

# 2024 Economic Update

*October 2024*

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The views herein are those of the presenter and do not necessarily reflect those of the Federal Reserve Bank of Kansas City or the Federal Reserve System



# Structure and Functions of the Federal Reserve

- **3 Primary Entities**
  - Board of Governors
    - 7 Members appointed by the U.S. President
  - Federal Reserve Banks
    - 12 Total; Semi Independent
  - Federal Open Market Committee
    - 19 Members; 12 Voting
- **3 Primary Responsibilities**
  - Monetary Policy
  - Bank Supervision and Regulation
  - Payment System Safety and Efficiency



## Macro Conditions –

Look through the largest lens, showcasing the big picture of GDP, employment and inflation

## Regional Conditions –

zoom in to see how the economic landscape shifts regionally, reflecting industry-level details, and local data.

## Business Conditions –

explore the dynamic twists of labor productivity, participation rates, supply chain health, and labor costs, reflecting the pulse of businesses.

## Household Conditions –

review the diverse colors of wages, savings, consumption, and housing, showing the personal side of the economic kaleidoscope.

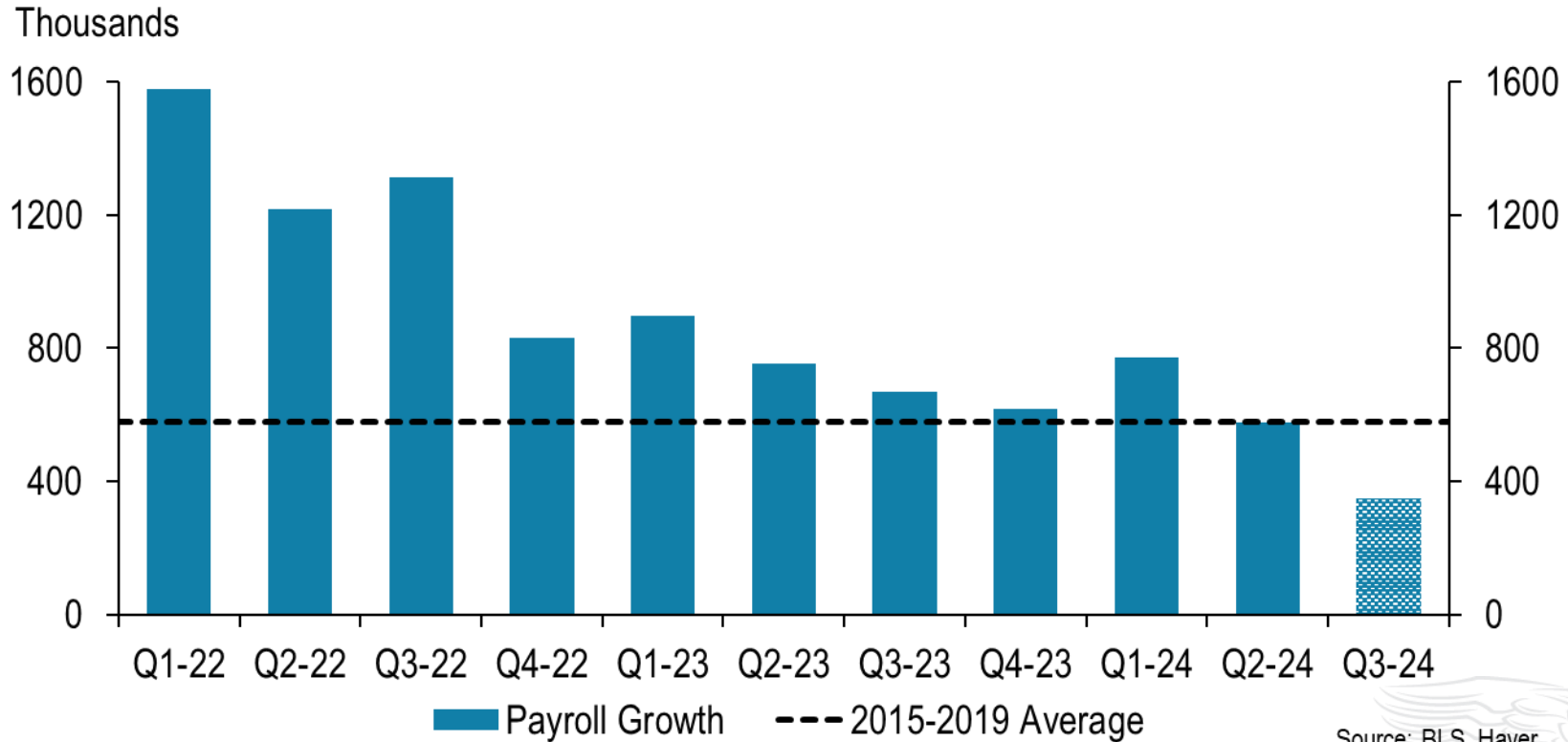


# Macro Conditions –

Look through the largest lens,  
showcasing the big picture of GDP,  
employment and inflation



# Labor market is cooling but is not cold

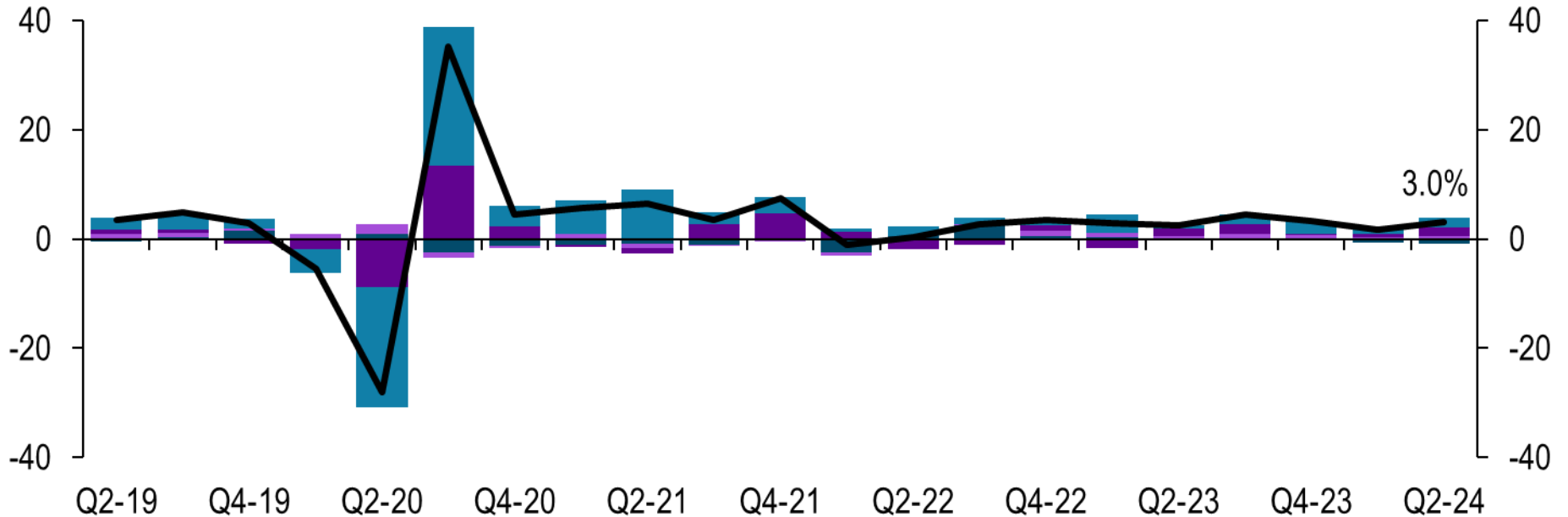


Source: BLS, Haver



# GDP – Consumption is driving the economy

Quarter/Quarter % Change



Net Exports

Gross Private Domestic Investment

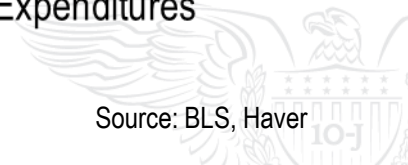
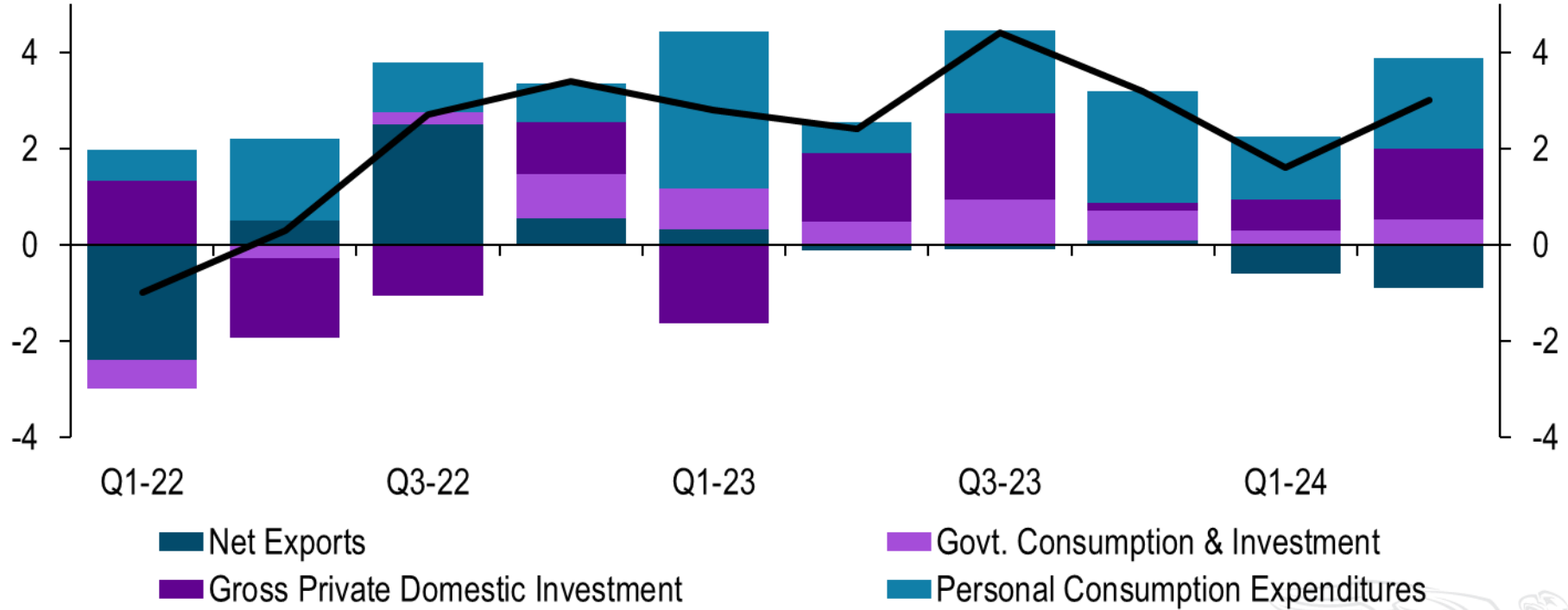
Govt. Consumption & Investment

Personal Consumption Expenditures



# Business investment points to continued growth

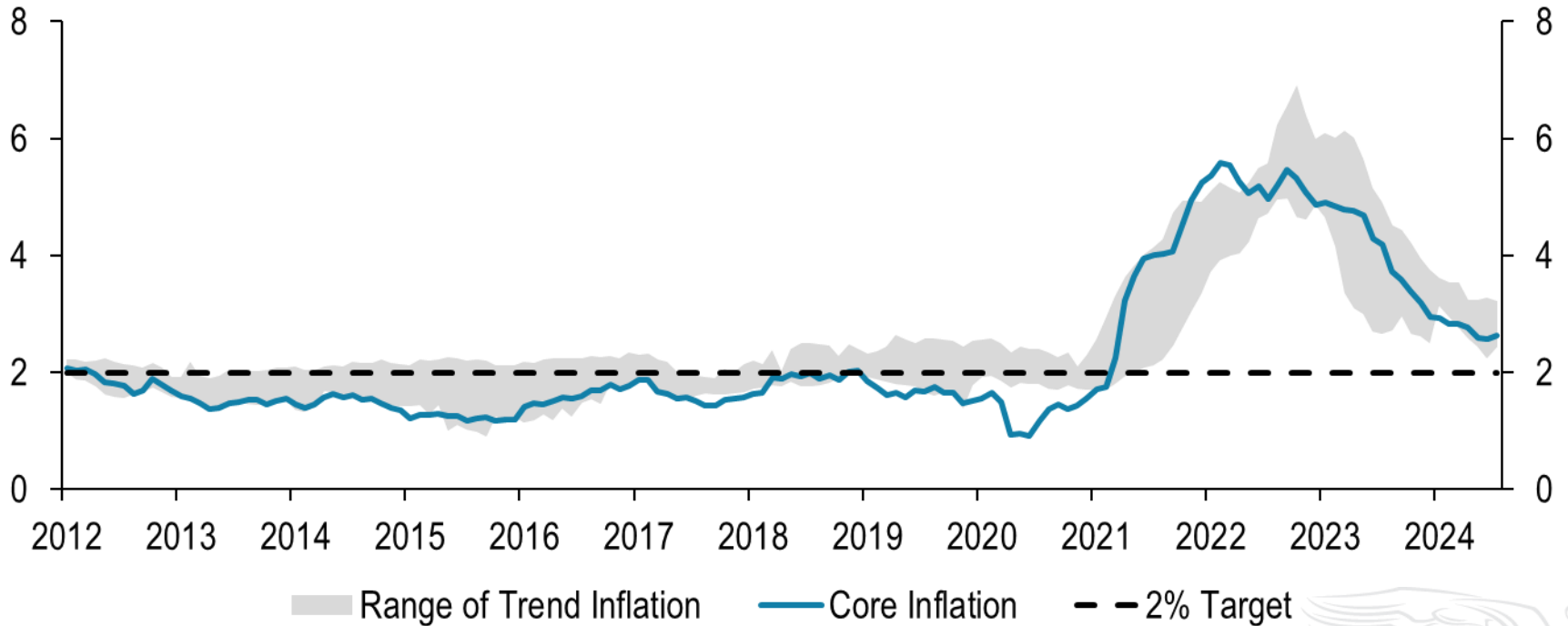
Quarter/Quarter % Change





# Inflation is headed back towards the Fed's target

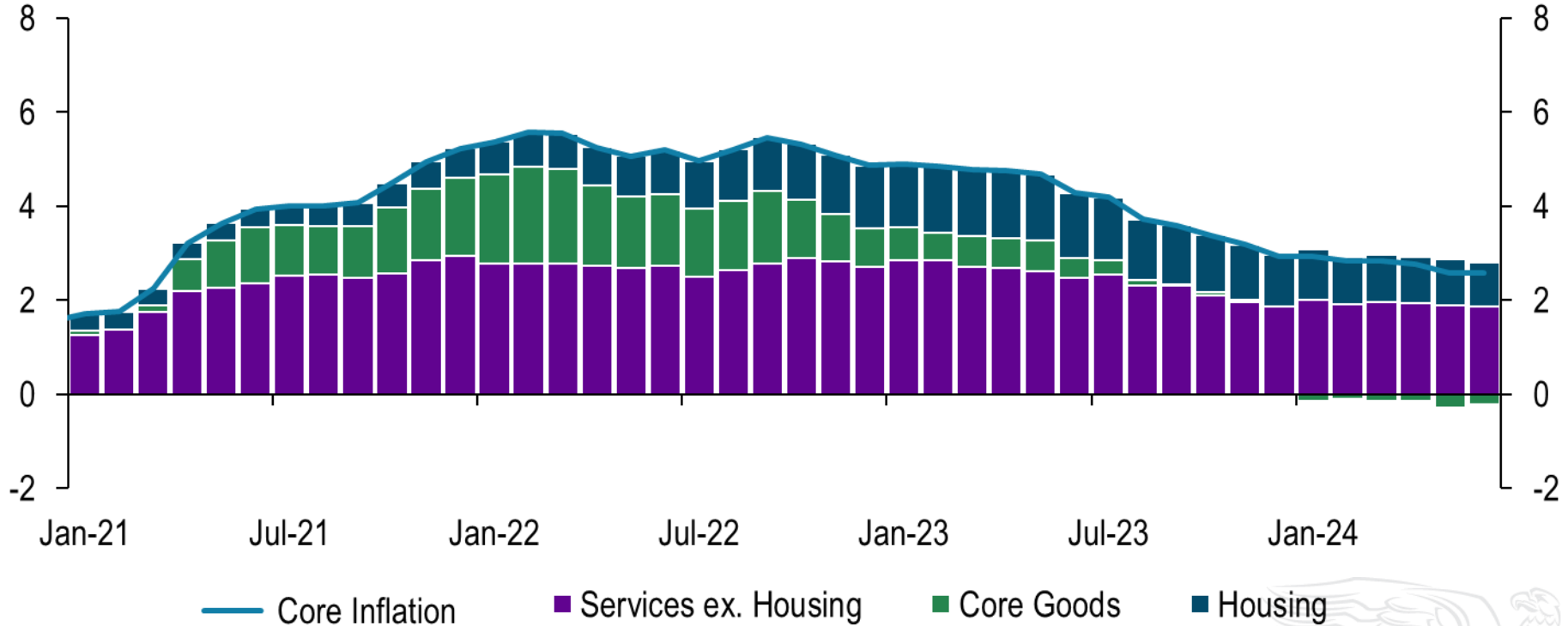
12-Month % Change



Source: BLS, Haver

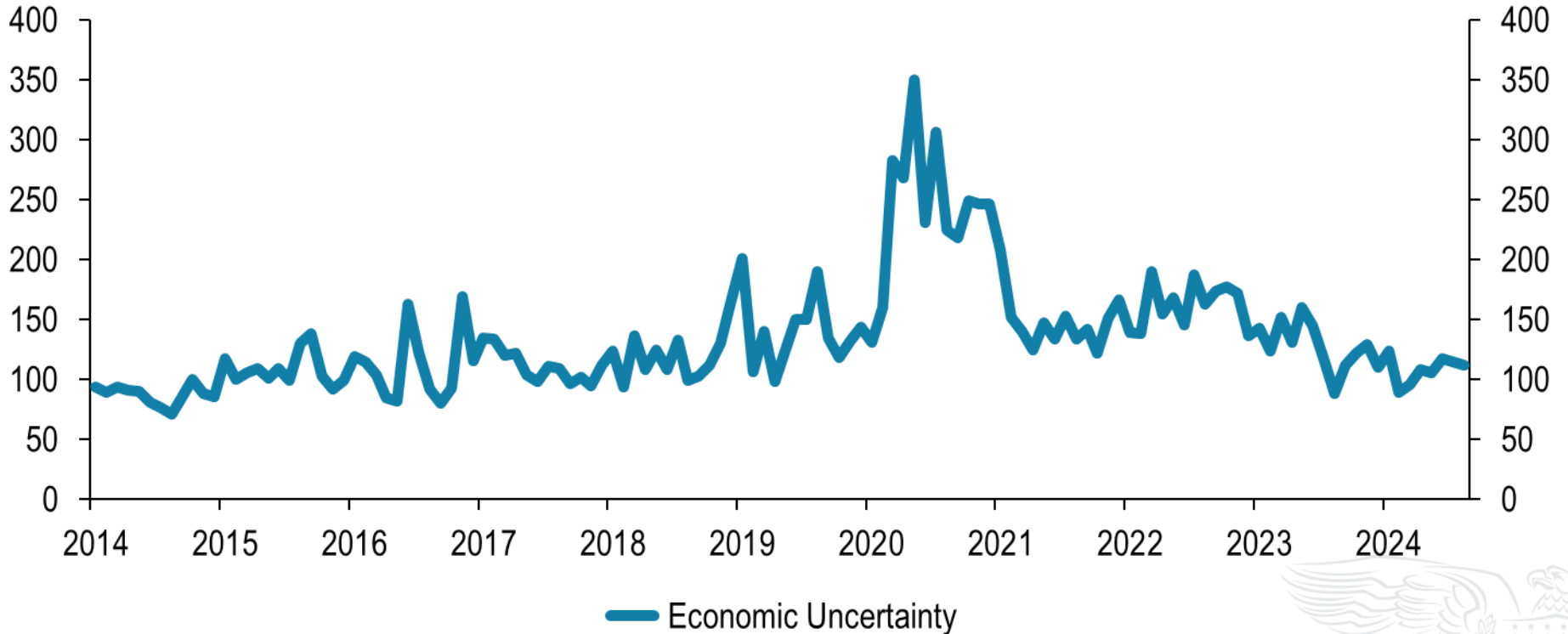
# Service costs are easing

Year/Year % Change



# Economic uncertainty has remained stable, but there are still issues

Index, Sep-1985 = 100



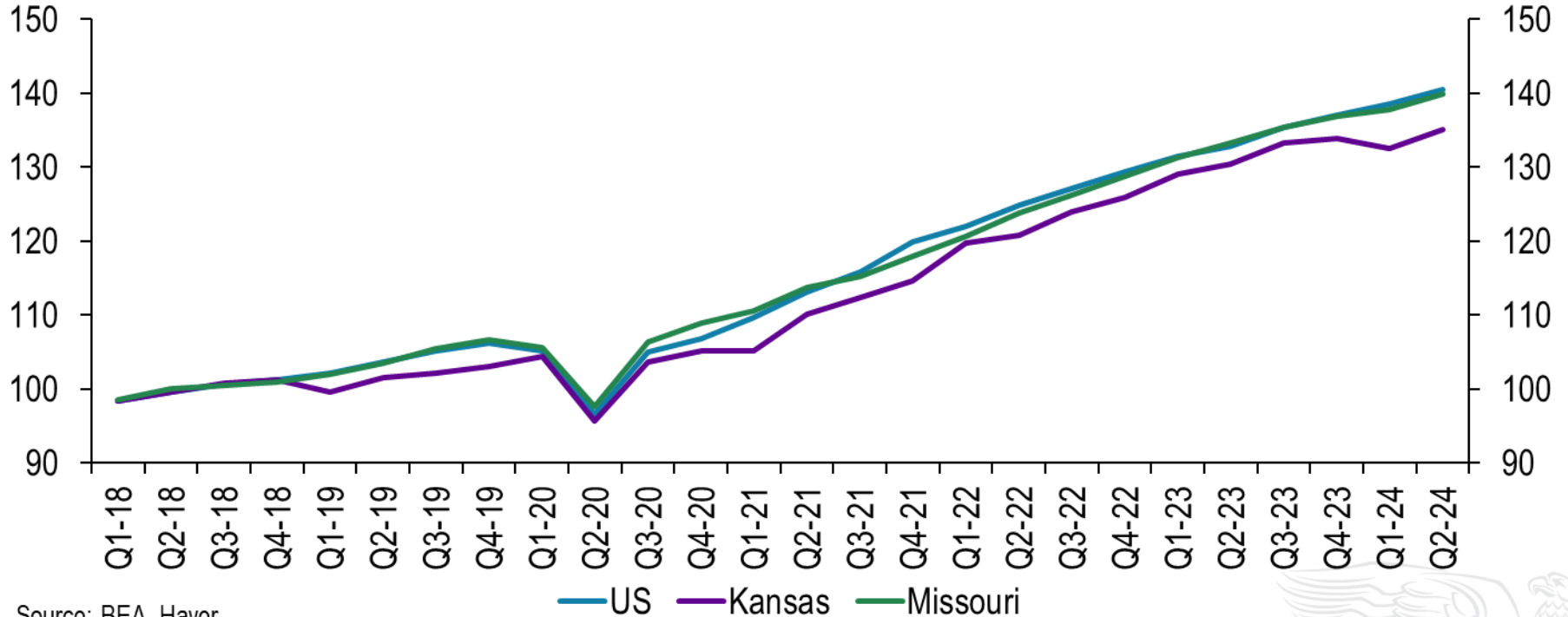
# Regional Conditions –

zoom in to see how the economic landscape shifts regionally, reflecting industry-level details, and local data.



# Kansas GDP slowed down in 2024

(SAAR, \$) 2018 = 100

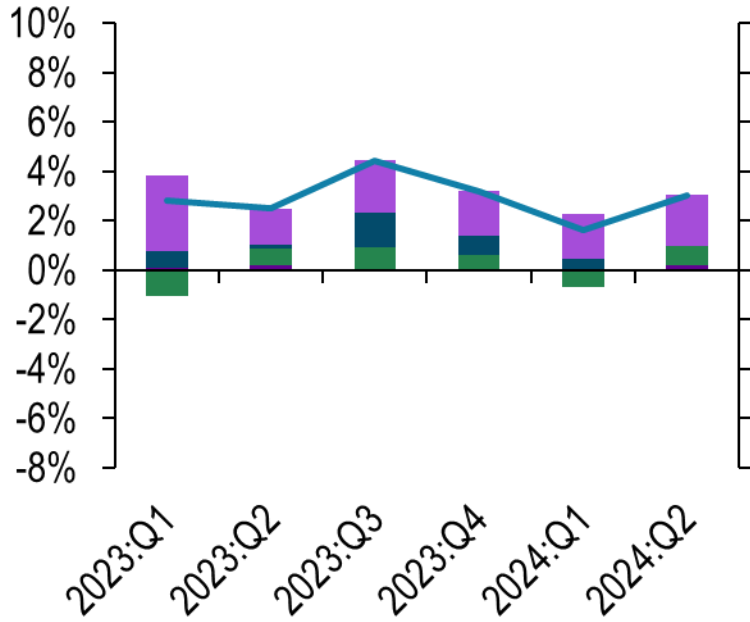


Source: BEA, Haver

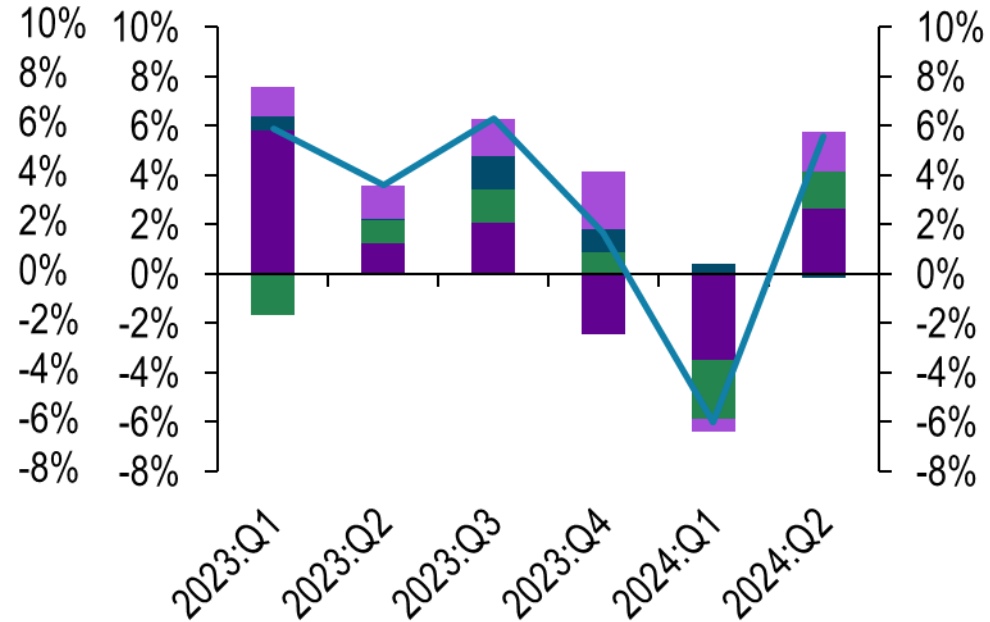


# Recent shifts in KS are from AGRI and Manu

United States - Contributions to GDP



KS - Contributions to GDP



Agriculture

Manufacturing

Retail

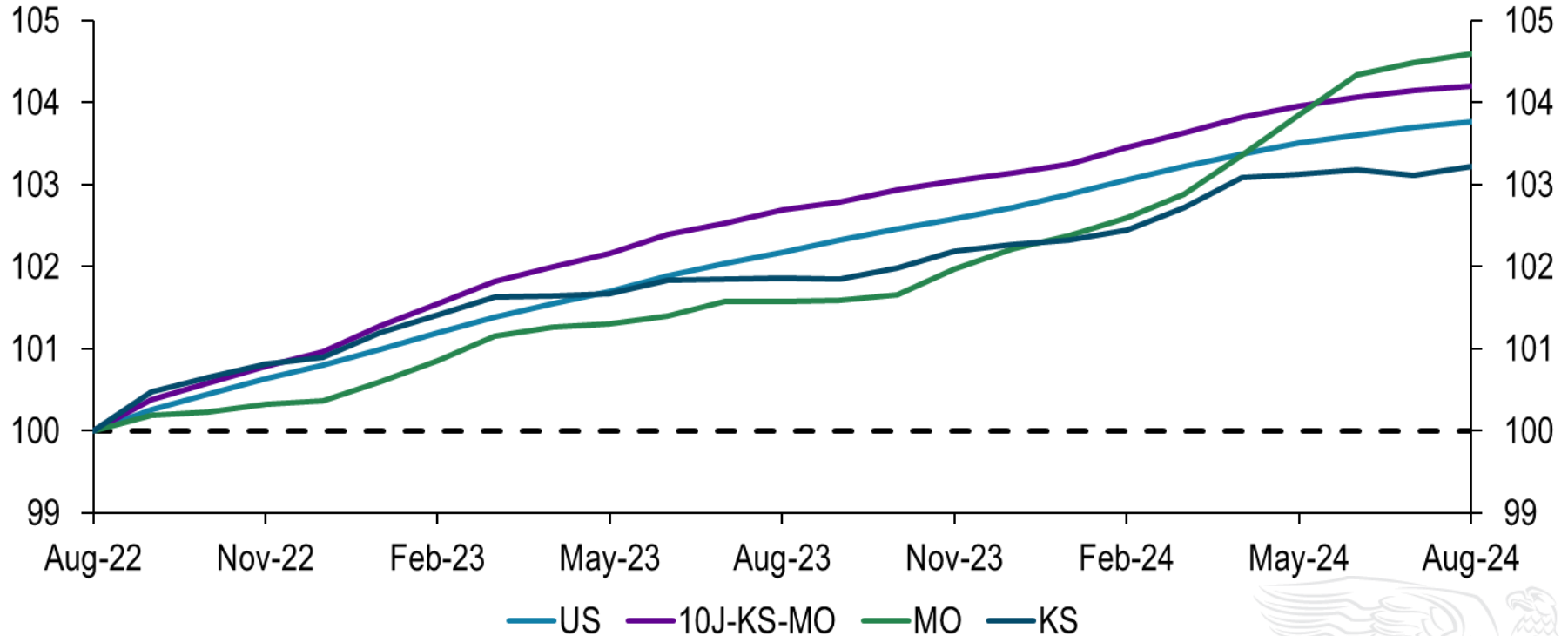
Other

Total



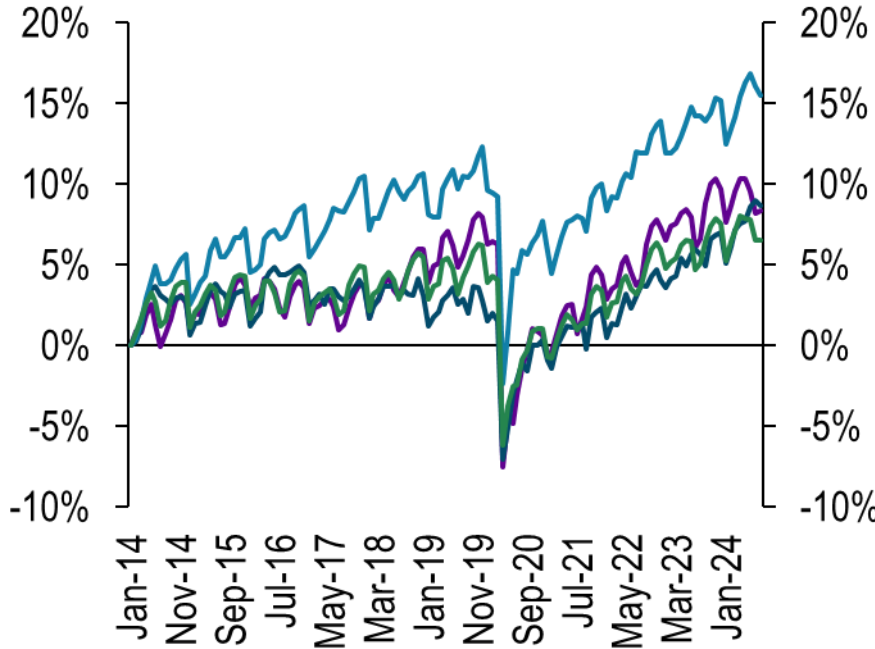
# Kansas employment growth softened

Index, August-2022 = 100

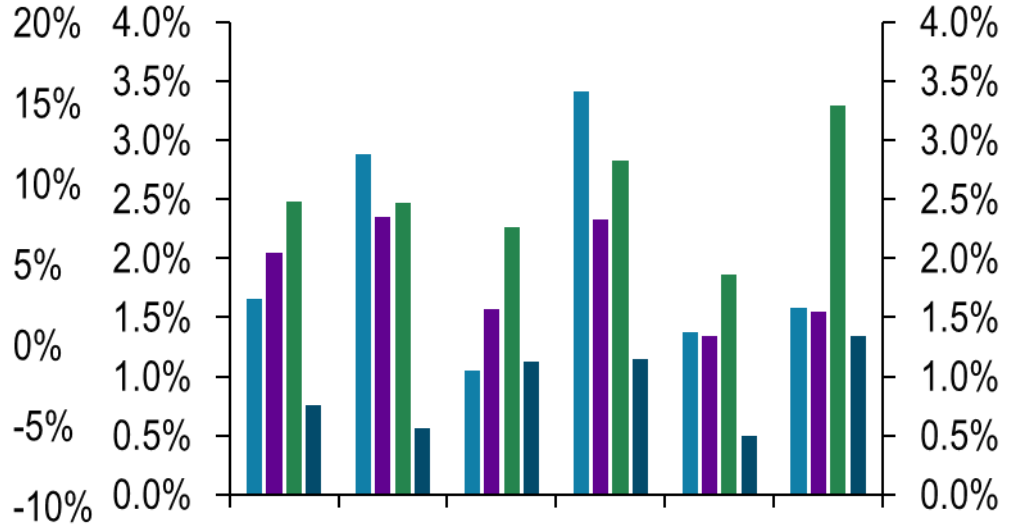


# Kansas City is back to normal growth, ICT and TOP are accelerating

Cumulative Employment Growth



Annualized Employment Growth



— Wichtia — Topeka — Kansas City — Kansas

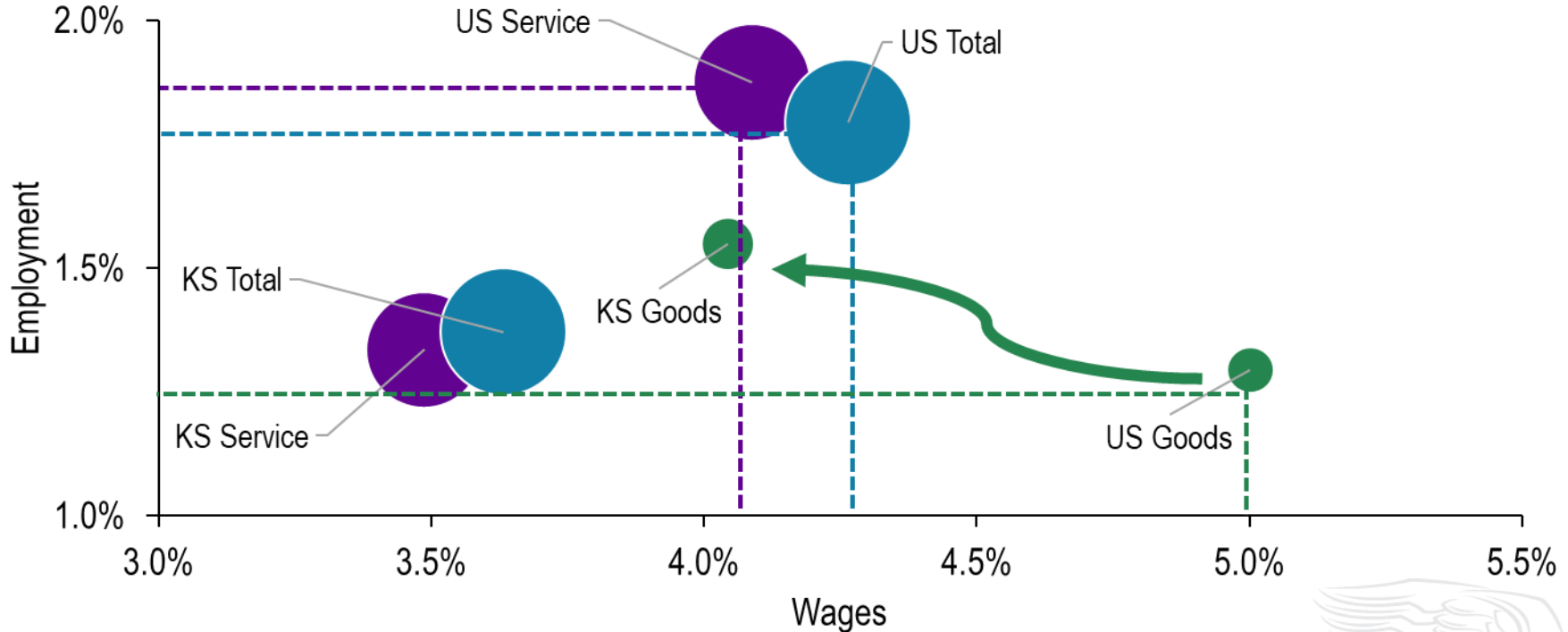
■ 1 Year ■ 2 Years ■ 4 Years ■ 10 Years

Source: BLS, Haver (Aug 2024)

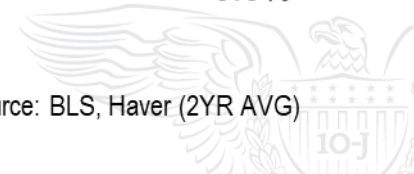


# Kansas Goods sector is adding jobs, but not competing on wages

## Growth Matrix

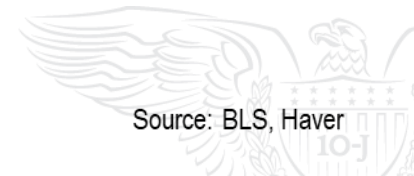
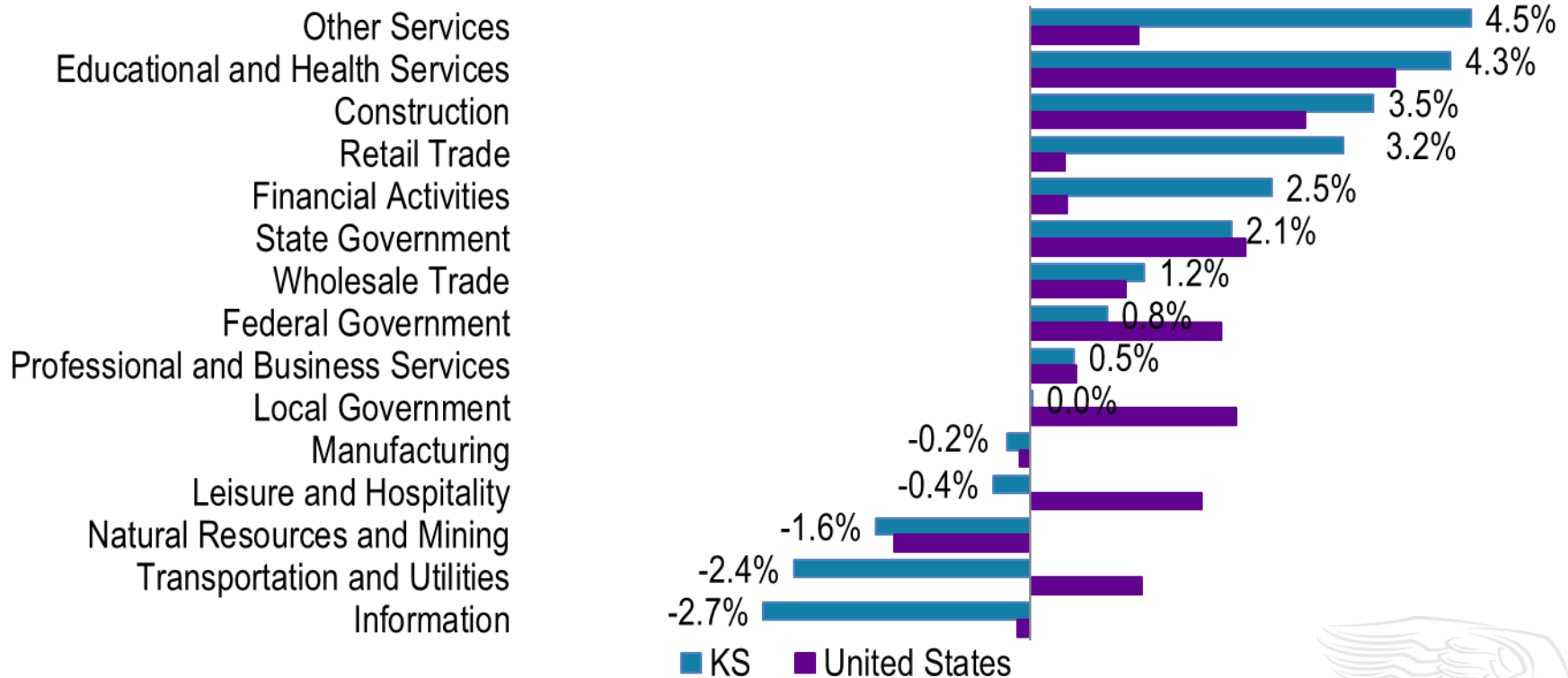


Source: BLS, Haver (2YR AVG)



# Kansas EMP outperformed U.S. in Other, Retail, and Finance

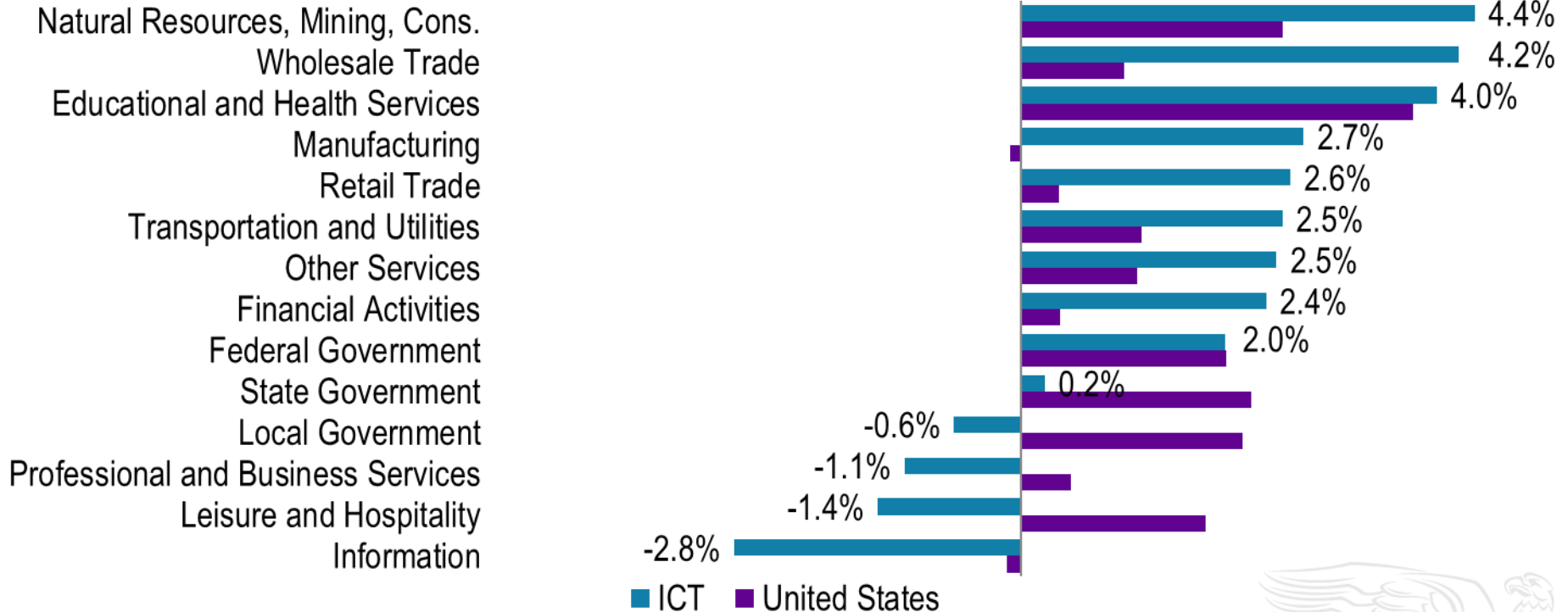
Kansas (Aug-24)



Source: BLS, Haver

# ICT EMP outperformed U.S. in Cons. Wholesale, and Manufacturing

Wichita (Aug-24)



Source: BLS, Haver



# Business Conditions –

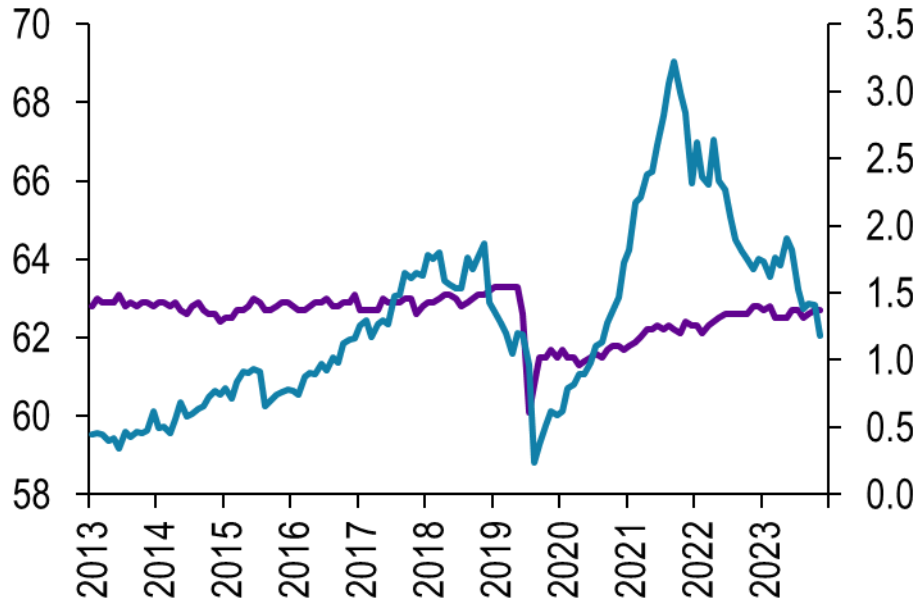
explore the dynamic twists of labor productivity, participation rates, supply chain health, and labor costs, reflecting the pulse of businesses.



# Labor market is returning to normal

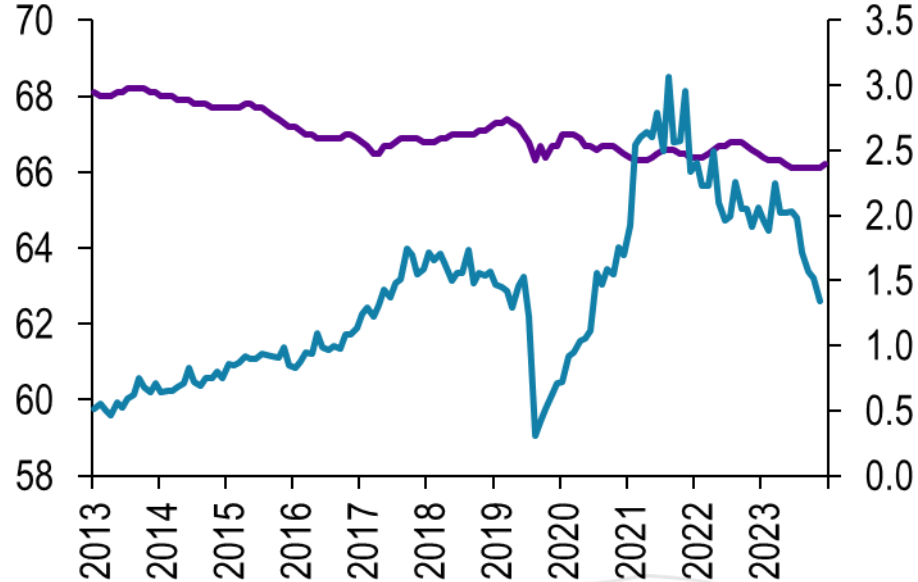
United States

Participation



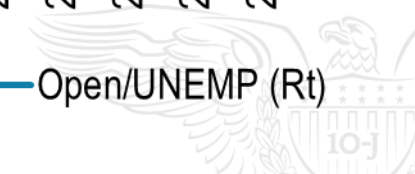
Kansas

Participati



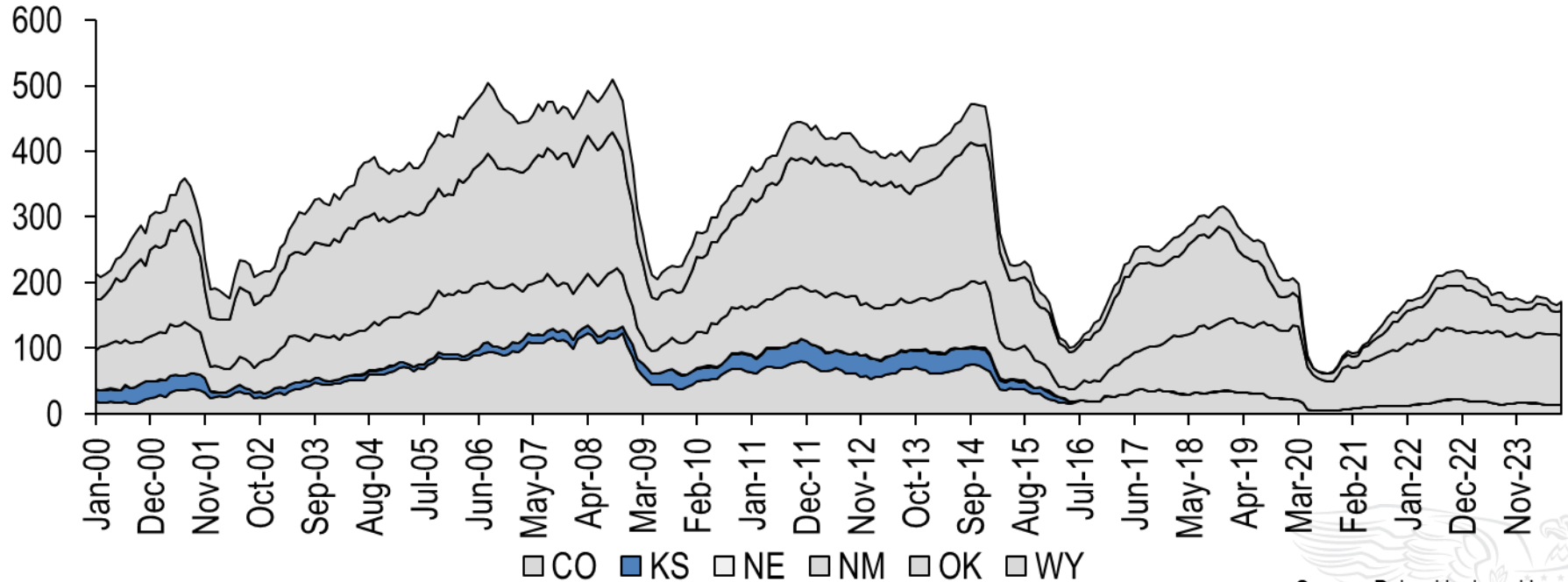
— Participation (LT)    — Open/UNEMP (RT)

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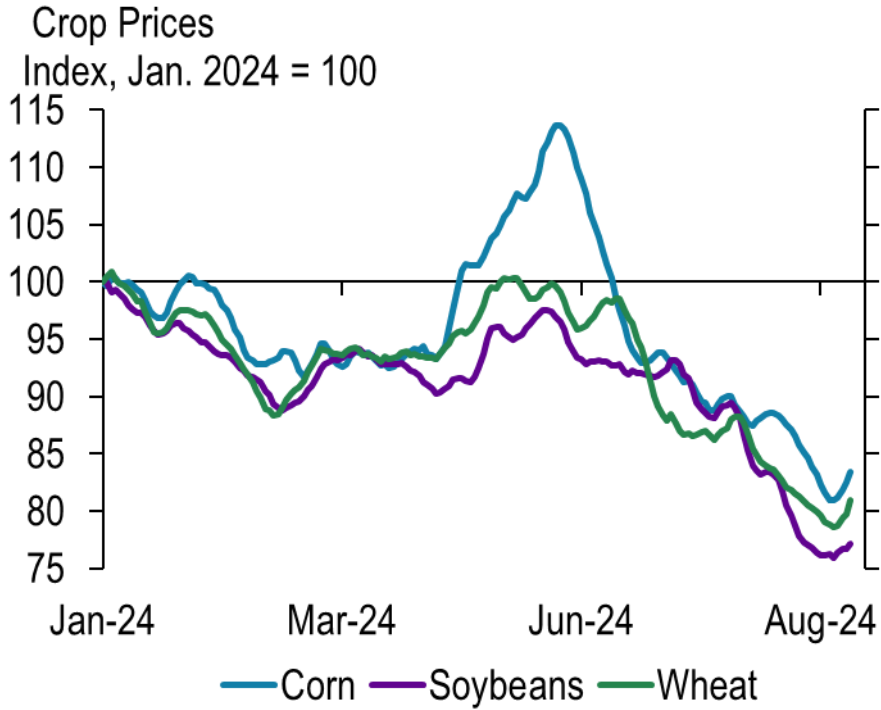
# Kansas Oil is sitting on the sidelines. The economy is benefiting from regional production.

Active Rotary Rig Count



Source: Baker Hughes, Haver

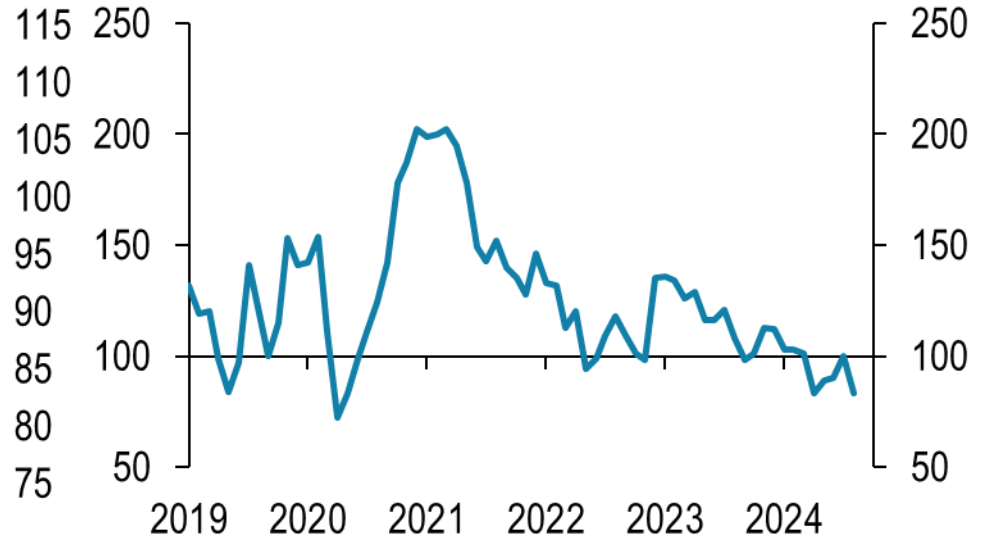
# Grains conditions softened, but cattle remains strong.



Source: Baker Hughes, Haver

### Ag Barometer Index of Current Conditions

Index, 100 = Oct. 2015 - Mar. 2016

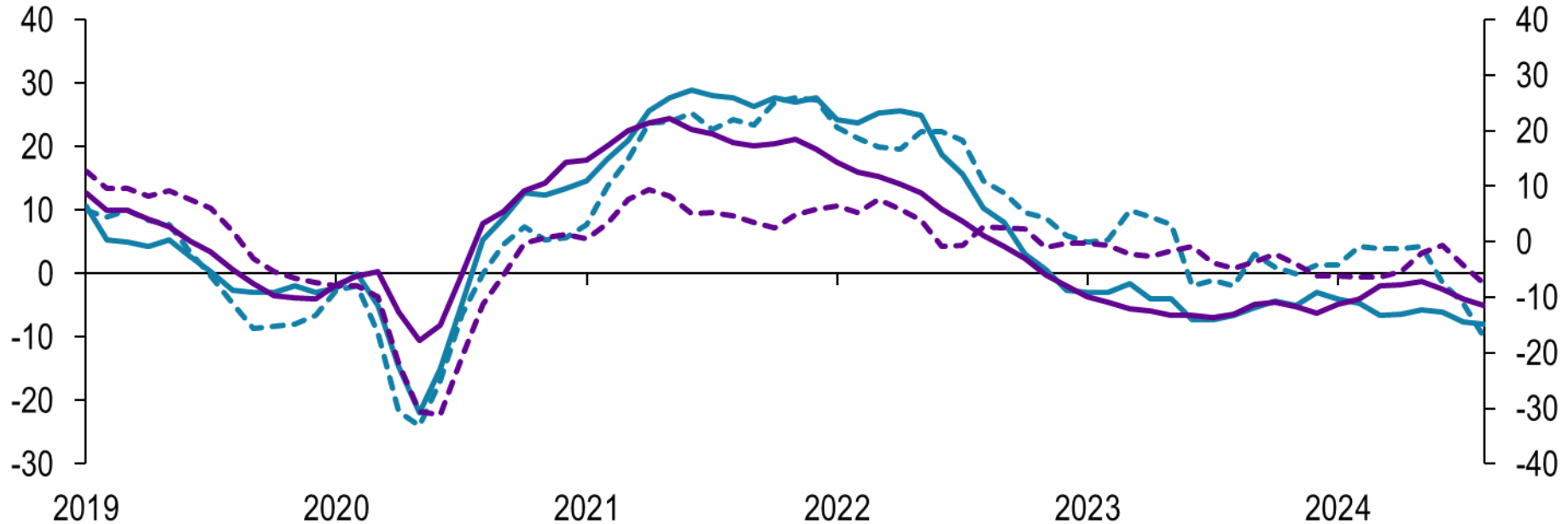


Source: Purdue University



# Manufacturing conditions slowed within the district

Month/Month Diffusion Index

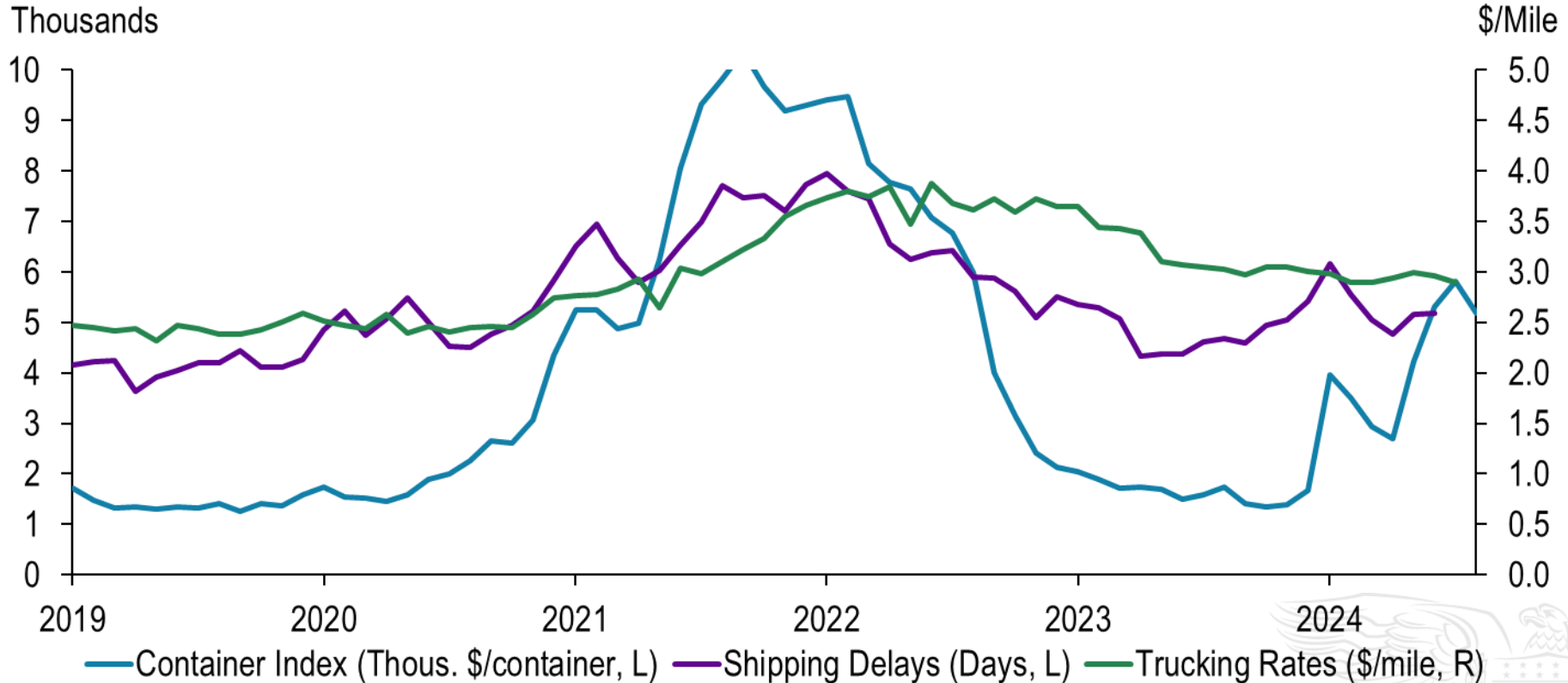


— KC Composite    - - - KC Employment    — ISM Composite    - - - ISM Employment

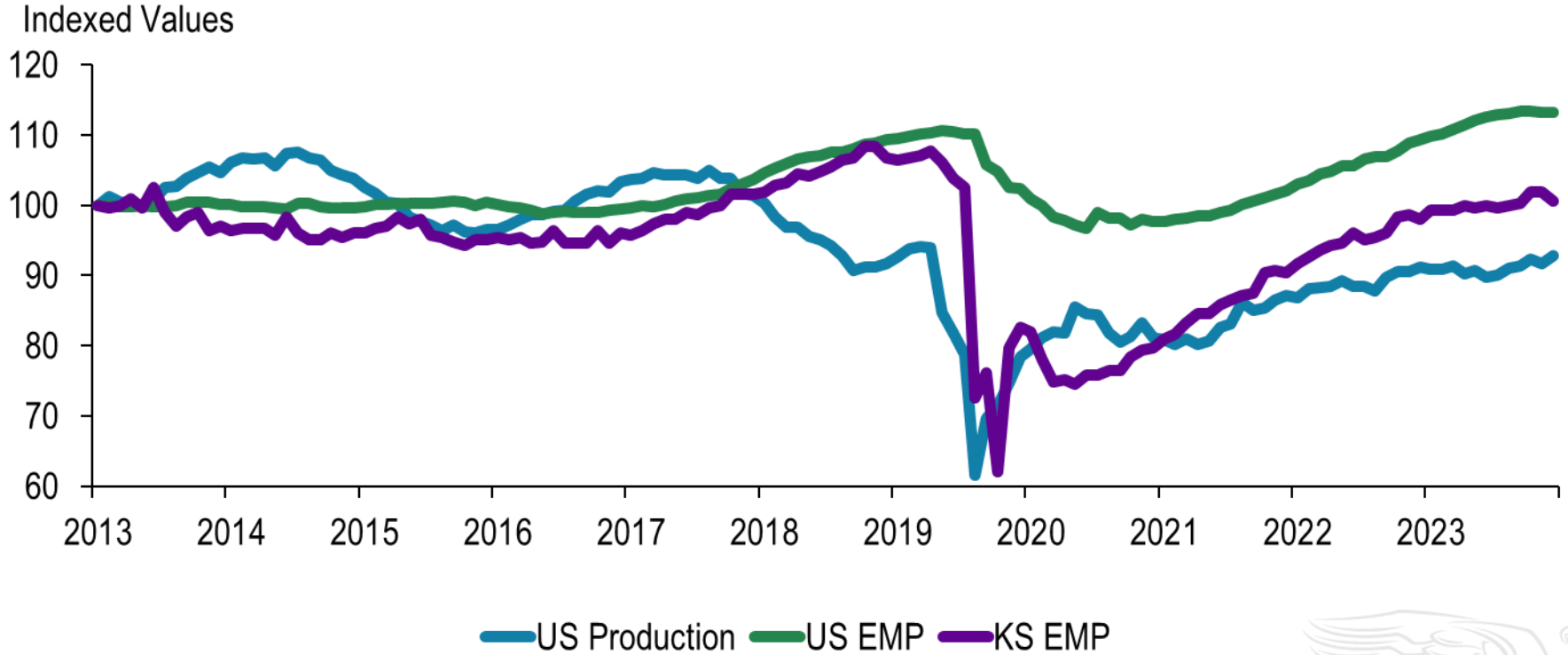




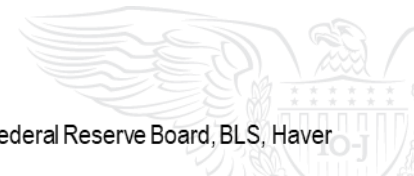
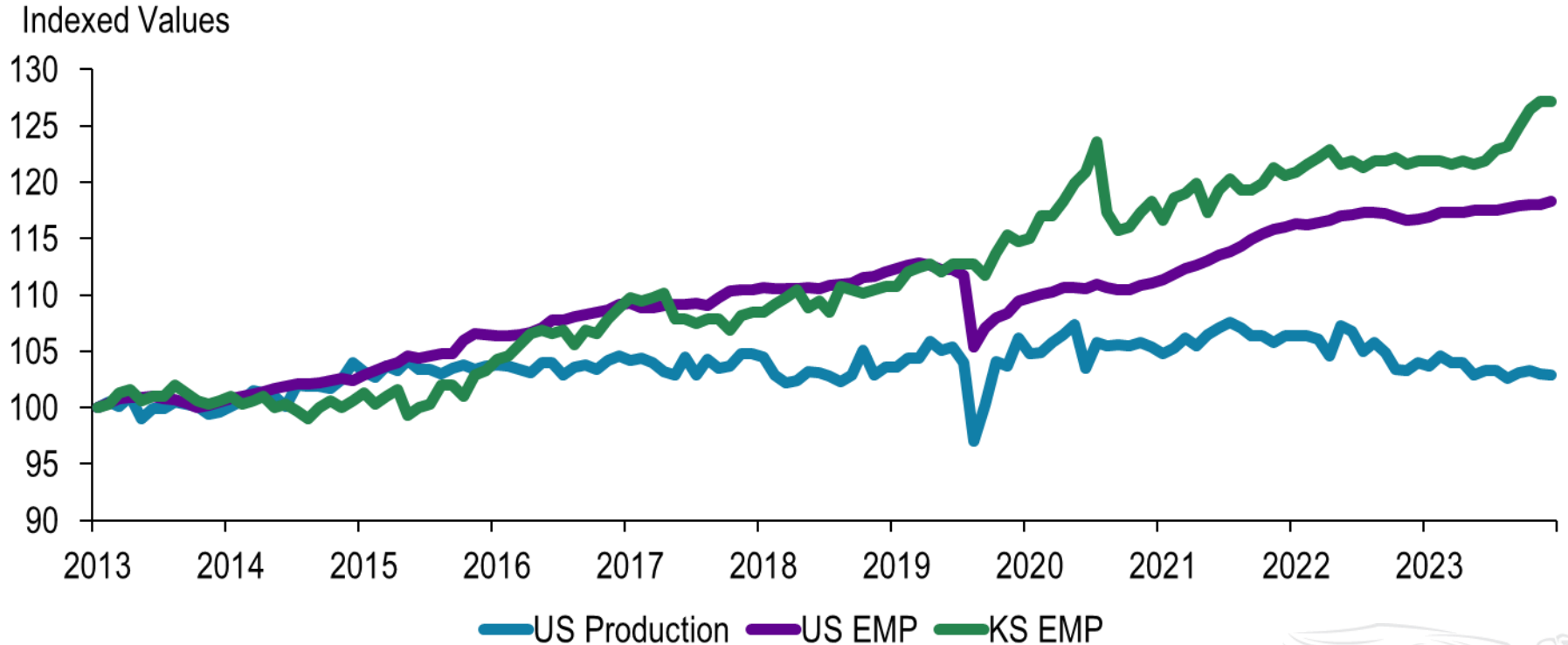
# Freight – Trucking is back to normal, but container prices have increased



# Aerospace production is increasing slowly



# Food production remains stable, but Kansas is expanding



# Household Conditions –

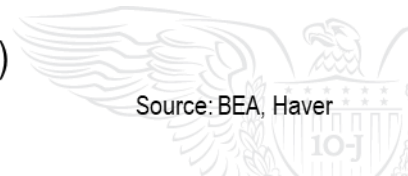
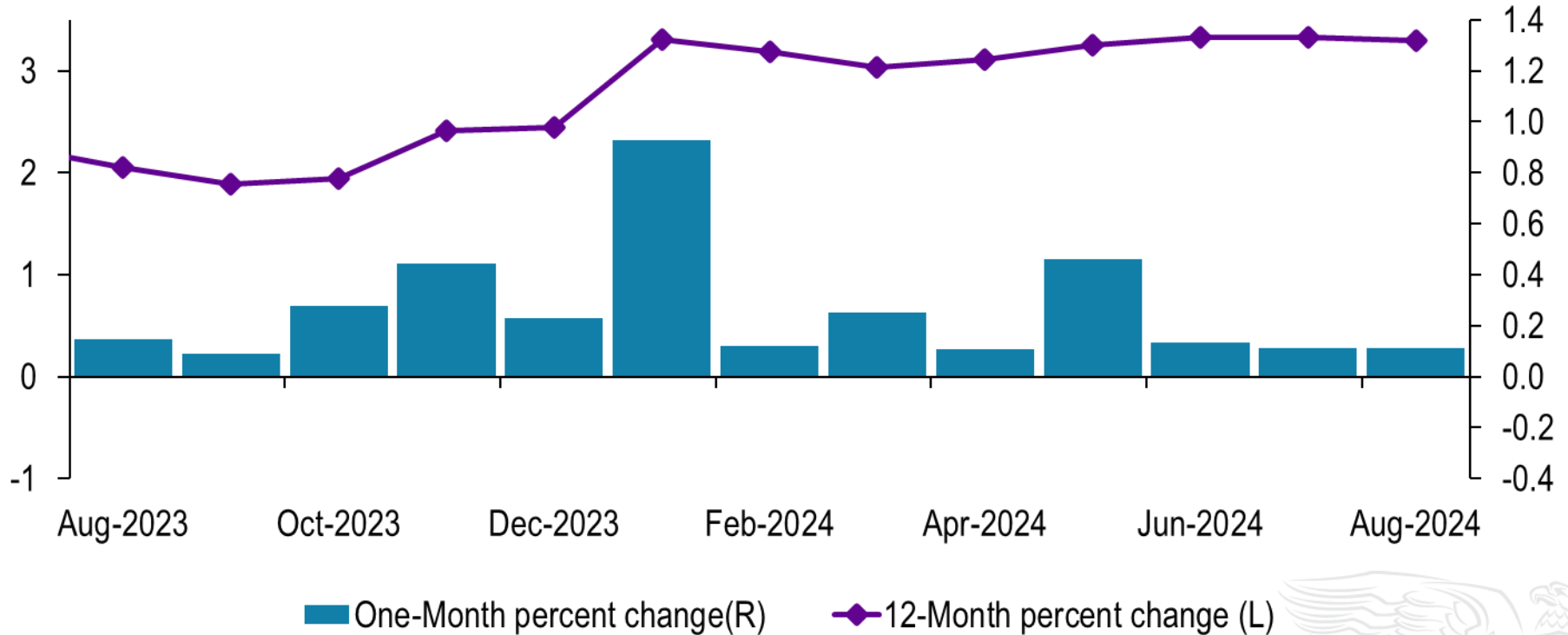
review the diverse colors of wages, savings, consumption, and housing, showing the personal side of the economic kaleidoscope.



# US Real Personal Income continues to increase

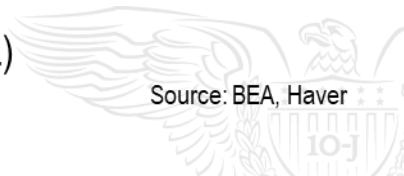
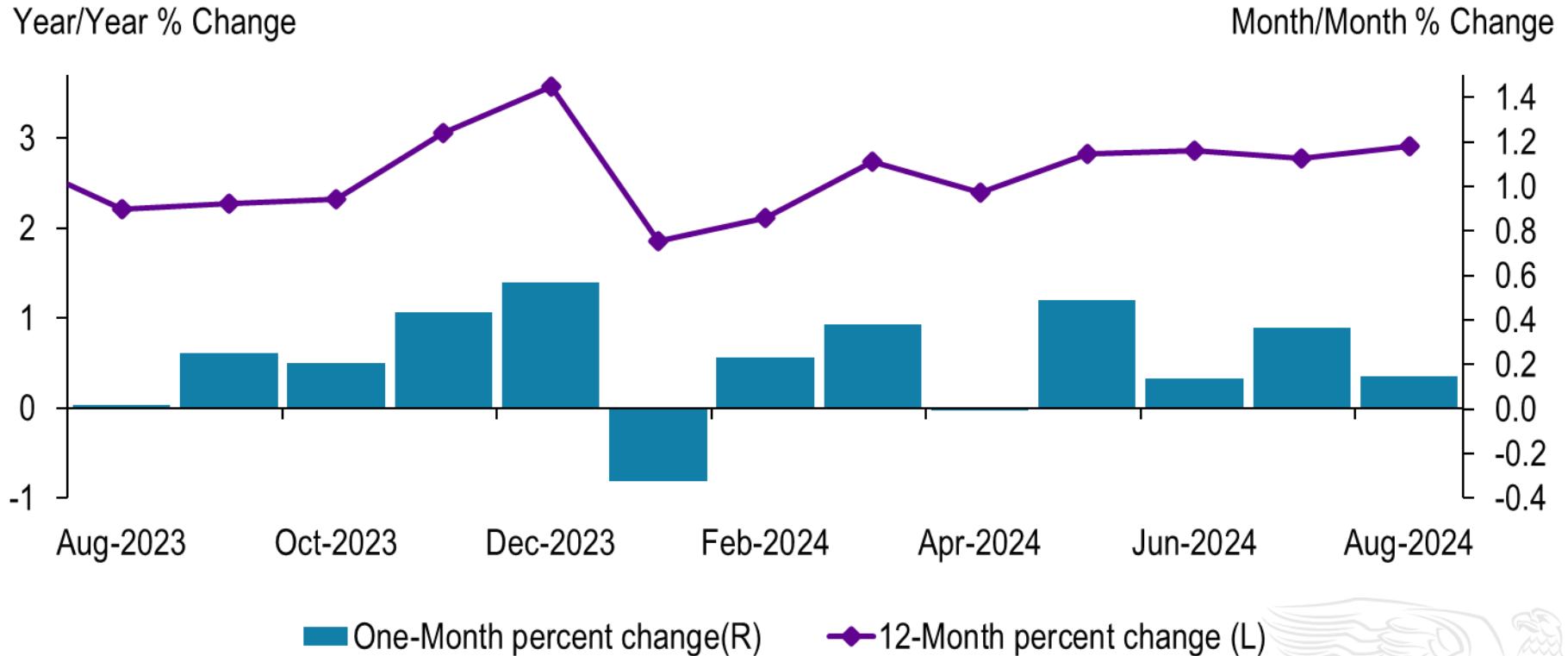
Percent Change 12 Month, SA

Percent Change m/m, SA



Source: BEA, Haver

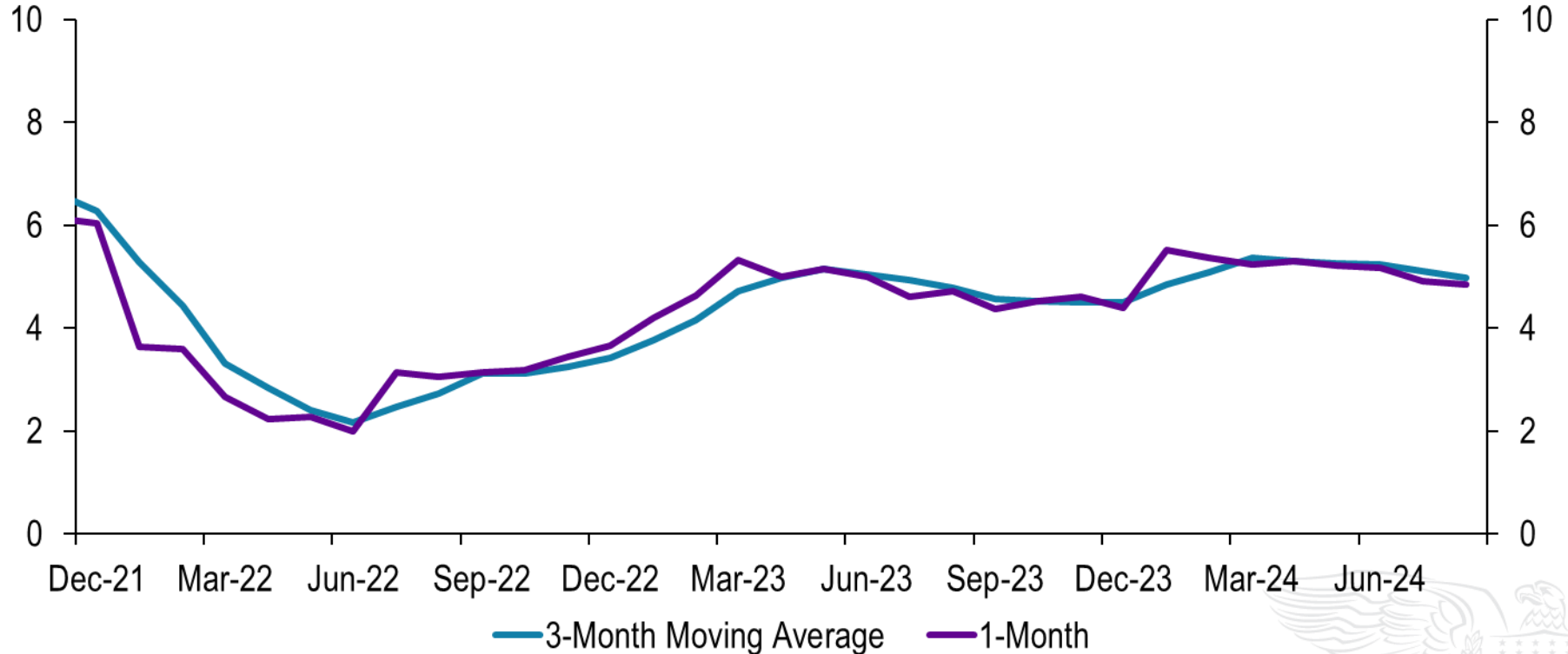
# US Real Personal Consumption Expenditures – HH are remaining engaged



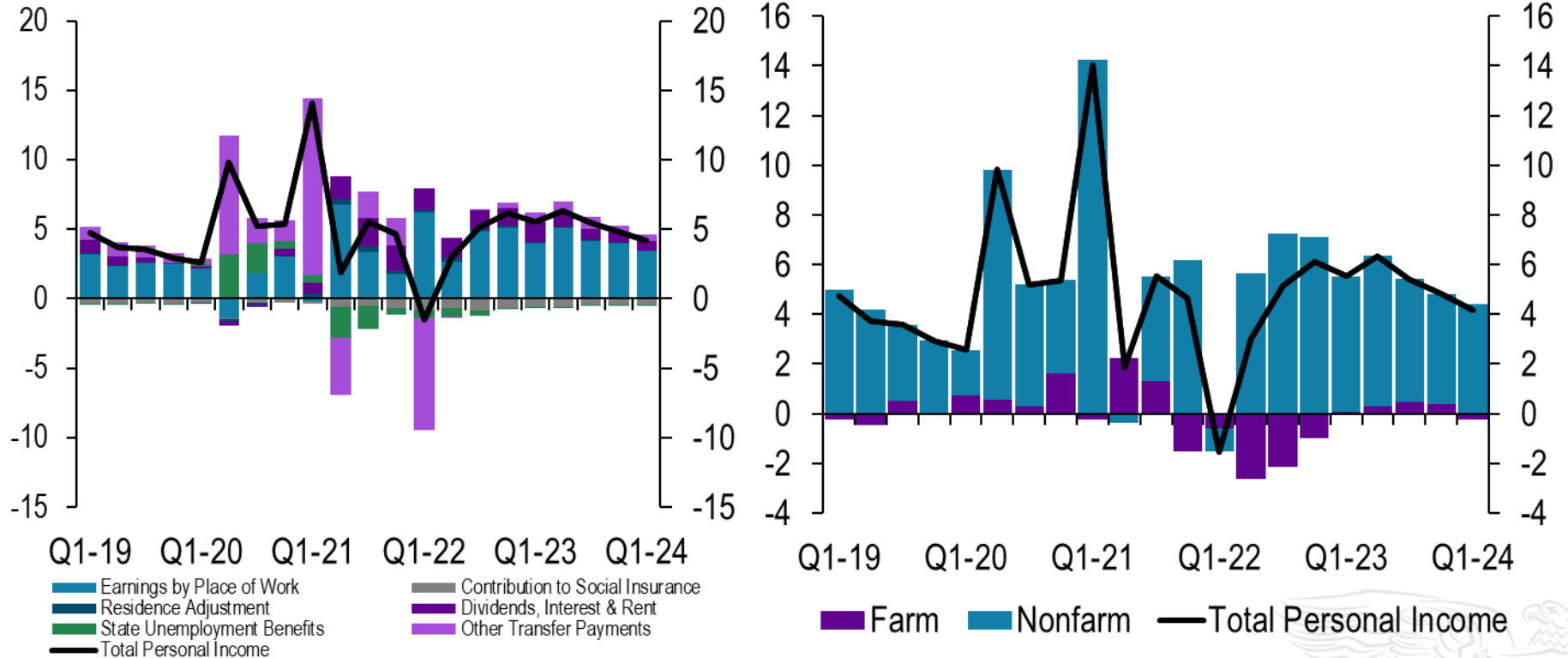
Source: BEA, Haver

# US Savings Rate – HH are managing current environment

Percent, SA

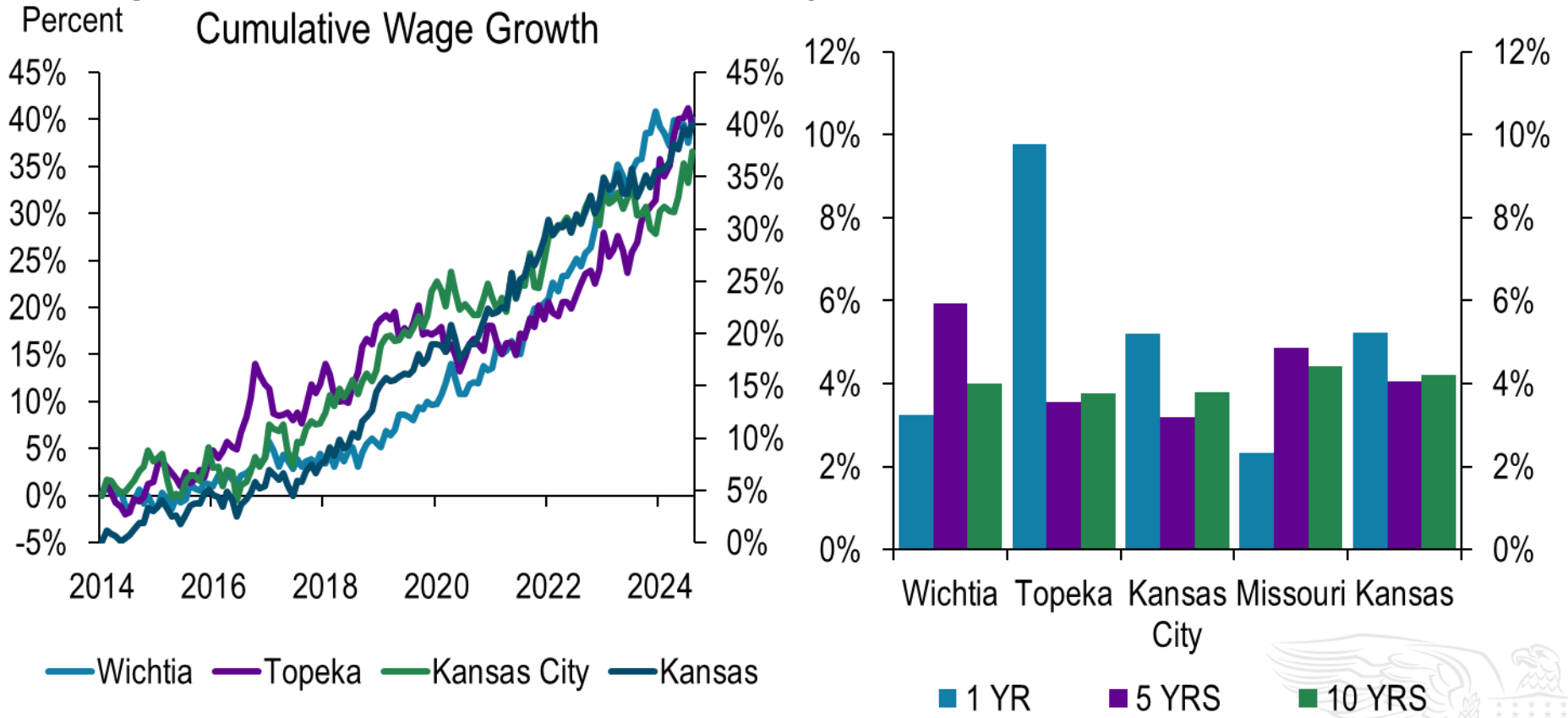


# Kansas Personal Income – Driven by nonfarm earnings

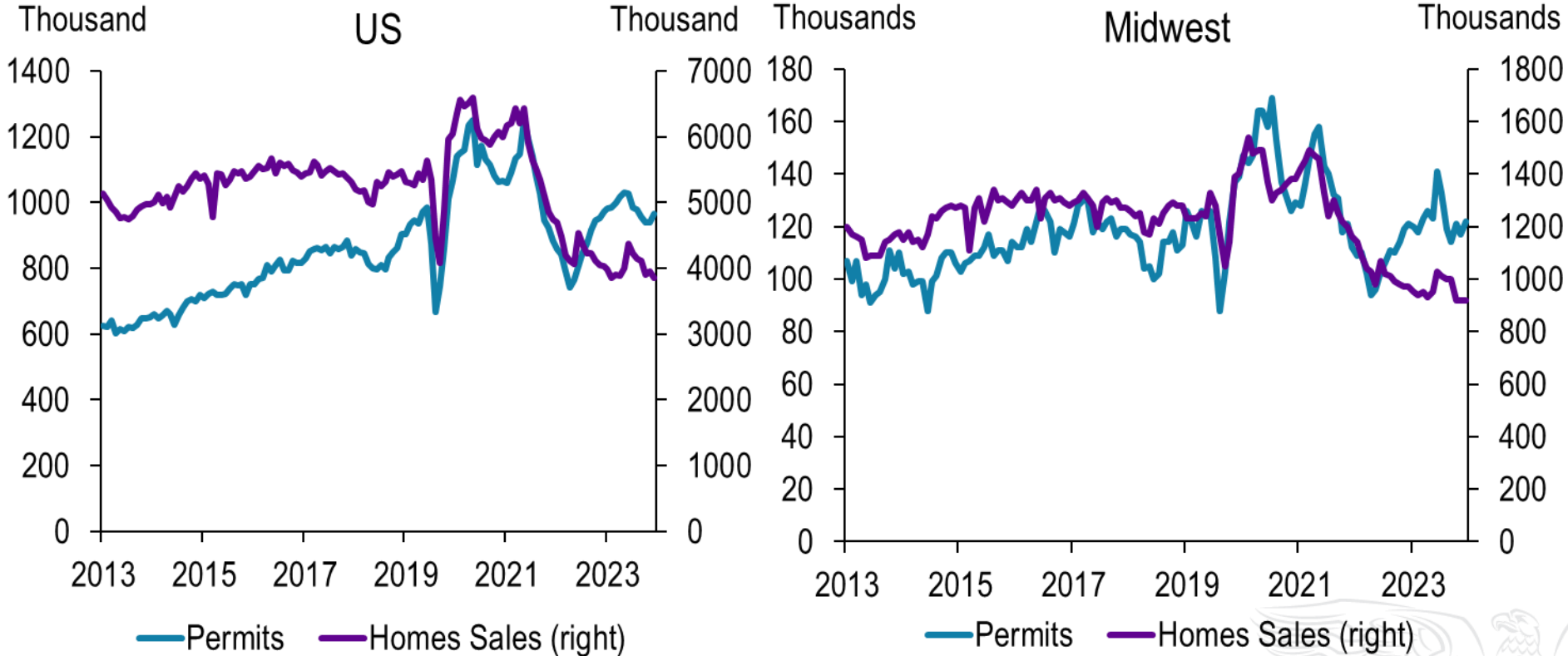




# Wage Growth – Kansas, Kansas City, and Top are more competitive



# Housing – Home sales have softened



## Contact Information



### Jeremy Hill

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