

Wichita Forecast Summary
Center for Economic Development and Business Research
Wichita State University

Employment in Wichita and the United States, as a whole, is poised to grow in 2011. As of November 2011, U.S. employment was 1.2 percent higher compared to November 2010. Wichita's employment was 0.8 percent higher for the same time period. The Center expects 2011 employment to grow 0.5 percent, for a gain of 1,477 jobs.

The Center for Economic Development and Business Research is forecasting a 0.6 percent increase in employment for 2012, for a total gain of 1,735 jobs. The 2012 forecast has been revised downward due to slower than expected national growth and continued unknowns in the local and global economy, including the closure of Boeing Wichita and the continued weakness in the Euro zone. Wichita's forecast for 2012 indicates a year of continued stabilization.

- Combined, production sector employment is expected to grow 0.4 percent in 2012.
 - Natural resources, mining and construction employment should demonstrate a more normal seasonal employment cycle.
 - Manufacturing is expected to regain footing, growing 0.2 percent in 2012 after declining 0.6 percent in 2011. That being said, on January 4, 2012, Boeing announced the closure of its Wichita facility. Boeing does not expect local suppliers to be adversely affected by the closure. Local job reductions are not expected to begin until third quarter 2012. The number and timing of job reductions has yet to be released.
- Job gains in the transportation and utility sector are expected to counteract job losses in both retail and wholesale trade, creating a 0.2 percent gain, or 75 jobs, in the trade, transportation and utilities sectors.
- The year-end employment numbers for the service sectors are expected to show growth of 0.9 percent in 2011 and are projected to grow another 0.9 percent in 2012. Information and financial activity sectors are expected to decline, for a combined loss of approximately 565 employees. Significant growth in professional business services of nearly 4 percent will help to offset the losses. In addition, modest growth is expected in other service sectors, leisure and hospitality sectors and the education and health services sector.
- Government employment is expected to increase by approximately 185 jobs in 2012. This sector is expected to grow as a result of stabilizing government budgets.

The WSU Current and Leading Indexes support the CEDBR forecast for 2012. The WSU Current Conditions Index started 2011 on an upward trend that lasted through the first seven months of 2011. In August, the Index declined, followed by growth in September, and then decline in

October. This uncertainty is expected throughout 2012 as the Wichita MSA economy continues to find footing. In all, the Index value gained 1.4 percent between January and October 2011.

The WSU Leading Economic Indicators Index has given us reason to be optimistic about the local economy through early 2012. Fourteen of the 15 months ending in June, the Leading Index increased, for a total gain of 13.8 percent. Only one of the nine Index indicators showed deterioration from the first half of 2010 to the first half of 2011. That was the inflation-adjusted value of residential building permits in Wichita, which declined 21.8 percent. Particularly encouraging was a 16.6 percent drop in the number of Kansas initial unemployment claims.

Wichita MSA Employment by Industry Summary*					
	2010 (a)	2011 (e)	2012 (f)	2011-2012 Level Change	2011-2012 Percent Change
Total Nonfarm	283,608	285,085	286,820	1,735	0.6%
Production Sectors	66,858	67,205	67,490	285	0.4%
Trade, Transportation & Utilities	49,050	49,385	49,460	75	0.2%
Service Sectors	125,892	127,085	128,275	1,190	0.9%
Government	41,808	41,410	41,595	185	0.4%
*Annual values are derived from average quarterly observations and projections.					
(a) actual (e) estimated (f) forecasted					