

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 10 percent in June

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

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate fell to 10 percent in June 2010, the lowest rate in 16 months, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. The revised rate in May 2010 was 10.4 percent.

The June 2010 jobless rate is .8 percentage points lower than the 10.8 percent rate recorded in June 2009 for the state. The 10 percent rate recorded in June 2010 is the lowest unemployment rate recorded since February 2009 when the rate was 9.6 percent.

"The decrease in Kentucky's unemployment rate in June 2010 is driven by a decline in the civilian labor force. Individuals who have faced long-term unemployment are becoming discouraged and dropping out of the labor force," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate decreased from 9.7 percent in May 2010 to 9.5 percent in June 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.

Seven of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in June 2010, while four decreased, according to OET. An increase of 6,200 jobs in June 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,788,700. This represents the fourth consecutive month of job gains and the highest level of nonfarm employment since January 2009, when total nonfarm employment was recorded at 1,796,400.

"Since June 2009, Kentucky's nonfarm employment has expanded by 26,500 professionals. This marks the second month in a row of year-over-year increases in nonfarm employment. Prior to this, Kentucky suffered 26 consecutive months of year-over-year employment losses," said Detzel.

According to the seasonally adjusted employment data, the manufacturing sector jobs surged by 2,700 in June 2010. Since June 2009, employment in the manufacturing sector has grown by 4,800 positions.

"This represents the second month in a row of a year-over-year advance in manufacturing jobs," Detzel said.

"The lion's share of the growth since last June occurred in the durable goods subsector, which is indicative of automobile manufacturers increasing production and automobile parts plants calling back workers, as well as expansions at various durable goods manufacturers. In addition, the nondurable goods subsector added 1,100 professionals in the last year," she said.

Kentucky's leisure and hospitality sector climbed by 2,100 jobs in June 2010. Since June 2009, employment in the sector has increased by 1,400 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

"As the economy stabilizes, consumers are loosening their purse strings and opening their wallets. The easing in the retrenchment by consumers is positively impacting the leisure and hospitality sector

as individuals splurge more on restaurant meals and leisure activities," Detzel said.

Construction sector jobs rose by 1,600 in June 2010. Since June 2009, employment in the construction sector has fallen by 3,300 jobs.

"This marks the third increase in the number of jobs in the construction sector in the last four months. As the economy strengthens, commercial construction projects are being undertaken," Detzel said.

The educational and health services sector reported 1,200 more workers in June 2010 than in May 2010. The sector has added 5,200 workers since June 2009. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Kentucky's trade, transportation and utilities sector gained 600 jobs in June 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 366,300 employees. Since June 2009, the number of jobs in this sector has increased by 4,100.

"As the recession subsides, consumers are regaining confidence. The resurgence in the demand for products is rippling through distribution networks and boosting employment at transportation enterprises," said Detzel.

Employment in the mining and logging sector rose by 100 workers in June 2010. The sector has lost 200 workers since June 2009.

The professional and business services sector increased by 100 positions in June 2010. This area includes professional, scientific and technical services, management of companies and administrative support and waste management, including temporary help agencies. Since last June, jobs in the sector have surged by 14,800.

The financial activities sector dropped by 1,100 jobs in June 2010. This segment, which includes businesses involved in finance,

insurance, real estate and property leasing or rental, has fallen by 3,500 positions over the past 12 months.

“Within the financial activities sector, the real estate and rental and leasing industry lost 600 jobs between May 2010 and June 2010. The expiration of the federal home buyer tax credit is crimping the real estate industry. Over the last year, the malaise resulting from the credit crisis impacting Kentucky has negatively affected the credit intermediation, and real estate and rental and leasing industries,” Detzel said.

The government sector, which includes public education, public administration agencies and state-owned hospitals, lost 600 jobs in June 2010. The sector has 5,600 more jobs compared to June 2009.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional organizations, decreased by 300 positions in June 2010. This sector had 1,700 fewer positions in June 2010 than in June 2009.

The information sector reported 200 fewer positions in June 2010. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 700 positions since June 2009.

The U.S. Bureau of Labor Statistics’ monthly estimate of the number of employed Kentuckians for June 2010 was 1,863,474 on a seasonally adjusted basis. This figure is down 1,859 from the 1,865,333 employed in May 2010, and down 48 from the 1,863,522 employed in June 2009.

The monthly estimate of the number of unemployed Kentuckians for June 2010 was 207,780, down 7,798 from the 215,578 Kentuckians unemployed in May 2010, and down 17,467 from the 225,247 unemployed in June 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for June 2010 was 2,071,254. This figure is down 9,657 from the 2,080,911 recorded in May 2010, and down 17,515 from the 2,088,769 recorded in June 2009.

Civilian labor force statistics include nonmilitary 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.

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