



2020 Wichita Employment Forecast

October 2019

Total nonfarm employment in the Wichita metropolitan area¹ grew 1.2 percent in 2018, with 3,500 new jobs created to bring the area's employment to 298,600 workers. This was a turnaround after Wichita's total employment declined by 2,200 jobs in 2017. Wichita's unemployment rate declined for the eighth straight year in 2018 to 3.7 percent, the area's lowest unemployment rate in the 21st century.

Employment growth is projected to continue for the area through 2019, expanding the workforce by 1.3 percent. For 2020, growth is expected to be more modest, as the Wichita economy is projected to add approximately 1,600 new jobs and grow 0.5 percent. The projected range of growth for Wichita's employment is between 0.1 and 1 percent for 2020, as continued national growth would continue to fuel local growth, but a national or global recession could adversely affect Wichita's export-oriented industries, such as manufacturing.

- The production sectors' employment growth is projected to slow in 2020 to 0.6 percent after robust 3.4 percent growth in 2018, largely due to uncertainty and increased recessionary risk at the national level, as well as the potential for a slowing pace of hiring in the aerospace industry. Employment in the natural resources and construction industry is projected to grow 0.9 percent while manufacturing employment is forecast to increase 0.5 percent.
- The trade, transportation, and utilities sector is projected to experience 0.2 percent employment growth in 2020. This would add approximately 100 jobs to the sector, following job losses in the sector in 2017 and 2018, primarily in the retail trade sector. In part, this is expected due to a flattening of growth of inflation-adjusted retail sales, which declined 3.5 percent on an inflation-adjusted basis in 2017. If a softening economy causes a continued decline in retail sales, then more job losses in retail trade would be likely.
- The service sector is forecast to grow 0.6 percent and add almost 900 jobs in Wichita, providing approximately half of the overall job growth in the area. This growth is expected to be concentrated in leisure and hospitality services, professional and business services, and education and health care, while modest job losses are expected in the information and the financial activities sectors. Overall, service employment growth is expected to be muted in 2020 relative to 2018, when the service sector grew 0.8 percent, and relative to the 2012 to 2016 period, when service sector growth averaged 1.6 percent.
- Employment in the government sector is forecast to increase 0.5 percent, adding approximately 200 jobs. The growth is expected to be split between the local and state government sectors, with each adding approximately 100 jobs, while the federal government sector remains flat.

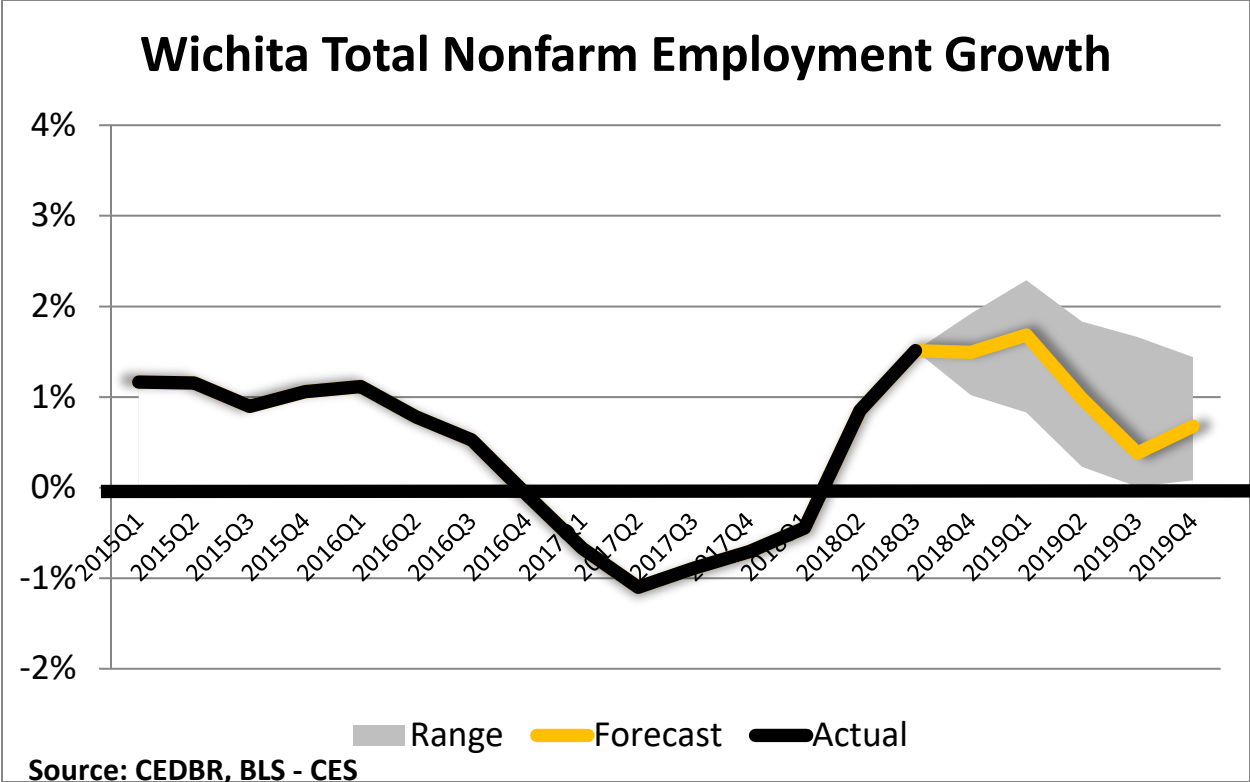
¹ The Wichita metropolitan consists of Sedgwick, Butler, Harvey, Kingman, and Sumner counties.

CEDBR, Wichita State University, Campus Box #121, 1845 Fairmount St., Wichita, KS 67260-0121

Telephone: (316) 978-3225 Fax: (316) 978-3950 www.cedbr.org

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.

| Wichita Employment by Industry Summary* | | | | | |
|--|----------------|----------------|----------------|------------------------------|--------------------------------|
| | 2018 (a) | 2019 (e) | 2020 (f) | 2019-2020 Level Change | 2019-2020 Percent Change |
| Total Nonfarm | 298,655 | 302,603 | 304,241 | 1,638 | 0.5% |
| Production Sectors | 70,238 | 71,959 | 72,405 | 445 | 0.6% |
| Nat Resources, Mining & Cons. | 16,713 | 17,138 | 17,294 | 155 | 0.9% |
| Manufacturing | 53,525 | 54,821 | 55,111 | 290 | 0.5% |
| Trade, Transportation & Utilities | 50,572 | 50,309 | 50,422 | 113 | 0.2% |
| Service Sectors | 136,208 | 138,554 | 139,425 | 870 | 0.6% |
| Information | 14,658 | 14,615 | 14,602 | -12 | -0.1% |
| Financial Activities | 11,198 | 11,246 | 11,202 | -44 | -0.4% |
| Professional & Business Services | 33,165 | 34,785 | 35,050 | 264 | 0.8% |
| Education & Health Services | 44,517 | 44,704 | 44,868 | 164 | 0.4% |
| Leisure & Hospitality & Other | 32,670 | 33,205 | 33,703 | 499 | 1.5% |
| Government | 41,637 | 41,780 | 41,990 | 210 | 0.5% |
| *Annual values are derived from average quarterly observations and projections. (a) actual (e) estimated (f) forecasted 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.