

## Education and Workforce Development Cabinet

# Kentucky's unemployment rate falls to 7.1 percent in August 2014

**Press Release Date:** Thursday, September 18, 2014

### Contact Information:

**FRANKFORT, Ky. (Sept. 18, 2014)** — Kentucky's seasonally adjusted preliminary unemployment rate for August 2014 dropped to 7.1 percent from a revised 7.4 percent in July 2014, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary August 2014 jobless rate was 1.3 percentage points below the 8.4 percent rate recorded for the state in August 2013.

The U.S. seasonally adjusted jobless rate slipped to 6.1 percent in August 2014 from 6.2 percent a month ago, 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 August 2014, Kentucky's civilian labor force was 2,017,372, a decrease of 18,128 individuals compared to the previous month. Employment was down by 10,496, and the number of unemployed declined by 7,632.

“Both Kentucky and the national labor markets are being driven by inexorable demographic trends. The unemployment rate is declining as more workers age out of active participation in the job market. That causes the labor force to contract. It also moves the older unemployed workers out of the job market causing the unemployment rate to fall,” said economist Manoj Shanker of the OET.

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 2,000 jobs in August 2014 from the month before, and by 24,000 positions since August 2013.

“Nonfarm employment has shown a steady uptick for the last seven months. Kentucky has now regained 96 percent of the jobs lost during the Great Recession and we are on track for full pre-recession recovery by the end of this year,” said Shanker.

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 from the previous month.

Kentucky's professional and business services added 1,900 positions in August 2014 from a month ago. The year-over-year gain was also substantial with the addition of 8,700 jobs, or 4.3 percent. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services and payroll processing.

The government sector, which includes public education, public administration agencies and state-owned hospitals, gained 1,700 jobs in August 2014, and posted an increase of 1,000 positions compared to August a year ago.

“The sharp upswing in government employment is due partly to the starting dates of colleges and universities. Student teaching assistants and research assistants are included in state government employment, and if their employment starts during the week of the nonfarm employment survey there is an uptick in government employment,” said Shanker.

The construction sector posted an upswing of 800 jobs in August 2014 from a month ago. Since August 2013, employment in construction has declined by 300 positions.

Employment in the educational and health services sector increased by 400 positions in August 2014, and gained 2,700 jobs over the year. Health care jobs account for nearly 90 percent of employment in this sector and had a month-to-month increase of 700 jobs.

The financial activities sector added 400 jobs from a month ago. The sector has lost 2,100 positions over the last 12 months.

Kentucky’s leisure and hospitality sector rose by 100 positions in August 2014. Since August 2013, this sector has grown by 6,800 jobs for an increase of 3.8 percent. This sector includes arts, entertainment, recreation, accommodation and food services.

Employment in the mining and logging sector dropped by 200 in August 2014. The industry has added 200 jobs since last August.

The information sector declined by 400 jobs in August 2014. This segment has risen by 400 positions since August 2013. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

The state’s trade, transportation and utilities sector dropped 500 jobs in August 2014 compared to July 2014. From a year ago, employment has grown by 4,800 jobs. This is the largest sector in Kentucky accounting for one-fifth of all nonfarm jobs. Retail trade lost jobs while wholesale trade and warehousing gained positions over the year.

Employment in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, was down by 1,100 positions in August from a month ago. This sector posted an increase of 900 jobs from a year ago.

Kentucky’s manufacturing sector lost 1,100 jobs in August 2014 compared to the previous month. Since August 2013, employment in manufacturing has increased by 900 jobs.

“The current drop in manufacturing is in the durable goods subsector, and is due to an unanticipated change in factory shutdown schedules as they prepare to retool and add new production lines,” 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).