

Kansas Economy

June 2025 - KSCPA

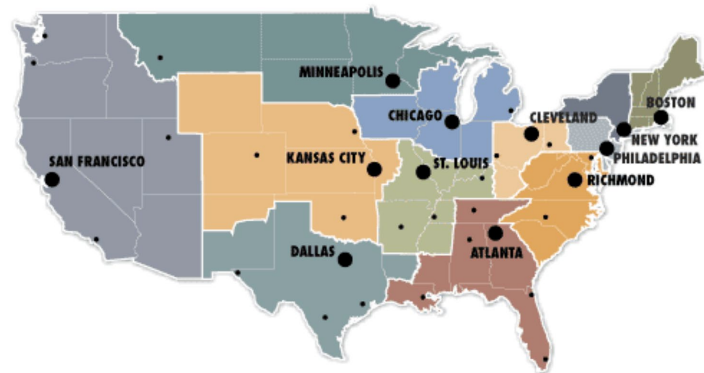
Jeremy Hill

Assistant Vice President, Regional Executive

The views herein are those of the presenter and do not necessarily reflect those of the Federal Reserve Bank of Kansas City or the Federal Reserve System



Structure & Functions of the Federal Reserve



3 primary entities:

Board of Governors

- 7 members appointed by U.S. President

Federal Reserve Banks

- 12 total; semi-independent

Federal Open Market Committee

- 19 members; 12 voting

3 primary responsibilities

Monetary policy

Bank
supervision &
regulation

Payment
system safety
& efficiency



Economic Tug of War




6/3/2025

NONCONFIDENTIAL // EXTERNAL FEDERAL RESERVE BANK OF KANSAS CITY

Workforce – Help wanted: Stability vs. Sentiment

Exploring labor market trends, hiring, challenges, and workforce confidence.




NONCONFIDENTIAL // EXTERNAL FEDERAL RESERVE BANK OF KANSAS CITY

Output – Full speed or False Start?

Dissecting production trends, economic output, and whether momentum will hold.




NONCONFIDENTIAL // EXTERNAL FEDERAL RESERVE BANK OF KANSAS CITY

Inflation – The Price of Uncertainty

Breaking down cost pressures, inflation expectations, and business responses.




NONCONFIDENTIAL // EXTERNAL FEDERAL RESERVE BANK OF KANSAS CITY

Manufacturing – Built to Last?



Examining whether strong production data signals sustained growth or temporary resilience.




NONCONFIDENTIAL // EXTERNAL FEDERAL RESERVE BANK OF KANSAS CITY

Services – At your Service...For Now

Analyzing the strength of the service sector amid shifting consumer and business confidence




What is the most common economic concern of your clients as we head into summer?

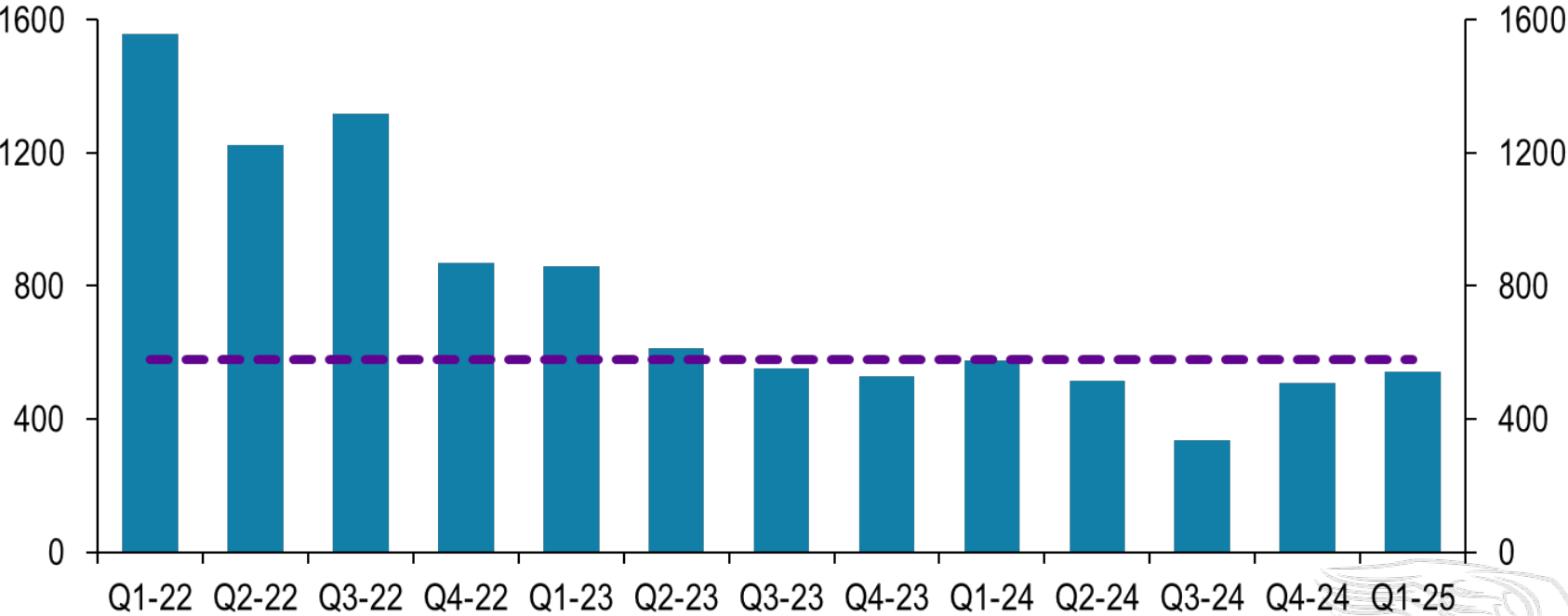
Workforce – Help wanted: Stability vs. Sentiment

Exploring labor market trends,
hiring, challenges, and
workforce confidence.



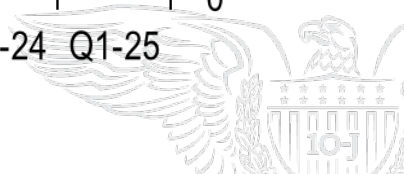
Labor is slowing, but balanced

Thousands, SA



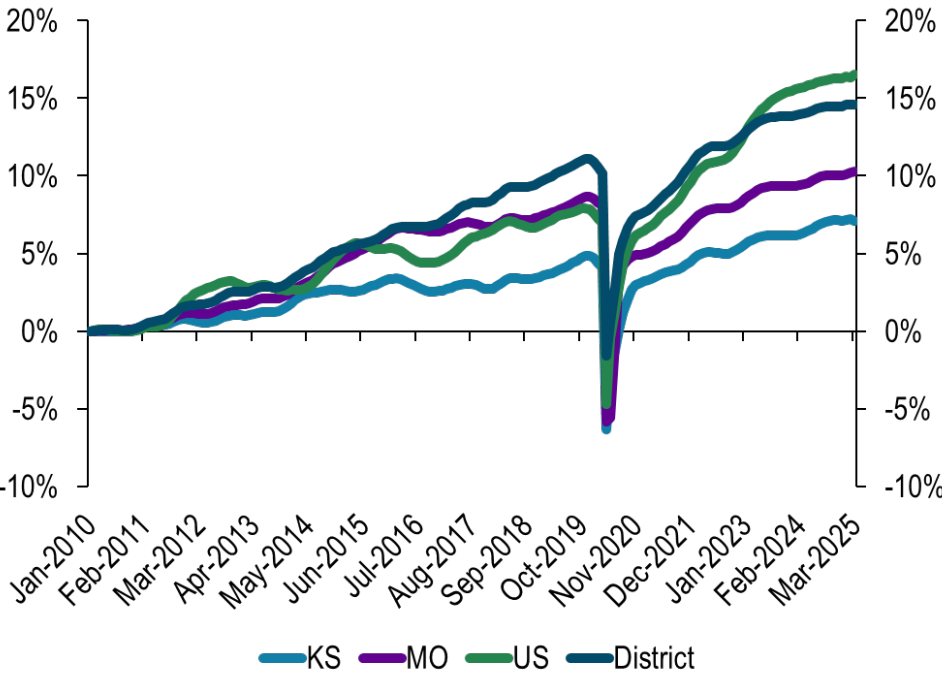
Source: BLS, Haver

Payroll Growth 2015-2019 Average

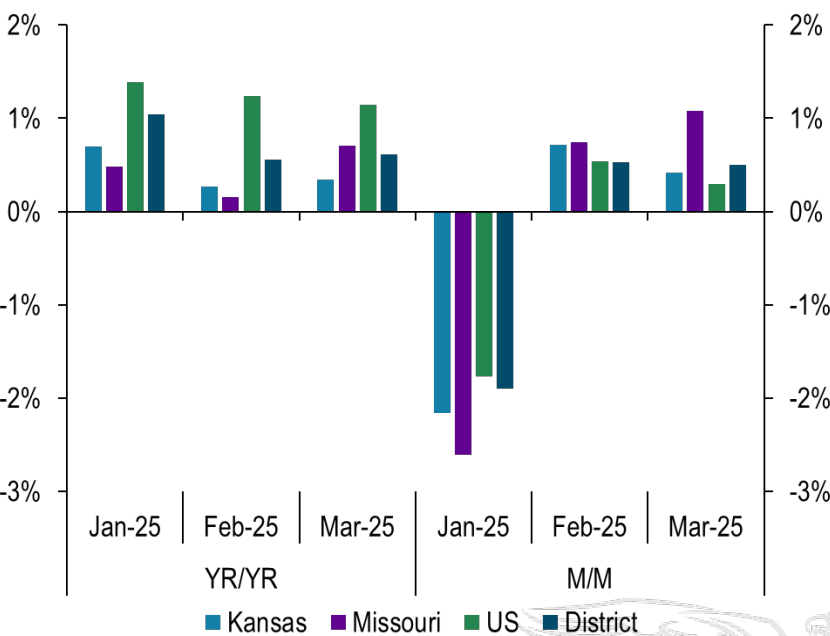


KS and MO are falling behind

Employment Indexed to Jan 2010



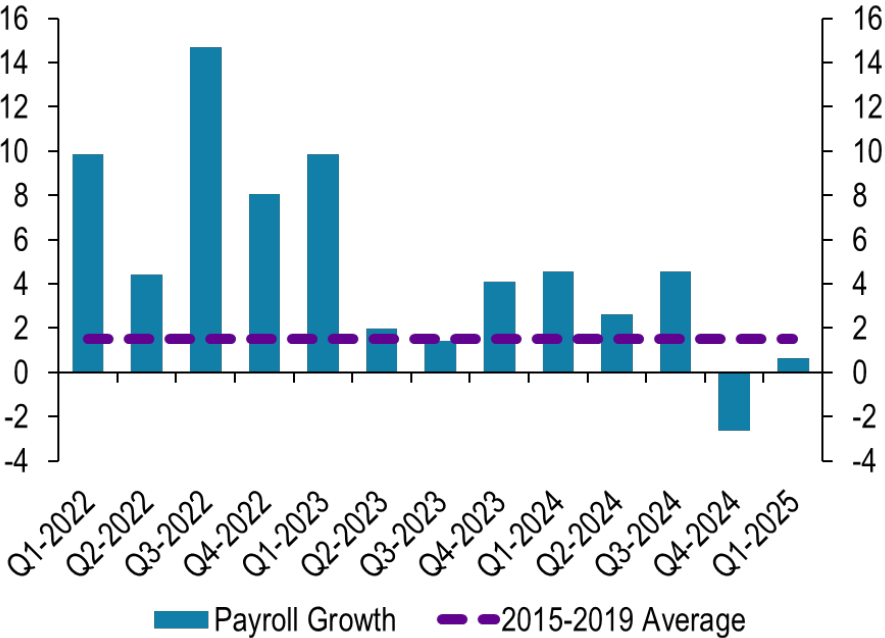
Percent Change in Employment



Growth is inline with previous tight labor markets

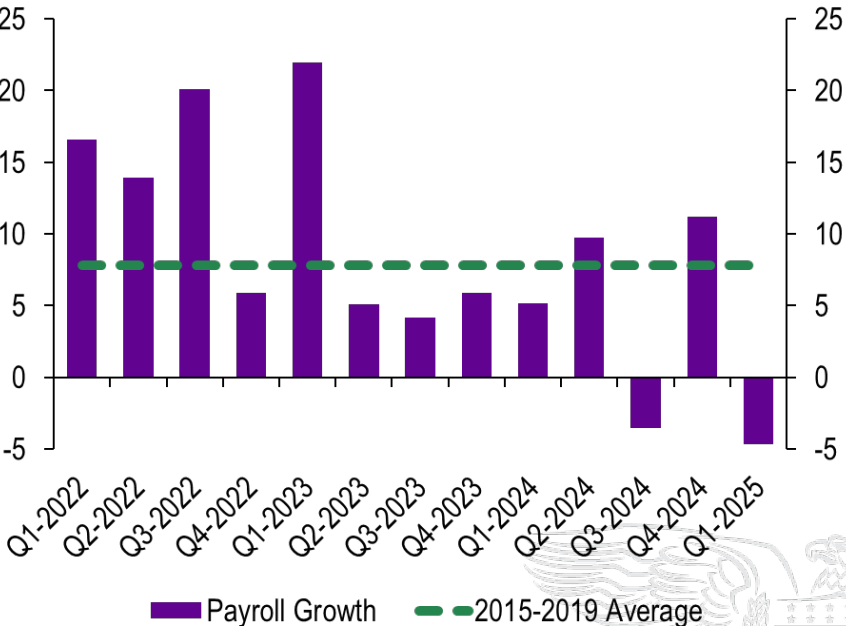
Kansas

Thousands, SA



Missouri

Thousands, SA

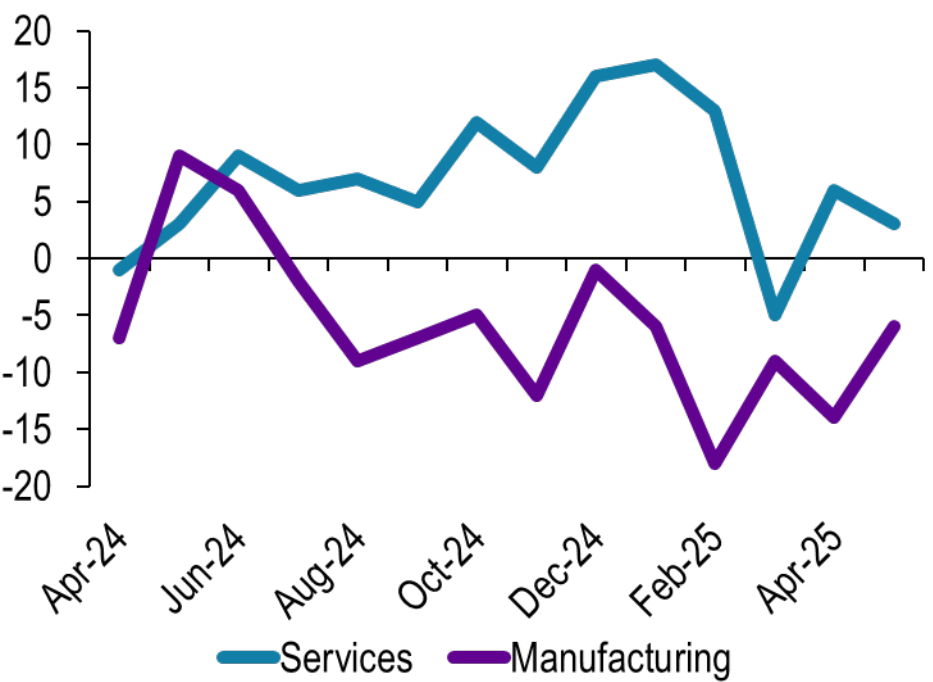


Source: BLS, Haver

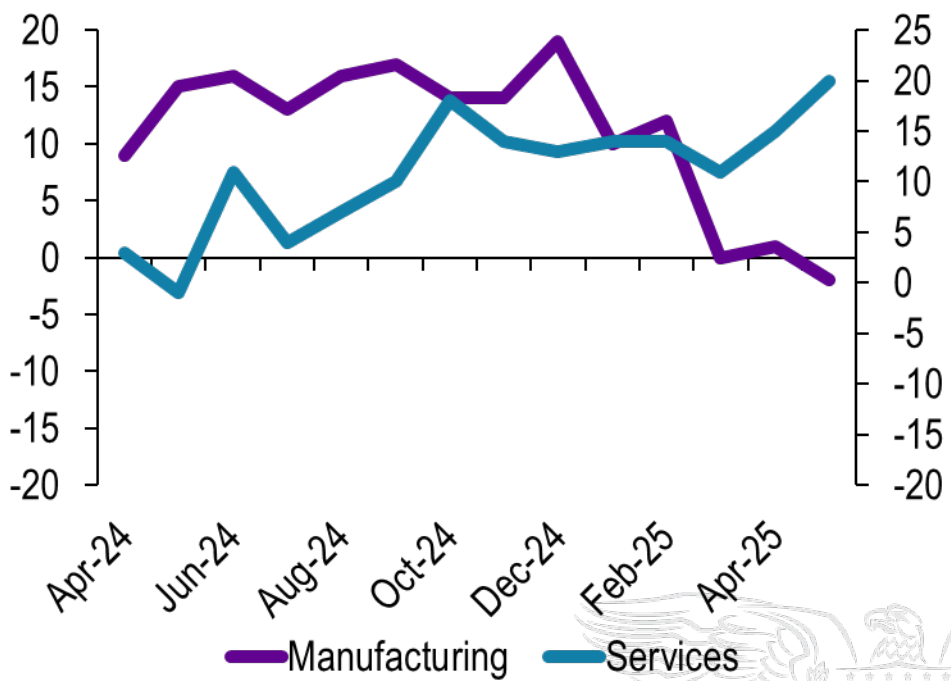


Manufacturing EMP is Down, but Optimism is High

10th District Survey - Employees Versus a Year Ago

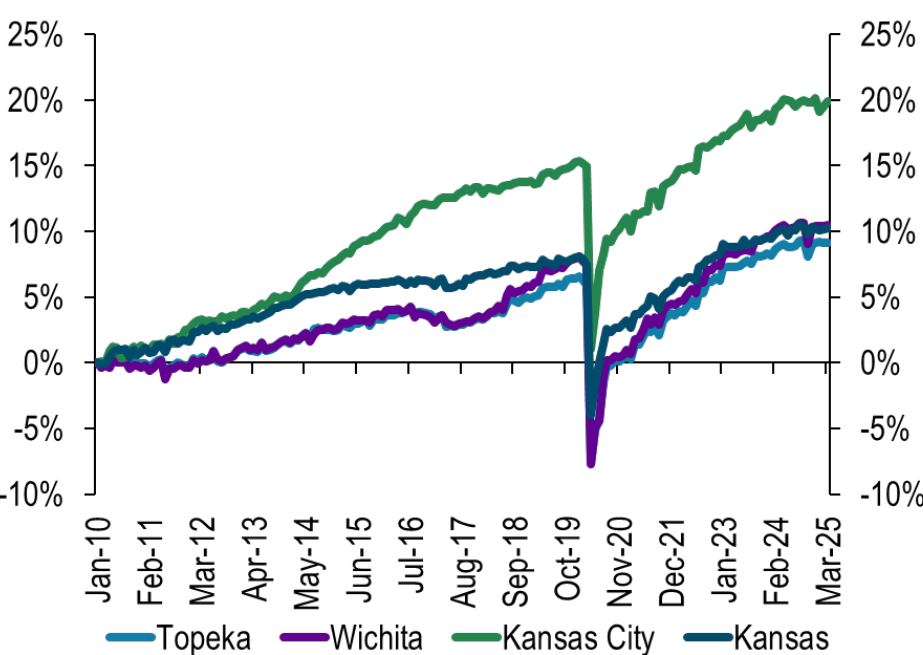


10th District Survey - Employees Expected in 6 months

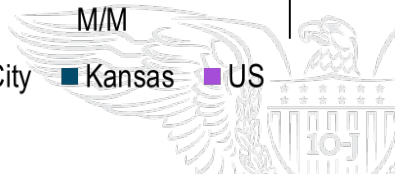
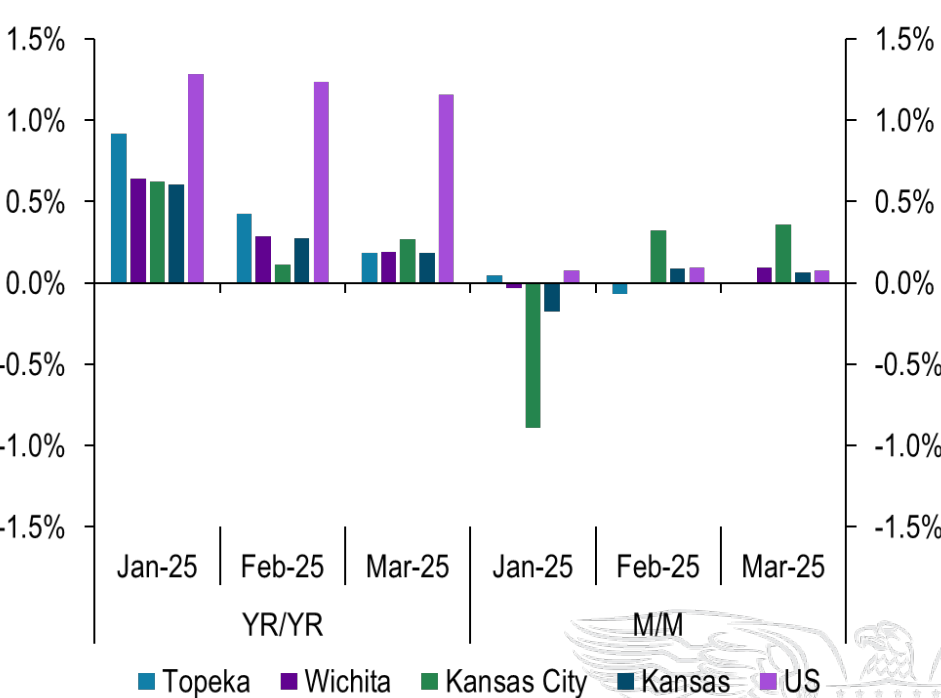


KC is leading...but need to watch

Employment Indexed to Jan 2010

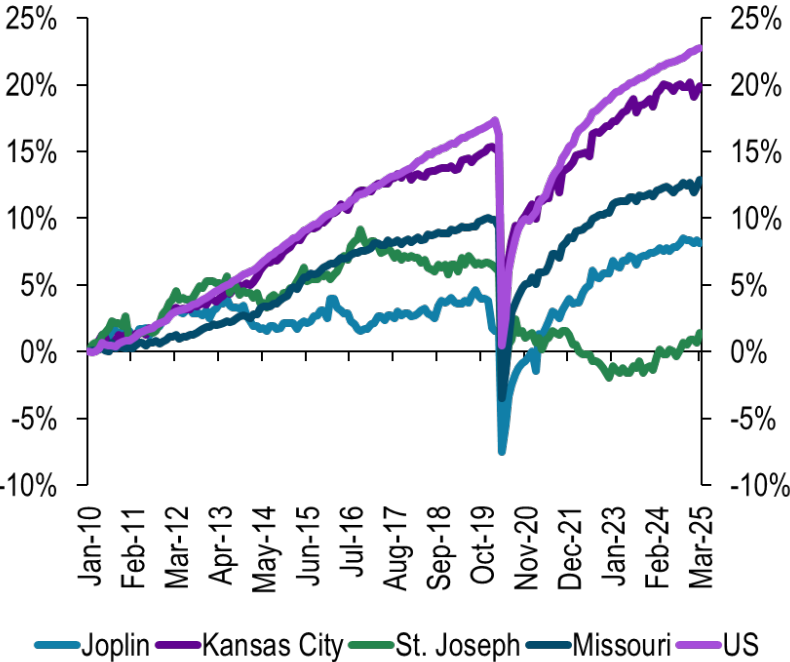


Percent Change in Employment

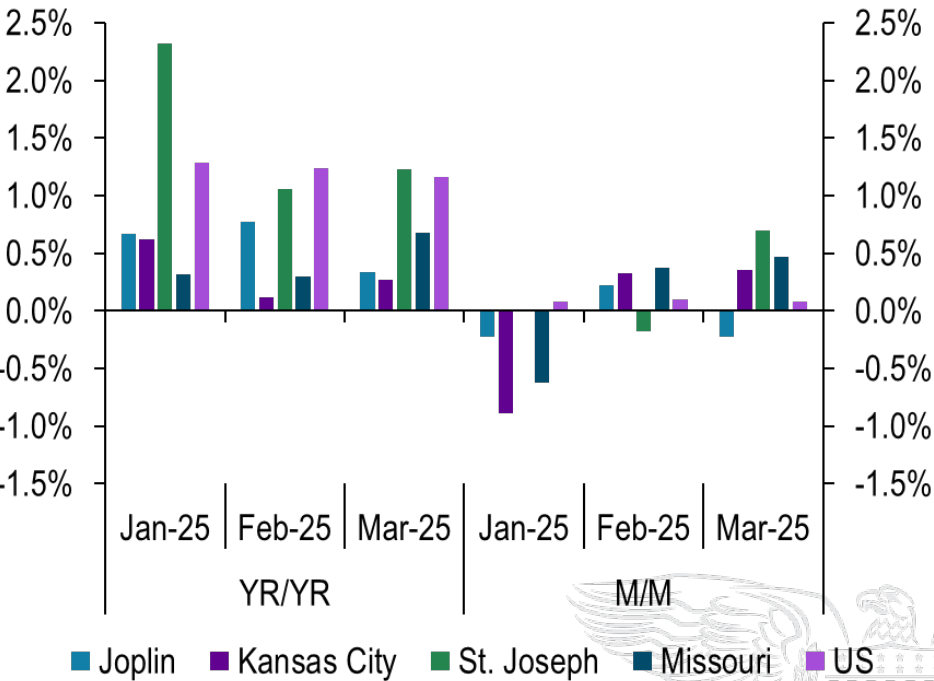


Missouri Metro Areas

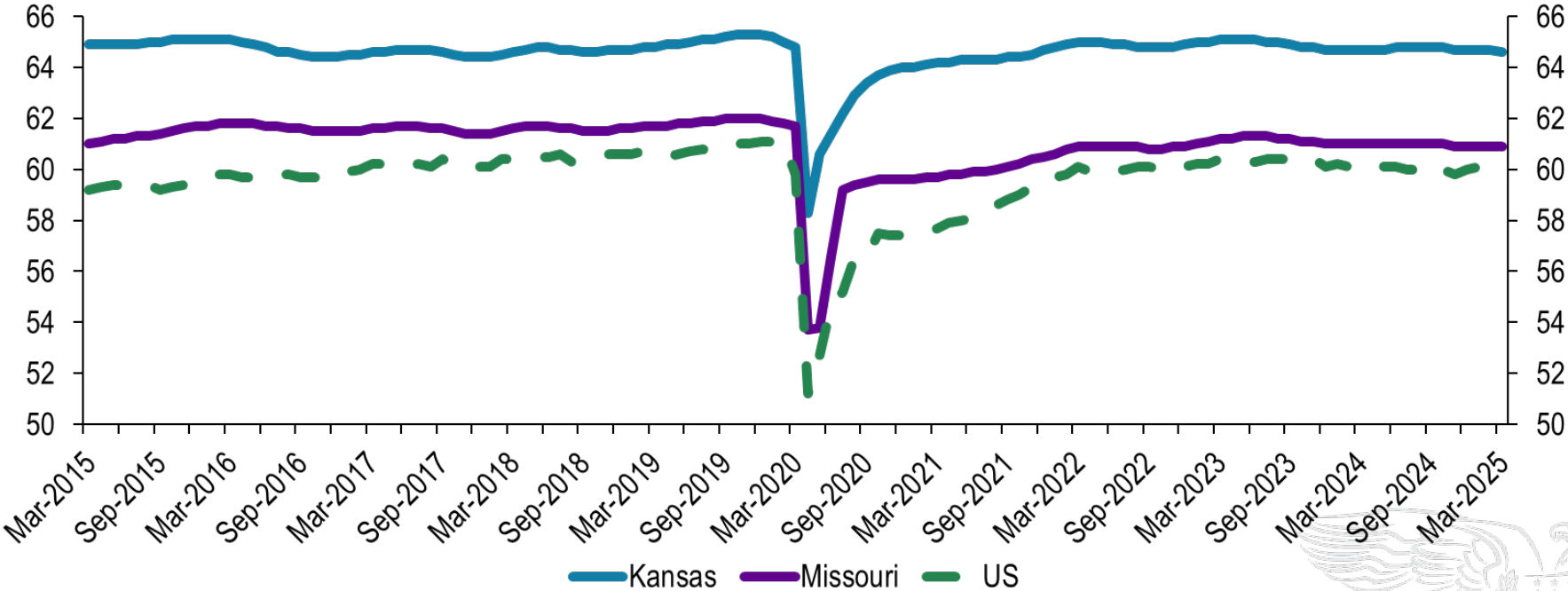
Employment Indexed to Jan 2010



Percent Change in Employment



EMP/Population ratio



Source: BLS, Haver





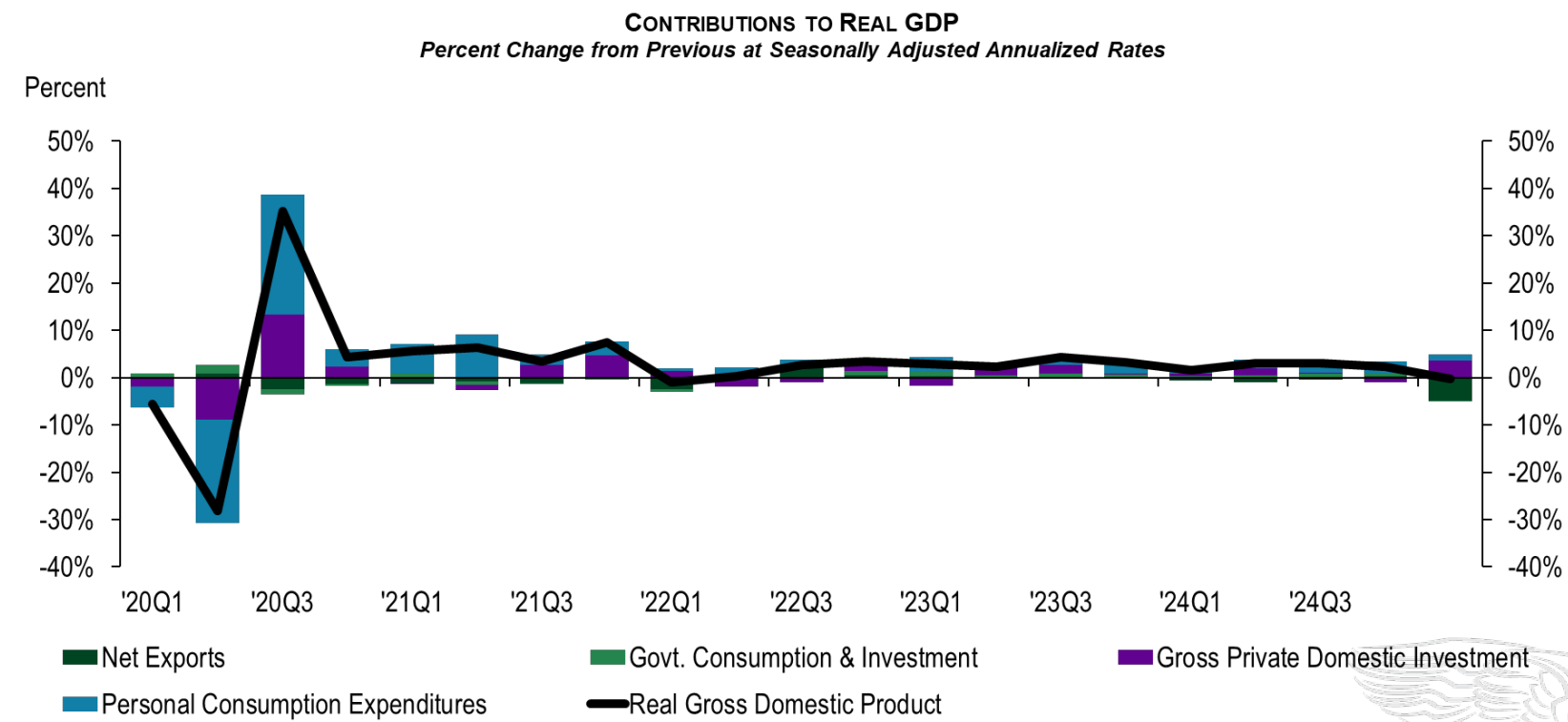
Summer 2025 is a strategic time for organizations to build and strengthen their workforce talent pipelines.

Output – Full speed or False Start?

Dissecting production trends,
economic output, and
whether momentum will hold.



GDP Components

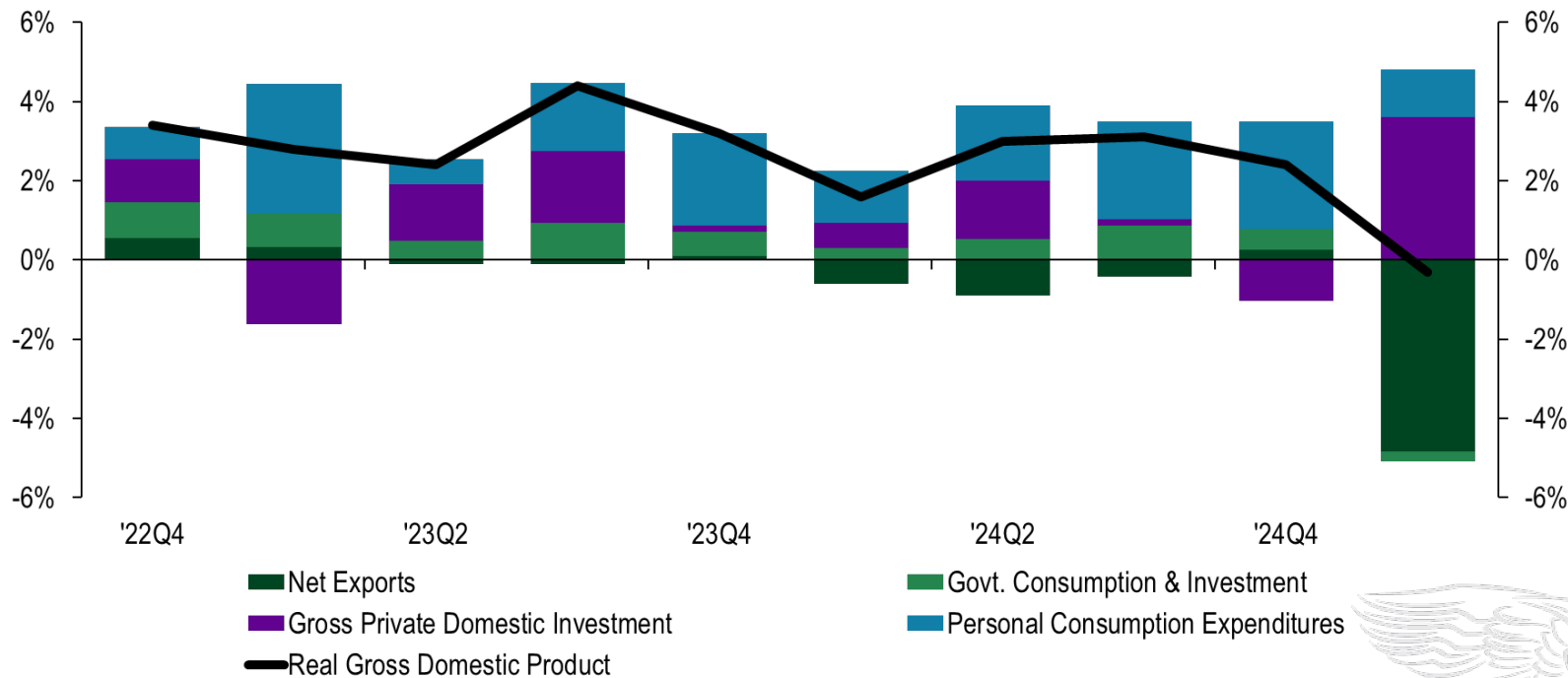


Source: BEA, Haver Analytics



Firms were front loading investments

Percent change in GDP

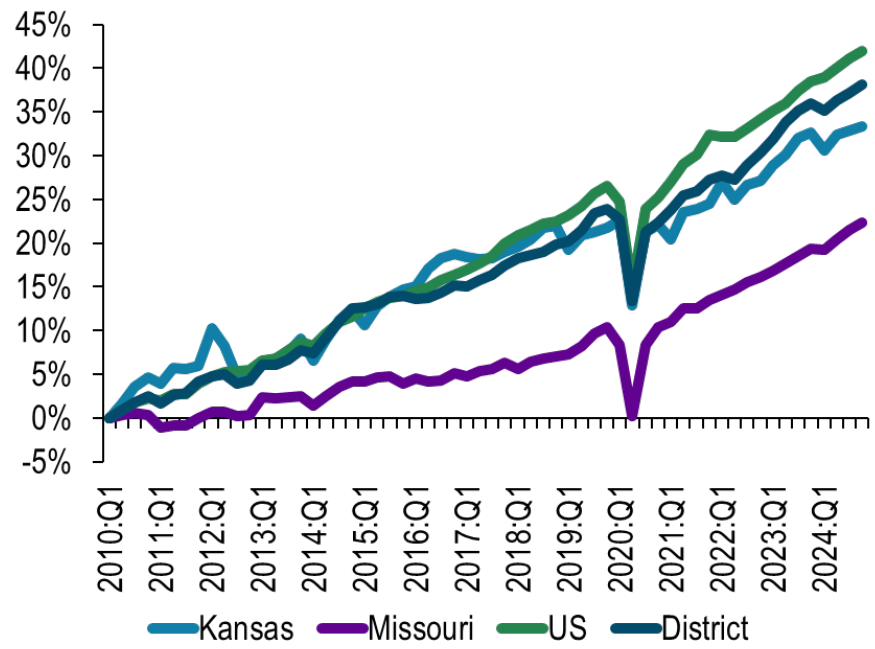


Source: BEA, Haver Analytics

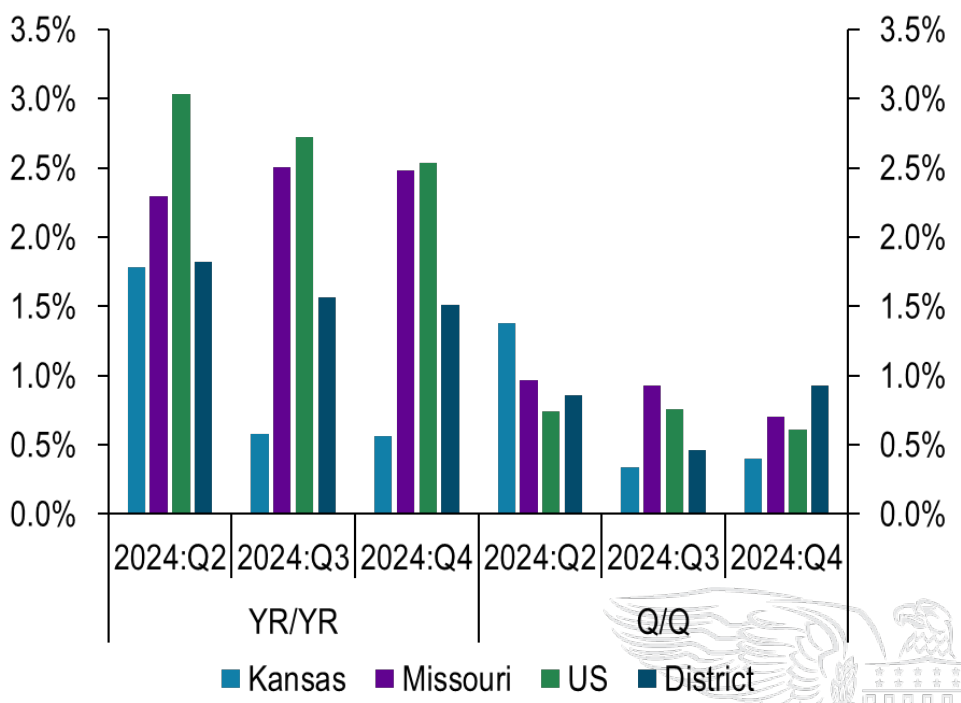


Output trends are inline with the US

GDP Indexed to 2010:Q1

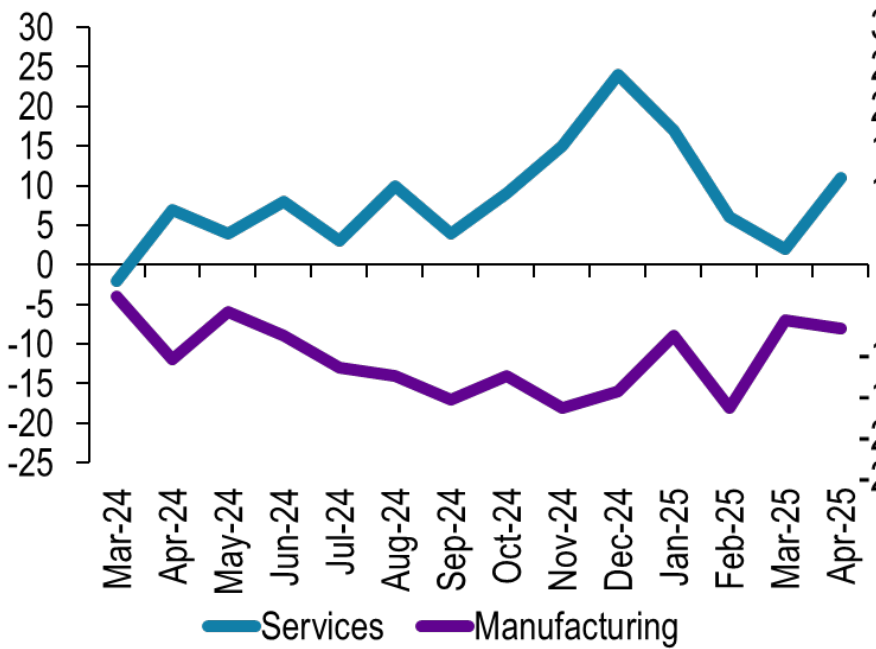


Percent Change in GDP

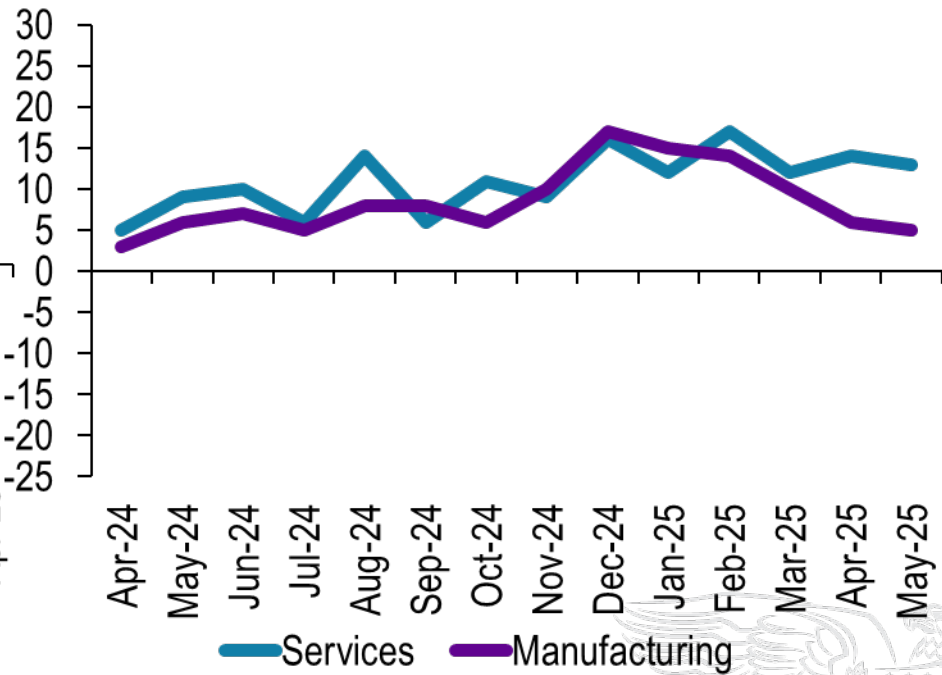


Current conditions have slowed, but optimism remains high

10th District Composite Index

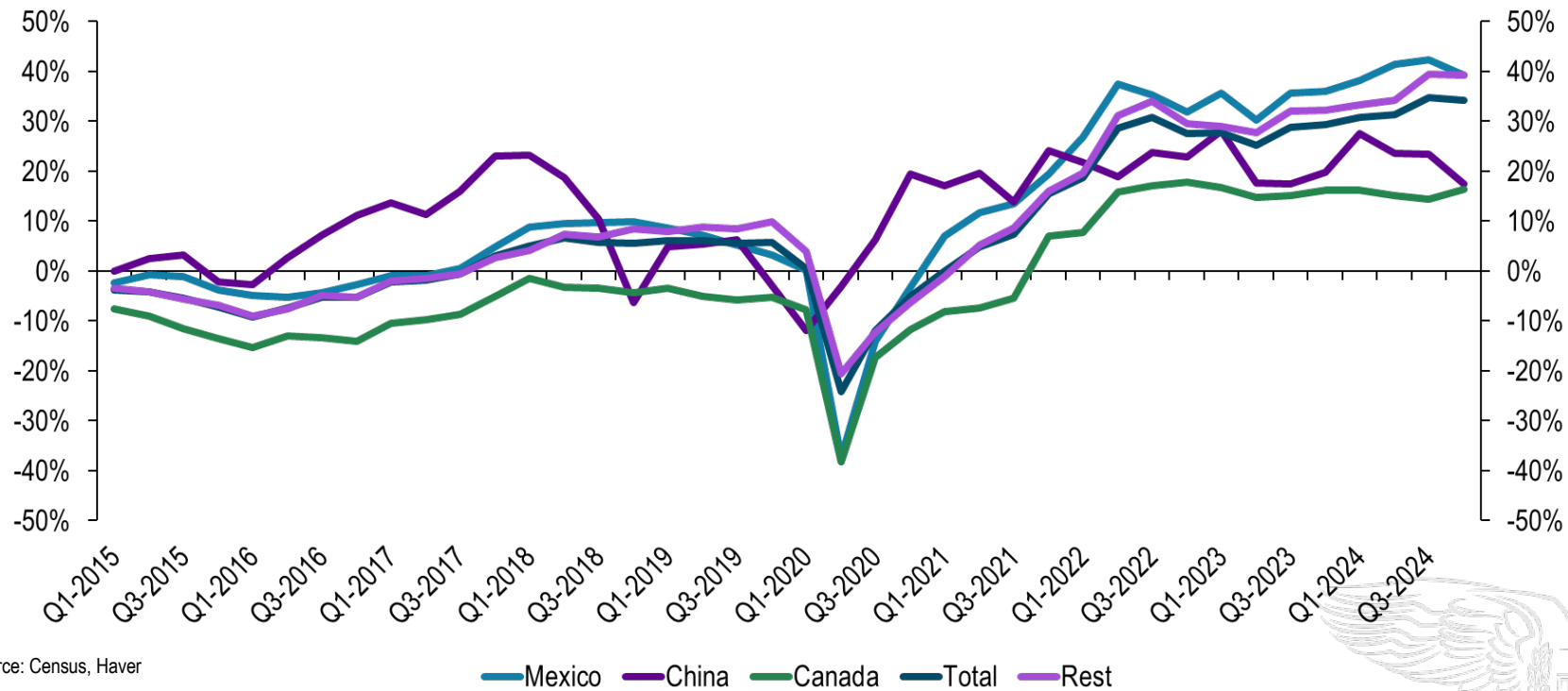


10th District Composite - Expected in 6 Months



Growth was concentrated in Mexico and the Rest of the world

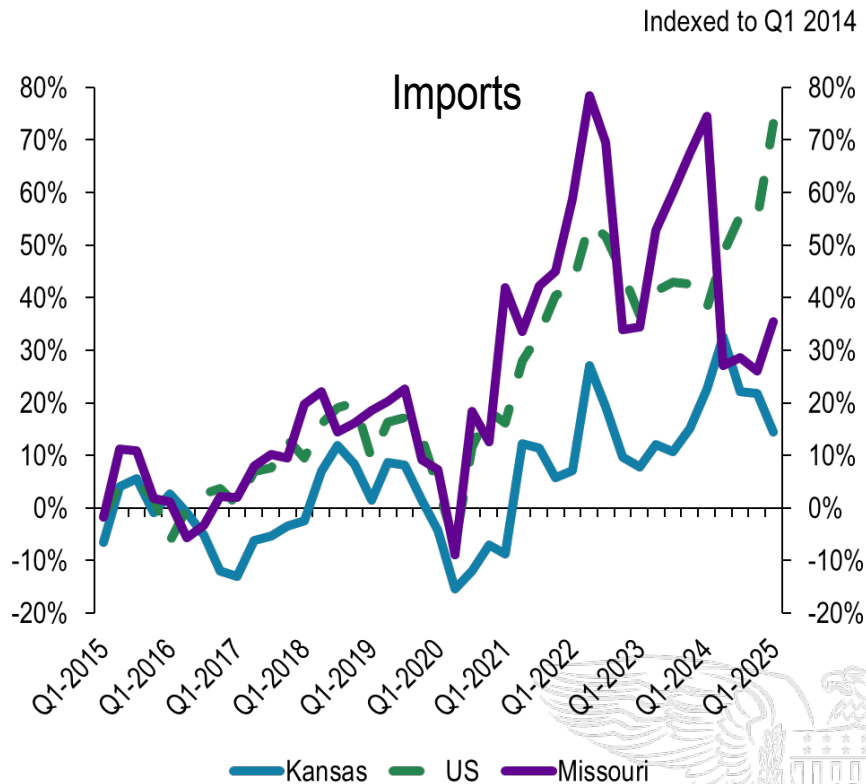
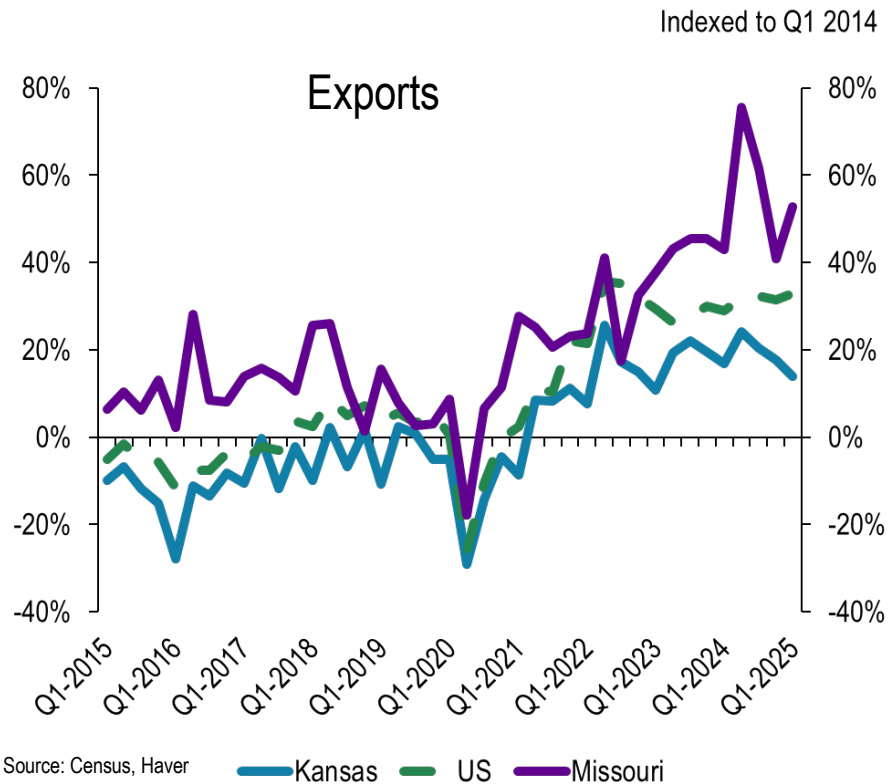
Exports Indexed to Q1 2014



Source: Census, Haver

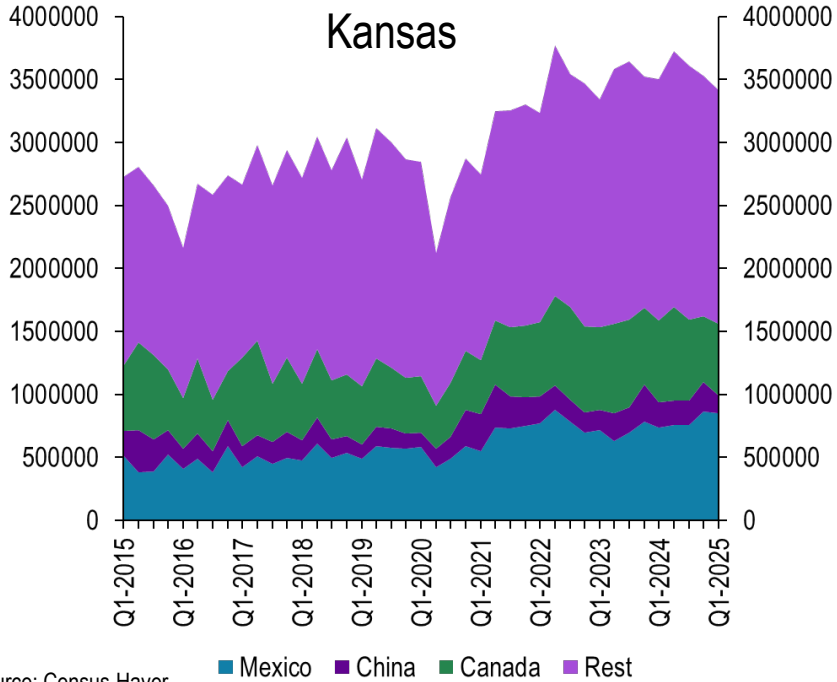


MO Exports exceeded the US



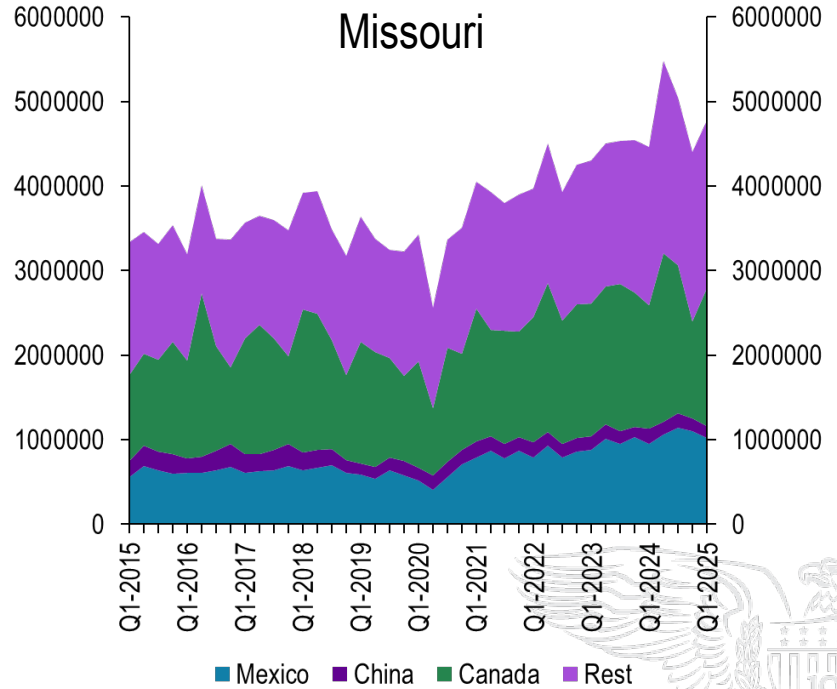
Kansas and Missouri Exports by Country

In Thousands of Dollars



Source: Census Haver

In Thousands of Dollars





What best describes current business activity for your clients or firms?

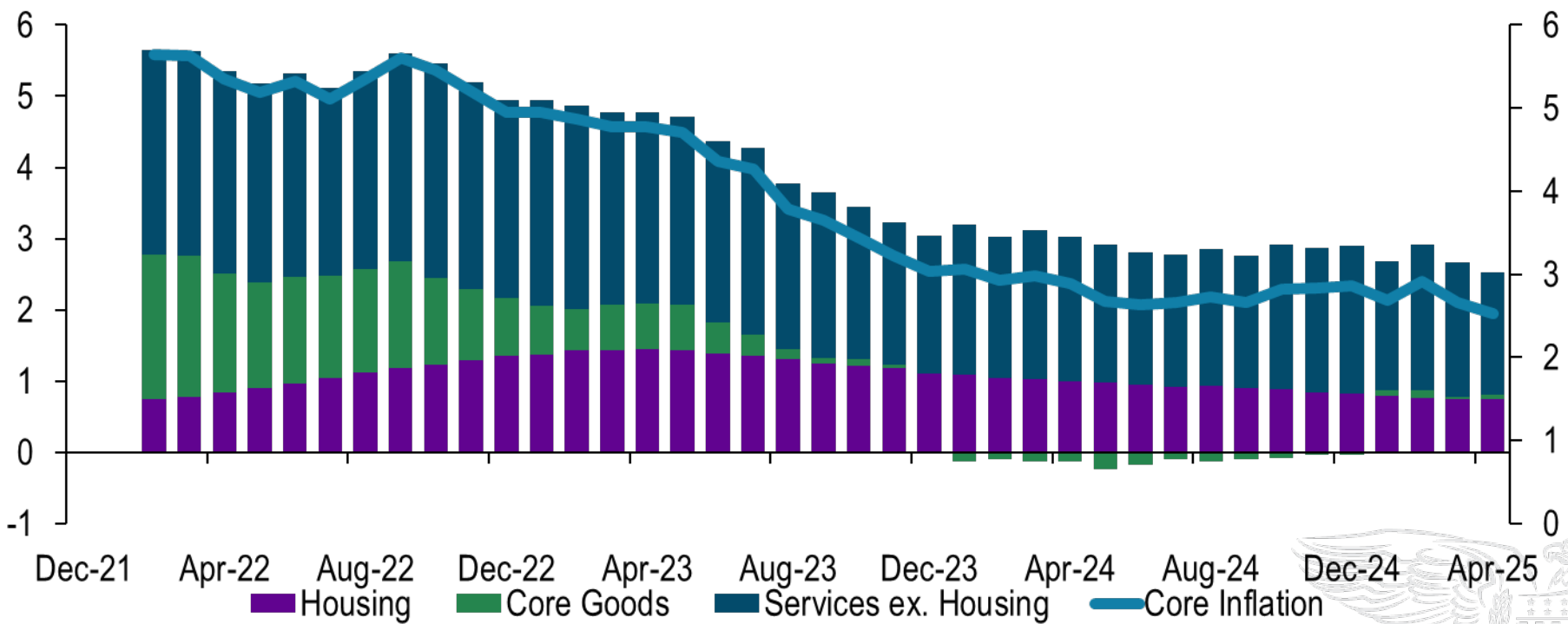
Inflation – The Price of Uncertainty

Breaking down cost pressures, inflation expectations, and business responses.

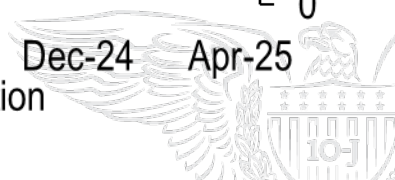


Goods inflation has crept back in

Year/Year % CHange

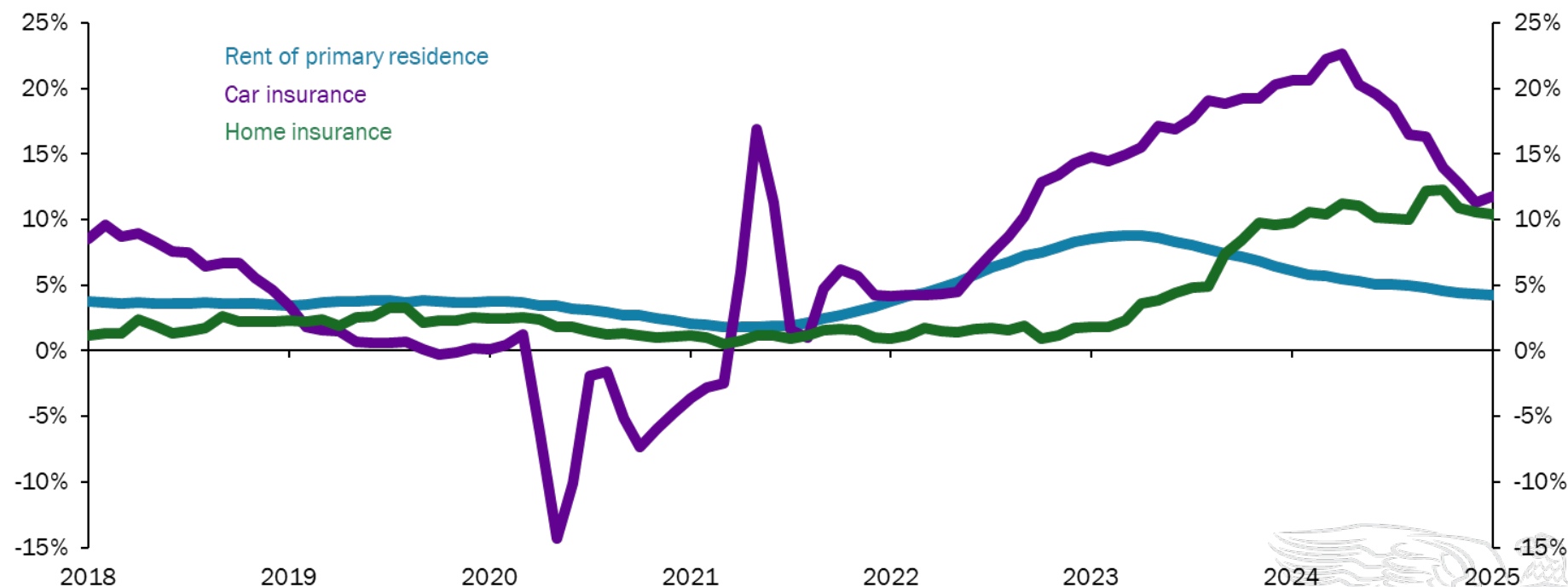


Source: BEA, Haver



Inflation – Products with infrequent price changes

y/y % chg. sa

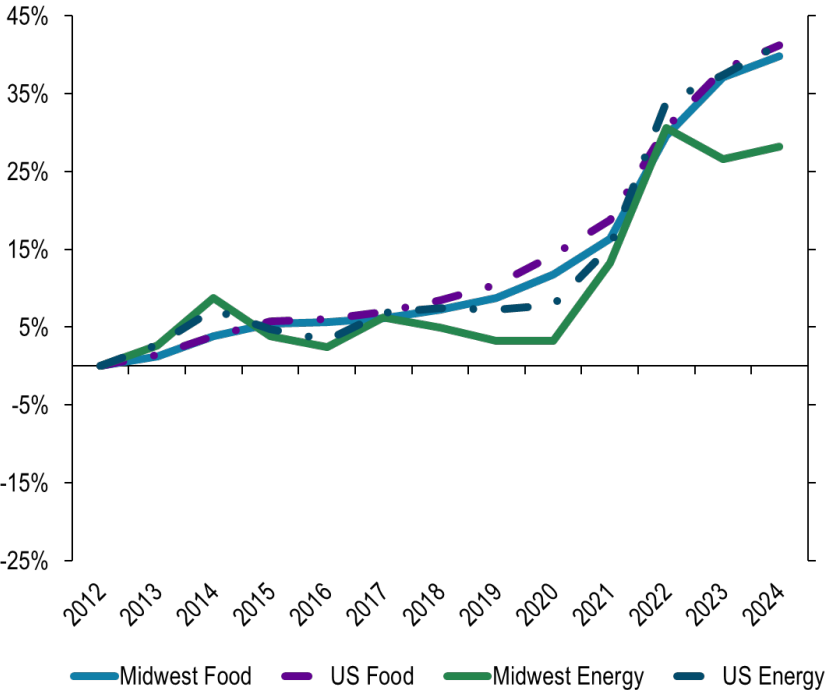


Source: BEA

Notes: Rent and home insurance series are from the PCE. Car insurance series is from the C

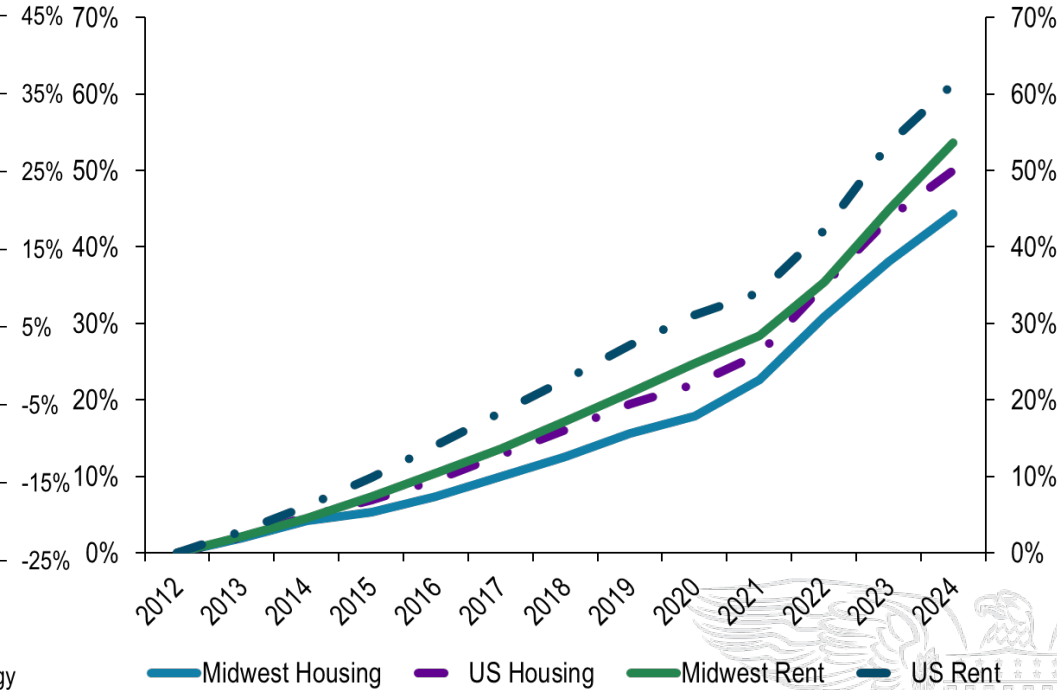
CPI Midwest

Percent Change from 2012

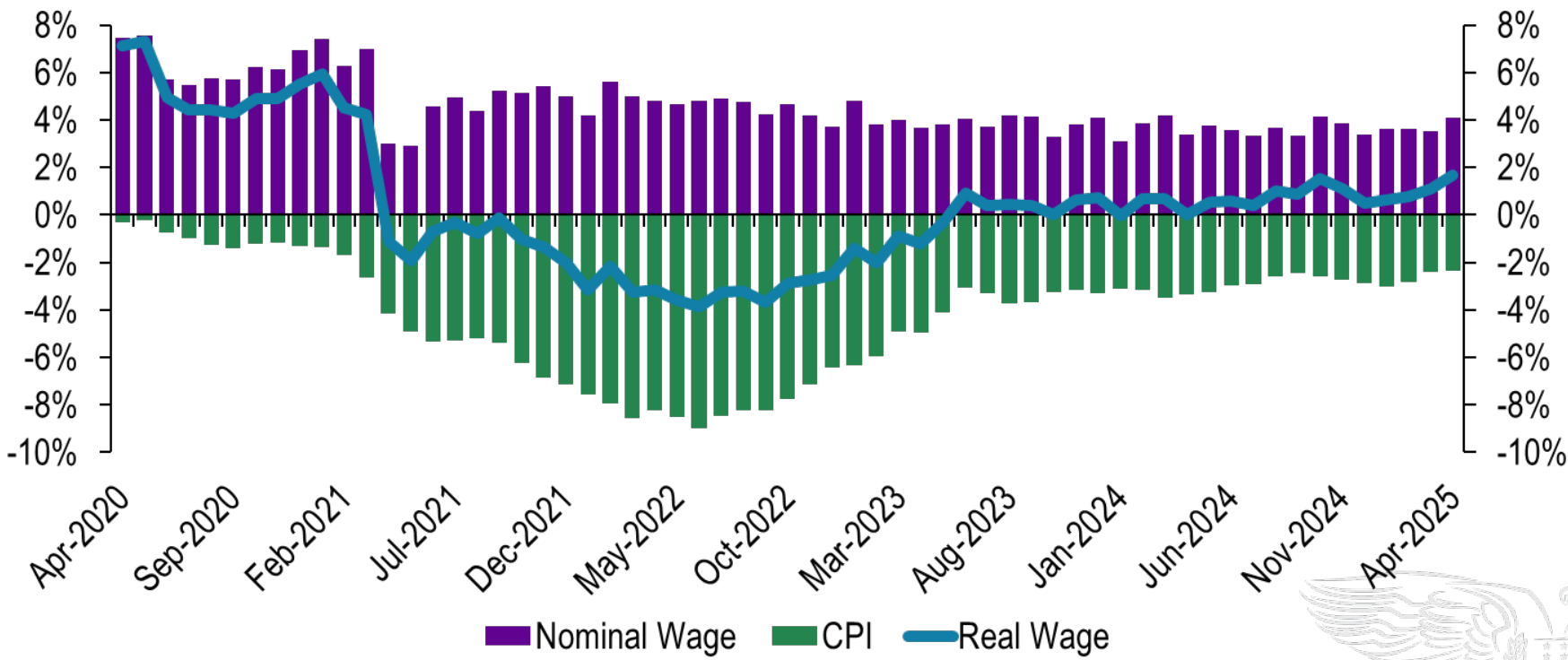


Source: BLS

Percent Change from 2012

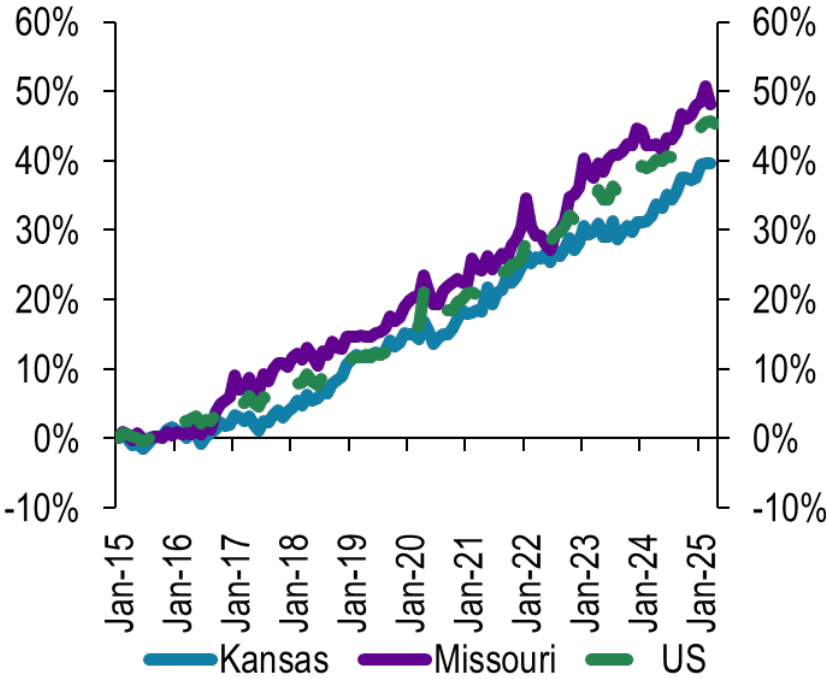


US wage growth continues to outpace inflation

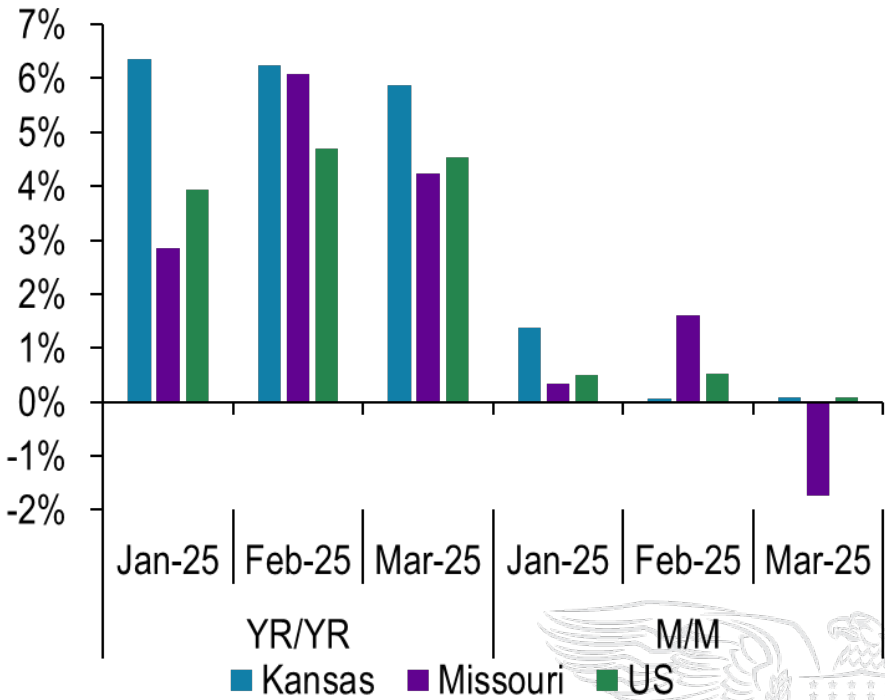


MO nominal wages outpaced the US

Average Hourly Wage Indexed Jan 2015



Change in Weekly Wages





Which of the following cost categories is creating the most pressure for businesses right now?

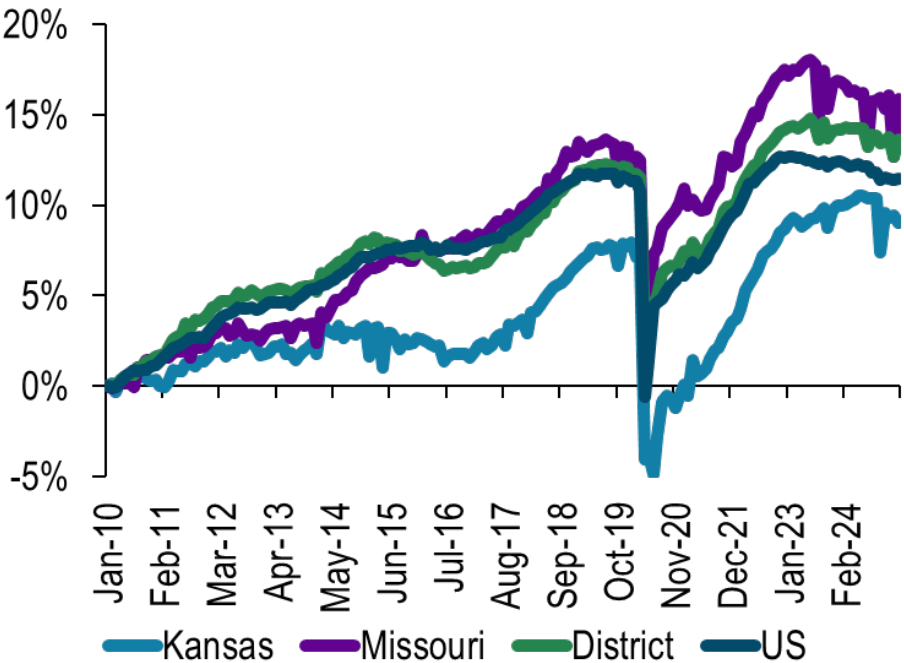
Manufacturing – Built to Last?

Examining whether strong production data signals sustained growth or temporary resilience.

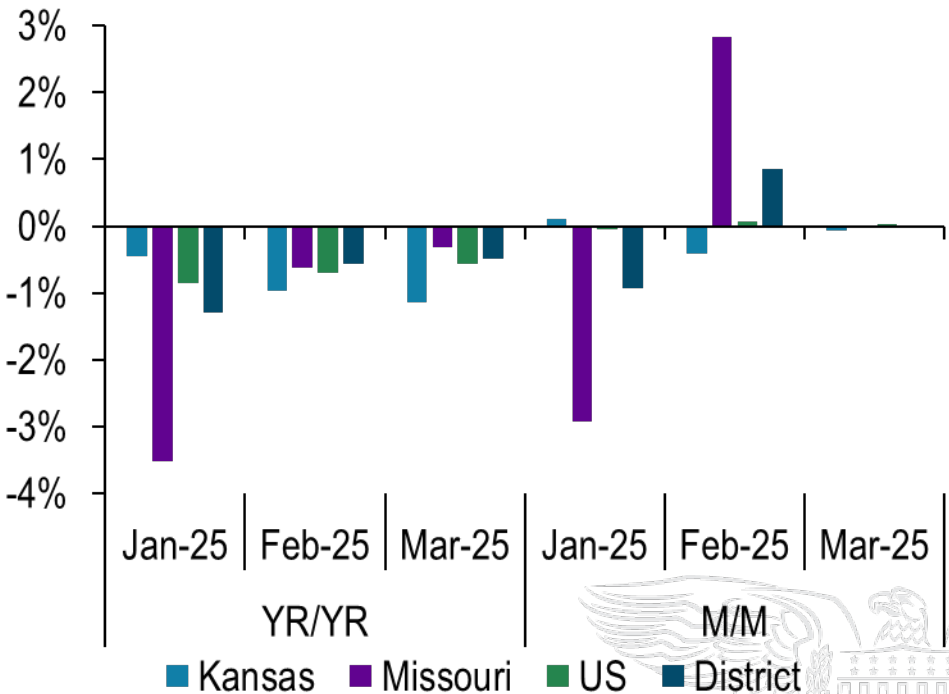


Manufacturing Employment

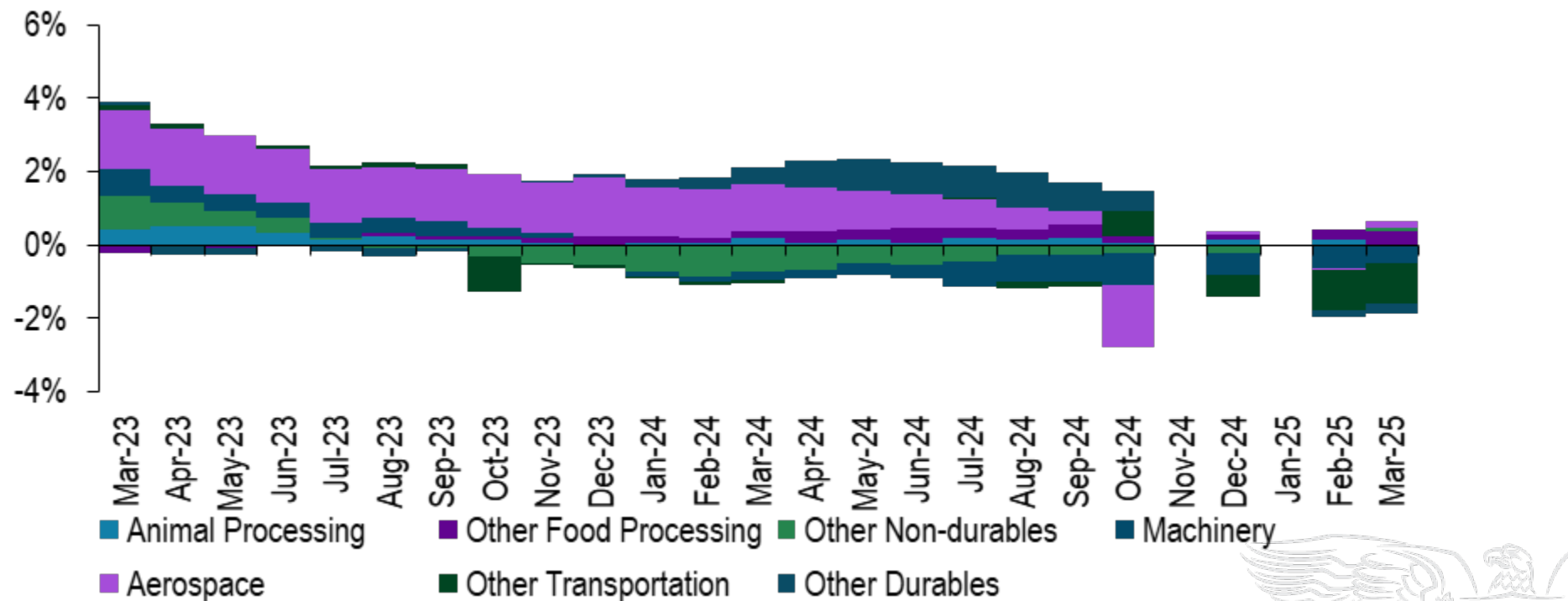
Employment Indexed to 2010



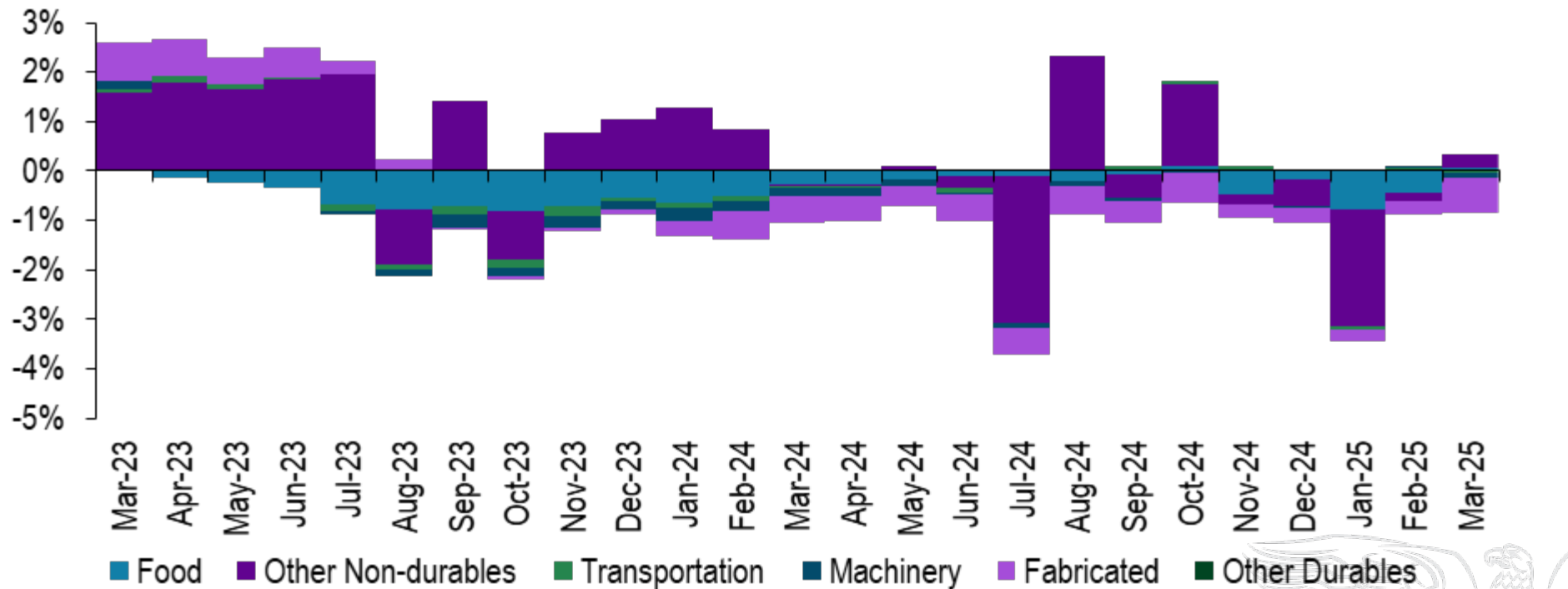
Employment Change



KS: Aero, Machinery, and Trans. weighed on the economy



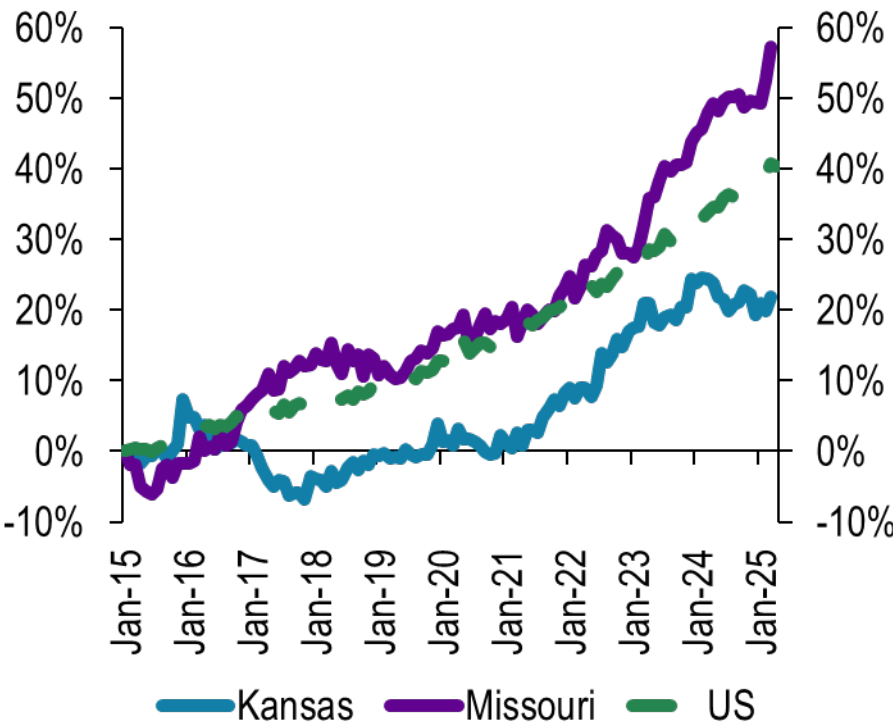
MO: Food, Non-Durables, and Fabricated weighed on the economy



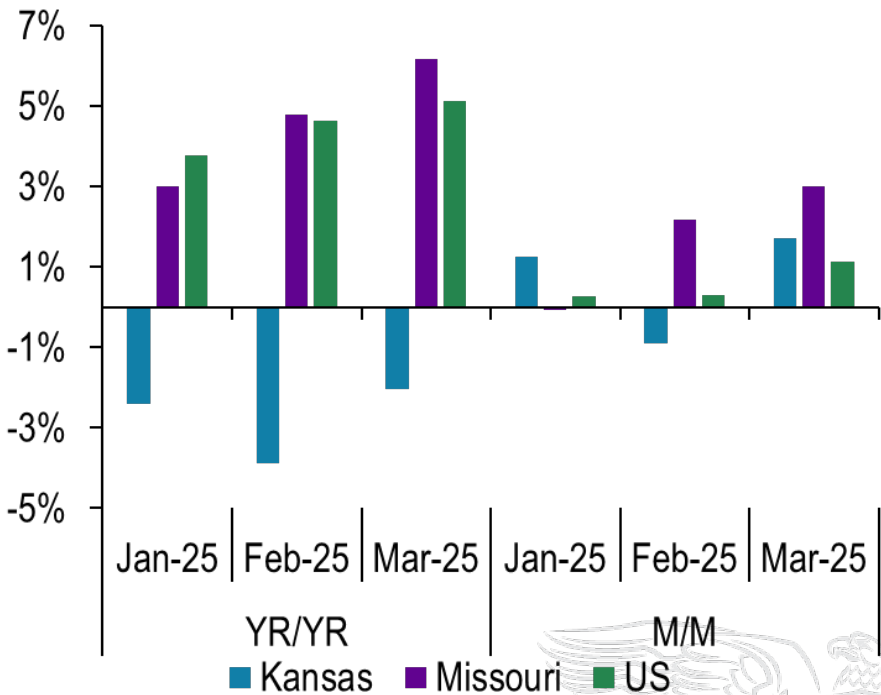
Source: BLS

Manufacturing Wages

Manufacturing Wages Indexed Jan 2015



Change in Weekly Wages



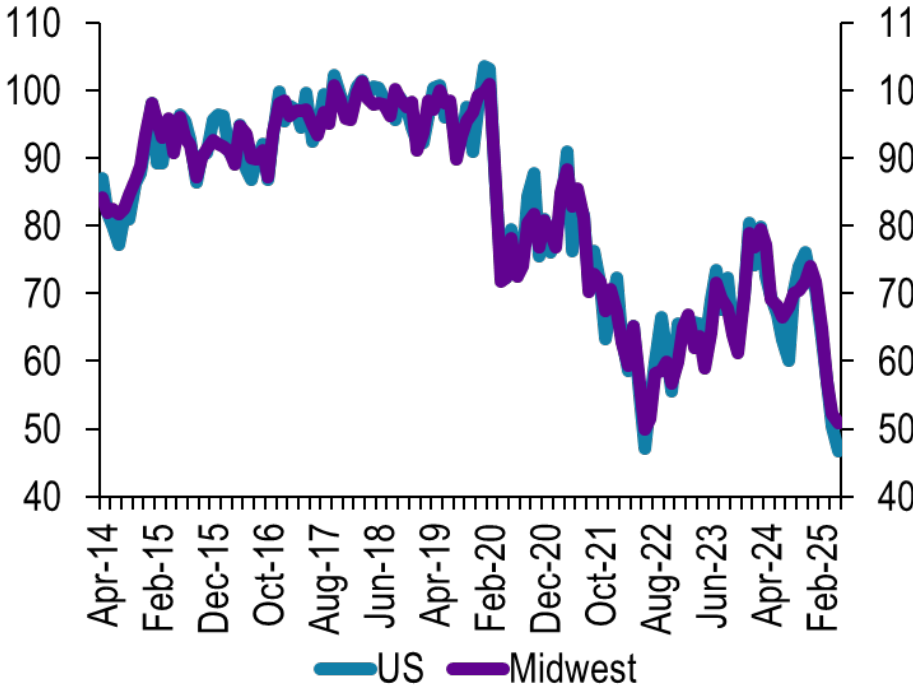
Services – At your Service...For Now

Analyzing the strength of the
service sector amid shifting
consumer and business
confidence



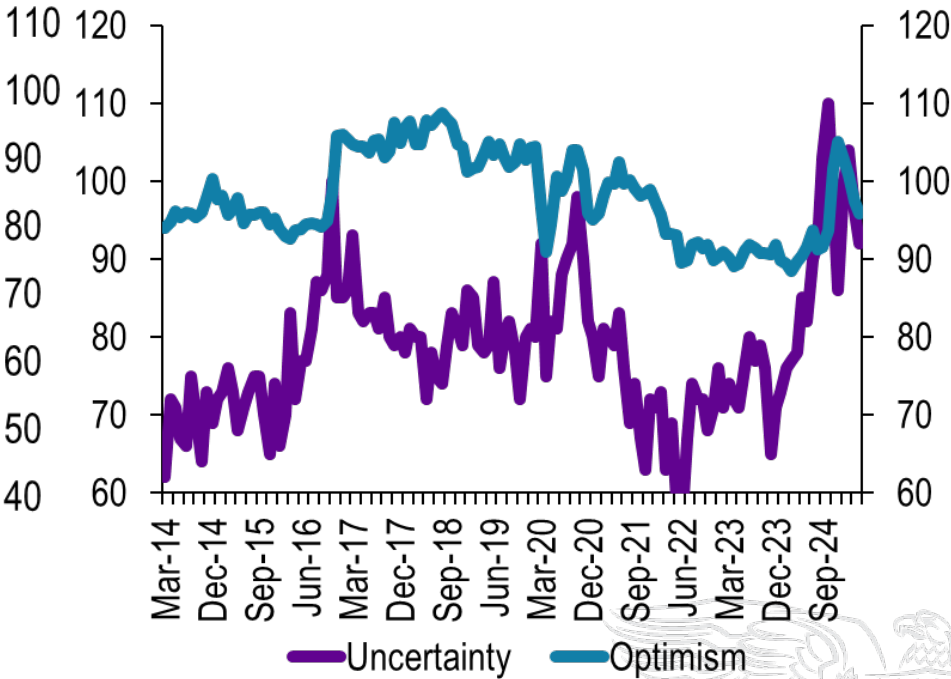
Consumers sentiment declined while business optimism remains high

Consumer Sentiment



Source: University of Michigan, Haver

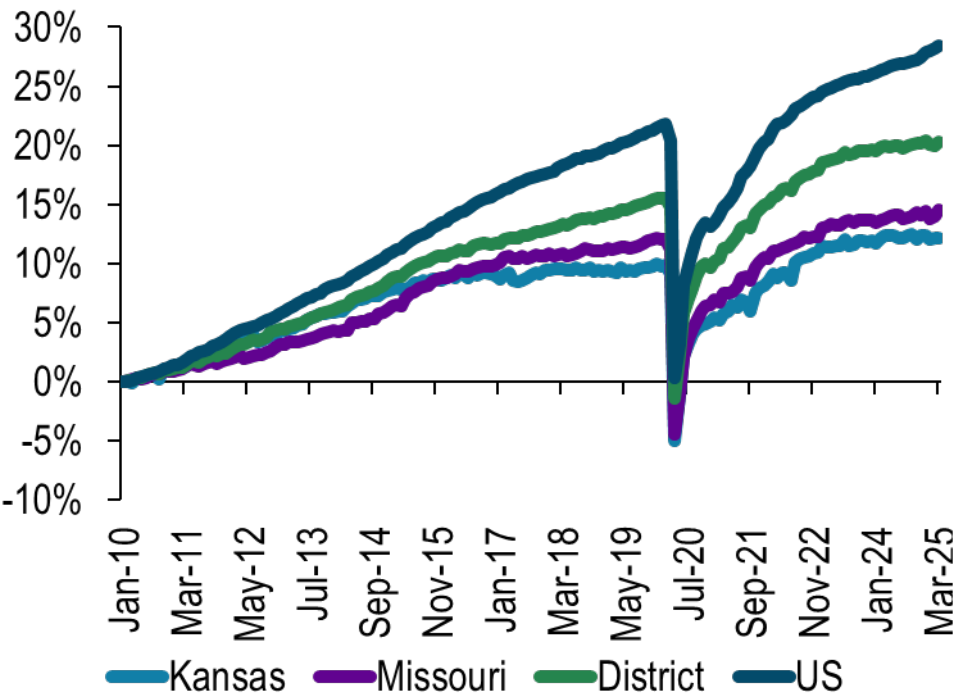
Small Business Uncertainty



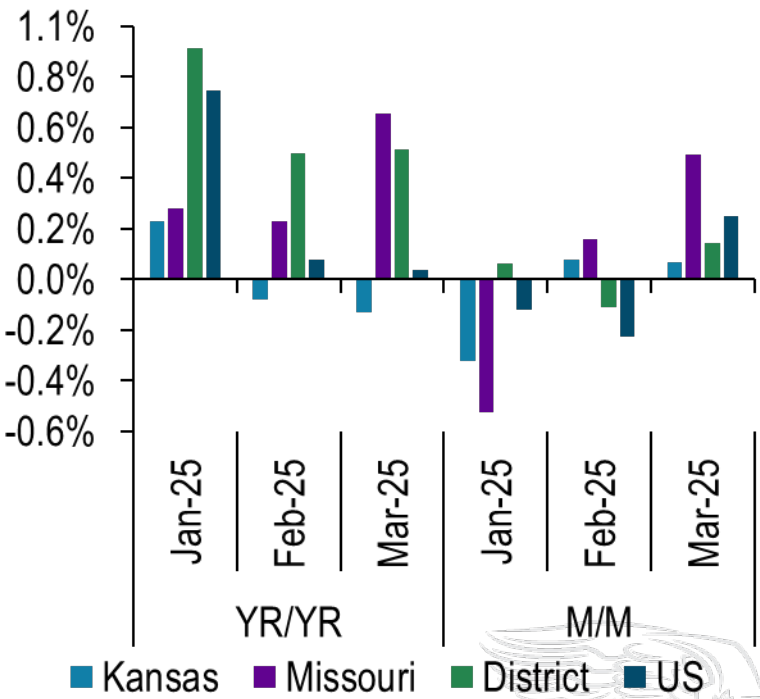
Source: NFIB, Haver

MO and KS slowed down in 2024

Employment Indexed to 2010

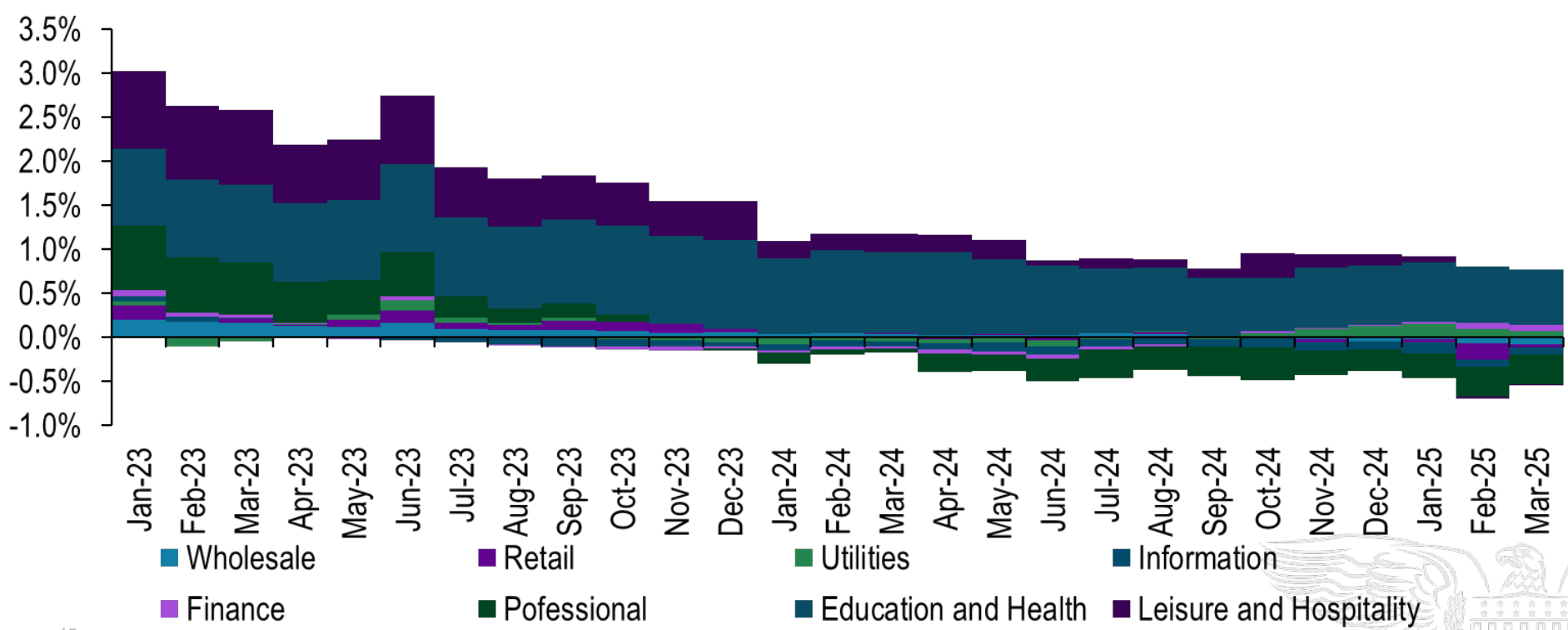


Employment Change



Professional weighed down on the economy

Contributions to Employment Change

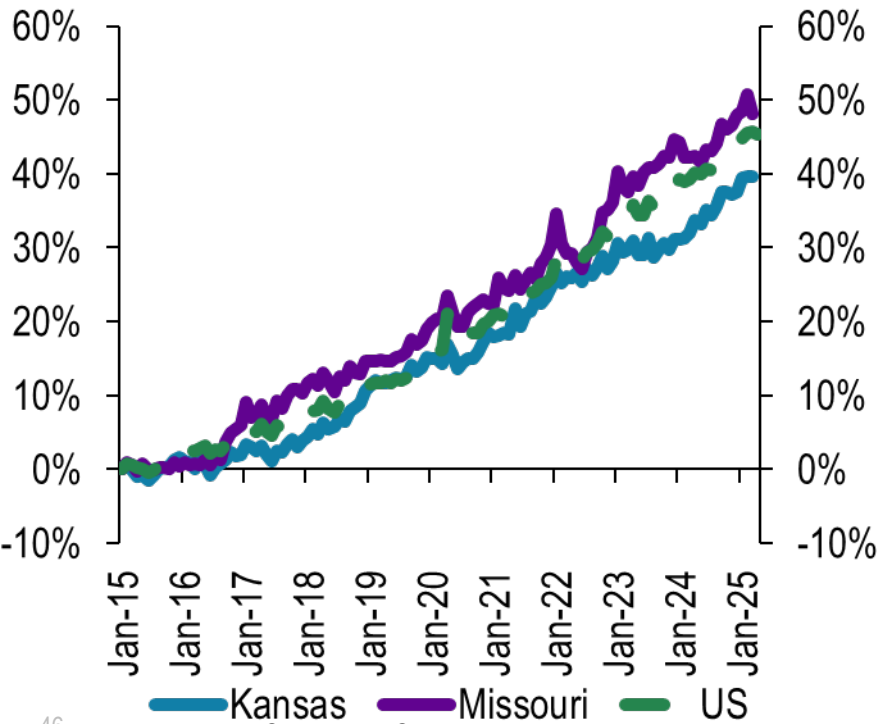


Source: BLS

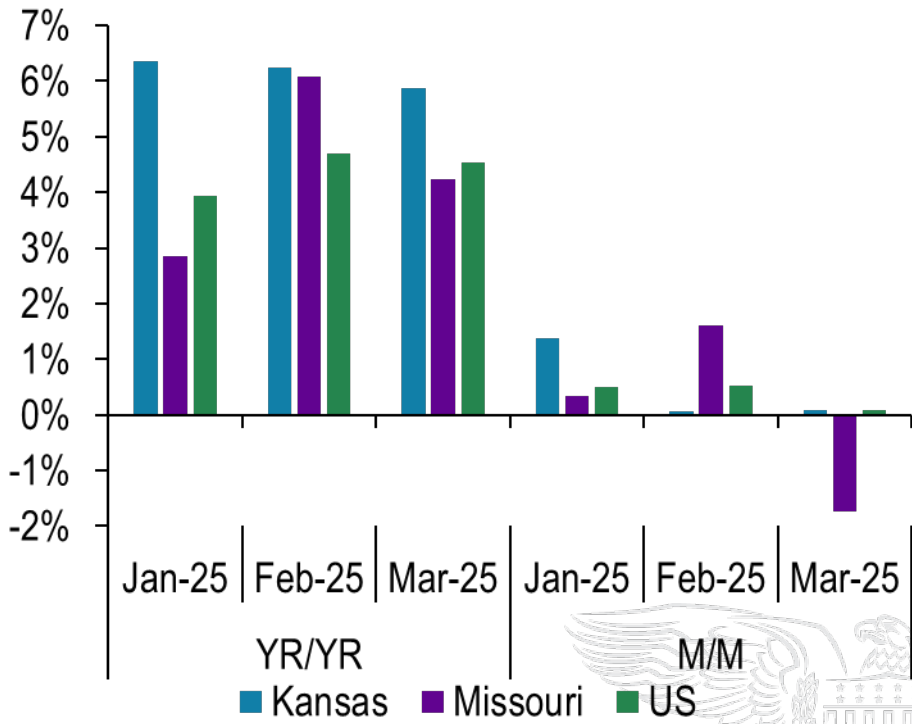


MO wages are outpacing the US

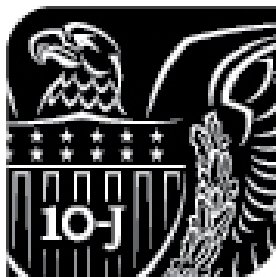
Average Hourly Wage Indexed Jan 2015



Change in Weekly Wages



Contact Information:



Jeremy Hill

Assistant Vice President, Regional Executive

C: 816-764-7639 **E:** Jeremy.R.Hill@kc.frb.org

FEDERAL RESERVE BANK OF KANSAS CITY

1 Memorial Drive • Kansas City, Missouri 64198





Receive Regular Updates

For more analysis of the regional economy, subscribe to receive e-mail alerts from the KANSAS CITY FED.

www.KansasCityFed.org/ealert

