

LABOR MARKET REVIEW

Economic Growth Region 10

Statistical Data Report for January 2018, Released March 2018

State Employment and Unemployment

Unemployment rates were lower in January in 6 states and the District of Columbia and stable in 44 states, the U.S. Bureau of Labor Statistics reported. Sixteen states had jobless rate decreases from a year earlier and 34 states and the District had little or no change. The national unemployment rate was unchanged from December at 4.1 percent but was 0.7 percentage point lower than in January 2017.

Nonfarm payroll employment increased in 3 states in January 2018, decreased in 1 state, and was essentially unchanged in 46 states and the District of Columbia. Over the year, 21 states added nonfarm payroll jobs and 29 states and the District were essentially unchanged.

Hawaii had the lowest unemployment rate in January, 2.1 percent. The rates in Alabama (3.7 percent), California (4.4 percent), Maine (3.0 percent), and Mississippi (4.6 percent) set new series lows. (All state series begin in 1976.) Alaska had the highest jobless rate, 7.3 percent. In total, 18 states had unemployment rates lower than the U.S. figure of 4.1 percent, 9 states and the District of Columbia had higher rates, and 23 states had rates that were not appreciably different from that of the nation.



Economic Growth Region (EGR) 10

Clark, Crawford, Floyd, Harrison, Scott, and Washington Counties

Unemployment Rates by State (seasonally adjusted): January 2018

U.S. - 4.1%

Illinois - 4.8%

Indiana - 3.3%

Kentucky - 4.3%

Michigan - 4.7%

Ohio - 4.7%

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

Unemployment Rank by County (of 92 counties): January 2018

#2 - Crawford (5.4%)

#29 - Washington (4.1%)

#36 - Scott (3.9%)

#41 - Harrison (3.7%)

#57 - Clark (3.4%)

#61 - Floyd (3.3%)

Source: Indiana Department of Workforce Development, Research and Development, Local Area Unemployment Statistics

January 2018 Labor Force Estimates (not seasonally adjusted)						
Area	Labor Force	Employed	Unemployed	Jan-18	Dec-17	Jan-17
U.S.	160,037,000	152,848,000	7,189,000	4.5%	3.9%	5.1%
IN	3,267,470	3,151,121	116,349	3.6%	3.1%	4.5%
EGR 10	148,326	143,046	5,280	3.6%	3.1%	4.4%
Clark Co.	59,737	57,722	2,015	3.4%	3.0%	4.2%
Crawford Co.	4,829	4,568	261	5.4%	4.6%	6.7%
Floyd Co.	40,403	39,075	1,328	3.3%	3.0%	4.1%
Harrison Co.	19,725	18,991	734	3.7%	3.2%	4.5%
Scott Co.	10,303	9,901	402	3.9%	3.4%	4.6%
Washington Co.	13,329	12,789	540	4.1%	3.3%	4.7%
Corydon	1,377	1,325	52	3.8%	3.2%	6.0%
Jeffersonville	24,617	23,809	808	3.3%	3.0%	4.0%
New Albany	18,344	17,673	671	3.7%	3.3%	4.6%
Salem	2,640	2,490	150	5.7%	4.7%	5.7%
Scottsburg	2,662	2,550	112	4.2%	3.6%	4.9%

Source: Indiana Department of Workforce Development, Research & Analysis, Local Area Unemployment Statistics | Unemployment Statistics Released: 02/18 | Notes: The data displayed are presented as estimates only. The most recent month's data are always preliminary and are revised when the next month's data are released.

Consumer Price Index (CPI-U Change), Unadjusted Percent Change to January 2018 from				
CPI Item	Jan-17	Dec-17	Jan-17	Dec-17
	U.S. City		Midwest Region*	
All Items	2.1%	0.5%	1.6%	0.6%
Food & Beverages	1.6%	0.4%	1.3%	0.4%
Housing	2.8%	0.4%	2.1%	0.4%
Apparel	-0.7%	1.4%	2.4%	2.1%
Transportation	3.0%	1.1%	2.4%	1.6%
Medical Care	2.0%	0.7%	0.4%	0.2%
Recreation	1.1%	0.3%	2.9%	0.7%
Education & Communication	-1.7%	0.0%	-1.8%	0.0%
Other Goods & Services	2.4%	0.4%	1.5%	0.2%

*Midwest region = Midwest Urban Average. Midwest Region includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin | Source: U.S. Bureau of Labor Statistics

Unemployment Claims: January 2018

Region 10

Initial Claims

01/06/18 - 268
01/13/18 - 206(D)
01/20/18 - 118(D)
01/27/18 - 128

Continued Claims

01/06/18 - 686
01/13/18 - 754
01/20/18 - 819
01/27/18 - 808

Total Claims

01/06/18 - 954
01/13/18 - 960
01/20/18 - 937
01/27/18 - 936

State of Indiana

Initial Claims

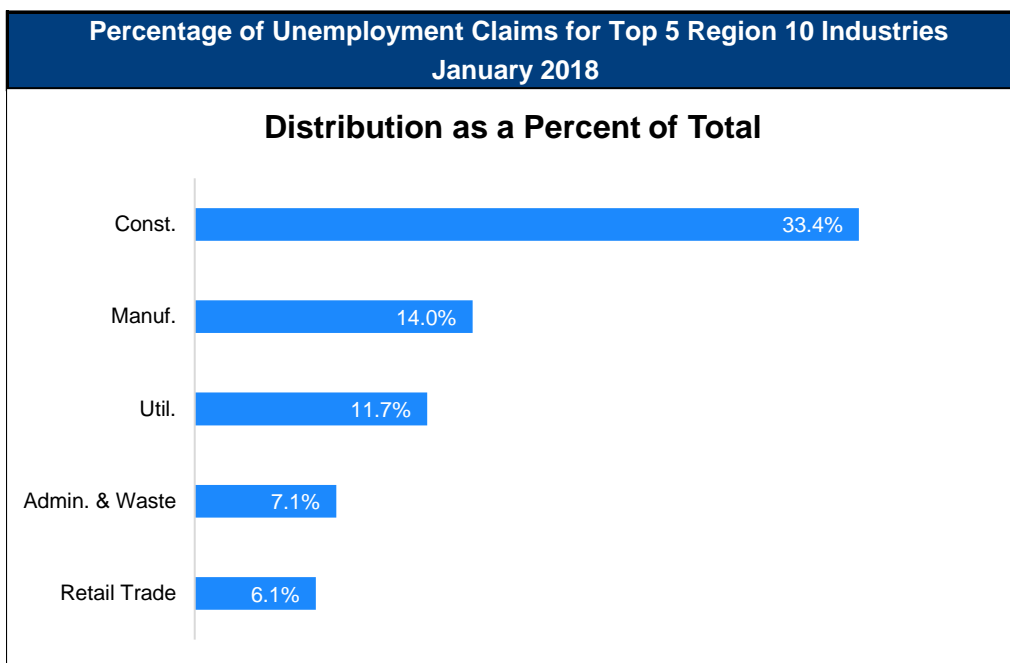
01/06/18 - 6,122
01/13/18 - 5,241
01/20/18 - 3,289
01/27/18 - 3,169

Continued Claims

01/06/18 - 20,800
01/13/18 - 21,385
01/20/18 - 22,249
01/27/18 - 22,366

Total Claims

01/06/18 - 26,922
01/13/18 - 26,626
01/20/18 - 25,538
01/27/18 - 25,535



Source: Indiana Department of Workforce Development, Research and Analysis

WARN Notices

WARN Notices for Region 10 for January 2018				
Company	City	County	# of workers affected	Notice Date

There are no WARN Notices for January 2018 for EGR 10.

Source: Indiana Department of Workforce Development, WARN Notices | For information on WARN Act requirements, you may go to the U.S. Department of Labor Employment Training Administration Fact Sheet:

<https://www.dolela.gov/programs/factsht/warn.htm>

(D) indicates item is affected by non-disclosure issues relating to industry or ownership status |

Source: Indiana Department of Workforce Development, Research and Development

Frequently Listed Jobs	
Top 20 job listings in Region 10 in the past month	
Rank	Occupations
1	Combined Food Preparation and Serving Workers, Including Fast Food
2	Heavy and Tractor-Trailer Truck Drivers
3	Cartographers and Photogrammetrists
4	Registered Nurses
5	Cooks, Fast Food
6	Home Health Aides
7	Material Moving Workers, All Other
8	Licensed Practical and Licensed Vocational Nurses
9	Stock Clerks- Stockroom, Warehouse, or Storage Yard
10	Therapists, All Other
11	Retail Salespersons
12	Production Workers, All Other
13	Lawyers
14	Legal Support Workers, All Other
15	Social and Human Service Assistants
16	Chief Executives
17	First-Line Supervisors of Production and Operating Workers
18	Healthcare Practitioners and Technical Workers, All Other
19	Police Patrol Officers
20	Computer User Support Specialists

Source: Indiana Workforce Development, Indiana Career Connect

Applicant Pool	
Top 20 occupations desired by applicants on their resumes in the past 12 months	
Occupations	# of applicants
Production Workers, All Other	409
Assemblers and Fabricators, All Other	287
Customer Service Representatives	284
Helpers--Production Workers	251
Cashiers	176
Managers, All Other	171
Laborers and Freight, Stock, and Material Movers, Hand	170
Office Clerks, General	157
Heavy and Tractor-Trailer Truck Drivers	137
Welders, Cutters, Solderers, and Brazers	132
Nursing Assistants	130
Stock Clerks and Order Fillers	127
Office and Administrative Support Workers, All Other	115
Receptionists and Information Clerks	112
Executive Secretaries and Executive Administrative Assistants	92
First-Line Supervisors of Production and Operating Workers	91
Retail Salespersons	91
Construction and Related Workers, All Other	87
Industrial Truck and Tractor Operators	86
Extraction Workers, All Other	80

Source: Indiana Workforce Development, Indiana Career Connect

Louisville Metro Forecasts 2018

Indiana Business Review

Uric Dufrene, Ph.D. Executive Vice Chancellor for Academic Affairs and Sanders Chair in Business, Indiana University Southeast, New Albany
<http://www.ibrc.indiana.edu/ibr/2017/outlook/louisville.html>

There is general optimism regarding the nation's economy as we move toward 2018.

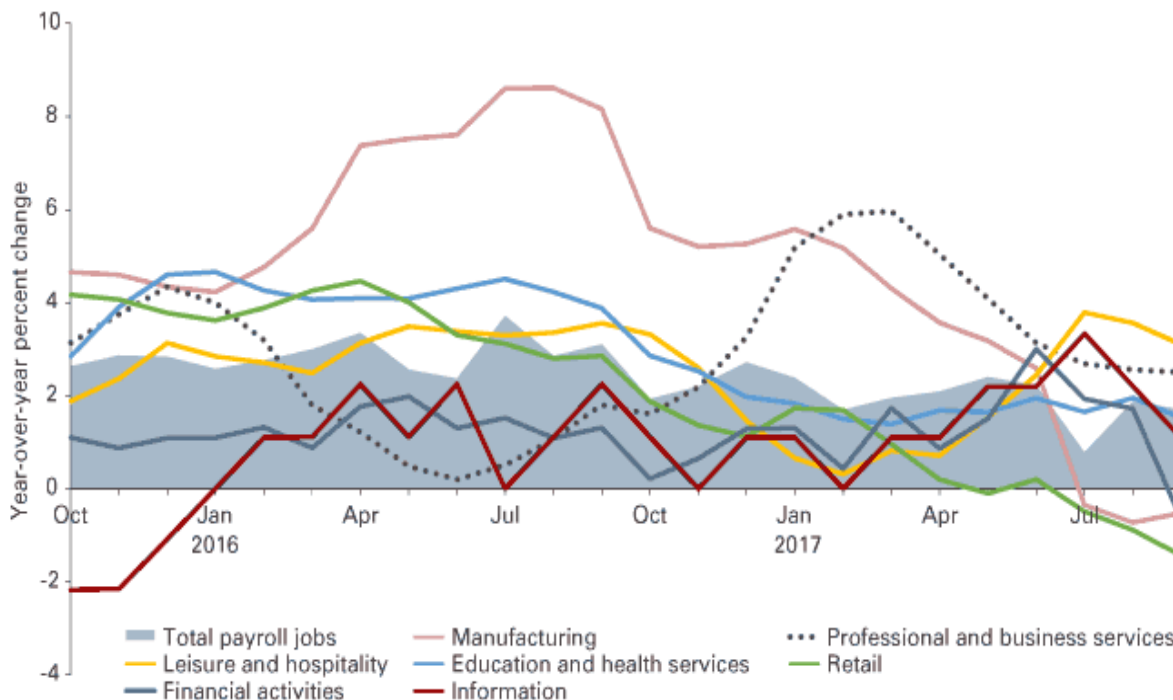
The Dow Jones Industrial Average is at an all-time high. Consumer confidence exceeds the highest level just prior to the Great Recession. New claims for unemployment are at the lowest levels since the 1970s, and the last quarter of GDP growth is the highest since 2014. Industrial production continues to trend upward, as well as durable goods orders, which is a key manufacturing-sensitive indicator.

Despite these favorable national indicators, year-over-year growth in the Louisville metro is among the lowest in several years, and the most recent available data for Southern Indiana show the smallest increase in payrolls since 2012. National trends point to stronger growth locally, but there are some caveats to what should be an otherwise favorable regional outlook.

Louisville payrolls

The most recent quarter (July through September) registered a year-over-year change in payrolls of almost 10,000, representing the lowest change of payrolls since early 2013. The September year-to-date change in payrolls is now at 6,000—the lowest since 2011.

A closer look at sector growth provides additional insights. Manufacturing sector payroll growth is recently negative, despite a key national manufacturing indicator that is at its highest since 2005. Last year, retail growth was in positive territory, but is now shedding jobs with year-over-year growth at negative levels. Professional and business services was showing the highest percentage change of all sectors last year, but has now slowed to a level that just exceeds overall job growth. Education and health services consistently exceeded overall job growth last year, but has also slowed to a level that is the same as total payroll growth. Financial activities and information are also slowing.



Last year, this economist expected national manufacturing growth to accelerate, and this was expected to show up locally through additional jobs on manufacturing payrolls. Nationally, manufacturing is on the increase, evident through indicators such as the Institute for Supply Management (ISM) index, but the growth in payroll jobs has yet to be observed locally. The combination of declining manufacturing and decelerating growth in professional and business services contributes to the explanation of the less-than-expected Louisville growth in jobs.

Southern Indiana

The situation is no different in Southern Indiana. The most recent available payroll growth at the county level shows the smallest change in payrolls since 2012. The first quarter of 2017 showed jobs grew by only 799, considerably less than the quarterly average of 2,785 during 2016. The source of the impressive growth observed for Southern Indiana in the past several years has been Clark County, which has accounted for a significant share of overall payroll gains. Likewise, it is now the source of the payrolls slowdown. During the last quarter of 2016, Clark County payrolls grew by approximately 400, considerably under the totals that averaged almost 2,000 in the prior three quarters. During the first quarter of 2017, Clark County lost 165 payrolls.

Clark County transportation and warehousing lost 490 jobs, explaining the overall job loss for Clark County and the slowdown for Southern Indiana. Manufacturing growth had been a positive contributor to overall Southern Indiana growth, but the latest quarter shows a small decline of 23 jobs, marking the first decline in Southern Indiana manufacturing since 2010.

Possible explanation of the slowdown

The Louisville-Southern Indiana Outlook has previously discussed the labor force growth challenges of Southern Indiana. The region's labor force growth may not be sufficient to support the anticipated job growth associated with assets such as the River Ridge Commerce Center. We may now be seeing that impact on overall job growth. Labor force growth in Southern Indiana has declined from recent years. With record low unemployment rates, the region is seeing a smaller labor pool available to fill vacant positions.

As evidence, the number of unemployed totaled slightly more than 5,000 across the five Southern Indiana Louisville metro counties. Burning Glass Labor Insight data indicate that the number of job postings for the past 90 days (October 2017) across the five counties totaled almost 5,000, with the largest occupation openings in heavy and tractor trailer truck drivers. Burning Glass Labor Insight data also show 610 openings for truck drivers across Southern Indiana. As we recall, transportation and warehousing was also the largest contributor of overall job losses, both in Clark County and Southern Indiana, during the first quarter of 2017.

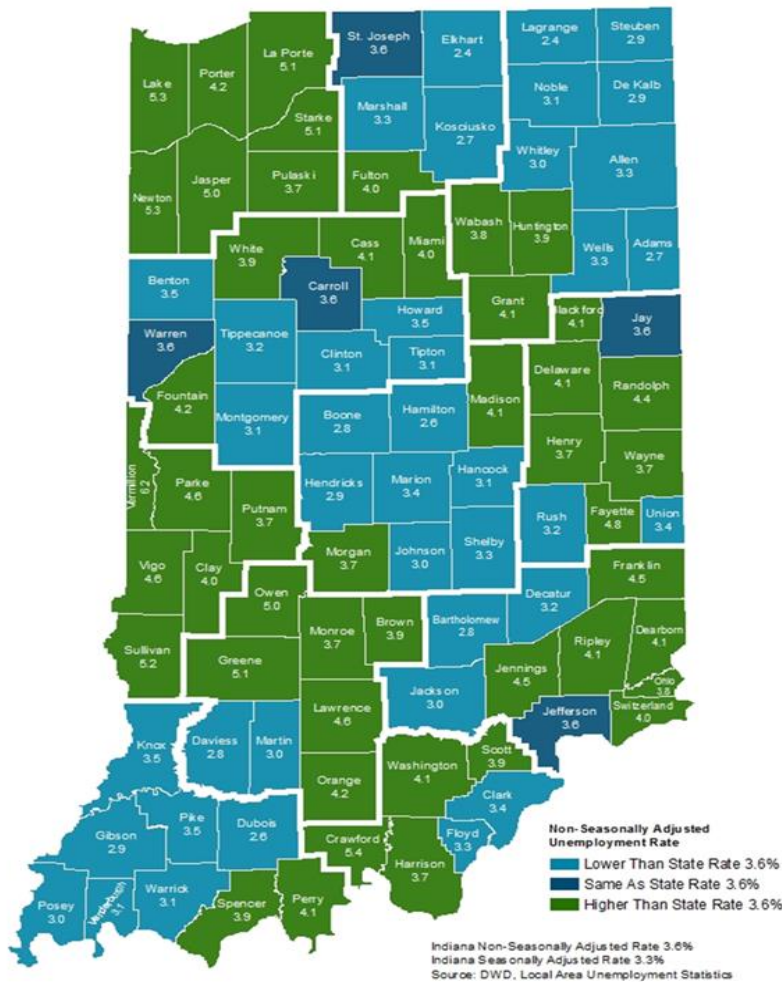
Summary

Last year, our forecast for the region was quite optimistic. Stronger national growth was supposed to contribute to stronger regional growth in manufacturing and consumer-related sectors, such as transportation and warehousing. For the most part, national growth is occurring as expected. However, the traditional linkage from the national to local economy has perhaps been strained. Stronger manufacturing growth at the national level has not produced growth at the local level, and stronger national consumer confidence and retail sales have not contributed to key regional sectors, such as transportation and warehousing.

The real question is whether the region has now hit a roadblock to potential job growth due to the lack of robust labor force growth. That remains to be seen, but the region is now facing significant headwinds to overall job growth. Creative strategies to attract and retain residents will be critical. While the overall economic outlook is favorable, the local impact of this positive economic outlook will rest on the region's ability to grow its labor force.

Source: <http://www.ibrc.indiana.edu/ibr/2017/outlook/louisville.html>

County Unemployment Rates January 2018



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Questions?

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