

Unified Government of
Wyandotte County and
Kansas City, Kansas

state of the economy

Snapshot Report for Kansas City, KS

March 22, 2023

table of contents

- 3** *About This Report*
- 4** *Industry Snapshot*
- 7** *Employment Base Snapshot*
- 16** *Kansas City Market Snapshot*
- 21** *Competitive Advantages*

About This Snapshot

The Unified Government of Wyandotte County-Kansas City, Kansas (UG) has embarked on a multi-faceted planning process for Kansas City, Kansas, that includes an Economic Development Strategic Plan, a Citywide Comprehensive Plan, Citywide Historic Preservation Plan, and Countywide Housing Strategy. The Kansas City Economic Development Strategic Planning Process is intended to create an innovative economic development plan to align Kansas City, Kansas, and the cities of Bonner Springs, Edwardsville, to Lake Quivira to collectively reposition Wyandotte County within the broader Kansas City region.

This State of the Economy Snapshot for Kansas City, Kansas, is the benchmark report for reference throughout the Economic Development Strategic Planning Process. This snapshot, developed by Jon Stover & Associates and in partnership with Future IQ, highlights a broad overview of the existing economic conditions encompassing Kansas City, Kansas. Importantly, this snapshot is a tool to leverage while creating the Economic Development Strategic Plan and reflects insights that will be referenced and distilled in the coming months. The analysis leverages leading economic data sources, including the US Census, the US Bureau of Labor Statistics, ESRI Community Analyst, and regional economic development partners.



Purpose of the Report

- *Top-level Benchmark of the Current Economic Conditions to Frame the Context for the Economic Development Strategic Plan*
- *Concise Summary of Wyandotte County's Industry Mix, Employment Base, and Commercial Market Conditions**
- *Reference Document to Spark Conversations throughout the Economic Development Strategic Planning Process*



**This snapshot includes data for both Wyandotte County and Kansas City, Kansas, as available from key data sources. Because the overall Economic Development Strategic Plan focuses on Kansas City, Kansas, city-level data is used whenever available.*



INDUSTRY SNAPSHOT

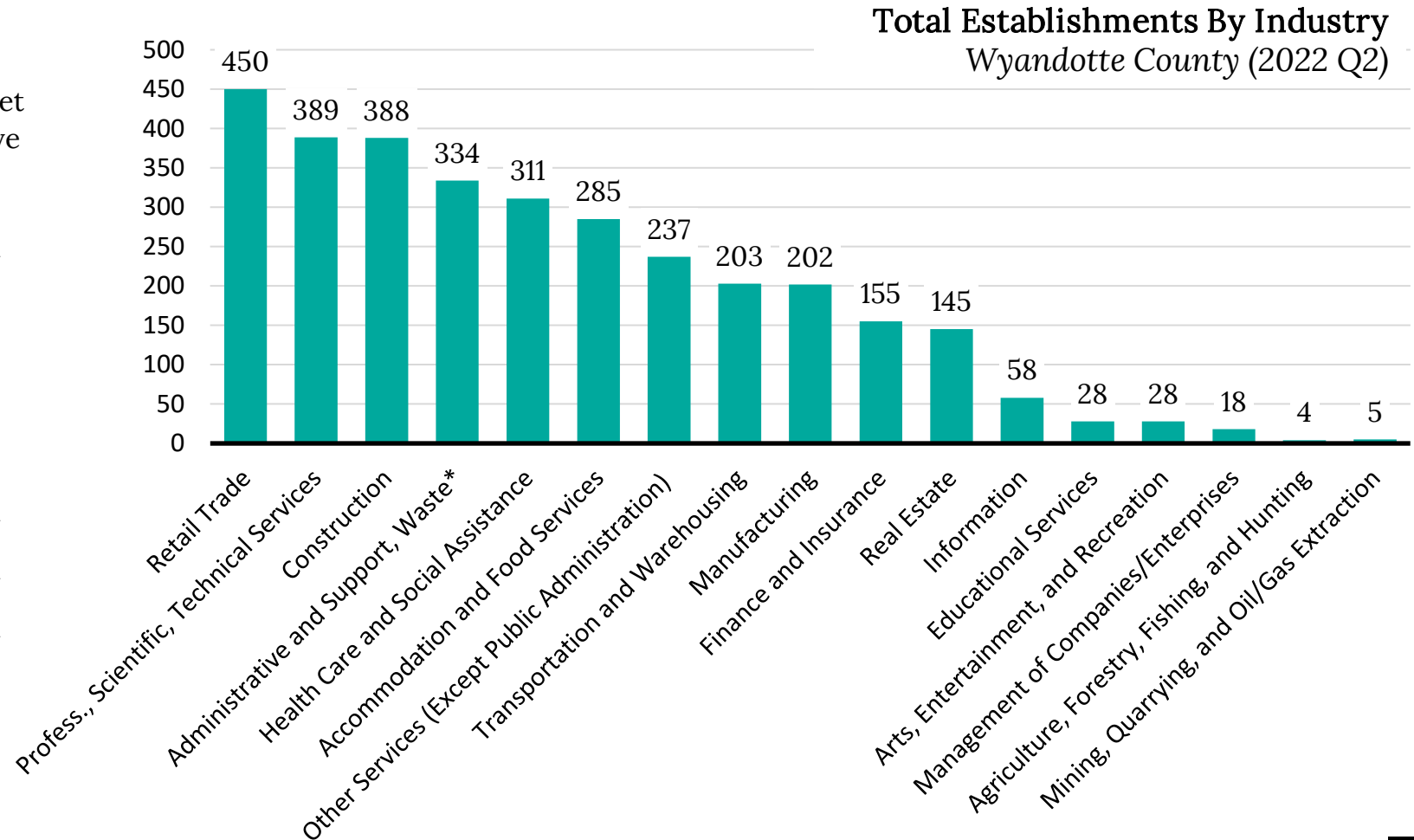


Industry Snapshot

Wyandotte County Businesses

In 2021, over 3,430 businesses were located in Wyandotte County. Between 2018 and 2021, Wyandotte County gained approximately 50 net new companies (1.4%), demonstrating collective economic stability. Comparatively, the Kansas City, MO-KS MSA experienced an increase in businesses by 7.3%, signifying there may be an opportunity to capture increased business growth in Kansas City, Kansas.

Total Businesses in Wyandotte County		Annual Change
2018	3,385 Businesses	--
2019	3,364 Businesses	-1%
2020	3,316 Businesses	-1%
2021	3,434 Businesses	4%



*Administrative and Support, Waste Management, and Remediation Services
Note: Establishment data through BLS is only available at the county level. The above data reflects all private sector industries of all establishment sizes.
Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages

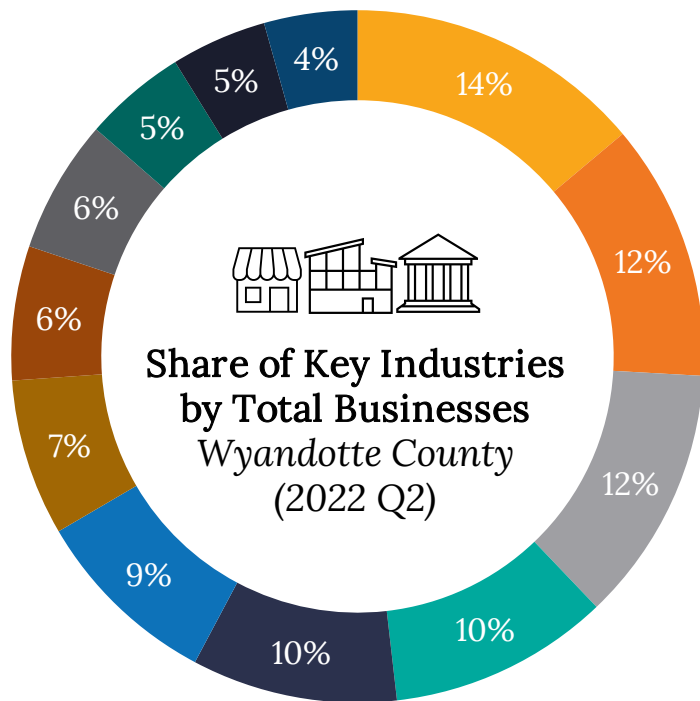


Industry Insights

Key Industry Sectors in Wyandotte County



Across all industry sectors, Wyandotte County offers a diverse mix of different business types. The county's top 5 industry sectors equate to 58% of the total businesses in the county.



Top 5 Industries by Business Count

- Retail Trade (14%)
- Professional, Scientific, and Technical Services (12%)
- Construction (12%)
- Administrative and Support, Waste Management/Remediation Services (10%)
- Health Care and Social Assistance (10%)

Additional Key Industries by Business Count

- Accommodation and Food Services (9%)
- Other Services (Except Public Administration) (7%)
- Transportation and Warehousing (6%)
- Manufacturing (6%)
- Finance and Insurance (5%)
- Real Estate (5%)
- Other Industry Sectors (4%)

Note: Establishment data through BLS is only available at the county level. The above data reflects all private sector industries of all establishment sizes.
Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages



EMPLOYMENT BASE SNAPSHOT



Employment Base Snapshot

Wyandotte County Employment

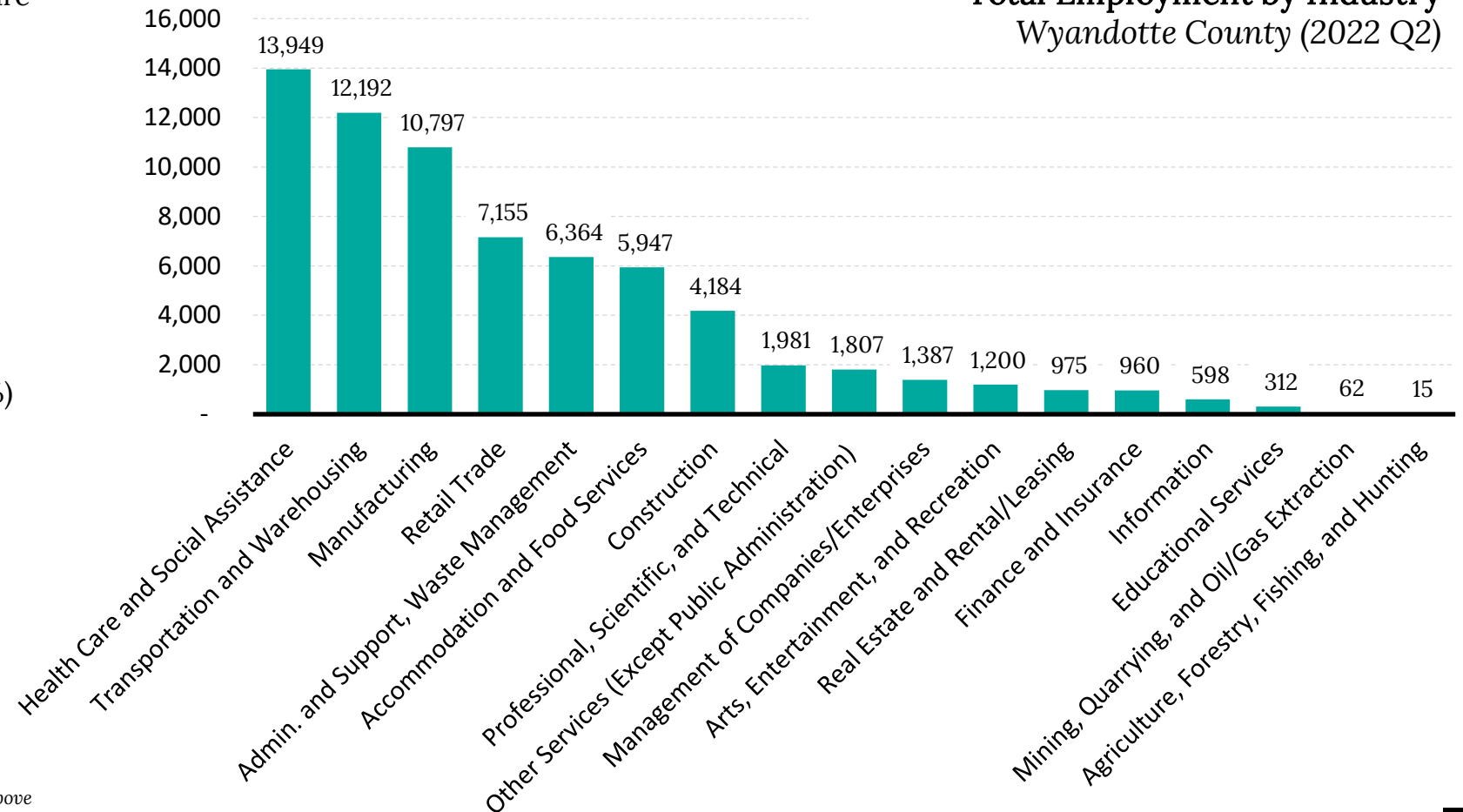
Nearly 3 out of every 4 jobs in the county are in the following industry sectors:

- Health Care and Social Assistance (20%)
- Transportation and Warehousing (17%)
- Manufacturing (15%)
- Retail (10%)
- Administrative and Support, Waste Management/Remediation Services (9%)



1 of every 3 jobs in Wyandotte County is within industries centered around industrial sectors, including manufacturing, warehousing, and transportation.

Total Employment by Industry Wyandotte County (2022 Q2)



Note: Employment data through BLS is only available at the county level. The above data reflects all private sector industries of all establishment sizes.

Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages



Regional Insights

Employment Insights

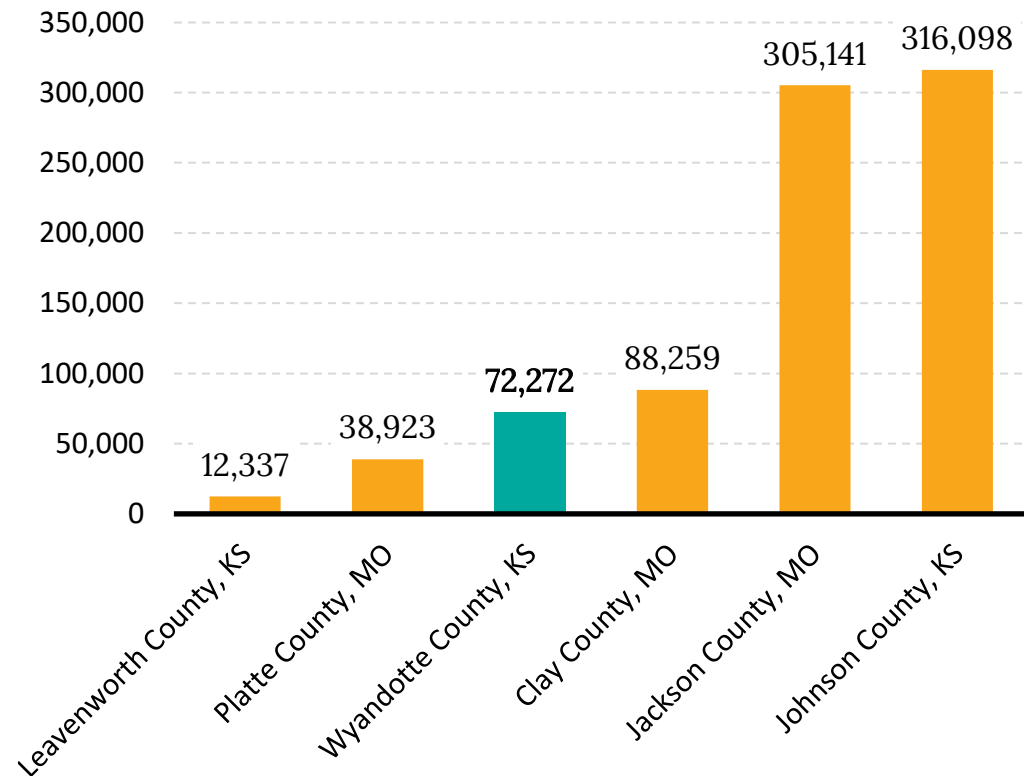


Wyandotte County is home to over 72,200 private sector jobs. Of the 5 adjacent counties, almost 1 out of every 10 private sector jobs is located in Wyandotte County.

Adjacent Jackson and Johnson Counties are considerable employment centers with substantially high levels of jobs for the region. However, Wyandotte County nearly doubles the private sector employment base of Platte County and is only 18% fewer private sector jobs than Clay County.

Wyandotte County captures a 32% share of resident-workers, meaning that about a third of the residential labor force live and work in Wyandotte County. While Jackson County and Johnson County capture a 58% and 63% share, respectively, Wyandotte County is consistent with Clay County (33%) and Leavenworth County, is higher than Platte County (24%), and is just slightly below the region's average of 40%.

2021 Total Private Sector Employment



Note: Employment data through BLS is only available at the county level. The above data reflects all private sector industries of all establishment sizes.

Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages



Employment Base Insights

Employment Growth

Wyandotte County's employment base has remained relatively consistent since 2018, with a slight decrease in annual employment (-3.8%) between 2018 and 2021. This mirrors regional trends, with 4 out of the 5 surrounding counties experiencing a decline in employment base as well as the MSA.

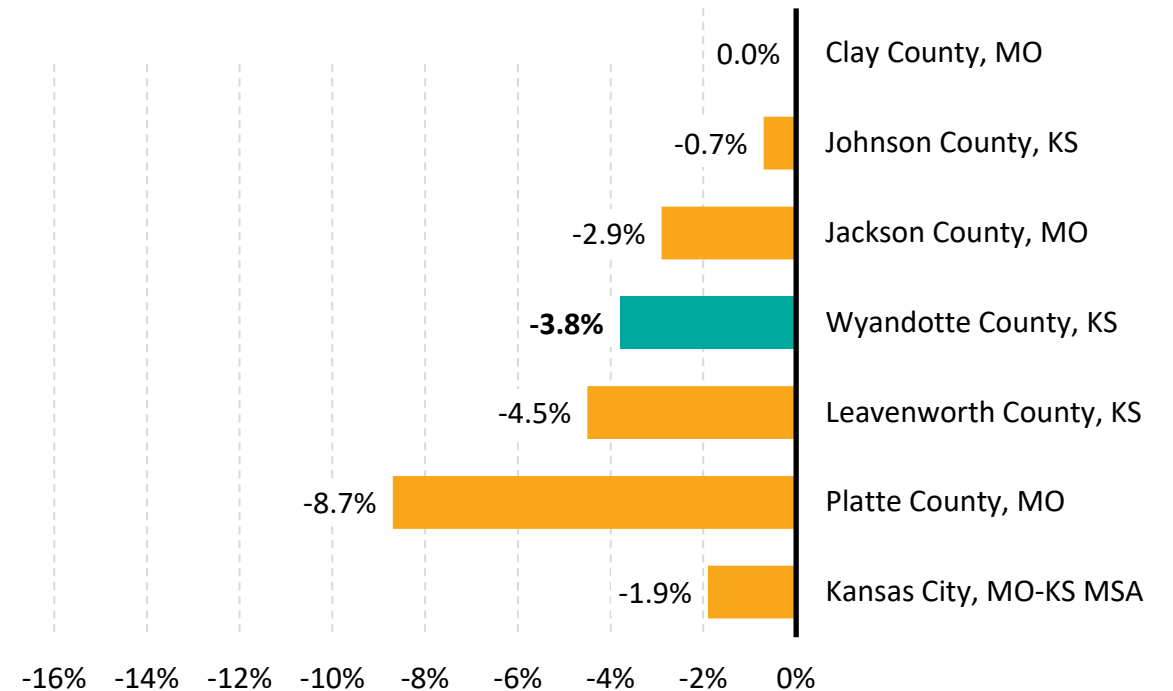


Despite the recent decrease in private sector employment, Wyandotte County's rate of employment remains high. Unemployment rates in the county averaged just 3.6% in 2022, lower than the county's 5-year average unemployment rate of 5%.

Annual Wyandotte County Employment

2018	75,151 Employees
2019	74,933 Employees
2020	72,450 Employees
2021	72,272 Employees

Employment Change Percent Change (2018 to 2021)



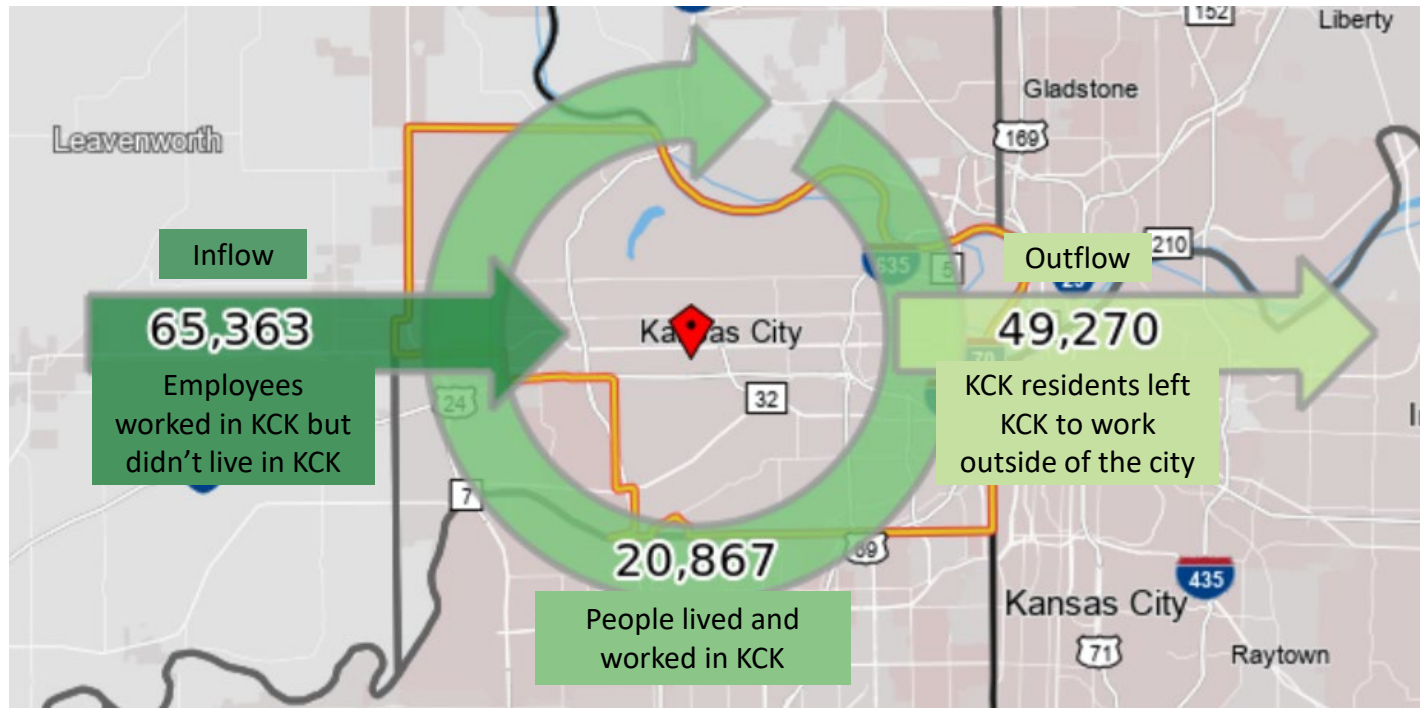
Note: Employment data through BLS is only available at the county level. The above data reflects all private sector industries of all establishment sizes. Figures reflect average annual employment. Unemployment rate based on MARC available data.
Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages.



Employment Insights

Inflow/Outflow

All cities experience differing balances of workers who come to a place to work and residents who leave their communities for employment. Of the residential workforce of Kansas City, Kansas, about a third (30%) of residents live and work in the city.



2019 Kansas City, Kansas
Inflow/Outflow Job Counts (All Jobs)

	Count	Share
Employed in KCK	86,230	--
Employed in KCK but Lived Outside	65,363	76%
Employed and Lived in KCK	20,867	24%
Lived in KCK	70,137	--
Lived in KCK but Employed Outside	49,270	70%
Lived and Employed in KCK	20,867	30%

This diagram illustrates the inflow and outflow of employees in Kansas City, Kansas, articulated in the adjacent table.

Note: Data presented above reflect the most recently available data. Jobs reflect total jobs rather than private sector employment, as shown elsewhere in this report.
Source: US Census, On the Map



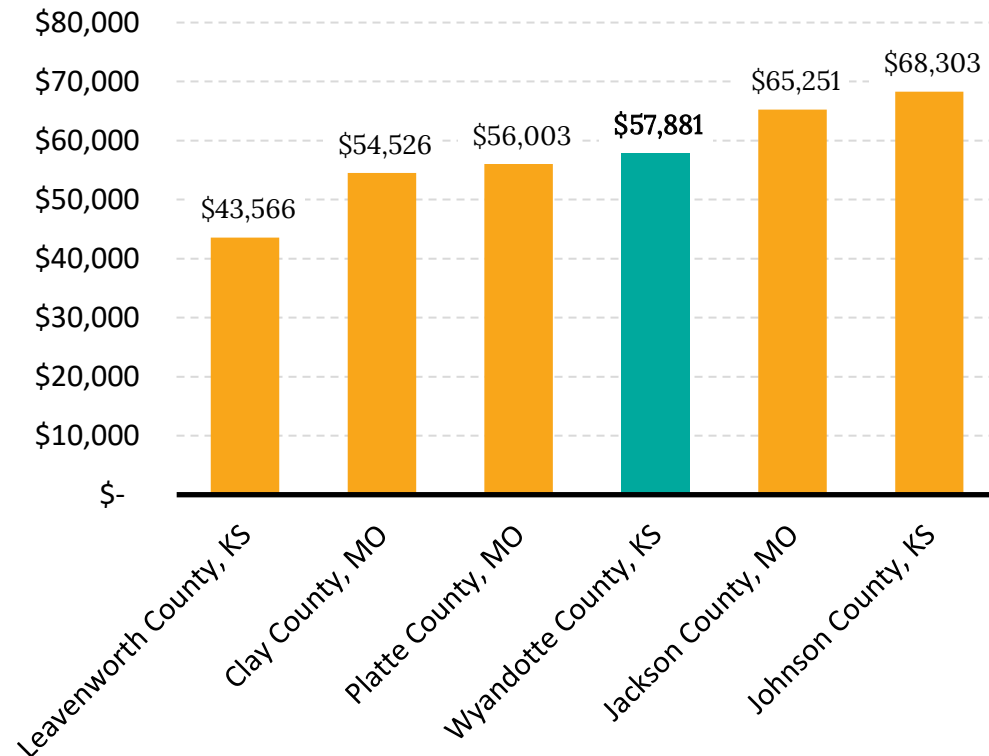
Regional Insights

Salary and Wages

In 2021, the average annual wage for an employee working in Wyandotte County was \$57,881. Average compensation is slightly below the Kansas City, MO-KS MSA average of \$62,707 but exceeds several of the surrounding counties, including Leavenworth, Clay, and Platte County. Notably, wages in Wyandotte County skew higher for employees coming into the county for work than Wyandotte County residents.

Share of Wyandotte County Workers Earning...			
	Less than \$1,250 Monthly	\$1,251 to \$3,333 Monthly	More than \$3,333 Monthly
Inflow Employees <i>(Workers in Wyandotte County but Live Outside)</i>	17%	25%	59%
Outflow Employees <i>(Wyandotte County Residents that Work Outside of the county)</i>	25%	39%	36%
Interior Employees <i>(Wyandotte County Residents that Live and Work in the County)</i>	24%	38%	38%

Average Annual Wage per Employee
2021 Annual Average



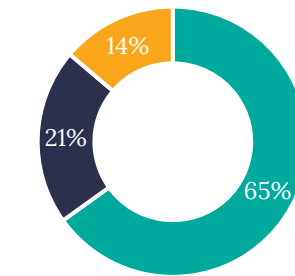
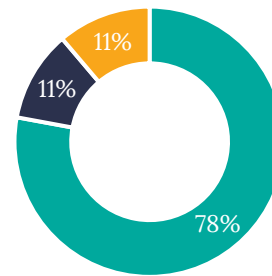
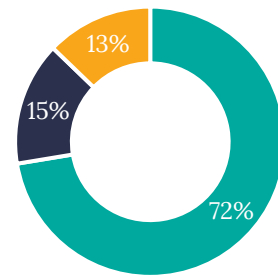
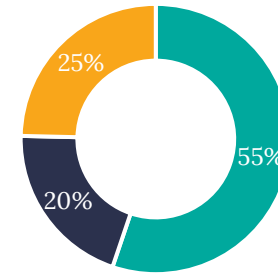
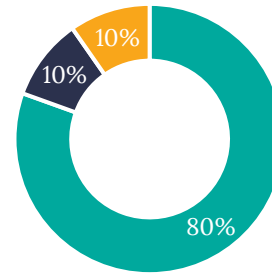
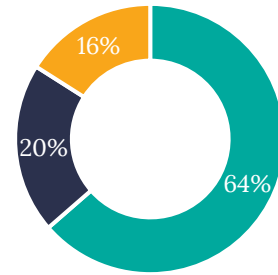
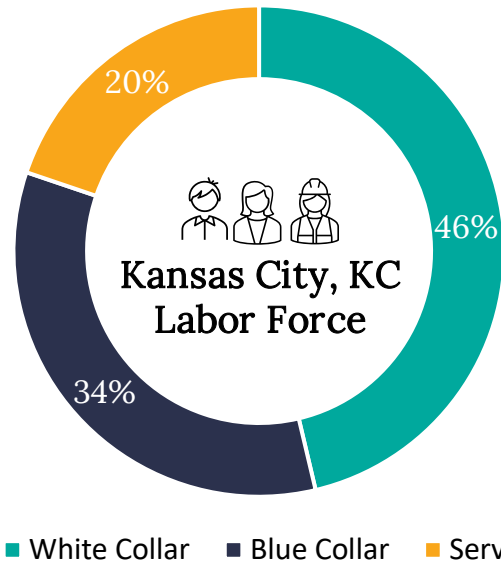
Note: Employment data through BLS is only available at the county level. The above data reflects all private sector industries of all establishment sizes. Inflow-outflow data reflects all job types and 2019 data. Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, US Census, On the Map



Regional Insights

Civilian Labor Force

The labor force of Kansas City, Kansas, includes higher concentrations of blue collar and service-oriented occupations than in other nearby cities. This is consistent with the city's significant volume of industrial uses and employment.



Occupation Classifications

White Collar

- Business, Financial
- Computer, Mathematical
- Architecture, Engineering
- Life, Physical, Social Sciences
- Community, Social Service
- Legal
- Education, Training, Library
- Arts, Design, Entertainment
- Healthcare Practitioner
- Sales
- Office, Administrative Support

Blue Collar

- Construction, Extraction
- Installation, Maintenance, Repair
- Production
- Transportation
- Farming, Fishing, Forestry

Services

- Healthcare Support
- Protective Service
- Food Preparation, Service
- Building Maintenance
- Personal Care, Service

Note: Occupation classifications and white collar, blue collar, and service types provided by ESRI Labor Force data. Source: ESRI Community Analyst (2023)

Regional Insights

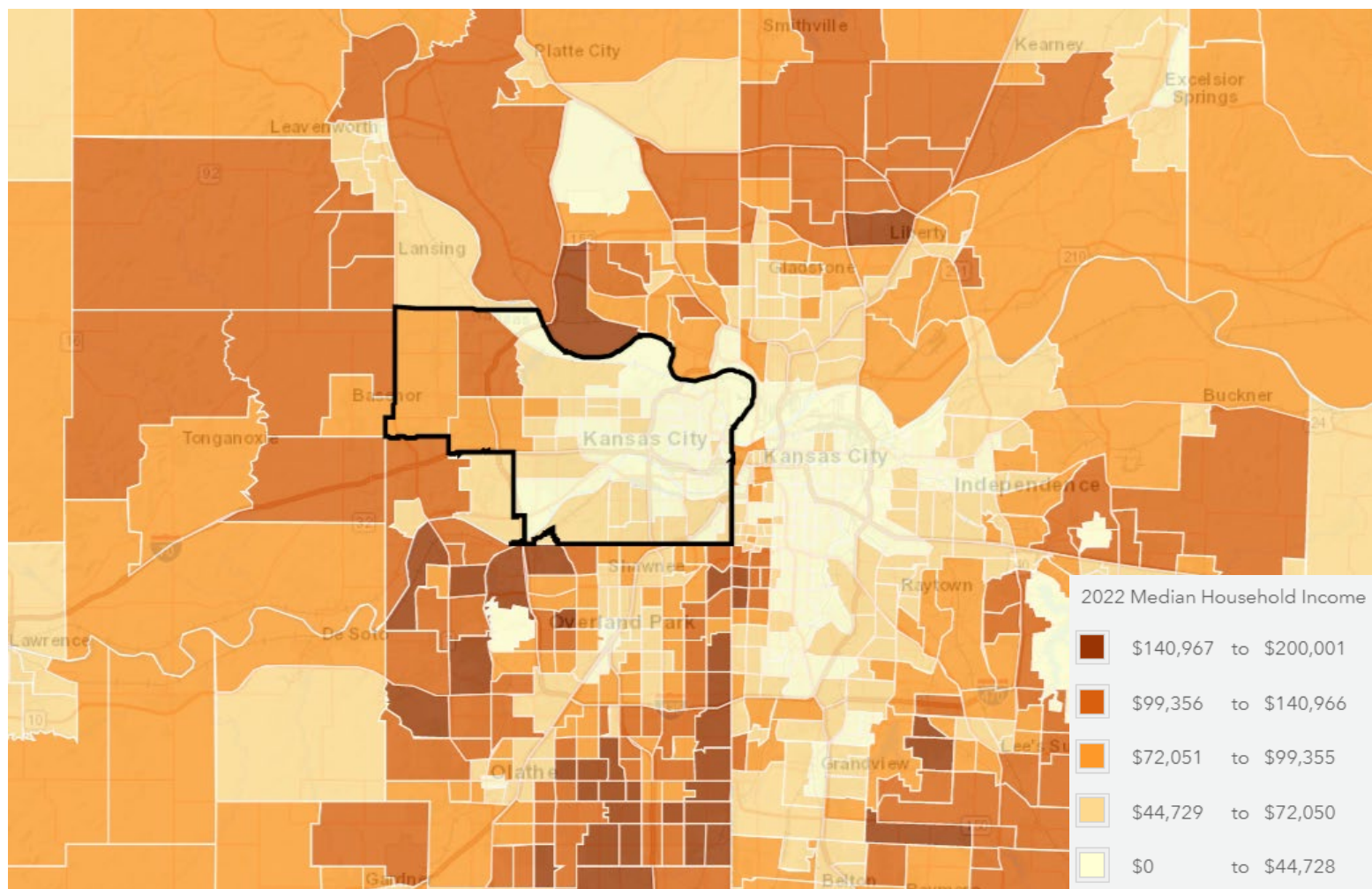
Median Household Income

While average employee wages are on-par with the surrounding areas, the median household income in Kansas City, Kansas, is \$50,554, in alignment with Wyandotte County's median household income of \$51,770.

However, median household incomes in the 5 counties adjacent to Wyandotte County exceed Kansas City, Kansas levels, ranging from \$62,091 (Jackson County, MO) to \$98,258 (Johnson County, KS). Notably, median household incomes are higher in the western portions of Kansas City, Kansas.



Increasing access to and capturing stronger local shares of higher paying jobs can help improve local household incomes.



Median household income based on ESRI's 2022 forecasts.

Note: Income classification bands provided by ESRI are based on natural breaks and 5 classifications.

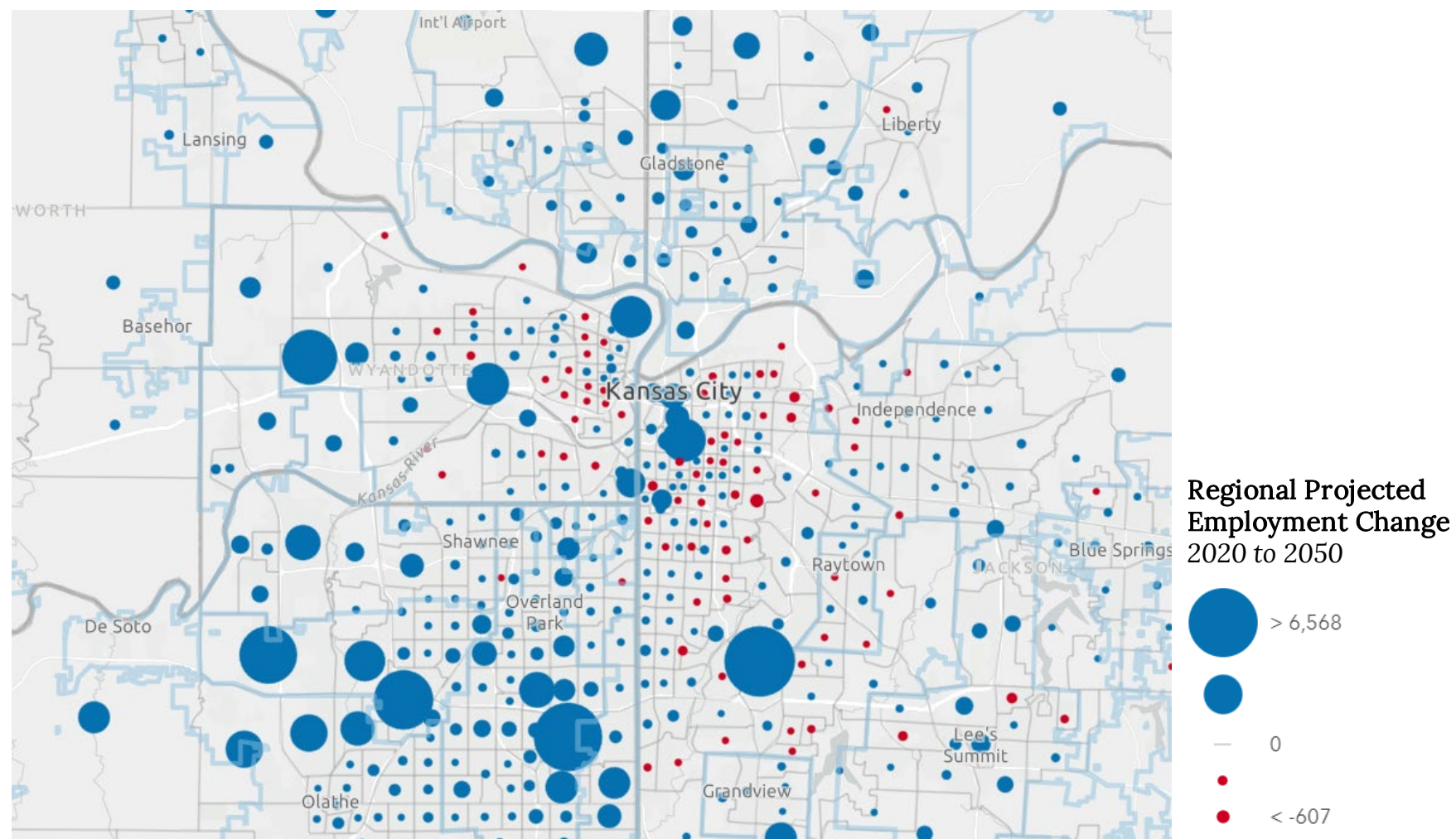
Source: ESRI Community Analyst (2023)

Regional Insights

Projected Employment

Regional employment forecast projections anticipate significant employment increases in 3 key areas of Kansas City, Kansas. These 3 areas include north of Edwardsville near the Kansas Speedway (+43%), the Fairfax Industrial District (31%), and around the industrial areas along the Kansas River (+75%).

While these projections may not translate precisely into reality, they offer insights into the areas expected to attract employment based on current economic trends without substantial interventions.





KANSAS CITY MARKET SNAPSHOT

Market Snapshot

The Kansas City, Kansas Market

This market snapshot highlights crucial metrics that help articulate commercial real estate conditions. These metrics include overall supply and inventory, rent trends, vacancy trends, and absorption.

Overall, Kansas City, Kansas, offers more affordable real estate options within the larger region, with lower office, retail, and industrial rents and typically lower vacancy rates. While office and retail development have been limited in recent years, Kansas City, Kansas' industrial market is the most active of the commercial uses, with high levels of absorption over the past 5 years.

Kansas City, Kansas Commercial Real Estate Supply:



5.0 million SF
Office



9.1 million SF
Retail



43.6 million SF
Industrial



1,370+ units
Multifamily Rental



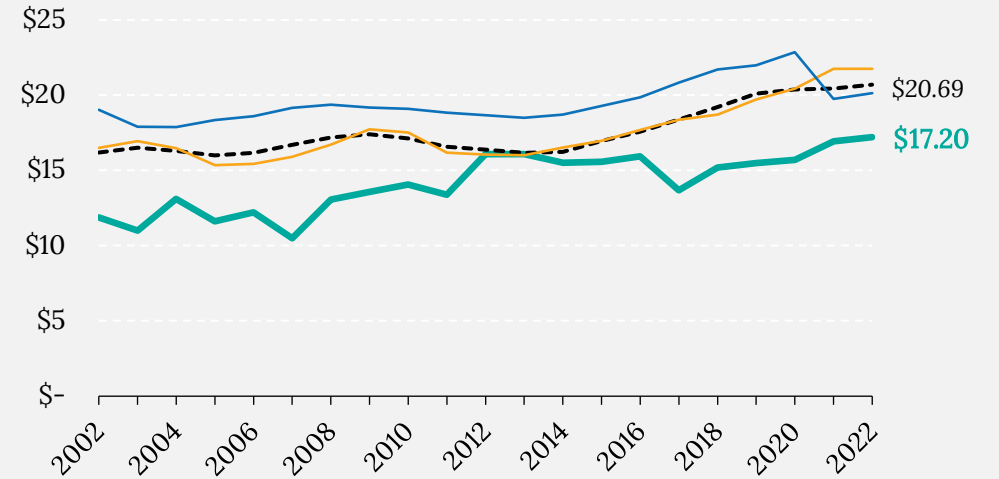
Office Market

Kansas City, Kansas' office market includes 5 million square feet or approximately 4% of the region's supply. In comparison, the office supplies of Overland Park and Kansas City comprise 20% and 47% of the regional supply, respectively.

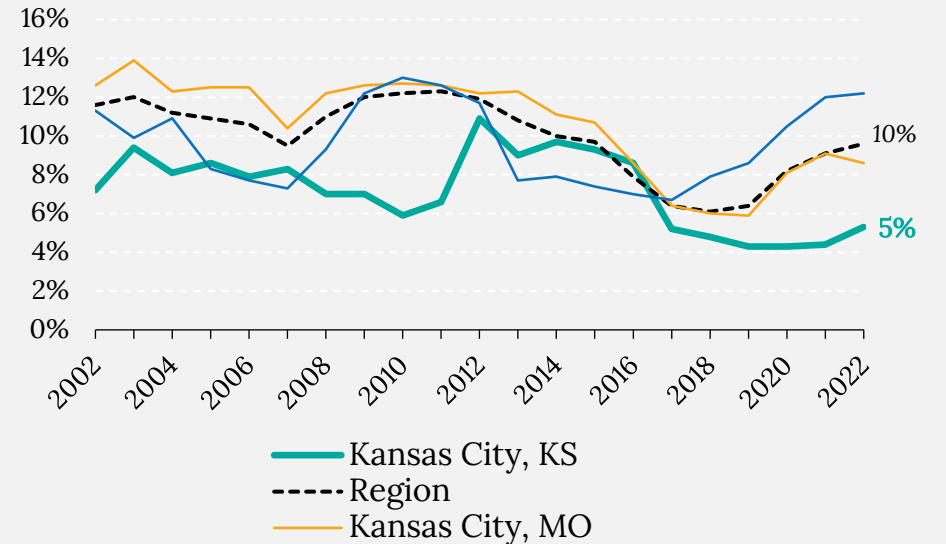
Kansas City, Kansas' office market has seen limited new construction since 2017. With a relatively limited share of Class A (high quality or new) office space, Kansas City, Kansas, is significantly more affordable than most other office submarkets in the metro area. Since 2016, office demand has seen a slight trend upwards, pushing rents upwards and pushing the citywide office vacancy rate down to a healthy 5% as of 2022.

5 Year Net Absorption	5 Year Cumulative	Average Annual
Kansas City, KC	42,842 SF	8,568 SF
Kansas City, MO	-516,453 SF	-103,291 SF
Overland Park, KS	-673,782 SF	-134,756 SF
Region	-1,188,019 SF	-237,604 SF

Office Rent Trends



Office Vacancy Rate



Note: Office rent data reflects gross rent. Vacancy rate includes both direct and sublet reported data. Data reflects all office classes. Source: Costar (2023)



Retail Market

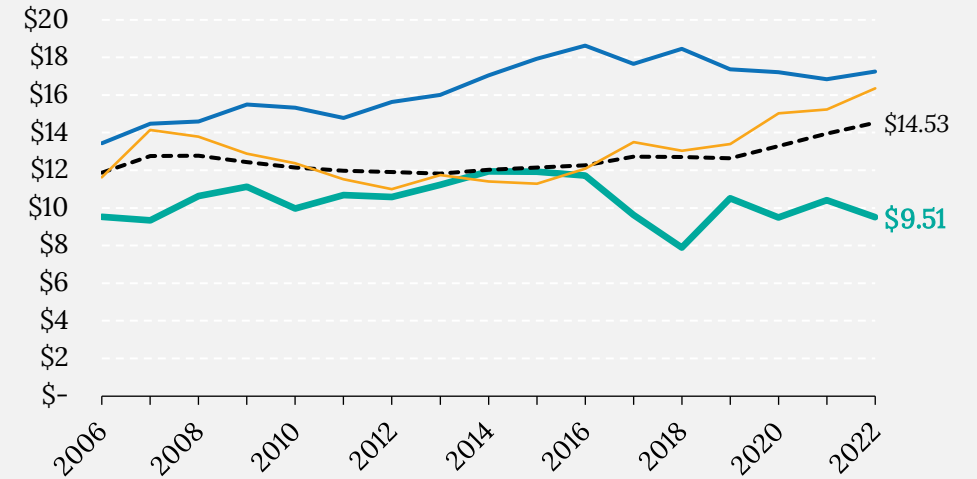
Kansas City, Kansas' retail market includes 9 million square feet or approximately 7% of the region's supply. This supply is nearly double the city's supply of office space. The city has added 256,000 SF of retail space since 2018, most of which have been free-standing retail buildings in Village West and along State Avenue between College Parkway and N 86th Street.

Overall retail vacancy has seen a noticeable decline in recent years, falling from 13% in 2015 to 4% in 2022 – on par with the regional average. Retail space has remained relatively affordable, with retail rents 35% below the regional average. Supply has matched citywide demand over the past 5 years, resulting in stable rental rates.

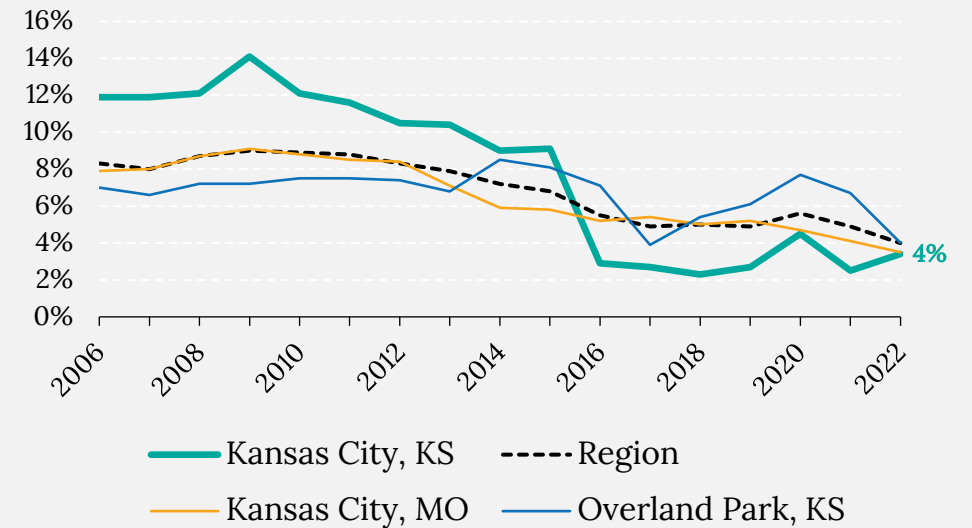
5 Year Net Absorption	5 Year Cumulative	Average Annual
Kansas City, KC	86,425 SF	17,285 SF
Kansas City, MO	1,149,785 SF	229,957 SF
Overland Park, KS	-271,141 SF	-54,228 SF
Region	3,636,571 SF	727,314 SF

Note: Retail rent reflects NNN rents including direct and sublet rents. Data reflects both direct and sublet vacancy.
Source: Costar (2023)

Retail Rent Trends



Retail Vacancy Rate





Industrial Market

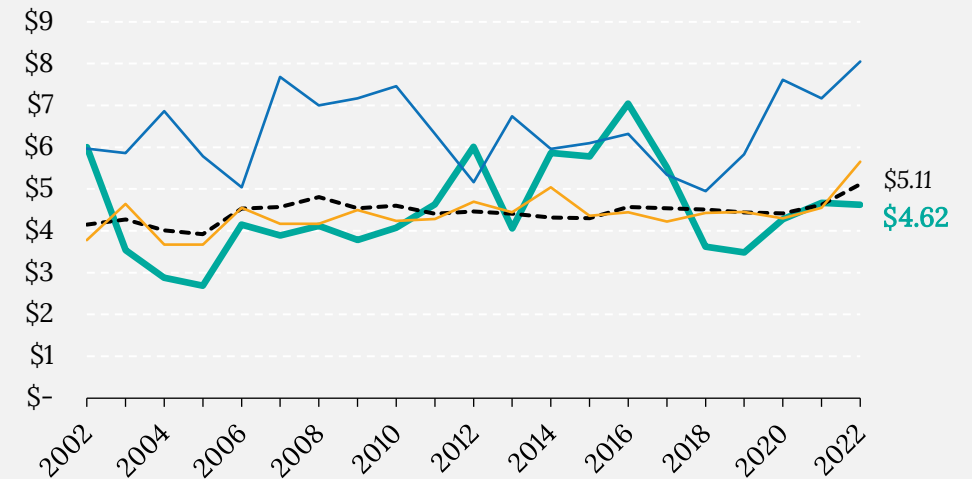
Kansas City, Kansas' industrial market is very active, with significant positive net absorption in recent years. Since 2018, the city has averaged a positive net absorption of 832,000 square feet annually. Despite this strong demand, industrial rents in the city are still affordable relative to the Kansas City region, with an average rent of around \$0.50 less per square foot than the regional average.

Over the last 20 years, Kansas City, Kansas' industrial supply has grown 17%. Despite the city's recent industrial development, this growth rate lags behind the regional industrial growth rate (29%) over the same period. The majority of industrial construction since 2018 has been concentrated near the Turner Diagonal Interchange.

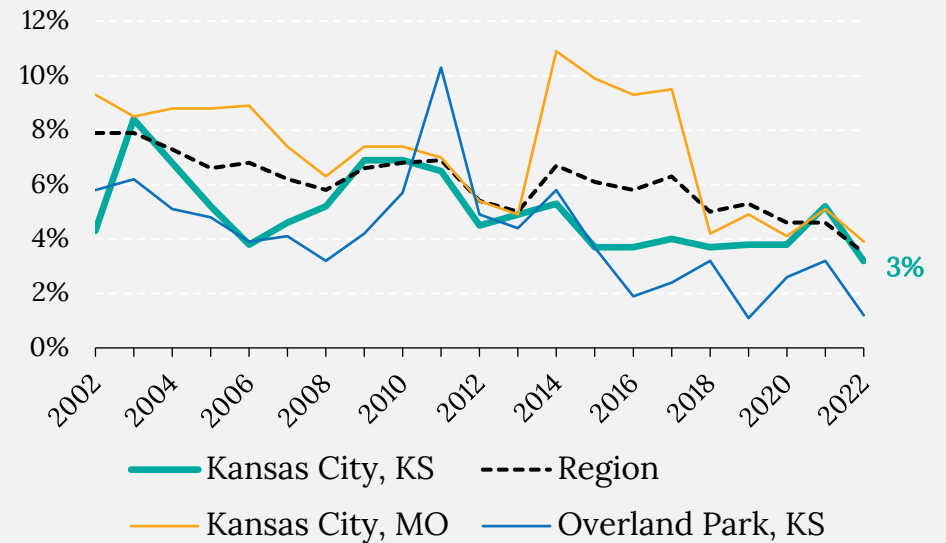
5 Year Net Absorption	5 Year Cumulative	Average Annual
Kansas City, KC	4,158,676 SF	831,735 SF
Kansas City, MO	8,809,509 SF	1,761,902 SF
Overland Park, KS	111,056 SF	22,211 SF
Region	41,675,143 SF	8,335,029 SF

Note: Industrial rent reflects NNN rents including direct and sublet rents. Data reflects both direct and sublet vacancy.
Source: Costar (2023)

Industrial Rent Trends



Industrial Vacancy Rate





COMPETITIVE ADVANTAGES



Why Kansas City, Kansas

In economic development, competitive advantages refer to the distinct conditions, characteristics, and assets specific to Kansas City, Kansas, and Wyandotte County.

Understanding and further solidifying the area's competitive advantages help inform opportunities to continue strengthening the local economy and highlight Kansas City, Kansas' valuable and unique positioning within the broader regional economy.



These competitive advantages are just a start at highlighting the many reasons why businesses and employees choose Kansas City, Kansas, and are central to conversation throughout the Economic Development Strategic Planning process.



3,430+ Businesses
in Wyandotte County



72,200+ Employees
in Wyandotte County



Competitive in the Region
With Key Economic Metrics
Competitive With Surrounding Areas



Projected Economic Growth
Throughout Kansas City, Kansas, and
the Broader Region



Affordable Commercial Market
Office, Retail, and Industrial Rents in KCK
Compared to the Region



Diverse Community
Of Residents, Workers, and
Business Owners



Stakeholder Support
Network of Economic Development
Stakeholders and Collaborative Opportunities



Workforce Development
Targeted Initiatives to Strengthen
Access to Higher Paying Jobs

For more information about the Kansas City Economic Development Strategic Plan, please visit:

<https://lab2.future-iq.com/unified-government-strategic-plan-project/>