



2020 Kansas Employment Forecast

October 2019

Total employment in Kansas grew 0.9 percent in 2018 to approximately 1,415,800 workers, which added more than 12,000 new workers to the Kansas economy. The growth was broad-based, with all major sectors of the economy adding jobs. This marked a notable upswing in the Kansas economy after growing by less than 4,000 in 2016 and 2017 combined. Kansas' unemployment rate continued its eight-year-long trend of decline in 2018 to reach 3.4 percent, the lowest level for the state in 20 years.

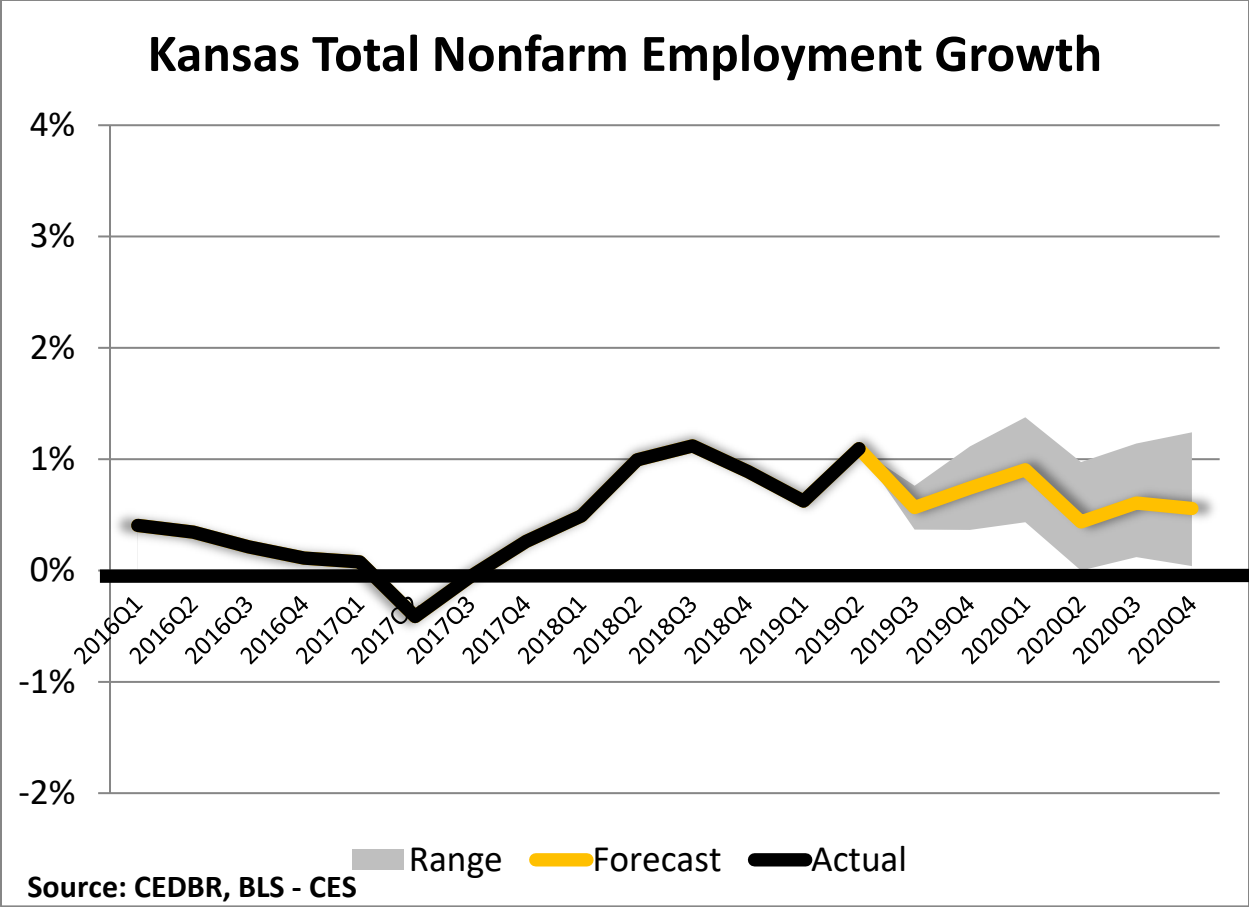
Unemployment continued to decline for the state into 2019, falling to 3.3 percent in June 2019. Employment growth is expected to continue throughout the year, expanding by a projected 0.8 percent in 2019. Growth is projected to slow modestly in 2020 to 0.6 percent, adding approximately 9,000 new jobs to the state economy. However, due to high levels of uncertainty at both the national and global levels, and elevated national recessionary risks, the projected range for Kansas employment is between 1.1 percent and approximately zero growth.

- Growth in the production sectors is forecast to be 0.6 percent in 2020, adding 1,300 jobs. The construction sector is projected to lead growth at 1.4 percent, while the manufacturing sector is projected to grow more slowly at 0.2 percent in 2020, after a robust 2.2 percent growth in 2018. The production sectors tend to be among the most volatile during periods of uncertainty and during recessions, so the expected growth is more muted for 2020 as a reflection of those increased risks, with the potential for substantial downside risk in the forecast.
- The trade, transportation, and utilities sector is forecast to grow 0.4 percent in employment in 2020, with approximately 1,000 new jobs added. These jobs are projected to be primarily concentrated in the transportation and utilities sector, while both retail and wholesale trade are projected to add fewer than 300 new jobs collectively. Retail sales are expected to experience modest growth on an inflation-adjusted basis, growing 0.2 percent in 2020, which would reverse a decline in inflation-adjusted taxable retail sales for Kansas dating to 2016, and help contribute to retail employment growth.
- Employment growth in the service sectors is projected to provide more than two-thirds of total Kansas employment growth in 2020, with 0.9 percent growth adding more than 6,200 new jobs to the economy. The primary sectors driving that growth are expected to be professional and business services, education and health services, and leisure and hospitality services, each of which are projected to grow between 0.9 and 1.2 percent.
- Governmental sector employment is forecast to grow 0.1 percent in Kansas in 2020. The growth is expected to be concentrated in the local government sector, which comprises more than 70 percent of total governmental employment in the state, and is projected to add more than 400

jobs. The state government sector is also projected to grow modestly, while the federal government sector is forecast to experience modest job declines in the state.

Nationally, real GDP grew 2 percent in the second quarter of 2019. This was led by a 4.7 percent growth in consumption and 4.5 percent growth in government expenditures. Private investment declined by 6.1 percent on an annual basis, while exports also declined 5.8 percent.

Kansas Employment by Industry Summary*					
	2018 (a)	2019 (e)	2020 (f)	2019-2020 Level Change	2019-2020 Percent Change
Total Nonfarm	1,415,820	1,426,516	1,435,442	8,926	0.6%
Production Sectors	232,904	236,121	237,455	1,334	0.6%
Nat. Resources, Mining & Cons.	67,822	68,648	69,593	945	1.4%
Manufacturing	165,082	167,474	167,862	388	0.2%
Trade, Transportation & Utilities	268,718	268,058	269,056	997	0.4%
Wholesale Trade	59,041	58,338	58,492	154	0.3%
Retail Trade	145,614	145,342	145,458	117	0.1%
Transportation & Utilities	64,063	64,379	65,105	727	1.1%
Service Sectors	655,836	663,478	669,742	6,264	0.9%
Information	18,693	18,380	18,074	-306	-1.7%
Financial Activities	77,140	76,640	77,156	516	0.7%
Professional & Business Services	179,993	183,503	185,778	2,275	1.2%
Education & Health Services	199,476	201,717	203,478	1,760	0.9%
Leisure & Hospitality	129,656	131,749	133,216	1,467	1.1%
Other Services	50,878	51,489	52,041	552	1.1%
Government	258,362	258,858	259,189	331	0.1%
*Annual values are derived from average quarterly observations and projections. (a) actual (e) estimated (f) forecasted Source: CEDBR, BLS - CES					



The Center for Economic Development and Business Research can provide detailed industry, wage, retail, and other customized forecasts upon request. Contact Jeremy Hill at 316-213-3673 for costs and availability.