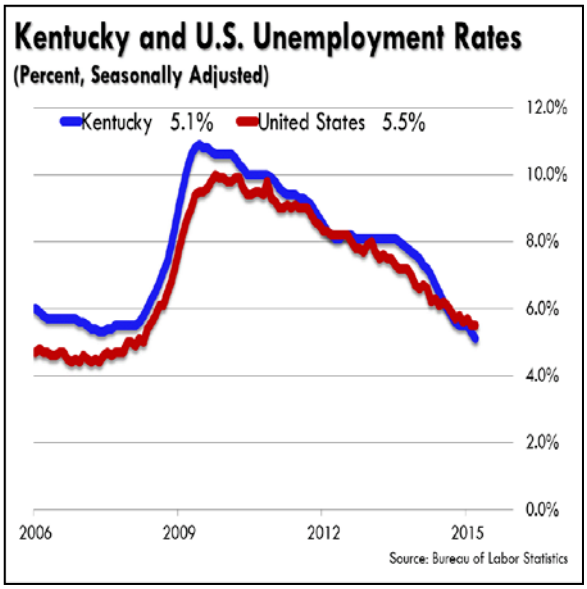
Kentucky Economic Update

April 21, 2015

Summary

Nonfarm payroll employment in Kentucky declined by 6,300 jobs and the unemployment rate fell to 5.1 percent in March according to data released by the Bureau of Labor Statistics (BLS).

Kentucky Unemployment Rate



During March, the unemployment rate in Kentucky declined by 0.2 percentage point to 5.1 percent. The number of people counted as unemployed fell by 2,310 in March to 102,080, while the labor force grew by 5,043 to 1,993,171. 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 7.2 percent.

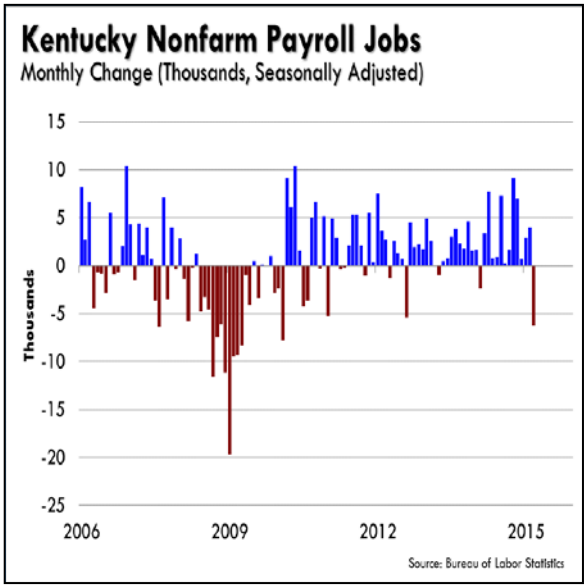
The 10 year peak for the unemployment rate in Kentucky was 10.9 percent in June 2009. The series high for the unemployment rate in Kentucky occurred in February 1983 when the unemployment rate reached 12.1 percent. The 10 year low for the unemployment rate in Kentucky was 5.1 percent in March 2015. The 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 5.5 percent in March. March's unemployment rate was 1.1 percentage points lower than a year earlier when the rate stood at 6.6 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.

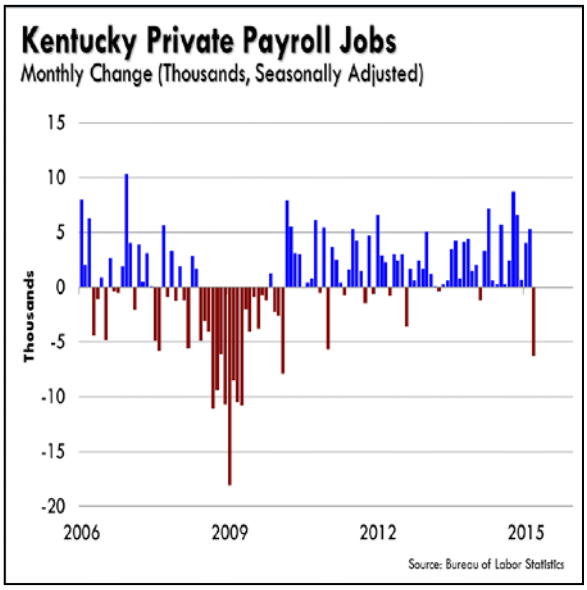
Prepared by the Joint Economic Committee
Senator Dan Coats, Chairman Rep. Kevin Brady, Vice Chairman

Kentucky Payroll Employment

Kentucky nonfarm payrolls declined by 6,300 jobs, or 0.33 percent, on a seasonally adjusted basis during March. In the prior month, nonfarm payrolls increased by 4,000. Over the past 12 months nonfarm payrolls in Kentucky increased by 35,900, or 1.95 percent. Kentucky nonfarm payroll employment has increased in 11 of the past 12 months.



Nationally nonfarm payrolls increased by 126,000 jobs in March, or 0.09 percent. Over the 12 month period ending in March 2015, nonfarm payrolls grew by 3,128,000 jobs, or 2.27 percent. Kentucky ranks 17th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

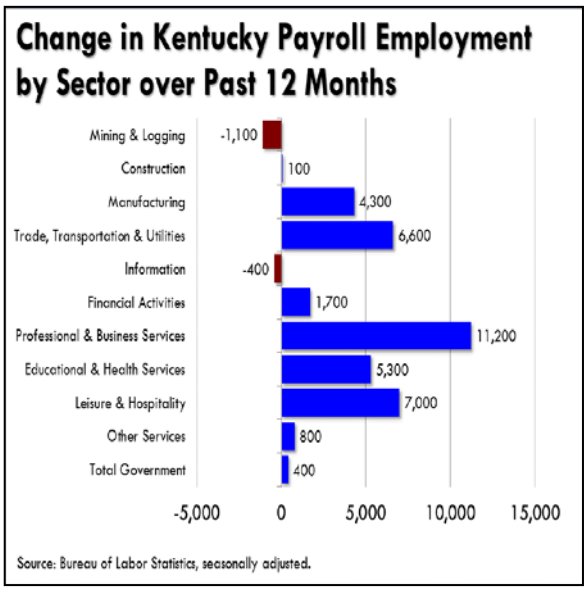


During March, Kentucky private sector payrolls declined by 6,300, or 0.40 percent. Private sector payrolls increased by 5,300 jobs in the prior month. Over the past 12 months, private sector payrolls in Kentucky increased by 35,500, or 2.33 percent. Kentucky private sector payroll employment has increased in 11 of the past 12 months.

Nationally, private sector payroll jobs increased by 129,000 in March, or 0.11 percent. Over past 12 months, the nation's economy has added 3,056,000 private sector payroll jobs, an increase of 2.63 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 March, total government payroll employment in Kentucky was unchanged. Federal government payroll employment was unchanged. State government payroll employment declined by 400, or 0.39 percent, while local government payroll employment increased by 400, or 0.22 percent.

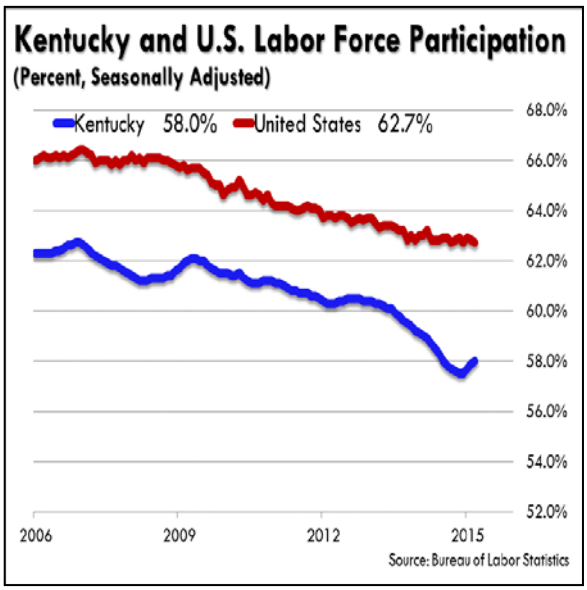
Over the past year, total government payroll employment increased by 400, or 0.12 percent. State government payroll employment increased by 1,300, or 1.28 percent. Local government payroll employment declined by 700, or 0.38 percent.



The best performing sectors on a seasonally adjusted basis during March were Professional & Business Services (+3,100) and Other Services (+700). The poorest performing sectors during the month were Construction (-4,100) and Trade, Transportation & Utilities (-2,600).

The best performing sectors during the last twelve months were Professional & Business Services (+11,200) and Leisure & Hospitality (+7,000). The poorest performing sectors for the year were Mining & Logging (-1,100) and Information (-400).

Other Kentucky Labor Force Statistics

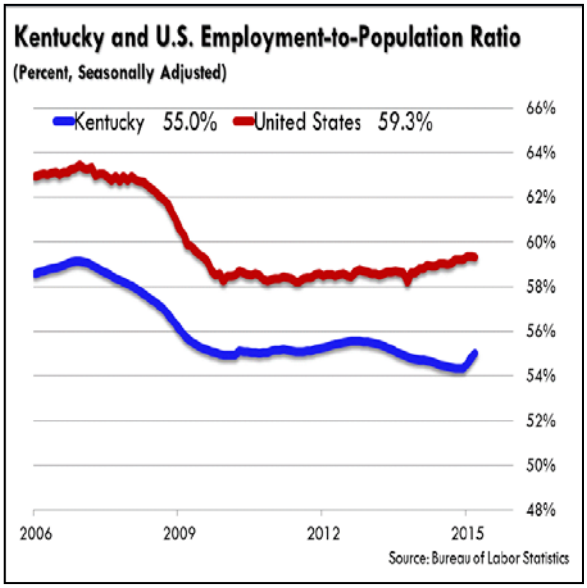


The labor force participation rate in Kentucky rose to 58.0 percent in March from 57.9 percent the prior month. Among the 50 states and the District of Columbia, 45 have a higher labor force participation rate than Kentucky. The labor force participation rate in Kentucky is unchanged from a year earlier. 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 declined by 0.1 percentage point to 62.7 percent in March, equaling the ten year low last reached in December 2014. That rate is 0.5 percentage point below the March 2014 level of 63.2 percent.

The employment-to-population ratio, or the percentage of the Kentucky civilian noninstitutionalized population 16 years and older counted as employed, rose to 55.0 percent in March from 54.8 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 0.3 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 was unchanged at 59.3 percent in March. At 59.3 percent, the national employment-to-population ratio is still below the level of 59.4 percent 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 April is scheduled for release on Wednesday, May 27. The national employment situation report for April is scheduled for release on Friday, May 8.