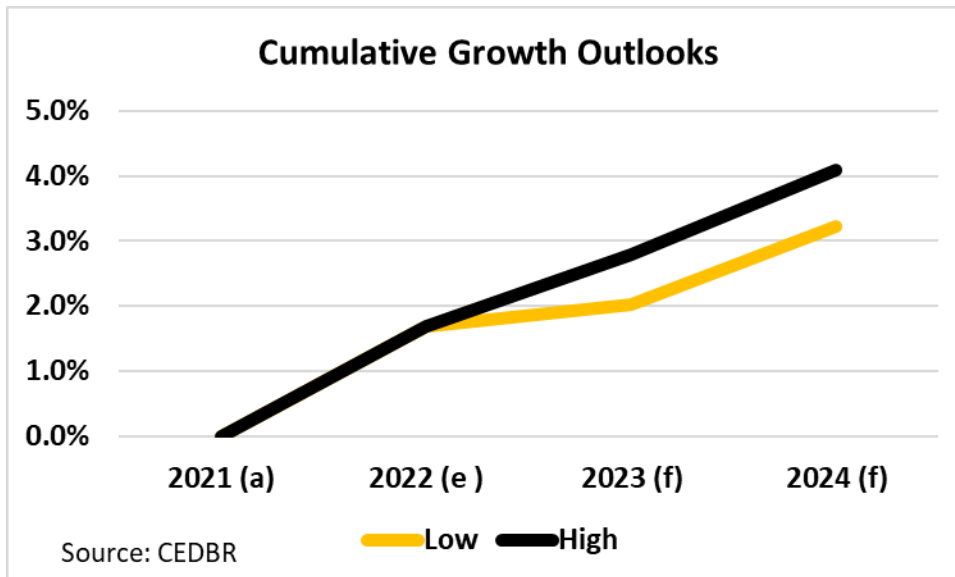


2023 Kansas City Employment Forecast

Total employment in the Kansas City, Kansas metropolitan area¹ increased by just shy of 5,900 workers in 2021, a growth of 1.3%. The global pandemic's impact on the economy decreased jobs by 51,000 jobs in April of 2020. Since then, the region has added back 54,300 workers. In 2022, the first two quarters had 2.2 and 1.9% annualized growth, representing a stronger growth year for the area.

The economy is forecast to increase by 1.1%, adding over 5,100 workers, which is a moderating growth rate due to the labor market approaching full employment and the tightening monetary policy. Although global and national market conditions are slowing, the Kansas City area is expected to have one of the strongest growths within the state. The lower bound growth rate for the Kansas City area is 0.3%, which remains stronger than the flat growth at the state level and the declining expectations in some of the other markets.



Employment in the production sectors is forecast to increase by 1.4%, led by the growth in the durables goods manufacturing sector. The durable goods sector is expected to add over 570 jobs in 2023 at an annual growth rate of 2.7%. Although this industry segment is facing broader macroeconomic pressures, the region is expected to continue its growth in both automotive and related activities. The non-durables manufacturing, natural resources, and construction subsectors are expected to have more moderate growth.

Trade, transportation, and utilities employment is expected to expand by 0.5%. The transportation and utilities sector is forecast to be the fastest-growing sector, whereas the retail portion will slow. The slowing growth within the retail sectors is driven primarily by the persistent inflation eroding household purchasing power.

¹ The Kansas City, Kansas metropolitan area portion includes Johnson, Leavenworth, Linn, Miami, and Wyandotte Counties.

The service sectors are projected to add more than 3,782 jobs, growing 1.5%. The professional & business and health services sectors both are projected to lead the growth in 2023, each increasing by 1.8%. The slowest industry within this segment is the financial sector, which is anticipated to add 174 jobs over the next year.

Kansas City Employment by Industry*							
	2021 (a)	2022 (e)	2023 (f)	2024 (f)	2022	2023	2024
Production	56,517	60,057	60,872	61,942	6.3%	1.4%	1.8%
Nat. Resources, Mining & Cons.	22,558	24,742	24,894	25,056	9.7%	0.6%	0.7%
Durables	19,833	21,403	21,974	22,766	7.9%	2.7%	3.6%
Non-Durables	14,125	13,911	14,004	14,121	-1.5%	0.7%	0.8%
Trade	106,025	106,497	107,079	107,876	0.4%	0.5%	0.7%
Services	252,992	256,615	260,398	264,065	1.4%	1.5%	1.4%
Information	6,775	7,217	7,309	7,388	6.5%	1.3%	1.1%
Financial Activities	36,967	35,196	35,370	35,552	-4.8%	0.5%	0.5%
Professional & Business Services	84,033	85,581	87,138	88,638	1.8%	1.8%	1.7%
Education & Health Services	70,017	71,565	72,863	74,186	2.2%	1.8%	1.8%
Leisure & Hospitality	38,558	39,862	40,265	40,743	3.4%	1.0%	1.2%
Other	16,642	17,195	17,452	17,557	3.3%	1.5%	0.6%
Government	56,825	57,200	57,166	57,764	0.7%	-0.1%	1.0%
Total	472,358	480,369	485,514	491,646	1.7%	1.1%	1.3%

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

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

Source: CEDBR, BLS - CES

The labor market conditions for households remain robust, as employers continued to add jobs in 2022 and are anticipated to expand by 0.6% in 2023. The growth will put further pressure on the market and will likely decrease unemployment over the next two years.

Kansas City, KS-MO				
Year	Labor Force	Employed	Unemployed	Unemployment Rate
2021 (a)	1,142,694	1,094,373	48,320	4.42%
2022(e)	1,153,753	1,107,191	46,562	4.21%
2023(f)	1,158,330	1,114,340	43,990	3.95%
2024(f)	1,165,856	1,123,414	42,442	3.78%
(a) actual (e) estimated (f) forecasted				
Source: CEDBR, BLS - LAUS				

Inflation-adjusted taxable retail sales grew by 13.3% in 2021 and 6.2% in 2022, as market economic conditions led to increased purchasing power. In 2022, as the economy opened up after the global pandemic, consumption spending shifted from retail to service-related expenses like restaurants and entertainment.

Inflation-Adjusted Taxable Retail Sales Growth				
Kansas			Kansas City, KS MSA	
Year	Sales(\$Billions)*	Growth Rate	Sales(\$Billions)*	Growth Rate
2020(a)	2.840	-	0.948	-
2021(a)	3.155	11.1%	1.074	13.3%
2022(e)	3.323	5.3%	1.141	6.2%
2023(f)	3.364	1.2%	1.160	1.7%
2024(f)	3.402	1.1%	1.181	1.8%

* Annual values, in billions are derived from monthly observations and projections. ** 2021\$

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

Source: CEDBR, BLS - KSDOR