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# 2013 Kansas Employment Forecast

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Nationally, the real GDP growth estimates for the fourth quarter of 2012 were the lowest since the first quarter of 2011, at 0.4 percent. This slower rate of economic activity was driven by significant decreases in government expenditures between the third and fourth quarters of 2012, a trend that is expected to continue into 2013. Additionally, the Bureau of Labor Statistics (BLS) has continued to correct and revise existing labor data. Nationally, and in the state of Kansas, employment grew at a modest 1.7 and 1.4 percent, respectively, in 2012. Wichita metropolitan area employment grew at a slower rate of 1.0 percent in 2012. The first two months of 2013 have shown employment growth at the national, state and local level of between 0.6 and 0.8 percent.

## Kansas Employment Forecast

Looking forward through 2013, Kansas state employment is forecasted to grow at a slightly faster rate than 2012, 1.8 percent. This will add nearly 24,000 jobs to the state economy over the year.

| <b>Kansas Employment by Industry Summary*</b> |                  |                  |                  |                           |                             |
|---|------------------|------------------|------------------|---------------------------|-----------------------------|
|   | 2011 (a)         | 2012 (a)         | 2013 (f)         | 2012-2013<br>Level Change | 2012-2013<br>Percent Change |
| <b>Total Nonfarm</b>                          | <b>1,339,717</b> | <b>1,357,767</b> | <b>1,381,561</b> | <b>23,794</b>             | <b>1.8%</b>                 |
| <b>Production Sectors</b>                     | <b>223,150</b>   | <b>228,025</b>   | <b>233,304</b>   | <b>5,279</b>              | <b>2.3%</b>                 |
| <b>Trade, Transportation &amp; Utilities</b>  | <b>254,900</b>   | <b>257,158</b>   | <b>259,813</b>   | <b>2,655</b>              | <b>1.0%</b>                 |
| <b>Service Sectors</b>                        | <b>601,808</b>   | <b>613,617</b>   | <b>626,944</b>   | <b>13,327</b>             | <b>2.2%</b>                 |
| <b>Government</b>                             | <b>259,858</b>   | <b>258,967</b>   | <b>261,500</b>   | <b>2,533</b>              | <b>1.0%</b>                 |

\*Annual values are derived from average quarterly observations and projections.  
(a) actual (f) forecasted

- The 2.3 percent growth in production sector employment will primarily be driven by growth in natural resources, mining and construction. Manufacturing employment is projected to grow at a rate of less than 1.0 percent, with the majority of that growth being in non-durable goods manufacturing.
- Transportation and utilities employment will account for much of the 1.0 percent growth in the trade, transportation and utilities sector. Wholesale and retail trade employment is projected to remain flat, or increase slightly, over the remainder of the year.
- The service sectors are forecasted to increase 2.2 percent in 2013. Professional and business services are expected to continue to exhibit strong growth, adding more than 6,500 jobs to the state economy by year end. Leisure and hospitality employment is projected to decline slightly over the coming months. All other service sector employment will grow at a rate between 1.0 percent and 3.0 percent.
- Federal, state and local government employment is expected to increase by approximately 2,533 jobs in 2013. This sector is expected to be turbulent as government budget shortfalls are rectified. Without knowing actual budget cuts, this forecast is tentative.