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Governor's measures of economic growth show Kansas behind region

TOPEKA – Kansas continues to lag the region in most measures of economic growth, an analysis of reports by the Governor's Council of Economic Advisors shows, despite promises that tax cuts would bring economic growth.

The analysis, jointly released by The Kansas Center for Economic Growth (KCEG) and the Kansas Economic Progress Council (KEPC), shows that in recent years, Kansas has trailed the region in:

- Population growth
- Overall production of goods and services, or gross state product
- Private industry employment growth
- Private industry wage growth

The analysis includes three reports that were not made public before. KCEG and KEPC obtained copies of the reports -- dated November, August, and May of 2014 -- through a legislative request, and are making them available online.

Bernie Koch, executive director of the Kansas Economic Progress Council, said, "The reports show a few positives, but the overwhelming majority of benchmarks overall show unremarkable, inadequate, and disappointing economic growth compared to other states in the region. And, these are the Administration's own reports, and their own measures of success."

Annie McKay, executive director of the Kansas Center for Economic Growth, said, "While other states in our region are experiencing superior economic growth, Kansas continues to struggle to pay its bills and meet basic needs as a result of the unaffordable tax cuts passed in 2012 and 2013. Kansans are having to pay an unprecedented tab for the failed experiment with little to nothing to show for it in our economy."

The reports are significant because they follow a system of measurements (or benchmarks) announced about three years ago to monitor key economic indicators in Kansas by the Administration. At the time, Governor Sam Brownback said the benchmarks would allow the state "to monitor in a timely manner if our policies and initiatives are having the desired economic effect."

Nonfarm employment growth in Kansas is below the region and has slowed recently. Manufacturing employment has dropped in Kansas, while manufacturing jobs elsewhere in the region are growing. Although unemployment is down in Kansas, it is down more in the region. For example, the November report shows initial claims for unemployment in Kansas are down 4.2% over the previous year, but are down 10.3% in the region over the same period.

Referring to the 2012 and 2013 income tax legislation, Koch said, "There is very little evidence of any positive impact."

The full report, "Trailing the Competition: Governor's Measures of Economic Growth Show Kansas Behind Region", is available at www.realprosperityks.com

The unreleased Council of Economic Advisor Reports are available at <http://ksepc.org/indicators-of-the-kansas-economy/>

The Kansas Center for Economic Growth is a nonprofit, nonpartisan organization that conducts research and analysis to advance state policies that help ensure all Kansans prosper.

The Kansas Economic Progress council is a statewide business organization whose members include businesses, local chambers of commerce, local and state trade organizations, and individuals. It is a 501(c) 4 not-for-profit. Its purpose is to provide information, research and education on statewide issues that affect the economy of Kansas as well as the quality of life of its citizens.

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