



2020 Topeka Employment Forecast

May 2020

In 2019, total nonfarm employment in the Topeka metropolitan area¹ declined by 0.4 percent, contracting by 400 jobs. For 2020, the Topeka economy is projected to decline at a much faster rate as the novel coronavirus caused many businesses to shut down in the second quarter. This will cause reduced spending throughout the economy even after stay-at-home orders are lifted. U.S. gross domestic product declined 4.8 percent in the first quarter of 2020 as the first effects of the novel coronavirus were felt in March, and the effects are expected to be much larger through the remainder of the year.

In 2020, employment in the Topeka metropolitan area is projected to decline 10.8 percent, a contraction of more than 12,000 jobs. While this would be a job loss four times larger than was experienced from the 2008 recession, it is still projected to be the smallest economic decline of any Kansas metropolitan area. The job losses are expected to be concentrated in the second quarter, following by a recovery in the third and fourth quarters of the year. These projections are based on the assumption that the novel coronavirus infections peaks in the second quarter of 2020 at a level manageable for the local health care system, and that additional stay-at-home orders are not required to combat the virus after the initial stay-at-home orders expire in May. Additional outbreaks and stay-at-home orders would further reduce the employment outlook beyond what is presented here.

- The production sectors are projected to decline 10 percent, with the construction sector the hardest hit. Employment in the construction sector is forecast to decline 17.2 percent, with almost 1,000 jobs lost. The manufacturing sector is expected to be much less affected than manufacturing statewide due to the Topeka area's high concentration of nondurable manufacturing. Employment in the manufacturing sector is projected to decline 5.1 percent, approximately half the rate of contraction of the state's manufacturing sector.
- The trade, transportation, and utilities sector is projected to be the hardest-hit portion of the economy, with a 14.4 percent employment decline overall. The majority of the job losses are forecast to be in the retail trade sector, which is expected to decline by more than 1,400 jobs. The transportation and utilities sector is also projected to be hard hit, with an employment decline of 17.4 percent.
- Job losses in the service sector are largely concentrated in the leisure and hospitality sector, which is projected to decline 29.6 percent and will comprise almost 40 percent of all jobs lost in

¹ The Topeka metropolitan area consists of Jackson, Jefferson, Osage, Shawnee, and Wabaunsee counties in Kansas.

the service sector. No service sector is forecast to decline by less than 5 percent, as the effects of the novel coronavirus will be felt broadly throughout the economy. The financial activities sector is projected to have the second-highest rate of decline among the services, at 14.4 percent.

- Employment in the government sector is projected to decline by 5 percent, shrinking by approximately 1,300 jobs. These losses are expected to occur primarily at the state and local levels.

Topeka Employment by Industry Summary*					
	2018 (a)	2019 (e)	2020 (f)	2019-2020 Level Change	2019-2020 Percent Change
Total Nonfarm	112,025	111,567	99,495	-12,072	-10.8%
Production Sectors	13,402	13,416	12,080	-1,336	-10.0%
Natural Resources, Mining & Cons	5,562	5,392	4,466	-925	-17.2%
Manufacturing	7,840	8,024	7,614	-410	-5.1%
Trade, Transportation & Utilities	17,108	16,807	14,387	-2,420	-14.4%
Wholesale Trade	3,000	2,675	2,379	-296	-11.1%
Retail Trade	10,418	10,332	8,869	-1,463	-14.2%
Transportation & Utilities	3,690	3,800	3,139	-661	-17.4%
Service Sectors	54,832	54,634	47,654	-6,980	-12.8%
Information	1,375	1,333	958	-375	-28.1%
Financial Activities	7,867	7,692	6,583	-1,109	-14.4%
Professional & Business Services	13,424	12,951	11,668	-1,283	-9.9%
Education & Health Services	18,534	19,135	18,142	-992	-5.2%
Leisure & Hospitality	8,773	8,799	6,195	-2,603	-29.6%
Other Services	4,859	4,725	4,107	-617	-13.1%
Government	26,683	26,710	25,374	-1,336	-5.0%
*Annual values are derived from average quarterly observations and projections. (a) actual (f) forecasted Source: CEDBR, BLS - CES					

