

Institute for Public Policy and Business Research
The University of Kansas

U.S. AND KANSAS ECONOMIC FORECASTS FOR 1995

by
Norman Clifford
Research Associate
Director of Forecasting

Charles Krider
Professor of Business, and
Executive Director

Funding for the Kansas Economic Modeling Program at the Institute is provided by the state of Kansas

January 1995

Report No. 220

Preface

The Institute for Public Policy and Business Research is pleased to present this 1995 economic forecast for the United States and Kansas. The forecast was generated with the Kansas Econometric Model and the Indiana University Econometric Model of the United States. This report includes an executive summary, an explanation of the assumptions used in making the forecasts, forecasts for the U.S. and Kansas economies for 1995, and an appendix with detailed quarter by quarter forecasts for each sector.

The forecast and this report were prepared by Norman Clifford, Research Associate and director of the Kansas Econometric Model. The Kansas Econometric Model is a long-term project of the Institute; Professor Clifford, Professor Mohamed El-Hodiri, Dr. Gary Albrecht and Robert Glass, among others, have been instrumental in its development. Professor Donald Lien and David Rearden have been responsible for the development of a supporting ARIMA model.

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Executive Summary

The National Economy

The national economy will continue to grow in 1995, but at a slower rate than in 1994. While real GDP grew a robust 4.0 percent in 1994, it is expected to grow 2.8 percent in 1995. Although the predicted growth is a significant drop-off from last year's increase, it is still slightly above the long-run average annual rate of growth of 2.5 percent that the U.S. economy has experienced over the last twenty-five years.

There are several reasons to expect U.S. economic growth to be slower in 1995. First, the sectoral pattern of growth in 1994 is not likely to be repeated. Firms' additions to inventories accounted for a significant portion of growth in 1994, especially in the second and third quarters of the year. As a result, the rate at which firms added to inventories in 1994 tripled the rate at which those additions were made in 1993, and contributed to six-tenths of a percentage point to the overall growth rate of GDP. The movement of inventory additions back toward the rates that have been observed in recent years will reduce GDP growth by nearly a full percentage point.

A second reason for reduced growth in 1995 comes from reduced growth in consumer spending, which was the largest contributor to economic growth in 1994, increasing 3.4 percent. Slower real disposable income growth in 1995 is expected to reduce the rate of increase of consumer spending to 2.9 percent. Most of the reduction will come in reduced spending on durable goods, which grew 8.3 percent in 1993 and 7.9 percent in 1994, but which is expected to grow about 6.2 percent in 1995.

A third reason for the reduced rate of output growth is higher interest rates. As the Federal Reserve Board continues to observe high rates of output, and low unemployment rates, it will feel the need to slow the economy further by raising interest rates early in the year.

Purchases of plant and equipment by businesses will be one of the strengths of the economy in 1995, as it has been over the past two years. Such purchases increased by over 12 percent in 1993 and over 13 percent in 1994, and are expected to grow 9.8 percent in 1995. Most of the growth will be in business

purchases of equipment, although investment in new structures is expected to increase 4.0 percent.

Another strength of the economy in 1995 is expected to be exports; real exports are expected to grow 10.5 percent, exceeding both the 1993 growth rate of 4.1 percent and the 1994 growth rate of 8.5 percent.

Government spending should be less of a drag on aggregate demand this year than it was over the last two years. Smaller reductions in the rate of real federal government purchases of goods and services mean that total real government purchases will grow 1.3 percent, after declining 0.8 and 0.5 percent in 1993 and 1994.

Nominal personal income is expected to increase 6.8 percent in 1995, slightly exceeding the 6.4 percent growth exhibited in 1994. Because of faster price increases, however, personal income adjusted for inflation will grow slightly slower in 1995. The fastest growing segment of personal income should be personal interest income; higher interest rates will increase its rate of growth from 4.0 percent to 11.7 percent.

Strong economic growth in 1994 brought the unemployment rate, which averaged 6.6 percent during the first quarter of 1994, down to 5.6 percent in the fourth quarter of the year. Slower economic growth during 1995 will lead to a very modest decrease in the unemployment rate, which should end the year at about 5.4 percent.

The high rate of output in 1994, as well as the low unemployment rate that is expected to continue throughout 1995, will lead to an increase in the inflation rate as measured by the rate of change of the consumer price index. The overall rate of inflation, which averaged 2.7 percent during 1994, is expected to increase to 4 percent in 1995. The increase will be seen in prices of most types of goods and services.

Continuing rates of output growth above the long-run average rate of growth of the economy and statistics that traditionally indicate a tight labor market will likely signal imminent inflation to the Federal Reserve Board, which is expected to increase short-term interest rates in the early part of the year. The rate on three month Treasury bills jumped from 4.5 percent in the third quarter of 1994 to 5.3 percent in the fourth quarter, and is expected to increase again to 6.2 percent during the first quarter of 1995. Rate increases after the first quarter should taper off, however, and the three month Treasury bill rate should end the year at about 6.5 percent.

Table 1
The National Forecast--Summary

	1991	1992	1993	1994	1995
Real GDP (billions)	4867.7	4979.3	5134.5	5337.6	5486.7
Growth Rate	-0.6	2.3	3.1	4.0	2.8
Rate of Inflation	4.2	3.0	3.0	2.7	4.0
Civilian Employment (millions)	116.9	117.6	119.3	123.0	125.7
Growth Rate	-0.9	0.6	1.5	3.1	2.2
Unemployment Rate	6.7	7.4	6.8	6.1	5.4
3-Month T-Bill Rate	5.4	3.5	3.0	4.3	6.4
Nominal Personal Income (billions)	4860.3	5154.4	5375.1	5698.0	6086.6
Growth Rate	4.0	6.1	4.3	6.0	6.8

The national forecast, which is summarized in Table 1, above, is based on the Indiana University Econometric Model of the United States. To arrive at our forecast, the following assumptions were imposed on that model.

1. Since monetary actions affect both the rate of output of the economy and the rate of inflation, the Federal Reserve Board, whose policies are most directly related to the business cycle, is sometimes in the position of having to focus on one or the other of these major targets. It appears that the primary concern of the Fed currently is the potential that exists for accelerating inflation in the coming year and beyond; therefore, monetary policy will center on cooling the economy in order to stifle inflation before it can gain additional momentum. Thus, we expect the Fed to increase short-term interest rates substantially during the first quarter of 1995, in spite of some signs that the economic growth will slow somewhat from the pace that it maintained during 1994. Rates will increase more moderately through the rest of the year, going from 6.2 percent in the first quarter to 6.5 percent by the end of the year.

2. Federal government purchases of goods and services will be less of a short-run drag on aggregate demand in 1995 than in the two previous years. Real federal defense purchases declined about 6.8 percent per year in 1993 and 5.8 percent in 1994. In addition, real non-defense purchases grew only 0.7 percent in 1993 and declined 2.0 percent in 1994. As a result, total real federal government purchases of goods and services declined 4.5 percent in 1993 and 4.6 percent in 1994. In 1995, on the other hand, real defense

expenditures are expected to decline only 0.4 percent, while non-defense expenditures decline 0.3 percent, resulting in a decline in total real federal government purchases of goods and services of only 0.4 percent.

3. The dollar will continue to weaken slightly, with the exchange rate of the dollar declining at about a 2 percent annual rate over the forecast period.² Real exports, which grew at a strong 8.5 percent annual rate in 1994, will grow 10.5 percent in 1995.

4. Imported oil prices will increase at about a 1.8 percent annual rate over the forecast period.

The Kansas Economy

The Kansas forecast is summarized in Table 2, below. The outlook for the Kansas economy is for 1995 to look much like 1994. Civilian employment is expected to grow 1.6 percent, slightly faster than the rate of growth of the civilian labor force at 1.2 percent. As a result, the unemployment rate should drop to 4.9 percent from 5.3 percent in 1994. Since the method of measuring employment and the labor force changed at the beginning of 1994, the growth rates of these two series for 1994 have no real meaning, and cannot be compared to their 1995 growth rates. We can, however, compare the growth rates in Kansas jobs for the two years, and if we do so we see that the 1.8 percent growth in jobs forecasted for 1995 compares favorably with the 2.2 percent growth experienced in 1994.

Job growth in various sectors of the Kansas economy is expected to be somewhat varied. Mining employment, which has been declining for nearly a decade, experienced an unusual 3.9 percent growth in 1994, but is expected to decline again in 1995. The construction sector, which added jobs at a rapid 9.6 percent rate in 1994, is expected to continue to grow, although at a more modest 3.5 percent rate as the effects of higher interest rates are felt.

Within the manufacturing sector, job growth in non-durable goods manufacturing is expected to slow to 1.1 percent from its 1.8 percent growth in 1994. The sector will be led by 3.0 percent job growth in printing and publishing, and 1.6 percent job growth in petroleum and coal products. Employment in durable goods manufacturing is expected to be 1.6 percent following 1.5 percent growth in 1994. Although job growth in manufacturing of machinery (including electrical) is expected to slow significantly from its 7.3 percent growth in 1994, employment in manufacturing of transportation equipment is expected to increase 3.0 percent following two years of serious decline.

Employment in transportation, communications, and public utilities will grow a modest 1.1 percent after

increasing a healthy 4.7 percent in 1994, when employment in the recently declining railroad sector grew a surprising 6.4 percent. Employment in wholesale trade should remain steady after declining 3.8 percent in 1994, while employment in retail trade should match its 1994 growth, increasing 1.1 percent. Employment in finance, insurance and real estate will stay constant in 1995, following a modest 1.0 percent increase in 1994.

The services sector should remain strong, following a 1994 employment increase of 4.8 percent with an increase of 3.7 percent in 1995. Although federal government employment in Kansas is expected to decline slightly, state and local government employment should increase 1.4 percent.

Nominal personal income is forecasted to grow 5.7 percent in 1995, slightly faster than its 5.2 percent growth of 1994. Corrected for inflation, however, real personal income is expected to grow 2.0 percent, down somewhat from its 2.9 percent growth in 1994. Wages and salaries are expected to grow 5.6 percent compared to 5.8 percent in 1994, while income from dividends, interest, and rents is forecasted to grow 6.8 percent, after growing 3.5 percent in 1994.

Table 2
The Kansas Forecast--Summary

	1991	1992	1993	1994	1995
Civilian Labor Force (thousands)	1267.0	1330.0	1340.0	1338.6	1355.0
Growth Rate	-0.4	5.0	0.8	-0.1	1.2
Total Employment (thousands)	1211.0	1274.0	1275.4	1268.0	1288.6
Growth Rate	-0.4	5.2	0.1	-0.6	1.6
Wage and Salary Employment (thousands)	1095.4	1115.1	1134.6	1159.6	1180.6
Growth Rate	0.6	1.8	1.8	2.2	1.8
Unemployment Rate	4.4	4.2	4.8	5.3	4.9
Nominal Personal Income (millions)	45475.5	48340.8	50295.3	52930.0	55932.5
Growth Rate	3.9	6.3	4.0	5.2	5.7
Real Personal Income (millions)	37979.1	39137.4	39732.5	40902.3	41738.9
Growth Rate	-0.3	3.0	1.5	2.9	2.0

Introduction

Fueled by a burst of real output growth in the second and third quarters, U.S. real gross domestic product grew 4.0 percent in 1994, following a healthy 3.1 percent rate of growth in 1993. The rate of real output growth is expected to slow to 2.8 percent in 1995, however, as several factors combine to reduce the rate of economic growth. First, much of the growth in the second and third quarters was due to unusually high levels of additions to business inventories, levels which are unlikely to be maintained. Second, some of the third quarter growth was due to a 12.6 percent increase in real defense spending, which is also not likely to be the pattern of the near future. Third, the strong real consumer spending growth of the last two years will moderate as consumers reduce the rate of increase of their purchases of durable goods. Finally, higher interest rates imposed by the Federal Reserve Board will have a dampening effect on the economy.

The rate of inflation, which was 2.7 percent in 1994 as measured by the change in the consumer price index, is expected to increase to 4.0 percent in 1995. Higher inflation means that, although nominal personal income is expected to grow 6.8 percent in 1995, slightly faster than the 6.0 percent that it grew in 1994, real personal income will grow more slowly in 1995 than it did in 1994.

Slower economic growth in 1995 will also mean a slower rate of net job creation. Nonfarm wage and salary employment grew 2.6 percent in 1994, but that rate is expected to slow to 2.3 percent in 1995. The slower rate of job growth means that the unemployment rate, which fell to 5.6 percent in the fourth quarter of 1994, will decline more slowly in 1995, ending the year at 5.4 percent.

The outlook for the Kansas economy appears to be relatively stable for 1995. Anchored by continued growth of employment in the service and construction sectors, nonfarm wage and salary employment is expected to grow 1.8 percent, slightly slower than its 2.2 percent growth in 1994. Growth of employment in manufacturing, although slightly below the state average, should be about as strong as in 1994. The rate of employment growth should be fast enough to reduce the unemployment rate to 4.9 percent in 1995 from 5.3 percent in 1994.

The National Economy

The national forecast presented below is based on the following major assumptions:¹

1. Since monetary actions affect both the rate of output of the economy and the rate of inflation, the Federal Reserve Board, whose policies are most directly related to the business cycle, is sometimes in the position of having to focus on one or the other of these major targets. It appears that the primary concern of the Fed currently is the potential that exists for accelerating inflation in the coming year and beyond; therefore, monetary policy will center on cooling the economy in order to stifle inflation before it can gain

additional momentum. Thus, we expect the Fed to increase short-term interest rates substantially during the first quarter of 1995, in spite of some signs that economic growth will slow somewhat from the pace that it maintained during 1994. Rates will increase more moderately through the rest of the year, going from 6.2 percent in the first quarter to 6.5 percent by the end of the year.

2. Federal government purchases of goods and services will be less of a short-run drag on aggregate demand in 1995 than in the two previous years. Real federal defense purchases declined about 6.8 percent per year in 1993 and 5.8 percent in 1994. In addition, real non-defense purchases grew only 0.7 percent in 1993 and declined 2.0 percent in 1994. As a result, total real federal government purchases of goods and services declined 4.5 percent in 1993 and 4.6 percent in 1994. In 1995, on the other hand, real defense expenditures are expected to decline only 0.4 percent, while non-defense expenditures decline 0.3 percent, resulting in a decline in total real federal government purchases of goods and services of only 0.4 percent.

3. The dollar will continue to weaken slightly, with the exchange rate of the dollar declining at about a 2 percent annual rate over the forecast period.² Real exports, which grew at a strong 8.5 percent annual rate in 1994, will grow 10.5 percent in 1995.

4. Imported oil prices will increase at about a 1.8 percent annual rate over the forecast period.

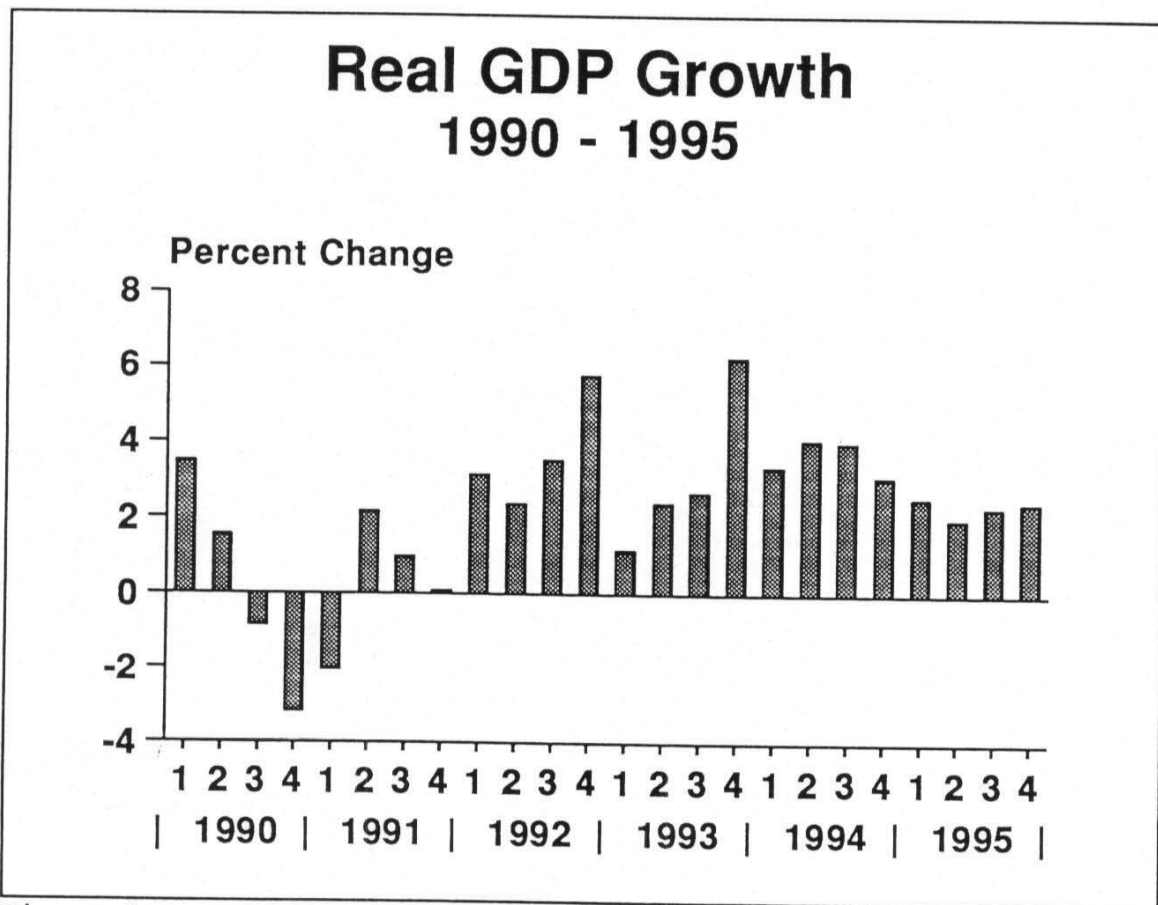


Figure 1

Given these assumptions, our forecast is that the national economy will continue to grow in 1995 but at a slower rate than in 1994. Real gross domestic product (GDP) increased 4.0 percent in 1994, after exhibiting strong growth during the first three quarters. Real GDP is forecasted to grow 2.8 percent in 1995. Although that growth is significantly below 1994's rate of growth, it is slightly above the national economy's long-run average rate of growth of about 2.5 percent and thus does not represent a severe downturn.

Figure 1 illustrates the quarterly pattern of our forecast for output growth. The figure clearly illustrates the expected slowdown in growth relative to the most recent four quarters. There are several reasons for the expected reduction in the rate of output growth in 1995. First, consumer spending, which accounts for about two thirds of output in the national economy, has been a strong contributor to economic growth during the last two years, growing 3.3 percent in 1993 and 3.4 percent in 1994. Our forecast is that consumer spending, while continuing to grow in 1995, will increase at a more modest 2.9 percent pace. Second, the high growth rates of the economy in the second and third quarters of 1994 (4.1 and 4.0 percent, respectively), were aided by unusually high levels of inventory increases by firms. Third, a 12.8 percent increase in federal defense spending also contributed to the 4.0 percent output growth in the third quarter of 1994. Since real federal defense spending has decreased 6.8 percent and 5.8 percent in each of the last two years, this would appear to be more of an accident of timing than of a persisting contribution to output growth. Finally, higher interest rates are expected to slow the growth of the national economy in 1995.

Figure 2 indicates the relative contributions to output growth of the major sectors of the economy in 1994 and 1995. Each bar in the figure indicates the rate at which GDP would grow if the indicated sector grew at its historical or forecasted rate and output in all other sectors remained constant. Since consumer spending accounts for about two thirds of aggregate demand in the U.S. economy, it is not unusual for this sector to be the major contributor to economic growth, even when it is not the fastest growing sector. However, the figure clearly indicates the impact that our forecasted slowdown in consumer spending growth has on the forecast of the overall growth rate of output.

There are two main reasons for the lower rate of consumer spending growth forecasted for 1995. First, the rate of growth of consumer spending outpaced the growth of real disposable personal income in both 1993 and 1994, putting the personal savings rate at a relatively low 4.0 percent in 1994. With an increase in indebtedness consumers will feel more constrained to pay for purchases out of current income. Since we

Contributions to Real GDP Growth Sector Growth

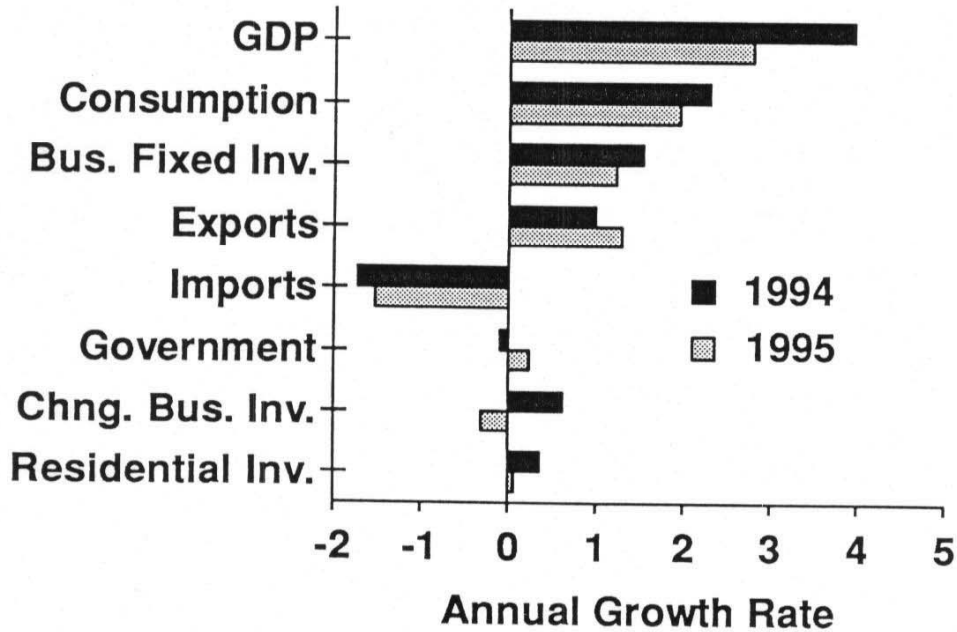


Figure 2

forecast real disposable personal income to grow only 3.1 percent in 1995, we expect consumers to reduce their rate of increase of real consumption spending.

The second reason for our forecast of reduced consumer spending in 1995 is related to the composition of the consumer spending growth that has occurred during the last two years, which has been heavily concentrated in increases in purchases of consumers' durable goods. Real consumer purchases of durable goods increased 8.3 percent in 1993 and 7.9 percent in 1994, greatly exceeding the 2.4 percent average annual rate of growth of real consumer purchases of nondurable goods and the 2.7 percent average annual rate of growth of real consumer purchases of services during the same two year period. Partly because consumers will have caught up with durable goods purchases that were postponed during the recession, and partly because of the higher interest rates and the higher levels of consumer indebtedness referred to above, we expect consumer spending on durable goods to increase a much smaller 6.2 percent in 1995. This compares to 2.4 percent expected growth in real consumer spending on nondurable goods, and 2.3 percent expected

growth in real consumer purchases of services.

As Figure 2 shows, real business investment was a strong contributor to the economy in 1994--as it was in 1993. Real business investment grew more than 12 percent in 1993 and over 13 percent in 1994. We expect that real business investment will continue to be a strong area of the economy in 1995, growing 9.8 percent. However, the fact that it will be growing slower than it did during the last two years is a contributing factor to the reduced rate of output growth forecasted for 1995. Continuing a trend that has been seen over the past several years, most of the growth in business investment will occur in investment in equipment; investment in new structures will grow 4.0 percent, somewhat faster than 1994's 1.4 percent growth but still much lower than the overall rate of increase in business investment.

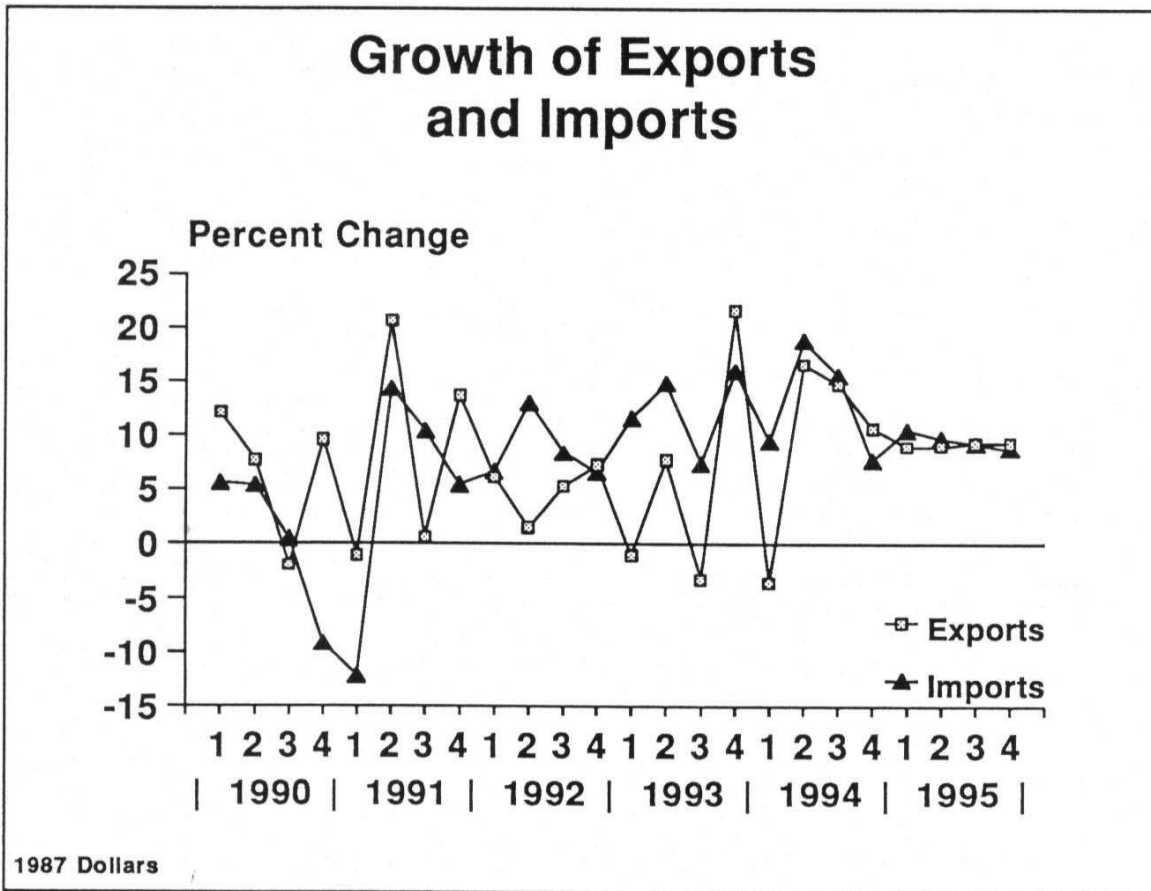


Figure 3

Figure 3 shows the historical growth of imports and exports over the past several years, as well as our forecast. Export growth is expected to be a strength of the economy in 1995, with real exports growing 10.5 percent. In addition, reduced growth in consumer spending will contribute to a lower rate of growth of

imports in 1995, so that export growth will exceed import growth by about two percentage points. Thus, the trade balance should remain stable.³

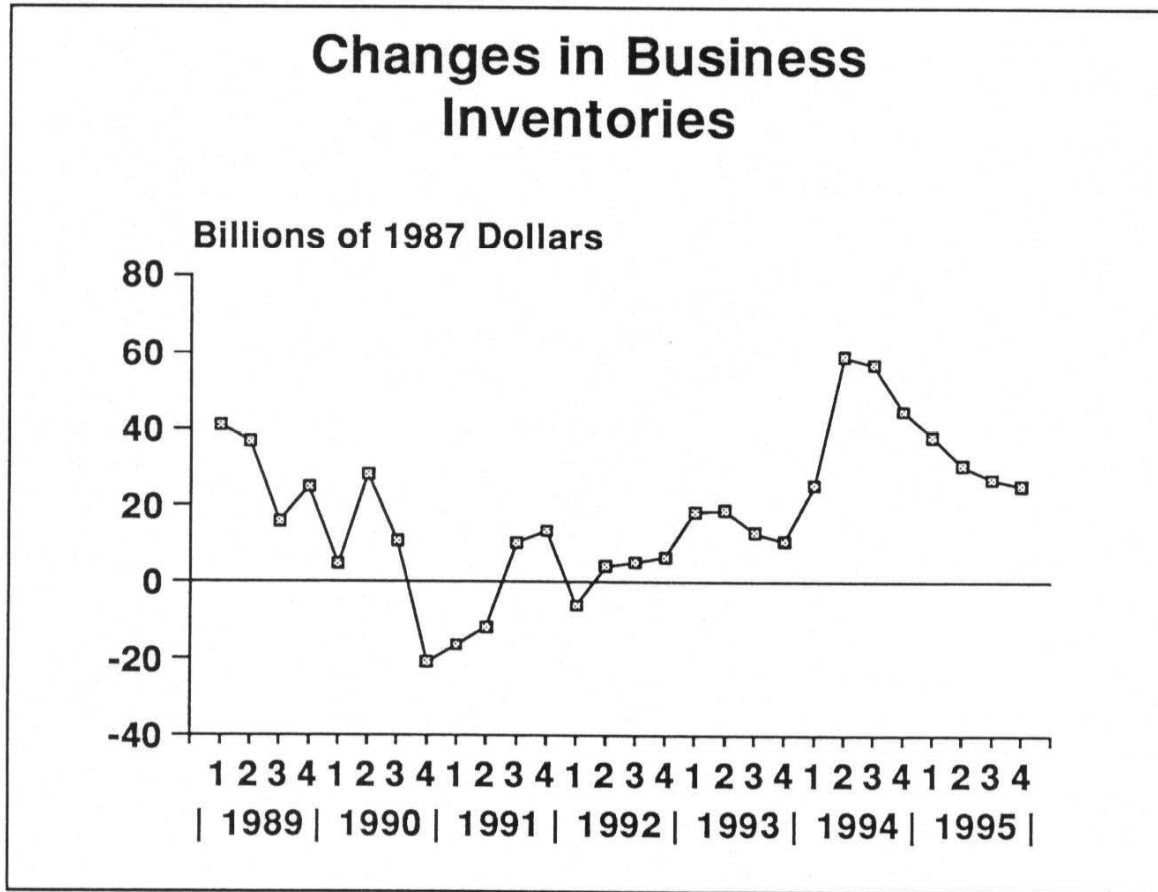


Figure 4

Figure 4 illustrates the historical path and the forecast for changes in business inventories. The unusually high rate of inventory accumulation during the second and third quarters of 1994, relative to the previous five years, is clearly visible in the figure. In fact, if firms had added to inventories at the same rate during the second quarter as they did during the first quarter (which was already higher than the rate during any quarter of the previous two years), the growth rate of real GDP would have been only 1.5 percent in that quarter, rather than the 4.1 percent actually recorded. In the third quarter, firms added to inventories at a slightly faster pace than in the second quarter. Even if these rates of inventory increase were intended by firms, it is highly improbable that rates of inventory buildup that are so much higher than we have seen during the recent history of the economy will continue for an extended period. Thus, expected lower rates of inventory increases are another reason for the forecast of lower growth in 1995.

Although real federal defense spending is expected to decline 0.4 percent in 1995, this is much smaller than the 6.8 and 5.8 percent reductions in 1993 and 1994. When a small expected decrease (0.3 percent) in real federal nondefense spending is included, we get a forecast of a 0.4 percent decline in total federal purchases of goods and services in 1995, which is again much smaller than the 4.5 and 4.6 percent reductions of the previous two years. Overall, government purchases of goods and services should grow 1.3 percent in 1995, driven by a 2.3 percent growth in state and local government purchases.

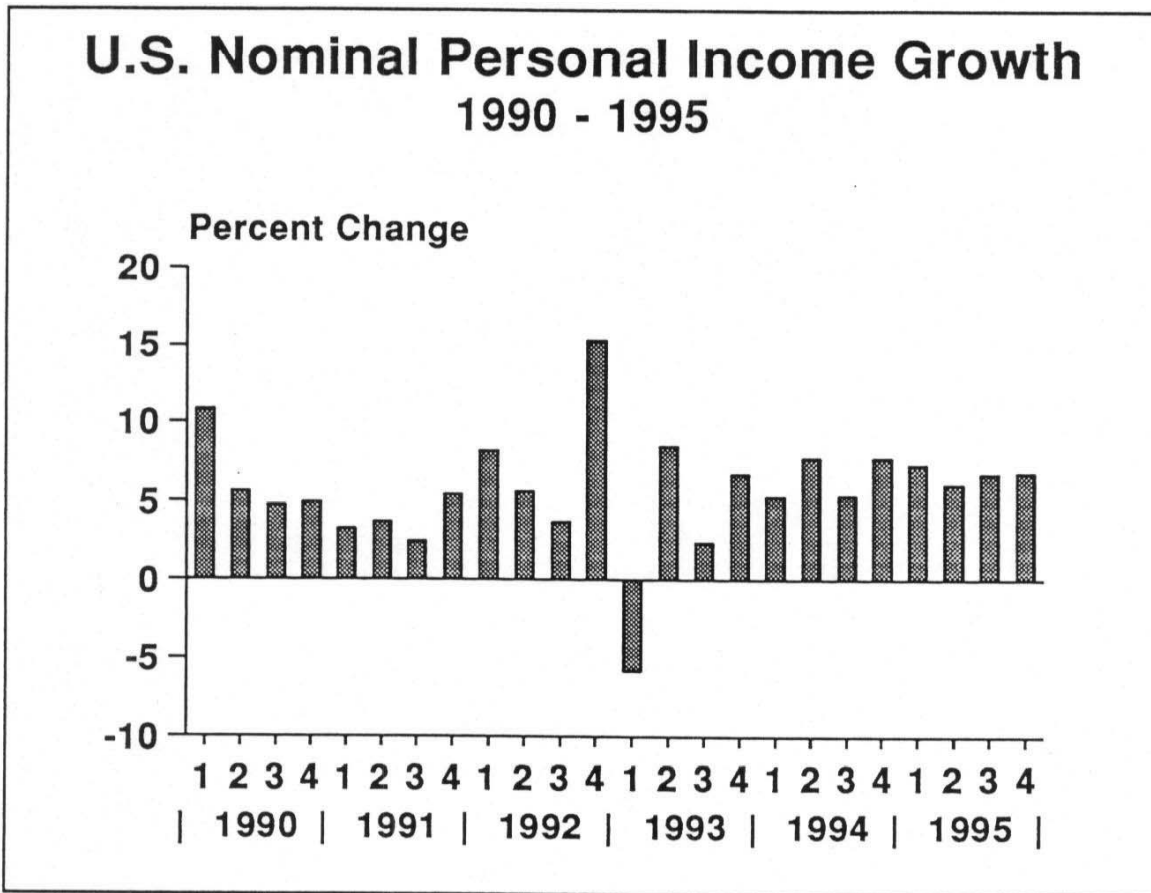


Figure 5

Our forecast for nominal personal income growth is illustrated in Figure 5. Although most of the components of personal income, including wages and salaries, are expected to increase a little slower in 1995 than they did in 1994, total personal income is expected to grow 6.8 percent compared to 6.4 percent in 1994. The reason for this is that, as a result of our prediction of higher interest rates in 1995, personal interest income is expected to grow 11.7 percent compared to 4.0 percent in 1994. Personal income corrected for inflation, however, is forecasted to increase 3.2 percent in 1995, less than its 3.8 percent growth in 1994, due

to somewhat greater inflation expected next year. Similarly, real disposable personal income, after tax income, is expected to grow 3.1 percent in 1995 compared to 3.4 percent in 1994, contributing to the reduction of growth in personal consumption spending discussed above.

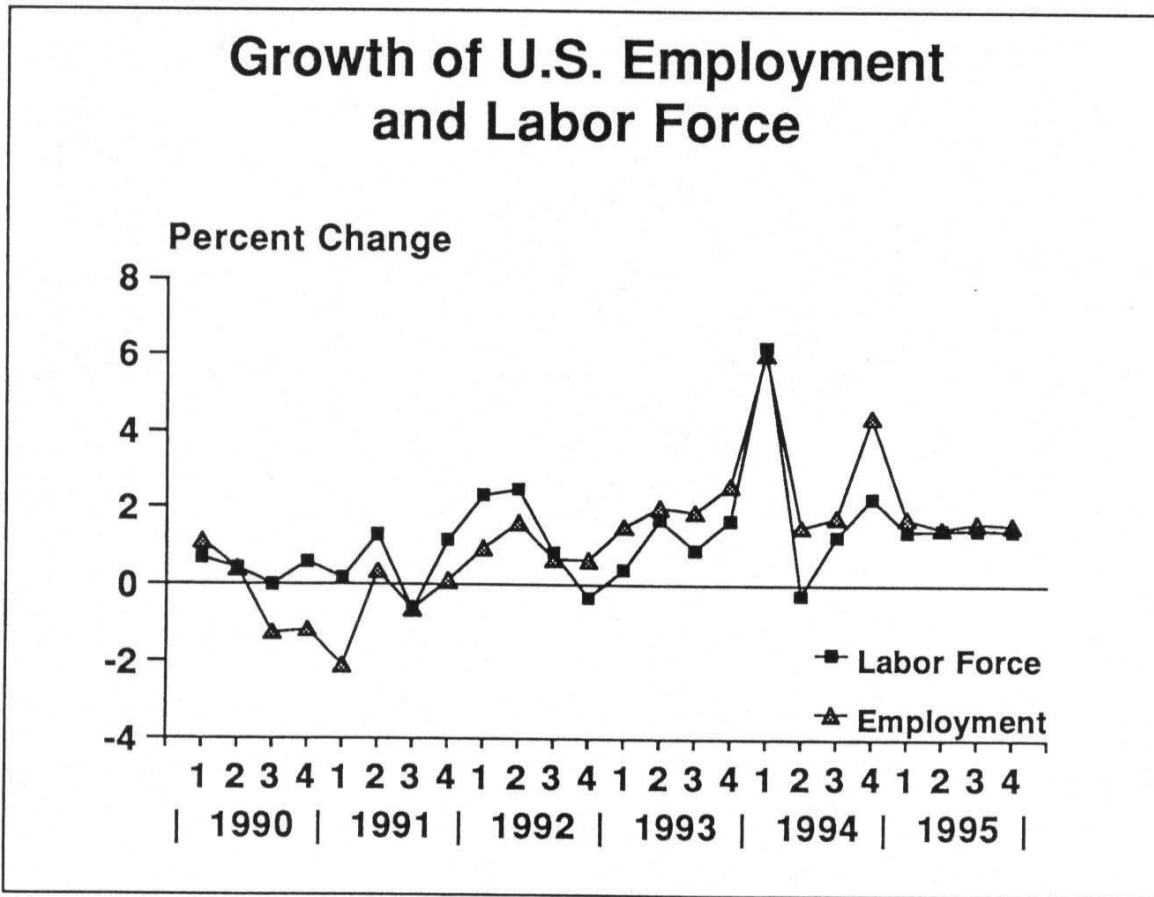


Figure 6

The forecast for labor force and employment growth is shown in Figure 6. The large spike in each series at the first quarter of 1994 is due to a change in the way in which both the labor force and employment are measured by the U.S. Bureau of Labor Statistics and not to a sudden increase in either of the series. The unemployment rate fell during the middle two quarters of 1994, and our forecast calls for that trend to continue through the fourth quarter of the year. Thus, the unemployment rate, which averaged 6.6 percent during the first quarter of the year, is expected to average 5.6 percent during the fourth quarter. Slower growth of the economy in 1995 will mean that the growth of employment will only slightly exceed the growth of the labor force, and the unemployment rate will fall only slightly over the course of the year, finishing the year at 5.4 percent in the fourth quarter.

Inflation Rate Consumer Price Index

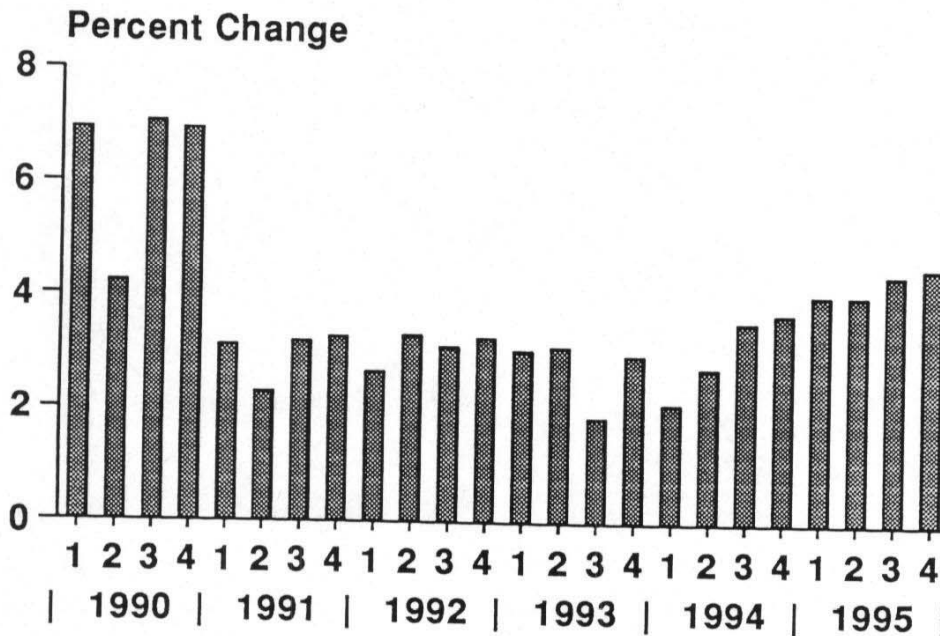


Figure 7

Figure 7 tracks our forecast for inflation as measured by the rate of change of the consumer price index; as the figure indicates, inflation is expected to accelerate modestly during the coming year. The accelerated price increases in our forecast are fairly widely distributed across consumption categories. For example, food and beverage prices are expected to increase 3.5 percent in 1995, compared to a 2.4 percent increase in 1994, while housing costs, which increased 2.6 percent in 1994 are likely to grow 4.0 percent in 1995. Similarly, transportation costs are expected to increase 4.1 percent in 1995 after increasing 3.1 percent in 1994. The growth in transportation costs is driven by an expected 5.0 percent increase in the cost of motor fuel, which grew by less than one percent in 1994. New car prices are expected to increase 3.1 percent after increasing 3.6 percent in 1994. Finally, the costs of medical care are expected to rise 5.5 percent in 1995, compared to a 4.7 percent increase in 1994.

Our interest rate forecasts are illustrated in Figure 8. The Fed's first priority is to keep inflation from accelerating, and its approach seems to be to look for signs of future increases in inflation, and to take action

Interest Rates

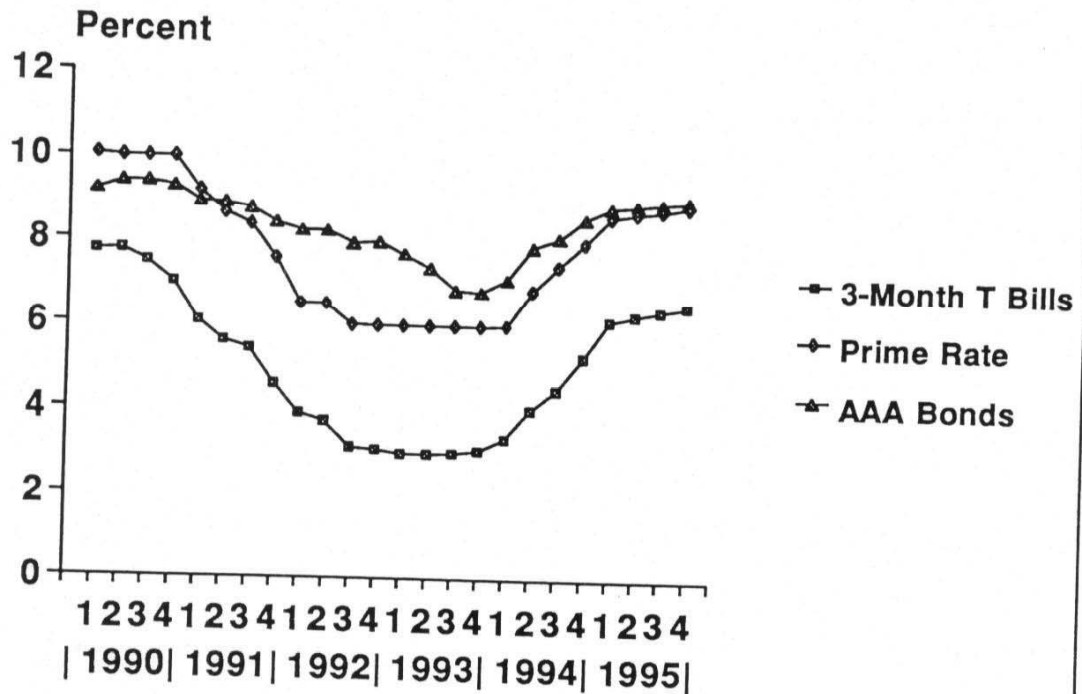


Figure 8

based on these signs, rather than to wait for the actual increases. It appears that one of the signs that the Fed looks to for evidence of accelerating inflation in the future is the current rate of output growth. The U.S. economy has now had four consecutive quarters of output growth at a rate substantially above the long-run average rate of growth of the economy. It is hard to believe that the Fed will not perceive the surprising 4.0 percent growth of the third quarter of 1994 as a signal of potential accelerating inflation down the road and take action to raise interest rates. Thus, in our forecast, short-run interest rates are expected to increase significantly in the first quarter of 1995, and increase at a more modest rate during the rest of the year, with the rate on three-month treasury bills reaching about 6.5 percent by the fourth quarter. The prime lending rate by banks will also increase over the period, increasing from 7.5 percent in the third quarter of 1994 to 9.0 percent by the fourth quarter of 1995. Long-run rates should exhibit a more modest increase, from 8.2 percent in the third quarter of 1994 to 9.1 percent during the last quarter of 1995, as the cooling economy relieves long-run inflationary concerns.

The Kansas Outlook

Overall, the outlook is for Kansas' 1995 economic performance to be much the same as it was in 1994. Total Kansas employment is expected to grow 1.6 percent, while the labor force is expected to grow 1.2 percent, bringing the unemployment rate down to 4.9 percent, from 5.3 percent in 1994. The number of jobs in Kansas, as measured by nonfarm wage and salary employment,⁴ should increase by about 1.8 percent in 1995, a rate that is comparable to 1994's 2.2 percent increase. Based on data for the first half of the year, nominal personal income is expected to grow 5.2 percent in 1994. The forecast is for personal income to grow 5.7 percent in 1995. Although this is slightly faster than 1994's growth, the additional growth will be more than offset by higher inflation; when we correct for the increased inflation, we find that real personal income growth is expected to slow to 2.0 percent from 2.9 percent in 1994.

The breakdown of the forecast of Kansas job growth by sector is given in Table 3. Although mining employment grew in 1994, this was atypical: with the exception of 1990, mining employment declined in every year from 1986 through 1993. Our forecast calls for mining employment to return to the more usual pattern seen over the last decade.

It took four years of growth in construction employment during the 1990-1993 period to return it to the level that it had reached before it declined at the end of the 1980s. Although higher interest rates in 1995 will prevent a repetition of 1994's robust 9.6 percent growth, construction employment should still grow at an above-statewide average of 3.5 percent.

Growth of jobs in both durable and nondurable goods manufacturing should remain solid. Employment in durable goods manufacturing is expected to grow 1.6 percent, slightly above its 1.5 percent growth in 1994. In 1994, the sector was led by employment growth of 7.3 percent in the manufacturing of machinery (including electrical), while employment in the manufacturing of transportation equipment declined 4.3 percent, following a 9.5 percent decline in 1993. For 1995, employment in the manufacturing of machinery is expected to grow a more moderate 1.7 percent, while employment in the manufacturing of transportation equipment is expected to increase 3.0 percent, its first increase in three years. Among the smaller sectors of durable goods manufacturing, employment in stone, glass, and clay, and in primary metals, is expected to decline slightly, following the strong growth in both sectors in 1994. Employment in fabricated metals manufacturing is likely to decrease for the second year in a row.

Table 3
Kansas Employment Growth Breakdown

	1993	1994	1995
Mining	-7.6	3.9	-2.3
Construction	3.4	9.6	3.5
Durable Goods Manufacturing	-3.2	1.5	1.6
Nondurable Goods Manufacturing	1.2	1.8	1.1
Transportation and Utilities	1.2	4.7	1.1
Wholesale Trade	1.8	-3.8	0.6
Retail Trade	2.5	1.2	1.1
Finance, Insurance and Real Estate	0.7	1.0	0.1
Services	2.8	4.8	3.7
State and Local Government	3.5	0.3	1.4
Federal Government	-1.6	1.3	-0.2
Farm	-4.3	7.0	-1.1

Employment in nondurable goods manufacturing will probably grow 1.1 percent in 1995, down only slightly from its 1994 growth of 1.8 percent. Although employment in the food and kindred products subsector should increase only 0.2 percent, compared to 2.9 percent in 1994, employment growth in printing and publishing is expected to continue to lead the sector, with 3.0 percent growth following 4.1 percent growth in 1994. Employment in the food and kindred products sector and the printing and publishing sector make up nearly two thirds of the employment in nondurable goods manufacturing in Kansas. The next largest sector, petroleum and coal products, is expected to experience employment growth of 1.6 percent, after declining 0.1 percent in 1994.

Helped by a 6.4 percent rate of growth in railroad employment, which declined in every year from 1986 through 1993, employment in transportation, communications, and public utilities grew 4.7 percent in 1994. With railroad employment likely to decline slightly in 1995, employment in this sector is expected to grow

a more modest 1.1 percent in 1995. Among other sectors in this area, employment in trucking and warehousing will grow 1.7 percent, compared to 3.9 percent in 1994, while employment in electric, gas, and sanitary services is expected to remain stable, following a 2.6 percent decrease in 1994.

Employment in wholesale trade will increase slightly following a 3.8 percent decline in 1994, but retail trade employment is expected to grow 1.1 percent, near its 1.2 percent rate of growth of 1994. Within the area of retail trade, employment in general merchandise stores will decline slightly after growing 1.8 percent in 1994, while employment in food stores should increase 1.3 percent, compared to a 3.4 percent decline in 1994. Employment among auto dealers and gas stations is expected to decrease slightly in 1995, down from a robust 8.2 percent growth in the previous year. Continuing along the same path as in 1994, employment in apparel and accessory stores should remain level.

Table 4
Kansas Personal Income Growth Breakdown

	1993	1994	1995
Personal Income - Nominal	4.0	5.2	5.7
Wages and Salaries	3.4	5.8	5.6
Nonfarm Proprietors' Income	7.9	7.8	4.8
Farm Proprietors' Income	-1.9	-5.8	-0.4
Dividends Interest and Rent	1.1	3.5	6.8
Personal Contributions for Social Insurance	4.5	6.8	5.9
Transfer Payments	6.9	5.3	6.7
Other Labor Income	8.0	5.8	5.1

Employment in finance, insurance, and real estate is expected to remain steady, following a modest 1.0 percent increase in 1994. Within the sector, employment in the banking area should remain nearly constant, while employment in insurance will decline 3.1 percent. Employment in the services sector, which accounts for over one fourth of the nonfarm jobs in Kansas, is expected to continue its strong growth in 1995, with an

increase of 3.7 percent following 4.8 percent growth in 1994. Although federal government employment is expected to decline slightly, state and local government employment should increase 1.4 percent.

Among the contributors to personal income growth, wages and salaries are expected to grow 5.6 percent in 1995, compared to 5.8 percent in 1994 (Table 4). An interesting sidelight arises in connection with the growth of wages and salaries. During the first half of 1994, the period for which we have data on both employment and wages, the total wages and salaries in the retail trade sector and in the finance, insurance, and real estate sector, after correcting for inflation, have grown significantly faster than the number of jobs. This suggests that jobs in these sectors are more likely to be full-time, or at least provide more hours per week, than a year ago.

Higher interest rates are expected to cause income from dividends, interest, and rents to increase 6.8 percent, compared to a 3.5 percent increase in 1994. The growth of transfer payments should increase from 5.3 percent in 1994 to 6.7 percent in 1995. Adjusted for inflation, real Kansas personal income is expected to grow 2.0 percent in 1995, compared to 2.9 percent in 1994.

Conclusion

There are several good reasons to expect a slowdown in the growth of the national economy in 1995. Removing the stimulus to output growth provided by the unusually high levels of inventory accumulations in 1994 would significantly reduce the rate of output growth even if the rate of growth of real final sales remained the same as it was in 1994. If we add to that the fact that households have managed to keep the rate of real consumption growing above three percent during the last two years by consuming a larger portion of disposable personal income and simultaneously increasing their debt levels, we can probably expect the rate of consumer spending growth to be somewhat lower in 1995. Thus, even without a movement by the Fed, the most likely scenario would be for national economic growth to slow.

In spite of what would appear to be a probable significant slowing of economic growth in 1995, the Fed, more concerned with what it considers to be signs of potential inflation, seems likely to pursue a course of monetary restraint, increasing short-term interest rates in the fourth quarter of 1994 and again in the first quarter of 1995. The level of uncertainty in our knowledge about the economy at any particular time, coupled with the uncertainty about the magnitude of the effects of monetary actions, suggests that 1995 may be a period of some risk for the national economy. If the forces that are expected to slow the economy are strong,

then it could be quite vulnerable at a time when the Fed is taking actions that are the result of a focus on inflationary pressures that have not yet been clearly manifested in consumer prices.

The Kansas economy appears to be somewhat stable. In the durable goods sector, slower employment growth in manufacturing of machinery should be offset by improved performance in transportation equipment manufacturing. Although the employment increase in nondurable goods manufacturing will slow slightly, growth in the printing and publishing subsector will continue to be strong. Overall job growth, although down slightly from 1994, should be sufficiently strong to reduce the unemployment rate slightly, from 5.3 to 4.9 percent. Nominal personal income should grow a bit faster in 1995 (5.7 percent) than in 1994 (5.2 percent), but slightly higher inflation in 1995 means that real personal income will grow 2.0 percent in 1995, compared to 2.9 percent in 1994.

Notes

1. The forecasts for the national economy are produced by the Econometric Model of the United States developed at the Center for Econometric Model Research at the University of Indiana, using assumptions generated at the Institute. The directors of the CEMR are R. Jeffery Green and Morton J. Marcus. The Kansas forecasts are produced by the Kansas Econometric Model, which is a product of the Institute for Public Policy and Business Research.
2. Trade weighted average of the dollar's exchange rate.
3. National Income and Product Accounts basis.
4. Employment refers to total number of Kansas residents employed in civilian (including nonmilitary government) jobs. Nonfarm wage and salary employment refers to total nonfarm civilian (including nonmilitary government) jobs in Kansas. Thus, to go from nonfarm wage and salary employment to employment, one must correct for farm employment, Kansans who have more than one job, Kansans who work out of state, and non-Kansas residents who work in Kansas.

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Institute for Public Policy and Business Research, University of Kansas 1994-1995 US Forecast
 GNP AS EXPENDITURE - 1982 DOLLARS

	1994q1	1994q2	1994q3	1994q4	1995q1	1995q2	1995q3	1995q4	23JAN95	A1
US: Gross Domestic Product	5261.1	5314.1	5367.0	5408.1	5442.2	5469.5	5500.9	5534.2	5337.6	5486.7
Percent Change From Last Qtr (AR)	3.3	4.1	4.0	3.1	2.5	2.0	2.3	2.4	4.0	2.8
US: Personal Consumption Expend.	3546.3	3557.8	3584.7	3616.2	3645.4	3669.0	3692.9	3715.0	3576.3	3680.6
Percent Change From Last Qtr (AR)	4.7	1.3	3.1	3.6	3.3	2.6	2.6	2.4	3.4	2.9
US: Per. Con. Exp.-Durables	521.7	522.2	529.6	541.9	551.9	558.8	565.0	569.8	528.8	561.4
Percent Change From Last Qtr (AR)	8.8	0.4	5.8	9.6	7.6	5.1	4.5	3.5	7.9	6.2
US: PCE-Nondurables	1098.3	1104.3	1113.4	1120.7	1127.5	1132.8	1138.8	1144.4	1109.2	1135.9
Percent Change From Last Qtr (AR)	3.8	2.2	3.3	2.7	2.5	1.9	2.1	2.0	2.8	2.4
US: PCE-Services	1926.3	1931.4	1941.8	1953.6	1966.0	1977.3	1989.1	2000.7	1938.3	1983.3
Percent Change From Last Qtr (AR)	4.0	1.0	2.2	2.5	2.6	2.3	2.4	2.4	2.5	2.3
US: Fixed Nonresidential Invest.	643.6	657.9	680.0	696.9	713.0	728.2	742.2	756.3	669.6	734.9
Percent Change From Last Qtr (AR)	10.9	9.2	14.1	10.3	9.6	8.8	8.0	7.8	13.2	9.8
US: Producers Durable Equipment	499.4	506.9	528.4	544.4	559.2	573.0	585.7	598.7	519.8	579.1
Percent Change From Last Qtr (AR)	18.6	6.2	18.1	12.6	11.4	10.2	9.2	9.1	17.1	11.4
US: Investment in Structures	144.1	151.0	151.6	152.5	153.7	155.2	156.5	157.7	149.8	155.8
Percent Change From Last Qtr (AR)	-11.7	20.3	1.6	2.5	3.3	3.8	3.4	3.1	1.4	4.0
US: Residential Investment	229.9	233.8	230.2	232.0	231.0	228.6	226.6	225.3	231.5	227.9
Percent Change From Last Qtr (AR)	10.0	7.0	-6.0	3.2	-1.7	-4.2	-3.3	-2.3	8.6	-1.6

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas 1994-1995 US Forecast

	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23JAN95	A2
US: Change in Bus. Inventories	25.4	59.2	57.1	44.9	38.2	30.5	26.9	25.2	46.7	30.2
US: Change in Farm Inventories	3.3	7.5	9.7	5.0	0.0	0.0	0.0	0.0	6.4	0.0
US: Change in Nonfarm Inv.	22.1	51.7	47.4	39.9	38.2	30.5	26.9	25.2	40.3	30.2
US: Net Exports	-104.0	-111.8	-117.0	-114.5	-119.9	-123.9	-126.5	-128.2	-111.8	-124.6
Percent Change From Last Qtr (AR)	156.2	33.5	19.9	-8.2	20.0	14.1	8.9	5.4	51.4	11.4
US: Total Exports	619.6	643.9	666.5	683.6	698.5	713.7	729.8	746.2	653.4	722.0
Percent Change From Last Qtr (AR)	-3.5	16.6	14.8	10.7	9.0	9.0	9.3	9.3	8.5	10.5
US: Total Imports	723.6	755.6	783.5	798.1	818.3	837.6	856.3	874.4	765.2	846.7
Percent Change From Last Qtr (AR)	9.5	18.9	15.6	7.7	10.5	9.7	9.3	8.7	13.1	10.6
US: Total Government Purchases	919.9	917.1	932.0	932.6	934.5	937.1	938.9	940.5	925.4	937.8
Percent Change From Last Qtr (AR)	-4.9	-1.2	6.7	0.3	0.8	1.1	0.8	0.7	-0.5	1.3
US: Fed. Govt. Purchases	341.7	334.7	343.5	340.9	340.0	339.7	338.6	337.4	340.2	338.9
Percent Change From Last Qtr (AR)	-10.3	-7.9	10.9	-3.0	-1.1	-0.3	-1.3	-1.4	-4.6	-0.4
US: Fed. Defense Purchases	228.5	226.1	233.0	230.6	230.0	229.3	228.2	227.0	229.5	228.6
Percent Change From Last Qtr (AR)	-16.0	-4.1	12.8	-4.1	-1.0	-1.2	-2.0	-2.2	-5.8	-0.4
US: Fed. Nondefense Purchases	113.2	108.7	110.5	110.3	109.9	110.4	110.4	110.5	110.7	110.3
Percent Change From Last Qtr (AR)	2.9	-15.0	6.8	-0.7	-1.3	1.7	0.1	0.1	-2.0	-0.3
US: State and Local Govt. Purch.	578.3	582.4	588.5	591.7	594.6	597.4	600.3	603.1	585.2	598.8
Percent Change From Last Qtr (AR)	-1.4	2.9	4.3	2.2	1.9	1.9	1.9	1.9	2.1	2.3

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas										1994-1995 US Forecast		23JAN95		1995																													
GNP AS EXPENDITURE - CURRENT DOLLARS										1994Q1		1994Q2		1994Q3		1994Q4		1995Q1		1995Q2		1995Q3		1995Q4		1995																	
US: Gross Domestic Product										6574.7	6689.9	6791.7	6893.5	6995.8	7084.4	7190.7	7303.7	6737.5	7143.7																								
Percent Change From Last Qtr (AR)										6.1	7.2	6.2	6.1	6.1	5.2	6.1	6.4	6.2	6.0																								
US: Personal Consumption Expend.										4535.0	4586.4	4657.5	4732.4	4814.3	4890.1	4973.0	5056.8	4627.8	4933.5																								
Percent Change From Last Qtr (AR)										6.0	4.6	6.3	6.6	7.1	6.4	7.0	6.9	5.7	6.6																								
US: Per. Con. Exp.-Durables										576.2	580.3	591.5	607.6	621.1	631.7	642.2	651.7	588.9	636.6																								
Percent Change From Last Qtr (AR)										9.9	2.9	7.9	11.3	9.2	7.0	6.8	6.0	9.5	8.1																								
US: PCE-Nondurables										1368.9	1381.4	1406.1	1425.9	1444.0	1460.6	1480.4	1500.6	1395.6	1471.4																								
Percent Change From Last Qtr (AR)										4.1	3.7	7.3	5.8	5.2	4.7	5.5	5.6	4.2	5.4																								
US: PCE-Services										2589.9	2624.7	2659.9	2698.9	2749.2	2797.8	2850.4	2904.5	2643.4	2825.5																								
Percent Change From Last Qtr (AR)										6.1	5.5	5.5	6.0	7.7	7.3	7.7	7.8	5.7	6.9																								
US: Fixed Nonresidential Invest.										665.4	683.3	709.1	729.1	747.3	764.5	781.5	798.7	696.7	773.0																								
Percent Change From Last Qtr (AR)										12.4	11.2	16.0	11.8	10.4	9.5	9.2	9.1	13.1	10.9																								
US: Producers Durable Equipment										492.7	501.5	524.5	541.5	556.7	570.4	583.6	597.1	515.0	576.9																								
Percent Change From Last Qtr (AR)										21.2	7.3	19.6	13.7	11.6	10.2	9.7	9.6	16.3	12.0																								
US: Investment in Structures										172.7	181.8	184.6	187.6	190.7	194.1	197.8	201.6	181.7	196.1																								
Percent Change From Last Qtr (AR)										-8.8	22.9	6.3	6.5	6.8	7.5	7.8	7.8	4.8	7.9																								
US: Residential Investment										277.1	283.6	283.4	287.9	288.9	288.2	288.6	290.0	283.0	288.9																								
Percent Change From Last Qtr (AR)										15.7	9.7	-0.3	6.5	1.4	-1.0	0.6	2.0	13.0	2.1																								

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas 1994-1995 US Forecast

	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23JAN95	A4
US: Change in Bus. Inventories	24.1	67.4	62.6	54.2	51.4	41.5	36.9	34.9	52.1	41.2
US: Change in Farm Inventories	1.8	7.0	9.2	-0.1	-0.1	-0.1	-0.1	-0.1	4.5	-0.1
US: Change in Nonfarm Inv.	22.3	60.4	53.4	54.3	51.5	41.6	36.9	34.9	47.6	41.2
US: Net Exports	-86.7	-97.6	-109.6	-109.2	-116.6	-121.6	-123.2	-123.0	-100.8	-121.1
Percent Change From Last Qtr (AR)	119.9	60.6	59.0	-1.4	29.8	18.3	5.4	-0.8	54.4	20.1
US: Total Exports	674.2	704.5	730.5	752.9	773.7	796.1	821.7	848.8	715.5	810.1
Percent Change From Last Qtr (AR)	-3.5	19.2	15.6	12.9	11.5	12.1	13.5	13.9	8.6	13.2
US: Total Imports	760.9	802.1	840.1	862.2	890.3	917.7	944.9	971.7	816.3	931.1
Percent Change From Last Qtr (AR)	5.2	23.5	20.3	10.9	13.7	12.9	12.4	11.9	12.7	14.1
US: Total Government Purchases	1159.8	1166.7	1188.8	1199.1	1210.4	1221.8	1233.9	1246.3	1178.6	1228.1
Percent Change From Last Qtr (AR)	0.9	2.4	7.8	3.5	3.8	3.8	4.0	4.1	2.6	4.2
US: Fed. Govt. Purchases	437.8	435.1	444.3	445.4	448.4	451.4	454.4	457.5	440.6	452.9
Percent Change From Last Qtr (AR)	-1.8	-2.4	8.7	1.0	2.7	2.7	2.7	2.7	-0.7	2.8
US: Fed. Defense Purchases	291.7	291.7	300.5	300.0	301.5	303.0	304.5	306.0	296.0	303.8
Percent Change From Last Qtr (AR)	-9.5	0.0	12.6	-0.7	2.0	2.0	2.0	2.0	-2.2	2.6
US: Fed. Nondefense Purchases	146.1	143.5	143.8	145.4	146.9	148.4	149.9	151.5	144.7	149.2
Percent Change From Last Qtr (AR)	16.3	-6.9	0.8	4.5	4.2	4.2	4.2	4.2	2.7	3.1
US: State and Local Govt. Purch.	722.0	731.5	744.5	753.7	762.0	770.4	779.5	788.8	737.9	775.2
Percent Change From Last Qtr (AR)	2.6	5.4	7.3	5.1	4.5	4.4	4.8	4.9	4.7	5.0

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas
 RELATION OF GNP, MNP, NAT. INCOME & PERS. INCOME

	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23JAN95	A5
US: Gross Domestic Product	6574.7	6689.9	6791.7	6893.5	6995.8	7084.4	7190.7	7303.7	6737.5	7143.7
Percent Change From Last Qtr (AR)	6.1	7.2	6.2	6.1	6.1	5.2	6.1	6.4	6.2	6.0
US: Cap. Cons. Allow. with Adj.	734.1	698.1	709.9	729.9	749.7	768.5	788.0	807.8	718.0	778.5
Percent Change From Last Qtr (AR)	40.7	-18.2	6.9	11.7	11.3	10.4	10.6	10.4	7.3	8.4
US: Cap. Cons. Allow w/o Adj.	683.2	669.8	679.4	699.4	719.2	738.0	757.5	777.3	682.9	748.0
Percent Change From Last Qtr (AR)	21.8	-7.6	5.9	12.3	11.8	10.9	11.0	10.8	7.5	9.5
US: Cap. Cons. Adjustment, Total	-50.9	-28.3	-30.5	-30.5	-30.5	-30.5	-30.5	-30.5	-35.1	-30.5
Percent Change From Last Qtr (AR)	1992.0	-90.4	34.9	0.0	0.0	0.0	0.0	0.0	3.2	-13.0
US: Net National Product	5840.0	5984.5	6069.8	6151.4	6233.7	6303.2	6389.8	6482.7	6011.4	6352.4
Percent Change From Last Qtr (AR)	2.6	10.3	5.8	5.5	5.5	4.5	5.6	5.9	5.9	5.7
US: Indirect Business Taxes	544.7	550.3	557.2	564.9	573.1	581.1	589.1	597.2	554.3	585.1
Percent Change From Last Qtr (AR)	3.8	4.2	5.1	5.6	6.0	5.7	5.6	5.6	5.5	5.6
US: Business Transfer Payments	30.1	30.3	30.8	31.5	32.1	32.6	33.2	33.7	30.7	32.9
Percent Change From Last Qtr (AR)	22.7	2.7	6.8	9.0	8.0	6.3	7.3	7.2	7.0	7.2
US: Statistical Discrepancy	-36.1	-24.0	-21.1	-21.1	-21.1	-21.1	-21.1	-21.1	-25.6	-21.1
US: Sub. less Cur. Sur.-Gov. E.	7.4	3.0	-8.0	-8.3	-8.6	-8.9	-9.2	-9.5	-1.5	-9.0
Percent Change From Last Qtr (AR)	-84.0	-97.3	4956.8	15.9	15.3	14.7	14.2	13.7	-116.4	513.6
US: National Income	5308.7	5430.7	5494.9	5568.0	5639.8	5700.8	5778.2	5862.1	5450.6	5745.2
Percent Change From Last Qtr (AR)	3.6	9.5	4.8	5.4	5.3	4.4	5.5	5.9	6.2	5.4

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas 1994-1995 US Forecast

	1994q1	1994q2	1994q3	1994q4	1995q1	1995q2	1995q3	1995q4	23JAN95	A6
US: Corp. Prof. W. IVA + CCADJ	508.2	546.4	556.0	534.4	523.8	519.6	520.9	527.7	536.2	523.0
Percent Change From Last Qtr (AR)	-17.9	33.6	7.2	-14.7	-7.7	-3.2	1.0	5.3	10.4	-2.5
US: Net Interest	394.2	399.7	415.7	431.2	442.7	451.9	460.0	467.7	410.2	455.6
Percent Change From Last Qtr (AR)	5.3	5.7	17.0	15.8	11.1	8.5	7.4	6.9	2.7	11.1
US: Cont. to Soc. Ins.-Total	614.7	623.5	628.9	639.1	650.9	658.5	667.5	676.4	626.5	663.3
Percent Change From Last Qtr (AR)	12.2	5.9	3.5	6.6	7.6	4.8	5.5	5.5	7.0	5.9
US: Wage Accruals less Disburs.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US: Govt. Trans. to Pers.-Total	924.2	934.3	945.4	954.8	971.8	991.2	1011.2	1032.3	939.7	1001.6
Percent Change From Last Qtr (AR)	7.2	4.4	4.8	4.0	7.3	8.2	8.3	8.6	5.3	6.6
US: Personal Interest Income	631.1	649.4	674.2	697.7	718.1	733.2	748.3	763.8	663.1	740.9
Percent Change From Last Qtr (AR)	2.2	12.1	16.2	14.7	12.3	8.6	8.5	8.5	3.9	11.7
US: Personal Dividend Income	185.7	191.7	196.9	202.3	206.6	210.9	215.4	219.9	194.2	213.2
Percent Change From Last Qtr (AR)	3.5	13.6	11.3	11.5	8.8	8.7	8.6	8.7	7.1	9.8
US: Personal Income	5555.8	5659.9	5734.5	5842.0	5945.6	6033.4	6132.7	6234.8	5698.0	6086.6
Percent Change From Last Qtr (AR)	5.3	7.7	5.4	7.7	7.3	6.0	6.7	6.8	6.0	6.8

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas
DISPOSITION OF PERSONAL INCOME - CURRENT DOLLARS

	1994q1	1994q2	1994q3	1994q4	1995q1	1995q2	1995q3	1995q4	23JAN95	A7
US: Personal Income	5555.8	5659.9	5734.5	5842.0	5945.6	6033.4	6132.7	6234.8	5698.0	6086.6
Percent Change From Last Qtr (AR)	5.3	7.7	5.4	7.7	7.3	6.0	6.7	6.8	6.0	6.8
US: Wage and Salary Disburse.	3208.3	3257.2	3293.9	3353.8	3407.2	3449.7	3500.8	3552.4	3278.3	3477.5
Percent Change From Last Qtr (AR)	7.8	6.2	4.6	7.5	6.5	5.1	6.1	6.0	6.4	6.1
US: Other Labor Income	373.2	378.4	383.7	390.6	396.8	401.7	407.6	413.6	381.5	404.9
Percent Change From Last Qtr (AR)	7.2	5.7	5.7	7.4	6.5	5.0	6.0	6.0	7.4	6.2
US: Total Proprietors Inc.	471.0	471.3	467.0	474.3	478.7	482.8	488.6	495.1	470.9	486.3
Percent Change From Last Qtr (AR)	7.2	0.3	-3.6	6.4	3.7	3.5	4.8	5.4	6.6	3.3
US: Farm Proprietors Inc.	47.2	39.3	29.8	30.4	29.6	29.4	29.5	29.9	36.7	29.6
Percent Change From Last Qtr (AR)	27.7	-51.9	-66.9	8.9	-10.7	-2.9	2.4	5.3	-1.6	-19.3
US: Nonfarm Proprietors Inc.	423.8	431.9	437.1	443.9	449.1	453.5	459.0	465.1	434.2	456.7
Percent Change From Last Qtr (AR)	5.2	7.9	4.9	6.4	4.8	3.9	5.0	5.4	7.4	5.2
US: Rental Income of Persons	15.3	34.1	32.6	32.3	32.8	33.3	33.8	34.3	28.6	33.5
Percent Change From Last Qtr (AR)	-93.5	2367.5	-16.5	-3.6	6.3	6.2	6.1	6.0	18.4	17.4
US: Personal Interest Income	631.1	649.4	674.2	697.7	718.1	733.2	748.3	763.8	663.1	740.9
Percent Change From Last Qtr (AR)	2.2	12.1	16.2	14.7	12.3	8.6	8.5	8.5	3.9	11.7
US: Personal Dividend Income	185.7	191.7	196.9	202.3	206.6	210.9	215.4	219.9	194.2	213.2
Percent Change From Last Qtr (AR)	3.5	13.6	11.3	11.5	8.8	8.7	8.6	8.7	7.1	9.8
US: Total Transfer Payments	947.4	957.6	969.0	979.0	996.7	1016.6	1037.2	1058.8	963.3	1027.3
Percent Change From Last Qtr (AR)	7.2	4.4	4.8	4.2	7.4	8.2	8.3	8.6	5.2	6.7

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

	1994-1995 US Forecast										23JAN95	A8
	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1994	1995		
US: Tot. Pers. Tax + Nontax Pay Percent Change From Last Qtr (AR)	723.0 9.4	746.4 13.6	744.1 -1.2	757.9 7.6	772.4 7.9	792.9 11.0	806.9 7.2	821.2 7.3	742.8 8.2	798.3 7.5		
US: Disposable Personal Income Percent Change From Last Qtr (AR)	4832.8 4.7	4913.5 6.8	4990.3 6.4	5084.1 7.7	5173.1 7.2	5240.5 5.3	5325.8 6.7	5413.6 6.8	4955.2 5.7	5288.3 6.7		
US: Personal Consumption Expend. Percent Change From Last Qtr (AR)	4535.0 6.0	4586.4 4.6	4657.5 6.3	4732.4 6.6	4814.3 7.1	4890.1 6.4	4973.0 7.0	5056.8 6.9	4627.8 5.7	4933.5 6.6		
US: Int. Paid by Cons. to Bus. Percent Change From Last Qtr (AR)	111.7 11.5	115.5 14.3	119.3 13.8	122.3 10.3	125.6 11.2	128.8 10.9	133.3 14.7	138.4 16.0	117.2 8.3	131.5 12.2		
US: Pers. Trans. Pay. to For. Percent Change From Last Qtr (AR)	10.5 31.8	10.5 0.0	10.3 -7.4	10.3 0.0	10.3 0.0	10.3 0.0	10.3 0.0	10.3 0.0	10.4 5.9	10.3 -1.0		
US: Personal Saving Percent Change From Last Qtr (AR)	175.5 -26.3	201.1 72.4	203.3 4.4	219.1 34.9	222.9 7.2	211.3 -19.4	209.2 -3.9	208.2 -1.9	199.8 3.7	212.9 6.6		
US: Disposable Personal Income Percent Change From Last Qtr (AR)	3779.2 3.4	3811.5 3.5	3840.9 3.1	3884.8 4.7	3918.3 3.5	3932.9 1.5	3956.1 2.4	3978.5 2.3	3829.1 3.4	3946.5 3.1		
US: YSAV as a Percent of YPD	3.6	4.1	4.1	4.3	4.3	4.0	3.9	3.8	4.0	4.0		

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Institute for Public Policy and Business Research, University of Kansas		1994-1995 US Forecast					23 JAN 95		A9		
		1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3		1995Q4	1994
NATIONAL INCOME - CURRENT DOLLARS											
US: National Income		5308.7	5430.7	5494.9	5568.0	5639.8	5700.8	5778.2	5862.1	5450.6	5745.2
Percent Change From Last Qtr (AR)		3.6	9.5	4.8	5.4	5.3	4.4	5.5	5.9	6.2	5.4
US: Wages and Salaries		3208.3	3257.2	3293.9	3353.8	3407.2	3449.7	3500.8	3552.4	3278.3	3477.5
Percent Change From Last Qtr (AR)		7.8	6.2	4.6	7.5	6.5	5.1	6.1	6.0	5.7	6.1
US: W. and S.-Govt. + Govt. Ent.		595.7	601.9	604.4	607.9	622.7	627.6	632.6	637.6	602.5	630.1
Percent Change From Last Qtr (AR)		5.5	4.2	1.7	2.4	10.1	3.2	3.2	3.2	3.2	4.6
US: W. and S.-Other		2612.6	2655.4	2689.6	2745.9	2784.5	2822.1	2868.2	2914.8	2675.9	2847.4
Percent Change From Last Qtr (AR)		8.4	6.7	5.3	8.6	5.7	5.5	6.7	6.7	6.3	6.4
US: Supplements to W. and s.		711.7	722.0	729.7	742.0	754.5	763.4	774.1	784.8	726.3	769.2
Percent Change From Last Qtr (AR)		8.5	5.9	4.3	6.9	6.9	4.8	5.7	5.7	6.9	5.9
US: Emp. Cont. to Soc. Ins.		338.5	343.6	346.0	351.4	357.7	361.7	366.5	371.2	344.9	364.3
Percent Change From Last Qtr (AR)		9.9	6.2	2.8	6.4	7.4	4.5	5.3	5.3	6.3	5.6
US: Other Labor Income		373.2	378.4	383.7	390.6	396.8	401.7	407.6	413.6	381.5	404.9
Percent Change From Last Qtr (AR)		7.2	5.7	5.7	7.4	6.5	5.0	6.0	6.0	7.4	6.2
US: Total Proprietors Inc.		471.0	471.3	467.0	474.3	478.7	482.8	488.6	495.1	470.9	486.3
Percent Change From Last Qtr (AR)		7.2	0.3	-3.6	6.4	3.7	3.5	4.8	5.4	6.6	3.3
US: Farm Proprietors Inc.		47.2	39.3	29.8	30.4	29.6	29.4	29.5	29.9	36.7	29.6
Percent Change From Last Qtr (AR)		27.7	-51.9	-66.9	8.9	-10.7	-2.9	2.4	5.3	-1.6	-19.3
US: Nonfarm Proprietors Inc.		423.8	431.9	437.1	443.9	449.1	453.5	459.0	465.1	434.2	456.7
Percent Change From Last Qtr (AR)		5.2	7.9	4.9	6.4	4.8	3.9	5.0	5.4	7.4	5.2

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas 1994-1995 US Forecast										
	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23 JAN95	A10
US: Rental Income of Persons Percent Change From Last Qtr (AR)	15.3	34.1	32.6	32.3	32.8	33.3	33.8	34.3	28.6	33.5
	-93.5	2367.5	-16.5	-3.6	6.3	6.2	6.1	6.0	18.4	17.4
US: Corp. Prof. w. IVA + CCADJ Percent Change From Last Qtr (AR)	508.2	546.4	556.0	534.4	523.8	519.6	520.9	527.7	536.2	523.0
	-17.9	33.6	7.2	-14.7	-7.7	-3.2	1.0	5.3	10.4	-2.5
US: Net Interest Percent Change From Last Qtr (AR)	394.2	399.7	415.7	431.2	442.7	451.9	460.0	467.7	410.2	455.6
	5.3	5.7	17.0	15.8	11.1	8.5	7.4	6.9	2.7	11.1
US: Corp. Prof. before Tax Percent Change From Last Qtr (AR)	483.5	523.1	538.1	516.9	507.0	502.2	506.3	513.8	515.4	507.3
	-13.7	37.0	12.0	-14.9	-7.4	-3.7	3.2	6.1	11.5	-1.6
US: Profits Tax Liability Percent Change From Last Qtr (AR)	184.1	201.7	208.6	200.6	195.8	192.8	192.8	194.0	198.8	193.8
	-14.6	44.1	14.4	-14.4	-9.3	-6.1	-0.0	2.6	14.7	-2.5
US: Corp. Prof. after Taxes Percent Change From Last Qtr (AR)	299.4	321.4	329.5	316.2	311.2	309.5	313.5	319.8	316.6	313.5
	-13.2	32.8	10.5	-15.2	-6.2	-2.2	5.3	8.3	9.5	-1.0
US: Dividends-Total Percent Change From Last Qtr (AR)	196.3	202.5	207.9	213.4	217.9	222.5	227.1	231.8	205.0	224.8
	3.5	13.2	11.1	11.0	8.7	8.6	8.6	8.6	7.0	9.7
US: Undistributed Corp. Prof. Percent Change From Last Qtr (AR)	103.0	118.9	121.6	102.8	93.3	87.0	86.4	88.0	111.6	88.7
	-37.0	77.6	9.4	-48.9	-32.3	-24.1	-2.7	7.5	14.4	-20.5
US: Inventory Valuation Adj. Percent Change From Last Qtr (AR)	-12.3	-14.1	-19.6	-19.8	-20.3	-19.6	-22.1	-22.7	-16.5	-21.2
	1182.2	72.7	273.4	5.0	10.6	-13.8	62.7	11.2	166.6	28.9
US: Corp. Cap. Cons. Adj. Percent Change From Last Qtr (AR)	37.0	37.4	37.5	37.3	37.2	37.0	36.8	36.7	37.3	36.9
	-17.3	4.4	1.1	-1.8	-1.8	-1.8	-1.8	-1.8	26.5	-1.1
US: Net Interest Percent Change From Last Qtr (AR)	394.2	399.7	415.7	431.2	442.7	451.9	460.0	467.7	410.2	455.6
	5.3	5.7	17.0	15.8	11.1	8.5	7.4	6.9	2.7	11.1

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas 1994-1995 US Forecast
 PRICE DEFLATORS

	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23JAN95	A11
US: CPI-All items	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5
Percent Change From Last Qtr (AR)	2.1	2.8	3.6	3.7	4.1	4.1	4.5	4.6	2.7	3.9
US: Implicit Deflator - GDP	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Percent Change From Last Qtr (AR)	2.7	3.0	2.1	2.9	3.4	3.1	3.7	3.9	2.2	3.1
US: Implicit Deflator - C	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.3	1.3
Percent Change From Last Qtr (AR)	1.3	3.3	3.2	2.9	3.6	3.8	4.2	4.4	2.2	3.6
US: Implicit Deflator - IOIL	0.7	0.9	0.9	1.0	1.0	1.0	1.0	1.0	0.9	1.0
Percent Change From Last Qtr (AR)	-34.8	79.6	49.4	5.9	1.8	1.8	1.8	1.8	-4.4	10.9

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas 1994-1995 US Forecast
EMPLOYMENT

	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23 JAN 95	A12
US: Civilian Labor Force Percent Change From Last Qtr (AR)	130.7 6.2	130.6 -0.3	131.0 1.3	131.7 2.3	132.2 1.4	132.7 1.4	133.1 1.4	133.6 1.4	131.0 2.3	132.9 1.4
US: Civilian Employment Percent Change From Last Qtr (AR)	122.1 6.0	122.5 1.5	123.1 1.8	124.4 4.4	125.0 1.7	125.4 1.5	125.9 1.6	126.4 1.6	123.0 3.1	125.7 2.1
US: Unemployment Percent Change From Last Qtr (AR)	8.6 9.0	8.0 -23.0	7.9 -6.2	7.3 -26.9	7.2 -4.3	7.2 0.6	7.2 -1.8	7.2 -1.2	8.0 -8.7	7.2 -9.3
US: Unemployment Rate-Total	6.6	6.1	6.0	5.6	5.5	5.5	5.4	5.4	6.1	5.4
US: Tot. Nonfarm Empl. Percent Change From Last Qtr (AR)	112.0 2.2	113.0 3.7	113.9 3.3	114.6 2.5	115.2 2.1	115.7 1.8	116.3 2.0	116.8 1.9	113.4 2.6	116.0 2.3
US: Total Govt. Empl. Percent Change From Last Qtr (AR)	18.9 0.6	19.0 1.8	19.1 1.8	19.2 1.4	19.2 2.0	19.3 1.9	19.4 1.9	19.5 1.9	19.0 1.2	19.4 1.8
US: Fed. Govt. Empl. Percent Change From Last Qtr (AR)	2.9 -2.1	2.9 -2.6	2.9 -1.4	2.8 -6.0	2.8 -1.0	2.8 -1.0	2.8 -1.0	2.8 -1.0	2.9 -1.9	2.8 -2.1
US: S & L Govt. Empl. Percent Change From Last Qtr (AR)	16.0 1.1	16.1 2.6	16.2 2.3	16.3 2.8	16.4 2.5	16.5 2.5	16.6 2.4	16.7 2.4	16.2 1.8	16.6 2.5
US: Output Per Nonhour-Pr. Nonag. Percent Change From Last Qtr (AR)	23.6 1.0	23.6 -0.7	23.8 3.1	23.7 -1.0	23.8 1.2	23.8 0.9	23.8 0.5	23.9 0.6	23.7 1.3	23.8 0.7

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas
 FINANCIAL AND GOVERNMENT BUDGET DEFECIT

	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23JAN95	A13
US: M1 Money Supply	1138.1	1143.4	1152.0	1158.6	1171.5	1184.2	1197.5	1210.9	1148.0	1191.0
Percent Change From Last Qtr (AR)	6.1	1.9	3.1	2.3	4.5	4.4	4.6	4.6	6.4	3.7
US: M2 Money Supply	3575.3	3592.5	3599.3	3595.0	3630.5	3666.4	3702.6	3739.2	3590.5	3684.7
Percent Change From Last Qtr (AR)	1.9	1.9	0.8	-0.5	4.0	4.0	4.0	4.0	1.8	2.6
US: 3-Month T-Bill Rate	3.3	4.0	4.5	5.3	6.2	6.3	6.4	6.5	4.3	6.4
Percent Change From Last Qtr (AR)	24.0	138.0	55.8	89.8	85.3	10.0	6.3	7.4	41.5	49.0
US: Prime Rate Charged By Banks	6.0	6.9	7.5	8.1	8.7	8.8	8.9	9.0	7.1	8.8
Percent Change From Last Qtr (AR)	1.3	72.3	40.1	33.8	34.8	4.8	3.5	4.6	18.7	24.0
US: Moody's AAA Corp. Bond Rate	7.2	7.9	8.2	8.6	8.9	9.0	9.0	9.1	8.0	9.0
Percent Change From Last Qtr (AR)	19.8	51.7	11.9	25.2	13.2	2.9	2.4	2.9	10.6	12.9
US: Federal Govt. Surplus	-176.2	-145.1	-154.0	-154.5	-158.7	-158.6	-162.0	-165.1	-157.4	-161.1
Percent Change From Last Qtr (AR)	-58.9	-54.0	26.9	1.2	11.4	-0.2	8.8	7.8	-34.8	2.3

US forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Indiana Econometric Model of the United States.

Institute for Public Policy and Business Research, University of Kansas EMPLOYMENT	1994-1995 Kansas Forecast					A14			
	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1		23JAN95	1994	1995
KS EMP: Civilian Labor Force Percent Change From One Year Ago	1324.8 -0.1	1355.5 0.2	1340.8 -0.2	1333.2 -0.3	1340.9 1.2	1369.3 1.0	1351.1 1.3	1338.6 -0.1	1355.0 1.2
KS EMP: Employed Percent Change From One Year Ago	1240.1 -1.7	1286.2 0.3	1276.4 -0.3	1269.4 -0.6	1265.1 2.0	1301.9 1.2	1285.3 1.3	1268.0 -0.6	1288.6 1.6
KS EMP: Unemployed Percent Change From One Year Ago	84.7 30.6	69.3 -1.3	64.4 1.6	63.8 6.3	75.8 -10.5	67.4 -2.7	65.8 3.1	70.5 9.2	66.4 -5.9
KS EMP: Unemployment Rate Percent Change From One Year Ago	6.4 30.6	5.1 -1.3	4.8 2.1	4.8 6.4	5.7 -11.7	4.9 -3.5	4.9 1.7	5.3 9.4	4.9 -7.0
KS EMP: Adj. for Res. & Self Emp. Percent Change From One Year Ago	45.1 -52.6	64.3 -24.1	65.4 -34.8	42.8 -47.3	57.6 27.6	56.5 -12.2	40.8 -4.5	54.4 -39.8	54.6 0.4
KS EMP: Farm Percent Change From One Year Ago	52.6 7.9	57.4 1.2	56.1 8.3	50.1 11.7	45.6 -13.3	58.8 2.5	47.1 -6.1	54.0 7.0	53.4 -1.1
KS EMP: Total Non-farm Wage & Salary Percent Change From One Year Ago	1142.3 2.2	1164.5 2.0	1155.0 2.4	1176.5 2.2	1161.9 1.7	1186.6 1.9	1197.4 1.8	1159.6 2.2	1180.6 1.8
KS EMP: Mining Percent Change From One Year Ago	8.5 2.8	8.7 2.8	8.8 6.9	8.6 3.3	8.3 -3.3	8.4 -2.6	8.5 -1.5	8.7 3.9	8.5 -2.5

Kansas forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Kansas Econometric Model.

	1994q1	1994q2	1994q3	1994q4	1995Q1	1995Q2	1995Q3	1995Q4	23JAN95	A15
EMP: Oil & Gas Extraction Percent Change From One Year Ago	7.3 0.9	7.3 1.9	7.5 6.1	7.4 2.3	7.1 -2.3	7.2 -2.5	7.3 -2.1	7.3 -1.4	7.4 2.8	7.2 -2.1
EMP: Mining Residual Percent Change From One Year Ago	1.2 15.6	1.3 8.1	1.3 11.1	1.3 9.2	1.1 -9.3	1.3 -3.1	1.3 -1.5	1.2 -2.0	1.3 10.9	1.2 -3.9
EMP: Construction Percent Change From One Year Ago	43.5 7.0	50.8 8.7	55.3 12.6	52.5 9.8	46.8 7.4	53.5 5.5	55.7 0.9	53.1 1.1	50.5 9.6	52.3 3.5
EMP: Non-durable Goods Percent Change From One Year Ago	78.7 2.9	78.7 1.7	78.9 1.2	78.2 1.2	78.5 -0.3	79.9 1.5	80.1 1.5	79.7 1.9	78.7 1.8	79.5 1.1
EMP: Food & Kindred Percent Change From One Year Ago	28.8 5.0	28.5 2.4	28.5 1.5	28.4 2.8	28.0 -2.8	28.5 -0.0	29.0 1.9	29.0 1.9	28.6 2.9	28.6 0.2
EMP: Apparel Percent Change From One Year Ago	4.1 9.9	4.1 11.8	4.1 4.3	3.9 -1.2	3.8 -7.4	3.8 -8.0	3.7 -8.1	3.6 -7.3	4.0 6.0	3.7 -7.7
EMP: Printing & Publishing Percent Change From One Year Ago	21.0 2.6	21.5 3.9	21.6 5.0	21.2 4.9	21.9 4.4	22.3 3.8	21.8 1.2	21.8 2.7	21.3 4.1	21.9 3.0
EMP: Chemicals & Allied Prod. Percent Change From One Year Ago	6.7 -1.9	6.7 -2.4	6.6 -2.0	6.5 -1.2	6.5 -3.5	6.5 -1.9	6.5 -1.5	6.4 -1.5	6.6 -1.9	6.5 -2.1
EMP: Petroleum & Coal Percent Change From One Year Ago	12.7 2.4	12.6 -0.3	12.8 -0.3	12.6 -2.1	12.6 -0.7	13.0 2.7	13.1 2.4	12.9 2.2	12.7 -0.1	12.9 1.6
EMP: Non-durables Residual Percent Change From One Year Ago	5.4 -4.2	5.3 -7.0	5.4 -8.4	5.5 -7.1	5.6 4.6	5.8 8.5	5.9 9.1	6.0 8.9	5.4 -6.7	5.8 7.8

Kansas forecasts were generated using assumptions determined by the Institute for Public Policy and Business Research and operationalized through the Kansas Econometric Model.

	1994-1995 Kansas Forecast										23JAN95		A16
	1994q1	1994q2	1994q3	1994q4	1995q1	1995q2	1995q3	1995q4	1994	1995			
KS EMP: Durable Goods Percent Change From One Year Ago	102.4 0.0	103.9 1.5	103.1 1.0	104.5 3.6	104.1 1.7	105.0 1.1	105.2 2.0	106.3 1.7	103.5 1.5	105.2 1.6			
KS EMP: Stone Glass Clay Percent Change From One Year Ago	5.8 6.8	6.2 6.3	6.2 6.3	6.1 5.7	5.8 0.3	6.1 -1.6	6.2 -1.3	6.0 -1.3	6.1 6.3	6.0 -1.0			
KS EMP: Primary Metals Percent Change From One Year Ago	3.2 5.4	3.4 9.7	3.6 16.1	3.5 13.9	3.4 6.6	3.4 0.3	3.3 -7.4	3.3 -6.8	3.4 11.3	3.4 -2.0			
KS EMP: Fabricated Metals Percent Change From One Year Ago	9.3 1.8	9.2 -0.7	9.3 -1.4	9.2 -2.3	9.1 -2.8	9.2 0.2	9.2 -0.4	9.2 -0.7	9.2 -0.7	9.2 -0.9			
KS EMP: Machinery, Incl. Electrical Percent Change From One Year Ago	30.6 7.0	31.2 7.0	31.6 7.4	31.7 7.9	31.9 4.3	31.8 2.1	31.8 0.4	31.7 -0.0	31.3 7.3	31.8 1.7			
KS EMP: Transportation Equipment Percent Change From One Year Ago	42.3 -7.6	42.4 -4.2	40.6 -5.7	42.4 0.7	42.6 0.8	42.8 0.8	42.9 5.5	44.4 4.9	41.9 -4.3	43.2 3.0			
KS EMP: Durables Residual Percent Change From One Year Ago	11.2 7.3	11.6 7.1	11.8 5.7	11.6 4.0	11.3 0.9	11.8 1.7	11.9 1.0	11.7 0.7	11.5 6.0	11.6 1.0			
KS EMP: Transportation & Utilities Percent Change From One Year Ago	67.8 5.0	68.7 4.5	69.3 5.2	69.5 4.3	68.5 1.0	69.7 1.4	70.0 1.1	70.2 1.1	68.8 4.7	69.6 1.1			
KS EMP: Railroads Percent Change From One Year Ago	6.9 6.1	7.1 6.5	7.2 6.9	7.1 6.0	6.8 -1.8	6.8 -4.1	6.8 -5.6	6.7 -5.6	7.1 6.4	6.8 -4.3			
KS EMP: Trucking & Warehousing Percent Change From One Year Ago	23.8 5.8	24.3 3.1	24.7 4.4	24.6 2.3	23.9 0.2	24.8 2.2	25.3 2.3	25.1 2.1	24.3 3.9	24.8 1.7			

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	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1994	1995
KS EMP: Electric Gas & Sanitary Serv Percent Change From One Year Ago	11.9 -2.2	11.9 -2.7	11.9 -2.7	11.7 -2.7	11.7 -1.7	11.8 -0.8	12.0 0.5	11.8 0.5	11.9 -2.6	11.8 -0.4
KS EMP: Trans. & Utilities Residual Percent Change From One Year Ago	25.1 7.6	25.4 9.2	25.4 9.8	26.1 9.4	26.1 3.7	26.2 3.3	26.0 2.1	26.7 2.1	25.5 9.0	26.2 2.8
KS EMP: Wholesale Trade Percent Change From One Year Ago	68.4 -2.5	69.5 -3.4	69.0 -4.7	68.7 -4.4	68.3 -0.1	69.8 0.4	70.1 1.6	69.1 0.6	68.9 -3.8	69.4 0.6
KS EMP: Retail Trade Percent Change From One Year Ago	205.4 0.9	208.7 1.0	209.3 1.5	212.6 1.2	206.7 0.6	210.9 1.0	212.2 1.4	215.6 1.4	209.0 1.2	211.3 1.1
KS EMP: Gen. Merchandise Stores Percent Change From One Year Ago	28.1 0.8	28.3 2.9	28.6 2.1	30.3 1.4	28.2 0.4	28.0 -1.1	28.2 -1.3	30.0 -0.9	28.8 1.8	28.6 -0.7
KS EMP: Food Stores Percent Change From One Year Ago	31.4 -1.8	30.6 -4.4	30.7 -4.1	31.2 -3.5	30.9 -1.4	31.2 1.8	31.4 2.4	32.0 2.3	31.0 -3.4	31.4 1.3
KS EMP: Auto. Dealers & Gas Stations Percent Change From One Year Ago	24.0 7.9	24.5 8.1	24.8 8.8	24.4 8.0	24.0 -0.0	24.4 -0.3	24.5 -1.2	24.1 -1.2	24.4 8.2	24.3 -0.7
KS EMP: Apparel & Accessory Stores Percent Change From One Year Ago	10.7 3.9	10.4 2.0	10.4 -0.3	11.0 -2.0	10.4 -2.7	10.3 -0.5	10.4 0.6	11.0 0.4	10.6 0.8	10.5 -0.5
KS EMP: Retail Trade Residual Percent Change From One Year Ago	111.2 0.1	115.0 0.6	114.9 1.6	115.7 1.4	113.1 1.7	117.0 1.8	117.7 2.4	118.5 2.4	114.2 0.9	116.6 2.1
KS EMP: Finance, Insurance, R.E. Percent Change From One Year Ago	58.3 0.9	59.2 1.8	59.2 1.1	58.4 0.4	58.1 -0.3	59.0 -0.3	59.4 0.5	58.6 0.4	58.8 1.0	58.8 0.1

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Institute for Public Policy and Business Research, University of Kansas 1994-1995 Kansas Forecast											
	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23JAN95	A18	
KS EMP: Banking											
Percent Change From One Year Ago	24.0	24.3	24.3	24.1	24.0	24.1	24.2	23.9	24.2	24.0	
	1.0	1.4	-0.3	-1.4	-0.1	-0.7	-0.4	-0.7	0.2	-0.5	
KS EMP: Insurance											
Percent Change From One Year Ago	12.4	12.4	12.3	12.2	12.0	12.0	12.0	11.9	12.3	12.0	
	-3.1	-1.8	-2.4	-3.3	-3.3	-3.4	-2.9	-2.7	-2.7	-3.1	
KS EMP: F.I.R.E. Residual											
Percent Change From One Year Ago	21.9	22.5	22.5	22.2	22.1	22.9	23.3	22.9	22.3	22.8	
	3.1	4.5	4.8	4.6	1.2	1.9	3.2	3.2	4.3	2.4	
KS EMP: Services											
Percent Change From One Year Ago	274.5	279.3	281.1	282.2	282.3	290.2	292.6	293.7	279.3	289.7	
	5.2	4.8	4.9	4.5	2.8	3.9	4.1	4.1	4.8	3.7	
KS EMP: Hotels & Lodging											
Percent Change From One Year Ago	9.1	9.5	9.7	9.5	9.2	9.9	10.3	10.0	9.5	9.8	
	1.5	1.1	-0.7	-1.6	0.3	3.7	6.2	5.6	0.0	4.0	
KS EMP: Personal Services											
Percent Change From One Year Ago	12.6	12.8	12.5	12.5	13.0	12.5	12.1	12.1	12.6	12.4	
	11.5	15.7	18.2	16.0	3.1	-2.0	-3.6	-2.7	15.3	-1.3	
KS EMP: Services Residual											
Percent Change From One Year Ago	252.8	257.0	258.9	260.2	260.1	267.8	270.3	271.5	257.2	267.4	
	5.0	4.5	4.5	4.3	2.9	4.2	4.4	4.4	4.6	4.0	
KS EMP: Federal Gov.											
Percent Change From One Year Ago	29.2	29.4	29.5	29.1	28.9	29.5	29.5	29.1	29.3	29.3	
	0.9	1.3	1.0	2.1	-1.2	0.3	0.1	0.0	1.3	-0.2	
KS EMP: State & Local Gov.											
Percent Change From One Year Ago	205.5	207.6	191.4	212.1	211.5	210.5	192.7	213.4	204.2	207.0	
	0.8	-0.5	0.8	0.2	2.9	1.4	0.6	0.6	0.3	1.4	

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Institute for Public Policy and Business Research, University of Kansas HOURS AND WAGES	1994-1995 Kansas Forecast										23JAN95	A19
	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1994	1995		
KS HRS/WK: Food & Kindred Products Percent Change From One Year Ago	44.6 1.7	44.2 -0.2	43.3 -3.1	42.3 -6.2	41.7 -6.5	42.0 -5.0	42.6 -1.7	41.8 -1.2	43.6 -2.0	42.0 -3.6		
KS HRS/WK: Apparel&Other Fin. Prod. Percent Change From One Year Ago	37.2 -7.5	37.8 -4.9	38.2 -1.0	38.0 -2.2	37.1 -0.2	37.3 -1.4	37.7 -1.3	37.6 -1.1	37.8 -3.9	37.4 -1.0		
KS HRS/WK: Pet. Refining & Rel. Ind. Percent Change From One Year Ago	41.3 0.7	41.6 1.0	40.0 0.3	40.5 -1.0	40.3 -2.3	41.1 -1.3	40.8 2.1	41.0 1.3	40.8 0.3	40.8 -0.1		
KS HRS/WK: Fabricated Metal Products Percent Change From One Year Ago	39.8 5.6	40.2 3.9	40.6 3.0	40.0 -2.0	38.6 -3.0	38.7 -3.7	38.6 -5.0	38.4 -4.1	40.2 2.5	38.6 -3.9		
KS HRS/WK: Machinery, Incl. Elec. Percent Change From One Year Ago	41.8 0.1	41.8 -0.6	41.5 -2.3	42.0 -1.2	41.3 -1.1	40.9 -2.1	40.3 -2.9	41.1 -2.2	41.8 -1.0	40.9 -2.1		
KS HRS/WK: Transportation Equipment Percent Change From One Year Ago	41.6 1.1	41.9 3.5	41.7 1.1	41.6 -1.3	40.4 -2.9	40.3 -3.8	40.3 -3.3	41.1 -1.2	41.7 1.1	40.5 -2.8		
KS WAGE/HR: Food & Kindred Products Percent Change From One Year Ago	10.4 6.6	10.6 4.7	10.7 2.8	10.8 3.7	10.9 4.2	10.9 3.5	11.0 2.9	11.1 3.2	10.6 4.4	11.0 3.5		
KS WAGE/HR: Apparel&Other Fin. Prod. Percent Change From One Year Ago	6.2 -2.2	6.2 -1.4	6.3 -1.2	6.3 1.7	6.4 3.4	6.4 4.2	6.5 3.7	6.5 3.7	6.2 -0.8	6.5 3.8		
KS WAGE/HR: Pet. Refining & Rel. Ind Percent Change From One Year Ago	13.0 2.1	13.1 4.2	13.0 2.0	13.2 2.2	13.4 2.3	13.5 2.5	13.5 3.6	13.7 4.0	13.1 2.6	13.5 3.1		
KS WAGE/HR: Fabricated Metal Product Percent Change From One Year Ago	9.7 -1.1	9.7 -0.2	9.9 3.7	10.0 3.5	10.0 3.1	10.1 4.1	10.2 3.3	10.3 3.5	9.8 1.4	10.2 3.5		
KS WAGE/HR: Machinery, Incl. Elec. Percent Change From One Year Ago	10.5 -0.1	10.7 0.9	10.8 1.7	10.9 3.8	10.9 4.5	11.0 3.3	11.1 3.2	11.3 3.5	10.7 1.6	11.1 3.6		
KS WAGE/HR: Transportation Equipment Percent Change From One Year Ago	16.4 4.0	16.3 2.6	16.2 1.3	16.5 1.3	16.6 1.4	16.7 2.4	16.8 3.6	17.2 3.9	16.4 2.3	16.8 2.8		

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Institute for Public Policy and Business Research, University of Kansas WAGE BILLS	1994-1995 Kansas Forecast										23-JAN-95	A20
	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	1994	1995		
KS WG BILL: Total Wages & Salaries Percent Change From One Year Ago	28021.0 6.9	28406.0 4.9	28950.8 5.4	29310.0 6.2	29496.9 5.3	30084.8 5.9	30548.2 5.5	30958.2 5.6	28671.9 5.8	30272.0 5.6		
KS WG BILL: Farm Wages & Salaries Percent Change From One Year Ago	182.0 7.7	186.0 8.1	189.3 8.2	191.9 9.0	194.5 6.9	197.1 6.0	199.6 5.5	201.6 5.1	187.3 8.3	198.2 5.8		
KS WG BILL: Agricultural Services Percent Change From One Year Ago	141.0 12.8	145.0 7.4	147.2 6.7	149.4 6.0	151.7 7.6	154.0 6.2	156.3 6.1	158.6 6.1	145.7 8.1	155.1 6.5		
KS WG BILL: Mining Percent Change From One Year Ago	226.0 1.8	224.0 -10.8	226.1 -9.5	230.8 -6.9	227.8 0.8	230.6 3.0	233.8 3.4	241.1 4.5	226.7 -6.6	233.4 2.9		
KS WG BILL: Construction Percent Change From One Year Ago	1197.0 13.0	1272.0 14.3	1349.7 18.4	1340.6 15.0	1328.2 11.0	1381.9 8.6	1407.7 4.3	1398.5 4.3	1289.8 15.2	1379.1 6.9		
KS WG BILL: Durable Goods Percent Change From One Year Ago	3333.0 5.0	3365.0 3.0	3390.0 -1.0	3426.2 6.2	3395.9 1.9	3434.6 2.1	3474.9 2.5	3572.6 4.3	3378.6 3.2	3469.5 2.7		
KS WG BILL: Nondurable Goods Percent Change From One Year Ago	2174.0 9.4	2175.0 3.5	2190.6 2.9	2208.3 1.3	2226.3 2.4	2284.5 5.0	2316.8 5.8	2339.1 5.9	2187.0 4.2	2291.7 4.8		

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Institute for Public Policy and Business Research, University of Kansas										
	1994-1995		Kansas Forecast		23 JAN 95		A21			
	1994q1	1994q2	1994q3	1994q4	1995q1	1995q2	1995q3	1995q4	1995	
KS WG BILL: Trans. & Public Utilities	2281.0	2316.0	2341.7	2371.9	2377.2	2418.7	2450.6	2483.5	2327.7	2432.5
Percent Change From One Year Ago	5.3	2.1	1.1	0.9	4.2	4.4	4.6	4.7	2.3	4.5
KS WG BILL: Wholesale Trade	2035.0	2056.0	2052.4	2080.8	2090.5	2137.1	2162.4	2173.9	2056.1	2141.0
Percent Change From One Year Ago	6.9	1.3	1.2	2.1	2.7	3.9	5.4	4.5	2.8	4.1
KS WG BILL: Retail Trade	2834.0	2896.0	2966.1	3030.4	3074.3	3128.2	3182.1	3231.2	2931.6	3153.9
Percent Change From One Year Ago	8.2	7.7	8.6	9.4	8.5	8.0	7.3	6.6	8.5	7.6
KS WG BILL: Finance, Insurance, & R.E	1768.0	1797.0	1813.7	1827.7	1840.5	1882.6	1914.6	1926.5	1801.6	1891.0
Percent Change From One Year Ago	14.0	6.3	5.7	4.7	4.1	4.8	5.6	5.4	7.5	5.0
KS WG BILL: Services	5885.0	5971.0	6216.3	6308.2	6381.8	6580.2	6751.0	6868.1	6095.1	6645.3
Percent Change From One Year Ago	7.6	6.2	10.2	10.7	8.4	10.2	8.6	8.9	8.7	9.0
KS WG BILL: Govt. & Govt. Enterprises	5964.0	6005.0	6067.7	6143.9	6208.2	6255.4	6298.4	6363.4	6045.1	6281.4
Percent Change From One Year Ago	3.3	4.5	4.9	5.0	4.1	4.2	3.8	3.6	4.4	3.9

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Institute for Public Policy and Business Research, University of Kansas 1994-1995 Kansas Forecast
 PERSONAL INCOME

	1994Q1	1994Q2	1994Q3	1994Q4	1995Q1	1995Q2	1995Q3	1995Q4	23 JAN 95	A22
KS PERS INC: Total Personal Income	51749.0	52607.0	53030.6	54333.3	54382.9	55466.0	56279.3	57601.8	52930.0	55932.5
Percent Change From One Year Ago	4.6	4.5	7.4	4.4	5.1	5.4	6.1	6.0	5.2	5.7
KS PERS INC: Real Personal Income	40467.3	40808.8	40816.3	41516.8	41191.7	41626.6	41805.4	42331.8	40902.3	41738.9
Percent Change From One Year Ago	2.8	2.5	4.8	1.7	1.8	2.0	2.4	2.0	2.9	2.0
KS PERS INC: Farm Proprietors Income	1159.0	1206.0	910.1	1564.3	1045.4	1143.4	1077.6	1553.9	1209.8	1205.1
Percent Change From One Year Ago	-27.0	-18.3	-3035.7	-25.6	-9.8	-5.2	18.4	-0.7	-5.8	-0.4
KS PERS INC: Non-farm Proprietors Inc	3780.0	3838.0	3881.0	3936.5	3979.5	4015.9	4061.9	4112.0	3858.9	4042.3
Percent Change From One Year Ago	8.5	8.4	8.9	5.7	5.3	4.6	4.7	4.5	7.8	4.8
KS PERS INC: Dividends Interest & Ren	8387.0	8595.0	8632.4	8761.0	8930.7	9088.6	9260.6	9439.6	8593.8	9179.9
Percent Change From One Year Ago	0.5	3.8	4.8	5.1	6.5	5.7	7.3	7.7	3.5	6.8
KS PERS INC: Adj. For Residence	1116.0	1148.0	1125.2	1130.4	1147.0	1168.9	1176.7	1183.9	1129.9	1169.1
Percent Change From One Year Ago	10.5	12.0	11.3	5.1	2.8	1.8	4.6	4.7	9.6	3.5
KS PERS INC: Pers. Cont. For Soc. Ins	2589.0	2619.0	2639.9	2683.6	2735.1	2767.8	2806.4	2845.1	2632.9	2788.6
Percent Change From One Year Ago	8.0	6.3	5.7	7.0	5.6	5.7	6.3	6.0	6.8	5.9
KS PERS INC: Transfer Payments	8472.0	8587.0	8696.2	8787.4	8943.5	9118.4	9299.1	9489.2	8635.6	9212.5
Percent Change From One Year Ago	5.4	5.4	5.2	5.2	5.6	6.2	6.9	8.0	5.3	6.7
KS PERS INC: Other Labor Income	3403.0	3446.0	3474.9	3527.3	3575.0	3613.7	3661.5	3710.1	3462.8	3640.1
Percent Change From One Year Ago	7.3	6.9	4.6	4.8	5.1	4.9	5.4	5.2	5.8	5.1

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