

## Education Cabinet

# Kentucky's December 2007 jobless rate rises to 5.7 percent

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FRANKFORT, Ky. — Kentucky's seasonally adjusted unemployment rate increased from 5 percent in November 2007 to 5.7 percent in December 2007, according to the Office of Employment and Training (OET), an agency of the Kentucky Education Cabinet. December 2006's jobless rate was 5.4 percent.

The U.S. seasonally adjusted jobless rate rose from 4.7 percent in November 2007 to 5 percent in December 2007, 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.

Four of the 11 major nonfarm job North American Industry Classification System (NAICS) sectors reported employment increases in December 2007, while six decreased, and one was unchanged, according to OET. A decrease of 2,500 jobs in December 2007 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,857,300. Since December 2006, Kentucky's nonfarm employment has risen by 6,400.

“In 2007, there was a calendar shift causing Thanksgiving to fall earlier than usual. Therefore, the holiday shopping season and seasonal hiring occurred earlier this year than last year. This phenomenon impacted the state jobless rate and acted to drive down November's unemployment rate. This calendar shift effect reversed in the December data, and thus December's rate is back in line with the rest of 2007,” said Justine Detzel, OET chief labor market analyst.

According to the seasonally adjusted employment data, the government sector, which includes public education, public administration agencies, and state-owned hospitals, added 600 jobs in December 2007. Since December 2006, this sector has risen by 6,600 jobs.

Kentucky's educational and health services sector grew by 400 jobs in December 2007. Since last December, this segment has gained 2,900 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

The employment figure in the natural resources and mining sector rose by 300 jobs from November 2007 to December 2007. Since December 2006, the segment has risen by 900 jobs.

The construction sector gained 200 jobs in December 2007. Since December 2006, employment in this sector has increased by 600 positions.

Jobs in the leisure and hospitality sector remained steady in December 2007. Since December 2006, employment in the sector has increased by 1,500 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations, and food services and drinking places industries.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, fell by 100 jobs in December 2007. This area had 800 more jobs in December 2007 than in December 2006.

The financial activities sector declined by 100 jobs in December 2007. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has added 1,200 positions over the past 12 months.

The information sector reported 200 fewer jobs in December 2007. This segment, which includes firms involved in publishing, Internet activities, and broadcasting and news syndication, had the same number of jobs as in December 2006.

The number of jobs in the professional and business services sector dropped by 300 in December 2007. This area had 2,300 more employees in December 2007 than in December 2006. The professional and business services sector includes professional, scientific and technical services, management of companies, and administrative and support management, including temporary help agencies.

Kentucky's trade, transportation and utilities sector had 700 fewer jobs in December 2007. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and it is the largest sector in Kentucky with 379,300 employees. Since December 2006, the number of jobs in this sector has dropped by 1,000.

"The month-over-month employment loss in the trade, transportation and utilities sector occurred in the retail trade area. The decline in employment is reflective of consumers cutting discretionary spending in response to rising food and energy prices, the credit crunch, the housing slump and a volatile stock market," said Detzel.

The number of jobs in the manufacturing sector fell by 2,600 in December 2007. Compared to December 2006, jobs in the sector were down by 9,400 in December 2007.

"The majority of the manufacturing employment losses occurred in the durable goods subsector, which includes items such as furniture and appliances. With the rising uncertainty regarding the health of the economy, consumers have become leery of making durable goods purchases, since many of these items require long-term financing," said Detzel.

"The year-over-year employment decrease is concentrated in the durable goods subsector, but non-durable goods also experienced employment losses. In an effort to make ends meet, consumers are cutting spending on non-necessities to compensate for higher household expenses," she said.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for December 2007 was 1,934,952 on a seasonally adjusted basis. This figure is down 19,499 from the 1,954,451 employed in November 2007, and down 3,573 from the 1,938,525 employed in December 2006.

The monthly estimate of the number of unemployed Kentuckians for December 2007 was 116,709, up 13,916 from the 102,793 Kentuckians unemployed in November 2007, and up 5,816 from the 110,893 unemployed in December 2006.

The monthly estimate of the number of Kentuckians in the civilian labor force for December 2007 was 2,051,661. This figure is down 5,583 from the 2,057,244 recorded in November 2007, but up 2,243 from the 2,049,418 recorded for December 2006.

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](http://www.workforce.ky.gov).