



2016
Kansas
Economic
Report

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Acknowledgments

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Secretary's Message

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

I am pleased to present this year's Kansas Economic Report that I believe shows a growing economy in our state. The division of Labor Market Information Services (LMIS) produces this report taking a detailed look into the Kansas economy.

Our state has always valued hard work and that is shown through one of the best labor forces in the country. Kansas is also home to many businesses – small and large – that continue to grow and create jobs. The Kansas economy is robust and continuously improves – remaining healthier than the overall national economy in many respects.

Kansas added 9,000 private sector jobs in 2015. This marks the fifth consecutive year of job growth. The number of Kansans employed set a record in 2015 and the number of unemployed decreased by an impressive 7.5 percent.

Wage growth in the state continues to be a strong point. Personal income increased by 2.5 percent in 2015. Real wages increased by 3.4 percent, exceeding the national growth rate and giving Kansans more purchasing power.

The average unemployment rate for 2015 was 4.2 percent, matching the unemployment rate prior to the Great Recession. Further, there was nearly an equal number of unemployed people and job vacancies – showing meaningful opportunities for job seekers to rejoin the workforce.

I encourage you to take a look at the many different economic factors discussed in this report and remember to take all of them into consideration when making a determination about our state's economy. These factors show that Kansas is on the right track.

Thank you for your efforts to strengthen the Kansas economy and make our state the best place to live.



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

Lana Gordon, Secretary
Kansas Department of Labor

Executive Summary

The Kansas economy continued to grow in 2015 but at a slower rate than in recent years primarily due to struggles in the agriculture and oil and gas industries. The labor force in Kansas expanded by 0.3 percent in 2015. This was due to a 0.7 percent increase in the number of Kansans working to a new state record of 1,435,884 along with a 7.5 percent decline in the number of unemployed people. The unemployment rate matched pre-recession levels in 2015 at 4.2 percent annual average while Kansas remains in the top 10 nationally in labor force participation. The improvements in the unemployment rate were also recorded in each Metropolitan Statistical Area (MSA), four of the five local workforce areas, and the majority of counties in Kansas. The number of unemployment claims also continued to decrease.

Kansas experienced a fifth consecutive year of job growth, adding 9,000 private sector jobs in 2015 or 0.8 percent. However, this was the lowest growth rate since the end of the Great Recession. Job growth occurred in six of the 11 major industries with growth in service providing industries offsetting losses in goods producing industries. The number of jobs increased in every MSA but decreased in 48 of 86 counties not located in a MSA.

The 2015 average weekly wage for Kansas was \$844, an increase of \$23 from 2014. Real inflation-adjusted wages increased at an even greater rate due to negative inflation, or deflation, over the year as measured by the Consumer Price Index. Deflation was primarily caused by the large decline in gas prices. Average weekly wages increased in 80 counties and each local workforce area meaning most Kansans throughout the state experienced added purchasing power.

While the nominal gross domestic product (GDP) grew for the sixth consecutive year, when adjusted for inflation the numbers are not so positive. Real inflation-adjusted GDP only increased by 0.2 percent which ranks 45th out of the 50 states. This resulted in Kansas being one of four states that recorded a decrease in real GDP per capita, a measure of GDP per person. Kansas was also 43rd in growth in personal income and personal income per capita.

The primary reasons for limited economic growth in 2015 were the struggles of the agriculture and oil and gas industries. The GDP in natural resources and mining, which primarily consists of those two industries in Kansas, declined by \$1.9 billion or 22.9 percent from 2014 to 2015. Mining GDP, which includes oil and gas, declined by \$1.2 billion while agriculture, forestry, fishing and hunting GDP declined by approximately \$680 million. Personal income data also reflects this with farm earnings decreasing by approximately \$820 million or 26.9 percent while mining personal income also decreased by approximately \$180 million. The oil and gas industry decline also affected non-farm jobs numbers with the mining and logging industry losing the most jobs over the year of any industry, a decline of 1,900 jobs or 18.1 percent. Kansas exports were down \$1.3 billion over the year with \$577 million of the decline due to fewer agricultural exports.

While the primary focus of this report is 2015 data, economic data so far in 2016 indicates the Kansas economy is continuing steady growth. Through June, not seasonally adjusted job counts show Kansas has added 4,100 private sector jobs over the year and the unemployment rate has averaged 4.0 percent through the first six months of 2016. Kansas is projected to add approximately 16,000 total jobs in 2016 and the number of unemployed people per job vacancy is at 1.3 percent--the lowest value since 2007--indicating a healthy labor market. GDP data is also looking positive with Kansas recording the best real GDP growth of any state in the Plains region from the fourth quarter of 2015 to the first quarter of 2016 and ranking 14th in percent change out of the 50 states in the same time period.

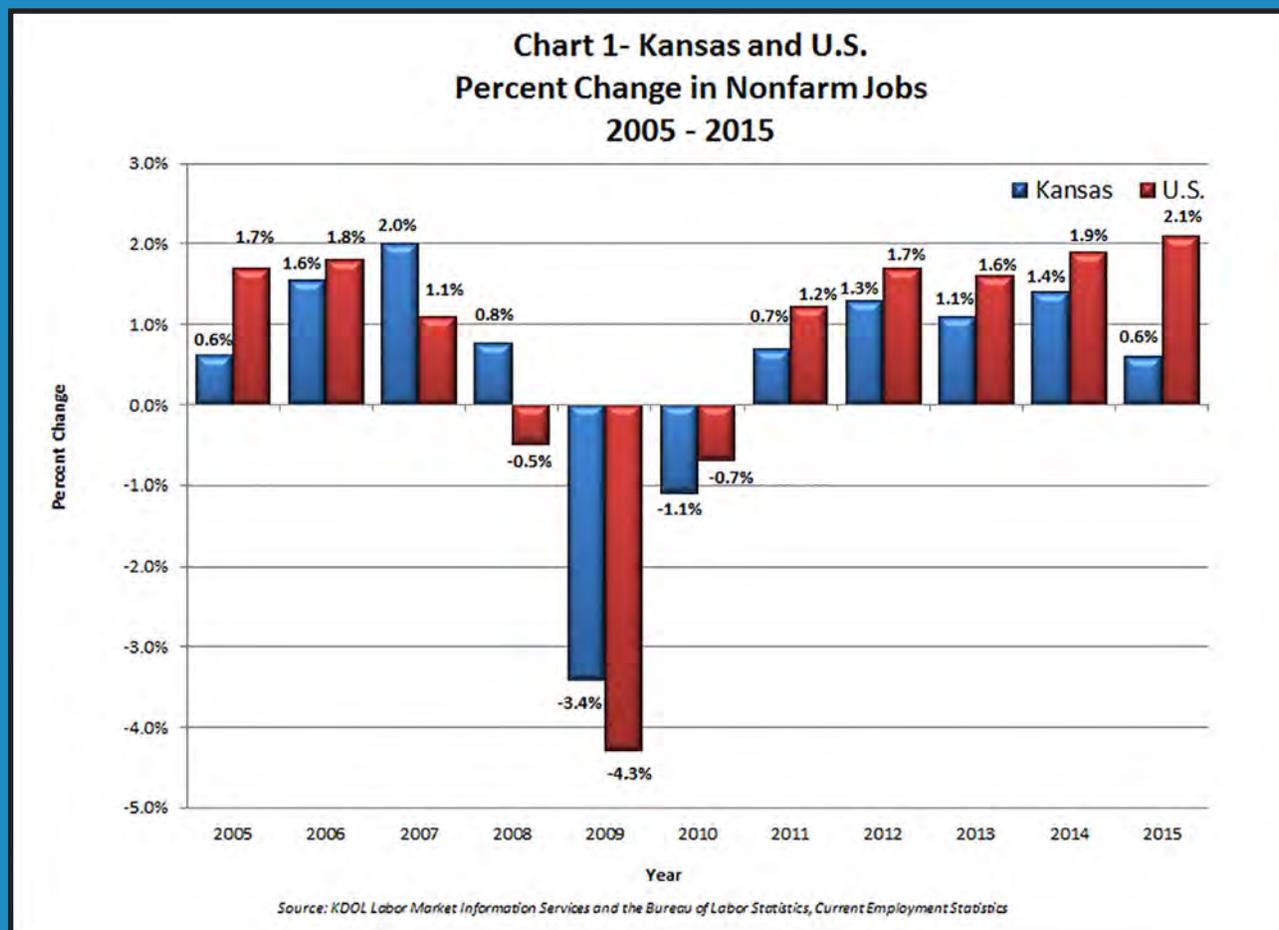
Note: Due to revisions and benchmarking processes, some data may have been updated since last year's Economic Report was published. The data included in the 2016 Economic Report is current as of July 27, 2016. For more information on data found in this report, see Sources on **page 86**.

Statewide Summary

Nonfarm Jobs

Changes in nonfarm jobs is one of the most current indicators of the economy's health. Job growth indicates increased demand for businesses' products and services. This puts money in the hands of those previously unemployed also further increasing the demand for consumer goods and services. Additional jobs also lead to increased output, signifying economic growth.

In 2015, Kansas added 9,000 private sector jobs, or 0.8 percent growth and 8,900 total nonfarm jobs or 0.6 percent. This is the fifth consecutive year that Kansas experienced job growth, with 75,700 private sector jobs added during this time frame. Nationally, nonfarm jobs increased in 2015 by 2.9 million, or 2.1 percent, and private sector jobs increased by 2.8 million, or 2.4 percent. This is also the fifth straight year of job growth for the U.S. **CHART 1**, shows the annual percent changes in nonfarm jobs for Kansas and the U.S. since 2005. **TABLE 1 (next page)** displays nonfarm job totals in the U.S. and Kansas.



**Table 1
Nonfarm Jobs
Kansas and U.S.
2005-2016**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Kansas	1,333.7	1,354.6	1,381.1	1,392.0	1,344.6	1,329.8	1,339.6	1,357.4	1,372.1	1,391.1	1,400.0
U.S.	134,051	136,453	137,999	137,242	131,313	130,361	131,932	134,175	136,381	138,958	141,865

2016						
	January	February	March	April	May	June
Kansas	1,375.7	1,382.2	1,391.9	1,400.9	1,407.0	1,410.7
U.S.	141,150	141,992	142,895	143,934	144,557	145,239

Note: Data in thousands and not seasonally adjusted.

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Current Employment Statistics

Job growth was recorded in six of the 11 major industries in Kansas during 2015. Education and health services recorded the largest increase in 2015, adding 4,200 jobs. Almost all the growth in this industry was in the health care and social assistance sector. Notable growth was also experienced in trade, transportation and utilities, which gained 3,600 jobs. The growth was throughout the industry as retail trade added 1,900 jobs, wholesale trade grew by 800 jobs and transportation, warehousing and utilities also added 800 jobs. Leisure and hospitality had the third highest job gains with 2,900 jobs added. Most of the growth in this industry occurred in the accommodation and food service sector.

Five of the major industries lost jobs over the year. Mining and logging, which includes oil and gas extraction and support activities, declined by 1,900 jobs or 18.1 percent in 2015. Notable losses also occurred in the manufacturing and information industries which both lost 1,000 jobs. **CHARTS 2 and 3 (next two pages)** display the percentage of private sector jobs by industry in 2015 for Kansas and the U.S. As seen in the charts, the distribution of jobs by industry in Kansas is similar to the national level.

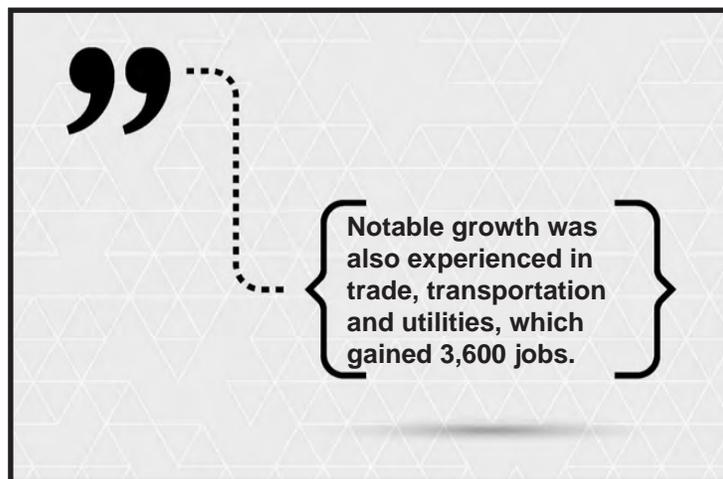
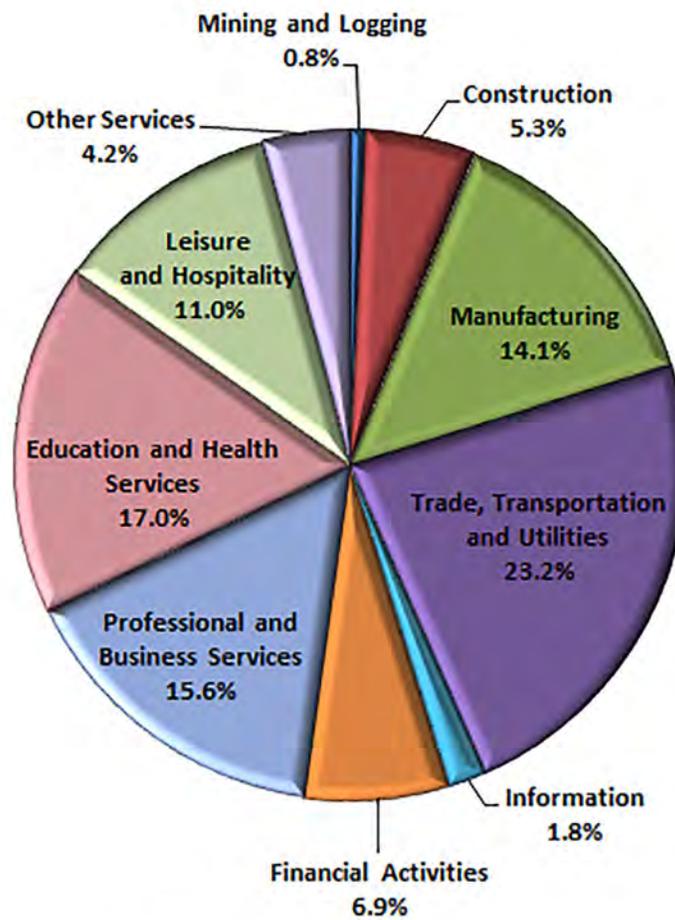
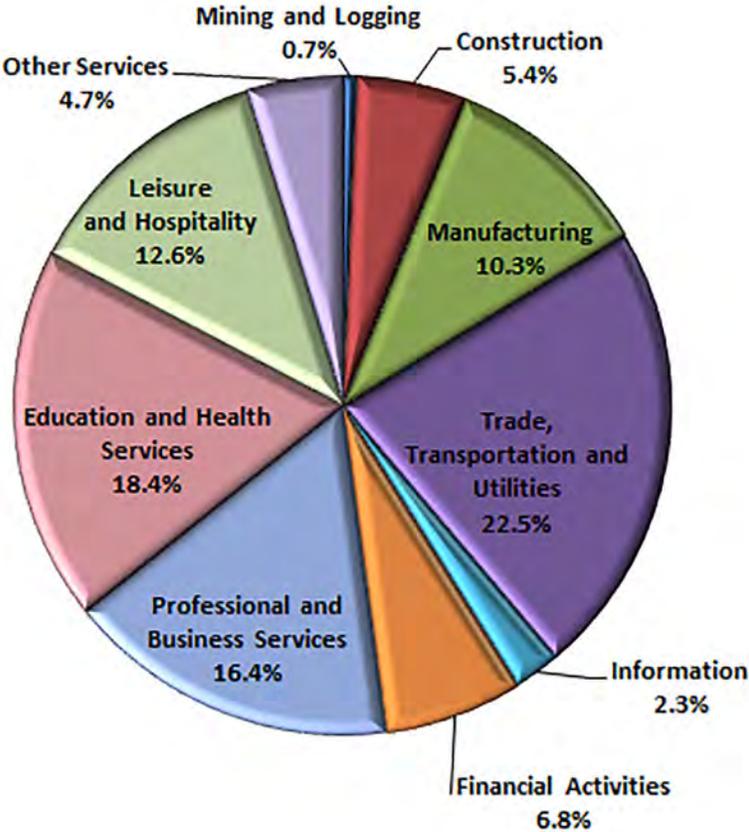


Chart 2 Kansas Private Sector Jobs 2015



Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Current Employment Statistics

Chart 3 U.S. Private Sector Jobs 2015



Source: Bureau of Labor Statistics, Current Employment Statistics

Labor Force and Labor Force Participation

The civilian labor force is a measure of the number of people over the age of 16 that are available for work. This includes individuals who are employed as well as those who are unemployed but actively seeking work. A growing labor force is favorable as it increases the amount of workers available for employers and shows there is increasing confidence of finding a job in a given area. As indicated in **TABLE 2**, there were 1,499,009 people in the labor force in 2015, a 0.3 percent annual increase. There were 1,435,884 Kansans working in 2015, an increase of 0.7 percent and a new state record. The number of unemployed people decreased by 7.5 percent to 63,125 people.

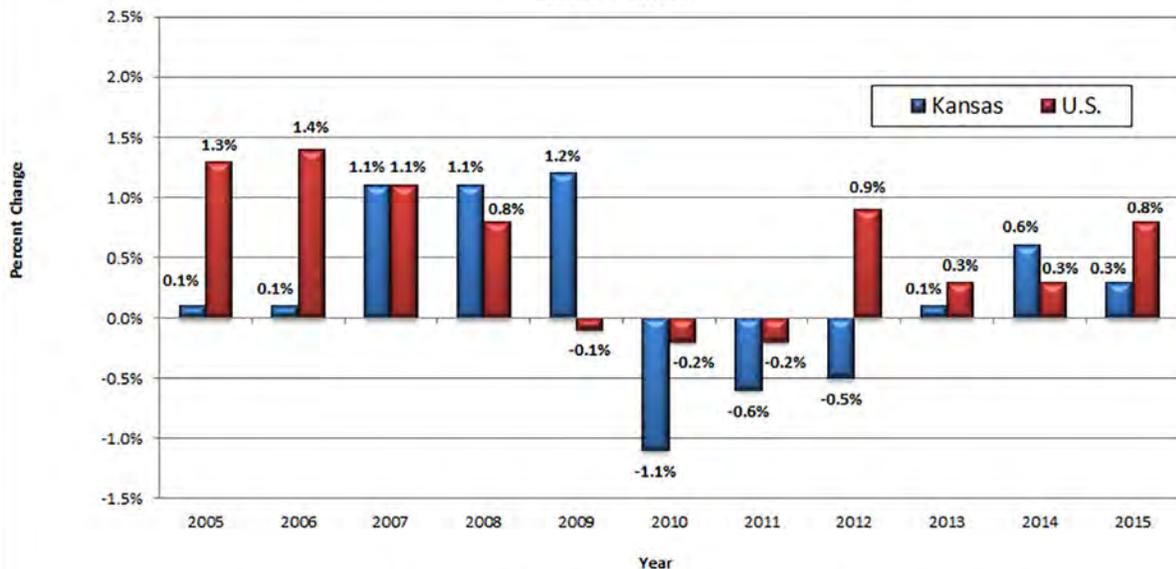
Table 2
Kansas Labor Force Statistics
Kansas
2014 & 2015

	2014	2015	Change	% Change
Civilian Labor Force	1,494,188	1,499,009	4,821	0.3%
Employed	1,425,970	1,435,884	9,914	0.7%
Unemployed	68,218	63,125	-5,093	-7.5%
Unemployment Rate	4.6	4.2	-0.4	-8.7%

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Local Area Unemployment Statistics

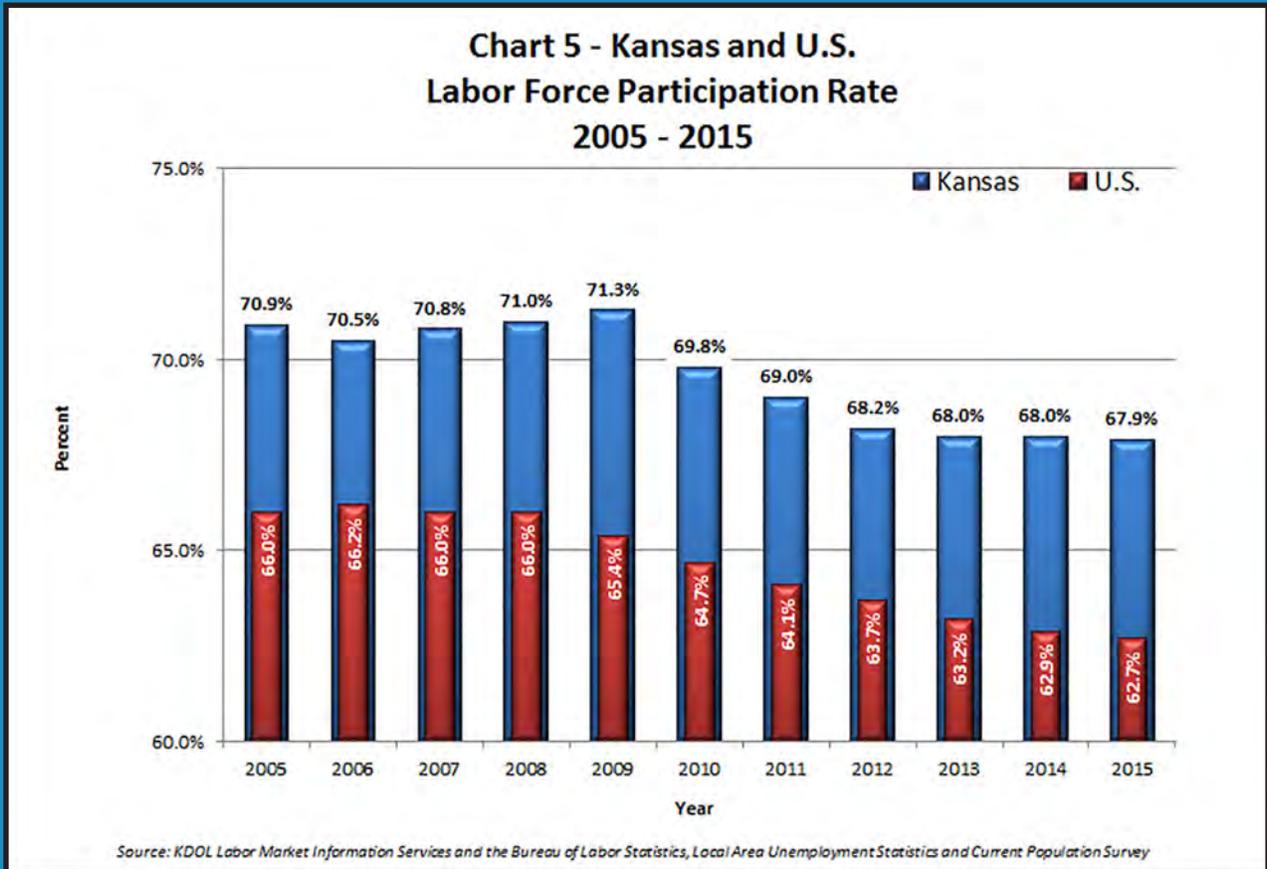
The U.S. civilian labor force increased for the fourth consecutive year, recording an expansion of 0.8 percent to 157.1 million. There were 148.8 million people in the U.S. working in 2015, a 1.7 percent increase and a new record as well. The number of unemployed people decreased by 1.3 million, or 13.7 percent, to 8.3 million in 2015. **CHART 4** shows the percent change in the civilian labor force for Kansas and the U.S.

Chart 4
Percent Change in Labor Force - Kansas and U.S.
2005 - 2015



Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Local Area Unemployment Statistics and Current Population Survey

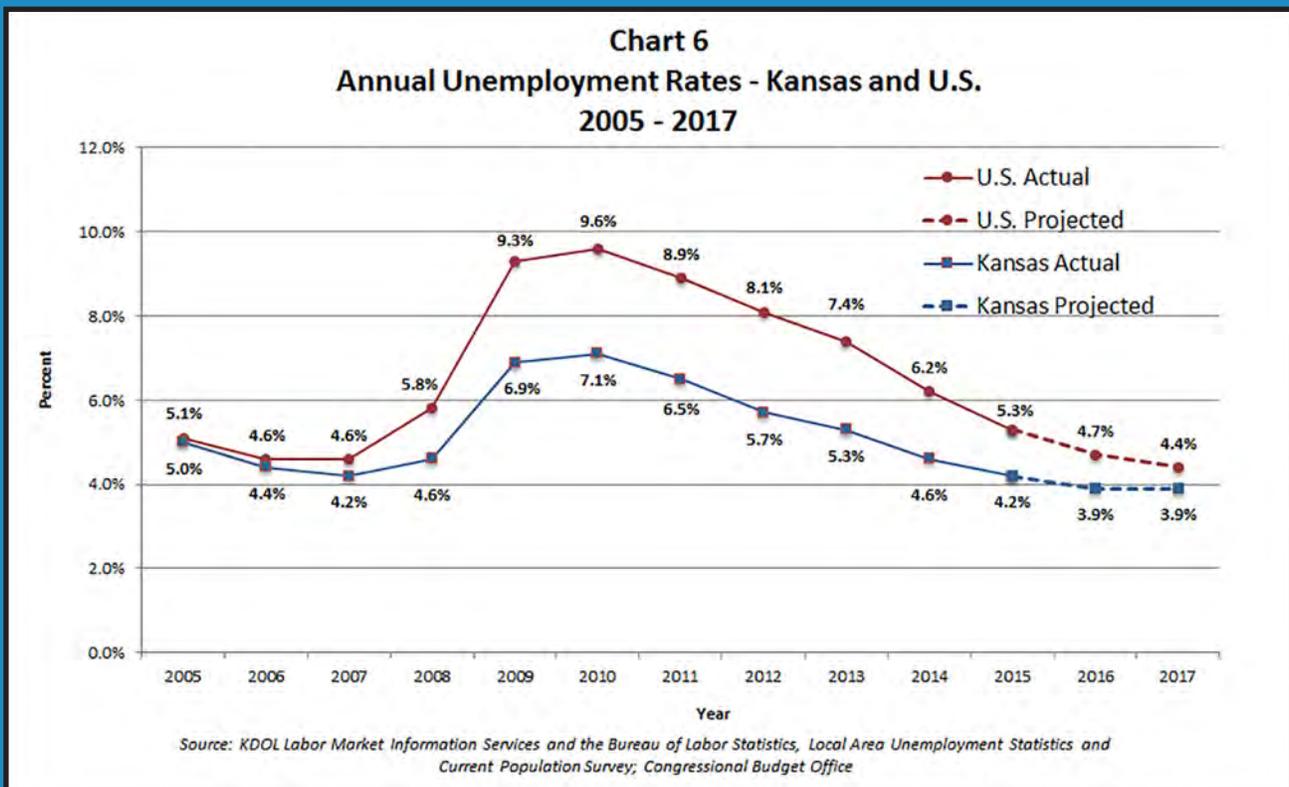
The labor force participation rate is the percentage of all individuals above the age of 16, non-institutionalized and civilian, who participate in the labor force. Kansas' labor force participation rate remained among the highest in the nation in 2015. As shown in **CHART 5**, the rate was 67.9 percent in Kansas, which is the 10th highest rate in the nation, including the District of Columbia, and well above the national rate of 62.7 percent. This is the seventh consecutive year the national rate has declined and is the lowest recorded since 1977. The Kansas rate has remained relatively steady over the past four years but decreased slightly in 2015 to 67.9 percent, the lowest rate since 1984. Major contributing factors in the decline in the labor force participation rate in recent years are an increase in the retired population along with more students attending post-secondary institutions.



Unemployment Rate

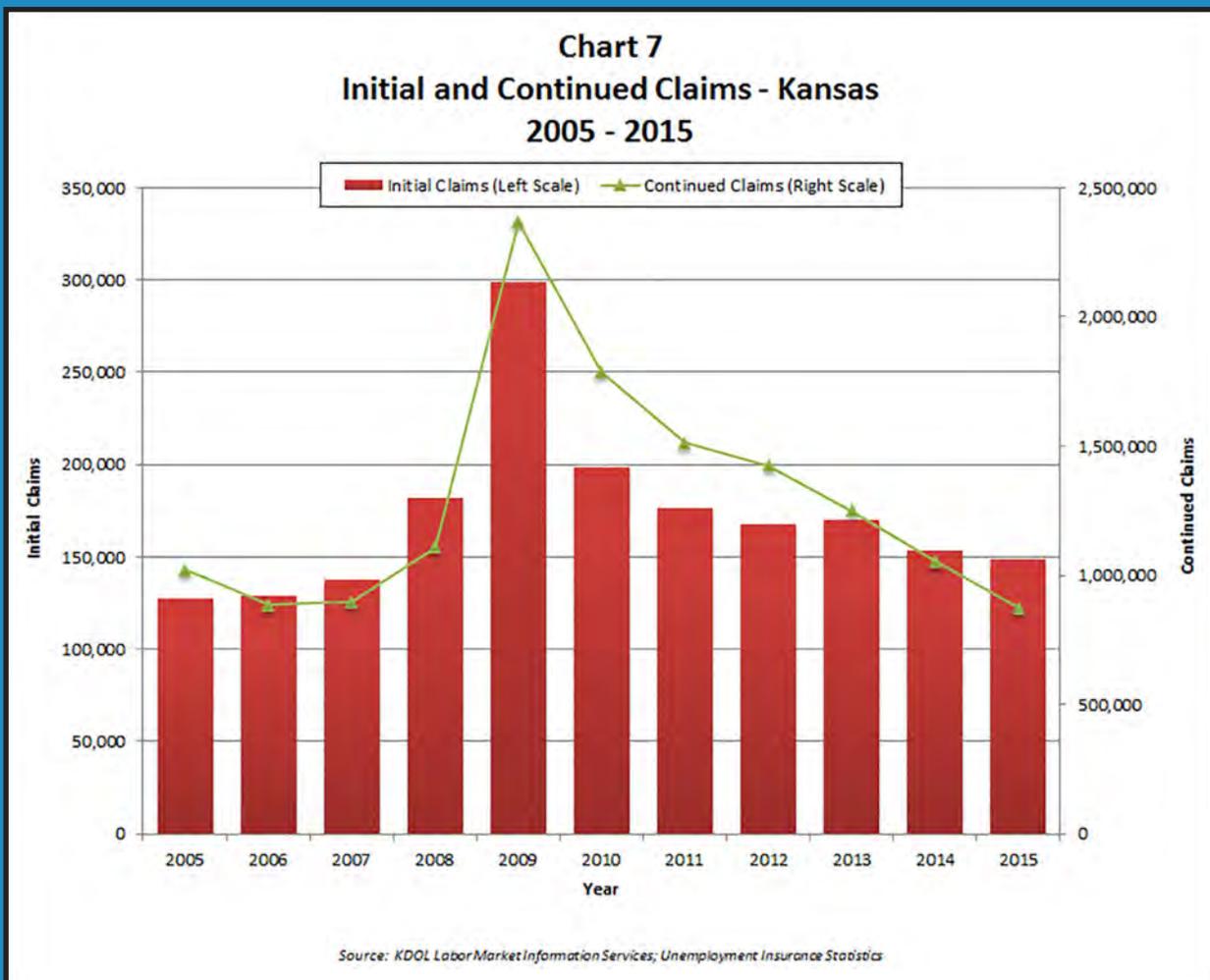
The unemployment rate is a frequently cited economic statistic because it shows how many people want a job and cannot find one. The unemployment rate shows the percentage of the labor force that is unemployed and currently looking for a job. If the rate is high, there is a large number of people who want a job but are having difficulty finding one due to a lack of demand for employees.

In 2015, Kansas recorded an average annual unemployment rate of 4.2 percent, down from 4.6 percent in 2014. This matches the unemployment rate prior to the last recession and marks the fifth straight year of improvement. Kansas' rate continues to be significantly lower than the national unemployment rate, which fell to 5.3 percent in 2015, a decrease of 0.9 percentage points from 2014. The U.S. rate is still higher than pre-recession levels; during the two years before the most recent recession the rate was 4.6 percent. **CHART 6**, compares the unemployment rates for Kansas and the U.S. from 2005 to 2015, along with the projected rates for 2016 and 2017. The projected rate for Kansas is expected to level off as rates have reached pre-recession levels while the U.S. rate is projected to continue to decrease and finally reach pre-recession levels.



Unemployment Insurance Claims

Analyzing trends in unemployment insurance claims is another way to assess unemployment and the labor market. An initial claim is the first claim filed by a claimant to request a determination of eligibility for unemployment benefits. A continued claim is a claim filed by a claimant for a weekly payment of unemployment benefits; this is typically done every week until the claimant finds a job, exhausts benefits, or leaves the labor force. Initial claims are an indicator of emerging unemployment, and continued claims indicate the level of difficulty the unemployed are having at finding a new job. Note that the number of claims is not a representation of total unemployment, as not all Kansans are covered under unemployment insurance laws or may choose not to file for unemployment benefits.



As shown in **CHART 7 (page 8)**, the number of initial claims filed in 2015 decreased by 3.1 percent to 148,948 claims. **This is the first time the number of initial claims have been under 150,000 since 2007. Continued claims declined by 17 percent in 2015, to 875,384 claims. This is the first time the number of continued claims has been below one million since 2007 and is the lowest amount recorded since 2000.** While the improving economy is mostly to credit for this decrease, recent law changes have also played a role. Starting in 2014, the maximum number of weeks of benefits unemployment claimants can file has been based on the unemployment rate. This has caused the maximum number of weeks to decline from 26 weeks prior to the law change to 20 weeks for most of 2014 and finally to 16 weeks for most of 2015. Since this change went into effect, continued claims have decreased by 30 percent.

Location Quotients

Location quotients compare the concentration of employment by industry for two or more areas. Through the use of location quotients that compare Kansas employment by industry to national employment, the industry sectors that contribute to the economic vitality of Kansas can be identified. If the location quotient is higher than one, Kansas has a higher concentration of employment in that industry compared to the rest of the country. This means Kansas has an advantage in that industry and is likely to generate more income from that industry from sources outside of Kansas. The opposite is true if the location quotient is less than one.

TABLE 3 (next page) lists the location quotients by industry sector for Kansas. There are six industry sectors where Kansas recorded a location quotient greater than one and therefore has an advantage. The manufacturing industry recorded the highest location quotient in 2015, due to high concentrations of employment in the manufacturing of transportation equipment (location quotient of 2.52), food (2.19) and petroleum and coal products (2.18). Location quotients higher than two indicate Kansas has more than twice the concentration of jobs in those sectors compared to the rest of the country.

Due to the location of several corporate headquarters in Kansas, the management of companies and enterprises industry had the second largest location quotient. Other industries where Kansas has a high location quotient are utilities, due to high employment in electric power generation, and mining, due to high location quotients in oil and gas extraction and support activities for mining. The finance and insurance and wholesale trade industries also have location quotients above one.

The highest location quotient for an individual industry subsector is animal production and aquaculture at 2.79 but the overall agriculture, forestry, fishing and hunting location quotient is one due to the lack of forestry, logging and commercial fishing, hunting and trapping activities in Kansas. There are four other industries that also have a location quotient of one indicating similar concentrations of jobs in those industries compared to the nation; construction, health care and social assistance, retail trade and transportation and warehousing. There are eight industries with a location quotient less than one.

**Table 3
Location Quotients by Industry
2015**

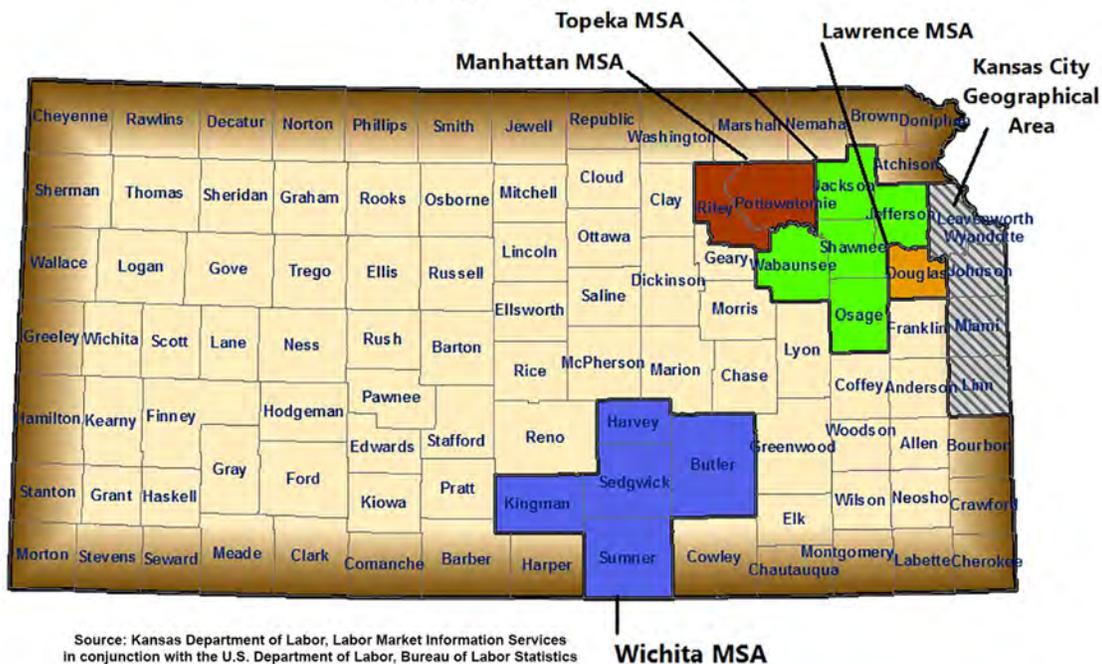
Industry	Kansas
Manufacturing	1.38
Management of Companies & Enterprises	1.32
Utilities	1.28
Mining	1.19
Finance & Insurance	1.08
Wholesale Trade	1.08
Agriculture, Forestry, Fishing & Hunting	1.00
Construction	1.00
Health Care & Social Assistance	1.00
Retail Trade	1.00
Transportation & Warehousing	1.00
U.S. at 1.00	
Administrative & Support & Waste Management & Remediation Services	0.98
Accommodation & Food Services	0.89
Professional & Technical Services	0.85
Other Services, Except Public Administration	0.81
Information	0.80
Arts, Entertainment & Recreation	0.79
Real Estate & Rental & Leasing	0.76
Educational Services	0.56

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Metropolitan Statistical Areas

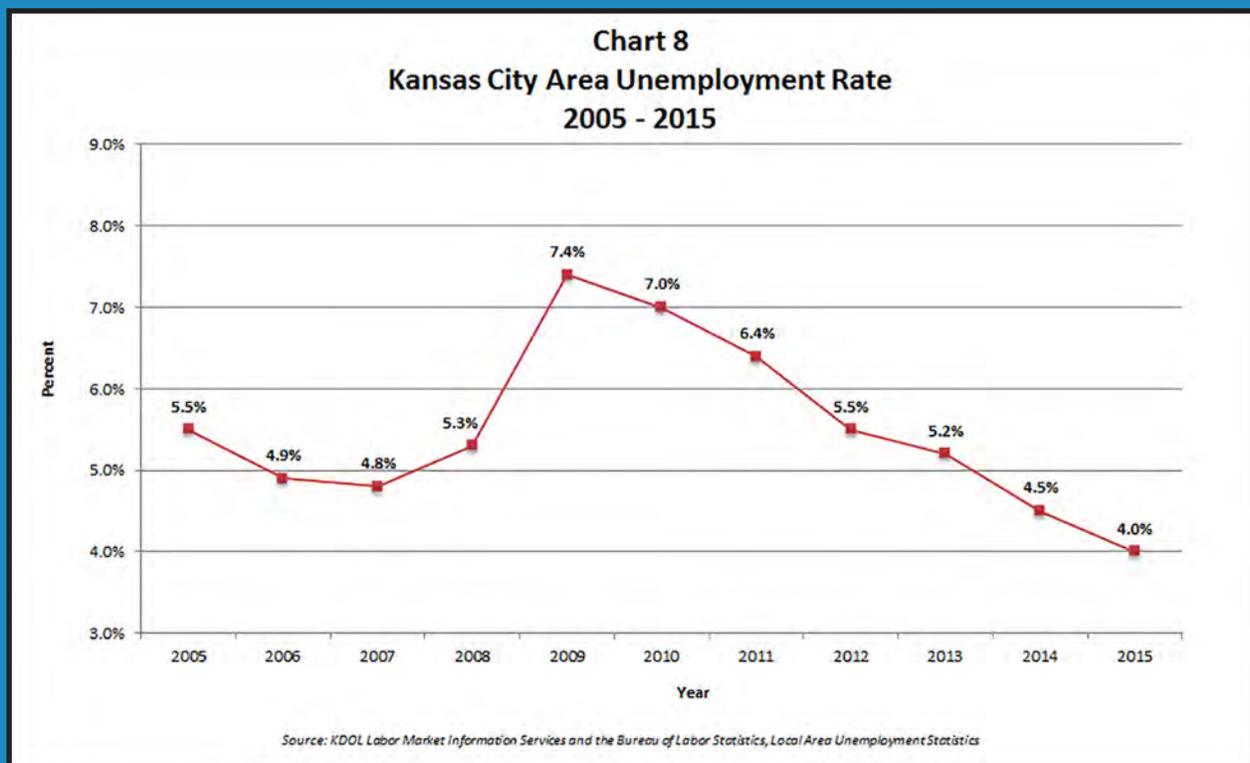
Metropolitan Statistical Areas (MSAs) are major urban areas including the surrounding counties with a high number of commuters. The Kansas Department of Labor releases data for the four MSAs completely in Kansas: Lawrence, Manhattan, Topeka and Wichita, along with the Kansas counties of the Kansas City MSA, which is referred to as the Kansas City Area. **MAP 1** shows the locations of the MSAs within Kansas. MSAs are important because of their concentrated population and subsequent employment. Information pertaining to these areas can give insight into the overall economic well-being of the state.

Map 1 Kansas Metropolitan Statistical and Geographic Areas



Kansas City Area

The Kansas City Area is comprised of five counties: Johnson, Leavenworth, Linn, Miami and Wyandotte. The Kansas City Area population grew by 7,801, or 0.9 percent, to 864,932 in 2015. The Labor Force grew by 4,905, or 1.1 percent, to 458,116 in 2015. The number of people working grew by 6,834, or 1.6 percent to 439,727. **The number of people in the labor force and working are the most of any MSA and record highs for the Kansas City Area.** The Kansas City Area also had the second highest growth rate in both the labor force and people working of any MSA. The unemployment rate in 2015 was 4.0 percent, a 0.5 percentage point reduction and the lowest unemployment rate recorded for the Kansas City Area since 2000. **CHART 8** shows the annual unemployment rate for the Kansas City Area since 2005.



In 2015, the Kansas City Area added 7,600 nonfarm jobs, or 1.7 percent, and 7,100 private sector jobs, or 1.8 percent. This is the highest number of jobs added in any MSA. **In fact, more jobs were added in the Kansas City Area than in all the other Kansas MSAs combined.** Eight of the 10 published industries grew in the Kansas City Area from 2014 to 2015. Education and health services added 2,900 jobs with almost all the growth in health care and social assistance. Trade, transportation and utilities also gained a notable number of jobs, adding 2,700 throughout the industry. Within trade, transportation and utilities, retail trade grew by 1,000 jobs, transportation, warehousing and utilities added 900 jobs and wholesale trade expanded by 800 jobs. Financial activities was the other industry to gain over 1,000 jobs, adding 1,100 jobs. Most of the growth was in finance and insurance.

Two industries lost jobs over the year. Information lost 900 jobs, all in telecommunications. Professional and business services lost 100 jobs with gains in professional, scientific and technical services and management of companies and enterprises offset by a 1,500 job reduction in administrative and support and waste management and remediation services. **TABLE 4** displays employment by industry for the Kansas City Area in 2014 and 2015.

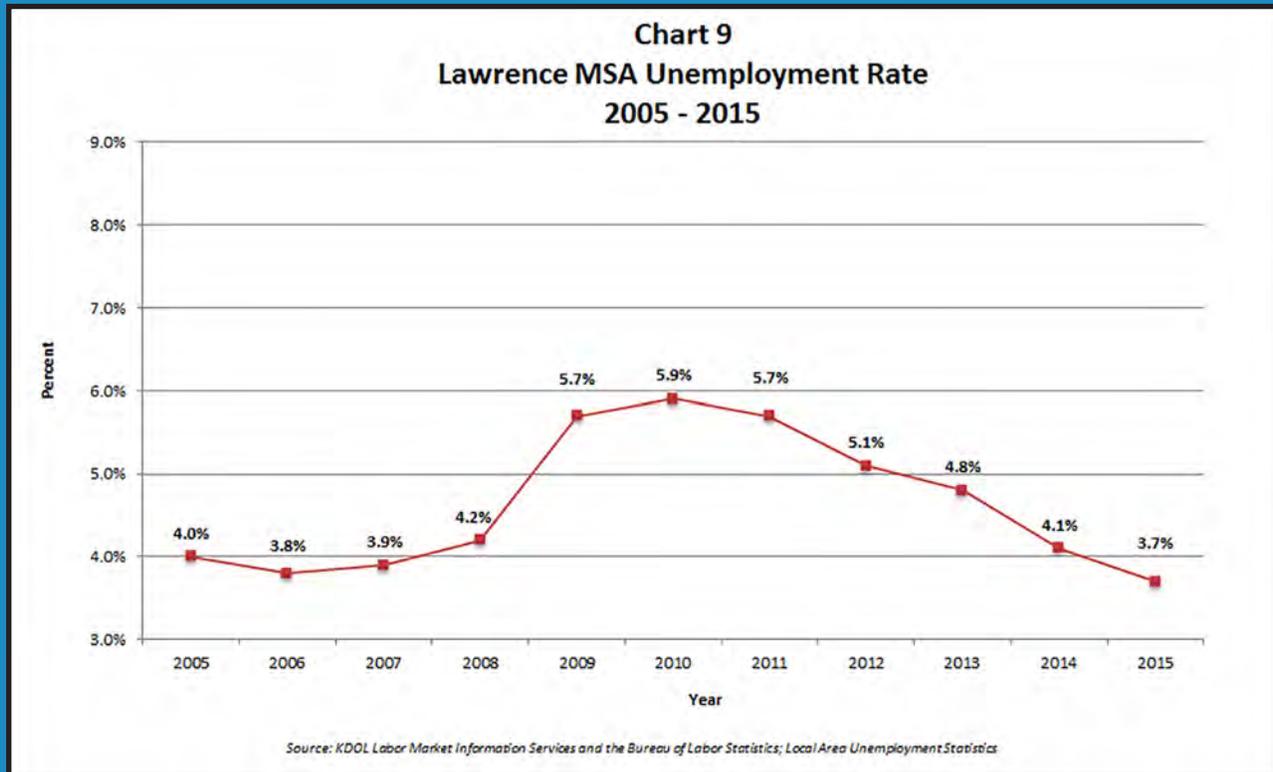
Table 4 Nonfarm Jobs Kansas City Area 2014 & 2015				
	2014	2015	Change	% Change
Total Nonfarm	454,400	462,000	7,600	1.7%
Total Private	398,300	405,400	7,100	1.8%
Mining, Logging & Construction	18,600	19,400	800	4.3%
Manufacturing	30,600	30,700	100	0.3%
Trade, Transportation & Utilities	94,400	97,100	2,700	2.9%
Information	9,300	8,400	-900	-9.7%
Financial Activities	33,900	35,000	1,100	3.2%
Professional & Business Services	94,300	94,200	-100	-0.1%
Education & Health Services	62,200	65,100	2,900	4.7%
Leisure & Hospitality	39,200	39,800	600	1.5%
Other Services	15,700	15,800	100	0.6%
Government	56,100	56,600	500	0.9%

Note: Numbers may not add up due to rounding
Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Current Employment Statistics

The average weekly hours worked declined for the Kansas City Area from 35.2 hours in 2014 to 35.0 hours in 2015. Average hourly earnings increased slightly from \$25.95 in 2014 to \$26.01 in 2015. The reduction in work hours resulted in a \$3.09 decrease in average weekly earnings in 2015 to \$910.35. The Kansas City Area recorded the highest hourly and weekly earnings of any Kansas MSA.

Lawrence MSA

The Lawrence MSA includes only Douglas County; however its population and job concentration make it a major urban center for the state. The Lawrence MSA population grew by 1,590 people to 118,053 in 2015. The 1.4 percent growth rate made it the fastest growing MSA in 2015. **The Labor Force grew by 533, or 0.8 percent, to 65,273 while the number of people working grew by 782, or 1.3 percent, to 62,862. These were both record highs for the Lawrence MSA.** The unemployment rate in 2015 was 3.7 percent, a 0.4 percentage point reduction from the previous year. This was the first time the unemployment rate was under 4 percent since 2007. **CHART 9** displays the unemployment rate for the Lawrence MSA since 2005.



In 2015, the Lawrence MSA added 800 nonfarm jobs, or 1.5 percent, and 500 private sector jobs, or 1.4 percent, as seen in **TABLE 5 (next page)**. Five of the seven published industries in the Lawrence MSA added jobs in 2015. Government added the most jobs, gaining 300 jobs. Four other industries added 100 jobs: goods producing which is a combination of mining and logging; construction and manufacturing; trade, transportation and utilities; leisure and hospitality; and other private service providing which includes information, financial activities and other services. Employment levels in education and health services and professional and business services were unchanged from 2014 to 2015.

The average weekly hours worked in the Lawrence MSA increased by 0.2 hours from 2014 to 2015 to 26.2 hours, the shortest average work week in any Kansas MSA. Average hourly earnings increased from \$18.21 to \$18.52, but are still lowest of any Kansas MSA. The increases in both hours worked and hourly earnings resulted in average weekly earnings increasing from \$473.46 in 2014 to \$485.22 in 2015. This is also the lowest weekly earnings recorded in any Kansas MSA.

**Table 5
Nonfarm Jobs
Lawrence MSA
2014 & 2015**

	2014	2015	Change	% Change
Total Nonfarm	52,000	52,800	800	1.5%
Total Private	35,900	36,400	500	1.4%
Goods Producing	5,300	5,400	100	1.9%
Trade, Transportation & Utilities	7,800	7,900	100	1.3%
Professional & Business Services	5,300	5,300	0	0.0%
Education & Health Services	5,600	5,600	0	0.0%
Leisure & Hospitality	6,700	6,800	100	1.5%
Other Private Service Providing	5,200	5,300	100	1.9%
Government	16,100	16,400	300	1.9%

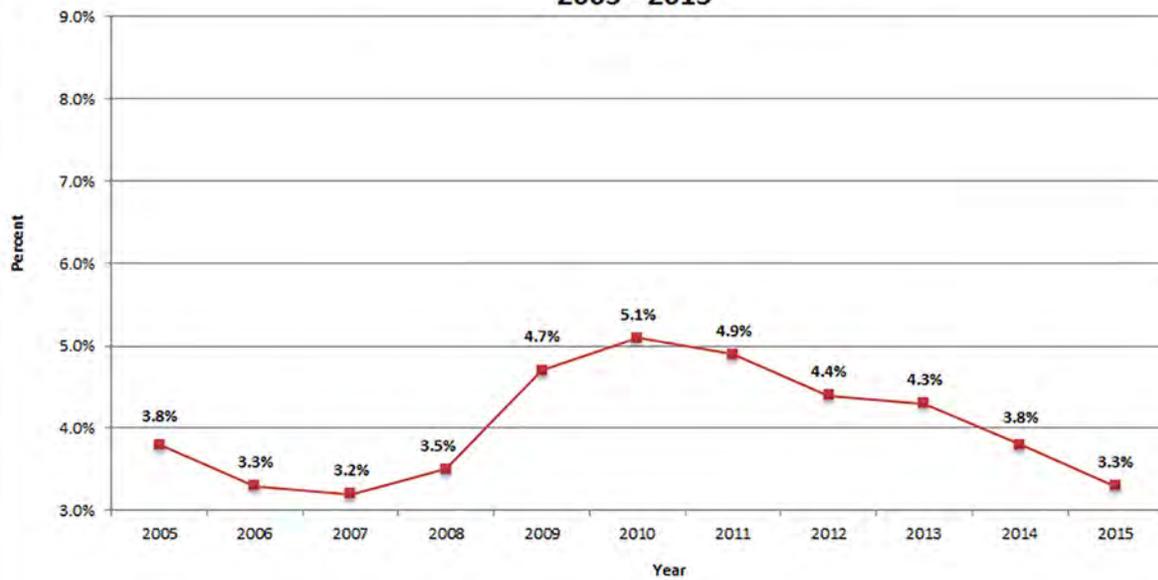
Note: Numbers may not add up due to rounding
Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Current Employment Statistics

Manhattan MSA

The Manhattan MSA is comprised of Pottawatomie and Riley counties. The Manhattan MSA population increased by 1,021, or 1 percent, to 98,545 in 2015. The labor force grew by 1,412, or 2.9 percent, to 50,088 while the number of people working increased by 1,571, or 3.4 percent, to 48,413. The percent growth in the labor force and people working was the highest of any MSA. The unemployment rate in 2015 was 3.3 percent, an improvement of 0.5 percentage points and the lowest recorded in any Kansas MSA. **CHART 10 (next page)** displays the unemployment rate for the Manhattan MSA since 2005.



**Chart 10
Manhattan MSA Unemployment Rate
2005 - 2015**



Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics; Local Area Unemployment Statistics

In 2015, the Manhattan MSA added 1,500 nonfarm jobs, or 3.5 percent, and 400 private sector jobs, or 1.4 percent. The percent growth in nonfarm jobs was the highest of any MSA. As seen in **TABLE 6**, which shows the employment by industry for the Manhattan MSA, only 3 industries are published due to the small size of the MSA. Most of the job growth in the Manhattan MSA occurred in the public sector with government adding 1,200 jobs. Goods producing industries grew by 200 jobs while private service providing industries expanded by 100 jobs.

**Table 6
Nonfarm Jobs
Manhattan MSA
2014 & 2015**

	2014	2015	Change	% Change
Total Nonfarm	42,800	44,300	1,500	3.5%
Total Private	28,800	29,200	400	1.4%
Goods Producing	5,200	5,400	200	3.8%
Private Service Providing	23,700	23,800	100	0.4%
Government	13,900	15,100	1,200	8.6%

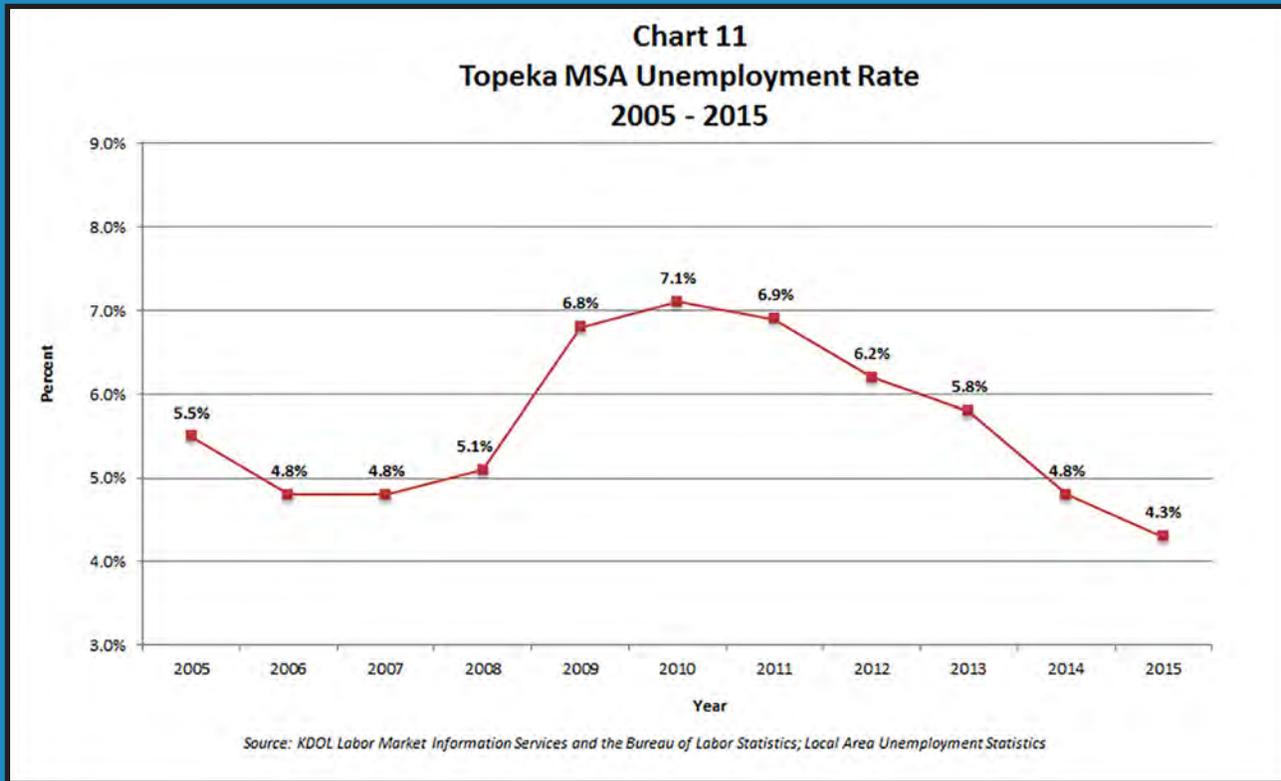
Note: Numbers may not add up due to rounding

Source: KDOL Labor Market Information Services and Bureau of Labor Statistics, Current Employment Statistics

The average weekly hours worked in the Manhattan MSA increased by 0.6 hours in 2015 to 31.4 hours. The average hourly earnings also increased from \$19.16 in 2014 to \$21.06 in 2015 leading to a \$71.15 increase in average weekly earnings to \$661.28. These were the largest increases in hours worked, hourly earnings and weekly earnings of any Kansas MSA.

Topeka MSA

The Topeka MSA is comprised of Jackson, Jefferson, Osage, Shawnee and Wabaunsee counties. The Topeka MSA population was virtually unchanged going from 233,798 in 2014 to 233,791 in 2015. The Topeka MSA labor force was the only MSA labor force to decrease in 2015, losing 416 individuals or 0.3 percent. However, the number of people working increased by 221, or 0.2 percent. The unemployment rate in 2015 was 4.3 percent, a decrease of 0.5 percentage points. **CHART 11** displays the unemployment rate for the Topeka MSA since 2005.



In 2015, the Topeka MSA added 300 nonfarm jobs, or 0.3 percent, and 800 private sector jobs, or 1 percent. Seven of the 10 published industries experienced job growth in 2015. The only industries to gain more than 100 jobs were education and health services, which added 300 jobs, and manufacturing, which grew by 200 jobs. Government lost 500 jobs at the state and local levels while mining, logging and construction and other services were unchanged from 2014 to 2015. **TABLE 7 (next page)**, shows the jobs by industry in 2014 and 2015 for the Topeka MSA.

**Table 7
Nonfarm Jobs
Topeka MSA
2014 & 2015**

	2014	2015	Change	% Change
Total Nonfarm	111,000	111,300	300	0.3%
Total Private	83,500	84,300	800	1.0%
Mining, Logging & Construction	6,000	6,000	0	0.0%
Manufacturing	7,200	7,400	200	2.8%
Trade, Transportation & Utilities	17,600	17,700	100	0.6%
Information	1,400	1,500	100	7.1%
Financial Activities	7,400	7,500	100	1.4%
Professional & Business Services	13,100	13,200	100	0.8%
Education & Health Services	17,900	18,200	300	1.7%
Leisure & Hospitality	8,600	8,700	100	1.2%
Other Services	4,300	4,300	0	0.0%
Government	27,500	27,000	-500	-1.8%

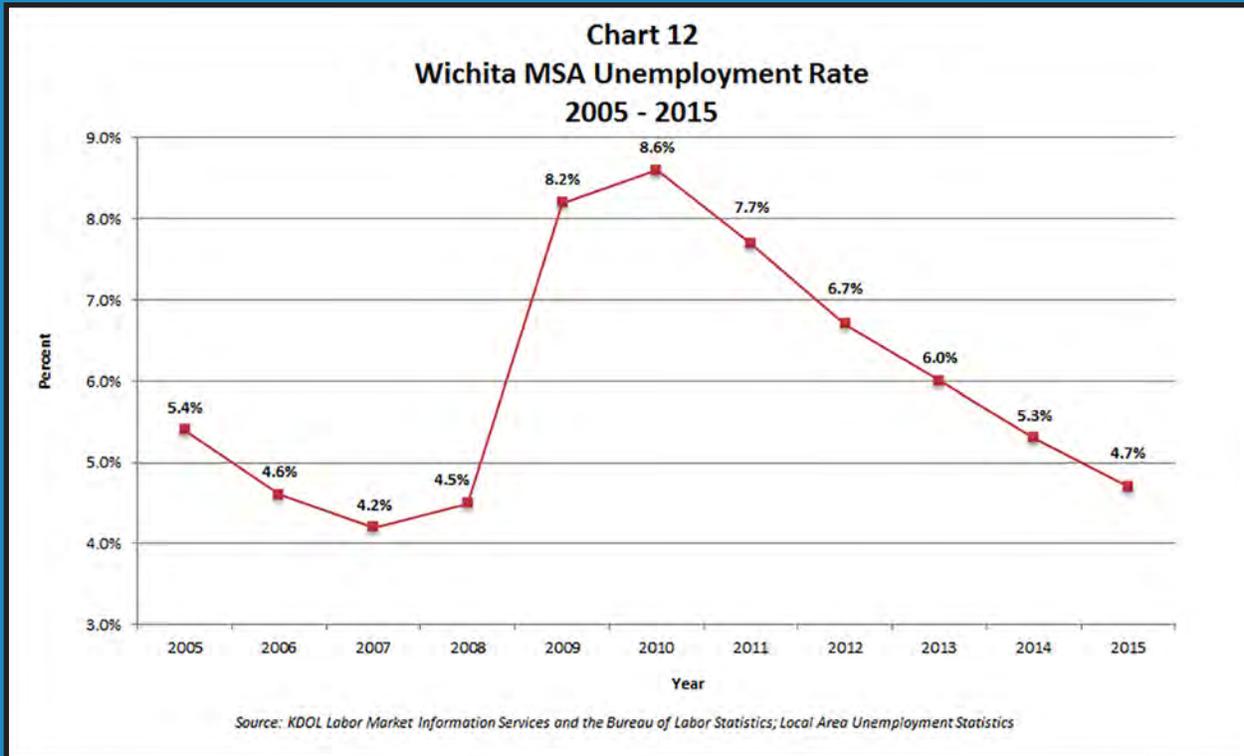
Note: Numbers may not add up due to rounding

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Current Employment Statistics

Average weekly hours worked increased by 0.4 hours in the Topeka MSA in 2015 to 33.3 hours. Average hourly earnings also increased from \$20.29 in 2014 to \$20.87 in 2015 leading to average weekly earnings increasing from \$667.54 in 2014 to \$694.97 in 2015.

Wichita MSA

The Wichita MSA contains Butler, Harvey, Kingman, Sedgwick and Sumner counties. Population in the Wichita MSA grew by 3,130 from 2014 to 2015 to 644,610. The labor force increased by 1,194, or 0.4 percent, while the number of people working grew by 2,884, or 1 percent, to 297,728. The unemployment rate in 2015 was 4.7 percent, a 0.6 percentage point improvement. Despite the best improvement in the unemployment rate from 2014 to 2015 and a 3.9 percentage point improvement in the unemployment rate since 2010, as seen in **CHART 12 (next page)**, the Wichita MSA continues to have the highest unemployment rate of any Kansas MSA.



In 2015, the Wichita MSA added 3,500 nonfarm jobs, or 1.2 percent, and 3,700 private sector jobs, or 1.5 percent. This marks the most nonfarm and private sector jobs added in the Wichita MSA since 2008. Seven of the 10 industries in the Wichita MSA experienced job growth in 2015. Leisure and hospitality added the most jobs, gaining 1,700 jobs almost entirely in accommodation and food services. Trade, transportation and utilities grew by 700 jobs. Growth was throughout the industry with the majority of the growth in retail trade which added 400 jobs. Financial activities gained 600 jobs.

Three industries lost jobs from 2014 to 2015. Manufacturing lost 300 jobs with losses in durable goods manufacturing offsetting slight gains in non-durable goods. Government lost 200 jobs with decreases at the federal and state levels. Information lost 100 jobs. **TABLE 8 (next page)** displays the jobs by industry for the Wichita MSA for 2014 and 2015.

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{
 Seven of the 10
 industries in the Wichita
 MSA experienced job
 growth in 2015.
 }

**Table 8
Nonfarm Jobs
Wichita MSA
2014 & 2015**

	2014	2015	Change	% Change
Total Nonfarm	292,600	296,100	3,500	1.2%
Total Private	252,000	255,700	3,700	1.5%
Mining, Logging & Construction	16,000	16,500	500	3.1%
Manufacturing	52,600	52,300	-300	-0.6%
Trade, Transportation & Utilities	51,800	52,500	700	1.4%
Information	4,500	4,400	-100	-2.2%
Financial Activities	10,900	11,500	600	5.5%
Professional & Business Services	33,000	33,100	100	0.3%
Education & Health Services	44,300	44,500	200	0.5%
Leisure & Hospitality	29,600	31,300	1,700	5.7%
Other Services	9,400	9,600	200	2.1%
Government	40,600	40,400	-200	-0.5%

Note: Numbers may not add up due to rounding

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Current Employment Statistics

Average weekly hours worked decreased from 2014 to 2015 by 0.6 hours in the Wichita MSA to 35.7 hours. Even with the decline, this is still the longest work week of any Kansas MSA. Average hourly earnings increased slightly from \$20.91 in 2014 to \$20.98 in 2015. Average weekly earnings decreased as a result of fewer hours worked from \$759.03 in 2014 to \$748.99 in 2015.

Included at the end of this section are two comparison maps of the Kansas MSAs. The first, **MAP 2** shows the unemployment rate in each MSA and the second, **MAP 3 (next page)**, shows the average weekly earnings in each MSA.

Map 2 Unemployment Rates by MSA

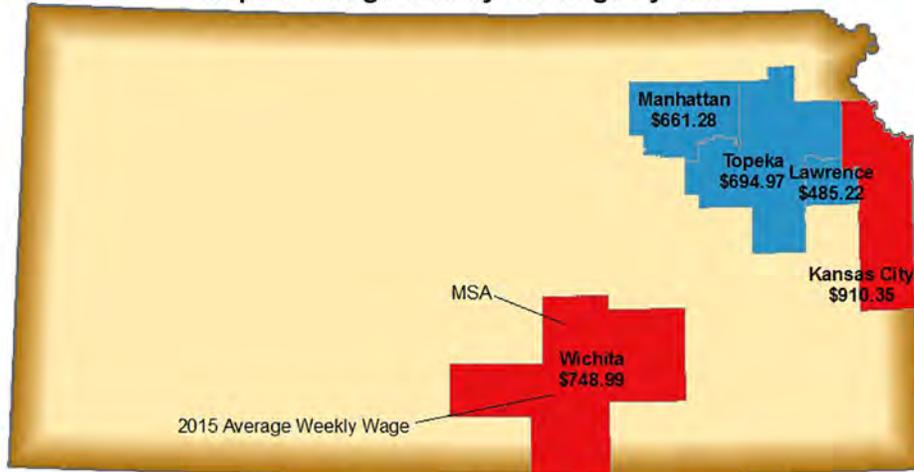


MSA	Unemployment Rate		2014 - 2015
	2014	2015	Percentage Point Change
Kansas City	4.5%	4.0%	-0.5
Lawrence	4.1%	3.7%	-0.4
Manhattan	3.8%	3.3%	-0.5
Topeka	4.8%	4.3%	-0.5
Wichita	5.3%	4.7%	-0.6
Statewide	4.6%	4.2%	-0.4

2015 Unemployment Rate	
Blue	Decreased from Previous Year
Red	Increased from Previous Year

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

Map 3 Average Weekly Earnings by MSA



Average Weekly Wage			
MSA	2014	2015	2014 - 2015 Change
Kansas City	\$913.44	\$910.35	-\$3.09
Lawrence	\$473.46	\$485.22	\$11.76
Manhattan	\$590.13	\$661.28	\$71.15
Topeka	\$667.54	\$694.97	\$27.43
Wichita	\$759.03	\$748.99	-\$10.04
Statewide	\$764.31	\$774.15	\$9.84

2015 Average Weekly Wage	
	Decreased from Previous Year
	Increased from Previous Year

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

Local Workforce Investment Areas

Workforce Innovation and Opportunity Act (WIOA)

The Workforce Innovation and Opportunity Act (WIOA) went into effect July 1, 2015, superseding the Workforce Investment Act of 1998 and amending other workforce programs. WIOA is designed to help job seekers access employment, education, training and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy.

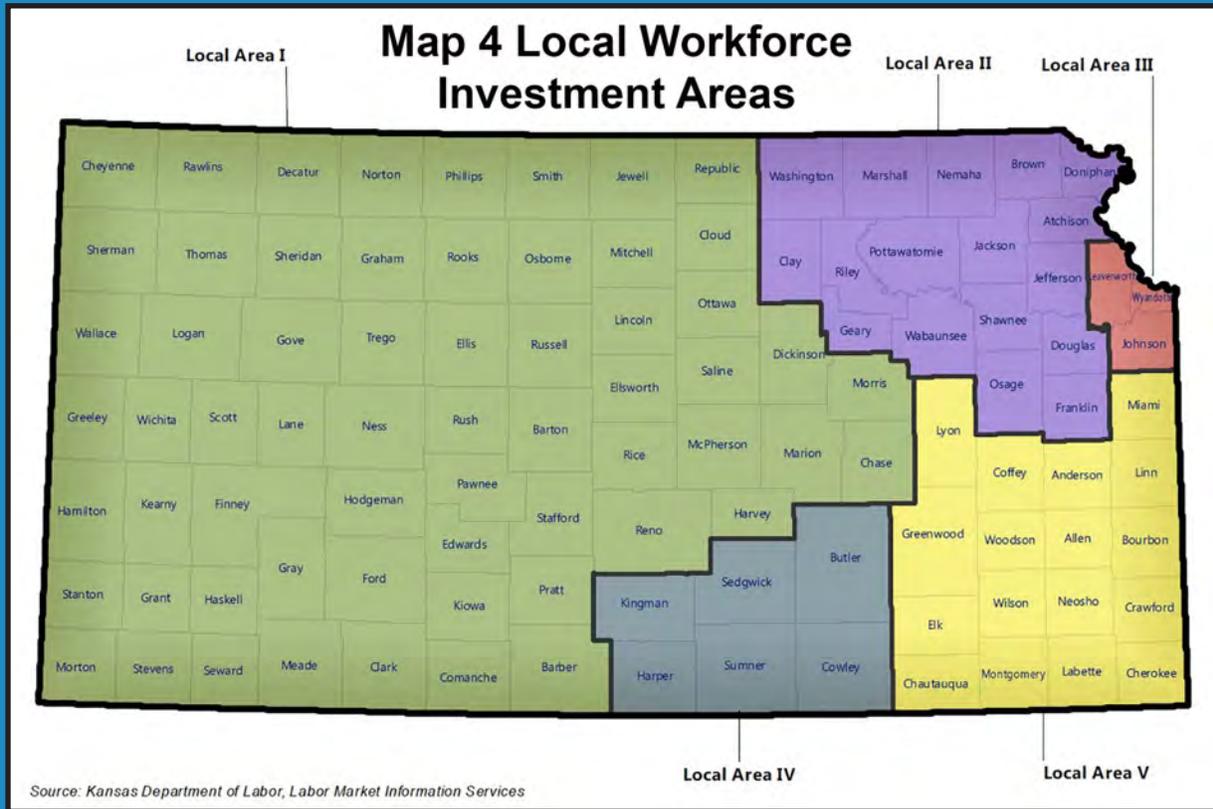
There are two core programs established through WIOA. One is operating local workforce centers and providing employment and training services for adults, dislocated workers and youth. This is accomplished by the states using grant money from the U.S. Department of Labor, which also provides guidance to the states on implementing programs. The other core programs are adult education and literacy programs and vocational rehabilitation programs that assist individuals with disabilities in obtaining employment. Grant money and guidance is provided by the U.S. Department of Education for these programs. Other federal programs are also authorized through WIOA.

Workforce development programs available in Kansas include:

- Online job board at KansasWorks.com
- Worker training, employment and certification programs
- Employer recruitment and training assistance
- Support for employers facing closing or mass layoffs
- Support for specific groups such as veteran, disabled, and older workers
- Services available at 26 workforce centers throughout the state

Workforce development programs in Kansas are administered through the Kansas Department of Commerce Workforce Services Division. The KansasWorks State Board, with a mix of public sector and private sector members appointed by the Governor, oversees the workforce development system in Kansas. In order to more efficiently administer the programs, the state is divided into five local workforce areas, as seen in **MAP 4 (next page)**, each with their own workforce board. This report will detail the economic conditions of each of the local areas.



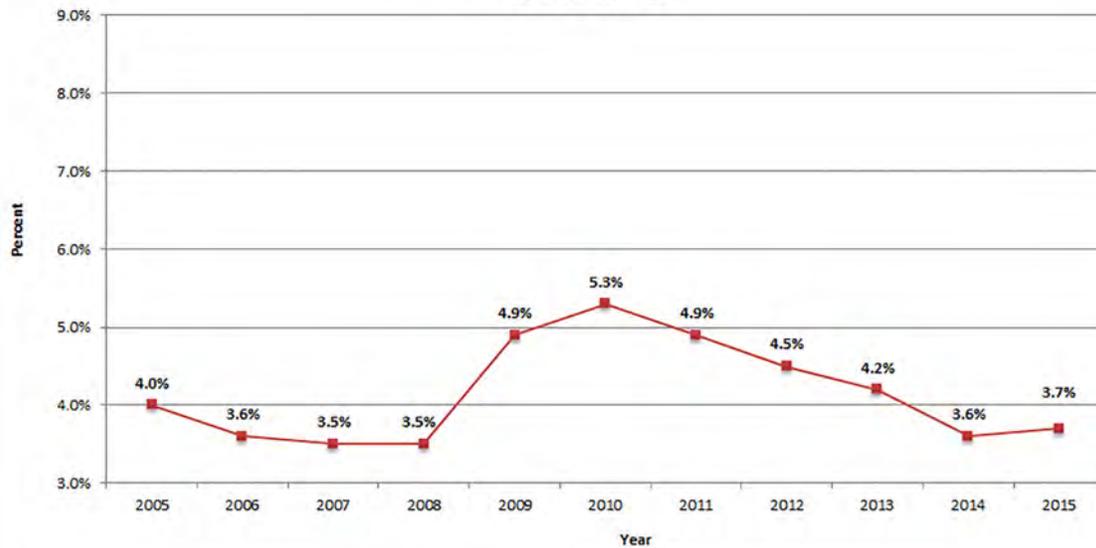


Local Area I - Western Kansas

Local Area I includes 62 counties in western and north central Kansas. In 2015, the total population of Local Area I was 583,065, a decrease of 2,236 or 0.4 percent from the previous year. The largest cities in this local area are Salina, Hutchinson, Dodge City, Garden City and Hays. The 2015 labor force for Local Area I was 311,976, a decrease from 2014 of 1,231, or 0.4 percent. The decline was due to a decrease in the number of employed people. The Local Area I unemployment rate rose by 0.1 percentage points in 2015 to 3.7 percent, the lowest unemployment rate in any local area.

CHART 13 (next page) displays the unemployment rate in Local Area I since 2005.

Chart 13
Local Area I Unemployment Rate
2005 - 2015



Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics; Local Area Unemployment Statistics

While statewide and Metropolitan Statistical Area job estimates come from nonfarm job totals as provided by the Current Employment Statistics (CES) program, job totals for the local areas and counties come from the Quarterly Census of Employment and Wages (QCEW) program. The biggest difference between the two is that QCEW is a count of all jobs subject to state and federal unemployment insurance. Jobs in QCEW may be reclassified between industries between years, which can result in large changes in the data. As seen in **TABLE 9 (next page)** Local Area I lost approximately 2,800 total jobs in 2015, or 1.1 percent, and 2,670 private jobs, or 1.3 percent. Local Area I experienced the largest job losses of any local area. Six industries gained jobs but no industry gained more than 200 jobs.

Five industries lost jobs with the majority of job losses in manufacturing and natural resources and mining. Manufacturing lost approximately 1,400 jobs, with about half the loss occurring in food manufacturing. Significant losses also occurred in fabricated metal manufacturing and machinery manufacturing. Natural resources and mining lost approximately 1,100 jobs. Slight job gains in agriculture were offset by losses in mining, which includes oil and gas extraction. The average weekly wage for all industries was \$678 in 2015, an increase from 2014 of \$10 or 1.5 percent.

**Table 9
Local Area I Jobs
2014 & 2015**

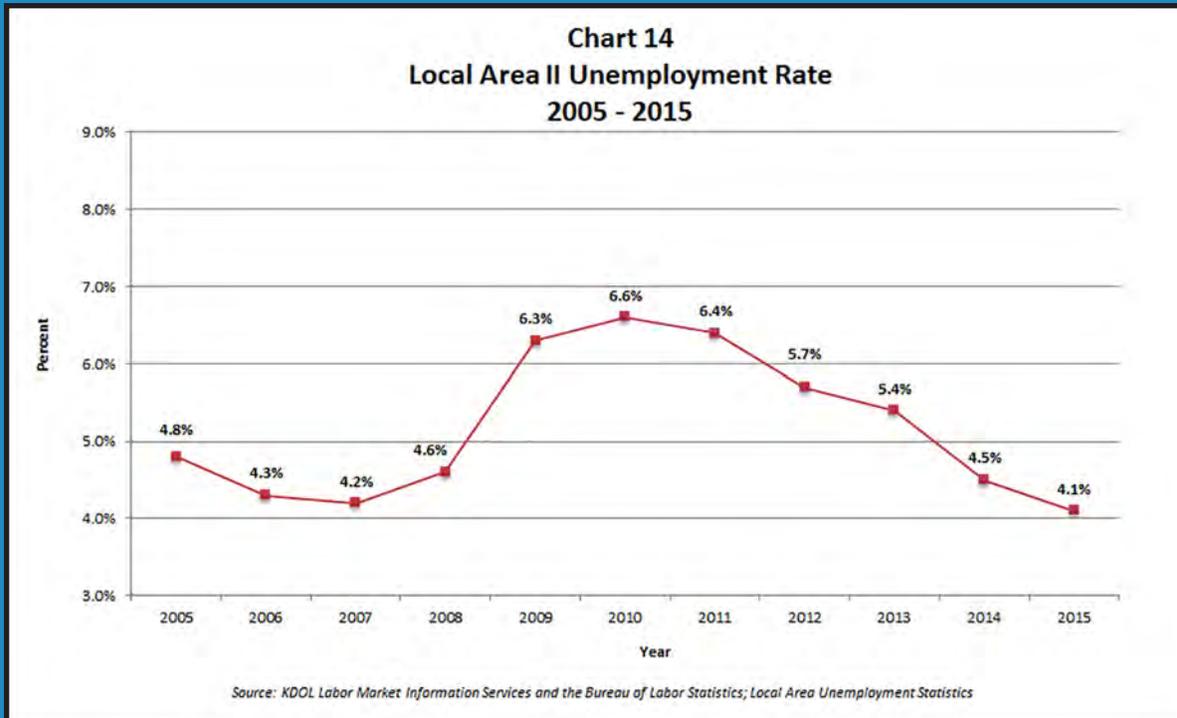
	2014	2015	Change	% Change
Total	261,924	259,125	-2,799	-1.1%
Total Private	203,786	201,116	-2,670	-1.3%
Natural Resources & Mining	14,869	13,809	-1,060	-7.1%
Construction	11,692	11,428	-264	-2.3%
Manufacturing	39,938	38,565	-1,373	-3.4%
Trade, Transportation & Utilities	48,593	48,775	182	0.4%
Information	3,394	3,229	-165	-4.9%
Financial Activities	9,283	9,306	23	0.2%
Professional & Business Services	15,099	15,272	173	1.1%
Education & Health Services	33,175	33,201	26	0.1%
Leisure & Hospitality	21,887	22,000	113	0.5%
Other Services	5,877	5,566	-311	-5.3%
Government	57,942	58,015	73	0.1%

Note: Numbers may not add up due to rounding

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Quarterly Census of Employment & Wages

Local Area II - Northeast Kansas

Local Area II includes 17 counties in northeast Kansas. In 2015, the population of Local Area II was 581,107, an increase of 2,707, or 0.5 percent. The largest cities in this local area are Topeka, Lawrence, Manhattan and Junction City. In 2015, the labor force increased by 1,432, or 0.5 percent, to 299,209 people. The number of people employed increased by 2,774 while there were 1,342 fewer unemployed people. The unemployment rate, as shown in **CHART 14 (next page)**, decreased by 0.4 percentage points in 2015 to 4.1 percent.



Local Area II gained approximately 800 jobs, or 0.3 percent, from 2014 to 2015 as displayed in **TABLE 10 (next page)**. Private sector jobs increased by 1,146 or 0.6 percent. Seven industries gained jobs, with the largest gains occurring in professional and business services and leisure and hospitality. Professional and business services grew by 564 jobs. Leisure and hospitality increased by 342 jobs with gains in accommodation and food services offsetting losses in arts, entertainment and recreation. Four industries lost jobs. The biggest losses were in government and trade, transportation and utilities. Government lost 356 jobs at the state and local level while trade, transportation and utilities declined by 238 jobs. The average weekly wage in Local Area II was \$741 in 2015, an increase of \$17 or 2.3 percent from 2014.

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In 2015, the labor force in Local Area II increased by 1,432 or 0.5 percent to 299,209 people.

Table 10
Local Area II Jobs
2014 & 2015

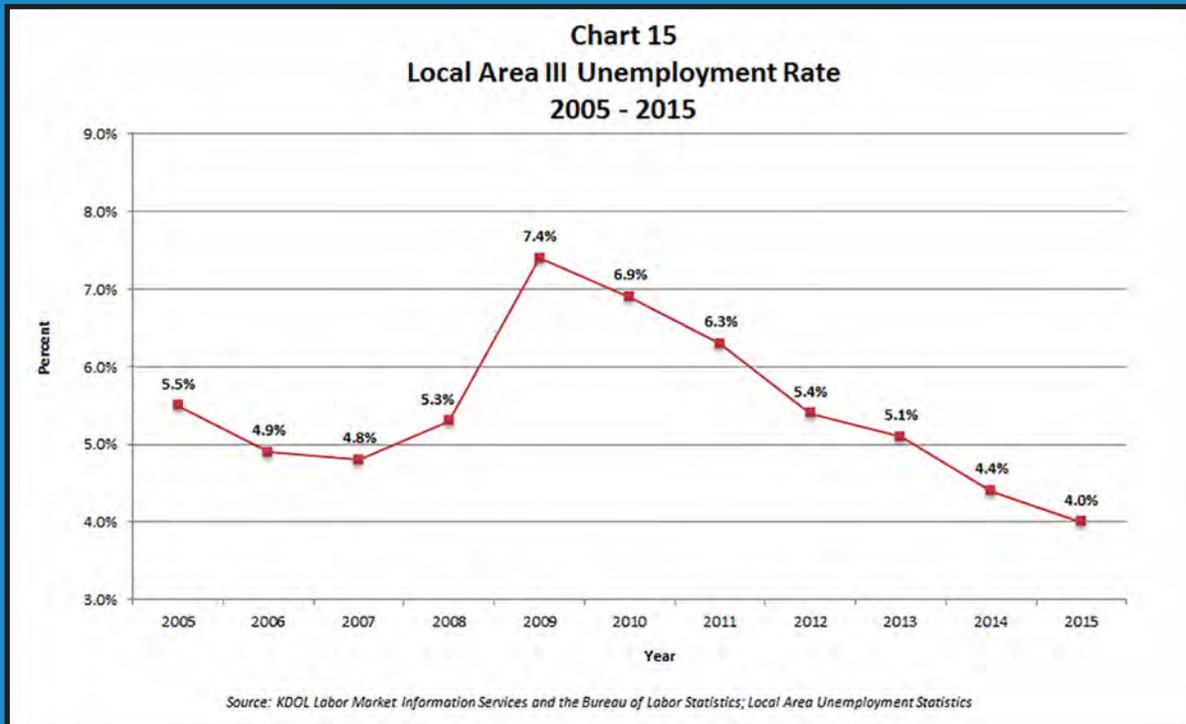
	2014	2015	Change	% Change
Total	245,962	246,747	785	0.3%
Total Private	182,338	183,484	1,146	0.6%
Natural Resources & Mining	2,060	2,134	74	3.6%
Construction	10,859	10,997	138	1.3%
Manufacturing	21,103	21,057	-46	-0.2%
Trade, Transportation & Utilities	42,087	41,849	-238	-0.6%
Information	3,368	3,312	-56	-1.7%
Financial Activities	12,724	12,787	63	0.5%
Professional & Business Services	23,894	24,458	564	2.4%
Education & Health Services	34,082	34,234	152	0.4%
Leisure & Hospitality	23,987	24,329	342	1.4%
Other Services	8,184	8,336	152	1.9%
Government	63,625	63,269	-356	-0.6%

Note: Numbers may not add up due to rounding

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Quarterly Census of Employment & Wages

Local Area III - Kansas City Area

Local Area III consists of Johnson, Leavenworth and Wyandotte counties—the three largest counties on the Kansas side of the Kansas City Metropolitan Statistical Area. The population of Local Area III was 822,843 in 2015, an increase of 7,948 or 1 percent from 2014. This makes Local Area III the most populous local area. The 2015 labor force for Local Area III was 436,682, a gain from 2014 of 4,677 or 1.1 percent. There was an increase of 6,499 in the number of people working and a decrease of 1,822 in the number of unemployed people. The unemployment rate decreased by 0.4 percentage points from 2014 to 2015 to 4.0 percent, as seen in **CHART 15 (next page)**.



Local Area III gained approximately 8,700 jobs from 2014 to 2015, the most jobs added in any local area. **TABLE 11 (next page)** also shows private sector jobs increased by 8,248, or 2.2 percent. Ten of the eleven industries gained jobs over the year. Large gains were recorded in professional and business services, education and health services, and financial activities. Professional and business services added approximately 8,300 jobs. Education and health services gained approximately 3,300 jobs with nearly all the growth occurring in health care and social assistance. Financial activities added approximately 1,300 jobs, mostly in finance and insurance. Information was the only industry to lose jobs. The average weekly wage in Local Area III was \$1,017 in 2015, an increase from 2014 of \$35 or 3.6 percent. This is the highest average weekly wage and largest increase of any local area.

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The average weekly wage in Local Area III was \$1,017 in 2015. This is the highest average weekly wage of any local area.

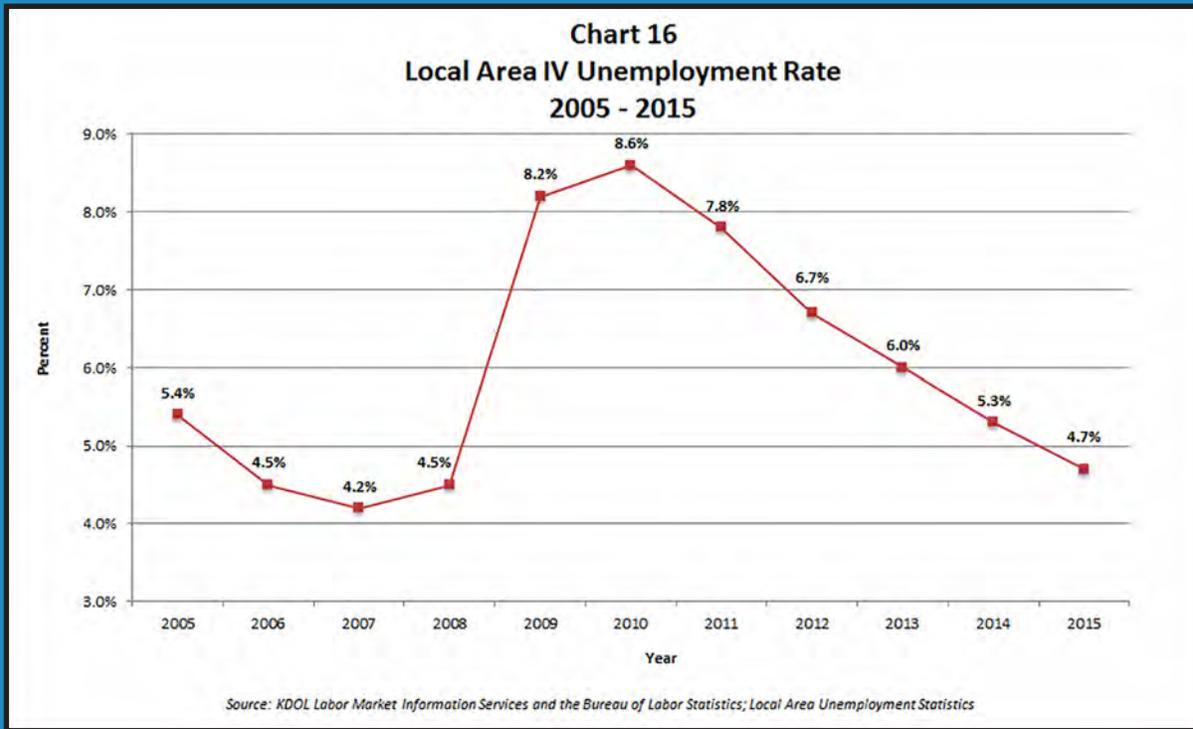
**Table 11
Local Area III Jobs
2014 & 2015**

	2014	2015	Change	% Change
Total	434,861	443,567	8,706	2.0%
Total Private	382,111	390,359	8,248	2.2%
Natural Resources & Mining	505	534	29	5.7%
Construction	17,257	18,099	842	4.9%
Manufacturing	29,900	30,016	116	0.4%
Trade, Transportation & Utilities	92,750	93,128	378	0.4%
Information	15,113	8,319	-6,794	-45.0%
Financial Activities	33,314	34,646	1,332	4.0%
Professional & Business Services	85,554	93,884	8,330	9.7%
Education & Health Services	58,676	62,012	3,336	5.7%
Leisure & Hospitality	38,481	39,133	652	1.7%
Other Services	10,563	10,587	24	0.2%
Government	52,753	53,209	456	0.9%

Note: Numbers may not add up due to rounding
 Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Quarterly Census of Employment & Wages

Local Area IV - South Central Kansas

Local Area IV consists of Butler, Cowley, Harper, Kingman, Sedgwick, and Sumner counties. Four of the six counties are also in the Wichita Metropolitan Statistical Area. The 2015 population of Local Area IV was 651,142, an increase from 2014 of 2,707 or 0.4 percent. This makes Local Area IV the second largest by population. The labor force in 2015 had 315,072 individuals, an increase from 2014 of 747 or 0.2 percent. The number of employed people increased by 2,391 and the number of unemployed decreased by 1,644 people. **CHART 16 (next page)** shows that the unemployment rate in 2015 was 4.7 percent, an improvement of 0.6 percentage points, the first time the Local Area IV unemployment rate has been below five percent since 2008.



Local Area IV added approximately 3,200 jobs in 2015 and approximately 3,400 private sector jobs. As seen in **TABLE 12 (next page)**, seven of the 11 major industries added jobs with most of the job gains occurring in leisure and hospitality. Leisure and hospitality added approximately 1,900 jobs, mostly in accommodation and food service. Significant gains were also recorded in construction; trade, transportation and utilities; and financial activities. The most significant job losses were in natural resources and mining, which lost 452 jobs, or 21.2 percent, almost entirely in the mining sector. The average weekly wage in 2015 was \$857, a \$19 increase from 2014 or 2.3 percent.

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Seven of the 11 major industries in Local Area IV added jobs with most of the job gains occurring in leisure and hospitality.

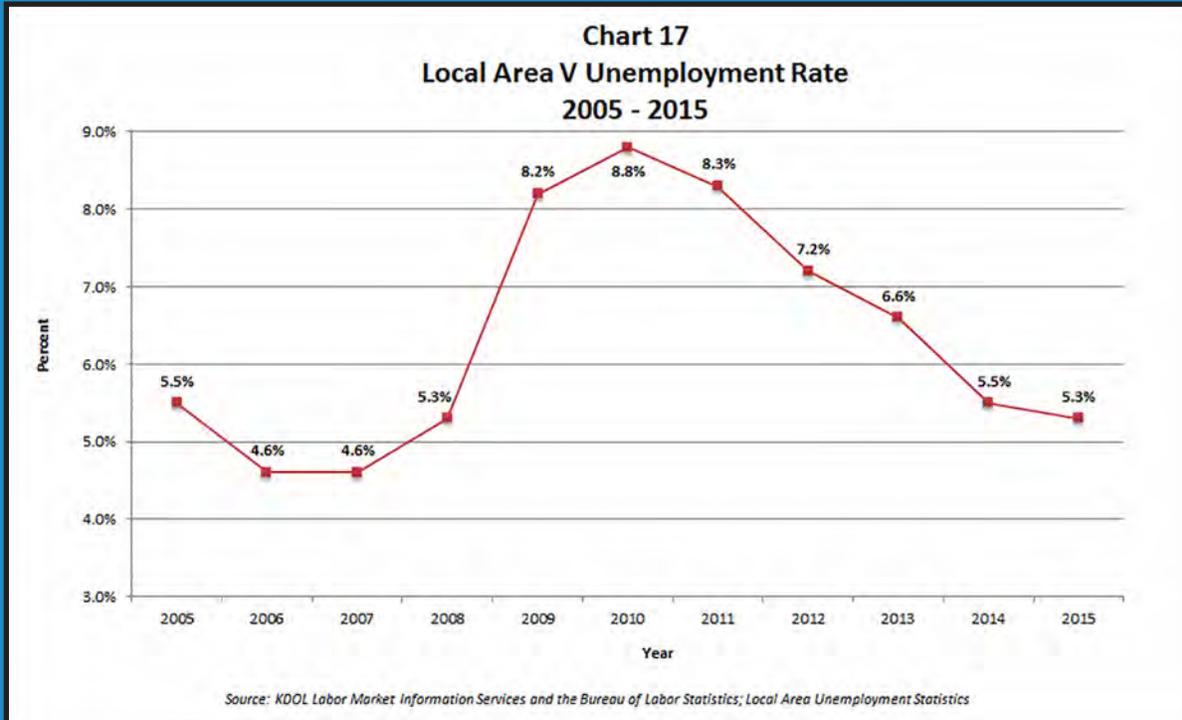
Table 12
Local Area IV Jobs
2014 & 2015

	2014	2015	Change	% Change
Total	289,922	293,161	3,239	1.1%
Total Private	248,436	251,832	3,396	1.4%
Natural Resources & Mining	2,129	1,677	-452	-21.2%
Construction	14,436	15,124	688	4.8%
Manufacturing	52,695	52,528	-167	-0.3%
Trade, Transportation & Utilities	51,579	52,211	632	1.2%
Information	4,556	4,543	-13	-0.3%
Financial Activities	11,001	11,553	552	5.0%
Professional & Business Services	33,428	33,490	62	0.2%
Education & Health Services	42,293	42,345	52	0.1%
Leisure & Hospitality	29,761	31,698	1,937	6.5%
Other Services	6,559	6,668	109	1.7%
Government	41,485	41,329	-156	-0.4%

Note: Numbers may not add up due to rounding
 Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Quarterly Census of Employment & Wages

Local Area V - Southeast Kansas

Local Area V includes 17 counties in southeast Kansas. In 2015, the population of Local Area V was 273,484, a decrease from 2014 of 1,992, or 0.7 percent. The two largest cities in Local Area V are Emporia and Pittsburg. The 2015 labor force for Local Area V was 136,082, a decrease from 2014 of 799, or 0.6 percent. Local Area V has the smallest population and labor force of any local area. Both the number of employed and unemployed people decreased over the year. The unemployment rate in 2015, displayed in **CHART 17 (next page)** decreased by 0.2 percentage points from 2014 to 5.3 percent but still remains the highest of the five local areas.



As seen in **TABLE 13 (next page)** Local Area V lost approximately 1,000 total jobs from 2014 to 2015, including about 800 private sector jobs. Only three of the 11 major industries gained jobs over the year with notable increases recorded in manufacturing, which added 319 jobs, and professional and business services, which added 254 jobs. Of the eight industries that lost jobs, five of the industries lost over 200 jobs with trade, transportation and utilities recording the largest decrease, losing 304 jobs. This indicates across the board stagnation in this region. The average weekly wage for Local Area V increased by \$11 from 2014 to 2015, a 1.7 percent gain.

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Only three of the 11 major industries in Local Area V gained jobs over the year.

Table 13
Local Area V Jobs
2014 & 2015

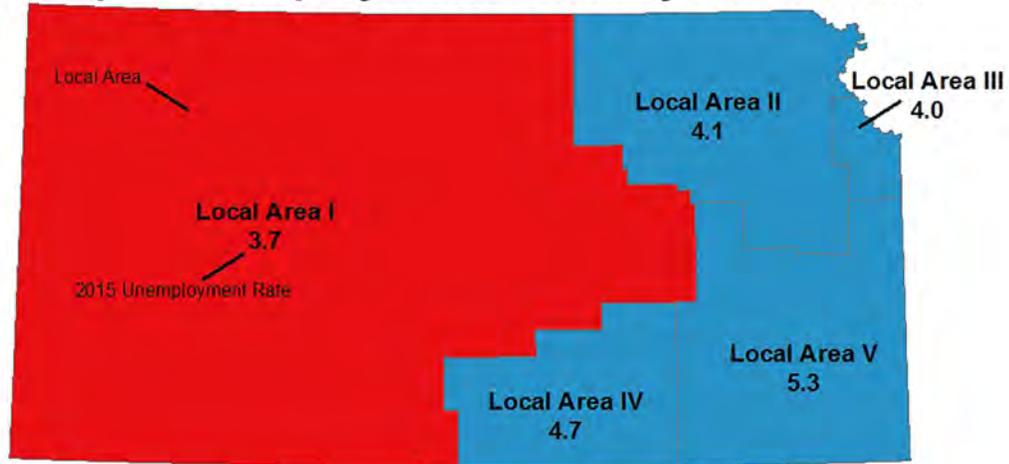
	2014	2015	Change	% Change
Total	105,535	104,498	-1,037	-1.0%
Total Private	79,158	78,387	-771	-1.0%
Natural Resources & Mining	2,093	1,871	-222	-10.6%
Construction	4,025	3,748	-277	-6.9%
Manufacturing	18,446	18,765	319	1.7%
Trade, Transportation & Utilities	19,463	19,159	-304	-1.6%
Information	1,135	1,140	5	0.4%
Financial Activities	3,370	3,255	-115	-3.4%
Professional & Business Services	5,965	6,219	254	4.3%
Education & Health Services	14,432	14,135	-297	-2.1%
Leisure & Hospitality	8,543	8,446	-97	-1.1%
Other Services	1,690	1,655	-35	-2.1%
Government	26,380	26,114	-266	-1.0%

Note: Numbers may not add up due to rounding

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Quarterly Census of Employment & Wages

Included at the end of this section are two comparison maps of the local areas. The first, **MAP 5** shows the unemployment rate in each local area and the second, **MAP 6 (next page)** shows the average weekly earnings in each local area.

Map 5 Unemployment Rates by Local Area



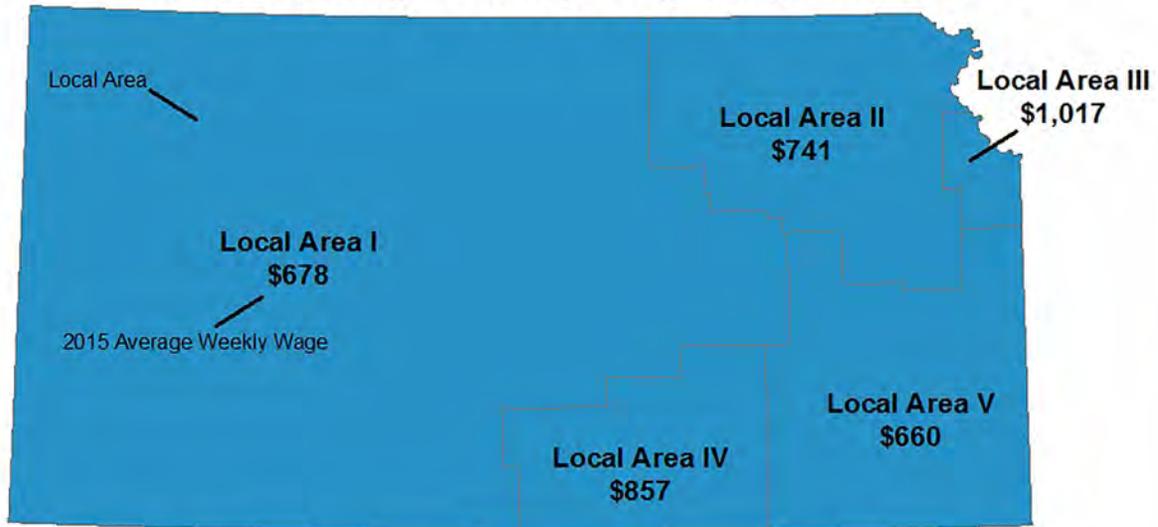
Unemployment Rate			
Local Area	2014	2015	2014 - 2015 Percentage Point Change
Local Area I	3.6%	3.7%	0.1%
Local Area II	4.5%	4.1%	-0.4%
Local Area III	4.4%	4.0%	-0.4%
Local Area IV	5.3%	4.7%	-0.6%
Local Area V	5.5%	5.3%	-0.2%
Statewide	4.6%	4.2%	-0.4%

2015 Unemployment Rate

- Decreased from Previous Year
- Increased from Previous Year

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

Map 6 Average Weekly Wages by Local Area



Average Weekly Wage			
Local Area	2014	2015	2014 - 2015 Change
Local Area I	\$668	\$678	\$10
Local Area II	\$724	\$741	\$17
Local Area III	\$982	\$1,017	\$35
Local Area IV	\$838	\$857	\$19
Local Area V	\$649	\$660	\$11
Statewide	\$821	\$844	\$23

2015 Average Weekly Wage

	Decreased from Previous Year
	Increased from Previous Year

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

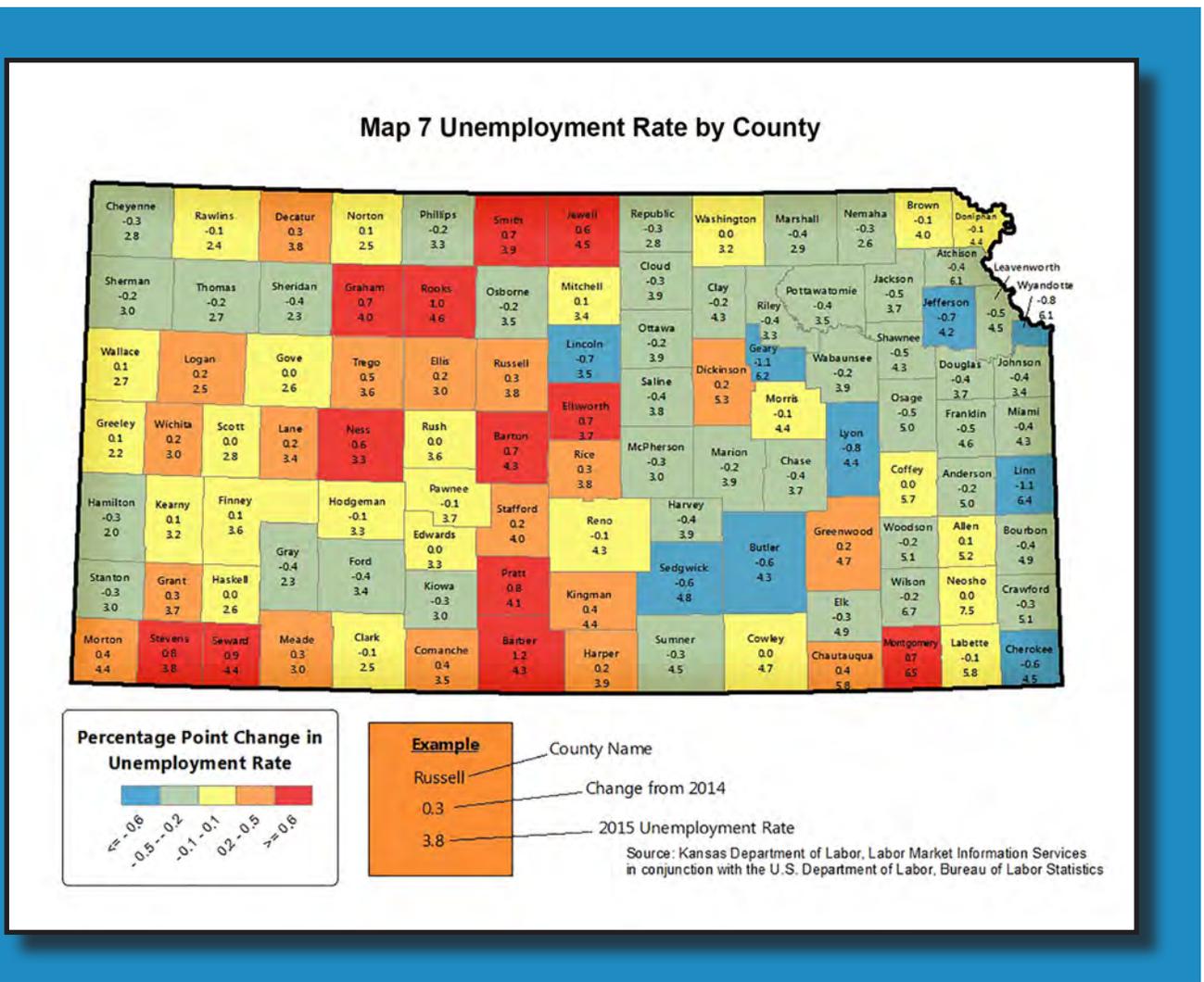
Kansas Counties

Unemployment Rate

Kansas has 105 counties, each important to the economic welfare of the state. Economic trends and insight can be more easily observed by studying county level statistics.

In 59 counties, the unemployment rate decreased from 2014 to 2015. Fourteen counties recorded an improvement of 0.5 or more percentage points in the unemployment rate. Geary and Linn counties recorded the best improvement in the unemployment rate at 1.1 percentage points. The unemployment rates for nine counties were unchanged while 37 counties recorded unemployment rate increases. The largest increases were in Barber and Rooks counties where the unemployment rates increased by 1.2 and 1 percentage points respectively.

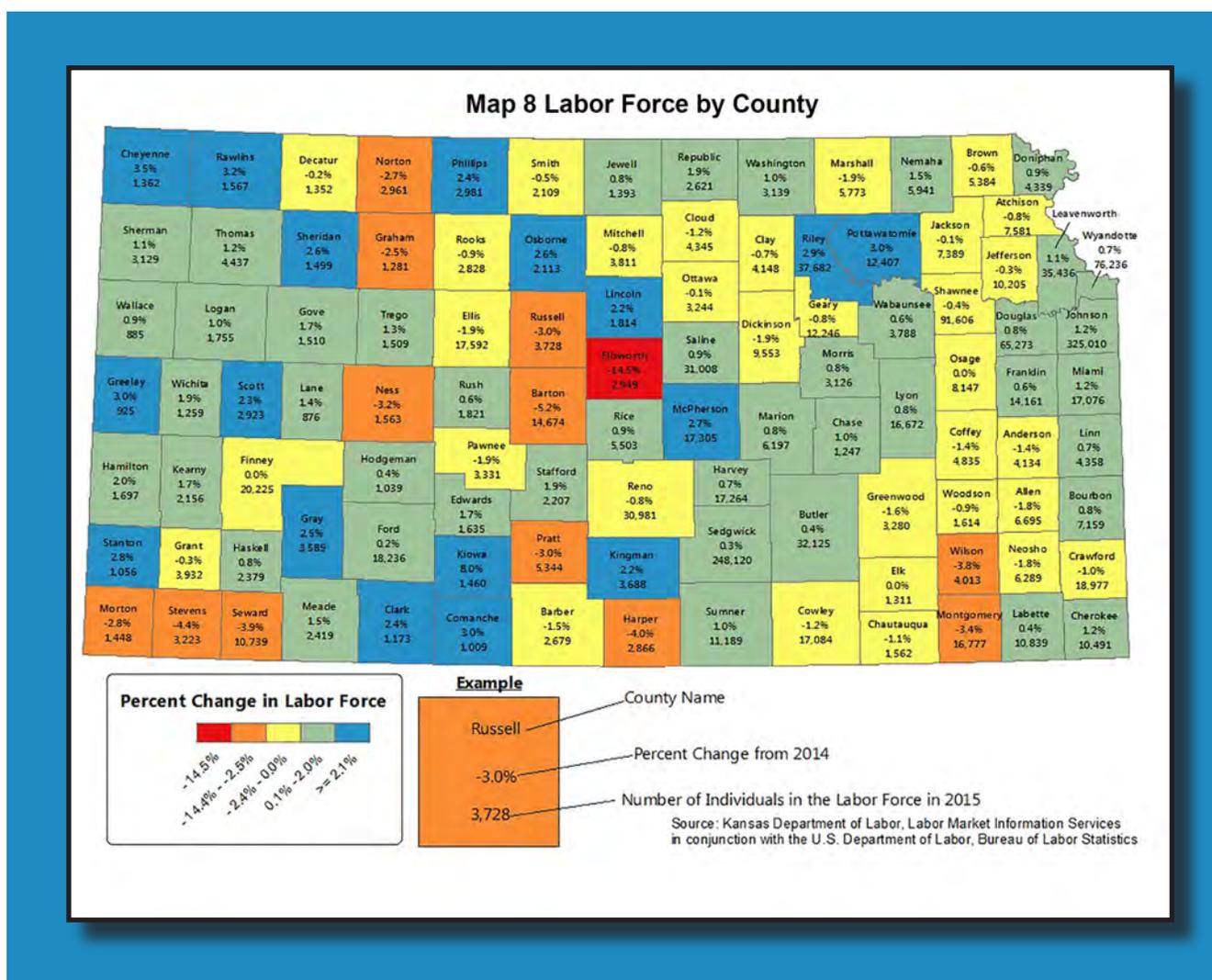
Seventeen counties recorded an unemployment rate below three percent in 2015 and 60 counties had a rate below four percent. The county with the lowest unemployment rate was Hamilton County, at 2 percent. Neosho County experienced the highest unemployment rate in 2015 at 7.5 percent, the same rate experienced in 2014. Seven counties had an unemployment rate above six percent. See **MAP 7** to view the unemployment rates by county.



Labor Force

The labor force increased in 60 counties from 2014 to 2015. **There were 38 counties that had labor force growth of one percent or greater.** Kiowa County recorded the largest percent increase, with the labor force expanding by 8 percent while Johnson County experienced the largest total increase by adding 3,747 people to the labor force in 2015. Ellsworth County recorded the largest percent decrease in the labor force at 14.5 percent while Barton County lost the most workers out of the labor force at 806 people.

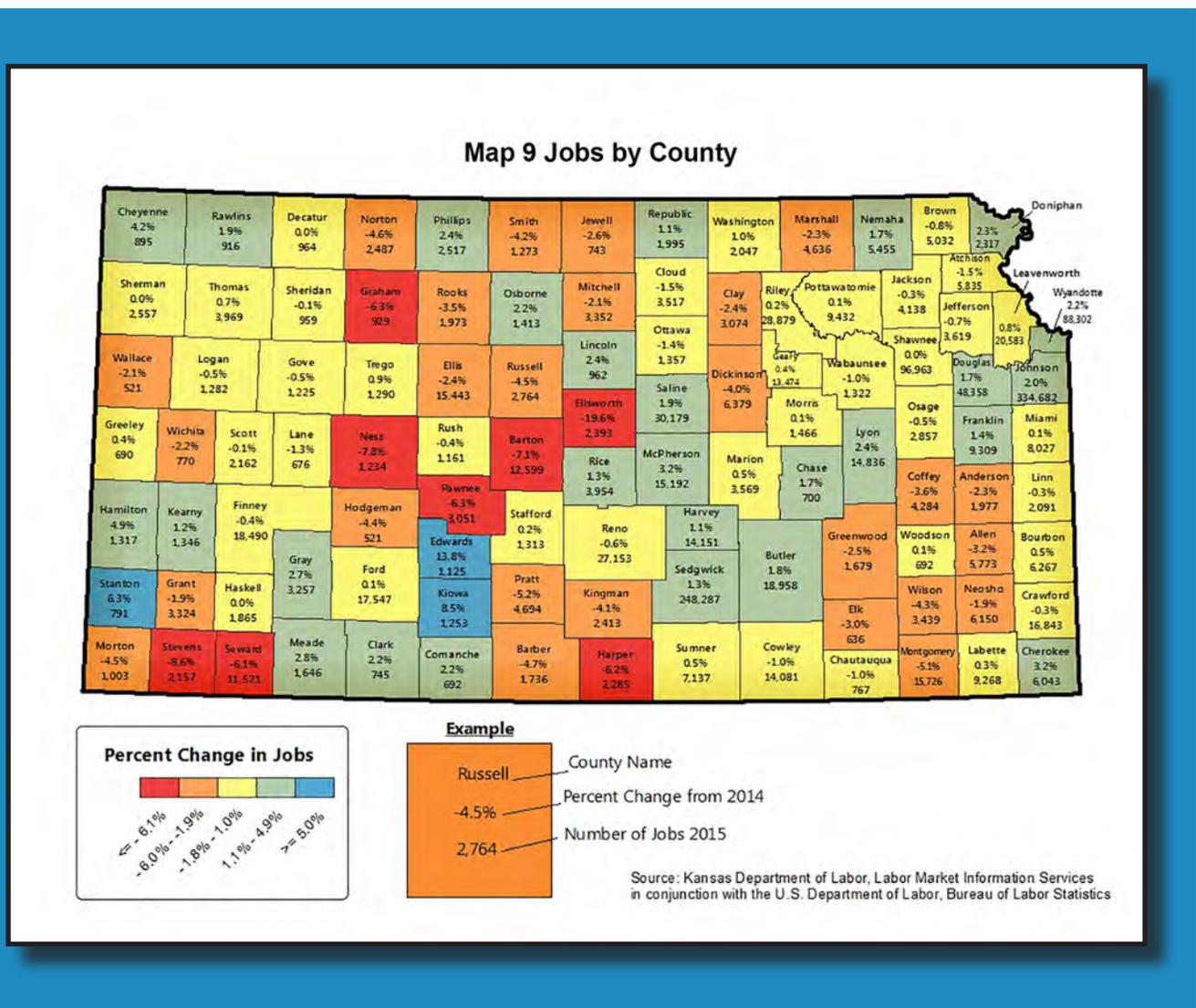
Johnson County had the largest labor force in 2015 with 325,010, accounting for 21.7 percent of the total labor force in Kansas. Sedgwick County was the only other county with a labor force greater than 100,000 at 248,120, accounting for 16.6 percent of the Kansas labor force. Lane County had the smallest labor force at 876 people, one of three counties with a labor force of fewer than 1,000 people. See **MAP 8** to view the labor force by county.



Jobs

The number of jobs increased in 47 counties during 2015. Thirty-four of the counties experienced a job growth rate of 0.6 percent or higher, equaling or exceeding the statewide growth rate. Edwards County experienced the largest percent increase in jobs at 13.8 percent while Johnson County added the most total jobs with 6,634 more jobs. Ellsworth County experienced the largest percent decrease in jobs at 19.6 percent while Barton County lost the most total jobs, recording 967 fewer jobs in 2015.

There were 334,682 jobs in Johnson County in 2015, the most of any county, followed by Sedgwick County with 248,287 jobs and Shawnee County with 96,963 jobs. Hodgeman and Wallace counties tied for the fewest number of jobs with 521, two of 19 counties with fewer than 1,000 jobs. See **MAP 9** to view jobs by county.

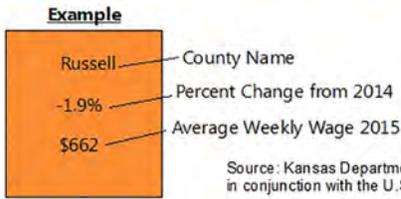
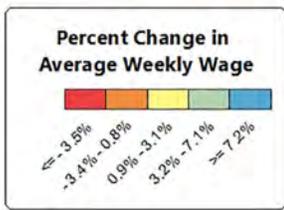
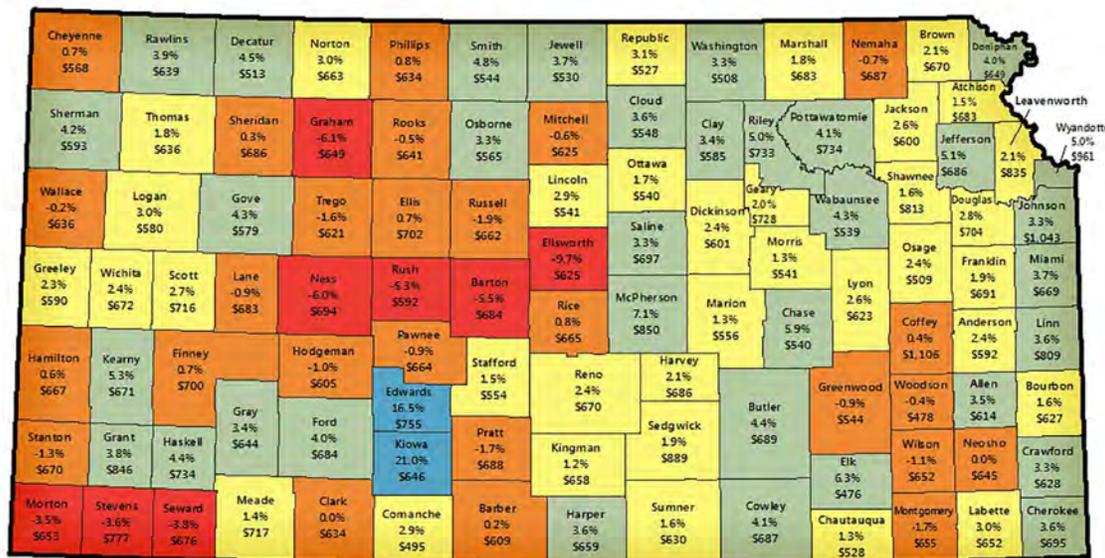


Average Weekly Wage

Average weekly wage increased in 80 counties in 2015. With the Midwest experiencing negative inflation of 0.5 percent in 2015, 85 counties experienced growth in inflation adjusted average weekly wages giving Kansans in those counties more money to spend on additional goods and services. Kiowa County experienced the most growth in wages, with average weekly wages increasing from \$534 in 2014 to \$646 in 2015, a 21 percent increase. Edwards County also recorded a significant increase in average weekly wage, going from \$648 in 2014 to \$755 in 2015, a 16.5 percent increase. Ellsworth County recorded the largest decrease in average weekly wages, with a decline of \$67, or 9.7 percent. Barton, Graham, Ness and Rush counties also experienced wage decreases of five percent or greater.

Coffey County recorded the highest 2015 average weekly wage in Kansas at \$1,106. Johnson County was the only other county with an average weekly wage over \$1,000 at \$1,043. Elk County experienced the lowest average weekly wage at \$476, one of three counties with an average weekly wage less than \$500. See **MAP 10** to view average weekly wage by county.

Map 10 Average Weekly Wage by County



Source: Kansas Department of Labor, Labor Market Information Services in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics

Population

Population is an important statistic to review for economic purposes for two reasons, both of which benefit businesses. A growing population leads to a larger market for businesses, which leads to increased revenue. A larger population also potentially increases the size of the labor force providing more labor supply for businesses.

Table 14
Total Population
Kansas and U.S.
2004-2015

	2004	2005	2006	2007	2008	2009
Kansas	2,734,373	2,745,299	2,762,931	2,783,785	2,808,076	2,832,704
U.S.	292,805,298	295,516,599	298,379,912	301,231,207	304,093,966	306,771,529
	2010	2011	2012	2013	2014	2015
Kansas	2,858,824	2,869,917	2,886,281	2,894,630	2,902,507	2,911,641
U.S.	309,346,863	311,718,857	314,102,623	316,427,395	318,907,401	321,418,820

Source: U.S. Census Bureau, Population Estimates

TABLE 14 shows a historical perspective of the Kansas and U.S. populations since 2004. The Kansas population was estimated at 2,911,641 in 2015, a 0.3 percent increase from last year. This is well below the historical average (1946-present) of 0.7 percent but it is the third consecutive year Kansas has had a 0.3 percent growth rate. Kansas' population ranks 34th out of the 50 states. The U.S. population is also growing at historically low levels, only recording 0.8 percent growth to 321.4 million in 2015. This marks the 15th consecutive year that the growth rate in the U.S. has been one percent or lower, the longest recorded time period with this slow of population growth.

”

The Kansas population was estimated at 2,911,641 in 2015, a 0.3 percent increase from last year.

Table 15
Top 10 Counties by Population & Population Growth
2015

Top 10 Counties by Population	Population	Top 10 Growing Counties	% Growth
Johnson	580,159	Pottawatomie	2.0%
Sedgwick	511,574	Greeley	1.9%
Shawnee	178,725	Decatur	1.5%
Wyandotte	163,369	Graham	1.4%
Douglas	118,053	Douglas	1.4%
Leavenworth	79,315	Kiowa	1.3%
Riley	75,247	Logan	1.1%
Butler	66,741	Johnson	1.1%
Reno	63,718	Butler	0.8%
Saline	55,691	Geary	0.8%

Source: U.S. Census Bureau, Population Estimates

TABLE 15 shows the largest counties by population in Kansas and the fastest growing counties in 2015. Johnson County is the largest county in Kansas followed by Sedgwick and Shawnee counties.

For some perspective:

- 19.9 percent of Kansans live in Johnson County
- 37.5 percent of Kansans live in either Johnson or Sedgwick County
- 53.3 percent of Kansans live in one of the top five counties listed in **TABLE 15**

There were 33 counties that gained population in 2015, led by Pottawatomie County with 2.0 percent growth. Butler, Douglas and Johnson counties were the only counties that were in the top 10 in both total population and population growth.

Productivity is the amount of output produced by one unit of input, so labor productivity is the output produced by a unit of labor. This can be measured either as productivity per worker or productivity per hour worked. This section reviews productivity per person employed in the Kansas economy, which is calculated by dividing the total output by the total number of people employed in a given year. Output is measured using real gross domestic product (GDP) in chained 2009 dollars. The number of individuals employed is estimated through the Local Area Unemployment Statistics program. Labor productivity improves when real GDP grows at a faster rate than employment.

Labor productivity is important because it impacts profits, labor demand and labor compensation. Holding all else constant, when labor productivity improves, companies' profits increase because they are able to increase outputs while still using the same amount of labor.

Labor demand is impacted by the scale and substitution effects associated with labor productivity. If wages are held constant, then the increase in productivity will lower the unit cost of labor and cause demand for labor to increase in the short run; this is the scale effect. Capital is used along with labor in the production of goods and services. Capital includes the buildings, equipment, and machinery used in the production process. In the short run it is assumed that capital is fixed, but in the long run firms can shift to using more labor and less capital; this is the substitution effect. If growth in wages is less than the growth in labor productivity, then higher labor demand will occur because labor inputs are cheaper relative to capital.

Labor compensation is impacted by labor productivity. Higher productivity is rewarded with higher compensation – wages and fringe benefits. Higher compensation leads to a higher standard of living if compensation growth exceeds the rate of inflation.

TABLE 16 shows productivity for Kansas and the US from 2005 to 2015. On average, a worker in Kansas produced \$83,821 of goods or services in 2005, and produced \$92,393 in 2015. Over the 10-year period, productivity in Kansas increased at an average annual rate of one percent, while productivity for the U.S. increased at an average annual rate of 0.7 percent. In 2005, productivity per worker was \$16,450 lower in Kansas than the U.S., but that gap narrowed to \$15,264 by 2015.

Table 16 Productivity per Worker Kansas and U.S. 2005 - 2015						
	2005	2006	2007	2008	2009	2010
Kansas	\$83,821	\$86,117	\$88,595	\$89,074	\$86,593	\$90,662
U.S.	\$100,271	\$101,044	\$101,326	\$101,253	\$102,376	\$105,190
	2011	2012	2013	2014	2015	
Kansas	\$94,076	\$94,311	\$93,014	\$92,804	\$92,393	
U.S.	\$106,054	\$106,172	\$106,422	\$106,989	\$107,658	

*Note: Figures in chained 2009 dollars
Source: KDOL Labor Market Services and the Bureau of Labor Statistics,
Local Area Unemployment Statistics and Current Population Survey; Bureau of Economic Analysis*

Changes in labor productivity can occur because of changes in: human capital, capital-labor ratio, technology, economies of scale and management practices. **TABLE 17** shows an index of labor productivity with 2005 as the base year. The index reflects the percentage change in labor productivity since 2005. An index above 100 is a percentage increase compared to the 2005 level.

Labor productivity in Kansas increased until 2008 reaching a high of 106.3. It fell in 2009 to 103.3 and began to improve again in 2010. The index reached a new peak of 112.5 in 2012, but has decreased each of the past three years. Since 2005, labor productivity in Kansas increased by a total of 10.2 percent.

Table 17						
Labor Productivity Index						
Kansas and U.S.						
2005 - 2015						
	2005	2006	2007	2008	2009	2010
Kansas	100.0	102.7	105.7	106.3	103.3	108.2
U.S.	100.0	100.8	101.1	101.0	102.1	104.9
	2011	2012	2013	2014	2015	
Kansas	112.2	112.5	111.0	110.7	110.2	
U.S.	105.8	105.9	106.1	106.7	107.4	

Note: Figures in chained 2009 dollars
Source: KDOL Labor Market Services and the Bureau of Labor Statistics, Local Area Unemployment Statistics and Current Population Survey; Bureau of Economic Analysis

Job Vacancies

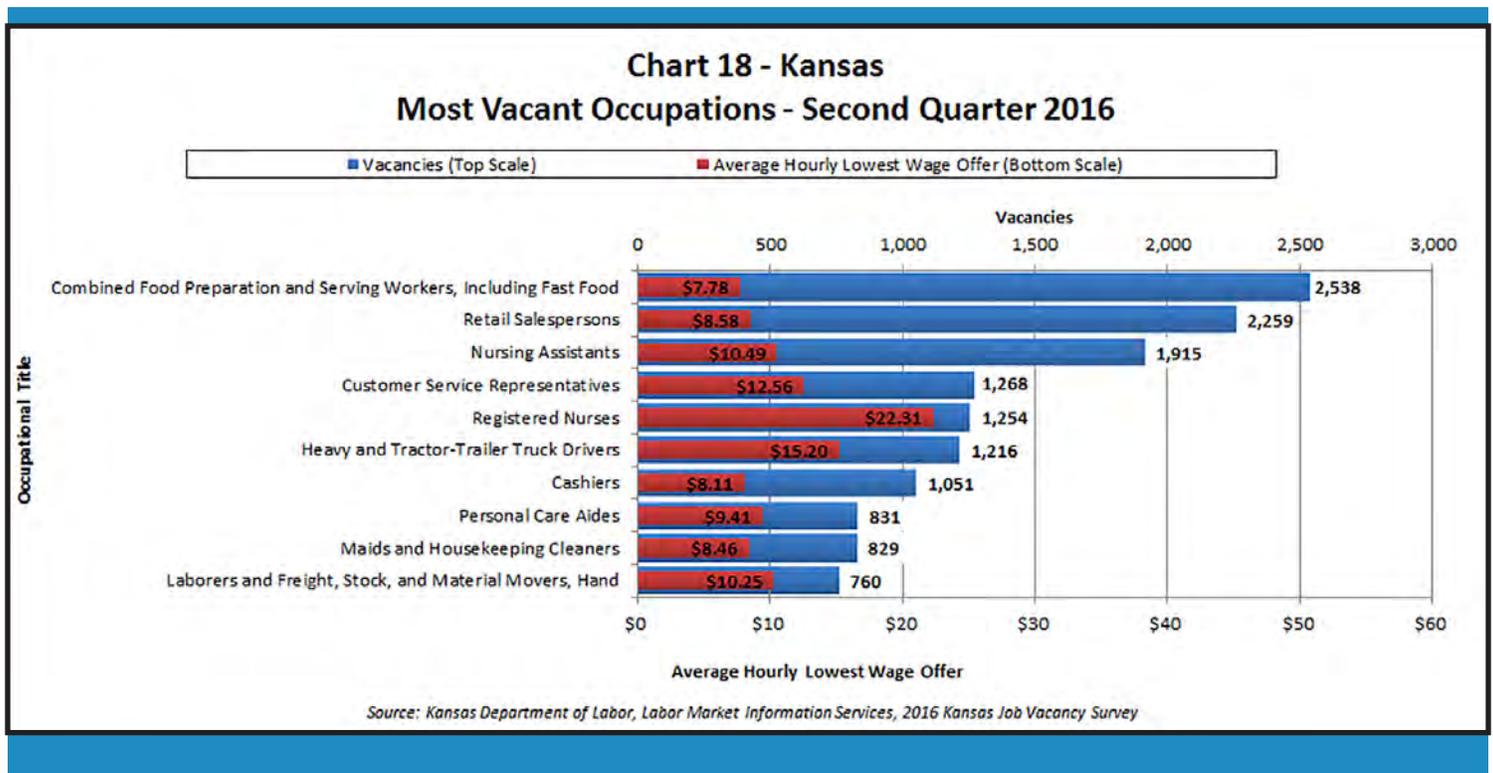
The number of job vacancies and the ratio of the number of unemployed individuals to the number of vacant jobs can be used to measure the demand for labor in a given area, which helps provide insight to the health of the labor market. The Kansas Department of Labor conducts an annual Job Vacancy Survey in order to measure labor demand by area, industry and occupation. The most recent survey was conducted during the second quarter of 2016. The Bureau of Labor Statistics also releases monthly data on job openings in the U.S. and the Midwest region through their Job Openings and Labor Turnover Survey.

There were 44,826 job vacancies in Kansas during the second quarter of 2016, a 5.2 percent decrease from 2015. This is the first decline in the number of job vacancies since 2011. The statewide vacancy rate was 3.2 percent, indicating that for every 100 positions in Kansas, 3.2 were vacant and 96.8 were filled. This is lower than the 3.7 percent job vacancy rate for the U.S. and the 3.6 percent rate for the Midwest recorded for May 2016.

There were 1.3 unemployed people for every vacancy in Kansas, an improvement of 0.1 from one year ago and the second lowest ratio recorded since the Job Vacancy Survey started in 2004.

This is the seventh consecutive year that the number of unemployed people per vacancy has decreased in Kansas. Nationally and in the Midwest, there were also 1.3 unemployed people per vacancy in May 2016. Since the number of unemployed people and the number of vacancies are relatively even, this is one indication of a healthy labor market in Kansas, the Midwest, and the U.S.

The top 10 occupations with the most vacancies in Kansas are shown in **CHART 18**. Also shown is the average lowest hourly wage offered for vacancies in each of those occupations. These ten occupations reflect a combination of occupations with high turnover, increased demand, and a continuing shortage of qualified workers.

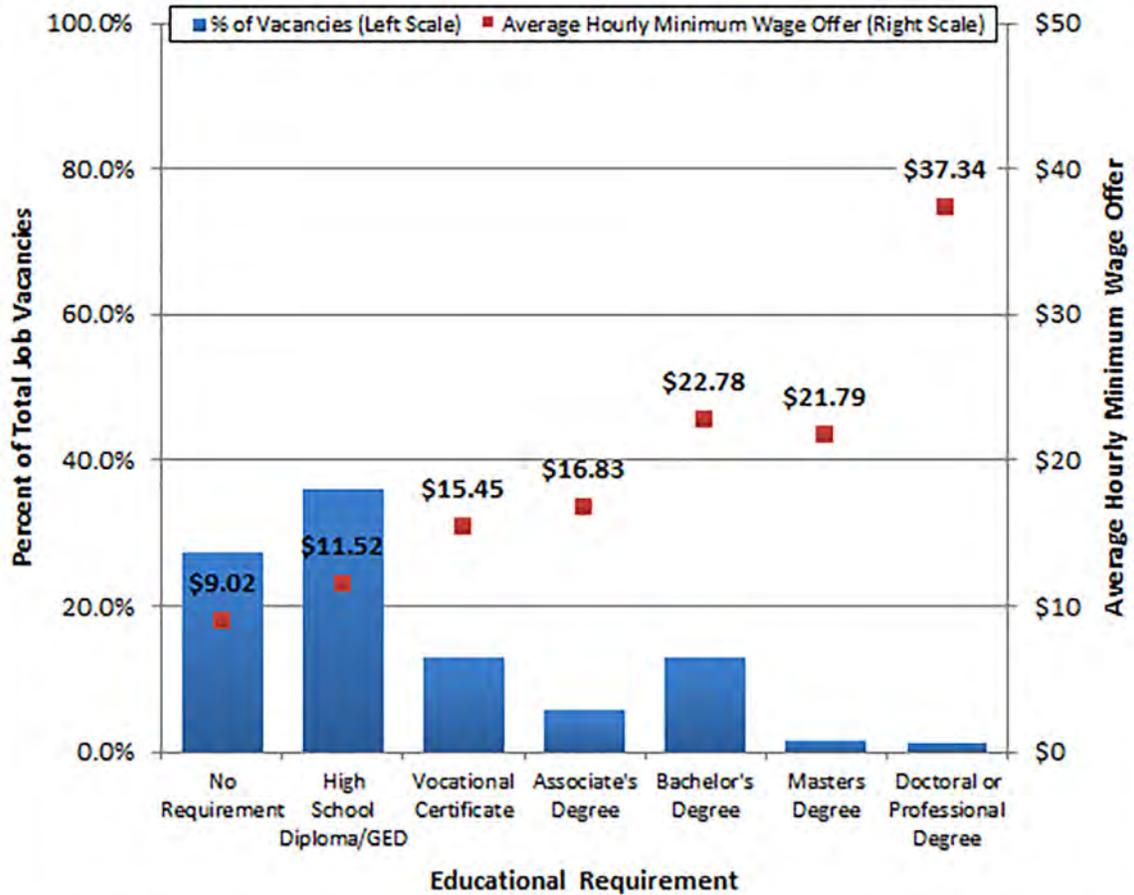


Combined food preparation and serving workers, including fast food were the most vacant positions in Kansas with 2,538 job vacancies, followed by retail salespersons with 2,259 job vacancies. Food service and sales related occupations tend to have a higher turnover rate resulting in more vacancies. Three of the occupations are health care related professions; nursing assistants, registered nurses, and personal care aides; reflecting the continued demand for healthcare workers as the older population increases. Two relatively high paying occupations, registered nurses and heavy and tractor-trailer truck drivers, are in the top 10 reflecting a continued shortage of workers for those positions. The top 10 most vacant occupations accounted for 31.1 percent of the job vacancies in Kansas.

CHART 19 (next page) shows the percentage of job vacancies by educational requirement as well as the average lowest hourly wage offered by educational requirement. Generally, the average starting pay increases with the amount of education required. Openings with no educational requirements had the lowest average lowest hourly wage offered at \$9.02, while vacancies requiring a doctoral or professional degree had the highest at \$37.34. The average lowest wage offer for all vacancies was \$12.99 per hour. The majority of openings, 63.5 percent, required a high school diploma or GED or had no educational requirements at all. A smaller but significant portion of job vacancies required a bachelor's degree or vocational certification, while all other educational groups combined for only 8.7 percent of vacancies.



**Chart 19 - Kansas
Job Vacancies by Educational Requirement
Second Quarter 2016**



Source: Kansas Department of Labor, Labor Market Information Services, 2016 Kansas Job Vacancy Survey

High Demand Jobs

High demand occupations are jobs in greatest demand by employers in Kansas. The list of these occupations is provided to assist students, educators, administrators and others in making informed decisions regarding career paths. High demand occupations have higher than average combined current and projected (short-term and long-term) demand in the state. It combines occupational projection data with education, training and wage information to give a complete picture of each occupation.

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. 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, determined by the Job Vacancy Survey, the projected number of openings in two years as indicated in the Short-Term Projections program and the projected number of openings in 10 years, calculated by the Long-Term Projections program. 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 18 displays the top high demand occupations. These 11 occupations received the maximum score of 30. These occupations currently have the most openings and are projected to have the most openings in 2017 and 2024.

Table 18
High Demand Occupations
2016

Occupation	Demand Score	Median Wage	Education	On-the-Job Training
Registered Nurses	30	\$56,320	Associate degree	None
Heavy and Tractor-Trailer Truck Drivers	30	\$38,870	Postsecondary certification	Short-term
Customer Service Representatives	30	\$31,420	High school diploma/GED	Short-term
Laborers and Freight, Stock, and Material Movers, Hand	30	\$26,320	Less than high school	Short-term
Nursing Assistants	30	\$23,320	Postsecondary certification	None
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	30	\$23,100	Less than high school	Short-term
Personal Care Aides	30	\$21,410	Less than high school	Short-term
Retail Salespersons	30	\$21,380	Less than high school	Short-term
Cashiers	30	\$18,580	Less than high school	Short-term
Waiters and Waitresses	30	\$18,190	Less than high school	Short-term
Combined Food Preparation and Serving Workers, Including Fast Food	30	\$18,180	Less than high school	Short-term

Source: KDOL Labor Market Information Services, High Demand Occupations

Eight of the 11 occupations in **TABLE 18** require only a high school diploma or less, as noted in the education column. These occupations are attainable for workers with little to no education or training. Occupations requiring little training or education tend to have lower wages. Those eight occupations in this list average around \$22,320 per year in median wage. Because of the low wages and the fact that many of these occupations are part-time, employers are able to hire more workers. This partly explains the high demand score.

One other explanation is that there is a high level of turnover in these occupations. Many of the openings in these occupations are the result of people leaving the occupation to move 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.

TABLE 19 (next page) highlights the top 10 in-demand occupations that typically require one of the following: post-secondary education, at least one year on the job training, an internship, an apprenticeship, or five years of work experience. Included in this table are the educational or training paths that lead to these occupations.

The average median wage of high demand occupations meeting these education or training qualifications is \$56,780. The average median wage for all high demand occupations is \$45,200. This means that the occupations that require higher levels of education or training earn more on average than the occupations that require less education and training.

One interesting observation is the number of teaching positions included in **TABLE 19**. Three of the top 10 occupations in **TABLE 19** fall into this category. These occupations are teacher assistants, elementary school teachers (except special education) and secondary school teachers (except special and career/technical education). Teacher assistants are required to have some college, but elementary school and secondary school teachers are required to have a bachelor's degree. Two out of three pay a median wage higher than the statewide median wage of \$33,700 for all occupations.

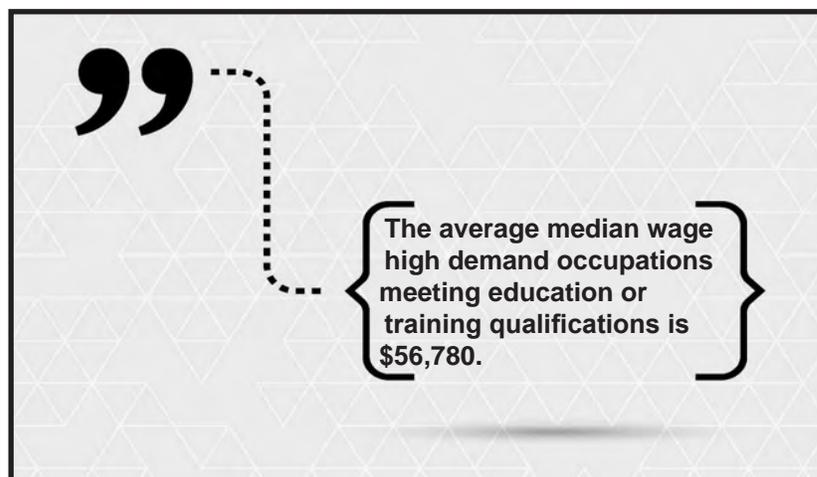


Table 19
High Demand Occupations by Education, Experience or Training
2016

Occupation	Demand Score	Median Wage	Education	Work Experience	On-the-Job Training
Registered Nurses	30	\$56,320	Associate degree	None	None
Heavy & Tractor-Trailer Truck Drivers	30	\$38,870	Postsecondary certification	None	Short-term on-the-job training
Nursing Assistants	30	\$23,320	Postsecondary certification	None	None
Teacher Assistants	29	\$22,980	Some college, no degree	None	None
General & Operations Managers	28	\$84,730	Bachelor's degree	Less than 5 years	None
Accountants and Auditors	27	\$57,360	Bachelor's degree	None	None
Elementary School Teachers, Except Special Education	27	\$45,110	Bachelor's degree	None	Internship/residency
Maintenance and Repair Workers, General	27	\$34,720	High school/GED	None	Long-term on-the-job training
Secondary School Teachers, Except Special and Career/Technical Education	26	\$46,690	Bachelor's degree	None	Internship/residency
Carpenters	26	\$37,230	High school/GED	None	Apprenticeship

Source: KDOL Labor Market Information Services, High Demand Occupations

Short-Term Projections

Short-term projections are approximations of near-future job levels. This is estimated using a combination of methods considering trends in past job levels and looking at the relationships between job levels and hours worked, consumer expectations, interest rates, money supply and price indices. Observed trends and relationships are held constant, but no assumptions are made about any other variable including the business cycle. Short-term projections reflect changes in cyclical, structural and frictional factors.

Projections inform researchers and other interested parties about the future direction of the labor market and its implications for the economy. Projections also play an important role in making career choices. While general interest in certain careers may impact occupational choices, information about future trends in employment or demand for labor helps identify practical options to ensure future job security.

Projections use the most comprehensive measure of jobs. This measure includes jobs covered by unemployment insurance as well as non-covered jobs. Data on self-employed workers are calculated by applying national staffing patterns to state employment data. LMIS conducts school and church surveys that provide information about jobs that are not covered by unemployment insurance. Data on railroad workers are sourced from the Railroad Retirement Board (RRB).

TABLE 20 shows short-term projections by industry for the first quarter 2017 from the first quarter 2015. The top 10 industries by numerical change are shown. Total jobs are expected to increase by 2.2 percent, to 1,500,170, over the two-year period. The annual average growth rate is 1.1 percent. The private sector is expected to add 33,016 jobs, or 2.4 percent, with an annual growth rate of 1.2 percent. The government sector - excluding schools and hospitals - is expected to decrease by 986 jobs to 97,490, a one percent decline over the period. Schools are included in the educational services industry, and hospitals are in the health care and social assistance industry. Relatively high growth sectors include construction; professional, scientific and technical services; and transportation and warehousing.

Table 20
Top 10 Industries by Numerical Job Change
2015-2017

Industries	Job Numbers		Job Changes		
	Quarter 1 2015	Quarter 1 2017	Numerical	Percent	Annual Avg. Growth %
Total, All Industries	1,468,140	1,500,170	32,030	2.2%	1.1%
Construction	56,558	60,939	4,381	7.7%	3.8%
Retail Trade	145,062	149,387	4,325	3.0%	1.5%
Health Care and Social Assistance	191,219	195,177	3,958	2.1%	1.0%
Professional, Scientific, and Technical Services	70,390	74,062	3,672	5.2%	2.6%
Accommodation and Food Services	106,598	110,120	3,522	3.3%	1.6%
Educational Services	149,471	152,235	2,764	1.8%	0.9%
Transportation and Warehousing	48,564	50,978	2,414	5.0%	2.5%
Finance and Insurance	66,348	67,943	1,595	2.4%	1.2%
Administrative and Support and Waste Management and Remediation Services	77,629	78,943	1,314	1.7%	0.8%
Wholesale Trade	59,467	60,750	1,283	2.2%	1.1%

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Employment Projections

TABLE 21 shows the top 10 growing occupational groups by numerical change. Over the projection period, sales and related occupations are expected to generate 4,026 additional jobs. Other occupational groups projected to grow by more than 3,000 jobs include food preparation and serving related; construction and extraction; and transportation and material moving occupations.

The construction and extraction occupational group has the highest annual average growth rate at 2.4 percent. Other groups projected to grow more than 1.5 percent per year are computer and mathematical; farming, fishing, and forestry; transportation and material moving; and food preparation and serving related occupations. It is expected that there will be 103,434 openings over the projection period, or an average of 51,717 per year from new and replacement jobs. Approximately 66.9 percent or 69,200 openings will be replacement openings.

Table 21
Top 10 Occupations by Numerical Job Change
2015-2017

Occupations	Job Numbers		Job Changes			Total Openings
	Quarter 1 2015	Quarter 1 2017	Numerical	Percent	Annual Avg. Growth %	
Total, All Occupations	1,468,140	1,500,170	32,030	2.2%	1.1%	103,434
Sales and Related	143,627	147,653	4,026	2.8%	1.4%	13,451
Food Preparation and Serving Related	116,397	119,864	3,467	3.0%	1.5%	13,239
Construction and Extraction	66,174	69,374	3,200	4.8%	2.4%	5,726
Transportation and Material Moving	97,782	100,832	3,050	3.1%	1.5%	7,714
Office and Administrative Support	237,804	240,584	2,780	1.2%	0.6%	13,117
Management	84,054	86,106	2,052	2.4%	1.2%	5,568
Education, Training, and Library	93,185	95,041	1,856	2.0%	1.0%	5,815
Installation, Maintenance, and Repair	59,511	61,216	1,705	2.9%	1.4%	4,439
Business and Financial Operations	71,543	73,217	1,674	2.3%	1.2%	4,508
Healthcare Practitioners and Technical	80,663	82,223	1,560	1.9%	1.0%	4,865

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Employment Projections

The Bureau of Labor Statistics assigns the level of education typically needed to enter each occupation. There are eight categories shown in **TABLE 22 (next page)**. The greatest numerical change in jobs is projected for those that ask for a high school diploma or equivalent. There are 10,575 additional jobs projected that require no formal educational credential, and 6,081 additional jobs over the two-year projection period that prefer a bachelor's degree. The fastest growing groups are occupations that require no formal educational credential at an annual growth rate of 1.4 percent. Other groups growing at an annual growth rate of 1.2 percent include occupations that ask for a postsecondary non-degree award, master's degree, or doctoral or professional degree.

Table 22
Projections by Education Requirement
2015 - 2017

Education	Job Numbers		Job Changes			Total Openings
	Quarter 1 2015	Quarter 1 2017	Numerical	Percent	Annual Avg. Growth %	
Total	1,468,140	1,500,170	32,030	2.2%	1.1%	103,434
High school/GED	567,980	578,597	10,617	1.9%	0.9%	35,457
Less than high school	384,129	394,704	10,575	2.8%	1.4%	35,891
Bachelor's degree	290,061	296,142	6,081	2.1%	1.0%	18,338
Postsecondary certification	93,675	95,980	2,305	2.5%	1.2%	6,224
Doctoral or professional degree	34,482	35,299	817	2.4%	1.2%	2,136
Some college, no degree	46,189	46,748	559	1.2%	0.6%	2,130
Associate degree	29,082	29,613	531	1.8%	0.9%	1,751
Master's degree	20,239	20,736	497	2.5%	1.2%	1,336

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Employment Projections

Total jobs are also estimated by projection region. The regions with the largest estimates for additional jobs are the Kansas City and South Central regions. The Kansas City region has the highest estimated annual average growth rate at 1.8 percent. **TABLE 23** shows the short-term projections by region. **MAP 11 (next page)** shows the projection regions.

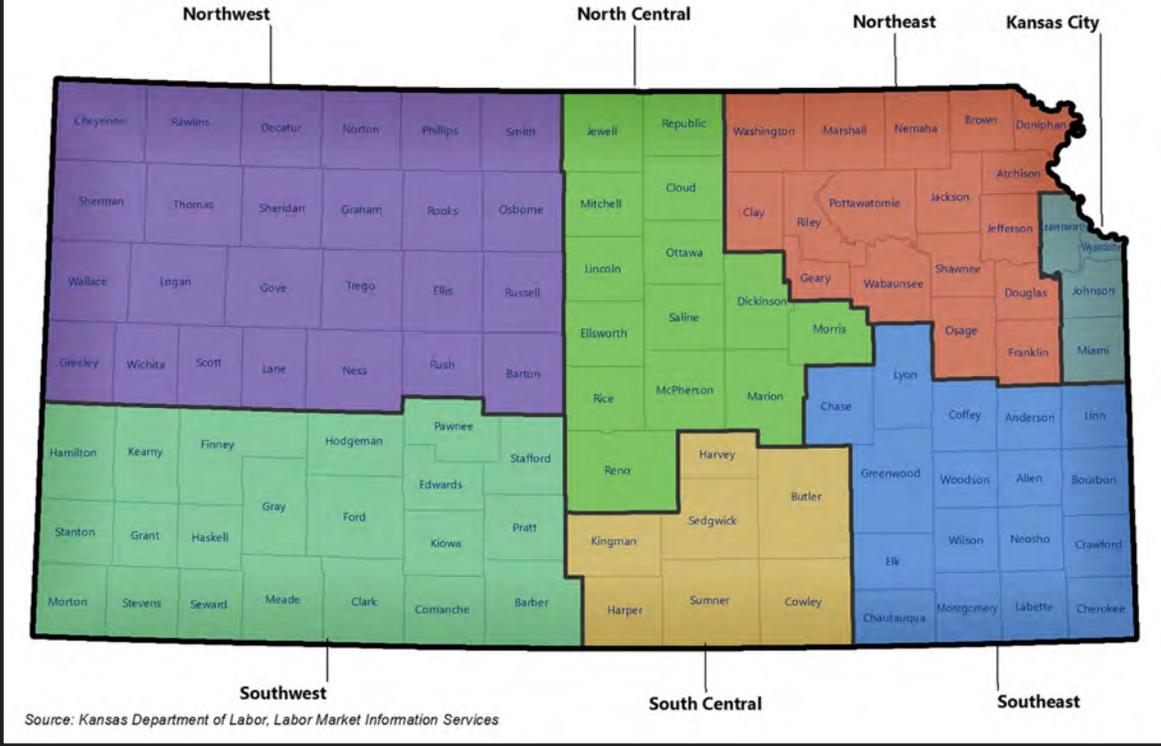
Table 23
Projections by Region
2015 - 2017

Area	Job Numbers		Job Changes		
	Quarter 1 2015	Quarter 1 2017	Numerical	Percent	Annual Avg. Growth %
Statewide	1,468,140	1,500,170	32,030	2.2%	1.1%
Kansas City	489,819	507,716	17,897	3.7%	1.8%
South Central	334,320	340,089	5,769	1.7%	0.9%
Northeast	268,433	272,555	4,122	1.5%	0.8%
North Central	111,695	113,539	1,844	1.7%	0.8%
Southwest	87,937	89,053	1,116	1.3%	0.6%
Southeast	105,855	106,942	1,087	1.0%	0.5%
Northwest	69,851	70,104	253	0.4%	0.2%

Note: Area figures may not add up to the statewide total

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Employment Projections

Map 11 Projection Regions



Source: Kansas Department of Labor, Labor Market Information Services

Long-Term Projections

Every two years, each of the 50 states completes long-term projections in conjunction with the U.S. Department of Labor. The base year used in these projections is 2014 and the projection year is 2024.

Kansas total jobs in all industries are expected to grow by 106,038 to 1,585,026 jobs in 2024, an increase of 7.2 percent over the 10-year period. This averages out to 10,604 jobs per year, a 0.7 percent average annual growth. Goods-producing industries are projected to grow at an average annual rate of 0.4 percent from 2014 to 2024. Service providing industries are projected to grow at 0.8 percent annually over that period.

The primary objective of the long-term projections process is to approximate the level of jobs 10 years out from the base period. This level is projected using a variety of projection methods including those that consider historical trends and those that factor in outside variables. One important assumption is used in formulating long-term projections, it is assumed the Kansas labor market will be in full employment in the projected year. This means the labor market will be in equilibrium and labor supply will meet labor demand. In this way, the projections do not predict changes in the business cycle, and instead project the trend in long-term growth.

Long-term projections play an important role for students and others making career choices. Information about future trends in job growth and demand for labor is vital to making these life decisions.

Long-term projections use the most comprehensive measure of jobs. This includes jobs covered by unemployment insurance and those not covered by unemployment insurance. Data measuring jobs not covered by unemployment insurance is collected using a variety of sources. Data on self-employed workers is calculated by applying national staffing patterns to state employment data. LMIS conducts school and church surveys that provide information about jobs which are not covered by unemployment insurance. Data on railroad workers is sourced from the Railroad Retirement Board (RRB).

TABLE 24 (next page) shows long-term projections for the projected year 2024 from the base year 2014. The top 10 industries by numerical change are shown below. The number of jobs in all industries is projected to grow at the rate of 0.7 percent per year. This is in line with the growth rate experienced in the 10 years from 2004 to 2014 (+0.7 percent annually). The rate of job growth was faster during the 1990's. From 1990 to 2014, job growth averaged 1.1 percent annually.

The goods producing industries (construction, manufacturing, and natural resources and mining) are projected to grow by 953 jobs per year, an annual rate of 0.4 percent. The remaining industries fall under the service providing sector which is projected to grow at double the goods producing rate, 0.8 percent, adding 9,587 jobs annually.

Table 24
Top 10 Industries by Numerical Job Change
2014 - 2024

Industry	Job Numbers		Job Changes		
	Base Year 2014	Projection Year 2024	Numerical	Percent	Annual Avg. Growth %
Total, All Industries	1,478,988	1,585,026	106,038	7.2%	0.7%
Health Care and Social Assistance	187,905	211,171	23,266	12.4%	1.2%
Professional, Scientific and Technical Services	67,391	81,464	14,073	20.9%	1.9%
Accommodation and Food Services	106,744	120,672	13,928	13.0%	1.2%
Management of Companies and Enterprises	18,630	29,357	10,727	57.6%	4.7%
Educational Services	142,567	151,673	9,106	6.4%	0.6%
Administrative and Support and Waste Management and Remediation Services	83,445	91,218	7,773	9.3%	0.9%
Finance and Insurance	64,349	70,734	6,385	9.9%	1.0%
Transportation and Warehousing	48,453	53,859	5,406	11.2%	1.1%
Retail Trade	146,493	151,439	4,946	3.4%	0.3%
Construction	59,781	64,112	4,331	7.2%	0.7%

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Employment Projections

The health care and social assistance industry is projected to gain the largest number of jobs over the 10 year period with an additional 23,266 jobs. This major industry consists of four underlying industries: ambulatory health care services, hospitals, nursing and residential care facilities and social assistance. The fastest rate of growth of these underlying industries is projected to be in social assistance gaining 2.5 percent annually.

Of the major industries, management of companies and enterprises is projected to grow at the fastest rate, 4.7 percent annually. Employers in management of companies and enterprises administer, oversee, and manage establishments involved in organizational planning for the company or are establishments that hold the securities of enterprises for the purpose of owning a controlling interest or influencing management decisions of that enterprise.

TABLE 25 (next page) shows the top 10 occupational groups projected to gain the largest number of jobs over the projection period. Food preparation and serving related occupations is projected to gain 13,549 jobs during the 10 year period. This is an average annual growth rate of 1.1 percent. The food preparation and serving related group of occupations is made up of four sub groups, supervisors of food preparation and serving related workers, cooks and food preparation workers, food and beverage serving workers, and other food preparation and serving related workers. The largest of these four categories in Kansas is food and beverage serving workers with 58,100 workers in 2014.

The occupational group projected to grow at the fastest rate over the projection period is personal care and service occupations. This occupational group is projected to grow by 1.8 percent on average annually. There are several sub groups that fall under personal care and service occupations. The largest group is other personal care and service workers, this includes personal care aides, childcare workers and recreation workers among others.

Table 25
Top 10 Occupations by Numerical Job Change
2014 - 2024

Occupations	Job Numbers		Job Changes			Total Openings
	Base Year 2014	Projection Year 2024	Numerical	Percent	Annual Avg. Growth %	
Total, All Occupations	1,478,988	1,585,026	106,038	7.2%	0.7%	460,049
Food Preparation and Serving Related	117,012	130,561	13,549	11.6%	1.1%	55,643
Office and Administrative Support	238,157	249,177	11,020	4.6%	0.5%	66,644
Personal Care and Service	56,554	67,415	10,861	19.2%	1.8%	21,275
Business and Financial Operations	71,462	79,496	8,034	11.2%	1.1%	22,524
Healthcare Practitioners and Technical	80,556	88,570	8,014	9.9%	1.0%	24,665
Management	83,979	91,515	7,536	9.0%	0.9%	24,208
Transportation and Material Moving	98,688	105,648	6,960	7.1%	0.7%	30,019
Education, Training and Library	88,874	94,918	6,044	6.8%	0.7%	24,742
Sales and Related	145,652	150,812	5,160	3.5%	0.3%	49,946
Computer and Mathematical	33,899	38,858	4,959	14.6%	1.4%	10,823

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Employment Projections

The Bureau of Labor Statistics assigns the level of education typically needed to enter each detailed occupation. Each occupation falls under one of eight education levels. As shown in **TABLE 26 (next page)** the largest increase in jobs is projected to be in those occupations classified as requiring a high school diploma or equivalent, with those occupations gaining 33,316 jobs over the projection period. These occupations made up 42 percent of all occupations in 2014. That number is projected to decline to 41 percent in 2024. This proportion is declining because there are other educational groups projected to grow at a faster rate and therefore take a larger share of all jobs in the future.

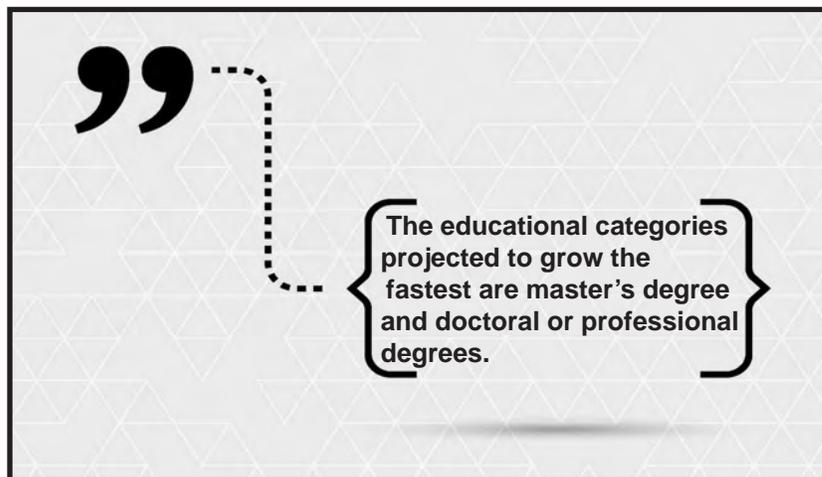
The educational categories projected to grow the fastest are master's degree and doctoral or professional degree. These are projected to grow at a rate of 11.6 percent and 9.8 percent over the 10 year period.

**Table 26
Projections by Education Requirement
2014 - 2024**

Education	Job Numbers		Job Changes			Total Openings
	Base Year 2014	Projection Year 2024	Numerical	Percent	Annual Avg. Growth %	
Total	1,478,988	1,585,026	106,038	7.2%	0.7%	460,049
High School Diploma/ GED	616,189	649,505	33,316	5.4%	0.5%	170,649
Less than high school	389,968	422,151	32,183	8.3%	0.8%	149,120
Bachelor's degree	239,272	262,278	23,006	9.6%	0.9%	73,952
Postsecondary certification	96,667	101,833	5,166	5.3%	0.5%	25,611
Associate degree	55,434	60,195	4,761	8.6%	0.8%	16,212
Doctoral or Professional degree	34,033	37,359	3,326	9.8%	0.9%	10,268
Master's degree	19,981	22,307	2,326	11.6%	1.1%	6,480
Some college, no degree	27,444	29,398	1,954	7.1%	0.7%	7,757

Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Employment Projections

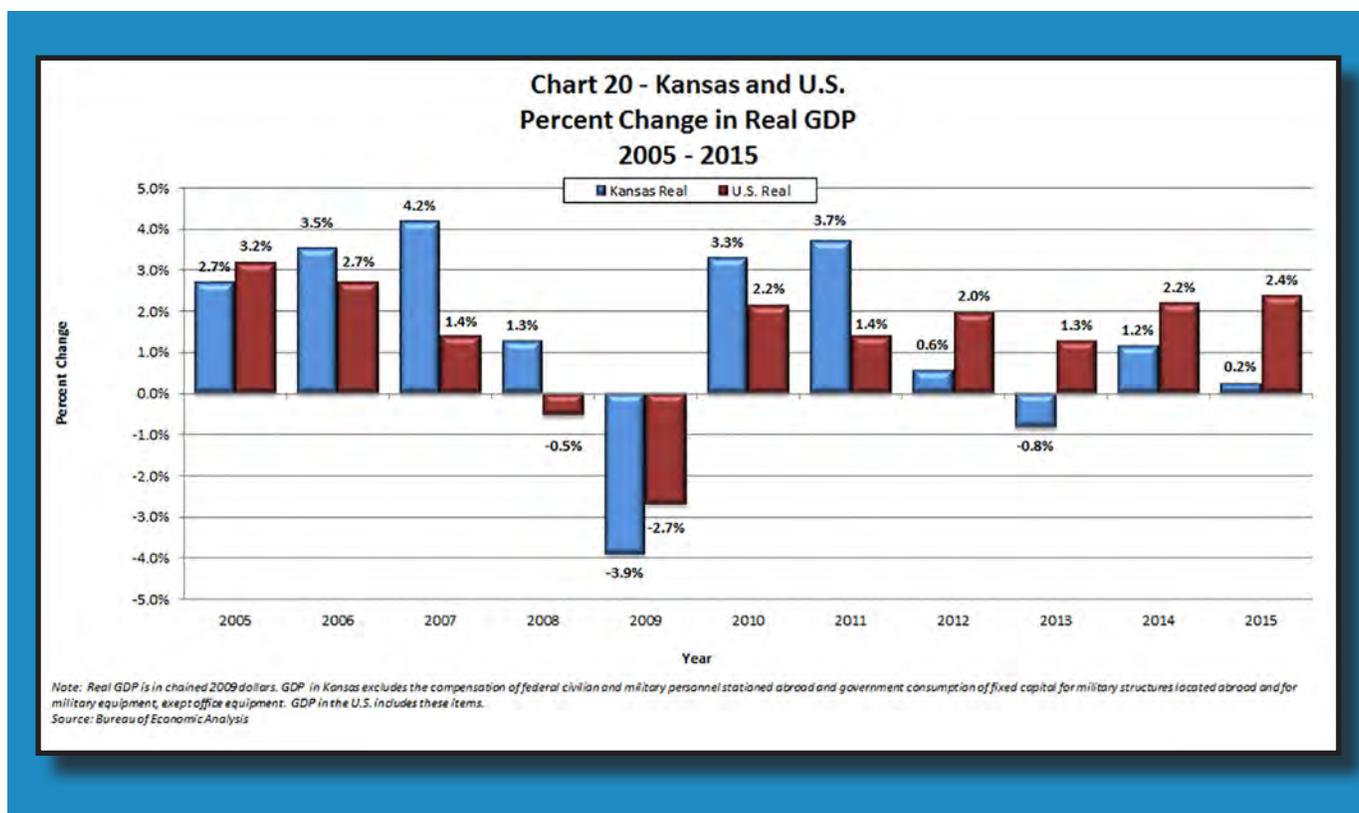
Occupational classification by years of work experience typically needed to enter the occupation is also available. This can be more than 5 years, less than 5 years, or none. A third classification is available that organizes occupations by typical on the job training needed to attain competency. This can be long-term on the job training, moderate-term on the job training, short-term on the job training, internship/residency, or none. This information is available on the Kansas Department of Labor, Labor Market Information Services website.



Gross Domestic Product

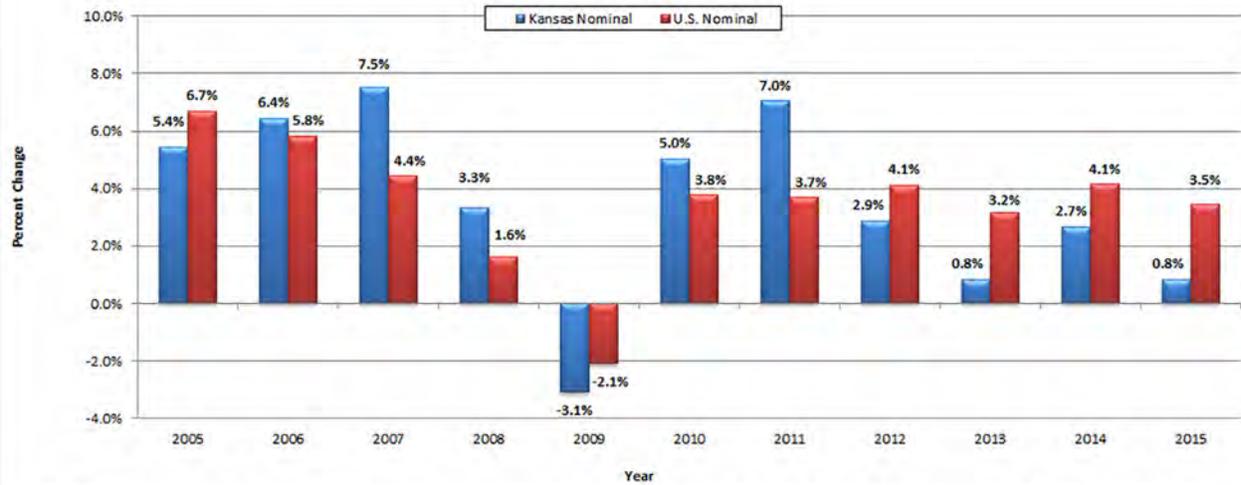
The Gross Domestic Product (GDP) measures the total economic output of an area. It is commonly used as one of the primary measures of economic performance and health of an area. There are two types of GDP discussed in this report: nominal GDP, which is measured in current dollars, and real GDP, which is adjusted for inflation. Real GDP allows better year-to-year comparisons by removing the influence inflation has on nominal GDP. In this report, real GDP is fixed to 2009 dollars.

According to estimates from the Bureau of Economic Analysis, real GDP in Kansas rose for the second year in a row in 2015 to \$132.7 billion. However, as shown in **CHART 20**, Kansas recorded a 0.2 percent increase in real GDP, which ranks 46th among the states. The Plains region, defined by the Bureau of Economic Analysis as Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota also struggled with GDP growth in 2015 as GDP grew by 1.3 percent, the second lowest growth of any region. From 2014 to 2015, the U.S. real GDP increased by 2.4 percent to \$16 trillion.



As displayed in **CHART 21 (next page)**, Kansas' nominal GDP in 2015 was \$147.8 billion, a 0.8 percent increase. Kansas ranks 42nd out of the 50 states in percent growth in nominal GDP. The Plains region nominal GDP grew by 2.5 percent in 2015. That was the second lowest growth rate of any region. In 2015, the U.S. nominal GDP increased by 3.5 percent to \$17.8 trillion.

**Chart 21 - Kansas and U.S.
Percent Change in Nominal GDP
2005 - 2015**



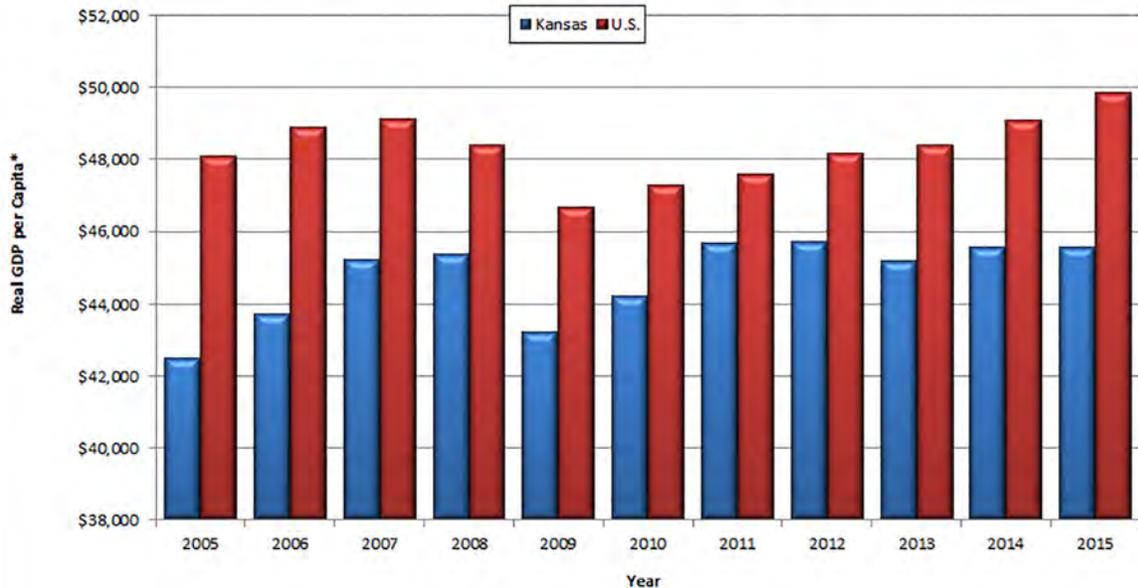
Note: GDP in Kansas excludes the compensation of federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment. Nominal and real GDP in the U.S. includes these items.
Source: Bureau of Economic Analysis

To compare areas with different population levels, GDP per capita is calculated by dividing GDP by the population of an area. A historical look at the real GDP per capita in Kansas and the U.S. is shown in **CHART 22 (next page)**. Kansas recorded a real GDP per capita of \$45,558 in 2015, a slight decline of \$12 from the previous year. Per capita GDP declined while total real GDP increased due to Kansas' population growing at a faster rate than real GDP. Kansas was one of four states to record a decline in real GDP per capita. Kansas ranks 28th out of the 50 states in real GDP per capita. The U.S. real GDP per capita rose 1.5 percent to \$49,844 from 2014 to 2015. Since 2011, Kansas real GDP per capita has remained relatively constant, declining by 0.3 percent during this time, while the U.S. real GDP per capita has increased by 4.7 percent.

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To compare areas with different population levels, GDP per capita is calculated by dividing GDP by the population of an area.

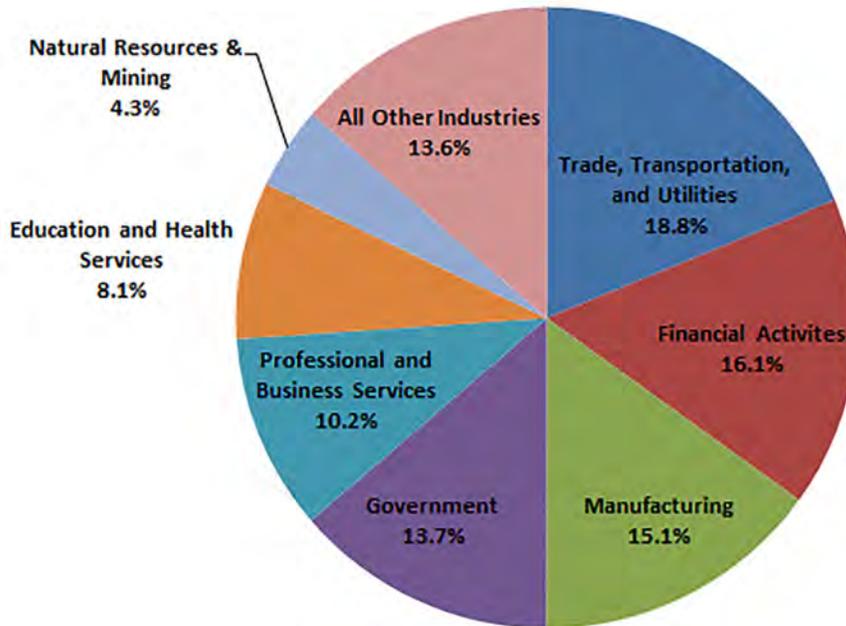
**Chart 22 - Kansas and U.S.
Real GDP per Capita - 2005-2015**



Note: Real GDP in chained 2009 dollars
Source: Bureau of Economic Analysis

Several industries contribute significantly to Kansas' nominal GDP, as shown in **CHART 23 (next page)**. The trade, transportation and utilities industry continued to be the largest contributor to Kansas' GDP, making up 18.8 percent of the total in 2015. The industry contributed \$27.6 billion to the state's GDP. Financial activities was the second largest contributor at 16.1 percent of GDP. Manufacturing, government, and professional and business services were also responsible for at least 10 percent of Kansas' GDP. The top five industries accounted for 73.9 percent of all nominal GDP in Kansas. This is a similar makeup to the national GDP, where the same five industries accounted for 73.7 percent of GDP.

Chart 23
Nominal GDP by Industry
Kansas
2015



Source: Bureau of Economic Analysis

In Kansas, nine of the 11 major industries increased their contribution to nominal GDP from 2014 to 2015. This is shown in **TABLE 27 (next page)**. The financial activities industry had the largest total gain in GDP and second largest percentage gain, increasing by \$1.2 billion in 2015, or 5.4 percent, with most of the increase in real estate and rental and leasing. Professional and business services GDP grew by \$762 million last year, or 5.3 percent. The growth occurred in professional and technical services and management of companies and enterprises. Education and health services GDP rose by \$553 million, or 4.8 percent, with almost all the growth recorded in health care and social assistance. The largest percent growth in GDP occurred in leisure and hospitality with an increase of 6.2 percent, but it remained the second smallest industry in regard to contributions to total state GDP.

The largest decline in GDP was recorded in natural resources and mining. The industry decreased by \$1.9 billion, or 22.9 percent, with large declines recorded in both agriculture and mining. The oil and gas industry contributes most of the GDP in the mining sector. Information GDP also declined by \$431 million or 6.5 percent. About three-quarters of the GDP in information is contributed by the broadcasting and telecommunications sector.

Table 27
Nominal GDP by Industry
Kansas
2014 - 2015

Industry	2014	2015	Percent Change
Leisure and Hospitality	\$4,291	\$4,557	6.2%
Financial Activities	\$22,617	\$23,846	5.4%
Professional and Business Services	\$14,357	\$15,119	5.3%
Education and Health Services	\$11,485	\$12,038	4.8%
Other Services	\$3,303	\$3,389	2.6%
Construction	\$5,857	\$6,009	2.6%
Manufacturing	\$21,978	\$22,280	1.4%
Trade, Transportation and Utilities	\$27,635	\$27,806	0.6%
Government	\$20,182	\$20,188	0.0%
Information	\$6,596	\$6,165	-6.5%
Natural Resources and Mining	\$8,261	\$6,367	-22.9%

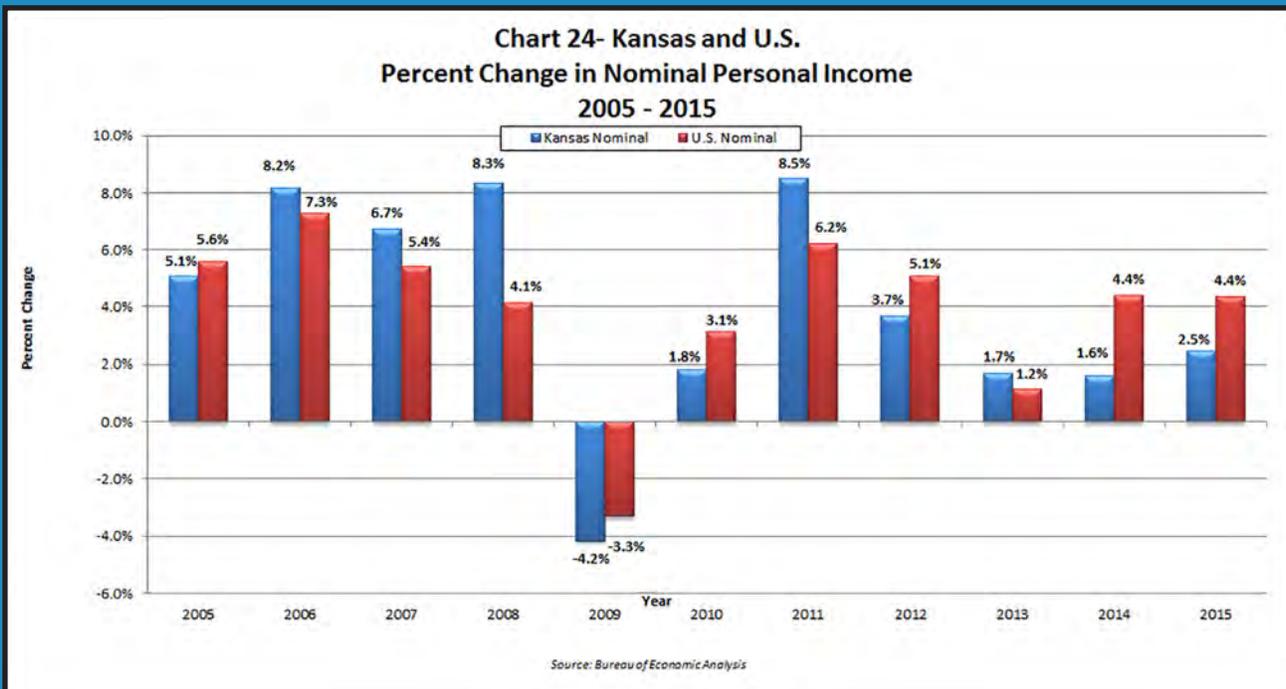
Note: Data is in millions
Source: Bureau of Economic Analysis

Personal Income

Personal income is an important measure of economic health and well-being. Personal income includes earnings, property income, and transfer payments.

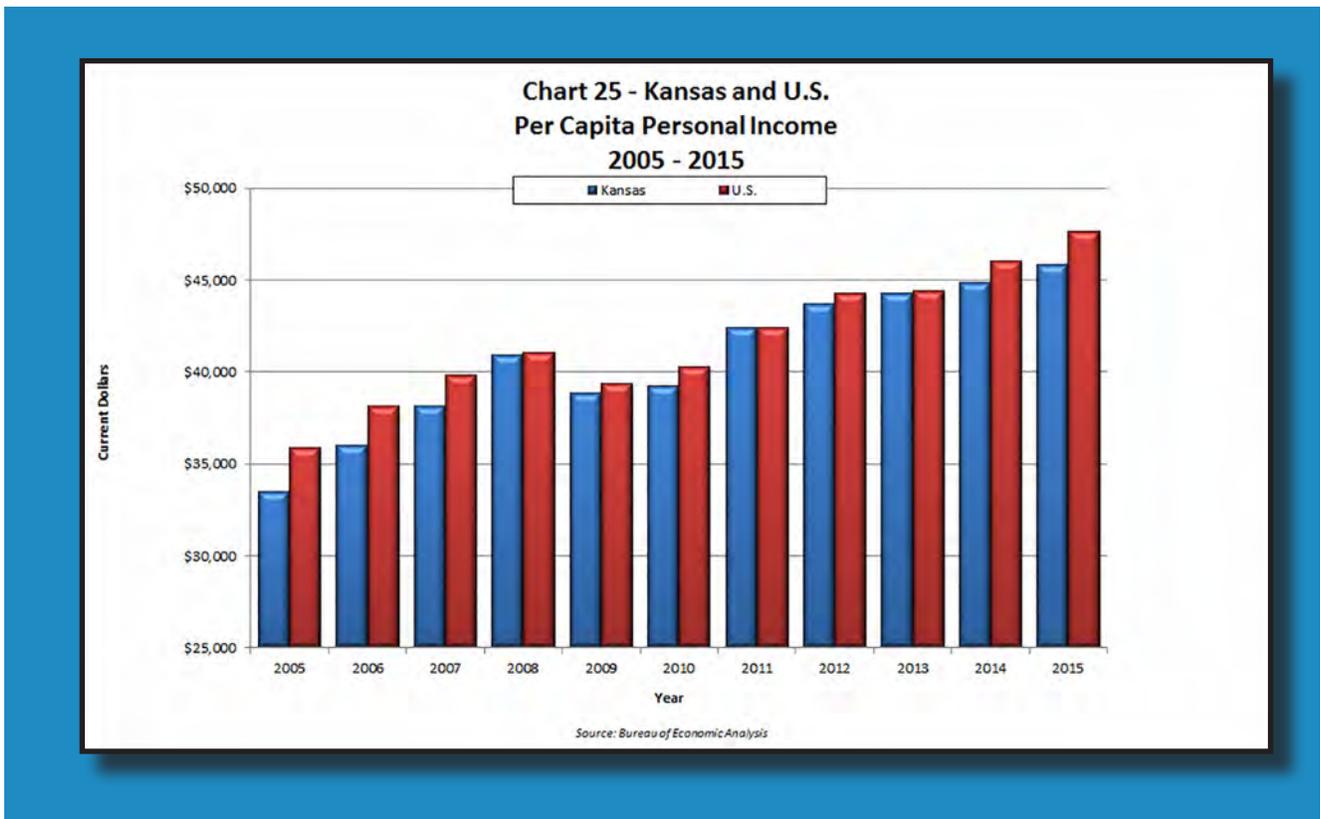
In 2015, Kansas' total personal income increased by 2.5 percent to \$133.6 billion. Nationally, personal income increased 4.4 percent to \$15.3 trillion. **CHART 24** displays personal income growth in Kansas and the U.S. since 2005. In Kansas, almost half of the personal income growth was due to a \$1.5 billion increase, or 1.8 percent, in net work earnings. Wages and salaries increased by approximately \$2 billion but was partially offset by a decrease in business owners' income due to a notable decline in farm income. The two other components of personal income also increased: income from dividends, interest, and rent increased by 3.9 percent while income from personal current transfer receipts grew by 3.6 percent. Personal current transfer receipts primarily consist of government payments to individuals and nonprofit institutions along with business liability payments and donations to nonprofit institutions.

Kansas ranked 43rd in 2015 among the 50 states in percentage change of personal income. However, Kansas' personal income growth was higher than the 2.4 percent growth for the Plains region, which was the worst growth rate of any Bureau of Economic Analysis region. Total personal income in Kansas has accounted for a steady proportion of the nationwide total. In 2015, Kansas' total personal income was 0.9 percent of total personal income in the U.S., the same percentage as the past decade.



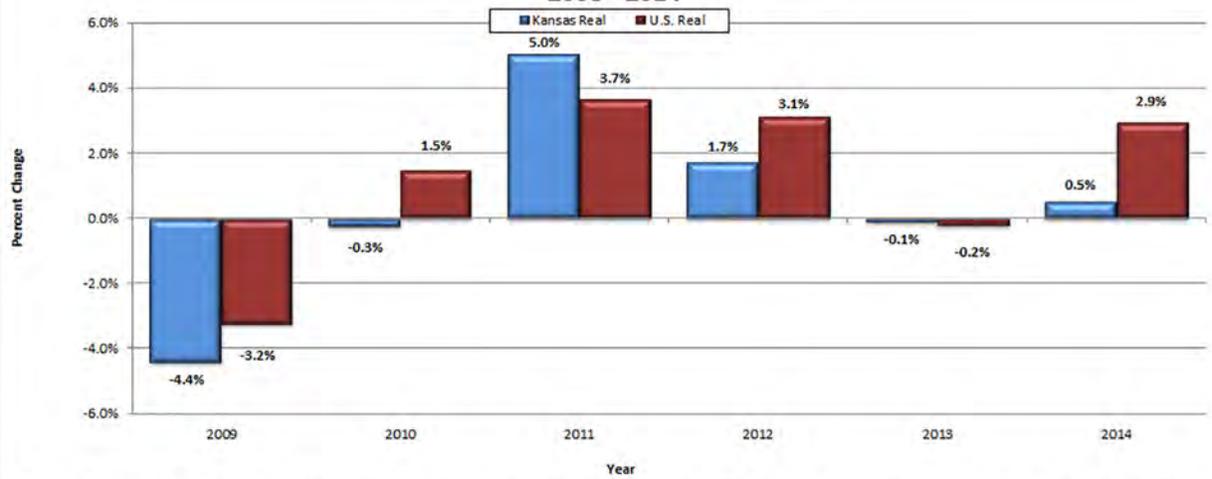
Similar to GDP, personal income can be expressed as per capita to show the average share of personal income for each individual in an area. Per capita personal income is calculated by dividing total personal income by the population for an area. It measures the wealth of the population and provides a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

CHART 25 illustrates the per capita personal income in Kansas and the U.S. In 2015, Kansas recorded a per capita personal income of \$45,876, while the U.S. recorded a per capita personal income of \$47,669. This means Kansas per capita personal income is 96.2 percent of the U.S. value, the lowest percentage since 2007. Kansas ranks 23rd out of the 50 states in terms of per capita personal income. From 2014 to 2015, Kansas' per capita income increased 2.2 percent, and the nation's increased 3.5 percent. Kansas once again outperformed the Plains region which recorded an increase of 1.9 percent.



Real personal income is also calculated using 2009 chained dollars but data is only available from 2008 to 2014. **CHART 26 (next page)** shows this data. In 2014, the real personal income in Kansas was \$131.9 billion, a 0.5 percent increase from 2013. U.S. real personal income increased from 2013 to 2014 by 2.9 percent to \$13.5 trillion. In 2014, Kansas ranked 31st out of the 50 states in real personal income. Since 2010, Kansas real personal income has increased by 7.3 percent while the U.S. real personal income grew by 9.8 percent.

Chart 26 - Kansas and U.S.
Percent Change in Real Personal Income
2008 - 2014

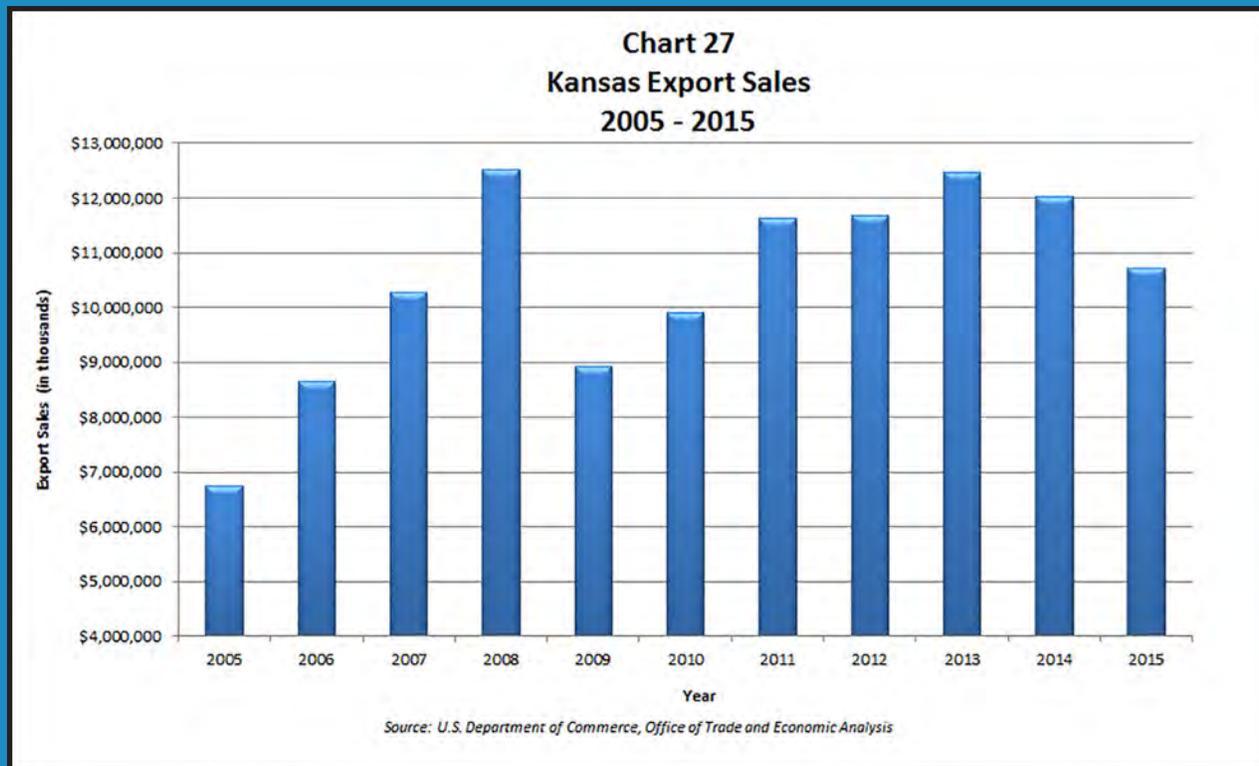


NOTE: GDP in Kansas excludes the compensation of federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment. GDP in the U.S. includes these items.
Source: Bureau of Economic Analysis

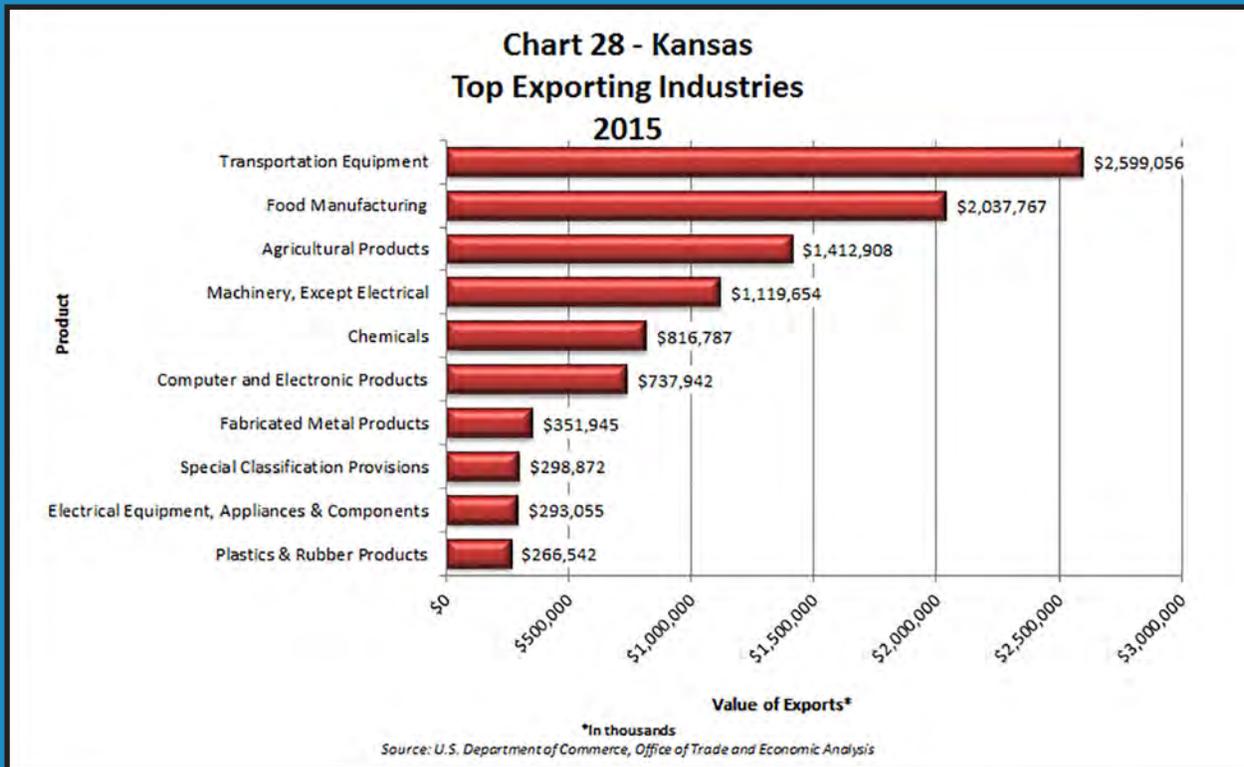
Kansas Exports

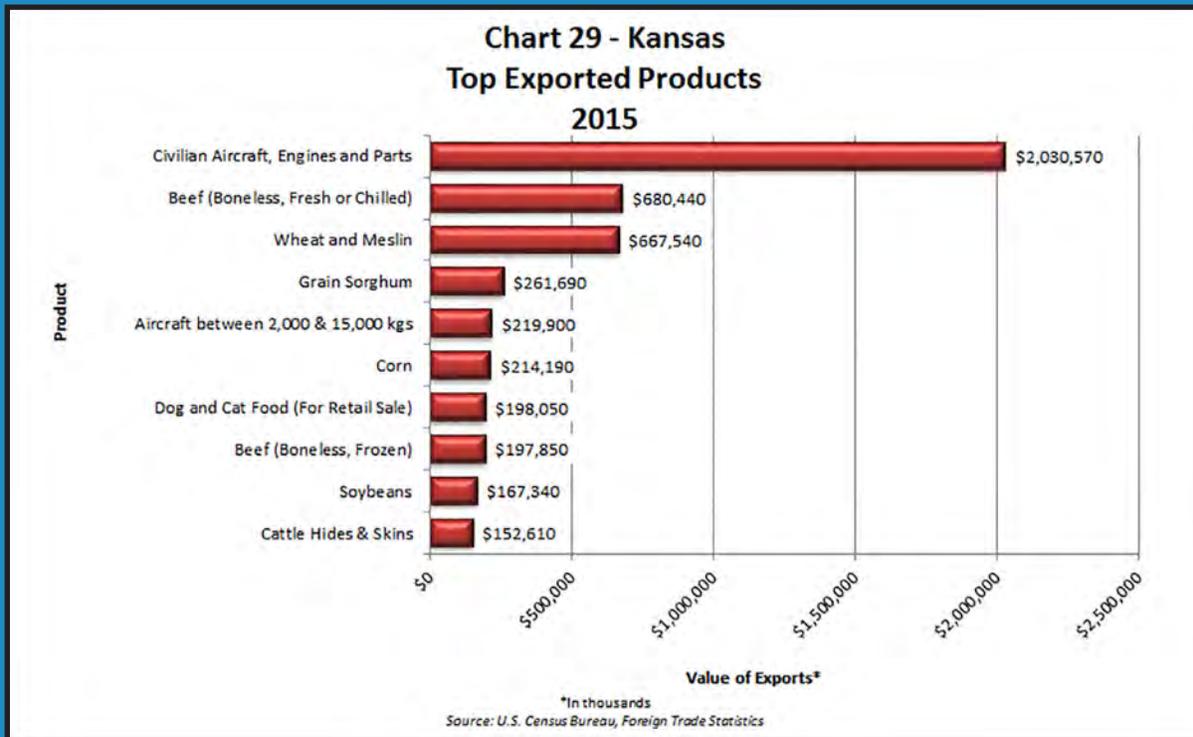
Kansas businesses compete in a global marketplace, where economic growth contributes to the rising demand for Kansas products. Exports data shows how competitive Kansas is in the global economy. When the global economy is in good shape, demand for products in which Kansas has a competitive advantage rises. The value of the U.S. dollar compared to other currencies also has an effect on exports. The value of the U.S. dollar appreciated overall, compared to other world currencies from 2014 to 2015, making goods produced in the U.S. relatively more expensive and potentially decreasing demand for U.S. goods and services.

Kansas export sales totaled \$10.7 billion in 2015, as seen in **CHART 27**. This represents a \$1.3 billion decline in export sales since 2014, or 10.8 percent. This is the second consecutive year that Kansas export sales have declined. The decline is due mostly to large declines in agricultural products, machinery, chemical and food manufacturing exports. However, it is the fifth consecutive year that Kansas export sales have exceeded \$10 billion. Also, export sales are 59.1 percent higher than 10 years ago.



As seen in **CHART 28**, the transportation equipment manufacturing sector was the sector with the highest export sales for the second straight year in 2015. This sector includes industries that produce aerospace parts and products, motor vehicle parts and assembly, and other transportation equipment manufacturing. Export sales for this sector totaled \$2.6 billion, a growth of \$108 million or 4.3 percent. This is notable because this is the only industry sector that had sales growth over \$100 million. In fact, it was one of only three sectors with over \$10 million in sales growth along with fabricated metal products and special classification provisions, which includes repaired imported products, military equipment and articles donated for charity. Civilian aircraft, engines and parts accounted for \$2 billion of the sales in transportation equipment manufacturing. This represents the highest total for any individual product produced in Kansas, as displayed in **CHART 29 (next page)**. Another \$220 million in sales was in aircraft between 2,000 and 15,000 kilograms. Canada was the largest importer of Kansas transportation equipment in 2015, followed by Mexico and the United Kingdom.





The food manufacturing sector transforms livestock and agricultural products into products for intermediate or final consumption. This sector recorded the second most export sales in 2015, with \$2 billion in sales. This is a decrease from 2014 of \$190 million, or 8.5 percent. The decline in exports in this sector can be mostly attributed to a \$50 million decline in frozen pork sales, \$49 million less in sales of boneless frozen beef, \$33 million less in sales of boneless fresh or chilled beef and a \$32 million decline in bone-in frozen beef sales. In 2015, boneless fresh or chilled beef had the second highest export sales of any product and boneless frozen beef was eighth. Japan was the largest importer of Kansas food products in 2015, followed by Canada and Mexico.

Agricultural products was third in export sales in 2015 despite massive declines the past two years. Approximately \$1.4 billion in export sales were recorded in this sector, a decrease of \$577 million, or 29 percent. In the past two years, agricultural product exports have declined \$1.2 billion, or 46 percent. The primary factor in this decline is the strong U.S. dollar causing demand, and therefore prices, for U.S. agricultural commodities to decline. Despite this wheat still recorded the third highest export sales of any product in 2015, with \$668 million in sales but this was a decrease from \$1.1 billion in 2014 and \$1.4 billion in 2013. Soybeans export sales also suffered significant declines the past two years going from \$851 million in 2013 to \$395 million in 2014 to \$167 million in 2015, an 80.3 percent decrease in sales the past two years. Export sales of corn also decreased by \$67 million from 2014 to 2015. On a positive note, grain sorghum (milo) export sales increased from 2014 to 2015 by 47.6 percent to \$262 million making it fourth in export sales with a two year increase in sales of 350 percent. Mexico was the largest importer of Kansas agricultural products in 2015, followed by Nigeria and China.

Significant declines in export sales also occurred in the machinery manufacturing and chemical manufacturing sectors. The machinery manufacturing sector was fourth in export sales in 2015 at \$1.1 billion, a decline of \$275 million from 2014. The product in this sector with the largest decline in sales is wind turbines with \$94 million less in sales. The chemical manufacturing sector was fifth in export sales in 2015 at \$817 million, a decline of \$242 million from 2014. Computer and electronic product manufacturing was sixth in export sales in 2015 at \$738 million, essentially unchanged from 2014. The six industries detailed in this report are responsible for 81.4 percent of export sales in Kansas and have been the top six exporting industries every year data is available. **CHART 30** details the export sales in those six industries from 2005 through 2015.

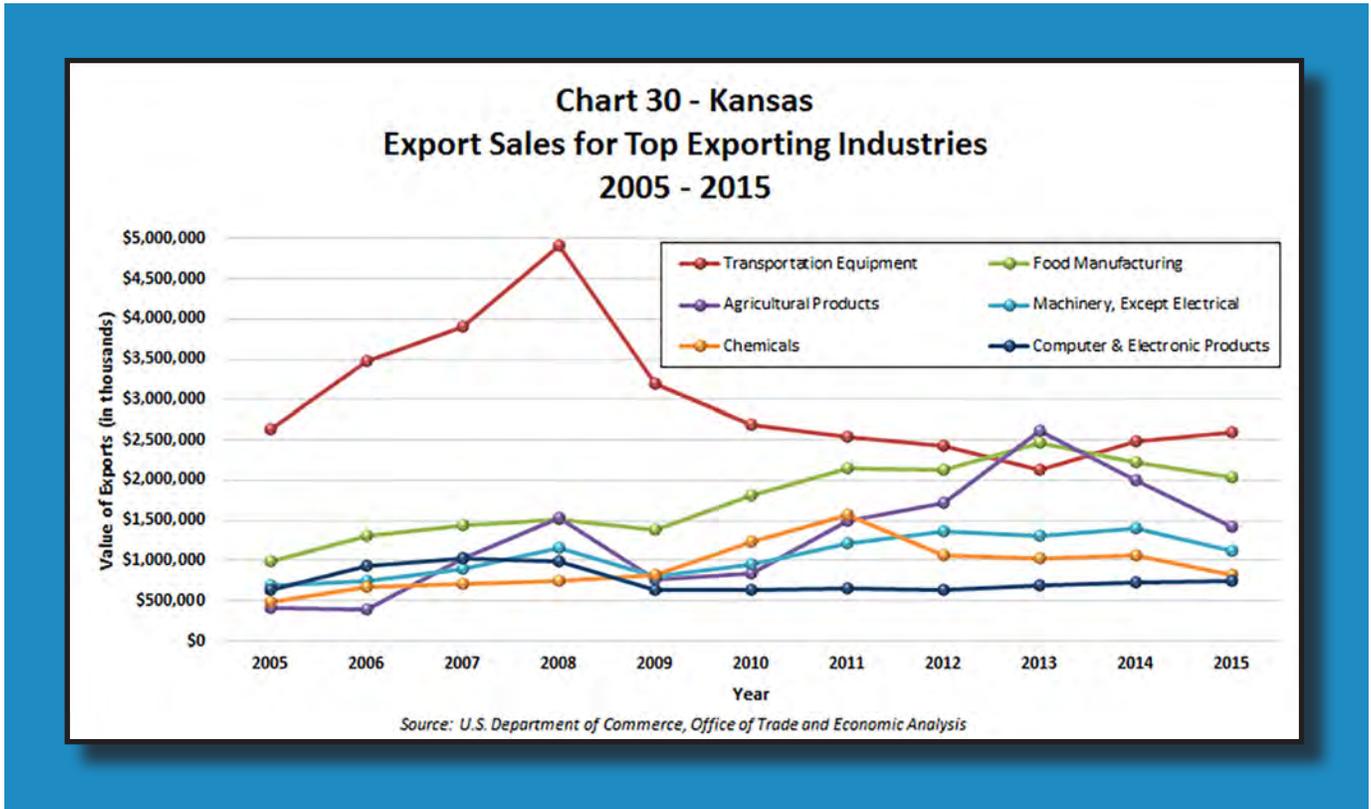


TABLE 28 (next page) shows the countries that imported the largest dollar amount of goods and services from Kansas. Canada was the state’s largest trading partner in 2015, importing approximately \$2.4 billion in goods and services. This amounts to a 5.5 percent decrease from 2014 to 2015. The top three sectors exporting products to Canada from Kansas are transportation equipment manufacturing, machinery manufacturing, and food manufacturing. These sectors make up 61.3 percent of export sales to Canada.

Mexico imported the second largest amount of Kansas products in 2015 with approximately \$1.8 billion in sales. Mexico imported \$18 million more of Kansas products in 2015, or one percent. About three quarters of Kansas products that Mexico imports comes from one of three sectors: transportation equipment manufacturing, agricultural products and food manufacturing. A \$162 million increase in transportation equipment manufacturing export sales offset losses in other sectors.

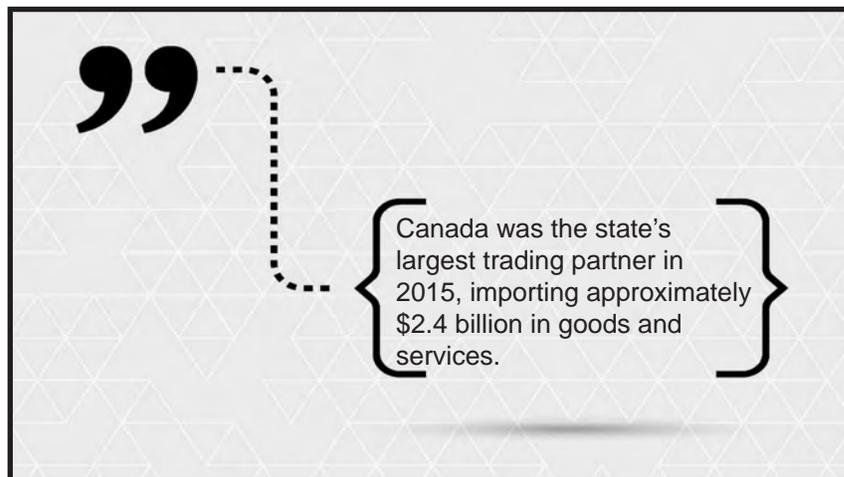
China was the third largest importer of Kansas products in 2015, with approximately \$986 million in sales. However, this is a decrease of \$198 million, or 16.7 percent, from 2014 and a decline of \$717 million since 2013, or 42.1 percent. Most of the decline in the past two years, 83.7 percent, was due to a \$601 million drop in agricultural products exported to China. China still imported \$278 million in agricultural products, the third highest amount of any country, and also recorded a high level of imports of manufactured

Table 28
Top Export Countries
Kansas
2015

	Total Exports
Canada	\$2,394,408
Mexico	\$1,804,129
China	\$986,181
Japan	\$709,183
United Kingdom	\$433,471
Germany	\$308,217
Nigeria	\$304,631
France	\$248,670
Brazil	\$245,047
South Korea	\$211,155

Note: Data is In thousands

Source: U.S. Department of Commerce, Office of Trade and Economic Analysis



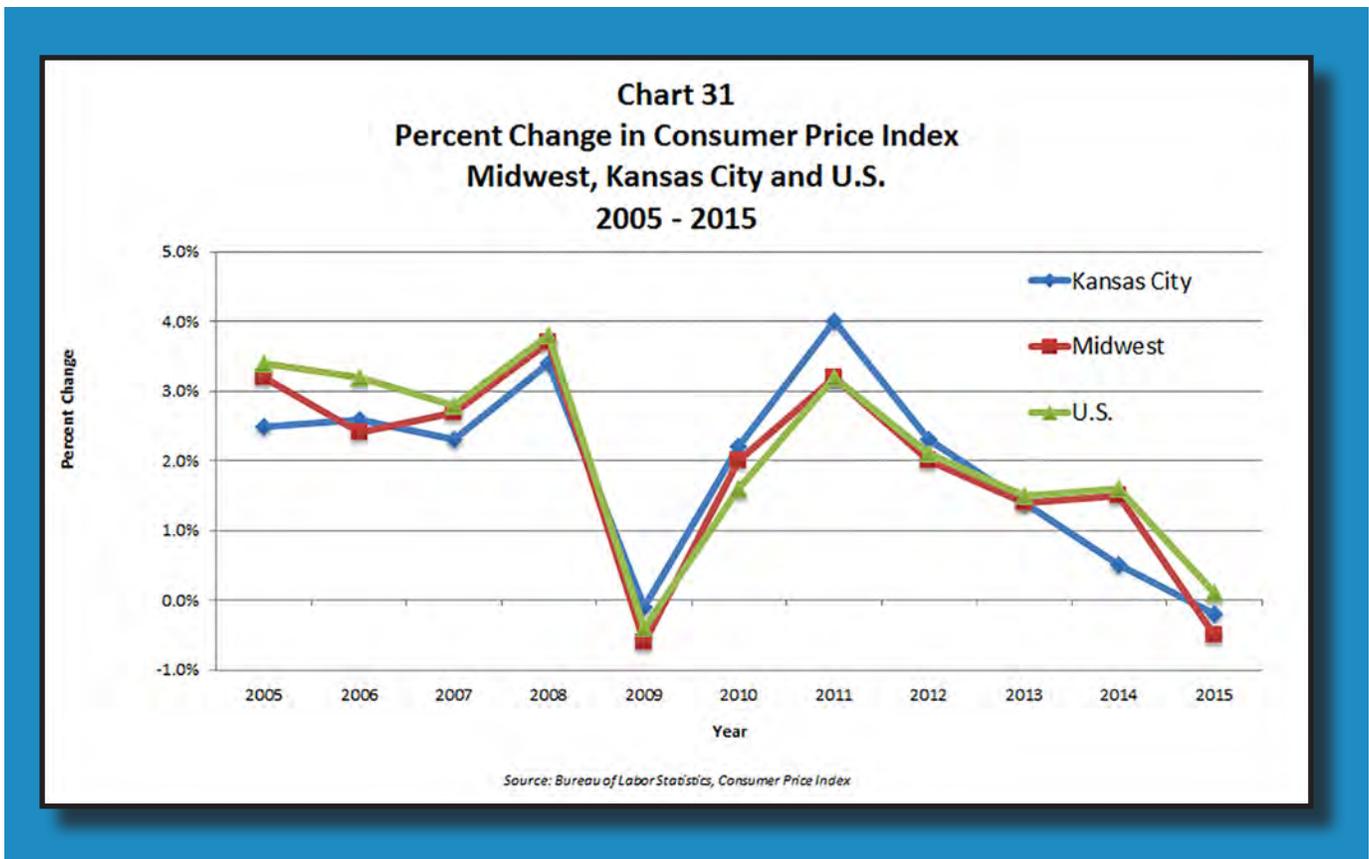
Inflation & Real Wages

Consumer Price Index

food and transportation equipment.

The Consumer Price Index (CPI) is published by the U.S. Bureau of Labor Statistics and is a measure of the prices paid by consumers for a representative market basket. The market basket is based on goods and services commonly purchased by families. The most general measure of the CPI is the CPI-U, which is the CPI of all urban consumers. CPI-U is the most commonly used measure of inflation.

CHART 31 indicates the percent change in the CPI-U of three different areas – the U.S., the Midwest region, which Kansas and 11 other states are located in, and the Kansas City MSA. As seen in the chart, since 2005 inflation in all three areas has generally followed the same trend, with each area recording average annual inflation within 0.2 percentage points of one another. In 2015, the Midwest and the Kansas City MSA experienced negative inflation, or deflation, of 0.5 and 0.2 percent respectively. This is the first time deflation has occurred for these areas since 2009 and the highest rate of deflation recorded



since 1949 for the Kansas City MSA. The U.S. as a whole recorded 0.1 percent inflation in 2015. As shown in **TABLE 29**, these inflation rates are mostly due to a large reduction in transportation costs in 2015, most notably gasoline. Gasoline prices were down 27.1 percent nationally, 28.1 percent in the Midwest, and 27.4 percent in the Kansas City MSA. Apparel costs were also down in all the areas and education and communications prices decreased in the Kansas City MSA.

Table 29 Percent Change in Consumer Price Index by Category Kansas City, Midwest, U.S. 2015			
Category	Kansas City	Midwest	U.S.
Food & Beverages	1.5%	1.5%	1.8%
Housing	1.7%	1.1%	2.1%
Apparel	-2.8%	-3.1%	-1.3%
Transportation	-7.4%	-8.4%	-7.8%
Medical Care	2.7%	2.4%	2.6%
Recreation	0.7%	0.2%	0.3%
Education & Communications	-1.3%	0.2%	0.5%
Other Goods & Services	1.6%	1.6%	1.7%

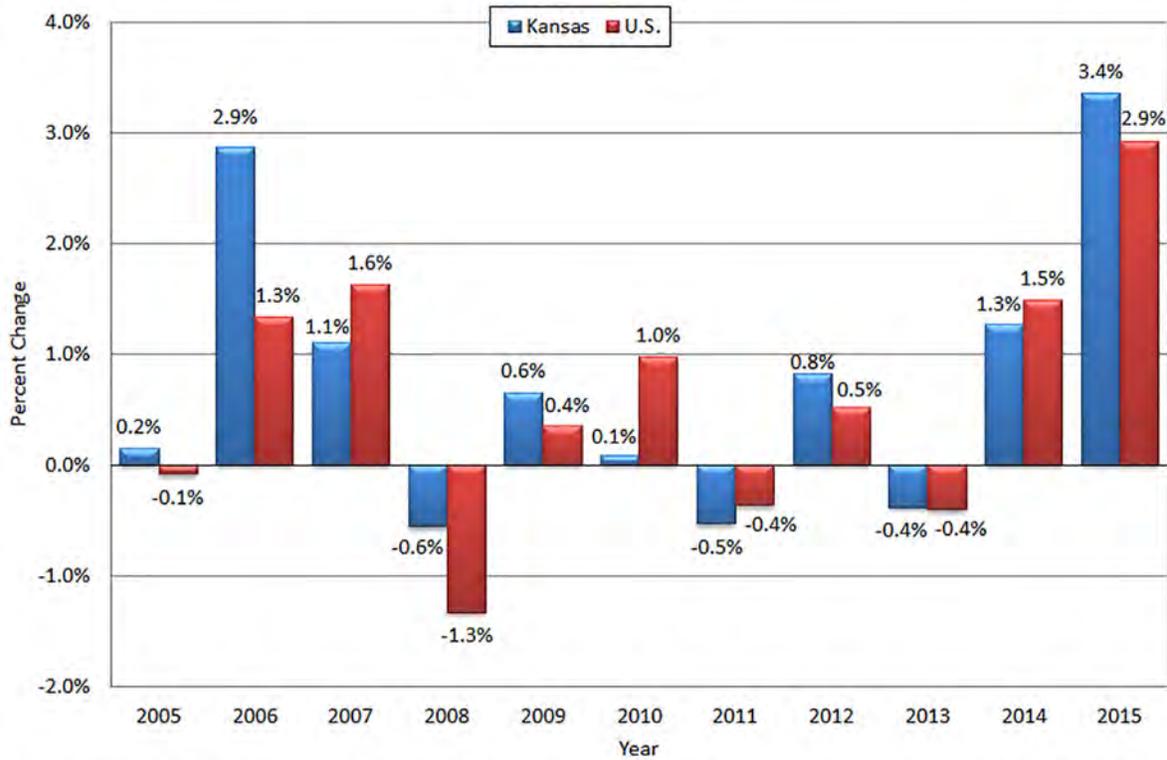
Source: Bureau of Labor Statistics, Consumer Price Index

Wages and salaries accounted for 49.7 percent of the total personal income in Kansas in 2015, and help determine the health of the economy. Since inflation can erode customer purchasing power, real wages provide a better estimate of economic health. **TABLE 30** lists the real average weekly wages for Kansas and the U.S. in 2015 dollars while **CHART 32 (next page)** displays the over the year percent change in real average weekly wages. The real average weekly wage in Kansas increased by 3.4 percent to \$844 in 2015 while the U.S. recorded a real average weekly wage of \$1,018, a 2.9 percent increase. Since 2005, the Kansas average weekly wage has grown at a faster rate than the U.S. as a whole, with an

Table 30 Real Average Weekly Wages 2004 - 2015						
	2004	2005	2006	2007	2008	2009
Kansas	\$774	\$775	\$797	\$806	\$801	\$806
U.S.	\$950	\$949	\$962	\$977	\$964	\$968
	2010	2011	2012	2013	2014	2015
Kansas	\$807	\$803	\$809	\$806	\$817	\$844
U.S.	\$977	\$974	\$979	\$975	\$989	\$1,018

Note: Wages in 2015 dollars
Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Quarterly Census of Employment and Wages and Consumer Price Index

**Chart 32 - Percent Change in Real Average Weekly Wages
2005-2015**



Source: KDOL Labor Market Information Services and the Bureau of Labor Statistics, Quarterly Census of Employment and Wages, and Consumer Price Index

increase of 8.9 percent compared to 7.3 percent for the U.S.

Agriculture is an important industry in Kansas. In fact, out of 52 million acres of land, more than 37 million is harvested for crops or devoted to pastureland according to the Kansas Department of Agriculture. Jobs, real gross domestic product (GDP), personal income, and farm credit data are important measures that describe the well-being of the Kansas agricultural sector.

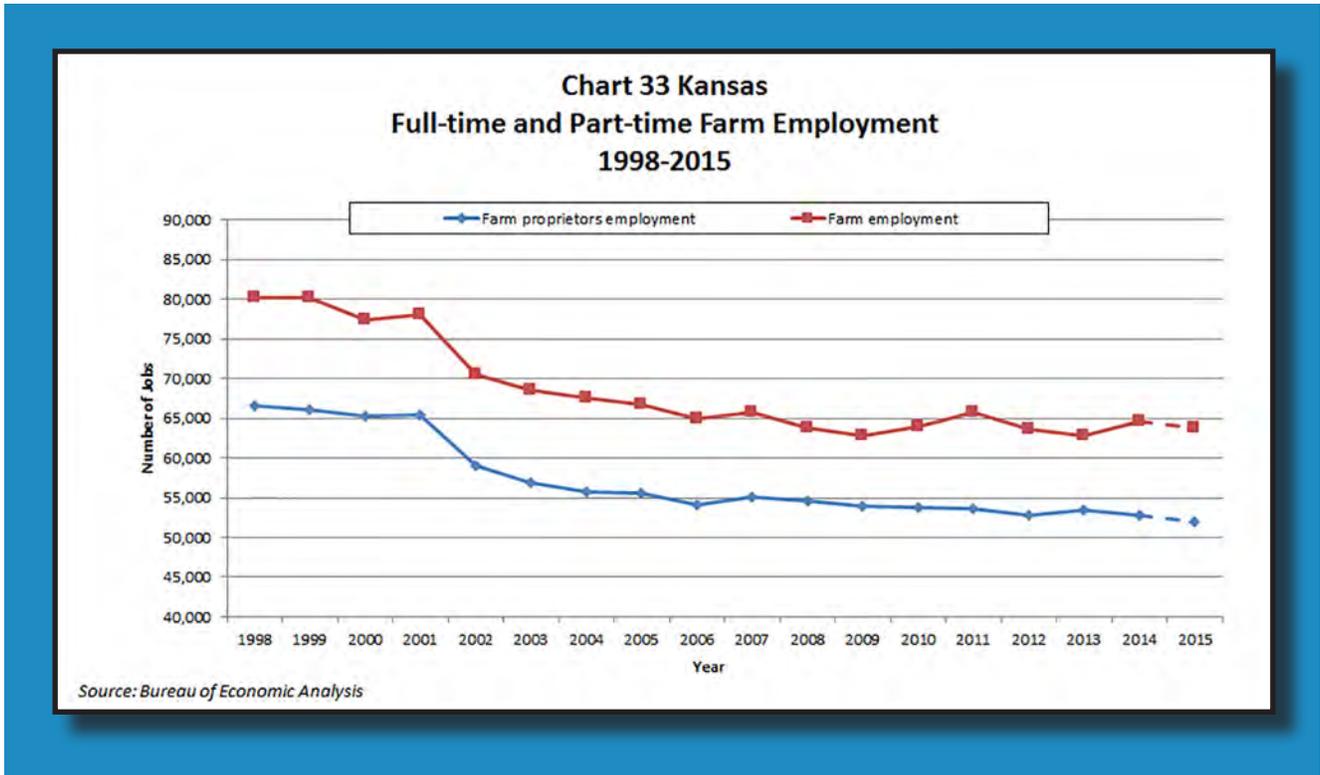
Gathering agricultural employment data is difficult due to the nature of the industry. For instance, many farm workers are part-time employees or have irregular hours. Moreover, many agricultural employees work for small businesses or are self-employed. The Quarterly Census of Employment and Wages (QCEW), a census that counts jobs in all industries covered under unemployment insurance programs, is the most detailed measure of jobs at the regional level. According to the Bureau of Labor Statistics, it captures approximately 96 percent of civilian wage and salary employment. However when measuring agriculture jobs, the QCEW estimates missing about one million agricultural workers nationwide. Many agricultural workers are missing because they are not covered under state unemployment insurance programs.

The Bureau of Economic Analysis (BEA) is an agency that reports a comprehensive measure of agricultural employment annually. Their estimates are released in the following year with a nine month delay. When estimating farm employment, the BEA does not incorporate QCEW data because of excluded workers. Instead the BEA uses labor data from the Farm Labor Survey conducted by the National Agricultural Statistics Service (NASS) to measure total farm employment. The Farm Labor Survey's data is aggregated by regions, so it does not have individual states' information. To circumvent this issue, the BEA supplements the Farm Labor Survey with the U.S. Department of Agriculture's (USDA) Economic Research Service's estimates of hired farm labor expenses.

In order to determine farm proprietors' employment, the BEA gathers the number of farms from the USDA's quinquennial Census of Agriculture, Agricultural Resource Management Survey, and NASS. They use this data to determine the number of farm proprietor and partnership farms in the U.S. Then they use these sources to determine the number of operators per farm adjusting for hired managers and farm type. Next, the ratio of operators per farm is multiplied by farm type to obtain the total number of sole-proprietors and partners for the U.S. These are added together to get the total number of self-employed farmers. Lastly, the states' employment is allocated proportionally based on each states' provisional estimates of farm proprietors and partners.

According to the BEA, the number of farm proprietors in Kansas has remained relatively level around 55,000 jobs since 2002 after a drop from 65,000 jobs previously. This estimate for farm proprietors includes sole-proprietors, partners, and the self-employed. BEA also produces estimates for total farm employment. These estimates include the number of farm proprietors as well as hired labor involved in the creation of agricultural goods. Kansas farm employment became relatively stable around 65,000 jobs in 2005 following a drop in 2002. Prior to this decrease, farm employment was approximately 80,000 jobs. This drop in employment was due to a change in BEA's methodology. They updated their process based on new availability of USDA data in 2002. BEA's most recent estimates for 2014 indicate that there were 52,744 farm proprietor jobs and 64,636 total farm jobs. The difference between farm

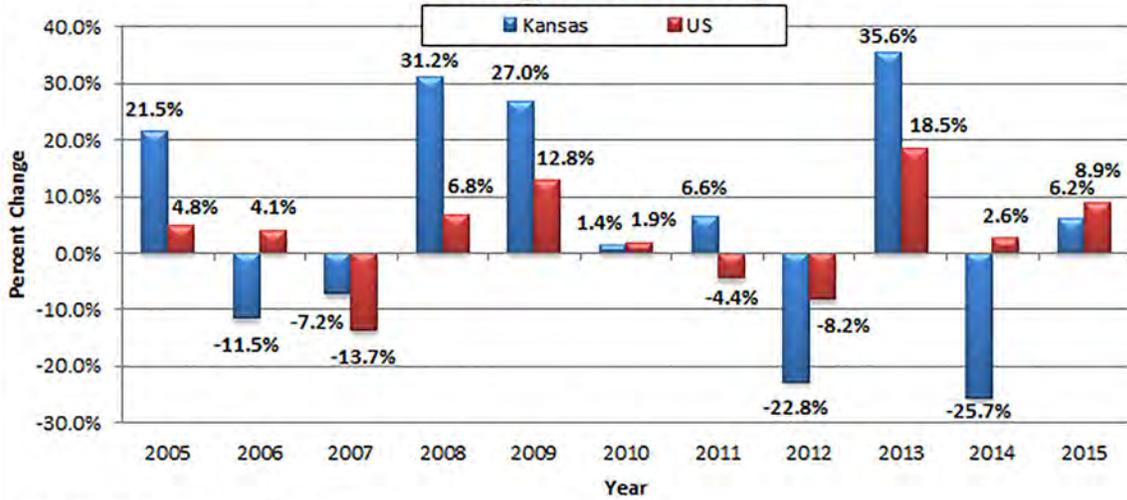
proprietors and total farm employment depicts the number of hired workers. The 2015 projected numbers for farm proprietors' employment and farm employment in Kansas were estimated by the Kansas Department of Labor (KDOL). In order to determine the farm self-employment, the provisional numbers for 2014 and 2015 were calculated. The difference between these estimates was a decrease over the year of 821 jobs. Subtracting 821 jobs from the 2014 estimate projects 51,922 farm proprietors' jobs in 2015. Taking the crop production, animal production, and agriculture and forestry supported activity industries from the QCEW 2015 estimates



and adding them to the 2015 farm self-employment predicts the farm employment to be about 63,734. One way of quantifying the production of agricultural employees is through GDP which is a broad measure of economic well-being and illustrates the standard of living of an area. Specifically, real GDP measures the total dollar value of economic output adjusted for inflation for each industry. Thus real GDP can be interpreted as changes in output after inflation, or price changes, are accounted for. The BEA, who is responsible for GDP estimates, defines the agriculture, forestry, fishing, and hunting sector as having two main segments including crop and animal production and forestry, fishing, and related activities.

From 2014 to 2015, real GDP in Kansas grew 6.2 percent in agriculture, forestry, fishing, and hunting to \$3.8 billion. This percentage change marked the largest of the major sectors, and is an improvement from a decrease in 25.7 percent over 2014, but is still lower than the 2013 real GDP value of \$4.9 billion. Similarly, the United States had 8.9 percent growth in the same sector over the year. This is the largest percent change for any reported industry for the U.S. As shown in

Chart 34
Real GDP Percent Change for Agriculture, Forestry, Fishing, and Hunting



Note: Real GDP in chained 2009 dollars
 Source: Bureau of Economic Analysis

CHART 34 (next page) changes in real GDP for the agricultural sector are variable from year to year. In addition to real GDP, personal income is an indicator of the well-being of the agricultural sector. Personal income broadly consists of reported income received for the use of workers' labor, land, and capital and proprietors' income. In 2015 the BEA reported that personal income in Kansas was \$134 billion. Farm proprietors' income was 1.2 percent of all Kansas personal income at \$1.6 billion, and farm earnings were 1.7 percent at \$2.2 billion. In general, proprietors' income is reflected by their inventory valuation and capital consumption. Specifically, farm proprietors' income is comprised of farm operating sole-proprietorships' and partnerships' income. Farm earnings consist of farm

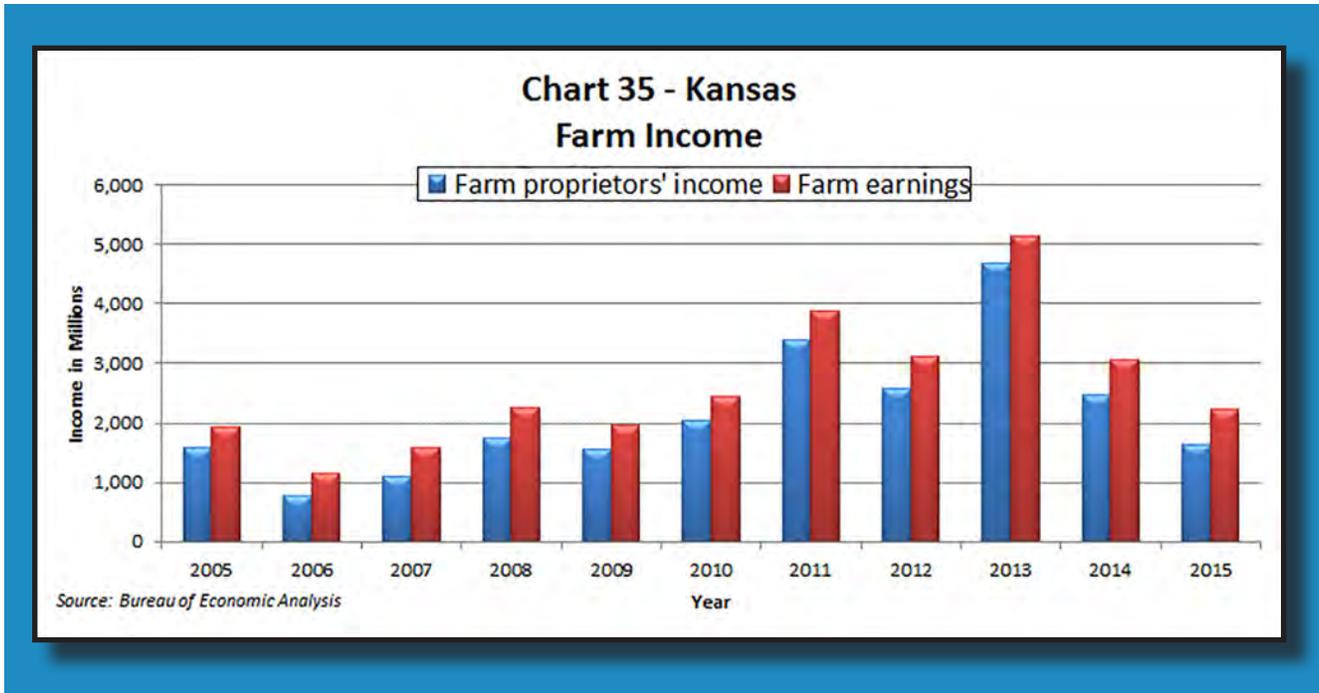
Table 31
Farm Personal Income (in billions)
Kansas & U.S.

		2014	2015	Net Change	% Change
Kansas	Total Personal Income	\$130.4	\$133.6	3.2	2.5%
	Farm Proprietors' Income	\$2.5	\$1.6	-0.8	-34.1%
	Farm Earnings	\$3.1	\$2.2	-0.8	-26.9%
U.S.	Total Personal Income	\$1,468.3	\$1,532.4	64.1	4.4%
	Farm Proprietors' Income	\$81.8	\$56.1	-25.7	-31.4%
	Farm Earnings	\$112.3	\$87.7	-24.6	-21.9%

Source: Bureau of Economic Analysis

proprietors' and hired laborers' income, but exclude farm corporations.

From 2014 to 2015, Kansas farm earnings and farm proprietors' income decreased \$823 million and \$842 million, a decrease of 26.9 percent and 34.1 percent, respectively. This decline was in contrast to most other major industries which experienced income and earnings growth over the same period. For the United States, farm earnings and farm proprietors' income had similar decreases at 21.9 percent and 31.4 percent, respectively. This demonstrates that in 2015, declines in farm income were

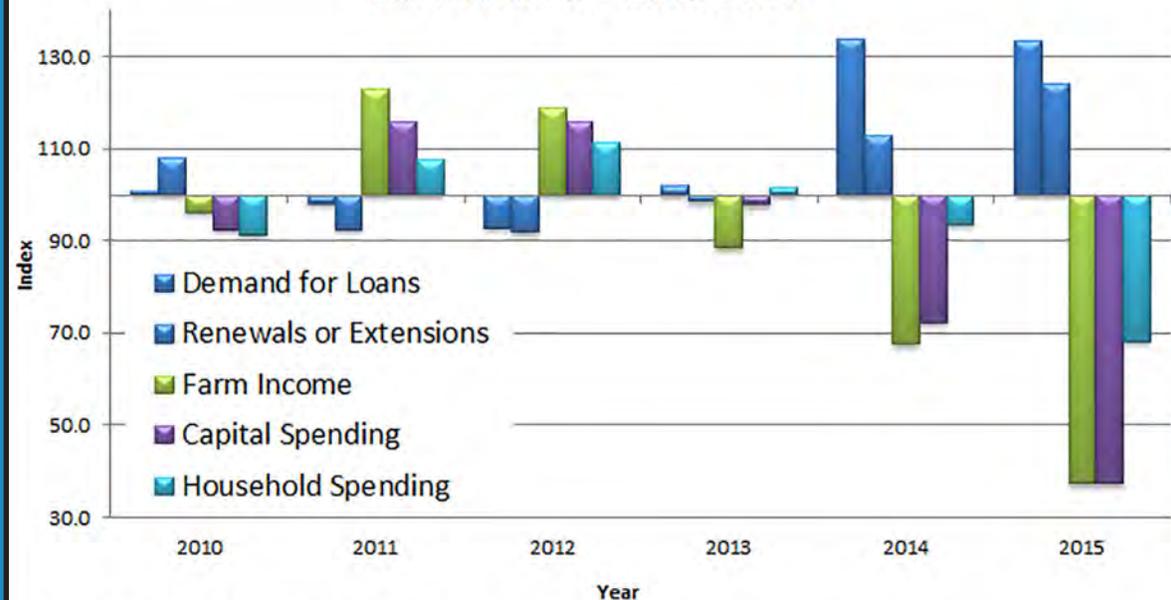


not unique to Kansas.

In order to track credit and farm conditions, the Federal Reserve Bank of Kansas City (KC Fed) conducts the Quarterly Agricultural Credit Survey in which they ask bankers, who work directly with agricultural producers, questions on agricultural loan characteristics. The bankers respond “higher than”, “lower than”, or “same as” the year earlier. The KC Fed then computes an index defined as 100 plus the difference between the percent that responded “higher than” and the percent who state “lower” than.

The survey reported mixed changes over the year. The indices for demand for loans, collateral required, and renewals or extensions had increased from 2014. Contrastingly, loan fund availability,

Chart 36
Kansas Credit Conditions*



Source: Federal Reserve Bank of Kansas City, Quarterly Agricultural Credit Survey

*Bankers responded to each item by indicating whether conditions during the current quarter were higher than, lower than, or the same as in the year-earlier period. The index numbers are computed by subtracting the percent of bankers that responded "lower" from the percent that responded "higher" and adding 100.

repayment rates, farm income, household spending, and capital spending indices decreased. This indicates that bankers noted that farmers had more difficulty paying off loans than one year ago. This change could be attributed to banker reported decreases in income. While they had decreased spending on average, they still demanded more loans, further signifying decreases in revenue for farmers. The need for loan extensions as well as increased demand for loans, has resulted in a tightened supply of loan fund availability. This performance in agriculture was likely due to a decrease in cattle and crop prices affecting farmers' income.

Over the course of 2015, the agricultural economy saw increases in output. However, it experienced decreases in personal income and employment. Additionally, the KC Fed indicated that farmers needed more loans and requested more loan extensions. It also signaled declines in farm

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expenditures.

Governments across the nation are continually debating the merits of minimum wage laws. This involves determining who the minimum wage earners are and how their standard of living depends on the state they live in. To examine how Kansas ranked in comparison to other states, the Kansas Department of Labor (KDOL) evaluated their minimum wage earners' purchasing power relative to other states and their demographics.

Minimum wage laws act as price floors. In other words, it is the least amount an employer is allowed to pay an employee per hour worked. Both the federal government and state governments issue minimum wages. Additionally, cities have the ability to levy a minimum wage. Most laws dictate that the highest minimum wage must be applied towards the worker. For instance, if the federal minimum wage is \$7.25, but the state in which the worker is employed has a minimum wage of \$8.00, then the employee is subject to the \$8.00 minimum wage. It is a similar situation with local city price floors. In Kansas the minimum wage was \$7.25 per hour in 2015 and was the same as the federally mandated one. In other words, Kansas minimum wage earners were also federal minimum wage earners because the wage floors were the same price. However, federal minimum wage earners also included any other worker in the United States earning \$7.25 an hour.

Some states have a similar minimum wage, but the workers in those states may have different purchasing power. Purchasing power represents the amount of goods and services money can buy. A higher purchasing power means that the consumer can purchase more goods and services with the same amount of money comparatively. One way to determine purchasing power is by adjusting workers' wages by the cost of living in a particular state. In order to determine a cost of living adjusted minimum wage, it is necessary to deflate the nominal, or current, wage with an index. The Council for Community and Economic Research (C2ER) publishes data on the cost of living throughout the United States. Their estimates are based on the average cost of living for all participating locations. They then create an index by setting the average equal to 100. The index for any area can be interpreted as a percentage of the overall average. Thus a cost of living adjusted state minimum wage is represented by the state nominal minimum wage in 2015 divided by the state's cost of living index and multiplied by 100. The state minimum wages for this project were obtained from the U.S. Department of Labor, Wage and Hour Division.

Aforementioned, the Kansas minimum wage in 2015 was \$7.25 per hour which was the same as the federally mandated one. This excluded tipped employees, such as waiters and waitresses, and a few other occupations. Because of the relatively low cost of living in Kansas, the cost of living adjusted minimum wage was \$7.98. This can be interpreted as a \$7.25 wage goes further in Kansas relative to the same wage in other states because living in Kansas tends to be cheaper than other states on average.

Looking at states with lower purchasing power, Kansas was better off comparatively even though some of those states had higher nominal minimum wages than Kansas. For example, Hawaii's minimum wage was \$7.75, but its cost of living adjusted minimum wage was \$4.60. Similarly, New Hampshire had a \$6.13 cost of living adjusted minimum wage, but had an actual minimum wage of \$7.25.

However, regionally Kansas had the lowest cost of living adjusted minimum wage. **TABLE 32** contains all states bordering Kansas. Oklahoma and Colorado had similar adjusted wage rates to Kansas, but Nebraska's adjusted minimum wage was \$8.67. This is due in part to its high actual minimum wage of \$8.00 and the fact that they had a relatively low cost of living. In fact, Nebraska was one of five states with the highest cost of living adjusted minimum wage, or one of the states with the most purchasing

Table 32 Regional State Minimum Wages 2015		
	Actual Minimum Wage	Adjusted Minimum Wage
Kansas	\$7.25	\$7.98
Colorado	\$8.23	\$8.08
Oklahoma	\$7.25	\$8.08
Missouri	\$7.65	\$8.36
Nebraska	\$8.00	\$8.67

Source: Council for Community and Economic Research (C2ER) and the U.S. Department of Labor, Wage and Hour Division

power for its minimum wage earners.

For a broader outlook, the weighted average of each state can give an idea of the minimum wage in the United States as a whole. Wages were weighted based on the proportion of minimum wage earners in each state compared to the total number of state minimum wage earners in the United States. The weighted average of all 50 states' nominal minimum wage was \$8.30, whereas the weighted average of the cost of living adjusted minimum wages was \$7.41. Overall, the minimum wages, adjusted for cost of living, averaged close to the federally mandated \$7.25. Moreover, for only the states with minimum wages in excess of \$7.25, the weighted average was \$7.29. This suggests that on average, states with

Table 33 Population Weighted Averages of Minimum Wages 2015			
	States with Minimum Wages Greater Than \$7.25	States with Minimum Wages Equal to \$7.25	All States*
Nominal	\$8.69	\$7.25	\$8.30
Cost of Living Adjusted	\$7.29	\$7.73	\$7.41

**Excluding New Mexico
Source: Council for Community and Economic Research (C2ER) and the U.S. Department of Labor, Wage and Hour Division*

higher minimum wages may have them to offset a higher cost of living associated with their state. In addition to determining their purchasing power, understanding minimum wage earners includes analyzing their demographics. This gives an idea of who typically earns minimum wage. These demographics include sex, race, age, marital status, part-time status, median family income, poverty status, and educational attainment.

Demographic data were gathered from the Current Population Survey (CPS) using data files available from IPUMS-CPS and the National Bureau of Economic Research from 2010 through 2015. The CPS is a monthly survey conducted by the U.S. Census Bureau that interviews a housing unit for four consecutive months, excludes the household for the next eight months, and then surveys the household for the following four months. The outgoing rotational months, the fourth and eighth interviews, are compiled to create annual CPS data for demographic characteristics excluding median family income and poverty status. The outgoing interviews include questions about earnings, which were utilized in determining minimum wage workers. In March, the CPS includes an Annual Social and Economic Supplement (ASEC) and asks questions about poverty status and family income.

The CPS is subject to sampling and non-sampling errors. With surveys, there can be inaccuracies as a result of respondents answering incorrectly. For instance, they may round their hourly wage up or down. Moreover, the CPS is a sample and may differ from the true population values.

In this analysis, the statistics on poverty rate and family income were only available through the ASEC. Due to the nature of the survey, there were 1,283 Kansas family incomes included, but only 43 Kansas minimum wage earners' families were represented.

Federal minimum wage employees were defined as workers earning the federally mandated minimum wage of \$7.25 or less. Likewise, Kansas minimum wage workers were characterized as workers earning the Kansas minimum wage of \$7.25 or less. Both of these rates were consistent from 2010 through 2015. Furthermore, these definitions were based on reported hourly wages instead of reported annual pay.

TABLE 34 (next page) is composed of the characteristics of Kansas and U.S. employees. Only 6 percent of Kansas employees earned minimum wage, and 61 percent of these minimum wage employees were ages 16 through 24. This younger age group was comprised of 90 percent identifying as having less than a high school diploma, high school diploma/GED, or some college. Additionally, 87 percent of them worked part-time compared to 24 percent of all Kansas workers. The higher incidence of part-time work, defined as working 35 hours or less in a week, is expected of minimum wage positions which tend to be part-time in nature. While not definitive, this indicates that a large fraction of minimum



Table 34
Demographics of Kansas and U.S. Minimum Wage Earners

Characteristics	All Kansas Employees (16 - 85)	Kansas Minimum Wage Earners			All U.S. Employees (16-85)	Federal Minimum Wage Earners		
		Age 16-85	Age 16-24	Age 25-85		Age 16-85	Age 16-24	Age 25-85
Earning state minimum wage	6%	-	61%	39%	5%	-	49%	51%
Female	51%	61%	57%	65%	52%	63%	61%	65%
White	88%	84%	82%	87%	80%	77%	78%	76%
Black	5%	6%	6%	6%	12%	16%	15%	16%
Asian	3%	2%	2%	1%	5%	3%	2%	4%
Married	55%	20%	4%	44%	52%	23%	5%	42%
Working Part-time	24%	80%	87%	67%	23%	72%	84%	61%

Source: Current Population Survey, Merged Outgoing Rotational Groups (NBER)

wage earners were part-time, young students.

Younger minimum wage earners, particularly 16 to 18 year olds who are in school, often still live at home. Because these workers are part of their parents' family income, the median family income for these earners is expected to be closer to that of all employees. This was shown at the national level where the median family income was \$50,220 for federal minimum wage earners ages 16 to 24, compared to \$68,600 for all employees in the United States.

This expectation did not hold for Kansas, where 16 to 18 year olds made up a smaller portion of the younger minimum wage workers. In this sample, 25 percent of the Kansas minimum wage earners 16 to 24 were 16 to 18 year olds. This is contrasted with U.S. minimum wage earners where 40 percent of the younger minimum wage earners were 16 to 18 years old. Because of the low sample size of the Kansas

Table 35
Income Characteristics of Kansas and U.S. Minimum Wage Earners

Characteristics	All Kansas Employees (16 - 85)	Kansas Minimum Wage Earners			All U.S. Employees (16-85)	Federal Minimum Wage Earners		
		Age 16-85	Age 16-24	Age 25-85		Age 16-85	Age 16-24	Age 25-85
25th Percentile Family Income	\$35,400	\$10,001	\$10,000	\$11,500	\$38,280	\$17,500	\$20,123	\$16,000
Median Family Income	\$65,000	\$20,123	\$20,000	\$24,714	\$68,600	\$36,250	\$50,220	\$30,010
75th Percentile Family Income	\$104,575	\$55,000	\$85,806	\$36,624	\$110,431	\$75,002	\$97,400	\$56,000
Below Poverty Line	6%	34%	45%	26%	7%	21%	21%	21%
Above 150% of the Poverty Line	88%	52%	49%	55%	87%	66%	69%	64%

Source: Current Population Survey, Annual Social and Economic Supplement (IPUMS-CPS)

**Analysis based on responses from 43 minimum wage earners in Kansas*

***Analysis based on responses from 1,939 minimum wage earners in the U.S.*

minimum wage earners, it is possible that the 16 to 18 year olds were underrepresented. Because of the small sample size, looking at percentiles gives a better idea of the spread for the Kansas minimum wage earners' family income. The percentiles represent the percentage of family incomes that are at or below the percentile number. The 25th percentile for younger minimum wage earners' family incomes was \$10,000, meaning that 75 percent of the incomes were more than \$10,000. The 75th percentile was \$85,806, or that 75 percent of the family incomes were at or below \$85,806. The median family income, or 50th percentile, was \$20,000.

In comparison, the median income for all Kansas employees was \$65,000 with 25th percentiles and 75th percentiles being \$35,400 and \$104,575, respectively. According to this study, families in Kansas with younger minimum wage earners were more likely to live in lower income families than families without these workers.

Older minimum wage workers, ages 25 through 85, represent 39 percent of all Kansas minimum wage earners. About 22 percent of Kansas minimum wage employees in this category had an associate, bachelor's, or graduate degree. This percent was nearly half of that for all Kansas employees. The median family income for the older workers was \$24,714. Their poverty rate was 26 percent which was lower than the younger group but still 20 percentage points higher than the rate for all Kansas employees.

Table 36
Educational Attainment of Kansas and U.S. Minimum Wage Earners

Characteristics	All Kansas Employees (16 - 85)	Kansas Minimum Wage Earners			All U.S. Employees (16-85)	Federal Minimum Wage Earners		
		Age 16-85	Age 16-24	Age 25-85		Age 16-85	Age 16-24	Age 25-85
Less than High School	13%	30%	39%	17%	15%	27%	33%	21%
High School Graduate	27%	26%	19%	36%	29%	31%	24%	37%
Some College	21%	29%	32%	24%	19%	28%	35%	21%
Associates or Bachelor's Degree	29%	14%	9%	20%	27%	13%	7%	19%
Graduate Degree	11%	1%	0%	2%	10%	1%	0%	2%

Source: Current Population Survey, Merged Outgoing Rotational Groups (NBER)

Overall, minimum wage earners in Kansas had a greater purchasing power on average than do more than half of all 50 states. Because of the lower cost of living in Kansas, workers could buy relatively more with their wages. As for demographics of these workers, the majority were 16 to 24 years old and 80 percent of 16 to 85 year old minimum wage earners worked part-time.

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