

Economic Overview

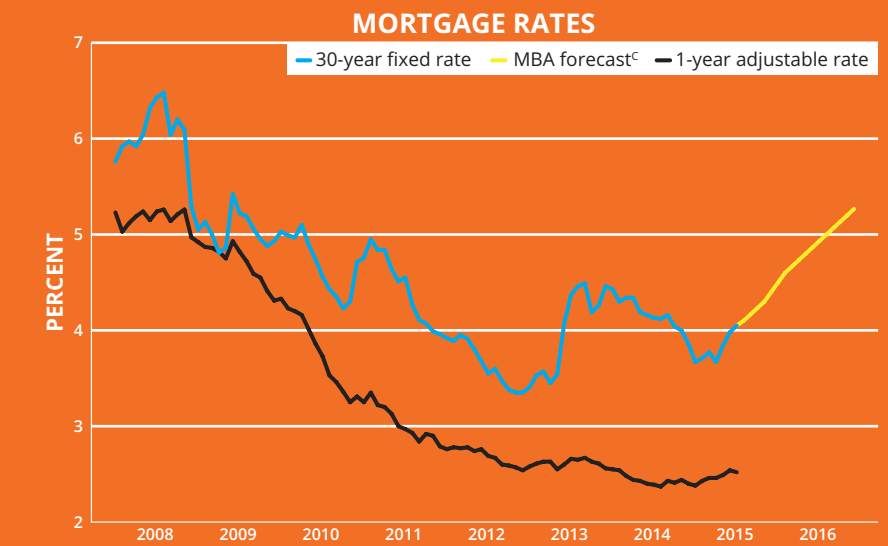
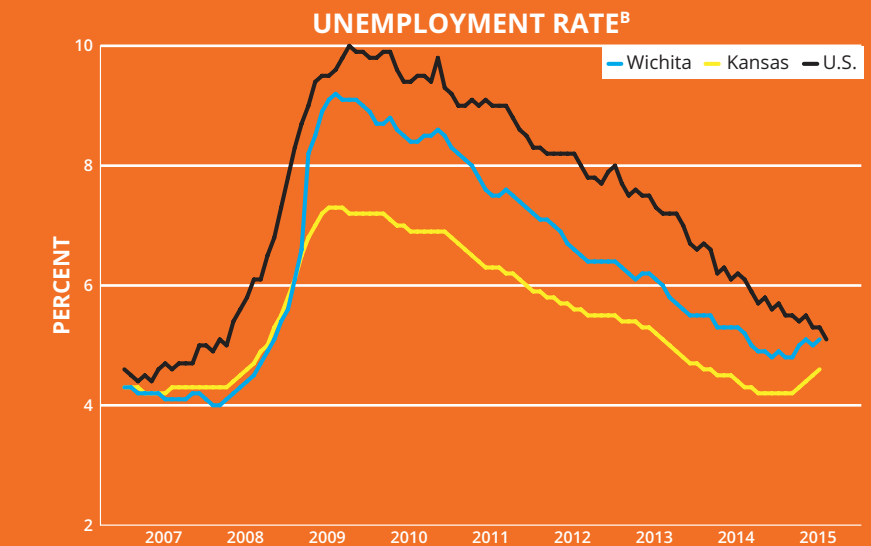
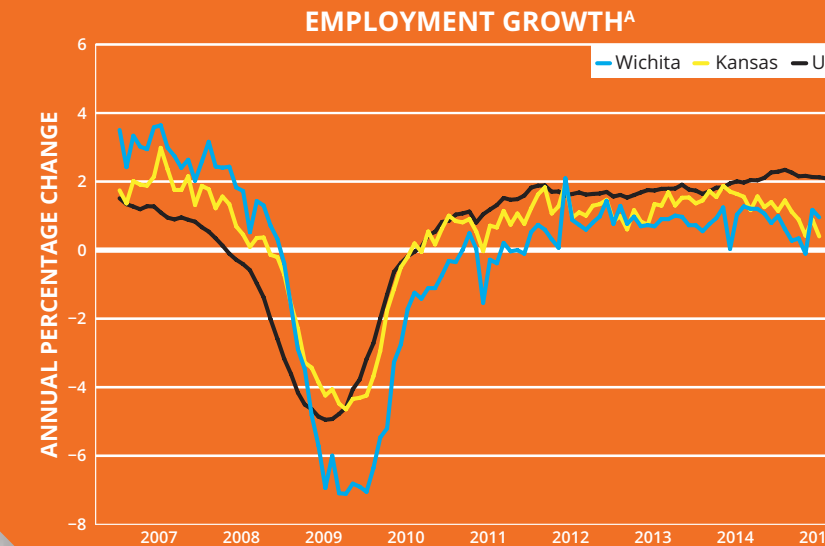
Employment growth in Wichita has continued to be sluggish over the past year, increasing at only half the national pace. The WSU Center for Economic Development and Business research forecasts that total non-farm employment in Wichita will rise by 3,360 jobs in 2016, a still-slow 1.1 percent increase.

After falling below 5 percent at the end of 2014, the Wichita area unemployment rate has risen slightly in recent months. This is due in part to a decline in the overall labor force, in addition to an increase in the number of unemployed people.

Although the Federal Reserve did not raise short-term interest rates during its September meeting, the question is when—not if—mortgage rates will begin to rise. Given low inflationary pressures, a modest increase in mortgage rates may actually help the housing market, strengthening the demand for starter homes that are now being bypassed by first-time buyers trying to stretch into more expensive homes given current low rates.

WICHITA JOB GROWTH CONTINUES TO TRAIL THE U.S. PACE.

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Sources:
Freddie Mac, Mortgage Bankers Association, U.S. Bureau of Labor Statistics

Notes:
A) Year-over-year percentage change in total, non-farm employment, seasonally adjusted
B) Seasonally adjusted
C) Mortgage Bankers Association August 2015 forecast of the 30-year conventional mortgage rate