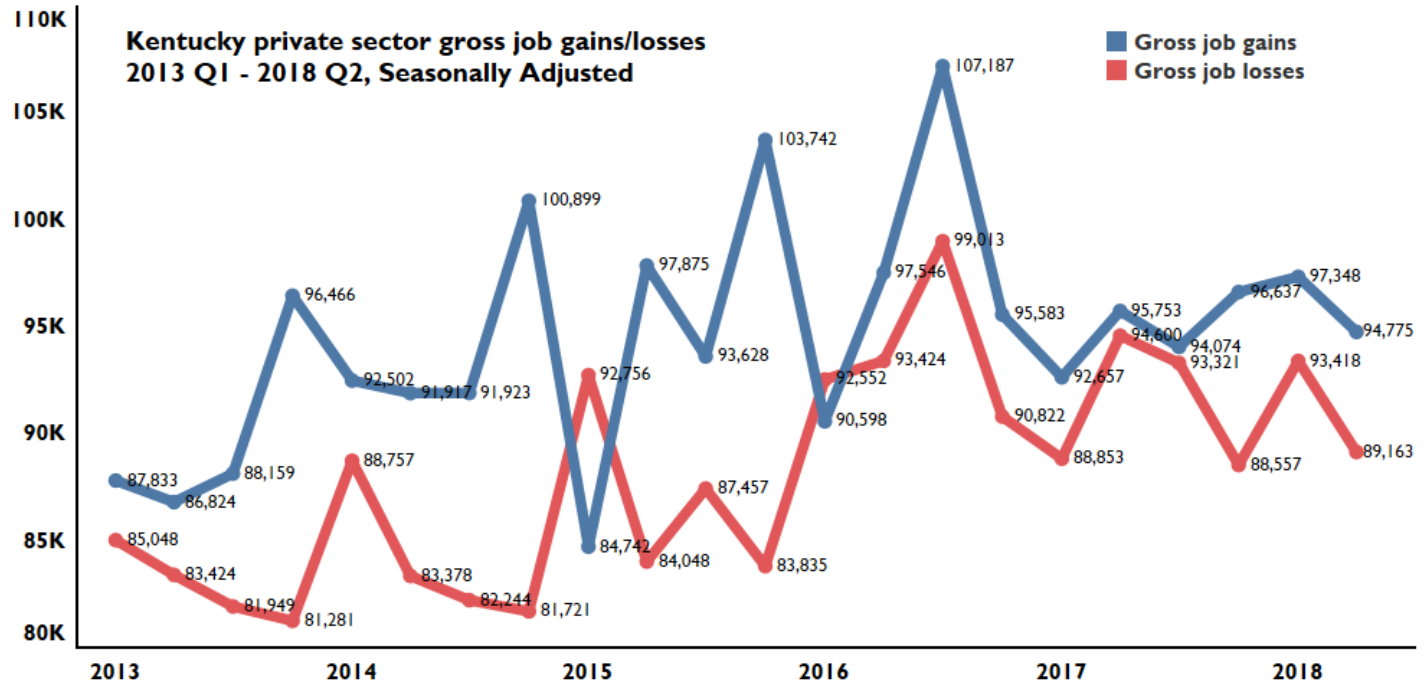
February 2019

KENTUCKY LABOR FORCE UPDATE

Kentucky Business Employment Dynamics (Second Quarter, 2018)

Data and estimates for industry employment are easy to find. Both the U.S. Bureau of Labor Statistics (BLS) and the U.S. Census publish a variety of products geared toward measuring the number of jobs by industry sector. However, quantifying the dynamics that underlie fluctuations in employment levels is a more specialized task. What effect are business openings or closings having on the labor market? Which industries are experiencing the biggest contractions or expansions? Explored here, the BLS produces a set of statistics- called Business Employment Dynamics (BED)- that addresses these questions and more.



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics Q2 2018

Kentucky experienced a net gain of 5,612 private sector jobs in the second quarter of 2018.

BED estimates are generated using data from a BLS program called the Quarterly Census of Employment and Wages (QCEW). By collecting data from every Kentucky employer covered by the state's Unemployment Insurance program, QCEW is able to produce detailed employment counts by industry each quarter. As a result, BED can estimate gross job gains and losses over time. In the second quarter of 2018, Kentucky experienced a net gain of 5,612 private sector jobs, continuing more than two years of (seasonally adjusted) consecutive net quarterly gains. Of the 94,775 jobs gained in the second quarter, 76,886 (81.1%) resulted from the expansion of existing establishments, and 17,889 (18.9%) were gained at opening establishments. Of the 89,163 jobs lost in the second quarter, 75,815 (85.0%) were lost from the contraction of existing establishments, and 13,348 (15.0%) were lost at closing establishments.

ALSO IN THIS ISSUE:

◊ Labor Force Estimates Dec. 2018

◊ Unemployment Insurance Claims Dec. 2018

◊ Potential Impact of Gov't. Shutdown

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Kentucky Labor Force Update

A monthly publication of the
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Kentucky Business Employment Dynamics (Second Quarter, 2018)

BED statistics can also be used to illuminate the ways in which job gains and losses are distributed among industries. As a result, users can gauge the extent to which each industry is driving gross job gains or losses in the state.

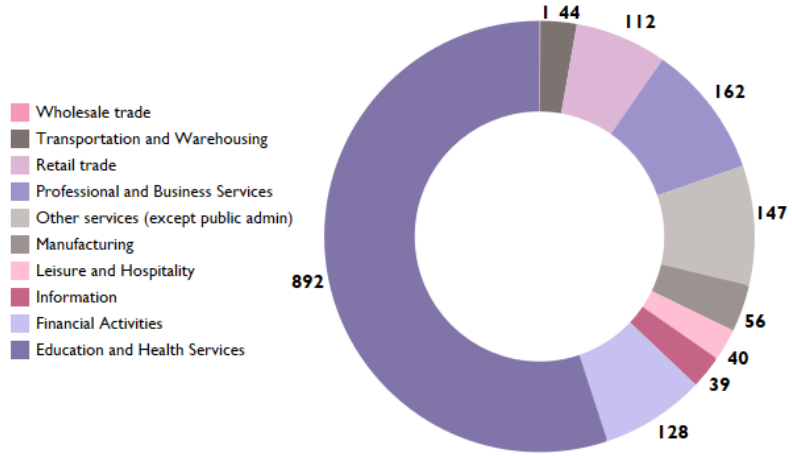
Private Sector Job Gains/Losses by Source and Industry, 2018 Q2, Seasonally Adjusted

Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics, Q2 2018

Professional and Business Services – which includes temporary employment services, facilties support services, office administration services, and more – produced the largest share of job gains, accounting for 18.9% of all gains. The majority of those jobs (14,373) were generated by the expansion of existing establishments. Leisure and Hospitality – which includes food services, accomodations, and more – produced 17,605 job losses (19.7% of total private losses). Only two industries produced net gains of more than 1,000 jobs: Education and Health Services (3,798) and Transportation and Warehousing (2,441).

The graphs above demonstrate the extent to which openings and closings contribute to employment gains and losses, but the BED program also produces estimates of the number of opening and closing establishments by industry.

Net Establishment Openings by Industry, 2018 Q2, Seasonally Adjusted



Source: Bureau of Labor Statistics, Business Employment Dynamics, Q2 2018

Education and Health Services – which includes home health services, private medical practices, and more – accounted for the majority (892) of net establishment openings in the state. Wholesale Trade, which experienced 340 openings and 339 closings, contributed the fewest net openings (1).Construction (not pictured here) was the only industry to exhibit net closings (-13), with 532 closings and 519 openings.

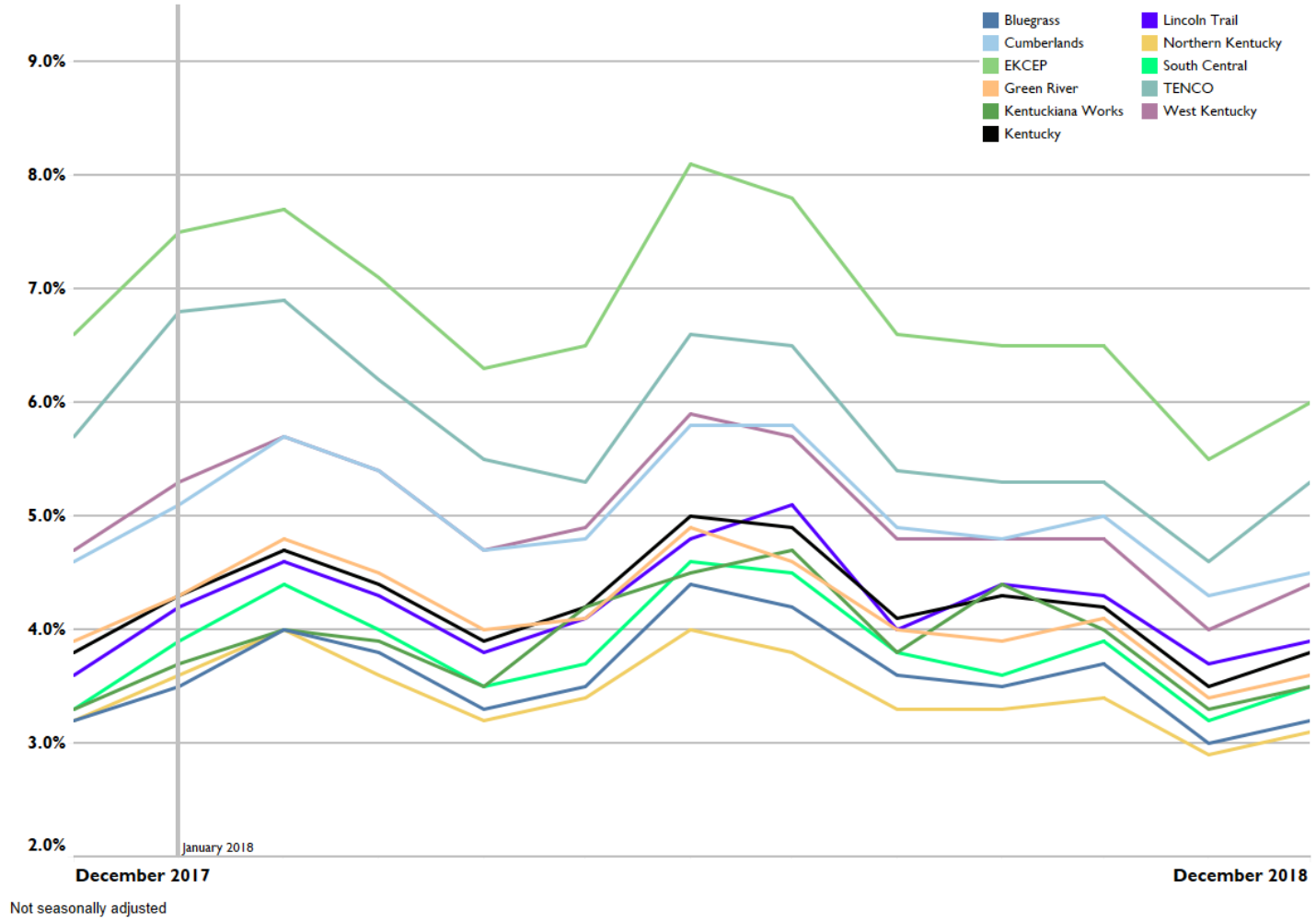
BED estimates are produced quarterly, and may be accessed at https://www.bls.gov/bdm/bdmstate.htm. Aggregate QCEW data, the source data from which BED estimates are drawn, can be accessed on the KYSTATS Labor Market Information Report Library at https://kystats.ky.gov/KYLMI.

December 2018 Labor Force Estimates

*Source: KYSTATS, Local Area Unemployment Statistics (LAUS)**

	Dec 2018	Nov 2018	Dec 2017	OVER-the-MONTH Change	OVER-the-MONTH Rate	OVER-the-YEAR Change	OVER-the-YEAR Rate
Civilian Labor Force	2,074,067	2,075,651	2,053,713	-1,584	-0.1%	20,354	1.0%
Employment	1,983,080	1,983,035	1,960,525	45	0.0%	22,555	1.2%
Unemployment	90,987	92,616	93,188	-1,629	-1.8%	-2,201	-2.4%
Unemployment Rate	4.4%	4.5%	4.5%	-0.1%	-	-0.1%	-
U.S. Unemployment Rate	3.9%	3.7%	4.1%	0.2%	-	-0.2%	-

Unemployment Rate by Local Workforce Area and State



** December data are preliminary and subject to revision.*

December 2018 Labor Force Estimates

*Source: KYSTATS, Current Employment Statistics (CES)**

	Dec 2018	Nov 2018	Dec 2017	OVER-the-MONTH Change	OVER-the-MONTH Rate	OVER-the-YEAR Change	OVER-the-YEAR Rate
Total Nonfarm Employment	**1,945,300**	**1,940,800**	**1,924,000**	**4,500**	**0.2%**	**21,300**	**1.1%**
Private Sector Employment	**1,631,400**	**1,626,400**	**1,609,400**	**5,000**	**0.3%**	**22,000**	**1.4%**
Goods Producing Industries	**341,700**	**339,200**	**335,700**	**2,500**	**0.7%**	**6,000**	**1.8%**
Mining and Logging	10,400	10,400	10,200	0	0.0%	200	2.0%
Construction	77,800	76,200	75,800	1,600	2.1%	2,000	2.6%
Manufacturing	253,500	252,600	249,700	900	0.4%	3,800	1.5%
Durable Goods	165,400	164,500	161,300	900	0.5%	4,100	2.5%
Non-durable Goods	88,100	88,100	88,400	0	0.0%	-300	-0.3%
Private Service Providing Industries	**1,289,700**	**1,287,200**	**1,273,700**	**2,500**	**0.2%**	**16,000**	**1.3%**
Trade, Transportation, & Utilities	416,700	415,900	406,400	800	0.2%	10,300	2.5%
Wholesale Trade	77,000	77,500	76,100	-500	-0.6%	900	1.2%
Retail Trade	219,400	218,300	215,300	1,100	0.5%	4,100	1.9%
Transp, Warehousing, & Util.	120,300	120,100	115,000	200	0.2%	5,300	4.6%
Information	22,100	22,300	22,600	-200	-0.9%	-500	-2.2%
Financial Activities	94,000	94,000	93,000	0	0.0%	1,000	1.1%
Finance and Insurance	74,600	74,600	73,200	0	0.0%	1,400	1.9%
Real Estate, Rental & Leasing	19,400	19,400	19,800	0	0.0%	-400	-2.0%
Professional and Business Services	220,000	217,800	213,700	2,200	1.0%	6,300	2.9%
Prof, Scientific, & Tech Services	77,300	77,000	75,000	300	0.4%	2,300	3.1%
Management of Companies	19,800	19,700	19,700	100	0.5%	100	0.5%
Admin & Support & Waste Mgmt	122,900	121,100	119,000	1,800	1.5%	3,900	3.3%
Educational & Health Services	276,000	275,300	273,000	700	0.3%	3,000	1.1%
Educational Services	29,300	29,000	29,200	300	1.0%	100	0.3%
Health Care & Social Assistance	246,700	246,300	243,800	400	0.2%	2,900	1.2%
Leisure and Hospitality	193,200	194,500	197,600	-1,300	-0.7%	-4,400	-2.2%
Arts, Entertainment & Recreation	21,600	21,800	22,500	-200	-0.9%	-900	-4.0%
Accommodation & Food Services	171,600	172,700	175,100	-1,100	-0.6%	-3,500	-2.0%
Other Services	67,700	67,400	67,400	300	0.4%	300	0.4%
Government	**313,900**	**314,400**	**314,600**	**-500**	**-0.2%**	**-700**	**-0.2%**
Federal	36,200	36,400	36,500	-200	-0.5%	-300	-0.8%
State	94,300	94,300	95,600	0	0.0%	-1,300	-1.4%
Local	183,400	183,700	182,500	-300	-0.2%	900	0.5%

** Data are seasonally adjusted. December data are preliminary and subject to revision.*

Unemployment Insurance Claims December 2018 (Kentucky, Statewide)

Source: U.S. Dept. of Labor, Employment and Training Administration

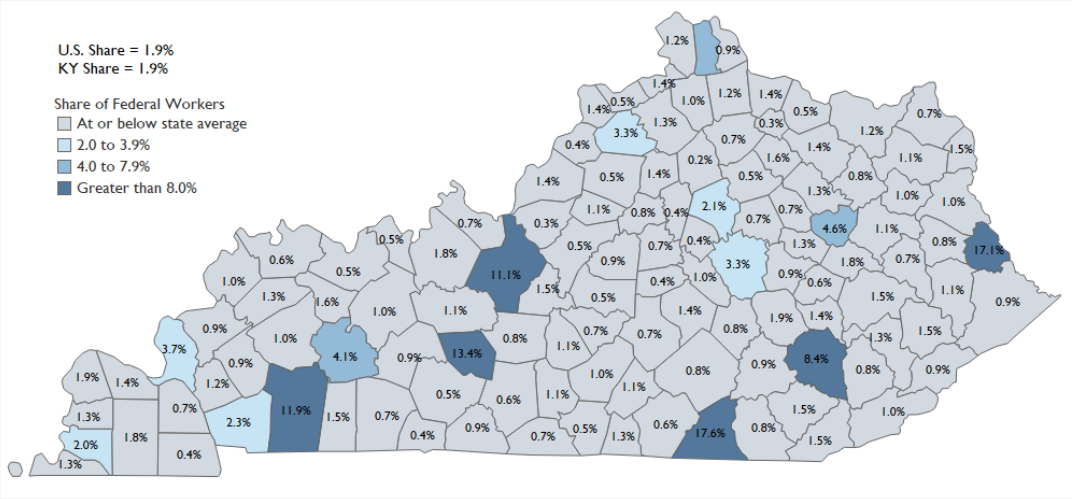
Month	Initial Claims	First Payments	Weeks Claimed	Weeks Compensated	Average Weekly Benefit	Benefits Paid	Final Payments
12/31/2017	26,508	3,591	76,304	63,973	$340.60	$21,288,258	1,193
1/31/2018	17,894	8,647	118,511	99,107	$344.74	$33,167,729	1,622
2/28/2018	11,053	4,450	96,918	85,251	$342.91	$28,589,923	1,429
3/31/2018	8,670	3,448	88,059	78,794	$334.01	$26,414,438	1,013
4/30/2018	9,593	2,786	75,397	73,360	$338.85	$24,936,012	1,188
5/31/2018	17,484	3,302	74,279	66,733	$340.04	$22,776,755	1,119
6/30/2018	15,974	3,549	73,020	63,967	$332.05	$21,316,145	1,065
7/31/2018	23,169	5,097	105,655	92,626	$343.98	$31,915,100	1,565
8/31/2018	8,393	3,316	72,220	67,823	$336.07	$22,891,972	1,381
9/30/2018	17,977	2,997	64,427	72,171	$340.67	$24,679,872	1,312
10/31/2018	8,340	2,817	70,942	62,601	$346.01	$21,718,218	1,308
11/30/2018	11,629	2,553	60,459	53,298	$347.80	$18,585,342	982
12/31/2018	16,320	2,553	66,452	53,298	$347.80	$18,585,342	1,061

Data queried from https://oui.doleta.gov/ on 1/28/2019.

Potential Impact of the Partial Federal Government Shutdown

A partial shutdown of the federal government began on December 22, 2018 and ended 35 days later on January 25, 2019. Approximately 800,000 workers in nine federal departments and several agencies across the U.S. were affected. In a shutdown, federal agencies must halt all non-essential, discretionary work. Non-essential employees must stay home until new funding legislation is signed into law. More than 450,000 federal employees, 56 percent of those affected, were deemed essential and worked without pay. These employees are guaranteed back pay when the agencies reopen. For the non-essential workers, legislation was passed and signed by the President to provide them back pay.

Federal Employment – Share of All Jobs by County, Second Quarter 2018



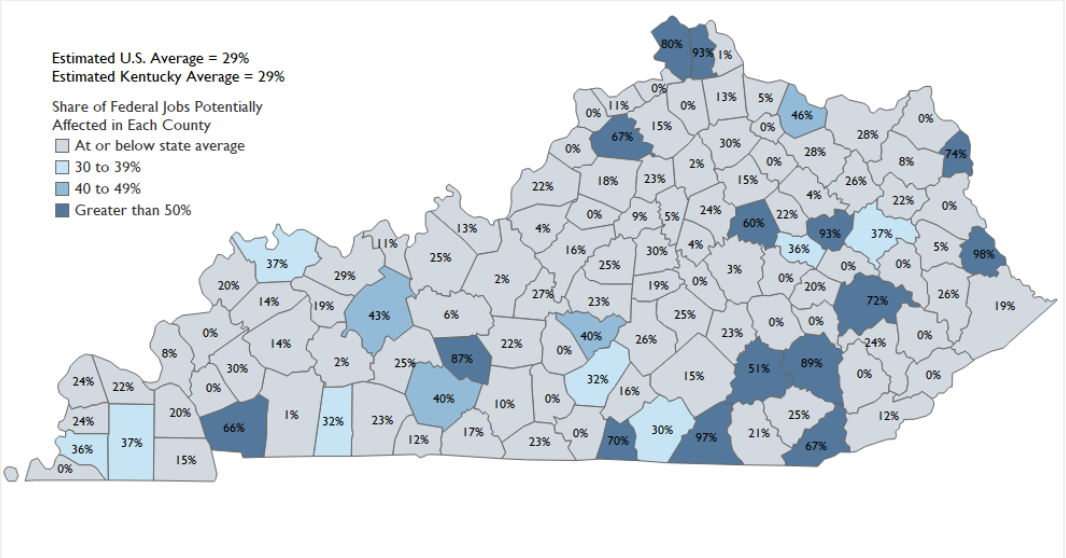
Source: KYSTATS, Kentucky Labor Market Information Branch, QCEW microdata

Using Quarterly Census of Employment and Wages (QCEW) microdata, KYSTATS examined federal employment throughout the state and estimated the potential impact in Kentucky. There are nearly 36,000 federal jobs throughout Kentucky representing approximately 2 percent (1.9%) of all employment in the state, the same as the U.S. percentage.* Of those federal jobs, 29 percent are at agencies that were affected by the shutdown, the same share as the U.S.

The first map shows the share of jobs in each county that are with the federal government. There are 15 counties where the share of federal jobs exceeds the state average of 1.9 percent. The second map shows the estimated share of federal jobs in each county that were potentially affected by the recent federal government shut down.

* Note: QCEW data does not include military employment or elected officials.

Estimated Share of Federal Jobs Potentially Affected by the Federal Government Shutdown by County, Second Quarter 2018



Source: KYSTATS, Kentucky Labor Market Information Branch, QCEW microdata

KYSTATS in the News

Dr. Jessica Cunningham is the new Interim Executive Director of KYSTATS.Dr. Cunningham previously served as the Research and Analytics Director. She joined KYSTATS in 2015 as a Research Analyst. Previously, Dr. Cunningham served as a faculty member teaching graduate education courses in research methods, statistics, program evaluation, and classroom assessment. Dr. Cunningham also served as an evaluator over the past eight years on numerous state and federal grants across multiple disciplines in North Carolina and Kentucky. Being a Kentucky native, Dr. Cunningham brings her passion for education in Kentucky and experience in developing and disseminating research to a variety of audiences.

Want to know how many jobs Kentucky will need to fill during the next five years? What will those jobs pay? Does the state have the right mix of workers and skills to fill those jobs? Find out in our recently updated Future Skills Report.

The Kentucky Center for Statistics is excited to announce our annual conference will take place in Louisville this year on September 4th and 5th. Mark your calendars and stay tuned for further details!

You can learn about recent data releases, research and reports by the Labor Market Information Branch by visiting our website: https://kystats.ky.gov/KYLMI.

Follow us on Twitter **@KYSTATS** for registration opportunities and event announcements

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