



Retail Trade Business Analysis
Wichita Metropolitan Statistical Area
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Background

Inflation-Adjusted Taxable Retail Sales within the Wichita MSA¹

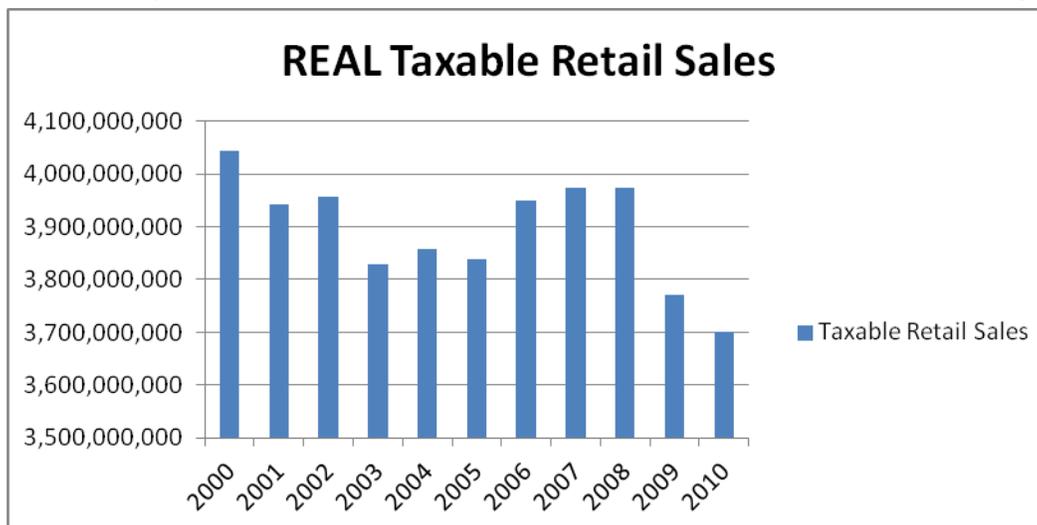
Taxable retail sales are a primary measure of the economic strength of consumer activity in the Wichita Metropolitan Statistical Area (Wichita MSA).

The inflation-adjusted taxable retail sales within Wichita declined 2.9 percent between 2001 and 2003 (Chart 1). This is indicative of the contraction the United States experienced in 2001. However, Wichita MSA retail sales experienced a delayed response to the recession of 2001.² Inflation-adjusted taxable retail sales fell 2.48 percent in 2001, grew 0.34 percent in 2002, and declined another 3.23 percent in 2003.

Retail sales took a significant hit during the Great Recession.³ Between 2008 and 2010, the inflation-adjusted taxable retail sales dropped from \$3,974,522,800 to \$3,700,883,846, representing a 6.88 percent decline. This recent recession had a greater impact on retail sales than the 2001 recession, and the recovery period was longer. For example, inflation-adjusted taxable retail sales fell 5.13 percent in 2009, the year the Great Recession ended. But, inflation-adjusted taxable retail sales gained 0.34 percent in 2002, the year following the 2001 recession.

The decline in taxable retail sales has had a considerable impact on the Wichita MSA. Not only have local and state coffers declined, leading to an increase in the sales tax rate, but local businesses have experienced lower sales volume.

Chart 1: Inflation-Adjusted Taxable Retail Sales within the Wichita MSA, 2000-2010 (annually)



¹ This section's data are from the Kansas Department of Revenue and aggregated by the Center for Economic Development and Business Research (CEDBR).

² The recession of 2001 occurred between March and November 2001.

³ The Great Recession began in December 2007 and ended in June 2009.

Data and Methodology

The National Establishment Time-Series (NETS) Database

The employment and sales data used in this article are from the National Establishment Time-Series (NETS) Database. The NETS Database, an establishment time series, was created by Walls & Associates using Dun and Bradstreet (D&B) data to assess the level of economic activity in the United States. This database was generated by using the Duns Marketing Information (DMI) file,⁴ which collected data for more than 41.7 million establishments between January 1990 and January 2009; the establishments are classified by their primary NAICS (North American Classification System) code. In addition, the NETS database was also formed by using other archival files, such as the Credit Rating file, which delivered “annual raw establishment data.” Table 1 offers an overview of the categories covered by the NETS database.

Table 1: NETS database categories

1. Business name, address and contact information
2. Headquarters linkage
3. Number of establishments related to each establishment in its final year
4. Years when business was active and year business started
5. Industry classification
6. Type of establishment
7. Employment at location and job growth relative to peers (3-digit SIC)
8. Estimated annual sales at the establishment and its sales growth relative to peers
9. D&B credit ratings and PayDex Scores
10. Special indicators: foreign-owned, import/export, government contracts, minority-owned, women-owned, and gender of officer

Source: Walls & Associates, *National Establishment Time-Series (NETS) Database: 2009 Database Description*, 2009.

According to the National Establishment Time-Series (NETS) Database, sales are generally self-reported by independent operating establishments. The NETS Database also states, “*For other establishments, firm-level or, when unavailable, industry sales per employee are used to estimate the establishment sales.*”

The NETS database is updated annually in the fall. Establishments are not deleted, even if they do not operate anymore; instead, their “last year” of operation is provided, and the company remains in the database.

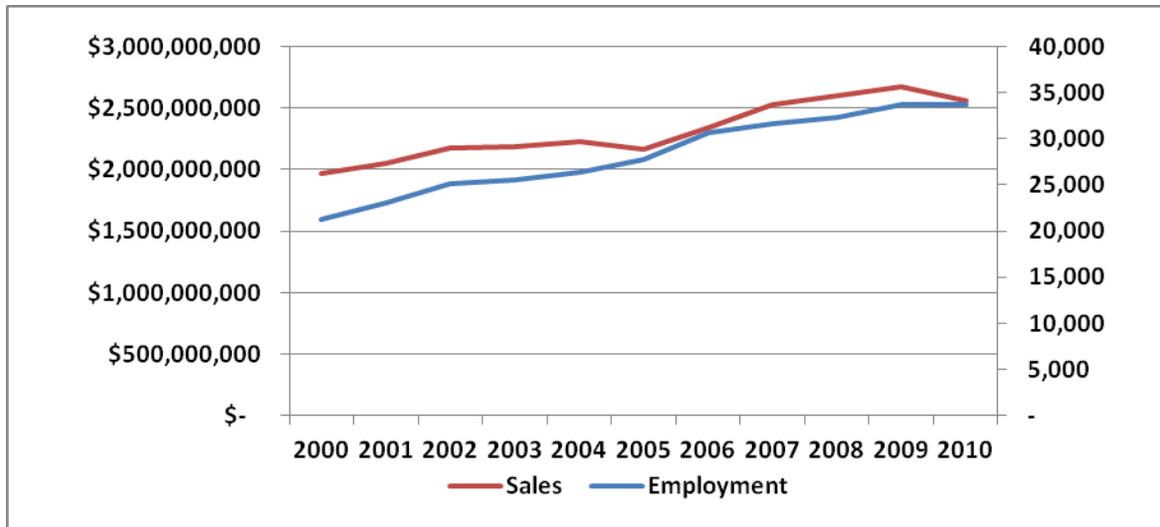
⁴ The report entitled “*National Establishment Time-Series (NETS) Database*” written by Walls & Associates in 2009 states, “*While there is no legal requirement for establishments to report to Dun and Bradstreet, there is a financial incentive for those activities that wish to get lines-of-credit with suppliers or financial institutions. In addition, Dun and Bradstreet — even without the help of the establishments themselves — has independent sources of information that allow it to develop relatively complete business lists. Nonetheless, one has to examine the NETS Database with the understanding that, while consistently reported, some establishments may avoid detection.*”

Although the combination of the D&B data with the DMI file aims at creating a comprehensive dataset, NETS does have natural flaws.

- Each record (by DUNS) contains a time series of data for employment and sales by city, state, zip code and Federal Information Processing Standard (FIPS) code. Therefore, Dun and Bradstreet assigns a North American Industry Classification System (NAICS) code to each record. Because of this, employment from NETS may or may not match employment by NAICS codes found at the Census Bureau or at the Bureau of Labor Statistics.
- Records are assigned NAICS codes based on their primary line of business. Therefore, some sectors may appear to be under or overrepresented.
- Incomplete data is frequent. For example, approximately 50 percent of all Kansas records did not contain a FIPS code or NAICS code.

The NETS database allows “the capacity to stratify and compare performance by regions, industries, size and age of business...” As an illustration, Chart 1 shows the relationship between sales and employment levels in the Wichita MSA. This relationship is found in many of the sectors to be discussed in the remainder of this article. When sales decrease or are expected to decrease, employment decreases as well. Employment and sales tend to move together. This relationship could be explained by the fact that “employers do not begin to lay off employees until there is recognition of decreased sales or decreased sales expectation”.⁵

Chart 1: Employment and Sales for the retail trade industry in the Wichita MSA, 2000-2010 (annually)



⁵ Source: Center for Economic Development and Business Research, The Unemployment Rate of Kansas, June 2011. This source also stated “increases in unemployment tend to lag recessionary periods. A recession is most commonly defined as two consecutive quarters of negative Gross Domestic Product (GDP) growth. Employers do not begin to lay off employees until there is recognition of decreased sales or decreased sales expectations.”

County Trade Pull Factor⁶

County officials, business owners, and investors use county trade pull factors to measure the strength of the current retail business environment. According to the Kansas Department of Revenue, the county trade pull factor *“is a location quotient of retail trade. It is a measure of the relative strength of the retail business community. The county trade pull factor is computed by dividing the per capita sales tax of a county by the statewide per capita sales tax.”*

The pull factor assesses the degree to which a retail sector in a county attracts customers from outside its borders. It evaluates sales activities and can highlight the changes in population, inflation, and the state economy. When the pull factor is higher than 1.0, the county is attracting customers from outside its boundaries. A pull factor of exactly 1.0 means the trade that is pulled in is offset by the trade that is lost. A pull factor less than 1.0 indicates that more customers are lost to competing markets than are pulled in.

Retail Trade Business Analysis for the Wichita MSA

County Level Analysis

The following sections will discuss the retail trade industry within the Wichita Metropolitan Statistical Area (MSA). The Wichita MSA is the largest metro area in the state of Kansas, and it includes four counties: Butler, Harvey, Sedgwick, and Sumner. This article examines the retail trade industry of each of these geographies.

The best performers designate the sectors registering the most employees and highest sales between 2000 and 2010. The slow movers are the sectors that registered the fewest employees and lowest sales between 2000 and 2010.

Butler County

Butler had 65,880⁷ people in 2010, which represents 2.31 percent of the Kansas population. The per capita income of Butler County (\$26,445⁸) is higher than the per capita income of Kansas (\$25,522⁹). In this section, slow movers are separated from the best performer sectors. Table 2 lists the sectors analyzed.

The Butler county pull factor was 0.70 in 2009; that is to say, it is smaller than 1.0. As a result, the balance of trade of the county is not favorable. Butler County is losing customers to other counties.

⁶ Source: The 2009 trade pull factor data of each county can be retrieved at the Kansas Department of Revenue Website.

⁷ Source: U.S. Census Bureau, 2011.

⁸ “Per capita money income in past 12 months (2009 dollars) 2005-2009,” Source: U.S. Census Bureau, 2011.

⁹ “Per capita money income in past 12 months (2009 dollars) 2005-2009,” Source: U.S. Census Bureau, 2011.

The sectors with the most stores are sporting goods (23 stores) and gift, novelty, and souvenirs (23 stores). Although these sectors have the most stores, they did not employ the most individuals or have the highest sales. Convenience stores, beer, wine, and liquor stores, and used car dealers also had a significant number of establishments (20 stores). In addition, the convenience store sector was one of the top four employers. The discount department stores sector (3 stores) employed the largest number of employees (323 employees) in 2010; nonetheless, the new car dealers sector had the highest sales in 2010 (\$38,870,300).

Table 2: Employment and Sales by North American Classification System (NAICS) code, 2010

Sector	Employment	Sales	Number of Stores
Discount Department Stores	323	\$ 26,577,118	3
Supermarkets and Other Grocery (except Convenience) Stores	243	\$ 19,176,700	19
New Car Dealers	140	\$ 38,870,300	11
Convenience Stores	112	\$ 5,994,332	20
Beer, Wine, and Liquor Stores	70	\$ 4,204,058	20
Used Car Dealers	59	\$ 4,935,017	20
Sporting Goods Stores	46	\$ 1,478,336	23
Gift, Novelty, and Souvenir Stores	46	\$ 997,634	23
Other Building Material Dealers	3	\$ 68,790	2
All Other Health and Personal Care Stores	3	\$ 152,254	2
Other Clothing Stores	3	\$ 68,790	2
Book Stores	3	\$ 63,286	2
Department Stores	3	\$ 76,357	1
Clothing Accessory Stores	2	\$ 45,860	2
Musical Instrument and Supply Stores	2	\$ 76,448	1

Source: NETS Database, 2010.

Best Performers

The data indicate that discount department stores, supermarkets and other grocery (except convenience) stores, new car dealers, and convenience stores are the best performers in terms of job creation between 2000 and 2010. As a whole, they have created an average of at least 100 jobs per year between 2000 and 2010. These best performing sectors had between 3 and 20 stores. All the other sectors of the retail trade industry in Butler County, which represent 93.5 percent of the industry, created on average, less than 66.8 jobs per year during the ten-year time period.

- Discount Department Stores (452112): Three stores
 - The discount department store employment increased from 320 jobs in 2001 to 323 in 2003, then it remained stable between 2003 and 2010.
 - Sales increased from \$26,434,782.61 in 2001 to \$27,770,652.17 in 2003. During the Great Recession, sales of this sector decreased a mere 0.61 percent. The decline continued in 2010 when sales reached \$26,577,117.80.

- According to an article written by Investopedia, the discount department store sector is one of the industries that thrive on recessionary periods. As incomes decline people tend to go to stores that offer a higher quantity at a lower price.
- Supermarkets and Other Grocery (except Convenience) Stores (445110): 19 stores
 - Three additional employees were hired in 2001, and 175 were hired in 2002. From 2007 to 2009, this sector increased its employment level by 22.1 percent.
 - Even though sales decreased 3.21 percent between 2000 and 2001 and 16.43 percent between 2002 and 2003, sales went up by 24.25 percent during the 2007-2009 period.
- New Car Dealers (441110): 11 stores
 - Employment increased from 122 in 2001 to 129 in 2002 and 151 in 2003. However, the employment level remained at 140 from the beginning of the Great Recession to 2010.
 - Between 2001 and 2003, sales decreased by 9.43 percent. Sales for new car dealers declined 7.40 percent between 2007 and 2010.
- Convenience Stores (445120): 20 stores
 - Employment decreased from 92 in 2001 to 91 in 2003. The number of employees increased by nine between 2007 and 2009. In 2010, the sector employed 112 individuals.
 - The sales level was not seriously affected by the last two recessions. Sales decreased 0.27 percent between 2001 and 2003 and decreased 0.81 percent between 2007 and 2009. In 2010, the sector registered \$5,994,331.73 in sales.

Slow Movers

According to the NETS database, the following sectors have the smallest number of employees: other building material dealers, all other health and personal care stores, other clothing stores, book stores, department stores, clothing accessories, and musical instruments and supplies. Over 10 years, each created an average of three or fewer jobs per year. More than half of these sectors started hiring in or after 2003. Each of these sectors has two or fewer stores.

- Other Building Material Dealers (444190): Two stores
 - In 2003, the year this sector was registered for the first time in the NETS database, the industry had two employees. Employment increased to three in 2007. The number of employees remained at this level during the Great Recession.
 - This sector started with \$53,260.87 in sales in 2003. The sales went to \$69,918.01 in 2009 from \$72,344.24 in 2007. The sales kept declining to \$68,789.67 in 2010.
- All Other Health and Personal Care Stores (446199): Two stores
 - Employment increased from one employee in 2000 to three in 2010. Although one employee was lost in 2002, the number of jobs stayed the same between 2002 and 2010.
 - Sales data from the NETS database indicate that sales were negatively impacted in 2002 and 2003 — retail sales dropped 22.91 percent between 2001 and 2003. A loss of \$4,405.47 in sales occurred between 2007 and 2009.
- Other Clothing Stores (448190): Two stores

- The number of employees increased from two in 2001 to three in 2002. That employment level remained the same through 2010.
- Sales increased 29.91 percent between 2001 (\$82,834.56) and 2003 (\$107,608.70). Between 2007 and 2010, sales declined 4.91 percent.
- Book Stores (451211): Two stores
 - This sector started to register employees in the NETS database in 2007, with one employee. The number of employees rose to four in 2008. One employee was lost in 2009.
 - Sales increased to \$85,460.96 in 2008 from \$22,185.57 in 2007. Sales started to decline in 2009 and 2010 when sales were \$64,324.57 and \$63,286.50 respectively.
- Department Stores (45211): One store
 - The NETS database first registered this sector in 2006 with two employees. The number of workers rose to three in 2008. It stayed the same until 2010.
 - Sales declined between 2008 (\$87,086.57) and 2009 (\$77,608.99).
- Clothing Accessories Stores (448150): Two stores
 - Based on the primary NAICS, this sector did not employ any individuals until 2006 when there was one employee. One additional employee was hired in 2007. The level of employment stayed the same until 2010.
 - Compared to the 2007 data, sales declined somewhat the following years; they decreased 3.35 percent between 2007 (\$48,229.50) and 2009 (\$46,612.01) and then decreased to \$45,859.78 in 2010.
- Musical Instrument and Supplies Stores (451140): One store
 - The sector employed one individual between 2000 and 2008. In 2009, two additional employees were hired.
 - Sales in this sector fell continuously between 2000 and 2008. Sales increased from \$38,039.41 in 2008 to \$77,702.21 in 2009.

Recession Periods

The 2001 recession began in March and ended in November 2001. In 2002, employment and sales rose 21.48 percent and 15.02 percent, respectively. The recession impacted 2003 retail trade employment and sales. The number of jobs in the industry declined 1.95 percent that year. In addition, sales for the industry decreased 2.20 percent.

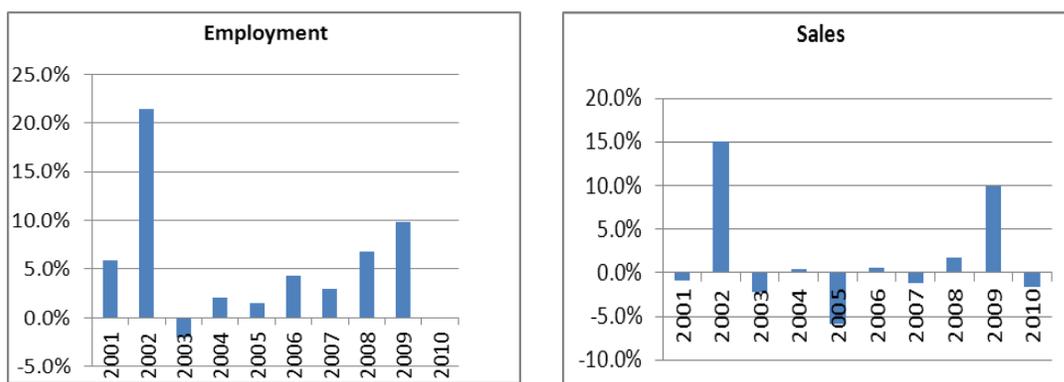
The Great Recession did not appear to have an effect on the retail trade industry. The number of employees went from 1,847 in 2007 to 2,166 jobs in 2009. In addition, between 2007 and 2009, sales increased from \$119,383,153.92 to \$133,600,525.78. By 2010, sales declined to \$131,444,472.98.

Several retail trade sectors in Butler County saw employment levels increase or remain constant during the 2007-2009 recessionary period. The willingness of the unemployed to take positions below their skill level could explain this fact. Also, there is a possibility that retailers reduced hours for employees instead of laying off.

The economic recovery period following the recession of 2001 was faster than the recovery period of the Great Recession. Retail trade employment was affected by the 2001 recession primarily in 2003 when it went from 1,691 employees to 1,658 employees. In 2004, the employment level (1,693) was higher than the employment level of 2001 (1,392).

Sales declined in 2001 by 0.93 percent. Sales also declined in 2003 (\$127,191,498.91), but 2003's sales were higher than their pre-recession level (\$113,062,500.85 in 2001).

Charts 2 and 3: Butler County Sales and Employment Growth Change from 2001 to 2010



Harvey County

The following section studies the NETS dataset regarding employment and sales for Harvey County. Harvey County represents 1.22 percent (34,684¹⁰) of the Kansas population. Harvey County's per capita income was \$23,023 in 2009. This was \$2,499 less than the Kansas per capita income in 2009.¹¹ This segment studies slow movers and the best performing sectors in the retail industry of the county (Table 3) and provides an overview of the two most recent recessions.

According to the 2009 data, some of Harvey County customers were lost to competing markets in other counties, as determined by the Harvey County trade pull factor of 0.78.

The sectors with the highest number of stores are all other miscellaneous store retailers (except tobacco stores) (20 stores); used merchandise stores (14 stores); gift, novelty, and souvenirs stores (12 stores, and used car dealers (12 stores). Although those sectors had the highest number of stores, they did not hire the most workers since they offered, on average, between 25 and 31 jobs per year. The sales accumulated by the preceding sectors were above average — they accumulated between \$7,212,597.56 and \$47,552,536.64 between 2000 and 2010. The discount department stores sector created the largest number of jobs and amount of sales in 2010.

¹⁰ Source: U.S. Census Bureau, 2011.

¹¹ "Per capita money income in past 12 months (2009 dollars) 2005-2009," Source: U.S. Census Bureau.

Table 3: Employment and Sales by North American Classification System (NAICS) code, 2010

Sector	Employment	Sales	Number of Stores
Discount Department Stores	505	\$ 36,064,130	3
Supermarkets and Other Grocery (Except Convenience) Store	173	\$ 9,241,250	11
Other Gasoline Stations	137	\$ 8,575,779	5
New Car Dealers	119	\$ 21,835,996	8
Hardware Stores	53	\$ 131,847	7
Used Car Dealers	38	\$ 3,790,173	12
All Other Miscellaneous Store Retailers (except Tobacco Stores)	36	\$ 1,262,393	20
Used Merchandise Stores	32	\$ 710,227	14
Gift, Novelty, and Souvenir Stores	31	\$ 692,070	12
Vending Machine Operators	5	\$ 137,579	3
Camera and Photographic Supply Stores	3	\$ 131,847	1
Department Stores (Except Discount Department Stores)	3	\$ 89,427	1
Prerecorded Tape, Compact Disc, and Record Stores	2	\$ 44,025	1
Meat Markets	1	\$ 45,860	1
Pet and Pet Supply Stores	1	\$ 22,930	1

Source: NETS Database, 2010.

Best Performers

The retail sectors with the largest employment level in Harvey County are the following: discount department stores, supermarkets and other grocery (except convenience) stores, other gasoline stations, new car dealers, and hardware stores. These sectors employed, on average, more than 50 employees between 2000 and 2010. Each sector had between 3 and 11 stores.

- Discount Department Stores (452112): Three stores
 - With an average of 418.64 employees per year between 2000 and 2010, the sector of discount department stores is the biggest employer in Harvey County. This sector employed 315 workers in 2000. The employment level remained constant until 2010.
 - Sales of discount department stores slowed from \$22,822,706.16 in 2000 to \$21,619,424.05 in 2001 and \$21,607,448.58 in 2002. Sales went up by \$232,714.46 in 2003. During the initial stages of the Great Recession, sales increased 0.43 percent; nonetheless, they decreased 1.61 percent between 2009 and 2010. The discount department store was not only the biggest employer, but also highest sales in the area during the 10-year time period.
- Supermarkets and Other Grocery (except convenience) Stores (445110): 11 stores
 - The employment level increased by 67.1 percent during the recovery period of the 2001 recession (2002-2004). From 2007 to 2009, six new employees were added to the labor force. In 2010, the employment level did not change.

- Sales rose 70.8 percent during the recovery period of the 2001 recession (2002-2004). The recent recession pulled sales down 1.06 percent from 2007 to 2009 and, sales also fell in 2010 by 1.61 percent. This sector recorded one of the largest sales amounts in the area.
- Other Gasoline Stations (447190): Five stores
 - The employment level decreased from 2001 (143 employees) to 2002 (139 employees). During the Great Recession, one employee was lost.
 - Between 2000 and 2001, sales declined by \$36,326.91. During the Great Recession, sales fell 14.21 percent. Despite the declining sales in recent years, the sector of other gasoline stations has provided one of the largest sales records (\$110,098,373.19) during the 10-year time period in Harvey County.
- New Car Dealers (441110): Eight stores
 - Employment increased by one employee between 2000 and 2001. The sector hired two additional employees in 2007 (119 employees). Employment remained constant during and after the Great Recession.
 - Sales decreased 2.19 percent between 2000 and 2001. New car dealer's sales continued to decline from \$30,003,501.95 in 2002 to \$21,835,996.26 in 2010. Sales decreased 9.17 percent during the Great Recession. The new car dealers sector recorded the second largest amount of sales in the county between 2000 and 2010.
- Hardware Stores (444130): Seven stores
 - The number of employees increased from 48 in 2001 to 50 in 2002. An increased expectation for future sales could explain the increase. Between 2007 and 2009, four extra employees were hired.
 - Despite the decrease in sales between 2001 (\$2,342,736.31) and 2002 (\$2,332,232.35), sales went up to \$2,358,035.87 in 2003. Sales went down by 1.59 percent during the recent recession and continued to decline in 2010.

Slow Movers

Vending machine operators, camera and photographic supply stores, department stores (except discount department stores), prerecorded tape, compact disc, and record stores, meat markets, and pet and pet supply stores are the sectors that employed the least number of people in Harvey County between 2000 and 2010, based on the NETS dataset. They employed, on average, less than 3.2 employees during the 10-year time period. The vending machine operators sector had three stores; the other sectors had only one. The meat market sector was the only sector that had employees and sales reported in 2000; the other sectors were first registered in the NETS database in or after 2001.

- Vending Machine Operators (454210): Three stores
 - This sector was first registered in the NETS database in 2006. There were two employees from 2006 through 2008. In 2009, three additional employees were hired. The employment level remained at five in 2010.

- Sales decreased from \$60,286.87 in 2007 to \$56,664.33 in 2008. In 2009, sales suddenly increased 146.78 percent. Sales declined to \$137,579.34 in 2010. This sector had relatively low sales in the county.
- Camera and Photographic Supply Stores (443130): One store
 - This sector had records in the NETS database in 2002, with four employees. Employment declined between 2002 and 2003. During the Great Recession, the employment level stayed constant (three employees).
 - This sector started with \$222,345.75 in sales in 2002. Sales figures declined between 2002 and 2003 when the sector's sales were cut by approximately 50 percent. Sales decreased by 1.59 percent during the recent financial crisis.
- Department Stores (Except Discount Department Stores) (452111): One store
 - In 2005 department stores were recorded for the first time in the NETS database, with three employees at that time. The employment level stayed the same until 2010.
 - Sales continued decreasing between 2006 (\$104,166.67) and 2010 (\$89,426.57), excluding the 1.86 percent gain in 2007. This sector was deeply affected by the last recession when sales fell 14.34 percent between 2007 and 2009.
- Prerecorded Tape, Compact Disc, and Record Stores (451220): One store
 - This sector was first registered in the NETS database in 2009, with two employees. The employment level stayed at two in 2010.
 - In 2009, the sector generated \$44,747.53 in sales. The sales decreased to \$44,025.39 in 2010.
- Meat Markets (445210): One store
 - The number of employees (one employee) remained stable during the 10-year time period. With one employee per year between 2000 and 2010, this sector is one of the smallest employers in Harvey County.
 - Meat market sector sales declined 27.81 percent between 2001 and 2010, excluding a slight rebound of 0.36 percent in 2009. The impact of the 2001 recession on the meat market sector was larger than the impact of the 2007-2009 recession; sales decreased 12.5 percent between 2000 and 2001 and 3.35 percent between 2007 and 2009.
- Pet and Pet Supply Stores (453910): One store
 - The NETS database recorded the pet and pet supply stores sector in 2008, with one employee. During and after the last crisis, the number of employees stayed unchanged. Consequently, the pet and pet supply stores sector is one of the smallest employers in Harvey County.
 - The NETS database recorded the pet and pet supply stores sector in 2008, with \$23,223.09 in sales. During the Great Recession, sales rose very slightly, 0.36 percent. In 2010, sales were about \$22,929.89. Pet and pet supply stores accumulated \$69,458.98 in sales between 2008 and 2010.

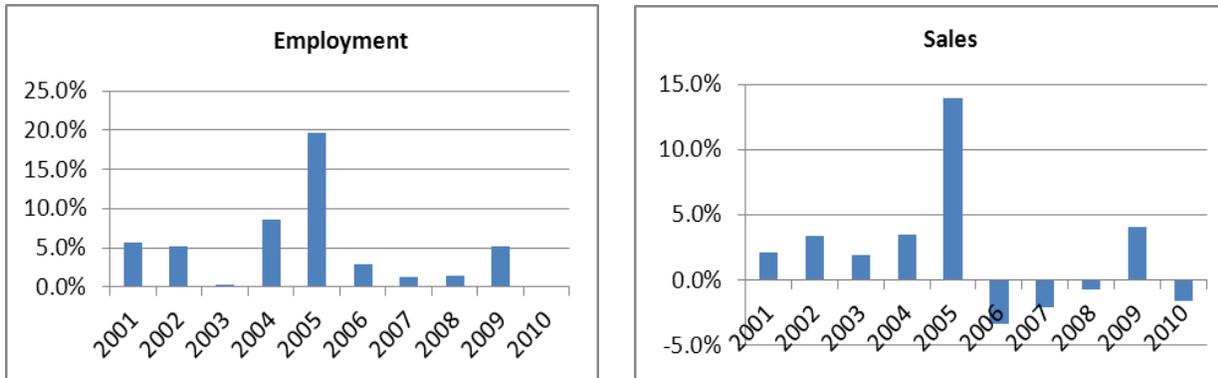
Recession Periods

The impact of the recession of 2001 was notable in 2003. Employment rose 5.62 percent in 2001 and 5.16 percent in 2002; but it slowed to 0.30 percent growth in 2003. Similarly, sales increased 2.09 percent in 2001, 3.42 percent in 2002, and 1.89 percent in 2003.

The retail industry's employment level in Harvey County was not severely affected by the Great Recession. In 2007, employment slowed by 1.27 percent (compared to 2006 data), but employment rose 6.57 percent between 2007 and 2009. No one was hired in 2010. Unlike the employment level, sales were seriously affected during the Great Recession. Sales decreased 2.03 percent in 2007, and 0.73 percent in 2008. In 2009, most of the retail trade sectors saw an improvement in their sales level. Sales declined 1.61 percent in 2010.

The economic recovery period following the recession of 2001 was faster than the recovery of the Great Recession. In fact, 66 additional jobs were created between 2001 and 2002 and 120 extra jobs between 2002 and 2004. But, no additional jobs were created between 2009 and 2010. Also, as already noted, sales stayed positive during the recovery period after the 2001 recession, increasing 5.43 percent between 2002 and 2004. However, sales growth was negative in 2010, decreasing 1.61 percent from 2009. The data indicates that the most recent recession had a larger impact on sales than the 2001 recession.

Charts 5 and 6: Harvey County Employment and Sales Growth Change from 2001 to 2010



Sedgwick County

Sedgwick County accounted for 17.47 percent of the Kansas population in 2010, and its per capita income was \$25,241.00. Table 4 below presents the sectors which will be analyzed based on employment and sales data (Chart 7 and 8).

The Sedgwick County trade pull factor indicates that customers from outside the county boundaries are being pulled in. The Sedgwick County trade pull factor, which is 1.15, is the highest in the Wichita MSA. This result is explained, in part, by the central position of Sedgwick County in the Wichita MSA. Sedgwick

County represents 80 percent¹² of the MSA population. It also has the highest concentration of employers in the Wichita MSA, which helps to secure its high pull factor. This allows the county to benefit from worker wages, whether the workers live in the area or not. Employees tend to shop where they work.

Used car dealers and all other miscellaneous store retailers (except tobacco stores) have 174 and 218 stores, respectively. They are, therefore, the sectors with the largest number of stores. But, these two sectors did not employ the most individuals or have the highest sales — they hired an average of 660 employees per year and produced less than \$100,000,000 in sales in 2010. Discount department stores offered the most jobs per year; the sector of new car dealers accumulated the highest sales during the 10-year time period.

Table 4: Employment and Sales by North American Classification System (NAICS) code, 2010

Sector	Employment	Sales	Number of Stores
Discount Department Stores	3,021	\$ 234,429,320.91	21
Supermarket and Other Grocery (except Convenience) Stores	2,404	\$ 134,604,740.07	110
New Car Dealers	2,203	\$ 455,146,194.56	76
Building Material and Supply Stores	1,791	\$ 154,695,384.21	102
Used Car Dealers	709	\$ 56,580,630.66	174
All Other Miscellaneous Store Retailers (except Tobacco Stores)	687	\$ 30,246,347.27	218
All Other Motor Vehicle Dealers	583	\$ 49,440,373.12	43
Fruits and Vegetable Markets	14	\$ 401,273.07	4
News Dealers and Newsstands	9	\$ 271,719.19	3
Luggage and Leather Goods	8	\$ 282,908.98	4
Fish and Seafood Markets	2	\$ 91,398.54	1
Other Fuel Dealers	2	\$ 64,203.69	1

Source: NETS Database, 2010.

Best Performers

The sectors of discount department stores, other grocery stores, new car dealers, building materials and supply stores, and all other motor vehicle dealers are the largest employers and had the highest sales in Sedgwick County. The sectors employed at least 730 employees per year between 2000 and 2010. They have collected a total of \$2,167,116,303.68 in sales during the same time period.

- Discount Department Stores (452112): 21 stores
 - The 2001 recession principally affected the discount department store sector when 80 employees were lost. In 2003, 70 workers were added. The growth for employment was significant in 2008 and 2009, when 728 additional employees were hired.

¹² Source: Wichita Metro Chamber of Commerce’s website: <http://www.wichitakansas.org>.

- Sales dropped to \$184,415,245.62 in 2001 from \$199,543,844.37 in 2000. In 2003, sales (\$199,512,608.70) nearly achieved their pre-recession level. Sales growth was significant in 2008 and 2009, with increases of \$179,852,579.85 to \$238,274,609.97. Sales decreased in 2010 to \$234,429,320.91.
- Supermarkets and Other Grocery (except Convenience) Stores (445110): 110 stores
 - Supermarkets and other grocery stores were impacted by the recession in 2003. Employment increased from 2,032 in 2000 to 2,079 in 2001. But, 218 employees were excused in 2003. The sector hired 109 new workers during the last recession. In 2010, employment remained at 2,404.
 - The decrease in sales was minor (0.25 percent) between 2000 and 2001. Sales fell to \$126,778,672.28 in 2003 from \$146,646,470.92 in 2001. The Great Recession affected 2007's sales, which diminished by 3.54 percent between 2006 and 2007. Nevertheless, they rose between 2008 and 2009 from \$134,346,252.49 to \$136,812,629.99. In 2010, sales dropped to \$134,604,740.07.
- New Car Dealers (441110): 76 stores
 - The employment level declined in 2002 when 19 employees were lost. The employment level rose from 2,140 in 2007 to 2,203 in 2009.
 - New car dealers' sales were affected by the 2001 recession; sales increased by \$1,869,674.52 between 2001 and 2002, but they decreased by \$7,210,639.31 between 2002 and 2003. The sales increased 5.17 percent between 2007 (\$439,875,874.640) and 2009 (\$462,611,850.64).
- Building Materials and Supply Stores (4441): 102 stores
 - The NETS database indicates that in 2000 the building materials and supply stores employed 875 workers. The 2001 recession did not severely impact this sector. Employment rose to 1,266 employees in 2001. The employment level was at 1,310 in 2002 and 1,321 in 2003. The sector employed an additional 85 workers between 2007 and 2009.
 - The NETS database indicates that in 2000 the building materials and supply stores had \$81,559,598.72 in sales. The 2001 recession did not severely impact this sector since sales kept rising during the recession to \$119,393,072.84 in 2001. Sales were estimated at \$119,435,336.85 in 2002 and \$123,415,427.17 in 2003. During the Great Recession sales totaled \$166,355,522.28 in 2007 and \$157,232,816.25 in 2009. In 2010, sales decreased, but were still above 2006 sales levels.
- All Other Motor Vehicle Dealers (441229): 43 stores
 - One employee was lost in 2002. The sector lost 614 workers between 2008 and 2010.
 - Sales of the all other motor vehicle dealers sector increased 4.02 percent between 2000 and 2001 and 5.79 percent between 2001 and 2002. In 2003, sales fell to \$48,491,630.43. Although sales declined in 2003, they did remain above 2001 levels. By 2008, with the Great Recession in full swing, the sector experienced a decline of \$37,254,920.83 in sales and another decline of \$59,342,914.31 in 2009. Sales decreased to \$49,440,373.12 in 2010.

Slow Movers

The NETS database's sales and employment levels indicate that the following sectors employed the fewest people: fruit and vegetable markets, news dealers and newsstands, luggage and leather goods, fish and seafood markets, and other fuel dealers. On average, they employed 4.62 employees per year between 2000 and 2010. Each of these sectors also collected less than \$3,500,000.00 annually in sales during the 10-year time period. Each sector has four or fewer establishments.

- Fruit and Vegetable Markets (445230): Four stores
 - The NETS database indicates that the fruit and vegetable markets registered four employees in 2000. The number of employees stayed constant until 2008. Employment increased to 14 between 2008 and 2009.
 - The NETS database indicates that fruit and vegetable markets registered \$217,770.03 in sales in 2000. Sales decreased 15.7 percent between 2000 and 2001. From 2007 (\$123,805.11) to 2009 (\$407,855.06) sales more than tripled. In 2010, sales decreased to \$401,273.07.
- News Dealers and Newsstands (451212): Three stores
 - Between 2000 and 2007, this sector employed five workers per year. The number of workers increased to nine in 2008. Employment remained at nine through 2010.
 - Between 2002 (\$199,110.62) and 2003 (\$181,141.30), the news dealers and newsstands' sales decreased. This sector gained \$11,183.44 in sales in 2007, \$127,959.85 in 2008, but it experienced a loss of \$2,500.89 in sales in 2009. In 2010, sales were at \$271,719.19.
- Luggage and Leather Goods (448320): Four stores
 - Employment rose to eight in 2002. The employment level remained at eight until 2010.
 - Sales decreased from \$215,737.51 in 2000 to \$209,768.49 in 2001. Sales rose in 2002 (\$375,986.66), but began declining in 2003 (\$316,902.17), and continued decreasing until 2010. During the Great Recession, sales dropped 2.63 percent. In 2010, the sales were at \$282,908.98.
- Fish and Seafood Markets (445220): One store
 - In 2000, the fish and seafood markets registered two employees. The number of employees remained the same until 2010. With only two employees annually during the 10-year time period, the fish and seafood market sector is among the smallest employers in Sedgwick County.
 - Sales declined \$17,731.47 in 2001, \$1,757.67 in 2002, and \$2,477.22 in 2003. Sales increased by 5.08 percent between 2007 (\$88,404.66) and 2009 (\$92,897.73).
- Other Fuel Dealers (454319): One store
 - With two employees per year from 2000 to 2010, this sector is one of the smallest employers.
 - Other fuel dealers' sales decreased \$3,213.47 in 2001, \$1,757.67 in 2002, and \$2,477.22 in 2003. This sector generated the lowest sales (\$995,080.80) in the county in the 10-year analysis period.

Recession Periods

The recession of 2001 started to directly impact the retail trade industry of Sedgwick County in 2003 when employment growth slowed to 1.53 percent, and sales growth slowed to 0.38 percent.

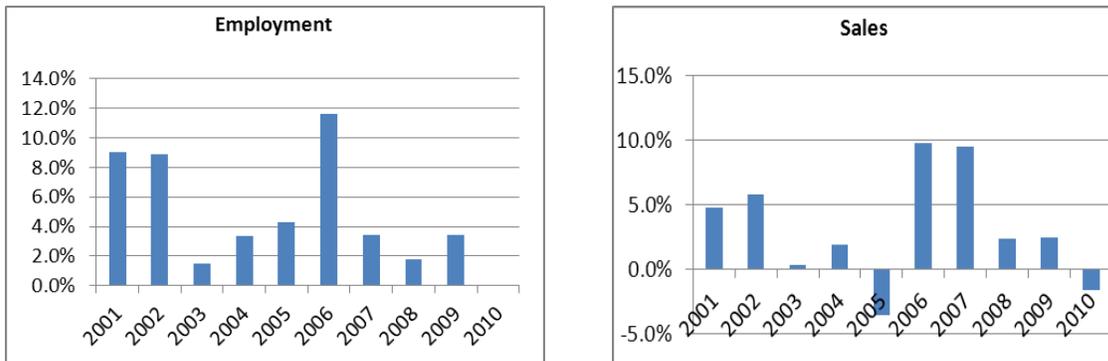
During the Great Recession, growth of the retail employment level in Sedgwick County slowed down. Compared to the retail employment growth of 2006 (11.62 percent), the growth of 2007 (3.40 percent) was three times lower, according to NETS data. The slowest growth period for retail employment was 2008, with growth of only 1.75 percent. Employment improved in 2009 when 942 employees were hired.

From 2006 (\$2,036,207,290.67) to 2007 (\$2,230,112,932.26) sales growth slightly decreased. The decline was the most significant in 2008 when sales declined 2.40 percent. In 2009, sales began to rebound, growing 2.47 percent.

For both employment and sales, 2008 was a sluggish year. Improvement was seen in the retail sector in 2009. The recovery period did not hold. No new workers were hired in 2010; the retail trade industry also lost \$37,764,243.39 in sales that year.

As the data indicates, the recovery period of the 2001 recession had better results than the recovery period of the 2007-2009 recession.

Chart 7 and 8: Sedgwick County Employment and Sales Growth Change from 2001 to 2010



Sumner County

Sumner County had 24,132 people, or 0.85 percent of the Kansas population, in 2010. Its per capita income was \$23,740 in 2009, or \$1,782 less than the state per capita income. The retail sectors that performed well, and those that performed poorly, between 2000 and 2010 are described in this section.

The sectors with the highest number of stores are convenience stores (12 stores), supermarkets and other grocery (except convenience) stores (12 stores), used merchandise stores (15 stores), and all other

miscellaneous store retailers (except tobacco stores) (19 stores). Supermarkets and other grocery stores also had one of the largest numbers of employees and generated substantial sales. The used merchandise store sector employed a significant number of individuals, but the accumulated sales were quite low. The sector of all other miscellaneous store retailers did not employ the most individuals or have the highest sales. The discount department store sector was the main employer and produced the most sales in Sumner County.

The Sumner County trade pull factor is the smallest of all the counties in the Wichita MSA, with a value of 0.52. This indicates that the county has a significant outflow of local dollars.

Table 5: Employment and Sales by North American Classification System (NAICS) code, 2010

Sector	Employment	Sales	Number of Stores
Discount Department Stores	250	\$ 20,682,760.39	1
Convenience Stores	158	\$ 7,323,439.85	12
Supermarket and Other Grocery (except convenience) Stores	155	\$ 8,264,941.12	12
Used Merchandise Stores	79	\$ 1,744,781.16	15
All Other Miscellaneous Store Retailers (except Tobacco Stores)	30	\$ 1,074,540.49	19
All Other Motor Vehicle Dealers	2	\$ 596,177.13	1
Heating Oil Dealers	2	\$ 183,439.12	1
Optical Goods Stores	1	\$ 38,201.20	1
Recreational Vehicle Dealers	1	\$ 25,085.30	1
Confectionery and Nut Stores	1	\$ 18,343.91	1
Sewing, Needlework, and Piece Goods Stores	1	\$ 16,509.52	1

Source: NETS Database, 2001.

Best Performers

The discount department stores, convenience stores, supermarkets and other grocery stores, and used merchandise stores had the highest number of employees and sales from 2000 to 2010. These sectors had at least 58 employees per year and average sales of \$82,068,861.71 per year. They also had between one and 15 stores.

- Discount Department Stores (452112): One Store
 - The employment level was at 120 employees between 2000 and 2007. An additional 130 employees were hired in 2008. The employment did not change from 2008 to 2010.
 - The effects of the 2001 recession were greatest in 2001 and 2003 when sales dropped 7.02 and 0.03 percent, respectively. Contrary to the 2001 recession, the Great Recession was very profitable for the discount department stores sector. A particularly great year for the sector was 2008 when sales jumped to \$21,307,181.04 from \$10,151,344.16 in 2007. Sales declined a mere 1.34 percent at the end of the recession in 2009. The sector experienced an increase of \$339,254.46 in sales in 2010. The discount department

stores sector accounted for the highest sales (\$146,336,450.09) between 2000 and 2010.

- Convenience Stores (445120): 12 Stores
 - The employment level went from 136 in 2001 to 134 in 2002. Employment stayed the same in 2003. The convenience stores sector hired 11 employees during the Great Recession. The employment level was unchanged in 2010.
 - Similar to the preceding sector (supermarkets and other grocery stores), convenience stores saw a decline of \$328,233.096 in sales in 2001. Sales fell to \$8,025,458.59 in 2002 and dropped to \$7,899,456.52 in 2003. The year 2007 also exhibited weakness, with sales falling to \$7,167,867.58. Sales increased to \$7,403,333.91 in 2008 and \$7,443,564.51 in 2009. Sales slightly decreased (1.61 percent) in 2010.
- Supermarkets and Other Grocery (except Convenience) Stores (445110): 12 Stores
 - The supermarkets and other grocery stores' employment increased from 135 workers in 2001 to 137 in 2003. Employment also increased during the recent financial crisis when nine additional employees were hired between 2007 and 2009. The employment level remained constant between 2009 and 2010 (155 employees).
 - In 2001, sales declined \$130,089.07, another \$242,091.12 in 2002, and \$75,089.57 in 2003. In 2007, sales decreased 3.94 percent. Sales increased in 2008 (\$8,186,695.03) and 2009 (\$8,400,509.00). In 2010, sales decreased 1.61 percent.
- Used Merchandise Stores (453310): 15 Stores
 - The employment level increased from 21 to 25 employees between 2000 and 2001, and most importantly, from 25 to 77 between 2003 and 2004. Employment increased to 78 in 2008 and to 79 in 2009. After the recession in 2010, employment did not change (79 employees).
 - Although the sales increased by 18.99 percent between 2000 and 2001, they decreased by more than 10 percent from 2001 to 2002 and from 2002 to 2003. During the Great Recession, \$192,075.80 were lost in sales. The loss continued in 2010 by \$28,619.24.

Slow Movers

The following sectors have a small employment level, and most of them have low sales: all other motor vehicle dealers, heating oil dealers, recreational vehicle dealers, confectionery and nut stores, optical goods stores, and sewing, needlework, and piece goods stores. They all employ less than two workers on average per year and have only one store in Sumner County. Three of them were registered in the NETS database in 2001 or later.

- All Other Motor Vehicle Dealers (441229): One Store
 - Employment was cut down from two workers in 2002 to one in 2003, but increased to two in 2004. Employment remained the same between 2004 and 2010 (two employees).
 - This sector's sales fell from \$224,970.96 in 2000 to \$218,753.25 in 2001. Sales kept decreasing in 2002 (\$215,348.53). Sales recovered in 2003 when the level grew to \$409,829.35. Between 2007 and 2008, sales declined from \$626,983.44 to \$605,956.08.

Sales rose by \$2,155.86 in 2009, making it a rebound year. However, sales decreased to \$596,177.13 following the Great Recession.

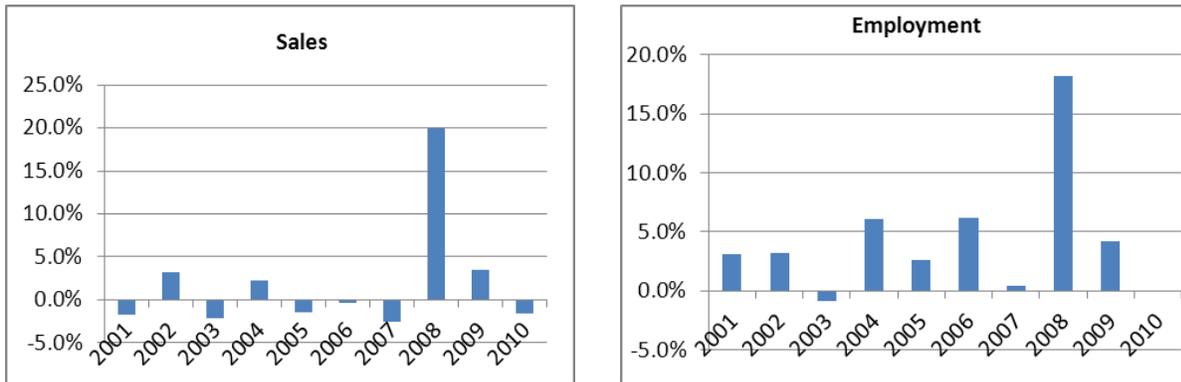
- Heating Oil Dealers (454311): One Store
 - Employment was constant from 2001 to 2010 (two workers).
 - The heating oil dealers sector were not affected by the 2001 recession, as sales increased 91.27 percent between 2000 and 2001. Between 2001 and 2002, sales increased 9.56 percent, but sales decreased 2.23 percent between 2002 and 2003. During the Great Recession, sales decreased 3.35 percent.
- Recreational Vehicle Dealers (441210): One Store
 - During the recession of 2001, the recreational vehicle dealers lost one employee. The employment level stayed at one between 2001 and 2010.
 - Sales collapsed, declining 51.31 percent, between 2000 (\$76,190.48) and 2001 (\$37,041.22). During the Great Recession, sales declined by approximately 6 percent. Sales dropped to \$25,085.30 by 2010.
- Confectionery and Nut Stores (445292): One Store
 - The confectionery and nut store was registered in the NETS database in 2001. Between 2002 and 2003, employment dropped from three to two employees. Employment stayed constant through 2007 to 2010 (one employee).
 - Between 2002 (\$83,379.66) and 2003 (\$54,347.83) sales decreased. Sales fell through 2008 (\$18,578.47), with a slight increase (to \$18,644.80) in 2009. Sales fell to \$18,343.91 in 2010.
- Optical Good Stores (446130): One Store
 - The NETS database recorded the optical goods stores sector in 2002. The employment level was at one from the onset of the Great Recession to 2010.
 - Sales increased by \$453.15 between 2002 and 2003. Sales fell 3.35 percent during the 2007-2009 recession. A very small raise in sales was observed in 2009 (\$63.33).
- Sewing, Needlework, and Piece Goods Stores (451130): One Store
 - This sector was registered in the NETS database in 2001 with one worker. The number of workers stayed unchanged through 2010.
 - This sector started with \$28,232.64 in sales in 2001. Sales continually decreased in 2002 (\$27,793.22) and 2003 (\$24,782.61). Sales dropped by 7.22 percent during the Great Recession. This sector had one of the lowest total sales between 2001 and 2010.

Recession Periods

Most of the retail trade sectors in Sumner County were affected in 2003 by the 2001 recession, based on the employment data. Employment increased 3.13 percent between 2000 (767) and 2001 (791), 3.16 percent between 2001 and 2002 (816), but dropped by 0.86 percent between 2002 and 2003 (809). The employment level recovered in 2004, reaching a total of 858 employees. Based on sales data, most of the retail trade sectors in Sumner County were principally affected in 2001 (a decline of 1.5 percent) and 2003 (a decline of 2.2 percent). Sales fully recovered in 2004, reaching \$62,811,174.98.

The Great Recession had a delayed impact on the retail trade industry in Sumner County. Employment decreased 0.43 percent between 2006 (934) and 2007 (938). Employment jumped 18.23 percent between 2007 and 2008 (1,109), and it increased 4.15 percent between 2008 and 2009 (1,155). The employment level did not change in 2010. Sales data results are similar to the results for the employment data. The industry lost \$1,497,631.99 in sales between 2006 (\$59,955,644.84) and 2007 (\$58,458,012.85). Sales soared from \$58,458,012.85 in 2007 to \$70,132,006.06 in 2008 (an increase of approximately 20 percent), and further increased to \$72,592,239.57 in 2009. Contrary to the level of employment in 2010, sales declined by 1.61 percent.

Chart 9 and 10: Sumner County Employment and Sales Growth Change from 2001 to 2010



Summary of the Findings

Supermarket and other grocery (except Convenience) stores and discount department stores played an important role in the four counties. The discount department stores provided the most jobs in the four counties and accounted for the highest sales in Harvey and Sumner Counties. New car dealers also have a central role in the economic activity of Butler, Harvey, and Sedgwick Counties.

Table 7: Number of Jobs Created and Sales Accumulated by Each County between 2000 and 2010

County	Number of Jobs Created 2000-2010	Amount of Sales Accumulated 2000-2010
Butler	19,413	\$1,358,902,449.27
Harvey	17,774	\$1,280,562,017.75
Sedgwick	263,602	\$22,209,786,800.11
Sumner	10,212	\$693,774,705.13

Source: NETS Database, 2010.

Table 8: Counties Trade Pull Factors

County	Trade Pull Factor	Rank (High to Low)
Butler	0.70	3rd
Harvey	0.78	2nd
Sedgwick	1.15	1st
Sumner	0.52	4th

Source: Kansas Department Revenue, 2009.

The Great Recession seems to have had a greater impact on sales and employment in the Wichita MSA than the 2001 recession. The most recent recession was longer, and the recovery period slower, than the recession of 2001. In addition, the recession of 2001 impacted manufacturing and transportation-based businesses more than other industries — retail trade included.

As the charts at the end of each county’s analysis indicate, all four counties were impacted by the 2001 recession, principally in 2003, but they recovered by 2004. Butler and Sumner Counties’ sales growth were affected in 2001, -0.93 percent and -1.75 percent, respectively. Both counties sales worsened in 2003, -2.2 and -2.18 percent, respectively. Butler (-2.20 percent) and Sumner (-2.18 percent) Counties’ sales worsened in 2003. Harvey (1.89 percent) and Sedgwick (0.38 percent) counties’ sales were sluggish in 2003, 1.89 and 0.38 percent, respectively. For the four counties, employment was only affected in 2003.

Butler, Harvey, and Sumner counties’ sales were negatively impacted at the start of the recent financial crisis; their sales, respectively, declined by 1.20, 2.03, and 2.50 percent in 2007. Only Sedgwick County’s sales kept growing in 2007, by 9.5 percent. Butler, Sedgwick, and Sumner counties’ sales experienced positive growth in 2008, only Harvey County’s sales did not grow. Butler, Harvey, and Sedgwick counties experienced a rebound year in 2009. In 2010, the four counties total sales went down by 1.61 percent.

At the start of the Great Recession, the employment level of the four counties was sluggish compared to the 2006 level. But, their level of employment increased in 2008 and 2009. Butler, Harvey, and Sedgwick counties employment rebounded in 2009. The employment level was stable in the four counties in 2010.