

# 2021 Wichita Employment Forecast

Employment in the Wichita metropolitan area<sup>1</sup> grew 1.8 percent to 305,100 workers in 2019 while the unemployment rate declined to a twenty-year low of 3.4 percent. With the outbreak of the novel coronavirus in April 2020, unemployment spiked to 17.7 percent and more than 27,000 workers in the second quarter. The unemployment rate declined to 10.9 percent in July 2020, still 0.7 percent higher than the highest level recorded prior to 2020.

The economic recovery is expected to continue in the second half of 2020, with 2020 employment projected to be 4.5 percent and 13,600 jobs lower than it was in 2019. Growth is anticipated to continue in 2021, but at a slower rate, with more than 1,100 jobs added. This represents the average of a wide range of possible economic outcomes due to the high economic uncertainty caused by the continuing coronavirus outbreak. If the national economy recovers at a rate on the high end of expectations, Wichita's employment is forecast to grow 1.3 percent. If the national economy performs at the lower end of expectations, Wichita's employment is likely to continue to contract modestly. In each of these cases, 2021 employment is projected to be lower than 2019 employment. It is expected that the economy will take years to fully recover from the economic effects of novel coronavirus outbreak.

- Production sector employment is expected to decline 0.8 percent as growth in the construction industry is outweighed by declines in manufacturing employment. Wichita's manufacturing sector is projected to contract by 1.6 percent, with the losses concentrated in the durable goods sector. Due to Wichita's concentration in aerospace manufacturing, along with uncertainty from the Boeing 737 Max production freeze and low levels of air traffic from the novel coronavirus, Wichita will likely lag the national recovery for durable goods manufacturing.
- Employment in the trade, transportation and utilities sector is forecast to grow 2.2 percent in 2021, following a 2.5 percent drop in 2020. The largest gains are expected in the retail trade industry, which is projected to recover 700 of 1,200 jobs lost in 2020. Retail employment is expected to be buoyed by real taxable retail sales growth of 2.1 percent in the area, largely offsetting the 2.3 percent decline in sales in 2020. The transportation and utilities sector is projected to expand 2.6 percent, exceeding its 2019 and 2020 employment levels.
- The service sector is expected to grow 0.5 percent, with large growth in the leisure and hospitality sector and the education and health services sector partially offset by continued job losses in the professional and business services sector and the information sector. The leisure and hospitality sector is forecast to lead job gains, recovering almost 1,000 of the 4,000 jobs lost in 2020 and growing 3.3 percent. Given the expected continued weakness in the manufacturing sector, professional and business services are expected to contract by more than 500 jobs, in addition to the more than 500 jobs lost in 2020.
- The government sector is forecast to decline by 0.3 percent, losing more than 100 jobs. The bulk of the job losses in the local government sector, which includes municipal and county governments as well as local school districts.

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<sup>1</sup> 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
<b>Total Nonfarm</b>	<b>305,035</b>	<b>291,421</b>	<b>292,572</b>	<b>1,151</b>	<b>0.4%</b>
<b>Production Sectors</b>	<b>71,670</b>	<b>67,512</b>	<b>66,997</b>	<b>-514</b>	<b>-0.8%</b>
Nat. Resources, Mining & Cons.	16,672	15,888	16,224	336	2.1%
Manufacturing	54,998	51,624	50,773	-851	-1.6%
Durable Goods	46,815	43,479	42,567	-912	-2.1%
Non-Durable Goods	8,183	8,145	8,206	62	0.8%
<b>Trade, Transportation &amp; Utilities</b>	<b>50,355</b>	<b>49,077</b>	<b>50,161</b>	<b>1,085</b>	<b>2.2%</b>
Wholesale Trade	8,758	8,560	8,643	84	1.0%
Retail Trade	31,563	30,345	31,079	734	2.4%
Transportation & Utilities	10,034	10,172	10,439	267	2.6%
<b>Service Sectors</b>	<b>141,240</b>	<b>134,130</b>	<b>134,842</b>	<b>712</b>	<b>0.5%</b>
Information	3,908	3,499	3,200	-300	-8.6%
Financial Activities	11,664	11,675	11,639	-36	-0.3%
Professional & Business Services	35,266	34,715	34,155	-561	-1.6%
Education & Health Services	46,551	44,693	45,286	593	1.3%
Leisure & Hospitality	33,089	28,983	29,927	944	3.3%
Other Services	10,762	10,565	10,636	70	0.7%
<b>Government</b>	<b>41,770</b>	<b>40,701</b>	<b>40,571</b>	<b>-130</b>	<b>-0.3%</b>

\*Annual values are derived from average quarterly observations and projections.

(a) actual (e) estimated (f) forecasted

Source: CEDBR, BLS - CES

