

Labor Market Information



Education and Workforce Development Cabinet

AUGUST 2009

HIGHLIGHTS

- Kentucky's seasonally adjusted unemployment rate was the same in August 2009 as July 2009's rate of 11.1 percent. August 2009's unemployment rate matches the 11.1 percent recorded in August 1983. Likewise, the 11.1 percent rate recorded in August 2009 is the highest since August 1983. Further, Kentucky was one of 7 states that experienced a steady unemployment rate between July 2009 and August 2009. Unemployment rates of 6.0 percent or higher have been recorded in Kentucky for the past seventeen consecutive months. In August 2009, six states had a higher unemployment rate than Kentucky, while forty-three states had a lower unemployment rate. The District of Columbia had the same unemployment rate as Kentucky.
- Total nonagricultural wage and salary employment on a seasonally adjusted basis was 1,772,700 in August 2009, a decrease of 400 from July 2009, and a decrease of 85,100 since August 2008. Forty-nine states recorded an over-the-year non-farm employment decrease in August 2009, with the District of Columbia and North Dakota as the only exceptions. Both the District of Columbia and North Dakota experienced a higher level of employment in August 2009 than in August 2008.
- The average weekly earnings of production workers in manufacturing industries increased from \$731.85 in July 2009 to \$747.12 in August 2009.
- The average weekly earnings of Kentucky miners and loggers decreased from \$953.06 in July 2009 to \$951.00 in August 2009.
- The average weekly earnings of Kentucky miners and loggers in August 2009 (\$951.00) were \$68.36 below the national average of \$1,019.36.
- Between July 2009 and August 2009, non-farm employment in the Bowling Green MSA climbed by 800 to a non-seasonally adjusted 58,000 employees. Since August 2008, non-farm employment in the Bowling Green MSA has decreased by 3,700 jobs.
- Between July 2009 and August 2009, non-farm employment in the Elizabethtown MSA increased by 400 to a non-seasonally adjusted 46,900 employees. Since August 2008, non-farm employment in the Elizabethtown MSA has decreased by 700 positions.
- Between July 2009 and August 2009, non-farm employment in the Lexington - Fayette MSA advanced by 2,800 to a non-seasonally adjusted 247,300 employees. Since August 2008, non-farm employment in the Lexington - Fayette MSA has plunged by 9,400 jobs.

- Between July 2009 and August 2009, non-farm employment in the Louisville – Jefferson MSA climbed by 1,700 to a non-seasonally adjusted 600,000 employees. Since August 2008, non-farm employment in the Louisville – Jefferson MSA has plummeted by 26,600 positions.
- Between July 2009 and August 2009, non-farm employment in the Owensboro MSA increased by 400 to a non-seasonally adjusted 50,000 employees. Since August 2008, non-farm employment in the Owensboro MSA has decreased by 1,200 jobs.
- Kentucky’s average weekly claims for unemployment insurance increased from 70,449 in July 2009 to 74,341 in August 2009. The rate of insured unemployment increased from 4.0 percent in July 2009 to 4.2 percent in August 2009. In contrast, the number of initial unemployment insurance benefit claims decreased by 31.8 percent in August 2009.
- The unemployment rates in the Greater Louisville WIA (10.5%) and EKCEP WIA (13.1%) increased between July 2009 and August 2009. The August 2009 unemployment rate for the Barren River WIA (12.1%) remained at its July 2009 level. However, the unemployment rates for the Purchase/Pennyrile WIA (10.9%), Lincoln Trail WIA (11.8%), Northern Kentucky WIA (10.1%), TENCO WIA (10.9%), Cumberlands WIA (11.4%), Bluegrass WIA (9.7%), and Green River WIA (10.1%) decreased between July 2009 and August 2009.
- Unemployment rates in the Purchase/Pennyrile WIA, Lincoln Trail WIA, Greater Louisville WIA, Northern Kentucky WIA, TENCO WIA, EKCEP WIA, Cumberlands WIA, Bluegrass WIA, Green River WIA, and Barren River WIA increased between August 2008 and August 2009. No Workforce Investment Area exhibited a steady unemployment rate or an unemployment rate that was lower in August 2009 than in August 2008.

Total Employment and Unemployment (Household Survey Data)

Kentucky’s seasonally adjusted unemployment rate was the same in August 2009 as July 2009’s rate of 11.1 percent. The 11.1 percent unemployment rate in July 2009 is 4.4 percentage points higher than the 6.7 percent rate recorded in August 2008. August 2009’s unemployment rate matches the 11.1 percent recorded in August 1983. Likewise, the 11.1 percent rate recorded in August 2009 is the highest since August 1983, when the unemployment rate reached 11.1 percent. Further, Kentucky was one of 7 states that experienced a steady unemployment rate between July 2009 and August 2009. Moreover, Kentucky was one of 50 states along with the District of Columbia that had a higher unemployment rate in August 2009 than in August 2008. Kentucky’s 11.1 percent unemployment rate for August 2009 caused Kentucky to have the 7th highest unemployment rate among all the states and the District of Columbia, tied with the District of Columbia.

The U.S. seasonally adjusted jobless rate increased from 9.4 percent in July 2009 to 9.7 percent in August 2009. This 9.7 percent rate is 1.4 percentage points below the 11.1 percent rate recorded for Kentucky in August 2009. Kentucky was one of 15 states plus the District of Columbia that reported unemployment rates above the U.S. average of 9.7 percent in August 2009. Not seasonally adjusted numbers are published below along with the seasonally adjusted data.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working. Civilian labor force statistics include non-military 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 - EMPLOYMENT DATA

Seasonally Adjusted Data	August	July	Change	August	Change
	<u>2009</u> 2009	_____ to	from July <u>August</u> 2008	_____ to	from August <u>August</u>
Civilian Labor Force	2,067,792	2,069,566	-1,774	2,048,936	18,856
Employment	1,837,304	1,840,732	-3,428	1,910,907	-73,603
Unemployment	230,488	228,834	1,654	138,029	92,459
Unemployment Rate	11.1%	11.1%	0.0%	6.7%	4.4%
U. S. Unemployment Rate	9.7%	9.4%	0.3%	6.2%	3.5%
Not Seasonally Adjusted Data					
Not Seasonally Adjusted Data	August	July	Change	August	Change
	<u>2009</u> 2009	_____ to	from July <u>August</u> 2008	_____ to	from August <u>August</u>
Civilian Labor Force	2,072,300	2,095,738	-23,438	2,052,658	19,642
Employment	1,847,943	1,864,395	-16,452	1,918,325	-70,382
Unemployment	224,357	231,343	-6,986	134,333	90,024
Unemployment Rate	10.8%	11.0%	-0.2%	6.5%	4.3%
U. S. Unemployment Rate	9.6%	9.7%	-0.1%	6.1%	3.5%

Unemployment Rates for Selected States

Seasonally Adjusted			Not Seasonally Adjusted		
Rank	State	Aug 2009 ^P Rate	Rank	State	Aug 2009 ^P Rate
1	Michigan	15.2	1	Michigan	14.7
7	Kentucky	11.1	9	Kentucky	10.8
9	Ohio	10.8	9	Tennessee	10.8
9	Tennessee	10.8	13	Ohio	10.5
15	Illinois	10.0	15	Illinois	9.9
16	Indiana	9.9	16	Indiana	9.7
U.S.		9.7		U.S.	9.6
18	Missouri	9.5	19	Missouri	9.4
23	West Virginia	9.0	24	West Virginia	8.6
47	Virginia	6.5	43	Virginia	6.5
51	North Dakota	4.3	51	North Dakota	4.0

Industry Payroll Employment (Establishment Survey Data)

In August 2009, five of the 11 major North American Industry Classification System (NAICS) non-farm supersectors reported employment increases, while five suffered employment losses, and one remained unchanged. Moreover, from July 2009 to August 2009, Kentucky's non-farm payroll decreased by 400 to a seasonally adjusted 1,772,700 employees. This represents the thirteenth consecutive monthly employment decline and the nineteenth month of job losses since the recession commenced in December 2007. Since the start of the recession, non-farm employment in Kentucky has decreased by 99,700 positions. Likewise, since August 2008, Kentucky's non-farm employment has decreased by 85,100 professionals. This marks the eighteenth month in a row of year-over-year employment decreases and the second largest year-over-year drop on records dating back to January 1990. Altogether, 8 states recorded over-the-month non-farm employment growth, while 42 states plus the District of Columbia showed employment decreases and no state remained the same in August 2009. Over the year, non-farm employment increased in 1 state and the District of Columbia, decreased in 49 states, and was unchanged in no states. Kentucky was one of the states that decreased over-the-month and decreased over-the-year.

According to the seasonally adjusted employment data, employment in the Professional and Business Services supersector climbed by 2,300 positions in August 2009. The Professional and Business Services supersector encompasses professional, scientific, and technical services; management of companies; and administrative and support and waste management, including temporary help agencies. August 2009 marks the first increase in the number of jobs in Professional and Business Services companies since January 2009. The employment gains are credited to Administrative and Support businesses, reflecting strength in the employment services industry. Since the temporary help industry supplies labor to a wide variety of industries, it is a good barometer of what is occurring across the labor market. Demand for temporary help services often leads business cycles, because through such services, firms can adjust their workforces quickly to react to changes in demand that may only be short lived. The 173,100 total employees in the Professional and Business Services supersector are 9,900 fewer than in August 2008. The year-over-year job losses are concentrated in Professional, Scientific, and Technical Services enterprises, signaling layoffs at a technology company, a legal practice, a computer service business, and a consulting firm. Administrative and Support companies also suffered significant year-over-year job losses, which is indicative of a prolonged period of fragility in the employment services industry. Employment declines are a sign of layoffs at a call center, a personnel services establishment closing, cutbacks at motor assistance and travel agencies, layoffs at a temporary help services firm, and job cuts at a support services business. Since the start of the recession, the number of jobs in the Professional and Business Services supersector has tumbled by 12,300, with Administrative and Support enterprises losing 8,200 professionals.

The Leisure and Hospitality supersector, which includes arts, entertainment, and recreation; accommodation; and food services and drinking places, increased by 2,300 jobs in August 2009. The employment advances are attributed to Accommodation and Food Services enterprises, which is indicative of multiple restaurants opening and an expansion at another eatery. Since August 2008, employment in this supersector has increased by 1,200 positions to 174,200. Year-over-year job gains in Arts, Entertainment, and Recreation businesses outweighed year-over-year

employment losses in the Accommodation and Food Services industry. The rise in the number of jobs at Arts, Entertainment, and Recreation companies reflects an equestrian center opening, two new spectator sports teams, an exposition center and arena opening, two theaters opening, and an expansion at a recreation facility. The contraction in the Accommodation and Food Services industry is a sign of two accommodations closing, multiple beverages establishments closing, countless restaurants closing, and layoffs at other eateries. Since the start of the recession, employment in the Leisure and Hospitality supersector has climbed by 1,300 professionals, with Arts, Entertainment, and Recreation companies growing by 900 positions, while Accommodation and Food Services businesses advanced by 400 workers. The slow of growth since December 2007 is attributed to a decline in consumer spending. Stagnant wages, tighter credit, a moribund stock market, declining home equity, and mounting job losses are straining household budgets and causing consumers to splurge less on leisure activities and restaurant meals.

The Trade, Transportation, and Utilities supersector, consisting of wholesale trade; retail trade; utilities; and transportation and warehousing sectors, gained 800 jobs in August 2009. This represents only the second time in the past year employment has risen in this supersector. The job gains are concentrated in the Transportation, Warehousing, and Utilities industry, which is indicative of two transportation companies relocating to Kentucky. Despite the overall growth in the Trade, Transportation, and Utilities supersector, Retail Trade enterprises endured 600 lost positions in August 2009. The employment decline reflects multiple store closings and weak demand for products engendering cutbacks at retailers. Consumers, constrained by dwindling nest eggs, waning home values, shrinking paychecks, and vanishing jobs, are curtailing non-essential purchases in an effort to make ends meet. As households retrench and rein in discretionary expenditures, retail trade establishments have been forced to cut back. Moreover, the 367,000 total employees in the Trade, Transportation, and Utilities supersector, Kentucky's largest, are 16,400 fewer than in August 2008. Year-over-year job losses are predominantly in Transportation, Warehousing, and Utilities businesses. However, Wholesale Trade establishments and Retail Trade enterprises have also endured significant employment declines since August 2008. Over the last year, consumers have been battered by job losses, financial turmoil, and a plunging stock market. As households tightened their belts, retailers suffered declining sales, enacted layoffs, and closed underperforming stores. Likewise, wholesalers suffered layoffs as weak demand for products trickled back through the supply chain. Job losses in the Transportation, Warehousing, and Utilities industry reflect relocations at an air transportation establishment, cutbacks at air transportation companies, reductions at two shipping companies, layoffs at rail, transit and ground, freight trucking, and barge transportation enterprises, the closings of two transportation businesses, layoffs at a warehouse, and two warehouses closing. Since the start of the recession, Trade, Transportation, and Utilities employment has tumbled by 19,900 professionals, with Retail Trade businesses curtailing 7,700 workers while Transportation, Warehousing, and Utilities companies lost 8,100 positions.

Between July 2009 and August 2009, the Financial Activities supersector exhibited an advance of 400 workers. Over the last month, Real Estate and Rental and Leasing businesses maintained the same number of employees, which is indicative of an easing in the housing slump. The Financial Activities supersector, which includes businesses involved in finance; insurance; real estate; and property leasing or rental, reported 3,200 fewer employees in August 2009 than in August 2008, for a total of 88,700 positions. This reflects the malaise resulting from the credit

crisis impacting Kentucky and includes job cuts at multiple credit intermediation companies, permanent layoffs at a loan processing center, layoffs at three insurance businesses, job cuts at numerous real estate firms, and layoffs at two securities and commodities enterprises. Over the last year, Real Estate and Rental and Leasing companies suffered an employment drop of 400 positions, reflecting the maladies of the housing slump. Since the start of the recession, employment in the Financial Activities supersector has decreased by 3,000 professionals, with Real Estate and Rental and Leasing enterprises declining by 700 jobs.

In August 2009, the Mining and Logging supersector gained 200 jobs. This represents the first increase in employment in the Mining and Logging supersector since May 2009. Likewise, this supersector, with 25,600 total employees, has gained 1,200 jobs since August 2008, which is a sign of hiring at coal mines in the last year. Since the start of the recession, employment in the Mining and Logging supersector has increased by 3,600 workers.

The Government supersector, which includes employment in public administration agencies; state and local public school systems; and state-owned hospitals, maintained steady employment in August 2009. In contrast, the 319,900 total employees in the Government supersector are 2,900 less than in August 2008. The contraction is concentrated in the State Government sector, signaling cutbacks in the face of a budget deficit. Moreover, the Local Government sector also suffered employment losses, which is a sign of job cuts at elementary and secondary public schools and layoffs at city and local governments. Since the start of the recession, the number of workers in the Government supersector has decreased by 4,500 positions, with local government jobs rising by 200.

From July 2009 to August 2009, the Information supersector, which consists of those firms involved in publishing, Internet activities, data processing, broadcasting, and news syndication, lost 100 positions. The drop in employment reflects layoffs at a television station and job cuts at a newspaper. Furthermore, the number of jobs in this supersector has not risen since November 2008. Similarly, since August 2008, this supersector, with 29,200 jobs, has decreased by 800 professionals. A magazine ceasing publication, cutbacks at a communications company, layoffs at multiple newspapers, job cuts at various radio stations, layoffs at numerous television station, and cutbacks at a data processing and hosting business contributed to the year-over-year employment declines. Likewise, since the start of the recession, employment in the Information supersector has tumbled by 1,000 positions.

In August 2009, employment in the Other Services supersector dropped by 800 professionals. A fraction of the job losses is indicative of contractions at boys and girls clubs. This supersector, which comprises such establishments as repair and maintenance places; personal and laundry services; religious organizations; and civic and professional organizations, has a total of 74,500 employees, 700 fewer than in August 2008. The year-over-year decrease in the number of positions in the Other Services supersector is indicative of cutbacks at three religious organizations, a laundry closing, job cuts at a repair and maintenance business, the closing of another repair and maintenance company, layoffs at a grant-making enterprise, and a boys and girls club closing. Since the start of the recession, this supersector has lost 1,300 workers.

Kentucky's Educational and Health Services supersector reported 1,100 fewer workers in August 2009 than in July 2009. These employment losses were concentrated in Health Care and Social

Assistance businesses, which is a sign of a medical center closing and a day care closing. Private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients are included in the Educational and Health Services supersector. This supersector, with 245,600 jobs, has maintained steady employment between August 2008 and August 2009. Year-over-year employment gains in the Educational Services industry were offset by a year-over-year contraction in Health Care and Social Assistance businesses. An expansion at a learning center, two new colleges opening, and expansions at four educational institutions in the last year contributed to the rise in the number of jobs in the Educational Services industry. Educational services tends to be more recession-proof than other industries. Institutions of higher learning often see an uptick in enrollment during recessions, as individuals return to school or choose to continue their education. The year-over-year employment losses in Health Care and Social Assistance companies reflect layoffs at a hospital, job cuts at a mental health facility, the closing of a Hospice provider, cutbacks at a home health agency, the closing of a residential treatment center, an adolescent services office closing, and cutbacks at a social service provider for the disabled and substance abusers. Since the start of the recession, employment in the Educational and Health Services supersector has increased by 3,600 positions, with 1,400 job gains occurring in the Health Care and Social Assistance industry. General population growth and a longer life expectancy help explain the continued expansion of health care employment. In addition, as the baby boom generation ages, there is an increased need for health services. The rise in employment during this period is a sign of an assisted-living community opening, expansions at two medical care centers, various medical care centers opening, numerous clinics opening, an ambulatory care center opening, an expansion at a Hospice provider, multiple home health agency openings, the opening of an adoption agency, an expansion at a social assistance establishment, and two day care centers opening.

In August 2009, employment in the Construction supersector decreased by 1,200 positions. This represents the ninth decrease in employment in the last ten months, reflecting debility in specialty trade contractors and financial difficulties delaying commercial and public works construction projects. Since August 2008, the number of jobs in this supersector has plummeted by 18,300 positions to 66,700, reflecting fragility in specialty trade contractors and weakness in the residential construction industry. The maladies in the housing market, tighter credit delaying construction projects, job cuts at a commercial construction firm, layoffs at a contractor, cutbacks at a residential builder, and the closings of a residential construction firm and an electrical contractors company factored into the job losses in this industry. Likewise, since the start of the recession, employment in the Construction supersector has plunged by 19,900 professionals.

The Manufacturing supersector lost 3,200 jobs in August 2009, for a total of 208,200 professionals. This marks the fourteenth time in the last fifteen months industrial employment has fallen. Job losses were concentrated in the Durable Goods subsector, reflecting layoffs at a number of automobile parts manufacturers, the closing of another automobile parts producer, and the start of a lengthy temporary shutdown of a durable goods plant. The woes of the automobile industry are reverberating through Kentucky's economy with shock waves felt by employees, automobile parts suppliers, and non-manufacturing enterprises such as railroads and trucking companies faced with a reduction of cargo. Despite the overall contraction in the Manufacturing supersector, the Non-Durable Goods subsector experienced an increase in employment, which is indicative of an expansion at a food manufacturer, the reopening of a refinery, and an expansion

at a hardware producer. However, since the start of the recession, industrial employment has plummeted by 44,500 professionals with the Non-Durable goods subsector shedding 9,100 jobs. Job losses were concentrated in the Durable Goods subsector reflecting layoffs at automobile manufacturers, cutbacks at numerous automobile parts manufacturers, the closings of multiple automobile parts factories, job cuts at various durable goods producers, and the closings of a manifold of durable goods manufacturers.

The Manufacturing supersector has experienced a loss of 35,300 positions since August 2008. The Durable Goods subsector accounted for the majority of the year-over-year employment decrease. This reflects the malaise resulting from the automobile slump impacting Kentucky. Job losses signal layoffs at automobile manufacturers; the closing of an automotive plant; layoffs and closings at countless automobile parts manufacturers; job cuts at a diverse range of durable goods producers; layoffs at truck trailer manufacturers; the closing of another truck trailer producer; and the closings of an assortment of durable goods manufacturers. Consumers, grappling with layoffs, tighter credit conditions, and declining household wealth due to waning home prices and a moribund stock market, have developed a reticence to opening their pocketbooks and wallets, choosing instead to postpone purchases of long-lasting manufactured goods such as automobiles. In addition to the anemic job market, quality improvements, which extend the life of a vehicle, have caused new automobile purchases to become less tempting. Furthermore, manufacturers of durable goods, such as furniture and appliance makers as well as lumber and other products utilized in residential construction, are negatively impacted by a decline in the housing market. Moreover, the Non-Durable good subsector also exhibited significant job losses, which is indicative of layoffs across the board from food manufacturers to plastics producers, and the closings of a variety of non-durable goods manufacturers from clothing producers to chemical manufacturers. Financially-strained consumers, faced with sluggish wages and an urge to save, have become reluctant to part with discretionary income. Manufacturers of non-durable goods, such as clothing, are detrimentally affected by consumers curtailing spending on non-necessities in an effort to cope with a weak job market.

A complete detail of Kentucky's non-farm employment is included in the table on page 21 of this newsletter.

Additional Employment Categories

Two other employment categories had employment fluctuations in August 2009. Workers in "Agricultural" jobs totaled 33,700 in August 2009. Thus, this employment category experienced a decrease of 8,200 jobs from July 2009's level of 41,900. Farm workers usually have less work during late summer until it's time for the harvesting and processing of corn, soybeans, and other fall crops, along with tobacco stripping. Since August 2008, when agricultural jobs totaled 36,900, there has been a decrease of 3,200 employees.

The employment category that includes the "Self-Employed, Domestic Employees, and those working in Family Businesses" encompassed 128,780 employees in August 2009, an increase of 443 positions from the 128,337 recorded in July 2009. In comparison to August 2008's level of 135,168 jobs, there has been a decrease of 6,388 positions.

Hours and Earnings of Workers in Selected Industries

During August 2009, production and non-supervisory workers in the Manufacturing supersector earned an average weekly wage of \$747.12, a \$15.27 increase above the July 2009 average of \$731.85, and an increase of \$33.31 from the \$713.81 paid in August 2008. This is the second rise in month-over-month average weekly manufacturing wages in the last three months. In August 2009, the average hourly pay rate for factory workers was \$18.09, which is \$0.24 higher than the \$17.85 average hourly pay rate in July 2009 and \$0.68 above the \$17.41 average hourly pay rate in August 2008. The average production workweek in August 2009 was 41.3 hours, higher than the average production week in July 2009 (41.0 hours) and higher than the average production week in August 2008 (41.0 hours). Thus, the increase in average weekly wages corresponds to a longer work week in August 2009 compared to July 2009.

During August 2009, Kentucky miners and loggers earned an average weekly wage of \$951.00, a \$2.06 decrease from the July 2009 average of \$953.06, but an increase of \$26.23 from the \$924.77 paid in August 2008. This is the second consecutive month of declining month-to-month average weekly wages for Kentucky miners and loggers. In August 2009, the average hourly pay rate for miners and loggers was \$19.29, which is \$0.28 lower than the \$19.57 average hourly pay rate in July 2009, but \$1.05 above the \$18.24 average hourly pay rate in August 2008. The average production workweek in August 2009 was 49.3 hours, higher than the average production week in July 2009 (48.7 hours), but lower than the average production week in August 2008 (50.7 hours). Thus, there was a decrease in average weekly wages despite a longer work week in August 2009 compared to July 2009.

The average weekly earnings of Kentucky miners and loggers in August 2009 (\$951.00) were \$68.36 below the national average of \$1,019.36. The Kentucky miners and loggers' August 2009 average of 49.3 hours worked per week is above the national average for miners and loggers (43.9) hours worked per week by 5.4 hours. However, Kentucky miners and loggers earned an average of \$3.93 less per hour (\$19.29) in August 2009 compared to the national average hourly earnings for miners and loggers (\$23.22).

All hours and earnings data are not seasonally adjusted. Additional detail on hours and earnings is available from the table on page 22 of this publication.

Average Annual Pay

The annual average pay for all Kentucky workers was 17.8% below the national annual average pay in 2008. The chart below displays the comparison between wages for Kentucky and national workers for the past twelve years, demonstrating that jobs located in Kentucky do not compensate at the same level as the national average. In addition, from 2004 to 2007, there has been a steady rise in the percent annual average pay in Kentucky has lagged behind the national annual average pay. However, that deviation lessened slightly in 2008.

Average Annual Pay - All Workers

<u>Year</u>	<u>Kentucky</u>	<u>United States</u>	<u>Kentucky Percent of U.S. Total</u>
1997	\$25,577	\$30,353	84.3%
1998	\$26,697	\$31,945	83.6%
1999	\$27,783	\$33,340	83.3%
2000	\$28,801	\$35,323	81.5%
2001	\$30,021	\$36,219	82.9%
2002	\$30,904	\$36,764	84.1%
2003	\$31,855	\$37,765	84.4%
2004	\$33,165	\$39,354	84.3%
2005	\$33,965	\$40,677	83.5%
2006	\$35,201	\$42,535	82.8%
2007	\$36,480	\$44,458	82.1%
2008	\$37,430	\$45,559	82.2%

MSA Employment (Establishment Survey Data)

Bowling Green MSA

Between July 2009 and August 2009, non-farm employment in the Bowling Green MSA increased by 800 to a non-seasonally adjusted 58,000 employees. In August 2009, three major North American Industry Classification System (NAICS) non-farm supersectors experienced an employment increase: Professional and Business Services (+200), Leisure and Hospitality (+100), and Government (+1,000). August 2009 marks the second increase in the number of positions in the Professional and Business Services supersector in the last three months. The employment advances in the Leisure and Hospitality supersector are indicative of a recreation facility opening and two restaurants opening. The job gains in the public sector occurred in the Local Government sector, reflecting school openings. Two supersectors reported steady employment during this period: Mining, Logging, and Construction, and Educational and Health Services. The number of workers in the Mining, Logging, and Construction supersector has held steady in four of the last six months. Employment in the Educational and Health Services supersector has remained constant for four consecutive months and in six of the last seven months. However, two supersectors reported an employment decline with fewer positions in August 2009 than in July 2009: Manufacturing (-500) and Trade, Transportation, and Utilities (-300). This represents the seventh decrease in the number of jobs in the Manufacturing supersector in the last nine months. A portion of the decline in industrial employment is indicative of the closing of an automotive parts producer. Despite the decrease in overall employment in the Trade, Transportation, and Utilities supersector, Retail Trade businesses maintained a constant number of professionals between July 2009 and August 2009.

Since August 2008, non-farm employment in the Bowling Green MSA has decreased by 3,700 jobs. Two major NAICS non-farm supersectors reported an employment advance during this period: Leisure and Hospitality (+100) and Government (+200). This represents the first year-over-year increase in the number of jobs in the Leisure and Hospitality supersector since March 2008. The slow growth in the Leisure and Hospitality supersector reflects consumers curtailing spending on discretionary items, such as meals at eateries and nights out. The rise in the number of positions in the Leisure and Hospitality supersector is a sign of a new spectator sports team

and various restaurant openings. The employment gains in the Government supersector are evenly distributed between the State Government and Local Government sectors. One supersector maintained the same number of jobs between August 2008 and August 2009. Prior to August 2009, the Educational and Health Services supersector had exhibited steady year-over-year employment growth every month since January 2008. General population growth and a longer life expectancy help explain the continued expansion of health care employment. In addition, as the baby boom generation ages, there is an increased need for health services. Nevertheless, four supersectors exhibited employment declines with fewer positions in August 2009 than in August 2008: Mining, Logging, and Construction (-400), Manufacturing (-2,300), Trade, Transportation, and Utilities (-600), and Professional and Business Services (-200). The Mining, Logging, and Construction supersector has not experienced a rise in year-over-year employment since August 2008, which is indicative of the housing slump. Weakness in the construction industry reflects the maladies of the housing market, a builder scaling back, job cuts at a commercial construction firm, and financial difficulties curtailing and delaying construction projects. The decrease in the number of industrial jobs is indicative of buyouts and layoffs at a major manufacturer, layoffs at multiple automobile parts producers, and the closing of a durable goods manufacturer. The Trade, Transportation, and Utilities supersector has exhibited year-over-year job losses every month since January 2008. Likewise, Retail Trade enterprises, a component of the Trade, Transportation, and Utilities supersector, have reported declining year-over-year employment for twenty consecutive months. Over-the-year job losses in the Trade, Transportation, and Utilities supersector reflect two store closings, a transportation company closing, and layoffs at a warehouse. As households retrench and rein in non-essential purchases, Retail Trade enterprises have been forced to cut back. A portion of the job losses in the Professional and Business Services supersector reflect layoffs at a motor assistance and travel agency.

Employment in the Information, Financial Activities, and Other Services supersectors are only captured in the Total Non-Farm employment data.

Elizabethtown MSA

Between July 2009 and August 2009, non-farm employment in the Elizabethtown MSA increased by 400 to a non-seasonally adjusted 46,900 employees. From July 2009 to August 2009, one major North American Industry Classification System (NAICS) non-farm supersector reported job gains: Government (+100). Job gains in the public sector were concentrated in the Local Government sector, reflecting school openings. In August 2009, six supersectors reported steady employment: Mining, Logging, and Construction; Manufacturing; Trade, Transportation, and Utilities; Professional and Business Services; Educational and Health Services; and Leisure and Hospitality. The Mining, Logging, and Construction supersector has remained at the same employment level for five consecutive months. Industrial employment has remained constant in two of the last four months. In spite of the steady number of jobs in the Trade, Transportation, and Utilities supersector, Retail Trade enterprises lost 100 professionals in August 2009. This represents the first drop in Retail Trade employment since February 2009. The number of workers in the Professional and Business Services supersector has not risen since November 2008. Employment in the Educational and Health Services supersector has held steady in fourteen of the last fifteen months. No supersector reported fewer jobs in August 2009 than in July 2009. Since the start of the recession, only the Educational and Health Services (+200) and

Leisure and Hospitality (+200) supersectors have reported an increase in employment. All other supersectors and the Elizabethtown MSA (-2,100) have exhibited employment declines during this period.

Since August 2008, non-farm employment in the Elizabethtown MSA has decreased by 700 positions. During this period, two major NAICS non-farm supersectors reported an employment increase: Educational and Health Services (+100) and Government (+200). General population growth and a longer life expectancy help explain the continued expansion of health care employment. In addition, as the baby boom generation ages, there is an increased need for health services. The year-over-year employment gains in the Educational and Health Services supersector are indicative of a home health agency opening and an expansion at a social assistance establishment. The employment growth in the Government supersector is concentrated in the Federal Government sector, which reflects a base realignment. Over the last year, the State Government sector lost 100 professionals, while the Federal Government sector gained 300 positions. Between August 2008 and August 2009, two supersectors maintained the same number of jobs: Professional and Business Services, and Leisure and Hospitality. August 2009 represents the third time in the last five months the Leisure and Hospitality supersector has maintained steady employment. The lack of job growth in the Leisure and Hospitality supersector is a sign of consumers retrenching and limiting the number of visits to restaurants and nights out. However, three supersectors experienced job losses from August 2008 to August 2009: Mining, Logging, and Construction (-100), Manufacturing (-600), and Trade, Transportation, and Utilities (-400). This marks the fourth month in a row where there has been a year-over-year contraction in the Mining, Logging, and Construction supersector, reflecting the housing slump. The decline in the number of industrial jobs reflects layoffs at numerous automobile parts manufacturers, a durable goods producer closing, and consumers cutting back on major purchases. Concurrent with the overall decrease in the Trade, Transportation, and Utilities supersector, Retail Trade businesses employed 200 fewer professionals in August 2009 than in August 2008. This is a sign of multiple store closings in the last year. Households clamping down on discretionary spending, such as clothing, have detrimentally affected the Trade, Transportation and Utilities supersector.

Employment in the Information, Financial Activities, and Other Services supersectors are only captured in the Total Non-Farm employment data.

Lexington - Fayette MSA

Between July 2009 and August 2009, non-farm employment in the Lexington - Fayette MSA increased by 2,800 to a non-seasonally adjusted 247,300 employees. In August 2009, three major North American Industry Classification System (NAICS) non-farm supersectors exhibited employment gains: Professional and Business Services (+700), Leisure and Hospitality (+200), and Government (+2,400). The job gains in the Professional and Business Services supersector are concentrated in the Administrative and Support industry. The employment growth in the Leisure and Hospitality supersector is attributed to a new spectator sports team. The rise in the number of jobs in the Government supersector is reflective of school openings. The Local Government sector gained 2,000 professionals, while the State Government sector reported 400 more positions in August 2009 compared to July 2009. Four supersectors maintained the same number of jobs between July 2009 and August 2009: Mining, Logging, and Construction;

Information; Financial Activities; and Educational and Health Services. The steady employment in the Mining, Logging, and Construction supersector ends a string of three consecutive months of job growth. Employment in the Information supersector has remained constant for three months in a row. The number of professionals in the Financial Activities supersector has held steady in four of the last seven months, while the number of positions in the Educational and Health Services supersector has remained unchanged in three of the last five months. In contrast, three supersectors reported employment decreases during this period: Manufacturing (-100), Trade, Transportation, and Utilities (-200), and Other Services (-200). The Manufacturing supersector has reported job losses in thirteen of the last fourteen months. The drop in industrial employment in August 2009 reflects layoffs at two automobile parts factories and cutbacks at a chemical plant. Coincident with the drop in employment in the Trade, Transportation, and Utilities supersector, Retail Trade enterprises lost 200 positions between July 2009 and August 2009, which is indicative of three store closings. August 2009 marks the first decrease in the number of workers in the Other Services supersector since January 2009.

Since August 2008, non-farm employment in the Lexington – Fayette MSA has plunged by 9,400 jobs. Two major NAICS non-farm supersectors reported employment increases during this period: Leisure and Hospitality (+400) and Government (+100). Job gains in the Leisure and Hospitality supersector reflect an accommodation opening, a new spectator sports team, two beverage services enterprises opening, and multiple food service businesses opening. The slow year-over-year employment growth in the Leisure and Hospitality supersector is attributed to a decline in consumer spending. Stagnant wages, declining home equity, and mounting job losses are straining household budgets and causing consumers to splurge less on leisure activities and restaurant meals. The rise in number of professionals in the Government supersector over the last year is concentrated in the Local Government sector. One supersector reported steady employment between August 2008 and August 2009: Other Services. This represents the first month of steady year-over-year employment in the Other Services supersector since February 2009. However, seven major non-farm supersectors experienced employment declines with fewer jobs in August 2009 than in August 2008: Mining, Logging, and Construction (-1,200), Manufacturing (-2,900), Trade, Transportation, and Utilities (-2,700), Information (-100), Financial Activities (-200), Professional and Business Services (-2,700), and Educational and Health Services (-100). Job losses in the Mining, Logging, and Construction supersector are attributed to the housing slump and credit crunch, whereas the drop in industrial employment reflects layoffs at a various manufacturing plants, including automobile parts manufacturers, a body armor plant, a construction crane factory, and a range of non-durable goods producers from electrical to chemical manufacturers. The Retail Trade industry accounted for the lion's share of the decrease in the amount of workers employed in the Trade, Transportation, and Utilities supersector, which is indicative of numerous store closings and layoffs at other retailers as consumers curtail spending on discretionary items. Likewise, cutbacks at television stations, job cuts at a communications company, layoffs and buyouts at a major newspaper, cutbacks at another newspaper, and layoffs at radio stations factored into the decline in employment in the Information supersector. The Financial Activities supersector has exhibited year-over-year contraction in nineteen of the last twenty months. Layoffs at two credit intermediation firms, the elimination of a major loan processing center, and cutbacks at an insurance company contributed to the decrease in the number of jobs in this supersector. The majority of the decrease in the number of jobs in the Professional and Business Services supersector occurred in Administrative and Support businesses. A portion of the employment decline in the Administrative and Support

industry is attributed to layoffs at a call center. However, Professional, Scientific, and Technical Services companies also exhibited a drop in employment, which is indicative of cutbacks at a technology business, job cuts at a legal practice, and layoffs at a computer services firm. August 2009 marks the first employment decline in the Educational and Health Services supersector since June 2008. General population growth and a longer life expectancy help explain the continued expansion of health care employment. In addition, as the baby boom generation ages, there is an increased need for health services. Nonetheless, the decrease in the number of positions in the Educational and Health Services supersector in the last year is indicative of job cuts at two seminaries and layoffs at a private college.

Louisville - Jefferson MSA

Between July 2009 and August 2009, non-farm employment in the Louisville – Jefferson MSA climbed by 1,700 to a non-seasonally adjusted 600,000 employees. Four major North American Industry Classification System (NAICS) non-farm supersectors reported employment increases during this period: Manufacturing (+900), Professional and Business Services (+500), Leisure and Hospitality (+100), and Government (+2,200). Industrial job gains are clustered in to the Durable Goods sector, specifically the Transportation Equipment industry which reflects employees returning to work after temporary shutdowns at a major manufacturer. Employment advances in the Professional and Business Services supersector are attributed to Administrative and Support establishments. Despite the overall rise in the number of jobs in the Professional and Business Services supersector, Professional, Scientific, and Technical Services enterprises dropped by 500 positions in August 2009. The job growth in the Leisure and Hospitality supersector is attributed to Accommodation and Food Services businesses, which is indicative of two restaurants opening. The increase in the number of workers in the Government supersector is accredited to the State Government sector and Local Government Education subsector, which reflects school openings. One supersector reported steady employment from July 2009 to August 2009: Educational and Health Services. Yet, five supersectors experienced an employment decline, with fewer jobs in August 2009 than in July 2009: Mining, Logging, and Construction (-400), Trade, Transportation, and Utilities (-900), Information (-100), Financial Activities (-200), and Other Services (-400). This marks the first decrease in the number of jobs in the Mining, Logging, and Construction supersector since February 2009, reflecting weakness in the Specialty Trade Contractors industry. Employment losses in the Trade, Transportation, and Utilities supersector are concentrated in Retail Trade enterprises, which is indicative of a retailer closing and consumers cutting back in the face of job layoffs, stagnant wages, and economic uncertainty. August 2009 represents the second time in the last four months the Information supersector has exhibited a drop in employment, while the number of positions in the Financial Activities supersector has decreased four times in the last seven months. Layoffs at credit intermediation businesses contributed to the employment decline in the Financial Activities supersector. A fraction of the job losses in the Other Services supersector reflects layoffs at boys and girls clubs.

Since August 2008, non-farm employment in the Louisville – Jefferson MSA has plummeted by 26,600 positions. Two major NAICS non-farm supersectors reported an employment increase during this period: Educational and Health Services (+900) and Government (+500). The Educational and Health Services supersector has exhibited steady year-over-year job growth

since January 2008. General population growth and a longer life expectancy help explain the continued expansion of health care employment. In addition, as the baby boom generation ages, there is an increased need for health services. The year-over-year employment gains in Educational and Health Services companies reflect an assisted-living community opening, multiple home health agency openings, an outpatient center opening, two medical complexes opening, three convenient care clinics opening, an expansion at a Hospice provider, and expansions at two educational institutions. Employment advances in the public sector over the last year are concentrated in the Local Government sector. In spite of the growth in the Local Government sector, the Local Government Education subsector lost 400 professionals in the last year, which is indicative of job cuts at elementary and secondary public schools. This trend in year-over-year employment losses has persisted since April 2008. Similarly, the State Government sector lost 100 workers from August 2008 to August 2009, which reflects the budget crunch facing state government. Yet, employment in the Federal Government sector advanced by 200 positions in the last year, which is a sign of hiring at multiple federal agencies including a ramp up at a federal agency in preparation for data collection efforts. In the last year, no supersector maintained the same employment level. However, eight supersectors experienced an employment decline, with fewer jobs in August 2009 than in August 2008: Mining, Logging, and Construction (-6,400), Manufacturing (-5,500), Trade, Transportation, and Utilities (-9,900), Information (-300), Financial Activities (-1,100), Professional and Business Services (-2,500), Leisure and Hospitality (-1,400), and Other Services (-900). Employment losses in the Mining, Logging, and Construction supersector are attributed to the housing slump and credit crunch, which has resulted in declines in home prices, home sales, and building permits in the last year. In addition, multiple construction projects have been halted amid financing difficulties, and there has been persistent weakness in Specialty Trade Contractor businesses. The decrease in industrial employment is concentrated in the Durable Goods sector, reflecting the closing of a manufacturing plant, layoffs and buyouts at a major manufacturer, cutbacks at numerous automobile parts manufacturers, the closing of three other automobile parts producers, the closing of a steel-fabrication plant, layoffs at a computer manufacturer, job cuts at an appliance producer, and the closing of a furniture factory. The Non-Durable Goods sector also experienced job losses over the last year, which is indicative of the closings of two hardware producers, a chemical plant, an electrical manufacturer, a fiber box factory, a plastic and rubber producer, and a rubber product manufacturer, and layoffs at a beverage manufacturer, a paper product factory, two chemical manufacturers, three plastic manufacturers, and a plastic and resin factory. Transportation, Warehousing, and Utilities businesses were responsible for the largest share of the employment declines in the Trade, Transportation, and Utilities supersector. This decrease reflects layoffs and cutbacks at air transportation businesses, job cuts at a shipping enterprise, layoffs at a rail company, job cuts at two trucking establishments, the closing of another trucking company, cutbacks at a barge transportation service, and the closings of two warehouses. Over the last year, Retail Trade enterprises lost 4,100 jobs, which is a sign of countless store closings and layoffs at other retailers. The decline of 1,300 positions in the Wholesale Trade industry is indicative of layoffs at a medical product and services provider. The decrease in the number of professionals in the Information supersector reflects a magazine ceasing publication, layoffs at radio stations, job cuts at a television station, and cutbacks at a major newspaper. One-hundred of the employment losses in the Financial Activities supersector are attributed to Finance and Insurance businesses, signaling layoffs at various credit intermediation enterprises, a securities and commodities business, and two insurance companies. The remaining job losses in this supersector are a sign of cutbacks at multiple real estate

agencies. The Administrative and Support Services industry accounted for the lion's share of the employment declines in the Professional and Business Services supersector, which is indicative of layoffs at two motor assistance and travel agencies, and job cuts at a customer service operation. The decrease in the number of workers in the Leisure and Hospitality supersector is concentrated in Accommodation and Food Services businesses, which reflects cash-strapped consumers cutting back on the number of visits to restaurants and splurging less on nights out. In the last year, there have been numerous restaurant closings, two beverage services establishments closing, and an accommodation closing. The reduction in the number of jobs in the Other Services supersector is indicative of layoffs at a repair and maintenance facility, job cuts at religious organizations, and cutbacks at boys and girls clubs. The Other Services supersector has experienced a decline in year-over-year employment every month since January 2008.

Owensboro MSA

Between July 2009 and August 2009, non-farm employment in the Owensboro MSA increased by 400 to a non-seasonally adjusted 50,000 employees. Between July 2009 and August 2009, three major North American Industry Classification System (NAICS) non-farm supersectors experienced job gains: Manufacturing (+100), Financial Activities (+100), and Government (+300). This marks the first increase in industrial employment since May 2008. Likewise, August 2009 represents the first time the Financial Activities supersector has exhibited job growth since April 2007. The advance in the number of jobs in the public sector reflects school openings. The Local Government sector documented 200 more employees in August 2009 than in July 2009, while the State Government sector recorded a rise of 100 professionals. Six supersectors reported steady employment during this period: Mining, Logging, and Construction; Trade, Transportation, and Utilities; Information; Educational and Health Services; Leisure and Hospitality; and Other Services. The Mining, Logging, and Construction supersector has maintained a constant employment level for four consecutive months and in six of the last seven months. Concurrent with steady employment in the Trade, Transportation, and Utilities supersector, the number of positions in Retail Trade enterprises remained unchanged between July 2009 and August 2009. The number of jobs in the Information supersector has held steady in twenty-seven of the last thirty-one months, while the number of workers in the Educational and Health Services supersector has remained constant for five months in a row. Retrenchment by consumers explains the lack of job growth in the Leisure and Hospitality supersector. Employment in the Other Services supersector has remained unchanged in five of the last seven months. However, in August 2009, employment in one supersector decreased: Professional and Business Services (-100). The last decrease in the number of jobs in the Professional and Business Services supersector occurred in May 2009. Since the start of the recession, only the Financial Activities (+100), Educational and Health Services (+100) and Other Services (+200) supersectors have reported employment gains. All other supersectors and the Owensboro MSA (-2,200) have exhibited employment declines during this period.

Since August 2008, non-farm employment in the Owensboro MSA has decreased by 1,200 jobs. Four major NAICS non-farm supersectors reported an employment increase during this period: Financial Activities (+100), Educational and Health Services (+200), Other Services (+100), and Government (+200). This ends a string of sixteen months of constant year-over-year employment in the Financial Activities supersector. In contrast, the number of jobs in the

Educational and Health Services supersector has shown a year-over-year increase in nine of the last ten months. General population growth and a longer life expectancy help explain the continued expansion of health care employment. In addition, as the baby boom generation ages, there is an increased need for health services. August 2009 represents only the second advance in the number of professionals in the Other Services supersector in the last nine months. The climb in the number of positions in the Government supersector is evenly distributed between the State Government and Local Government sectors. From August 2008 to August 2009, two supersectors reported steady employment: Mining, Logging, and Construction; and Information. This represents the third consecutive month of steady year-over-year employment in the Mining, Logging, and Construction supersector, while the Information supersector has maintained the same number of jobs in seven of the last eight months. However, four supersectors experienced employment declines with fewer jobs in August 2009 than in August 2008: Manufacturing (-700), Trade, Transportation, and Utilities (-400), Professional and Business Services (-400), and Leisure and Hospitality (-300). The Manufacturing supersector has not experienced year-over-year job gains since May 2008. The drop in industrial employment reflects layoffs at an automobile parts manufacturer, the closings of two other automobile parts factories, and job cuts at an aluminum producer and an electronic assembly manufacturer. The job losses in the Trade, Transportation, and Utilities supersector are concentrated in Retail Trade enterprises, which is indicative of a store closing and retrenchment by consumers in the face of a worsening job market. Retail Trade businesses have suffered year-over-year declines in employment every month since January 2008. The Professional and Business Services supersector has not reported year-over-year job growth since September 2008, while the Leisure and Hospitality supersector has not exhibited an advance in year-over-year employment since April 2008. The decrease in the number of jobs in the Leisure and Hospitality supersector is indicative of a restaurant closing. Tapped-out consumers, worried about their own jobs, have drawn down discretionary spending, thereby hurting Leisure and Hospitality companies.

A complete detail of Kentucky's non-farm MSA employment is included in tables on pages 23 - 27 of this newsletter.

County Employment (Establishment Census Data)

From first quarter 2008 to first quarter 2009, total employment in Kentucky decreased by 4.6%. Despite the decrease in the number of jobs statewide, four counties experienced an increase in employment of 5.0% or more: Owen (+6.5%), Martin (+7.7%), Fulton (+10.3%), and Trimble (+87.7%). Trimble County gained the most professionals with employment increasing from 1,572 in first quarter 2008 to 2,950 in first quarter 2009, reflecting hiring at a utility construction company. On the other end of the spectrum, twelve counties suffered a 10.0% or more decrease in the number of positions: Henry (-10.0%), Lee (-10.1%), Mason (-10.2%), LaRue (-10.6%), Carroll (-11.0%), Casey (-11.1%), Metcalfe (-11.6%), Bath (-11.8%), Butler (-12.1%), Simpson (-12.2%), Wayne (-13.9%), and Trigg (-16.1%). Trigg County lost the most number of jobs with employment plunging from 3,918 in first quarter 2008 to 3,288 in first quarter 2009, which is indicative of job cuts in automobile parts manufacturing.

A complete detail of Kentucky's county employment is included in the map on page 28 of this publication.

Consumer Price Index

The August 2009 issue of the Consumer Price Index revealed that the average of all items increased one cent from the July 2009 level of \$2.15 to \$2.16 in August 2009. This represents the third time in the last four months the CPI has risen. The base period is 1982-84 when all items cost \$1.00. Two of the items listed below (Recreation and Education and Communication) have a December 1997 base period, meaning these items cost \$1.00 in December 1997.

In August 2009, Apparel (\$1.17), Transportation (\$1.84), Medical Care (\$3.77), and Education and Communication (\$1.28) each climbed one cent. The Apparel price level advanced for the first time since March 2009, after tumbling three cents in July 2009, declining three cents in June 2009, and dropping one cent in May 2009. Transportation increased for the fourth time in the last three months, including an eight-cent surge in June 2009, a four-cent climb in May 2009, and a two-cent ascent in April 2009. The advance in the Medical Care price level represents the seventh inflationary increase in the last eight months. In contrast, Education and Communication increased for only the second time in the last eleven months. Food and Beverages (\$2.18), Housing (\$2.18), Recreation (\$1.15), and Other Goods and Services (\$3.73) each remained at their respective July 2009 levels in August 2009. Food and Beverages has not increased since January 2009, while Housing has maintained the same price level in six of the last seven months. Recreation has maintained the same price level in three of the last four months, while the Other Goods and Services price level remained steady for the first time since December 2008.

The rate of inflation has declined 1.5 percent since August 2008, representing the second largest year-over-year deflation since January 1950. The 2.1 percent year-over-year price decline recorded in July 2009 is the highest since January 1950. In contrast, from July 2009 to August 2009, the purchasing power of the consumer dollar decreased 0.2 percentage point.

A table showing the Consumer Price Index from 1980 to present on both a monthly and annual basis is printed on page 29 of this newsletter.

Unemployment Insurance Statistics

Kentucky's average weekly claims for unemployment insurance increased from 70,449 in July 2009 to 74,341 in August 2009. In contrast, the number of initial unemployment insurance benefit claims decreased by 31.8 percent in August 2009. Movements in the number of workers filing initial claims are followed closely by economists who consider initial claims activity to be an excellent indicator of the strength of the job market.

Average Weekly Claims

Current	Same Month		
	Month	Year	Ago Difference
September 2008	36,966	28,643	8,323
October 2008	34,573	25,471	9,102
November 2008	48,904	24,443	24,461
December 2008	57,995	37,564	20,431
January 2009	81,205	39,322	41,883
February 2009	88,453	38,601	49,852
March 2009	93,110	43,761	49,349
April 2009	79,457	32,580	46,877
May 2009	80,328	29,765	50,563
June 2009	86,073	37,966	48,107
July 2009	70,449	34,909	35,540
August 2009	74,341	40,069	34,272

WIA Unemployment Rates

The unemployment rates in the Greater Louisville WIA (10.5%) and EKCEP WIA (13.1%) increased between July 2009 and August 2009. The EKCEP WIA experienced the largest increase in its unemployment rate at 0.2 percent. The August 2009 unemployment rate for the Barren River WIA (12.1%) remained at its July 2009 level. However, the unemployment rates for the Purchase/Pennyrile WIA (10.9%), Lincoln Trail WIA (11.8%), Northern Kentucky WIA (10.1%), TENCO WIA (10.9%), Cumberlands WIA (11.4%), Bluegrass WIA (9.7%), and Green River WIA (10.1%) decreased between July 2009 and August 2009. The Lincoln Trail WIA exhibited the biggest decrease in its unemployment rate at 0.7 percent.

Unemployment rates in the Purchase/Pennyrile WIA, Lincoln Trail WIA, Greater Louisville WIA, Northern Kentucky WIA, TENCO WIA, EKCEP WIA, Cumberlands WIA, Bluegrass WIA, Green River WIA, and Barren River WIA increased between August 2008 and August 2009. No Workforce Investment Area maintained the same unemployment rate from August 2008 to August 2009. Likewise, no Workforce Investment Area exhibited an unemployment rate that was lower in August 2009 than in August 2008. The Barren River WIA suffered the largest rise in its unemployment rates at 6.2 percent. All other Workforce Investment Areas exhibited an unemployment rate increase of at least 3.8 percent. The EKCEP WIA represents the only other Workforce Investment Areas with a climb of at least 5.0 percent. The Lincoln Trail WIA and Cumberlands WIA suffered increases of at least 4.5 percent.

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 and Workforce Investment Area unemployment rates are not seasonally adjusted. For comparison purposes, the Kentucky and U.S. rate reported below are not seasonally adjusted.

Unemployment Rates for Kentucky's Workforce Investment Areas

Non-Seasonally Adjusted Data					
<u>Workforce Investment Area</u> 2009	August ____ 2009	July ____ to	Change from July ____ August 2008	August ____ to	Change from August ____ August
PURCHASE/PENNYRILE 10.9%		11.0%	-0.1%	6.9%	4.0%
LINCOLN TRAIL	11.8%	12.5%	-0.7%	7.3%	4.5%
GREATER LOUISVILLE	10.5%	10.4%	0.1%	6.7%	3.8%
NORTHERN KENTUCKY	10.1%	10.6%	-0.5%	6.2%	3.9%
TENCO 10.9%		11.2%	-0.3%	6.7%	4.2%
EKCEP 13.1%		12.9%	0.2%	7.7%	5.4%
CUMBERLANDS 11.4%		11.8%	-0.4%	6.9%	4.5%
BLUEGRASS 9.7%		10.1%	-0.4%	5.7%	4.0%
GREEN RIVER	10.1%	10.7%	-0.6%	6.3%	3.8%
BARREN RIVER	12.1%	12.1%	0.0%	5.9%	6.2%
KENTUCKY 10.8%		11.0%	-0.2%	6.5%	4.3%
UNITED STATES	9.6%	9.7%	-0.1%	6.1%	3.5%

If you have questions regarding this publication, please contact Dr. Justine Detzel at (502) 564-7976.

KENTUCKY - SEASONALLY ADJUSTED EMPLOYMENT DATA

	August <u>2009</u>	July <u>2009</u>	Change from June to July	Change from August to July	August <u>2008</u>	from August to August
Civilian Labor Force	2,067,792	2,069,566	-1,774		2,048,936	18,856
Employment	1,837,304	1,840,732	-3,428		1,910,907	-73,603
Unemployment	230,488	228,834	1,654		138,029	92,459
Unemployment Rate	11.1%	11.1%	0.0%		6.7%	4.4%
U. S. Unemployment Rate	9.7%	9.4%	0.3%		6.2%	3.5%
Total Nonagricultural Employment	1,772,700	1,773,100	-400		1,857,800	-85,100
Natural Resources and Mining	25,600	25,400	200		24,400	1,200
Construction	66,700	67,900	-1,200		85,000	-18,300
Manufacturing	208,200	211,400	-3,200		243,500	-35,300
Non-durable Goods	83,200	82,800	400		91,300	-8,100
Trade, Transportation, and Utilities	367,000	366,200	800		383,400	-16,400
Wholesale Trade	72,700	72,600	100		76,500	-3,800
Retail Trade	205,800	206,400	-600		212,000	-6,200
Transportation, Warehousing, and Utilities	88,500	87,200	1,300		94,900	-6,400
Information	29,200	29,300	-100		30,000	-800
Financial Activities	88,700	88,300	400		91,900	-3,200
Real Estate and Rental and Leasing	19,600	19,600	0		20,000	-400
Professional and Business Services	173,100	170,800	2,300		183,000	-9,900
Professional, Scientific, & Technical Services	62,600	62,900	-300		68,600	-6,000
Admin. & Support/Waste Mgmt./Remediation	91,500	88,500	3,000		94,900	-3,400
Educational and Health Services	245,600	246,700	-1,100		245,600	0
Educational Services	33,400	33,300	100		31,500	1,900
Health Care and Social Assistance	212,200	213,400	-1,200		214,100	-1,900
Leisure and Hospitality	174,200	171,900	2,300		173,000	1,200
Arts, Entertainment, and Recreation	20,400	20,400	0		19,000	1,400
Accommodation and Food Services	153,800	151,500	2,300		154,000	-200
Other Services	74,500	75,300	-800		75,200	-700
Government	319,900	319,900	0		322,800	-2,900
Local Government	185,600	185,600	0		186,400	-800

PW-HOURS & EARNINGS OF PRODUCTION OR NON-SUPERVISORY WORKERS
 BY INDUSTRY IN KENTUCKY
 AREA....00000-STATEWIDE

		AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
		Aug-09	Jul-09	Aug-08	Aug-09	Jul-09	Aug-08	Aug-09	Aug-09	Aug-08
Mining and Logging	10000000	\$951.00	\$953.06	\$924.77	49.3	48.7	50.7	\$19.29	\$19.57	\$18.24
Manufacturing	30000000	\$747.12	\$731.85	\$713.81	41.3	41.0	41.0	\$18.09	\$17.85	\$17.41
Durable Goods	31000000	\$760.33	\$739.64	\$729.24	41.3	41.0	41.2	\$18.41	\$18.04	\$17.70
Wood Product Manufacturing	31321000	\$452.39	\$459.31	\$446.91	38.6	38.5	39.1	\$11.72	\$11.93	\$11.43
Fabricated Metal Product Manufacturing	31332000	\$571.20	\$582.57	\$628.00	40.0	40.4	41.7	\$14.28	\$14.42	\$15.06
Transportation Equipment Manufacturing	31336000	\$990.57	\$902.22	\$906.98	44.6	42.8	43.5	\$22.21	\$21.08	\$20.85
Non-Durable Goods	32000000	\$724.82	\$720.89	\$684.11	41.3	41.1	40.6	\$17.55	\$17.54	\$16.85
Petroleum & Coal and Plastics & Rubber Products Mfg	32320046	\$679.26	\$673.08	\$646.01	39.4	39.5	40.2	\$17.24	\$17.04	\$16.07
Chemical Manufacturing	32325000	\$868.76	\$861.97	\$879.32	43.7	43.6	44.5	\$19.88	\$19.77	\$19.76

Hours and Earnings data is not seasonally adjusted.

Hours and Earnings for Wood Product Mfg; Fabricated Metal Mfg; Transportation Equipment Mfg; Petroleum, Coal, Plastics, Rubber; and Chemical Manufacturing are now State-Published series and are no longer BLS approved series.

Employees on nonfarm payrolls in Bowling Green MSA by selected major industries

Industry	Not Seasonally adjusted						
	Aug-09	Jul-09	Aug-08	Over-the-month		Over-the-year	
				Change	% change	Change	% change
Total Nonfarm	58,000	57,200	61,700	800	1.4%	-3,700	-6.0%
Mining & Construction	3,100	3,100	3,500	0	0.0%	-400	-11.4%
Manufacturing	7,100	7,600	9,400	-500	-6.6%	-2,300	-24.5%
Trade, Transportation, & Utilities	10,700	11,000	11,300	-300	-2.7%	-600	-5.3%
Retail Trade	7,200	7,200	7,300	0	0.0%	-100	-1.4%
Prof and Business Services	6,900	6,700	7,100	200	3.0%	-200	-2.8%
Educational and Health Services	8,100	8,100	8,100	0	0.0%	0	0.0%
Leisure and Hospitality	6,800	6,700	6,700	100	1.5%	100	1.5%
Government	10,300	9,300	10,100	1,000	10.8%	200	2.0%
Local Government	5,100	4,000	5,000	1,100	27.5%	100	2.0%

Employees on nonfarm payrolls in Elizabethtown MSA by selected major industries

Industry	Not Seasonally adjusted						
	Aug-09	Jul-09	Aug-08	Over-the-month		Over-the-year	
				Change	% change	Change	% change
Total Nonfarm	46,900	46,500	47,600	400	0.9%	-700	-1.5%
Mining & Construction	2,000	2,000	2,100	0	0.0%	-100	-4.8%
Manufacturing	5,100	5,100	5,700	0	0.0%	-600	-10.5%
Trade, Transportation, & Utilities	7,900	7,900	8,300	0	0.0%	-400	-4.8%
Retail Trade	6,000	6,100	6,200	-100	-1.6%	-200	-3.2%
Prof and Business Services	4,800	4,800	4,800	0	0.0%	0	0.0%
Educational and Health Services	4,900	4,900	4,800	0	0.0%	100	2.1%
Leisure and Hospitality	4,600	4,600	4,600	0	0.0%	0	0.0%
Government	12,300	12,200	12,100	100	0.8%	200	1.7%
Local Government	5,700	5,600	5,700	100	1.8%	0	0.0%

Employees on nonfarm payrolls in Lexington - Fayette MSA by selected major industries

Industry	Not Seasonally adjusted						
	Aug-09	Jul-09	Aug-08	Over-the-month		Over-the-year	
				Change	% change	Change	% change
Total Nonfarm	247,300	244,500	256,700	2,800	1.1%	-9,400	-3.7%
Mining & Construction	11,900	11,900	13,100	0	0.0%	-1,200	-9.2%
Manufacturing	32,000	32,100	34,900	-100	-0.3%	-2,900	-8.3%
Trade, Transportation & Utilities	44,400	44,600	47,100	-200	-0.4%	-2,700	-5.7%
Wholesale Trade	9,100	9,100	9,400	0	0.0%	-300	-3.2%
Retail Trade	26,900	27,100	28,900	-200	-0.7%	-2,000	-6.9%
Trans, Whsg, Utilities	8,400	8,400	8,800	0	0.0%	-400	-4.5%
Information	6,200	6,200	6,300	0	0.0%	-100	-1.6%
Financial Activities	10,400	10,400	10,600	0	0.0%	-200	-1.9%
Prof and Business Services	26,900	26,200	29,600	700	2.7%	-2,700	-9.1%
Professional, Scientific	12,300	12,300	12,600	0	0.0%	-300	-2.4%
Administrative and Sup	12,500	11,900	14,400	600	5.0%	-1,900	-13.2%
Educational & Health Services	29,500	29,500	29,600	0	0.0%	-100	-0.3%
Leisure and Hospitality	27,600	27,400	27,200	200	0.7%	400	1.5%
Other Services	10,100	10,300	10,100	-200	-1.9%	0	0.0%
Government	48,300	45,900	48,200	2,400	5.2%	100	0.2%
Local Government	18,500	16,500	18,400	2,000	12.1%	100	0.5%

Employees on nonfarm payrolls in Louisville - Jefferson MSA by selected major industries

Industry	Not Seasonally adjusted						
	Aug-09	Jul-09	Aug-08	Over-the-month		Over-the-year	
				Change	% change	Change	% change
Total Nonfarm	600,000	598,300	626,600	1,700	0.3%	-26,600	-4.2%
Mining & Construction	29,400	29,800	35,800	-400	-1.3%	-6,400	-17.9%
Manufacturing	67,200	66,300	72,700	900	1.4%	-5,500	-7.6%
Durable Goods	40,300	39,400	44,500	900	2.3%	-4,200	-9.4%
Non-Durable Goods	26,900	26,900	28,200	0	0.0%	-1,300	-4.6%
Trade, Transportation, & Utilities	128,200	129,100	138,100	-900	-0.7%	-9,900	-7.2%
Wholesale Trade	28,800	28,800	30,100	0	0.0%	-1,300	-4.3%
Retail Trade	60,400	61,400	64,500	-1,000	-1.6%	-4,100	-6.4%
Trans, Whsg, Utilities	39,000	38,900	43,500	100	0.3%	-4,500	-10.3%
Information	10,800	10,900	11,100	-100	-0.9%	-300	-2.7%
Financial Activities	42,600	42,800	43,700	-200	-0.5%	-1,100	-2.5%
Prof and Business Services	72,000	71,500	74,500	500	0.7%	-2,500	-3.4%
Professional, Scientific	27,300	27,800	28,500	-500	-1.8%	-1,200	-4.2%
Administrative and Sup	37,500	36,500	38,800	1,000	2.7%	-1,300	-3.4%
Educational and Health Services	81,700	81,700	80,800	0	0.0%	900	1.1%
Leisure and Hospitality	61,300	61,200	62,700	100	0.2%	-1,400	-2.2%
Arts, Entertainment	10,600	11,000	10,400	-400	-3.6%	200	1.9%
Accom & Food Svcs	50,700	50,200	52,300	500	1.0%	-1,600	-3.1%
Other Services	27,100	27,500	28,000	-400	-1.5%	-900	-3.2%
Government	79,700	77,500	79,200	2,200	2.8%	500	0.6%
Local Government	50,700	48,600	50,300	2,100	4.3%	400	0.8%

Employees on nonfarm payrolls in Owensboro MSA by selected major industries

Industry	Not Seasonally adjusted						
	Aug-09	Jul-09	Aug-08	Over-the-month		Over-the-year	
				Change	% change	Change	% change
Total Nonfarm	50,000	49,600	51,200	400	0.8%	-1,200	-2.3%
Mining & Construction	2,800	2,800	2,800	0	0.0%	0	0.0%
Manufacturing	8,500	8,400	9,200	100	1.2%	-700	-7.6%
Trade, Transportation, & Utilities	9,800	9,800	10,200	0	0.0%	-400	-3.9%
Wholesale Trade	1,700	1,700	1,800	0	0.0%	-100	-5.6%
Retail Trade	6,000	6,000	6,200	0	0.0%	-200	-3.2%
Trans, Whsg, Utilities	2,100	2,100	2,200	0	0.0%	-100	-4.5%
Information	500	500	500	0	0.0%	0	0.0%
Financial Activities	2,600	2,500	2,500	100	4.0%	100	4.0%
Prof and Business Services	2,900	3,000	3,300	-100	-3.3%	-400	-12.1%
Educational and Health Services	6,000	6,000	5,800	0	0.0%	200	3.4%
Leisure and Hospitality	4,600	4,600	4,900	0	0.0%	-300	-6.1%
Other Services	2,500	2,500	2,400	0	0.0%	100	4.2%
Government	9,800	9,500	9,600	300	3.2%	200	2.1%
Local Government	7,900	7,700	7,800	200	2.6%	100	1.3%

Series Id: CUUR0000SA0 -- THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS)

(Not Seasonally Adjusted)

Area: U.S. City Average

Item: All Items

Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average	Percent Change	
														Dec-Dec	Avg-Avg
1980	77.8	78.9	80.1	81.0	81.8	82.7	82.7	83.3	84.0	84.8	85.5	86.3	82.4	12.5%	13.5%
1981	87.0	87.9	88.5	89.1	89.8	90.6	91.6	92.3	93.2	93.4	93.7	94.0	90.9	8.9%	10.3%
1982	94.3	94.6	94.5	94.9	95.8	97.0	97.5	97.7	97.9	98.2	98.0	97.6	96.5	3.8%	6.2%
1983	97.8	97.9	97.9	98.6	99.2	99.5	99.9	100.2	100.7	101.0	101.2	101.3	99.6	3.8%	3.2%
1984	101.9	102.4	102.6	103.1	103.4	103.7	104.1	104.5	105.0	105.3	105.3	105.3	103.9	3.9%	4.3%
1985	105.5	106.0	106.4	106.9	107.3	107.6	107.8	108.0	108.3	108.7	109.0	109.3	107.6	3.8%	3.6%
1986	109.6	109.3	108.8	108.6	108.9	109.5	109.5	109.7	110.2	110.3	110.4	110.5	109.6	1.1%	1.9%
1987	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3	115.4	115.4	113.6	4.4%	3.6%
1988	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2	120.3	120.5	118.3	4.4%	4.1%
1989	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6	125.9	126.1	124.0	4.6%	4.8%
1990	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8	130.7	6.1%	5.4%
1991	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9	136.2	3.1%	4.2%
1992	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9	140.3	2.9%	3.0%
1993	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8	144.5	2.7%	3.0%
1994	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7	148.2	2.7%	2.6%
1995	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5	152.4	2.5%	2.8%
1996	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6	156.9	3.3%	3.0%
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.5	1.7%	2.3%
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9	163.0	1.6%	1.6%
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6	2.7%	2.2%
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	172.2	3.4%	3.4%
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	1.6%	2.8%
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	2.4%	1.6%
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	1.9%	2.3%
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	3.3%	2.7%
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	3.4%	3.4%
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	2.5%	3.2%
2007	202.4	203.5	205.4	206.7	208.0	208.4	208.3	207.9	208.5	208.9	210.2	210.0	207.3	4.1%	2.8%
2008	211.1	211.7	213.5	214.8	216.6	218.8	220.0	219.1	218.8	216.6	212.4	210.2	215.3	0.1%	3.8%
2009	211.1	212.2	212.7	213.2	213.9	215.7	215.4	215.8							

Source: U. S. Department of Labor
Bureau of Labor Statistics

The September 2009 C.P.I. will be available on October 15, 2009