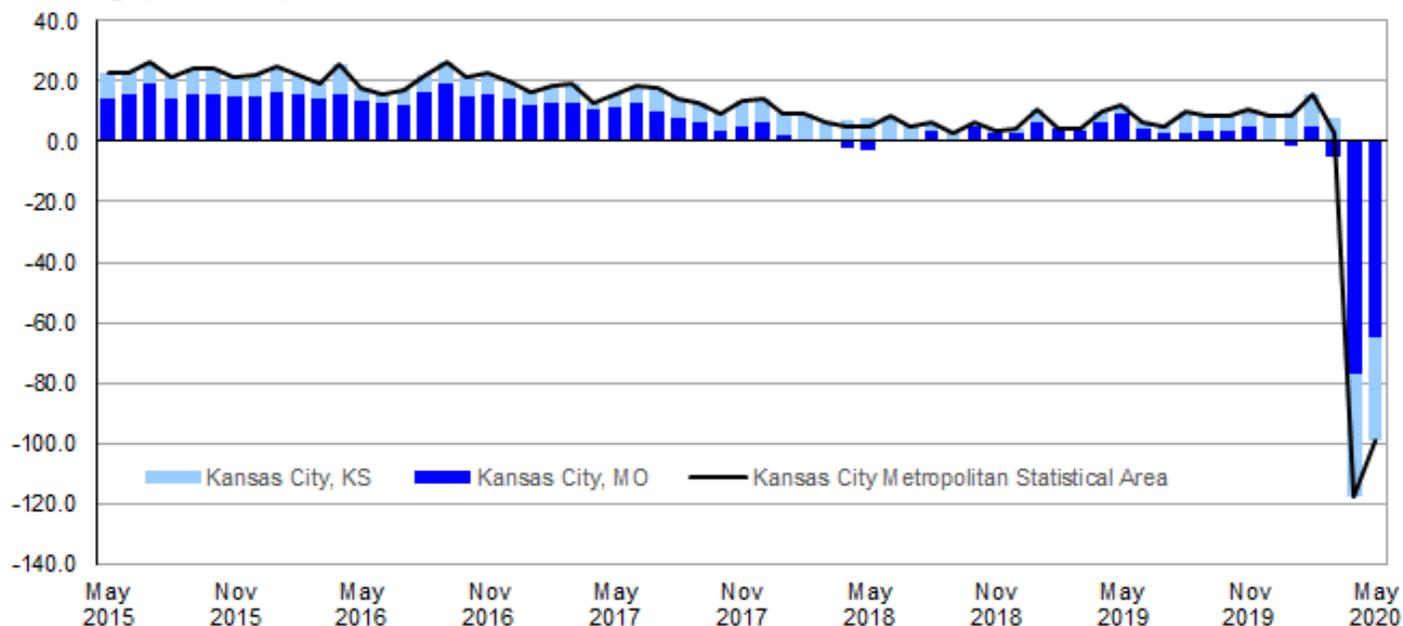# NEWS RELEASE

BUREAU OF LABOR STATISTICS
U.S. DEPARTMENT OF LABOR

BLS

Kansas City Area Employment – May 2020

Total nonfarm employment for the Kansas City, MO-KS Metropolitan Statistical Area (MSA) stood at 1,002,300 in May 2020, down 99,100, the U.S. Bureau of Labor Statistics reported today. From May 2019 to May 2020, local nonfarm employment fell 9.0 percent compared to the national decline of 11.7 percent. (See chart 1 and table 1) Acting Regional Commissioner Michael Hirniak noted that this was the second consecutive month of over-the-year employment declines in the Kansas City area. Most of the monthly decrease was in the Missouri portion of the MSA. (The Technical Note at the end of this release contains metropolitan area definitions. All data in this release are not seasonally adjusted; accordingly, over-the-year analysis is used throughout.)

Chart 1. Total nonfarm employment, over-the-year net change in the Kansas City metropolitan area and its components, May 2015–May 2020

Source: U.S. Bureau of Labor Statistics.

The Kansas City metropolitan area is comprised of two separately identifiable employment centers—the Missouri portion and the Kansas portion of the MSA. The Missouri side, which had approximately 55 percent of the area's workforce, lost 65,100 jobs (-10.6 percent) from May 2019 to May 2020, and the Kansas side lost 34,000 jobs (-7.0 percent).

Leisure and hospitality recorded the largest employment loss in the area, declining by 47,300 jobs since May 2019. The Kansas City metropolitan area had a 41.3-percent local rate of job loss in this supersector. Nationally, employment fell 39.8 percent in this supersector.

Trade, transportation, and utilities had the next largest employment decrease, down 11,300 jobs from May 2019 to May 2020. The decline was largely attributable to the loss of 8,400 jobs in the Missouri portion of the MSA. Locally, the trade, transportation, and utilities supersector's rate of job loss was 5.2 percent, compared to a 10.0-percent loss nationally.

Mining, logging, and construction was the only local supersector to record an increase, adding 3,400 jobs, a 6.4-percent increase.

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Metropolitan area employment data for June 2020 are scheduled to be released on Friday, July 17, 2020, at 10:00 a.m. (ET).

Coronavirus (COVID-19) Impact on May 2020 Establishment Survey Data

BLS has continued to review all estimation and methodological procedures for the establishment survey, which included the review of data, estimation processes, the application of the birth-death model, and seasonal adjustment. Business births and deaths cannot be adequately captured by the establishment survey as they occur. Therefore, the Current Employment Statistics (CES) program uses a model to account for the relatively stable net employment change generated by business births and deaths. Due to the impact of COVID-19, the relationship between business births and deaths is no longer stable. Typically, reports with zero employment are not included in estimation. For the April final estimates, CES included a portion of these reports in the estimates and made modifications to the birth-death model. For the May 2020 preliminary estimates, in addition to the inclusion of reported zeros and the modification of the model, the establishment survey included a portion of the reports that returned to reporting positive employment from reporting zero employment. For more information, see www.bls.gov/web/empsit/cesbd.htm.

In the establishment survey, workers who are paid by their employer for all or any part of the pay period including the 12th of the month are counted as employed, even if they were not actually at their jobs. Workers who are temporarily or permanently absent from their jobs and are not being paid are not counted as employed, even if they are continuing to receive benefits. The length of the reference period does vary across the respondents in the establishment survey; one-third of businesses have a weekly pay period, slightly over 40 percent a bi-weekly, about 20 percent semi-monthly, and a small amount monthly.

Technical Note

This release presents nonfarm payroll employment estimates from the Current Employment Statistics (CES) program. The CES survey is a Federal-State cooperative endeavor between State employment security agencies and the Bureau of Labor Statistics.

Definitions. Employment data refer to persons on establishment payrolls who receive pay for any part of the pay period which includes the 12th of the month. Persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll. Industries are classified on the basis of their principal activity in accordance with the 2017 version of the North American Industry Classification System.

Method of estimation. CES State and Area employment data are produced using several estimation procedures. Where possible these data are produced using a "weighted link relative" estimation technique in which a ratio of current-month weighted employment to that of the previous-month weighted employment is computed from a sample of establishments reporting for both months. The estimates of employment for the current month are then obtained by multiplying these ratios by the previous month's employment estimates. The weighted link relative technique is utilized for data series where the sample size meets certain statistical criteria.

For some employment series, the sample of establishments is very small or highly variable. In these cases, a model-based approach is used in estimation. These models use the direct sample estimates (described above), combined with forecasts of historical (benchmarked) data to decrease volatility in estimation. Two different models (Fay-Herriot Model and Small Domain Model) are used depending on the industry level being estimated. For more detailed information about each model, refer to the BLS Handbook of Methods.

Annual revisions. Employment estimates are adjusted annually to a complete count of jobs, called benchmarks, derived principally from tax reports which are submitted by employers who are covered under state unemployment insurance (UI) laws. The benchmark information is used to adjust the monthly estimates between the new benchmark and the preceding one and also to establish the level of employment for the new benchmark month. Thus, the benchmarking process establishes the level of employment, and the sample is used to measure the month-to-month changes in the level for the subsequent months.

Reliability of the estimates. The estimates presented in this release are based on sample survey, administrative data, and modeling and, thus, are subject to sampling and other types of errors. Sampling error is a measure of sampling variability--that is, variation that occurs by chance because a sample rather than the entire population is surveyed. Survey data are also subject to nonsampling errors, such as those which can be introduced into the data collection and processing operations. Estimates not directly derived from sample surveys are subject to additional errors resulting from the special estimation processes used. The sums of individual items may not always equal the totals shown in the same tables because of rounding.

Employment estimates. Measures of sampling error for the total nonfarm employment series are available for metropolitan areas and metropolitan divisions at www.bls.gov/sae/additional-resources/reliability-of-state-and-area-estimates.htm. Measures of sampling error for more detailed series at the area and division level are available upon request. Measures of sampling error for states at the supersector level and for the private service-providing, goods-producing, total private and total nonfarm levels are available on the BLS website at www.bls.gov/sae/additional-resources/reliability-of-state-and-area-estimates.htm. Information on recent benchmark revisions is available online at www.bls.gov/web/laus/benchmark.pdf.

Area definitions. The substate area data published in this release reflect the standards and definitions established by the U.S. Office of Management and Budget on April 10, 2018. A detailed list of the geographic definitions is available at www.bls.gov/lau/lausmsa.htm.

The Kansas City, MO-KS Metropolitan Statistical Area (MSA) includes Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties in Missouri; Johnson, Leavenworth, Linn, Miami, and Wyandotte Counties in Kansas.

    The Kansas City, MO, portion includes Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties.

    The Kansas City, KS, portion includes Johnson, Leavenworth, Linn, Miami, and Wyandotte Counties.

Additional information

More complete information on the technical procedures used to develop these estimates and additional data appear in *Employment and Earnings*, which is available online at www.bls.gov/opub/ee/home.htm. Detailed industry employment data for metropolitan areas from the CES program are available from the State and Area Employment databases at www.bls.gov/sae/data/home.htm.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Employees on nonfarm payrolls by industry supersector, the United States and the Kansas City metropolitan area and its components, not seasonally adjusted (numbers in thousands)

Area and Industry	May 2019	Mar 2020	Apr 2020	May 2020(p)	May 2019 to May 2020(p)	
					Net change	Percent change
United States						
Total nonfarm..	151,109	150,073	130,317	133,410	-17,699	-11.7
Mining and logging	739	696	643	632	-107	-14.5
Construction	7,540	7,295	6,465	7,073	-467	-6.2
Manufacturing......................................	12,810	12,747	11,432	11,708	-1,102	-8.6
Trade, transportation, and utilities	27,554	27,399	24,253	24,740	-2,814	-10.2
Information	2,842	2,874	2,607	2,561	-281	-9.9
Financial activities	8,707	8,780	8,523	8,552	-155	-1.8
Professional and business services ...	21,239	21,173	19,215	19,398	-1,841	-8.7
Education and health services	24,121	24,518	21,972	22,243	-1,878	-7.8
Leisure and hospitality........................	16,788	15,714	8,485	10,107	-6,681	-39.8
Other services	5,913	5,813	4,564	4,852	-1,061	-17.9
Government..	22,856	23,064	22,158	21,544	-1,312	-5.7
Kansas City, MO-KS, MSA						
Total nonfarm..	1,101.4	1,083.7	978.1	1,002.3	-99.1	-9.0
Mining, logging, and construction.......	52.8	54.0	52.7	56.2	3.4	6.4
Manufacturing......................................	78.1	79.7	66.6	68.0	-10.1	-12.9
Trade, transportation, and utilities	217.8	215.2	201.4	206.5	-11.3	-5.2
Information	16.0	15.9	14.9	15.0	-1.0	-6.3
Financial activities	78.6	78.3	76.6	75.3	-3.3	-4.2
Professional and business services ...	192.2	188.3	176.4	181.2	-11.0	-5.7
Education and health services	157.0	155.4	144.4	147.8	-9.2	-5.9
Leisure and hospitality........................	114.6	102.6	58.3	67.3	-47.3	-41.3
Other services	43.1	42.6	37.6	38.9	-4.2	-9.7
Government..	151.2	151.7	149.2	146.1	-5.1	-3.4
Kansas City, MO, portion						
Total nonfarm..	614.6	599.4	534.9	549.5	-65.1	-10.6
Mining, logging, and construction.......	30.1	30.4	30.0	32.2	2.1	7.0
Manufacturing......................................	46.8	47.2	36.3	37.5	-9.3	-19.9
Trade, transportation, and utilities	112.9	110.2	101.1	104.5	-8.4	-7.4
Information	8.9	8.8	8.5	8.5	-0.4	-4.5
Financial activities	41.0	40.4	38.0	37.4	-3.6	-8.8
Professional and business services ...	99.5	99.4	93.9	97.9	-1.6	-1.6
Education and health services	87.2	84.0	80.3	80.4	-6.8	-7.8
Leisure and hospitality........................	70.7	62.1	32.6	38.2	-32.5	-46.0
Other services	26.1	25.5	23.2	24.0	-2.1	-8.0
Government..	91.4	91.4	91.0	88.9	-2.5	-2.7
Kansas City, KS, portion						
Total nonfarm..	486.8	484.3	443.2	452.8	-34.0	-7.0
Mining, logging, and construction.......	22.7	23.6	22.7	24.0	1.3	5.7
Manufacturing......................................	31.3	32.5	30.3	30.5	-0.8	-2.6
Trade, transportation, and utilities	104.9	105.0	100.3	102.0	-2.9	-2.8
Information	7.1	7.1	6.4	6.5	-0.6	-8.5
Financial activities	37.6	37.9	38.6	37.9	0.3	0.8
Professional and business services ...	92.7	88.9	82.5	83.3	-9.4	-10.1
Education and health services	69.8	71.4	64.1	67.4	-2.4	-3.4
Leisure and hospitality........................	43.9	40.5	25.7	29.1	-14.8	-33.7
Other services	17.0	17.1	14.4	14.9	-2.1	-12.4
Government..	59.8	60.3	58.2	57.2	-2.6	-4.3

Footnotes
(p) Preliminary