

The Current Economic Expansion

How Kentucky's Nine Regional Economies Are Performing

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



Kentucky Chamber

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-2015 to examine economic growth since the last recession.

Jobs and Employment

- ❑ Kentucky supported about 1.85 million wage and salary jobs as of June 2015. Well over half the jobs (56 percent) were in the Louisville and Lexington regions.
- ❑ The Louisville, Lexington, Bowling Green-Hopkinsville, and Northern Kentucky regions had the highest growth rates in total jobs since the end of the last recession, surpassing the national average. The Mountain and Ashland areas have fewer jobs than they did six years ago.
- ❑ Kentucky as a whole added jobs (7.4 percent) at a slower clip than the US (8.4 percent), but greater than the growth rate of all border states except Tennessee and Indiana. And Kentucky now has about 20,000 more jobs it had at the peak of the last national expansion, in 2007.
- ❑ According to the latest data from the Census Bureau, the percentage of adults employed in Kentucky continues to lag the national average. Only the Northern Kentucky and Louisville regions have a higher employment-to-population ratios than the US (58 percent). In the Mountain region, only 37 percent of adults are employed, with Martin County posting the lowest rate (25 percent).

The county-level job and payroll data analyzed here come from the US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages* program. The program covers most economic activity, and is based on employer filings for unemployment insurance. Jobs are measured on a county of work basis (not county of residence of employees). It excludes self-employed persons, military personnel, domestic workers, and unpaid family members. Estimates for the months and quarters of 2015 are preliminary. See www.bls.gov/cew/cewover.htm . The county-level data on employed persons is taken from the US Census Bureau's American Community Survey. These data are on a county of residence basis.

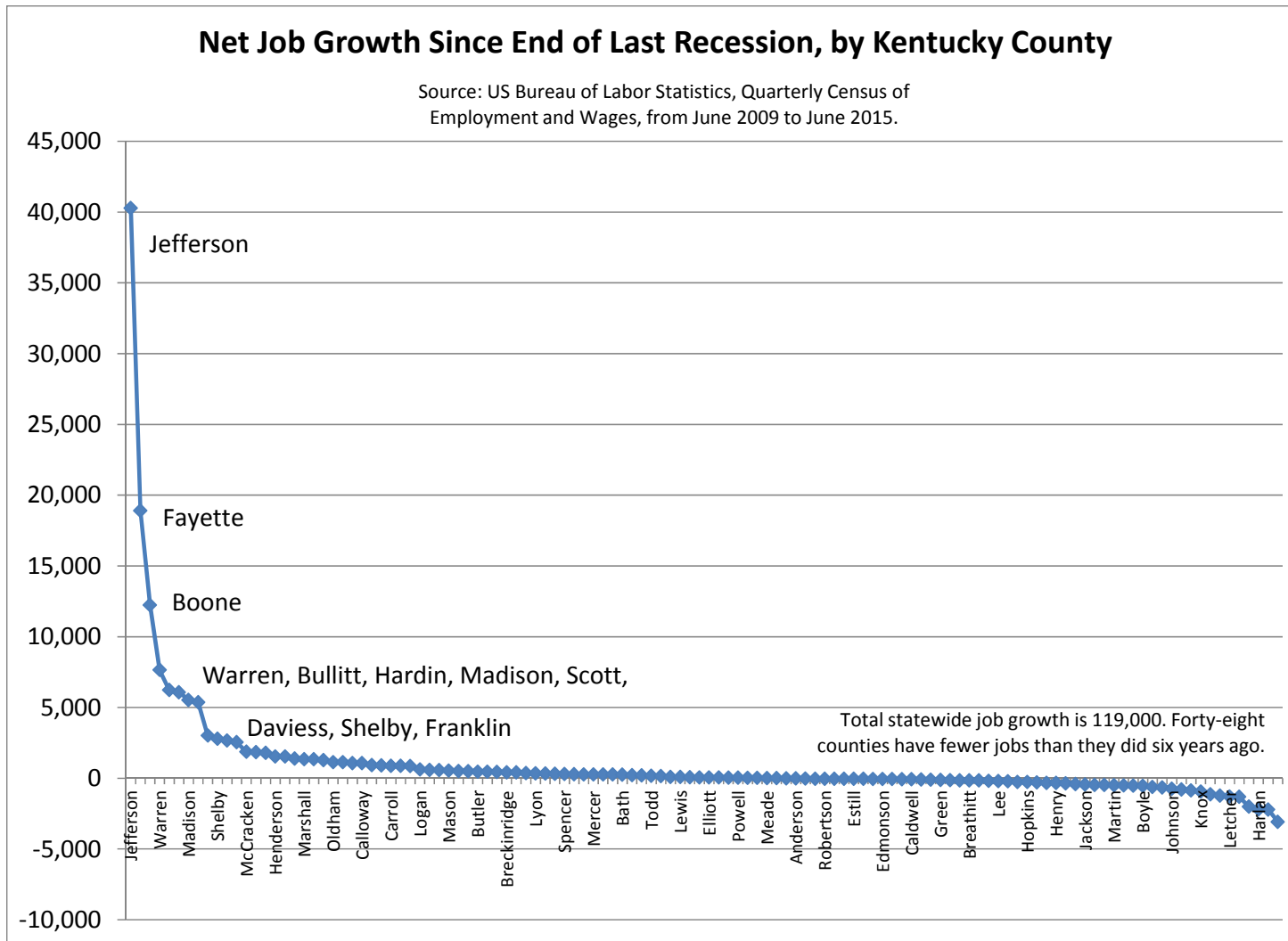
Wages and Salaries

- ❑ Employees in Kentucky earned \$19.7 billion in wages and salaries in the April to June quarter of 2015. Well over half (58 percent) of the statewide payroll was earned in just two regions – Louisville and Lexington.
- ❑ Payrolls in five of the nine economic regions grew by 20 percent (not adjusted for inflation) or more since 2009, led by Louisville, Northern Kentucky, and Lexington. However, payrolls declined in the Mountain region by 13 percent.
- ❑ Workers in Kentucky earned on average \$10,700 in the second quarter of 2015, compared to \$12,600 nationally. And, all regions except Northern Kentucky posted slower growth in average pay than the United States since the recession ended. Average pay in the Northern Kentucky region grew by 14 percent, while there was only a 1 percent growth in average pay in the Mountain region.

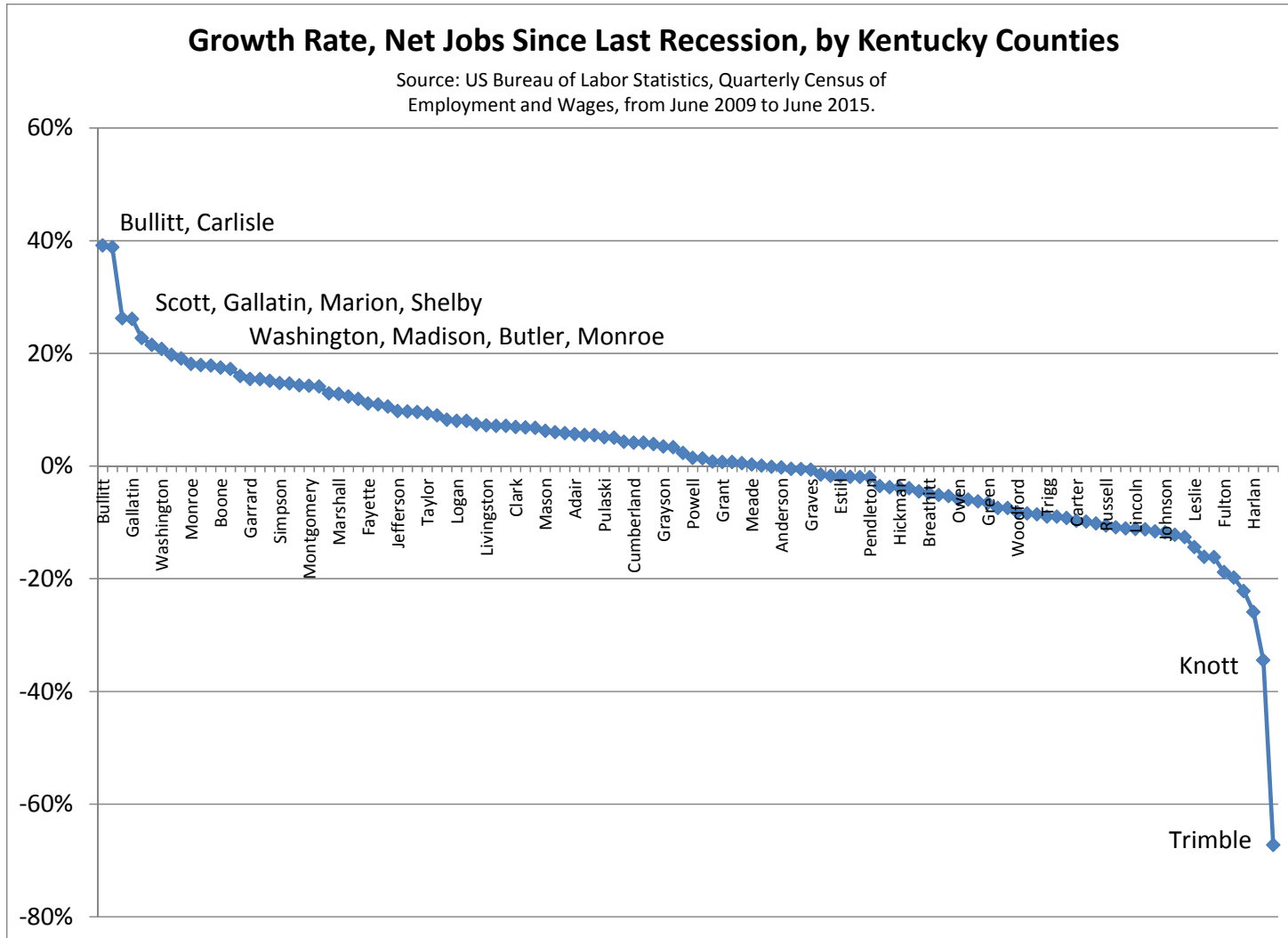
Manufacturing Industries

- ❑ Kentucky had 241,000 manufacturing jobs as of June 2015. The state has added manufacturing jobs at three times the rate seen nationally, though remains 12,000 jobs below its previous cyclical peak (in 2007). Kentucky has increased its share of US manufacturing jobs from 1.8 to 2.0 percent over the last decade.
- ❑ 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.
- ❑ Four of the nine Kentucky regions had stronger growth in manufacturing pay than the US.

- Looking at the individual counties, one can see that job growth has been concentrated primarily in the most populated counties. Forty-seven percent of job growth statewide occurred in just two counties – Jefferson and Fayette. Ten counties, primarily urban, accounted for 85 percent of statewide growth. Fifty-six counties, mostly rural, on net lost jobs over the past six years.



- In percentage terms, the greatest growth was in Bullitt and Carlisle counties, each expanding their wage and salary job base by 39 percent over the last six years. Strong job growth rates, above 20 percent, were also posted in Scott, Gallatin, Marion, Shelby and Washington counties.



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

	June 2009	June 2015	growth	rate			June 2009	June 2015	growth	rate
Adair	4,494	4,750	256	5.7%		Knox	8,455	7,519	-936	-11.1%
Allen	4,222	4,243	21	0.5%		Larue	2,676	2,824	148	5.5%
Anderson	4,579	4,568	-11	-0.2%		Laurel	23,325	25,873	2,548	10.9%
Ballard	2,552	2,140	-412	-16.1%		Lawrence	3,351	3,200	-151	-4.5%
Barren	15,907	16,781	874	5.5%		Lee	1,891	1,685	-206	-10.9%
Bath	1,792	2,045	253	14.1%		Leslie	2,034	1,741	-293	-14.4%
Bell	9,542	8,684	-858	-9.0%		Letcher	5,834	4,540	-1,294	-22.2%
Boone	70,009	82,250	12,241	17.5%		Lewis	1,927	2,010	83	4.3%
Bourbon	6,835	6,798	-37	-0.5%		Lincoln	4,614	4,099	-515	-11.2%
Boyd	27,004	24,993	-2,011	-7.4%		Livingston	2,682	2,875	193	7.2%
Boyle	14,256	13,718	-538	-3.8%		Logan	7,740	8,362	622	8.0%
Bracken	1,167	1,376	209	17.9%		Lyon	2,186	2,535	349	16.0%
Breathitt	3,356	3,196	-160	-4.8%		McCracken	37,077	38,943	1,866	5.0%
Breckinridge	3,129	3,533	404	12.9%		McCreary	2,869	2,689	-180	-6.3%
Bullitt	15,916	22,145	6,229	39.1%		McLean	1,719	1,984	265	15.4%
Butler	2,406	2,865	459	19.1%		Madison	28,066	33,600	5,534	19.7%
Caldwell	4,246	4,165	-81	-1.9%		Magoffin	2,144	1,882	-262	-12.2%
Calloway	15,500	16,563	1,063	6.9%		Marion	6,723	8,250	1,527	22.7%
Campbell	27,252	29,097	1,845	6.8%		Marshall	10,458	11,796	1,338	12.8%
Carlisle	734	1,019	285	38.8%		Martin	3,084	2,585	-499	-16.2%
Carroll	5,809	6,687	878	15.1%		Mason	8,618	9,157	539	6.3%
Carter	6,367	5,749	-618	-9.7%		Meade	4,250	4,262	12	0.3%
Casey	3,384	3,786	402	11.9%		Menifee	958	901	-57	-5.9%
Christian	29,851	31,640	1,789	6.0%		Mercer	6,279	6,539	260	4.1%
Clark	12,991	13,893	902	6.9%		Metcalfe	1,974	1,827	-147	-7.4%
Clay	4,014	4,108	94	2.3%		Monroe	2,740	3,236	496	18.1%
Clinton	3,971	3,758	-213	-5.4%		Montgomery	9,713	11,097	1,384	14.2%
Crittenden	1,926	1,923	-3	-0.2%		Morgan	2,943	2,891	-52	-1.8%
Cumberland	1,686	1,756	70	4.2%		Muhlenberg	9,328	8,961	-367	-3.9%
Daviess	42,195	45,206	3,011	7.1%		Nelson	13,847	15,185	1,338	9.7%

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

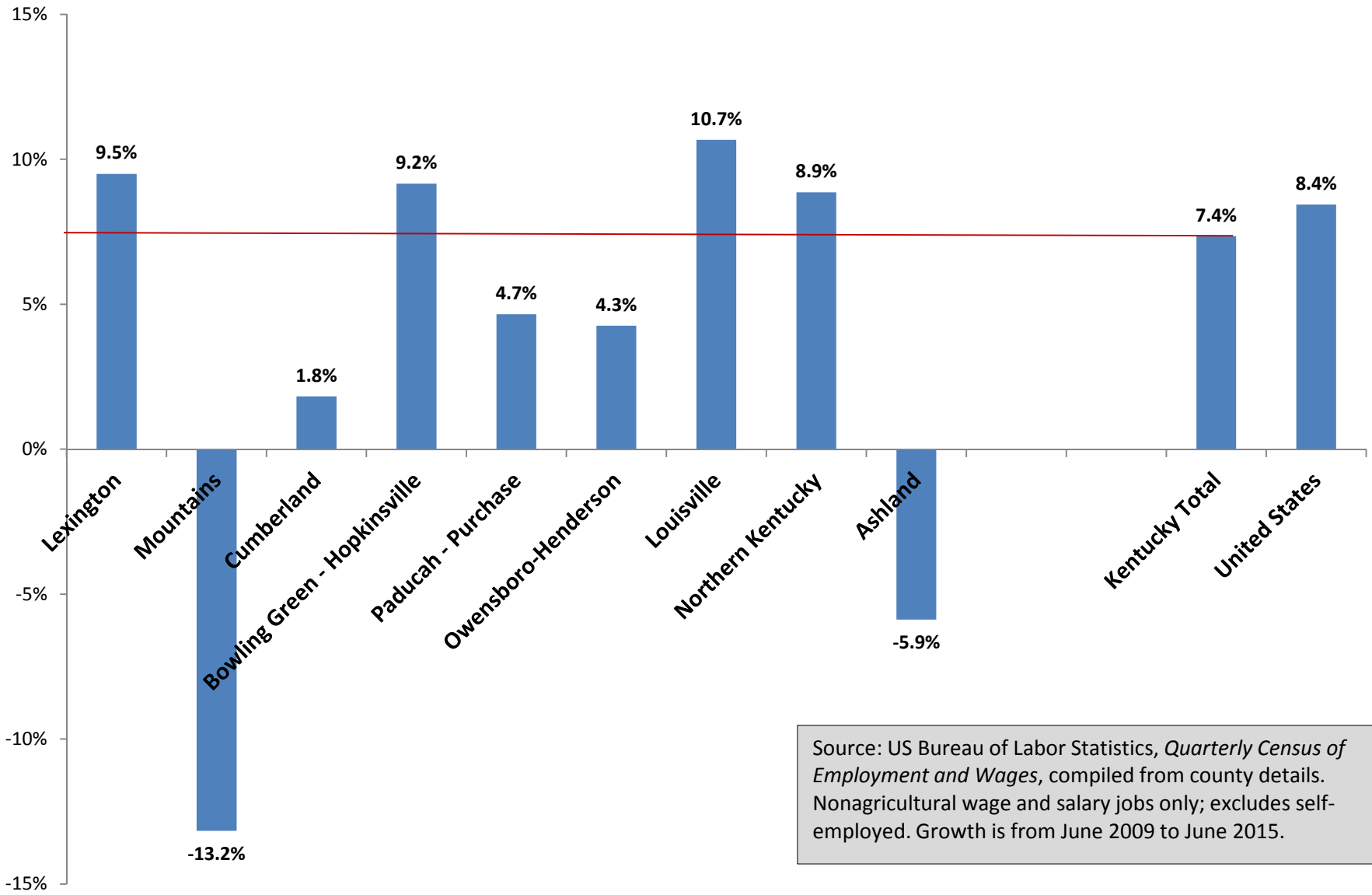
	June 2009	June 2015	growth	rate			June 2009	June 2015	growth	rate
Edmonson	1,593	1,536	-57	-3.6%		Nicholas	900	811	-89	-9.9%
Elliott	889	941	52	5.8%		Ohio	7,377	7,436	59	0.8%
Estill	2,383	2,340	-43	-1.8%		Oldham	14,134	15,269	1,135	8.0%
Fayette	170,495	189,401	18,906	11.1%		Owen	1,909	1,796	-113	-5.9%
Fleming	3,018	3,039	21	0.7%		Owsley	701	665	-36	-5.1%
Floyd	12,164	10,923	-1,241	-10.2%		Pendleton	2,370	2,323	-47	-2.0%
Franklin	29,746	32,414	2,668	9.0%		Perry	13,361	12,216	-1,145	-8.6%
Fulton	2,531	2,054	-477	-18.8%		Pike	24,426	21,344	-3,082	-12.6%
Gallatin	2,152	2,714	562	26.1%		Powell	2,531	2,567	36	1.4%
Garrard	2,085	2,407	322	15.4%		Pulaski	24,807	26,080	1,273	5.1%
Grant	5,047	5,083	36	0.7%		Robertson	310	274	-36	-11.6%
Graves	10,959	10,885	-74	-0.7%		Rockcastle	3,351	3,705	354	10.6%
Grayson	7,486	7,744	258	3.4%		Rowan	9,550	9,869	319	3.3%
Green	1,891	1,767	-124	-6.6%		Russell	6,230	5,573	-657	-10.5%
Greenup	8,157	7,997	-160	-2.0%		Scott	20,428	25,789	5,361	26.2%
Hancock	3,687	4,142	455	12.3%		Shelby	12,964	15,751	2,787	21.5%
Hardin	41,493	47,569	6,076	14.6%		Simpson	7,679	8,809	1,130	14.7%
Harlan	8,464	6,271	-2,193	-25.9%		Spencer	1,676	1,965	289	17.2%
Harrison	4,889	4,864	-25	-0.5%		Taylor	9,802	10,720	918	9.4%
Hart	4,567	5,005	438	9.6%		Todd	2,171	2,332	161	7.4%
Henderson	18,732	20,271	1,539	8.2%		Trigg	3,670	3,340	-330	-9.0%
Henry	3,010	2,672	-338	-11.2%		Trimble	3,287	1,076	-2,211	-67.3%
Hickman	1,100	1,058	-42	-3.8%		Union	5,693	5,168	-525	-9.2%
Hopkins	17,978	17,710	-268	-1.5%		Warren	53,370	61,016	7,646	14.3%
Jackson	2,231	1,789	-442	-19.8%		Washington	2,788	3,367	579	20.8%
Jefferson	413,291	453,576	40,285	9.7%		Wayne	5,744	5,261	-483	-8.4%
Jessamine	15,083	16,159	1,076	7.1%		Webster	2,792	3,290	498	17.8%
Johnson	6,398	5,644	-754	-11.8%		Whitley	12,094	12,102	8	0.1%
Kenton	63,925	64,783	858	1.3%		Wolfe	1,179	1,225	46	3.9%
Knott	3,797	2,488	-1,309	-34.5%		Woodford	9,769	8,966	-803	-8.2%
						Kentucky	1,723,815	1,850,531	126,716	7.4%

Nine Economic Regions Around Kentucky

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

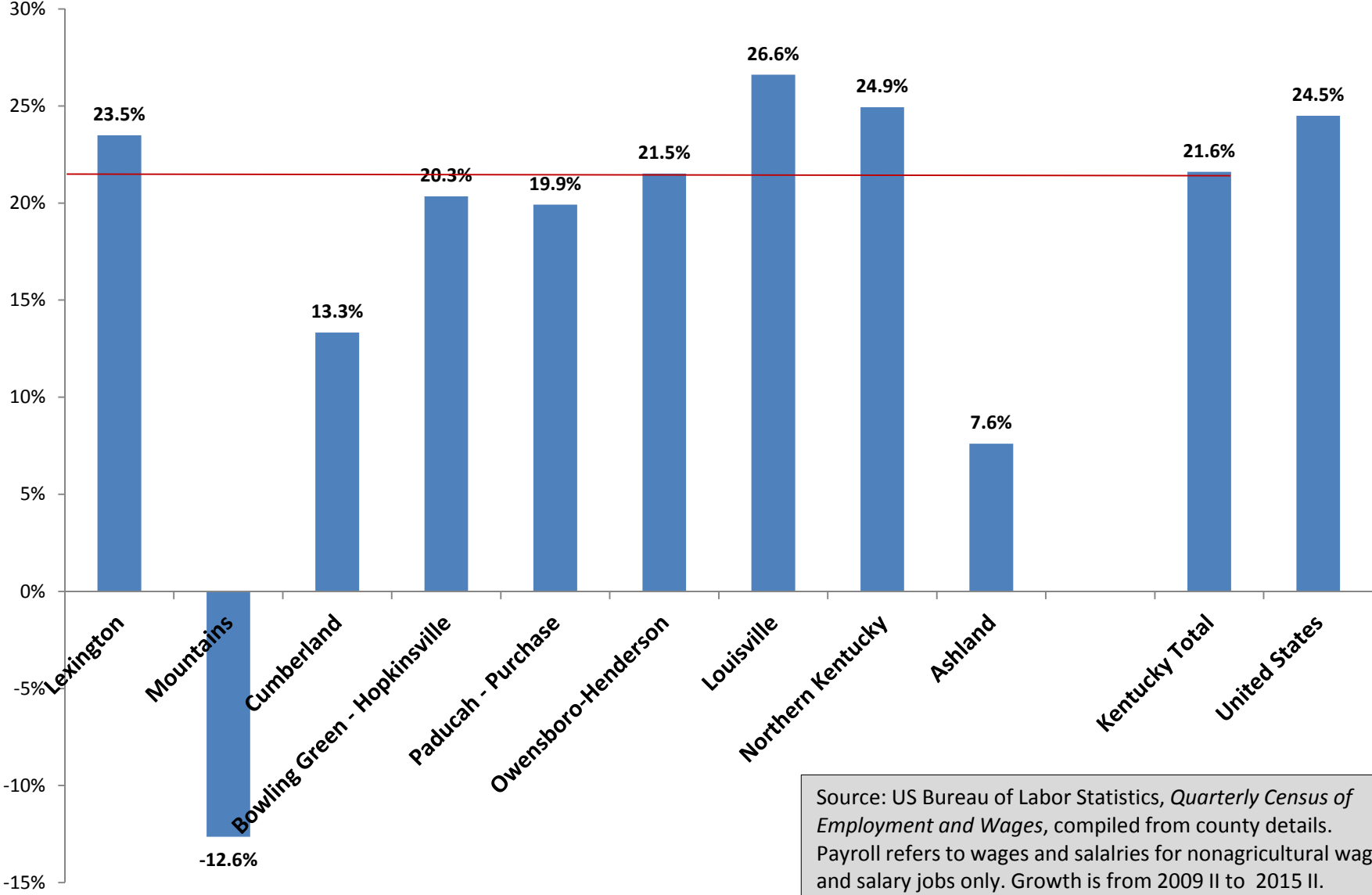


Employment Growth Since Bottom of Last Recession Nine Kentucky Regions, All Industries



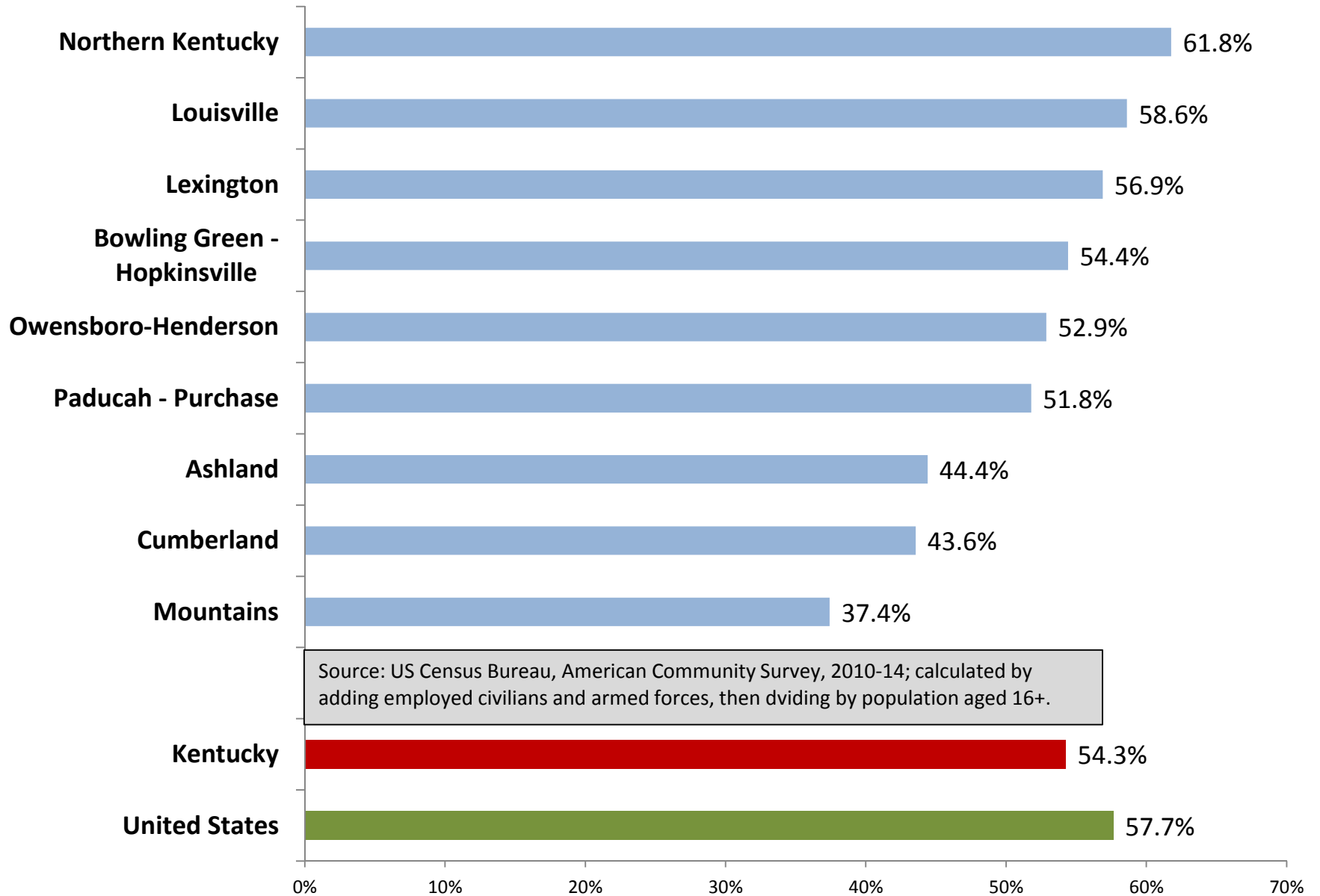
Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, compiled from county details. Nonagricultural wage and salary jobs only; excludes self-employed. Growth is from June 2009 to June 2015.

Wage and Salary Growth Since Bottom of Last Recession Nine Kentucky Regions, All Industries



Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, compiled from county details. Payroll refers to wages and salaries for nonagricultural wage and salary jobs only. Growth is from 2009 II to 2015 II.

Employment-to-Population Ratio, by Region



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 2015		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	404,195	52,933	35,068	2,731	9.5%	5.4%
Mountains	101,318	2,496	87,980	2,602	-13,338	106	-13.2%	4.2%
Cumberland	97,689	13,835	99,469	14,360	1,780	525	1.8%	3.8%
Bowling Green - Hopkinsville	142,136	26,417	155,157	31,444	13,021	5,027	9.2%	19.0%
Paducah - Purchase	87,705	11,106	91,791	10,517	4,086	-589	4.7%	-5.3%
Owensboro-Henderson	109,501	18,357	114,168	19,305	4,667	948	4.3%	5.2%
Louisville	564,172	63,248	624,362	79,729	60,190	16,481	10.7%	26.1%
Northern Kentucky	183,558	19,341	199,822	23,116	16,264	3,775	8.9%	19.5%
Ashland	47,695	3,963	44,890	4,229	-2,805	266	-5.9%	6.7%
Kentucky Total	1,723,815	211,134	1,850,531	241,497	126,716	30,363	7.4%	14.4%
United States	129,648,129	11,731,582	140,594,927	12,372,622	10,946,798	641,040	8.4%	5.5%

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 2015 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	\$4,286,766	\$803,421	\$815,310	\$162,619	23.5%	25.4%
Mountains	\$938,139	\$23,200	\$819,539	\$25,031	-\$118,600	\$1,831	-12.6%	7.9%
Cumberland	\$728,119	\$107,821	\$825,149	\$137,972	\$97,030	\$30,151	13.3%	28.0%
Bowling Green - Hopkinsville	\$1,191,195	\$268,392	\$1,433,553	\$383,060	\$242,358	\$114,668	20.3%	42.7%
Paducah - Purchase	\$734,708	\$134,437	\$881,040	\$135,365	\$146,332	\$928	19.9%	0.7%
Owensboro-Henderson	\$961,400	\$195,624	\$1,168,301	\$256,634	\$206,901	\$61,010	21.5%	31.2%
Louisville	\$5,689,390	\$801,612	\$7,202,978	\$1,199,888	\$1,513,588	\$398,276	26.6%	49.7%
Northern Kentucky	\$1,742,746	\$226,676	\$2,177,243	\$322,150	\$434,497	\$95,474	24.9%	42.1%
Ashland	\$439,410	\$61,386	\$472,818	\$77,221	\$33,408	\$15,835	7.6%	25.8%
Kentucky Total	\$16,199,035	\$2,483,126	\$19,699,029	\$3,382,344	\$3,499,994	\$899,218	21.6%	36.2%
United States	\$1,413,661,305	\$154,404,699	\$1,759,862,446	\$188,793,048	\$346,201,141	\$34,388,349	24.5%	22.3%

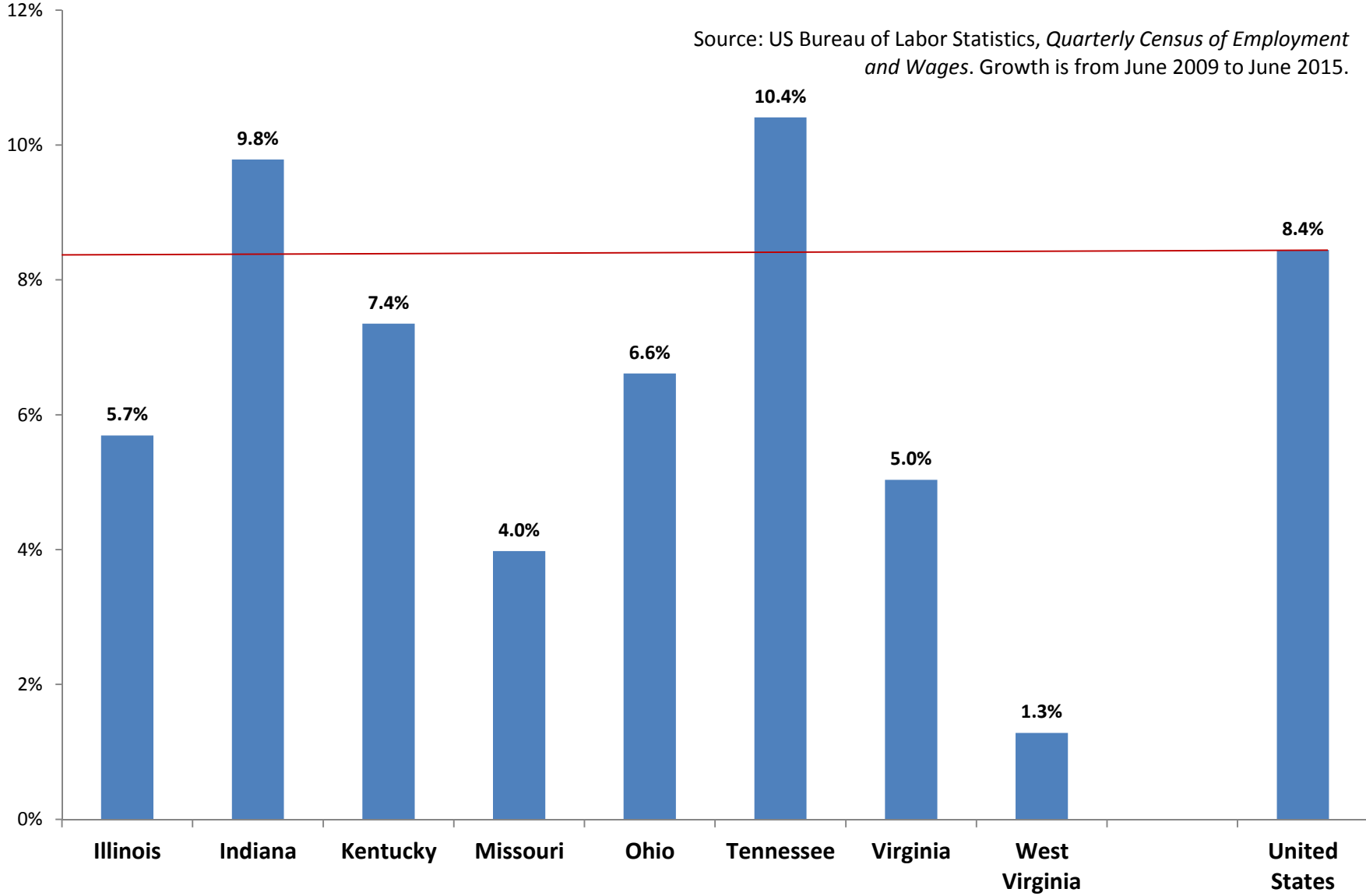
Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*; economic region totals derived from county-level data; not all reported payroll statewide was allocated to counties.

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

Economic Region	Average Pay at National Trough, 2009 II		Average Pay, 2015 II		Growth Since Last Trough		Percent Growth Since Last Trough	
	All Industries	Manufacturing	All Industries	Manufacturing	All Industries	Manufacturing	All	Manufact-
							Industries	uring
Lexington	\$9,372	\$12,595	\$10,627	\$15,275	\$1,256	\$2,680	13.4%	21.3%
Mountains	\$9,213	\$9,083	\$9,279	\$9,692	\$66	\$609	0.7%	6.7%
Cumberland	\$7,510	\$7,772	\$8,344	\$9,581	\$834	\$1,809	11.1%	23.3%
Bowling Green - Hopkinsville	\$8,368	\$10,025	\$9,230	\$12,221	\$862	\$2,195	10.3%	21.9%
Paducah - Purchase	\$8,385	\$11,933	\$9,650	\$12,979	\$1,265	\$1,046	15.1%	8.8%
Owensboro-Henderson	\$8,776	\$10,557	\$10,225	\$13,117	\$1,448	\$2,560	16.5%	24.2%
Louisville	\$10,105	\$12,595	\$11,616	\$15,337	\$1,511	\$2,742	15.0%	21.8%
Northern Kentucky	\$9,499	\$11,639	\$10,949	\$13,986	\$1,450	\$2,348	15.3%	20.2%
Ashland	\$9,250	\$15,533	\$10,540	\$18,241	\$1,290	\$2,708	13.9%	17.4%
Kentucky Total	\$9,396	\$11,651	\$10,683	\$14,115	\$1,288	\$2,464	13.7%	21.1%
United States	\$10,915	\$13,071	\$12,584	\$15,358	\$1,669	\$2,286	15.3%	17.5%

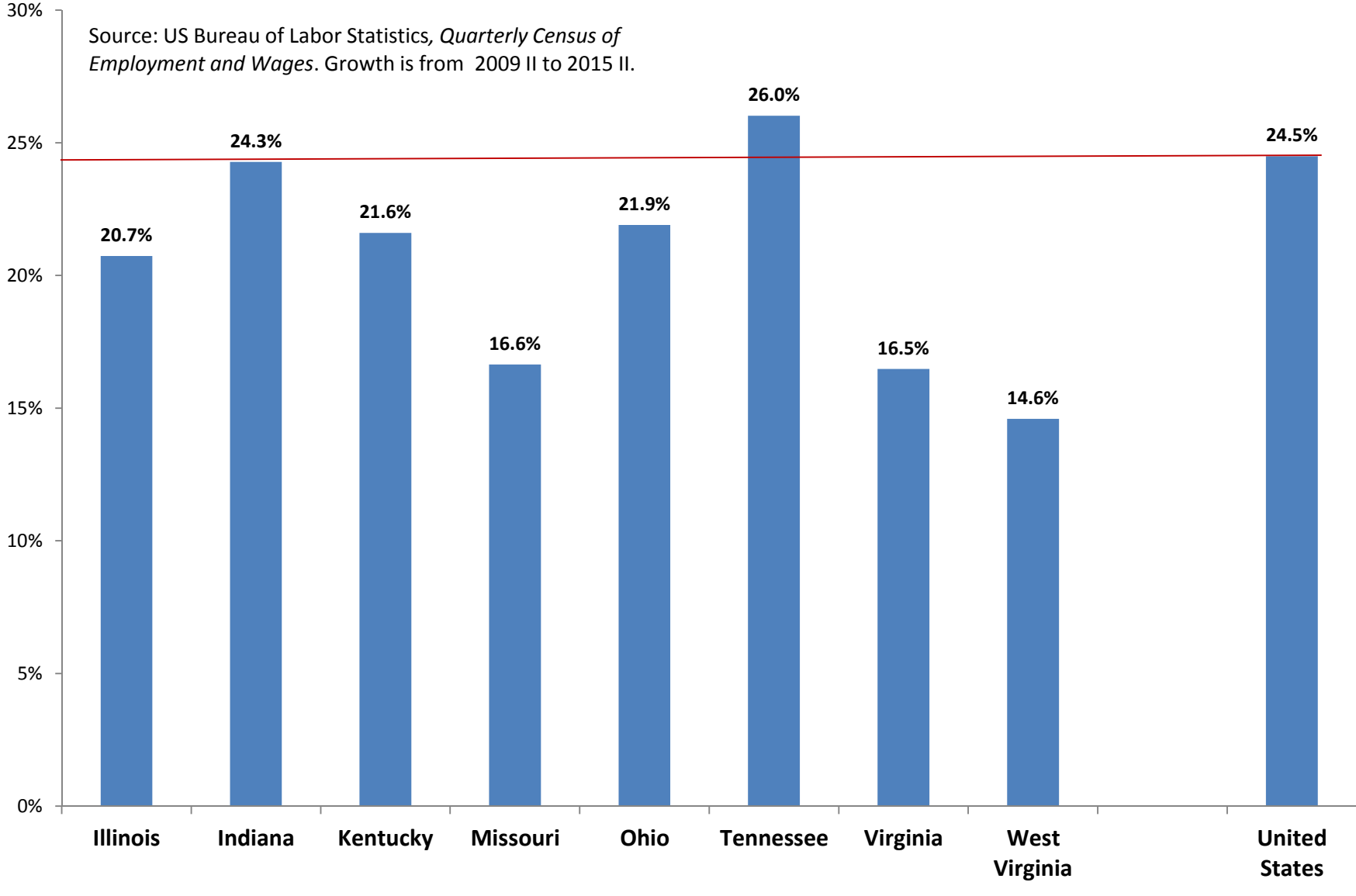
Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*; economic region totals derived from county-level data.

Employment Growth Since Bottom of Last Recession All Industries



Wage and Salary Growth Since Bottom of Last Recession All Industries

Source: US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*. Growth is from 2009 II to 2015 II.



Data Tables - States

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

State	Employment at National Trough, June 2009		Employment, June 2015		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	5,925,524	585,051	319,152	13,004	5.7%	2.3%
Indiana	2,701,663	430,602	2,966,013	523,439	264,350	92,837	9.8%	21.6%
Kentucky	1,723,815	211,134	1,850,531	241,497	126,716	30,363	7.4%	14.4%
Missouri	2,641,511	254,901	2,746,580	263,775	105,069	8,874	4.0%	3.5%
Ohio	4,978,847	616,553	5,308,099	690,872	329,252	74,319	6.6%	12.1%
Tennessee	2,565,095	304,096	2,832,129	333,064	267,034	28,968	10.4%	9.5%
Virginia	3,586,616	238,201	3,767,197	233,691	180,581	-4,510	5.0%	-1.9%
West Virginia	697,589	50,465	706,529	48,048	8,940	-2,417	1.3%	-4.8%
United States	129,648,129	11,731,582	140,594,927	12,372,622	10,946,798	641,040	8.4%	5.5%

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 2015 II		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	\$77,525,302	\$8,947,850	\$13,311,388	\$1,409,075	20.7%	18.7%
Indiana	\$25,039,364	\$5,409,906	\$31,118,251	\$7,429,045	\$6,078,887	\$2,019,139	24.3%	37.3%
Kentucky	\$16,199,035	\$2,483,126	\$19,699,029	\$3,382,344	\$3,499,994	\$899,218	21.6%	36.2%
Missouri	\$25,712,745	\$2,980,229	\$29,993,027	\$3,487,001	\$4,280,282	\$506,772	16.6%	17.0%
Ohio	\$48,756,042	\$7,694,989	\$59,432,543	\$9,497,972	\$10,676,501	\$1,802,983	21.9%	23.4%
Tennessee	\$25,119,637	\$3,680,583	\$31,655,793	\$4,605,240	\$6,536,156	\$924,657	26.0%	25.1%
Virginia	\$41,720,067	\$2,861,319	\$48,593,184	\$3,349,264	\$6,873,117	\$487,945	16.5%	17.1%
West Virginia	\$6,418,218	\$596,596	\$7,355,201	\$656,474	\$936,983	\$59,878	14.6%	10.0%
United States	\$1,413,661,305	\$154,404,699	\$1,759,862,446	\$188,793,048	\$346,201,141	\$34,388,349	24.5%	22.3%

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

State	Average Pay at National Trough, 2009 II		Average Pay, 2015 II		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	13192.83266	15382.62074	\$1,712	\$2,315	14.9%	17.7%
Indiana	\$9,226	\$12,400	10538.06803	14314.4648	\$1,312	\$1,914	14.2%	15.4%
Kentucky	\$9,396	\$11,651	\$10,683	\$14,115	\$1,288	\$2,464	13.7%	21.1%
Missouri	\$9,742	\$11,625	10950.26875	13306.87859	\$1,208	\$1,682	12.4%	14.5%
Ohio	\$9,795	\$12,273	11250.4466	13816.98048	\$1,455	\$1,544	14.9%	12.6%
Tennessee	\$9,757	\$11,934	11224.58018	13895.48006	\$1,468	\$1,962	15.0%	16.4%
Virginia	\$11,691	\$11,970	12994.98535	14396.49938	\$1,304	\$2,426	11.2%	20.3%
West Virginia	\$9,225	\$11,687	10439.44436	13745.93957	\$1,214	\$2,059	13.2%	17.6%
United States	\$10,915	\$13,071	\$12,584	\$15,358	\$1,669	\$2,286	15.3%	17.5%

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