

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 9.4 percent in November 2011

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

FRANKFORT, Ky. (Dec. 15, 2011) — Kentucky's seasonally adjusted preliminary unemployment rate fell to 9.4 percent in November 2011 from 9.6 percent in October 2011, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary November 2011 jobless rate was .8 percentage point below the 10.2 percent rate recorded for the state in November 2010. The state's November 2011 rate is the lowest since the January 2009 rate of 9.2 percent.

The U.S. seasonally adjusted jobless rate dropped to 8.6 percent in November 2011 from 9 percent in October 2011, 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 North American Industry Classification System (NAICS) job sectors reported an employment increase in November 2011, while six decreased and one remained the same, according to OET. The number of jobs increased by 4,500 from October 2011 to November 2011 bringing Kentucky's nonfarm employment to a seasonally adjusted total of 1,802,100. Kentucky's nonfarm employment has grown by 20,600 workers since November 2010.

“The year-to-year data shows a positive growth trend with the unemployment rate dropping nearly 1 percent over the past year. In the last month, a decline in the civilian labor force was the main factor in the decrease in the unemployment rate as people dropped out of the workforce, which is contrary to the trend over the year,” said Ron Crouch, OET director of Research and Statistics.

According to the seasonally adjusted employment data provided by the Bureau of Labor Statistics' Current Employment Statistics (CES) program, Kentucky's trade, transportation and utilities sector surged by 6,000 jobs in November 2011. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities. It is the largest sector in Kentucky with 366,100 employees. Since November 2010, the number of jobs in this sector has increased by 7,100.

“The job gains in the trade, transportation and utilities sector was across the board. All three of the subsectors showed strong growth during the past month, which indicates that consumers are increasing their spending,” said Crouch.

The professional and business services sector increased by 1,900 positions in November 2011. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last November, jobs in the sector have ballooned by 12,800.

“In the last month, we saw a nearly 15 percent increase in the number professional, scientific and technical services employees, which is a positive trend since those tend to be higher paying jobs,” Crouch said.

The educational and health services sector grew by 1,300 workers in November 2011. The sector has gained 5,100 jobs since November 2010. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

The government sector, which includes public education, public administration agencies and state-owned hospitals, recorded 600 more jobs in November 2011 than in October 2011. The sector had 4,700 fewer jobs than in November 2010.

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, was unchanged from October 2011 to November 2011. This sector had 500 fewer positions in November 2011 than November 2010.

Construction sector jobs fell by 2,500 in November 2011. Since November 2010, employment in the construction sector has tumbled by 6,100 jobs.

“The downward employment in construction continued in the past month as it has during past year. Since last November, we have seen a nearly 10 percent drop in construction jobs,” Crouch said.

Kentucky’s manufacturing sector dropped by 1,700 jobs in November 2011. Since November 2010, employment in the manufacturing sector has climbed by 4,700 positions.

“The drop in manufacturing jobs occurred in both durable and nondurable goods. However, over the past year we have seen an increase of more than 2 percent in jobs in this sector after a number of years of decline, so that is a positive trend,” Crouch said.

The state’s leisure and hospitality sector lost 500 jobs in November 2011. Since November 2010, the sector has grown by 6,200 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services, and drinking places industries.

The information sector had 200 fewer jobs in November 2011. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has declined by 200 positions since November 2010.

The financial activities sector decreased by 200 jobs in November 2011. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, had 3,800 fewer positions than in November 2010.

Employment in the mining and logging sector went down by 200 in November 2011. The number of jobs in the sector is the same as November 2010.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for November 2011 was 1,896,391 on a seasonally adjusted basis. This figure is up 1,221 from the 1,895,170 employed in October 2011, and up 22,120 from the 1,874,271 employed in November 2010.

The monthly estimate of the number of unemployed Kentuckians for November 2011 was 196,809, down 5,194 from the 202,003 Kentuckians unemployed in October 2011, and down 17,219 from the 214,028 unemployed in November 2010.

The monthly estimate of the number of Kentuckians in the civilian labor force for November 2011 was 2,093,200. This figure is down 3,973 from the 2,097,173 recorded in October 2011, and up 4,901 from the 2,088,299 recorded in November 2010.

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.