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## Kansas likely to be 'giant retirement community'

Experts: Tough challenges ahead demographically and economically

By [Chad Lawhorn](#) ([Contact](#))

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This wasn't a pep rally for the Kansas economy.

Nearly 100 of the state's top business, academic and government leaders gathered at Kansas University on Thursday to discuss the Kansas economy as part of the university's annual Kansas Economic Policy Conference.

"There are big challenges," said Don Johnston, a Lawrence banker who attended the conference where speakers detailed issues ranging from an aging population to a tax system that is too reliant on residential property taxes. "If you look at the demographic trends, it looks like the state is going to become a giant retirement community, and that certainly will present challenges."

Speakers outlined concerns on several fronts:

- **Demographics.** Laszlo Kulcsar, an associate professor of sociology at Kansas State University, said current trends dictate that by 2030 the single largest population category in Kansas will be people older than 75. Or to look at it another way: The state's expected to add 251,666 people between 2000 and 2030. Only about 15,000 of those people are expected to be people younger than 64.

"For every 10 people that Kansas gains between now and 2030, nine of them will be over 65 years old," Kulcsar said. "Think of the social demands that will place on our systems. It is pretty much mind-boggling."

Kulcsar said people also shouldn't confuse Kansas' situation with what's happening in Sun Belt states, where well-heeled retirees are moving in. In Kansas the aging is happening in place. The reason older residents make up a larger percentage is because younger people are leaving the state and taking their higher fertility rates with them. The aging of the population is a national trend, but Kulcsar said it is happening faster in Kansas.

- **Economic innovation.** Joshua Rosenbloom, professor of economics at KU, told the crowd Kansas is lagging in several key categories that measure the state's economic innovation. He said Kansas has about 0.9 percent of the nation's population, but has only 0.7 percent of the nation's scientists and 0.6 percent of its engineers. On the positive side, state universities

award nearly 1 percent of the country's science and engineering doctorate degrees.

"But we have a brain drain," Rosenbloom said. "That's the negative side of it."

- **Public finances.** Bart Hildreth, professor of public finance at Wichita State University, said the state and local governments are becoming too reliant on residential property taxes. In 2005, residential real estate made up 40 percent of the state's total assessed valuation. In 1988, that figure was 22 percent.

"If we continue on the current path, it may well result in a taxpayer revolt," Hildreth said.

He also said the state's sales tax has become weakened as a revenue source because of a number of exemptions. He said state leaders may need to consider a sales tax on services, which currently are exempt.

- **Government structure.** Kansas Speaker of the House Doug Mays said the state has a tremendous number of different governmental units, ranging from counties to school districts to townships. Mays said despite Kansas having slightly less than 1 percent of the nation's population, it has 2.2 percent of the nation's school districts.

Mays said he thought the large number of governments made the state less efficient, but he didn't anticipate the Legislature taking a tough stand on the issue because it is such a political hot potato in many small, rural communities.

Attendees of the conference, though, did leave with some optimism. Most speakers said there were some positive signs occurring within the last two years. That was the view Paul Wurth, owner of a long-term health care business in Overland Park, took.

"I think we should take some comfort that we now have our head back above water," Wurth said. "Where we are today versus two years ago is an improvement because at that point in time the only issue we could talk about was the school funding crisis. At least now we're able to talk about more than one issue."

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**Posted by KsTwister (anonymous) on October 27, 2006 at 4:36 a.m. (Suggest removal)**

Incontinence in the Midwest (better than incompetence anyway).

**Posted by ASBESTOS (anonymous) on October 27, 2006 at 7:29 a.m. (Suggest removal)**

That is right. In the environmental sector, KDHE and KDOL chases private sector Engineers and scientists out of the state. They do this by providing services to the regulated community for free, and grnating them then freedom from legal entanglement.

What they should be doing is enforcing the regs.... and let the private sector find it's own way and let the environmental sector that is full of scientists and engineers to bloom.

Lot's of wealth NOT being generated because of insecure state agency types. Lot's of opportunity being wasted and growth not occurring because of 2 agencies.