

2022 Kansas Employment Forecast

In 2020, average annual employment contracted by 4.6 percent relative to 2019. The sharpest decline was in the second quarter of 2020 with the onset of the novel coronavirus pandemic when employment decreased by 8.8 percent compared to the second quarter of 2019. More than 127,000 jobs were lost in the second quarter, but the economy began to rebound in the third quarter, recovering 53,300 jobs. That recovery has continued through the first half of 2021 as well, adding back an additional 19,500 jobs to the state economy in the last three quarters. Unemployment peaked at 12.6 percent in April 2020 but declined and remained below 4 percent by February 2021.

Employment growth is projected to continue in 2022 with the forecasted addition of 13,401 new jobs and a gain of 1 percent. Growth is expected to be the fastest in the first quarter of the year before leveling off in the second half. Though the economy will likely be more stable than in 2020, economic uncertainty remains elevated relative to pre-pandemic levels, with the possibility for additional spikes in novel coronavirus cases to potentially put a damper on the recovery and expansion. Tightness in both supply chains and labor markets could lead to minor disruptions having outsized effects on economic growth.

- Employment in the production sectors is projected to increase 1 percent, adding more than 2,300 jobs in the state. The construction sector is expected to have the highest growth in employment, expanding 1.9 percent as demand for housing continues to increase. The manufacturing industry is forecast to grow more modestly with an increase of 0.4 percent in the durable goods sector as the aerospace sector begins to recover from a difficult recession due to the curtailing of flights in 2020 caused by the novel coronavirus pandemic. The nondurable goods sector is expected to grow 0.9 percent after experiencing continued growth during the pandemic.
- Trade, transportation, and utilities sector employment is forecast to expand 0.8 percent, increasing by more than 22,00 jobs. The fastest growth is expected in the transportation and utilities sector, at 2.6 percent, as Kansas continues to grow as a logistics hub for the Midwest. The retail trade sector is projected to increase by 0.1 percent, following a forecasted 3.7 percent growth rate in 2021, bringing the industry close to pre-pandemic employment levels. The wholesale trade sector is expected to expand by 0.3 percent.
- The service sectors are projected to account for 62.8 percent of all job growth in Kansas in 2022, adding more than 8,400 jobs and expanding 1.3 percent. The leisure and hospitality sector was the hardest hit in 2020, contracting by 15 percent, and is expected to be the fastest-growing sector in 2021 and 2022, expanding 5 percent and 3.7 percent, respectively. The education and health services sector is forecast to gain almost 2,300 jobs, while professional and business services are projected to add more than 1,000.
- Government sector employment is expected to recover modestly after decreasing in both 2020 and 2021, adding back more than 400 jobs in 2022. Most of these jobs are expected to be added at the local level, while state and federal employment are forecast to remain relatively flat.

Kansas Employment by Industry Summary*

	2020 (a)	2021 (e)	2022 (f)	2021-2022 Level Change	2021-2022 Percent Change
Total Nonfarm	1,358,711	1,374,760	1,388,162	13,401	1.0%
Production Sectors	228,281	228,388	230,755	2,367	1.0%
Nat. Resources, Mining & Cons.	69,282	70,225	71,555	1,329	1.9%
Manufacturing	158,999	158,163	159,201	1,038	0.7%
Durable Goods	92,449	89,821	90,219	398	0.4%
Non-Durable Goods	66,549	68,342	68,982	640	0.9%
Trade, Transportation & Utilities	259,701	268,992	271,207	2,215	0.8%
Wholesale Trade	56,036	55,773	55,947	174	0.3%
Retail Trade	136,329	141,327	141,511	184	0.1%
Transportation & Utilities	67,336	71,892	73,749	1,857	2.6%
Service Sectors	619,825	628,696	637,109	8,413	1.3%
Information	16,890	16,900	17,153	253	1.5%
Financial Activities	76,991	75,499	76,058	559	0.7%
Professional & Business Services	169,093	172,345	173,363	1,018	0.6%
Education & Health Services	197,884	199,302	201,595	2,293	1.2%
Leisure & Hospitality	110,437	115,942	120,244	4,302	3.7%
Other Services	48,530	48,708	48,697	-12	0.0%
Government	250,905	248,683	249,090	407	0.2%

*Annual values are derived from average quarterly observations and projections.

(a) actual (e) estimated (f) forecasted

Source: CEDBR, BLS - CES

