

2021 Kansas Employment Forecast

Total employment in Kansas increased to 1,423,200 workers in 2019, with 0.5 percent growth, as unemployment declined 3.2 percent, its lowest level since 1978. Nine consecutive years of declines in unemployment ended in the second quarter of 2020, as employment fell 8 percent in the second quarter of 2020. This was the single largest one-quarter employment contraction in state history, with a reduction in employment of more than 113,000 workers. The unemployment rate rose from 2.9 percent in March 2020 to 11.9 percent in April 2020. In the third quarter of 2020, employment began to rebound, adding more than 45,000 jobs while the unemployment rate declined to 6.7 percent.

Employment is expected to recover more modestly in the fourth quarter of 2020 and into 2021. Economic uncertainty will remain high statewide in 2021 until the vaccine to the novel coronavirus is administered to the full population, leading to expectations of muted economic recovery throughout the year. The economy remains especially vulnerable to downside risks during uncertain times, and macroeconomic conditions will likely continue to be more volatile than normal even after the vaccine is introduced. Kansas' average employment increase is projected to be 0.7 percent in 2021, adding almost 10,000 jobs. This growth, plus the third and fourth quarter growth in 2020, would recover approximately half of the employment lost during the initial outbreak of the novel coronavirus. A faster than expected national recovery could boost Kansas' growth to a projected 1 percent, while a sluggish national recovery could reduce Kansas' growth in half to 0.4 percent.

- Kansas' production sectors are forecast to decline in employment by 0.2 percent in 2021. The construction sector, which remained robust in 2020, is expected to grow 1 percent and exceed its 2019 peak. In the manufacturing sector, nondurable goods employment is projected to grow 1.6 percent, but this is expected to be more than offset by a decline of 2.5 percent in the durable goods sector. Kansas' durable goods sector is especially vulnerable to slow national macroeconomic conditions due to its high concentration in the aerospace industry, which is expected to continue to struggle as civilian aircraft demand remains low.
- Trade, transportation, and utilities employment is projected to expand 1.4 percent, adding more than 3,700 jobs. The retail trade sector is forecast to recover its 2020 losses with 1.8 percent growth, while the wholesale trade sector is projected to decline modestly. The transportation and utilities sector is expected to be the leader for the industry, growing 2.4 percent and expanding well beyond its 2019 levels as Kansas becomes a more important distribution hub in Midwestern and national logistics networks.
- The service sector had the sharpest contraction during the outbreak of the novel coronavirus and is projected to lead the recovery in 2021, growing 1.6 percent and adding almost 10,000 jobs. The leisure and hospitality sector is projected to grow 4.7 percent, the fastest growth of any single sector in Kansas after declining by more than 13 percent in 2020. The other service sector bright spot is expected to be the education and health services, which is expected to recover all but 2,000 of the 6,200 jobs it lost in 2020. The professional and business service sector and other service sector are both projected to add between 800 and 1,100 jobs in 2021, while the information and financial activities sectors are expected to continue to decline in employment.
- The government sector is forecast to contract by approximately 1.7 percent, a decline of more than 4,100 workers. The contraction is projected to be most severe in the local and state government sectors due to projected revenue reductions from retail sales taxes and other revenue sources.

Kansas Employment by Industry Summary*					
	2019 (a)	2020 (e)	2021 (f)	2020-2021 Level Change	2020-2021 Percent Change
Total Nonfarm	1,422,979	1,369,229	1,378,315	9,087	0.7%
Production Sectors	237,381	230,075	229,608	-467	-0.2%
Nat. Resources, Mining & Cons.	70,249	70,068	70,764	696	1.0%
Manufacturing	167,133	160,007	158,844	-1,163	-0.7%
Durable Goods	99,750	91,943	89,685	-2,259	-2.5%
Non-Durable Goods	67,383	68,064	69,159	1,095	1.6%
Trade, Transportation & Utilities	267,034	264,824	268,592	3,768	1.4%
Wholesale Trade	58,052	56,050	55,669	-381	-0.7%
Retail Trade	142,080	140,351	142,886	2,535	1.8%
Transportation & Utilities	66,902	68,423	70,037	1,614	2.4%
Service Sectors	658,576	622,511	632,462	9,951	1.6%
Information	18,132	16,618	15,674	-943	-5.7%
Financial Activities	77,321	75,695	75,084	-611	-0.8%
Professional & Business Services	178,971	173,195	174,242	1,047	0.6%
Education & Health Services	202,001	195,842	200,148	4,306	2.2%
Leisure & Hospitality	130,456	113,344	118,677	5,334	4.7%
Other Services	51,695	47,817	48,635	819	1.7%
Government	259,988	251,818	247,654	-4,165	-1.7%

*Annual values are derived from average quarterly observations and projections.
(a) actual (e) estimated (f) forecasted
Source: CEDBR, BLS - CES

