



2019 Kansas Employment Forecast

October 2018

Kansas total nonfarm employment declined by approximately 500 workers in 2017, a 0.1 percent decline from 2016, due to weak employment growth in most sectors and declines in the construction and retail sectors. Despite the employment decline, the Kansas unemployment rate continued its post-2010 decline, reaching a new low of 3.6 percent, its lowest value since 1999. Nationally, employment grew more robustly at 1.6 percent in 2017, and the national unemployment rate declined to 4.4 percent from 4.9 percent in 2016.

In Kansas, growth is expected to resume in 2018 with a 1.3 percent expansion in overall employment, which will add more than 17,000 new jobs to the economy. That growth pattern is expected to continue into 2019 as employment grows at 1 percent, adding almost 14,000 jobs statewide.

- The production sector is forecast to return to more robust growth in 2019 with 1.2 percent growth, after remaining flat in 2017. The manufacturing sector was one of the bright spots in the 2017 Kansas economy, adding over 1,000 jobs. That trend is projected to continue with 0.5 percent growth in 2019, which will add almost 800 new jobs to the sector.
The natural resources and construction sector has declined by an average of 1,000 jobs in each of the past three years from 2015 to 2017, but in 2018 the sector is projected to grow 0.4 percent, followed by 3 percent growth in 2019, based on positive indicators in both the housing and the commercial real estate markets.
- The trade, transportation, and utilities sector is expected to grow at 0.9 percent in 2019, adding more than 2,300 new jobs. In recent years employment in the sector has shifted away from retail trade and into the transportation and warehousing sector. This is in part a reflection of continued weakness in taxable retail sales in Kansas, which declined 2.4 percent on an inflation-adjusted basis in 2017, and also a reflection of Kansas' growing importance as a transportation hub to the Midwest.
While retail trade is forecast to grow 0.6 percent for 2019, the transportation, warehousing and utilities subsector is projected to grow 1.9 percent and add more than 1,200 jobs. The wholesale trade sector is forecast to grow 0.4 percent, reversing some of the modest job losses the sector has expected since 2016.

- The service sectors are projected to lead employment growth for 2019, with a 1.3 percent expansion and more than 8,500 jobs added. More than half of the total services employment growth is forecast to be in the professional and business services sector and the education and

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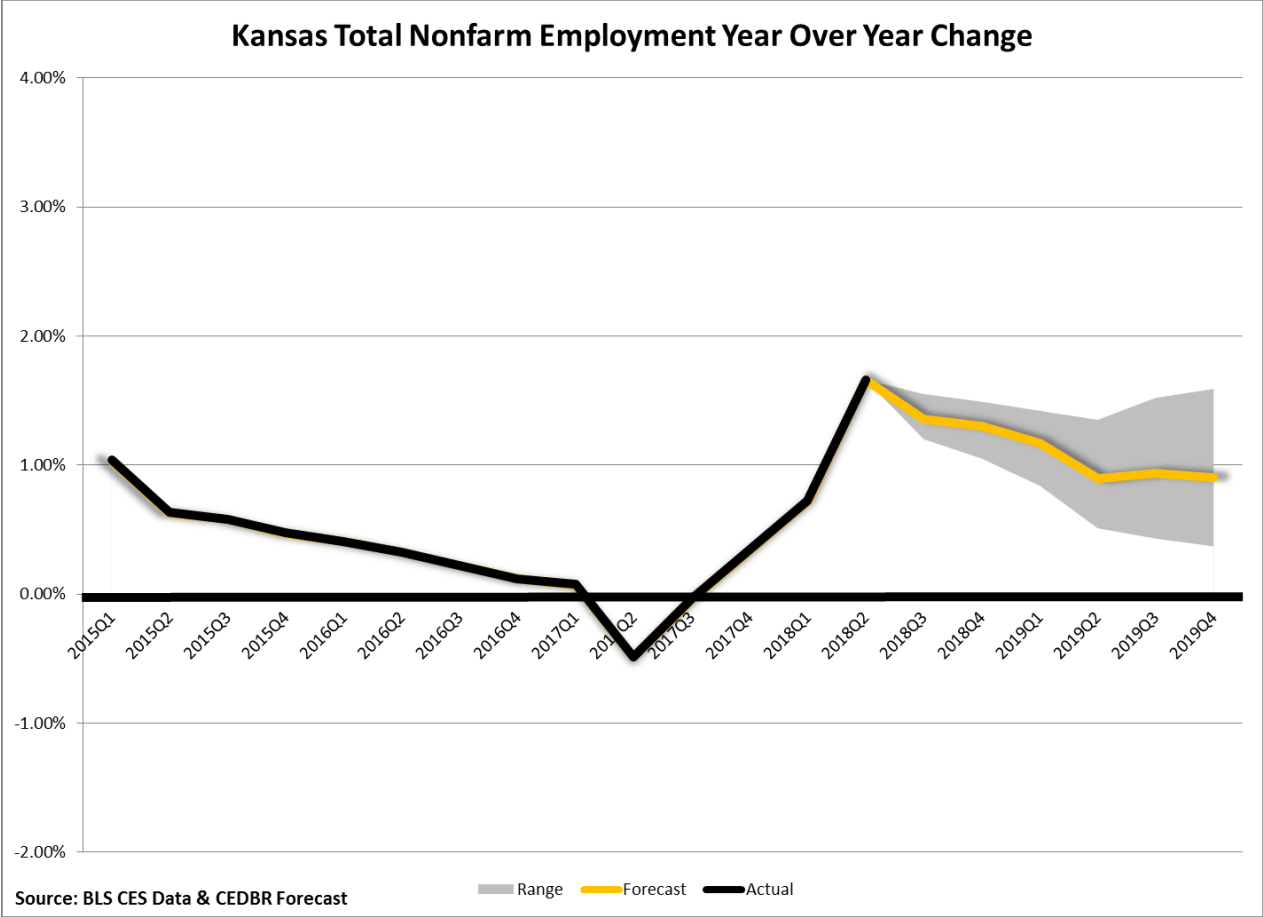
health services sector. Professional and business services employment is expected to increase by more than 3,300 jobs, growing 1.8 percent as the fastest growing service sector in Kansas. Education and health services are projected to recover from a slow-growth 2017 and add more than 2,400 jobs in 2019.

The leisure and hospitality sector and financial activities sector are each expected to add more than 1,000 jobs, while the other services sector and information sector are each projected to decline by less than 300 jobs.

- Employment in Kansas' governmental sector is forecast to increase by more than 100 jobs in 2019, growing 0.1 percent. This growth is expected to primarily be in the local government sector, which comprises the bulk of governmental employment in the state, while state and federal government employment remain relatively flat.

Nationally, real GDP grew 2.8 percent from the second quarter of 2017 to the second quarter of 2018, which was primarily driven by increases in personal consumption expenditures and private investment. National employment increased by 1.6 percent from August 2017 to August 2018.

Kansas Employment by Industry Summary*					
	2017 (a)	2018 (e)	2019 (f)	2018-2019 Level Change	2018-2019 Percent Change
Total Nonfarm	1,403,661	1,421,344	1,435,234	13,891	1.0%
Production Sectors	228,653	230,898	233,723	2,826	1.2%
Trade, Transportation & Utilities	267,643	271,028	273,388	2,360	0.9%
Service Sectors	651,073	661,509	670,075	8,566	1.3%
Government	256,292	257,909	258,049	140	0.1%
*Annual values are derived from average quarterly observations and projections. (a) actual (e) estimated (f) forecasted Source: Bureau of Labor Statistics data & Wichita State University CEDBR forecast					



The Center for Economic Development and Business Research can provide detailed industry, wage, retail, and other customized forecasts upon request. Contact Jeremy Hill at 316-213-3673 for costs and availability.