Professor of Business, and
Executive Director
Institute for Economic and Business Research/
Center for Public Affairs

STRUCTURE OF PRESENTATION

- I. Long-term Historical Economic Trends
- II. Consequences:
 - A. State Demographics
 - B. Vitality of Present State Economy
 - C. Vitality of Future State Economy
- III. Recommendations

Attachments: Kansas Economic Trends
Kansas Demographic Trends

February 18, 1985

Exhibit A 2/18/85

I. Nature of the Kansas Economy (see attachment Kansas Economic Trends)

1. Over this century, the structure of Kansas industry has changed from being predominantly agricultural to a mixed form somewhat parallel to the US structure.
2. Employment growth in the non-agricultural sectors has been chronically inadequate in providing alternative job opportunities for Kansas. Hence employment in the primary sectors of agriculture and manufacturing is 22 percent of the state total compared with 27 percent for the nation. (Table 1)

II. Some Consequences

A. DEMOGRAPHIC (see attachment Kansas Demographic Trends).

1. Kansas population has declined from 2.27 percent of the US population in 1890 to 1.04 percent in 1980. It is projected to be 0.93 percent in 2000, and could be 0.75 percent in 2030.
2. Kansas has had one of the slowest population growth rates in the nation.
3. The state has experienced net outmigration every census decade since 1890. Recent levels were around 130,000 for 1960-70 and 25,000 for 1970-80. The predominant groups of outmigrants are young adults and persons with higher education and skill levels.
4. The state average age is above the US average and the state has a substantially higher proportion of persons over 65.
5. Although the state still has a higher rural population (33 percent) than the US (26 percent), there has been a significant redistribution within the state to areas of employment opportunity (concentrated in the area roughly bounded by Interstates 35, 135 and 70):

B. CURRENT ECONOMIC CONDITIONS (see attachment Kansas Economic Trends)

1. The state economy fell further, started to recover later, and has grown more slowly than the national economy has, in relation to the most recent recession. (Tables 1-4, graphs 1-2)
2. Total employment in Kansas today is below the level reached in 1979, in contrast to the US where the 1979 level has been exceeded significantly. (Tables 1-4, graphs 1-2)
3. The rate of business formation in Kansas in recent years has been well below the US rate, significantly below contiguous states of Oklahoma and Colorado, and about the same as Missouri and Nebraska. (Tables 5-9)
4. Virtually all sectors of the state economy have been affected, but the primary impact has been in manufacturing and services. (Tables 5-9)
5. If Kansas industries had recovered at the same rate as their US counterparts, the state would have 64,000 more jobs today than it presently has. (Table 10)
6. Economic factors underlying the relatively weak economic performance that are beyond our influence include:
 - strength of the dollar
 - chronic cost-price squeeze in agriculture
 - weakening oil prices in world markets;and economic factors within our influence include:
 - inadequate overall employment growth (level of job creation)
 - inadequate growth in education and skill intensive sectors (nature of job creation)
 - underrepresentation in the Kansas economic structure of growth industries and of firms supplying inputs to growth sectors elsewhere.

C. FUTURE ECONOMIC CONDITIONS

1. Key considerations affecting the future vitality, or lack thereof, of the state economy include:
 - likelihood of continued depressed agricultural prices due to chronic oversupply;
 - likelihood of long-term diminution of the state's mining industry as depletion outstrips discovery, and as world prices erode, also due to oversupply;
 - uncertainty over the future growth potential of the general aviation industry;
 - secondary impact on the traditional service sectors of the expected relative weakness of the above primary sectors.
2. There have been no changes in the underlying conditions that caused the state economy to be severely impacted in the last recession. Consequently there is the likelihood that the state will again experience an above average impact in the next recession.
3. State efforts to date have not blunted or mitigated the long term structural trends that have debilitated our economic and demographic vitality. (Table 11)
4. The U.S. economy is undergoing significant and dynamic change that is technologically based. Most states are competing fiercely to participate in this new "industrial revolution". The future of Kansas clearly depends on the extent to which the state is able to attract and cultivate this "new" industry within its boundaries.

III. Recommendations

The following suggestions are worth further consideration:

1. Kansans are not aware of the problem, its dimensions, nor its potential seriousness. There is a dearth of studies, conferences, legislative committee hearings, etc. that would focus on what the problems are and what the policy choices are to deal with them. The issues are too complex, and the world is too competitive, for 'knee jerk' reactions. There is the need to develop the sense, the frame of mind, that economic development is an imperative.

The alternative to growth will include in a relative sense reduced incomes, fewer job opportunities, increased tax burden to maintain roads and other infrastructure, lower quality education opportunities, and so on.

2. Due to the lack of natural advantage, the state effort will need to be integrated and orchestrated to be efficient and productive. It must necessarily transcend the traditional approach of agencies by narrow function, (KDED is responsible for economic development, KDOT for transportation, DHR for human resources matters, etc.) and will need to co-opt other organizations like KCCI, local government, and the universities.
3. The state needs to devise a multifaceted strategy premised on the notion that the potential and needs of different regions of the state vary. Within this framework we need to identify the strengths and attributes that are statewide (location, education, productive qualities of the workforce) and those that are local and regional (e.g. wage levels, labor availability), and market these in a targeted manner by focussing on that subset of industry out there that would be attracted to those qualities.

4. While the attraction of industry to the state is important, much future development and job creation will come from home-spun entrepreneurship and small business development as well as from the expansion and modernization of existing industry. The nurturing of the Kansas potential is less glamorous, but equally important and promising.
5. The state needs to include one of its best resources, its universities, in the development effort. It is not currently doing so in any consistent or meaningful way.
6. It needs to be recognized that the enemy (our competition) is without (other states), and not within (west versus east, north-east versus south central). Other states are mounting a much bigger and much better effort than we are. If we do not have the resources to emulate the size of their programs, then we must compete by being better organized and more committed.

KANSAS ECONOMIC TRENDS

List of Tables and Graphs

- Table 1 - Percentage of Total Employment Contributed by Different Sectors
- Table 2 - Kansas Annual Employment Average
- Graph 1 - Employment for Kansas, Wichita, and the
Wichita Aircraft Industry 1979-1984
- Table 3 - Employees on Payrolls of Non-Agricultural Establishments Averages
for Each Year (Thousands)
- Table 4 - Employees on Non-Agricultural Payrolls 1982-1984
- Graph 2 - Percent Growth in Employment by Sector in Kansas
and the US from 1979-83
- Table 5 - Growth in Major Industrial Groupings for Kansas and the United
States 1978-1982 Measured by Percent Change in Number of
Establishments
- Table 6 - Growth in Major Industrial Groupings for Kansas and Surrounding
States 1978-1982 Measured by Percent Change in Number of
Establishments
- Table 7 - Growth in Manufacturing Industries for Kansas and the United States
1978-1982 Measured by Percent Change in Number of Establishments
- Table 8 - Growth in Major Industrial Groupings for Kansas and the United States
1978-1982 Measured by Percent Change in Number of Employees
- Table 9 - Growth in Major Industrial Groupings for Kansas and Surrounding
States 1978-1982 Measured by Percent Change in Number of Employees
- Table 10 - Estimate of Employment "Lost" in Kansas November 1979 to November
1984
- Table 11 - Percentage of Total Employment Contributed by Different Sectors:
A Projection

Institute for Economic and Business Research
The University of Kansas
February, 1985

TABLE 1

PERCENTAGE OF TOTAL EMPLOYMENT
CONTRIBUTED BY DIFFERENT SECTORS

	1960		1970		1980	
	<u>US</u>	<u>KS</u>	<u>US</u>	<u>KS</u>	<u>US</u>	<u>KS</u>
Farm	9.72	14.20	5.99	9.02	4.34	5.48
Manufacturing.	27.85	14.00	25.64	15.20	22.41	16.21
Service.	11.33	8.40	15.40	11.64	19.76	14.68
Government	14.47	13.90	16.60	17.46	17.94	16.15
Trade.	19.87	15.70	19.93	18.00	22.51	19.27
Construction	4.74	NA	4.68	NA	4.85	4.20
Other.	12.02	33.80	11.76	28.68	8.19	24.00
Total.	100.00	100.00	100.00	100.00	100.00	100.00

Source: Bureau of Labor Statistics

TABLE 2

KANSAS ANNUAL EMPLOYMENT AVERAGE

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Unemployment Rate. . .	2.9	3.9	4.0	5.6	5.2	5.2
Total Wage and Salary.	946.8	944.7	949.7	921.4	915.5	938.3
Manufacturing.	198.9	190.5	188.6	168.8	164.9	176.4
Transportation Equipment.	53.5	51.3	50.1	40.9	41.9	48.1
Aircraft	43.7	43.7	43.0	32.9	32.1	37.0
Construction	49.9	46.5	42.7	39.0	39.2	40.6

Source: Kansas Civilian Labor Force 1984

G R A P H I

EMPLOYMENT FOR KANSAS, WICHITA, AND THE WICHITA AIRCRAFT INDUSTRY
1979 - 1984

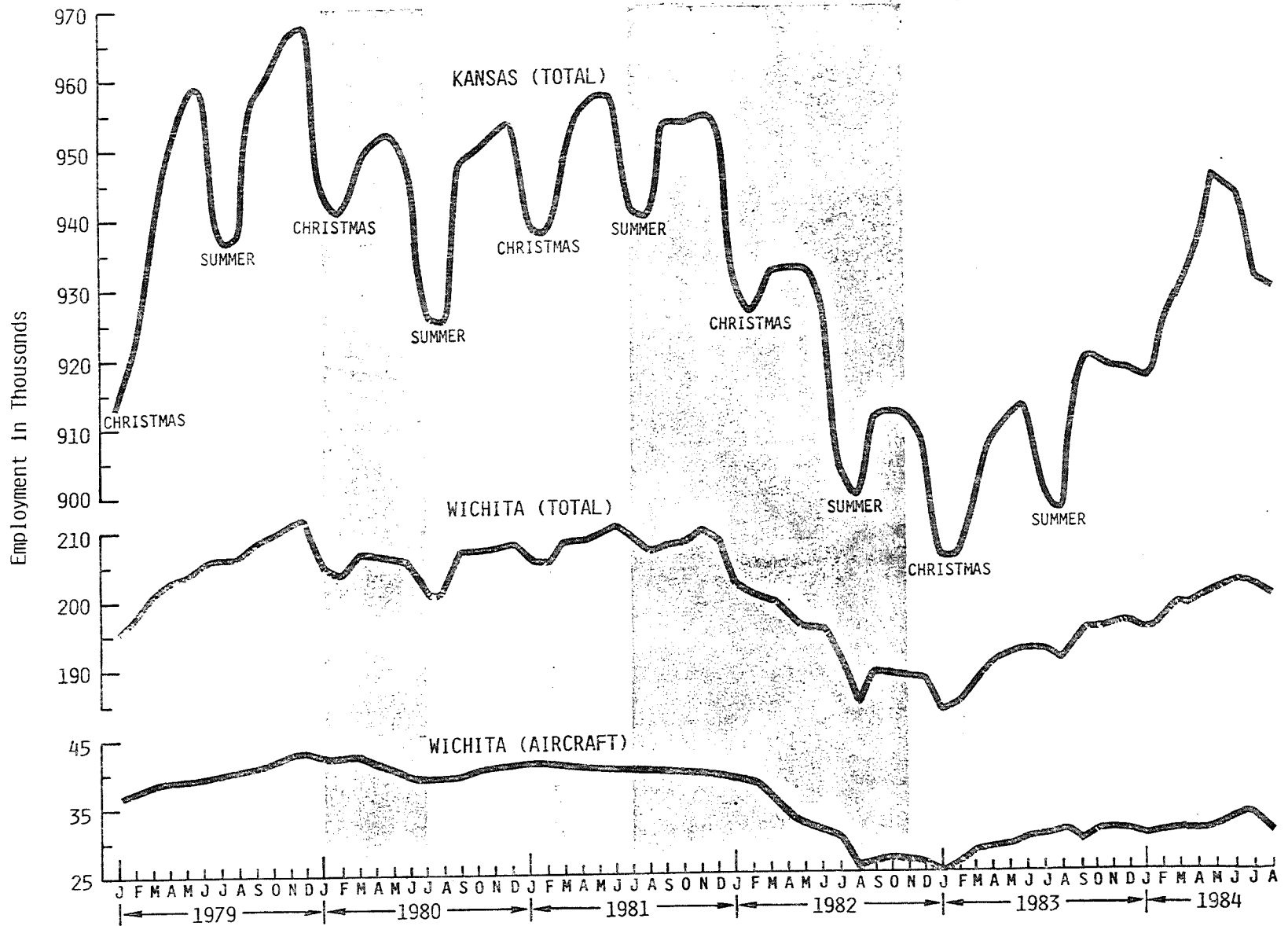


TABLE 3

EMPLOYEES ON PAYROLLS OF NON-AGRICULTURAL ESTABLISHMENTS
AVERAGES FOR EACH YEAR (THOUSANDS)

	All of 1980	% Change (1980-82)	All of 1982	% Change (1982-84)	All of 1984
TOTAL					
UNITED STATES	90,406.0	- 1.1	89,596.0	5.1	94,147.3
KANSAS	944.7	- 2.5	921.4	1.8	938.3
MANUFACTURING					
UNITED STATES	20,285.0	- 7.1	18,853.0	3.9	19,587.7
KANSAS	190.5	-11.4	168.8	4.5	176.4

TABLE 4

EMPLOYEES ON NONAGRICULTURAL PAYROLLS 1982-1984

Industry	1982		1984		% Change		Difference <u>KS-US</u>
	<u>KS</u>	<u>US</u>	<u>KS</u>	<u>US</u>	<u>KS</u>	<u>US</u>	
Total	921.4	89,596	938.29	94,147.3	1.8	5.1	-3.3
Manufacturing . .	168.8	18,853	176.4	19,587.7	4.5	3.9	.6
Mining	18.8	1,143	17.5	998.5	-6.7	-12.6	5.9
Construction . .	39.0	3,911	40.6	4,309.5	4.1	10.1	- .6
Transportation/ Utilities	61.4	5,081	63.7	5,168.7	3.8	1.7	2.1
Trade	224.9	20,401	227.4	21,785.2	- .2	6.8	-7.0
Finance	48.9	5,340	49.6	5,664.7	1.4	6.1	-4.7
Services	172.8	19,064	174.9	20,662.4	1.2	8.4	-7.2
Government . . .	183.8	15,803	188.1	15,970.5	2.3	1.1	1.2

Source: Calculated from Kansas Civilian Labor Force 1982-1984 and Monthly Labor Review, December 1981, 1983.

G R A P H 2

PERCENT GROWTH IN EMPLOYMENT BY SECTOR IN KANSAS AND THE U.S. FROM 1979-83
 (Based on Average Employment Over the September-December Period)

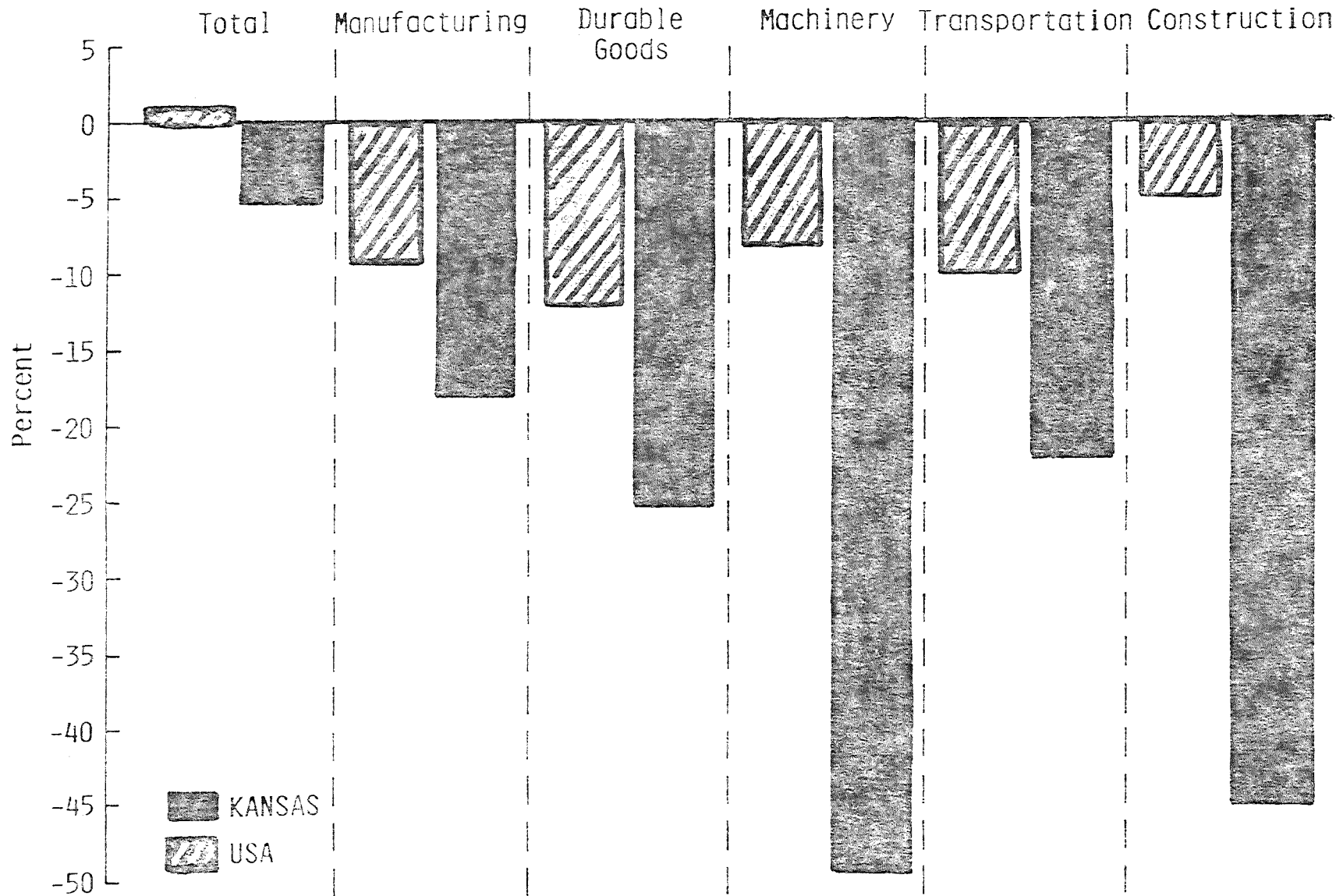


TABLE 5

GROWTH IN MAJOR INDUSTRIAL GROUPINGS FOR
KANSAS AND THE UNITED STATES 1978-1982
MEASURED BY PERCENT CHANGE IN NUMBER OF ESTABLISHMENTS

<u>Industry</u>	<u>KS</u>	<u>US</u>	<u>Difference</u> <u>KS - US</u>
Total.	2 %	5 %	- 3 %
Agricultural Services, Forestry, Fisheries . .	23	12	11
Mining	34	26	8
Contract Construction.	-19	-13	- 6
Manufacturing.	1	1	0
Transportation and Other Public Utilities. . .	0	6	- 6
Wholesale Trade.	7	8	- 1
Retail Trade	- 1	3	- 4
Finance, Insurance and Real Estate	1	3	- 2
Services	12	17	- 5
Nonclassifiable Establishments	-17	-27	10

Source: Calculated from County Business Patterns 1978 and 1982.

TABLE 6

GROWTH IN MAJOR INDUSTRIAL GROUPINGS FOR
KANSAS AND SURROUNDING STATES 1978-1982
MEASURED BY PERCENT CHANGE IN NUMBER OF ESTABLISHMENTS

<u>Industry</u>	<u>KS</u>	<u>CO</u>	<u>MO</u>	<u>NEB</u>	<u>OK</u>
Total.	2	12	0	0	11
Agricultural Services, Forestry, Fisheries . .	23	27	13	16	18
Mining	34	56	6	14	69
Contract Construction.	-19	- 6	-18	-18	- 6
Manufacturing.	1	11	- 2	- 1	8
Transportation and Other Public Utilities. . .	0	16	2	2	9
Wholesale Trade.	7	17	1	1	17
Retail Trade	- 1	8	- 2	0	2
Finance, Insurance, and Real Estate.	1	14	- 4	1	10
Services	12	25	12	12	18
Nonclassifiable Establishments	-17	-32	-43	-36	19

Source: Calculated from County Business Patterns 1978 and 1982.

TABLE 7

GROWTH IN MANUFACTURING INDUSTRIES FOR
KANSAS AND THE UNITED STATES 1978-1982
MEASURED BY PERCENT CHANGE IN NUMBER OF ESTABLISHMENTS

<u>SIC</u>	<u>Industry</u>	<u>KS</u>	<u>US</u>	<u>Difference</u> <u>KS - US</u>
--	Manufacturing	1 %	1 %	0 %
20	Food and Kindred Products	-11	12	-23
22	Textile Mill Products		- 4	
23	Apparel and Other Textiles.	-22	- 8	-14
24	* Lumber and Wood Products.	- 2	-11	9
25	Furniture and Fixtures.	-24	1	-25
26	Paper and Allied Products	- 5	- 1	- 4
27	* Printing and Publishing	8	9	- 1
28	* Chemicals and Allied Products	- 3	- 1	- 2
29	Petroleum and Coal Products	10	4	6
30	* Rubber and Miscellaneous			
	Plastic Products.	14	14	0
31	Leather and Leather Products.	-22	- 8	-14
32	Stone, Clay, and			
	Glass Products.	- 7	- 5	- 2
33	* Primary Metal Industries.	3	0	3
34	Fabricated Metal Products	0	7	- 7
35	* Machinery Except Electrical	9	9	0
36	* Electric and			
	Electronic Equipment.	20	12	8
37	Transportation Equipment.	- 1	- 6	5
38	* Instruments and			
	Related Products.	12	13	- 1
39	* Miscellaneous Manufacturing			
	Industries.	- 6	- 4	- 2
--	Administrative and Auxiliary.	6	4	2

*Includes some industries that are potential high growth.
Source calculated from County Business Patterns.

TABLE 8

GROWTH IN MAJOR INDUSTRIAL GROUPINGS FOR
 KANSAS AND THE UNITED STATES 1978-1982
 MEASURED BY PERCENT CHANGE IN NUMBER OF EMPLOYEES

<u>Industry</u>	<u>KS</u>	<u>US</u>	<u>Difference</u> <u>KS - US</u>
Total.	5 %	6 %	- 1 %
Agricultural Services, Forestry, Fisheries . .	17	21	- 4
Mining	65	44	21
Contract Construction.	-18	- 5	-13
Manufacturing.	- 2	- 5	3
Transportation and Other Public Utilities. . .	7	6	1
Wholesale Trade.	9	8	1
Retail Trade	2	6	- 4
Finance, Insurance and Real Estate	10	12	- 2
Services	17	19	- 2
Nonclassifiable Establishments	-61	-70	9

TABLE 9

GROWTH IN MAJOR INDUSTRIAL GROUPINGS FOR
 KANSAS AND SURROUNDING STATES 1978-1982
 MEASURED BY PERCENT CHANGE IN NUMBER OF EMPLOYEES

<u>Industry</u>	<u>KS</u>	<u>CO</u>	<u>MO</u>	<u>NEB</u>	<u>OK</u>
Total.	5	20	0	3	24
Agricultural Services, Forestry, Fisheries . .	17	65	21	6	37
Mining	65	84	- 6	56	130
Contract Construction.	-18	7	- 5	-23	9
Manufacturing.	- 2	14	- 9	2	13
Transportation and Other Public Utilities. . .	7	21	- 1	4	21
Wholesale Trade.	9	24	2	0	30
Retail Trade	2	12	- 2	- 2	16
Finance, Insurance, and Real Estate.	10	25	5	5	21
Services	17	29	14	15	26
Nonclassifiable Establishments	-61	-65	-81	-70	- 54

Source: Calculated from County Business Patterns 1978 and 1982.

TABLE 10

ESTIMATE OF EMPLOYMENT "LOST" IN KANSAS
NOVEMBER 1979 TO NOVEMBER 1984

	Kansas Actual Employment		Industry Projected Employment ¹	Difference Between Actual Projected
	Nov. 79	Nov. 84	Nov. 84	
Manufacturing	203.2	179.0	194.1	-15.1
Stone, Clay, Glass	8.3	7.1	7.2	- .1
Primary Metals	4.4	2.6	3.1	- .5
Fabricated Metals	14.3	11.8	12.4	- .6
Machinery	37.3	26.8	36.6	- 9.8
Aircraft	46.4	38.6	44.8	- 6.2
Other Transportation Equip	10.6	11.2	10.1	1.1
Other Durables	12.4	10.3	12.1	- 1.8
Food and Kindred Products.	23.4	25.1	22.2	2.9
Apparel	3.7	3.5	3.4	.1
Printing and Publications.	16.6	17.7	18.2	- .5
Chemical	9.1	8.4	8.7	- .3
Petroleum and Coal	4.7	4.1	4.1	.0
Other Non-Durables	12.0	11.8	11.2	.6
Mining	14.2	17.8	14.6	3.2
Construction	52.1	42.1	50.5	- 8.4
Trans. Public Utilities.	65.6	64.3	66.0	- 1.7
Wholesale Trade	63.5	65.5	67.8	- 2.3
Retail Trade	165.6	167.0	180.7	-13.7
Finance	46.7	49.8	53.0	- 3.2
Services	167.4	175.6	203.6	-28.0
Federal Government	25.9	26.7	26.0	.7
State and Local Government	<u>162.5</u>	<u>167.8</u>	<u>163.3</u>	<u>4.5</u>
Total	966.7	955.6	1,019.6	-64.0

Total establishment employment in the US was 90,552 million in November of 1979. In November of 1984, this figure was 95,453 million. Applying this rate of growth to employment in KS in 1979 gives a projected employment figure of 1,019.0 thousand. From column 2 it is seen that actual employment was 955.6 thousand in KS in November of 1984. The difference between 1,019.0 and 955.6 has only two possible explanations: 1) the particular industries in KS are not growing as fast as their national counterparts; 2) KS has a disproportionately large share of slow growing industries. Column 3 indicates that the major reason KS employment is not keeping up with the US is that particular industries are not growing as fast as their national counterparts. In fact, if the individual industries would have grown as fast as their counterparts, total employment would have been 1,019.6--this is insignificantly different from the projected 1,019.0. This analysis states that the industry mix is not the major problem--the major problem is simply that the industries KS has are not growing as rapidly as their national counterparts.

¹ This column gives the KS employment in the industry if the rate of growth from November 1979 to November 1984 had been the same as the US rate of growth in the industry.

TABLE 11

PERCENTAGE OF TOTAL EMPLOYMENT CONTRIBUTED
BY DIFFERENT SECTORS: A PROJECTION

	<u>1969</u>		<u>1978</u>		<u>1990</u>	
	<u>KS</u>	<u>US</u>	<u>KS</u>	<u>US</u>	<u>KS</u>	<u>US</u>
Agriculture	9.77%	3.24%	7.00%	2.93%	4.91%	2.29%
Mining	1.28	1.00	1.18	1.56	.96	1.77
Construction	5.04	6.37	5.78	6.06	5.72	6.11
Manufacturing	15.89	28.73	16.55	26.22	17.09	25.63
Transportation, Communication, and Public Utilities	5.79	7.05	5.88	7.64	5.79	7.79
Wholesale Trade	3.80	5.99	5.56	6.55	5.57	6.43
Retail Trade	16.21	10.77	16.06	9.99	16.26	9.73
Finance, Insurance, and Real Estate	3.64	5.37	4.47	5.78	5.08	6.27
Services	16.27	15.09	18.25	16.83	20.59	19.13
Government	22.31	16.46	19.33	16.45	18.04	14.87

Source: Bureau of Economic Analysis

KANSAS DEMOGRAPHIC TRENDS

I. POPULATION LEVEL AND GROWTH

A. Historical

While the Kansas population level has increased each decade since the first Census, Kansas' share of the total U.S. population has declined from around 2 percent in 1890 to 1 percent in 1980:

<u>Year</u>	<u>Kansas Population</u>	<u>Kansas/U.S. Ratio</u>
1890	1,428,108	2.27
1950	1,905,299	1.26
1960	2,178,611	1.21
1970	2,249,071	1.10
1980	2,363,679	1.04
1990 (Projection)	2,463,500	0.99
2000 (Projection)	2,494,400	0.93

This relative decline has been chronic (see Attachment A). It is also reflected in the fact that Kansas has had one of the lowest state population growth rates in the nation:

State Population Growth Rates (in percentage)

<u>Period</u>	<u>U.S.</u>	<u>Kansas</u>	<u>Nebraska</u>	<u>Oklahoma</u>	<u>Missouri</u>
1950-60	18.5	14.4	6.5	4.3	9.2
1960-70	13.2	3.2	5.2	9.9	8.3
1970-80	11.9	5.1	5.7	18.2	5.1

Given that Kansas birth and death rates approximate those of the nation, the above situation has been caused largely by net outmigration. This can also be described as chronic over time. Of course, the level and distribution of a population will be determined largely by the level, nature and location of economic activity, so that people stay or migrate according to the availability and attractiveness of economic opportunities at home and elsewhere. During the decade 1960-70, the state experienced a net outmigration of around 130,000 people, which was over 6 percent of the 1960 state population; estimates of net outmigration between 1970 and 1980 range from 4,000 to 48,000. We believe a fair estimate over the whole period may be outmigration of around 20,000.

Several further points should be noted:

1) Net migration will ebb and flow over time according to how well the state's economy is doing (and in which sectors) relative to other states. For example, significant net outmigration occurred from 1970-75 (44,000) and net immigration from 1975-80 (18,000). Because the state's economy has not picked up as strongly as the nation's from the last recession, a characteristic common to most Midwest states, I would guess we are currently in a net outmigration phase.

2) This chronic net outmigration and relative decline in size is a Plains Region phenomenon, although Oklahoma and Minnesota have shown promise of breaking out of the mold. The cause can be discerned in the nature of our economic structure relative to that evolving for the nation as a whole. The remedy lies in the extent to which, and the speed with which, the state economy adjusts to the new order.

B. Projections

Census Bureau projections of Kansas population are shown in the initial table above. These are based on past trends, are weighted for more recent developments, and clearly suggest that Kansas will fall below one percent of the national population by 1990 or thereabouts. In ranking by size, the state will drop from 31st in 1980 to 33rd by 2000.

Similarly our own extrapolations place the state at between .7 and .8 of the national population by 2030, fifty years from now, if basic demographic trends continue.

II. POPULATION STRUCTURE AND DISTRIBUTION

A. Geographic Distribution

The population of the state has experienced significant redistribution in recent decades as agriculture has become much less labor intensive and as other economic sectors have evolved. New economic activity has become concentrated in the area roughly bounded by Interstates 35, 135, and 70. Serious losses of population have occurred from the western half of the state, although overall the state still has a higher rural population (33 percent) than the U.S. overall (26 percent). (Refer to Attachments B and C.)

B. Age

The populations of the nation and the state have been aging. In 1970 the median age of Kansans was 28.7 years, compared with that of all U.S. residents of 28.0 years. By 1980, Kansas' median age was 30.1 and that for the nation as a whole was 30.0. This apparent narrowing is a favorable movement, though it could partly reflect the relatively strong influx of 18-24 year olds to our public and private colleges from other states during the 70's.

The age distribution of Kansans is not uniform across the state. Attachment D shows the median age of the Kansas population in each county in 1980; it ranges from 22.8 years in Riley county to 44.8 years in Elk county. In general, median ages were much higher in north-central and south-eastern Kansas than in other regions of the state.

Statewide the percent of the population aged 65 and over was 13 percent in 1980 as opposed to 11 percent in the nation as a whole. Again, the aged population was not uniformly distributed. Attachment E shows the county-by-county distribution of Kansans aged 65 and over. It ranged from 5.5 percent of the Riley County population being 65 years and over to 26 percent in Elk county. As the median age data indicated, the north-central and south-eastern portions of the state had the highest concentrations of older Kansans.

The actual age structure of the Kansas population for 1980 and recent projections of it for 1990 and 2000 by the Census Bureau are given in the following table:

PROJECTIONS OF KANSAS POPULATION BY AGE GROUP

Age Group	1980 Actual		1990 Projection		2000 Projection	
		%		%		%
under 5	180,877	7.7	199,200	8.1	174,200	7.0
5 - 14	344,378	14.5	373,300	15.2	374,100	15.0
15 - 19	217,721	9.2	166,200	6.7	192,900	7.7
20 - 24	232,788	9.9	178,300	7.2	175,100	7.0
25 - 34	374,618	15.9	404,800	16.4	308,500	12.4
35 - 44	249,600	10.6	359,900	14.6	379,800	15.2
45 - 59	351,300	14.9	342,200	13.9	458,900	18.4
60 - 69	200,241	8.4	203,800	8.3	180,100	7.2
70 and over	212,055	8.9	235,800	9.6	250,800	10.1
TOTAL	2,363,679	100.0	2,463,500	100.0	2,494,400	100.0

Several aspects are worth noting:

- 1) The 15-24 age group will decline from 19.1 percent of the Kansas population in 1980 to 14.7 percent in 2000.
- 2) The 25-44 age group will increase from 26.5 percent in 1980 to 31 percent in 1990 and 27.6 percent in 2000.
- 3) The 45 and over group will increase from 32.2 percent in 1980 to 35.7 percent in 2000.
- 4) These developments will mirror similar changes in the U.S. population age structure except that, if anything, the Kansas population and work force will continue to be slightly older than the U.S. averages.

One of the great challenges facing Kansas in the next 15 years will be to adjust our education system (and other social and economic policy mechanisms) to this changing population structure and aging work force, in an era of rapid technological change.

C. MIGRATION

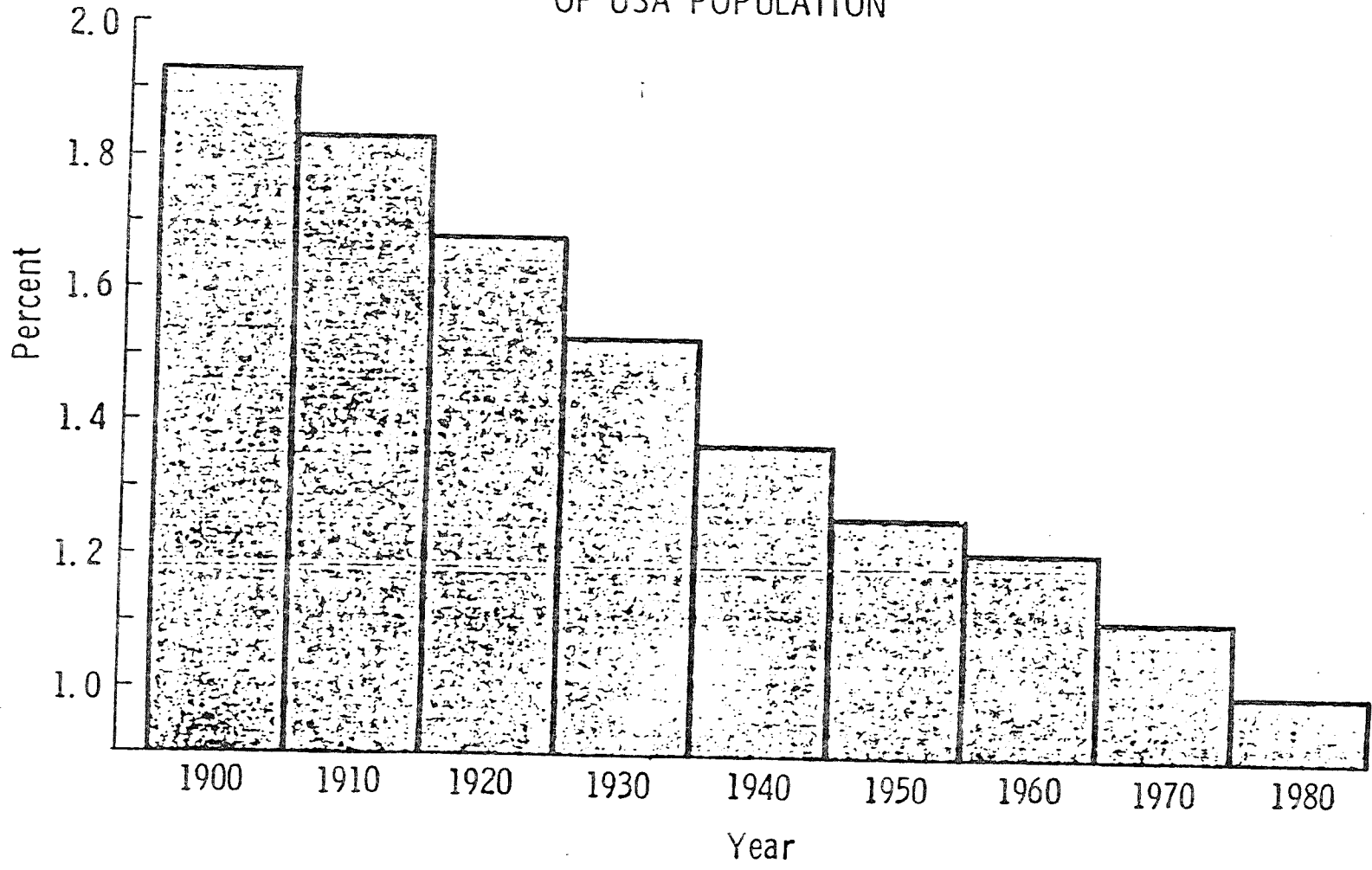
There are two additional aspects of the migration picture that should be identified in addition to the net flows in and out of the state mentioned earlier. The first relates to the age structure. When the state experiences net outmigration it is concentrated heavily in the 25-35 years age group. Some of this reflects the departure of out-of-state youth who come here for college; but many are Kansas youth, including the better educated, who have been unable to secure appropriate job opportunities in the state. Even when the state experiences net immigration overall, as for

the period 1975-80, net outmigration tends to occur for the 25-29 age group (see Attachment F). The implication is clearly that the state must not only create an adequate number of jobs, but also good quality jobs.

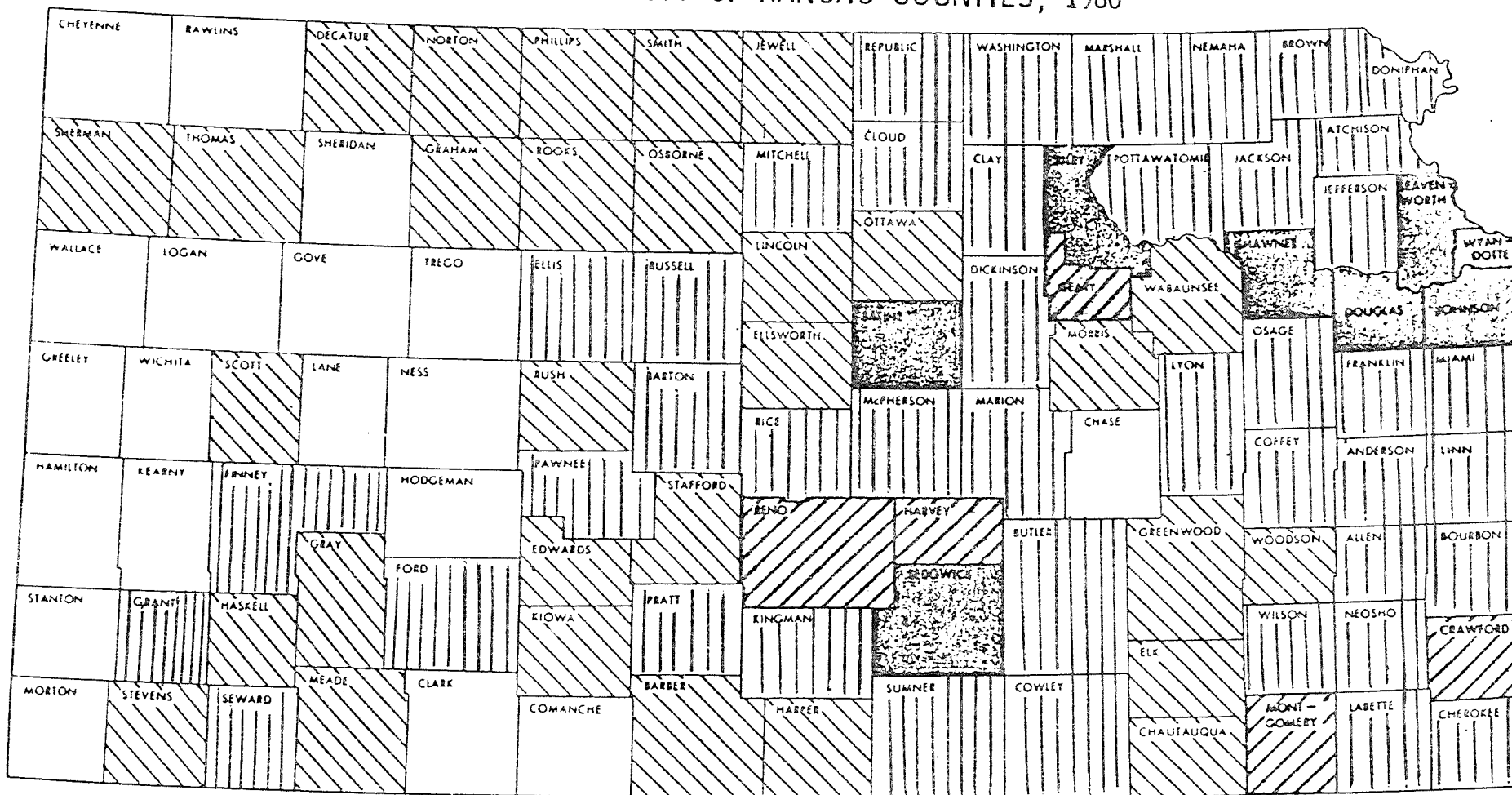
Secondly, regardless of the interstate migration situation, most counties in the state have experienced continuing net outmigration. For some, the outflow has been significant, being up to 25 percent of a county's population over a decade. The net migration patterns for all Kansas counties are shown in Attachments G and H for 1960-70 and 1970-80 respectively.

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8 October, 1984

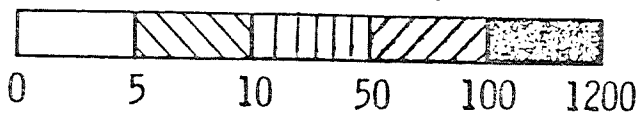
KANSAS POPULATION AS A PERCENT OF USA POPULATION



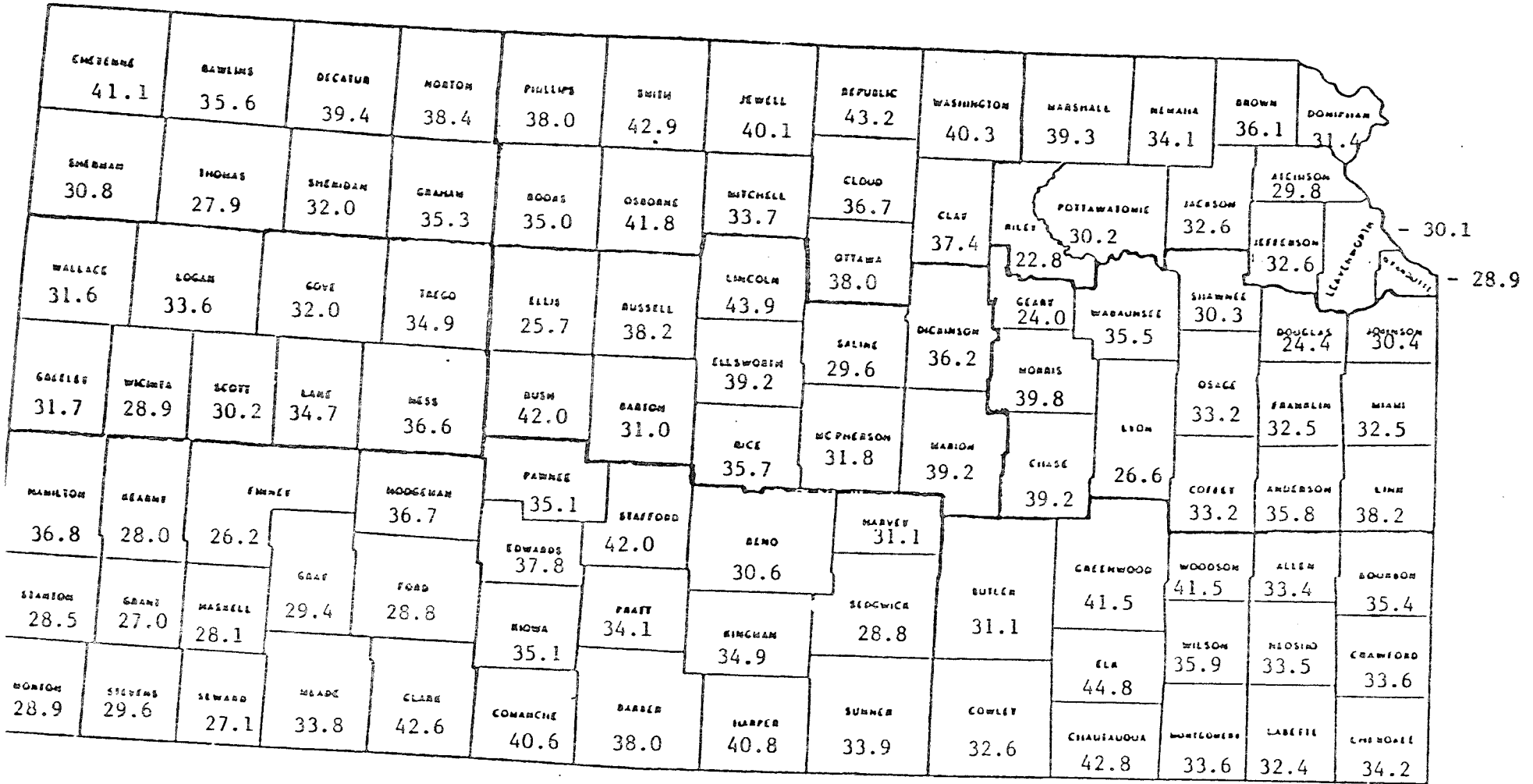
POPULATION DENSITY OF KANSAS COUNTIES, 1980



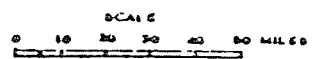
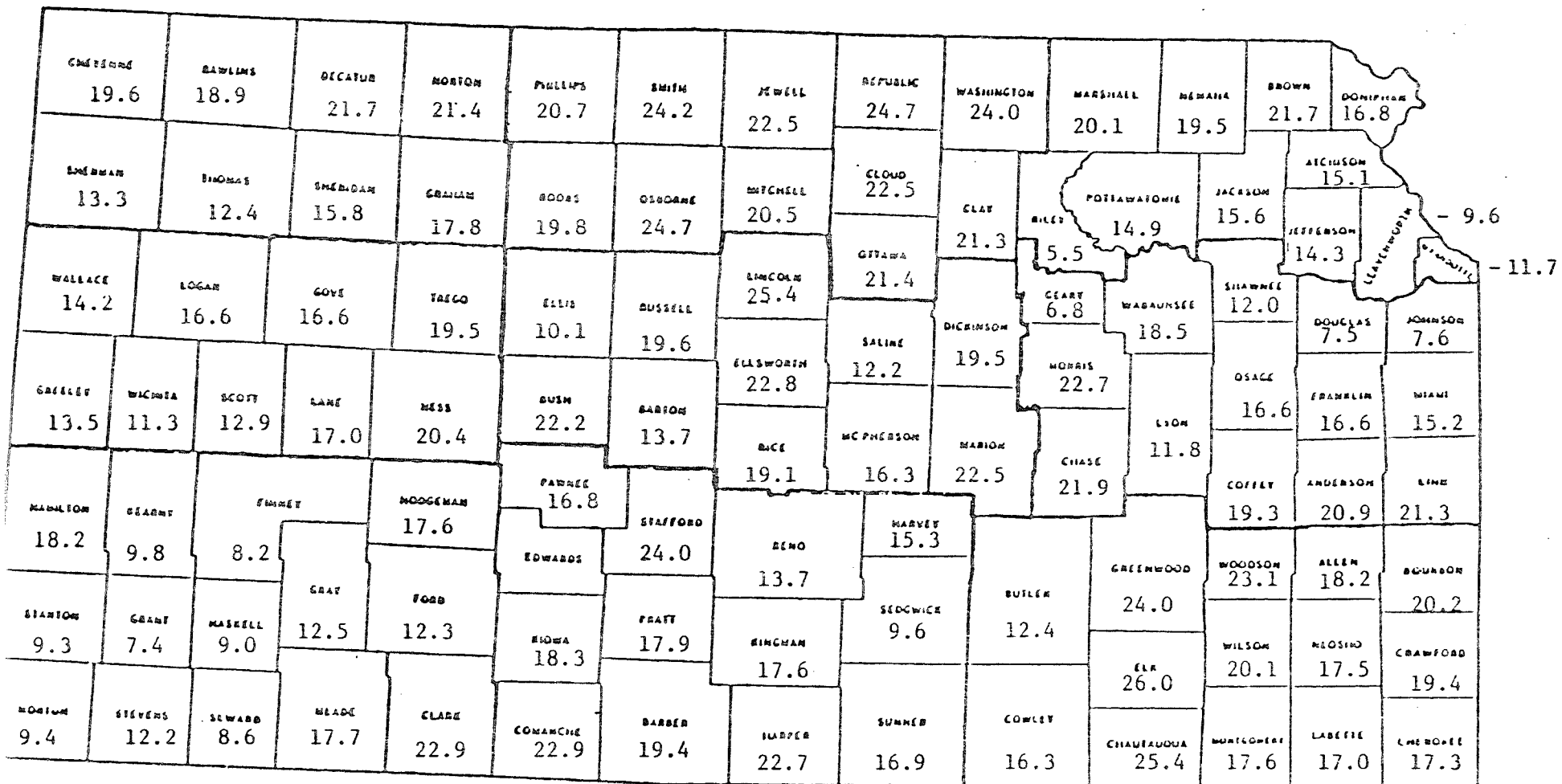
Number of People Per Square Mile



MEDIAN AGE OF POPULATION BY COUNTY, 1980



PERCENT OF POPULATION 65 YEARS AND OVER, 1980

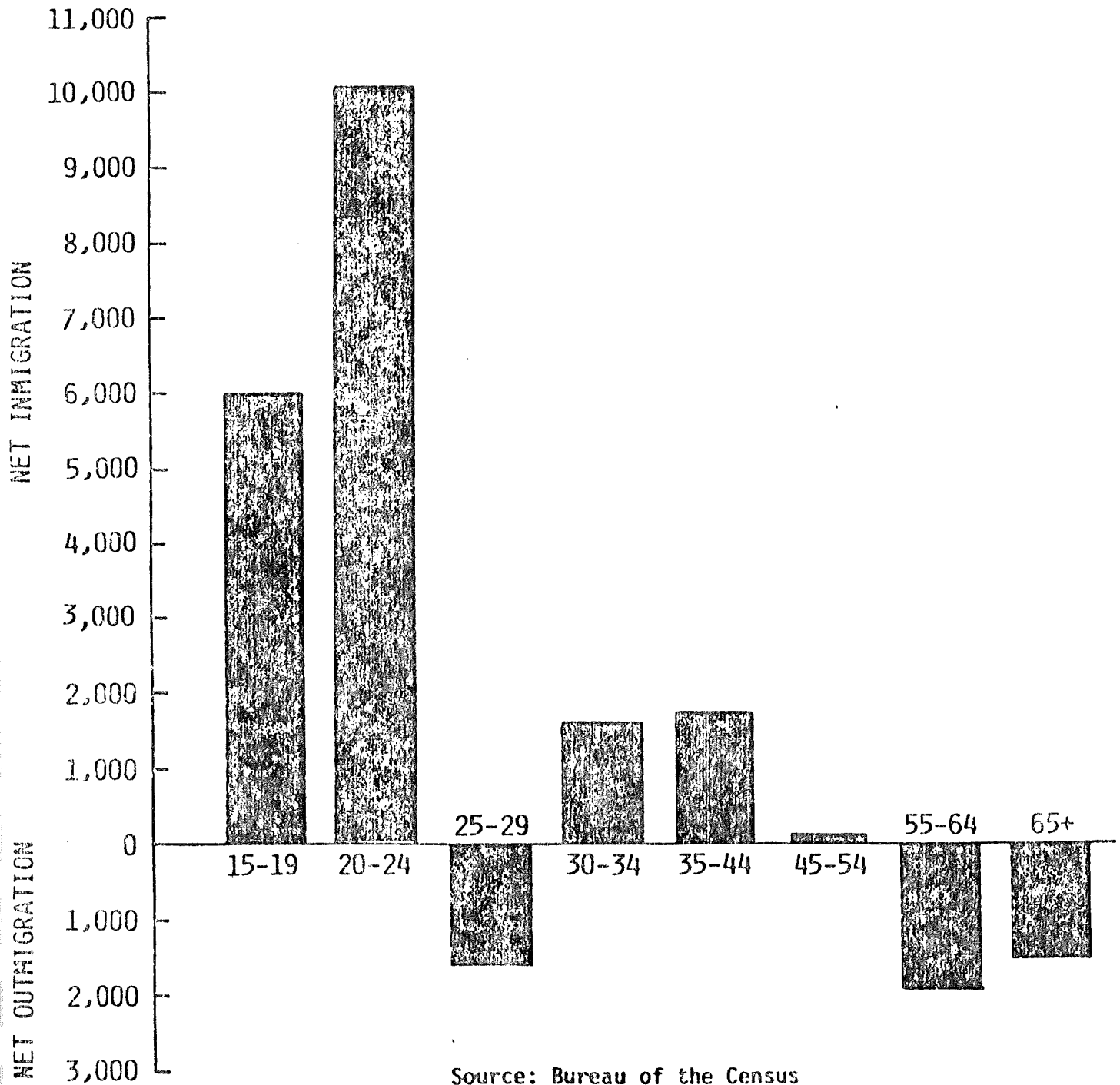


State - 13.0%

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ATTACHMENT E

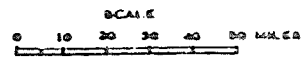
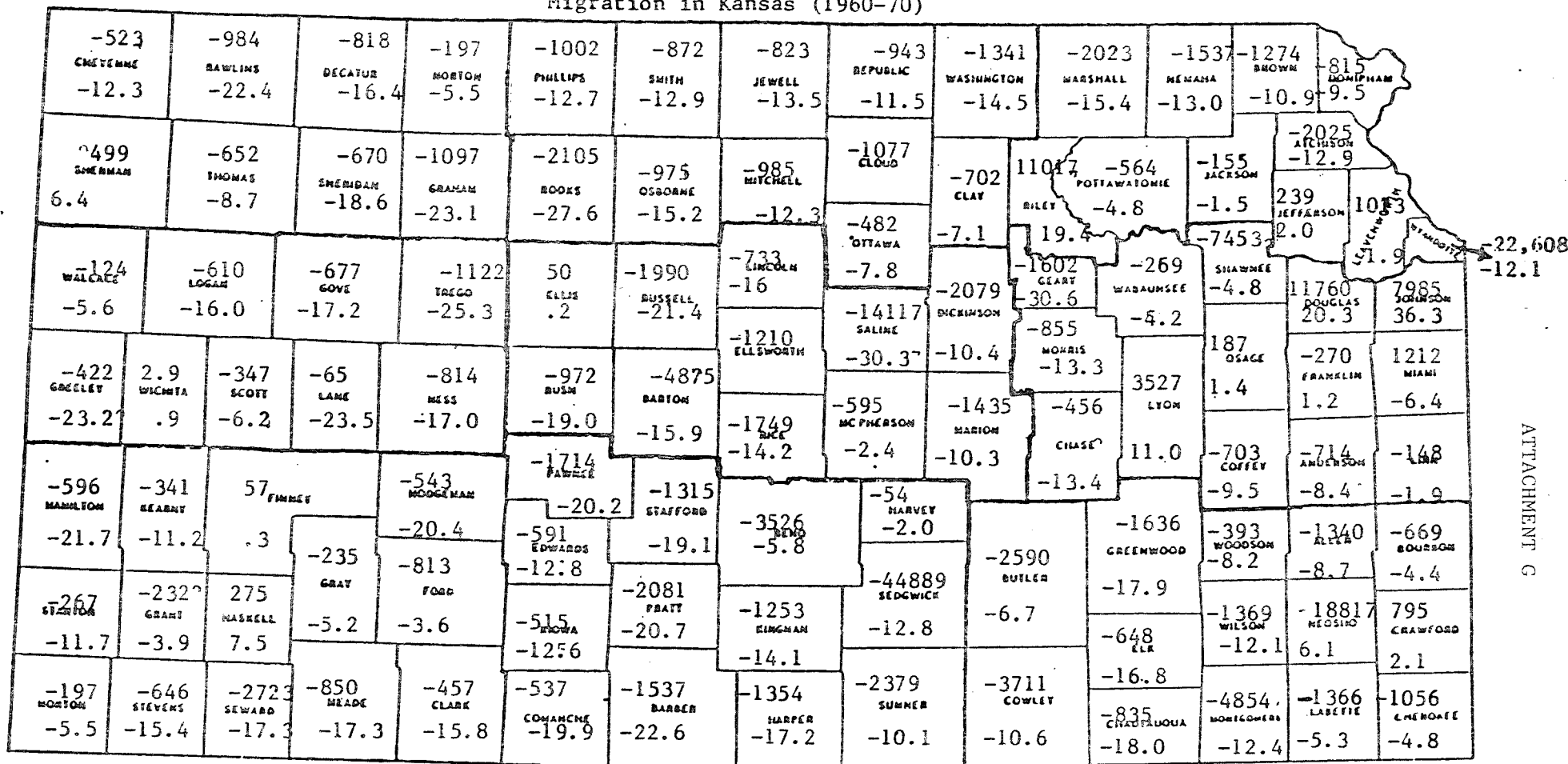
NET MIGRATION BY AGE GROUP IN KANSAS 1975 - 1980



Source: Bureau of the Census

KANSAS

Migration in Kansas (1960-70)



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ATTACHMENT G

For each county, the top number represents actual number of people migrating to (from) the county. The bottom number represents migration as a percent of base year population.

