



# Kentucky Economic Update

June 19, 2015

## Summary

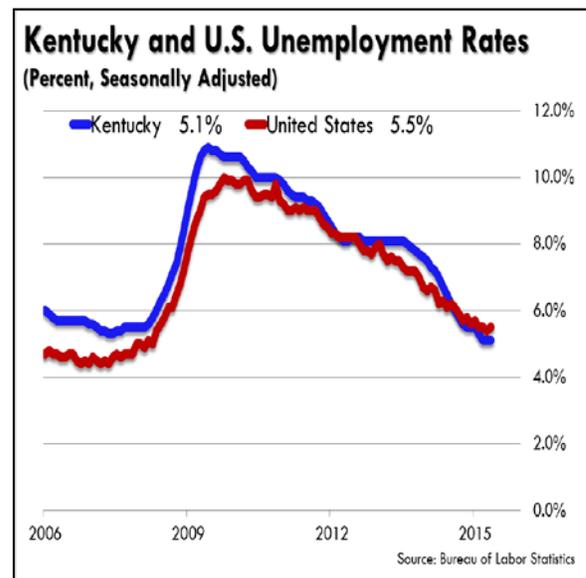
Nonfarm payroll employment in Kentucky increased by 5,100 jobs and the unemployment rate was unchanged at 5.1 percent in May according to data released by the Bureau of Labor Statistics (BLS).

## Kentucky Unemployment Rate

During May, the unemployment rate in Kentucky was unchanged at 5.1 percent. The number of people counted as unemployed rose by 1,524 in May to 102,544, while the labor force fell by 1,790 to 1,995,361. Among the 50 states and the District of Columbia, 21 posted lower unemployment rates for the month than Kentucky. A year earlier, the unemployment rate in Kentucky stood at 6.7 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 5.1 percent in May 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 inched up to 5.5 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.3 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



## Kentucky Payroll Employment

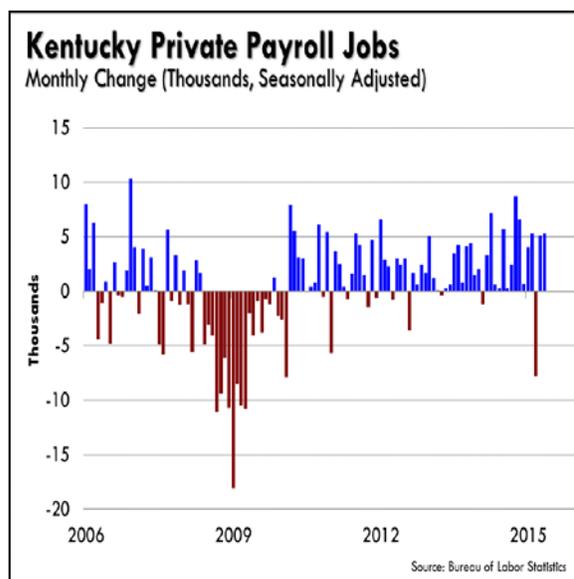
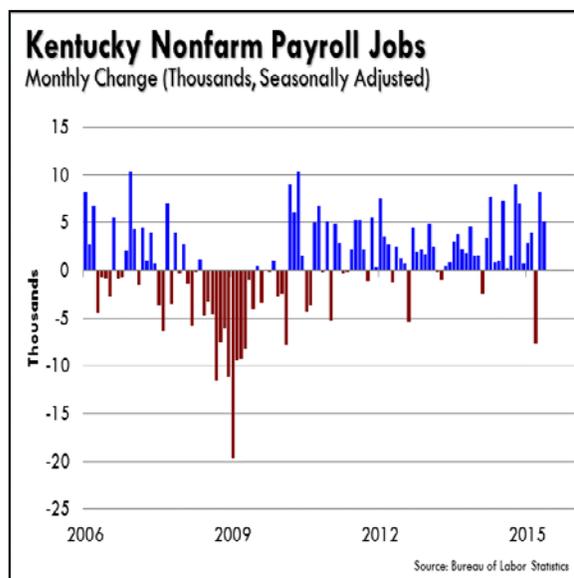
Kentucky nonfarm payrolls increased by 5,100 jobs, or 0.27 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 8,200. Over the past 12 months nonfarm payrolls in Kentucky increased by 39,300, or 2.12 percent. Kentucky nonfarm payroll employment has increased in 11 of the past 12 months.

Nationally nonfarm payrolls increased by 280,000 jobs in May, or 0.20 percent. Over the 12 month period ending in May 2015, nonfarm payrolls grew by 3,058,000 jobs, or 2.21 percent. Kentucky ranks 15th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Kentucky private sector payrolls increased by 5,300, or 0.34 percent. Private sector payrolls increased by 5,100 jobs in the prior month. Over the past 12 months, private sector payrolls in Kentucky increased by 36,600, or 2.39 percent. Kentucky private sector payroll employment has increased in 11 of the past 12 months.

Nationally, private sector payroll jobs increased by 262,000 in May, or 0.22 percent. Over the past 12 months, the nation's economy has added 2,958,000 private sector payroll jobs, an increase of 2.53 percent. Kentucky ranks 15th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Kentucky declined by 200, or 0.06 percent. Federal government payroll employment declined by 100, or 0.27 percent. State government payroll employment declined by 100, or 0.10 percent, while local government payroll employment was unchanged.



Over the past year, total government payroll employment increased by 2,700, or 0.84 percent. State government payroll employment increased by 2,600, or 2.55 percent. Local government payroll employment increased by 500, or 0.27 percent.

The best performing sectors on a seasonally adjusted basis during May were Professional & Business Services (+2,500) and Construction (+1,900). The poorest performing sectors during the month were Other Services (-1,100) and Trade, Transportation & Utilities (-600).

The best performing sectors during the last twelve months were Educational & Health Services (+9,100) and Professional & Business Services (+8,900). The poorest performing sectors for the year were Mining & Logging (-1,400) and Other Services (-500).

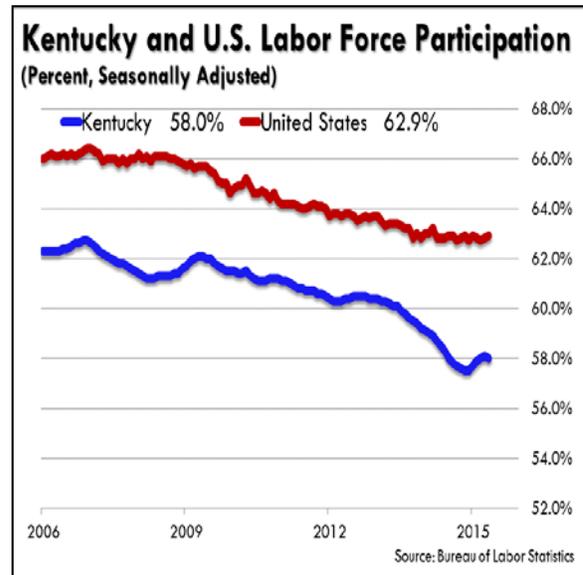
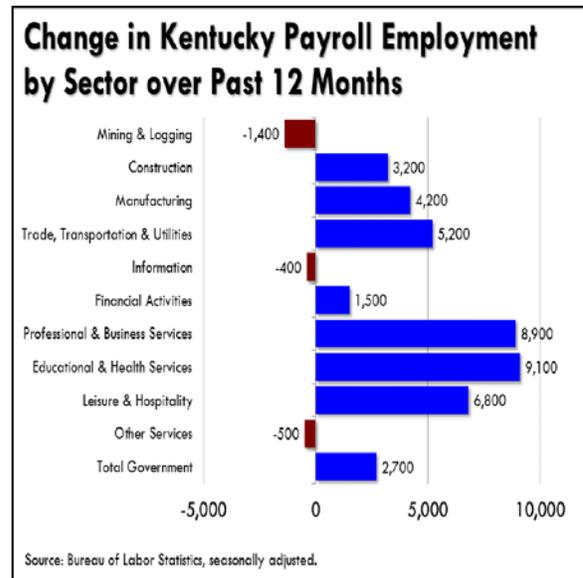
#### Other Kentucky Labor Force Statistics

The labor force participation rate in Kentucky declined to 58.0 percent in May from 58.1 percent the prior month. At 58.0 percent, Kentucky has one of the five lowest labor force participation rates in the nation. The labor force participation rate in Kentucky is unchanged from 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 57.5 percent in December 2014. This also represents the series low for the labor force participation rate in Kentucky.

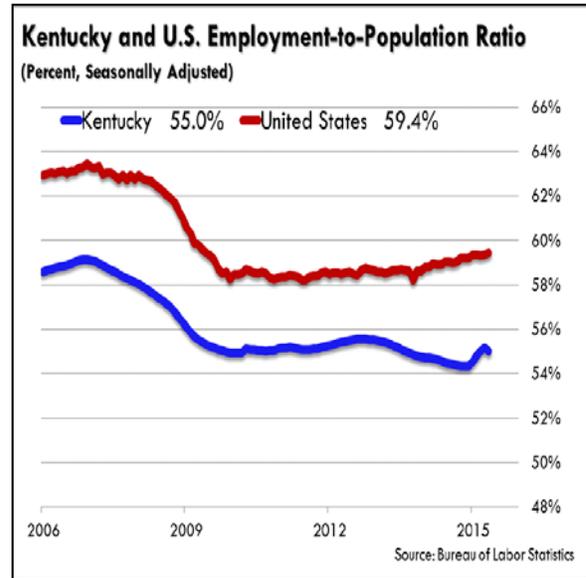
The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in May. That rate is 0.1 percentage point higher than a year earlier.

The employment-to-population ratio, or the percentage of the Kentucky civilian noninstitutionalized population 16 years and older counted as employed, declined to 55.0



percent in May from 55.1 percent the prior month. Among the 50 states and the District of Columbia, 45 have higher employment-to-population ratios than Kentucky. The employment-to-population ratio in Kentucky is 0.4 percentage point 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 April 2000 when the employment-to-population ratio hit 61.3 percent. The 10 year low for the employment-to-population ratio was 54.3 percent in December 2014. The series low for the employment-to-population ratio occurred in January 2015 when the employment-to-population ratio hit 54.3 percent.



The national employment-to-population ratio ticked up to 59.4 percent in May. At 59.4 percent, the national employment-to-population ratio has finally risen back to the level it was at when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in May 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 May is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Thursday, July 2. The national employment report is being released on Thursday instead of Friday due to the Independence Day holiday.