

Economic Overview

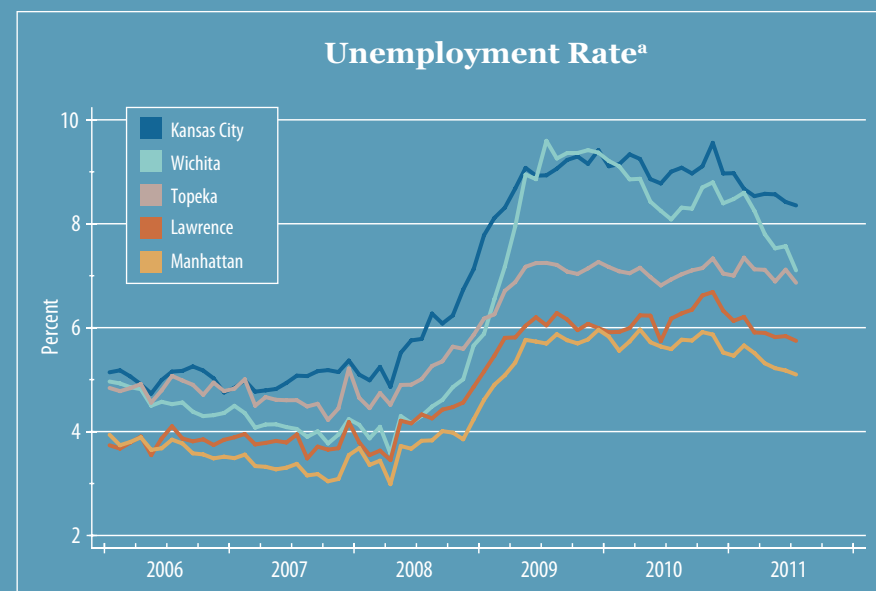


Kansas employment is forecasted to rise by 1.1 percent in 2012.



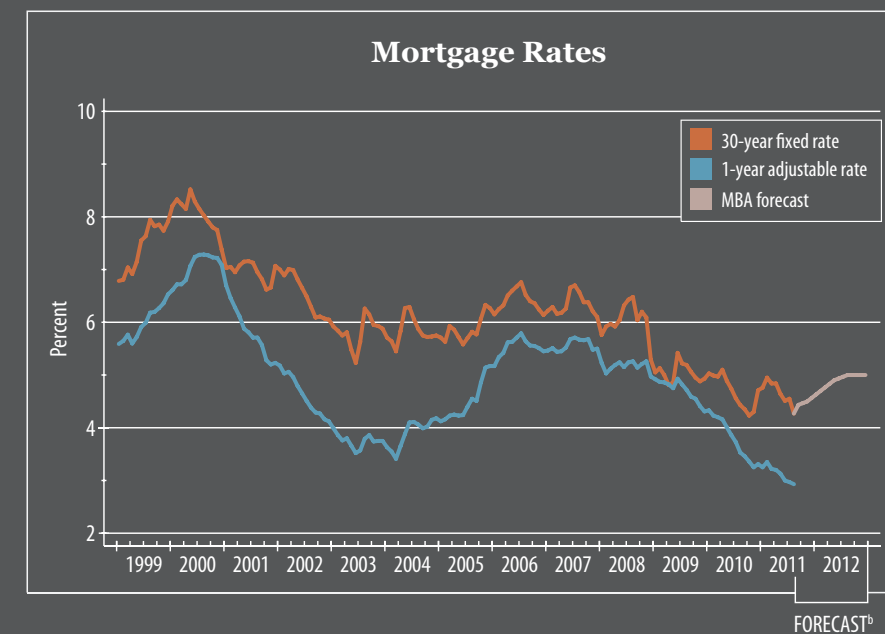
Kansas housing markets continue to fly against headwinds from the underlying economic environment. Since the recession ended in 2009, Kansas employment growth has been marginal at best. The WSU Center for Economic Development and Business Research, however, has forecasted that Kansas employment will rise by 1.1 percent in 2012.

Unemployment remains high across the state but, with the exception of Topeka, it has been declining for almost a year. Further declines will be needed, however, before the employment situation can have a positive impact on housing markets.



Although historically low mortgage rates are likely to continue for the foreseeable future, their impact on the housing market will be muted until other economic fundamentals improve.

Historically low mortgage rates will have only a limited impact on the housing market.



Sources: U.S. Bureau of Labor Statistics; Mortgage Bankers Association
 Notes: a) Seasonally adjusted.
 b) Mortgage Bankers Association September 2011 forecast of the 30-year conventional mortgage rate.