



Kentucky Economic Update

November 18, 2016

Summary

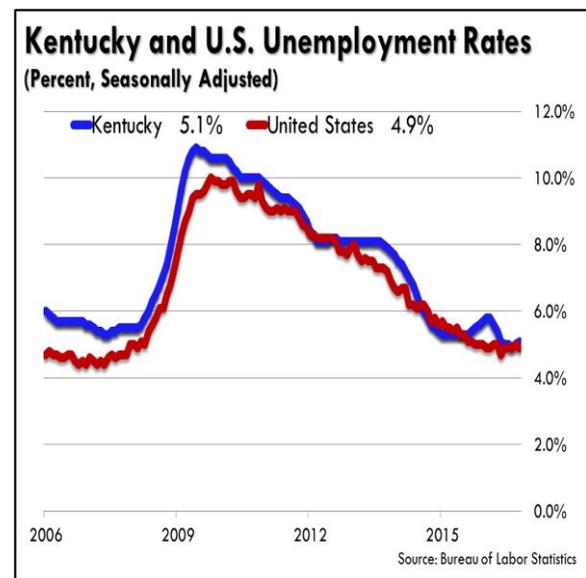
Nonfarm payroll employment in Kentucky was unchanged, and the unemployment rate rose to 5.1 percent in October according to data released by the Bureau of Labor Statistics (BLS).

Kentucky Unemployment Rate

During October, the unemployment rate in Kentucky increased by 0.1 percentage point to 5.1 percent. The number of people counted as unemployed rose by 2,066 in October to 101,291, while the labor force grew by 14,997 to 1,996,795. Among the 50 states and the District of Columbia, 28 posted lower unemployment rates for the month than Kentucky. A year earlier, the unemployment rate in Kentucky stood at 5.5 percent.

The 10-year peak for the unemployment rate in Kentucky was 10.9 percent in June 2009. The series high for the unemployment rate in Kentucky occurred in February 1983 when the unemployment rate reached 12.1 percent. The 10-year low for the unemployment rate in Kentucky was 4.9 percent in August 2016. The series low for the unemployment rate in Kentucky occurred in May 2000 when the unemployment rate was 4.0 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.1 percentage point to 4.9 percent in October. October's unemployment rate was 0.1 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Kentucky Payroll Employment

Kentucky nonfarm payrolls was unchanged. on a seasonally adjusted basis during October. In the prior month, nonfarm payrolls increased by 9,500. Over the past 12 months, nonfarm payrolls in Kentucky increased by 18,500, or 0.98 percent. Kentucky nonfarm payroll employment has increased in 6 of the past 12 months.

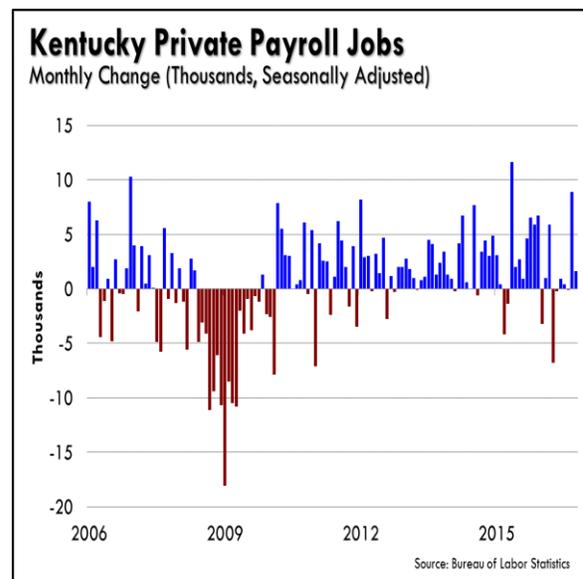
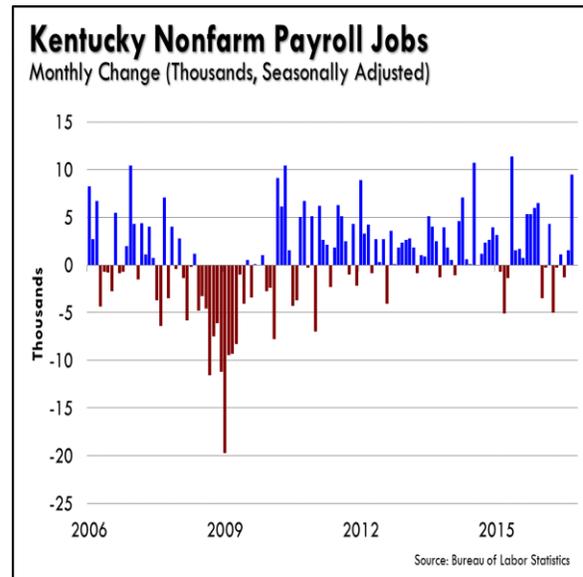
Nationally, nonfarm payrolls increased by 161,000 jobs in October, or 0.11 percent. Over the 12-month period ending October 2016, nonfarm payrolls grew by 2,357,000 jobs, or 1.65 percent. Kentucky ranks 32nd among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During October, Kentucky private-sector payrolls increased by 1,600, or 0.10 percent. Private-sector payrolls increased by 8,900 jobs in the prior month. Over the past 12 months, private-sector payrolls in Kentucky increased by 21,000, or 1.33 percent. Kentucky private-sector payroll employment has increased in 8 of the past 12 months.

Nationally, private-sector payroll jobs increased by 142,000 jobs in October, or 0.12 percent. Over the past 12 months, the nation's economy has added 2,149,000 jobs in the private-sector, an increase of 1.78 percent. Kentucky ranks 27th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

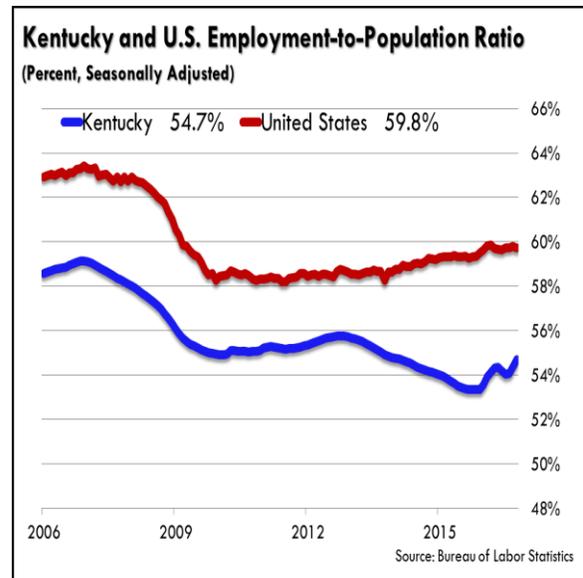
During October, total government payroll employment in Kentucky declined by 1,600, or 0.51 percent. Federal government payroll employment declined by 800, or 2.14 percent. State government payroll employment declined by 1,000, or 1.03 percent, while local government payroll employment increased by 200, or 0.11 percent.

Over the past year, total government payroll employment declined by 2,500, or 0.79 percent. State government payroll employment declined by 2,100, or 2.15 percent. Local government payroll employment declined by 400, or 0.22 percent.



The best performing sectors on a seasonally adjusted basis during October were Manufacturing (+2,400) and Trade, Transportation & Utilities (+700). The poorest performing sectors during the month were Educational & Health Services (-1,600) and Total Government (-1,600).

The best performing sectors during the last twelve months were Educational & Health Services (+9,100) and Trade, Transportation & Utilities (+7,500). The poorest performing sectors during the last twelve months were Construction (-3,500) and Total Government (-2,500).



Other Kentucky Labor Force Statistics

The labor force participation rate in Kentucky rose to 57.6 percent in October from 57.2 percent the prior month. At 57.6 percent, Kentucky has one of the five lowest labor force participation rates in the nation. The labor force participation rate in Kentucky is 1.1 percentage points higher than a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in Kentucky was 62.7 percent in December 2006. The series high for the labor force participation rate in Kentucky occurred in August 1999 when the labor force participation rate hit 64.1 percent. The 10-year low for the labor force participation rate was 56.4 percent in September 2015. This also represents the series low for the labor force participation rate in Kentucky.



The national labor force participation rate declined by 0.1 percentage point to 62.8 percent in October 2016, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Kentucky civilian noninstitutionalized population 16 years and older counted as employed, rose to 54.7 percent in October from 54.3 percent the prior month. At 54.7 percent, Kentucky has one

of the five lowest employment-to-population ratios in the nation. The employment-to-population ratio in Kentucky is 1.4 percentage points higher than a year earlier.

The 10-year high for the employment-to-population ratio in Kentucky was 59.1 percent in January 2007. The series high for the employment-to-population ratio in Kentucky occurred in March 2000 when the employment-to-population ratio hit 61.3 percent. The 10-year low for the employment-to-population ratio was 53.3 percent in December 2015. The series low for the employment-to-population ratio occurred in January 2016 when the employment-to-population ratio was 53.3 percent.

The national employment-to-population ratio declined by 0.1 percentage point to 59.7 percent in October. That rate was 0.4 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for November is scheduled for release on December 16, 2016. The national employment situation report for November will be released on Friday, December 2, 2016.