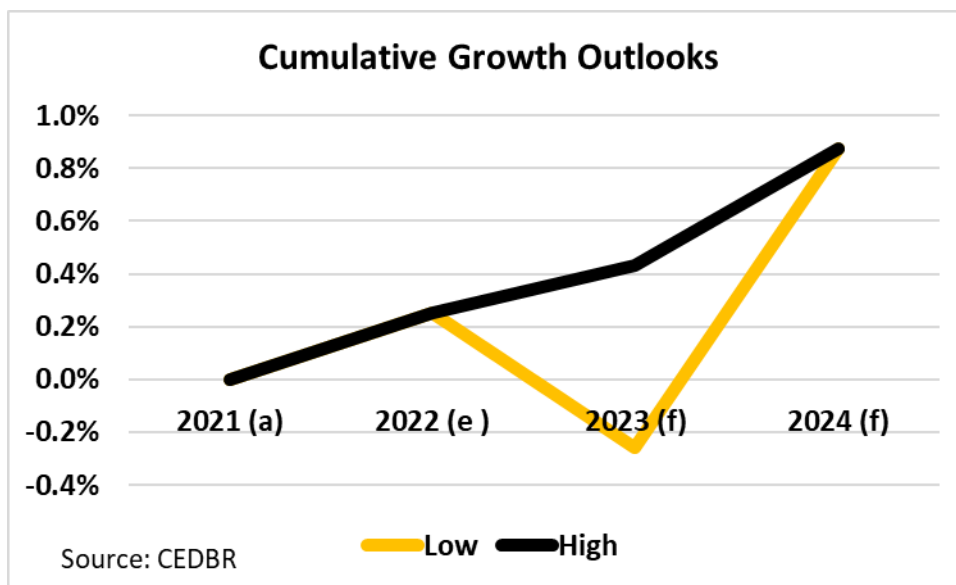


# 2023 Topeka Employment Forecast

The Topeka metropolitan area's<sup>1</sup> employment grew by 1,317 employees in 2021, an expansion of 1.2%. The global pandemic's impact on the economy decreased jobs by just under 9,900 in April 2020. Since then, the region has added back just under 9,100 workers. In 2022, year-over-year growth was over -0.2% for each of the first two quarters, which was counter to the broader macro trends.

Although the Topeka area declined in the first part of the year, the forecast is for the second half to pick up, creating a 0.3% annual growth rate. With the global and national headwinds, the forecasted employment growth for 2023 is expected to be between -0.5% to 0.2%. The more optimistic view holds a tightening monetary policy environment and slow growth. The negative growth factors in more global pressures, causing a dip in the national economy between 2022 and 2023.



All growth within the production sector is expected to be within durable goods manufacturing, with an increase of 0.7%. The non-durables manufacturing sector, which has been expanding, is expected to cool off due to weakening demand and inflation. The natural resources, mining, and construction sector is expected to decline slightly in 2023, as home price appreciation and consumer sentiment will weigh on the construction sector.

Employment in the trade, transportation, and utilities is projected to decline by 1.6%, a loss of 282 jobs in 2023. Retail trade will likely make up most of that loss, which is due to changing consumer behavior and weakening purchasing power due to inflation. Transportation and utilities are forecast to slow down because of the broader economic conditions.

The service sectors are expected to account for almost all of the growth in 2023, adding just under 390 jobs. The driver for the increase stems from the shift from latent growth in financial and health services and the changing consumer behaviors. Leisure & hospitality account for the later shift, as consumers are spending less on retail and dining out more. The information sector, which is an agglomeration of news,

<sup>1</sup> The Topeka metropolitan area consists of Jackson, Jefferson, Osage, Shawnee, and Wabaunsee counties.

data hosting, telecommunication, and publishing industries is expected to decline by 2.7%, accounting for a loss of 21 jobs.

<b>Topeka 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>13,633</b>	<b>13,771</b>	<b>13,726</b>	<b>13,957</b>	<b>1.0%</b>	<b>-0.3%</b>	<b>1.7%</b>
Nat. Resources, Mining & Cons.	5,525	5,474	5,464	5,492	-0.9%	-0.2%	0.5%
Durables	1,825	1,945	1,959	1,978	6.6%	0.7%	1.0%
Non-Durables	6,283	6,352	6,303	6,487	1.1%	-0.8%	2.9%
<b>Trade</b>	<b>17,392</b>	<b>17,481</b>	<b>17,199</b>	<b>17,071</b>	<b>0.5%</b>	<b>-1.6%</b>	<b>-0.7%</b>
<b>Services</b>	<b>51,683</b>	<b>52,274</b>	<b>52,661</b>	<b>53,063</b>	<b>1.1%</b>	<b>0.7%</b>	<b>0.8%</b>
Information	900	768	747	749	-14.7%	-2.7%	0.2%
Financial Activities	6,850	6,698	6,721	6,765	-2.2%	0.3%	0.7%
Professional & Business Services	12,967	13,421	13,544	13,735	3.5%	0.9%	1.4%
Education & Health Services	18,583	18,548	18,714	18,837	-0.2%	0.9%	0.7%
Leisure & Hospitality	7,883	8,204	8,244	8,249	4.1%	0.5%	0.1%
Other	4,500	4,634	4,690	4,729	3.0%	1.2%	0.8%
<b>Government</b>	<b>25,900</b>	<b>25,359</b>	<b>25,491</b>	<b>25,470</b>	<b>-2.1%</b>	<b>0.5%</b>	<b>-0.1%</b>
<b>Total</b>	<b>108,608</b>	<b>108,885</b>	<b>109,076</b>	<b>109,561</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.4%</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 is anticipated to expand by 0.3% in 2023. The growth will put further pressure on the market and will likely decrease unemployment over the next two years.

<b>Topeka</b>				
<b>Year</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate</b>
2021 (a)	120,515	116,856	3,660	3.13%
2022 (e)	120,992	117,300	3,692	3.15%
2023 (f)	121,202	117,674	3,528	3.00%
2024 (f)	121,542	117,997	3,545	3.00%
(a) actual (e) estimated (f) forecasted				
Source: CEDBR, BLS - LAUS				

Inflation-adjusted taxable retail sales grew by 8.8% in 2021 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. Retail sales are expected to pick up in 2023, increasing by 1.0%.

<b>Inflation-Adjusted Taxable Retail Sales Growth</b>				
<b>Kansas</b>			<b>Topeka 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	-	0.207	-
2021(a)	3.155	11.1%	0.225	8.8%
2022(e)	3.323	5.3%	0.224	-0.3%
2023(f)	3.364	1.2%	0.226	1.0%
2024(f)	3.402	1.1%	0.229	1.2%

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

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

Source: CEDBR, BLS - KSDOR