

KANSAS ECONOMIC FORECAST 2025

Navigating an Uncertain Future

WHAT DO YOU THINK OF WHEN YOU THINK OF KANSAS?

“Create an image which is the most stereotypical worker in the state of Kansas.”



Source: Selby-Leach, OpenAI – DALL·E



WHAT DO YOU THINK OF WHEN YOU THINK OF KANSAS?

“Now imagine this worker in the year 2050.”



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WHAT DO YOU THINK OF WHEN YOU THINK OF KANSAS?

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“Now imagine this worker in the year 2050.”



Source: Selby-Leach, OpenAI – DALL·E



FACING UNCERTAINTIES



- Automation and AI
- Power and energy needs
- Immigration Policies
- Changing Taxes and Tariffs
- Talent pipelines
- Supply chain issues
- Climate issues



“Create an image of the most stereotypical Kansas business.”



Source: Selby-Leach, OpenAI – DALL·E

PRODUCTION

A Growth Story



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WICHITA STATE UNIVERSITY



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SLOW AND STEADY

Growth 2005 – 2023 = 43.2%

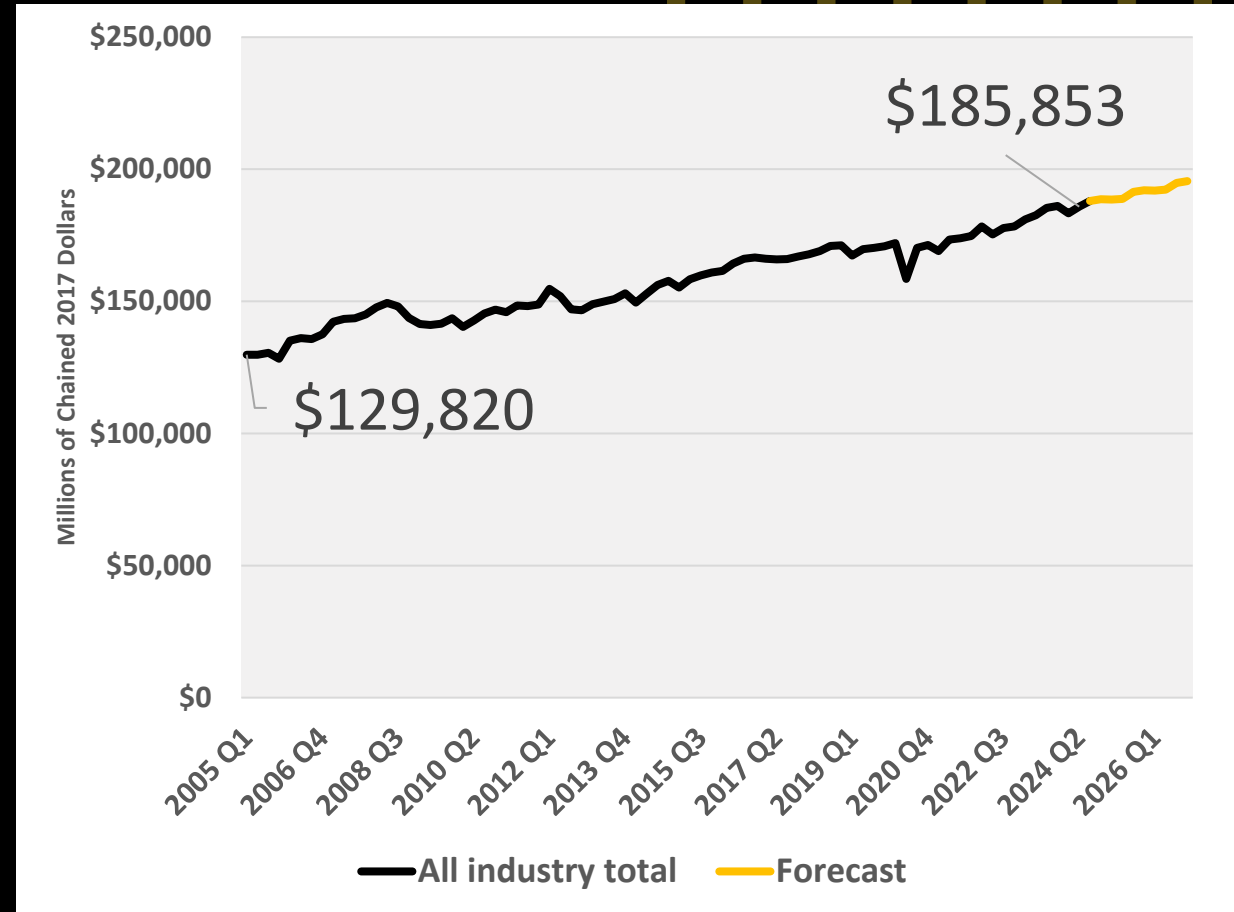
Growth 2013 – 2023 = 19.3%

KS Average YoY Growth = 2.0%

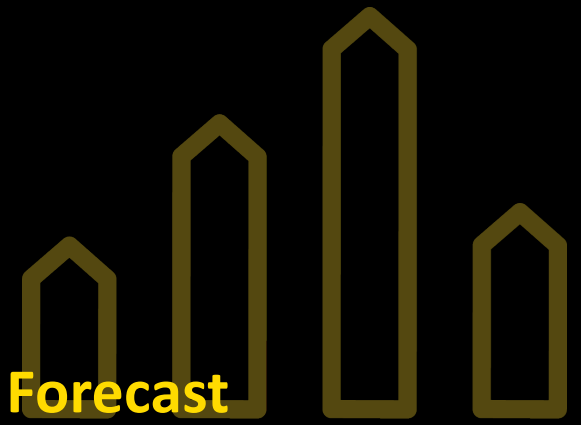
USA Average YoY Growth = 2.1%

Forecasted Growth 2025: **2.0%**

Real Gross Domestic Product: Total value of final goods and services sold in a region during a specific time, adjusted for inflation



MASSIVE INDUSTRY GROWTH



- Forecast Management of Companies and Enterprises: **4.3% 2025 Forecast**
 - Growth 2005 – 2023 = 246.6%
 - As of Jan 16, 2025:
 - 557 Verified Businesses, most employ less than 100 employees each
 - Holdings companies, including banks
- Information: **7.0% 2025 Forecast**
 - Growth 2005 – 2023 = 176.6%
 - As of Jan 16, 2025:
 - 3,558 Verified Businesses, most employ less than 100 employees each
 - Telecommunications, Software, Radio/TV, Newspaper, Computing Infrastructure, Data Processing, etc.
- Professional, scientific, and technical services: **3.7% 2025 Forecast**
 - Growth 2005 – 2023 = 119.9%
 - As of Jan 16, 2025:
 - 17,758 Verified Businesses, most employ less than 100 employees each
 - Lawyers, Advertising, CPAs, R+D, Tax Preparation, Veterinary, Engineering, etc.



STRONG INDUSTRY GROWTH

Super-sector	Example Industries	# of Businesses	2025 Forecast	2005-2024 Growth
Retail Trade	Gasoline, car dealers, beer and wine, hardware, clothing, etc.	175,625	1.4%	25.2%
Health care and social assistance	Doctors, dentists, childcare, home health care, etc.	45,912	3.0%	57.7%
Real Estate, Rental, and Leasing	Real estate brokers, leasing agencies, etc.	7,457	0.8%	91.1%
Administrative, support, waste management, and remediation services	Janitorial, landscaping, pest control, travel agencies, waste collection, etc.	7,219	2.8%	57.2%
Non-Durable Manufacturing	Bakeries, commercial printing, breweries, animal foods, petroleum refineries, etc.	2,717	2.9%	62.4%



LAGGING GROWTH



Stable but Avg or Slow Growth

- Utilities
- State and local government
- Accommodation and food services
- Arts, entertainment, and recreation

Volatile or Declining Growth

- Finance and Insurance
- Construction
- Agriculture
- Wholesale Trade
- Educational Services
- Durable Goods Manufacturing
- Mining, Quarrying, Oil + Gas
- Military



UNCERTAINTIES AND UNKNOWNNS



- AI Revolution
 - Comparative/competitive advantage is changing
 - Production costs
 - Energy needs
 - If our industries keep up/lean into it, then this can bode positively for production in Kansas
- Policies on Immigration
 - IF it happens the way that is said, this will likely cause staffing shortages in industries that rely on migrant labor



UNCERTAINTIES AND UNKNOWNS



- Policies on Tariffs
 - IF it happens the way that is said, this has an ambiguous effect on Kansas businesses
 - Strong reliance on international production of inputs: strong increase in costs and reduced production
 - Low reliance on international production, strong competition with international producers: possible increase in production
 - Most goods produced in affected countries are relatively cheaper due to comparative advantage
 - This will likely increase price if production shifts to USA
 - In the end, what matters is how much costs will be affected and how much international competition exists



“Create an image of the most stereotypical Kansas worker in 2024.”



Source: Selby-Leach, OpenAI – DALL·E

WORKFORCE

A Resilience Story



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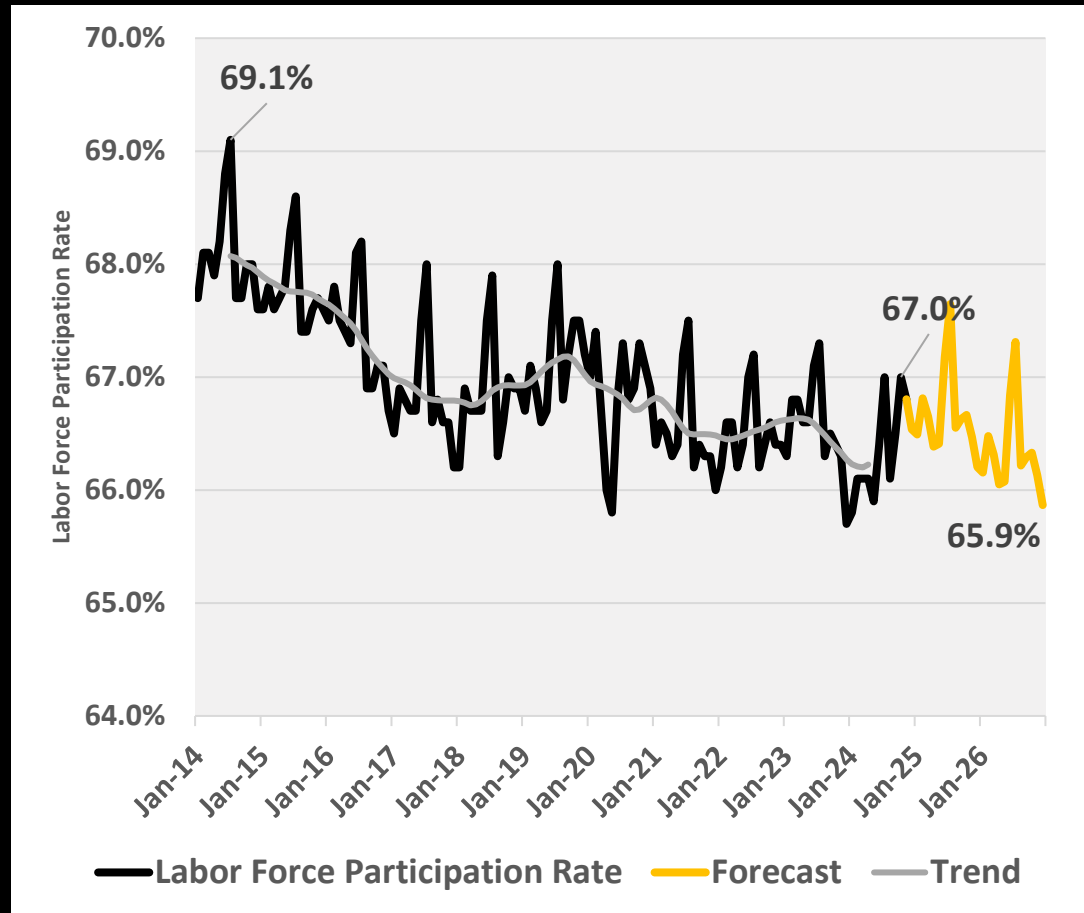
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LABOR FORCE PARTICIPATION

Labor Force: The total number of eligible workers that are working or actively searching for work (employed or unemployed).



Kansas Labor Force
Change 2014-2023 = 1.1%

Kansas Population
Change 2014-2023 = 3.4%

Kansas Labor Force Participation Rate
Change 2014-2023 = -2.2%

2025 LFPR Forecast: **66.7%**

- Why?
 - Retirement of Baby Boomers
 - Higher school enrollment rates
 - Increased health/disability challenges
 - Higher social benefits



UNEMPLOYMENT RATE

2014 Avg = 4.5%

Pandemic High = 11.7%

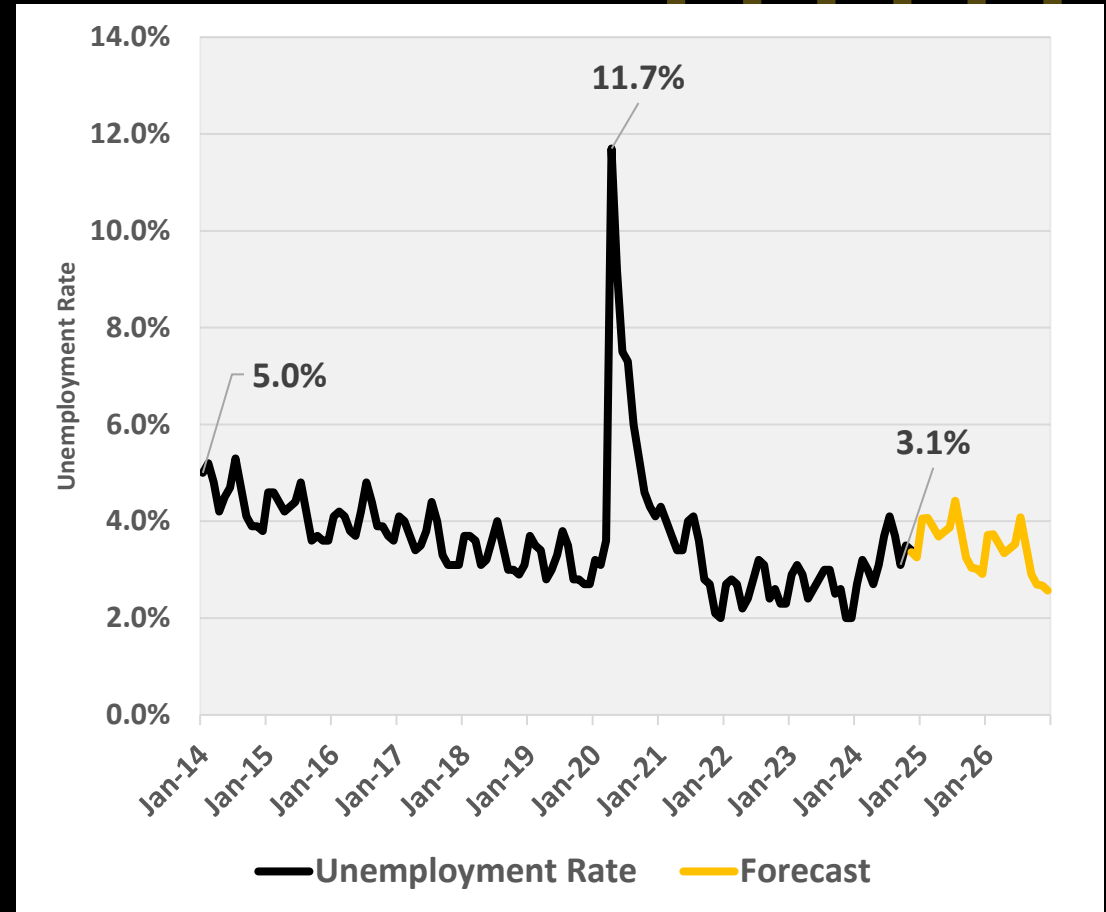
From August 2021 – July 2024,
unemployment rate stayed below 4%

Recent increases to 4.1% (July 2024) but
not sustained

2025 Unemployment Forecast = **3.7%**

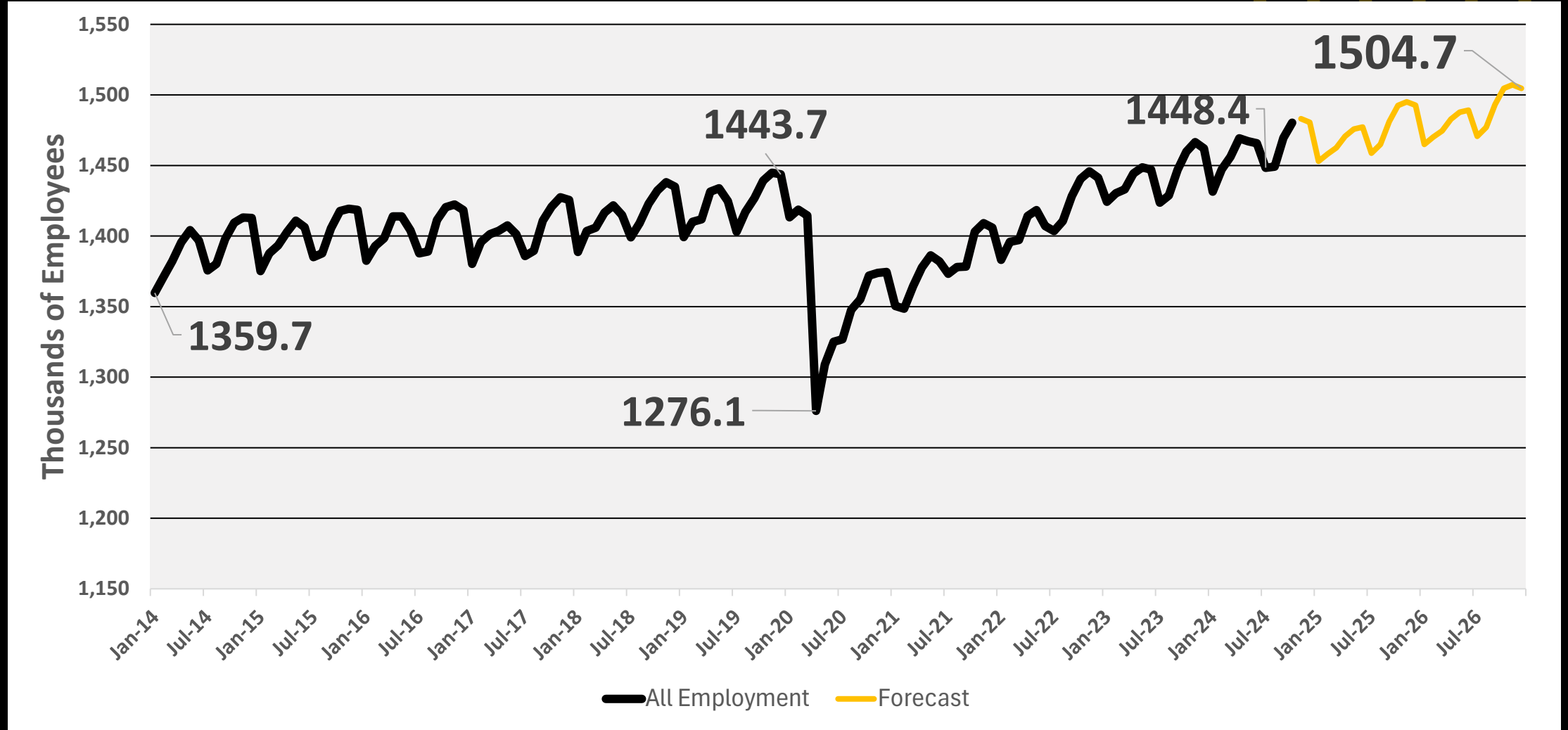
- Many unknowns, but job market seems stable right now.
- Some layoffs in key industries may indicate a future increase, but too soon to say.
- Possible changing on industry in response to automation and AI

Unemployed: The total number of eligible people that are not currently employed for pay and are actively searching for work.

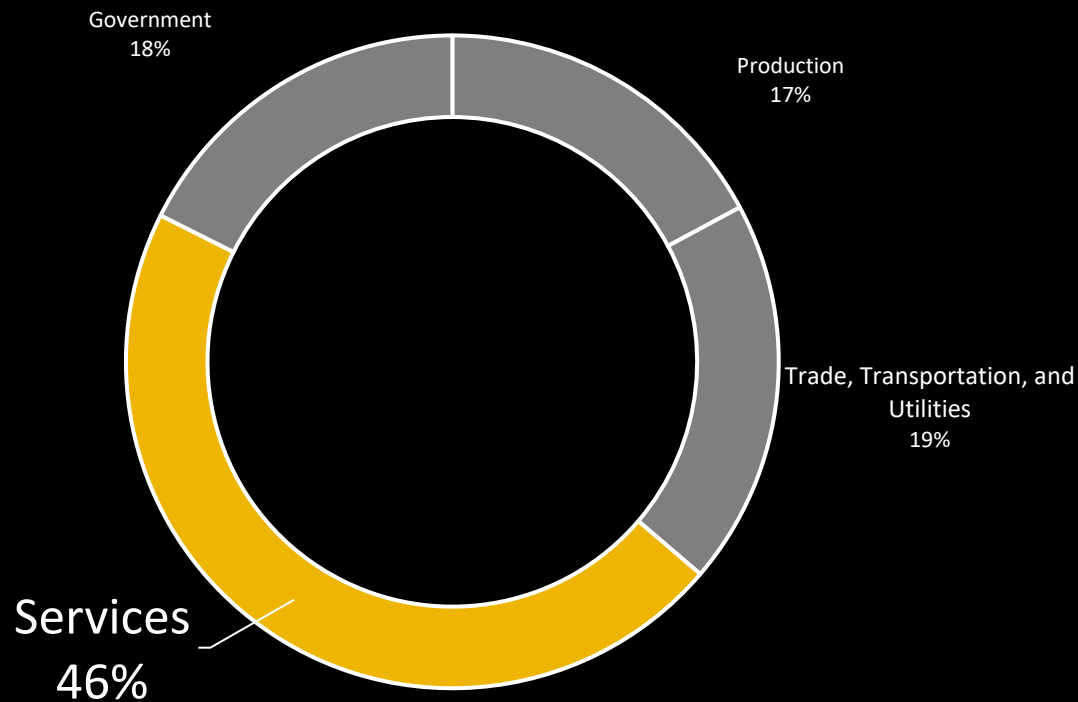


EMPLOYMENT

Employed: The total number of eligible people that are currently employed for pay regardless of job or full-time status.



EMPLOYMENT BY SECTOR



Sectors	% Change 2014-2023
Long-term Employment Growth	
Education + Healthcare	8.6%
Leisure and Hospitality	8.2%
Other Services	9.4%
Long-term Employment Declines	
Information	-16.6%
Financial Activities	-2.0%
Prof and Business	-0.3%

2025
Forecast

1.8%

0.9%

1.1%

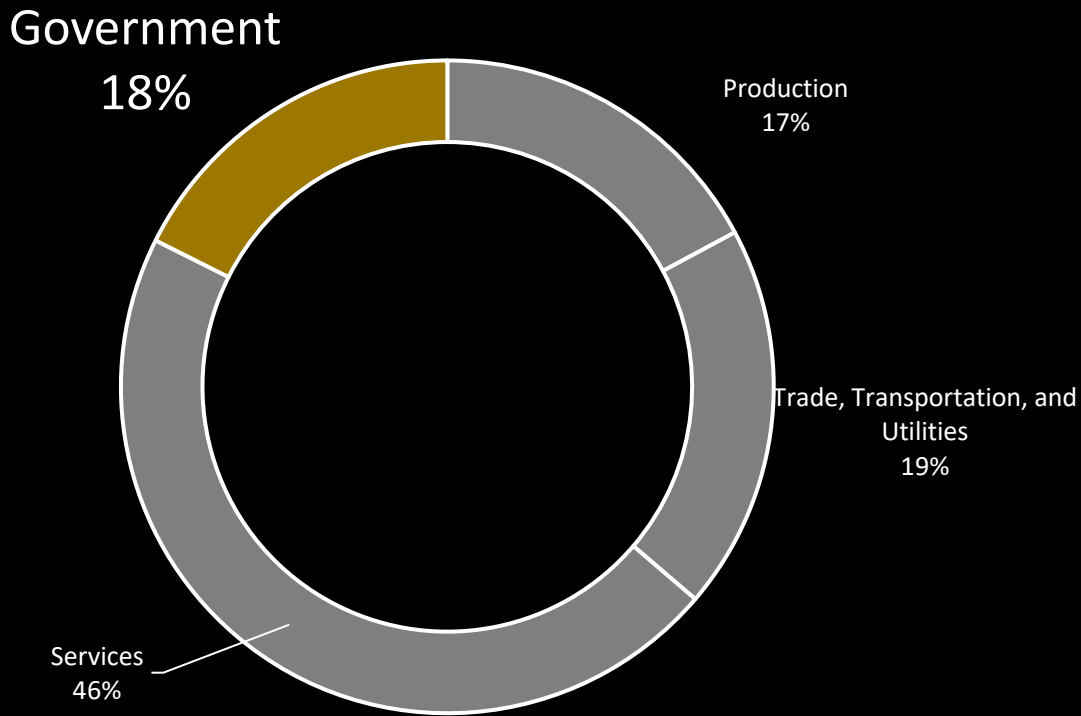
-1.3%

1.7%

-0.3%



EMPLOYMENT BY SECTOR

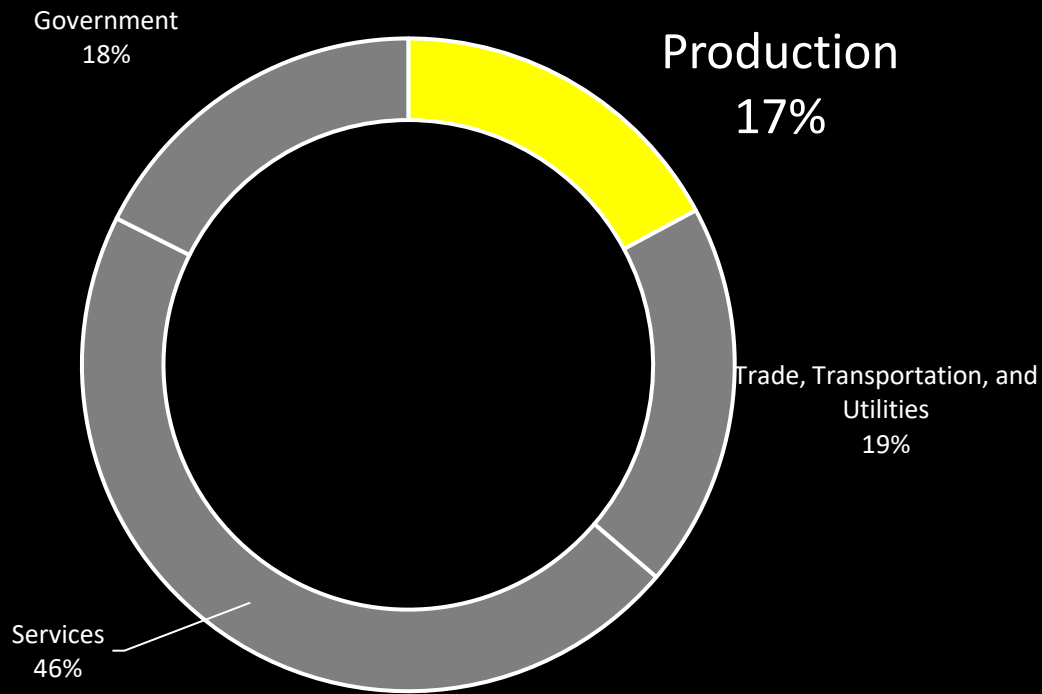


- % Change 2014-2023: -1.0%
- Slow recovery post-pandemic
- Strong seasonality, but year-over-year growth since pandemic
- Expected to continue into 2025

2025
Forecast **0.6%**



EMPLOYMENT BY SECTOR



Sector	% Change 2014-2023
Non-Durable Manufacturing	15.6%
Mining, Logging, and Construction	5.8%
Durable Manufacturing	-0.1%

2025 Forecast

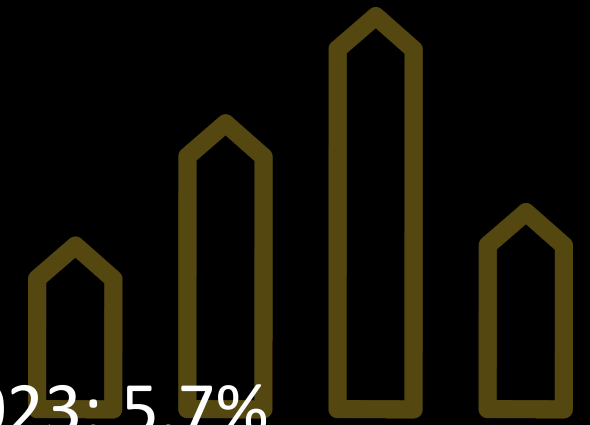
1.4%

0.2%

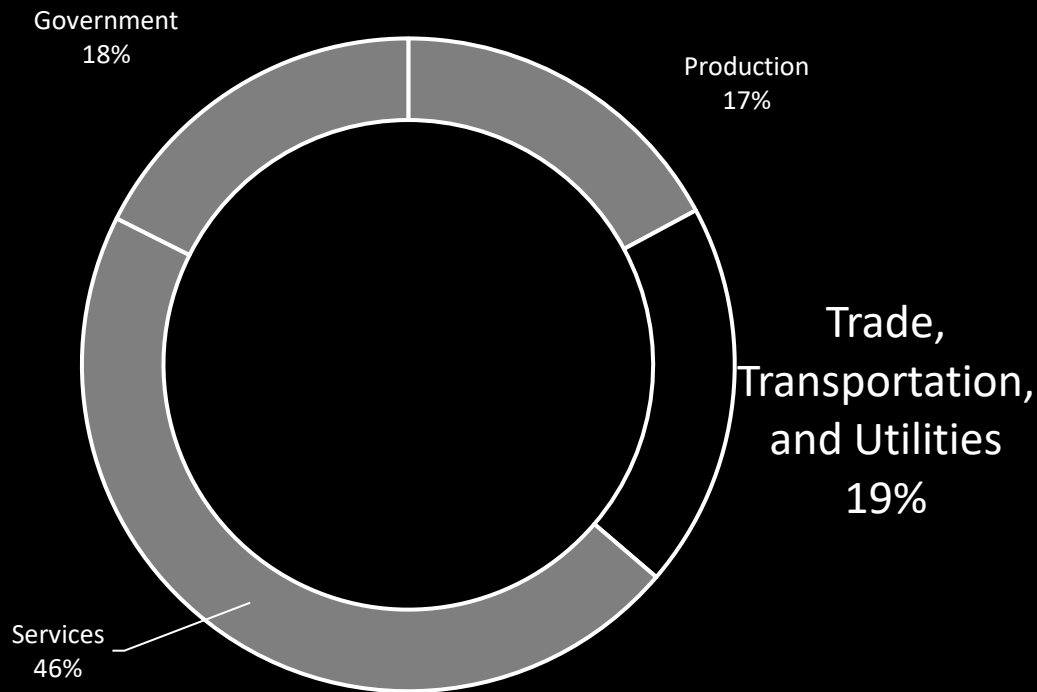
-1.9%



EMPLOYMENT BY SECTOR



- % Change 2014-2023: 5.7%
- Steady increase, year over year
- Little affected by pandemic
- Expected to continue into 2025



**2025
Forecast**

1.4%



INCOME

A Hope Story



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“Create an image of a wealthy Kansan.”



Source: Selby-Leach, OpenAI – DALL·E

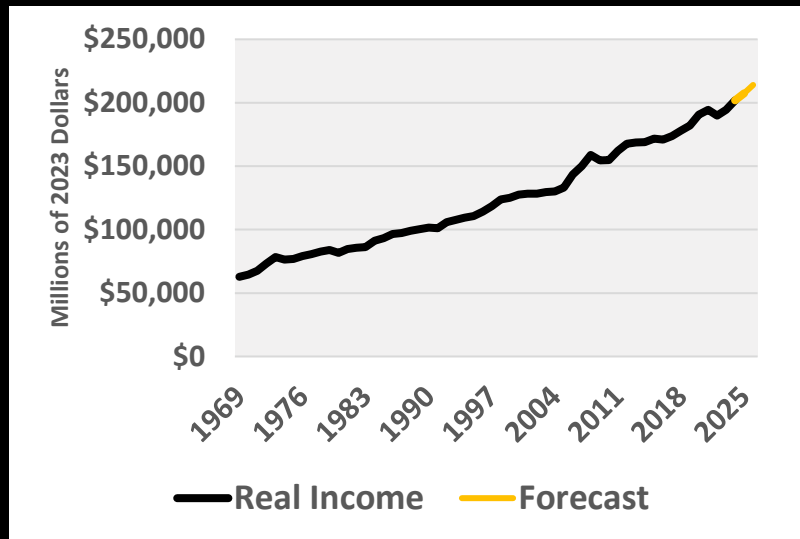


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KANSAS INCOME: THEN AND NOW



	Income in 2014		Income in 2023	% Change in Real Income
	2014 Dollars	2023 Dollars	2023 Dollars	
Total Personal Income	\$134.8 Billion	\$169.1 Billion	\$194.4 Billion	15.0%
Income per Capita	\$46,290	\$58,064	\$66,115	13.9%

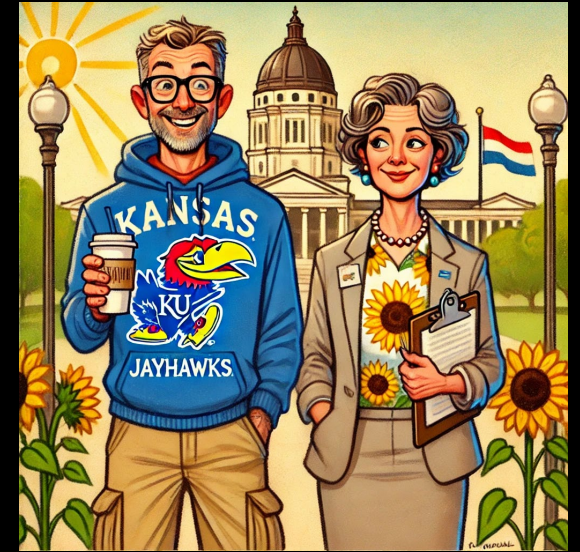


**2025
Forecast**

2.7%



“Create an image of the most stereotypical couple in _____ (city) _____.”



Source: Selby-Leach, OpenAI – DALL·E

MSA FORECASTS

A City Story



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EMPLOYMENT TRENDS: WICHITA



Employment Sectors by Percent of Total Employment

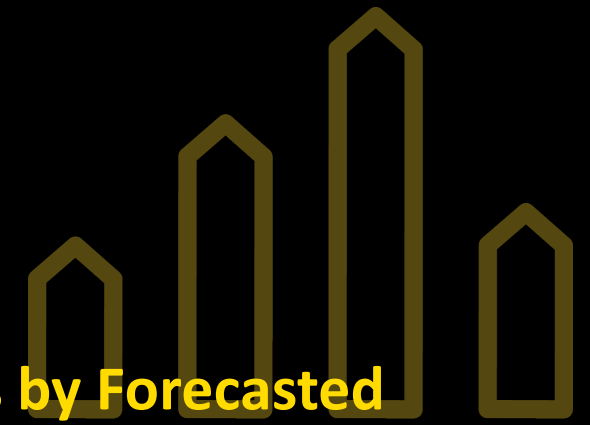
Industry Sector	% of Total Employment
Trade, Transportation, and Utilities	17.2%
Private Education and Health Services	15.3%
Durable	14.4%
Government	13.9%
Professional and Business Services	11.5%
Leisure and Hospitality	10.6%
Mining, Logging, and Construction	5.6%
Financial Activities	3.9%
Other Services	3.6%
Non-Durable	2.6%
Information	1.3%

Employment Sectors by Forecasted 2025 Growth

Industry Sector	2025 Forecasted Growth
Non-Durable	4.2%
Financial Activities	3.0%
Other Services	2.4%
Private Education and Health Services	1.6%
Trade, Transportation, and Utilities	1.5%
Mining, Logging, and Construction	1.2%
Information	-0.1%
Government	-0.2%
Leisure and Hospitality	-0.3%
Professional and Business Services	-1.0%
Durable	-1.4%



EMPLOYMENT TRENDS: TOPEKA



Employment Sectors by Percent of Total Employment

Industry Sector	% of Total Employment
Government	23.9%
Private Education and Health Services	16.8%
Trade, Transportation, and Utilities	15.6%
Professional and Business Services	12.0%
Leisure and Hospitality	7.6%
Financial Activities	6.7%
Non-Durable	5.5%
Mining, Logging, and Construction	5.1%
Other Services	4.2%
Durable	1.7%
Information	1.1%

Employment Sectors by Forecasted 2025 Growth

Industry Sector	2025 Forecasted Growth
Information	4.2%
Other Services	2.7%
Non-Durable	2.4%
Government	1.8%
Private Education and Health Services	1.7%
Trade, Transportation, and Utilities	0.9%
Financial Activities	0.4%
Professional and Business Services	0.0%
Leisure and Hospitality	-0.1%
Durable	-1.2%
Mining, Logging, and Construction	-1.2%



EMPLOYMENT TRENDS: KANSAS CITY



Employment Sectors by Percent of Total Employment

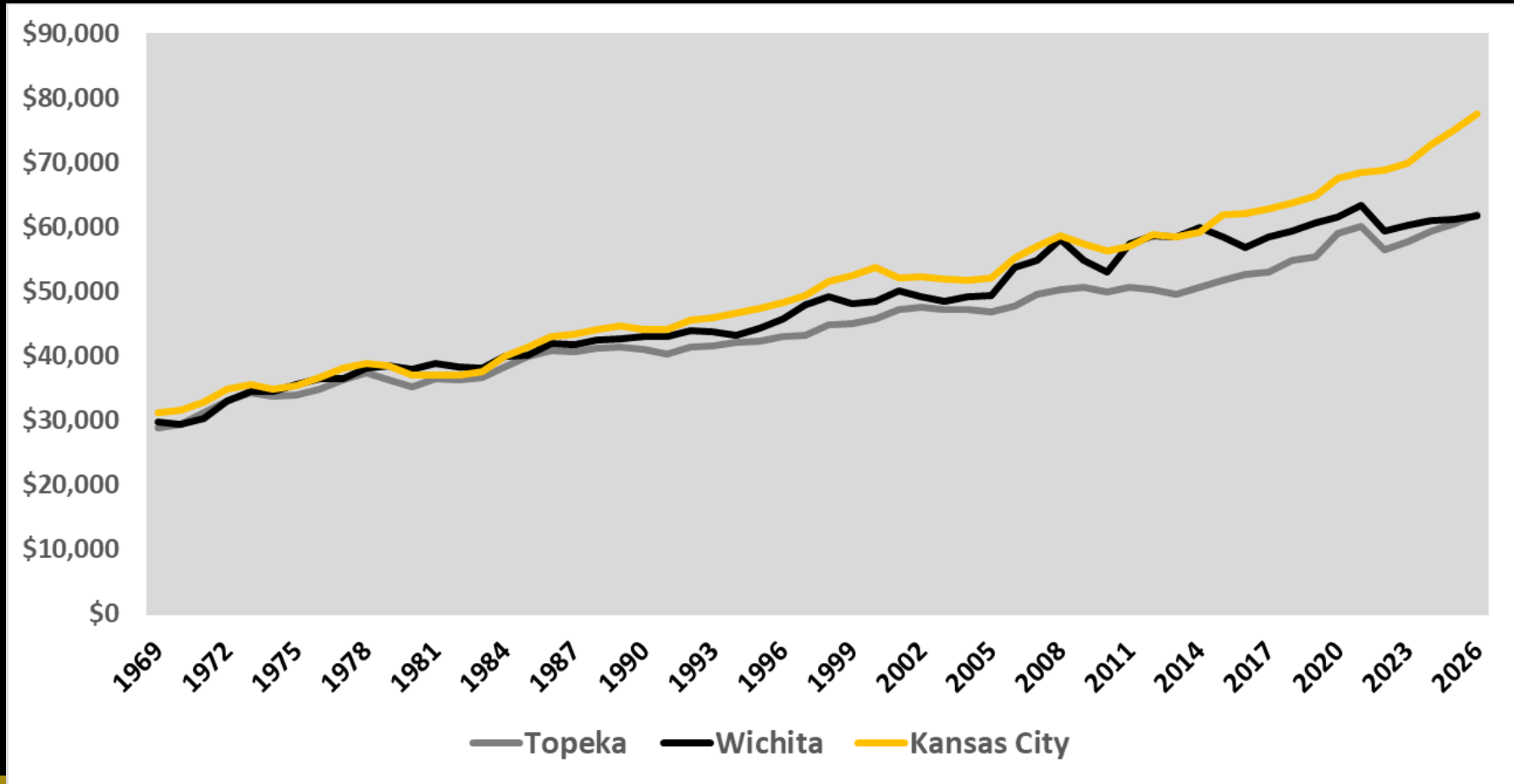
Industry Sector	% of Total Employment
Trade, Transportation, and Utilities	21.7%
Professional and Business Services	18.7%
Private Education and Health Services	14.6%
Government	11.9%
Leisure and Hospitality	8.6%
Financial Activities	7.7%
Mining, Logging, and Construction	4.6%
Durable	4.2%
Other Services	3.6%
Non-Durable	2.9%
Information	1.6%

Employment Sectors by Forecasted 2025 Growth

Industry Sector	2025 Forecasted Growth
Financial Activities	4.5%
Mining, Logging, and Construction	2.9%
Trade, Transportation, and Utilities	2.5%
Private Education and Health Services	2.1%
Other Services	1.6%
Durable	1.5%
Government	1.0%
Leisure and Hospitality	0.5%
Non-Durable	0.1%
Professional and Business Services	-0.1%
Information	-0.9%



INCOME PER CAPITA TRENDS



Topeka 1.9%

Wichita 0.3%

Kansas
City 3.0%

KS 2.6%



