



2012 Kansas Economic Report



The Honorable Sam Brownback
Governor
State of Kansas

Lana Gordon, Interim Secretary
Kansas Department of Labor



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Table of Contents

2012 Kansas Economic Report

Acknowledgements	ii
Message from the Secretary	iii
Executive Summary	iv
Employment	1
Labor Force Statistics	4
Unemployment Rate	4
Initial and Continued Claims.....	6
Labor Force and Labor Force Participation.....	7
Labor Force Statistics for the MSAs	10
Job Vacancies	14
2012 Kansas Job Vacancy Survey.....	14
Help Wanted Online (HWOL)	16
In-Demand Jobs	20
Worklife Earnings	27
Gross Domestic Product (GDP)	30
GDP per Capita	31
Industries Contributing to GDP	32
Personal Income	34
Per Capita Personal Income	34
Global Business	36
Inflation and Wages	39
Consumer Price Index (CPI).....	39
Wages.....	40
Population	42
Housing Sector	43
Banking and Credit	47
Kansas Poverty	50
Sources	52

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Message from the Interim Secretary

Greetings – thank you for your interest in the Kansas economy.

Each year, the Kansas Department of Labor releases the Kansas Economic Report, providing a detailed look into the health of our state’s economy and reviewing many of the reports that the Department of Labor compiles throughout the year. I am pleased to present to you the 2012 Kansas Economic Report.



Kansas is a special place. Our people are some of the hardest working and most dedicated in the country. Our farms produce goods that are exported all over the globe. Our manufacturers and engineers build the best airplanes in the world, keeping our military service men and women safe and allowing our Kansas families to travel the world. Our cities are home to global headquarters of some of the country’s leading technology companies, strong and prosperous service sector businesses and some of the best health care providers around. Kansas is truly a special place and has a truly unique economy.

However, we have seen that we are not immune to the overall trends of our suffering national economy and it is taking longer than we would like to bounce back. The Great Recession hit us hard and the number of unemployed Kansas reached the highest number in several decades. While these numbers are declining, there are still many Kansans who are unemployed or underemployed. Our entire staff at the Kansas Department of Labor is working diligently to provide excellent service to our customers, workers and employers alike.

Our economy is continually improving and trending in the right direction, and remains consistently healthier than the overall national economy. The current unemployment rate is 6.2 percent – almost two points lower than the national rate. While this is declining more slowly than we would like, it shows the “infrastructure” of our state’s economy is healthy and steadily improving.

The information included in this 2012 Kansas Economic Report digs down and describes in detail many of the trends we have experienced in the last year as well as what we might expect to see during the months ahead. The staff in our Labor Market Information Services unit has worked tirelessly to present this information in a user-friendly format. We hope this is beneficial to you and we welcome your feedback at Communications@dol.ks.gov.

Again, thank you for your efforts to grow the Kansas economy and make Kansas the best place in America to work and do business.

A handwritten signature in black ink that reads "Lana Gordon". The signature is written in a cursive, flowing style.

Lana Gordon
Interim Secretary
Kansas Department of Labor

Executive Summary

The Kansas economy demonstrated several positive signs of recovery in 2011. Labor market conditions, including indicators like non-farm employment and the unemployment rate, showed improvements. Non-farm employment experienced growth for the first time since 2008, adding 11,800 private sector jobs. Unemployment insurance initial and continued claims fell for the second consecutive year and the unemployment rate decreased from 7.2 percent to 6.7 percent in 2011. Employment rose by 0.5 percent and Kansas labor force participation continued to remain one of highest in the nation.

There are other positive signs that the economic well-being of businesses and individuals are improving. The gross domestic product (GDP) increased for the second consecutive year, driven by large increases in several industries, including natural resources and mining and manufacturing. State export sales increased in 2011, recording a healthy growth of 17.1 percent or \$1.7 billion. Agricultural products posted the largest over-the-year growth, due to an increase in wheat exports. Personal income also increased, as more people return to work and the financial markets improve. The housing market appeared to stabilize in Kansas, with median home prices now exceeding pre-recession levels and more housing units being occupied in Kansas than in the rest of the country. The number of building permits issued in Kansas increased for the first time since 2006.

Although it appears the economy is beginning to recover, there is still reason for cautious optimism as other significant indicators displayed less than ideal results. The Kansas labor force remained stagnant in 2011, only growing by approximately 200 people. This may be caused by a high number of discouraged workers, individuals choosing to postpone employment to return to school and slow growth in the Kansas population. Inflation continued to rise and, for the first time since 2008, the real average weekly wage, which accounts for inflation, declined. Large over-the-year price increases were experienced, with the highest being a 27.5 percent jump in motor fuel. Poverty levels also continued to climb in 2011.

The 2012 Job Vacancy Survey, released in September, and Help Wanted Online data show that the number of available job openings in Kansas is another indicator displaying growth. The Job Vacancy Survey revealed a 17.3 percent increase in job openings from the previous year, amounting to a total of 36,000 job vacancies throughout Kansas in the second quarter of 2012. Online job vacancies published by Help Wanted Online increased in 2011 and reached an all-time high in June 2012.

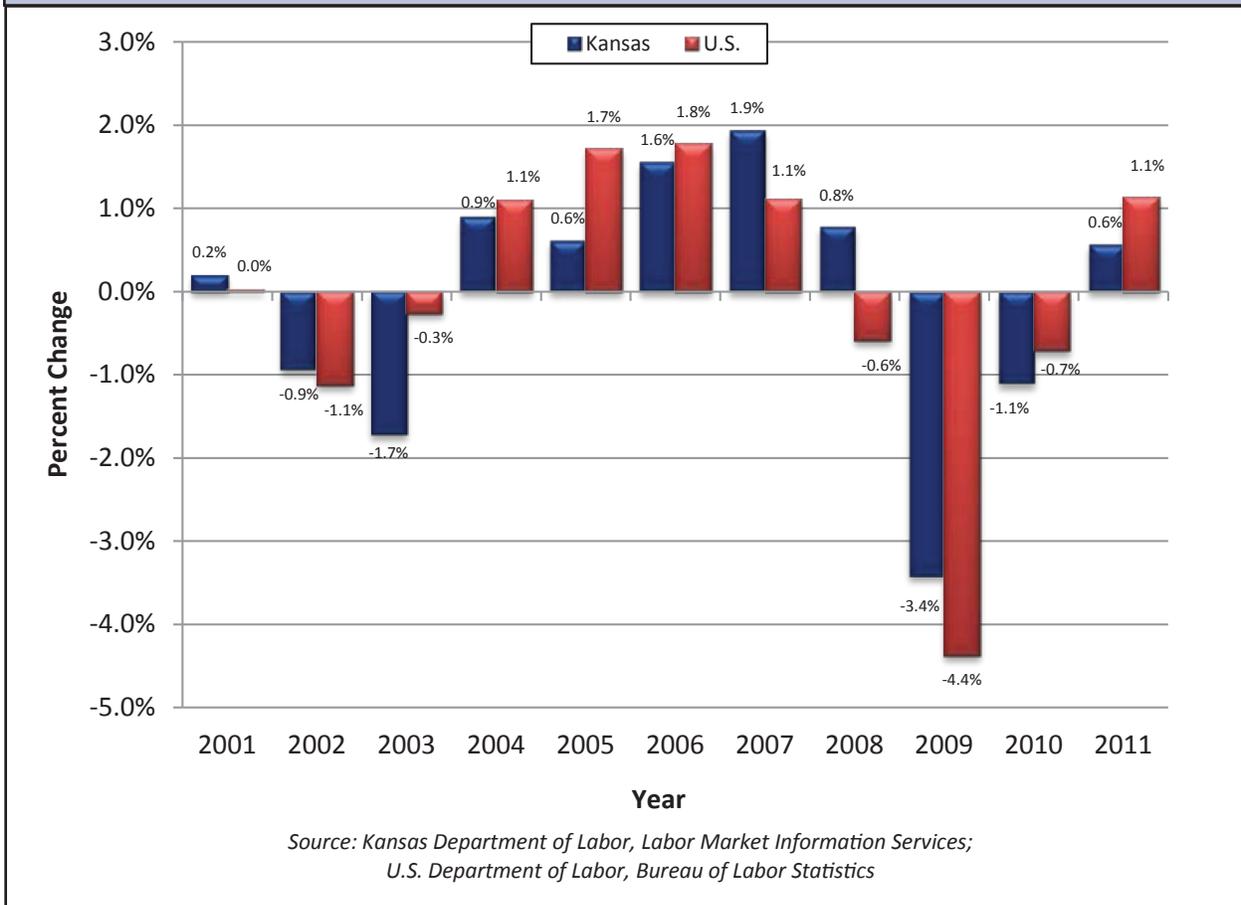
Note: Due to revisions and benchmarking processes, some data may have been updated since the 2011 Economic Report was published. The data included in the 2012 Economic Report is current as of July 20, 2012. For more information on data found in this report, see *Sources* on page 52.

Employment

In 2011, Kansas experienced a 0.6 percent increase in non-farm employment, adding approximately 7,500 jobs. This increase marked the first period of job growth for Kansas since 2008. Nationally, non-farm employment increased by 1.1 percent, better than the 0.7 percent decrease in 2010 and the 4.4 percent decrease in 2009. This highlights the first year since 2007 that both Kansas and the U.S. exhibited positive increases in non-farm employment. Figure 1 illustrates the annual change in non-farm employment in Kansas and the U.S. beginning in 2001.

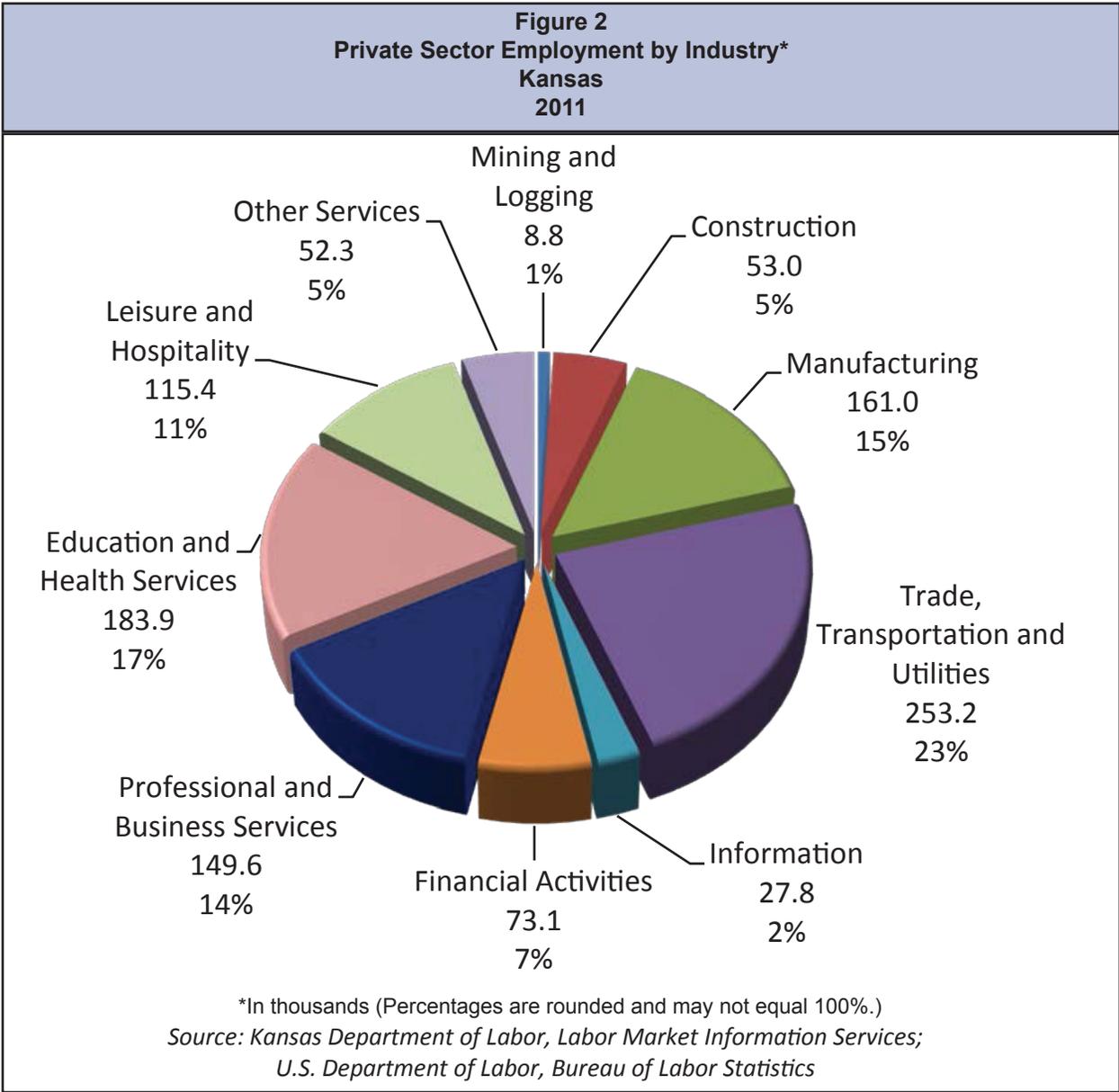
Non-farm employment is one of the most current indicators of the health of the economy each month. As firms experience changes in demand for their goods and services, they adjust employment levels accordingly. Employment growth indicates a healthy labor market for an area's economy.

Figure 1
Percent Change in Non-Farm Employment
Kansas and U.S.
2001 - 2011



Employment

Employment growth was recognized throughout most industries in 2011. The professional and business services industry experienced the largest increase in 2011, gaining 5,700 jobs. The education and health industry also experienced significant growth, adding 4,000 jobs. Leisure and hospitably gained 2,100 jobs, while the financial activities industry, trade, transportation and utilities industry and the manufacturing industry all experienced increases, collectively gaining 2,400 jobs. Declines continued for two notable industries in the private sector. The information industry lost approximately 2,300 jobs, while the construction industry experienced job losses totaling 1,100. Government recorded the largest decline, losing 4,300 jobs. This is the first time government has experienced decreases since 2005. Figure 2 displays the private sector employment by industry in 2011.



Employment

As shown in Table 1, since January 2012 employment has continued to edge upward. A comparison of monthly non-farm employment from 2011 to 2012 reveals an over-the-year increase in every month. This over-the-year increase is significant when used as an economic indicator because it eliminates the influence of many seasonal factors that are evident when making over-the-month comparisons.

Although the most recent recession officially started in December 2007 and ended June 2009, Kansas reached its most recent peak in non-farm employment in May 2008. The lowest employment since the beginning of the last recession was recorded in January 2010. Since that month, Kansas has experienced a 4.3 percent gain in employment, but June 2012 employment was 3.6 percent lower than the employment recorded in May 2008. Nationally, the most recent peak in non-farm employment was in November 2007, with the lowest employment since then occurring in January 2010. Since November 2007, employment in the U.S. has experienced a net loss of 3.6 percent, but is up 5.3 percent since January 2010.

Table 1 Non-Farm Employment* Kansas and U.S. 2001 - 2012											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Kansas	1,348.8	1,336.1	1,313.2	1,325.0	1,333.1	1,353.8	1,380.0	1,390.8	1,343.3	1,328.4	1,335.9
U.S.	131,826.0	130,341.0	129,999.0	131,435.0	133,703.0	136,086.0	137,598.0	136,790.0	130,807.0	129,874.0	131,359.0
2012											
	January	February	March	April	May	June**					
Kansas	1,324.8	1,329.6	1,338.5	1,352.1	1,359.7	1,355.8					
U.S.	130,297.0	131,210.0	132,081.0	132,945.0	133,725.0	134,116.0					

*In thousands

**Preliminary

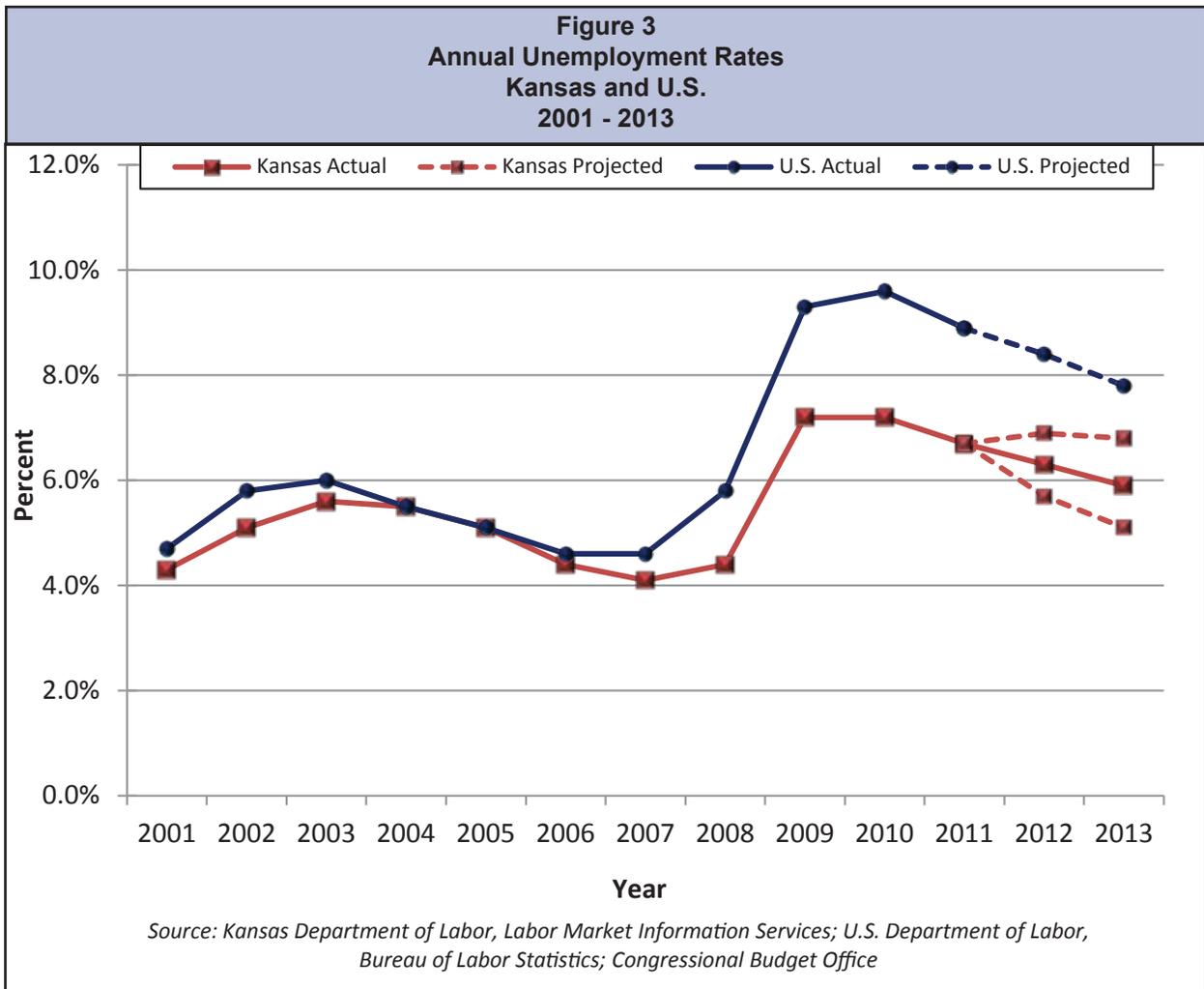
Source: Kansas Department of Labor, Labor Market Information Services
U.S. Department of Labor, Bureau of Labor Statistics

Labor Force Statistics

Unemployment Rate

In 2011, Kansas recorded an average annual unemployment rate of 6.7 percent, an improvement from 7.2 percent in 2010. This marks the first decline in the state unemployment rate since 2007. Kansas' rate continues to be significantly lower than the national unemployment rate, which fell to 8.9 percent in 2011. The national rate declined for the first year since 2006 and recorded a 0.7 percent decrease from 2010. Figure 3 compares the unemployment rates for Kansas and the U.S. for 2001 to 2011, as well as the projected rates for the next two years.

The **unemployment rate** and **labor force** provide key insights into the dynamics of labor availability and demand. These two figures are often the most closely watched monthly indicators of the economy.

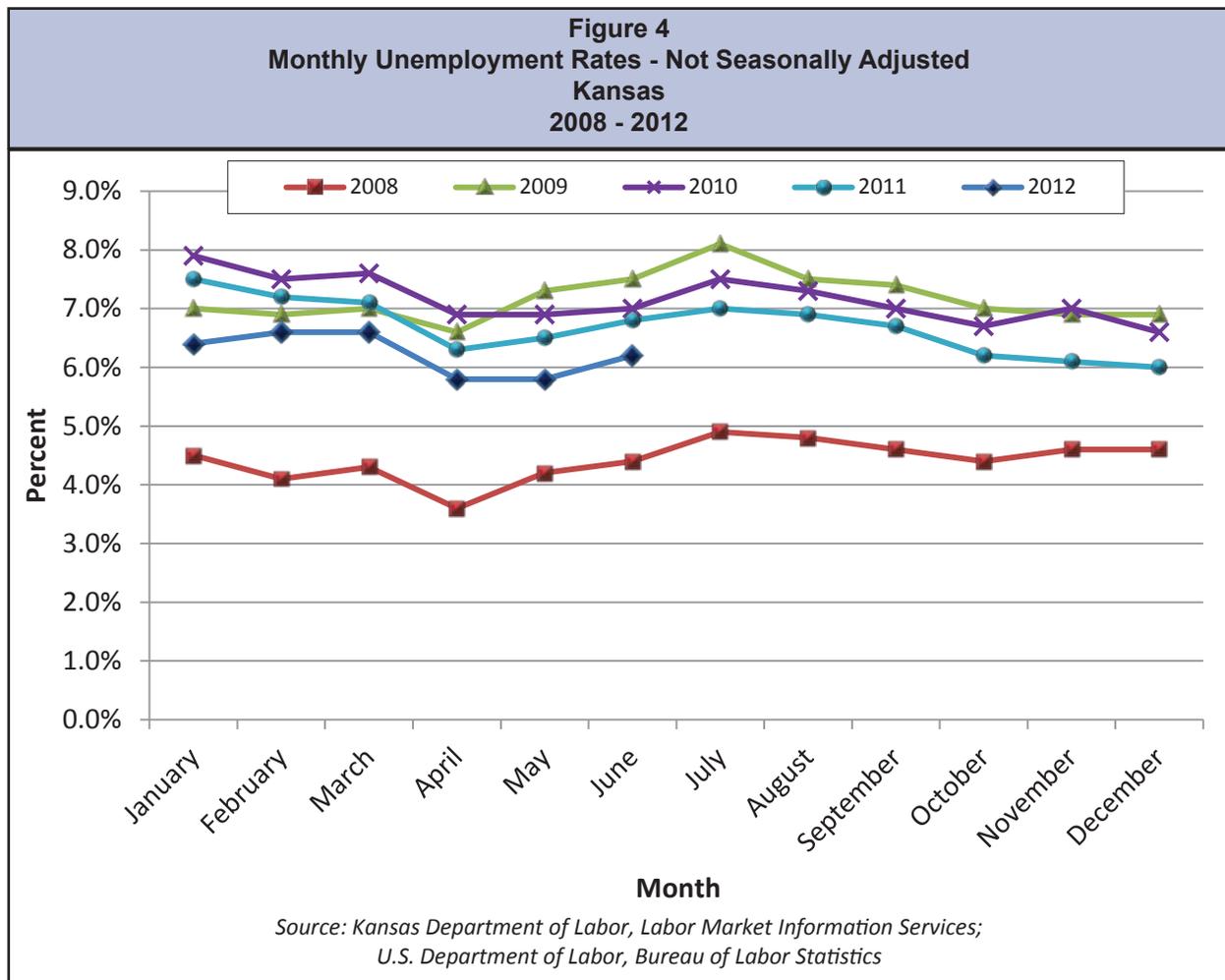


Labor Force Statistics

When projecting unemployment rates, a lower limit and upper limit are established to account for variable economic conditions. The central tendency is the average value that best represents the middle of the two projected numbers.

According to labor market projections, the central tendency unemployment rate in Kansas is projected to be 6.3 percent in 2012 and 5.9 percent in 2013. The national unemployment rate is also projected to decrease in this time period, lowering to 8.4 percent in 2012 and 7.8 percent in 2013.

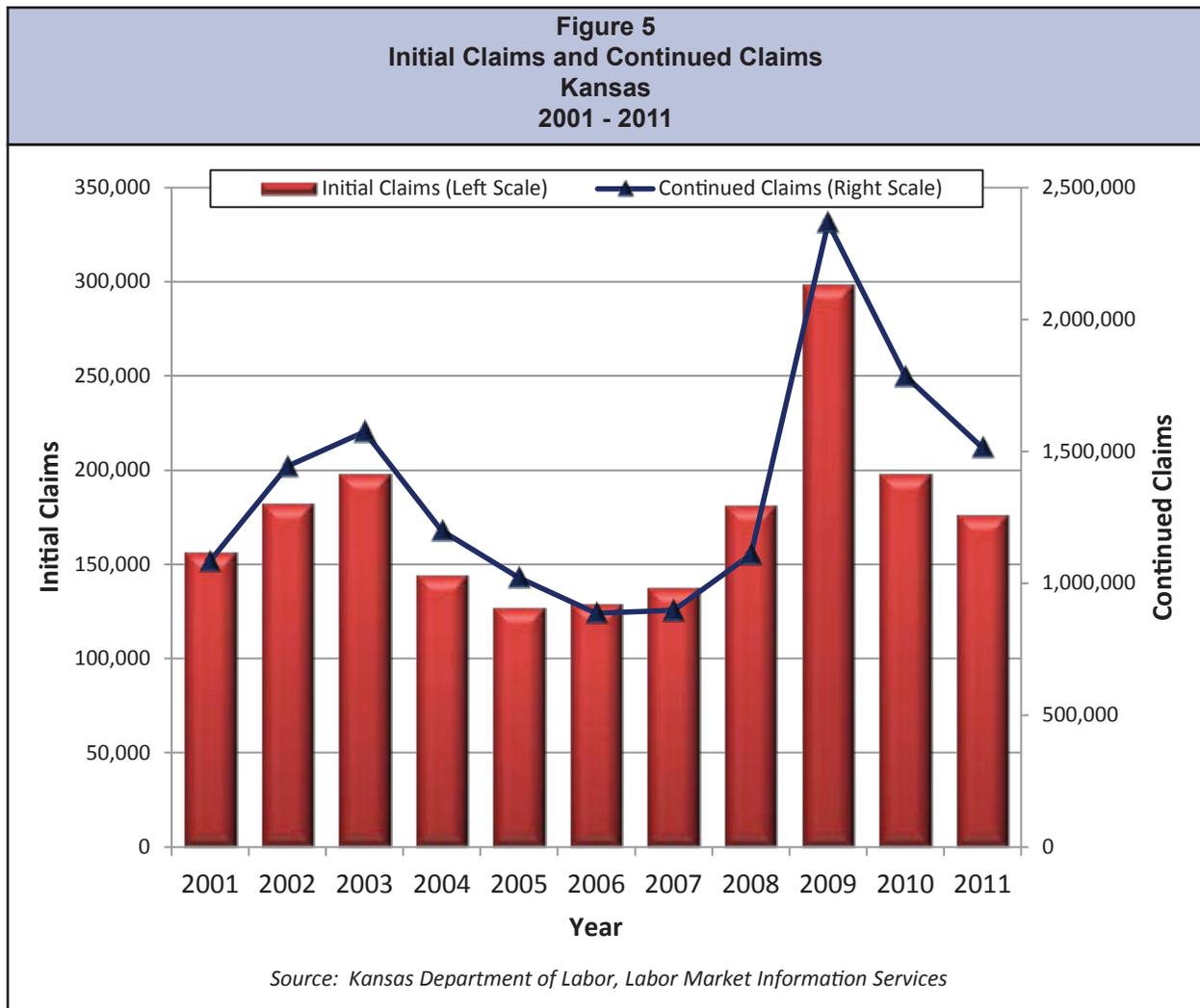
Figure 4 displays the unemployment rate in Kansas on a monthly basis for the most recent five-year period. The rate has continued a downward trend, following the peak in July 2009. Since December 2010, the monthly unemployment rate has continued to be lower than the rate experienced in the year prior. Kansas has not seen an unemployment rate above 7 percent since March 2011.



Labor Force Statistics

Initial and Continued Claims

Analyzing trends involving unemployment insurance (UI) claims is another way to assess unemployment and the labor market. Initial claims are an indicator of new, emerging unemployment and continued claims are an indicator of the difficulty the unemployed have finding a new job. The count of initial and continued claims is not a representation of total unemployment, although the majority of workers in Kansas are covered under unemployment insurance laws. The measure of initial and continued claims excludes workers who are self employed, working for family members and employees of certain non-profit organizations. Others excluded from this count include workers who have exhausted all benefits, have not filed for benefits or are not monetarily entitled to benefits. However, UI data is beneficial because it provides an important and timely indicator of labor market conditions. An historical view of initial claims and continued claims in Kansas is shown in Figure 5.



Labor Force Statistics

The number of regular UI initial claims filed decreased by 11.1 percent in 2011 after a 33.6 percent decrease experienced in 2010. In addition, regular UI continued claims declined by 15.2 percent in 2011, following a 24.6 percent decrease in 2010. In 2009, initial claims and continued claims rapidly increased, reaching a peak of 298,620 and 2,366,839 respectively. Even with the large percentage decreases experienced in both types of claims, the numbers continue to remain at higher levels than in pre-recession years.

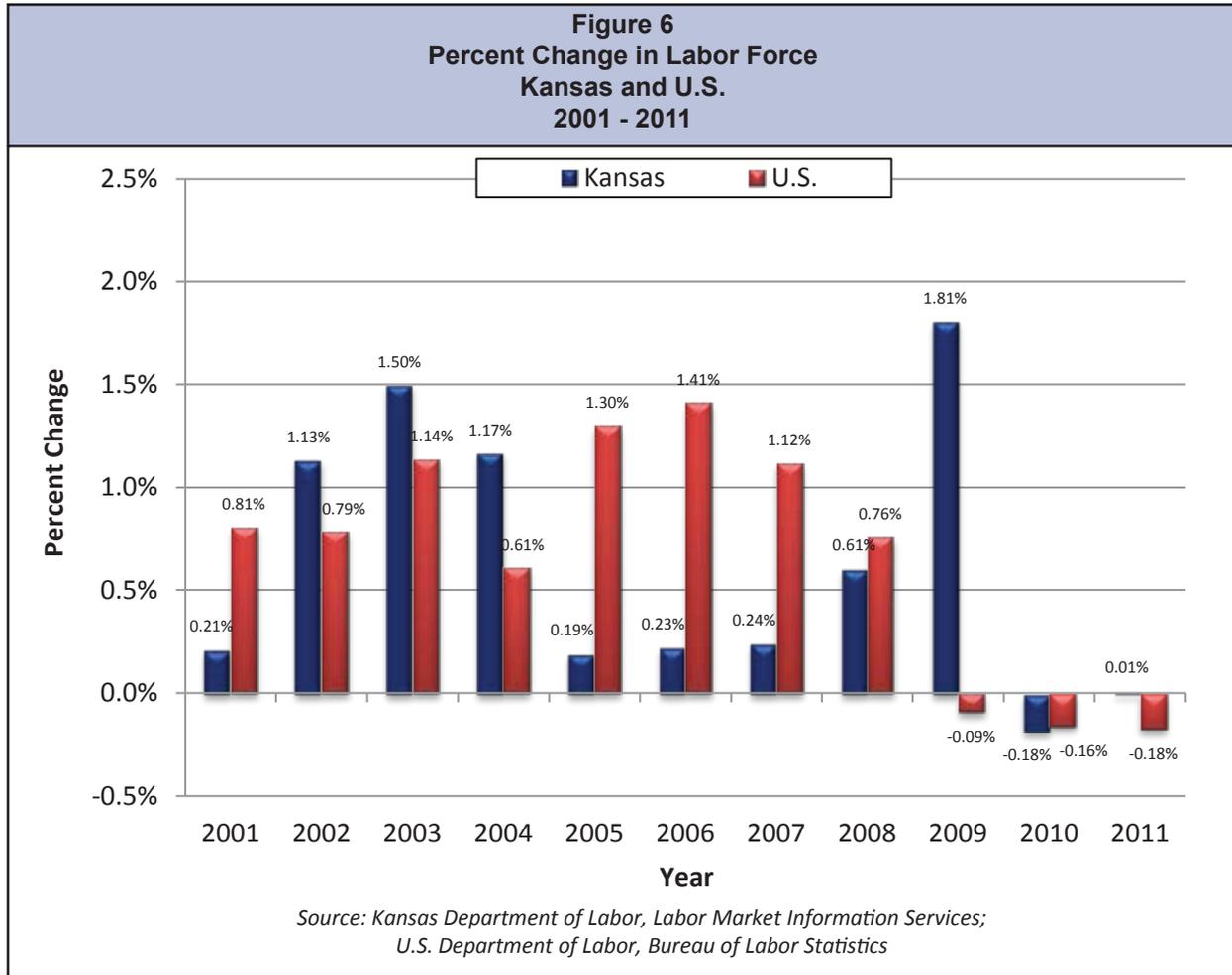
Labor Force and Labor Force Participation

The number of people in the Kansas labor force, those over the age of 16 who are employed or unemployed and actively seeking work, measured 1,505,043 in 2011. This is a slight rise from 2010, which measured 1,504,883. An increase of 0.5 percent in the number of employed, and a decrease of 0.5 percent in the unemployed, explains the anemic movement in the labor force. Although minimal, this can be determined a relatively positive movement, as individuals shifted from unemployed to employed.

The Kansas labor force experienced a change in distribution associated with different age groups in 2011. The labor force increased by 13 percent for individuals between the ages of 25 and 34. Other positive growth was recorded for people between the ages of 55 and 64 and those 65 years or older, recording increases of 6.5 percent and 9.3 percent respectively. The group between ages 20 and 24 remained unchanged. However, the labor force decline was substantial for three age groups. An historical decline was recorded for people between 16 and 19 years old, which decreased by 21.1 percent from 2010 to 2011. Prior to 2011, the largest decline in labor force for this age group was recorded in 2003 with a decrease of 11.9 percent. One reason for this recent labor force reduction could be an increase of people in the 16 to 19 year old age group choosing to postpone employment and instead, attend post-secondary educational institutions to enhance employment skills or obtain a degree. Individuals between ages 35 and 44 and between ages 45 and 54 experienced marked declines of 5.3 percent and 9.5 percent respectively. A possible explanation for the large declines in these two groups is an increase in individuals who are not actively seeking employment due to personal reasons, such as school attendance or family responsibilities. The decrease in these age groups could also be contributed to no longer wanting a job or discouragement with current job prospects.

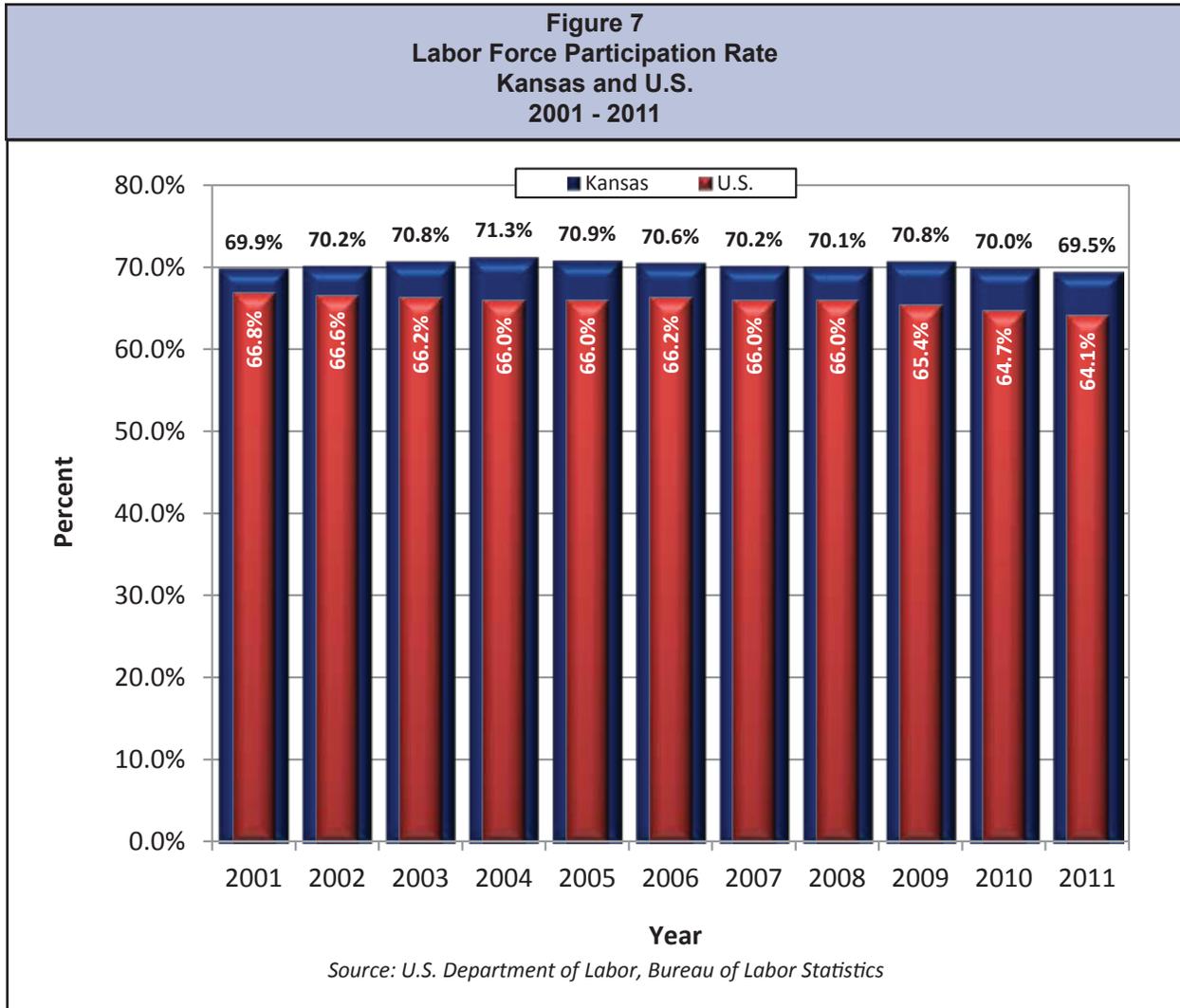
The U.S. experienced a decline in the labor force for the third straight year, recording a contraction of 0.2 percent. Figure 6 on the following page shows the percentage change in the labor force for Kansas and the U.S. beginning in 2001.

Labor Force Statistics



The labor force participation rate in Kansas remained among the highest in the nation. The labor force participation rate measures the percentage of all individuals above the age of 16, non-institutionalized and civilian, who participate in the labor force. For Kansas, this rate was 69.5 percent, which is the eighth highest rate in the nation and well above the national rate of 64.1 percent, as shown in Figure 7 on the following page. This is a decline from 70 percent in 2010, making the 2011 rate the lowest since 1989.

Labor Force Statistics

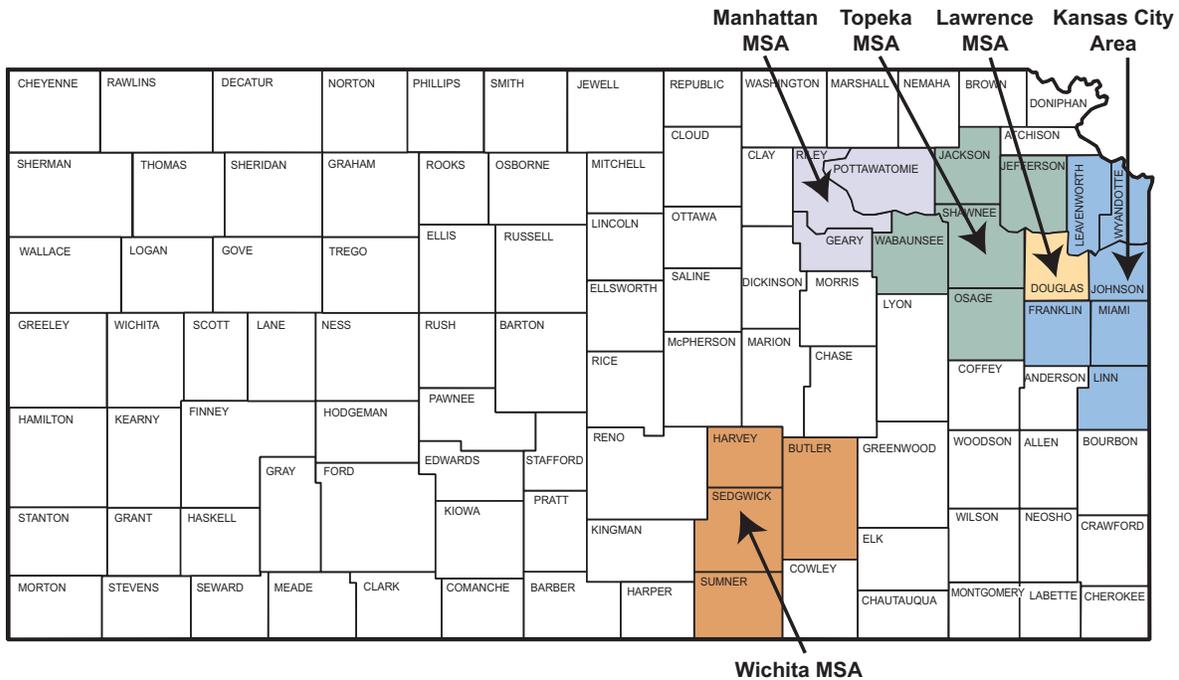


A large contributor to Kansas having such a high labor participation rate has traditionally been the rate for individuals between 16 to 19 years old. They had a labor participation rate of 43.1 percent in 2011. Although this is a 5.6 percent decline from the 48.7 percent participation rate recorded in 2010, it is still 9 percent above the national average for that age group and the 15th highest rate in the nation. The rate for every other age group in Kansas is also above the national average.

Labor Force Statistics

Labor Force Statistics for the MSAs

Kansas is divided into five Metropolitan Statistical Areas (MSAs) and the Balance of State. The five Kansas MSAs consist of the Kansas City, Lawrence, Manhattan, Topeka and Wichita areas. The remaining areas of the state are accounted for in the Balance of State.



For each of the MSAs in Kansas, Table 2, on the following page, displays the labor force and Figure 8, on page 13, displays the unemployment rate. The labor force had seen a general upward trend over the past decade; however in 2011 a slight decline was seen in four out of five of the MSAs. In 2011, the unemployment rate decreased in the Topeka and Wichita MSAs for first time since 2007, and decreased in the Lawrence MSA for the first time since 2006. The Kansas City MSA experienced a decline for the second consecutive year, while the Manhattan MSA remained unchanged.

Labor Force Statistics

**Table 2
Labor Force by MSA*
Kansas
2001 - 2011**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Statewide	1,408.1	1,424.1	1,445.4	1,462.3	1,465.1	1,468.4	1,472.0	1,480.9	1,507.6	1,504.9	1,505.0
Kansas City**	405.0	408.9	420.7	427.3	432.6	431.8	434.7	434.8	434.4	439.0	441.5
Lawrence	59.3	59.7	61.7	63.1	63.2	62.6	61.6	60.9	62.7	62.7	61.8
Manhattan	51.1	51.5	53.4	55.2	55.9	57.5	62.5	60.9	62.3	64.2	62.3
Topeka	121.5	123.8	124.2	125.1	123.5	119.4	119.2	119.6	122.8	123.5	122.3
Wichita	301.7	305.1	303.0	305.2	307.2	307.5	310.5	313.4	319.9	311.5	307.6
Balance of State	469.5	475.1	482.5	486.3	482.7	489.6	483.4	491.2	505.5	503.8	509.4

*In thousands

**Kansas City Area includes Kansas portion of Kansas City MSA

NOTE: Numbers may not add due to rounding

Source: Kansas Department of Labor, Labor Market Information Services; U.S. Department of Labor, Bureau of Labor Statistics

Kansas City Area:

The Kansas City Area includes the Kansas portion of the Kansas City MSA. It is composed of Franklin, Johnson, Leavenworth, Linn, Miami and Wyandotte counties. In 2011, the Kansas City Area was the only MSA to expand its labor force, which grew by 0.6 percent. Employment increased by 1.1 percent, while the number of people unemployed decreased by 5.4 percent. Overall, a total of 4,277 individuals gained employment, while unemployment fell by 1,765 individuals. From 2001 to 2011 the Kansas City Area labor force increased 9 percent, while the unemployment rate increased from 4.7 to 7 percent. Overall, the unemployment rate over the past two years fell from 7.8 percent in 2009 to 7.4 percent in 2010 and to 7 percent in 2011.

Lawrence MSA:

Douglas County is the only county in the Lawrence MSA. The labor force contracted by 1.4 percent in 2011. The number of individuals employed decreased by 752 and the number of unemployed decreased by 155 individuals. From 2001 to 2011 the labor force increased 4.3 percent, while the unemployment rate increased from 3.3 to 6 percent. The Lawrence MSA did experience a slight decrease over the past year as the unemployment rate fell from 6.2 percent in 2010 to 6 percent in 2011.

Manhattan MSA:

The Manhattan MSA is comprised of Geary, Pottawatomie and Riley counties. The Manhattan MSA recorded the largest decline in the labor force, contracting by 3 percent. However, it remains the fastest growing area from 2001 to 2011, with a labor force increase of 22 percent. The number of individuals employed fell by 1,767 in 2011, while the number of individuals unemployed decreased by approximately 158. The unemployment rate held at 5.8 percent in 2011, unchanged from the rate in 2010.

Labor Force Statistics

Topeka MSA:

The Topeka MSA consists of Jackson, Jefferson, Osage, Shawnee and Wabaunsee counties. In 2011, the labor force contracted by 1 percent. This labor force has experienced the smallest growth from 2001 to 2011, with a change of only 0.6 percent. Employment declined by 1,034 individuals and unemployment also declined by 234 individuals in 2011. The unemployment rate fell to 7.1 percent in 2011, a minor change from 7.2 in 2010.

Wichita MSA:

The Wichita MSA includes Butler, Harvey, Sedgwick and Sumner counties. The Wichita MSA experienced a decline in the labor force of 1.2 percent, which is approximately 3,888 individuals, making it the only MSA to display a downward trend for the past two years. Employment and unemployment decreased by 1,043 and 2,845 respectively. The Wichita MSA experienced the largest decrease in the unemployment rate as it fell from 8.9 percent in 2010 to 8.1 percent in 2011. However, the unemployment rate continues to be the highest rate among all Kansas MSAs.

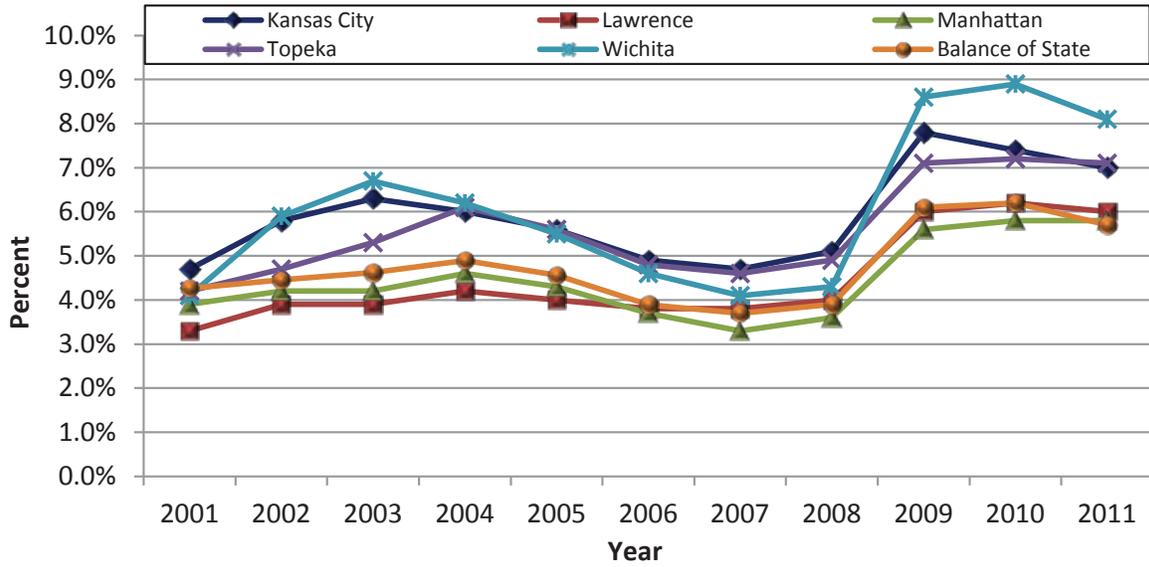
Balance of State:

The Balance of State contains the 86 counties not included in any MSA. In 2011, the labor force for this area increased substantially, adding 5,636 individuals and growing by 1.1 percent since 2010. The number of individuals employed increased by 7,450 and the unemployed decreased by 1,814. From 2001 to 2011, the Balance of State labor force increased 8.5 percent, with the number of employed increasing by 6.8 percent. After experiencing an increase in the unemployment rate during 2010, closing out at 6.2 percent, the rate decreased in 2011 to 5.7 percent.

Of the 86 counties in the Balance of State, 57 experienced growth in the labor force while 29 counties recorded a decrease. Ford County recorded the largest over-the-year growth with a 6 percent increase. Clay County posted the largest over-the-year decline with a 3.5 percent reduction. Pratt County climbed the rankings from number 47 in 2010 with a contraction of 0.3 percent, to number three as it experienced a labor force influx of 5.1 percent in 2011. Increases in trade, transportation and utilities, education and health services and natural resources and mining contributed to Pratt County's outstanding labor force growth.

Labor Force Statistics

Figure 8
Unemployment Rate by MSA
Kansas
2001 - 2011



Source: Kansas Department of Labor, Labor Market Information Services;
 U.S. Department of Labor, Bureau of Labor Statistics

Job Vacancies

2012 Kansas Job Vacancy Survey

The Job Vacancy Survey is conducted by the Kansas Department of Labor during the second quarter of each year. It surveys employers across the state in order to measure recent labor demands by industry and occupation. The most recent survey was conducted in the second quarter of 2012 and the findings from the survey were published in September.

A comparison of the number of unemployed individuals to the number of vacant jobs indicates the tightness of an area's labor market. Moreover, the number of job openings in Kansas that employers are actively trying to fill provides a snapshot of the current demand for workers in the State.

The statewide vacancy rate in the second quarter 2012 was 2.7 percent, which indicates that for every 100 positions in Kansas, 2.7 positions were vacant and 97.3 were filled. There were 36,000 job vacancies in the State, a 17.3 percent increase from 2011.

There were approximately 2.5 job seekers for every opening in Kansas, which is an improvement from last year when there were 3.2 job seekers for every job.¹ According to the Bureau of Labor Statistics, there were 3.5 job seekers for every job opening nationally in June 2012, down from 4.6 job seekers for every job opening in 2011. Since there are more job seekers than there are job vacancies, the labor market remains soft both nationally and in Kansas. However, conditions are improving and the labor market in Kansas is better off than the national average.

The top five occupations in Kansas with the most vacancies are shown in Figure 9 on the next page, along with the average hourly minimum wage offered for each position. The top five most vacant jobs in Kansas accounted for 22.7 percent of all job vacancies in the state.

Combined food preparation and serving workers, including fast food, were the most vacant positions in Kansas with 3,025 job vacancies in the second quarter of 2012. Waiters and waitresses being the second most vacant job also increased the demand in food service workers. Although some demand can be attributed to seasonal factors such as travel, increases in food services are also being recognized annually. As the economy continues to recover and more people choose to eat outside of the home, the annual growth will continue in this industry.

¹ This was calculated by dividing the number of job vacancies by the average unemployment for the second quarter 2012 as computed from the Local Area Unemployment Statistics (LAUS) program.

Job Vacancies

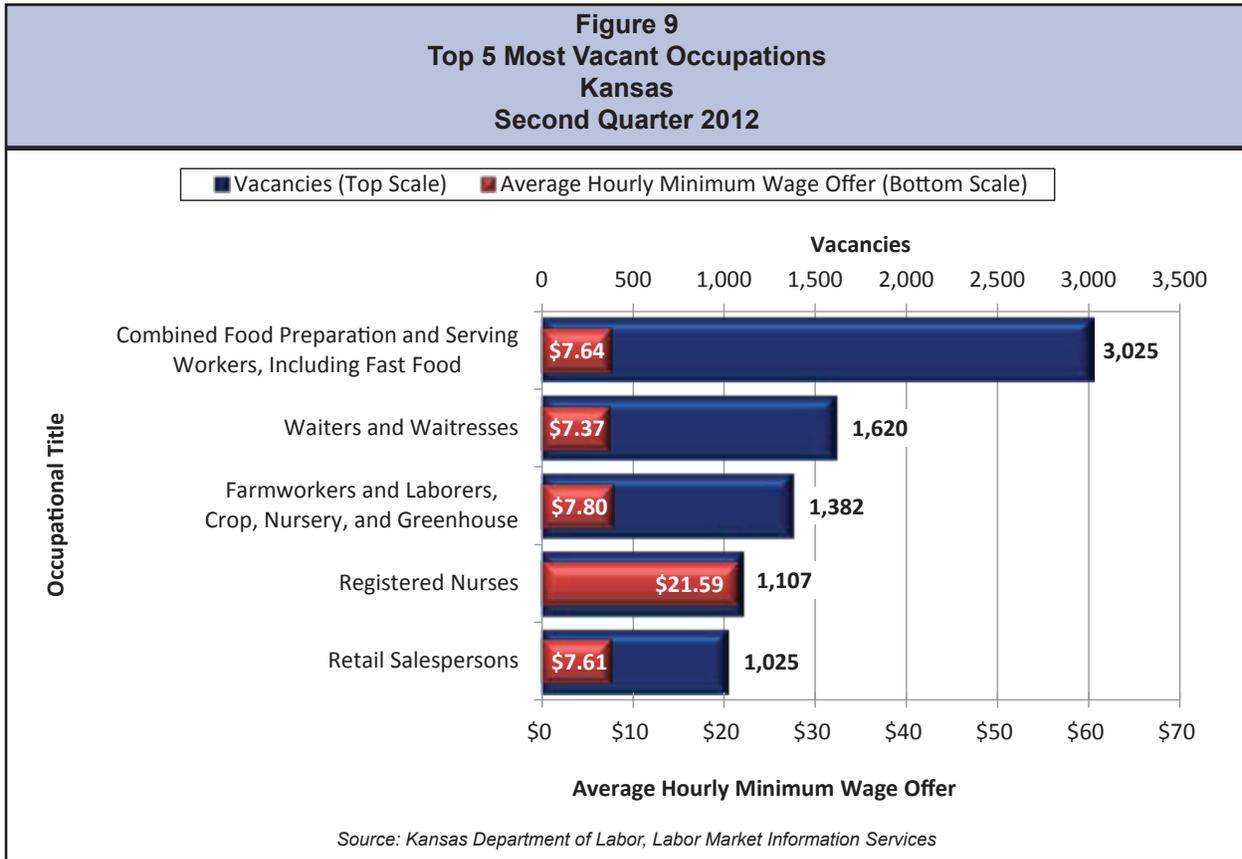
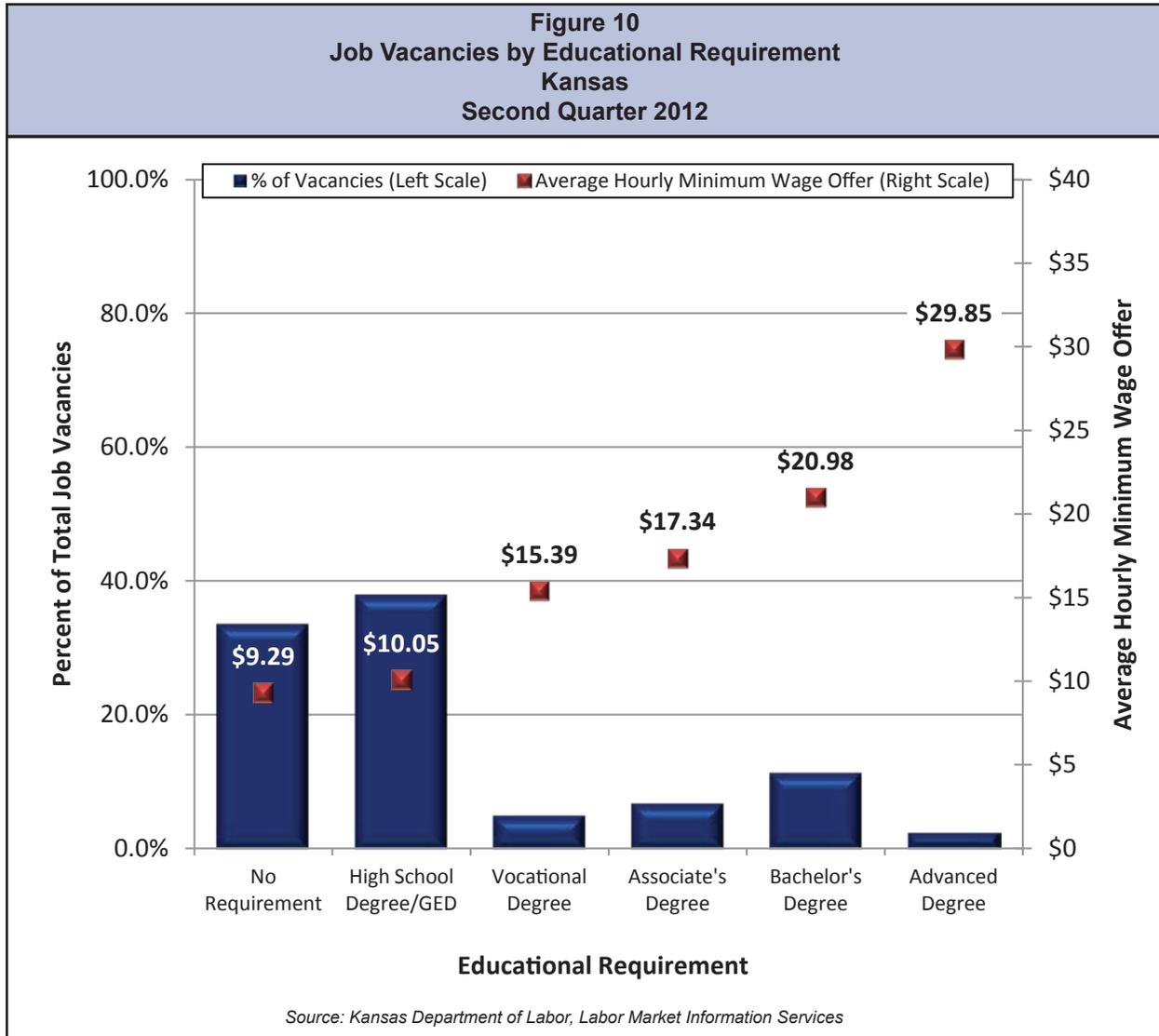


Figure 10 on the next page reveals that the average hourly minimum wage offered by employers increases with the educational requirements of the position. Openings requiring an advanced degree, such as a master's or doctorate degree, were offered the highest average minimum wage at \$29.85 per hour. However, the average minimum wage decreased from 2011 for each educational group with the exception of those requiring vocational training. This may indicate a shortage of workers for occupations in that group. The majority of job vacancies (71.4 percent) require either no education or a high school diploma, while only 13.7 percent of job openings require a bachelor's degree or higher.

Job Vacancies



Help Wanted Online (HWOL)

The Help Wanted Online Data Series™ (HWOL) is a database produced by the Conference Board that contains unique, online job advertisements from more than 1,200 online job boards and newspaper websites, and is updated on a monthly basis for the U.S., regions, states and metropolitan areas. HWOL provides both non-seasonal and seasonally adjusted data. Duplicate advertisements, ads on corporate websites and ads that appear in written form only, e.g. newspapers, magazines, etc are not included in HWOL data. Unlike the Job Vacancy Survey, HWOL provides continuous real-time data on the labor demand. However, the Job Vacancy Survey is more likely to capture openings from smaller businesses and businesses in rural areas since they are less likely to advertise openings on the Internet.

Job Vacancies

Figure 11 shows the number of online job openings in Kansas on a monthly basis from 2008 through 2012. The number of online job openings declined in December 2008 and continued to remain lower than pre-recession levels in 2009 and 2010. Changing direction in 2011, the number of online job openings increased and generally remained higher than the openings recorded over the previous three years. Throughout the first five months of 2012, minor over-the-year changes were recorded, as each month followed a similar trend experienced in 2011. However, online job openings reached an all-time high of 44,460 in June 2012, an increase of 6,449 openings compared to June 2011. A monthly addition of 4,105 openings was recorded from May 2012 to June 2012. The number of online job openings has increased by 14,969 since January 2012.

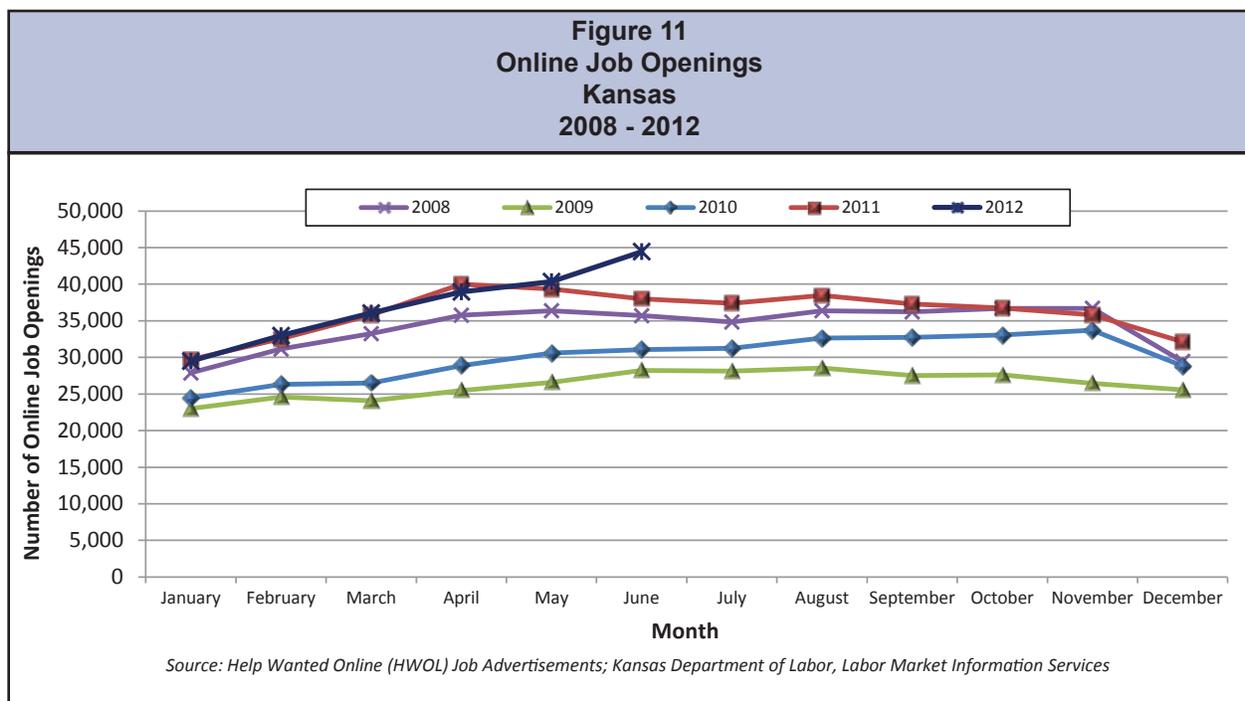


Table 3, on the next page, shows the monthly average of the number of job openings for every major occupational group in 2011 and 2012. In both years, healthcare practitioners and technical occupations recorded the most online job openings. A major contributor to this is that registered nurse positions have the most online job openings of any individual occupation in Kansas, with a monthly average of 1,941 online job openings in 2011 and 1,771 in 2012. Sales and related occupations posted the second most online job openings in both years. The two occupations that led the number of postings in this occupational group were retail salespersons and first-line supervisors of retail sales workers, which had a combined monthly average of 1,762 online job openings in 2011 and 2,039 in 2012. Office and administrative support occupations had the third most online

Job Vacancies

job openings in both years. Online job openings for customer service representatives were the primary driver in this occupational group, recording a monthly average of 867 openings in 2011 and 816 openings in 2012.

Table 3
Average Monthly Online Job Openings by Occupational Group
Kansas
2011 and 2012

Occupational Group	2011	2012*
Healthcare Practitioners and Technical Occupations	6,524	5,919
Sales and Related Occupations	4,802	4,956
Office and Administrative Support Occupations	3,865	3,582
Computer and Mathematical Occupations	3,278	3,516
Management Occupations	3,110	3,247
Transportation and Material Moving Occupations	2,108	2,300
Architecture and Engineering Occupations	1,580	1,728
Business and Financial Operations Occupations	1,705	1,675
Installation, Maintenance, and Repair Occupations	1,488	1,462
Food Preparation and Serving Related Occupations	874	1,409
Healthcare Support Occupations	1,351	1,216
Production Occupations	1,233	1,209
Education, Training, and Library Occupations	833	1,103
Arts, Design, Entertainment, Sports, and Media Occupations	643	770
Construction and Extraction Occupations	564	589
Building and Grounds Cleaning and Maintenance Occupations	437	508
Personal Care and Service Occupations	353	491
Life, Physical, and Social Science Occupations	439	447
Community and Social Services Occupations	393	402
Protective Services Occupations	285	299
Farming, Fishing, and Forestry Occupations	84	111
Legal Occupations	128	96
Military Specific Occupations	31	19

*2012 average is calculated using January - June 2012 data

Source: Help Wanted Online (HWOL) Job Advertisements;

Kansas Department of Labor, Labor Market Information Services

Job Vacancies

Demand for labor appears to be returning, giving reason for optimism as Kansas continues to recover from the recession. As of June 2012, there were 2.1 unemployed persons per online job opening. In comparison, in the month prior to the official start of the most recent recession, November 2008, there were two unemployed persons per online job opening. The number of unemployed persons per online job opening peaked in July 2009, when 4.6 persons were unemployed per online job opening. These numbers indicate continuing improvements.

While there are more job openings in the state of Kansas, the geographic distribution of those openings are not very even. In June 2012, 62.9 percent of online job openings in Kansas were either in the Kansas City area or the Wichita MSA while only 19.6 percent of online job openings are in a county not located in an MSA. In fact, there were two unemployed persons per online job opening in the MSAs while there were 3.5 unemployed persons per online job openings in the Balance of State. This shows that there are currently more job opportunities in the MSAs posted online.

There also appears to be a mismatch between the skills unemployed persons possess and the skills required to fill the most vacant occupations. In 2012, 39 percent of initial claims filed by Kansas residents were by people who worked in either the manufacturing or construction industry. However, production occupations and construction and extraction occupations, the primary occupational groups for those two industries, only ranked 12th and 15th respectively in the number of average monthly openings in the same time span. Also the fact that healthcare practitioners and technical occupations are consistently higher than other groups, shows a high demand for these positions and a low supply of people qualified to fill those positions.

In-Demand Jobs

The 2012 in-demand jobs report is a list of the occupations in Kansas that are in greatest demand by employers. The list is provided to assist students, educators, administrators and others in making informed decisions regarding career paths in Kansas. It combines occupational projection data with education, training and wage information to give a complete picture of each occupation. A full list of the 421 occupations with the highest demand is available on the Kansas Department of Labor website.

The list is compiled by measuring the number of actual and projected job openings in each occupation. These openings can be the result of growth or replacement. Openings resulting from growth occur when an industry expands requiring more workers to provide additional staffing, while openings from replacement occur when a worker decides to leave an occupation and move to another occupation or decides to stop working.

Each occupation receives a score based on the current number of openings, which is determined by the Job Vacancy Survey (JVS), the projected number of openings in two years as indicated in the Short-Term Projections (ST) and the projected number of openings in 10 years, which are calculated by the Long-Term Projections (LT). Each of these scores are added together to get a total score. A cumulative score of 30 indicates the highest demand occupations, while a score of zero shows an average demand relative to all occupations.

Table 4, on page 21, displays the top 25 in-demand occupations. These can be in any educational, work experience or job training classification. The top eight occupations all received the maximum score of 30 when combining JVS, ST and LT scores. These occupations currently have the most openings and are projected to have the most openings in both 2013 and 2020.

Nearly all of the occupations in Table 4 require only a high school diploma or less, as noted in the education column. This means there are very low or no barriers of entry into these occupations. Occupations with a barrier to entry are jobs that require a higher level of education, work experience or training. Since people without the specific qualification cannot enter the occupation, the requirement acts as a barrier. Nearly all the occupations in the top 25 list have low or no barriers to entry. Many of the openings in these occupations are the result of people leaving to another occupation and not the result of industry growth. Furthermore, many of the occupations with the highest replacement rate are those that require only a high school education or less and little or no training.

In-Demand Jobs

**Table 4
Top 25 In-Demand Jobs (All occupations)
Kansas**

Rank	Occupation Title ¹	JVS Score (2012) ²	ST Score (2013) ³	LT Score (2020) ⁴	Total Score ⁵	Average Annual Wage ⁶	Education	Work Experience	Job Training
1	Registered Nurses*	10	10	10	30	\$58,750	Associate degree	None	None
2	Truck Drivers, Heavy and Tractor-Trailer	10	10	10	30	\$39,040	High school diploma or equivalent	1 to 5 years	Short-term on-the-job training
3	Customer Service Representatives	10	10	10	30	\$30,810	High school diploma or equivalent	None	Short-term on-the-job training
4	Retail Salespersons	10	10	10	30	\$24,040	Less than high school	None	Short-term on-the-job training
5	Nursing Aides, Orderlies, and Attendants*	10	10	10	30	\$23,030	Postsecondary non-degree award	None	None
6	Waiters and Waitresses	10	10	10	30	\$18,950	Less than high school	None	Short-term on-the-job training
7	Cashiers	10	10	10	30	\$18,500	Less than high school	None	Short-term on-the-job training
8	Combined Food Preparation and Serving Workers, Including Fast Food	10	10	10	30	\$17,910	Less than high school	None	Short-term on-the-job training
9	First-Line Supervisors/Managers of Retail Sales Workers	10	10	9	29	\$37,280	High school diploma or equivalent	1 to 5 years	None
10	Stock Clerks and Order Fillers	10	10	9	29	\$22,630	Less than high school	None	Short-term on-the-job training
11	Office Clerks, General	8	10	10	28	\$26,500	High school diploma or equivalent	None	Short-term on-the-job training
12	Landscaping and Groundskeeping Workers	8	10	9	27	\$24,410	Less than high school	None	Short-term on-the-job training
13	Receptionists and Information Clerks	8	10	9	27	\$24,230	High school diploma or equivalent	None	Short-term on-the-job training
14	Food Preparation Workers	8	10	9	27	\$18,650	Less than high school	None	Short-term on-the-job training
15	Laborers and Freight, Stock, and Material Movers, Hand	7	10	10	27	\$25,440	Less than high school	None	Short-term on-the-job training
16	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	7	10	10	27	\$22,540	Less than high school	None	Short-term on-the-job training
17	Teacher Assistants	7	10	10	27	\$22,050	High school diploma or equivalent	None	Short-term on-the-job training
18	First-Line Supervisors/Managers of Office and Administrative Support Workers	7	10	9	26	\$46,540	High school diploma or equivalent	1 to 5 years	None
19	Bookkeeping, Accounting, and Auditing Clerks	7	10	9	26	\$32,260	High school diploma or equivalent	None	Moderate-term on-the-job training
20	Home Health Aides	6	10	10	26	\$21,000	Less than high school	None	Short-term on-the-job training
21	Welders, Cutters, Solderers, and Brazers	10	8	7	25	\$34,650	High school diploma or equivalent	Less than 1 year	Moderate-term on-the-job training
22	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	10	8	7	25	\$20,750	Less than high school	None	Short-term on-the-job training
23	Sales Representatives, Services, All Other	8	9	8	25	\$58,870	High school diploma or equivalent	None	Short-term on-the-job training
24	Cooks, Restaurant	8	9	8	25	\$20,440	Less than high school	Less than 1 year	Moderate-term on-the-job training
25	Maids and Housekeeping Cleaners	8	9	8	25	\$18,420	Less than high school	None	Short-term on-the-job training

Note: Education/training and work experience classifications can be found at http://www.bls.gov/emp/ep_definitions_edtrain.pdf

* Indicates a hybrid Standard Occupational Classification. These may not match the 2010 Standard Occupational Classification

¹ Occupational title is based on the 2010 Standard Occupational Classification <http://www.bls.gov/SOC/>

² Score is based on the 2012 Edition of the Job Vacancy Survey

³ Score is based on the number of openings projected in the 2011-2013 round of short-term projections

⁴ Score is based on the number of openings projected in the 2010-2020 round of long-term projections

⁵ Total score is the sum of the JVS, ST and LT scores

⁶ Average Annual Wage data is from the 2012 Edition of the Kansas Wage Survey

Source: Kansas Department of Labor, Labor Market Information Services

In-Demand Jobs

Table 5, on page 23, highlights the top 25 in-demand occupations that require one of the following: post secondary education, 12 months of on the job training, internship, apprenticeship or at least 12 months of work experience. Included in this table are the educational or training paths that lead to these occupations.

One interesting observation is the number of manager/supervisory positions on the list. Six of the top 25 occupations in Table 5 fall into this category. These are occupations such as first-line supervisors and general and operations managers. Nearly all of these occupations require work experience, in most cases 1 to 5 years, and are also known to pay higher wages. Four out of six pay an average annual wage higher than the statewide all occupation average of \$40,027.

The average wage of the 25 occupations on Table 5 is \$47,314, compared to the average wage of \$28,308 for the occupations on Table 4. This means that the occupations shown in Table 5 that require higher levels of education or training earn on average 67.1 percent more than the occupations on Table 4, which require less education and training. These results correspond with the results from the 2012 Job Vacancy Survey in the previous section and with the worklife earnings by educational attainment discussed in the following section.

Table 6, on page 24, shows the 25 highest in-demand occupations that require a bachelor's degree or higher. All but one of these occupations (Pharmacists) requires a minimum of a bachelor's degree. There are no occupations in the top 25 that require a master's degree.

Interestingly, five of the occupations on this list are teaching occupations. This reflects a faster rate of growth and replacement projected in the educational services industry. Nearly all of the teaching occupations on the list are projected to have more openings in the long term, 10 years from now, than two years from now. This projected result takes into consideration state and local government budget reductions in the coming years.

Another noteworthy point is the lack of work experience and on the job training required in these occupations. In higher education categories, work experience and job training is not as important to employers as it is in the occupations requiring less education.

In-Demand Jobs

Table 5
Top 25 In-Demand Jobs (Requiring postsecondary education,
12 months of training or 12 months work experience)
Kansas

Rank	Occupation Title ¹	JVS Score (2012) ²	ST Score (2013) ³	LT Score (2020) ⁴	Total Score ⁵	Average Annual Wage ⁶	Education	Work Experience	Job Training
1	Registered Nurses*	10	10	10	30	\$58,750	Associate degree	None	None
2	Truck Drivers, Heavy and Tractor-Trailer	10	10	10	30	\$39,040	High school diploma or equivalent	1 to 5 years	Short-term on-the-job training
3	Nursing Aides, Orderlies, and Attendants*	10	10	10	30	\$23,030	Postsecondary non-degree award	None	None
4	First-Line Supervisors/Managers of Retail Sales Workers	10	10	9	29	\$37,280	High school diploma or equivalent	1 to 5 years	None
5	First-Line Supervisors/Managers of Office and Administrative Support Workers	7	10	9	26	\$46,540	High school diploma or equivalent	1 to 5 years	None
6	Secondary School Teachers, Except Special and Vocational Education	7	9	9	25	\$45,660	Bachelor's degree	None	Internship/residency
7	Accountants and Auditors	6	10	9	25	\$61,030	Bachelor's degree	None	None
8	Automotive Service Technicians and Mechanics	8	8	8	24	\$36,920	High school diploma or equivalent	None	Long-term on-the-job training
9	First-Line Supervisors/Managers of Food Preparation and Serving Workers	7	9	8	24	\$27,620	High school diploma or equivalent	1 to 5 years	None
10	Carpenters	8	7	8	23	\$40,170	High school diploma or equivalent	None	Apprenticeship
11	Licensed Practical and Licensed Vocational Nurses	7	8	8	23	\$37,520	Postsecondary non-degree award	None	None
12	Electricians	8	7	7	22	\$47,180	High school diploma or equivalent	None	Apprenticeship
13	Coaches and Scouts	7	7	8	22	\$26,120	High school diploma or equivalent	None	Long-term on-the-job training
14	General and Operations Managers	5	9	8	22	\$97,820	Associate degree	1 to 5 years	None
15	Recreation Workers	10	5	6	21	\$22,710	Bachelor's degree	None	None
16	Computer Support Specialists*	5	8	8	21	\$44,000	Some college, no degree	None	Moderate-term on-the-job training
17	Executive Secretaries and Administrative Assistants	5	8	8	21	\$41,710	High school diploma or equivalent	1 to 5 years	None
18	Industrial Machinery Mechanics	7	7	6	20	\$42,720	High school diploma or equivalent	None	Long-term on-the-job training
19	First-Line Supervisors/Managers of Mechanics, Installers, and Repairers	6	7	7	20	\$57,430	High school diploma or equivalent	1 to 5 years	None
20	Middle School Teachers, Except Special and Vocational Education	6	6	8	20	\$46,050	Bachelor's degree	None	Internship/residency
21	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	5	8	7	20	\$81,310	Bachelor's degree	None	Moderate-term on-the-job training
22	First-Line Supervisors/Managers of Construction Trades and Extraction Workers	5	7	8	20	\$58,210	High school diploma or equivalent	More than 5 years	None
23	Computer Systems Analysts	5	7	7	19	\$76,370	Bachelor's degree	None	None
24	Elementary School Teachers, Except Special Education	8	0	10	18	\$44,240	Bachelor's degree	None	Internship/residency
25	Heating, Air Conditioning, and Refrigeration Mechanics and Installers	8	4	6	18	\$43,430	Postsecondary non-degree award	None	Long-term on-the-job training

Note: List only includes occupations requiring more than a high school diploma, at least 12 months of work experience, long-term on the job training, apprenticeship or internship

Note: Education/training and work experience classifications can be found at http://www.bls.gov/emp/ep_definitions_edtrain.pdf

* Indicates a hybrid Standard Occupational Classification. These may not match the 2010 Standard Occupational Classification

¹ Occupational title is based on the 2010 Standard Occupational Classification <http://www.bls.gov/SOC/>

² Score is based on the 2012 Edition of the Job Vacancy Survey

³ Score is based on the number of openings projected in the 2011-2013 round of short-term projections

⁴ Score is based on the number of openings projected in the 2010-2020 round of long-term projections

⁵ Total score is the sum of the JVS, ST and LT scores

⁶ Average Annual Wage data is from the 2012 Edition of the Kansas Wage Survey

Source: Kansas Department of Labor, Labor Market Information Services

In-Demand Jobs

**Table 6
Top 25 In-Demand Jobs
(Bachelor's degree or higher education)
Kansas**

Rank	Occupation Title ¹	JVS Score (2012) ²	ST Score (2013) ³	LT Score (2020) ⁴	Total Score ⁵	Average Annual Wage ⁶	Education	Work Experience	Job Training
1	Secondary School Teachers, Except Special and Vocational Education	7	9	9	25	\$45,660	Bachelor's degree	None	Internship/residency
2	Accountants and Auditors	6	10	9	25	\$61,030	Bachelor's degree	None	None
3	Recreation Workers	10	5	6	21	\$22,710	Bachelor's degree	None	None
4	Middle School Teachers, Except Special and Vocational Education	6	6	8	20	\$46,050	Bachelor's degree	None	Internship/residency
5	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	5	8	7	20	\$81,310	Bachelor's degree	None	Moderate-term on-the-job training
6	Computer Systems Analysts	5	7	7	19	\$76,370	Bachelor's degree	None	None
7	Elementary School Teachers, Except Special Education	8	0	10	18	\$44,240	Bachelor's degree	None	Internship/residency
8	Network and Computer Systems Administrators	5	6	7	18	\$64,440	Bachelor's degree	None	None
9	Chief Executives	4	7	7	18	\$159,360	Bachelor's degree	More than 5 years	None
10	Human Resources, Training, and Labor Relations Specialists, All Other*	4	7	6	17	\$55,430	Bachelor's degree	None	None
11	Training and Development Specialists	6	5	5	16	\$51,310	Bachelor's degree	None	None
12	Financial Managers	4	6	6	16	\$105,300	Bachelor's degree	More than 5 years	None
13	Computer Programmers	4	6	6	16	\$66,590	Bachelor's degree	None	None
14	Public Relations Specialists	4	6	6	16	\$53,060	Bachelor's degree	None	Moderate-term on-the-job training
15	Teachers and Instructors, All Other*	0	7	9	16	\$29,090	Bachelor's degree	None	None
16	Mechanical Engineers	4	6	5	15	\$73,480	Bachelor's degree	None	None
17	Special Education Teachers, Preschool, Kindergarten, and Elementary School*	4	5	6	15	\$47,660	Bachelor's degree	None	Internship/residency
18	Pharmacists	3	6	6	15	\$109,250	Doctoral or professional degree	None	None
19	Market Research Analysts and Marketing Specialists	0	8	7	15	\$55,370	Bachelor's degree	None	None
20	Software Developers, Applications	5	4	5	14	\$88,840	Bachelor's degree	None	None
21	Electrical Engineers	5	4	5	14	\$80,770	Bachelor's degree	None	None
22	Management Analysts	0	7	7	14	\$78,830	Bachelor's degree	1 to 5 years	None
23	Industrial Production Managers	6	3	4	13	\$78,230	Bachelor's degree	1 to 5 years	None
24	Community and Social Service Specialists, All Other*	6	3	4	13	\$32,520	Bachelor's degree	None	None
25	Industrial Engineers	5	4	4	13	\$75,200	Bachelor's degree	None	None

Note: List only includes occupations with education of a Bachelor's degree or more

Note: Education/training and work experience classifications can be found at http://www.bls.gov/emp/ep_definitions_edtrain.pdf

* Indicates a hybrid Standard Occupational Classification. These may not match the 2010 Standard Occupational Classification

¹ Occupational title is based on the 2010 Standard Occupational Classification <http://www.bls.gov/SOC/>

² Score is based on the 2012 Edition of the Job Vacancy Survey

³ Score is based on the number of openings projected in the 2011-2013 round of short-term projections

⁴ Score is based on the number of openings projected in the 2010-2020 round of long-term projections

⁵ Total score is the sum of the JVS, ST and LT scores

⁶ Average Annual Wage data is from the 2012 Edition of the Kansas Wage Survey

Source: Kansas Department of Labor, Labor Market Information Services

In-Demand Jobs

Table 7, on page 26, includes in-demand occupations that require postsecondary training (technical training) or an associate degree. Students often attend community colleges or technical schools to prepare for these occupations. One exception is the group of occupations involved in construction, which include carpenters, electricians, plumbers and sheet metal workers. These occupations require apprenticeship training.

Of the 25 occupations listed on Table 7, 12 of them require the completion of post secondary training. These programs lead to an award or certificate, but not a degree. Programs vary in length from a few weeks to two years.

Interestingly, three of the top five occupations in this list are in the healthcare industry. These are registered nurses, nursing aides and licensed practical and vocational nurses. This industry is currently experiencing and will continue to experience rapid growth. This can mainly be attributed to the aging demographic in Kansas and the U.S.

Looking at the total list of 421 in-demand occupations, 58.2 percent of the occupations require a high school diploma or less. As mentioned previously, many of these occupations show up on the list because of replacement and fewer openings are caused by industry growth. However, there are many occupations that make the list because they are in an industry that is projected to experience rapid growth. Good examples of these are nursing aides, orderlies and attendants and home health aides. These occupations have very low replacement rates and continue to show up as high demand occupations due to the growth in the healthcare industry.

In-Demand Jobs

**Table 7
Top 25 In-Demand Jobs
(Technical Training or Associate's degree)
Kansas**

Rank	Occupation Title ¹	JVS Score (2012) ²	ST Score (2013) ³	LT Score (2020) ⁴	Total Score ⁵	Average Annual Wage ⁶	Education	Work Experience	Job Training
1	Registered Nurses*	10	10	10	30	\$58,750	Associate degree	None	None
2	Nursing Aides, Orderlies, and Attendants*	10	10	10	30	\$23,030	Postsecondary non-degree award	None	None
3	Carpenters	8	7	8	23	\$40,170	High school diploma or equivalent	None	Apprenticeship
4	Licensed Practical and Licensed Vocational Nurses	7	8	8	23	\$37,520	Postsecondary non-degree award	None	None
5	Electricians	8	7	7	22	\$47,180	High school diploma or equivalent	None	Apprenticeship
6	General and Operations Managers	5	9	8	22	\$97,820	Associate degree	1 to 5 years	None
7	Heating, Air Conditioning, and Refrigeration Mechanics and Installers	8	4	6	18	\$43,430	Postsecondary non-degree award	None	Long-term on-the-job training
8	First-Line Supervisors/Managers of Production and Operating Workers	5	6	6	17	\$53,910	Postsecondary non-degree award	1 to 5 years	None
9	Hairdressers, Hairstylists, and Cosmetologists	3	7	7	17	\$24,090	Postsecondary non-degree award	None	None
10	Plumbers, Pipefitters, and Steamfitters	2	7	7	16	\$48,550	High school diploma or equivalent	None	Apprenticeship
11	Dental Assistants	3	5	6	14	\$31,560	Postsecondary non-degree award	None	None
12	Emergency Medical Technicians and Paramedics	3	5	6	14	\$26,260	Postsecondary non-degree award	None	None
13	Medical Records and Health Information Technicians	4	4	5	13	\$32,740	Postsecondary non-degree award	None	None
14	Firefighters	0	6	6	12	\$39,750	Postsecondary non-degree award	None	Long-term on-the-job training
15	Medical and Clinical Laboratory Technicians	4	2	4	10	\$34,410	Associate degree	None	None
16	Aircraft Mechanics and Service Technicians	0	5	5	10	\$54,670	Postsecondary non-degree award	None	None
17	Sheet Metal Workers	0	5	5	10	\$41,110	High school diploma or equivalent	None	Apprenticeship
18	Dental Hygienists	0	4	5	9	\$62,670	Associate degree	None	None
19	Radiologic Technologists and Technicians*	0	4	5	9	\$49,240	Associate degree	None	None
20	Preschool Teachers, Except Special Education	0	4	5	9	\$28,340	Associate degree	None	None
21	Psychiatric Technicians	8	0	0	8	\$27,700	Postsecondary non-degree award	None	Short-term on-the-job training
22	Civil Engineering Technicians	3	2	3	8	\$49,880	Associate degree	None	None
23	Paralegals and Legal Assistants	0	4	4	8	\$42,240	Associate degree	None	None
24	Respiratory Therapists	0	3	4	7	\$49,340	Associate degree	None	None
25	Library Technicians	0	3	4	7	\$26,220	Postsecondary non-degree award	None	None

Note: List only includes occupations with education of an associate degree or postsecondary non degree award or job training of internship or apprenticeship

Note: List is secondarily sorted by JVS scores

Note: Education/training and work experience classifications can be found at http://www.bls.gov/emp/ep_definitions_edtrain.pdf

* Indicates a hybrid Standard Occupational Classification. These may not match the 2010 Standard Occupational Classification

¹ Occupational title is based on the 2010 Standard Occupational Classification <http://www.bls.gov/SOC/>

² Score is based on the 2012 Edition of the Job Vacancy Survey

³ Score is based on the number of openings projected in the 2011-2013 round of short-term projections

⁴ Score is based on the number of openings projected in the 2010-2020 round of long-term projections

⁵ Total score is the sum of the JVS, ST and LT scores

⁶ Average Annual Wage data is from the 2012 Edition of the Kansas Wage Survey

Source: Kansas Department of Labor, Labor Market Information Services

Worklife Earnings

Estimates of the average earnings that U.S. adults accumulate over the course of a “worklife” corroborate findings that suggest employees’ wages are correlated with educational attainment. An individual’s worklife, as defined by the U.S. Census Bureau, is the 40-year period between the ages of 25 and 64. Using methodology set forth by the Bureau of Labor Statistics and the U.S. Census Bureau, mean earnings were separated into four age groups: 25 to 34, 35 to 44, 45 to 54 and 55 to 64. They were also broken into eight educational levels in order to calculate lifetime earnings estimates².

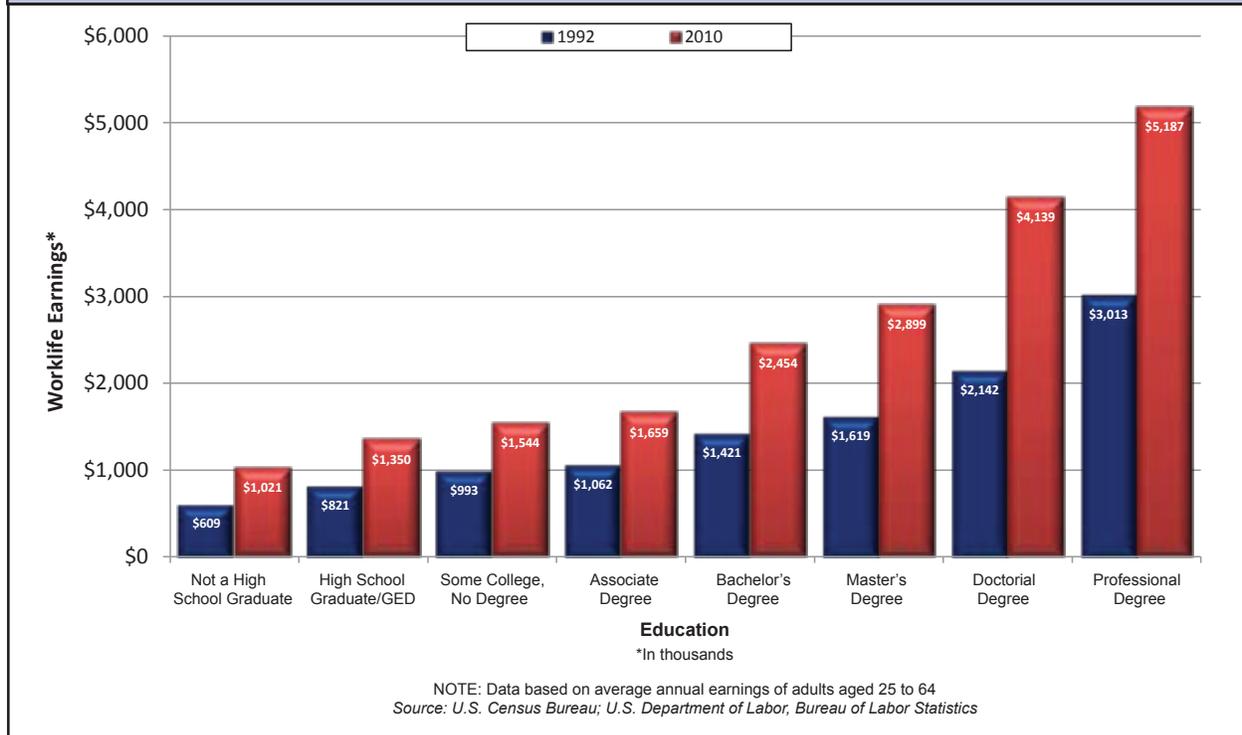
These estimates illustrate the large differences in lifetime earnings among individuals with different educational backgrounds. For example, adults with a professional degree earn approximately \$5.2 million in their lifetime (the highest amount of any educational level) with the amount of lifetime earnings declining as educational attainment decreases. Individuals without a high school diploma earn approximately \$1 million in their lifetime, which is the lowest amount of any educational level.

These estimates make two assumptions. As mentioned earlier, one is that all adults in the U.S. will work for 40 years. That may not be the case for people with advanced degrees since they are in school longer than someone with a less advanced degree. Also, higher earners are more likely to retire before the age of 65. It is also assumed that 2010 earnings levels will remain in effect throughout an individual’s entire worklife. Since the value of the dollar fluctuates constantly, this is not the case. Figure 12, on the following page, shows how lifetime earnings have changed from 1992 levels to 2010 levels. It reveals that the same distribution of earnings among the educational levels exists with workers earning more in their lifetime as they attain more education. The data also shows that the percentage increase in lifetime earnings has been more dramatic among more advanced educational levels. Individuals with less than a bachelor’s degree experienced an increase in lifetime earnings ranging from 55.5 percent to 67.7 percent, while those with a bachelor’s degree or higher saw their lifetime earnings increase by 72.7 percent to as high as 93.2 percent for those with doctoral degrees.

2 The following methodology was used to calculate the average lifetime earnings of U.S. adults and is based on the methodology used by the U.S. Census Bureau. To begin, the average earnings of individuals 25 to 34 years old who did not graduate from high school was multiplied by 10 (the number of years in this age group) and the process repeated for those aged 35-44, 45-54 and 55-64 who also did not graduate from high school. Then, the four 10-year totals were added up, resulting in an estimated lifetime earnings total for those without a high school education. This process was then repeated for the seven remaining educational levels. Note that these estimates are for the U.S. and are not specific to Kansas.

Worklife Earnings

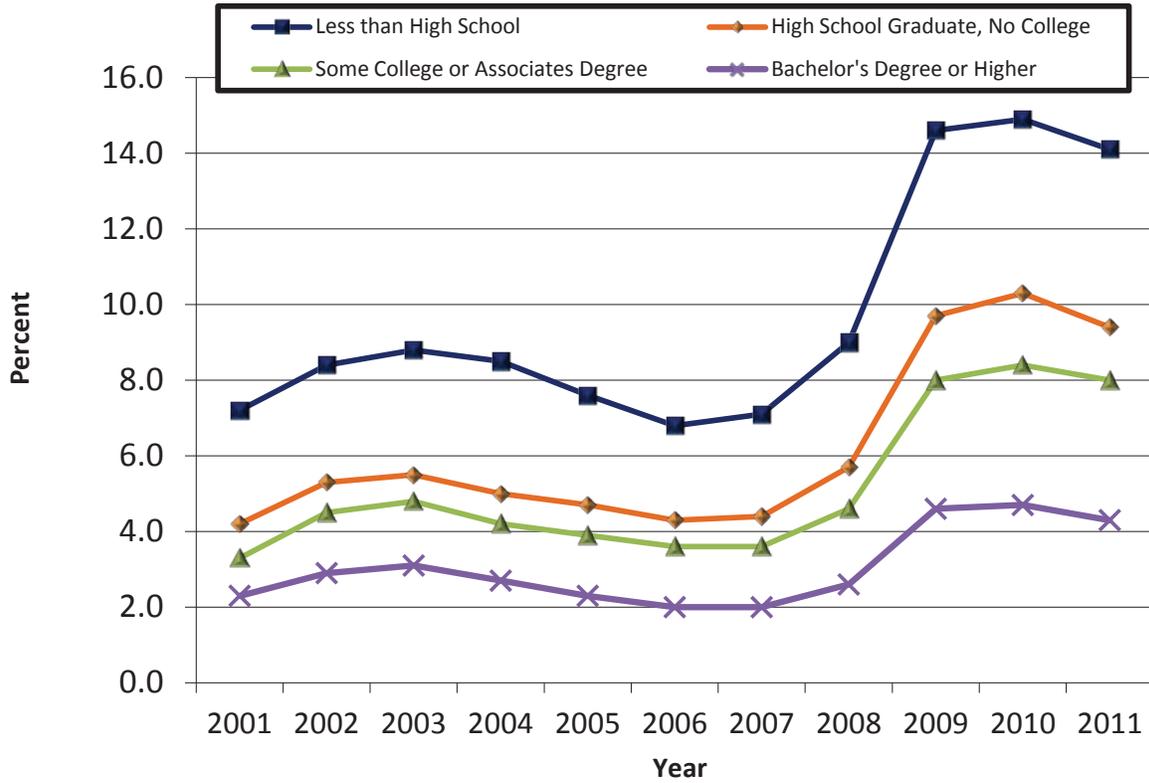
Figure 12
Estimated Worklife Earnings by Education
U.S.
1992 and 2010



Education has a high impact on worklife earnings as well as other factors such as unemployment. In 2011, the national unemployment rate for individuals with less than a high school degree was 14.1 percent, as seen in Figure 13 on the following page, whereas individuals with a bachelor's degree or higher experienced an unemployment rate of only 4.3 percent. Overall, the unemployment rate by educational attainment has demonstrated the same trends as the national unemployment rate, rising from 2006 through 2010, and decreasing again for the first time in 2011. However, when looking at the unemployment rate by each level of education acquired, the rate consistently decreases as education increases.

Worklife Earnings

Figure 13
Unemployment Rates by Educational Attainment
U.S.
2001 - 2011



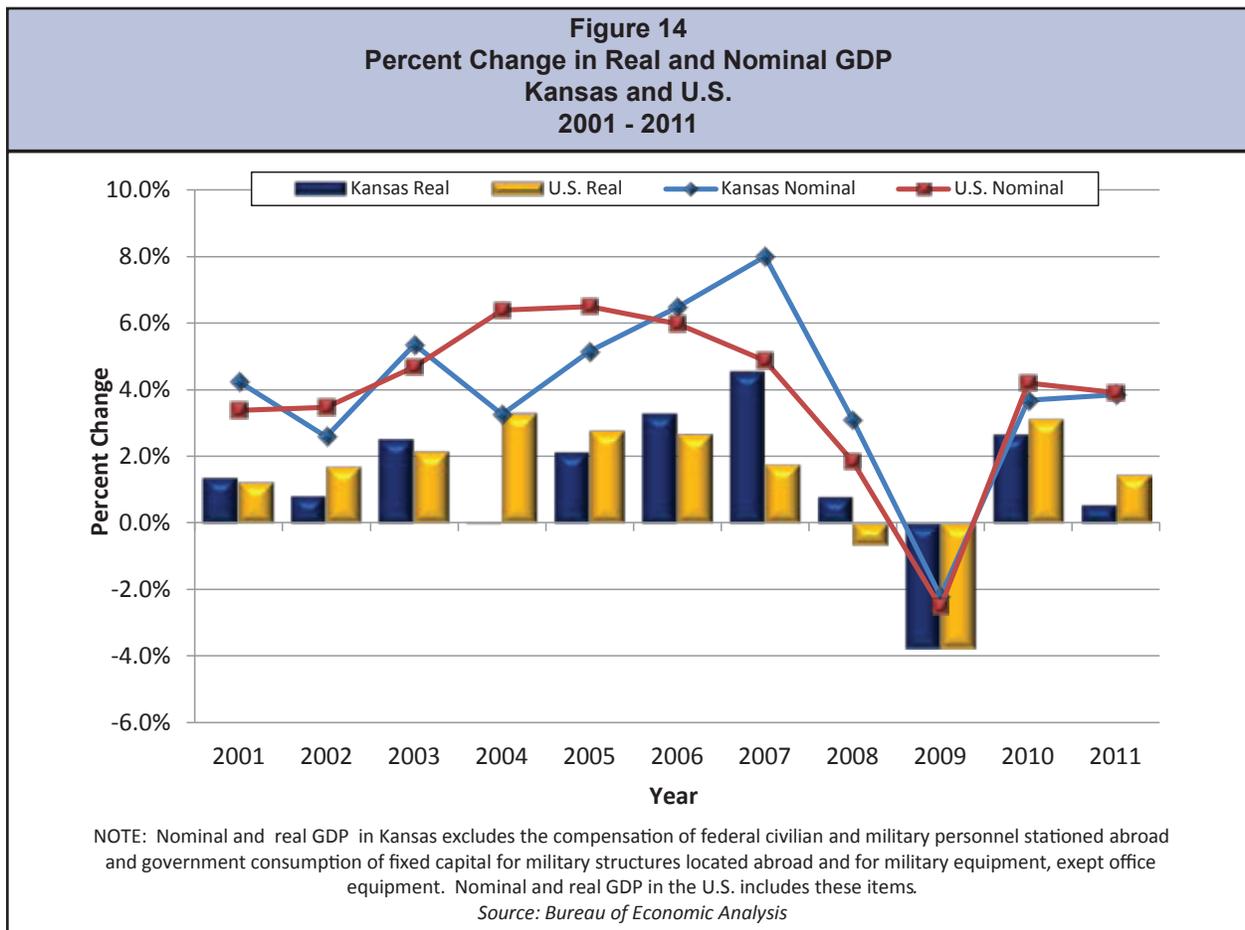
Source: US Department of Labor, Bureau of Labor Statistics

Gross Domestic Product (GDP)

Gross Domestic Product (GDP) is the broadest measure of economic conditions. The growth or decline in GDP in a specific area is commonly used as an indicator of economic health. There are two common measures of GDP, nominal and real. **Nominal GDP** is the measure of an area's output in current dollars, or what the value is in the market right now. **Real GDP** is a measure of an area's output in fixed dollars, or what the value of the output is at a fixed point in time. In this report, real GDP is calculated using 2005 dollars as the base.

According to estimates from the Bureau of Economic Analysis, both the nominal and real GDP in Kansas grew for the second consecutive year in 2011. Kansas' nominal GDP rose to \$130.9 billion, a 3.8 percent increase. This is slightly lower than the 3.9 percent growth rate in the U.S. nominal GDP. Kansas' real GDP increased 0.5 percent reaching \$113.4 billion. The U.S. real GDP recorded a 1.5 percent increase. Kansas ranks 31st among the 50 states in both nominal and real GDP. Figure 14 shows the annual percentage change in nominal and real GDP for both Kansas and the U.S.

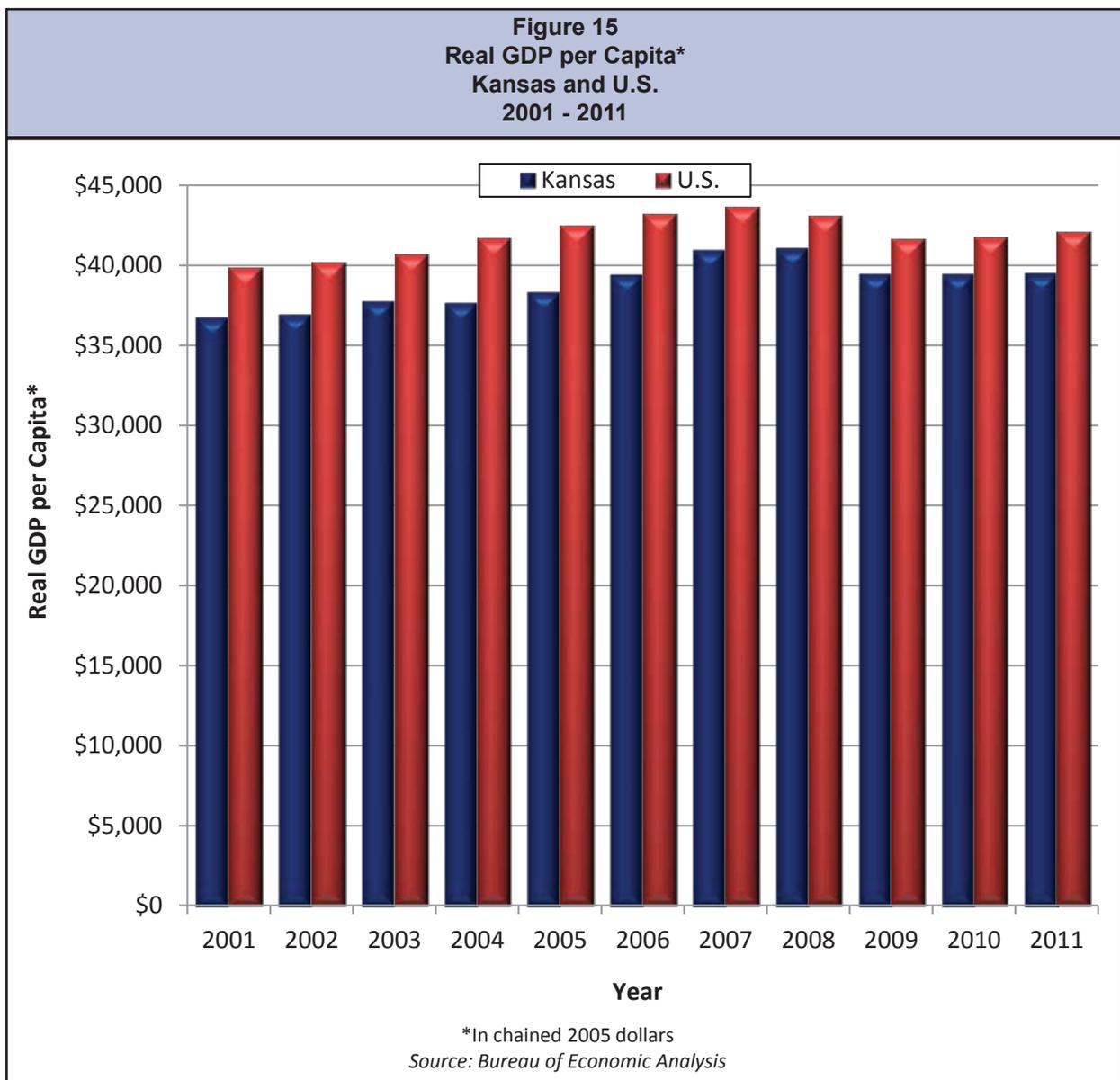
From 2001 to 2011, Kansas' nominal GDP grew by 46.5 percent, mirroring the national growth rate of 46.6 percent. During the same time period, Kansas' real GDP increased by 14.2 percent, which is lower than the national real GDP growth of 15.3 percent.



Gross Domestic Product

Gross Domestic Product (GDP) per Capita

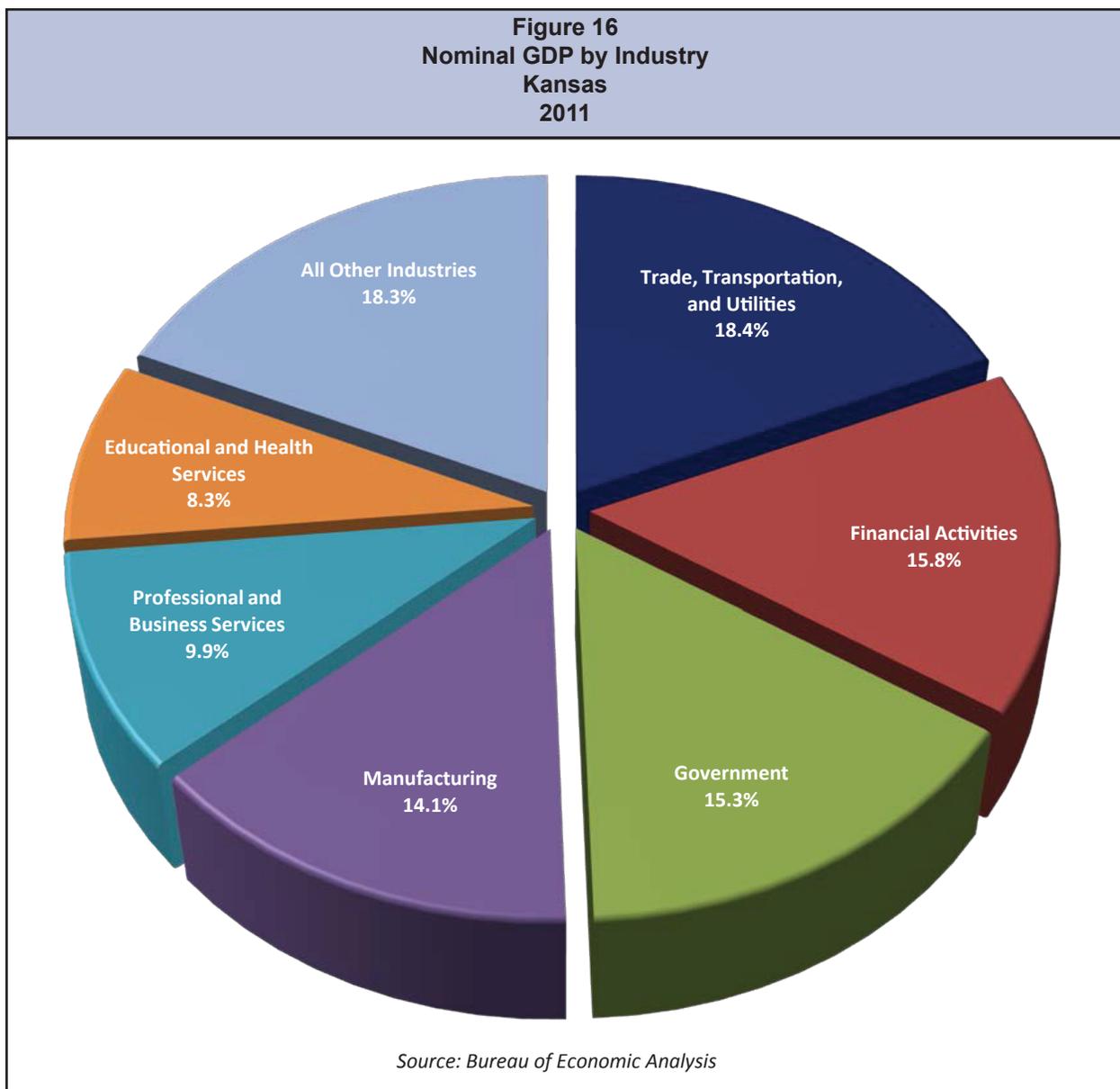
The GDP per capita is a measure of the standard of living for a given area that is calculated by dividing the real or nominal GDP by the population of a given area. An historical look at the real GDP per capita in Kansas and the U.S. is shown in Figure 15. Kansas recorded a real GDP per capita of \$39,484 in 2011. This ranks Kansas 27th out of the 50 states. Over the past two years the real GDP per capita in Kansas has remained essentially unchanged, rising 0.1 percent over that time frame. The U.S. real GDP per capita rose 0.7 percent from 2010 to \$42,070 in 2011. Since 2001, Kansas has experienced a real GDP per capita growth rate of 7.5 percent while the U.S. real GDP per capita increased by 5.5 percent in the same time period.



Gross Domestic Product

Industries Contributing to Gross Domestic Product (GDP)

Several industry sectors contribute to Kansas' nominal GDP. As Figure 16 shows, the trade, transportation and utilities industry was the largest single sector to contribute to Kansas' nominal GDP in 2011, making up 18.4 percent of the total GDP. The contribution to nominal GDP by this sector totaled \$24.1 billion. Additionally, the financial activities sector contributed to 15.8 percent of the total nominal GDP in Kansas, while the government and manufacturing industries added 15.3 and 14.1 percent, respectively. Together, these four industries accounted for 63.6 percent of all nominal GDP in the state. This trend is similar to that of the nation where the same four industries accounted for 61.1 percent of the total national GDP.



Gross Domestic Product

In Kansas, nine of the 11 major industry sectors posted an over-the-year gain in the dollar amount contributed to nominal GDP in 2011, while two recorded a decline, as shown in Table 8. Natural resources and mining recorded the largest over-the-year increase in contributions to GDP, rising 14.8 percent. This industry contributed approximately \$0.9 billion more to Kansas' nominal GDP in 2011 than in 2010. This industry's contribution to the overall Kansas GDP was only the seventh largest at 5.3 percent. The industry includes agriculture, forestry, mining, quarrying and oil and gas extraction. The only industry that had a higher dollar amount increase over-the-year in their contributions to the nominal GDP was the manufacturing industry, which recorded a growth of \$1.1 billion. The trade, transportation and utilities industry had the third highest gain, contributing an additional \$0.8 billion to Kansas' nominal GDP.

The largest decline by percentage in the over-the-year contributions to nominal GDP was recorded by the construction industry. This industry contributed approximately \$100 million less in 2011 than in 2010, a 3.2 percent reduction. The only other industry to experience an over-the-year decline was the information industry, which experienced a 0.4 percent decrease in its contribution to the nominal GDP.

Industry	2010	2011	Percent Change
Natural Resources & Mining	\$6,084	\$6,985	14.8%
Professional & Business Services	\$12,190	\$12,975	6.4%
Manufacturing	\$17,370	\$18,433	6.1%
Leisure & Hospitality	\$3,663	\$3,858	5.3%
Trade, Transportation & Utilities	\$23,291	\$24,136	3.6%
Other Services, Except Government	\$3,250	\$3,340	2.8%
Government	\$19,471	\$20,001	2.7%
Financial Activities	\$20,220	\$20,644	2.1%
Educational & Health Services	\$10,668	\$10,837	1.6%
Information	\$5,806	\$5,780	-0.4%
Construction	\$4,062	\$3,933	-3.2%

*Millions of current dollars

Source: Bureau of Economic Analysis

Personal Income

In 2011, Kansas' total personal income increased by 4.3 percent to approximately \$116.2 billion. Nationally, personal income increased 5.1 percent to nearly \$13 trillion. All components of personal income increased in Kansas, however the primary reason for the growth was due to a rise in work earnings and earnings from dividends, interest and rent. Work earnings increased 4.5 percent while earnings from dividends, interest and rent increased 6.1 percent. A combination of more people working and the payroll tax cuts led to the growth in the work earnings, while improving financial markets led to the rise in earnings from dividends, interest and rent.

***Personal income** is another important measure of economic health or well being. This measure is used to identify the portion of an area's output transferred to individuals. Personal income includes earnings, property income and transfer payments. It is a measure of income that is available for spending and can be used as an indicator of the economic well-being of residents of an area.*

Kansas was ranked 42nd among the 50 states in terms of over-the-year percentage change of personal income. Table 9 compares Kansas' total personal income to total personal income nationwide. Total personal income in Kansas has consistently been lower than personal income nationwide, and has accounted for a steady proportion of the nationwide total. For the past decade, Kansas' total personal income has been equivalent to 0.9 percent of total personal income in the U.S.

	2000	2001	2002	2003	2004	2005
Kansas	\$76,684,081	\$80,150,780	\$80,704,843	\$83,901,163	\$87,176,582	\$90,875,825
U.S.	\$8,554,866,000	\$8,878,830,000	\$9,054,702,000	\$9,369,072,000	\$9,928,790,000	\$10,476,669,000
	2006	2007	2008	2009	2010	2011**
Kansas	\$98,577,190	\$104,846,995	\$113,632,720	\$108,496,458	\$111,441,177	\$116,230,434
U.S.	\$11,256,516,000	\$11,900,562,000	\$12,451,660,000	\$11,916,773,000	\$12,353,577,000	\$12,981,740,848

Note: 2001-2009 Kansas data has been revised using 2010 Census data

* In thousands

** Preliminary

Source: Bureau of Economic Analysis

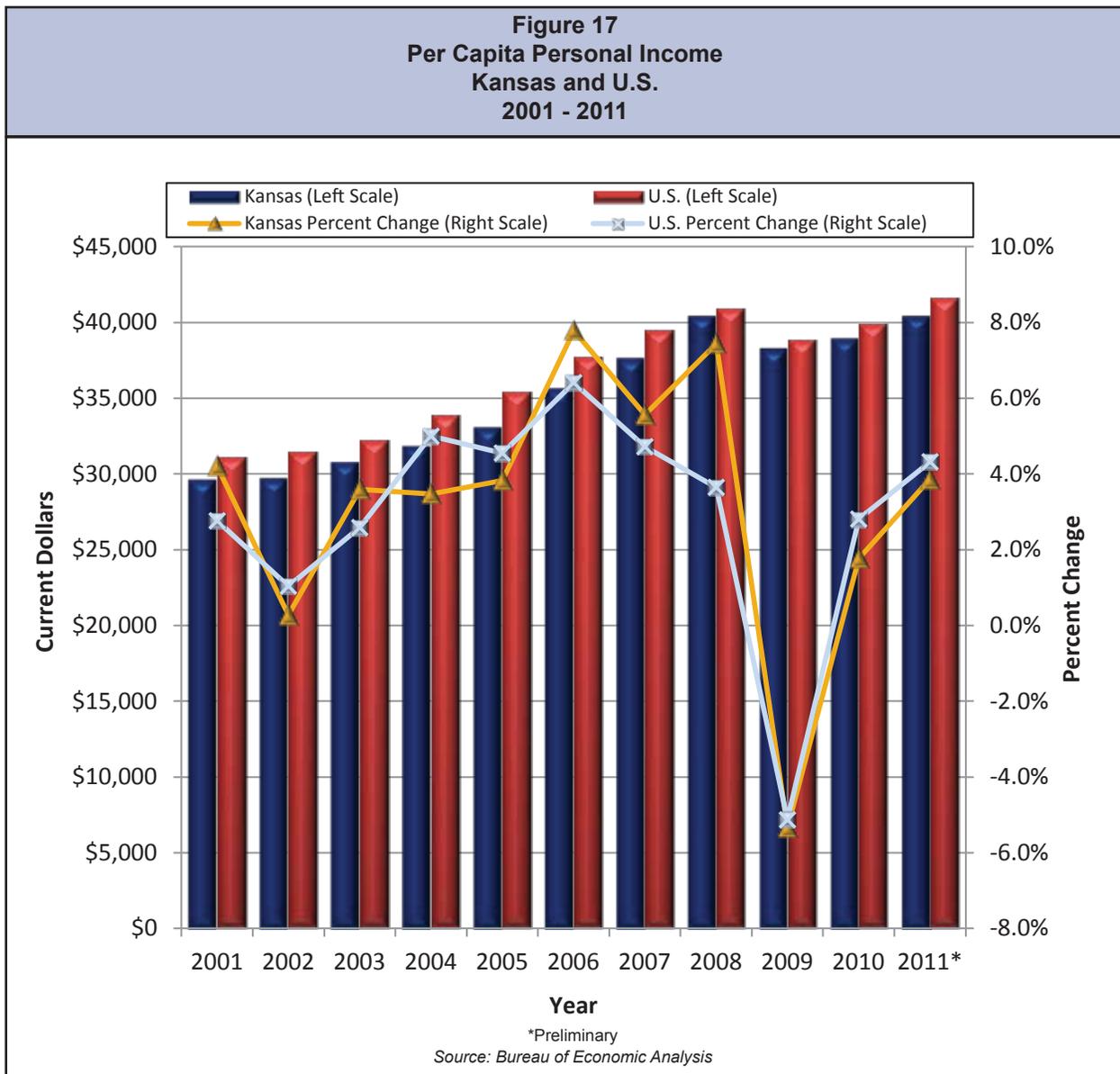
Per Capita Personal Income

Similar to GDP, personal income can be expressed as per capita to show the average share of personal income for each individual in a given area. Per capita personal income is calculated by dividing the total personal income by the population for any given area. As a measure of wealth of the population of a given area, it provides a common measure for evaluating and comparing countries, states or areas.

Personal Income

Figure 17 illustrates the per capita personal income in Kansas and the U.S. in both absolute terms and as a percentage change. In 2011, Kansas recorded a per capita personal income of \$40,481, while the U.S. recorded a per capita personal income of \$41,663. This level ranks Kansas 23rd out of the 50 states in terms of per capita personal income. From 2010 to 2011, Kansas' per capita income increased 3.9 percent, while the nation's per capita personal income increased 4.3 percent.

Kansas' per capita personal income expanded 36.5 percent from 2001 to 2011, while the U.S. per capita personal income increased 33.7 percent during this time. With the exception of 2009, per capita personal income has grown every year during this time span in both Kansas and the U.S.



Global Business

Kansas businesses compete in a global marketplace. Global economic growth contributes to the rising demand for Kansas exports. As the global economy recovers, demand for products and Kansas' competitive advantage will rise. The value of the U.S. dollar declined overall

from 2010 to 2011 compared to other world currencies. This made goods produced in the U.S.

relatively less expensive, thereby potentially increasing the demand for U.S. goods and services.

*Kansas has a strong export business, trading a variety of goods and services that range from food to aerospace products. **Exports** can demonstrate the diversity of an economy and can identify areas where a state may have a competitive advantage in the production of a specific good.*

Kansas export sales increased 17.1 percent, from a reported \$9.9 billion in sales in 2010 to \$11.6 billion in sales to various countries around the world in 2011. Kansas ranks 29th among all states in total exports. This is the seventh time in the past eight years that export sales have increased. In fact, this is the second highest export total ever recorded by Kansas. Exports have increased 155.2 percent since 2003 but are down 7.3 percent from the peak experienced in 2008.

The annual growth was spurred by large export increases in four sectors: agricultural products, followed by products produced by chemical, food and machinery manufacturers. Agricultural products, goods grown on Kansas farms, recorded a sales growth of approximately \$630 million, a 74.8 percent increase. The primary reason for this increase was growth in wheat exports, which make up approximately 63 percent of this sector. Agricultural products are the fourth most exported products from Kansas, recording \$1.5 billion in export sales. Mexico is the leading importer of Kansas agricultural products followed by Nigeria and Israel. Contributing to the increase is the fact that nine countries at least doubled their imports of Kansas agricultural products and 19 countries started importing agricultural products that did not import any in 2010. South Africa, Iraq and Tanzania were the largest importers of the group that began importing agricultural products in 2011.

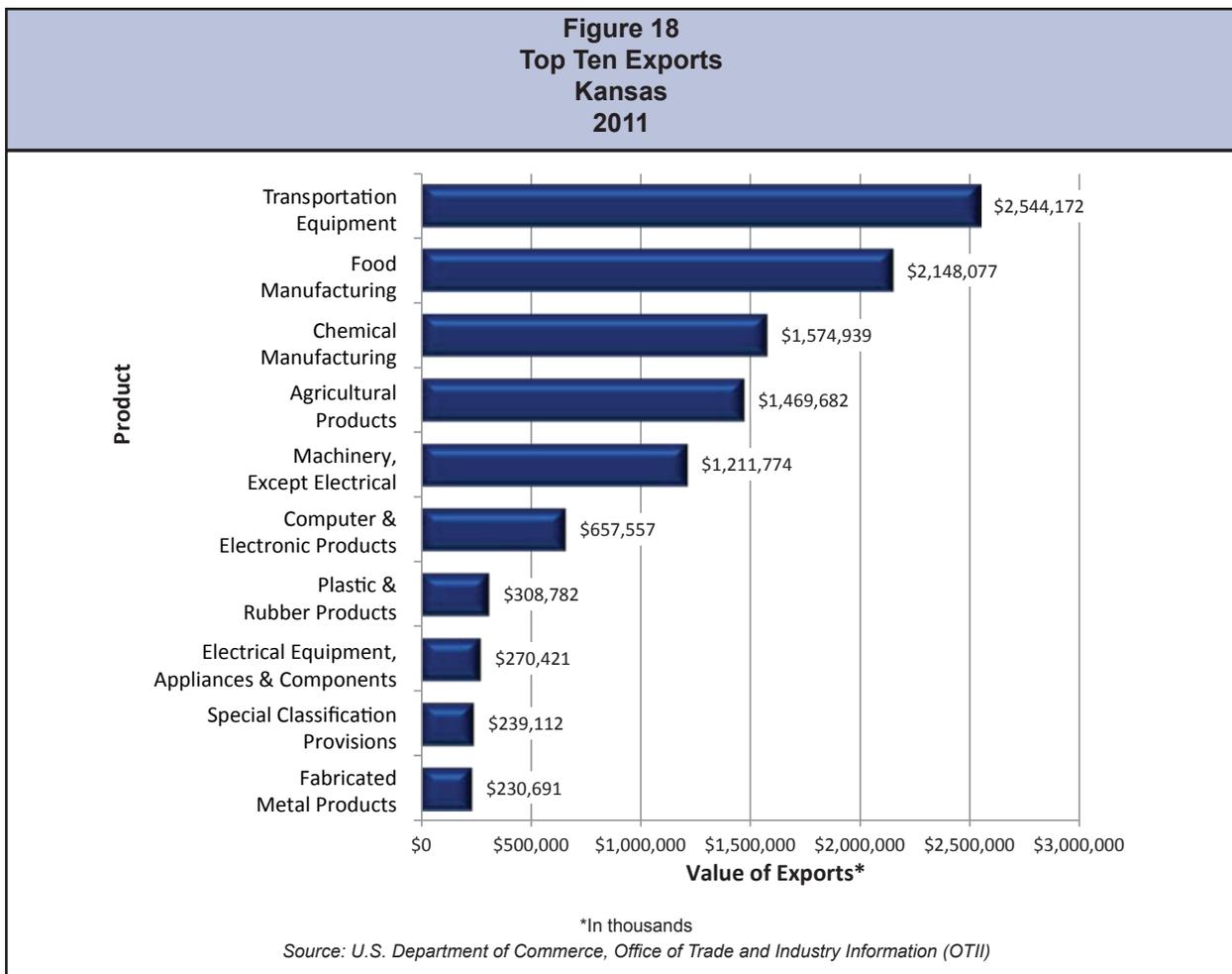
The chemical manufacturing sector includes industries that produce household chemicals, plastics and ethanol. Chemical manufacturing experienced a sales growth of approximately \$350 million, a 28.5 percent increase. A 62.8 percent increase in the export of over-the-counter pharmaceutical products was a large factor in this growth. Products from this industry are the third most exported products from Kansas, generating \$1.6 billion in sales. Ireland is the leading importer of Kansas chemical products, followed by Canada and Mexico.

The food manufacturing sector includes industries that process animal meat, produce animal food and produce processed food for human consumption. Food manufacturing exports grew by approximately \$340 million, a 19 percent increase. Increased exports of fresh and frozen beef contributed to \$190 million of the growth. Products from this industry are the second most exported products from Kansas, with \$2.1 billion in sales. Japan is the leading importer of food manufacturing products, followed by Mexico and Canada.

Global Business

The machinery manufacturing sector includes industries that produce machinery for agricultural, construction, industrial and commercial purposes. Machinery manufacturing exports rose by approximately \$270 million, a 28.6 percent increase. Products from this industry are the fifth highest exported products from Kansas, with \$1.2 billion in sales. Canada is the leading importer of machinery manufacturing products, followed by Mexico and Australia.

Transportation equipment continues to be the most exported product from Kansas, as shown in Figure 18. The amount of transportation equipment exported from Kansas ranks 21st in the U.S. This sector includes industries that produce aerospace parts and products, motor vehicle parts and assembly and other transportation equipment manufacturing. This sector earned \$2.5 billion in sales in 2011, representing 21.9 percent of all Kansas exports; however this is a decline of 5.4 percent from 2010. Since 2008, the amount of transportation equipment exports has decreased by 48.1 percent. This is largely due to the decrease in the demand for civilian aircraft, as sales have declined \$1.8 billion since 2008. Six countries are importing at least \$100 million less worth of transportation products in 2011 compared to 2008. Canada is also the leading importer of transportation equipment from Kansas followed by Brazil and Germany.



Global Business

Table 10 shows the countries that imported the largest dollar amount of goods and services from Kansas. Canada was Kansas' largest trading partner in 2011, importing approximately \$2.6 billion in goods and services. This amounts to a 0.5 percent increase from a year ago. A total of 62 percent of exports to Canada come from one of four manufacturing industries: transportation equipment, machinery, chemical or food.

Mexico imported the second largest amount of Kansas goods and services at nearly \$1.6 billion. Mexico also recorded the largest over-the year increase in imports from Kansas, with a \$345 million gain. The two main contributors to this increase were transportation equipment and agricultural products, which grew by \$153 million and \$97 million respectively. China was the third largest importer of Kansas products, with approximately \$670 million in sales. Exports to China have increased by 89.3 percent since 2009. Food products are responsible for approximately 41 percent of the increase.

Out of the countries listed in Table 10, Ireland recorded the largest over-the-year gain in 2011 by percentage in the importing of Kansas goods, with an increase of 177.4 percent. This made Ireland Kansas' eighth largest trading partner at slightly less than \$402 million. Chemical manufacturing products make up 98.9 percent of Kansas exports to Ireland, with the amount increasing from \$142 million in 2010 to \$397 million in 2011. Ireland's involvement in scientific research aids in their increased need for Kansas chemical exports including veterinary and bio-pharmaceuticals. Kansas ranks third among states who export chemical manufacturing products to Ireland.

Exports to Nigeria also more than doubled, increasing by 141.4 percent. Agricultural products, primarily wheat, total 95.1 percent of Kansas exports to Nigeria, with the amount nearly doubling in the past year from \$236 million in 2010 to \$558 million in 2011. Kansas is the top state among those who export agricultural products to Nigeria.

	Total Exports*
Canada	\$2,565,672
Mexico	\$1,625,594
China	\$668,401
Japan	\$665,386
Nigeria	\$587,344
Brazil	\$455,733
United Kingdom	\$412,629
Ireland	\$401,773
Germany	\$401,194
Australia	\$368,281

*In thousands

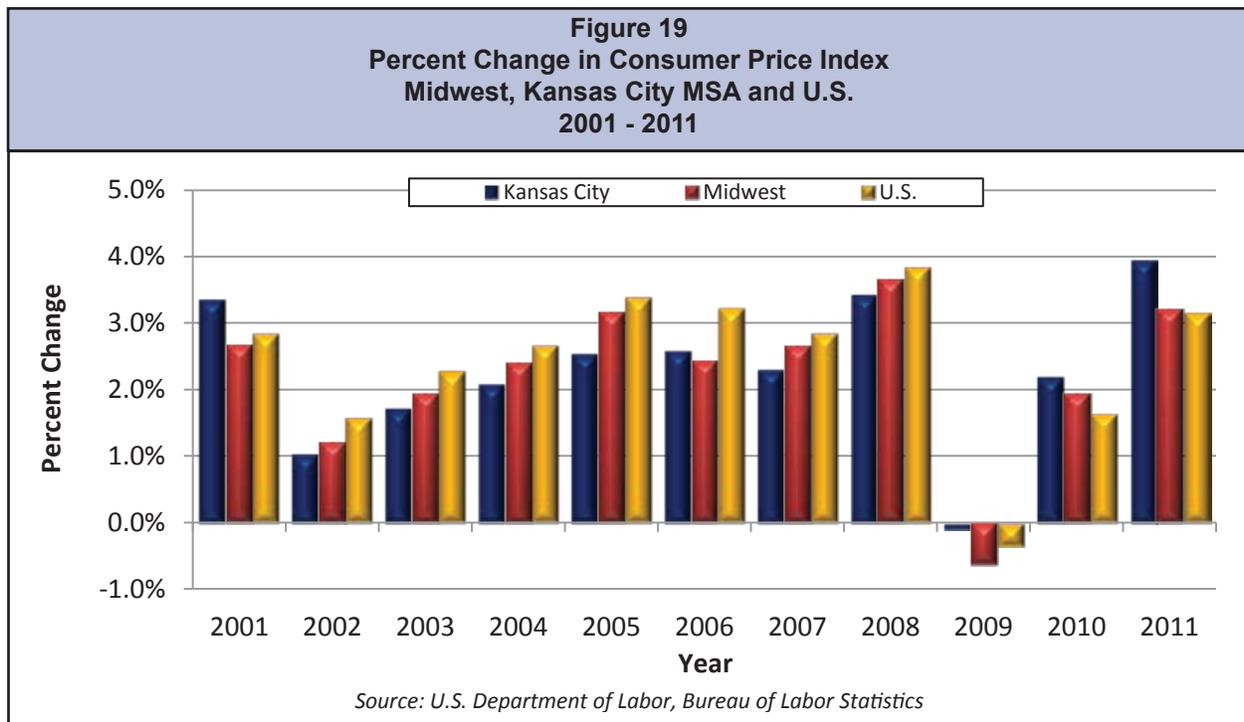
Source: U.S. Department of Commerce, Office of Trade and Industry Information (OTII)

Inflation and Wages

Consumer Price Index

Figure 19 indicates the percentage change in the CPI-U by three distinct groups – the U.S., the Midwest and the Kansas City MSA. Nationally, the CPI-U increased for the second consecutive year in 2011 by 3.2 percent. This is higher than the average national inflation rate experienced since 2001 at 2.5 percent. The Midwest also recorded an increase in the CPI-U in 2010 of 3.2 percent, which is also above the average inflation rate since 2001, 2.2 percent. The Kansas City MSA CPI-U rose by 4 percent, again higher than the 2.2 percent average inflation rate since 2001.

The **Consumer Price Index (CPI)** is a measure of prices paid by consumers for a representative basket of goods and services. The CPI is published by the Bureau of Labor Statistics. The most general measure of the CPI is the CPI-U, which stands for the CPI of all urban consumers. This measure factors in all prices for goods and services in the representative market basket. Kansas is one of 12 states in the Midwest CPI region.



From 2001 to 2011, nationwide inflation was 27 percent. During this same period, inflation in the Midwest region was 24.2 percent and the Kansas City MSA was 24 percent. Until recently, the U.S. and Midwest CPI-U figures were generally higher than the Kansas City MSA. From 2002 to 2008, the U.S. and Midwest CPI-U increased at a higher rate than the Kansas City MSA. In 2009, the Kansas City MSA had the lowest rate of deflation out of the three, yet in the past two years it began experiencing the highest inflation rate of the three. This shows that over the past three years,

Inflation and Wages

inflationary pressures have been greater in the Kansas City MSA than in the Midwest and the nation. This can mostly be attributed to higher increases in food and transportation services in the Kansas City MSA from 2008 to 2011 than the increases recorded in the Midwest and the rest of the nation.

According to annual data, several items in the Midwest CPI index recorded large over-the-year increases in prices. Motor fuel, which includes gasoline, recorded the largest increase of 27.5 percent in 2011 and prices have risen 51.7 percent in the last two years, after falling in 2009. Prices for unleaded regular gasoline in particular, increased 27.8 percent in 2011. Energy commodity prices grew by 27 percent in 2011. They have risen significantly the past two years, with prices going up 50.8 percent after declining in 2009. The price of transportation also increased 10 percent in 2011. The only two items that declined in price from 2010 to 2011 were household furnishings and operations along with piped utility gas services.

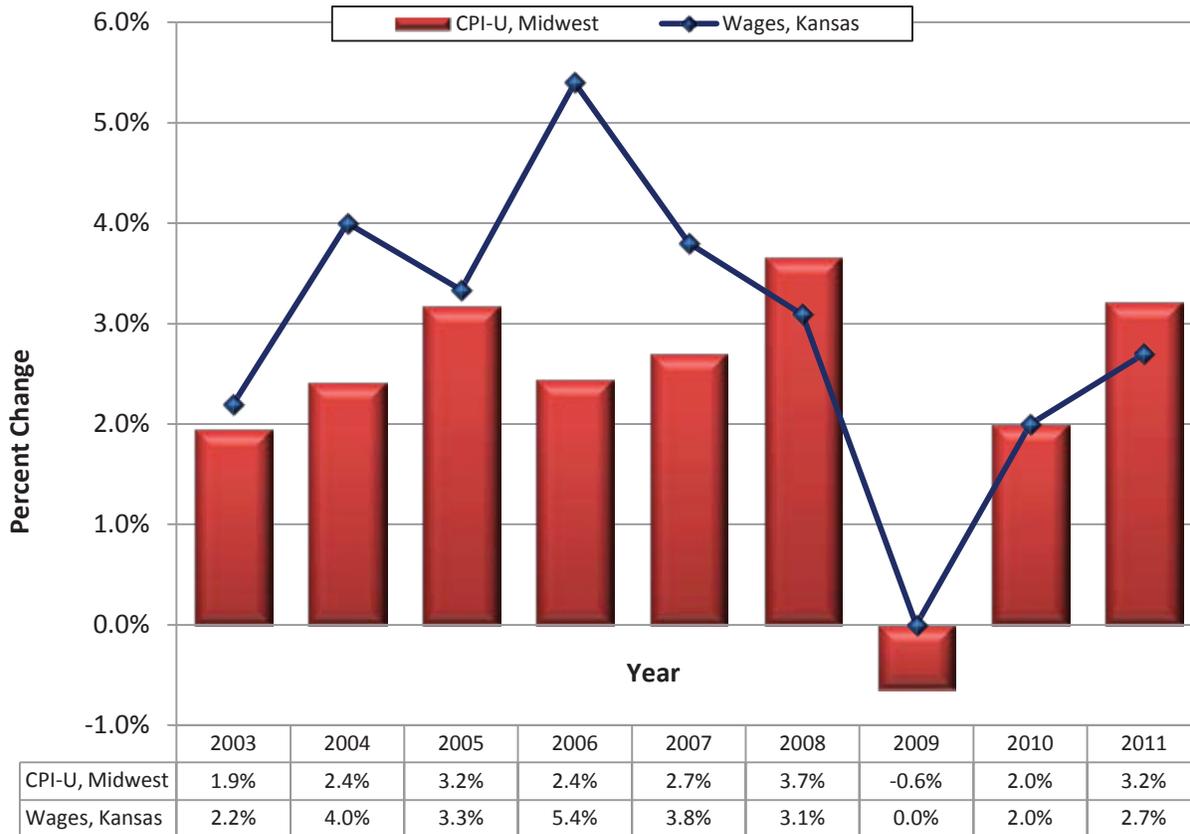
Wages

Wages and salaries account for 50.1 percent of the total personal income in Kansas. They are an important component in determining the health of the economy. Wage and salary data are more meaningful when taking inflation into consideration. If inflation increases at a faster pace than wages, wage and salary earners experience a reduction in their real (inflation-adjusted) wages, which may change or reduce consumption patterns. This can have an adverse affect on the economy since consumer spending is the largest component of GDP in the U.S. Figure 20, on the next page, compares these two factors—wages and inflation—in Kansas beginning in 2003.

In 2011, the average weekly wage in Kansas rose to \$769, an increase of 2.7 percent from 2010. Nationwide, the average weekly wage improved to \$924, an increase of 2.8 percent. When accounting for the 3.2 percent inflation in the Midwest region, the real average weekly wage in Kansas recorded a decrease of 0.5 percent. This is the second time in the last four years that the real average weekly wage has declined, after increasing every year from 2002 through 2007. The national real average weekly wage also decreased, recording a 0.4 percent decline in 2011 compared to a 1 percent increase in 2010.

Inflation and Wages

Figure 20
Percent Change in Consumer Price Index and Wages
Kansas and Midwest
2003 - 2011



*Source: Kansas Department of Labor, Labor Market Information Services;
 U.S. Department of Labor, Bureau of Labor Statistics*

Population

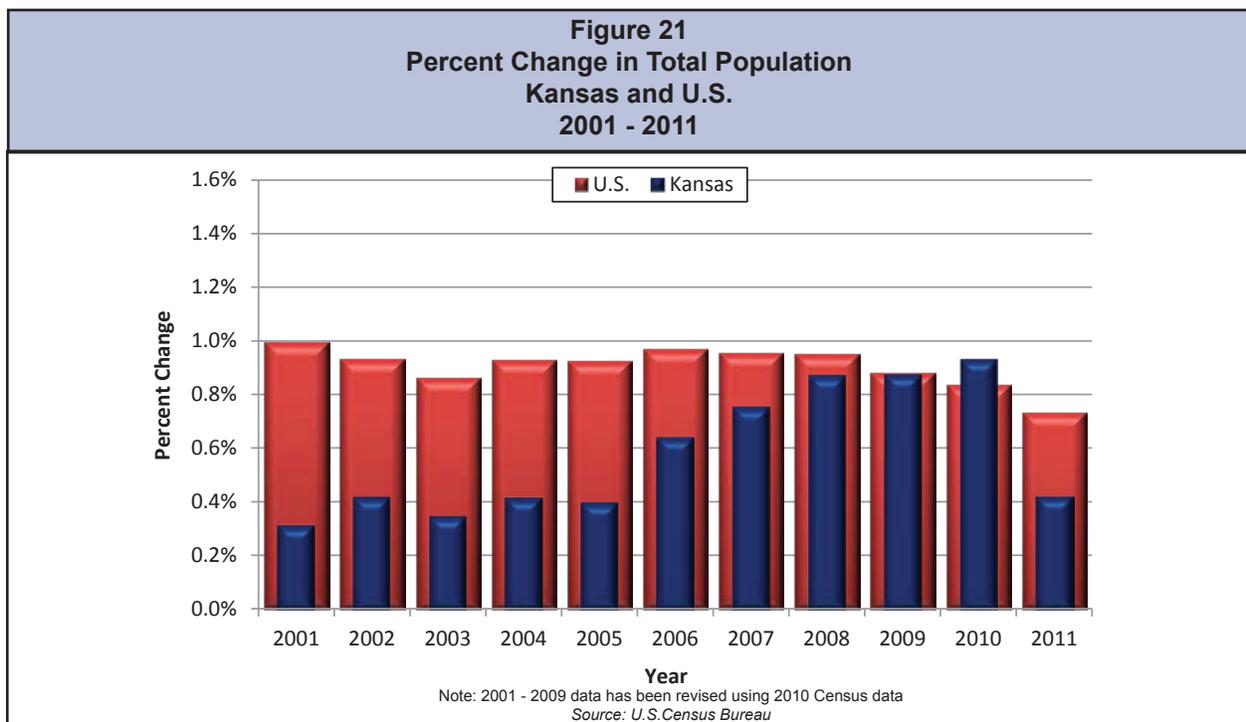
Table 11 shows an historical perspective of Kansas and U.S. population since 2000. The population of Kansas has grown consistently since 2001, experiencing a 6.3 percent increase from 2001 to 2011. The Kansas population increased an average of 0.6 percent per year during this period.

Table 11 Total Population Kansas and U.S. 2000 - 2011						
	2000	2001	2002	2003	2004	2005
Kansas	2,693,681	2,702,162	2,713,535	2,723,004	2,734,373	2,745,299
U.S.	282,162,411	284,968,955	287,625,193	290,107,933	292,805,298	295,516,599
	2006	2007	2008	2009	2010	2011
Kansas	2,762,931	2,783,785	2,808,076	2,832,704	2,859,143	2,871,238
U.S.	298,379,912	301,231,207	304,093,966	306,771,529	309,330,219	311,591,917

Note: 2000-2009 data has been revised using 2010 Census data

Source: U.S. Census Bureau

Meanwhile, Figure 21 illustrates the percentage change in the Kansas and U.S. populations over this same time period. This illustration shows that the population growth in Kansas in 2011 was 0.4 percent, the smallest annual growth rate since 2005. The U.S. population has also experienced growth, expanding 9.3 percent since 2001. The average growth rate of the U.S. population since 2001, 0.8 percent, has been larger than the average growth rate of the Kansas population at 0.6 percent. The U.S. population grew 0.7 percent in 2011, the smallest annual growth rate in population since 1937. Kansas' population made up 0.9 percent of the total U.S. population for the 11th consecutive year and ranked 33rd out of the 50 states in 2011.



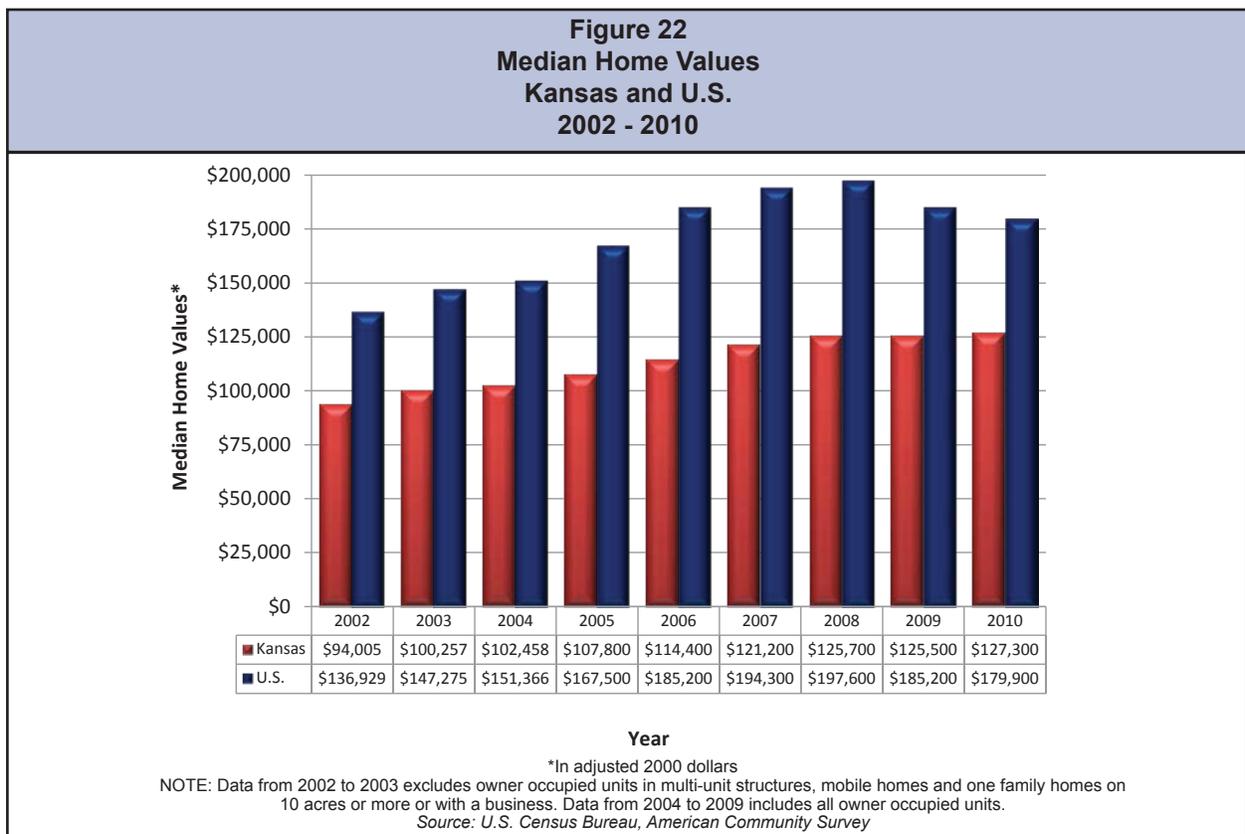
Housing Sector

In the past few years, the housing market has seen a substantial slowdown in Kansas and the nation. This led to declining home values and a slowdown in building in recent years. Nationally housing market data is continuing to trend downward, but there appears to be reason for cautious optimism that the housing market has stabilized in Kansas.

Housing production is one of the most significant economic activities and it crosses several industry subsectors including, but not limited to, manufacturing, construction and financial services. Growth and decline in housing activity can permeate several other areas of the economy as workers and businesses adjust to the changing demand.

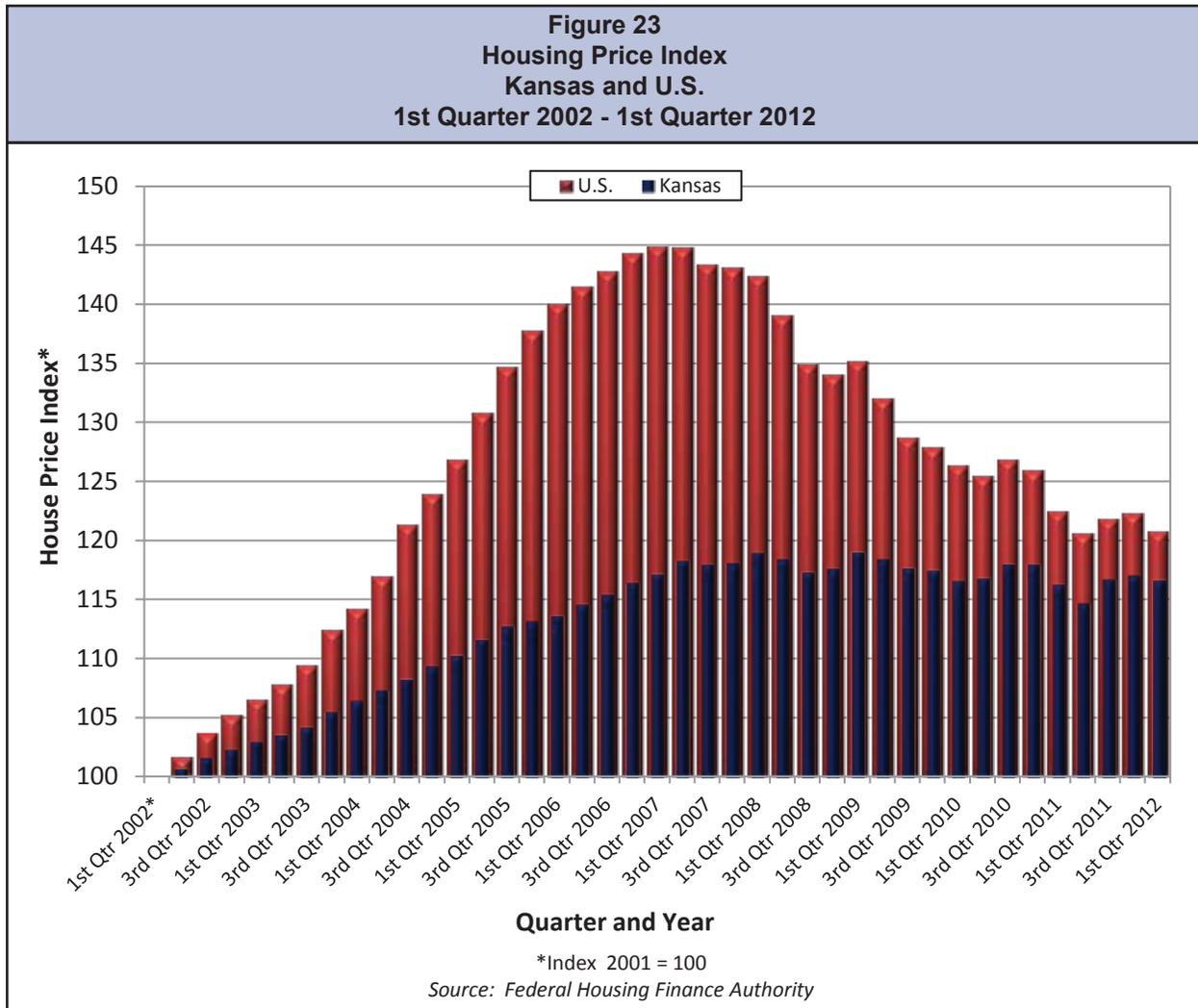
For most homeowners, their home represents a significant asset. When housing prices increase, homeowners' unrealized wealth increases. The increase is unrealized because, although the value of his/her home has increased, a homeowner's wealth does not reflect this increased value until the home is sold. This gain in unrealized wealth may affect consumer spending as households borrow against or sell this asset. If home values slow their ascent or contract, this may have a negative effect on consumer spending, impacting the economy as a whole.

According to data published by the U.S. Census Bureau's American Community Survey (ACS) and shown in Figure 22, the median home values in Kansas increased by 1.4 percent between 2009 and 2010 after a slight decline the previous year. Nationwide, median home values continue to decline, recording a 2.9 percent decrease. Kansas has consistently had lower median home values than that of the U.S., however median home values in Kansas have remained more stable.



Housing Sector

Another measure of home prices is seen in the data compiled by the Federal Housing Finance Authority as presented in Figure 23. It indicates that home prices in the U.S. decreased 1.4 percent from the first quarter of 2011 to the first quarter of 2012, while home prices in Kansas increased 0.3 percent.



Using a third measure of home prices, the Standard & Poor's/Case-Shiller Home Price Index, home values nationwide decreased 1.9 percent from the first quarter of 2011 to the first quarter of 2012. Quarter-to-quarter home values have increased during the second and third quarters of 2011, but have declined the past two quarters in 2012. Statewide data for Kansas is not available for this index.

Housing Sector

Table 12 provides a detailed breakdown of the housing market nationally and in Kansas. This data reveals that in 2010 a higher percentage of housing units were occupied in Kansas than throughout the U.S. As previously mentioned, this will lead to higher home prices due to a reduced supply. In terms of the percentage of units with and without mortgages, Kansas has a slightly lower percentage of housing units with a mortgage than the U.S.

Table 12 Housing Characteristics Kansas and U.S. 2010				
	U.S.		Kansas	
	Count	Percent	Count	Percent
Housing Units	131,791,065	100.0%	1,234,037	100.0%
Occupied	114,567,419	86.9%	1,101,658	89.3%
Vacant	17,223,646	13.1%	132,379	10.7%
Owner Occupied Housing Units	74,873,372	100.0%	749,907	100.0%
Housing Units with a Mortgage	50,339,500	67.2%	480,190	64.0%
Housing Units without a Mortgage	24,533,872	32.8%	269,717	36.0%

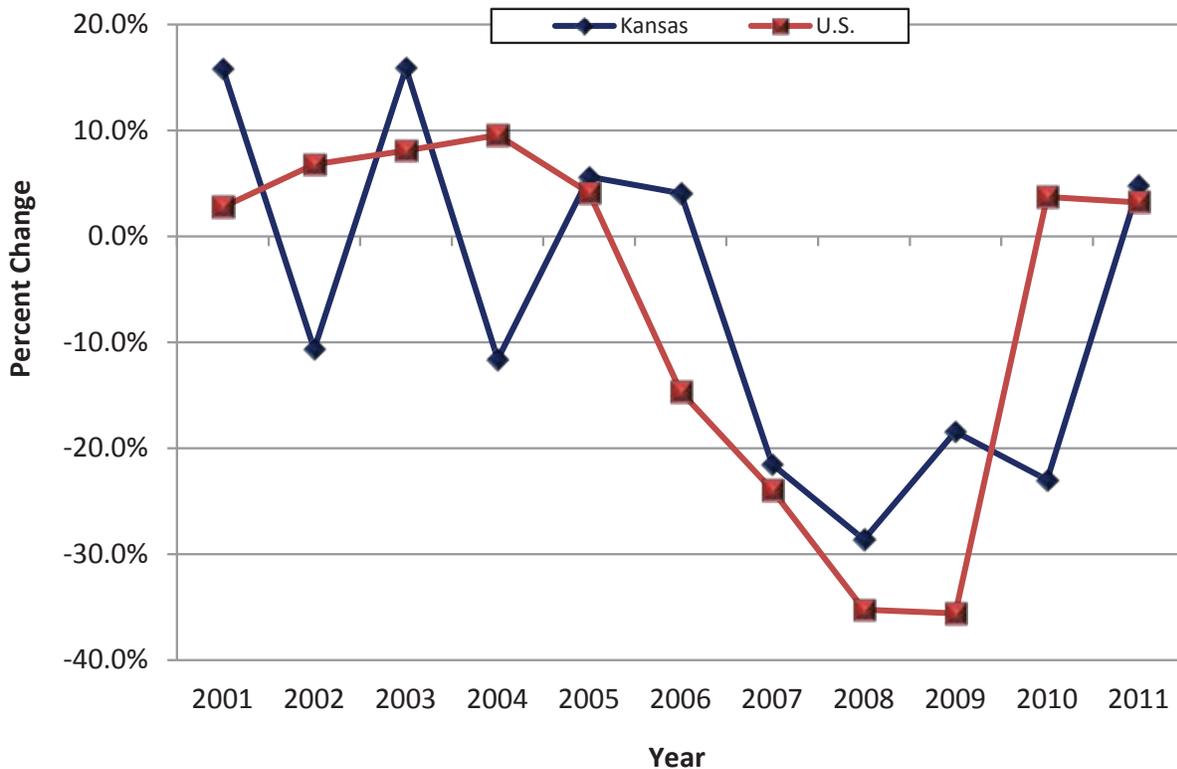
Source: U.S. Census Bureau

The number of building permits issued can also indicate future activities in the housing market. Figure 24, on the following page, compares the number of building permits issued in Kansas to the number issued nationwide. In 2011, the number of building permits issued nationwide increased for the second consecutive year while building permits issued in Kansas increased for the first time since 2006. The number of building permits in Kansas grew from 5,140 in 2010 to 5,386 in 2011, a 4.8 percent increase. Building permits in Kansas are still down by 64.2 percent from the value recorded in 2003, which was the highest number since 2000. In the U.S., the number of building permits issued grew from 604,610 in 2010 to 624,061 in 2011, a 3.2 percent increase. However, this is still significantly lower than the peak of nearly 2.2 million building permits issued in 2005.

Both in Kansas and the U.S. the number of single-unit housing permits declined, implying that the overall increases in building permits are due to an increase in multi-unit permits. Multi-unit housing is designed for multiple households and includes structures such as duplexes and apartment complexes. The number of multi-unit housing building permits issued in Kansas grew by 64.4 percent from 1,166 to 1,917 from 2010 to 2011. Nationally, multi-unit housing building permits increased from 157,299 to 205,563 over-the-year, a 30.7 percent growth.

Housing Sector

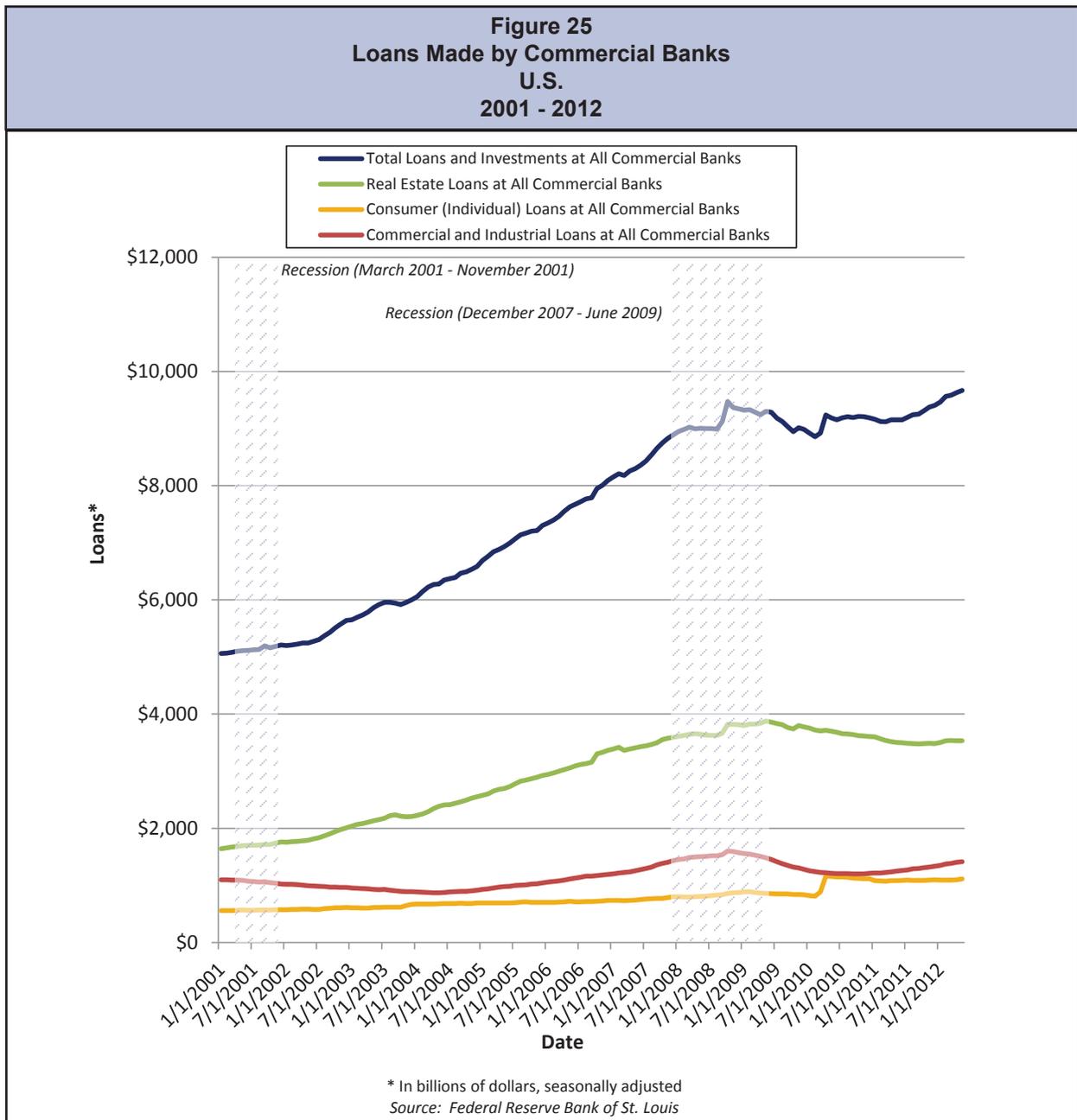
Figure 24
Percent Change in Building Permits
Kansas and U.S.
2001 - 2011



Source: U.S. Census Bureau

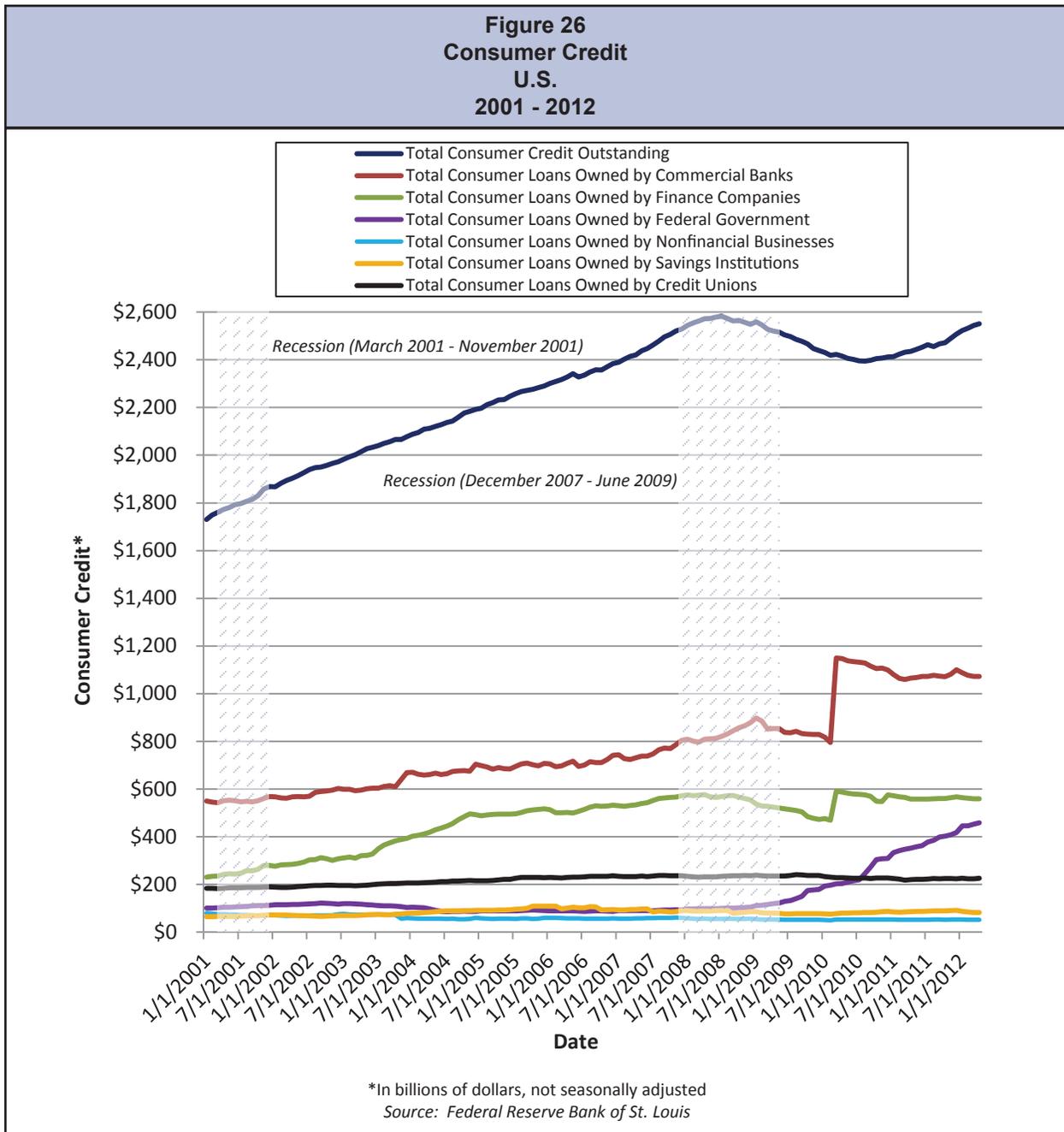
Banking and Credit

Due to uncertainty created by the most recent recession, there was a tightening of credit markets in the U.S. from late 2008 through early 2010. This in turn made it more restrictive and expensive for individuals and firms to borrow money. As seen below in Figure 25, since early 2010 the number of loans by commercial banks has generally trended upward to higher than pre-recession levels. The same trend can be seen in the number of commercial and industrial loans, which is a good sign for future business expansion. Consumer loans increased during the second quarter of 2010, but have remained stable through 2011. Real estate loans continued to decline during this period, reflecting the weakness of the housing market.



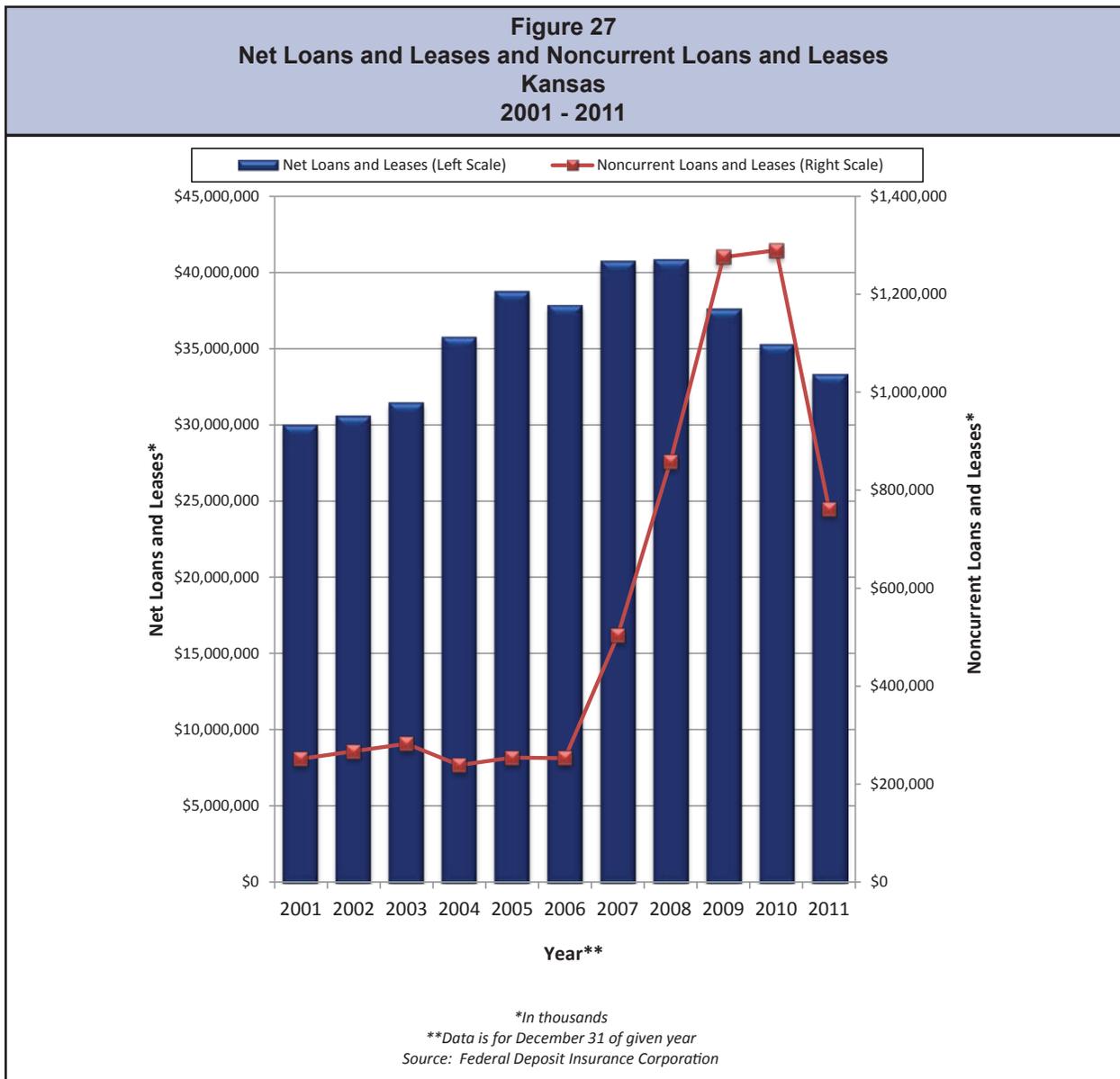
Banking and Credit

The amount of consumer credit outstanding also declined because of the recession, but has been trending upward since the third quarter of 2010 and has nearly reached pre-recession levels. In the first quarter of 2011, there was a law change affecting the reporting of loans owned by commercial banks and finance companies, resulting in an increase seen on the graph. As seen in Figure 26, the amount of consumer loans owned by the federal government has significantly grown, nearly quadrupling, since the beginning of 2008. This is due to an increase in the number of student loans issued in recent years as more people further their education.



Banking and Credit

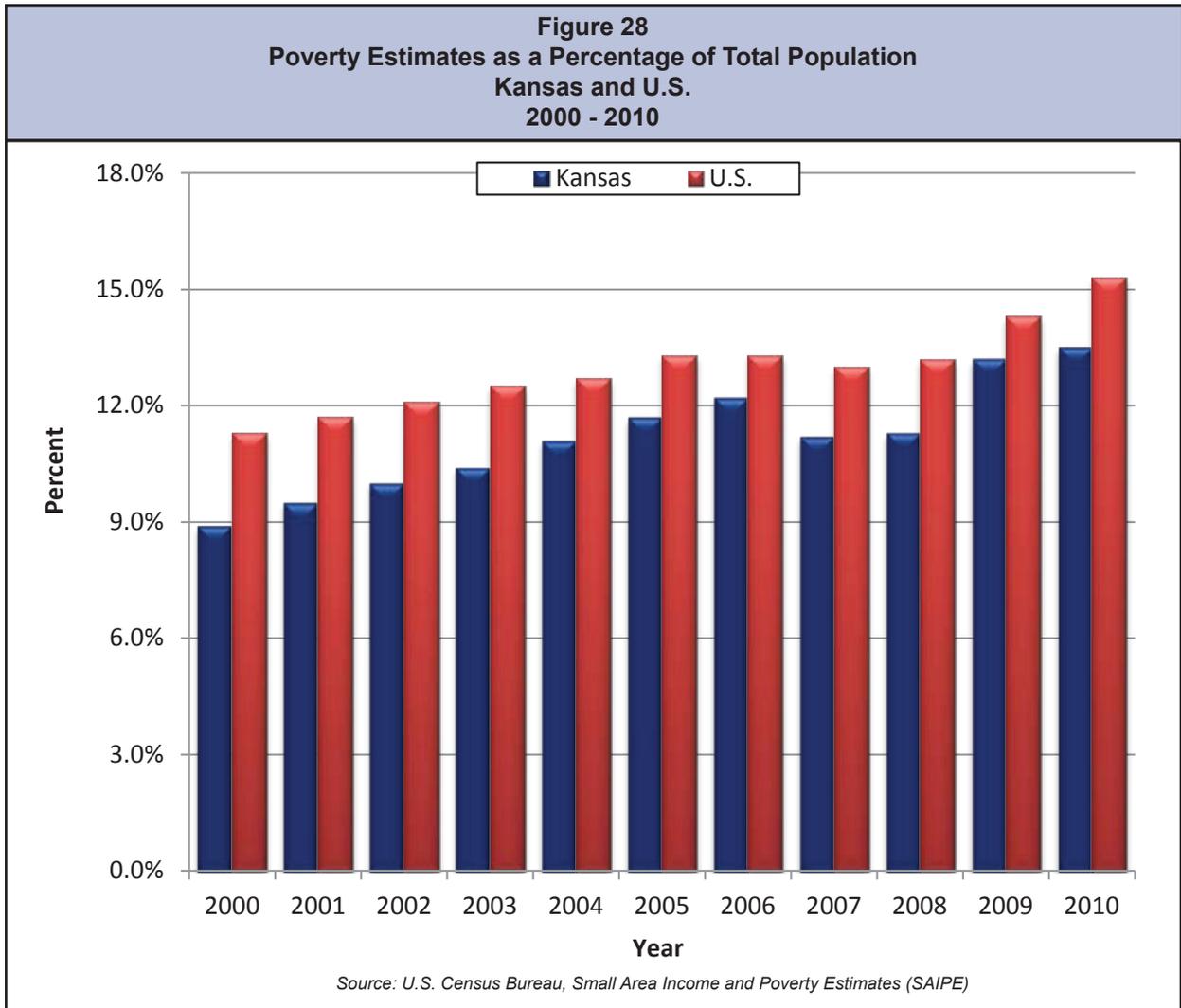
In Kansas there are 350 commercial banks and savings institutions, according to the Federal Deposit Insurance Corporation's (FDIC) Statistics on Depository Institutions. The majority of these institutions are commercial banks located in the Kansas City area. According to the FDIC, net loan and lease financing in all FDIC insured institutions dropped 5.5 percent from \$35.3 billion to \$33.3 billion from December 2010 to December 2011. Since December 2008, the amount of net loan and lease financing has declined 18.4 percent. Nationwide, net loan and lease financing in all FDIC insured institutions increased 1.8 percent over-the-year. During the same time, noncurrent loans and leases in Kansas (past due for more than 90 days) decreased 41 percent from the peak experienced in 2010, from \$1.3 billion to \$761.4 million. Noncurrent loans and leases decreased 15.5 percent nationwide. The dollar amount of net loan and lease financing and noncurrent loans and leases in Kansas is illustrated in Figure 27.



Kansas Poverty

As shown in Figure 28, the number of Kansans estimated to be living below the poverty threshold in 2010 totaled 374,677 individuals, or 13.5 percent of the total Kansas population. Nationwide the total number of individuals living under the poverty threshold was approximately 46.2 million, or 15.3 percent of the total U.S. population. This signifies the third consecutive year that the number of individuals living below the poverty threshold has increased both in Kansas and nationally. Since 2007, the number of individuals in poverty has increased by 24.1 percent in Kansas and 21.4 percent in the U.S. This multi-year increase in poverty can be primarily attributed to the most recent recession. There were 28 states that reported a higher percentage of individuals living in poverty than Kansas.

Poverty estimates offer a glimpse of likely economic disparity in a given area. If average incomes rise while more people enter poverty, income disparity (the gap between rich and poor) may rise. In 2011, the poverty threshold for a family of four (two adults and two children under 18) was an annual income of \$22,811.



Kansas Poverty

Poverty among children ages four and younger was higher than among other age groups. In 2010, 22.1 percent of this age group in Kansas was living in households under the poverty threshold. Nationally, 25 percent of children in this age group were living in households beneath the poverty threshold.

The Gini Index, one of the indicators published by the U.S. Census Bureau's American Community Survey, measures inequality of wealth distribution. A low Gini Index means more equal wealth distribution, while a high Gini coefficient indicates more unequal distribution. A coefficient of 0.0 corresponds to perfect equality and a coefficient of 1.0 corresponds to perfect inequality. According to the 2010 ACS data, Kansas had a Gini Index of 0.445, compared to a nationwide index of 0.469, indicating more inequality nationwide than in Kansas. Notably, Kansas' Gini Index was lower than the Gini Index of three of its four neighboring states. Only Nebraska had a lower Gini Index than Kansas at 0.432.

Sources

Bureau of Economic Analysis (www.bea.gov)

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Federal Housing Finance Authority (www.fhfa.gov)

Federal Reserve Bank of St. Louis (www.stlouisfed.org)

Kansas Department of Labor, Labor Market Information Services (<https://klic.dol.ks.gov>)
2012 Kansas Job Vacancy Survey (<https://klic.dol.ks.gov/gsipub/index.asp?docid=437>)
Help Wanted Online (<https://klic.dol.ks.gov/gsipub/index.asp?docid=404>)

Standard & Poor's Financial Services (www.standardandpoors.com)

U.S. Census Bureau (www.census.gov)

U.S. Department of Commerce, Office of Trade and Industry Information (tse.export.gov/TSE/TSEhome.aspx)

U.S. Department of Labor, Bureau of Labor Statistics (www.bls.gov)



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