

Kansas Economic Outlook
Center for Economic Development and Business Research
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The national economic recovery has begun to take hold and is accelerating. Gross domestic product is expected to grow 3 percent in fourth quarter 2011 and 2.6 percent in 2012.ⁱ Year-over-year average annual employment grew 1 percent in November 2011, and modest gains are expected in 2012. In addition, the December 2011 seasonally adjusted employment report released on January 4, 2012, indicated much stronger growth than expected, with 200,000 jobs added. The national unemployment rate fell to 8.5 percent in December 2011, its lowest rate since February 2009.ⁱⁱ At the same time, political uncertainty and the Euro zone woes continue to stress the U.S. economy.

Creighton University's Business Conditions Index for Kansas was unstable throughout 2011. In January 2011, the index was 53.2. The Index remained above 50, indicating economic growth, until August when the index fell more than 10 points to 43.6. After August, the Index made upward progress, reaching 50.9 in November. In December 2011, the index stumbled to 50.1. The Kansas index signifies weak growth, especially in the first six months of the year, due to the state's dependence on global markets.ⁱⁱⁱ

The Kansas unemployment rate was 6 percent in November 2011. This continues the general decline in unemployment rates since mid-2009, after fluctuating a bit throughout 2011. Kansas employment is expected to remain flat in 2011 when compared to 2010. Gains in the production and service sectors are expected to offset losses incurred in trade, transportation and utilities, as well as the government sectors.

The Kansas economy is expected to stabilize and begin growing at a modest pace. The Center for Economic Development and Business Research estimates total employment growth of 1 percent, for a net increase of 13,010 employees, in 2012.

- Production sectors are expected to grow by 2.5 percent, or 5,515 jobs, after increasing by 1.4 percent in 2011. Durable goods production employment will lead the production sector, increasing approximately 2.8 percent.
- Trade, transportation and utility sectors are expected to decline 0.2 percent in 2012. Declines will be seen in both wholesale and retail trade, while transportation and utility employment is expected to increase.
- Service sector employment is expected to increase by 1.2 percent, or 7,350 jobs. The information sector is expected to shed the most jobs, 1,520, for a loss of 5.4 percent;

while education and health service sectors are expected to gain the most jobs, 5,210 or 2.8 percent.

- Government employment is expected to grow 0.3 percent or 700 jobs. The increase will come as government revenues stabilize.

Kansas Employment by Industry Summary*					
	2010 (a)	2011 (e)	2012 (f)	2011-2012 Level Change	2011-2012 Percent Change
Total Nonfarm	1,323,033	1,322,830	1,335,840	13,010	1.0%
Production Sectors	221,350	224,400	229,915	5,515	2.5%
Trade, Transportation & Utilities	250,958	249,480	248,925	-555	-0.2%
Service Sectors	588,742	588,980	596,330	7,350	1.2%
Government	261,983	259,970	260,670	700	0.3%
*Annual values are derived from average quarterly observations and projections.					
(a) actual (e) estimated (f) forecasted					

ⁱ <http://www.economy.com/mark-zandi/documents/2012-01-04-US-Macro-Outlook.pdf>

ⁱⁱ http://money.cnn.com/2012/01/06/news/economy/jobs_report_unemployment/?npt=NP1

ⁱⁱⁱ [Creighton University's Business Conditions Index](#)