Recovery from the Last Recession: How Kentucky's Nine Regional Economies Performed

an analysis of the latest state and county-level employment and wage data from the US Bureau of Labor Statistics

by
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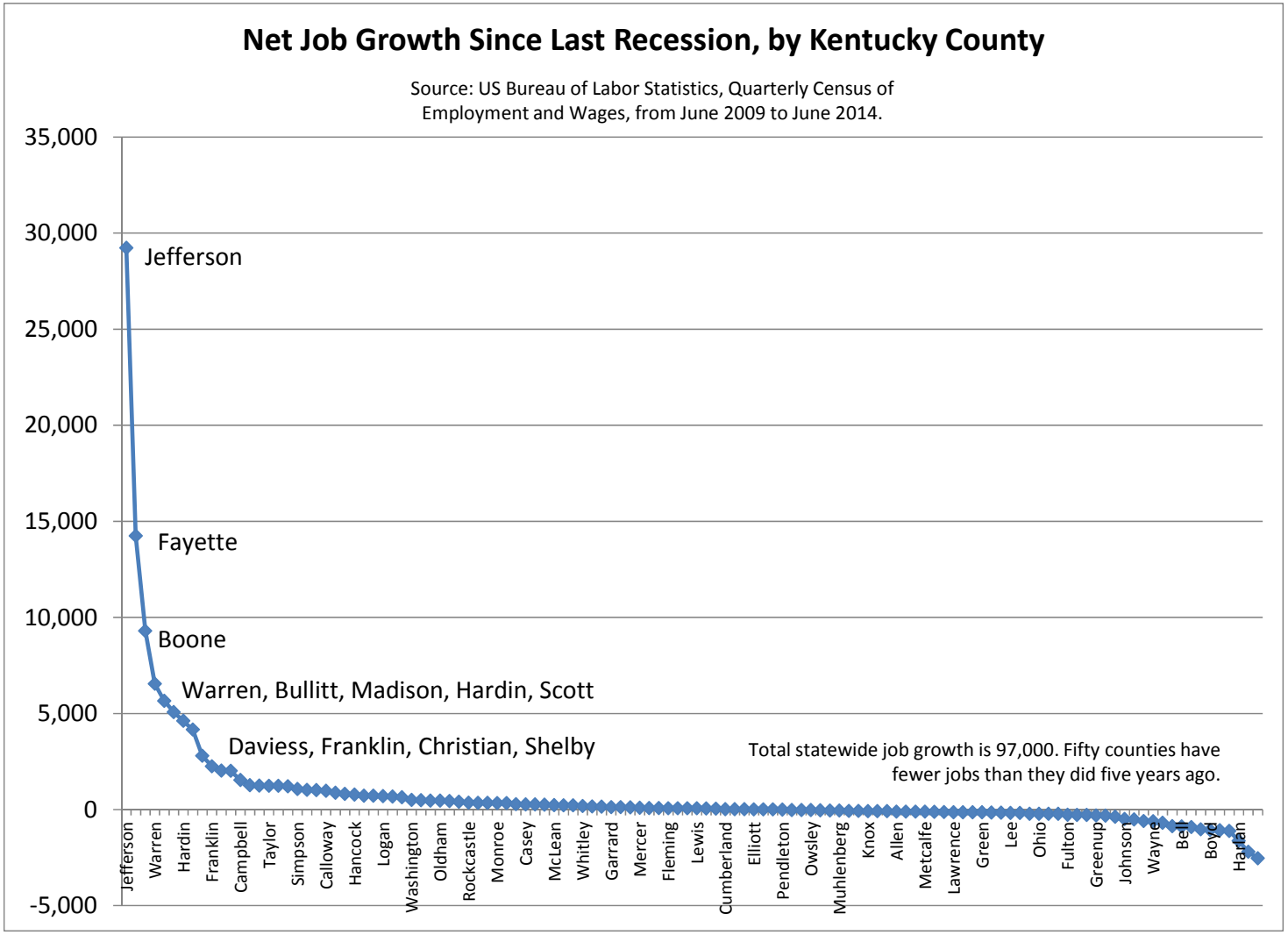
Main Findings

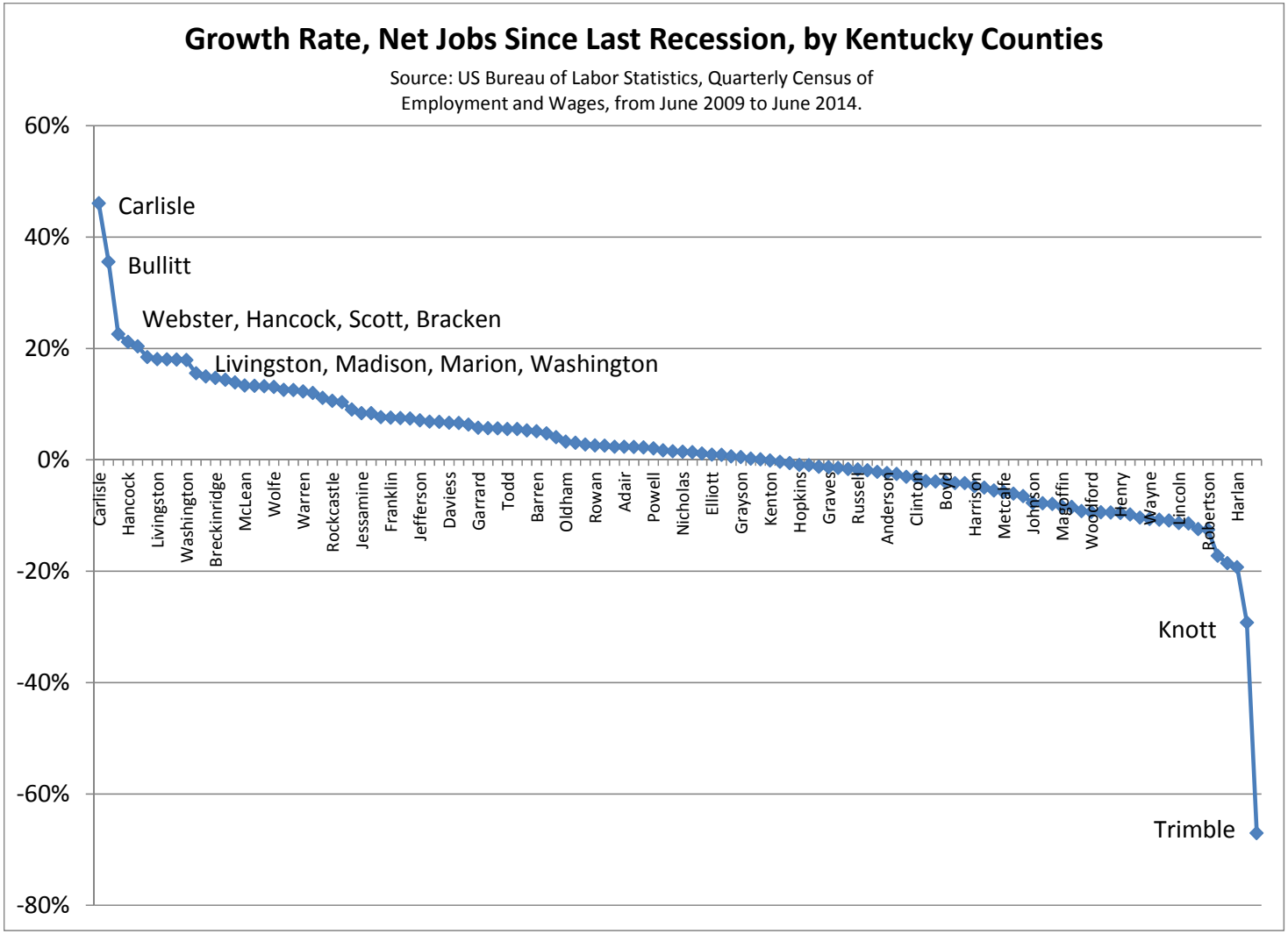
- I use commuting patterns and television market areas to determine nine economic regions in Kentucky. Then I organize just-released county-level data on jobs and wages through mid-2014 to examine economic growth since the last recession.
- The Louisville, Lexington, and Bowling Green-Hopkinsville regions had the highest growth rates in total jobs, surpassing the national average. The Mountain and Ashland areas have fewer jobs than they did five years ago.
- The Louisville, Northern Kentucky, and Bowling Green-Hopkinsville regions led the way in growth of manufacturing jobs. The Paducah-Purchase region has lost manufacturing jobs.
- In terms of wages and salaries, four of the regions grew by 17 percent or more. However, payrolls declined in the Mountain region by 11 percent; the Ashland region grew by only 3 percent.
- Average pay per job continues to be an economic development challenge across Kentucky, with all except the Northern Kentucky and Paducah-Purchase regions posting slower growth than the United States. Average pay in the Northern Kentucky region grew by 17 percent, while there was only a 1 percent growth in pay in the Mountain region. However, seven of the nine Kentucky regions had stronger growth in manufacturing pay than the US.
- Kentucky as a whole added jobs (5.6 percent) at a slower clip than the US (6.3 percent), but surpassed the growth rate of all border states except Tennessee and Indiana. Kentucky has added manufacturing jobs at over twice the rate seen nationally. And manufacturing average pay in Kentucky has grown faster than the US or any border state.

The county-level data analyzed here come from the US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages* program. The program covers nearly all economic activity, and is based on employer filings for unemployment insurance. It excludes self-employed persons, military personnel, domestic workers, and unpaid family members. Estimates for the months and quarters of 2014 are preliminary. See www.bls.gov/cew/cewover.htm

- Looking at the individual counties, one can see that job growth has been concentrated primarily in the most populated counties. Forty-five percent of job growth statewide occurred in just two counties – Jefferson and Fayette. Ten counties accounted for 86 percent of statewide growth. Fifty counties, mostly rural, on net lost jobs over the past five years.



- In percentage terms, the greatest growth was in Carlisle County, expanding its wage and salary job base by 46 percent (from 734 to 1,072 jobs) over the last five years. Strong job growth rates, above 20 percent, were also posted in Bullitt, Webster, Hancock, and Scott counties.



Total County Employment Covered by Unemployment Insurance Programs, Bottom of Recession and Latest Available

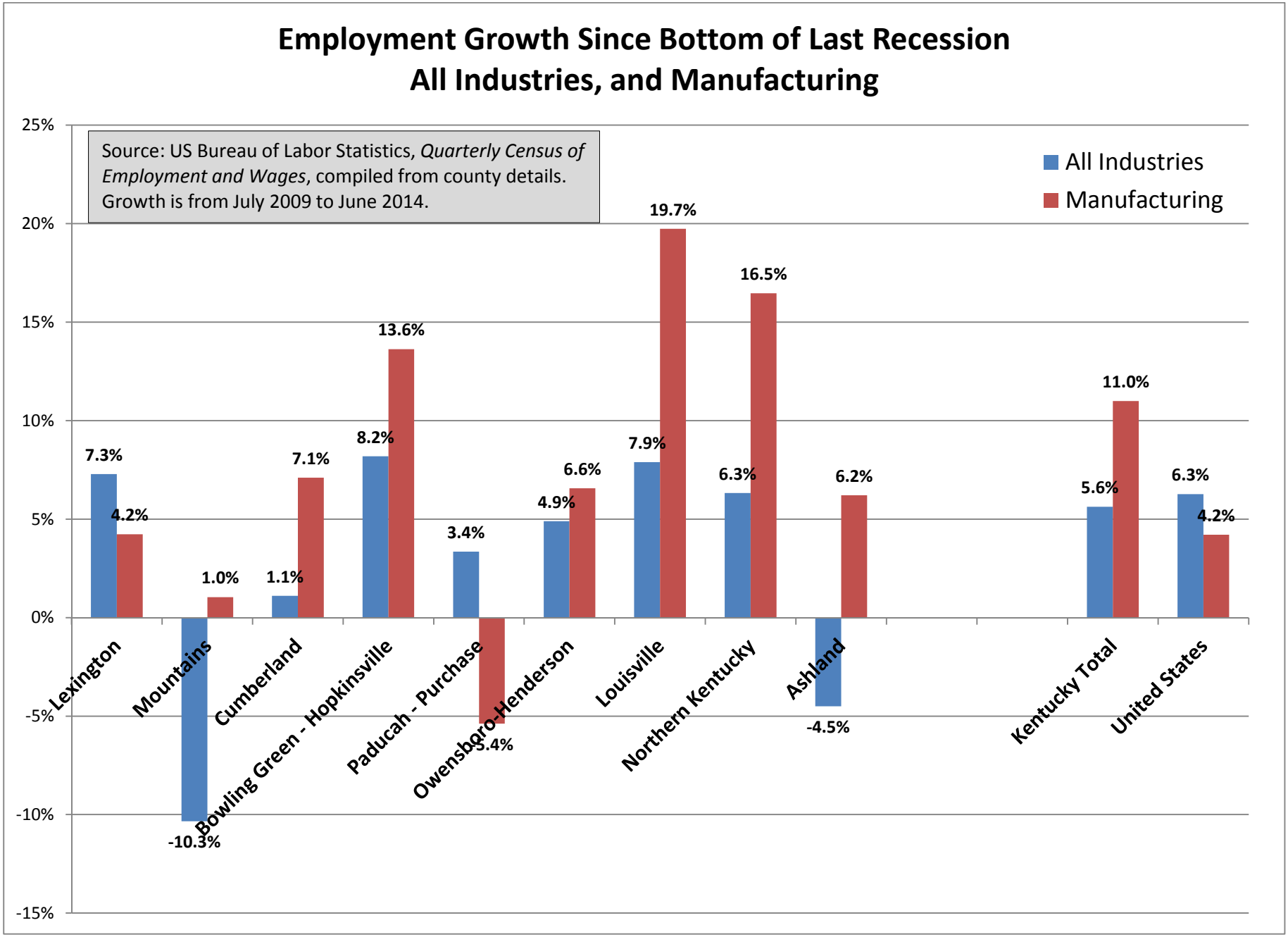
	June 2009	June 2014	growth	rate		June 2009	June 2014	growth	rate
Adair	4,494	4,599	105	2.3%	Knox	8,455	8,371	-84	-1.0%
Allen	4,222	4,114	-108	-2.6%	Larue	2,676	2,692	16	0.6%
Anderson	4,579	4,469	-110	-2.4%	Laurel	23,325	24,555	1,230	5.3%
Ballard	2,552	2,234	-318	-12.5%	Lawrence	3,351	3,210	-141	-4.2%
Barren	15,907	16,719	812	5.1%	Lee	1,891	1,713	-178	-9.4%
Bath	1,792	1,865	73	4.1%	Leslie	2,034	1,801	-233	-11.5%
Bell	9,542	8,663	-879	-9.2%	Letcher	5,834	4,750	-1,084	-18.6%
Boone	70,009	79,301	9,292	13.3%	Lewis	1,927	1,986	59	3.1%
Bourbon	6,835	6,895	60	0.9%	Lincoln	4,614	4,090	-524	-11.4%
Boyd	27,004	25,936	-1,068	-4.0%	Livingston	2,682	3,167	485	18.1%
Boyle	14,256	13,657	-599	-4.2%	Logan	7,740	8,436	696	9.0%
Bracken	1,167	1,382	215	18.4%	Lyon	2,186	2,513	327	15.0%
Breathitt	3,356	3,224	-132	-3.9%	McCracken	37,077	37,947	870	2.3%
Breckinridge	3,129	3,588	459	14.7%	McCreary	2,869	2,711	-158	-5.5%
Bullitt	15,916	21,572	5,656	35.5%	McLean	1,719	1,948	229	13.3%
Butler	2,406	2,752	346	14.4%	Madison	28,066	33,131	5,065	18.0%
Caldwell	4,246	4,166	-80	-1.9%	Magoffin	2,144	1,963	-181	-8.4%
Calloway	15,500	16,476	976	6.3%	Marion	6,723	7,932	1,209	18.0%
Campbell	27,252	28,783	1,531	5.6%	Marshall	10,458	11,173	715	6.8%
Carlisle	734	1,072	338	46.0%	Martin	3,084	2,792	-292	-9.5%
Carroll	5,809	6,243	434	7.5%	Mason	8,618	9,025	407	4.7%
Carter	6,367	5,672	-695	-10.9%	Meade	4,250	4,321	71	1.7%
Casey	3,384	3,642	258	7.6%	Menifee	958	864	-94	-9.8%
Christian	29,851	31,879	2,028	6.8%	Mercer	6,279	6,365	86	1.4%
Clark	12,991	13,708	717	5.5%	Metcalfe	1,974	1,859	-115	-5.8%
Clay	4,014	3,963	-51	-1.3%	Monroe	2,740	3,069	329	12.0%
Clinton	3,971	3,847	-124	-3.1%	Montgomery	9,713	10,717	1,004	10.3%
Crittenden	1,926	1,894	-32	-1.7%	Morgan	2,943	3,008	65	2.2%
Cumberland	1,686	1,705	19	1.1%	Muhlenberg	9,328	9,271	-57	-0.6%

Total County Employment Covered by Unemployment Insurance Programs, Bottom of Recession and Latest Available

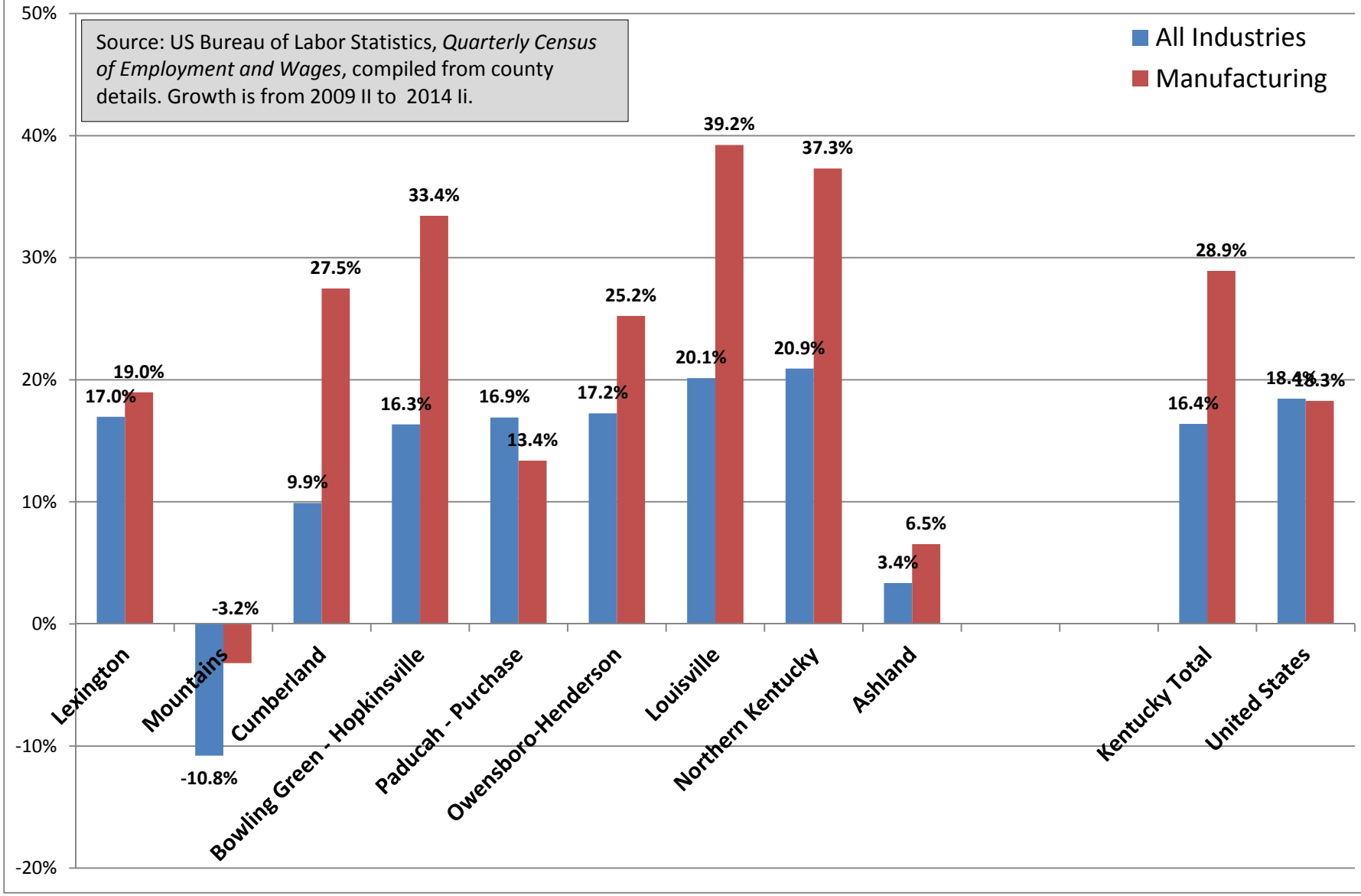
	June 2009	June 2014	growth	rate		June 2009	June 2014	growth	rate
Daviess	42,195	44,988	2,793	6.6%	Nelson	13,847	14,871	1,024	7.4%
Edmonson	1,593	1,558	-35	-2.2%	Nicholas	900	913	13	1.4%
Elliott	889	897	8	0.9%	Ohio	7,377	7,150	-227	-3.1%
Estill	2,383	2,388	5	0.2%	Oldham	14,134	14,592	458	3.2%
Fayette	170,495	184,737	14,242	8.4%	Owen	1,909	1,760	-149	-7.8%
Fleming	3,018	3,087	69	2.3%	Owsley	701	666	-35	-5.0%
Floyd	12,164	11,133	-1,031	-8.5%	Pendleton	2,370	2,361	-9	-0.4%
Franklin	29,746	31,994	2,248	7.6%	Perry	13,361	12,488	-873	-6.5%
Fulton	2,531	2,259	-272	-10.7%	Pike	24,426	21,891	-2,535	-10.4%
Gallatin	2,152	2,421	269	12.5%	Powell	2,531	2,583	52	2.1%
Garrard	2,085	2,205	120	5.8%	Pulaski	24,807	25,481	674	2.7%
Grant	5,047	4,974	-73	-1.4%	Robertson	310	271	-39	-12.6%
Graves	10,959	10,811	-148	-1.4%	Rockcastle	3,351	3,705	354	10.6%
Grayson	7,486	7,521	35	0.5%	Rowan	9,550	9,796	246	2.6%
Green	1,891	1,741	-150	-7.9%	Russell	6,230	6,121	-109	-1.7%
Greenup	8,157	7,845	-312	-3.8%	Scott	20,428	24,586	4,158	20.4%
Hancock	3,687	4,467	780	21.2%	Shelby	12,964	14,976	2,012	15.5%
Hardin	41,493	46,104	4,611	11.1%	Simpson	7,679	8,745	1,066	13.9%
Harlan	8,464	6,831	-1,633	-19.3%	Spencer	1,676	1,897	221	13.2%
Harrison	4,889	4,656	-233	-4.8%	Taylor	9,802	11,033	1,231	12.6%
Hart	4,567	4,825	258	5.6%	Todd	2,171	2,291	120	5.5%
Henderson	18,732	19,969	1,237	6.6%	Trigg	3,670	3,447	-223	-6.1%
Henry	3,010	2,722	-288	-9.6%	Trimble	3,287	1,084	-2,203	-67.0%
Hickman	1,100	1,101	1	0.1%	Union	5,693	5,836	143	2.5%
Hopkins	17,978	17,807	-171	-1.0%	Warren	53,370	59,915	6,545	12.3%
Jackson	2,231	1,846	-385	-17.3%	Washington	2,788	3,287	499	17.9%
Jefferson	413,291	442,520	29,229	7.1%	Wayne	5,744	5,132	-612	-10.7%
Jessamine	15,083	16,344	1,261	8.4%	Webster	2,792	3,422	630	22.6%
Johnson	6,398	5,904	-494	-7.7%	Whitley	12,094	12,280	186	1.5%
Kenton	63,925	63,831	-94	-0.1%	Wolfe	1,179	1,333	154	13.1%
Knott	3,797	2,687	-1,110	-29.2%	Woodford	9,769	8,851	-918	-9.4%
					Kentucky	1,723,815	1,820,815	97,000	5.6%

Nine Economic Regions Around Kentucky

Employment Growth Since Bottom of Last Recession
All Industries, and Manufacturing



Wage and Salary Growth Since Bottom of Last Recession
All Industries, and Manufacturing



Data Tables – Economic Regions of Kentucky

Employment Recovery from 2008-09 Recession, by Economic Region of Kentucky

Economic Region	Employment at National Trough, June 2009		Employment, June 2014		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing
Lexington	369,127	50,202	396,038	52,324	26,911	2,122	7.3%	4.2%
Mountains	101,318	2,496	90,847	2,522	-10,471	26	-10.3%	1.0%
Cumberland	97,689	13,835	98,765	14,817	1,076	982	1.1%	7.1%
Bowling Green - Hopkinsville	142,136	26,417	153,775	30,018	11,639	3,601	8.2%	13.6%
Paducah - Purchase	87,705	11,106	90,647	10,508	2,942	-598	3.4%	-5.4%
Owensboro-Henderson	109,501	18,357	114,858	19,562	5,357	1,205	4.9%	6.6%
Louisville	564,172	63,248	608,696	75,730	44,524	12,482	7.9%	19.7%
Northern Kentucky	183,558	19,341	195,165	22,525	11,607	3,184	6.3%	16.5%
Ashland	47,695	3,963	45,546	4,209	-2,149	246	-4.5%	6.2%
Kentucky Total	1,723,815	211,134	1,820,815	234,353	97,000	23,219	5.6%	11.0%
United States	129,648,129	11,731,582	137,776,364	12,225,745	8,128,235	494,163	6.3%	4.2%

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*; economic region totals derived from county-level data; not all reported jobs statewide were allocated to counties.

Wage and Salary Recovery from 2008-09 Recession, by Economic Region of Kentucky, in thousands

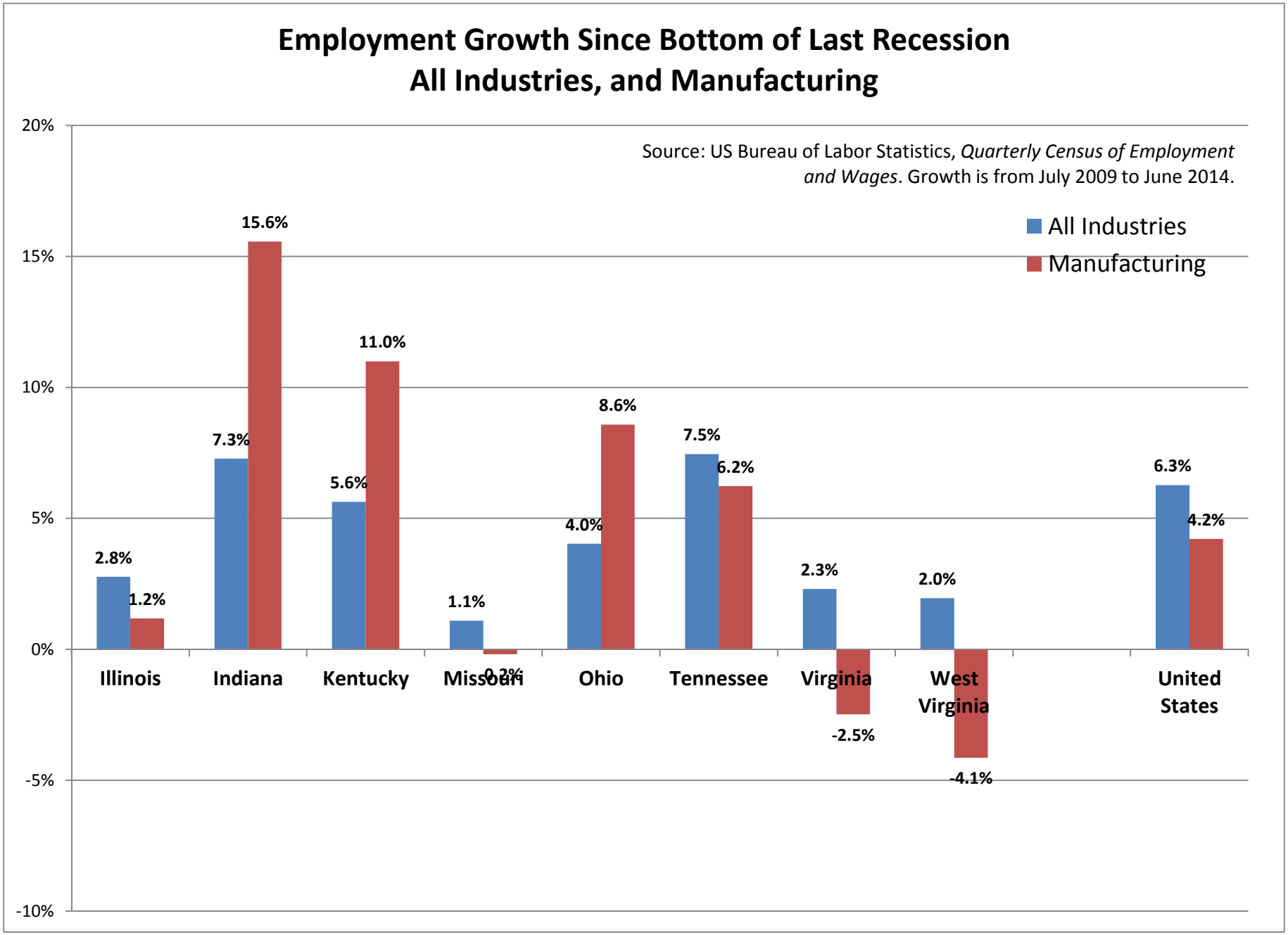
Economic Region	Wages and Salaries at National Trough, 2009 II		Wages and Salaries, 2014 II		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing
Lexington	$3,471,456	$640,802	$4,060,482	$762,393	$589,026	$121,591	17.0%	19.0%
Mountains	$938,139	$23,200	$836,980	$22,454	-$101,159	-$746	-10.8%	-3.2%
Cumberland	$728,119	$107,821	$800,257	$137,444	$72,138	$29,623	9.9%	27.5%
Bowling Green - Hopkinsville	$1,191,195	$268,392	$1,385,871	$358,126	$194,676	$89,734	16.3%	33.4%
Paducah - Purchase	$734,708	$134,437	$858,969	$152,412	$124,261	$17,975	16.9%	13.4%
Owensboro-Henderson	$961,400	$195,624	$1,127,239	$244,994	$165,839	$49,370	17.2%	25.2%
Louisville	$5,689,390	$801,612	$6,834,635	$1,116,095	$1,145,245	$314,483	20.1%	39.2%
Northern Kentucky	$1,742,746	$226,676	$2,107,173	$311,224	$364,427	$84,548	20.9%	37.3%
Ashland	$439,410	$61,386	$454,150	$65,402	$14,740	$4,016	3.4%	6.5%
Kentucky Total	$16,199,035	$2,483,126	$18,853,383	$3,201,342	$2,654,348	$718,216	16.4%	28.9%
United States	$1,413,661,305	$154,404,699	$1,674,470,211	$182,623,430	$260,808,906	$28,218,731	18.4%	18.3%

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*; economic region totals derived from county-level data; not all reported payroll statewide was allocated to counties.

Average Quarterly Pay per Job, Recovery from 2008-09 Recession, by Economic Region of Kentucky								
	Average Pay at National Trough, 2009 II		Average Pay, 2014 II		Growth Since Last Trough		Percent Growth Since Last Trough	
Economic Region	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufact-uring
Lexington	$9,372	$12,595	$10,546	$15,011	$1,175	$2,416	12.5%	19.2%
Mountains	$9,213	$9,083	$9,336	$8,985	$123	-$97	1.3%	-1.1%
Cumberland	$7,510	$7,772	$8,308	$9,352	$798	$1,580	10.6%	20.3%
Bowling Green - Hopkinsville	$8,368	$10,025	$9,261	$12,069	$892	$2,044	10.7%	20.4%
Paducah - Purchase	$8,385	$11,933	$9,715	$13,838	$1,330	$1,905	15.9%	16.0%
Owensboro-Henderson	$8,776	$10,557	$9,986	$12,462	$1,209	$1,905	13.8%	18.0%
Louisville	$10,105	$12,595	$11,577	$15,017	$1,472	$2,422	14.6%	19.2%
Northern Kentucky	$9,499	$11,639	$11,113	$14,093	$1,614	$2,455	17.0%	21.1%
Ashland	$9,250	$15,533	$10,100	$15,516	$850	-$16	9.2%	-0.1%
unallocated	$14,181	$10,633	$15,620	$12,953	*$1,439*	*$2,320*	*10.2%*	*21.8%*
Kentucky Total	$9,396	$11,651	$10,641	$13,839	*$1,246*	*$2,188*	*13.3%*	*18.8%*
United States	$10,915	$13,071	$12,520	$15,212	$1,605	$2,141	14.7%	16.4%

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*; economic region totals derived from county-level data.

Employment Growth Since Bottom of Last Recession
All Industries, and Manufacturing



Wage and Salary Growth Since Bottom of Last Recession
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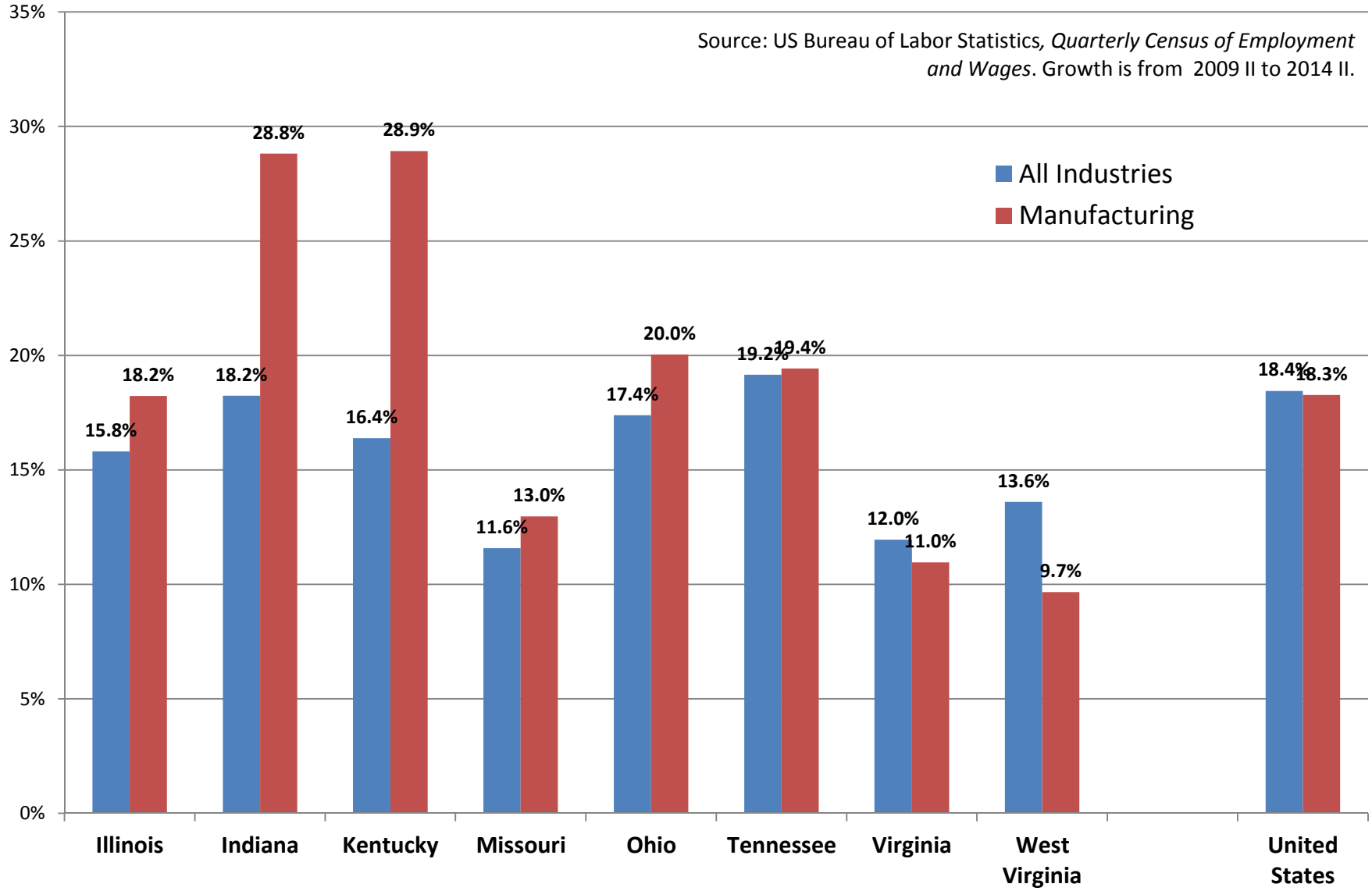

Data Tables - States

Employment Recovery from 2008-09 Recession, by Kentucky and Border States

State	Employment at National Trough, June 2009		Employment, June 2014		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufact-uring
Illinois	5,606,372	572,047	5,761,578	578,785	155,206	6,738	2.8%	1.2%
Indiana	2,701,663	430,602	2,898,272	497,627	196,609	67,025	7.3%	15.6%
Kentucky	**1,723,815**	**211,134**	**1,820,815**	**234,353**	**97,000**	**23,219**	**5.6%**	**11.0%**
Missouri	2,641,511	254,901	2,670,259	254,420	28,748	-481	1.1%	-0.2%
Ohio	4,978,847	616,553	5,179,382	669,427	200,535	52,874	4.0%	8.6%
Tennessee	2,565,095	304,096	2,756,231	323,060	191,136	18,964	7.5%	6.2%
Virginia	3,586,616	238,201	3,669,254	232,281	82,638	-5,920	2.3%	-2.5%
West Virginia	697,589	50,465	711,211	48,376	13,622	-2,089	2.0%	-4.1%
United States	129,648,129	11,731,582	137,776,364	12,225,745	8,128,235	494,163	6.3%	4.2%

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*.

Wage and Salary Recovery from 2008-09 Recession, by Kentucky and Border States, in thousands

State	Wages and Salaries at National Trough, 2009 II		Wages and Salaries, 2014 II		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufact-uring
Illinois	$64,213,914	$7,538,775	$74,361,497	$8,913,130	$10,147,583	$1,374,355	15.8%	18.2%
Indiana	$25,039,364	$5,409,906	$29,605,612	$6,968,480	$4,566,248	$1,558,574	18.2%	28.8%
Kentucky	**$16,199,035**	**$2,483,126**	**$18,853,383**	**$3,201,342**	**$2,654,348**	**$718,216**	**16.4%**	**28.9%**
Missouri	$25,712,745	$2,980,229	$28,691,715	$3,366,554	$2,978,970	$386,325	11.6%	13.0%
Ohio	$48,756,042	$7,694,989	$57,232,883	$9,237,417	$8,476,841	$1,542,428	17.4%	20.0%
Tennessee	$25,119,637	$3,680,583	$29,931,103	$4,395,472	$4,811,466	$714,889	19.2%	19.4%
Virginia	$41,720,067	$2,861,319	$46,706,550	$3,174,908	$4,986,483	$313,589	12.0%	11.0%
West Virginia	$6,418,218	$596,596	$7,291,173	$654,228	$872,955	$57,632	13.6%	9.7%
United States	$1,413,661,305	$154,404,699	$1,674,470,211	$182,623,430	$260,808,906	$28,218,731	18.4%	18.3%

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*.

Average Quarterly Pay per Job, Recovery from 2008-09 Recession, by Kentucky and Border States

	Average Pay at National Trough, 2009 II		Average Pay, 2014 II		Growth Since Last Trough		Percent Growth Since Last Trough	
State	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufact-uring
Illinois	$11,481	$13,067	$13,227	$15,506	$1,747	$2,438	15.2%	18.7%
Indiana	$9,226	$12,400	$10,507	$13,981	$1,281	$1,581	13.9%	12.7%
Kentucky	**$9,396**	**$11,651**	**$10,641**	**$13,839**	**$1,246**	**$2,188**	**13.3%**	**18.8%**
Missouri	$9,742	$11,625	$10,981	$13,363	$1,238	$1,738	12.7%	15.0%
Ohio	$9,795	$12,273	$11,340	$13,919	$1,544	$1,646	15.8%	13.4%
Tennessee	$9,757	$11,934	$11,100	$13,660	$1,343	$1,726	13.8%	14.5%
Virginia	$11,691	$11,970	$13,001	$13,826	$1,310	$1,856	11.2%	15.5%
West Virginia	$9,225	$11,687	$10,567	$13,772	$1,342	$2,085	14.5%	17.8%
United States	$10,915	$13,071	$12,520	$15,212	$1,605	$2,141	14.7%	16.4%

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*.