

Kansas Economy Sending Mixed Signals

John Milburn, Associated Press

TOPEKA, Kan. (AP) — A mixed bag of statistics released in recent weeks suggests that Kansas, like the rest of the nation, is finding it difficult to get its economic engine firing on all cylinders. Despite rising state revenues, job growth remains flat while more residents are seeking public assistance.

For the first time since the summer of 2009, the Kansas jobless rate increased, rising to 6.7 percent from 6.5 percent in August. This occurred despite an increase in state revenues in August, a fifth-straight monthly increase.

First-term Republican Gov. Sam Brownback said even with the monthly fluctuations, he believes Kansas manufacturing, agriculture and energy sectors are "bucking national trends" as the economy recovers.

"I feel like this is bit of a Warren Buffett-type strategy, where you're looking at something that has long-term value, not looking quarter to quarter," Brownback said. "People are going to eat. People are going to use energy."

In the coming weeks, the governor's staff will be announcing proposals to cut taxes and repeal regulations — part of his economic agenda since the 2010 campaign. He wants to create jobs for the nearly 100,000 residents in the state who are unemployed, reduce the number of children living in poverty and raise the median household income.

"If we can get that marginal tax rate down, then people will change their actions," Brownback said.

Democrats argue that the state's lack of economic momentum is a reflection of Republicans focusing more on social issues, such as abortion restrictions and eliminating arts funding, than creating jobs.

"These unemployment numbers show that job creation isn't even close to being (Brownback's) first priority," said Senate Democratic Leader Anthony Hensley of Topeka.

Despite the August unemployment increase statewide, areas of Kansas are seeing improvement. A comparison of the August numbers to the five- and 10-year averages finds that a number of rural counties are within a half-percent of the historic numbers, suggesting improving conditions. The Brownback administration said the situation is a bit deceiving.

Because the rural counties have relatively stable workforces linked to agricultural production, there is little movement in the jobless rate up or down. Creating more economic opportunities may create the potential for a more volatile job market, but

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the governor also sees his rural opportunity zones program as a way to pump potential in areas that have lost population steadily for decades.

Brownback said previous efforts to help rural counties have found little success. They include hiring additional staff at the state level or at a university to teach people to do something to create jobs.

"The concept that has worked is if you provide an opportunity in a rural area," he said, such as the Homestead Act that gave people 160 acres to settle and make their living. "It was widely successful."

University of Kansas economist Art Hall told a gathering of economic advisers this past week that Kansas was and would continue to see increased density around urban areas, such as Johnson County and Wichita. Hall said economic policies should strive to help raise the fortunes of the more than two dozen such regional hubs.

Four southeast Kansas senators are asking that their 17-county region, beset by an average unemployment rate of more than 7 percent, be given extra attention. The governor's staff is compiling information, including how Kansas compares to Missouri and Oklahoma.

"We're really trying to dig into the data to get some operating theories about what is taking place in this region," Brownback said. "We haven't gotten anything to stick. There hasn't been anything organically there to grow."

Sen. Pat Apple, a Louisburg Republican, said policymakers and community leaders need to get an understanding of the region's dynamics and find a long-term solution, not just give short-term attention to symptoms.

"If we can get people to see this as a regional effort, that if one town succeeds all succeed, it will be time well spent," Apple said, adding that it may be a multi-year process.

The lack of jobs isn't the only issue.

The U.S. Census Bureau released new figures showing one in seven Kansas residents living below the poverty line, with more than 12 percent of residents lacking health insurance. The figures are supported by state Social and Rehabilitation Services reports showing more Kansans needing assistance to put meals on the table.

According to SRS statistics, the number of Kansas residents participating in the federal supplemental nutrition assistance program, formerly known as Food Stamps, increased by 14.2 percent in fiscal year 2011 ending June 30 compared to the previous year.

There were on average 296,542 Kansas residents receiving assistance in 2011, a trend that is continuing in the first two months of new fiscal year that began July 1.

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"The increasing numbers of people applying for food stamps and other kinds of help is alarming," SRS Secretary Rob Siedlecki said. "This is a result of the past 2½ years of failed economic policies on the national level, and people are hurting.

"We are in a serious situation in this country and I hope Congress can come up with realistic, effective ways to get the economy kick-started."

Siedlecki on Friday announced a series of reforms to the assistance programs aimed at helping recipients find employment and reducing the amount of time they spend on social service rolls.

"Helping people find jobs is our first priority," Siedlecki said.

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