

**Kansas Economic Outlook**  
**Center for Economic Development and Business Research**  
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The national unemployment rate reached 10.6 percent in January 2010. It fell to 8.9 percent in 2011 and has continued to decline in the first half of 2012, reaching 8.2 percent in August. Total employment has increased 1.4 percent when comparing the first eight months of 2011 to the first eight months of 2012. Based on these data, the recovery has certainly taken hold; unfortunately, it has done so at an unusually slow rate. Gross domestic product, although increasing, has slowed to an annual rate of 2.1 percent in second quarter 2012.

The Kansas unemployment rate was 6.2 percent in August 2012, 0.7 percent lower than the same month last year. This continues the general decline in unemployment rates that began after reaching a peak of 8.1 percent in July 2009. Even with declines in the unemployment rate, job growth has been slow. In the first eight months of 2012, total employment was 1,342,288, only 0.9 percent higher than the first eight months of 2011.

Weak job growth is further confirmed by Creighton University's Business Conditions Index for Kansas. The Index fell below 50 in November 2008, indicating an economic contraction, and hit a low of 29.7 in June 2009. Since then, the Index has primarily remained above 50, occasionally wavering. In the first six months of 2012 the index was above 50. However, in July the index fell 3.9 points to 47.8. In August, the index showed a slight improvement, reaching 48. Based on this index the state is expected to grow at a meager rate through the remainder of the year.<sup>i</sup>

As of this writing, Kansas employment is on track to increase 1 percent in 2012, with much of the job growth having occurred in the first eight months of the year. In 2013, Kansas employment is projected to increase 1.8 percent, gaining approximately 24,175 jobs.

The industry segments that are expected to contract in 2013 include:

- Government, down 0.6 percent, for a loss of 1,555 jobs
- Information, down 0.9 percent, for a loss of 230 jobs

The largest expanding sectors of the Kansas' economy in 2013 are forecasted to be:

- Professional and business services, up 5.7 percent, for a gain of 8,980 jobs
- Education and health services, up 2.8 percent, for a net gain of 5,330 jobs
- Leisure and hospitality, up 2.7 percent, for a net gain of 3,195 jobs

<b>Kansas Employment by Industry Summary*</b>					
	2011 (a)	2012 (e)	2013 (f)	2012-2013 Level Change	2012-2013 Percent Change
<b>Total Nonfarm</b>	<b>1,335,950</b>	<b>1,348,885</b>	<b>1,373,060</b>	<b>24,175</b>	<b>1.8%</b>
<b>Production Sectors</b>	<b>222,675</b>	<b>227,130</b>	<b>232,020</b>	<b>4,890</b>	<b>2.2%</b>
Natural Resources, Mining & Cons.	61,717	62,510	64,445	1,935	3.1%
Manufacturing	160,958	164,620	167,575	2,955	1.8%
Durable Goods	98,142	100,640	102,345	1,705	1.7%
Non-Durable Goods	62,817	63,980	65,230	1,250	2.0%
<b>Trade, Transportation &amp; Utilities</b>	<b>253,208</b>	<b>252,745</b>	<b>254,675</b>	<b>1,930</b>	<b>0.8%</b>
Wholesale Trade	59,725	60,340	60,815	475	0.8%
Retail Trade	141,142	140,715	141,630	915	0.7%
Transportation & Utilities	52,342	51,690	52,230	540	1.0%
<b>Service Sectors</b>	<b>602,150</b>	<b>613,285</b>	<b>632,195</b>	<b>18,910</b>	<b>3.1%</b>
Information	27,758	26,500	26,270	-230	-0.9%
Financial Activities	73,092	72,585	73,485	900	1.2%
Professional & Business Services	149,633	156,890	165,870	8,980	5.7%
Education & Health Services	183,942	187,125	192,455	5,330	2.8%
Leisure & Hospitality	115,425	117,705	120,900	3,195	2.7%
Other Services	52,300	52,480	53,215	735	1.4%
<b>Government</b>	<b>257,917</b>	<b>255,725</b>	<b>254,170</b>	<b>-1,555</b>	<b>-0.6%</b>

\*Annual values are derived from average quarterly observations and projections.  
(a) actual (e) estimated (f) forecasted