

Kansas Community Outlook **EVENTS**

Seward County

A thick yellow horizontal bar spans the width of the slide. On the right side, the bar transitions into a large, stylized yellow arrow pointing upwards and to the right, with a jagged, upward-trending path.

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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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

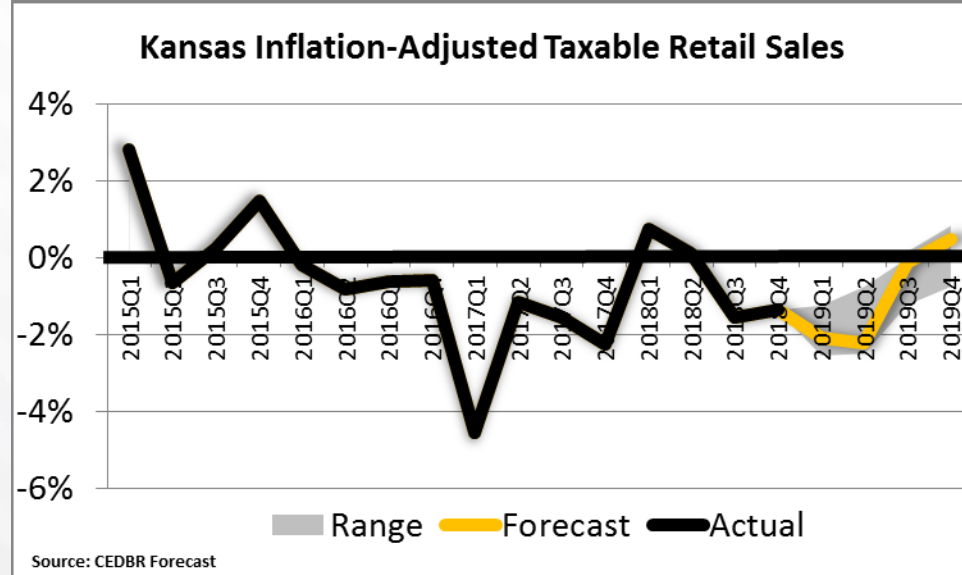
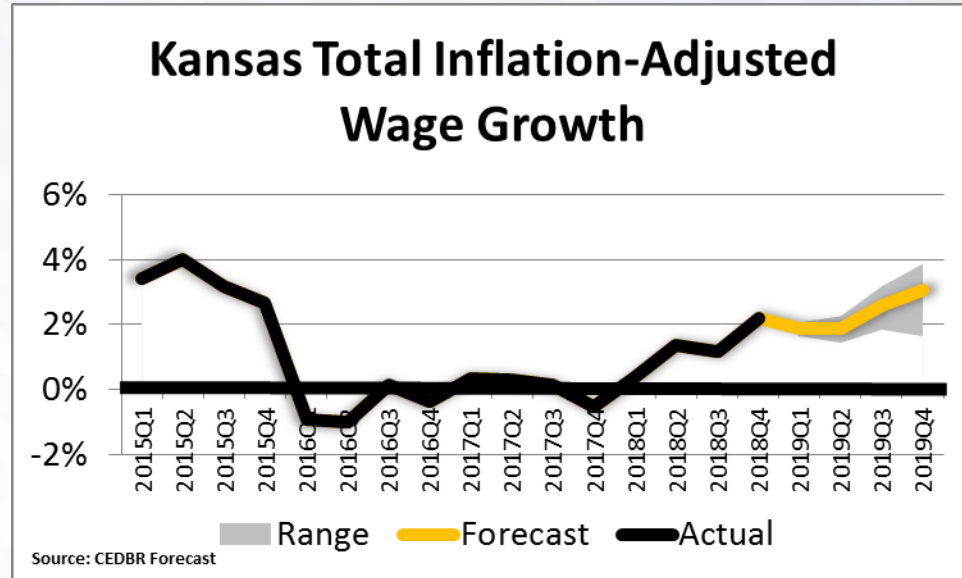
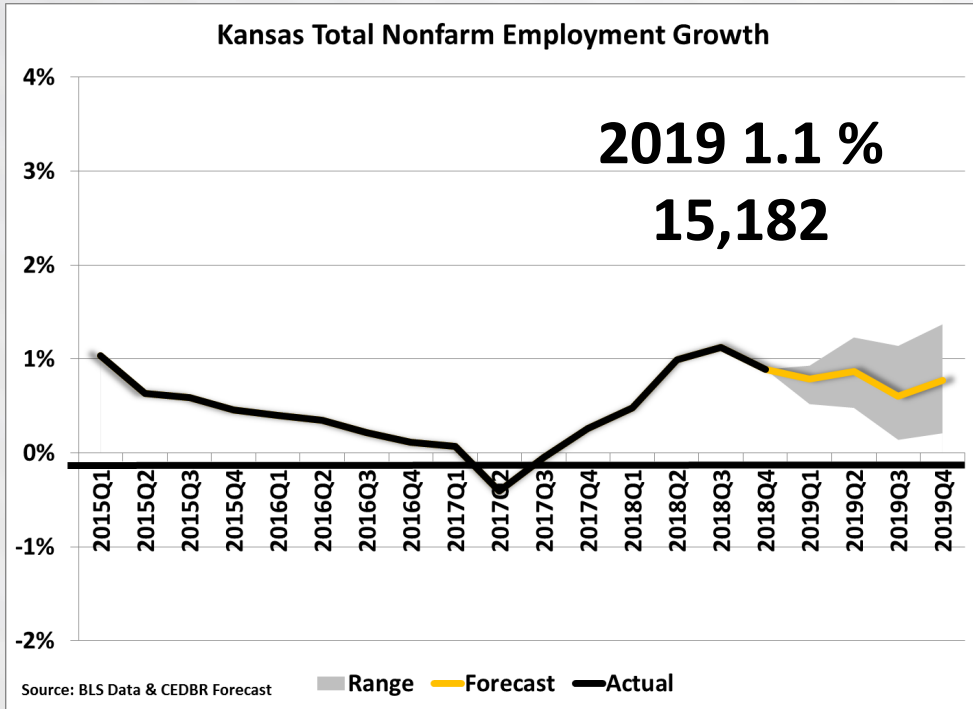


Kansas Outlook

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

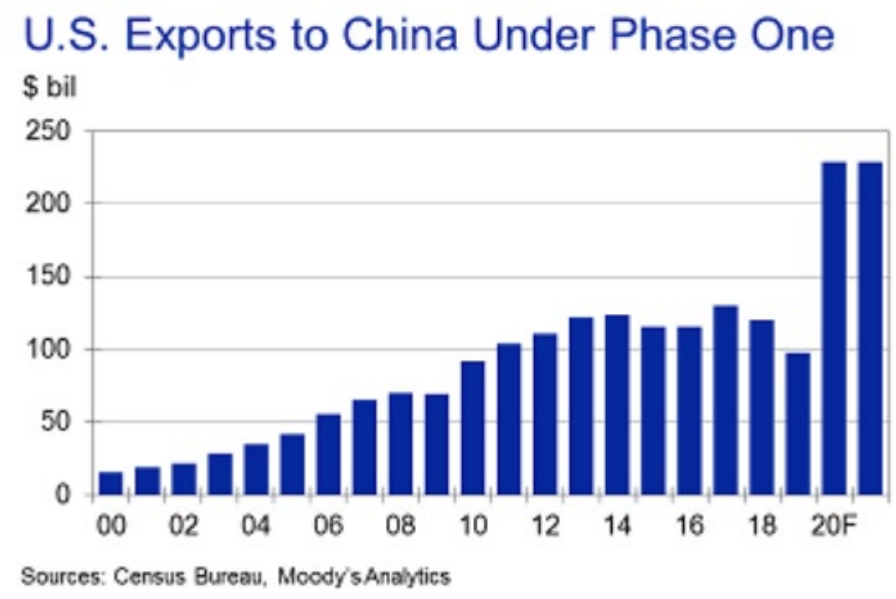
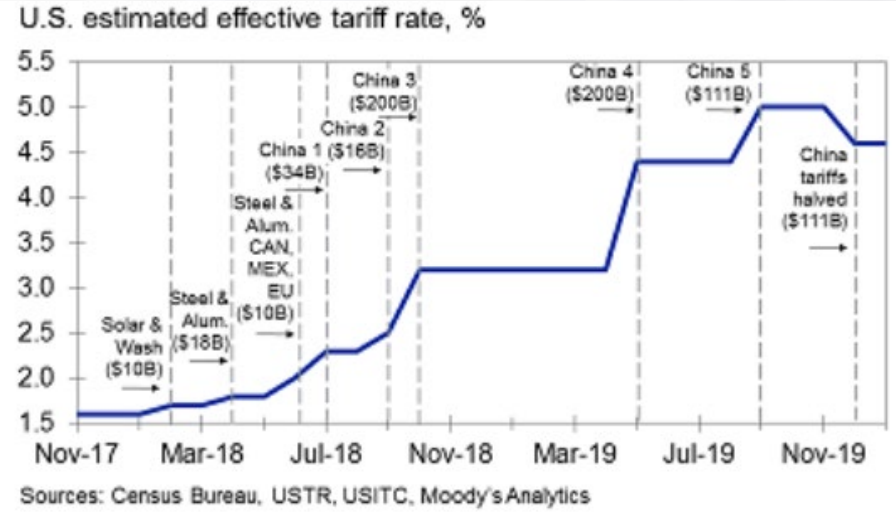
Date	Products	Tariff rate	Value (Bil)	Country
Jan-18	Washing Machines	18, 45%	\$ 1	All
Jan-18	Solar panels	25%	\$ 9	All
Jun-18	Steel	0.25	\$ 34	All except S. Korea, Turkey, Australia, Mexico, and Canada
Jun-18	Aluminum	10%	\$ 17	Canada
Jul-18	List	0.25	\$ 34	China
Aug-18	list	25%	\$ 16	China
May-19	List	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

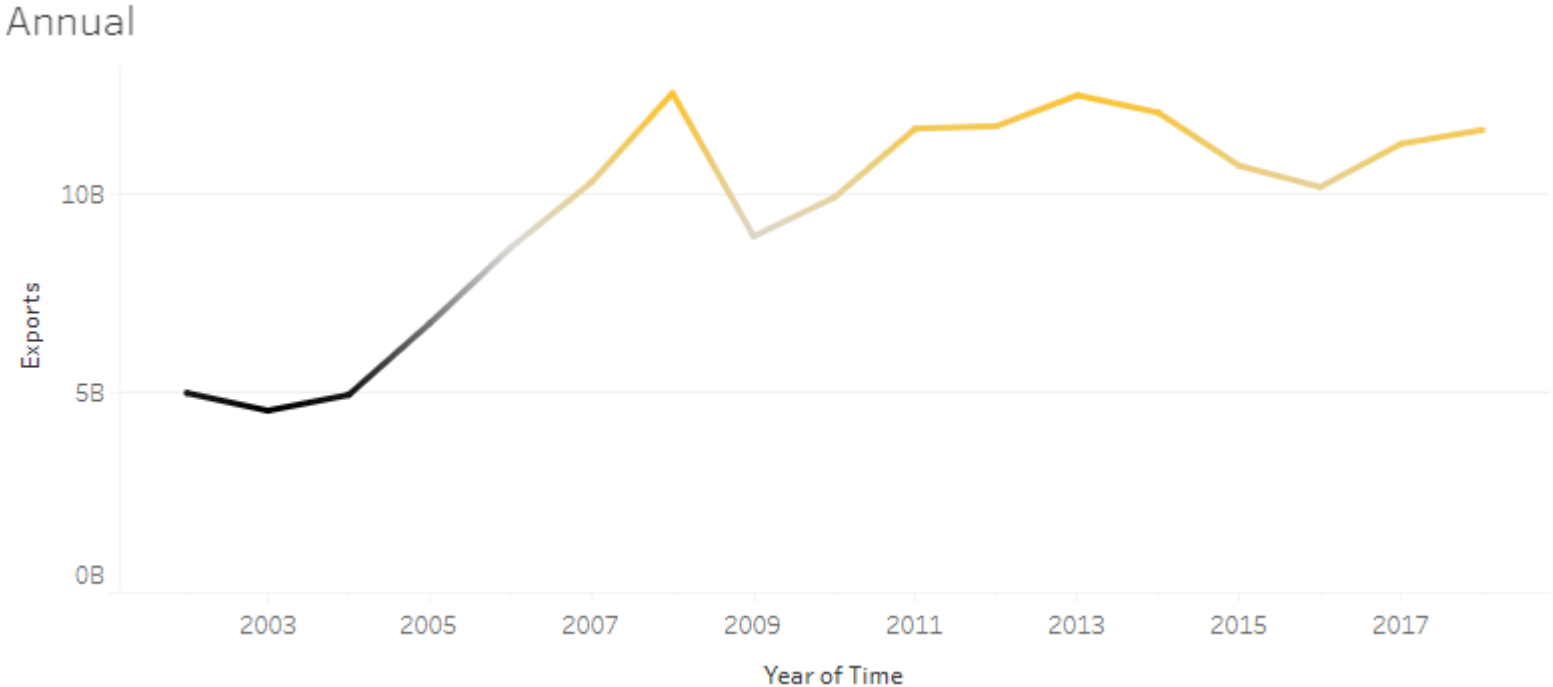
- Opened US energy and agriculture exports

China – Phase One

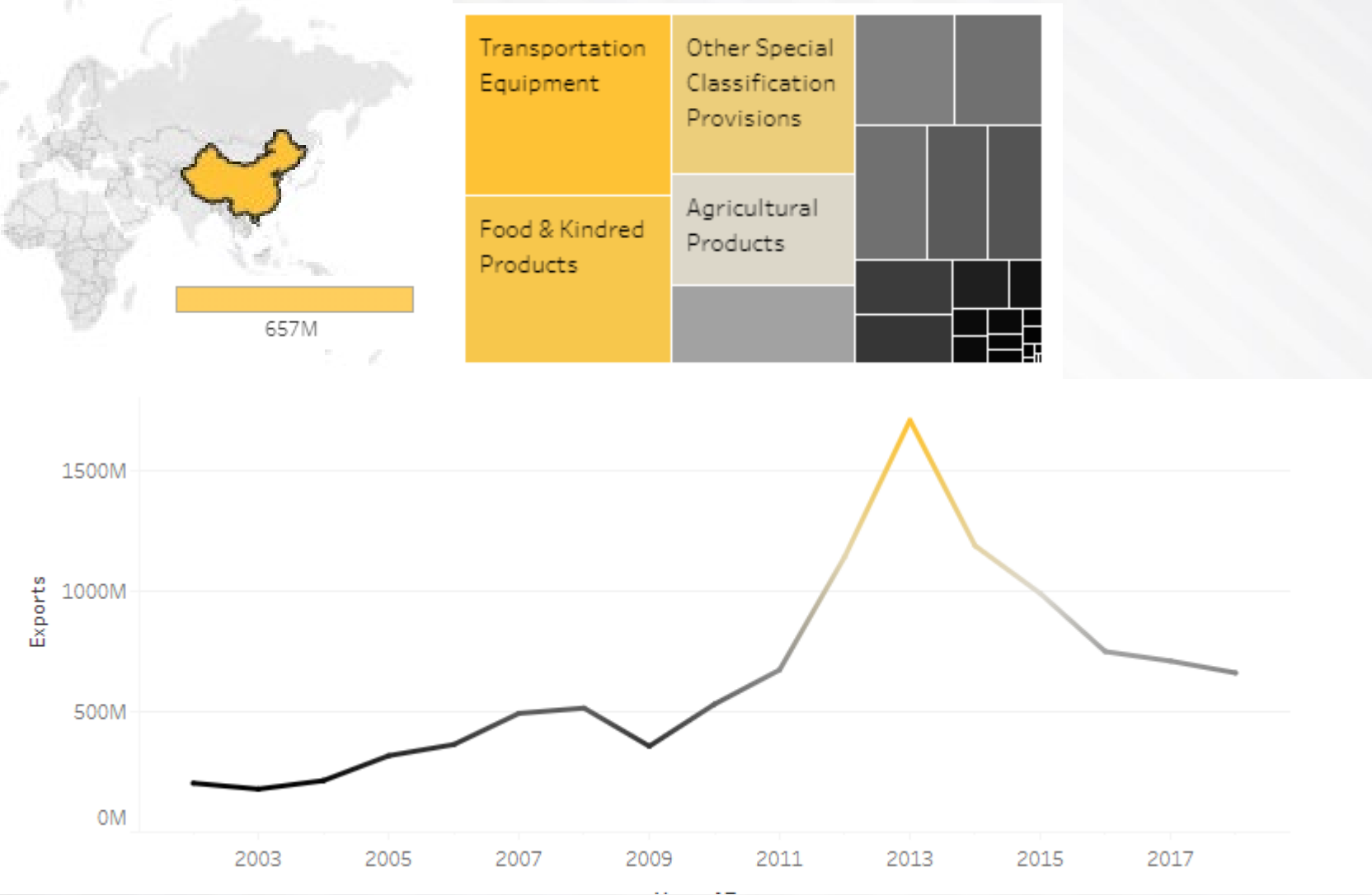
- Doubling purchases (including agriculture)
- Intellectual property theft
- US investment barriers
- “Strong procedures” for enforcement



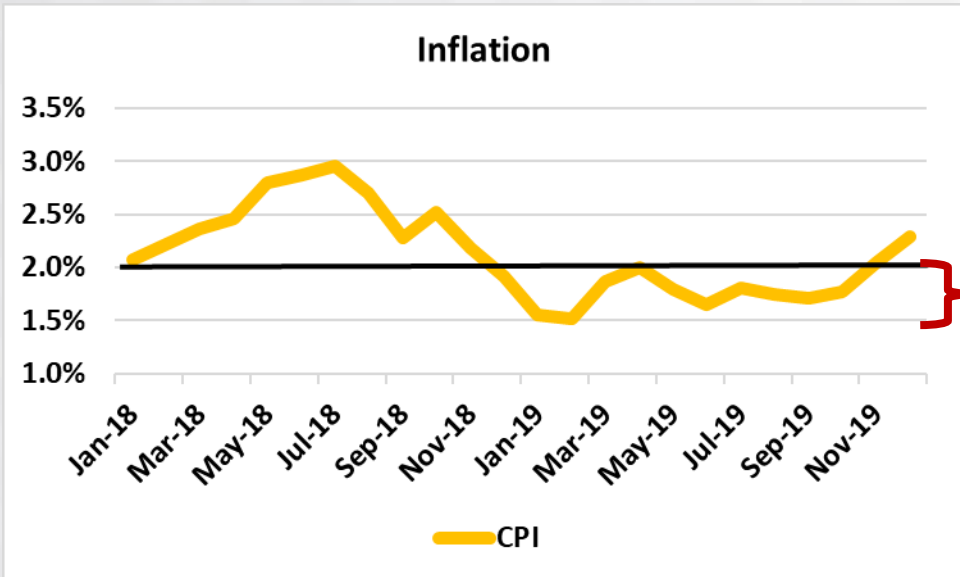
Kansas Exports 2018



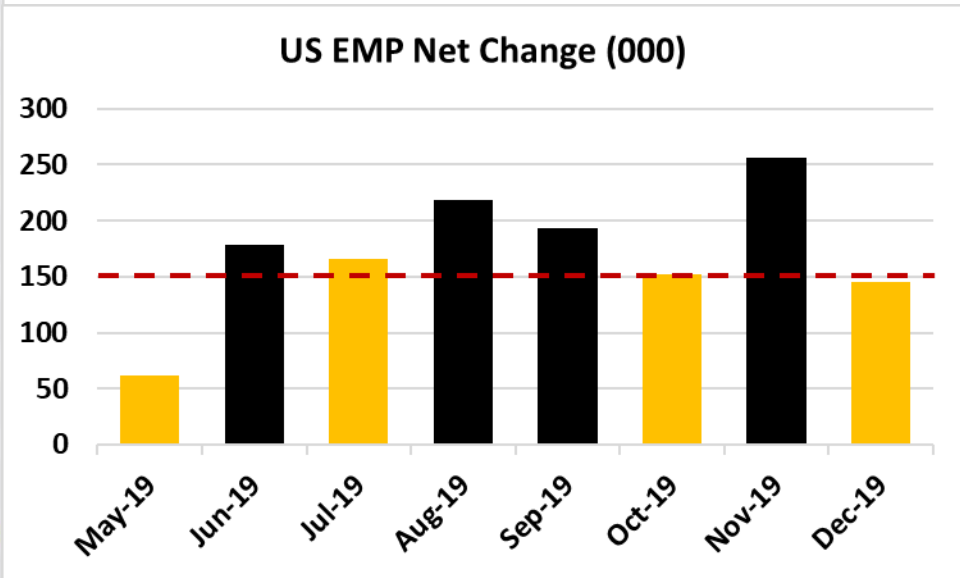
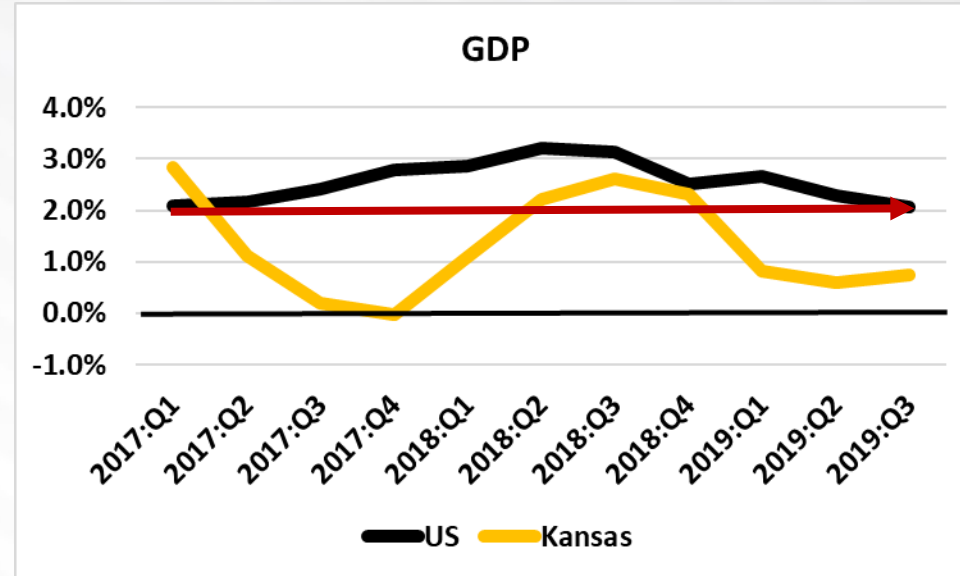
Kansas Exports 2018



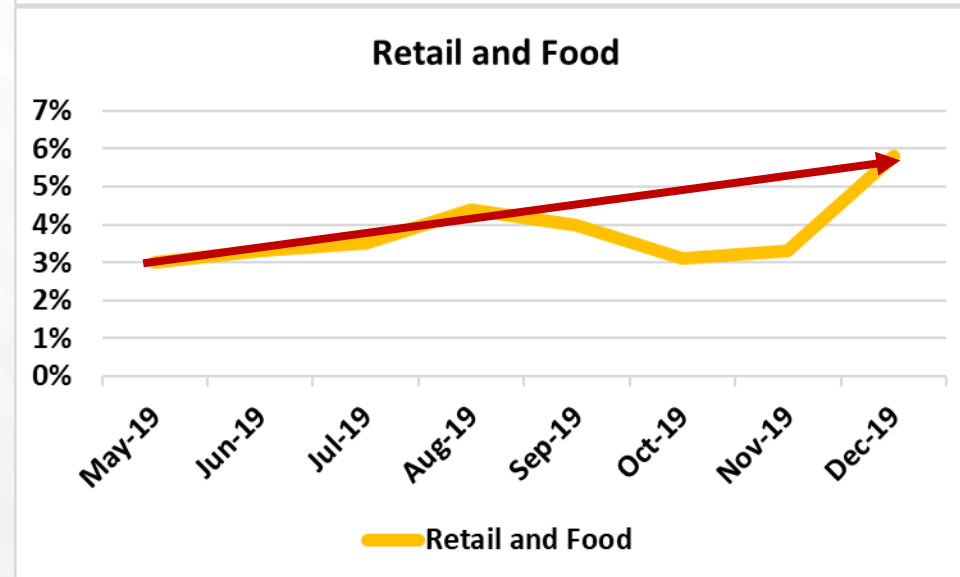
US Economic Train Continues Down the Track



Fed Target 2%

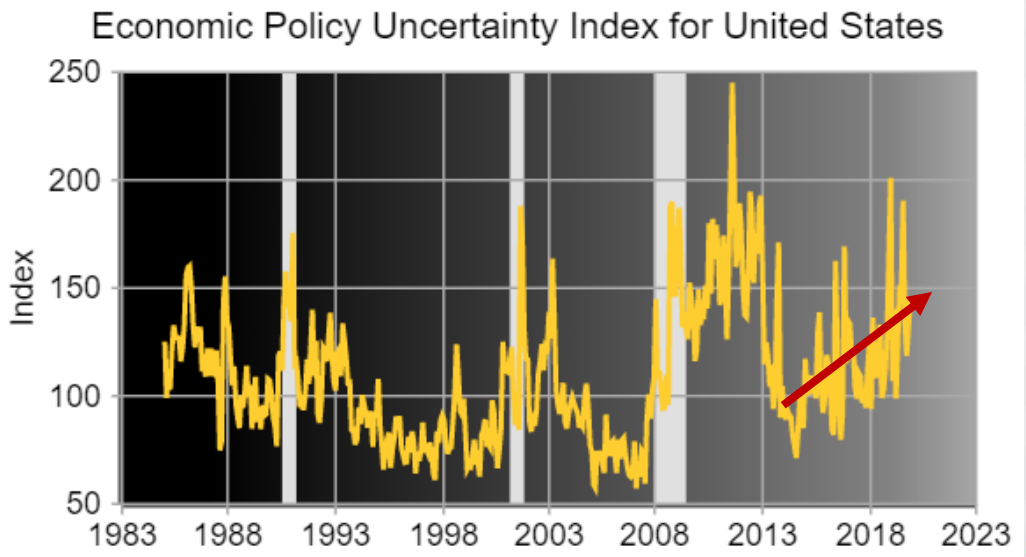
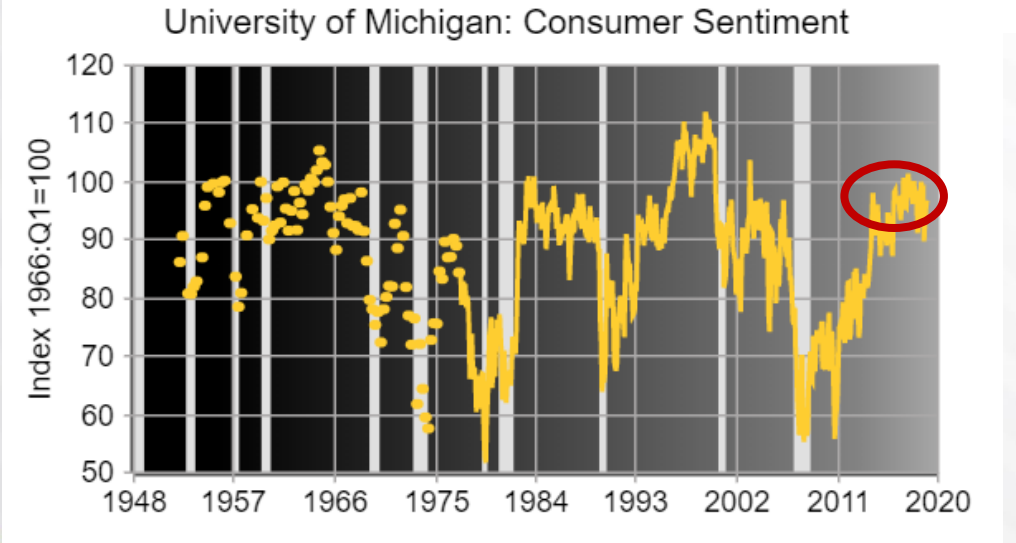
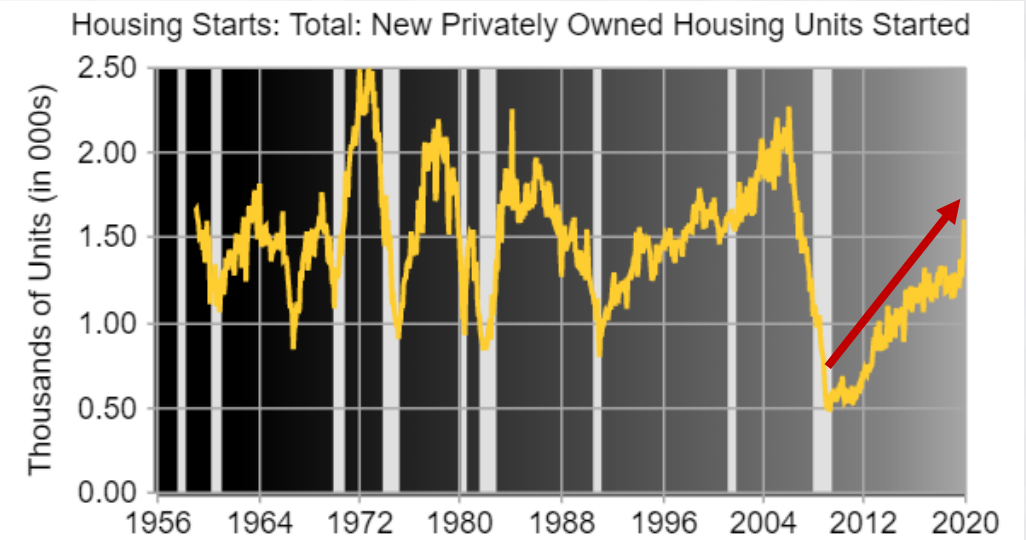
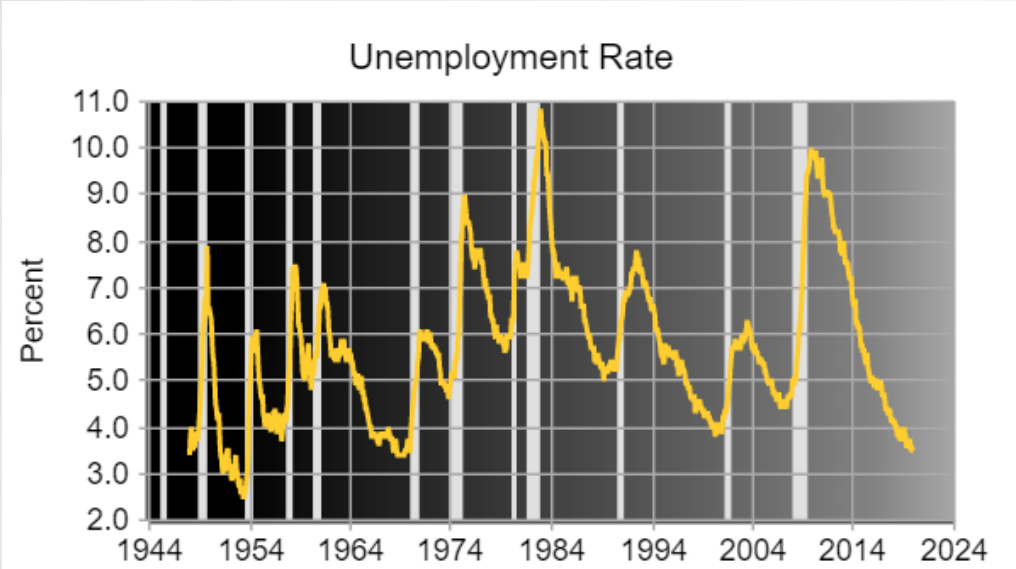


~150,000 is needed per month

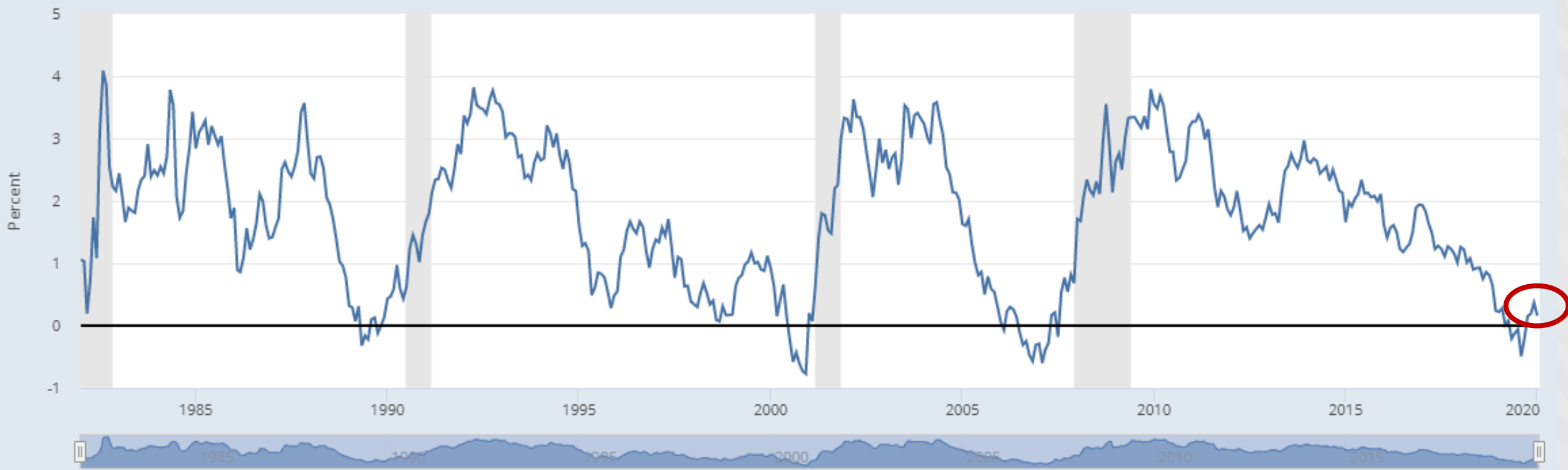


Consumption is about 68% of the economy

Indicators are not pointing to a recession, yet



Yield Curve – False Warning?



Shaded areas indicate U.S. recessions

Source: Federal Reserve Bank of St. Louis

fred.stlouisfed.org

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

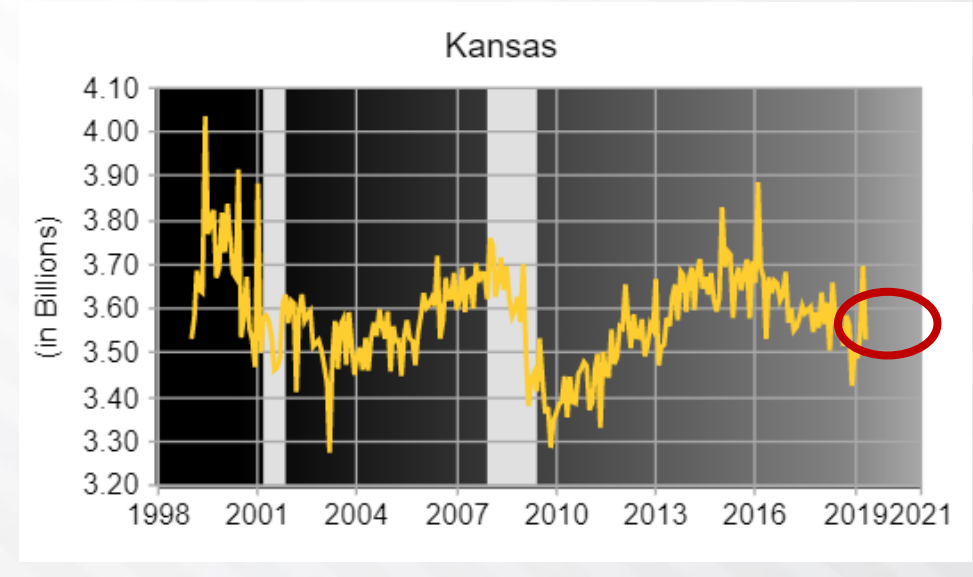
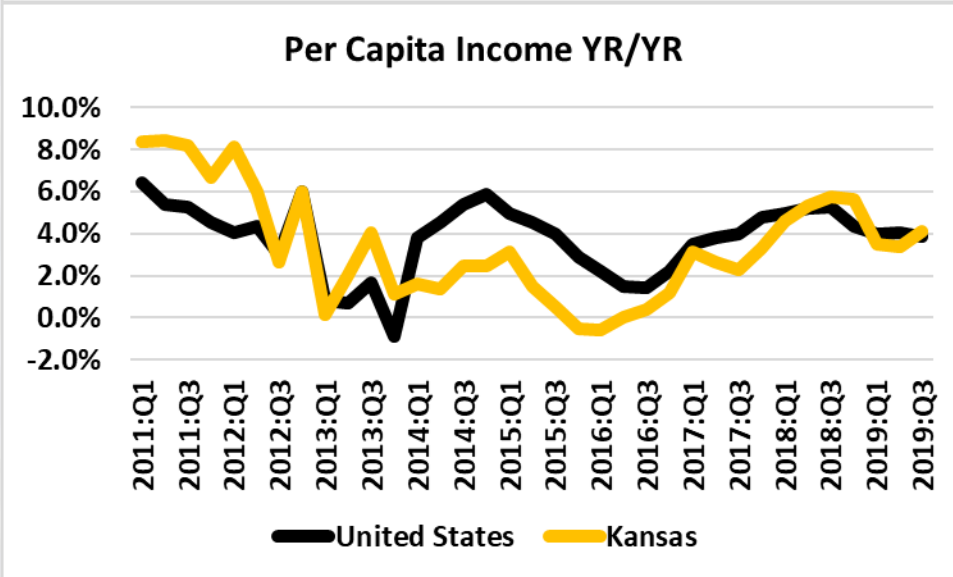
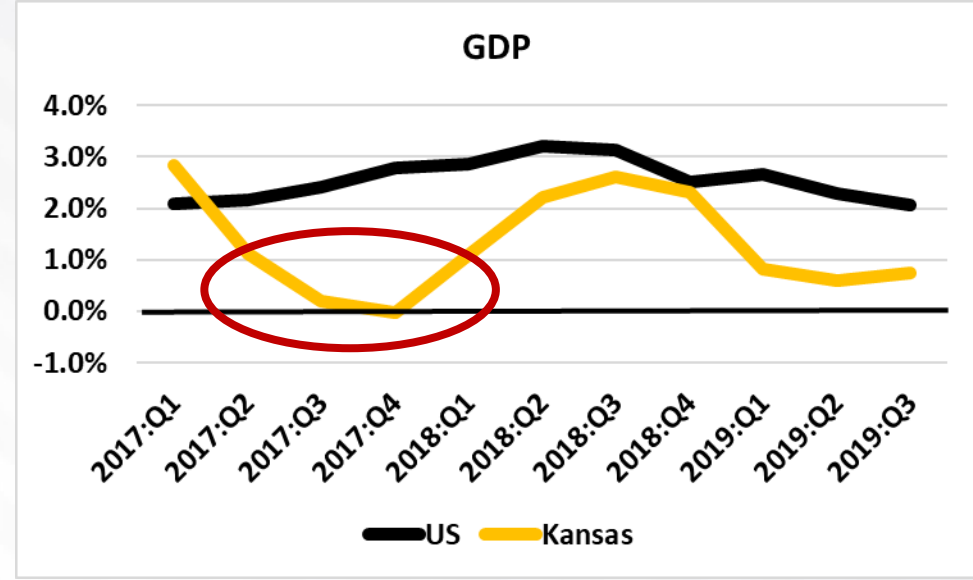
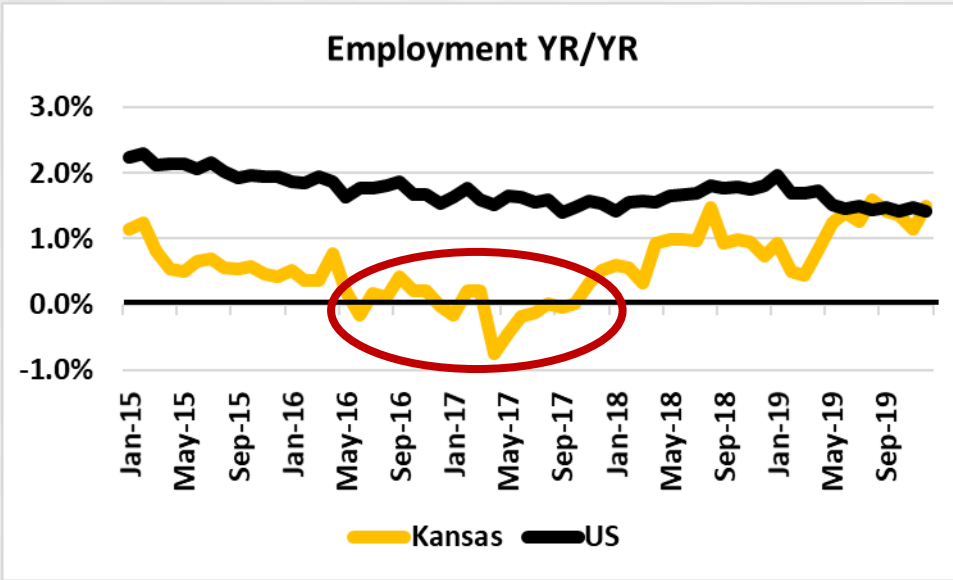
- **Issues to Watch**

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



Kansas Economy

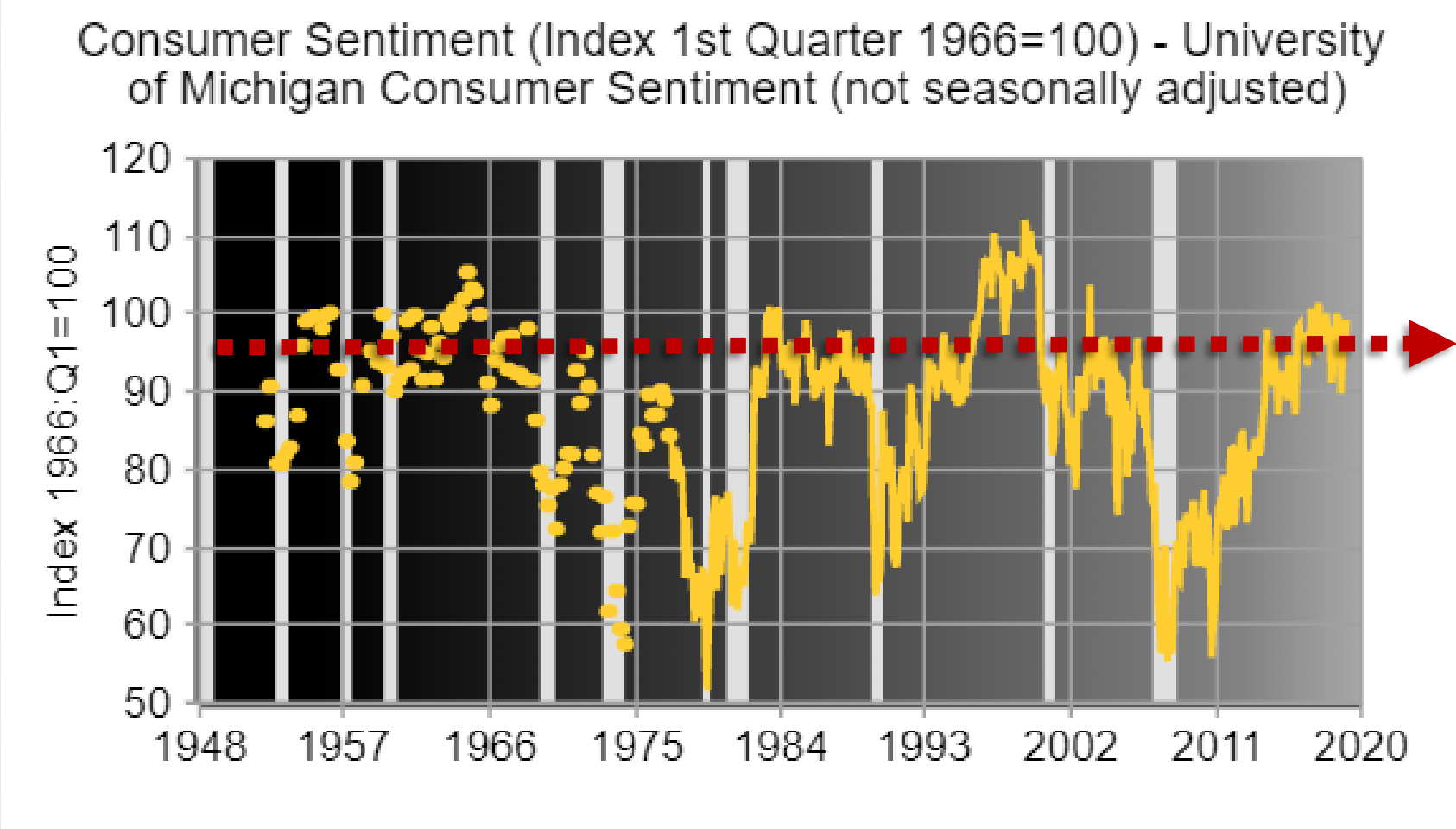
Kansas Indicators





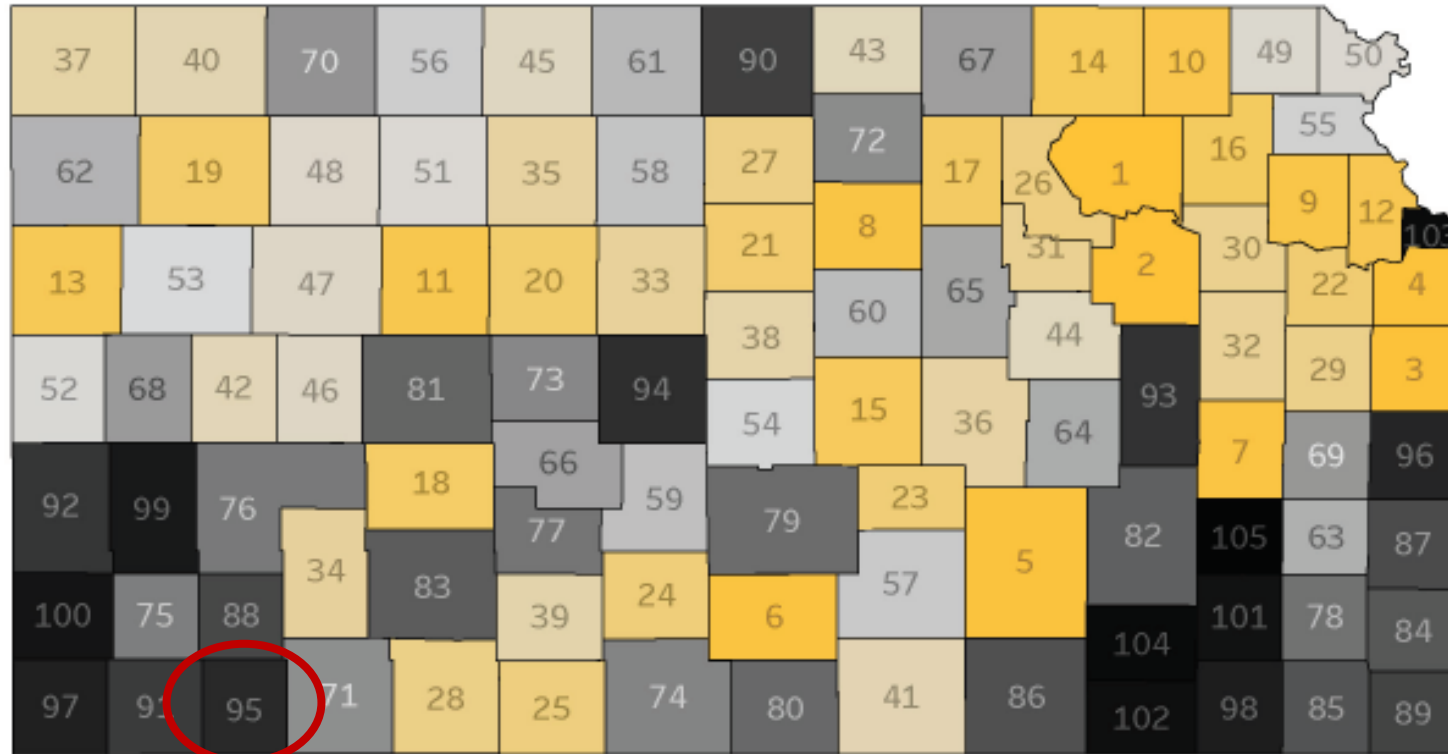
Households

Households are STILL doing well



Seward County – Ranked 95 out of 105

Healthy, Wealthy, Wise 2020 Ranking



1 105

- **Healthy** – Ranked 93
 - Low Birthweight 5.3%
 - Poor or Fair Health 23%
 - Uninsured 28%
 - No change 2015
- **Wealthy** – Ranked 49
 - GINI – 0.410
 - Household income - \$60,596
 - Poverty – 16.70
 - Dropped from 26 to 49
- **Wise** – Ranked 40
 - Less than HS – 31.8%
 - Bachelor's+ - 11.1%

Employment size ranking = 22

Southwest Region

HEALTHY RANKING			
2015		2020	
Barber	13	Comanche	28
Pawnee	17	Hodgeman	31
Pratt	26	Gray	39
Stevens	34	Pratt	52
Haskell	35	Barber	53
Meade	37	Pawnee	59
Hodgeman	42	Kiowa	61
Clark	57	Stafford	71
Gray	68	Meade	78
Kiowa	70	Stevens	81
Grant	72	Clark	84
Stafford	74	Haskell	86
Edwards	87	Edwards	89
Seward	88	Grant	91
Kearny	89	Seward	93
Ford	94	Finney	94
Finney	95	Ford	95
Morton	97	Morton	100
Comanche	101	Kearny	101
Hamilton	103	Stanton	102
Stanton	105	Hamilton	105

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

WEALTHY RANKING			
2015		2020	
Kearny	3	Gray	2
Gray	4	Grant	10
Stanton	5	Finney	13
Haskell	14	Comanche	15
Meade	16	Hodgeman	20
Ford	19	Kiowa	22
Hodgeman	20	Clark	23
Seward	26	Pratt	27
Morton	30	Ford	29
Finney	31	Meade	30
Grant	34	Edwards	31
Pawnee	35	Haskell	40
Stevens	37	Pawnee	41
Edwards	43	Hamilton	45
Stafford	50	Seward	49
Comanche	53	Stafford	52
Pratt	56	Stevens	55
Hamilton	59	Kearny	70
Barber	60	Morton	72
Clark	80	Barber	82
Kiowa	82	Stanton	86

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

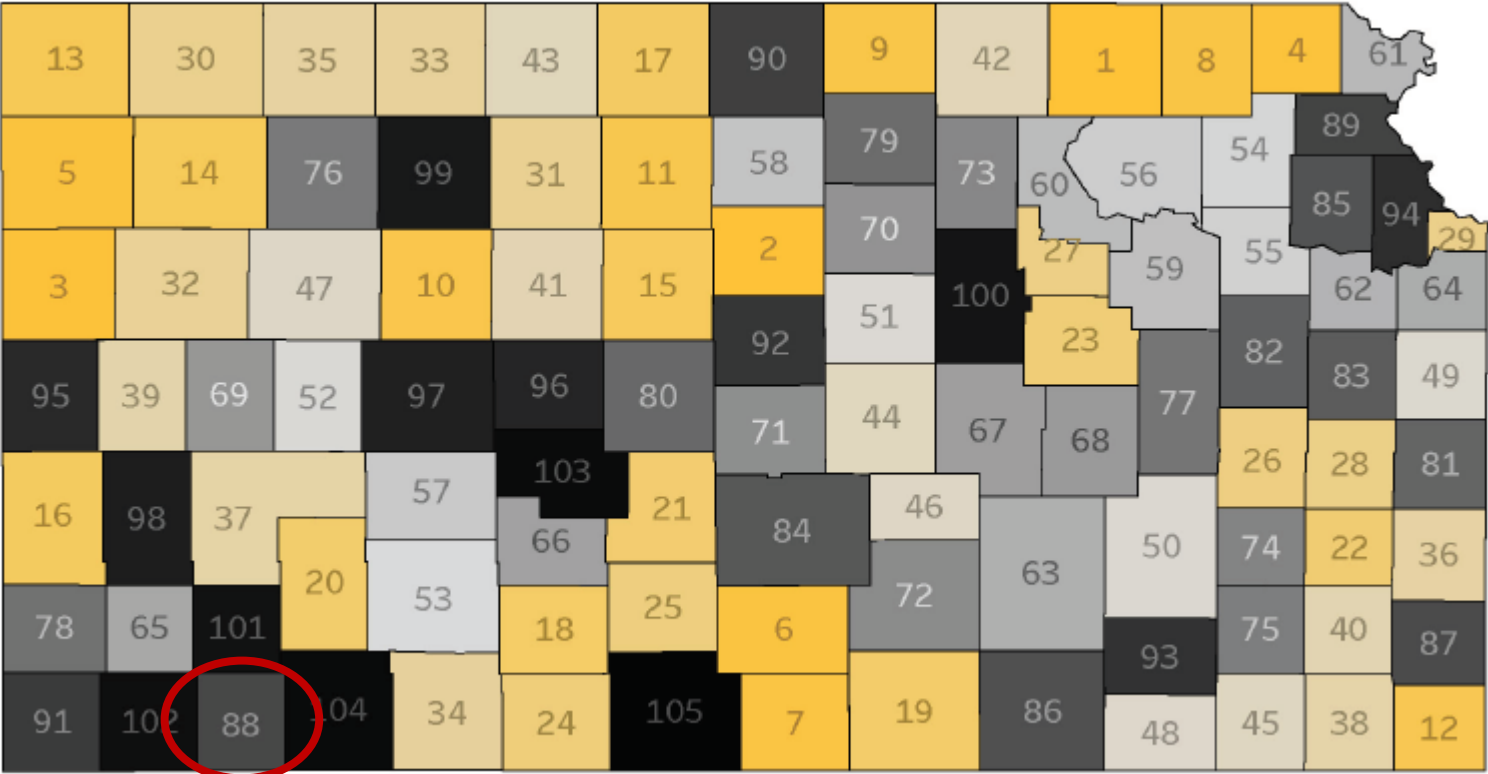
WISE RANKING			
2015		2020	
Clark	9	Clark	6
Comanche	13	Pratt	22
Hodgeman	26	Hodgeman	36
Barber	36	Kiowa	45
Pawnee	37	Stafford	51
Kiowa	38	Comanche	59
Pratt	46	Barber	70
Meade	60	Gray	82
Edwards	66	Meade	84
Stafford	76	Pawnee	86
Gray	82	Stanton	87
Stanton	89	Edwards	91
Morton	91	Hamilton	93
Stevens	92	Morton	94
Finney	94	Ford	98
Grant	95	Finney	100
Kearny	97	Kearny	101
Haskell	98	Haskell	102
Ford	101	Stevens	103
Hamilton	104	Grant	104
Seward	105	Seward	105

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



Seward County – Moved up 7 spots

Healthy, Wealthy, Wise Improvements Ranking



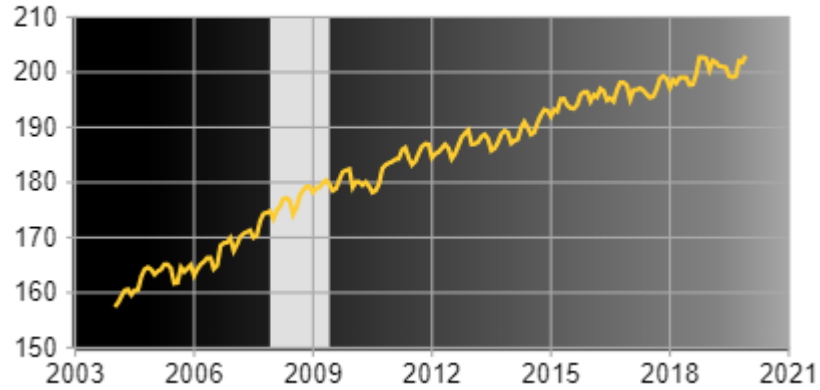
1 105



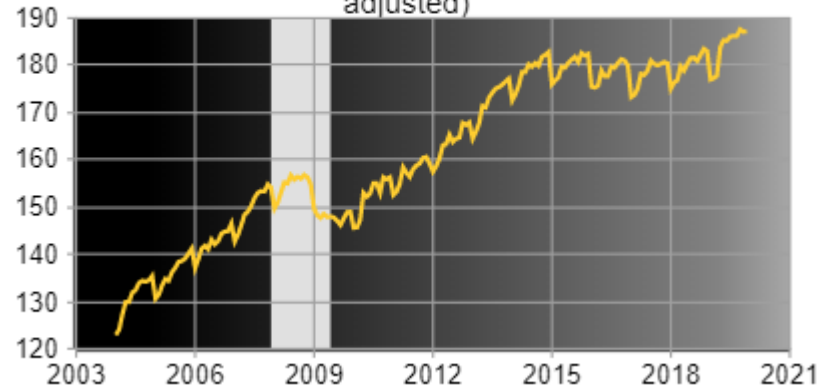
Businesses

Selected Industrial Sectors

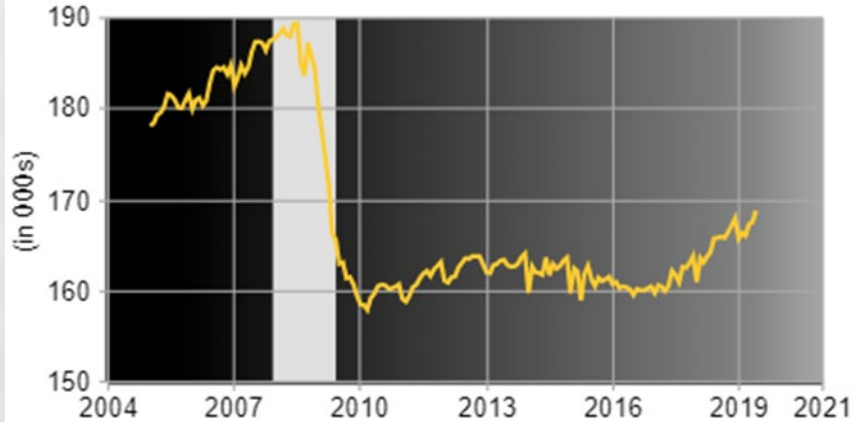
Education and Health Services - Kansas - Total Nonfarm Employment (in thousands, not seasonally adjusted)



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



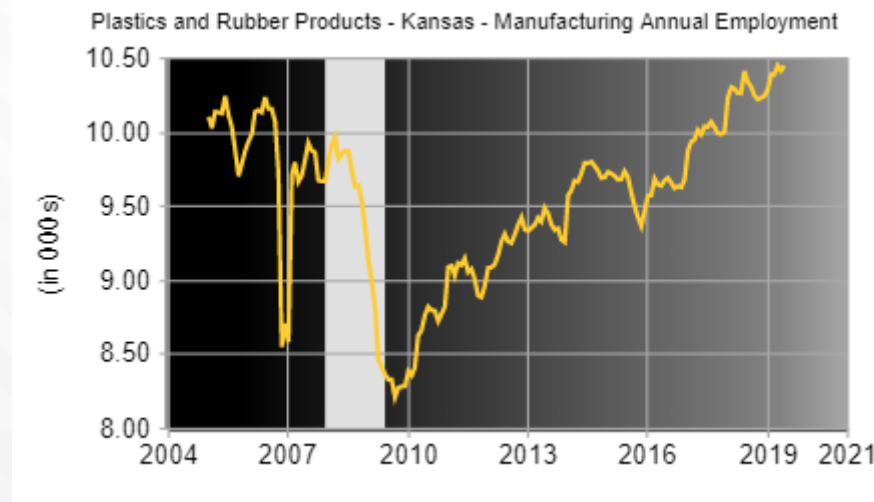
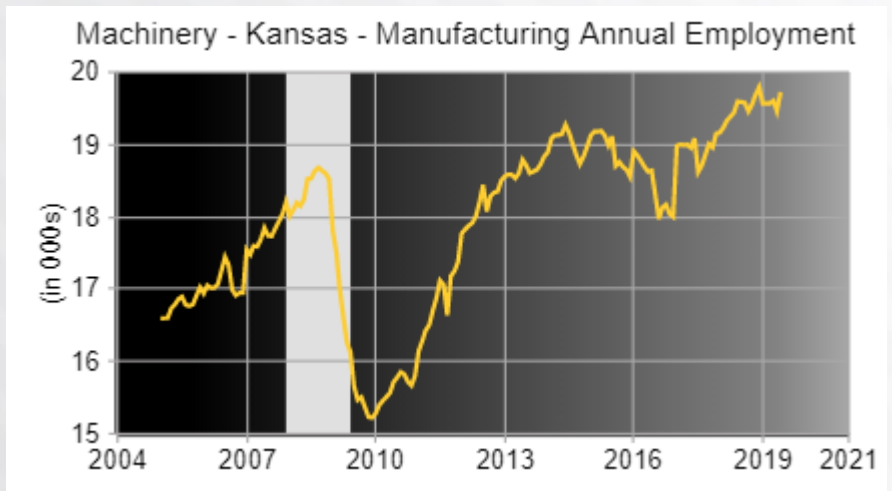
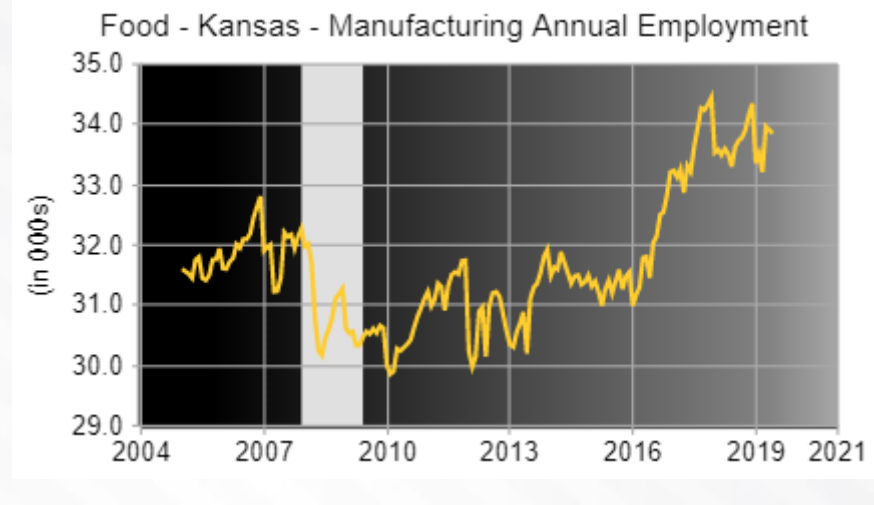
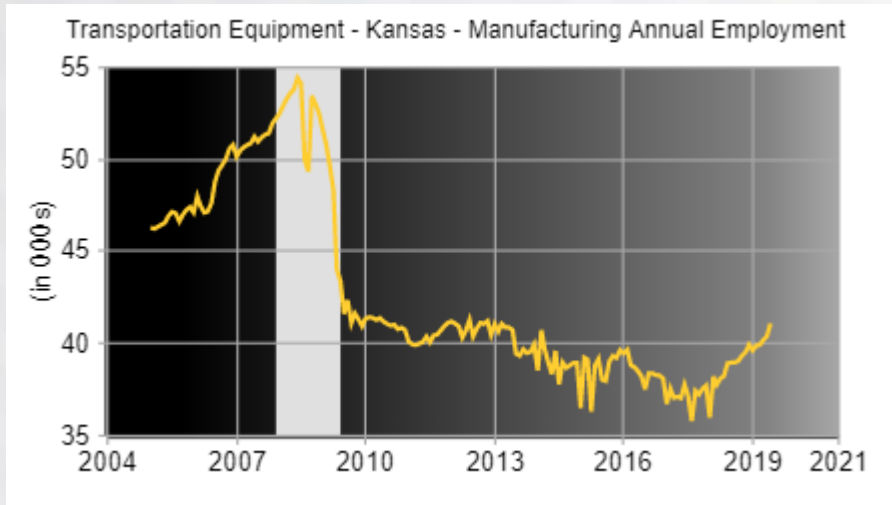
Manufacturing - Kansas - Manufacturing Annual Employment



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

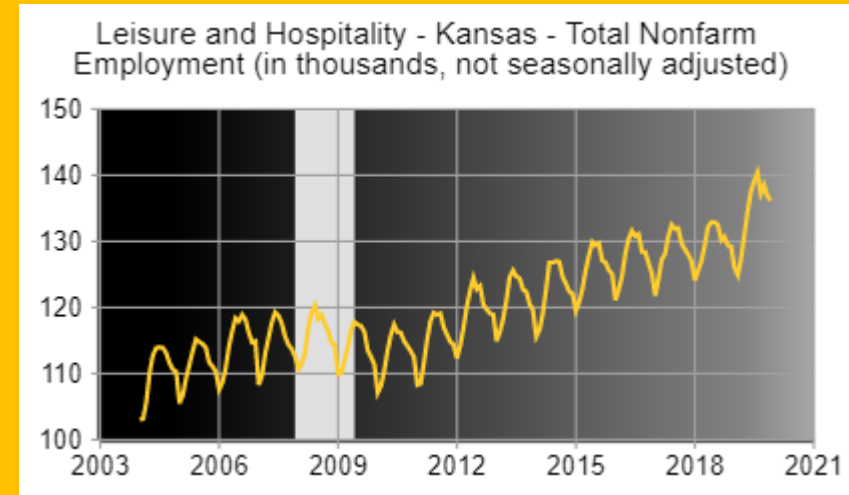
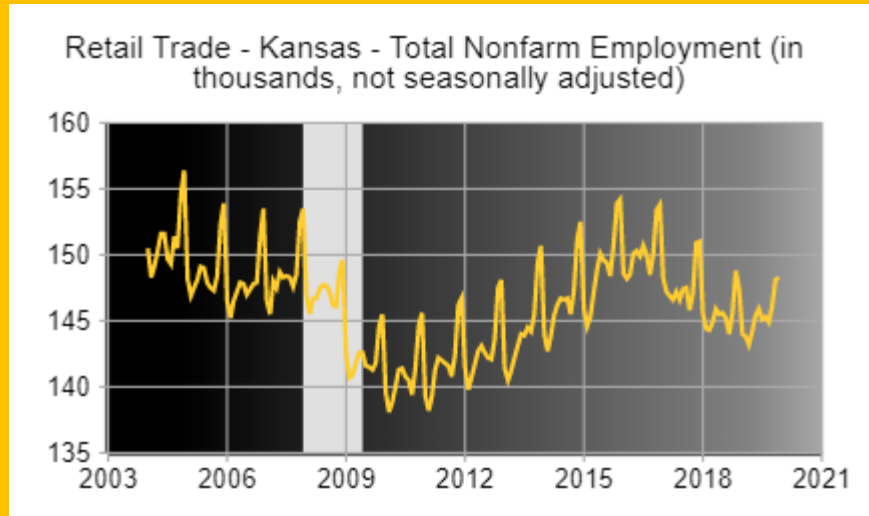


Manufacturing remains strong

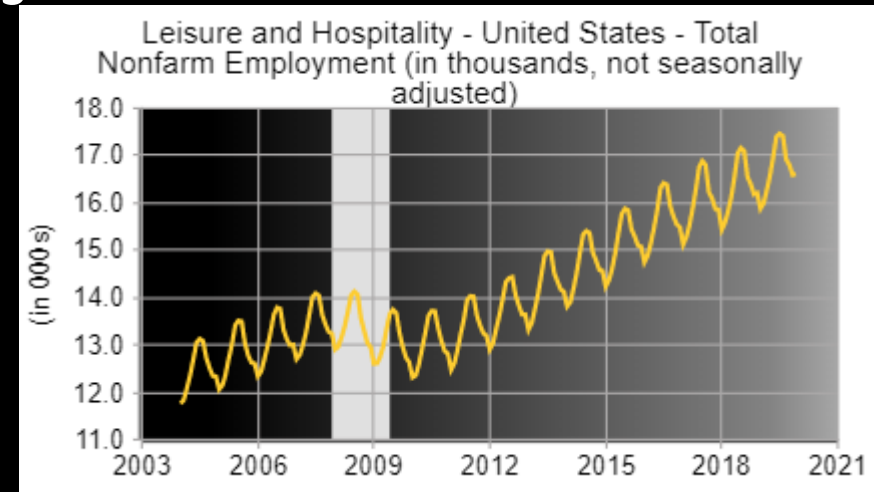
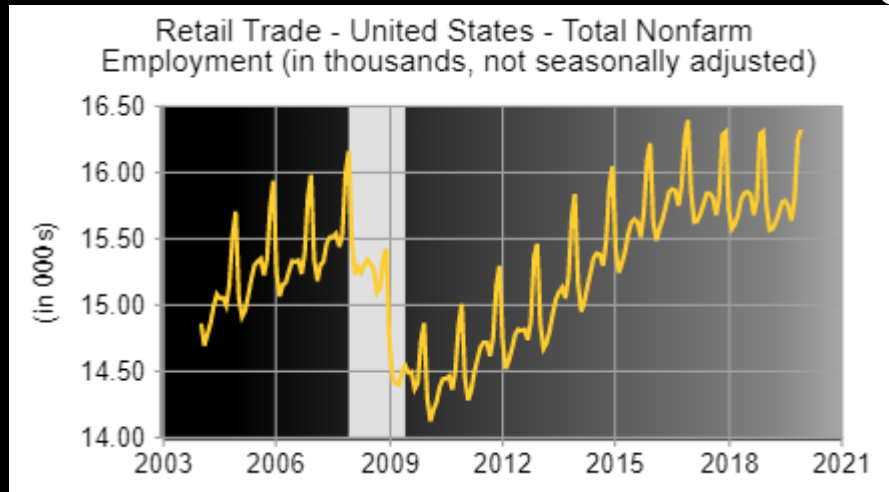


Mystery of household spending in Kansas

Kansas

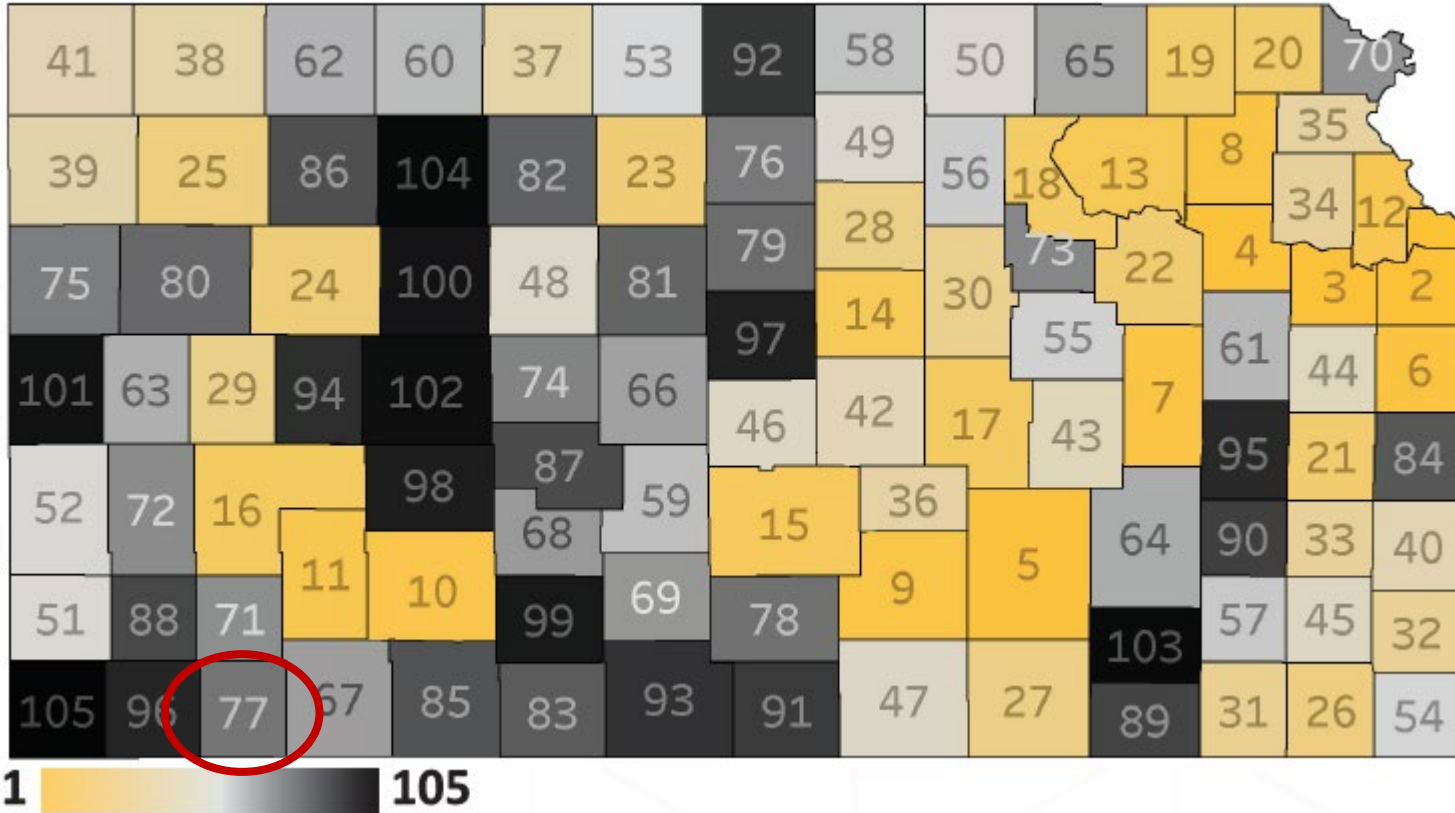


United States



Seward County

Business Dynamism Rank



• Diversification

- EMP – 93
- EST – 43
- Pay - 92

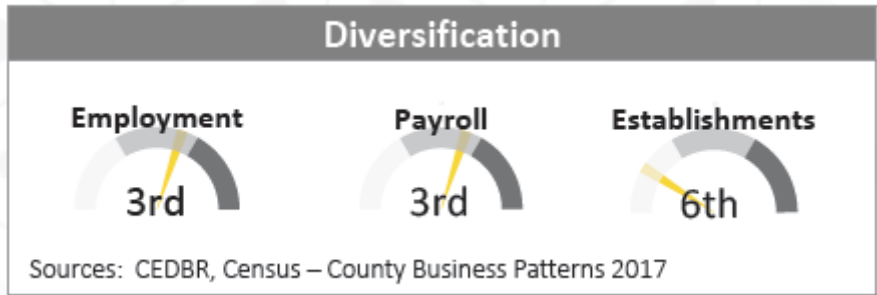
• Expansion

- EMP – 93
- EST – 55
- Pay - 21

Southwest

BUSINESS DIVERSIFICATION			
Employment Rank		Diversification Rank	
Finney County	9	Ford County	15
Ford County	12	Finney County	30
Seward County	22	Gray County	39
Pratt County	38	Pratt County	41
Grant County	48	Edwards County	62
Pawnee County	49	Pawnee County	71
Gray County	63	Grant County	72
Barber County	64	Stafford County	73
Stevens County	67	Barber County	74
Meade County	74	Seward County	76
Haskell County	79	Stevens County	78
Kiowa County	80	Comanche County	82
Kearny County	81	Morton County	86
Morton County	85	Meade County	91
Stafford County	86	Kiowa County	92
Clark County	90	Haskell County	93
Edwards County	91	Hamilton County	94
Stanton County	93	Stanton County	98
Hamilton County	94	Kearny County	99
Comanche County	99	Hodgeman County	102
Hodgeman County	105	Clark County	104

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



BUSINESS EXPANSION			
Employment Rank		Expansion Rank	
Finney County	9	Stanton County	2
Ford County	12	Gray County	4
Seward County	22	Hamilton County	5
Pratt County	38	Finney County	14
Grant County	48	Kearny County	17
Pawnee County	49	Meade County	18
Gray County	63	Haskell County	24
Barber County	64	Ford County	29
Stevens County	67	Stafford County	33
Meade County	74	Clark County	38
Haskell County	79	Seward County	61
Kiowa County	80	Edwards County	63
Kearny County	81	Comanche County	68
Morton County	85	Hodgeman County	74
Stafford County	86	Pratt County	84
Clark County	90	Grant County	90
Edwards County	91	Kiowa County	92
Stanton County	93	Pawnee County	93
Hamilton County	94	Stevens County	97
Comanche County	99	Barber County	100
Hodgeman County	105	Morton County	105

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

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

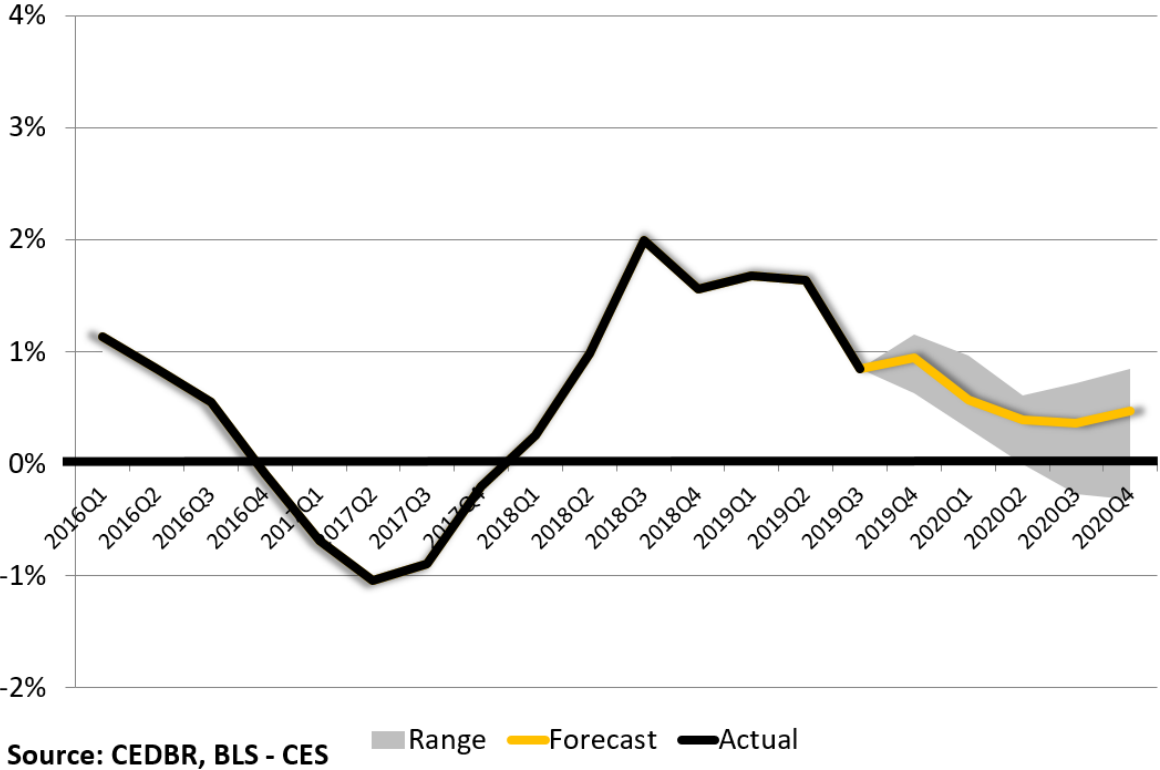
- Employment
 - 2,800
 - 5,800
- Wages
 - \$220 million
- Sales Tax
 - Wichita 1,250,000
 - Sedgwick 617,000
 - Kansas 13,060,000

Wichita was expected to grow

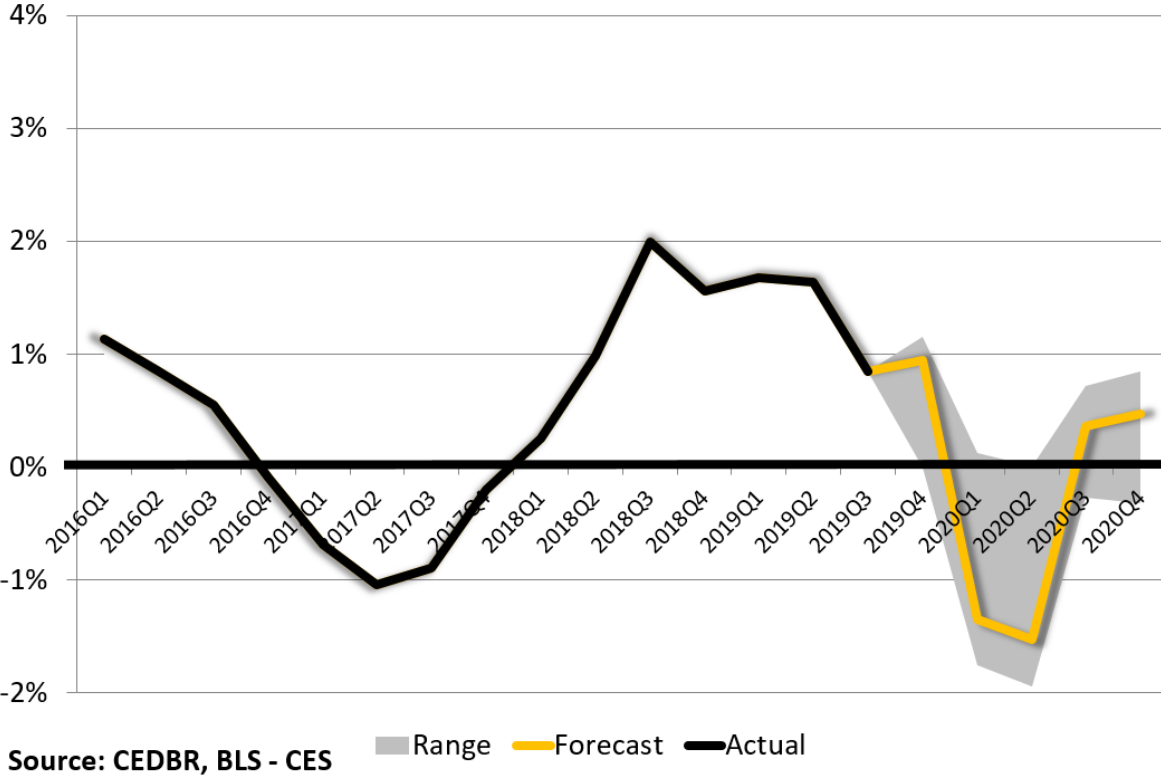
Original Forecast

Adjusted Forecast

Wichita Total Nonfarm Employment Growth



Wichita Total Nonfarm Employment Growth

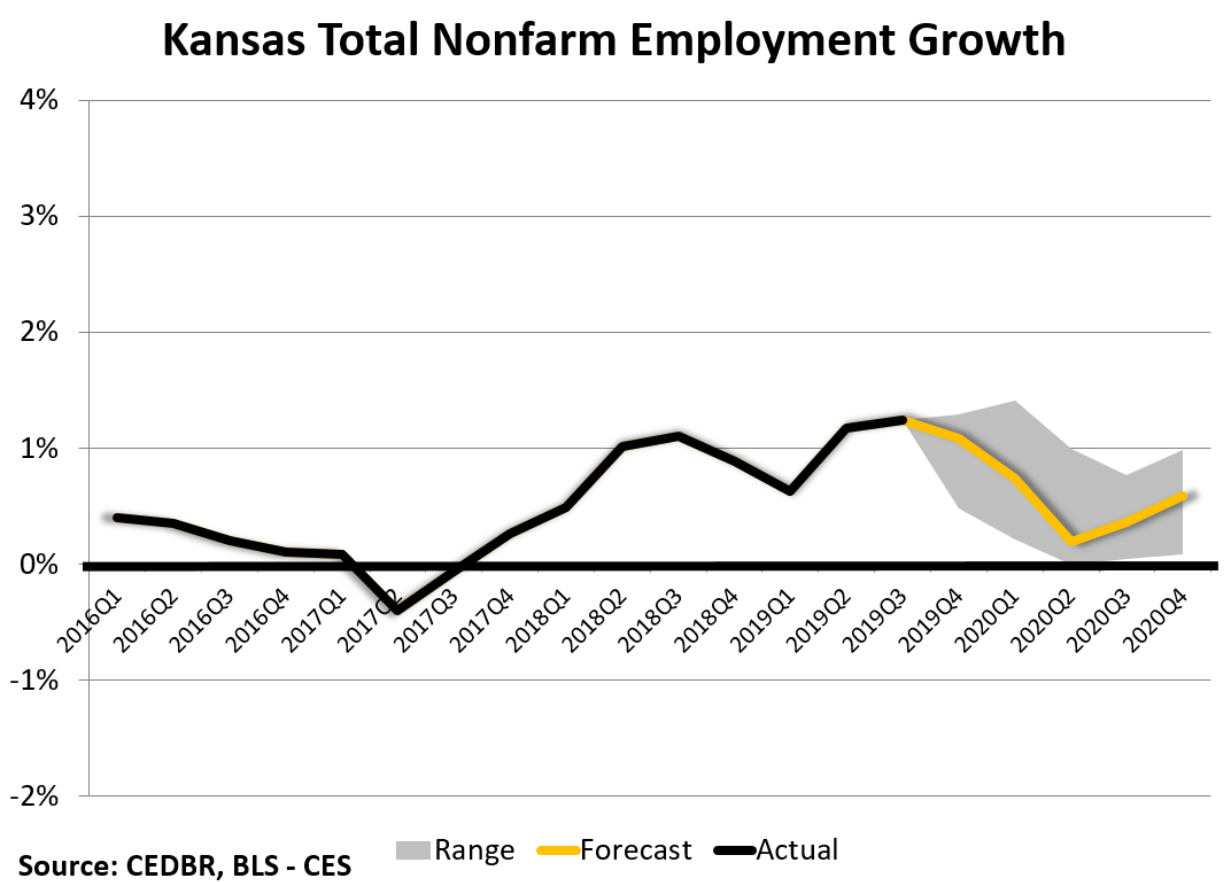
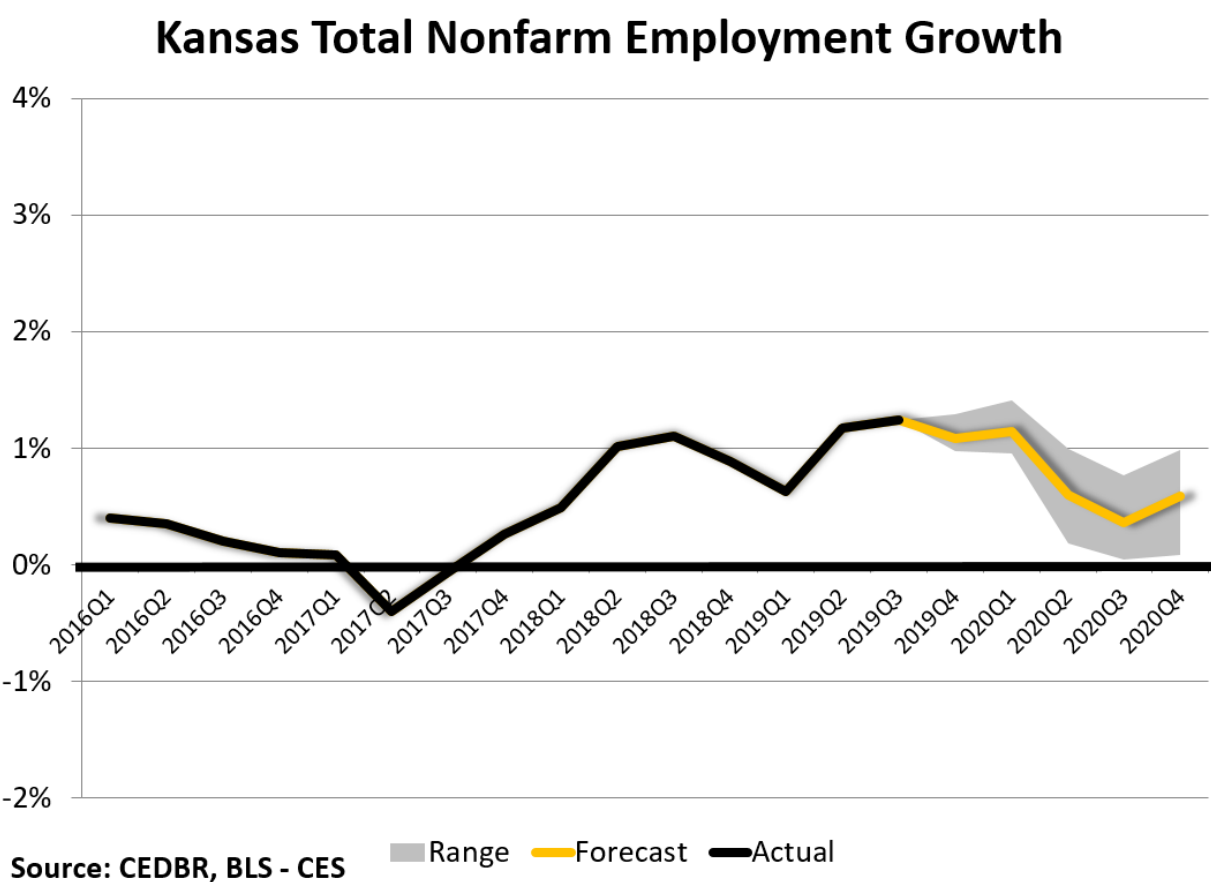


* This assumes that production resumes in July 2020

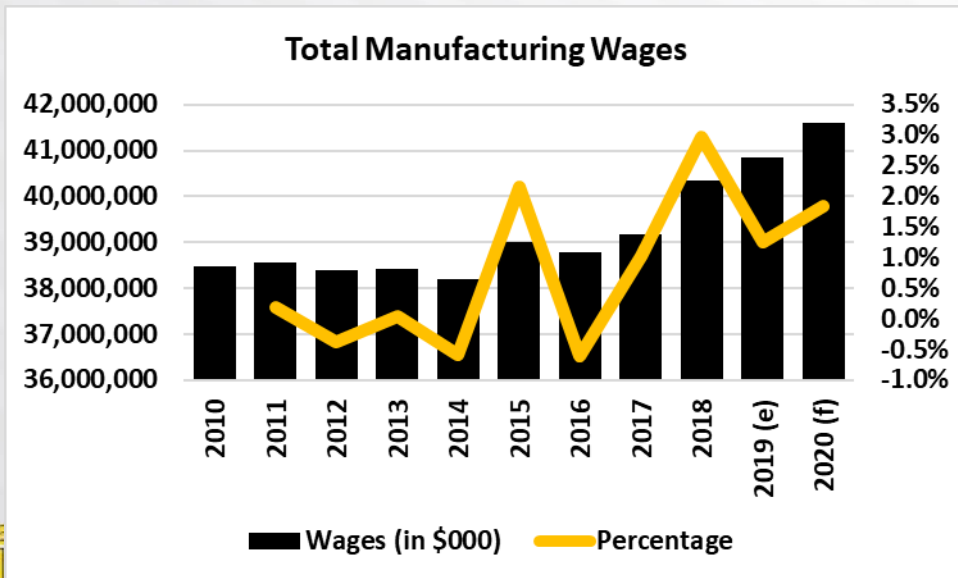
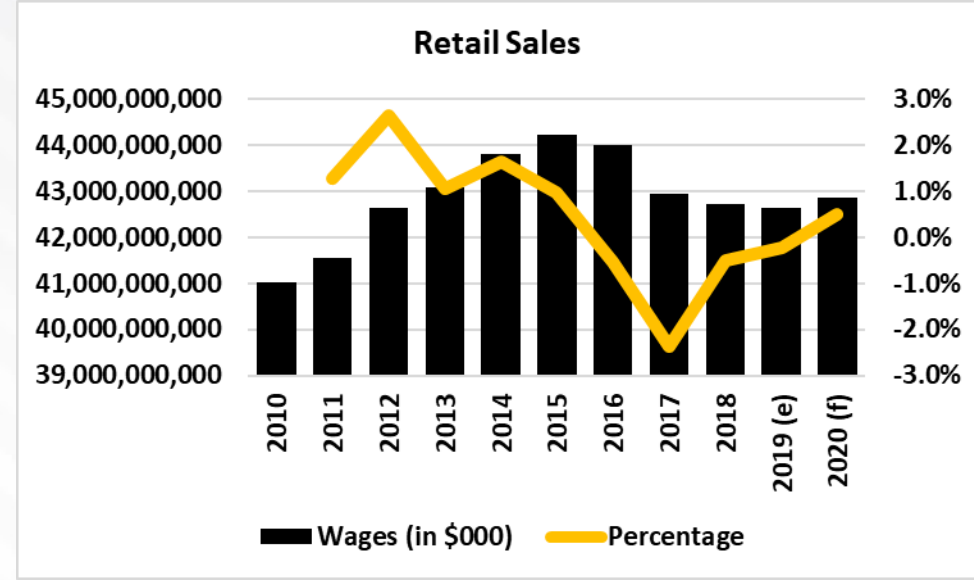
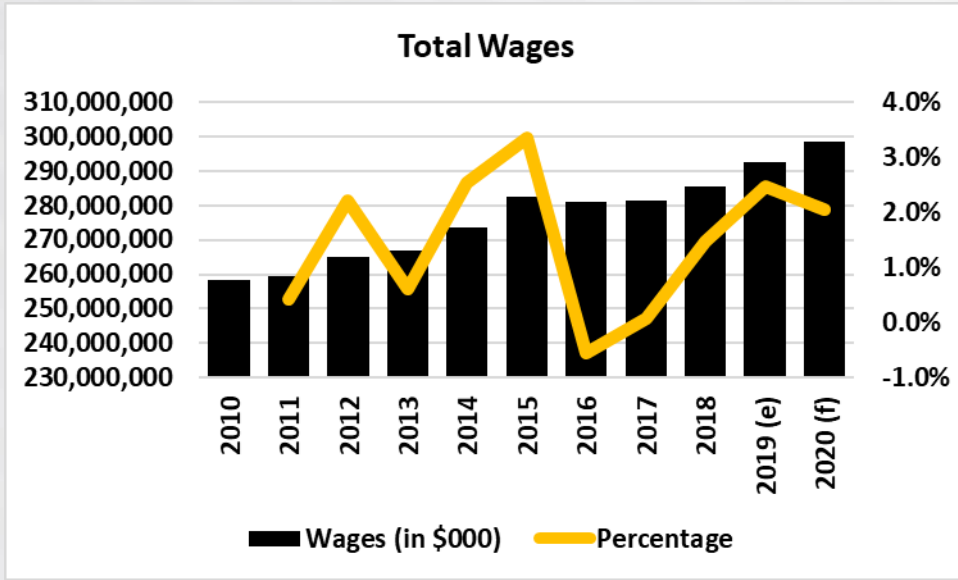
KS will grow at a slower pace than expected

Original Forecast

Adjusted Forecast



Retail Sales are expected to struggle in 2019



Not adjusted for the 737 Max Impact

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

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Kansas Community Outlook **EVENTS**

Liberal's legacy



- *Attracting travelers, agriculture is our economic heritage*

Making our own economic way



- *Broomcorn capital of the world*

Making our own economic way



- *Watermelons on the dry prairie*

Making our own economic way



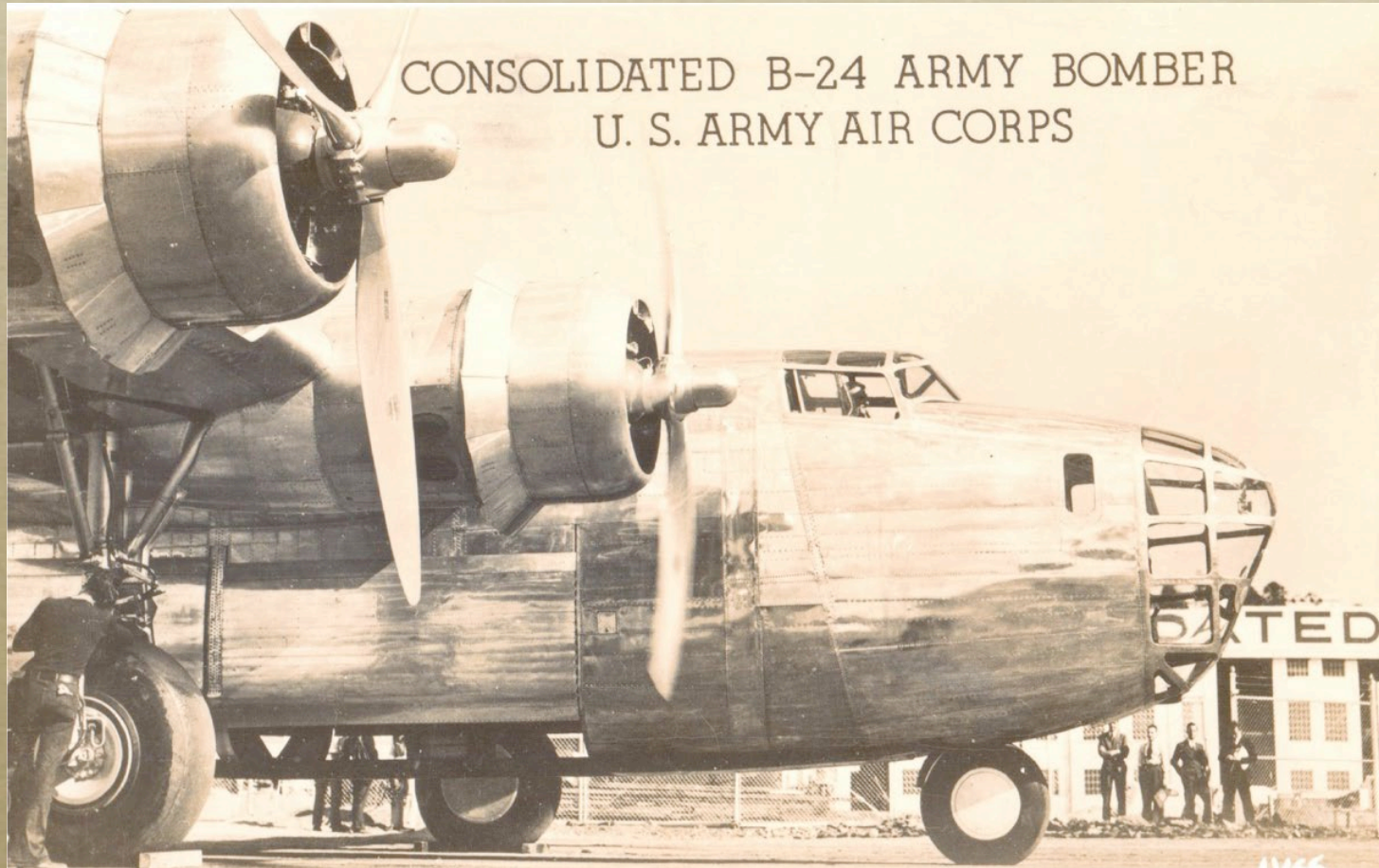
◦ *Horse to tractor and beyond*

Making our own economic way



- *Oil and gas discovered*

Making our own economic way



- *Military base develops airport*

Making our own economic way



- *National Beef comes to Liberal 3,000 plus workers*

Making our own economic way



- *Conestoga Ethanol plant*

Making our own economic way

- *Cotton*
- *Wheat*
- *Milo*
- *Soybeans*
- *Corn*
- *Cattle*

Making our own economic way



- *Wind farm plan under way*

Transportation is the key

- *Horseback*
- *Rail*
- *Vehicles*
- *Air*
- *Highways*
- *Transmission lines*
- *Four-lane standard corridors*

Inside the city, transportation key



- *from two lanes to four, and the difference*

Liberal invests in itself



- *1-cent sales tax passes 82% to 18%*

Liberal believes in progress



- *1-cent at a time, Liberal gets better*

It makes economic sense

- *KDOT says ADT of heavy traffic on Hwy 54 is 1,620 vehicles (semis).*
- *Kansasgasprices.com says taxes on a gallon of diesel is 26 cents.*
- *Avg. mileage for semis is 7 miles per gallon.*

It's simple arithmetic

- ~~With 200 miles between Liberal and Wichita, those vehicles will pay \$12,034 in taxes per day.~~
- That is an annual total of \$4,392,514 in tax revenue.
- It is a total fuel purchase of \$42,348,342 per year (@ \$2.50 per gallon).
- If traffic increases by half as much as now, heavy only, the economic impact on fuel alone would be more than \$21 million per year

Passengers included

- *Add passenger vehicles of 4,790 per day, and tax revenues increase by \$11,496 per day.*
- *That's another \$4,196,040 in tax revenue/year.*
- *It's a total fuel purchase of \$43,209,850*
- *Again, if traffic increases by only half more, another \$21 million in additional fuel sales.*

and when they are combined ...

- *Add them together, and it's an additional \$42 million plus of fuel alone sold per year in Kansas on conservative estimates of increased traffic.*
- *Minimum, the road already produces \$8 million per year in tax revenues from fuel alone.*

Safety and saving lives



- Four-lane highways are safer.

Inches away from a fatality



- Sometimes seatbelts aren't enough.

This was one of the lucky ones



◦ This is what a flat tire can do.

The nightmare of a rollover

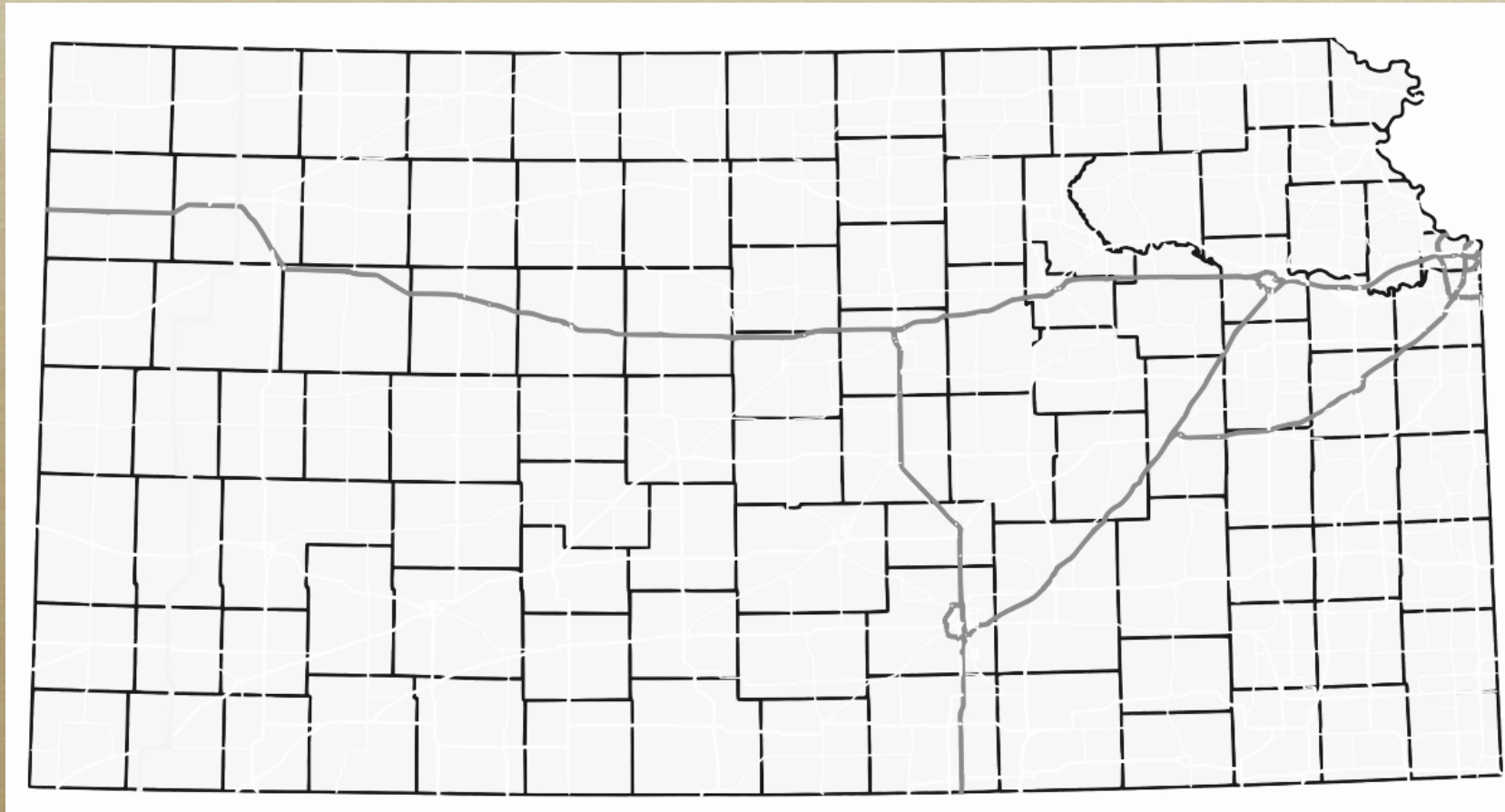


- 12 deaths in the past 24 months.
- Most were head-on with semis.

The evidence is clear

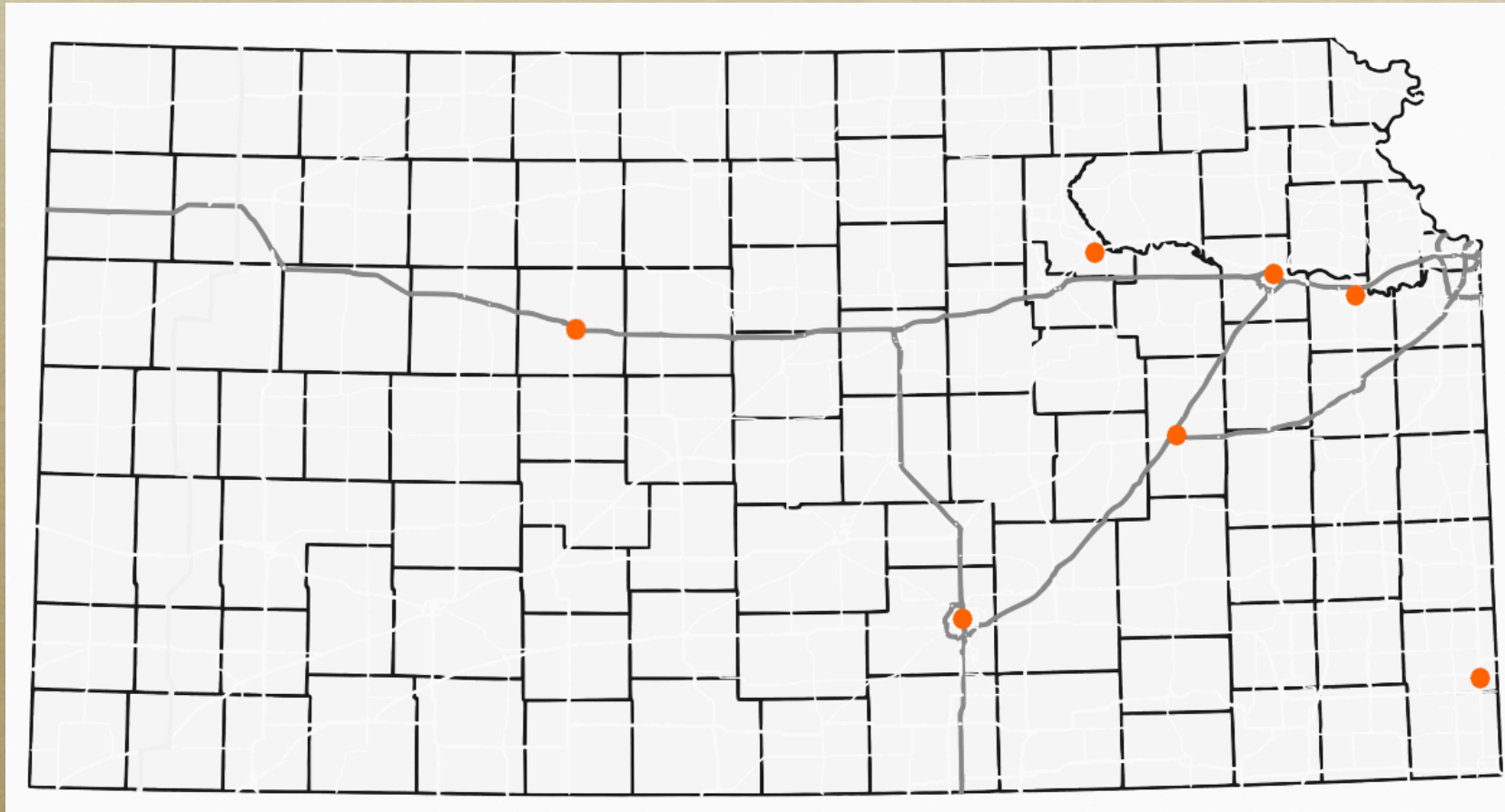
- Financially it makes sense.
- From economic development, it makes sense.
- From a safety perspective, it makes sense.

Imbalance of economic infrastructure



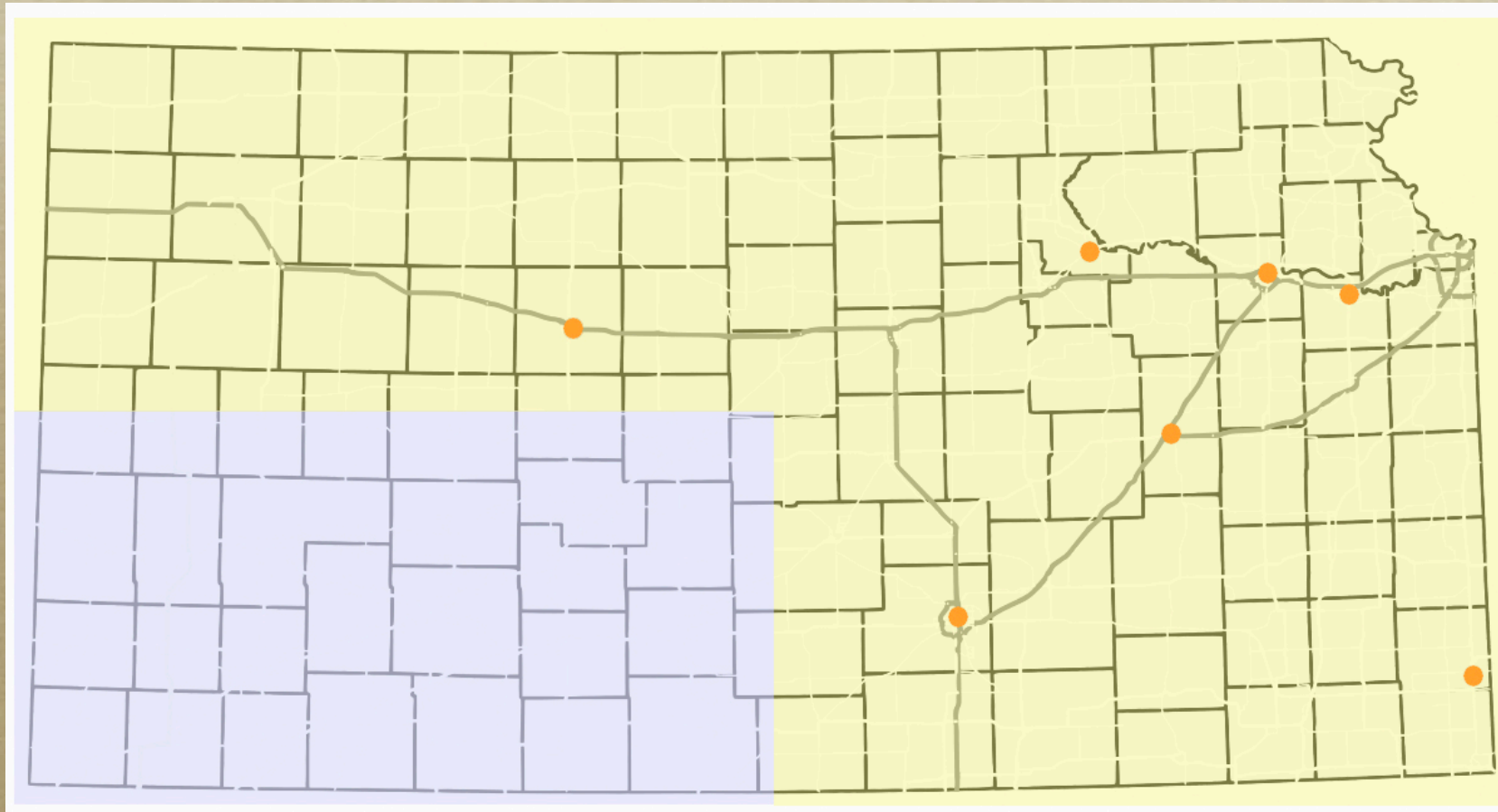
- *Four lane highways in Kansas*

Imbalance of economic infrastructure



- *Four lane highways, 4-year state colleges*

Imbalance of economic infrastructure



- *Southwest infrastructure good for Kansas*

Making our own economic way

- *Agriculture is our past and our future*
- *Value added will benefit Kansas economy*
- *Entrepreneurship comes from within*
- *Growth from within best path forward*
- *Immigration is embraced*

Unleashing our economic potential

- *Four-lane highway access*
- *Four-year educational opportunities*
- *Continue self investment*
- *Retain our best and brightest*
- *Continue to be agriculture/energy leaders*

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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#KSEcon 

Thank You

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

*Kansas
Community
Outlook*
EVENTS