

1.0 Introduction

This preliminary findings report focuses on assessing Kansas' economic competitiveness in a number of areas, including economic performance, the foundation building blocks for a vibrant economy, and the economic development organizations of the state. The work is intended to follow upon the important *Redwood-Krider Executive Report: Basic Findings, Implications and Strategy* from 1986. That study was performed at a time of relative economic crisis in Kansas and put forth numerous strategic policy proposals implemented by the state legislature and by voters through the constitutional amendment process, including the formation of Kansas, Inc., the Kansas Department of Commerce & Housing (KDOC&H), and the Kansas Technology Enterprise Corporation (KTEC). The results of these preliminary findings are mixed, suggesting that while this is not a moment of crisis, there are some serious issues in the state. These include lagging population growth and labor shortages, the state's industrial mix, a lack of capital resources, rural and urban disparities, and economic development coordination.

This report is the first major step in the process of updating Kansas' economic development strategy. It outlines the strengths and weaknesses of the Kansas economy both in terms of recent performance and looks forward to how the state will perform in the knowledge economy. Section 2 focuses on the economic base of the state, examining trends at the national level, recent aggregate measures of economic activity, and an industry mix and performance analysis. Section 3 examines the foundation areas of Kansas compared to the U.S. and a group of regional competitor states. The foundation areas are human resources, technology and entrepreneurship, capital resources, infrastructure, tax and regulatory environment, and quality of life. In addition, Kansas is compared to two other states, North Carolina and Washington, to broaden the benchmarking analysis. Section 4 presents the initial institutional analysis, with a focus on KDOC&H, KTEC, and Kansas, Inc. It details the economic development organizations and programs in the state, their missions, their interaction with other agencies, and their successes and challenges. Finally, Section 5 provides a summation of the findings in the report and identifies significant Kansas economic development themes determined through local interviews and research.