

Education and Workforce Development Cabinet
Kentucky's jobless rate increases to 10.9 percent in February

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Contact Information: Kim Saylor Brannock
(502) 564-1207
KimS.Brannock@ky.gov

Editor's Note: Preliminary February and revised January labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate rose to 10.9 percent in February 2010 from a revised 10.7 percent in January 2010, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

February 2010's jobless rate is 1.3 percentage points higher than the 9.6 percent rate recorded in February 2009 for Kentucky. The 10.9 percent rate recorded in February 2010 matches the 10.9 percent rate in Kentucky in August 1982, and is the highest since September 1983 when the rate reached 11.1 percent.

"Kentucky's economy continued to show signs of economic hardship in February 2010. The unemployment rate increased to 10.9 percent, and nonfarm employment dropped to its lowest level since April 1998. However, discouraged workers are starting to return to the labor force. This contributed to a surge in the civilian labor force, which compounded the rise in the unemployment rate," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate remained at 9.7 percent from January 2010 to February 2010, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Three of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in February 2010, while seven decreased and one remained the same, according to OET. A decrease of 7,500 jobs in February 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,747,900. Since February 2009, Kentucky's nonfarm employment has plummeted by 38,400.

"February 2010 was the second consecutive month of job losses and the lowest level of nonfarm employment since April 1998 when total nonfarm employment was recorded at 1,745,100. Since the start of the recession in December 2007, Kentucky has shed 122,600 jobs," said Detzel.

According to the seasonally adjusted employment data, Kentucky's educational and health services sector jumped by 1,900 jobs in February 2010. The sector had 3,900 more workers in February 2010 than February 2009. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

The state's leisure and hospitality sector added 1,000 jobs in February 2010. Since February 2009, employment in the sector has decreased by 800 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

The other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional organizations, increased by 100 positions in February 2010. This sector had 3,300 fewer positions in February 2010 than in February 2009.

Employment in the mining and logging sector remained the same from January 2010 to February 2010. The sector has lost 2,200 workers since February 2009.

Kentucky's manufacturing sector jobs plunged by 3,800 in February 2010. Compared to February 2009, jobs in the sector dropped by 16,100.

“This ends a string of three consecutive months of industrial employment growth. Job losses are concentrated in the durable goods subsector, which is a sign of a temporary shutdown at a major manufacturing plant, the closings of various producers of long-lasting goods, and layoffs at an equipment factory,” said Detzel.

The government sector, which includes public education, public administration agencies and state-owned hospitals, tumbled by 2,400 jobs in February 2010. The sector has 2,300 more jobs compared to February 2009.

The state’s trade, transportation and utilities sector declined by 2,300 jobs in February 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 359,800 employees. Since February 2009, the number of jobs in this sector has dropped by 7,800.

Kentucky’s professional and business services sector lost 800 positions in February 2010. This area has gained 2,900 employees since February 2009. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative support and waste management, including temporary help agencies.

Construction sector jobs dropped by 700 in February 2010. Since February 2009, employment in the construction sector has fallen by 13,700 jobs.

The financial activities sector decreased by 400 positions in February 2010. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has fallen by 2,200 positions over the past 12 months.

The information sector had 100 fewer positions in February 2010. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 1,400 positions since February 2009.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for February 2010 was 1,852,401 on a seasonally adjusted basis. This figure is up 3,839 from the 1,848,562 employed in January 2010, but down 27,023 from the 1,879,424 employed in February 2009.

The monthly estimate of the number of unemployed Kentuckians for February 2010 was 225,891, up 4,739 from the 221,152 Kentuckians unemployed in January 2010, and up 25,598 from the 200,293 unemployed in February 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for February 2010 was 2,078,292. This figure is up 7,578 from the 2,070,714 recorded in January 2010, but down 1,425 from the 2,079,717 recorded in February 2009.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.