

# Indicators of the Kansas Economy

*A Review of Economic Trends  
and the Kansas Economy*

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**November 2013**



## Indicators of the Kansas Economy Key Trends

### Employment and Unemployment

	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
<b>Total Nonfarm Employment</b> (all employees, thousands)							
Kansas	1,361.9	1,346.5	1,370.2	1,295.8	1.1%	-0.6%	5.1%
<b>Private Sector Employment</b> (all employees, thousands)							
Kansas	1,126.0	1,105.2	1,134.8	1,067.7	1.9%	-0.8%	5.5%
<b>Manufacturing Employment</b> (all employees, thousands)							
Kansas	164.8	163.4	183.6	174.0	0.9%	-10.2%	-5.3%
<b>Service Employment</b> (all employees, thousands)							
Kansas	893.7	874.2	873.1	821.2	2.2%	2.4%	8.8%
<b>Public Sector Employment</b> (all employees, thousands)							
Kansas	235.9	241.3	235.4	228.1	-2.2%	0.2%	3.4%
<b>Unemployment Rate</b> (%)							
Kansas	5.9%	5.9%	4.8%	5.8%	0.0%	1.1%	0.1%
<b>Initial Claims for Unemployment</b> (all employees)							
Kansas	9,558	10,746	12,727	11,709	-11.1%	-24.9%	-18.4%

### Wages/Entrepreneurship

<u>Private Establishment Data</u> (total private establishments, all employee sizes)							
	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	78,827	78,261	80,276	76,676	0.7%	-1.8%	2.8%
<u>Private Industry Wage Levels</u> (average annual wages, all employees, all private establishments)							
	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
\$	42,744	\$ 41,817	\$ 38,735	\$ 31,794	2.2%	10.3%	34.4%

### Energy

<u>Oil Production and Price</u> (most recent month of production and price)							
	Jul-13	Jul-12	Jul-08	Jul-03	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,896,176	3,644,302	3,200,291	2,917,847	6.9%	21.7%	33.5%
Price (\$/bbl) \$	104.67	\$ 87.90	\$ 133.37	\$ 30.75	19.1%	-21.5%	240.4%

### Natural Gas Production and Price (most recent month of production and price)

	Jul-13	Jul-12	Jul-08	Jul-03	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	24,689,837	25,425,099	32,490,665	36,247,810	-2.9%	-24.0%	-31.9%
Price (\$/mcf) \$	3.41	\$ 2.78	\$ 11.78	\$ 5.11	22.7%	-71.1%	-33.3%

### Agriculture

<u>KFMA Average Net Farm Income by Region</u>							
Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2011	\$ 440,407	\$ 148,712	\$ 206,248	\$ 79,403	\$ 110,649	\$ 111,732	\$ 166,375
2012	\$ 288,176	\$ 114,357	\$ 138,024	\$ 98,071	\$ 160,703	\$ 150,644	\$ 151,127
5-yr avg	\$ 266,910	\$ 114,172	\$ 142,686	\$ 92,070	\$ 123,865	\$ 136,062	\$ 141,288
10-yr avg	\$ 180,407	\$ 84,774	\$ 106,722	\$ 68,683	\$ 90,353	\$ 104,589	\$ 103,847

### General Economic Data

<u>Population</u>							
	2012	2011	2007	2002	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,885,905	2,870,386	2,775,586	2,712,598	0.5%	4.0%	6.4%

### Gross State Product (millions of current dollars)

	2012	2011	2007	2002	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	138,953	134,767	120,599	91,737	3.1%	15.2%	51.5%
6-State Region	1,055,383	1,019,181	929,628	711,267	3.6%	13.5%	48.4%
U.S.	15,566,077	14,959,778	13,936,199	10,572,388	4.1%	11.7%	47.2%

### Personal Income Estimates (millions of dollars)

	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	126,303	124,137	114,004	83,821	1.7%	10.8%	50.7%
6-State Region	971,441	951,173	856,620	643,579	2.1%	13.4%	50.9%
U.S.	13,939,348	13,729,063	12,429,284	9,479,611	1.5%	12.1%	47.0%

### Per Capita Personal Income Estimates (\$)

	2012	2011	2007	2002	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	43,015	42,079	37,959	29,895	2.2%	13.3%	43.9%
6-State Region	41,652	40,214	36,521	29,178	3.6%	14.0%	42.8%
U.S.	43,735	42,298	39,804	31,798	3.4%	9.9%	37.5%

### Consumer Price Index

	Sep-13	Sep-12	Sep-08	Sep-03	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	223.3	221.1	209.3	179.5	1.0%	6.7%	24.4%
U.S. City Average	234.1	231.4	218.8	185.2	1.2%	7.0%	26.4%

### Building Permits (new privately owned housing units authorized)

	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	607	567	560	1,152	7.1%	8.4%	-47.3%

### Sales Tax Collections (\$)

	Jun-13	Jun-12	Jun-08	Jun-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	220,712,005	215,997,093	177,892,863	140,958,868	2.2%	24.1%	56.6%

## Indicators of the Kansas Economy Population

### Short-Term (2011 to 2012)

- Kansas population up 15,519 (0.5%)
- 6-State Region population up 148,870 (0.7%)
- U.S. population up 2,326,224 (0.7%)

### Long-Term (2002 to 2012)

- Kansas population up 173,307 (6.4%)
- 6-State Region population up 1,874,282 (8.9%)
- U.S. population up 26,110,126 (9.1%)

### 2012 Population

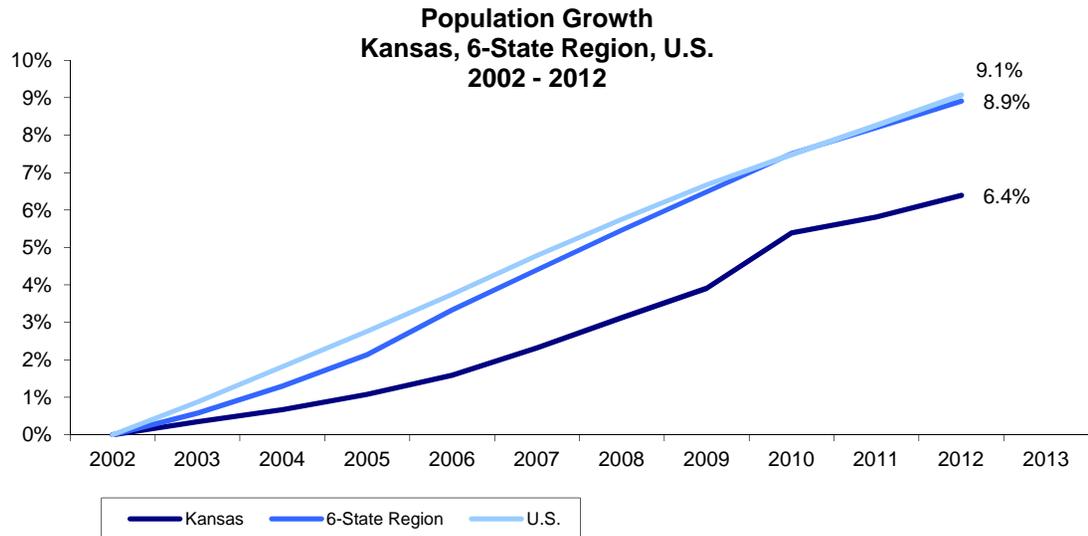
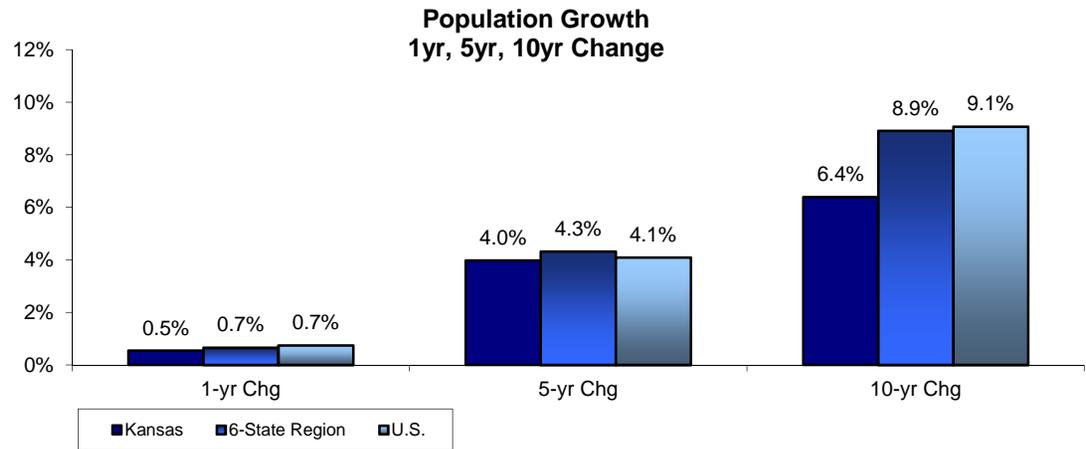
Region	Population
Kansas	2,885,905
Arkansas	2,949,131
Colorado	5,187,582
Iowa	3,074,186
Missouri	6,021,988
Nebraska	1,855,525
Oklahoma	3,814,820
6-State Region	22,903,232
U.S.	313,914,040

### About the data and graphs

The U.S. Census Bureau publishes total resident population estimates and demographic components of change (births, deaths, and migration) each year. The reference date for estimates is July 1. Estimates usually are for the present and the past, while projections are estimates of the population for future dates. These estimates are developed with the assistance of the Federal State Cooperative Program for Population Estimates (FSCPE). These estimates are used in federal funding allocations, as denominators for vital rates and per capita time series, as survey controls, and in monitoring recent demographic changes. With each new issue of July 1 estimates, the estimates are revised for years back to the last census.

### Population

	2012	2011	2007	2002	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,885,905	2,870,386	2,775,586	2,712,598	0.5%	4.0%	6.4%
6-State Region	22,903,232	22,754,362	21,955,094	21,028,950	0.7%	4.3%	8.9%
U.S.	313,914,040	311,587,816	301,579,895	287,803,914	0.7%	4.1%	9.1%



## Indicators of the Kansas Economy Gross State Product

### Short-Term (2011 to 2012)

- Kansas GSP up \$4,186 million (3.1%)
- 6-State Region GSP up \$36,202 million (3.6%)
- U.S. GSP up \$606,299 million (4.1%)

### Long-Term (2002 to 2012)

- Kansas GSP up \$47,216 million (51.5%)
- 6-State Region GSP up \$344,116 million (48.4%)
- U.S. GSP up \$4,993,689 million (47.2%)

### 2012 Gross State Product

(millions of current dollars)

Region	Gross State Product	
Kansas	\$	138,953
Arkansas	\$	109,557
Colorado	\$	274,048
Iowa	\$	152,436
Missouri	\$	258,832
Nebraska	\$	99,557
Oklahoma	\$	160,953
6-State Region	\$	1,055,383
U.S.	\$	15,566,077

### About the data and graphs

GSP captures state economic growth, providing an overall analysis of the performance of the economy. GSP is the value added in production by the labor and property located in the state.

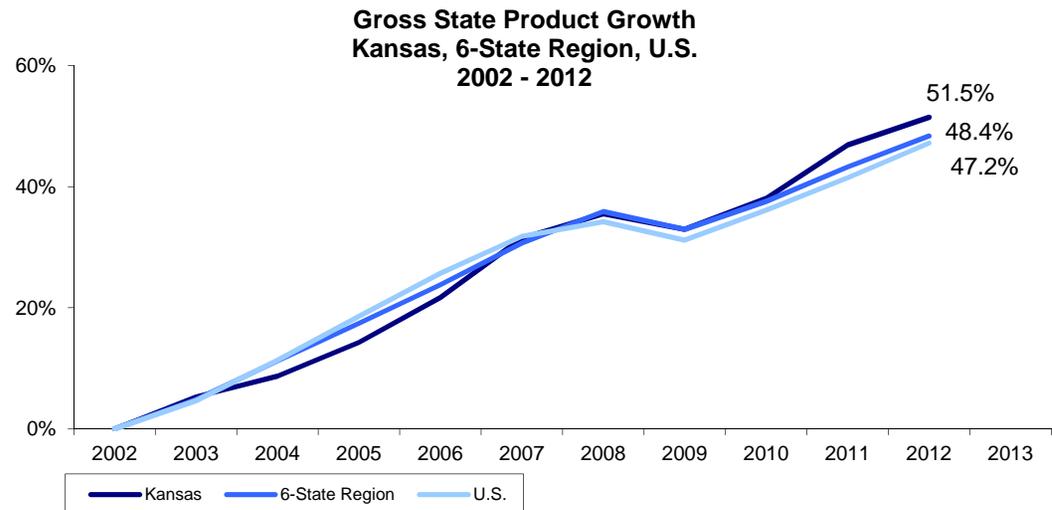
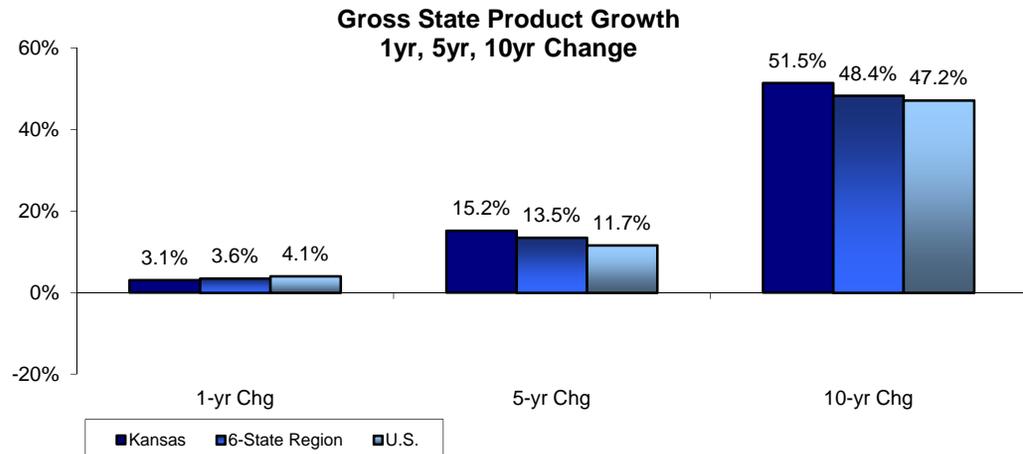
In concept, an industry's GSP, referred to as its "value added," is equivalent to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported.)

All GSP data is displayed in current dollars and are not adjusted for inflation.

### Gross State Product (GSP)

(millions of current dollars)

	2012	2011	2007	2002	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	138,953	134,767	120,599	91,737	3.1%	15.2%	51.5%
6-State Region	1,055,383	1,019,181	929,628	711,267	3.6%	13.5%	48.4%
U.S.	15,566,077	14,959,778	13,936,199	10,572,388	4.1%	11.7%	47.2%



## Indicators of the Kansas Economy Personal Income/Per Capita Personal Income

### Short-Term (2011 to 2013)

- Kansas PI up \$2,165 million (1.7%)
- 6-State Region PI up \$20,269 million (2.1%)
- U.S. PI up \$210,285 million (1.5%)

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- Kansas PCPI up \$936 (2.2%)
- 6-State Region PCPI up \$1,438 (3.6%)
- U.S. PCPI up \$1,437 (3.4%)

### Long-Term (2002 to 2013)

- Kansas PI up \$42,482 million (50.7%)
- 6-State Region PI up \$327,863 million (50.9%)
- U.S. PI up \$4,459,737 million (47.0%)

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- Kansas PCPI up \$13,120 (43.9%)
- 6-State Region PCPI up \$12,474 (42.8%)
- U.S. PCPI up \$11,937 (37.5%)

### About the data and graphs

Personal income is the income that is received by all persons from all sources and is reported quarterly and is seasonally adjusted at annual rates. Per capita personal income is the annual personal income divided by the population.

Personal income is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance. The personal income of an area is the income that is received by, or on behalf of, all of the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients. All state estimates are in current dollars (not adjusted for inflation).

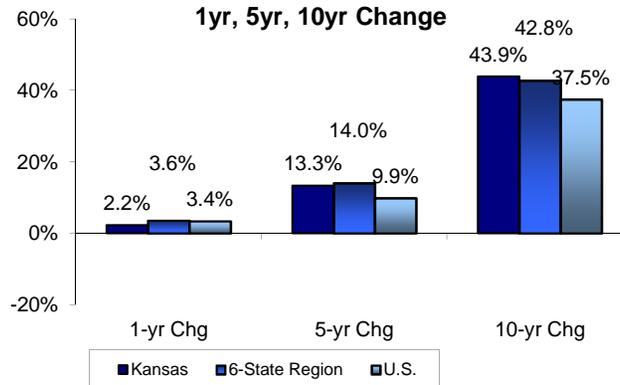
### Personal Income Estimates (PI) - (millions of dollars)

	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	126,303	124,137	114,004	83,821	1.7%	10.8%	50.7%
6-State Region	971,441	951,173	856,620	643,579	2.1%	13.4%	50.9%
U.S.	13,939,348	13,729,063	12,429,284	9,479,611	1.5%	12.1%	47.0%

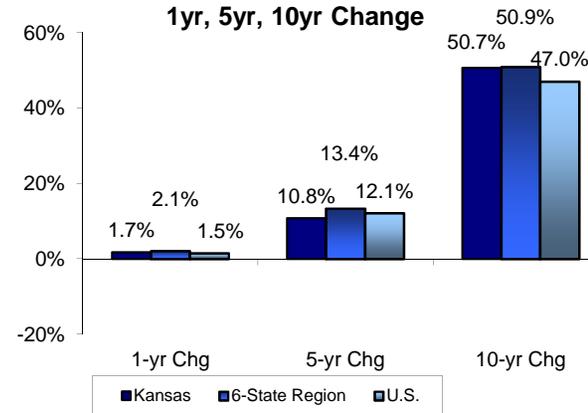
### Per Capita Personal Income Estimates (PCPI) - (\$)

	2012	2011	2007	2002	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	43,015	42,079	37,959	29,895	2.2%	13.3%	43.9%
6-State Region	41,652	40,214	36,521	29,178	3.6%	14.0%	42.8%
U.S.	43,735	42,298	39,804	31,798	3.4%	9.9%	37.5%

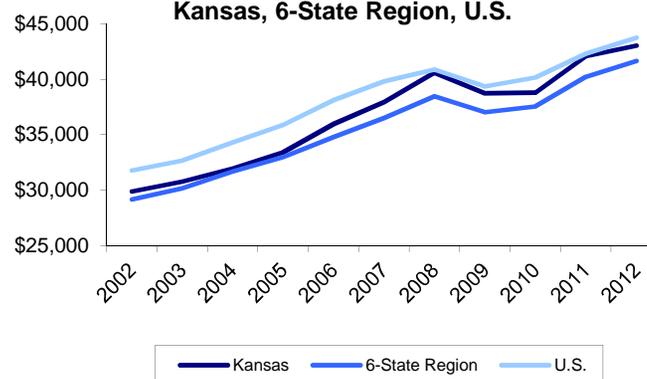
**Per Capita Personal Income Growth  
1yr, 5yr, 10yr Change**



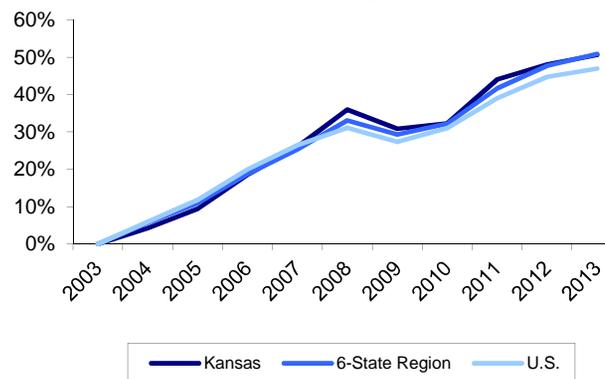
**Personal Income Growth  
1yr, 5yr, 10yr Change**



**Per Capita Personal Income Levels  
Kansas, 6-State Region, U.S.**



**Personal Income Growth  
Kansas, 6-State Region, U.S.**



Source: 2012 annual data; 2013 quarterly data

U.S. Department of Commerce - Bureau of Economic Analysis

<http://www.bea.gov/regional/>

## Indicators of the Kansas Economy Consumer Price Index

### Short-Term (2012 to 2013)

- Midwest Urban CPI up 2.2 (1.0%)
- U.S. City Average CPI up 2.7 (1.2%)

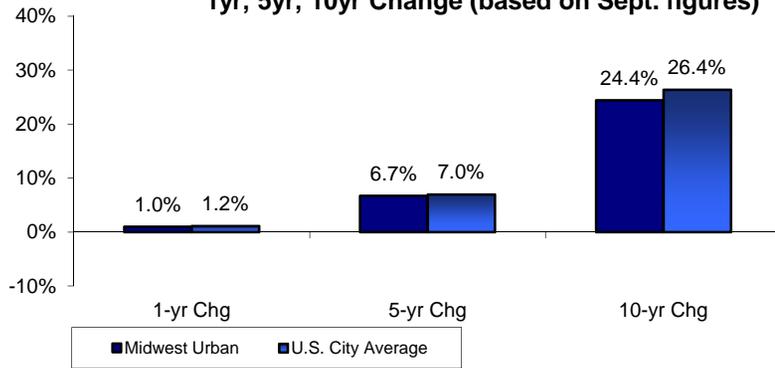
### Long-Term (2003 to 2013)

- Midwest Urban CPI up 43.8 (24.4%)
- U.S. City Average CPI up 48.9 (26.4%)

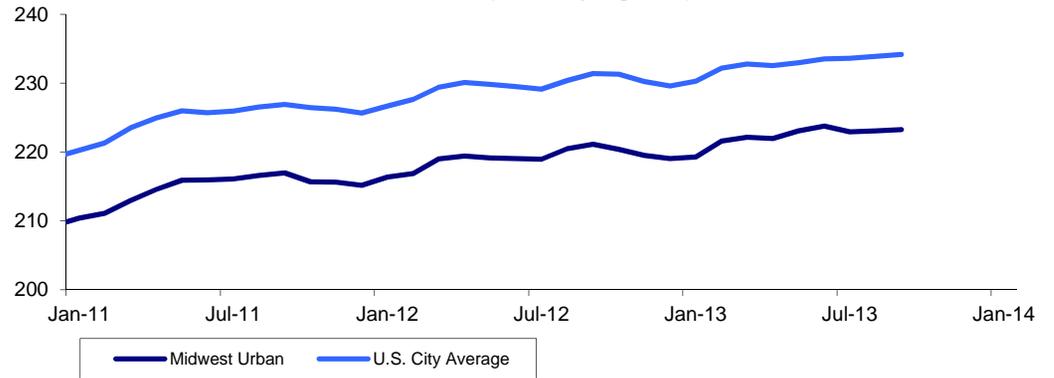
### Consumer Price Index (CPI)

	Sep-13	Sep-12	Sep-08	Sep-03	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	223.3	221.1	209.3	179.5	1.0%	6.7%	24.4%
U.S. City Average	234.1	231.4	218.8	185.2	1.2%	7.0%	26.4%

**Consumer Price Index Growth  
1yr, 5yr, 10yr Change (based on Sept. figures)**



**Consumer Price Index  
Midwest Urban & U.S. City Average  
2011 - 2013 (monthly figures)**



### About the data and graphs

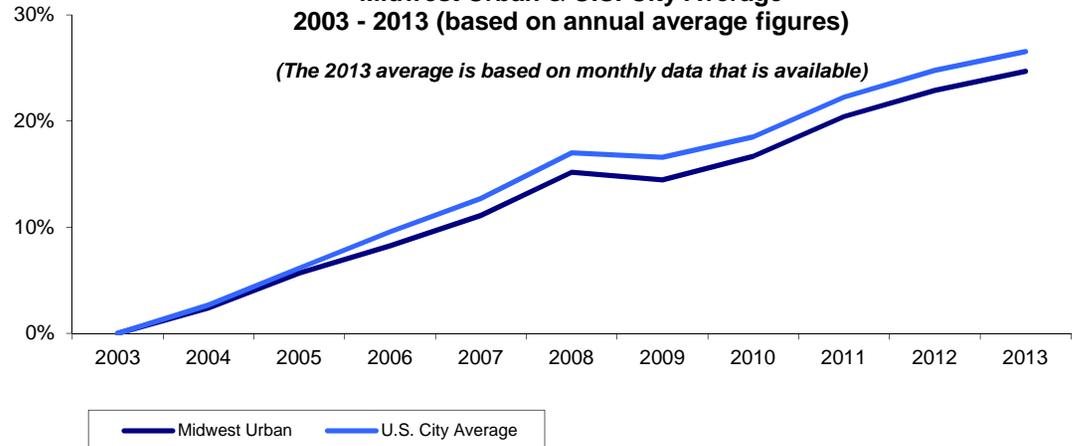
The CPI program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services. It is the most widely used measure of inflation.

The U.S. City Average is a measure of the average change over time in the prices paid by urban consumers throughout the United States for a market basket of consumer goods and services. It is adjusted to equal 100 during the base period of 1982-1984. The U.S. City Average CPI reflects spending patterns for all urban consumers, who represent about 87 percent of the total U.S. population.

The Midwest Urban Consumer Price Index is calculated in the same way as the U.S. City Average CPI, however, the Midwest CPI is limited to urban consumers within the Midwest Census region.

**Consumer Price Index Growth  
Midwest Urban & U.S. City Average  
2003 - 2013 (based on annual average figures)**

*(The 2013 average is based on monthly data that is available)*



Source: 2013 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics

<http://stats.bls.gov/cpi/home.htm>

## Indicators of the Kansas Economy Chicago Fed National Activity Index (CFNAI)

**September 23, 2013** - The Chicago Fed National Activity Index (CFNAI) increased to +0.14 in August from -0.43 in July. All four broad categories of indicators that make up the index increased from July, and three of the four categories made positive contributions to the index in August.

Production-related indicators contributed +0.22 to the CFNAI in August, up significantly from -0.20 in July. Manufacturing production increased 0.7 percent in August after decreasing 0.4 percent in July, and manufacturing capacity utilization increased to 76.1 percent in August from 75.7 percent in July. The contribution from the sales, orders, and inventories category to the CFNAI increased to +0.07 in August from -0.03 in July. The Institute for Supply Management's Manufacturing Purchasing Managers' New Orders Index rose to 63.2 in August from 58.3 in July. Employment-related indicators contributed +0.02 to the CFNAI in August, up from -0.03 in July. Nonfarm payrolls rose by 169,000 in August after increasing by 104,000 in July. Average weekly initial unemployment claims decreased to 328,700 in August from 341,700 in July, and the unemployment rate ticked down to 7.3 percent in August from 7.4 percent in the previous month. The contribution from the consumption and housing category to the CFNAI ticked up to -0.17 in August from -0.18 in July. Housing starts rose to 891,000 annualized units in August from 883,000 in July, but housing permits decreased to 918,000 annualized units in August from 954,000 in the previous month.

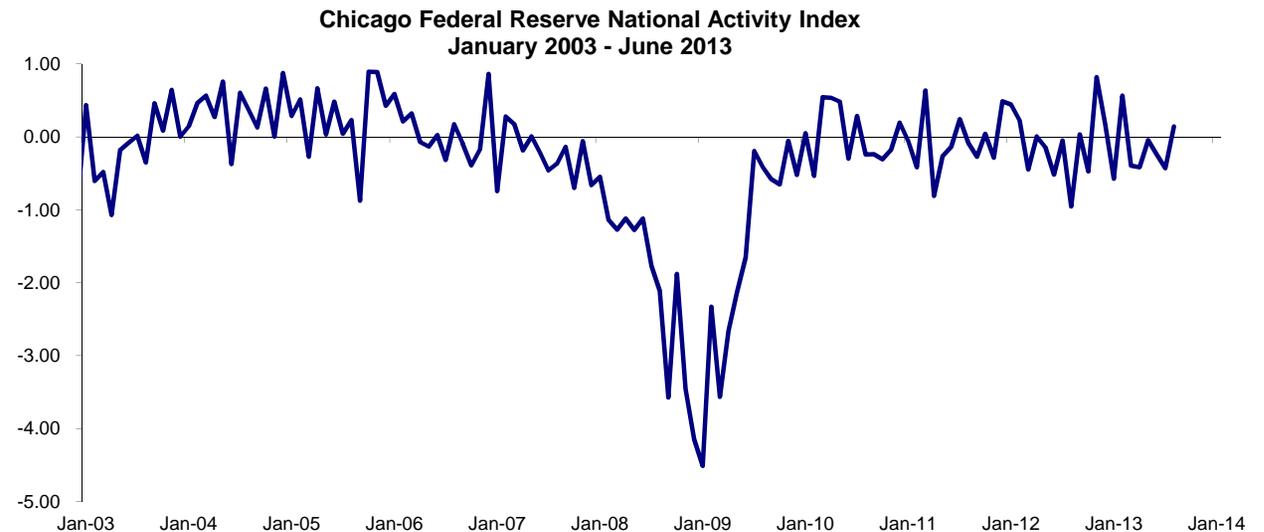
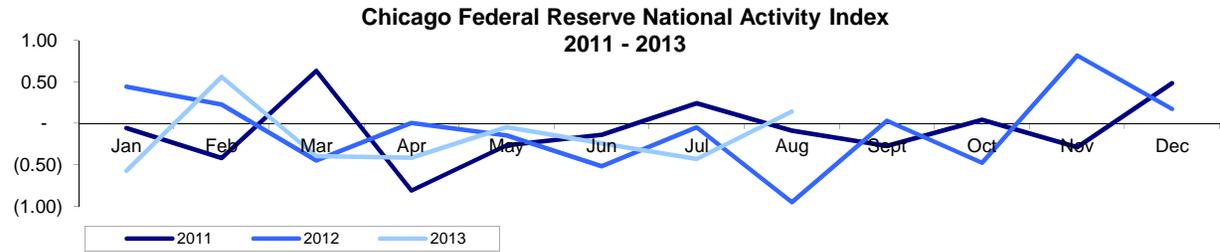
The CFNAI was constructed using data available as of September 19, 2013. At that time, August data for 51 of the 85 indicators had been published. For all missing data, estimates were used in constructing the index. The July monthly index was revised to -0.43 from an initial estimate of -0.15. Revisions to the monthly index can be attributed to two main factors: revisions in previously published data and differences between the estimates of previously unavailable data and subsequently published data. The revision to the July monthly index was due nearly equally to each factor.

### About the data and graphs

The performance of the U.S. economy has a major impact on the performance of the Kansas economy.

Since January 1990 the CFNAI has demonstrated excellent predictive power as CFNAI values have fallen substantially prior to recent recessions, including from July 1990 to March 1991, from March 2001 to November 2001, and most recently December 2007.

The Chicago Fed National Activity Index (CFNAI) is a monthly U.S. index designed to better gauge overall economic activity and inflationary pressure. The index uses 85 economic indicators from four broad categories of data: production and income; employment, unemployment and hours; personal consumption and housing; and sales, orders and inventories. **A positive number indicates above average growth while a negative number indicates below average growth. Sustained CFNAI readings above zero suggest increased inflationary pressures over the coming year.**



## Indicators of the Kansas Economy Building Permits

### Short-Term (2012 to 2013)

- Kansas building permits up 40 (7.1%)
- 6-State Region building permits up 268 (3.6%)
- U.S. building permits up 7,490 (9.6%)

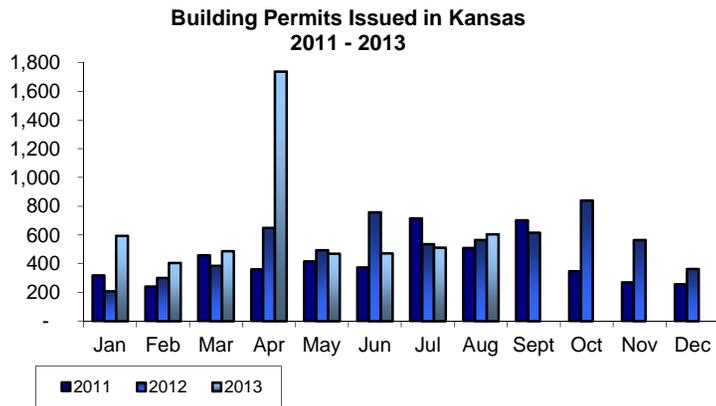
### Long-Term (2003 to 2013)

- Kansas building permits down 545 (-47.3%)
- 6-State Region building permits down 3,319 (-30.1%)
- U.S. building permits down 79,779 (-48.3%)

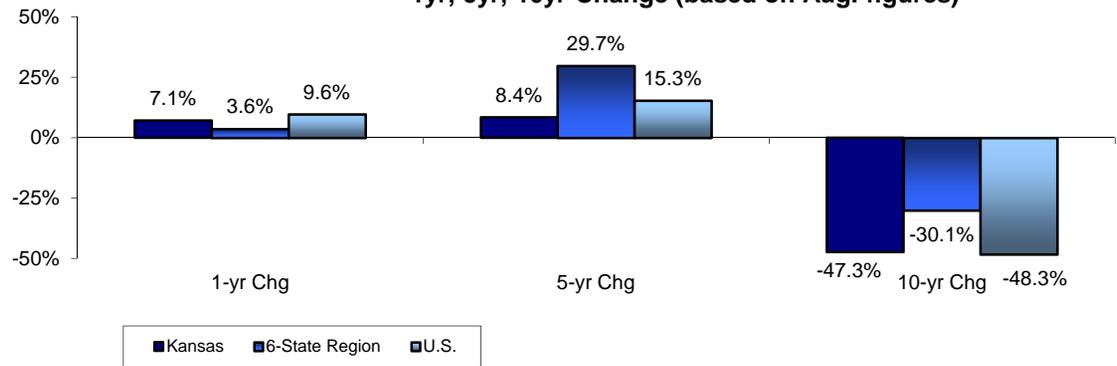
### Building Permits

(new privately owned housing units authorized)

	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	607	567	560	1,152	7.1%	8.4%	-47.3%
6-State Region	7,693	7,425	5,931	11,012	3.6%	29.7%	-30.1%
U.S.	85,235	77,745	73,900	165,014	9.6%	15.3%	-48.3%



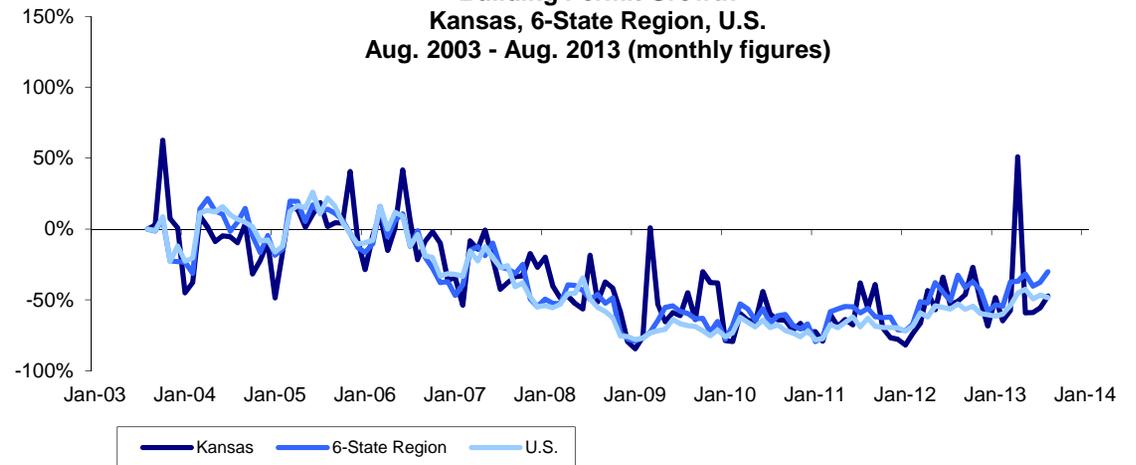
**Building Permit Growth  
1yr, 5yr, 10yr Change (based on Aug. figures)**



### About the data and graphs

Regarding building permits, a housing unit is a house, an apartment, a group of rooms or a single room intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have a direct access from the outside of the building or through a common hall.

**Building Permit Growth  
Kansas, 6-State Region, U.S.  
Aug. 2003 - Aug. 2013 (monthly figures)**



## Indicators of the Kansas Economy Kansas Sales Tax Collections

### Short-Term (2012 to 2013)

- Kansas sales tax collections up \$4,714,912 (2.2%)
- \$1,203,388,341 collected ytd during 2013
- \$2,451,727,345 collected total during 2012

### Long-Term (2003 to 2013)

- Kansas sales tax collections ytd up \$79,753,137 (56.6%)
- \$1,626,782,969 collected total during 2003

### About the data and graphs

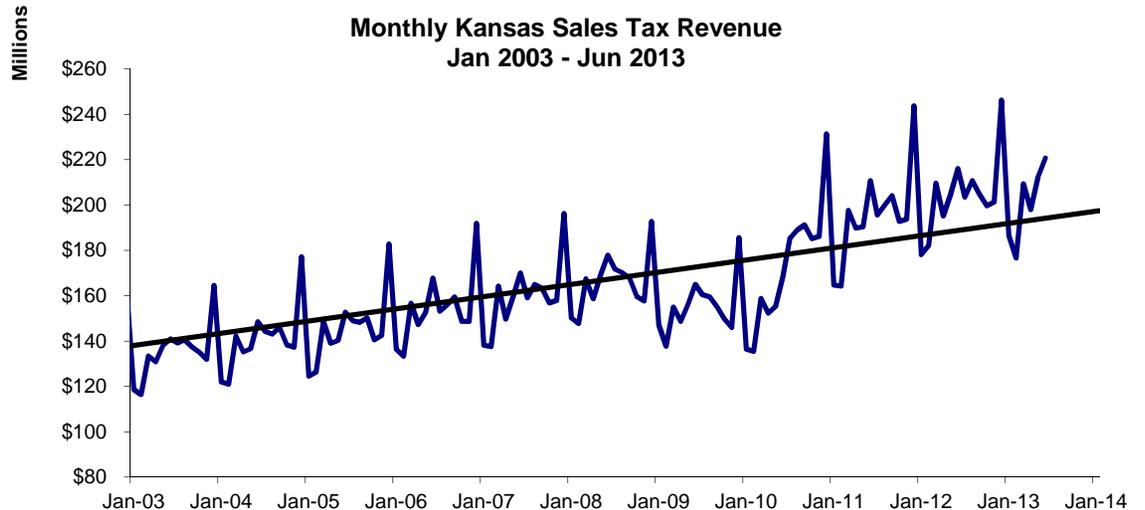
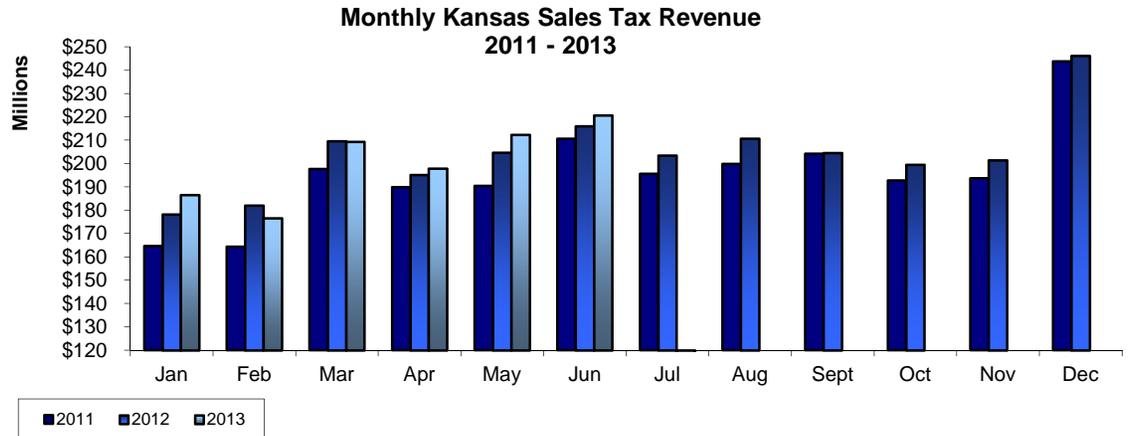
Monthly sales tax collections have trended higher as the economy has grown and two sales tax rate increases have been enacted. Annually, December typically collects the highest sales tax revenue, with January and February collecting the least. Consumers tend to delay purchases during a downturn in the economy, which can be reflected in lower sales tax collections in months proceeding and during a recession. Monthly sales tax collections tend to increase as the economy improves and consumer spending increases.

Tracking sales tax collections in Kansas gives insight into consumer behavior and demand. Sales tax collections can fluctuate widely from month to month. Since January 1990, state sales tax rates have increased on **three** occasions. In June 1992, the state sales tax rate increased from 4.25% to 4.90%; in July 2002 the state sales tax rate increased to 5.30%; and in **July 2010 the state sales tax rate increased to 6.30%**.

Various cities and counties in Kansas have an additional local sales tax. The entire listing of local sales tax rates is available at <http://www.ksrevenue.org/salesratechanges.htm>

### Sales Tax Collections

	Jun-13	Jun-12	Jun-08	Jun-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas \$	220,712,005	\$ 215,997,093	\$ 177,892,863	\$ 140,958,868	2.2%	24.1%	56.6%



## Indicators of the Kansas Economy Total Nonfarm Employment

### Short-Term (2012 to 2013)

- Kansas total nonfarm employment up 15,400 (1.1%)
- 6-State Region total nonfarm employment up 125,600 (1.2%)
- U.S. total nonfarm employment up 2,249,000 (1.7%)

### Long-Term (2003 to 2013)

- Kansas total nonfarm employment up 66,100 (5.1%)
- 6-State Region total nonfarm employment up 581,400 (6.0%)
- U.S. total nonfarm employment up 6,305,000 (4.9%)

### August 2013 Total Nonfarm Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,361.9
Arkansas	1,178.1
Colorado	2,378.9
Iowa	1,518.2
Missouri	2,689.7
Nebraska	972.3
Oklahoma	1,611.6

### About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation.

*BLS total nonfarm employment calculations does not include non-civilian employment.*

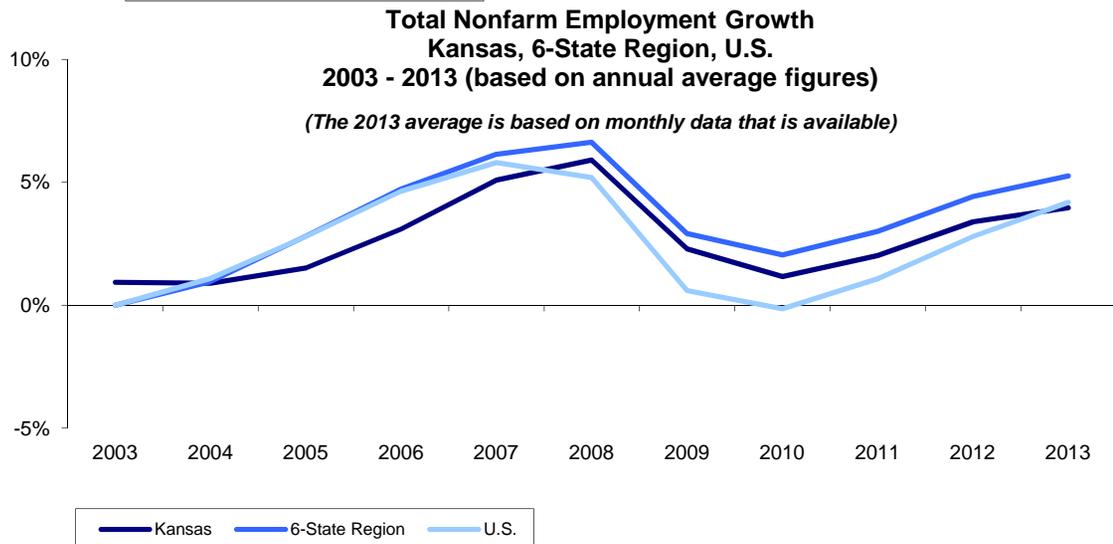
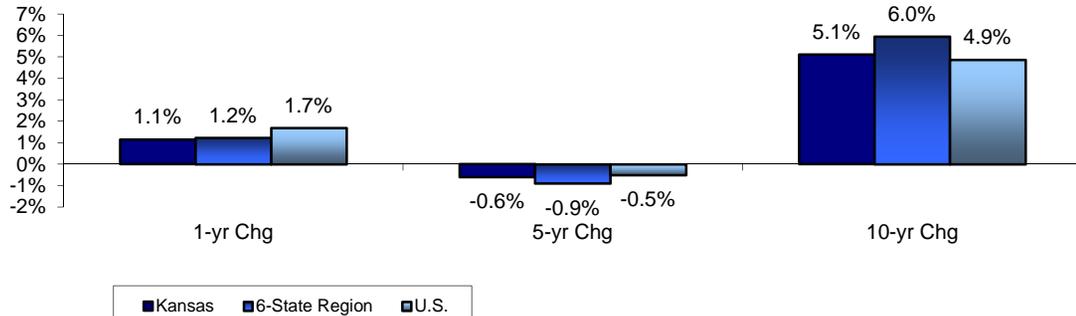
Source: 2013 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Total Nonfarm Employment

(all employees, thousands)

	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,361.9	1,346.5	1,370.2	1,295.8	1.1%	-0.6%	5.1%
6-State Region	10,348.8	10,223.2	10,442.8	9,767.4	1.2%	-0.9%	6.0%
U.S.	136,002.0	133,753.0	136,697.0	129,697.0	1.7%	-0.5%	4.9%

**Total Nonfarm Employment Growth  
1yr, 5yr, 10yr Change (based on Aug. figures)**



<http://www.bls.gov/bls/employment.htm>  
<http://www.dol.ks.gov/LMIS/Default.aspx>

## Indicators of the Kansas Economy Private Sector Employment

### Short-Term (2012 to 2013)

- Kansas private sector employment up 20,800 (1.9%)
- 6-State Region private sector employment up 131,100 (1.5%)
- U.S. private sector employment up 2,312,000 (2.0%)

### Long-Term (2003 to 2013)

- Kansas private sector employment up 58,300 (5.5%)
- 6-State Region private sector employment up 446,300 (5.4%)
- U.S. private sector employment up 5,944,000 (5.4%)

### August 2013 Private Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,126.0
Arkansas	975.0
Colorado	1,998.7
Iowa	1,283.0
Missouri	2,291.7
Nebraska	810.7
Oklahoma	1,277.3

### About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation.

*BLS private sector calculations include all nonfarm sectors, while excluding Federal, State, and Local government sectors.*

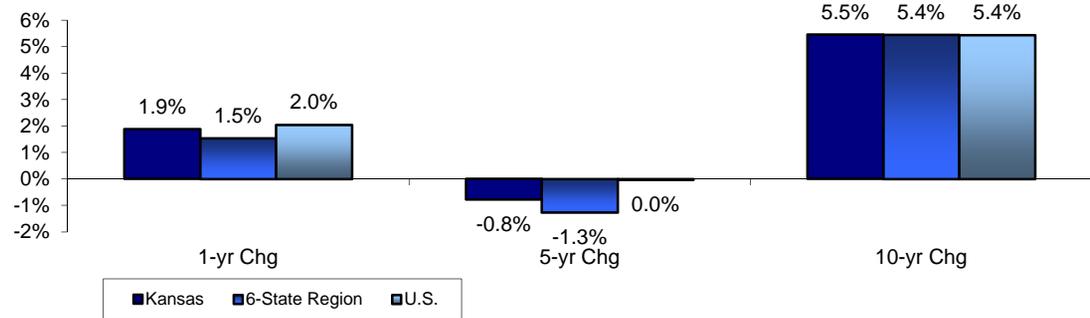
Source: 2013 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Private Sector Employment

(all employees, thousands)

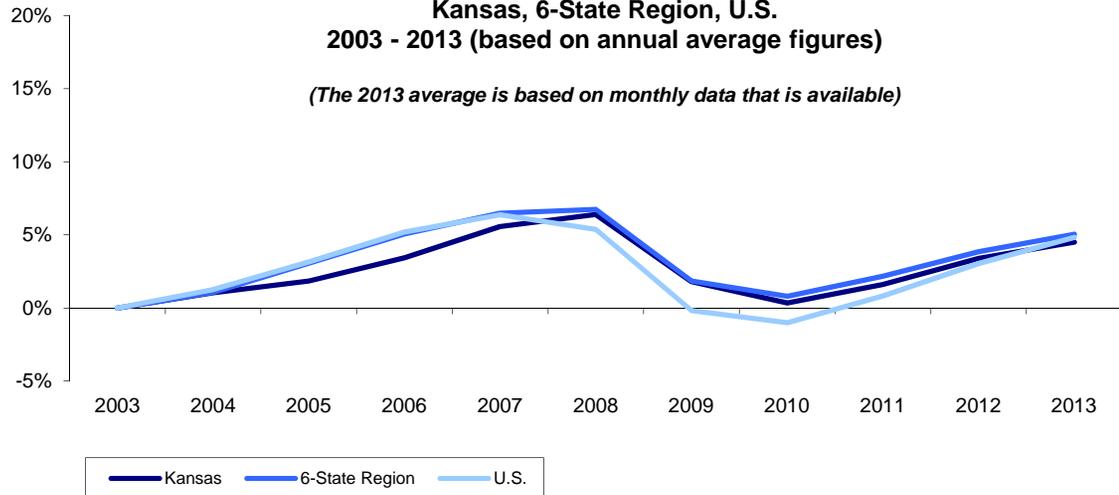
	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,126.0	1,105.2	1,134.8	1,067.7	1.9%	-0.8%	5.5%
6-State Region	8,636.4	8,505.3	8,747.2	8,190.1	1.5%	-1.3%	5.4%
U.S.	115,239.0	112,927.0	115,261.0	109,295.0	2.0%	0.0%	5.4%

### Private Sector Employment Growth 1yr, 5yr, 10yr Change (based on Aug. figures)



### Private Sector Employment Growth Kansas, 6-State Region, U.S. 2003 - 2013 (based on annual average figures)

(The 2013 average is based on monthly data that is available)



<http://www.bls.gov/bls/employment.htm>  
<http://www.dol.ks.gov/LMIS/Default.aspx>

## Indicators of the Kansas Economy Manufacturing Employment

### Short-Term (2012 to 2013)

- Kansas manufacturing employment up 1,400 (0.9%)
- 6-State Region manufacturing employment up 5,400 (0.5%)
- U.S. manufacturing employment up 12,000 (0.1%)

### Long-Term (2003 to 2013)

- Kansas manufacturing employment down 9,200 (-5.3%)
- 6-State Region manufacturing employment down 149,200 (-13.1%)
- U.S. manufacturing employment down 2,407,000 (-16.6%)

### Manufacturing Employment

(all employees, thousands)

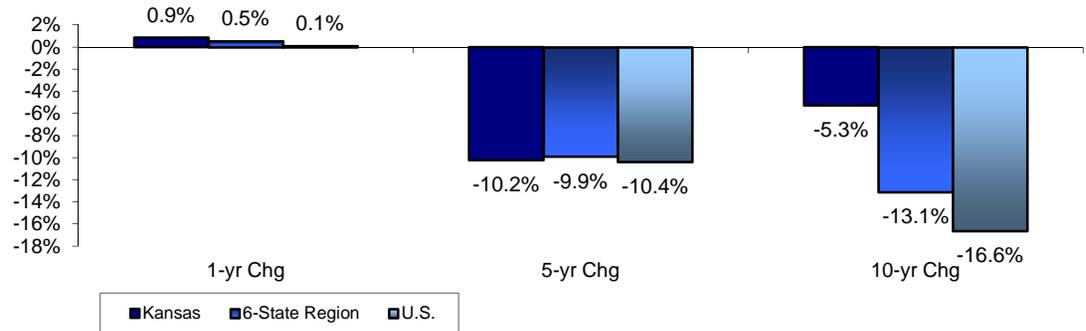
	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	164.8	163.4	183.6	174.0	0.9%	-10.2%	-5.3%
6-State Region	988.2	982.8	1,096.7	1,137.4	0.5%	-9.9%	-13.1%
U.S.	12,060.0	12,048.0	13,459.0	14,467.0	0.1%	-10.4%	-16.6%

### August 2013 Manufacturing Employment Levels

(all employees, thousands)

State	Employment
Kansas	164.8
Arkansas	155.0
Colorado	133.7
Iowa	216.4
Missouri	249.0
Nebraska	97.6
Oklahoma	136.5

**Manufacturing Employment Growth  
1yr, 5yr, 10yr Change (based on Aug. figures)**



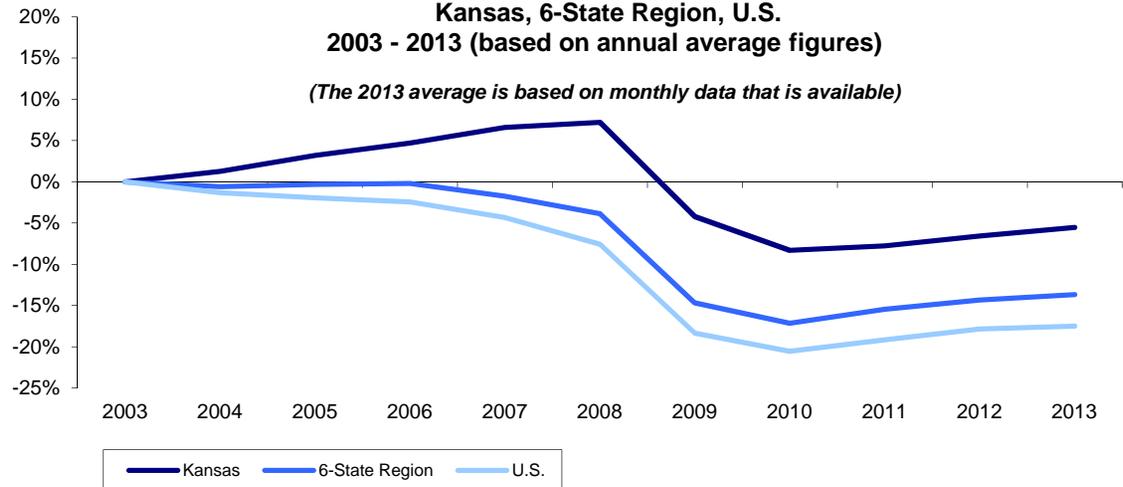
### About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation.

*The manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products.*

**Manufacturing Employment Growth  
Kansas, 6-State Region, U.S.  
2003 - 2013 (based on annual average figures)**

*(The 2013 average is based on monthly data that is available)*



Source: 2013 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

<http://www.bls.gov/bls/employment.htm>  
<http://www.dol.ks.gov/LMIS/Default.aspx>

## Indicators of the Kansas Economy Service Employment

### Short-Term (2012 to 2013)

- Kansas service employment up 19,500 (2.2%)
- 6-State Region service employment up 111,900 (1.6%)
- U.S. service employment up 2,109,000 (2.2%)

### Long-Term (2003 to 2013)

- Kansas service employment up 72,500 (8.8%)
- 6-State Region service employment up 605,300 (9.4%)
- U.S. service employment up 9,016,000 (10.3%)

### August 2013 Service Employment Levels

(all employees, thousands)

State	Employment
Kansas	893.7
Arkansas	761.2
Colorado	1,704.4
Iowa	990.2
Missouri	1,920.8
Nebraska	668.1
Oklahoma	1,016.9

### About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for the series come from a monthly survey of employers. The data are subject to major and minor revisions. The series counts the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the manufacturing sector and one in the service sector, would be counted in both sectors. The data series chosen for IKE are not adjusted for seasonal variation. While BLS service sector calculations include government, *for clarification purposes this page only includes the following BLS sectors: trade, transportation, and utilities; information; finance; professional and business; education and health; leisure and hospitality; and other services.*

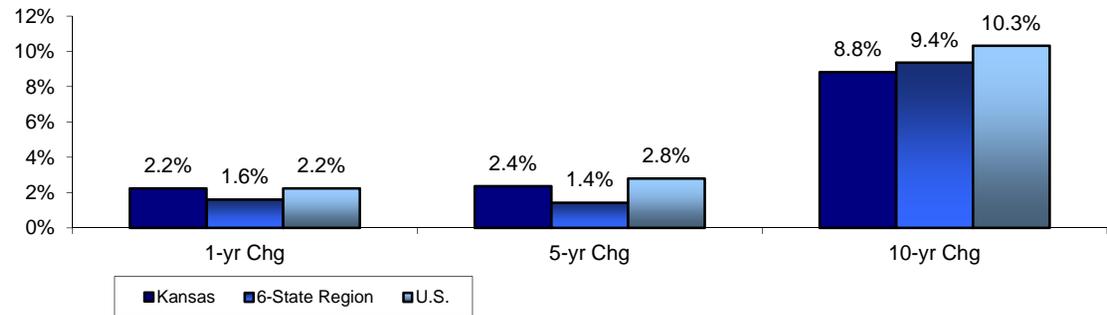
Source: 2013 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Service Employment

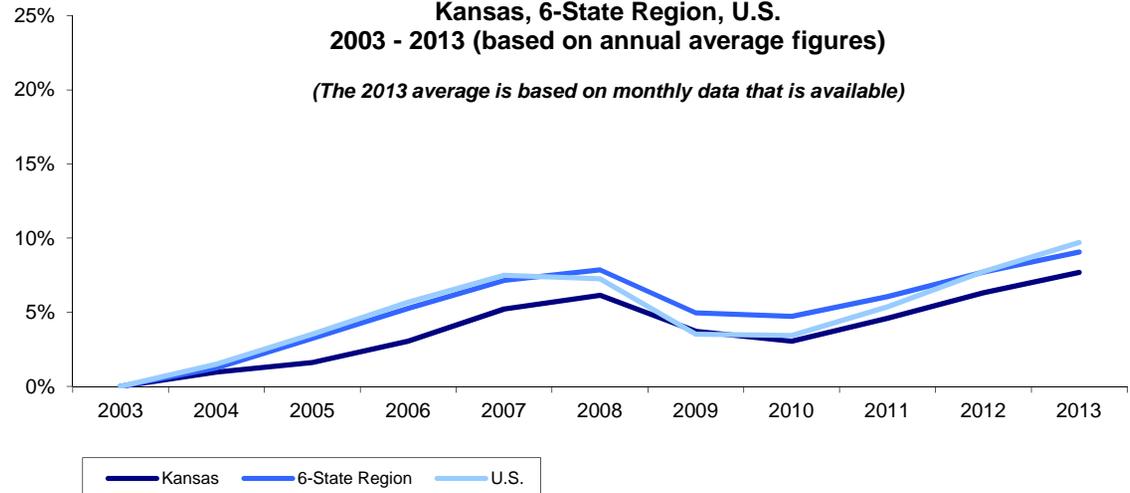
(all employees, thousands)

	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	893.7	874.2	873.1	821.2	2.2%	2.4%	8.8%
6-State Region	7,061.6	6,949.7	6,961.3	6,456.3	1.6%	1.4%	9.4%
U.S.	96,198.0	94,089.0	93,571.0	87,182.0	2.2%	2.8%	10.3%

**Service Employment Growth**  
1yr, 5yr, 10yr Change (based on Aug. figures)



**Service Employment Growth**  
Kansas, 6-State Region, U.S.  
2003 - 2013 (based on annual average figures)  
*(The 2013 average is based on monthly data that is available)*



<http://www.bls.gov/bls/employment.htm>  
<http://www.dol.ks.gov/LMIS/Default.aspx>

## Indicators of the Kansas Economy Public Employment

### Short-Term (2012 to 2013)

- Kansas public sector employment down 5,400 (-2.2%)
- 6-State Region public sector employment down 5,500 (-0.3%)
- U.S. public sector employment down 63,000 (-0.3%)

### Long-Term (2003 to 2013)

- Kansas public sector employment up 7,800 (3.4%)
- 6-State Region public sector employment up 135,100 (8.6%)
- U.S. public sector employment up 361,000 (1.8%)

### August 2013 Public Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	235.9
Arkansas	203.1
Colorado	380.2
Iowa	235.2
Missouri	398.0
Nebraska	161.6
Oklahoma	334.3

### About the data and graphs

The Bureau of Labor Statistics (BLS) publishes several monthly data series on employment by sector from its Current Employment Statistics (CES) program. Data for series come from a monthly survey of employers. The data are subject to major and minor revisions. The series count the number of jobs in the state or region, not the number of employed people. Hence a person with two jobs, one in the public sector and one in retail, would be counted in both sectors.

The data series chosen for this page are not adjusted for seasonal variation; hence the short term employment graph shows substantial decreases in July and August when many public school personnel are off the job. *This page includes Federal, State, and Local Government figures.*

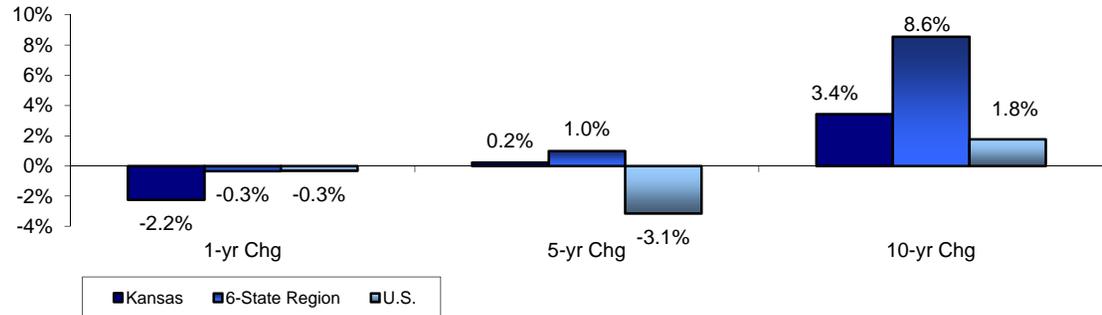
Source: 2013 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Public Sector Employment

(all employees, thousands)

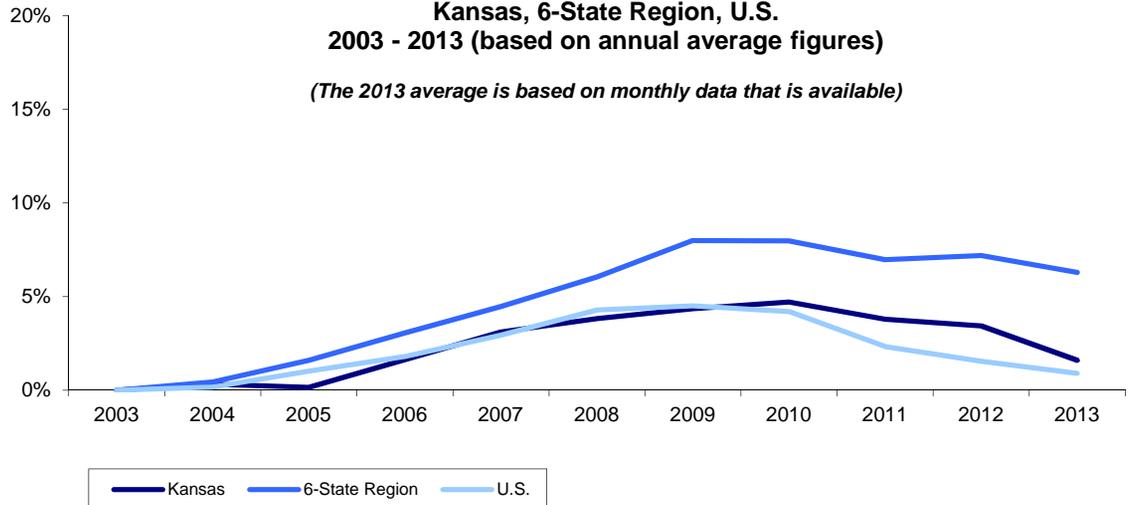
	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	235.9	241.3	235.4	228.1	-2.2%	0.2%	3.4%
6-State Region	1,712.4	1,717.9	1,695.6	1,577.3	-0.3%	1.0%	8.6%
U.S.	20,763.0	20,826.0	21,436.0	20,402.0	-0.3%	-3.1%	1.8%

**Public Sector Employment Growth  
1yr, 5yr, 10yr Change (based on Aug. figures)**



**Public Sector Employment Growth  
Kansas, 6-State Region, U.S.  
2003 - 2013 (based on annual average figures)**

(The 2013 average is based on monthly data that is available)



<http://www.bls.gov/bls/employment.htm>  
<http://www.dol.ks.gov/LMIS/Default.aspx>

## Indicators of the Kansas Economy Unemployment and Unemployment Rate

### Short-Term (2012 to 2013)

- Kansas unemployment up 302 (0.3%)
- 6-State Region unemployment down 39,309 (-5.3%)
- U.S. unemployment down 1,234,000 (-9.7%)

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- Kansas unemployment rate unchanged (0.0)
- 6-State Region unemployment rate down (-0.4)
- U.S. unemployment rate down (-0.9)

### Long-Term (2003 to 2013)

- Kansas unemployment up 4,983 (6.0%)
- 6-State Region unemployment up 107,336 (18.1%)
- U.S. unemployment up 2,632,000 (29.8%)

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- Kansas unemployment rate up (0.1)
- 6-State Region unemployment rate up (0.6)
- U.S. unemployment rate up (1.3)

### About the data and graphs

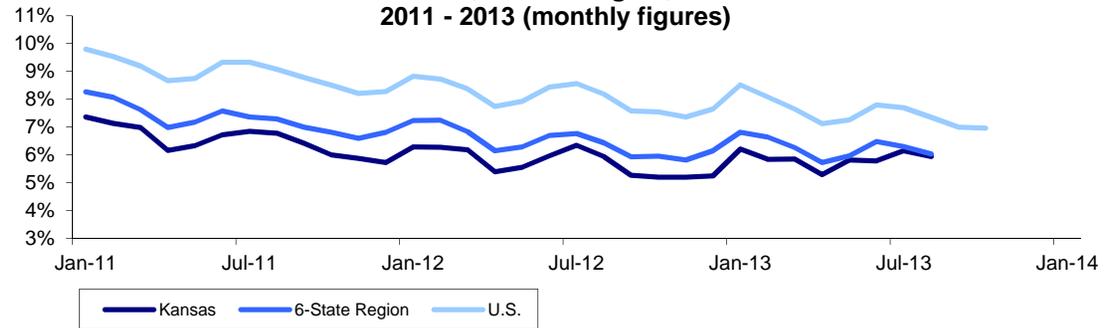
The unemployment rate represents the number unemployed as a percent of the labor force. As defined in the Current Population Survey, unemployed persons are persons aged 16 years and older who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.

The unemployment rate contains a seasonal component, it rises during summer as new high school and college graduates enter the civilian labor force and in January, when retailers lay off holiday employees. The unemployment rate also contains a business cycle component, rising during recessionary periods when people currently in the labor force lose jobs.

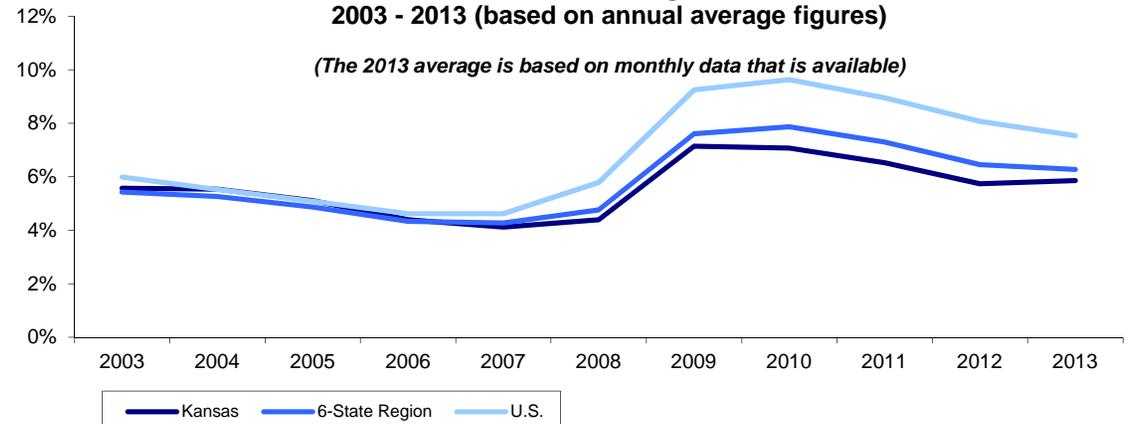
### Unemployment and Unemployment Rate (all employees)

	Aug-13	Aug-12	Aug-08	Aug-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	88,251	87,949	71,178	83,268	0.3%	24.0%	6.0%
6-State Region	701,984	741,293	564,563	594,648	-5.3%	24.3%	18.1%
U.S.	11,462,000	12,696,000	9,479,000	8,830,000	-9.7%	20.9%	29.8%
Kansas (%)	5.9%	5.9%	4.8%	5.8%	0.0%	1.1%	0.1%
6-State Region (%)	6.0%	6.4%	4.9%	5.4%	-0.4%	1.1%	0.6%
U.S. (%)	7.3%	8.2%	6.1%	6.0%	-0.9%	1.2%	1.3%

**Unemployment Rate**  
Kansas, 6-State Region, U.S.  
2011 - 2013 (monthly figures)



**Unemployment Rate**  
Kansas, 6-State Region, U.S.  
2003 - 2013 (based on annual average figures)



Source: 2013 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

<http://www.bls.gov/bls/employment.htm>  
<http://www.dol.ks.gov/LMIS/Default.aspx>

## Indicators of the Kansas Economy Initial Claims for Unemployment

### Short-Term (2012 to 2013)

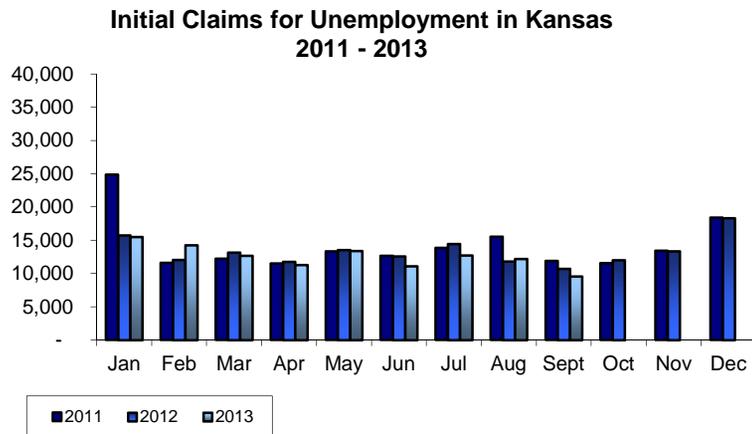
- Kansas initial claims down 1,188 (-11.1%)
- 6-State Region initial claims down 3,364 (-4.6%)
- U.S. initial claims down 140,823 (-11.5%)

### Long-Term (2003 to 2013)

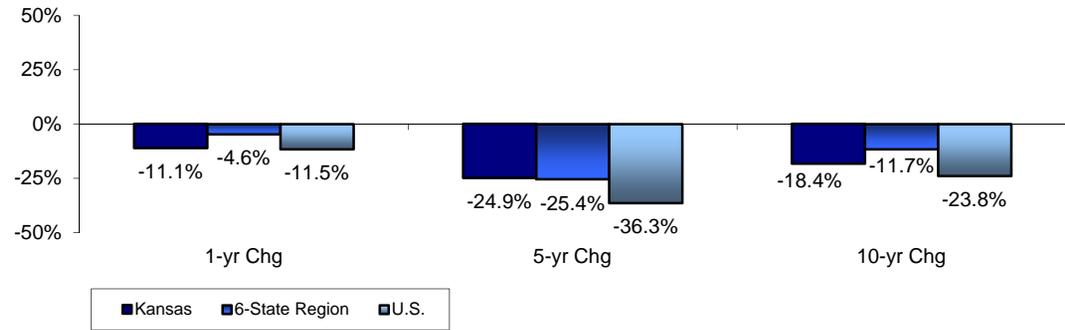
- Kansas initial claims down 2,151 (-18.4%)
- 6-State Region initial claims down 9,143 (-11.7%)
- U.S. initial claims down 337,503 (-23.8%)

### Initial Claims for Unemployment (all employees)

	Sep-13	Sep-12	Sep-08	Sep-03	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	9,558	10,746	12,727	11,709	-11.1%	-24.9%	-18.4%
6-State Region	69,288	72,652	92,921	78,431	-4.6%	-25.4%	-11.7%
U.S.	1,078,736	1,219,559	1,693,645	1,416,239	-11.5%	-36.3%	-23.8%

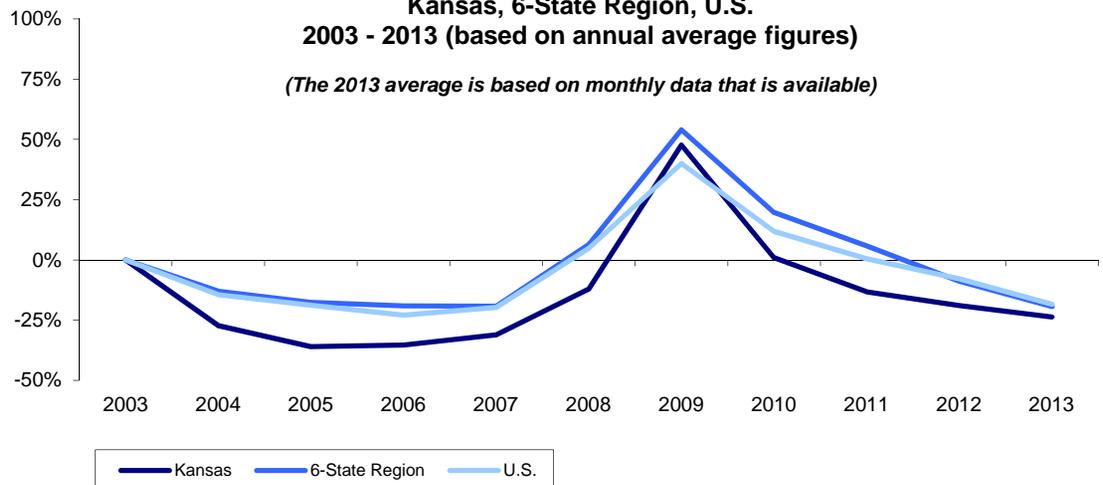


### Initial Claims for Unemployment Growth 1yr, 5yr, 10yr Change (based on Sept. figures)



### Initial Claims For Unemployment Growth Kansas, 6-State Region, U.S. 2003 - 2013 (based on annual average figures)

(The 2013 average is based on monthly data that is available)



### About the data and graphs

Initial claims for unemployment count the number of applications of workers who separated from their jobs and who wish to begin unemployment compensation or to extend the period of eligibility. The data are collected by the U.S. Department of Labor, Employment and Training Administration. The data produced by this agency are not seasonally adjusted. Initial claims for unemployment typically rise as the economy moves into recession and fall as the economy recovers. Initial claims for unemployment traditionally peak in the winter months of November, December, and January.

Source: 2013 monthly data  
U.S. Department of Labor - Employment and Training Administration

<http://workforcesecurity.doleta.gov/unemploy/claimssum.asp>

## Indicators of the Kansas Economy Private Industry Wage Levels

### Short-Term (2012 to 2013)

- Kansas private industry wage level up \$927 (2.2%)
- 6-State Region private industry wage level up \$1,696 (4.0%)
- U.S. private industry wage level up \$2,540 (5.2%)

### Long-Term (2003 to 2013)

- Kansas private industry wage level up \$10,950 (34.4%)
- 6-State Region private industry wage level up \$11,942 (37.6%)
- U.S. private industry wage level up \$14,232 (37.9%)

### Private Industry Wage Levels

(average annual wages, all employees, all private establishments)

	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	\$ 42,744	\$ 41,817	\$ 38,735	\$ 31,794	2.2%	10.3%	34.4%
6-State Region	\$ 43,732	\$ 42,036	\$ 38,531	\$ 31,790	4.0%	13.5%	37.6%
U.S.	\$ 51,740	\$ 49,200	\$ 45,371	\$ 37,508	5.2%	14.0%	37.9%

### 2013 (p) Private Industry Wage Levels

(average annual wages, all employees, all private establishments)

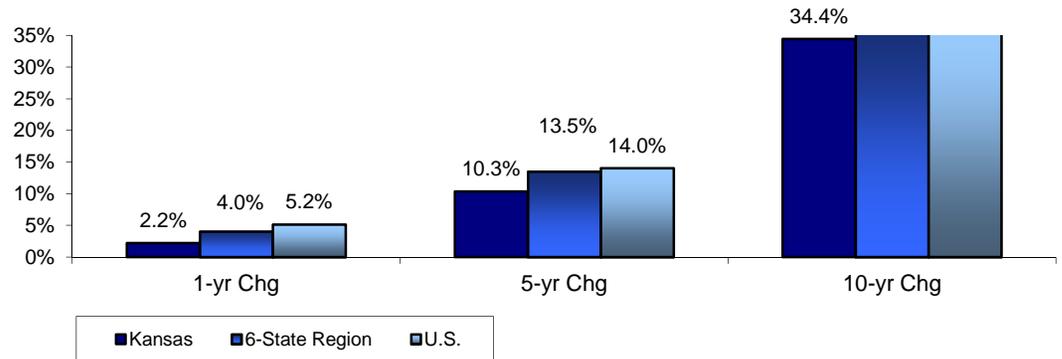
State	Annual Wage
Kansas	\$ 42,744
Arkansas	\$ 40,144
Colorado	\$ 52,936
Iowa	\$ 41,236
Missouri	\$ 44,564
Nebraska	\$ 40,040
Oklahoma	\$ 43,472

(p) - 2013 1st quarter avg weekly wage multiplied by 52 weeks

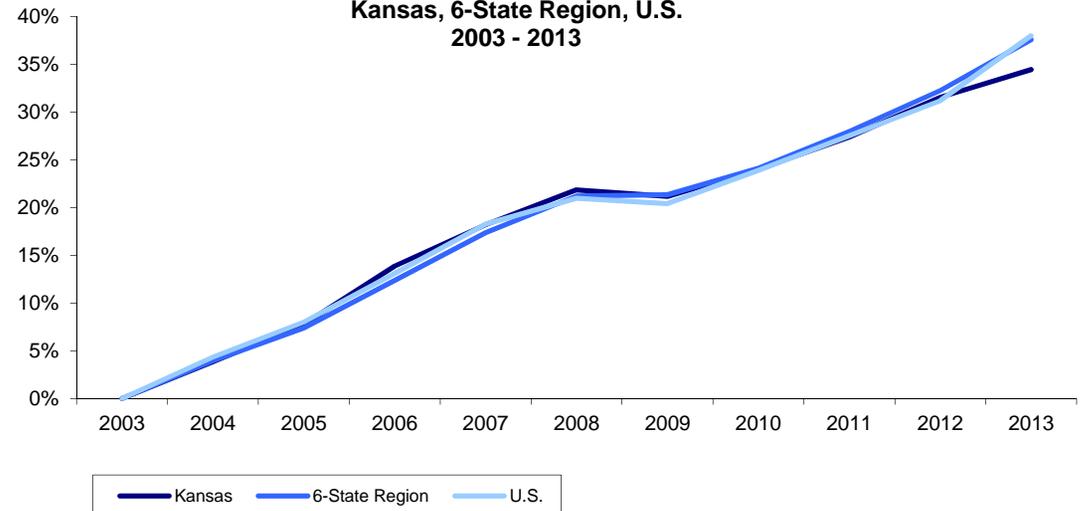
### About the data and graphs

The Quarterly Census of Employment and Wages Program is a cooperative program involving the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor and the State Employment Security Agencies (SESAs). The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by State unemployment insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. *Private Industry wage levels were calculated using QCEW program data. Wage levels were calculated as an average of all private industries and establishments.*

### Private Industry Wage Growth 1yr, 5yr, 10yr Change



### Private Industry Wage Growth Kansas, 6-State Region, U.S. 2003 - 2013



Source: 2013 quarterly, annual data  
U.S. Department of Labor - Bureau of Labor Statistics

<http://www.bls.gov/bls/employment.htm>

## Indicators of the Kansas Economy Private Establishment Data

### Short-Term (2012 to 2013)

- Kansas total establishments up 566 (0.7%)
- 6-State Region total establishments up 17,468 (2.6%)
- U.S. total establishments up 190,837 (2.2%)

### Long-Term (2003 to 2013)

- Kansas total establishments up 2,151 (2.8%)
- 6-State Region total establishments up 74,052 (12.3%)
- U.S. total establishments up 977,298 (12.3%)

### Kansas Private Establishment Data

(total private establishments, by employee size)

Year	1-9	10-49	50-99	100+
2008	60,803	15,650	2,110	1,713
2009	62,384	15,592	2,087	1,587
2010	62,480	15,283	2,031	1,524
2011	62,502	15,425	2,053	1,567
2012	58,837	15,682	2,147	1,595
2013 (p)	59,223	15,792	2,182	1,630
1-yr Chg	0.7%	0.7%	1.6%	2.2%
5-yr Chg	-2.6%	0.9%	3.4%	-4.8%

(p) - preliminary

### About the data and graphs

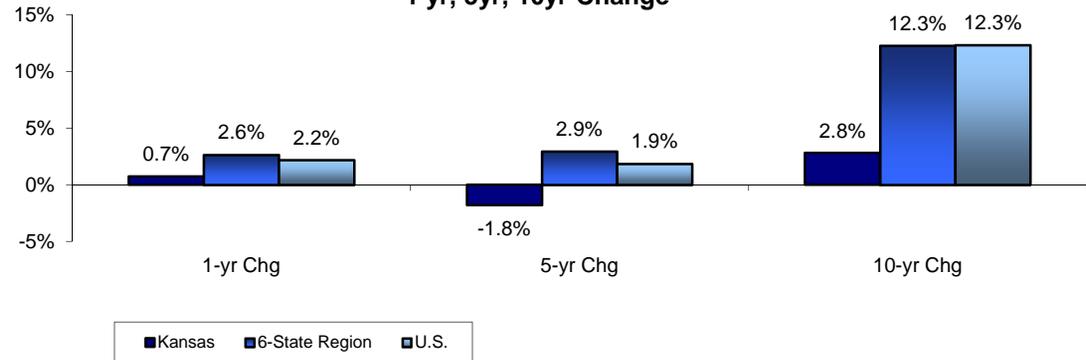
According to the U.S. Small Business Administration, small businesses provide approximately 75 percent of the net new jobs added to the economy and employ 50.1 percent of the private work force. This data tracks the number of business establishments by employee size to help understand what size businesses are growing. The Quarterly Census of Employment and Wages (QCEW) program includes data on the number of establishments, monthly employment, and quarterly wages, by NAICS industry, by county, by ownership sector, for the entire United States. *This variable includes private establishments only, as determined by the QCEW program.*

### Private Establishment Data

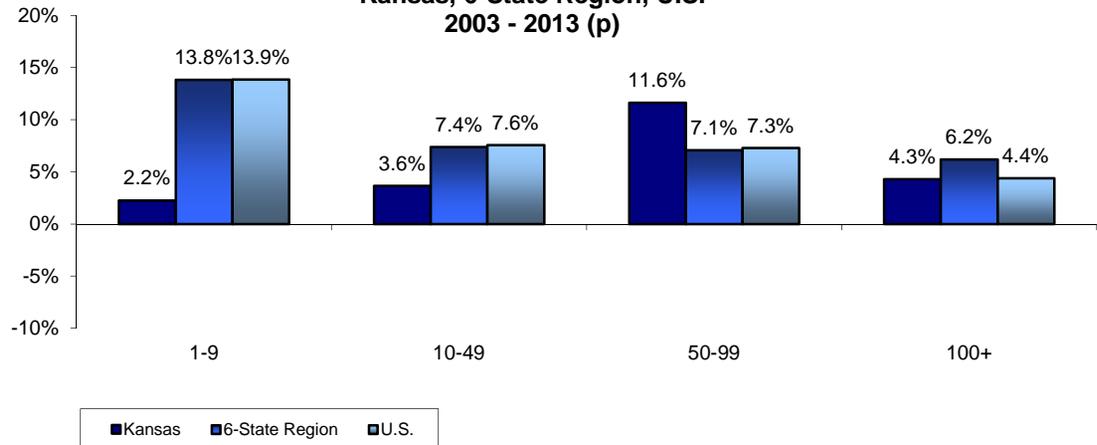
(total private establishments, all employee sizes)

	2013 (p)	2012	2008	2003	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	78,827	78,261	80,276	76,676	0.7%	-1.8%	2.8%
6-State Region	677,821	660,353	658,526	603,769	2.6%	2.9%	12.3%
U.S.	8,899,640	8,708,803	8,737,209	7,922,342	2.2%	1.9%	12.3%

### Private Establishment Growth 1 yr, 5yr, 10yr Change



### Private Establishment Growth by Employee Size Kansas, 6-State Region, U.S. 2003 - 2013 (p)



Source: 2013 annual data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

<http://www.bls.gov/bls/employment.htm>  
<http://laborstats.dol.ks.gov/>

## Indicators of the Kansas Economy USDA Farm and Agriculture Data

(10/31/13 USDA Agricultural Prices ) U.S. The preliminary **All Farm Products Index** of Prices Received by Farmers in October, at 187 percent, based on 1990-1992=100, increased 1 point (0.5 percent) from September. The **Crop Index** is down 3 points (1.5 percent) but the **Livestock Index** is unchanged.

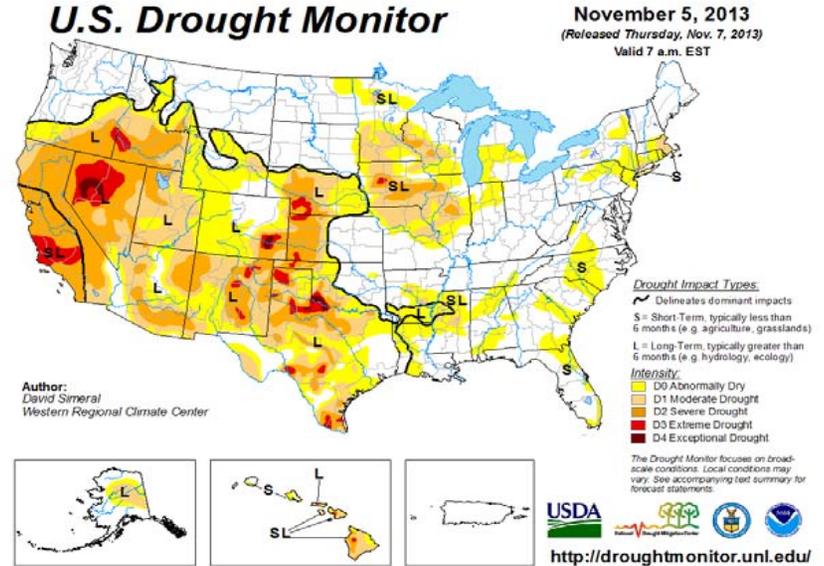
**Food grains:** The October index, at 237, is 3.9 percent above the previous month but 11 percent below a year ago. The October price for all wheat, at \$7.09 per bushel, is up 29 cents from September but \$1.29 below October 2012.

**Feed grains & hay:** The October index, at 199, is down 15 percent from last month and 32 percent below a year ago. The corn price, at \$4.49 per bushel, is down 91 cents from last month and \$2.29 below October 2012. The all hay price, at \$177 per ton, is up \$1.00 from September but down \$14.00 from last October. Sorghum grain, at \$7.34 per cwt, is 76 cents below September and \$5.06 below October last year.

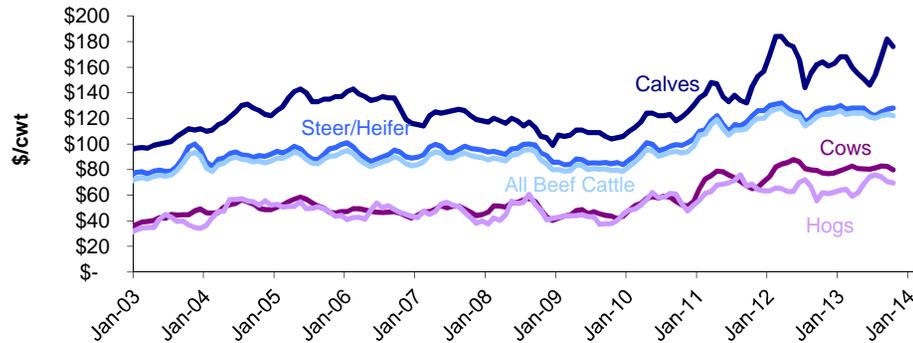
**Oilseeds:** The October index, at 225, is down 3.0 percent from September and 8.5 percent lower than October 2012. The soybean price, at \$12.60 per bushel, decreased 70 cents from September and is \$1.60 below October 2012.

**Livestock and products:** The October index, at 163, is unchanged from last month but up 0.6 percent from October 2012. Compared with a year ago, prices are higher for broilers, hogs, and calves. Prices for milk, turkeys, cattle, and market eggs are down from last year.

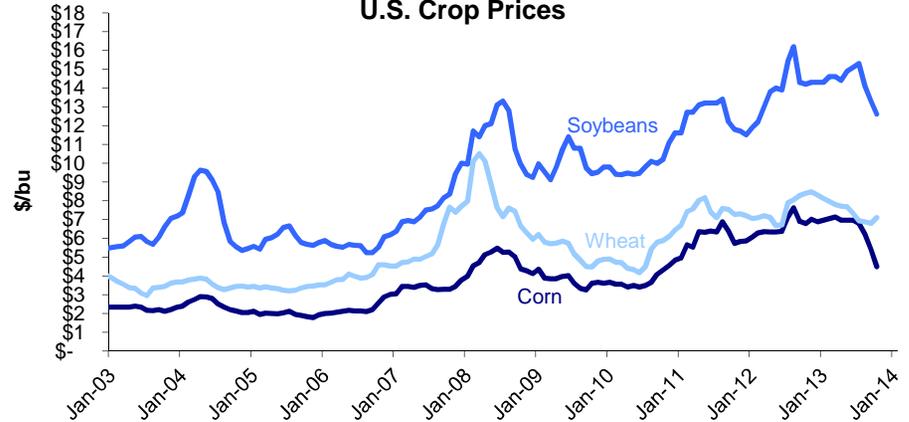
**Meat animals:** The October index, at 164, is down 0.6 percent from last month but 1.9 percent higher than last year. The October hog price, at \$69.70 per cwt, is down \$1.00 from September but \$7.70 higher than a year ago. The October beef cattle price of \$122 per cwt is down \$1.00 from last month and October 2012.



**U.S. Livestock Prices**



**U.S. Crop Prices**



Source: 2013 monthly data  
United States Department of Agriculture - NASS  
National Drought Mitigation Center

<http://www.nass.usda.gov>  
<http://droughtmonitor.unl.edu/>

## Indicators of the Kansas Economy Kansas Farm Management Association Data

### Short-Term (2012)

- 1,290 farms reported farm operation data to KFMA
- KFMA farms averaged \$620,109 in value of farm production
- KFMA farms averaged \$468,982 in total farm expense
- KFMA average net farm income was \$151,127
- NW region had the highest net farm income at \$288,176
- SW region had the lowest net farm income at \$98,071

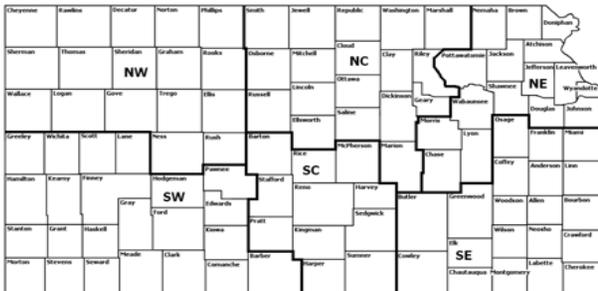
### Long-Term (2002 to 2012)

- KFMA average net farm income varies widely from year to year
- 5-yr average net farm income was \$141,288
- 10-yr average net farm income was \$103,847

### About the data and graphs

The Kansas Farm Management Association (KFMA) program is one of the largest publicly funded farm management programs in the U.S. With more than 80 years of experience serving producers, the Kansas Farm Management Association (KFMA) maintains a long term commitment to Kansas agriculture.

The goals of the KFMA program are to provide each member with information about business and family costs to improve farm business organization, farm business decisions, and farm profitability; and minimize risk. Through on-farm visits, whole-farm analysis, and other educational programs, Association Economists assist producers in developing sound farm accounting systems; improving decision making; comparing performance with similar farms; and integrating tax planning, marketing, and asset investment strategies. The KFMA program is organized into six regional associations.



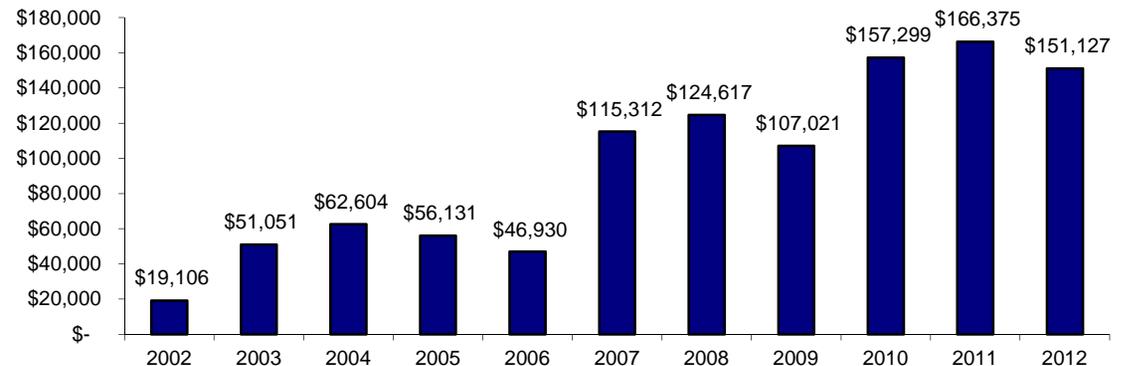
### KFMA Average Net Farm Income by Region

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2011	\$ 440,407	\$ 148,712	\$ 206,248	\$ 79,403	\$ 110,649	\$ 111,732	\$ 166,375
2012	\$ 288,176	\$ 114,357	\$ 138,024	\$ 98,071	\$ 160,703	\$ 150,644	\$ 151,127
5-yr avg	\$ 266,910	\$ 114,172	\$ 142,686	\$ 92,070	\$ 123,865	\$ 136,062	\$ 141,288
10-yr avg	\$ 180,407	\$ 84,774	\$ 106,722	\$ 68,683	\$ 90,353	\$ 104,589	\$ 103,847

### 2012 Kansas Farm Management Association Average Net Farm Income by Region



### Kansas Farm Management Association Average Net Farm Income 2002 - 2012



Source: 2012 annual data  
Kansas State University - Kansas Farm Management Association

## Indicators of the Kansas Economy Oil Production and Price

### Short-Term (2012 to 2013)

- Kansas oil production up 251,874 bbl (6.9%)
- Oil price up \$16.8 (19.1%)

### Long-Term (2003 to 2013)

- Kansas oil production up 978,329 bbl (33.5%)
- Oil price up \$73.9 (240.4%)

### 2013 Oil Production/Price

Month	Production*	Price	Month	Production*	Price
January	3,956,050	\$ 94.76	July	3,896,176	\$ 104.67
February	3,258,632	\$ 95.31	August		\$ 106.57
March	4,089,712	\$ 92.94	September		\$ 106.29
April	3,996,809	\$ 92.02	October		
May	4,056,059	\$ 94.51	November		
June	3,828,295	\$ 95.77	December		

\* Recent months production usually incomplete and revised upwards.

### About the data and graphs

Since the 1990's, monthly production of oil has steadily declined in Kansas. Kansas has experienced a natural decline in oil production as it becomes increasingly difficult to extract oil over time. CO<sub>2</sub> sequestration and other oil recovery techniques show great promise in recovering a larger share of the know oil reserves in Kansas. The higher prices received for oil along with new technology developments have helped to stabilize oil production levels since 1999.

These prices represent the Cushing, OK WTI Spot Price FOB (\$/Barrel). The amount of oil produced is measured in bbl (barrels of oil).

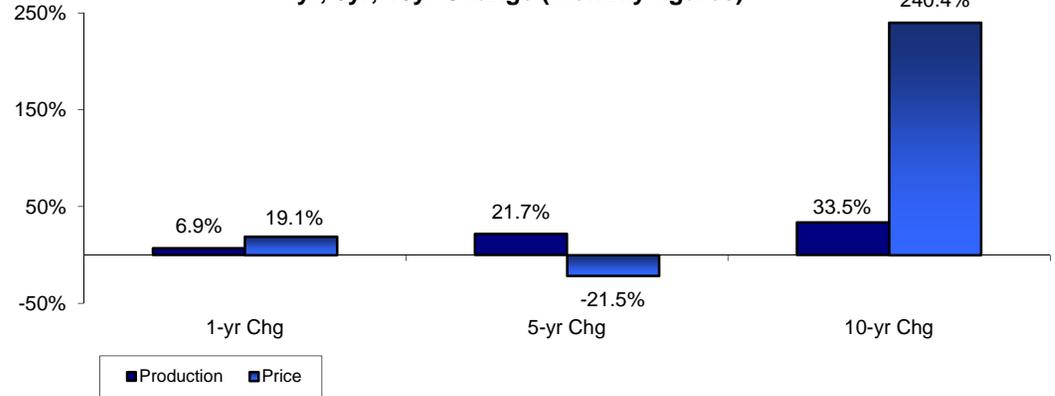
Source: 2013 monthly data  
Kansas Geological Survey  
Energy Information Administration

### Oil Production\* and Price

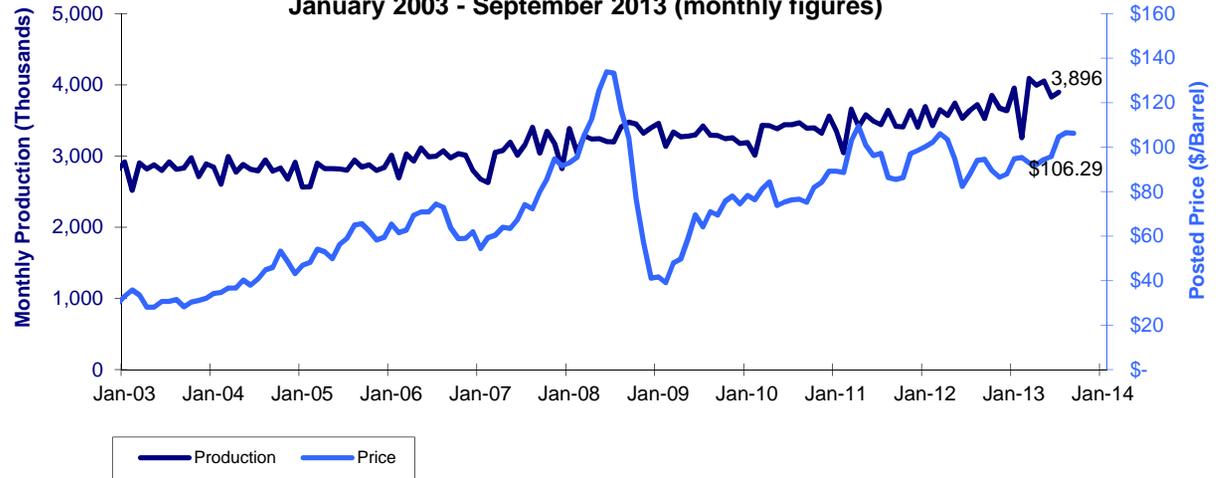
(most recent month of both production and price information)

	Jul-13	Jul-12	Jul-08	Jul-03	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,896,176	3,644,302	3,200,291	2,917,847	6.9%	21.7%	33.5%
Price (\$/bbl)	\$ 104.67	\$ 87.90	\$ 133.37	\$ 30.75	19.1%	-21.5%	240.4%

### Oil Production and Price Growth 1yr, 5yr, 10yr Change (monthly figures)



### Oil Production and Price January 2003 - September 2013 (monthly figures)



<http://www.kgs.ku.edu/PRS/petro/interactive.html>  
<http://www.eia.doe.gov/>

## Indicators of the Kansas Economy Natural Gas Production and Price

### Short-Term (2012 to 2013)

- Kansas natural gas production down 735,262 mcf (-2.9%)
- Natural gas price up \$0.6 (22.7%)

### Long-Term (2003 to 2013)

- Kansas natural gas production down 11,557,973 mcf (-31.9%)
- Natural gas price down \$1.7 (-33.3%)

### 2013 Natural Gas Production/Price

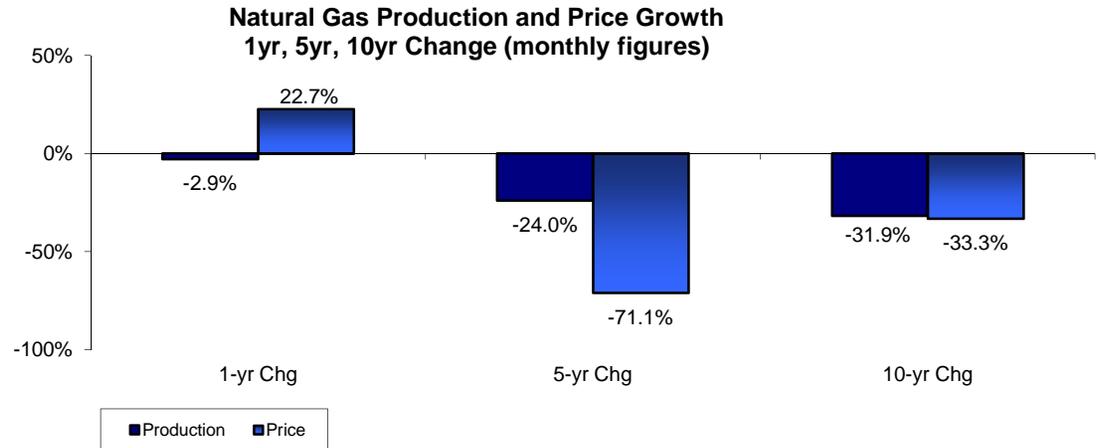
Month	Production*	Price	Month	Production*	Price
January	24,708,526	\$ 4.14	July	24,689,837	\$ 3.41
February	22,181,925	\$ 3.99	August		\$ 3.17
March	24,674,107	\$ 3.84	September		
April	24,107,905	\$ 3.98	October		
May	24,983,756	\$ 3.95	November		
June	23,839,269	\$ 3.90	December		

\* Recent months production usually incomplete and revised upwards.

### Natural Gas Production\* and Price

(most recent month of both production and price information)

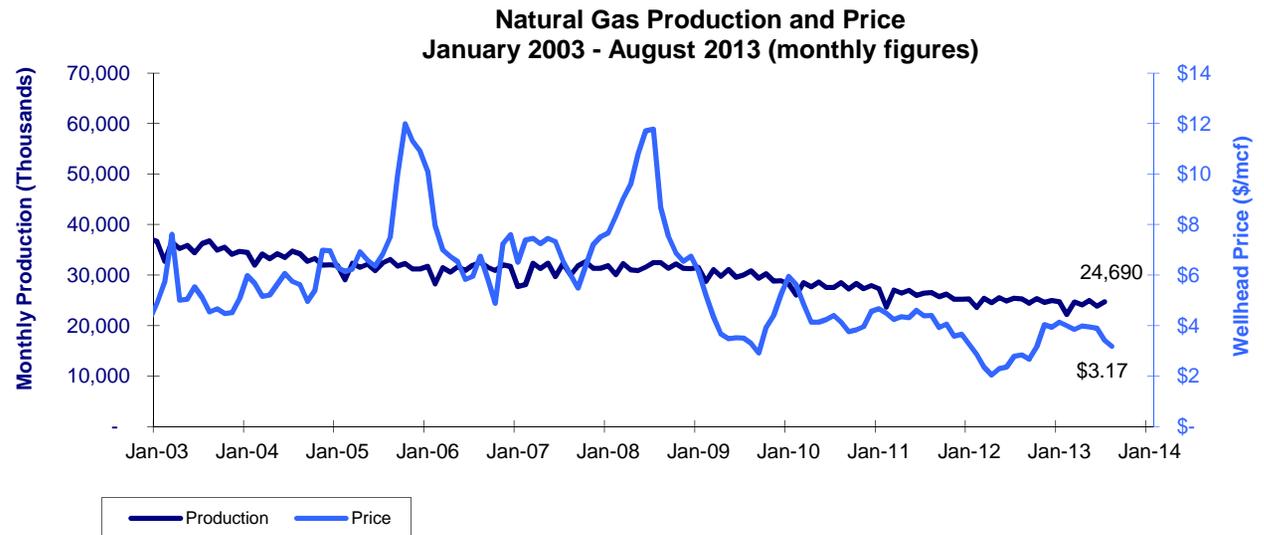
	Jul-13	Jul-12	Jul-08	Jul-03	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	24,689,837	25,425,099	32,490,665	36,247,810	-2.9%	-24.0%	-31.9%
Price (\$/mcf) \$	3.41	2.78	11.78	5.11	22.7%	-71.1%	-33.3%



### About the data and graphs

Since the 1990's, the monthly production of natural gas has declined in Kansas, as the Hugoton natural gas field has decreased in production. The Hugoton natural gas field is the state's largest natural gas field and extends into Oklahoma and Texas. As with Kansas oil production, natural gas production is experiencing a natural decline in production. Price for natural gas has remained fairly constant in the 1990's, and since March 1999 prices have rose considerably.

These prices represent the price of U.S. natural gas imports. The amount of natural gas produced is measured in Mcf's (thousand cubic feet).



Source: 2013 monthly data  
Kansas Geological Survey  
Energy Information Administration

<http://www.kgs.ku.edu/PRS/petro/interactive.html>  
<http://www.eia.doe.gov/>

## Indicators of the Kansas Economy

### Summary of Commentary on Current Economic Conditions - Tenth District - Kansas City

**October 16, 2013 - Tenth District - Kansas City** - The Tenth District economy expanded modestly in September after growing at a slightly faster pace during the previous survey period. Consumer spending slowed somewhat as a decrease in automobile, restaurant and tourism sales was offset in part by an increase in retail activity. Manufacturing activity grew modestly, and expectations for future activity improved substantially. Residential home sales and prices continued to rise, but contacts anticipated a marginal decline in home sales in the months ahead. Commercial real estate conditions continued to improve, and additional gains were anticipated. Bankers reported stronger overall loan demand, improved loan quality, and stable deposit levels. District crop yields were expected to be about average, but falling crop prices led to lower farm income projections. Energy activity in the District remained solid as natural gas drilling rigs increased slightly and the number of oil rigs edged down in September. Wage pressures eased somewhat since the last survey, and prices held steady for most finished goods, while prices continued to rise moderately for raw materials.

**Consumer Spending** - Consumer spending slowed somewhat in September as a decline in automobile, restaurant and tourism sales was offset in part by an increase in retail activity. Retail sales picked up since the last survey, with appliance and lower-priced retail purchases particularly strong. District retailers continued to expect higher sales moving into the holiday shopping season. Automobile sales declined in September, but were in line with expectations and remained above year-ago levels. Small SUVs, cars and trucks sold well, while large SUV sales were weak. Automobile dealers expected stable sales in the coming months. Despite a slight decline in restaurant sales in September, restaurant sales remained significantly higher than year-ago levels, and respondents were more optimistic about the next few months compared to the last survey. Hotel occupancy rates fell and tourism counts declined due in part to seasonal factors. A couple of Colorado contacts also noted a decrease in restaurant sales and tourism activity due to severe effects from the recent flooding. Both occupancy rates and tourism were expected to continue to decline over the next three months.

**Manufacturing and Other Business Activity** - Manufacturing activity rose modestly in September, while sales at high-tech service firms experienced strong growth and transportation activity edged up. Durable manufacturing production, shipments and new orders increased moderately since the last survey, while non-durable goods manufacturing activity decreased marginally in September. Activity in the manufacturing sector remained well above year-ago levels, and manufacturers' expectations for future activity improved substantially. Contacts expected strong growth for production, new orders and shipments over the next six months. Capital spending in the manufacturing sector was higher than a year ago and was expected to increase further in the months ahead. Sales at high-tech firms picked up in September after falling slightly during the previous survey period. High-tech services contacts also expected sales and capital spending to increase solidly in the months ahead. Transportation firms reported a modest rise in activity but did not expect additional gains in the coming months.

**Real Estate and Construction** - Residential and commercial real estate activity remained strong in September. District residential real estate sales increased moderately and remained much higher than a year ago. Low to mid-priced homes continued to sell well, while higher priced home sales remained sluggish. The pace of home sales was projected to tick down over the next few months. Inventory levels held steady at low levels and were constraining sales in some areas. Residential home prices continued to rise across the District, and additional price gains were expected over the next few months as supported by lower anticipated inventories. Builders reported a modest gain in home starts, and construction supply firms expected stronger sales in the coming months. Residential mortgage lenders noted that higher interest rates had led to fewer refinances. Furthermore, they reported that increased regulation had added costs and tightened lending conditions. Commercial real estate construction rose, and commercial vacancy rates declined further. Commercial real estate sales were expected to pick up, and rents were expected to rise over the next three months.

**Banking** - In the recent survey period, bankers reported stronger overall loan demand, improved loan quality, and stable deposit levels. Respondents reported increased demand for commercial and industrial loans and commercial real estate loans, steady demand for consumer installment loans, and decreased demand for residential real estate loans. Many bankers reported improved loan quality compared to a year ago, and nearly all bankers expected the outlook for loan quality to either improve or remain the same over the next six months. Credit standards remained unchanged in all major loan categories, and respondents reported stable deposits.

**Agriculture** - In the agriculture sector, crop production expectations were little changed from the previous survey period, but falling prices lowered farm income expectations. With most of the corn and soybean crops still in relatively good condition, overall District yields were expected to be about average. As harvest began, however, a greater probability of near-record corn and soybean production nationally led to a drop in prices, cutting farm income expectations. Meanwhile, heavy rainfall in Colorado and flooding along the South Platte River affected some agricultural lowlands. Scattered storms slowed harvest activity and winter wheat planting, but helped soil moisture conditions. Lower feed prices narrowed losses for cattle feedlot operators and improved profitability for hog producers. Weaker farm income prospects were expected to curtail farm household and capital spending, but demand for quality farmland remained strong.

**Energy** - District energy activity remained solid in September, and expectations for the coming months improved slightly. Natural gas drilling rigs for the District increased modestly in September, particularly in Colorado and Oklahoma, as gas prices remained stable. District oil drilling rigs edged down over the past month, with most of the decrease occurring in Oklahoma. Respondents expected drilling to remain stable through the end of the year as capital spending increases shift to midstream business such as pipelines. Higher oil prices continue to make oil drilling more attractive than natural gas exploration. Looking forward, however, respondents expected oil prices to drop and natural gas prices to rise in the coming months. Wyoming's coal production continued a moderate expansion from the summer months, but remained below year-ago levels.

**Wages and Prices** - Wage pressures eased slightly in September, while prices rose moderately for raw materials and held steady for most finished goods. Labor shortages declined over the past month in most sectors, and most contacts reported little wage pressure outside specific skilled positions including technicians, software developers, truck drivers, and engineers. Retailers reported a small decline in prices and expected only modest price gains in the months ahead. Restaurant contacts continued to report rising food costs, but held menu prices flat. Average hotel room rates declined as occupancy rates also fell. After an acceleration in the pace of raw materials price increases in August, manufacturers reported a slight moderation in the pace of price increases in September. Manufacturers raised finished goods prices modestly, and most contacts expected additional price increases in the months ahead. Transportation firms held prices steady despite higher input costs. Builders reported little input cost pressures except for items experiencing a shortage. One example noted was a shortage of concrete and equipment in flooded Colorado areas. Commercial real estate prices and rents were flat over the past month but remained higher than year-ago levels. Residential home prices continued to rise, and additional gains were expected in the months ahead.

**About the data** - Each Federal Reserve Bank gathers anecdotal information on current economic conditions in its District through reports from Bank and Branch directors and interviews with key business contacts, economists, market experts, and other sources. This document summarizes comments received from business and other contacts outside the Federal Reserve and is not a commentary on the views of Federal Reserve officials. The Federal Reserve Bank of Kansas City covers the 10th District of the Federal Reserve, which includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, and portions of western Missouri and northern New Mexico.

## Indicators of the Kansas Economy Kansas - Foreign Trade

### Kansas: Exports, Jobs, and Foreign Investment - August 2013

#### Exports Support Jobs for Kansas's Workers

Export-supported jobs linked to manufacturing account for an estimated 8.3 percent of Kansas's total private-sector employment. One-quarter (24.8 percent) of all manufacturing workers in Kansas depend on exports for their jobs (2011 data latest available).

#### Exports Sustain Thousands of Kansas Businesses

A total of 3,456 companies exported from Kansas locations in 2011. Of those, 2,897 (83.8 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated one-quarter (24.7 percent) of Kansas' total exports of merchandise in 2011.

#### Foreign Investment Creates Jobs in Kansas

In 2010, foreign-controlled companies employed 54,800 Kansas workers. Major sources of foreign investment in Kansas in 2010 included Canada, United Kingdom, Switzerland, and Germany. Foreign investment in Kansas was responsible for 5.0 percent of the state's total private-industry employment in 2010.

#### Kansas Depends on World Markets

Kansas's export shipments of merchandise in 2012 totaled \$11.7 billion. The state's largest market was Canada. Kansas posted merchandise exports of \$2.7 billion to Canada in 2012, 23.5 percent of the state's total merchandise exports. Canada was followed by Mexico (\$1.5 billion), China (\$1.1 billion), Japan (\$742 million), and Nigeria (\$556 million). The state's largest merchandise export category is Transportation Equipment, which accounted for \$2.4 billion of Kansas's total merchandise exports in 2012. Other top merchandise exports are Food & Kindred Products (\$2.1 billion), Agricultural Products (\$1.7 billion), Machinery, Except Electrical (\$1.4 billion), and Chemicals (\$1.1 billion).

#### Kansas's Metropolitan Exports

In 2012, the following metropolitan areas in Kansas recorded merchandise exports: Wichita (\$4.3 billion), Topeka (\$265 million), Lawrence (\$66 million), and Manhattan (\$33 million).

*Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce*

### Total U.S. Exports (Origin of Movement) via KANSAS - 2012

(millions of dollars)

Rank	Description	2012 Value	2012 % Share
---	<b>Total KANSAS Exports and % Share of U.S. Total</b>	<b>\$11,696</b>	<b>0.8</b>
---	<b>Total, Top 25 Commodities and % Share of State Total</b>	<b>\$ 7,076</b>	<b>60.5</b>
1	CIVILIAN AIRCRAFT, ENGINES, AND PARTS	\$ 1,998	17.1
2	WHEAT AND MESLIN, NESOI	\$ 894	7.6
3	SOYBEANS, NESOI	\$ 616	5.3
4	MEAT OF BOVINE ANIMALS, BONELESS, FRESH OR CH	\$ 569	4.9
5	LT OILS, PREPS GT=70% PETROLEUM/BITUM NT BIOD	\$ 345	3
6	MEDICAMENTS NESOI, MEASURED DOSES, RETAIL PK	\$ 259	2.2
7	DOG AND CAT FOOD, PUT UP FOR RETAIL SALE	\$ 256	2.2
8	MEAT OF BOVINE ANIMALS, BONELESS, FROZEN	\$ 225	1.9
9	MECH FRONT- END SHOVEL LOADERS, SELF- PROPELLED	\$ 179	1.5
10	RADIO NAVIGATIONAL AID APPARATUS	\$ 174	1.5
11	WHOLE HIDES & SKINS, OF A WT >16KG BOVINE/EQU	\$ 167	1.4
12	WL HIDES&SKIN, WT/SKI<=8KG DRD/10 DRY - SALT/16	\$ 151	1.3
13	NEW PNUMAT RUB TIRE, CONST/INDUST VEH/MAC,RIM	\$ 151	1.3
14	CORN (MAIZE), OTHER THAN SEED CORN	\$ 119	1
15	RARE GASES, OTHER THAN ARGON	\$ 107	0.9
16	PASS VEH SPK- IG INT COM RCPR P ENG >1500 NOV	\$ 105	0.9
17	BOV/EQ HIDE/SKIN,FUL GRN,UNSPLIT;GRN SPL, WET	\$ 98	0.8
18	TALLOW OF BOVINE ANIMALS, SHEEP OR GOATS, NES	\$ 92	0.8
19	LEAD- ACID BATTERIES OF A KIND USED FOR STG EN	\$ 89	0.8
20	COMBINE HARVESTER- THRESHERS	\$ 86	0.7
21	AIRPLANE & A/C UNLADEN WGT > 2000, NOV 15000	\$ 85	0.7
22	ALUMINUM ALLOY RECT PLATES ETC, OVER .2 MM TH	\$ 85	0.7
23	MEAT OF SWINE, NESOI, FROZEN	\$ 77	0.7
24	PTS, EX ANTENNA, FOR TRNSMSSN,RDR,RADIO,TV,ETC	\$ 76	0.7
25	HORMONES ETC. (NO ANTIBIOTICS CONTAINED) DOSA	\$ 73	0.6

\* NESOI - Not Elsewhere Specified or Included





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