

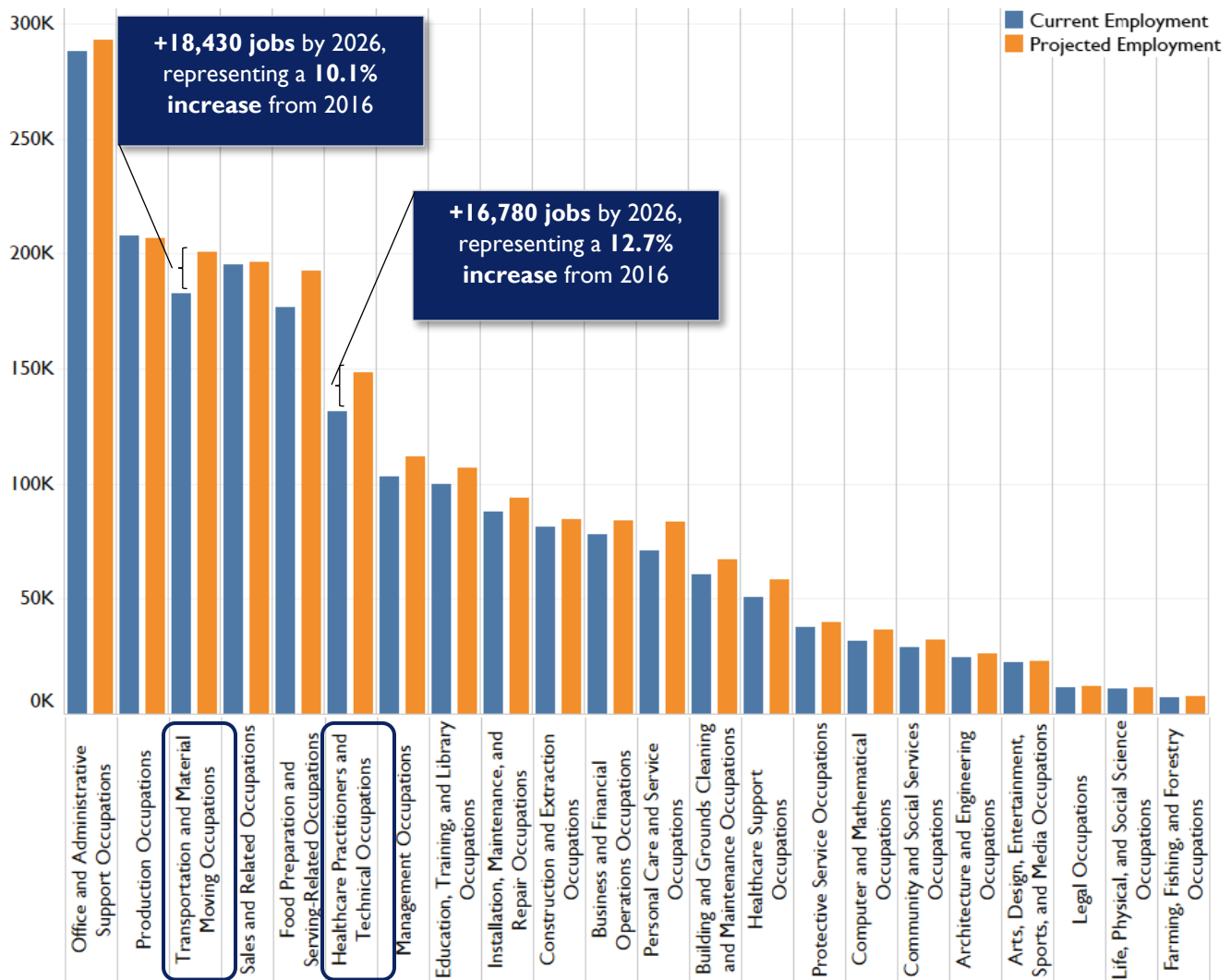


# September 2018 KENTUCKY LABOR FORCE UPDATE

## Kentucky Occupational Outlook to 2026

Which occupations will be in demand in 2026? Which major occupation groups will provide the most job openings? How should people prepare for the jobs of the future in Kentucky? The *Kentucky Occupational Outlook to 2026*, provides detailed information on occupations in Kentucky. The chart below shows current and projected employment to 2026 by major occupational group. The two occupational groups projected to experience the largest increase in employment by 2026 will be the focus of this article – Transportation and Material Moving and Healthcare Practitioners.

## Current and Projected Employment by Major Occupational Group



## ALSO IN THIS ISSUE:

- ◆ New BLS Separations Methodology
- ◆ July 2018 Labor Force Estimates

- ◆ July 2018 Unemployment Claims Data
- ◆ KYSTATS Mini-Conference Schedule



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## **Kentucky Labor Force Update**

A monthly publication of the  
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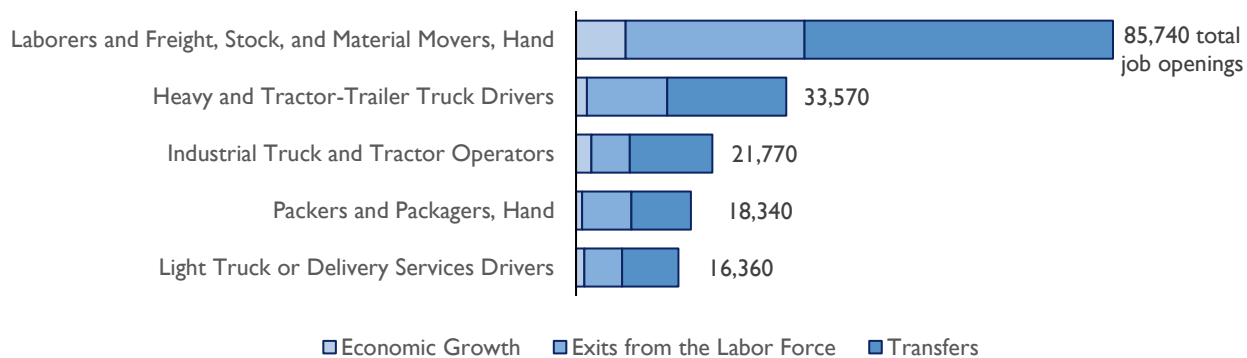


# Occupational Outlook: Transportation and Healthcare

Kentucky's job market is projected to experience approximately 2.4 million job openings through 2026. Job openings can result from three events: individuals transferring among occupations (i.e., a career change), individuals exiting the workforce (i.e., retirement), and economic growth (i.e., the change in total employment within an occupation). This article focuses on the two major occupational groups projected to experience the highest overall growth in the number of jobs by 2026 – Transportation and Material Moving Occupations (53-000) and Healthcare Practitioners and Technical Occupations (29-000).

## Transportation and Material Moving Occupations

This occupational group, comprised of 38 specific occupations, is projected to experience the largest absolute growth in job count from 2016 to 2026, with more than 18,000 additional jobs. The majority (26) of these specific occupations are projected to experience growth. Even those occupations in decline will continue to have job openings through exits and transfers. The chart below shows the five occupations within this group with the most projected job openings.



By 2026, it is projected that there will be more than 85,700 job openings for Laborers and Freight, Stock, and Material Movers, Hand (53-7062) in Kentucky. Of these, nearly 8,000 will be from economic growth and 78,000 will be from exits and transfers resulting in 85,740 total job openings over the next 10 years. In 2016, the average annual wage for Laborers and Freight, Stock and Material Movers, Hand was \$28,500, slightly higher than wages for all occupations in Kentucky with the same education requirements (\$24,200).

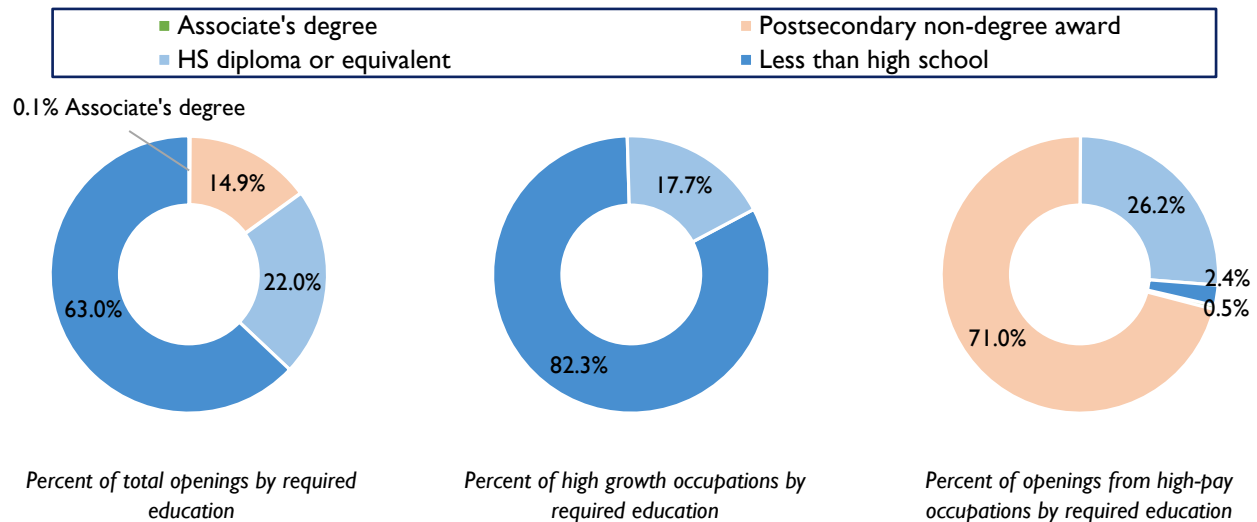


# Occupational Outlook: Transportation and Healthcare

The majority of the occupations in the Transportation and Material Moving group require relatively lower levels of educational attainment. Only three occupations in this group typically require more than a high school degree:

- Air Traffic Controllers (Associate's degree)
- Heavy and Tractor-Trailer Drivers (Postsecondary non-degree award)
- Captains, Mates and Pilots of Water Vessels (Postsecondary non-degree award).

The charts below display percent of total job openings, percent of high growth occupations, and percent of openings in high-pay occupations by requisite education.



Nearly two-thirds (63%) of the total job openings in Transportation Occupations over the next decade will require less than a High School degree.

Of the fastest growing jobs in this group, the majority (82.3%) typically require less than a High School degree.

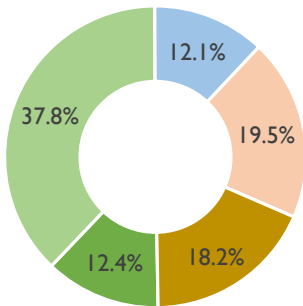
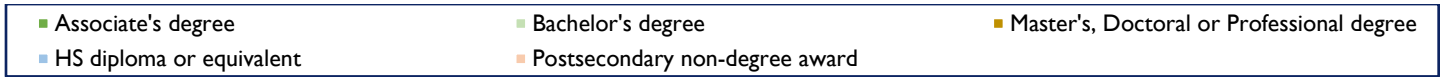
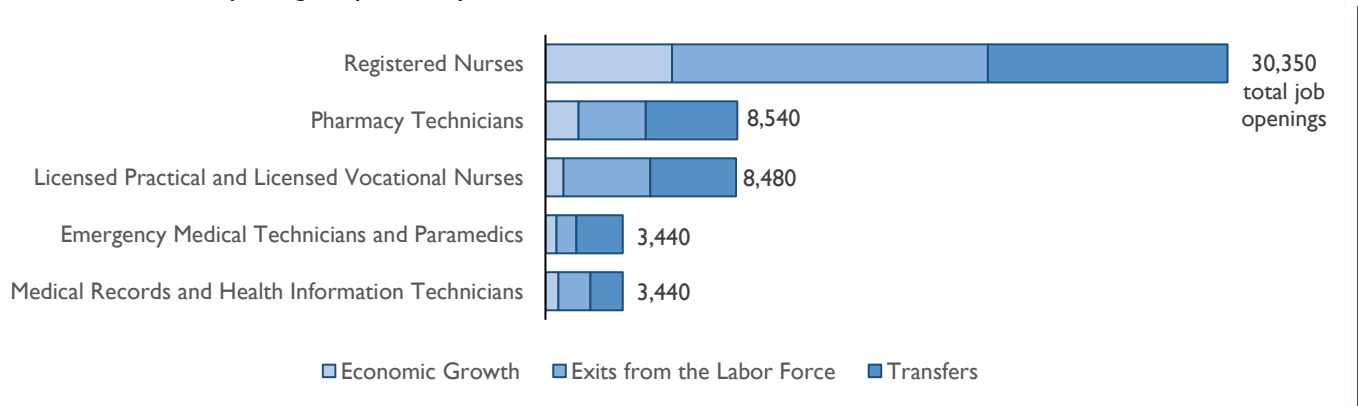
The majority of occupations with above average wages in this group (71%) typically require a postsecondary non-degree award.



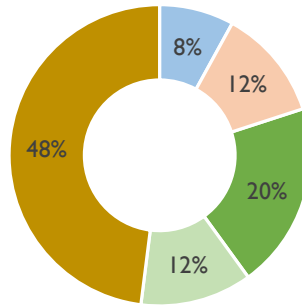
# Occupational Outlook: Transportation and Healthcare

## Healthcare Practitioners and Technical Occupations

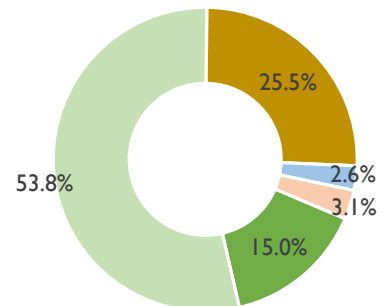
Healthcare will play an important role in Kentucky's job market over the next decade. Healthcare Practitioners and Technical Occupations and Healthcare Support Occupations are expected to grow by 12.7% and 14.3%, respectively. Combined, the employment in these two occupational groups is expected to account for 9.8% of all jobs in the state of Kentucky by 2026. Registered Nurses account for the largest number of openings within Healthcare occupations with more than 30,350 openings expected by 2026.



Percent of total openings by required education



Percent of high growth occupations by required education



Percent of openings from high-pay occupations by required education

More than half (56%) of Healthcare occupations will require a Bachelor's degree or higher.

The majority (92%) of Healthcare occupations that will exhibit higher-than-average growth in the next decade typically require an award.

More than three quarters (79.3%) of all openings in Healthcare occupations with above-average annual salaries will require a Bachelor's or more advanced degree.



# New BLS Separations Methodology for Projections

Beginning with the 2016-2026 round of occupational projections, the U.S. Bureau of Labor Statistics (BLS) implemented a new methodology to more accurately measure occupational separations. The new Separations Methodology supersedes the Replacements Methodology previously utilized by the Employment Projections program.

The Employment Projections program publishes estimates of total openings by occupation. These estimates are comprised of two key metrics: new job openings due to growth (or loss due to decline), and openings that result from existing workers leaving an occupation (separations). Opportunities for new workers to enter occupations come from these two sources.

Job openings come from two sources: New jobs from growth, and openings that result from workers leaving an occupation (separations).

Most occupations have more job openings created from separations than from growth.

Both of these sources are important for workforce development. BLS projections of employment change show openings (or lack thereof) based on projected growth or decline. Projected separations, on the other hand, can show openings occurring not only in fields that are growing, but also in occupations whose growth is flat, or even declining. For stakeholders engaged in workforce training, career guidance, and for businesses seeking to identify hiring demands, pinpointing those occupations with a large number

of openings can help determine needs for hiring and workforce training. In fact, in many cases, the number of openings from separations in an occupation will be much higher than the number of openings due to growth.

According to the BLS, “In practice, most occupations have growth rates that are lower than the rate of separations for existing workers, meaning more openings are created due to separations than growth.”

Separations is a measure of the number of workers projected to leave an occupation, and includes not only those workers who exit the labor force altogether due to retirement or other reasons (exits), but also those who change careers (transfers). Workers who transfer to a new employer but remain in the same occupation are not counted as separations.

The new Separations Methodology gives states the ability to differentiate between workers who are leaving the labor force entirely (exits) from those leaving a particular occupation to enter a new field (transfers). This distinction is increasingly important in today’s economy, as today’s workers will likely have many different occupations before reaching retirement. It is also important to note that, for declining occupations, not all workers who separate from a job will need to be replaced.

Developed in the 1990s, the old replacements model also projected the number of workers exiting an occupation (those jobs that would require replacements). This old methodology was not inaccurate; however, it reflected a workforce that was radically different from that of today. The new methodology more accurately captures the dynamics of a changing workforce, replacing the old model where young workers traditionally entered a career path and continued working in that same occupation until retirement.

Today’s workers will likely have several different occupations before reaching retirement.

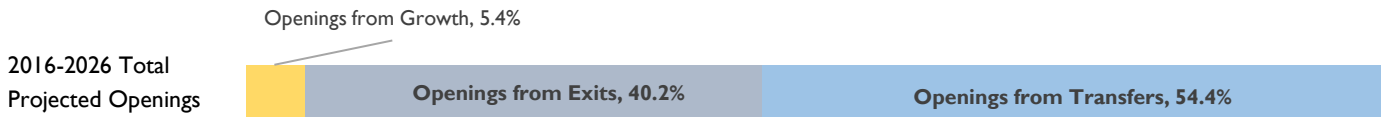


# New BLS Separations Methodology for Projections

## Percent of Kentucky Total Projected Job Openings by Source\*



2014-2024 Kentucky Occupational Employment Projections utilizing Replacements Methodology, where Net Openings = Projected Openings and Losses due to growth or decline + Replacements.



2016-2026 Kentucky Occupational Employment Projections utilizing Separations Methodology, where Net Openings = Projected Openings and Losses due to growth or decline + Exits + Transfers.

*\*Percent distribution of total openings by opening source provided for illustrative purposes only. Actual projections estimates for 2016-2026 are not comparable to the projections published for 2014-2024 and prior years.*

The increase in projected openings produced by the new methodology does not reflect an actual increase in opportunities for workers, but rather a more accurate depiction of movement out of occupations.

Because the new Separations Methodology does a better job portraying the movement of workers out of occupations, data users will notice an increase in the number of openings projected. This is reflective of job separations that were not being captured with the previous model. It is important that users understand that the larger values for projected openings produced by the new methodology beginning with the 2016-2026 round of projections do not reflect a true increase in opportunities

for workers, but rather provide a better estimate as to what is actually happening in today's more fluid work environments. Likewise, published estimates from the 2014-2024 projections and prior years are not comparable with 2016-2026 projections.

Above all, users should be aware that projections provide an overview of expected changes in the economy. They are not intended for use as exact counts of future openings nor should they be used to identify historical trends. They provide only estimates of future demand based on data available at the time. When new projections are released, old versions become obsolete.

Additional information on the Projections Estimates program and the new Separations Methodology, can be found at: <https://www.bls.gov/emp/documentation/separations-faqs.htm>



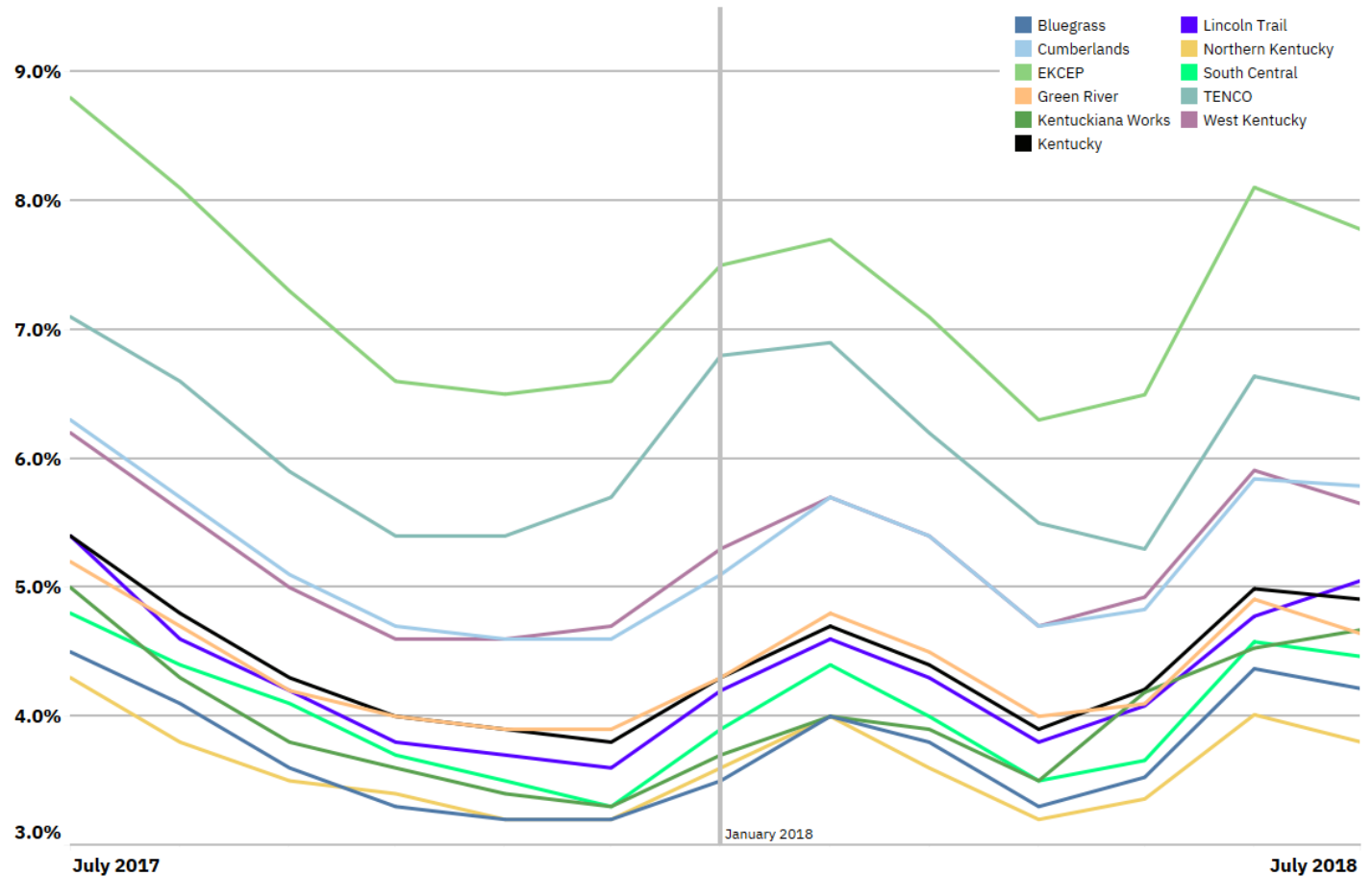
# July 2018 Labor Force Estimates

Source: KYSTATS, Local Area Unemployment Statistics (LAUS)

	Jul 2018	Jun 2018	Jul 2017	OVER-the-MONTH		OVER-the-YEAR	
				Change	Rate	Change	Rate
Civilian Labor Force	2,068,910	2,063,526	2,059,784	5,384	0.3%	9,126	0.4%
Employment	1,979,069	1,976,444	1,956,575	2,625	0.1%	22,494	1.1%
Unemployment	89,841	87,082	103,209	2,759	3.2%	-13,368	-13.0%
Unemployment Rate	4.3%	4.2%	5.0%	0.1%	-	-0.7%	-
U.S. Unemployment Rate	3.9%	4.0%	4.3%	-0.1%	-	-0.4%	-

\* Data are seasonally adjusted, July data are preliminary and subject to revision. Current as of Kentucky Labor Force Update publication date.

Unemployment Rate by Local Workforce Area and State



\*Not seasonally adjusted





# July 2018 Labor Force Data

Source: KYSTATS, Current Employment Statistics (CES)

	Jul 2018	Jun 2018	Jul 2017	OVER-the-MONTH		OVER-the-YEAR	
				Change	Rate	Change	Rate
<b>Total Nonfarm Employment</b>	<b>1,936,300</b>	<b>1,930,000</b>	<b>1,920,300</b>	<b>6,300</b>	<b>0.3%</b>	<b>16,000</b>	<b>0.8%</b>
<b>Private Sector Employment</b>	<b>1,621,000</b>	<b>1,615,300</b>	<b>1,603,600</b>	<b>5,700</b>	<b>0.4%</b>	<b>17,400</b>	<b>1.1%</b>
<b>Goods Producing Industries</b>	<b>339,800</b>	<b>336,600</b>	<b>337,300</b>	<b>3,200</b>	<b>1.0%</b>	<b>2,500</b>	<b>0.7%</b>
Mining and Logging	10,600	10,500	10,400	100	1.0%	200	1.9%
Construction	76,400	76,300	77,200	100	0.1%	-800	-1.0%
Manufacturing	252,800	249,800	249,700	3,000	1.2%	3,100	1.2%
Durable Goods	167,200	164,200	161,900	3,000	1.8%	5,300	3.3%
Non-durable Goods	85,600	85,600	87,800	0	0.0%	-2,200	-2.5%
<b>Private Service Providing Industries</b>	<b>1,281,200</b>	<b>1,278,700</b>	<b>1,266,300</b>	<b>2,500</b>	<b>0.2%</b>	<b>14,900</b>	<b>1.2%</b>
Trade, Transportation, and Utilities	414,200	412,000	401,000	2,200	0.5%	13,200	3.3%
Wholesale Trade	75,000	75,400	76,400	-400	-0.5%	-1,400	-1.8%
Retail Trade	219,200	217,300	214,800	1,900	0.9%	4,400	2.0%
Transp, Warehousing, and Utilities	120,000	119,300	109,800	700	0.6%	10,200	9.3%
Information	22,400	22,500	22,800	-100	-0.4%	-400	-1.8%
Financial Activities	94,500	93,700	92,900	800	0.9%	1,600	1.7%
Finance and Insurance	75,000	74,300	73,400	700	0.9%	1,600	2.2%
Real Estate, Rental, and Leasing	19,500	19,400	19,500	100	0.5%	0	0.0%
Professional and Business Services	216,100	214,700	214,800	1,400	0.7%	1,300	0.6%
Prof, Scientific, and Tech Services	75,900	75,400	73,600	500	0.7%	2,300	3.1%
Management of Companies	19,400	19,500	20,000	-100	-0.5%	-600	-3.0%
Admin & Support & Waste Management	120,800	119,800	121,200	1,000	0.8%	-400	-0.3%
Educational and Health Services	270,900	272,700	272,400	-1,800	-0.7%	-1,500	-0.6%
Educational Services	29,200	29,200	28,700	0	0.0%	500	1.7%
Healthcare and Social Assistance	241,700	243,500	243,700	-1,800	-0.7%	-2,000	-0.8%
Leisure and Hospitality	196,000	196,000	196,700	0	0.0%	-700	-0.4%
Arts, Entertainment, and Recreation	22,500	22,500	22,800	0	0.0%	-300	-1.3%
Accommodation and Food Services	173,500	173,500	173,900	0	0.0%	-400	-0.2%
Other Services	67,100	67,100	65,700	0	0.0%	1,400	2.1%
<b>Government</b>	<b>315,300</b>	<b>314,700</b>	<b>316,700</b>	<b>600</b>	<b>0.2%</b>	<b>-1,400</b>	<b>-0.4%</b>
Federal	36,100	36,000	36,700	100	0.3%	-600	-1.6%
State	94,700	94,900	96,300	-200	-0.2%	-1,600	-1.7%
Local	184,500	183,800	183,700	700	0.4%	800	0.4%

\* Data are seasonally adjusted, July data are preliminary and subject to revision. Current as of Kentucky Labor Force Update publication date.



# Unemployment Insurance Claims

## July 2018 (Kentucky, Statewide)

Source: United States Department of Labor, Employment and Training Administration

Month	Initial Claims	First Payments	Weeks Claimed	Weeks Compensated	Average Weekly Benefit	Benefits Paid	Final Payments
7/31/2017	21,329	4,621	95,364	79,436	\$319.40	\$24,706,760	1,561
8/31/2017	11,263	4,039	80,459	72,843	\$326.88	\$23,252,377	1,444
9/30/2017	6,862	2,707	68,251	61,236	\$336.05	\$20,125,623	1,154
10/31/2017	11,208	2,720	74,992	66,311	\$338.69	\$21,891,196	1,586
11/30/2017	10,966	3,215	67,915	59,025	\$340.70	\$19,608,362	1,242
12/31/2017	26,508	3,591	76,304	63,973	\$340.60	\$21,288,258	1,193
1/31/2018	17,894	8,647	118,511	99,107	\$344.74	\$33,167,729	1,622
2/28/2018	11,053	4,450	96,918	85,251	\$342.91	\$28,589,923	1,429
3/31/2018	8,670	3,448	88,059	78,794	\$334.01	\$26,414,438	1,013
4/30/2018	9,593	2,786	75,397	73,360	\$338.85	\$24,936,012	1,188
5/31/2018	17,484	3,302	74,279	66,733	\$340.04	\$22,776,755	1,119
6/30/2018	15,974	3,549	73,020	63,967	\$332.05	\$21,316,145	1,065
7/31/2018	23,169	5,097	105,655	92,626	\$343.98	\$31,915,100	1,565

Data queried from <https://oui.doleta.gov/> on 9/4/18.

# Need more KYSTATS? Come see us in action

The Kentucky Center for Statistics is excited to announce a series of mini-conferences to be held across the state in 2018 and 2019. You are invited to join us as we highlight popular new reports featuring data on Kentucky education, the workforce, and more.

<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Host organization</b>
October 17, 2018	Bowling Green	1pm to 4pm	Chamber of Commerce
November 7, 2018	Paducah	9am to 12pm	Fulton County School
January, 2019	Northern KY	9am to 12pm	NKADD
February, 2019	Pulaski County	TBD	Pulaski County School



Follow us on Twitter [@KYSTATS](https://twitter.com/KYSTATS) for registration opportunities and event announcements

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