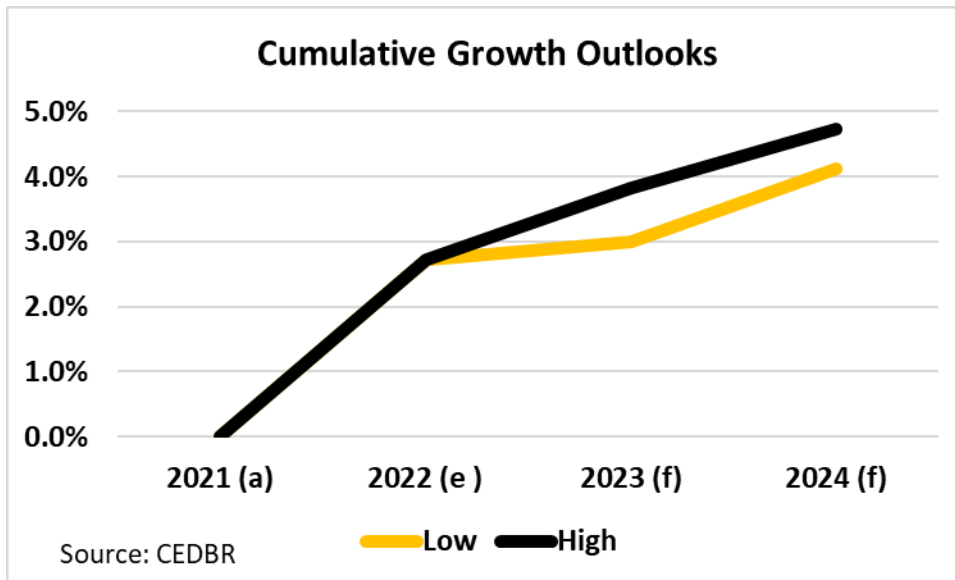


# 2023 Wichita Employment Forecast

Average annual employment in the Wichita metropolitan area<sup>1</sup> increased by 4,917 workers in 2021, a growth of 1.7%. The global pandemic's impact on the economy decreased jobs by 39,700 in April 2020. Since then, the region has added back 36,300 workers. In 2022, year-over-year growth was over 2% for the first two quarters, which is above the historical average growth rate.

The Wichita area recovery is expected to moderate the remainder of the year and into 2023, as both tightening monetary policy and labor conditions will dampen the outlook. Although global and national market conditions are slowing, the Wichita metropolitan area is expected to have one of the strongest growths within the state, adding 3,185 jobs at an annualized increase of 1.1%. Even the lower bound growth of 0.3% remains more robust than the flat growth at the state level and declining expectations in some of the other markets.



The production sectors are forecast to increase in employment by 1.7% with the addition of more than 1,155 workers. The durable goods manufacturing sector is projected to lead the growth, adding 1,169 jobs, as the aerospace industry continues its growth momentum. Non-durables manufacturing, however, is expected to decline by 56 jobs. The natural resources and construction sector is projected to have near-flat growth in 2023, as new housing demand is cooling off due to interest rates and home price appreciation.

Employment in the trade, transportation, and utilities sector is expected to increase by just fewer than 240 workers, growing 0.5%. The slowing growth within this industry is driven primarily by the persistent inflation eroding household purchasing power and its effects on the retail subsector.

The service sectors are expected to grow 0.8% and are projected to represent 35% of all area employment growth. The professional & business services sector is expected to lead the growth adding over 440 jobs of the almost 1,300 service sector jobs created in Wichita in 2023. The leisure and

<sup>1</sup> The Wichita metropolitan area consists of Sedgwick, Butler, Harvey, and Sumner counties.

hospitality sector grew by 7.1% in 2022 due to the shifting demand from retail and market opening. However, that growth is projected to moderate in 2023, as inflation has depleted spending power.

| <b>Wichita Employment by Industry*</b> |                 |                 |                 |                 |             |             |             |
|--|-----------------|-----------------|-----------------|-----------------|-------------|-------------|-------------|
|  | <b>2021 (a)</b> | <b>2022 (e)</b> | <b>2023 (f)</b> | <b>2024 (f)</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| <b>Production</b>                      | <b>62,775</b>   | <b>67,091</b>   | <b>68,246</b>   | <b>69,153</b>   | <b>6.9%</b> | <b>1.7%</b> | <b>1.3%</b> |
| Nat. Resources, Mining & Cons.         | 17,058          | 18,302          | 18,344          | 18,459          | 7.3%        | 0.2%        | 0.6%        |
| Durables                               | 37,917          | 40,833          | 42,002          | 42,699          | 7.7%        | 2.9%        | 1.7%        |
| Non-Durables                           | 7,800           | 7,956           | 7,900           | 7,996           | 2.0%        | -0.7%       | 1.2%        |
| <b>Trade</b>                           | <b>49,717</b>   | <b>51,250</b>   | <b>51,489</b>   | <b>51,579</b>   | <b>3.1%</b> | <b>0.5%</b> | <b>0.2%</b> |
| <b>Services</b>                        | <b>139,083</b>  | <b>140,352</b>  | <b>141,474</b>  | <b>142,765</b>  | <b>0.9%</b> | <b>0.8%</b> | <b>0.9%</b> |
| Information                            | 3,275           | 3,335           | 3,350           | 3,363           | 1.8%        | 0.4%        | 0.4%        |
| Financial Activities                   | 11,758          | 11,782          | 11,862          | 11,942          | 0.2%        | 0.7%        | 0.7%        |
| Professional & Business Services       | 34,500          | 33,679          | 34,122          | 34,563          | -2.4%       | 1.3%        | 1.3%        |
| Education & Health Services            | 46,133          | 45,687          | 45,872          | 46,270          | -1.0%       | 0.4%        | 0.9%        |
| Leisure & Hospitality                  | 31,792          | 34,035          | 34,287          | 34,565          | 7.1%        | 0.7%        | 0.8%        |
| Other                                  | 11,625          | 11,834          | 11,980          | 12,064          | 1.8%        | 1.2%        | 0.7%        |
| <b>Government</b>                      | <b>41,300</b>   | <b>42,182</b>   | <b>42,852</b>   | <b>43,262</b>   | <b>2.1%</b> | <b>1.6%</b> | <b>1.0%</b> |
| <b>Total</b>                           | <b>292,875</b>  | <b>300,875</b>  | <b>304,060</b>  | <b>306,760</b>  | <b>2.7%</b> | <b>1.1%</b> | <b>0.9%</b> |

\*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 1.1% in 2023. The growth will put further pressure on the market and will likely decrease unemployment over the next two years.

| <b>Wichita</b>                          |                    |                 |                   |                          |
|---|--------------------|-----------------|-------------------|--------------------------|
| <b>Year</b>                             | <b>Labor Force</b> | <b>Employed</b> | <b>Unemployed</b> | <b>Unemployment Rate</b> |
| 2021 (a)                                | 318,468            | 304,592         | 13,876            | 4.56%                    |
| 2022(e)                                 | 322,857            | 308,809         | 14,048            | 4.55%                    |
| 2023(f)                                 | 325,235            | 312,337         | 12,899            | 4.13%                    |
| 2024(f)                                 | 328,573            | 315,799         | 12,774            | 4.05%                    |
| (a) actual (e) estimated (f) forecasted |                    |                 |                   |                          |
| Source: CEDBR, BLS - LAUS               |                    |                 |                   |                          |

Inflation-adjusted taxable retail sales grew by 10.9% in 2021 and 1.7% 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.

| <b>Inflation-Adjusted Taxable Retail Sales Growth</b> |                           |                    |                           |                    |
|---|---------------------------|--------------------|---------------------------|--------------------|
| <b>Kansas</b>   |                           |                    | <b>Wichita MSA</b>        |                    |
| <b>Year</b>   | <b>Sales(\$Billions)*</b> | <b>Growth Rate</b> | <b>Sales(\$Billions)*</b> | <b>Growth Rate</b> |
| 2020(a)   | 2.840                     | -                  | 0.665                     | -                  |
| 2021(a)   | 3.155                     | 11.1%              | 0.738                     | 10.9%              |
| 2022(e)   | 3.323                     | 5.3%               | 0.751                     | 1.7%               |
| 2023(f)   | 3.364                     | 1.2%               | 0.762                     | 1.6%               |
| 2024(f)   | 3.402                     | 1.1%               | 0.775                     | 1.7%               |

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

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

Source: CEDBR, BLS - KSDOR