



2020 Wichita Employment Forecast

May 2020

In 2019, total nonfarm employment in the Wichita metropolitan area¹ grew 1.8 percent, adding 5,500 jobs in its fastest growth since 2007. For 2020, those gains are expected to be lost as the Wichita economy contracts sharply from the impact of the novel coronavirus. The Wichita economy is forecast to have the largest downturn in the state of Kansas due to the region's large concentration of aerospace manufacturers, which will be affected both by the novel coronavirus' effects on air travel as well as the Boeing 737 Max production freeze in January 2020. U.S. gross domestic product declined 4.8 percent in the first quarter of 2020 as the first effects of the novel coronavirus were felt in March, and the effects are expected to be much larger through the remainder of the year.

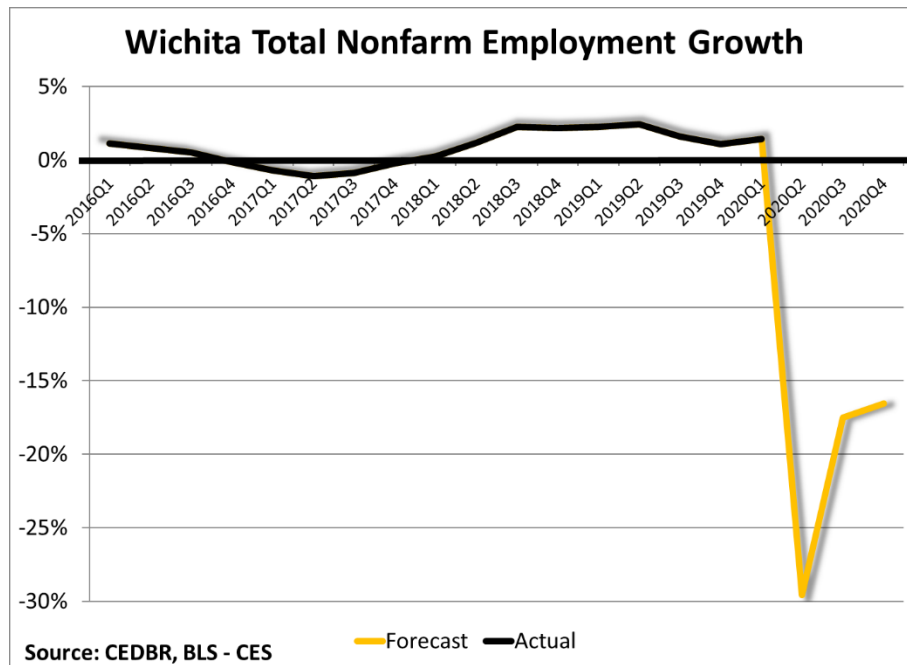
In 2020, employment in the Wichita area is expected to decline 14.6 percent, a contraction of more than 44,000 jobs, which would be a decline almost twice as large as the job losses in the last recession from 2008 to 2010. The job losses are expected to be concentrated in the second quarter, following by an employment recovery in the third and fourth quarters of the year. These projections are based on the assumption that the novel coronavirus infections peak in the second quarter of 2020 at a level manageable for the local health care system, and that additional stay-at-home orders are not required to combat the virus after the initial stay-at-home orders expire in May. Additional outbreaks and stay-at-home orders would further reduce the employment outlook beyond what is presented here.

- Employment in the production sectors is projected to shrink by 23.2 percent. The durable goods manufacturing sector is expected to contract 28.8 percent, losing more than 13,000 jobs and comprising almost a third of total job losses in the Wichita area. Wichita's durable goods industry is expected to have a slower recovery and likely to have continued job losses in the third and fourth quarters of 2020 as aerospace manufacturers adapt to reduced demand for air transportation. The nondurable manufacturing sector is forecast to experience a more modest contraction, with employment declining by 10.9 percent, while the natural resources and construction sector is expected to decline by 13.6 percent.
- The trade, transportation, and utilities sector is forecast to decline 14.3 percent, with the largest losses in retail trade. More than 5,000 retail trade jobs are expected to be lost, a contraction of 16.2 percent in the sector. The wholesale trade sector and the transportation and utilities sector are each projected to decline by approximately 1,000 jobs.
- The service sectors are projected to decline by 14.1 percent, comprising more than two-fifths of all jobs projected to be lost. The leisure and hospitality sector is expected to decline by more

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

than 10,000 jobs, a 30.6 percent of the sector and half of projected service sector job losses. Other service sectors are expected to contract by 8 to 10 percent, with the information sector having the second-fastest contraction at 10.8 percent. The professional and business services sector and the education and health services sector are forecast to decline by approximately 3,000 and 4,000 jobs, respectively.

- The government sector is expected to decline 1.8 percent, with the bulk of the decline concentrated in the local government sector. No government sector is expected to add jobs in 2020, and overall the sector is projected to decline by fewer than 1,000 jobs.



Wichita Employment by Industry Summary*					
	2018 (a)	2019 (e)	2020 (f)	2019-2020 Level Change	2019-2020 Percent Change
Total Nonfarm	299,524	305,047	260,586	-44,461	-14.6%
Production Sectors	68,993	71,671	55,022	-16,650	-23.2%
Natural Resources, Mining & Cons	16,618	16,672	14,404	-2,269	-13.6%
Manufacturing	52,374	54,999	40,618	-14,381	-26.1%
Durable Goods	44,783	46,816	33,328	-13,488	-28.8%
Non-Durable Goods	7,592	8,183	7,290	-893	-10.9%
Trade, Transportation & Utilities	50,697	50,355	43,173	-7,182	-14.3%
Wholesale Trade	8,725	8,758	7,764	-995	-11.4%
Retail Trade	32,389	31,563	26,440	-5,123	-16.2%
Transportation & Utilities	9,583	10,034	8,969	-1,064	-10.6%
Service Sectors	138,260	141,248	121,373	-19,875	-14.1%
Information	4,150	3,908	3,486	-423	-10.8%
Financial Activities	11,355	11,665	10,542	-1,123	-9.6%
Professional & Business Services	34,705	35,266	32,196	-3,070	-8.7%
Education & Health Services	45,024	46,552	42,488	-4,064	-8.7%
Leisure & Hospitality	32,595	33,093	22,955	-10,138	-30.6%
Other Services	10,431	10,764	9,707	-1,056	-9.8%
Government	41,575	41,772	41,018	-754	-1.8%
*Annual values are derived from average quarterly observations and projections. (a) actual (e) estimated (f) forecasted Source: CEDBR, BLS - CES					