

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.

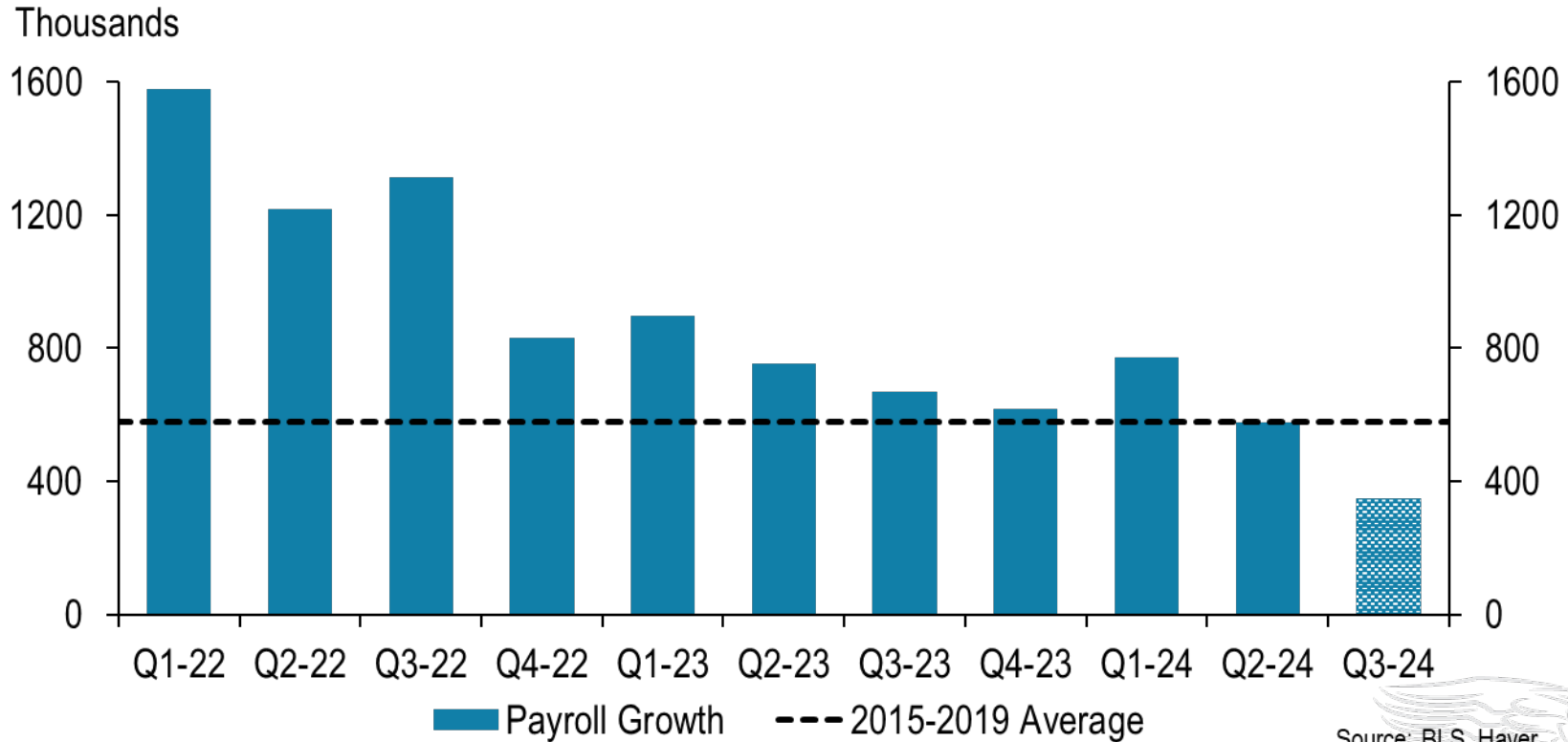


Macro Conditions –

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



Labor market is cooling but is not cold

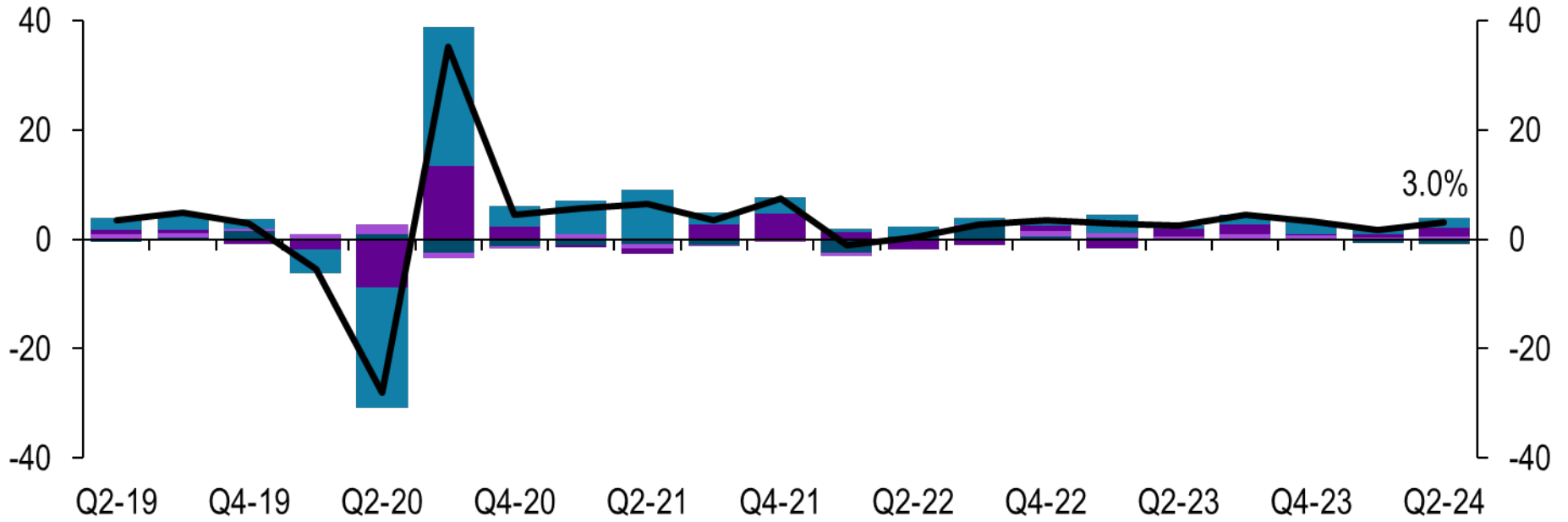


Source: BLS, Haver



GDP – Consumption is driving the economy

Quarter/Quarter % Change

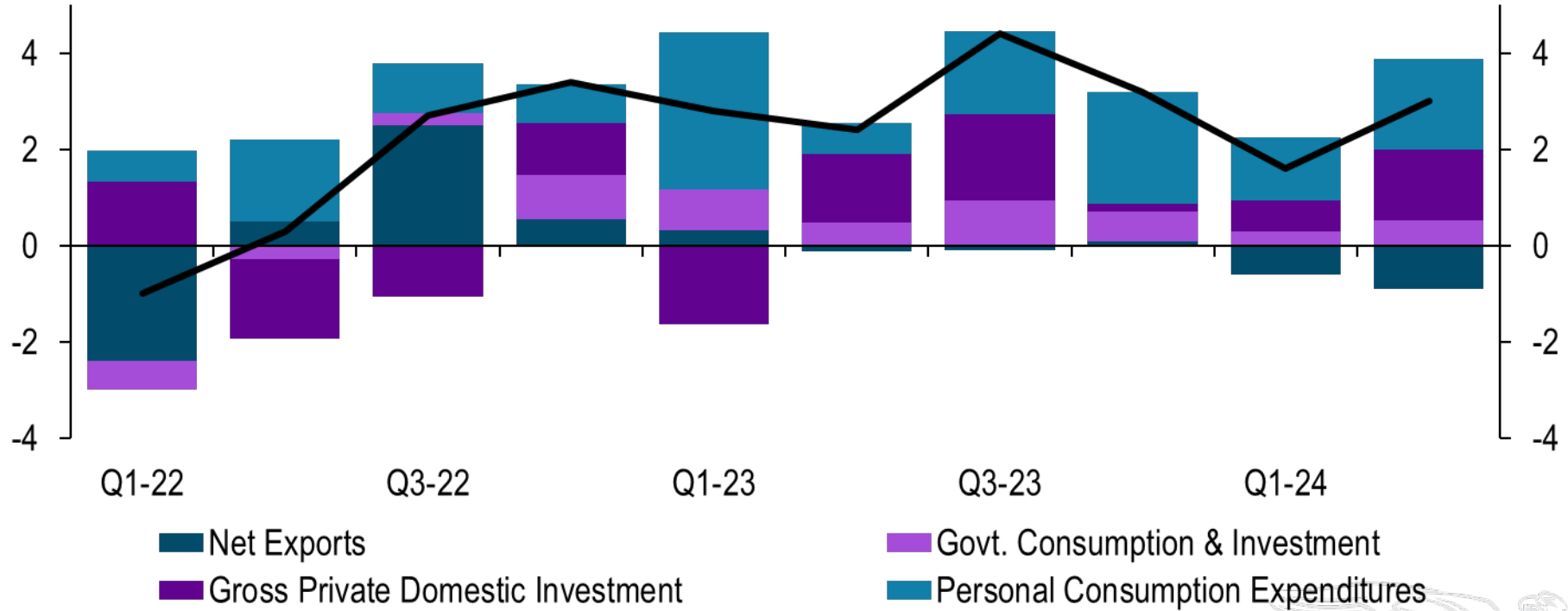


- Net Exports
- Govt. Consumption & Investment
- Gross Private Domestic Investment
- Personal Consumption Expenditures



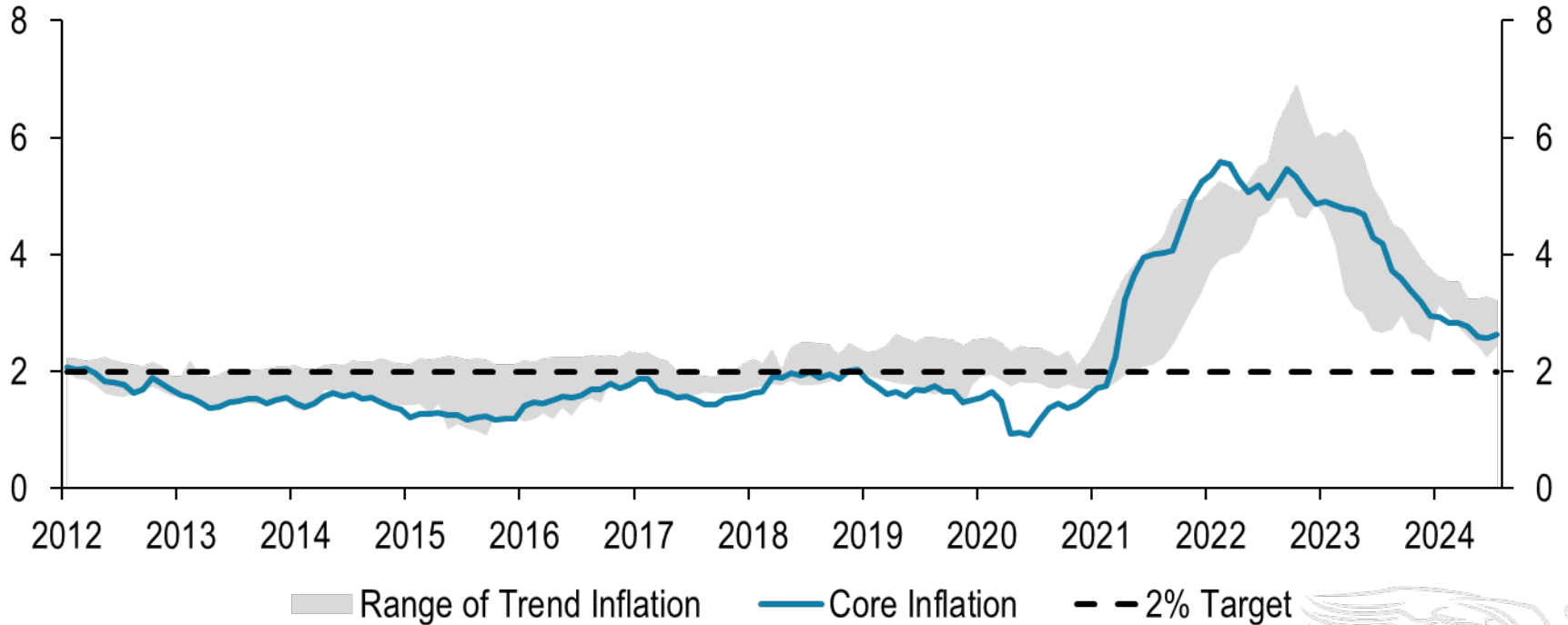
Business investment points to continued growth

Quarter/Quarter % Change

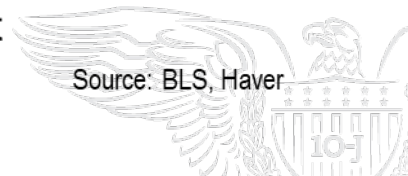


Inflation is headed back towards the Fed's target

12-Month % Change

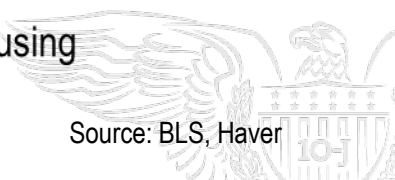
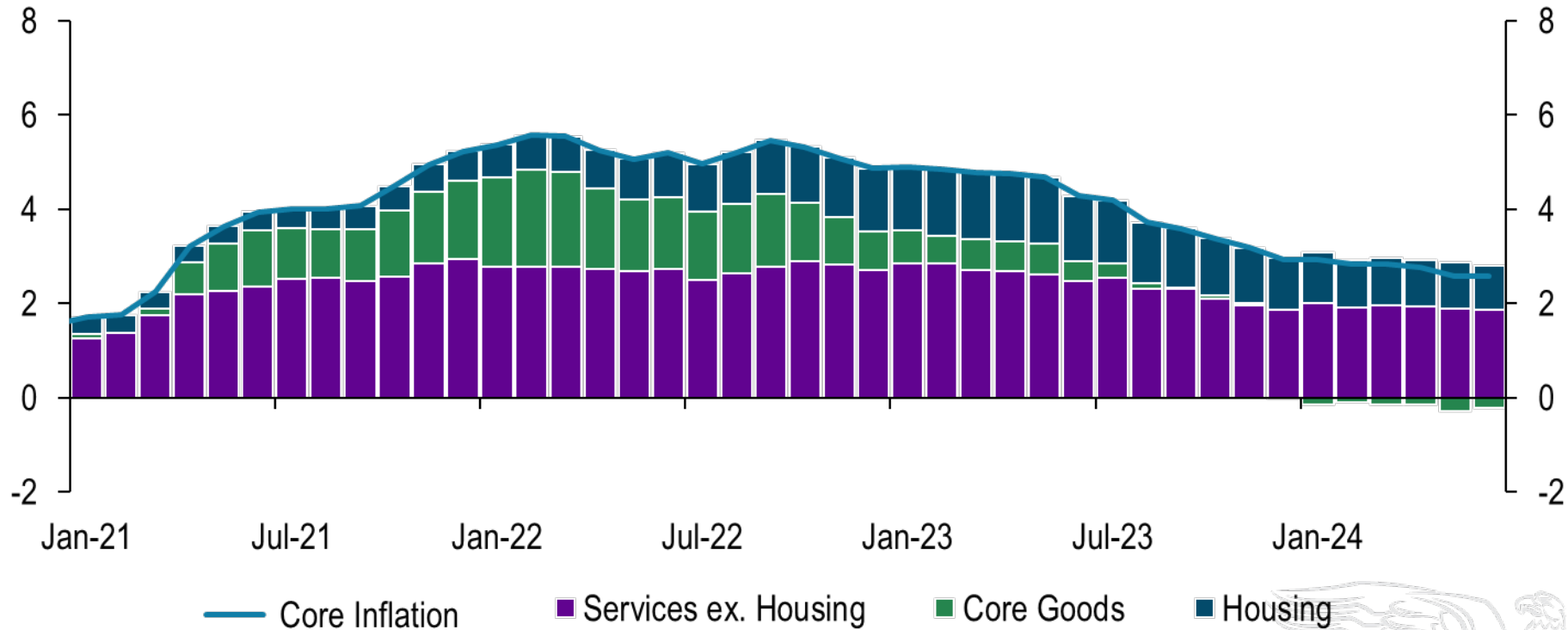


Source: BLS, Haver



Service costs are easing

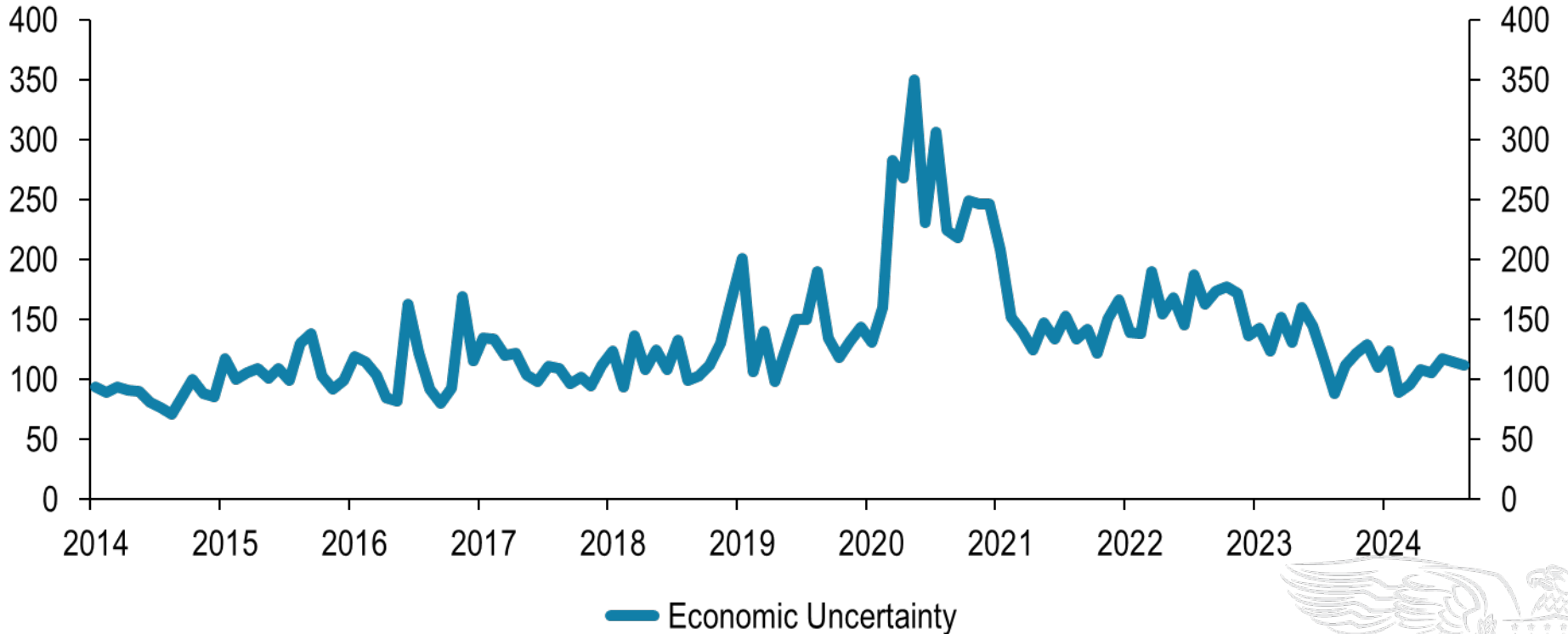
Year/Year % Change



Source: BLS, Haver

Economic uncertainty has remained stable, but there are still issues

Index, Sep-1985 = 100



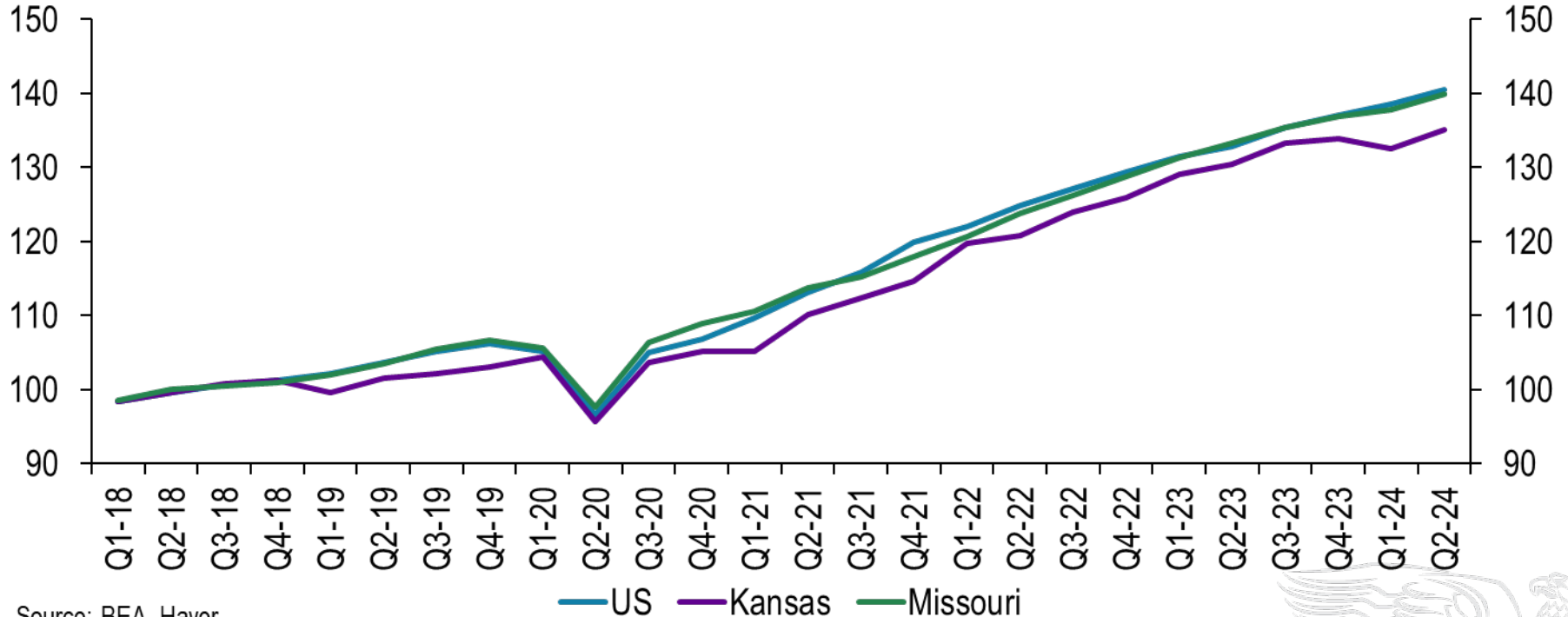
Regional Conditions –

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

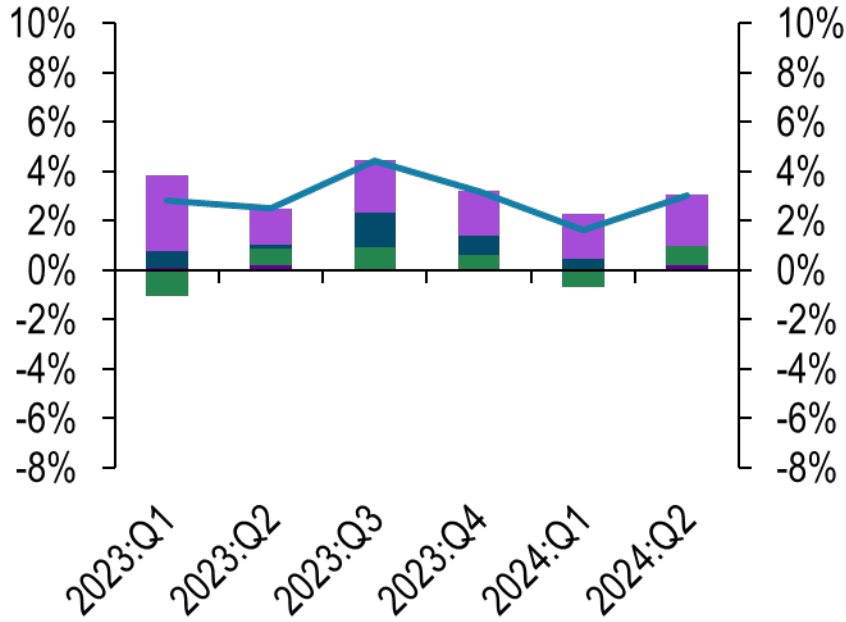


Source: BEA, Haver

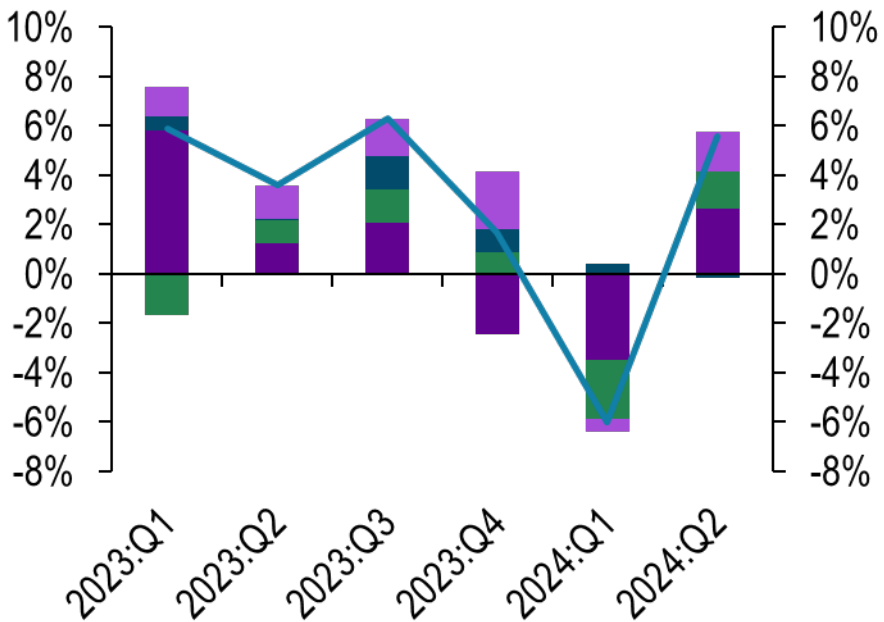


Recent shifts in KS are from AGRI and Manu

United States - Contributions to GDP



KS - Contributions to GDP



Agriculture

Manufacturing

Retail

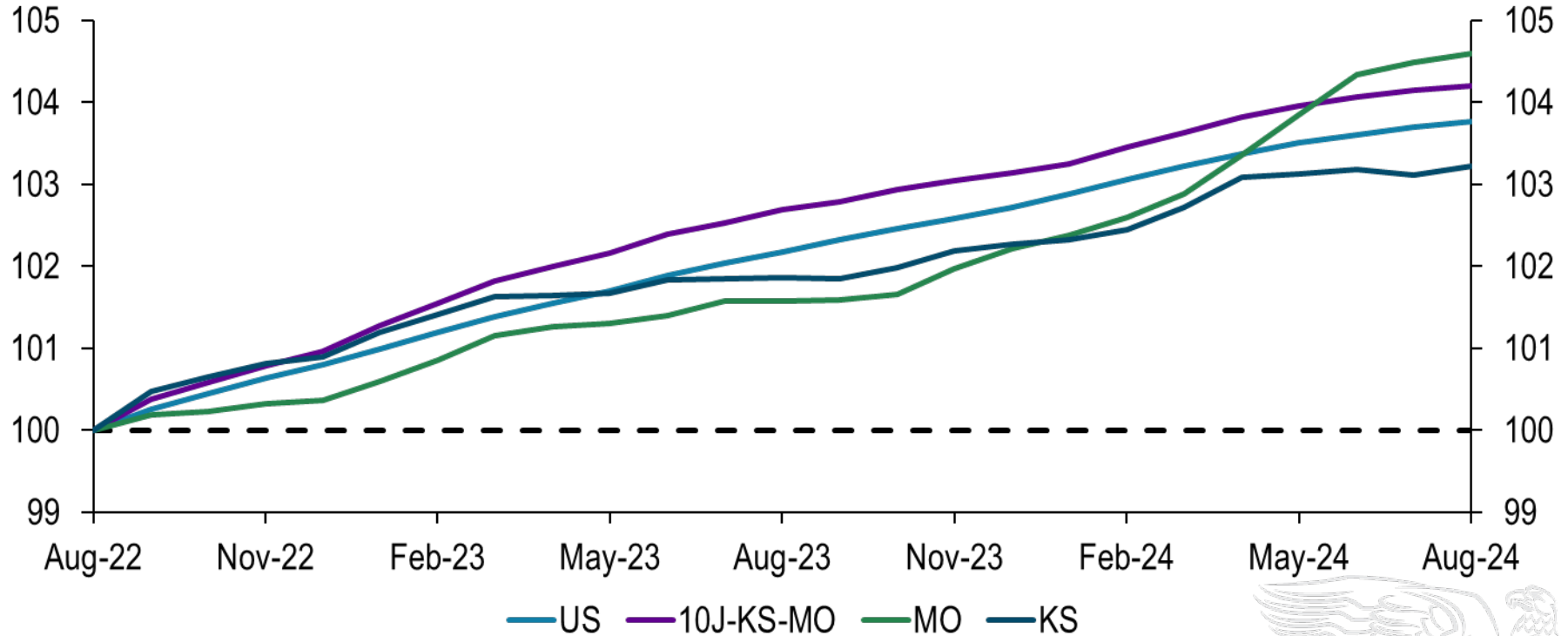
Other

Total



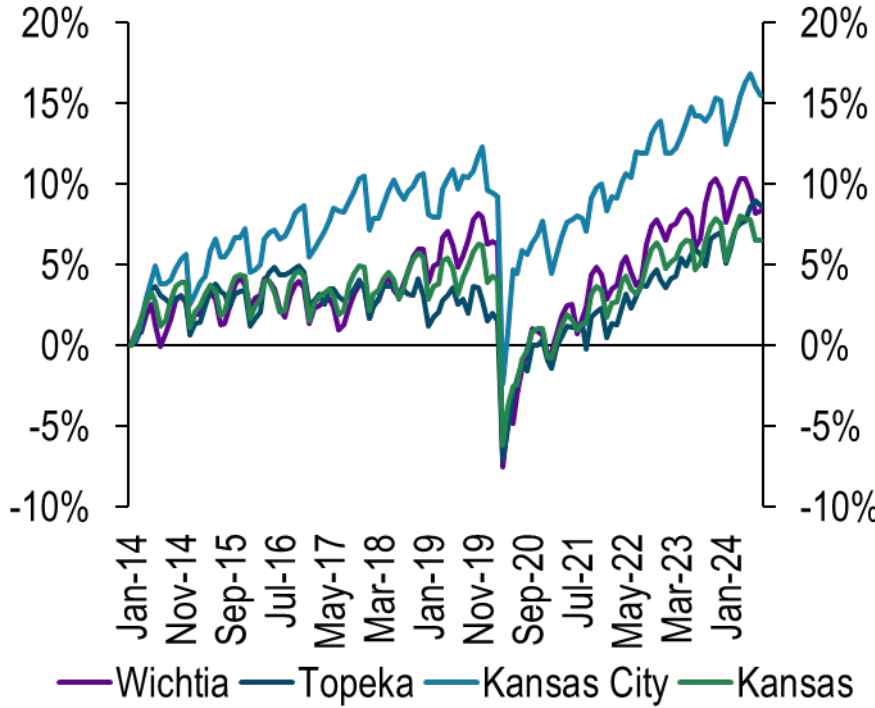
Kansas employment growth softened

Index, August-2022 = 100

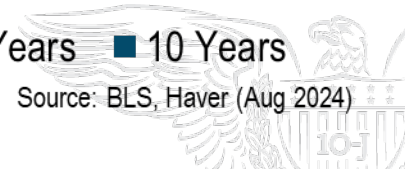
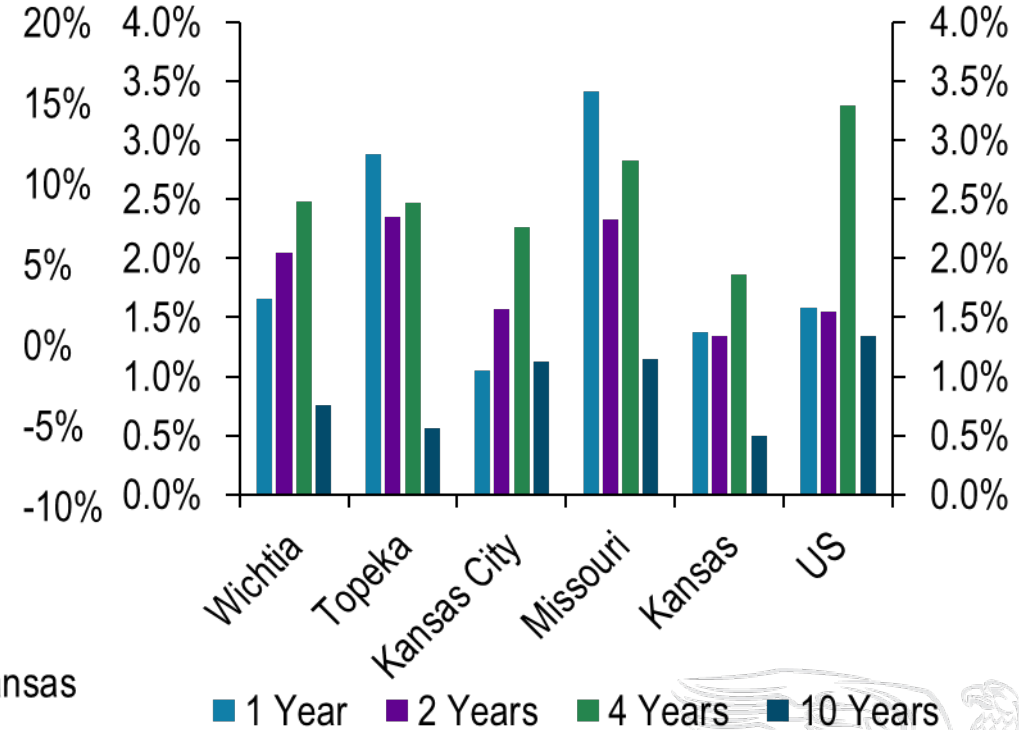


Kansas City is back to normal growth, ICT and TOP are accelerating

Cumulative Employment Growth



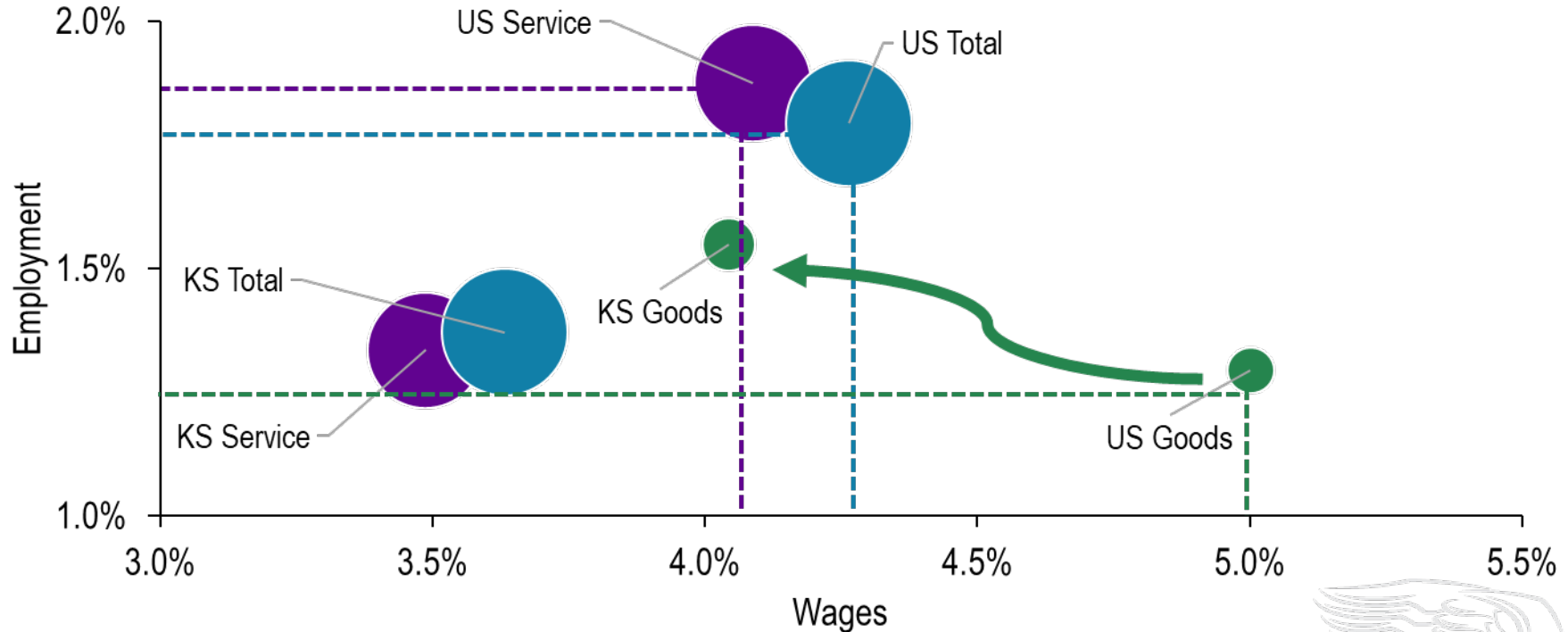
Annualized Employment Growth



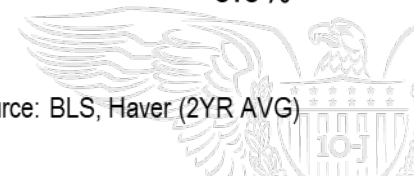
Source: BLS, Haver (Aug 2024)

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

Growth Matrix

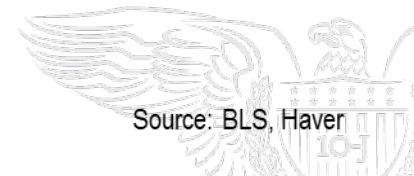
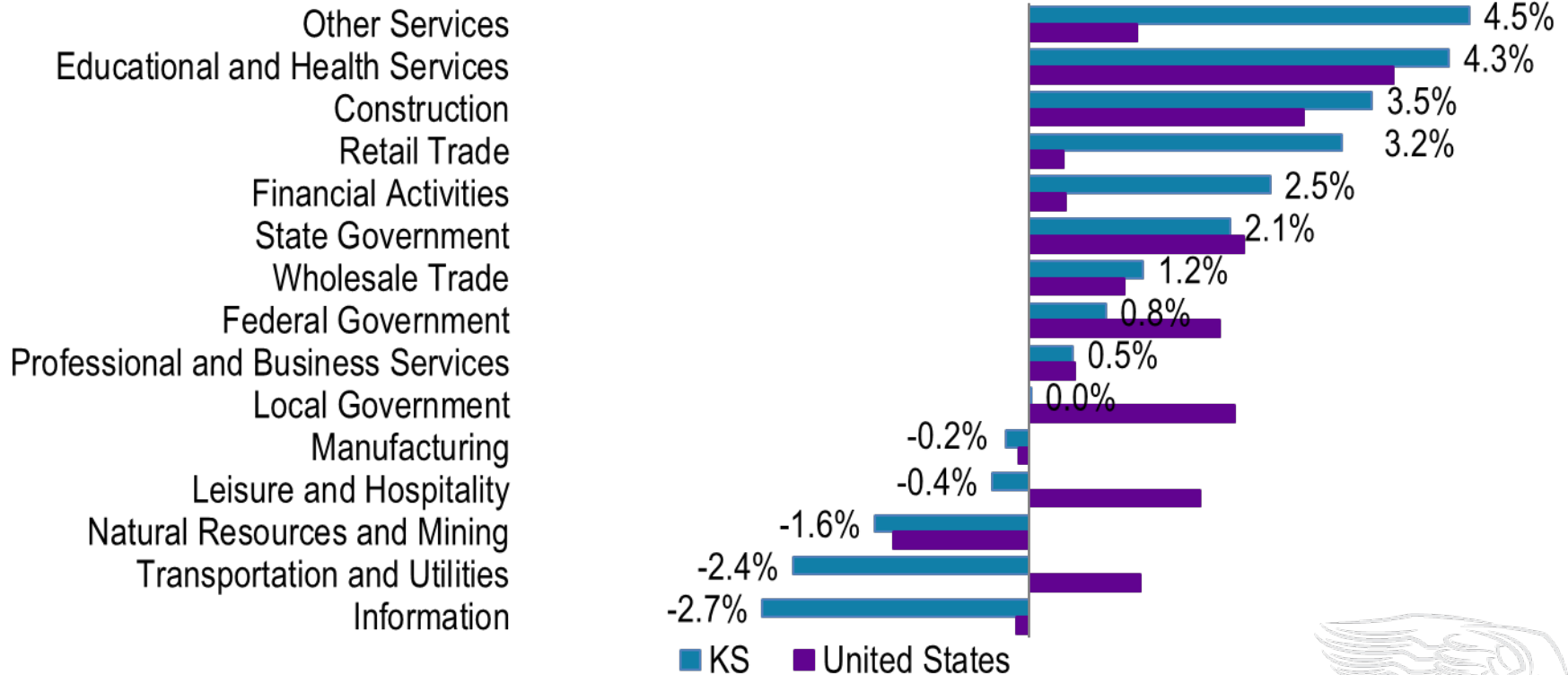


Source: BLS, Haver (2YR AVG)



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

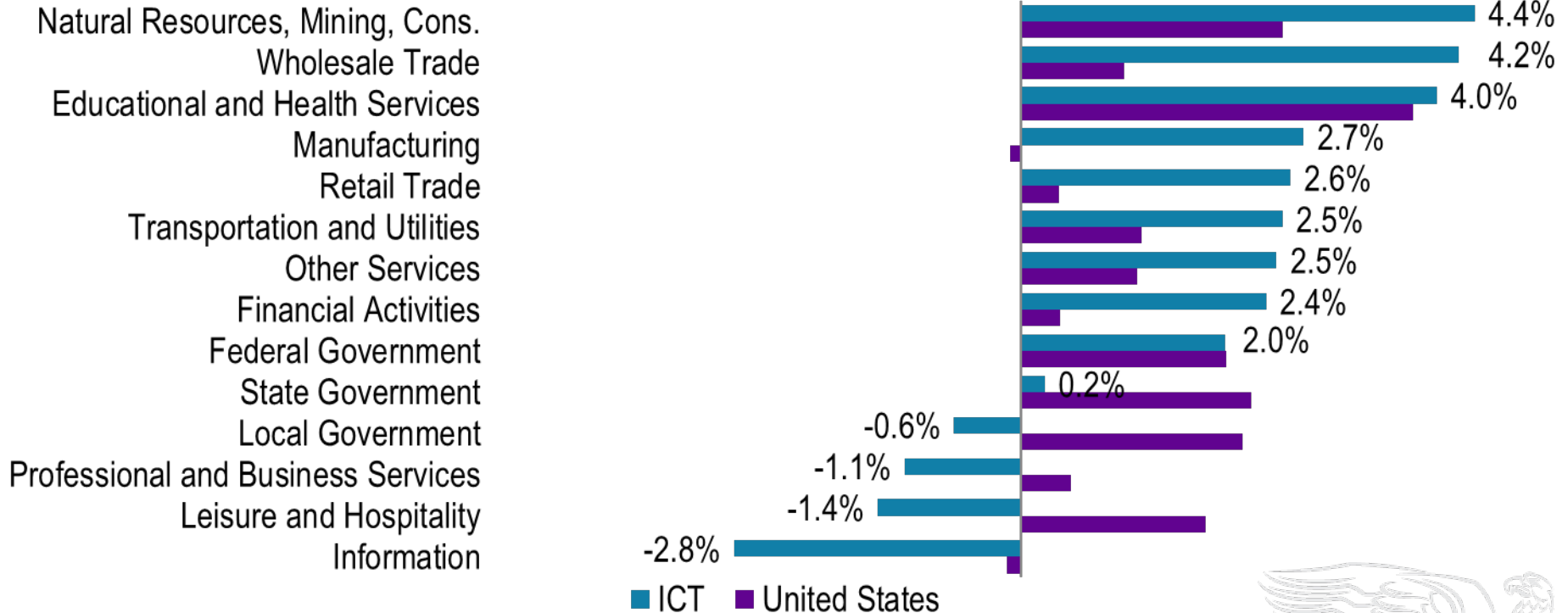
Kansas (Aug-24)



Source: BLS, Haver

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

Wichita (Aug-24)



Source: BLS, Haver



Business Conditions –

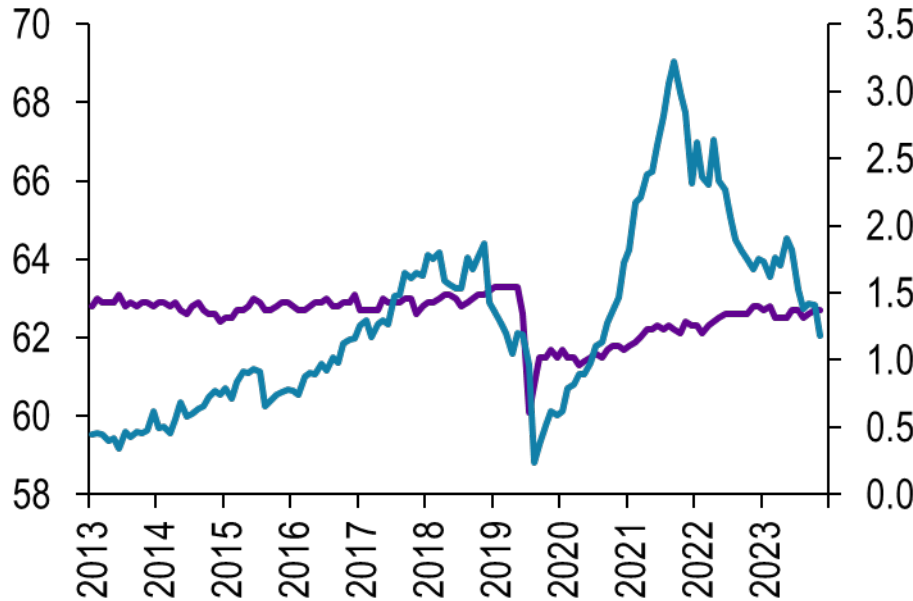
explore the dynamic twists of labor productivity, participation rates, supply chain health, and labor costs, reflecting the pulse of businesses.



Labor market is returning to normal

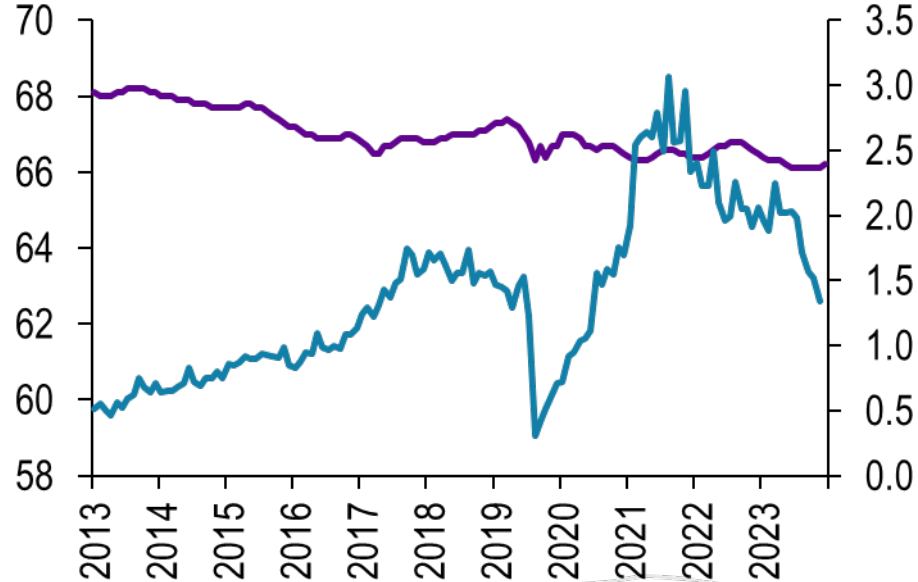
United States

Participation



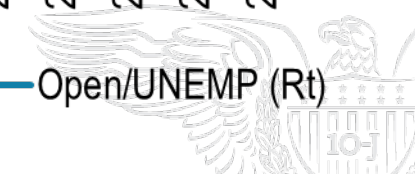
Kansas

Participati



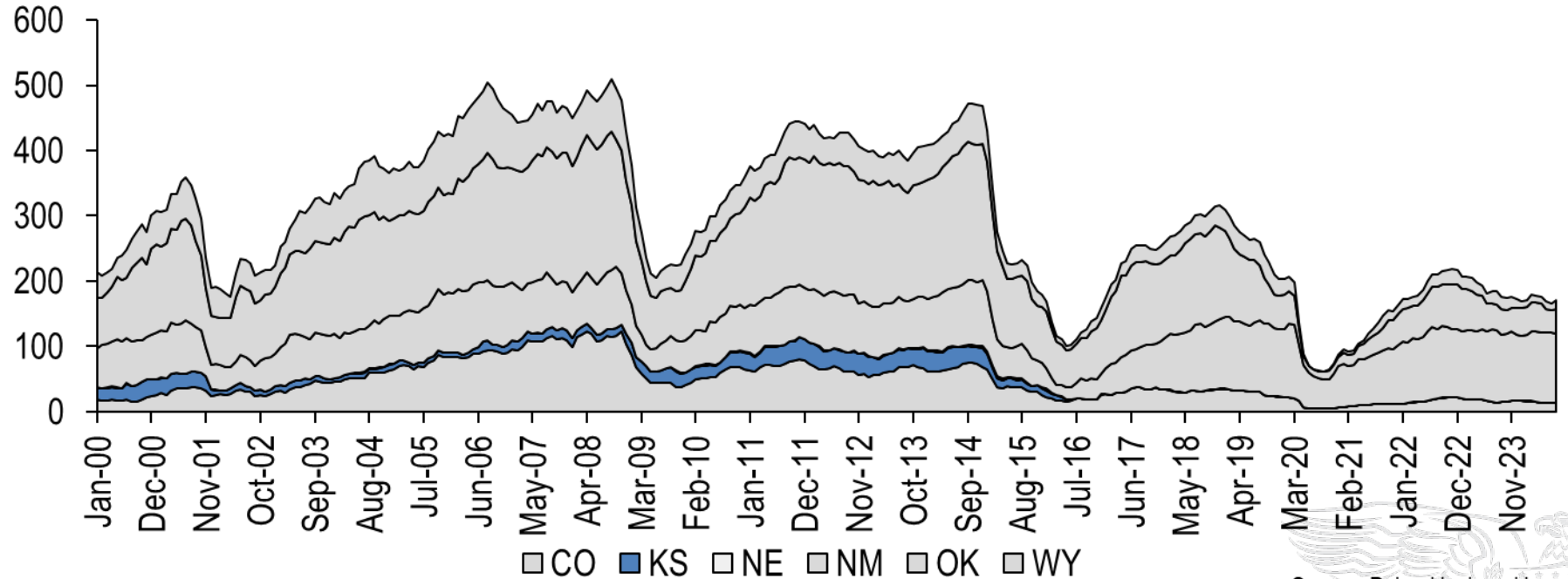
— Participation (LT) — Open/UNEMP (RT)

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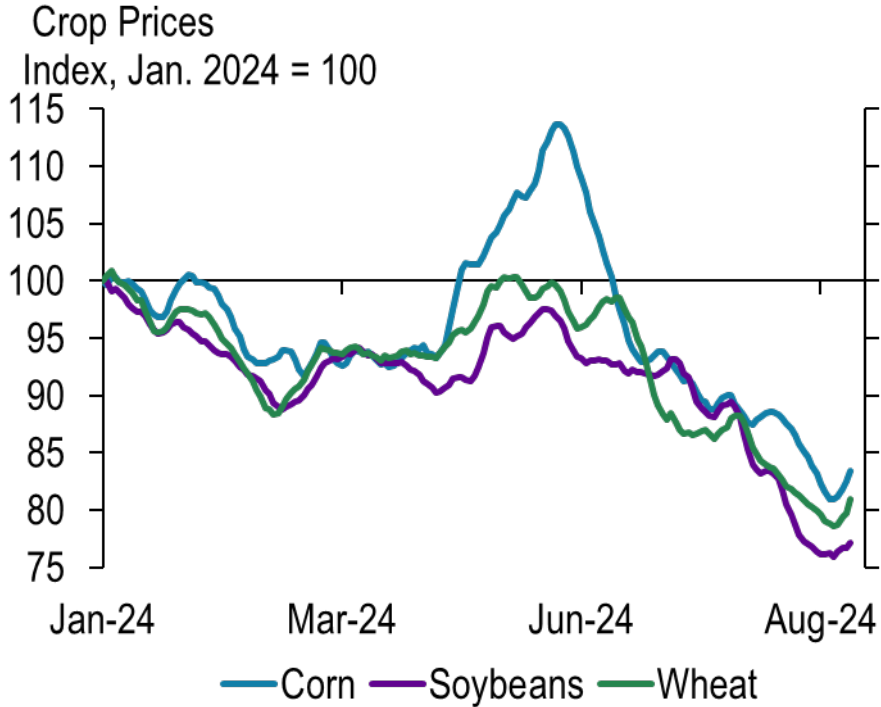
Kansas Oil is sitting on the sidelines. The economy is benefiting from regional production.

Active Rotary Rig Count



Source: Baker Hughes, Haver

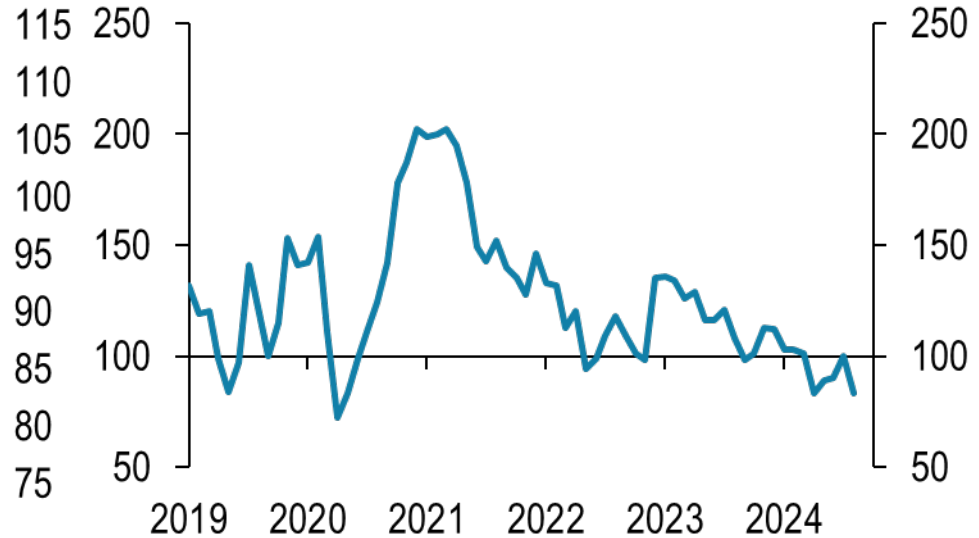
Grains conditions softened, but cattle remains strong.



Source: Baker Hughes, Haver

Ag Barometer Index of Current Conditions

Index, 100 = Oct. 2015 - Mar. 2016

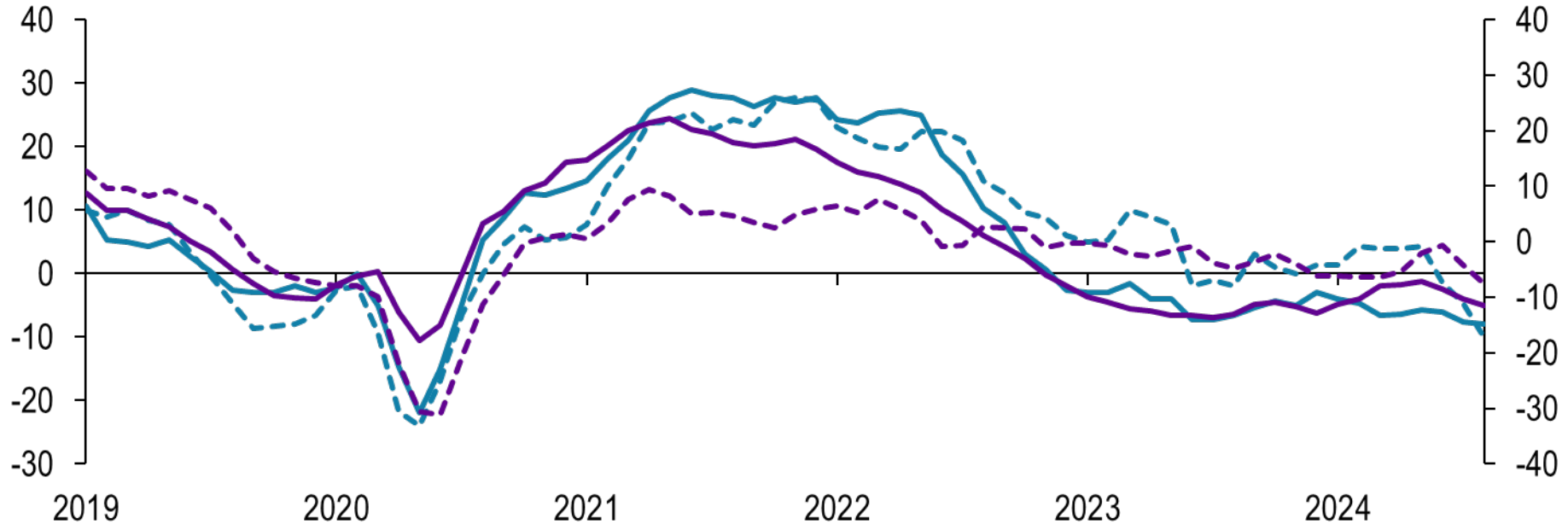


Source: Purdue University



Manufacturing conditions slowed within the district

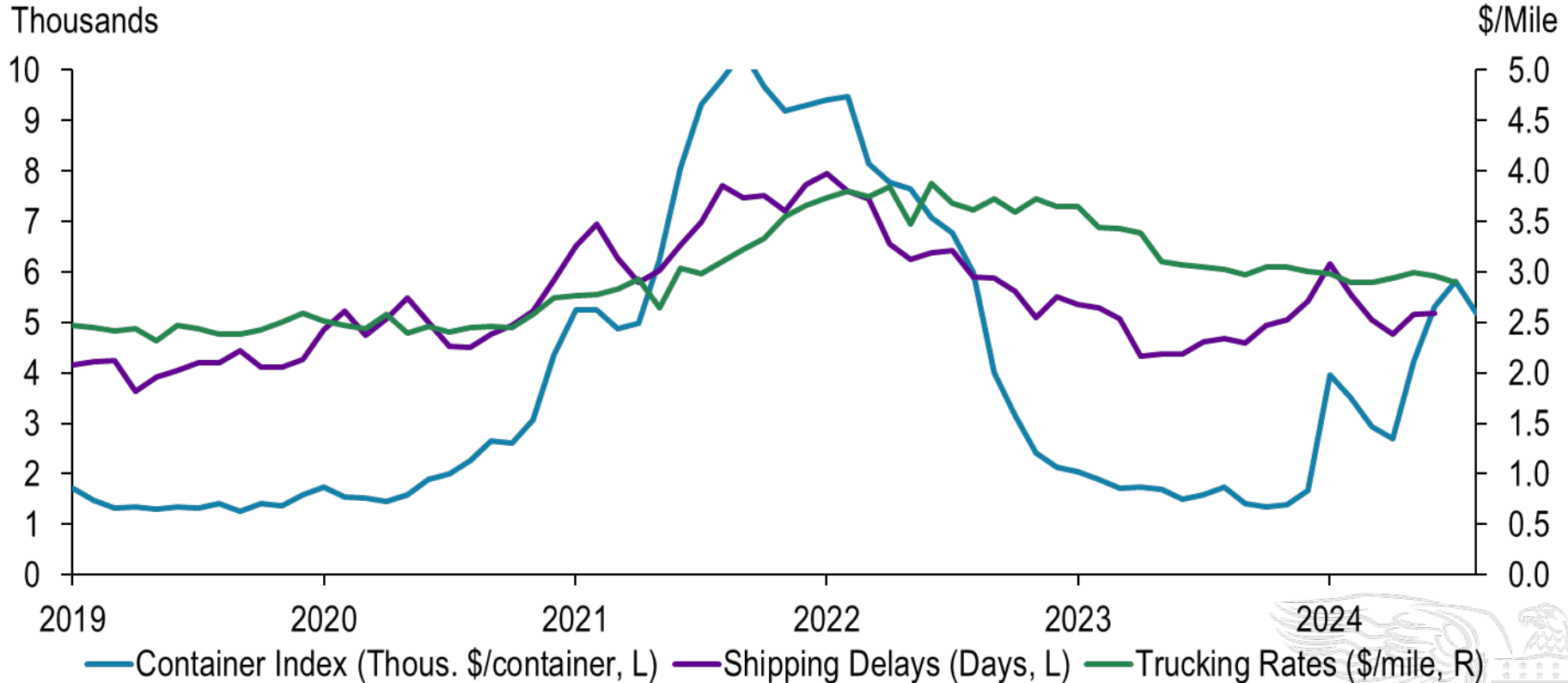
Month/Month Diffusion Index



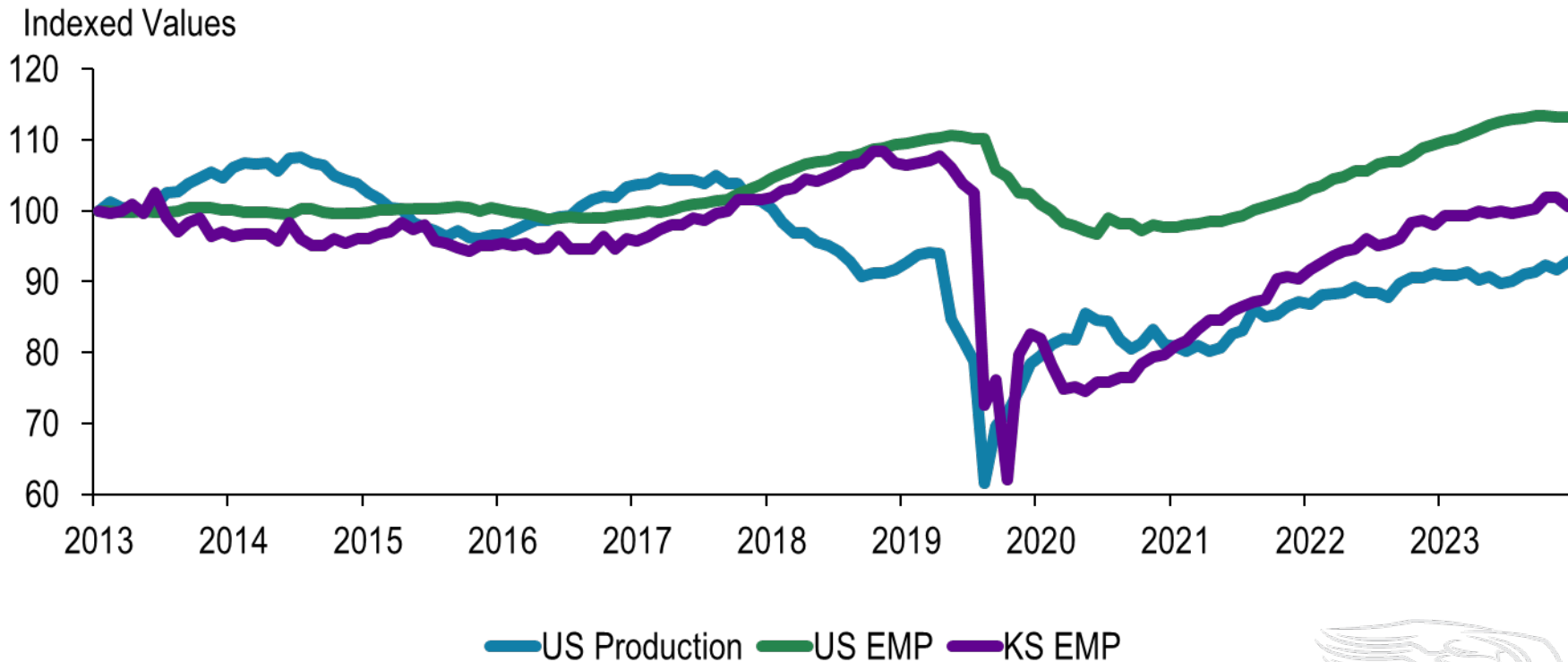
— KC Composite - - - KC Employment — ISM Composite - - - ISM Employment



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

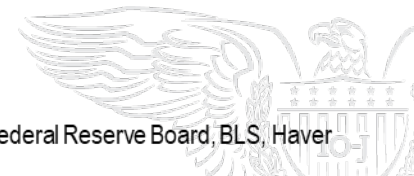
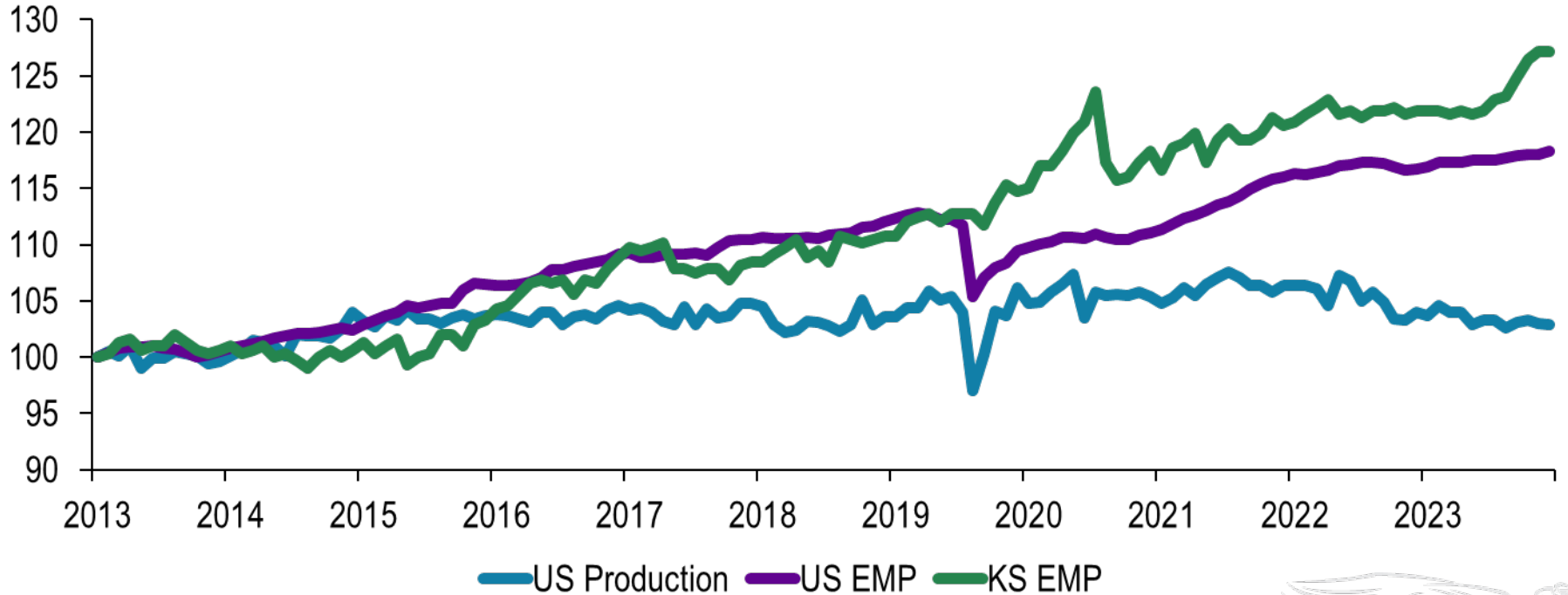


Aerospace production is increasing slowly



Food production remains stable, but Kansas is expanding

Indexed Values



Source: Federal Reserve Board, BLS, Haver

Household Conditions –

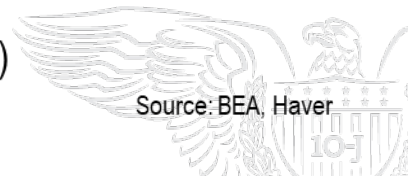
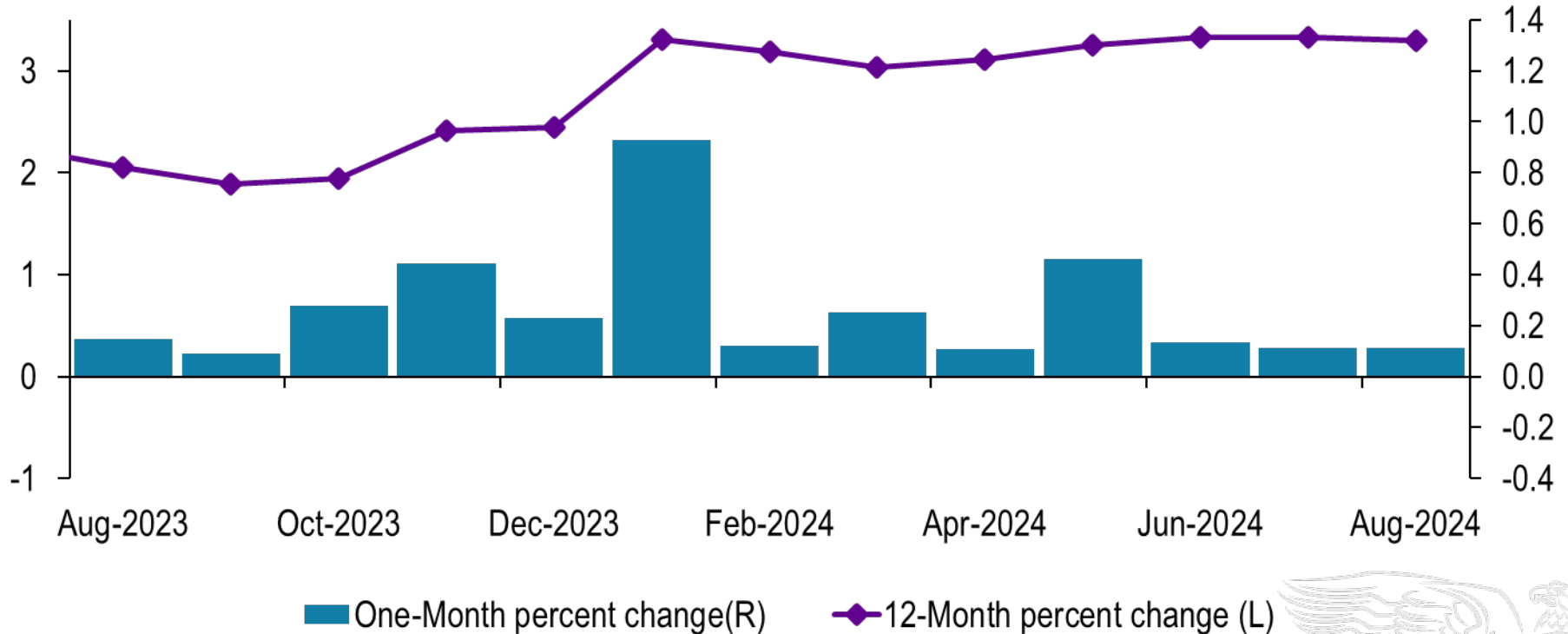
review the diverse colors of wages, savings, consumption, and housing, showing the personal side of the economic kaleidoscope.



US Real Personal Income continues to increase

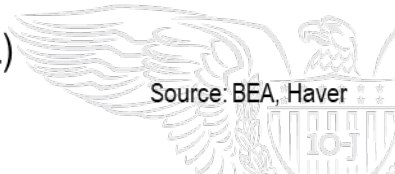
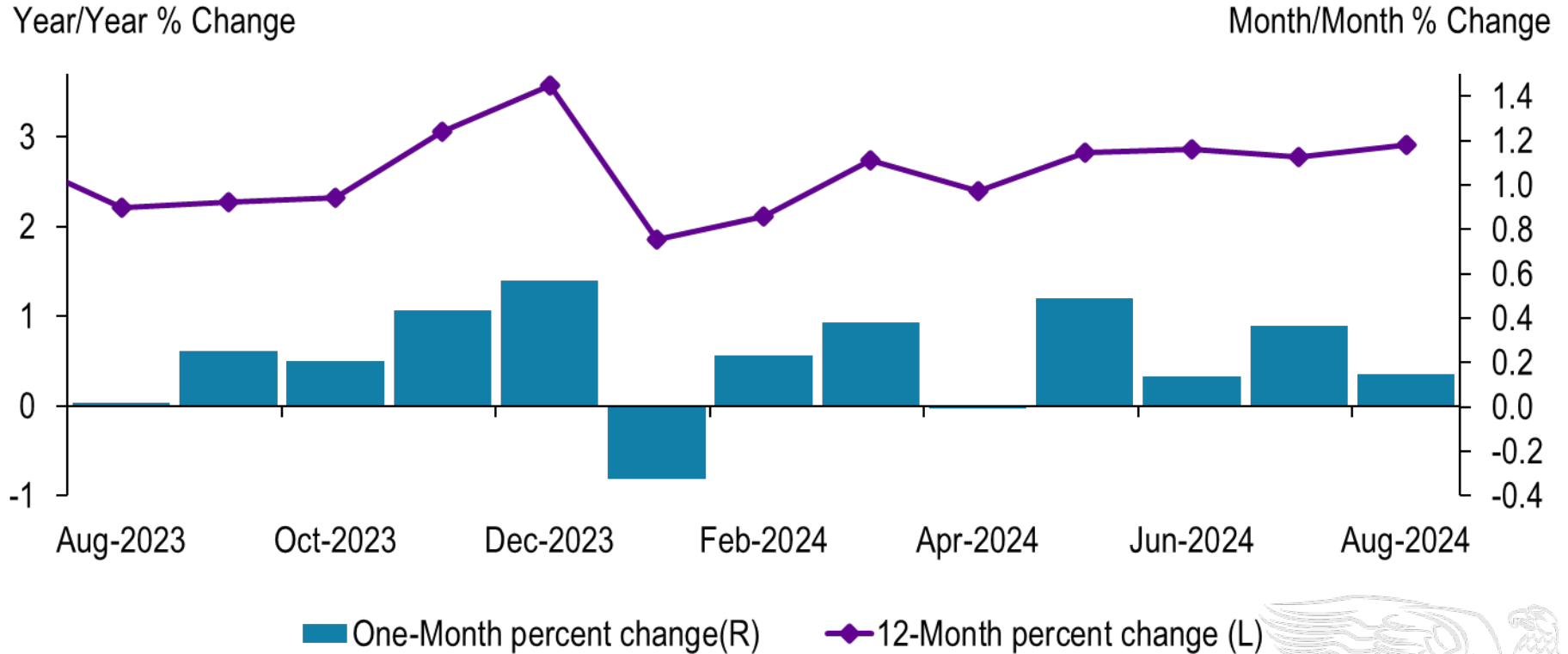
Percent Change 12 Month, SA

Percent Change m/m, SA



Source: BEA, Haver

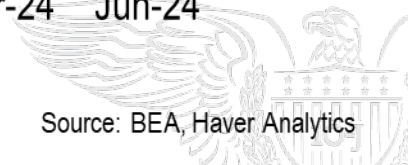
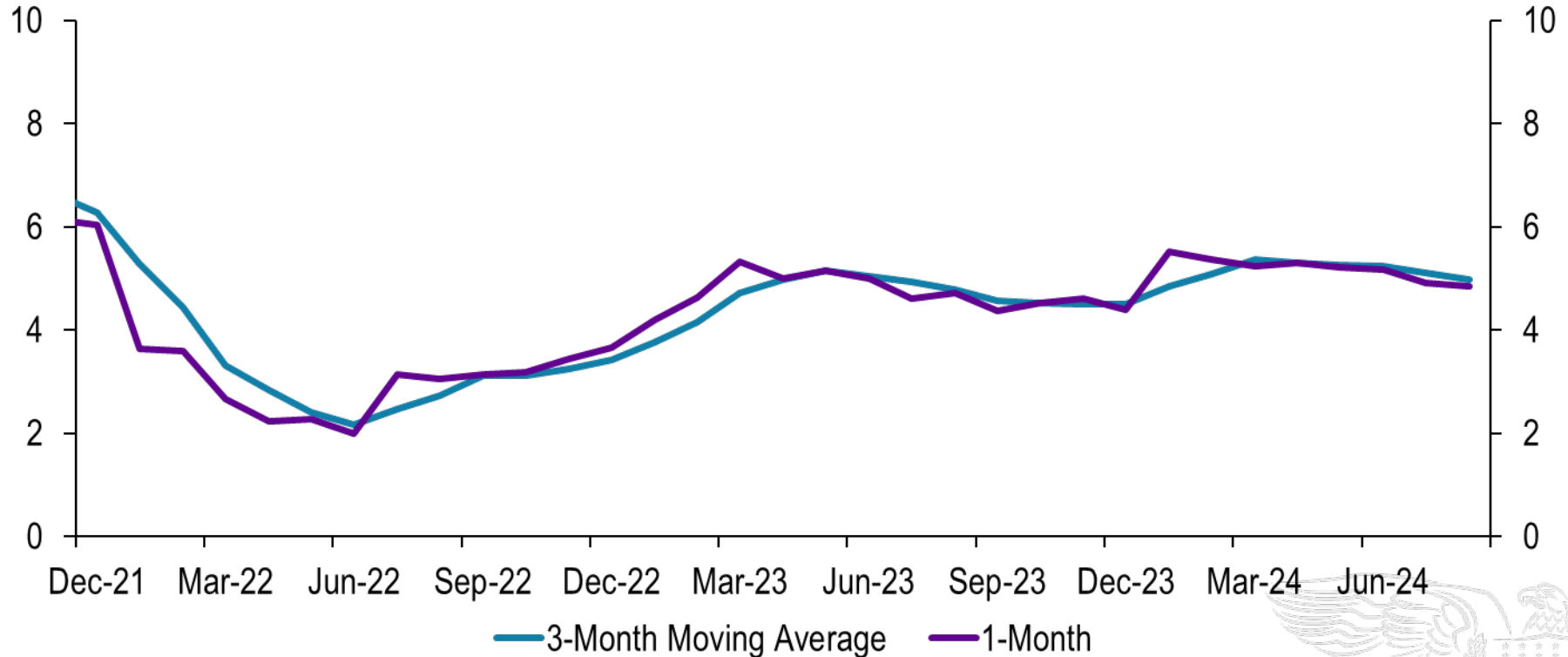
US Real Personal Consumption Expenditures – HH are remaining engaged



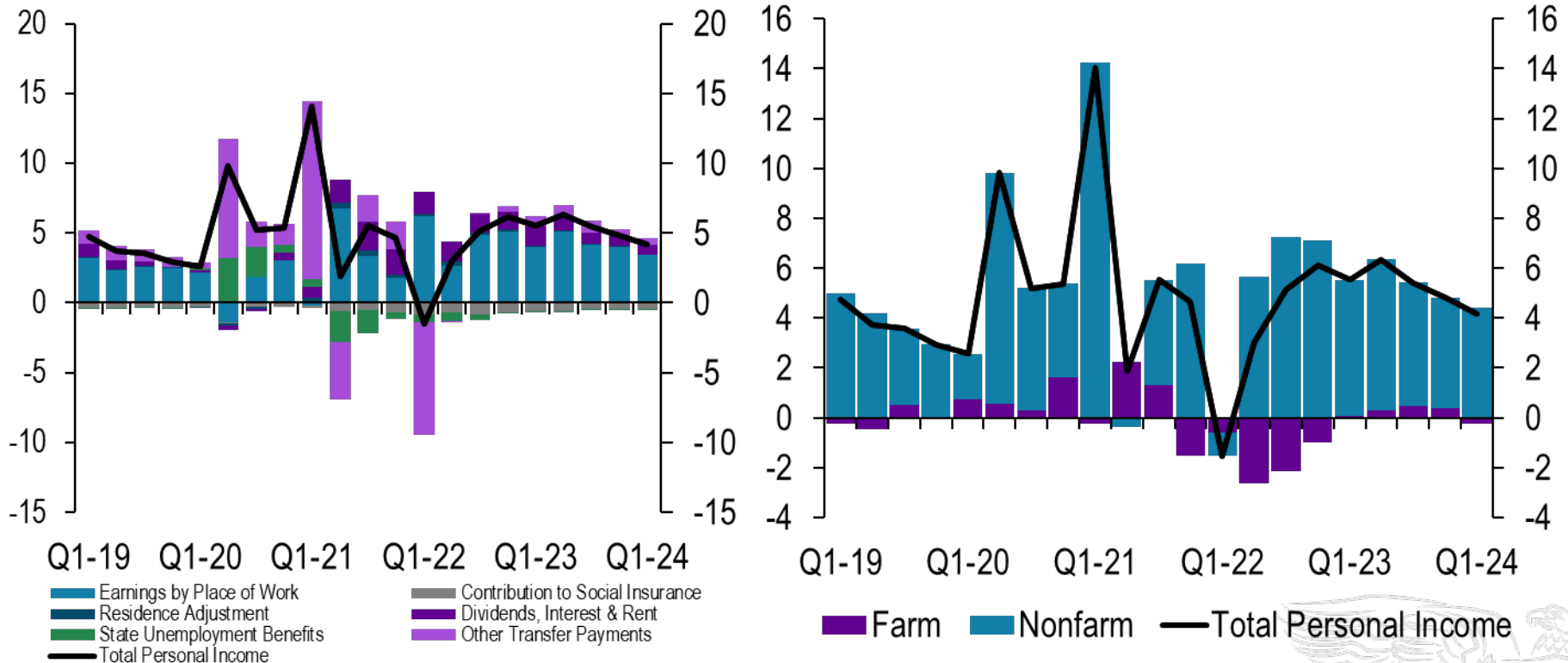
Source: BEA, Haver

US Savings Rate – HH are managing current environment

Percent, SA

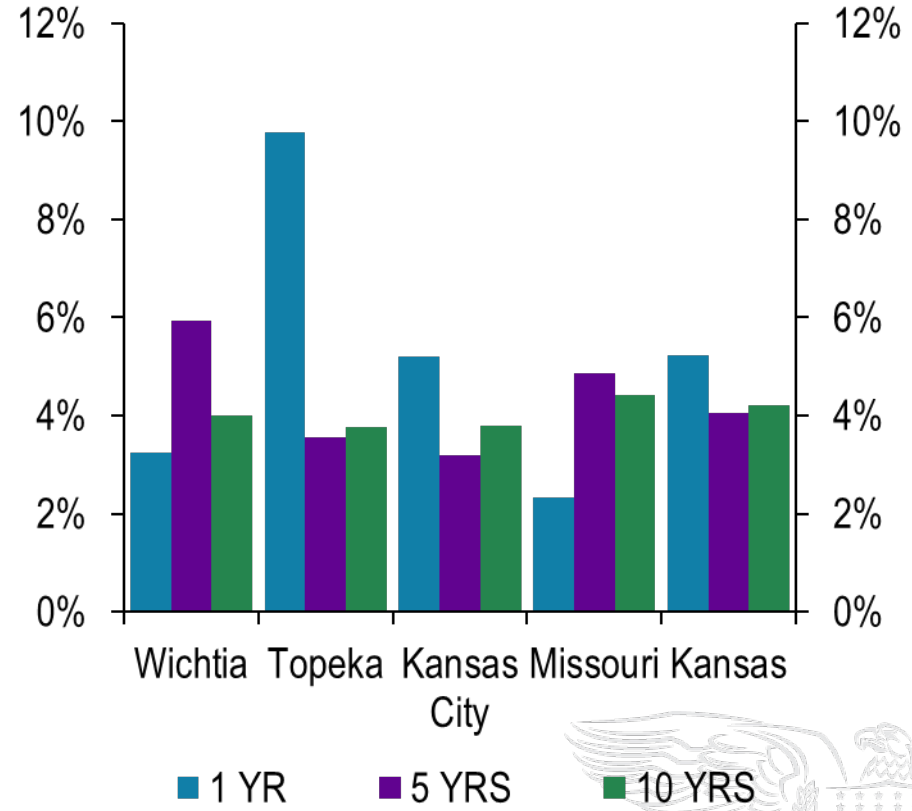
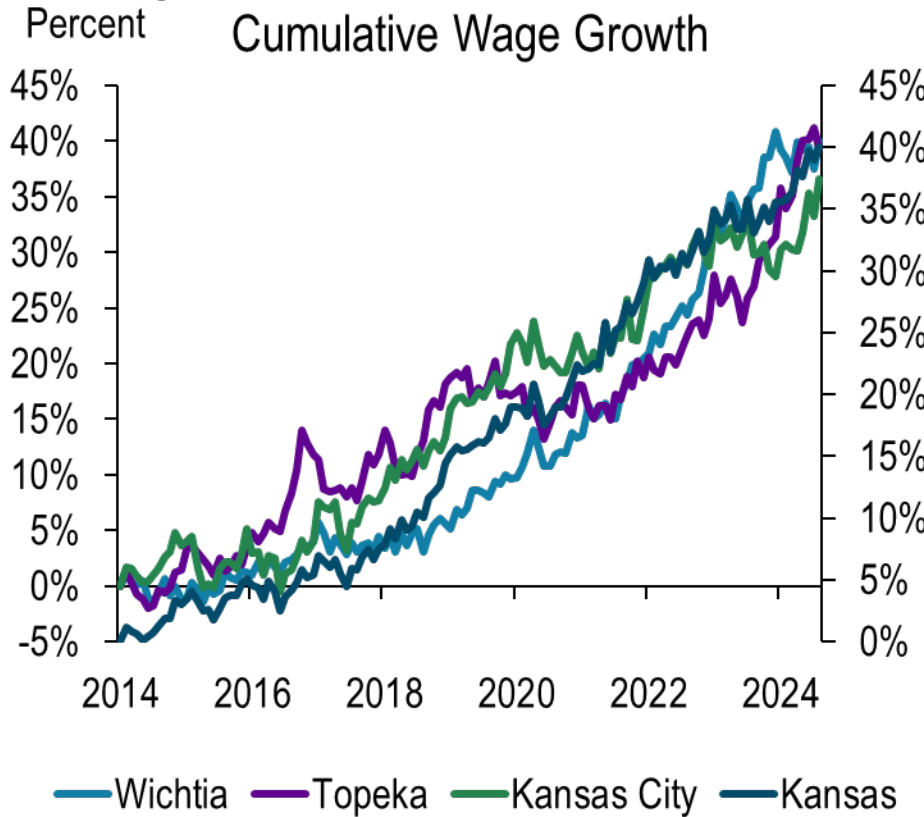


Kansas Personal Income – Driven by nonfarm earnings



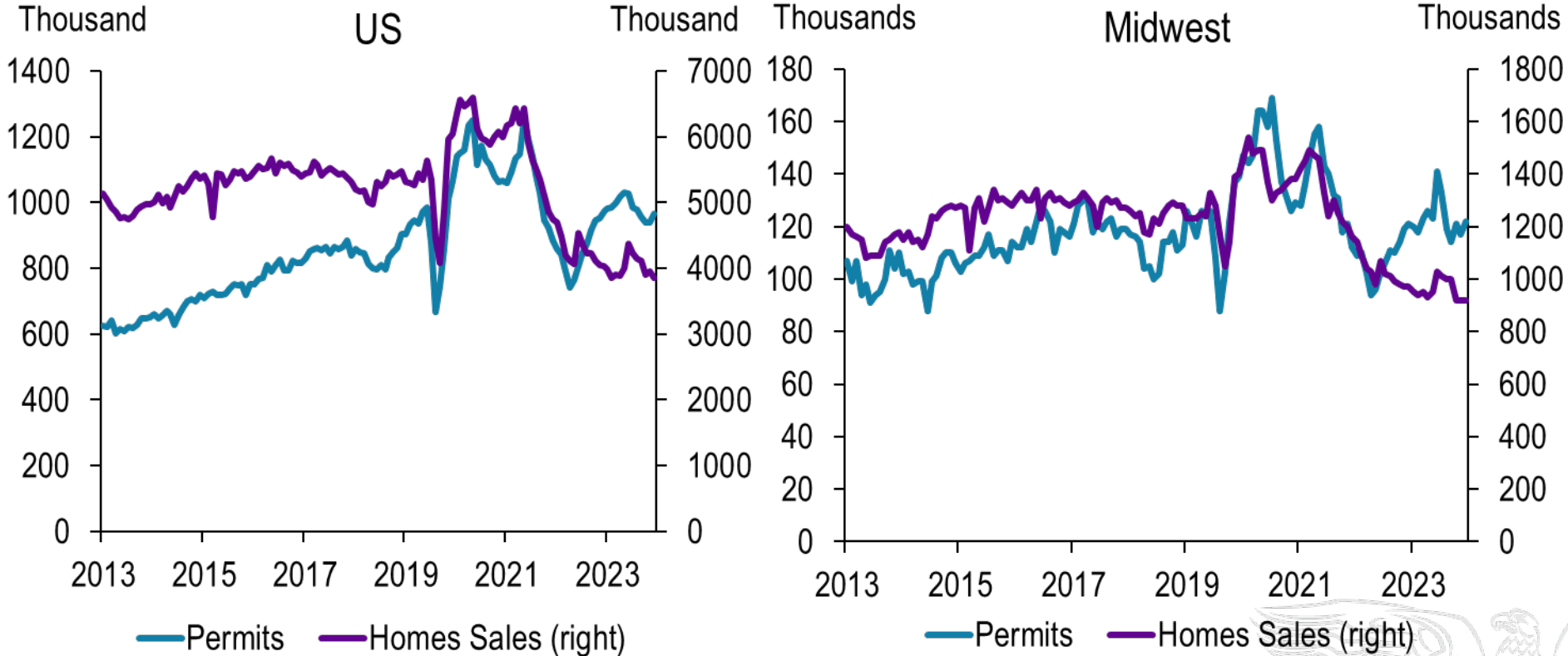
Source: BEA, Haver

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



Source: BLS, Haver (Aug 2024)

Housing – Home sales have softened



Contact Information



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