



FEDERAL RESERVE BANK *of* KANSAS CITY

Kansas Economic Outlook

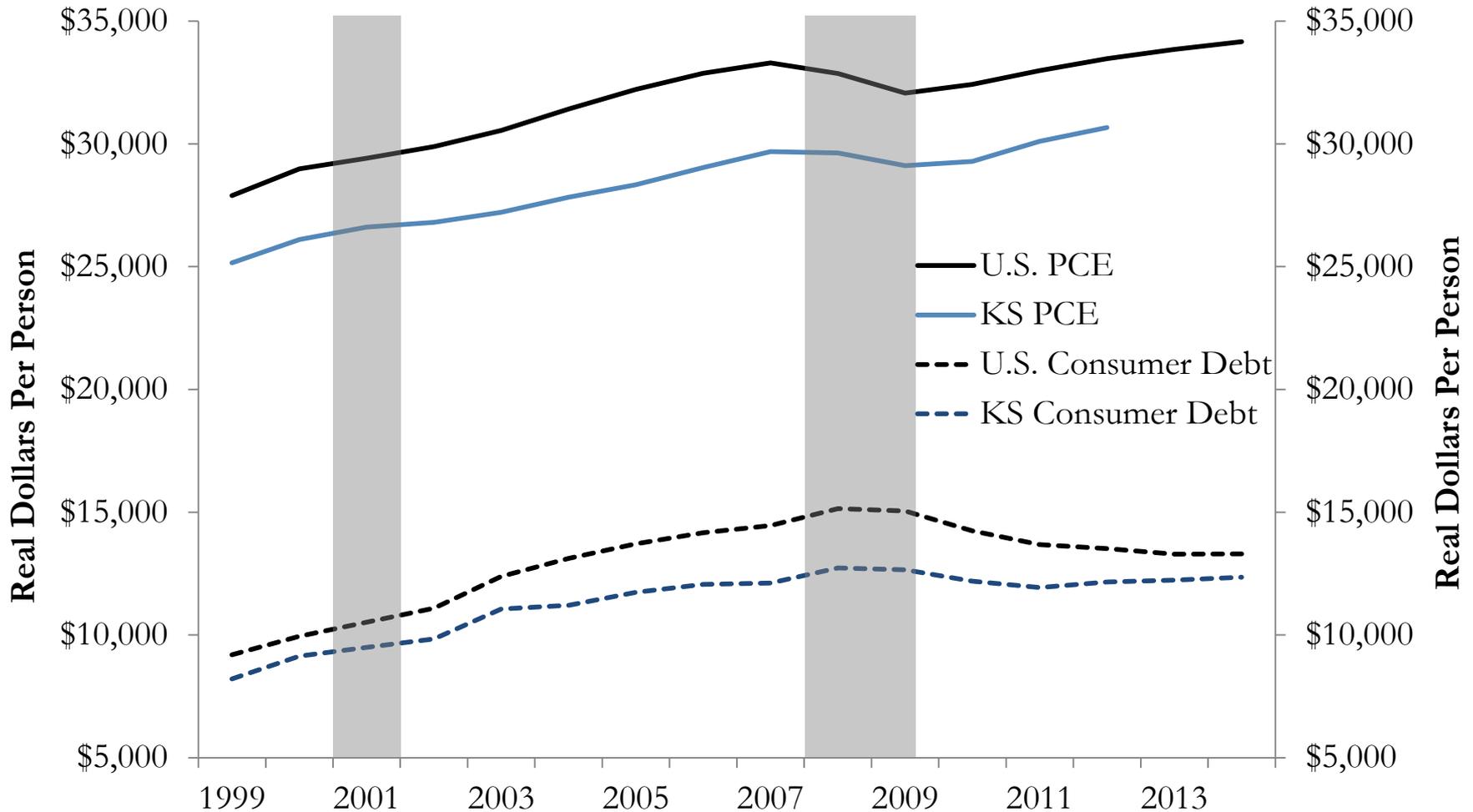
Kansas Senate Financial Institutions & Insurance Committee

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

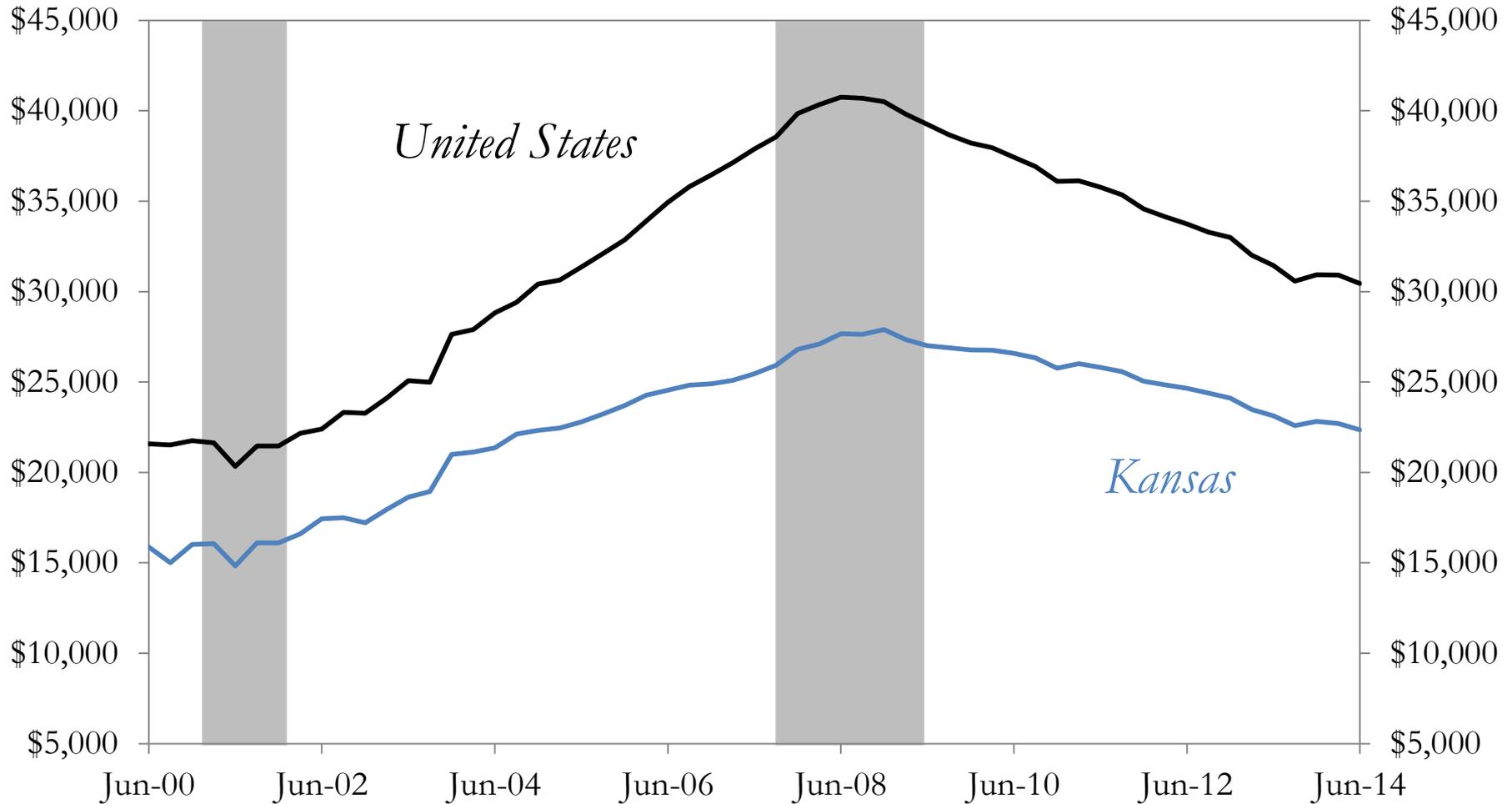
Consumer spending continues to grow at modest pace, while debt levels remain flat.



Sources: Bureau of Economic Analysis, Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

The decline in average mortgage debt per consumer has slowed over the past year.

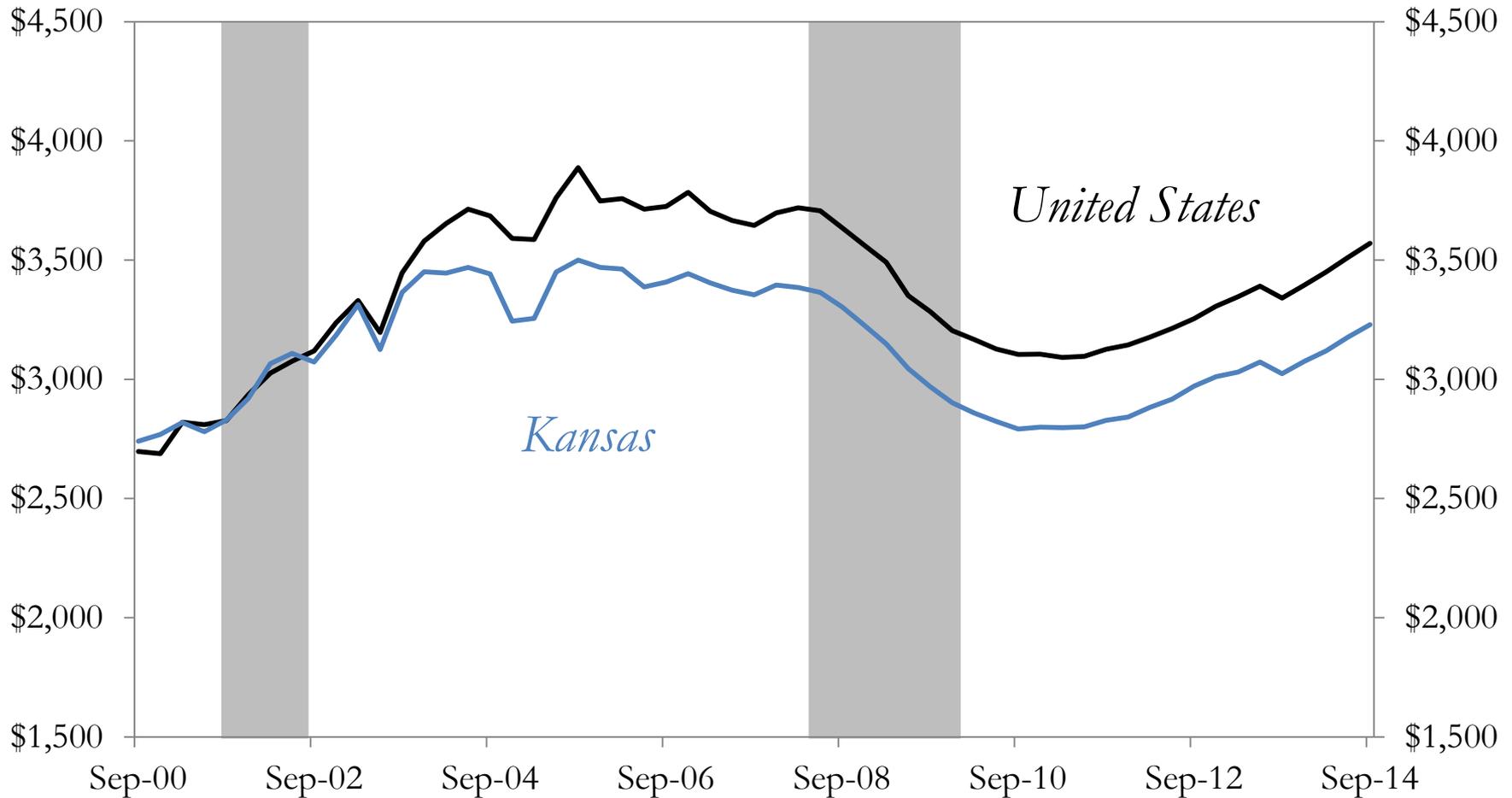
Average Mortgage Debt Per Consumer
Real Dollars, Seasonally Adjusted



Source: Federal Reserve Bank of New York – Consumer Credit Panel

Auto debt fell during the initial part of the recovery, but has continued on an upward trend since mid-2011.

Average Auto Debt Per Consumer
Real Dollars, Seasonally Adjusted

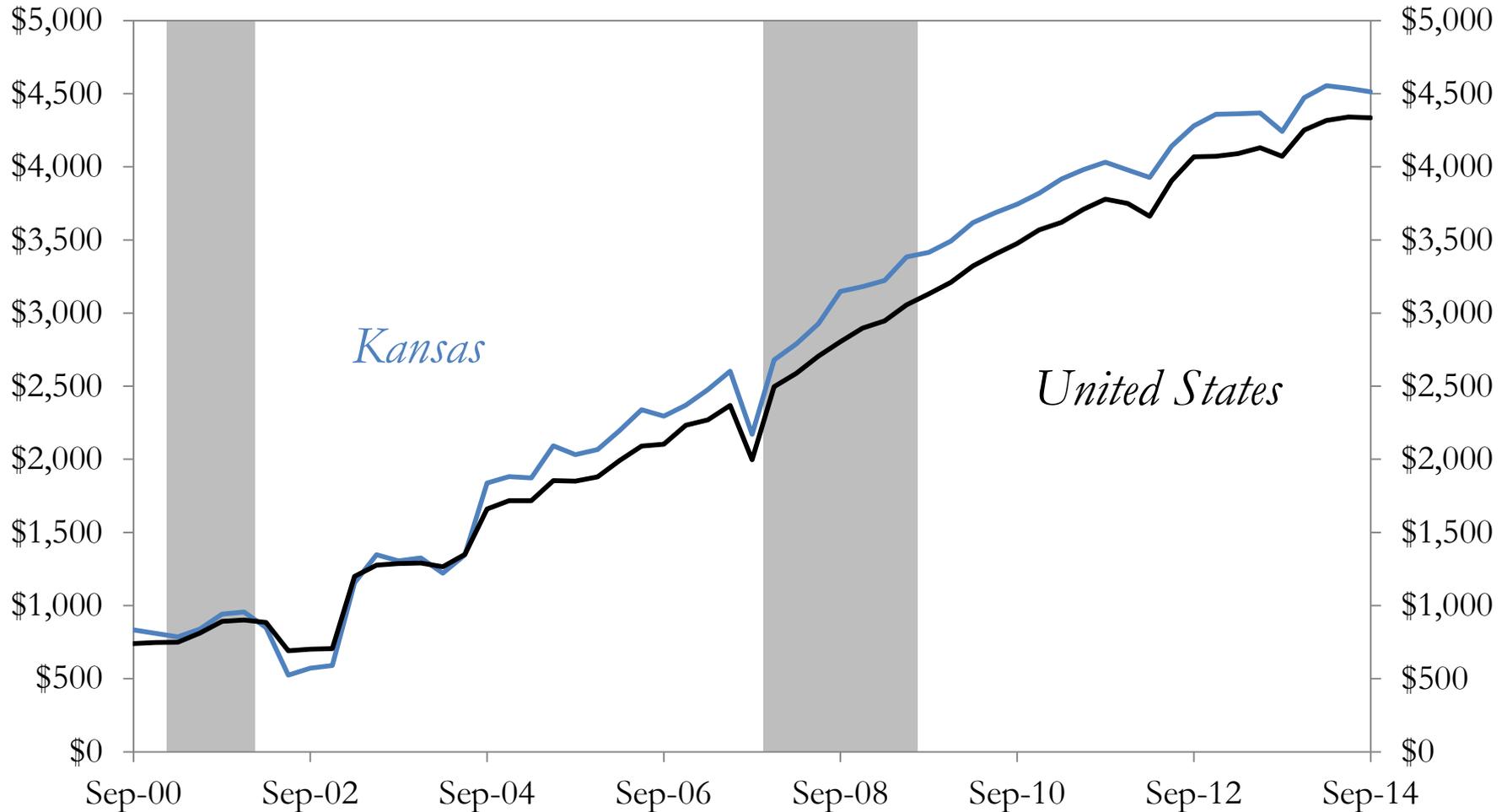


Source: Federal Reserve Bank of New York – Consumer Credit Panel

Student loan debt has steadily grown over the past decade, while recently the rate of growth has slowed.

Average Student Loan Debt Per Consumer

Real Dollars, Seasonally Adjusted

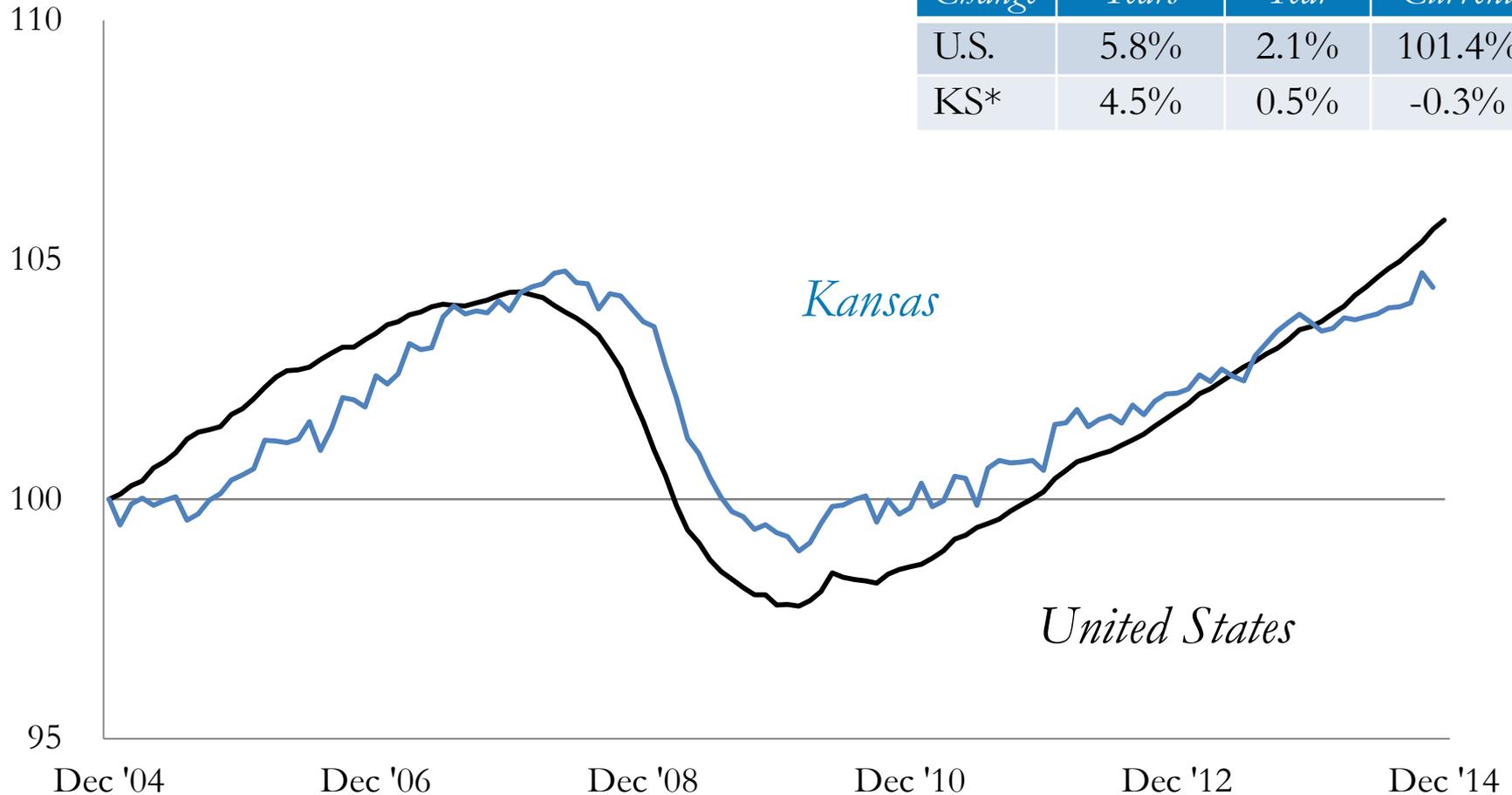


Source: Federal Reserve Bank of New York – Consumer Credit Panel

Job gains continue in Kansas, but the pace of growth has lagged the U.S. for over a year.

NONFARM EMPLOYMENT

Index 100 = December 2004, Seasonally Adjusted

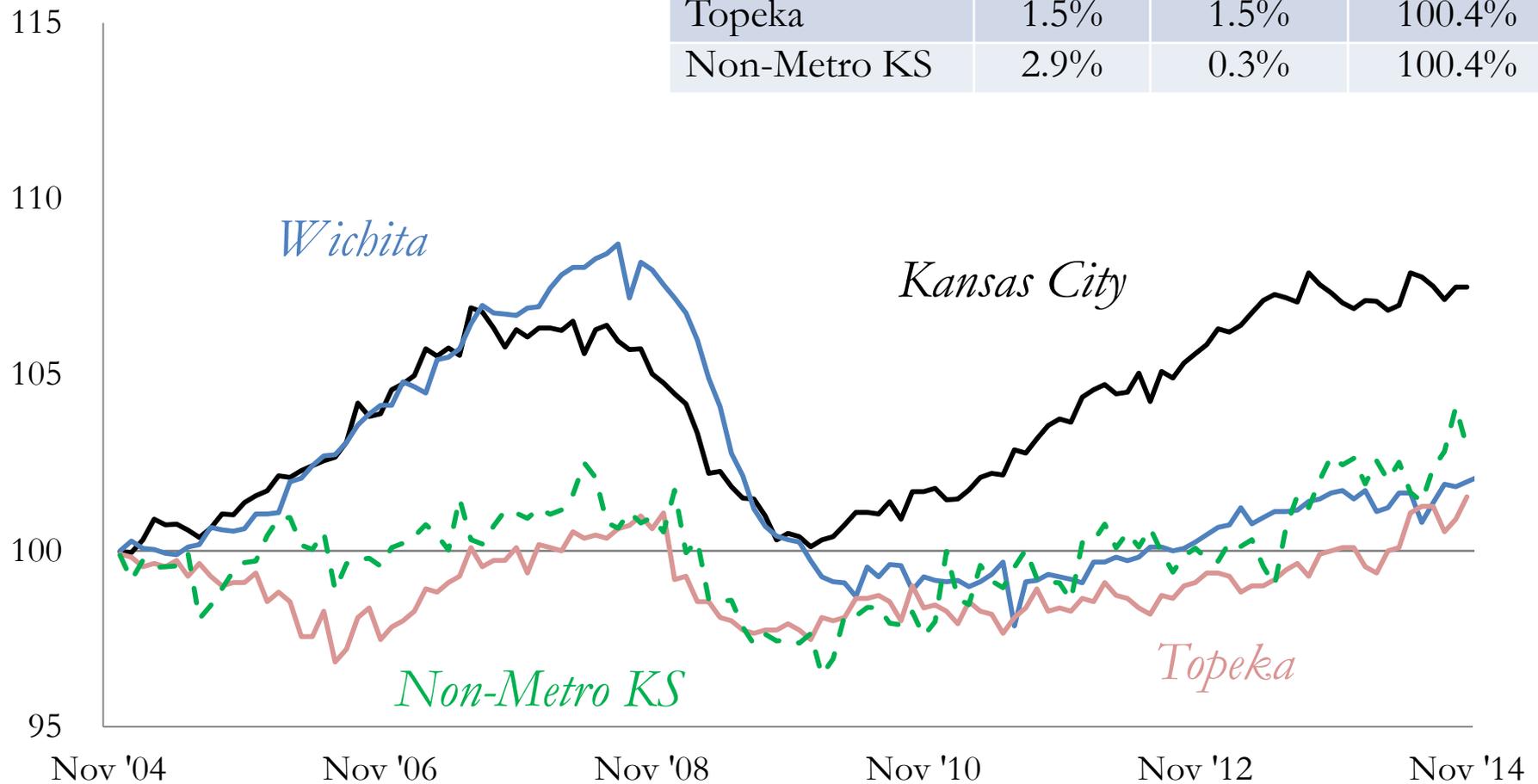


Job gains have varied by metropolitan area within Kansas

NONFARM EMPLOYMENT

Index 100 = November 2004, Seasonally Adjusted

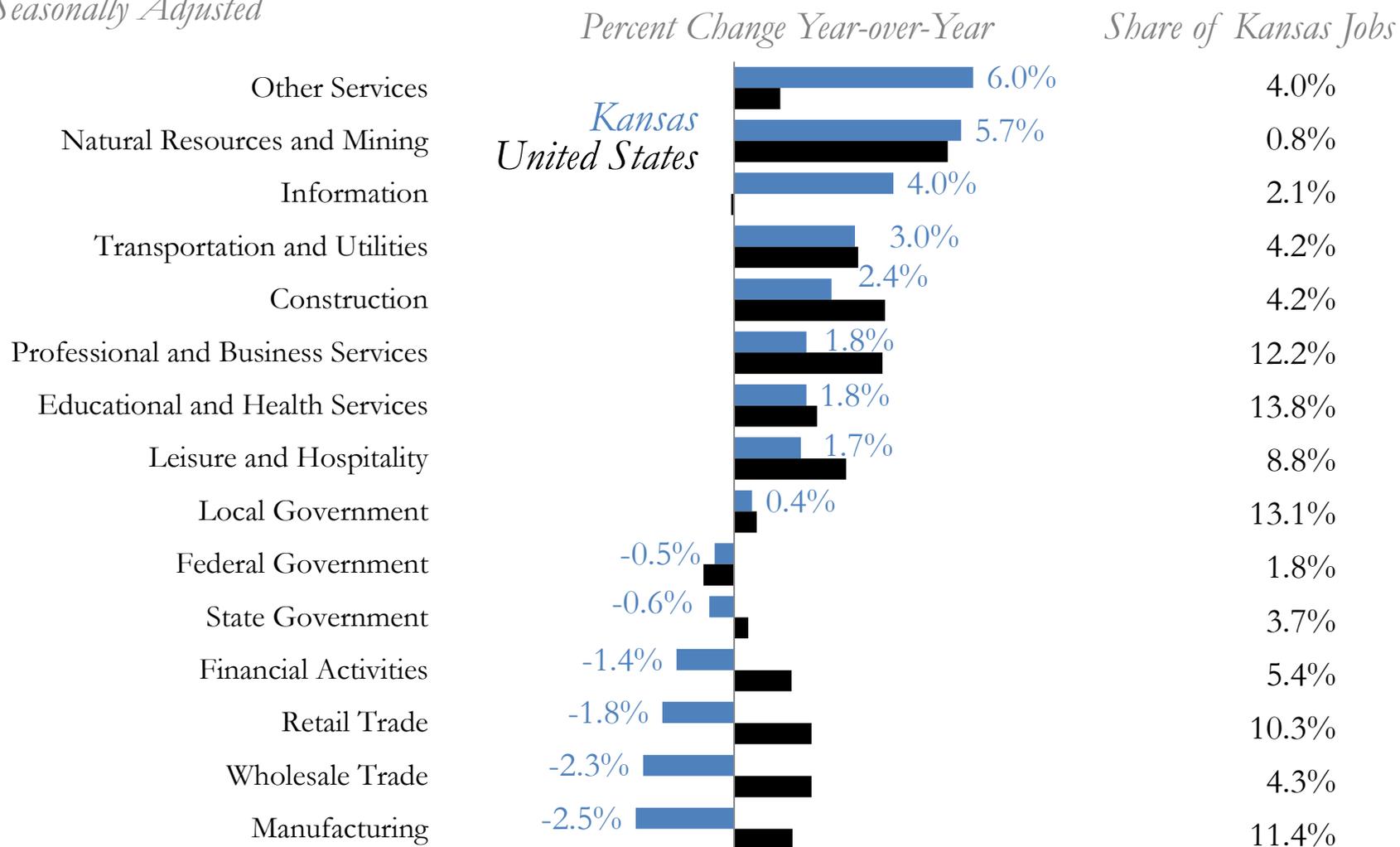
<i>Percent Change</i>	<i>Past 10 Years</i>	<i>Past Year</i>	<i>Peak to Current</i>
Kansas City, KS	7.5%	0.2%	100.6%
Wichita	2.1%	0.4%	-6.1%
Topeka	1.5%	1.5%	100.4%
Non-Metro KS	2.9%	0.3%	100.4%



Professional and business services has been a bright spot, while the retail and manufacturing sectors continue to shed jobs.

NOVEMBER 2014 KANSAS PAYROLL EMPLOYMENT

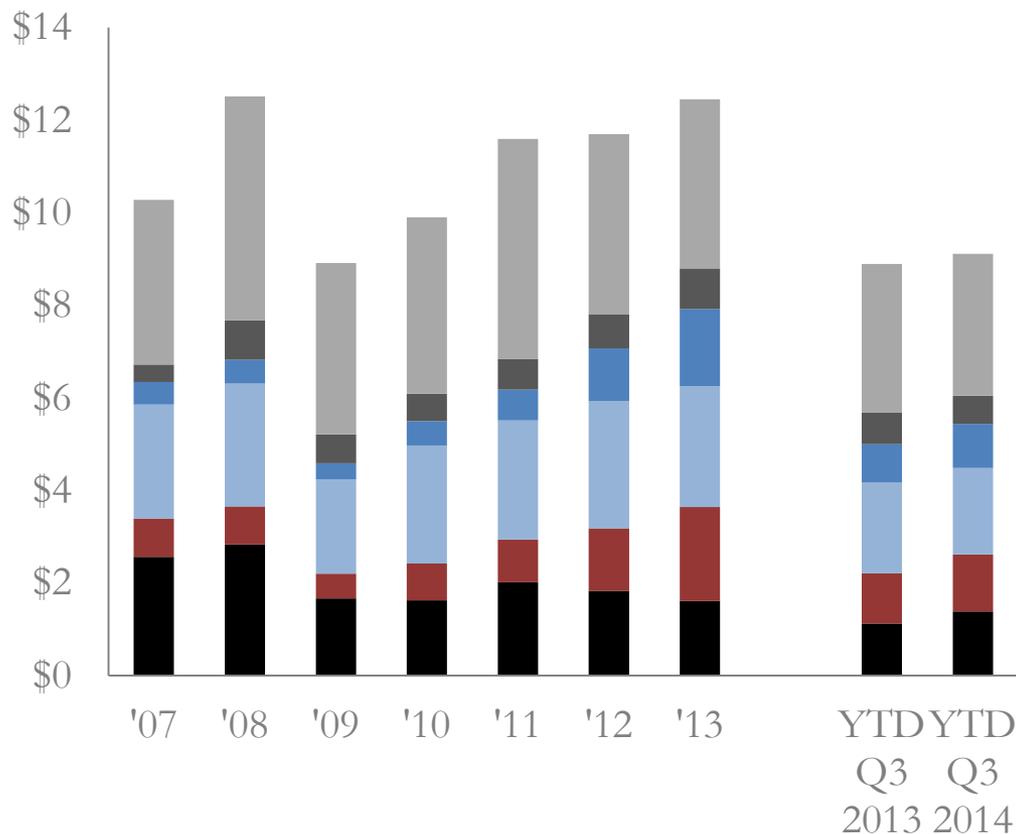
Seasonally Adjusted



Total exports increased slightly through Q3 of 2014 in Kansas, while declines occurred from Canada, Japan, and other smaller countries.

KANSAS EXPORTS BY TRADING PARTNER

Billions



Percent Change YTD Q3 2014
Year-over-Year

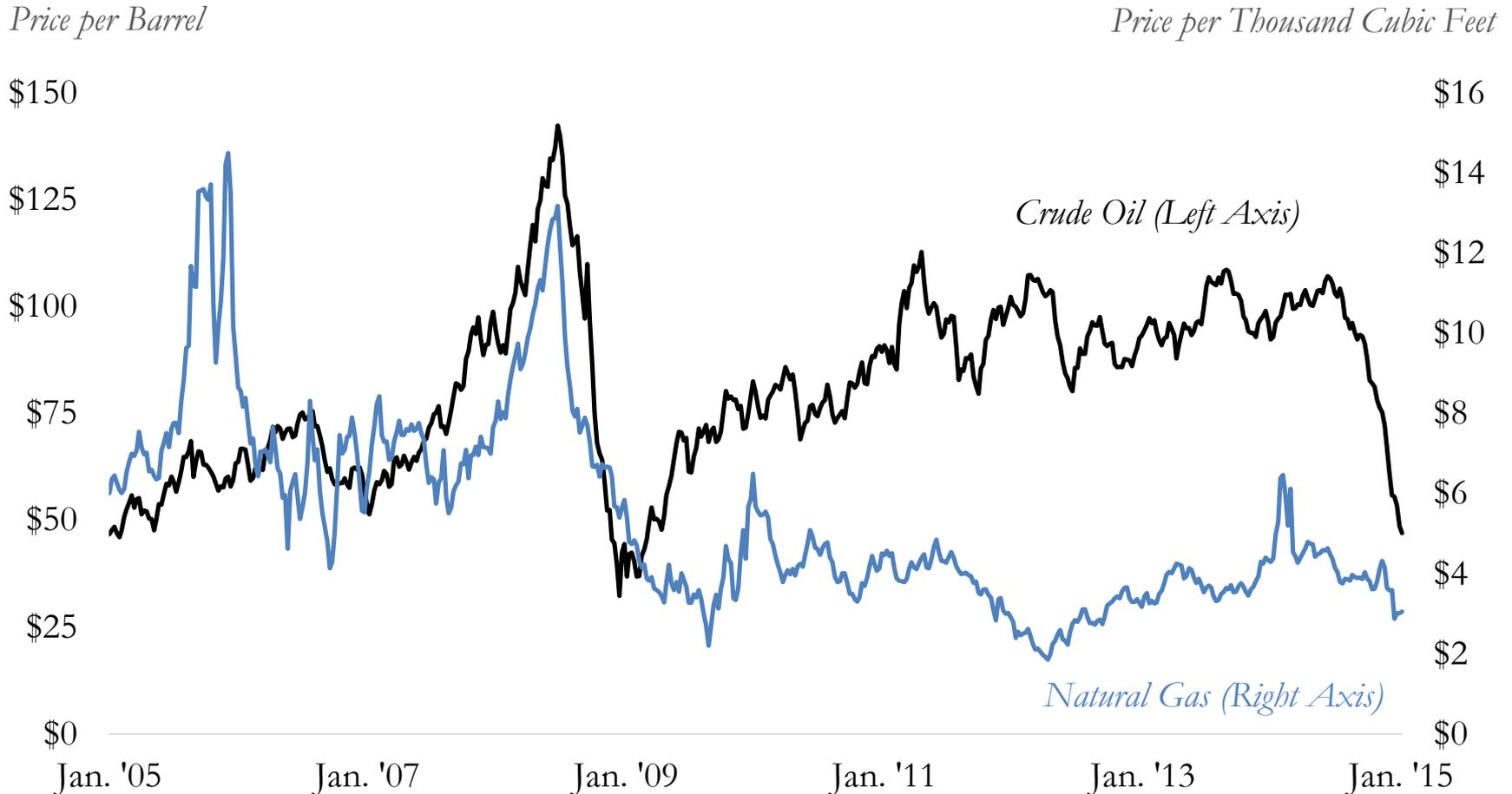
Trading Partner	Percent Change	SHARE
Total Trade	2.5%	
All Other	-4.8	33.6%
Japan	-9.9	6.7
Mexico	19.1	14.8
Canada	-4.8	20.5
China*	13.4	13.5
Eurozone	23.3	15.3

Top exports by value YTD Q3 2014
Million \$

Trans. Equipment	\$1209
Ag. Products	\$1114
Food Products	\$1049
Machinery	\$658

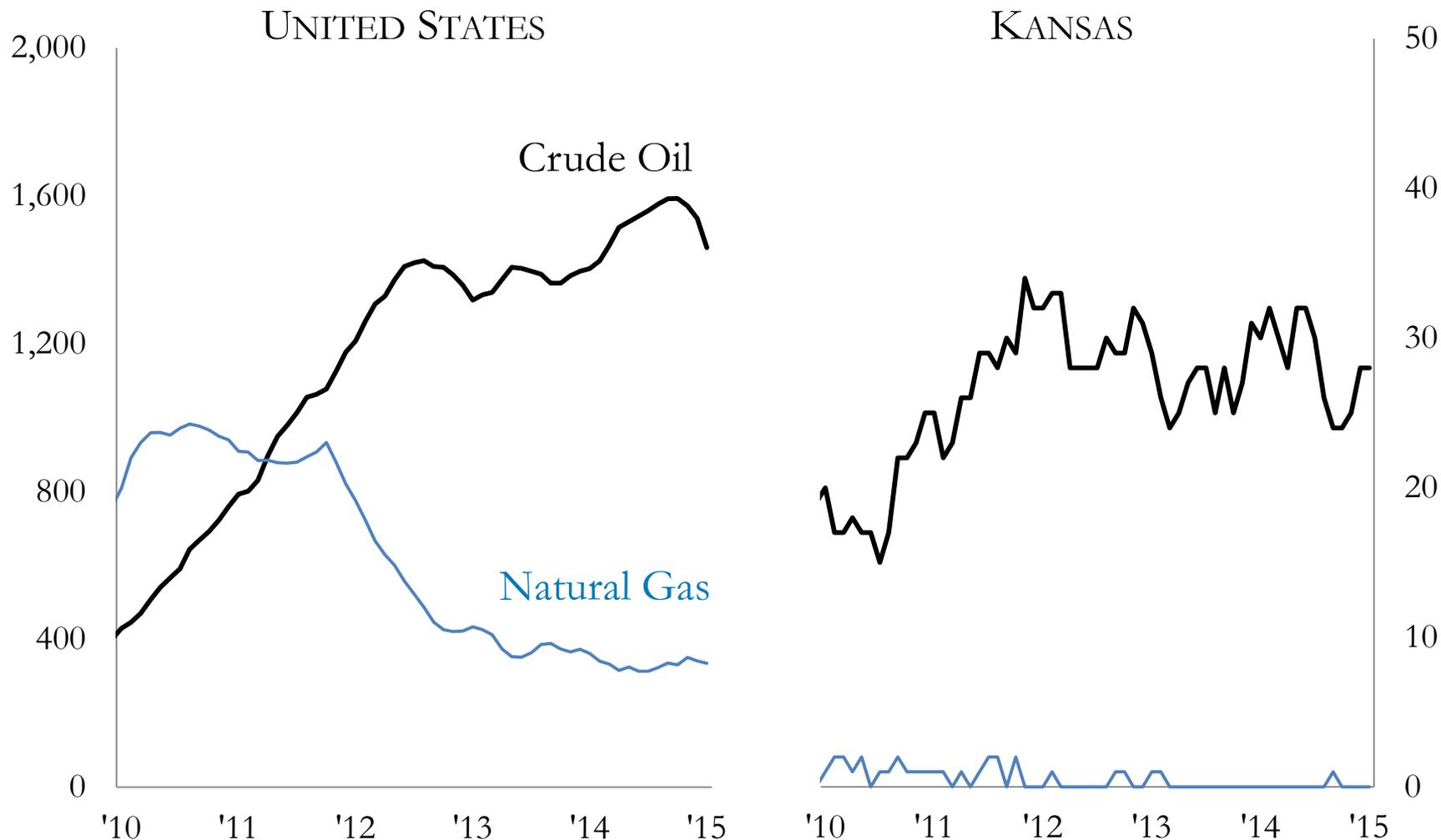
Crude oil prices have fallen 54 percent compared to June 2014, while natural gas prices have declined further.

SPOT CRUDE OIL AND NATURAL GAS PRICES
Dollars per Barrel, Dollars per Thousand Cubic Feet.



Oil drilling has decreased since oil prices started their decline, while natural gas drilling has been steady in recent months.

ACTIVE DRILLING RIG COUNTS

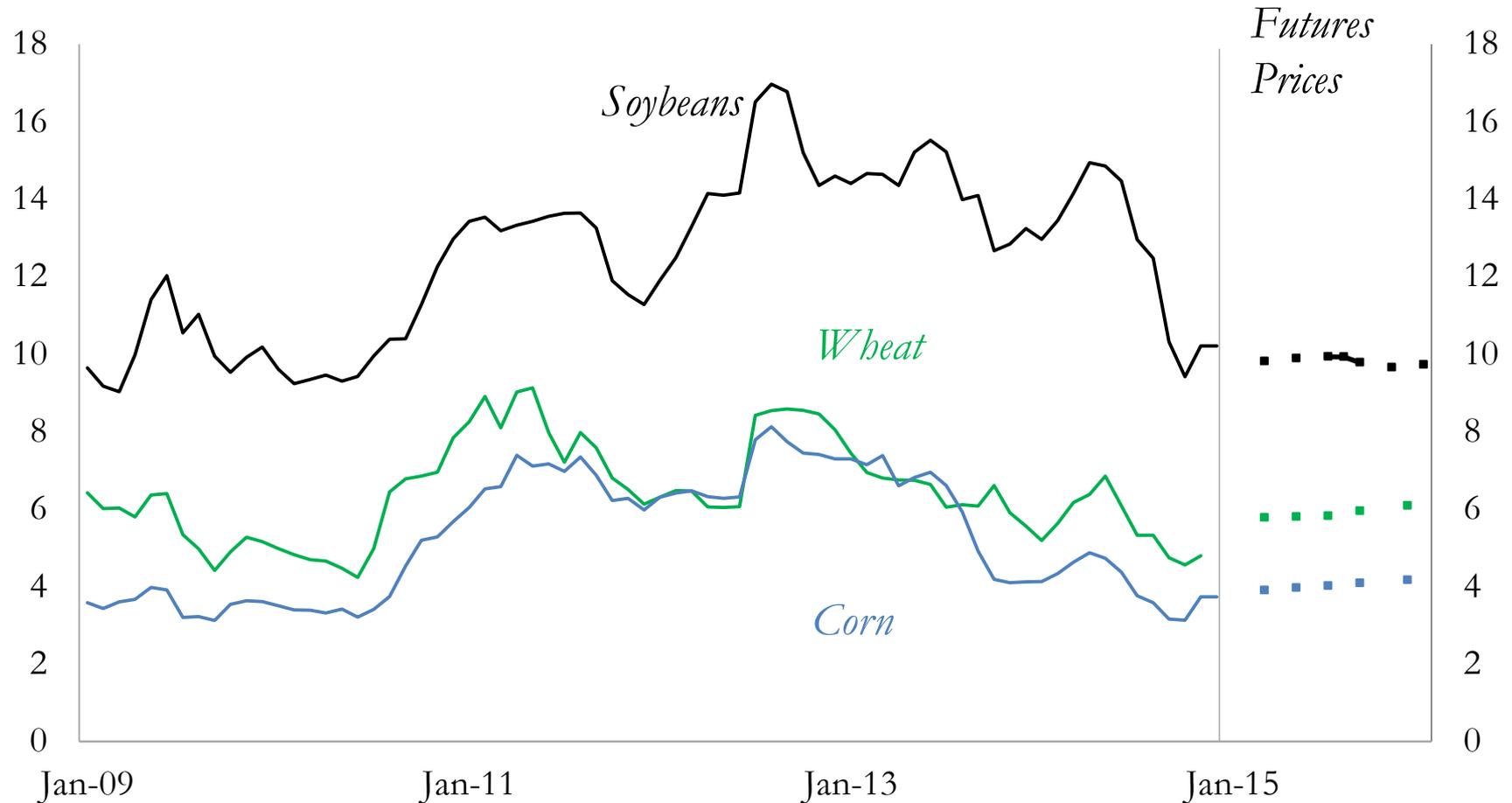


Source: Baker Hughes.

Crop prices have turned lower over the past year, with flat futures prices.

CROP PRICES

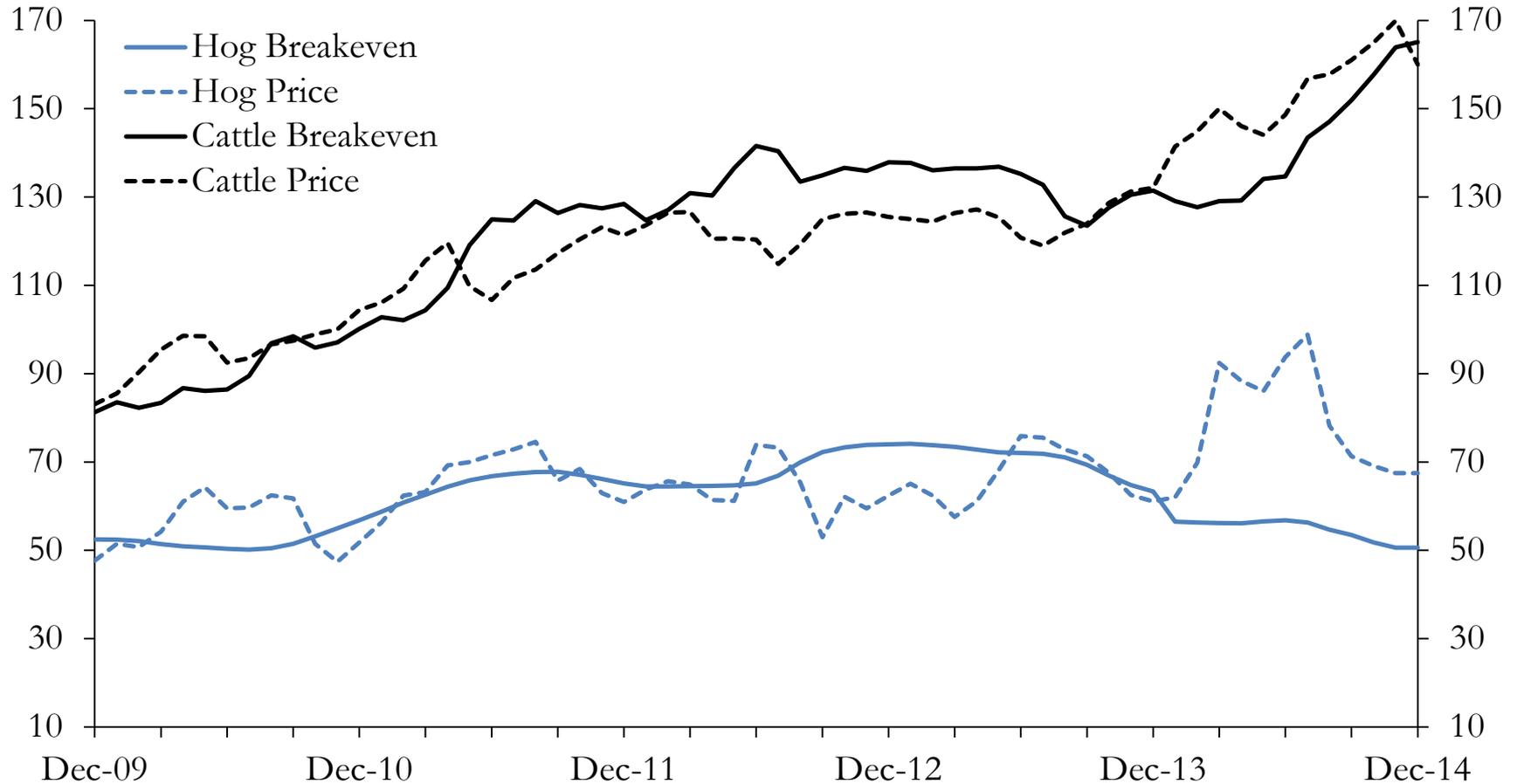
\$/Bushel



Livestock prices have increased significantly leading to higher profits for some.

LIVESTOCK BREAK EVEN PRICES

Dollars per hundred weight



Summary

- Consumer spending is growing at a modest pace.
- Kansas is experiencing varying employment growth across sectors and metros, with the pace of growth slower compared to the nation.
- Falling oil prices have led to lower levels of drilling with expectations for declining production.
- Farm incomes are expected to be lower for crop producers, but higher for livestock.

Questions?

- For more information about the Kansas economy, subscribe to:
 - Midwest Economist
 - Regional Databook
- <http://www.kc.frb.org/research/regionaleconomy/>