

## ECONOMIC ANALYSIS

A community normally develops because of natural resources which can be profitably exploited or refined. Agriculture, mining and manufacturing would be defined as base industries because they export a product which brings in new money to the local economy. Trade and service businesses soon develop in a community to provide goods and services to the population supported by the base industry. Thus, the community's economy is composed of exchange money used in local bargaining with service businesses and new money derived from base industries that export their products.

In classifying base industry and service business, there is no order of importance because both are essential to a healthy community. It should be noted, however, that base industries actually support the community. When there is a decline in base industry employment, a population loss will occur which will soon be followed by a loss in service business. The history of "boom towns" in the western United States is a typical example of communities losing their base industries.

The source of most of the economic data contained in this study is from the U.S. Census which was conducted April 1, 1970. While it is realized that this data is over ten years old, it does contain a wealth of detailed information which is not available from any other single source. This study has supplemented the Census information with more current economic data from other sources when available.

### Labor Force

Since all businesses and industries require workers, the labor force of a community is an important resource. The labor force includes those persons in the community who are working or available for work, rather than the total population. This definition is used because some persons are not available for employment for various reasons, such as health, age, confinement, schooling, or simply those persons who do not wish to be employed. Non-employable persons are listed in the non-labor force category and includes such people as students, homemakers, the retired and the disabled. Market oriented industries are also interested in the size and income levels of the labor force, which provides a ready market for goods and services. The *Labor Force* table shows the number of persons age 16 and over by labor force and non-labor force for the city of Butler.

The following characteristics should be noted from the *Labor Force* table:

- The percentage of Butler's total population comprising the labor force is 41%, which is similar to that of Missouri (41%), but somewhat higher than Bates County (38%), which is a positive factor.
- The relatively high level of labor force participation by females in Butler (42%). This figure is similar to the statewide average of 41%, and ten percent higher than that for Bates County.

LABOR FORCE  
BUTLER, MISSOURI

	TOTAL		MALE		FEMALE	
	NUMBER	%	NUMBER	%	NUMBER	%
Persons Age 16 and Over	3,027	100	1,300	43	1,727	57
Labor Force	1,643	54	923	71	720	42
Employed	1,600	97	906	98	694	96
Unemployed	43	3	17	2	26	4
Not in Labor Force	1,384	46	377	29	1,007	58
Ages 16 - 65	627	45	130	35	497	49
Ages 65 and Over	757	55	247	65	510	51

Source: U.S. Census of Population, 1970.

- The low rate of unemployment for both males (2%) and females (4%).
- The composition of Butler's total non-labor force is primarily persons age 65 and over (55%). Females age 16-65 in this category comprise nearly 36% of the total non-labor force, possibly due to the presence of a large number of full-time homemakers.

Current labor force statistics for Butler are not available, however, the May employment figures reported in the "Missouri Area Labor Trends" show Bates County as --- "Civilian Labor Force" 7,793 persons, 508 of which were unemployed representing an unemployment rate of 6.5% county wide. The state of Missouri at that time had a 6.6% unemployment rate and the United States unemployment was 7.7%.

### Occupation

Occupation is one factor which aids in measuring the economic health of a community. Labor skills are needed in varying degrees as an urban economy develops. As a community becomes increasingly urban, there is a noticeable increase in clerical and service-type workers. Continued growth increases the numbers of skilled and semi-skilled workers, as found in manufacturing and transportation industries. Most industries require professional and sub-professional as well as skilled and semi-skilled workers. While most professional, managerial and skilled workers are able to change their place of residence for new employment possibilities and higher pay, many sub-professionals and semi-skilled workers are not. For this reason, new industry creates a demand upon the community to provide a ready supply of sub-professional, semi-skilled and service workers.

The *Employment By Occupation* table shows the distribution of employed persons, age 16 and over, in Butler according to general occupation. Percentages of workers found in the specified categories are shown for

## EMPLOYMENT BY OCCUPATION

		BUTLER		BATES CO.		MISSOURI
		1970		1960	1970	1970
		Number	%	%	%	%
Institution and Office	Professional	178	11.1	9.4	7.0	13.8
	Clerical	262	16.4	27.0 <sup>1</sup>	10.6	16.2
	Service	196	12.2	12.5 <sup>2</sup>	9.8	14.0
Commercial	Managers and Administrators	214	13.4	10.4	8.3	9.8
	Sales Workers	157	9.8	27.0 <sup>1</sup>	5.5	7.6
Manufacturing and Construction	Craftsmen Operatives	193	12.1	12.0	12.6	12.9
	Laborers	142	8.9	14.9	11.4	13.7
Agriculture	Farmers and Farm Laborers	79	4.9	6.7	4.8	4.2
	Transportation					
	Transport equip- ment operatives	87	5.4	n/a	5.5	4.6
Miscellaneous	Private household	50	3.1	12.5 <sup>2</sup>	2.4	1.8

<sup>1</sup>The numbers of clerical and salesworkers were combined in 1960 data.

<sup>2</sup>The numbers of service and private household workers were combined in 1960 data.

Source: U.S. Census of Population

Bates County and non-metropolitan urban Missouri, also, for purposes of comparison.

Butler ranked significantly higher than the state average in 1970 for percentage of persons employed within the occupations of managers and administrators, sales workers, private household and farmers. Relative percentages for the remaining occupational categories were also somewhat higher than the state's, with the exception of professional, service and operatives occupations.

The increasing urban orientation of Butler is evidenced by those occupational categories having the greatest increase since 1960. The fastest-growing occupations in Butler between 1960 and 1970 were professional, managers and administrators and service.

Compared with Bates County, Butler possessed higher percentages of workers in all occupational categories except for craftsmen, transport, farmers and farm laborers. The strength of Bates County's agricultural base is reflected in the high percentage of workers in the farmers and farm laborers categories. The farm categories alone account for the occupations of more than one-fifth of the Bates County labor force.

### Industry

The *Employment By Industry* table shows the sources of employment for residents of Butler for 1950, 1960 and 1970. The table does not indicate where the industry was located, but only shows how many of Butler's labor force were employed within each industrial classification.

Wholesale and retail trade employed the largest percentage of the Butler labor force, with 37% of the workers employed in these categories. These trade industries have shown substantial growth since 1960.

While, in terms of numbers of employees, wholesale and retail trade was the leading industrial employer of the labor force, the professional and related services industry has shown to be the fastest-growing sector of the Butler economy, in terms of employment. Employment in the "professional" category has more than doubled since 1950, due, in part, to increases in hospital and nursing home staffs as well as that of area schools.

Employment in the construction industry has been the most stable since 1950 in that the wide fluctuations in employment present in other industries appear to be absent. All other industries employing the Butler labor force have fluctuated during the past 20 years, with all but one major group experiencing a net decline in numbers employed since 1950.

### Commuters

Data specifically concerning Butler commuters is not available from the 1970 Census, however, data was collected on a county-wide basis. The information presented in the *Place of Work* table shows the County of employment for Bates County residents (out-commuters) and the county of residence for workers commuting into Bates County for employment in 1970.

Out-commuting was fairly common in 1970, according to the Census. More than one-fifth of the workers residing in Bates County worked in other counties. Approximately two-thirds of the out-commuters traveled to the Kansas City area for employment, while 15% worked outside the state (county and state were not specified).

Nearly 95% of the people working in Bates County were residents of the county in 1970, leaving only 5% who commute into the county for employment. Most of the in-commuters were residents of Vernon and St. Clair counties in Missouri (3.3%) or another state (almost 1%).

A *Citizen Attitude Survey* was conducted by the Butler City Planning Commission in July 1970, which contains some useful information concerning

## EMPLOYMENT BY INDUSTRY

### BUTLER, MISSOURI

<u>INDUSTRIAL GROUP</u>	<u>EMPLOYEES, 1970</u>		<u>PERCENTAGE CHANGE</u>		
	<u>NUMBER</u>	<u>% OF TOTAL</u>	<u>1950-1960</u>	<u>1960-1970</u>	<u>1950-1970</u>
Wholesale and Retail Trade	592	37	8	41	52
Professional and Related Services	323	20	63	43	132
Construction	127	8	4	13	8
Manufacturing	128	8	58	-35	2
<i>Durable goods</i>	95	74			
Finance, Insurance, Business and Repair Services	87	5	4	-36	-34
Transportation, Communications, Utilities and Sanitary Services	81	5	5	-41	-38
Public Administration	67	4	9	-18	-11
Other Industries	195	12	-27	57	15

*Source: U.S. Census of Population*

Butler commuters. This survey inquired concerning the place of employment of the heads of household. It should be noted that responses to this question were from "heads of household" only, and do not reflect the presence of another family member who may commute for employment.

Responses to this question indicated that 71% worked in Butler, while 15% of the heads of household worked outside of Butler, yet within Bates County. The survey reports that 14% commute to other areas for employment, less than half of which commuted to the Kansas City metropolitan area. Converted to numbers, the survey reported that approximately 225 families were supported by jobs outside of Bates County.

The preceding information indicates that a significant portion of the Butler community is dependent not only upon another area's economy, but upon the automobile as well. With such a situation, increasing gasoline prices or shortages can have a disruptive effect upon Butler's economy, particularly if workers are forced to move closer to their place of employment. By developing a larger industrial base, Butler could achieve greater economic stability as well as provide a larger number of local residents with jobs.

PLACE OF WORK, 1970

BATES COUNTY

<u>COUNTY</u>	<u>COMMUTING FROM BATES COUNTY TO:</u>		<u>COMMUTING TO BATES COUNTY FROM:</u>		<u>NET COMMUTING</u>
	NUMBER	%	NUMBER	%	
Barton	7	.1	0	.0	-7
Bates	3,995	79.0	3,995	94.5	0
Benton	0	.0	7	.2	7
Cass	181	3.6	13	.3	-168
Cedar	16	.3	6	.1	-10
Clay	41	.8	0	.0	-41
Henry	52	1.0	15	.4	-37
Jackson	483	9.5	0	.0	-483
Johnson	20	.4	20	.5	0
Platte	6	.1	0	.0	-6
St. Clair	14	.3	49	1.2	35
Vernon	82	1.6	87	2.1	5
Outstate	163	3.2	37	.9	-126
Living in county	5,060	100.0			
Working in county			4,229	100.0	
Net commuting					-831

Source: Public Affairs Information Service

Education

In addition to the size of the labor force, the training and skills of the workers are important to industries. Education is an indicator of the potential skills available in the labor force. The *Education Trends* table shows the years of school completed by Butler's population aged 25 years and over for 1960 and 1970. The percentage change in the number of persons attaining each educational level is also shown. Median school years completed are shown for the city of Butler, Bates County, Missouri, and the United States for persons 25 years and over in 1970, for purposes of comparison.

The educational level of Butler's population ranks significantly above that for Bates County, yet is somewhat lower than the median for both the state and the nation. The city has significantly improved its educational level since the 1960 Census, however. This is evidenced by the large decreases in the numbers of persons having less than high school educations, and corresponding increases in the numbers of persons reaching high school and college. Most striking among the changes from 1960 to 1970 are the 79% decrease in the number of persons with fifth to seventh grade educations, and the 60% increase in the number of persons with four years of college or more.

## EDUCATION TRENDS, 1960 - 1970

### BUTLER, MISSOURI

	<u>1970</u>	<u>1960</u>	<u>%</u> <u>CHANGE</u>
Total Persons, 25 Years and Older:	2,602	2,506	4
Years of School Completed:			
No School Completed	10	14	-29
Elementary: 1-4 Years	74	96	-23
5-7 Years	177	253	-79
8 Years	647	772	-16
High School: 1-3 Years	454	372	22
4 Years	792	661	20
College: 1-3 Years	255	217	17
4 or More Years	193	121	60
Median School Years Completed	11.6	10.0	16
Comparative Median School Years Completed:			
Butler	11.6		
Bates County	11.0		
Missouri	11.8		
United States	12.2		

*Source: U.S. Census of Population*

### Income

Income is a valuable index of a community's economic health. The general level of a community's economic activity is reflected in the incomes of its families. The following table, Family Income, shows income breakdowns for Butler along with the percentage of families contained within each grouping. Percentages for the state of Missouri are also shown for comparison.

Characteristics brought out by the *Family Income* table show that Butler's highest concentrations occur in two income groups. The highest concentration within a single income category occurs in the \$15,000 - \$24,999 range, with over 12% of Butler's families having 1969 incomes in this range. Over 11% of Butler's families had 1969 incomes which fell in the \$10,000 - \$11,999 range, making this the second highest concentration within a single income category. Butler's percentages for these two categories are similar to the state's.

There is generally a higher percentage of Butler families with lower incomes, and less concentration within the higher income groups compared with the statewide distribution. There are two quite striking exceptions to this, however, both occurring at the extremes of the income scale: only 1% of Butler's families reported 1969 incomes to be less than \$1,000, compared with 3.1% for Bates County and 2.5% for the state; and, at the opposite extreme, 1.4% of Butler's families reported 1969 incomes in excess of \$50,000, compared with 0.5% for Bates County and 0.7% for the state.

## FAMILY INCOME

INCOME/YEAR	MISSOURI	BATES CO.	BUTLER	
	(%)	(%)	Number of Families	%
Less than \$1,000	2.5	3.1	11	1.0
\$1,000 - \$ 1,999	4.1	7.9	84	8.0
\$2,000 - \$ 2,999	5.6	10.6	89	8.4
\$3,000 - \$ 3,999	5.7	8.7	64	6.1
\$4,000 - \$ 4,999	5.6	7.4	87	8.2
\$5,000 - \$ 5,999	6.3	7.6	36	3.4
\$6,000 - \$ 6,999	6.5	8.1	93	8.8
\$7,000 - \$ 7,999	7.0	6.7	61	5.8
\$8,000 - \$ 8,999	7.2	6.8	63	6.0
\$9,000 - \$ 9,999	6.8	5.9	71	6.7
\$10,000 - \$11,999	12.5	9.8	118	11.2
\$12,000 - \$14,999	12.9	6.4	102	9.7
\$15,000 - \$24,999	13.4	8.4	129	12.2
\$25,000 - \$49,999	3.0	2.1	32	3.0
\$50,000 or more	0.7	0.5	15	1.4

All families - 1,055

Median income - \$8,040

Mean income - \$9,962

Families with female head - 111

Mean income - \$2,882

All families and unrelated individuals - 1,613

Median income - \$4,723

Mean income - \$7,379

All unrelated individuals - 558

Median income - \$1,706

Mean income - \$2,495

Female unrelated individuals

Mean income - \$2,397

*Source: U.S. Census of Population, 1970.*

According to the 1970 Census, approximately 11% of Butler's families were headed by females. Recognition of these families is important because of the higher incidence of low and poverty level incomes. The average 1969 income for Butler's female-headed families was not even one-third of the average income for all families.

The most current reliable per capita income figure for Butler was published in the U.S. Bureau of Census publication Series P-25 No. 764 issued January 1979. The Census figures indicated a 64.0% increase in per capita income, 1969 was \$2,955 as compared to \$4,845 in 1975. The Butler increase was better than the States 54.8%. The 1975 State per capita income was listed as \$4,571.

Citing the *Citizen Attitude Survey* again, responses to the question concerning the segment of the population needing better job opportunities, indicated that only 6% felt women needed this element. With the Census showing that 11% of Butler's families are headed by females with an average income of \$2,882, it is obvious that their current opportunities may be limited. If female-headed families are going to become self-sufficient and and elevate their incomes to comparable levels of their male-headed counterparts, additional industries that employ women in other than minimum-wage positions are needed.

The *Type of Income* table shows income received by Butler families according to its source. The main source of income was, naturally, from salaries and wages, but this table also shows that more than one-third of the families relied on Social Security or public assistance payments as the exclusive or partial source of income in 1969. More than one-fourth of Butler's families indicated receiving incomes from self-employment (either farm or nonfarm).

#### TYPE OF INCOME IN 1969

##### BUTLER FAMILIES

	<u>NUMBER</u>	<u>MEAN INCOME</u>
All families	1,055	\$9,962
With wage or salary income	780	\$8,403
With nonfarm self-employment income	223	\$9,978
With farm self-employment income	79	---
With social security income	277	\$1,637
With public assistance or welfare income	97	---
With other income	348	\$2,719

Source: U.S. Census of Population.

#### Poverty

Of major concern to nearly every community are the persons or families with low and poverty level incomes. The poverty statistics as presented in the U.S. Census, from which this data was taken, were based upon a definition originated by the Social Security Administration in 1964. The national index provides a range of poverty income cutoffs adjusted by such factors as family size, sex of family head, number of children under age 18, and farm and nonfarm residence. A portion of this national index has been reproduced here for reference.

Of the 1,055 families living in Butler, 143 (approximately 14%) had incomes less than the poverty threshold in 1969. There were 64 families with female heads with poverty level incomes (58% of all female headed households). Of the unrelated individuals living in Butler at the time of the Census, nearly 59% had incomes which fell below the poverty level. Converted to numbers of persons, there were 793 Butler residents, or one-fifth of all residents, who had poverty level incomes in 1969. The *Poverty Income* table shows the numbers and percentages of families and

NATIONAL POVERTY INDEX  
FOR NONFARM FAMILIES AND UNRELATED INDIVIDUALS

	<u>TOTAL</u>	<u>MALE</u>	<u>FEMALE</u>
All unrelated individuals	\$1,840	\$1,923	\$1,792
under age 65	1,893	1,974	1,826
over age 65	1,757	1,773	1,751
All families	\$3,410	\$3,451	\$3,082

Source: U.S. Census of Population.

individuals with incomes less than the poverty level.

The fact that poverty has disruptive effects upon family stability has been documented by various studies, and will not be discussed in great detail here; however, one of these effects can be readily seen from the *Poverty Income* table. Of those persons directly affected by poverty, more than one-fourth were children, only 14% of whom were living with both parents.

Base Industries

The economic support of a community consists of those industries and businesses which provide employment from which the population earns its living. Community income is derived from *base industries* which will be defined in this study as any resource, industry, or business which attracts outside monies into the local economy. A community with only one base industry will find the local economy fluctuating with the demand for the products or services produced. A stable economic base is developed when a community's income is derived from various base industries bringing in money from several sources.

Agriculture

In Bates County, agriculture continues to be an important base industry, selling more than \$49 million worth of farm products in 1978, this is up \$10 million over 1974. This money has generated more than \$33 million worth of purchases for farm supplies, primarily from Butler and area towns. The value of the equipment used to operate those farms in 1978 was over \$40 million.

## INCOME LESS THAN POVERTY LEVEL

Families	143
Percent of all families	13.6
Mean income deficit	\$1,294
Families with female head	64
Unrelated individuals	327
Percent of all unrelated individuals	58.6
Mean income deficit	\$610
Persons	793
Percent of all persons	20.3
Related children under 18 years	200
Percent living with both parents	14.0

Source: U.S. Census of Population, 1970.

The *Agricultural Statistics* table shows basic farming data for Bates County. "Commercial" farms are those with sales of \$1,000 or more, the 1974 Census of Agriculture used \$2,500 or more as the base farm reference. This change eliminated only 43 farms from the 1974 Census. A comparison of sales shows that non-commercial farms cannot fully support a family or contribute significantly to total agricultural production; therefore, commercial farm data is more relevant when considering viable economic units.

The sale of crops was the largest generator of new money in the county's agricultural industry in 1974. In 1978, however, livestock sales were twice the amount of crop sales. This reversal is the result of several changes in the agricultural industry such as market fluctuations, and increased foreign sales and imports. Predominant crops raised in Bates County are soybeans, hay, corn, sorghum and wheat.

Recent farm statistics in Missouri appear to reflect that the much publicized agricultural decline has begun to level out. The average size of Missouri farms grew from 132 acres in 1920 to 235 acres in 1975, reflecting some of the absorption of unprofitable small farms by other farms. While the number of Missouri farms has declined by almost half, there has only been a 7% loss in acres of farmland from 1920 to 1975.

In addition to the concerns in the agricultural industry over declining farms numbers, the farm operators themselves have been of interest. The replacement of aging farmers with younger, progressive farm operators has been a problem in some agricultural areas. The fewer numbers of young farmers combined with the many farmers who continue working long past the "retirement" age of 65 appear to account for the high average age of Bates County farmers, 51.3 years.

While farm employment will remain relatively small when compared to employment in secondary sectors -- wholesale, retail and service -- agriculture will continue to be an important part of the area economy. The County land use information shows that approximately 84% of the land area