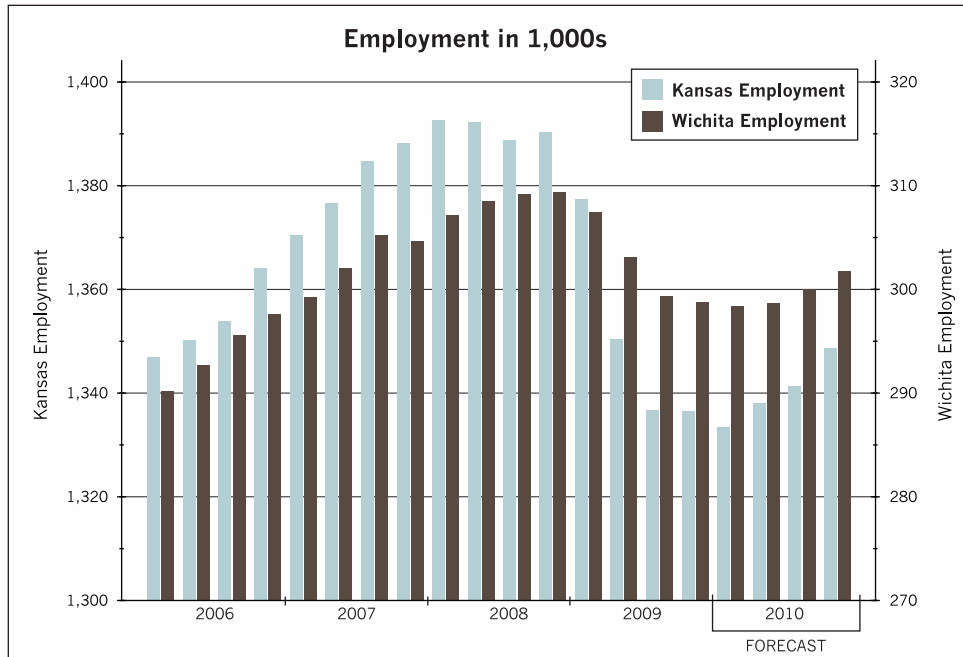


# Economic Overview

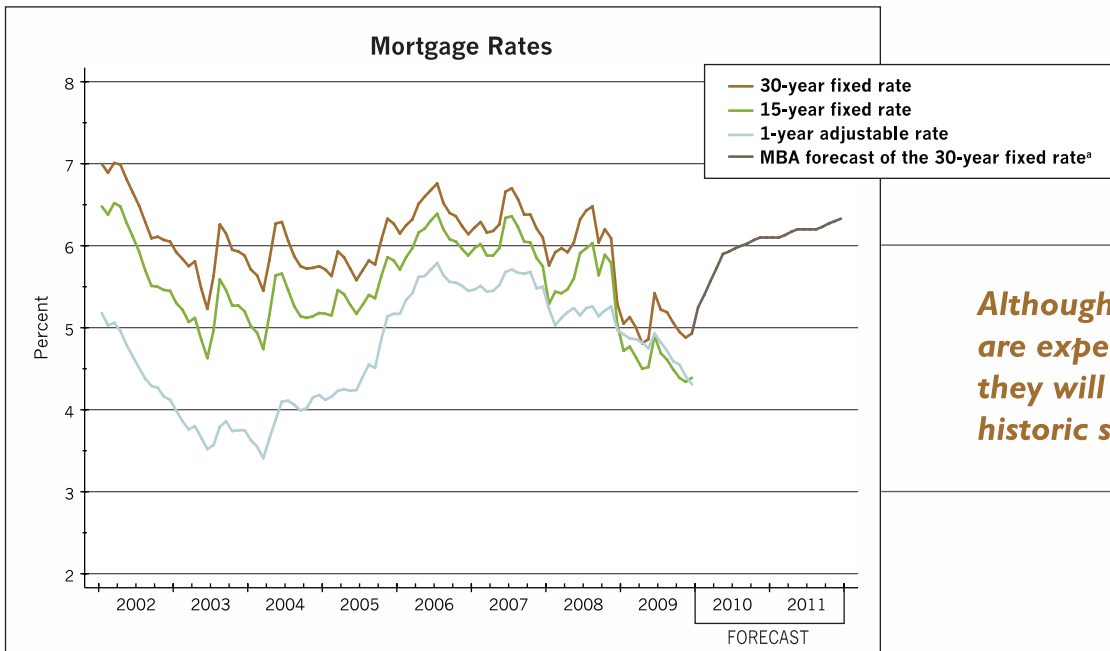


The winter winds blow cold across the prairie in February, and sometimes it feels as if spring will never come. The same can be true in the depths of an economic recession. Total non-farm employment in Kansas has fallen by 4.0 percent since the beginning of 2008. The WSU Center for Economic Development and Business Research forecasts that employment will continue to decline through the first quarter of 2010, after which a slow recovery will begin.



Record low mortgage rates have helped warm housing markets during the long, cold downturn. Although it's unlikely that long-term mortgage rates will stay below 5 percent indefinitely, there is no indication they will rise

to levels that might cause markets to freeze again. In fact, the Mortgage Bankers Association forecasts the 30-year fixed mortgage rate will rise only to around 6.3 percent by the end of 2011.



**Although mortgage rates are expected to rise, they will remain low by historic standards.**

**The total drop in Kansas employment during this downturn should only be only 4.3 percent before rising again in the spring.**

