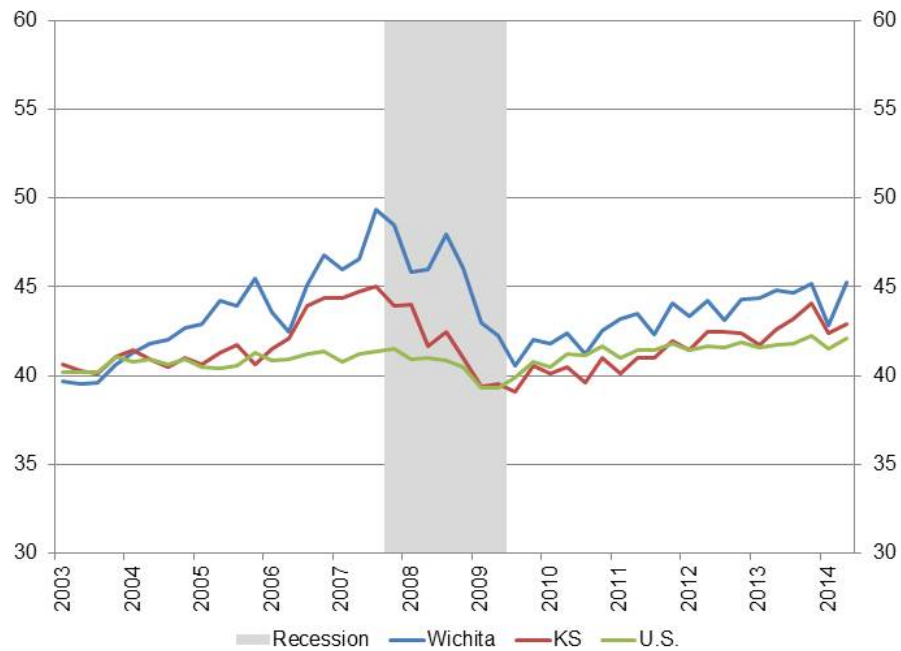


Average Weekly Hours Serve as Economic Indicator

Average Weekly Hours of Production Workers* in the U.S., Kansas and the Wichita MSA



*Data points are based on quarterly averages.

As a sensitive measure of labor demand, the average weekly hours of manufacturing workers¹ serve as an indicator in The Conference Board's² Leading Economic Index for the United States.

¹ Current Employment Statistics, U.S. Bureau of Labor Statistics.

In response to movements in corporate profits, manufacturer's orders, planned production schedules or other business-related activity, employers tend to increase or decrease hours worked before hiring or laying off employees. This strategy often occurs when the changes in the demand for labor are small or are expected to be temporary.

Average weekly hours of manufacturing workers is also an indicator in the WSU Current Conditions Index. The month-to-month variability of average weekly hours makes that measurement a useful tool when analyzing the current economy.

As would be expected, the chart above indicates that manufacturing employers cut back on overtime, reduced regular hours and/or shifted employment to part-time employees during the Great Recession. During the recovery, employers have reversed these trends, but the average number of weekly hours worked has not regained the pre-recession level in Kansas or Wichita.

With 53 percent of Wichita's manufacturing employment consisting of aerospace products and parts workers, and with that sector being particularly hard hit during the recession, Wichita's average weekly hours of production workers have been more volatile than those in Kansas and the United States, where the manufacturing industry is more diversified.

As we move forward, the average weekly hours of manufacturing employees will be worth watching, as both a current and leading indicator of the Wichita economy. The tendency toward volatility from month to month provides a snapshot of the current economy, while the movement of average weekly hours over several months will be important to consider in order to more accurately analyze economic trends.

² [The Conference Board](#) is a global, independent business membership and research association working in the public interest. Its mission is to provide the world's leading organizations with the practical knowledge they need to improve their performance and better serve society.