



Understanding Labor Trends

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April 2016



The US Labor Force

- The labor force continues to age.
 - The median age of the labor force was 37.7 in 1994, 40.3 in 2004, 41.9 in 2014, and is projected to be 42.4 in 2024.
 - At the same time, the overall labor force participation rate is projected to decrease from 62.9 % in 2014 to 60.9 % in 2024.
- The labor force participation rate for youth (ages 16 to 24) is projected to decrease from 55.0% in 2014 to 49.7% in 2024.
 - The youth age group is projected to make up 11.3% of the civilian labor force in 2024 as compared with 13.7% in 2014.
 - In contrast, the labor force participation rate for the 65-and-older age group is projected to increase from 18.6% in 2014 to 21.7% in 2024. This older age group is projected to represent 8.2% of the civilian labor force in 2024 as compared with 5.4% in 2014.
- Labor force diversity is projected to increase, with white non-Hispanics making up 59.6% of the civilian labor force in 2024, compared with 64.6% in 2014.

The Unemployed

- In March, the unemployment rate (5.0%) and the number of unemployed persons (8.0 million) were little changed. Both measures have shown little movement since August.
- Among the major worker groups, the unemployment rates for adult men (4.5%), adult women (4.6%), teenagers (15.9%), Whites (4.3%), Blacks (9.0%), Asians (4.0%), and Hispanics (5.6%) showed little or no change in March.
- The number of long-term unemployed (those jobless for 27 weeks or more) was essentially unchanged at 2.2 million in March and has shown little movement since June. In March, these individuals accounted for 27.6% of the unemployed.

Fastest Growing Occupations

2014-24, projected



FASTEST GROWING, OVERALL

Fast-growing occupations show how the economy is changing:
4 of the 5 fastest growing occupations are related to healthcare.

EMPLOYMENT CHANGE		MEDIAN ANNUAL WAGE, 2015
Number of new jobs, in thousands	Percent change in employment	
Wind turbine service technicians	4.8	\$51,050
Occupational therapy assistants	14.1	\$57,870
Physical therapist assistants	31.9	\$55,170
Physical therapist aides	19.5	\$25,120
Home health aides	348.4	\$21,920

Source: U.S. Bureau of Labor Statistics

bls.gov



OCCUPATIONS WITH MOST NEW JOBS

Occupations adding the most jobs show that there will be more opportunities
for employment in healthcare, retail trade, and food services.

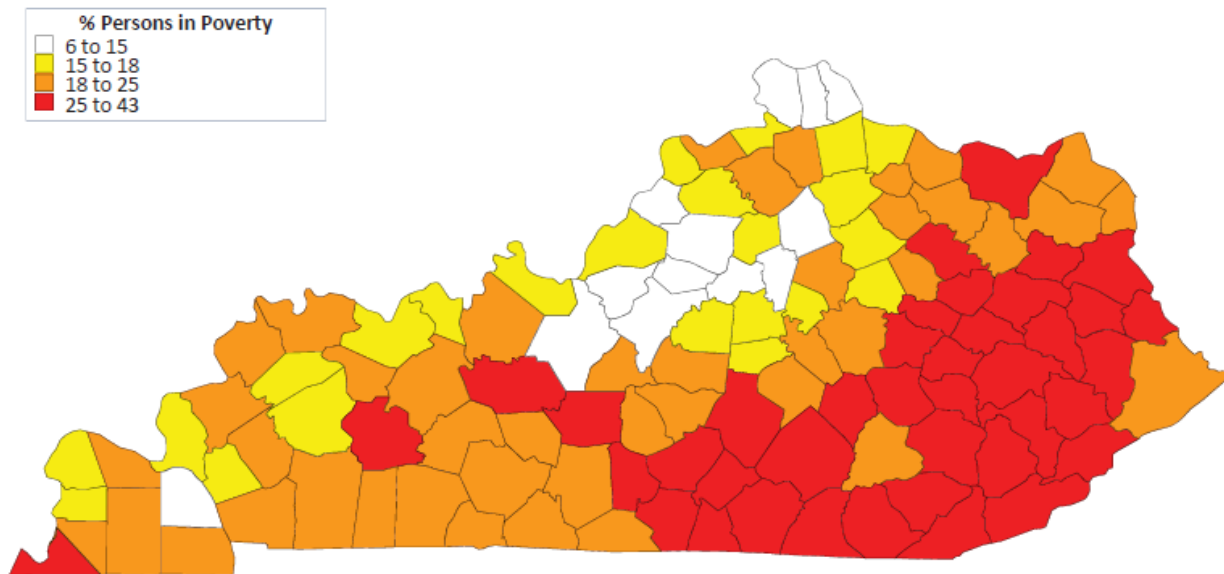
EMPLOYMENT CHANGE		MEDIAN ANNUAL WAGE, 2015
Number of new jobs, in thousands	Percent change in employment	
Personal care aides	458.1	\$20,980
Registered nurses	439.3	\$67,490
Home health aides	348.4	\$21,920
Combined food preparation & serving workers, including fast food	343.5	\$18,910
Retail salespersons	314.2	\$21,780

Source: U.S. Bureau of Labor Statistics

bls.gov

Kentucky Economic Trends

Estimated County Poverty Rates, 2013

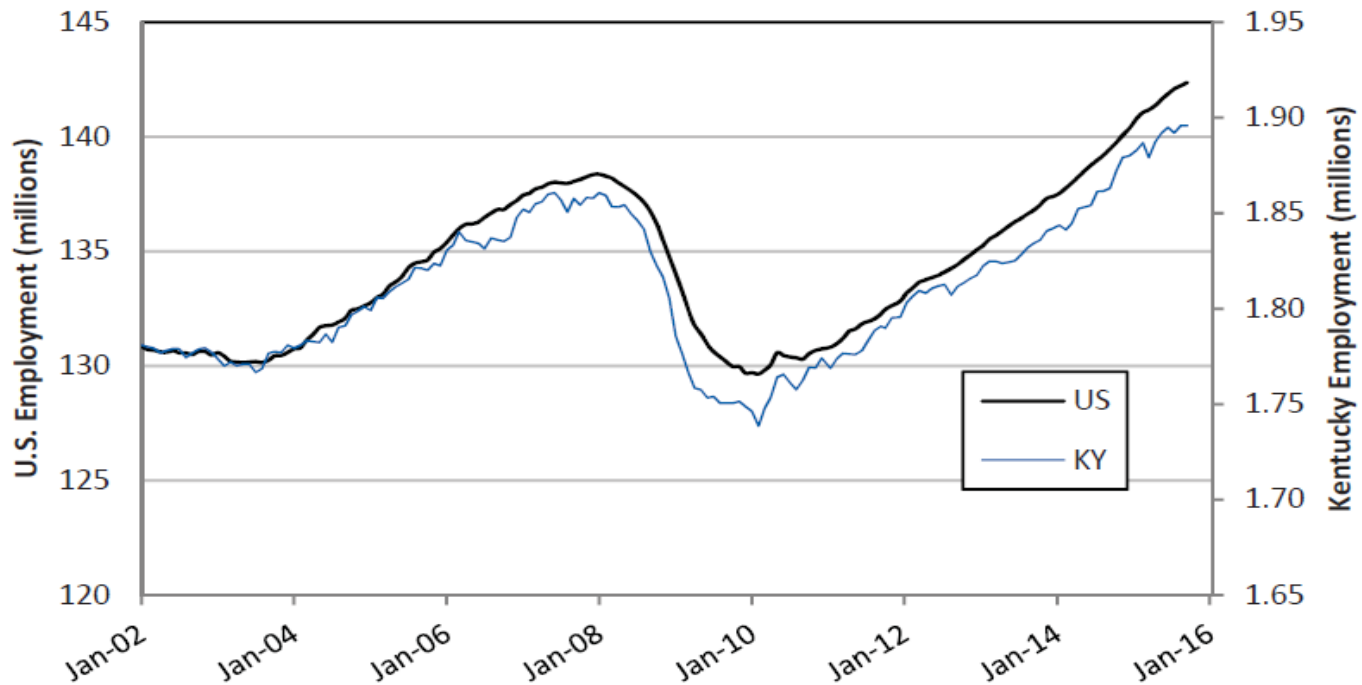


Source: U.S. Census Bureau, Small Area and Income Estimates (SAIPE)

Source: CBER, 2015 Annual Report

Employment Levels

FIGURE 2
Employment Levels, U.S. and Kentucky
(January 2002 to September 2015)

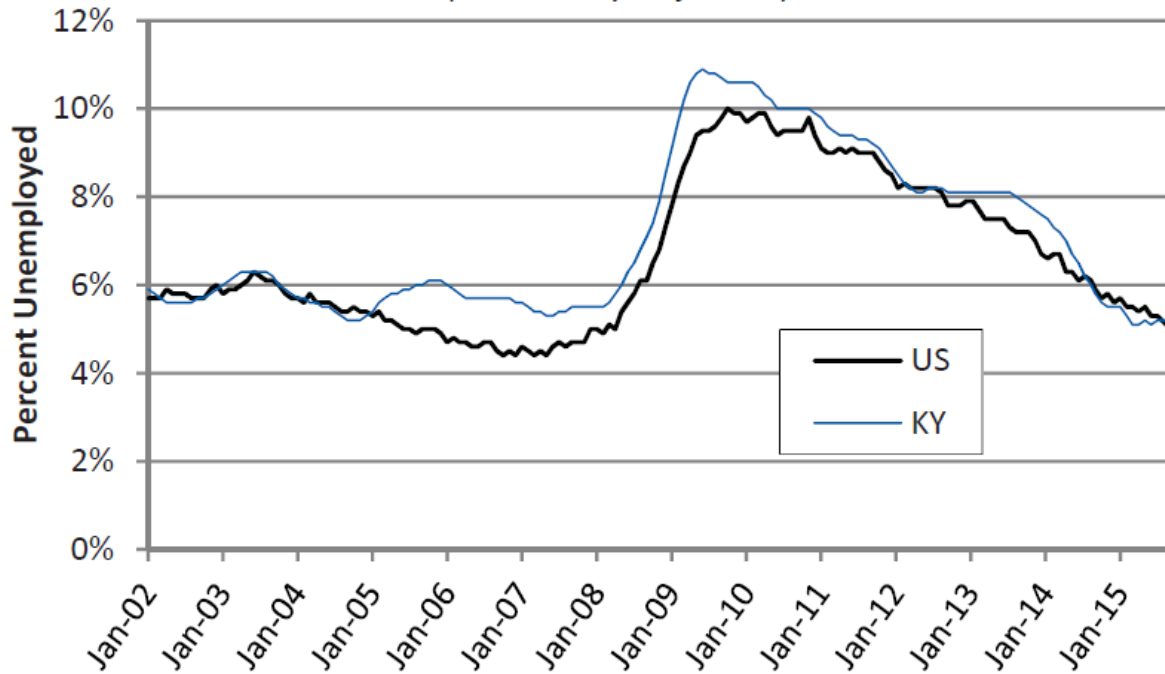


Source: Bureau of Labor Statistics

Source: CBER, 2015 Annual Report

Unemployment Rate

FIGURE 3
Unemployment Rate, Kentucky & the U.S.
(seasonally adjusted)



Source: Bureau of Labor Statistics

Source: CBER, 2015 Annual Report

GDP and Employment Forecast

TABLE 1
Forecast for 2016

	2015 Forecast	2015 Actual or Best Available	2016 Forecast
Real GDP Growth—U.S.	2.6%	2.2%	2.25%
Unemployment Rate—U.S.	5.3%	5.3%	4.8%
Inflation—U.S.	2.2%	0.2%	2.0%
Employment Growth—U.S.	2.2%	2.0%	2.25%
Growth in Manufacturing Employment—U.S.	0.5%	0.9%	0.5%
Real GDP Growth—Kentucky	2.0%	----	2.0%
Unemployment Rate—Kentucky	6.0%	5.2%	4.8%
Employment Growth—Kentucky	2.0%	1.8%	2.0%
Growth in Manufacturing Employment—Kentucky	0.5%	2.8%	0.5%

Source: CBER, 2015 Annual Report

Employment Growth by Industry

TABLE 2
U.S. Employment Growth by Major and Select Industries (1,000s of workers)

Industry Sector			2012 to 2022 Change	
	2012	2022	Number	Percent
Total	145,355.8	160,983.7	15,627.9	10.8%
Goods-producing, excluding agriculture	18,360.3	19,554.2	1,193.9	6.5%
Mining	800.5	921.7	121.2	15.1%
Coal Mining	86.6	83.2	-3.4	-3.9%
Construction	5,640.9	7,263.0	1,622.1	28.8%
Manufacturing	11,918.9	11,369.4	-549.5	-4.6%
Beverage Manufacturing	192.2	188.2	-4.0	-2.1%
Utilities	554.2	497.8	-56.4	-10.2%
Wholesale trade	5,672.8	6,143.2	470.4	8.3%
Retail trade	14,875.3	15,966.2	1,090.9	7.3%
Transportation and warehousing	4,414.7	4,742.0	327.3	7.4%
Information	2,677.6	2,612.4	-65.2	-2.4%
Financial activities	7,786.3	8,537.3	751.0	9.6%
Professional and business services	17,930.2	21,413.0	3,482.8	19.4%
Educational services	3,346.9	4,022.2	675.3	20.2%
Health care and social assistance	16,971.8	21,965.9	4,994.1	29.4%
Leisure and hospitality	13,745.8	15,035.0	1,289.2	9.4%
Other services	6,174.5	6,823.4	648.9	10.5%
Federal government	2,814.0	2,406.5	-407.5	-14.5%
State and local government	19,103.2	20,032.2	929.0	4.9%
Agriculture wage and salary	1,306.9	1,281.8	-25.1	-1.9%
Animal Production and Aquaculture	485.7	474.9	-10.8	-2.2%

Source: Employment Projections Program, U.S. Department of Labor, U.S. Bureau of Labor

Employment by Education

TABLE 4
U.S. Employment by Summary Education and Training Assignment, 2012 and Projected 2022
(thousands)

Education, Work Experience, and on-the-job Training (typical entry-level education)	Employment		2012 to 2022 Change		Median Annual Wage, 2012*
	2012	2022	Number	Percent	
Total, all occupations	145,355.8	160,983.7	15,628.0	10.8	\$34,750
Doctoral or professional degree	4,002.4	4,640.8	638.4	16.0	\$96,420
Master's degree	2,432.2	2,880.7	448.5	18.4	\$63,400
Bachelor's degree	26,033.0	29,176.7	3,143.6	12.1	\$67,140
Associate's degree	5,954.9	7,000.9	1,046.0	17.6	\$57,590
Postsecondary non-degree award	8,554.2	9,891.2	1,337.1	15.6	\$34,760
Some college, no degree	1,987.2	2,212.2	225.0	11.3	\$28,730
High school diploma or equivalent	58,264.4	62,895.2	4,630.8	7.9	\$35,170
Less than high school	38,127.6	42,286.0	4,158.4	10.9	\$20,110

Source: Occupational Employment Statistics program, U.S. Department of Labor, Bureau of Labor Statistics.

Education

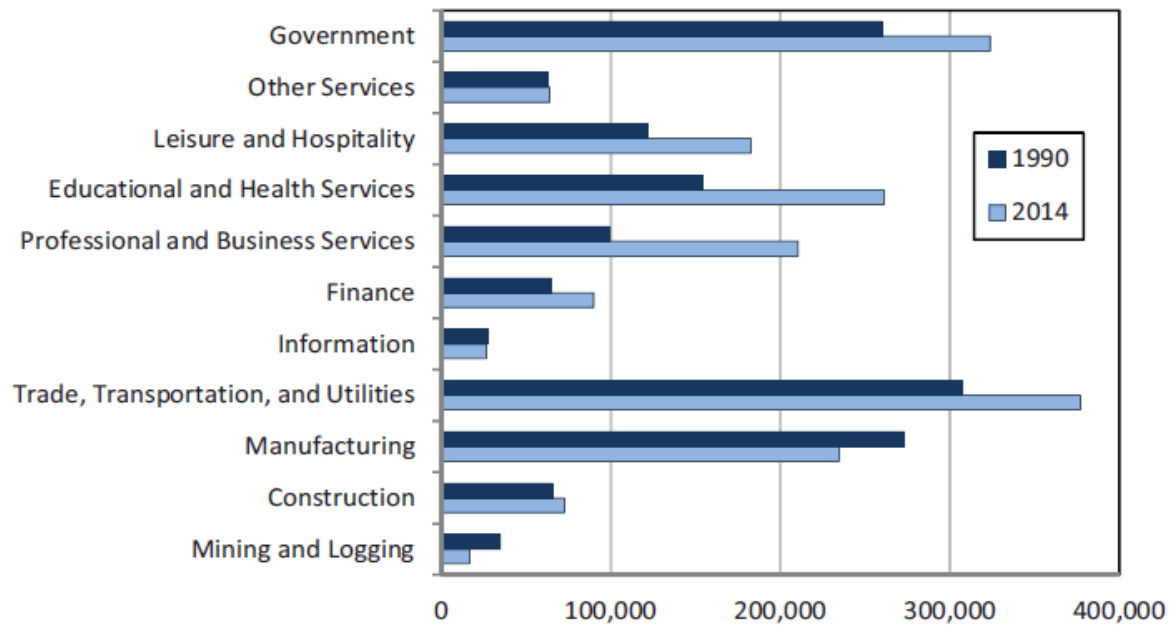
Comparing Education Indicators for Kentucky, United States, and the Top 15 States, 2009-2015 (numbers are percentages)			
Education Indicators	Kentucky	U.S.	Average for Top 15 States†
HS Diploma or Higher (2014)	88.3	88.3	91.6
Two-Year Degree (2014)	9.5	9.0	9.5
Bachelor's Degree or Higher (2014)	25.1	32.2	38.3
Adj. Cohort HS Grad Rate (2014)	87.5	81.4‡	85.9*
ACT % College/Career Ready (2015)	21.0	28.0	36.6
8th Grade Math NAEP (2015)	27.7	32.1	40.6*
8th Grade Reading NAEP (2015)	36.1	32.7	39.2*
8th Grade Science NAEP (2011)	34.0	31.8	39.0*
4th Grade Math NAEP (2015)	40.5	39.4	45.9*
4th Grade Reading NAEP (2015)	40.4	34.8	40.7*
4th Grade Science NAEP (2009)	44.7	33.7	41.2*
AP Exam Mastery (2014)	17.9	21.6	24.9

†The top 15 states are statistically significantly higher than Kentucky (using a 90% confidence interval): CO, CT, IA, MA, MD, ME, MN, ND, NE, NH, NJ, VA, VT, WA & WI.
‡The U.S. rate is for 2012-2013.
*This is the average of the state averages—not a weighted average of these 15 states.
Note: HS Diploma, Two-Year Degree, and Bachelor's Degree are for those between 25 and 54, the prime working age. The NAEP data reflect the percentage of public students scoring proficient or higher, and the U.S. data represents the National Public.

Source: CBER, 2015 Annual Report

Employment by Sector

Employment in Major Economic Sectors, Kentucky
1990 and 2014

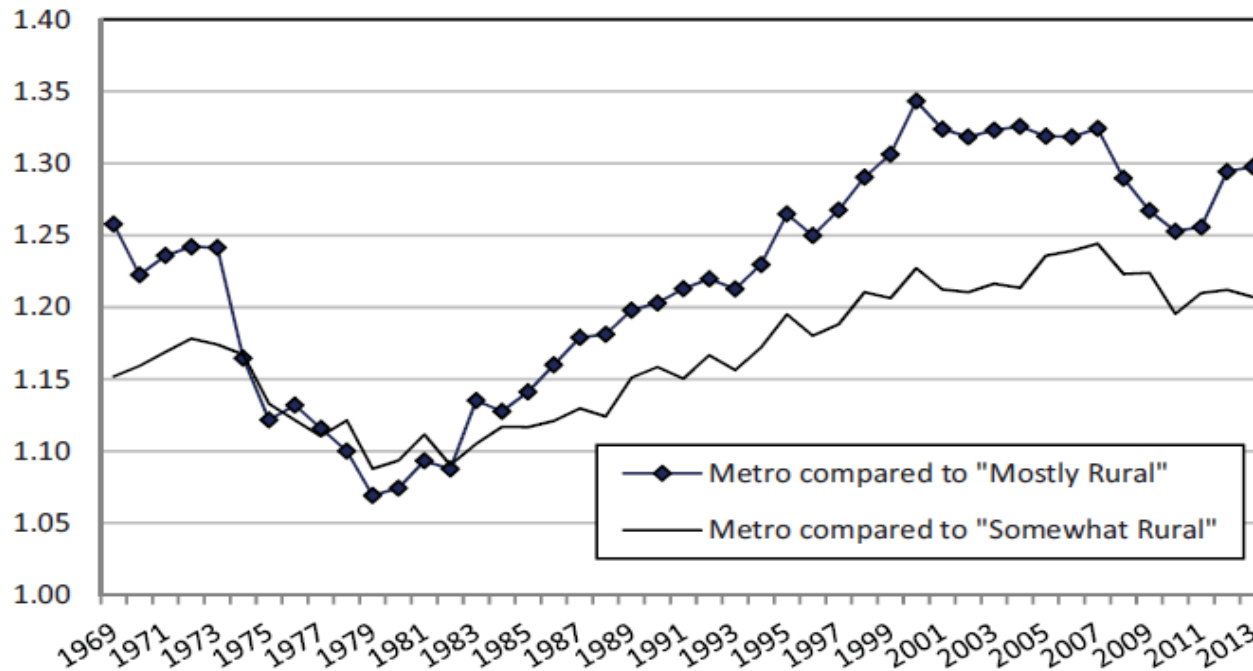


Source: U.S. Department of Labor, Bureau of Labor Statistics

Source: CBER, 2015 Annual Report

Wage Ratio – Urban vs Rural

Wage Ratio in Kentucky by Geographic Area, 1969-2013
 (Ratio Between Beale Codes 9-8-7, 6-5-4, and 3-2-1)

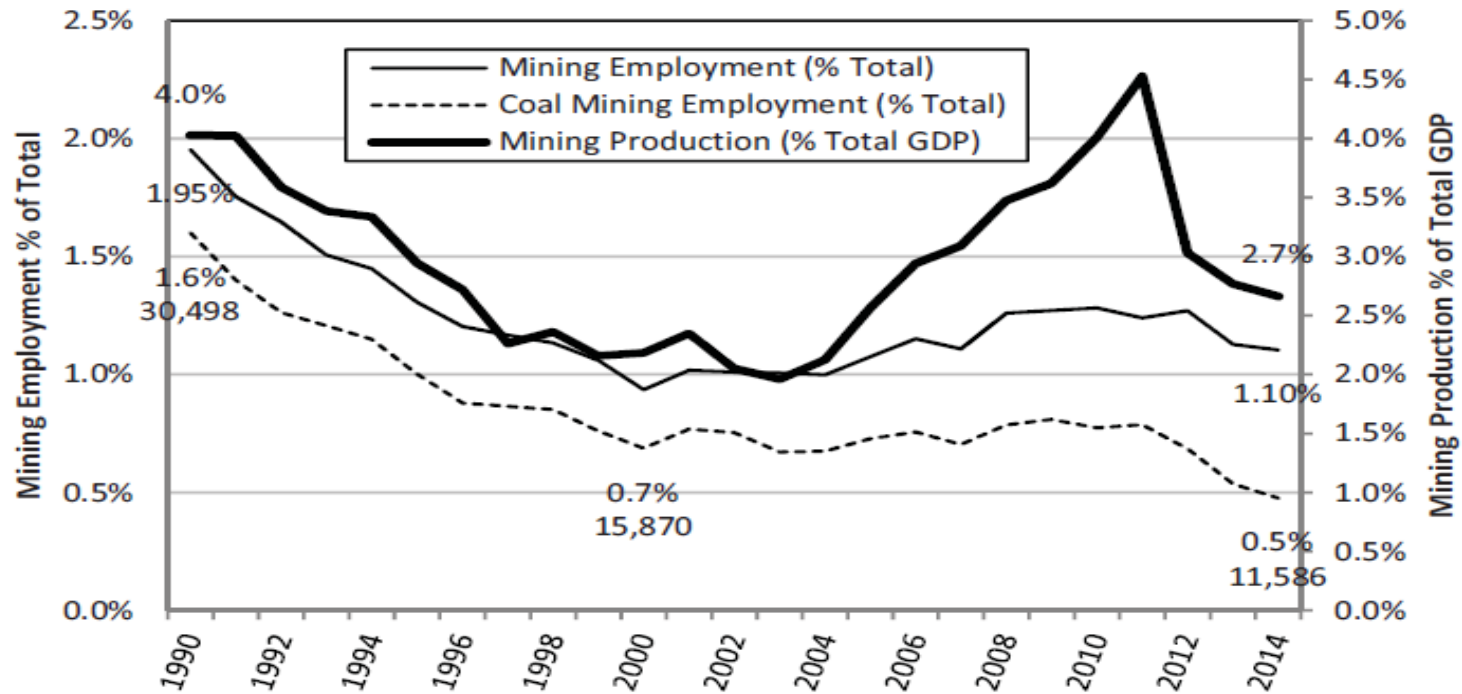


Source: Bureau of Economic Analysis, CA34, Wage and Salary Summary

Source: CBER, 2015 Annual Report

Mining Employment

Kentucky Mining Employment & Production, 1990-2014
 (% of total employment, % of total gross domestic product)

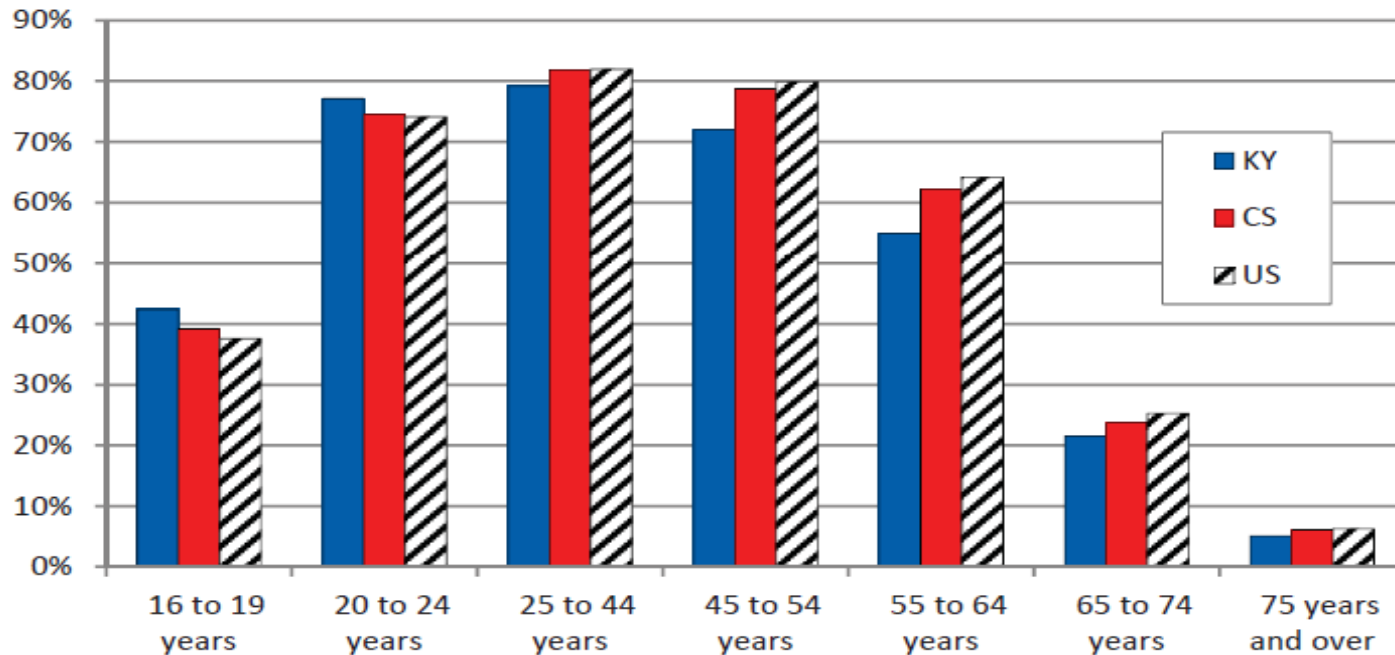


Source: Bureau of Economic Analysis & Energy Information Administration, Annual Coal Report, various years, and Kentucky Coal Facts 2015

Source: CBER, 2015 Annual Report

Labor Force Participation

**Labor Force Participation by Various Age Groups,
Kentucky, Competitor States, and the U.S., 2014**
(percent of individuals in the labor force)



Source: 2014 American Community Survey 1-Year Estimate

Source: CBER, 2015 Annual Report

Occupation Trends

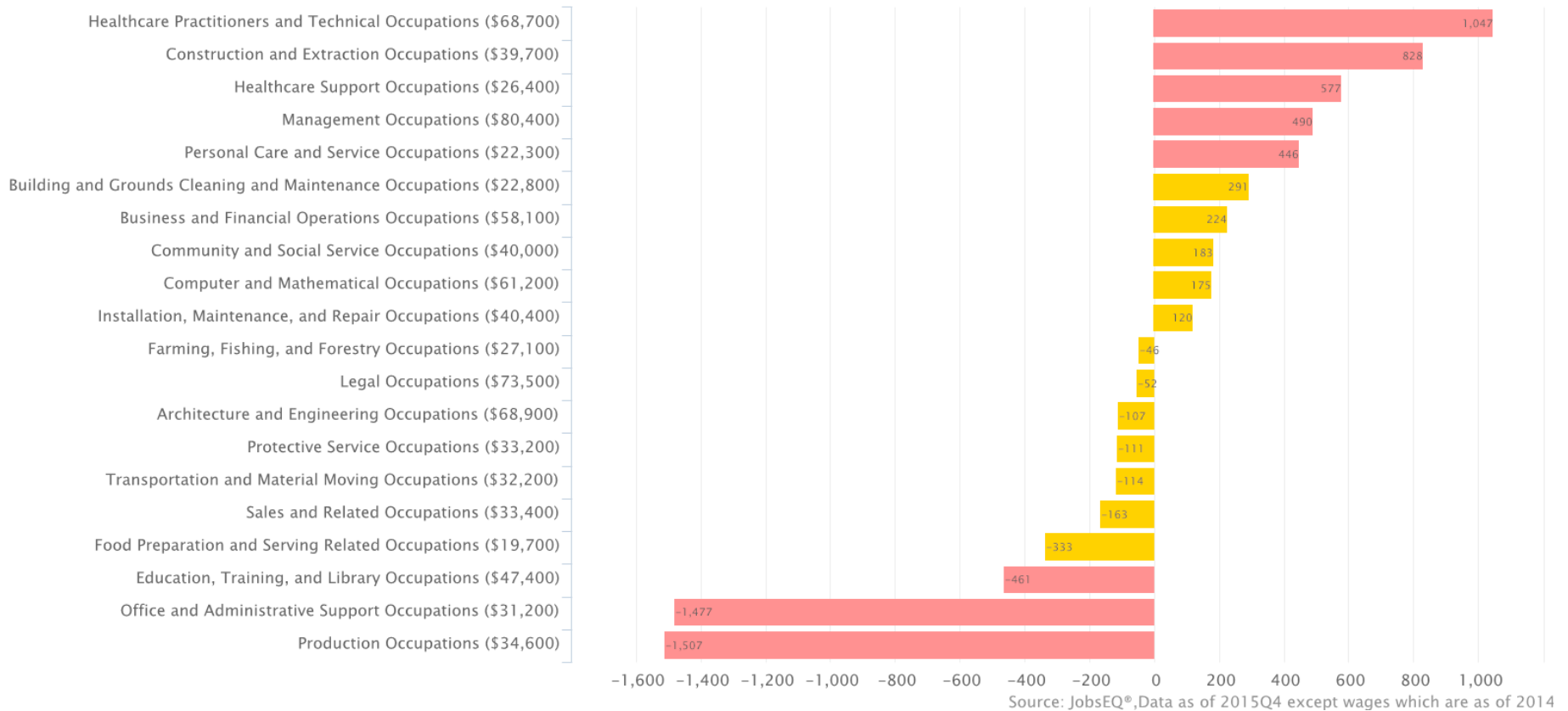


	Employment	Avg Wages	Unemp Rate	Replacement Demand	Growth Demand	Avg. Annual Growth Percent
Total - All Occupations	2,000,722	\$40,500	n/a	537,714	91,074	0.4%
Office and Administrative Support Occupations	291,830	\$32,000	4.3%	65,111	4,447	0.2%
Sales and Related Occupations	202,107	\$33,800	5.1%	66,636	9,462	0.5%
Production Occupations	178,397	\$35,100	5.2%	46,587	-7,607	-0.4%
Food Preparation and Serving Related Occupations	170,243	\$19,600	7.7%	65,877	7,796	0.4%
Transportation and Material Moving Occupations	165,354	\$32,100	6.8%	43,992	4,971	0.3%
Management Occupations	128,177	\$89,300	1.4%	47,462	1,897	0.1%
Healthcare Practitioners & Technical Occupations	118,449	\$67,900	1.4%	26,527	16,581	1.3%
Education, Training, and Library Occupations	115,413	\$47,700	1.9%	24,669	4,849	0.4%
Construction and Extraction Occupations	86,624	\$42,100	7.8%	16,432	8,351	0.9%
Business and Financial Operations Occupations	83,968	\$60,000	2.5%	19,154	6,031	0.7%
Installation, Maintenance, and Repair Occupations	79,255	\$41,800	3.3%	19,716	4,102	0.5%
Building and Grounds Maintenance Occupations	67,568	\$22,800	7.5%	15,486	3,504	0.5%
Personal Care and Service Occupations	62,784	\$22,400	5.1%	18,578	6,719	1.0%
Healthcare Support Occupations	55,053	\$26,700	5.7%	12,247	9,898	1.7%
Computer and Mathematical Occupations	42,384	\$64,700	3.2%	6,586	4,686	1.1%
Protective Service Occupations	32,589	\$34,000	4.5%	7,617	804	0.2%
Community and Social Service Occupations	31,915	\$39,800	2.1%	7,099	2,846	0.9%
Architecture and Engineering Occupations	29,277	\$71,100	2.2%	7,655	411	0.1%
Arts, Design, Entertainment, Sports Occupations	26,067	\$41,900	2.9%	9,204	233	0.1%
Life, Physical, and Social Science Occupations	12,837	\$53,900	3.2%	4,093	748	0.6%
Legal Occupations	12,322	\$74,100	1.2%	2,466	687	0.5%

Potential Occupation Gaps

Occupation Gaps

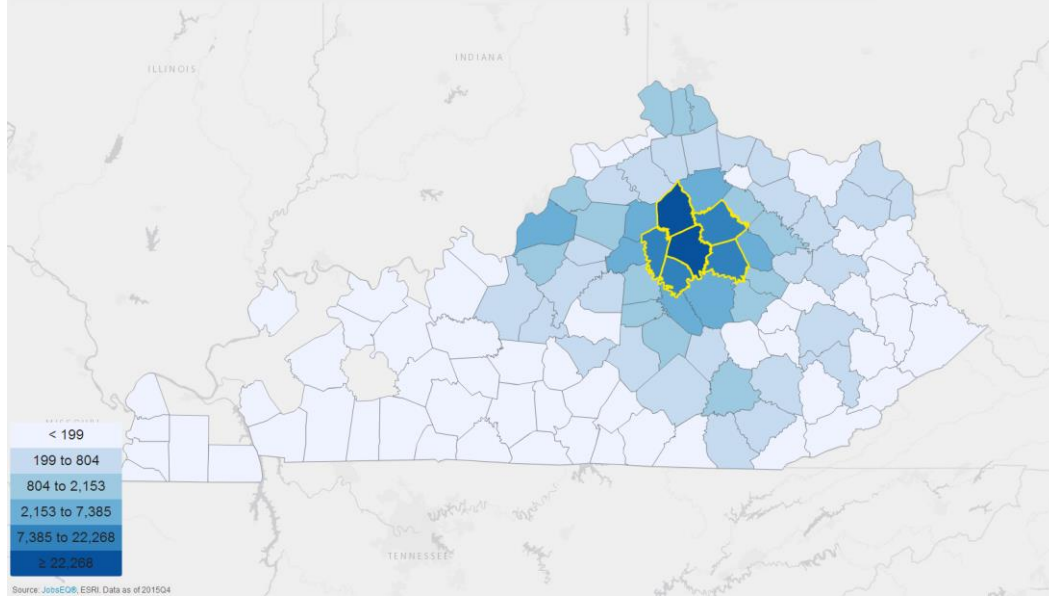
Potential Occupation Gaps over 10 Years in Kentucky



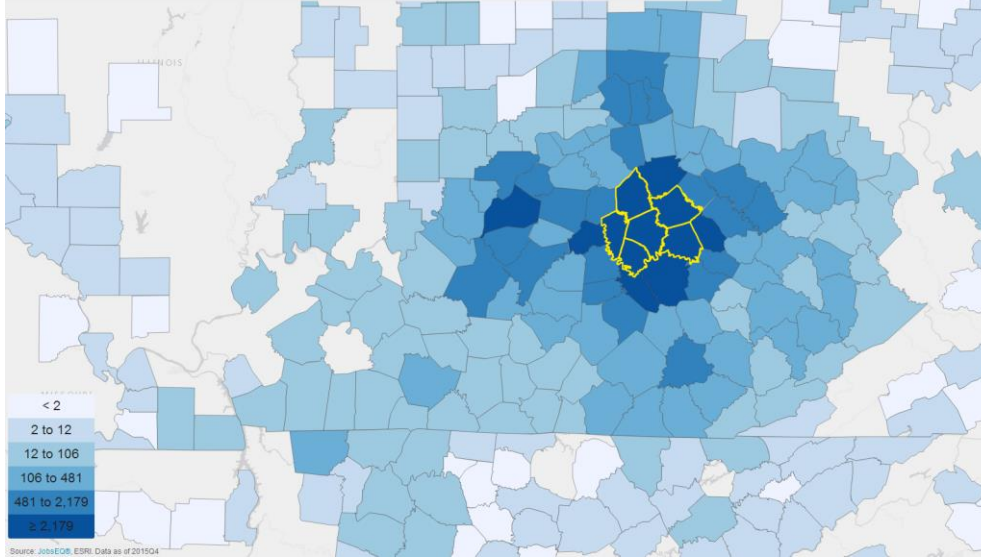
Commuting Patterns



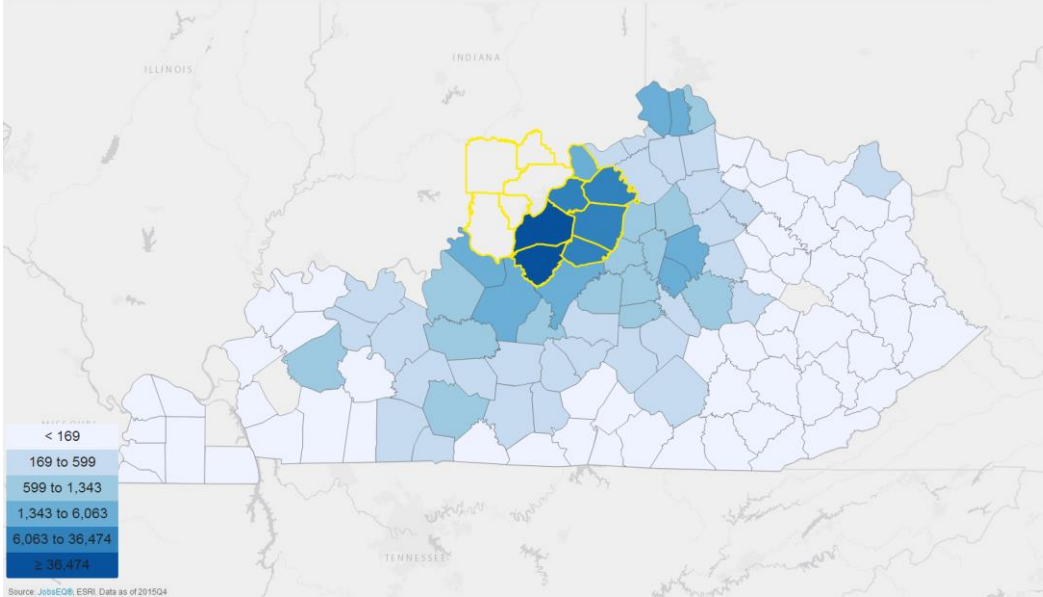
Kentucky, Number of Residents Commuting To Lexington-Fayette, KY MSA - 2015Q4



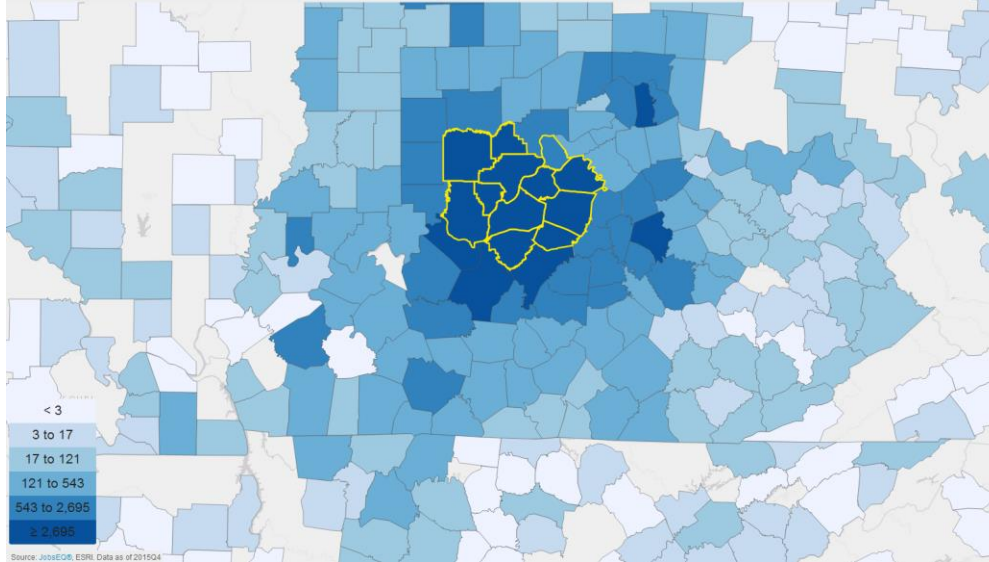
Number of Residents Commuting To Lexington-Fayette, KY MSA - 2015Q4



Kentucky, Number of Residents Commuting To Louisville/Jefferson County, KY-IN MSA - 2015Q4



Number of Residents Commuting To Louisville/Jefferson County, KY-IN MSA - 2015Q4



Future needs



10-Year Industry/Occupation Mix for Health Care and Social Assistance, Private in Kentucky, Baseline

	Title	Current Employment	Regional Average Wage ¹	10-Year Replacement Demand	10-Year Growth Demand	10-Year Total Demand
	Total	233,799		53,540	37,866	91,406
	Healthcare Practitioners and Technical Occupations	80,570	\$70,300	18,775	12,963	31,739
	Healthcare Support Occupations	43,934	\$26,800	9,974	8,399	18,374
	Office and Administrative Support Occupations	35,719	\$30,800	7,072	5,274	12,346
	Personal Care and Service Occupations	20,629	\$20,800	4,230	3,917	8,146
	Community and Social Service Occupations	12,686	\$37,000	2,919	2,232	5,150
	Management Occupations	8,142	\$86,000	2,297	1,218	3,515
	Food Preparation and Serving Related Occupations	6,651	\$21,600	2,078	773	2,850
	Education, Training, and Library Occupations	6,423	\$36,400	1,660	545	2,204
	Building and Grounds Cleaning and Maintenance Occupations	5,782	\$21,000	1,442	631	2,073
	Business and Financial Operations Occupations	3,670	\$57,900	815	530	1,345
	Installation, Maintenance, and Repair Occupations	1,734	\$39,500	462	239	701
	Transportation and Material Moving Occupations	1,603	\$29,200	384	237	622
	Life, Physical, and Social Science Occupations	1,125	\$56,300	381	221	602
	Computer and Mathematical Occupations	1,422	\$61,000	219	246	464
	Sales and Related Occupations	839	\$36,800	279	140	419
	Production Occupations	1,260	\$27,900	255	91	346
	Protective Service Occupations	858	\$25,400	136	87	223
	Arts, Design, Entertainment, Sports, and Media Occupations	423	\$48,000	87	88	175

10-Year Industry/Occupation Mix for Retail Trade, Private in Kentucky, Baseline

Title	Current Employment	Regional Average Wage ¹	10-Year Replacement Demand	10-Year Growth Demand	10-Year Total Demand
Total	210,161		69,172	10,718	79,890
Sales and Related Occupations	116,871	\$24,700	43,823	6,523	50,346
Office and Administrative Support Occupations	35,015	\$29,400	9,717	1,800	11,518
Transportation and Material Moving Occupations	13,871	\$27,300	3,979	361	4,340
Installation, Maintenance, and Repair Occupations	10,570	\$34,200	3,019	192	3,212
Food Preparation and Serving Related Occupations	6,851	\$19,400	2,462	498	2,960
Healthcare Practitioners and Technical Occupations	8,056	\$63,100	1,295	306	1,601
Management Occupations	4,874	\$92,900	1,302	242	1,543
Production Occupations	5,084	\$29,000	1,219	292	1,511
Building and Grounds Maintenance Occupations	2,018	\$22,800	437	277	714
Business and Financial Operations Occupations	1,770	\$58,000	469	148	617
Arts, Design, Entertainment, Sports Occupations	1,365	\$31,100	527	-36	491
Personal Care and Service Occupations	1,077	\$23,300	391	14	405
Protective Service Occupations	759	\$30,000	140	23	163
Computer and Mathematical Occupations	467	\$56,900	76	81	156
Healthcare Support Occupations	610	\$23,300	115	-26	89
Construction and Extraction Occupations	413	\$35,900	72	4	76

Key themes



Important Issues Moving Forward

- Minimum Wage Laws
- Labor Force Participation Rate
- Substance Abuse Issues
- Affordable Care Act



Any Questions?

THANK YOU!
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