

Wichita Economic Forum

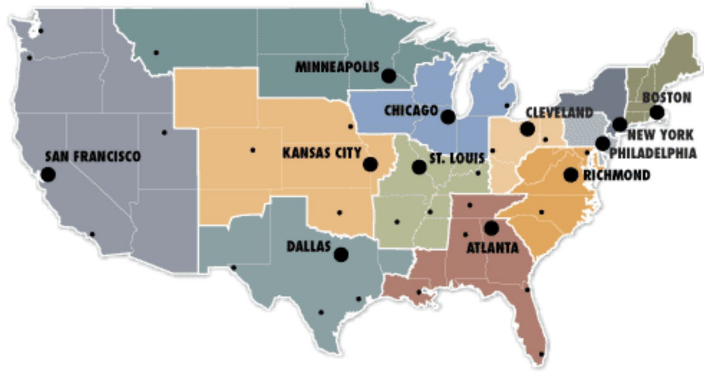
September 30, 2025

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

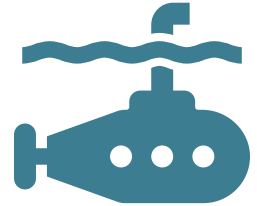
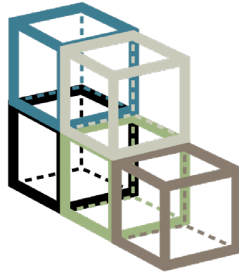
Bank
supervision &
regulation

Payment
system safety
& efficiency

Economic progression - Themes

2024

Fall – Economic Kaleidoscope



Q1 – Economic Building Blocks

Q2 – Economic Tug-of-war

Q3 – Periscope

2025

Periscope – Highly Focused

Workforce – Help wanted: Stability vs. Sentiment

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



Output – Full speed or False Start?

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



Inflation – The Price of Uncertainty

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



Manufacturing – Built to Last?

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



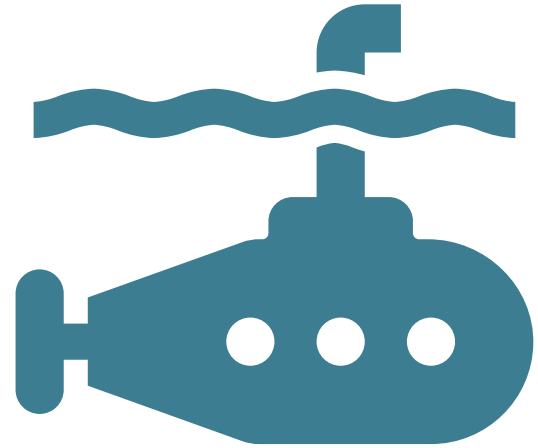
Services – At your Service...For Now

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

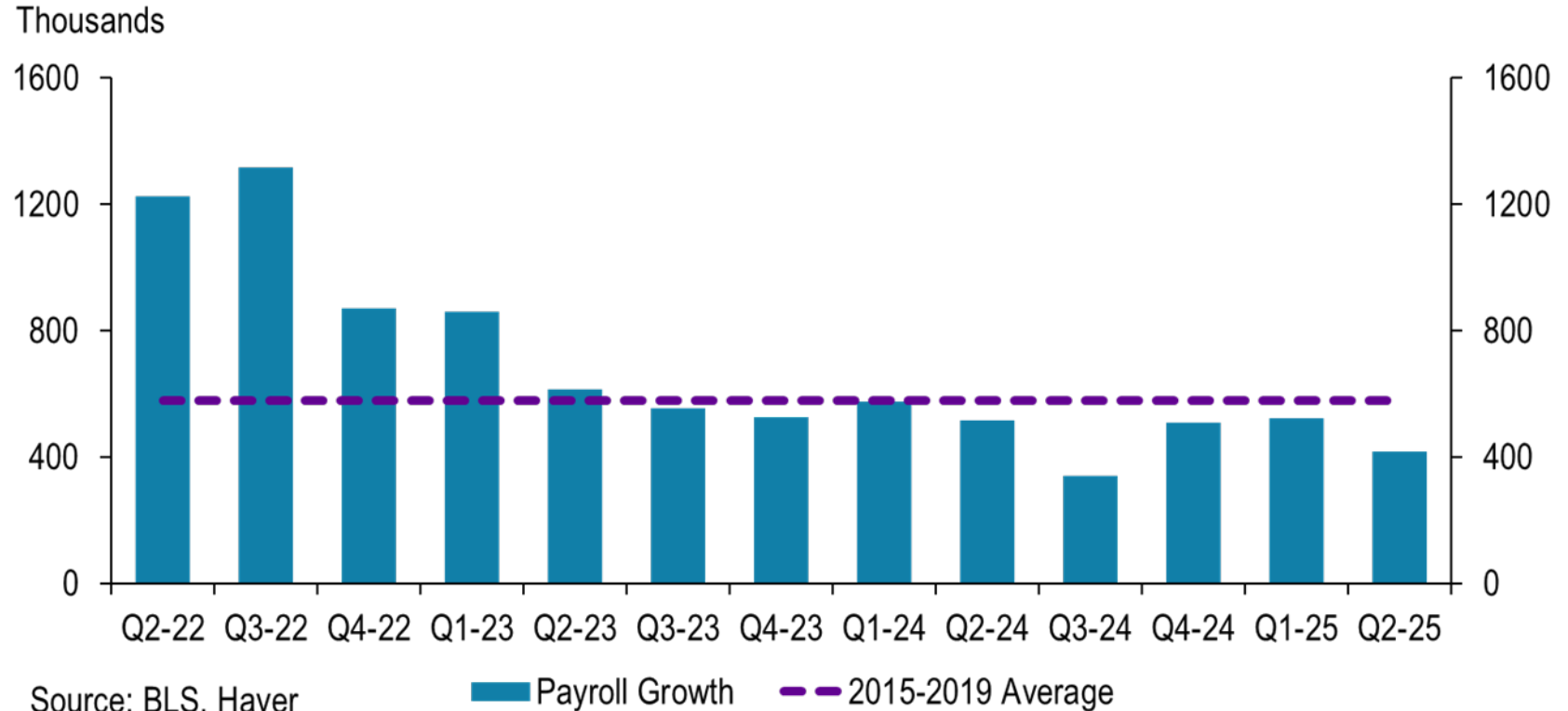


Workforce – Help wanted: **Stability vs. Sentiment**

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

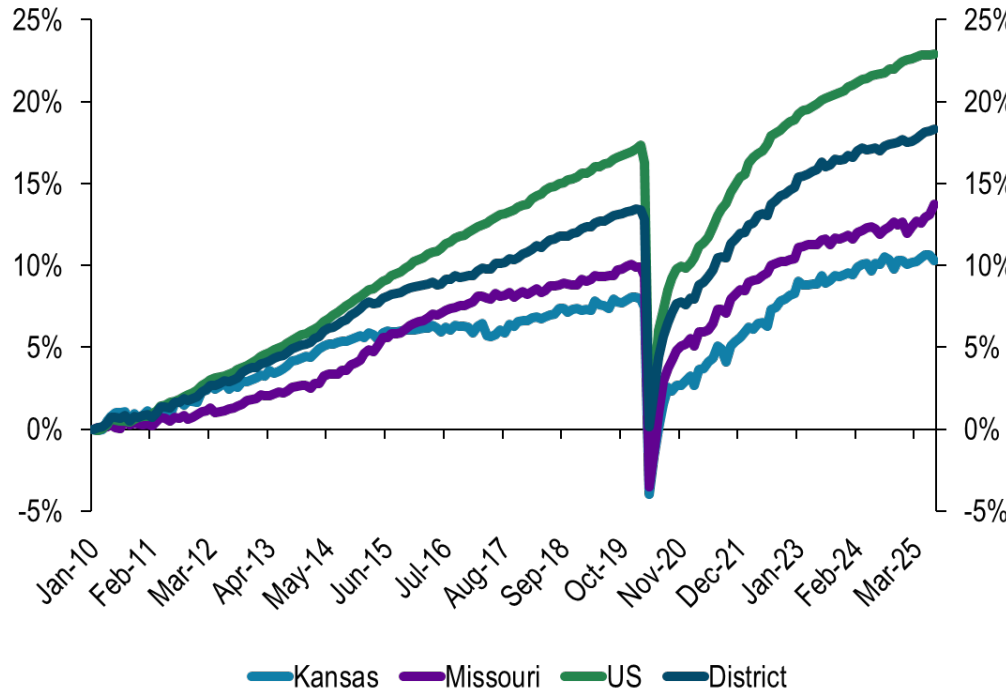


Labor is slowing

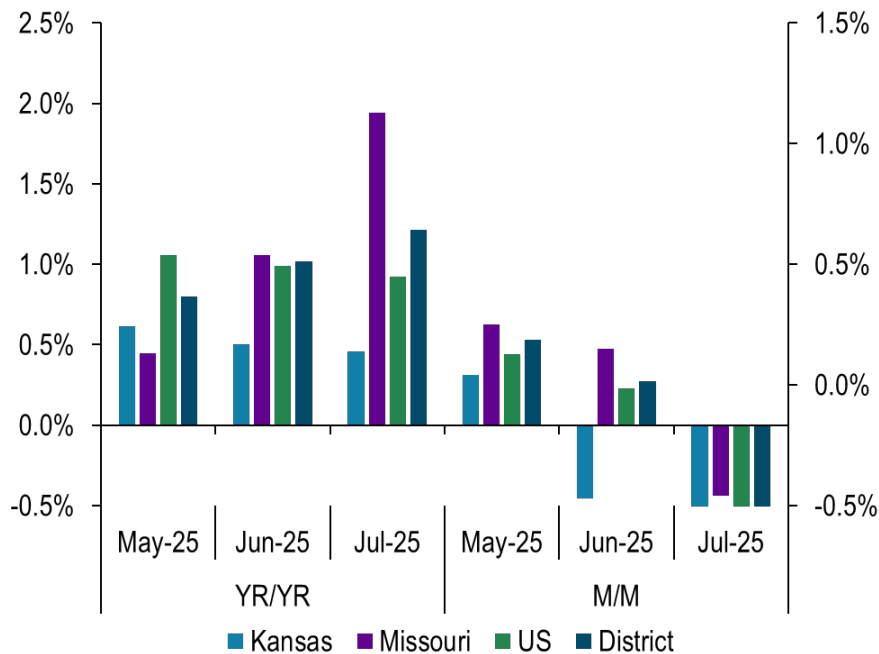


KS and MO are falling behind

Employment Indexed to January 2010

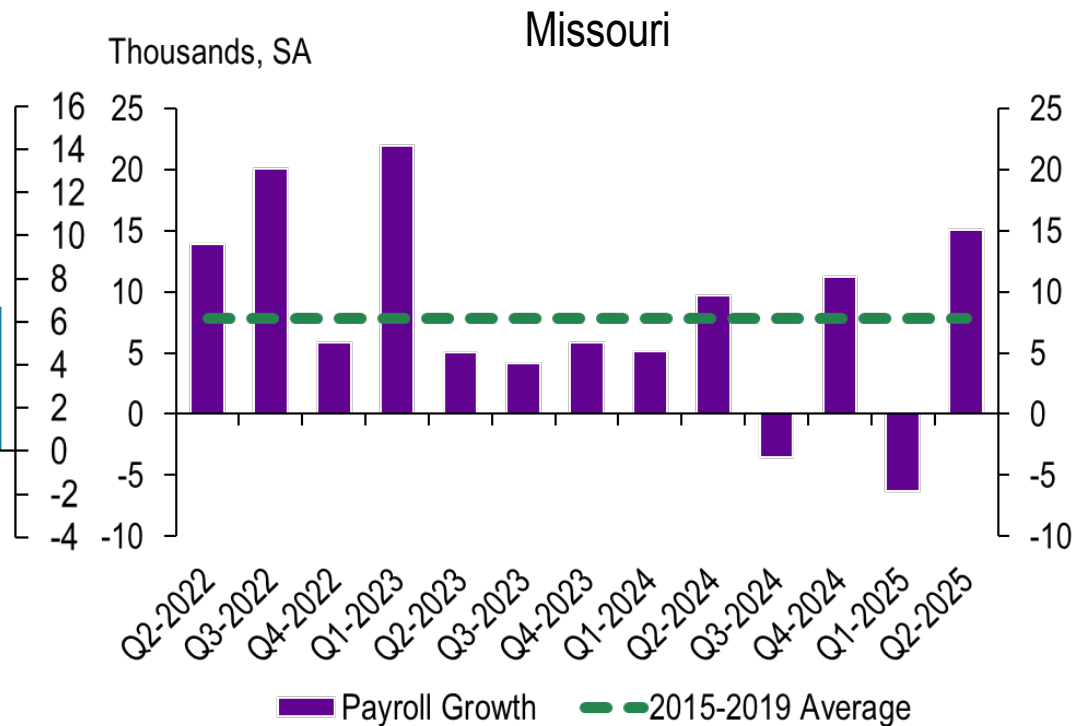
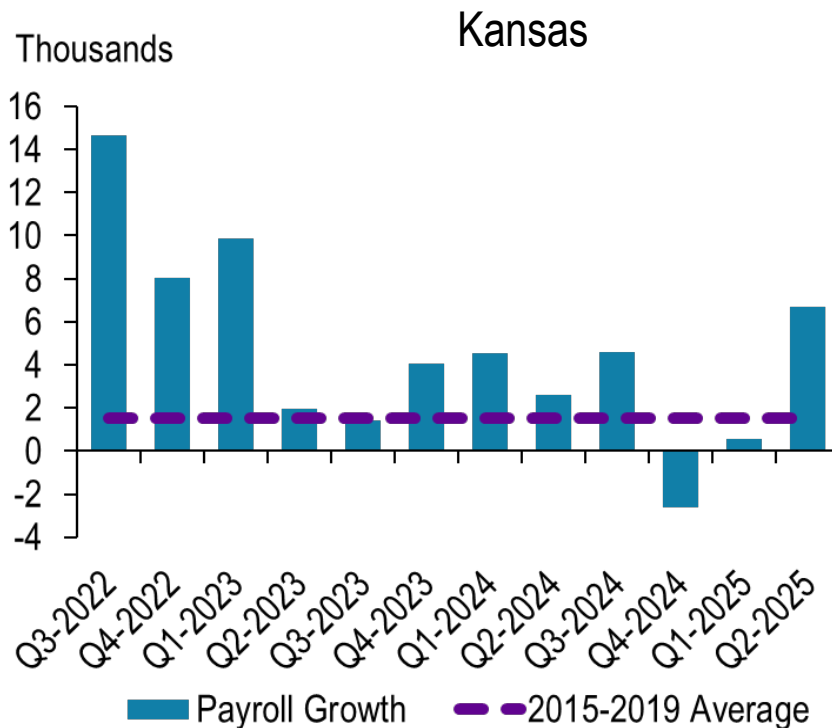


Percent Change in Employment



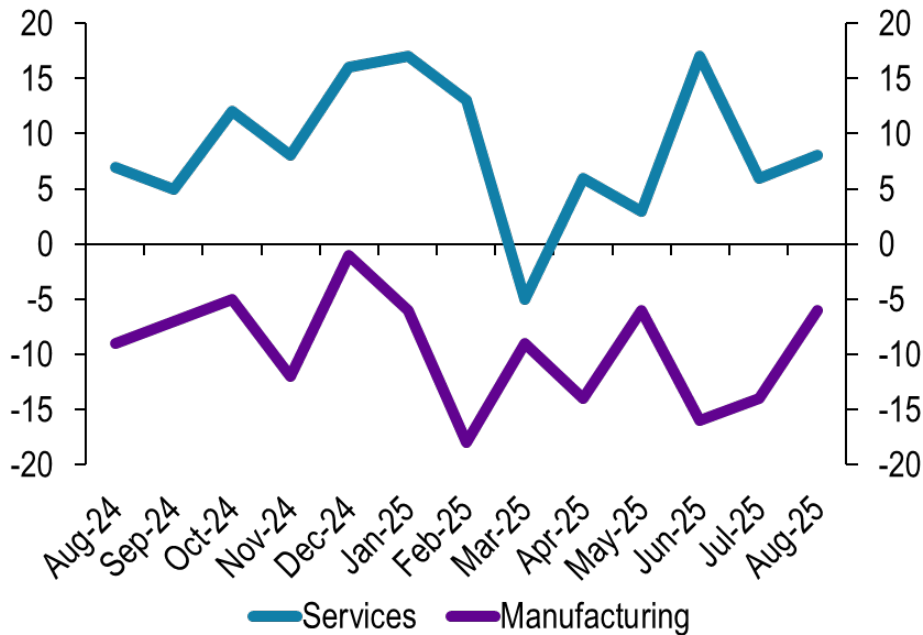
Source: BLS

Growth is inline with previous tight labor markets

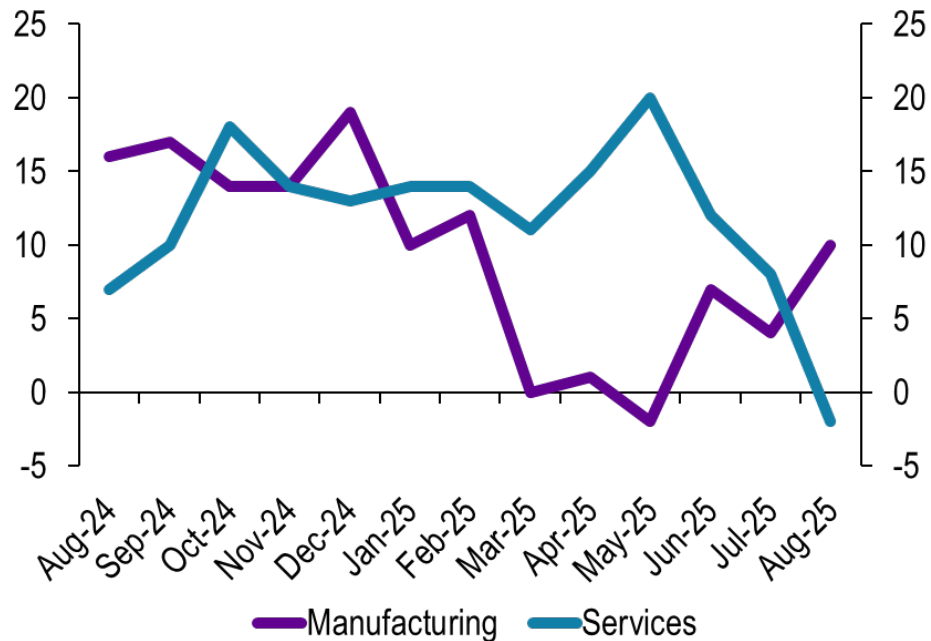


Manufacturing EMP is Down, but Optimism is High

10th District Survey - Employees Versus a Year Ago Survey

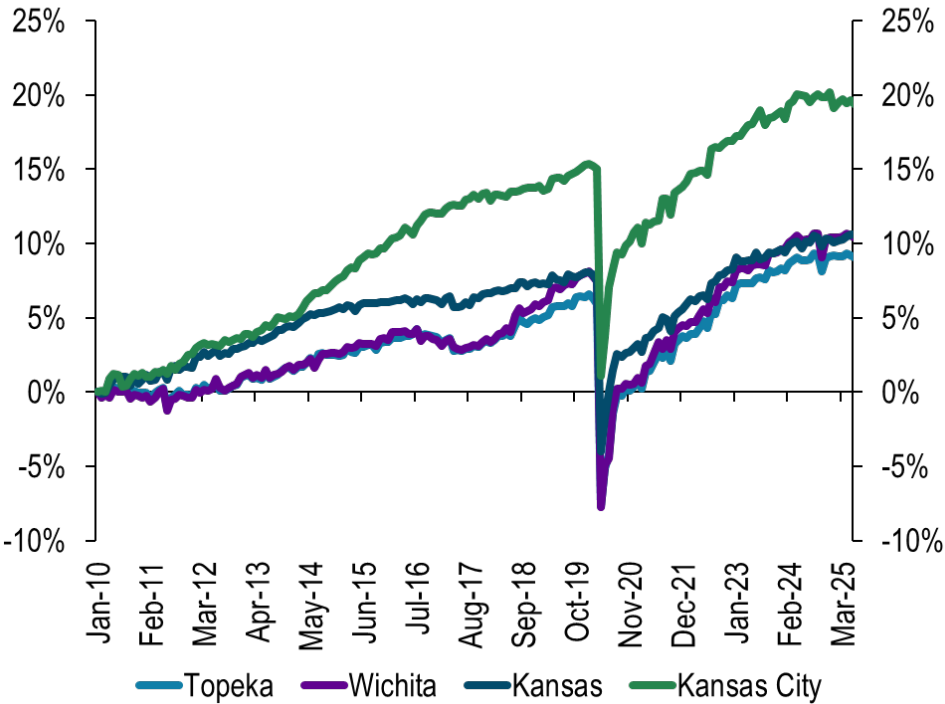


10th District Survey - Employees Expected in 6 months



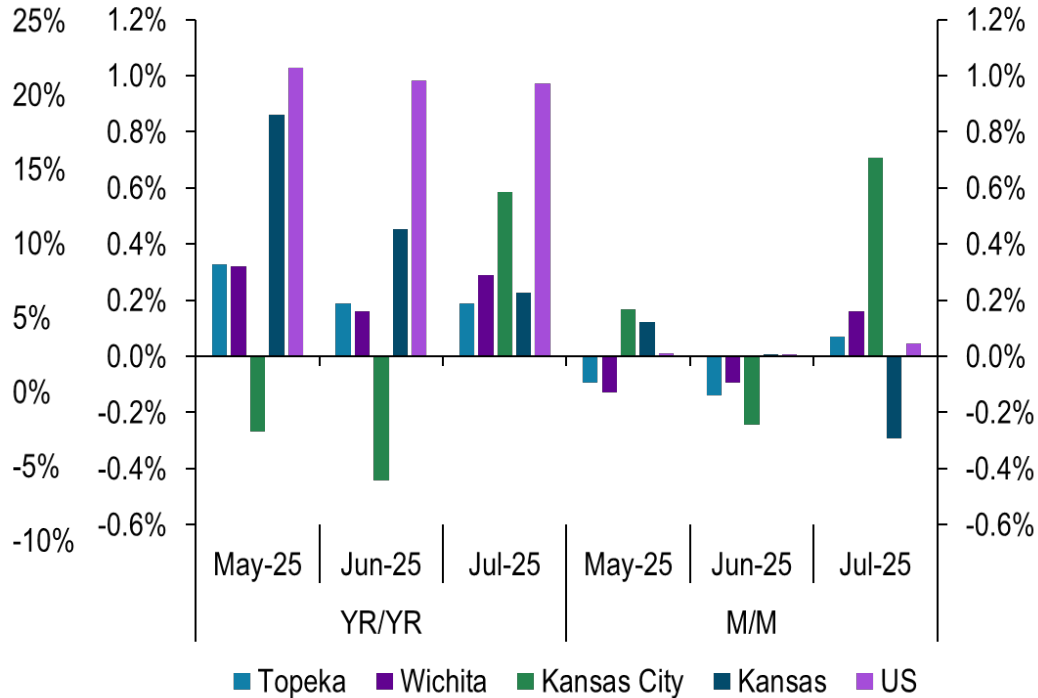
KC is leading...but need to watch

Employment Indexed to Jan 2010



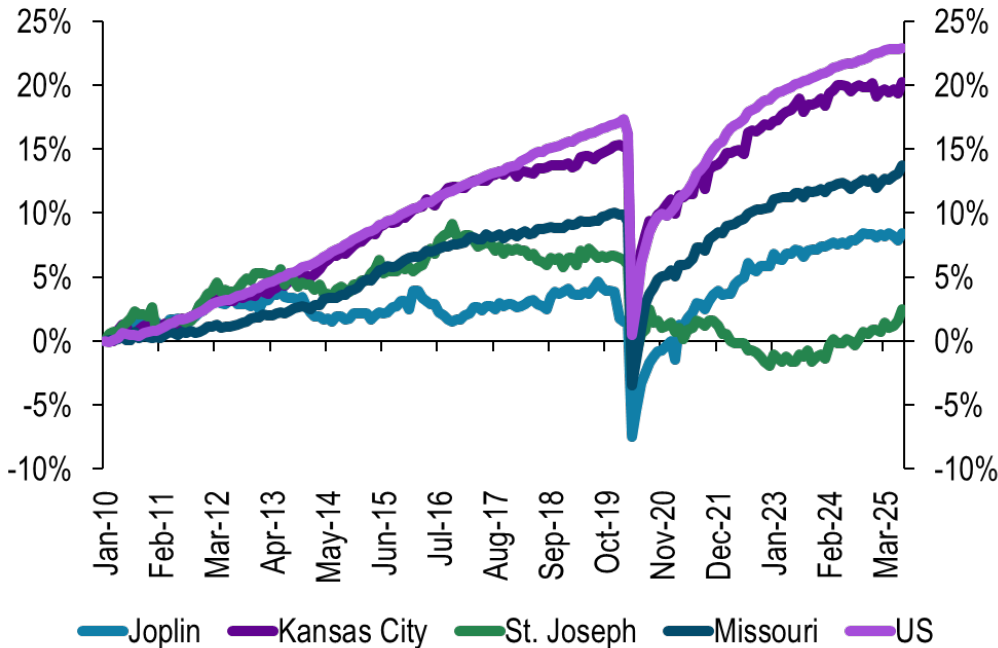
Source: BLS

Percent Change in Employment

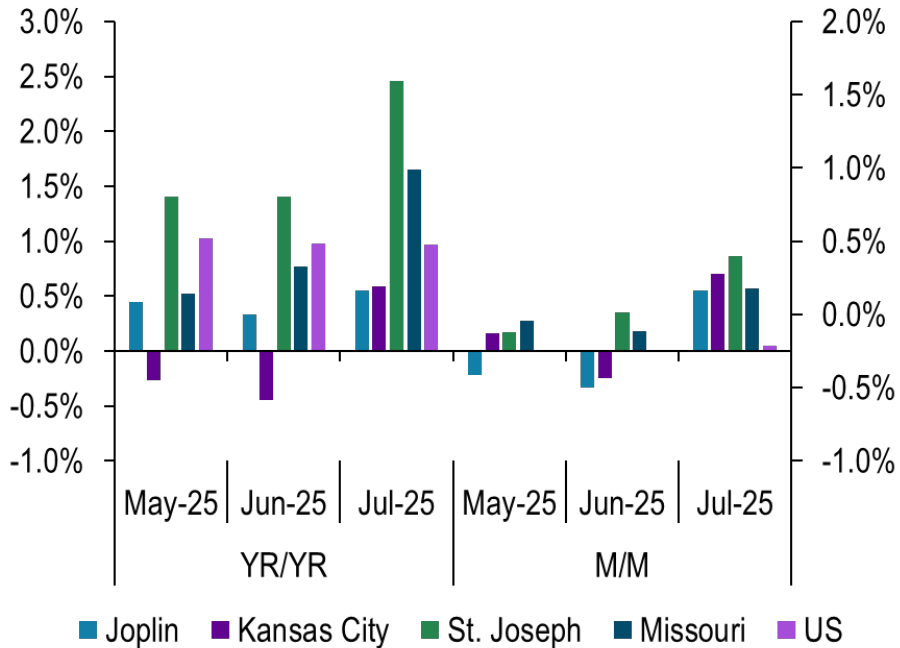


Missouri Metro Areas

Employment Indexed to Jan 2010

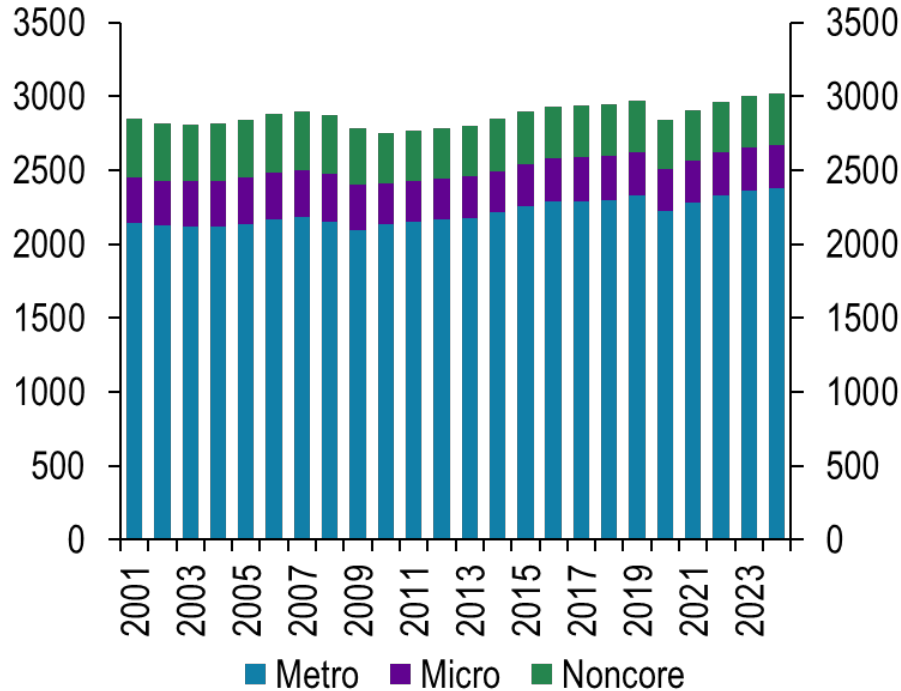


Percent Change in Employment

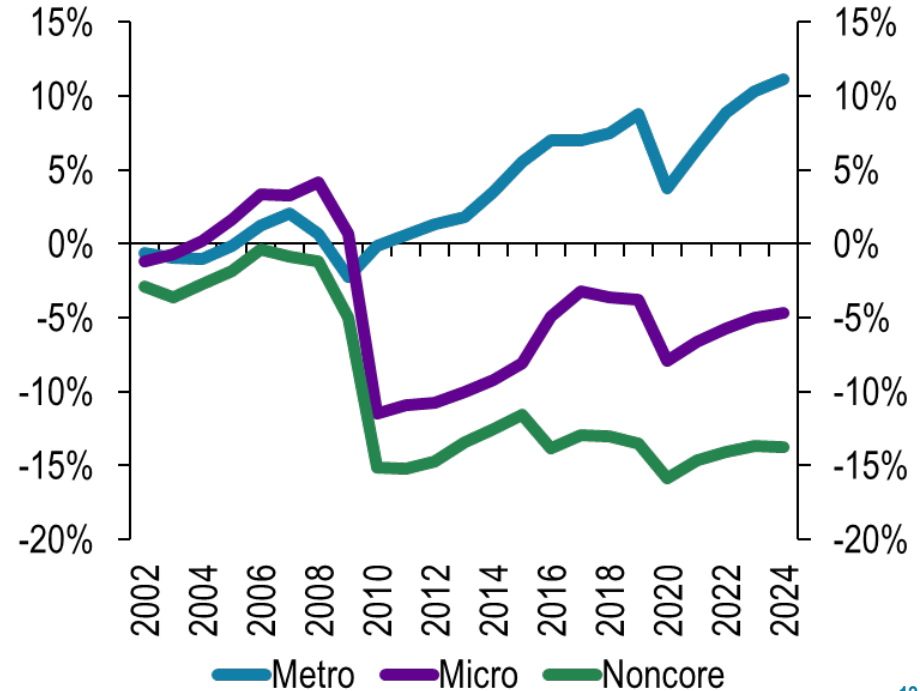


Employment Counties- Missouri

Annual Average Employment in Thousands

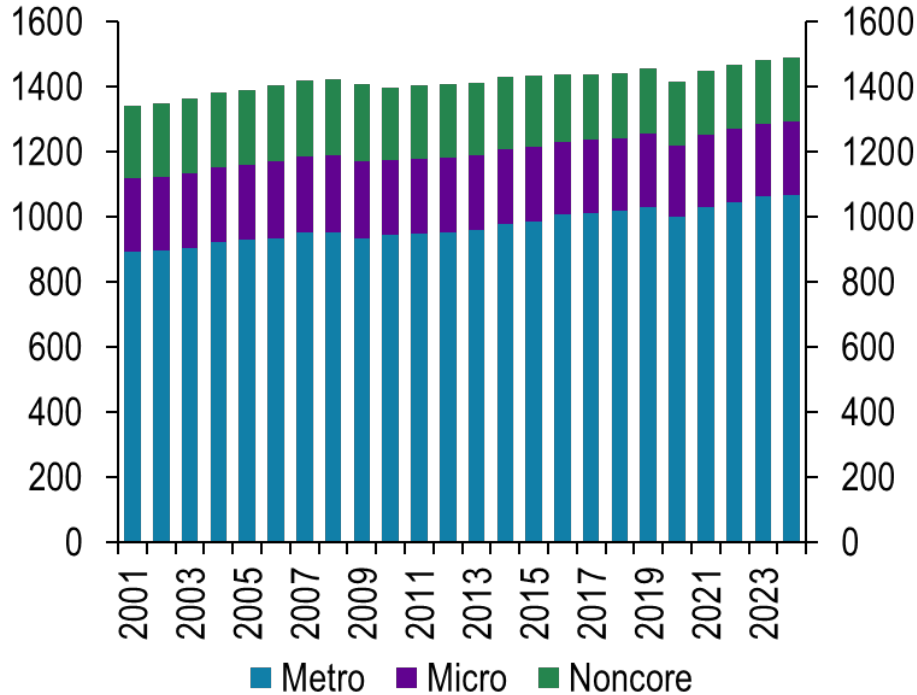


Annual Employment Indexed to 2001

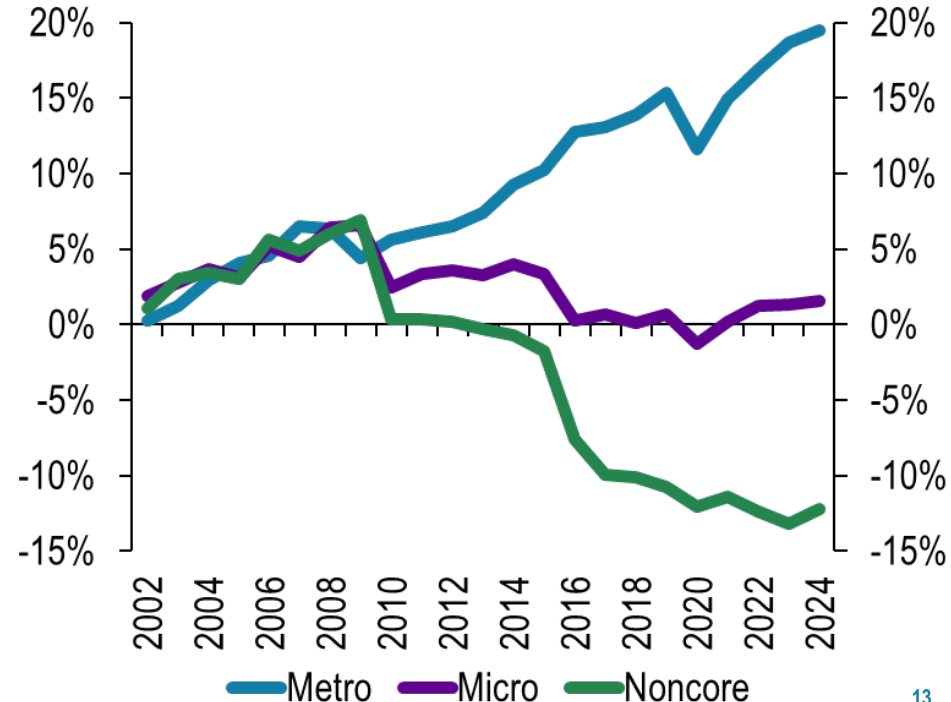


Employment Counties- Kansas

Annual Average Employment in Thousands

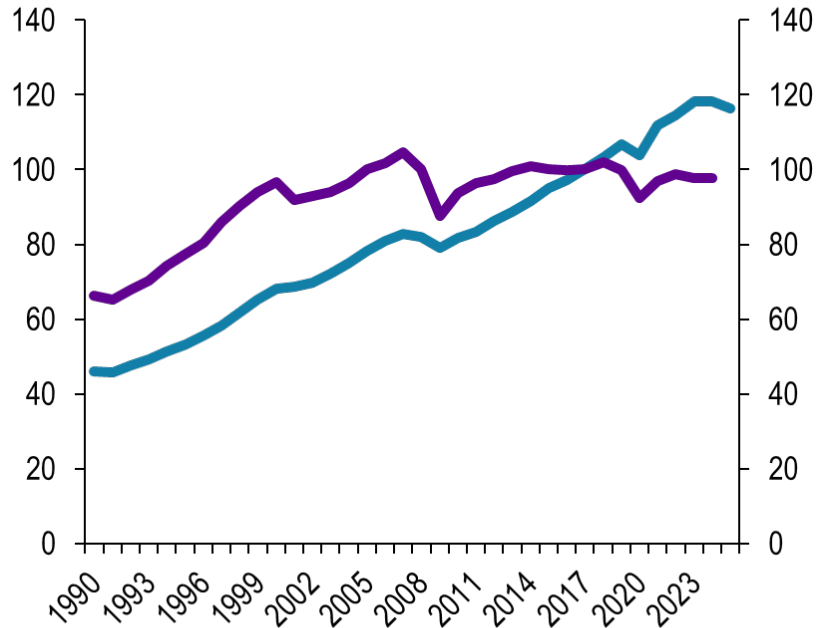


Annual Employment Indexed to 2001



Productivity

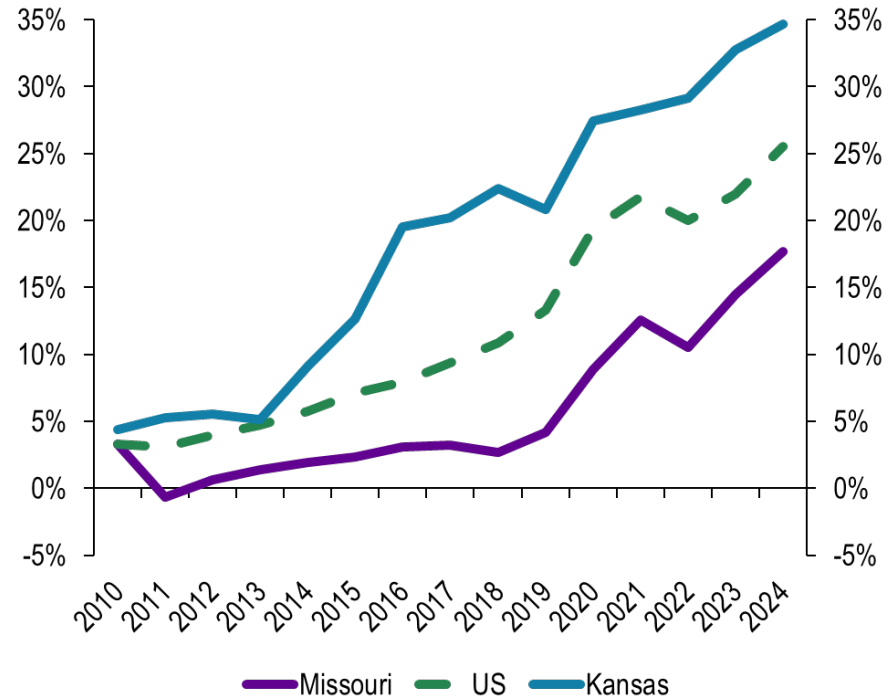
Total Factor Productivity Indexed



Source: BLS, Haver

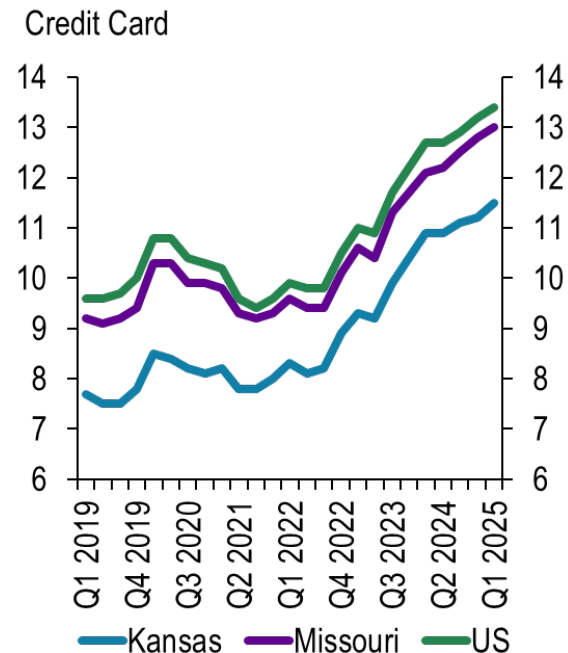
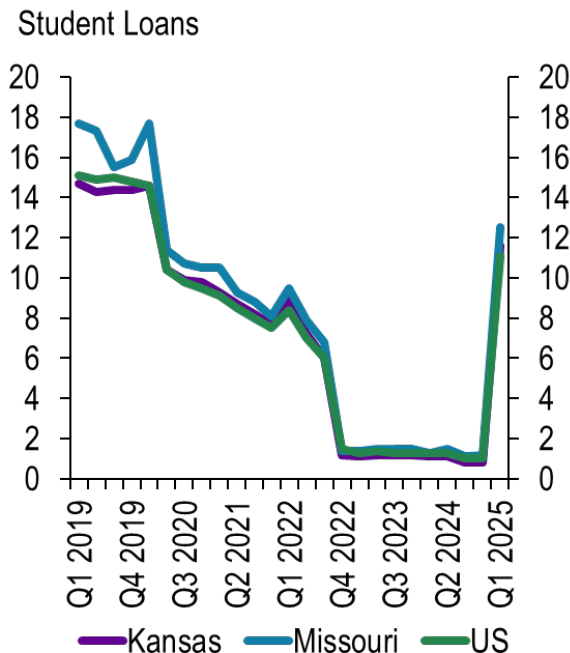
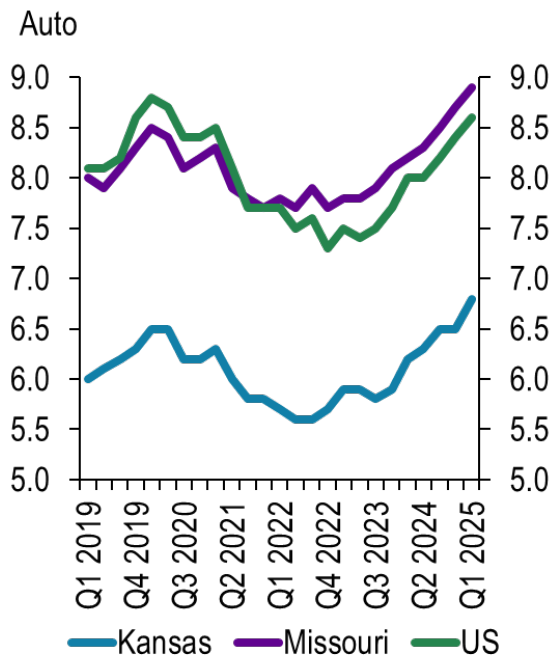
— Nonfarm Business — Manufacturing

Change in Labor Productivity from 2009

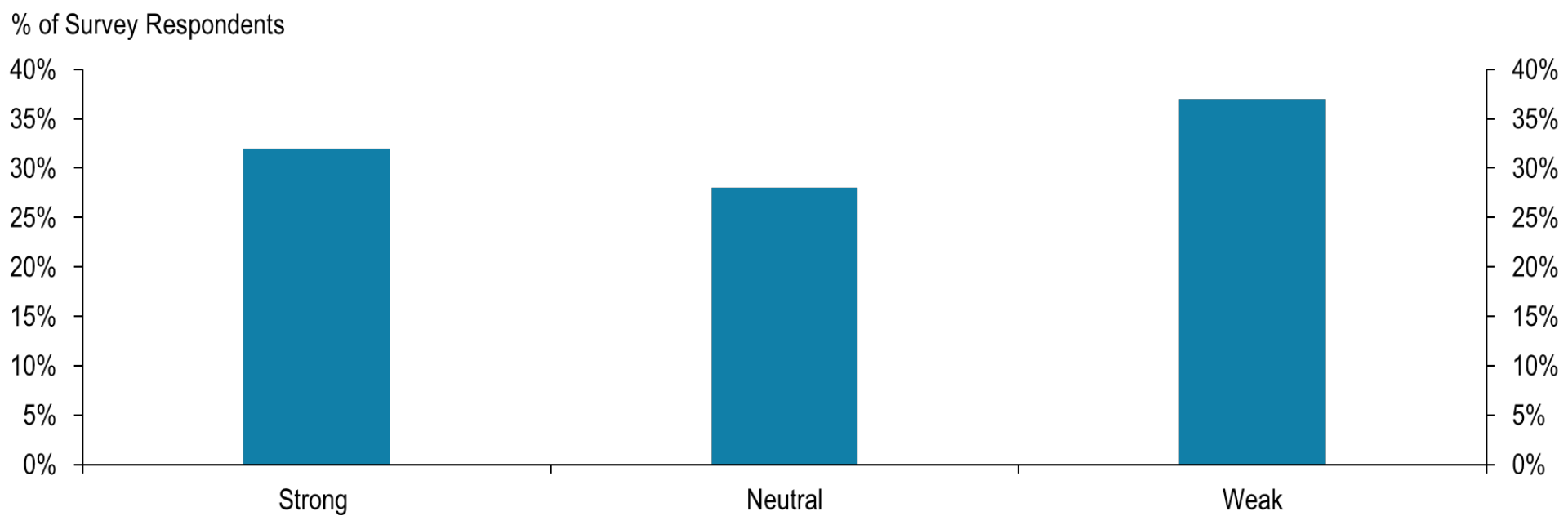


— Missouri — US — Kansas

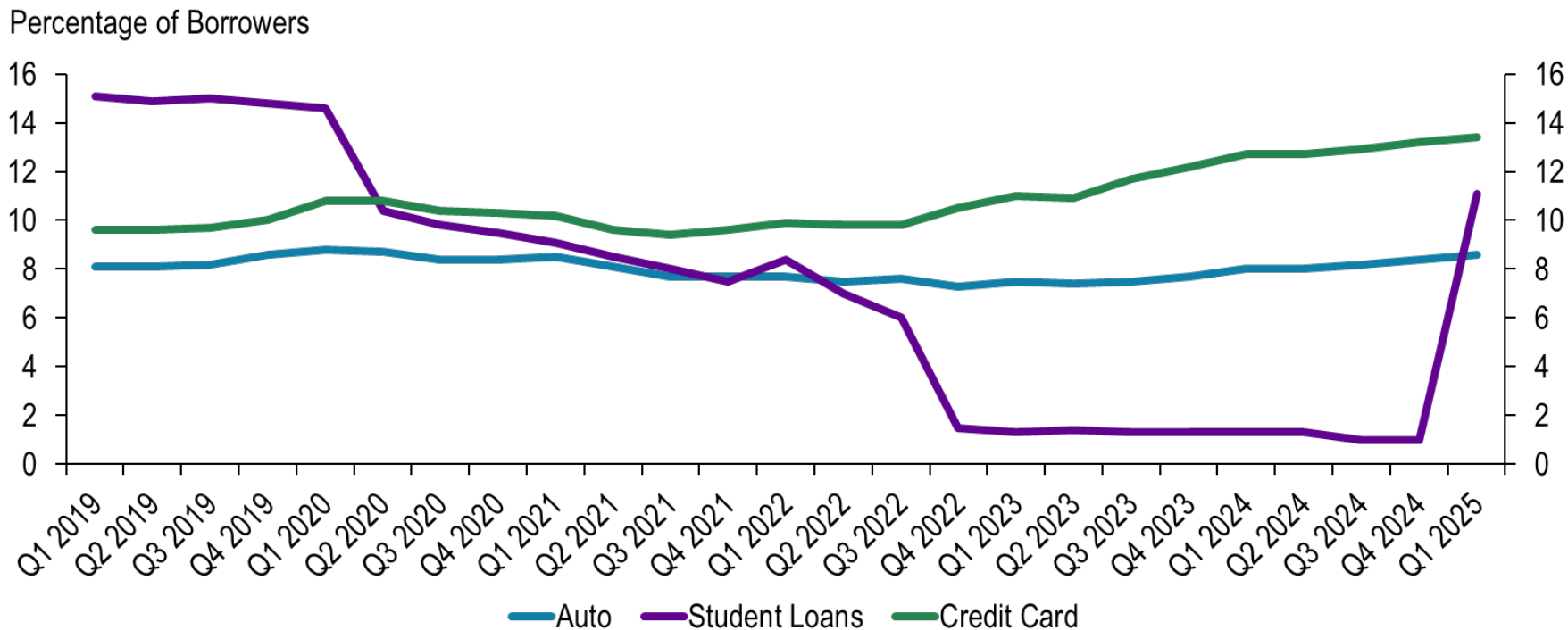
Percentage of Borrowers with Severely Delinquent Debt



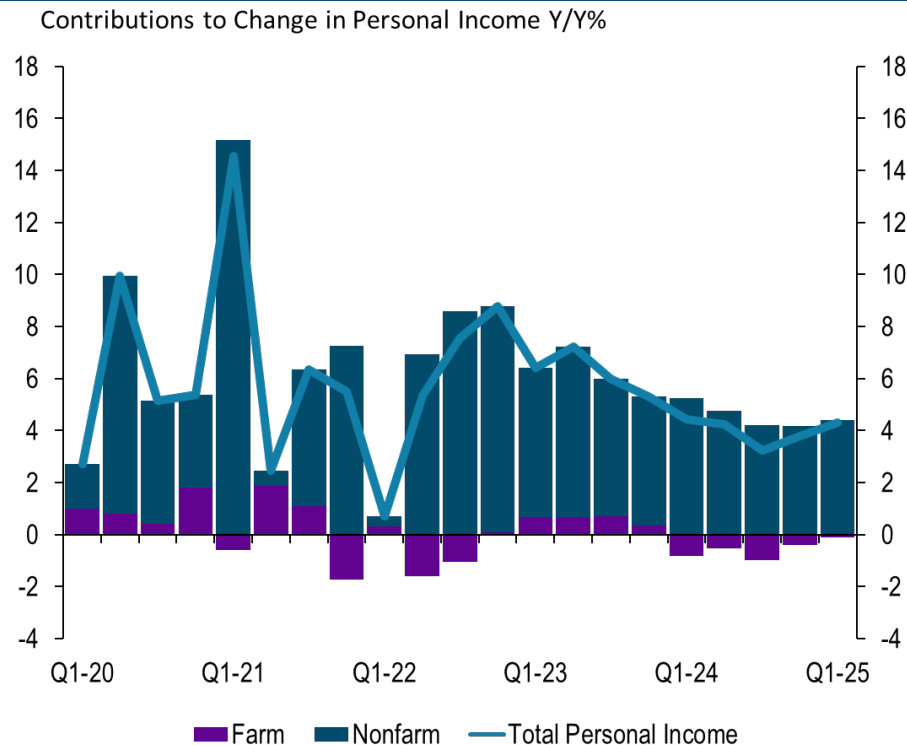
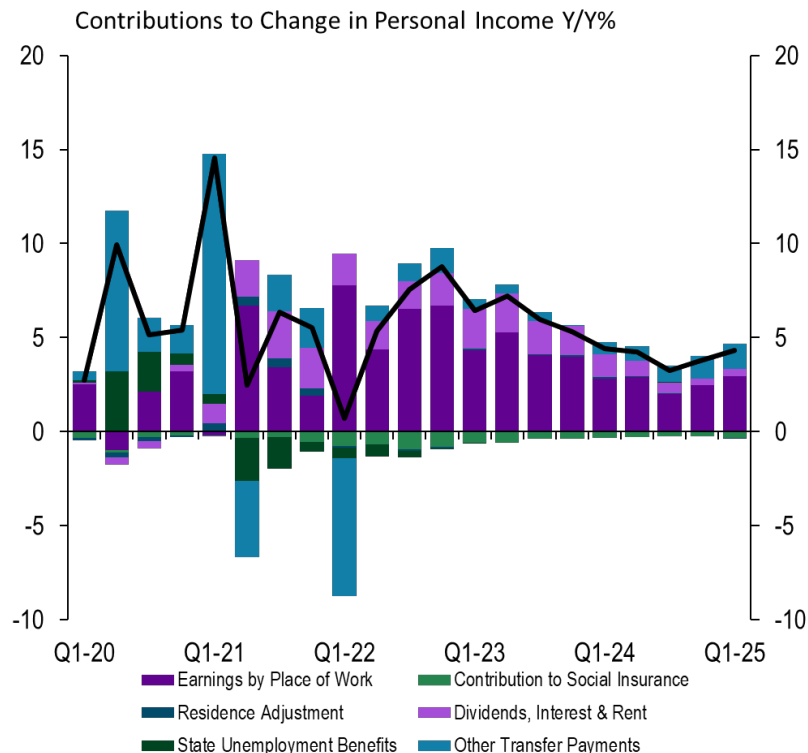
Survey- Financial Health of Customers



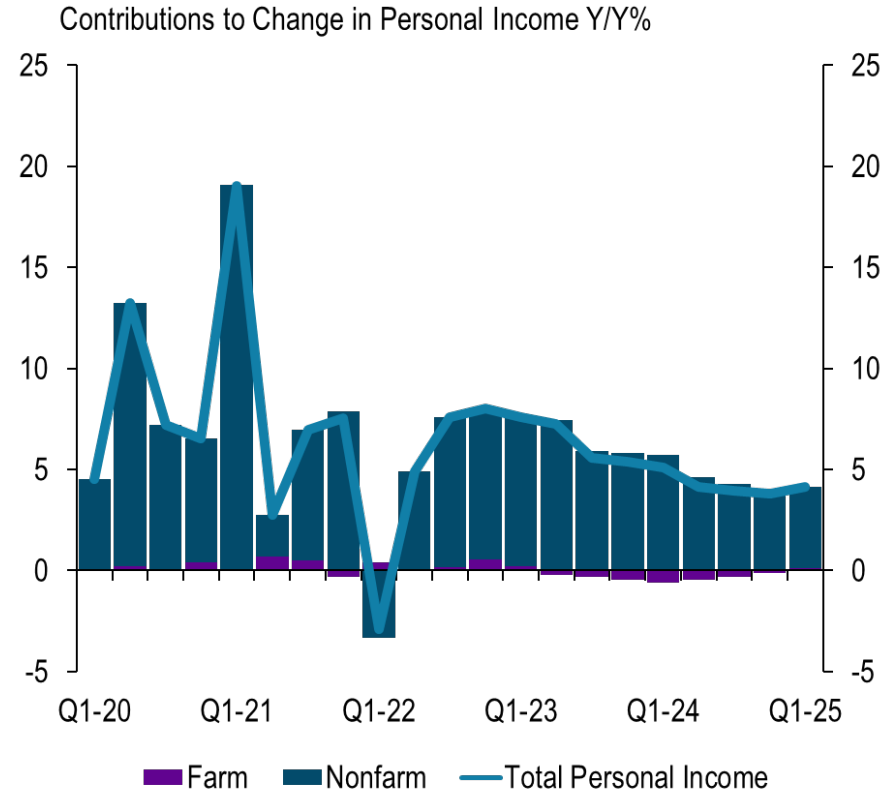
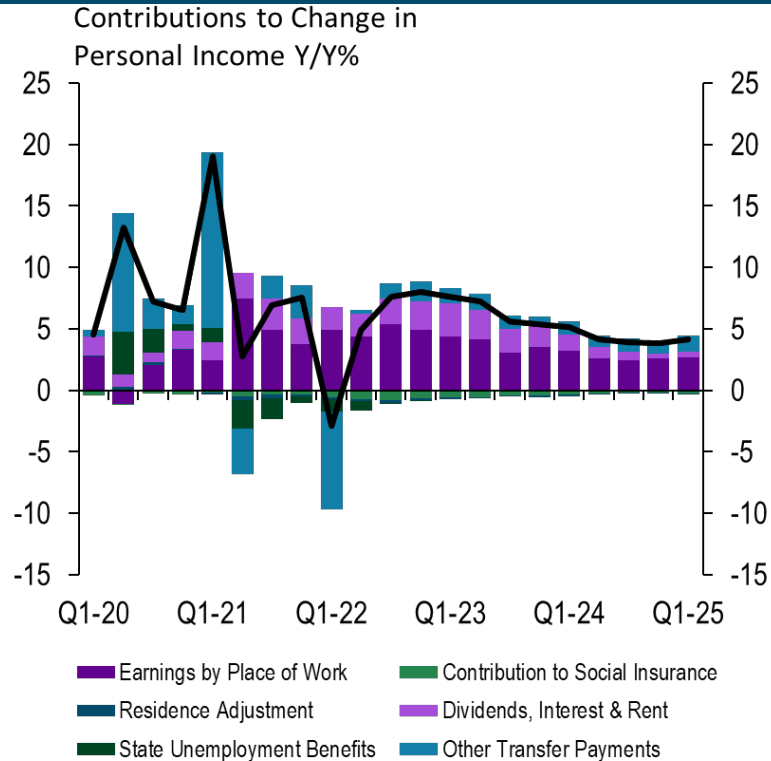
Percentage of Borrowers with Severely Delinquent Debt- US



Personal Income Kansas

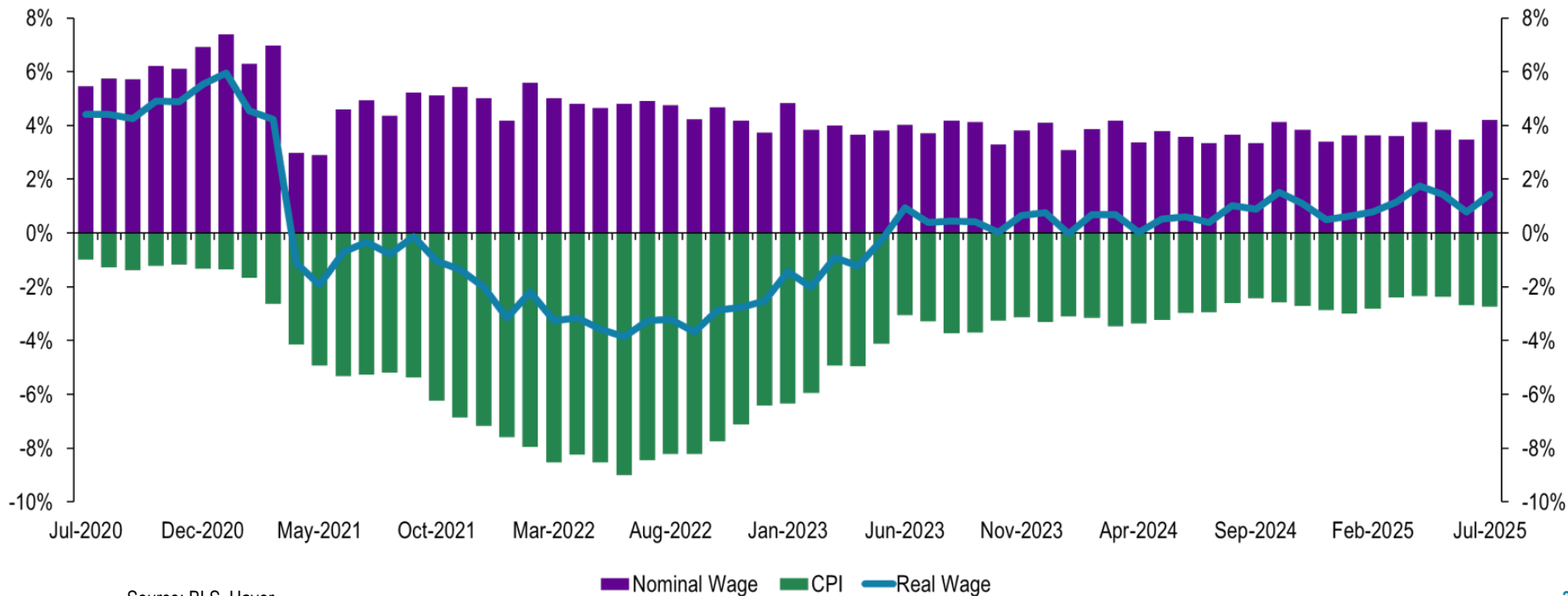


Personal Income Missouri



US wage growth continues to outpace inflation

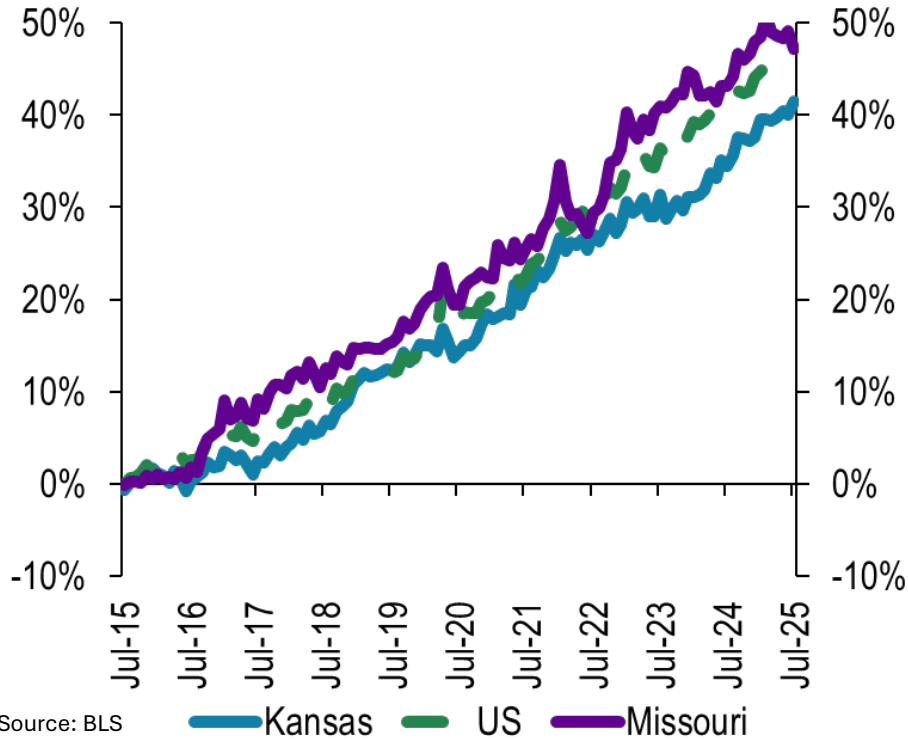
Year over Year % Change



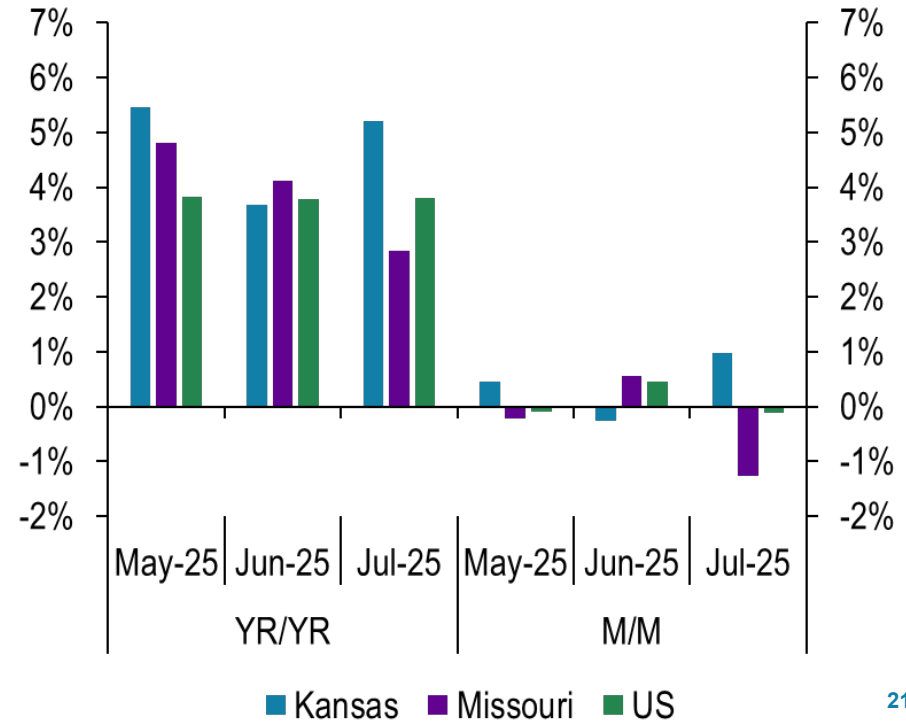
Source: BLS, Haver

MO nominal wages outpaced the US

Average Hourly Wage Indexed Jan 2015

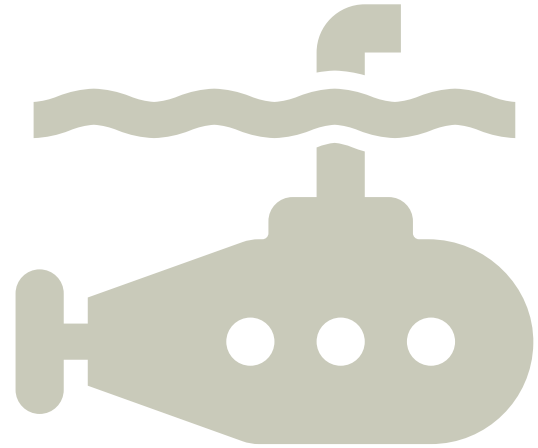


Change in Hourly Wages



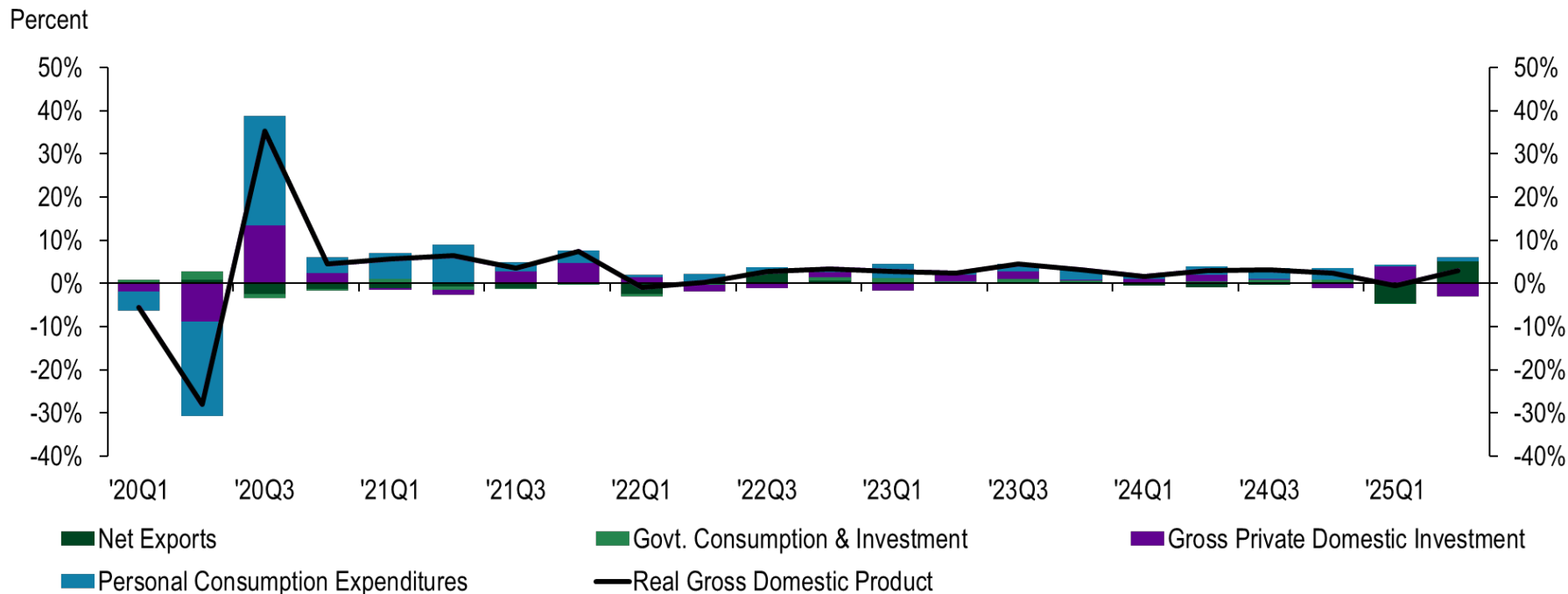
Output – Full speed or False Start?

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



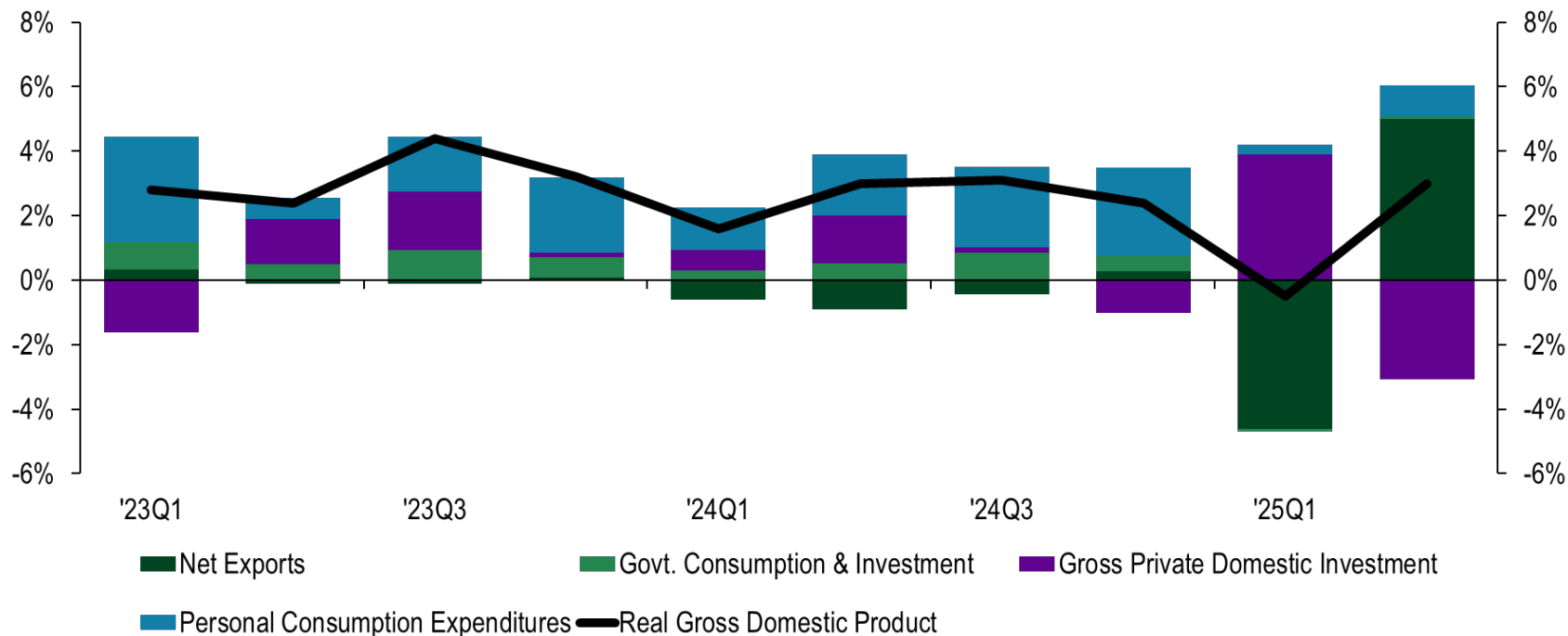
GDP Components

CONTRIBUTIONS TO REAL GDP
Percent Change from Previous at Seasonally Adjusted Annualized Rates



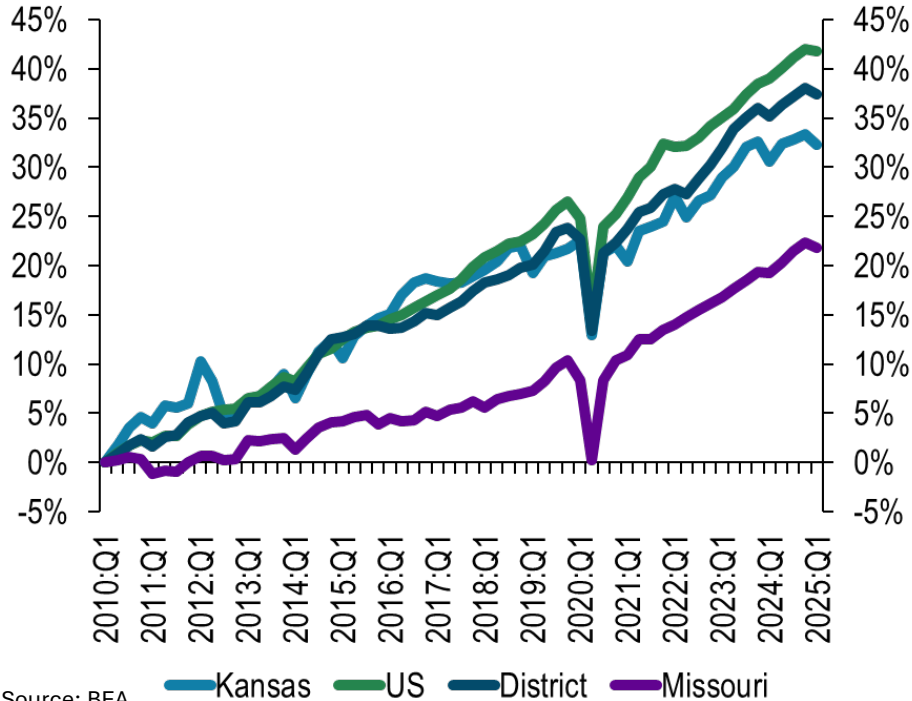
Firms were front loading investments

Contributions to Percent Change

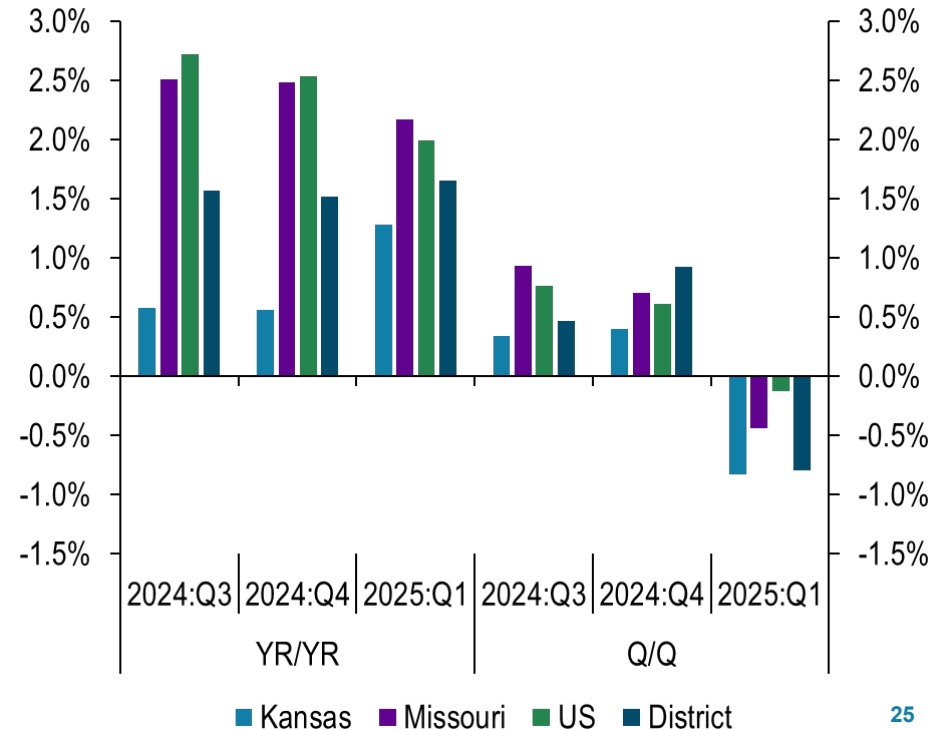


Output trends are inline with the US

GDP Indexed to 2010:Q1

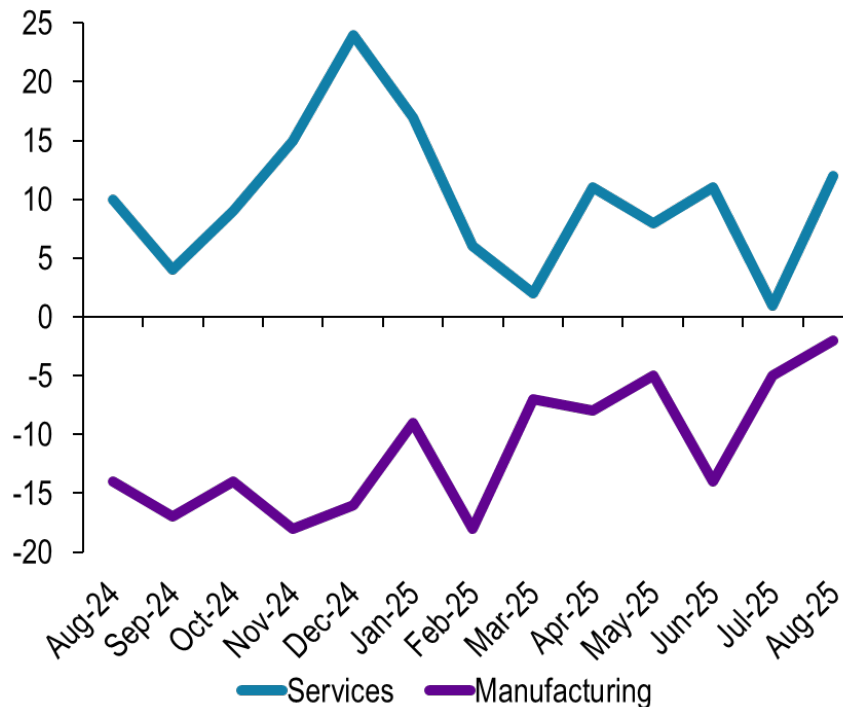


Percent Change in GDP

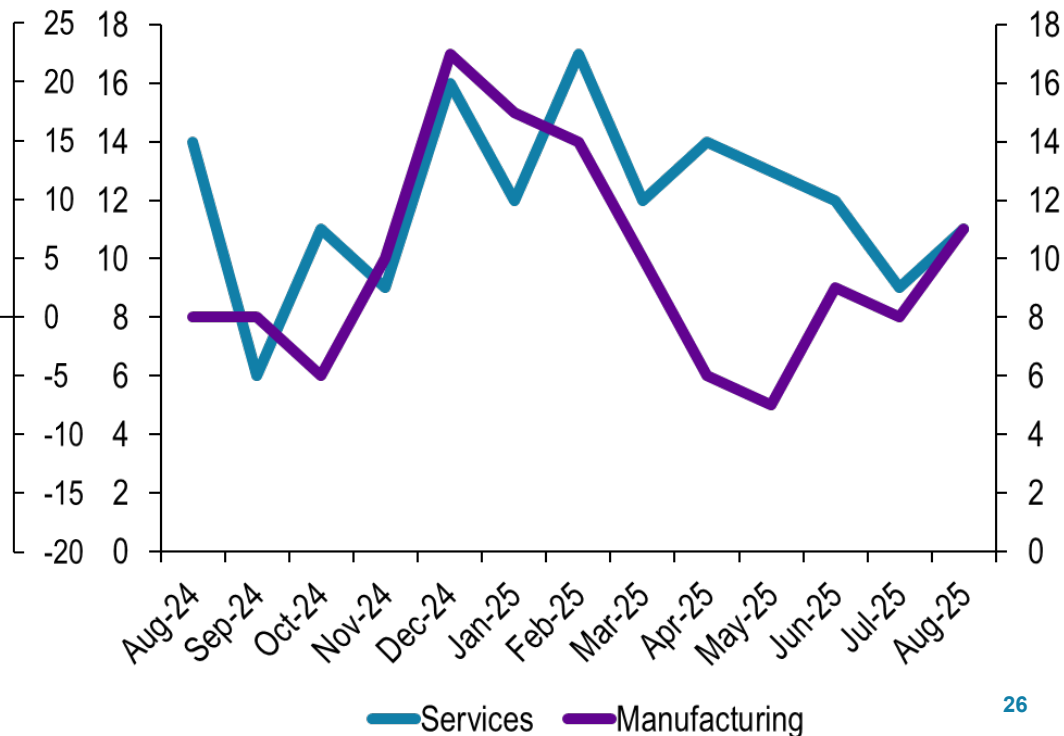


Current conditions have slowed, but optimism remains high

10th District Composite Index Versus a Year Ago Survey

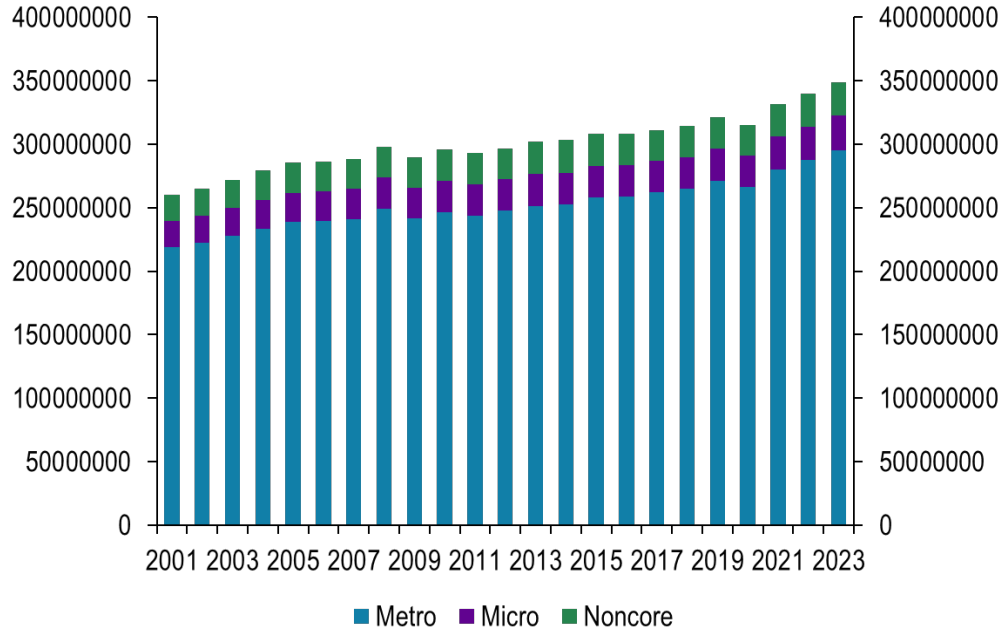


10th District Composite - Expected in 6 Months

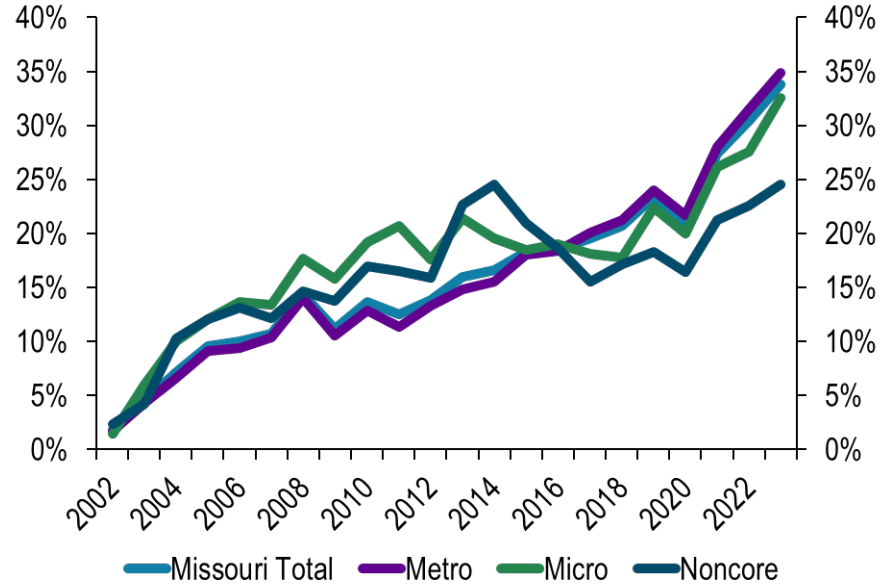


Real GDP Counties- Missouri

Real GDP (Thousands of chained 2017 dollars)

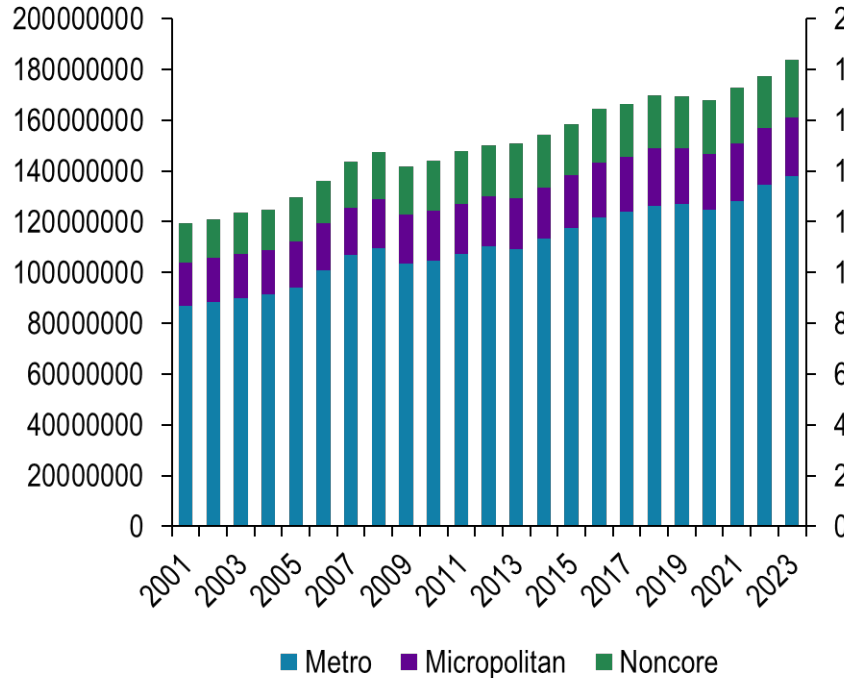


Real GDP Indexed to 2001

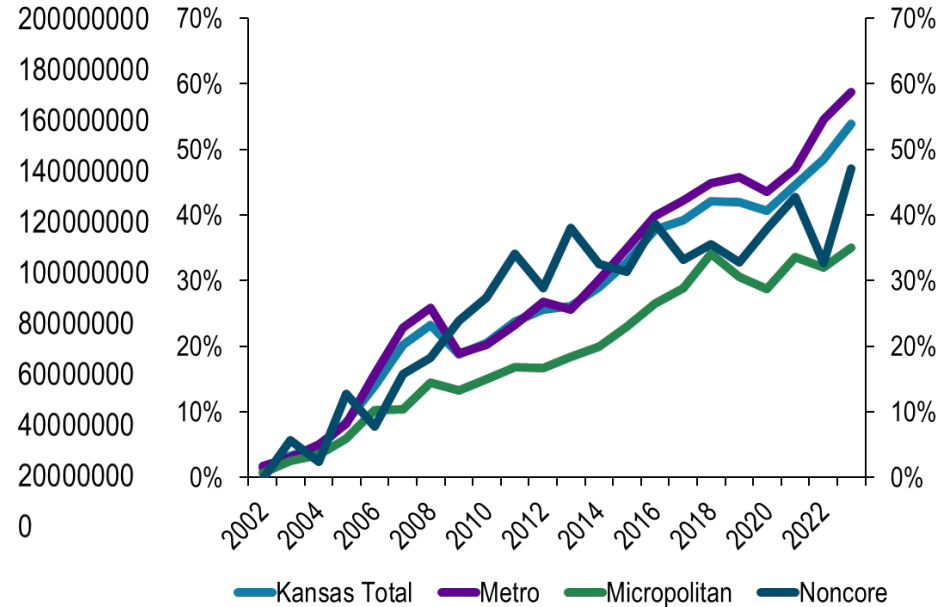


Real GDP Counties- Kansas

Real GDP (Thousands of chained 2017 dollars)

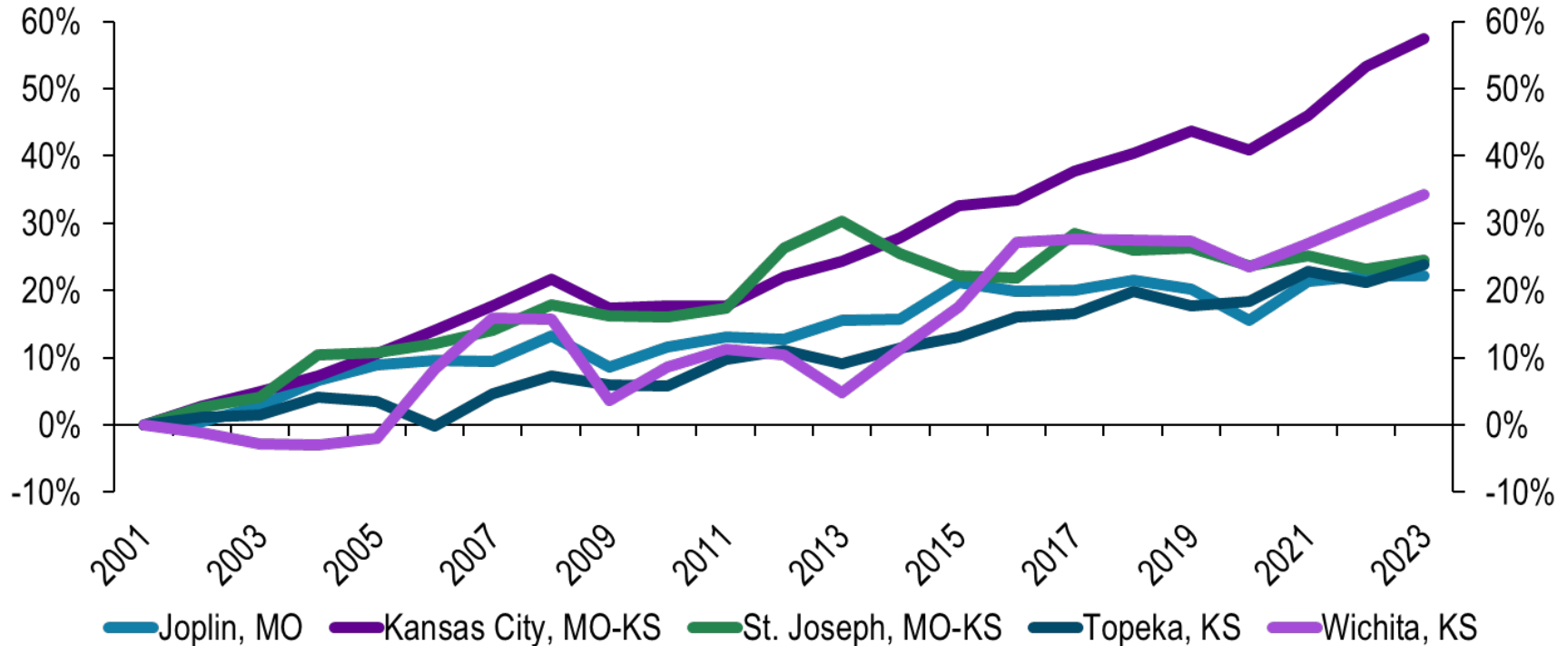


Real GDP Indexed to 2001



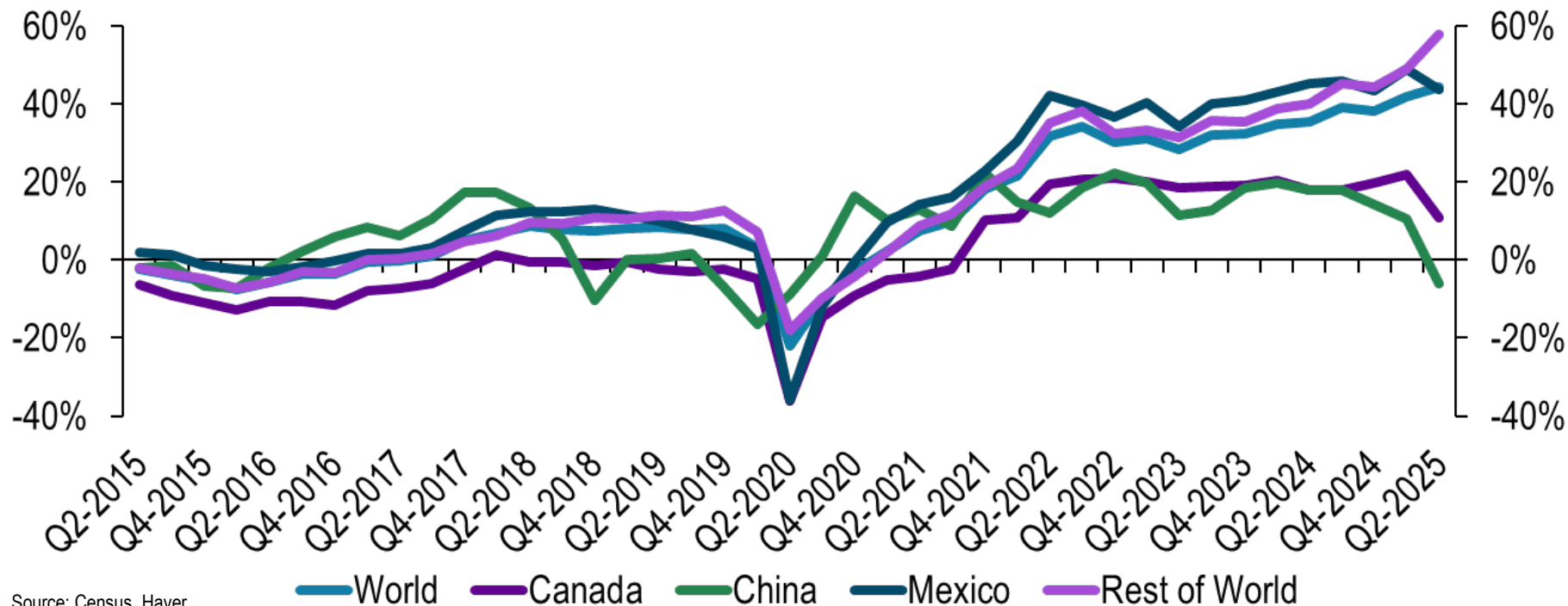
GDP Growth Metros- Indexed to 2001

Real GDP Indexed to 2001

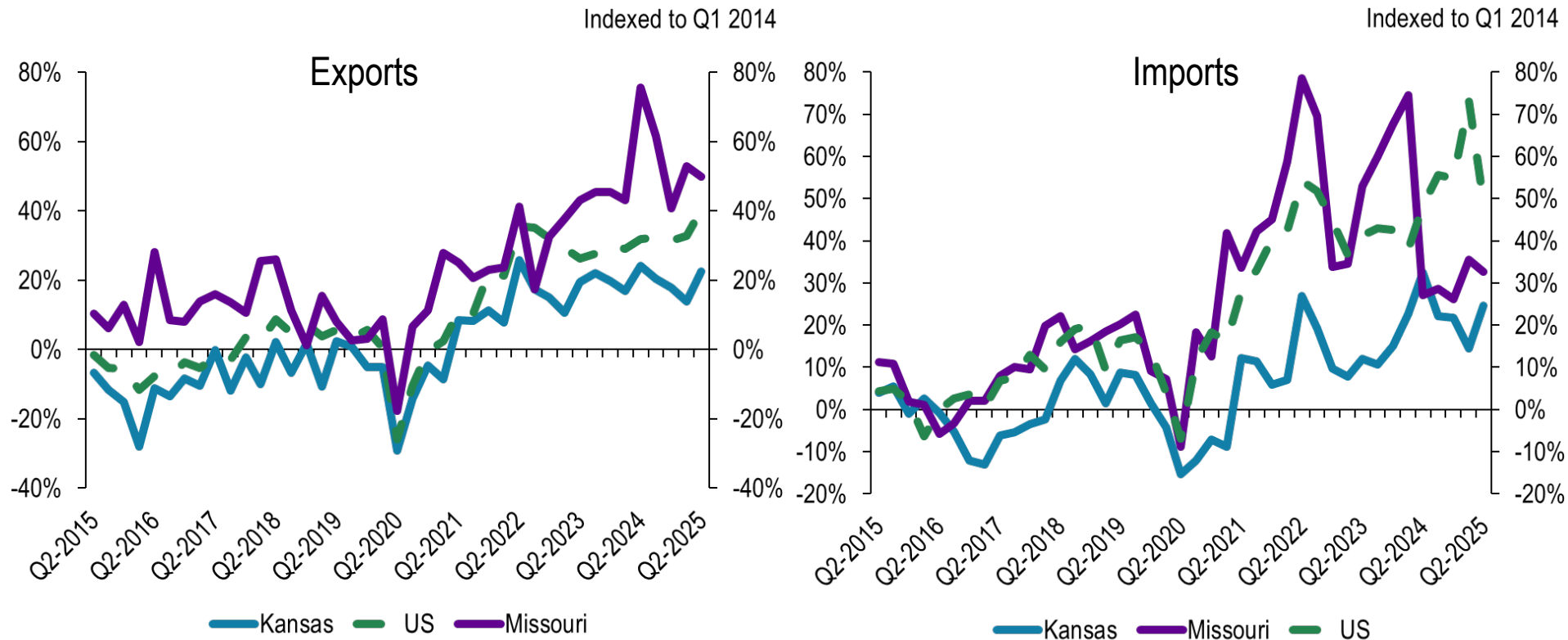


Growth was concentrated in Mexico and the Rest of the world

% Change, Indexed to Q1 2014



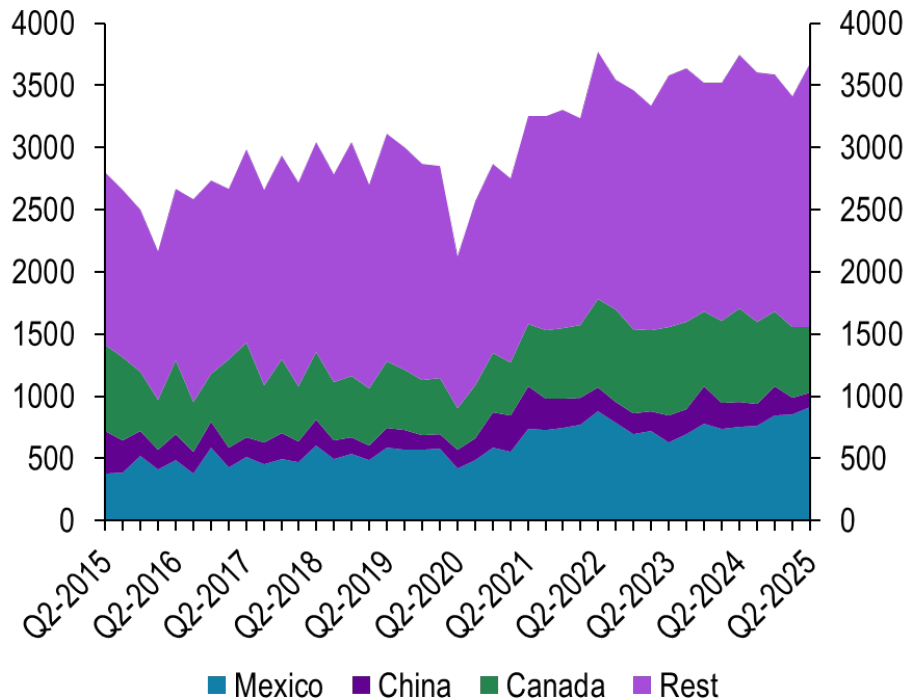
MO Exports exceeded the US



Kansas and Missouri Exports by Country

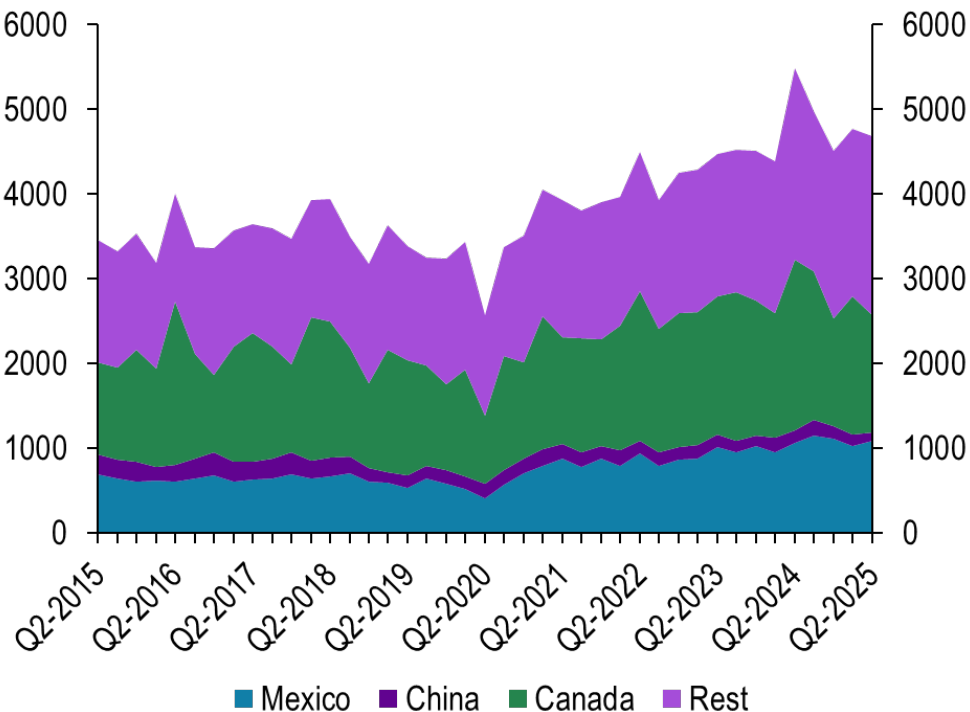
In Millions of Dollars

Kansas



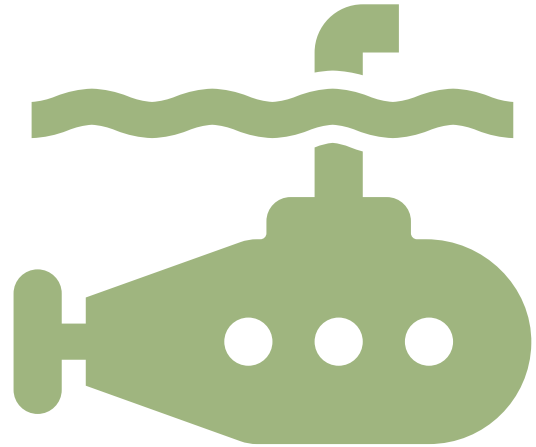
In Millions of Dollars

Missouri



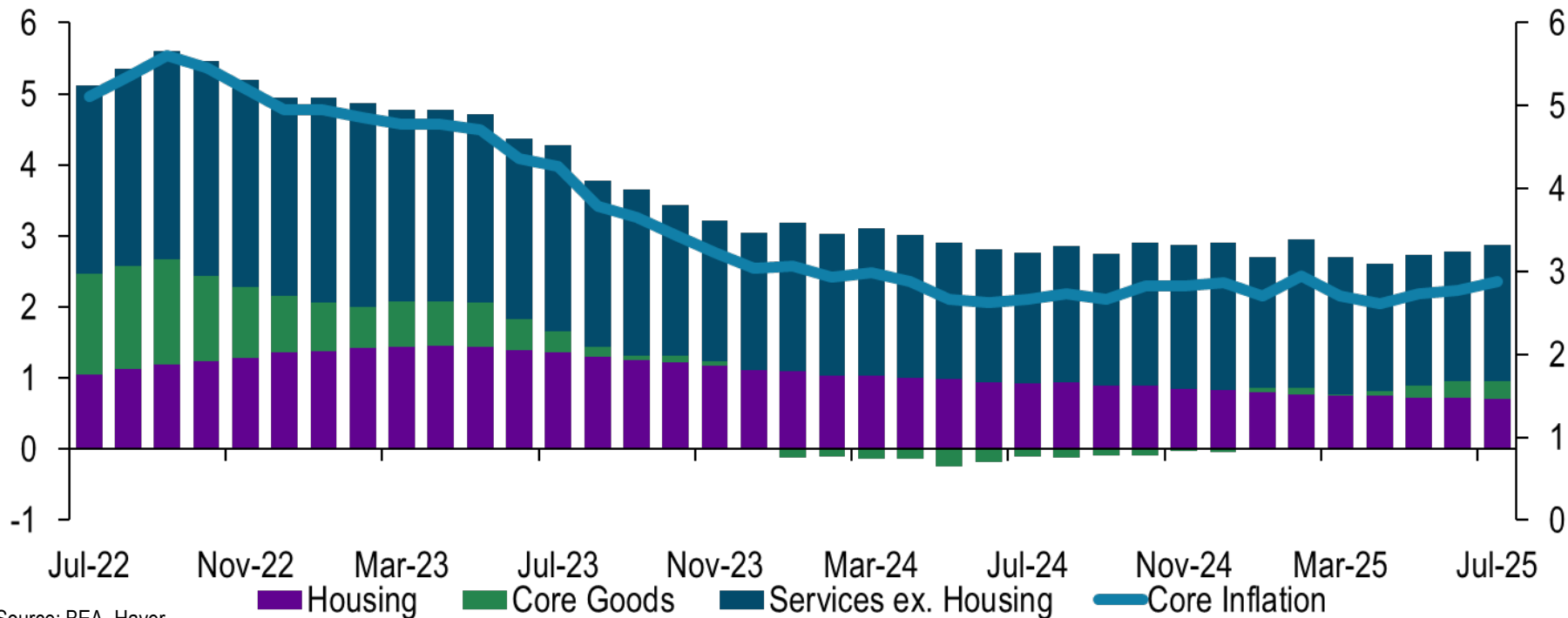
Inflation – The Price of Uncertainty

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



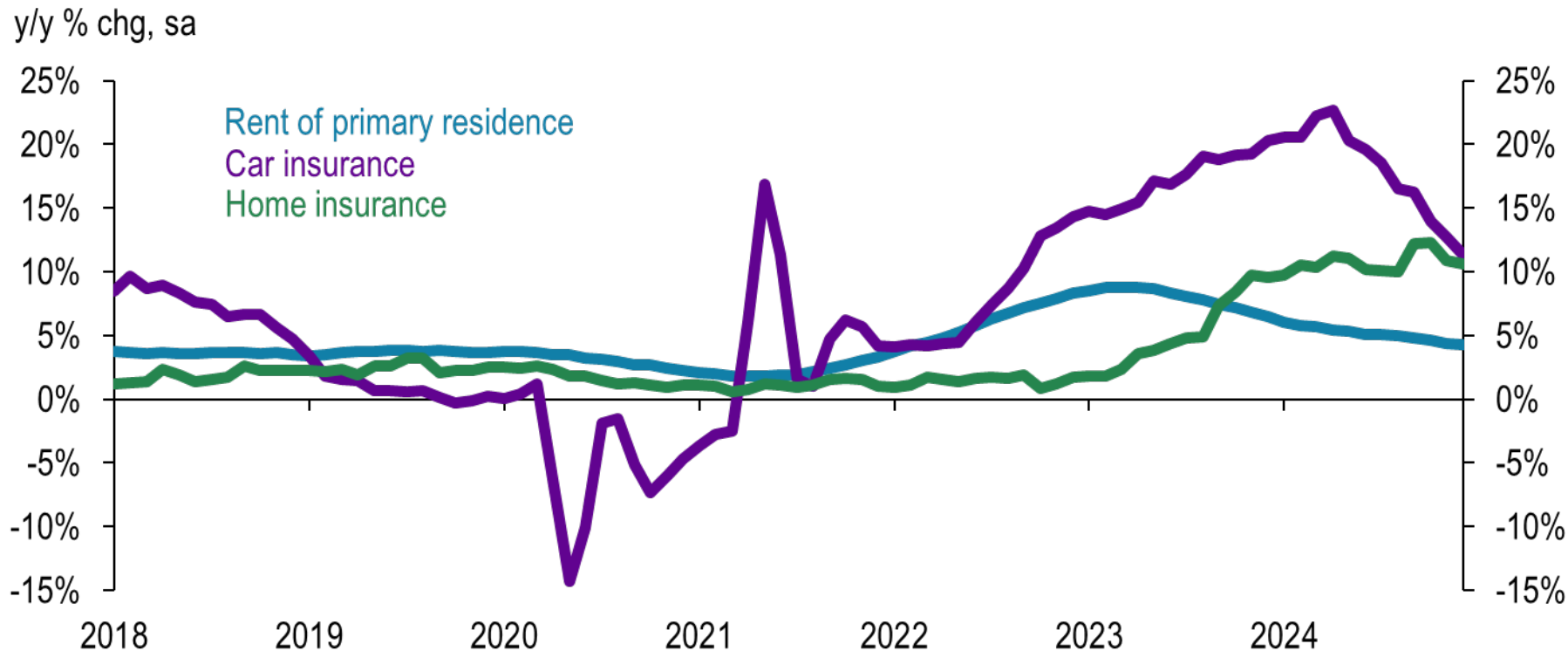
Goods inflation has crept back in

Year/Year % Change



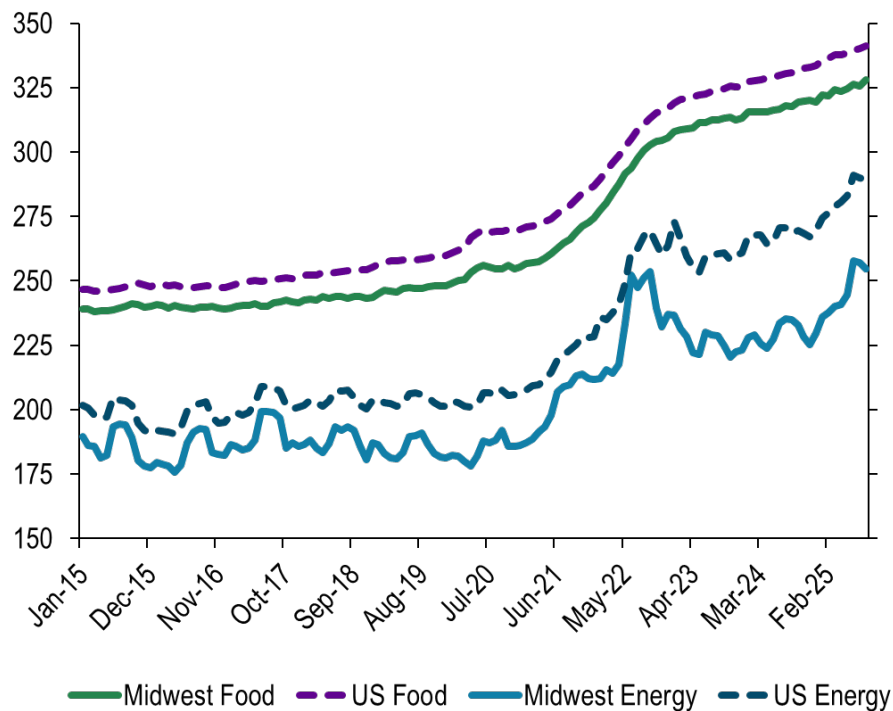
Source: BEA, Haver

Inflation – Products with infrequent price changes



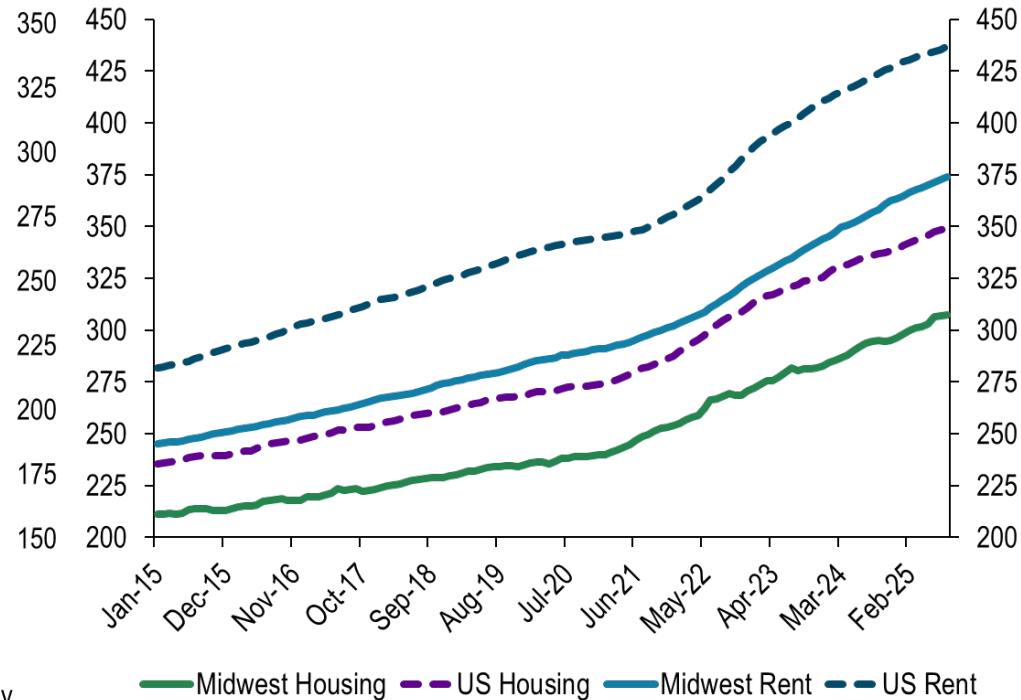
CPI Midwest

Indexed 1982-84=100



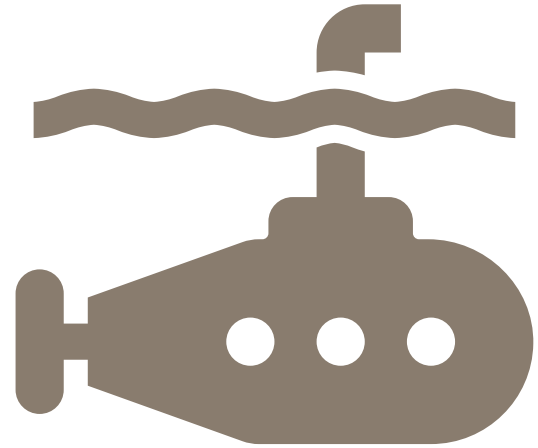
Source: BLS

Indexed 1982-84=100



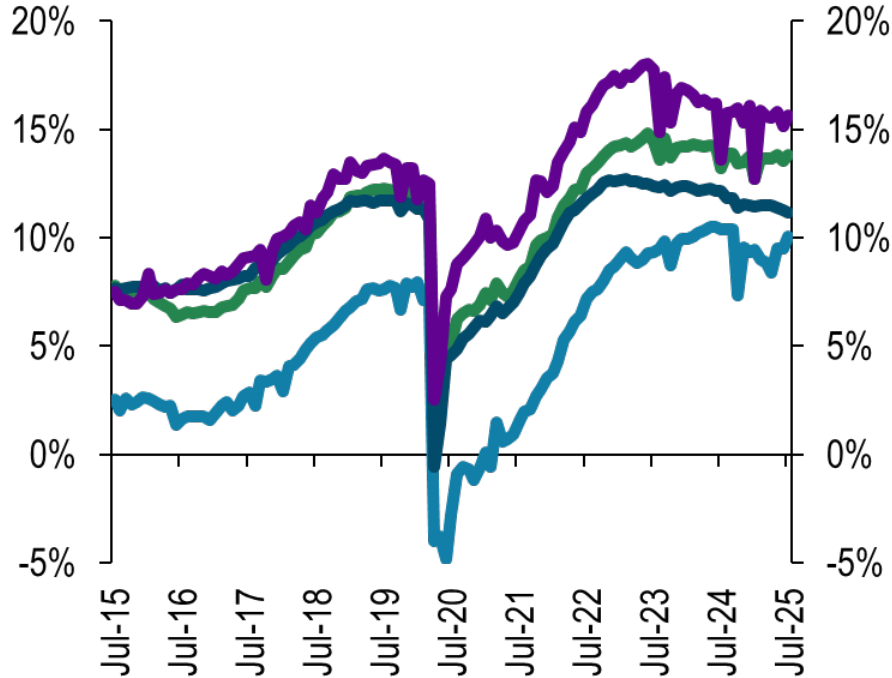
Manufacturing – Built to Last?

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

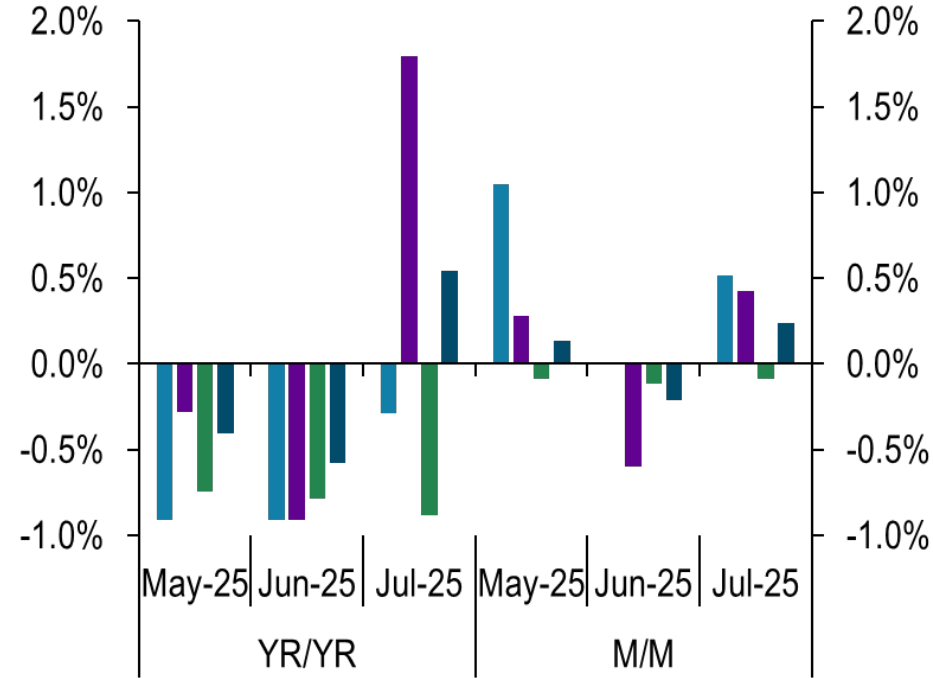


Manufacturing Employment

Employment Indexed to 2010



Employment Change



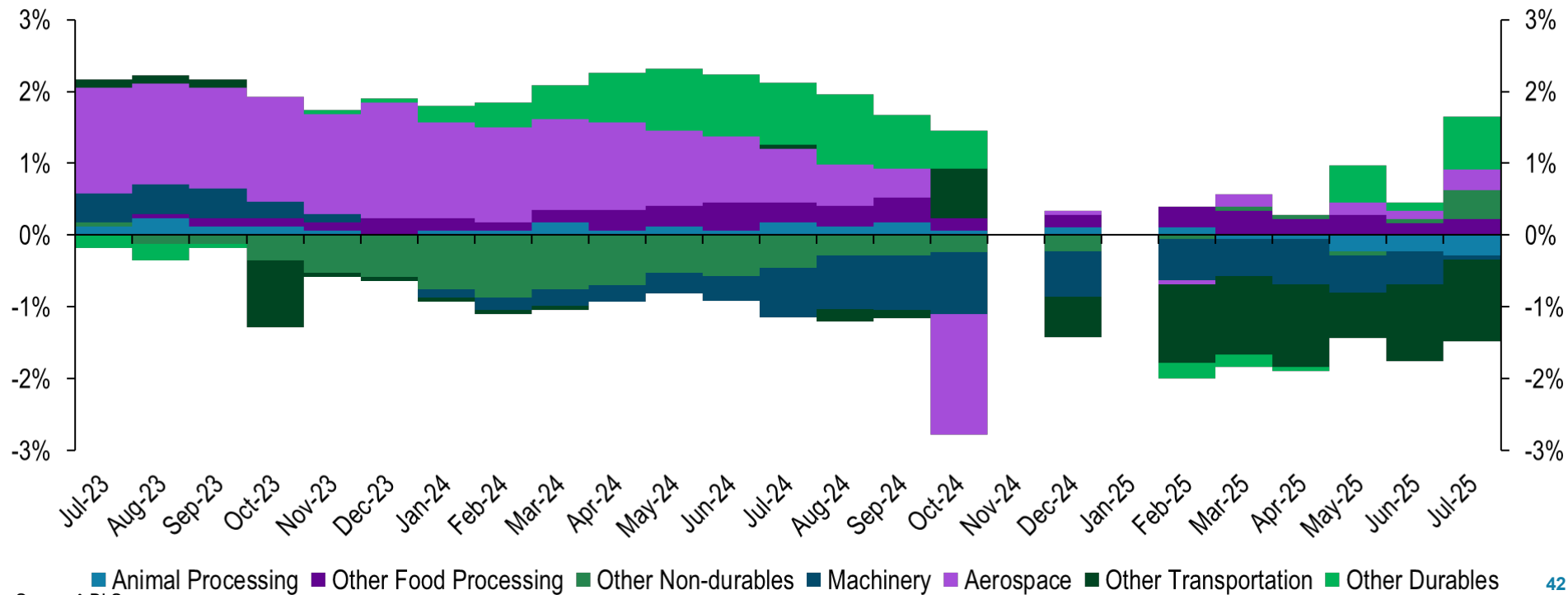
Source: BLS

— Kansas — District — US — Missouri

■ Kansas ■ Missouri ■ US ■ District

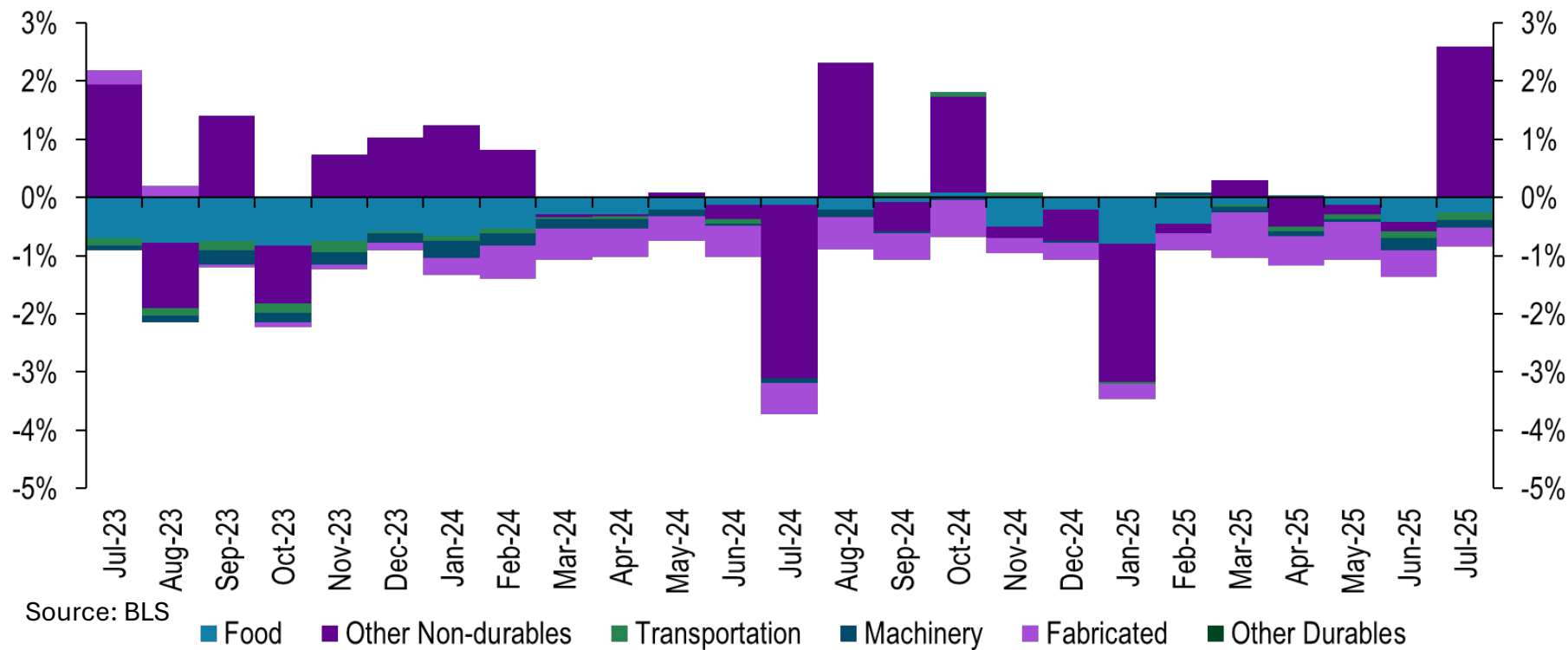
KS: Aero, other durables, and food has propped up the economy

Year over year percent change in manufacturing employment- Kansas



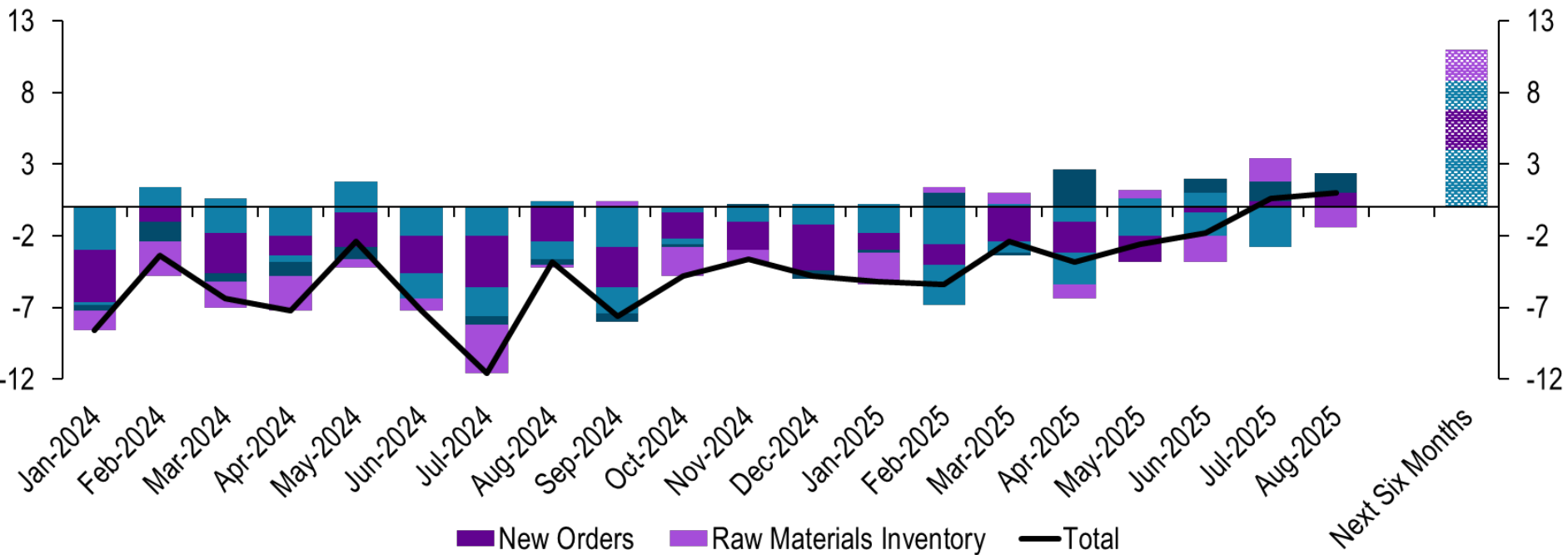
MO: Food, Non-Durables, and Fabricated weighed on the economy

Year over year percent change in manufacturing employment- Missouri



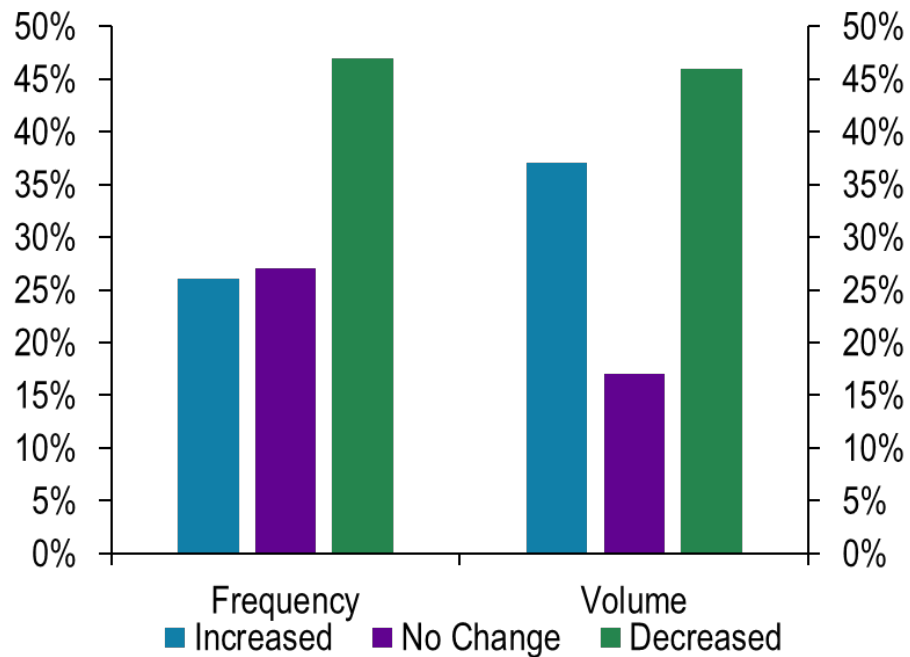
Manufacturing Survey

Diffusion Index vs a Month Ago

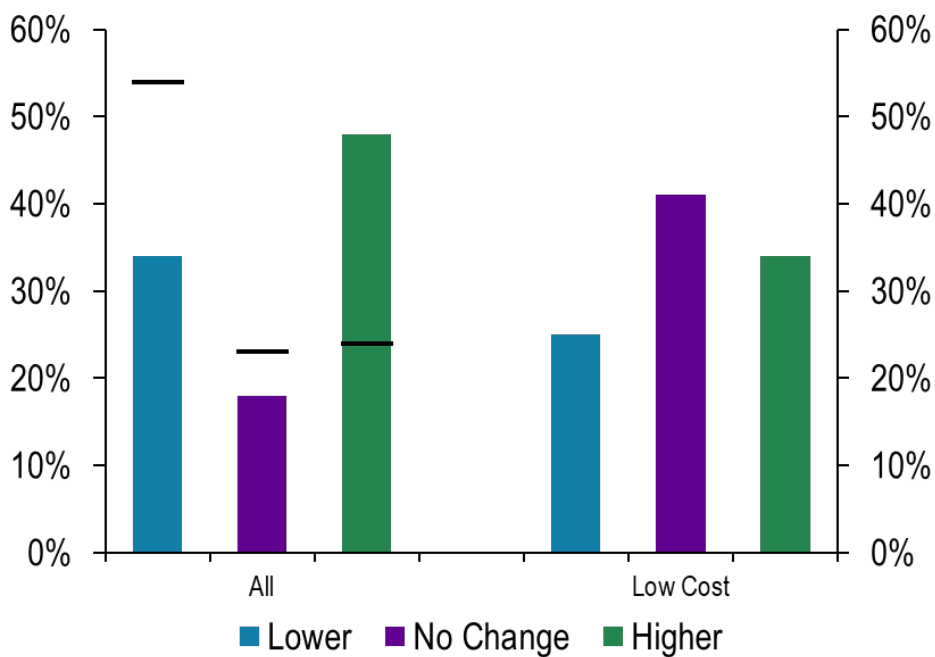


Manufacturing Survey

% of Survey Respondents



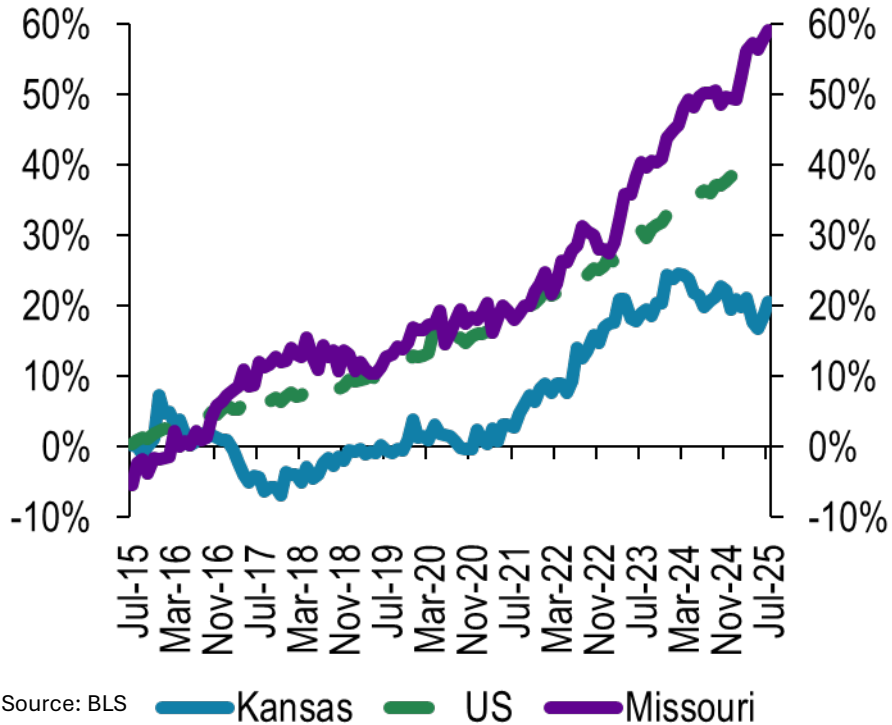
% of Survey Respondents



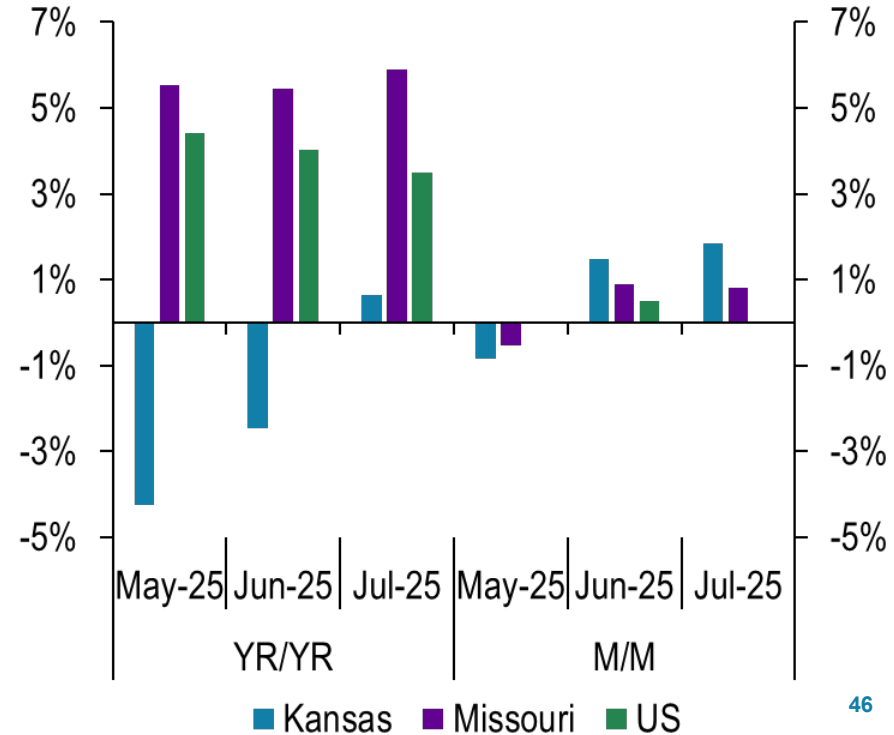
Source: KCFED Manufacturing Survey

Manufacturing Wages

Manufacturing Wages Indexed Jan 2015

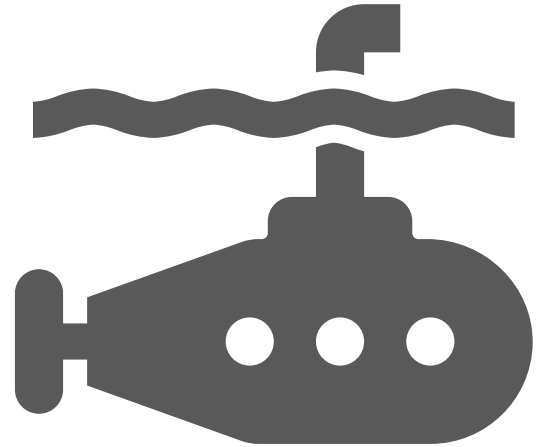


Change in Manufacturing Weekly Wages

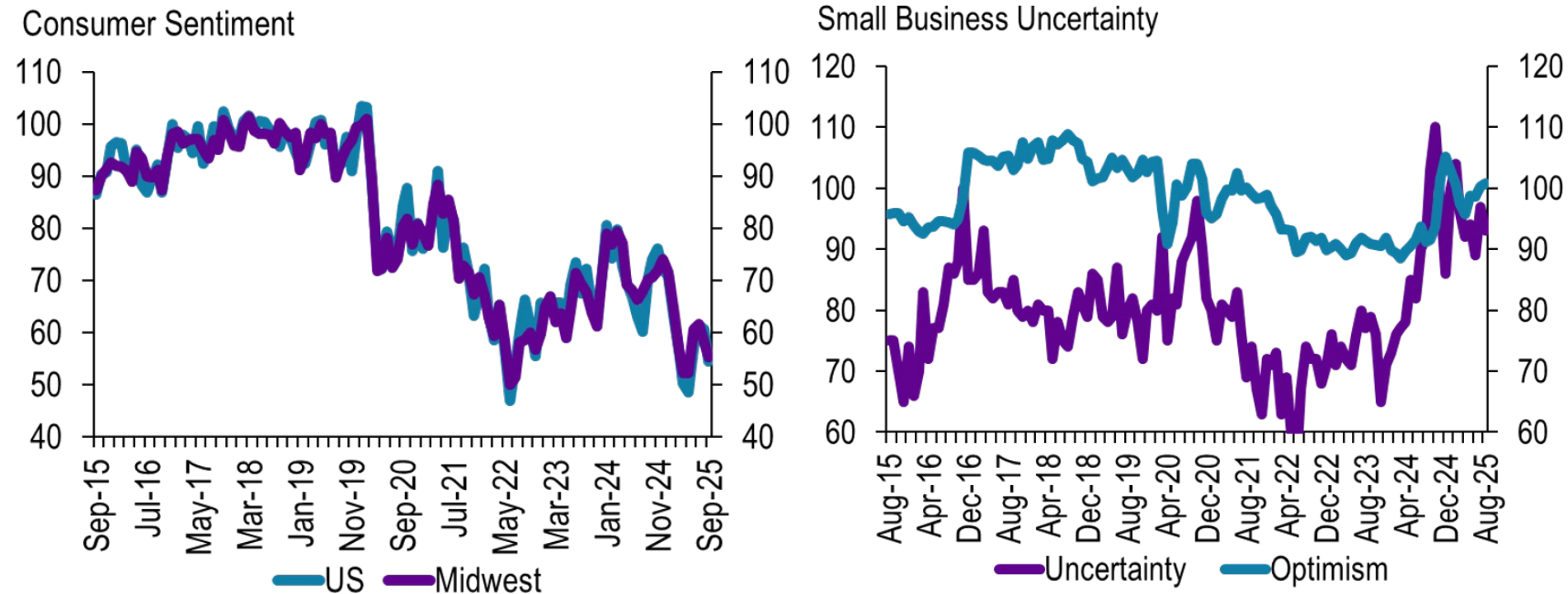


Services – At your Service...For Now

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

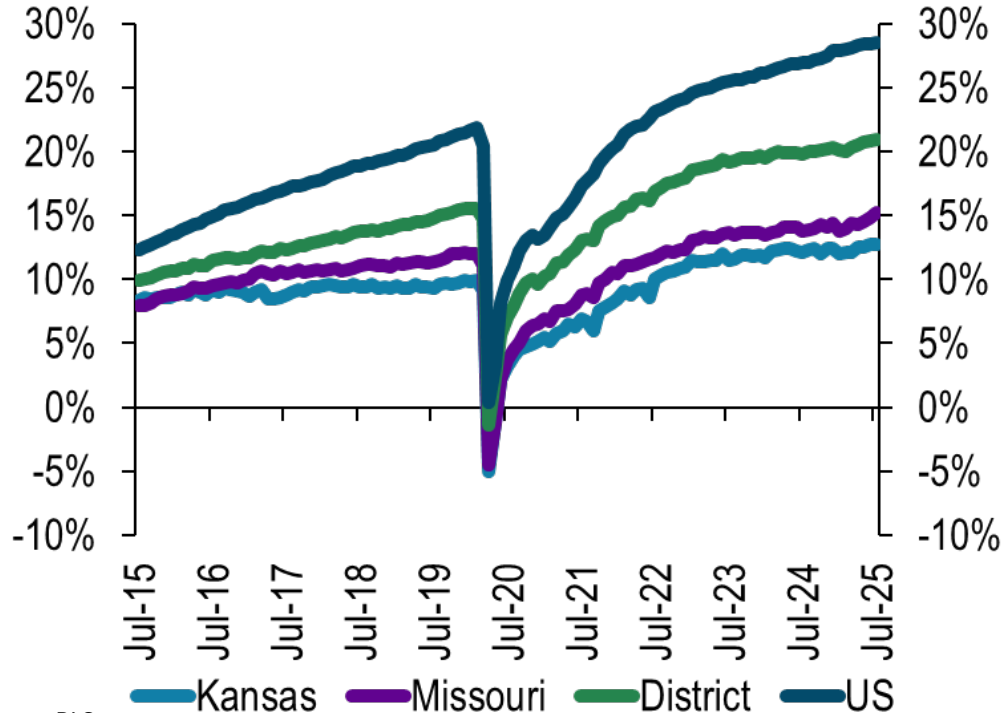


Consumers sentiment declined while business optimism remains high

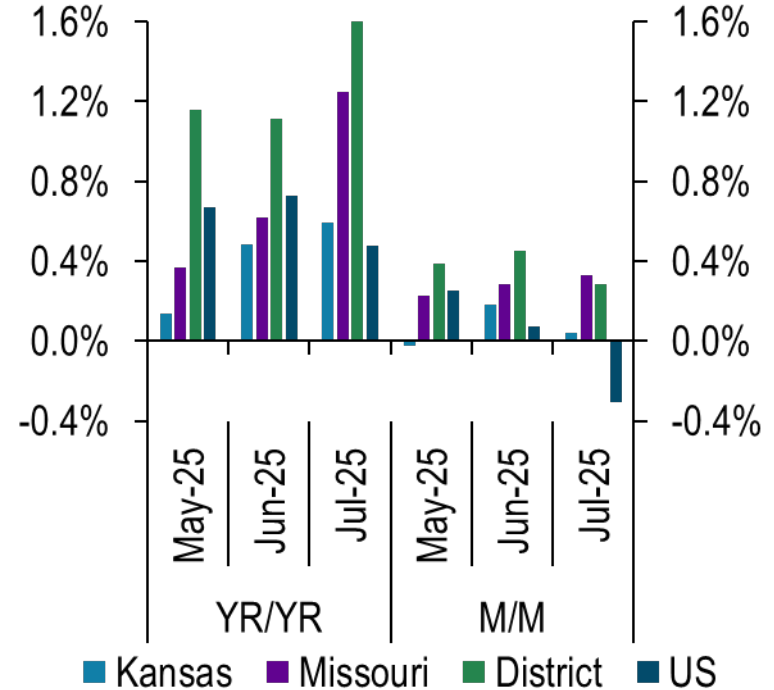


MO and KS slowed down in 2024

Employment Indexed to 2010

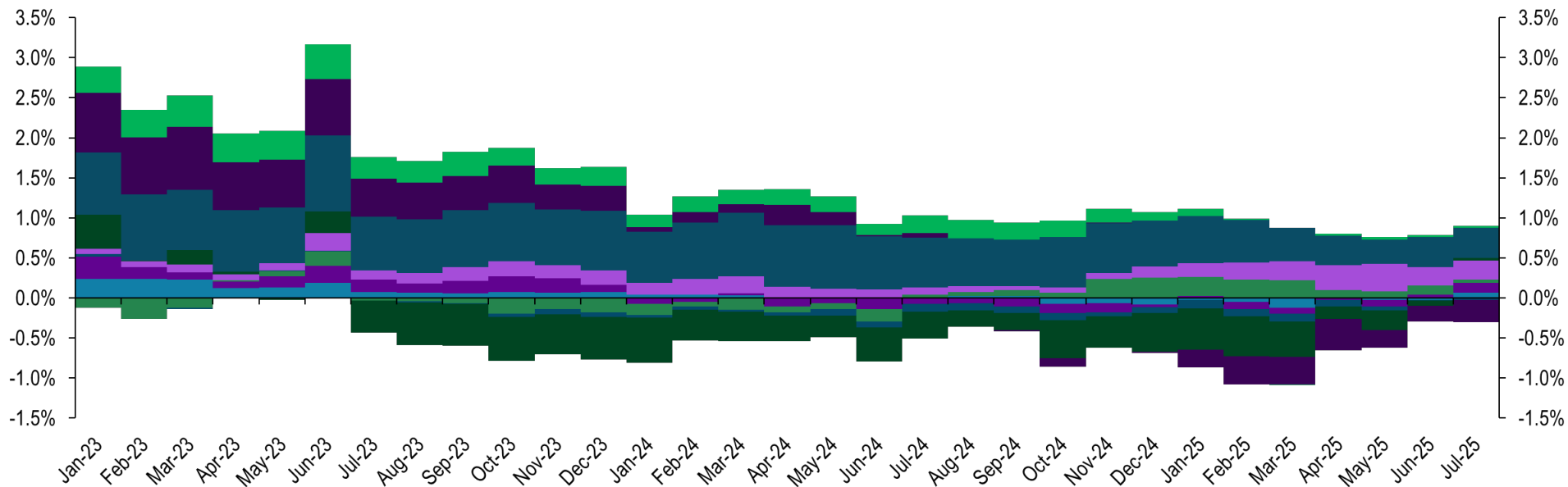


Employment Change



Leisure weighed down the economy-Kansas

Year over year percent change in services employment- Kansas

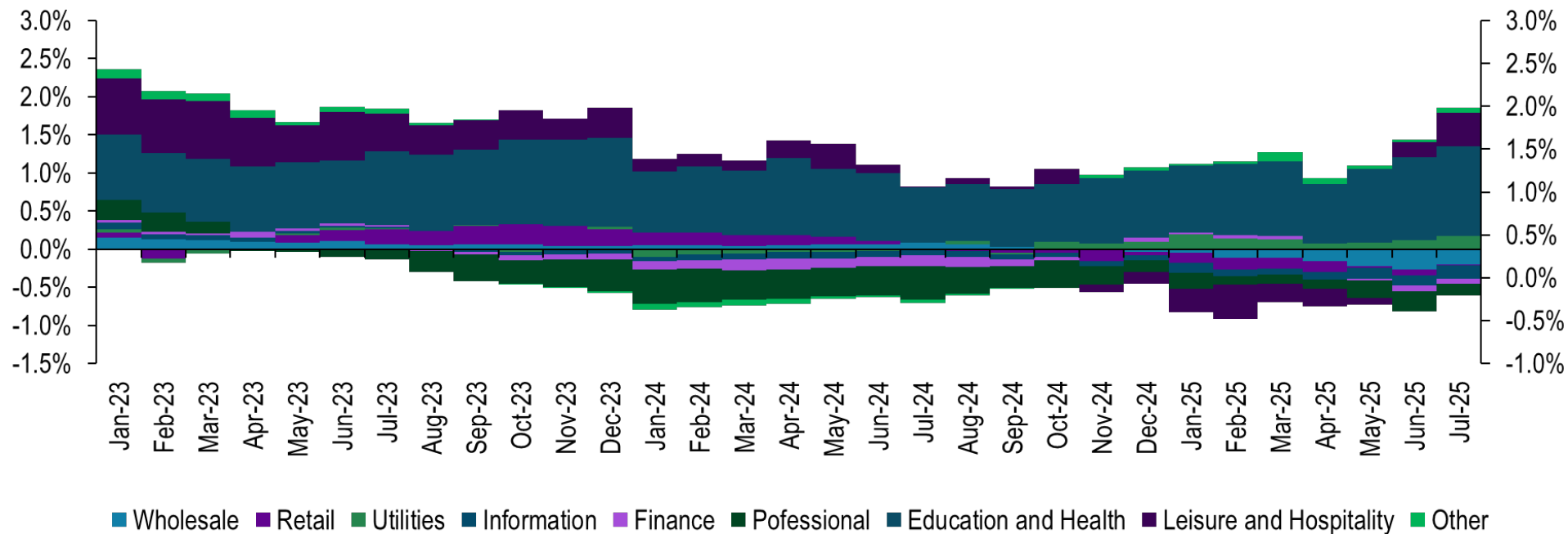


Source: BLS

Wholesale Retail Utilities Information Finance Professional Education and Health Leisure and Hospitality Other

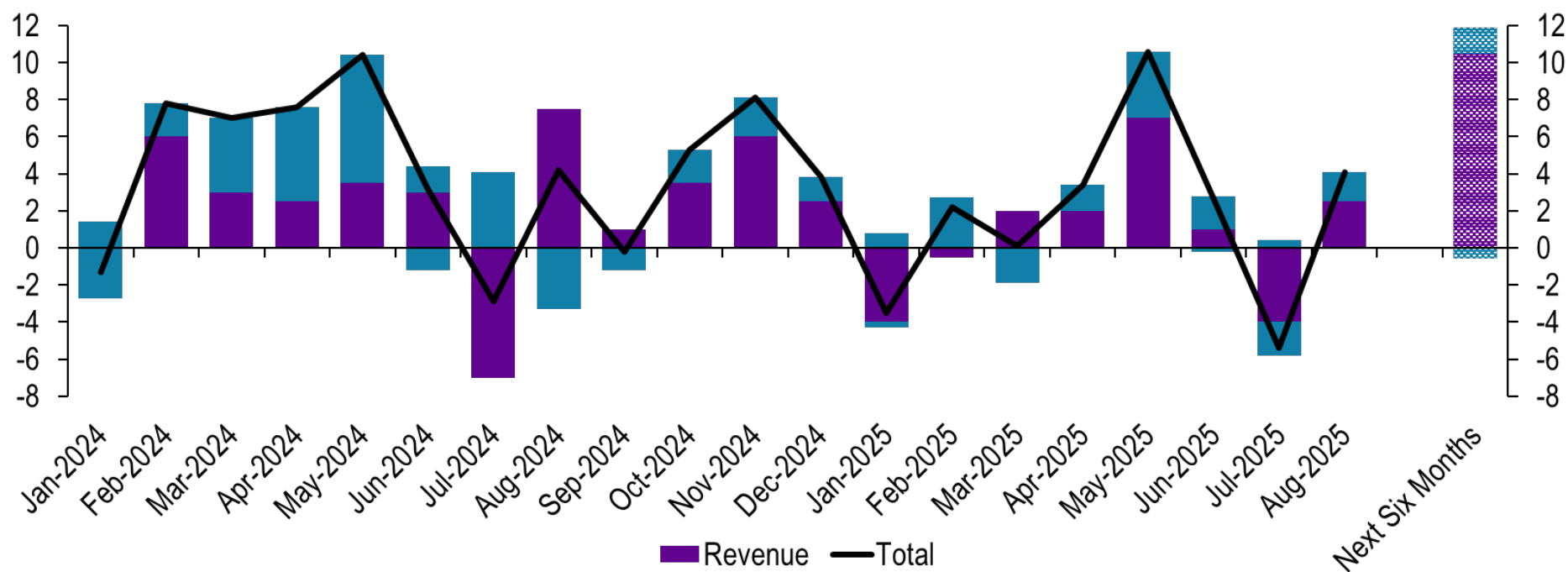
Leisure has picked back up - Missouri

Year over year percent change in services employment- Missouri



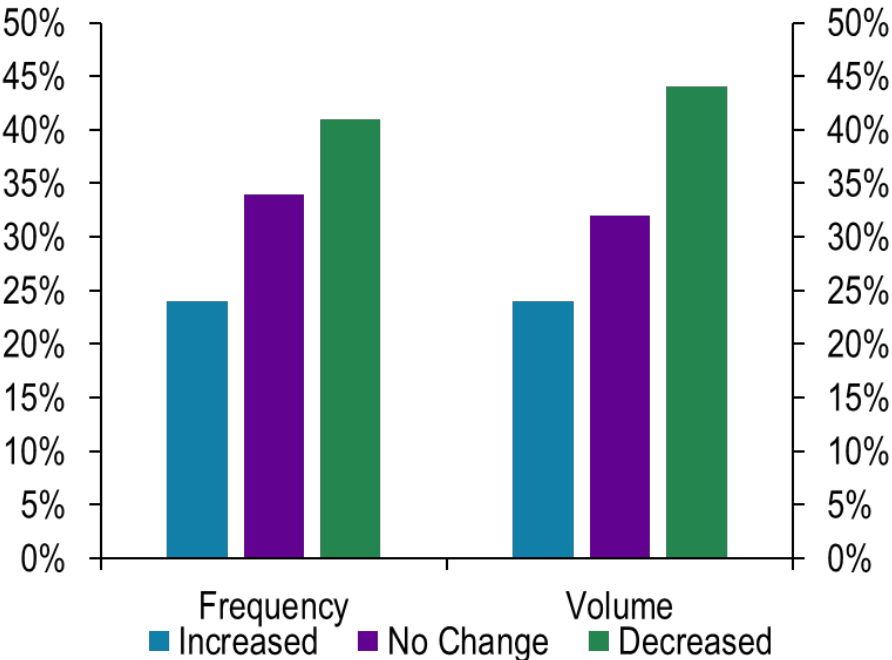
Services Survey

Diffusion Index vs Previous Month

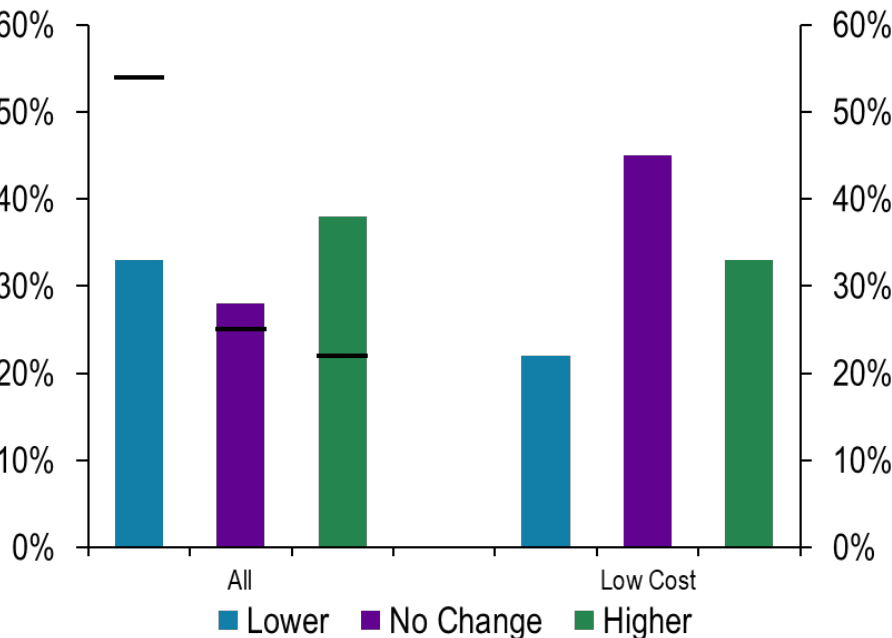


Services Survey

% of Survey Respondents

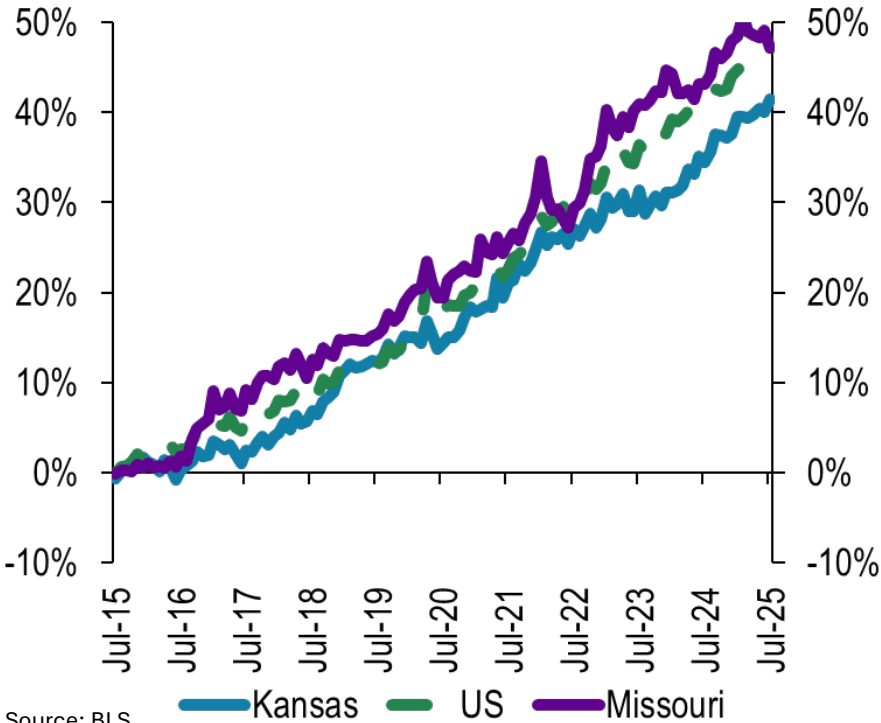


% of Survey Respondents

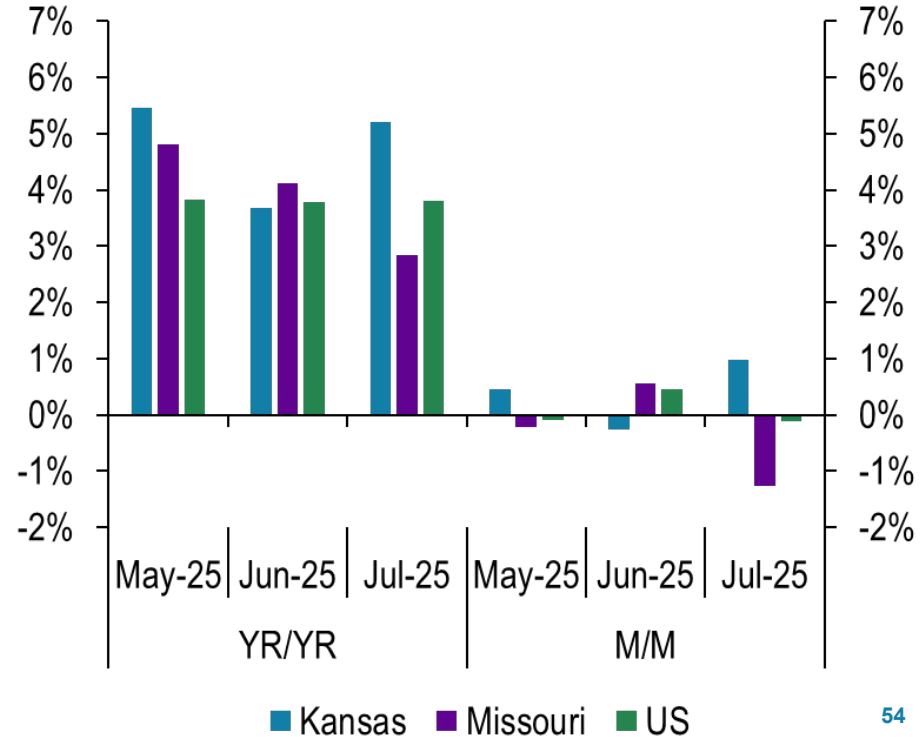


MO nominal wages outpaced the US

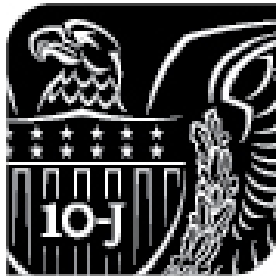
Average Hourly Wage Indexed Jan 2015



Change in Hourly 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

