



## **PHASE 1: COMMUNITY ASSESSMENT AND REGIONAL SCORECARDS**

Submitted by Market Street Services Inc.  
[www.marketstreetservices.com](http://www.marketstreetservices.com)

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# STEERING COMMITTEE

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Commissioner Shelly Buhler (tri-chair)  
Keith Warta (tri-chair)  
Mayor Larry Wolgast (tri-chair)  
Zach Ahrens  
Dr. Tiffany Anderson  
Brent Boles  
Michelle De La Isla  
Tara Dimick  
Pat Doran  
Dr. Jerry Farley  
Neil Fisher  
Sarah Fizell  
Abel Frederic  
Lindsay Freeman  
Sean Frost  
Vince Frye  
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Trey George  
Doug Gerber  
Scott Griffith  
Alonzo Harrison  
Frank Henderson  
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Brett Klausman  
Miriam Krehbiel  
Kurt Kuta  
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Gina Millsap  
Allen Moore  
Lalo Munoz  
Brett Oetting  
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Marsha Pope  
Eric Rea  
Mark Ruelle  
Greg Schwerdt  
Bret Spangler  
Janet Stanek  
Michelle Stubblefield  
Allan Towle  
Wendy Wells  
Lonnie Williams  
Doug Wolff

## **Organization**

Shawnee County  
Bartlett & West  
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The Topeka Capital Journal  
Topeka Public Schools, USD 501  
Schendel Lawn & Landscape  
City of Topeka/Westar Energy  
TK Business Magazine  
FHLBank Topeka  
Washburn University  
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Advisors Excel  
Washburn University Foundation  
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Architect One  
Topeka Housing Authority  
City of Topeka  
INTRUST Bank  
HDB Construction  
Topeka Rescue Mission  
Antioch Missionary Baptist Church  
Midwest Health  
United Way of Greater Topeka  
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Ledbetter Law  
Topeka & Shawnee County Public Library  
Frito Lay  
El Centro of Topeka  
Visit Topeka  
Parrish Hotels  
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se<sup>2</sup>  
Westar Energy  
Schwerdt Design Group  
Mars Chocolate  
Stormont Vail Health  
jones huyett Partners  
Fidelity State Bank & Trust  
US Bank  
L&J Building Maintenance  
Security Benefit Life

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# PROJECT OVERVIEW

The four-phase research and strategic planning process will last approximately eight-months, concluding in March 2017. A diverse Steering Committee comprised of representatives from the public, private, and non-profit sectors will guide the process and ensure that it lays the foundation that will allow people and businesses to thrive and wealth to accumulate in the community.

## ***Phase 1: Community Engagement***

The knowledge and opinions of stakeholders and the public at large are invaluable when identifying the assets to leverage, opportunities to seize, and challenges to overcome. This phase involved reaching out to as many regional stakeholders as possible through an online survey, individual interviews, and focus groups and informed the subsequent phases of the process.

## ***Phase 2: Regional Scorecards and Competitive Assessment***

This phase evaluated Topeka-Shawnee County's competitiveness as a place to live, work, and do business. It begins with an examination of common metrics that influence how external audiences perceive the community. These metrics were included on a set of "scorecards" that show how Topeka-Shawnee County compares to other communities. The scorecards are complemented by an in-depth Community Assessment that weaves qualitative and quantitative findings into a set of "stories" that provide a concise narrative of the region's opportunities and the challenges it will face as it seeks to become a more prosperous, successful place and increase quality of life for all its residents.

## ***Phase 3: Holistic Economic Development Strategy***

The third phase brings together the findings and strategic implications from the first two phases to create a Holistic Economic Development Strategy that will guide the community's collective actions in the next five years. Strategic recommendations within the plan will be driven by the research findings – including both qualitative and quantitative feedback. Examples of best practice programs, policies, and initiatives from communities around the country will be included when relevant and appropriate to help inform strategic recommendations and their subsequent implementation.

## ***Phase 4: Implementation Plan***

If the Holistic Economic Development Strategy represents "what" the Topeka-Shawnee County community will pursue strategically, the Implementation Plan helps define "how" GO Topeka and its partners can effectively and efficiently implement the Strategy's recommendations. For each of the strategic recommendations, the Implementation Plan will identify lead implementers, key partners, potential costs, the appropriate timeline for implementation, and metrics for measuring implementation success.

# COMMUNITY ASSESSMENT

This assessment examines the competitive issues facing Topeka-Shawnee County by evaluating them through the prism of what Market Street believes to be the three critical aspects of a community: its people, their prosperity, and the quality of place. Findings related to these key attributes are incorporated into six key stories that help explain its current realities, key successes, and remaining challenges. These stories emerged from public input provided by residents in Topeka-Shawnee County as well as in-depth analysis of data covering demographic, socioeconomic, economic, and quality of life trends within the community. Collectively, they help take stock of conditions in the community as they presently exist and identify initial areas that may warrant strategic attention.

**FOCUS GROUPS AND INTERVIEWS:** A thorough assessment of a community's strengths, weaknesses, opportunities, and challenges must be informed by input from the people that live and work in the area. Accordingly, a series of focus groups and interviews with individuals from the community's public, private, and non-profit sectors was conducted in August 2016.

Public input – including focus groups, interviews, and an online survey – is differentiated throughout the report and presented in blue text.

**ONLINE SURVEY:** In addition to in-person input solicited via focus groups and interviews, an online community survey was open to the public for roughly three weeks in August 2016. **A total of 2,295 residents, workers, and business leaders responded to the survey**, providing necessary input that will help ensure that this assessment and the forthcoming strategy are well-informed and mindful of the needs, wants, and opinions of stakeholders in Topeka-Shawnee County.

**DATA SOURCES:** A variety of public and private data sources are used throughout this Assessment. A great deal of information is drawn from the Census Bureau and other public sources including the Bureau of Labor Statistics (BLS), the Bureau of Economic Analysis (BEA), the National Center for Education Statistics (NCES), the Federal Bureau of Investigation (FBI), and the Internal Revenue Service (IRS). Proprietary data covering economic composition (employment, wages, exports, etc.) is provided by Economic Modeling Specialists, Inc. (EMSI).

**COMPARISON GEOGRAPHIES:** Throughout this assessment, Topeka-Shawnee County is utilized as the primary geographic unit of analysis, and is typically referred to as “Topeka-Shawnee County” or “the community.” In tables, charts, and other figures, “Shawnee County” is used as a necessary abbreviation. In addition to state and national averages, the community's performance is benchmarked against three counties with which it shares certain characteristics and/or competes for jobs, workers, and investment: Minnehaha County, SD (Sioux Falls, SD); Polk County, IA (Des Moines, IA); and Sangamon County, IL (Springfield, IL). Included as Appendix A at the conclusion of this report are a series of Regional Scorecards, which compare the Topeka Metropolitan Statistical Area to nine other metropolitan areas (including Des Moines, IA; Sioux Falls, SD; and Springfield, IL) with which it competes for jobs and workers. Each scorecard evaluates the region's competitiveness across multiple indicators that help measure how the region has performed in recent years in key areas that reflect its ability to grow prosperity.

**STRUCTURE:** The report examines a wide variety of demographic, socioeconomic, economic, and quality of life indicators to tell a series of stories about the community and uncover the key strengths, weaknesses, assets, and challenges facing the community. It is built upon an in-depth quantitative analysis and a significant amount of community input. This information has been woven into **six key stories** that present a narrative discussion of the key issues facing Topeka-Shawnee County.

These six stories are:

1. A Critical Need to Improve Community Pride
2. Threats to a Strong Workforce Go Beyond Population Growth
3. Quality of Place Enhancements Are Needed to Change Outlooks
4. Homegrown Talent: A Need to Connect the Local and Regional Talent Pipeline
5. Enhancing Economic Opportunities Through Existing Strengths
6. Prosperity and Well-being Lag Behind

# 1. A Critical Need to Improve Community Pride

This Community Assessment tells a set of stories about Topeka-Shawnee County. It covers a range of issues that matter to community and economic development – economy, talent, education, quality of place, quality of life, and so on. But it begins with a discussion of a single issue that relates to nearly every other aspect of Topeka-Shawnee County’s competitiveness: **the community’s deep and persistent low morale. This was by far the most common and troubling theme to emerge from an extensive public input process** that included personal interviews, focus groups, and a survey that received nearly 2,300 responses from people who live and/or work in Topeka-Shawnee County. Virtually every person with whom Market Street directly interacted during this input process described a prevailing sense of negativity in the community. Stakeholders used terms such as “pessimism” and “self-doubt” to describe this issue. One input participant called it a “pervasive ‘Can’t Do’ attitude.” The following direct quotes from stakeholders further illustrate the challenge:

*“Topeka’s attitude problem and self-loathing are its biggest weaknesses.”*

*“There are too many people saying ‘it will never work in Topeka, so why try?’ ”*

*“The biggest challenge facing Topeka-Shawnee County is combating the negativity and stigma attached to Topeka by the people who live here. All people do here is talk about how everything in this town is terrible. (We have) an attitude problem and I think it keeps people from wanting to be a part of our community. Instead of ‘wow, what a great zoo!’ or ‘our downtown is really turning into something, let’s go check it out!’ or ‘hey, let’s go down to (a festival),’ all I ever hear from anyone is ‘Topeka sucks, Downtown will never amount to anything so who cares, and all these community projects are a waste of money and we should just fire everyone.’ If people would actually find some tiny bit of positivity about this place, others might actually want to come be a part of growing with us.”*

**Topeka-Shawnee County stakeholders have almost certainly heard these types of comments before. They are presented here not to belabor the point but to summarize one of the community’s biggest competitive challenges.** Individuals who are proud of their community typically make the best advocates for meaningful change and the best ambassadors to promote a community to the outside world. When a substantial portion of residents are unhappy or feel that their positive perspectives are drowned out by pessimistic voices, the negative consequences can be severe and wide-ranging. *For instance, the online survey asked respondents to rate the likelihood that they would continue to live in Topeka-Shawnee County. A narrow majority said they were “very likely” to remain in the community, but roughly 45 percent said they were “not likely” or only “somewhat likely” to do so. When asked whether their children, once grown, would remain in the community, just 10.4 percent of respondents said this was “very likely” compared to 56.1 percent who said it was “not likely.” This is an alarming finding that is likely the product of a complex range of issues, but stakeholders said the community’s low morale has a substantial impact*



**on how its youngest residents think about their future.** To paraphrase the words of one input participant, if Topeka-Shawnee County's adults do not fully believe in their community, then why should its children?

Many input participants suggested that the community's challenges – economic, social, and otherwise – have a strong influence on the public mindset. As subsequent stories in this assessment will show, Topeka-Shawnee County does indeed face some serious issues. The community is losing residents to places such as Kansas City and Lawrence, which, coupled with other trends, places constraints on its workforce. Its quality of place, including the availability of social offerings and the community's overall physical appearance and aesthetics, needs significant improvement. In addition, a range of data indicators show that some residents are not prospering and thriving.

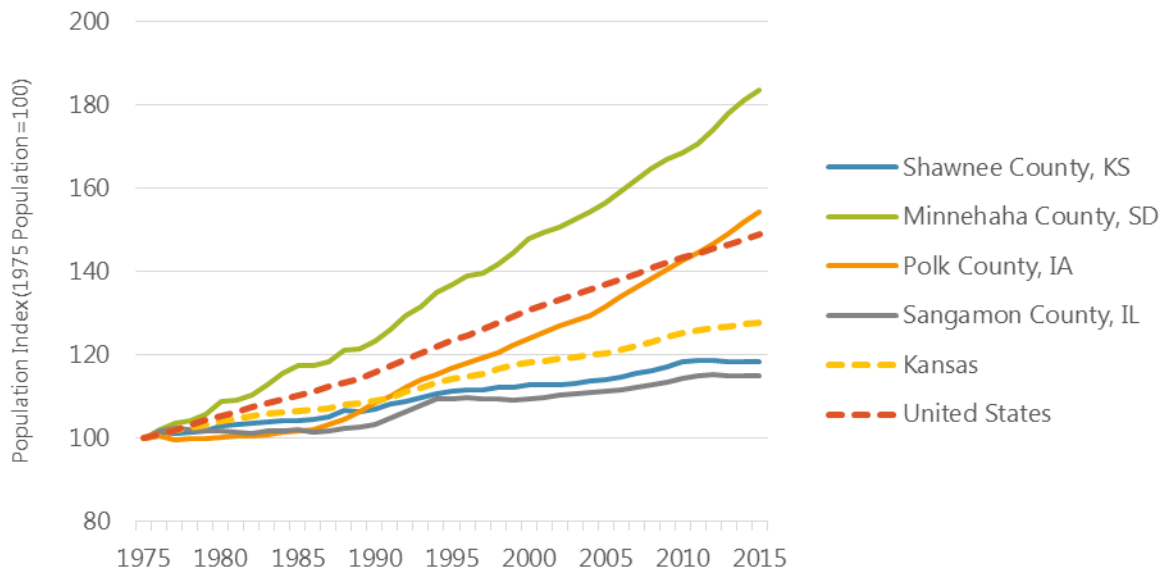
These are all serious challenges and many of them should be familiar to Topeka-Shawnee County stakeholders, particularly those who have been engaged in previous planning processes. This report seeks to move beyond a simple restatement of these well-understood issues in two key ways. First, it seeks to contextualize these stories. No two communities face the exact same set of issues, and local conditions can present unique challenges. **That said, Topeka-Shawnee County is not alone in facing any of these challenges, and many exist to some degree throughout the United States.** On net, the community is in a far more advantageous position than some and has numerous assets that can be leveraged to raise levels of prosperity and improve quality of life for its residents. None of Topeka-Shawnee-County's challenges are insurmountable, and as will be evident at certain points in this Assessment, work that is already underway to address issues related to quality of place has already begun to have a positive influence on internal perceptions of the community. Second, each story is presented with an eye toward specific strategic actions that Topeka-Shawnee County can pursue to address a challenge or capitalize on an opportunity. **To that end, each of the remaining five stories concludes with a discussion of "Key Takeaways and Strategic Implications" that can help the community make the transition from understanding into action and, when possible, pessimism into optimism.**

## 2. Threats to a Strong Workforce Go Beyond Population Growth

Population growth was a common theme throughout the public input process. Specifically, stakeholders frequently noted that Topeka-Shawnee County has added fewer residents over time relative to the nation, the state, and many other similar communities. Data clearly reveals why this is a common perception. Figure 1 displays a population growth index for Topeka-Shawnee County and its benchmark geographies. The 1975 population level in each geography is set to a value of 100, with all future population values “indexed” to this 1975 level. The production of such an index allows for visual comparisons of population change over time in geographies with vastly different population levels. The figure illustrates the degree to which Topeka-Shawnee County’s population growth has lagged behind some of its comparisons over the course of four decades. But it also illustrates that the region has experienced relatively consistent, albeit modest, population growth that appears to have stagnated in recent years. Shawnee County added nearly 6,500 residents between 2005 and 2010. But between 2010 and 2015, its population increased by just 372, a growth rate of 0.2 percent that lagged behind the United States (3.9), Kansas (1.8), and the next-closest comparison county (Sangamon at 0.5). Additionally, the Topeka MSA had the lowest overall growth rate among all comparison metros in the Workforce Sustainability Scorecard.

A majority of metros around the country – including major metros in Kansas – are capturing an increasingly large share of their state’s population growth, but this is not occurring in Topeka-Shawnee County. Between 2005 and 2015, Kansas’ population grew by roughly 166,000. Approximately 86 percent of this growth occurred in Douglas, Johnson, Riley, and Sedgwick counties. During this time period, Topeka-Shawnee County captured just four percent of Kansas’ population growth despite representing roughly six percent of the state’s total population base.

FIGURE 1: POPULATION GROWTH INDEX, 1975-2015 (1975 = 100)



Source: United States Census Bureau, Moody's Analytics

**Many input participants viewed Topeka-Shawnee County's slow population growth as a disadvantage or sign of distress. But taken alone, population change is not a reliable indicator of a community's success or future prospects.** Many prosperous, healthy communities have low or even negative growth, while some high-growth communities perform poorly on a litany of other measures of prosperity and well-being. Additionally, flat-to-modest population growth can even be seen as advantageous relative to certain alternatives. For instance, communities that are losing population face immediate threats to their fiscal and workforce sustainability while rapidly growing areas often struggle to scale infrastructure and basic services to keep up with the influx of new residents.

Rapid population growth does not necessarily equate to community well-being; it can certainly reflect a prosperous and vibrant community, but it is not a necessary condition for prosperity and well-being. Similarly, slow population growth is not by itself a threat to long-term prosperity and well-being. But in a global marketplace with an ever-increasing premium on talent, successful communities will be those that are able to sustain a deep and knowledgeable workforce. And here data and public input reveal that the community has significant cause for concern. **Much more than the "topline" population growth figure, factors such as migration patterns, age dynamics, and educational attainment trends suggest that Topeka-Shawnee County has much work to do toward maintaining a stable and competitive workforce into the future.**

Regarding migration trends, stakeholders in Topeka-Shawnee County expressed concerns that the community is losing its best and brightest residents to other places, notably the Kansas City and Lawrence regions. **Some input participants said they were especially concerned that the community is approaching an "inflection point" – if talented residents continue to leave the community, there will be less incentive for their peers to want to stay or move to the community in the first place.**

Stakeholders said they feared that this type of negative feedback loop could cause the community to tip from “low growth to negative growth” if this trend continues.

Data reveals that Topeka-Shawnee County is indeed losing residents to other communities around the country. Population change is determined by two factors that the Census Bureau tracks through its Components of Population Change program: natural change (births minus deaths) and net migration (both domestic and international).<sup>i</sup> This data shows that between 2010 and 2015, Topeka-Shawnee County experienced a net outflow of nearly 4,000 migrants to other parts of the United States. The small growth that the community did experience can be attributed entirely to natural change and a small net gain of international migrants.

A different data program from the Internal Revenue Service (IRS), the Statistics of Income program, offers more detailed insight into the origins and destinations of these domestic migrants. This data is compiled from anonymized tax return data. If a given return moves from one county to another between tax years, the program categorizes that return – and all its associated exemptions – as having migrated between counties. Examining the number of exemptions that move from county to county in a given year can provide a rough estimate of the net flow of actual people from place to place.<sup>ii</sup> The IRS data clearly illustrates a pattern that is present in many other small and mid-sized communities: **Topeka-Shawnee County is gaining residents from smaller nearby communities and rural areas while losing residents at an even greater rate to other large and/or highly competitive metro areas.** Figure 2 shows that nine out of the top 10 “source” counties for in-migrants to Topeka-Shawnee County were smaller communities in Kansas. Meanwhile, the top “destination” counties included many of the counties in the Kansas City metro area; Lawrence (Douglas County); Wichita (Sedgwick County); and Dallas-Fort Worth, Texas (Tarrant and Bexar counties). In the average year between 2004 and 2014, Topeka-Shawnee County experienced a net loss of approximately 400 residents to the Kansas City and Lawrence metro areas, with roughly half of those out-migrants settling in Johnson County, KS.

FIGURE 2: SHAWNEE COUNTY NET MIGRATION, 2004-2014

Top Sources		Top Destinations	
Riley County (KS)	519	Johnson County (KS)	-1,984
Lyon County (KS)	516	Jackson County (MO)	-629
Pottawatomie County (KS)	474	Douglas County (KS)	-519
Jackson County (KS)	435	Wyandotte County (KS)	-345
Osage County (KS)	387	Sedgwick County (KS)	-330
Geary County (KS)	307	Tarrant County (TX)	-227
Los Angeles County (CA)	255	Maricopa County (AZ)	-224
Wabaunsee County (KS)	242	Clay County (MO)	-214
Ellis County (KS)	203	Bexar County (TX)	-167
Franklin County (KS)	179	Platte County (MO)	-131

Source: Internal Revenue Service (IRS)

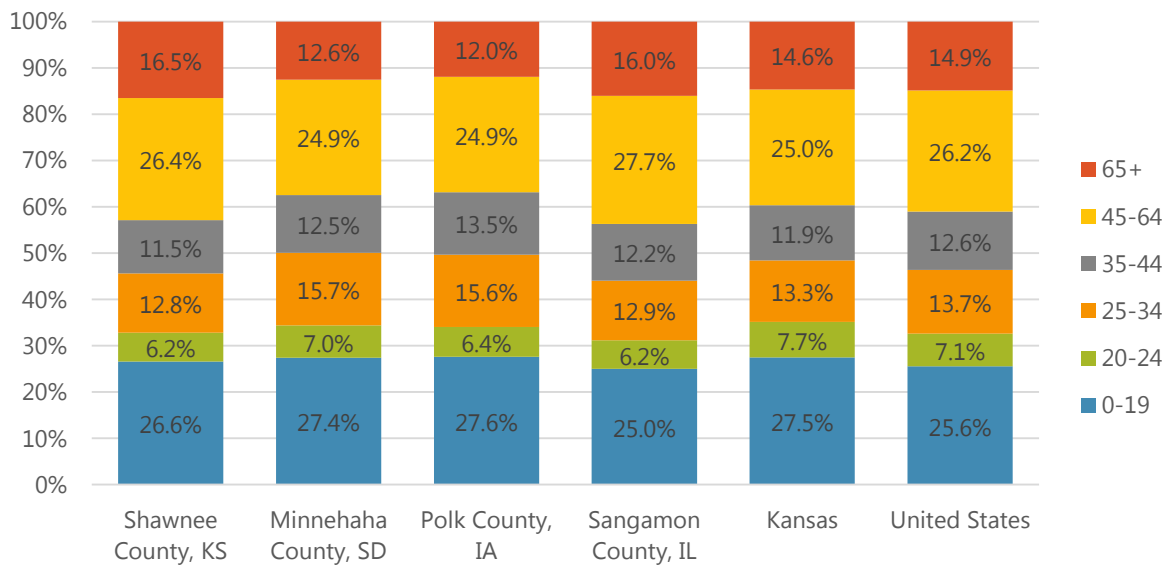
Input participants suggested that Topeka-Shawnee County is fighting against a “generational” tide wherein younger individuals and families are gravitating towards metro areas that offer desirable amenities and quality of life advantages. Topeka-Shawnee County is not alone in facing this challenge. As previously referenced, similar trends can be observed in many other small and mid-sized communities, especially in the Midwest. In addition to this broader trend, **stakeholders also said that Topeka-Shawnee County’s central geographic location and proximity to Kansas City and Lawrence is both a “blessing and a curse.”** On the one hand, input participants said that these communities allow local companies to draw from a much larger labor pool and provide relatively nearby shopping, entertainment, and other opportunities for local residents. On the other hand, these communities provide steep competition to Topeka-Shawnee County to attract and retain talented people.

Stakeholders said that in some instances, individuals who leave Topeka-Shawnee County still work in the community, so they are not totally lost to the workforce. Data from the U.S. Census Bureau’s Longitudinal Employer-Household Dynamics (LEHD) program reveals that of the primary jobs based in Topeka-Shawnee County in 2014, 37.8 percent were held by individuals who lived outside the county.<sup>iii</sup> According to the data, Douglas and Johnson counties were the two most common sources of workers who commute into Topeka-Shawnee County. Together they supplied approximately 7,208 workers, accounting for about 20 percent of all inbound commuters and filling 7.7 percent of all total primary jobs in Topeka-Shawnee County. **Even if an individual can move to Overland Park and still work in Topeka, input participants said there is still a loss in the form of that person’s broader economic impact and civic and cultural energy. According to LEHD data, of the primary jobs in the community that pay at least \$40,000 per year, nearly 40 percent are held by individuals who live outside of Topeka Shawnee-County.**

Not being able to find the necessary talent locally, many companies have resorted to recruiting workers from outside the region. Roughly 55 percent of survey respondents from the business community “agreed” or “strongly agreed” with the statement, “My business frequently has to recruit workers from outside Shawnee County,” however, talent recruitment has not come without difficulty. Half of respondents “disagreed” or “strongly disagreed” with the statement, “My business has no trouble recruiting workers from outside Northeast Kansas to Topeka-Shawnee County.”

Ultimately, the broad migration trends are changing the makeup of the community’s population base and, by extension, its workforce. Another significant factor that could have an impact on the community’s workforce in the future is its age dynamics. Workforce sustainability is a significant concern around the country as Baby Boomers begin to retire. As shown in Figure 3, in the United States as a whole, there are just enough workers between the ages of 25 and 44 (26.3 percent) to replace those between the ages of 45 and 64 (26.2 percent) who will reach retirement age in the next 20 years. Any shortfall can be made up through international in-migration. But in Topeka-Shawnee County, just 24.3 percent of the population is between the ages of 25 and 44 while 26.4 percent is aged between 45 and 64. The ratio between these two groups is often referred to as the “dependency ratio” where a ratio of 1.0 indicates that there are exactly enough younger workers to replace older workers as they retire. But across the broader Topeka MSA, the dependency ratio was 0.87, worst among all comparison metros in the Workforce Sustainability Scorecard.

FIGURE 3: AGE DISTRIBUTION, 2015



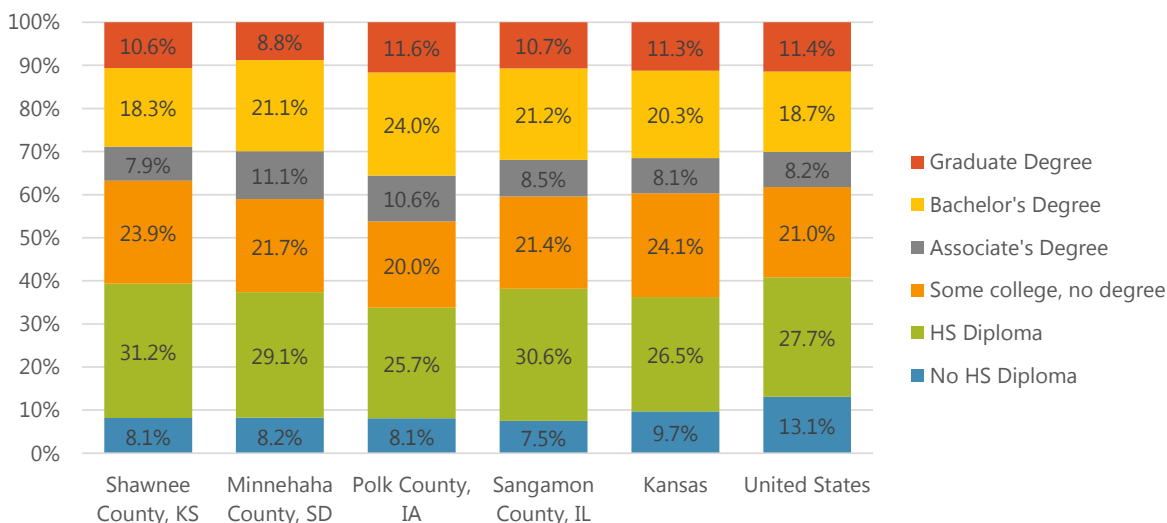
Source: United States Census Bureau, Population Estimates

A comparison of the 2015 numbers in the preceding figure and equivalent age distribution data from 2010 further reveals that Topeka-Shawnee County's population is aging. In 2015, there were 3,760 more individuals aged 65 and over living in Topeka-Shawnee County than there were in 2010. But between these two years, the number of individuals in the prime working-age range of 25 to 64 *decreased* by 2,222. Significant growth in the 65-and-over cohort was to be expected (and was observed in all comparison geographies) as the initial wave of Baby Boomers began turning 65 in the early part of this decade. But nearly every other age cohort in Topeka-Shawnee County was also smaller in absolute terms in 2015 than it was in 2010. **This suggests that the previously referenced net migration losses are substantially driven by individuals of prime working age leaving the community (as opposed to retirees).** Given that Topeka-Shawnee County already possesses a relatively older population, the fact that its population is skewing older in contrast to trends in the nation and highly competitive comparison communities makes issues of workforce sustainability even more concerning. **The strategic implication is obvious: Topeka-Shawnee County must retain and attract more workers, particularly young workers. Fortunately, this is not an insurmountable obstacle.** Taking relatively small but meaningful steps to retain a few hundred people a year who might otherwise leave the community can have a substantial impact on the community's core indicators, trajectory, and overall mindset.

In terms of workforce *quality*, educational attainment is often used as a basic measure to gauge the overall level of talent in a community. As shown in Figure 4, 28.9 percent of adults aged 25 and over in Topeka-Shawnee County have attained at least a bachelor's degree or higher, slightly below the figures for Kansas (31.6) and the United States (30.1). The gap is even wider compared to Polk County, which is home to the large insurance hub of Des Moines, which requires a large pool of well-educated workers; 35.6 percent of Polk residents have attained a bachelor's degree or higher. At the regional level, the Topeka MSA ranked seventh out of 10 communities on the Workforce Sustainability Scorecard for the proportion of individuals

aged 25 and older with a bachelor's degree or higher and seventh for individuals 25 and over with an associate's degree or higher.

**FIGURE 4: EDUCATIONAL ATTAINMENT, 2014**



Source: United States Census Bureau, ACS 1-yr estimates

In order to compete for jobs with high skill requirements, communities must boast a well-educated workforce. Companies and site selectors involved in certain types of location decisions may only consider communities that are more educated on average than the nation as a whole. But at present, Topeka-Shawnee County has proportionally fewer associates degrees, bachelor's degrees, and graduate degrees relative to the United States. Additionally, there is evidence that this gap could grow. One way that communities can improve their talent pool is to attract new skilled and educated workers from other places. As previously discussed, Topeka-Shawnee County is experiencing net out-migration, and the in-migrants it is attracting are only slightly more educated than the community's existing residents. Roughly 30 percent of in-migrants to Topeka-Shawnee County have a bachelor's degree or higher – a figure that falls far below that of high-performing regions. Roughly 40 percent of in-migrants to Sangamon County had obtained at least a bachelor's degree – a sharp contrast to Topeka-Shawnee County seeing as the two communities share many other growth and demographic dynamics.

Another troubling finding is that younger residents of Topeka-Shawnee County are only slightly more educated than their older counterparts. In both the United States and Kansas, the educational attainment rate of the 25 to 44 cohort is roughly 3.7 percentage points higher than that of the 45 to 64 age group. But in Topeka-Shawnee County, this 25 to 44 educational attainment rate is just 1.5 percentage points higher. Additionally, educational attainment rates in the 25 to 44 cohort are rising faster in the state and nation than they are in Topeka-Shawnee County. **Simply put, Topeka-Shawnee County is slightly less educated than the United States as a whole, and if current trends continue, this gap will only widen.**

Input participants from the business community familiar with the hiring needs of their companies expressed concern regarding workforce availability, particularly when it came to seeking applicants that had higher levels of skill and experience. But one employer remarked that even for entry-level positions that had been relatively easy to fill in the past, “the well is beginning to run dry.”

## KEY TAKEAWAYS AND STRATEGIC IMPLICATIONS

Stakeholders in Topeka-Shawnee County frequently cited the community’s low population growth as a concern. But population growth by itself is not an indication of strength and low-growth communities can certainly achieve sustained prosperity and success provided other fundamentals are solid. In Topeka-Shawnee County, however, there are numerous threats to the long-term competitiveness of the workforce that go beyond mere population growth. The community is losing residents to other nearby metros, which is undermining the present-day talent pool and weakening future prospects as the community’s demographics are trending older. Additionally, educational attainment rates for younger Topeka-Shawnee County residents fall behind the equivalent figures for the nation, state, and other competitive communities. Given that Topeka-Shawnee County is experiencing net domestic out-migration, this indicates that the currently modest educational attainment gap between the community and the nation is likely to grow if trends continue. **In short, if the status quo holds, these dynamics will lead to a tighter labor market and a comparatively less educated workforce, which will significantly threaten the community’s future prosperity. A shrinking workforce will also contribute to a shrinking tax base and, accordingly, a reduced capacity to address these and other challenges.**

Fortunately, these trends can be addressed through strategic action. In general, there are two ways to improve the quality and quantity of workers in a community. One is developing homegrown talent to ensure that the next generation of workers are prepared to contribute to and thrive in a vibrant economy. **Addressing the “talent pipeline” at every stage is a proven long-term strategy to enhance a competitive workforce and drive prosperity,** and the fourth story of this Assessment will cover issues related to the topic.

In the more immediate future, Topeka-Shawnee County must focus on improving its appeal to talented workers who are already in the workforce. For many communities, this means attracting new residents from other places. While Topeka-Shawnee County can certainly pursue this aim, a more pressing concern is retaining the talent already in the community. Between 2004 and 2014, the community lost a net average of 400 residents per year to the Kansas City and Lawrence metro areas alone. It is difficult through data alone to determine the educational attainment levels of these net out-migrants, *but in the experience of input participants, these individuals tended to be well-educated.* **Simply put, Topeka-Shawnee County could make a tremendous positive impact on its current and future workforce if it is able to retain those individuals who already have a connection to the community.** *On the matter of how to better attract and retain talent, Topeka-Shawnee County stakeholders contacted through the public input process were in strong consensus: improve the community’s quality of place.* As the next story will detail, this is consistent with what research reveals to be what people value in a place to live.



### 3. Quality of Place Enhancements Are Needed to Change Outlooks

Now more than ever, talent is the most important location consideration for businesses and a key determinant of the economic success of communities. Accordingly, the competition for highly skilled and educated workers is intensifying. People weigh many factors when deciding where to live – employment opportunities, housing options, living costs, the quality of schools, and innumerable personal reasons. Research suggests that the most important among them are related to quality of place and quality of life. Quality of place generally refers to the vibrancy and physical characteristics of a community while quality of life refers to the well-being and happiness of its residents. There are numerous factors that influence quality of place and quality of life, and many of them are subjective. But they are nevertheless closely linked with a community's economic prospects, particularly when it comes to talent attraction and retention. **Simply put, quality of place and quality of life are inextricably linked to economic development and overall prosperity.**

The public input process revealed that Topeka-Shawnee County stakeholders have significant concerns related to these factors. Notably, input participants were in strong consensus that the community has a relative lack of certain amenities such as nightlife opportunities, high-end restaurants, and walkable mixed-use neighborhoods that are densely populated with a variety of businesses. The significance of these concerns is best exemplified by numerous anecdotes shared by a variety of business executives and professionals with direct knowledge of the hiring practices of local firms. **These leaders said that their companies routinely pitch prospective employees from outside the community on working in Topeka-Shawnee County but living in Lawrence or the Kansas-side suburbs of Kansas City to take advantage of the quality of life and place available in those communities. Some leaders also reported that their firms take advantage of hotels and dining options in Kansas City and Lawrence when entertaining clients and visiting executives, bringing their guests to Topeka-Shawnee County only to visit the business itself.** Many of these stakeholders said they engage in these practices reluctantly and wished conditions were different. Some said they were supportive of the efforts of Heartland Visioning and others to begin understanding this issue. However, all ultimately felt that they were acting in the best interest of their businesses. **This and other input builds to an important central theme: if Topeka-Shawnee County is to retain its best and brightest workers and become more successful in attracting educated outsiders, quality of life and place must play a critical role.**

#### **Community Attachment**

The preceding point is underscored by the insightful research conducted by the John S. and James L. Knight Foundation and Gallup in its "Knight Soul of the Community 2010" report. The report was the culmination of three years of research in 26 communities around the country (including Wichita in Kansas) that sought to determine what attaches people to a community. The report defines community attachment as, "an emotional connection to a place that transcends satisfaction, loyalty, and even passion. A community's most attached residents have strong pride in it, a positive outlook on the community's future, and a sense that it

is the perfect place for them. They are less likely to want to leave than residents without this emotional connection. They feel a bond to their community that is stronger than just being happy about where they live.”

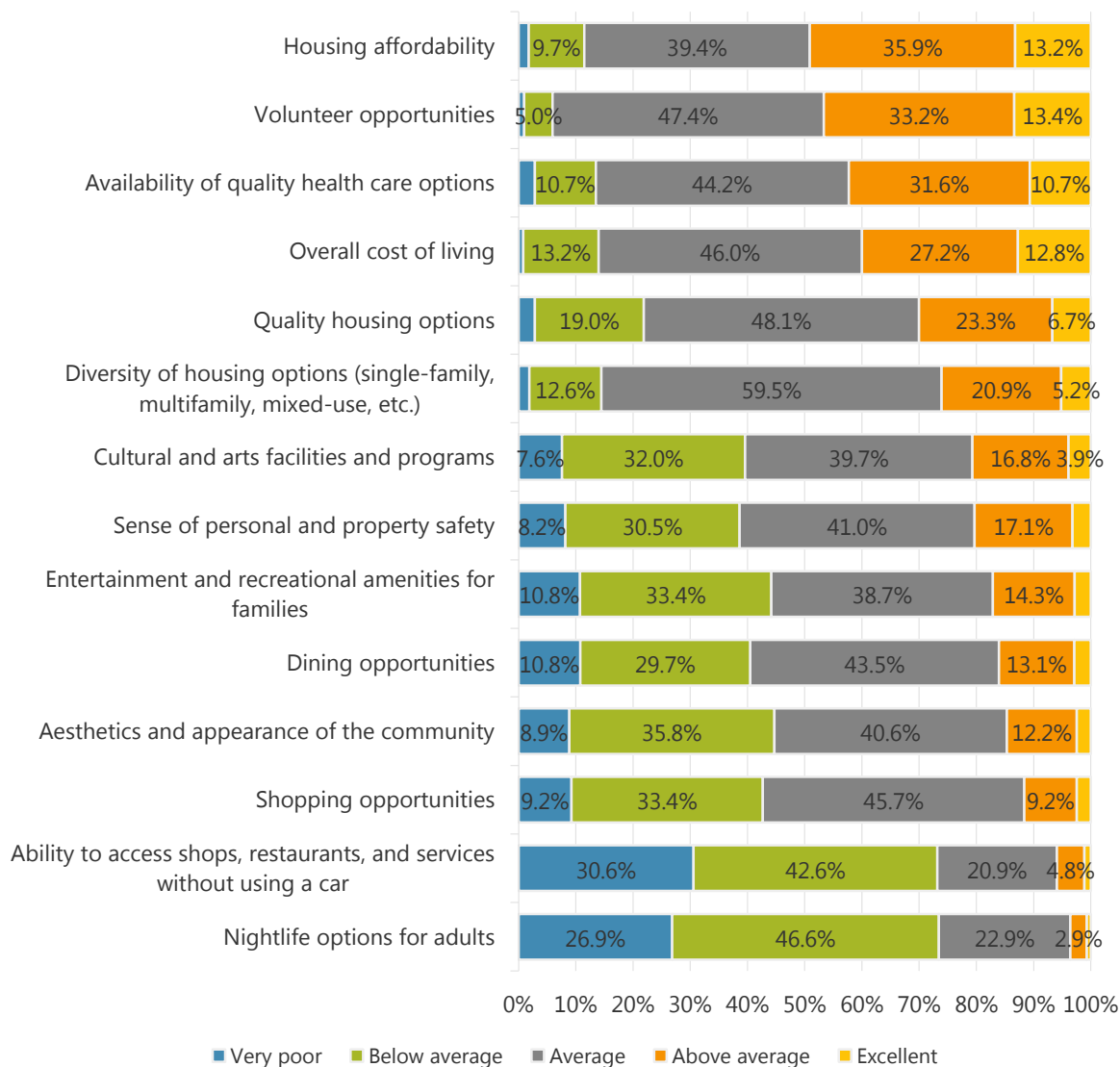
According to the report, there are three factors that primarily drive community attachment:

- ✓ **Social offerings** (such as entertainment infrastructure, community events, places to meet people)
- ✓ **Aesthetics** (physical beauty, green spaces, etc.)
- ✓ **Openness** (how welcoming a place is to different types of people)

The report found that if people are attached to their community then they are more likely to engage in it and help make it a better place. Beyond that, residents that are more attached to their community are also more likely to shop and dine locally, ultimately benefiting the local economy. Further, employees that are actively engaged and attached to their community often lead to increased productivity, profitability, and higher rates of employee retention. All told, the report found a positive relationship between communities with higher levels of community attachment and those that were economically successful, underscoring the importance that emotional attachment plays in the well-being of a community.

As discussed in the first story in this Assessment, Topeka-Shawnee County has significant issues with community attachment; just one in ten survey respondents said their children were “very likely” to remain in the community when they grow up. Additionally, more than 60 percent of respondents disagreed that Topeka-Shawnee County is an “attractive and desirable place to live for young professionals.” The responses summarized in Figure 5 help explain why this may be the case. Survey respondents were asked to rate 14 quality of life and place aspects that influence the community’s attractiveness as a place to live. **Of these factors, only one – housing affordability – was rated as “above average” or “excellent” by a majority of participants. And on 10 of the factors, at least three out of four respondents gave a response of “average” or worse. Compared to similar surveys conducted for other Market Street client communities, these are unusually poor perceptions.** While they may reflect challenges related to quality of life and place, they may also be evidence of the negative mindset described in the first story. The remainder of this story focuses on various aspects of quality of place and quality of life in Topeka-Shawnee County, beginning with its social offerings, aesthetics, and openness and continuing with other key themes that emerged from public input.

**FIGURE 5: PLEASE RATE THE FOLLOWING ASPECTS OF TOPEKA-SHAWNEE COUNTY'S QUALITY OF LIFE, BASED ON YOUR EXPERIENCES WHERE YOU LIVE.**



Source: Market Street Services; Topeka-Shawnee County Community Survey (2016)

### ***A significant lack of "everyday" social offerings***

When discussing the social offerings available in Topeka-Shawnee County, it is necessary to draw a distinction between the urban and rural areas of the community. Input participants who lived in less-developed portions of the county expressed strong preferences for rural living. In these contexts, a lack of amenities and social offerings is not only to be expected but in fact preferable. Individuals who lived in these areas said they had no problem with driving a long distance – to Kansas City, Lawrence, or Manhattan to go to dinner or spend a night out.

**But stakeholders in urban areas of the community, particularly the City of Topeka, frequently lamented that they must go to other cities to socialize by necessity, not by choice. These input participants said Topeka simply does not have the type of gathering places and social opportunities that other nearby communities have.** Many of the factors related to social offerings shown in Figure 5 received a large share of “below average” or “very poor” ratings. These include arts programs and facilities, recreation and entertainment options for families, dining and shopping opportunities, and nightlife options for adults, the latter of which just 3.6 percent of respondents viewed as “above average” or “excellent” compared to 73.5 percent who saw it as “below average” or “very poor.”

However, stakeholders had high praise for various cultural and entertainment options in the city. These included the Topeka Zoo, the Discovery Center, Gage Park, Hummer Sports Park, the award winning Topeka-Shawnee County Public Library, car shows, lakes, parades, and the burgeoning arts community and First Friday Art Walk events in NOTO. Many of these offerings, however, are places that a resident may visit a few times a year or are connected to special events while others are specific to outdoor recreation. **Input participants ultimately expressed a desire for more “everyday” places for people of all ages to socialize – namely a greater variety of restaurants, coffee shops, bars, and other establishments where casual and chance meetings occur.** Some stakeholders said that Topeka would ideally have numerous social offerings clustered within walkable mixed-use areas such as Downtown Topeka, NOTO, and other neighborhood commercial centers. **Promoting such mixed-use districts by leveraging existing assets with additional investment in infrastructure and, potentially, incentives for businesses and new developments could be another potential path toward significantly – and relatively quickly – improving morale within the community.**

### ***Promising developments related to aesthetics and a desire for much more***

Input participants expressed excitement over recent developments related to aesthetics in their community. **The Kansas Avenue streetscape project, pocket parks, and other recent downtown developments drew high praise. But overall, just 14.7 percent of survey respondents rated the “aesthetics and appearance of the community” as “above average” or “excellent”** compared to the nearly 45 percent of respondents who viewed them as “below average” or “very poor.” One input participant said, “It is sometimes embarrassing to take out-of-town guests out and about in Topeka. Aesthetically, everything just seems either outdated or dilapidated. Even the newer stuff is surrounded by outdated and ugly buildings.” Another participant said changing these conditions will require a new mindset about what types of investments are important: “I don’t need Topeka to become Lawrence or Boulder or Santa Fe but we need to show care for our community ... many people are vocally negative about spending public money for aesthetic improvements but it builds a stronger, happier community in the long run.” Aesthetic upgrades can be implemented quickly and at a low cost relative to major redevelopment projects that might require years of time and major capital investments to advance. But aesthetic improvements can make an immediate impact and help quickly change perceptions about a community; even simple yet noticeable improvements such as public art or landscaping can help address the morale issues described in the first story.

**Input participants noted that the Kansas River and its waterfront represents a significantly underutilized place-based asset.** Stakeholders were encouraged by efforts in various stages of planning related to further activating the river, including ongoing work by the National Park Service and its partners

to create an Oregon Trail-themed park at the site of the historic Pappan's Ferry crossing. Some stakeholders were also pleased that leaders in Topeka-Shawnee County are taking steps to address the "gateways" into the community. Gateways are the entry points and key corridors into the community that significantly influence the first impressions of visitors to a community and can "re-establish the tone" for residents returning home from an out-of-town trip. A poor first impression due to poor conditions on a public right-of-way and/or blighted, vacant, outdated, or underutilized properties can have a significant negative impact on how people perceive a community. Some input participants viewed improving the visual appeal of the community to travelers passing through Downtown Topeka on Interstate 70 as a key opportunity, while blighted and underutilized commercial properties along many other critical streets and roads entering the city present a major challenge.

### ***Mixed feelings related to openness***

The online survey asked respondents whether they agreed with the statement, "Topeka-Shawnee County is a welcoming place." Roughly 45 percent of respondents said they "agree" or "strongly agree" with this statement – more than double the proportion that disagreed with this statement. But when Market Street posed this same question to survey takers in two mid-sized Midwestern communities in recent years, the responses were far more positive, with 80 and 69 percent of individuals agreeing or strongly agreeing with the statement. On a more positive note, there was little divergence in the responses to questions about how welcoming and inclusive Topeka-Shawnee County is based on factors such as race, ethnicity, and longevity in the community. Many other communities exhibit significant discrepancies in how people of different backgrounds perceive the openness of the place they call home.

### ***Concerns about public safety***

As with many communities, crime was cited by some input participants as one of the challenges facing Topeka-Shawnee County. Roughly 40 percent of survey respondents felt that the community's sense of personal and property safety was "very poor" or "below average." While violent crime rates in Topeka-Shawnee County are roughly equivalent to the national averages, property crime rates are elevated compared to the comparison communities. On the Quality of Life Scorecard, the Topeka MSA ranked fifth and seventh out of nine MSAs, respectively, for violent and property crime rates per 100,000 residents.<sup>iv</sup> Additionally, while crime rates are falling in Topeka-Shawnee County, the national reduction in crime has been more significant. Between 2008 and 2013, the violent crime rate in Shawnee county fell by 7.2 percent while incidents of property crime dropped by 13 percent. Nationally, violent and property crime rates declined by 17.2 percent and 15 percent, respectively.

Some input participants noted that crime is worse in some areas than others, mitigating its impact on the community as a whole but placing a significant burden on individuals who live or work in areas experiencing a high incidence of crime. Others felt that perceptions of crime are sometimes exaggerated consistent with the previously discussed self-image issues in Topeka-Shawnee County. One participant said, "I do feel safe in the community, but I often hear so many negative things about crime in the community it causes me doubt sometimes. I think it's more of a reflection on community members' poor attitudes than the actual safety of the community." But even if crime is indeed geographically isolated, the individuals who live in these areas are still faced with a significant reduction in their quality of life. And in any case, perception is often

reality in community and economic development, and internal or external beliefs that a community is unsafe can impact a community's ability to attract residents and jobs. Perceptions of poor public safety can impact the viability of a place – particularly a downtown. Communities have addressed these realities and perceptions through a variety of approaches. Some are as basic as better lighting and a greater presence of police or uniformed public safety employees, while others entail more complex approaches. **Overall, addressing real and perceived public safety issues can be an integral part of an effective and place-making strategy.**

### **Affordable housing and easy commutes...**

When asked about Topeka-Shawnee County's greatest strength or asset, input participants frequently cited its low cost of living. Housing affordability had the best rating among the quality of life aspects in Figure 5 with 49.1 percent of respondents rating it as "above average/excellent." Indeed, across a variety of measurements related to housing costs, Topeka-Shawnee County ranked favorably among its comparison communities. Figure 6 shows how the comparison communities stack up on a "home affordability ratio" – the median home value in a locality divided by its median household income. Topeka had the lowest (i.e. best) home affordability ratio among all comparison communities and among the 10 metro areas on the Quality of Life Scorecard. **Additionally stakeholders cited home affordability as one of Topeka-Shawnee County's chief advantages over communities such as Lawrence.** According to Zillow data, the median home value in the Topeka metro area was just 60 percent of the median home value in the Lawrence metro area as of June 2016. And among the 10 communities on the Quality of Life Scorecard, the Topeka MSA also had the fourth-lowest percentage of renters spending at least 30 percent of their income on rent, suggesting that both home ownership and the rental market are relatively affordable. **Recall, however, that public input revealed that Topeka-Shawnee County frequently advise new hires from outside the region to live in other communities.** This suggests that housing affordability alone is not sufficient to attract talent, which is consistent with the general principle that housing prices are at least in part based on market attributes such as the proximity to an abundance of social offerings. **But for those already living in Topeka-Shawnee County, housing costs are unquestionably a benefit from a household well-being standpoint given how low home prices are relative to incomes.**

FIGURE 6: HOME AFFORDABILITY RATIO, 2014

	Median Home Value	Median Household income	Home Affordability Ratio
Shawnee County, KS	\$121,900	\$53,507	2.28
Minnehaha County, SD	\$159,100	\$54,829	2.90
Polk County, IA	\$161,000	\$60,978	2.64
Sangamon County, IL	\$132,200	\$55,103	2.40
Kansas	\$132,100	\$52,504	2.52
United States	\$181,200	\$53,657	3.38

Source: United States Census Bureau, ACS 1-year Estimates

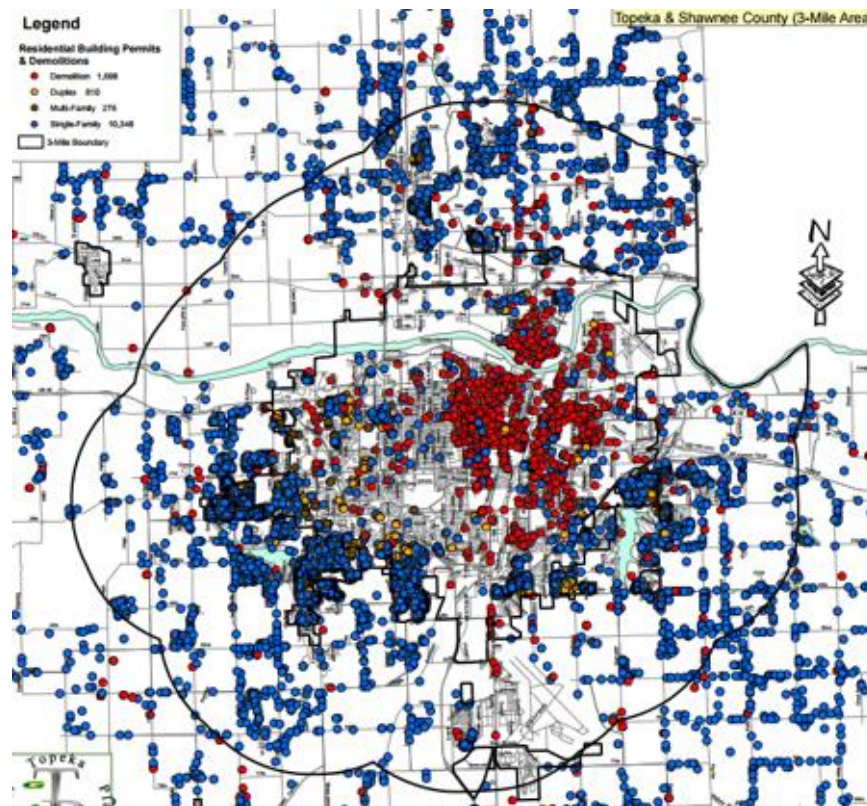
Input participants also cited the short commutes and overall lack of traffic in Topeka-Shawnee County as a major advantage for the community over larger regions. Survey participants rated the community's traffic congestion and roadway connectivity favorably. The average commute time in Shawnee County was 17.2 minutes in 2014, which was less than the comparison counties, Kansas, and the United States. Roughly 87 percent of workers in the county have a commute time of less than 30 minutes. Nationally, only 63.1 percent of workers enjoy similarly short commutes.

***...But a lack of mixed-use and transportation options***

**While housing is affordable and car commutes are relatively easy, input participants noted that Topeka-Shawnee County generally lacks the type of mixed-use “live-work-play” environments that are increasingly in demand, particularly among young professionals and empty nesters.** One participant said, “We have very separated spaces – residential here, commercial here, manufacturing here, etc. We have very few areas of mixed-use properties where you can actually live, work and play in your own neighborhood.” This is consistent with feedback from online survey respondents. Nearly three quarters of survey participants rated the “ability to access shops, restaurants, and services without using a car” as “below average” or “very poor.” Quantifying the presence of mixed-use neighborhoods is difficult, but the AARP Livability Index has developed a “Mixed-Use Neighborhood” index that looks at the density of nearby employment at the neighborhood scale to measure how well an area offers convenient access to retail, entertainment, health care, education, and food or personal services. The index is on a scale of 0 to 1, with higher scores indicating a greater likelihood of mixed-use character. This data can then be aggregated to the city or county level. The City of Topeka scores a 0.74 on this metric, slightly below the national median of 0.81 and the scores of communities such as the cities of Lawrence (0.84) and Des Moines (0.83).

Several real estate and development trends may have influenced the relative lack of mixed-use environments in the City of Topeka and its surroundings. According to data from the U.S. Department of Housing and Urban Development, relatively few multifamily building permits have been issued in Topeka-Shawnee County in recent years even though a national apartment construction boom was occurring across the United States.<sup>v</sup> Additionally, data from the City of Topeka's Land Use and Growth Management Plan – 2040 shows a “hollowing out” of available housing units in the core of the community. Figure 7 shows the residential building and demolition permits issued in and around the City of Topeka between 1990 and 2013. The blue, brown, and yellow dots represent building permits while the red dots represent demolitions. Most of the growth in the supply of single-family homes has occurred at the periphery of the community, particularly in Southwest Topeka. Of the nearly 1,700 demolition permits issued during this time period, the vast majority were concentrated around Downtown Topeka and the core of the community. **This is consistent with feedback from input participants who noted struggles in many of the community's older areas that were developed when neighborhoods were decidedly more mixed-use in character. Stakeholders reported an abundance of blighted or vacant properties in some of the city's core neighborhoods, and expressed concerns about absentee landlords and regulations that make it difficult to compel or incentivize these individuals to care for or sell their properties.**



**FIGURE 7: RESIDENTIAL BUILDING AND DEMOLITION PERMITS, 1990-2013**

Source: City of Topeka

While a lack of mixed-use neighborhoods limit the ability of residents to access jobs, services, and amenities without a car, input participants also noted that infrastructure for pedestrians and bicycles needs improvement. On the online survey, the quality and connectivity of both sidewalks and bike lanes received poor ratings. Stakeholders noted that the City of Topeka has adopted pedestrian and bikeways master plans and that some improvements have already been put into place but that significant additional resources must be devoted to additional infrastructure in order for these visions to be realized.

Overall, input participants said it is difficult to get around even some of the most intensely developed portions of Topeka without a car. In addition to conditions for pedestrians and bicycles, survey participants also found public transportation options wanting. Nearly half of survey respondents rated the community's public transportation connectivity as "very poor" or "below average." Likewise, the frequency of public transportation and public transportation quality also received less than favorable ratings.

None of the aforementioned conditions are necessarily uncommon in United States communities of any size. But a lack of transportation options can reflect negatively on a community's quality of life and place as it attempts to attract and retain talented individuals. Additionally, communities that lack efficient transportation options for individuals without access to a car may serve only to compound workforce problems. For instance, area stakeholders from the business community reported that limited public transit and short operating hours make it difficult for many prospective manufacturing workers to fill "third-shift"



positions that fall outside conventional working hours. Employers said that many individuals are forced to walk or bike along highways and other roads with high speed limits that lack safe infrastructure, putting themselves at significant risk. Countless communities of Topeka-Shawnee County's size – and even much larger regions – have public transportation systems that are characterized by poor bus connectivity and infrequent services. Addressing such an issue in the form of dramatically increased public transportation offerings can be expensive. More realistic approaches to address these issues can include providing more safe bicycle and pedestrian infrastructure and encouraging more mixed-use development that allows individuals to live in close proximity to their place of work.

## KEY TAKEAWAYS AND STRATEGIC IMPLICATIONS

Quality of life and quality of place are critically important to retaining and attracting talented individuals and, by extension, a community's present and future economic prospects. **Stakeholders in Topeka-Shawnee County understand that the community must address issues related to quality of place and quality of life, particularly related to community aesthetics, the vibrancy of neighborhoods (particularly those struggling with blight and disinvestment), and the relative lack of social offerings and walkable mixed-use districts.** Doing so is critically important to the community's ability to retain and attract talent and, by extension, compete in the present and future economy.

Input participants also noted that there are many established and emerging champions in the community who are already working at scales large and small to make Topeka-Shawnee County a better place to live, work, and play. Stakeholders said they were inspired by recent and ongoing improvements ranging from streetscaping on Kansas Avenue and other planned private developments in Downtown Topeka to the new Midwest Health Aquatic Center. An array of public and private efforts – from riverfront development and levy repair planning to the work of organizations such as Heartland Healthy Neighborhoods – are further sources for optimism. **Input participants said that these developments have already had a small positive impact on overall internal perceptions in the community. Some stakeholders described feeling for the first time that there is a “real energy” in the community and that “things are happening.”**

**These sentiments stand in sharp contrast to the prevailing morale in the community and are indications of just how quickly and dramatically perceptions can change if people see signs of progress.** They are also notable because they are the product of what can generally be characterized as “early-stage” improvements to the community's quality of life and quality of place. **For instance, input participants were especially excited about developments in the NOTO district, including a small collection of new businesses, a burgeoning arts scene, and the First Friday Art Walk events. One input participant called the developments in NOTO “the best thing to happen to Topeka in a long time.”** The progress to date has indeed been meaningful, but it represents only a fraction of what is possible. A master plan under development for NOTO has the potential to provide the blueprint for further transforming the neighborhood, and similar quality of place enhancements can and should be made in other areas across the Topeka-Shawnee County community. **But the fact that even early incremental progress has been met with positive enthusiasm from stakeholders is a highly promising sign. Broadening and expanding upon these developments offers Topeka-Shawnee County a path toward improving its self-image.**

## 4. Homegrown Talent: A Need to Connect the Local and Regional Talent Pipeline

The quality of place and quality of life considerations discussed in the previous story generally focus on retaining existing residents and, potentially, attracting new people to a community. A necessary complement to these efforts is a strong “talent pipeline” – that is, ensuring that education and training providers are well-aligned and have the resources they need to prepare the community’s younger residents for college and careers. As discussed in the second story of this Assessment, Topeka-Shawnee County may increasingly be at a competitive disadvantage relative to other communities for certain types of jobs and investment if it does not reverse trends related to its educational attainment. **Over the long-run, focusing on “homegrown” talent and ensuring that workforce development efforts are holistic, collaborative, comprehensive, and relevant will be critical to Topeka-Shawnee County’s prosperity and success.** This section briefly discusses the various components of the community’s talent production capacity – from pre-kindergarten to post-secondary programs.

### *Early Childhood Education*

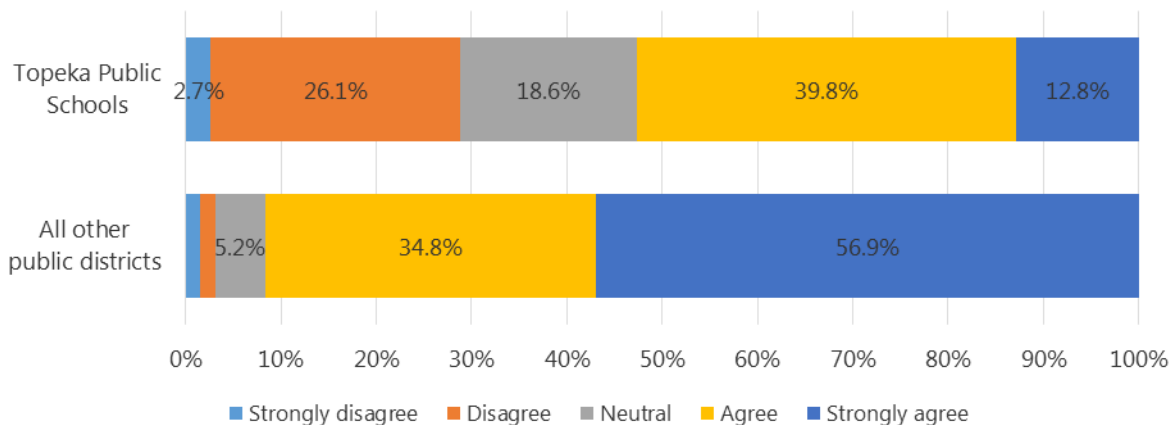
Nurturing homegrown talent is sometimes framed in the context of a “cradle-to-careers” pipeline. As the name would suggest, this pipeline begins with programs geared toward a community’s residents (and sometimes even includes services for expecting parents); for good reason, as there are numerous studies that document the benefits associated with early childhood education and the lifelong impact that it has on an individuals’ well-being. Every year, the National Institutes for Early Education Research (NIEER) publishes a State of Preschool report that profiles state-funded pre-kindergarten programs in each state and ranks them based on a variety of factors including accessibility and quality standards. According to the report, Kansas ranked 25th in access for 4-year-olds and 40th in state spending per student in 2015. The state’s preschool program, Kansas State Pre-Kindergarten Program, is not available for 3-year-olds. As is the case in other segments of the talent development pipeline, state budget constraints have resulted in funding cuts for pre-kindergarten programs and, as a result, NIEER data shows that funding per enrolled child declined by roughly 20 percent and the share of 4-year-olds enrolled in pre-kindergarten programs dropped by three percentage points between 2010 and 2015.

According to Census estimates, nearly half of 3- and 4-year olds in Shawnee County are enrolled in some form of schooling, either public or private. On the Workforce Sustainability Scorecard, the Topeka metro ranked third-highest in the share of its population enrolled in pre-kindergarten. [Input participants praised the Pine Ridge Partnership, which includes the Topeka Housing Authority, United Way of Greater Topeka, Topeka Public Schools, and volunteers from the community.](#) The free, public pre-kindergarten program is located in its namesake public housing community and has won state and national awards, including the Magna Award from the National School Board Association in 2014. **[Understanding the importance of investing in early childhood development, input participants reported that more could, and should, be done to improve and expand the accessibility and availability of affordable, quality options for families across Topeka-Shawnee County.](#)**

### K-12 Schools

On the online survey, stakeholders were asked whether they or their children had attended a K-12 school in Topeka-Shawnee County in the past five years. Participants were then asked a series of questions about the district or system with which they were most familiar. The answers to these questions – along with additional feedback gathered through interviews and focus groups – adheres to a pattern seen in communities of all sizes around the country. Stakeholders hold overwhelmingly positive views of rural and suburban school districts, while views of the community’s core school district are mixed. Figure 8 illustrates this difference. It compares responses to the prompt “children in this district receive a high-quality education” between individuals who are familiar with Topeka Public Schools (formally known as USD 501) and the aggregate responses of individuals familiar with all other public districts that serve at least a portion of the county, inclusive of Auburn Washburn, Kaw Valley, Seaman, Shawnee Heights, and Silver Lakes. **Roughly 53 percent of respondents familiar with Topeka Public Schools said that they “agreed” or “strongly agreed” with the statement compared to an astounding 91.7 percent of respondents from the area’s other school districts.**

FIGURE 8: SURVEY RESULTS – “CHILDREN IN THIS DISTRICT RECEIVE A HIGH-QUALITY EDUCATION”\*



Source: *Market Street Services*; Topeka-Shawnee County Community Survey (2016)

\*Respondent or respondents' children attended a K-12 school in Shawnee County at any point in the past 5 years

Before proceeding, it should be re-emphasized that Topeka Public Schools is far from the only urban core district that struggles relative to its nearby counterparts. Both nationally and locally, much of the performance gap can be attributed to demographic and socioeconomic differences between the districts. **For instance, 77.4 percent of students in Topeka Public Schools received free and reduced lunches in the 2013-14 school year, more than 30 percentage points higher than the rate in any other school district servicing Topeka-Shawnee County.**<sup>vi</sup> Additionally, 10 percent of Topeka Public Schools students are Limited English Proficient or English Language Learners. A wide variety of research indicates that students in these categories are statistically more likely to lag behind those who are native English speakers and/or come from higher-income homes. This section touches on specific challenges and opportunities in the community’s K-12 pipeline.

Topeka Public Schools accounts for nearly half of all public school enrollment in the county. Accordingly, it has the largest influence on Topeka-Shawnee County's homegrown talent pipeline among local K-12 districts. Additionally, the quality of a community's core school district is also an important talent retention and attraction factor, as it typically serves the type of dense, walkable, and mixed-use neighborhoods that are increasingly appealing to households with talented adults who have young children or are considering starting a family. As Topeka-Shawnee County seeks to retain and attract residents, improve its economic competitiveness, and revitalize Downtown Topeka and other core areas, the quality and *perceived quality* of education in its core school district will play an important role.

As shown in Figure 9, four-year cohort graduation rates at most school districts serving the county are strong, with five exceeding the state average and four topping 91 percent. The graduation rate in Topeka Public Schools was 71.1 percent in the 2014-15 school year, a slight improvement over the rate from four years prior but significantly below the state average of 85.7 percent. Additionally, the dropout rate in Topeka Public Schools was 3.4 percent, more than double the state average and more than triple the next-highest rate in Shawnee County. [These numbers are consistent with feedback from input participants who said that the community must make efforts to keep students – particularly those in Topeka Public Schools – engaged and on track toward a college or career.](#)

**FIGURE 9: GRADUATION RATE AND DROP-OUT RATES, 2014-15**

USD	Name	Drop-out Rates	Graduation Rate	4-year Pct. Pt. Chg.	
				Drop-out Rates	Graduation Rate
437	Auburn Washburn	1.0%	88.6%	-0.1	1.0
321	Kaw Valley	0.6%	97.9%	-0.1	2.3
345	Seaman	0.9%	91.3%	0.0	1.7
450	Shawnee Heights	0.8%	91.0%	-0.4	-4.1
372	Silver Lake	0.6%	94.4%	-0.2	1.3
501	Topeka	3.4%	71.1%	-0.2	0.7
<b>State Average</b>		<b>1.6%</b>	<b>85.7%</b>	<b>0.1</b>	<b>2.6</b>

Source: Kansas Department of Education

Note: Graduation rate is for the four-year adjusted cohort. A dropout is any individual who: 1. was enrolled in school at some time during the previous school year and was not enrolled on October 1 of the current school year; or 2. was not enrolled on October 1 of the previous school year although expected to be in membership (i.e. was not reported as a dropout the year before) and 3. has not graduated from high school or completed a state- or district-approved education program and 4. does not meet any of the following exclusionary conditions: transfer to another public school district, private school, or state- or district-approved education program, temporary school-recognized absence due to suspension or illness, or death.

One promising development has been an increased focus on college and career readiness. [Input participants from the business and education fields spoke highly of the Topeka Center for Advanced Learning and Careers \(TCALC\).](#) The school currently had four pathways: Engineering and Advanced Manufacturing, Bioscience and Biomedicine, Business Technology and Media, and Human Services. [Additionally, input participants cited student access to dual enrollment programs as a strength of local talent pipelines.](#) Enabling high school students to get a jump-start on their post-secondary studies at a lower and more affordable rate is an

important component of a cradle-to-career pipeline. A recent action by the state legislature provided funding for Kansas high school students to qualify for free college tuition in certain approved technical courses at the state's technical and community colleges. The plan aims to better prepare high school students for college and careers and to help meet the state's greatest workforce needs. In the 2015-16 school year, approximately 800 students in Shawnee County were also enrolled in a postsecondary institution. "Career prep" efforts in high schools often have the greatest effect on keeping students who are at risk of falling through the cracks on track toward college or a career – especially when those careers involve positions in manufacturing or skilled trades that often pay high wages and that employers report can be difficult to fill.

ACT scores among the county's public school districts were for the most part above the state average. In 2015, the statewide average score was 21.8. Only Topeka Public Schools had a lower district-wide average (20.3), a figure that is higher than those of many other core school districts. Comparing ACT scores across districts can be challenging, as participation rates vary widely and only six states require and pay for all 11th grade students to take the ACT. [For instance, input participants familiar with Topeka Public Schools noted that ACT participation levels varied widely within the district based on factors such as race and ethnicity. These stakeholders said that minority students were significantly less likely to take the test, which is a key requirement for four-year college applications.](#)

According to data from the Kansas Department of Education, a large majority of graduates from public schools in Topeka-Shawnee County are continuing their education beyond high school. From the 2012 graduating class, nearly 70 percent of county graduates enrolled in an institute of higher education within 16 months of receiving their diploma, and approximately two-thirds of these individuals completed at least one year's worth of course credit within two years of enrolling in college. **Improving upon these figures across the community and continuing to emphasize college and career readiness will be crucial if the community is to raise its educational attainment levels through homegrown talent.**

### **Higher Education**

Topeka-Shawnee County's proximity to communities such as Lawrence can create a challenge for talent attraction. **But on the other hand, the community's proximity to higher education institutions is a competitive advantage – and potentially a massive one.** Notably, Topeka-Shawnee County is itself home to Washburn University and Washburn Tech and is situated between Kansas State University in Manhattan and the University of Kansas in Lawrence, in addition to other nearby institutions. All told, the community and its employers have access to a tremendous supply of talent within a 50-mile radius of the center of Topeka. **As shown in Figure 10, in the 2014-15 academic year, institutions within this area conferred roughly 15,500 degrees and 2,300 certificates and enrolled nearly 88,000 students.** All of those figures dwarf those for the areas within 50 miles of Sioux Falls and Springfield, IL. Enrollment within 50 miles of Des Moines was slightly higher, but institutions in Northeast Kansas conferred more total certificates, bachelor's, master's, and doctoral degrees. In fact, institutions within 50 miles of Topeka-Shawnee County conferred 9,584 bachelor's degrees – 82 percent of the total for all of the other three comparison communities combined.

FIGURE 10: HIGHER EDUCATION DATA, 2014-15

	Total Enrollment	Total Degrees	Total Certificates
Topeka, KS	87,686	15,405	2,305
<i>Baker University</i>	3,911	886	-
<i>Benedictine College</i>	2,294	391	-
<i>Central Baptist Theological Seminary</i>	460	33	1
<i>Haskell Indian Nations University</i>	930	186	-
<i>Kansas City Kansas Community College</i>	9,215	648	678
<i>Kansas State University</i>	27,699	5,195	247
<i>Ottawa University-Ottawa</i>	654	115	-
<i>University of Kansas</i>	30,698	6,319	180
<i>University of Saint Mary</i>	2,093	387	-
<i>Washburn Institute of Technology</i>	1,884	-	1,080
<i>Washburn University</i>	7,848	1,245	119
Des Moines, IA	95,887	13,953	1,551
Sioux Falls, SD	17,686	2,694	529
Springfield, IL	33,912	4,362	2,208

Source: NCES

Note: Includes all 2- and 4-year public and private, nonprofit institutions within a 50-mile radius of the central business district of the principal city.

Input participants from the business community and the general public frequently cited Topeka-Shawnee County's higher education assets as key assets that boost the community's talent pipeline and labor pool. **Members of the business community lauded Washburn Tech for its increased outreach and partnerships with the area's employers and public schools.** These stakeholders said they would like to see more programs like the defunct Manufacturing Technology training initiative, or M-Tech. The initiative was launched in partnership with Washburn Tech, local manufacturing companies, and GO Topeka through a grant to prepare students for entry-level production positions. Unfortunately, stakeholders reported that the initial grant funding for the program ran out, forcing the program to cease operations. Input participants from the business community had high praise for M-Tech and expressed concerns that programs without a true "owner" and dedicated funding stream too often lose momentum and weaken relationships over time.

Washburn University drew strong praise for the major improvements it's made over the past decade, from the transformation toward embracing a more traditional college model to its record enrollment numbers. Washburn University has a variety of programs that align with local employers' needs. Input participants cited the university's participation in the Kansas Insurance Certificate (KIC) program is a prime example. The certificate program began as a joint initiative of the Kansas Insurance Department and the Kansas Insurance Education Foundation and is supported by a variety of insurance companies throughout the state. Students in the certificate program receive scholarship opportunities, internships, and preferred placement, among other benefits. Stakeholders said the program is well positioned to help local companies such as Security Benefit and Blue Cross Blue Shield of Kansas meet their workforce needs. Input participants said they would like to see further collaborations between Washburn University and local and state-level businesses and

organizations to meet additional needs in other areas, particularly technology-focused positions, which employers said can be difficult to fill. Topeka-Shawnee County is not the only community where employers report such difficulty, as national demand for some skills is outstripping the supply of talent. Even firms in some of the most competitive regions in the nation struggle to find qualified candidates for certain positions. To ease conditions locally, input participants from the business community said they would like to see more training programs related to computer science, programming, and information technology. **Stakeholders also noted that Topeka-Shawnee County also retains a high percentage of Washburn University graduates, and stakeholders said it draws students from outside the community,** particularly rural portions of Kansas, who may be inclined to stay in Topeka-Shawnee County upon graduation. Accordingly, Washburn University is a critical source of local talent.

**Input participants from the business community said attracting recent graduates from other nearby four-year universities is more difficult.** Stakeholders said these graduates are frequently drawn to Kansas City and other large metros with a wider range of quality of life and quality of place amenities. This is significant because roughly 55 percent of survey respondents who identified as an owner, executive, or manager of a local firm said their business frequently has to recruit workers from outside the community. Nearly half indicated that doing so is difficult at least some of the time. Topeka-Shawnee County is far from the only community to experience these issues, but stakeholders singled this out as a significant issue. **Some of these input participants noted, however, that internship programs can be valuable tool for attracting talent from universities outside of Topeka-Shawnee County to the community.** One representative from a local employer said that the firm is frequently able to hire graduates from outside institutions thanks to a robust summer internship program. The participant said that without the connections established through this program, the firm would have little to no chance to attract these same individuals upon graduation. **Accordingly, multiple input participants expressed a desire to see employers expand internship programs for students both in and outside Topeka-Shawnee County – potentially even in a collaborative nature – to ease the challenge of attracting young talent to the community.**

## KEY TAKEAWAYS AND STRATEGIC IMPLICATIONS

As is the case in all communities, Topeka-Shawnee County's "talent pipeline" has strong points and areas for improvement. The most important theme related to talent production to emerge from the public input process was a need for better coordination among the community's various education and training providers, the business community, and other relevant partners. Input participants generally felt that a lot of the right components of a comprehensive cradle-to-careers pipeline are in place, and significant improvements could be derived from ensuring that they are properly aligned and working together in an efficient manner.

Other needs that emerged from both data and input include the following: maintaining and expanding early childhood education programs, continuing efforts to boost achievement in Topeka Public Schools, reviving the M-Tech program at Washburn Tech, expanding computer and IT programs, and strengthening connections in the region. Additionally, input participants said that given the community's workforce dynamics, engaging and training individuals who are marginally attached to the labor force should be a priority. Stakeholders said that while some existing training programs are strong, many are difficult to access



without a car, a significant barrier for individuals living on very low incomes; expanded efforts should seek to mitigate this difficulty.

## 5. Enhancing Economic Opportunities Through Existing Strengths

The three previous stories discussed the population and talent dynamics in Topeka-Shawnee County and the quality of place and talent pipeline considerations that impact them. As talent is now the most important factor influencing a community's competitiveness, all of these have a significant bearing on Topeka-Shawnee County's economic prospects. This section explores the local economy in greater detail, including analyses of the general economic conditions and business climate, a brief discussion of target sector performance, and an examination of diversification opportunities.

### General Economic Conditions

Topeka-Shawnee County's labor force is shrinking. An individual is considered to be in the "labor force" when they are working or actively looking for work, and the statistic is based on where people live. In other words, a Shawnee County resident who works in Riley County would be considered part of Shawnee County's labor force. In contrast, the "total employment" figures discussed later in this section refer to those jobs inside a community's borders. In other words, a job in Shawnee County is counted in the community's total employment count regardless of where the employee lives. As shown in Figure 11, there were nearly 2,000 fewer people in the labor force in 2015 than there were in 2010, a 2.1 percent decrease that came on the heels of a slight increase in the preceding five-year period. This decline can likely be attributed to a combination of previously mentioned dynamics: namely an aging population with more workers retiring and negative net-migration. Sangamon County, which has in common many of these same population dynamics, was the only other comparison community to post a substantial labor force decline between 2010 and 2015.

FIGURE 11: LABOR FORCE, 2005-2015

	2005	2010	2015	5-yr Chg		10-yr Chg.	
				#	%	#	%
Shawnee County, KS	93,338	93,584	91,606	(1,978)	-2.1%	(1,732)	-1.9%
Minnehaha County, SD	93,785	99,159	106,517	7,358	7.4%	12,732	13.6%
Polk County, IA	227,980	244,947	255,763	10,816	4.4%	27,783	12.2%
Sangamon County, IL	105,121	108,727	104,942	(3,785)	-3.5%	(179)	-0.2%
Kansas	1,465,640	1,500,764	1,499,009	(1,755)	-0.1%	33,369	2.3%
United States	149,320,000	153,889,000	157,130,000	3,241,000	2.1%	7,810,000	5.2%

Source: Bureau of Labor Statistics, LAUS

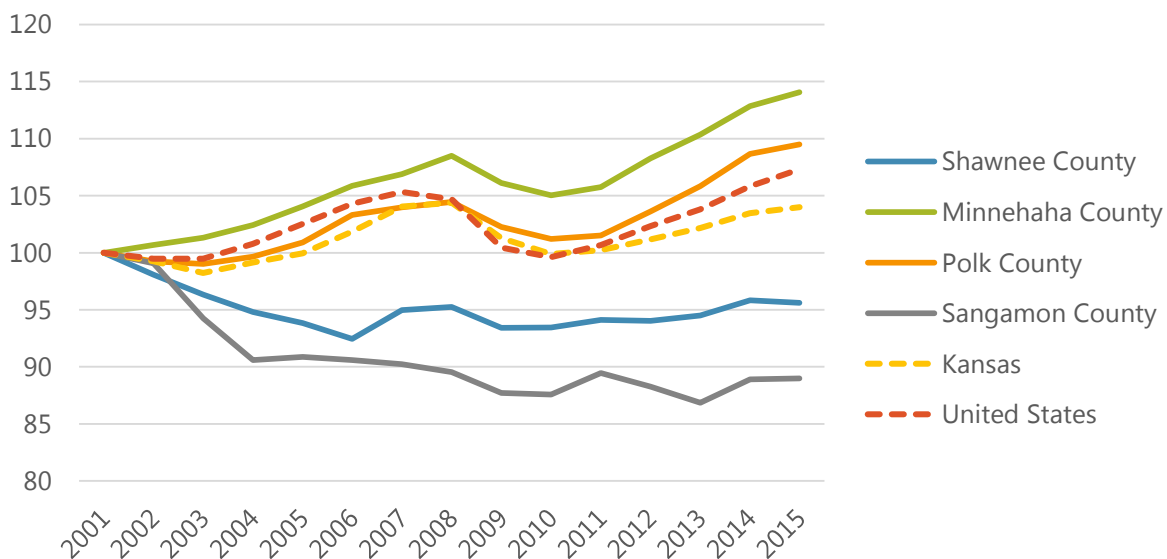
Unemployment rates are calculated by dividing the number of individuals who are not working but are actively looking for work by the total size of the labor force. Topeka-Shawnee County's unemployment rate



has consistently tracked below the national average. In May 2016, the community's unemployment rate was 3.7 percent, down nearly three percentage points from 6.5 percent in the same month in 2011. Nationally, the unemployment rate in May 2016 was 4.5 percent compared to 8.7 percent five years earlier. It should be noted, however, that the community's low unemployment rates can be attributed in part to its relatively smaller labor force. For instance, there were 600 more Topeka-Shawnee County residents employed in 2015 than there were in 2010, but in this five-year period, the community's labor force also shrank by 2,000 workers. So while low unemployment rates are certainly preferable to the alternative, a smaller labor force ultimately inhibits Topeka-Shawnee County's economic potential.

Figure 12 displays an index of total employment for each comparison geography – that is, the total number of jobs that are based within that community. It shows that Topeka-Shawnee County experienced a significant decline in employment in the early 2000s, in sharp contrast to national trends between the “early 2000s recession” and the Great Recession. (Sangamon County also experienced a sharp employment decline during this time period.) Several major closures influenced Topeka-Shawnee County's early 2000s job losses, including the relocation of the Menninger Clinic psychiatric facility to Waco, TX (a loss of more than 1,000 jobs) and the closure of the TeleTech call center (which accounted for another 800 positions eliminated).

**FIGURE 12: TOTAL EMPLOYMENT INDEX, (2000=100)**



Source: Economic Modeling Specialists International (EMSI), [www.economicmodeling.com](http://www.economicmodeling.com)

The community saw almost no employment decline as a result of the Great Recession. This was likely a product of several factors. The community's largest sectors – government and health care – are less tied to economic cycles, and given the community's job losses in the early 2000s there was less initial “boom” to “go bust.” Even though the Great Recession had a significant negative impact on state and other government jobs, federal employment at facilities such as the Topeka VA Medical Center and the Coast Guard Pay and Personnel Center likely helped stabilize the government employment base. Additionally, business subsector data and anecdotal evidence suggests that several businesses in Topeka-Shawnee County happened to

expanded significantly in the years most impacted by the recession, and given the relatively small size of the local economy, this may have had a further mitigating effect. Overall, the community had 3,500 more jobs in 2015 than it did in 2006 but still has nearly 5,000 fewer jobs than it did in 2001. On the Economic Performance Scorecard, the Topeka MSA ranked seventh among the 10 metro areas with a five-year employment growth rate of 1.6 percent, ahead of Springfield, IL; Jefferson City, MO; and Fort Smith, AR-OK.

**As shown in Figure 13, employment in Topeka-Shawnee County is heavily concentrated in two business sectors: government and health care. Together, they account for more than 40,000 jobs – 38.3 percent of the total for all of Topeka-Shawnee County. Nationally, these sectors account for just 20.1 percent of total employment.** These figures are not surprising given the community's political status and geographic position. As a state capitol, Topeka-Shawnee County is home to more than 8,200 state government jobs over and above the federal and local government jobs (inclusive of public schools) that are found in virtually all communities. Topeka-Shawnee County's central location and proximity to rural areas without their own hospitals helps to drive the health care sector. [Input participants also said that the community's hospitals – Stormont Vail and St. Francis – and other health care providers draw patients from a significant portion of Northeast Kansas and beyond.](#)

FIGURE 13: SHAWNEE COUNTY EMPLOYMENT BY BUSINESS SECTOR, 2005-15

Description	LQ	2015 Jobs	# Change 05-15	% Change 05-15	US % Change 05-15	Share of Total Jobs
Finance & Insurance	1.57	6,398	519	8.8%	-4.1%	6.1%
Government	1.43	23,559	(145)	-0.6%	1.6%	22.3%
Health Care & Social Assistance	1.29	16,872	1,239	7.9%	25.0%	16.0%
Management of Companies & Enterprises	1.08	1,609	1,194	287.6%	25.5%	1.5%
Admin. & Support & Waste Mgmt/Remed. Svcs.	1.05	6,863	3,123	83.5%	7.9%	6.5%
Utilities	0.98	371	(470)	-55.9%	1.1%	0.4%
Other Services (except Public Administration)	0.98	4,978	(698)	-12.3%	2.7%	4.7%
Construction	0.92	5,182	(299)	-5.5%	-14.2%	4.9%
Retail Trade	0.91	9,984	(715)	-6.7%	1.1%	9.5%
Accommodation & Food Services	0.84	7,414	1,275	20.8%	17.3%	7.0%
Transportation & Warehousing	0.84	2,938	(785)	-21.1%	9.2%	2.8%
Manufacturing	0.79	6,686	(1,016)	-13.2%	-13.5%	6.3%
Wholesale Trade	0.75	3,041	(331)	-9.8%	1.0%	2.9%
Information	0.74	1,459	(1,265)	-46.4%	-10.0%	1.4%
Professional, Scientific, & Technical Services	0.74	4,900	610	14.2%	18.7%	4.6%
Real Estate & Rental & Leasing	0.68	1,180	(424)	-26.4%	-6.2%	1.1%
Arts, Entertainment, & Recreation	0.49	852	(92)	-9.7%	13.4%	0.8%
Educational Services	0.32	847	175	26.0%	24.1%	0.8%
Mining, Quarrying, & Oil & Gas Extraction	0.23	125	80	177.8%	41.0%	0.1%
Crop & Animal Production	0.12	161	(26)	-14.1%	-1.1%	0.2%
<b>Total</b>		<b>105,418</b>	<b>1,950</b>	<b>1.9%</b>	<b>4.7%</b>	

Source: Economic Modeling Specialists International (EMSI), [www.economicmodeling.com](http://www.economicmodeling.com)

Note: Location quotients (LQs) are a ratio of the region's share of employment in a given business sector divided by that same sector's share of total national employment. A location quotient great than 1.0 indicates that the region's share of employment in a given sector is greater than the average American community, and may be a sign that the region affords businesses in this sector with some level of competitive advantage.

The federal, state, and local governments together support nearly 24,000 jobs locally, but as recent experience has shown, these positions can be vulnerable when budgets tighten. Between 2008 and 2015, for instance, the community lost 1,300 state government jobs, a 13.5 percent decline. The health care sector helped offset these losses, however, as it added more than 1,200 positions between 2005 and 2015. This represented a 7.9 percent increase, far short of the national gain of 25.0 percent. This difference is likely a product of Topeka-Shawnee County's slow population growth. Health care is a sector that is said to "follow rooftops" – that is, people generally consume most of their health care services locally and the sector's growth potential is usually linked to population increases. That said, Topeka-Shawnee County's aging population likely fueled some growth as patients require more services related to age.

Figure 13 is sorted from highest to lowest by "location quotient," a statistic that measures how concentrated a given sector is in a local economy relative to the full national economy. A high location quotient typically

indicates that the community possesses some sort of competitive advantage within a certain industry in order to justify a higher local concentration of jobs. **At the top of the table is finance and insurance with a location quotient of 1.57. This indicates that the sector is 57 percent more concentrated locally than it is in the national economy.** Finance and insurance accounts for nearly 6,400 jobs or roughly 6.1 percent of the total workforce in the community. Wages within the industry pay on average \$54,170, which is 31 percent higher than the average wage in Topeka-Shawnee County. The sector also added 519 jobs between 2005 and 2015, an 8.8 percent growth rate. This growth is impressive given that the past decade has been a turbulent one in finance and insurance due to the Great Recession, a shifting regulatory climate, and consolidation trends within certain subsectors of the insurance industry. Topeka-Shawnee County also lost roughly 200 jobs when Athene USA shifted operations to Des Moines in 2014. **Overall, national finance and insurance employment declined by 4.1 percent between 2005 and 2015 – that Topeka-Shawnee County significantly out-performed this trend is a highly positive sign.** [Input participants highlighted homegrown companies Advisors Excel and Security Benefit \(and its related companies such as se2\) as being significant contributors to this growth and major assets to the community.](#) Stakeholders also mentioned recent positive developments with Federal Home Loan Bank, a federally chartered corporation that recently elected to continue its long history in the community and construct a new headquarter building with assistance from JEDO.

[Throughout the public input process, a wide variety of stakeholders said they viewed Topeka-Shawnee County as a “blue collar” town that manufactures and moves goods.](#) **But while manufacturing and distribution jobs may be highly visible in the community, these sectors are in fact less concentrated locally than they are in the national economy.** Manufacturing, wholesale trade, and transportation and warehousing – the three sectors most commonly associated with making and moving goods – have location quotients ranging from 0.79 to 0.84. For context, multiple mid-sized communities in the Midwest have manufacturing location quotients of 2.0 or higher. There is some evidence that manufacturing and distribution employment may be “hidden” in business sector data due to the fact that many firms in these fields use contract employees who may be counted in the administrative and support services sector (NAICS 56). Administrative and support services added more than 3,100 jobs to the local economy in recent years – by far the most of any sector in Topeka-Shawnee County.<sup>vii</sup> An analysis of occupational data reveals that actual firms dealing directly with the production of movement of goods are less concentrated in Topeka-Shawnee County than they are in the United States. **In other words, despite perceptions, the community is actually less reliant on traditionally “blue collar” occupations than the hypothetical “average” community. Instead, the community’s key economic drivers are government, health care, and various other corporate and service-based sectors, primarily finance and insurance.** The prevalence of health care and state government jobs in Topeka-Shawnee County likely has an influence on the community’s relatively low per capita income. Nationally, the average annual wage in the manufacturing sector is 36 percent higher than the average wage in the health care sector. And in Kansas, average annual wages in the state’s manufacturing sector are more than \$7,500 higher than the average state government wage. In Topeka-Shawnee County, average annual wages in the manufacturing sector are \$51,244 compared to \$41,676 in health care and \$43,064 across all government sectors. The average annual wage for all sectors is \$41,222.

### **Target Sector Performance**

Topeka-Shawnee County recently completed a process to refine its target business sectors – the areas in which the community focuses marketing and other economic development resources in order to attract and grown jobs and investment. GO Topeka, the community’s economic development arm, now focuses its activities around four main targets: Advanced Systems Technology, Food Manufacturing, Logistics & Distribution, and Professional & Financial Services. These target sectors were identified based on the community’s existing sector composition and asset base, their growth potential, and other factors.<sup>viii</sup> This subsection provides a brief overview of the recent performance in these sectors. Figure 15 on the following page details recent sector performance by target area. **Overall, these target sectors drastically outperformed other areas of the local economy in the past decade. Between 2005 and 2015, they combined to add more than 3,300 jobs. All other sectors combined to lose nearly 1,400 jobs during this time period.**

FIGURE 15: TOPEKA-SHAWNEE COUNTY EMPLOYMENT BY TARGET SECTOR, 2005-15

NAICS	Description	LQ	2015 Jobs	# Change 05-15	% Change 05-15	US % Change 05-15	Total Earnings Ratio
<b>Advanced Systems Technology</b>		1.83	2,815	430	18.1%	-3.4%	
3262	Rubber Product Manufacturing	18.56	1,677	(188)	-10.1%	-21.0%	1.23
3323	Architectural & Structural Metals Manufacturing	2.00	505	253	100.5%	-7.7%	1.08
3325	Hardware Manufacturing	0.58	0	0	---	-31.8%	0.62
3327	Machine Shops; Turned Product; & Screw, Nut, & Bolt Manufacturing	0.32	82	(6)	-7.1%	7.8%	1.07
3329	Other Fabricated Metal Product Manufacturing	0.77	146	37	34.1%	-1.9%	0.83
3332	Industrial Machinery Manufacturing	1.41	109	39	55.0%	-9.2%	0.74
3339	Other General Purpose Machinery Manufacturing	0.43	79	79	---	-0.6%	0.64
3361	Motor Vehicle Manufacturing	1.58	217	217	---	-18.8%	0.53
3364	Aerospace Product & Parts Manufacturing	0.00	0	0	---	7.7%	0.00
<b>Food Manufacturing</b>		5.05	2,887	581	25.2%	12.4%	
3111	Animal Food Manufacturing	11.98	456	(391)	-46.2%	14.8%	1.18
3113	Sugar & Confectionery Product Manufacturing	4.40	214	179	524.7%	-6.8%	0.80
3118	Bakeries & Tortilla Manufacturing	0.18	38	38	---	5.8%	0.59
3119	Other Food Manufacturing	16.17	2,124	716	50.9%	21.4%	0.76
3121	Beverage Manufacturing	0.39	55	38	226.5%	23.3%	0.82
<b>Logistics &amp; Distribution</b>		0.83	1,600	(418)	-20.7%	11.1%	
484	Truck Transportation	0.68	761	122	19.1%	0.8%	1.11
4882	Support Activities for Rail Transportation	0.04	0	0	---	53.6%	---
4884	Support Activities for Road Transportation	0.70	51	8	17.9%	19.4%	0.58
4885	Freight Transportation Arrangement	0.12	18	18	---	14.5%	0.70
4889	Other Support Activities for Transportation	0.08	0	(10)	-100.0%	4.4%	---
493	Warehousing & Storage	1.42	770	(555)	-41.9%	36.2%	1.00
<b>Professional &amp; Financial Services</b>		1.06	14,358	2,717	23.3%	11.7%	
5182	Data Processing, Hosting, & Related Services	1.85	373	329	748.6%	10.1%	0.73
522	Credit Intermediation & Related Activities	1.11	1,938	77	4.1%	-11.9%	0.73
523	Securities/Commodity Contracts/Other Financial Investments/Related Activities	0.83	548	8	1.5%	7.7%	0.61
524	Insurance Carriers & Related Activities	2.36	3,910	504	14.8%	4.2%	0.88
5411	Legal Services	1.02	925	(57)	-5.8%	-5.3%	0.56
5412	Accounting, Tax Preparation, Bookkeeping, & Payroll Services	0.76	592	(134)	-18.5%	11.7%	0.82
5413	Architectural, Engineering, & Related Services	0.55	560	(8)	-1.4%	4.7%	0.85
5414	Specialized Design Services	0.50	91	(32)	-26.0%	2.0%	0.97
5415	Computer Systems Design & Related Services	0.62	844	571	209.2%	51.3%	0.63
5416	Management, Scientific, & Technical Consulting Services	0.58	609	84	16.0%	45.1%	0.79
5417	Scientific Research & Development Services	0.47	214	188	715.5%	13.0%	0.65
5418	Advertising, Public Relations, & Related Services	1.36	493	(19)	-3.7%	3.6%	0.54
5419	Other Professional, Scientific, & Technical Services	1.08	571	17	3.0%	26.3%	0.80
55	Management of Companies & Enterprises	1.08	1,609	1,194	287.6%	25.5%	0.98
5611	Office Administrative Services	0.85	282	(276)	-49.5%	35.5%	0.58
5614	Business Support Services	1.17	765	321	72.4%	14.0%	0.63
5619	Other Support Services	0.16	33	(50)	-60.3%	4.1%	0.54
<b>Total Target Sector Jobs</b>		1.23	21,660	3,311	18.0%	10.1%	
<b>Total Jobs</b>		1.00	105,418	1,950	1.9%	4.7%	0.83

Source: Economic Modeling Specialists International (EMSI), [www.economicmodeling.com](http://www.economicmodeling.com)

Note: Location quotients (LQs) are a ratio of the region's share of employment in a given business sector divided by that same sector's share of total national employment. A location quotient greater than 1.0 indicates that the region's share of employment in a given sector is greater than the average American community, and may be a sign that the region affords businesses in this sector with some level of competitive advantage.

The earnings ratio refers to the ratio of local average earnings (wages plus supplements) to the national average for that same sector.

The **Advanced Systems Technology** target includes manufacturing operations that utilize high-tech or advanced processes. It includes several “niche” subsectors: aerospace and component manufacturing, clean energy technologies, and machine shops. Topeka-Shawnee County boasts a variety of key site location considerations for companies in Advanced Systems Technology: plenty of industrial space, relevant training programs, skilled workforce, and affordable electricity rates. Firms in this target demand a highly skilled workforce capable of operating complex machinery in the production and/or assembly of a wide range of projects. Because of these skill requirements, many employees must have some form of post-secondary education and significant on-the-job training. These positions frequently offer wages above the Topeka-Shawnee County average and provide attractive career paths, as individuals can start out in a position with relatively low barriers to entry and advance as they acquire more knowledge and skills. Local employers include Goodyear Tire & Rubber, Clark Industries, ICI Manufacturing, Innovia Films, and others. Overall, companies in the area have proven to be successful over the past decade; employment within Advanced Systems Technology grew by 18.1 percent, while nationally employment declined by 3.4 percent.

**Food Processing and Manufacturing** is one of the community’s key legacy strengths and for good reason. Shawnee County’s advantageous geographic location, interstate access, plenty of land, affordable real estate, and abundant water capacity make the community a prime location for starting and expanding food manufacturing operations. Bimbo Bakeries, Mars Chocolate, Frito-Lay, Reser’s Fine Foods, Hill’s Science Diet, Big Heart Pet Brands, and Crosswinds Pet Foods, and others are among the local food manufacturing employers. In Topeka-Shawnee County, employment growth in food manufacturing outpaced national growth rates. Jobs grew by 25.2 percent – roughly double the national growth rate – and accounted for a net gain of nearly 600 jobs. Niche sectors include candy, fresh prepared foods, Hispanic foods, pet foods, and snack foods.

Topeka- Shawnee County’s central location, interstate and rail connectivity, and the Forbes Field Air Logistics Facility are valuable assets for operations in **Logistics & Distribution**. The community boasts the infrastructure to support multiple modes of transportation to ship goods quickly and efficiently to 90 percent of the U.S. market within two days. Given that geographic location and transportation infrastructure are among the top location factors for companies operating in logistics and distribution, Topeka-Shawnee County is a natural fit to benefit from additional economic activity within these sectors. Local employers include distribution centers for Target, Home Depot, Heart Pet Brands, Goodyear, and Frito Lay, among others. Many local manufacturing firms also have significant “in-house” distribution and wholesale business units.

The **Professional and Finance Services** target primarily consists of financial services and insurance support services, in addition to other niches in computer systems and security and corporate support operations. There are roughly 10,000 business and financial operations workers in Shawnee County and 25,000 office and administrative support occupations. Both major occupational groups are highly concentrated in the local economy with location quotients of 1.43 and 1.21, respectively. Over the past ten years, jobs within professional and financial services grew by 23.3 percent, while nationally they increased by 11.7 percent. The fastest growth locally has been in data processing, hosting, and related services; scientific research and development services; and computer systems design and related services. The business subsectors that

added the most jobs in the past 10 years were insurance carriers, consumer systems design and related services, and management of companies and enterprises.

### ***Diversification Opportunities***

A targeted approach to pursuing job and investment growth requires ongoing work over the course of many years. **In Market Street's opinion, the four target sectors identified through the 2014 study continue to be appropriate areas on which the community can focus strategic investments, including marketing, recruitment, and business retention and expansion (BRE) programming.** The community's existing workforce and place-based assets are highly supportive of these fields, and three of the four sectors have exhibited strong growth in Topeka-Shawnee County in the past 10 years. Additionally, a high-level analysis of business sector and occupational data did reveal potential new targets or opportunities to subdivide any of the existing sectors.

Topeka-Shawnee County stakeholders understand the importance of economic diversity and expressed a strong desire for the community to continue to seek new and emerging economic opportunities. **But increasing the number of target sectors is not the only path to economic diversification, and targeting a sector for which a community is not truly competitive can actually be counterproductive. Topeka-Shawnee County's most realistic opportunities for economic diversification are instead likely to be found within the context of its existing sector strengths and by ensuring that local businesses and entrepreneurs have the support they need to develop and launch new products and ideas.**

**The concept of "diversifying from within" is perhaps best exemplified by two of Topeka-Shawnee County's biggest economic success stories of the past decade – se<sup>2</sup> and Advisors Excel.** Both are homegrown companies – the former a spinoff and the latter a startup – that emerged from the community's existing insurance sector. Both were founded in 2005 and have added hundreds of jobs and significant wealth to the community in a short amount of time.

se<sup>2</sup> provides back-office technology solutions for the life annuity and pensions industry. It began from an internal initiative at Topeka-based Security Benefit to update the company's technology platforms and customer service functions. The effort was so successful that it was then separately incorporated as a subsidiary of Security Benefit's parent company so that the newly developed technology could be marketed to other firms. According to the its website, the company now supports more than 20 direct clients, represents more than 35 insurance carriers in North America, and has approximately \$100 billion in assets under administration.

Advisors Excel provides services such as training, marketing, and lead generation to independent insurance advisors in the life insurance and annuities markets. The company traces its roots to a kitchen-table discussion among its three founders, all of whom were Washburn University graduates who were working for an established firm within the local insurance industry. As of 2014, the company sold \$5.2 billion in annuities and \$300 million in target life insurance policies.<sup>ix</sup>

Such remarkable stories may not come along often, but communities can and do take proactive steps to leverage existing strengths and create a favorable environment for innovation. A prime example is the Nashville Health Care Council, an industry-led initiative that formed through the Nashville Area Chamber of



Commerce in 1995 and now counts more than 300 corporate members. The Council's efforts to build networks and encourage new ideas within the industry has both supported the community's largest firms and helped create dozens of spinoffs and startups that have strengthened the overall cluster and helped the region diversify to become a leader in emerging fields such as health IT.

Such efforts need not be limited to service sectors. For instance, consumer preferences related to food products are constantly evolving, and Topeka-Shawnee County is positioned within what the Kansas City Area Development Council has branded the area between Manhattan and Columbia, MO as the "Kansas City Animal Health Corridor." According to the Council, the more than 300 animal health companies are located in this area account for approximately 56 percent of total worldwide animal health, diagnostic, and pet food sales. Accordingly, Topeka-Shawnee County could have an opportunity to diversify its food manufacturing sector by seeking to promote research and development activities. Stakeholders noted that private-sector research activities are occurring at some of the community's pet food manufacturing firms, but the community lacks existing lab spaces and does not have its own research university, which means that seeking out partnerships – both public and private – would be necessary to advance this type of diversification initiative.

**At the most basic level, research suggests that Topeka-Shawnee County's overall entrepreneurial ecosystem has significant room for improvement.** One basic measure of entrepreneurial activity is the percentage of local employment within firms with fewer than 50 employees. Another is the percentage of employment in firms that are less than five years old. In both cases, this figure was lower in Topeka-Shawnee County than state and national averages. Another key indicator is the percentage of workers who are self-employed. In Topeka-Shawnee County, just 3.8 percent of the workforce is self-employed compared to the national average of 6.5 percent. Among metros on the Innovation and Entrepreneurship Scorecard, the Topeka MSA had the third-lowest percentage of self-employed workers.

Input participants familiar with the county's small business and entrepreneurial climate felt that more could be done to support small business development. Survey respondents who self-identified as an entrepreneur or small business owner were asked to rate number of factors related to the community's entrepreneurial climate. **On many factors, a large proportion of these individuals responded "don't know or N/A," indicating that these individuals did not feel adequately informed about the availability of some resources – or did not believe they existed at all. And, when participants did feel comfortable providing an answer, they tended to rate most factors as "weak" or "very weak."** Availability of seed loans, incubation facilities, acceleration programs, and availability of venture capital and angel investment all ranked poorly. Factors that scored better included mentorship opportunities, small business development support, and entrepreneur-focused events and meetups. Stakeholders also cited 712 Innovations, which provides co-working space and a makerspace complete with 3D printers and other materials, as a promising new offering.

Input participants noted that the community's proximity to Kansas City adds a layer of complexity to issues of entrepreneurship. In general, entrepreneurs tend to be pulled to larger regions where capital is more abundant and social networks are well-established. But Kansas City, MO is also nationally recognized as a leader in developing and running innovative local entrepreneurship programs, and the community is home

to the Kauffman Foundation, the nation's leading non-profit for issues of entrepreneurship. **Accordingly, stakeholders said Topeka-Shawnee County must make sure its entrepreneurial offerings are sufficiently differentiated or complementary to those available in Kansas City.** Some input participants said a simple yet potentially impactful approach would be to work to pair Topeka-Shawnee County businesses with local suppliers, vendors, and service providers, thereby expanding customer bases and revenue for small businesses and startups and ensuring that wealth remains in the community.

### **Business Climate**

Input participants generally had strong praise for the business climate in Topeka-Shawnee County. Figure 14 shows responses from 871 survey participants who identified as a business owner, executive, or manager. These respondents were asked to rate various aspects of the community's business climate. **Nine of the 13 elements related to the local business climate received a larger percentage of "advantage" or "major advantage" ratings than "major disadvantage" or "disadvantage" answers.** Cost of labor, availability of land, water and sewer, roadway connectivity, and other key infrastructure requirements were among the top rated business climate aspects. As shown on the Business Environment Scorecard, Topeka had the lowest average per-square-foot rents for industrial spaces among the core cities of the 10 scorecard metros. Additionally, the Topeka MSA had the second-best private-sector labor productivity among the 10 metro areas. This figure is derived from a metro area's gross regional product (or output) divided by its total employee earnings. This produces a ratio that indicates the amount of output generated for every dollar spent on wages for employees – higher ratios are indicative of workforces that are more productive relative to labor costs.

The largest business climate concerns that stakeholders share relate to the political climate and fiscal issues in the State of Kansas. These issues and the discussions taking place around them are likely to be familiar to many Kansans, and a review of their impact on Topeka-Shawnee County or its various institutions is outside of this review. **That said, a strong consensus emerged from discussions with both public- and private-sector leaders during the input process: the fiscal situation in the State of Kansas has negatively impacted vitally important "downstream" budgets in areas such as public education and internal and external perceptions of the situation are further challenging the community's ability to attract talent and investment.**

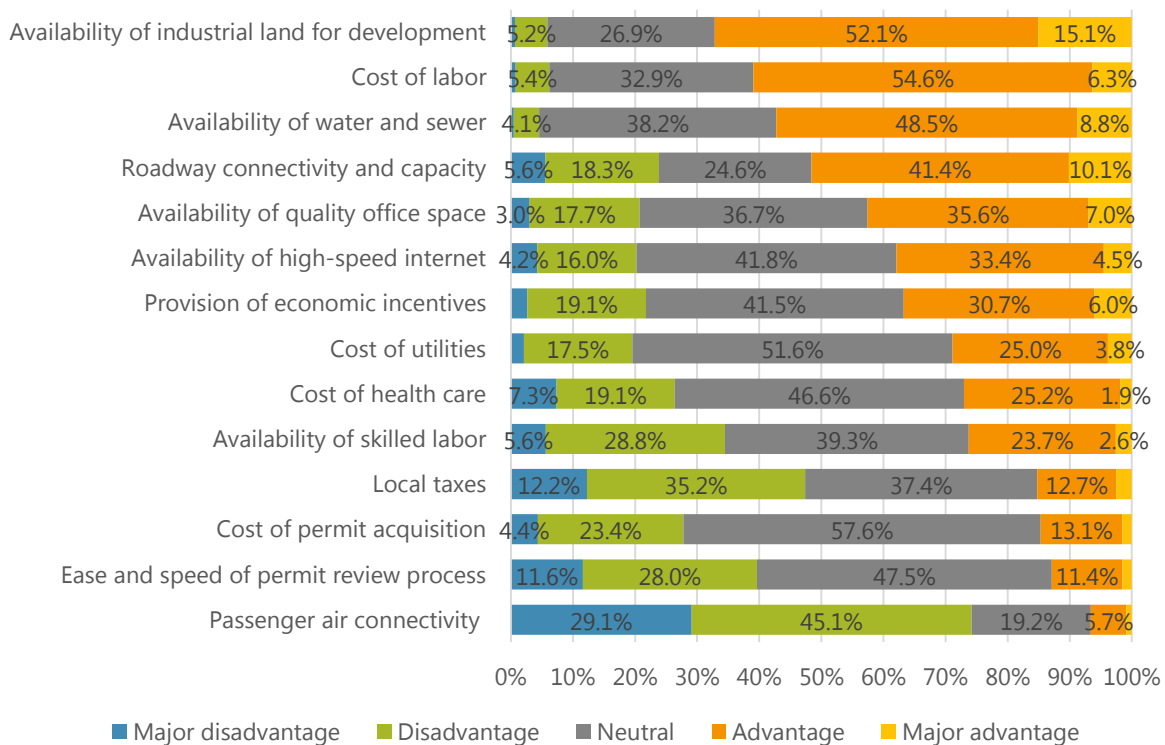
The only factors in Figure 14 where the "disadvantage" or "major disadvantage" responses combined to form a plurality of responses were local taxes and passenger air connectivity. Proximity to an airport with frequent flights is an important location consideration for certain business sectors, notably headquarter operations. Forbes Field, Topeka-Shawnee County's primary airport, currently has no scheduled passenger air services, and stakeholders said that previous efforts to establish these services have been unsuccessful, as even with scheduled service in Topeka, it was often easier to drive to Kansas City International Airport to access more frequent flights going to a wider range of destinations. Ultimately, the ease and relatively short duration of this drive somewhat offsets the lack of services to the community itself.

Survey respondents held generally positive views of the availability of economic incentives. Nearly 37 percent of respondents viewed this factor as an "advantage" or "major advantage" compared to 21 percent who rated it as a "disadvantage" or "major disadvantage." Incentives were not a key theme in input discussions, but

when the topic did come up, **business leaders indicated that they would like to see Topeka-Shawnee County embrace a broader approach to catalyzing economic growth with targeted investments.**

Targeted economic incentives are an important part of a comprehensive approach to economic development, but they are tools that come into play “at the end of the line” when a community is already being considered as a finalist for a business location or expansion. As this Assessment has discussed, Topeka-Shawnee County must take strategic actions if it is to remain or become a competitive location for various economic activities. This should entail steps to shore up and improve the local talent pool by investing in quality of place and improvement and alignment of education and training resources.

**FIGURE 14: PLEASE RATE THE FOLLOWING ELEMENTS OF TOPEKA-SHAWNEE COUNTY'S BUSINESS CLIMATE ACCORDING TO THE DEGREE TO WHICH EACH IS AN ADVANTAGE OR DISADVANTAGE TO EXISTING AND PROSPECTIVE NEW BUSINESSES.**



Source: *Market Street Services*; Topeka-Shawnee County Community Survey (2016)  
 Questions was presented to 871 survey respondents that self-identified themselves as owners, executives, or managers at their place of employment.

## KEY TAKEAWAYS AND STRATEGIC IMPLICATIONS

Despite a tightening labor market, painful closures in the early 2000s, and the global challenge of the Great Recession, Topeka-Shawnee County's economy has performed reasonably well in recent years. Employment in the community grew by 1.9 percent between 2005 and 2015, and while this figure lagged behind the national rate of 4.7 percent, it is a strong number for a community that has experienced limited population

growth. Additionally, Market Street believes that Topeka-Shawnee County's existing target business sectors are appropriate areas in which to focus its economic development resources. **The strong performance of these target sectors in Topeka-Shawnee County in the past decade is a major positive for the community.**

Traditional economic development activities such as recruitment will continue to be important, but to maximize its potential for economic growth, the community must also focus on a broader range of community and economic development activities. Foremost among them is ensuring that the community's workforce is educated, talented, and deep. **As discussed in previous sections, this will require enhancements related to quality of place and the local talent pipeline. As several stakeholders noted, the community must come to recognize strategic investments in these areas as economic development expenditures similar to incentive packages or marketing budgets.**

**When it comes to economic diversification, Topeka-Shawnee County's best opportunities will likely come from within. The successes of se<sup>2</sup> and Advisors Excel are among the brightest stories in the community in recent years.** Topeka-Shawnee County can take many actionable paths toward fostering an environment that will be conducive to additional homegrown success stories – from strengthening connections within industry clusters to promoting innovation to strengthening and differentiating the community's entrepreneurial ecosystem. **In short, a broad-based, holistic approach to economic development will be required if Topeka-Shawnee County is to grow and diversify its economy and create a more prosperous future.**

## 6. Prosperity and Well-being Lag Behind

The previous story focused on economic trends in Topeka-Shawnee County and briefly touched on how the community might act strategically to continue to grow jobs and investment in its future. In the past, these types of activities were the sole focus of many economic development initiatives. Though they are important, job and investment growth are ultimately means toward a larger end. **Ultimately, community and economic development is about raising standards of living and making life better for a community's current and future residents.** This story focuses on just that – how people in Topeka-Shawnee County are doing.

Per capita income is among the most basic measures used gauge the well-being and standards of living of residents in a community. As shown in Figure 16, per capita income in Topeka-Shawnee County was \$41,263, the lowest among all comparison geographies. Between 2004 and 2014, Topeka-Shawnee County experienced relatively strong income growth and began closing the gap on each of the three comparison counties and nearly kept pace with the national growth rate. But in the latter half of that period, Topeka-Shawnee County's growth rate fell back to the pack and was more than five percentage points lower than the national figure. On the Economic Performance Scorecard, the Topeka MSA ranked seventh out of the 10 comparison communities for both overall per capita income and five-year per capital income growth.

FIGURE 16: PER CAPITA INCOME, 2004-2014

	2004	2009	2014	09-14 % Chg.	04-14 % Chg.
Shawnee County, KS	\$31,222	\$36,986	\$41,263	11.6%	32.2%
Minnehaha County, SD	\$36,784	\$40,629	\$46,398	14.2%	26.1%
Polk County, IA	\$39,059	\$43,493	\$48,484	11.5%	24.1%
Sangamon County, IL	\$33,329	\$38,053	\$42,326	11.2%	27.0%
Kansas	\$31,999	\$38,889	\$44,891	15.4%	40.3%
United States	\$34,316	\$39,376	\$46,049	16.9%	34.2%

Source: Bureau of Economic Analysis

Overall, per capita income in Topeka-Shawnee County grew at a faster rate than inflation as measured by the Consumer Price Index (CPI) for Midwest urban areas. **This means that area residents had greater purchasing power in 2014 than they did in 2004; at the most basic level, standards of living rose.** But Figure 17 shows wage growth in the community for a slightly different time period, 2005 to 2015. During this 10-year span, wages rose by 22.3 percent, slightly *slower* than the pace of inflation. This discrepancy can be explained by the fact that wages earned from employment are just one of the three components that the Bureau of Economic Analysis uses to calculate per capita income. The other two are “dividends, interest, and rent” and “personal current transfer receipts.” The former is essentially investment income while the latter includes all manner of government benefits – mostly Social Security and Medicare/Medicaid but also including veteran’s benefits, disability insurance, food stamps, and so forth. Relative to all comparison

geographies, Topeka-Shawnee County residents derive a greater share of their income from personal current transfer receipts; roughly 21 percent of income in the community comes from these sources compared to 17 percent nationally. This is to be expected given that the community's population is older and aging faster relative to the other comparison communities. **But it is also true that the community's increased standards of living are derived primarily from benefits such as Social Security – not wage growth from economic gains.** While transfer payments have also been significantly contributing to income growth nationally, wage growth in the United States outpaced transfer receipt growth on a percentage basis. The opposite was true in Topeka-Shawnee County.

FIGURE 17: AVERAGE ANNUAL WAGES, 2005-2015

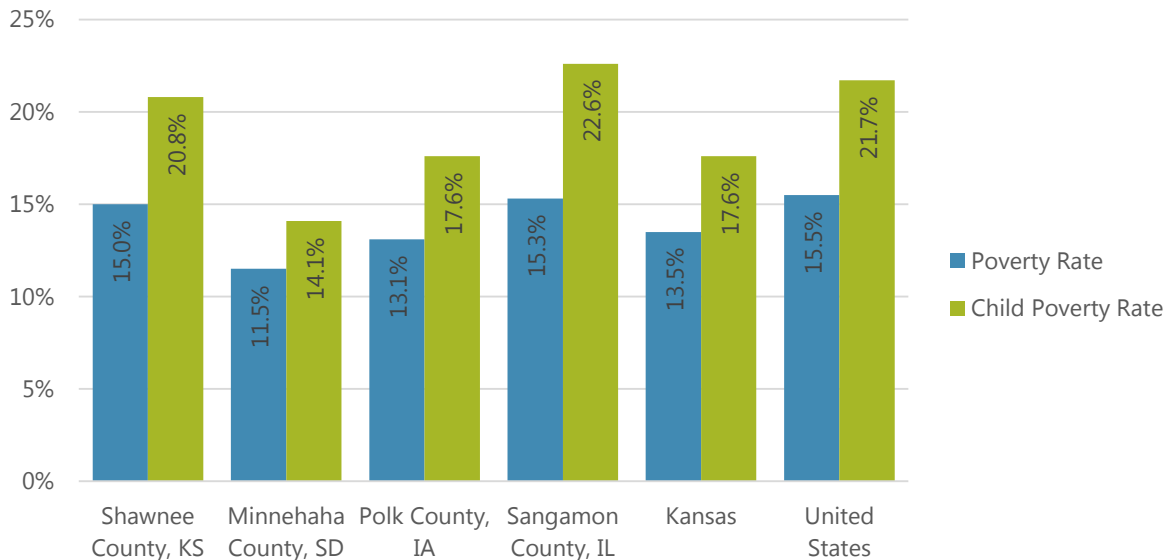
	2005	2010	2015	5-yr % Chg.	10-yr % Chg.
Shawnee County, KS	\$34,558	\$39,363	\$42,274	7.4%	22.3%
Minnehaha County, SD	\$33,824	\$38,792	\$45,173	16.4%	33.6%
Polk County, IA	\$41,003	\$46,390	\$53,218	14.7%	29.8%
Sangamon County, IL	\$39,545	\$47,100	\$52,648	11.8%	33.1%
Kansas	\$33,864	\$38,936	\$43,896	12.7%	29.6%
United States	\$40,677	\$46,751	\$52,937	13.2%	30.1%

Source: Bureau of Labor Statistics, QCEW

Overall, wages in Topeka-Shawnee County were the lowest among all comparison geographies. Low wages can be advantageous from a business cost perspective, but the downside is that lower wages many also make it difficult to compete with other regions for talent and skilled workers. [Input participants noted that Topeka-Shawnee County has a lower overall cost of living that helps offset the relatively low wages.](#) Data from the Council for Community and Economic Research (C2ER) Cost of Living Index (COLI) shows that the community is indeed affordable. This quarterly index measures cost of living based on actual observed values for a "basket of goods" including housing, groceries, utilities, and so on. The Topeka urban area scores a 90.5 on the index relative to the national average of 100. But as the Quality of Life Scorecard shows, several other communities have an even lower COLI value. One of them is Des Moines, IA, which ranked at 89.8. As shown on Figure 17 average annual wages in Des Moines are nearly \$11,000 higher than they are in Topeka-Shawnee County. **So while dollars do go far in Topeka-Shawnee County, other communities in the Midwest can claim a similar or even greater value proposition.**

Like many communities, Topeka-Shawnee County is home to many individuals who are struggling with poverty. As shown on the Economic Performance Scorecard, the Topeka MSA had the ninth-worst overall and child poverty rates among the 10 metro areas, and among the comparison geographies. However, as shown in Figure 18, poverty rates are actually slightly below national averages.

FIGURE 18: POVERTY RATES, 2014



Source: United States Census Bureau, SAIPE

**Additionally, poverty has been declining in recent years at a relatively rapid pace. Between 2009 and 2014, the overall poverty rate declined by 1.6 percentage points compared to a 1.2 percentage point increase nationally.** That poverty rates in Topeka-Shawnee County declined despite relatively slow wage and economic growth locally and during a time period when the impacts of the Great Recession were still being felt around the world is a curious finding that is difficult to explain with available data. While a decrease in the poverty rate is absolutely a step in the right direction, more than 15 percent of residents and more than one in five children live in poverty.

Childhood poverty presents a significant challenge for the future, as it contributes to a long list of social, educational, and economic challenges that can manifest throughout an individual's life. A study by the Urban Institute notes that children who grow up in poverty are much less likely to finish high school than their less impoverished peers, and young girls growing up in poverty are much more likely to become pregnant as teenagers.<sup>x</sup> Many people of all ages who live in poverty lack access to affordable, quality health care and healthy food options, and as an outcome, they are more likely to suffer from chronic health problems. Such health problems can include obesity, high blood pressure, diabetes, and mental health problems, including depression.

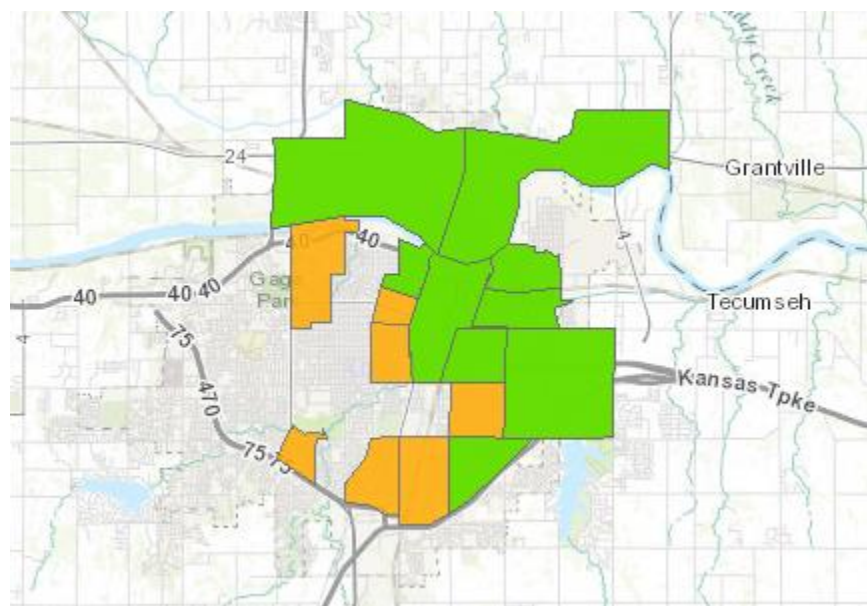
Both qualitative feedback and quantitative data suggest that the county is facing some poor health outcomes. A relatively high share of residents (14.6 percent) reported poor or fair health, according to the Robert Wood Johnson Foundation's 2016 County Health Rankings. Additionally, 32.6 percent of adults in the Topeka MSA reported a body mass index (BMI) equal to or greater than 30, the common standard used to define obesity. This placed ninth on the Quality of Life Scorecard ahead of only Fort Smith, AR-OK.



One potential factor exacerbating health problems such as obesity in the community is the presence of “food deserts.” Input participants expressed concerns that many low-income residents in the community who cannot drive or do not have access to a car have difficulty accessing stores at which they can purchase healthy food. Stakeholders said the recent closing of the Huntoon Dillons grocery store earlier this year has further complicated this problem. Figure 19 illustrates the extent of the problem. The areas shaded in green are low-income Census tracts where at least one-third of residents live more than one mile from a grocery store. This condition applies to nearly all of Downtown, East, and North Topeka.

The community has already begun responding to some of these concerns. In 2015, Shawnee County produced its first county health improvement plan (CHIP) in more than 15 years. It noted some recent efforts to increase residents’ access to resources such as groceries and medical care and encourage physical activity through a bikeshare program, Topeka Metro Bikes. But its Health Impact Assessment found that in order to positively impact health outcomes, improvements must be made to the infrastructure and more stakeholder outreach and engagement was needed.

**FIGURE 19: FOOD DESERTS IN TOPEKA-SHAWNEE COUNTY, 2016**



Source: USDA

Note: Census tracts shaded green indicate low income areas where at least one-third of residents live more than one mile from a grocery store. Orange denotes census tracts where low income residents live more than one-half mile from a grocery store.

Topeka-Shawnee County stakeholders contacted through interviews and focus groups also consistently brought up two inter-related topics that are not typically discussed at length in most public input processes: mental health and homelessness. Limited available data suggests that these issues may indeed be more prevalent in Topeka-Shawnee County. The Annie E. Casey Foundation’s Kids County Data Center provides information on the rate at which individuals under 18 receive mental health diagnoses. According to this indicator, Shawnee County’s incidence of mental health diagnoses is more than three times the state average and the highest of any county in the state.<sup>xi</sup> There were 11.7 child hospital discharges for mental health

diagnoses per 1,000 children under the age of 18 in Shawnee County; the next highest figure was that of Jefferson County (7.0) while the state average is 3.1. [Input participants reported that Topeka is home to one of only a handful of Community Mental Health Centers that treats mental illness and serious emotional disturbances in youth. Input participants suggested that the community may draw individuals from beyond its own borders into the community for treatment. Nevertheless, stakeholders said addressing mental health issues is important, particularly within the context of PK-12 education systems.](#)

In January 2015, the Topeka and Shawnee County Homeless Task Force, a volunteer organization administered by the Community Resources Council (CRC) conducted a count of individuals experiencing homelessness in Topeka-Shawnee County.<sup>xii</sup> The annual count is conducted as part of the U.S. Department of Housing and Urban Development's Point in Time (PIT) Count. Per a CRC press release, 403 individuals were experiencing homelessness at the time, a rate of about 225.5 per 100,000 residents.<sup>xiii</sup> The national average for the equivalent time period was 175.7.<sup>xiv</sup> [Input participants frequently praised the Topeka Rescue Mission, a homeless shelter providing a broad array of services, as a significant community asset, further underscoring the visibility of homelessness in the community.](#)

A broader examination of the true extent and causes of mental health and homeless issues in Topeka-Shawnee County is beyond the scope of this Assessment, but the fact that these issues came up unprompted time and time again during the public input process highlights a need to maintain and expand community support for initiatives designed to address these challenges.

## KEY TAKEAWAYS AND STRATEGIC IMPLICATIONS

At its core, community and economic development is about raising levels of prosperity, increasing standards of living, and improving quality of life for a community's residents. The data reveals both positive and negative trends related to these ends. Real per capita income has increased, which should mean that residents have more purchasing power than they did previously. However, wage growth has not kept pace with inflation and low overall wages mean that the community cannot offer the same value proposition as other Midwestern communities with higher wages and similarly low costs of living. Poverty is down overall but a frustratingly high proportion of residents – including more than one in five children – live below the poverty line. Additionally, many residents are in poor health and stakeholder input and some data points suggest that the community is struggling with elevated levels of mental health issues and homelessness.

**Many of the strategic implications discussed earlier in this Assessment can help address these issues in an indirect fashion by creating better economic, training, and education opportunities for Topeka-Shawnee County residents. But given the depth of some of these issues, it will also be necessary to maintain support for initiatives that provide services directly to individuals living in poverty or those otherwise in need.** Doing so can provide a measurable return on investment. For instance, if individuals who are outside of or are marginally attached to the labor force receive some form of assistance that allows them to enter the workforce, then an economic benefit can be realized in the form of a deeper overall talent pool and, potentially, decreased demand for some local government services.

## Conclusion: the Way Forward

This Community Assessment has evaluated Topeka-Shawnee County's competitiveness as a place to live, work, play, and do business. The key themes that emerged from research and public input were woven into six key stories:

1. A Critical Need to Improve Community Pride
2. Threats to a Strong Workforce Go Beyond Population Growth
3. Quality of Place Enhancements Are Needed to Change Outlooks
4. Homegrown Talent: A Need to Connect the Local and Regional Talent Pipeline
5. Enhancing Economic Opportunities Through Existing Strengths
6. Prosperity and Well-being Lag Behind

These stories cover many themes with which stakeholders in Topeka-Shawnee County are familiar. Some of these are related to significant challenges that the community must address through strategic action if it is to achieve a more prosperous future for its residents. **It is important to re-emphasize that Topeka-Shawnee County cannot let low morale or negative attitudes stand in the way of progress. In Market Street's experience even self-image problems that have been decades in the making can be turned around in a short amount of time with simple, meaningful demonstrations of progress.** Residents of Topeka-Shawnee County need to look no further than their own community to see the supporting evidence. Throughout the input process, stakeholders raved about two tangible enhancements that have recently come into being: the Kansas Avenue streetscaping project and the NOTO Arts District. No such effort is without skeptics, but the vast majority of stakeholders contacted through interviews and focus groups viewed these developments as promising signs that the community is moving forward and, crucially, that its leaders are dedicated to ensuring that it does. One participant said, "I came to Topeka 16 years ago and people repeatedly asked me why I came here, the implication being: why would anyone come here? But I've been happy with our house and neighborhood and the schools. Recent efforts to show some pride, both from the City and County and plucky individuals are steps in the right direction." Another stakeholder said, **"We have terrific people who, over the past five to 10 years, have adopted more of a 'we can do it' attitude that is making a big difference."**

The research findings in this document will ultimately inform an actionable and consensus-based Holistic Economic Development Strategy for Topeka-Shawnee County. It will include specific initiatives that seek to address challenges and leverage opportunities in a direct and measurable fashion. Simply by taking the first steps toward advancing a shared vision, regardless of what initial criticisms may come, Topeka-Shawnee County can dramatically improve the perceptions that its residents have about their own community and what is truly possible.

## APPENDIX A: REGIONAL SCORECARDS

Appendix A presents a complete series of scorecards – referenced throughout this report – that demonstrate how Greater Topeka (defined here as the Topeka, KS Metropolitan Statistical Area) compares to nine other metropolitan areas with which it competes for jobs and workers. Each scorecard evaluates the region's competitiveness across multiple indicators that help measure how Greater Topeka has performed in recent years in key areas that reflect its ability to grow prosperity. These scorecards, the concepts they measure, and examples of the indicators they include are as follows.

1. **Economic Performance:** employment, output, wages, income, poverty
2. **Workforce Sustainability:** age composition, educational attainment, migration, higher education
3. **Innovation and Entrepreneurship:** self-employment, startups, small business loans
4. **Business Environment:** infrastructure, business costs (utility rates, lease rates), labor productivity
5. **Quality of Life:** crime, commuting, cost of living, health outcomes, recreational amenities

Each of the five scorecards presents a series of rankings (1-10), evaluating the performance of the Topeka Metropolitan Statistical Area against the following nine regions with which it shares attributes and/or competes for jobs and workers:

6. **Des Moines, IA** (Des Moines-West Des Moines, IA Metropolitan Statistical Area)
7. **Fort Smith, AR-OK** (Fort Smith, AR-OK Metropolitan Statistical Area)
8. **Jefferson City, MO** (Jefferson City, MO Metropolitan Statistical Area)
9. **Lincoln, NE** (Lincoln, NE Metropolitan Statistical Area)
10. **Little Rock, AR** (Little Rock-North Little Rock-Conway, AR Metropolitan Statistical Area)
11. **Sioux Falls, SD** (Sioux Falls, SD Metropolitan Statistical Area)
12. **Springfield, IL** (Springfield, IL Metropolitan Statistical Area)
13. **Springfield, MO** (Springfield, MO Metropolitan Statistical Area)
14. **Wichita, KS** (Wichita, KS Metropolitan Statistical Area)

All data for the aforementioned comparisons is collected at the metropolitan level unless otherwise indicated. Scorecards include column headings with the primary city names and states for each metropolitan area for ease of interpretation and comparison. **Rankings are color-coded with top performers appearing in shades of green, middle-of-the-pack in shades of yellow and orange, and bottom performers in shades of red. A ranking of "1" signals that the community is the top performer, but does not necessarily have the highest value (for example, the community with the lowest crime rate would receive a ranking of "1").** Each scorecard is accompanied by a table displaying the data from which the rankings were derived.

## ECONOMIC PERFORMANCE: SCORECARD

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Employment and Unemployment</b>											
1-yr. employment growth rate	2014-15	10	4	8	7	3	5	2	9	1	6
5-yr employment growth rate	2010-15	7	2	10	9	4	6	1	8	3	5
Unemployment rate	May 2016	7	3	9	4	2	4	1	10	4	8
<b>Establishments</b>											
5-yr Private establishments chg.	2010-15	7	2	10	6	1	9	3	8	4	5
Business bankruptcy rate per 1k est.*	2014	1	7	5	9	2	6	3	4	8	10
5-yr chg. business bankruptcy rate per 1k est.*	2009-14	1	7	8	9	2	3	6	5	4	10
<b>Exports, Output, and Productivity</b>											
Exports per worker	2013	6	3	9	2	4	7	5	1	10	8
Gross domestic product (GDP) per worker	2014	7	1	6	9	5	3	2	10	8	4
GDP 5-year chg.	2009-14	10	4	2	7	1	5	3	9	8	6
<b>Wages, Income, and Poverty</b>											
Average annual wage (AAW)	2015	7	2	10	8	6	5	3	1	9	4
5-yr AAW chg.	2010-15	10	2	3	8	4	7	1	6	5	9
Per capita income (PCI)	2014	7	1	10	8	4	6	2	5	9	3
5-yr PCI chg.	2009-14	7	4	1	10	2	9	3	8	6	5
Total poverty rate	2014	5	2	10	3	4	7	1	8	9	6
Child poverty rate	2014	6	2	10	4	3	7	1	8	9	5
5-yr pct. pt. chg. total poverty rate	2009-14	2	7	10	8	1	3	4	9	5	6
5-yr pct. pt. chg. child poverty rate	2009-14	1	6	10	8	5	2	3	9	4	7
<b>Average Ranking, All Indicators</b>		<b>5.94</b>	<b>3.47</b>	<b>7.71</b>	<b>7.00</b>	<b>3.12</b>	<b>5.53</b>	<b>2.59</b>	<b>6.94</b>	<b>6.24</b>	<b>6.29</b>
<b>Average Ranking, All Indicators</b>		<b>5</b>	<b>3</b>	<b>10</b>	<b>9</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>8</b>	<b>6</b>	<b>7</b>

\*Per 1,000 private sector establishments

## ECONOMIC PERFORMANCE: DATA VALUES

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Employment and Unemployment</b>											
1-yr. employment growth rate	2014-15	<b>-0.3%</b>	1.2%	0.2%	0.5%	1.2%	0.9%	1.3%	0.1%	1.4%	0.7%
5-yr employment growth rate	2010-15	<b>1.6%</b>	9.9%	<b>-1.8%</b>	<b>-0.8%</b>	7.4%	2.2%	10.8%	1.5%	7.9%	3.4%
Unemployment rate	May 2016	<b>3.7%</b>	3.2%	4.6%	3.4%	2.5%	3.4%	2.1%	4.8%	3.4%	4.1%
<b>Establishments</b>											
5-yr Private establishments chg.	2010-15	<b>1.7%</b>	15.0%	<b>-6.4%</b>	1.7%	23.7%	<b>-1.7%</b>	9.7%	0.5%	6.3%	2.5%
Business bankruptcy rate per 1k est.*	2014	<b>1.45</b>	2.58	2.26	2.83	2.08	2.33	2.18	2.21	2.82	3.65
5-yr chg. business bankruptcy rate per 1k est.*	2009-14	<b>-82.3%</b>	<b>-55.5%</b>	<b>-37.0%</b>	<b>-23.5%</b>	<b>-72.4%</b>	<b>-68.0%</b>	<b>-57.3%</b>	<b>-61.4%</b>	<b>-64.8%</b>	<b>-20.0%</b>
<b>Exports, Output, and Productivity</b>											
Exports per worker	2013	<b>\$69,945</b>	\$74,970	\$52,830	\$102,953	\$73,924	\$66,432	\$71,790	\$210,722	\$40,140	\$57,860
Gross domestic product (GDP) per worker	2014	<b>\$82,645</b>	\$120,995	\$87,473	\$81,065	\$94,202	\$105,467	\$116,232	\$71,307	\$82,360	\$95,076
GDP 5-year chg.	2009-14	<b>7.8%</b>	18.1%	19.1%	12.0%	19.6%	14.4%	18.6%	8.7%	10.4%	14.0%
<b>Wages, Income, and Poverty</b>											
Average annual wage (AAW)	2015	<b>\$41,046</b>	\$52,173	\$37,355	\$38,779	\$41,756	\$44,148	\$44,884	\$52,322	\$38,121	\$44,614
5-yr AAW chg.	2010-15	<b>8.1%</b>	14.8%	12.9%	10.3%	12.6%	11.4%	16.7%	11.8%	11.9%	9.7%
Per capita income (PCI)	2014	<b>\$40,720</b>	\$48,797	\$33,900	\$38,463	\$43,399	\$40,925	\$48,592	\$42,185	\$35,931	\$45,297
5-yr PCI chg.	2009-14	<b>12.5%</b>	13.1%	16.3%	10.8%	15.1%	10.9%	15.0%	11.3%	12.7%	13.0%
Total poverty rate	2014	<b>14.0%</b>	11.6%	22.1%	13.3%	13.7%	14.3%	9.9%	15.0%	18.5%	14.2%
Child poverty rate	2014	<b>19.4%</b>	15.1%	30.8%	18.4%	15.6%	20.2%	11.9%	22.2%	23.5%	18.8%
5-yr pct. pt. chg. total poverty rate	2009-14	<b>-1.1%</b>	1.6%	3.3%	2.0%	<b>-1.1%</b>	<b>-0.4%</b>	0.6%	2.1%	1.3%	1.4%
5-yr pct. pt. chg. child poverty rate	2009-14	<b>-2.3%</b>	1.3%	4.0%	2.1%	0.8%	<b>-1.5%</b>	0.4%	2.4%	0.8%	1.6%

\*Per 1,000 private sector establishments

## WORKFORCE SUSTAINABILITY: SCORECARD

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Population Change</b>											
5-yr population growth rate	2010-15	10	2	9	7	3	5	1	8	4	6
5-yr labor force growth rate	2010-15	8	2	10	6	4	5	1	9	3	7
% of in-migrants w/bachelor's degree +	2014	9	1	8	10	5	3	6	2	7	4
% of in-migrants w/less than a HS diploma	2014	4	1	8	10	3	5	9	2	6	7
<b>Age Composition</b>											
Dependency ratio (Age 25-44 / Age 45-64)	2015	10	1	8	7	3	4	2	9	5	6
Workers age 55+	2016	8	4	6	9	7	3	1	10	2	5
<b>Educational Attainment</b>											
% 3- and 4-year olds enrolled in Pre-K	2014	3	4	6	10	9	5	2	1	7	8
% of population over 15 enrolled in college	2014	8	5	10	7	1	3	6	9	2	4
Pop 25+ w/assoc. degree +	2014	7	2	10	9	1	6	3	4	8	5
Pop 25+ w/bachelor's degree +	2014	7	1	10	9	2	6	3	4	8	5
5-yr pct. pt. chg. w/assoc. degree +	2009-14	5	3	4	8	9	6	1	10	7	2
5-yr pct. pt. chg. w/bachelor's degree +	2009-14	8	4	5	6	10	3	1	9	7	2
<b>Average ranking score, all indicators</b>		<b>7.25</b>	2.50	7.83	8.17	4.75	4.50	3.00	6.42	5.50	5.08
<b>Average Ranking, All Indicators</b>		<b>8</b>	<b>1</b>	<b>9</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>5</b>



## WORKFORCE SUSTAINABILITY: DATA VALUES

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Population Change</b>											
5-yr population growth rate	2010-15	-0.2%	8.9%	-0.2%	0.8%	6.8%	4.2%	9.9%	0.3%	4.4%	2.0%
5-yr labor force growth rate	2010-15	-2.5%	5.1%	-4.4%	-1.6%	3.5%	-0.3%	8.3%	-3.6%	4.4%	-2.2%
% of in-migrants w/bachelor's degree +	2014	20.4%	43.9%	23.1%	20.1%	28.6%	29.4%	28.3%	38.9%	26.0%	28.8%
% of in-migrants w/less than a HS diploma	2014	8.8%	7.1%	14.7%	22.5%	8.3%	12.3%	15.9%	8.0%	12.9%	14.4%
<b>Age Composition</b>											
Dependency ratio (Age 25-44 / Age 45-64)	2015	0.87	1.14	0.95	0.95	1.13	1.09	1.14	0.90	1.03	1.03
Workers age 55+	2016	22.4%	21.1%	21.5%	22.6%	21.5%	20.9%	20.8%	23.0%	20.9%	21.4%
<b>Educational Attainment</b>											
% 3- and 4-year olds enrolled in Pre-K	2014	50.3%	47.1%	44.5%	26.0%	33.7%	46.8%	51.9%	71.0%	41.0%	36.8%
% of population over 15 enrolled in college	2014	7.0%	7.4%	5.9%	7.1%	15.5%	9.1%	7.3%	6.7%	12.4%	8.7%
Pop 25+ w/assoc. degree +	2014	35.1%	46.8%	24.9%	32.8%	47.1%	35.8%	43.9%	39.7%	33.8%	37.0%
Pop 25+ w/bachelor's degree +	2014	27.1%	36.1%	16.6%	25.4%	35.6%	28.6%	32.6%	31.3%	26.4%	29.4%
5-yr pct. pt. chg. w/assoc. degree +	2009-14	3.0%	3.2%	3.1%	2.2%	1.1%	2.9%	4.5%	0.9%	2.3%	3.9%
5-yr pct. pt. chg. w/bachelor's degree +	2009-14	1.9%	2.3%	2.2%	2.1%	0.8%	2.6%	3.8%	1.0%	1.9%	2.9%

## INNOVATION AND ENTREPRENEURSHIP: SCORECARD

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Research and Development Activity</b>											
Patents per 100,000 residents	2015	10	1	9	8	2	6	5	3	7	4
<b>Startups, Small Businesses, and Self-Employed</b>											
Self-employment as a share of total employment	2015	8	4	1	5	9	3	6	10	2	7
Pct. pt. chg. in self-employment as a share of total emp.	2009-15	9	4	6	2	8	1	5	3	10	7
Average annual wage of self-employed workers	2016	5	1	9	7	10	3	2	4	8	6
5-yr chg. in self-employed average annual wages	20011-16	2	3	6	4	10	7	8	5	1	9
% of total employment in firms w/ fewer than 50 employees	Q12015	7	10	5	1	3	4	9	6	2	8
5-yr chg. in share of firms w/ fewer than 50 employees	Q12010-15	9	2	3	1	8	5	6	10	7	4
% of total employment in firms less than 5 yrs old	Q12015	2	10	8	9	4	1	6	7	3	5
5-yr chg. In share of firms less than 5 yrs old		1	2	9	10	4	7	6	5	8	3
<b>Capital Environment</b>											
Small business loans (originations) per 1,000 residents	2013	10	3	8	2	5	4	1	9	6	7
5-yr chg. in small business loans (originations) per 1,000 residents	2008-13	10	5	6	1	8	3	2	7	4	9
<b>Average Ranking, All Indicators</b>		<b>6.64</b>	4.09	6.36	4.55	6.45	4.00	5.09	6.27	5.27	6.27
<b>Average Ranking, All Indicators</b>		<b>10</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>9</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>6</b>

## INNOVATION AND ENTREPRENEURSHIP: DATA VALUES

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Research and Development Activity</b>											
Patents per 100,000 residents	2015	3.4	35.0	6.1	6.6	22.3	8.3	16.7	17.5	7.7	17.1
<b>Startups, Small Businesses, and Self-Employed</b>											
Self-employment as a share of total employment	2015	4.8%	5.7%	6.7%	5.3%	4.4%	5.8%	5.3%	3.5%	6.4%	5.2%
Pct. pt. chg. in self-employment as a share of total emp.	2009-15	-0.7%	-0.3%	-0.4%	0.0%	-0.6%	0.3%	-0.3%	-0.1%	-0.9%	-0.4%
Average annual wage of self-employed workers	2016	\$24,887	\$29,826	\$24,146	\$24,658	\$22,450	\$25,279	\$28,647	\$25,154	\$24,576	\$24,860
5-yr chg. in self-employed average annual wages	20011-16	6.3%	5.9%	1.4%	2.2%	-5.3%	-3.77%	-3.9%	1.9%	8.0%	-4.0%
% of total employment in firms w/ fewer than 50 employees	Q12015	26.2%	22.1%	26.9%	32.5%	27.6%	27.0%	24.6%	26.8%	27.7%	24.9%
5-yr chg. in share of firms w/ fewer than 50 employees	Q12010-15	-1.4%	0.7%	0.6%	3.2%	-1.2%	-0.1%	-0.4%	-2.7%	-0.7%	0.1%
% of total employment in firms less than 5 yrs old	Q12015	9.4%	7.7%	8.1%	7.9%	9.1%	9.7%	8.3%	8.2%	9.2%	8.5%
5-yr chg. In share of firms less than 5 yrs old	Q12010-15	-0.3%	-0.5%	-2.5%	-2.7%	-0.9%	-1.9%	-1.4%	-1.4%	-2.0%	-0.6%
<b>Capital Environment</b>											
Small business loans (originations) per 1,000 residents	2013	8.78	14.69	10.79	15.33	14.36	14.54	20.12	10.02	13.82	11.63
5-yr chg. in small business loans (originations) per 1,000 residents	2008-13	-64.8%	-51.0%	-53.7%	-46.4%	-54.9%	-50.0%	-46.6%	-54.4%	-50.6%	-55.5%

## BUSINESS ENVIRONMENT: SCORECARD

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Infrastructure</b>											
Distance in miles to closest major airport*	2016	7	3	8	10	6	2	1	9	5	4
Passenger departures	2015	3	5	8	1	4	6	9	1	10	7
5-yr passenger departures per chg.	2014-15	2	7	6	3	8	10	9	3	1	5
Average domestic airfare	Q12016	3	4	N/A	1	5	7	N/A	1	N/A	6
<b>Business Costs</b>											
Commercial electricity costs (cents per kilowatt hr.)^	May-16	9	7	1	5	3	1	8	4	5	9
Industrial electricity costs (cents per kilowatt hr.)^	May-16	8	3	1	5	7	1	10	4	5	8
Class A office cost (per sq ft in core city)	May-16	8	5	2	1	6	9	7	10	3	4
Industrial cost (per sq ft in core city)	May-16	1	7	3	8	5	3	6	2	4	3
Retail cost (per sq ft in core city)	May-16	4	5	2	5	7	6	8	10	1	3
Ratio of private sector labor productivity to labor cost**	2013	2	6	10	9	8	7	5	4	1	3
<b>Business Climate</b>											
CFED Business and Jobs Outcome State Rank^	2016	2	5	8	6	10	8	1	4	6	2
CFED Business and Jobs Policy State Rank^	2016	7	3	3	1	7	3	3	7	1	7
Average Ranking, All Indicators		4.67	5.00	4.73	4.58	6.33	5.25	6.09	4.92	3.82	5.08
<b>Average Ranking, All Indicators</b>		<b>3</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>5</b>	<b>1</b>	<b>7</b>

\* Defined as in the top 150 US airports based on passenger enplanements

^ Data is at the state-level

\*\* Defined as total gross regional product (labor productivity) divided by total earnings (labor cost)

## BUSINESS ENVIRONMENT: DATA VALUES

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Infrastructure</b>											
Distance in miles to closest major airport*	2016	<b>76</b>	5	82	125	63	4	3	105	9	7
Passenger departures	2015	<b>5,135,127</b>	1,156,450	629,903	6,239,231	2,046,155	958,510	493,520	6,239,231	447,843	773,526
5-yr passenger departures per capita chg.	2014-15	<b>3.1%</b>	1.3%	1.7%	2.1%	1.3%	-4.6%	0.6%	2.1%	6.6%	2.1%
Average domestic airfare	Q12016	<b>\$375.26</b>	\$394.50	N/A	\$368.24	\$403.35	\$441.24	N/A	\$368.24	N/A	\$405.70
<b>Business Costs</b>											
Commercial electricity costs (cents per kilowatt hr.)^	May-16	<b>10.44</b>	9.44	8.2	9.35	8.79	8.2	9.55	9.02	9.35	10.44
Industrial electricity costs (cents per kilowatt hr.)^	May-16	<b>7.43</b>	5.71	5.62	6.96	7.36	5.62	7.52	6.33	6.96	7.43
Office property asking rent (per sq ft in metro)	May-16	<b>\$13.50</b>	\$12.71	\$10.78	\$10.24	\$12.91	\$15.87	\$13.18	\$16.31^	\$11.41	\$12.52
Industrial property asking rent per sq ft in metro)	May-16	<b>\$4.09</b>	\$6.49	\$4.52^	\$5.61^	\$5.14	4.52^	\$5.66	\$4.28	\$4.80	\$4.74
Retail property asking rent (per sq ft in metro)	May-16	<b>\$11.36</b>	\$13.50	\$10.92	\$12.09^	\$14.25	\$13.58	\$14.34	\$15.38^	\$10.26	\$11.20
Ratio of labor productivity to labor cost**	2013	<b>\$1.60</b>	\$1.77	\$1.82	\$1.81	\$1.80	\$1.80	\$1.76	\$1.69	\$1.57	\$1.61
<b>Business Climate</b>											
CFED Business and Jobs Outcome State Rank^	2016	<b>25</b>	33	39	36	40	39	21	27	36	25
CFED Business and Jobs Policy State Rank^	2016	<b>36</b>	27	27	17	36	27	27	36	17	36

\* Defined as in the top 150 US airports based on passenger enplanements

^ Data is at the state-level

\*\* Defined as total gross regional product (labor productivity) divided by total earnings (labor cost)

## QUALITY OF LIFE: SCORECARD

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Crime</b>											
Violent crime rate per 100K residents	2014	5	3	6	1	2	8	4	9	7	N/A
Property crime rate per 100K residents	2014	7	3	5	1	4	9	2	6	8	N/A
5-yr chg. violent crime rate per 100K residents	2009-14	4	6	5	1	2	3	8	N/A	7	N/A
5-yr. property crime rate per 100K residents	2009-14	9	3	6	2	1	7	10	3	3	N/A
<b>Commuting and Congestion</b>											
% of commuters who drive alone to work	2014	9	3	6	2	1	7	10	3	3	7
% of commuters w/ commute times > 30 minutes	2014	6	5	4	2	9	1	10	8	3	7
Mean travel time to work (minutes)	2014	5	5	8	7	2	10	1	4	9	3
<b>Affordability and Cost of Living</b>											
Home affordability ratio	2014	1	4	5	7	9	8	6	2	10	3
Renters spending 30%+ of income on rent	2014	4	2	9	3	7	6	1	8	10	5
Cost of living index	2014	4	3	N/A	6	5	8	N/A	2	1	7
<b>Health</b>											
Physicians per 100K residents	2014	8	5	10	9	7	1	3	2	4	6
% of adults reporting poor or fair health	2016	5	3	10	7	1	9	2	4	8	6
% of adults reporting BMI >= 30	2016	9	4	10	8	1	7	2	5	3	6
% of population under age 65 w/out health insurance	2016	6	1	10	5	4	8	3	2	9	7
<b>Recreation and Volunteerism</b>											
Walk Score (Principal City)	2016	6	1	6	10	2	9	4	5	3	6
Recreation and fitness facilities per 100K residents	2012	10	2	7	8	3	6	1	4	5	9
Charitable revenue per capita	2016	7	1	10	8	4	6	3	2	5	9
Average Ranking, All Indicators		6.18	3.18	7.31	5.12	3.76	6.65	4.38	4.31	5.76	6.23
Average Ranking, All Indicators		7	1	10	5	2	9	4	3	6	8

## QUALITY OF LIFE: DATA VALUES

	Year	Topeka, KS	Des Moines, IA	Fort Smith, AR-OK	Jefferson City, MO	Lincoln, NE	Little Rock, AR	Sioux Falls, SD	Springfield, IL	Springfield, MO	Wichita, KS
<b>Crime</b>											
Violent crime rate per 100K residents	2014	<b>368.4</b>	316.8	424.7	236.1	301.4	696.4	327.6	767.0	535.9	N/A
Property crime rate per 100K residents	2014	<b>3,435.7</b>	2,498.6	3,103.5	1,953.5	3,048.8	4,385.2	2,278.9	3,299.9	3,916.8	N/A
5-yr chg. violent crime rate per 100K residents	2009-14	<b>-11.6%</b>	15.1%	<b>-4.1%</b>	<b>-24.9%</b>	<b>-24.8%</b>	<b>-11.8%</b>	54.6%	N/A	26.6%	N/A
5-yr. property crime rate per 100K residents	2009-14	<b>-13.0%</b>	<b>-9.6%</b>	<b>-5.7%</b>	<b>-11.6%</b>	<b>-14.2%</b>	<b>-16.9%</b>	1.1%	N/A	<b>-11.0%</b>	N/A
<b>Commuting and Congestion</b>											
% of commuters who drive alone to work	2014	<b>84.8%</b>	82.7%	83.3%	81.7%	80.9%	83.8%	84.9%	82.7%	82.7%	83.8%
% of commuters w/ commute times > 30 minutes	2014	<b>79.3%</b>	79.2%	74.8%	71.8%	81.5%	70.5%	86.1%	80.8%	73.9%	80.5%
Mean travel time to work (minutes)	2014	<b>20.1</b>	20.1	21.4	20.9	18.9	22.9	18.3	19.4	21.8	19.3
<b>Affordability and Cost of Living</b>											
Home affordability ratio	2014	<b>2.22</b>	2.63	2.72	2.83	2.89	2.85	2.77	2.39	3.17	2.44
Renters spending 30%+ of income on rent	2014	<b>46.3%</b>	42.0%	51.8%	42.8%	47.4%	47.1%	39.2%	51.6%	53.5%	46.5%
Cost of living index	2014	<b>90.5</b>	89.8	N/A	91.4	90.8	95.2	N/A	88.9	88.7	93.1
<b>Health</b>											
Physicians per 100K residents	2014	<b>198</b>	261	164	171	217	625	370	500	330	242
% of adults reporting poor or fair health	2016	<b>14.0%</b>	11.7%	23.0%	15.0%	9.9%	17.6%	11.0%	13.9%	16.5%	14.0%
% of adults reporting BMI >= 30	2016	<b>32.6%</b>	29.8%	36.5%	31.6%	26.3%	31.5%	28.1%	30.0%	29.7%	30.9%
% of population under age 65 w/out health insurance	2016	<b>11.3%</b>	7.6%	18.8%	10.9%	10.2%	14.0%	9.3%	8.4%	14.3%	12.6%
<b>Recreation and Volunteerism</b>											
Walk Score (Principal City)	2016	<b>34</b>	44	34	24	42	33	36	35	38	34
Recreation and fitness facilities per 100K residents	2012	<b>6.4</b>	14.9	6.8	6.7	13.8	9.1	16.0	11.3	10.3	6.4
Charitable revenue per capita	2016	<b>\$7,242</b>	\$14,436	\$1,961	\$6,348	\$8,345	\$7,476	\$10,838	\$13,706	\$8,194	\$4,626



# Scorecards: Data Sources

## Economic Performance

- 1-year and 5-year Employment Change: Economic Modeling Specialists Intl. (EMSI)
- Unemployment Rate: U.S. Bureau of Labor Statistics (BLS)
- 5-year Establishments Change: BLS
- Business Bankruptcy Rate per 1,000 Establishments and 5-year Change: U.S. District Courts, BLS; Moody's
- Exports per Worker: EMSI
- Gross Metropolitan Product per Worker: U.S. Bureau of Economic Analysis (BEA), BLS
- Gross Domestic Product 5-year Change: BEA
- Average Annual Wage and 5-year Change: BLS
- Per Capita Income and 5-year Change: BEA
- Total and Child Poverty Rate and 5-year Changes: U.S. Census Bureau, Small Area Income and Poverty Estimates

## Workforce Competitiveness

- 5-year Population Growth Rate: U.S. Census Bureau, Population Estimates
- 5-year Labor Force Growth Rate: BLS

- In-Migrants with Bachelor's Degree+: U.S. Census Bureau, American Community Survey (ACS) 1-year Estimates
- In-Migrants with less than a High School Diploma+: U.S. Census Bureau, ACS 1-year Estimates
- Dependency Ratio (Age 25-44/Age 45-64): U.S. Census Bureau, American Community Survey (ACS) 1-year Estimates
  - *A dependency ratio is a general measure of the sustainability of a workforce. The dependency ratio divides the number of workers aged 25 to 44 by those age 45 to 64, the resulting ratio identifies potential workforce shortages caused by retirements over the next twenty years. A ratio below 1.0 indicates that those aged 45 to 64—those workers who will retire or will be near retirement over the next twenty years—outnumber those aged 25 to 44—those workers who will likely replace vacating retiree positions. A ratio below 1.0 is considered to be unsustainable over the long term, particularly if the occupation or business sector is growing. A ratio above 1.0 indicates that those aged 25 to 44 outnumber those aged 45 to 64. While a ratio above 1.0 is said to be sustainable, workforce availability challenges may still be encountered over the long term, especially in rapidly growing occupations and business sectors.*
- Workers Age 55+: EMSI
- Percent of 3- and 4-year olds Enrolled in Pre-K: U.S. Census Bureau, ACS 1-year Estimates

- Share of Population Aged 15 and Above Enrolled in College: U.S. Census Bureau, ACS 1-year Estimates
- Share of Adults Age 25+ with Associate's Degree+: U.S. Census Bureau, ACS 1-year Estimates
- Share of Adults Age 25+ with Bachelor's Degree+: U.S. Census Bureau, ACS 1-year Estimates
- 5-year Percentage Point Change in Share of Adults Age 25+ with Associate's Degree+: U.S. Census Bureau, ACS 1-year Estimates
- 5-year Percentage Point Change in Share of Adults Age 25+ with Bachelor's Degree+: U.S. Census Bureau, ACS 1-year Estimates

### ***Innovation and Entrepreneurship***

- Patents: United States Patent and Trademark Office (USPTO)
- Self-Employed Workers: EMSI
- Percentage Point Change in Self-Employed Workers: EMSI
- Average Annual Wage of Self-Employed Workers: EMSI
- Average Annual Wage of Self-Employed Workers: EMSI
- Percentage of Employment in Firms with Fewer Than 50 Employees: U.S. Census Bureau, Quarterly Workforce Indicators (QWI)
- Percentage of Employment in Firms with Fewer Than 5 Years Old: QWI

- Small Business Loans (originations) per 1,000 residents and 5-year Change: U.S. Federal Financial Institutions Examination Council (FFIEC): Community Reinvestment Act (CRA); Moody's Analytics Calculated

### ***Business Environment***

- Distance in Miles to Closest Major Airport: Google Maps from Central Business District of Principal City
- Air Passenger Departure Rank: Federal Aviation Administration (FAA), Research and Innovative Technology Administration Bureau of Transportation Statistics (RITA-BTS)
- 5-year Passenger Departure Change: FAA, RITA-BTS
- Average Domestic Airfare: FAA, RITA BTS
- Commercial Electricity Costs: Energy Information Administration (EIA)
- Industrial Electricity Costs: EIA
- Class A Office Cost (Per Square Foot in Core City): Loopnet
- Industrial Cost (Per Square Foot in Core City): Loopnet
- Retail Cost (Per Square Foot in Core City): Loopnet
- Ratio of Private Sector Labor Productivity to Labor Costs: BEA, BLS
  - *Indicator is measured by dividing private sector gross regional product (a proxy for labor productivity) in each*

*region by total earnings. This produces a ratio that indicates the amount of output generated for every dollar spent on wages, salaries, supplements, and proprietor income.*

- Business and Jobs Outcome and Policy State Rank: Corporation for Enterprise Development (CFED)
  - *Policy rankings are based on 15 outcomes and 10 state policies. Outcome rankings are based on indicators that range from microenterprise ownership rate to underemployment rate. Policy priorities include microbusiness support, minimum wage, workforce development sector partnerships, and unemployment benefits, among others. For more information, please visit <http://scorecard.assetsandopportunity.org>*

### Quality of Life

- Violent and Property Crime Rate per 100,000 Residents and 5-year Changes: Federal Bureau of Investigation, Uniform Crime Reporting
- Percentage of Commuters who Drive Alone to Work: U.S. Census Bureau, ACS 1-year Estimates
- Percentage of Commuters with Commute Times Greater than 30 Minutes: U.S. Census Bureau, ACS 1-year Estimates
- Mean Travel Time to Work: U.S. Census Bureau, ACS 1-year Estimates
- Home Affordability Ratio: U.S. Census Bureau, ACS 1-year Estimates

- *This ratio looks at the median price of a home relative to the median household income*
- Renters Spending 30% or More of Income on Rent: U.S. Census, ACS 1-year Estimates
- Cost of Living Index: Council for Community and Economic Research (C2ER)
- Physicians per 100,000 Residents: Sperling's
- Adults Reporting Fair or Poor Health: County Health Rankings and Roadmaps
- Adults Reporting a BMI of Greater than or Equal to 30: County Health Rankings and Roadmaps
- Population under Age 65 without Health Insurance: County Health Rankings and Roadmaps
- Walk Score (Principal City): Walkscore.com
- Recreation and Fitness Facilities per 100,000 Residents: U.S. Department of Agriculture Health Atlas
- Charitable Revenue per Capita: National Center for Charitable Statistics

## ENDNOTES

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<sup>i</sup> Components of Population Change figures also include “residual” adjustments to arrive at a final population count. A discussion of this process is beyond the scope of this Assessment and of limited relevance given the very small residuals in Shawnee County during the time period in question.

<sup>ii</sup> This data program has some limitations. While it provides information on the number of exemptions claimed on every return, this metric does not have an exact one-to-one relationship with actual people in a household. Second, the program tracks only those tax filers who submit a return in two consecutive years. As such, the program is known to undercount the elderly, college students, immigrants, and others who may not file a tax return in consecutive years. Additionally, because of their radically different methodologies, the figures from the IRS program do not match Census Components of Population Change figures.

<sup>iii</sup> A “primary job” is defined by the LEHD program as the one job during the reference period that provides each person with the most earnings. If a person holds one job, that is their primary job. If a person holds two or more jobs, then the one with the most earnings is defined as the primary job.

<sup>iv</sup> All crime rates for counties and MSAs are derived from FBI data and include statistics from all police departments within the geography. Data was not available for the Wichita, KS MSA.

<sup>v</sup> Kirkham, C. “Apartment-Building Boom Looks Set to Ease.” *The Wall Street Journal*. February 27, 2016.

<sup>vi</sup> Free and reduced lunch data is derived from the National Center for Education Statistics. To qualify for reduced price lunches, a student must come from a household earning a maximum of 185 percent of the federal poverty level, or roughly \$44,955 for a family of four. To qualify for free lunches, students must come from households earning a maximum of 130 percent of the federal poverty level, or roughly \$31,590 for a family of four.

<sup>vii</sup> An analysis of the subsector data within administrative and support services reveals that the majority of the jobs gained were within employment placement agencies and temporary help services. The two subsectors accounted for roughly two-thirds of all jobs gained in Topeka-Shawnee County between 2005 and 2015. Staffing patterns data reveals that the top occupations found within these subsectors include laborers and material movers, team assemblers, packers and packagers, production worker helpers, and packaging and filling machine operators and tenders – all of which are critical occupations within manufacturing and distribution operations. Occupations that involve the actual production of goods account for a further 600 jobs within the employment services subsector.

<sup>viii</sup> GO Topeka Target Industry Update, January 2014

<sup>ix</sup> Hooper, M. “Founders of Advisors Excel buy printing company, move it to Topeka.” *The Topeka Capital-Journal*. April 19, 2015.

<sup>x</sup> Caroline Ratcliffe and Signe-Mary McKernan. “Child Poverty and Its Lasting Consequence.” The Urban Institute, September 2012.

<sup>xi</sup> Mental Health is the number of child hospital discharges of mental health diagnoses per 1,000 children under age 18. Mental health diagnoses range from Diagnosis-Related Groups (DRG) 880–887, which also cover all the medical DRGs in the Major Diagnostic Categories 19 – Mental Diseases and Disorders. Data are provided by the Kansas Hospital Association and Kansas Department of Health and Environment. Population estimates data are from the U.S. Census Bureau. The current rate represents the number of discharges per 1,000 children for federal fiscal year 2014.

<sup>xii</sup> The CRC has released its January 2016 figures, but the 2015 figures are used in this report to benchmark Topeka-Shawnee County to the nation using the same dataset. According to the CRC, there were 417 individuals experiencing homelessness in January 2016.

<sup>xiii</sup> “Point in Time Homeless County Data Released.” Community Resource Council. Press release. June 22, 2015. Retrieved from: <http://media.graytvinc.com/documents/Point+in+Time+Homeless+Count+2015.pdf>

<sup>xiv</sup> “The 2015 Annual Homeless Assessment Report (AHAR) to Congress.” U.S. Department of Housing and Urban Development. November 2015.