



February 2021

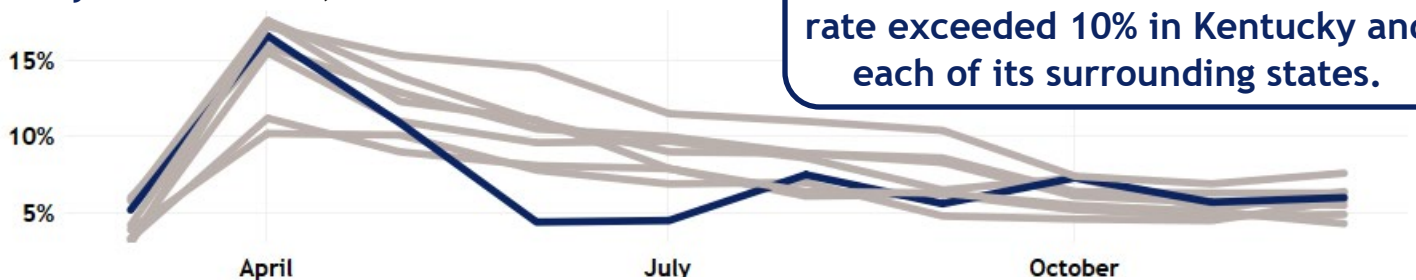
KENTUCKY LABOR FORCE UPDATE

Recent Labor Market Trends Within Kentucky and Surrounding States

The coronavirus pandemic has presented workforce professionals and policymakers with new challenges, some of which pervade entire regional labor markets, and others that are geographically specific to state or local economies. The following analysis will explore recent labor market trends within Kentucky and its border states, highlighting similarities and differences across multiple economic indicators.

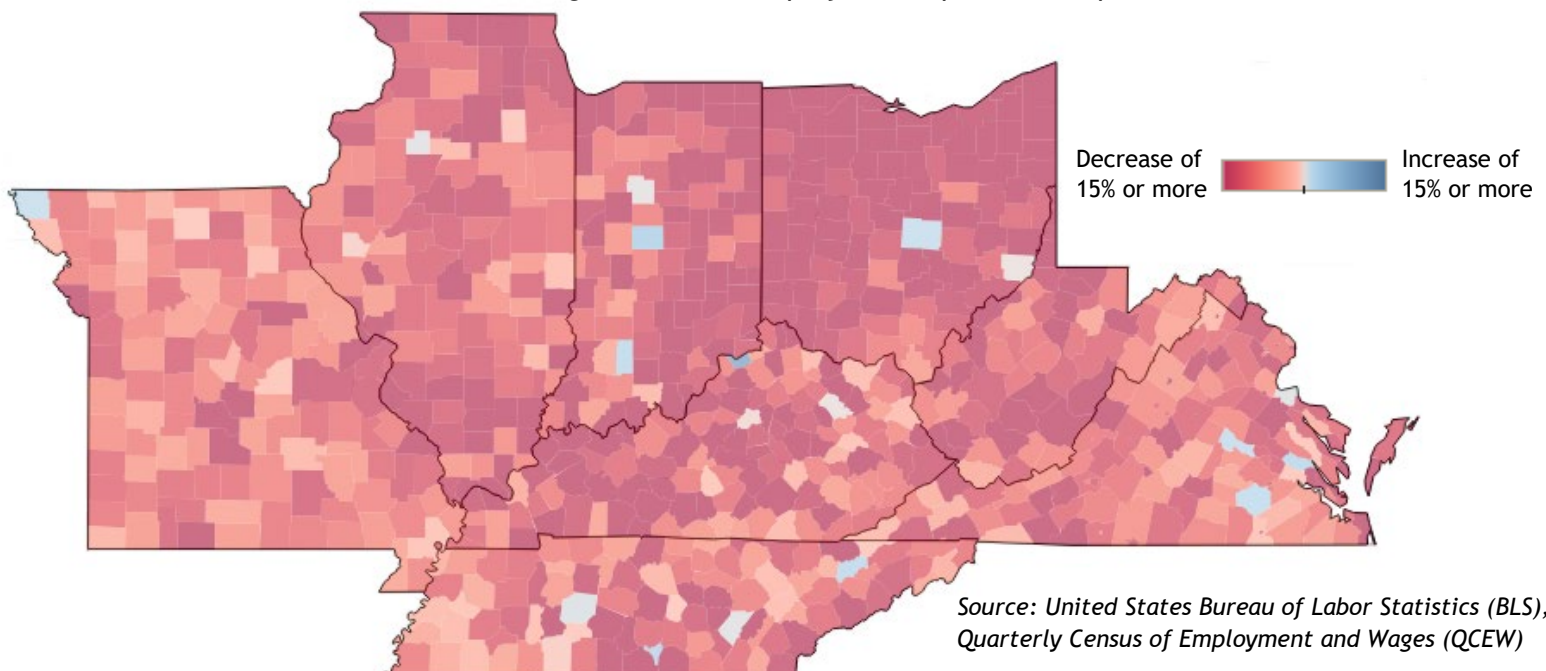
In April 2020, propelled by the effects of the pandemic, seasonally adjusted state unemployment rates¹ in the region sharply increased- exceeding 10% in every state in the region, and 15% in every state other than Missouri and Virginia. County-level data on covered employment corroborate and provide context for this increase in unemployment; by April, over a quarter of all counties in the region (223) had lost more than 15% of jobs that existed one year prior.

Monthly Unemployment Rates¹, Seasonally Adjusted,
Kentucky vs. Border States, 2020



Source: United States Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS)

Over-the-Year Change in Covered Employment, April 2019 - April 2020



Source: United States Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages (QCEW)

¹Note: Labor force estimates from the Local Area Unemployment Statistics (LAUS) program are subject to revision on a monthly and/or annual basis. Annual revisions to all estimates shown in this article are scheduled to be published in March 2021.

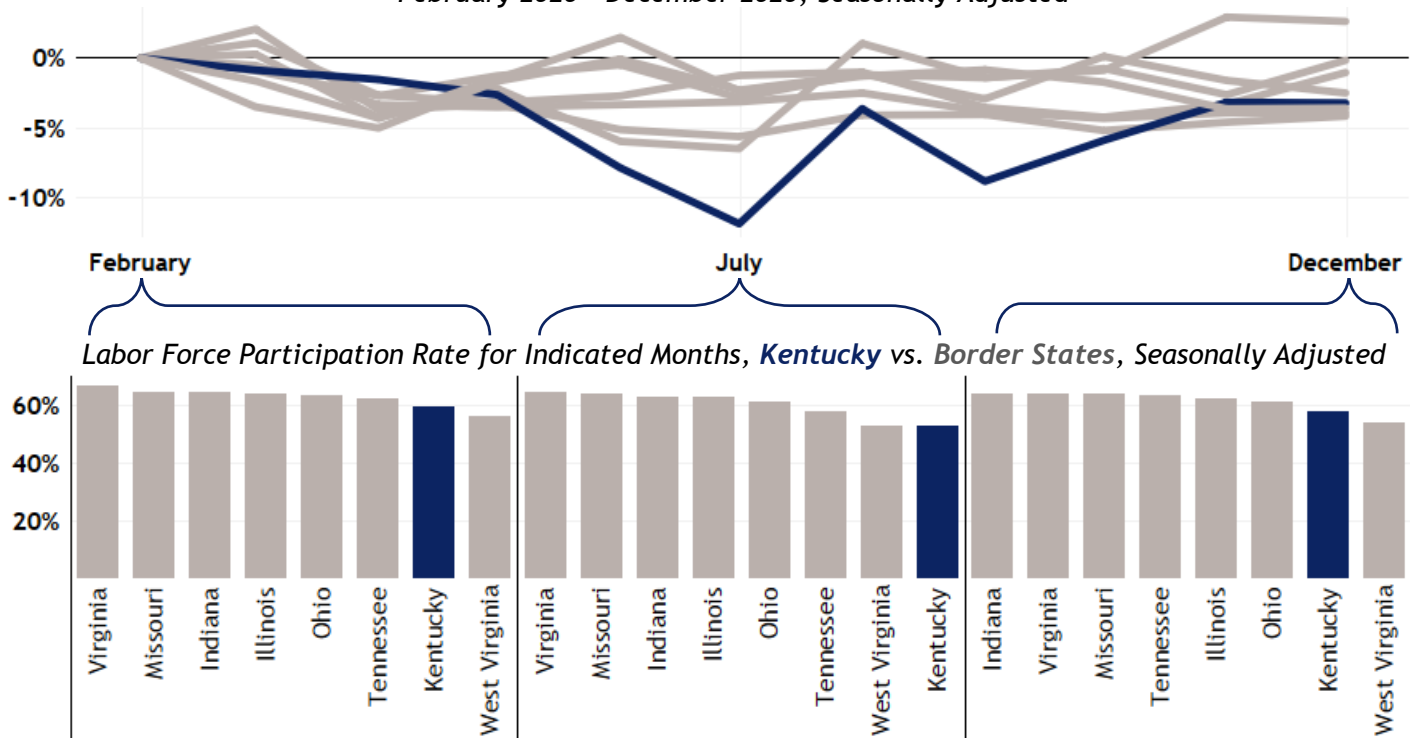


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Regarding the unemployment rate, the path from the early pandemic to recent months has not looked the same for all states. Kentucky's unemployment rate fell relatively quickly (to 4.4% in June, the lowest of all regional states at the time), and had modestly increased by December (to 6%, higher than Missouri, Ohio, Virginia, and Indiana). Also in December (which is the most recent period for which estimates are available), the highest unemployment rate in the region was 7.6% in Illinois, which also maintained the highest unemployment rate in the region throughout most of 2020, remaining at or above 10% until September.

Kentucky's Civilian Labor Force fell to its lowest point of the year in July 2020, when its Labor Force Participation Rate was 52.5% - a number which had rebounded to 57.5% by December.

Cumulative Percent Change in the Civilian Labor Force, Kentucky vs. Border States, February 2020 - December 2020, Seasonally Adjusted



Source: United States Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS)

As economist Dr. Michael Clark writes in a [previous Labor Force Update](#), unemployment rates are definitionally tied to civilian labor force estimates. Specifically, “month-to-month changes in the unemployment rate can be difficult to interpret without considering the degree to which workers are moving in or out of the labor force.” After initially falling by 2.6% by May 2020, Kentucky's estimated civilian labor force had experienced greater relative losses than any surrounding state just two months later in July, down almost 12% from its February (pre-pandemic) level. At that point, Kentucky's labor force participation rate (or, the portion of the overall population that is either employed or is available and seeking work) had also fallen to the lowest in the region (to 52.5%, a decrease representing the exit of nearly 250,000 individuals from the labor force since February).

As of December, Kentucky's civilian labor force had topped 2,000,000 for the second month in a row, with 57.5% of the population participating - a rate lower than most border states, but higher than West Virginia (53.8%). At the end of the year, Tennessee was the only state in the region to have experienced any increase in its civilian labor force relative to pre-pandemic levels (+2.6%). Illinois (-3.6%), Virginia (-3.9%), and West Virginia (-4.1%) had all experienced greater relative losses than Kentucky (-3.2%).



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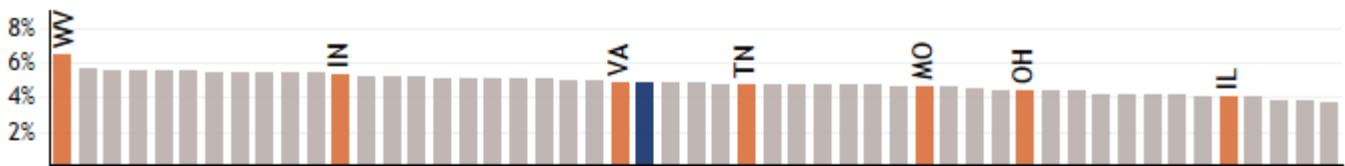
Experimental state-level estimates from the Bureau of Labor Statistics' [Job Openings and Labor Turnover Survey](#) (JOLTS) shed some light on job market conditions in the region through September 2020. At different points throughout the Spring, each state in the region experienced a period in which layoffs/discharges outnumbered new hires. This was unprecedented among all states but Ohio (where layoffs/discharges briefly outnumbered new hires by 1,000 in February 2009).

Relative to the size of its workforce, Kentucky accounted for the most new hires of any state in the region in September (97,000 hires, or 5.3% of its workforce). In the same month, West Virginia had the highest relative number of job openings in the entire country (47,000, or 6.5% of its workforce), and Virginia accounted for the fewest separations of any type (layoffs/discharges, quits, and total separations).

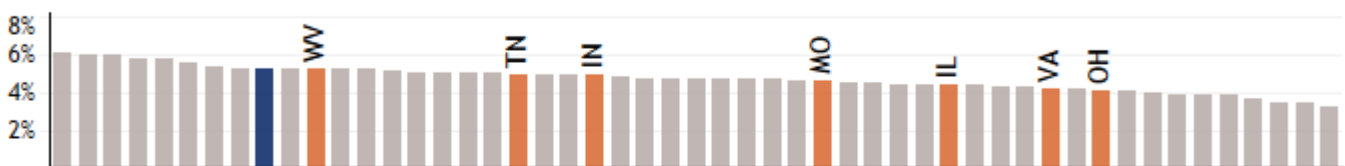
Relative to the size of its workforce, Kentucky accounted for the most hires of any state in the region in September 2020.

Openings and Turnover Metrics, Shown as an Estimated Percentage of State Employment, September 2020
Kentucky vs Border States vs Rest of Country

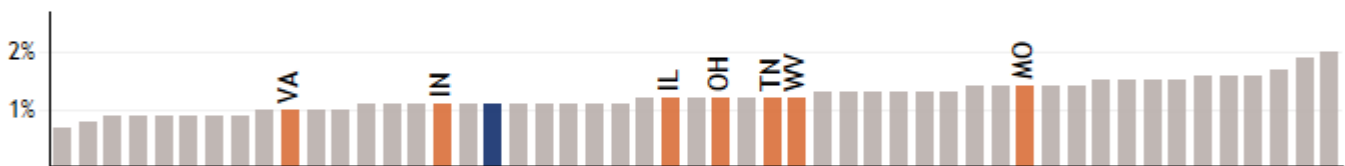
Job Openings



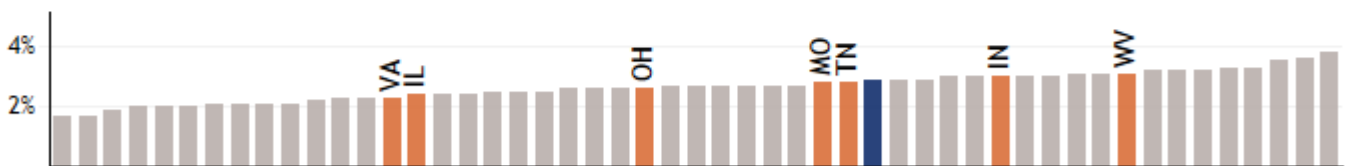
Hires



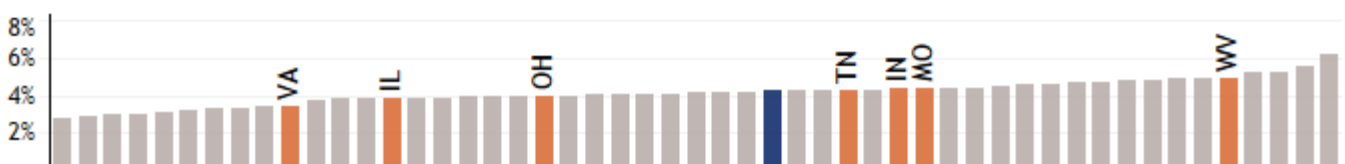
Layoffs and Discharges



Quits



Total Separations

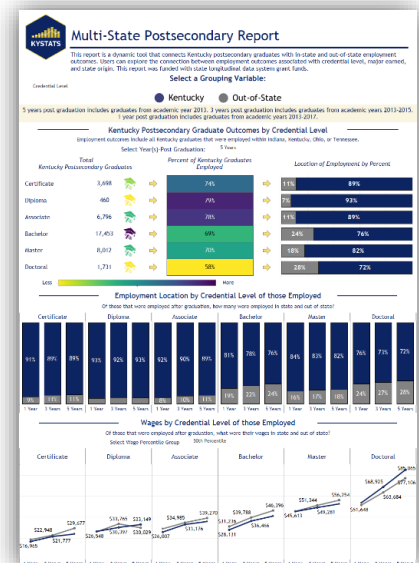
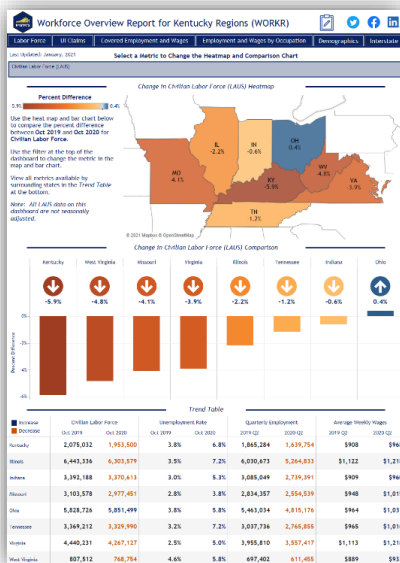


Source: United States Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS) Experimental Estimates



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For users interested in more data on the regional labor market, KYSTATS publishes multiple reports that allow users to compare Kentucky to its neighboring states. The [Workforce Overview Report for Kentucky Regions \(WORKR\)](#) contains labor market data and estimates for various geographies *within* Kentucky, and also features a state comparison tab (shown left) featuring the labor force and covered employment metrics outlined in this article. The [Economic Activity Report](#) (EAR, shown center) contains covered employment data by industry and state, as well as the labor turnover metrics featured in this article. The [Multi-State Postsecondary Report](#) (shown right) allows users to explore the connection between employment outcomes and credential levels, majors earned, and state origin. Additional detail, at the postsecondary education institutional level, will be incorporated in March 2021. Follow @kystats on various social media platforms to be alerted to updates of these reports and future economic research published in the Labor Force Update.



Kentucky Labor Force Update

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