

KANSAS ECONOMIC FORECAST 2025

Navigating an Uncertain Future



Source: Dall-E



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.”*



Source: Selby-Leach, OpenAI – DALL·E



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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



Center for Economic Development
and Business Research

BARTON SCHOOL OF BUSINESS

WICHITA STATE UNIVERSITY



BARTON
School of Business
WICHITA STATE UNIVERSITY

SLOW AND STEADY

Growth 2005 – 2023 = 43.2%

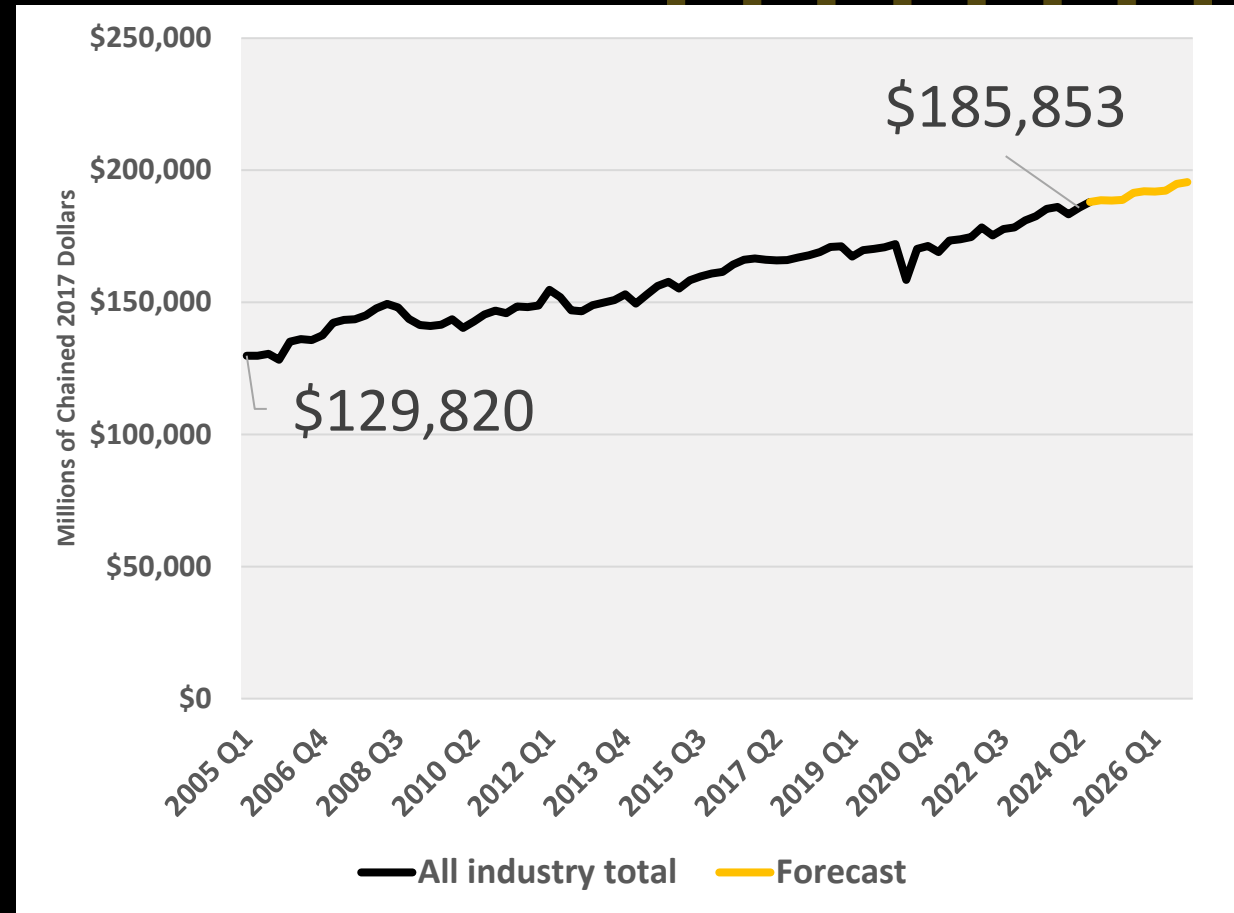
Growth 2013 – 2023 = 19.3%

KS Average YoY Growth = 2.0%

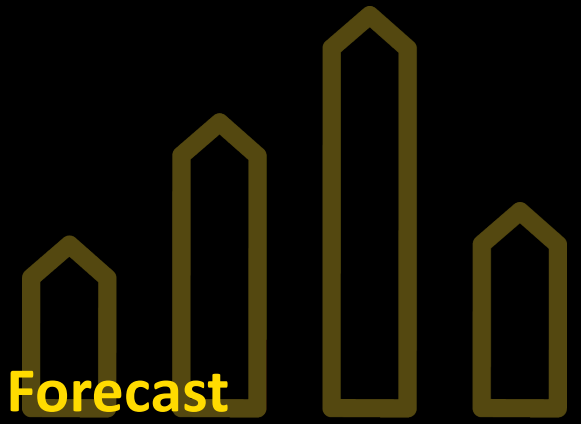
USA Average YoY Growth = 2.1%

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 UNKNOWNS



- 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



Center for Economic Development
and Business Research

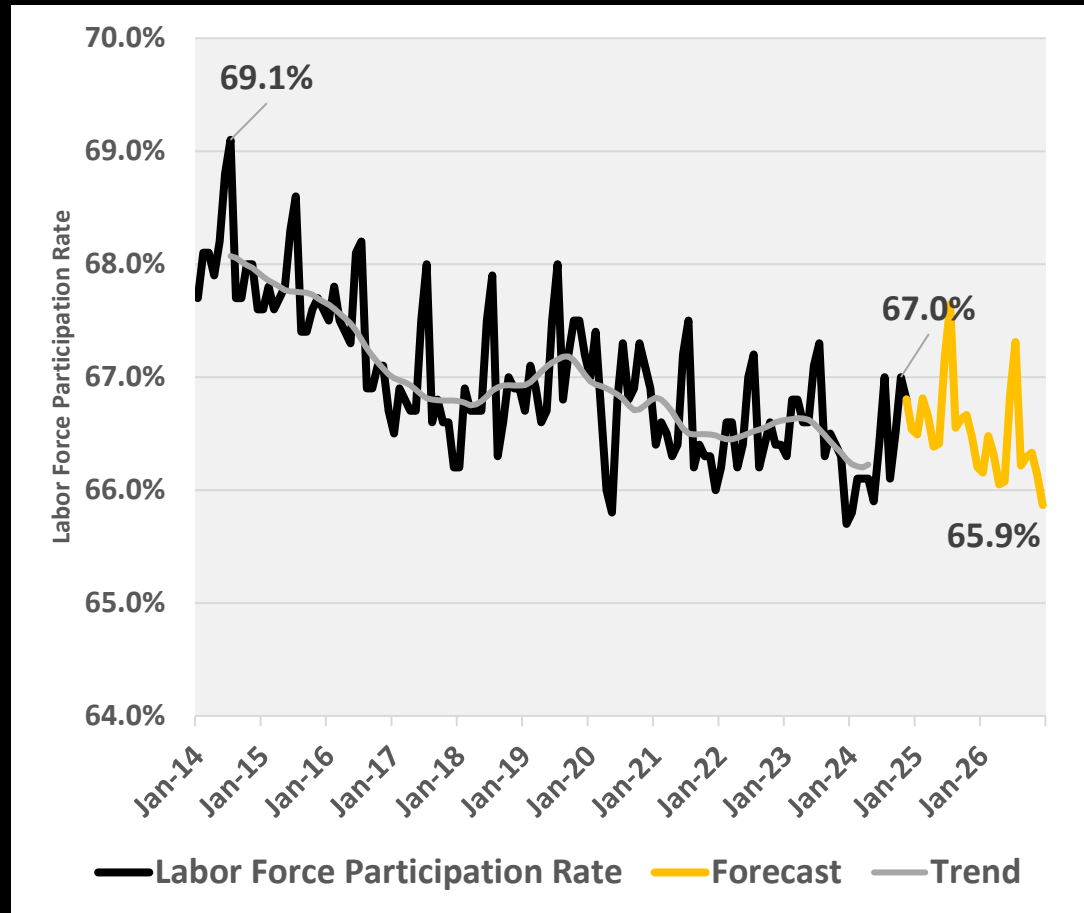
BARTON SCHOOL OF BUSINESS

WICHITA STATE UNIVERSITY



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%

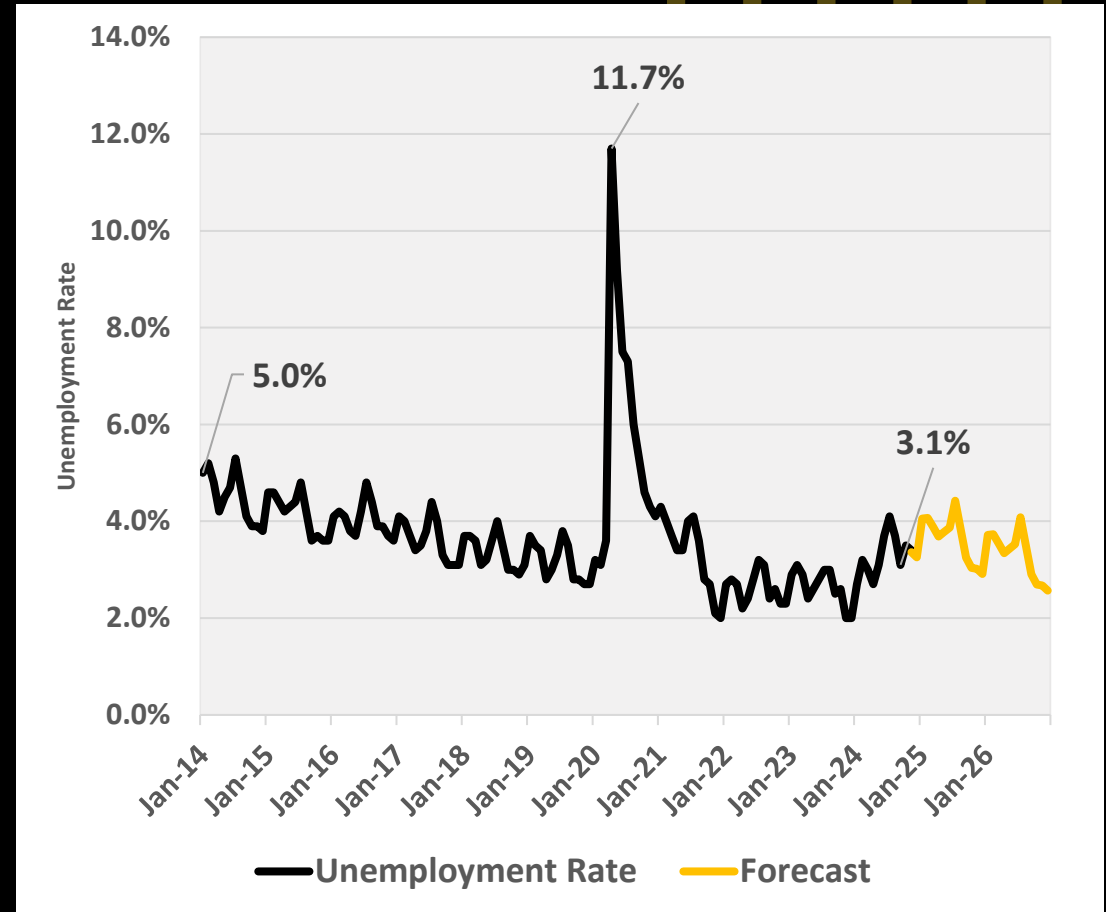
From August 2021 – July 2024,
unemployment rate stayed below 4%

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

2025 Unemployment Forecast = **3.7%**

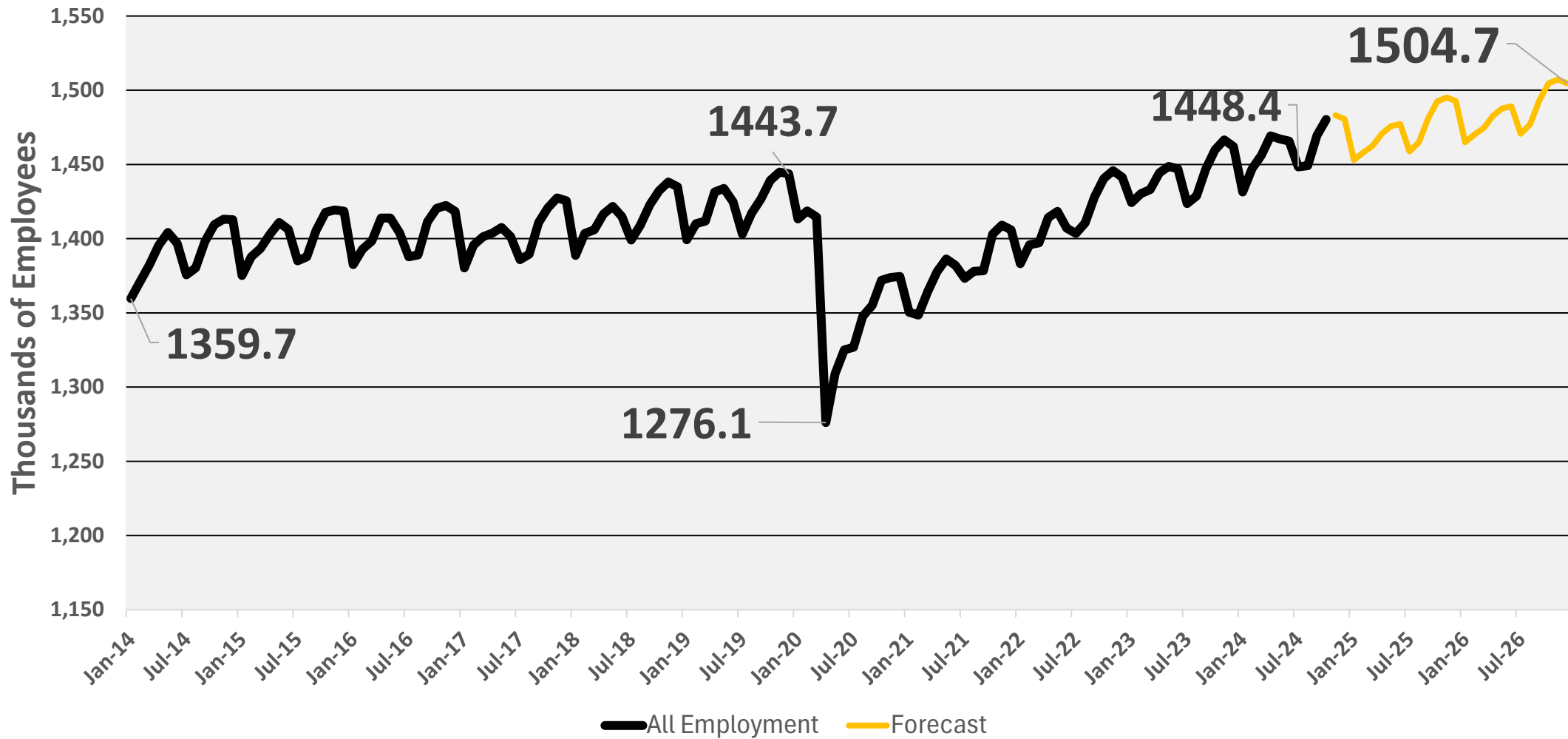
- Many unknowns, but job market seems stable right now.
- Some layoffs in key industries may indicate a future increase, but too soon to say.
- Possible changing on industry in response to automation and AI

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

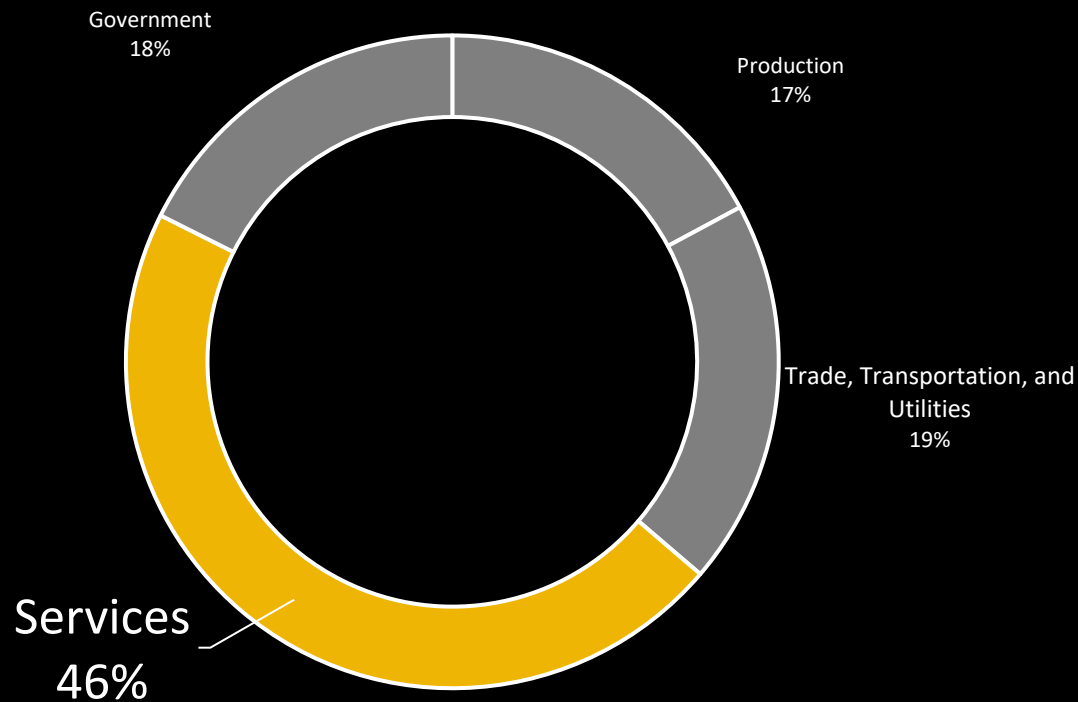


EMPLOYMENT

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%

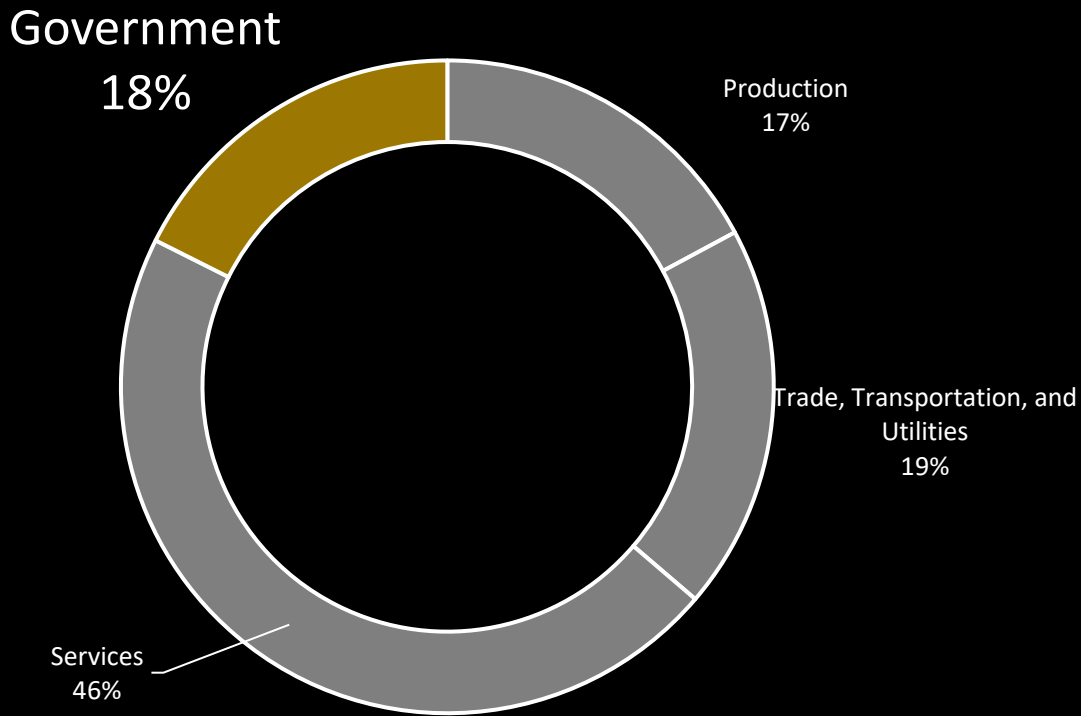
-1.3%

1.7%

-0.3%



EMPLOYMENT BY SECTOR

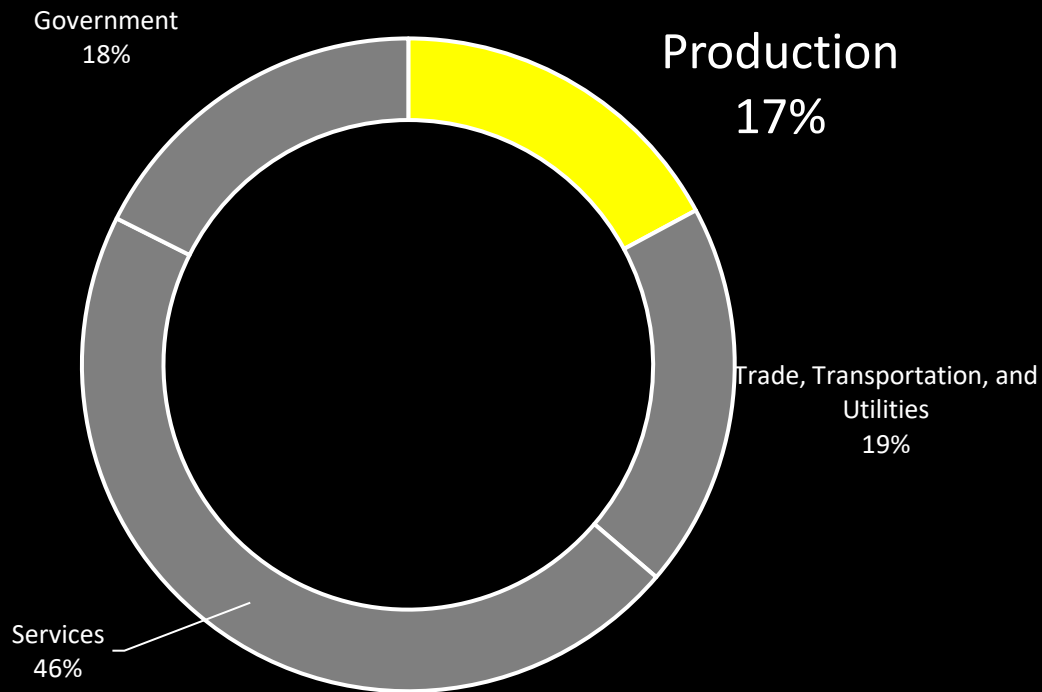


- % Change 2014-2023: -1.0%
- Slow recovery post-pandemic
- Strong seasonality, but year-over-year growth since pandemic
- Expected to continue into 2025

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

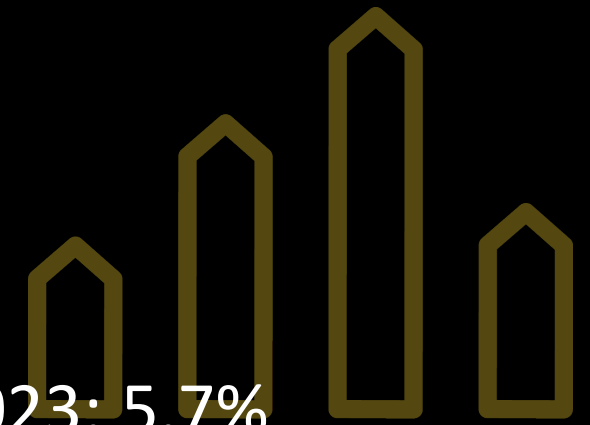
1.4%

0.2%

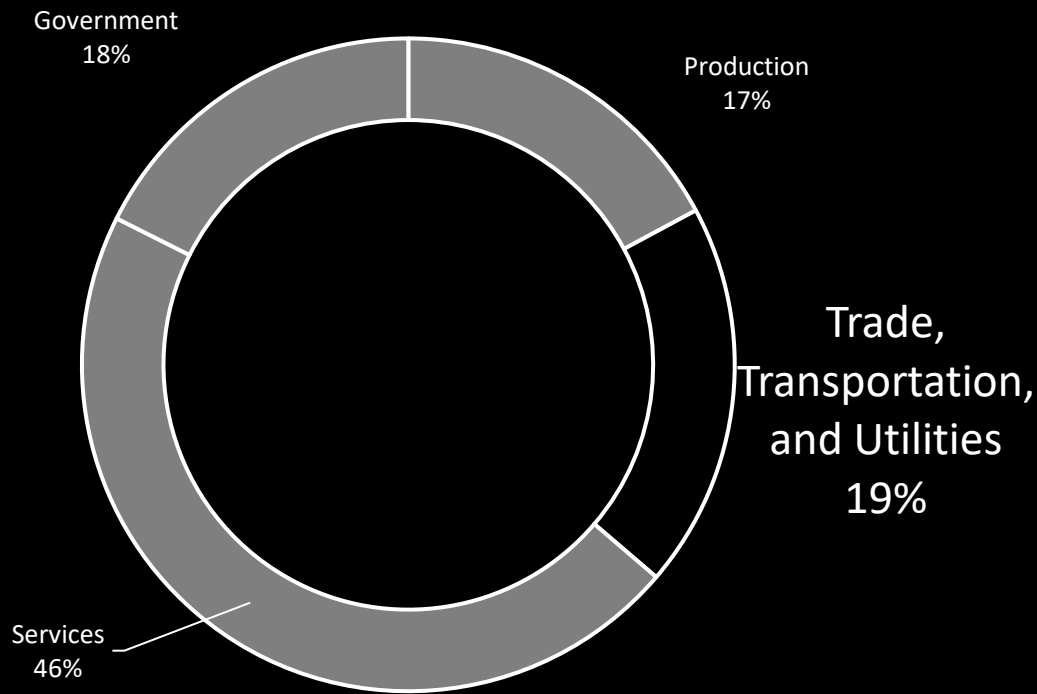
-1.9%



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



Center for Economic Development
and Business Research

BARTON SCHOOL OF BUSINESS

WICHITA STATE UNIVERSITY

“Create an image of a wealthy Kansan.”



Source: Selby-Leach, OpenAI – DALL·E

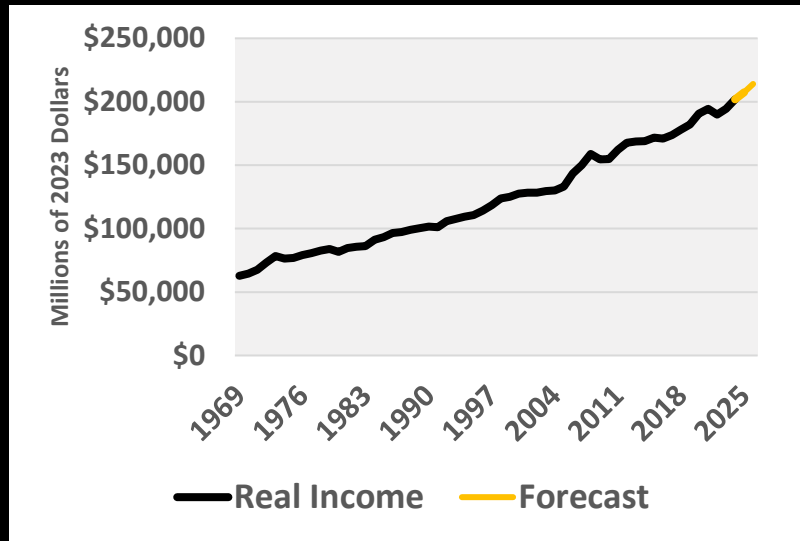


BARTON
School of Business
WICHITA STATE UNIVERSITY

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%

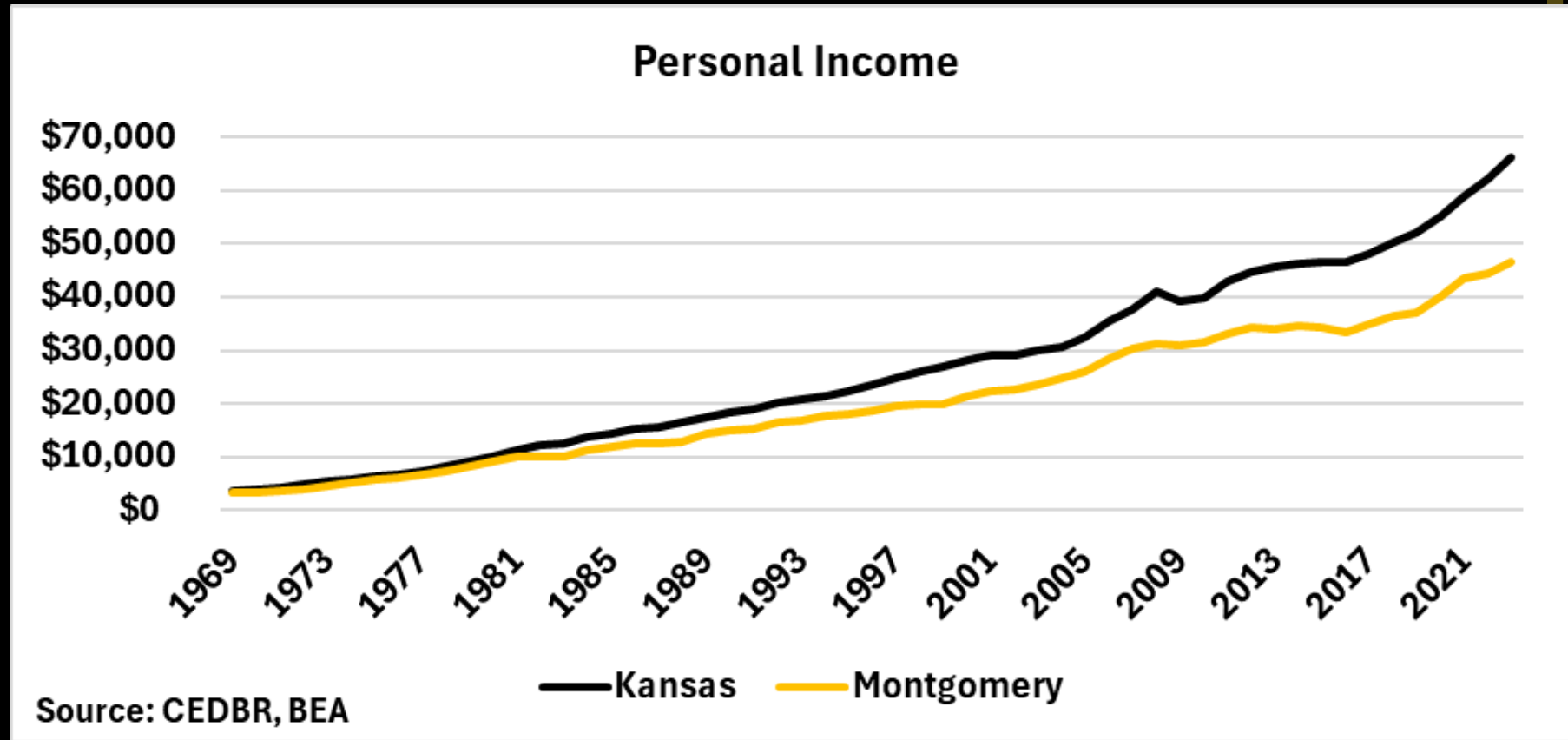


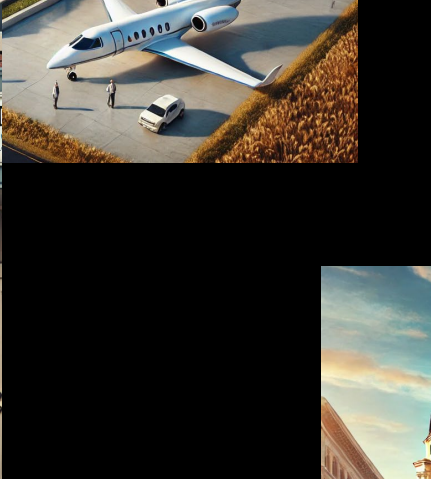
**2025
Forecast**

2.7%



INCOME DEVIATION





MONTGOMERY COUNTY LOCAL ECONOMIC UPDATE

Melissa Johnson, Executive Director
Montgomery County Action Council



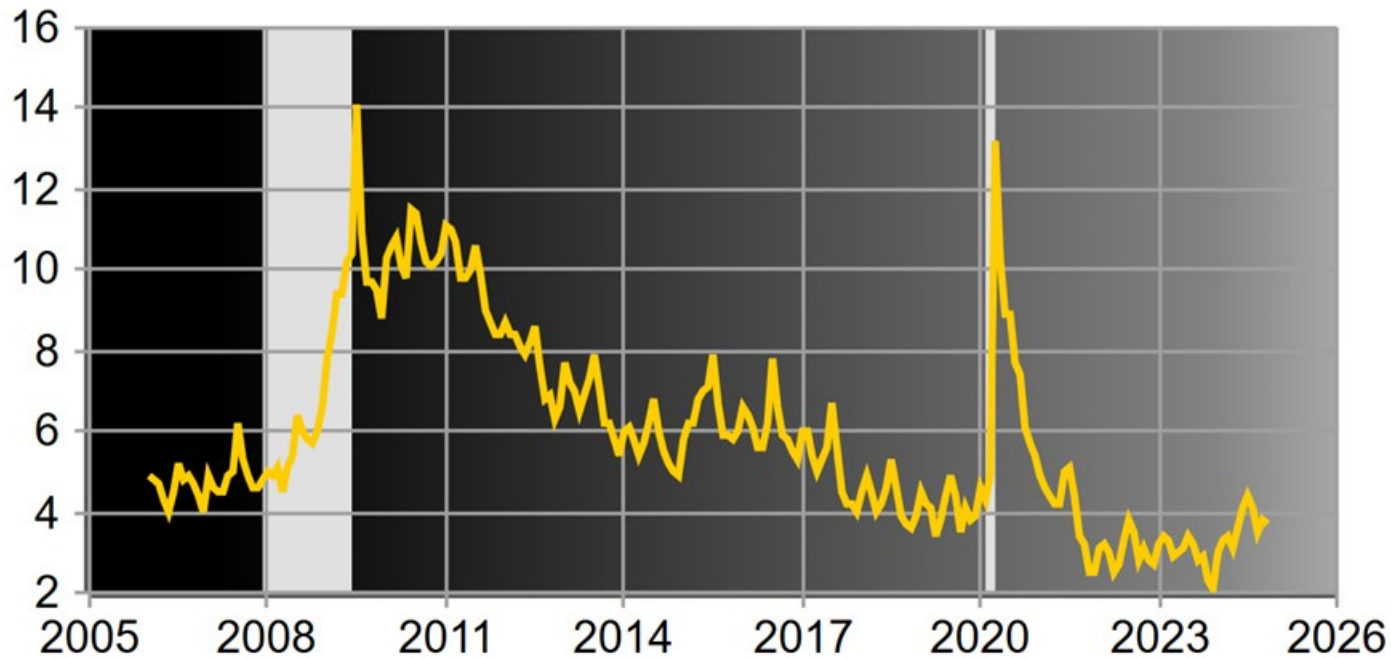
TOPICS FOR LOCAL UPDATE

- Review local economic trends
 - Unemployment
 - Population
 - Employment Growth
 - Wages
 - Commuting Patterns
- Strategies for addressing trends
 - Talent Attraction
 - Business Recruitment & Retention
 - Housing Development:
 - New Development
 - In-fill Housing
 - Adaptive Reuse/Renovation



UNEMPLOYMENT RATE

unemployment rate - Montgomery County, KS - civilian Labor Force (not seasonally adjusted)

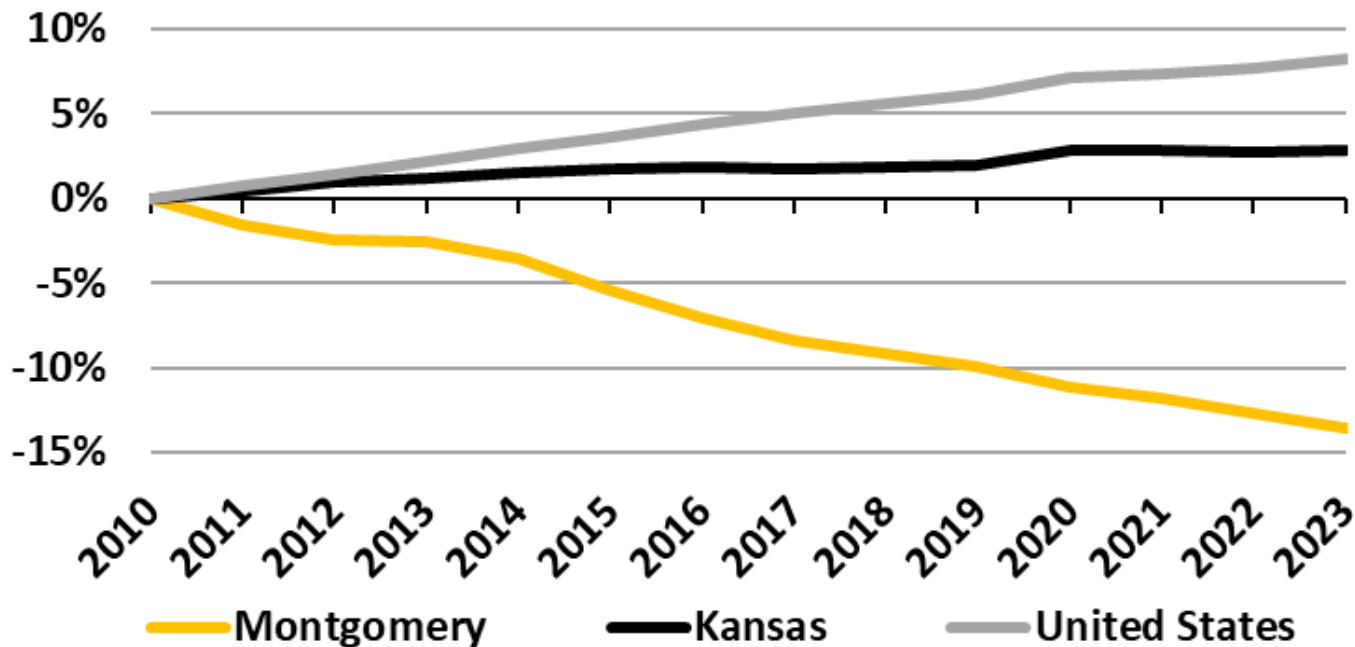


- How do we meet our local employer's workforce needs when unemployment remains at an all-time low?
- Employer feedback indicates concerns around poaching local talent from each other, which drives up wages without increasing skillset.



POPULATION GROWTH

Montgomery County Population



Source: CEDBR, Census - CPT & NSP, (Cumulative)

- Downward trend since 2010
- *How do we stop "brain drain?"*
- *How do we recruit talent to Montgomery County, the SEK region, and Kansas?*




Marketing Montgomery County for Workforce Recruitment


*This 16-page recruitment guide
is available for local employers
to recruit talented workers
to our community.*




WELCOME HOME!



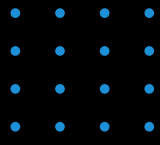
Choose
MONTGOMERY COUNTY
KANSAS
to live, work and play



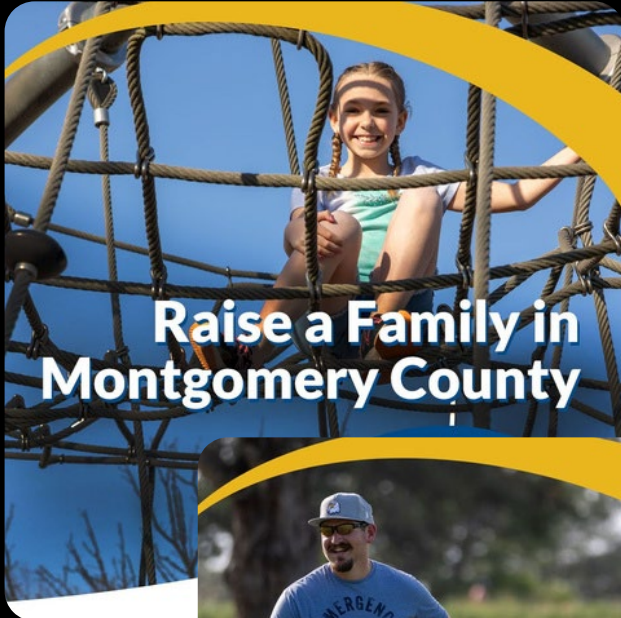
*Refreshingly rural and pleasingly progressive,
Montgomery County, Kansas, offers an enviable
quality of life with just the right balance of
diversity, safety, affordability, opportunity and
community.*



actioncouncil.com



Talent Attraction Campaign

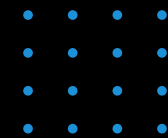


Goal: To reduce “brain drain” by connecting local talent with local employers and by recruiting others to live, work, and play in Montgomery County.



- -
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1. Targeted ads on Facebook and Google
 2. Employer-sponsored matching funds available for relocation and retention (while grant funds last!)
 3. Resume portal for MCAC members

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- 200+ form submissions
 - 40+ reported jobs
 - 20 employer visits
 - 49 signed agreements with more in the works!



Marketing Montgomery County with Incentives through Kansas Rural Opportunity Zones

- *Local employers become sponsors for their employees who are seeking student loan forgiveness*
- *Those relocating from out of state may qualify for 100% Personal State Income Tax Credit*
- *Contact MCAC to learn more!*



The graphic features the Kansas Department of Commerce logo (a bison) and the text 'KANSAS OFFICE OF RURAL PROSPERITY' in the top left. In the top right, there are three yellow stars and a green wavy line. The main title is 'Kansas Rural Opportunity Zones'. Below it is a paragraph about the natural beauty and incentives of rural Kansas. A second paragraph explains that 95 counties are designated as Rural Opportunity Zones, offering financial incentives. Two green rounded rectangles contain the text 'Student Loan Repayment Assistance' and '100% Personal State Income Tax Credit'. The bottom section has a dark blue background with the title 'Student Loan Repayment Assistance' and a list of bullet points. To the right, an orange box contains the text '100% Personal State Income Tax Credit' and a question about moving to Kansas. Below this is a photo of two women sitting on a dock by a lake, with a QR code to their left. Another QR code is in the bottom right corner.

KANSAS
OFFICE OF RURAL PROSPERITY

Kansas Rural Opportunity Zones

Kansas is filled with the natural beauty, simplicity and communal bonds of rural life. We want you to experience the peace and joy of rural Kansas so much that we'll even throw in some added bonuses.

The state of Kansas has designated 95 counties as "Rural Opportunity Zones," which means moving there comes with significant added benefits. Designated counties offer one or both of the following financial incentives for new full-time residents:

- Student Loan Repayment Assistance
- 100% Personal State Income Tax Credit

Student Loan Repayment Assistance

- Administered By Kansas Department of Commerce (KDC)
- Partners with Counties, Cities, Employers, and Foundations
- Provides up to \$15,000 in Student Loan Repayment Assistance over 5 years

Eligibility Requirements

- You must have a newly established permanent address in a participating county so long as that address was established after the county began participating in the program.
- Applicants must have an active student loan balance in their name, as well as an associate's, bachelor's or post-graduate degree prior to moving to the participating county.
- To apply, you will need to provide proof of domicile in the ROZ County, proof of previous permanent residency, transcripts with degree dates and student loan balance with distribution dates.

kansascommerce.gov/roz

100% Personal State Income Tax Credit

Are you thinking about moving to Kansas, or have you recently become a resident?

New residents to Kansas who move into one of our Rural Opportunity Zones may be eligible for a 100% personal state income tax credit!

Learn more about the ROZ Tax Credit at: ksrevenue.gov/prtaxcredits-roz.html
Email: kdor_tac@ks.gov

TALENT ATTRACTION

WORK HERE

LIVE HERE



KANSAS

PLAY HERE

CONTACT US

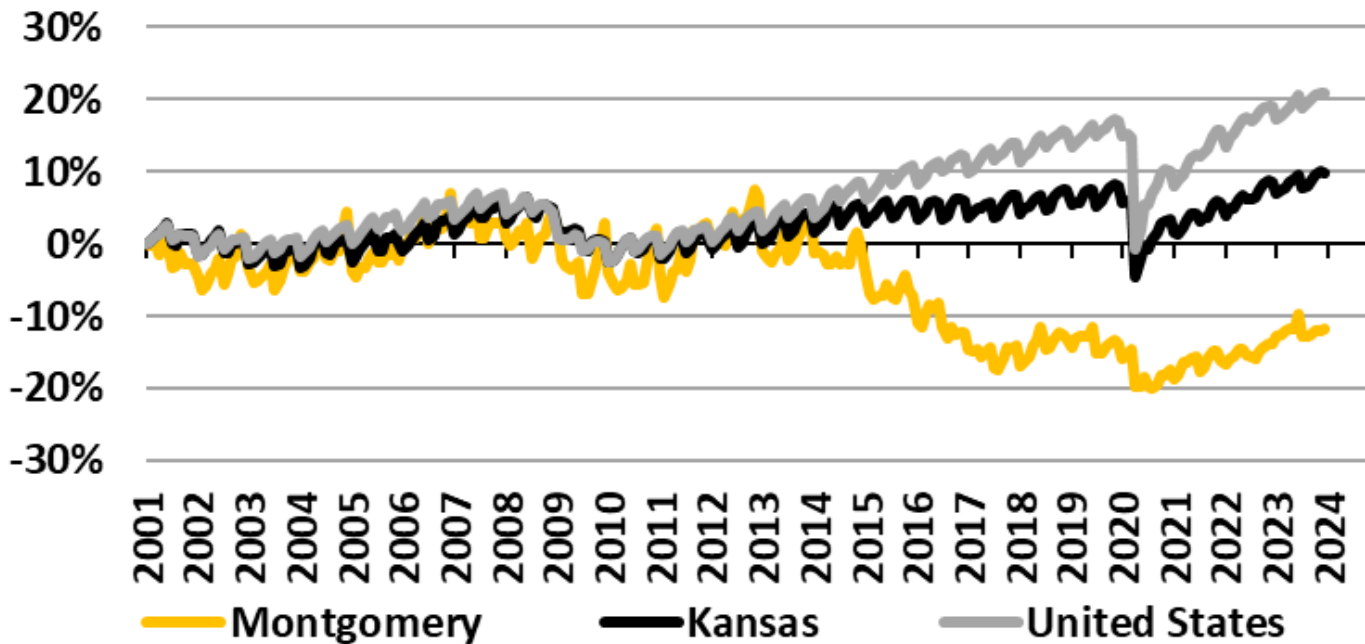


LOVE, KANSAS



EMPLOYMENT GROWTH

Montgomery County Employment



Source: CEDBR, BLS - QCEW, (Cumulative)

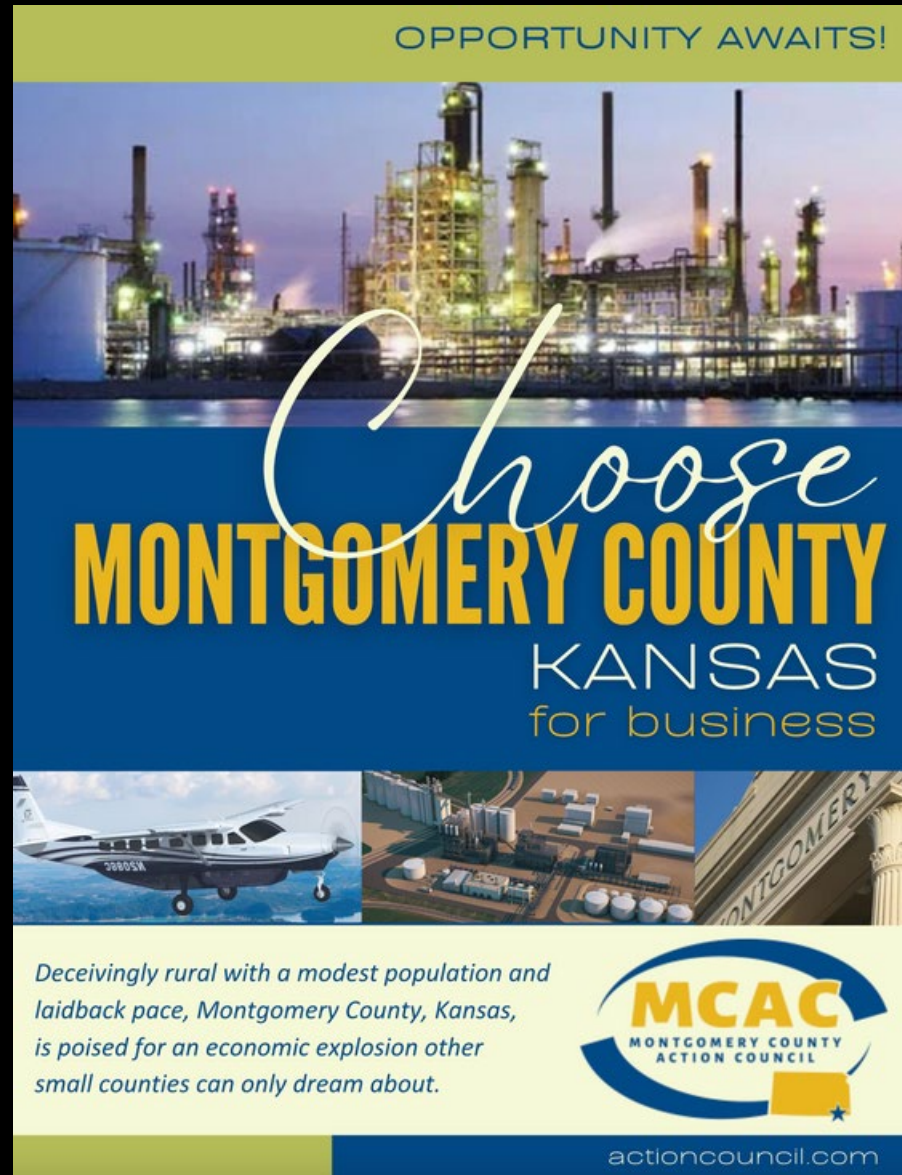
- Recruit business & industry to Montgomery County
- Increase # of quality jobs (*high skill, high demand, high wage*)
- Promote economic diversity by identifying unmet needs and recruiting those businesses to Montgomery County



BUSINESS RECRUITMENT

This 20-page business recruitment guide is available for local economic developers to recruit new businesses to our community. It contains:

- *Community Profiles*
- *Geography/Transportation highlights*
- *Workforce Heat Map*
- *Overview of Incentives*
- *Links to Available Properties*
- *Valuable Resources*



The cover of the business recruitment guide features a top green banner with the text "OPPORTUNITY AWAITS!". Below this is a photograph of an industrial refinery at night, illuminated by lights. The word "Choose" is written in a large, white, cursive font across the center. Underneath, "MONTGOMERY COUNTY" is written in bold yellow capital letters, followed by "KANSAS" in white capital letters and "for business" in a smaller white font. The bottom section of the cover is divided into three images: a private jet in flight, an aerial view of an industrial facility, and a classical building facade with the word "MONTGOMERY" visible. Below these images is a white text box with the text: "Deceivingly rural with a modest population and laidback pace, Montgomery County, Kansas, is poised for an economic explosion other small counties can only dream about." To the right of this text is the MCAC logo, which consists of a blue circle containing the letters "MCAC" in yellow, with "MONTGOMERY COUNTY ACTION COUNCIL" written below it and a small yellow map of Kansas with a blue star. At the bottom right of the cover, the website "actioncouncil.com" is listed.

OPPORTUNITY AWAITS!

Choose
MONTGOMERY COUNTY
KANSAS
for business

Deceivingly rural with a modest population and laidback pace, Montgomery County, Kansas, is poised for an economic explosion other small counties can only dream about.

MCAC
MONTGOMERY COUNTY
ACTION COUNCIL

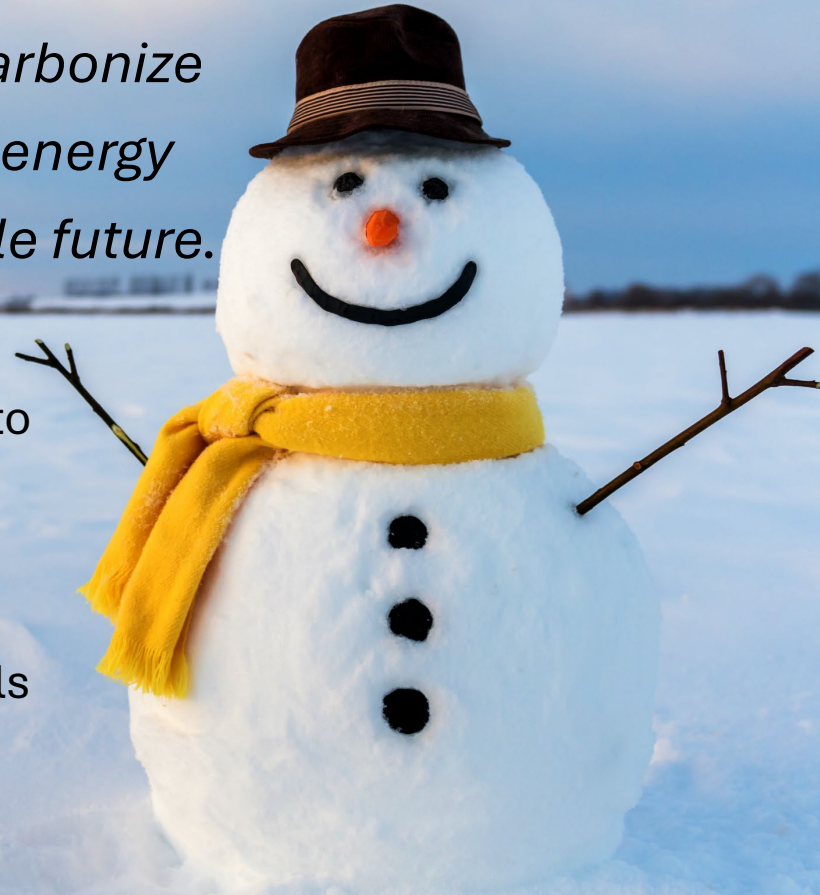
actioncouncil.com



Azure Sustainable Fuels

Goal: *To develop, design and construct a renewable fuels production facility to create a significant source of SAF to help decarbonize the aviation industry and support the energy transition to create a more sustainable future.*

- SAF allows aviation fuel users to emit up to 80% less emissions in flight operations.
- SAF is considered a “drop in” fuel that blends seamlessly with traditional jet fuels to reduce carbon emissions.



Azure Sustainable Fuels

- Azure recently completed their Front End Engineering Design (FEED) study for the project. FEED confirmed they can construct and operate a facility safely and that the construction and operation costs support the business case.

- The project will provide significant economic growth with 1500 construction jobs and 150 full time jobs, ancillary business opportunities, increase in demand for hotels, restaurants, and local services.
- Azure has received all required construction permits.
- They are working on getting agreements in place with customers to make a final investment decision in 2025.
- If the project reaches a successful final investment decision, we expect the detailed engineering, construction, and startup phases of the project to require a 36–40-month timeline (2029).



EMPLOYMENT AND WAGES BY INDUSTRY

Employment and Wages by Industry						
Montgomery County	Employment			Annual Pay		
Industry	2022	2023	Difference	2022	2023	Difference
Natural Resources and Mining	182	184	1.1%	\$40,346	\$43,628	8.1%
Construction	584	647	10.8%	\$62,078	\$63,635	2.5%
Manufacturing	2,894	2,965	2.5%	\$75,282	\$76,397	1.5%
Trade, Transportation, and Utilities	2,177	2,226	2.3%	\$41,258	\$42,553	3.1%
Information	62	73	17.7%	\$38,888	\$38,896	0.0%
Financial Activities	340	352	3.5%	\$52,321	\$49,570	-5.3%
Professional and Business Services	1,008	1,029	2.1%	\$46,516	\$47,494	2.1%
Education and Health Services	3,090	3,312	7.2%	\$28,832	\$28,483	-1.2%
Leisure and Hospitality	1,032	1,081	4.7%	\$16,054	\$16,662	3.8%
Other Services	300	314	4.7%	\$38,618	\$41,256	6.8%
Federal Government	106	101	-4.7%	\$53,773	\$60,671	12.8%
Local Government	2,386	2,379	-0.3%	\$33,560	\$34,452	2.7%
State Government	119	128	7.6%	\$44,087	\$48,130	9.2%
Total, All Industries	14,279	14,791	3.6%	\$43,881	\$44,564	1.6%

Source: CEDBR, BLS - QCEW



MEDIAN WAGES IN MONTGOMERY COUNTY 2022-2024

2022	2023	2024
\$14.80/hour	\$17.13/hour	\$17.74/hour
\$30,784 annually	\$35,630 annually	\$36,899 annually

*For comparison purposes,
the median wages
for Azure Sustainable Fuels
is \$28/hour or \$58,240 annually!*

#qualityjobs



Economic Impact

CVR Energy's **Coffeyville Refinery** is undergoing a major turnaround this spring. This turnaround project looks to bring **3,000+** workers to our community for several months.

Economic Impact:

- Increased demand for temporary home rentals, hotels & RV parks
- Increased traffic in our local restaurants, shopping centers, and event venues
- **Plan accordingly:** stock up on inventory, hire more waitstaff & clerks, expand hours



Economic Impact, *Cont'd*

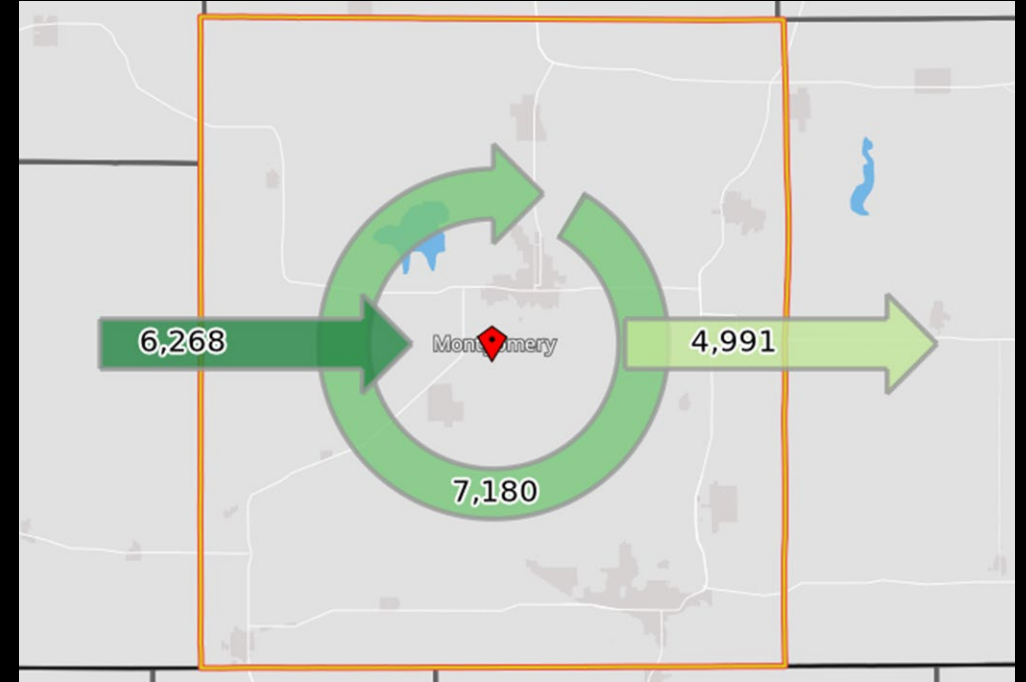
The Refinery turnaround workers began arriving in our area this month, with the peak # of 3,000 workers in town early to mid-March.

CVR 's Nitrogen Fertilizer Plant will begin a smaller turnaround this fall and they expect to bring **1,500+ workers** to our community in October 2025.



LABOR FORCE INFLOW, INTERNAL FLOW, AND OUTFLOW

- Left Arrow: **Inflow** – How many people live outside Montgomery County but commute into the county for work
- Center Circle: **Internal Flow** – How many people both live and work in Montgomery County
- Right Arrow: **Outflow** – How many people live in Montgomery County but commute out to work



Where Our Workers Live			Where Our Residents Work		
County	Count	Share	County	Count	Share
Montgomery County, KS	7,180	53.4%	Montgomery County, KS	7,180	59.0%
Labette County, KS	656	4.9%	Labette County, KS	629	5.2%
Washington County, OK	440	3.3%	Wilson County, KS	520	4.3%
Nowata County, OK	434	3.2%	Johnson County, KS	439	3.6%
Sedgwick County, KS	333	2.5%	Sedgwick County, KS	432	3.5%
Crawford County, KS	326	2.4%	Crawford County, KS	281	2.3%
Wilson County, KS	322	2.4%	Nowata County, OK	179	1.5%
Johnson County, KS	298	2.2%	Neosho County, KS	176	1.4%
Neosho County, KS	274	2.0%	Shawnee County, KS	173	1.4%
Cowley County, KS	241	1.8%	Washington County, OK	140	1.2%
All Other Locations	2,944	21.9%	All Other Locations	2,022	16.6%

Source: CEDBR, Census - LEHD 2022



A REGIONAL APPROACH ON HOUSING

City & County Leaders are taking a county-wide approach to increase our housing inventory:

- Single-family homes
 - New Construction
 - In-Fill Development
 - Renovations
- Multi-family units
- Adaptive Reuse
- Temporary Housing
- Down payment assistance



Quarterly Meetings & Newsletters



QUARTERLY UPDATE

WWW.ACTIONCOUNCIL.COM

Looking Back on 2024

There was a large turnout for the MCAC Quarterly Meeting on November 21 at the Independence Country Club. The meeting was sponsored by FirstOak Bank and featured a keynote from Matthew Godinez, Assistant Secretary for Quality Places and Kansas Department of Commerce. The meeting also included robust community updates from Montgomery County, Caney, Cherryvale, Coffeyville and Independence. We are grateful to all who attended and to all individuals and businesses who collaborate with us all year long to promote a thriving Montgomery County.



December 2024

Montgomery County Action Council
The Economic Development Agency
for Montgomery County

Save the date



Join us at an upcoming

LISTENING SESSION
Local Consult Project Scoring



Kansas Department of Transportation Listening Tour

Tuesday, December 10
1:30 - 3:30 p.m.
Pittsburg State Overman
Student Center - 302 East
Cleveland Avenue, Pittsburg, KS

Montgomery County Economic Outlook Conference

Wednesday, January 29
8:00 - 10:00 a.m.
Coffeyville Community College
Spencer Rounds Theatre -
400 W 11th St, Coffeyville, KS
REGISTRATION COMING SOON!



Let's Stay In Touch

Follow us on Facebook & LinkedIn at Montgomery County Action Council
Our website is full of great resources at www.actioncouncil.com



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