

2021 Topeka Employment Forecast

The Topeka metropolitan area's¹ employment declined by 400 workers in 2019, the area's third consecutive year without an increase in employment. Despite the employment decline, the area's unemployment rate to 3.3 percent. In the second quarter of 2020, employment declined by 7,900 workers, a 7.1 percent decrease. The economy began to rebound in the third quarter of 2020, adding 3,100 jobs, and the unemployment rate dropped by 3.2 percentage points to 6.3 percent.

The recovery is forecast to continue in the fourth quarter of 2020 and into 2021 at a more modest pace. The average employment growth for 2021 is projected to be 0.7 percent, which would recover more than 700 of the almost 4,000 jobs lost in 2020. Economic uncertainty will remain high for the near future with uncertain timing of the full coronavirus vaccine rollout and uncertainty in national macroeconomic conditions. If the national recovery is in the upper range of expectations, local employment is projected to increase by 0.9 percent. A slower than expected national recovery would reduce growth expectations for Topeka to 0.5 percent.

- The goods-producing sectors are forecast to grow 1 percent, adding more than 100 jobs. The manufacturing sector is expected to lead growth at 1.2 percent, following modest growth in 2020 as the nondurable goods manufacturing that comprises the vast majority of the area's manufacturing was relatively unaffected by the novel coronavirus recession. The construction sector is projected to grow 0.6 percent after declining by 3 percent in 2020.
- Employment in the trade, transportation, and utilities sector is forecast to remain approximately flat as growth in retail trade is offset by declines in the wholesale trade and transportation and utilities sectors. The retail trade sector is expected to grow 1.7 percent and recover approximately half of the employment lost in 2020. The wholesale trade sector and the transportation and utilities sectors are projected to decline by 2.7 and 2.8 percent, respectively.
- Service sector growth is expected to be the fastest in the local economy at 1.8 percent. The leisure and hospitality sector is forecast to lead service sector growth at 5 percent, adding almost 400 workers after experiencing the sharpest decline in the coronavirus recession. The education and health services sector is projected to recover more than 300 jobs and be fewer than 200 jobs below its 2019 peak. The other service and financial activities are projected to grow 2.8 and 0.7 percent respectively and remain modestly below their 2019 employment peaks. The information sector is the only service sector projected to decline in employment, with a projected decline of fewer than 100 workers.
- The government sector is projected to decline by more than 300 jobs, a contraction of 1.2 percent. Both the local government and state government sectors are forecast to decrease by more than 100 jobs, while employment in the federal government sector is expected to remain relatively flat.

¹ The Topeka metropolitan area consists of Jackson, Jefferson, Osage, Shawnee, and Wabaunsee counties in Kansas.

Topeka Employment by Industry Summary*				2020-2021	2020-2021
	2019 (a)	2020 (e)	2021 (f)	Level Change	Percent Change
Total Nonfarm	111,564	107,600	108,363	763	0.7%
Production Sectors	13,415	12,937	13,062	125	1.0%
Nat. Resources, Mining & Cons.	5,392	4,861	4,889	28	0.6%
Manufacturing	8,024	8,076	8,173	97	1.2%
Trade, Transportation & Utilities	16,807	16,407	16,396	-12	-0.1%
Wholesale Trade	2,675	2,563	2,493	-70	-2.7%
Retail Trade	10,332	9,992	10,158	166	1.7%
Transportation & Utilities	3,800	3,852	3,745	-107	-2.8%
Service Sectors	54,633	52,343	53,310	966	1.8%
Information	1,333	1,288	1,223	-65	-5.0%
Financial Activities	7,692	7,578	7,630	51	0.7%
Professional & Business Services	12,952	12,590	12,718	129	1.0%
Education & Health Services	19,134	18,631	18,968	337	1.8%
Leisure & Hospitality	8,797	7,806	8,194	388	5.0%
Other Services	4,724	4,450	4,576	126	2.8%
Government	26,709	25,912	25,596	-316	-1.2%

*Annual values are derived from average quarterly observations and projections.
(a) actual (e) estimated (f) forecasted
Source: CEDBR, BLS - CES

