2021 Kansas City Employment Forecast

Total employment in the Kansas City, MO-KS, metropolitan area[1] contracted 4.3 percent in 2020, a loss of more than 47,000 workers. From the first quarter to the second quarter of 2020, more than 100,000 jobs were lost with the onset of the novel coronavirus pandemic. The economy added back almost 50,000 jobs in the third and fourth quarters of 2020 as the recovery from the coronavirus recession began. The unemployment rate for the Kansas City area rose more than 10 percentage points from its pre-pandemic low to peak at 13.2 percent in April 2020 before declining to 4.2 percent in March 2021.

The recovery is projected to continue throughout 2021, with employment forecast to grow 2.5 percent from the fourth quarter of 2020 to the fourth quarter of 2021.   By the end of 2021, more than three-quarters of the jobs lost due to the novel coronavirus pandemic are expected to have been regained in the Kansas City area as growth continues. There is still an elevated level of uncertainty in the economy from national and international factors, and downside risks, such as supply chain disruptions or novel coronavirus mutations, could mute growth or return the economy to recession.

- Production sector employment is projected to increase 2 percent from the fourth quarter of 2020 to the fourth quarter of 2021. The construction sector is forecast to lead growth with an expansion of 2.4 percent, gaining back almost all of the jobs lost in 2020. The manufacturing industry is projected to grow 1.8 percent by the fourth quarter of 2021, within 2,000 jobs of its pre-pandemic peak.
- Employment in the trade, transportation, and utilities sector is forecast to increase 2.5 percent from the fourth quarter of 2020 to the fourth quarter of 2021. The retail trade sector is projected to increase employment by more than 1.7 percent on the strength of real taxable retail sales growth of 2.6 percent. The transportation and utilities sector is projected to lead growth with a 4.3 percent expansion as Kansas City's logistics hub continues to develop.
- The service sector is projected to increase its employment by 3.2 percent, the fastest of any sectoral group in Kansas City, from the fourth quarter of 2020 to the fourth quarter of 2021. Leisure and hospitality employment is forecast to grow 12.2 percent by the fourth quarter of 2021, following a 35 percent decline in employment in the second quarter of 2020. The professional and business services sector is forecast to expand 4.4 percent and be the only Kansas City service sector to exceed its pre-pandemic peak by the end of 2021.
- The government sector is expected to remain relatively flat in 2021, growing only 0.2 percent from the fourth quarter of 2020 to the fourth quarter of 2021. The local government sector is forecast to be the fastest-growing, expanding 0.7 percent by the fourth quarter.

---

[1] The Kansas City, MO-KS, metropolitan area includes Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte and Ray counties in Missouri and Johnson, Leavenworth, Linn, Miami, and Wyandotte counties in Kansas.

Kansas City Employment by Industry Summary*

	2019 (a)	2020 (e)	2021 (f)	2020-2021 Level Change	2020-2021 Percent Change
Total Nonfarm	1,097,848	1,050,595	1,071,575	20,981	2.0%
Production Sectors	133,831	131,285	132,448	1,163	0.9%
Trade, Transportation & Utilities	218,905	210,256	217,275	7,019	3.3%
Service Sectors	597,641	562,989	576,631	13,642	2.4%
Government	147,471	146,065	145,221	-844	-0.6%

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

Kansas City Employment by Industry Summary*

	2020Q4 (a)	2021Q1 (e)	2021Q2 (f)	2021Q3 (f)	2021Q4 (f)
Total Nonfarm	1,049,126	1,064,330	1,071,375	1,075,465	1,075,131
Production Sectors	130,669	131,276	132,517	132,680	133,317
Trade, Transportation & Utilities	211,502	216,929	217,814	217,692	216,665
Service Sectors	561,702	571,164	575,966	579,789	579,605
Government	145,253	144,961	145,078	145,304	145,543

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

Source: CEDBR, BLS - CES