

# Education and Workforce Development Cabinet

## Kentucky's jobless rate remains at 7.9 percent in February 2013

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**FRANKFORT, Ky. (March 21, 2013)** — Kentucky's seasonally adjusted preliminary unemployment rate stayed at 7.9 percent from January 2013 to February 2013, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary February 2013 jobless rate was .4 percentage points below the 8.3 percent rate recorded for the state in February 2012.

The U.S. seasonally adjusted jobless rate decreased to 7.7 percent in February 2013 from 7.9 percent in January 2013, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In February 2013, Kentucky's civilian labor force was 2,083,557, a decrease of 2,148 individuals compared to the previous month. Employment fell by 149, while the number of unemployed people dropped by 1,999.

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 increased by 6,800 jobs in February 2013 from the previous month. On an over-the-year basis, the state's nonfarm employment has grown by 1.3 percent with the addition of 23,000 jobs.

"Preliminary February 2013 employment estimates show a considerable improvement in Kentucky's labor market," said economist Manoj Shanker of the OET. "Our nonfarm job levels have now reached a post-recession recovery highpoint. We have made considerably more progress than the average state in gaining back lost jobs from the Great Recession."

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 five declined.

Kentucky's manufacturing sector had the highest number of new jobs as the sector grew by 3,100 positions or 1.2 percent in February 2013. Since February 2012, employment in manufacturing has increased by 13,100 jobs or 6 percent.

"Most of the employment gain continues to be in the durable goods industries, which include motor vehicle manufacturing as well as machinery, electrical equipment and appliances," said Shanker.

“The economy’s fundamentals are improving. Though there is less disposable income from the expiration of the 2 percent payroll tax cut, consumers are spending money on cars and keeping the assembly lines humming,” said Shanker.

The state’s leisure and hospitality sector rebounded in February 2013 with 2,300 more jobs. Since February 2012, the sector has expanded by 5,200 positions or 3 percent. This sector includes arts, entertainment, recreation, accommodation and food services.

“The majority of employment in the leisure and hospitality sector is in hotels and restaurants and that has seen steady growth,” said Shanker. “However, 10 percent of the jobs in this category are in the arts and entertainment field and that has been far from steady.”

The educational and health services sector gained 1,200 positions in February 2013. The sector has posted an increase of 1,700 jobs since February 2012.

“Health care jobs are the real driver for this sector. We have had seven months of steady month-to-month growth. More importantly, this sector has expanded every year since 1990,” said Shanker.

The construction sector posted an increase of 900 positions in February 2013 from a month ago. Since February 2012, employment in construction has risen by 300 jobs.

“Kentucky has added construction jobs in three of the last four months. The housing market is showing signs of recovery. Low unemployment and record-low mortgage rates have encouraged more people to buy. Nationally, February housing starts were the strongest in almost five years,” Shanker said.

The state’s trade, transportation and utilities sector added 800 jobs in February 2013. This is the largest sector in Kentucky with 375,100 positions, and accounts for about 20 percent of nonfarm employment. Since February 2012, jobs in this sector have increased by 5,700 or 1.5 percent.

The government sector, which includes public education, public administration agencies and state-owned hospitals, increased by 700 jobs in February 2013. The sector had 400 more jobs compared to February 2012.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, fell by 100 positions February 2013. Compared to a year ago, there has been a loss of 1,700 jobs.

Kentucky’s professional and business services sector dropped by 200 jobs in February 2013. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last February, jobs in the sector have increased by 1,600.

Employment in the mining and logging sector fell by 300 jobs in February 2013. The number of jobs in this sector has declined by 4,100 or 18 percent since last February.

The financial activities sector lost 600 jobs in February 2013. Compared to February a year ago, businesses involved in finance, insurance, real estate and property leasing have gained 2,500 jobs.

The information sector fell by 1,000 jobs in February 2013. This segment has declined by 1,600 positions since February 2012. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

"The newspaper media audience, including online, declined by 2 percent in 2012. Coupled with the decline in advertising revenues the outlook for employment in the both the print and online media is unpromising, at least in the short-run," 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](http://www.kylmi.ky.gov).