



March 2022

KENTUCKY

LABOR FORCE UPDATE

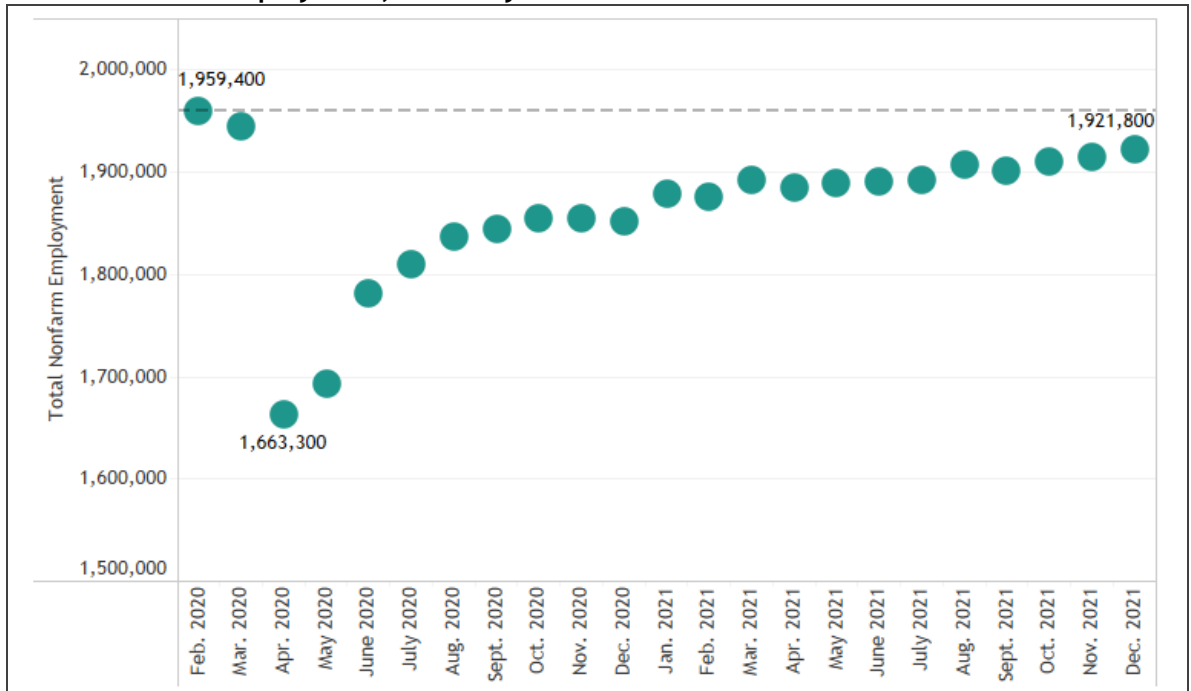
Two Years Later - Employment Changes in Kentucky Industries

March 2022 marks the two year anniversary of widespread COVID-related lockdowns designed to reduce the spread of the virus. COVID had an immediate impact on Kentucky’s labor market. The unemployment rate spiked and employment in every major industry sector fell during April 2020. Although employment began recovering quickly, two years later, questions remain. Has Kentucky’s economy fully recovered? Which industries were hit the hardest and how are they faring now? This month, we examine changes in monthly nonfarm employment by industry as measured by the U.S. Bureau of Labor Statistics (BLS) Current Employment Statistics (CES)* program.

Every major industry sector in Kentucky experienced declining employment between February and April 2020.

CES estimates are among the earliest indicators available to analyze current economic conditions. In February 2020, nonfarm employment reached an all-time peak at 1,959,400 jobs. By April, the effects of COVID related business closures were clear; 296,100 fewer jobs, a 15 percent decline in total nonfarm employment. The labor market

Total Nonfarm Employment, February 2020 to December 2021



Note: Seasonally adjusted
Source: BLS, Current Employment Statistics (data extracted March 16, 2022)

recovery began in May 2020 adding 28,800 jobs. The largest monthly increase occurred between May and June 2020 adding 89,600 jobs back to the Kentucky economy. The recovery continued at a slower pace in subsequent months. As of December 2021, there were 1,921,800 jobs on nonfarm payrolls, 1.9 percent lower than February 2020 employment or 37,600 fewer jobs.

* The CES program is a monthly survey based on payroll records of business establishments that produces estimates on nonfarm employment, hours, and payroll. As defined by the CES, employment measures the number of people on establishment payrolls who receive pay for any part of the pay period that includes the 12th of the month. Persons are counted at their place of work rather than at their place of residence. Those appearing on more than one payroll are counted on each payroll. Self-employed and unpaid workers are excluded from the counts. Because CES estimates are subject to sampling and non-sampling error, estimates are revised annually, a process known as benchmarking.

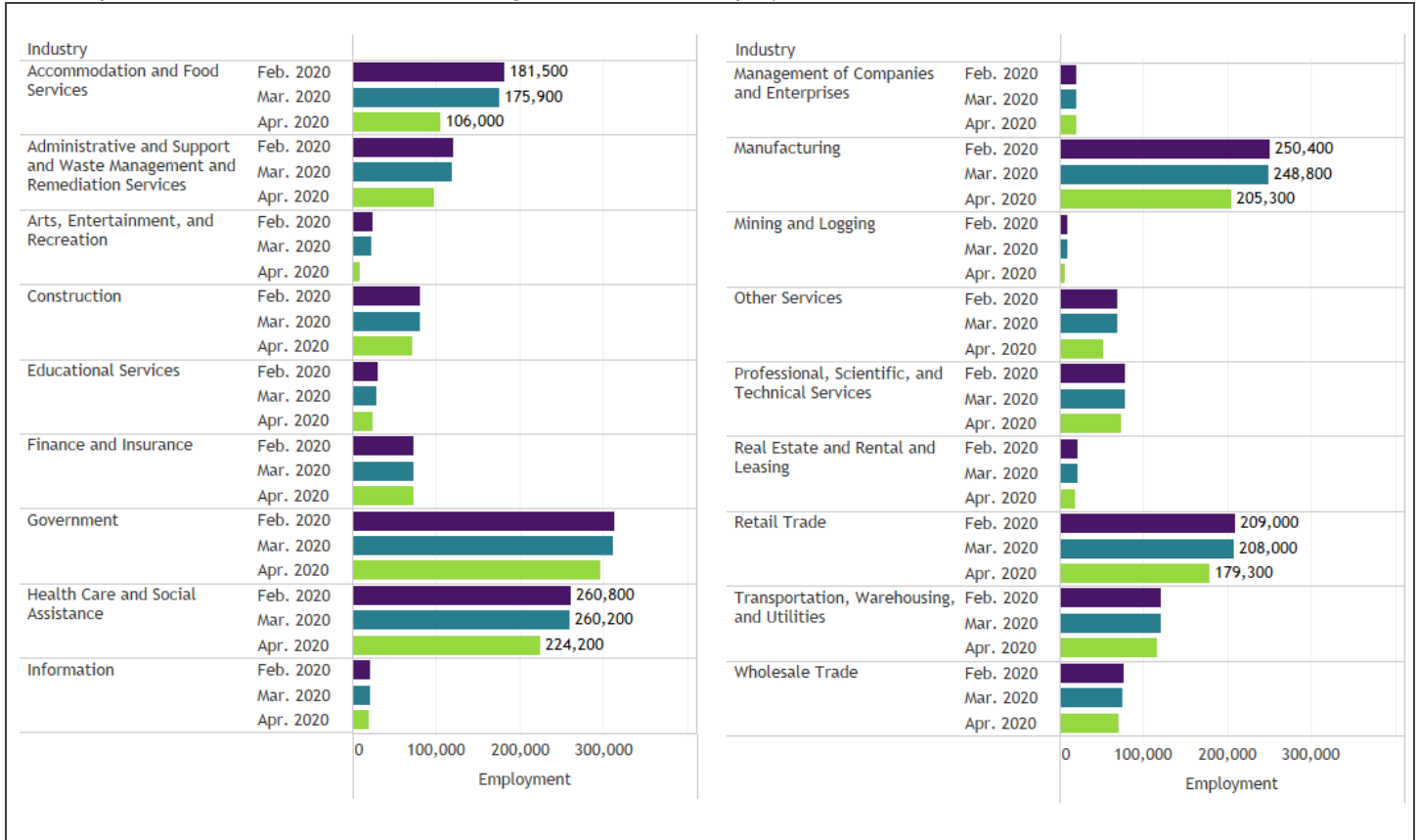


Two Years Later - Employment Changes in Kentucky Industries

The chart below shows that every major industry in Kentucky experienced declining employment from February to April 2020.

Employment by Industry, February to April 2020

Totals provided for industries with the largest declines in employment.



Note: Seasonally adjusted
 Source: BLS, Current Employment Statistics (data extracted March 16, 2022)

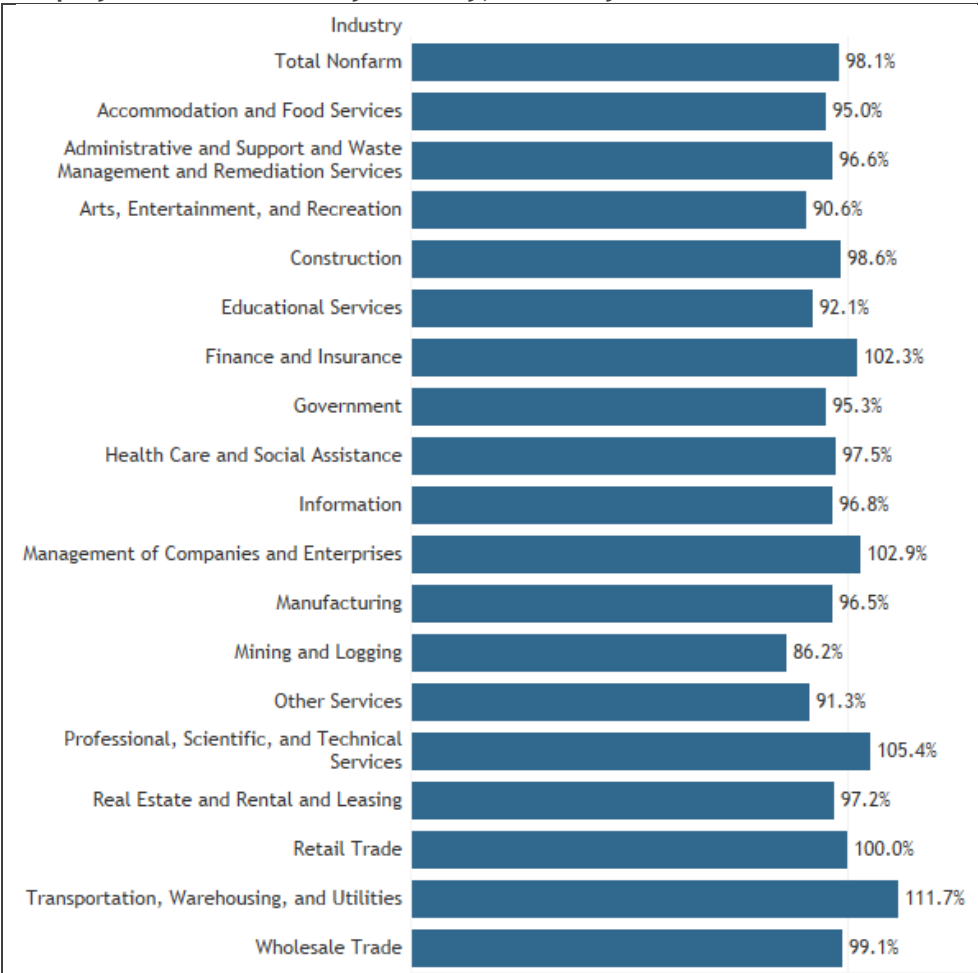
Nearly two thirds of the jobs lost between February and April 2020 were in four industries: Accommodation and Food Services (75,500 jobs), Health Care and Social Assistance (36,600), Manufacturing (45,100 jobs), and Retail Trade (29,700). In February, these four industries had 901,700 jobs, 46 percent of total employment. Their combined employment fell nearly 21 percent by April. In other words, one in five jobs in February in these four industries were lost by April.

The industries with the fewest losses were Management of Companies and Enterprises (1,200 jobs), Information (2,000 jobs), and Mining and Logging (1,900 jobs). However, these industries were among the smallest in Kentucky. For example, in Mining and Logging, an industry already experiencing declining employment in recent years, this represents a 22 percent decline in employment.



Two Years Later - Employment Changes in Kentucky Industries

Employment Recovered by Industry, February 2020 to December 2021



Note: Seasonally adjusted

Source: BLS, Current Employment Statistics (data extracted March 16, 2022)

terms of employment have yet to fully recover. As noted above, Accommodation and Food Services had 75,500 fewer jobs in April 2020 than in February 2020. By December 2021, employment in the sector was 95 percent of February 2020 levels. Health Care and Social Assistance was at 97.5 percent and Manufacturing was at 96.5 percent. Employment in Retail Trade during December 2021, after experiencing a job loss of 29,700 jobs, had fully recovered to February 2020 levels.

Two years later, the pandemic lingers. However, although some segments of the economy have rebounded faster than others, nonfarm employment overall has almost fully recovered.

By December 2021, total nonfarm employment was 98.1 percent of the February 2020 total.

There were four industries with higher employment in December 2021 than in February 2020:

- ◆ Finance and Insurance
- ◆ Management of Companies and Enterprises
- ◆ Professional, Scientific, and Technical Services, and
- ◆ Transportation, Warehousing, and Utilities.

In April 2020, there were 5,100 fewer jobs in the Transportation, Warehousing, and Utilities sector than in February 2020. By June 2020 the sector had fully recovered. Between April 2020 and December 2021, 19,300 jobs were added in this sector. Similarly, Finance and Insurance had 800 fewer jobs in April 2020 than in February 2020, but by December 2021, the sector had added 2,500 jobs.

Three of the four industries hardest hit by the pandemic in



KYSTATS Updates

Past issues of the *Labor Force Update* have examined other labor market effects of COVID including [unemployment insurance claims](#), changes in the [unemployment rate](#), employment disparities by [gender](#) and [race](#), fluctuations in [labor supply and demand](#), [employment outcomes](#), and [quit rates](#).

Several KYSTATS reports have been updated in recent months including:

- ◆ [Kentucky Workforce Dashboard](#)
The Kentucky Workforce Dashboard is a user-friendly tool that local workforce areas can use to inform the impact of services in their area.
- ◆ [Work Ready Communities](#)
A Kentucky Work Ready Community certification is a measure of a county's workforce quality. This interactive report helps communities assess their progress in achieving the Work Ready criteria.
- ◆ [WORKR](#)
This interactive quarterly report provides a snapshot of Kentucky's workforce at the state and local levels by bringing together data from Kentucky's Labor Market Information branch.
- ◆ [Kentucky Future Skills Report](#)
This interactive report provides data to help Kentuckians answer the following: How many jobs will Kentucky need to fill during the next five years? What will those jobs pay? Do we have the right mix of workers and skills to fill those jobs? Also, new to this report is the expanded demand section "Specific Occupations," which provides a profile for each selected occupation and a sortable list within each area of Kentucky.



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Kentucky Labor Force Update

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