

Approved: March 17, 2008
Date

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 P.M. on March 12, 2008 in Room 519-S of the Capitol.

All members were present except:
Geraldine Flaharty- excused
Don Hill- excused
Don Myers- excused
Annie Tietze- excused

Committee staff present:
Ryan Hoffman, Kansas Legislative Research Department
Jason Long, Office of the Revisor of Statutes
Matt Todd, Office of the Revisor of Statutes
Ann Deitcher, Committee Assistant

Conferees appearing before the committee:
Stan Ahlrich, President, Kansas, Inc
David Corbin, Department of Revenue, Legislative Affairs.

The Chair introduced Stan Ahlrich who called the Committee's attention to copies of the current organizational chart from the Department of Commerce that had been distributed. (Attachment 1). It offered the proposed new structure as well as proposed Division of Rural Development.

Mr. Ahlrich then addressed the Committee in regard to the Indicators of the Kansas Economy (IKE). (Attachment 2).

Pointing out the indicators of the Kansas economy, he pointed out the key trends in the employment and unemployment. He said they did a migration study by tracking the money and the people.

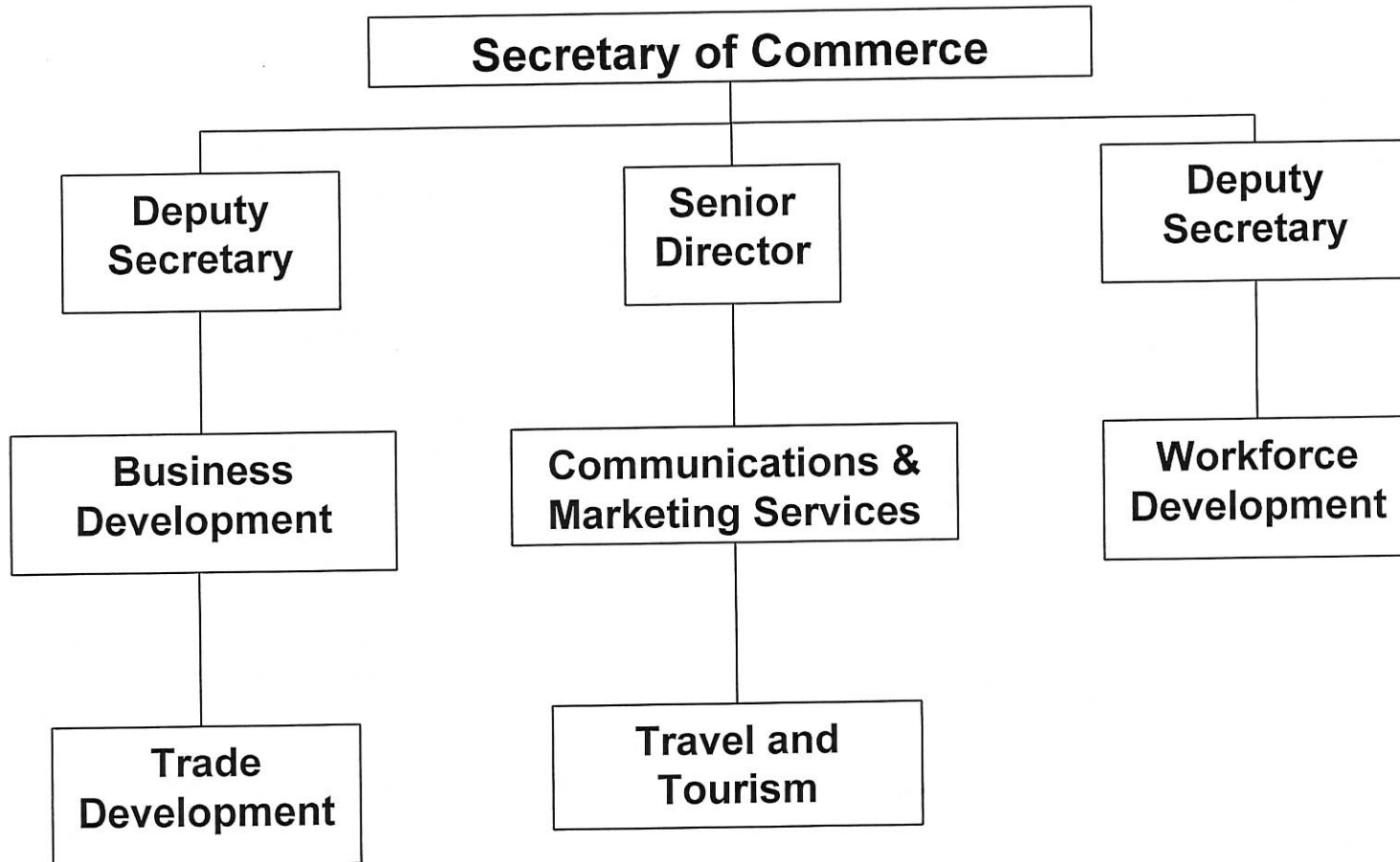
Dave Corbin, spoke briefly in regard to the demands for Kansas goods coming from Europe, China and India, among other countries, saying that the world economy changed with \$5.00 oil.

Telling the Committee that he felt there was going to be a "big boon" in agriculture in the state, Mr. Ahlrich said that with the rising oil prices, they would not only be producing food but fuel. As far as the climbing price of gasoline, he firmly believes that Kansas will come out ahead because of their ranking in the top ten of oil and gas producers in the nation.

Questions and answers followed.

The meeting was adjourned at 4:35 p.m. The next meeting is scheduled for Thursday, March 13.

Current Organizational Chart Department of Commerce



Economic Development & Tourism
Date: 3-12-08
Attachment # 1-2

KANSAS DEPARTMENT OF COMMERCE

SECRETARY OF COMMERCE

LEGAL

REGULATORY COMPLIANCE

DEPUTY SECRETARY

KANSAS COMMISSION ON
DISABILITY CONCERNS

AGRICULTURE MARKETING DEVELOPMENT

MISSION: To enhance the value of agricultural products through marketing and new uses to provide a greater returns to Kansas producers, processors, and rural communities.

MAJOR ACTIVITIES:

- Agricultural Value Added Center
 - Food & Feeds
 - Non-food/Industrial Uses
 - Cooperative Development Program
- Market Development
 - Domestic
 - International
- *From the Land of Kansas* Trademark Program
 - Trade Show Assistance Grant
 - Business Enhancement Grant

BUSINESS DEVELOPMENT

MISSION: To maximize positive impacts on the Kansas economy through the creation/retention of jobs and increased capital investment.

MAJOR ACTIVITIES:

Business Assistance

- Certified Development Companies
- First Stop Clearinghouse
- Kansas Board of Tax Appeals Liaison
- Kansas BREES
- Kansas Cavalry
- Kansas Match
- Minority & Women-Owned Business
- Private Activity Bonds
- Regional Field Offices
 - Pittsburg
 - Overland Park
 - Wichita
 - Hays
 - Topeka
 - Manhattan
 - Garden City
- Kansas Statewide Certification Program
- Small Business Development Center

Business Recruitment

- Contract Offices
 - Scotia, NY
 - Chicago, IL
 - Los Angeles, CA
- Film Commission

Kansas 1st Assessment & Labor Exchange Services

- Foreign Labor Certification
- Migrant Farm Workers
- Neighborhood Improvement and Youth Employment Act (NIYEA)
- Veterans Program

Kansas 1st Workforce Training & Education Services

Kansas 1st Direct Services

- Apprenticeship Program
- Enterprise Zone
- Federal Bonding Program
- Kansas Economic Opportunity Initiatives Fund (KEOIF)
- Kansas Industrial Training (KIT)/Kansas Industrial Retraining (KIR)
- Kansas JobLink (www.kansasjoblink.com)
- High Performance Incentive Program (HPIP)
- Investments in Major Projects and Comprehensive Training (IMPACT)
- Partnership Fund
- Wheat Harvest
- Work Opportunity Tax Credit (WOTC)
- Workforce Centers

Kansas 1st Skill Enhancement Services

- Older Kansans Employment Program (OKEP)
- Senior Community Service Employment Program (SCSEP)
- Workforce Investment Act (WIA)
 - Adult and Youth
 - Dislocated Worker
 - National Emergency Grant

COMMUNITY DEVELOPMENT

MISSION: To partner with Kansas communities to help enhance their livability by providing financial, technical, and business assistance.

MAJOR ACTIVITIES:

Small Cities Community Development Block Grant

- Community Improvement
- Comprehensive Development
- Economic Development Business Finance
- Housing Grants
- KAN STEP Program
- Kansas Interagency Advisory Committee
- Micro-Loan Program
- Urgent Need Grants

Community Assistance Services

- Community Service Tax Credit Program
- Center for Entrepreneurship
- Kansas Downtown Redevelopment Act
- Enterprise Facilitation
- Main Street Program
- PRIDE Program
- Rural Business Tax Credits

OPERATIONS

MISSION: To provide quality support services for internal and external customers.

MAJOR ACTIVITIES:

- Building Services
- Fiscal Management
- Human Resources
- Information Technology Management
- Communications & Marketing

TRADE DEVELOPMENT

MISSION: To provide business leadership through increasing international sales of Kansas goods and services and increasing international investment and jobs in Kansas.

MAJOR ACTIVITIES:

- Export Counseling
- International Investment Recruitment
- International Market Research and Agent/Distributor Searches
- International Missions and Trade Shows
- Kansas Aerospace Directory
- Kansas International Offices
- Kansas International Trade Resource Directory
- Kansas International Trade Show Assistance Program (KITSAP)

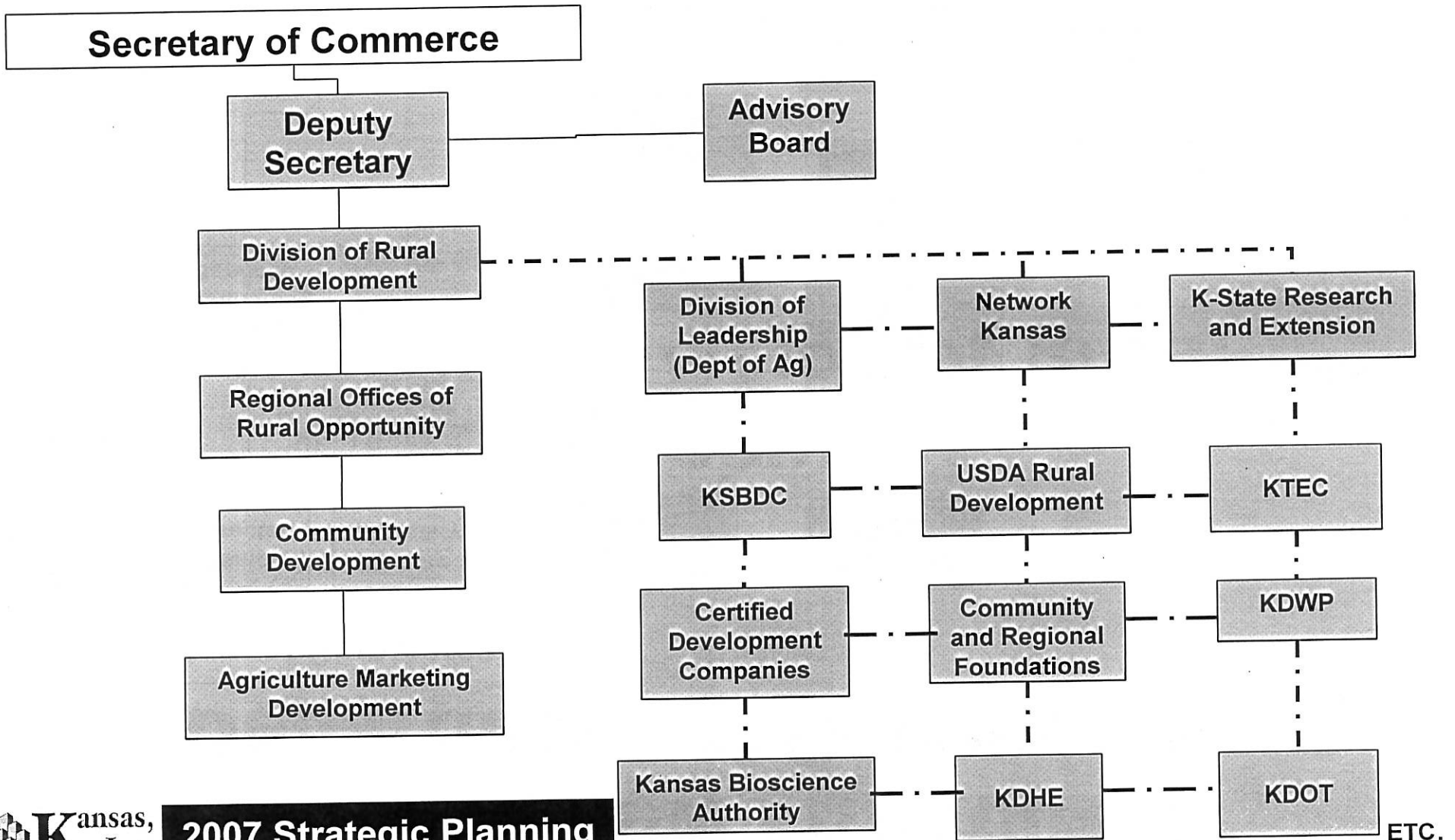
TRAVEL & TOURISM

MISSION: To promote the State of Kansas to travelers and to generate and facilitate tourism and travel-related spending throughout the state.

MAJOR ACTIVITIES:

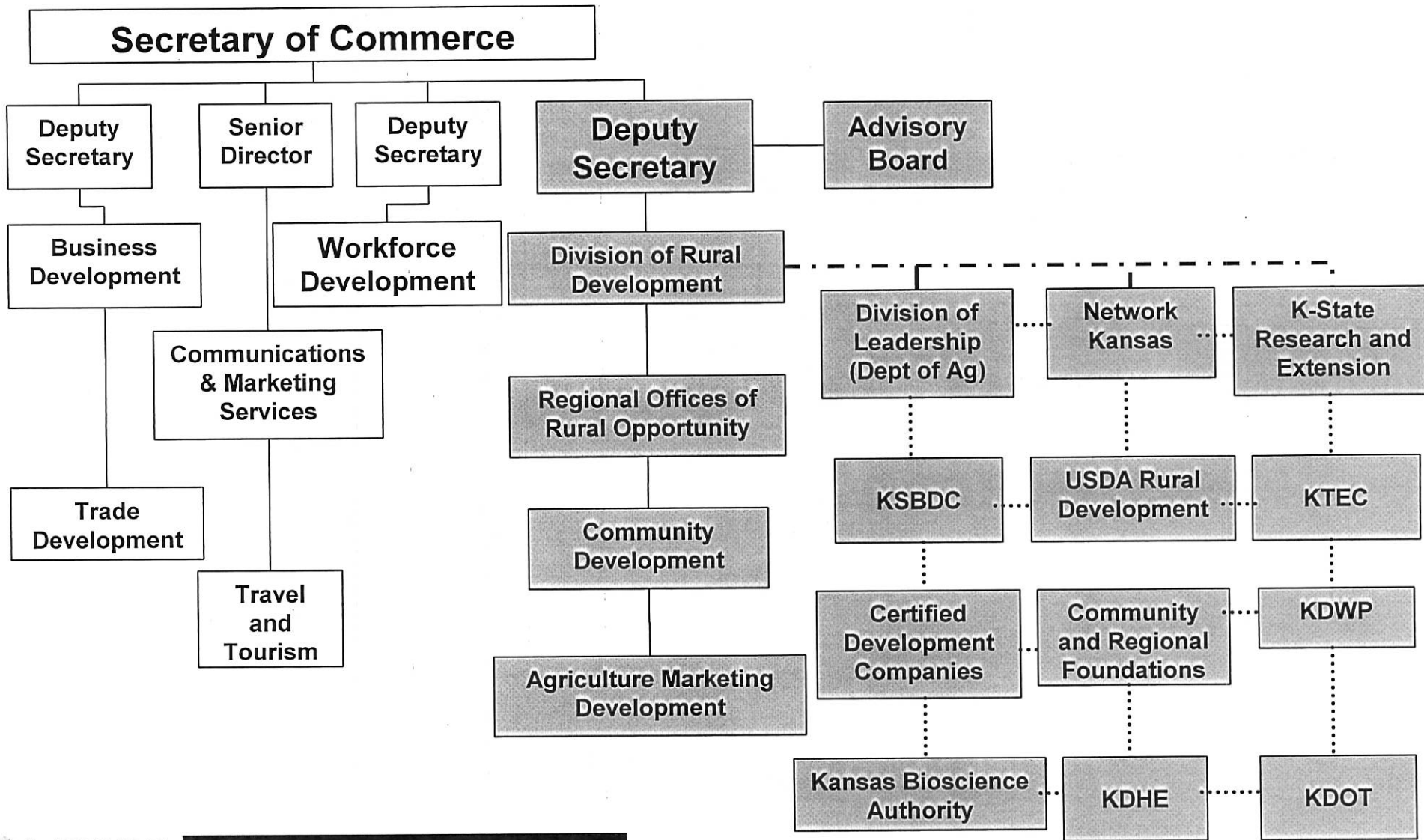
- Advertising Campaign
- Attraction Development Grant Program
- Group Tour Marketing
- International Marketing
- *Kansas Visitor's Guide*
- *KANSAS!* Magazine
- Tourism Attraction Signage Program
- Tourism Marketing Grant Program
- Tourism Web Site: www.travelKS.com
- Travel Information Centers
- Travel Media Relations

Proposed Division of Rural Development



Proposed new structure of Department of Commerce

1-4



Indicators of the Kansas Economy (IKE)

Prepared by



December 2007

About IKE

During July 2004, the Kansas, Inc. Board of Directors initiated a project with the goal of identifying critical variables that would explain 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 of professionals, including researchers, university professors, state program staff, and the Kansas, Inc. Board of Directors, a set of 25 variables has been identified and reviewed for their comprehensiveness and ability to depict key elements of the Kansas economy. Whenever possible, regional and national data is included to illustrate how Kansas compares to both the 6-State Region and the U.S. The 6-State Region includes: Arkansas, Colorado, Iowa, Missouri, Nebraska, and Oklahoma. Data for most of the variables in this version of IKE was collected for 1-, 5-, and 10-year periods, enabling the data to include trends from the most recent national recession during 2001. When identifying variables, efforts centered on data that are mostly:

- Electronically accessible;
- Can be captured for all states and the U.S.; and,
- Released at least annually with preference to monthly data.

This version of the IKE report includes 22 variables, with an additional three variables to be included in future releases.

During 2005, Kansas, Inc. received a grant from the Information Network of Kansas to significantly advance the sophistication, outreach, and quality of the IKE project. Through this grant, Kansas, Inc. partnered with the University of Kansas, Policy Research Institute to develop the framework for several variables to be displayed interactively, on a county, state, regional, and national level. A portion of the project provided the model for a future IKE website where all data will be displayed and archived in a user-friendly format. Along with the framework, this project also allowed an advisory committee to provide comments and suggestions regarding the direction of the IKE project. Individuals from several organizations and backgrounds participated in this portion of the project to significantly add value to the final product. Included in the project were several suggestions and prototypes for additional variables still in the developmental stage, including a Kansas stock index, Kansas agricultural commodity index, "Biz-Trakker", and several other variables of interest.

As the IKE project evolves, many portions remain in the developmental and experimentation stage, however, several suggestions and ideas from the both the INK grant project and end-users have been incorporated into this updated version of IKE to enhance the value and usability of this report. Besides the U.S., state, and local variable analysis, a planned component of IKE is quarterly bulletins to highlight key aspects of the Kansas economy and provide a more in-depth understanding of the variables and economic issues impacting the state.

This updated release is another step in IKE becoming the one-stop resource of economic data for policymakers, university researchers and the general public. As the Kansas economy changes, Kansas, Inc. recognizes that the IKE project will continue to evolve to meet the needs of all individuals. Kansas, Inc. welcomes feedback to improve the value of future IKE releases.

For further information regarding the IKE project or any other Kansas, Inc. projects, feel free to contact us.

Paid for with taxes or public funds

Employment and Unemployment

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Total Nonfarm Employment - (all employees, thousands)							
Kansas	1,406.5	1,384.3	1,341.7	1,296.2	1.6%	4.8%	8.5%
Private Sector Employment - (all employees, thousands)							
Kansas	1,137.4	1,119.7	1,085.3	1,053.9	1.6%	4.8%	7.9%
Manufacturing Employment - (all employees, thousands)							
Kansas	187.2	184.8	180.0	202.8	1.3%	4.0%	-7.7%
Service Employment - (all employees, thousands)							
Kansas	874.1	860.1	835.4	783.6	1.6%	4.6%	11.5%
Public Sector Employment - (all employees, thousands)							
Kansas	269.1	264.6	256.4	242.3	1.7%	5.0%	11.1%
Unemployment Rate - (%)							
Kansas	3.7%	4.3%	5.1%	3.5%	-0.6%	-1.4%	0.2%
Initial Claims for Unemployment - (all employees)							
Kansas	9,635	11,242	15,044	6,769	-14.3%	-36.0%	42.3%

Entrepreneurship/Wages

Private Establishment Data - (total private establishments, all employee sizes)

	2007 (p)	2006	2002	1-yr Chg	5-yr Chg
Kansas	79,896	78,818	75,844	1.4%	5.3%

Private Industry Wage Levels - (average annual wages, all employees, all private establishments)

	2006	2005	2001	1-yr Chg	5-yr Chg
Kansas \$	36,201	34,265	30,468	5.7%	18.8%

Kansas Firm Birth and Termination - (# of firms)

	2006	2005	2001	1996	1-yr Chg	4-yr Chg	9-yr Chg
Firm Births	6,973	7,095	7,026	6,693	-1.7%	-0.8%	4.2%
Firm Terminations	7,000	7,330	8,055	7,860	-4.5%	-13.1%	-10.9%
Firm Bankruptcies	158	410	220	420	-61.5%	-28.2%	-62.4%

Agriculture

KFMA Average Net Farm Income by Region

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2005 \$	66,930	42,065	68,325	23,779	36,535	76,283	56,982
2006 \$	58,517	40,742	52,259	21,779	57,960	40,026	46,593
5-yr avg \$	46,084	40,300	49,338	23,287	43,510	60,205	47,267
10-yr avg \$	44,459	37,183	39,792	31,404	38,634	51,223	42,215

Energy

Oil Production and Price - (most recent month of production and price)

	Aug-07	Aug-06	Aug-02	Aug-97	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,371,508	3,073,860	2,842,498	3,409,238	9.7%	18.6%	-1.1%
Price (\$/bbl)	72.36	73.04	28.39	19.95	-0.9%	154.9%	262.7%

Natural Gas Production and Price - (most recent month of production and price)

Production (mcf)	29,239,066	32,471,396	39,266,768	57,043,474	-10.0%	-25.5%	-48.7%
Price (\$/mcf)	5.90	6.51	2.76	2.08	-9.4%	113.8%	183.7%

Other Economic Data

Gross State Product - (millions of current dollars)

	2006	2005	2001	1996	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	111,699	105,228	86,430	67,965	6.1%	29.2%	64.3%
6-State Region	882,512	827,849	673,054	518,041	6.6%	31.1%	70.4%
U.S.	13,149,033	12,372,850	10,058,168	7,659,651	6.3%	30.7%	71.7%

Personal Income Quarterly Estimates - (millions of dollars)

	2007-Q3	2006-Q3	2002-Q3	1997-Q3	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	103,705	96,246	78,686	63,800	7.7%	31.8%	62.5%
6-State Region	787,208	738,599	601,066	469,888	6.6%	31.0%	67.5%
U.S.	11,727,099	11,016,422	8,888,413	6,948,918	6.5%	31.9%	68.8%

Per Capita Personal Income Annual Estimates - (\$)

	2006	2005	2001	1996	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	34,744	32,666	28,701	22,845	6.4%	21.1%	52.1%
6-State Region	33,437	31,734	27,849	22,140	5.4%	20.1%	51.0%
U.S.	36,629	34,685	30,562	24,175	5.6%	19.9%	51.5%

CFNAI

	Nov-07	Oct-07	Sep-07	Aug-07	Jul-07	Jun-07	Nov-06
CFNAI	(0.27)	(0.89)	(0.42)	(0.77)	0.18	(0.11)	(0.59)

Consumer Price Index

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	200.8	192.8	176.1	157.7	4.1%	14.0%	27.3%
U.S. City Average	210.2	201.5	181.3	161.5	4.3%	15.9%	30.1%

Kansas Consumer Sentiment

1st Quarter 2006	82.1
2nd Quarter 2006	75.4
3rd Quarter 2006	80.7
4th Quarter 2006	88.0

Building Permits - (new privately owned housing units authorized)

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	953	1,037	986	869	-8.1%	-3.3%	9.7%

Sales Tax Collections - (\$)

	Aug-07	Aug-06	Aug-02	Aug-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	164,883,893	155,967,252	137,731,250	111,218,918	5.7%	19.7%	48.3%

Population

	Jul-07	Jul-06	Jul-02	Jul-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,775,997	2,755,817	2,712,383	2,635,292	0.7%	2.3%	5.3%



**Indicators of the Kansas Economy
Variables**

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IKE - Variables

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* Available in Future IKE Reports



Indicators of the Kansas Economy Total Nonfarm Employment

5-2
Dec-07

Short-Term - 2006 to 2007

- Kansas total nonfarm employment up 22,200 (1.6%)
- 6-State Region total nonfarm employment up 118,400 (1.1%)
- U.S. total nonfarm employment up 1,441,000 (1.0%)

Long-Term - 1997 to 2007

- Kansas total nonfarm employment up 110,300 (8.5%)
- 6-State Region total nonfarm employment up 934,800 (9.8%)
- U.S. total nonfarm employment up 14,430,000 (11.5%)

November 2007 Total Nonfarm Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,406.5
Arkansas	1,215.0
Colorado	2,345.7
Iowa	1,548.0
Missouri	2,819.8
Nebraska	972.1
Oklahoma	1,596.4

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.

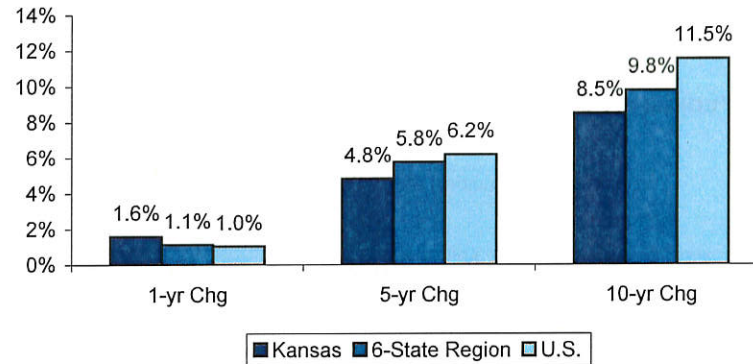
Source: 2007 monthly data
U.S. Department of Labor - Bureau of Labor Statistics -
Kansas Department of Labor - Labor Market Information -

Total Nonfarm Employment

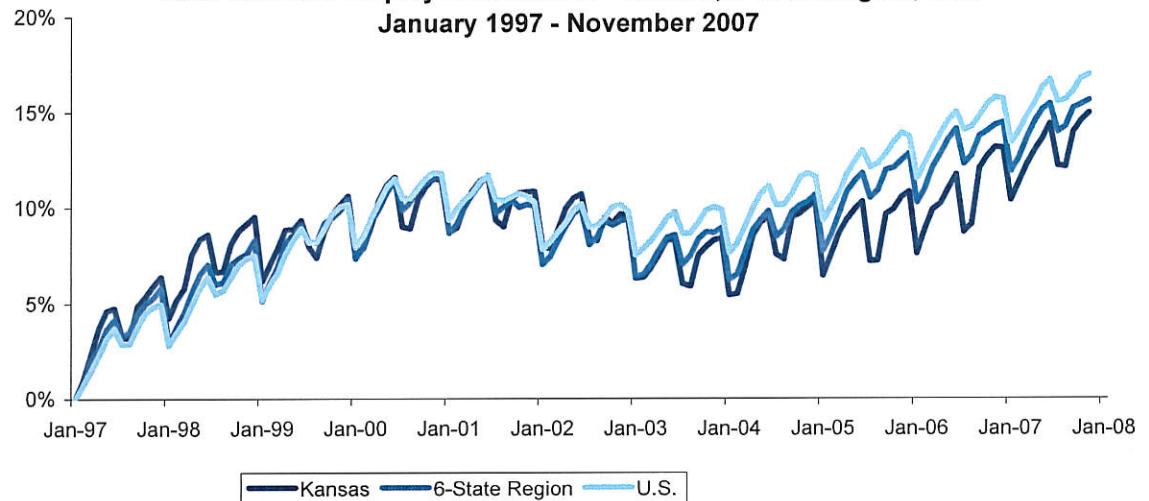
(all employees, thousands)

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,406.5	1,384.3	1,341.7	1,296.2	1.6%	4.8%	8.5%
6-State Region	10,497.0	10,378.6	9,924.7	9,562.2	1.1%	5.8%	9.8%
U.S.	139,493.0	138,052.0	131,346.0	125,063.0	1.0%	6.2%	11.5%

Percent Change in Total Nonfarm Employment 1yr, 5yr, 10yr



Total Nonfarm Employment Growth - Kansas, 6-State Region, U.S. January 1997 - November 2007



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

Short-Term - 2006 to 2007

- Kansas private sector employment up 17,700 (1.6%)
- 6-State Region private sector employment up 102,000 (1.2%)
- U.S. private sector employment up 1,216,000 (1.1%)

Long-Term - 1997 to 2007

- Kansas private sector employment up 83,500 (7.9%)
- 6-State Region private sector employment up 750,700 (9.4%)
- U.S. private sector employment up 11,794,000 (11.2%)

November 2007 Private Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	1,137.4
Arkansas	998.1
Colorado	1,962.4
Iowa	1,290.2
Missouri	2,373.3
Nebraska	807.1
Oklahoma	1,263.9

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.

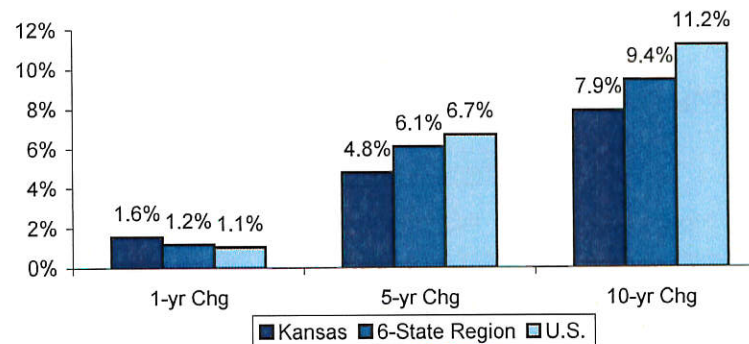


Source: 2007 monthly data
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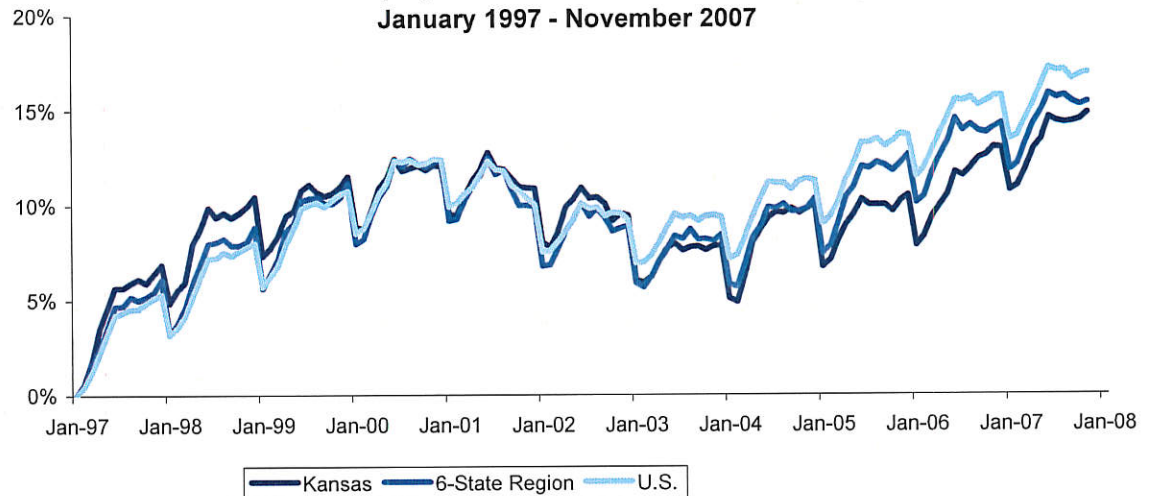
Private Sector Employment
(all employees, thousands)

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	1,137.4	1,119.7	1,085.3	1,053.9	1.6%	4.8%	7.9%
6-State Region	8,695.0	8,593.0	8,195.3	7,944.3	1.2%	6.1%	9.4%
U.S.	116,675.0	115,459.0	109,330.0	104,881.0	1.1%	6.7%	11.2%

Percent Change in Private Sector Employment
1yr, 5yr, 10yr



Private Sector Employment Growth - Kansas, 6-State Region, U.S.
January 1997 - November 2007



Short-Term - 2006 to 2007

- Kansas manufacturing employment up 2,400 (1.3%)
- 6-State Region manufacturing employment down 23,300 (-2.1%)
- U.S. manufacturing employment down 191,000 (-1.3%)

Long-Term - 1997 to 2007

- Kansas manufacturing employment down 15,600 (-7.7%)
- 6-State Region manufacturing employment down 226,700 (-17.0%)
- U.S. manufacturing employment down 3,636,000 (-20.7%)

November 2007 Manufacturing Employment Levels

(all employees, thousands)

State	Employment
Kansas	187.2
Arkansas	187.5
Colorado	143.0
Iowa	231.1
Missouri	295.6
Nebraska	101.4
Oklahoma	150.4

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.

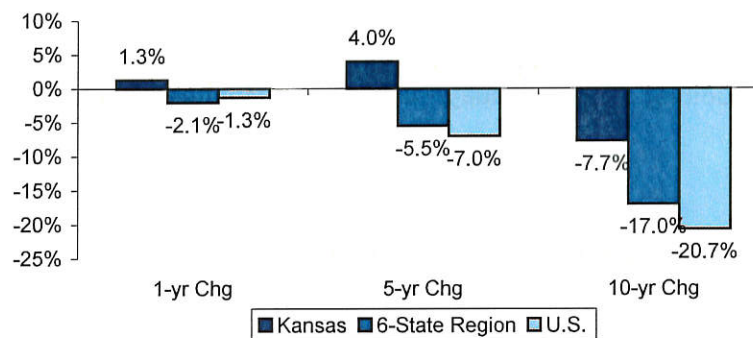
Source: 2007 monthly data
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Manufacturing Employment

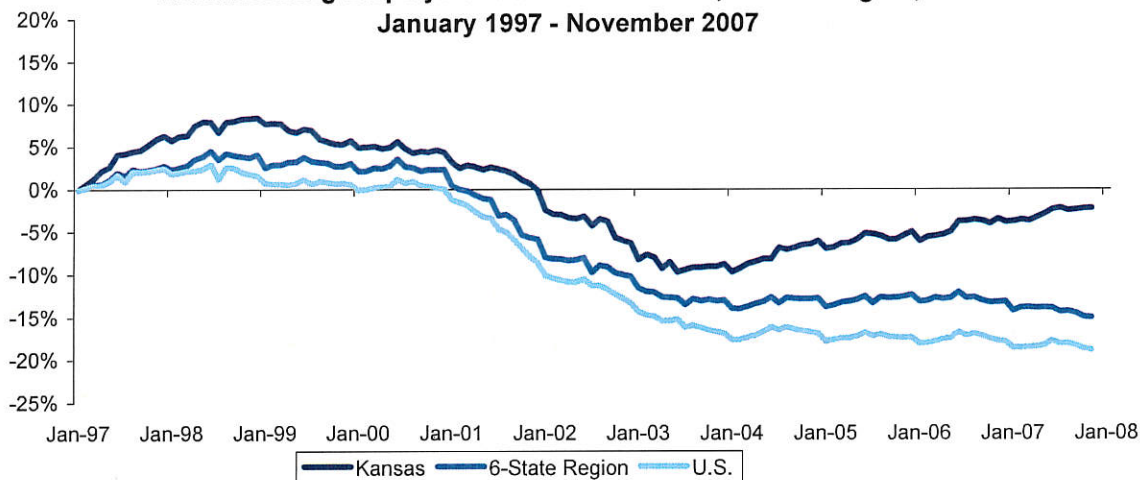
(all employees, thousands)

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	187.2	184.8	180.0	202.8	1.3%	4.0%	-7.7%
6-State Region	1,109.0	1,132.3	1,173.7	1,335.7	-2.1%	-5.5%	-17.0%
U.S.	13,961.0	14,152.0	15,010.0	17,597.0	-1.3%	-7.0%	-20.7%

**Percent Change in Manufacturing Employment
1yr, 5yr, 10yr**



**Manufacturing Employment Growth - Kansas, 6-State Region, U.S.
January 1997 - November 2007**



Short-Term - 2006 to 2007

- Kansas service employment up 14,000 (1.6%)
- 6-State Region service employment up 110,000 (1.6%)
- U.S. service employment up 1,510,000 (1.6%)

Long-Term - 1997 to 2007

- Kansas service employment up 90,500 (11.5%)
- 6-State Region service employment up 824,200 (13.5%)
- U.S. service employment up 13,738,000 (17.0%)

Service Employment

(all employees, thousands)

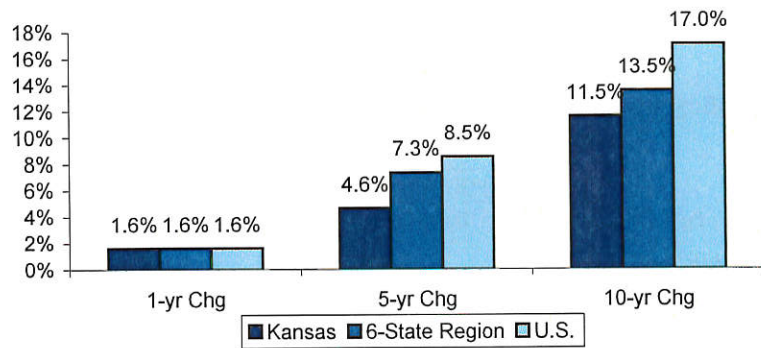
	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	874.1	860.1	835.4	783.6	1.6%	4.6%	11.5%
6-State Region	6,916.0	6,806.0	6,443.6	6,091.8	1.6%	7.3%	13.5%
U.S.	94,346.0	92,836.0	86,928.0	80,608.0	1.6%	8.5%	17.0%

November 2007 Service Employment Levels

(all employees, thousands)

State	Employment
Kansas	874.1
Arkansas	744.9
Colorado	1,626.4
Iowa	976.0
Missouri	1,920.6
Nebraska	655.2
Oklahoma	992.9

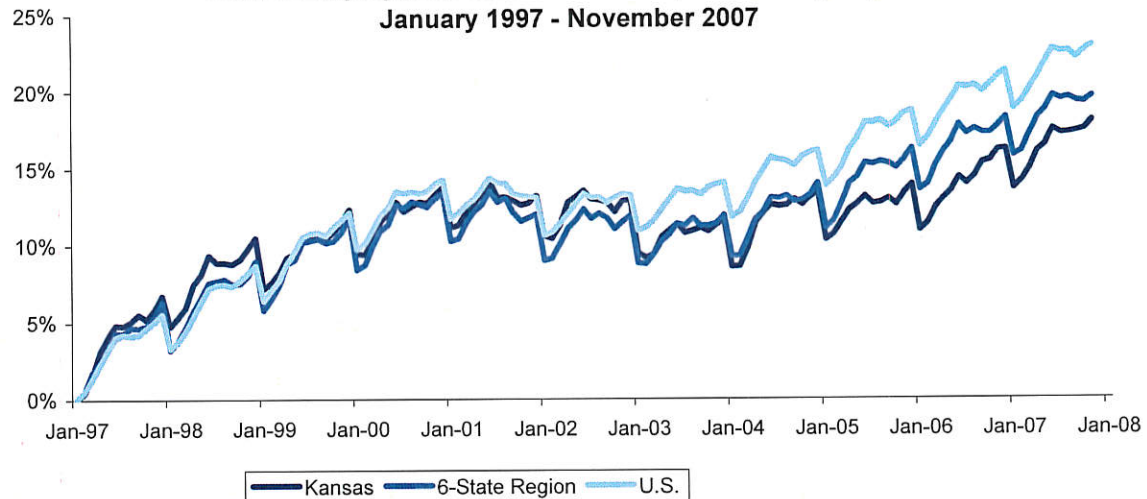
Percent Change in Service Employment
1yr, 5yr, 10yr



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.

Service Employment Growth - Kansas, 6-State Region, U.S.
January 1997 - November 2007



Source: 2007 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 Public Employment

Dec-07

Short-Term - 2006 to 2007

- Kansas public sector employment up 4,500 (1.7%)
- 6-State Region public sector employment up 16,400 (0.9%)
- U.S. public sector employment up 225,000 (1.0%)

Long-Term - 1997 to 2007

- Kansas public sector employment up 26,800 (11.1%)
- 6-State Region public sector employment up 184,100 (11.4%)
- U.S. public sector employment up 2,636,000 (13.1%)

November 2007 Public Sector Employment Levels

(all employees, thousands)

State	Employment
Kansas	269.1
Arkansas	216.9
Colorado	383.3
Iowa	257.8
Missouri	446.5
Nebraska	165.0
Oklahoma	332.5

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.

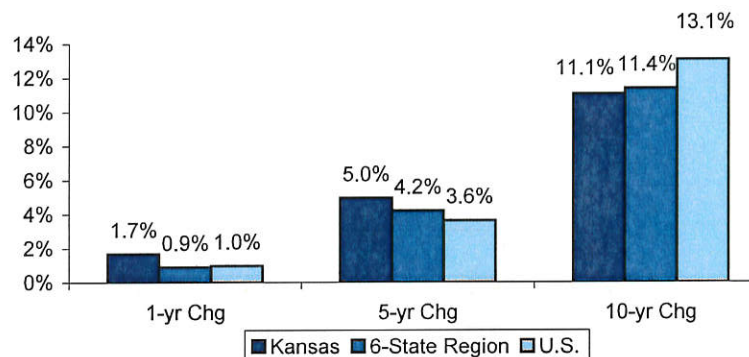
The data series chosen for IKE are not adjusted for seasonal variation; hence the short term employment graph shows substantial decreases in July and August when many public school personnel are off the job. *Kansas, Inc. has included Federal, State, and Local Government*

Public Sector Employment

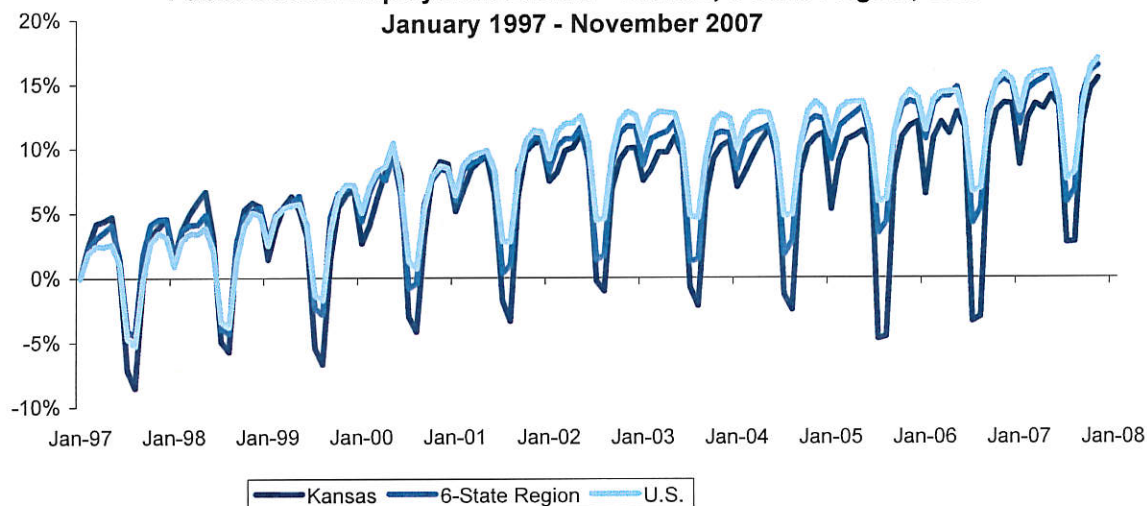
(all employees, thousands)

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	269.1	264.6	256.4	242.3	1.7%	5.0%	11.1%
6-State Region	1,802.0	1,785.6	1,729.4	1,617.9	0.9%	4.2%	11.4%
U.S.	22,818.0	22,593.0	22,016.0	20,182.0	1.0%	3.6%	13.1%

Percent Change in Public Sector Employment
1yr, 5yr, 10yr



Public Sector Employment Growth - Kansas, 6-State Region, U.S.
January 1997 - November 2007



Source: 2007 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/>

Short-Term - 2005 to 2006

- Kansas private industry wage level up \$1,936 (5.7%)
- 6-State Region private industry wage level up \$1,586 (4.6%)
- U.S. private industry wage level up \$1,909 (4.7%)

Mid-Term - 2001 to 2006

- Kansas private industry wage level up \$5,733 (18.8%)
- 6-State Region private industry wage level up \$5,418 (17.9%)
- U.S. private industry wage level up \$6,257 (17.3%)

2006 Private Industry Wage Levels

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

State	Annual Wage
Kansas	\$ 36,201
Arkansas	\$ 31,835
Colorado	\$ 43,664
Iowa	\$ 33,880
Missouri	\$ 37,382
Nebraska	\$ 33,411
Oklahoma	\$ 34,136

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.

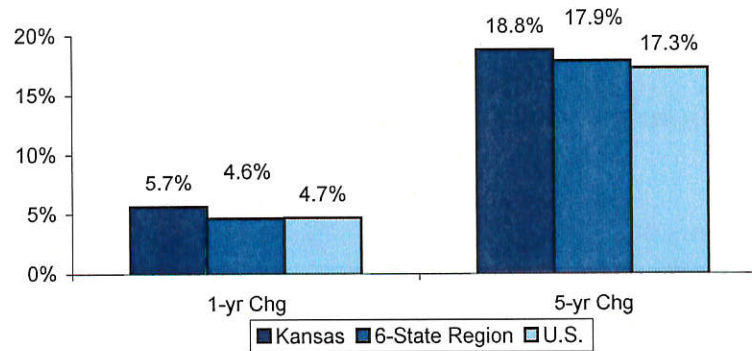
Private Industry wage levels were calculated using QCEW program data. Wage levels were calculated as an average of all private industries and establishments.

Private Industry Wage Levels

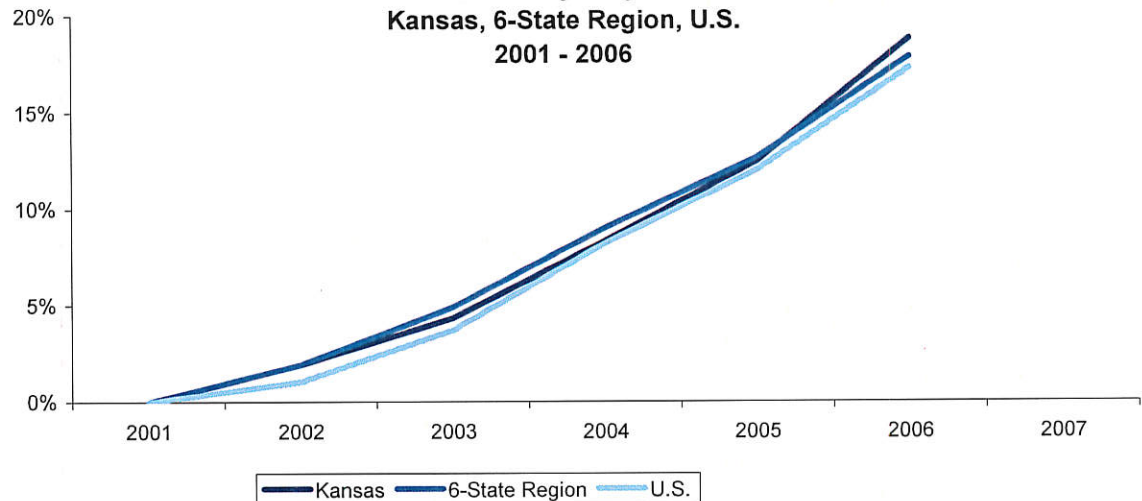
(average annual wages, all employees, all private establishments)

	2006	2005	2001	1-yr Chg	5-yr Chg
Kansas \$	36,201	34,265	30,468	5.7%	18.8%
6-State Region \$	35,718	34,132	30,300	4.6%	17.9%
U.S. \$	42,414	40,505	36,157	4.7%	17.3%

Percent Change in Private Industry Wages
1yr, 5yr, 10yr



Private Industry Wage Growth
Kansas, 6-State Region, U.S.
2001 - 2006





Indicators of the Kansas Economy Unemployment and Unemployment Rate

Dec-07

Short-Term - 2006 to 2007

- Kansas unemployment down 8,449 (-13.2%)
- 6-State Region unemployment up 36,163 (8.0%)
- U.S. unemployment up 341,000 (5.2%)

- Kansas unemployment rate down (-0.6%)
- 6-State Region unemployment rate up (0.2%)
- U.S. unemployment rate up (0.2%)

Long-Term - 1997 to 2007

- Kansas unemployment up 6,891 (14.2%)
- 6-State Region unemployment up 143,992 (41.6%)
- U.S. unemployment up 1,003,000 (17.0%)

- Kansas unemployment rate up (0.2%)
- 6-State Region unemployment rate up (0.9%)
- U.S. unemployment rate up (0.2%)

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.

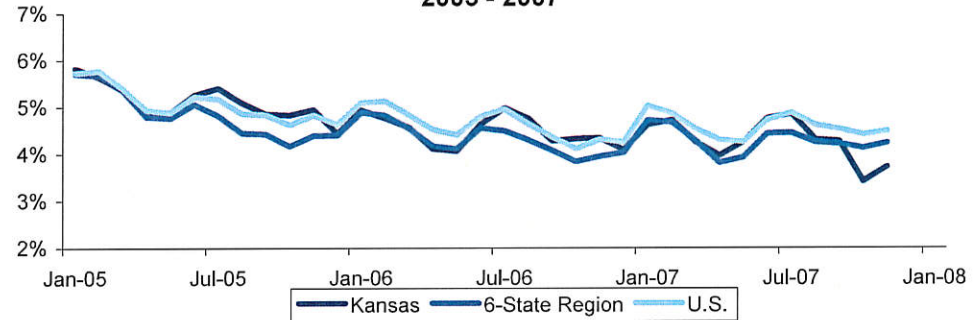
The unemployment rate contains a seasonal component, it rises during summer as new high school and college graduates enter the civilian labor force and in January, when retailers lay off holiday employees. The unemployment rate also contains a business cycle component, rising during recessionary periods when people currently in the labor force lose jobs.

Source: 2007 monthly data
 U.S. Department of Labor - Bureau of Labor Statistics -
 Kansas Department of Labor - Labor Market Information -

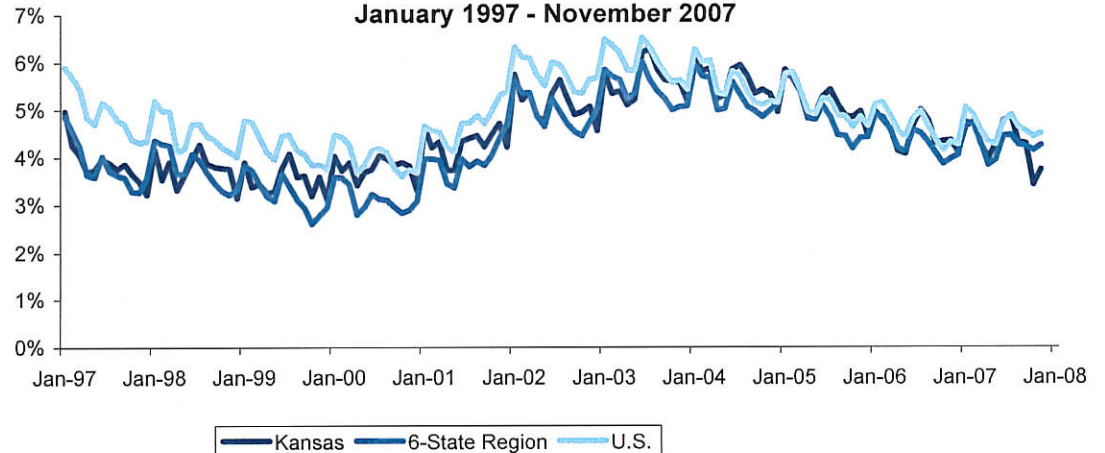
Unemployment and Unemployment Rate (all employees)

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	55,504	63,953	72,357	48,613	-13.2%	-23.3%	14.2%
6-State Region	490,280	454,117	518,393	346,288	8.0%	-5.4%	41.6%
U.S.	6,917,000	6,576,000	8,170,000	5,914,000	5.2%	-15.3%	17.0%
Kansas (%)	3.7%	4.3%	5.1%	3.5%	-0.6%	-1.4%	0.2%
6-State Region (%)	4.2%	4.0%	4.7%	3.3%	0.2%	-0.5%	0.9%
U.S. (%)	4.5%	4.3%	5.6%	4.3%	0.2%	-1.1%	0.2%

**Unemployment Rate - Kansas, 6-State Region, U.S.
2005 - 2007**



**Unemployment Rate - Kansas, 6-State Region, U.S.
January 1997 - November 2007**



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

Short-Term - 2006 to 2007

- Kansas initial claims down 1,607 (-14.3%)
- 6-State Region initial claims down 4,276 (-4.3%)
- U.S. initial claims up 6,238 (0.4%)

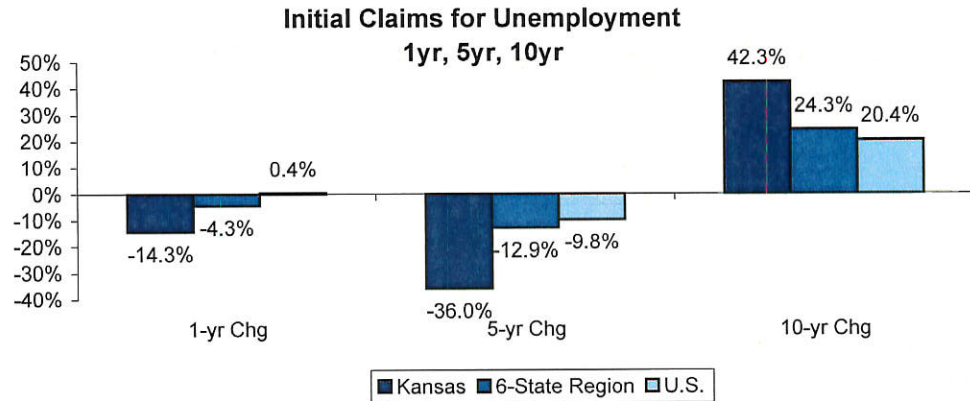
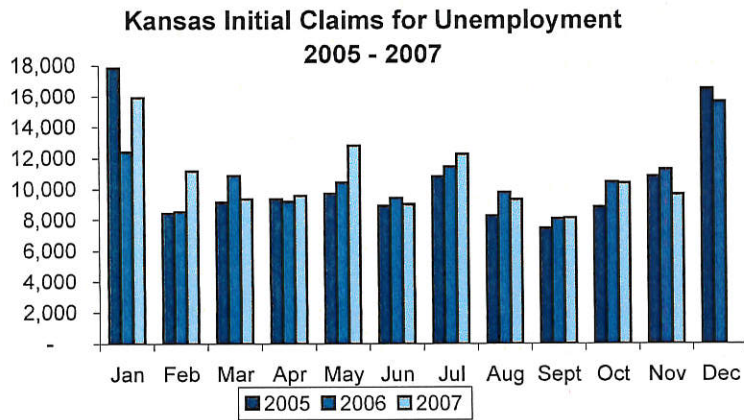
Long-Term - 1997 to 2007

- Kansas initial claims up 2,866 (42.3%)
- 6-State Region initial claims up 18,710 (24.3%)
- U.S. initial claims up 258,114 (20.4%)

Initial Claims for Unemployment

(all employees)

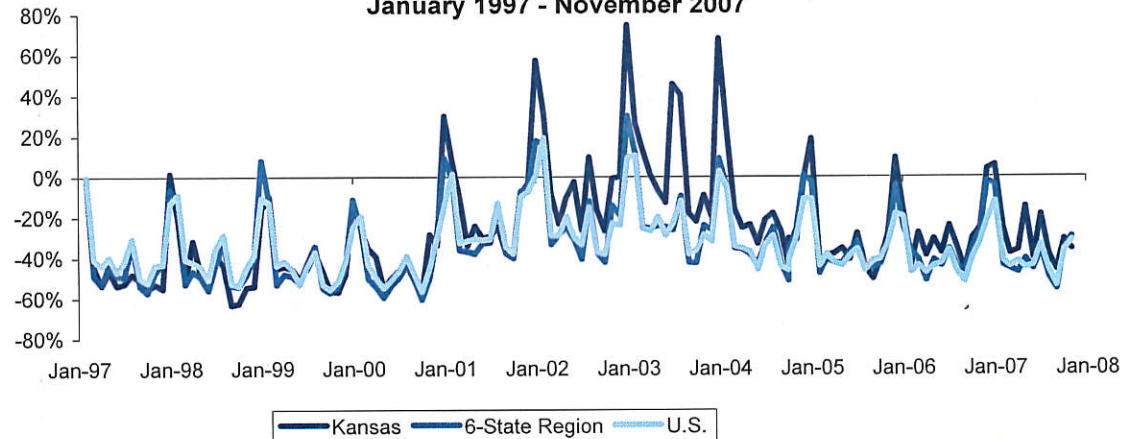
	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	9,635	11,242	15,044	6,769	-14.3%	-36.0%	42.3%
6-State Region	95,810	100,086	110,047	77,100	-4.3%	-12.9%	24.3%
U.S.	1,524,886	1,518,648	1,691,064	1,266,772	0.4%	-9.8%	20.4%



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.

Initial Claims For Unemployment - Kansas, 6-State Region, U.S.
January 1997 - November 2007





Indicators of the Kansas Economy Private Establishment Data

Dec-07

2-13

Short-Term - 2006 to 2007

- Kansas total establishments up 1,078 (1.4%)
- 6-State Region total establishments up 14,093 (2.2%)
- U.S. total establishments up 254,331 (3.0%)

Mid-Term - 2002 to 2007

- Kansas total establishments up 4,052 (5.3%)
- 6-State Region total establishments up 54,695 (9.2%)
- U.S. total establishments of 886,036 (11.4%)

Kansas Private Establishment Data

(total private establishments, by employee size)

Year	1-9	10-49	50-99	100+
2002	57,010	15,269	1,974	1,591
2003	57,922	15,236	1,955	1,563
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 (p)	60,579	15,512	2,116	1,689
1-yr Chg	1.2%	2.0%	2.9%	1.6%
5-yr Chg	6.3%	1.6%	7.2%	6.2%

(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.*

Private Establishment Data

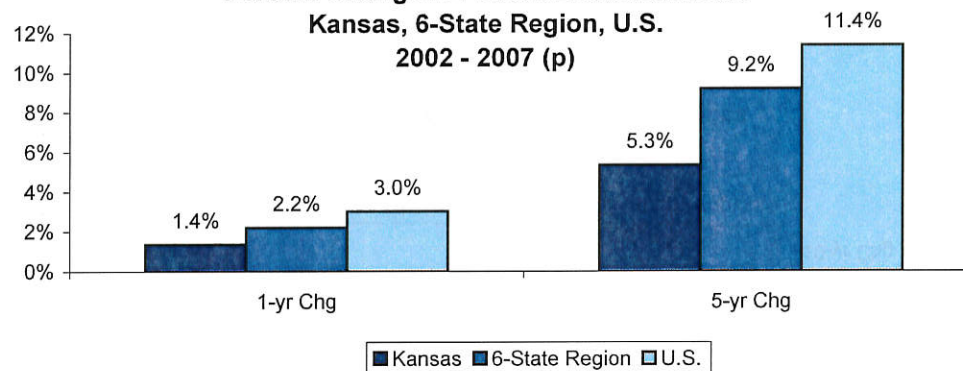
(total private establishments, all employee sizes)

	2007 (p)	2006	2002	1-yr Chg	5-yr Chg
Kansas	79,896	78,818	75,844	1.4%	5.3%
6-State Region	649,929	635,836	595,234	2.2%	9.2%
U.S.	8,667,456	8,413,125	7,781,420	3.0%	11.4%

Percent Change in Private Establishments

Kansas, 6-State Region, U.S.

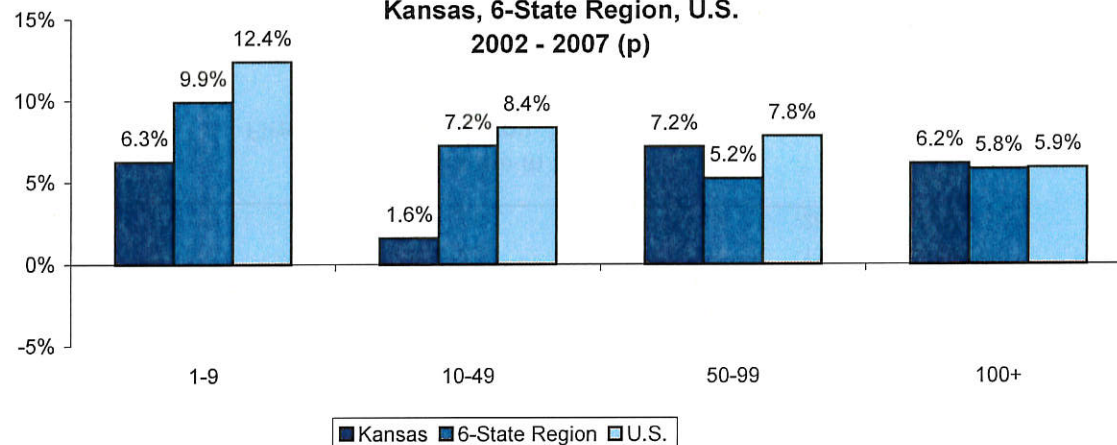
2002 - 2007 (p)



Growth in Private Establishments by Employee Size

Kansas, 6-State Region, U.S.

2002 - 2007 (p)



Source: 2007 annual 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
Kansas Firm Birth and Termination

2-14
 Dec-07

Short-Term - 2005 to 2006

- Firm Births down 122 (-1.7%)
- Firm Terminations down 330 (-4.5%)
- Firm Bankruptcies down 252 (-61.5%)

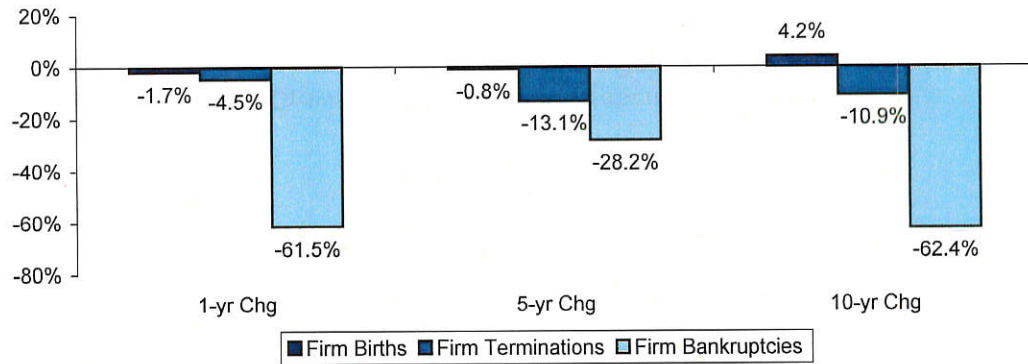
Long-Term - 1996 to 2006

- Firm Births up 280 (4.2%)
- Firm Terminations down 860 (-10.9%)
- Firm Bankruptcies down 262 (-62.4%)

Kansas Firm Birth and Termination

(# of firms)	2006	2005	2001	1996	1-yr Chg	5-yr Chg	10-yr Chg
Firm Births	6,973	7,095	7,026	6,693	-1.7%	-0.8%	4.2%
Firm Terminations	7,000	7,330	8,055	7,860	-4.5%	-13.1%	-10.9%
Firm Bankruptcies	158	410	220	420	-61.5%	-28.2%	-62.4%

Percent Change in Kansas Firm Birth, Termination, Bankruptcies 1yr, 5yr, 10yr



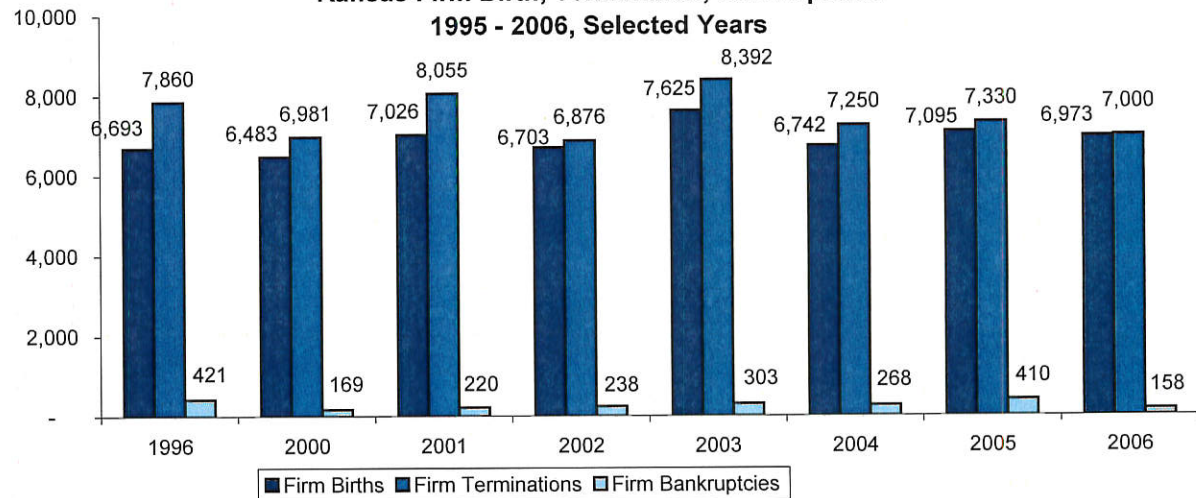
About the data and graphs

Tracking the number of employer firm births, terminations, and bankruptcies may help understand the environment for new firm development.

Firms terminate operations for a variety of reasons, not all of which have a negative impact on the economy. For example, an owner of a profitable small business may choose to cease operations to become an employee of another firm or a new business opportunity replaces an outmoded operation. Firm termination rates are nearly always higher than firm formations, as some firm terminations result in a successor firm (firms that are acquired by a new owner) which is not listed as a new firm.

Firm bankruptcies are included in the count of firm terminations.

Kansas Firm Birth, Termination, Bankruptcies 1995 - 2006, Selected Years





**Indicators of the Kansas Economy
Kansas Farm Management Association Data**

5-1-0
Dec-07

Short-Term - 2006

- 1,554 farms reported farm operation data to KFMA
- KFMA farms averaged \$298,754 in value of farm production
- \$252,161 in total farm expense
- KFMA average net farm income was \$46,593
- NW region had the highest net farm income at \$58,517
- SW region had the lowest net farm income at \$21,779

KFMA Average Net Farm Income by Region

Region	NW	NC	NE	SW	SC	SE	Avg. All Assn.
2005	\$ 66,930	\$ 42,065	\$ 68,325	\$ 23,779	\$ 36,535	\$ 76,283	\$ 56,982
2006	\$ 58,517	\$ 40,742	\$ 52,259	\$ 21,779	\$ 57,960	\$ 40,026	\$ 46,593
5-yr avg	\$ 46,084	\$ 40,300	\$ 49,338	\$ 23,287	\$ 43,510	\$ 60,205	\$ 47,267
10-yr avg	\$ 44,459	\$ 37,183	\$ 39,792	\$ 31,404	\$ 38,634	\$ 51,223	\$ 42,215

Long-Term - 1996 to 2006

- KFMA average net farm income varies widely from year to year
- From 2001 to 2006, average net farm income was \$47,267
- From 1996 to 2006, average net farm income was \$42,215

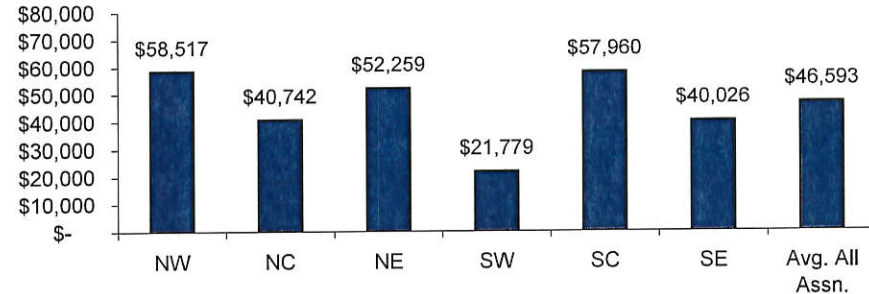
About the data and graphs

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.

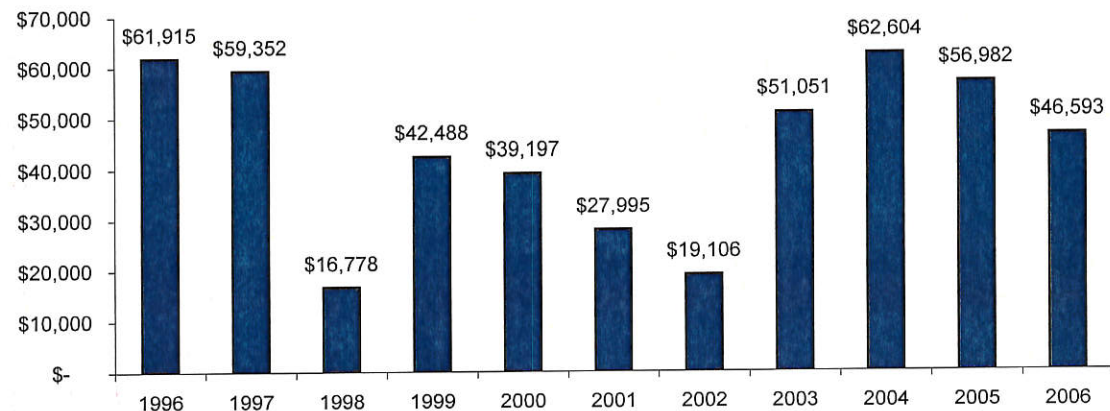
The goals of the KFMA program are to provide each member with information about business and family costs to improve farm business organization, farm business decisions, and farm profitability; and minimize risk. Through on-farm visits, whole-farm analysis, and other educational programs, Association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

**2006 Kansas Farm Management Association
Average Net Farm Income by Region**



**Kansas Farm Management Association Average Net Farm Income
1996 - 2006**



Source: 2006 annual data
Kansas State University - Kansas Farm Management Association -

www.agecon.ksu.edu/kfma

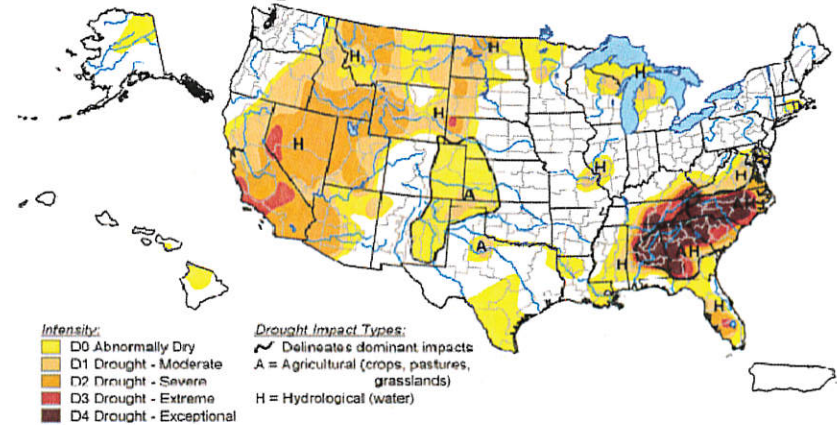
2-16

(12/3/2007 USDA Agricultural Prices) **KANSAS:** The November **All Farm Products Index** of Prices Received by Kansas farmers, at 147 percent of the 1990-92 base, was up 3 points from October and up 20 points from November 2006. The **All Crops Index** in November, at 186 percent of the 1990-92 base, was up 9 points from October and up 36 points from 2006. The **Meat Animals Index**, at 121 percent of the 1990-92 base, was down 1 point from October but 7 points above last year.

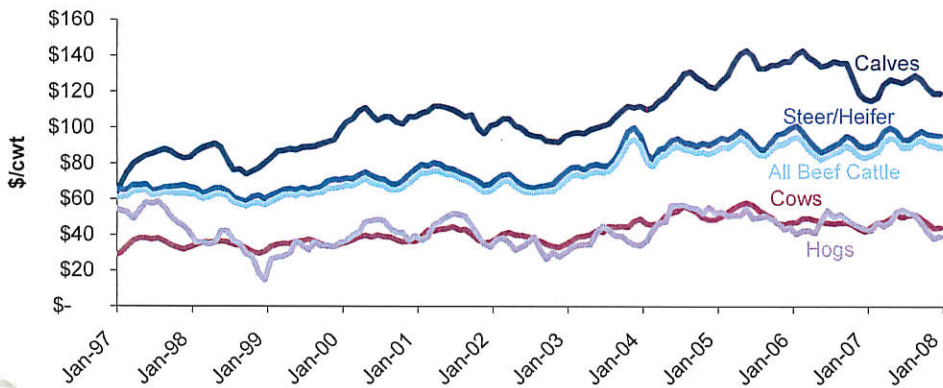
Wheat prices in mid-November, at \$7.18 per bushel, were down 48 cents from October but up \$2.12 from last November. **Corn** prices in mid-November, at \$3.59 per bushel, were up 6 cents from October and 44 cents above last November. Farmers received an average of \$6.14 per cwt. for **sorghum grain** in mid-November, up 16 cents from October and 28 cents above last November. **Soybean** prices, at \$9.62 per bushel in mid-November, were up \$1.01 from October and \$3.56 above last November. **All hay** prices averaged \$99.00 per ton in mid-November, down \$4.00 from October and \$1.00 lower than last year. **Alfalfa** hay averaged \$112.00 per ton, unchanged from October but \$3.00 lower than last November. **Other hay**, at \$80.00 per ton, was down \$5.00 from October but \$2.00 above last November.

All beef cattle were bringing an average of \$94.30 per cwt. in mid-November, down 50 cents from October but \$6.40 above the price from last November. **Cow** prices, at \$45.00 per cwt., were down \$3.00 from October but \$1.00 above the price from last November. **Steers and heifers** averaged \$95.80 per cwt., down 40 cents from October but \$6.50 above overver 2006. **Calf** prices in mid-November were \$126.00 per cwt., down \$1.00 from October but up \$2.00 from November 2006. The **all hog price** of \$32.50 per cwt. for mid-November was down \$3.30 from October and down \$8.60 from last November. **Sow** prices averaged \$25.60, down \$1.90 from October and \$10.30 lower than November 2006. **Barrow and gilt** prices averaged \$33.50 per cwt. in mid-November, down \$3.50 from October and \$8.40 below last November.

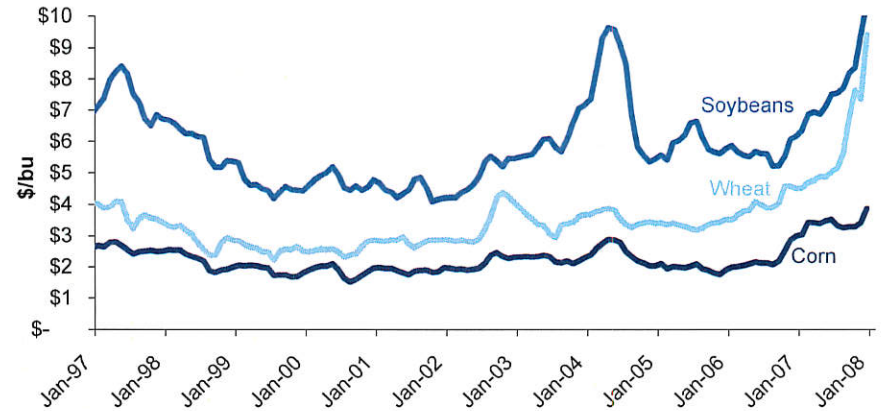
U.S. Drought Monitor December 25, 2007



U.S. Livestock Prices



U.S. Crop Prices



Source: 2007 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 Oil Production and Price

11-2
Dec-07

Short-Term - 2006 to 2007

- Kansas oil production up 297,648 bbl (9.7%)
- Kansas oil price down \$0.7 (-0.9%)

Long-Term - 1997 to 2007

- Kansas oil production down 37,730 bbl (-1.1%)
- Kansas oil price up \$52.4 (262.7%)

2007 Oil Production/Price

Month	Production*	Price	Month	Production*	Price
January	2,707,549	\$ 54.51	July	3,154,572	\$ 74.12
February	2,630,658	\$ 59.28	August	3,371,508	\$ 72.36
March	3,055,027	\$ 60.44	September		\$ 79.91
April	3,079,601	\$ 63.98	October		\$ 85.80
May	3,198,462	\$ 63.45	November		\$ 94.77
June	3,014,411	\$ 67.49	December		

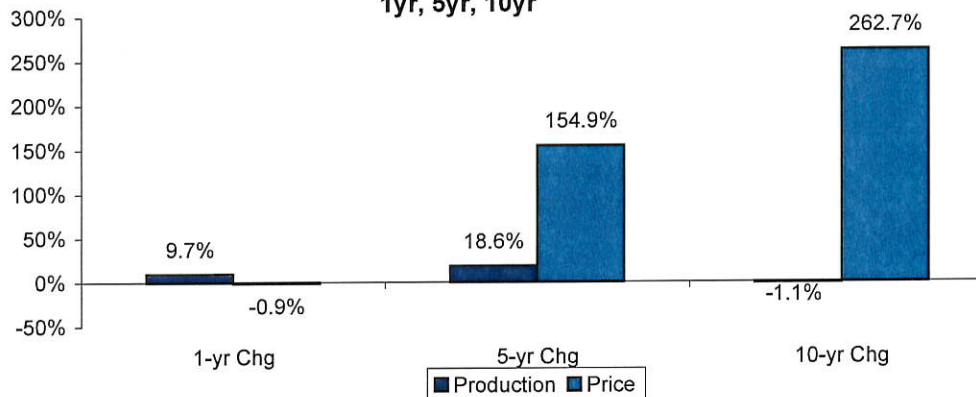
* Recent months production usually incomplete and revised upwards.

Oil Production* and Price

(most recent month of both production and price information)

	Aug-07	Aug-06	Aug-02	Aug-97	1-yr Chg	5-yr Chg	10-yr Chg
Production (bbl)	3,371,508	3,073,860	2,842,498	3,409,238	9.7%	18.6%	-1.1%
Price (\$/bbl)	\$ 72.36	\$ 73.04	\$ 28.39	\$ 19.95	-0.9%	154.9%	262.7%

Percent Change in Production and Price 1yr, 5yr, 10yr

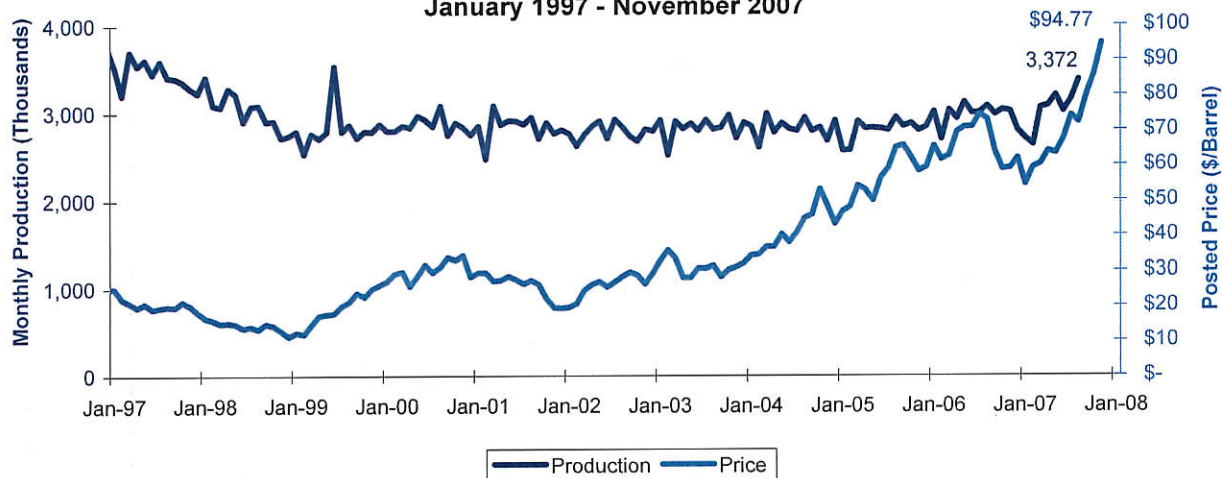


About the data and graphs

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. CO₂ 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).

Kansas Oil Production and Price January 1997 - November 2007



Source: 2007 monthly data
Kansas Geological Survey -
Energy Information Administration -

<http://www.kgs.ku.edu/PRS/petro/interactive.html>
<http://www.eia.doe.gov/>

Short-Term - 2006 to 2007

- Kansas natural gas production down 3,232,330 mcf (-10.0%)
- Kansas natural gas price down \$0.6 (-9.4%)

Long-Term - 1997 to 2007

- Kansas natural gas production down 27,804,408 mcf (-48.7%)
- Kansas natural gas price up \$3.8 (183.7%)

Natural Gas Production* and Price

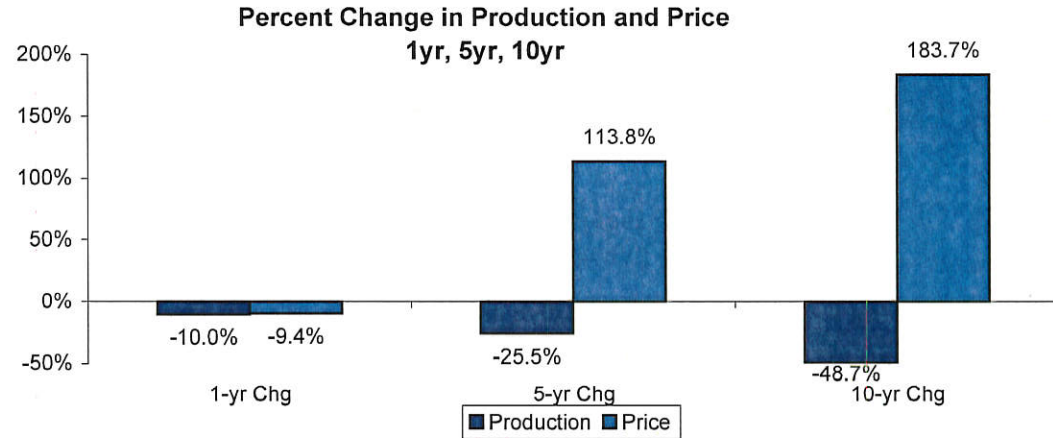
(most recent month of both production and price information)

	Aug-07	Aug-06	Aug-02	Aug-97	1-yr Chg	5-yr Chg	10-yr Chg
Production (mcf)	29,239,066	32,471,396	39,266,768	57,043,474	-10.0%	-25.5%	-48.7%
Price (\$/mcf)	\$ 5.90	\$ 6.51	\$ 2.76	\$ 2.08	-9.4%	113.8%	183.7%

2007 Natural Gas Production/Price

Month	Production*	Price	Month	Production*	Price
January	27,688,615	\$ 5.92	July	31,574,561	\$ 6.19
February	28,029,531	\$ 6.66	August	29,239,066	\$ 5.90
March	32,231,671	\$ 6.56	September		\$ 5.61
April	31,160,410	\$ 6.56	October		\$ 6.25
May	32,212,923	\$ 6.98	November		
June	29,567,729	\$ 6.86	December		

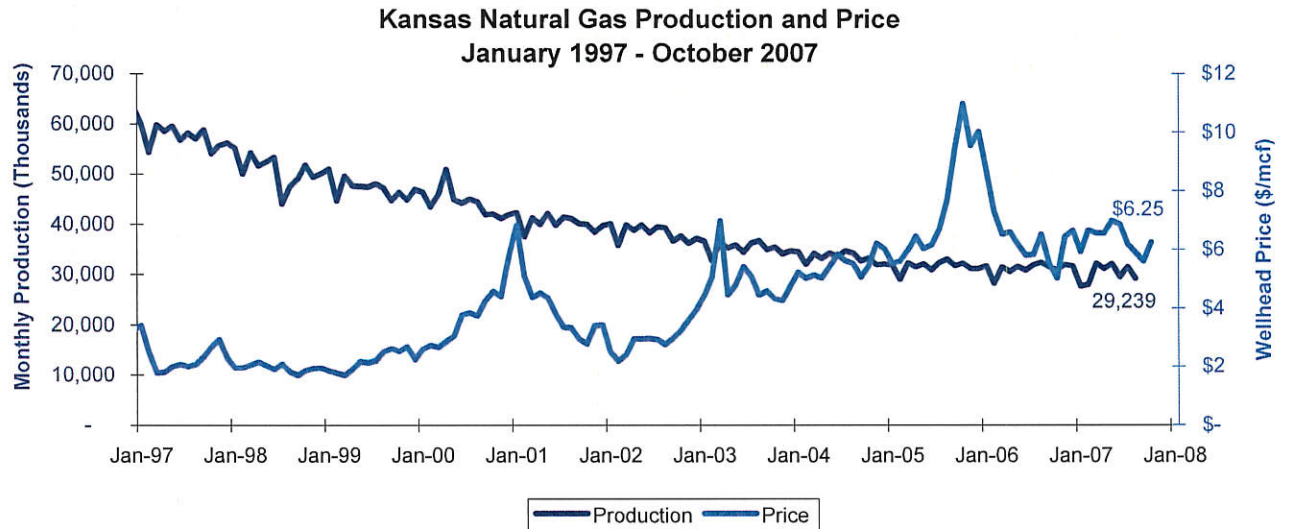
* Recent months production usually incomplete and revised upwards.



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).





Indicators of the Kansas Economy Gross State Product

12-8
Dec-07

Short-Term - 2005 to 2006

- Kansas GSP up \$6,471 million (6.1%)
- 6-State Region GSP up \$54,663 million (6.6%)
- U.S. GSP up \$776,183 million (6.3%)

Long-Term - 1996 to 2006

- Kansas GSP up \$43,734 million (64.3%)
- 6-State Region GSP up \$364,471 million (70.4%)
- U.S. GSP up \$5,489,382 million (71.7%)

2006 Gross State Product

(millions of current dollars)

Region	Gross State Product	
Kansas	\$	111,699
Arkansas	\$	91,837
Colorado	\$	230,478
Iowa	\$	123,970
Missouri	\$	225,876
Nebraska	\$	75,700
Oklahoma	\$	134,651
6-State Region	\$	882,512
U.S.	\$	13,149,033

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.)

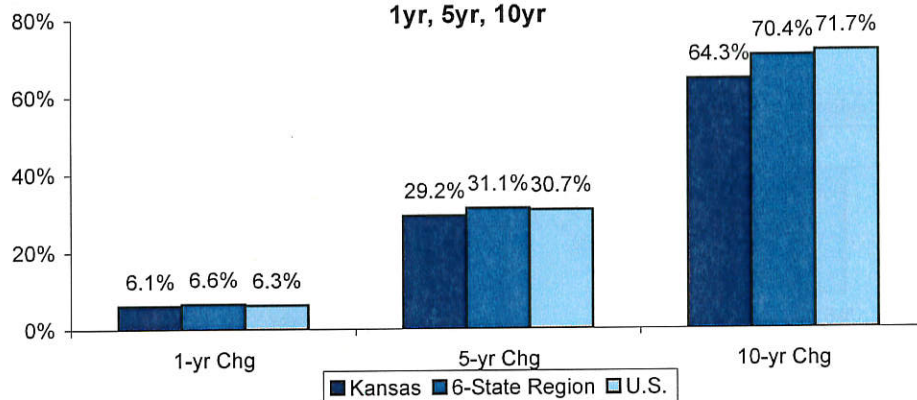
All GSP data is displayed in current dollars and are not adjusted for inflation.

Gross State Product

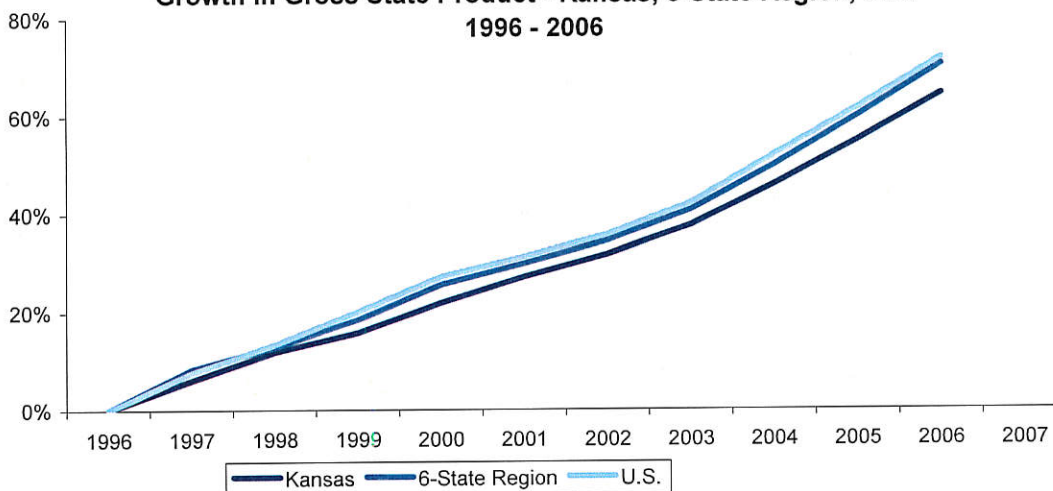
(millions of current dollars)

	2006	2005	2001	1996	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	111,699	105,228	86,430	67,965	6.1%	29.2%	64.3%
6-State Region	882,512	827,849	673,054	518,041	6.6%	31.1%	70.4%
U.S.	13,149,033	12,372,850	10,058,168	7,659,651	6.3%	30.7%	71.7%

Percent Change in Gross State Product 1yr, 5yr, 10yr



Growth in Gross State Product - Kansas, 6-State Region, U.S. 1996 - 2006



Short-Term - 2005 to 2007

- Kansas PI up \$7,459 million (7.7%)
- 6-State Region PI up \$48,609 million (6.6%)
- U.S. PI up \$710,677 million (6.5%)

- Kansas PCPI up \$2,078 (6.4%)
- 6-State Region PCPI up \$1,703 (5.4%)
- U.S. PCPI up \$1,944 (5.6%)

Long-Term - 1996 to 2007

- Kansas PI up \$39,905 million (62.5%)
- 6-State Region PI up \$317,320 million (67.5%)
- U.S. PI up \$4,778,181 million (68.8%)

- Kansas PCPI up \$11,899 (52.1%)
- 6-State Region PCPI up \$11,297 (51.0%)
- U.S. PCPI up \$12,454 (51.5%)

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).

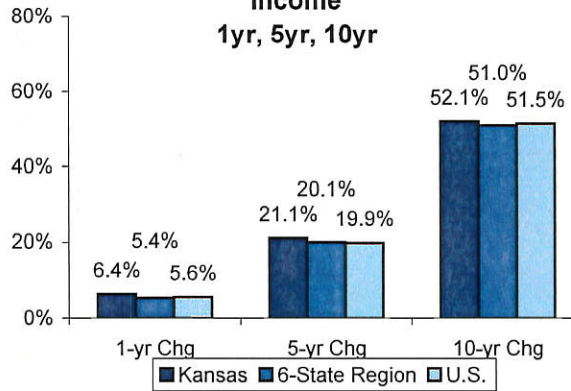
Personal Income Quarterly Estimates (PI) - (millions of dollars)

	2007-Q3	2006-Q3	2002-Q3	1997-Q3	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	103,705	96,246	78,686	63,800	7.7%	31.8%	62.5%
6-State Region	787,208	738,599	601,066	469,888	6.6%	31.0%	67.5%
U.S.	11,727,099	11,016,422	8,888,413	6,948,918	6.5%	31.9%	68.8%

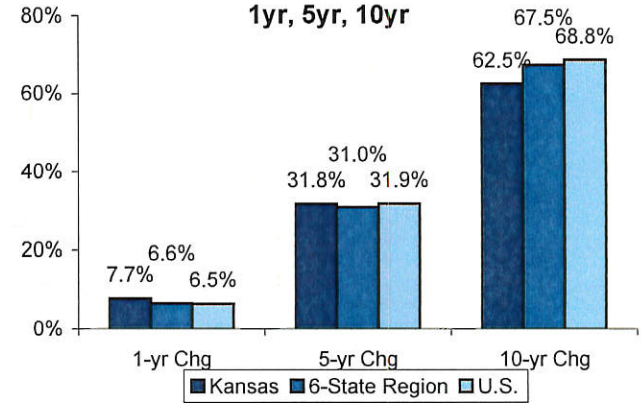
Per Capita Personal Income Annual Estimates (PCPI) - (\$)

	2006	2005	2001	1996	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	34,744	32,666	28,701	22,845	6.4%	21.1%	52.1%
6-State Region	33,437	31,734	27,849	22,140	5.4%	20.1%	51.0%
U.S.	36,629	34,685	30,562	24,175	5.6%	19.9%	51.5%

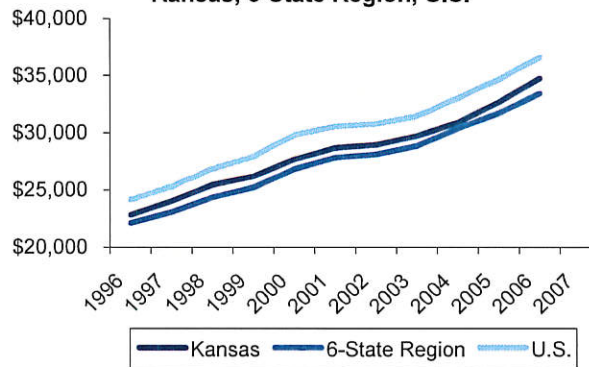
Percent Change in Per Capita Personal Income 1yr, 5yr, 10yr



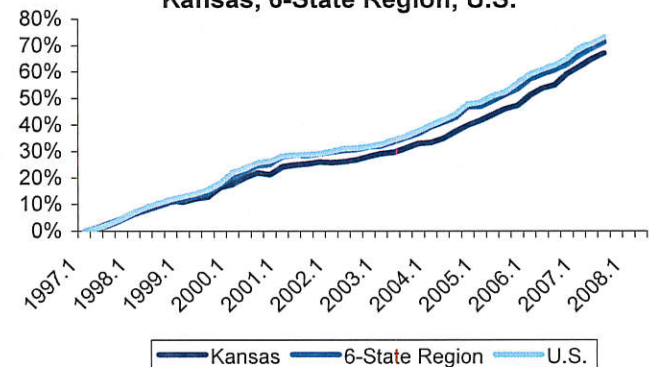
Percent Change in Personal Income 1yr, 5yr, 10yr



Growth in Per Capita Personal Income - Kansas, 6-State Region, U.S.



Growth in Personal Income - Kansas, 6-State Region, U.S.



Source: 2006 annual, 2007 quarterly data

U.S. Department of Commerce - Bureau of Economic Analysis - <http://www.bea.gov/regional/>



Indicators of the Kansas Economy Chicago Fed National Activity Index (CFNAI)

Dec-07

12-21

Short-Term - 2007

During November 2007, the CFNAI was -0.27, up from -0.89 in October. Three of the four broad categories of indicators - employment, consumption and housing, and sales, orders and inventories made negative contributions to the index, while the production and income category made a slight positive contribution in November. Production-related indicators made a small positive contribution of +0.02 in November; employment-related indicators made a contribution of -0.10 in November; consumption and housing indicators contributed -0.16 in November; and the sales, orders and inventories category made a negative contribution of -0.04 in November. Thirty-five of the 85 individual indicators made positive contributions to the index in November, while 50 made negative contributions.

Long-Term - 1990 to 2007

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.

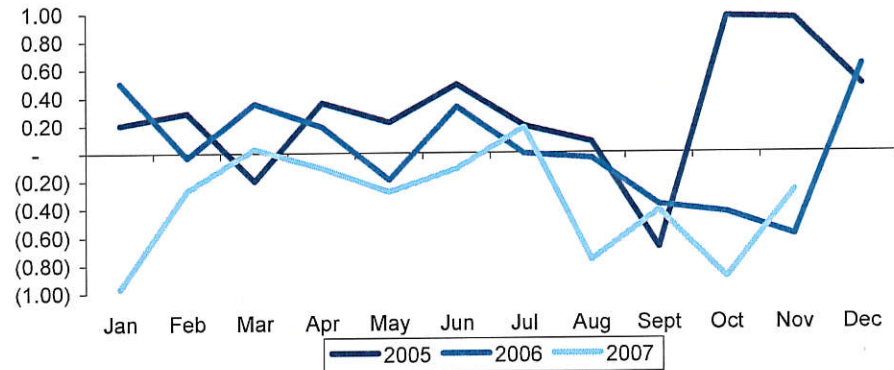
The Chicago Fed National Activity Index (CFNAI) is a monthly U.S. index designed to better gauge overall economic activity and inflationary pressure.

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.**

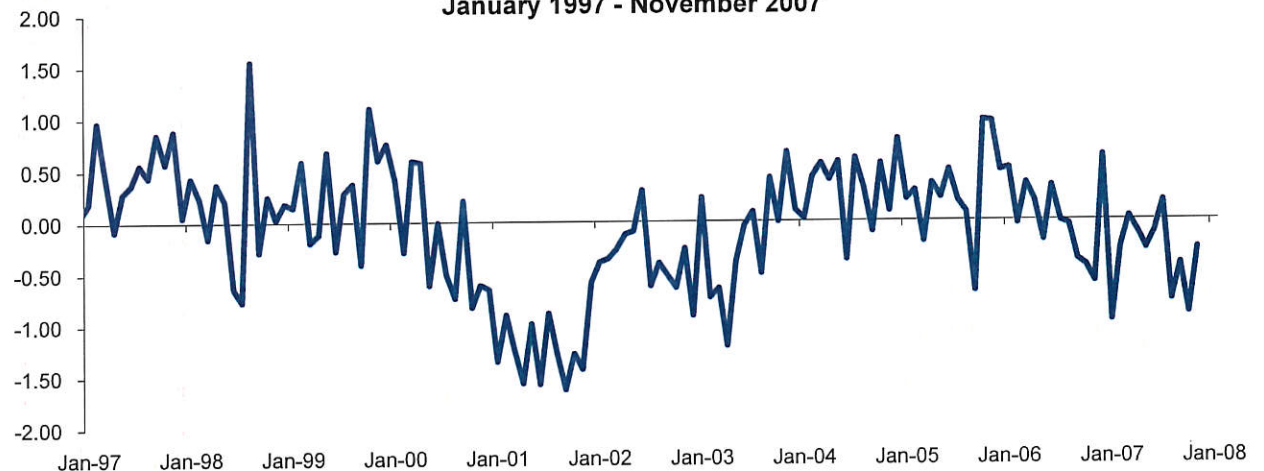
CFNAI

	Nov-07	Oct-07	Sep-07	Aug-07	Jul-07	Jun-07	Nov-06
CFNAI	-0.27	-0.89	-0.42	-0.77	0.18	-0.11	-0.59

**Chicago Federal Reserve National Activity Index
2005 - 2007**



**Chicago Federal Reserve National Activity Index
January 1997 - November 2007**



20-22

Short-Term - 2006 to 2007

- Midwest Urban CPI up 8.0 (4.1%)
- U.S. City Average CPI up 8.7 (4.3%)

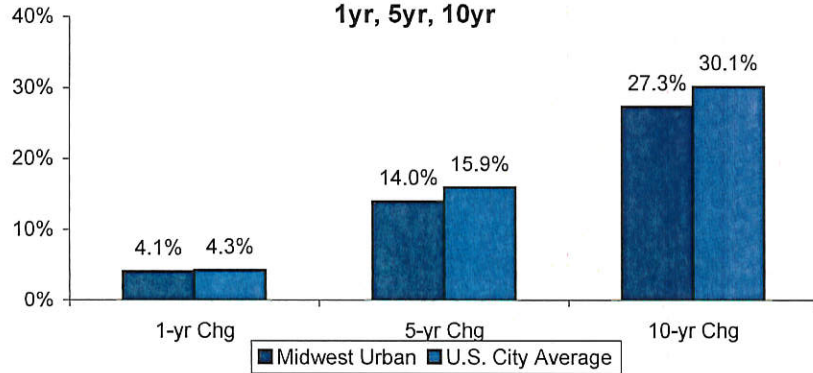
Long-Term - 1997 to 2007

- Midwest Urban CPI up 43.1 (27.3%)
- U.S. City Average CPI up 48.7 (30.1%)

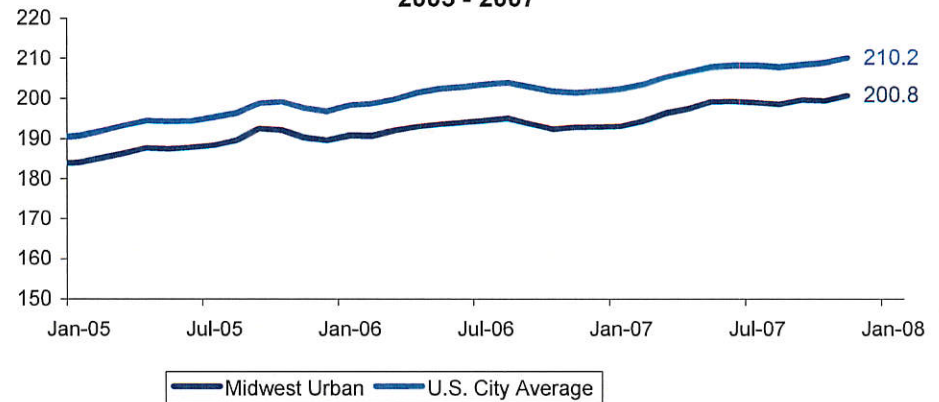
Consumer Price Index (CPI)

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Midwest Urban	200.8	192.8	176.1	157.7	4.1%	14.0%	27.3%
U.S. City Average	210.2	201.5	181.3	161.5	4.3%	15.9%	30.1%

Percent Change in Consumer Price Index
1yr, 5yr, 10yr



Consumer Price Index
Midwest Urban & U.S. City Average
2005 - 2007



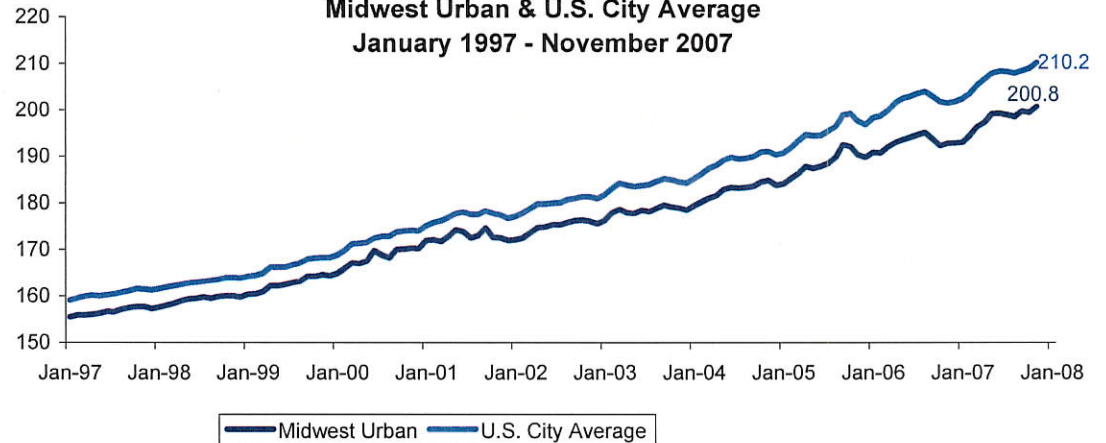
About the data and graphs

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.

Consumer Price Index
Midwest Urban & U.S. City Average
January 1997 - November 2007





Indicators of the Kansas Economy
Kansas Consumer Sentiment - 4th Quarter 2006

2-23
 Dec-07

Methods

- A random telephone survey of a representative sample of adult Kansans from October 1 to December 10, 2006 yielded 309 4th quarter 2006 responses.
- During 2006, there were a total of 1,118 completions; at a 95% confidence level, the margin of error for the full 2006 sample was 3.0%.

Kansas Consumer Sentiment

2006 4th Quarter Kansas ICS = (((Q1 + Q2 + Q3 + Q4 + Q5) / 6.7558) + 2.0)

4th Quarter 2005	68.2
1st Quarter 2006	82.1
2nd Quarter 2006	75.4
3rd Quarter 2006	80.7
4th Quarter 2006	88.0
2006 Statewide Average	83.8

About the data

Kansas, Inc. has contracted with the Docking Institute of Public Affairs at Fort Hays State University to conduct a statewide telephone survey on a quarterly basis. The general objectives of the study were to: determine consumer sentiment in Kansas, analyze sentiment by a number of socio-demographic indicators, determine attitudes toward state levels of spending in particular economic development areas, analyze attitudes toward state spending by a number of socio-demographic indicators, examine the rating of the state government's performance at helping the state economy, and analyze the rating of state government performance by a number of socio-demographic indicators.

ICS by Region, Ethnicity, Income, Political Affiliation, Household Income, Gender, and Rating of State Government's at Helping the Economy: 2005 and 2006

		2005 ICS Value*	2006 ICS Value
Statewide Annual		68.2	83.8
Region	Northwest	47.2	70.6
	Southwest	65.3	82.3
	North Central	64.5	81.2
	South Central	66.3	82.0
	Northeast	64.4	82.2
	East Central	80.1	84.4
	Southeast	54.4	71.6
Hispanic/Non-Hispanic	Hispanic origin	60.1	76.8
	Non-Hispanic	68.5	71.2
Political Party Affiliation	Democrats	47.6	60.3
	Republican	85.8	102.0
	Independent	65.5	75.2
Total Family Income Level	Less than \$30,000	53.3	59.8
	\$30,000 - 60,000	59.4	79.0
	\$60,000 and above	84.7	96.7
Gender	Female	60.4	71.5
	Male	76.1	96.4
Overall State Government's Performance at Helping State Economy	Excellent	89.8	86.7
	Good	83.9	92.4
	Fair	64.7	80.7
	Poor	53.5	60.1

*Unlike the 2006 data, the 2005 data were collected from September 21 to November 9, and thus, should not be interpreted as an annual composite for 2005.

Feb-04

Short-Term - 2006 to 2007

- Kansas building permits down 84 (-8.1%)
- 6-State Region building permits down 1,253 (-18.3%)
- U.S. building permits down 24,260 (-22.0%)

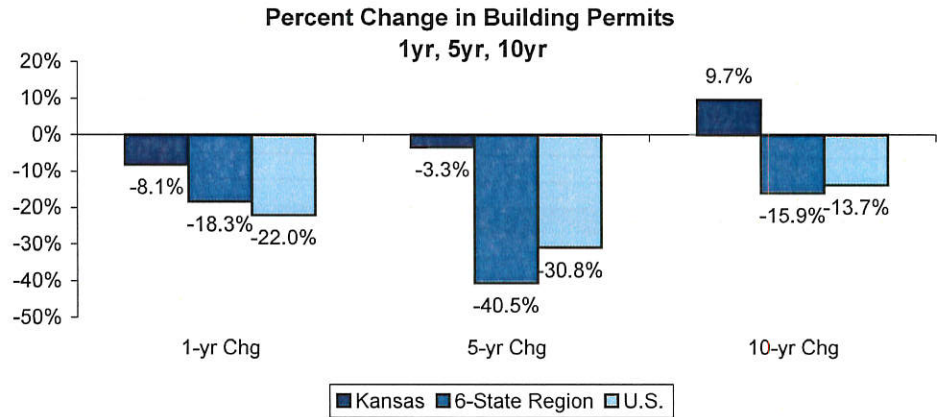
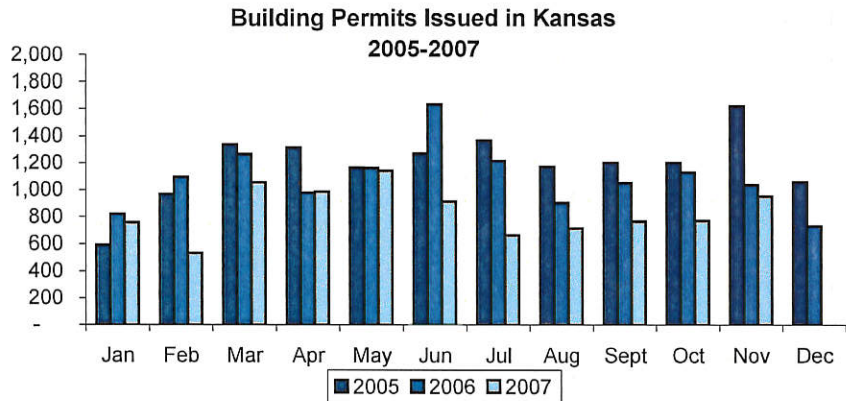
Long-Term - 1997 to 2007

- Kansas building permits up 84 (9.7%)
- 6-State Region building permits down 1,057 (-15.9%)
- U.S. building permits down 13,648 (-13.7%)

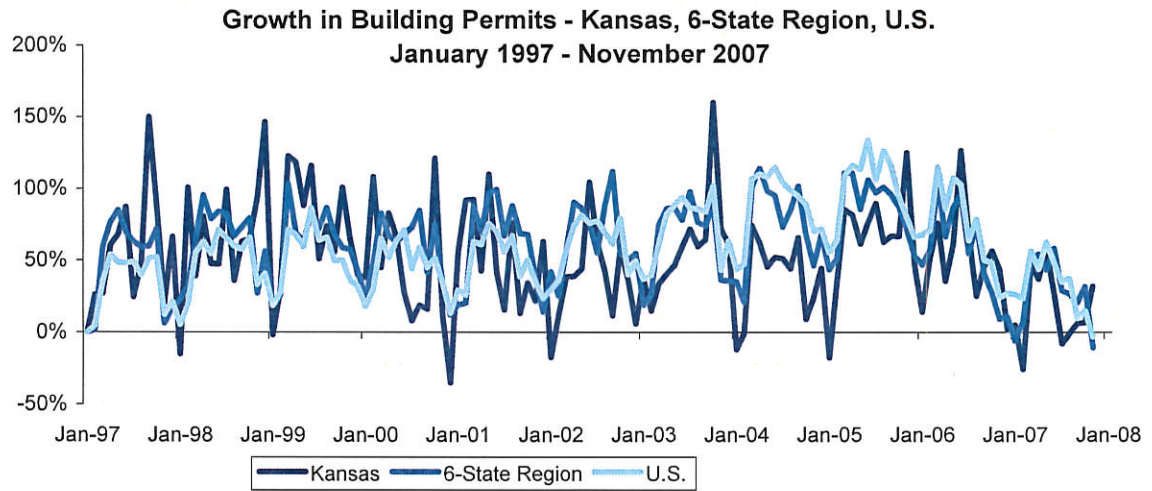
Building Permits

(new privately owned housing units authorized)

	Nov-07	Nov-06	Nov-02	Nov-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	953	1,037	986	869	-8.1%	-3.3%	9.7%
6-State Region	5,587	6,840	9,386	6,644	-18.3%	-40.5%	-15.9%
U.S.	86,110	110,370	124,513	99,758	-22.0%	-30.8%	-13.7%



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.





Indicators of the Kansas Economy
Kansas Sales Tax Collections

548
 Dec-07

Short-Term - 2006 to 2007

- Kansas sales tax collections up \$4,006,766 (2.5%)
- \$1,406,479,796 collected ytd during September 2007
- \$1,851,694,747 collected total during 2006

Sales Tax Collections

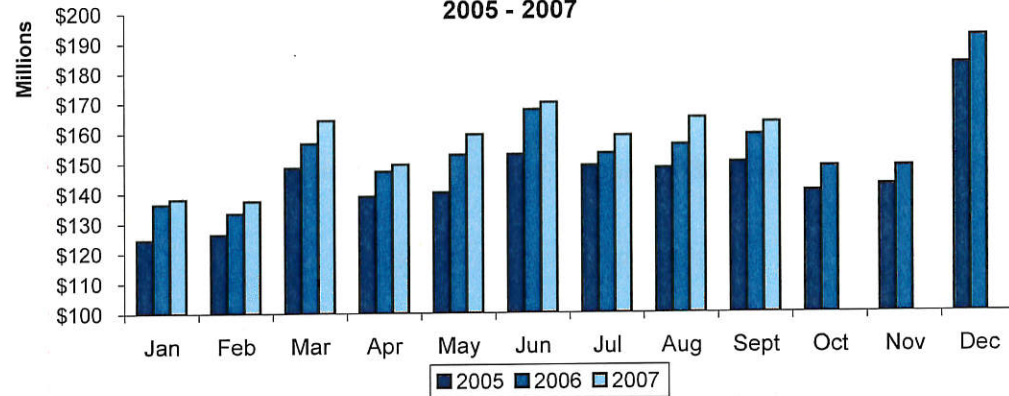
	Sep-07	Sep-06	Sep-02	Sep-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas \$	163,299,281	\$ 159,292,515	\$ 136,063,646	\$ 125,214,515	2.5%	20.0%	30.4%

Long-Term - 1997 to 2007

- Kansas sales tax collections up \$38,084,766 (30.4%)
- \$1,354,385,699 collected total during 1997

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.

Monthly Kansas Sales Tax Collections
 2005 - 2007

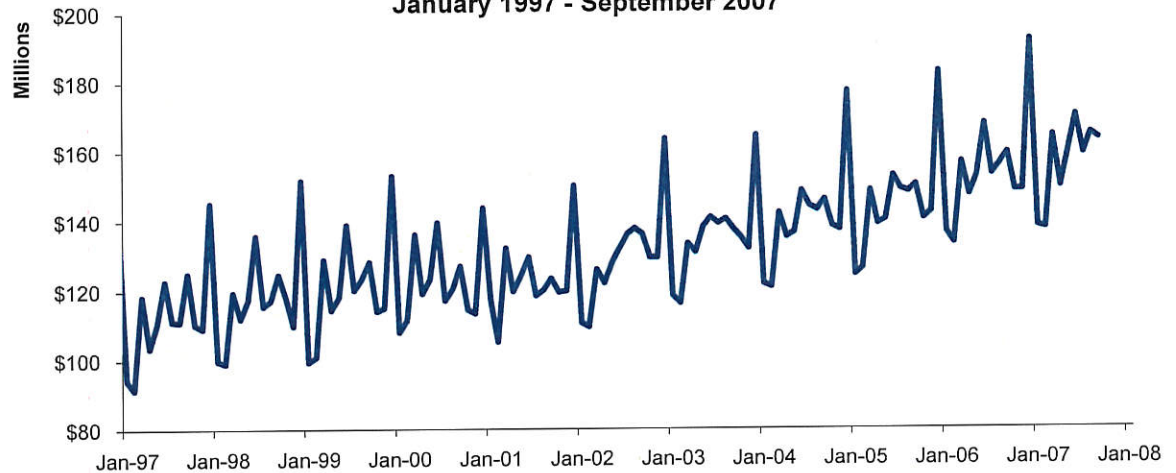


About the data and graphs

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/salesrates changes.htm>

Monthly Kansas Sales Tax Revenue
 January 1997 - September 2007



2-24

Short-Term - 2006 to 2007

- Kansas population up 20,180 (0.7%)
- 6-State Region population up 227,795 (1.0%)
- U.S. population up 2,866,338 (1.0%)

Long-Term - 1997 to 2007

- Kansas population up 140,705 (5.3%)
- 6-State Region population up 1,903,630 (9.5%)
- U.S. Population up 28,974,232 (10.6%)

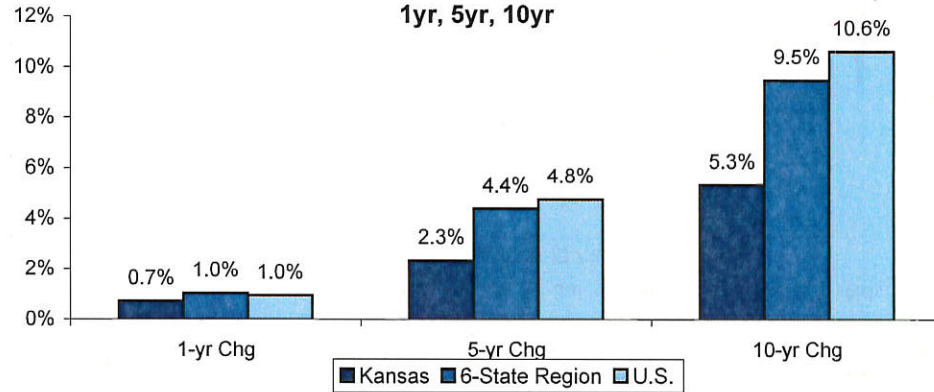
July 1, 2007 Population Estimates

Region	Population
Kansas	2,775,997
Arkansas	2,834,797
Colorado	4,861,515
Iowa	2,988,046
Missouri	5,878,415
Nebraska	1,774,571
Oklahoma	3,617,316
6-State Region	21,954,660
U.S.	301,621,157

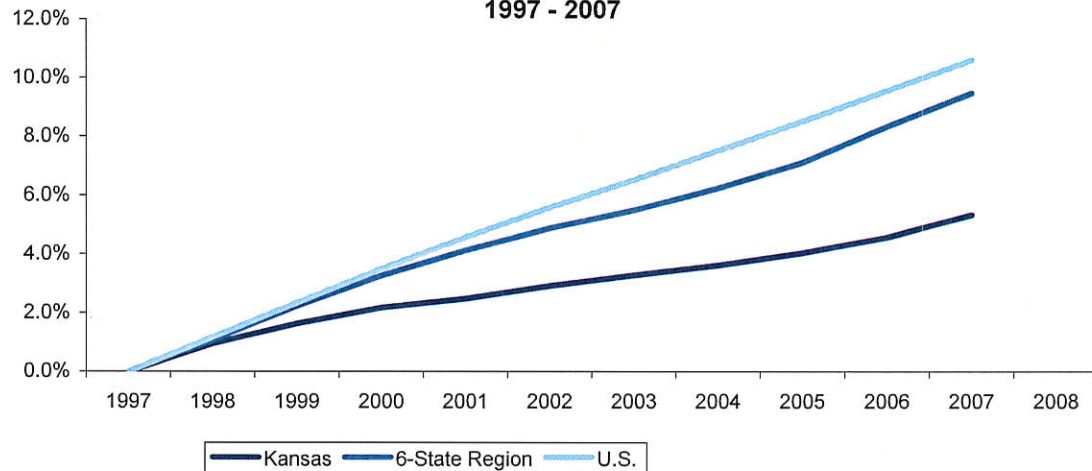
Population

	Jul-07	Jul-06	Jul-02	Jul-97	1-yr Chg	5-yr Chg	10-yr Chg
Kansas	2,775,997	2,755,817	2,712,383	2,635,292	0.7%	2.3%	5.3%
6-State Region	21,954,660	21,726,865	21,029,425	20,051,030	1.0%	4.4%	9.5%
U.S.	301,621,157	298,754,819	287,888,021	272,646,925	1.0%	4.8%	10.6%

Percent Change in Population
1yr, 5yr, 10yr



Population Growth - Kansas, 6-State Region, U.S.
1997 - 2007



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.

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.

Co-Chaired by the Governor, Kansas, Inc. is governed by a 17-member Board of Directors. Board members, as mandated by legislation, include four members of Legislative leadership, a representative from the Board of Regents, the Secretary of Commerce, the Commanding General of the Kansas Cavalry, a representative from labor, and eight other members from the private sector representing key Kansas industrial sectors. Private sector members are appointed by the Governor and confirmed by the Kansas Senate.

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