

# **An Economic Base Analysis of Lincoln County**

## **Introduction**

The leadership of Lincoln County will be faced with many issues in the near future. To prepare for these issues, one has to study the past and present state of the economy. The understanding of a county's economic status, can be used to determine what programs are needed and what segments of a community to target. The information presented in this base study can be found in further detail in the economic assessment.

The Center for Community and Economic Development will utilize information obtained from local, state, and federal sources to better understand the economy of Lincoln County, Mississippi.

## **Demographics**

Lincoln County, Mississippi lies on the western part of the state. For the purpose of this study, statistics from Brookhaven will be used as well. The City of Brookhaven is the county seat and largest city in the county. A majority of the businesses are located in or around this area. The city also lies within close proximity to major metropolitan areas. The major metropolitan areas are: Atlanta, GA (454 miles); Dallas, TX (448 miles); New Orleans, LA (135 miles); and numerous others. A majority of the businesses are located in or around the City of Brookhaven as well.

The population of Lincoln County over the past ten years has increased substantially. The 1990 population was approximately 30,286 as compared with the 1999 population figure of 32,105. This means that in a ten-year period the population grew approximately 94.3%. The City of Brookhaven's 1990 population was 10,246 and 10,614 in 1994. This shows a 96% increase in a four-year period. The projected figure for 1998 is 10,649, which shows signs that the population is on a steady rate of growth.

These figures can be compared with those of the county's figure of 30,286 (1990); 31,166 (1994); and 31,771 in 1998. The City of Brookhaven accounted for 33.5% of the population in 1998.

The county and city population has been growing at substantial rates and the population is on an average considerably young. The largest age group according to the 1990 Census, was those between the ages of 18-44, which accounted for 37% of the county's population. The second largest age group was those 0-17 at 27% and followed closely by those comprised in the 45-64 age group, which makes up 22% of the population. The smallest age group was those 65 and over, whom accounted for 15% of Lincoln County's population. The figures indicate that the area has a large population of young workers, who can acquire skills for the job market.

The median household income in 1990 was \$18,193; of this figure 1,946 households had an income of \$5,000-9,999. There were also 587 households with income levels of \$20,000-22,499. Household income levels of residents with income of \$100,000-124,999

had a number of 54 households. The largest income level was those households with an income of \$40,000-49,999, which were 772 or 7.5%.

Lincoln County's per capita income has increased substantially over the past four years.

The table below shows this change.

Table 1

<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
\$14,455	\$15,204	\$16,584	\$17,395	\$18,326

Source: Mississippi Department of Economic and Community Development: Community Profile, 2000

According to the table above per capita income from 1994-1998 has increased by 78%.

The major source of earnings by place of work in 1996 was by the retail trade industry, which was 20.7%. The retail trade industry was followed closely by the services industry at 20.5%. These numbers indicate that the retail trade industry is key to the economic stability of this area. According to the State Tax Commission Annual Report (1990-99), total retail sales in 1999 in Brookhaven was \$318 million and \$400 million for the county.

### **Labor Force**

As stated in the previous section the population of Lincoln County is mostly made up of those between the ages of 18-44 years of age. A young population can have a positive impact when it comes to the growth of the labor force. According to Community Profile (2000), the labor force of Lincoln County was 13,860 or 45% of the population. Of this number 55% were male and 45% were female. These numbers between the male and female percentage indicate that the workforce in Lincoln County is diversified. The total unemployment rate of Lincoln County is 4.8%, which is 8% less than the Mississippi average of 5.4%, and slightly higher than the U.S. average of 4.5%. The unemployment rate is higher for those in the commuting area, which is 6.5%.

### **Employment Base**

Table 1 shows employment by major industry group in 1998 in the State of Mississippi, Lincoln County, and the United States. The percentage of employment in manufacturing in Lincoln County was slightly below that of the State. Compared to manufacturing employment in Mississippi as a whole, Lincoln County has a higher percentage in non-durable manufacturing (which tends to pay a lower wage than durable manufacturing) and a lower percentage in durable manufacturing.

Table 2

Employment by major industry group, 1998

Industry Group	Lincoln County	% of total	Mississippi	% of total	United States	% of total
Total	16,092	100%	1,462,732	100%	160,198,700	100%
Farm	765	5%	53,955	4%	3,127,000	2%
Private	13,551	84%	1,149,333	79%	135,123,700	84%
<i>Ag. Services, f., f. &amp; others</i>	180	1%	17,911	1%	2,042,600	1%
<i>Mining</i>	189	1%	9,481	1%	855,500	1%
<i>Construction</i>	1,029	6%	83,294	6%	8,799,100	5%
<i>Manufacturing</i>	1,900	12%	253,669	17%	19,568,500	12%
<i>Transportation and p.u.</i>	765	5%	64,276	4%	7,668,300	5%
<i>Wholesale trade</i>	1,092	7%	51,126	3%	7,351,900	5%
<i>Retail trade</i>	4,245	26%	237,653	16%	26,710,200	17%
<i>F.I.R.E.</i>	620	4%	70,717	5%	12,229,900	8%
<i>Services</i>	3,531	22%	361,206	25%	49,897,700	31%
<i>Government and g.e.</i>	1,776	11%	259,444	18%	21,948,000	14%

Source: <http://www.bea.doc.gov/bea/regional/reis/>

Bureau of Economic Analysis

According to the Bureau of Economic Analysis (BEA) over 1,900 manufacturing workers are employed in Lincoln County, representing 12% of the county's total employment. This is the same proportion nationwide and lower than Mississippi's 17%

The data on personal income from the U.S. Bureau of Economic Analysis demonstrates the higher value added and wages from durable vs. non-durable goods in this labor market. In 1998, personal income from durable goods in Marion and Clinton counties accounted for 92% of total personal income in manufacturing.

Woods & Poole data indicates that Mississippi gained 27,920 manufacturing jobs since 1980 to 1998. During this same period, Lincoln County lost 560 manufacturing jobs, its employment trend running counter direction to that of the State. Lincoln County lost 210 (-10%) manufacturing jobs from 1990 to 1996, Mississippi gained 1,190 (+0.5%) and the U.S. lost 403,090 (-2%) in the same period.

## Largest Manufacturers in Lincoln County

Table 3

Largest manufacturers in Lincoln County

<b>Manufacturing</b>	<b>Employees</b>	<b>Type of Business</b>
Delphy Automotive Systems	526	Electronic and other electrical equipment and components
Auburn Sportswear, Inc	210	Apparel and other finished products made from fabrics
Dickerson & Bowen, Inc.	197	Petroleum refining and related industries
Columbus Lumber Co., LLC	145	Lumber and wood products, except furniture
Keystone-Seneca Wire Cloth Co.	120	Fabricated metal products, except machinery and transportation equipment

Source: Mississippi Manufacturers Database, MDECD, August 2000

Employment in wholesale trade in Lincoln has increased by 58% since 1990.

Employment in services in Lincoln County increased by 31% from 1990 to 1998 and 38% in Mississippi in the same period. This is a significant positive economic impact for the area, since growth in jobs in professional and business services is reflective of a healthy well-rounded economy.

Table 4 demonstrates the changes in employment since 1970 in Lincoln County, with projections to 2020. The increase in population and therefore new housing and has resulted in a steadily growth in construction activity (2% annually) and employment. The economic growth is evidenced by the increase in employment from 1980 to 1990 in such sectors as wholesale trade, retail trade, finance, insurance, and real estate.

Table 4

Employment in Lincoln County

	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>
Employment	9,560	11,170	13,360	16,090	17,760	19,650
Percentage	100%	17%	20%	20%	10%	11%
Population	26,470	30,230	30,280	32,400	34,680	37,150
Percentage	100%	14%	0.17%	7%	7%	7%

Source: Wods & Poole

*In Lincoln County, the manufacturing job base continues to decrease in the labor market area. However, there is an important growth sector of services and wholesale trade that indicates a positive new economic structure.*

## **Retail Trade Activity**

Total retail sales in Marion and Clinton counties increased 10.13% between 1980 and 1990, according to Woods & Poole data. During this same period, Mississippi experienced a 5.77% increase in retail sales. However, from 1990 to 1996, retail sales in Lincoln County grew by 19.59%, which was still above the 16.57% growth rate for the State. Over 71% of this recent retail growth in Lincoln County was in general merchandise and in automobile dealers. In 1996, retail sales per capita in Lincoln County was \$7,566, compared to \$6,332 at the State level.

Personal income from retail trade increased by 17.23% from 1994 to 1998 in Lincoln County, according to the U.S. Bureau of Economic Analysis (BEA).

Employment in retail trade in Lincoln County rose 9.86% from 1994 to 1998, according to the BEA. Retail trade employment in Lincoln County experienced a major spurt in 1998 (7%), after decreasing 1% in 1997.

*Lincoln County appears to be capturing increased regional trade for general merchandise (e.g., Walmart) and automobile dealers. This reflects in part the higher income levels of the local population. Recent employment losses in manufacturing don't appear to be impacting employment in retail trade.*

## **Conclusions**

Given Brookhaven's size, it is difficult to be precise regarding many socio-economic trends since most of the data is by county. However, it would appear that the community is experiencing an increase in its economic status. Employment in manufacturing continues to decrease. However, growth in the services seems to be compensating it, reflecting the increasing attraction for professionals in the community.

It is important to note that between 80 and 90% of the jobs created in the U.S. over the next ten years will be in service-oriented industries. The low current dependence of Lincoln County on manufacturing gives it a good position to future growth. Certainly, it is desirable to continue to attract moderate to high wage manufacturing jobs into the community, but attention also needs to be paid to attracting and retaining business services, health care services, and other high wage service jobs if the community is to achieve a healthy and balanced economy.