

2021 Wichita Employment Forecast

Average annual employment in the Wichita metropolitan area¹ contracted by 6 percent in 2020, declining by more than 18,000 workers. Employment fell by approximately 35,000 workers in the second quarter of 2020, the single largest one-quarter employment decline in the area's history. The area's employment grew sharply in the third quarter, adding back more than 13,000 workers, before flattening in the fourth quarter of 2020 and the first quarter of 2021. At a twenty-year low of 3 percent in the fourth quarter of 2019, the unemployment rate increased to 19 percent in April 2020 before declining back to 5.3 percent by March 2021.

The recovery is projected to resume in 2021, with employment expected to increase by 3.1 percent from the fourth quarter of 2020 to the fourth quarter of 2021. Growth is expected to accelerate throughout 2021 as more sectors of the economy are able to return to normal due to increased vaccinations and declining levels of the novel coronavirus in the area. The Wichita economy will remain especially vulnerable to downside risks during the recovery, such as additional disruptions to the already fragile aerospace manufacturing industry or additional coronavirus mutations that could cause further social distancing to be required.

- The production sectors are forecast to grow their employment by 2.8 percent from the fourth quarter of 2020 to the fourth quarter of 2021 after declining by 11.8 percent in 2020. The construction sector is expected to grow 3.2 percent, exceeding its pre-pandemic employment peak by the fourth quarter of 2021 as the demand for residential construction remains high in the area. The durable goods manufacturing sector is projected to grow 2.8 percent through the fourth quarter as the demand for commercial aircraft begins to resume.
- The trade, transportation, and utilities sector is forecast to be Wichita's fastest-growing in 2021, expanding 4.2 percent from the fourth quarter of 2020 to the fourth quarter of 2021. The wholesale trade is forecast to grow 6.7 percent, while retail trade employment is expected to grow 4.5 percent as retail sales in the area regain some of their 2020 declines. Both sectors are projected to recover significantly from their 2020 job losses but remain modestly below their pre-pandemic employment peaks.
- Employment in the service sector is projected to grow 3.2 percent from the fourth quarter of 2020 to the fourth quarter of 2021, erasing much of the 4.6 percent decline in 2020. The leisure and hospitality sector is expected to see the largest jump in employment, expanding 6.8 percent, due to restaurant and travel activity reaching near-normal levels later in 2021. The financial activities sector and the professional and business services sector are projected to grow 3 and 4 percent by the fourth quarter of 2021, respectively, returning to near their pre-pandemic peak employment. The health care sector is expected to have the slowest growing service sector, expanding by only 0.6 percent by the fourth quarter of 2021, after experiencing one of the smallest service sector declines in 2020, contracting 1.1 percent.
- Wichita's government sector is projected to increase its employment by 1.8 percent from the fourth quarter of 2020 to the fourth quarter of 2021 after declining by almost 3 percent in 2020. Local government employment is expected to grow 2.6 percent, adding more than 700 jobs.

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

Wichita Employment by Industry Summary*					
	2019 (a)	2020 (e)	2021 (f)	2020-2021 Level Change	2020-2021 Percent Change
Total Nonfarm	306,028	287,555	289,219	1,664	0.6%
Production Sectors	71,799	63,323	61,731	-1,592	-2.5%
Trade, Transportation & Utilities	50,587	48,346	48,859	513	1.1%
Service Sectors	141,722	135,188	138,262	3,074	2.3%
Government	41,919	40,697	40,366	-331	-0.8%

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

Wichita Employment by Industry Summary*					
	2020Q4 (a)	2021Q1 (e)	2021Q2 (f)	2021Q3 (f)	2021Q4 (f)
Total Nonfarm	284,127	285,960	287,989	290,081	292,846
Production Sectors	61,030	60,819	61,371	62,010	62,725
Trade, Transportation & Utilities	47,594	48,100	48,583	49,150	49,604
Service Sectors	135,378	137,016	137,852	138,504	139,677
Government	40,125	40,024	40,183	40,417	40,839

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

