

2021 Kansas Employment Forecast

Total employment in Kansas increased to 1,423,200 workers in 2019, with 0.5 percent growth, as unemployment declined 3.2 percent, its lowest level since 1978. Nine consecutive years of declines in unemployment ended in the second quarter of 2020, as employment fell 8 percent in the second quarter of 2020. This was the single largest one-quarter drop in state history, with a reduction in employment of more than 113,000 workers. The unemployment rate rose from 2.9 percent in March 2020 to 11.9 percent in April 2020. Unemployment declined to 7.2 percent in June, a rate still as high as the peak unemployment rate from the 2009 recession in Kansas.

Employment is expected to partially recover in the third and fourth quarters of 2020, but overall employment is projected to decline 4.1 percent, a loss of more than 58,000 compared to 2019. In 2021, the state's economic uncertainty remains high due to the rapidly shifting macroeconomy conditions and new developments with the novel coronavirus. Kansas' recovery is forecast to continue in 2021 with an expected average increase of 0.5 percent. If the national economy improves in the upper range of expectations, Kansas' growth would be projected to increase to 1.3 percent. If national economic expansion is sluggish, or additional outbreaks of the novel coronavirus occur, Kansas may experience flat change in employment in 2021 or even modest job losses.

- Employment in the production sectors is forecast to grow 0.2 percent due to increases in the construction sector being partially offset by losses in manufacturing. The construction sector is projected to add 1,300 jobs, as demand for housing is expected to remain robust. Manufacturing sector employment is forecast to trend differently between durable and nondurable goods. With softness in aerospace demand forecast to continue for the foreseeable future, durable goods employment is projected to decline by more than 1,600 workers. Demand for nondurable goods was much less affected by the recession, and employment is projected to grow by 800 workers.
- Employment in the trade, transportation and utilities sector is projected to grow 0.8 percent. Retail trade is expected to lead job gains in 2021 with more than 1,500 workers, though it is projected to remain more than 2,000 workers below 2019 levels. The transportation and utilities sector is forecast to continue to grow beyond 2019 levels as Kansas' distribution hubs grow, while the wholesale trade sector is expected to decline modestly.
- The service sector was the hardest hit by the recession and is expected to contract by approximately 41,300 workers in 2020. It is also expected to recover most rapidly in 2021, adding more than 7,000 workers, but every service sector is projected to have 2021 employment at a lower level than in 2019. The bulk of these gains are projected to be in the leisure and hospitality sector, which is forecast to decline 13.9 percent in 2020 and grow 4.8 percent in 2021. The information sector is the only service sector projected to continue to decline in employment, losing an additional 1,300 jobs in 2021.
- The government sector is projected to decline by approximately 2,700 workers, a contraction of 1.1 percent. The job losses are forecast to be primarily in the local government sector, which is likely to suffer from budget shortfalls in 2021 due to a decline in retail spending and other revenue sources in 2020.

Kansas Employment by Industry Summary*				2020-2021 Level Change	2020-2021 Percent Change
	2019 (a)	2020 (e)	2021 (f)		
Total Nonfarm	1,423,005	1,364,327	1,371,300	6,972	0.5%
Production Sectors	237,391	231,078	231,607	529	0.2%
Nat. Resources, Mining & Cons.	70,262	70,763	72,109	1,346	1.9%
Manufacturing	167,130	160,315	159,498	-817	-0.5%
Durable Goods	99,747	92,814	91,188	-1,626	-1.8%
Non-Durable Goods	67,383	67,501	68,310	809	1.2%
Trade, Transportation & Utilities	267,035	262,309	264,422	2,113	0.8%
Wholesale Trade	58,051	56,193	55,646	-547	-1.0%
Retail Trade	142,081	138,316	139,909	1,592	1.2%
Transportation & Utilities	66,902	67,799	68,867	1,067	1.6%
Service Sectors	658,585	617,281	624,352	7,072	1.1%
Information	18,132	16,629	15,306	-1,323	-8.0%
Financial Activities	77,321	76,639	77,187	548	0.7%
Professional & Business Services	178,972	172,386	172,322	-64	0.0%
Education & Health Services	202,004	192,218	193,858	1,640	0.9%
Leisure & Hospitality	130,459	112,371	117,764	5,393	4.8%
Other Services	51,697	47,038	47,915	877	1.9%
Government	259,994	253,659	250,918	-2,741	-1.1%

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

