

# 2021 Kansas City Employment Forecast

Total employment in the Kansas City, MO-KS, metropolitan area<sup>1</sup> increased by 8,500 workers in 2019, growing 0.8 percent, for the area's ninth consecutive year of employment growth. The unemployment rate declined to 3.3 percent, the area's lowest since 1999. In the second quarter of 2020, employment decreased by 99,600 workers, a decline of 9 percent, while unemployment grew from 3.2 percent in March 2020 to 11.7 percent in April. The unemployment rate dropped to 7.1 percent by July 2020, which is approximately 2 percentage points lower than its 2009 recessionary peak.

Employment began to recover starting in May 2020, and this is expected to continue for the remainder of the year and into 2021. For 2020, average employment is projected to be 4.3 percent lower than its 2019 level, a contraction of 47,000 workers. In 2021, the Kansas City economy is projected to recover almost a third of that contraction, adding more than 14,500 workers and growing 1.4 percent. This forecast depends on both the national economy and novel coronavirus outbreak continuing to improve at its expected pace. If the national economy nears the lower range of expectations, the forecast for Kansas City employment would be halved to 0.7 percent growth, while upper range national economy growth could lead to employment growth of 2 percent or more.

- The production sectors are projected to grow 1.2 percent in 2021, reaching their 2019 level of employment. The sectoral mix is expected to shift modestly, with growth concentrated on the construction side, which is forecast to grow 2.3 percent and add more than 1,200 jobs. The manufacturing sector is projected to add more than 200 jobs after contracting by more than 3,000 jobs lost in 2020.
- Trade, transportation and utilities sector employment is projected to increase by 1.6 percent, adding 3,400 jobs and recovering approximately two-thirds of the jobs lost in 2020. Growth is expected to be broad based for the sector, with all three subsectors growing between 1.3 and 1.8 percent. The wholesale trade and transportation sectors are projected to fully recover their 2020 losses, while the retail trade sector is expected to remain 1,500 workers below its 2019 peak.
- The service sectors are expected to continue a slow recovery in 2021, expanding by 1.8 percent after declining by 6.8 percent in 2020. The recovery is forecast to be led by the leisure and hospitality sector, which is expected to add more than 5,300 jobs and grow 5.9 percent. The professional and business services sector and the education and health sector are each projected to add more than 2,000 jobs. The information sector is expected to be a drag on service growth with a projected contraction of more than 1,100 workers.
- The government sector is projected to decline by 0.4 percent, with the contraction primarily focused at the local and federal levels, each of which are projected to decline by approximately 300 jobs.

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<sup>1</sup> The Kansas City, MO-KS, metropolitan area includes Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte and Ray counties in Missouri and Johnson, Leavenworth, Linn, Miami, and Wyandotte counties in Kansas.

| <b>Kansas City Employment by Industry Summary*</b> |                  |                  |                  |                              |                                |
|--|------------------|------------------|------------------|------------------------------|--------------------------------|
|  | 2019 (a)         | 2020 (e)         | 2021 (f)         | 2020-2021<br>Level<br>Change | 2020-2021<br>Percent<br>Change |
| <b>Total Nonfarm</b>                               | <b>1,096,010</b> | <b>1,049,005</b> | <b>1,063,554</b> | <b>14,550</b>                | <b>1.4%</b>                    |
| <b>Production Sectors</b>                          | 130,524          | 128,992          | 130,525          | <b>1,533</b>                 | <b>1.2%</b>                    |
| Nat. Resources, Mining & Cons.                     | 52,879           | 54,907           | 56,174           | <b>1,268</b>                 | <b>2.3%</b>                    |
| Manufacturing                                      | 77,645           | 74,085           | 74,351           | <b>266</b>                   | <b>0.4%</b>                    |
| <b>Trade, Transportation &amp; Utilities</b>       | <b>218,604</b>   | <b>213,695</b>   | <b>217,108</b>   | <b>3,413</b>                 | <b>1.6%</b>                    |
| Wholesale Trade                                    | 52,040           | 51,284           | 52,107           | <b>823</b>                   | <b>1.6%</b>                    |
| Retail Trade                                       | 110,015          | 106,647          | 108,519          | <b>1,872</b>                 | <b>1.8%</b>                    |
| Transportation & Utilities                         | 56,548           | 55,763           | 56,482           | <b>718</b>                   | <b>1.3%</b>                    |
| <b>Service Sectors</b>                             | <b>598,386</b>   | <b>559,666</b>   | <b>569,797</b>   | <b>10,131</b>                | <b>1.8%</b>                    |
| Information  | 16,102           | 15,006           | 13,865           | <b>-1,140</b>                | <b>-7.6%</b>                   |
| Financial Activities                               | 78,732           | 77,215           | 77,872           | <b>656</b>                   | <b>0.8%</b>                    |
| Professional & Business Services                   | 191,853          | 185,148          | 187,649          | <b>2,501</b>                 | <b>1.4%</b>                    |
| Education & Health Services                        | 156,654          | 151,810          | 154,548          | <b>2,738</b>                 | <b>1.8%</b>                    |
| Leisure & Hospitality                              | 112,230          | 90,062           | 95,383           | <b>5,321</b>                 | <b>5.9%</b>                    |
| Other Services                                     | 42,814           | 40,425           | 40,480           | <b>55</b>                    | <b>0.1%</b>                    |
| <b>Government</b>                                  | <b>148,497</b>   | <b>146,652</b>   | <b>146,124</b>   | <b>-528</b>                  | <b>-0.4%</b>                   |

\*Annual values are derived from average quarterly observations and projections.  
(a) actual (e) estimated (f) forecasted  
Source: CEDBR, BLS - CES

