WICHITA STATE
UNIVERSITY

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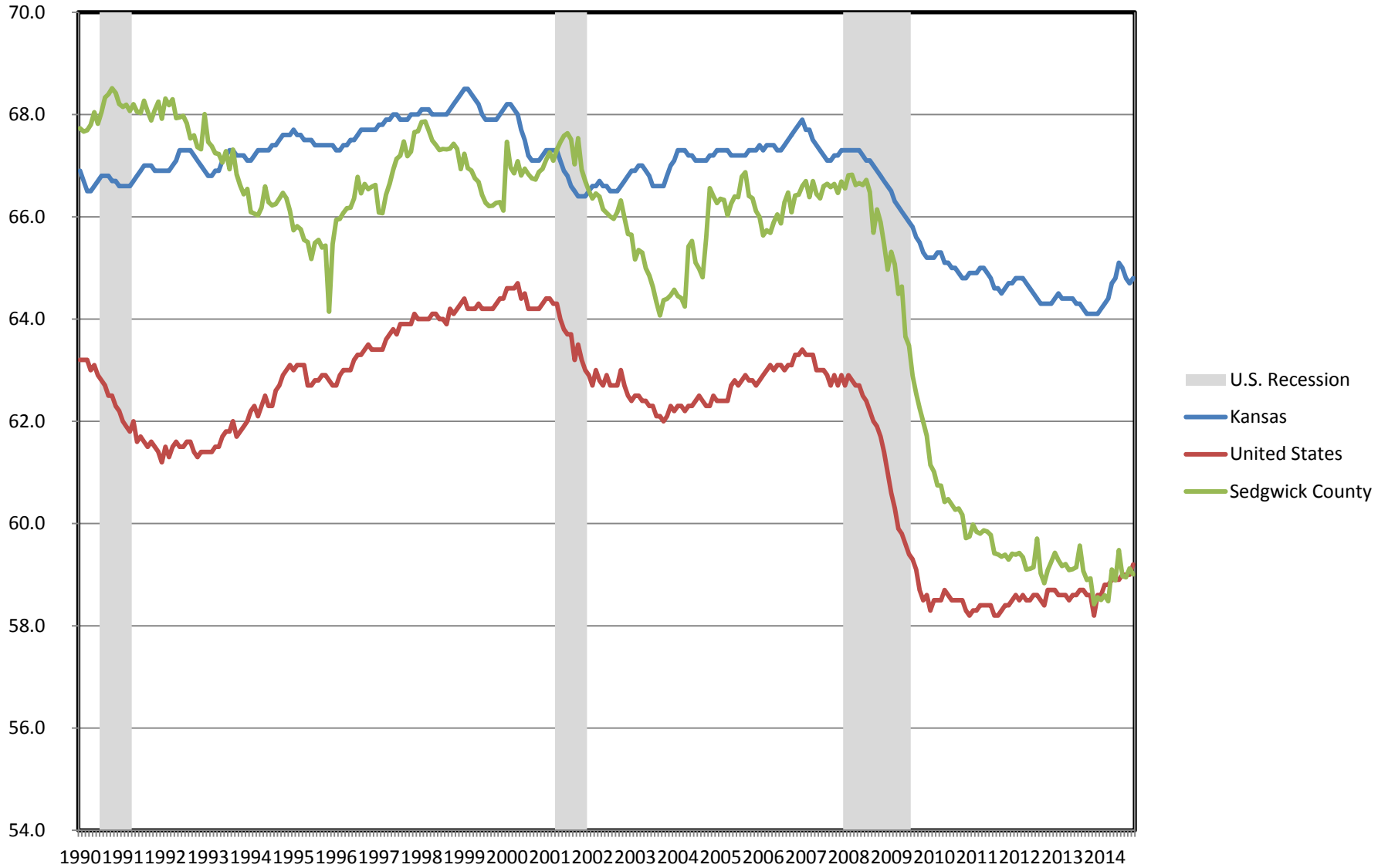
Wichita Employment-Population Ratio

The employment-population ratio is a measure of labor market strength. It is calculated by dividing the total number of employed workers in a geographic region by the total civilian non-institutionalized population, ages 16 and over, in that region. This is often used alongside the unemployment rate in determining the strength of the labor market.

While the unemployment rate is more commonly used, it does not include discouraged workers (unemployed workers who have stopped looking for jobs) in its measure of unemployment. Consequently, the employment-population ratio has the advantage of comparing the employment level to the population in the region, thereby giving a richer picture of the labor market than if looking at the unemployment rate alone.

Figure 1, below, shows the seasonally adjusted employment-population ratio for Sedgwick County, the state of Kansas, and the United States from January 1990 to September 2014. Typically, the employment-population ratio will decrease in recessionary periods and increase during expansionary periods.

- Both the Kansas and Sedgwick County employment-population ratio declined substantially in the 2008 recession. The Kansas ratio fell by over 2 percentage points during the recession, which was less than the national average.   Meanwhile, the Sedgwick County ratio fell by over 7 percentage points during the recession and shortly afterwards, a larger drop than the national average.
- In 2014, the Kansas employment-population ratio rose to 65.1 percent, its highest level since 2010, due to strong employment growth. This is a one percentage point increase from its lowest level in 2013, but the ratio is still 2.3 percentage points below its pre-recession peak.
- The Sedgwick County employment-population ratio also increased slightly throughout 2014, following a decline in 2013. In 2013, the Sedgwick County ratio was the lowest it had been since 1990. Even after the improvement throughout 2014, the ratio still remains over 7 percentage points below its pre-recession peak.

Figure 1: Employment-Population Ratio for Sedgwick County, Kansas & U.S.

Methodology

The employment-population ratio is calculated by dividing the number of civilian employed workers by the civilian non-institutionalized population, ages 16 and over, in a region. For this study, the sources for the number of civilian employed workers are the Bureau of Labor Statistics (BLS) Local Area Unemployment Statistics (LAUS) for Kansas and Sedgwick County, and the BLS Current Population Survey (CPS) for the United States. The sources for the civilian non-institutionalized population data are the U.S. Census Bureau's annual population estimates and CEDBR's estimations.