

# Development Opportunity Profile

## Dawes County, Nebraska



*Developed for the Heartland Center for Leadership Development*

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e2 Entrepreneurial Ecosystems believes in **empowering research** – making data-driven decisions about economic development to be more strategic and, ultimately, creating the kinds of economic development outcomes and long-term community or regional prosperity you desire. We work hard to build tools and resources that communities can use to access and understand data and turn that raw information into knowledge you can apply in your community. This **Development Opportunity Profile** was prepared for Dawes County in Nebraska by e2 and NetWork Kansas.

### Taking Stock – The Power of Assessment

Whether a community or a region is successful over time – or not – depends upon the commitment and choices of its leaders and people, and the investments they make in their development. As Deepak Chopra says, “When you make a choice, you change the future.” Making the *right* development choices is a prerequisite for achieving community and regional prosperity. The best way to make the *right* development decisions is to commit to a thoughtful and robust assessment of your region’s opportunities. By taking the time to discover and better understand your region’s genuine development opportunities, you will make smarter investments and enhance your region’s potential for greater prosperity.

This **Development Opportunity Profile** is a start on a pathway to prosperity. But it is only a start. It reflects one view of your region, based on secondary data. We challenge you to build on this work, draw on your own knowledge of the region and its assets, and create a deeper understanding of your unique development opportunities. Then use this understanding to craft and implement a smart development game plan. We hope this **Development Opportunity Profile** is helpful and contributes to your future development success.



## Asking the Right Questions

To be successful and achieve sustainable prosperity, every region needs to achieve two things, at a minimum – economic renewal and demographic renewal. These two things are intimately connected. New residents are attracted to and put down roots in places that offer diverse economic opportunities. And a healthy population supports a more robust quality of life and the amenities that go with it – schools, health care, shopping, arts, and recreation, for example. This **Development Opportunity Profile** helps you begin to answer a number of questions about your community or region:

1. What is the regional context for your place?
2. What are the demographic trends in your place?
3. How is your economy doing in terms of job creation?
4. How is your economy doing in terms of income generation?
5. What is driving your economy?

You may choose to address additional questions for your community or region – how are families doing; how is the ethnic makeup of your community or region changing? The answers to these and other questions will help you focus in on your genuine development opportunities.

The first section of this profile provides an historical overview of your economy as a whole:

- The regional context
- Population trends
- Employment trends
- Personal income trends
- Economic drivers

The second section delves more deeply into the business or entrepreneurial economy, describing general business ownership trends and specific entrepreneurial attributes of your region. In the final section, we provide a summary of key development opportunities for your county as well as some identified development challenges.

**Being a Smart Data Consumer.** We provide a summary of research sources at the end of this profile. Detailed source information can be found by reviewing specific research items in the Online Library. Data used in this Profile is based on sampling and estimates. Through the sampling process, data can be skewed particularly in smaller, more rural regions. We encourage you to carefully review the data and question the results if they are at odds with your experience. At the same time, remember that others – prospective residents, employees, and entrepreneurs – are using this same secondary data to learn about your county.

### Online Library

Research collected and analysis completed in support of this profile is available through an Online Library at the following site:

[Dawes County, NE](#)

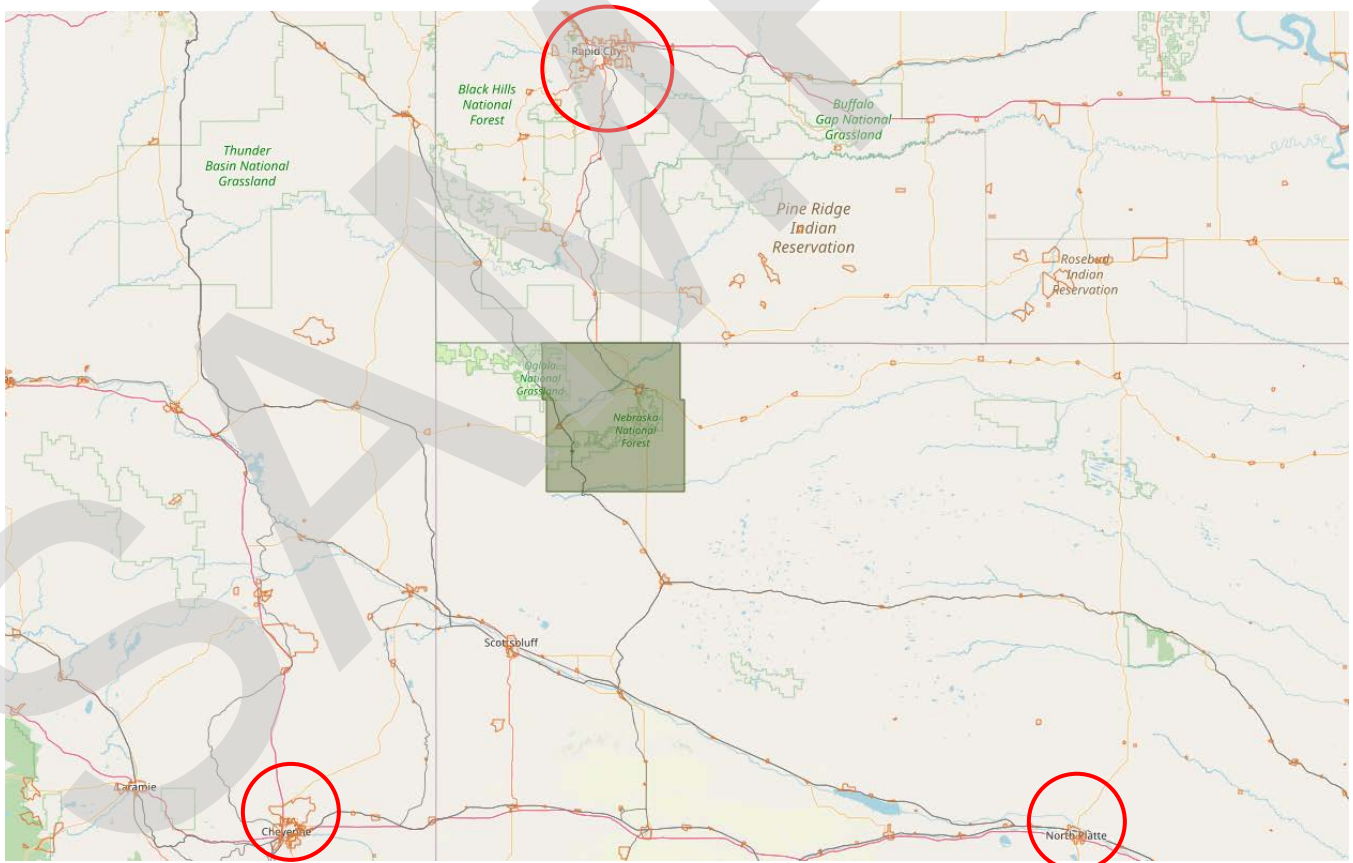
# Understanding the Economy – Historical Overview

## Regional Context

Every region has a unique location offering both opportunities and challenges. Even in our globally interconnected world, location still matters. Early in America’s history, a region’s access to water transportation was a plus. Today, a location with access to high-speed internet and a unique quality of life might attract, for example, entrepreneurs or telecommuters who can choose to work from anywhere. Individual communities exist within a larger regional context that drives both economic and residential development.

Chase County, Kansas is located along the I-335 transportation corridor connecting Wichita with Topeka and the I-70 corridor. Your community is adjacent to Emporia, a regional trade, service, and employment center. You have relatively strong commuter activity with Emporia and other adjacent community. Chase County is home to the Tallgrass Prairie National Preserve and is adjacent to the Flint Hills eco-region. The Flint Hills eco-region is nationally and internationally known as one of North America’s largest remaining grasslands. These assets create experiential tourism opportunities. Founded in the 1860s, Chase County peaked in population in 1900 with 8,246 residents and has now dropped to “frontier county” status with 2,669 residents in 2017. Esri projects continued depopulation at -0.23% per year on average between 2018 and 2023.

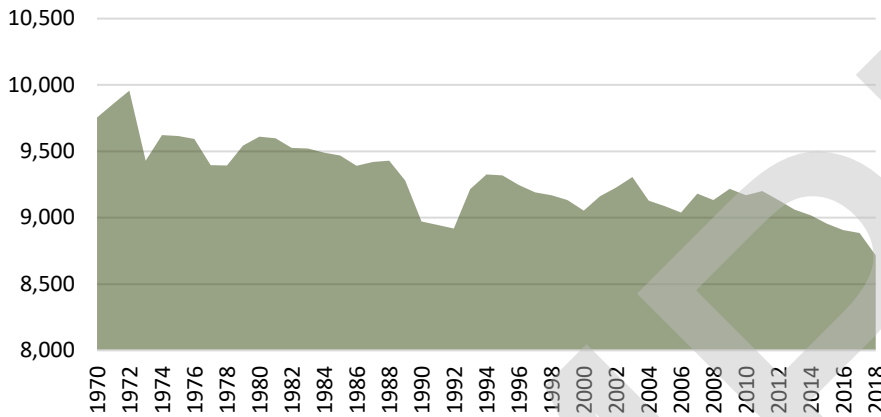
Figure 1. Dawes County, Nebraska



## Population Trends

Community and economic development should be focused on strategies that not only grow a more robust economy but create opportunities to attract and retain people. A growing population contributes to a strong workforce and supports community infrastructure including schools, health care, arts and culture, and retail activity. Failure to address population loss contributes to further economic and social contraction as a community or region’s vibrancy and capacity decline.

**Figure 2. Population Trends, 1969-2019**



### Dawes County, KS Quick Demographic Profile

2010 Population – 9,182  
 Median Age – 33.2 Years  
 Households – 3,684  
 Average Household Size – 2.19

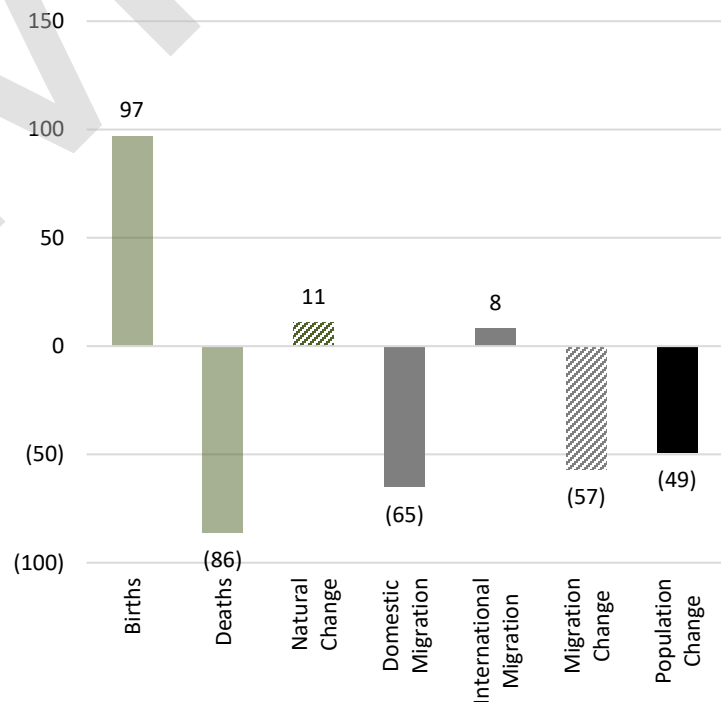
2020 Projected Pop – 8,956  
 2025 Projection Pop – 8,819

Projected 2020-2025  
 Decline Rate = -0.31% per year

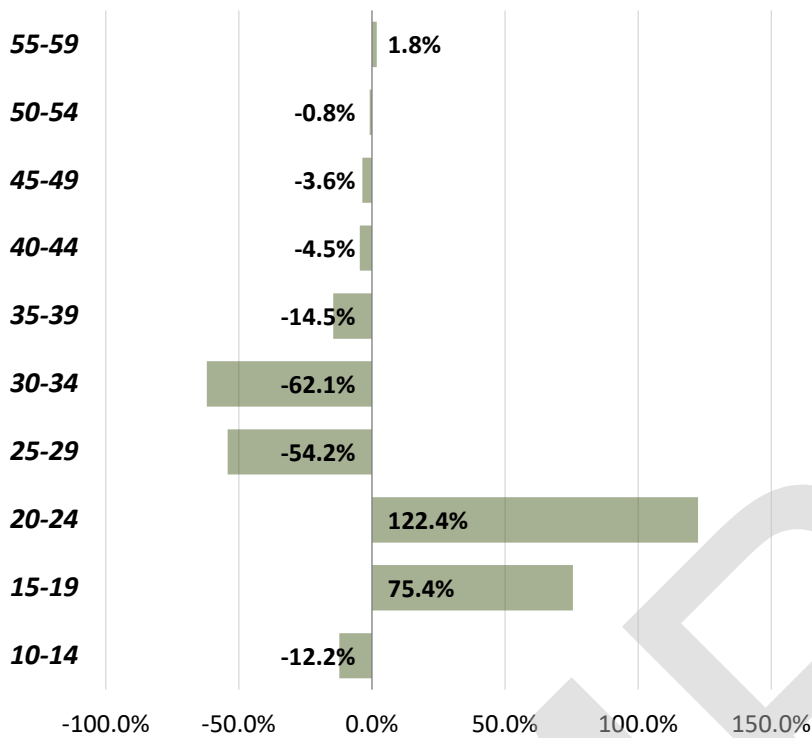
The Census Bureau makes a minor statistical correction called a "residual" which is included in Figure 2 but omitted from Figure 3. Because of this correction, natural change plus net migration may not add to total population change in Figure 2.

Figure 3 shows average annual change in population, including natural change (births and deaths) and migration (in-migration and out-migration), for 2000 through 2019. When natural population change moves towards zero or negative, a community will likely experience severe and chronic depopulation undermining community vitality. Migration, both domestic (within the U.S.) and international (outside of the U.S.) can strengthen or erode a community’s demographic or population health. Heavy net outmigration (more people leaving than coming in) can further stress demographic health and contribute to declining economic fortunes and quality of life. As America ages, overall birth rates are coming down. For many counties, in-migration of new residents is essential to not only sustain current population levels but to enable growth. For areas to be prosperous, rapid population growth is not necessary.

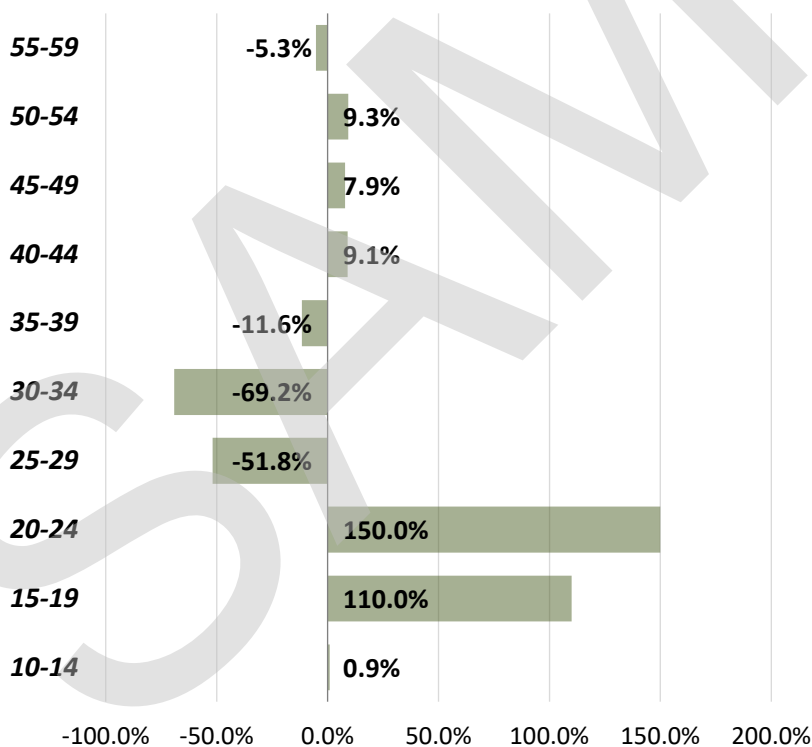
**Figure 3. Average Annual Components of Population Change, 2000-2019**



**Figure 4. Percent Age Cohort Change, 1990-2000**



**Figure 5. Percent Age Cohort Change, 2000-2010**



Dr. Ben Winchester with the University of Minnesota studies population trends across America. We have been using his research increasingly over the past few years.

One way to think about a community's or regions **demographic health** is to compare changes in age cohort groups over ten year or Census periods. In much of rural America, there is a national trend where rural communities typically lose many of their 20-year-olds as they leave high school and often leave their home county to pursue higher education or work elsewhere.

What Dr. Winchester has observed is a trend of 30-year-olds returning after this away-from-home experience. This trend is potentially important to rural communities that have been losing population over time. With returning 30-year-olds, we have younger families, school-age children, a larger workforce and potential entrepreneurs.

Increasing the population of 30 year olds should be a development objective in the county. In creating a more entrepreneurial economy and society, your county can be more successful in retaining and attracting the 25 to 40 year old age groups. For this to happen more frequently, communities must create more and better economic opportunities with a range of jobs and careers through local business formation and growth.

## Employment Trends

Figure 6 to the right provides the long-term historical trend for total employment in the county. Typically, if a county's population is increasing, we will also see increasing employment. However, for rural counties, it is not uncommon to see declining population with growing employment at least for some time. In most parts of America, workers are willing to travel

long distances for jobs and careers. Workforce is often regional where people live in one community and commute to another community for work and running businesses. Eventually, if a community continues to experience population loss, its ability to sustain job growth is undermined. Later in this profile, we provide more detailed information on job trends associated with different kinds of ventures by type and size of employment.

Figure 6. Employment Trends 2001-2019

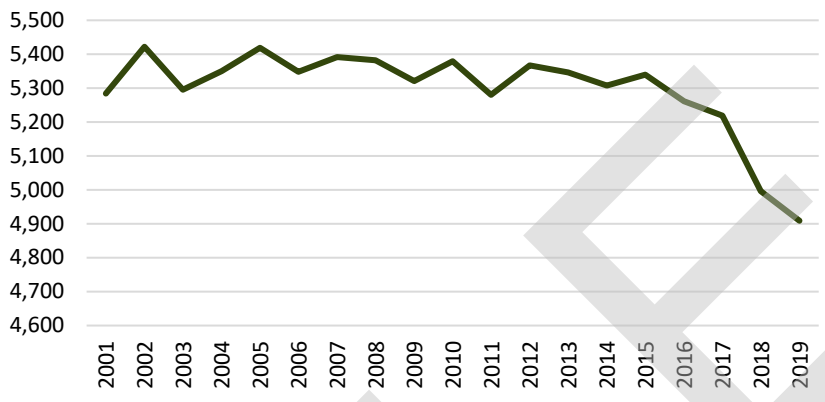
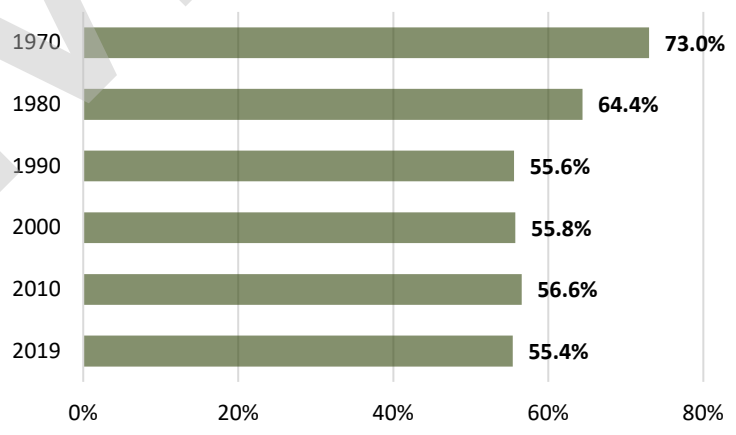


Table 1. Net Job Growth During Recession Periods

2001 Recession		Great Recession	
Recession (Mar-Nov 2001)	0.5%	Recession (Dec 2007-June 2009)	0.0%
Recovery (Dec 2001-Nov 2007)	0.0%	Recovery (July 2009-Dec 2018)	0.0%

“Labor earnings to total personal income” is a good proxy for how dynamic or robust an economy is. Across the country, the share of labor earnings (active work) relative to total personal income has been dropping reflecting both an aging and stagnating economy. A healthy labor-earning rate is in the range of 60 to 70 percent. For communities with a Labor Earnings Ratio that has been consistently dropping, there should be concern about the vitality of a community's economy. In some situations, this ratio will fluctuate due to influences of natural resource extraction and processing. In communities where farming is predominant, earnings will fluctuate from year to year impacting this ratio. The same is true for other economies where oil, timber, fisheries, and tourism are king. Understanding how these economic activities impact community health and well-being is important and a commitment to economic diversification is key to more stable and prosperous communities.

Figure 7. Labor Earnings as a Percent of Total Income 1969-2019

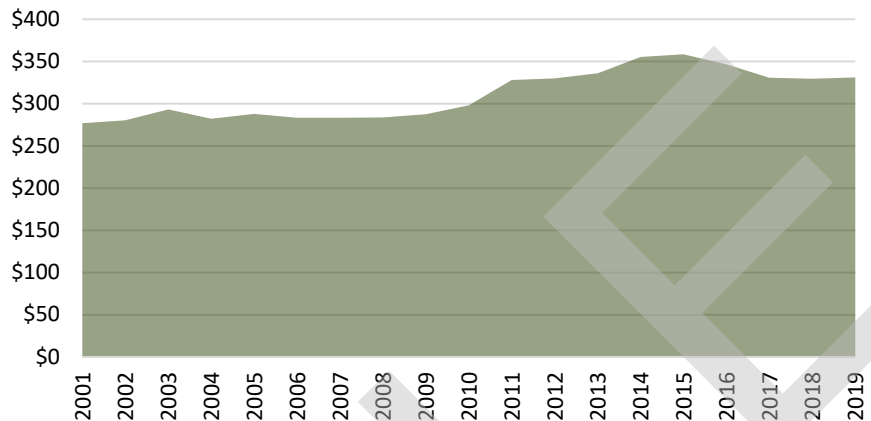


## Personal Income Trends

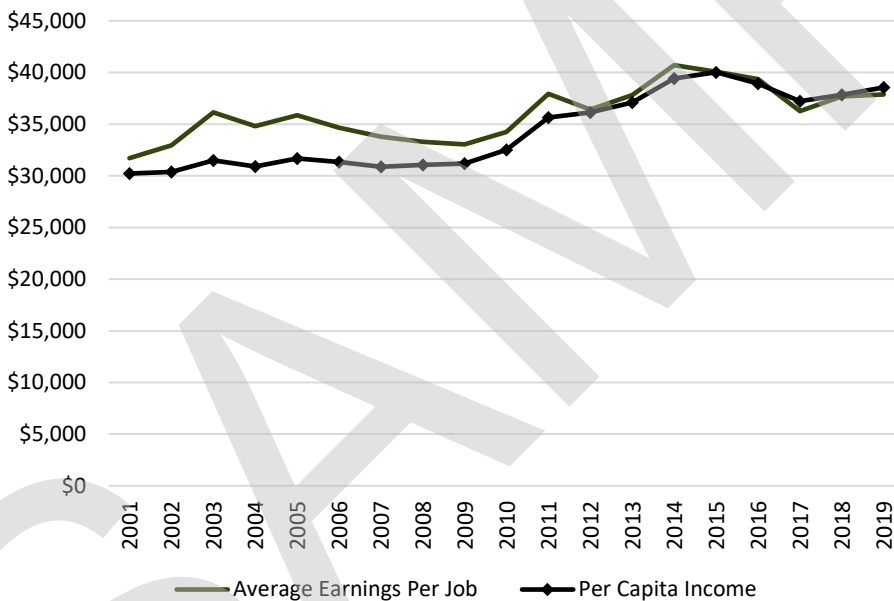
Long-term personal income trends measured in real or inflation adjusted dollars (where a dollar in 2019 has the same purchasing power as a dollar in 1970) are presented for your county in Figure 8. Personal income is a critically important indicator of community well-being. Generally speaking, when personal income is rising faster than both population and employment, household and community well-being is improving.

What Figure 8 does not show is income distribution. We have additional research in your Electronic Library profiling household disposable income and net worth.

**Figure 8. Personal Income Trends 2001-2019**  
(Millions of 2019 dollars)



**Figure 9. Average Earnings Per Job & Per Capita Income 2001-2019**  
(2019 dollars)



Per capita income (total personal income for the county divided by the number of permanent residents or population) is a good indicator of how well a county is doing. Per capita income in most rural communities is rising because of an aging population. Total personal income includes active earnings (wage and salary earnings) and passive earnings associated with rents, Social Security, retirement, royalties, and the like. With aging populations, active earnings may be stagnant but per capita income is rising due to growing passive earnings.

Average earnings per job gives us a better indicator of how business owners and workers are doing. When average earnings are rising, chances are good that the county is doing better. The converse is true when average earnings are contracting reflecting reduced earnings from businesses and wage stagnation or cuts for workers.



## Economic Drivers

Every community, region or state is shaped by certain *economic drivers* that generate income. Using data on total earnings by industry, this profile highlights the top 10 *economic drivers* for the county, how each of these has done in the last decade and its relative importance benchmarked to U.S. averages.

Figure 10. Earnings Drivers

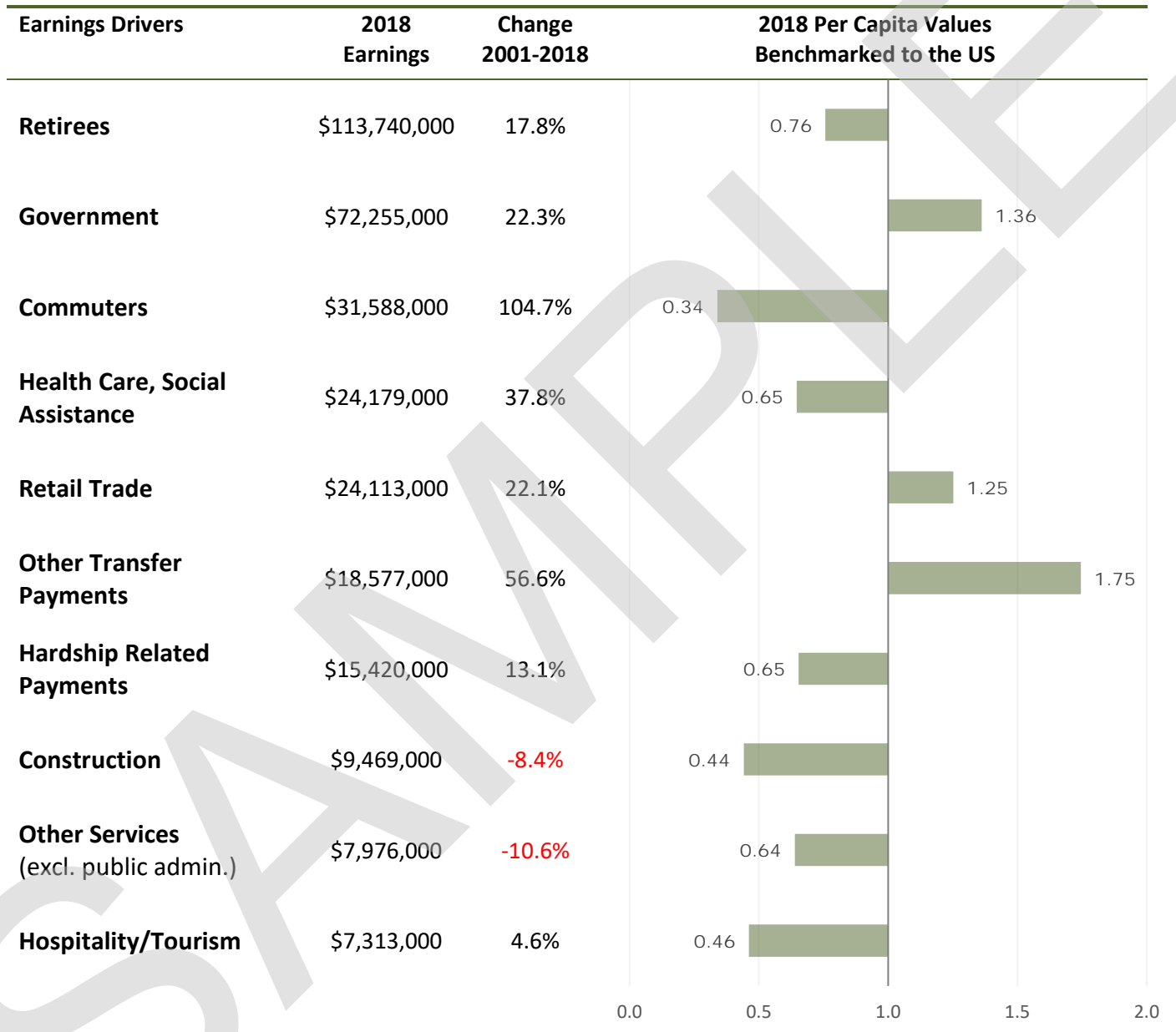
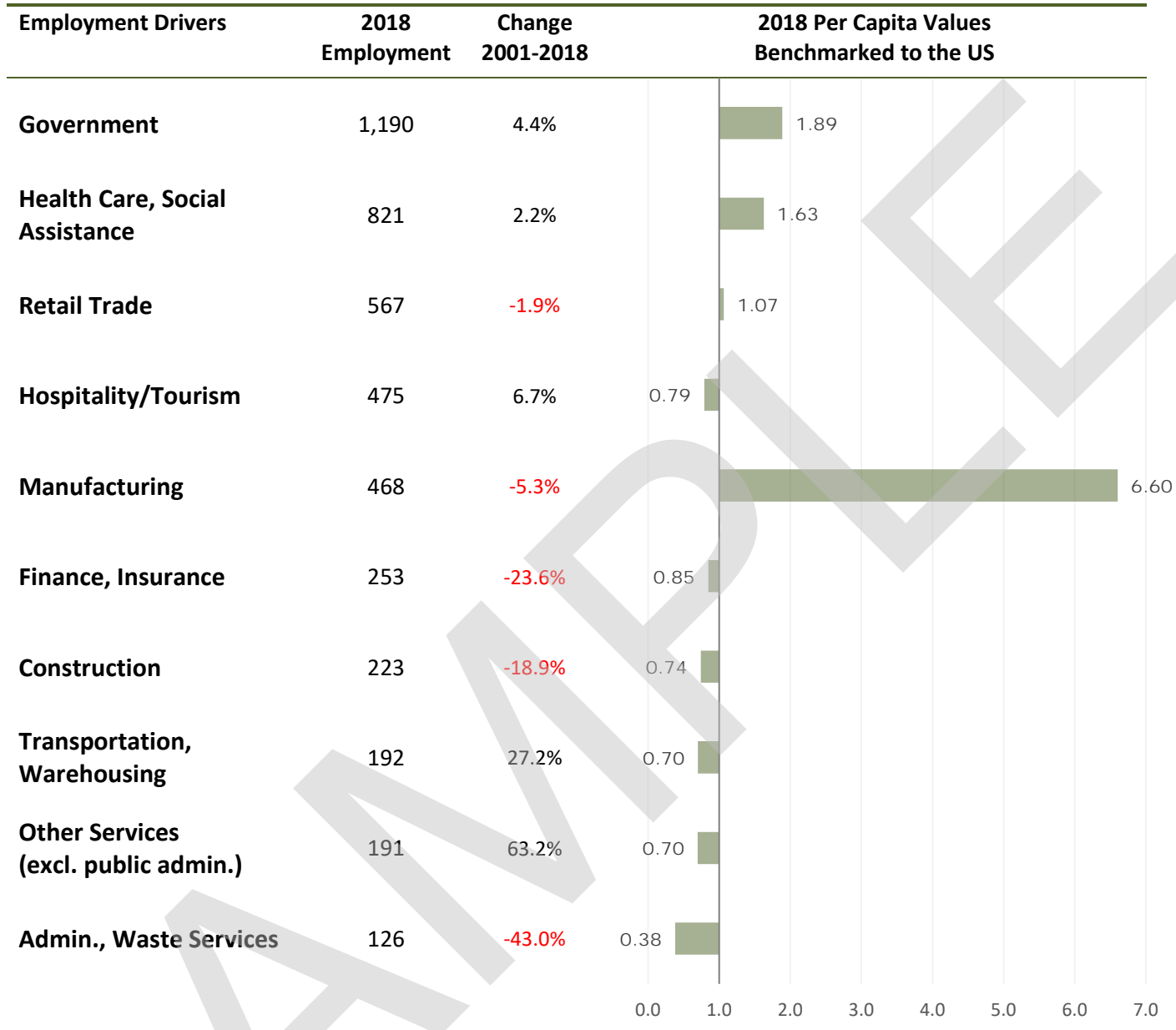


Figure 11 – Employment Drivers



The following analysis provides additional detail on each of these “economic drivers” shaping your county’s economy and society. Additional information is available through the profile’s electronic library and from e2 Entrepreneurial Ecosystems by contacting Don Macke at [don@e2mail.org](mailto:don@e2mail.org).

**Retirees.** America is aging, and retirees are among the most important economic drivers in our communities today. Retirees are a non-traditional economic sector. We may consider manufacturing, mining and even health care as economic sectors, but retirees are increasingly important to our community’s economic well-being. Retirees generate significant spending for 55-plus housing, health care, recreation, and other activities. For some rural communities, their local hospital and clinics exist because of retirees and their Medicare insurance programs.

**Government.** Government includes everything from military agencies to federal, state, and local government organizations. Government also includes public education ranging from the local public K-12 school system, public community colleges, colleges, universities and educational learning centers and agencies. For some communities, all or part of their health care system is public and would be included in the government sector. Government adds stability and diversification to your community while also providing critically important services. Ensuring government stability is highly recommended. Growing, through business development, a larger tax base is an important game plan providing adequate tax revenues to support government functions while reducing the burden on both farm and residential taxpayers.

**Commuters.** Workers are often willing to travel significant distances for work and careers. We may choose to live in one community and work in another. For many rural communities, commuters are an important economic driver. People living in our community and working outside of it bring earnings home, generate local spending and support other economic and social activities foundational to our community's character and well-being.

**Health Care and Social Assistance.** Depending upon the source and the community, between 5 and 10% of the entire American economy is associated with health care and social services. For many rural communities, the local hospital, clinic, dental office, and care home represent major economic drivers and important sources of both jobs/careers and supply chain businesses like the local private pharmacy that exists because there is an assisted living home in your community.

**Retail Trade.** Retail Trade is a bedrock and iconic economic activity in every community. Over the years, the "Norman Rockwell main street" has experienced significant change with emergence of strip commercial activities, shopping centers, franchised box stores and now electronic commerce (i.e., Amazon). Today, locally owned retail trade is very important to community health (e.g., captures and recycles local spending and roots wealth) but challenged.

**Other Transfer Payments.** According to Headwaters Economics ([www.headwaterseconomics.org](http://www.headwaterseconomics.org)), Other Transfer Payments includes veterans benefits, education and training, Workers' Compensation Insurance, railroad retirement and disability, farm payments, other government retirement and disability, and other receipts of individuals and non-profits.

**Hardship Related Transfer Payments.** According to Headwaters Economics ([www.headwaterseconomics.org](http://www.headwaterseconomics.org)), Hardship Related Transfer Payments include payments associated with poverty and include Medicaid, Food Stamps (SNAP), Supplemental Security Income (SSI), Unemployment Insurance and other income maintenance benefits. With the Great Recession and an aging population, hardship payments have grown and become more important for many communities.

**Construction.** Construction, like local retail trade and services, is found in most community and regional economies. Construction activity ranges from locally based contractors like plumbers and homebuilders to

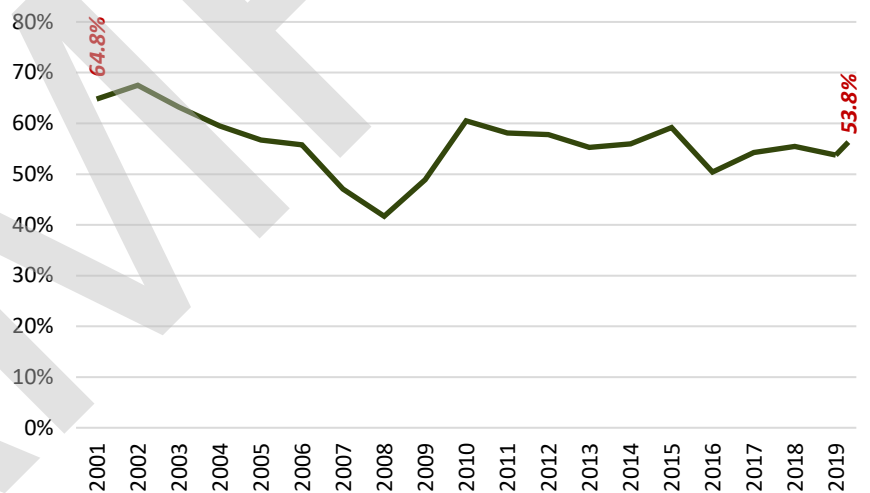
regionally based construction companies and external companies doing major projects (e.g., roads, power plants, etc.) in a community.

**Other Services** (except public administration). Other Services is also an important sector in the County. Activities in this sector are providing services not specified elsewhere in the NAICS industry sectors, including repairs, religious activities, grantmaking, advocacy, laundry, personal care, death care, and other personal services. Other Services generated nearly \$8 million in household earnings in 2018. However, this sector has declined by over 10% between 2001 and 2018. Further exploration of this sector is warranted and likely represents business development opportunities.

**Hospitality/Tourism.** Hospitality and/or tourism includes three key economic activities including arts, entertainment and recreation venues, accommodations or lodging, and food services. Most communities have some activity within all three of these sectors meeting the needs of local residents. However, when there are higher concentrations of these activities, a community is likely a destination for outside visitors. They may be communities along interstate highways providing services to pass-through travelers or genuine destinations that have historic, recreational, or cultural amenities drawing visitors.

**Locally Owned Ventures.** Historically, one of the greatest assets of American communities was locally owned retail businesses, services, and manufacturing operations (often referred to as Main Street USA). These were area-owned and operated. They were rooted in the community. Figure 12 measures the income associated with these locally owned businesses compared to that associated with wage and salary jobs. This ratio provides an indication of how well these ventures are doing in our changing environment.

**Figure 12. Nonfarm Proprietor Income as a Percent of Wage & Salary Income 2001-2019**



## Commuters

Commuters play an important role for many communities. Some local residents sometimes travel to other communities for work but spend their wages at home. In other cases, workers from other locales may come to your community and acquire goods and services around their workday. In the era of remote work, some residents may even be employed by an out-of-state company but have strong engagement in your community as they work from home. Table 2 highlights the primary communities and states where your residents work and, conversely, where workers in your community reside.

**Table 2. Dawes County Resident and Worker Destinations (2018)**

Where Residents Work			Where Workers Live		
Total Jobs	3,408	100.0%	Total Jobs	3,204	100.0%
<b>Cities</b>			<b>Cities</b>		
Chadron city, NE	1,771	52.0%	Chadron city, NE	1,437	44.9%
Crawford city, NE	228	6.7%	Crawford city, NE	228	7.1%
Scottsbluff city, NE	121	3.6%	Alliance city, NE	78	2.4%
O'Neill city, NE	116	3.4%	Scottsbluff city, NE	51	1.6%
Alliance city, NE	88	2.6%	Gering city, NE	34	1.1%
Lincoln city, NE	80	2.3%	Lincoln city, NE	30	0.9%
Omaha city, NE	74	2.2%	Sidney city, NE	30	0.9%
Sidney city, NE	41	1.2%	Gordon city, NE	27	0.8%
North Platte city, NE	33	1.0%	Omaha city, NE	26	0.8%
Rushville city, NE	31	0.9%	Rushville city, NE	23	0.7%
<b>States</b>			<b>States</b>		
Nebraska	3,188	93.5%	Nebraska	2,905	90.7%
South Dakota	120	3.5%	South Dakota	127	4.0%
Wyoming	32	0.9%	Wyoming	68	2.1%
Colorado	24	0.7%	Colorado	47	1.5%
Kansas	12	0.4%	Iowa	8	0.2%

# Understanding the Business/Entrepreneurial Economy

## Big Picture Overview

A central driver of community or regional prosperity is the business community. Figures 13-20 provide an overview of the county’s business community, including for-profit, non-profit, and governmental enterprises, from 2003 through 2019. Figure 13 highlights the longer-term trend in the number of all regional establishments including for-profit businesses, non-profit ventures, and government entities. Data in Figures 13-15 & 17-20 is from [www.youreconomy.org](http://www.youreconomy.org). Find the source data for these figures in the online library.

Figure 13. Businesses

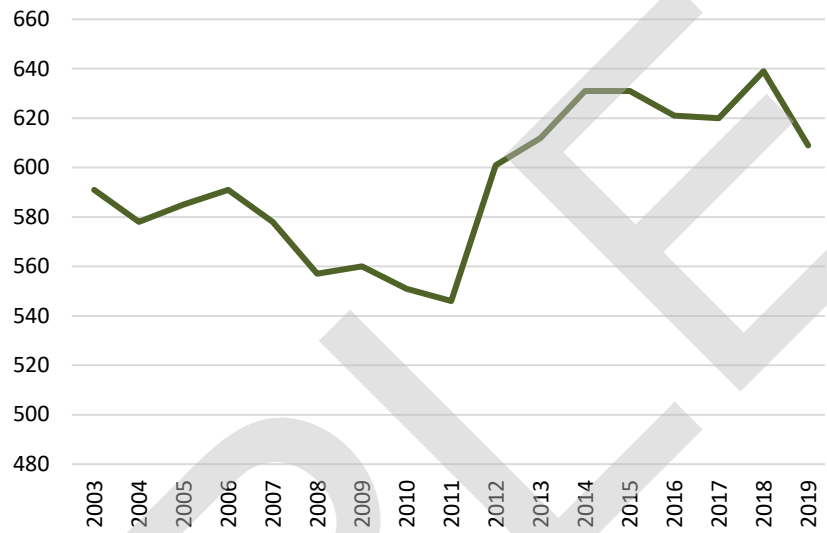
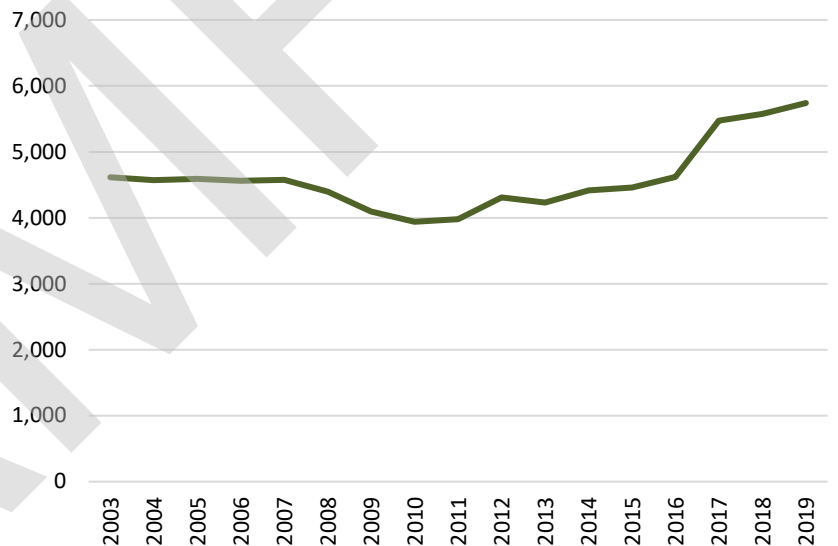


Figure 14. Jobs



Dawes County, Nebraska Business Summary	
<b>Total Businesses</b>	499
<b>Businesses per 1,000 Residents</b>	
Dawes County – 56	
Nebraska – 41	
U.S. – 36	
<b>Total Employees</b>	5,239
<b>Employees per 1,000 Residents</b>	
Dawes County – 585	
Nebraska – 522	
U.S. – 438	

Figure 14 provides a comprehensive picture of all employment from for-profit business to non-profits to government entities including schools. This does not reflect the employment of those who live in the county and work outside of the county.

Esri ([www.esri.com](http://www.esri.com)) produces regional analysis of ventures and employment by sector. The data provides a useful overview of the relative importance of specific sectors in the county’s economy in 2020 (see Table 3). Economic sectors are organized into two components. A county’s *traded sectors* produce products and services that are sold outside the county, bringing new income into the county. Traded sectors are also referred to as *basic industries*. Strong regional economies have strong and diverse traded sectors.



Table 3 provides an accounting of the county’s ventures including the number of ventures by sector and associated full-time equivalent employment. This data source does not always capture all venture activity. For example, it may not fully reflect the number of farms and ranches in a rural area. For those sectors where we have data gaps, there are supplemental reports in your county’s e-library.

**Table 3. Economic Sectors, Dawes County, KS, 2020**

<b>Sector</b>	<b>Ventures</b>	<b>Employees</b>	<b>% Total Employees</b>
Agriculture, Forestry, Fishing & Hunting	18	74	1.4%
Mining & Utilities	4	60	1.1%
Construction	17	79	1.5%
Manufacturing	8	26	0.5%
Wholesale Trade	11	75	1.4%
<b>Retail Trade*</b>	<b>77</b>	<b>674</b>	<b>12.9%</b>
Transportation & Warehousing	12	83	1.6%
Information	16	140	2.7%
<b>Finance &amp; Insurance*</b>	<b>21</b>	<b>92</b>	<b>1.8%</b>
Real Estate	10	20	0.4%
Professional Services	21	67	1.3%
Management & Administrative	16	128	2.4%
Education	16	803	15.3%
Health Care	55	1,465	28.0%
Arts, Entertainment & Recreation	18	314	6.0%
Accommodations	14	86	1.6%
Food Service	23	333	6.4%
<b>Hospitality/Tourism Sector**</b>	<b>55</b>	<b>733</b>	<b>14.0%</b>
Other Services	75	278	5.3%
Public Administration	44	392	7.5%
Unclassified Establishments	23	50	1.0%
<b>Total</b>	<b>499</b>	<b>5,239</b>	<b>100%</b>

\*Esri provides additional detail for these sectors including sub-sector information.

\*\*Hospitality/Tourism Sector is created by combining the three preceding sectors.

**Retail Trade** nationally has undergone major changes as once dominant locally owned retailers are now competing with externally owned big box stores and online sellers. A strong and diverse retail sector is important to capturing local spending and generating additional economic growth. Additionally, services for business, households, non-profits, and governmental agencies are increasingly important. We have additional information on your county’s service sector in your e-library.

**Table 4** provides more detail on retail demand and supply, identifying positive trade balances and spending leakages. The electronic library includes a more detailed [Retail MarketPlace Profile](#). Your county might want to consider a two-part retail strategy focusing on (1) assisting business transitions in the **local sector** and (2) finding competitive niches for existing or new retail businesses.

**Table 4. Retail MarketPlace Profile, Dawes County, KS, 2020**

**Summary Demographics**

2020 Population	8,956
2020 Households	3,675
2020 Median Disposable Income	\$36,321
2020 Per Capita Income	\$25,289

Industry Summary	NAICS	Demand (Potential)	Supply (Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$104,451,262	\$145,695,905	\$41,244,643	16.5	101
Total Retail Trade	44-45	\$94,979,833	\$134,853,204	\$39,873,371	17.3	72
Total Food & Drink	722	\$9,471,429	\$10,842,701	\$1,371,272	6.8	29

Industry Group	NAICS	Demand (Potential)	Supply (Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$20,412,154	\$31,853,375	\$11,441,221	21.9	16
Automobile Dealers	4411	\$17,199,411	\$28,343,932	\$11,144,521	24.5	11
Other Motor Vehicle Dealers	4412	\$1,401,400	\$2,331,382	\$929,982	24.9	2
Auto Parts, Accessories & Tire Stores	4413	\$1,811,343	\$1,178,061	-\$633,282	-21.2	3
Furniture & Home Furnishings Stores	442	\$2,388,093	\$1,985,353	-\$402,740	-9.2	2
Furniture Stores	4421	\$1,811,276	\$1,003,156	-\$808,120	-28.7	1
Home Furnishings Stores	4422	\$576,817	\$982,197	\$405,380	26.0	1
Electronics & Appliance Stores	443	\$3,441,358	\$1,215,397	-\$2,225,961	-47.8	4
Bldg Materials, Garden Equip & Supply Stores	444	\$6,327,243	\$4,264,160	-\$2,063,083	-19.5	9
Bldg Material & Supplies Dealers	4441	\$5,649,093	\$3,796,012	-\$1,853,081	-19.6	8
Lawn & Garden Equip & Supply Stores	4442	\$678,150	\$468,148	-\$210,002	-18.3	1
Food & Beverage Stores	445	\$17,664,978	\$10,143,252	-\$7,521,726	-27.0	6
Grocery Stores	4451	\$15,870,967	\$8,379,169	-\$7,491,798	-30.9	4
Specialty Food Stores	4452	\$885,385	\$0	-\$885,385	-100.0	0
Beer, Wine & Liquor Stores	4453	\$908,626	\$1,764,083	\$855,457	32.0	2
Health & Personal Care Stores	446,4461	\$5,927,163	\$4,804,449	-\$1,122,714	-10.5	4
Gasoline Stations	447,4471	\$10,690,663	\$17,868,215	\$7,177,552	25.1	6
Clothing & Clothing Accessories Stores	448	\$3,362,762	\$5,507,855	\$2,145,093	24.2	5
Clothing Stores	4481	\$2,228,305	\$5,390,613	\$3,162,308	41.5	4
Shoe Stores	4482	\$443,345	\$0	-\$443,345	-100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$691,112	\$117,242	-\$573,870	-71.0	1
Sporting Goods, Hobby, Book & Music Store	451	\$3,544,914	\$2,137,537	-\$1,407,377	-24.8	6
Sporting Goods/Hobby/Musical Instr Stores	4511	\$3,183,609	\$1,642,781	-\$1,540,828	-31.9	5
Book, Periodical & Music Stores	4512	\$361,305	\$494,756	\$133,451	15.6	1
General Merchandise Stores	452	\$15,171,590	\$51,286,293	\$36,114,703	54.3	4
Department Stores Excluding Leased Depts	4521	\$12,386,430	\$48,148,294	\$35,761,864	59.1	2
Other General Merchandise Stores	4529	\$2,785,160	\$3,137,999	\$352,839	6.0	2
Miscellaneous Store Retailers	453	\$4,947,886	\$2,169,286	-\$2,778,600	-39.0	8
Florists	4531	\$148,407	\$237,867	\$89,460	23.2	3
Office Supplies, Stationery & Gift Stores	4532	\$1,123,362	\$0	-\$1,123,362	-100.0	0
Used Merchandise Stores	4533	\$499,311	\$222,108	-\$277,203	-38.4	1
Other Miscellaneous Store Retailers	4539	\$3,176,806	\$1,709,311	-\$1,467,495	-30.0	4
Nonstore Retailers	454	\$1,101,029	\$1,618,032	\$517,003	19.0	2
Electronic Shopping & Mail-Order Houses	4541	\$791,049	\$1,618,032	\$826,983	34.3	2
Vending Machine Operators	4542	\$37,409	\$0	-\$37,409	-100.0	0
Direct Selling Establishments	4543	\$272,571	\$0	-\$272,571	-100.0	0
Food Services & Drinking Places	722	\$9,471,429	\$10,842,701	\$1,371,272	6.8	29
Special Food Services	7223	\$255,573	\$2,025,897	\$1,770,324	77.6	2
Drinking Places - Alcoholic Beverages	7224	\$907,302	\$475,632	-\$431,670	-31.2	4
Restaurants/Other Eating Places	7225	\$8,308,554	\$8,341,172	\$32,618	0.2	23





## Entrepreneurial Profile

Entrepreneurs play a central role in revitalizing community and regional economies. Where you have more robust entrepreneurial activity, you typically have more competitive, dynamic, and prosperous economies. This is particularly true when there are rooted entrepreneurs who are part of the overall community, contributing to the economy and actively engaging in the civic and social life of the county. Healthy economies support a range of entrepreneurial talent – from aspiring and startup to growth-oriented and breakout entrepreneurs.

**Startup Entrepreneurs** are the seeds of an entrepreneurial economy, making up the mouth of the pipeline. Successful startups create opportunities for business growth that generates employment and ultimately drives the economy. One good proxy for startup entrepreneurs is the number of **self-employed** (where the owner/operator is the only employee). Figure 15 shows self-employment trends for your county from 2003 through 2019 ([www.youreconomy.org](http://www.youreconomy.org)).

Rising self-employment can be due to two things. First, it can reflect the lack of wage and salary jobs where people in a community are forced into necessity entrepreneurship to get by until better jobs emerge. Second, it can be an indicator of increased new venture startups. Self-employment is a leading indicator of new entrepreneurial activity in a community. Working with the self-employed offers a significant development strategy for the county.

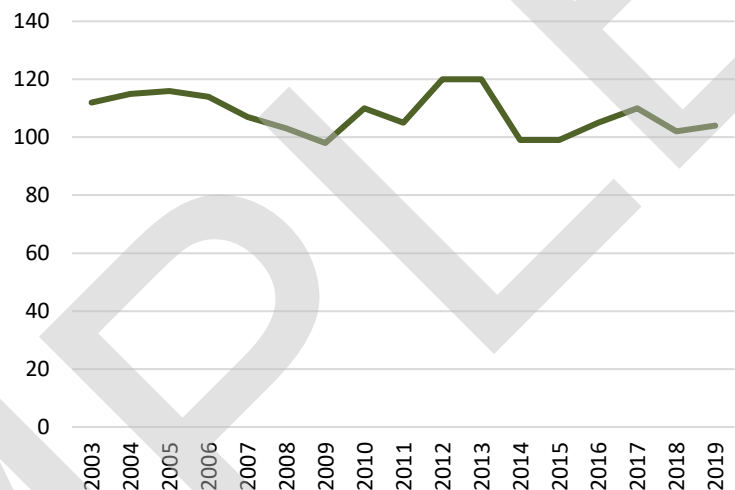
Conversely, declining self-employment can reflect two realities in a community. First, it can indicate an improving wage and salary job market where self-employed persons are taking jobs. For example, this may happen when a business expands and there are significant new job openings. Second, it can indicate deeper community decline where overall economic activity is contracting. Understanding what is behind these trends is paramount.

Regardless of your county's trend direction, it is important to discover who your self-employed entrepreneurs are. We urge the county to focus on the following three questions as it explores this development opportunity:

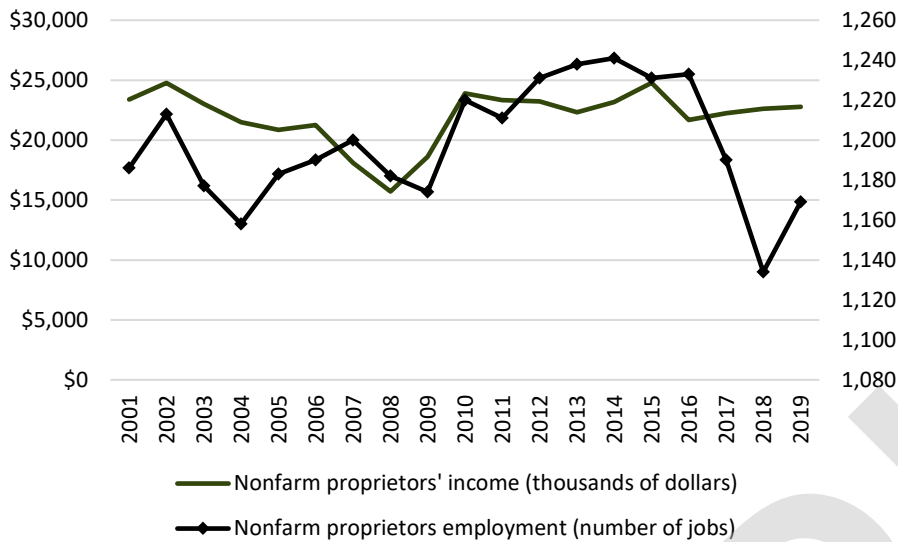
- Who are these self-employed startups?
- What are they doing?
- How could we help them be more successful?

Increasing self-employment or startup activity can be an important business development objective within an overall economic development strategy.

Figure 15. Self-Employed



**Figure 16. Nonfarm Proprietors' Income & Employment**

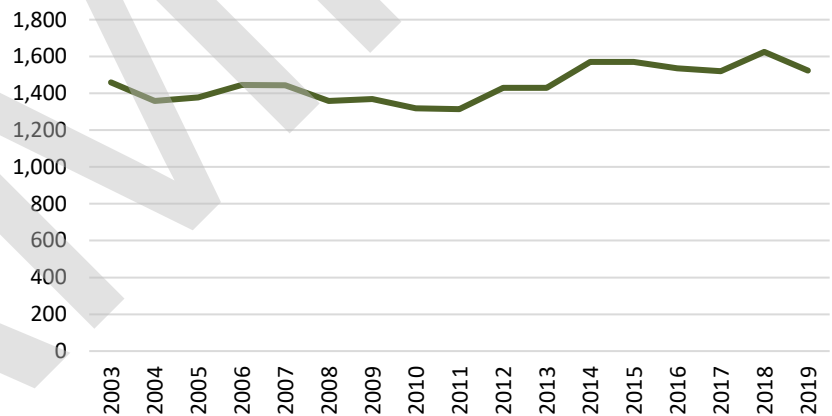


**Established, Locally Owned Entrepreneurial Ventures** are important components of a community's entrepreneurial pipeline. When family-owned, local businesses prosper, they hire more employees, pay more local taxes and are able to support their communities more actively. We use two sets of data to describe these entrepreneurs. The U.S. Bureau of Economic Analysis (Figure 16) tracks nonfarm proprietors, typically small main street type businesses that are not incorporated. Youreconomy.org

(Figure 17) tracks ventures based on the number of employees, with Stage 1 businesses (2-9 employees) representing small, most likely family-owned or locally owned businesses.

Stage 1 ventures with 2-9 employees overlap with Nonfarm and farm proprietorships. Typically, statistics on Stage 1 ventures have higher numbers for both number of ventures and employment. This difference is due to the fact that Stage 1 ventures can include small corporations and LLCs that may not be classified as proprietorships. Comparing the two sets of data can help a community or region gain a better idea of what is happening with this all-important component of your venture

**Figure 17. Employment in Stage 1 (2-9 Employees) Ventures**



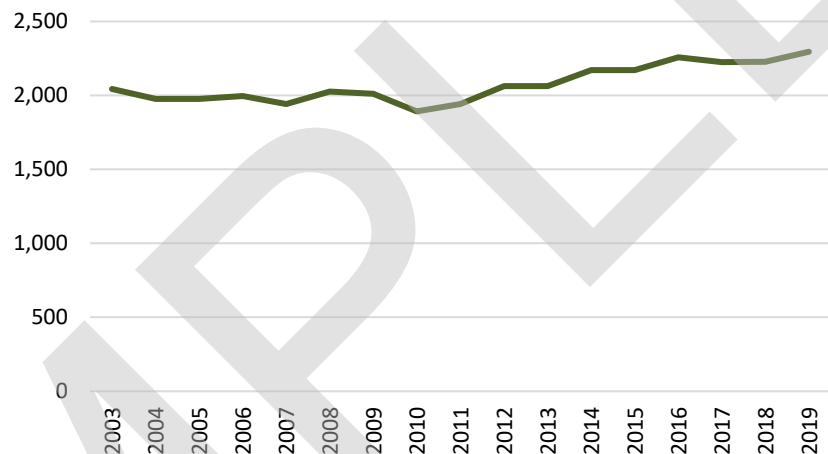
community. For communities or regions that are more rural, Stage 1 ventures and nonfarm proprietorships are the bedrock of "main street" type locally owned ventures. These are our cafes, retail shops, dental offices, medical clinics, small manufacturing operations, local trucking firms and the like. Stage 1 indicators can vary as ventures move between the magic line of 9 to 10 to 10 to 99 employees. Watching how Stage 1 and Stage 2 indicators are changing can reflect movement between these two classes of businesses. Maintaining and sustaining nonfarm proprietorships and Stage 1 ventures are foundational to most regional economies. This is particularly true if ownership is local meaning profits from the ventures are creating local wealth.



**Growth-Oriented Entrepreneurs** comprise an important part of the entrepreneurial pipeline. These entrepreneurs have the desire to grow and have – or are seeking – the market opportunities to turn that desire into a reality. There is a great deal of attention paid to **growth entrepreneurs** – Economic Gardening ([Edward Lowe](#)) focuses almost exclusively on these entrepreneurs. In most community and regional economies, we have found fewer growth entrepreneurs and much larger numbers of **growth-oriented entrepreneurs**. This latter group includes entrepreneurs who are actively exploring ways to grow their businesses but who may still benefit from the types of business development assistance most regions and communities can offer. Helping growth entrepreneurs often requires much higher-level resources, including diverse forms of capital.

As a proxy for growth-oriented entrepreneurs, we use employment for Stage 2 ventures (10-99 employees). Figure 18 illustrates what we call Stage 2 Ventures or those employing 10 to 99 employees. Stage two ventures are critically important to a community or region. These ventures tend to create more jobs and better jobs. There may be less part-time or flexible time situations. Ventures at this size tend to need a stable and productive workforce creating jobs with better compensation, security, and benefits. Ownership can be independent, franchises with local and outside ownership, or branch facilities of outside LLCs and corporations. Increasing Stage 2 ventures is an important development goal as these ventures tend to provide better jobs. Most likely some Stage 1 businesses became Stage 2 employers through growth.

**Figure 18. Employment in Stage 2 (10-99 Employees) Ventures**



**Breakout Entrepreneurs** are very important to both local and regional economies. Ideally, these entrepreneurial ventures create many jobs, stimulate economic growth, and increase overall economic prosperity as new employee spending drives retail, service, construction, and other sectors of the economy. In the **new economy**, many businesses are experiencing rapid sales growth but creating few jobs as they rely instead on contract employees and outsourcing strategies. As part of the entrepreneurial pipeline, communities should focus on those existing businesses that achieve breakout or rapid growth status **and** create many jobs in the process. According to Christine Hamilton-Pennell (former market research analysis with Littleton, Colorado’s Economic Gardening program), the typical high growth entrepreneurial venture is one that has been around for several decades and reaches a point where there is both motivation and opportunity for high growth. It often takes an entrepreneur time to figure out how to achieve higher growth, creating opportunities for the community to provide support and resource connections. This observation also suggests that leaders should not limit their focus to new entrepreneurial ventures. It is important to look at existing, established entrepreneurs who may be on the cusp of breakout growth.

As a proxy for breakout entrepreneurs, we use employment associated with Stage 3 ventures (100-499). Many Stage 3 ventures achieve a certain level of growth and plateau. If we see employment growth among Stage 3

**Figure 19. Employment in Stage 3 (100-499 Employees) Ventures**

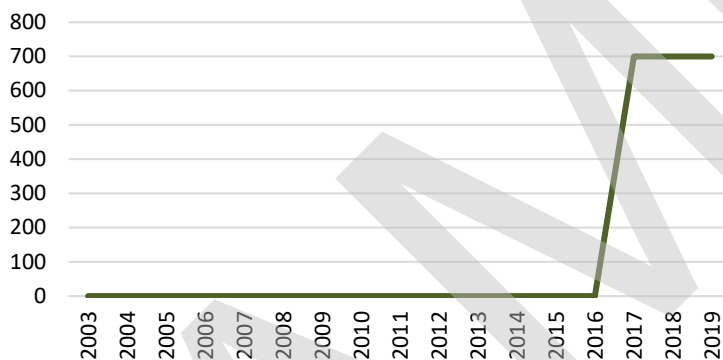


ventures, there is a strong probability that there is breakout entrepreneurial activity.

At the local or regional level, it is relatively easy to identify potential breakout entrepreneurs (remember, they can be non-profits and public enterprises). At this stage, businesses are often moving out of existing space and building new office complexes or even campuses. They may be actively expanding their leadership teams or seeking new supplier relationships. Regional and local

leaders should be watching for such evidence and meeting with these entrepreneurial teams to understand their plans and consider what support the community can provide.

**Figure 20. Employment in Stage 4 (500+ Employees) Ventures**



**Large or Stage 4 Ventures.** The U.S. Small Business Administration defines the dividing line between small and big businesses as 500 employees. YourEconomy defines Stage 4 ventures as those with 500 or more employees. In rural regions, ventures with this kind of employment are rare and often associated with branch manufacturing plants, regional health care facilities, regional colleges and universities, consolidated K-12 school systems and major energy, power, or mining operations.

Just as a water or natural gas pipeline is critical community infrastructure, the **entrepreneurial pipeline** is the lifeblood of a community or regional economy. A diverse set of entrepreneurial talent, across the entire pipeline, is one key to building a strong, diverse entrepreneurial economy. For the county, Table 5 provides a comprehensive picture of all private, public, and non-profit business establishments across the entrepreneurial pipeline, using data from [www.youreconomy.org](http://www.youreconomy.org).

Every community, particularly within a larger regional setting, has elements of the entrepreneurial pipeline in place, with more businesses in the earlier stages of venture development. Regional and local leaders should focus on understanding the entrepreneurial talent that exists across this pipeline and targeting resources toward those with the desire, capacity, and opportunity to grow.

**Table 5. Dawes County, KS Entrepreneurial Pipeline**

	2003	2007	Change	2007	2019	Change
<b>Establishments</b>	591	591	0	591	639	48
Self-Employed (1)	112	114	2	114	102	-12
Stage 1 (2-9)	383	387	4	387	442	55
Stage 2 (10-99)	91	85	-6	85	89	4
Stage 3 (100-499)	5	5	0	5	5	0
Stage 4 ( 500+)	0	0	0	0	1	1
<b>Jobs</b>	4,616	4,559	-57	4,559	5,573	1,014
Self-Employed (1)	112	114	2	114	102	-12
Stage 1 (2-9)	1,460	1,445	-15	1,445	1,625	180
Stage 2 (10-99)	2,044	1,995	-49	1,995	2,228	233
Stage 3 (100-499)	1,000	1,005	5	1,005	918	-87
Stage 4 ( 500+)	0	0	0	0	700	700

## Using this Development Opportunity Profile

This **Development Opportunity Profile** is meant to be used as a conversation starter in your community or region. We believe that the best development decisions are made after a thorough assessment of your assets and opportunities. This Profile provides one set of information to get you started. We encourage you to share this profile with a diverse group of community and regional stakeholders and residents. The data shared here will be enriched by conversations with a range of partners who bring new and unique perspectives on your economy and opportunities. An entrepreneur is likely to look at this information from a different perspective than a community banker or county commissioner. Yet, these perspectives can help you establish a better understanding of your starting point and create the space for you to dream about what might be possible in your county going forward.

At e2 Entrepreneurial Ecosystems (formerly the Center for Rural Entrepreneurship), we have studied local and regional economies throughout North America. We have deep and long-term experience helping communities understand their development opportunities and create entrepreneur-focused development strategies. Based on this experience, we offer some initial insights into potential development opportunities for Dawes County. We hope these insights provide the fodder for your initial community conversations.

*The following **Strategic Development Considerations** for Dawes County are not necessarily presented in any order of importance or prioritization.*

### COVID-19, Shutdowns and Recession

2021 is proving to be a challenging year with the COVID-19 world health pandemic, shutdowns of significant economic sectors and a national and global recession. This health and economic crisis is far from over and will continue to ripple through our economy and society possibly well into 2022. The uncertainty of this crisis

complicates economic development planning. For additional information on how this crisis may create development opportunities for communities like yours check out our paper [The 2020 Pandemic Recession – Future Trends.](#)

**Strategic Development Consideration 1 – Population Renewal.** Chronic and severe depopulation is a primary development threat and opportunity for your community. The following summarizes net population change by decade for Chase County:

1940s	-23.9%	1980s	-8.7%
1950s	-18.8%	1990s	+0.3%
1960s	-13.1%	2000s	-7.9%
1970s	-2.9%	2010s	-4.3%

Figure 2 (pg. 5) provides the long-term trend in resident population. While continued depopulation is not sustainable, the rate of decline is moderating. Given your population base, your community must focus development efforts to grow the kind of economy that can foster population stabilization and growth.

Figure 3 provides a 17-year average history of the components of population change. Your county continues to have positive natural population growth (more births than deaths) However, strong domestic outmigration is resulting in continued depopulation. Focusing on a development strategy that first stabilizes population and then enables moderate population growth should be a high priority. Figures 4 and 5 highlight population cohort changes for 1990-2000 and 2000-2010 census population counts. Growing the resident population of younger adults (25 to 45-year-olds) and early retirees (50 to 70-year-olds) through increased attraction and retention is strongly recommended as foundational to demographic renewal. Fostering a more diverse economy (both sectors and jobs/careers) through entrepreneurship is the most likely path forward to improving demographic health, local markets, and workforce. Figure 5 provides some encouraging news with positive growth in the all-important 30-34- and 35-39-year-old age cohorts for the 2000 through 2010 period.

**Consideration 2 – Traditional Industry, Economic Diversification and Entrepreneurship.** Given your county's current size, location, assets, and economic base, your strongest economic development play is with entrepreneur-focused development. Your partnership with NetWork Kansas is key to strengthening your game plan in this focus area. Entrepreneur development does not need to compete with more traditional business attraction or retention. These are important but shifting your emphasis to growing from within is recommended. We suggest a three-part strategy:

**Increased Area Spending Capture.** In 2018, Esri is estimated county retail demand (see Table 3) at \$37 million, retail supply at \$16 million resulting in a local spending gap of \$21 million. These are typical values for counties like yours. However, if just 5% of this spending gap could be recaptured by local ventures, an additional \$1.05 million in retail sales could be captured creating 15 to 20 net new jobs. Retail Trade is your seventh most important economic driver (based on household earnings in 2017 – see page 9 for more detail). Unlike most other counties of your size and location, your data suggests strong income growth of over 55% between 2001 and 2017. Other Services is your sixth largest economic driver generating nearly

\$2.6 million in household earning in 2017 and posting a very strong 2001-2017 growth rate of nearly 102%. If you are interested in learning more about how to increase local spending capture, check out our [Wal-Mart Strategy Paper](#).

**Growth Oriented Entrepreneurs.** We suggest an active, annual, or even twice annual outreach campaign to area businesses and entrepreneurs. The primary purpose for this outreach will likely center on strategies to increase sales and profits through area spending capture. In addition, through this outreach you can identify those entrepreneurs with growth plans. Helping three to five area ventures achieve sustained growth can significantly increase economic development and grow a stronger base economy.

**Area Business Transition and Startups.** Retail and service competition is intense, but this has been the case since the first Sears and Roebuck mail order catalogue was issued. Now competition is coming from box stores, franchises, and eCommerce. Intense competition has eroded the number and profitability of many local merchants and service providers. Despite these challenges, chances are good that there is room for “backfill.” Helping existing area businesses transition to new owners and a focus on new startups can broaden and strengthen your local business sector and economy.

Economic diversification is another powerful rationale for entrepreneur-focused development. Your opportunities for economic diversification rest with traditional economic sectors including production agriculture, agricultural services, manufacturing, and trade center activities. Further diversification can be realized by focusing on retirees, commuters (bedroom community) and growth-oriented rooted entrepreneurs. We will address retiree and commuter development opportunities further in your Profile.

**Consideration 3 - Focus on Retiree Targeted Development.** Based on the most currently available data, the number one source of personal income driving Chase County’s economy are retirees. Personal income associated with Chase County retirees in 2017 was \$52 million. An additional \$1.8 million in Hardship Related Transfer Payments, largely Medicaid associated with retirees, contributes to your retiree economy. While this is a non-traditional economic sector, it is huge and growing. Every day in America 10,000 Baby Boomers are retiring, and this trend will extend for three decades. Focusing development on this huge opportunity is strongly recommended. We encourage your community to better understand the current and emerging needs of retiring Boomers and focus both public and private development around tapping into this spending stream. We suggest that you work actively with your area health care system on a focused strategy to (1) meet the needs of retirees aging in place increasing spending capture and (2) positioning your community and its small town and rural quality of life as a place for relocating Boomers.

**Consideration 4 – Focus on Commuter Related Development.** Commuters (persons who live in one county but work in another county) is your second largest economic driver based on household earnings in 2017. According to Census Bureau [2015 estimates](#), roughly 215 workers living outside of the county come into the county for work. Another 785 workers live in the county but travel outside of the county for work. An estimated 419 worker live in and work in Chase County.

Commuters are also a non-traditional development opportunity, but the ability of a community to create a home for commuters working in the larger regional economy has clear development opportunities as follows:

1. Without creating local jobs, commuting workers create a population base for a community. In turn, these residents pay taxes, buy homes, spend locally, become local volunteers and leaders, send children for schools, and contribute to local philanthropy.
2. Commuting is often tied to lifestyle choices. When someone is younger, they are more likely to choose to live in one community by preference or maybe the availability of housing and work down the road. As one moves through life stages and particularly as children grow up, the challenge of commuting (all that time on the road) grows. Skills and experience learned on jobs outside the community can now come home through the takeover of a local business, the startup of a new business, or entering the workforce of a community employer.

Focusing on these development opportunities can grow a stronger economy across Chase County.

**Consideration 5 – Regional Development.** In America, one of the strongest factors impacting local community economic success is how well your region is doing. Your region of Kansas was particularly hard with the Great Recession (2007 through 2010). However, this region is recovering from the Great Recession and posting growth again. Becoming an active supporter of regional development can position your community for additional development over time. We strongly encourage you to actively engage in and support regional community economic development initiatives.



## Sources

In our Development Opportunity Profiles, we use three public and two private sources of venture and employment research and data. A detailed review of our profiles shows that values change and sometimes change dramatically based on the sources we are using. The following summarizes these sources and their unique attributes:

### Public Sources

**U.S. Bureau of Economic Analysis.** BEA has very reliable data on private sector business establishments and associated employment. We use this source to profile both farm and nonfarm proprietorships. Proprietorships are typically locally owned and “main street” type smaller businesses. However, this kind of business organization can include small manufacturing, industrial, construction and other concerns.

**U.S. Bureau of Labor Statistics.** BLS captures very accurate information on all establishments that have wage and salary workers based on workman’s compensation filings. However, this source does not necessarily capture smaller self-employment ventures or proprietorships.

**U.S. Census Bureau.** Census establishment and employment data is based on surveys. It is comprehensive but for smaller geographies, the sampling can result in potentially unreliable estimates. This source does include information on commuters, home-based and self-employed persons by economic sector.

### Private Sources

**Esri.** We purchase data from Esri ([www.esri.com](http://www.esri.com)), a national market research company. Esri data is very current and can be procured for almost any geographic unit. It estimates ventures and employment at considerable detail including profiles of potential market demand by detailed economic sector. However, the Esri data is not as comprehensive as compared to Your Economy data.

**Your Economy.** The Your Economy ([www.youreconomy.org](http://www.youreconomy.org)) data is very comprehensive. The Your Economy data for ventures and jobs can be 20, 30 and even 40 percent higher as compared to the Esri data series. The Your Economy data set was created by the Edward Lowe Foundation and is now managed by the University of Wisconsin at Madison.

We use all these sources as they provide unique insights into the economy of a particular geography. Understanding what each source is measuring and how the source is estimating data are important. Hopefully this information helps users understand differences in data shared in this profile.

### Other Sources

All the data contained in this Development Opportunity Profile were obtained from the following:

- Esri ArcGIS Maps ([bao.arcgis.com](http://bao.arcgis.com)), 2020
- Headwaters Economics ([www.headwaterseconomics.org](http://www.headwaterseconomics.org)), 2020
- U.S. Department of Agriculture, Census of Agriculture ([quickstats.nass.usda.gov](http://quickstats.nass.usda.gov)), 2017
- Ben Winchester [Brain Gain](#) Databook, University of Minnesota Extension (obtained privately), 2016

## About e2



**e2 Entrepreneurial Ecosystems** helps communities increase prosperity through entrepreneur-focused economic development and ecosystem building. Led by [Don Macke](#), e2 has a national team of practitioners who bring research, coaching, incubation, market intelligence and other expertise to this work.

## What We Do

- ✓ **Mentoring.** We mentor and coach practitioners seeking to pursue entrepreneur-led development. We provide advice and support for building eEcosystem strategies that work and invite practitioners to join our [National e2 Practitioners Network](#).
- ✓ **Analytics Support.** e2 helps communities and regions understand their entrepreneurial potential through research and data.
- ✓ **e2 University (e2U)** is our online platform for sharing guides, papers, stories, tools, and resources with communities wanting a deep dive into eEcosystem building. Don Macke leads the [e2 University](#) team with analytics support from **Cathy Kottwitz** and report preparation from **Ann Chaffin**. Special recognition for their e2U legacy contributions goes to **Dana Williams** and **Deb Markley**, LOCUS Impacting Investing.
- ✓ **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City**, **SourceLink**, **Edward Lowe Foundation**, **Kauffman Foundation**, and **NetWork Kansas**. We are a founding member of **Start Us Up: America's New Business Plan**, a coalition dedicated to strengthening entrepreneurship across America. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

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[NetWork Kansas](#), a 501c3 nonprofit organization dedicated to developing an entrepreneurial ecosystem in Kansas, is the home for e2 Entrepreneurial Ecosystems. NetWork Kansas connects aspiring entrepreneurs, emerging and established businesses, to a deep network of business building resource organizations across the state.

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