

Indicators of the Kansas Economy (IKE)

Prepared by



March 2009

About IKE

The Kansas, Inc. Board of Directors initiated a project with the goal of identifying critical variables that explains the current condition of the Kansas economy relative to its surrounding states and the U.S. The Indicators of the Kansas Economy (IKE) project concept was the result of a perceived need for a single source of objective and consistent information that allows public and private leadership, as well as all interested Kansans to better understand the economy and enhance decision-making capacity.

Working with a broad range professionals, including researchers, university professors, state officials and business leaders, the Kansas, Inc. Board of Directors identified and reviewed a set of variables for their comprehensiveness and ability to depict key elements of the Kansas economy. Whenever possible, regional and national data was included to illustrate how Kansas compares to both the 6-State Region and the U.S. on a 1-, 5-, and 10-year period. The 6-State Region includes: Arkansas, Colorado, Iowa, Missouri, Nebraska and Oklahoma. When identifying variables efforts centered on data:

- Electronically accessible;
- Able to be captured for all states and the U.S.; and,
- Released annually, with a preference to monthly data.

Kansas, Inc. has received two grants from the Information Network of Kansas (INK) to significantly advance the sophistication, outreach and quality of the IKE project. Through these grants, Kansas, Inc. has partnered with University of Kansas, Institute for Policy and Social Research (IPSR); Wichita State University, Center for Economic Development and Business Research (CEDBR); and Kansas Geological Survey, Data Access and Support Center (DASC) to develop the framework for several variables to be displayed both interactively and electronically on a county, state, regional and national level. These efforts have also provided the model for a future IKE website where all data will be dynamically displayed and archived.

Throughout the IKE project an advisory committee, consisting of researchers, university professors, state officials and business leaders has provided insight and suggestions regarding the overall direction of the IKE project, adding significant value to the final product. Included within this version are several suggestions from the advisory committee regarding content, and several suggestions on additional variables, currently in the developmental stage will be included in future versions of IKE.

This updated release is another step in IKE becoming a one-stop resource of economic data for policymakers, university researchers, business leaders and the general public. As the Kansas economy changes, Kansas, Inc. recognizes the IKE project must continue to evolve to meet the needs of all individuals. Kansas, Inc. welcomes feedback to improve the value of the IKE project.



**Indicators of the Kansas Economy
Key Trends**

Mar-09

Employment and Unemployment

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Total Nonfarm Employment (all employees, thousands)							
Kansas	1,360.4	1,377.0	1,291.1	1,309.6	-1.2%	5.4%	3.9%
Private Sector Employment (all employees, thousands)							
Kansas	1,092.7	1,114.3	1,039.1	1,067.5	-1.9%	5.2%	2.4%
Manufacturing Employment (all employees, thousands)							
Kansas	176.9	188.3	173.8	206.3	-6.1%	1.8%	-14.3%
Service Employment (all employees, thousands)							
Kansas	850.6	857.6	804.1	796.5	-0.8%	5.8%	6.8%
Public Sector Employment (all employees, thousands)							
Kansas	267.7	262.7	252.0	242.1	1.9%	6.2%	10.6%
Unemployment Rate (%)							
Kansas	6.2%	4.0%	5.8%	3.4%	2.2%	0.4%	2.8%
Initial Claims for Unemployment (all employees)							
Kansas	24,024	10,508	12,661	8,217	128.6%	89.7%	192.4%

Wages/Entrepreneurship

Private Establishment Data (total private establishments, all employee sizes)					
	2008 (p)	2007	2003	1-yr Chg	5-yr Chg
Kansas	80,497	79,102	76,676	1.8%	5.0%
Private Industry Wage Levels (average annual wages, all employees, all private establishments)					
	2008 (p)	2007	2003	1-yr Chg	5-yr Chg
Kansas \$	38,324	\$ 37,579	\$ 31,794	2.0%	20.5%

Energy

Oil Production and Price (most recent month of production and price)							
	Nov-08	Nov-07	Nov-03	Nov-98	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,250,876	3,170,495	2,710,872	2,715,415	2.5%	19.9%	19.7%
Price (\$/bbl) \$	57.31	\$ 94.77	\$ 31.11	\$ 13.00	-39.5%	84.2%	340.8%

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

Production (mcf)	32,691,926	31,310,649	34,096,324	49,347,739	4.4%	-4.1%	-33.8%
Price (\$/mcf) \$	5.97	\$ 6.37	\$ 4.26	\$ 1.94	-6.3%	40.1%	207.7%

Agriculture

KFMA Average Net Farm Income by Region								
Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.	
2006 \$	58,517	\$ 40,742	\$ 52,259	\$ 21,779	\$ 57,960	\$ 40,026	\$ 46,593	
2007 \$	233,000	\$ 81,288	\$ 114,118	\$ 108,397	\$ 88,849	\$ 114,423	\$ 115,035	
5-yr avg \$	92,847	\$ 53,655	\$ 70,145	\$ 44,242	\$ 55,936	\$ 75,656	\$ 66,453	
10-yr avg \$	64,736	\$ 40,186	\$ 46,034	\$ 37,384	\$ 41,427	\$ 54,470	\$ 47,783	

General Economic Data

Population							
	2008	2007	2003	1998	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,802,134	2,777,382	2,722,070	2,660,598	0.9%	2.9%	5.3%

Gross State Product (millions of current dollars)

	2007	2006	2002	1997	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	117,305	110,645	89,573	72,071	6.0%	31.0%	62.8%
6-State Region	909,607	864,551	697,168	560,750	5.2%	30.5%	62.2%
U.S.	13,743,021	13,119,938	10,398,402	8,237,994	4.7%	32.2%	66.8%

Personal Income Estimates (millions of dollars)

	2008	2007	2003	1998	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	106,421	101,444	81,116	67,800	4.9%	31.2%	57.0%
6-State Region	818,676	779,358	617,345	499,058	5.0%	32.6%	64.0%
U.S.	12,086,534	11,634,322	9,150,320	7,415,709	3.9%	32.1%	63.0%

Per Capita Personal Income Estimates (\$)

	2008	2007	2003	1998	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	37,978	36,525	29,799	25,483	4.0%	27.4%	49.0%
6-State Region	36,697	35,270	28,921	24,368	4.0%	26.9%	50.6%
U.S.	39,751	38,615	31,530	26,883	2.9%	26.1%	47.9%

Consumer Price Index

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	201.5	201.9	180.2	160.5	-0.2%	11.8%	25.5%
U.S. City Average	212.2	211.7	186.2	164.5	0.2%	14.0%	29.0%

Chicago Fed National Activity Index (CFNAI)

	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Feb-08
CFNAI	(2.83)	(3.74)	(3.87)	(3.23)	(1.34)	(3.49)	(1.31)

Building Permits (new privately owned housing units authorized)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	276	688	716	936	-59.9%	-61.5%	-70.5%

Sales Tax Collections (\$)

	Nov-08	Nov-07	Nov-03	Nov-98	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	157,659,964	157,955,643	131,906,461	110,045,421	-0.2%	19.5%	43.3%



*Indicators of the Kansas Economy
Variables*

Mar-09

IKE - Variables

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Indicators of the Kansas Economy Population

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Short-Term (2007 to 2008)

- Kansas population up 24,752 (0.9%)
- 6-State Region population up 222,117 (1.0%)
- U.S. population up 2,769,392 (0.9%)

Long-Term (1998 to 2008)

- Kansas population up 141,536 (5.3%)
- 6-State Region population up 1,866,224 (9.2%)
- U.S. population up 28,205,620 (10.2%)

2008 Population Estimates

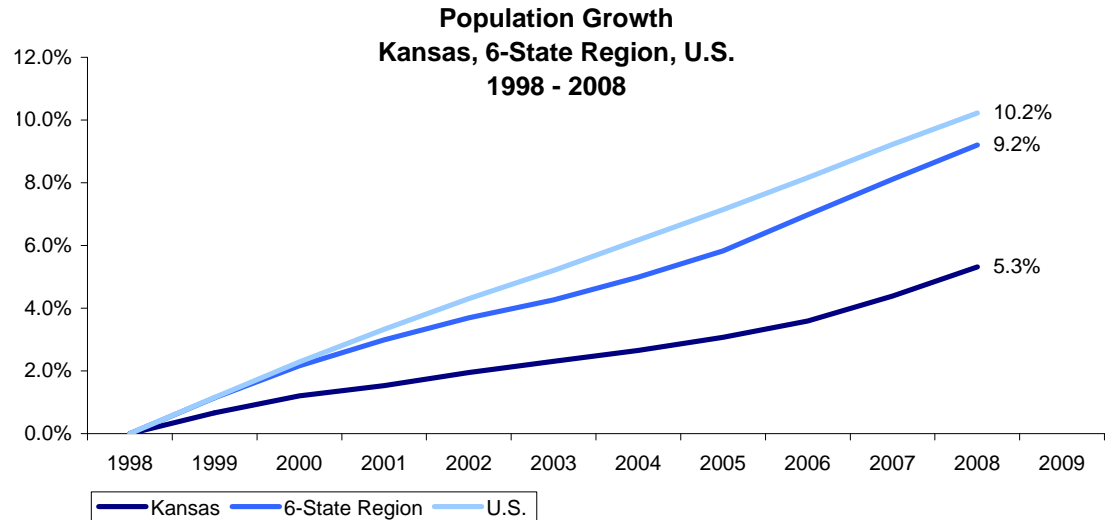
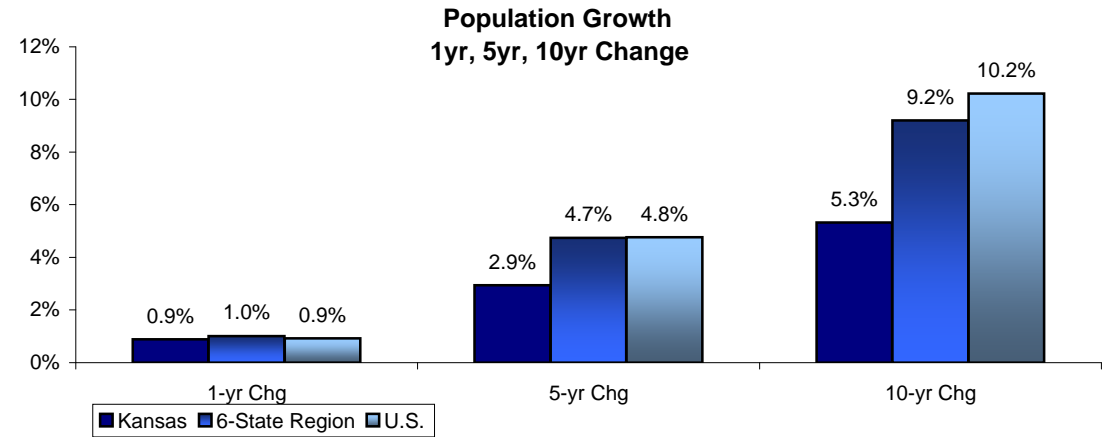
Region	Population
Kansas	2,802,134
Arkansas	2,855,390
Colorado	4,939,456
Iowa	3,002,555
Missouri	5,911,605
Nebraska	1,783,432
Oklahoma	3,642,361
6-State Region	22,134,799
U.S.	304,059,724

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

	2008	2007	2003	1998	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,802,134	2,777,382	2,722,070	2,660,598	0.9%	2.9%	5.3%
6-State Region	22,134,799	21,912,682	21,133,324	20,268,575	1.0%	4.7%	9.2%
U.S.	304,059,724	301,290,332	290,210,914	275,854,104	0.9%	4.8%	10.2%



Source: 2008 annual data
U.S. Census Bureau

<http://www.census.gov/popest/estimates.php>



Indicators of the Kansas Economy Gross State Product

Mar-09

Short-Term (2006 to 2007)

- Kansas GSP up \$6,660 million (6.0%)
- 6-State Region GSP up \$45,056 million (5.2%)
- U.S. GSP up \$623,083 million (4.7%)

Long-Term (1997 to 2007)

- Kansas GSP up \$45,234 million (62.8%)
- 6-State Region GSP up \$348,857 million (62.2%)
- U.S. GSP up \$5,505,027 million (66.8%)

2007 Gross State Product

(millions of current dollars)

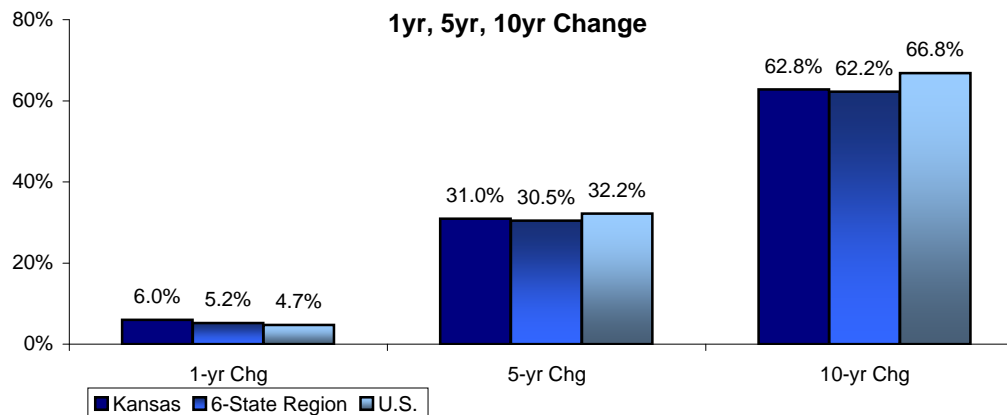
Region	Gross State Product	
Kansas	\$	117,305
Arkansas	\$	95,371
Colorado	\$	236,324
Iowa	\$	129,026
Missouri	\$	229,470
Nebraska	\$	80,093
Oklahoma	\$	139,323
6-State Region	\$	909,607
U.S.	\$	13,743,021

Gross State Product (GSP)

(millions of current dollars)

	2007	2006	2002	1997	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	117,305	110,645	89,573	72,071	6.0%	31.0%	62.8%
6-State Region	909,607	864,551	697,168	560,750	5.2%	30.5%	62.2%
U.S.	13,743,021	13,119,938	10,398,402	8,237,994	4.7%	32.2%	66.8%

Gross State Product Growth 1yr, 5yr, 10yr Change



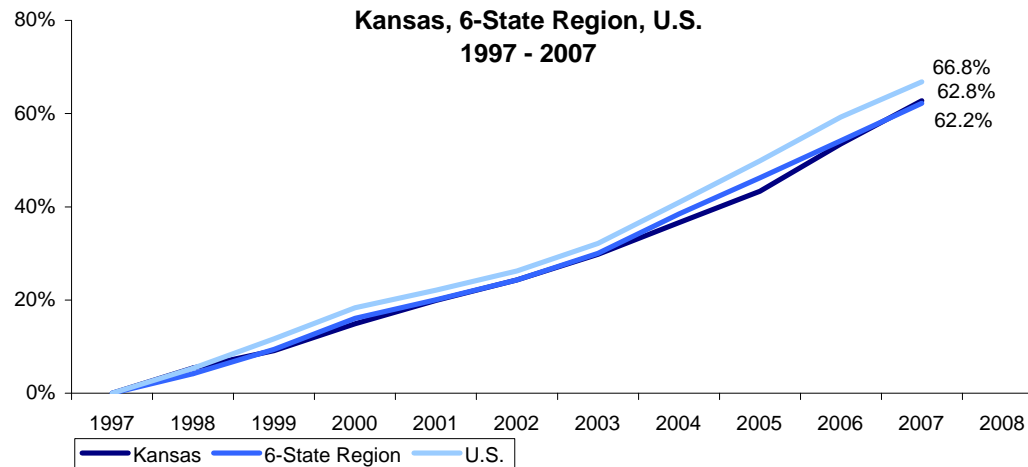
About the data and graphs

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 Growth Kansas, 6-State Region, U.S. 1997 - 2007





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

Mar-09

Short-Term (2007 to 2008)

- Kansas PI up \$4,977 million (4.9%)
- 6-State Region PI up \$39,318 million (5.0%)
- U.S. PI up \$452,212 million (3.9%)

- Kansas PCPI up \$1,453 (4.0%)
- 6-State Region PCPI up \$1,427 (4.0%)
- U.S. PCPI up \$1,136 (2.9%)

Long-Term (1998 to 2008)

- Kansas PI up \$38,620 million (57.0%)
- 6-State Region PI up \$319,618 million (64.0%)
- U.S. PI up \$4,670,825 million (63.0%)

- Kansas PCPI up \$12,495 (49.0%)
- 6-State Region PCPI up \$12,329 (50.6%)
- U.S. PCPI up \$12,868 (47.9%)

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).

Source: 2008 annual data, 2008 quarterly data

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

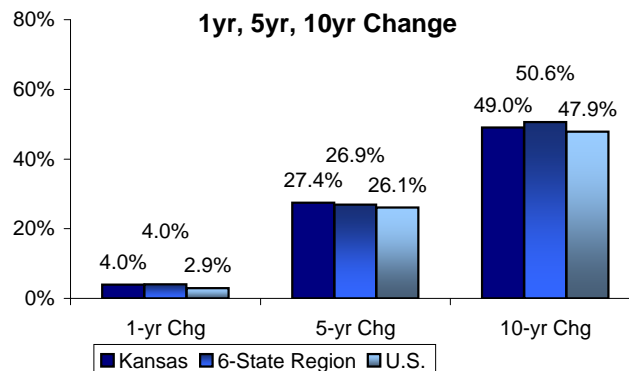
Personal Income Estimates (PI) - (millions of dollars)

	2008	2007	2003	1998	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	106,421	101,444	81,116	67,800	4.9%	31.2%	57.0%
6-State Region	818,676	779,358	617,345	499,058	5.0%	32.6%	64.0%
U.S.	12,086,534	11,634,322	9,150,320	7,415,709	3.9%	32.1%	63.0%

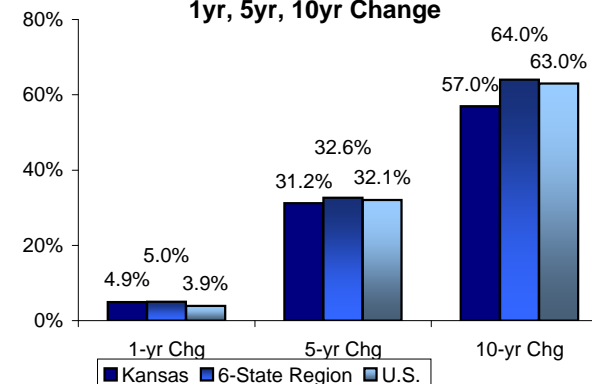
Per Capita Personal Income Estimates (PCPI) - (\$)

	2008	2007	2003	1998	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	37,978	36,525	29,799	25,483	4.0%	27.4%	49.0%
6-State Region	36,697	35,270	28,921	24,368	4.0%	26.9%	50.6%
U.S.	39,751	38,615	31,530	26,883	2.9%	26.1%	47.9%

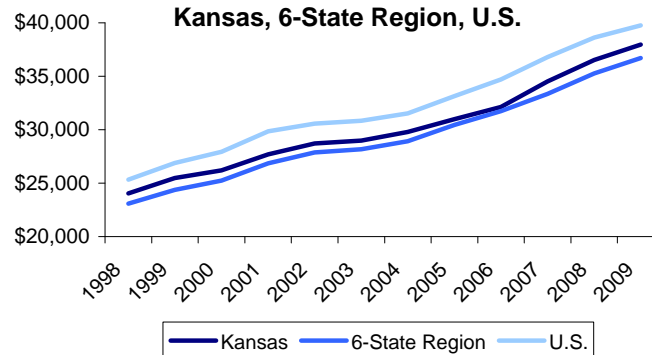
**Per Capita Personal Income Growth
1yr, 5yr, 10yr Change**



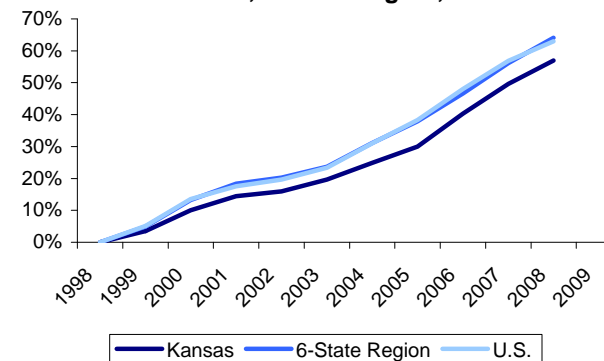
**Personal Income Growth
1yr, 5yr, 10yr Change**



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



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



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



Indicators of the Kansas Economy Consumer Price Index

Mar-09

Short-Term (2008 to 2009)

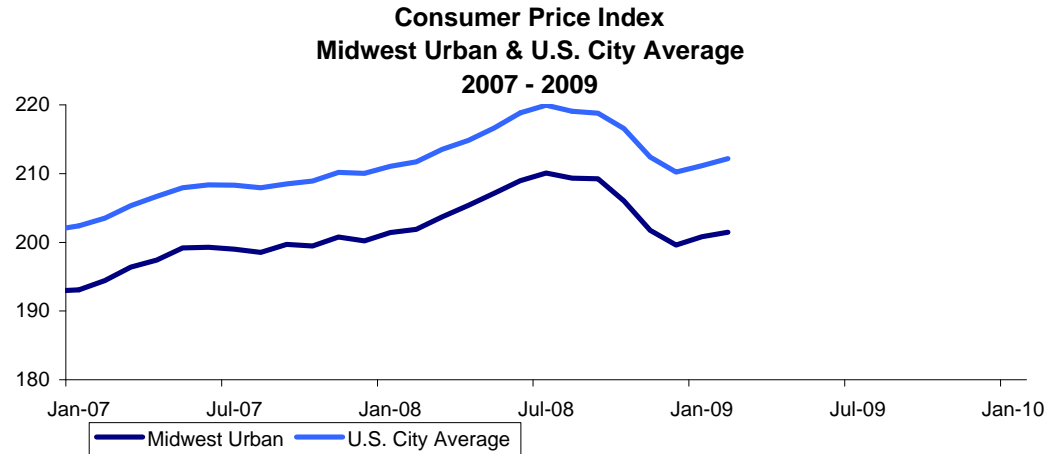
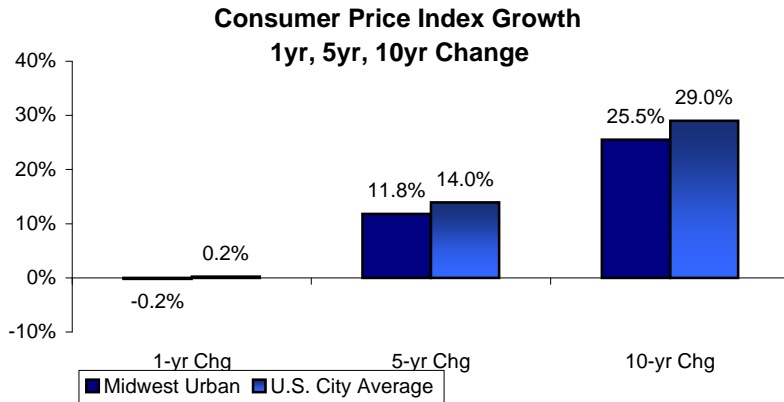
- Midwest Urban CPI down 0.4 (-0.2%)
- U.S. City Average CPI up 0.5 (0.2%)

Long-Term (1999 to 2009)

- Midwest Urban CPI up 41.0 (25.5%)
- U.S. City Average CPI up 47.7 (29.0%)

Consumer Price Index (CPI)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	201.5	201.9	180.2	160.5	-0.2%	11.8%	25.5%
U.S. City Average	212.2	211.7	186.2	164.5	0.2%	14.0%	29.0%

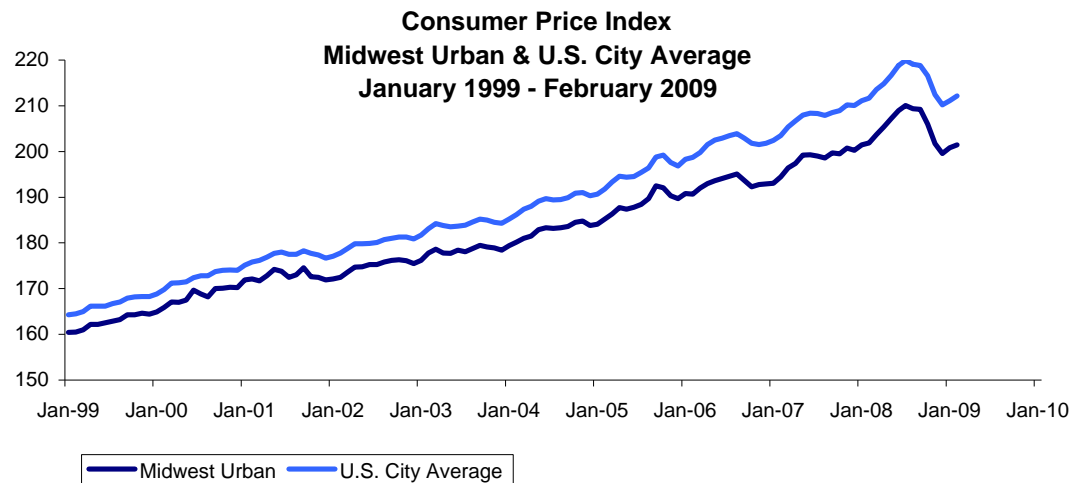


About the data and graphs

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.



Source: 2009 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)

Mar-09

Short-Term (2009)

During February 2009, the CFNAI was -2.83, up from -3.74 in January. All four categories continued to make negative contributions to the index in February. Employment-related indicators made a large negative contribution of -1.29 in February; production and income indicators made a contribution of -0.79 in February; consumption and housing indicators made a contribution of -0.55 in February; and the sales, orders and inventories category made a negative contribution of -0.20 in February. Twelve of the 85 individuals indicators made positive contributions to the index in February, while 73 made negative contributions.

Long-Term (1990 to 2009)

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

About the data and graphs

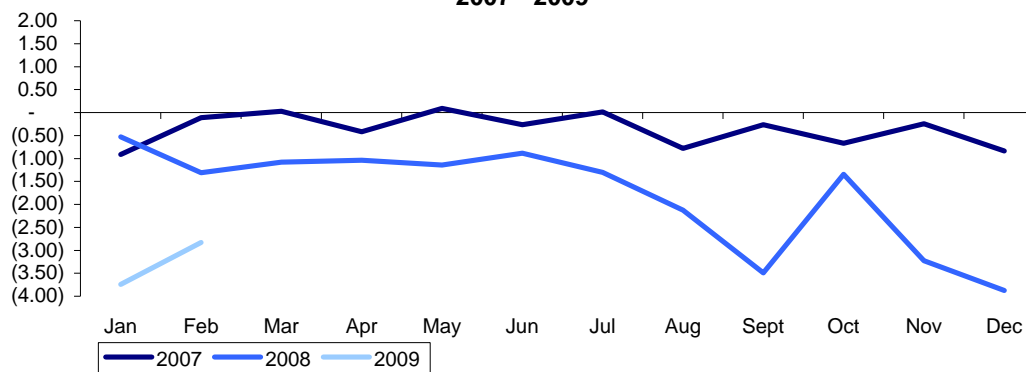
The performance of the U.S. economy has a major impact on the performance of the Kansas economy.

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.**

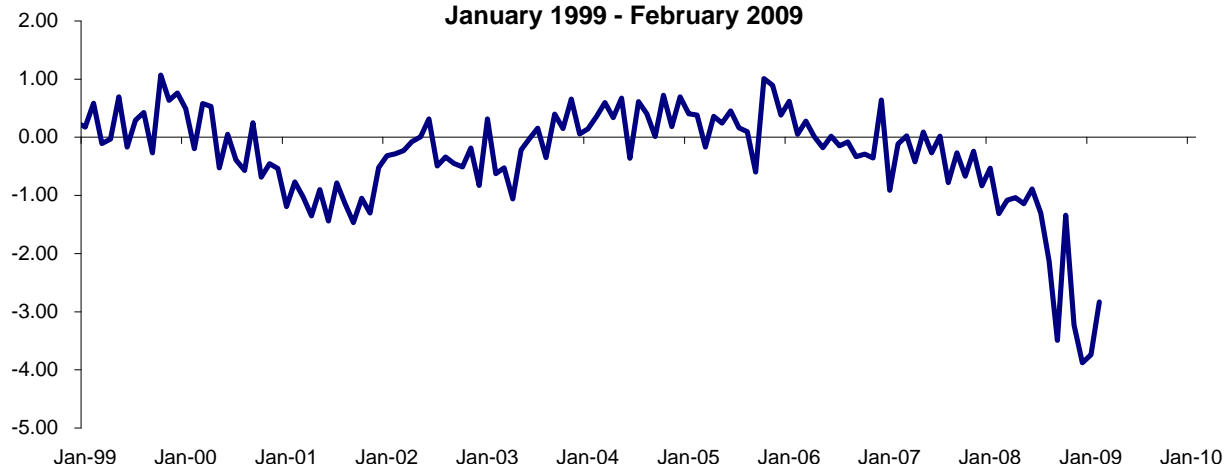
CFNAI

	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Feb-08
CFNAI	-2.83	-3.74	-3.87	-3.23	-1.34	-3.49	-1.31

**Chicago Federal Reserve National Activity Index
2007 - 2009**



**Chicago Federal Reserve National Activity Index
January 1999 - February 2009**



Source: 2009 monthly data
Federal Reserve Bank of Chicago

www.chicagofed.org/economic_research_and_data/cfnai.cfm



Indicators of the Kansas Economy Building Permits

Mar-09

Short-Term (2008 to 2009)

- Kansas building permits down 412 (-59.9%)
- 6-State Region building permits down 2,694 (-51.4%)
- U.S. building permits down 35,421 (-48.3%)

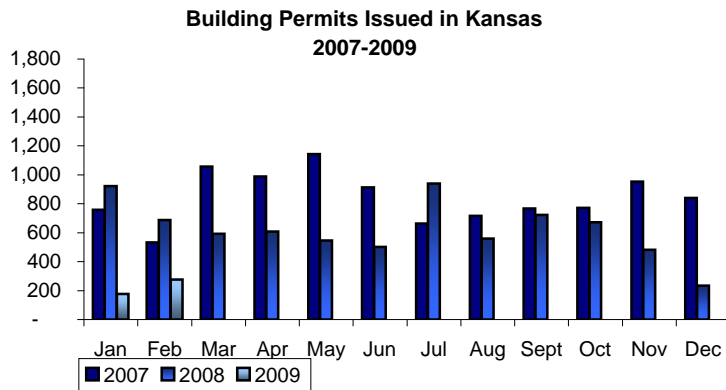
Long-Term (1999 to 2009)

- Kansas building permits down 660 (-70.5%)
- 6-State Region building permits down 5,296 (-67.5%)
- U.S. building permits down 75,370 (-66.5%)

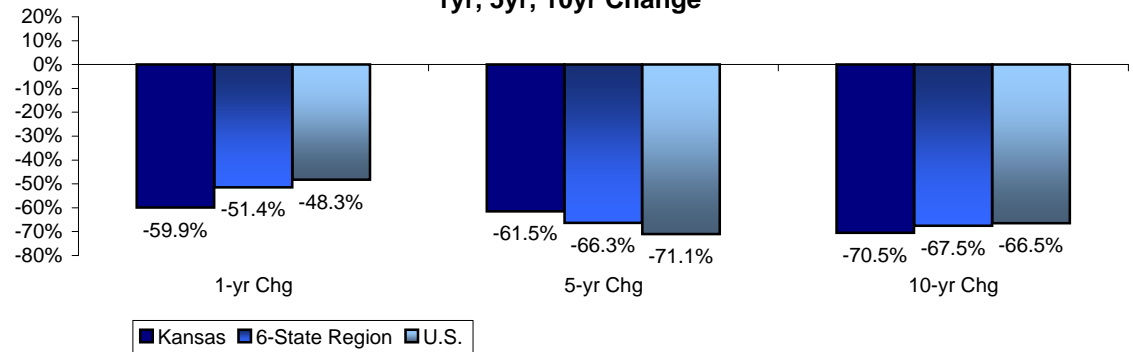
Building Permits

(new privately owned housing units authorized)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	276	688	716	936	-59.9%	-61.5%	-70.5%
6-State Region	2,548	5,242	7,557	7,844	-51.4%	-66.3%	-67.5%
U.S.	37,965	73,386	131,204	113,335	-48.3%	-71.1%	-66.5%

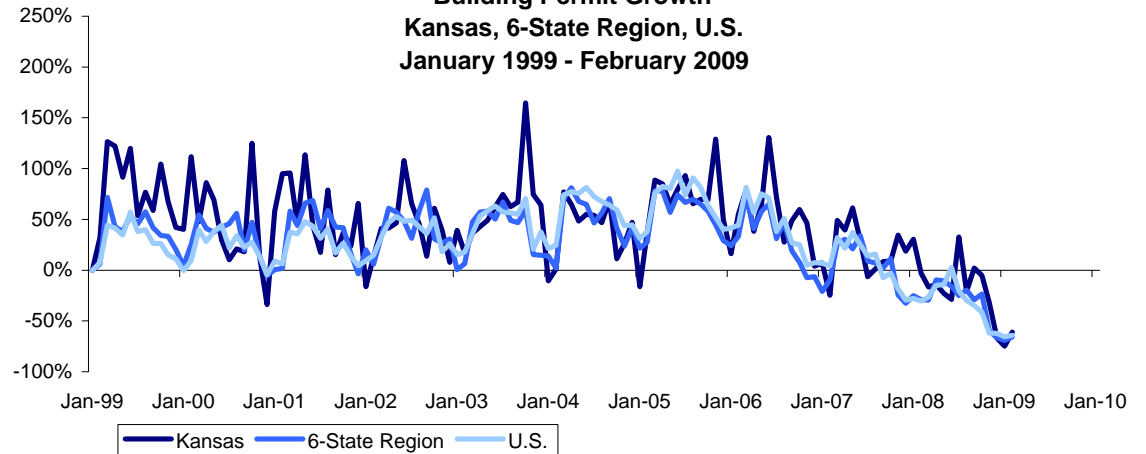


Building Permit Growth 1yr, 5yr, 10yr Change



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. January 1999 - February 2009





Indicators of the Kansas Economy
Kansas Sales Tax Collections

Mar-09

Short-Term (2007 to 2008)

- Kansas sales tax collections down \$295,679 (-0.2%)
- \$1,797,833,218 collected ytd through November 2008
- \$1,917,547,819 collected total during 2007

Long-Term (1998 to 2008)

- Kansas sales tax collections up \$47,614,543 (43.3%)
- \$1,422,059,126 collected total during 1998

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.

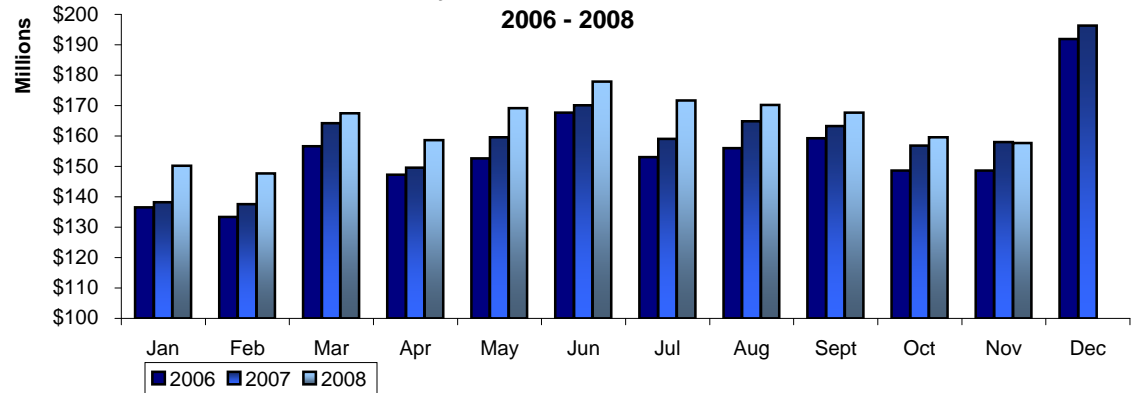
Tracking sales tax collections in Kansas gives insight into consumer behavior and demand. Sales tax collections can fluctuate widely from month to month. Since January 1990, state sales tax rates have increased on two occasions. In June 1992, the state sales tax rate increased from 4.25% to 4.90% and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

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>

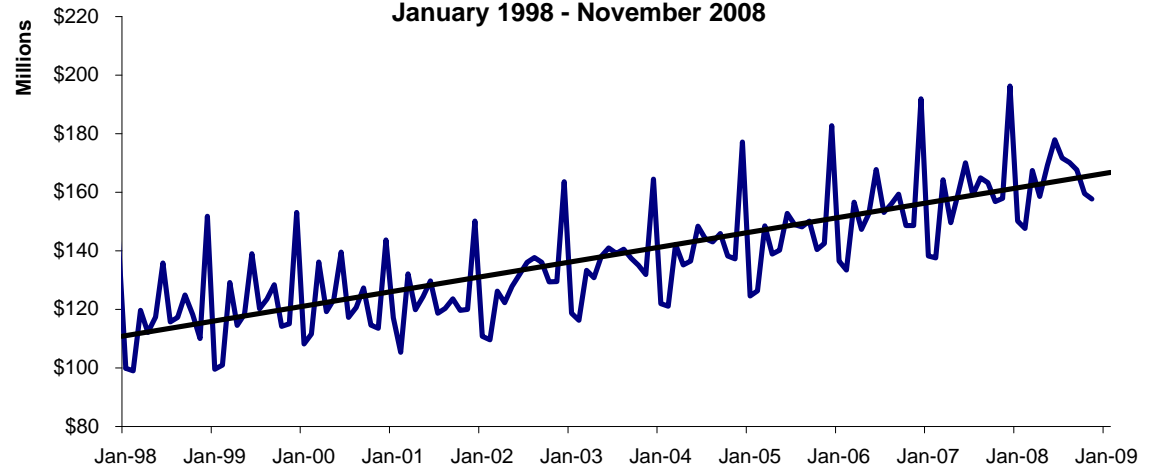
Sales Tax Collections

	Nov-08	Nov-07	Nov-03	Nov-98	1-yr Chg	5-yr Chg	10-yr Chg
Kansas \$	157,659,964	157,955,643	131,906,461	110,045,421	-0.2%	19.5%	43.3%

Monthly Kansas Sales Tax Revenue
2006 - 2008



Monthly Kansas Sales Tax Revenue
January 1998 - November 2008





Indicators of the Kansas Economy
Total Nonfarm Employment

Mar-09

Short-Term (2008 to 2009)

- Kansas total nonfarm employment down 16,600 (-1.2%)
- 6-State Region total nonfarm employment down 180,100 (-1.7%)
- U.S. total nonfarm employment down 4,257,000 (-3.1%)

Long-Term (1999 to 2009)

- Kansas total nonfarm employment up 50,800 (3.9%)
- 6-State Region total nonfarm employment up 526,000 (5.5%)
- U.S. total nonfarm employment up 5,654,000 (4.5%)

February 2009 Total Nonfarm Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,360.4
Arkansas	1,169.3
Colorado	2,269.8
Iowa	1,477.2
Missouri	2,712.9
Nebraska	942.1
Oklahoma	1,572.4

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.

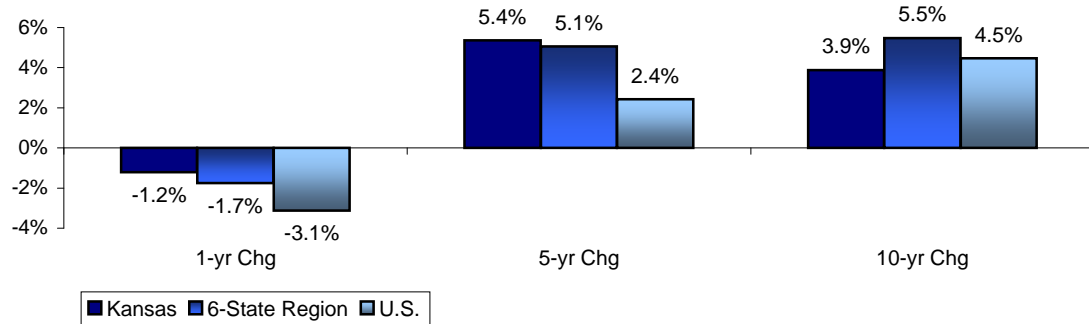
Source: 2009 monthly data
 U.S. Department of Labor - Bureau of Labor Statistics
 Kansas Department of Labor - Labor Market Information

Total Nonfarm Employment

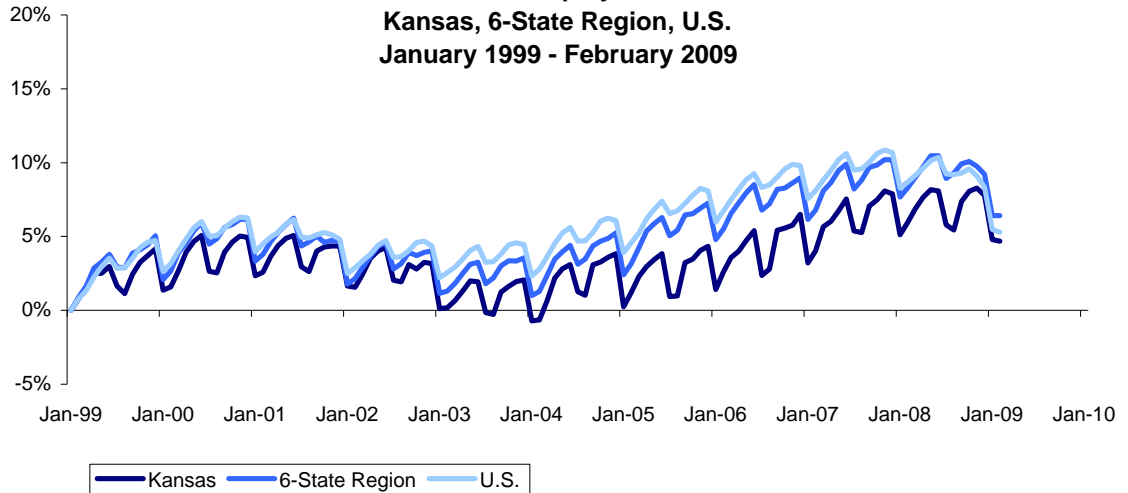
(all employees, thousands)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,360.4	1,377.0	1,291.1	1,309.6	-1.2%	5.4%	3.9%
6-State Region	10,143.7	10,323.8	9,655.3	9,617.7	-1.7%	5.1%	5.5%
U.S.	132,099.0	136,356.0	128,976.0	126,445.0	-3.1%	2.4%	4.5%

Total Nonfarm Employment Growth
1yr, 5yr, 10yr Change



Total Nonfarm Employment Growth
Kansas, 6-State Region, U.S.
January 1999 - February 2009



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



Indicators of the Kansas Economy Private Sector Employment

Mar-09

Short-Term (2008 to 2009)

- Kansas private sector employment down 21,600 (-1.9%)
- 6-State Region private sector employment down 212,600 (-2.5%)
- U.S. private sector employment down 4,386,000 (-3.9%)

Long-Term (1999 to 2009)

- Kansas private sector employment up 25,200 (2.4%)
- 6-State Region private sector employment up 315,400 (3.9%)
- U.S. private sector employment up 3,218,000 (3.0%)

February 2009 Private Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,092.7
Arkansas	950.3
Colorado	1,873.7
Iowa	1,218.8
Missouri	2,253.9
Nebraska	774.1
Oklahoma	1,239.7

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.

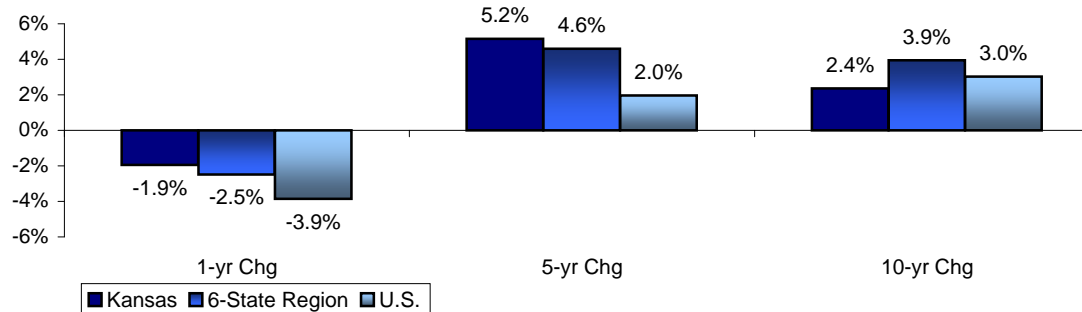
Source: 2009 monthly data
U.S. Department of Labor - Bureau of Labor Statistics
Kansas Department of Labor - Labor Market Information

Private Sector Employment

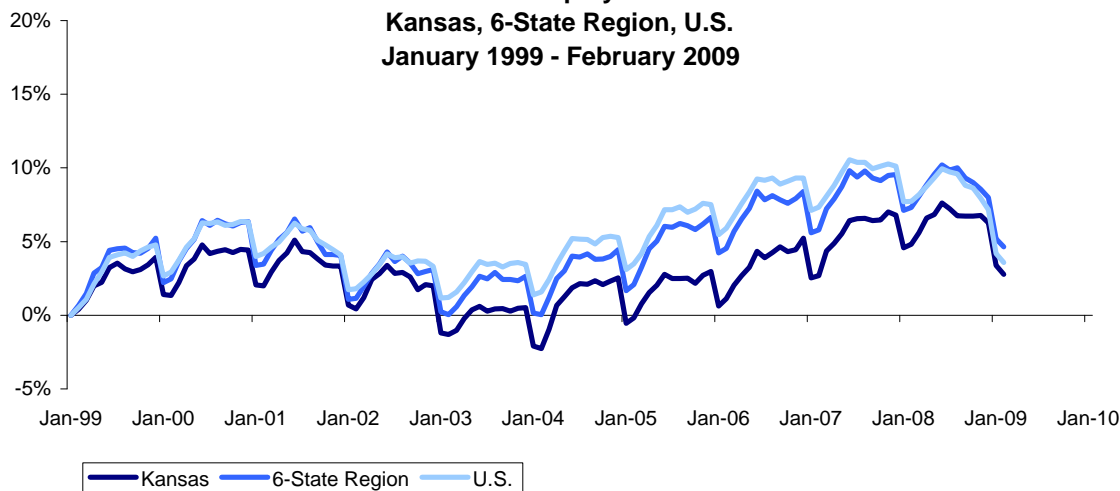
(all employees, thousands)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,092.7	1,114.3	1,039.1	1,067.5	-1.9%	5.2%	2.4%
6-State Region	8,310.5	8,523.1	7,945.5	7,995.1	-2.5%	4.6%	3.9%
U.S.	109,234.0	113,620.0	107,130.0	106,016.0	-3.9%	2.0%	3.0%

Private Sector Employment Growth 1yr, 5yr, 10yr Change



Private Sector Employment Growth Kansas, 6-State Region, U.S. January 1999 - February 2009



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



Indicators of the Kansas Economy Manufacturing Employment

Mar-09

Short-Term (2008 to 2009)

- Kansas manufacturing employment down 11,400 (-6.1%)
- 6-State Region manufacturing employment down 89,600 (-8.1%)
- U.S. manufacturing employment down 1,225,000 (-9.0%)

Long-Term (1999 to 2009)

- Kansas manufacturing employment down 29,400 (-14.3%)
- 6-State Region manufacturing employment down 323,900 (-24.1%)
- U.S. manufacturing employment down 4,952,000 (-28.6%)

February 2009 Manufacturing Employment Levels

(all employees, thousands)

State	Employment
Kansas	176.9
Arkansas	167.9
Colorado	136.0
Iowa	208.3
Missouri	269.6
Nebraska	95.5
Oklahoma	140.4

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.

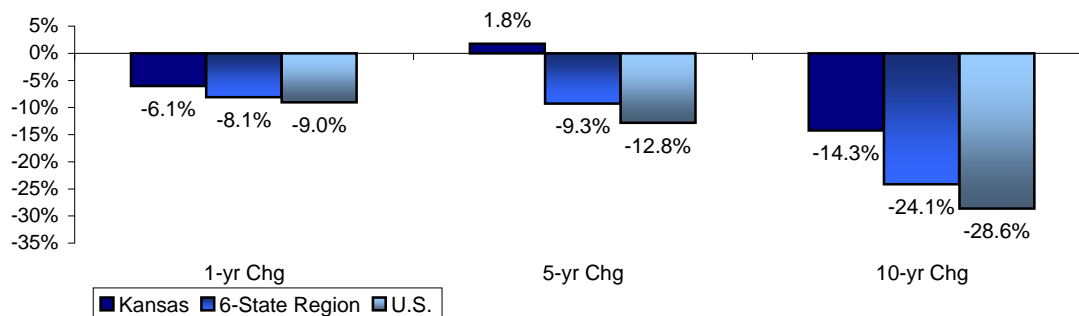
Source: 2009 monthly data
U.S. Department of Labor - Bureau of Labor Statistics
Kansas Department of Labor - Labor Market Information

Manufacturing Employment

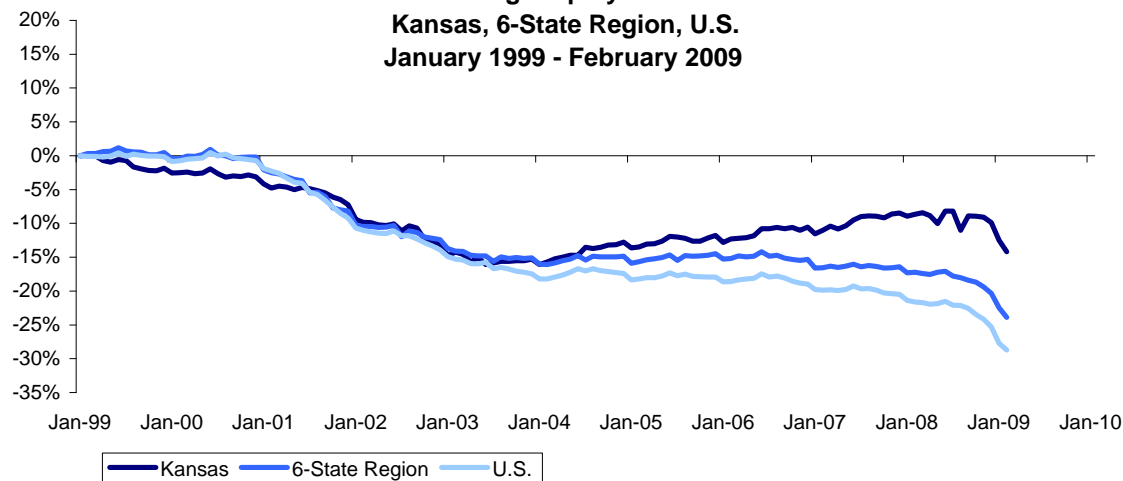
(all employees, thousands)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	176.9	188.3	173.8	206.3	-6.1%	1.8%	-14.3%
6-State Region	1,017.7	1,107.3	1,122.0	1,341.6	-8.1%	-9.3%	-24.1%
U.S.	12,353.0	13,578.0	14,172.0	17,305.0	-9.0%	-12.8%	-28.6%

Manufacturing Employment Growth 1yr, 5yr, 10yr Change



Manufacturing Employment Growth Kansas, 6-State Region, U.S. January 1999 - February 2009



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



Indicators of the Kansas Economy Service Employment

Mar-09

Short-Term (2008 to 2009)

- Kansas service employment down 7,000 (-0.8%)
- 6-State Region service employment down 96,200 (-1.4%)
- U.S. service employment down 2,356,000 (-2.6%)

Long-Term (1999 to 2009)

- Kansas service employment up 54,100 (6.8%)
- 6-State Region service employment up 566,600 (9.2%)
- U.S. service employment up 7,828,000 (9.5%)

February 2009 Service Employment Levels

(all employees, thousands)

State	Employment
Kansas	850.6
Arkansas	718.1
Colorado	1,571.5
Iowa	949.2
Missouri	1,856.5
Nebraska	633.8
Oklahoma	977.4

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, *Kansas, Inc.*, has defined the overall service sector to include the following BLS sectors: trade, transportation, and utilities; information; finance; professional and business; education and health; leisure and hospitality; and other services.

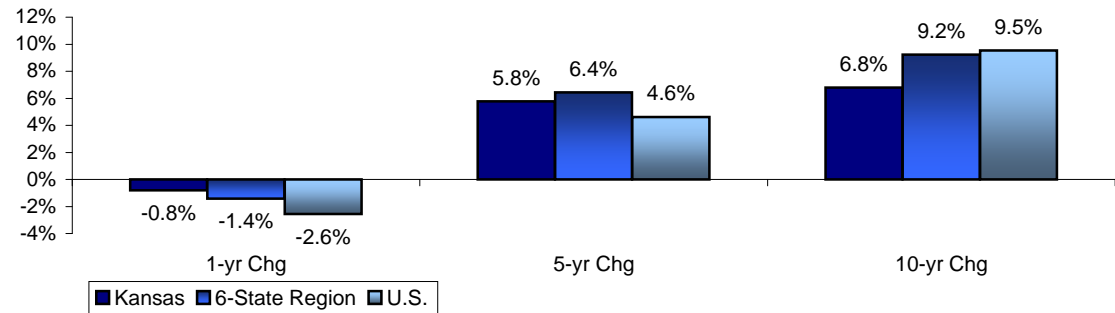
Source: 2009 monthly data
U.S. Department of Labor - Bureau of Labor Statistics
Kansas Department of Labor - Labor Market Information

Service Employment

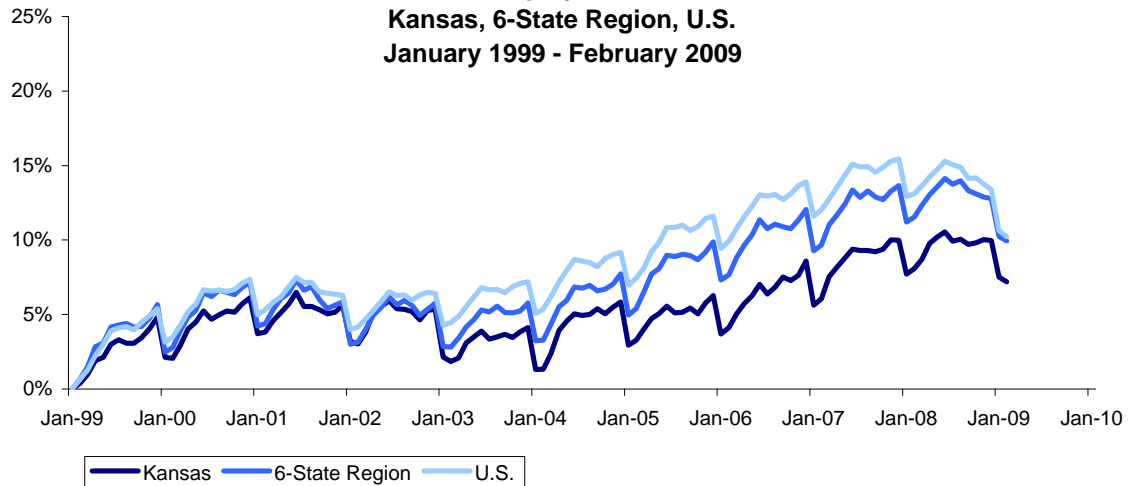
(all employees, thousands)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	850.6	857.6	804.1	796.5	-0.8%	5.8%	6.8%
6-State Region	6,706.5	6,802.7	6,300.2	6,139.9	-1.4%	6.4%	9.2%
U.S.	89,972.0	92,328.0	86,005.0	82,144.0	-2.6%	4.6%	9.5%

Service Employment Growth 1yr, 5yr, 10yr Change



Service Employment Growth Kansas, 6-State Region, U.S. January 1999 - February 2009



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



Indicators of the Kansas Economy Public Employment

Mar-09

Short-Term (2008 to 2009)

- Kansas public sector employment up 5,000 (1.9%)
- 6-State Region public sector employment up 32,500 (1.8%)
- U.S. public sector employment up 129,000 (0.6%)

Long-Term (1999 to 2009)

- Kansas public sector employment up 25,600 (10.6%)
- 6-State Region public sector employment up 210,600 (13.0%)
- U.S. public sector employment up 2,436,000 (11.9%)

February 2009 Public Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	267.7
Arkansas	219.0
Colorado	396.1
Iowa	258.4
Missouri	459.0
Nebraska	168.0
Oklahoma	332.7

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 IKE 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. *Kansas, Inc. has included Federal, State, and Local Government*

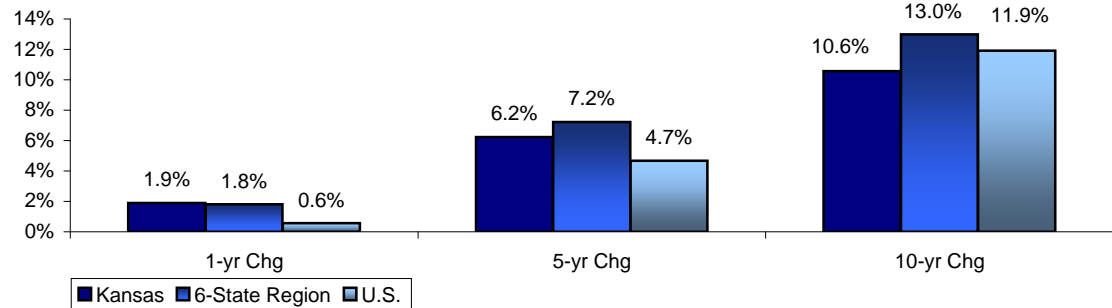
Source: 2009 monthly data
U.S. Department of Labor - Bureau of Labor Statistics
Kansas Department of Labor - Labor Market Information

Public Sector Employment

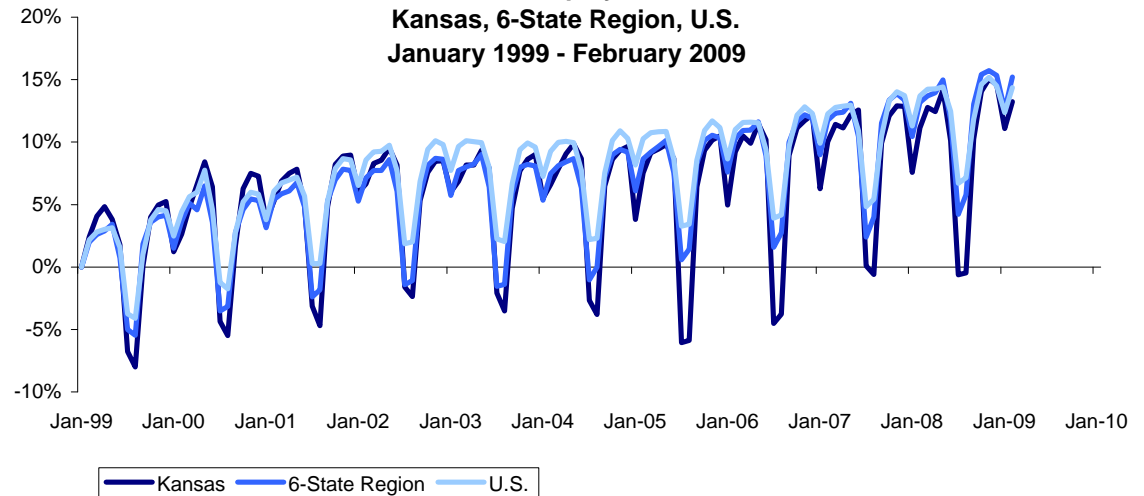
(all employees, thousands)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	267.7	262.7	252.0	242.1	1.9%	6.2%	10.6%
6-State Region	1,833.2	1,800.7	1,709.8	1,622.6	1.8%	7.2%	13.0%
U.S.	22,865.0	22,736.0	21,846.0	20,429.0	0.6%	4.7%	11.9%

Public Sector Employment Growth 1yr, 5yr, 10yr Change



Public Sector Employment Growth Kansas, 6-State Region, U.S. January 1999 - February 2009



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



Indicators of the Kansas Economy Unemployment and Unemployment Rate

Mar-09

Short-Term (2008 to 2009)

- Kansas unemployment up 34,336 (58.7%)
- 6-State Region unemployment up 288,056 (54.0%)
- U.S. unemployment up 5,746,000 (72.2%)

- Kansas unemployment rate up (2.2%)
- 6-State Region unemployment rate up (2.5%)
- U.S. unemployment rate up (3.7%)

Long-Term (1999 to 2009)

- Kansas unemployment up 45,457 (96.0%)
- 6-State Region unemployment up 425,413 (107.5%)
- U.S. unemployment up 7,136,000 (108.7%)

- Kansas unemployment rate up (2.8%)
- 6-State Region unemployment rate up (3.5%)
- U.S. unemployment rate up (4.2%)

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.

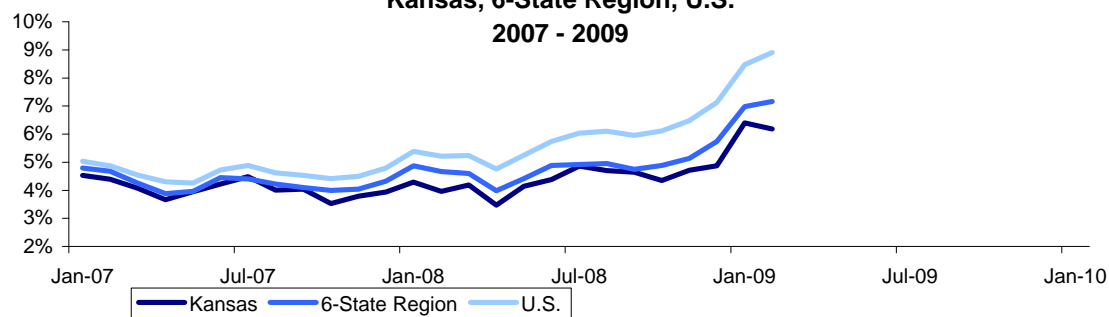
The unemployment rate contains a seasonal component, it rises during summer as new high school and college graduates enter the civilian labor force and in January, when retailers lay off holiday employees. The unemployment rate also contains a business cycle component, rising during recessionary periods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

Source: 2009 monthly data
U.S. Department of Labor - Bureau of Labor Statistics
Kansas Department of Labor - Labor Market Information

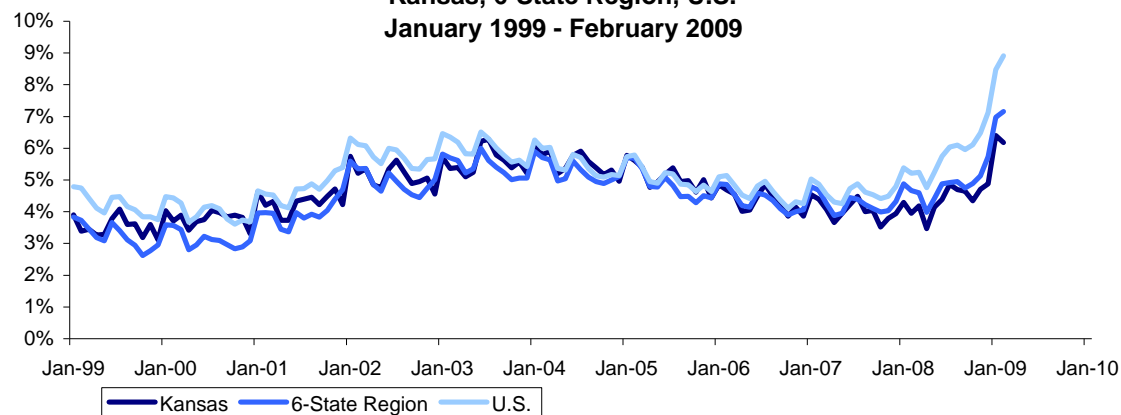
Unemployment and Unemployment Rate (all employees)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	92,826	58,490	84,306	47,369	58.7%	10.1%	96.0%
6-State Region	821,135	533,079	627,505	395,722	54.0%	30.9%	107.5%
U.S.	13,699,000	7,953,000	8,770,000	6,563,000	72.2%	56.2%	108.7%
Kansas (%)	6.2%	4.0%	5.8%	3.4%	2.2%	0.4%	2.8%
6-State Region (%)	7.2%	4.7%	5.7%	3.7%	2.5%	1.5%	3.5%
U.S. (%)	8.9%	5.2%	6.0%	4.7%	3.7%	2.9%	4.2%

Unemployment Rate
Kansas, 6-State Region, U.S.
2007 - 2009



Unemployment Rate
Kansas, 6-State Region, U.S.
January 1999 - February 2009



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

Short-Term (2008 to 2009)

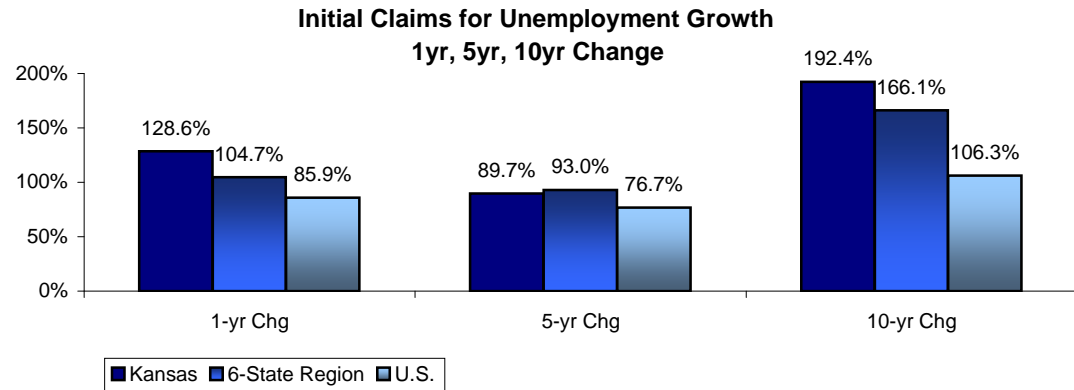
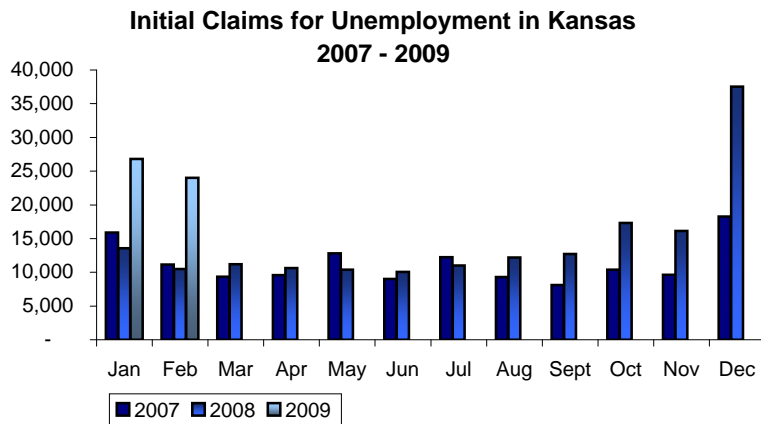
- Kansas initial claims up 13,516 (128.6%)
- 6-State Region initial claims up 86,810 (104.7%)
- U.S. initial claims up 1,192,543 (85.9%)

Long-Term (1999 to 2009)

- Kansas initial claims up 15,807 (192.4%)
- 6-State Region initial claims up 105,961 (166.1%)
- U.S. initial claims up 1,329,751 (106.3%)

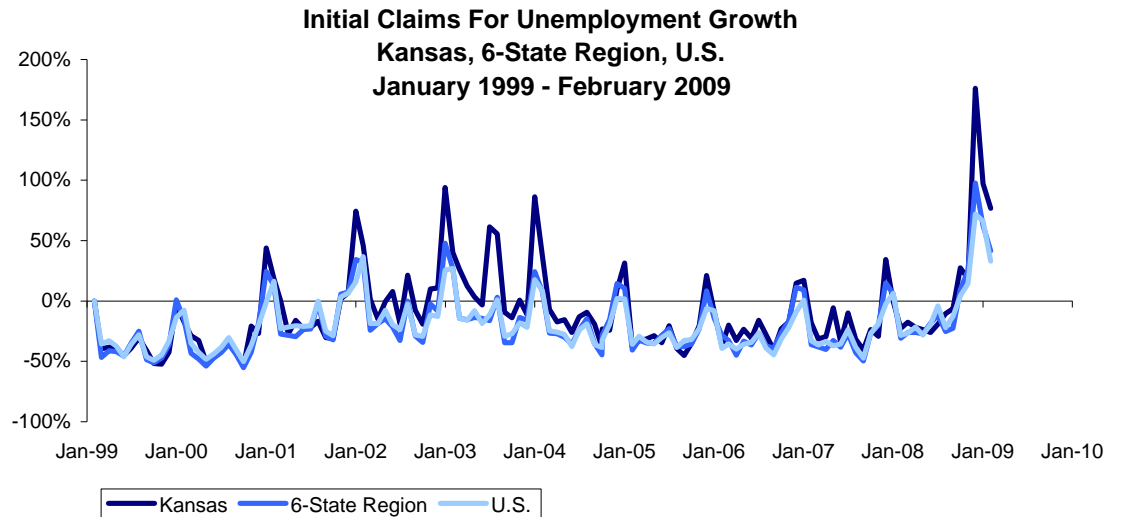
Initial Claims for Unemployment
(all employees)

	Feb-09	Feb-08	Feb-04	Feb-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	24,024	10,508	12,661	8,217	128.6%	89.7%	192.4%
6-State Region	169,760	82,950	87,968	63,799	104.7%	93.0%	166.1%
U.S.	2,580,880	1,388,337	1,460,469	1,251,129	85.9%	76.7%	106.3%



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.





Indicators of the Kansas Economy Private Industry Wage Levels

Mar-09

Short-Term (2007 to 2008)

- Kansas private industry wage level up \$745 (2.0%)
- 6-State Region private industry wage level up \$531 (1.4%)
- U.S. private industry wage level up \$878 (2.0%)

Mid-Term (2003 to 2008)

- Kansas private industry wage level up \$6,530 (20.5%)
- 6-State Region private industry wage level up \$6,053 (19.0%)
- U.S. private industry wage level up \$7,732 (20.6%)

2008 (p) Private Industry Wage Levels

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

State	Annual Wage
Kansas	\$ 38,324
Arkansas	\$ 33,852
Colorado	\$ 46,592
Iowa	\$ 35,594
Missouri	\$ 39,676
Nebraska	\$ 34,996
Oklahoma	\$ 36,348

(p) - preliminary; 2008 1st, 2nd quarter avg weekly wage multiplied by 52 weeks

About the data and graphs

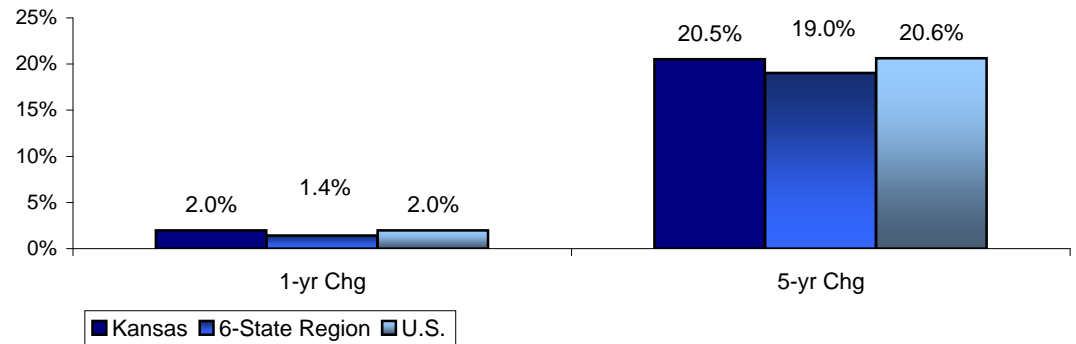
The Quarterly Census of Employment and Wages Program is a cooperative program involving the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor and the State Employment Security Agencies (SESAs). The QCEW program produces a comprehensive tabulation of employment and wage information for 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 Levels

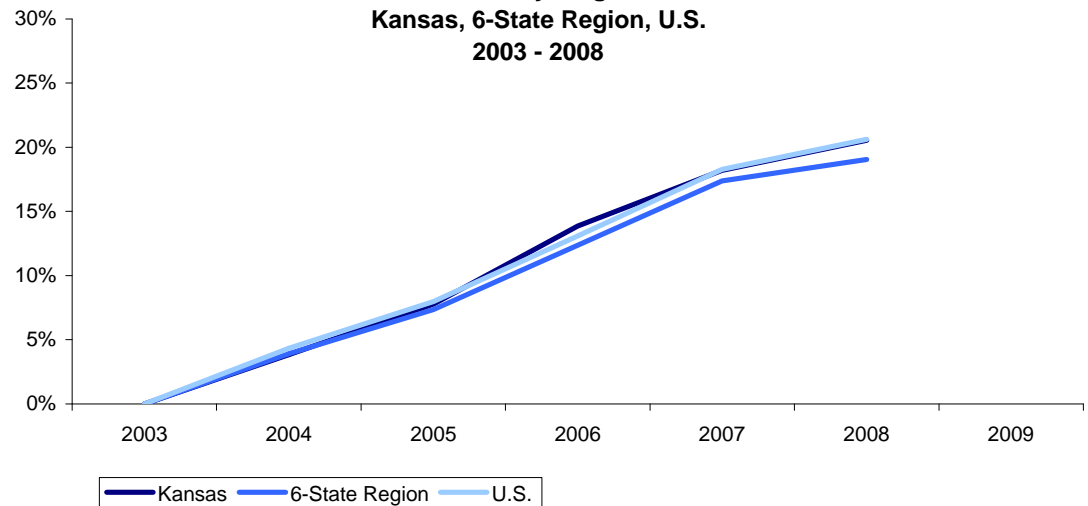
(average annual wages, all employees, all private establishments)

	2008 (p)	2007	2003	1-yr Chg	5-yr Chg
Kansas	\$ 38,324	\$ 37,579	\$ 31,794	2.0%	20.5%
6-State Region	\$ 37,843	\$ 37,312	\$ 31,790	1.4%	19.0%
U.S.	\$ 45,240	\$ 44,362	\$ 37,508	2.0%	20.6%

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



Private Industry Wage Growth Kansas, 6-State Region, U.S. 2003 - 2008



Source: 2007 annual data, 2008 quarterly 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

Mar-09

Short-Term (2007 to 2008)

- Kansas total establishments up 1,395 (1.8%)
- 6-State Region total establishments up 9,743 (1.5%)
- U.S. total establishments up 177,144 (2.1%)

Mid-Term (2003 to 2008)

- Kansas total establishments up 3,821 (5.0%)
- 6-State Region total establishments up 54,766 (9.1%)
- U.S. total establishments of 827,696 (10.4%)

Kansas Private Establishment Data

(total private establishments, by employee size)

Year	1-9	10-49	50-99	100+
2003	57,922	15,236	1,955	1,563
2004	56,780	15,216	1,995	1,578
2005	57,852	15,206	2,029	1,599
2006	59,890	15,209	2,057	1,662
2007	59,748	15,549	2,114	1,691
2008 (p)	60,992	15,682	2,110	1,713
1-yr Chg	2.1%	0.9%	-0.2%	1.3%
5-yr Chg	5.3%	2.9%	7.9%	9.6%

(p) - preliminary

About the data and graphs

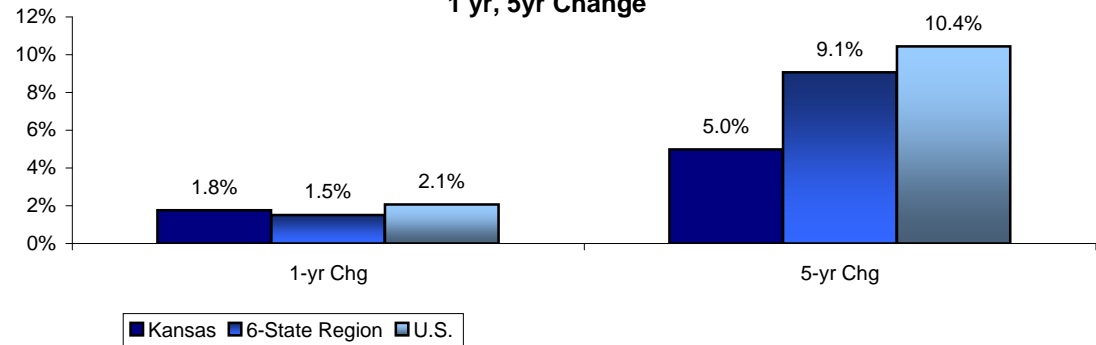
According to the U.S. Small Business Administration, small businesses provide approximately 75 percent of the net new jobs added to the economy and employ 50.1 percent of the private work force. This data tracks the number of business establishments by employee size to help understand what size businesses 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

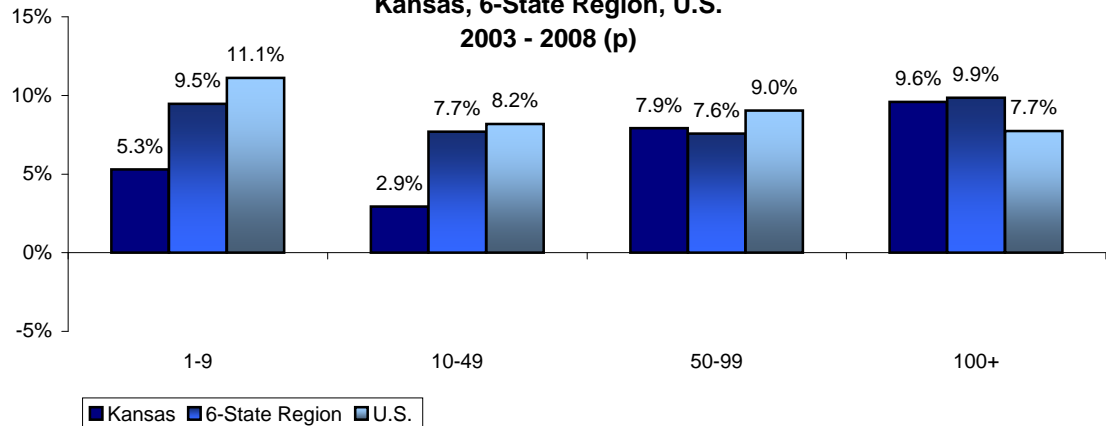
(total private establishments, all employee sizes)

	2008 (p)	2007	2003	1-yr Chg	5-yr Chg
Kansas	80,497	79,102	76,676	1.8%	5.0%
6-State Region	658,535	648,792	603,769	1.5%	9.1%
U.S.	8,750,038	8,572,894	7,922,342	2.1%	10.4%

Private Establishment Growth 1 yr, 5yr Change



Private Establishment Growth by Employee Size Kansas, 6-State Region, U.S. 2003 - 2008 (p)



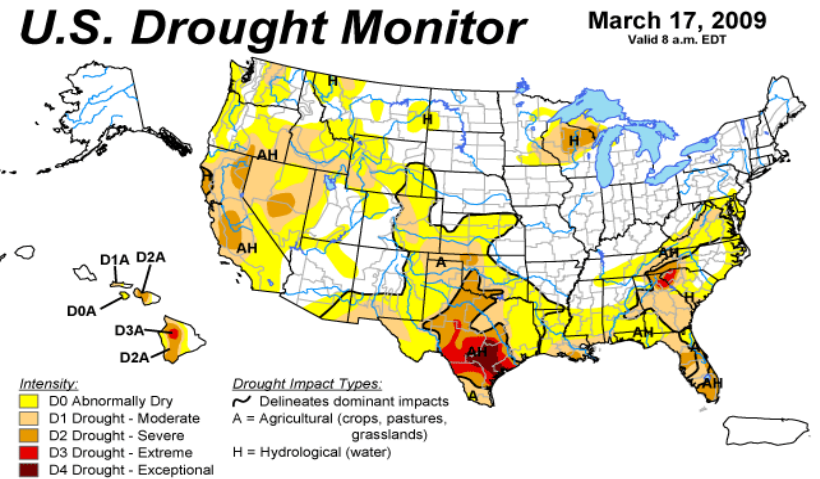
Source: 2008 annual data
U.S. Department of Labor - Bureau of Labor Statistics
Kansas Department of Labor - Labor Market Information

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

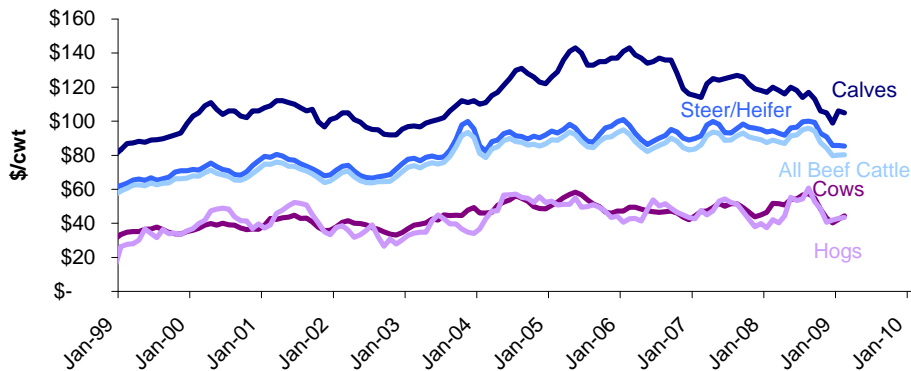
(3/2/2009 USDA Agricultural Prices) KANSAS: The February **All Farm Products Index of Prices Received** by Kansas farmers, at 116 percent of the 1990-92 base, is down 16 points from January and down 26 points from February 2008. The **All Crops Index** in February, at 167 percent of the 1990-92 base, is down 15 points from January and down 87 points from 2008. The **Meat Animals Index**, at 108 percent of the 1990-92 base, is unchanged from January but 11 points below last year.

Wheat prices in mid-February, at \$5.04 per bushel, is down 75 cents from January and down \$5.26 from last February. **Corn** prices in mid-February, at \$3.90 per bushel, is down 24 cents from January and 96 cents below last February. Farmers received an average of \$4.90 per cwt. for **sorghum grain** in mid-February, down 50 cents from January and \$3.57 below last February. **Soybean** prices, at \$8.89 per bushel in mid-February, is down 49 cents from January and \$3.21 below last February. **All hay** prices averaged \$108.00 per ton in mid-February, down \$6.00 from January but \$16.00 higher than last year. **Alfalfa hay** averaged \$121.00 per ton, down \$11.00 from January but \$18.00 higher than last February. **Other hay**, at \$78.00 per ton, is down \$4.00 from January but \$4.00 above last February.

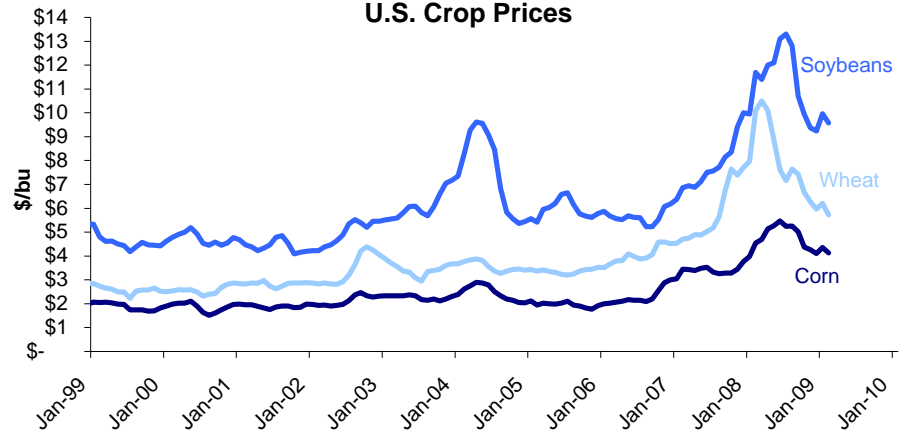
All beef cattle is bringing an average of \$83.40 per cwt. in mid-February, up 30 cents from January but \$9.00 below the price from last February. **Cow** prices, at \$46.20 per cwt., is up \$2.20 from January but \$6.70 below the price from last February. **Steers and heifers** averaged \$84.50 per cwt., down 20 cents from January and \$9.10 below February 2008. **Calf** prices in mid-February is \$114.00 per cwt., up \$1.00 from January but down \$12.00 from February 2008. The **all hog** price of \$39.20 per cwt. for mid-February is up 60 cents from January and up \$2.60 from last February. **Sow** prices averaged \$45.60, down 80 cents from January but \$21.30 higher than February 2008. **Barrow and gilt** prices averaged \$38.20 per cwt. in mid-February, up 80 cents from January but 20 cents below last February.



U.S. Livestock Prices



U.S. Crop Prices



Source: 2009 monthly data
 United States Department of Agriculture - NASS
 National Drought Mitigation Center

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



Indicators of the Kansas Economy
Kansas Farm Management Association Data

Mar-09

Short-Term (2007)

- 1,453 farms reported farm operation data to KFMA
- KFMA farms averaged \$407,787 in value of farm production
- \$292,752 in total farm expense
- KFMA average net farm income was \$115,035
- NW region had the highest net farm income at \$233,000
- NC region had the lowest net farm income at \$81,288

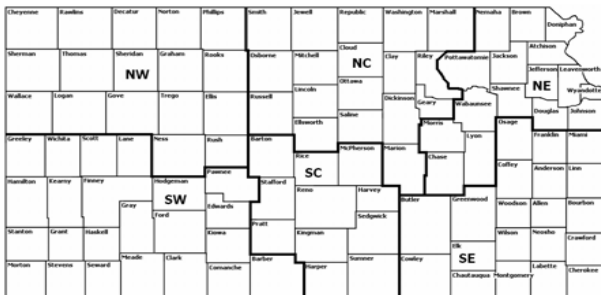
Long-Term (1997 to 2007)

- KFMA average net farm income varies widely from year to year
- 5-yr average net farm income was \$66,453
- 10-yr average net farm income was \$47,783

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. Membership in the KFMA program includes over 2,500 farms and over 3,200 families.

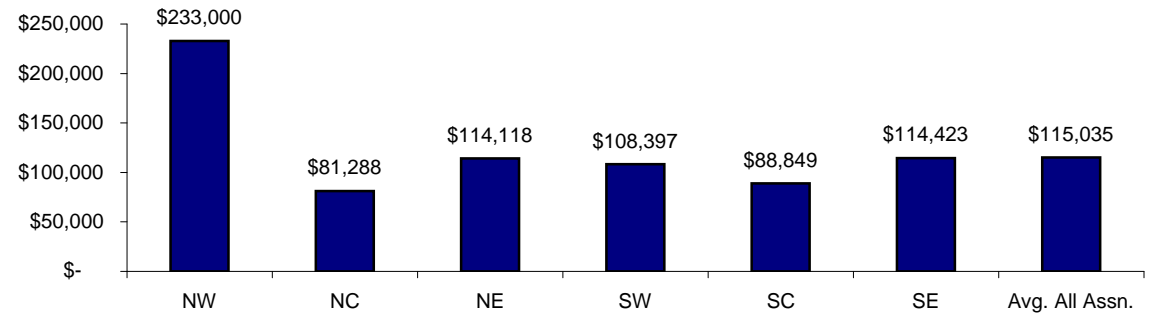
The goals of the KFMA program are to provide each member with information about business and family costs to improve farm business organization, farm business decisions, and farm profitability; and minimize risk. Through on-farm visits, whole-farm analysis, and other educational programs, Association 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.



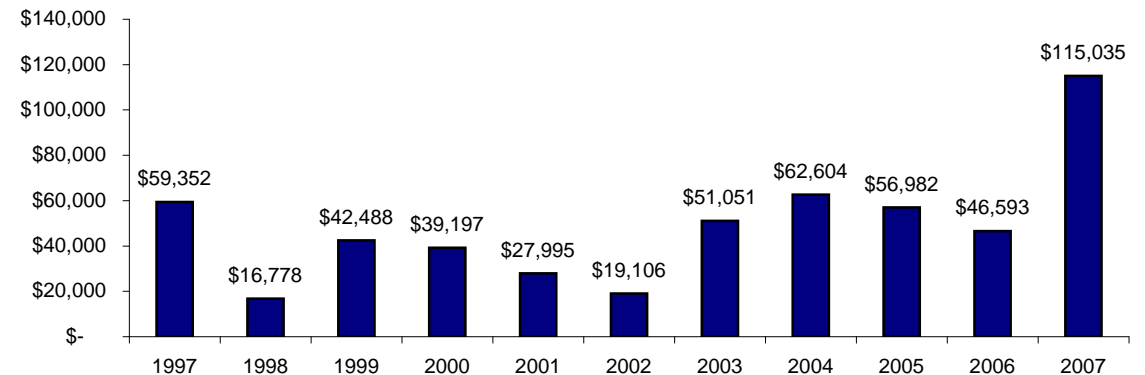
KFMA Average Net Farm Income by Region

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2006	\$ 58,517	\$ 40,742	\$ 52,259	\$ 21,779	\$ 57,960	\$ 40,026	\$ 46,593
2007	\$ 233,000	\$ 81,288	\$ 114,118	\$ 108,397	\$ 88,849	\$ 114,423	\$ 115,035
5-yr avg	\$ 92,847	\$ 53,655	\$ 70,145	\$ 44,242	\$ 55,936	\$ 75,656	\$ 66,453
10-yr avg	\$ 64,736	\$ 40,186	\$ 46,034	\$ 37,384	\$ 41,427	\$ 54,470	\$ 47,783

2007 Kansas Farm Management Association
Average Net Farm Income by Region



Kansas Farm Management Association
Average Net Farm Income
1997 - 2007



Source: 2007 annual data
 Kansas State University - Kansas Farm Management Association



Indicators of the Kansas Economy Oil Production and Price

Mar-09

Short-Term (2007 to 2008)

- Kansas oil production up 80,381 bbl (2.5%)
- Oil price down \$37.5 (-39.5%)

Long-Term (1998 to 2008)

- Kansas oil production up 535,461 bbl (19.7%)
- Oil price up \$44.3 (340.8%)

2008 Oil Production/Price

Month	Production*	Price	Month	Production*	Price
January	3,385,248	\$ 92.97	July	3,200,166	\$ 133.37
February	3,053,144	\$ 95.39	August	3,408,310	\$ 116.67
March	3,284,595	\$ 105.45	September	3,467,249	\$ 104.11
April	3,240,119	\$ 112.58	October	3,416,698	\$ 76.61
May	3,243,886	\$ 125.40	November	3,250,876	\$ 57.31
June	3,204,038	\$ 133.88	December		\$ 41.12

2009 Oil Production/Price

Month	Production*	Price
January		\$ 41.71
February		\$ 39.09

* 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. CO₂ 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).

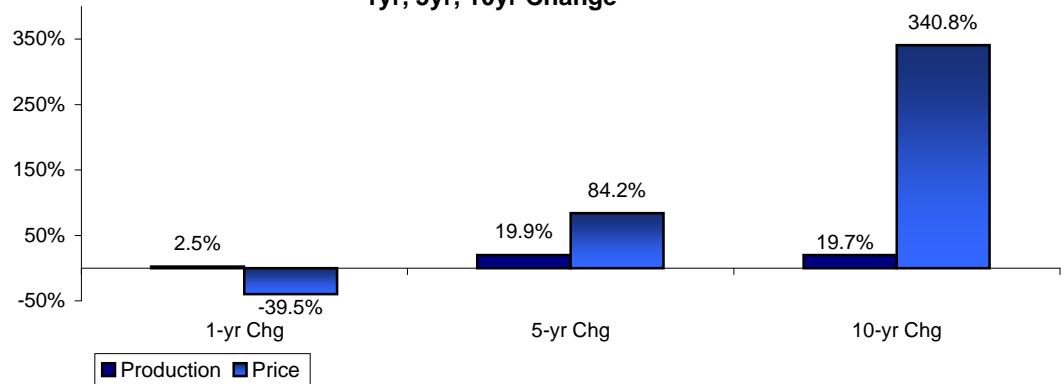
Source: 2009 monthly data
Kansas Geological Survey
Energy Information Administration

Oil Production* and Price

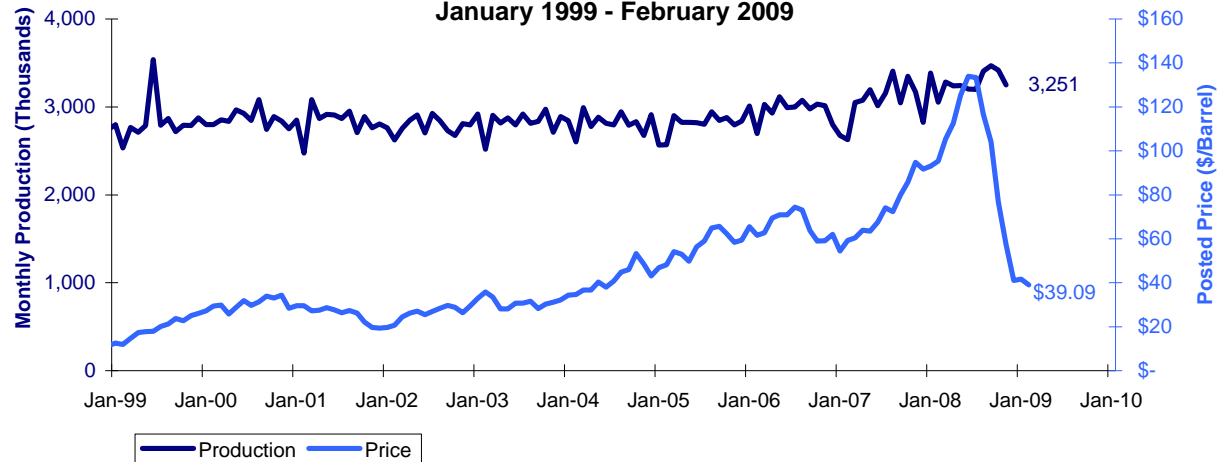
(most recent month of both production and price information)

	Nov-08	Nov-07	Nov-03	Nov-98	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,250,876	3,170,495	2,710,872	2,715,415	2.5%	19.9%	19.7%
Price (\$/bbl)	\$ 57.31	\$ 94.77	\$ 31.11	\$ 13.00	-39.5%	84.2%	340.8%

Oil Production and Price Growth 1yr, 5yr, 10yr Change



Oil Production and Price January 1999 - February 2009



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



Indicators of the Kansas Economy Natural Gas Production and Price

Mar-09

Short-Term (2007 to 2008)

- Kansas natural gas production up 1,381,277 mcf (4.4%)
- Natural gas price down \$0.4 (-6.3%)

Long-Term (1998 to 2008)

- Kansas natural gas production down 16,655,813 mcf (-33.8%)
- Natural gas price up \$4.0 (207.7%)

2008 Natural Gas Production/Price

Month	Production*	Price	Month	Production*	Price
January	31,771,591	\$ 6.99	July	32,309,665	\$ 10.62
February	30,038,586	\$ 7.55	August	32,214,206	\$ 8.32
March	32,241,946	\$ 8.29	September	31,116,816	\$ 7.27
April	30,980,281	\$ 8.94	October	31,926,109	\$ 6.36
May	30,597,281	\$ 9.81	November	32,691,926	\$ 5.97
June	30,966,474	\$ 10.82	December		\$ 5.87

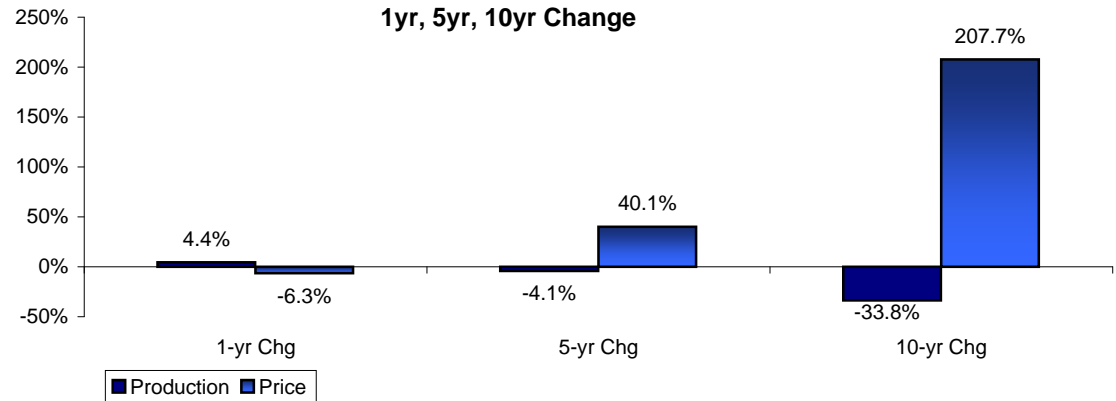
* Recent months production usually incomplete and revised upwards.

Natural Gas Production* and Price

(most recent month of both production and price information)

	Nov-08	Nov-07	Nov-03	Nov-98	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	32,691,926	31,310,649	34,096,324	49,347,739	4.4%	-4.1%	-33.8%
Price (\$/mcf)	\$ 5.97	\$ 6.37	\$ 4.26	\$ 1.94	-6.3%	40.1%	207.7%

Natural Gas Production and Price Growth 1yr, 5yr, 10yr Change

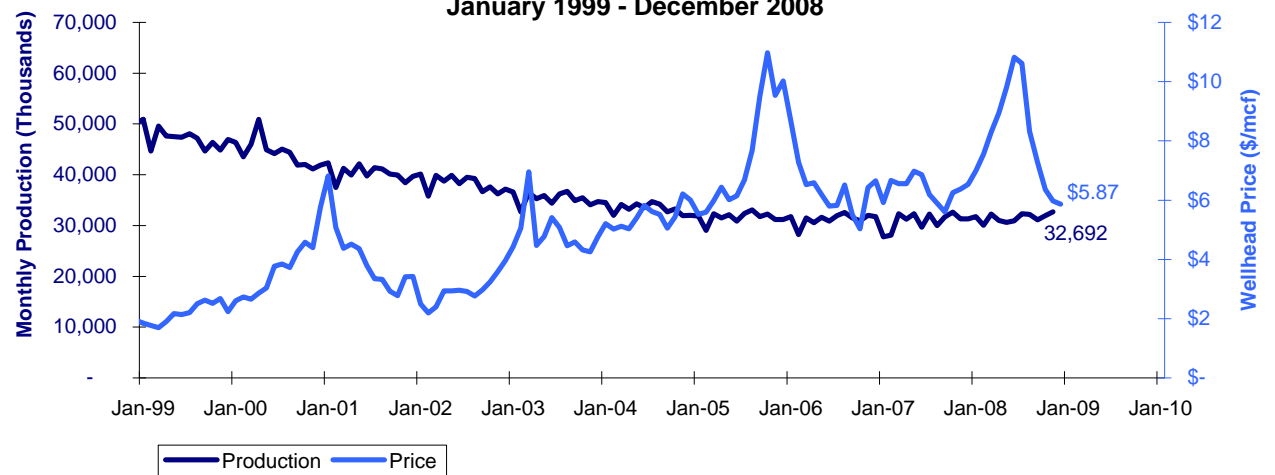


About the data and graphs

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 wellhead price, the value at the mouth of the well. The amount of natural gas produced is measured in Mcf's (thousand cubic feet).

Natural Gas Production and Price January 1999 - December 2008



Source: 2009 monthly data
Kansas Geological Survey
Energy Information Administration

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

March 4, 2009 - Tenth District - Kansas City - Economic conditions in the Tenth District continued to deteriorate in January and early February. Consumers retrenched further, shying away from durable goods and curtailing restaurant dining and travel. Manufacturing activity and capital spending weakened further, and the decline in real estate activity intensified as construction weakened further and home prices maintained their downward trend. Energy activity dampened significantly as drilling waned and rig counts hit five-year lows. Farm incomes declined with crop and livestock prices. Lack of demand and wide availability put downward pressure on prices of raw materials and finished goods, but wages and salaries remained steady.

Consumer Spending - Retail sales were lower in January and early February, and a plurality of retailers reported lower sales than expected. Sales declines were broad-based, but sales of durables such as home furnishings, lawn and garden equipment, and appliances were especially weak. Expectations were for continued sluggishness in retail sales in the near term. Mall traffic was down, as were sales in most stores. Most auto dealers reported sales declines and expected sales to retrench further over the next few months. Used cars were selling well, while sales of new cars and large vehicles were down significantly. Auto dealers continued to note tight credit conditions. Hotels unanimously reported lower occupancy rates over the previous month and airline traffic was slower in many cities; however, some recreational venues such as zoos and botanical gardens saw modest improvement, suggesting that consumers may be keeping their entertainment dollars local. Restaurant sales were down across the board.

Manufacturing and Other Business Activity - Manufacturing and other business activity contracted further in January and February with some reports of businesses closing or consolidating. Finished goods inventories shrank significantly as factories cut production. Shipments and new orders slowed since the last survey period, but a few firms reported stable or improved sales. Export orders eased slightly and were expected to slow further. Many firms have put capital spending on hold due to weak demand and difficulty obtaining financing. Both the number of workers and weekly hours were lower in most manufacturing enterprises. High-technology services was a bright spot in the District economy in January and early February. About half of contacts reported increased activity. The transportation sector continued to weaken. Most of the sustained activity was in the transport of staple products, especially food, and goods targeted to discount retailers.

Real Estate and Construction - All surveyed Realtors reported declines in home prices in January and early February, and most noted declines in sales, especially for higher-end homes. Modest improvements in sales were expected in the next three months, but Realtors expected prices to continue on their downward spiral. Although bargain prices and lower interest rates spurred some buyers to the real estate market, other potential homebuyers were waiting on the sidelines, hoping for additional government incentives. Mortgage lending was up, due largely to refinancing. Commercial construction continued to weaken significantly in January and early February, and industry professionals were pessimistic about the future. Vacancy rates were higher and absorption rates and rents were lower. Credit to commercial construction enterprises remained tight.

Banking - Bankers reported a decline in loan demand, an increase in deposits, and a modestly improved outlook for loan quality since the last survey. Demand fell for commercial and industrial loans, commercial real estate loans, and consumer installment loans. Banks continued to report tighter credit standards on commercial and industrial loans, commercial real estate loans, and consumer installment loans. Standards on residential real estate loans were generally unchanged. Assessments of current loan quality were similar to the last survey, but expectations for future loan quality improved modestly. Most respondents reported increases in deposits.

Energy - Drilling activity continued its downward trend in January and early February in the face of declining prices. All contacts expected drilling activity to fall further in the future, despite expectations of higher prices for crude oil. Contacts were split on expectations of future natural gas prices. The District rig count was down dramatically, reaching its lowest level since late 2003.

Agriculture - Agricultural conditions varied with precipitation levels in late January and February. The winter wheat crop was reported in good condition throughout Nebraska and Kansas due to adequate moisture while crop conditions deteriorated in dry areas of Oklahoma. Lack of moisture also eroded pasture conditions and limited winter forage for livestock. Farm incomes declined with lower crop and livestock prices. Loan renewals and extensions increased as some farmers decided to wait for crop prices to rebound before marketing remaining inventories. District contacts reported softer loan demand for real estate and capital purchases but expected an increase in operating loans as input costs remained elevated. Farmland values declined amid weaker farm incomes and softer demand from off-farm investors.

Wages and Prices - Hiring retrenched in January and early February as businesses struggled to contain costs and respond to faltering demand in the slowing economy. Nevertheless, wages and salaries held steady. Prices continued to ease. Raw materials were widely available for construction and manufacturing enterprises, which put downward pressure on input prices, especially for lumber. Manufacturers reported reduced prices for finished goods, and retailers largely reported lower prices as well.

About the data *The Summary of Commentary on Current Economic Conditions by Federal Reserve District, commonly known as the "Beige Book," is published eight times each year. 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.*

Kansas, Inc.

Created by the Legislature in 1986, Kansas, Inc. is an independent, objective, and non-partisan organization designed to conduct economic development research and analysis with the goal of crafting policies and recommendations to ensure the state's ongoing competitiveness for economic growth. To attain our mission, Kansas, Inc. undertakes these primary activities: 1) Identifying, building, and promoting a Strategic Plan for economic development efforts in the State of Kansas; 2) To complement the Strategic Plan, Kansas, Inc. develops and implements a proactive and aggressive research agenda, which is used to identify and promote sound economic development strategies and policies; 3) Through collaboration and outreach with economic development entities and other potential partners, Kansas, Inc. conducts evaluation reviews and provides oversight of economic development programs to benchmark development efforts in the State of Kansas.

Co-Chaired by the Governor, Kansas, Inc. is governed by a 17-member Board of Directors. Board members, as mandated by legislation, include four members of Legislative leadership, a representative from the Board of Regents, the Secretary of Commerce, the Commanding General of the Kansas Cavalry, a representative from labor, and eight members from the private sector representing key Kansas industrial sectors. Private sector members are appointed by the Governor and confirmed by the Kansas Senate.

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