

## Summary – Kansas and Wichita

- Real **average wages** are expected to **increase** across Kansas; however, **consumption** will **remain muted** until labor demanded increases for moderate skilled workers and uncertainty dissipates.
- Increased **business optimism**, **business profits**, and an improving **market place** should make the next 18 months **prime** for **investments** across the state.
- Improvements in the **global market** place is **critical for the health** of the aerospace sector and employment growth.
- The sustained **low costs** in the oil could have some **delayed and unidentified negative** effects in Kansas.
- Employment is expected to **increase 1.4% in Kansas** and **1.1% in Wichita**, which reflects a **slow growth economy** compared to the Nation.



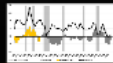
## Summary – Kansas and Wichita

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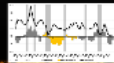
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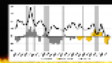
1960 1970 1980 1990 2000 2010 2020 2030 2040 2050 2060



• 1970s was the strongest period of growth in history.  
 • Applications and oil strengthened the economy during the 1970s.  
 • Machinery and food (including wheat)



• Korean war led to a global growth boom.  
 • International relations started to improve.  
 • Applications and oil strengthened the economy during the 1990s.  
 • Machinery and food (including wheat)



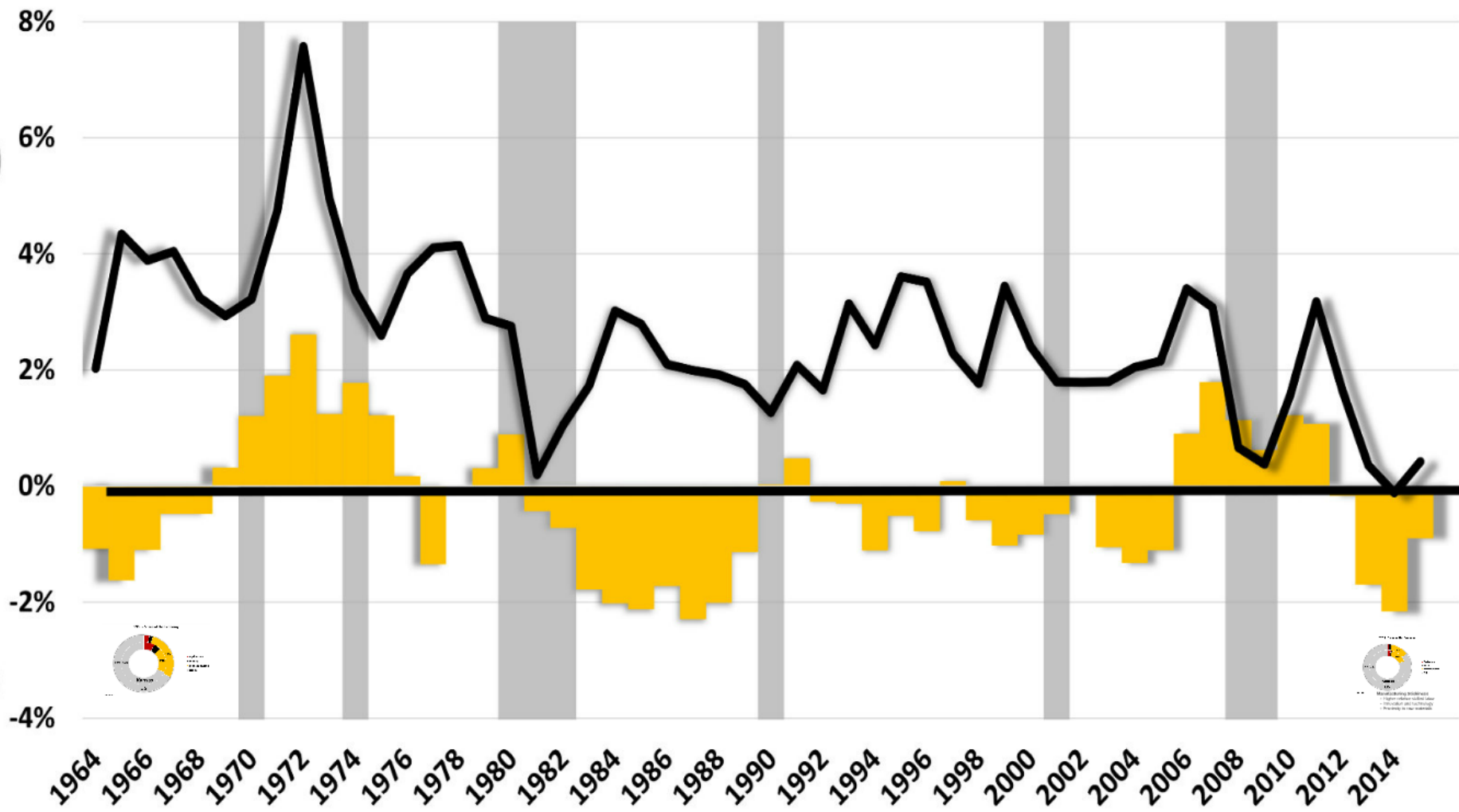
• Growth slowed in 2000.  
 • Applications and oil strengthened the economy during the 2000s.  
 • Machinery and food (including wheat)



**Summary**

- While economic growth is slower in reality, it shows a significant change in the way we live, work, and play.
- Korea, Russia, Japan, and China are all the global economy picks up and the return rate of the dollar decreases.
- Although the economy is growing, it is not doing so as fast as it used to be. This is due to a number of factors, including the fact that the world is becoming more global.
- Employment is expected to increase 6.8% in 2010, and 8.2% in 2011, which indicates a strong growth expectation for 2010 and 2011.
- The Euro's price will rise as it grows, and the world's economy will grow as it grows.





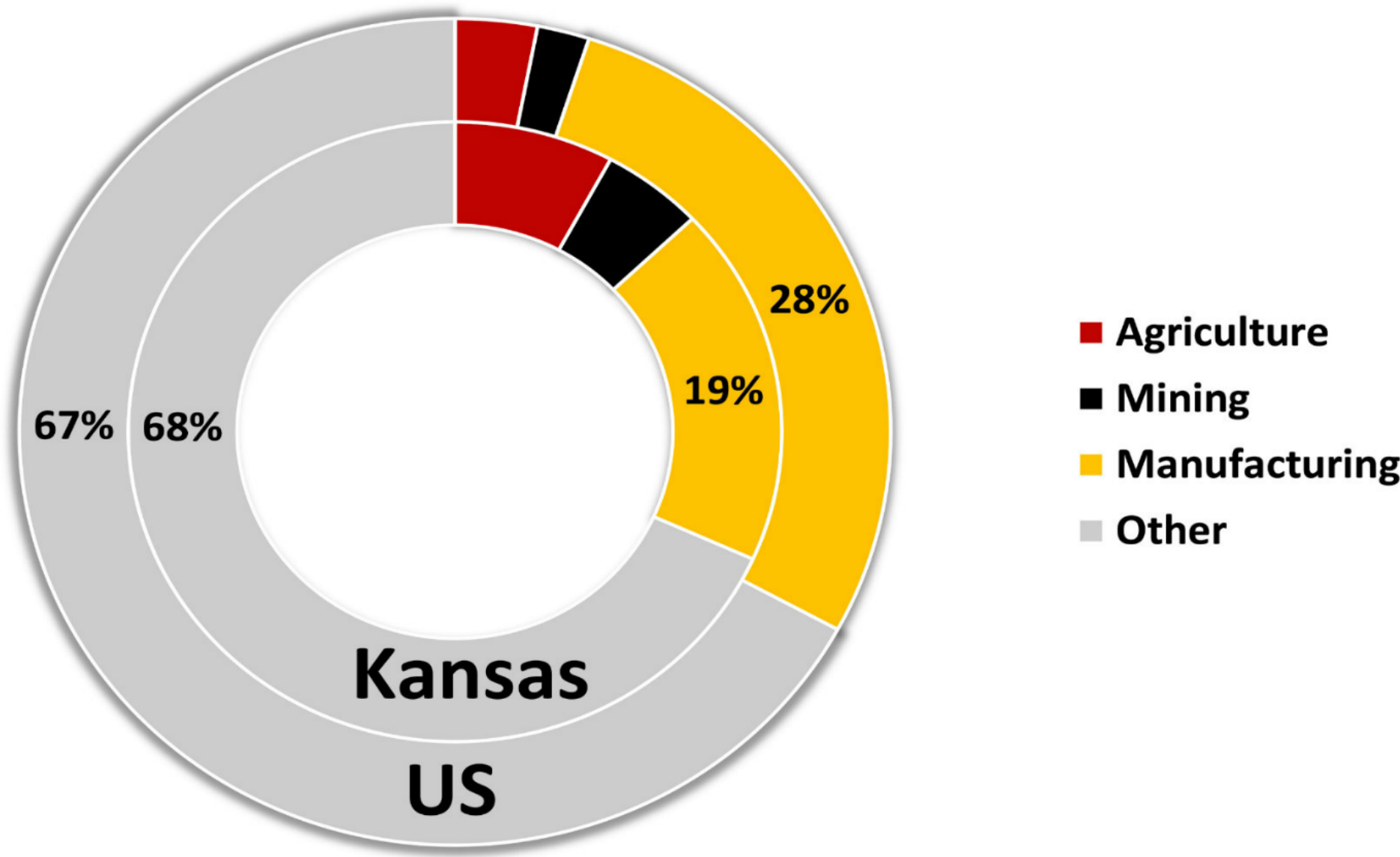
Source: BEA(3 year average), NBER

Recession

Relative Growth

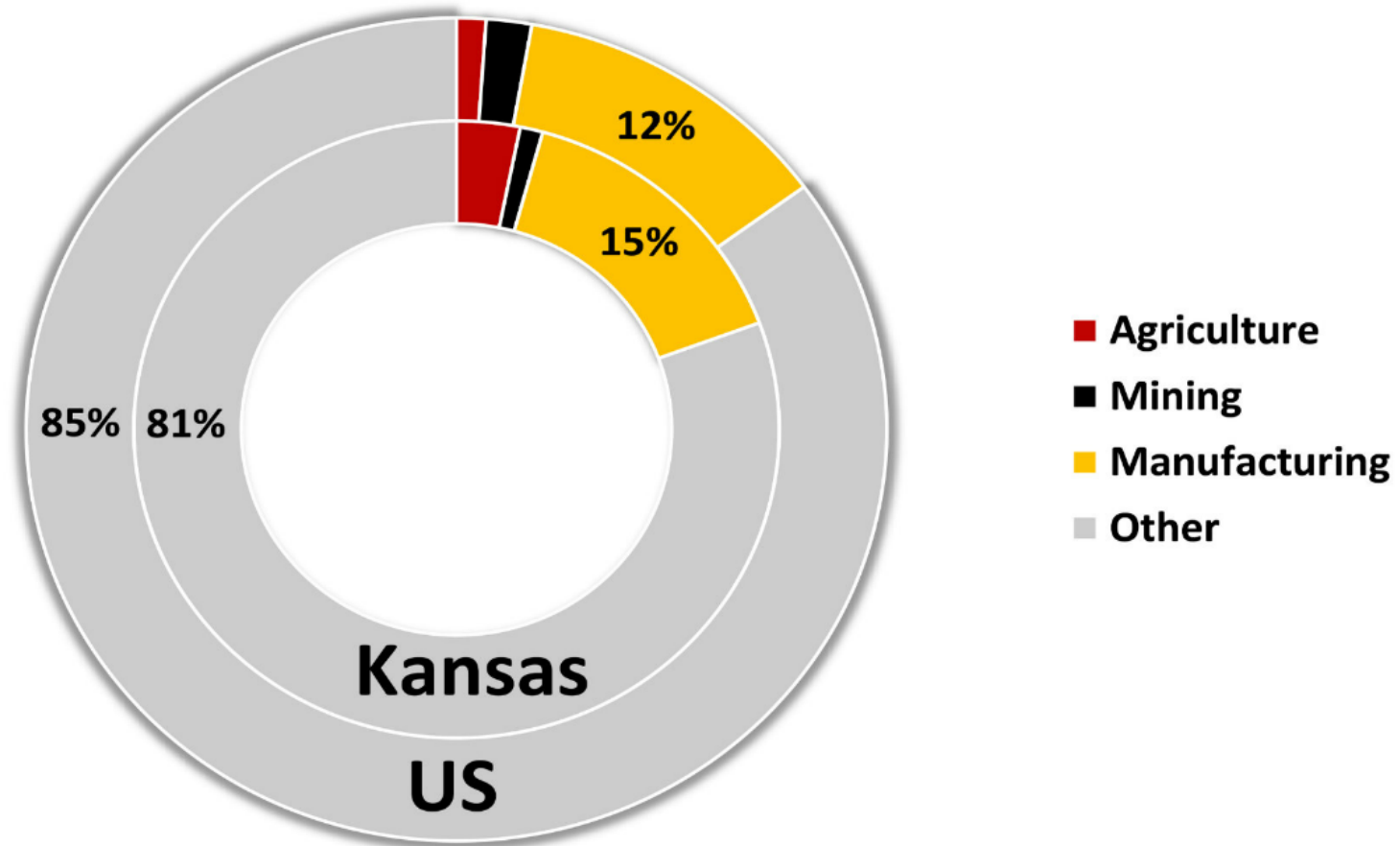
Kansas GDP

# 1965 - Share of the Economy



Source: BEA

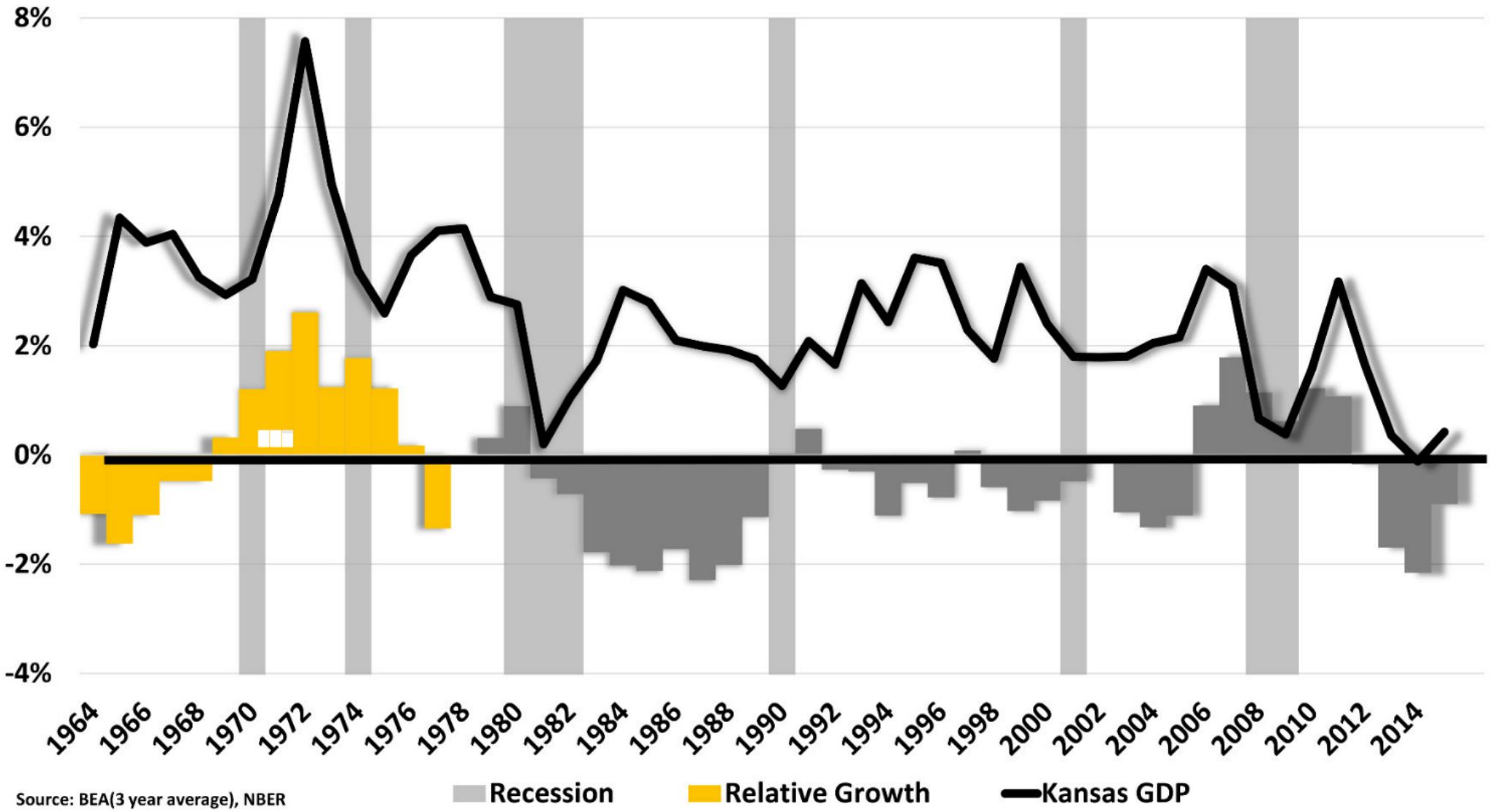
## 2015 - Share of the Economy



Source: BEA

## Manufacturing Stickiness

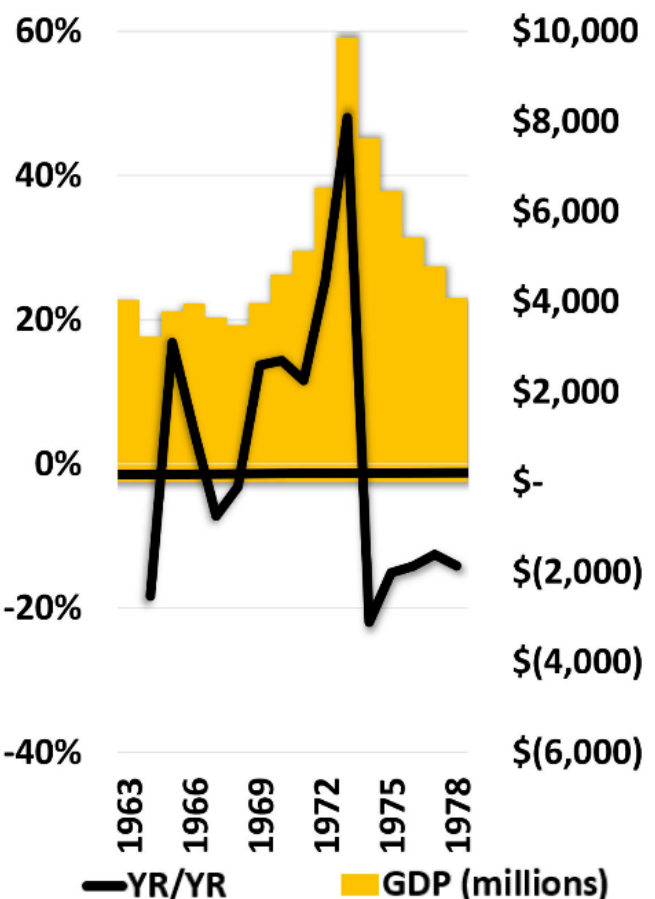
- Higher relative skilled labor
- Innovation and technology
- Proximity to raw materials



Source: BEA(3 year average), NBER

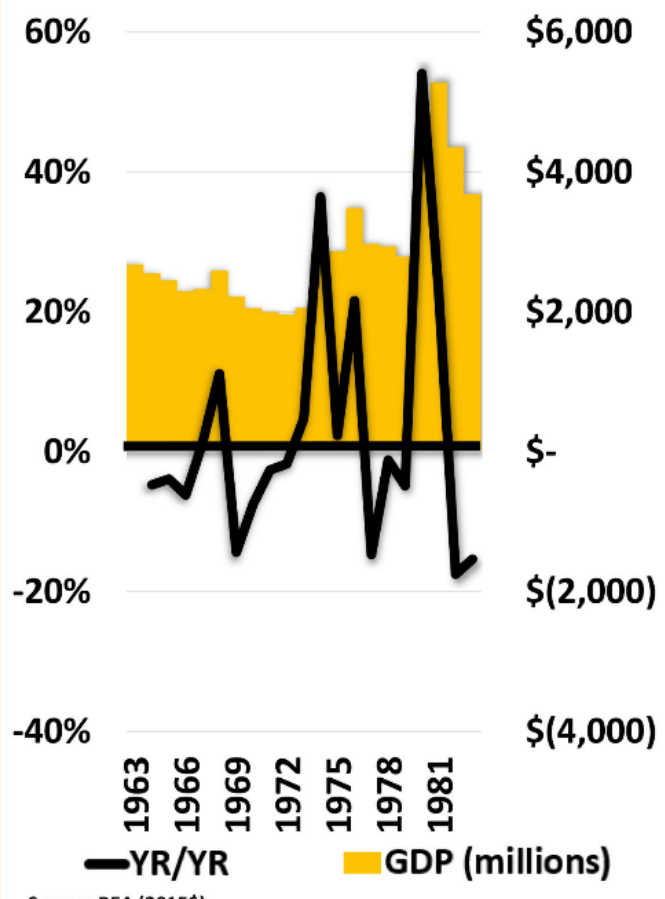
Recession
  Relative Growth
  Kansas GDP

### Agriculture



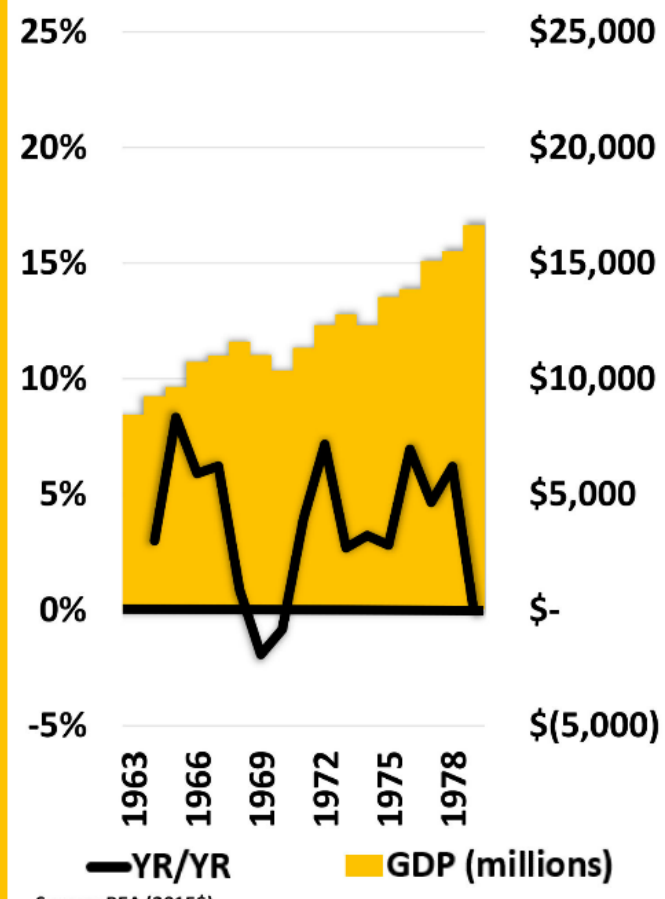
Source: BEA (2015\$)

### Oil and Gas



Source: BEA (2015\$)

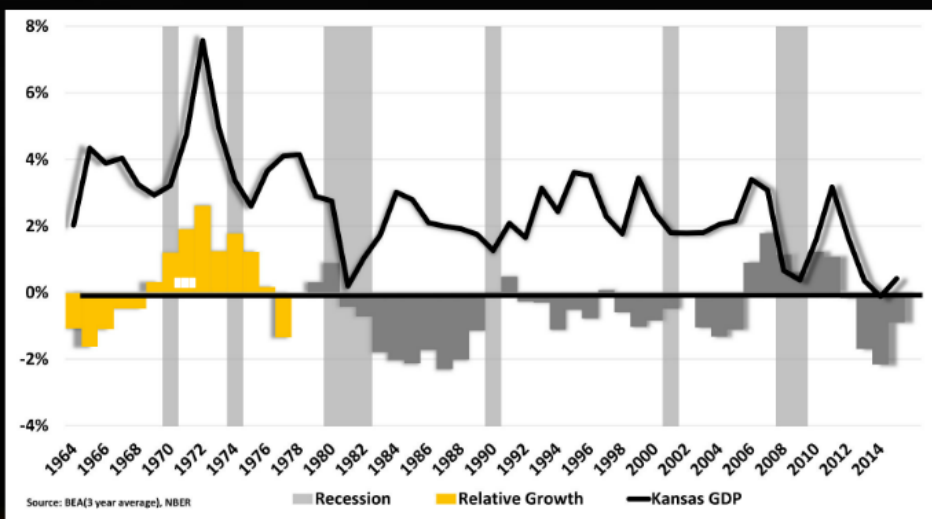
### Manufacturing



Source: BEA (2015\$)

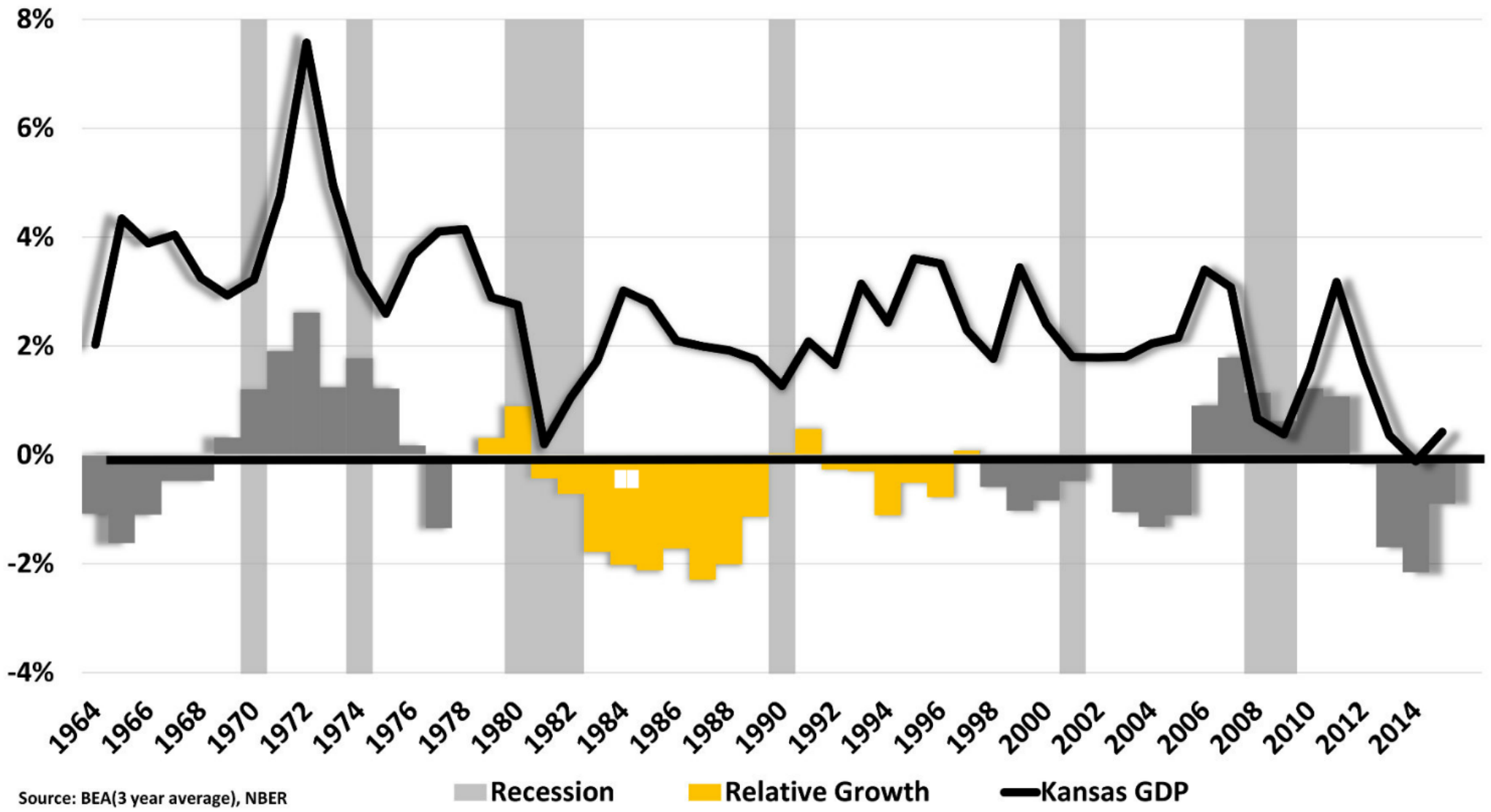


- **1970s** was the **strongest** period of growth for Kansas
- **Agriculture and Oil strengthened** the economy during the U.S. recessions
- **Machinery and Food** processing emerged



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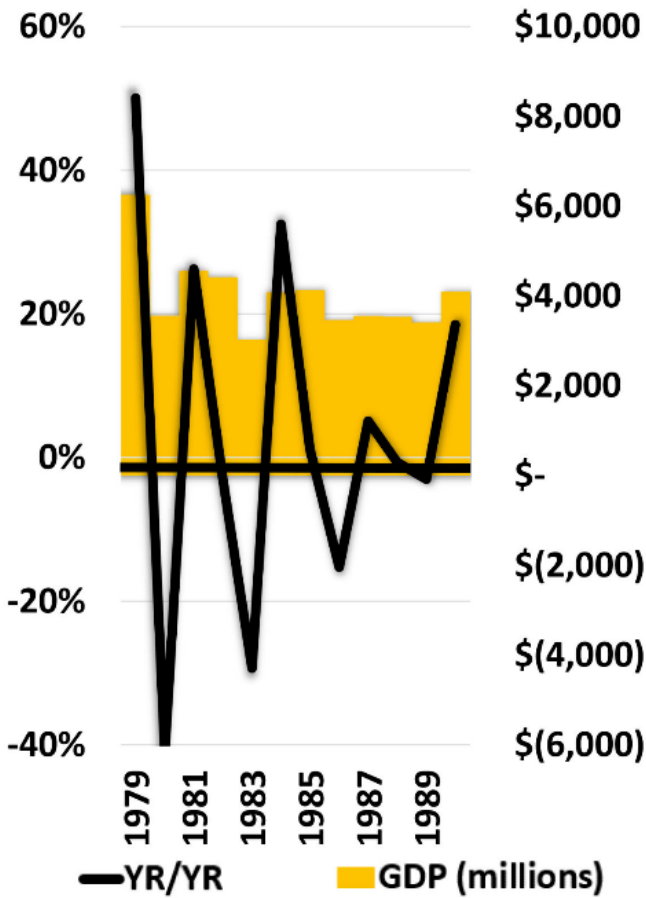
Source: BEA(3 year average), NBER

■ Recession

■ Relative Growth

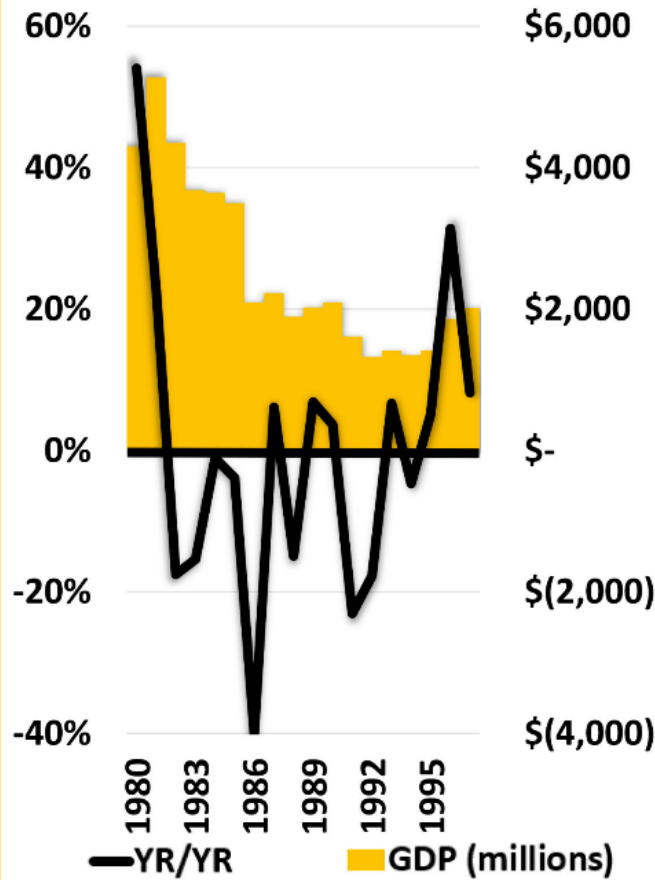
— Kansas GDP

### Agriculture



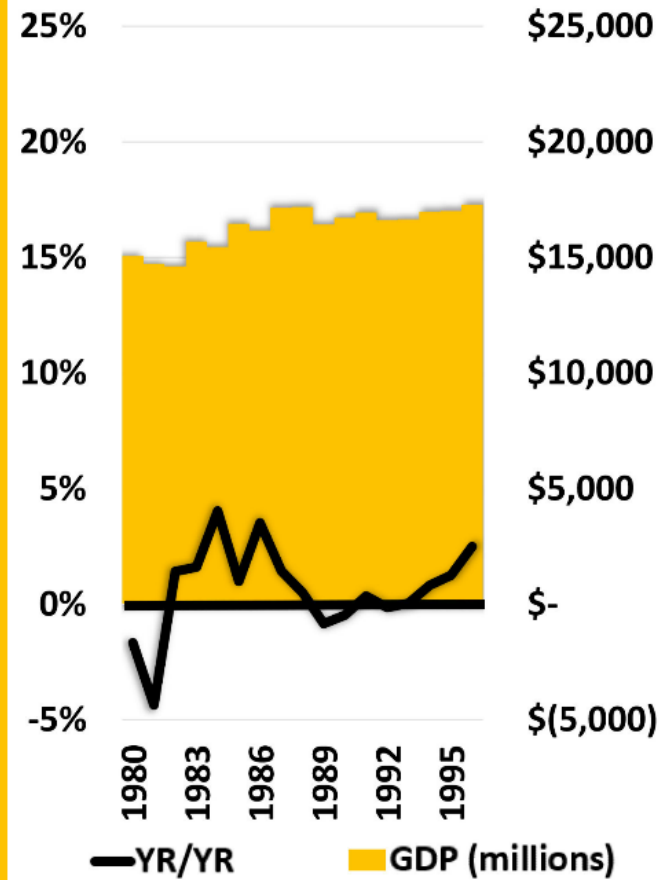
Source: BEA (2015\$)

### Oil and Gas

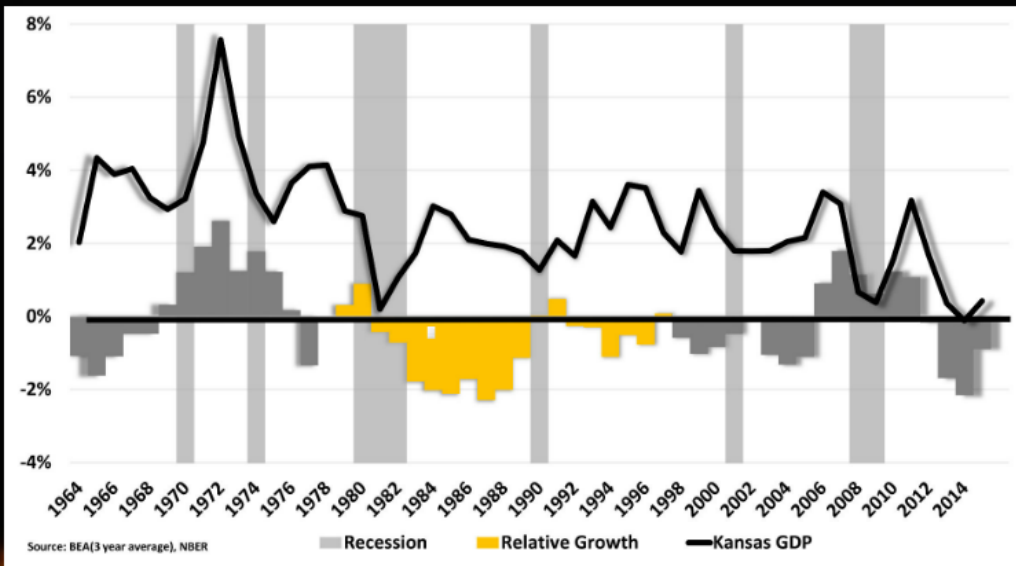


Source: BEA (2015\$)

### Manufacturing



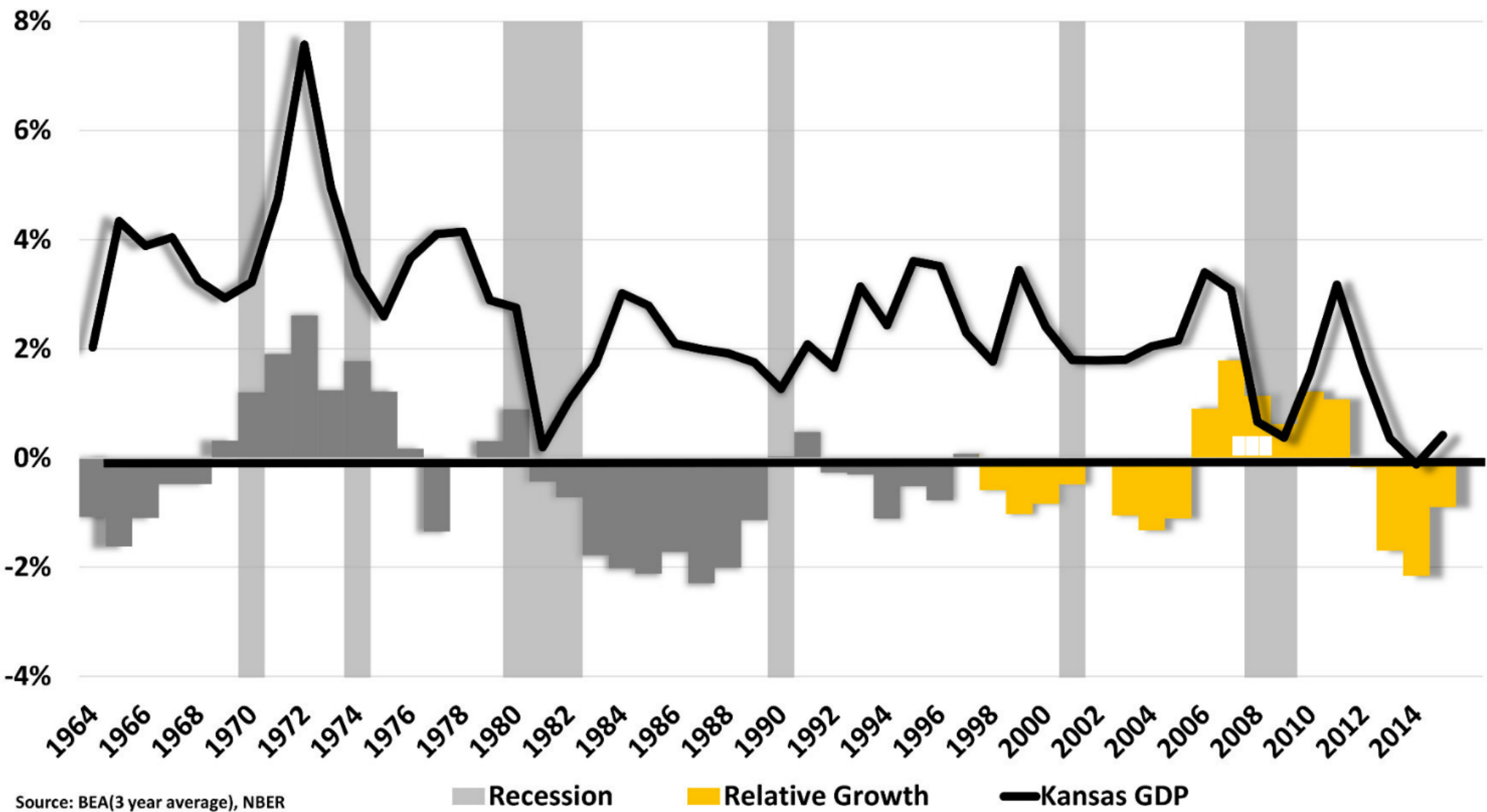
Source: BEA (2015\$)

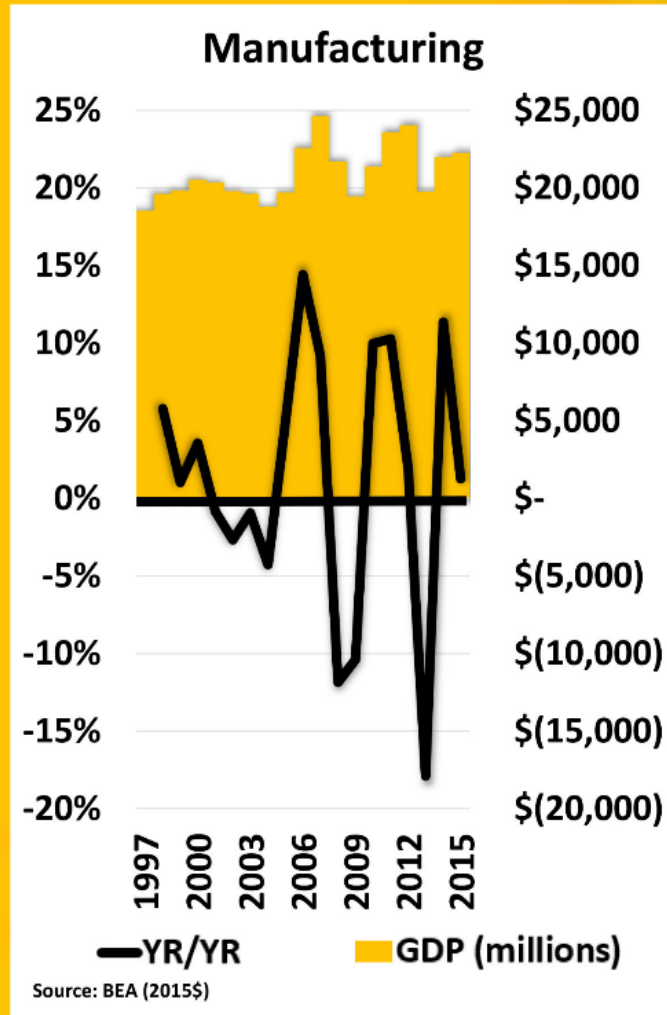
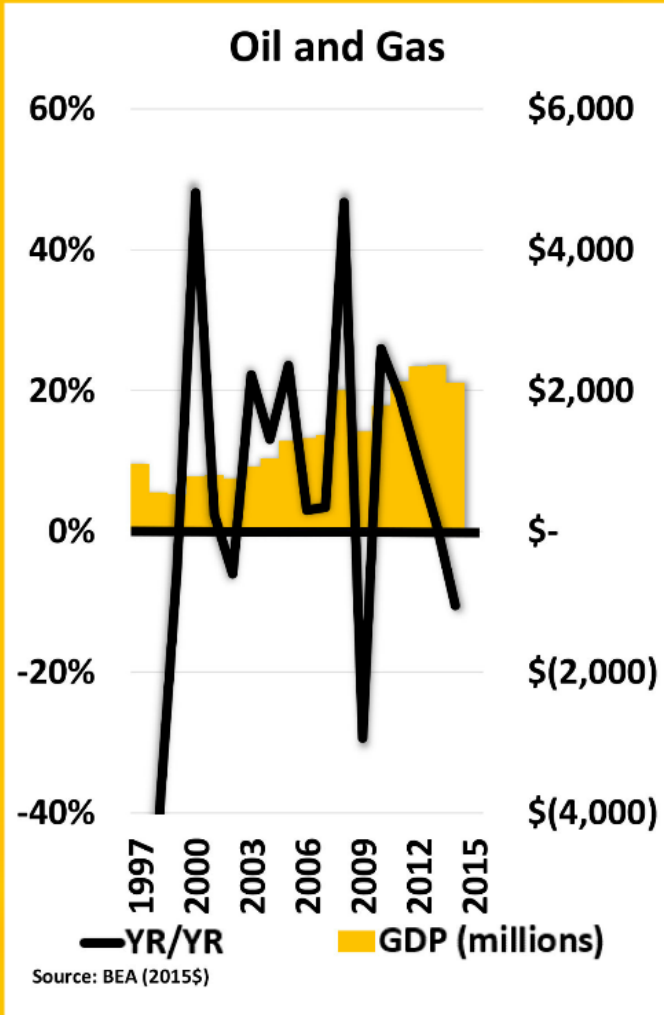
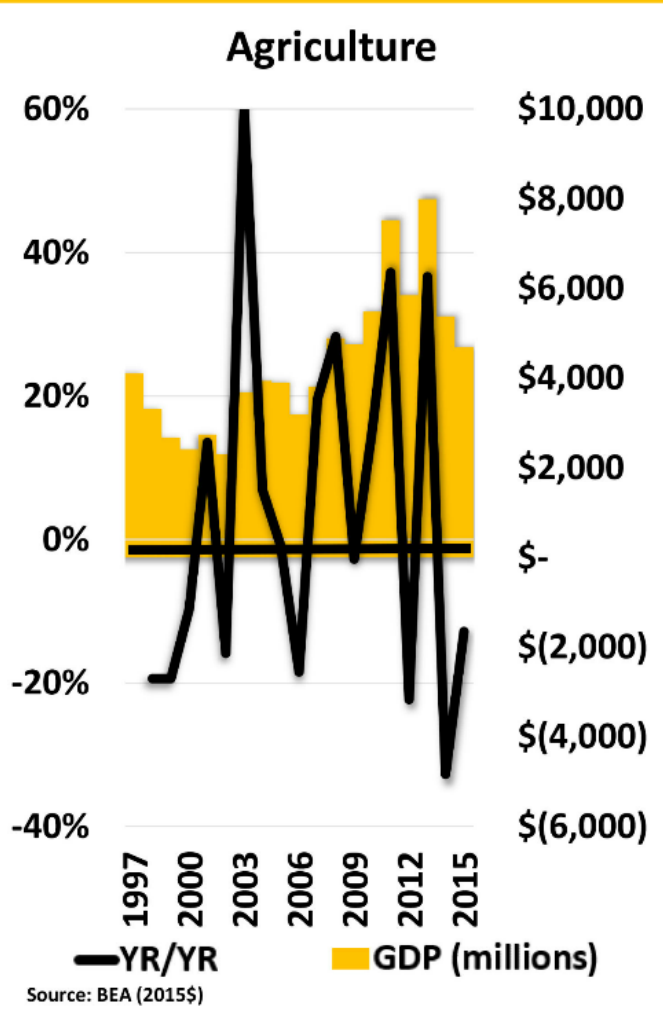


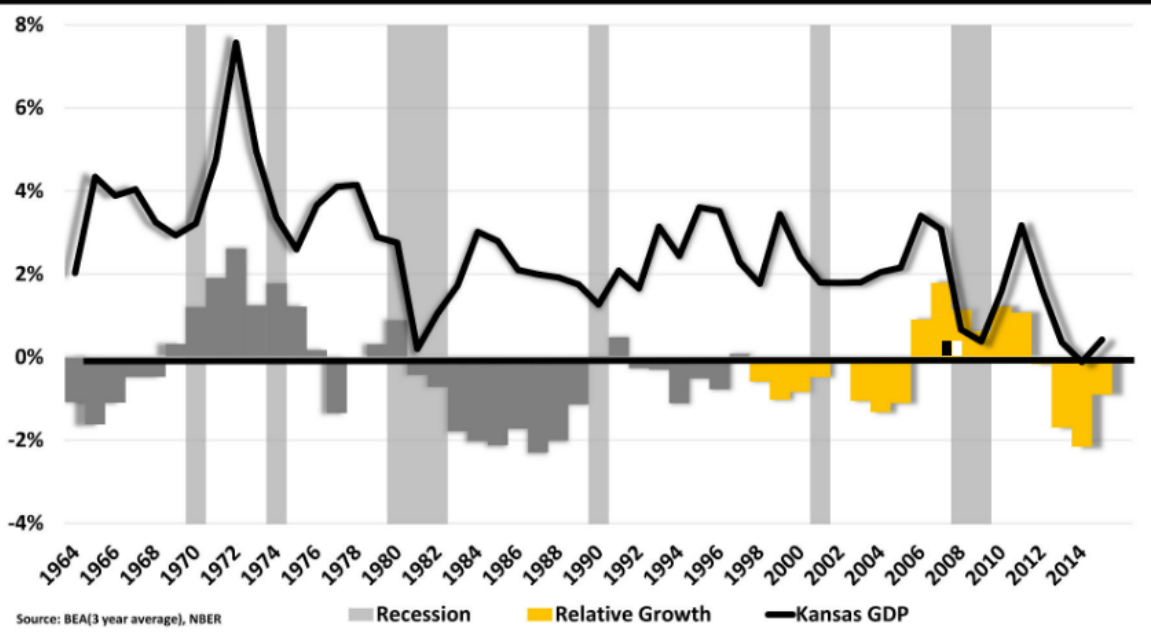
- **Kansas settles** into a slower growth trend
- **Professional Services** expands at a slower rate
- **Agriculture and Oil** struggle
- **Manufacturing** has mixed growth

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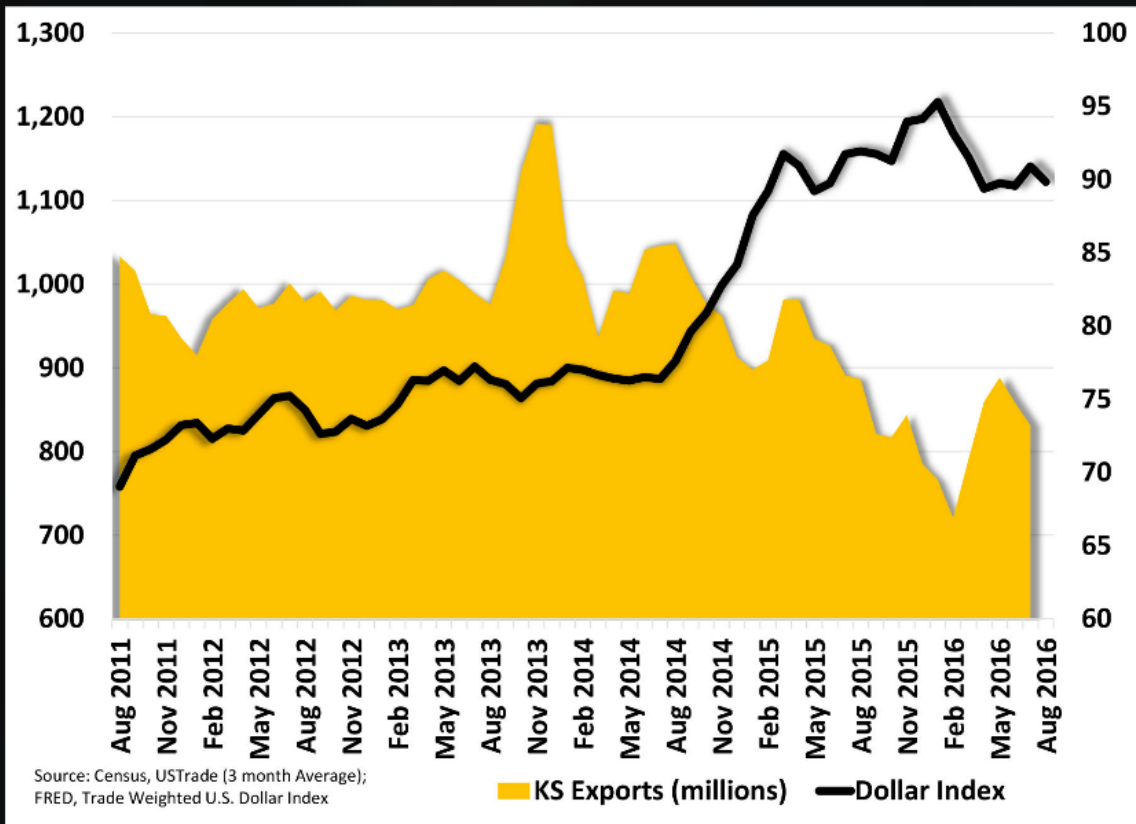


- **Every** recession is **unique**
- **Macroeconomic forces** are the biggest drivers for the State's economy
- **Agriculture, Mining, and Manufacturing** have played a significant role in the strength of the economy





Image by Ben O'Brien

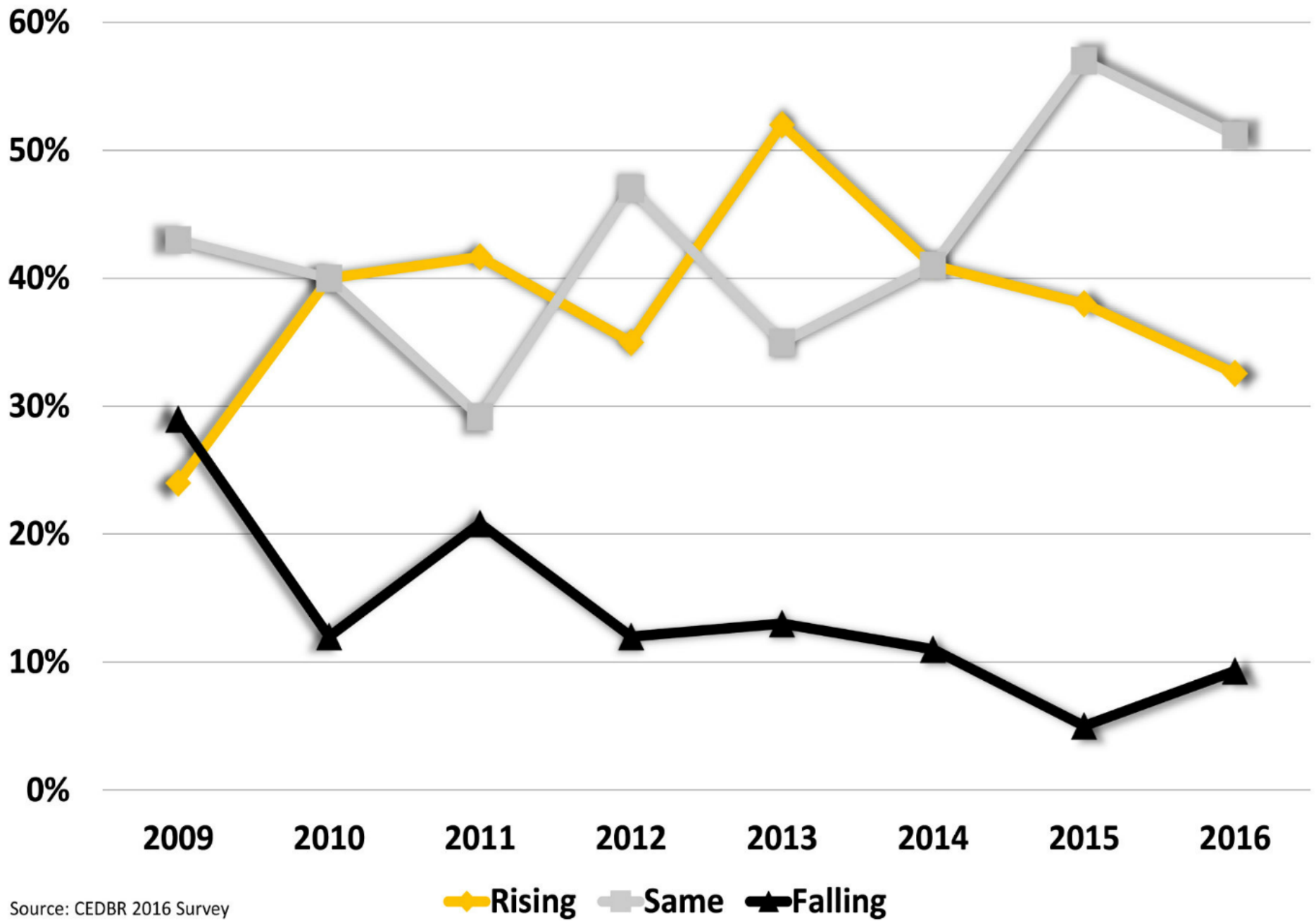


### 2016 Business Concerns

- **Global** - U.S. competitive position
- **State** - Tax policy and spending
- **Local** - Skilled workforce

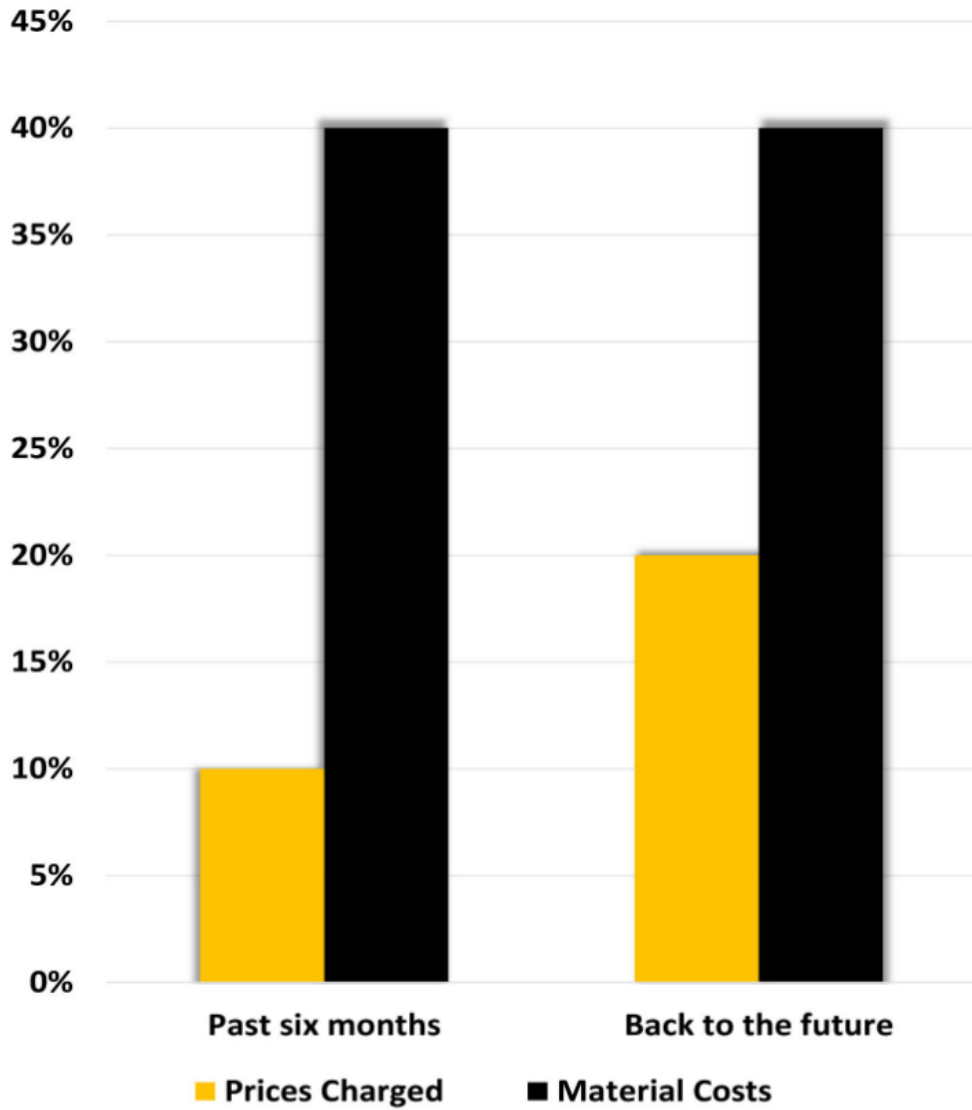


# Volume of Demand



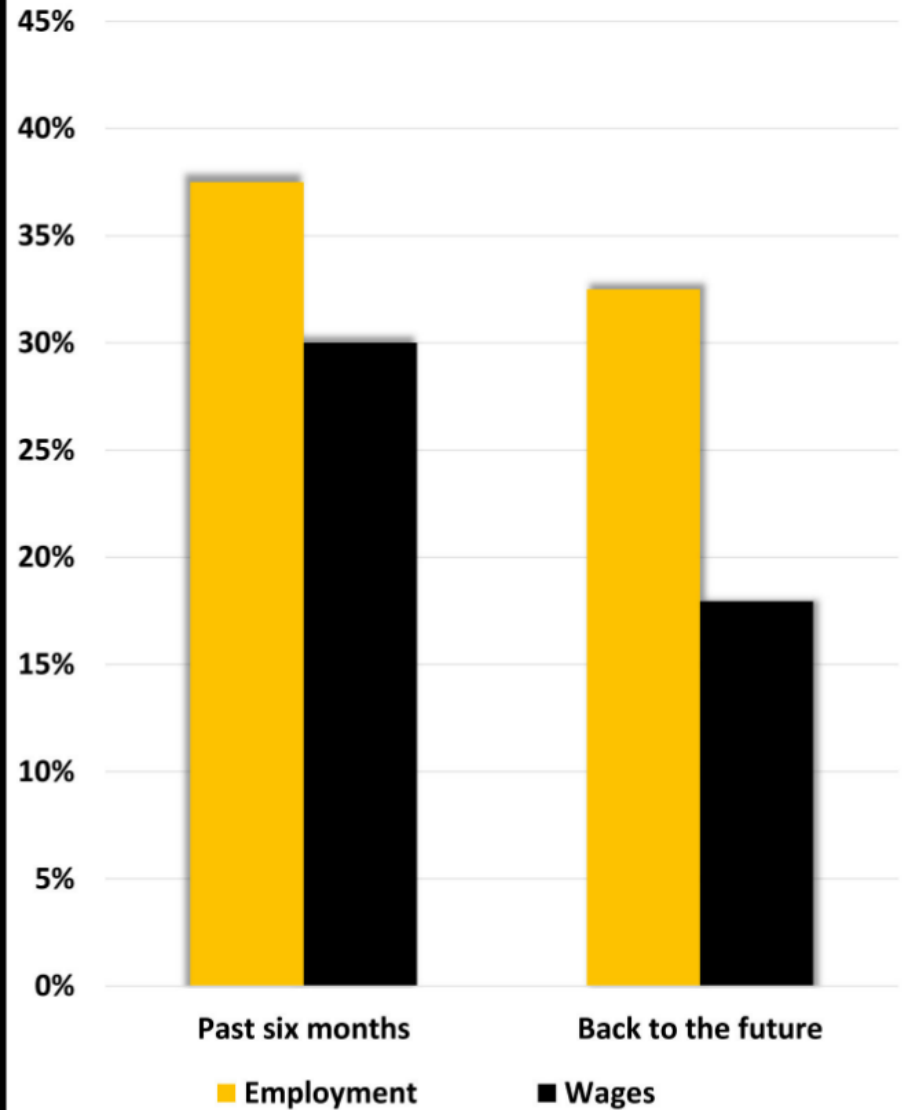
Source: CEDBR 2016 Survey

### Business Conditions (% Rising)

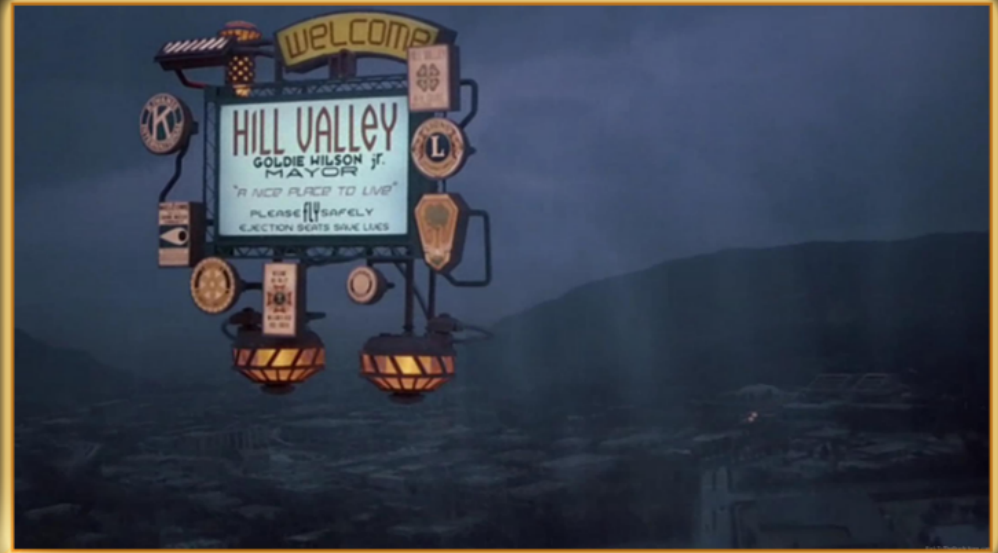


Source: CEDBR 2016 Survey

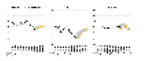
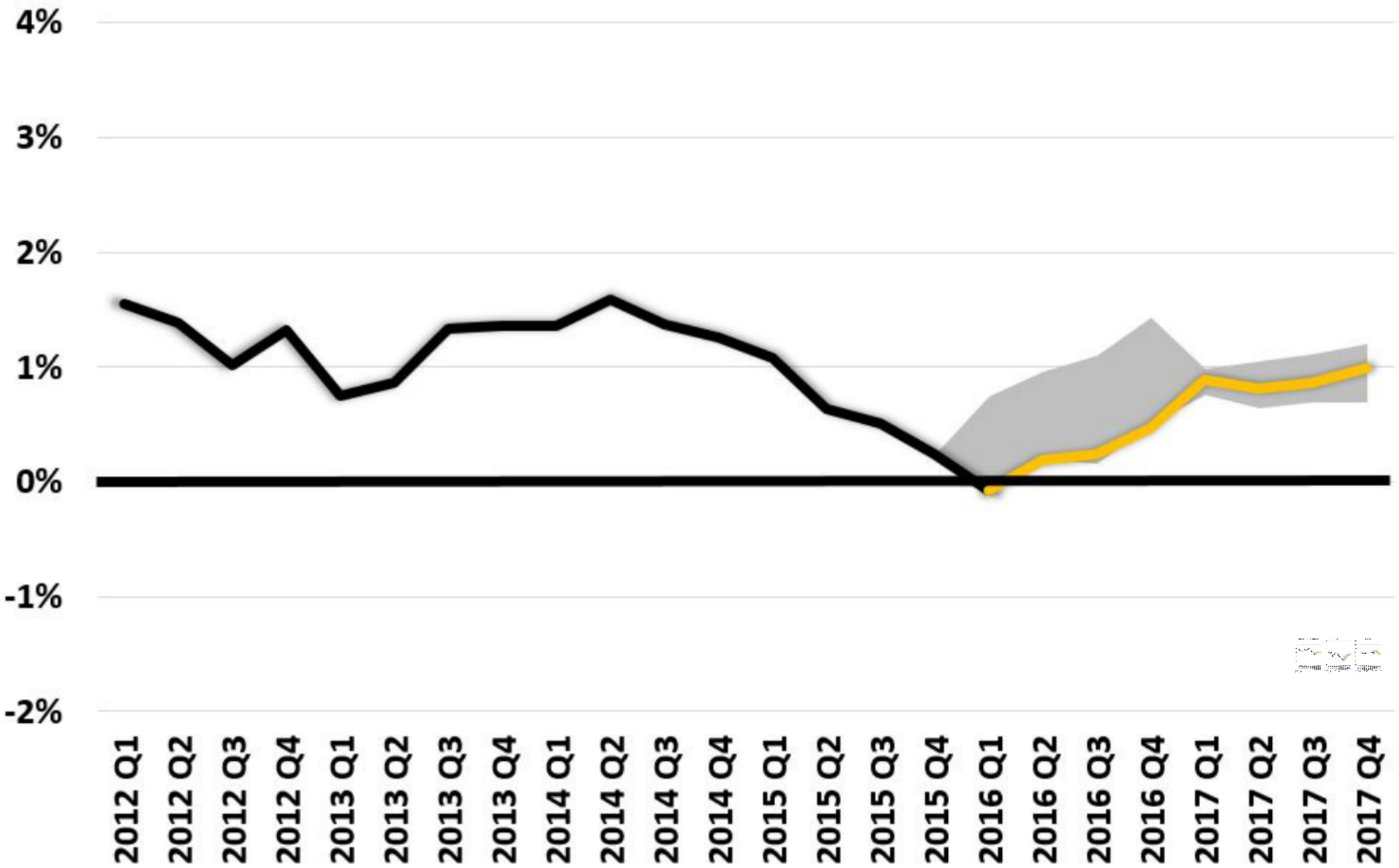
### Labor Market (% Rising)



Source: CEDBR 2016 Survey



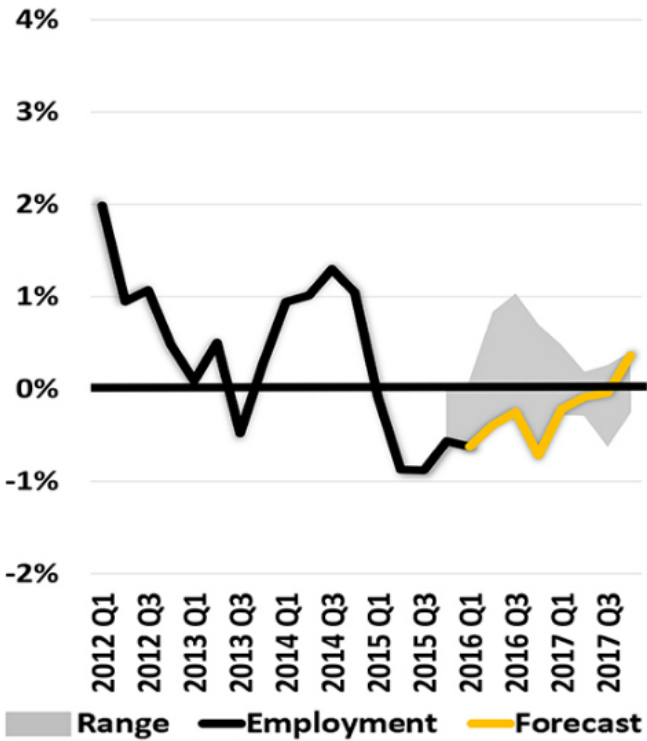
# Kansas Total Nonfarm



Source: CEDBR

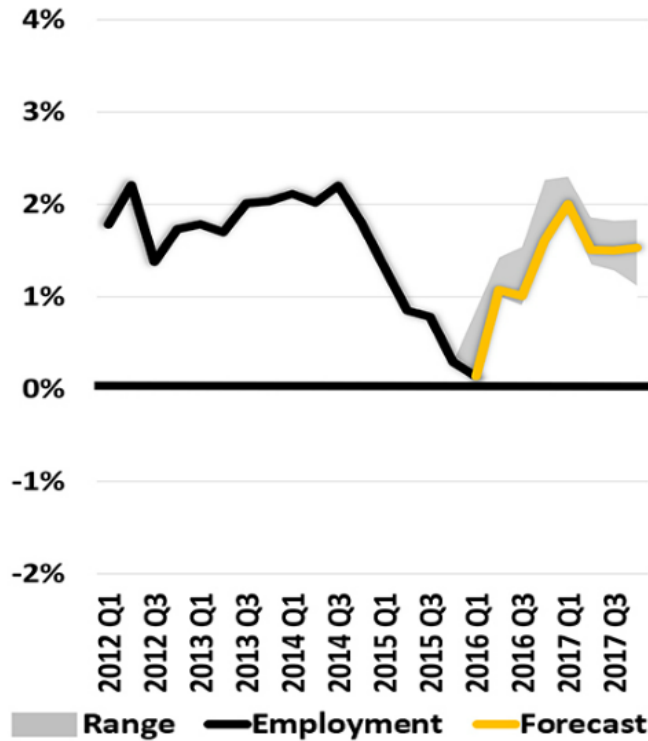
Range Employment Forecast

### Kansas Manufacturing



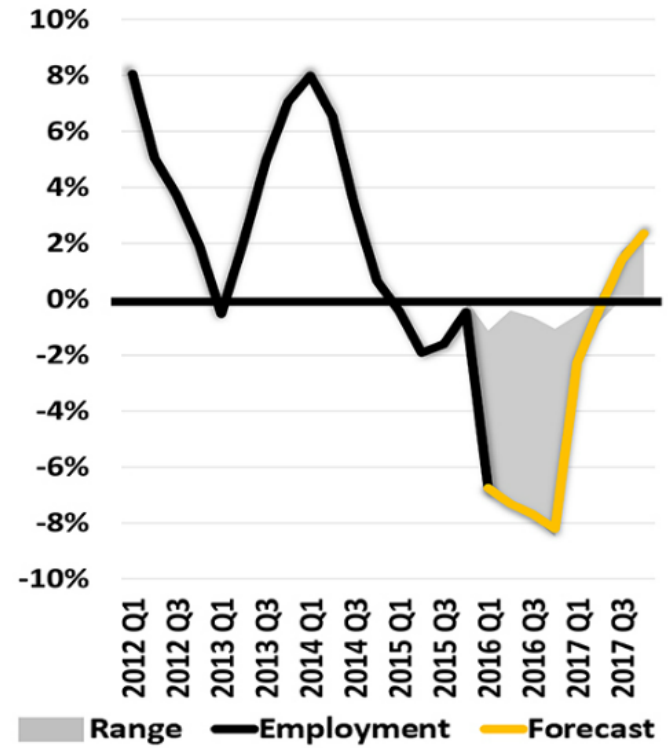
Source: CEDBR

### Kansas Services



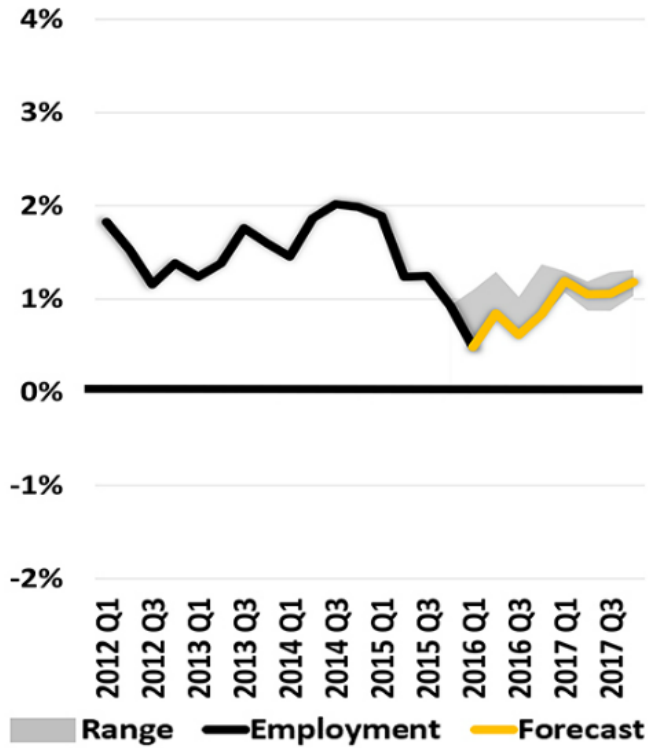
Source: CEDBR

### Kansas Mining & Construction



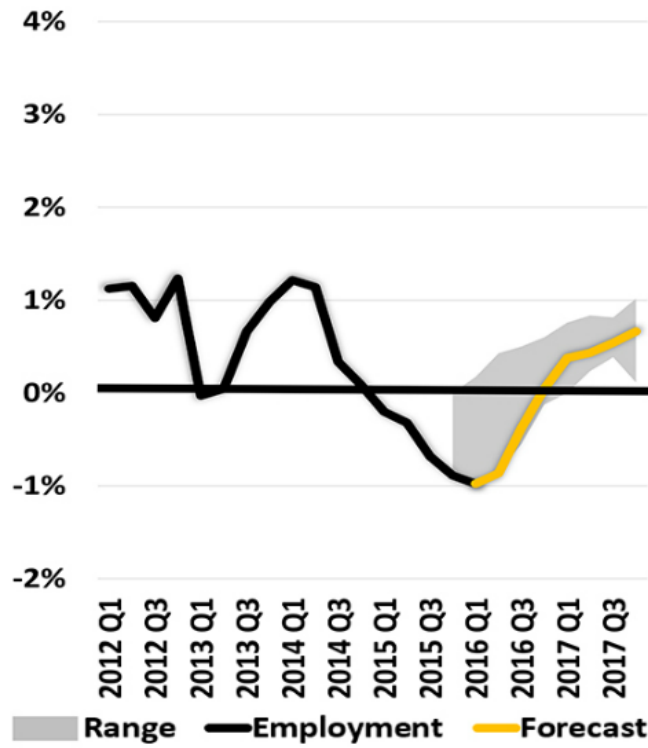
Source: CEDBR

**Kansas Major Metro Areas**



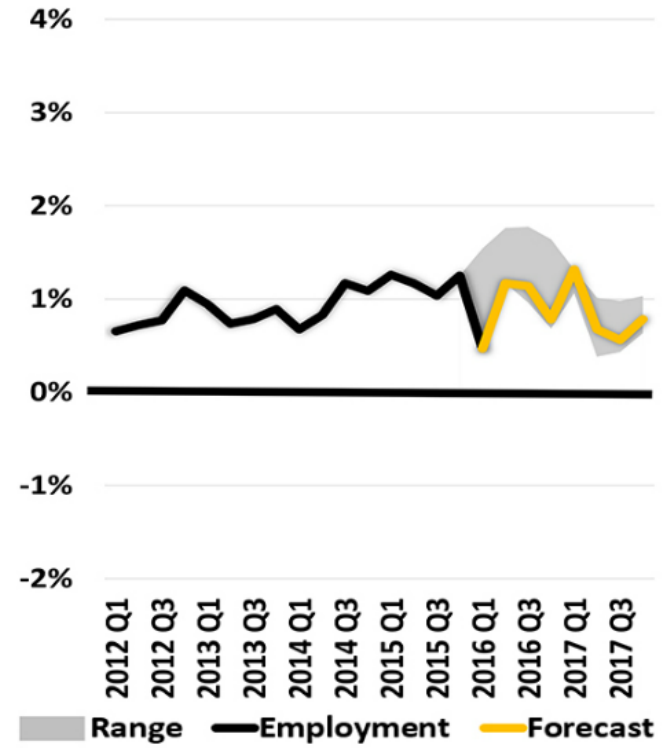
Source: CEDBR

**Kansas Excluding Major Metro Areas**

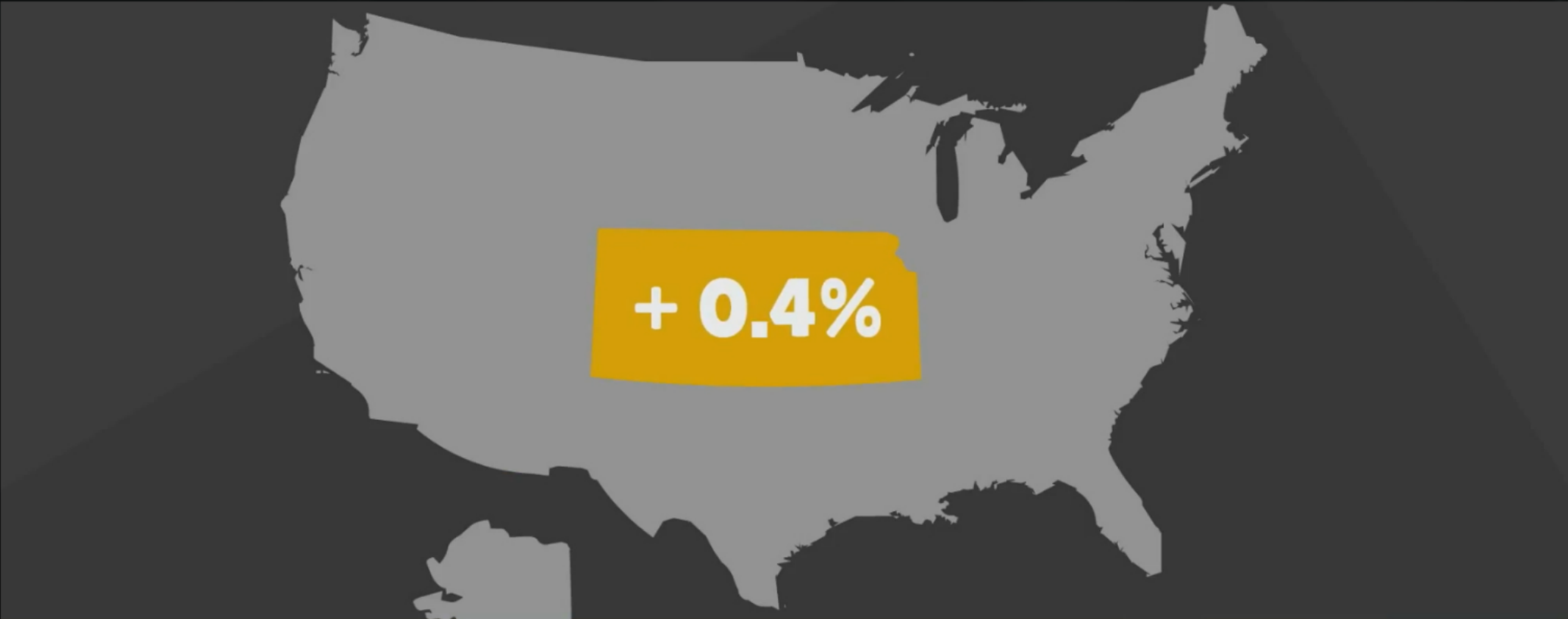


Source: CEDBR

**Wichita**

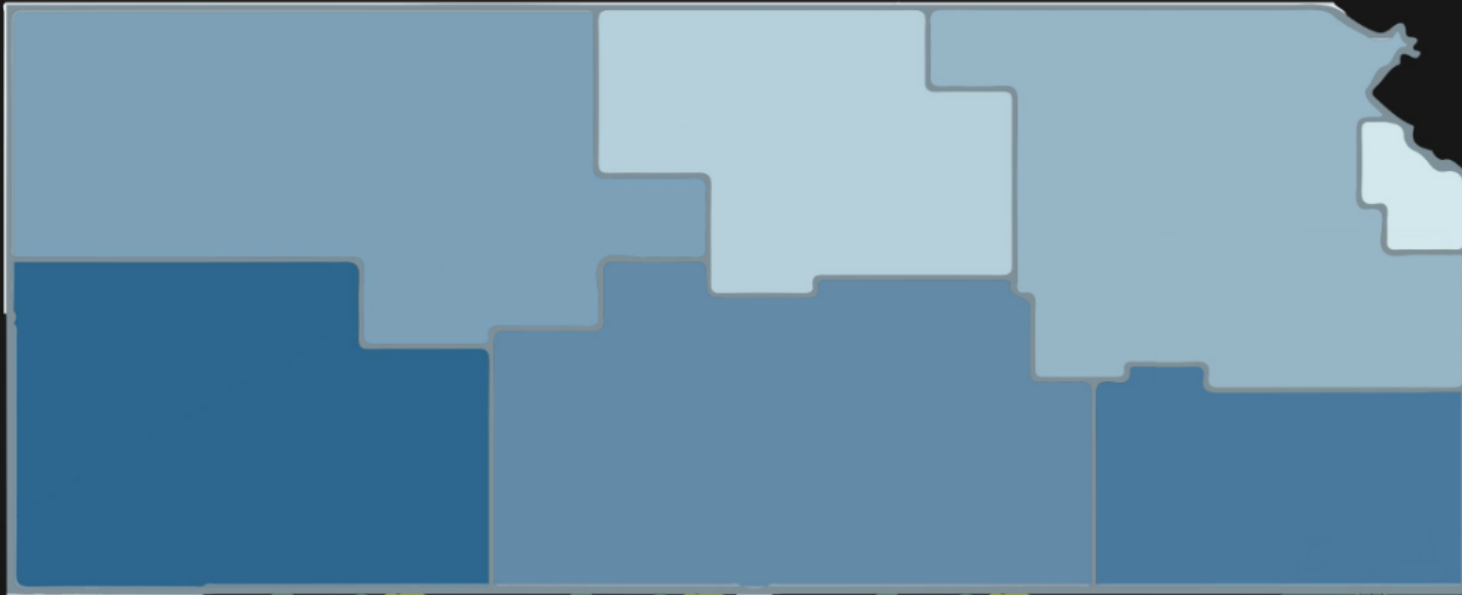


Source: CEDBR

A map of the United States is shown in a light gray color against a dark gray background. A yellow callout box is positioned over the state of Kansas, containing the text '+ 0.4%'.

**+ 0.4%**

**The Kansas population will see an annual increase of 0.4% over the next 50 years.**



<b>Northwest</b>	<b>-0.5%</b>
<b>North Central</b>	<b>-0.1%</b>
<b>Northeast</b>	<b>0.4%</b>
<b>Kansas City</b>	<b>1%</b>
<b>Southwest</b>	<b>-0.3%</b>
<b>South Central</b>	<b>0.1%</b>
<b>Southeast</b>	<b>-0.6%</b>



**Twenty of Kansas' 105 counties are projected to have increases in population. All other regions within the state will see a continued decline in population.**



# Summary

- Strong economic growth in Kansas is **unlikely** until there are significant changes in the outlook for **Agriculture, Oil, and/or Manufacturing**.
- Kansas economic **growth will remain muted** until the global economy picks up and the relative value of the dollar decreases.
- Although **businesses are optimistic** today, it is **not likely to materialize** into strong employment, wage, or investment growth.
- **Employment** is expected to **increase 0.9% in Kansas** and **0.8% in Wichita**, which reflects a slower growth expectation than in 2014 and 2015.
- The State's population will **grow at 0.4%** annually, with the majority of growth in the **larger metropolitan areas**.

