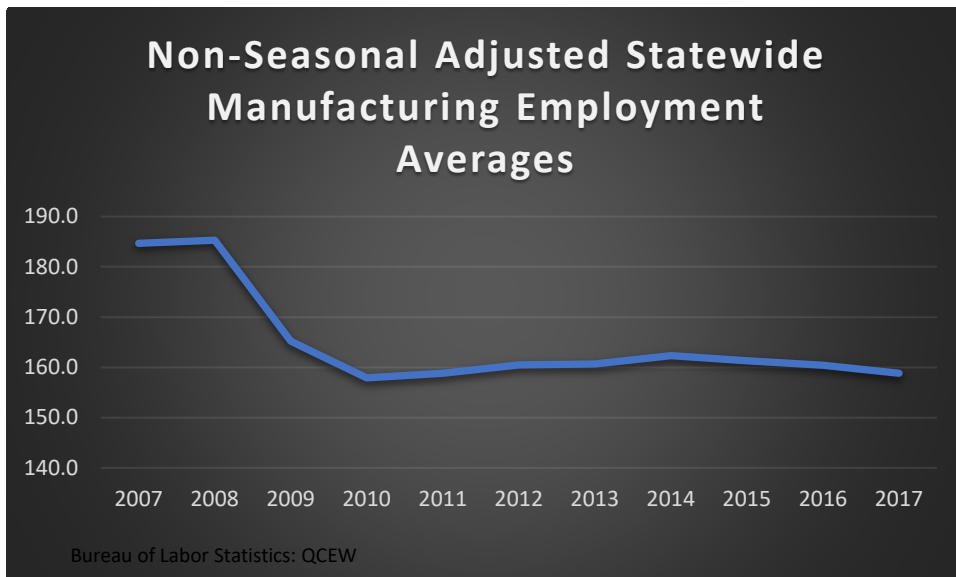


Overview

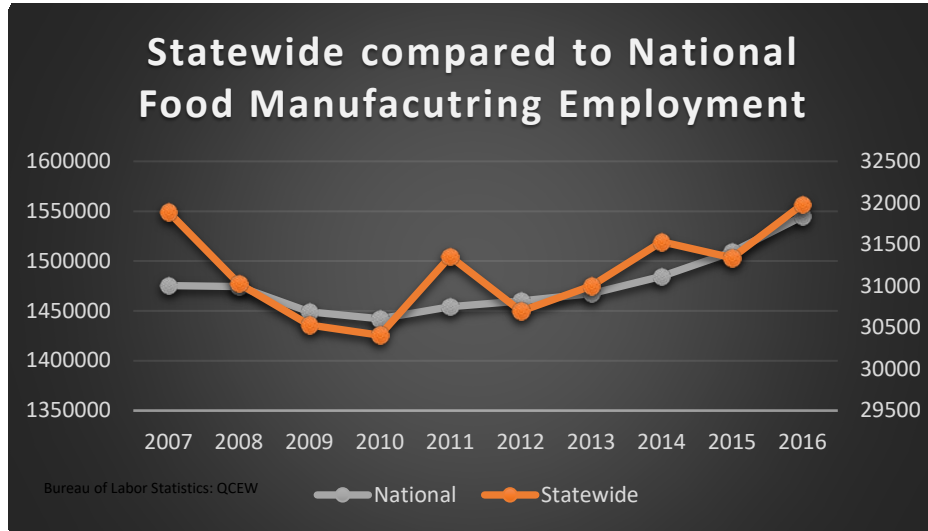
Overall Kansas manufacturing employment has declined in recent years, most recently decreasing by 900 jobs in the 2016 year and 1,600 jobs for 2017. The highest level for manufacturing jobs over the past decade was in 2008 which was 185,300, which was also a 700 job increase from the 184,700 jobs in 2007. This was followed by a 20,000 job decrease in the 2009 year, ending the year with just over 165,000 overall manufacturing jobs. From 2009 to 2010 there was a 7,300-job decrease, followed by a 900 job increase for 2011. From 2012 to 2014 there was an overall 3,500 job increase, leading to 162,300 manufacturing jobs for 2014. Since 2014 there has been a decrease of manufacturing jobs each year, leading to 158,800 jobs for 2017¹.



Food Manufacturing

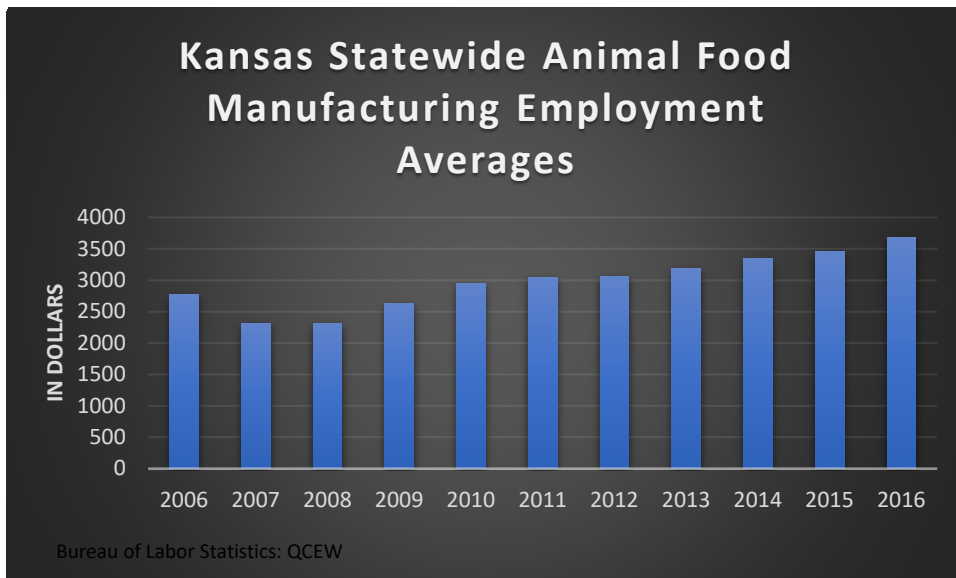
Kansas overall food manufacturing for 2016 experienced a 600 job increase to 31,983 for the year, reaching the highest point since 2007. In 2007 overall food manufacturing had 31,890 jobs; this was followed by a large decline of 800 jobs for 2008. Jobs continued to decline for 2009 and 2010, falling by 500 and 100 jobs retrospectively. There was a 900 job increase for 2011, which was then followed by a 650 job decrease for 2012. There was a 400 job increase for 2013 followed by a 500 job increase for 2014. This was followed by a 200 job decrease in 2015 to put total food manufacturing jobs in Kansas at 31,341. In comparison, overall national food manufacturing had a steady increase from in jobs from 2011 to 2016. At the national level, food manufacturing experienced a 7.1% increase in jobs from 1.44 million in 2010 to 1.54 million in 2016. Meanwhile, overall statewide food manufacturing had an increase in overall jobs of 5.2 percent for the period of 2010 to 2016.

¹ Source: Employment data in this article is from the U.S. Bureau of Labor Statistics' State and Metro Area Employment, Hours and Earnings or U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages unless otherwise noted.



Animal Food Manufacturing

Animal food manufacturing has seen an increase in jobs each year since 2009, having an overall increase of 1,369 jobs. Part of this growth can be explained by Ziwi, the New Zealand based private pet food manufacturer, moved their main base of operations from California to Overland Park in January of 2015². Ziwi’s location is another addition to the area’s animal food manufacturing focus, which is located in the animal health corridor, a concentration of companies that make animal food and medicines. Four of the five largest animal food manufacturers operate in this corridor, and the corridor starts in Manhattan, Kansas and runs through Kansas City into Columbia Missouri³.

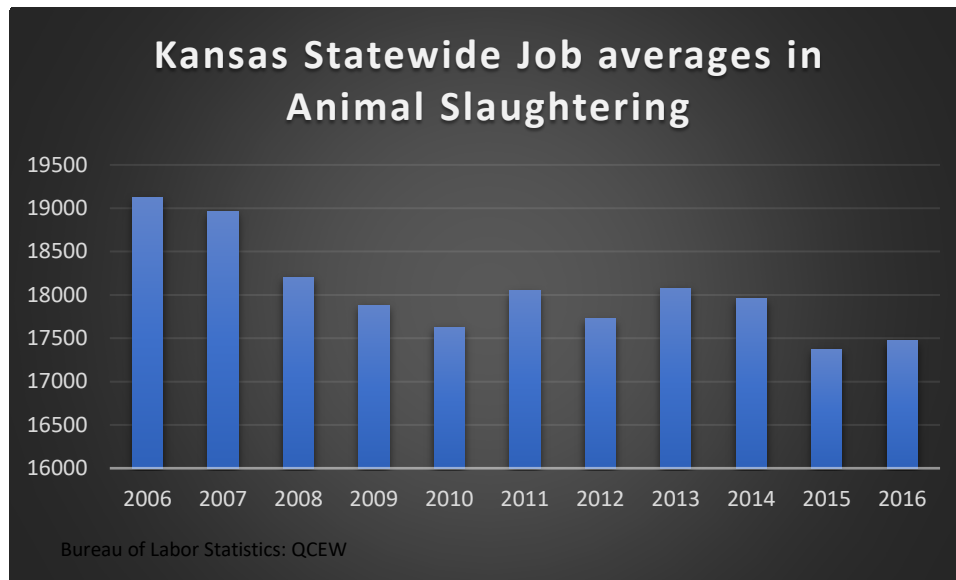


² Source: “Sales Growth Spurs Pet Food Maker to Expand U.S. Headquarters”, Pet Product News, January 17th 2018, <http://www.petproductnews.com/News/Sales-Growth-Spurs-Pet-Food-Maker-to-Expand-US-Headquarters/>

³ Source: “Kansas City finds itself right in the middle of the pet food industry”, The Kansas City Star, April 30th, 2015, <http://www.kansascity.com/news/business/article19980897.html>

Animal Slaughtering

Since 2006 there has been an overall decline in animal slaughtering of just under 2,000 jobs. In 2006 there were just over 19,100 jobs in animal slaughtering in Kansas, which was followed by a 150 job decline for 2007. There was a larger decrease of 750 jobs for 2008, which was followed by another decrease of just over 300 jobs in 2009. There was a 200 job decrease for 2010, which was followed by a swift 400 job increase in 2011. This was followed by a 300 job decrease in 2012 followed by a quick rebound of just over 350 jobs for 2013. For 2014 and 2015 there was a total decrease of 700 jobs, which was followed by an increase of just under 100 jobs for 2016 to end the year at just under 17,480 jobs.



Slaughterhouse companies in Kansas have been experiencing both setbacks and expansions over the past several years. Creekstone Farms found themselves with a class action lawsuit from 700 workers from unpaid wages in 2011⁴. In May of 2016 Cargill announced that they had decided to keep the headquarters of their meat packing division in Wichita, instead of moving 900 jobs to a different state. This decision came after months of research by Cargill to find the best place for its facilities⁵. Cargill is currently construction a \$60 million new building for their headquarters. Once completed in late 2018 it will have enough room for up to 950 workers.⁶ Most recently Tyson Foods' plans for a building a facility in Leavenworth County was rejected in September of 2017. This rejection came from a large public outcry in Tonganoxie, Kansas against Tyson building a plant there. Many citizens believed the plant

⁴ Source "Workers at Creekstone Farms' Arkansas City meatpacking plant file wage lawsuit", Lawrence Journal-World, April 7th 2011, <http://www2.ljworld.com/news/2011/apr/07/workers-creekstone-farms-arkansas-city-meatpacking/>

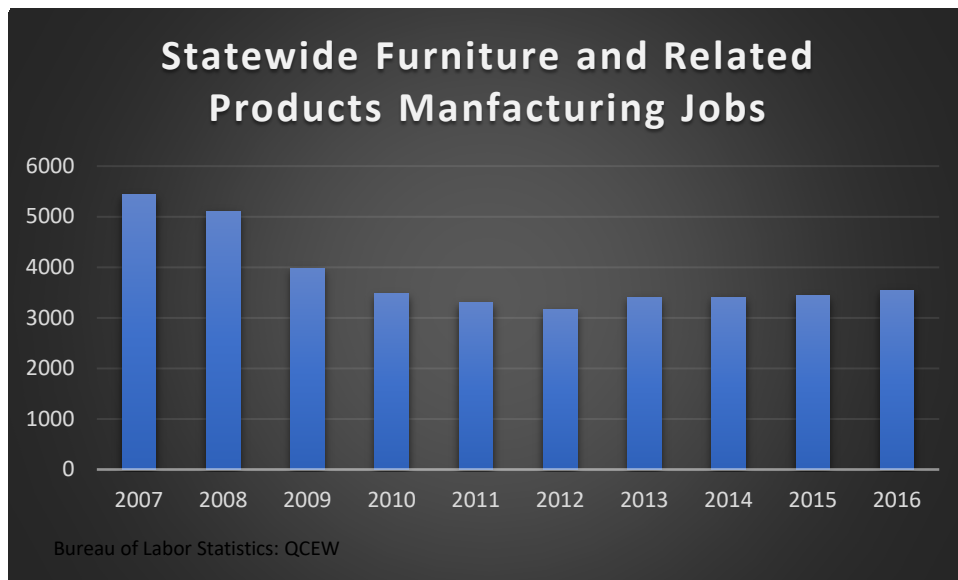
⁵ Source: "Cargill office staying in Kansas after looking at move to North Texas", The Dallas Morning News, May 2016, <https://www.dallasnews.com/business/business/2016/05/24/cargill-staying-in-kansas-after-looking-at-texas-move>

⁶ Source: "Cargill unveils plans for \$60 million headquarters", Wichita Business Journal, December 1st 2016, <https://www.bizjournals.com/wichita/news/2016/12/01/cargill-unveils-plans-for-60-million-headquarters.html>

would cause environmental problems and heavy congestion for the town⁷. In late November Tyson announced that it would be building a processing plant in Humboldt, Tennessee; however, Tyson is still evaluating the option of building an additional plant in Sedgwick County⁸.

Furniture and Related Products

From 2007 to 2016 furniture and related product manufacturing experienced a decrease of just under 1,900 jobs. Statewide there were a total of 5,439 jobs in the sector for 2007; this was followed by a decrease of 300 jobs for 2008, followed by sizable decreases the next three years. The rate of decline slowed for 2011 and 2012, with a decline in jobs of 100 for 2011 and fewer than 150 for 2012. Both 2013 and 2014 saw an increase of jobs, amount to slightly over 250 jobs for the two years. The trend of small job increase continued for 2015 and 2016, adding just over 100 jobs.

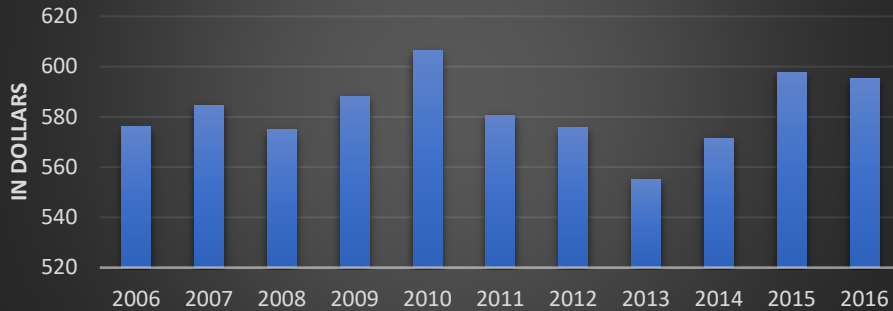


When adjusted for inflation average weekly wages show a peak in 2010 at \$606. After a small decrease in weekly wages from 2007 to 2008, there was an increase of \$31 from 2008 to 2010. This was followed by a period of decrease of \$51 in average weekly wages from 2011 to 2013, or an 8.4% decline. In 2014 the weekly wage average increased by \$16, there was also an increase of \$27 for 2015. There was a small \$3 decrease in 2016, which moved in the opposite direction that jobs did in that year.

⁷ Source: "This Kansas town told Tyson to get lost", CBS News, October 26th 2017, <https://www.cbsnews.com/news/kansas-town-rejects-tyson-chicken-plant-1600-jobs/>

⁸ Source: "Tyson Tennessee announcement doesn't scratch Kansas plans", The Wichita Eagle, November 20 2017, <http://www.kansas.com/news/local/article185629723.html>

Statewide Furniture and Related Products Weekly Average Wages Adjusted for Inflation

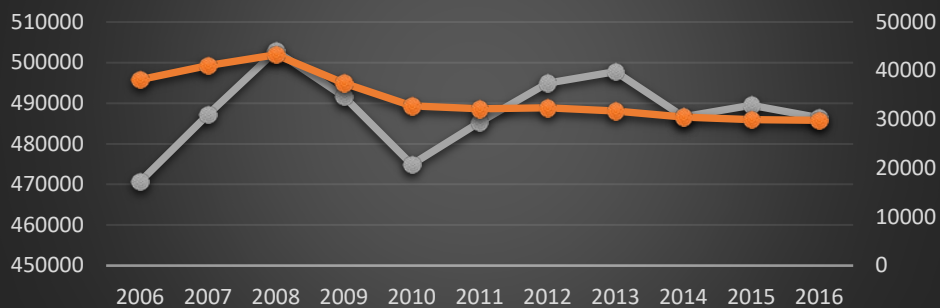


Bureau of Labor Statistics: QCEW

Aerospace

Kansas aerospace had a decrease of just over 150 jobs for 2016, which has been keeping with a trend of declining jobs since 2013. In 2006 statewide aerospace had 38,164 jobs, there was an increase of just over 2,900 jobs for 2007. There was also an increase for 2008 of just under 2,200 jobs, which was followed by a large decrease of just over 5,800 jobs in 2009. This was followed by another decrease of just over 4,640 jobs for 2010, this trend was continued with a decline of just over 620 jobs for 2011. There was a slight increase of just over 200 jobs for 2012, which was followed by a decrease of just over 680 jobs for 2013. From 2014 through 2016 there was an overall job decrease of just over 650 jobs, with statewide aerospace manufacturing jobs in Kansas for 2016 at just over 29,820. Meanwhile national aerospace manufacturing experienced a 5.6% decline in jobs from 2008 to 2010 before a 4.8% increase of jobs from 2011 to 2013. This was followed by a decrease of 2.3% in overall aerospace jobs from 2014 to 2016. Statewide aerospace has been less varied, and besides 2012 and 2013 has seen a steady decrease in jobs, an average of 3.9% a year.

Statewide Compared to National Aerospace Manufacturing Employment



Bureau of Labor Statistics:
QCEW

—●— National —●— Statewide

Aerospace – Sedgwick County

Most of Kansas' aerospace manufacturing jobs can be found in Sedgwick County, which on average has 91.8 percent of total statewide aerospace manufacturing jobs. The job growth and decline of aerospace jobs in Sedgwick County has very closely followed the trends for the state in this subsector. Sedgwick County started with just over 35,400 jobs and experience an increase to 2008 of 4,674 jobs overall. Then it had a decline of 10,719 overall jobs for 2009 through 2011. Keeping with the statewide trend, there was a small increase of jobs for 2012, which has been followed by steady overall decline of 2,830 jobs from 2013 to 2016.

Much of this decrease in jobs can be explained from layoffs and downsizing at major aerospace manufactures in the Sedgwick county area as a direct result of The Great Recession. In November of 2008, Hawker had its first announcement of layoffs with 500 jobs. Hawker employed a total of 7,500, after a number of layoffs it came to employ roughly 3,500 in 2013. Another large manufacturer, Boeing, witnessed jobs decrease from 3,000 in 2008, to 2,160 in early 2012. In 2012, Boeing also announced closing down its Wichita locations and moving jobs to Oklahoma City, this process would be completed by the end of 2014. Cessna Aircraft employed 12,000 people at the end of 2008, but early the next year the announced a need to shed 4,000 jobs. Layoffs continued to follow and by the middle of 2013 Cessna employed under half of what they did in 2008 with 5,664 jobs⁹.

In 2015 Airbus announced that they would move their facilities from Old Town Wichita to an Innovation Campus built at Wichita State University. In September of 2017 the facility had 270 employees, which was lower than the estimated 400 jobs when the announcement was made¹⁰. Spirit AeroSystems announced in December of 2017 that they would undergoing major expansions in their Wichita locations. Spirit estimated that this would be a \$1 billion capital investment and 1,000 new jobs, with 800 in 2018 and 200 in 2019¹¹.

Bombardier Business Aircraft in November of 2017 announced that they would be transferring the interior completions work on their Global 5000 business jet to Wichita. This will add 100 jobs to their site on the west side of Eisenhower Airport. Back in 2005 the site lost 600 jobs after Bombardier's decision to cancel development of the Learjet 85¹². In February of 2018 Textron Aviation made the announcement that they may add 250 jobs over the next five years. This announcement was also issued with a request for \$434.8 million in revenue bonds from the city of Wichita for Capital improvement. However, Textron also said it could not guarantee said jobs as there are many other factors involved with making that decision¹³

⁹ Source: "Recession hit aviation industry hard, taking 11,000 Wichita jobs", The Wichita Eagle, June 29th 2013, <http://www.kansas.com/news/business/aviation/article1118229.html>

¹⁰ Source: "How employment is faring at WSU's first Innovation Campus partnership", The Wichita Eagle, September 5th 2017, <http://www.kansas.com/news/local/education/article170847187.html>

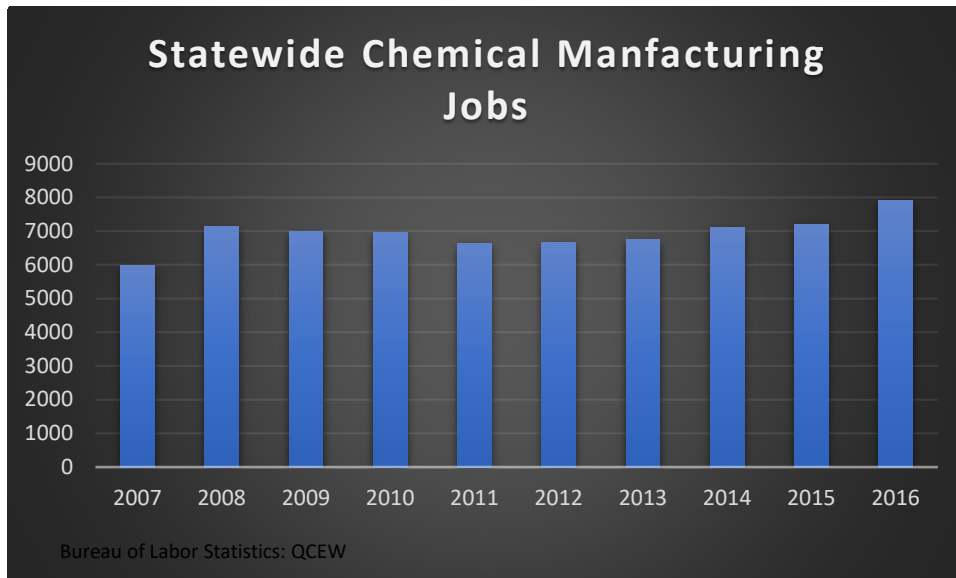
¹¹ Source: "Sedgwick County approves incentives for Spirit AeroSystems", KWCH, December 13th 2017, <http://www.kwch.com/content/news/Lt-Gov--Spirit-AeroSystems-to-make-major-economic-development-announcement-462109093.html>

¹² Source: "This business jet maker will be adding jobs in Wichita", The Wichita Eagle, November 17th 2017, <http://www.kansas.com/news/business/aviation/article185229088.html>

¹³ Source: "With new planes in pipeline, Textron considers adding jobs", The Wichita Eagle, February 9th 2018, <http://www.kansas.com/news/business/aviation/article199338144.html>

Chemical Manufacturing

Statewide chemical manufacturing had an increase of just over 700 jobs for 2016. In 2007 there were 5,986 statewide jobs in chemical manufacturing, the following year there was a 1,150 job increase for 2008. There was a decrease of just under 150 jobs for 2009, which was followed by a small decrease of 45 jobs for 2010. There was a 310 job decrease for 2011 which was followed by a small increase in 2012 of 20 jobs. The years 2013 through 2016 have seen an increase in overall jobs by just over 1,260. This included an increase of 90 jobs for 2013, just over 360 jobs for 2014, and just over 90 jobs for 2015.



Chemical manufacturing has had many changes in the Kansas City area including PQ Corporation expanding their operation. The expansion was a \$120 million project that was projected to add 40 to 50 jobs and was expected to be completed in 2014 or early 2015¹⁴. In early 2018 PBI-Gordon moved its facility from Kansas City, Missouri to Shawnee, Kansas taking 100 jobs to Kansas¹⁵. In an effort to ease financial burdens, Teva Pharmaceuticals announced a layoff of 57 jobs or one sixth of their workforce in Overland Park¹⁶.

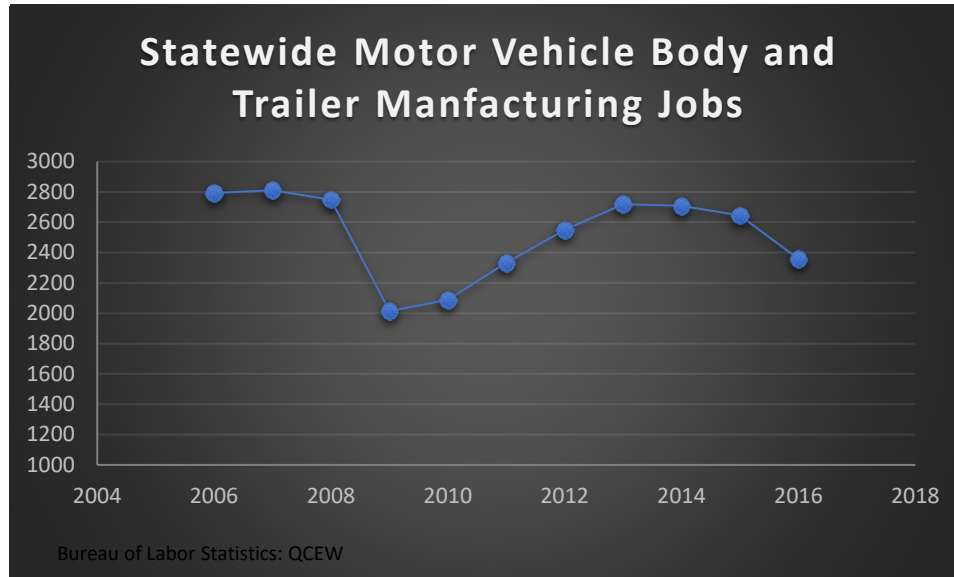
¹⁴ Source: "PQ Corp. groundbreaking continues plant expansion in KCK", Kansas City Business Journal, May 17th 2013, <https://www.bizjournals.com/kansascity/news/2013/05/17/pq-corp-groundbreaking-continues.html>

¹⁵ Source: "Border war: Shawnee claims 100 Kansas City jobs with state-aided HQ move", The Kansas City Star, March 28th 2018, <http://www.kansascity.com/news/business/development/article207137439.html>

¹⁶ Source: "Teva begins first wave of layoffs in OP", Kansas City Business Journal, January 30th 2018, <https://www.bizjournals.com/kansascity/news/2018/01/30/teva-overland-park-layoffs.html>

Motor Vehicle Body and Trailer Manufacturing

Statewide motor vehicle body and trailer manufacturing had a total of 2,793 jobs for 2006, which was followed by a small increase of 18 jobs for 2007. There was a decrease of just over 60 jobs for 2008, which was followed by a drop of just over 730 jobs. From 2011 to 2013 there was an overall increase in of 630 jobs; 244 jobs in 2011, 217 jobs in 2012, and 169 jobs for 2013. There were small decreases in jobs for both 2014 and 2015 of 10 and just over 60 respectively. This was followed by an almost 290 job decline for 2016, with statewide motor vehicle body and trailer manufacturing jobs after the decrease at 2,358.



In February of this year General Motors announced that they would be investing \$265 million into the existing Kansas City, Kansas plant. This investment will be used for upgrading the Kansas City plant for the production of General Motors' new Cadillac XT4 crossover SUV. The Fairfax Assembly & Stamping Plant already employees over 2,000 works, and with the new investment there could be a possibility of more jobs to come¹⁷. Also, earlier this year Harley-Davidson Inc. announced that they would be consolidating their Kansas City plant and those jobs into their plant in Pennsylvania. The plant will be shut down in 2019 and will mean a loss of 800 jobs in the Kansas City area¹⁸.

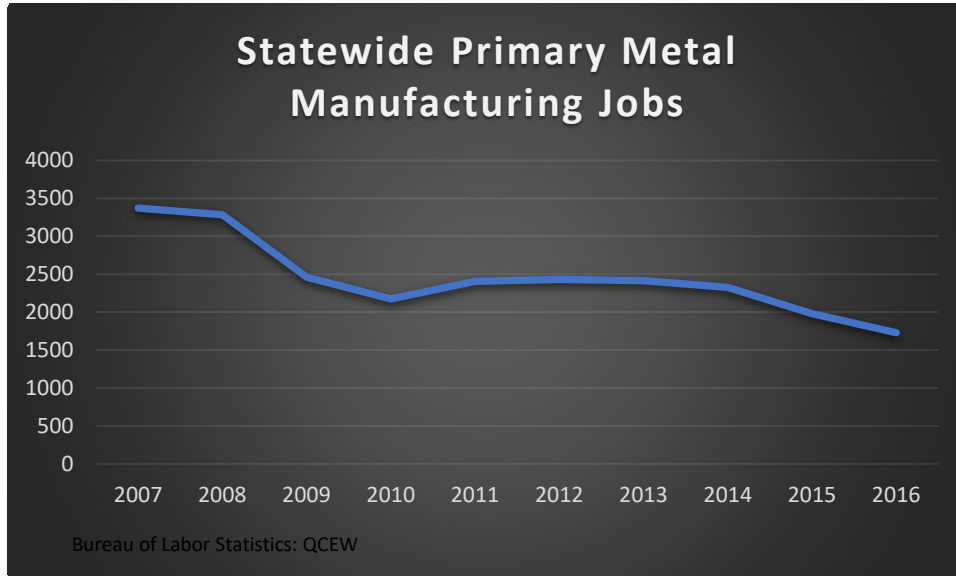
Primary Metal Manufacturing

From 2007 to 2016 statewide primary metal manufacturing has witnessed an overall decline in jobs of over 45 percent. In 2007 there were 3,372 primary metal manufacturing jobs statewide, which declined by just under 90 jobs in 2008. Then in 2009 there was a large decrease of 823 jobs, which this decrease continued with a decline of just over 280 jobs for 2010. There was an increase of 231 jobs for 2011 and

¹⁷ Source: "General Motors to invest \$265 million in KCK plant", KSHB, February 19th 2018, <https://www.kshb.com/news/local-news/general-motors-to-invest-265-million-in-kck-plant>

¹⁸ Source: "Harley-Davidson hits the brakes on KC plant; closing will affect about 800 jobs", Kansas City Business Journal, January 30th 2018, <https://www.bizjournals.com/kansascity/news/2018/01/30/harley-davidson-kc-plant-closing-announcement.html>

another small increase of 29 jobs for 2012. There was a small decrease of 20 jobs for 2013, and another decrease of just over 85 jobs for 2014. There was a larger decrease of just under 350 jobs for 2015, which was followed by another decrease of approximately 250 jobs for 2016.

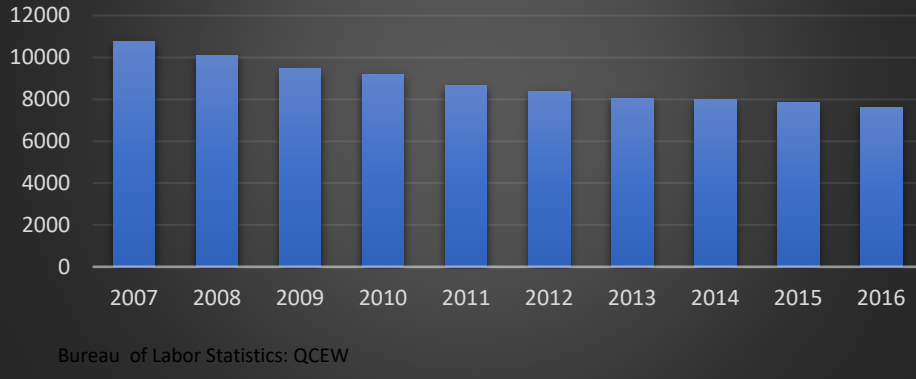


When adjusted for inflation primary metal manufacturing had an increase in weekly wages from \$728 in 2006 to \$771 in 2008. There was a \$83 decrease for 2009, followed by an overall increase in average weekly wages of \$148 for 2010 and 2011 combined. There was an overall decrease of \$90 for 2012 and 2013, which was followed by an increase of \$102 or a 13.6% increase. From 2014 to 2016 there has been an overall decrease of \$81, or a 9.5% decrease.

Printing and Related Activities

Printing manufacturing jobs declined for the 2016 year by 240 from 2015. Printing manufacturing had just over 10,700 jobs for 2007 and has since seen a decline. There was a large drop of 700 jobs for 2008 and 600 jobs for 2009, a 12 percent decrease over the two years. From 2010 to 2013 there was a loss of 1,400 jobs; 250 in 2010, 550 for 2011, and 300 for 2012 and 2013. For 2014 and 2015 there was a smaller decrease of 400 overall for the two-year period.

Statewide Printing and Related Activities Manufacturing Employment



Printing manufacturing wages after being adjusted for inflation have gone through several decreases and increases over the past decade. From 2006 to 2008 the average weekly wages of workers fell from \$746 to \$700. There was a small increase to \$709 in 2009, before falling to \$680 for the period of 2010 to 2012. For 2015 to 2016 there has been an increase in weekly wages of workers of \$52 dollars overall, or a 6.1 percent increase.

Statewide Printing and Related Activities Weekly Average Wages Adjusted for Inflation

