Prowers County Economic Development Research Project

By

David Wu
Tate Hoeven
Romero Nicholas
Peter Majekodunmi
Table of contents

Executive summary..................................................................................................................3

Introduction............................................................................................................................4

Base Analysis..........................................................................................................................4

Assets.......................................................................................................................................7
  ● Main Street of Lamar
  ● Highway Traffic/Tourism through Lamar
  ● Lamar Community College
  ● Affordable Living

Resiliency..................................................................................................................................10
  ● Income
  ● Total Jobs
  ● Wage Salaried and Proprietors
  ● Establishment Births and Deaths
  ● Retail Sector
  ● Health Care and Social Assistance
  ● Food and Accommodation

So What?.....................................................................................................................................16

Conclusion................................................................................................................................18

Work Cited Page.......................................................................................................................19
Executive Summary

- Objective
  - The objective of this study is to evaluate Prowers county and all of its assets with an emphasis on Lamar as one of the county’s biggest assets. This study includes the base analysis on the direct and indirect basic sectors of the county, its demographics (i.e. aging population and high median age), its declining population, and its economic resiliency. The re-development of Prowers is the county’s biggest assignment and concern. This leads us to the question of how can Prowers solve these problems and what assets of Prowers County will lead to more economic development in the future? To answer these questions, this research is using information available from class data, the county’s daily journals and news article as a source to analyze the conditions and resiliency of the county.

- Situation/Problem
  - Some of the biggest problems in Prowers county is the reduction of its population and jobs. Most of its reduction comes from a negative net migration, specifically with younger people and families. This study evaluates some of the reasons why Prowers might be losing its young population and what it can do to make residents stay.

- Analyzing steps
  - Prowers is proactive in responding to its economic dysfunctions. Organizations such as Prowers Economic Prosperity (PEP) are dedicated to reigniting Prowers vision by focusing on how to improve residents’ lives and the economy as a whole.
Introduction

The purpose of this research paper is to provide a brief analysis on Prowers county, its asset and resiliency efforts in re-developing its society. Prowers County is located on the southeast of Colorado near neighboring counties Bent (W), Baca (S), Kiowa (N) and a few other counties located in Southwest Kansas. The cities in Prowers are Grenada, Lamar, Holly, Bristol, Wiley, and Hartman. However, the City of Lamar is known to be the county's biggest asset which explains why most of our emphasis will be on Lamar. Most of the attention will be on the City of Lamar due to its location, highway traffic/tourism, solid education system, and its participation in the Main-street program.

Base Analysis

In 2010, Prowers County had an estimated population of 12,551 (52.6% males and 47.4% females). However, recently in 2017, its population had shrunk to 12,070 which indicates a 3.8% reduction in the population of this county. In contrast to other nearby counties, Prowers has more adequate population, jobs and economic asset, but share working residents in terms of employments and location. Though Prowers tends to be doing better economically than its neighboring counties, poverty in the county is estimated at 20.9%. According to dataUSA, the county's median household income from 2012-2016 grew approximately 214% ranging from $40,179-$41,037. Prowers' per capita income in the past 12 months sits at a staggering amount of $20,589. The precise amount known to have been considered living in poverty statistically represents (2,422 out of 11,761 people) living below poverty line. This estimate is proven to be higher than the national average poverty line of 14% with the largest demographics living in poverty to be Male 6-11, female 18-24 and female less than 5 (DataUSA).

Prowers' agricultural industry is never ceasing to flourish even at times of economic crisis. For example, the 2008 economic recession that struck the nation provided evidence on
how strong Prowers’ industry is firmly rooted as it was only affected for a short time. The county’s agricultural sector has increased percentage-wise every year since 2014. In the year 2014, Prowers’ agricultural sector dominated 14.5% of the county’s employment rate, 15% in 2015, 17.3% in 2016, and 19.3% in 2017. The rate is expected to continue to grow even by the year 2050 according to the data provided by the base analysis. The county’s industry has managed to prosper and maintain its preeminence as one of the county’s top dominating sectors with a 13.3% share of jobs second to the government sector in 2016.

According to the Prowers County Economic Prosperity plan’s website, “Agriculture is the backbone of Prowers County and it is a critical industry to keep vital.” The top three largest industry in Prowers are healthcare and social assistance with an outstanding number of 1020 employees, retail trade with an estimate of 712 employees and agriculture with 606 employees. With healthcare and social assistance being the largest, only 6.7% are males and 93.3% are dominated by females. On the retail sector, 57.3% is dominated by males while only 42.7% are female dominated. Prowers’ agricultural sector however is heavily male dominated with an outstanding number of 93.2% males and 6.8% females.

The last time Prowers had an abundant amount of Jobs was in 1995 when it had fewer people migrating. According to the job growth and net migration graph provided by the Colorado Demographic Profiles, between the years 1995 and 2000, Prowers experienced a negative growth in net migration and even lesser migration rate after 2000 until 2005. The year 2005 marked the beginning of the increased emigration which was the direct effect of decrease in jobs due to the 2008 economic crisis. The county’s job rate has remained negative ever since and has yet to be invigorated. However, it is no secret to Prowers’ population decline as more people continue to leave the lilliputian community, especially the youths of the County as soon
as they turn 18. It is evident that the reason why Prowers is subject to losing its future generation is due to the lack of job and other deficiencies it faces economically.

Despite the job loses Prowers had faced over the years, its remnants are still very much unequivocally dynamic in business. There is a total number of 6773 jobs in all of Prowers. According to Colorado Demographic Profiles, 1088 employees in Prowers live outside the county. The number of residents of Prowers County working outside the county is approximately 1904 individuals. An estimate of 3078 individuals are employed and live in Prowers County. The three neighboring counties close to Prowers have a dynamic relation with commute in terms of jobs. Bent has 12.7% of its population working in Prowers while 4.3% of Prowers’ population work in Bent. There are 5.1% of Baca population working in Prowers County while 2.6% of Prowers population are working in Baca. 3.3% of Kiowa’s population are recorded to work in Prowers while it is unknown how many Kiowa’s residents work in Prowers County.

One main issue that Prowers is facing is a decreasing and aging population. The overall population of Prowers has been decreasing for the last two decades along with a negative net migration from the younger population. With information gathered from the Colorado Department of Local Affairs, the table below shows the net change in population by age groups using estimates from 1990, 2000, and 2010, and forecasts for 2020 and 2030. The age groups were broken down into four groups; youth 0-19, young adults 20-39, adults 40-65, and seniors 65+. The estimates from 1990 to 2010 show a decrease in population for the youths and an increase in the older demographic. When including the population forecasts for the future, these numbers increase in magnitude. By 2030, the senior population is expected to be 39% higher than it was in 1990. On the other hand, the youth and young adult population is expected to be 26% and 28% lower than in 1990.
This information, along with the graph on net migration by age, shows us that there is a trend of younger individuals moving out of the county and the older population staying. The combination of the negative net migration and an increasing older population is causing the median age to increase and overall population to decrease. The population problems are causing some issues now and if they continue, will lead to many other issues in the near future.

According to the Colorado Department of Local Affairs, the unemployment rate has increased from 7.57% (2008 to 2012) to 10.47% (2012 to 2016). In the last year, every industry experienced a terrible decrease in employment except agriculture. At some point in the future, as the generations get older and are unable to work anymore, there will be a huge demand for workers and no one left to fill in.

### Percentage of Population by Age Group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>2020 FC</th>
<th>2030 FC</th>
<th>%Change</th>
<th>Age Group</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19 Youth</td>
<td>34.44%</td>
<td>33.34%</td>
<td>30.32%</td>
<td>29.20%</td>
<td>27.30%</td>
<td>-26.15%</td>
<td>0-19 Youth</td>
<td>Youth</td>
</tr>
<tr>
<td>20-39 Young Adults</td>
<td>27.78%</td>
<td>26.54%</td>
<td>23.33%</td>
<td>22.45%</td>
<td>21.56%</td>
<td>-28.87%</td>
<td>20-39 Young Adults</td>
<td>Young Adults</td>
</tr>
<tr>
<td>40-64 Adults</td>
<td>24.92%</td>
<td>27.47%</td>
<td>31.70%</td>
<td>30.19%</td>
<td>30.03%</td>
<td>16.99%</td>
<td>40-64 Adults</td>
<td>Adults</td>
</tr>
<tr>
<td>64+ Seniors</td>
<td>12.85%</td>
<td>12.65%</td>
<td>14.65%</td>
<td>18.16%</td>
<td>21.12%</td>
<td>39.12%</td>
<td>64+ Seniors</td>
<td>Seniors</td>
</tr>
</tbody>
</table>

### Assets

**Main Street in Lamar**

In 2016, Lamar graduated from the Colorado Main Street Program, which is a program that offers support to revitalizing downtown streets in several cities in Colorado. For a community to graduate this program, they must meet several requirements including creating a multi-year strategic plan and vision, solidifying a budget, and completing a market analysis of...
the community. The overarching goal of the main street program is to create qualitative and quantitative outcomes through their Four Points; design, organization, promotion, and economic vitality. While it’s hard to get actual data on the success of these programs, the hope is that the community served will benefit by increased investment and economic activity in their downtown to attract locals and people from surrounding areas to their vibrant downtown (Colorado Department of Local Affairs).

**Highway Traffic/Tourism through Lamar**

Highway traffic is one of the advantages Prowers has due to the intersection of highways 285 and 70. Highway 285 and 70 directly connects Los Angeles, Kansas, Chicago, and New Mexico together with an approximate amount close to 3,000 trucks passing through each day. The county can utilize this opportunity to attract more money and create more jobs in the county by simply creating a new means of business that would generate a new form of income into the community. For instance, Prowers County has multiple storage areas for the local business that can be operated cheaply compared to other places like Denver. Products come from several places creating a convenient place to have them regroup and re-distributed to other destinations.

Highway 285 and 70 is part of the Ports-to-Plains Alliance, which increases the number of trucks that go through Prowers County. Ports-to-Plains Alliance is a highway corridor between ten states and Mexico. It provides transportation of goods and services for these two counties and contributes to overall economic growth. Increasing traffic through Prowers allows the possibility for Prowers county to not only appeal to local interests but international ones as well.

Prowers also has unique historical and cultural assets. There is a strong hunting, bridging, and heritage amenities throughout Prowers. Most youths come to develop their skills
and participate in outdoor recreation. Prowers county could provide more business for dog hunting and hunting lodges. Jobs like that could help attract younger generations and encourage legacy growth. There are several public places in Prowers county that attract many people. People coming from outside of Colorado are mostly interested in the history and interesting places like Santa Fe Trail.

**Lamar Community College**

One of the main socio-economic assets of Prowers county is the Lamar Community College (LCC). LCC is one of the few higher-level education providers in south east Colorado. Last year, LCC had just over 1,000 students enrolled with a third of those students coming from outside the region. Nine out of ten students at LCC are receiving an associate degree, but the college also offers a handful of certificates.

Overall, LCC provides many social and economic benefits to the city of Lamar and the county as a whole. According to the Colorado Community College System, in the 2015-2016 fiscal year, LCC added $5.9 million in income through the 120 people they employ. The students alone at LCC increased the overall spending in the community by $33 million. In addition, the college continues to bring in visitors though athletic and social events.

The only issue with LCC is that the enrollment numbers have been dropping over the last decade. According to the Out of the thirteen community colleges in Colorado, four have experienced a decreasing enrollment rate over the last ten years. LCC’s enrollment over the last ten years has dropped 21%, except for a slight increase in the most recent year. This decrease is similar to the age profile collected. In Prowers county, the number of young adults has decreased by 19% between 1990 and 2010 and is expected to decrease by another 10% by 2030.
Affordable Living

According to the Colorado Department of Local Affairs, another asset of Prowers is that it is one of the most affordable places to live in Colorado. Prowers is among the lowest in Colorado when it comes to median home value and median gross rent. From 2012 to 2016, the median home price in Prowers was $88,100 and the average rent was $633. The county also has one of the highest median household incomes in south east Colorado, $41,037.

Resiliency

Using the data provided by the Bureau of Economic Analysis, a comparison can be drawn between Prowers county, Colorado, and the United States. To do this, a focus will be placed on the key indicators; income, total jobs, wage salaried workers, proprietors, and births and deaths of specific sectors. To show the comparison, the data has two index years for each major category. Their will be one graph showing the year 2001 as the index year to show progress from then till now. The other graph will have 2007 as the index year to show progress after the great recession. Growth rates of each section will also be provided to get a better understanding of the direction that each category is heading.

Income

The first category is income per capita. This is the only category where Prowers is doing better than Colorado and the United States. From 2001 till now Prowers has had a 3.7% growth rate in income per capita, while Colorado and the United States has had a 2.9% and 3.1% growth rate respectively. More surprisingly the resiliency of Prowers income per capita was steadily increasing after 2007, and had more growth compared to the years leading up to 2007.
Also, both the United States and Colorado saw a slight drop in income per capita in the following couple of years after 2007. Income per capita is the most resilient economic indicator of Prowers after an economic shock in 2001 and 2007.

**Total Jobs**

The major issue Prowers is facing is the resiliency of its job markets. Since 2001 Prowers has had a -1.9% growth rate in total amount of jobs. Compared to Colorado and the United States who had a 1.2% and 1.0% growth rate respectively. Something to note is that both Colorado and the United States both again had significant downturns in the years following 2007, but Prowers has maintained a somewhat constant decline over the years. This could be a sign that the economic recessions did not have a significant effect on total jobs in Prowers county, and this could be more related to other factors that the county faces.
Wage salaried and Proprietors

Breaking down total jobs into wage salaried workers and proprietors, gives a better understanding of where Prowers strengths are located. Looking at wage salaried workers of Prowers is where the biggest loss in jobs has occurred over the years. Prowers county has had a -1.6% growth rate since 2001, and has seen a loss of about 2000 wage salaried jobs. On the other hand, Colorado and the United States has had a 1.1% and 0.5% growth rate respectively. Again, the resiliency of Prowers County can be seen in the way of it not being directly affected by the economic recessions in a significant way. Colorado and the United States both show drops in Wage Salaried workers following 2007, while Prowers has had a more constant decline.

Proprietors has been a very resilient sector since 2001 in Prowers County, and is the area of focus for this section. Prowers has had a -0.5% growth rate over the years. While this is still a negative growth rate, it can be said that it has been able to remain almost constant since 2001. Colorado and the United States both had a 1.9% and 2.8% growth rate respectively since 2001. Prowers seemed to peak in 2007 and thus steadily declined afterwards, but Prowers has almost maintained the level of Proprietors it had in 2001. Although this is not a particularly
strong growing sector, it is very resilient in the sense that it has been almost constant through economic downturns over the years.

Establishment Births and Deaths

Rural Counties such as Prowers have had difficulties maintaining paying wage salaried jobs, and as seen above, Prowers has had a significant decline in wage salaried positions. Counties such as Prowers must take work into their own hands and create their own businesses to make a living. Rural areas are more entrepreneurial than bigger cities, and Prowers has been able to maintain its level of proprietors over the years despite some ups and downs around the 2007 recession. Using information given by the Census Bureau’s business statistics, detailed information can be obtained regarding births and deaths of establishments.

The major difference between big and small towns is the level of information that is provided to potential future investors in each sector. The amount of dynamism is much larger in bigger towns than smaller ones. More dynamism means more information as to what works and what doesn’t work. Births and deaths of Prowers establishments shows which sector gives the most information, and which has been the most resilient over the years in this regard. This is important because most growth will come from these self-employed areas. Over the years, the
United States has seen a 54% growth in nonemployee establishments and from those non-employers 20-30% of them create paying jobs in the future (Weiler and Morgan). Big employee establishments rarely find their ways to small counties. The need to have more dynamism in regard to the information provided is critical.

**Retail Sector**

Since 2001 the retail sector has had a reduction of 161 wage salaried jobs since its starting total of 813. This is close to a quarter of jobs lost in this sector since 2001, and it is one of the most drastic changes in Prowers county as far as loss in wage salaried workers. However, proprietors side of the retail sector has had more promising results that can be considered. Since 2001 Prowers has had a decrease in 30 total proprietor jobs since its starting total of 128 in 2001. This drop is about the same quarter of total loss as wage salaried workers since that time. Still, when looking at the births and deaths of the retail sector, it shows the most dynamism out of all the sectors in Prowers. Since 2007, Prowers retail sector has had 21 births and 26 deaths in total. This number is small compared to larger cities, but it is considerably higher than every other sector in Prowers. This is one form of resiliency that the retail sector has been strong in over the years. Despite the loss in total jobs of the retail sector, people are still willing to take on risk when opening new retail establishments. This activity gives more information to future investors as to what works and what doesn't work.

**Health Care and Social Assistance**

Prowers having an aging population, and a high poverty rate could account for some of the dynamism in the health care and social assistance sectors in Prowers. This sector is the second most dynamic as far as births and deaths over the years. Since 2007, Prowers has had
11 births, and 14 deaths in the health and social assistance sector. Since 2001, Prowers has seen a loss of 21 total proprietor establishments. However, in 2008 the number of proprietors fell all the way down to 49 but has shown positive trends upward since to its current total of 54. The biggest difference with the Health care and social assistance sector compared to the other two sectors, is that it has had an increase in both total jobs and wage salaried jobs. In total jobs, it increased a total of 92 from its 391 total in 2001, while wage salaried workers saw a 119 total increase from its 316 total base in 2001. The health care and social assistance sector has been dynamic in terms of births and deaths, and it has maintained a resilient total jobs and wage salaried workforce despite the recessions that have occurred. A slight downturn in each area over 2007, but total jobs and wage salaried have bounced back since that recession.

**Food and accommodation**

The last area of Prowers that will be looked at is the food and accommodation sector. This is the third most dynamic sector of Prowers in terms of births and deaths. This sector saw a total of 9 births and 12 deaths in establishments happening since 2007. While not as much as the previous two sectors, it still shows a considerable amount more than most sectors in Prowers over this time. Still, the total amount of jobs has almost remained constant as a decrease of 23 total jobs since its starting amount of 448. The wage salaried workers had a decline of 44 total jobs from its 2001 starting point of 448. The total amount of proprietors in Prowers county has maintained its average of 13 proprietors over the years and has been resilient in that way along with the births and deaths it has sustained.
So What?

The goal of this research is to offer some suggestions on how Prowers can grow in the future despite its downward trajectory. The key issues that need to be solved are the aging population, loss of jobs, and the migration out of the county occurring from the youth. As described in the base analysis, these are all pressing issues that need to addressed in the future in order to secure healthy growth. The base analysis provides the basic understanding of the strengths and weaknesses that Prowers faces, and allows a opportunity for suggestion given by this report to minimize and fight the trends that it faces.

The assets section laid out the strengths of the county and the areas that could combat some of these issues. First is the recognition of the Lamar as being the largest asset in Prowers county. Not only does it contain 75% of the population in Prowers county, it is also located in a remote area of Colorado. Its location relative to everywhere else in its surrounding area, could be a benefit in drawing in outside attention and economic activity in the future.

As described above, one of the most important aspects of Lamar is the highway and transportation industry and the traffic it brings through. Using the data collected, there’s opportunity in Lamar to provide services to people passing through. Increasing the amount of motels or auto-repair shops for the many travelers and truckers passing through are a couple ideas to encourage people to spend more time and money in Lamar. By using that asset to increase traffic through Lamar, other assets such as the main street of Lamar could see more drastic growth than before.

Since Lamar already has the traffic coming through, the next initiative is to revitalize the downtown. The main street program of Lamar solves many of the issues that are being addressed. The first major benefit of the main street program is the first mover problem. Investing and refurbishing the main street of Lamar gives future investors a safe and reliable
location to start new establishments. Offering funding for remodeling of existing buildings, and having a detailed economic plan for a specific location, allows the first mover problem to be not as pronounced as it would be without the program.

This leads into the three sectors that have had the most dynamic activity in prowers, and how the mainstreet program can facilitate the future growth of prowers as a whole. Retail, health care and social services, and food and accommodation offer the most information as to what has worked and what has not worked. First by solving the first mover problem, and now showing the areas that has the most information for future investment.

After investing into and refurbishing the main street in Lamar, the affordability, income growth, housing prices, and community college will continue to attract people. While the housing prices remain some of the lowest in the area, and income per capita is growing steadily, Prowers is primed for first home buyers. Assuming these aspects continue in the near future, and after revitalizing the downtown, young individuals and families with a low budget will be incentivized to move there.

The Lamar Community College also has the potential to boost the economic growth in the town and county if it can add new courses or degrees to its curriculum. Adding new courses or degrees will have several economic benefits such as increased employment, increase the enrollment, and even increase the amount of spending within the county. It has been proven in other struggling rural towns in the U.S. that adding new programs to the local college can create new specializations and economic growth within the town. For example, if LCC started providing entrepreneurship courses as a part of its business degree, it could potentially give students the confidence to pursue starting their own business. Using the data above and knowing that being a proprietor has been a strength of the county, this might influence some students to start their own business in downtown Lamar.
Conclusion

Prowers has the potential to change its current population trends and improve its economic climate by focusing on its main assets. Using the amount of traffic through Prowers, it can capitalize on the amount of attention it gains from it to showcase their assets. If Prowers can bring more focus and attention to main street Lamar, it will attract more businesses, investors, and patrons to spend more time and money. Revitalizing the downtown will give people a reason to visit, and the income per capita, the successful industries, education opportunities, and affordability will give people a reason to stay.
Works Cited


Colorado Department of Local Affairs. 2018. “Colorado Main Street. Main Street Story.”


Colorado Department of Local Affairs. 2018. “Population by Single Year of Age - County.”


Honor Pledge

“We did not give, receive, or use any unauthorized assistance on this project.”

Signatures

DAVID WU

TATE HOEVEN

NICHOLAS ROMERO

PETER MAJEKODUNMI