

# Indicators of the Kansas Economy (IKE)

Prepared by



*March 2010*





## *Indicators of the Kansas Economy Data Book*

*Mar-10*

### 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

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### Employment and Unemployment

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
<b>Total Nonfarm Employment</b> (all employees, thousands)							
Kansas	1,311.5	1,355.2	1,315.3	1,320.0	-3.2%	-0.3%	-0.6%
<b>Private Sector Employment</b> (all employees, thousands)							
Kansas	1,045.0	1,089.0	1,061.1	1,077.4	-4.0%	-1.5%	-3.0%
<b>Manufacturing Employment</b> (all employees, thousands)							
Kansas	160.5	178.1	178.4	201.0	-9.9%	-10.0%	-20.1%
<b>Service Employment</b> (all employees, thousands)							
Kansas	826.0	847.1	819.4	809.9	-2.5%	0.8%	2.0%
<b>Public Sector Employment</b> (all employees, thousands)							
Kansas	266.5	266.2	254.2	242.6	0.1%	4.8%	9.9%
<b>Unemployment Rate</b> (%)							
Kansas	6.8%	6.2%	5.6%	3.7%	0.6%	1.2%	3.1%
<b>Initial Claims for Unemployment</b> (all employees)							
Kansas	16,671	24,024	8,444	9,699	-30.6%	97.4%	71.9%

### Wages/Entrepreneurship

<b>Private Establishment Data</b> (total private establishments, all employee sizes)					
	2009 (p)	2008	2004	1-yr Chg	5-yr Chg
Kansas	81,816	80,276	75,569	1.9%	8.3%
<b>Private Industry Wage Levels</b> (average annual wages, all employees, all private establishments)					
	2009 (p)	2008	2004	1-yr Chg	5-yr Chg
Kansas \$	37,440	37,579	31,794	-0.4%	17.8%

### Energy

<b>Oil Production and Price</b> (most recent month of production and price)							
	Nov-09	Nov-08	Nov-04	Nov-99	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,255,854	3,294,801	2,676,284	2,786,337	-1.2%	21.7%	16.9%
Price (\$/bbl) \$	77.99	57.31	48.47	25.00	36.1%	60.9%	212.0%

<b>Natural Gas Production and Price</b> (most recent month of production and price)							
	Nov-09	Nov-08	Nov-04	Nov-99	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	28,643,388	31,292,913	31,954,025	44,829,572	-8.5%	-10.4%	-36.1%
Price (\$/mcf) \$	3.64	5.97	6.21	2.68	-39.0%	-41.4%	35.8%

### Agriculture

<b>KFMA Average Net Farm Income by Region</b>								
Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.	
2007 \$	233,000	81,288	114,118	108,397	88,849	114,423	\$ 115,035	
2008 \$	150,935	101,573	115,877	81,546	133,778	132,962	\$ 123,397	
5-yr avg \$	111,037	63,468	85,594	53,086	73,966	89,618	\$ 80,922	
10-yr avg \$	74,781	48,867	56,404	42,410	53,190	67,420	\$ 58,445	

### General Economic Data

<b>Population</b>								
	2009	2008	2004	1999	1-yr Chg	5-yr Chg	10-yr Chg	
Kansas	2,818,747	2,797,375	2,730,765	2,678,338	0.8%	3.2%	5.2%	

<b>Gross State Product</b> (millions of current dollars)								
	2008	2007	2003	1998	1-yr Chg	5-yr Chg	10-yr Chg	
Kansas	122,731	116,986	93,560	76,005	4.9%	31.2%	61.5%	
6-State Region	950,154	906,636	728,919	584,370	4.8%	30.4%	62.6%	
U.S.	14,165,565	13,715,741	10,886,172	8,679,657	3.3%	30.1%	63.2%	

<b>Personal Income Estimates</b> (millions of dollars)								
	2009	2008	2004	1999	1-yr Chg	5-yr Chg	10-yr Chg	
Kansas	106,875	108,779	87,171	71,848	-1.8%	22.6%	48.8%	
6-State Region	822,653	834,566	675,172	532,441	-1.4%	21.8%	54.5%	
U.S.	12,015,535	12,225,589	9,928,790	7,906,131	-1.7%	21.0%	52.0%	

<b>Per Capita Personal Income Estimates</b> (\$)								
	2009	2008	2004	1999	1-yr Chg	5-yr Chg	10-yr Chg	
Kansas	37,916	38,886	31,922	26,826	-2.5%	18.8%	41.3%	
6-State Region	36,511	37,382	31,432	25,668	-2.3%	16.2%	42.2%	
U.S.	39,138	40,166	33,881	28,333	-2.6%	15.5%	38.1%	

<b>Consumer Price Index</b>								
	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg	
Midwest Urban	206.6	201.5	185.2	165.9	2.5%	11.6%	24.5%	
U.S. City Average	216.7	212.2	191.8	169.8	2.1%	13.0%	27.6%	

<b>Chicago Fed National Activity Index (CFNAI)</b>							
	Feb-10	Jan-10	Dec-09	Nov-09	Oct-09	Sep-09	Feb-09
CFNAI	(0.64)	(0.04)	(0.50)	0.14	(0.90)	(0.93)	(4.14)

<b>Building Permits</b> (new privately owned housing units authorized)								
	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg	
Kansas	238	276	970	1,499	-13.8%	-75.5%	-84.1%	

<b>Sales Tax Collections</b> (\$)								
	Nov-09	Nov-08	Nov-04	Nov-99	1-yr Chg	5-yr Chg	10-yr Chg	
Kansas	146,044,688	157,659,964	142,481,699	115,098,838	-7.4%	2.5%	26.9%	



*Indicators of the Kansas Economy  
Variables*

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**IKE - Variables**

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**Short-Term (2008 to 2009)**

- Kansas population up 21,372 (0.8%)
- 6-State Region population up 214,030 (1.0%)
- U.S. population up 2,631,704 (0.9%)

**Long-Term (1999 to 2009)**

- Kansas population up 140,409 (5.2%)
- 6-State Region population up 1,893,932 (9.2%)
- U.S. population up 27,966,382 (10.0%)

**2009 Population Estimates**

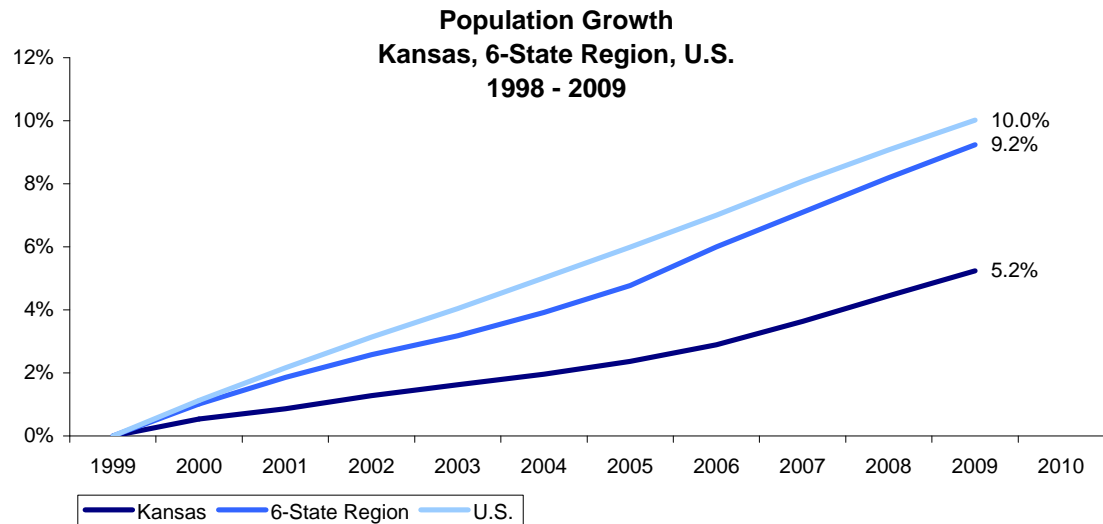
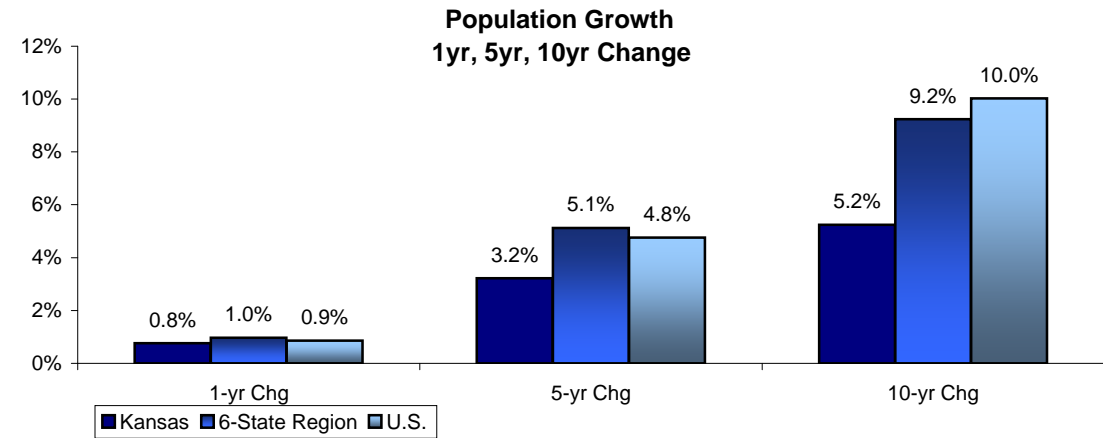
Region	Population
Kansas	2,818,747
Arkansas	2,889,450
Colorado	5,024,748
Iowa	3,007,856
Missouri	5,987,580
Nebraska	1,796,619
Oklahoma	3,687,050
6-State Region	22,393,303
U.S.	307,006,550

**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**

	2009	2008	2004	1999	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,818,747	2,797,375	2,730,765	2,678,338	0.8%	3.2%	5.2%
6-State Region	22,393,303	22,179,273	21,302,277	20,499,371	1.0%	5.1%	9.2%
U.S.	307,006,550	304,374,846	293,045,739	279,040,168	0.9%	4.8%	10.0%





## Indicators of the Kansas Economy Gross State Product

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### Short-Term (2007 to 2008)

- Kansas GSP up \$5,745 million (4.9%)
- 6-State Region GSP up \$43,518 million (4.8%)
- U.S. GSP up \$449,824 million (3.3%)

### Long-Term (1998 to 2008)

- Kansas GSP up \$46,726 million (61.5%)
- 6-State Region GSP up \$365,784 million (62.6%)
- U.S. GSP up \$5,485,908 million (63.2%)

### 2008 Gross State Product

(millions of current dollars)

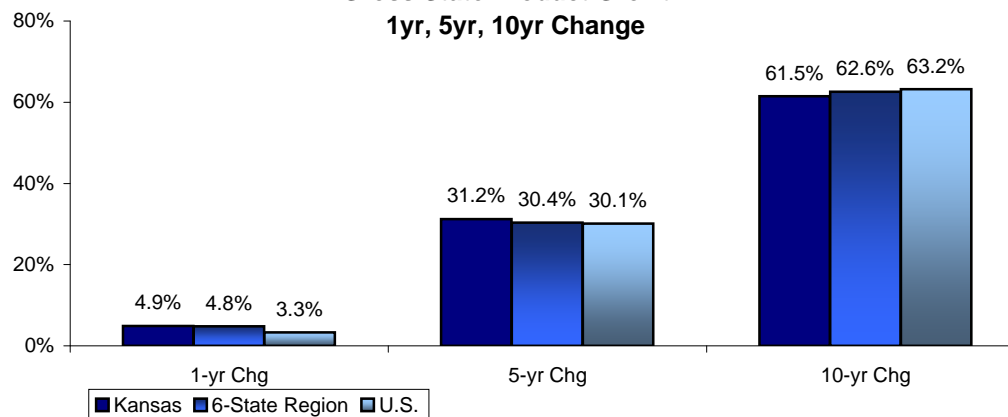
Region	Gross State Product	
Kansas	\$	122,731
Arkansas	\$	98,331
Colorado	\$	248,603
Iowa	\$	135,702
Missouri	\$	237,797
Nebraska	\$	83,273
Oklahoma	\$	146,448
6-State Region	\$	950,154
U.S.	\$	14,165,565

### Gross State Product (GSP)

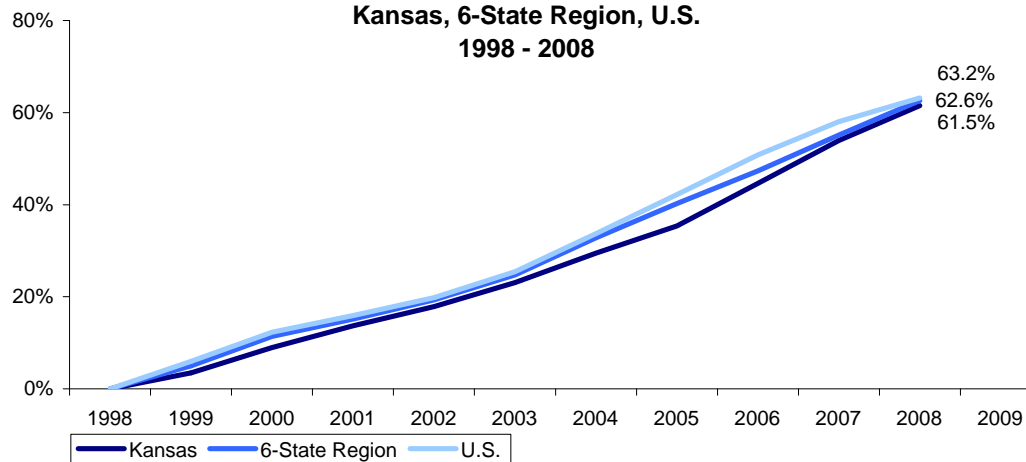
(millions of current dollars)

	2008	2007	2003	1998	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	122,731	116,986	93,560	76,005	4.9%	31.2%	61.5%
6-State Region	950,154	906,636	728,919	584,370	4.8%	30.4%	62.6%
U.S.	14,165,565	13,715,741	10,886,172	8,679,657	3.3%	30.1%	63.2%

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



### Gross State Product Growth Kansas, 6-State Region, U.S. 1998 - 2008



### 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.



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

Mar-10

### Short-Term (2008 to 2009)

- Kansas PI down \$1,904 million (-1.8%)
- 6-State Region PI down \$11,913 million (-1.4%)
- U.S. PI down \$210,054 million (-1.7%)

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- Kansas PCPI down \$970 (-2.5%)
- 6-State Region PCPI down \$871 (-2.3%)
- U.S. PCPI down \$1,028 (-2.6%)

### Long-Term (1999 to 2009)

- Kansas PI up \$35,027 million (48.8%)
- 6-State Region PI up \$290,212 million (54.5%)
- U.S. PI up \$4,109,404 million (52.0%)

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- Kansas PCPI up \$11,090 (41.3%)
- 6-State Region PCPI up \$10,843 (42.2%)
- U.S. PCPI up \$10,905 (38.1%)

### 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).

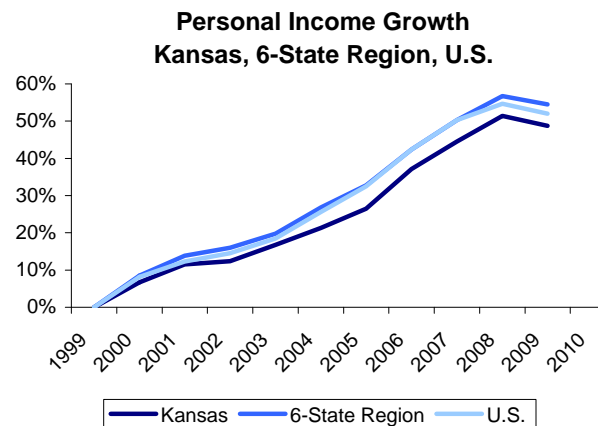
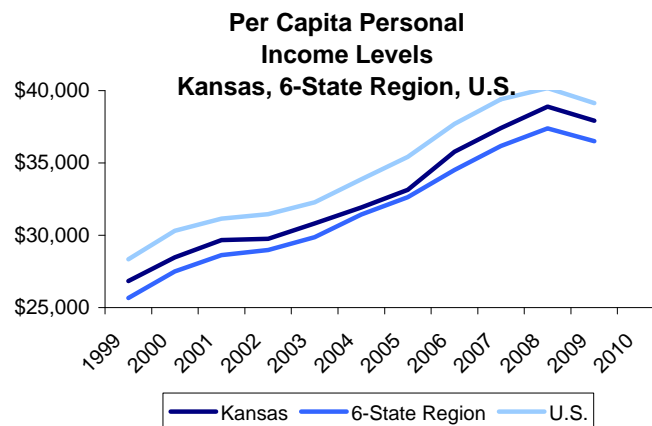
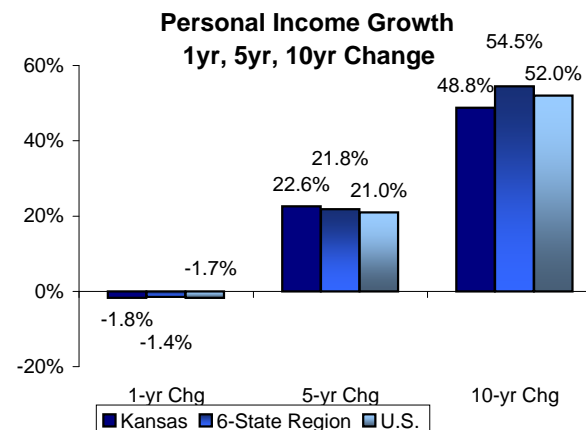
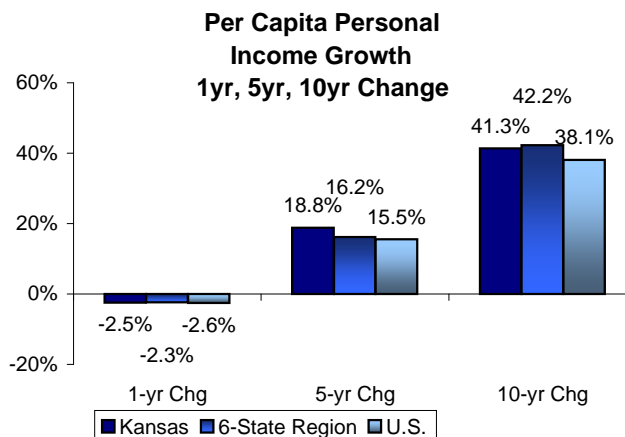
Source: 2009 annual data, 2009 quarterly data  
U.S. Department of Commerce - Bureau of Economic Analysis

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

	2009	2008	2004	1999	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	106,875	108,779	87,171	71,848	-1.8%	22.6%	48.8%
6-State Region	822,653	834,566	675,172	532,441	-1.4%	21.8%	54.5%
U.S.	12,015,535	12,225,589	9,928,790	7,906,131	-1.7%	21.0%	52.0%

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

	2009	2008	2004	1999	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	37,916	38,886	31,922	26,826	-2.5%	18.8%	41.3%
6-State Region	36,511	37,382	31,432	25,668	-2.3%	16.2%	42.2%
U.S.	39,138	40,166	33,881	28,333	-2.6%	15.5%	38.1%



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



## Indicators of the Kansas Economy Consumer Price Index

Mar-10

### Short-Term (2009 to 2010)

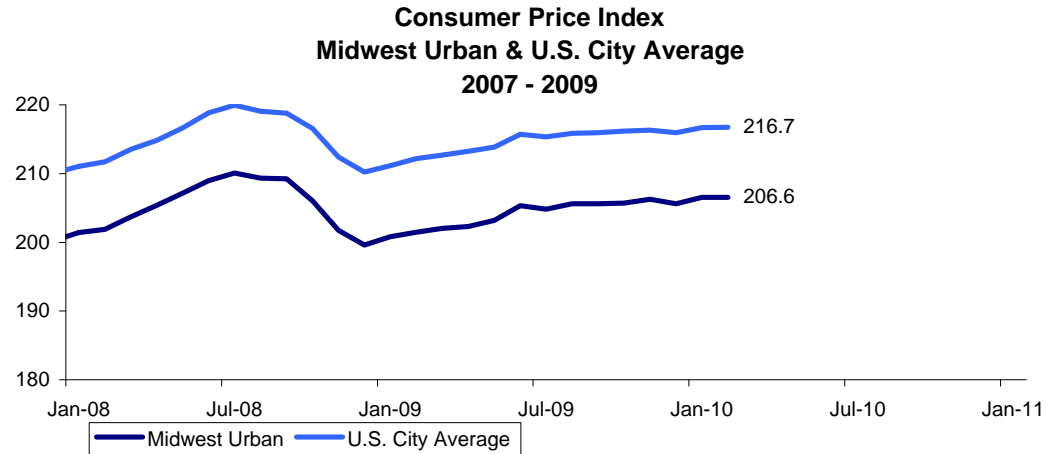
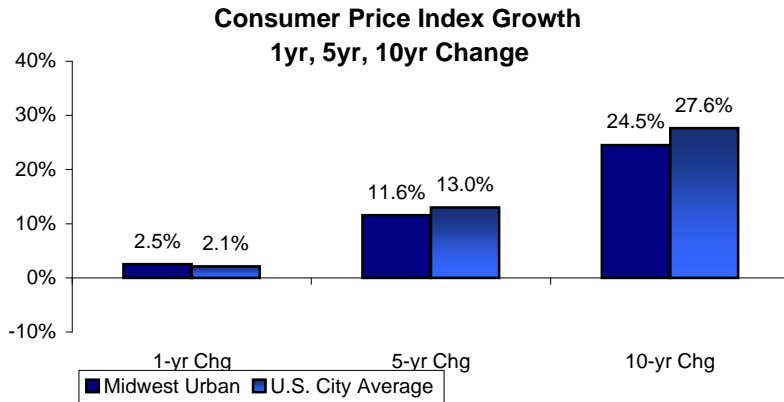
- Midwest Urban CPI up 5.1 (2.5%)
- U.S. City Average CPI up 4.5 (2.1%)

### Long-Term (2000 to 2010)

- Midwest Urban CPI up 40.7 (24.5%)
- U.S. City Average CPI up 46.9 (27.6%)

### Consumer Price Index (CPI)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	206.6	201.5	185.2	165.9	2.5%	11.6%	24.5%
U.S. City Average	216.7	212.2	191.8	169.8	2.1%	13.0%	27.6%

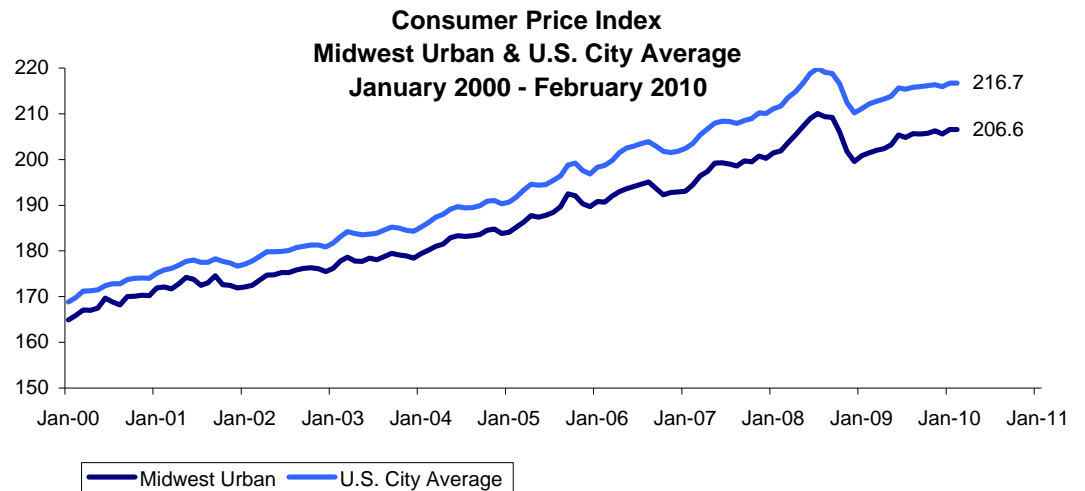


### About the data and graphs

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: 2010 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-10

### Short-Term (2010)

During February 2010, the CFNAI was -0.64, down from -0.04 in January. Three of the four broad categories deteriorated, and only the sales, orders, and inventories category made a positive contribution. Production-related indicators made a negative contribution of -0.08 to the index in February; employment-related indicators made a contribution of -0.16 in February; consumption and housing indicators made a contribution of -0.45 in February; and the sales, orders and inventories category made a contribution of 0.05 in February. Thirty-four of the 85 indicators made positive contributions to the index in February, while 51 made negative contributions. Forty indicators improved from February to January, while 45 deteriorated.

### Long-Term (1990 to 2010)

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

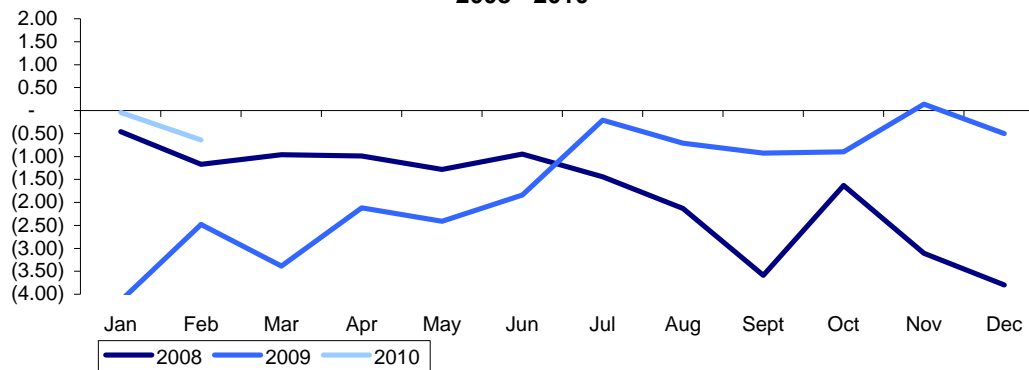
The performance of the U.S. economy has a major impact on the performance of the Kansas economy.

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.**

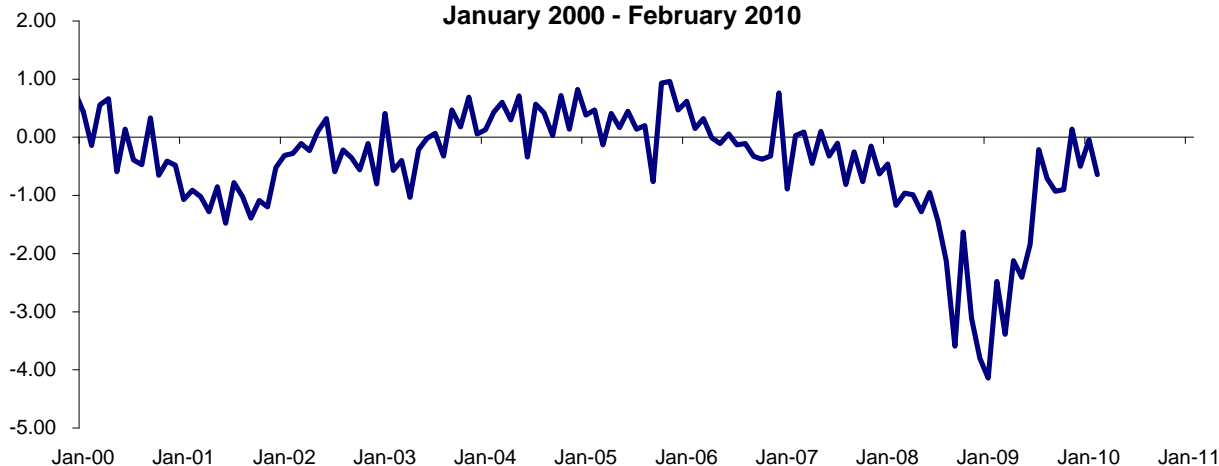
### CFNAI

	Feb-10	Jan-10	Dec-09	Nov-09	Oct-09	Sep-09	Feb-09
CFNAI	-0.64	-0.04	-0.50	0.14	-0.90	-0.93	-4.14

**Chicago Federal Reserve National Activity Index  
2008 - 2010**



**Chicago Federal Reserve National Activity Index  
January 2000 - February 2010**



Source: 2010 monthly data  
Federal Reserve Bank of Chicago

<http://www.chicagofed.org/webpages/publications/cfnai/index.cfm>



## Indicators of the Kansas Economy Building Permits

Mar-10

### Short-Term (2009 to 2010)

- Kansas building permits down 38 (-13.8%)
- 6-State Region building permits up 971 (38.1%)
- U.S. building permits up 6,092 (16.0%)

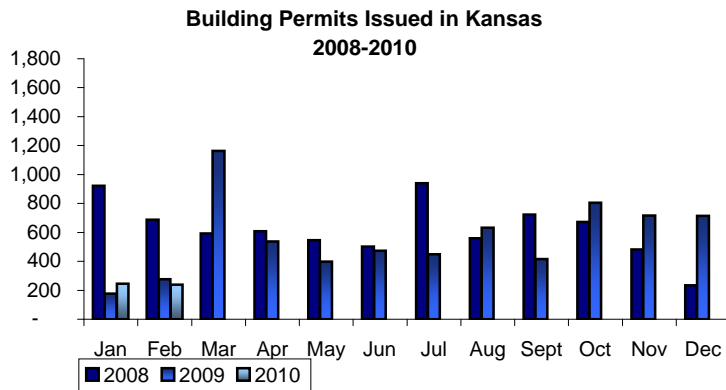
### Long-Term (2000 to 2010)

- Kansas building permits down 1,261 (-84.1%)
- 6-State Region building permits down 5,746 (-62.0%)
- U.S. building permits down 71,050 (-61.7%)

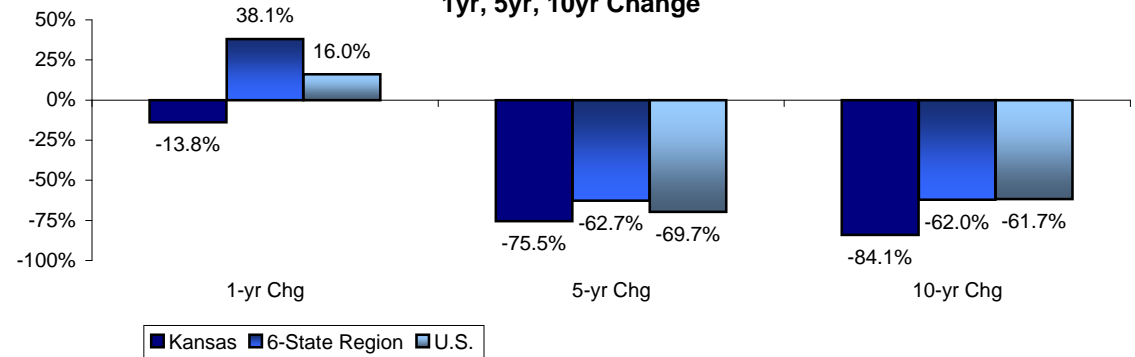
### Building Permits

(new privately owned housing units authorized)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	238	276	970	1,499	-13.8%	-75.5%	-84.1%
6-State Region	3,519	2,548	9,445	9,265	38.1%	-62.7%	-62.0%
U.S.	44,057	37,965	145,426	115,107	16.0%	-69.7%	-61.7%

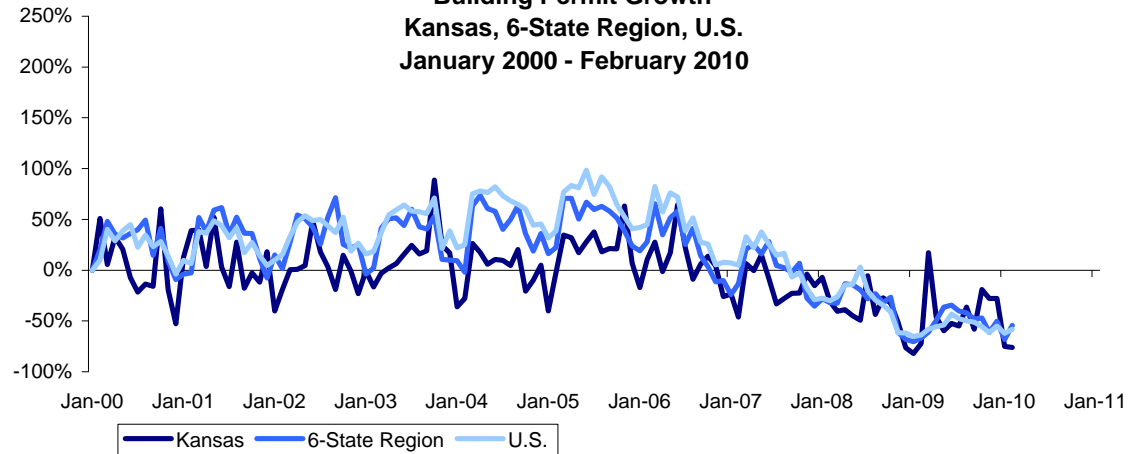


### Building Permit Growth 1yr, 5yr, 10yr Change



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 2000 - February 2010





**Indicators of the Kansas Economy**  
**Kansas Sales Tax Collections**

Mar-10

**Short-Term (2008 to 2009)**

- Kansas sales tax collections down \$11,615,276 (-7.4%)
- \$1,680,561,305 collected ytd through November 2009
- \$1,990,655,688 collected total during 2008

**Sales Tax Collections**

	Nov-09	Nov-08	Nov-04	Nov-99	1-yr Chg	5-yr Chg	10-yr Chg
Kansas \$	146,044,688	\$ 157,659,964	\$ 142,481,699	\$ 115,098,838	-7.4%	2.5%	26.9%

**Long-Term (1999 to 2009)**

- Kansas sales tax collections up \$30,945,850 (26.9%)
- \$1,456,121,970 collected total during 1999

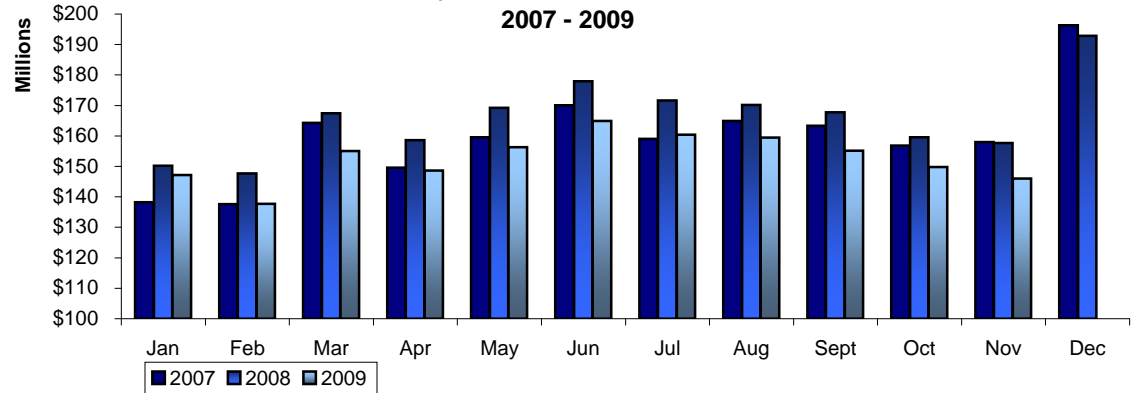
**About the data and graphs**

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.

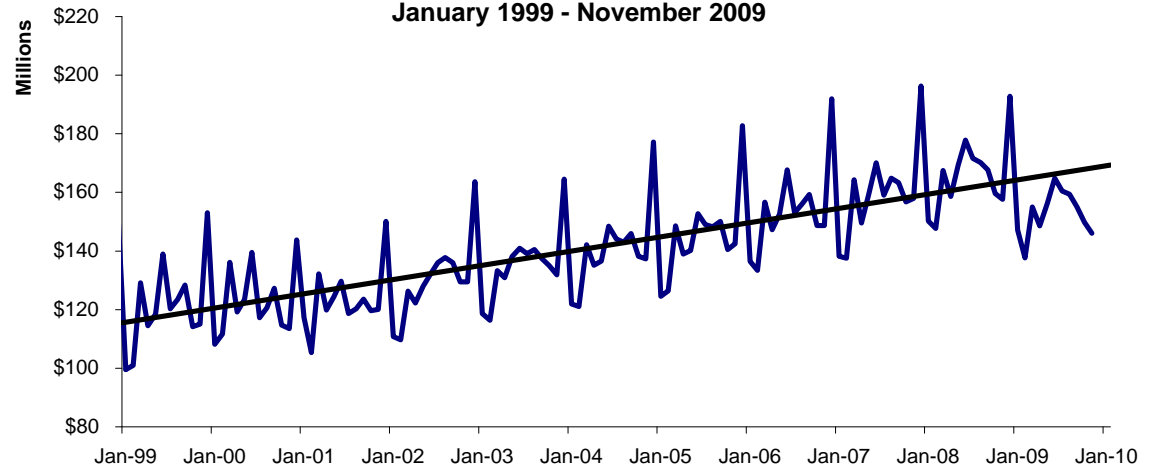
Tracking sales tax collections in Kansas gives insight into consumer behavior and demand. Sales tax collections can fluctuate widely from month to month. Since January 1990, state sales tax rates have increased on two occasions. In June 1992, the state sales tax rate increased from 4.25% to 4.90% and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

**Monthly Kansas Sales Tax Revenue**  
**2007 - 2009**



**Monthly Kansas Sales Tax Revenue**  
**January 1999 - November 2009**





## Indicators of the Kansas Economy Total Nonfarm Employment

Mar-10

### Short-Term (2009 to 2010)

- Kansas total nonfarm employment down 43,700 (-3.2%)
- 6-State Region total nonfarm employment down 278,100 (-2.8%)
- U.S. total nonfarm employment down 3,235,000 (-2.5%)

### Long-Term (2000 to 2010)

- Kansas total nonfarm employment down 8,500 (-0.6%)
- 6-State Region total nonfarm employment up 11,500 (0.1%)
- U.S. total nonfarm employment down 1,348,000 (-1.0%)

### February 2010 Total Nonfarm Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,311.5
Arkansas	1,139.0
Colorado	2,180.0
Iowa	1,442.0
Missouri	2,611.2
Nebraska	920.6
Oklahoma	1,506.1

### 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.*

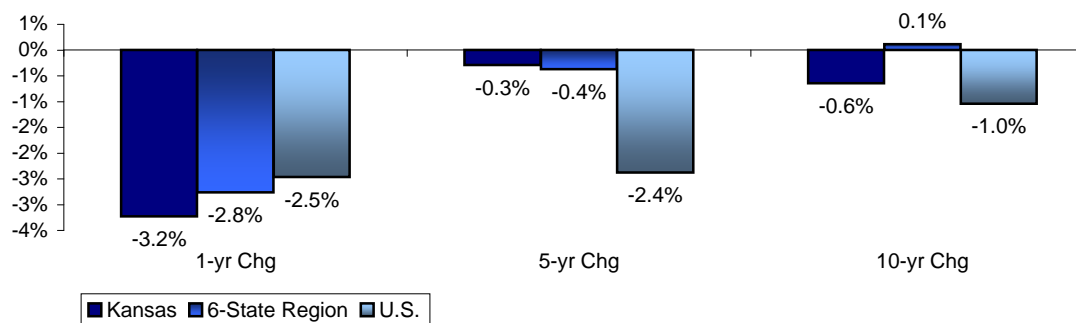
Source: 2010 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Total Nonfarm Employment

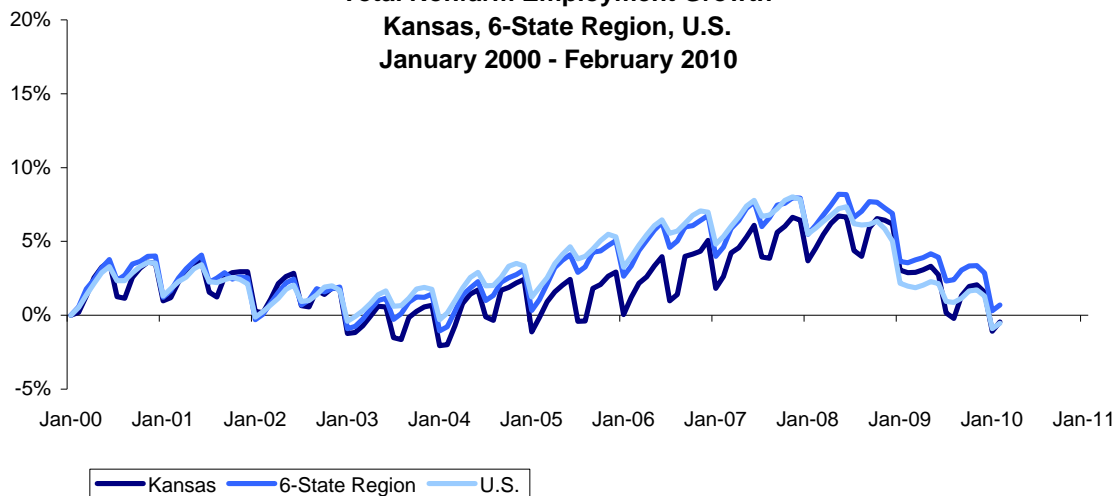
(all employees, thousands)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,311.5	1,355.2	1,315.3	1,320.0	-3.2%	-0.3%	-0.6%
6-State Region	9,798.9	10,077.0	9,835.5	9,787.4	-2.8%	-0.4%	0.1%
U.S.	128,079.0	131,314.0	131,195.0	129,427.0	-2.5%	-2.4%	-1.0%

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



### Total Nonfarm Employment Growth Kansas, 6-State Region, U.S. January 2000 - February 2010



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



## Indicators of the Kansas Economy Private Sector Employment

Mar-10

### Short-Term (2009 to 2010)

- Kansas private sector employment down 44,000 (-4.0%)
- 6-State Region private sector employment down 289,800 (-3.5%)
- U.S. private sector employment down 3,129,000 (-2.9%)

### Long-Term (2000 to 2010)

- Kansas private sector employment down 32,400 (-3.0%)
- 6-State Region private sector employment down 185,200 (-2.3%)
- U.S. private sector employment down 3,231,000 (-3.0%)

### February 2010 Private Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,045.0
Arkansas	918.2
Colorado	1,785.2
Iowa	1,184.3
Missouri	2,147.2
Nebraska	751.6
Oklahoma	1,166.3

### 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.*

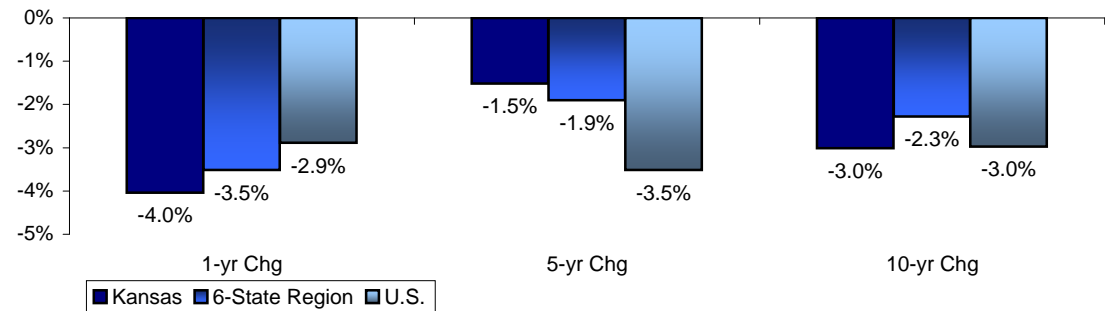
Source: 2010 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Private Sector Employment

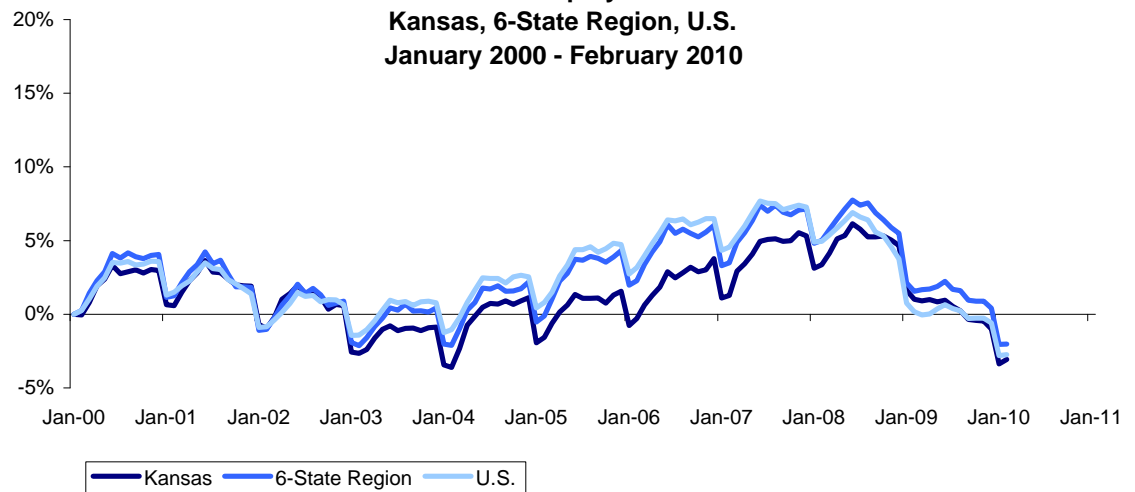
(all employees, thousands)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,045.0	1,089.0	1,061.1	1,077.4	-4.0%	-1.5%	-3.0%
6-State Region	7,952.8	8,242.6	8,106.7	8,138.0	-3.5%	-1.9%	-2.3%
U.S.	105,315.0	108,444.0	109,146.0	108,546.0	-2.9%	-3.5%	-3.0%

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



### Private Sector Employment Growth Kansas, 6-State Region, U.S. January 2000 - February 2010



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



## Indicators of the Kansas Economy Manufacturing Employment

Mar-10

### Short-Term (2009 to 2010)

- Kansas manufacturing employment down 17,600 (-9.9%)
- 6-State Region manufacturing employment down 72,900 (-7.2%)
- U.S. manufacturing employment down 820,000 (-6.7%)

### Long-Term (2000 to 2010)

- Kansas manufacturing employment down 40,500 (-20.1%)
- 6-State Region manufacturing employment down 391,800 (-29.4%)
- U.S. manufacturing employment down 5,746,000 (-33.4%)

### February 2010 Manufacturing Employment Levels

(all employees, thousands)

State	Employment
Kansas	160.5
Arkansas	158.2
Colorado	124.1
Iowa	196.7
Missouri	247.2
Nebraska	91.7
Oklahoma	122.1

### 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.*

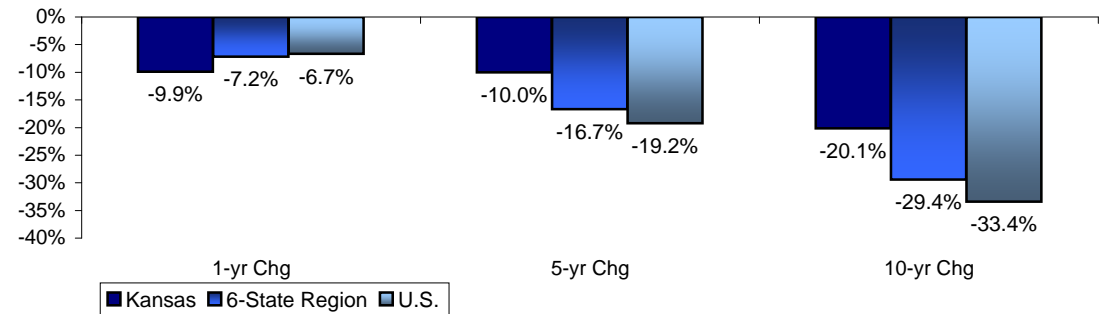
Source: 2010 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Manufacturing Employment

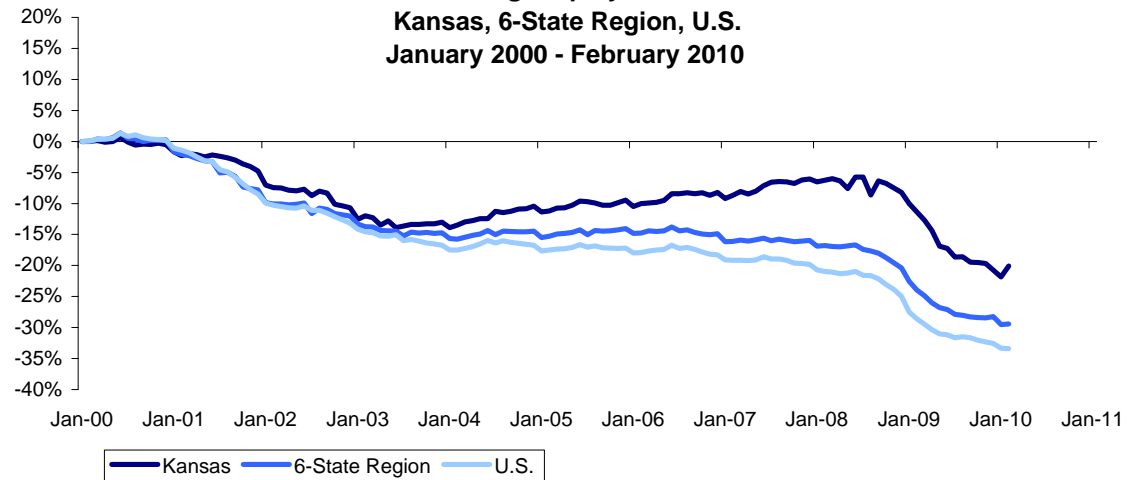
(all employees, thousands)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	160.5	178.1	178.4	201.0	-9.9%	-10.0%	-20.1%
6-State Region	940.0	1,012.9	1,128.3	1,331.8	-7.2%	-16.7%	-29.4%
U.S.	11,446.0	12,266.0	14,168.0	17,192.0	-6.7%	-19.2%	-33.4%

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



### Manufacturing Employment Growth Kansas, 6-State Region, U.S. January 2000 - February 2010



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



## Indicators of the Kansas Economy Service Employment

Mar-10

### Short-Term (2009 to 2010)

- Kansas service employment down 21,100 (-2.5%)
- 6-State Region service employment down 129,800 (-1.9%)
- U.S. service employment down 1,394,000 (-1.6%)

### Long-Term (2000 to 2010)

- Kansas service employment up 16,100 (2.0%)
- 6-State Region service employment up 263,700 (4.2%)
- U.S. service employment up 3,561,000 (4.2%)

### February 2010 Service Employment Levels

(all employees, thousands)

State	Employment
Kansas	826.0
Arkansas	703.0
Colorado	1,531.4
Iowa	932.7
Missouri	1,806.2
Nebraska	618.2
Oklahoma	941.6

### 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. 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.

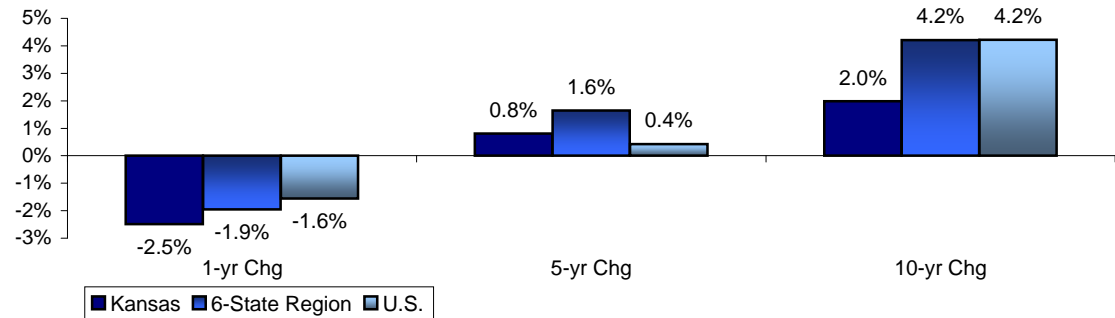
Source: 2010 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Service Employment

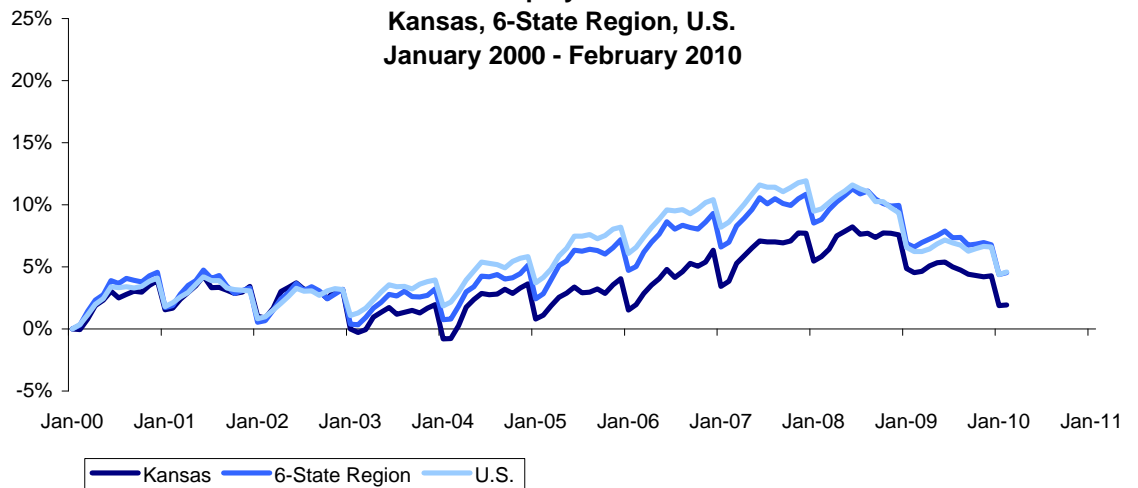
(all employees, thousands)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	826.0	847.1	819.4	809.9	-2.5%	0.8%	2.0%
6-State Region	6,533.1	6,662.9	6,427.6	6,269.4	-1.9%	1.6%	4.2%
U.S.	88,052.0	89,446.0	87,684.0	84,491.0	-1.6%	0.4%	4.2%

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



### Service Employment Growth Kansas, 6-State Region, U.S. January 2000 - February 2010



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



## Indicators of the Kansas Economy Public Employment

Mar-10

### Short-Term (2009 to 2010)

- Kansas public sector employment up 300 (0.1%)
- 6-State Region public sector employment up 11,700 (0.6%)
- U.S. public sector employment down 106,000 (-0.5%)

### Long-Term (2000 to 2010)

- Kansas public sector employment up 23,900 (9.9%)
- 6-State Region public sector employment up 196,700 (11.9%)
- U.S. public sector employment up 1,883,000 (9.0%)

### February 2010 Public Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	266.5
Arkansas	220.8
Colorado	394.8
Iowa	257.7
Missouri	464.0
Nebraska	169.0
Oklahoma	339.8

### 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*

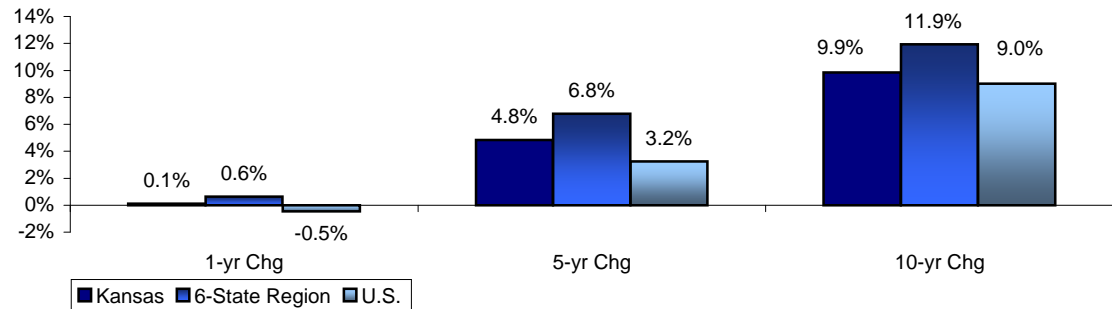
Source: 2010 monthly data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Public Sector Employment

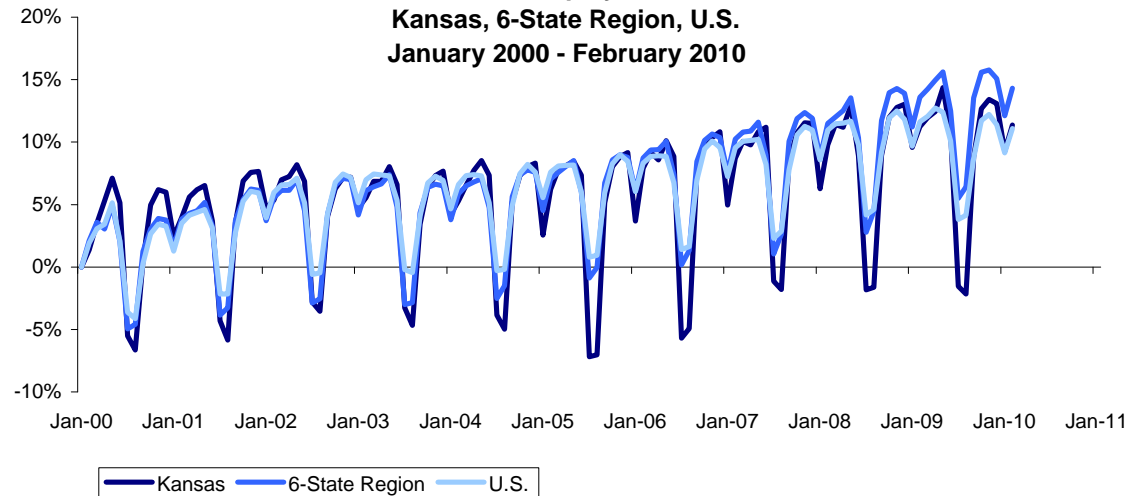
(all employees, thousands)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	266.5	266.2	254.2	242.6	0.1%	4.8%	9.9%
6-State Region	1,846.1	1,834.4	1,728.8	1,649.4	0.6%	6.8%	11.9%
U.S.	22,764.0	22,870.0	22,049.0	20,881.0	-0.5%	3.2%	9.0%

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



### Public Sector Employment Growth Kansas, 6-State Region, U.S. January 2000 - February 2010



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



## Indicators of the Kansas Economy Unemployment and Unemployment Rate

Mar-10

### Short-Term (2009 to 2010)

- Kansas unemployment up 9,370 (10.0%)
- 6-State Region unemployment up 90,992 (10.7%)
- U.S. unemployment up 2,292,000 (16.7%)

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- Kansas unemployment rate up (0.6%)
- 6-State Region unemployment rate up (0.9%)
- U.S. unemployment rate up (1.5%)

### Long-Term (2000 to 2010)

- Kansas unemployment up 50,644 (97.2%)
- 6-State Region unemployment up 559,489 (145.6%)
- U.S. unemployment up 9,707,000 (154.5%)

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- Kansas unemployment rate up (3.1%)
- 6-State Region unemployment rate up (4.7%)
- U.S. unemployment rate up (6.0%)

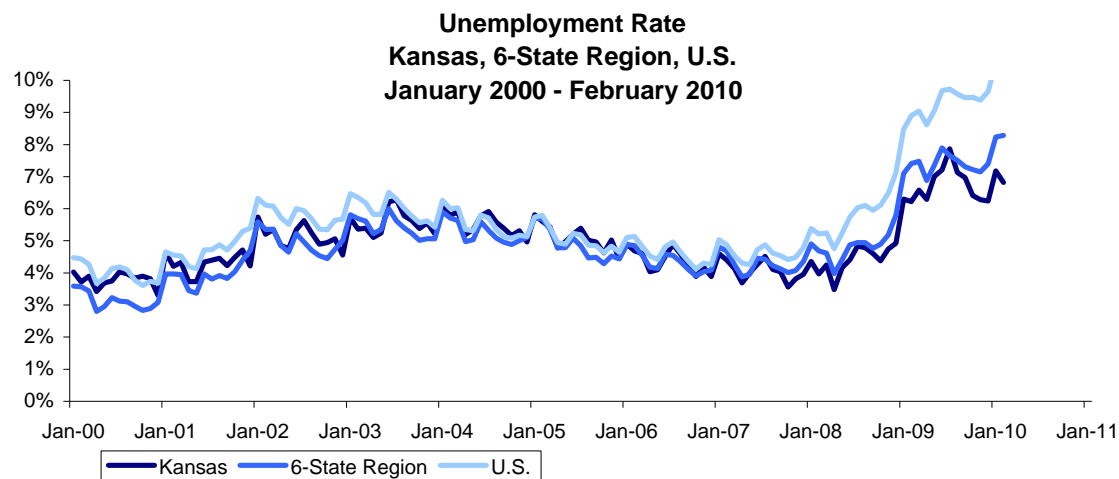
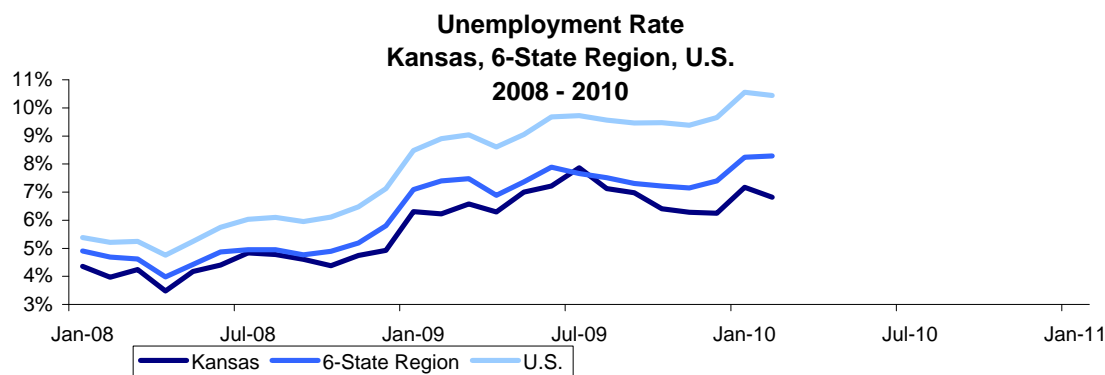
### About the data and graphs

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)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	102,763	93,393	81,707	52,119	10.0%	25.8%	97.2%
6-State Region	943,836	852,844	632,746	384,347	10.7%	49.2%	145.6%
U.S.	15,991,000	13,699,000	8,549,000	6,284,000	16.7%	87.1%	154.5%
Kansas (%)	6.8%	6.2%	5.6%	3.7%	0.6%	1.2%	3.1%
6-State Region (%)	8.3%	7.4%	5.7%	3.6%	0.9%	2.6%	4.7%
U.S. (%)	10.4%	8.9%	5.8%	4.4%	1.5%	4.6%	6.0%



Source: 2010 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://laborstats.dol.ks.gov/>



## Indicators of the Kansas Economy Initial Claims for Unemployment

Mar-10

### Short-Term (2009 to 2010)

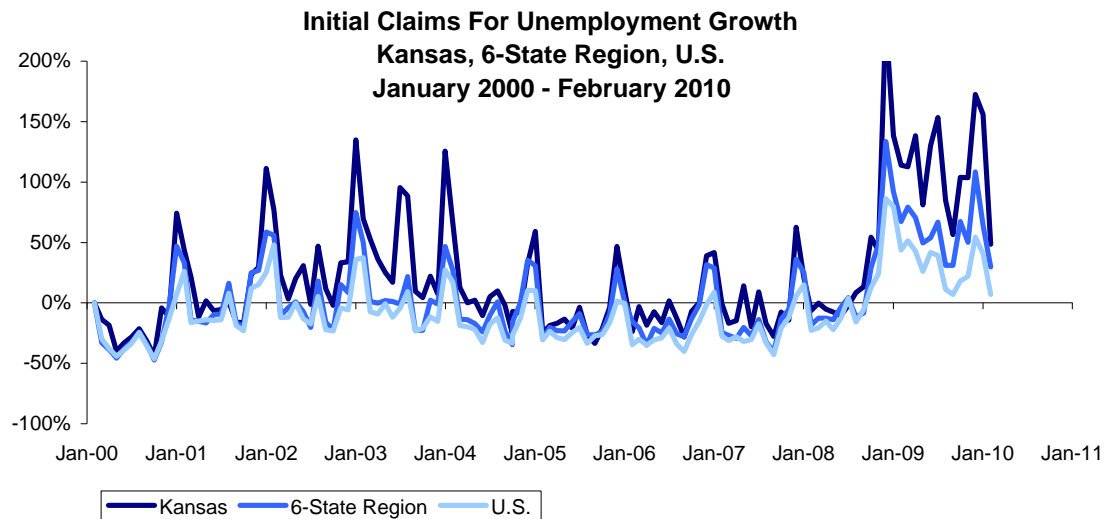
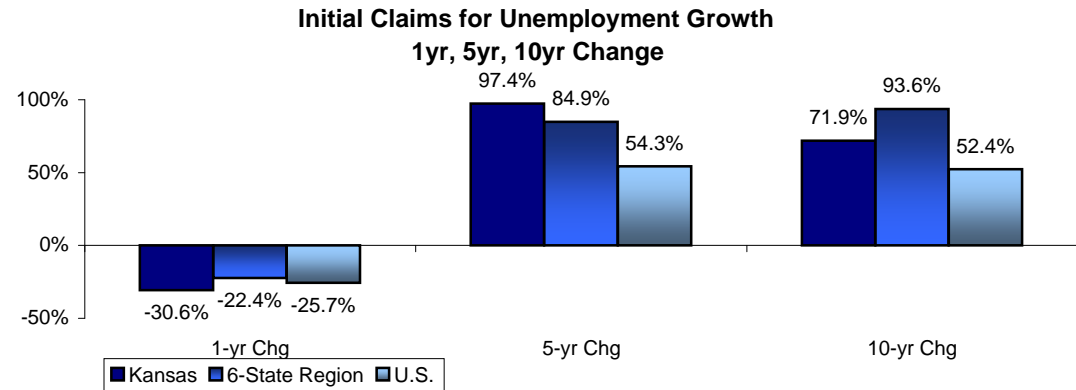
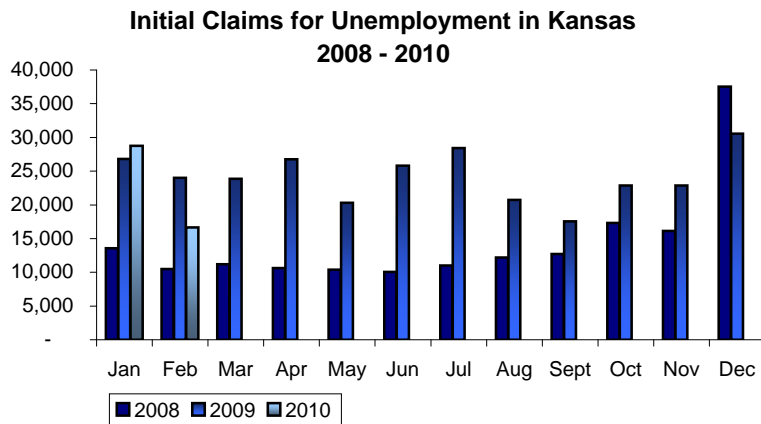
- Kansas initial claims down 7,353 (-30.6%)
- 6-State Region initial claims down 38,061 (-22.4%)
- U.S. initial claims down 663,726 (-25.7%)

### Long-Term (2000 to 2010)

- Kansas initial claims up 6,972 (71.9%)
- 6-State Region initial claims up 63,670 (93.6%)
- U.S. initial claims up 659,209 (52.4%)

### Initial Claims for Unemployment (all employees)

	Feb-10	Feb-09	Feb-05	Feb-00	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	16,671	24,024	8,444	9,699	-30.6%	97.4%	71.9%
6-State Region	131,699	169,760	71,226	68,029	-22.4%	84.9%	93.6%
U.S.	1,917,154	2,580,880	1,242,532	1,257,945	-25.7%	54.3%	52.4%



### 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-10

### Short-Term (2008 to 2009)

- Kansas private industry wage level down \$139 (-0.4%)
- 6-State Region private industry wage level up \$462 (1.2%)
- U.S. private industry wage level down \$58 (-0.1%)

### Mid-Term (2004 to 2009)

- Kansas private industry wage level up \$5,646 (17.8%)
- 6-State Region private industry wage level up \$5,984 (18.8%)
- U.S. private industry wage level up \$6,796 (18.1%)

### 2009 (p) Private Industry Wage Levels

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

State	Annual Wage
Kansas	\$ 37,440
Arkansas	\$ 34,788
Colorado	\$ 45,994
Iowa	\$ 35,334
Missouri	\$ 39,416
Nebraska	\$ 35,230
Oklahoma	\$ 35,880

(p) - 2009 1st, 2nd quarter avg weekly wage multiplied by 52 weeks

### About the data and graphs

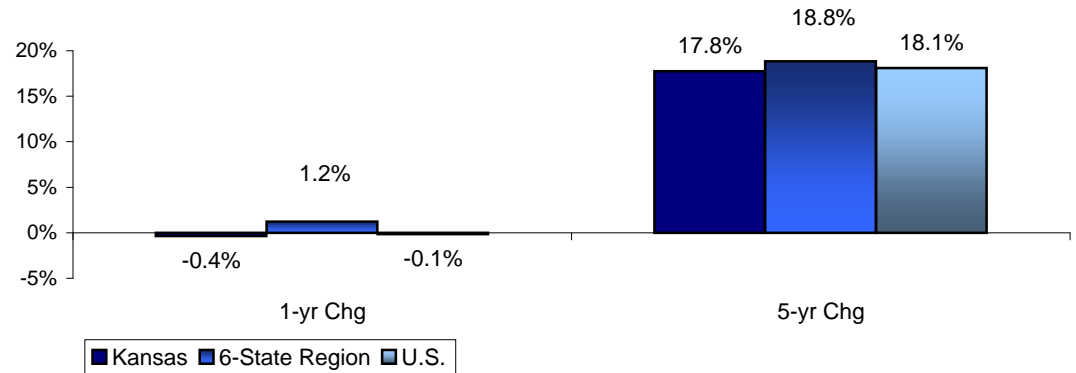
The Quarterly Census of Employment and Wages Program is a cooperative program involving the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor and the State Employment Security Agencies (SESAs). The QCEW program produces a comprehensive tabulation of employment and wage information for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

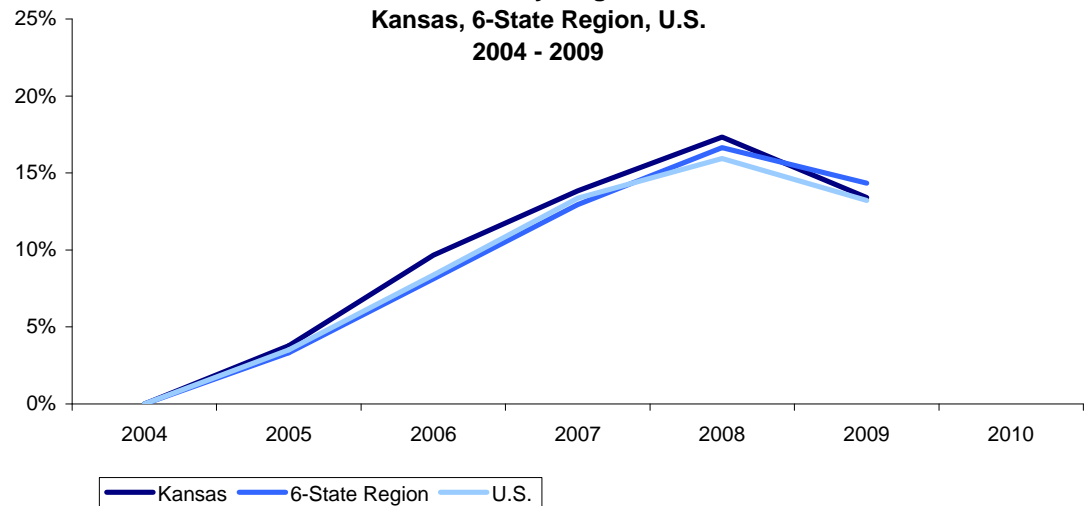
(average annual wages, all employees, all private establishments)

	2009 (p)	2008	2004	1-yr Chg	5-yr Chg
Kansas	\$ 37,440	\$ 37,579	\$ 31,794	-0.4%	17.8%
6-State Region	\$ 37,774	\$ 37,312	\$ 31,790	1.2%	18.8%
U.S.	\$ 44,304	\$ 44,362	\$ 37,508	-0.1%	18.1%

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



### Private Industry Wage Growth Kansas, 6-State Region, U.S. 2004 - 2009



Source: 2008 annual data, 2009 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-10

### Short-Term (2008 to 2009)

- Kansas total establishments up 1,540 (1.9%)
- 6-State Region total establishments down 1,608 (-0.2%)
- U.S. total establishments down 37,495 (-0.4%)

### Mid-Term (2004 to 2009)

- Kansas total establishments up 6,247 (8.3%)
- 6-State Region total establishments up 47,594 (7.8%)
- U.S. total establishments up 672,854 (8.4%)

### Kansas Private Establishment Data

(total private establishments, by employee size)

Year	1-9	10-49	50-99	100+
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	60,803	15,650	2,110	1,713
2009 (p)	62,543	15,598	2,087	1,588
1-yr Chg	2.9%	-0.3%	-1.1%	-7.3%
5-yr Chg	10.1%	2.5%	4.6%	0.6%

(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.*

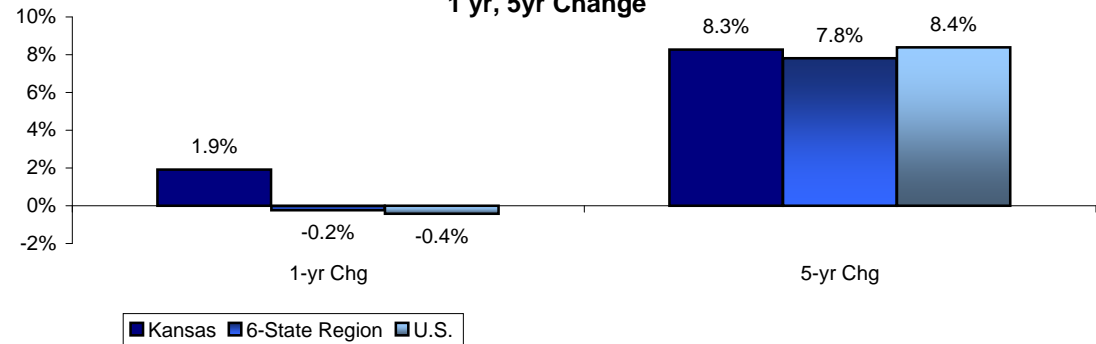
Source: 2009 annual data  
U.S. Department of Labor - Bureau of Labor Statistics  
Kansas Department of Labor - Labor Market Information

### Private Establishment Data

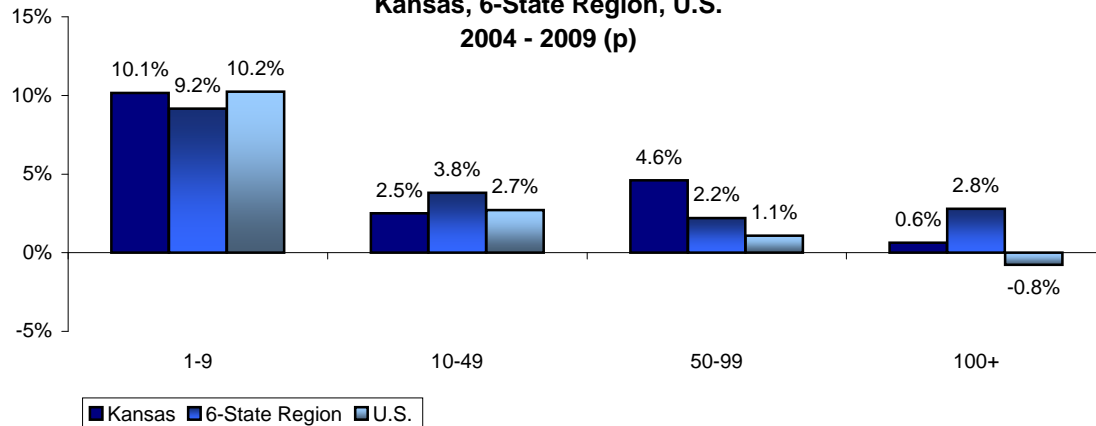
(total private establishments, all employee sizes)

	2009 (p)	2008	2004	1-yr Chg	5-yr Chg
Kansas	81,816	80,276	75,569	1.9%	8.3%
6-State Region	656,918	658,526	609,324	-0.2%	7.8%
U.S.	8,699,714	8,737,209	8,026,860	-0.4%	8.4%

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



### Private Establishment Growth by Employee Size Kansas, 6-State Region, U.S. 2004 - 2009 (p)

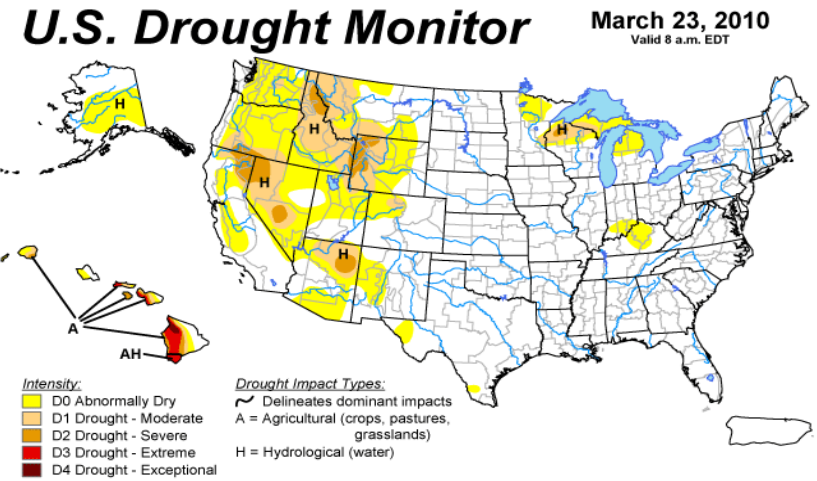


<http://www.bls.gov/bls/employment.htm>  
<http://laborstats.dol.ks.gov/>

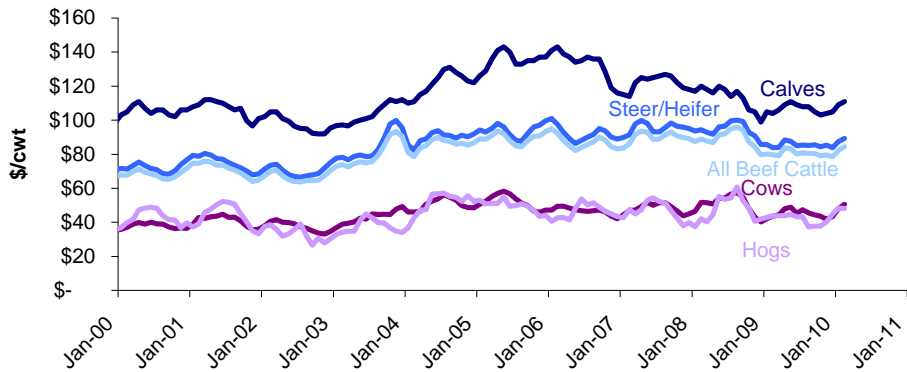
(3/1/10 *USDA Agricultural Prices*) **KANSAS:** The February **All Farm Products Index** of Prices Received by Kansas farmers, at 118 percent of the 1990-92 base, is down 12 points from January but up 3 points from February 2009. The **All Crops Index** in February, at 149 percent of the 1990-92 base, is down 13 points from January and down 15 points from 2009. The **Meat Animals Index**, at 115 percent of the 1990-92 base, is up 3 points from January and 8 points above last year.

**Wheat** prices in mid-February, at \$4.15 per bushel, are down 46 cents from January and \$1.02 below last February. **Corn** prices in mid-February, at \$3.23 per bushel, are down 36 cents from January and 31 cents below last February. Farmers received an average of \$5.20 per cwt. for **grain sorghum** in mid-February, down 47 cents from January but 26 cents above last February. **Soybean** prices, at \$9.10 per bushel in mid-February, are down 43 cents from January and 16 cents below last February. **All hay** prices averaged \$98 per ton in mid-February, down \$7 from January and \$12 lower than last year. **Alfalfa** hay averaged \$103 per ton, down \$7 from January and \$18 lower than last February. **Other hay**, at \$67 per ton, is down \$3 from January and \$11 below last February.

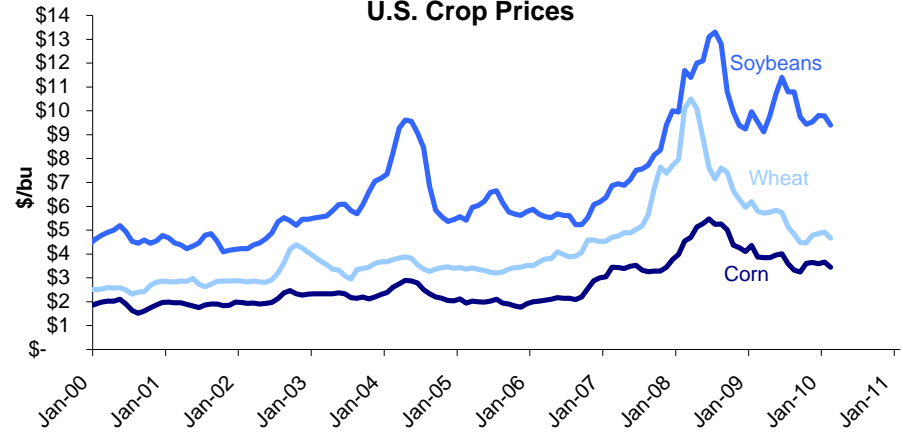
**All beef cattle** were bringing an average of \$88.20 per cwt. in mid-February, up \$1.90 from January and \$5.60 above the price last February. **Cow** prices, at \$54.40 per cwt., are up \$4.30 from January and \$8.70 above the price last February. **Steers and heifers** averaged \$88.90 per cwt., up \$1.90 from January and \$5.50 above February 2009. **Calf** prices in mid-February were \$118.00 per cwt., up \$3.00 from January and up \$4.00 from February 2009. The **all hog** price of \$45.10 per cwt. for mid-February is up 60 cents from January and up \$5.80 from last February. **Sow** prices averaged \$46.60, up \$8.10 from January and 40 cents higher than February 2009. **Barrow and gilt** prices averaged \$44.90 per cwt. in mid-February, down 50 cents from January but \$6.60 above last February.



**U.S. Livestock Prices**



**U.S. Crop Prices**



Source: 2010 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-10

**Short-Term (2008)**

- 1,452 farms reported farm operation data to KFMA
- KFMA farms averaged \$471,145 in value of farm production
- \$347,748 in total farm expense
- KFMA average net farm income was \$123,397
- NW region had the highest net farm income at \$150,935
- SW region had the lowest net farm income at \$81,546

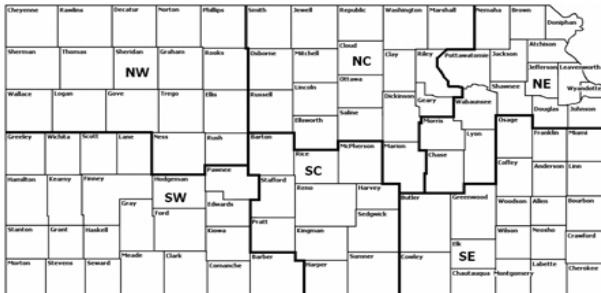
**Long-Term (1998 to 2008)**

- KFMA average net farm income varies widely from year to year
- 5-yr average net farm income was \$80,922
- 10-yr average net farm income was \$58,445

**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.

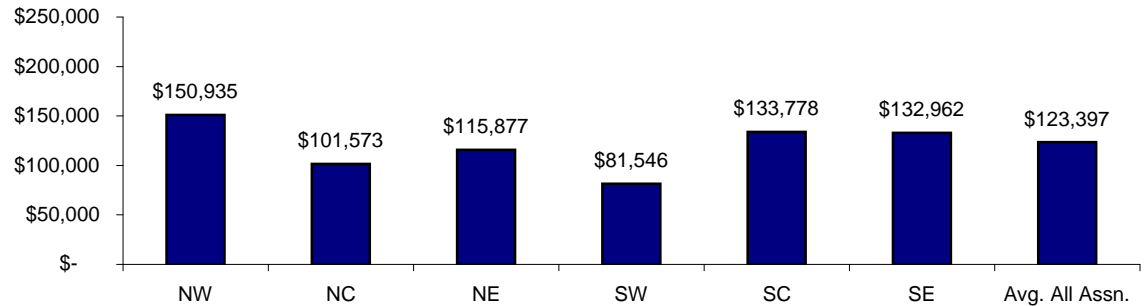
The goals of the KFMA program are to provide each member with information about business and family costs to improve farm business organization, farm business decisions, and farm profitability; and minimize risk. Through on-farm visits, whole-farm analysis, and other educational programs, Association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



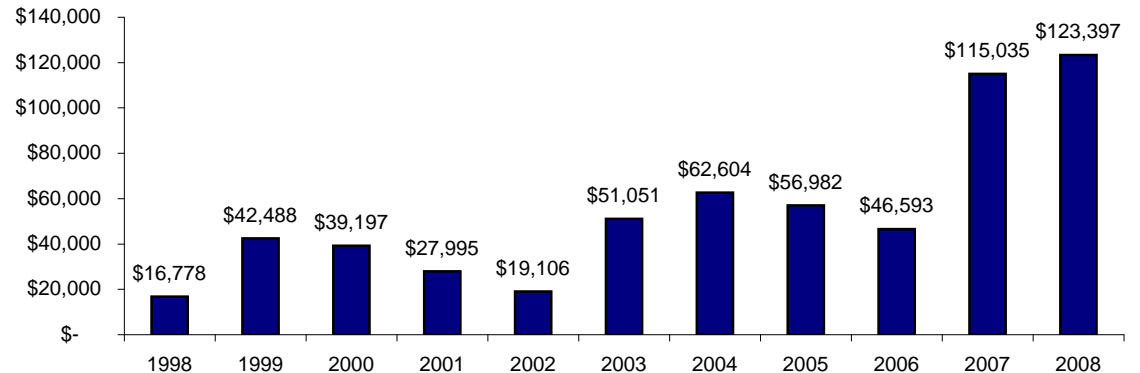
**KFMA Average Net Farm Income by Region**

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2007	\$ 233,000	\$ 81,288	\$ 114,118	\$ 108,397	\$ 88,849	\$ 114,423	\$ 115,035
2008	\$ 150,935	\$ 101,573	\$ 115,877	\$ 81,546	\$ 133,778	\$ 132,962	\$ 123,397
5-yr avg	\$ 111,037	\$ 63,468	\$ 85,594	\$ 53,086	\$ 73,966	\$ 89,618	\$ 80,922
10-yr avg	\$ 74,781	\$ 48,867	\$ 56,404	\$ 42,410	\$ 53,190	\$ 67,420	\$ 58,445

**2008 Kansas Farm Management Association**  
**Average Net Farm Income by Region**



**Kansas Farm Management Association**  
**Average Net Farm Income**  
**1998 - 2008**



Source: 2008 annual data  
 Kansas State University - Kansas Farm Management Association



## Indicators of the Kansas Economy Oil Production and Price

Mar-10

### Short-Term (2008 to 2009)

- Kansas oil production down 38,947 bbl (-1.2%)
- Oil price up \$20.7 (36.1%)

### Long-Term (1999 to 2009)

- Kansas oil production up 469,517 bbl (16.9%)
- Oil price up \$53.0 (212.0%)

### 2009 Oil Production/Price

Month	Production*	Price	Month	Production*	Price
January	3,429,975	\$ 41.71	July	3,393,948	\$ 64.15
February	3,112,168	\$ 39.09	August	3,265,538	\$ 71.05
March	3,310,729	\$ 47.94	September	3,287,091	\$ 69.41
April	3,247,096	\$ 49.65	October	3,244,298	\$ 75.72
May	3,254,602	\$ 59.03	November	3,255,854	\$ 77.99
June	3,271,830	\$ 69.64	December		\$ 74.47

### 2010 Oil Production/Price

January	\$ 78.33	* Recent months production usually incomplete and revised upwards.
February	\$ 76.39	
March		
April		
May		
June		

### 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).

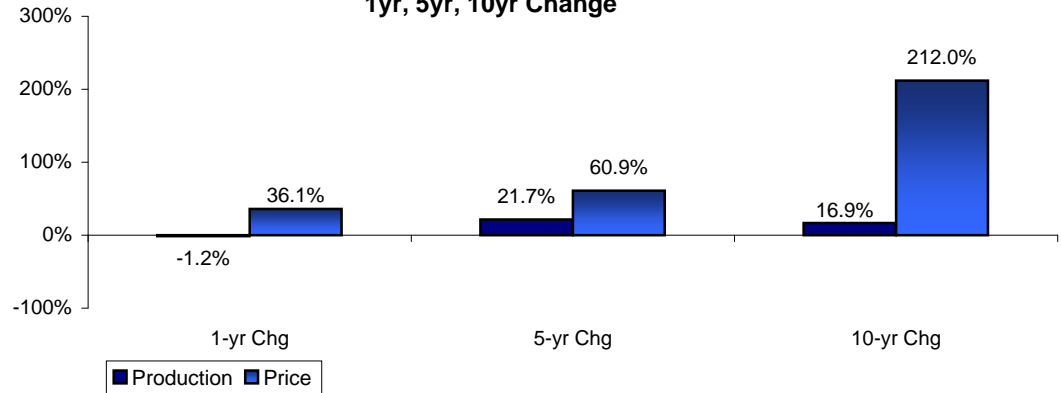
Source: 2009, 2010 monthly data  
Kansas Geological Survey  
Energy Information Administration

### Oil Production\* and Price

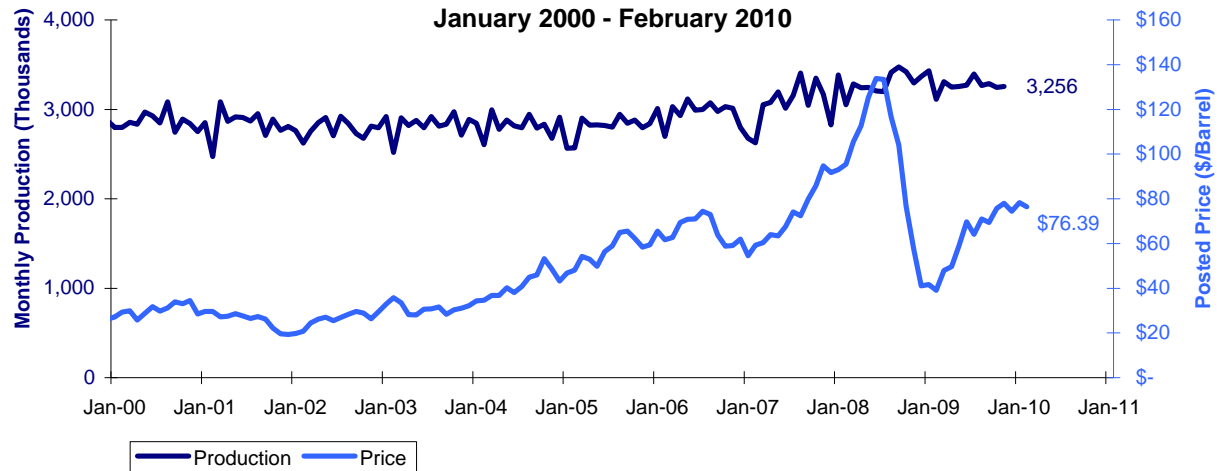
(most recent month of both production and price information)

	Nov-09	Nov-08	Nov-04	Nov-99	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,255,854	3,294,801	2,676,284	2,786,337	-1.2%	21.7%	16.9%
Price (\$/bbl)	\$ 77.99	\$ 57.31	\$ 48.47	\$ 25.00	36.1%	60.9%	212.0%

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



### Oil Production and Price January 2000 - February 2010



<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-10

### Short-Term (2008 to 2009)

- Kansas natural gas production down 2,649,525 mcf (-8.5%)
- Natural gas price down \$2.3 (-39.0%)

### Long-Term (1999 to 2009)

- Kansas natural gas production down 16,186,184 mcf (-36.1%)
- Natural gas price up \$1.0 (35.8%)

### 2009 Natural Gas Production/Price

Month	Production*	Price	Month	Production*	Price
January	31,522,600	\$ 5.15	July	29,746,591	\$ 3.43
February	28,732,557	\$ 4.19	August	30,756,408	\$ 3.14
March	31,052,844	\$ 3.72	September	29,374,803	\$ 2.92
April	29,764,046	\$ 3.43	October	30,005,705	\$ 3.60
May	31,059,961	\$ 3.45	November	28,643,388	\$ 3.64
June	29,525,015	\$ 3.45	December		\$ 4.44

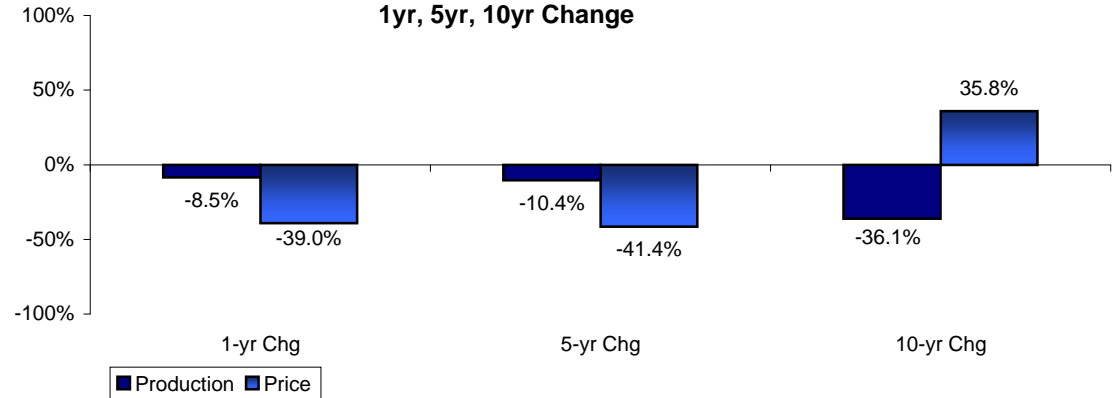
\* Recent months production usually incomplete and revised upwards.

### Natural Gas Production\* and Price

(most recent month of both production and price information)

	Nov-09	Nov-08	Nov-04	Nov-99	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	28,643,388	31,292,913	31,954,025	44,829,572	-8.5%	-10.4%	-36.1%
Price (\$/mcf)	\$ 3.64	\$ 5.97	\$ 6.21	\$ 2.68	-39.0%	-41.4%	35.8%

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

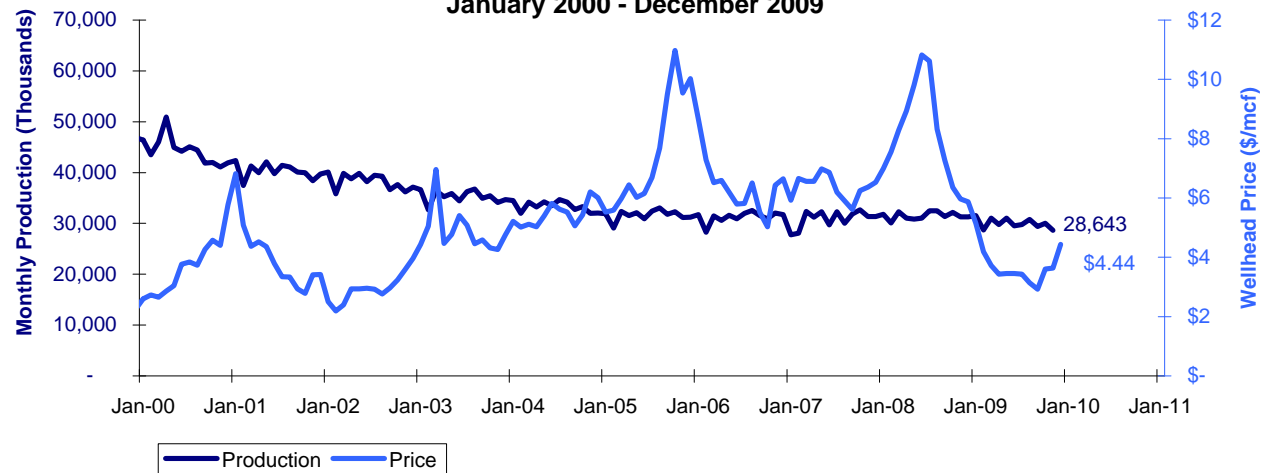


### About the data and graphs

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 2000 - December 2009



Source: 2009 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

### Kansas City Federal Reserve Bank 10th District Current Economic Conditions

Mar-10

**March 3, 2010 - Tenth District - Kansas City** - The Tenth District economy showed further signs of modest growth in January and February. However, some unexpected weakness was noted in several sectors of the District economy due to bad weather. Consumer spending was flat compared to year ago levels with continued softness in auto sales. Manufacturing activity expanded but did not translate into additional factory hiring. Residential real estate markets continued to benefit from tax credits, while commercial real estate weakened further. District banks reported continued weak loan demand. Energy firms expanded drilling activity, especially for natural gas. In agriculture, growing conditions remained favorable for crops, while profit margins improved for livestock producers. Despite higher input prices, retail prices remained unchanged and little evidence of wage pressures was reported in District labor markets.

**Consumer Spending** - District retailers reported that sales in January and February were weaker than expected and flat relative to last year. Retailers with highly seasonal post-holiday sales noted particular weakness. Some District retailers, especially mall operators, attributed the weakness in sales to winter storms. Retailers nonetheless remained optimistic that a rebound in retail activity will occur in the coming quarter. Light car and truck sales remained in a downward trend but inventories continued to decline and few auto dealers expressed concern with excess inventory levels.

**Manufacturing and Other Business Activity** - The Tenth District's manufacturing and transportation sectors expanded further, although high-tech firms reported weaker business conditions. District manufacturers reported increased production, shipment volumes, and new orders in the latest survey period. District manufacturing activity has increased steadily since last September and production has returned to near year ago levels. Manufacturers remained optimistic that new orders would be higher in six months; however backlogs were minimal and well below year ago levels. Few manufacturing firms increased hiring, though expectations for future hiring improved markedly in the latest survey period. Transportation firms reported a strong cyclical rebound in business activity consistent with continued stabilization in overall District activity. High-tech firms noted weaker business activity along with subdued expectations for improved business conditions in the coming quarter. Current and future expectations of capital spending activity among high-tech firms also diminished in the survey period. The lack of venture capital funding remained a concern for high-tech companies, especially among alternative energy and software development firms.

**Real Estate and Construction** - Residential real estate activity improved slightly while commercial real estate continued to deteriorate. Residential builders reported increased building permits and housing starts. Sales in residential real estate increased modestly but home prices in the District remained flat. Demand remained strong for starter homes but the strength was not expected to continue once the homebuyer tax credit expires in April. Upper end home sales remained depressed. Mortgage refinancing activity decreased amid increasing interest rates. Construction supply firms noted increased activity in residential construction but no movement in commercial. Commercial real estate respondents reported anemic conditions, including decreasing sales volumes, rents and prices, and increasing vacancy rates with little to no expectation of conditions improving in the next quarter.

**Banking** - Bankers reported lower loan demand, unchanged deposits, and a slightly improved outlook for loan quality. Overall loan demand declined at about the same pace as in the previous survey. Demand fell moderately for commercial and industrial loans, commercial real estate loans, and consumer installment loans. Demand for residential real estate loans declined modestly. A few banks tightened credit standards on commercial real estate loans but credit standards for other loan categories were little changed. Somewhat fewer banks than in the previous survey reported a decline in loan quality from a year ago. Respondents were also slightly less pessimistic about loan quality in the next six months. For the second consecutive survey, deposits were unchanged. A few respondents said they had little incentive to obtain deposits due to lack of loan demand.

**Energy** - Energy industry activity continued to expand in the latest reporting period. Natural gas producers expressed cautious optimism that a near term floor had been established for natural gas prices but remained concerned that expanding supplies from shale gas production would push prices down in the future. District rig counts continued to increase in the latest reporting period with improved expectations for drilling-related capital expenditures in the coming quarter. New drilling activity was largely concentrated in horizontal gas wells in Oklahoma. Wyoming coal production remained more than ten percent below year ago levels.

**Agriculture** - Agricultural conditions improved since the last survey period. The winter wheat crop was reported in generally good condition with limited reports of freeze damage due to frigid temperatures and variable snow cover. Extreme winter weather contributed to below average weight gain for cattle and caused producers to provide supplemental feed. Cattle and hog prices strengthened in recent weeks, boosting profit opportunities. Crop prices edged down from their post-harvest peaks. Still, cropland values strengthened following the bumper fall harvest. Ranchland values, however, remained below year-ago levels amid weak demand for pasture ground. Stronger farm incomes led to a rise in loan repayment rates and fewer reports of loan renewals and extensions. District contacts reported ample funds were available for farm loans at historically low interest rates.

**Wages and Prices** - Raw materials prices increased although selling prices and wages remained flat. District manufacturers reported raw materials prices pushed above year ago levels in the latest survey period. Two-thirds of District manufacturers expected the upward trend in raw materials prices to continue into the next six months. Selling prices remained flat across the District since the last survey period but were generally below a year ago. Most respondents expected prices to hold steady over the next few months. Firms continued to report little evidence of wage pressures across District labor markets and did not expect any pressure in the near future.

**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.

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