

2021 Kansas Employment Forecast

Annual average employment in Kansas in 2020 contracted by 4.6 percent relative to the 2019 average, but looking at only the average values masks the large swings in employment throughout the year in the aftermath of the novel coronavirus outbreak. From the first quarter of 2020, when the outbreak began, to the second quarter, almost 120,000 jobs were lost in the state. For the rest of 2020 and the first quarter of 2021, employment grew in the state, recovering more than 60,000 jobs, approximately half of what was lost in the second quarter. Unemployment grew from 3.2 percent in the first quarter of 2020 to 12.6 percent in April 2020. The rate continued to decline the rest of the year and reached 3.6 percent in the first quarter of 2021.

Employment is expected to continue to grow throughout the rest of 2021, expanding 2.2 percent from the fourth quarter of 2020 to the fourth quarter of 2021. Growth is expected to be the fastest in the third quarter of the year, when the vaccinations are projected to reach a high enough level that social distancing restrictions will likely further be relaxed. The Kansas economy remains especially vulnerable to disruptions and downside risks during this recovery period due to tight supply chains, tight labor markets, and possibilities of additional lockdowns or distancing restrictions from virus mutations.

- Kansas production sector employment is forecast to grow 2.4 percent from the fourth quarter of 2020 to the fourth quarter of 2021 after declining 5.3 percent in 2020. The construction sector is projected to lead growth at 2.9 percent and exceed its pre-pandemic peak by the fourth quarter of 2021. Both the durable and nondurable goods manufacturing sectors are expected to grow approximately 2 percent by the fourth quarter, though the durable goods sector will remain substantially below its pre-pandemic peak due to losing more than 15,000 jobs at the start of the novel coronavirus outbreak.
- Employment in the trade, transportation, and utilities sector is projected to grow 2.6 percent from the fourth quarter of 2020 to the fourth quarter of 2021. Retail sales are expected to grow 1.8 percent throughout the year in the state, relative to 2020, driving an increase in retail employment. The transportation and utilities sector is forecast to be the fastest-growing subsector as Kansas continues to expand as a Midwestern transportation and logistics hub, expanding 5.1 percent from the fourth quarter of 2020 to the fourth quarter of 2021.
- The service sector is expected to have the most significant employment expansion in Kansas, growing 2.8 percent. The sector was the hardest hit in 2020, declining 5.6 percent. The leisure and hospitality sector suffered the largest contraction, losing almost 30 percent of its employment in the second quarter of 2020. The industry is forecast to be the fastest-growing sector in 2021, increasing 6.7 percent from the fourth quarter of 2020 to the fourth quarter of 2021, though still remaining more than 12,000 jobs below its pre-pandemic peak. The professional and business services sector is also projected to grow rapidly in 2021, recovering almost all the jobs lost in 2020 and reaching within 2,000 jobs of its pre-pandemic peak.
- The government sector is forecast to remain relatively flat in 2021, growing 0.1 percent from the fourth quarter of 2020 to the fourth quarter of 2021, after contracting by 3.3 percent in 2020. State government employment is projected to have the fastest growth, at 0.6 percent.

Kansas Employment by Industry Summary*					
	2019 (a)	2020 (e)	2021 (f)	2020-2021 Level Change	2020-2021 Percent Change
Total Nonfarm	1,423,826	1,358,730	1,370,875	12,144	0.9%
Production Sectors	240,971	228,280	228,222	-58	0.0%
Trade, Transportation & Utilities	267,133	259,704	267,121	7,416	2.9%
Service Sectors	656,321	619,839	628,752	8,913	1.4%
Government	259,401	250,906	246,780	-4,127	-1.6%

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

Kansas Employment by Industry Summary*					
	2020Q4 (a)	2021Q1 (e)	2021Q2 (f)	2021Q3 (f)	2021Q4 (f)
Total Nonfarm	1,348,874	1,362,878	1,367,361	1,375,073	1,378,186
Production Sectors	225,359	225,330	227,593	229,273	230,692
Trade, Transportation & Utilities	260,493	266,418	266,782	268,093	267,189
Service Sectors	616,569	624,010	626,349	630,992	633,657
Government	246,452	247,120	246,636	246,716	246,648

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

