



2020 Kansas City Employment Forecast

October 2019

Total nonfarm employment in the Kansas City, MO-KS, metropolitan area¹ grew by 1.1 percent in 2018, adding 11,800 new jobs. While this growth outpaced both the Kansas and Missouri state averages for employment growth, it still represented slower growth than the Kansas City area experienced from 2013 to 2017, when the area averaged 2 percent. With the continued employment growth, the unemployment rate declined in 2018 to 3.4 percent, its lowest level since 2000.

In 2019, growth is expected to increase to 1.4 percent and the economy is projected to add more than 15,000 jobs. For 2020, employment is forecast to slow modestly to 0.9 percent as recessionary fears mount and a tight job market limits the upper end of growth, with the expected range of growth ranging from 0.2 percent to 1.5 percent.

- Production sector employment is forecast to grow 0.7 percent in 2020, with the construction sector leading growth at 2.3 percent. Though still robust, this forecast of construction sector growth is substantially lower than the 2012 to 2017 average, when the construction sector grew by an average of more than 5 percent annually. The manufacturing sector is projected to decline by approximately 200 jobs, partially offsetting the almost 1,200 jobs projected to be gained in the construction sector, so the overall growth in the production sector is expected to be just under 1,000 jobs.
- The trade, transportation and utilities sector is projected to add almost 1,400 jobs in 2020, growing 0.6 percent. The growth is expected to primarily be in the transportation, warehousing and utilities sector, which added an average of approximately 2,000 jobs annually from 2013 to 2018. The retail trade sector declined by 600 jobs in 2018, and employment growth in the sector is expected to flatten in 2020 as taxable retail sales improve modestly.
- Employment in the service sector is projected to increase by 1.2 percent in 2020, comprising more than 70 percent of total employment growth in the Kansas City area. While this is modestly slower growth than the area has experienced in recent years, the professional and business services sector and education and health sector are still projected to grow

¹ The Kansas City, MO-KS, metropolitan area includes Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte and Ray counties in Missouri and Johnson, Leavenworth, Linn, Miami, and Wyandotte counties in Kansas.

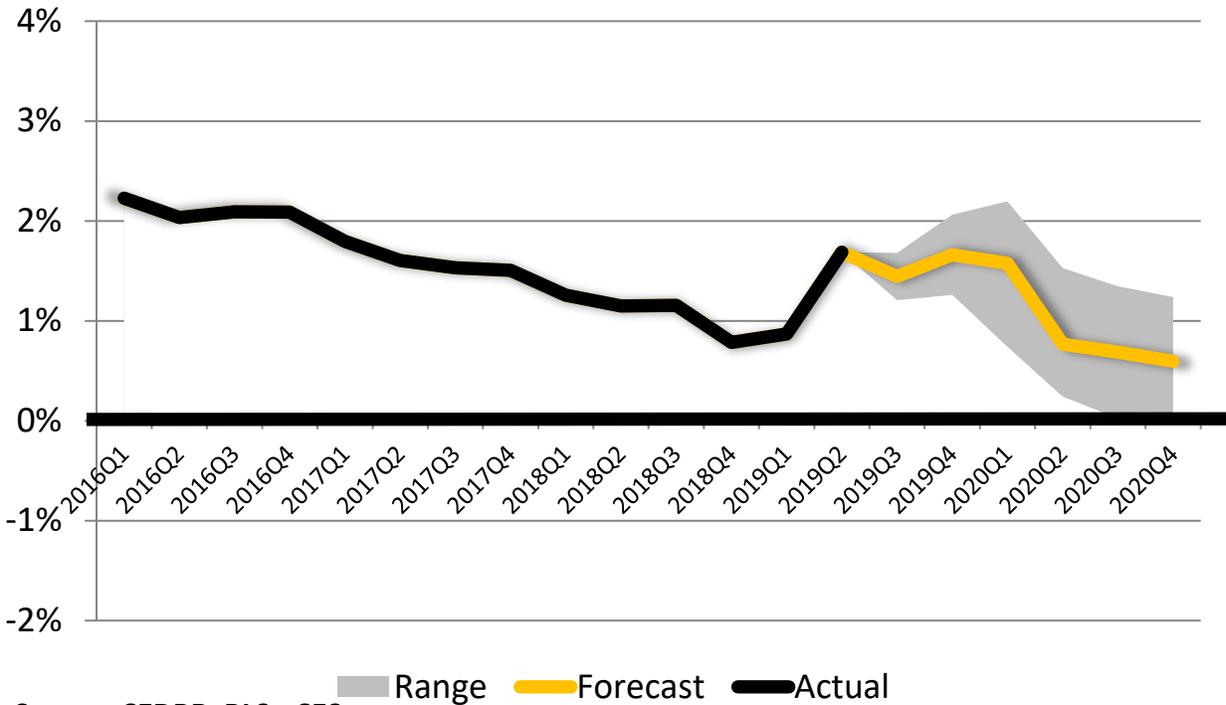
substantially. The information sector, which has declined by more than 1,000 jobs in four of the past five years, is projected to experience a lower level of job losses than in recent years.

- Government sector employment is forecast to increase 0.4 percent in 2020, adding more than 600 jobs to the Kansas City area. The local government sector, which comprises 72 percent of total governmental employment in the area, is expected to account for the bulk of the growth. Both state and federal government sector employment are each projected to grow by fewer than 100 jobs.

Nationally, real GDP grew 2 percent in the second quarter of 2019. This was led by a 4.7 percent growth in consumption and 4.5 percent growth in government expenditures. Private investment declined by 6.1 percent on an annual basis, while exports also declined 5.8 percent.

Kansas City Employment by Industry Summary*					
	2018 (a)	2019 (e)	2020 (f)	2019-2020 Level Change	2019-2020 Percent Change
Total Nonfarm	1,096,443	1,111,965	1,122,020	10,055	0.9%
Production Sectors	126,456	129,308	130,253	945	0.7%
Nat. Resources, Mining & Cons.	49,605	50,732	51,886	1,153	2.3%
Manufacturing	76,851	78,576	78,367	-209	-0.3%
Trade, Transportation & Utilities	216,569	216,029	217,387	1,357	0.6%
Service Sectors	599,396	608,101	615,233	7,132	1.2%
Government	154,022	158,527	159,148	621	0.4%
*Annual values are derived from average quarterly observations and projections. (a) actual (e) estimated (f) forecasted Source: CEDBR, BLS - CES					

Kansas City Total Nonfarm Employment Growth



Source: CEDBR, BLS - CES

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.