



## 2020 Kansas Employment Forecast

### May 2020

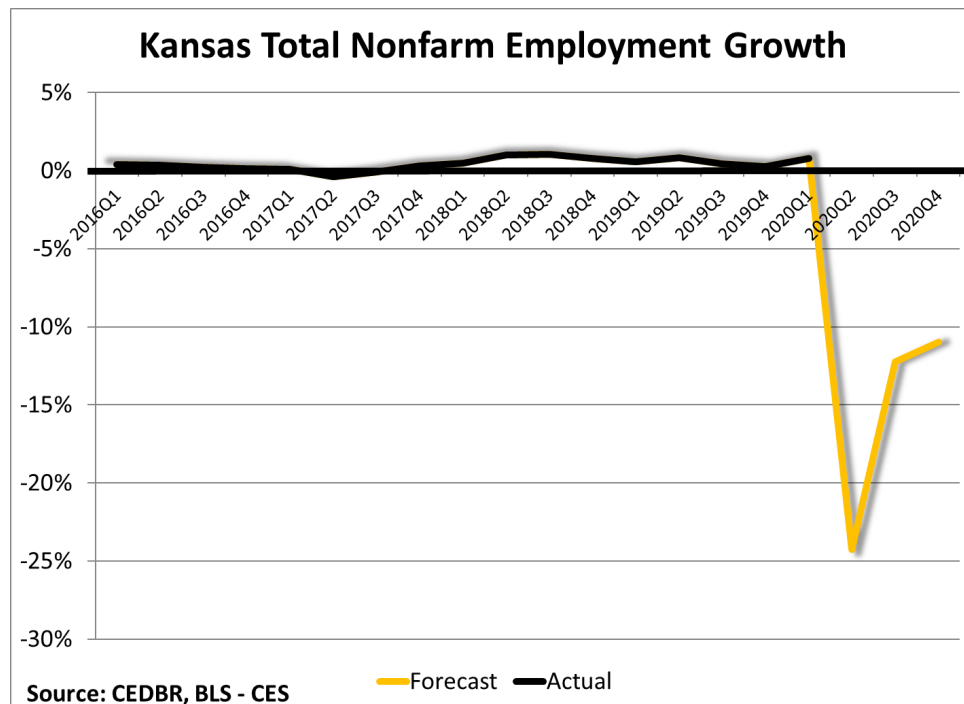
Total nonfarm employment for the state of Kansas increased by almost 8,000 workers in 2019, growing 0.5 percent. For 2020, the Kansas economy is projected to contract substantially due to the impact of the novel coronavirus, with the effects of the virus on the economy expected to linger on beyond the end of the state's stay-at-home order as social distancing continues. US gross domestic product declined 4.8 percent in the first quarter of 2020 as the first effects of the novel coronavirus were felt in March, and the effects are expected to be much larger through the remainder of the year.

In 2020, Kansas employment is forecast to decline 10.2 percent, contracting at an annual rate of more than 140,000 jobs compared to 2019. The job losses are expected to be concentrated in the second quarter, following by an employment recovery in the third and fourth quarters of the year. These projections are based on the assumptions that the novel coronavirus infections peaks in the second quarter of 2020 at a level manageable for the local health care system, and that additional stay-at-home orders are not required to combat the virus after the initial stay-at-home orders expire in May. Additional outbreaks and stay-at-home orders would further reduce the employment outlook beyond what is presented here.

- The goods-producing are projected to decline by 14.7 percent, with job losses concentrated in the durable goods sector. With substantial increases in unemployment and economic uncertainty, durable goods purchases are likely to decrease sharply, with a projected employment decline in the durable goods sector of 23.5 percent, a loss of more than 23,000 jobs. The nondurable goods and construction sectors are projected to be less strongly affected, but are still expected to decline 6.7 and 9.8 percent, respectively.
- The trade, transportation, and utilities sector is forecast to experience an employment contraction of 13.3 percent, primarily focused in the retail trade sector. Retail sales are forecast to decline substantially by more than 20 percent as residents limit travel and non-essential purchases, which is expected to lead to a retail trade employment of 17.8 percent. The wholesale trade sector and the transportation and utilities sector are expected to decline 7.4 and 8.8 percent, respectively, as the declines in retail spending reverberate throughout the supply chain.
- The service sectors are forecast to decline 10.4 percent, with the largest contraction in the leisure and hospitality sector. Employment in the leisure and hospitality sector is projected to decline 27.1 percent with an uncertain future about when full-service restaurants, bars and recreational businesses can begin operating again even in a limited capacity. The other services

sector, which includes repair shops, barber shops, and religious organizations, is projected to decline 11.8 percent. Financial activities, professional and business services, and education and health services are forecast to be less affected by the downturn, with employment losses ranging from 4.9 to 6.4 percent.

- The government sector is expected to decline 2.2 percent, the least affected of any industry sector. The job losses are projected to be concentrated in the local government sector, but no government sector is expected to increase employment in 2020.



<b>Kansas Employment by Industry Summary*</b>					
	2018 (a)	2019 (e)	2020 (f)	2019-2020 Level Change	2019-2020 Percent Change
<b>Total Nonfarm</b>	<b>1,415,706</b>	<b>1,423,023</b>	<b>1,278,206</b>	<b>-144,816</b>	<b>-10.2%</b>
<b>Production Sectors</b>	<b>232,258</b>	<b>237,388</b>	<b>202,473</b>	<b>-34,915</b>	<b>-14.7%</b>
Natural Resources, Mining & Cons	68,397	70,255	63,352	-6,904	-9.8%
Manufacturing	163,861	167,133	139,121	-28,012	-16.8%
Durable Goods	97,776	99,750	76,264	-23,486	-23.5%
Non-Durable Goods	66,085	67,383	62,857	-4,526	-6.7%
<b>Trade, Transportation &amp; Utilities</b>	<b>268,756</b>	<b>267,037</b>	<b>231,558</b>	<b>-35,479</b>	<b>-13.3%</b>
Wholesale Trade	58,517	58,051	53,738	-4,314	-7.4%
Retail Trade	145,470	142,083	116,790	-25,293	-17.8%
Transportation & Utilities	64,769	66,902	61,030	-5,872	-8.8%
<b>Service Sectors</b>	<b>656,164</b>	<b>658,608</b>	<b>589,851</b>	<b>-68,757</b>	<b>-10.4%</b>
Information	18,724	18,133	15,861	-2,272	-12.5%
Financial Activities	77,256	77,322	72,383	-4,939	-6.4%
Professional & Business Services	180,747	178,971	168,904	-10,067	-5.6%
Education & Health Services	199,037	202,008	192,025	-9,983	-4.9%
Leisure & Hospitality	129,417	130,476	95,105	-35,370	-27.1%
Other Services	50,983	51,699	45,573	-6,125	-11.8%
<b>Government</b>	<b>258,527</b>	<b>259,990</b>	<b>254,325</b>	<b>-5,665</b>	<b>-2.2%</b>
*Annual values are derived from average quarterly observations and projections. (a) actual (f) forecasted Source: CEDBR, BLS - CES					