

Education and Workforce Development Cabinet

Kentucky's jobless rate dropped to 8.2 percent in November 2012

Press Release Date: Wednesday, December 19, 2012

Contact Information:

FRANKFORT, Ky. (Dec. 19, 2012) — Kentucky's seasonally adjusted preliminary unemployment rate dropped to 8.2 percent in November 2012 from a revised 8.4 percent in October 2012, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary November 2012 jobless rate was .9 percentage points below the 9.1 percent rate recorded for the state in November 2011.

The U.S. seasonally adjusted jobless rate fell to 7.7 percent in November 2012 from 7.9 percent in October 2012, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates and are compiled to measure trends rather than actually to count people working.

In November 2012, Kentucky's civilian labor force was 2,085,424, an increase of 1,423 individuals compared to the previous month, and employment also grew with the addition of 5,814 jobs.

“For the first 11 months of 2012 the unemployment rate in Kentucky has averaged 8.4 percent or 1.2 percentage points below the same period last year,” said economist Manoj Shanker of the OET. “We are now adding jobs at the same pace as the pre-recession period.”

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment rose by 3,800 jobs in November 2012 from the previous month. On an over-the-year basis, the state's nonfarm employment has grown by 2.1 percent with the addition of 37,600 jobs.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, six of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while four declined and one remained the same.

Kentucky's trade, transportation and utilities sector rebounded in November with 4,000 more jobs than in October 2012. This is the largest sector in Kentucky with 379,000 positions, and

accounts for about 20 percent of nonfarm employment. Since November 2011, jobs in this sector have increased by 12,400 or 3.4 percent.

“The largest gain was in transportation, warehousing and utilities with a month-to-month increase of 2,700 jobs and a gain of 4,600 jobs from a year ago. Retail trade employment was up by 7,300 from the same period a year ago,” said Shanker. “Businesses seem to be expressing confidence in holiday sales opportunities by increased hiring.”

The leisure and hospitality sector grew by 1,800 jobs in November 2012. Since November 2011, the sector has expanded by 9,900 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

The construction sector posted an increase of 900 positions in November 2012 from a month ago. Since November 2011, employment in construction has fallen by 800 positions or 1.2 percent.

“This year the mild spring spurred construction activity in the early part of the year. After that for eight successive months employment has declined in the construction sector compared to the same period a year ago. In spite of low mortgage rates, the housing overhang hasn’t cleared and is still dampening employment,” said Shanker.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, rose by 300 in November 2012. Compared to a year ago, there has been a gain of 900 jobs.

The educational and health services sector grew by 200 jobs in November 2012. The sector has posted a decline of 500 jobs since November 2011.

“The recent month-over-month decline in health care jobs is related to consolidation in health services and an increased effort at cost management,” Shanker said.

Employment in the mining and logging sector went up by 200 positions in November 2012. The number of jobs in this sector has dropped by 1,400 or 6.3 percent since last November.

Kentucky’s professional and business services sector remained the same from October 2012 to November 2012. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last November, jobs in the sector have increased by 13,800.

“Compared to a year ago, the professional and business services sector has had the largest overall employment gain among all industries in terms of the number of jobs and in the percentage increase with a gain of 7.2 percent,” said Shanker.

The financial activities sector lost 500 jobs in November 2012. Compared to November a year ago businesses involved in finance, insurance, real estate and property leasing added 1,000 jobs.

The information sector dropped by 500 jobs in November 2012. This segment has 100 more positions compared to November 2011. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

The government sector, which includes public education, public administration agencies and state-owned hospitals, decreased by 500 jobs in November 2012. The sector had 300 fewer jobs compared to November 2011.

Kentucky's manufacturing sector lost 2,100 jobs or 1 percent in November 2012 compared to the previous month. Since November 2011, employment in manufacturing has increased by 2,500 jobs or 2.1 percent.

“A few unusual monthly fluctuations in manufacturing employment have been the result of unexpected shut downs and some production line glitches. But the over-the-year trend has held steady for 28 months,” said Shanker.

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 Kentucky labor market information at www.kylmi.ky.gov.