

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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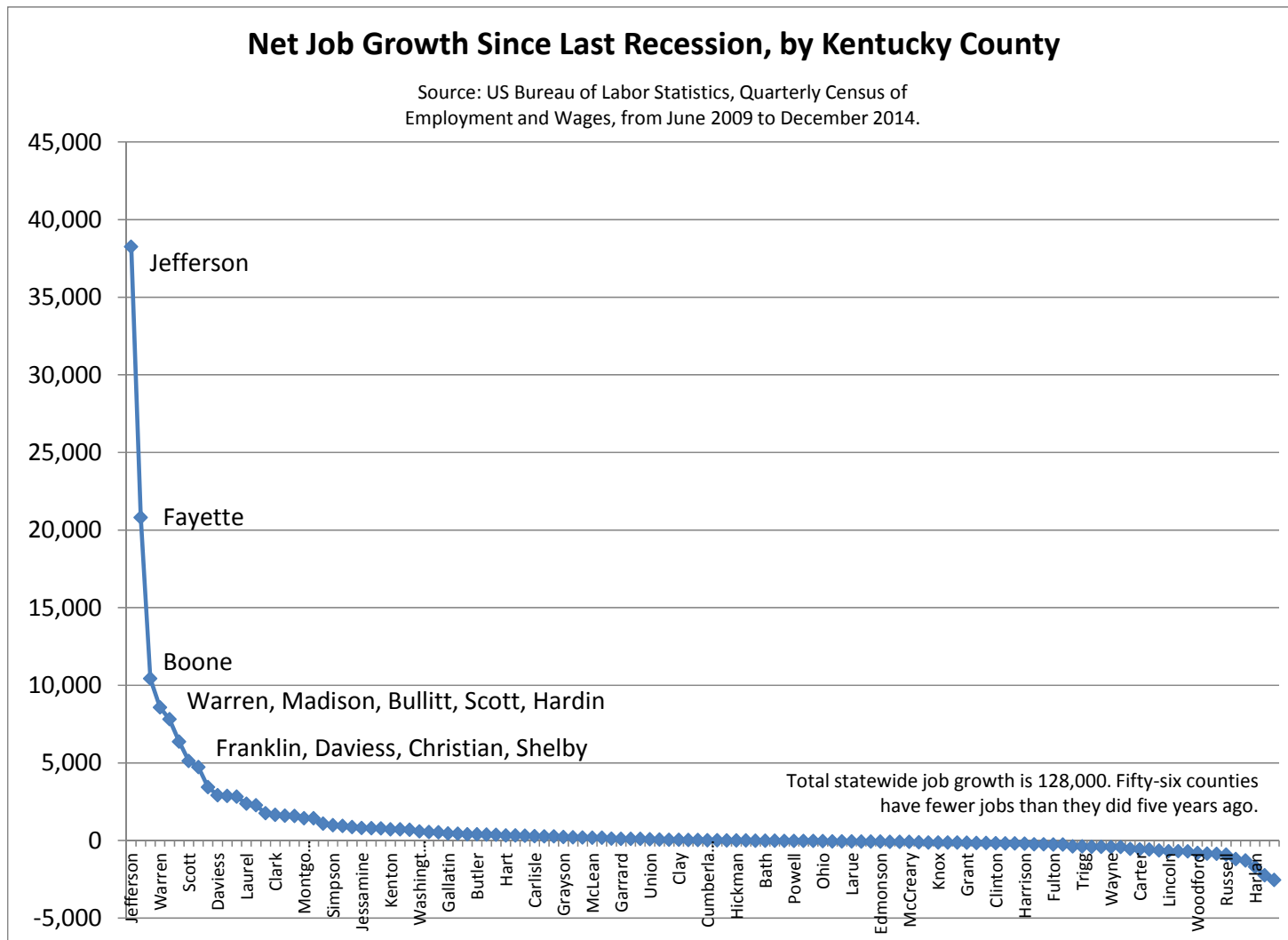
June 22, 2015

Main Findings

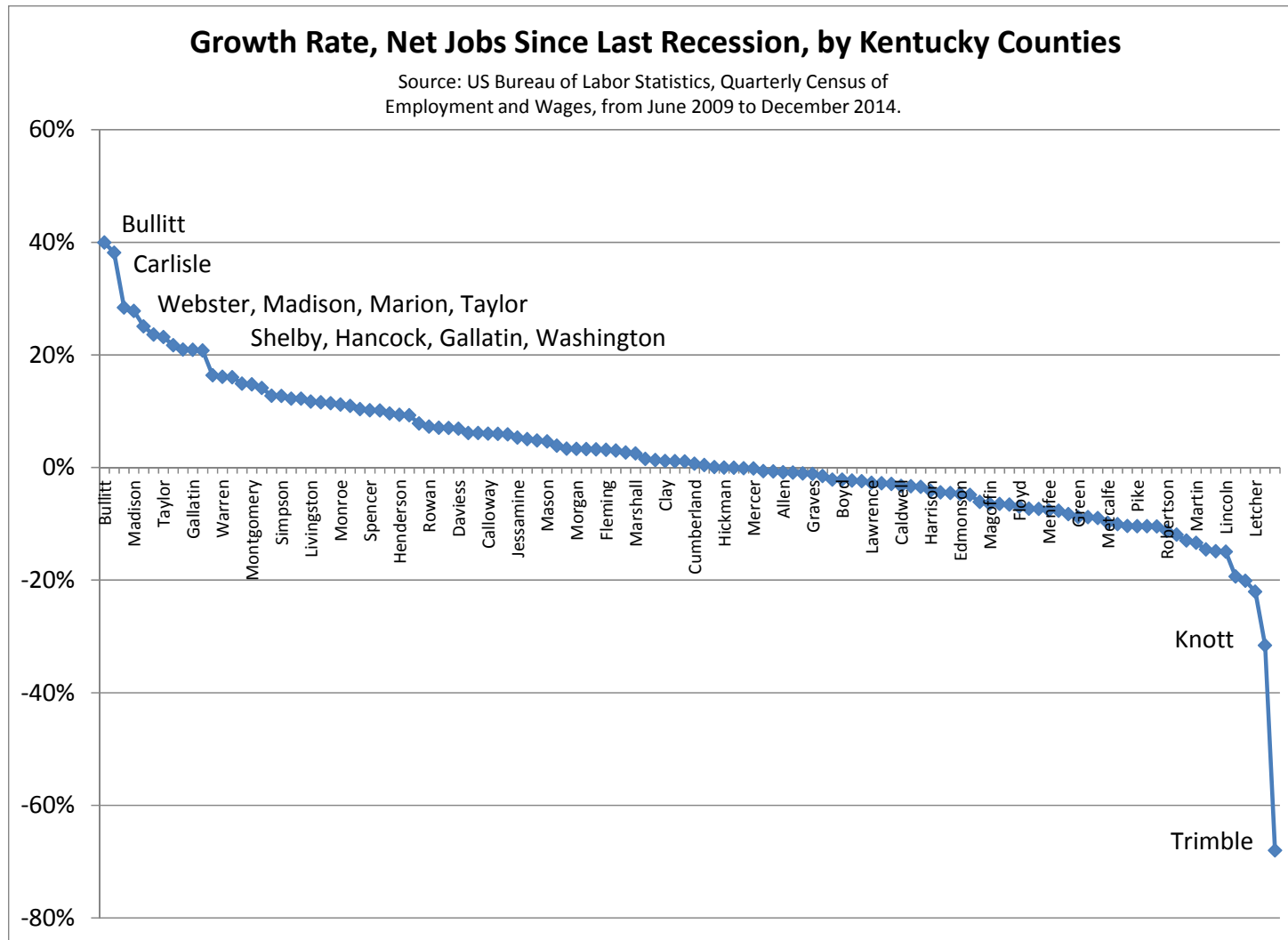
- ❑ I use commuting patterns and television market areas to determine nine economic regions in Kentucky. Then I organize just-released county-level data on jobs and wages through 2014 to examine economic growth since the last recession.
- ❑ The Lexington, Louisville and Bowling Green-Hopkinsville regions 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, Bowling Green-Hopkinsville, and Northern Kentucky regions led the way in growth of manufacturing jobs. The Paducah-Purchase region has lost manufacturing jobs.
- ❑ In terms of wages and salaries, six of the regions grew by 20 percent or more. However, payrolls declined in the Mountain region by 10 percent.
- ❑ Average pay per job continues to be an economic development challenge across Kentucky, with all except the Northern Kentucky region posting slower growth than the United States. Average pay in the Northern Kentucky region grew by 23 percent, while there was only a 1 percent growth in pay in the Mountain region. However, three of the nine Kentucky regions had stronger growth in manufacturing pay than the US.
- ❑ Kentucky as a whole added jobs (7.5 percent) at the same clip as the US (7.4 percent), but greater than the growth rate of all border states except Tennessee and Indiana. And Kentucky has now surpassed the total number of jobs it had at the peak of the last national expansion. Kentucky has added manufacturing jobs at three times the rate seen nationally, though remains 14,000 jobs below its previous peak (in 2007).

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-six percent of job growth statewide occurred in just two counties – Jefferson and Fayette. Ten counties accounted for 84 percent of statewide growth. Fifty-six counties, mostly rural, on net lost jobs over the past five years.



- In percentage terms, the greatest growth was in Bullitt County, expanding its wage and salary job base by 40 percent (from 15,900 to 22,300 jobs) over the last five years. Strong job growth rates, above 20 percent, were also posted in Carlisle, Webster, Madison, Marion, Taylor, Shelby, Hancock, Gallatin, and Washington counties.



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

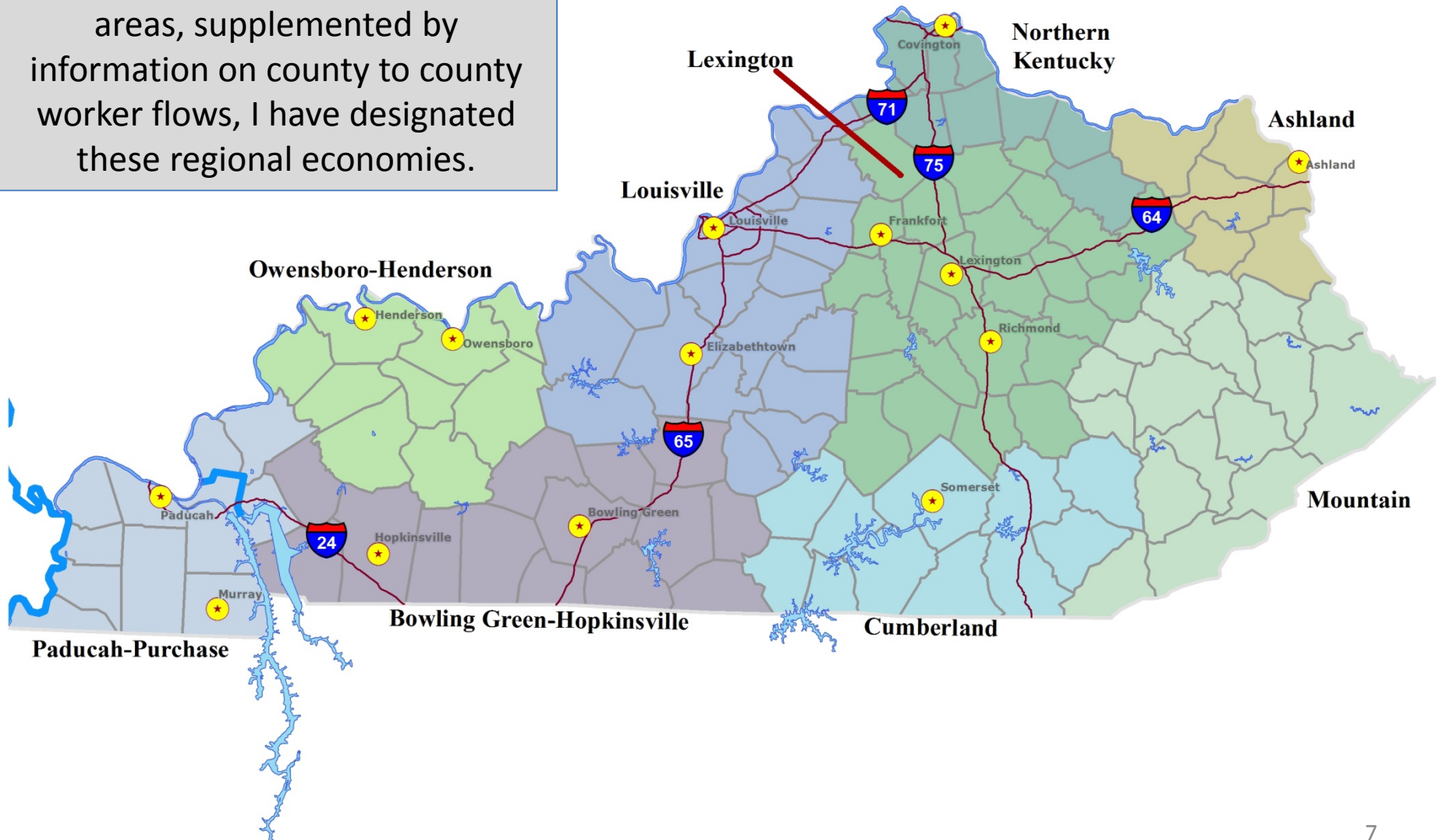
	June 2009	December 2014	growth	rate		June 2009	December 2014	growth	rate	
Adair	4,494	4,762	268	6.0%		Knox	8,455	8,326	-129	-1.5%
Allen	4,222	4,186	-36	-0.9%		Larue	2,676	2,614	-62	-2.3%
Anderson	4,579	4,629	50	1.1%		Laurel	23,325	25,690	2,365	10.1%
Ballard	2,552	2,172	-380	-14.9%		Lawrence	3,351	3,260	-91	-2.7%
Barren	15,907	16,438	531	3.3%		Lee	1,891	1,694	-197	-10.4%
Bath	1,792	1,776	-16	-0.9%		Leslie	2,034	1,791	-243	-11.9%
Bell	9,542	8,843	-699	-7.3%		Letcher	5,834	4,547	-1,287	-22.1%
Boone	70,009	80,434	10,425	14.9%		Lewis	1,927	1,989	62	3.2%
Bourbon	6,835	6,667	-168	-2.5%		Lincoln	4,614	3,924	-690	-15.0%
Boyd	27,004	26,417	-587	-2.2%		Livingston	2,682	2,996	314	11.7%
Boyle	14,256	13,560	-696	-4.9%		Logan	7,740	8,287	547	7.1%
Bracken	1,167	1,354	187	16.0%		Lyon	2,186	2,185	-1	0.0%
Breathitt	3,356	3,284	-72	-2.1%		McCracken	37,077	38,509	1,432	3.9%
Breckinridge	3,129	3,571	442	14.1%		McCreary	2,869	2,774	-95	-3.3%
Bullitt	15,916	22,278	6,362	40.0%		McLean	1,719	1,897	178	10.4%
Butler	2,406	2,800	394	16.4%		Madison	28,066	35,876	7,810	27.8%
Caldwell	4,246	4,107	-139	-3.3%		Magoffin	2,144	2,006	-138	-6.4%
Calloway	15,500	16,430	930	6.0%		Marion	6,723	8,309	1,586	23.6%
Campbell	27,252	28,852	1,600	5.9%		Marshall	10,458	10,718	260	2.5%
Carlisle	734	1,014	280	38.1%		Martin	3,084	2,671	-413	-13.4%
Carroll	5,809	6,518	709	12.2%		Mason	8,618	9,016	398	4.6%
Carter	6,367	5,795	-572	-9.0%		Meade	4,250	4,125	-125	-2.9%
Casey	3,384	3,754	370	10.9%		Menifee	958	885	-73	-7.6%
Christian	29,851	32,712	2,861	9.6%		Mercer	6,279	6,267	-12	-0.2%
Clark	12,991	14,649	1,658	12.8%		Metcalfe	1,974	1,780	-194	-9.8%
Clay	4,014	4,060	46	1.1%		Monroe	2,740	3,046	306	11.2%
Clinton	3,971	3,791	-180	-4.5%		Montgomery	9,713	11,146	1,433	14.8%
Crittenden	1,926	1,841	-85	-4.4%		Morgan	2,943	3,040	97	3.3%
Cumberland	1,686	1,697	11	0.7%		Muhlenberg	9,328	9,334	6	0.1%
Daviess	42,195	45,107	2,912	6.9%		Nelson	13,847	14,927	1,080	7.8%

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

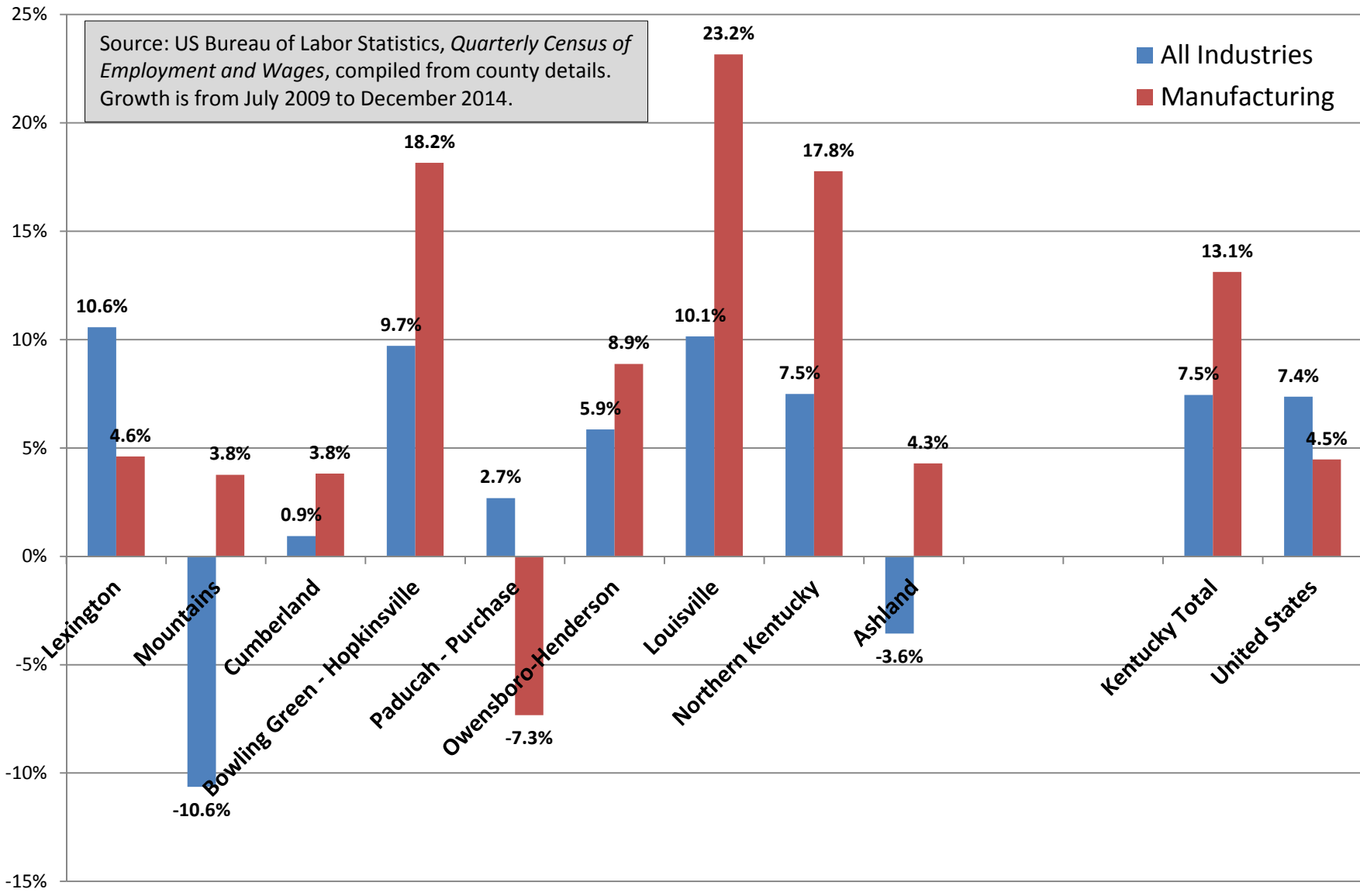
	June 2009	December 2014	growth	rate		June 2009	December 2014	growth	rate	
Edmonson	1,593	1,518	-75	-4.7%		Nicholas	900	845	-55	-6.1%
Elliott	889	918	29	3.3%		Ohio	7,377	7,328	-49	-0.7%
Estill	2,383	2,366	-17	-0.7%		Oldham	14,134	14,997	863	6.1%
Fayette	170,495	191,307	20,812	12.2%		Owen	1,909	1,661	-248	-13.0%
Fleming	3,018	3,112	94	3.1%		Owsley	701	647	-54	-7.7%
Floyd	12,164	11,316	-848	-7.0%		Pendleton	2,370	2,380	10	0.4%
Franklin	29,746	33,185	3,439	11.6%		Perry	13,361	12,495	-866	-6.5%
Fulton	2,531	2,268	-263	-10.4%		Pike	24,426	21,882	-2,544	-10.4%
Gallatin	2,152	2,602	450	20.9%		Powell	2,531	2,504	-27	-1.1%
Garrard	2,085	2,185	100	4.8%		Pulaski	24,807	25,184	377	1.5%
Grant	5,047	4,905	-142	-2.8%		Robertson	310	275	-35	-11.3%
Graves	10,959	10,832	-127	-1.2%		Rockcastle	3,351	3,556	205	6.1%
Grayson	7,486	7,711	225	3.0%		Rowan	9,550	10,243	693	7.3%
Green	1,891	1,724	-167	-8.8%		Russell	6,230	5,323	-907	-14.6%
Greenup	8,157	7,619	-538	-6.6%		Scott	20,428	25,545	5,117	25.0%
Hancock	3,687	4,459	772	20.9%		Shelby	12,964	15,780	2,816	21.7%
Hardin	41,493	46,220	4,727	11.4%		Simpson	7,679	8,654	975	12.7%
Harlan	8,464	6,760	-1,704	-20.1%		Spencer	1,676	1,846	170	10.1%
Harrison	4,889	4,686	-203	-4.2%		Taylor	9,802	12,074	2,272	23.2%
Hart	4,567	4,888	321	7.0%		Todd	2,171	2,280	109	5.0%
Henderson	18,732	20,482	1,750	9.3%		Trigg	3,670	3,286	-384	-10.5%
Henry	3,010	2,744	-266	-8.8%		Trimble	3,287	1,051	-2,236	-68.0%
Hickman	1,100	1,100	0	0.0%		Union	5,693	5,769	76	1.3%
Hopkins	17,978	17,953	-25	-0.1%		Warren	53,370	61,951	8,581	16.1%
Jackson	2,231	1,799	-432	-19.4%		Washington	2,788	3,367	579	20.8%
Jefferson	413,291	451,545	38,254	9.3%		Wayne	5,744	5,322	-422	-7.3%
Jessamine	15,083	15,885	802	5.3%		Webster	2,792	3,585	793	28.4%
Johnson	6,398	5,754	-644	-10.1%		Whitley	12,094	11,676	-418	-3.5%
Kenton	63,925	64,648	723	1.1%		Wolfe	1,179	1,210	31	2.6%
Knott	3,797	2,598	-1,199	-31.6%		Woodford	9,769	8,960	-809	-8.3%
						Kentucky	1,723,815	1,852,240	128,425	7.5%

Nine Economic Regions Around Kentucky

Starting with the television market areas, supplemented by information on county to county worker flows, I have designated these regional economies.



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

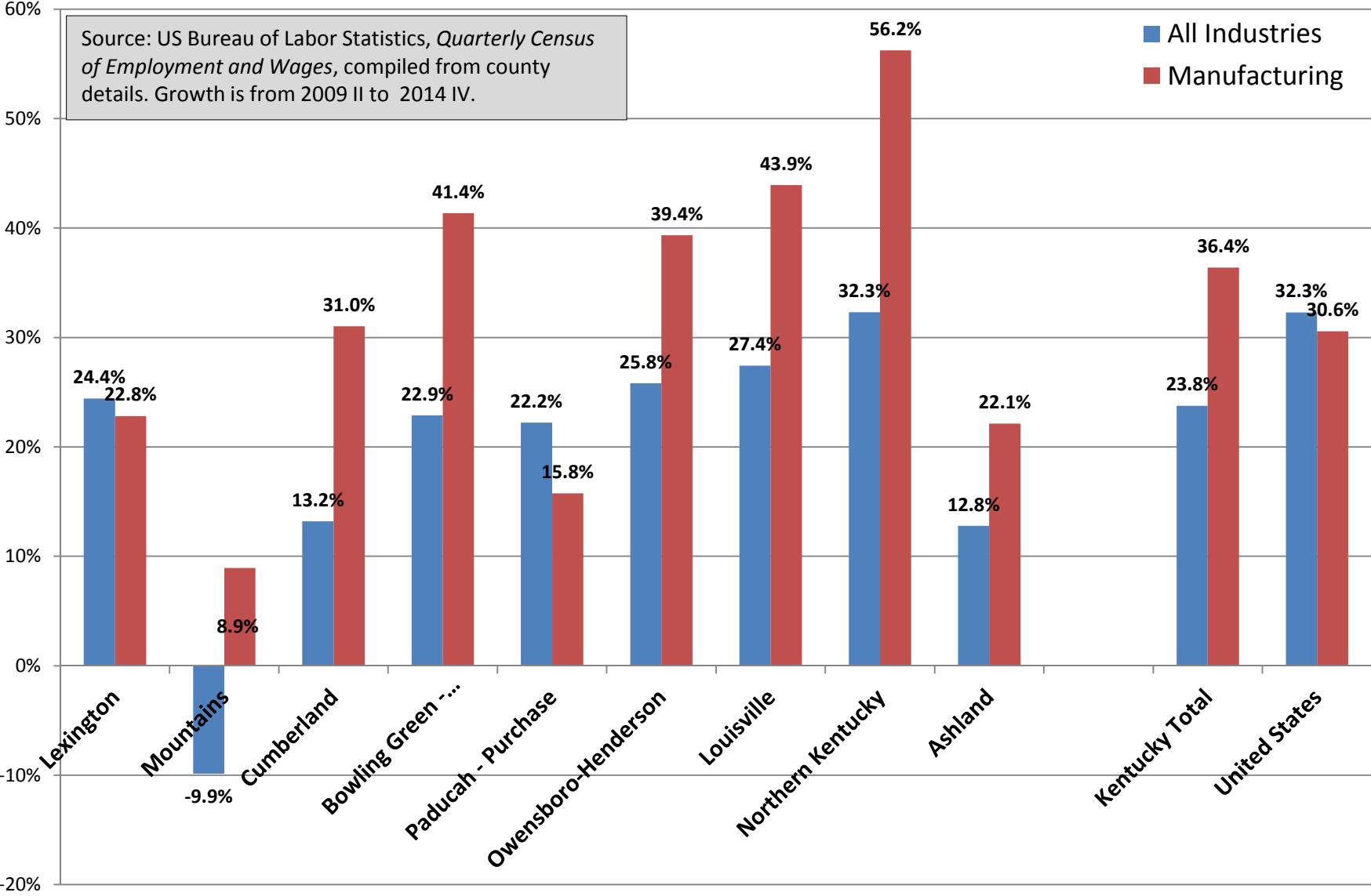


Wage and Salary Growth Since Bottom of Last Recession

All Industries, and Manufacturing

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, compiled from county details. Growth is from 2009 II to 2014 IV.

■ All Industries
■ 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, December 2014		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All	Manufacturing
							Industries	uring
Lexington	369,127	50,202	408,135	52,517	39,008	2,315	10.6%	4.6%
Mountains	101,318	2,496	90,538	2,590	-10,780	94	-10.6%	3.8%
Cumberland	97,689	13,835	98,605	14,364	916	529	0.9%	3.8%
Bowling Green - Hopkinsville	142,136	26,417	155,933	31,213	13,797	4,796	9.7%	18.2%
Paducah - Purchase	87,705	11,106	90,065	10,292	2,360	-814	2.7%	-7.3%
Owensboro-Henderson	109,501	18,357	115,914	19,987	6,413	1,630	5.9%	8.9%
Louisville	564,172	63,248	621,401	77,898	57,229	14,650	10.1%	23.2%
Northern Kentucky	183,558	19,341	197,303	22,777	13,745	3,436	7.5%	17.8%
Ashland	47,695	3,963	45,998	4,133	-1,697	170	-3.6%	4.3%
Kentucky Total	1,723,815	211,134	1,852,240	238,845	128,425	27,711	7.5%	13.1%
United States	129,648,129	11,731,582	139,204,840	12,255,695	9,556,711	524,113	7.4%	4.5%

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 IV		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All	Manufacturing
							Industries	uring
Lexington	\$3,471,456	\$640,802	\$4,319,321	\$787,093	\$847,865	\$146,291	24.4%	22.8%
Mountains	\$938,139	\$23,200	\$845,688	\$25,272	-\$92,451	\$2,072	-9.9%	8.9%
Cumberland	\$728,119	\$107,821	\$824,252	\$141,276	\$96,133	\$33,455	13.2%	31.0%
Bowling Green - Hopkinsville	\$1,191,195	\$268,392	\$1,463,837	\$379,410	\$272,642	\$111,018	22.9%	41.4%
Paducah - Purchase	\$734,708	\$134,437	\$898,067	\$155,617	\$163,359	\$21,180	22.2%	15.8%
Owensboro-Henderson	\$961,400	\$195,624	\$1,209,596	\$272,611	\$248,196	\$76,987	25.8%	39.4%
Louisville	\$5,689,390	\$801,612	\$7,249,451	\$1,153,722	\$1,560,061	\$352,110	27.4%	43.9%
Northern Kentucky	\$1,742,746	\$226,676	\$2,305,989	\$354,159	\$563,243	\$127,483	32.3%	56.2%
Ashland	\$439,410	\$61,386	\$495,602	\$74,967	\$56,192	\$13,581	12.8%	22.1%
Kentucky Total	\$16,199,035	\$2,483,126	\$20,049,553	\$3,386,851	\$3,850,518	\$903,725	23.8%	36.4%
United States	\$1,413,661,305	\$154,404,699	\$1,870,192,617	\$201,615,314	\$456,531,312	\$47,210,615	32.3%	30.6%

Average Quarterly Pay per Job, Recovery from 2008-09 Recession, by Economic Region of Kentucky

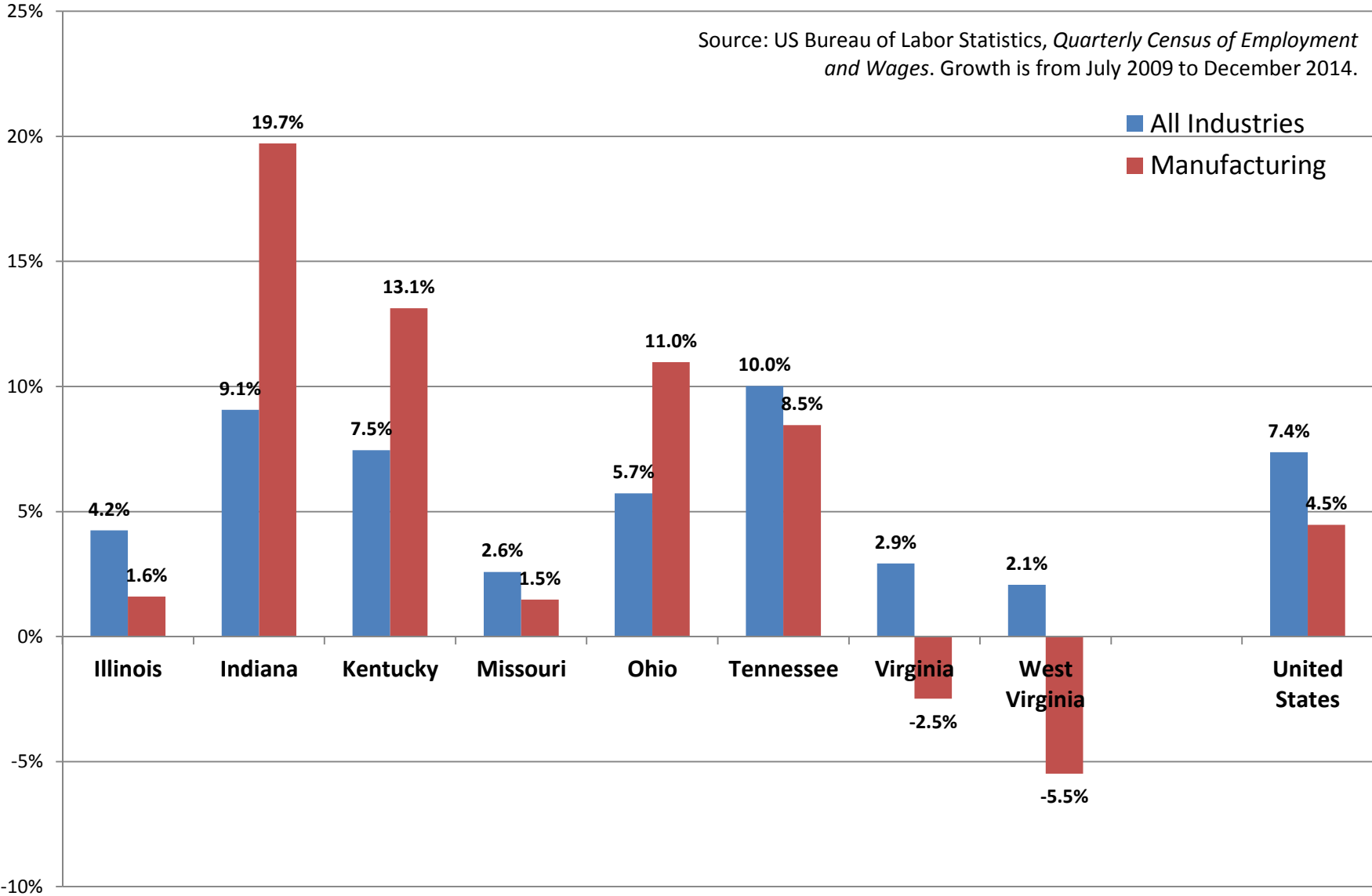
Economic Region	Average Pay at National Trough, 2009 II		Average Pay, 2014 IV		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing
Lexington	\$9,372	\$12,595	\$10,650	\$15,062	\$1,278	\$2,467	13.6%	19.6%
Mountains	\$9,213	\$9,083	\$9,332	\$9,618	\$119	\$535	1.3%	5.9%
Cumberland	\$7,510	\$7,772	\$8,410	\$9,894	\$899	\$2,122	12.0%	27.3%
Bowling Green - Hopkinsville	\$8,368	\$10,025	\$9,432	\$12,218	\$1,064	\$2,193	12.7%	21.9%
Paducah - Purchase	\$8,385	\$11,933	\$9,934	\$14,861	\$1,550	\$2,928	18.5%	24.5%
Owensboro-Henderson	\$8,776	\$10,557	\$10,486	\$13,780	\$1,710	\$3,223	19.5%	30.5%
Louisville	\$10,105	\$12,595	\$11,729	\$14,925	\$1,624	\$2,330	16.1%	18.5%
Northern Kentucky	\$9,499	\$11,639	\$11,721	\$15,620	\$2,223	\$3,981	23.4%	34.2%
Ashland	\$9,250	\$15,533	\$10,747	\$18,105	\$1,497	\$2,572	16.2%	16.6%
Kentucky Total	\$9,396	\$11,651	\$10,868	\$14,251	\$1,473	\$2,600	15.7%	22.3%
United States	\$10,915	\$13,071	\$13,460	\$16,481	\$2,545	\$3,409	23.3%	26.1%

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

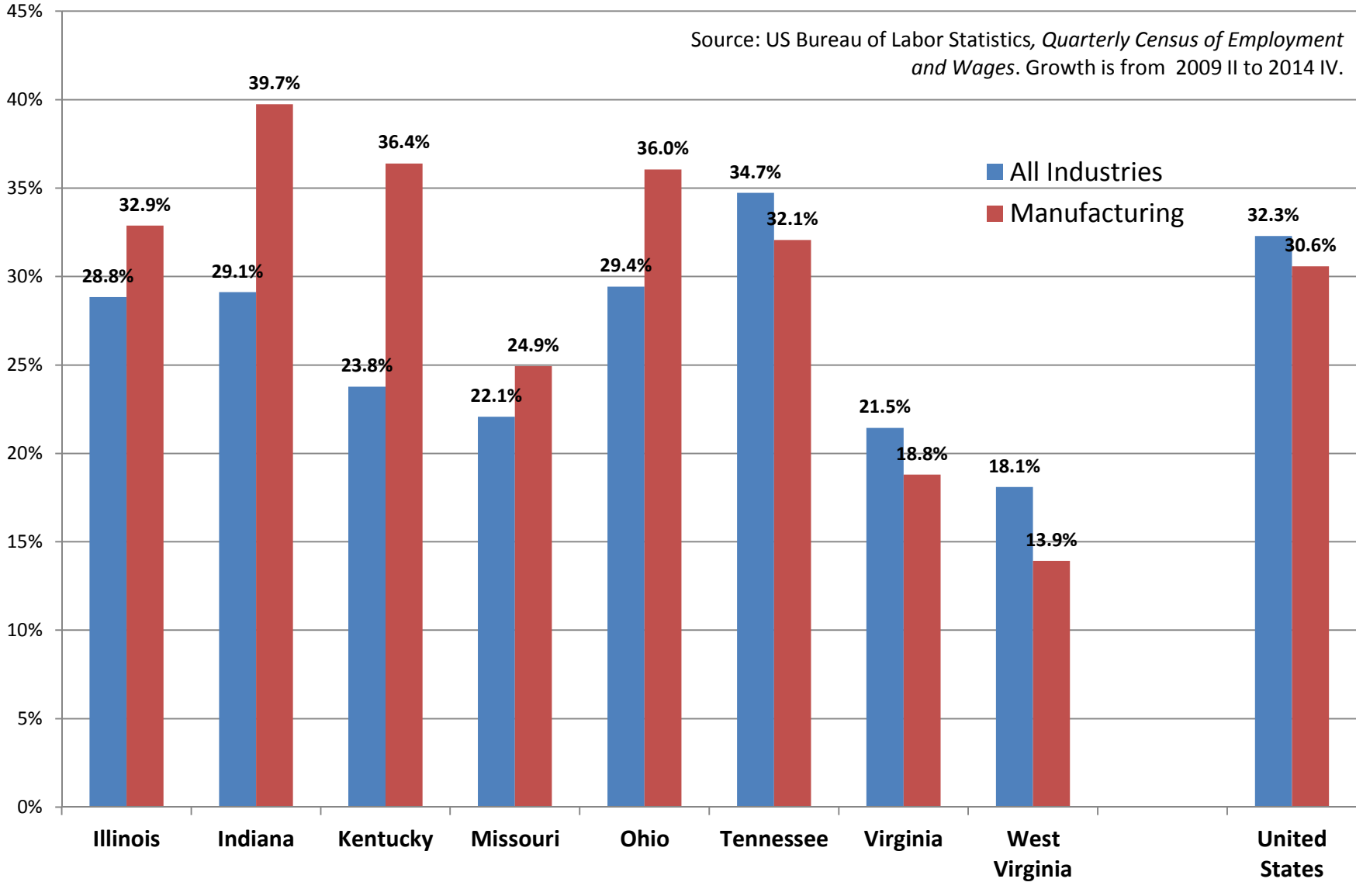
All Industries, and Manufacturing

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*. Growth is from July 2009 to December 2014.



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

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*. Growth is from 2009 II to 2014 IV.



Data Tables - States

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

State	Employment at National Trough, June 2009		Employment, December 2014		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing
Illinois	5,606,372	572,047	5,844,090	581,159	237,718	9,112	4.2%	1.6%
Indiana	2,701,663	430,602	2,946,523	515,526	244,860	84,924	9.1%	19.7%
Kentucky	1,723,815	211,134	1,852,240	238,845	128,425	27,711	7.5%	13.1%
Missouri	2,641,511	254,901	2,709,778	258,654	68,267	3,753	2.6%	1.5%
Ohio	4,978,847	616,553	5,264,305	684,190	285,458	67,637	5.7%	11.0%
Tennessee	2,565,095	304,096	2,822,069	329,814	256,974	25,718	10.0%	8.5%
Virginia	3,586,616	238,201	3,691,390	232,292	104,774	-5,909	2.9%	-2.5%
West Virginia	697,589	50,465	712,019	47,697	14,430	-2,768	2.1%	-5.5%
United States	129,648,129	11,731,582	139,204,840	12,255,695	9,556,711	524,113	7.4%	4.5%

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 IV		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing
Illinois	\$64,213,914	\$7,538,775	\$82,730,669	\$10,017,643	\$18,516,755	\$2,478,868	28.8%	32.9%
Indiana	\$25,039,364	\$5,409,906	\$32,329,478	\$7,560,251	\$7,290,114	\$2,150,345	29.1%	39.7%
Kentucky	\$16,199,035	\$2,483,126	\$20,049,553	\$3,386,851	\$3,850,518	\$903,725	23.8%	36.4%
Missouri	\$25,712,745	\$2,980,229	\$31,389,796	\$3,723,372	\$5,677,051	\$743,143	22.1%	24.9%
Ohio	\$48,756,042	\$7,694,989	\$63,106,634	\$10,468,776	\$14,350,592	\$2,773,787	29.4%	36.0%
Tennessee	\$25,119,637	\$3,680,583	\$33,842,558	\$4,860,706	\$8,722,921	\$1,180,123	34.7%	32.1%
Virginia	\$41,720,067	\$2,861,319	\$50,669,056	\$3,399,243	\$8,948,989	\$537,924	21.5%	18.8%
West Virginia	\$6,418,218	\$596,596	\$7,580,174	\$679,695	\$1,161,956	\$83,099	18.1%	13.9%
United States	\$1,413,661,305	\$154,404,699	\$1,870,192,617	\$201,615,314	\$456,531,312	\$47,210,615	32.3%	30.6%

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

State	Average Pay at National Trough, 2009 II		Average Pay, 2014 IV		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing
	Illinois	\$11,481	\$13,067	\$14,159	\$17,273	\$2,678	\$4,205	23.3%
Indiana	\$9,226	\$12,400	\$10,997	\$14,732	\$1,771	\$2,332	19.2%	18.8%
Kentucky	\$9,396	\$11,651	\$10,868	\$14,251	\$1,473	\$2,600	15.7%	22.3%
Missouri	\$9,742	\$11,625	\$11,586	\$14,417	\$1,844	\$2,792	18.9%	24.0%
Ohio	\$9,795	\$12,273	\$11,992	\$15,343	\$2,197	\$3,070	22.4%	25.0%
Tennessee	\$9,757	\$11,934	\$12,052	\$14,813	\$2,295	\$2,879	23.5%	24.1%
Virginia	\$11,691	\$11,970	\$13,747	\$14,647	\$2,056	\$2,676	17.6%	22.4%
West Virginia	\$9,225	\$11,687	\$10,631	\$14,264	\$1,406	\$2,577	15.2%	22.0%
United States	\$10,915	\$13,071	\$13,460	\$16,481	\$2,545	\$3,409	23.3%	26.1%

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