



WAMPO Economic Development Report – IT Systems & Support

May 2023

In Partnership With:





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Introduction

This report provides an overview of the IT systems & support industry in the Wichita area, focusing on its broad industry landscape, labor dynamics, and general trends. The study also examines the economic forces at the national level to provide context for the region's economic competitiveness.

Wichita's IT systems & support industry encompasses sectors related to information, administrative services, and professional services. These sectors include data processing, cybersecurity, medical processing, and software/web development. While Wichita has seen an increase in the number of establishments dedicated to this sector, it lags behind in terms of wage growth and overall employment compared to Kansas City, which has the industry's largest employment and most competitive wage growth.

In terms of labor, Wichita experienced a mix of growth and challenges from 2015 to 2021. While there was a modest increase in employment with a 1% annualized growth rate, there was a decline of 7% in 2021 compared to the previous year. This indicates a challenging period for employment in this sector. However, certain sub-sectors within the industry showed resilience and growth, such as computing infrastructure providers, data, which experienced a 35% increase in 2021. Payroll Services remained stable, and other accounting showed steady growth.

To further support the industry, thoroughfares and infrastructure must be strengthened based on the locations and workforce density of organizations within the sector. Remote work trends, as demonstrated by Infosync, highlight the need for flexible labor access. In addition, firms like AT&T and Integra also require specific transportation access for their operations.

The IT systems & support landscape remains highly competitive at the national level, with consistent increases in wages, establishments, and revenues. The industry has moderate barriers to entry, a low threat of substitutes, and moderate bargaining power of buyers and suppliers. Rivalry among existing firms is high due to the industry's rapid growth and high demand for IT systems and support services.

Overall, the IT systems & support industry is a vital part of the Wichita economy, contributing to employment and innovation. However, there are challenges, such as declining employment in recent years. Stakeholders and industry professionals should monitor and address these factors to ensure sustained growth and development in the sector.

Industry Landscape

The following NAICS codes, provided by the Greater Wichita Partnership, constitute the IT systems & support category, which includes a sector form information, two from administrative services, and the remaining from professional services. This agglomeration of sectors represents the region's data processing, cybersecurity, medical processing, and software/web development.

Information Technology Systems & Support

NAICS	Description	Subsector
518210	Data Processing, Hosting, and Related Services	Digital Network Services & Cybersecurity
541511	Custom Computer Programming Services	Digital Network Services & Cybersecurity
541512	Computer Systems Design Services	Digital Network Services & Cybersecurity
541513	Computer Facilities Management Services	Digital Network Services & Cybersecurity
541519	Other Computer Related Services	Digital Network Services & Cybersecurity
541214	Payroll Services	Business Process Outsourcing
541219	Other Accounting Services	Business Process Outsourcing
5611	Office Administrative Services	Business Process Outsourcing
5614	Business Support Services	Business Process Outsourcing

Key IT Systems & Support Communities

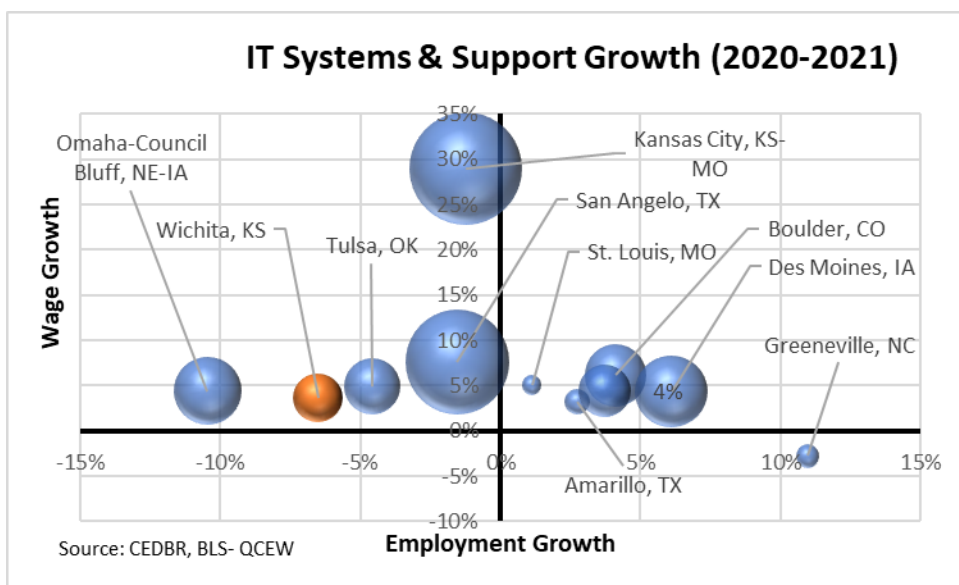
Amarillo, TX MSA
Boulder, CO MSA
Des Moines - West Des Moines, IA MSA
Greenville, NC MSA
Kansas City, KS-MO MSA
Oklahoma City, OK MSA
Omaha- Council Bluff, NE-IA MSA
San Angelo, TX MSA
St. Louis, MO-IL MSA
Tulsa, OK MSA
Wichita, KS MSA

The comparison cities were selected based on the following criteria: employment concentration, size of the town, and preference for Midwest. Furthermore, all of the communities were vetted with the Greater Wichita Partnership as communities that the Wichita area competes within the respective sector.

In order to capture the broad industry landscape and recent competitiveness of the aerospace manufacturing sector within the Wichita area, this study developed a growth matrix. The matrix captures the relative growth and size of the market compared to the selected comparable communities. Any city within the top right quadrant should be considered in a growth mode. Those in the bottom left quadrant are in declining sectors. The other two quadrants, bottom right and top left, identify economic weaknesses that must be addressed.

In the IT systems and support industry, Wichita has seen a recent increase in the number of establishments dedicated to the sector and additionally saw employment growth. However, it lags in

both wage growth and overall employment, with Kansas City as a main labor competitor. Kansas City had the largest employment for this industry and the most competitive wage growth. The Kansas City market's size is largely due in part to the existence of firms like Garmin and Cerner. The anticipated expansion of Integra within the Wichita economy, along with a presumed increased demand for support labor, could transform the employment landscape of the IT systems & support sector.



Labor

In the IT Systems & Support sector, Wichita experienced a mix of growth and challenges from 2015 to 2021. Starting with 8,043 jobs in 2015, the sector saw a modest increase with a 1% annualized growth rate. However, in 2021, there was a decline of 7% compared to the previous year, with 8,530 jobs. This indicates a challenging period for IT systems & support employment in Wichita. Despite the decrease in recent years, the sector has shown some resilience and growth throughout the period. It is important for stakeholders and industry professionals to monitor and address the factors contributing to the decline to ensure the sector's sustained growth and development in Wichita.

IT Systems & Support Employment

	2015	2016	2017	2018	2019	2020	2021	Annualized growth	
								2015-21	2020-21
Amarillo, TX MSA	2,016	1,991	2,172	2,138	2,243	2,182	2,242	2%	3%
Boulder, CO MSA	10,341	10,943	11,480	12,395	13,366	13,420	13,974	5%	4%
Des Moines - West Des Moines, IA MSA	9,542	9,374	9,517	9,955	9,644	9,528	9,882	1%	4%
Greenville, NC MSA	1,546	1,593	1,628	1,682	1,481	1,667	1,849	3%	11%
Kansas City, KS-MO MSA	42,894	44,373	46,568	48,222	47,380	47,175	46,593	1%	-1%
Oklahoma City, OK MSA	17,732	17,478	17,981	18,319	18,538	17,935	19,030	1%	6%
Omaha- Council Bluff, NE-IA MSA	22,152	18,006	21,576	20,480	19,750	19,088	17,093	-3%	-10%
San Angelo, TX MSA	38,697	38,437	39,150	40,428	41,066	40,628	40,005	0%	-2%
St. Louis, MO-IL MSA	1,390	1,274	1,338	1,177	1,312	1,368	1,384	0%	1%
Tulsa, OK MSA	12,386	12,166	12,363	13,144	12,997	11,903	11,358	-1%	-5%
Wichita, KS MSA	8,043	8,646	8,503	8,882	8,928	9,124	8,530	1%	-7%

Source: CEDBR, BLS- QCEW

The IT systems & support sector is comprised of various sub-sectors, and among them, the three largest sectors based on employment are computing infrastructure providers, data (137 jobs in 2021), payroll services (256 jobs in 2021), and other accounting (1,086 jobs in 2021). These sectors have shown different growth patterns during the period from 2015 to 2021. Computing infrastructure providers, data experienced a 1% annualized growth, with a significant increase of 35% in 2021 compared to the previous year. Payroll services remained relatively stable with no growth, maintaining 256 jobs consistently from 2015 to 2021. Other accounting showed a steady 3% annualized growth rate. These sectors play a crucial role in supporting IT systems and providing essential services, such as managing computing infrastructure, processing payroll, and handling accounting functions for businesses. Continued focus on innovation and adaptability in these sectors will be essential to meet the evolving technological needs of businesses and ensure their sustained growth.

IT Systems & Support Employment

	2015	2016	2017	2018	2019	2020	2021	Annualized growth	
								2015-21	2020-21
Computing infrastructure providers, data	125	298	266	175	97	101	137	1%	35%
Payroll services	253	253	254	255	255	256	256	0%	0%
Other accounting	897	883	947	986	1,012	1,051	1,086	3%	3%
Custom computer programming	549	567	571	510	547	546	552	0%	1%
Computer systems design	459	1,011	834	988	1,087	922	974	16%	6%
Computer facilities management	32	32	33	34	34	35	33	1%	-5%
Other computer related	52	52	58	57	58	59	60	2%	2%
Office administrative	2,800	2,800	2,800	2,855	2,728	2,782	2,777	0%	0%
Business support	2,876	2,749	2,740	3,023	3,110	3,373	2,655	-1%	-21%

Source: CEDBR, BLS- QCEW



IT Systems & Support Establishments

Communities	Annual 2020	Annual 2021	YR/YR %
Amarillo, TX MSA	240	250	4%
Boulder, CO MSA	1,902	2,128	11%
Des Moines - West Des Moines, IA MSA	1,661	1,770	6%
Greenville, NC MSA	102	112	9%
Kansas City, KS-MO MSA	3,826	4,294	11%
Oklahoma City, OK MSA	1,913	2,050	7%
Omaha- Council Bluff, NE-IA MSA	1,342	1,491	10%
San Angelo, TX MSA	2,826	2,810	-1%
St. Louis, MO-IL MSA	72	77	6%
Tulsa, OK MSA	1,254	1,376	9%
Wichita, KS MSA	779	946	18%

Source: CEDBR, BLS - QCEW

IT Systems & Support Wages

Community	2015	2016	2017	2018	2019	2020	2021
Amarillo, TX MSA	\$61,884	\$57,356	\$58,533	\$60,474	\$60,672	\$62,115	\$64,146
Boulder, CO MSA	\$79,783	\$84,959	\$80,488	\$86,440	\$90,058	\$95,457	\$101,313
Des Moines - West Des Moines, IA MSA	\$67,419	\$71,944	\$75,490	\$77,584	\$81,099	\$86,097	\$89,954
Greenville, NC MSA	\$61,669	\$60,319	\$62,293	\$65,296	\$71,126	\$77,906	\$75,743
Kansas City, KS-MO MSA	\$75,469	\$78,004	\$76,103	\$83,157	\$80,782	\$86,195	\$111,144
Oklahoma City, OK MSA	\$59,143	\$62,587	\$65,187	\$67,266	\$72,668	\$77,110	\$80,474
Omaha- Council Bluff, NE-IA MSA	\$66,517	\$68,135	\$70,805	\$73,532	\$76,792	\$80,351	\$83,890
San Angelo, TX MSA	\$85,238	\$84,769	\$88,137	\$95,833	\$99,212	\$102,358	\$110,145
St. Louis, MO-IL MSA	\$46,981	\$48,471	\$51,258	\$53,005	\$52,146	\$52,011	\$54,652
Tulsa, OK MSA	\$58,913	\$58,509	\$59,356	\$65,561	\$70,876	\$69,662	\$73,059
Wichita, KS MSA	\$52,295	\$56,603	\$59,362	\$60,792	\$63,200	\$64,476	\$66,856

Source: CEDBR, BLS - QCEW

Wichita had an above-average location quotient for customer service representatives. As these individuals are a large component of the supply chain for the IT systems and support industry, leveraging their competency will be pivotal in addressing Wichita's economic development in this sector.

Key Occupations

Occupation	Wichita MSA Employment	US Employment
Customer Service Representatives	7,400	128,760
Telecommunications Equipment Installers and Repairers, Except Line Installers	300	109,720

Source: CEDBR: BLS, OES

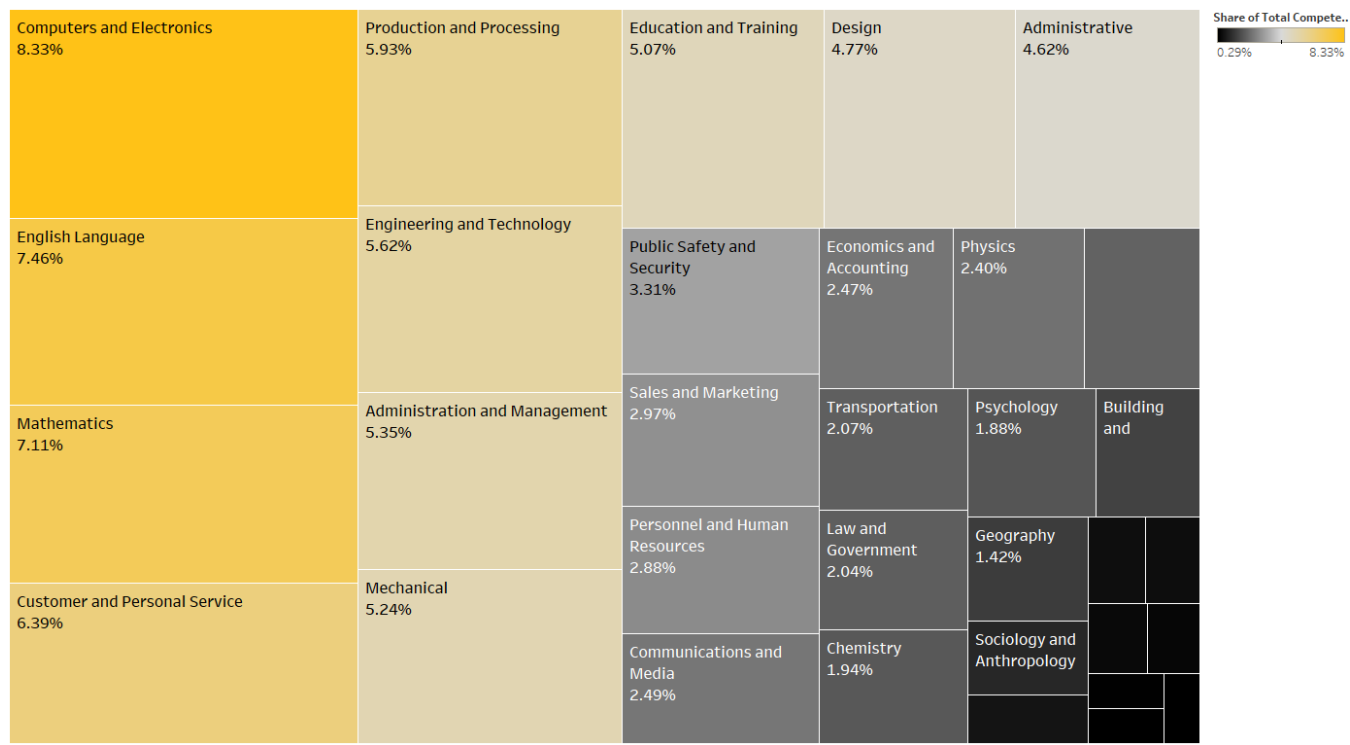
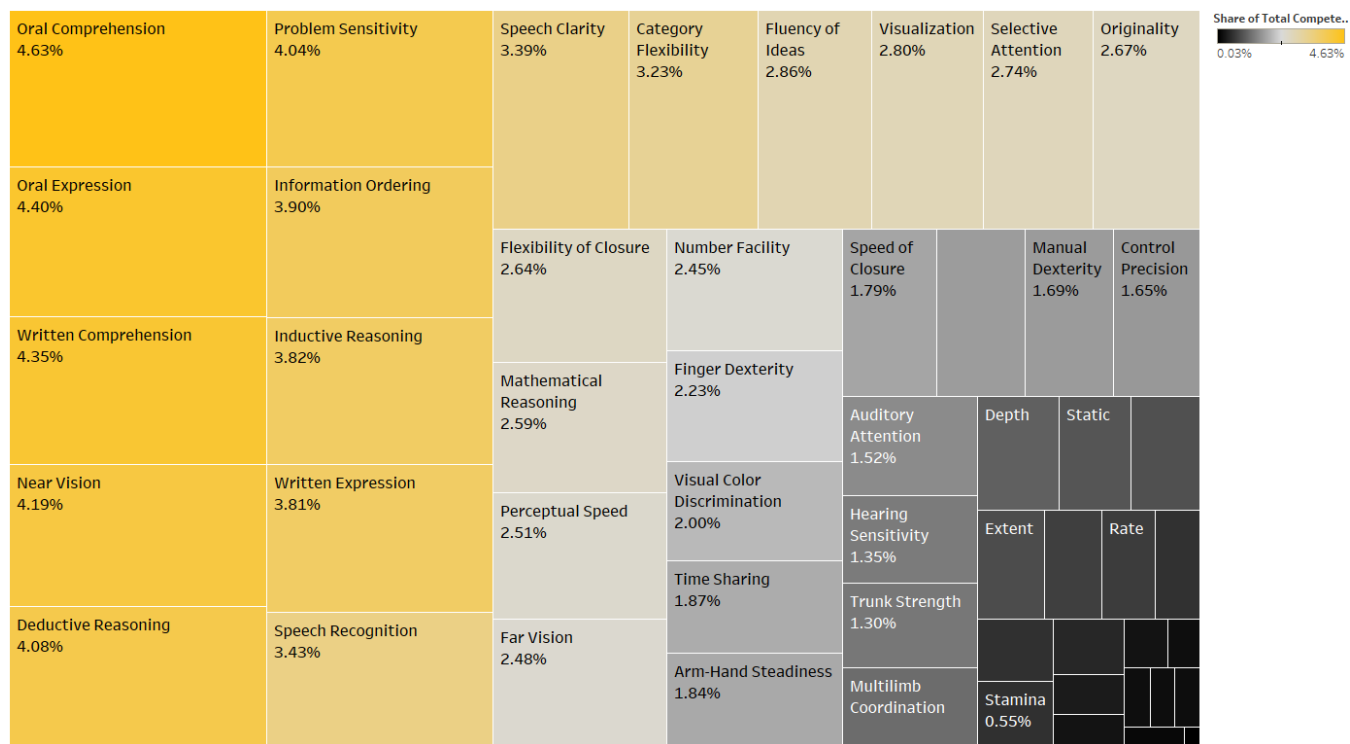
A location quotient is a statistical measure used to compare the concentration or specialization of a particular industry or occupation in a specific geographic area relative to its concentration in a larger reference area, typically a region or a nation. It is calculated by dividing the proportion of employment in a specific industry or occupation in the target area by the proportion of employment in the same industry or occupation in the reference area, and then comparing the result to a value of one. A location quotient greater than 1 indicates a higher concentration of the industry or occupation in the target area compared to the reference area, suggesting specialization or a comparative advantage in that particular sector. Conversely, a location quotient of less than 1 indicates a lower concentration, less specialization in the industry or occupation in the target area.

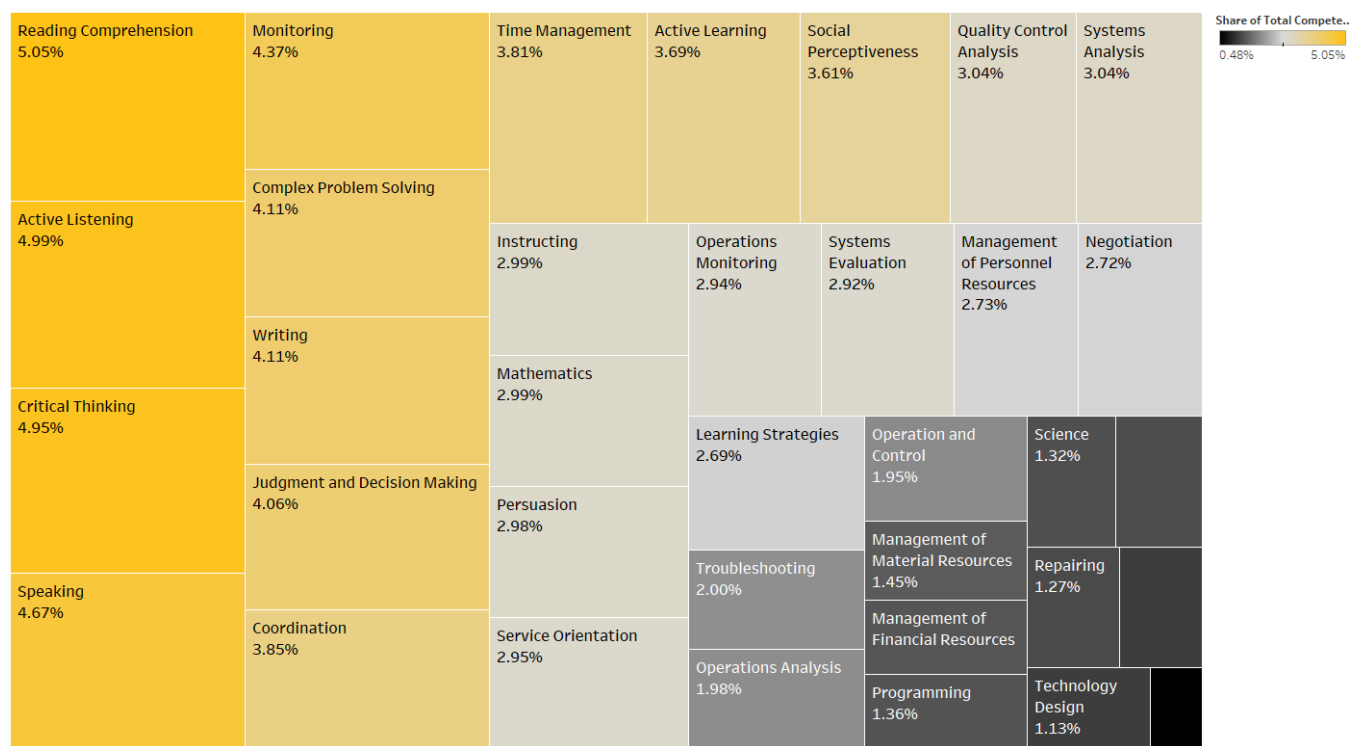
2021 Labor Costs - IT Systems & Support

Occupation (SOC code)	Mean Wage	10th Percentile Wage	90th Percentile Wage	Location Quotient
Customer Service Representatives(434051)	\$36,470	\$25,370	\$48,450	1.28
Telecommunications Equipment Installers and Repairers, Except Line Installers(492022)	\$55,030	\$36,960	\$74,110	0.89

Source: CEDBR, BLS-OES

Another component of the labor discussion is the skills, knowledge, and abilities required for the sector of the workforce. The most important skills in the IT systems and support sector were oral comprehension and expression. The most essential knowledge components were computers and electronics and English language. The most important abilities were reading comprehension and active listening.





To summarize the labor conversation through the framework of this particular sector, it is important to consider where the workforce is commuting throughout the date. Therefore, a list of all organizations within this sector with 100 employees or more has been collected. With knowledge of these particular businesses' locations and workforce density, WAMPO can leverage this list to analyze what thoroughfares can be strengthened to propagate the industry.

Key WAMPO players

Company Name	Location	Employee Size
Infosync Services		500
Cox Communications		175
T-Mobile Call Ctr		175
High Touch Technologies		150
Sodexo		130

Source: CEDBR, Data Axle

Main WAMPO Thoroughfares

Infosync, a large IT support & systems employer, demonstrates the growing trend of remote work, as many of its job offerings are for remote positions. The main labor access point for the headquarters is via Woodlawn and Rockhill Ln.



Meanwhile, an important firm to consider for the sector is AT&T, as its infrastructure component is key to the operation of the economy as a whole. While the building's location at Lincoln and George Washington Blvd. hosts its labor force, there is a demand for access for its light freight and utility vehicles.



It is additionally important to consider the entrance of Integra, as its expected robust labor force will have a high demand for access along the US-254 and Rock Rd corridor. Both inbound and outbound goods are expected to have demand for heavy highway, light freight, and air transportation.

General US Trends

To assess the potential growth of the IT systems & support sector, this study examined five economic forces at the national level. Those broad economic conditions were then applied to the regional market, firms, and trends to provide the context of its economic competitiveness.

The IT systems & support landscape remains highly competitive, as no firms produce 1% of the market share. However, wages, establishments, and revenues have risen consistently and are expected to continue to increase.

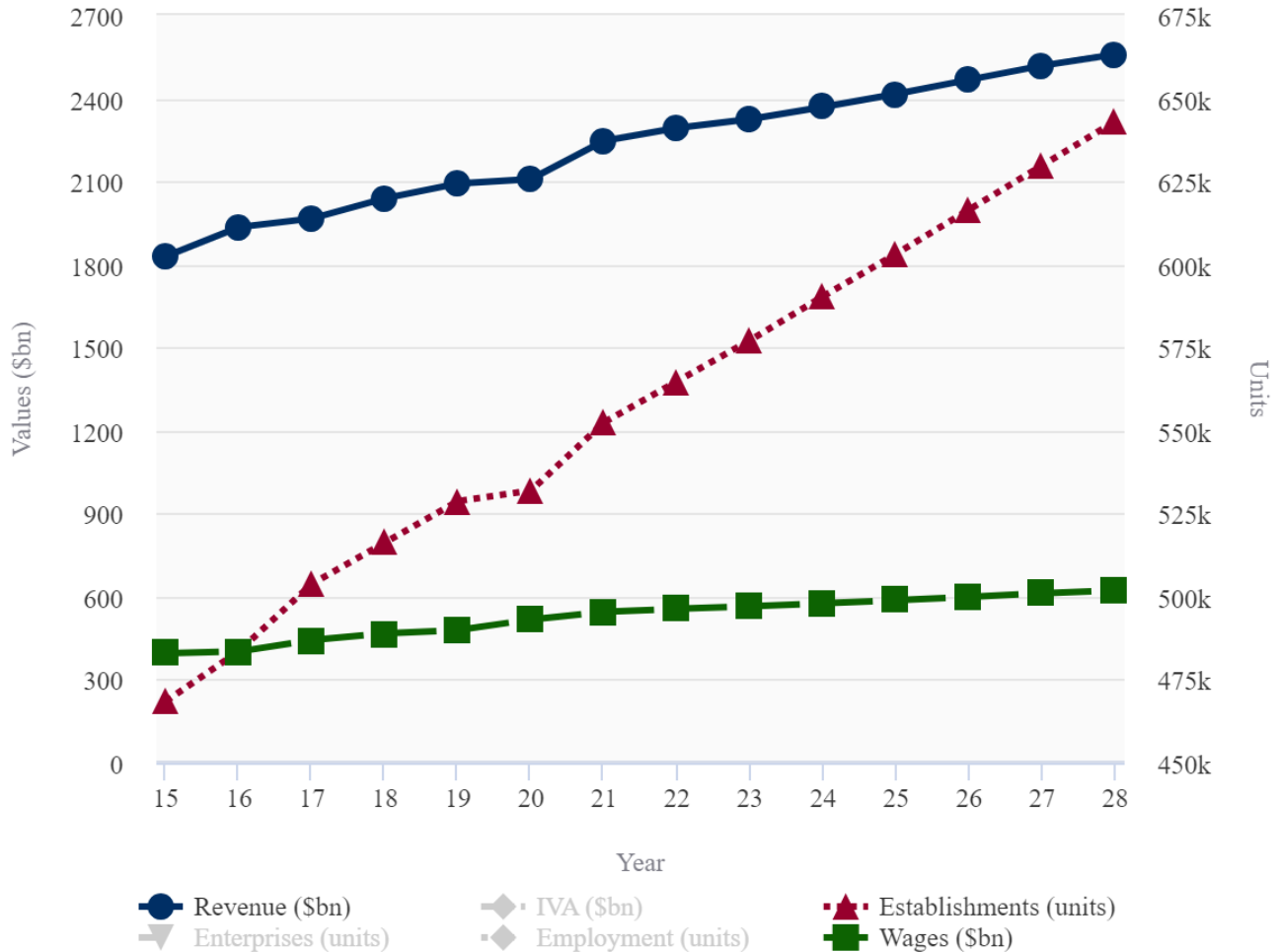
Major Players



- 0.9% Accenture
- 0.8% International Business Machines
- 0.4% Jacobs Engineering
- 0.3% Omnicom
- 0.2% Kirkland & Ellis Llp
- 97.4% Other

Professional, Scientific and Technical Services
Source: IBISWorld

Industry Performance 2015–2028



Information Source: IBISWorld

Threat of new entrants

- Moderate barriers to entry: The IT Systems & Support industry is not heavily regulated, and there are no significant capital requirements. However, a certain level of expertise and experience is required to enter the market.

Threat of substitutes

- Low threat of substitutes: There are no close substitutes for IT systems and support services. Businesses need these services to keep their IT systems running smoothly and securely.

Bargaining power of buyers

- Moderate bargaining power of buyers: There are a large number of businesses that need IT systems and support services, so buyers have some bargaining power. However, the bargaining power of buyers is limited by the fact that they need these services to operate their businesses.

Bargaining power of suppliers

- Moderate bargaining power of suppliers: There are a large number of IT systems and support providers, so suppliers have some bargaining power. However, the bargaining power of suppliers is limited by the fact that businesses need these services to operate their businesses.

Rivalry among existing firms

- High rivalry among existing firms: The IT Systems & Support industry is highly competitive, with a large number of companies competing for a share of the market. The competitiveness is due to the fact that the industry is growing rapidly and there is a high demand for IT systems and support services.

The IT Systems & Support industry in Wichita is competitive with a high level of rivalry among existing firms. The industry is also characterized by moderate barriers to entry, a low threat of substitutes, and moderate bargaining power of buyers and suppliers.

The IT Systems & Support industry is a vital part of the Wichita economy, and it is a major employer in the area. The industry is also a source of innovation and technology and plays an important role in the national and global economy.