

CHAPTER 3. ECONOMIC CHARACTERISTICS

Introduction

This chapter examines Raytown's current economic characteristics and various economic trends. The major economic factors that are analyzed include industry employment, major employers, household income, and retail sales. A number of data sources were used for the analyses in this chapter, including the U.S. Bureau of the Census, the Raytown Chamber of Commerce, and the City of Raytown. Like the chapter on Population Characteristics, three types of analyses are utilized:

- **Current Conditions in Raytown:** This technique identifies current economic conditions in the City of Raytown.
- **Changes over time in Raytown:** This technique highlights major trends in the City by comparing economic data from 1990 and 2000.
- **Comparison between Raytown and the metropolitan area:** This technique compares economic conditions in Raytown with those in the Kansas City metropolitan area. Again, as noted in the Population Characteristics chapter, the purpose is to understand if the City has a larger or smaller share of a particular economic characteristic, relative to the region.

Industry Employment

According to the 1990 Census, the services industry employs the highest percentage of employed Raytown residents over the age of sixteen. Of the City's employed residents, over 31 percent work in this industry (See Table 9). Other significant industry areas include manufacturing and trade (particularly retail trade). Taken together, 70 percent of employed Raytown residents work in these three industries (services, manufacturing and trade). These 1990 employment data for Raytown are comparable to metropolitan trends; about 70 percent of employed metropolitan residents also work in these three industries.

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TABLE 1. INDUSTRY EMPLOYED, 1990
Raytown, Missouri and Metropolitan Area

Industry Employed	Raytown		Metro Area		Raytown Share*
	Persons	Total %	Persons	Total %	
Agriculture, forestry, fisheries	139	0.9%	11,326	1.5%	61
Mining	17	0.1%	974	0.1%	86
Construction	1,047	6.7%	42,052	5.4%	123
Manufacturing	2,270	14.4%	117,370	15.1%	96
<i>Nondurable goods</i>	1,012	6.4%	55,899	7.2%	89
<i>Durable goods</i>	1,258	8.0%	61,471	7.9%	101
Transportation	867	5.5%	48,282	6.2%	89
Communications and other public utilities	536	3.4%	28,578	3.7%	93
Trade	3,857	24.5%	171,216	22.0%	111
<i>Wholesale</i>	961	6.1%	43,397	5.6%	109
<i>Retail</i>	2,896	18.4%	127,819	16.4%	112
Finance, insurance, real estate	1,411	9.0%	66,609	8.6%	105
Services	4,912	31.2%	250,974	32.3%	97
<i>Business and repair services</i>	742	4.7%	38,510	5.0%	95
<i>Personal services</i>	372	2.4%	22,605	2.9%	81
<i>Entertainment and recreation services</i>	205	1.3%	9,782	1.3%	104
<i>Health services</i>	1,358	8.6%	68,806	8.8%	98
<i>Educational services</i>	1,148	7.3%	54,120	7.0%	105
<i>Other professional and related services</i>	1,087	6.9%	57,151	7.4%	94
Public administration	676	4.3%	40,142	5.2%	83
Employed persons 16 years and over	15,732	100.0%	777,523	100.0%	

* A share of 100 is average. Raytown's share is derived by the following equation: (% Raytown total / % Metro total) x 100 = Raytown share. A share of 100 means that Raytown has an average percentage of total, relative to the metropolitan area. A share over 100 means that Raytown has an above average percentage of total, again relative to the metropolitan area. A share under 100 means that Raytown has a below average percentage of total.

Source: 1990 U.S. Census

Of the City's three largest employment sectors (services, trade, and manufacturing), only the service industry showed significant growth between 1980 and 1990. During this time, the number of employed Raytown persons in the service industry increased by almost 12 percent (See Table 10). The number of residents employed in the trade industry grew slightly (2percent); and the number of residents employed in manufacturing decreased by over 38 percent (with most of the losses attributed to durable goods manufacturing).

TABLE 2. INDUSTRY EMPLOYED, 1980 AND 1990
City of Raytown, Missouri

Industry Employed	1980 Persons	1990 Persons	10-year Change
Agriculture, forestry, fisheries	103	139	35.0%
Mining	34	17	-50.0%
Construction	871	1,047	20.2%
Manufacturing	3,685	2,270	-38.4%
<i>Nondurable goods</i>	1,256	1,012	-19.4%
<i>Durable goods</i>	2,429	1,258	-48.2%
Transportation	1,039	867	-16.6%
Communications and other public utilities	588	536	-8.8%
Trade	3,776	3,857	2.1%
<i>Wholesale</i>	911	961	5.5%
<i>Retail</i>	2,865	2,896	1.1%
Finance, insurance, real estate	1,262	1,411	11.8%
Services	4,405	4,912	11.5%
<i>Business and repair services</i>	714	742	3.9%
<i>Personal, entertainment, recreation</i>	537	577	7.4%
<i>Health services</i>	1,161	1,358	17.0%
<i>Educational services</i>	1,135	1,148	1.1%
<i>Other professional and related services</i>	858	1,087	26.7%
Public administration	838	676	-19.3%
Employed persons 16 years and over	16,601	15,732	-5.2%

Sources: 1980 and 1990 U.S. Census

During the 1980s, the total number of employed Raytown residents over the age of sixteen decreased by 5.2 percent. Much of this change may be explained by shifts in regional, national, and global economies, as well as by the City's aging and declining population base.

Major Employers

Raytown Consolidated School District No. 2 is the City's largest employer, with 1,300 employees.. The second largest employer is H&H Color Lab (with approximately 310 employees). The major employer that experienced the largest increase in employment between 1994 and 2002 was the Raytown Consolidated School District. During this period the number of employees at the School District increased by 210 employees from 1,090 to 1,300. The employer with the largest decline in employment during this same period was Aquila (formerly Missouri

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Public Service). Aquila's employment in Raytown decreased by 650 employees, from 900 to 250. Much of Aquila's decline in employment was a result of employees being transferred to other Aquila offices in the Kansas City metropolitan area. Table 11 lists the City's major employers, or those organizations that employ one hundred or more persons.

TABLE 3. MAJOR EMPLOYERS, 1994
City of Raytown, Missouri

Organization	Employees
Raytown Consolidated School District No. 2	1,300
H&H Color Lab	310
BHA Group Holdings, Inc.	265
Aquila (formerly Missouri Public Service)	250
USA 800	216
Shamrock Cabinet & Fixture Corp.	185
Stratford Development Corporation	149
Wal-Mart	125
City of Raytown	120
Cedar Valley Health Center	114
Richard C. Green YMCA	110

Source: Raytown Chamber of Commerce, July 2002

Household Income

Raytown's median household income is somewhat lower than that of the metropolitan area. In 2000, the City's median household income was \$41,949, compared to \$47,351 at the regional level. On a related issue, the City of Raytown also has a significantly lower percentage of its residents below the poverty level than does the metropolitan area. While almost 10 percent of metropolitan residents are below poverty level status (as defined by the U.S. Bureau of the Census), only 5 percent of Raytown residents are considered below poverty level.

In terms of annual income, Table 12 (Household Income, 2000) shows that most Raytown households, like most metropolitan households, fall within the following four income brackets: 1) \$15,000 to 24,999, 2) \$25,000 to 34,999, 3) \$35,000 to 49,999, and 4) \$50,000 to \$74,999. Over three-fourths of City households earn between \$15,000 and \$74,999.

Table 12 also shows that, in addition to having a lower percentage of households earning less than \$10,000 per year, Raytown also has a lower percentage earning \$75,000 or more per year when compared to the metropolitan area statistics. These factors again suggest that Raytown's household income tends to be primarily middle range, with relatively few low income households and relatively few high income households.

It is interesting to compare the Median Income of both Raytown and the Metro Area over the ten years that have passed since the last Census. In 1990, Raytown's Median Income was \$32,002. In 2000, it rose to \$41,949. This is a 31% change over the ten years. By comparison, the Metro Area's Median Income in 1990 was \$31,613. It rose in 2000 to \$47,351, changing 49.7% over

the ten years. It seems in Median Income, Raytown is a bit behind the Metro.

TABLE 4. HOUSEHOLD INCOME, 2000
Raytown, Missouri and Metropolitan Area

Raytown Household Income	Raytown		Metro Area		Raytown Share
	Number of HH	Percent of total	Number of HH	Percent of total	
Less than \$10,000	645	5.0	50534	7.3	68
\$10,000 to 14,999	734	5.7	34436	5.0	114
\$15,000 to 24,999	1706	13.3	79239	11.4	116
\$25,000 to 34,999	2076	16.1	90156	12.9	125
\$35,000 to 49,999	2575	20.0	120377	17.3	116
\$50,000 to 74,999	2994	23.3	151277	21.8	107
\$75,000 to 99,999	1255	9.8	82144	11.8	81
\$100,000 to 149,999	659	5.1	57012	8.2	62
\$150,000 or more	227	1.8	29796	4.3	42
Total Households	12871	100.0%	694971	100.0%	
Median income	41,949		47351		

Source: 2000 U.S. Census

Housing Characteristics

Most housing in Raytown was built during the 1950s and 1960s. Of the City's 13,307 housing units, almost 80 percent were built during the '40s, '50s and '60s. (See Table 13.) This is significantly higher than the percentage of homes built during this same period in the metropolitan area; only about 36 percent of metropolitan homes were constructed during that time.

**TABLE 5. YEAR HOUSING STRUCTURE BUILT
Raytown, Missouri and Metropolitan Area**

Raytown Year Structure Built	Raytown		Metro Area		Raytown Share*
	Units	Percent of total	Units	Percent of total	
1980 to March 2000	1406	10.6%	238480	32.2%	33
1970 to 1979	2343	17.6%	134275	18.1%	97
1960 to 1969	3844	28.9%	114988	15.5%	186
1940 to 1959	5197	39.1%	157402	21.2%	184
1939 or earlier	517	3.9%	95739	12.9%	30
Total housing units	13307	100.0%	740884	100.0%	

* A share of 100 is average. Raytown's share is derived by the following equation: $(\% \text{ Raytown total} / \% \text{ Metro total}) \times 100 = \text{Raytown share}$. A share of 100 means that Raytown has an average percentage of total, relative to the metropolitan area. A share over 100 means that Raytown has an above average percentage of total, again relative to the metropolitan area. A share under 100 means that Raytown has a below average percentage of total.

Source: 2000 U.S. Census

Raytown's housing assets, like its income levels, tend to be middle range when compared to the metropolitan area. The City has relatively few new homes and relatively few old homes. For example, 50 percent of the metropolitan area's housing is considered newer (built during the 1970s, 1980s and 1990s), compared to 28 percent of Raytown's housing. Similarly, 12.9 percent of the housing in the metropolitan area is considered older (built before 1940), compared to 3.9 percent of Raytown's housing.

Another positive economic aspect of Raytown's housing is its high home ownership rate. Of the City's occupied housing units, 74 percent are owner-occupied. At the metropolitan level, only 68% of occupied units are owner occupied. Also, the City's housing vacancy rate is half that of the metropolitan area. In 2000 only 5.5 percent of all housing units in Raytown were vacant, compared to 7.7 percent throughout the Kansas City region.

Finally, housing values in Raytown tend to be somewhat lower than those in the metropolitan region, as well as those in cities of comparable size. Table 14 presents these median housing value data for selected cities and the metropolitan area.

TABLE 6. MEDIAN HOUSING VALUE, 2000
Raytown, Missouri and Metropolitan Area

City	Specified Owner Occupied Units	Median Housing Value
Grandview, MO	5,770	\$78,100
Raytown, MO	9,138	\$79,600
Liberty	6,267	\$121,600
Gladstone	7,889	\$100,100
Shawnee, KS	13,029	\$141,700
Lenexa, KS	9,150	\$156,800
Metropolitan Area		\$111,150

Source: 2000 U.S. Census

Retail Sales

Raytown has a number of retail shopping centers, districts, and individual retail operations, and the City has a 1 percent sales tax on most retail items. On average, two out of every three years, the City's sales tax collections have increased since 1984. (See Table 7)

TABLE 7. SALES TAX COLLECTIONS
City of Raytown, Missouri

Budget Year	Sales Tax Collected *	Percent Change
Nov. 1, 1984 - Oct 31, 1985	\$1,936,460	
Nov. 1, 1985 - Oct 31, 1986	\$1,931,838	-0.2%
Nov. 1, 1986 - Oct 31, 1987	\$2,008,700	4.0%
Nov. 1, 1987 - Oct 31, 1988	\$2,124,700	5.8%
Nov. 1, 1988 - Oct 31, 1989	\$2,193,223	3.2%
Nov. 1, 1989 - Oct 31, 1990	\$2,168,642	-1.1%
Nov. 1, 1990 - Oct 31, 1991	\$2,132,728	-1.7%
Nov. 1, 1991 - Oct 31, 1992	\$2,181,193	2.3%
Nov. 1, 1992 - Oct 31, 1993	\$2,266,259	3.9%
Nov. 1, 1993 - Oct 31, 1994	\$2,444,276	7.9%
Nov. 1, 1994 - Oct 31, 1995	2,345,800	-4.0%
Nov. 1, 1995 - Oct 31, 1996	2,664,626	13.6%
Nov. 1, 1996 - Oct 31, 1997	2,692,461	1.1%
Nov. 1, 1997 - Oct 31, 1998	2,691,719	-0.3%
Nov. 1, 1998 - Oct 31, 1999	2,794,553	3.8%
Nov. 1, 1999 - Oct 31, 2000	2,867,233	2.6%
Nov. 1, 2000 - Oct 31, 2001	2,948,158	2.8%
Nov. 1, 2001 - Oct 31, 2002 (Forecast)	2,900,000	-1.63%
17-year Period	\$21,925,938	66.8%

* Actual dollars; amounts have not been standardized to a particular year.

Source: City of Raytown, Missouri, July, 2002

By comparing Raytown's retail sales in fiscal year 1992 to the metropolitan area, the data suggest that the City is experiencing some degree of "sales leakage" to other parts of the region. As Table 16 shows, although the City had 1.89 percent of the region's population in 1992, it only generated 1.40 percent of its retail sales. Said another way, Raytown captured only 74 percent of the retail sales that could be expected to be captured. (A sale capture rate of 100 percent is average, which means that a City's percentage of regional sales equals its percentage of regional population. Thus, to have an average sale capture rate of 100 percent, the City of Raytown should have generated 1.89 percent of the region's retail sales. Cities that attract outside dollars into their communities have sales capture rates greater than 100 percent.)

TABLE 8. RETAIL CAPTURE RATE, 1992
City of Raytown, Missouri

	Raytown	Metro Area	Raytown's % of Metro Area
Retail sales (\$000)	\$218,119	\$15,565,280	1.40%
Population estimate	30,297	1,599,944	1.89%

Raytown retail capture rate = 74%*

** Retail capture rate is derived by dividing Raytown's % of metro retail sales by Raytown's % of metro population (1.40/1.89 = 74%)*

Sources: 1993 Survey of Buying Power; City of Raytown, Nov. 1994; U.S. Bureau of the Census population estimates for 1992

Planning Implications

The City of Raytown has a number of economic assets, including a strong base of middle income residents, a good supply of housing, major employers, and a progressive, well respected school district that is supported by the community. Like much of the metropolitan area (and the nation), Raytown residents have lost manufacturing jobs, but gained service sector jobs. In terms of major employers, the City appears to have a strong service sector employment base, particularly in education and health services.

This chapter also highlights the City's apparent loss of retail sales to other parts of the metropolitan region. This was identified by residents during the Comprehensive Plan update process. The City is landlocked and does not have significant land for new commercial construction, and some residents feel that many of Raytown's retail areas (the downtown area in particular) are inadequate or obsolete.

An asset in the community is the Southwestern Bell switchboard, that is located on [59th Street](#). Given the number of lines that the switchboard provides, its point of presence (POP) is an economic opportunity worth investigating.

Economic Characteristics
