

***Kansas
Community
Outlook***
EVENTS

Barton County



WELCOME

8:00 Registration / Networking / Refreshments

8:30 State/Regional Outlook

9:15 -- Q & A --

9:30 Local Update

9:50 -- Q & A --

10:00 Closing Remarks / Adjourn

Kansas Community Outlook **EVENTS**

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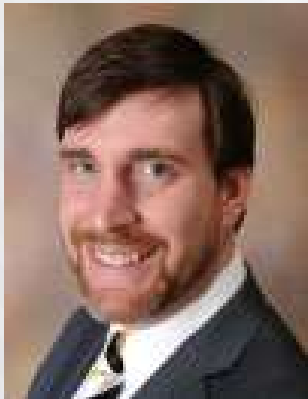
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AGENDA

- 8:00 Registration / Networking / Refreshments
- 8:30 State/Regional Outlook**
- 9:15 -- Q & A --
- 9:30 Local Update
- 9:50 -- Q & A --
- 10:00 Closing Remarks / Adjourn

Kansas Community Outlook **EVENTS**



Jeremy Hill

Director, CEDBR
Wichita State University

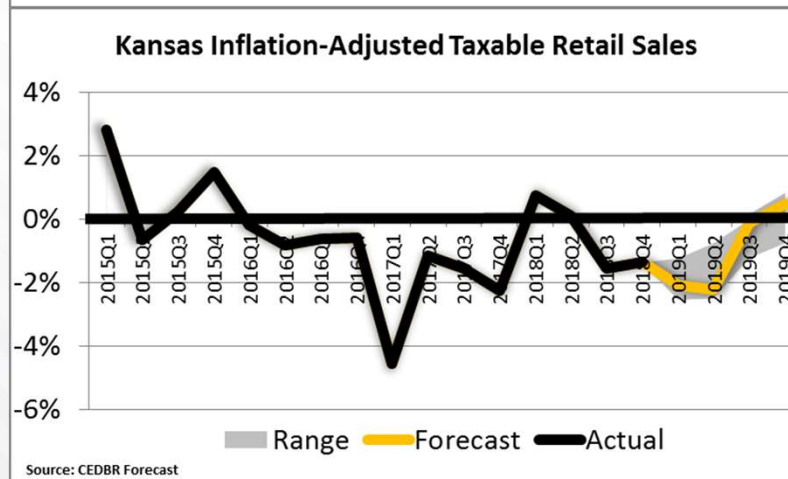
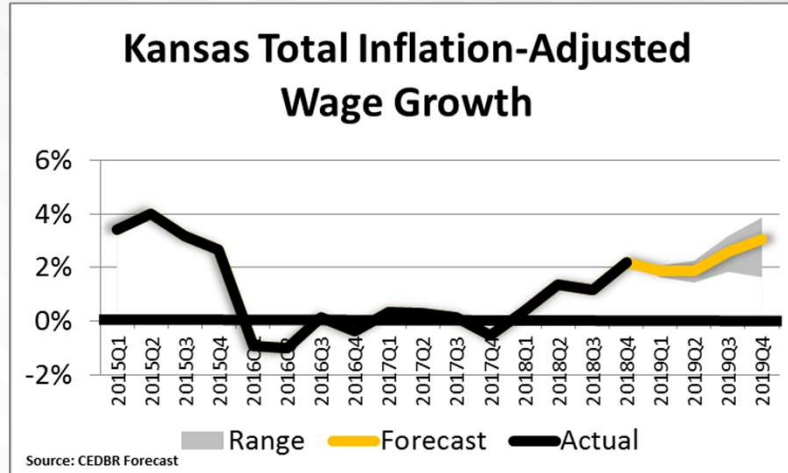
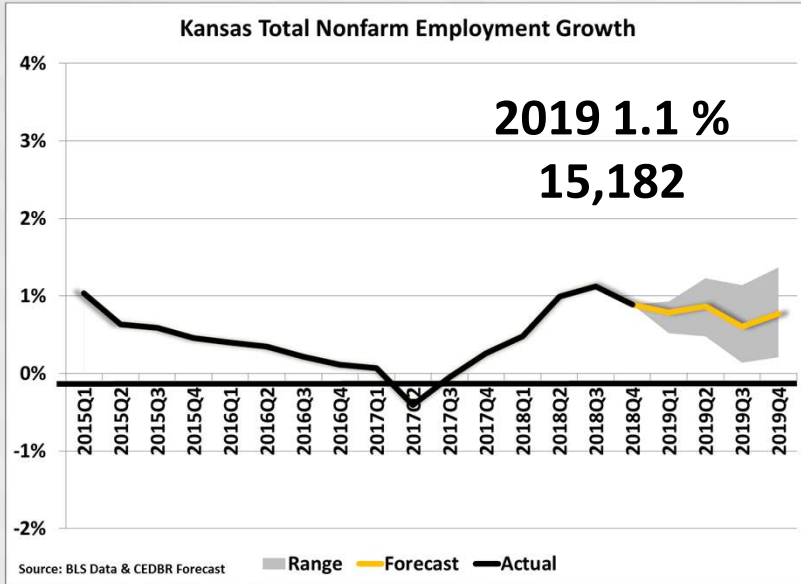


Kansas Outlook

Jeremy Hill

2020

Forecast Review (Spring 2019)



- Kansas is expected to continue to grow in 2019.
- Rural areas are likely to see mixed growth opportunities, with net zero growth for the state as a whole.
- Food manufacturing is expected to see continued growth, as long as the nation continues to expand.
- Manufacturing will likely grow, but adding only a few jobs in 2019.
- Retail sales remains a mystery and growth is unlikely.

Headlines /Topics

2019	2020
Recession horizon	A recession punt?
Labor shortages	"Girl Power" within labor markets
"Trump Trade Tantrums"	"Of Course Trump's Tairffs Hurt U.S. Manufacturing"
Topsy-turvy financial markets	Teflon financial markets/ Climbing the wall of worry.
Brexit - Great Britain or great betrayal	"Ringin in Brexit? Plans to celebrate UK exit divide country"
Inflation expectation remains worrisome	Boring start to FOMC
Fading fiscal stimulus	Nothing
Global economic slowdown	Global manufacturing recoverory
	Consumer are driving the economy, but not cars

Trade Update

Date	Products	Tariff rate	Value (Bil)	Country
Jan-18	Washing Machines	18, 45%	\$ 1	All
Jan-18	Solar panels	25%	\$ 9	All
Jun-18	Steel	0.25	\$ 34	All except S. Korea, Turkey, Australia, Mexico, and Canada
Jun-18	Aluminum	10%	\$ 17	Canada
Jul-18	List	0.25	\$ 34	China
Aug-18	List	25%	\$ 16	China
May-19	List	0.25	\$ 200	China
Sep-19	List	8%	\$ 120	China
Oct-19	List	10, 25%	\$ 8	E.U.
TBD	List	100%	\$ 2	France
Total implemented			\$ 429	
Total implemented and proposed			\$ 441	

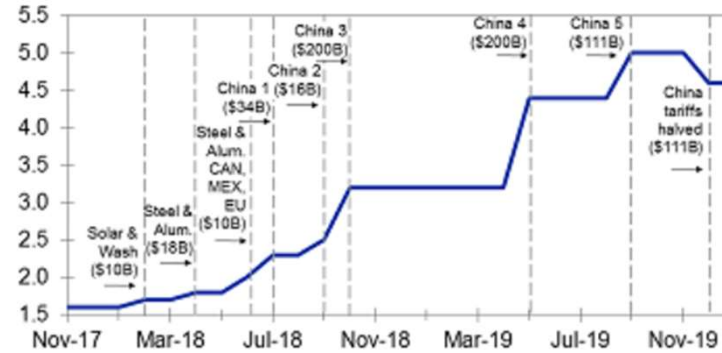
USMCA

- Opened US energy and agriculture exports

China – Phase One

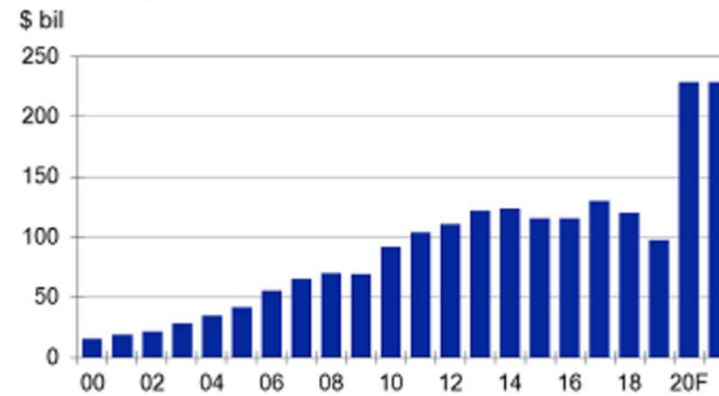
- Doubling purchases (including agriculture)
- Intellectual property theft
- US investment barriers
- “Strong procedures” for enforcement

U.S. estimated effective tariff rate, %



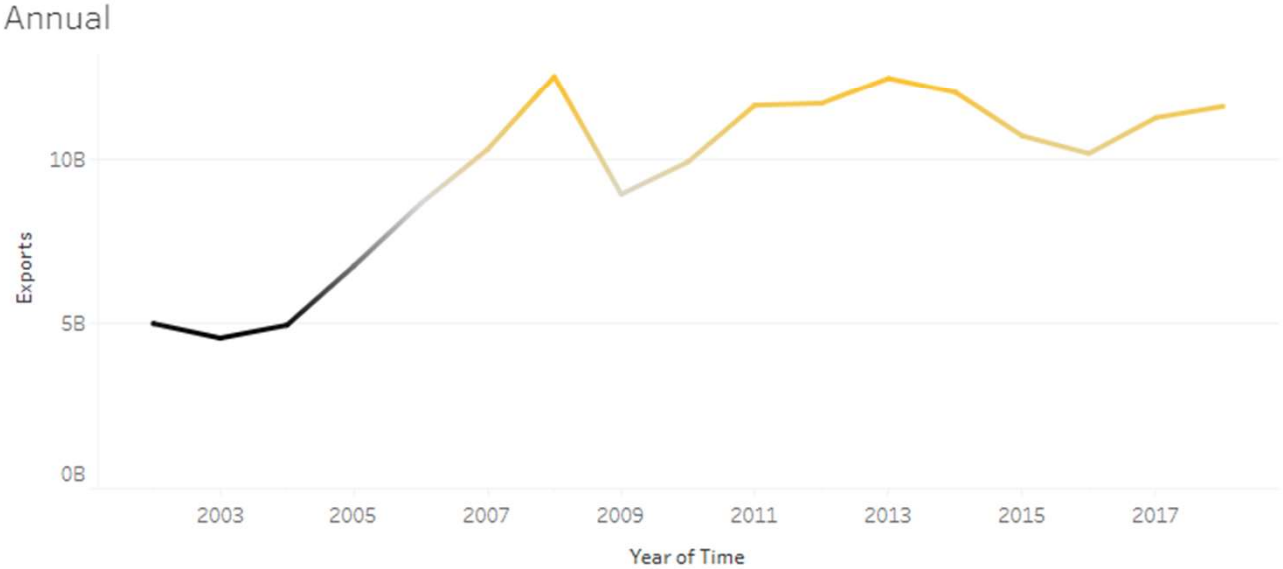
Sources: Census Bureau, USTR, USITC, Moody's Analytics

U.S. Exports to China Under Phase One

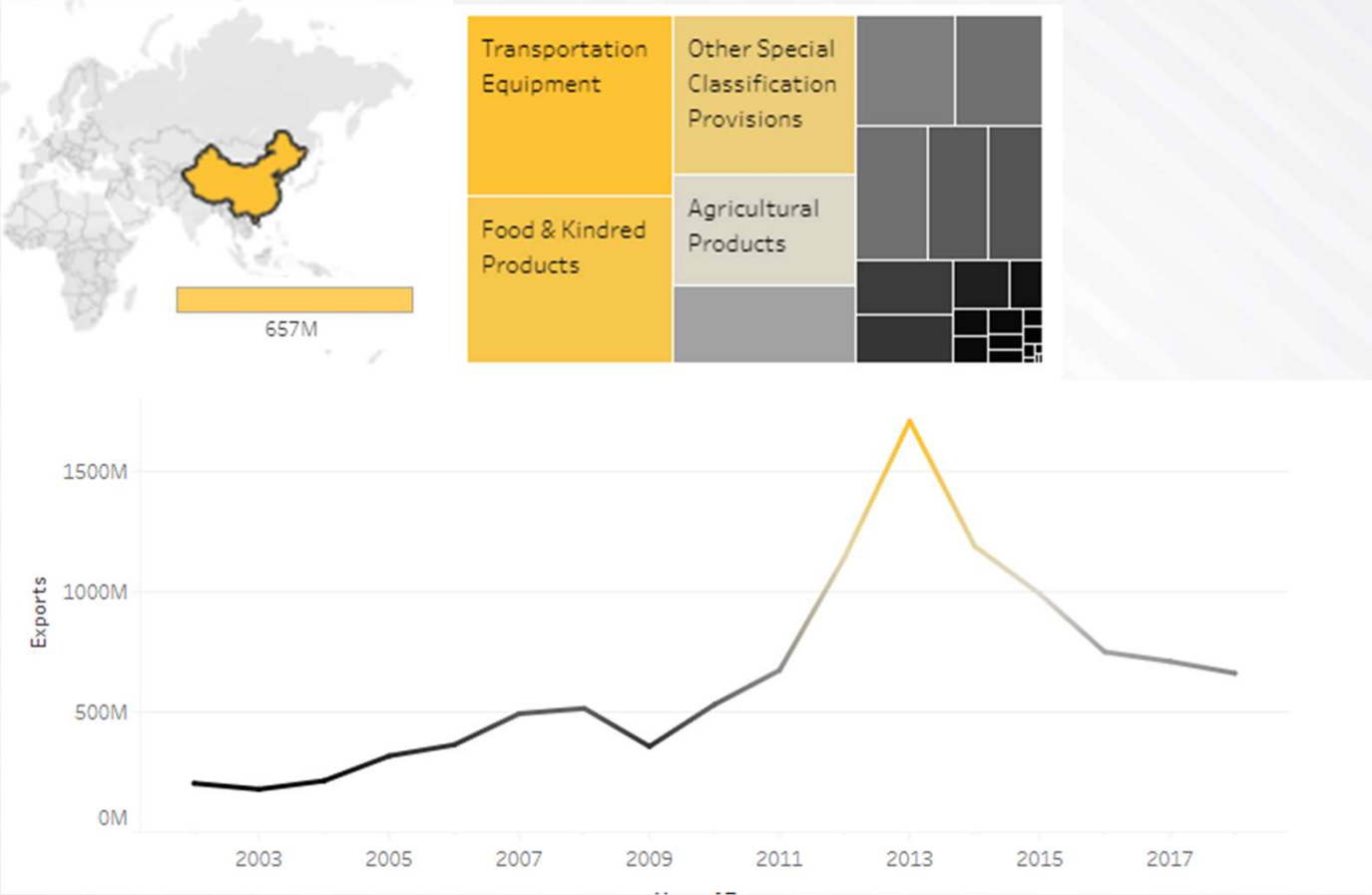


Sources: Census Bureau, Moody's Analytics

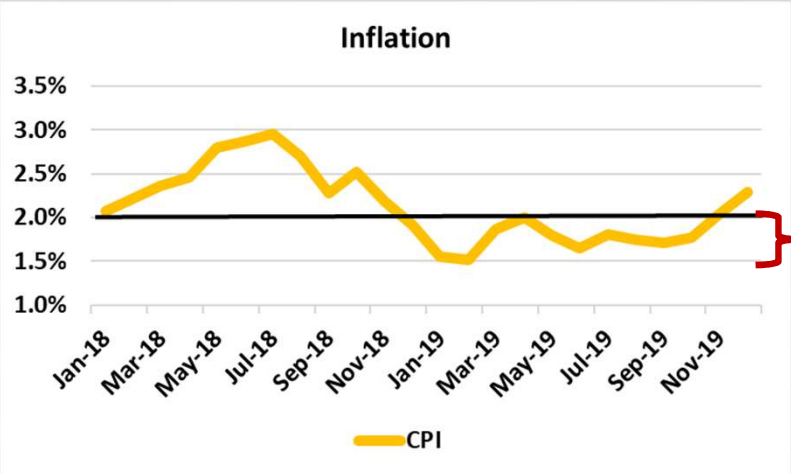
Kansas Exports 2018



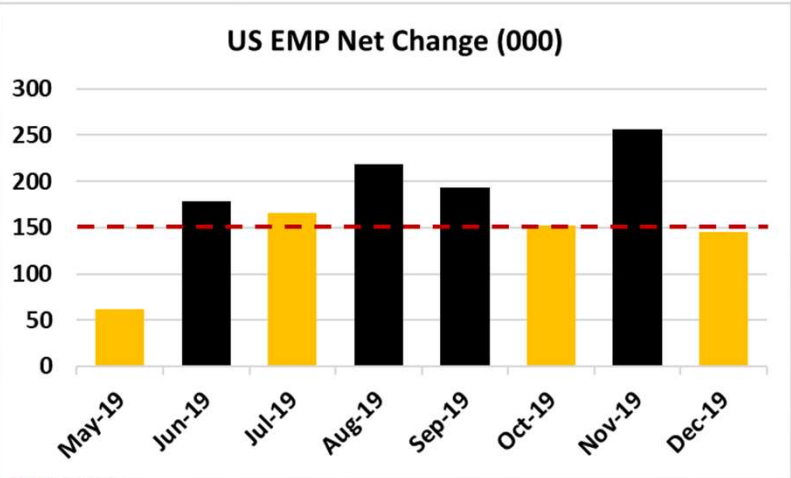
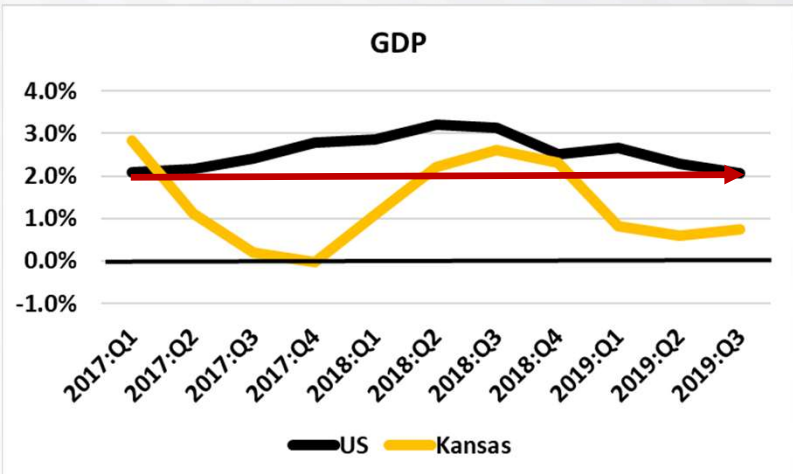
Kansas Exports 2018



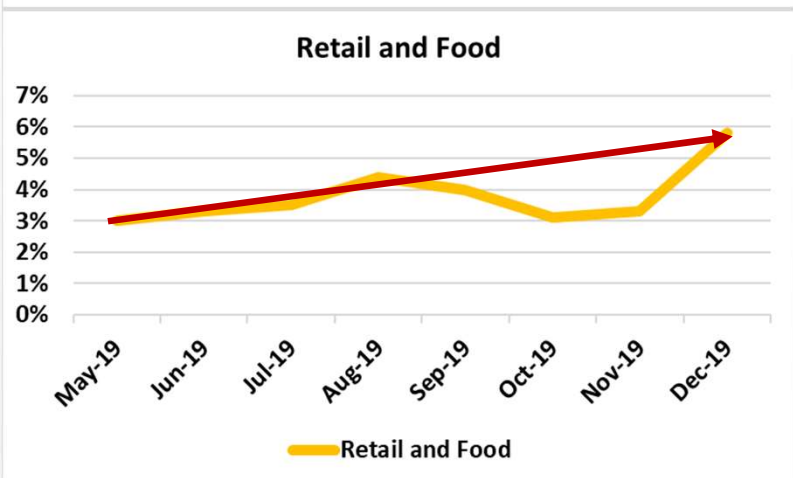
US Economic Train Continues Down the Track



Fed Target 2%



~150,000 is needed per month

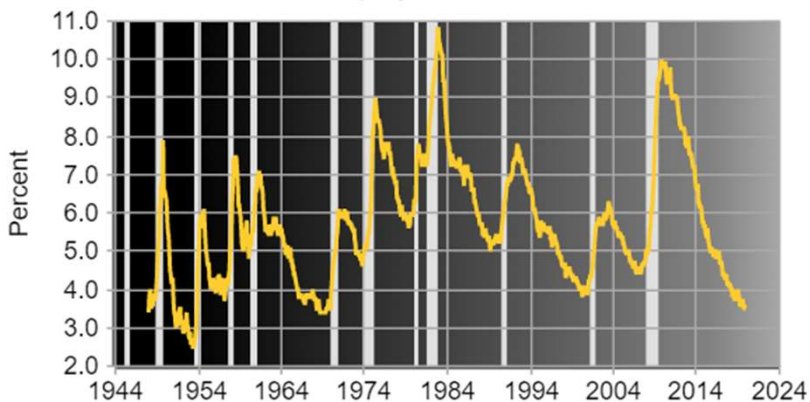


Consumption is about 68% of the economy

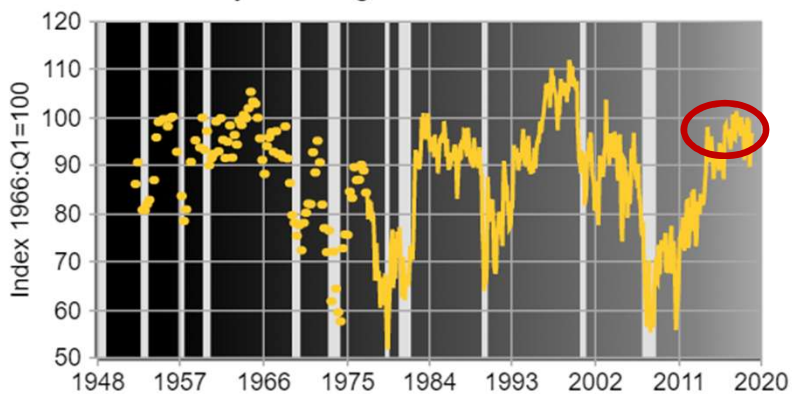


Indicators are not pointing to a recession, yet

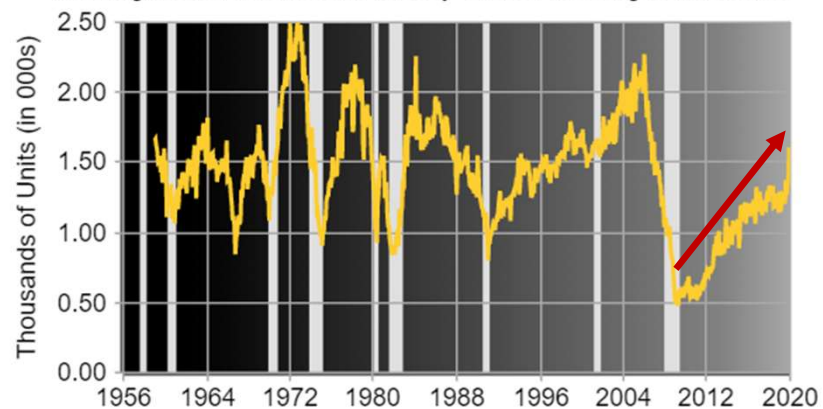
Unemployment Rate



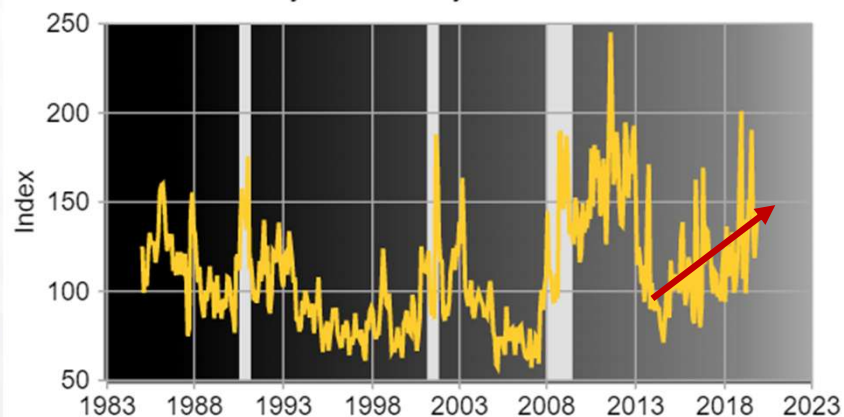
University of Michigan: Consumer Sentiment



Housing Starts: Total: New Privately Owned Housing Units Started



Economic Policy Uncertainty Index for United States



Yield Curve – False Warning?



US economy

- **Summary**

- US economy continues to grow
- Recent economic headwinds are not likely going to slow growth
- Trade deals could push growth up slightly

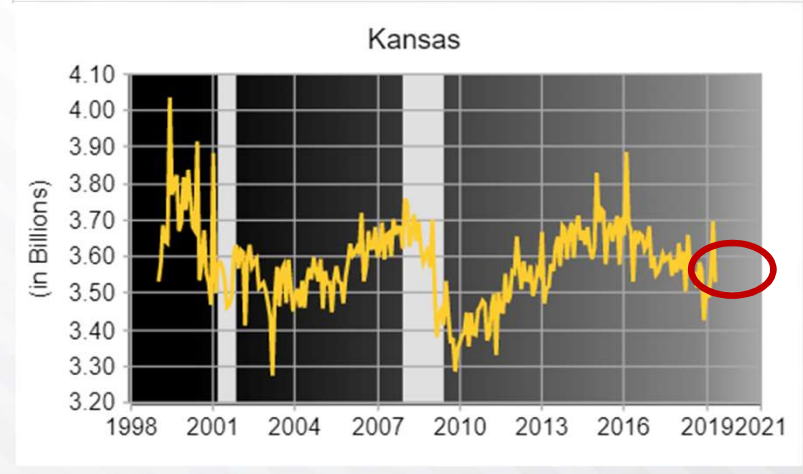
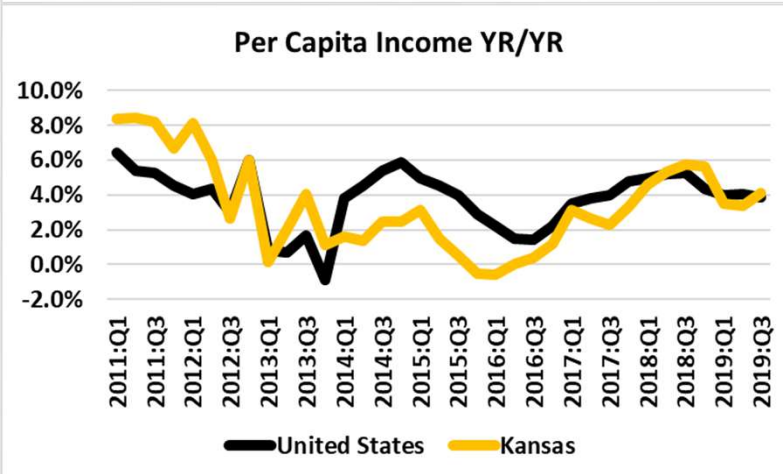
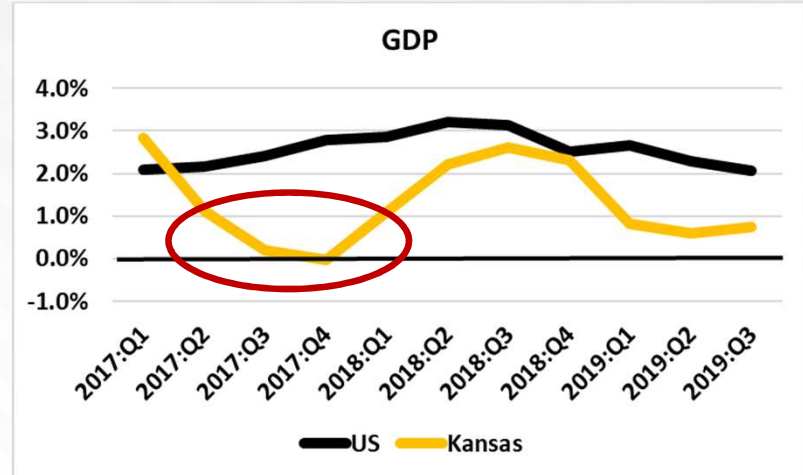
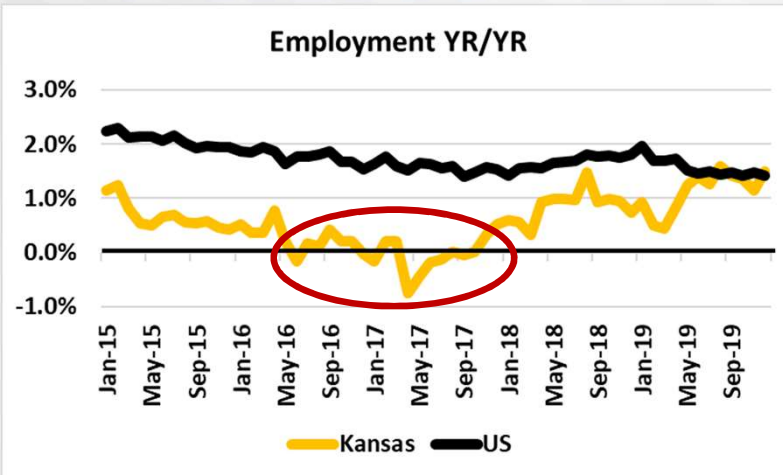
- **Issues to Watch**

- Implementation of the trade deals
- Income growth
- Business investments
- Trade policy



Kansas Economy

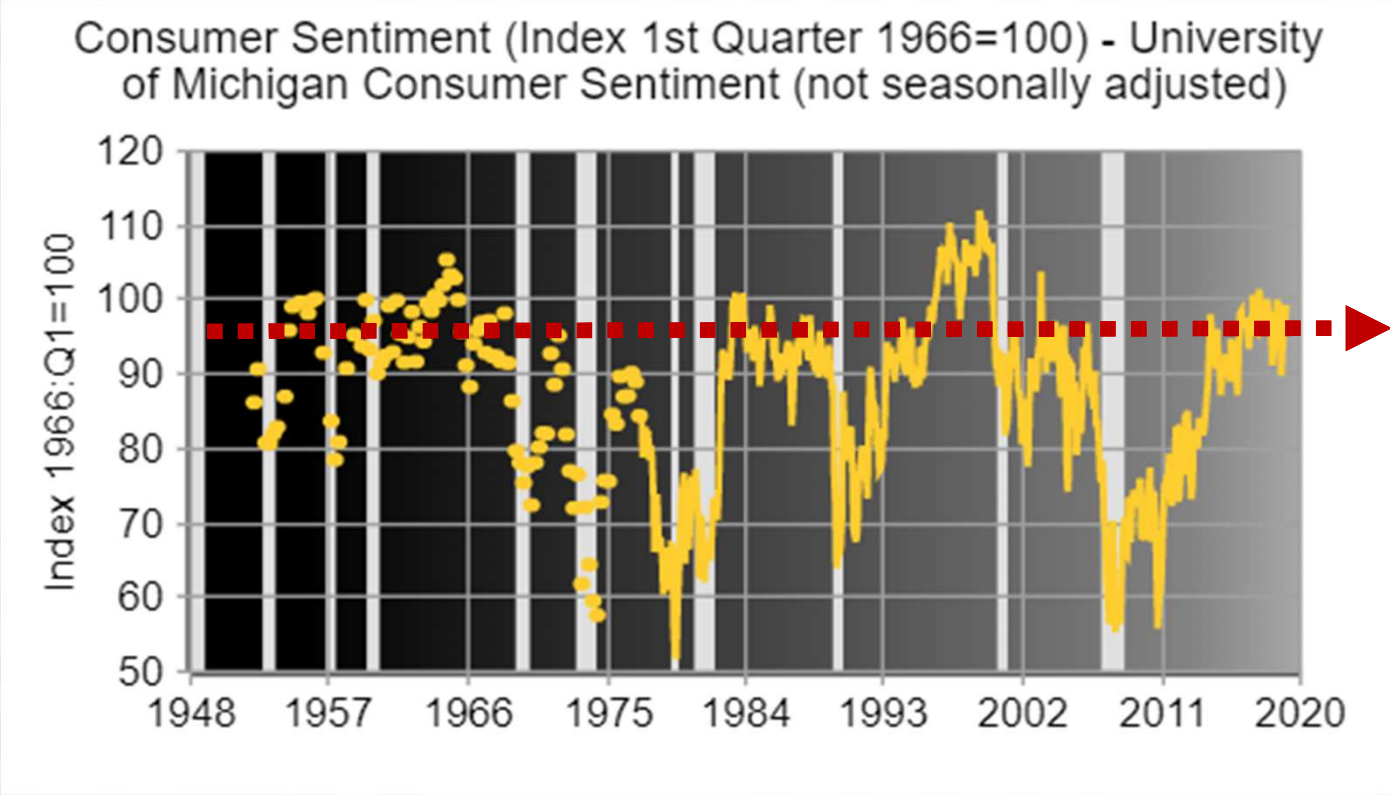
Kansas Indicators





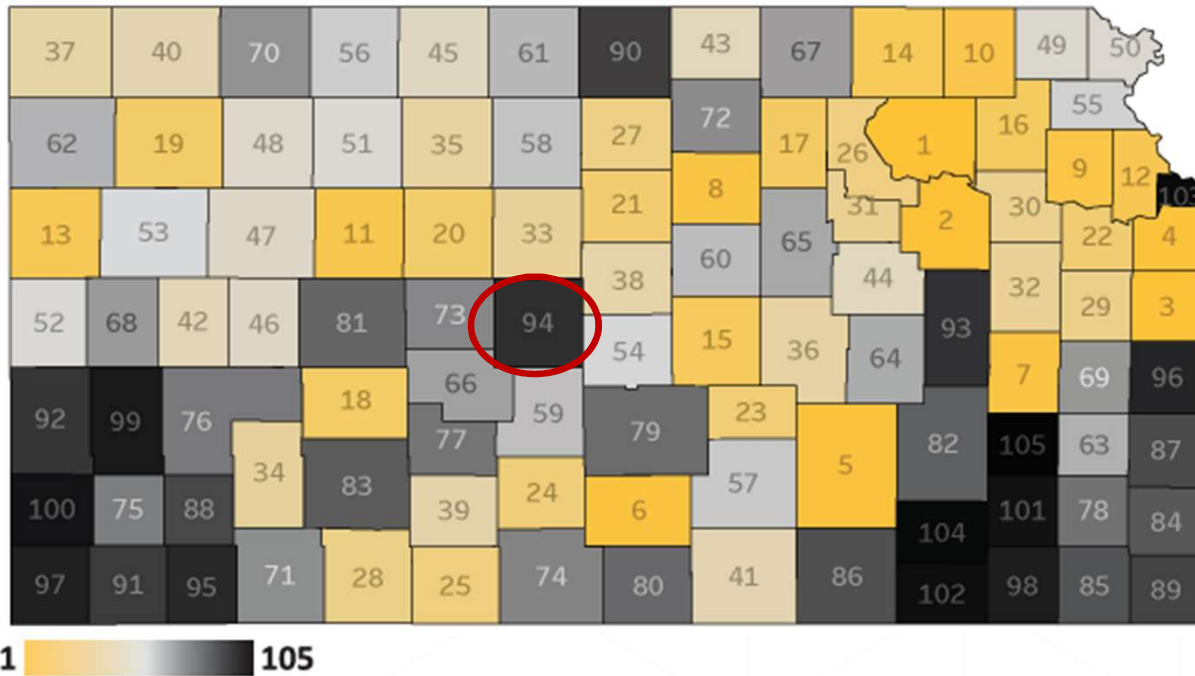
Households

Households are STILL doing well



Barton County – Ranked 94 out of 105

Healthy, Wealthy, Wise 2020 Ranking



- **Healthy** – Ranked 90
 - Low Birthweight 7.4%
 - Poor or Fair Health 17%
 - Uninsured 15%
- **Wealthy** – Ranked 73
 - GINI – 0.445
 - Household income - \$65,461
 - Poverty – 16.7
- **Wise** – Ranked 83
 - Less than HS – 11.4%
 - Bachelor's+ - 18.4%

Employment size ranking = 20

Northwest

HEALTHY RANKING			
2015		2020	
Ellis	11	Norton	14
Sheridan	19	Ellis	17
Trego	24	Trego	20
Logan	29	Thomas	21
Phillips	30	Logan	32
Graham	33	Rooks	33
Rush	39	Lane	36
Decatur	40	Wallace	37
Smith	41	Smith	38
Rooks	44	Cheyenne	40
Greeley	47	Rush	42
Osborne	50	Gove	43
Scott	52	Graham	48
Cheyenne	56	Russell	49
Wallace	61	Osborne	51
Thomas	63	Decatur	56
Gove	65	Scott	65
Rawlins	66	Phillips	66
Ness	67	Sherman	68
Norton	69	Greeley	72
Barton	71	Rawlins	77
Sherman	73	Ness	82
Wichita	90	Barton	90
Lane	91	Sheridan	96
Russell	92	Wichita	104

■ Decline by more than 20 ■ Within a 30 point range
■ Increase by more than 20

WEALTHY RANKING			
2015		2020	
Wichita	8	Scott	1
Scott	10	Wichita	6
Trego	25	Trego	8
Norton	28	Sheridan	19
Wallace	38	Wallace	21
Greeley	41	Russell	25
Sheridan	42	Phillips	35
Phillips	49	Rooks	37
Rush	51	Greeley	39
Lane	52	Rawlins	42
Ness	54	Sherman	54
Gove	58	Gove	56
Rawlins	61	Thomas	57
Thomas	64	Logan	61
Graham	65	Ness	64
Barton	67	Ellis	67
Cheyenne	75	Norton	68
Smith	86	Barton	73
Ellis	87	Cheyenne	74
Rooks	89	Graham	79
Logan	93	Lane	83
Sherman	96	Osborne	87
Osborne	101	Smith	88
Decatur	102	Rush	90
Russell	103	Decatur	95

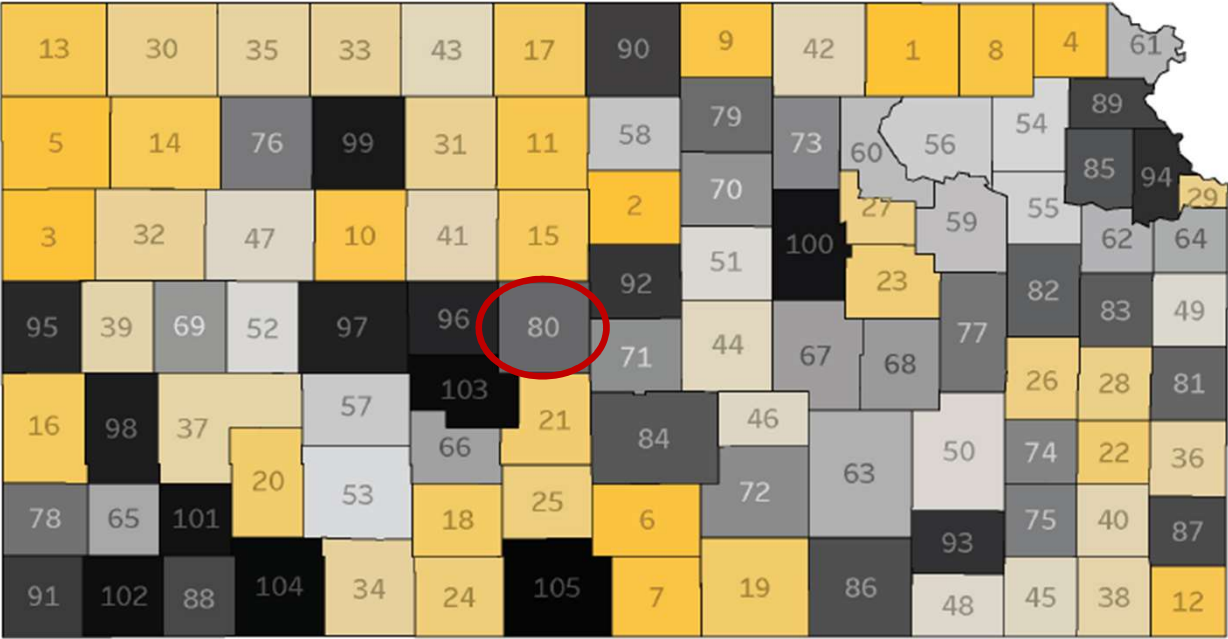
■ Decline by more than 20 ■ Within a 30 point range
■ Increase by more than 20

WISE RANKING			
2015		2020	
Ellis	5	Ellis	8
Graham	11	Wallace	9
Thomas	12	Thomas	10
Rawlins	17	Rawlins	11
Greeley	19	Cheyenne	13
Lane	20	Lane	23
Gove	24	Trego	28
Sheridan	27	Sheridan	30
Rooks	28	Osborne	34
Russell	33	Graham	35
Trego	40	Phillips	37
Phillips	45	Decatur	41
Cheyenne	48	Gove	46
Ness	49	Russell	49
Rush	53	Smith	50
Wallace	54	Greeley	52
Decatur	55	Rooks	54
Scott	63	Sherman	56
Logan	69	Rush	66
Osborne	78	Scott	67
Smith	84	Logan	71
Barton	85	Ness	73
Sherman	86	Wichita	79
Norton	96	Barton	83
Wichita	99	Norton	89

■ Decline by more than 15 ■ Within a 30 point range
■ Increase by more than 15

Barton County

Healthy, Wealthy, Wise Improvements Ranking



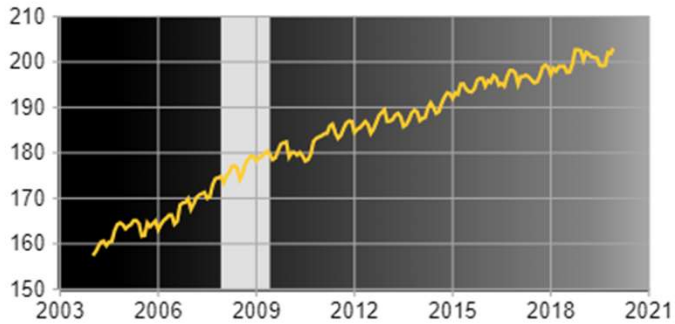
1 105



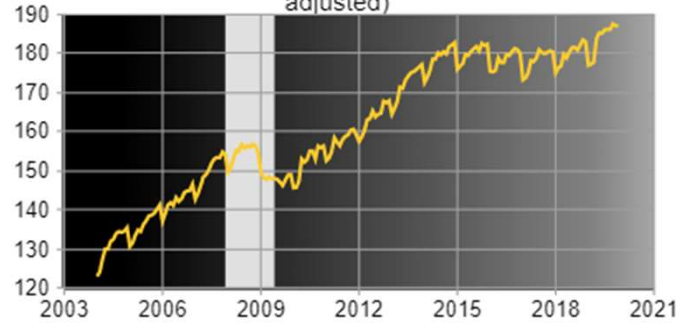
Businesses

Selected Industrial Sectors

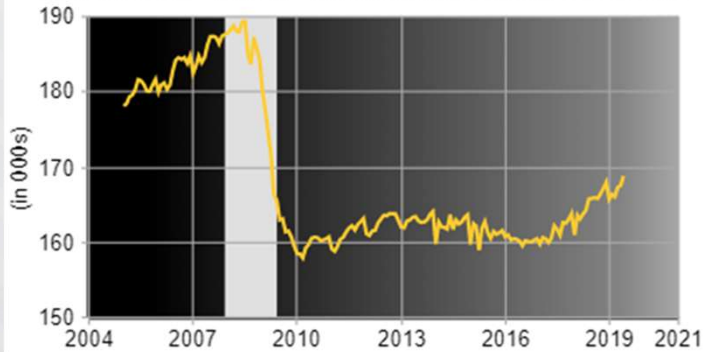
Education and Health Services - Kansas - Total Nonfarm Employment (in thousands, not seasonally adjusted)



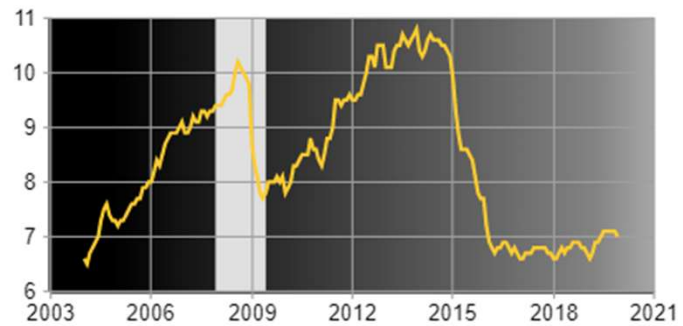
Professional and Business Services - Kansas - Total Nonfarm Employment (in thousands, not seasonally adjusted)



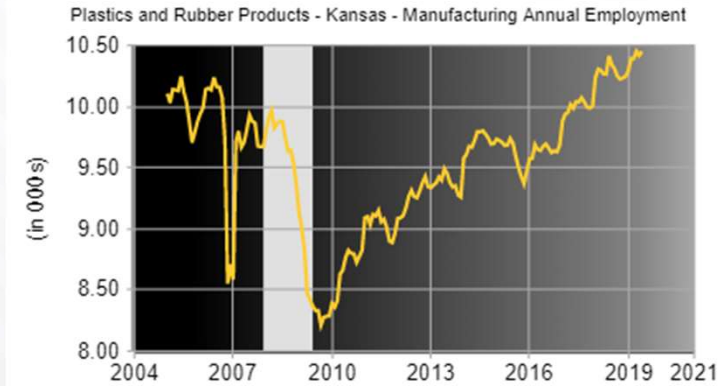
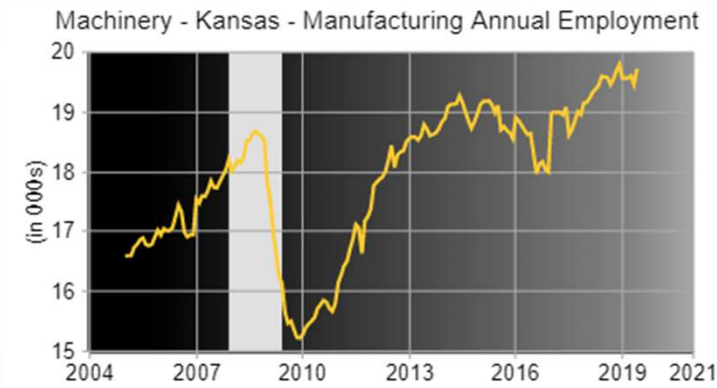
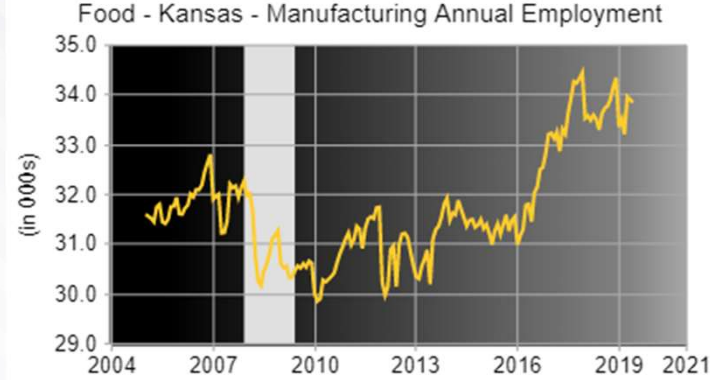
Manufacturing - Kansas - Manufacturing Annual Employment



Mining and Logging - Kansas - Total Nonfarm Employment (in thousands, not seasonally adjusted)

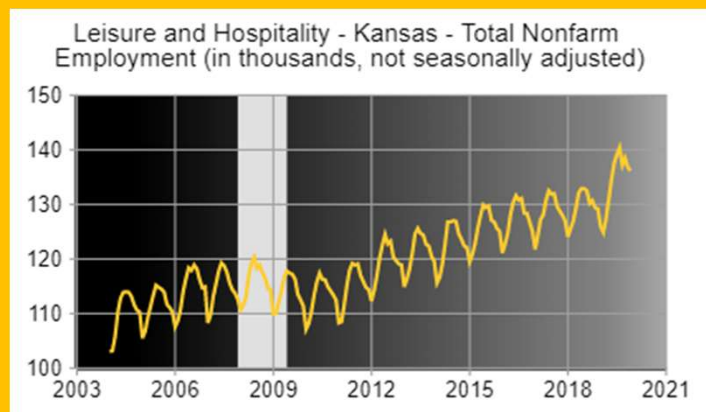
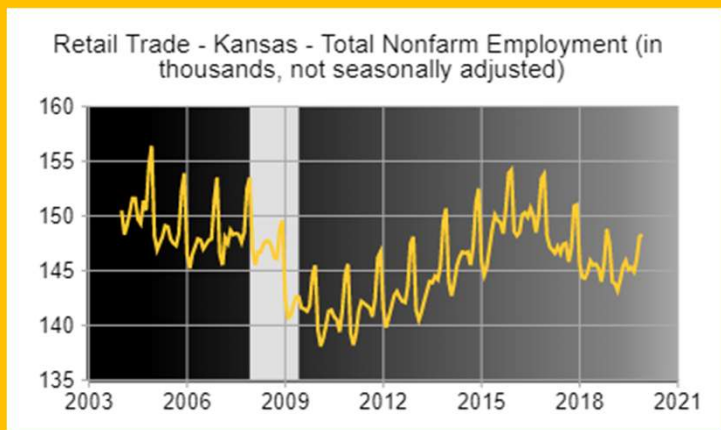


Manufacturing remains strong

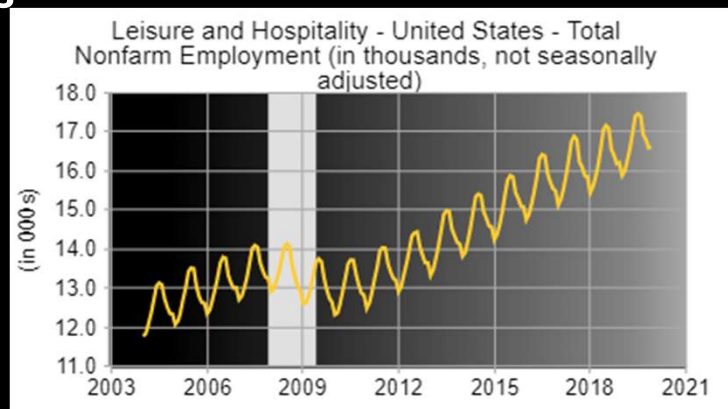
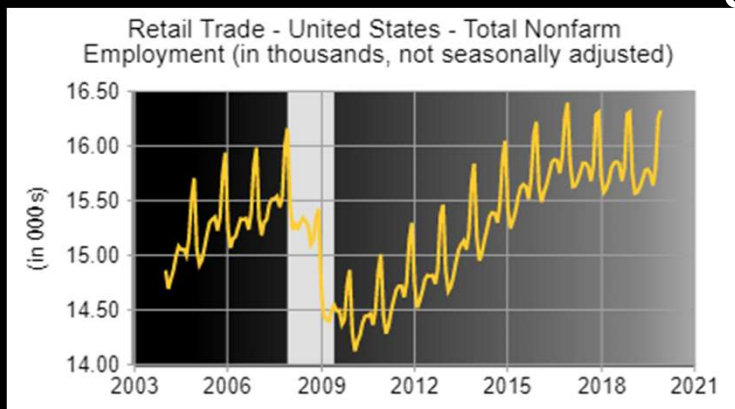


Mystery of household spending in Kansas

Kansas

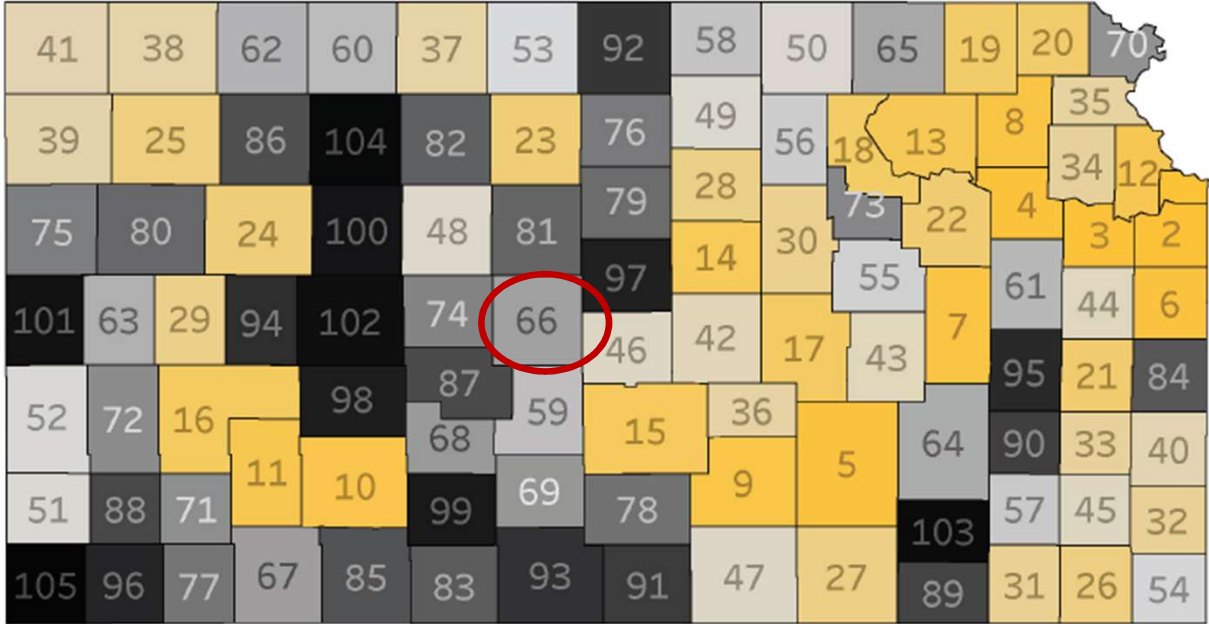


United States



Barton County

Business Dynamism Rank



1 105

- Diversification**

- EMP – 14
- EST – 58
- Pay – 14

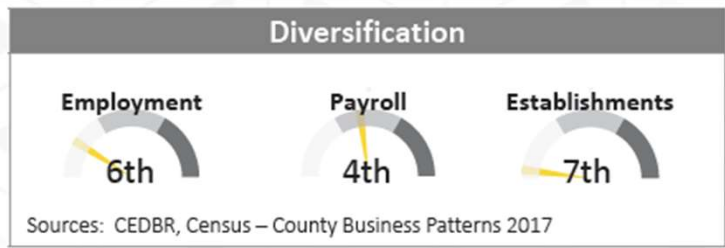
- Expansion**

- EMP – 86
- EST – 78
- Pay – 99

Northwest

BUSINESS DIVERSIFICATION			
Employment Rank		Diversification Rank	
Ellis County	16	Ellis County	22
Barton County	20	Barton County	25
Thomas County	42	Sherman County	29
Sherman County	50	Russell County	38
Norton County	51	Gove County	40
Russell County	53	Thomas County	42
Phillips County	56	Phillips County	43
Scott County	59	Rawlins County	49
Rooks County	62	Smith County	50
Rush County	70	Cheyenne County	51
Osborne County	71	Rush County	52
Gove County	73	Osborne County	55
Ness County	75	Scott County	58
Trego County	76	Rooks County	64
Smith County	78	Decatur County	66
Logan County	82	Norton County	67
Sheridan County	83	Ness County	80
Rawlins County	84	Graham County	84
Cheyenne County	87	Wichita County	85
Graham County	88	Sheridan County	89
Decatur County	89	Logan County	90
Wichita County	97	Trego County	95
Wallace County	101	Lane County	100
Lane County	103	Greeley County	103
Greeley County	104	Wallace County	105

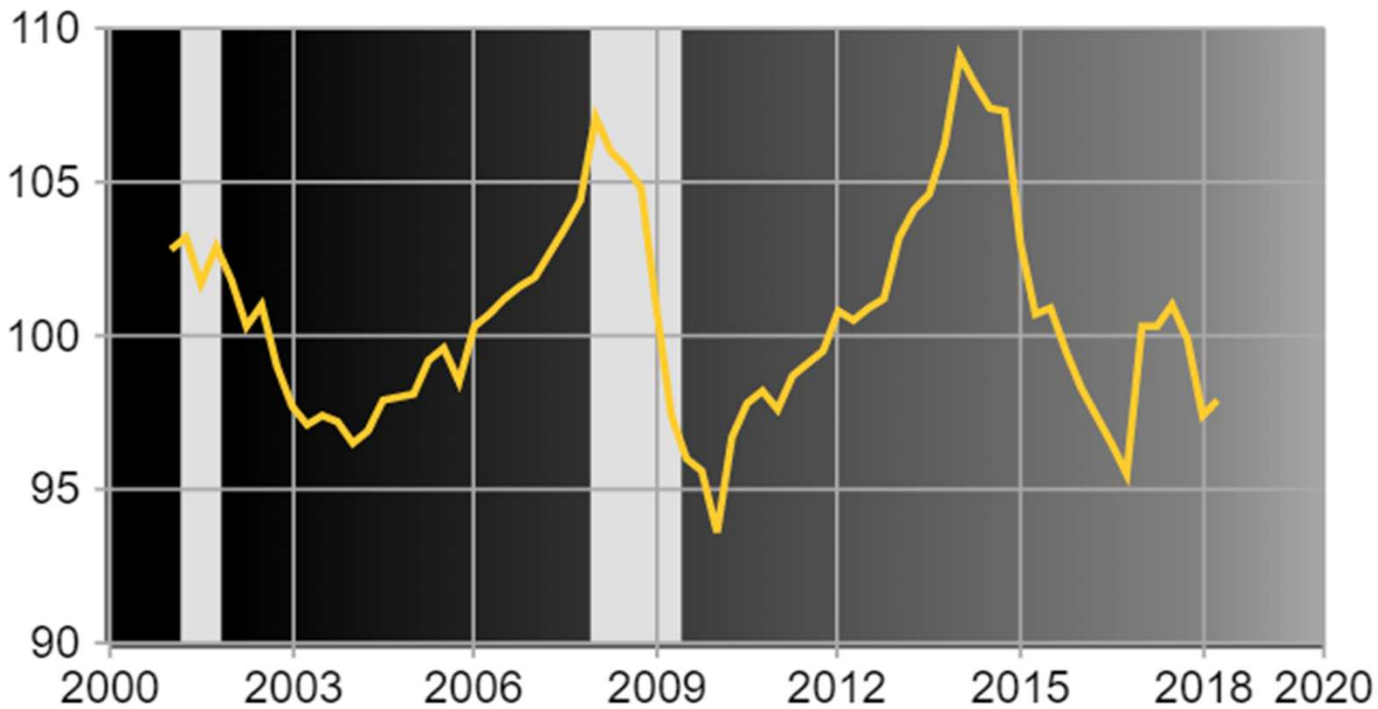
■ Decline by more than 10 ■ Within a 10 point range
■ Increase by more than 10



BUSINESS EXPANSION			
Employment Rank		Expansion Rank	
Ellis County	16	Osborne County	9
Barton County	20	Wallace County	12
Thomas County	42	Scott County	15
Sherman County	50	Wichita County	16
Norton County	51	Gove County	22
Russell County	53	Thomas County	23
Phillips County	56	Rawlins County	35
Scott County	59	Cheyenne County	36
Rooks County	62	Norton County	42
Rush County	70	Phillips County	46
Osborne County	71	Decatur County	49
Gove County	73	Logan County	53
Ness County	75	Smith County	54
Trego County	76	Sherman County	60
Smith County	78	Sheridan County	64
Logan County	82	Lane County	72
Sheridan County	83	Ellis County	78
Rawlins County	84	Greeley County	82
Cheyenne County	87	Rush County	86
Graham County	88	Rooks County	88
Decatur County	89	Trego County	91
Wichita County	97	Barton County	96
Wallace County	101	Russell County	102
Lane County	103	Graham County	103
Greeley County	104	Ness County	104

■ Decline by more than 30 ■ Within a 30 point range
■ Increase by more than 30

Great Bend



- This is a broad indicator for the current local economic conditions.
- **Measurements:**
 - Employment
 - Unemployment rate
 - Retail sales
- **Additional variables:**
 - Manufacturing wages
 - Kansas Oil production
 - Farm income

KS economy

- **Summary**

- Kansas just got back onto growth path
- Aerospace and agriculture weighed down the economy
- Tight labor market conditions kept pressure on wages

- **Issues to Watch**

- Net out migration
- Retail sales
- Business investments
- 737 Max production



Forecasts

737 Max impact

Extreme case - 12 months

- Employment
 - 2,800
 - 5,800
- Wages
 - \$220 million
- Sales Tax
 - Wichita 1,250,000
 - Sedgwick 617,000
 - Kansas 13,060,000

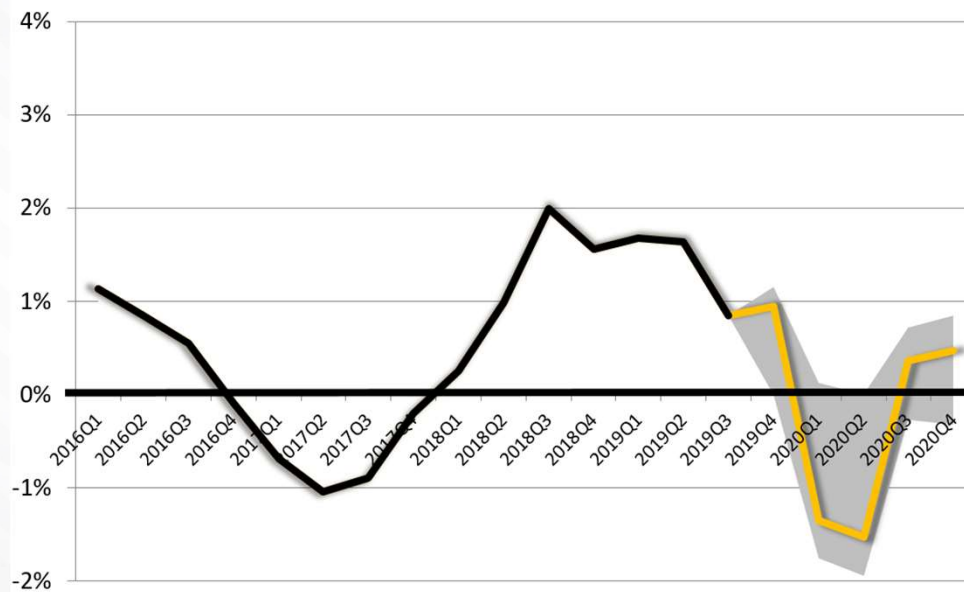
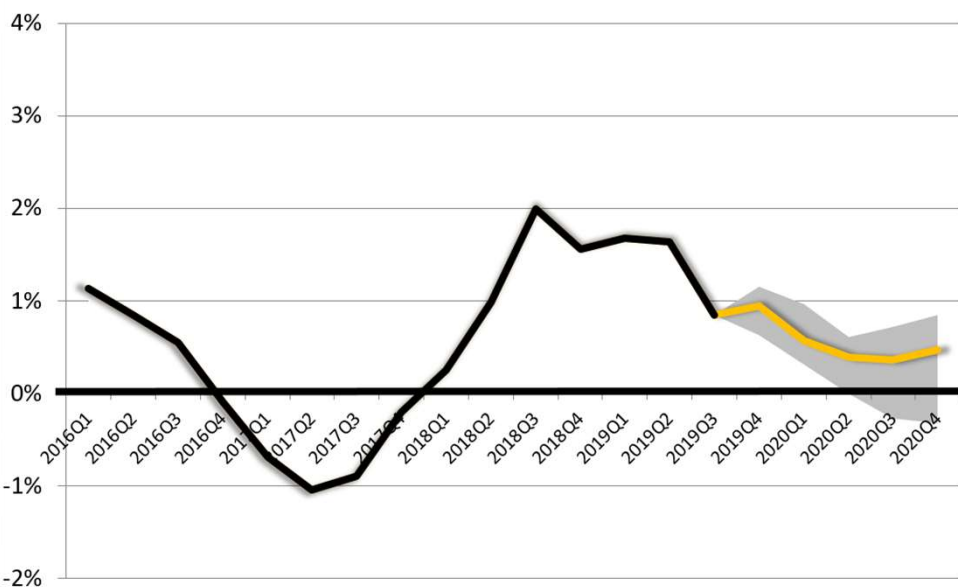
Wichita was expected to grow

Original Forecast

Adjusted Forecast

Wichita Total Nonfarm Employment Growth

Wichita Total Nonfarm Employment Growth



Source: CEDBR, BLS - CES Range Forecast Actual

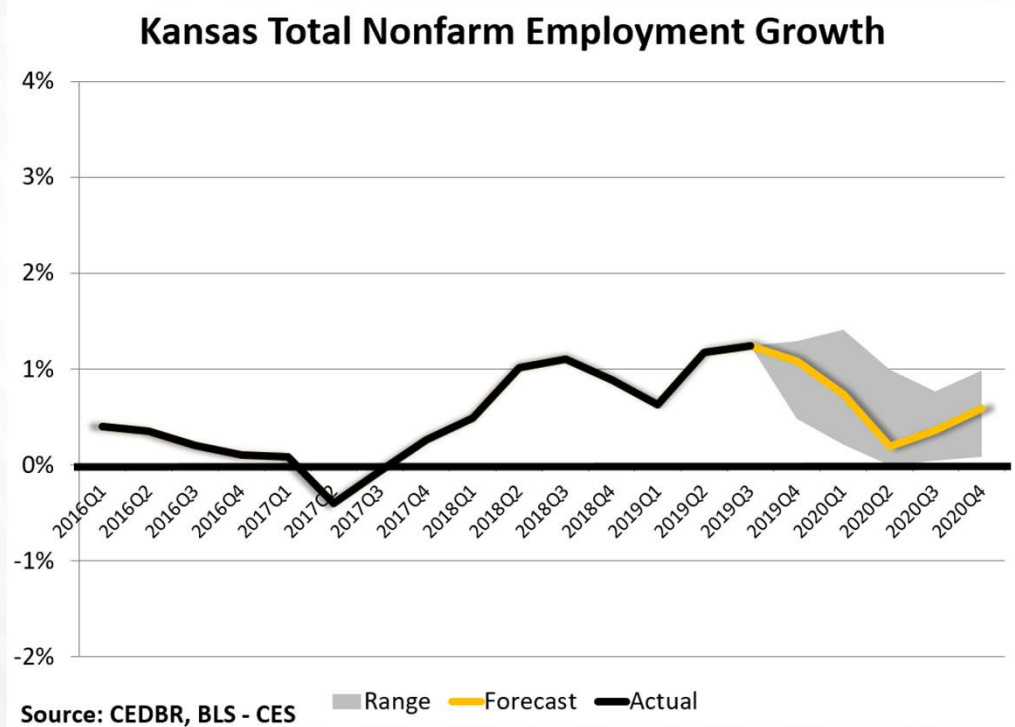
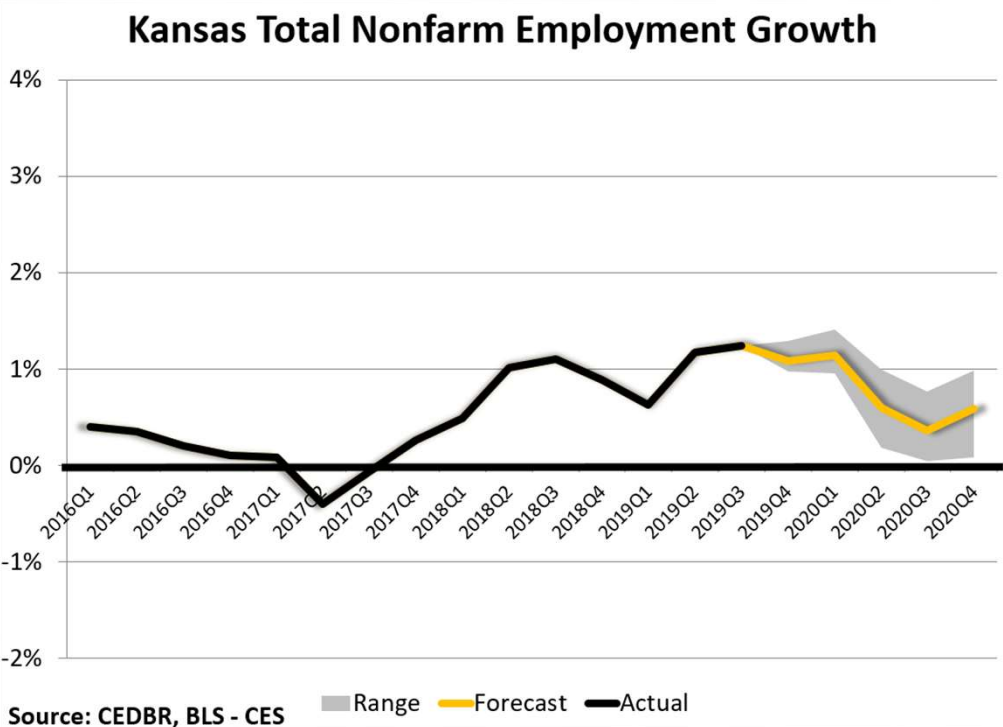
Source: CEDBR, BLS - CES Range Forecast Actual

* This assumes that production resumes in July 2020

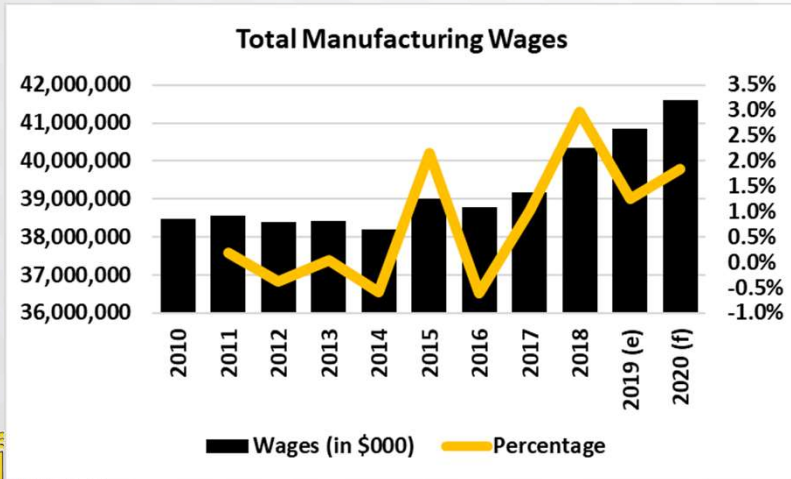
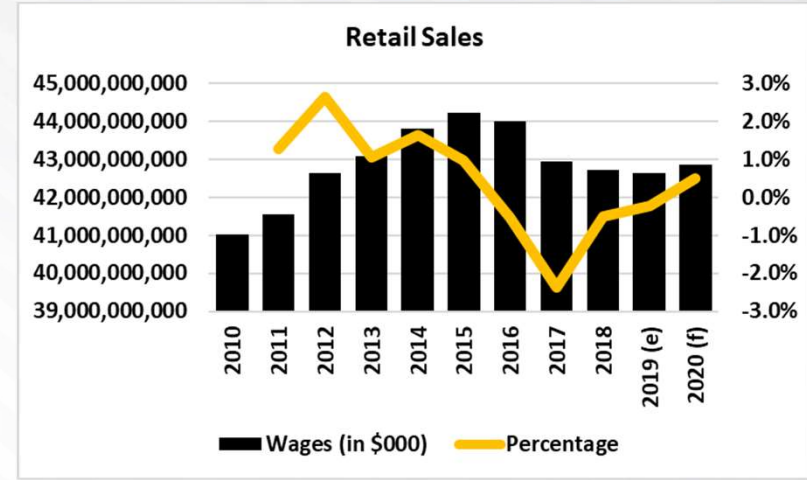
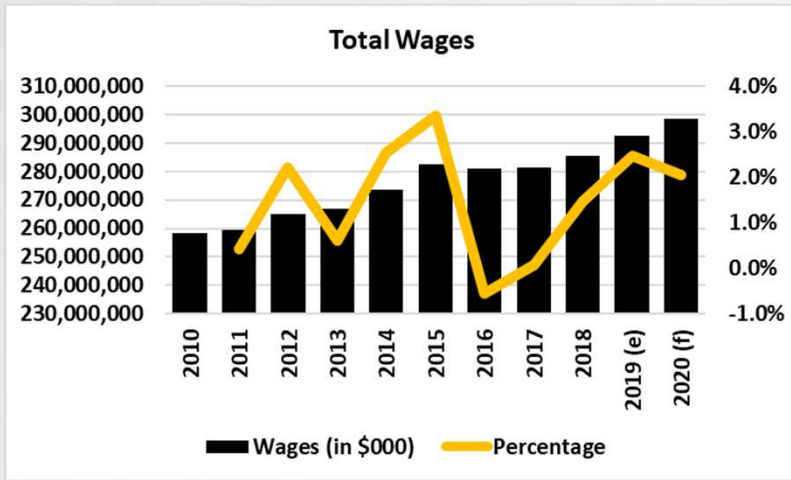
KS will grow at a slower pace than expected

Original Forecast

Adjusted Forecast



Retail Sales are expected to struggle in 2019



Note - adjusted for the 737 Max Impact

- KS Retail Sales – Additional reduction
 - \$200,923,402
 - 0.48 percentage points

AGENDA

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Kansas Community Outlook **EVENTS**

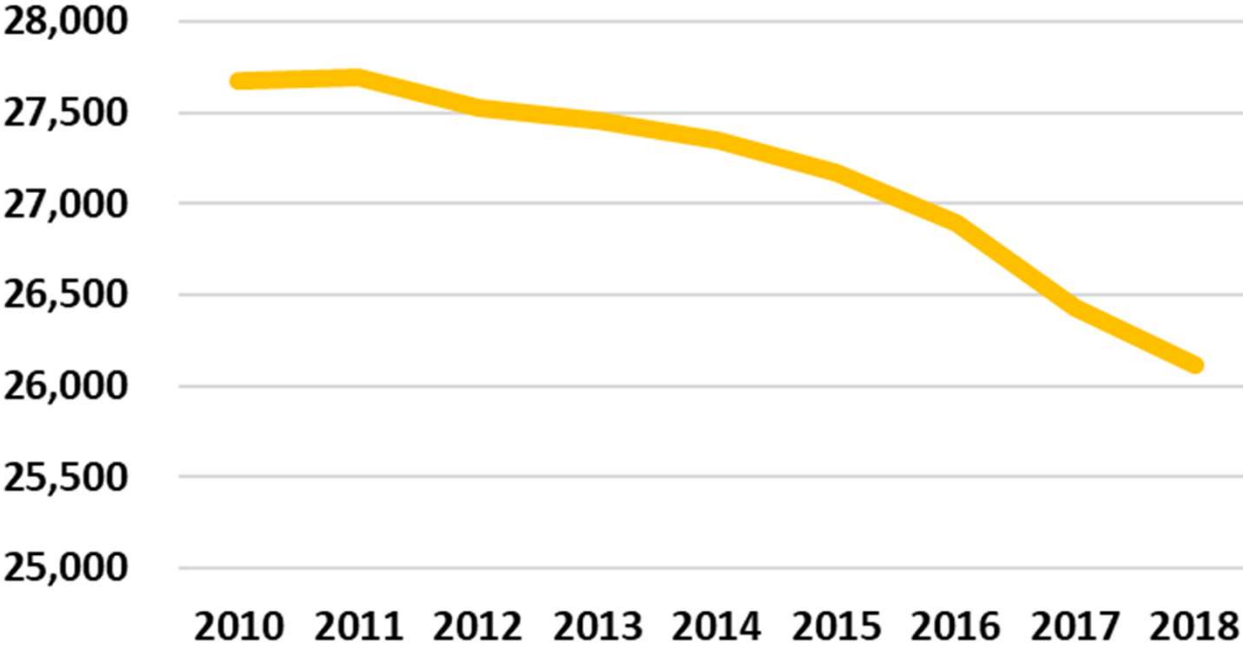
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Kansas Community Outlook **EVENTS**

Population Summary

Barton County, Kansas



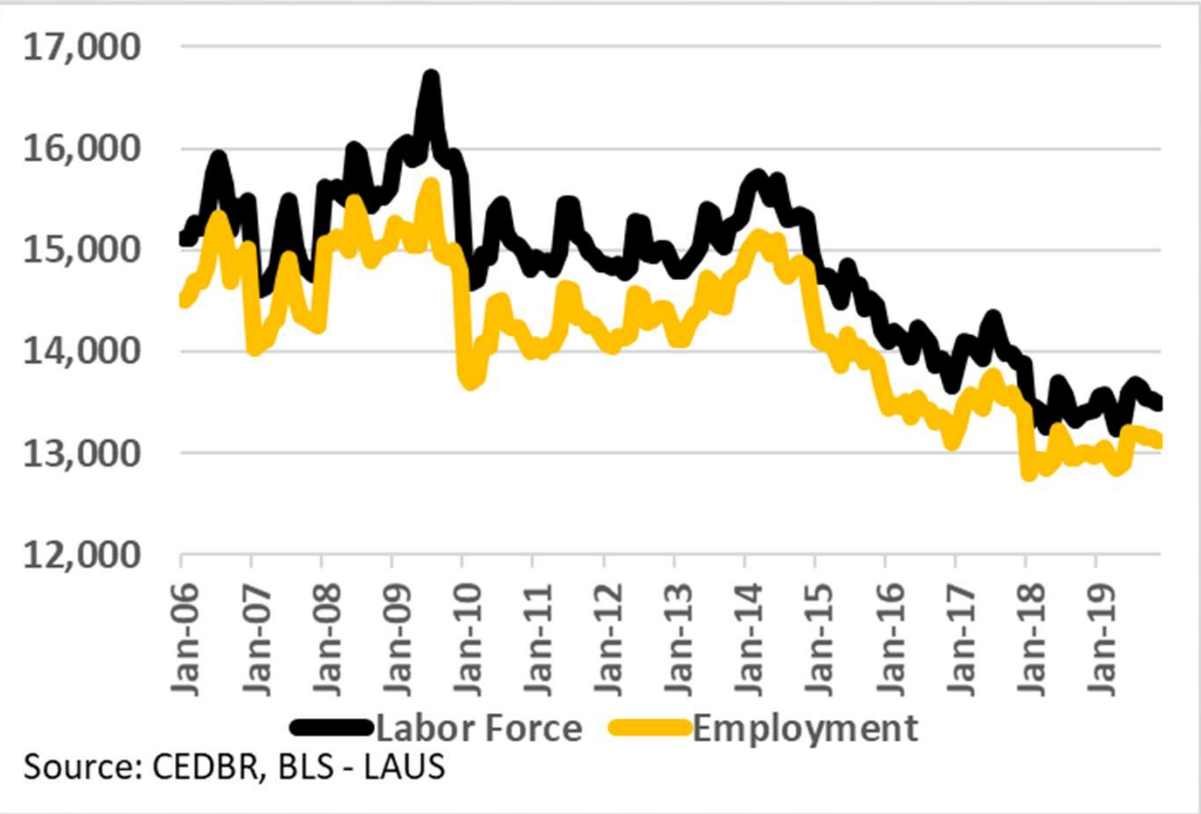
Source: CEDBR, Census

Annualized Population Growth

	1 YR	5 YR
Barton	-1.2%	-1.0%
Kansas	0.0%	0.1%
US	0.6%	0.7%

Source: CEDBR, Census

Labor Force

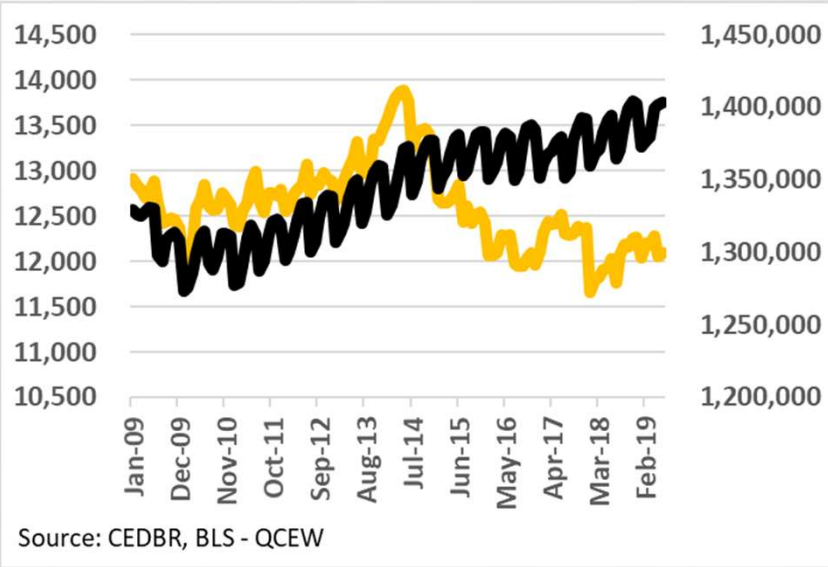
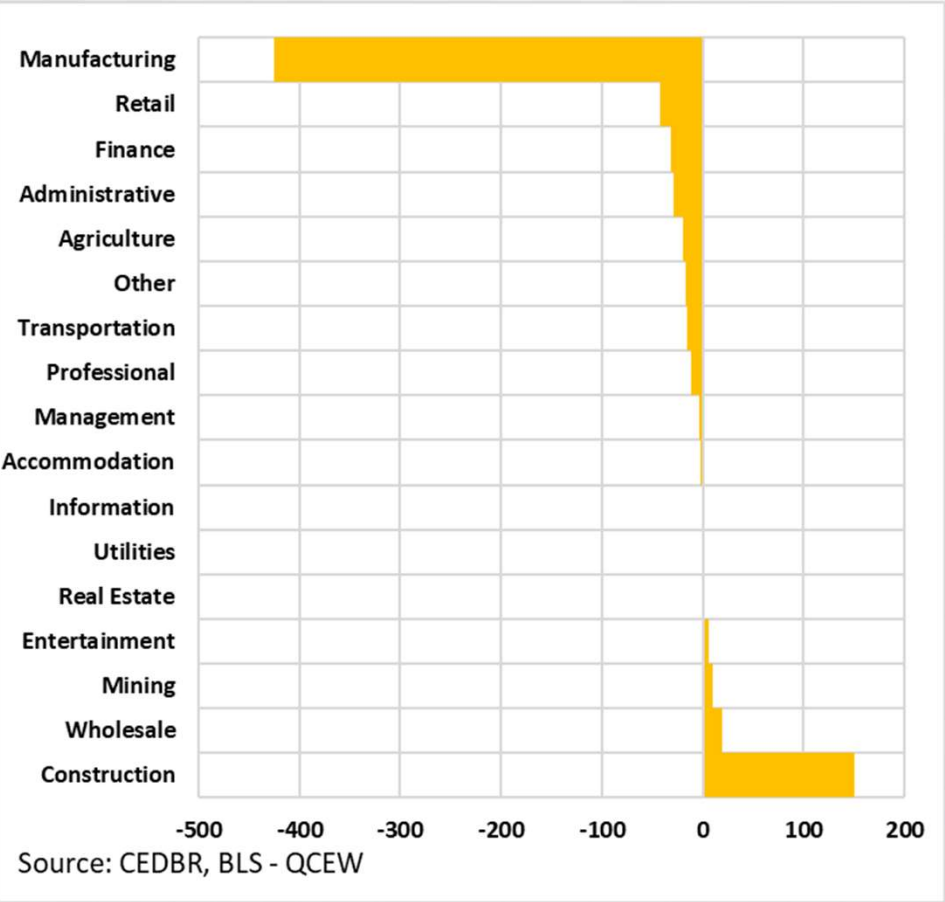


Annualized Growth		
	1YR	5YR
Labor Force	0.6%	-2.4%
Employment	0.9%	-2.3%
Unemployment	-7.2%	-4.5%

Annualized Growth - Kansas		
	1YR	5YR
Labor Force Level	1.0%	0.1%
Employment Level	1.1%	0.4%
Unemployment Level	-2.9%	-5.3%

Source: CEDBR, BLS - LAUS

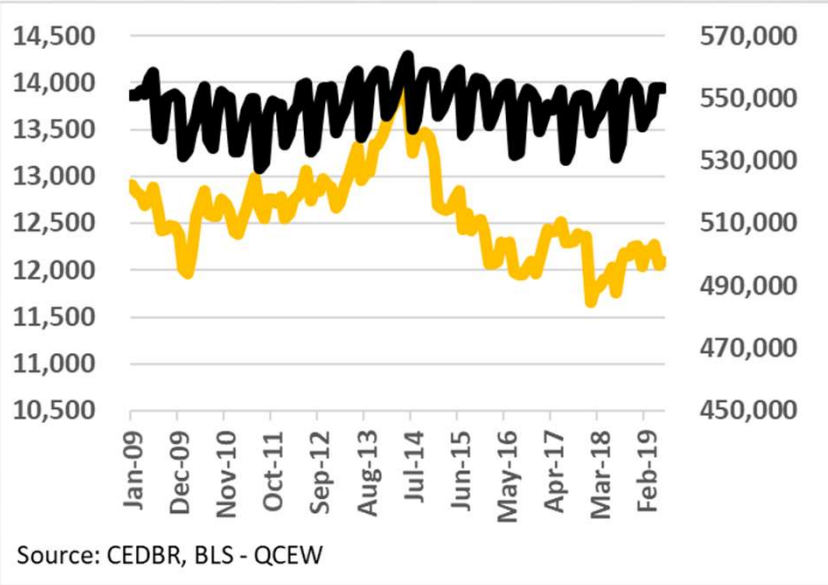
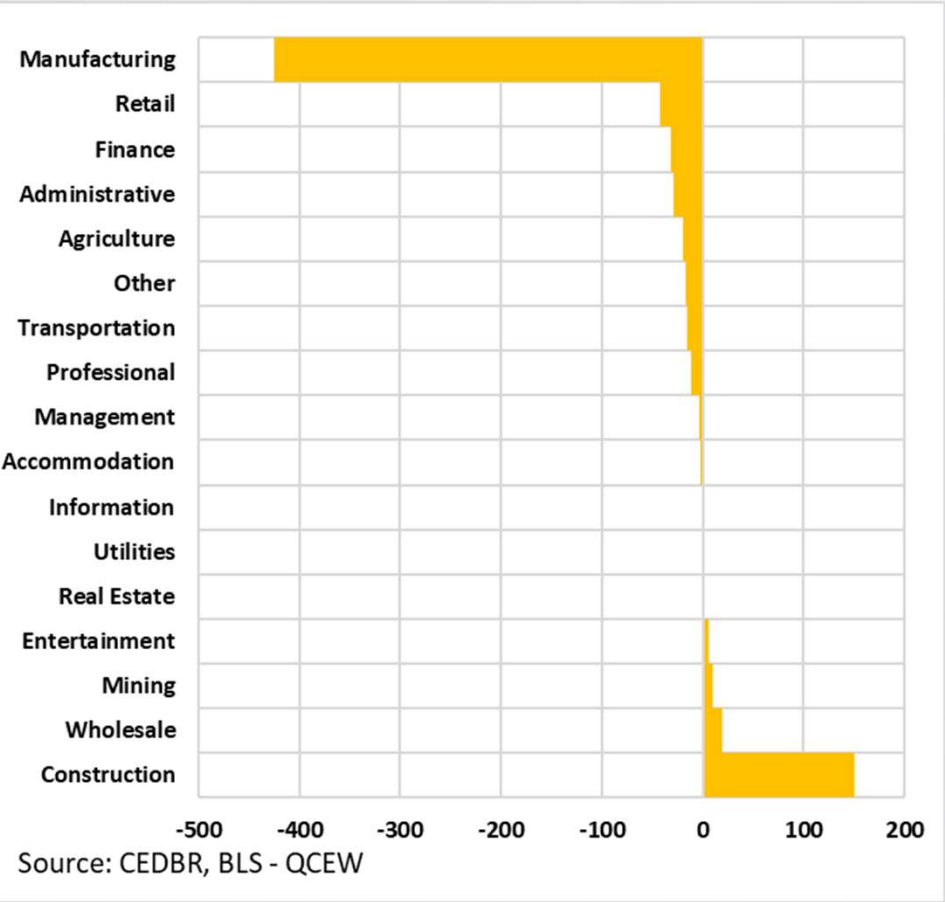
Employment Summary



Annualized Employment Growth		
	1 YR	5 YR
Barton	0.5%	-2.4%
Kansas	0.6%	0.4%

Source: CEDBR, Census

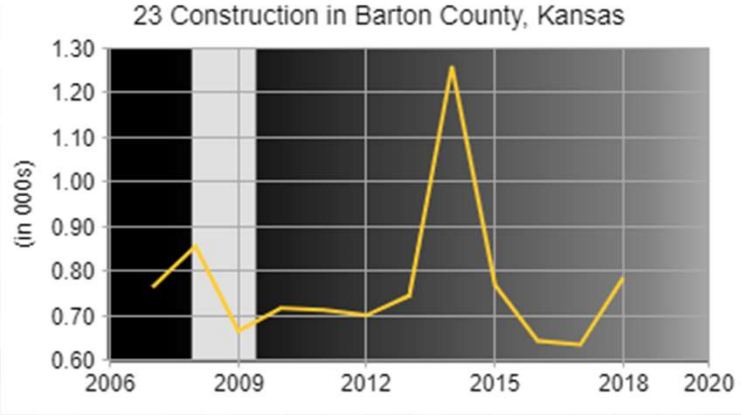
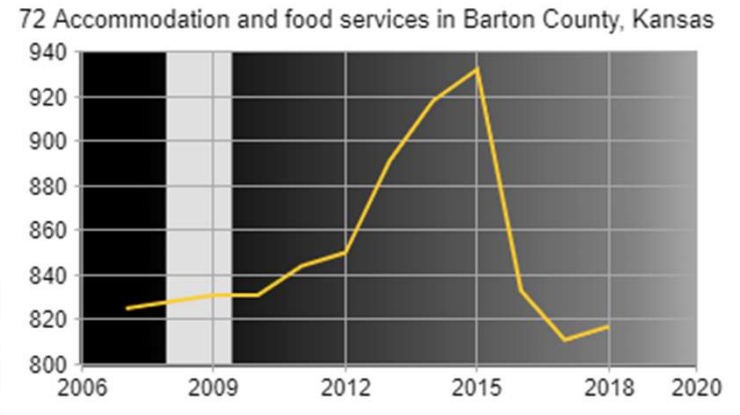
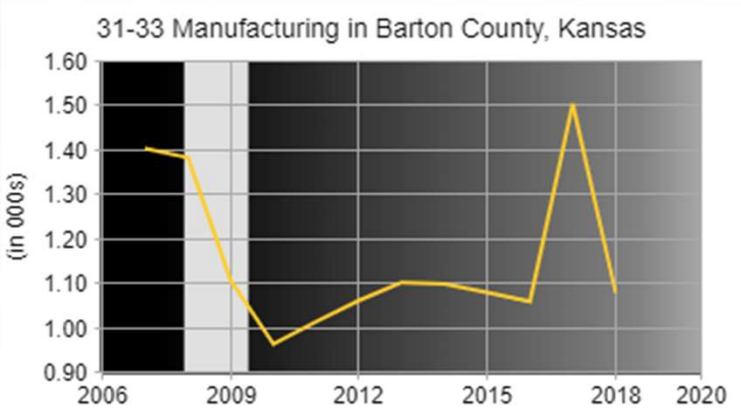
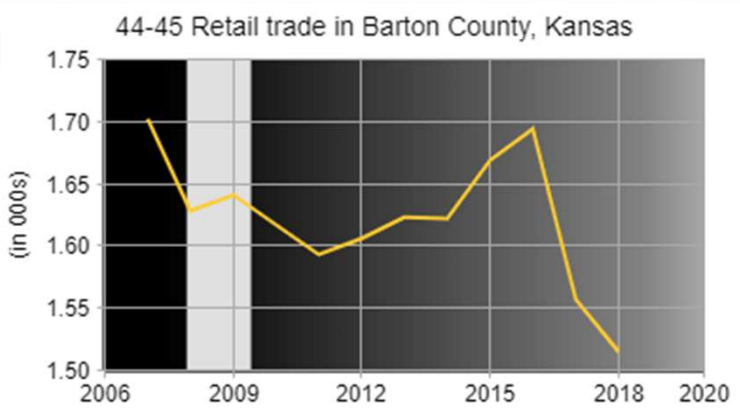
Employment Summary



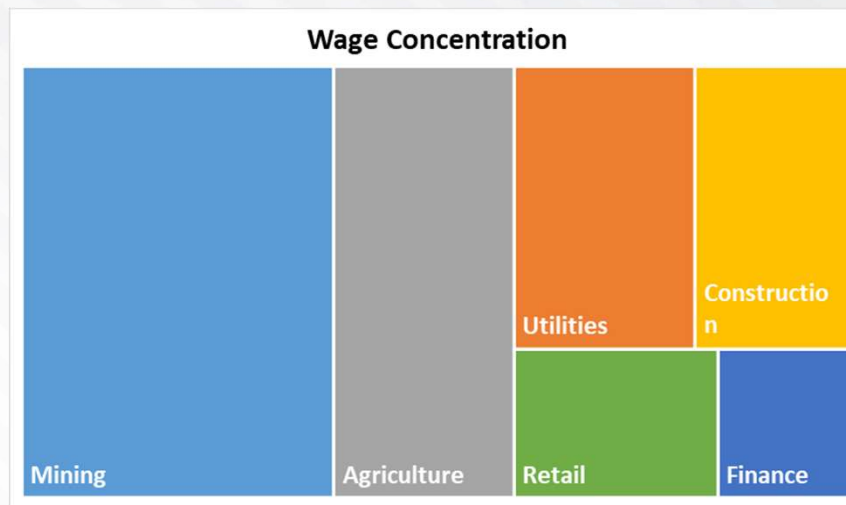
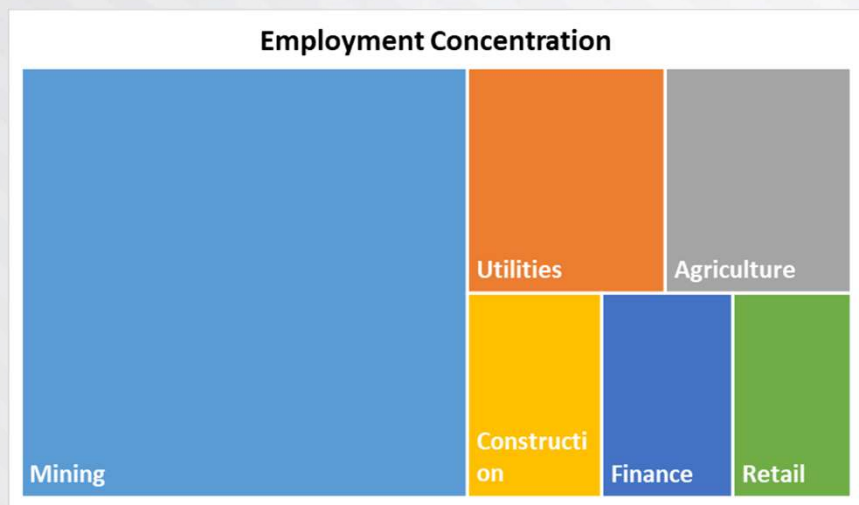
Annualized Employment Growth		
	1 YR	5 YR
Barton	0.5%	-2.4%
KS (Excluding Top 5 Counties)	-0.2%	-0.4%

Source: CEDBR, Census

Employment – Largest Sectors



Economic Concentration

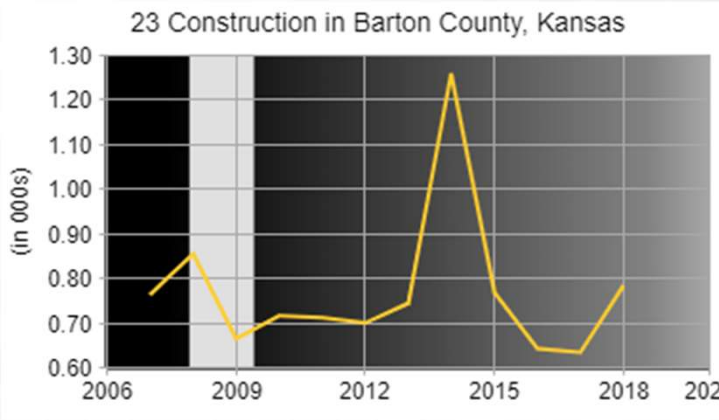
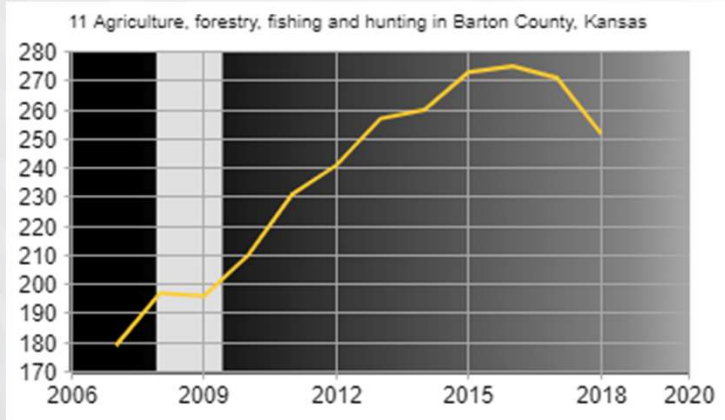
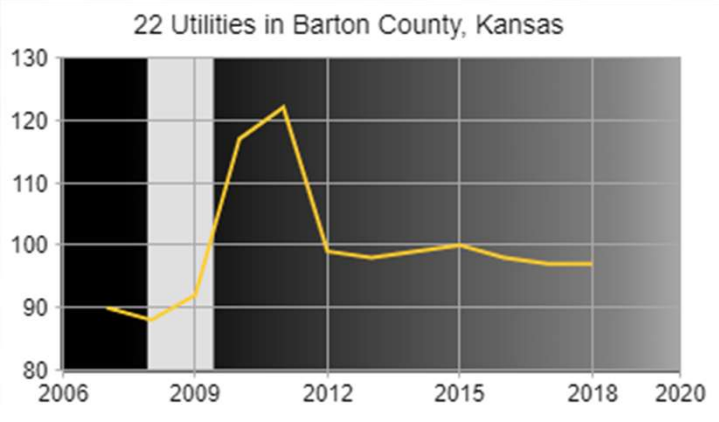
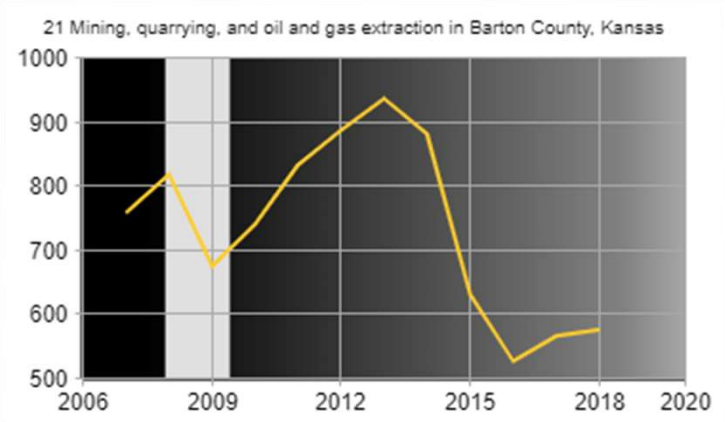


	Concentration	
	Employment	Wage
Mining	9.51	6.6
Utilities	2.21	2.51
Agriculture	2.09	3.82
Construction	1.36	2.17
Finance	1.32	0.98
Retail	1.2	1.49
Manufacturing	1.09	0.93

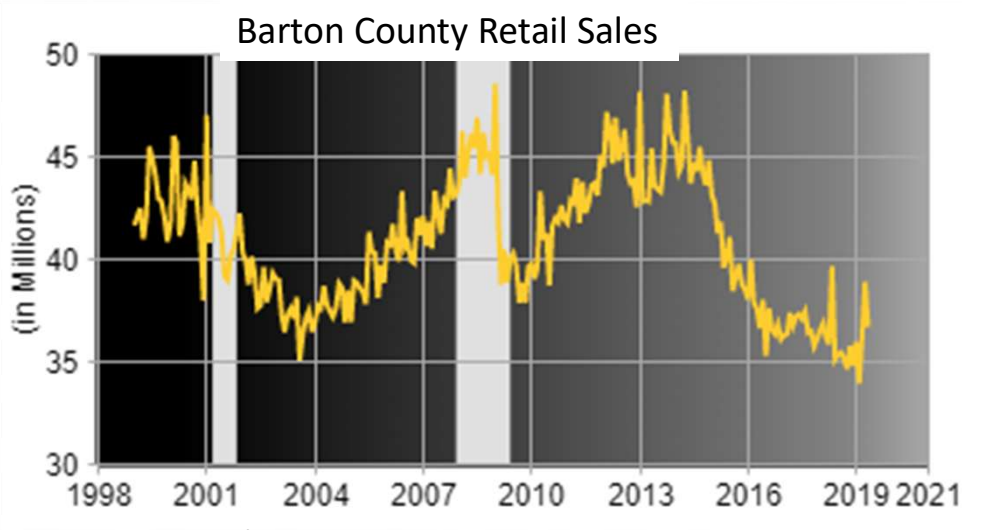
Location quotients quantify industry clusters. The measurement compares the industry share locally with the nation. A value greater than one indicates a higher level of concentration of that industry compared to the nation. Higher levels of concentration also identify key sectors that drive the regional economy.

1 = same level of concentration
2 = double the level of concentration

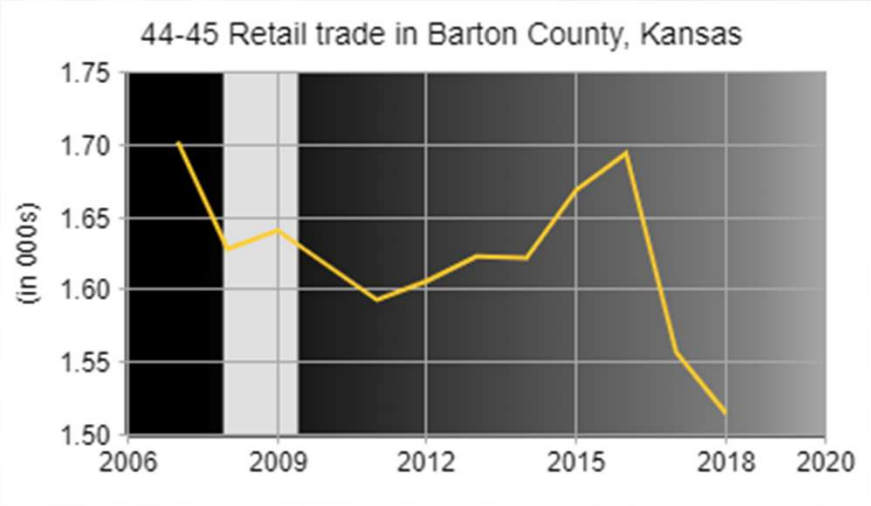
Employment – Core Sectors



Retail Update



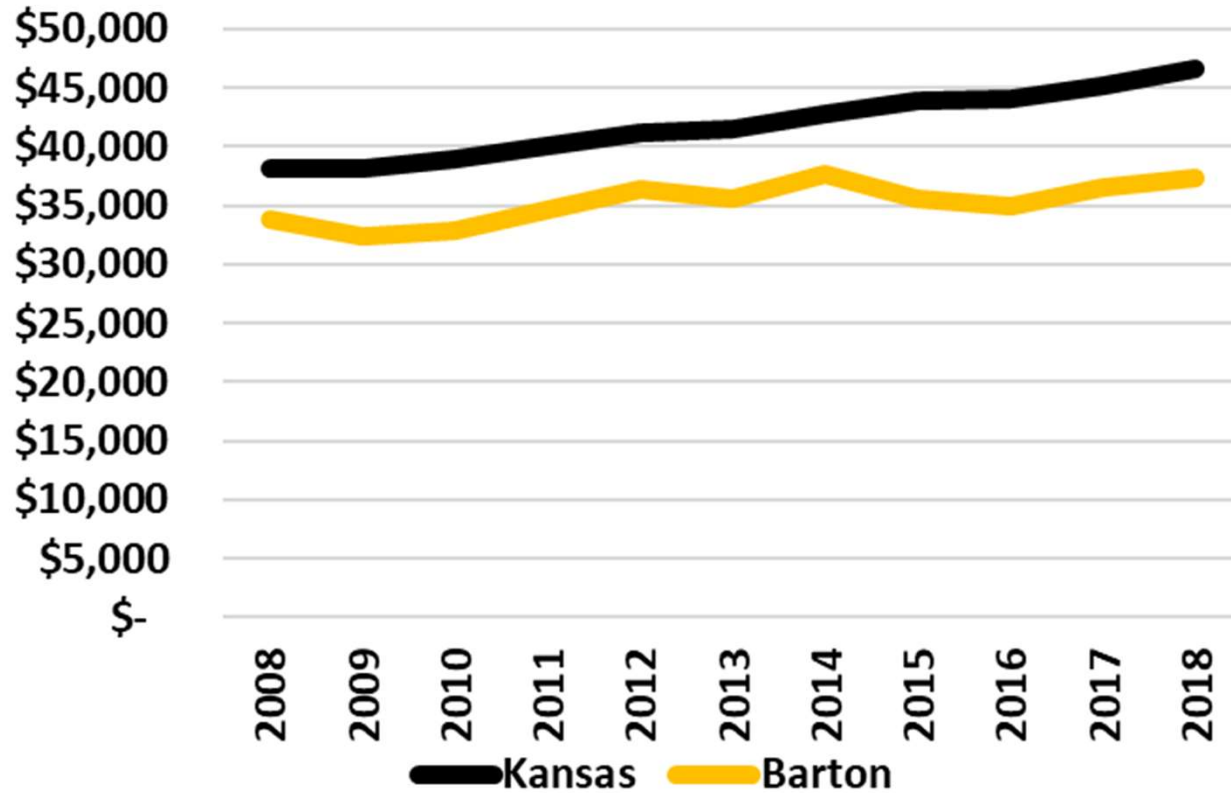
Source: CEDBR, KS Dept of Revenue



Source: CEDBR, BLS - QCEW

- Barton County Retail Pull Factor: 1.13

Wages



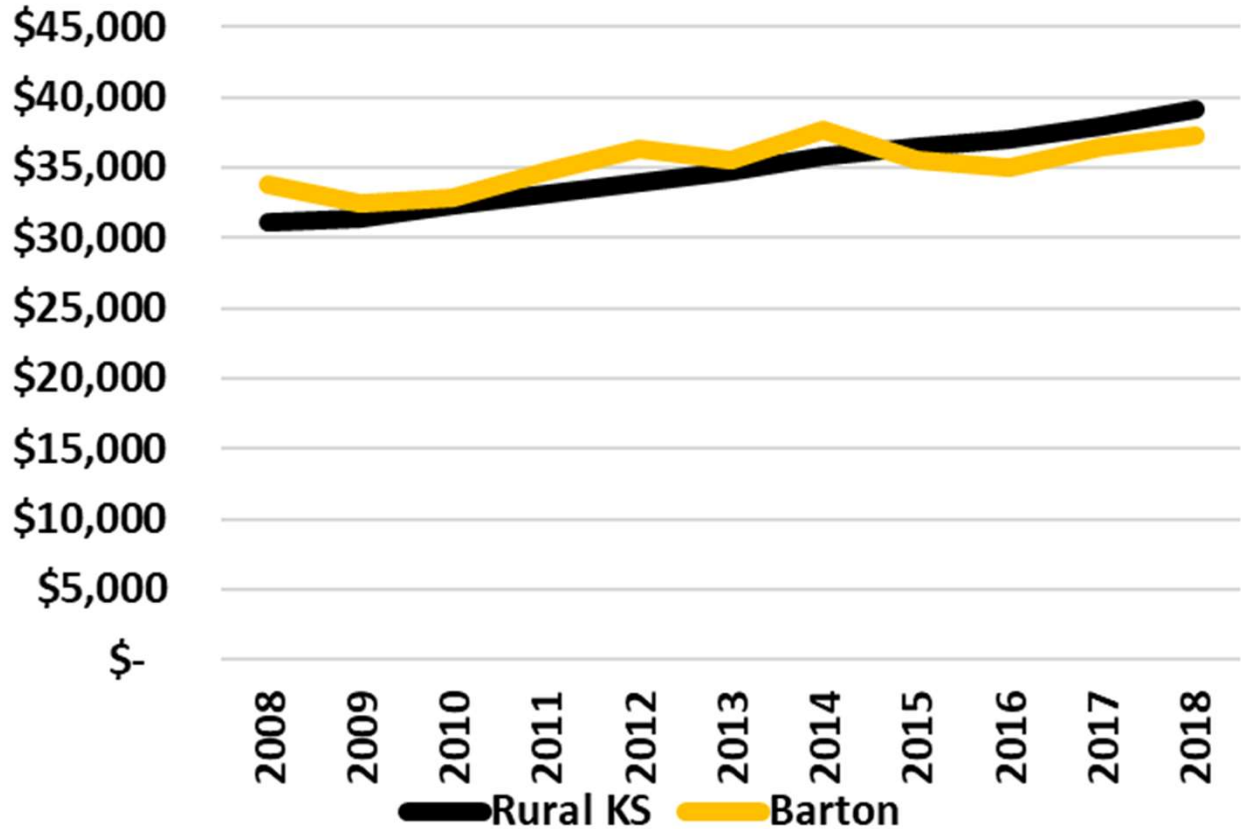
Source: CEDBR, BLS - QCEW

Annualized Wage Growth

	1 YR	5 YR
Barton	2.2%	1.0%
Kansas	3.3%	2.4%

Source: CEDBR, Census

Wages

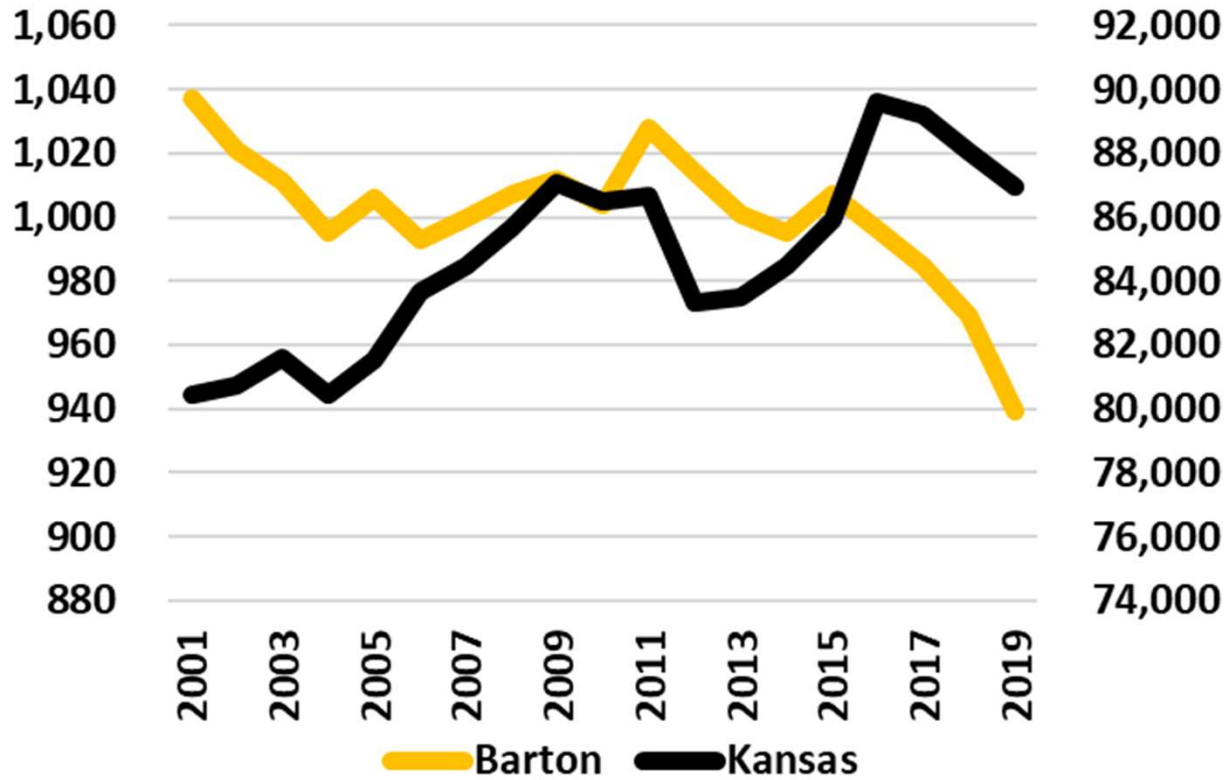


Source: CEDBR, BLS - QCEW

Annualized Wage Growth		
	1 YR	5 YR
Barton	2.2%	1.0%
Rural Kansas	3.3%	2.6%

Source: CEDBR, Census

Establishments



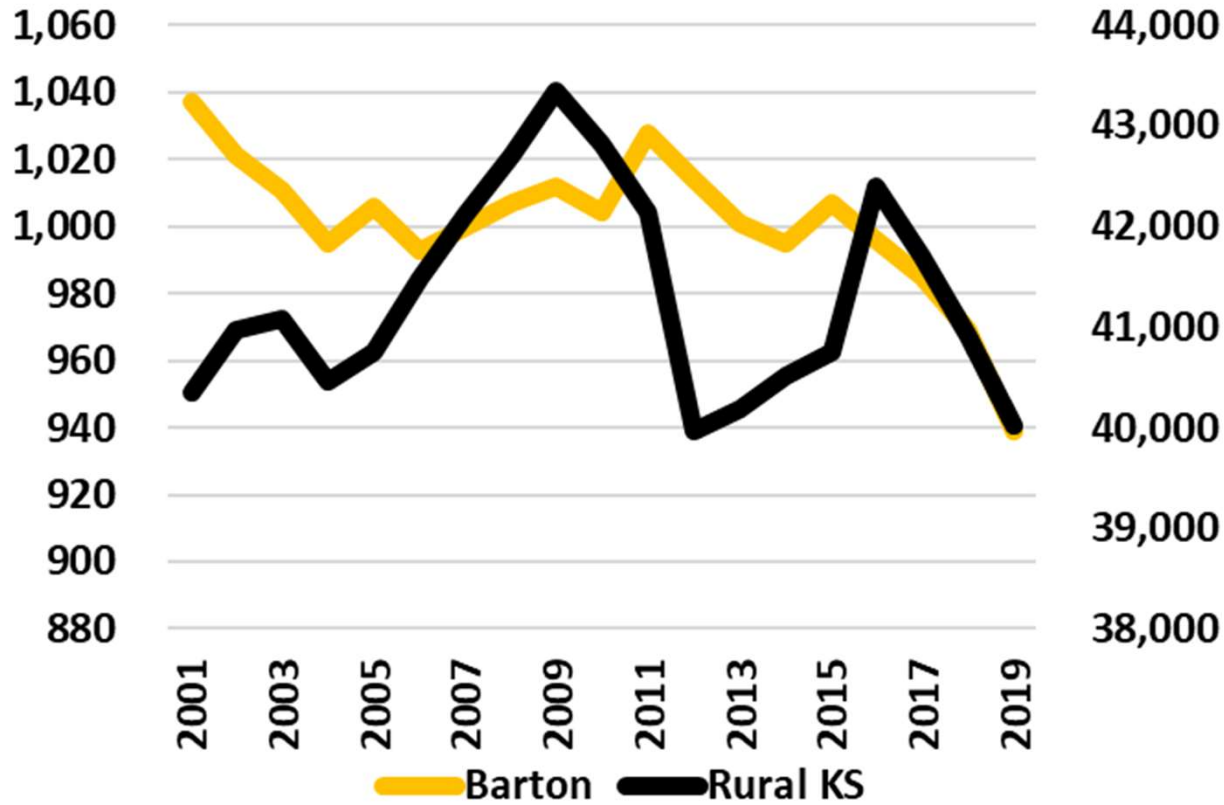
Source: CEDBR, BLS - QCEW

Annualized Establishment Growth

	1 YR	5 YR
Barton	-1.4%	-1.1%
Kansas	-0.7%	0.6%

Source: CEDBR, Census

Establishments



Source: CEDBR, BLS - QCEW

Annualized Establishment Growth

	1 YR	5 YR
Barton	-1.4%	-1.1%
KS (Excluding Top 5 Counties)	-1.7%	-0.2%

Source: CEDBR, Census

NEW DATA SITE

- *Economic Forecasts*
- *Indices*
- *Industry Employment Trends*
- *Economic Indicators*
- *Demographics*

www.KansasEconomy.org



AGENDA

- 8:00 Registration / Networking / Refreshments
- 8:30 State/Regional Outlook
- 9:15 -- Q & A --
- 9:30 Local Update
- 9:50 -- Q & A --**
- 10:00 Closing Remarks / Adjourn

Kansas Community Outlook **EVENTS**

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Kansas Community Outlook **EVENTS**

#KSEcon 

Thank You

**for attending today's conference!
We hope to see you again next year.**

*Kansas
Community
Outlook*
EVENTS