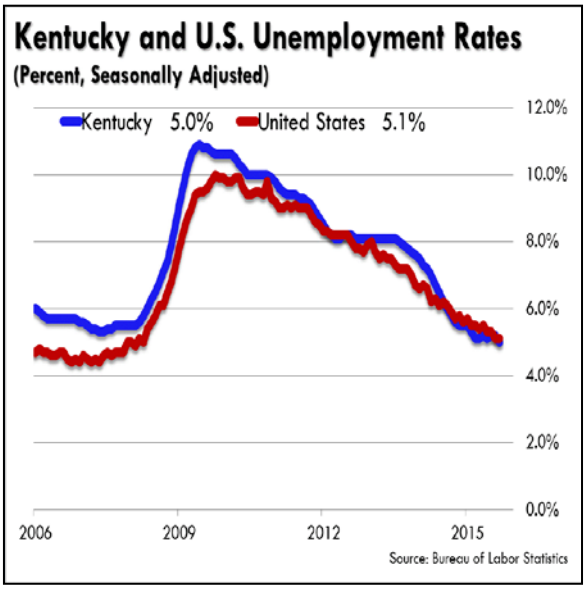
Kentucky Economic Update

October 20, 2015

Summary

Nonfarm payroll employment in Kentucky was unchanged and the unemployment rate fell to 5.0 percent in September according to data released by the Bureau of Labor Statistics (BLS).

Kentucky Unemployment Rate



During September, the unemployment rate in Kentucky declined by 0.2 percentage point to 5.0 percent. The number of people counted as unemployed fell by 3,531 in September to 96,980, while the labor force fell by 11,369 to 1,930,291. Among the 50 states and the District of Columbia, 23 posted lower unemployment rates for the month than Kentucky. A year earlier, the unemployment rate in Kentucky stood at 5.8 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 5.0 percent in September 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.

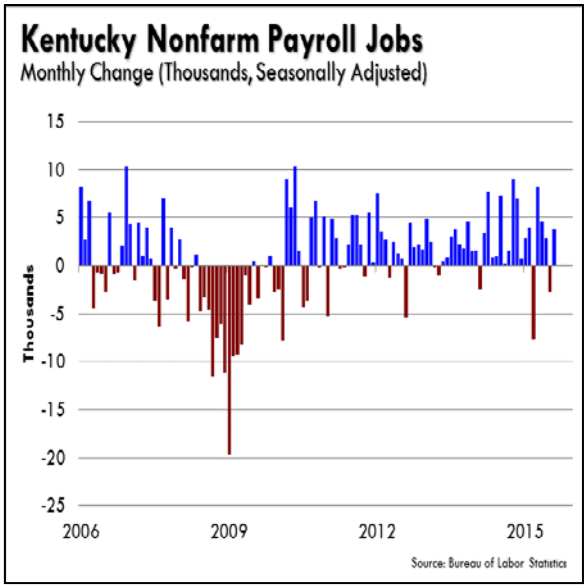
The national unemployment rate was unchanged at 5.1 percent in September. September's unemployment rate was 0.8 percentage point lower than a year earlier. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.

Prepared by the Joint Economic Committee

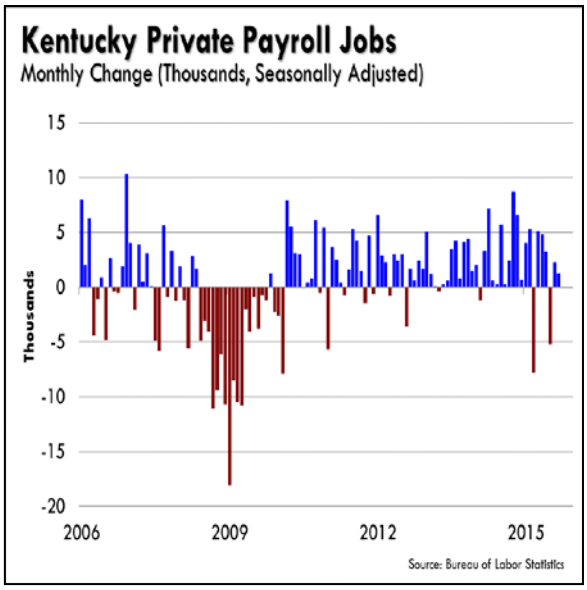
Senator Dan Coats, Chairman Rep. Kevin Brady, Vice Chairman

Kentucky Payroll Employment

Kentucky nonfarm payrolls were unchanged on a seasonally adjusted basis during September. In the prior month, nonfarm payrolls increased by 3,800. Over the past 12 months nonfarm payrolls in Kentucky increased by 32,700, or 1.76 percent. Kentucky nonfarm payroll employment has increased in 9 of the past 12 months.



Nationally nonfarm payrolls increased by 142,000 jobs in September, or 0.10 percent. Over the 12 month period ending in September 2015 nonfarm payrolls grew by 2,752,000 jobs, or 1.97 percent. Kentucky ranks 18th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

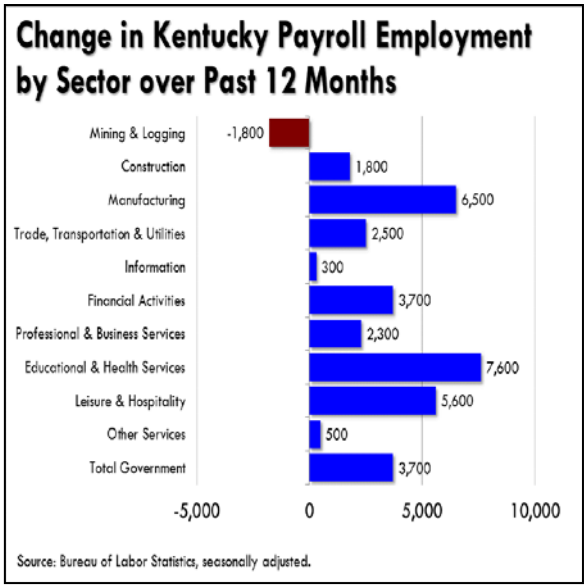


During September, Kentucky private sector payrolls increased by 1,300, or 0.08 percent. Private sector payrolls increased by 2,300 jobs in the prior month. Over the past 12 months, private sector payrolls in Kentucky increased by 29,000, or 1.88 percent. Kentucky private sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 118,000 jobs in September, or 0.10 percent. Over the past 12 months, the nation's economy has added 2,603,000 jobs in the private sector, an increase of 2.21 percent. Kentucky ranks 17th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During September, total government payroll employment in Kentucky declined by 1,300, or 0.40 percent. Federal government payroll employment declined by 200, or 0.54 percent. State government payroll employment declined by 900, or 0.84 percent, while local government payroll employment declined by 200, or 0.11 percent.

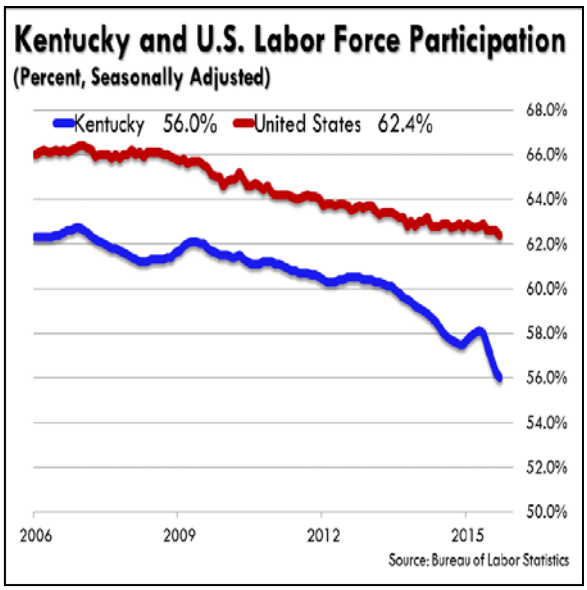
Over the past year, total government payroll employment increased by 3,700, or 1.14 percent. State government payroll employment increased by 3,200, or 3.09 percent. Local government payroll employment increased by 1,000, or 0.55 percent.



The best performing sectors on a seasonally adjusted basis during September were Trade, Transportation & Utilities (+1,600) and Manufacturing (+1,600). The poorest performing sectors during the month were Educational & Health Services (-1,500) and Total Government (-1,300).

The best performing sectors during the last twelve months were Educational & Health Services (+7,600) and Manufacturing (+6,500). The poorest performing sectors for the year were Mining & Logging (-1,800) and Information (+300).

Other Kentucky Labor Force Statistics

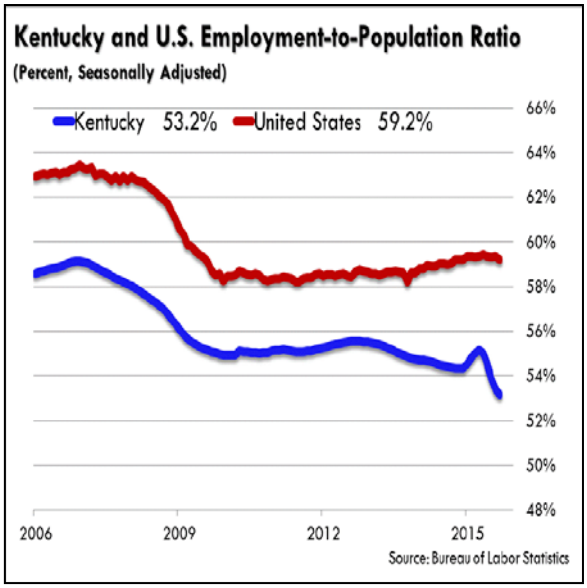


The labor force participation rate in Kentucky declined to 56.0 percent in September from 56.3 percent the prior month. At 56.0 percent, Kentucky has one of the five lowest labor force participation rates in the nation. The labor force participation rate in Kentucky is unchanged from a year earlier. 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 56.0 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 0.2 percentage point to 62.4 percent in September. That rate was 0.3 percentage point lower than a year earlier. At 62.4 percent, the labor force participation rate is at its lowest level since September 1977.

The employment-to-population ratio, or the percentage of the Kentucky civilian noninstitutionalized population 16 years and older counted as employed, declined to 53.2 percent in September from 53.4 percent the prior month. At 53.2 percent, Kentucky has one of the five lowest employment-to-population ratios in the nation. The employment-to-population ratio in Kentucky is 1.2 percentage point lower 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 53.2 percent in September 2015. The series low for the employment-to-population ratio occurred in October 2015 when the employment-to-population ratio hit 53.2 percent.

The national employment-to-population ratio declined by 0.2 percentage point to 59.2 percent in September. That rate was 0.2 percentage point higher than a year earlier. The employment-to-population ratio stood at 59.4 percent when the recession ended in June 2009 and at 62.7 percent when it began in December 2007. 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 October is scheduled for release on Friday, November 20. The national employment situation report for October will be released on Friday, November 6.