

***Kansas
Community
Outlook***
EVENTS

Atchison 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**



#KSEcon



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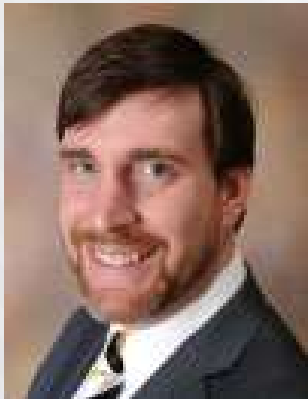
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AGENDA

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Kansas Community Outlook **EVENTS**



Jeremy Hill

Director, CEDBR
Wichita State University

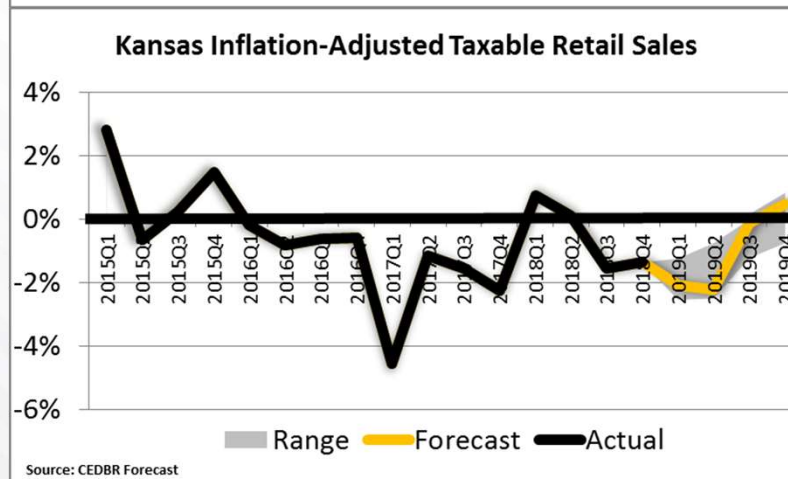
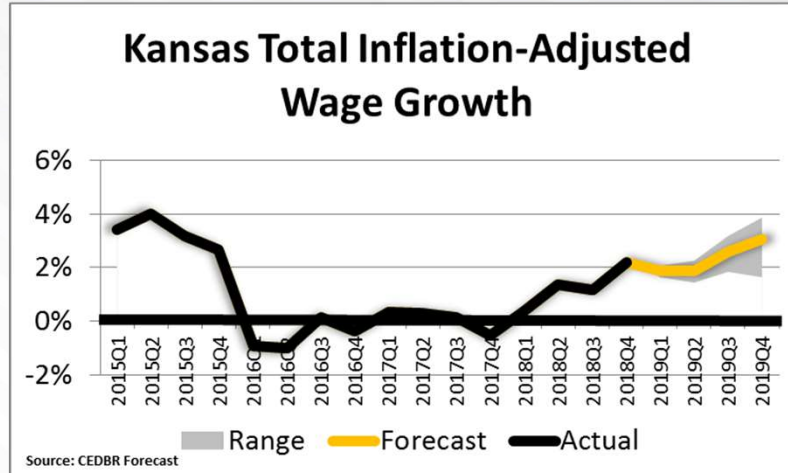
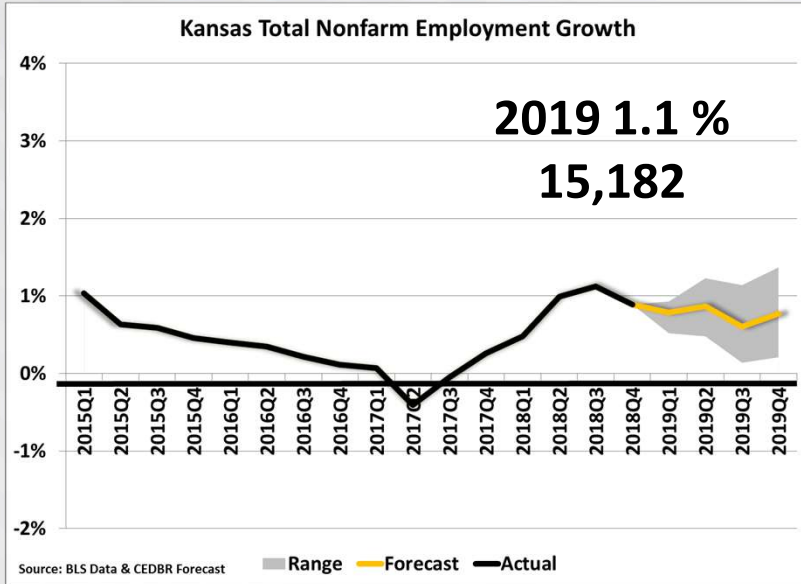


Kansas Outlook

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	

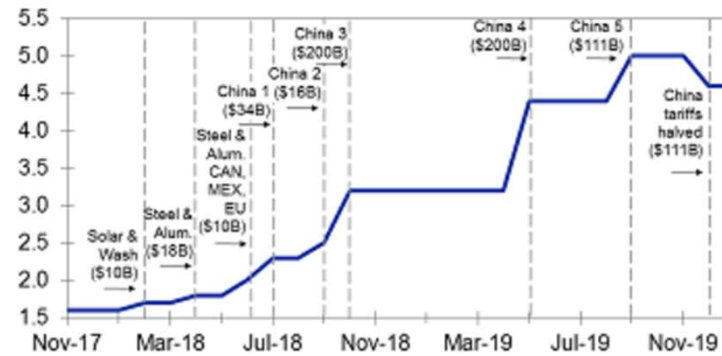
USMCA

- Opened US energy and agriculture exports

China – Phase One

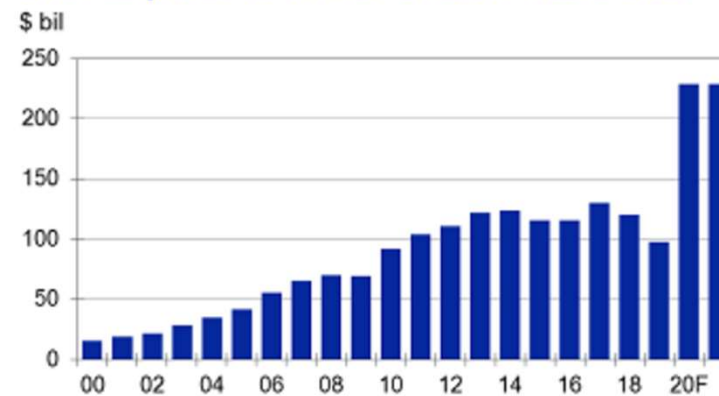
- Doubling purchases (including agriculture)
- Intellectual property theft
- US investment barriers
- “Strong procedures” for enforcement

U.S. estimated effective tariff rate, %



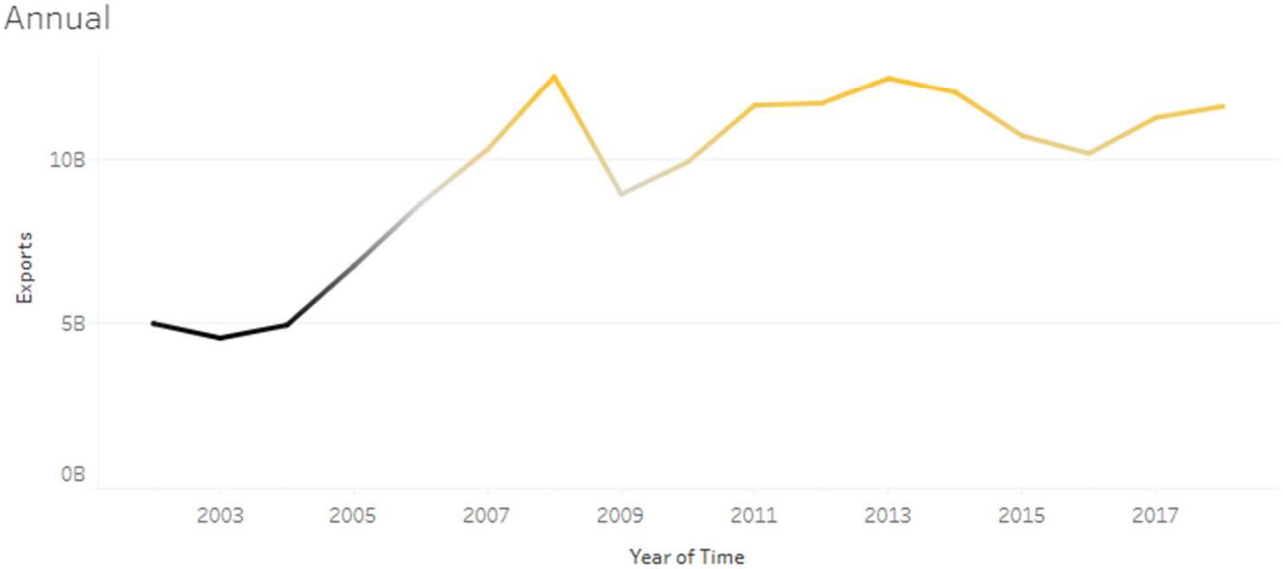
Sources: Census Bureau, USTR, USITC, Moody's Analytics

U.S. Exports to China Under Phase One

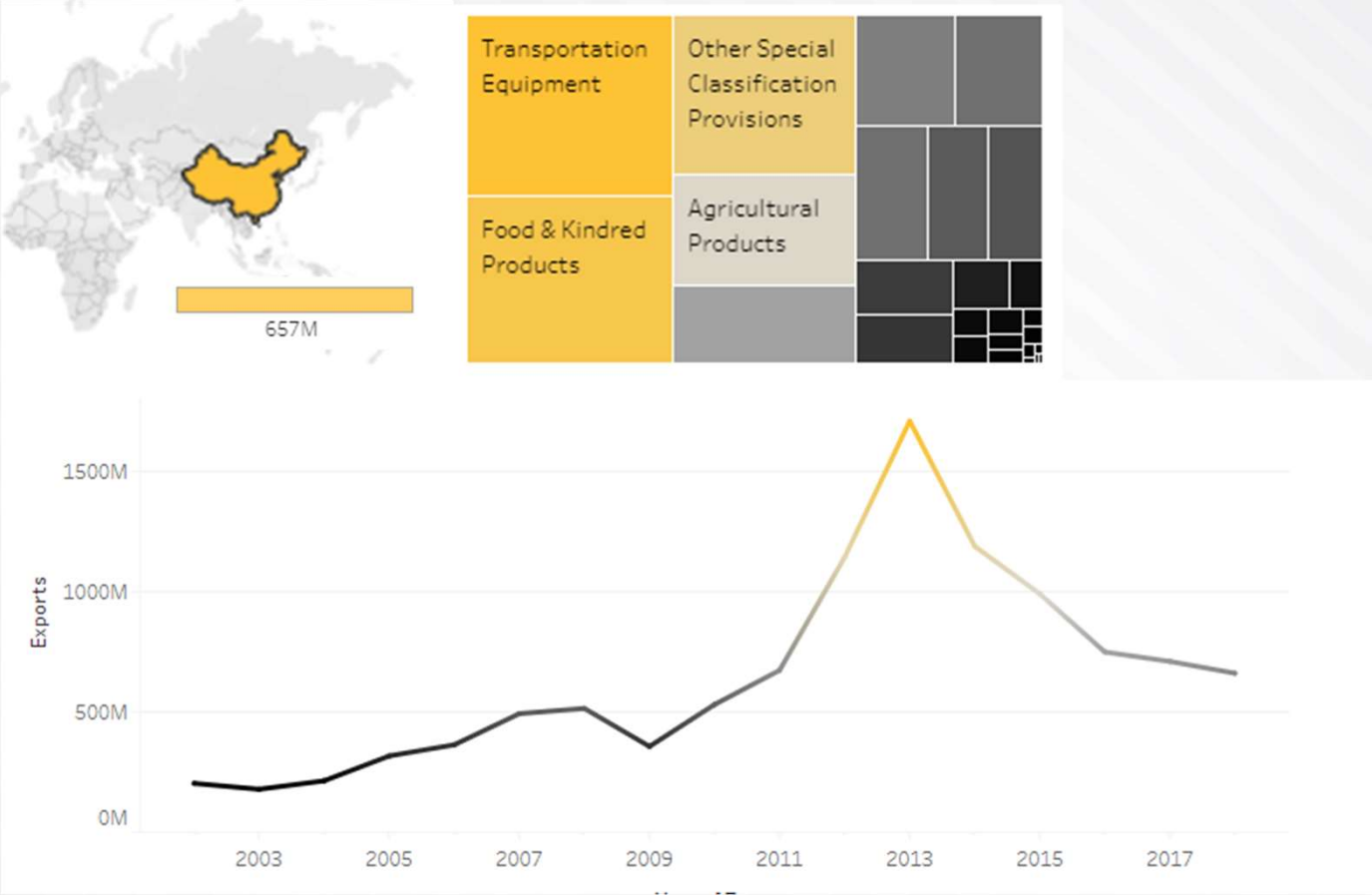


Sources: Census Bureau, Moody's Analytics

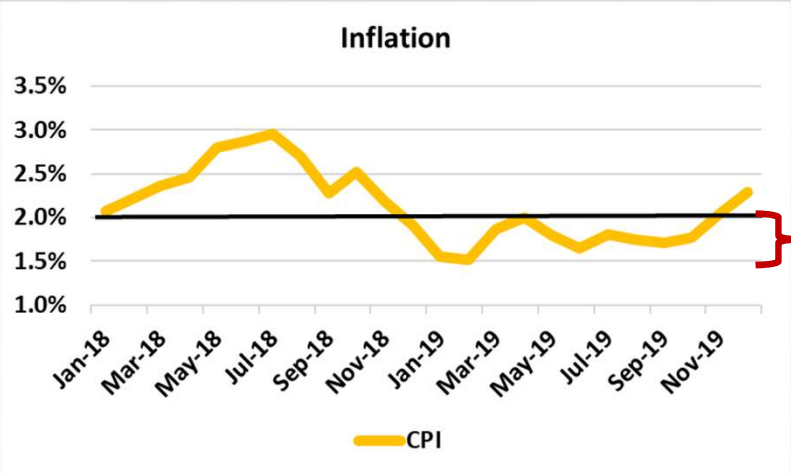
Kansas Exports 2018



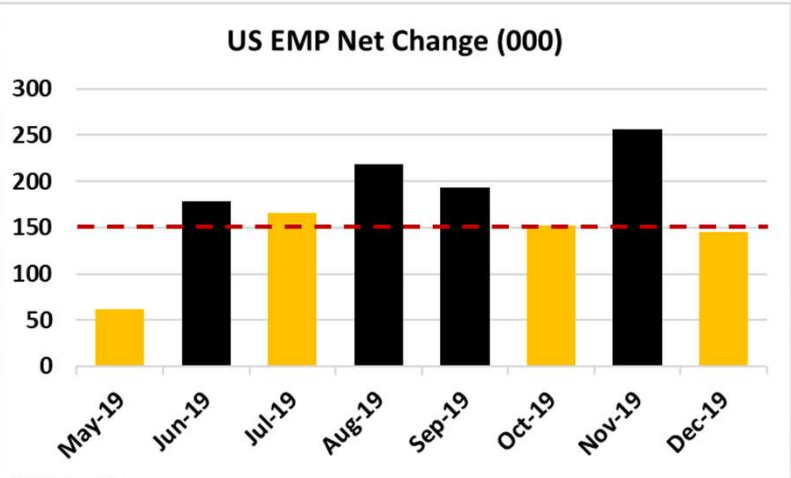
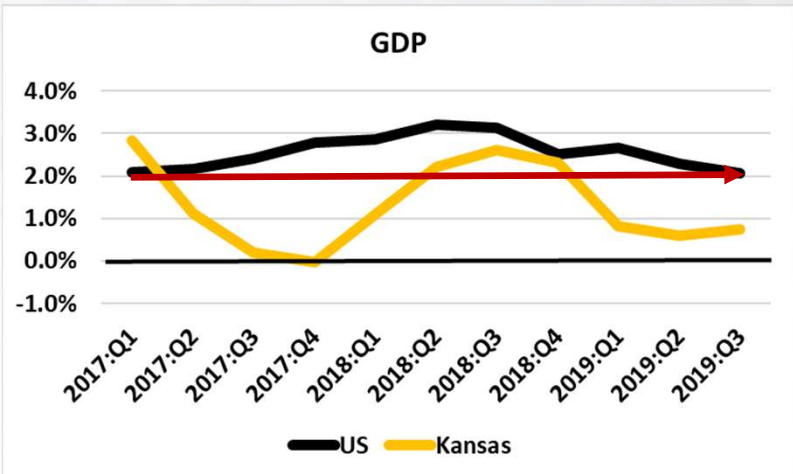
Kansas Exports 2018



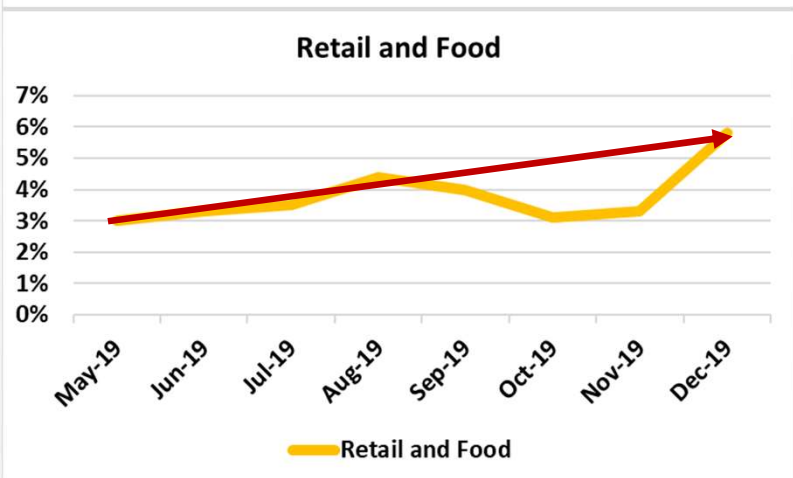
US Economic Train Continues Down the Track



Fed Target 2%



~150,000 is needed per month

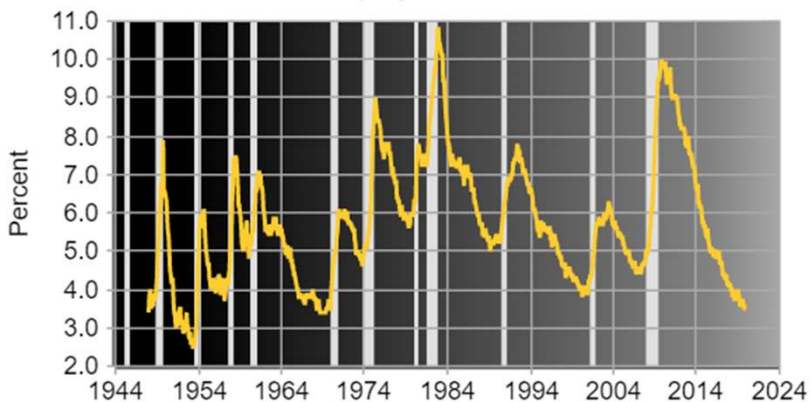


Consumption is about 68% of the economy

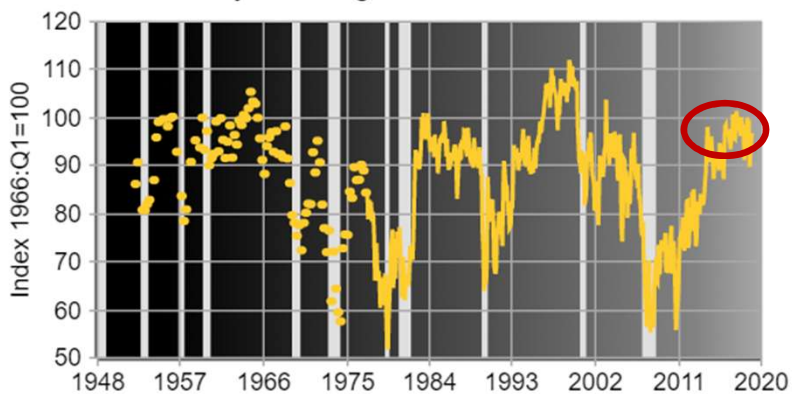


Indicators are not pointing to a recession, yet

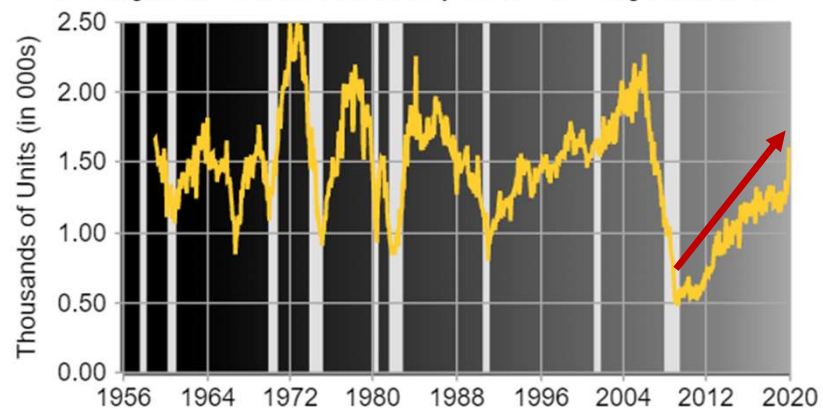
Unemployment Rate



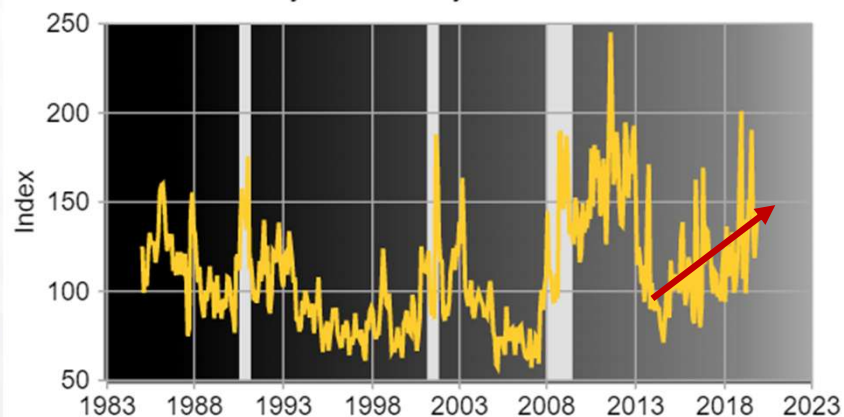
University of Michigan: Consumer Sentiment



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

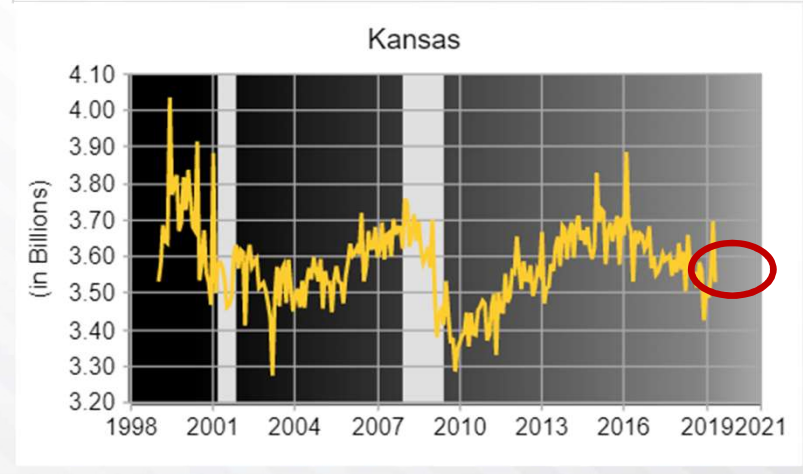
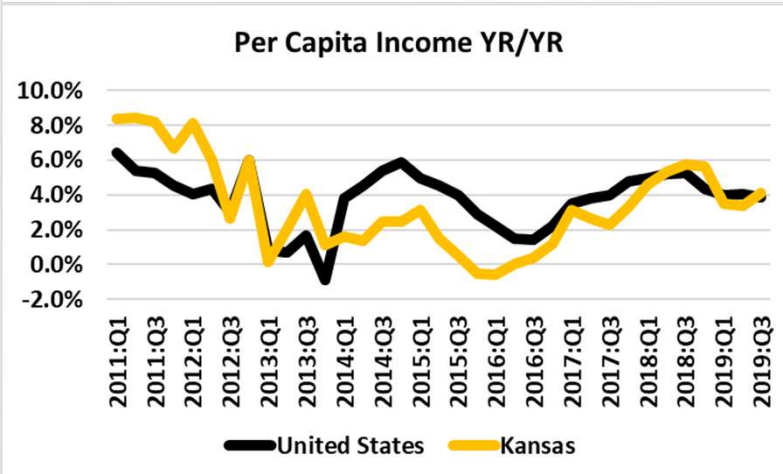
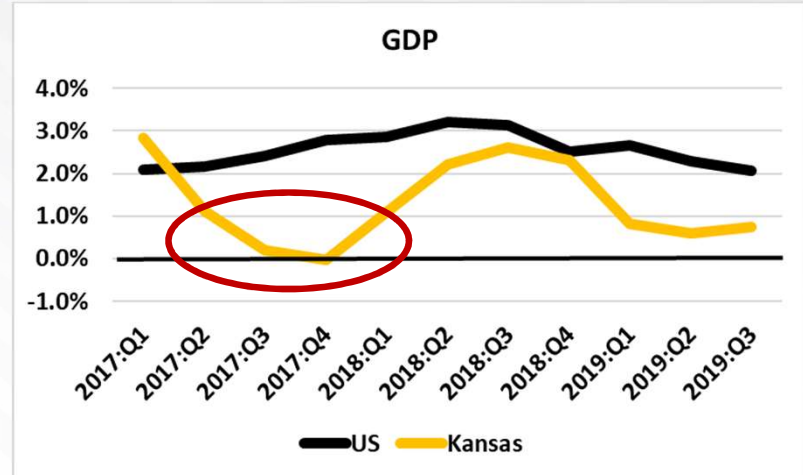
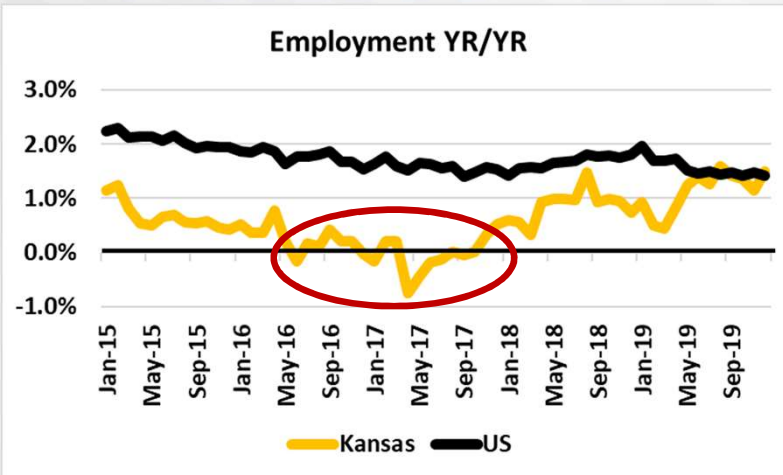
- **Issues to Watch**

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



Kansas Economy

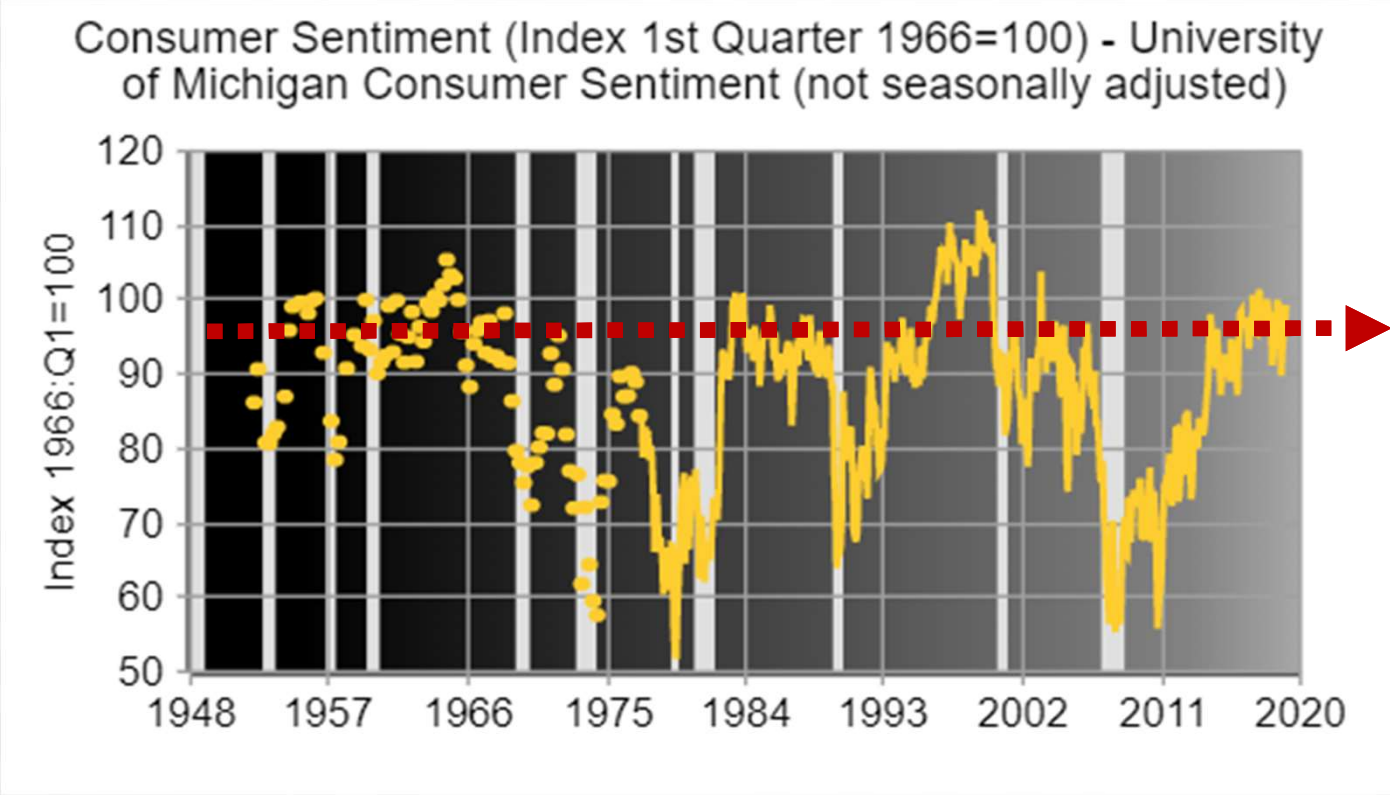
Kansas Indicators





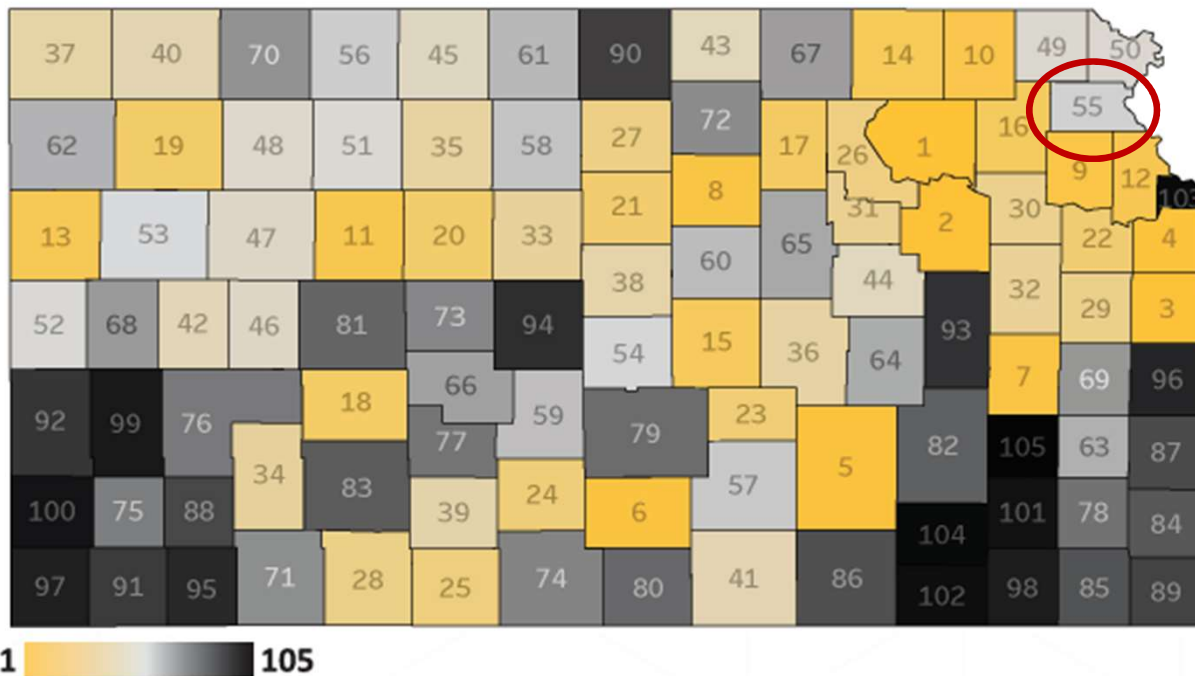
Households

Households are STILL doing well



Atchison County – Ranked 55 out of 105

Healthy, Wealthy, Wise 2020 Ranking



- **Healthy** – Ranked 44
 - Low Birthweight 7.2%
 - Poor or Fair Health 16%
 - Uninsured 9%
- **Wealthy** – Ranked 80
 - GINI – 0.450
 - Household income - \$63,517
 - Poverty – 17.6
- **Wise** – Ranked 43
 - Less than HS – 7.6%
 - Bachelor's+ - 21.9%

Employment size ranking = 29

Northeast

HEALTHY RANKING			
2015		2020	
Wabaunsee	1	Nemaha	1
Pottawatomie	3	Wabaunsee	7
Riley	5	Marshall	8
Jefferson	7	Pottawatomie	10
Nemaha	14	Jefferson	12
Clay	15	Doniphan	15
Jackson	16	Clay	18
Douglas	23	Osage	23
Franklin	25	Riley	26
Osage	38	Douglas	29
Atchison	45	Jackson	30
Shawnee	51	Atchison	44
Marshall	55	Franklin	45
Washington	58	Brown	50
Doniphan	60	Shawnee	55
Brown	80	Geary	57
Geary	86	Washington	67

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

WEALTHY RANKING			
2015		2020	
Jefferson	1	Jefferson	3
Wabaunsee	6	Pottawatomie	4
Pottawatomie	7	Wabaunsee	5
Jackson	9	Jackson	14
Osage	18	Franklin	18
Geary	24	Osage	28
Franklin	27	Nemaha	33
Doniphan	33	Marshall	34
Nemaha	39	Geary	36
Clay	46	Shawnee	44
Shawnee	48	Clay	51
Washington	57	Washington	53
Douglas	63	Brown	59
Atchison	68	Douglas	63
Marshall	73	Doniphan	66
Riley	90	Riley	78
Brown	91	Atchison	80

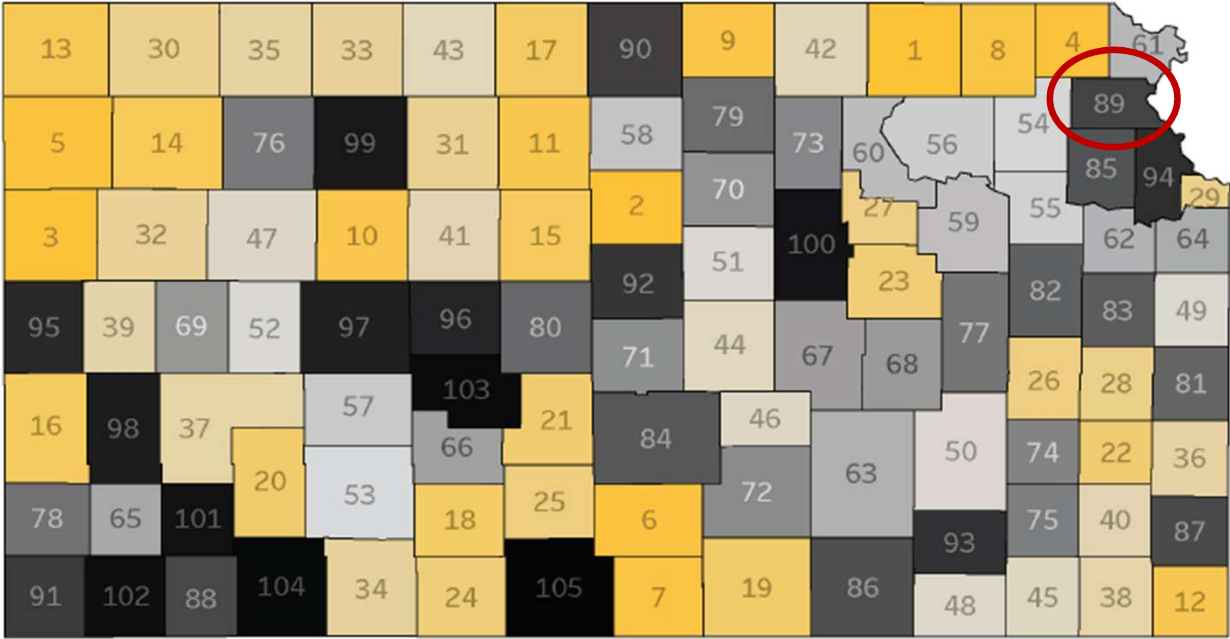
■ Decline by more than 20 ■ Within a 30 point range
■ Increase by more than 20

WISE RANKING			
2015		2020	
Riley	2	Riley	2
Douglas	3	Douglas	3
Pottawatomie	4	Pottawatomie	4
Clay	14	Wabaunsee	14
Wabaunsee	15	Clay	16
Shawnee	18	Shawnee	20
Jefferson	22	Nemaha	21
Atchison	23	Marshall	26
Geary	35	Geary	27
Jackson	41	Jackson	32
Marshall	42	Jefferson	33
Osage	43	Brown	39
Franklin	44	Atchison	43
Brown	51	Franklin	55
Nemaha	64	Washington	69
Doniphan	72	Osage	72
Washington	75	Doniphan	76

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

Atchison County

Healthy, Wealthy, Wise Improvements Ranking



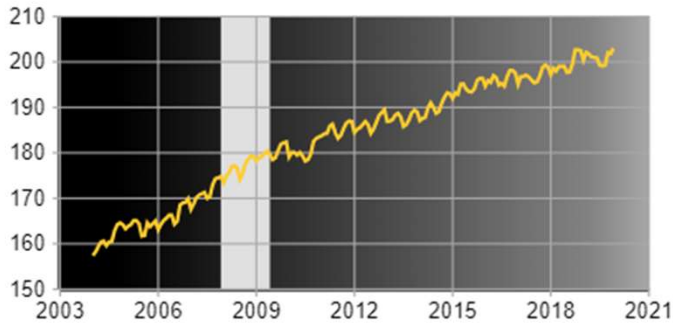
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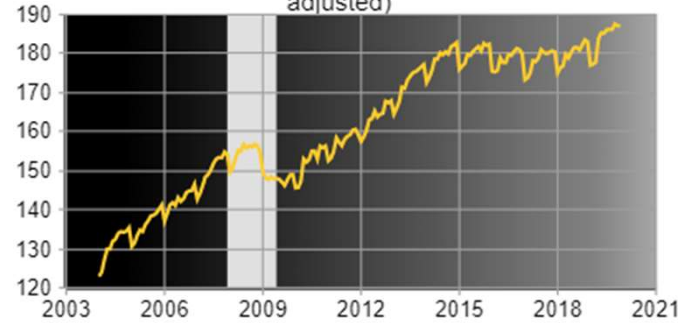
Businesses

Selected Industrial Sectors

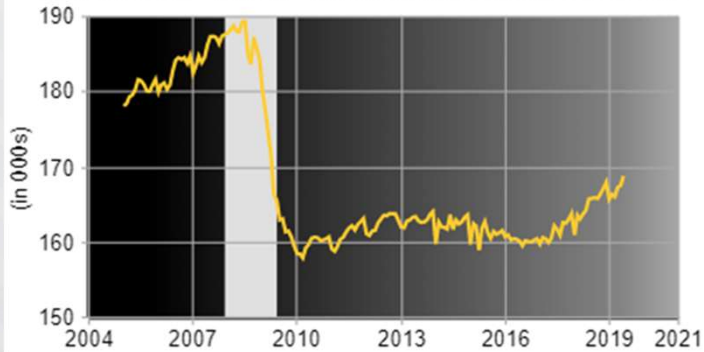
Education and Health Services - Kansas - Total Nonfarm Employment (in thousands, not seasonally adjusted)



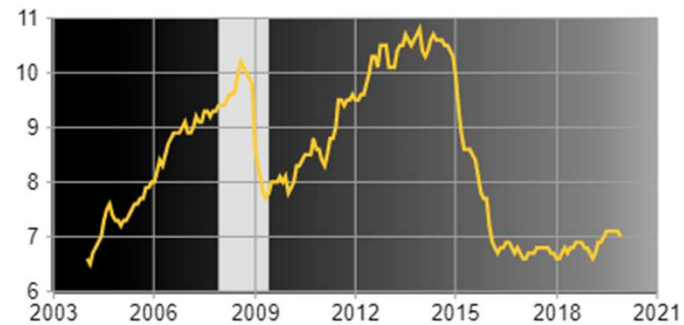
Professional and Business Services - Kansas - Total Nonfarm Employment (in thousands, not seasonally adjusted)



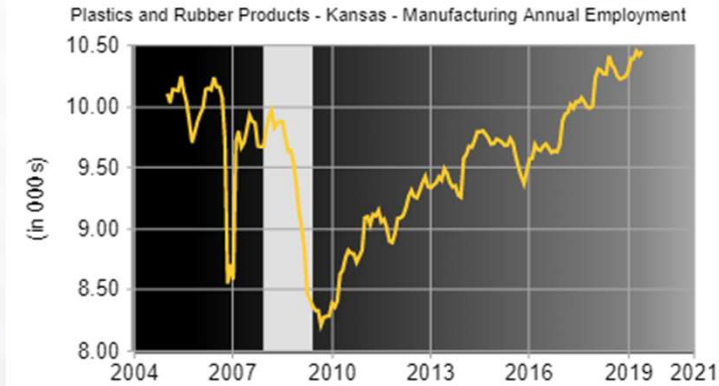
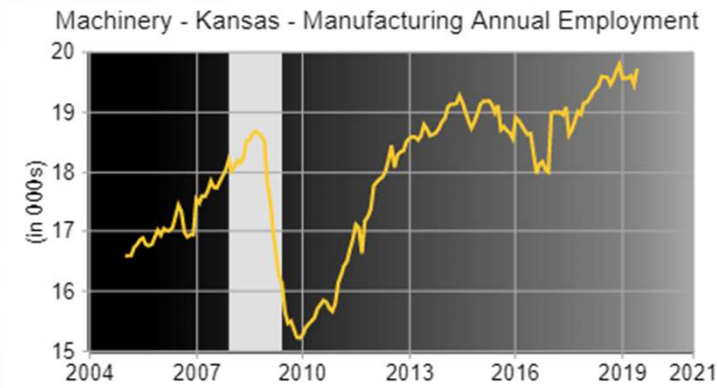
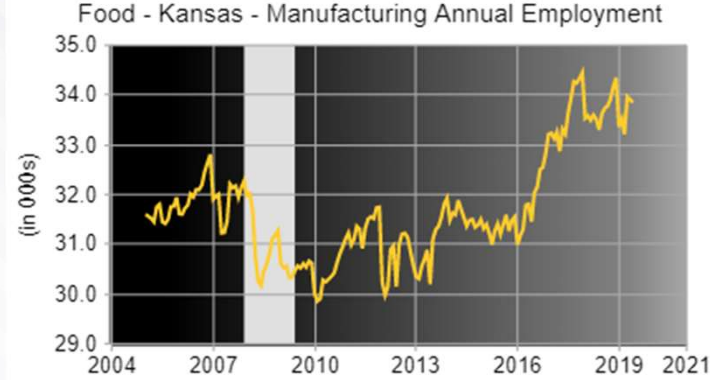
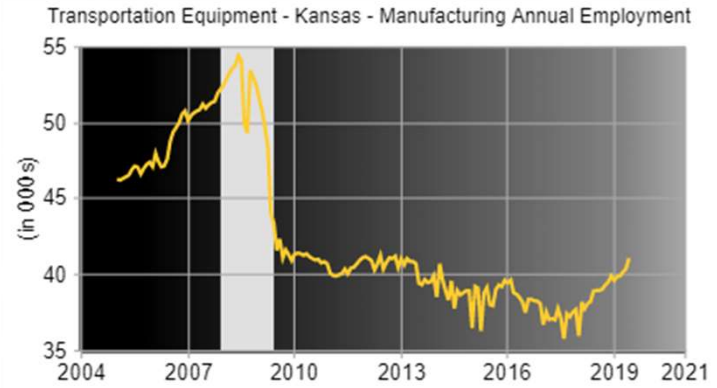
Manufacturing - Kansas - Manufacturing Annual Employment



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

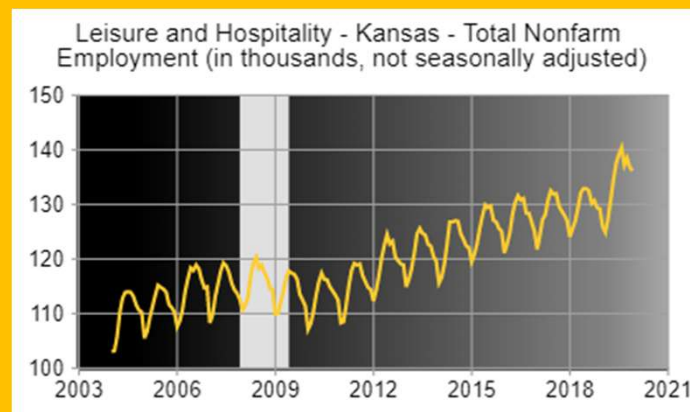
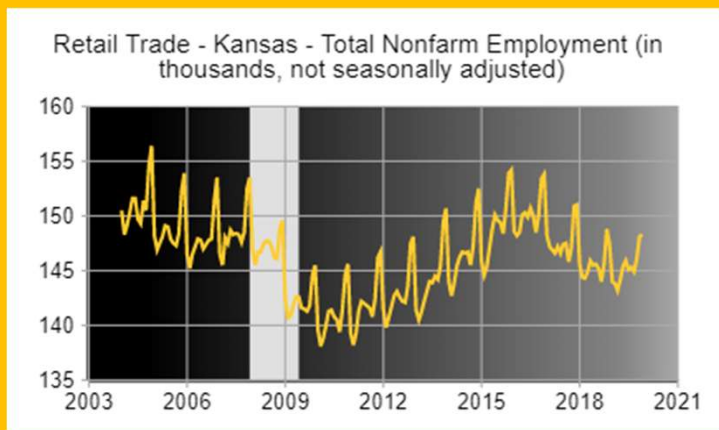


Manufacturing remains strong

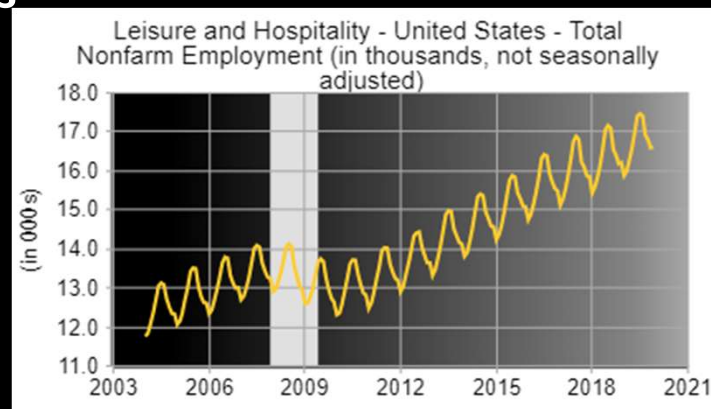


Mystery of household spending in Kansas

Kansas

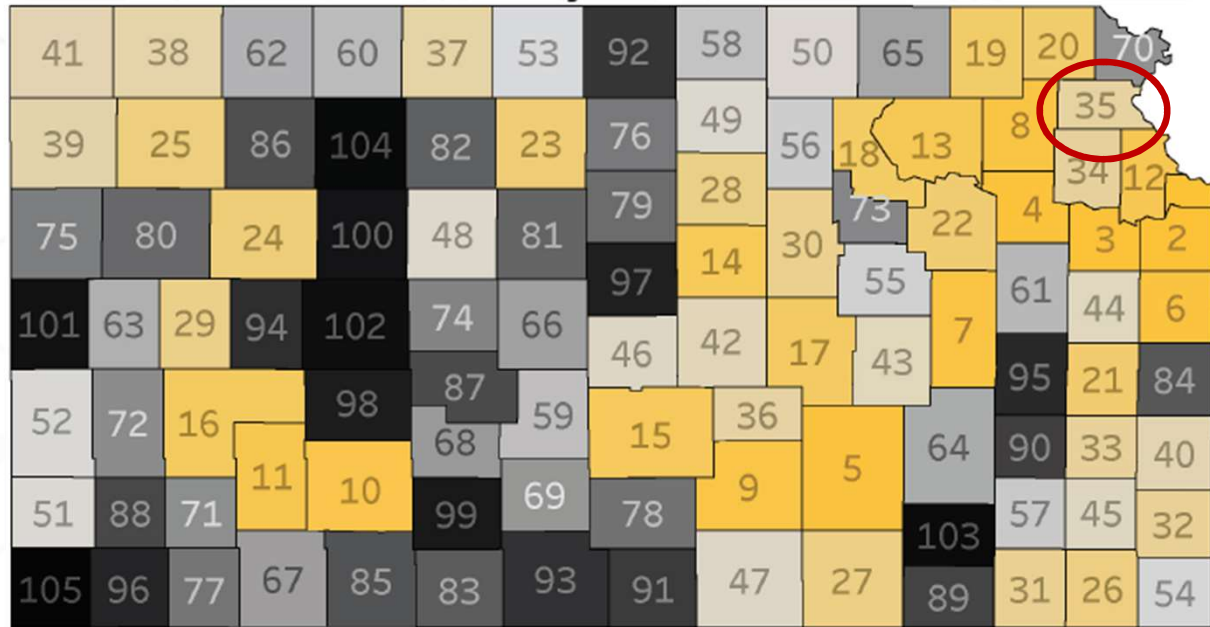


United States



Atchison County has a dynamic business economy

Business Dynamism Rank



1 105

• Diversification

- EMP – 39
- EST – 22
- Pay – 39

• Expansion

- EMP – 66
- EST – 92
- Pay – 4

Northeast

BUSINESS DIVERSIFICATION

Employment Rank		Diversification Rank	
Shawnee County	3	Shawnee County	1
Douglas County	5	Douglas County	3
Riley County	8	Jackson County	17
Marshall County	14	Riley County	19
Pottawatomie County	21	Nemaha County	24
Franklin County	23	Atchison County	27
Geary County	24	Geary County	33
Atchison County	27	Marshall County	36
Nemaha County	32	Pottawatomie County	37
Brown County	36	Franklin County	45
Jackson County	39	Clay County	48
Jefferson County	46	Brown County	56
Clay County	47	Jefferson County	57
Doniphan County	57	Wabaunsee County	59
Osage County	58	Osage County	61
Washington County	60	Washington County	65
Wabaunsee County	72	Doniphan County	75

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

Diversification



Sources: CEDBR, Census – County Business Patterns 2017

Growth



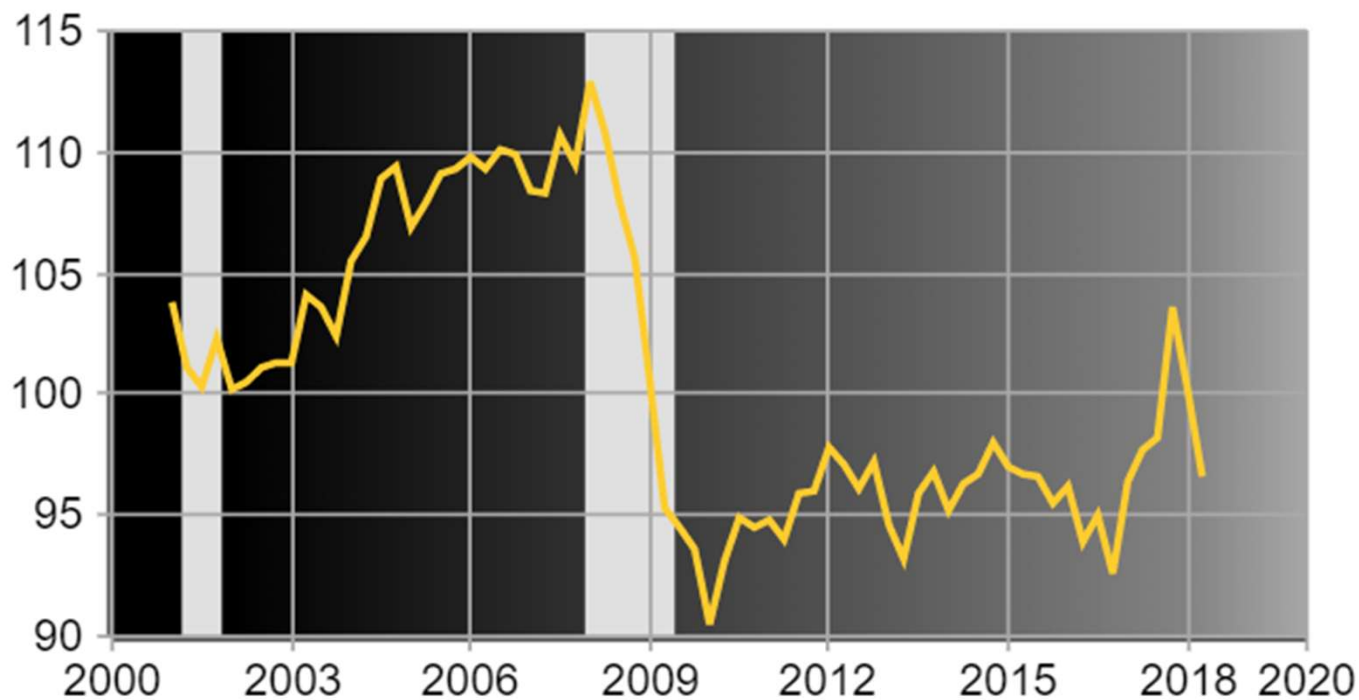
Sources: CEDBR, BLS – QCEW 2015-2018

BUSINESS EXPANSION

Employment Rank		Expansion Rank	
Shawnee County	3	Wabaunsee County	6
Douglas County	5	Brown County	7
Riley County	8	Pottawatomie County	8
Marshall County	14	Douglas County	13
Pottawatomie County	21	Jackson County	19
Franklin County	23	Jefferson County	20
Geary County	24	Shawnee County	25
Atchison County	27	Washington County	32
Nemaha County	32	Riley County	40
Brown County	36	Nemaha County	41
Jackson County	39	Doniphan County	47
Jefferson County	46	Franklin County	48
Clay County	47	Osage County	51
Doniphan County	57	Clay County	57
Osage County	58	Atchison County	59
Washington County	60	Marshall County	83
Wabaunsee County	72	Geary County	94

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

Atchinson



- 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

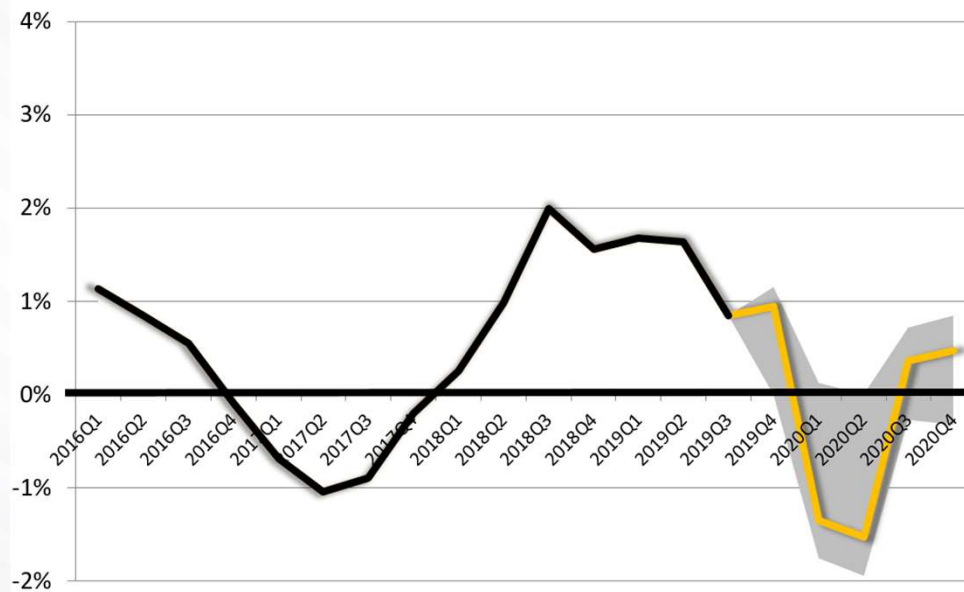
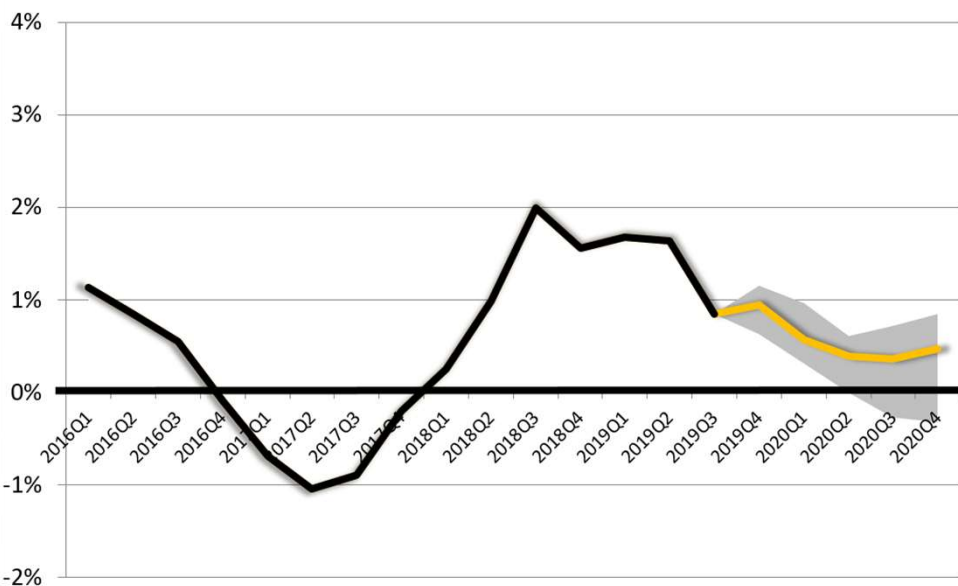
Wichita was expected to grow

Original Forecast

Adjusted Forecast

Wichita Total Nonfarm Employment Growth

Wichita Total Nonfarm Employment Growth



Source: CEDBR, BLS - CES Range Forecast Actual

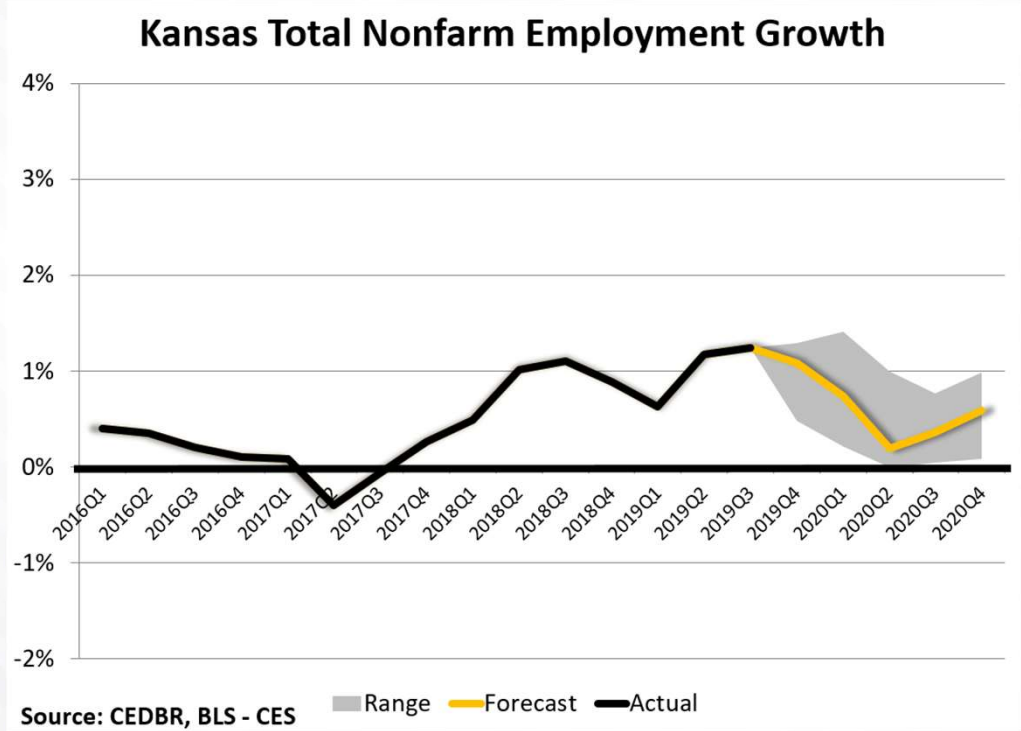
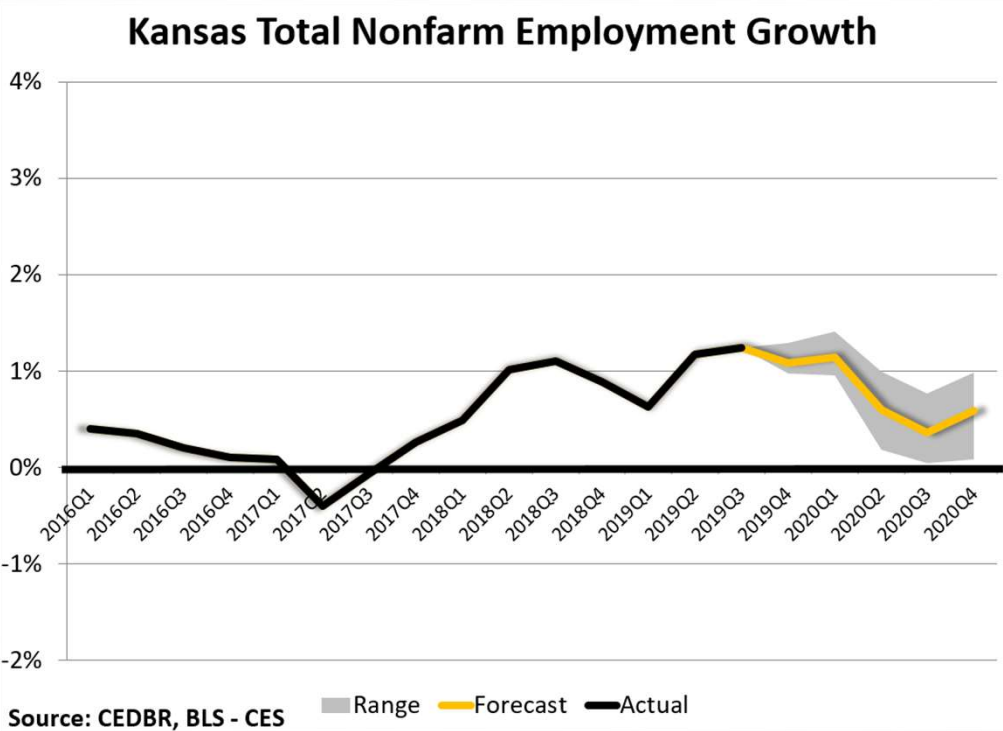
Source: CEDBR, BLS - CES Range Forecast Actual

* This assumes that production resumes in July 2020

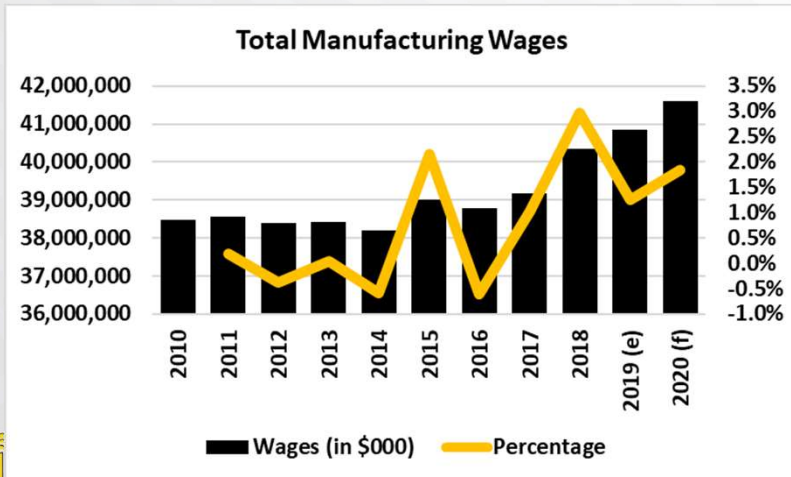
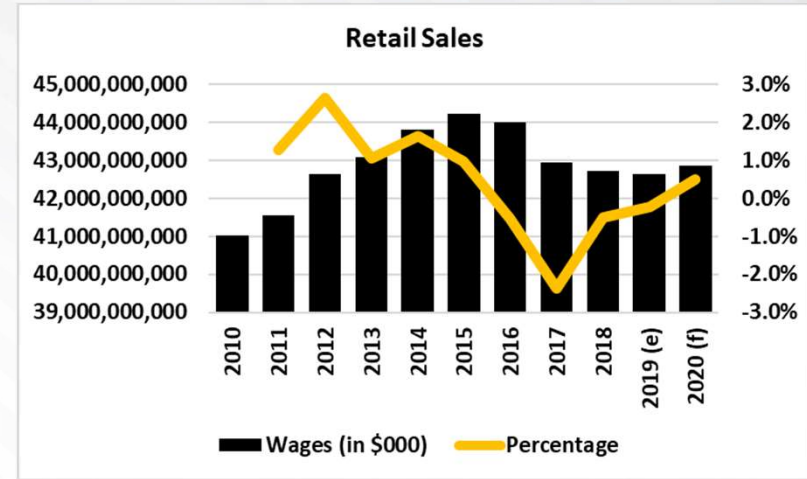
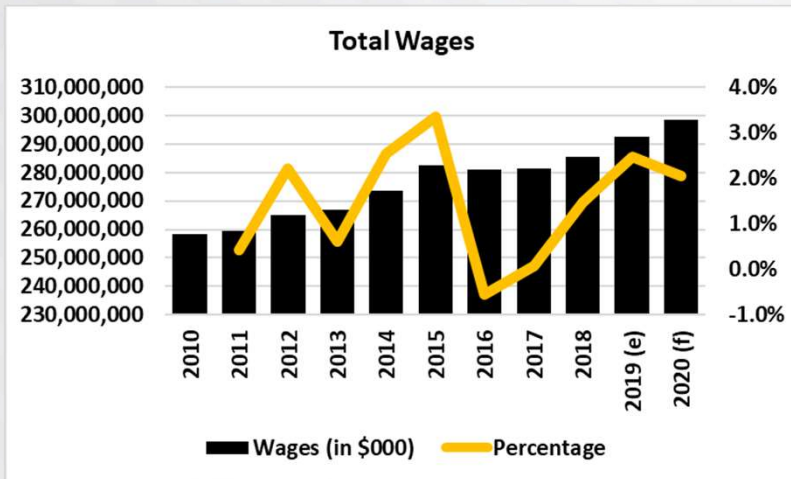
KS will grow at a slower pace than expected

Original Forecast

Adjusted Forecast



Retail Sales are expected to struggle in 2019



Not adjusted for the 737 Max Impact

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

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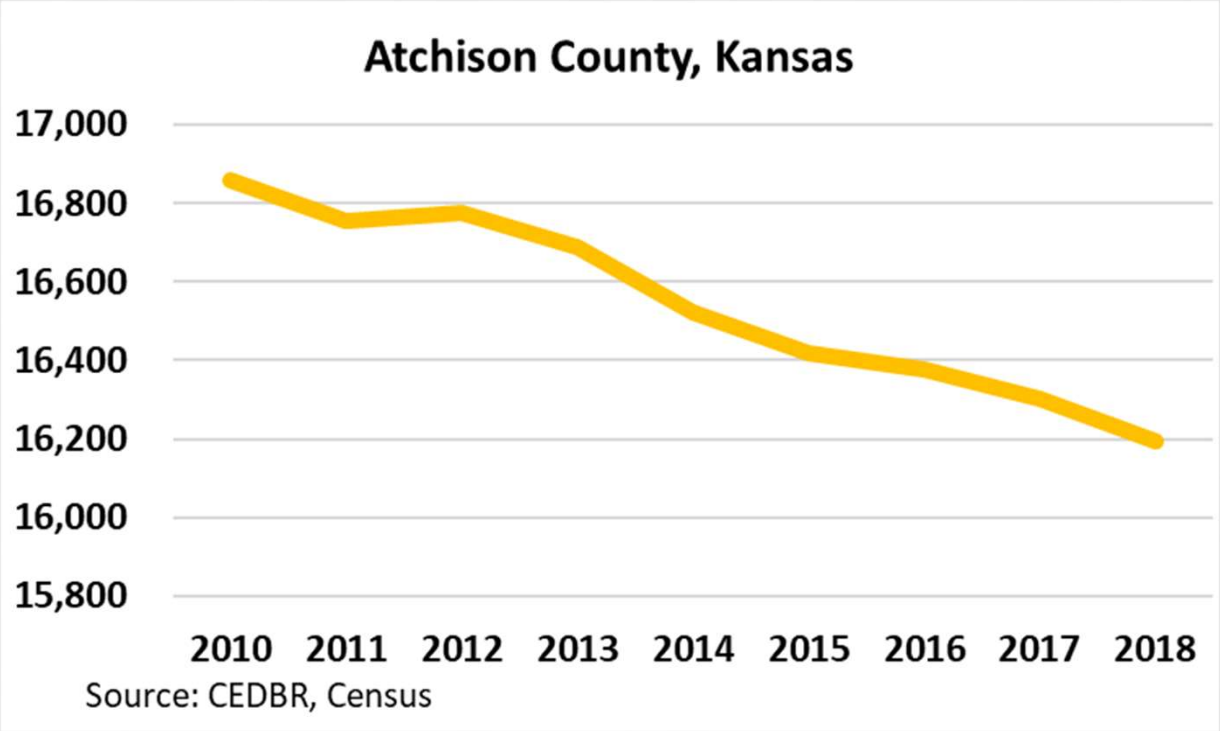
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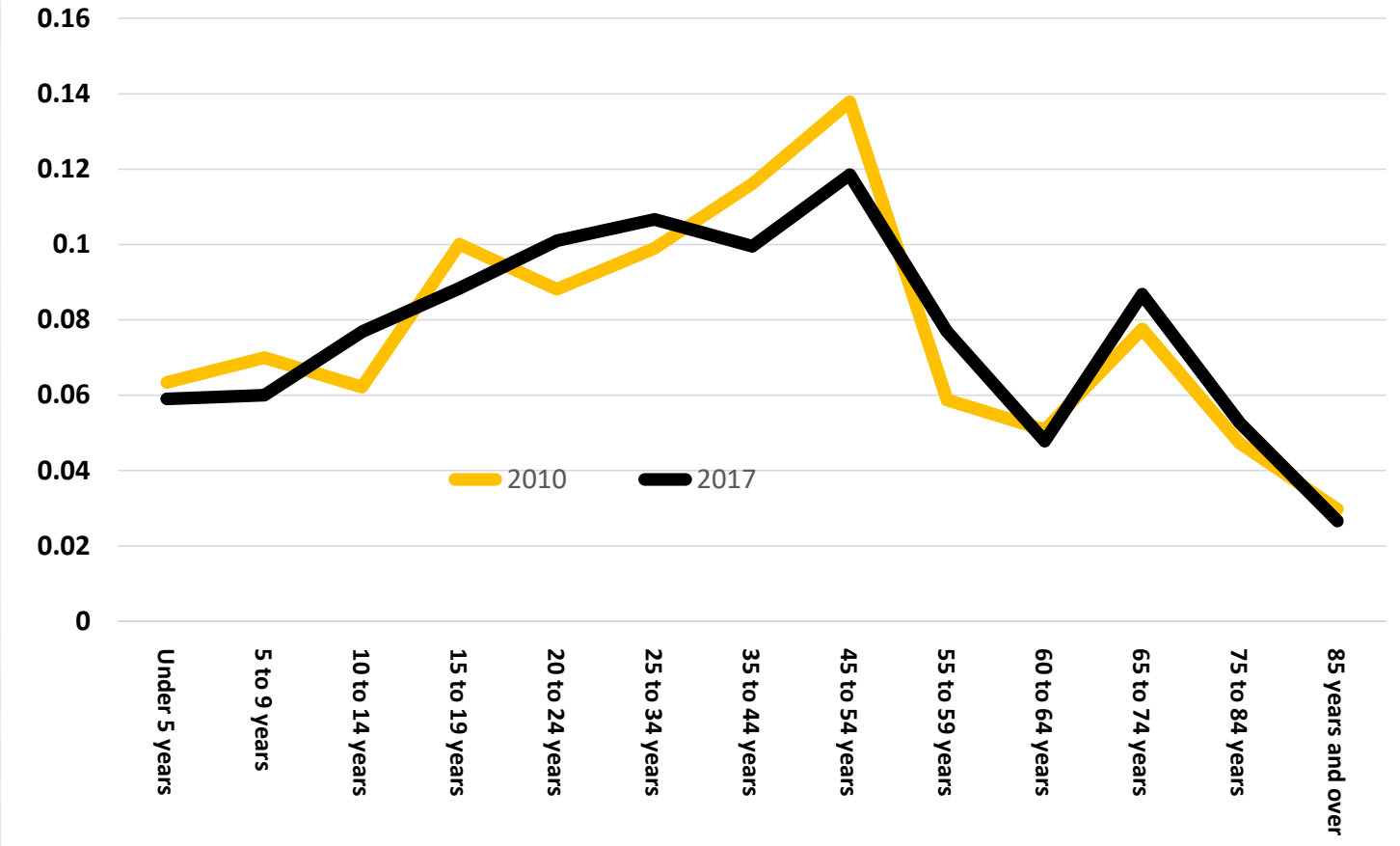
Population Summary



Annualized Population Growth		
	1 YR	5 YR
Atchison	-0.7%	-0.6%
Kansas	0.0%	0.1%
US	0.6%	0.7%

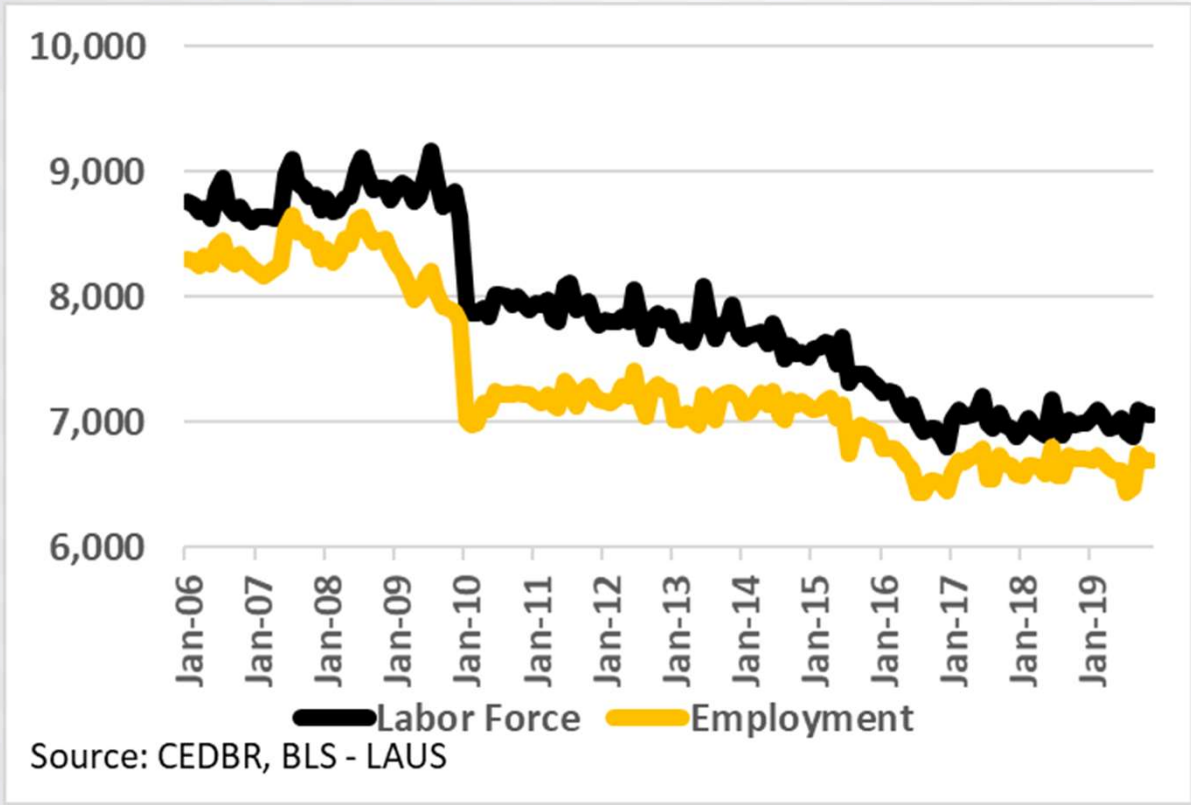
Source: CEDBR, Census

Age Profile – Percentage of the Population



Median age has stayed about the same at 36 years of age.

Labor Force



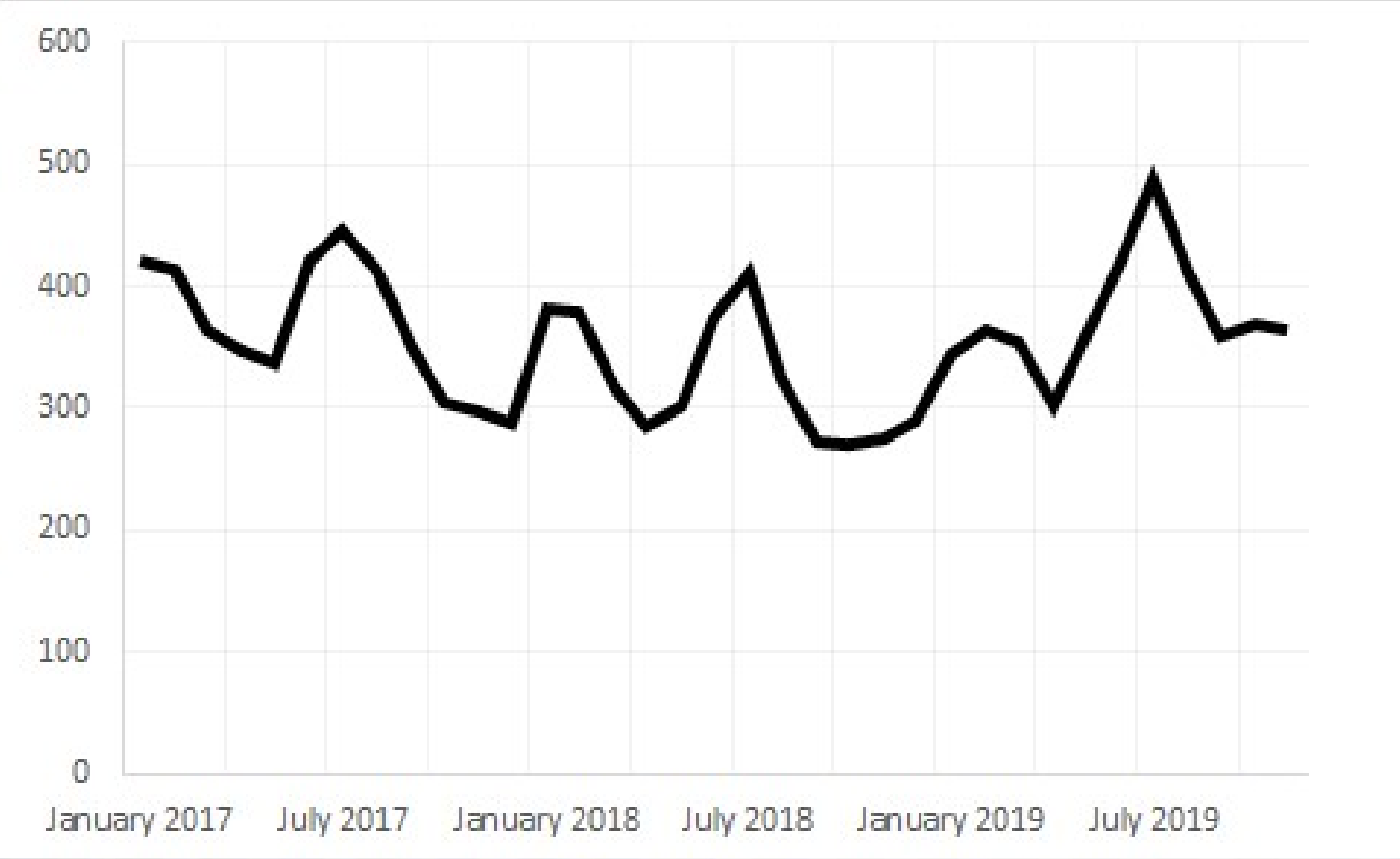
Annualized Growth		
	1YR	5YR
Labor Force	1.0%	-1.3%
Employment	-0.3%	-1.3%
Unemployment	31.5%	-1.5%

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

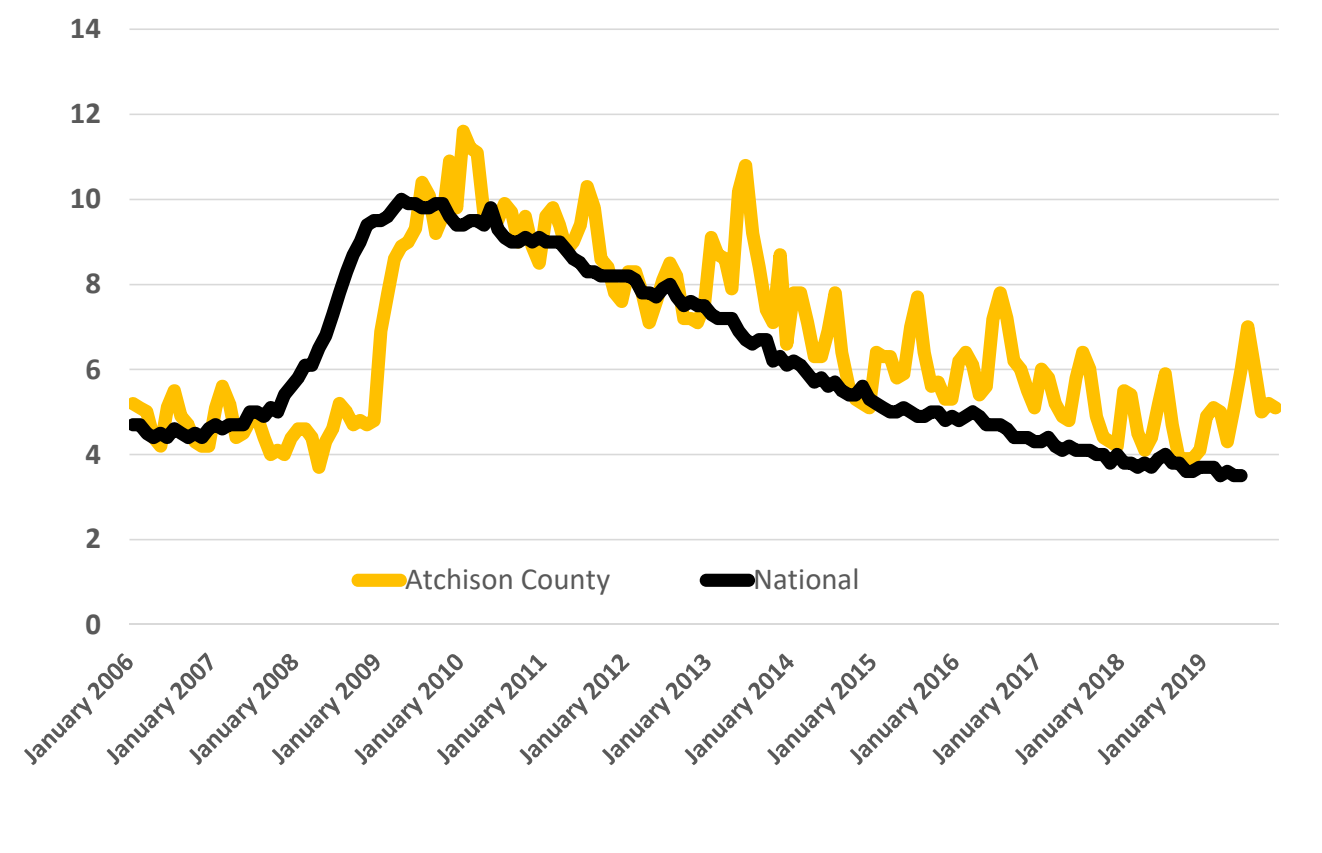
Source: CEDBR, BLS-LAUS

Unemployment Atchison County



Over the last year:
November 2018 = 276
November 2019 = 363
 $(363-276)/276=31.5\%$

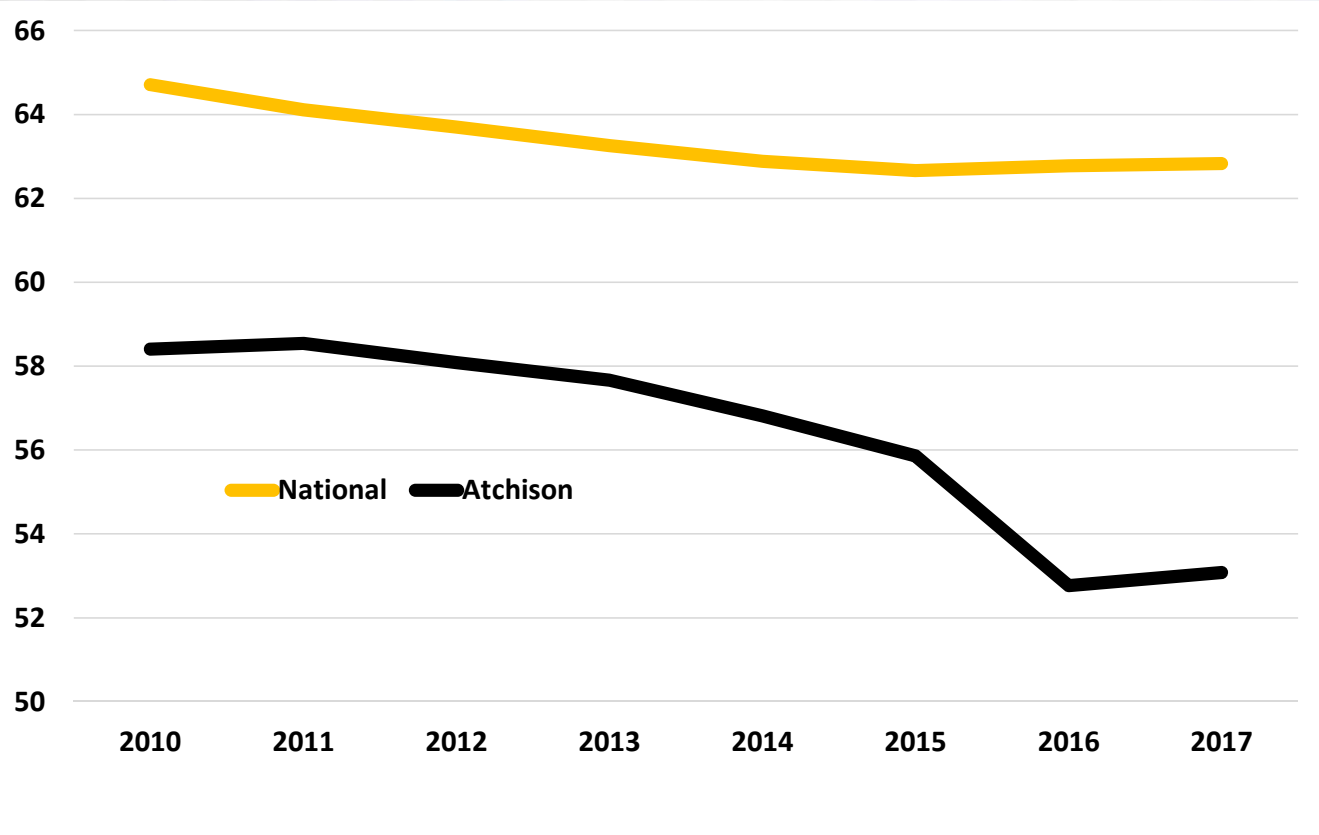
Unemployment Rate



Note that for Atchison the data is not seasonally adjusted, but it is seasonally adjusted at the national level.

Frequency: Monthly Source: Bureau of Labor Statistics (BLS), St. Louis Fed FRED, and CEDBR

Labor Force Participation

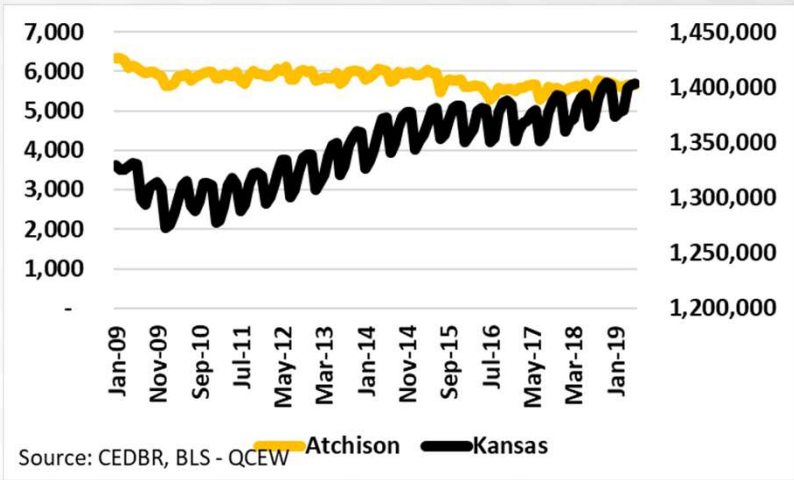
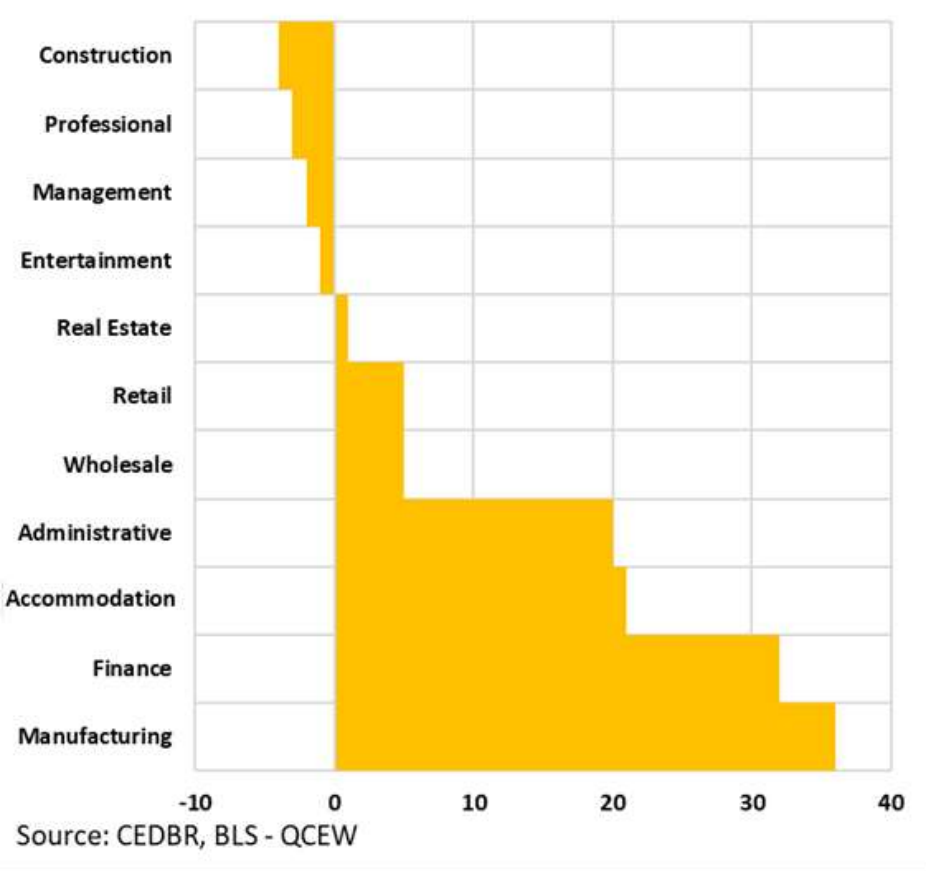


Method for Atchison: monthly labor force data was averaged to compare to annual population data for ages 15 and above.

The national labor force participation rate calculated by the BLS uses ages 16 and above.

Source: CEDBR, BLS-LAUS, St Louis Fred FED and Census.

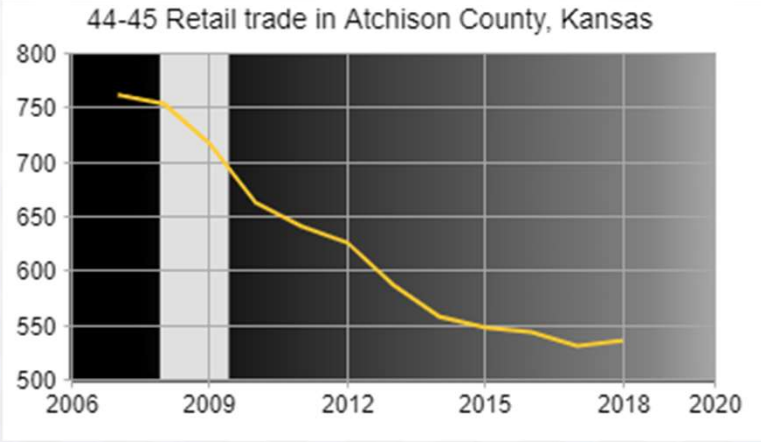
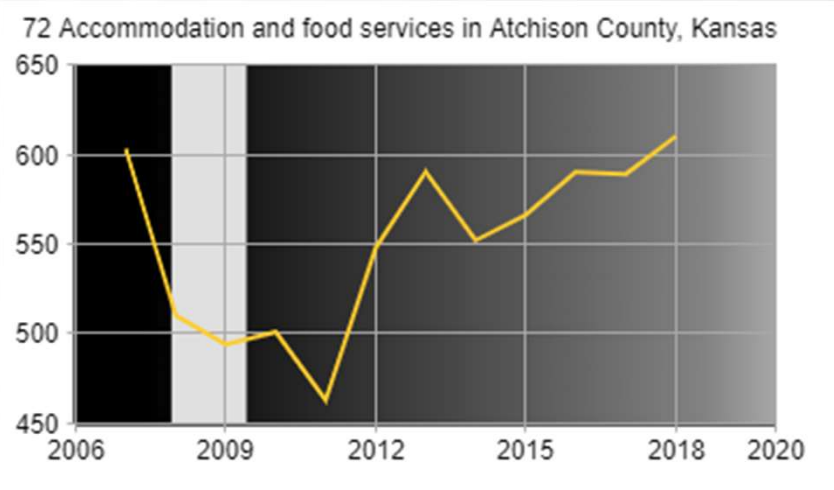
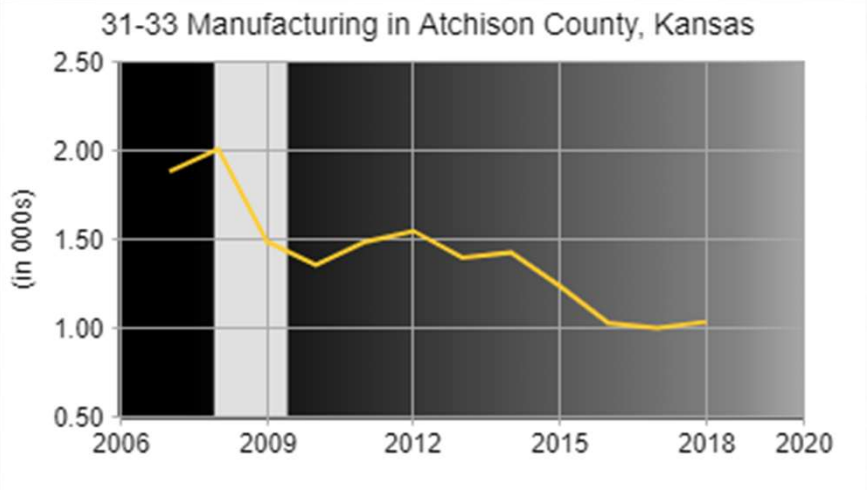
Employment Summary



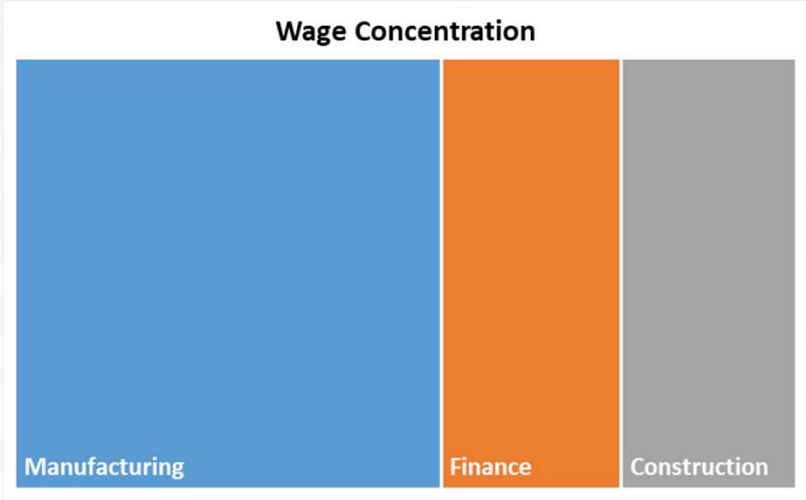
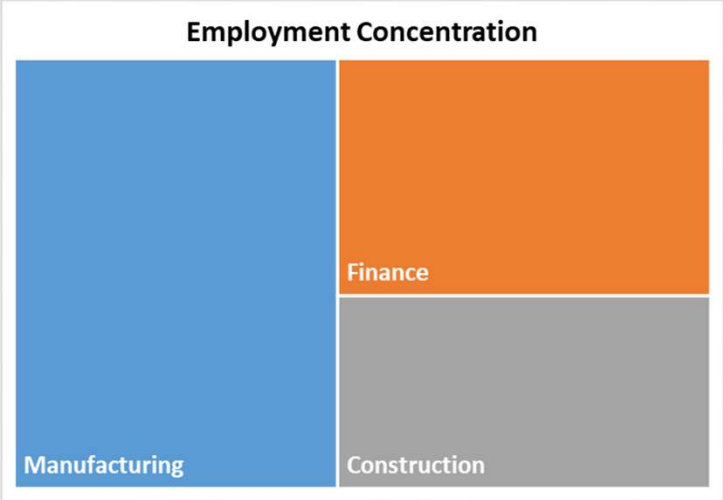
Annualized Employment Growth		
	1 YR	5 YR
Atchison	-0.4%	-1.2%
Kansas	0.6%	0.4%

Source: CEDBR, Census

Employment – Largest Sectors



Economic Concentration

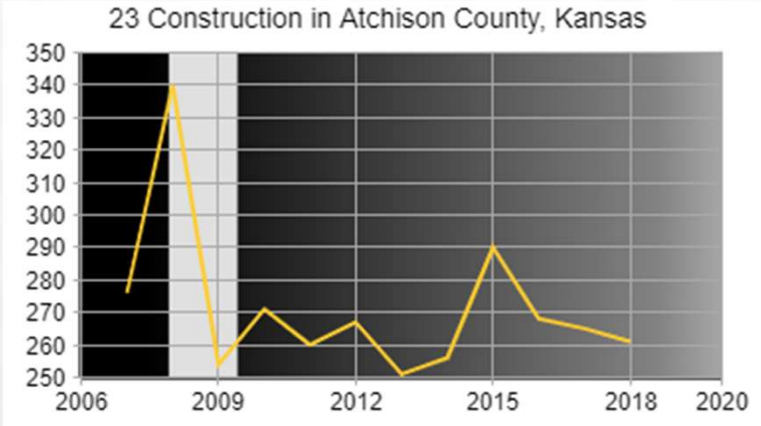
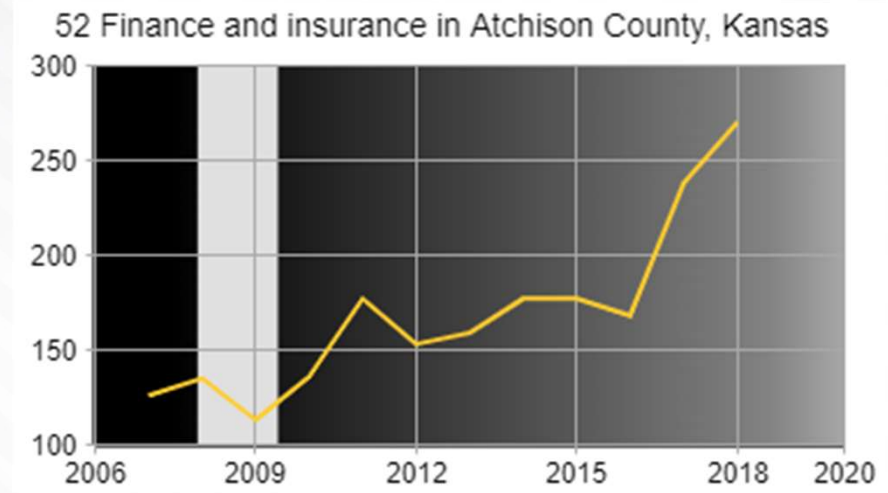
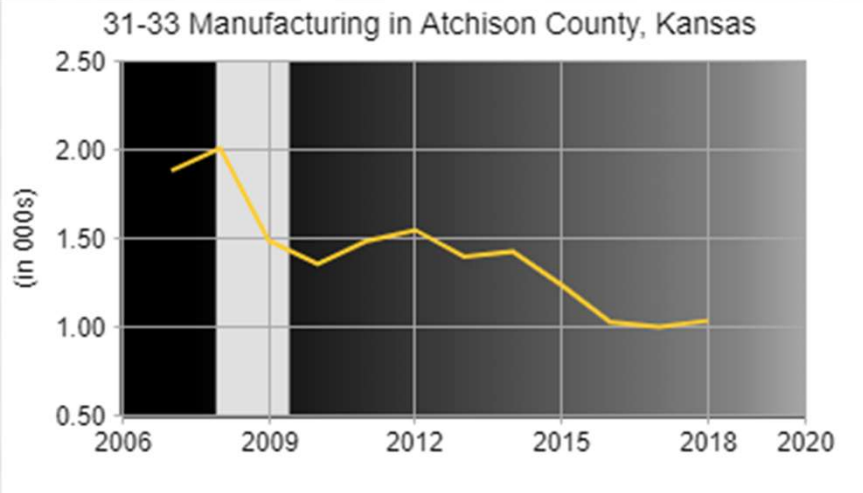


	Concentration	
	Employment	Wage
Manufacturing	2.00	2.54
Finance	1.27	1.07
Construction	1.03	1.04

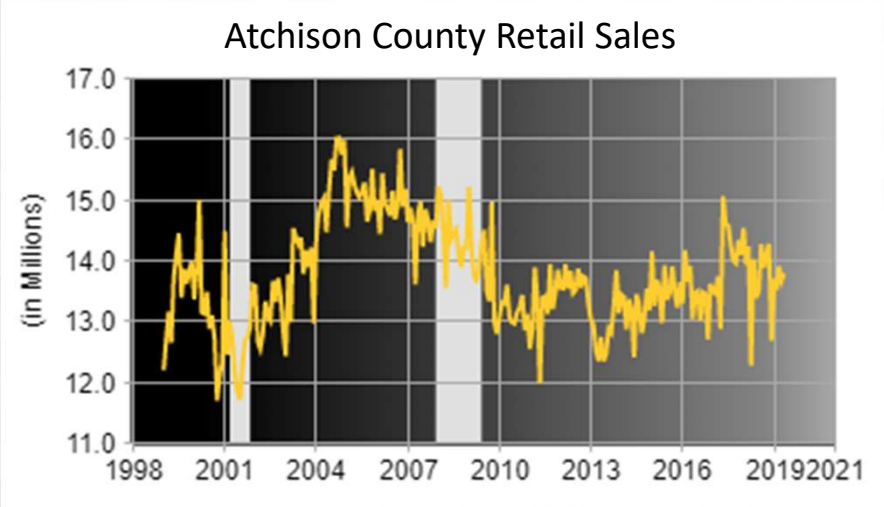
Location quotients quantify industry clusters. The measurement compares the industry share locally with the nation. A value greater than one indicates a higher level of concentration of that industry compared to the nation. Higher levels of concentration also identify key sectors that drive the regional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

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

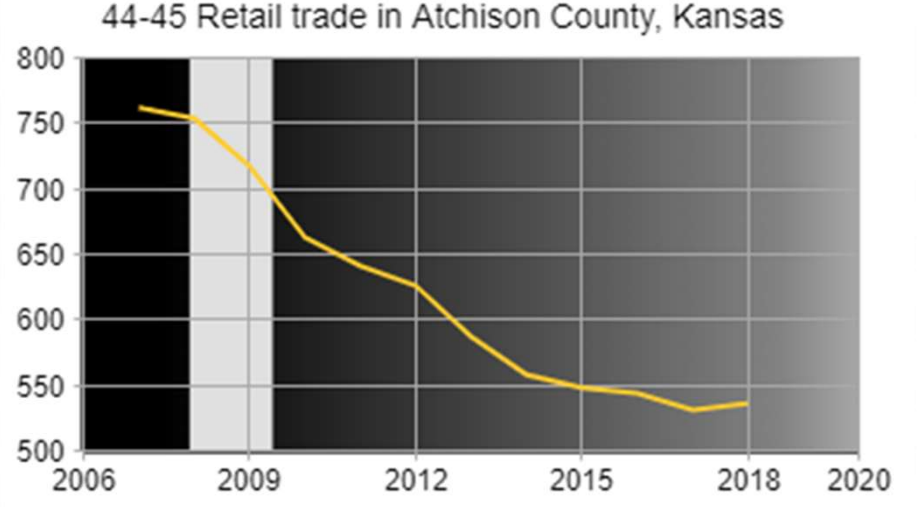
Employment – Core Sectors



Retail Update



Source: CEDBR, KS Dept of Revenue

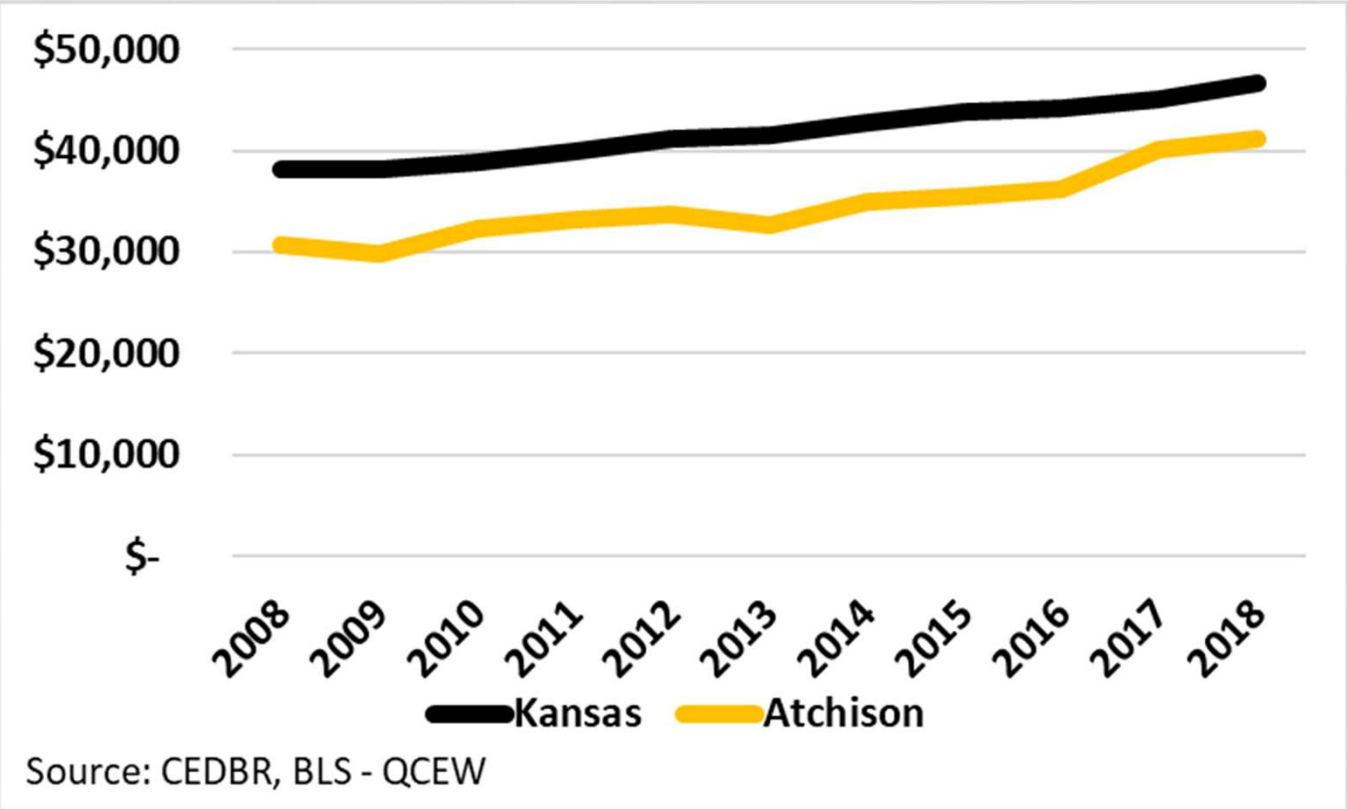


Source: CEDBR, BLS - QCEW

“In Kansas, taxable retail sales include the retail sale, rental or lease of tangible property; labor services to install, repair, or service personal property; and admissions to amusement and recreation places.”

<https://kansaseconomy.org/economic-indicators/retail-sales> Seasonally adjusted.

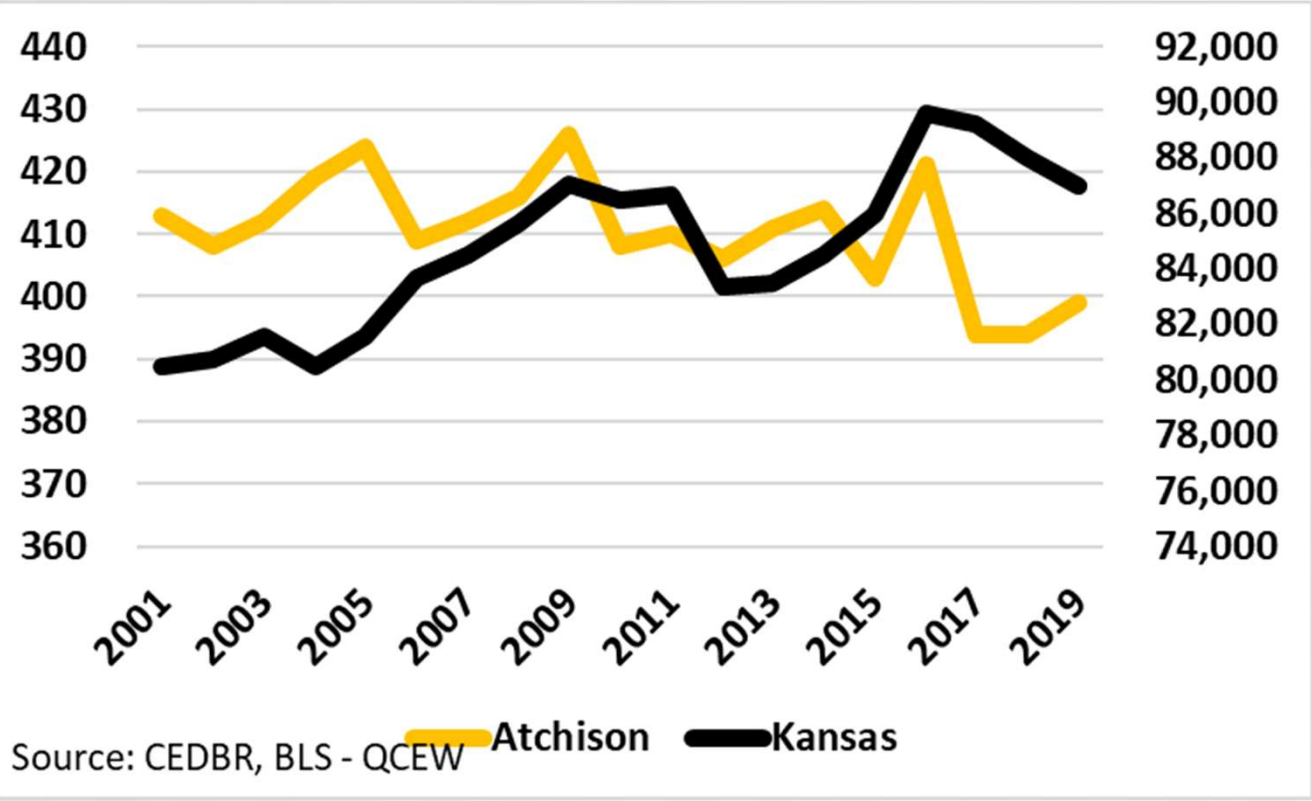
Wages



Annualized Wage Growth		
	1 YR	5 YR
Atchison	2.4%	5.1%
Kansas	3.3%	2.4%

Source: CEDBR, Census

Establishments



Annualized Establishment Growth		
	1 YR	5 YR
Atchison	2.3%	-0.8%
Kansas	-0.7%	0.6%

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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#KSEcon 

Thank You

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

*Kansas
Community
Outlook*
EVENTS