

# Education and Workforce Development Cabinet

## Kentucky's jobless rate drops to 9.9 percent in July

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

FRANKFORT, Ky. — For the first time since February 2009, Kentucky's seasonally adjusted preliminary unemployment rate fell below 10 percent to 9.9 percent in July 2010, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. The revised rate in June 2010 was 10 percent.

The July 2010 jobless rate is .9 percentage points lower than the 10.8 percent rate recorded in July 2009 for the state. The 9.9 percent rate recorded in July 2010 is the lowest unemployment rate recorded since February 2009 when the rate was 9.6 percent.

"The decline in Kentucky's unemployment rate in July 2010 continues to be a result of the decrease in the state's civilian labor force because people have become discouraged in their job search. People who have not looked for a job in the last four weeks are no longer counted in the labor force," said Ron Crouch, director of research and statistics in OET.

The U.S. seasonally adjusted jobless rate remained at 9.5 percent from June 2010 to July 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.

Nine of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment decrease in July 2010, while two increased, according to OET. A decrease of 8,000 jobs in July 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,772,400. In contrast, Kentucky's nonfarm employment has grown by 8,600 workers since July 2009.

According to the seasonally adjusted employment data, the government sector, which includes public education, public administration agencies and state-owned hospitals, plunged by 4,800 jobs in July 2010. The sector has 800 fewer jobs compared to July 2009.

"The largest drop was in the federal government area where short-term data collection work has wrapped up. State government also saw a large decrease in positions as the state budget constricts," said Crouch.

Kentucky's manufacturing sector jobs shrunk by 4,200 in July 2010. Since July 2009, employment in the manufacturing sector has fallen by 800 positions.

"In July 2010, the majority of the decline in the manufacturing sector was in the nondurable goods subsector which fell by 2,300 jobs. Most of those job losses were in food manufacturing and tobacco manufacturing. The durable goods subsector jobs also decreased as several automobile manufacturers had temporary layoffs in July to retool," he said.

Kentucky's leisure and hospitality sector dropped by 1,300 jobs in July 2010. Since July 2009, employment in the sector has decreased by 1,200 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

"The employment losses occurred predominately in accommodations and food services enterprises, which suggests that people cut back on travel and vacationing in July of this year. Normally, we have an increase in travel during the summer as people vacation, but this

year we are seeing fewer people take to the road because of the economic downturn across the country," Crouch said.

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 700 positions in July 2010. This sector had 2,200 fewer positions in July 2010 than in July 2009.

The educational and health services sector reported 600 fewer workers in July 2010 than in June 2010. The sector has added 3,300 workers since July 2009. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Construction sector jobs fell by 500 in July 2010. Since July 2009, employment in the construction sector has plunged by 5,700 jobs.

The financial activities sector lost 200 jobs in July 2010. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has fallen by 3,400 positions over the past 12 months.

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

Employment in the mining and logging sector dropped by 100 workers in July 2010. The sector has gained 600 workers since July 2009.

Kentucky's trade, transportation and utilities sector gained 3,600 jobs in July 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 368,100 employees. Since July 2009, the number of jobs in this sector has increased by 6,300.

"The increase in retail trade and wholesales trade jobs was about equal in July 2010. Some of the upturn in employment came from people buying supplies and clothes for school," said Crouch.

The professional and business services sector increased by 1,000 positions in July 2010. This area includes professional, scientific and technical services; management of companies and administrative support; and waste management, including temporary help agencies. Since last July, jobs in the sector have surged by 13,200.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for July 2010 was 1,860,523 on a seasonally adjusted basis. This figure is down 2,899 from the 1,863,422 employed in June 2010, but up 667 from the 1,859,856 employed in July 2009.

The monthly estimate of the number of unemployed Kentuckians for July 2010 was 203,299, down 4,342 from the 207,641 Kentuckians unemployed in June 2010, and down 22,948 from the 226,247 unemployed in July 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for July 2010 was 2,063,822. This figure is down 7,241 from the 2,071,063 recorded in June 2010, and down 22,281 from the 2,086,103 recorded in July 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.

Learn more about the Office of Employment and Training at [www.workforce.ky.gov](http://www.workforce.ky.gov).