



WICHITA STATE
UNIVERSITY

W. FRANK BARTON
SCHOOL OF BUSINESS

Center for Economic Development
and Business Research

2014 Kansas Employment Forecast

January 2014

Nationally, real GDP growth was 3.6 percent in the third quarter of 2013, the strongest since the first quarter of 2012. Key contributors to this were strong growth in domestic investment and continued growth in personal consumption expenditures, both of which are expected to continue in 2014. Decreasing government purchases was the only component of GDP to significantly decline in 2013, and this may continue in 2014. Employment increased by 1.4 percent nationally in the first eleven months of 2013. Employment is estimated to have grown 1.1 percent in Kansas and 0.5 percent in the Wichita metropolitan area in 2013.

Kansas Employment Forecast

In 2014, Kansas state employment is forecasted to grow at 1.4%, which is a slight improvement over 2013. Overall, there is a projected increase of more than 18,000 jobs in Kansas over the course of the year. With this growth, Kansas is forecasted to exceed its pre-recession peak in total nonfarm employment.

Kansas Employment by Industry Summary*					
	2012 (a)	2013 (e)	2014 (f)	2013-2014 Level Change	2013-2014 Percent Change
Total Nonfarm	1,357,823	1,373,182	1,391,790	18,608	1.4%
Production Sectors	228,070	229,746	232,323	2,577	1.1%
Trade, Transportation & Utilities	257,163	258,317	259,613	1,296	0.5%
Service Sectors	613,611	628,319	643,818	15,499	2.5%
Government	258,979	256,800	256,036	-764	-0.3%
*Annual values are derived from average quarterly observations and projections. (a) actual (e) estimated (f) forecasted					

- Growth in the production sectors is forecasted to primarily be driven by natural resources, mining and construction employment, which is anticipated to grow 2.8 percent, adding 1,838 jobs. Manufacturing is projected to grow by 0.4%, with nearly equal growth in durable and nondurable goods.
- The trade, transportation and utilities sector is forecasted to have the largest growth in transportation and utilities, with 1.0 percent growth, adding 566 jobs. Retail trade and wholesale trade growth is projected to be more muted, at 0.3 percent and 0.5 percent, respectively.
- The service sectors will see the largest growth in 2014. The professional and business services subsector is expected to grow 3.3 percent and add 5,320 jobs, making it the strongest growing sector in Kansas in 2014. The second strongest growing subsector is the education and health services subsector, with anticipated growth of 2.7 percent, adding 5,072 jobs. The information, financial activities and hospitality subsectors are all expected to grow between 1.9 and 2.5 percent. The only service sector expected to have declining employment is the other services subsector, which is expected to shrink 0.1 percent.
- The government sector is expected to lose more than 700 jobs, declining 0.3 percent. The state and federal governments are expected to lose more than 1,000 jobs combined, while the local government sector is expected to experience growth.
- Total aggregate wages in Kansas are forecasted to grow by 2.1 percent in 2014, which is 1.0 percent stronger than wage growth in 2013. Total manufacturing wages are forecasted to grow by 1.5 percent, which is also an improvement over 2013.