



Kentucky Economic Update

January 28, 2016

Summary

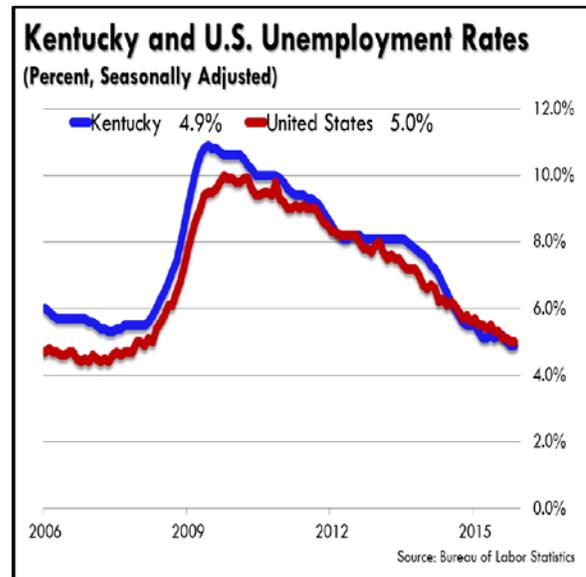
Nonfarm payroll employment in Kentucky increased by 5,100 jobs and the unemployment rate increased to 5.3 percent in December according to data released by the Bureau of Labor Statistics (BLS).

Kentucky Unemployment Rate

During December, the unemployment rate in Kentucky increased to 5.3 percent. The number of people counted as unemployed increased by 8,500 in December to 104,300, while the labor force increased by 15,100 to 1,950,500.

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 October 2015. The series low for the unemployment rate in Kentucky occurred in May 2000 when the unemployment rate reached 4.0 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 5.0 percent in December. December's unemployment rate was 0.6 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 2006.



Kentucky Payroll Employment

Kentucky nonfarm payrolls increased by 5,100 jobs, or 0.3 percent, on a seasonally adjusted basis during December. In the prior month, nonfarm payrolls increased by 6,100. Over the past 12 months nonfarm payrolls in Kentucky increased by 40,200, or 2.1 percent. Kentucky nonfarm payroll employment has increased in 10 of the past 12 months.

Nationally nonfarm payrolls rose by 292,000 in December, or 0.21 percent. Over the 12-month period ending in December 2015 nonfarm payrolls have increased by 2,650,000 jobs, or 1.9 percent.

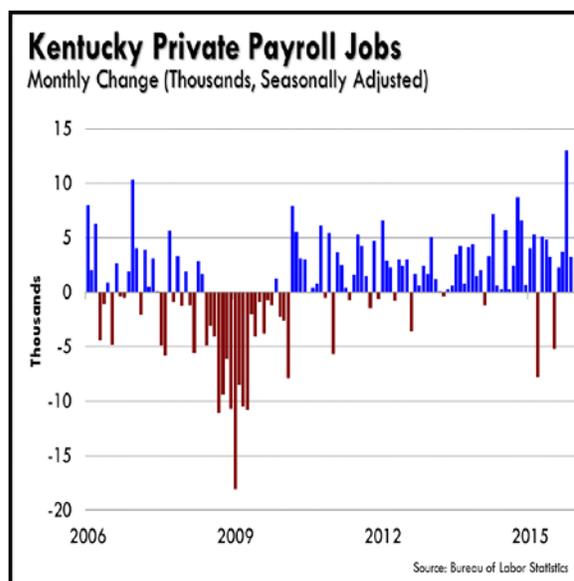
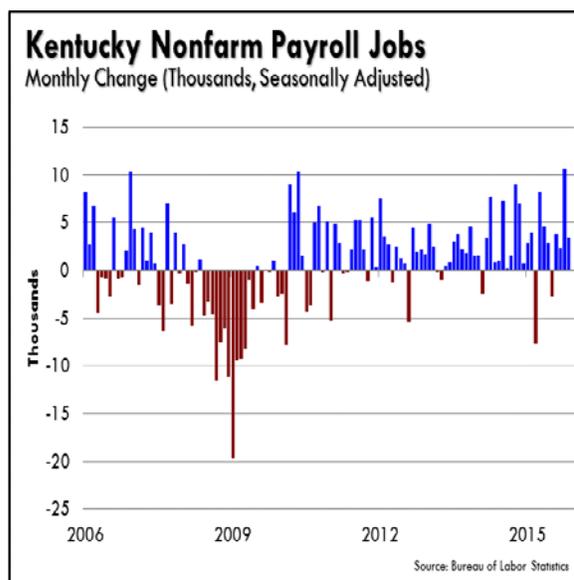
During December, Kentucky private-sector payrolls increased by 4,700, or 0.3 percent. Private-sector payrolls increased by 5,800 jobs in the prior month. Over the past 12 months, private-sector payrolls in Kentucky increased by 38,900, or 2.5 percent. Kentucky private-sector payroll employment has increased in 10 of the past 12 months.

Nationally, private-sector payroll jobs increased by 275,000 in December, or 0.23 percent. Over the past 12 months, the nation's economy has added 2,551,000 jobs in the private sector, an increase of 2.1 percent.

During December, total government payroll employment in Kentucky increased by 400, or 0.1 percent. Federal government payroll employment increased by 200, or 0.5 percent. State government payroll employment increased by 600, or 0.6 percent, while local government payroll employment decreased by 400, or 0.2 percent.

Over the past year, total government payroll employment increased by 1,300, or 0.4 percent. State government payroll employment increased by 2,500, or 2.4 percent. Local government payroll employment decreased by 900, or 0.5 percent.

The best performing sectors on a seasonally adjusted basis during December were professional and business services (+4,600) and education and health services (+1,800).



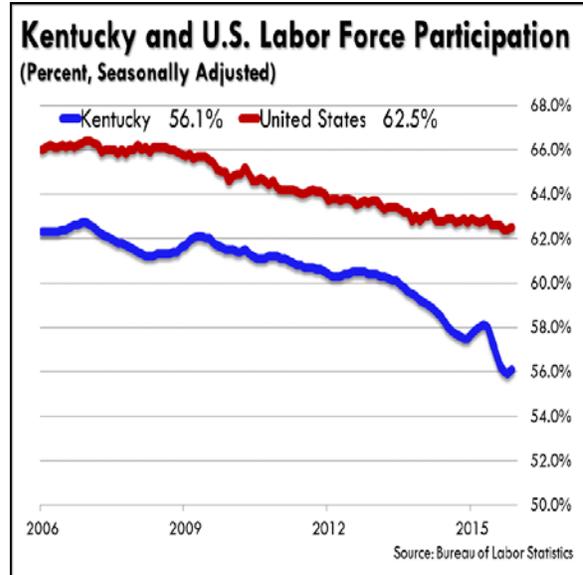
The poorest performing sectors during the month were leisure and hospitality (-3,300) and trade, transportation, and utilities (-400).

The best performing sectors during the last twelve months were education and health services (+700) and manufacturing (+7,800). The poorest performing sectors for the year were government (-1,300) and trade, transportation, and utilities (-3,800).

Other Kentucky Labor Force Statistics

The labor force participation rate in Kentucky increased to 56.5 percent in December. The labor force participation rate in Kentucky is lower 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.

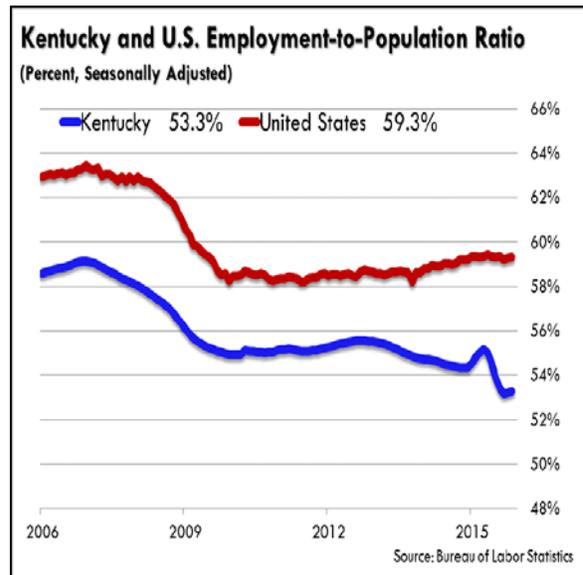
The 10-year high for the labor force participation rate in Kentucky was 62.7 percent in December 2006. The series high for the labor force participation rate in Kentucky occurred in August 1999, when the labor force participation rate hit 64.1 percent. The 10-year low for the labor force participation rate was 55.9 percent in October 2015.



The national labor force participation rate increased to 62.6 percent in December. That rate was 0.1 percentage point lower than a year earlier. At 62.6 percent, the labor force participation rate remains near its post-recession low.

The employment-to-population ratio, or the percentage of the Kentucky civilian noninstitutionalized population 16 years and older counted as employed, increased to 53.5 percent in December.

The 10-year high for the employment-to-population ratio in Kentucky was 59.1 percent in December 2006. The series high for the employment-to-population ratio in Kentucky occurred in February 2000 when the employment-to-population ratio hit 61.3 percent. The 10-year low for the employment-to-population ratio was 53.2 percent in



September 2015. The series low for the employment-to-population ratio also occurred in September 2015 when the employment-to-population ratio hit 53.2 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.5 percent in December. That rate was 0.3 percentage point higher than a year earlier, and 0.1 percentage point higher than it was when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent 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 posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for January is scheduled for release on March 14th. The national employment situation report for January will be released on Friday, February 5th.