

THE PITTSBURG MICROPOLITAN AREA ECONOMIC REPORT

Pittsburg Area Manufacturing Industry Bucks National Trend

The manufacturing industry, the largest of the goods-producing industries nationwide, experienced a decline in the first decade of the 21st century and again during the COVID pandemic. But while the national industry has not fully recovered, manufacturing in the Pittsburg micropolitan area has recovered from the COVID pandemic and is now one of the area's fastest-growing industries.

Manufacturing has the largest wealth creating industries (non-government) payroll locally, contributing 25.5 percent of total non-government payroll during the first quarter of 2022, and has the second-highest average monthly wage at \$4,127. Manufacturing is also the second-largest non-government employment sector in the local

area, contributing 21.5 percent of total non-government jobs.

In 2019 (the most recent period before COVID, i.e. the last "normal" year), the value-added share of area manufacturing output was 29.0 percent (up significantly from 22 percent in 2015) and value-added output per worker was \$106,559 (up 23.9 percent, well above inflation during the period). The local manufacturing industry also bought 22.9 percent of intermediate inputs locally in 2019, at a value of \$154.6 million. The top five manufacturing sub-industries buying local inputs are printing, which buys \$17.1 million worth of local inputs, followed by meat processing (\$6.0 million); petroleum refining (\$2.0 million), ready-mix concrete manufacturing (\$2.0 million), and animal

food manufacturing (\$1.1 million).

Overall, manufacturing contributes \$276.1 million to the local gross domestic product, far more than any other local industry. The top five manufacturing sub-industries contributing to the local gross domestic product are printing, contributing \$47.2 million, followed by dog and cat food (\$45.7 million), primary battery (\$25.7 million), metal window and door (\$21.6 million), and plastic pipe fitting (\$16.9 million).

The current movement toward deglobalization in the supply chain in response to pandemic disruptions and friction with China and Russia might yield some additional opportunities for the local manufacturing industry.

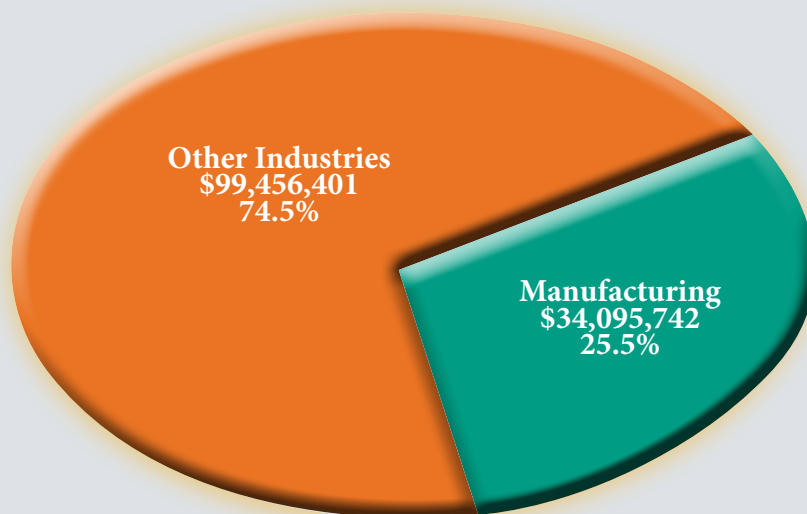
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Private Industry Payroll Pittsburg Micropolitan Area Q1 - 2022*



* Excludes Government

Source: Bureau of Labor Statistics

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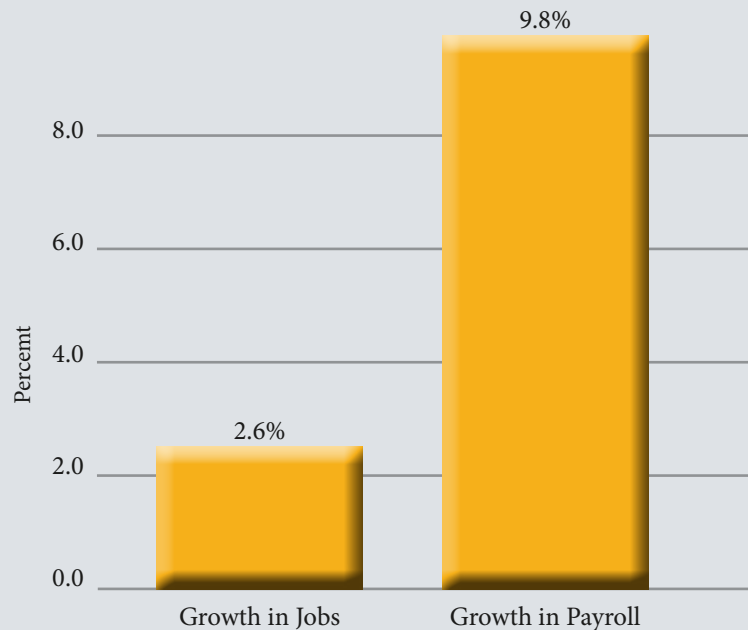
LOCAL ECONOMY

Small businesses make up a significant proportion of the Pittsburgh area economy, with approximately 94.7 percent of all businesses having fewer than 50 jobs, accounting for 42.7 percent of all local employment.

The local economy seems to be on a good foundation, with job growth of 1.7 percent in 2021. The latest information from the BLS shows that the number of jobs increased to 17,018 during the first quarter of 2022, up 2.6 percent from the first quarter of 2021. The goods-producing industries contributed most of the job growth, posting 3,601 jobs, up 226 jobs (up 6.7 percent); the services-producing industries posted 9,210 jobs, up 23 jobs (up 0.25 percent); federal government posted 85 jobs, up two jobs (up 2.8 percent); state government posted 1,094 jobs, up 68 jobs (up 6.6 percent); and local government posted 3,028 jobs, up 108 jobs (3.6 percent).

Total payroll in the micropolitan area increased to \$173.7 million during the quarter (up a significant 9.8 percent), with the goods-producing industries posting a 15.4 percent increase in payroll, the services-producing industries posting an 8.7 percent increase, local governments posting a 7.9 percent increase, state government posting a 5.3 percent increase, and federal government posting a 1.28 percent decline.

Percentage Growth In Jobs And Payroll Pittsburg Micropolitan Area Q1 '21 - Q1 '22



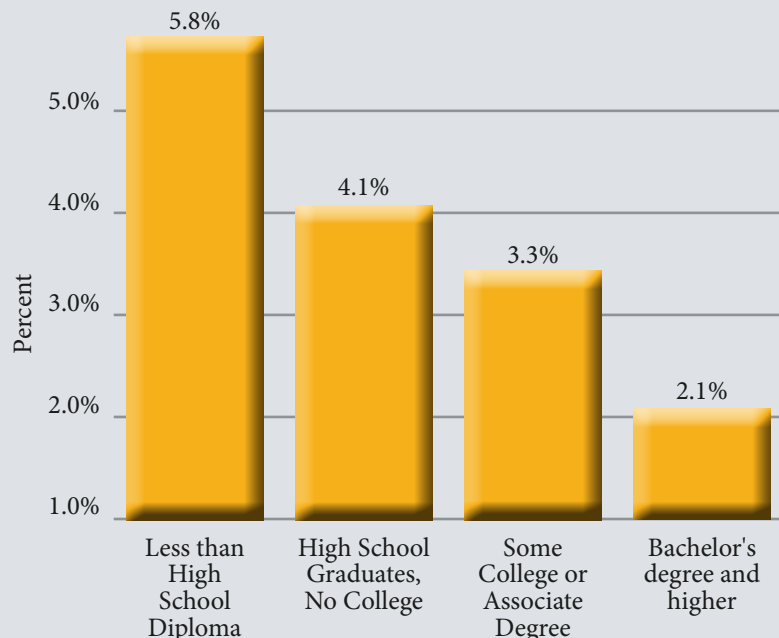
Source: Bureau of Labor Statistics

UNEMPLOYMENT

Nationwide, the average unemployment rate declined to 3.8 percent for the first eight months of 2022 (down from 6.0 percent from the first eight months of 2021). The average unemployment rate was 2.1 percent for people with a bachelor's degree or higher, 3.3 percent for people with some college or an associate degree, 4.1 percent for high school graduates with no college, and 5.8 percent for people without no degree. The average unemployment rate was 2.9 percent for Asians, 3.4 percent for whites, 4.5 percent for Hispanics, and 6.4 percent for blacks. Of those unemployed during the first quarter, 36.5 percent had been unemployed less than five weeks, 28.6 percent had been unemployed 5-14 weeks, 12.4 percent 15-26 weeks, and 22.6 percent more than 26 weeks.

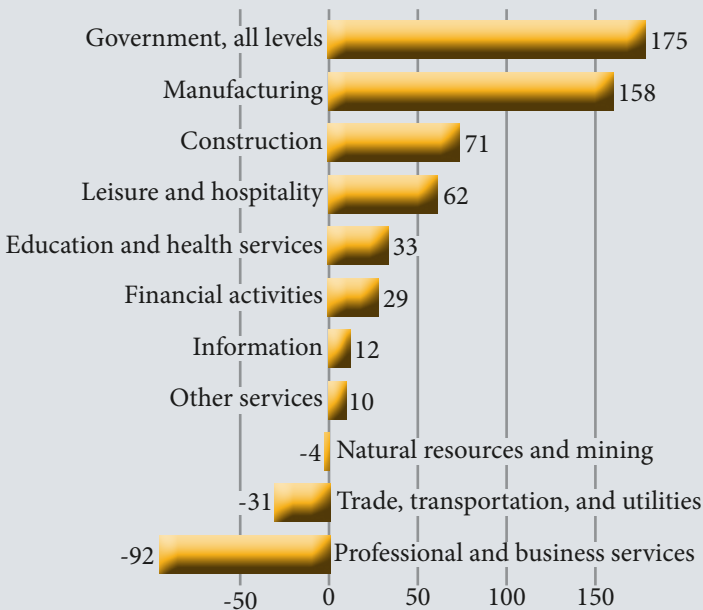
The unemployment rate was 2.0 percent in management and professional occupations; 5.0 percent in service occupations; 5.1 percent in sales and office occupations; 4.6 percent in natural resources, construction and maintenance occupations; and 5.2 percent in production, transportation and material moving occupations. The unemployment rate was 2.7 percent statewide during the period (down from 3.7 percent) and 3.0 percent in the Pittsburgh micropolitan area (down from 3.6 percent).

Unemployment By Educational Attainment Nationwide Jan '22 - Aug '22



Source: Bureau of Labor Statistics

Job Growth By Industry Pittsburg Micropolitan Area Q1 '21 - Q1 '22



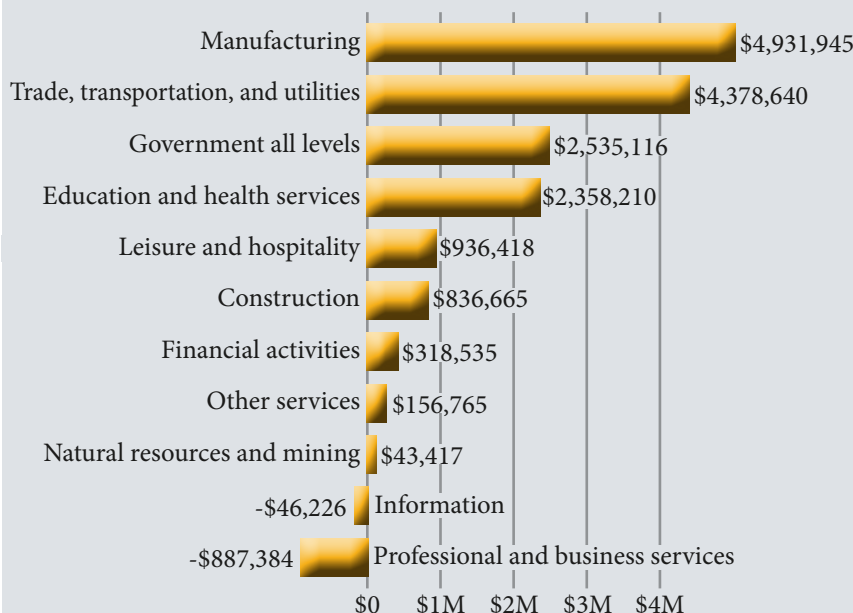
Source: Bureau of Labor Statistics

JOBS GROWTH BY INDUSTRY

Year over year, Government (all levels, 71 establishments in the micropolitan area) added the most jobs, with 71 local establishments adding the most jobs during the first quarter of 2022, posting 4,207 average quarterly jobs, up 175 jobs from the first quarter of 2021 (up 4.3 percent),

Manufacturing (46 establishments) added the most private sector wealth creating jobs at 158 (up 6.1 percent to 2,754 jobs); construction (87 establishments) added 71 jobs (up 10.5 percent to 749 jobs); leisure and hospitality (95 establishments) added 62 jobs (up 3.4 percent to 1,890 jobs); education and health services (126 establishments) added 33 jobs (up 1.4 percent to 2,385 jobs); financial activities (97 establishments) added 29 jobs (up 6.8 percent to 458 jobs); information services (20 establishments) added 12 jobs (up 5.0 percent to 258 jobs); and other services (clergy, etc.) (69 establishments), added 10 jobs (up 4.6 percent to 235 jobs). Professional and business services (147 establishments) lost 92 jobs (down 7.4 percent to 1,156 jobs); trade, transportation, and utilities (219 establishments) lost 31 jobs (down 1.1 percent to 2,829 jobs); and natural resources and mining (24 establishments) lost 4 jobs (down 3.6 percent to 98 jobs).

Payroll Growth By Industry Pittsburg Micropolitan Area Q1 '21 - Q1 '22



Source: Bureau of Labor Statistics

PAYROLL GROWTH BY INDUSTRY

Manufacturing had the largest increase in payroll in the Pittsburg micropolitan area during the first quarter of 2022, posting \$34.1 million in total quarterly payroll, up \$4.9 million from the first quarter of 2021 (up 16.9 percent), followed by trade, transportation, and utilities, with \$31.3 million in payroll, up \$4.4 million (up 16.3 percent); government (all levels), posting \$40.2 million in payroll, up \$2.5 million (up 6.7 percent); education and health services, posting \$26.8 million in payroll, up \$2.4 million (up 9.7 percent); leisure and hospitality, posting \$7.9 million in payroll, up \$0.9 million (up 13.5 percent); construction, posting \$8.6 million in payroll, up \$0.8 million (up 10.8 percent); financial activities, posting \$5.1 million in payroll, up \$0.3 million (up 6.6 percent); other services, posting \$1.6 million in payroll, up \$0.2 million (up 10.6 percent); and natural resources and mining, posting \$1.0 million in payroll, up \$43,417 (up 4.6 percent).

Two industries had a decrease in payroll, with professional and business services losing most payroll, with \$13.6 million in payroll, down \$0.9 million (down 6.1 percent), and information services with \$3.5 million in payroll, down \$46,226 (down 1.3 percent).

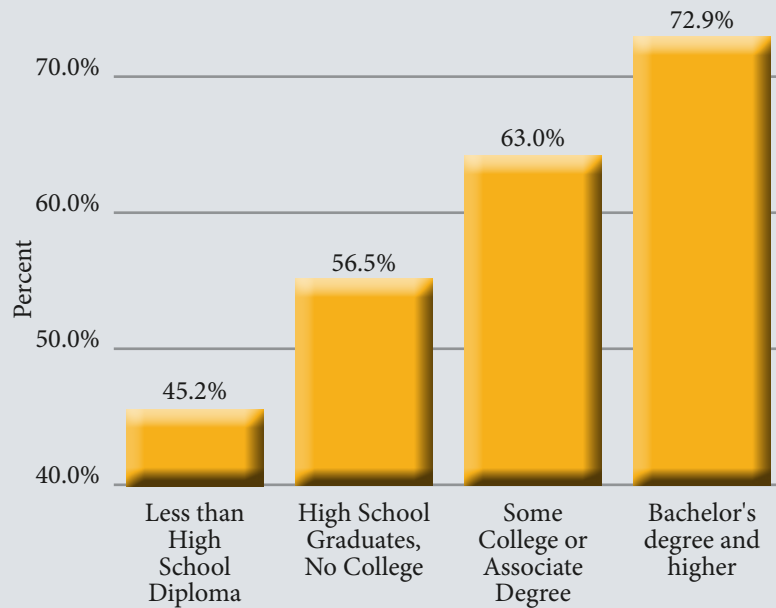
LABOR FORCE

The national labor force is finally coming back from the COVID recession, with the national labor force increasing to 164.2 million during the first eight months of 2022, up 0.6 from the first eight months of 2019. This is good news for the national business community, which has faced a tight labor market since the pandemic. However, the labor force is well below what it should be. The civilian non-institutional adult population increased 1.9 percent during the period while the number of people who do not want to work and are not in the labor force increased 4.0 percent. The labor force participation rate was highest for Hispanics (66.4 percent), followed by Asians (64.4 percent), Caucasians (62.0 percent), and African Americans (62.2 percent).

The labor force participation rate was 72.9 percent during the period for people with a bachelor's degree or higher, 63.0 percent for people with some college or an associate degree, 56.5 percent for people with only a high school diploma, and 45.2 percent for people with less than a high school diploma. The labor force increased to 1,499,933 statewide for the first eight months of 2022 (up 0.3 percent) and 18,800 in the Pittsburgh Micropolitan Area (down 0.3 percent).

Labor Force Participation By Educational Attainment

PMSA Jan '22 - Aug '22



Source: Bureau of Labor Statistics

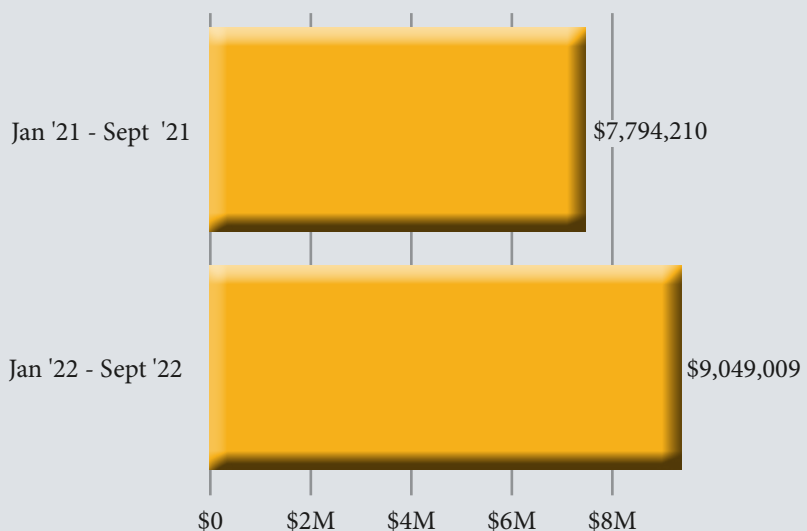
TAXABLE SALES

Local retailers are doing well in 2022, with taxable sales (retail sales plus taxes on selected services, mainly tourism) increasing to \$212.7 million in Pittsburgh during the first six months of 2022, (up 9.8 percent from the first six months in 2021). Sales tax collections returned to the city increased 16.1 percent during the first nine months which would indicate that local taxable sales are continuing to be very healthy. Total taxable sales increased to \$291.8 million in the Pittsburgh micropolitan area (up 11.9 percent), and \$25.4 billion statewide (up 8.1 percent). Enclosed (indoor) malls, which were hard hit during COVID, also appear to be making a comeback, although foot traffic is still down from 2019 and visits are shorter.

The Meadowbrook Mall is located in South Pittsburgh with 184,000 square feet of indoor space and is a popular destination for local shoppers and visitors. It has four major national chain anchors: J.C. Penny, Bath & Body Works, Maurices, and AMC Theaters. Retail sales in the Pittsburgh micropolitan area are still almost exclusively brick and mortar, with online sales accounting for only 1.7 percent of taxable sales, according to estimates from the Kansas Department of Revenue, well below the national average.

Sales Tax Collections

City Of Pittsburgh



Source: Kansas Department of Revenue

Value Of New Residential Building Permits City of Pittsburg



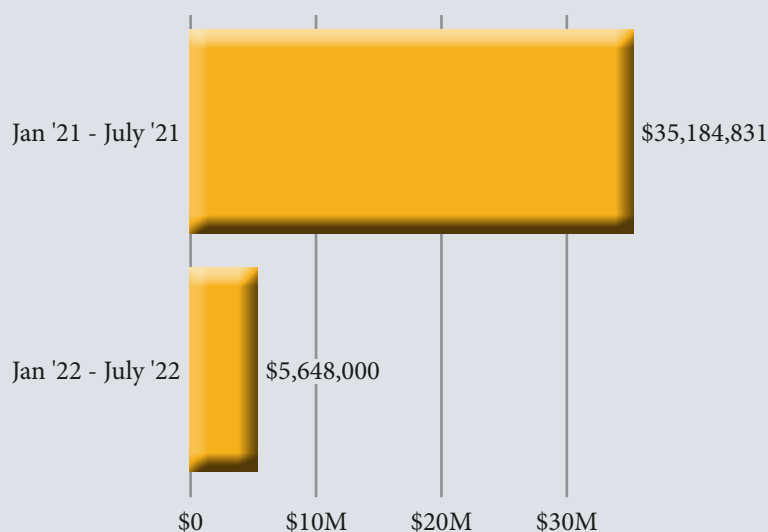
Source: City of Pittsburg

RESIDENTIAL PERMITS

Overall the residential real estate market is doing very well. In the first seven months of 2022, 37 new residential building permits were issued in Pittsburg, with a stated value of \$6,718,000 (up 74.3 percent from the first seven months of 2021), and 71 permits were issued for additions, alterations, and conversions with a stated value of \$1,349,866 (up 50 percent).

The Kansas Association of Realtors reports that 227 homes were sold in Pittsburg during the first eight months of the year (down 9.6 percent from the same period in 2021), for an average price of \$153,957 (up 13.2 percent). The number of active listings has continued to decline however, and half of the homes sold during the period sold in 15 days or less, down from 59 days in 2021 (down 74.6 percent). This active home building and home sales market supports the recent Census report of a 2.4 percent increase in the population in Pittsburg in 2020 and a 2.0 percent increase in 2021 reported by Unacast. However, the increase in housing demand have put a strain on local housing developers which report that the time it takes to build a home now is increasing because of a lack of labor force. There are currently eleven housing developments in the pipeline or recently finished.

Value Of New Commercial Building Permits City of Pittsburg



Source: City of Pittsburg

COMMERCIAL PERMITS

Twelve new commercial building permits were issued in Pittsburg during the first eight months of 2022, with a stated value of \$35.2 million (up 523.0 percent), and 29 permits were issued for additions, alterations, and conversions, with a stated value of \$4.7 million (up 50.7 percent).

The widening of US-69 from Fort Scott to Arma will provide a four-lane, high-speed corridor all the way from Kansas City to Pittsburg, which then ties into the US-400 east-west corridor a few miles south of Pittsburg and continues south to I-44. This expansion creates the opportunity for Pittsburg to become a local-regional-national transportation hub and offers significant opportunities for the future. The improved local-regional transportation infrastructure has already benefited Pittsburg by attracting a new FedEx distribution center. Construction began earlier this year on the 250,000-square-foot distribution center, which will bring 150 full- and part-time jobs to the area, with an overall estimated annual impact on the local economy of 174 direct, indirect, and induced local jobs; an estimated \$16.4 million in annual payroll, \$20.0 million in other annual value added, \$326,429 in annual city and sub-county taxes and 248,090 in county taxes.

OFFICE SPACE MARKET

Pittsburg is the anchor of the economy in Southeast Kansas and according to the Bureau of the Census, 64.3 percent of all jobs in Pittsburg are filled by commuters.

Several major companies have headquarters in Pittsburg, including Miller's Professional Imaging (the nation's largest professional photo lab), Jake's Fireworks, and Watco Companies. Flynn Restaurant Group, the largest restaurant franchisee nationwide, with 2,360 restaurants, also has some functional specialization locally. Training in a high-tech world is increasingly more expensive, and some firms rely heavily on business services.

As a regional center, Pittsburg caters to many businesses in Southeast Kansas, offering business services such as technical consulting services, bookkeeping and payroll services, management services, and office administrative services, and legal services. The performance of the local office market is relatively good, according to Jones Heritage Realtors (a local authority on retail and commercial space), which states that average gross rental rates (the owner pays basic taxes, insurance, and exterior and all major maintenance) started at \$19.00 per square foot for high-end sites, \$15.00 per square foot for primary sites and \$7.00 per square foot for secondary sites.

Average Gross Office Space Rent PMSA September 2022



Source: Jones Heritage Realtors

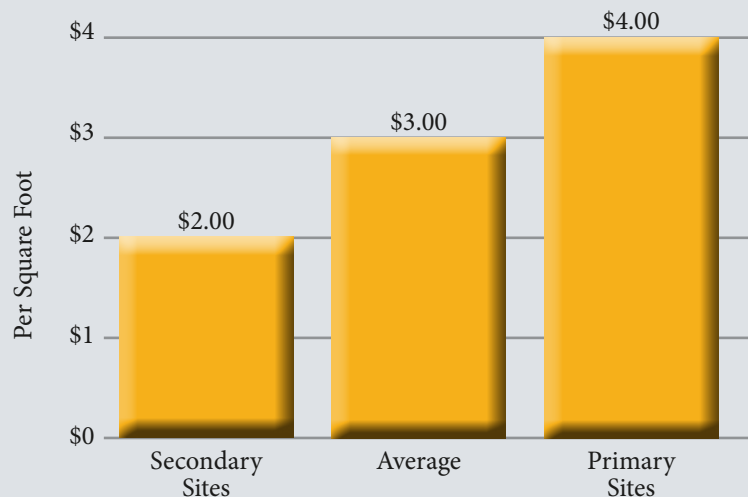
COMMERCIAL MARKETS

The local commercial real estate market is doing well, according to Jones Heritage Realtors which reports that rental rates for local light industrial and warehouse space have increased to an average low of \$2.00 per square foot for secondary sites and an average high of \$4.00 per square foot for primary sites, with an overall average rate of \$3.00 per square foot.

Over the past nine years, \$579 million (most of it private investment) has been invested in the City of Pittsburg. This includes \$102.1 million in industry infrastructure, \$95.6 million in housing infrastructure, \$81.3 million in Pittsburg State University infrastructure, \$75.5 million in medical infrastructure, \$55.4 million in retail infrastructure, \$50 million in entertainment infrastructure, \$49.8 million in general infrastructure, \$45.6 million in other education infrastructure (K-12), \$17.8 million in hospitality infrastructure, \$3.3 million in recreation infrastructure, \$2.2 million in service infrastructure.

The Pittsburg micropolitan area is well suited to manufacturing and warehousing, and due to the widening of US Highway 69 from Fort Scott to Arma, which will provide for a four-lane highway all the way to Kansas City and that will benefit the local commercial market.

Average Warehouse Space Rent PMSA September 2022



Source: Jones Heritage Realtors

Average Net Retail Space Rent PMSA September 2022



Source: Jones Heritage Realtors

RETAIL SPACE MARKET

The Pittsburg micropolitan area retail space market is recovering from COVID-19 and seems to be stable and on a good foundation. Jones Heritage Realtors reports that average net rental rates (the tenant pays the property tax, insurance premiums and some maintenance) started at \$18.00 per square foot for high-end sites, \$13.00 per square foot for primary sites and \$6.00 per square foot for secondary sites.

The Kansas Department of Revenue reports that the City of Pittsburg is growing as a regional retail center and that the income-adjusted retail trade pull factor for Pittsburg is 1.90, meaning that the population in Pittsburg would have to be 90 percent larger if all the consumption were local. Downtown Pittsburg is a diverse retail center with over 40 small specialty retailers, including boutiques and specialty clothing stores, jewelry stores, specialty candy and ice cream stores, bridal shops, sporting goods stores, and specialty foods and art shops. The downtown area is also host to several events and festivals during the summer, including Little Balkans Days, which celebrates Pittsburg's historic roots and regional identity, ArtWalk, and Paint the Town Red, which celebrates Pittsburg's role as home to Pittsburg State University.

Personal Bankruptcies Per Capita Jul '21 - Jun '22



Source: US Bankruptcy Courts

BANKRUPTCIES

The national economy seems to be improving, and bankruptcies are declining nationwide in 2022. However, the recent decline in economic performance might be a catalyst for increase in future business and personal bankruptcies.

A total of 380,634 bankruptcies were filed nationwide during the 12 months ending in June 2022 (down 17.7 percent from the previous 12-month period), and 3,235 bankruptcies were filed statewide (down 17.9 percent). In the Pittsburg micropolitan area, 19 bankruptcies were filed during the period (down 47.2 percent), 18 personal bankruptcies (down 48.6 percent) with 14 Chapter 7 personal bankruptcies (straight bankruptcy, debt wiped out; down 50 percent), and four Chapter 13 personal bankruptcies (some debt wiped out and some repayments; down 42.9 percent).

One local business bankruptcy, a Chapter 12 business bankruptcy (reorganization of debt for family farms), was filed during the period up from zero. Not only are bankruptcies declining at a very health rate locally, but so are per capita personal bankruptcies. Per capita personal bankruptcies in the Pittsburg micropolitan are well below the national average, with 0.6 personal bankruptcies per 1000 adult population, well below the 1.5 statewide and nationwide rates.

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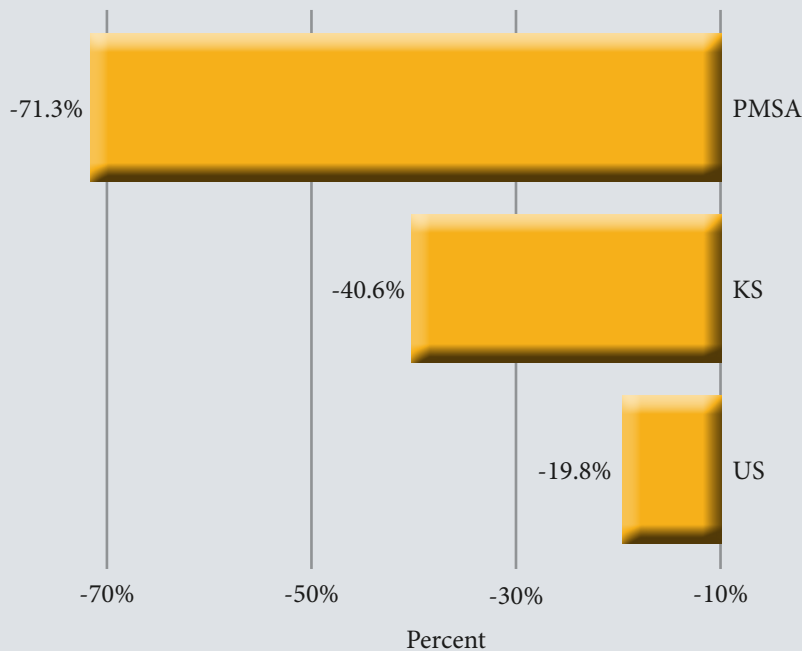
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Banking Industry

Growth In Non-Current Loans And Leases Q2 '21 - Q2 '22



Source: Federal Deposit Insurance Corporation

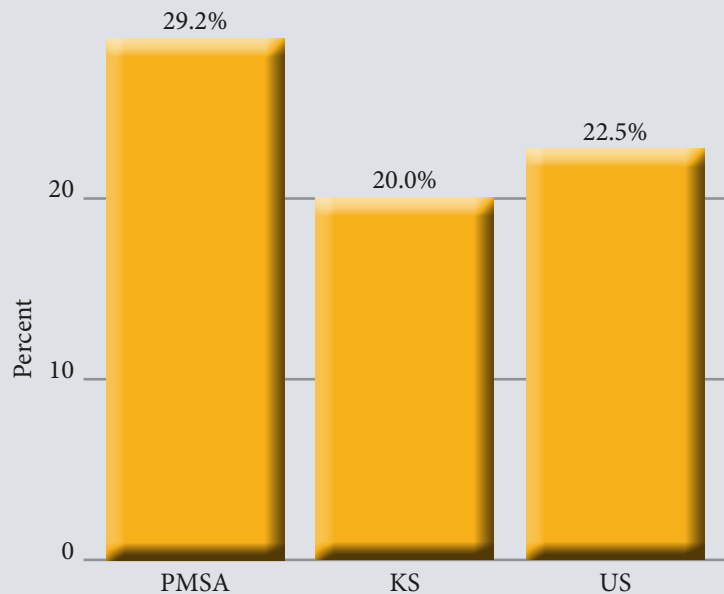
BANKING INDUSTRY

The Federal Reserve Bank is determined to bring inflation under control, increasing the federal funds rate five times this year, including three increases of 0.75 basis points, with a current target rate of 3.00-3.25 percent. This is going to help financial institutions, but hurt people and firms who have adjustable rate loans, such as mortgages, credit cards and line of credit.

The Pittsburg micropolitan area banking industry (banks with local headquarters) posted \$935.4 million in total assets during the second quarter of 2022 (up 0.7 percent from the second quarter of 2021), \$479.3 million in net loans and leases (up slightly), \$3.7 million in non-current loans and leases (down 71.3 percent), and \$1.8 million in net income (down 71.2 percent). Banks with headquarters in Kansas posted \$89.8 billion in total assets (up 2.0 percent), \$54.0 billion in net loans and leases (up 3.6 percent), \$255.8 million in non-current loans and leases (down 40.6 percent), and net income of \$527.7 million (down 4.3 percent). The national industry posted \$23.7 trillion in total assets (up 4.1 percent), \$11.5 trillion in net loans and leases (up 8.7 percent), \$87.9 billion in non-current loans and leases (down 19.8 percent), and \$124.1 billion in net income (down 15.3 percent).

Credit Union Industry

Growth In Delinquent Loans - Q2 '21 to Q2 '22



Source: National Credit Union Administration

CREDIT UNIONS

The nationwide credit union industry was generally healthy during the second quarter of 2022, according to the NCUA. However, inflation and a slowdown in the overall economy are now beginning to affect credit union performance, with both return on average assets and the total number of credit unions declining.

The Pittsburg micropolitan area credit union industry (with local headquarters) is doing relatively well, posting \$135.8 million in total assets during the second quarter of 2022 (up 3.7 percent from the second quarter of 2021), \$70.1 million in net loans and leases (down 0.7 percent), \$400,068 in delinquent loans and leases (up 29.2 percent), and \$341,337 in net income (down 21.1 percent).

Credit unions with headquarters in Kansas posted \$15.4 billion in total assets (up 10.4 percent), \$10.1 billion in net loans and leases (up 11.2 percent), \$44.4 million in delinquent loans and leases (up 20.0 percent), and \$55.4 million in net income (down 30.5 percent).

The national credit union industry posted \$2.1 trillion in total assets (up 8.0 percent), \$1.4 trillion in net loans and leases (up 16.1 percent), \$6.7 billion in delinquent loans and leases (up 22.5 percent), and \$9.0 billion in net income (down 15.2 percent).

Pittsburg Micropolitan Area Snapshot 2022

| | 2022 Employees | 2022 Establishments | Average Employee Size |
|---|-------------------|------------------------|--------------------------|
| Manufacturing | 1,602 | 67 | 23.9 |
| Food and Kindred Products | 526 | 5 | 105.2 |
| Tobacco Products | 0 | 0 | N/A |
| Textile Mill Products | 0 | 0 | N/A |
| Apparel, Finished Prdcts from Fabrics and Similar Materials | 13 | 4 | 3.3 |
| Lumber and Wood Products, Except Furniture | 10 | 4 | 2.5 |
| Furniture and Fixtures | 5 | 1 | 5.0 |
| Paper and Allied Products | 112 | 2 | 56.0 |
| Printing, Publishing and Allied Industries | 308 | 10 | 30.8 |
| Chemicals and Allied Products | 14 | 2 | 7.0 |
| Petroleum Refining and Related Industries | 0 | 0 | N/A |
| Rubber and Miscellaneous Plastic Products | 81 | 3 | 27.0 |
| Leather and Leather Products | 0 | 0 | N/A |
| Stone, Clay, Glass, and Concrete Products | 58 | 4 | 14.5 |
| Primary Metal Industries | 15 | 2 | 7.5 |
| Fabricated Metal Prdcts, Except Machinery & Transport Eqpmnt | 103 | 6 | 17.2 |
| Industrial and Commercial Machinery and Computer Equipment | 209 | 12 | 17.4 |
| Electronic, Elctrcl Eqpmnt & Cmpnts, Excpt Computer Eqpmnt | 80 | 5 | 16.0 |
| Transportation Equipment | 7 | 2 | 3.5 |
| Mesr/Anlyz/Cntrl Instrmnts; Photo/Med/Opt Gds; Watches/Clocks | 0 | 0 | N/A |
| Miscellaneous Manufacturing Industries | 61 | 5 | 12.2 |

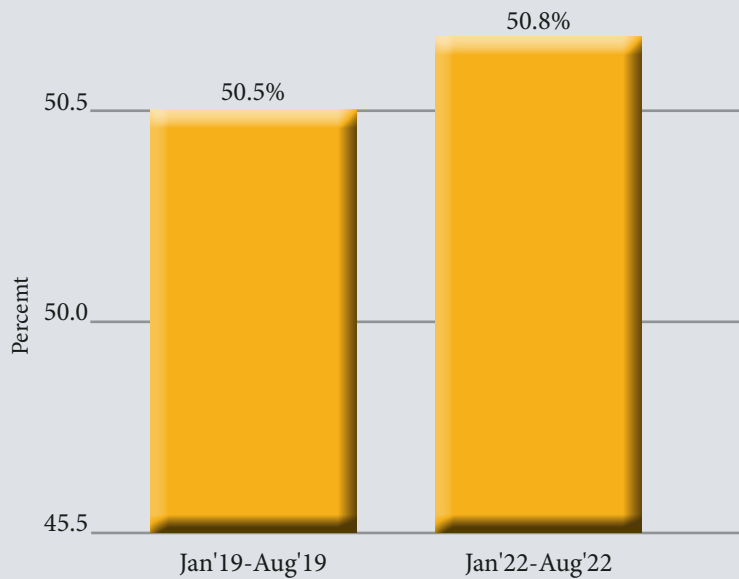
Source: Demographics Now

Annual Wages for Pittsburg Micropolitan Area 2022

| | | | |
|---|-----------|---|-----------|
| Management Occupations | \$96,686 | Public Relations Specialists | \$45,941 |
| Chief Executives | \$196,191 | Healthcare Practitioners and Technical Occupations | \$73,781 |
| General and Operations Managers | \$90,179 | Pharmacists | \$129,410 |
| Marketing Managers | \$111,434 | Healthcare Support Occupations | \$27,799 |
| Sales Managers | \$127,457 | Medical Assistants | \$29,097 |
| Financial Managers | \$119,086 | Firefighters | \$31,949 |
| Industrial Production Managers | \$114,456 | Police and Sheriff's Patrol Officers | \$42,116 |
| Market Research Analysts and Marketing Specialists | \$57,325 | Food Preparation and Serving Related Occupations | \$23,596 |
| Accountants and Auditors | \$62,654 | Cooks, Institution and Cafeteria | \$27,674 |
| Loan Officers | \$80,819 | Waiters and Waitresses | \$20,203 |
| Computer User Support Specialists | \$39,727 | Cashiers | \$21,993 |
| Computer Programmers | \$73,005 | Retail Salespersons | \$28,644 |
| Software Developers | \$84,757 | Office and Administrative Support Occupations | \$35,664 |
| Architecture and Engineering Occupations | \$63,127 | Customer Service Representatives | \$32,808 |
| Electrical Engineers | \$60,589 | Receptionists and Information Clerks | \$27,742 |
| Engineers, All Other | \$69,177 | Postal Service Mail Carriers | \$53,917 |
| Educational, Guidance, Career Counselors and Advisors | \$46,186 | Secretaries & Administrative Assistants, Except Legal, Medical, & Executive | \$32,870 |
| Child, Family, and School Social Workers | \$43,668 | Industrial Machinery Mechanics | \$50,769 |
| Educational Instruction and Library Occupations | \$43,389 | Woodworking Machine Setters, Operators, and Tenders, Except Sawing | \$33,912 |
| Graphic Designers | \$41,448 | Transportation and Material Moving Occupations | \$33,541 |
| Coaches and Scouts | \$30,325 | Laborers and Freight, Stock, and Material Movers, Hand | \$31,119 |

Source: Kansas Labor Market Information Center

Average Occupancy Rates Lodging Industry Pittsburg Micropolitan Area



Source: Smith Travel Research

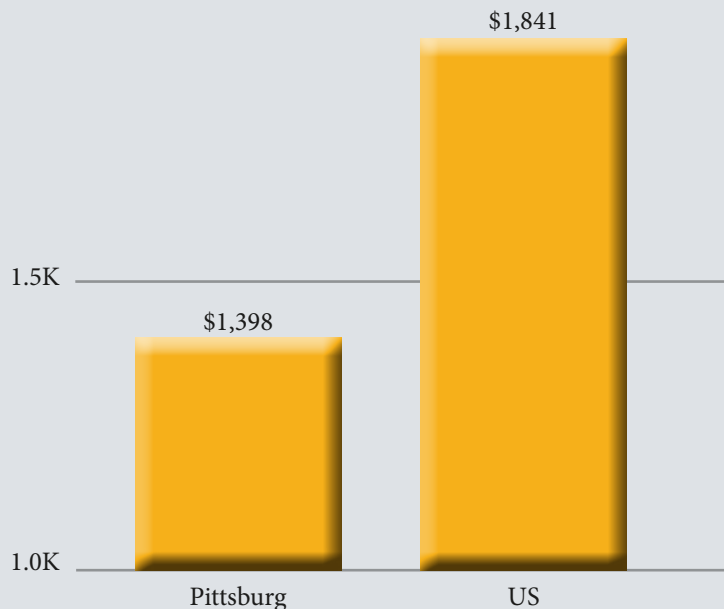
LODGING INDUSTRY

The national lodging industry has still not recovered from COVID, posting an average occupancy of 63.2 percent for the first eight months of 2022 (down from 67.6 percent for the first eight months of 2019), an average daily rate of \$148 (up 12.2 percent), and \$126.1 billion in total room revenue (up 9.8 percent). The statewide industry posted an average occupancy of 55.9 percent (down from 57.2 percent), an average daily rate of \$95.5 (up 7.7 percent), and \$630.8 million in total room revenue (up 8.8 percent), and the Southeast Kansas industry posted an average occupancy of 45.6 percent (up from 44.7 percent), an average daily rate of \$82.9 (up 10.5 percent), and \$11.2 million in total room revenue (up 12.5 percent).

However, the Pittsburg micropolitan area lodging industry, consisting of eight properties with 589 rooms, is doing well, with an average occupancy during the period of 50.8 percent (up from 50.5 percent); an average room rate of \$95.9 (up 10.7 percent), and total lodging revenue of \$7.0 million (up 11.3 percent).

The local lodging industry contributes approximately 1.3 percent of the local gross domestic product, while overall tourism industries (lodging, amusement, restaurants, and general merchandise) contribute 5.9 percent.

Average Monthly Mortgage* Q2 - 2022



*2,400 Sq. Ft. Home on 8,000 Sq. Ft. Lot In A Middle To Upper Middle Income Neighborhood
Average FICO Credit Score Assumed. Insurance included.

Source: Council Of Community and Economic Research

HOUSING COSTS

The cost of living is an increasingly important quality of life indicator, and the cost of living nationwide increased 8.3 percent in the August 2021-August 2022 period. Wages have not kept up, and the purchasing power of wages declined 3.6 percent during the period.

Housing costs are the biggest expenditure for the average household nationwide, accounting for 33.8 percent of the average household budget. Local housing costs are well below the national average. The average cost of a 2,400 square foot new home with four bedrooms and two baths on an 8,000 square foot lot in a middle- to upper-income neighborhood in the City of Pittsburg was approximately \$332,740 during the second quarter of 2022. Assuming a 5.38 percent mortgage interest rate (good or fair credit rating), the monthly mortgage payment (including homeowner's insurance) with a 25 percent down payment would be approximately \$1,398 monthly. This compares favorably to the average home price of \$453,977 nationwide with an estimated monthly mortgage payment (including homeowner's insurance) of \$1,841. Furthermore, the average monthly rent was only \$730 for a 950 square foot, two bedroom, two bath, unfurnished apartment in Pittsburg, which is well below the national average of \$1,371.

BUSINESS HIGHLIGHTS

USD 250 TALKS STRATEGIC PLANNING

With the 2022-23 school year underway, USD 250 Superintendent Richard Proffitt said it was time to discuss the need for a long-term strategic plan for the district at Monday night's school board meeting. Board members mulled over what needs to be included in such a plan, and who should be involved in the planning. Proffitt said he envisioned this in two parts.

The first part is Board of Education goals. This defines specific, short-term goals based on board knowledge, current data, and anticipated future needs, that can be accomplished in as little as three years. These goals are in support of overall long-term strategic planning.

The second part is the actual planning process that should envision the future of education and what it will look like. Proffitt said this process should include not only the Board of Education, but also teachers, students, parents, and the community as a whole.

There was some concern about how big of a role to allow the general public to play in the process. Since the members of the board are closer to the issues and have more direct knowledge, some members said they felt the Board of Education should be the driving force behind planning, allowing the general public a final check. Others felt the public should be involved in the planning process from the start. Any strategic plan will be subjected to a regular review to reformulate what may happen next in education. No specific details of a strategic plan were talked about. The Board of Education is working out how to develop a strategic plan for the future of Pittsburg schools.

Dustin R. Strong, The Morning Sun

ARTWALK SET FOR SEPT. 23

After bringing back the Pittsburg ArtWalk as an in-person event this spring for the first time since 2019, ArtWalk organizers are gearing up for their fall event, set for Sept. 23. The Fall ArtWalk will be held Friday, Sept. 23, 2022, from 5 to 9 p.m., in downtown Pittsburg. Over 50 artists and organizations will be participating.

Something new to the ArtWalk this season will be the Writer's Block. The Writer's Block will feature several writers selling their poetry, fiction, and children's books.

There will be four area bands performing during the ArtWalk at the Main Stage area in Europe Park. The ArtWalk has introduced six additional stage areas this year: inside Eclectic Soul Studio, the East 6th Street intersection, the B22 courtyard in front of the Pitsco Idea Shop, inside Toast, a performance stage located at the 7th Street crosswalk in front of The Finishing Touch, and one final stage location in the 6th Street intersection that will feature a special surprise performance.

The SEK Humane Society, Pittsburg Public Library, Guardians of the Children, Operation Lifesaver, and several more local not-for-profit organizations will be on-site at the ArtWalk with art-related activities for the youngest attendees.

Several food trucks will be serving up delectable dishes ranging from mac and cheese to wood-fired pizza. Many downtown eateries will be serving up specials all night, just for the occasion. Several local businesses will be on location showing their support for art in the community and providing fun art projects for the kids. Common consumption is in full swing, allowing ArtWalk attendees who are 21 or older to drink alcoholic beverages while walking within the boundaries of the event.

Establishments participating in common consumption are TJ Lelands, The Pitt, Brick & Mortar, and Toast. Besides the spring and fall ArtWalk events, ArtWalk organizers will host their first-ever Holiday Art Market this year on Nov. 26 at Frisco Event Center. The next ArtWalk will be held on April 21, 2023.

Staff, The Morning Sun

PITTSBURG CITY COMMISSION RECEIVES ECONOMIC UPDATE

Dr. Michael Davidsson, director of the Business & Economic Research Center and Associate Professor of Economics at Pittsburg State University, delivered his quarterly economic update to the Pittsburg City Commission this week, highlighting employment numbers, housing, sales tax revenues, and household incomes. Despite challenges, Davidsson said the city is on a good economic foundation, based on the data available. Unfortunately, Davidsson said, with the COVID-19 shutdown in 2020, his data is somewhat dated. Some factors have not been accounted for yet, such as the amount of money in circulation because of stimulus payments, supply bottlenecks, and inflation. "The two holes I see here," said Commissioner Ron Seglie, "is people, we don't have enough people, and number two is we don't have enough housing," Davidsson said the labor force is a major obstacle to growth because there are a lot of unfilled jobs. He said the economy is primed for growth, but won't grow because the jobs can't be filled. Commissioner Chuck Munsell asked if the city adding more housing would mean more jobs could be filled. "Absolutely," Davidsson said. In the study conducted with the Chamber, Davidsson said 55 percent of respondents cited housing issues as the reason they do not live in Pittsburg, either because they could not find a house they could afford or didn't like the neighborhood. "The number of commuters is way too high," Davidsson said. Seglie also said that employers should encourage their employees to live in Pittsburg. "One way is having more affordable housing," he said. City Manager Daron Hall reiterated Davidsson's key points. "Don't give up on Pittsburg, things are looking good," Hall said. "We're in a good place and looks like we will be for a while."

Dustin R. Strong, The Morning Sun

GOV. KELLY ANNOUNCES \$6.5M IN GRANTS

On Thursday, Gov. Laura Kelly announced that nearly \$6.5 million in state grants have been

awarded to continue improving services for adult and child crime survivors statewide, including almost \$300,000 for Crawford County organizations.

The funding comes from State General Funds and will go toward nonprofits offering counseling, shelters, the statewide language-accessible crisis line, safety planning, advocacy for sexual and domestic violence survivors, and training for community-based direct service providers. The Safehouse Crisis Center in Pittsburg received \$247,189 in funding from the State General Fund for a Domestic Violence and Sexual Assault Grant. Kelly has long supported funding for violence prevention services, a press release from her office said.

Last year, Kelly successfully pushed to fund Court Appointed Special Advocates (CASA) programs through the State General Fund to ensure stable funding for the program. CASA Programs recruit, train, and support citizen volunteers to advocate in court for the best interests of abused and neglected children. Children's Advocacy Centers coordinate investigation and intervention services for abused children by bringing together professionals and agencies across disciplines. Pittsburg's Child Advocacy Center received \$49,798 from the Children's Advocacy Centers Grant announced on Thursday. According to Whitney Lovell, this year's grant is about \$1,000 less than last year's, but she hopes it will begin increasing over the next two years since the courts have reopened. Fortunately, Lovell said she has other sources of funding that include the Victims of Crime Act (VOCA), local donations and fundraising.

Staff, The Morning Sun

Pittsburg Micropolitan Area Economic Report

is written and produced by:

Dr. Michael Davidsson
Writer and Editor

Dr. Janet Zeperneck
Contributing Editor/Proofreading

Mr. David Oldham
Art Director/Layout

Ms. Shipra Paul, MBA, MS
Special Assistant

Melissa Payne
Assistant to the Editor

Mr. Rigo Brou
Graduate Assistant

Ms. Srujana Sree Bathineni
Economic Development Assistant

with support and direction from
Kelce College of Business
Pittsburg State University

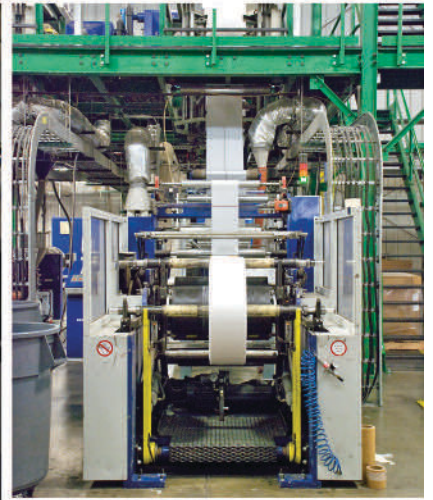
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Pittsburg Micropolitan Area Employment Trends

| Industries | Average Quarterly Employment Q1-2022 | Average Quarterly Employees Q1-2022 | Average Quarterly Wages Q1-2022 | Average Quarterly Wages Q1-2021 | Average Job Growth | Average Quarterly Wage Growth |
|--|---|--|--|--|--------------------------|--|
| Postal service | 68 | 66 | \$3,891.45 | \$4,056.36 | 3.55% | -4.07% |
| Water supply and irrigation systems | 12 | 13 | \$3,307.31 | \$3,021.59 | -7.69% | 9.46% |
| Oilseed and grain combination farming | 28 | 31 | \$3,249.71 | \$2,837.85 | -10.64% | 14.51% |
| Beef cattle ranching and farming | 18 | 19 | \$3,446.28 | \$2,931.19 | -8.62% | 17.57% |
| Residential electrical contractors | 11 | 12 | \$3,483.94 | \$2,787.35 | -10.81% | 24.99% |
| Grain and field bean merchant wholesalers | 55 | 55 | \$4,152.03 | \$4,005.36 | 0.00% | 3.66% |
| Farm supplies merchant wholesalers | 32 | 31 | \$4,145.39 | \$4,493.74 | 2.15% | -7.75% |
| Commercial banking | 178 | 177 | \$4,290.54 | \$4,304.05 | 0.38% | -0.31% |
| Insurance agencies and brokerages | 29 | 33 | \$2,640.39 | \$2,753.42 | -12.00% | -4.11% |
| Offices of real estate agents and brokers | 13 | 13 | \$2,581.32 | \$2,264.62 | -2.56% | 13.98% |
| Residential property managers | 35 | 25 | \$1,991.30 | \$2,078.80 | 40.00% | -4.21% |
| Offices of certified public accountants | 15 | 16 | \$2,455.36 | \$2,176.78 | -10.20% | 12.80% |
| Tax preparation services | 12 | 13 | \$1,999.19 | \$1,645.97 | -2.63% | 21.46% |
| Other accounting services | 48 | 44 | \$4,337.31 | \$3,599.50 | 8.27% | 20.50% |
| Office administrative services | 241 | 221 | \$4,465.72 | \$4,399.03 | 9.06% | 1.52% |
| Janitorial services | 86 | 87 | \$1,989.56 | \$1,779.18 | -1.15% | 11.82% |
| Solid waste collection | 64 | 68 | \$2,945.51 | \$2,538.48 | -5.39% | 16.03% |
| Offices of dentists | 113 | 119 | \$4,463.02 | \$4,269.83 | -5.32% | 4.52% |
| Offices of chiropractors | 25 | 16 | \$2,890.41 | \$2,458.48 | 58.33% | 17.57% |
| Offices of optometrists | 45 | 43 | \$2,920.14 | \$3,009.88 | 6.25% | -2.98% |
| Home health care services | 163 | 118 | \$2,455.79 | \$2,712.18 | 38.42% | -9.45% |
| Continuing care retirement communities | 173 | 169 | \$2,519.99 | \$2,349.46 | 2.17% | 7.26% |
| Full-service restaurants | 638 | 688 | \$1,120.85 | \$1,039.85 | -7.22% | 7.79% |
| Limited-service restaurants | 631 | 542 | \$1,160.68 | \$1,182.40 | 16.41% | -1.84% |
| Beauty salons | 23 | 25 | \$2,452.83 | \$1,965.05 | -6.76% | 24.82% |
| Civic and social organizations | 17 | 13 | \$877.74 | \$811.15 | 25.00% | 8.21% |
| Other grain farming | 28 | 31 | \$3,249.71 | \$2,837.85 | -10.64% | 14.51% |
| Residential building construction | 22 | 19 | \$2,478.21 | \$2,293.43 | 17.86% | 8.06% |
| Poured concrete structure contractors | 29 | 18 | \$3,242.17 | \$3,003.70 | 62.96% | 7.94% |
| Masonry contractors | 35 | 32 | \$2,483.61 | \$2,148.83 | 10.53% | 15.58% |
| Roofing contractors | 24 | 16 | \$2,823.15 | \$3,278.81 | 47.92% | -13.90% |
| Site preparation contractors | 25 | 21 | \$2,469.11 | \$2,566.37 | 19.35% | -3.79% |
| Printing | 433 | 432 | \$4,086.12 | \$3,701.54 | 0.31% | 10.39% |
| Offices of real estate agents and brokers | 13 | 13 | \$2,581.32 | \$2,264.62 | -2.56% | 13.98% |
| Computer systems design and related services | 14 | 20 | \$7,503.79 | \$5,977.84 | -29.51% | 25.53% |
| Management consulting services | 33 | 28 | \$4,334.72 | \$3,953.77 | 17.86% | 9.63% |
| Management of companies and enterprises | 201 | 303 | \$6,369.77 | \$6,411.71 | -33.48% | -0.65% |
| Administration of economic programs | 12 | 13 | \$5,092.84 | \$5,289.38 | -7.50% | -3.72% |
| Justice, public order, and safety activities | 35 | 38 | \$3,909.74 | \$3,690.27 | -7.89% | 5.95% |
| Water, sewage and other systems | 12 | 13 | \$3,307.31 | \$3,021.59 | -7.69% | 9.46% |
| Cattle ranching and farming | 18 | 19 | \$3,446.28 | \$2,931.19 | -8.62% | 17.57% |
| Utility system construction | 89 | 90 | \$4,176.92 | \$3,848.87 | -0.74% | 8.52% |
| Other wood product manufacturing | 173 | 173 | \$5,068.97 | \$4,058.44 | 0.39% | 24.90% |
| Automobile dealers | 120 | 117 | \$3,596.49 | \$3,566.13 | 1.99% | 0.85% |
| Other motor vehicle dealers | 66 | 57 | \$4,366.14 | \$3,870.05 | 15.12% | 12.82% |
| Building material and supplies dealers | 206 | 182 | \$2,211.18 | \$2,096.46 | 13.21% | 5.47% |
| General freight trucking | 60 | 74 | \$3,599.43 | \$3,276.00 | -19.00% | 9.87% |
| Specialized freight trucking | 16 | 19 | \$3,066.91 | \$2,081.43 | -18.97% | 47.35% |
| Legal services | 88 | 80 | \$3,629.39 | \$3,340.28 | 9.96% | 8.66% |
| Fabricated metal product manufacturing | 469 | 427 | \$3,746.01 | \$3,737.90 | 9.91% | 0.22% |
| Machinery manufacturing | 105 | 90 | \$3,067.97 | \$3,197.36 | 17.10% | -4.05% |
| Death care services | 39 | 41 | \$1,933.74 | \$1,676.80 | -3.28% | 15.32% |
| Depository credit intermediation | 221 | 221 | \$4,065.29 | \$4,082.78 | 0.30% | -0.43% |
| Wood product manufacturing | 173 | 173 | \$5,068.97 | \$4,058.44 | 0.39% | 24.90% |

Source: Bureau of Labor Statistics

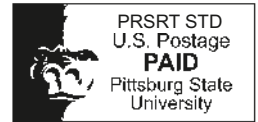


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