



March 2019

KENTUCKY

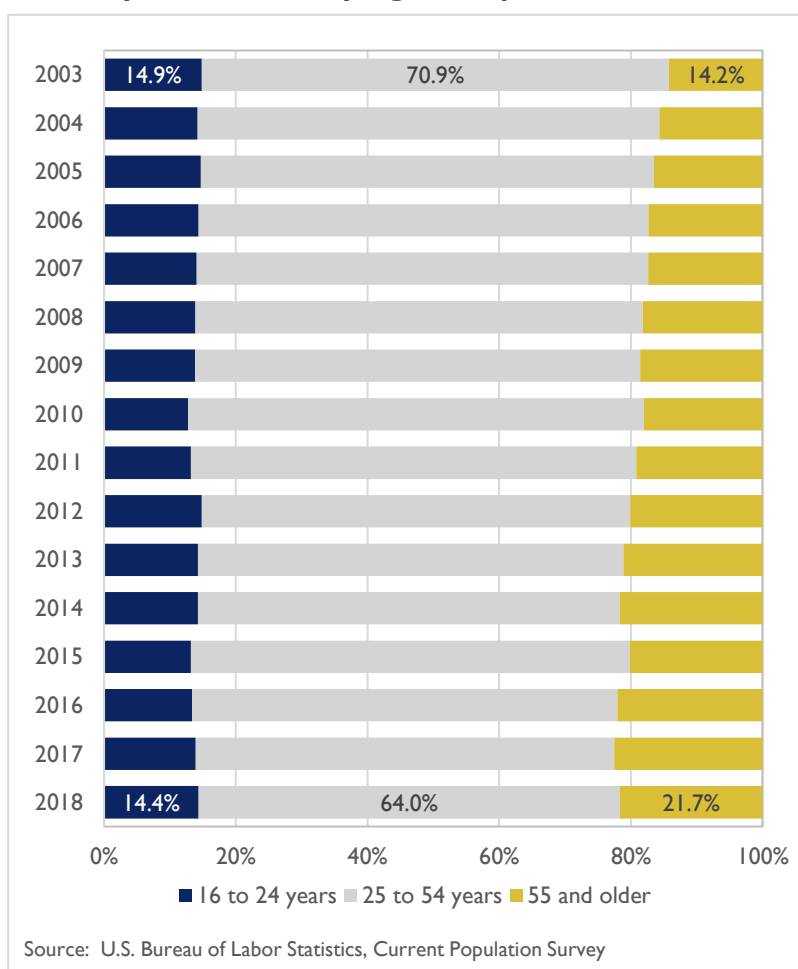
LABOR FORCE UPDATE

A Profile of Kentucky's Aging Workforce

Kentucky's workforce is aging. Between 2003 and 2018, the estimated number of people working in Kentucky increased by 7.7 percent reaching an estimated 1,977,000 workers. Much of this increase is attributed to more people over the age of 55 working. The growth in this age bracket reflects the Baby Boomer generation (born between 1946 and 1964) moving through the workforce and remaining in the labor force longer than previous generations.

The adjacent chart shows the workforce broken down into three age categories: 16-24 years, 25 to 54 years and older than 55. Workers between the ages of 25 and 54 make up the largest share of the workforce, however it is a declining share. In 2003, 70.9 percent of the workforce was in this age group, dropping to 64.0 percent by 2018. Workers over the age of 55 made up 14.2 percent of all workers in 2003. By 2018, this had increased to 21.7 percent, representing more than one in five workers. Younger workers, between the ages of 16 and 24, made up a fairly constant share of the workforce over this time period, decreasing slightly from 14.9 percent in 2003 to 14.4 percent in 2018.

Kentucky's Workforce by Age Group



In 2003, 14.2 percent of all Kentucky workers were over the age of 55. By 2018, this had increased to 21.7 percent, more than one in five workers.

The youngest of the Baby Boomers will turn 55 in 2019 which means that in 12 years,

they will be eligible to receive full Social Security benefits and could retire, taking their skills and experience with them. The age profile of workers impacts employers and workforce planners in anticipating potential retirements and gauging the need for future replacement workers. This month's *Labor Force Update* provides a detailed look at Kentucky's workforce by age.

ALSO IN THIS ISSUE:

- ◇ Labor Force Estimates (LAUS) 2018 & Jan. 2019
- ◇ Unemployment Ins. Claims Jan. 2019
- ◇ Labor Force Estimates (CES) 2018 & Jan. 2019
- ◇ KYSTATS in the News



Contents

A Profile of Kentucky's Aging Workforce	1
Annual 2018 and January 2019 Labor Force Estimates (LAUS)	6
Annual 2018 Labor Force Estimates (CES)	7
January 2019 Labor Force Estimates (CES)	8
Unemployment Insurance Claims, January 2019	9
KYSTATS in the News	10

Kentucky Labor Force Update

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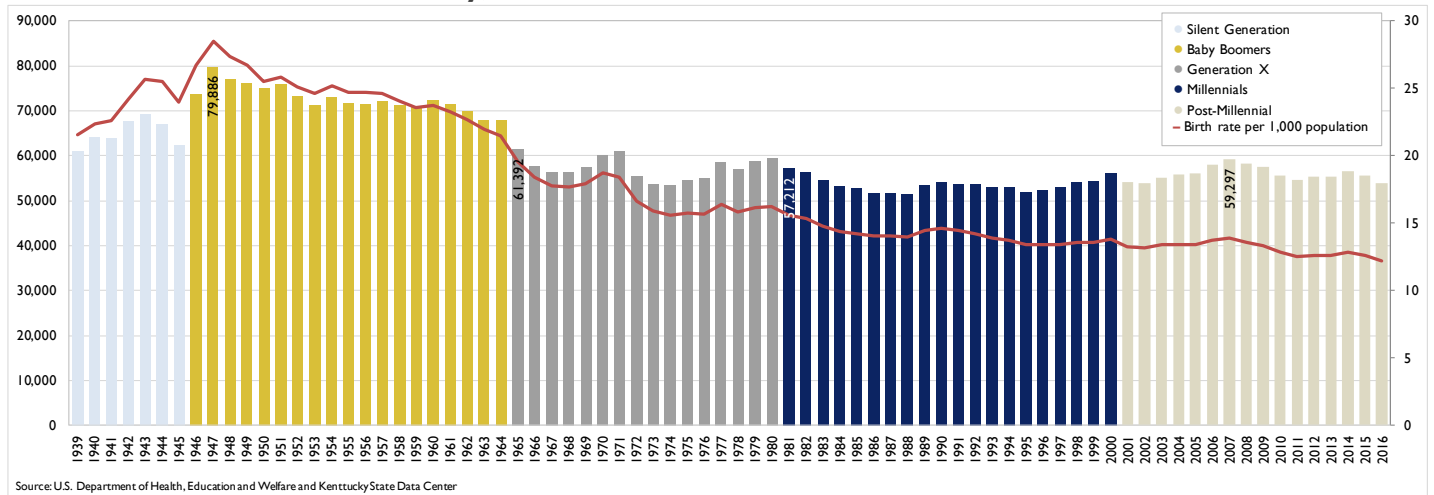
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A Profile of Kentucky's Aging Workforce

There are several factors influencing the aging workforce, chief among them, birth rates. Following World War II, birth rates rose to historic levels resulting in the Baby Boomer generation. Between 1946 and 1964, nearly 1.4 million people were born, a birth rate of 24.7 per 1,000 people. The birth rate fell to 17.0 for Generation X (1965 to 1980), and dropped even further for the Millennials, 14.1 (1981-2000). The chart below shows births and birth rates by generation. The peak number of births is indicated for each generation. When Baby Boomers entered the workplace, they increased the overall labor force. As they retire, the current workforce needs to be prepared to fill these openings.

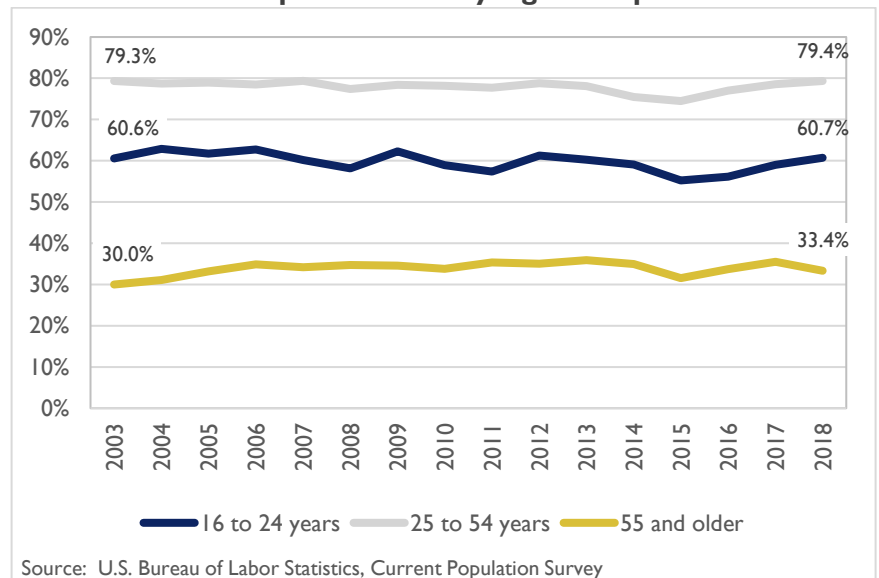
Births and Birth Rates in Kentucky, 1939-2016



Another factor is the changing labor force participation rates (LFPR) among different age groups. The civilian LFPR measures the share of the civilian non-institutional population that is available to work. It excludes the active military. It includes both the employed and unemployed as well as those not in the labor force such as retirees, students, caregivers and the disabled.

In 2003, the LFPR of those older than 55 was 30.0 percent. By 2018 it had increased to 33.4 percent. The growing LFPR for those 55 and older is an indication that older workers are staying in the labor force longer. For reference, the oldest Baby Boomers turned 65 in 2011. The youngest will do so in 2029.

Labor Force Participation Rates by Age Group

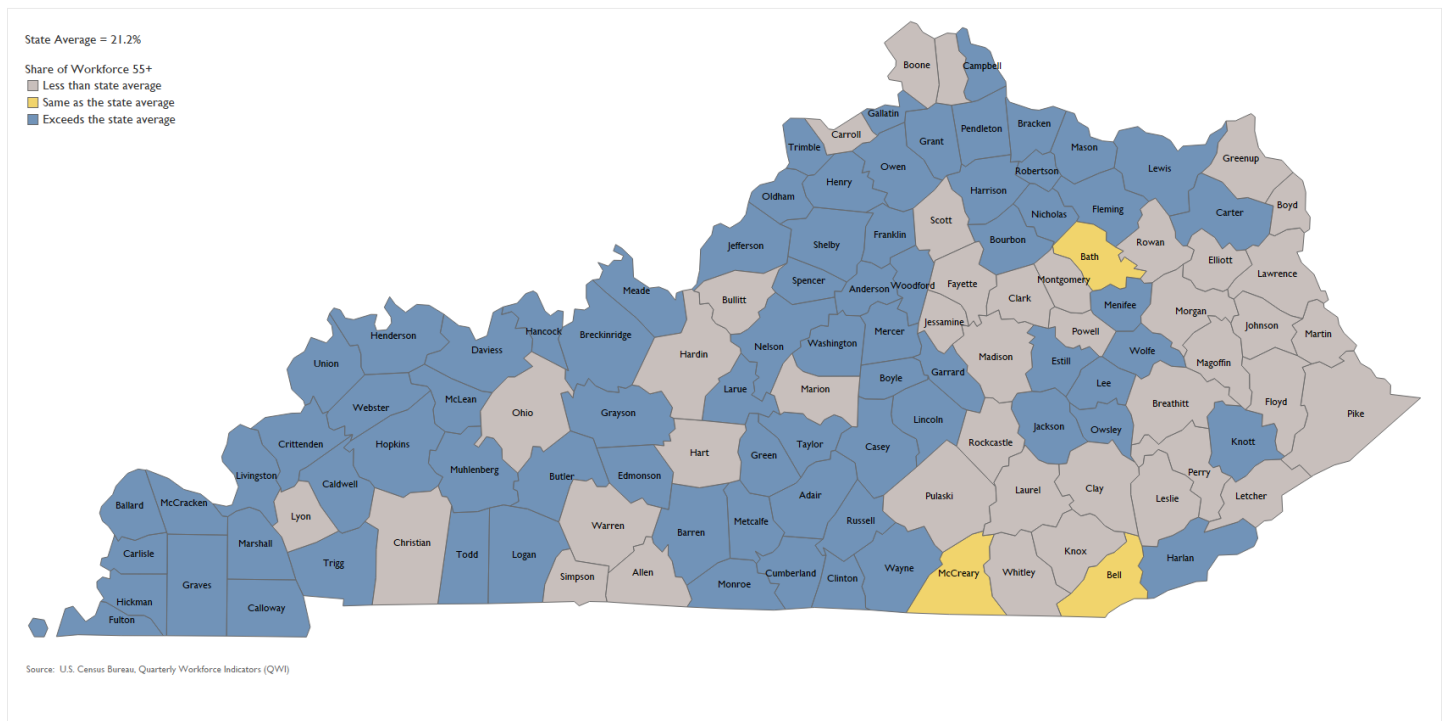




A Profile of Kentucky's Aging Workforce

Some regions and industries are less affected by an aging workforce than others. Data from the U.S. Census Bureau allow for analysis of the workforce by age for counties, as well as specific industry sectors. The map below shows which counties have a higher proportion of workers over the age of 55 (blue) and which counties have a smaller proportion (gray) as compared to the state average, 21.2 percent in 2017. In nearly two-thirds of Kentucky's counties (76 of 120 counties), the share of the workforce that is over 55 is higher than the state average.

Share of Workforce Over 55 by County, 2017



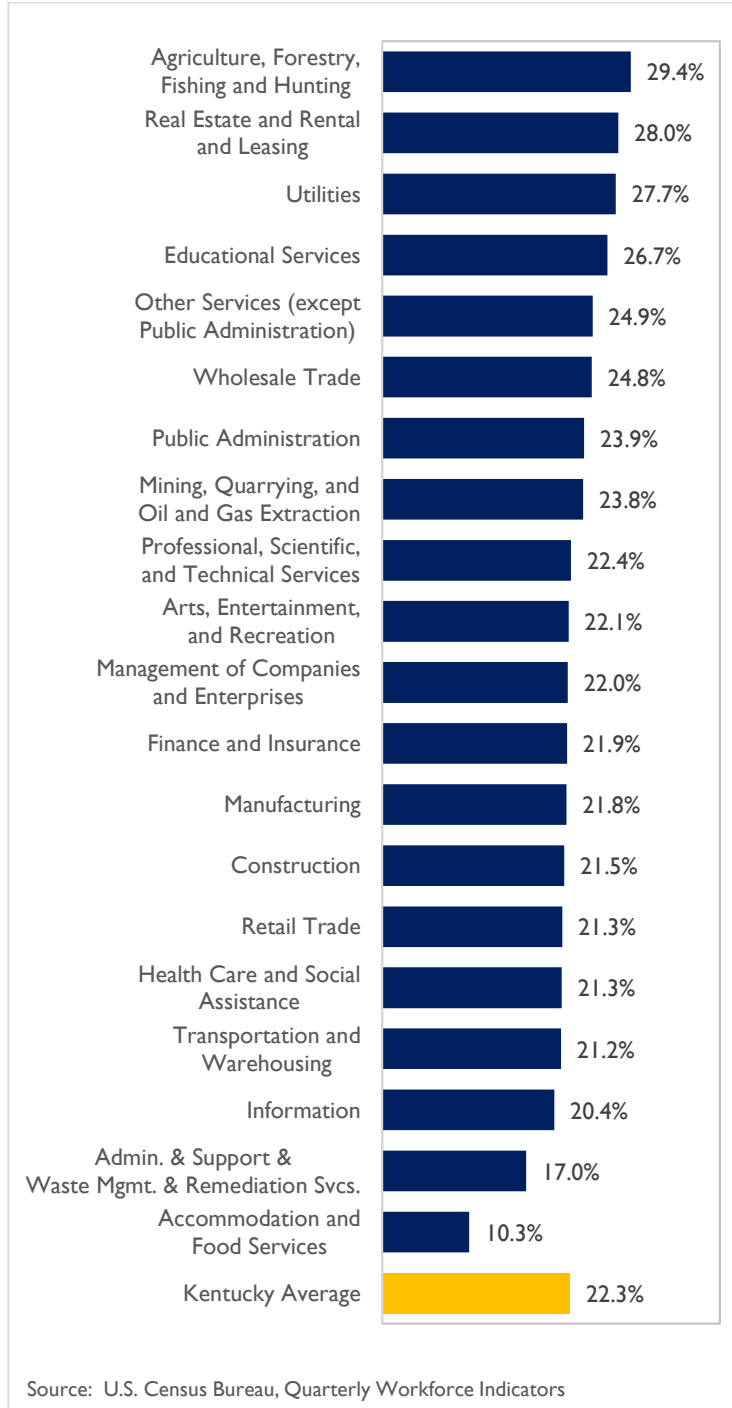
Jefferson County has the largest number of workers over the age of 55, an estimated 104,570 workers, 21.6 percent of the workforce. However, Jefferson County also has the largest workforce overall, so as this group retires, there are more workers available to replace them. In more rural counties with a smaller workforce and a high share of older workers, replacement may become more of an issue.

Age is not distributed evenly among industries either, as shown in the following chart. The pace of retirements will likely be faster in industries that have a higher share of workers over the age of 55 such as Agriculture, Forestry, Fishing and Hunting (29.4%), Real Estate and Rental and Leasing (28.0%) and Utilities (27.7%). However, these sectors are relatively small in terms of total workforce which means they will require fewer replacement workers. The industry with the smallest share of older workers is Accommodating and Food Services (10.3%).



A Profile of Kentucky's Aging Workforce

Share of Workers Over 55 by Industry, 2017



The sector with the largest number of workers over the age of 55 was Health Care and Social Assistance. The sector had nearly 261,000 workers, of which 21.3 percent were over the age of 55, nearly 55,500 workers. According to the *Kentucky Occupational Outlook to 2026*, occupations in this sector are expected to grow, potentially compounding this shortfall. Overall, healthcare occupations are projected to add more than 24,000 jobs to the state economy and account for 9.8 percent of all jobs in the state by 2026. Further complicating the labor disparity is that the retiring Baby Boomers themselves will drive demand for additional services and programs as they age, especially within the Health Care and Social Assistance sector.

Other sectors with a large number of workers nearing retirement age are Manufacturing, Educational Services, and Retail Trade. A regional and industry workforce profile focusing on the age of workers may be used to inform employers and workforce development agents about the need for training programs, particularly for occupations that require specialized training, to meet future needs.



Annual 2018 & January 2019 Labor Force Estimates (LAUS)

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

Annual 2018

	2018	2017	2008	From 2017 to 2018		From 2008 to 2018	
				Change	Rate	Change	Rate
Civilian Labor Force	2,061,622	2,053,757	2,030,738	7,865	0.4%	30,884	1.5%
Employment	1,972,312	1,953,032	1,900,683	19,280	1.0%	71,629	3.8%
Unemployment	89,310	100,725	130,055	-11,415	-11.3%	-40,745	-31.3%
Unemployment Rate	4.3%	4.9%	6.4%	-0.6%	-	-2.1%	-
U.S. Unemployment Rate	3.9%	4.4%	5.8%	-0.5%	-	-1.9%	-

* Annual data are subject to revision.

January 2019

	Jan 2019	Dec 2018	Jan 2018	OVER-the-MONTH		OVER-the-YEAR	
				Change	Rate	Change	Rate
Civilian Labor Force	2,063,497	2,062,639	2,055,146	858	0.0%	8,351	0.4%
Employment	1,976,742	1,973,955	1,966,507	2,787	0.1%	10,235	0.5%
Unemployment	86,755	88,684	88,639	-1,929	-2.2%	-1,884	-2.1%
Unemployment Rate	4.2%	4.3%	4.3%	-0.1%	-	-0.1%	-
U.S. Unemployment Rate	4.0%	3.9%	4.1%	0.1%	-	-0.1%	-

* January data are preliminary and subject to revision.



Annual 2018 Labor Force Estimates (CES)

Source: KYSTATS, Current Employment Statistics (CES)*

	2018	2017	2008	2017 to 2018		2008 to 2018	
				Change	Rate	Change	Rate
Total Nonfarm Employment	1,931,600	1,921,100	1,841,900	10,500	0.5%	89,700	4.9%
Private Sector Employment	1,617,900	1,605,300	1,532,200	12,600	0.8%	85,700	5.6%
Goods Producing Industries	340,200	338,100	353,500	2,100	0.6%	-13,300	-3.8%
Mining and Logging	10,000	10,200	23,900	-200	-2.0%	-13,900	-58.2%
Construction	78,100	77,400	84,400	700	0.9%	-6,300	-7.5%
Manufacturing	252,100	250,500	245,200	1,600	0.6%	6,900	2.8%
Durable Goods	163,900	162,600	154,100	1,300	0.8%	9,800	6.4%
Non-durable Goods	88,300	87,800	91,200	500	0.6%	-2,900	-3.2%
Private Service Providing Industries	1,277,700	1,267,200	1,178,700	10,500	0.8%	99,000	8.4%
Trade, Transportation, & Utilities	403,800	399,400	380,600	4,400	1.1%	23,200	6.1%
Wholesale Trade	75,100	74,100	75,200	1,000	1.3%	-100	-0.1%
Retail Trade	214,500	215,300	210,600	-800	-0.4%	3,900	1.9%
Transp, Warehousing, & Util.	114,300	110,000	94,800	4,300	3.9%	19,500	20.6%
Information	22,000	22,500	28,100	-500	-2.2%	-6,100	-21.7%
Financial Activities	93,000	93,900	91,900	-900	-1.0%	1,100	1.2%
Finance and Insurance	73,400	74,300	72,200	-900	-1.2%	1,200	1.7%
Real Estate, Rental & Leasing	19,700	19,500	19,700	200	1.0%	0	0.0%
Professional and Business Services	217,400	216,100	184,800	1,300	0.6%	32,600	17.6%
Prof, Scientific, & Tech Services	76,300	75,500	69,400	800	1.1%	6,900	9.9%
Management of Companies	20,500	20,200	19,900	300	1.5%	600	3.0%
Admin & Support & Waste Mgmt	120,500	120,300	95,500	200	0.2%	25,000	26.2%
Educational & Health Services	278,300	272,800	247,100	5,500	2.0%	31,200	12.6%
Educational Services	29,500	28,700	31,200	800	2.8%	-1,700	-5.4%
Health Care & Social Assistance	248,900	244,100	215,900	4,800	2.0%	33,000	15.3%
Leisure and Hospitality	197,600	197,000	171,900	600	0.3%	25,700	15.0%
Arts, Entertainment & Recreation	22,900	22,800	19,500	100	0.4%	3,400	17.4%
Accommodation & Food Services	174,700	174,200	152,500	500	0.3%	22,200	14.6%
Other Services	65,600	65,700	74,300	-100	-0.2%	-8,700	-11.7%
Government	313,700	315,800	309,700	-2,100	-0.7%	4,000	1.3%
Federal	36,300	36,600	38,600	-300	-0.8%	-2,300	-6.0%
State	94,200	96,200	88,400	-2,000	-2.1%	5,800	6.6%
Local	183,200	183,000	182,800	200	0.1%	400	0.2%

* Data are subject to revision.



January 2019 Labor Force Estimates (CES)

Source: KYSTATS, Current Employment Statistics (CES)*

	Jan 2019	Dec 2018	Jan 2018	OVER-the-MONTH		OVER-the-YEAR	
				Change	Rate	Change	Rate
Total Nonfarm Employment	1,946,900	1,940,000	1,924,200	6,900	0.4%	22,700	1.2%
Private Sector Employment	1,633,200	1,626,500	1,610,600	6,700	0.4%	22,600	1.4%
Goods Producing Industries	344,200	344,500	338,500	-300	-0.1%	5,700	1.7%
Mining and Logging	10,300	10,300	9,500	0	0.0%	800	8.4%
Construction	80,100	79,500	77,500	600	0.8%	2,600	3.4%
Manufacturing	253,800	254,700	251,500	-900	-0.4%	2,300	0.9%
Durable Goods	164,600	165,100	163,500	-500	-0.3%	1,100	0.7%
Non-durable Goods	89,200	89,600	88,000	-400	-0.4%	1,200	1.4%
Private Service Providing Industries	1,289,000	1,282,000	1,272,100	7,000	0.5%	16,900	1.3%
Trade, Transportation, & Utilities	407,300	405,500	403,400	1,800	0.4%	3,900	1.0%
Wholesale Trade	75,700	75,900	74,700	-200	-0.3%	1,000	1.3%
Retail Trade	213,300	213,600	215,300	-300	-0.1%	-2,000	-0.9%
Transp, Warehousing, & Util.	118,300	116,000	113,400	2,300	2.0%	4,900	4.3%
Information	21,600	21,600	22,100	0	0.0%	-500	-2.3%
Financial Activities	93,800	92,800	92,900	1,000	1.1%	900	1.0%
Finance and Insurance	73,900	73,200	73,500	700	1.0%	400	0.5%
Real Estate, Rental & Leasing	19,900	19,600	19,400	300	1.5%	500	2.6%
Professional and Business Services	214,700	215,400	215,700	-700	-0.3%	-1,000	-0.5%
Prof, Scientific, & Tech Services	77,200	77,100	75,500	100	0.1%	1,700	2.3%
Management of Companies	20,800	20,800	20,400	0	0.0%	400	2.0%
Admin & Support & Waste Mgmt	116,700	117,500	119,800	-800	-0.7%	-3,100	-2.6%
Educational & Health Services	283,900	283,100	275,300	800	0.3%	8,600	3.1%
Educational Services	30,900	30,700	29,100	200	0.7%	1,800	6.2%
Health Care & Social Assistance	253,000	252,400	246,200	600	0.2%	6,800	2.8%
Leisure and Hospitality	201,000	197,700	197,300	3,300	1.7%	3,700	1.9%
Arts, Entertainment & Recreation	23,700	23,100	22,900	600	2.6%	800	3.5%
Accommodation & Food Services	177,300	174,600	174,400	2,700	1.5%	2,900	1.7%
Other Services	66,700	65,900	65,400	800	1.2%	1,300	2.0%
Government	313,700	313,500	313,600	200	0.1%	100	0.0%
Federal	36,100	36,300	36,400	-200	-0.6%	-300	-0.8%
State	94,500	93,900	94,100	600	0.6%	400	0.4%
Local	183,100	183,300	183,100	-200	-0.1%	0	0.0%

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



Unemployment Insurance Claims

January 2019 (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
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	3,393	66,452	57,885	\$343.45	\$19,967,923	1,061
1/31/2019	17,896	6,795	93,400	78,628	\$345.70	\$27,310,045	1,257

Data queried from <https://oui.doleta.gov/> on 2/27/2019.

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.

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!



The [Civilian Labor Force Report](#) (CLFR) is an interactive report that allows users to explore estimates from the U.S. Bureau of Labor Statistics' Local Area Unemployment Statistics (LAUS) program and the Current Population Survey (CPS).



The [Local Workforce Area Dashboard](#) provides users with information about local workforce areas to help inform the impact of services in the region.



Explore employment and wage outcomes for students at each of Kentucky's postsecondary institutions by major and credential type in our recently updated [Postsecondary Feedback Report](#).

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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