

# 5.0 Summation of Findings and Major Themes

## ■ 5.1 Summation of Findings

### **Economic Trends**

Kansas has prospered during this recent period of economic expansion with rising employment, per capita income and low unemployment rates.

Underlying economic conditions, however, cause concern for the future. These concerns include labor shortages, a lack of industrial mix diversity, slow population growth, and uneven economic growth, suggesting that there is still work to be done to prepare Kansas for the 21<sup>st</sup> century economy.

### **Foundation Areas**

The degree of success in the foundation areas varies greatly:

1. Strong educational system, but not enough academic and workforce connections.
2. Mixed indicators for technology and entrepreneurship with fears that non-metro areas will be left behind.
3. Capital resource deficiency—both venture and traditional.
4. A well-networked highway system infused with substantial state revenues, partially to improve road conditions, and a growing telecommunications network with rural broadband access issues.
5. Fairly typical overall tax burdens but inconsistent tax treatment by industry and between existing, mature Kansas businesses and prospective businesses.
6. Solid quality of life but lingering issues of youth retention.

### **Institutional Analysis**

- KDOC&H is the largest of the economic development agencies in the state, with responsibility for diverse programs, such as international trade, tourism, agriculture, and housing. While focusing largely on traditional industries, their services appear to be utilized statewide.
- KTEC is also an important economic development agency in Kansas with an annual budget over \$15 million. Its mission is narrower than KDOC&H, attempting to help

develop high-tech firms in the state, utilizing financial and business assistance, from basic research to product delivery and marketing.

- Kansas, Inc. is responsible for economic development policy research and planning in the state, but has had a diverse role in the economic development arena over time. The organization is continually trying to balance and define its varied roles and interaction with the public and private sector.
- The capped EDIF funding structure, shown in Section 4.0, naturally creates competition between the three agencies.
- Other state agencies, such as transportation, revenue, and education, have direct impacts on the Kansas economy, but interaction and collaboration with the three economic development agencies is not fully realized.
- Perhaps the key issue in Kansas (and many other states) is the labor force. Despite initial efforts to combine activities at the Department of Human Resources and KDOC&H, increased coordination is needed, especially with the Board of Regents and Department of Education.
- In addition to the state agencies, there are other economic development entities such as regional- and county-based industrial development organizations, universities, industry organizations, etc. that play key roles in economic development statewide.

## ■ 5.2 Major Themes

Five major themes have been identified in this preliminary findings report:

- Labor force shortages, especially for high-skilled, technical workers. This is closely related to the statewide brain drain issue.
- Two Kansases: rural and urban—different strengths and challenges that may require different policy strategies to encourage development.
- Some areas of Kansas are ready for and increasingly connected to the high-tech, information-based economy (especially around universities), while other areas fear being left behind.
- The need for a regional approach to economic development, especially in rural areas of Kansas that face declining population trends.
- Kansas has a complex economic development system that includes multiple state agencies, a broad assortment of economic development programs, several associations, and many community and regional economic development entities located throughout the state. At the state level, there does not appear to be sufficient coordination between agencies involved in economic development (especially at the leadership level), or a cohesive plan to tie the state's education system with the state's business needs.