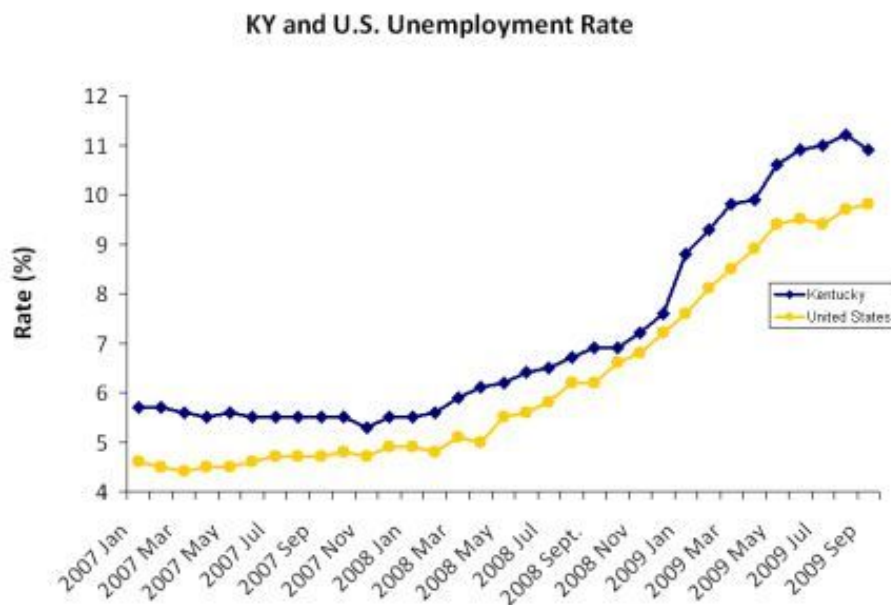


October 21, 2009

Kentucky Youth Advocates' Tax and Budget Initiative introduces Kentucky Economic Watch. This new effort will provide consistent and comprehensive analysis of the three most telling data points reflecting the reality of Kentucky's economic climate; state General Fund revenue receipts, the state unemployment rate, and food stamp participation rates. The following examination of September's unemployment rate marks the second of the series.

September Unemployment Rate Decreases Slightly

Kentucky's unemployment rate decreased to 10.9 percent in September. This marks a slight decrease of 0.3 percent since August, and the first decrease in the number of unemployed since November 2007. Despite the decrease, Kentucky's unemployment rate is 1.1 percent higher than the U.S. rate of 9.8 percent and 4 percentage points higher than it was in September of last year. While the decrease appears to be a small bit of positive news amidst continued economic worries, Kentucky and the nation have a long way to go before seeing more substantial indicators of recovery.



SOURCE: Workforce Kentucky. (2009). "Labor Force Statistics- Local Area Unemployment Statistics." Available at <http://www.workforcekentucky.ky.gov/cgi/dataanalysis/AreaSelection.asp?tableName=Laborforce>.

In the release of unemployment data from Workforce Kentucky, chief labor market analyst, Dr. Justine Detzel, said the decline since August reflects individuals who have been unemployed for a while, but have given up and dropped out of the labor force. The unemployment rate does not include Kentuckians who are unemployed but have stopped seeking work in the past four weeks.

According to Bureau of Labor Statistics, employment and unemployment tend to naturally fluctuate during the year because of the seasonality of the job market. During the colder months such as January and February, unemployment tends to be higher because many seasonal industries, like construction and agriculture, reduce their labor force. In June, both unemployment and employment tend to rise when students enter the workforce. To allow for comparison across months, a statistical method called seasonal adjustment is used.

While Bureau of Labor Statistics and Workforce Kentucky provide both unadjusted and adjusted data, Kentucky Youth Advocates has chosen to present the data in its adjusted form.

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Kentucky Youth Advocates is the home of Kentucky's Tax and Budget Initiative, a member of the nationwide State Fiscal Analysis Initiative.

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