



Wichita's Economic Outlook 2008 Review and 2009 Forecast

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Wichita Forecast Summary

Wichita's economy continues to outperform the U.S. economy. Wichita's employment grew at 2.9 percent in 2007, more than twice the national growth rate of 1.1 percent. For the months January through July 2008, Wichita's employment grew 0.8 percent compared with the same period last year. This is more than twice the national growth rate of 0.3 percent in the same period. The employment growth rate through 2008 is estimated to be 1 percent, with a modest increase to 2 percent in 2009.

This outlook is confirmed by the WSU Current Conditions Index, which tends to mirror the current Wichita economy. The Current Index has remained stable over the past year, but its growth has begun to slow. The WSU Leading Economic Indicators Index has steadily risen over the past five years. An increase in the Leading Index over several months signals an expansion in the Wichita economy approximately six months into the future, and vice versa. Although the three months ending in July have all shown small declines in the Leading Index value, year-to-date values and year-over-year annual averages are continuing to reflect strong growth in the Index.¹

While nationally the housing and mortgage markets are faltering, the WSU Center for Real Estate's 2009 Wichita Housing Market Forecast shows Wichita's housing market continuing to enjoy consistent appreciation in home values. Regionally, sales of both existing and new homes are expected to be lower in 2008, but forecasted to increase in 2009.

The aircraft industry continues to enjoy a backlog of orders bolstered by strong international sales, improved balance sheets and the demand to hire a significant number of workers. These order backlogs underlie the expectation of continued growth in the aircraft manufacturing sector.

Overall, the labor market continues to grow, but at a slower rate than previous years, with employment on track to increase by a modest 1 percent in 2008. This slower growth rate, tightening of the credit market and increasing costs of food and fuel have led to possible economic weaknesses in the area.

Taken together, these indicators all point to another year of moderate growth. In 2009 Wichita's employment is projected to increase 2 percent, adding nearly 6,100 jobs. The production sectors will be driving Wichita's growth with an increase of 3.4 percent or 2,850 jobs, followed by the service sectors, which are expected to grow 1.7 percent, for a net gain of 2,250 jobs.

Table 1. Wichita MSA Employment by Industry Forecast Summary*

	2008 (e)	2009 (f)	Level Change	Percent Change
Total Nonfarm	305,677	311,772	6,095	2.0%
Production Sectors	83,267	86,117	2,850	3.4%
Natural Resources, Mining & Cons.	16,858	17,308	450	2.7%
Manufacturing	66,408	68,808	2,400	3.6%
Durable Goods	58,383	60,883	2,500	4.3%
Non-Durable Goods	8,025	7,925	-100	-1.2%
Trade, Transportation & Utilities	52,150	52,715	565	1.1%
Wholesale Trade	11,308	11,508	200	1.8%
Retail Trade	32,658	32,908	250	0.8%
Transportation & Utilities	8,183	8,298	115	1.4%
Service Sectors	129,485	131,735	2,250	1.7%
Information	6,217	6,167	-50	-0.8%
Financial Activities	11,350	11,450	100	0.9%
Professional & Business Services	30,008	31,033	1,025	3.4%
Educational & Health Services	42,625	43,325	700	1.6%
Leisure & Hospitality	28,300	28,700	400	1.4%
Other Services	10,985	11,060	75	0.7%
Government	40,775	41,205	430	1.1%

*Annual values are derived from average quarterly observations and projections. Detail may not sum to total due to rounding errors.
(e) = estimate (f) = forecast

Economic Indices and Income

WSU Current & Leading Economic Indicators Indices

The WSU Current Conditions Index, as a reflection of Wichita's economy, is stable. However, growth of the Index has begun to slow. The Index grew only 0.3 percent from the first six months of 2007 to the first six months of 2008; whereas, the Index grew 2.7 percent from the first six months of 2006 to the first six months of 2007. The seasonally adjusted indicators contributing positively to the 2007 to 2008 growth were the number of outbound passengers at Wichita's Mid-Continent Airport, which grew 8.3 percent; employment, which grew 1.1 percent; and the unemployment rate, which dropped 0.1 percentage points.

On the other hand, the WSU Leading Economic Indicators Index continues to grow steadily. From the first half of 2007 to the first half of 2008, it grew 6.6 percent compared to 3.6 percent from first half 2006 to first half 2007. This upward trend has been occurring for the past five years. On the strength of this Index, CEDBR anticipates the local economy will demonstrate at least moderate growth through 2009.²

Consumer Expectations, Income and Spending

The national Index of Consumer Confidence took a big hit from June 2007 to June 2008, dropping from 105.3 to 51.³ According to Steven Cochrane, senior managing director at Moody's Economy.com, half the nation is in recession. National employment losses, inflation, high energy prices and distressed household credit quality have all affected consumer confidence.⁴ Yet, the University of Michigan Consumer Confidence Index rose more than 10 points from August to September. This large increase was likely due to consumers' response to lower gas prices in late summer. Because of events in the financial market in September and rising unemployment rates, it is unlikely that consumer confidence will continue an uninterrupted upward trend, but this recent rise is encouraging.⁵

Income growth in Wichita remains strong. Per capita personal income in Wichita increased above the rate of inflation in every year since 2004. In 2006 and 2007, Wichita's per capita personal income exceeded the U.S. level of PCPI. The last time this occurred was in 1988.

Wichita's PCPI increased by 8.6 percent in 2006 over 2005, and by 4.6 percent in 2007 over 2006. In the same time periods, the U.S. level increased by 6 percent and 5 percent.

Table 2. Per Capita Personal Income, Wichita and U.S. (BEA)

Year	U.S. Per Capita Personal Income	U.S. Growth Rate	Wichita Per Capita Personal Income	Wichita Growth Rate	Wichita PCPI Percent of U.S.
2005	\$34,650	4.6%	\$34,491	7.2%	99.5%
2006	\$36,744	6.0%	\$37,471	8.6%	102.0%
2007	\$38,564	5.0%	\$39,210	4.6%	101.7%

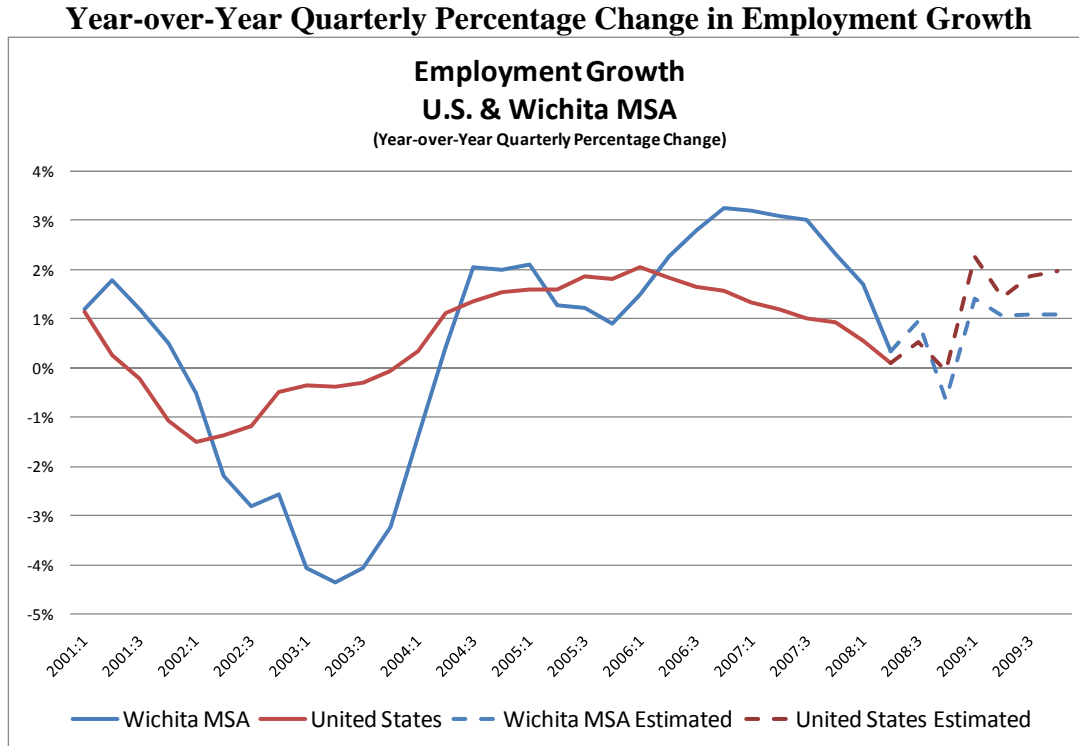
Continuing income growth has kept consumers spending. In 2007, nominal taxable retail sales increased by 3.5 percent, slightly above the 2.8 percent rate of inflation for 2007. Retail sales are estimated to increase 2.9 percent in 2008 and another 0.2 percent in 2009, which is below the expected inflation rate in both years.

Employment by Industry

Total Employment – All Industries

Wichita’s labor market was harder hit by the 2001 recession than the national labor market. Wichita’s initial recovery following the 2001 recession was also decidedly sluggish. However, in most quarters since fourth quarter 2005 Wichita’s labor market has been substantially outperforming the nation. Employment is on track to increase by 1 percent this year, for a net gain of 3,135 jobs. In 2009, employment is forecasted to increase 2 percent, for a net gain of nearly 6,100 jobs.

In 2009, the production sectors are expected to increase 3.4 percent, for a net gain of 2,850 jobs. The trade and transportation sectors are expected to increase 1.1 percent, for a net gain of 565 jobs. The service sectors are expected to increase 1.7 percent, for a net gain of 2,250 jobs, while the government sector is expected to increase 1.1 percent, for a net gain of 430 jobs.



Production Sectors

Natural Resources, Mining and Construction

Natural resources, mining and construction accounted for 5.5 percent of all jobs in the Wichita MSA in 2007.

- Payroll earnings for the natural resources and mining sector totaled \$76.4 million, with average earnings per job of \$53,713.
- Payroll earnings for the construction sector totaled \$620.5 million, with average earnings per job of \$39,339.

Frontier Oil in El Dorado is involved in a \$146 million expansion program that will enable it to process more crude oil and use more heavy crude, a less expensive feedstock.⁶

While nationally the housing and mortgage markets are faltering, the WSU Center for Real Estate's 2009 Wichita Housing Market Forecast shows Wichita's housing market continuing to enjoy consistent appreciation in home values. Sales of both existing and new homes are expected to be lower in 2008 than in 2007. New home sales are forecasted to increase less than 1 percent in 2009, while existing home sales are expected to increase 6.5 percent in 2009. Time on the market for existing home sales has remained within normal ranges.

This somewhat mixed picture reflects changes in the banking industry, with mortgages more difficult to obtain, especially for first-time buyers. More importantly, however, it reflects potential buyers' and sellers' perceptions of the financial market, which may be influenced more by national news stories than local ones. The Center for Real Estate's forecasted rebound in 2009 depends on when perceptions improve, which is expected to occur in the second quarter of the year.

In other industry news, the 15,000-seat Intrust Arena construction is well underway with 150-200 people working on the site. Completion is expected in January 2010.

The Greater Wichita Convention and Visitors Bureau and the Wichita Area Association of Realtors became the first new tenants to WaterWalk since Gander Mountain opened in 2005.⁷

Overall, natural resources, mining and construction employment is expected to increase by 2.7 percent or 450 jobs in 2009, having added an estimated 125 jobs by the end of 2008.

Manufacturing

Manufacturing accounted for 21.6 percent of all jobs in the Wichita MSA during 2007. About 87 percent of manufacturing jobs are in the durable goods sub-sector and dominated by jobs in aviation manufacturing. About 13 percent of manufacturing jobs are in the non-durable goods sub-sector, dominated by jobs in food processing.

- Payroll earnings for the manufacturing industry totaled approximately \$3.89 billion in 2007, with average earnings per job of \$59,425.
- The aviation manufacturing (transportation equipment) sector accounted for 60 percent of manufacturing jobs, with payroll for 2007 totaling more than \$2.7 billion and average earnings per job of \$69,151.

Aviation Manufacturing

In the aviation sector, the news has been largely positive, moderated somewhat by high fuel prices and a weakening national and world economy. Employment gains in aviation manufacturing are bolstering employment in other durable goods sectors, such as fabricated metals and machinery. This is due in part to increased international sales as a result of a weak dollar.

There are three distinct segments of the aviation manufacturing sector that affect the Wichita area economy. General aviation includes all non-commercial airplanes, including piston-powered airplanes, such as the Beechcraft Baron and Bonanza built in Wichita, and turboprop airplanes such as the Beechcraft King Air. The business jet market is also a segment of the general aviation sector and includes the Beechcraft Premier and Hawker line of business jets, Cessna Citation jets, as well as the Learjet series. Business jets account for significantly more dollars than the piston and turboprop airplanes combined. Commercial airliners are not built in Wichita, but Spirit and other suppliers provide parts and structures for both Boeing and Airbus, the two manufacturers of airliners.

- *General Aviation Overview*

The General Aviation Manufacturers Association reported that 2007 was the best year for general aviation airplane deliveries worldwide (4,272, up 5.4 percent from 2006) since 1981, along with an all-time high in both business jet deliveries (1,138, up 28.4 percent) and in billings (\$21.9 billion, up 16.5 percent). Turboprop deliveries were up 11.4 percent to 459 airplanes. However, piston deliveries were down 2.9 percent to 2,675.⁸

- *Business Jet Overview*

According to GAMA, the 663 business jet deliveries worldwide in the first six months of 2008 exceeded deliveries in the first six months of 2007 by 39 percent.⁹ The FAA forecasted 350 deliveries of very light jets in 2007; however, only 143 were delivered. Their most current forecast states that 400 to 500 new very light jets will be added annually through 2025. Because the demand for business jets has grown over time, the FAA believes that the business side of general aviation will expand more rapidly than the personal and sport side.

The high-end business jet segment began in 1996 with the Gulfstream GV. Over the years, manufacturers have produced a variety of large, luxury business jets, including the Boeing Business Jet series and the Airbus A319/320CJ series. Topping the high-end segment are business adaptations of twin-aisle jets. Manufacturers of smaller business jets are also developing new planes to meet demand for high-end product lines, such as the new Cessna Columbus. According to Richard Aboulafia, of the Teal Group, the top of the market seems to be growing faster than other segments. The high growth rates in corporate profits and an increase in wealthy individuals have been factors in this trend.¹⁰ Although there have been recent reports of a build-up of used business jet inventories, possibly portending lower new business jet sales in the United States, that impact may be moderated by global demand.¹¹

- *Commercial Airline Overview*

Although airline travel continues to increase, the International Air Transport Association revised its 2008 global passenger growth estimate down from 3.9 percent to 3.2 percent and air cargo down from 3.9 percent to 1.8 percent, or about half the growth rates in 2007. This is expected to result in global losses of \$5.2 billion, with losses to North American carriers of \$5 billion in 2008. Primary causes for IATA's revision are increasing fuel prices and slowing demand.¹²

Fuel price concerns dominated the Farnborough International Airshow, but did not slow orders for airliners from growing markets in Asia and the Middle East.¹³ Order backlogs, combined with careful production schedules, provide Boeing and Airbus protection from the impacts of high fuel prices on airlines. Foreign airlines have been better hedged against rising fuel costs than U.S. airlines and are able to purchase more with the stronger Euro.¹⁴ Meanwhile U.S. airlines are retiring their less fuel efficient airplanes and replacing them with newer, more fuel efficient models such as the Boeing 737 and the 787.¹⁵

- *Order Backlogs*

As shown in Tables 3 and 4, both Boeing and Airbus experienced a significant increase in orders in 2005. Delivery levels have been increasing, but at a more moderate pace. Hawker Beechcraft reported its fifth consecutive quarter of increasing order backlogs, for a total of \$7.4 billion in its second quarter 2008 report.¹⁶ In August, Cessna reported having an order backlog of \$16 billion through the first half of the year.¹⁷ These order backlogs underlie the expectation of continued growth in the aircraft manufacturing sector.

Table 3: Boeing Orders and Production

	2003	2004	2005	2006	2007	Through July 2008
Aircraft orders	249	277	1,022	1,057	1,422	869
Percent Change		11%	269%	3%	35%	
Aircraft deliveries	281	285	290	398	441	416
Percent Change		1%	2%	37%	11%	

Table 4: Airbus Orders and Production

	2003	2004	2005	2006	2007
Aircraft orders	284	370	1,111	824	1,458
Percent Change		30%	200%	-26%	77%
Aircraft deliveries	305	320	378	434	453
Percent Change		5%	18%	15%	4%

- *Other Aviation*

In other aviation news, Cessna contracted with Spirit to build the fuselage of its new, large business jet Columbus. Spirit plans to build a new, 375,000-square-foot building and to hire 700 people over the next five years as part of this project. The Columbus, Cessna's largest business jet ever, will be built in a new plant in Wichita, with Cessna planning to hire more than 1,000 new employees.¹⁸ In late summer, both Hawker Beechcraft and Boeing employees, represented by the IAM machinists' union, went out on strike. More than 4,000 employees at Hawker Beechcraft and 750 Boeing employees are represented by the union.^{19, 20}

The recent Air Force tanker competition was terminated in September by Defense Secretary Robert Gates. The next administration will be tasked with overseeing the development of a new set of requirements, which may allow both Boeing and Airbus to propose different aircraft than originally offered.

Manufacturing Forecast

Durable goods manufacturing is expected to close 2008 up 2.7 percent, for a net gain of 1,525 jobs. In 2009, employment should continue to increase by 4.3 percent or 2,500 jobs, as long as workers are available with the proper skill sets. In response to concerns about skilled labor, voters in Sedgwick County approved a \$54 million bond issue for a new National Center for Aviation Training at Jabara Airport.²¹ Construction has begun on

the center that will focus on high-tech training curriculums in aviation and manufacturing. NCAT will house additional space for NIAR, as well.

If the estimated and forecasted job growths for 2008 and 2009 hold, the durable goods sector will have added more than 11,800 jobs in five years.

Employment in non-durable goods manufacturing lost approximately 1,600 employees from 2002 to 2007. Employment is expected to decrease through the end of 2008, with a total loss of 400 jobs. In 2009, modest employment losses are expected, with a decline of 1.2 percent, or 100 jobs.

Overall, in 2009 manufacturing employment is projected to increase 3.6 percent, for a net gain of 2,400 jobs.

Trade, Transportation and Utilities Sectors

Wholesale Trade

Wholesale trade accounted for 3.6 percent of all jobs in the Wichita MSA in 2007.

- Payroll earnings for the wholesale trade industry totaled almost \$534.4 million, with average earnings per job of \$48,568.

Wholesale trade is on track to gain nearly 350 jobs by year-end. Employment is expected to increase 1.8 percent, for a net gain of 200 jobs in 2009.

Retail Trade

Retail trade accounted for 10.7 percent of all jobs in the Wichita MSA during 2007.

- Payroll earnings for the retail trade industry totaled \$824.6 million, with average earnings per job of \$25,369.

Retail trade is on track to gain 200 jobs this year and another 250 in 2009. Tightening credit standards will likely reduce the availability of debt financed consumer spending, adding additional uncertainty to employment growth in this sector.

In 2007, nominal taxable retail sales increased by 3.5 percent, slightly above the 2.8 percent rate of inflation for 2007. Although employment growth is expected in 2008 and 2009, a higher inflation rate, coupled with consumers' economic uncertainties, will take their toll on taxable retail sales. Taxable retail sales are expected to increase 2.9 percent in 2008 and a mere 0.2 percent in 2009, or declines of 2.7 and 2.1 percent, respectively, after adjusting for inflation.

Transportation, Warehousing and Utilities

The transportation, warehousing, and utilities industry accounted for 2.7 percent of all jobs in the Wichita MSA during 2007.

- Payroll earnings for the utilities sector totaled \$51 million, with average earnings per job of \$66,335.

- Payroll earnings for the transportation and warehousing sector totaled \$236.8 million, with average earnings per job of \$34,069.

In order to maintain AirTran Airway's presence in the Wichita market, Sedgwick County commissioners approved a one-year subsidy of \$6.5 million for the airline in August.²²

Wichita will soon have more warehousing space. Two new 64,000-square-foot concrete warehouses will be built on Hoover Road near Wichita Mid-Continent Airport. The developers are Steve Clark and Johnny Stevens.²³ Lou Robelli, owner of Air Capital Delivery & Warehouse, plans to build a 300,000-square-foot warehouse in Park City at the site of Robelli's industrial park.²⁴

The Kansas Corporation Commission has until Jan. 23 to decide whether to grant Westar Energy a 15 percent rate increase, which would cost the average resident in Westar's southern region, which includes Wichita, an additional \$10 a month. Power demand has been increasing each year, making it necessary to invest in alternative energy sources, such as natural gas and wind power. In addition, the company has experienced storm-related losses they need to recover.²⁵

Employment in the transportation, warehousing and utilities sector is expected to end the year with a net loss of 50 jobs. It is forecast to gain 115 jobs in 2009, a 1.4 percent increase.

Service Sectors

Information

The information industry accounted for 2.1 percent of all jobs in the Wichita MSA in 2007.

- Payroll earnings for the industry totaled \$256.9 million, with average earnings per job of \$40,597.

The information sector finally reversed its long-term downward employment trend in 2007, although this trend is not expected to hold. Employment in the information sector is expected to decrease 2 percent in 2008 and an additional 0.8 percent in 2009, for a two-year combined loss of 175 jobs.

The information sector peaked at 7,000 jobs in 2002. Despite the recent rebound in employment, the information sector will have shed nearly 875 jobs from the peak, for a net decline of 12.4 percent by year-end 2009. This trend is not unique to Wichita. Nationally, the information sector has also shed jobs.

Financial Services

The financial activities industry accounted for 3.8 percent of all jobs in the Wichita MSA in 2007.

- Payroll earnings for the finance and insurance sector totaled \$371 million, with average earnings per job of \$46,406.
- Payroll earnings for the real estate and rental and leasing sector totaled \$100 million, with average earnings per job of \$28,690.

The 16th Boeing Wichita Credit Union branch is under construction at K-96 and 21st Street East. The building is expected to open in 2009.²⁶

Intrust Bank won the naming rights to the new Sedgwick County arena, to be called the INTRUST Bank Arena.

In 2007, the financial services sector gained nearly 200 jobs, halting a five-year decline in employment. However, this year the sector is expected to lose 125 of that 200-job increase, for a net two-year gain of 75 jobs. In 2009, employment is expected to rise again, gaining 100 jobs.

Professional and Business Services

Professional and business services accounted for 9.9 percent of all jobs in the Wichita MSA in 2007.

- Payroll earnings for the professional and technical services sector totaled \$413.6 million, with average earnings per job of \$48,483.
- Payroll earnings for the management of companies and enterprises sector totaled \$307.7 million, with average earnings per job of \$96,931.
- Payroll earnings for the administrative and waste services sector totaled \$603.3 million, with average earnings per job of \$33,424.

The professional and business services sector expects increases in employment for 2008 and further strong growth in 2009. The modest growth forecasted for 2008 is an increase of 0.4 percent, or 125 jobs. The stronger growth in 2009 is forecasted to be 3.4 percent, or 1,025 additional jobs over 2008.

The professional and business services sector includes three sub-categories: professional, scientific and technical services; management of companies and enterprises; and administrative and support and waste management and remediation services. These are new sectors created under the North American Industry Classification System and bring together an assortment of businesses that primarily serve other businesses. The professional and business services sector includes legal, architectural and engineering services, as well as:

- Advertising and public relations agencies
- Call centers
- Computer systems design and programming services
- Investigation and security services

- Landscape services
- Management, human resources, environmental services, including staffing services
- Photography studios
- Scientific research
- Travel services
- Veterinary services
- Waste management services

In the Wichita area, most firms in this sector are rather small, with temporary employment agencies, security service companies and call centers among the larger employers.

Educational and Health Care Services

Educational and health care services accounted for 14 percent of all jobs in the Wichita MSA in 2007.

- Payroll earnings for the (private, non-government) educational services sector totaled \$114.2 million, with average earnings per job of \$31,077.
- Payroll earnings for the health care and social assistance sector totaled \$1.36 billion, with average earnings per job of \$37,081.

The educational and health care services sector continues to grow at a sustainable rate, increasing an estimated 1.1 percent in 2008, for a net gain of 450 jobs, and a forecasted 1.6 percent increase in 2009, for a net gain of 700 jobs. This sector continues to be particularly constrained by the available skill sets in the workforce.

Educational services employment excludes publicly funded education. It accounts for approximately 5,400 jobs in June 2008, or 12.7 percent of the educational and health care services sector's total employment.

Employment in the health care and social services sub-sector totaled 36,600 in 2007, with 26 percent of the jobs in hospitals and 74 percent of jobs in other health care and social assistance. As the delivery of health care services in recent years has shifted from inpatient to outpatient, the hospital sub-sector's share of employment has declined from 40 percent in 1995.

Wichita's specialty hospitals continue their growth, with Cypress Heart forming an electrophysiology division.²⁷ Via Christi has broken ground on its west-side hospital in Maize, expected to cost \$97 million and offer 72 hospital beds.²⁸ In addition, it is building an outpatient cancer treatment center in northeast Wichita.²⁹ Wesley Medical Center completed its \$43 million, multi-year expansion and announced plans to add an \$8 million cardiovascular center that was expected to open in June.^{30, 31}

The Wichita Business Coalition on Health Care was created in an effort to improve health and wellness and to cooperatively analyze health care issues in an effort to produce

efficiency, quality and value for employers and employees.³² In addition, the Health & Wellness Coalition of Wichita received a \$300 thousand grant from the Kansas Health Foundation to promote health and wellness activities and improve nutrition for area residents.³³

The Kansas Hospital Association continued its efforts to support appropriate payment levels for Medicare and Medicaid services in Kansas hospitals. Nursing graduates increased in 2006 for the third consecutive year with 1,461 graduates. However, health care providers reported a shortage of 524 registered nurses and 73 licensed practical nurses, as well as 5 percent or higher vacancy rates for physical therapists, registered respiratory therapists, non-certified surgical technicians, and staff pharmacists.³⁴

Leisure and Hospitality Services

Leisure and hospitality accounted for 9.2 percent of all jobs in the Wichita MSA during 2007.

- Payroll earnings for the arts, entertainment and recreation services sector totaled more than \$55.3 million, with average earnings per job of \$13,383.
- Payroll earnings for the accommodation and food services sector totaled \$296.8 million, with average earnings per job of \$12,560.

The leisure and hospitality sector is on track to add 500 jobs this year and another 400 jobs in 2009, for a net increase of 1.8 percent and 1.4 percent, respectively.

More than a year after Wild West World filed for bankruptcy, it has been purchased by AHG Holdings, which plans to reopen the park with the addition of thrill rides.³⁵

The casino location in Sumner County was announced by the Lottery Gaming Facility Review Board, which chose the Harrah's proposal in Mulvane. Harrah's faces some legal hurdles, which include a challenge by the Prairie Band Potawatomi Nation. Harrah's is a minority partner with Sumner Gaming and Resorts.^{36,37}

In June, the city loaned the Old Town Warren Theatre \$6 million to renovate the struggling theater in order to preserve it as an anchor in Old Town Square.³⁸

The economic indicators for the travel and tourism industry are signaling continued growth:

- The number of outbound passengers at Wichita's Mid-Continent Airport for the 12 months ending June 2008 is up 10.5 percent compared to the 12 months ending June 2007.
- The hotel occupancy rate for the 12 months ending June 2008 is down 1.4 percentage points compared to the 12 months ending June 2007.
- Collections of the city of Wichita's transient guest taxes (room tax paid by hotel/motel patrons) are up 13.8 percent for the 12 months ending June 2008 compared to the 12 months ending June 2007.

Other Services

Other services accounted for 3.6 percent of all jobs in the Wichita MSA during 2007.

- Payroll earnings for the industry totaled \$176.2 million, with average earnings per job of \$25,944.

Employment in other services, which includes employment in maintenance and repair services, personal services, and religious and civic (nongovernmental) services, should end 2008 with a net loss of 40 jobs, or a decrease of 0.4 percent. The decline is expected to end in 2008, with projected growth in 2009 of 0.7 percent, for a net gain of 75 jobs.

Government

Government accounted for 13.3 percent of all jobs in the Wichita MSA during 2007.

- Payroll earnings for the industry totaled \$1.43 billion, with average earnings per job of \$37,001.

Aside from agricultural employment, the government sector employment is the most difficult economic variable to predict since employment decisions often rely on variables other than economic relationships. With this caveat, our estimates of 2008 government employment reflect an increase of 600 jobs, or a 1.5 percent increase over 2007. Projections for 2009 reflect an increase of 430 jobs, or a 1.1 percent increase.

* * *

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To review the forecast methodology:

Visit the CEDBR Web site at www.wichita.edu/cedbr.

Data Tables

Table 5. Total Wage and Salary Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	294,492	425	0.1%
2000	295,150	658	0.2%
2001	298,583	3,433	1.2%
2002	292,508	-6,075	-2.0%
2003	280,983	-11,525	-3.9%
2004	283,108	2,125	0.8%
2005	286,975	3,867	1.4%
2006	294,017	7,042	2.5%
2007	302,542	8,525	2.9%
2008(e)	305,677	3,135	1.0%
2009 (f)	311,772	6,095	2.0%

Table 6. Natural Resources, Mining and Construction Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	16,275	258	1.6%
2000	15,942	-333	-2.0%
2001	16,308	366	2.3%
2002	16,050	-258	-1.6%
2003	15,933	-117	-0.7%
2004	16,067	134	0.8%
2005	15,733	-334	-2.1%
2006	16,067	334	2.1%
2007	16,733	666	4.1%
2008(e)	16,858	125	0.7%
2009 (f)	17,308	450	2.7%

Table 7. Manufacturing Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	75,067	-433	-0.6%
2000	73,083	-1,984	-2.6%
2001	72,942	-141	-0.2%
2002	65,708	-7,234	-9.9%
2003	58,567	-7,141	-10.9%
2004	58,400	-167	-0.3%
2005	60,708	2,308	4.0%
2006	63,000	2,292	3.8%
2007	65,283	2,283	3.6%
2008(e)	66,408	1,125	1.7%
2009 (f)	68,808	2,400	3.6%

Table 8. Wholesale Trade Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	11,642	200	1.7%
2000	11,958	316	2.7%
2001	12,017	59	0.5%
2002	11,925	-92	-0.8%
2003	11,317	-608	-5.1%
2004	11,242	-75	-0.7%
2005	10,625	-617	-5.5%
2006	10,858	233	2.2%
2007	10,958	100	0.9%
2008(e)	11,308	350	3.2%
2009 (f)	11,508	200	1.8%

Table 9. Retail Trade Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	31,383	-42	-0.1%
2000	31,342	-41	-0.1%
2001	31,283	-59	-0.2%
2002	30,800	-483	-1.5%
2003	30,392	-408	-1.3%
2004	30,575	183	0.6%
2005	30,550	-25	-0.1%
2006	31,058	508	1.7%
2007	32,458	1,400	4.5%
2008(e)	32,658	200	0.6%
2009 (f)	32,908	250	0.8%

Table 10. Transportation, Warehouse, and Utilities Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	7,267	-125	-1.7%
2000	7,533	266	3.7%
2001	7,592	59	0.8%
2002	7,317	-275	-3.6%
2003	7,583	266	3.6%
2004	8,008	425	5.6%
2005	8,408	400	5.0%
2006	8,275	-133	-1.6%
2007	8,233	-42	-0.5%
2008(e)	8,183	-50	-0.6%
2009 (f)	8,298	115	1.4%

Table 11. Information Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	6,033	217	3.7%
2000	6,717	684	11.3%
2001	6,942	225	3.3%
2002	7,042	100	1.4%
2003	6,583	-459	-6.5%
2004	6,250	-333	-5.1%
2005	5,883	-367	-5.9%
2006	5,867	-16	-0.3%
2007	6,342	475	8.1%
2008(e)	6,217	-125	-2.0%
2009 (f)	6,167	-50	-0.8%

Table 12. Finance Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	12,292	-242	-1.9%
2000	12,342	50	0.4%
2001	12,958	616	5.0%
2002	12,942	-16	-0.1%
2003	12,608	-334	-2.6%
2004	12,083	-525	-4.2%
2005	11,442	-641	-5.3%
2006	11,283	-159	-1.4%
2007	11,475	192	1.7%
2008(e)	11,350	-125	-1.1%
2009 (f)	11,450	100	0.9%

Table 13. Professional and Business Services Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	27,350	-892	-3.2%
2000	27,433	83	0.3%
2001	27,658	225	0.8%
2002	27,292	-366	-1.3%
2003	25,733	-1,559	-5.7%
2004	26,575	842	3.3%
2005	26,908	333	1.3%
2006	28,300	1,392	5.2%
2007	29,883	1,583	5.6%
2008(e)	30,008	125	0.4%
2009 (f)	31,033	1,025	3.4%

Table 14. Educational and Health Services Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	35,833	1,000	2.9%
2000	35,567	-266	-0.7%
2001	36,533	966	2.7%
2002	38,667	2,134	5.8%
2003	37,717	-950	-2.5%
2004	38,542	825	2.2%
2005	39,683	1,141	3.0%
2006	41,142	1,459	3.7%
2007	42,175	1,033	2.5%
2008(e)	42,625	450	1.1%
2009 (f)	43,325	700	1.6%

Table 15. Leisure and Hospitality Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	26,067	-550	-2.1%
2000	26,300	233	0.9%
2001	26,017	-283	-1.1%
2002	25,067	-950	-3.7%
2003	24,675	-392	-1.6%
2004	25,342	667	2.7%
2005	26,067	725	2.9%
2006	27,158	1,091	4.2%
2007	27,800	642	2.4%
2008(e)	28,300	500	1.8%
2009 (f)	28,700	400	1.4%

Table 16. Other Services Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	9,708	725	8.1%
2000	10,350	642	6.6%
2001	10,750	400	3.9%
2002	11,775	1,025	9.5%
2003	11,658	-117	-1.0%
2004	12,042	384	3.3%
2005	11,733	-309	-2.6%
2006	10,967	-766	-6.5%
2007	11,025	58	0.5%
2008(e)	10,985	-40	-0.4%
2009 (f)	11,060	75	0.7%

Table 17. Government Employment, Wichita MSA

Year	Employment	Level Change	Percent Change
1999	35,575	308	0.9%
2000	36,583	1,008	2.8%
2001	37,583	1,000	2.7%
2002	37,925	342	0.9%
2003	38,217	292	0.8%
2004	37,983	-234	-0.6%
2005	39,233	1,250	3.3%
2006	40,042	809	2.1%
2007	40,175	133	0.3%
2008(e)	40,775	600	1.5%
2009 (f)	41,205	430	1.1%

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