

2021 Kansas City Employment Forecast

Total employment in the Kansas City, MO-KS, metropolitan area¹ grew 0.8 percent in 2019 with the addition of 8,500 workers, while the unemployment rate reached 3.3 percent, the lowest level for the metro area in twenty years. Employment decreased by 99,600 jobs in the second quarter of 2020 during the outbreak of the novel coronavirus, followed by a recovery in the third quarter of 49,400 jobs. The unemployment rate remained elevated at 6.6 percent in the third quarter.

The recovery is expected to continue at a slower pace in the fourth quarter of 2020 and into 2021. The average expected growth for 2021 is forecast to be 1.3 percent, adding more than 14,100 jobs to the local economy but still more than 32,000 jobs below its 2019 peak. The exact pace of the local recovery is especially uncertain due to both the rollout of the coronavirus vaccine in 2021 as well as uncertainty at the national and international macroeconomic level. If the national recovery and vaccine rollout are at the upper end of expectations, employment growth expectations would increase to 1.7 percent, while the lower end of national expectations would reduce employment growth expectations to 1 percent.

- Employment in the production sectors is expected to grow 1.1 percent, adding more than 1,400 jobs. The growth is projected to be broad-based, with both the construction and manufacturing sectors growing by 1 percent or more. The construction sector grew even through the novel coronavirus outbreak in 2020, and growth is expected to slow modestly in the sector in 2021. The manufacturing sector is projected to remain below its 2019 peak even after adding more than 700 jobs in 2021.
- Trade, transportation, and utilities sector employment is projected to recover by 1.5 percent, adding back more than 3,300 of the 4,100 jobs lost in 2020. The retail trade sector is expected to lead the recovery with 2.8 percent growth, adding more than 3,000 jobs, while the transportation and utilities sector is forecast to grow 1.3 percent. Employment in the wholesale trade sector is expected to decline by 0.9 percent.
- The service sectors are forecast to increase by 1.5 percent and account for the majority of the area's employment increase in 2021. The leisure and hospitality sector was the hardest hit in the coronavirus recession and is expected to have the largest recovery at 4.6 percent growth. The professional and business services sector and the education and health services sector are each projected to grow by more than 1 percent, collectively adding more than 4,000 jobs. The information sector is the only service sector forecast to decline in employment in 2021, with an expected contraction of almost 800 workers.
- The government sector is expected to grow 0.6 percent, adding almost 900 jobs. This growth is forecast to be concentrated in local and federal government employment, while state government employment is projected to contract modestly.

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.

Kansas City Employment by Industry Summary*

	2019 (a)	2020 (e)	2021 (f)	2020-2021 Level Change	2020-2021 Percent Change
Total Nonfarm	1,095,990	1,053,413	1,067,557	14,145	1.3%
Production Sectors	130,525	130,479	131,963	1,484	1.1%
Nat. Resources, Mining & Cons.	52,879	55,685	56,402	718	1.3%
Manufacturing	77,646	74,794	75,561	767	1.0%
Trade, Transportation & Utilities	218,601	214,557	217,879	3,322	1.5%
Wholesale Trade	52,041	50,381	49,908	-473	-0.9%
Retail Trade	110,014	108,362	111,419	3,057	2.8%
Transportation & Utilities	56,547	55,814	56,553	739	1.3%
Service Sectors	598,382	559,980	568,419	8,439	1.5%
Information	16,101	15,128	14,337	-791	-5.2%
Financial Activities	78,734	75,922	76,240	317	0.4%
Professional & Business Services	191,856	184,904	186,738	1,834	1.0%
Education & Health Services	156,649	151,762	153,884	2,123	1.4%
Leisure & Hospitality	112,227	91,035	95,243	4,209	4.6%
Other Services	42,814	41,230	41,977	747	1.8%
Government	148,482	148,397	149,296	899	0.6%

*Annual values are derived from average quarterly observations and projections.

(a) actual (e) estimated (f) forecasted

Source: CEDBR, BLS - CES

