

# **Lexington's Labor Market**

## **Economic Development Investment Board Meeting**

**March 5, 2024**

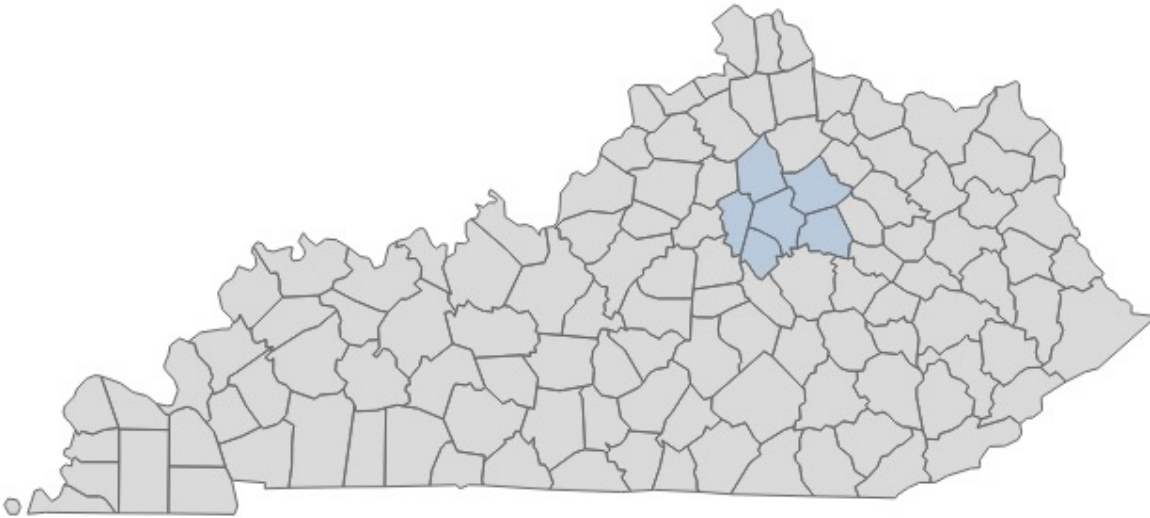
Katie Scott, MA  
Senior Economist, Center for Business and Economic  
Research  
[katie.scott@uky.edu](mailto:katie.scott@uky.edu)  
859 218 3315



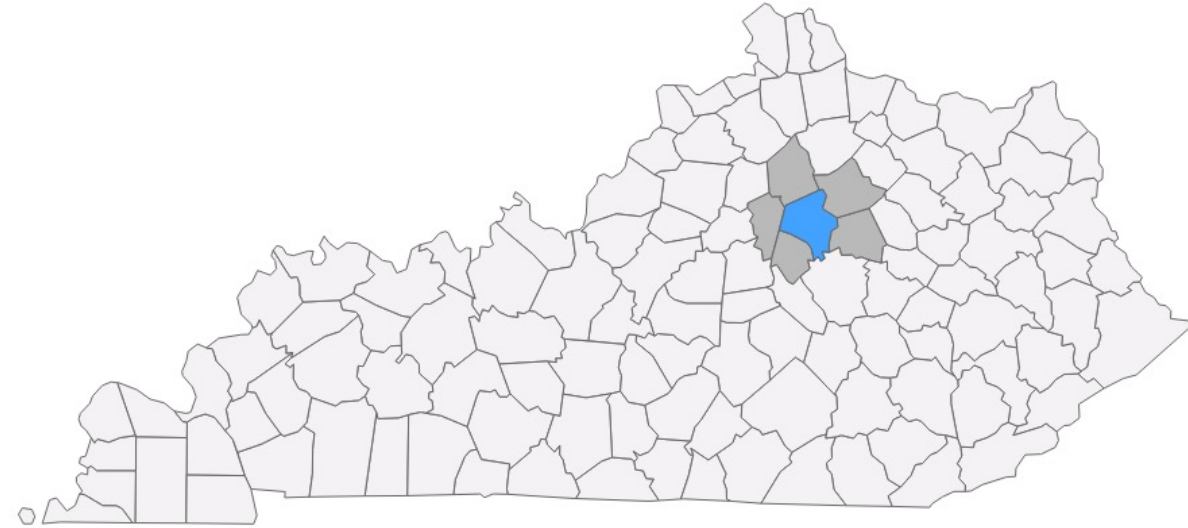
# QCEW Data: Comparing Geographies

---

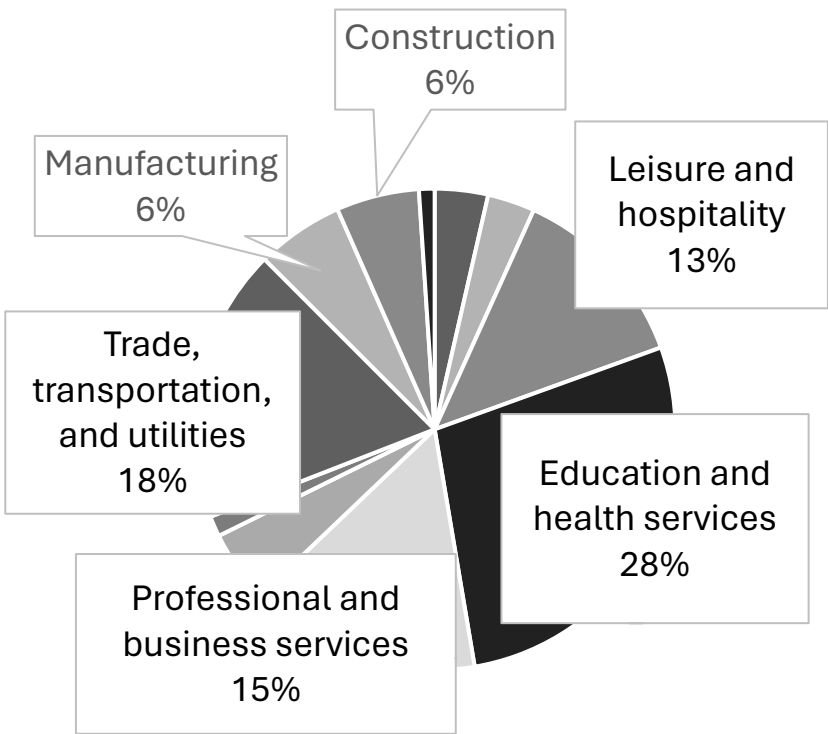
## The Lexington-Fayette MSA



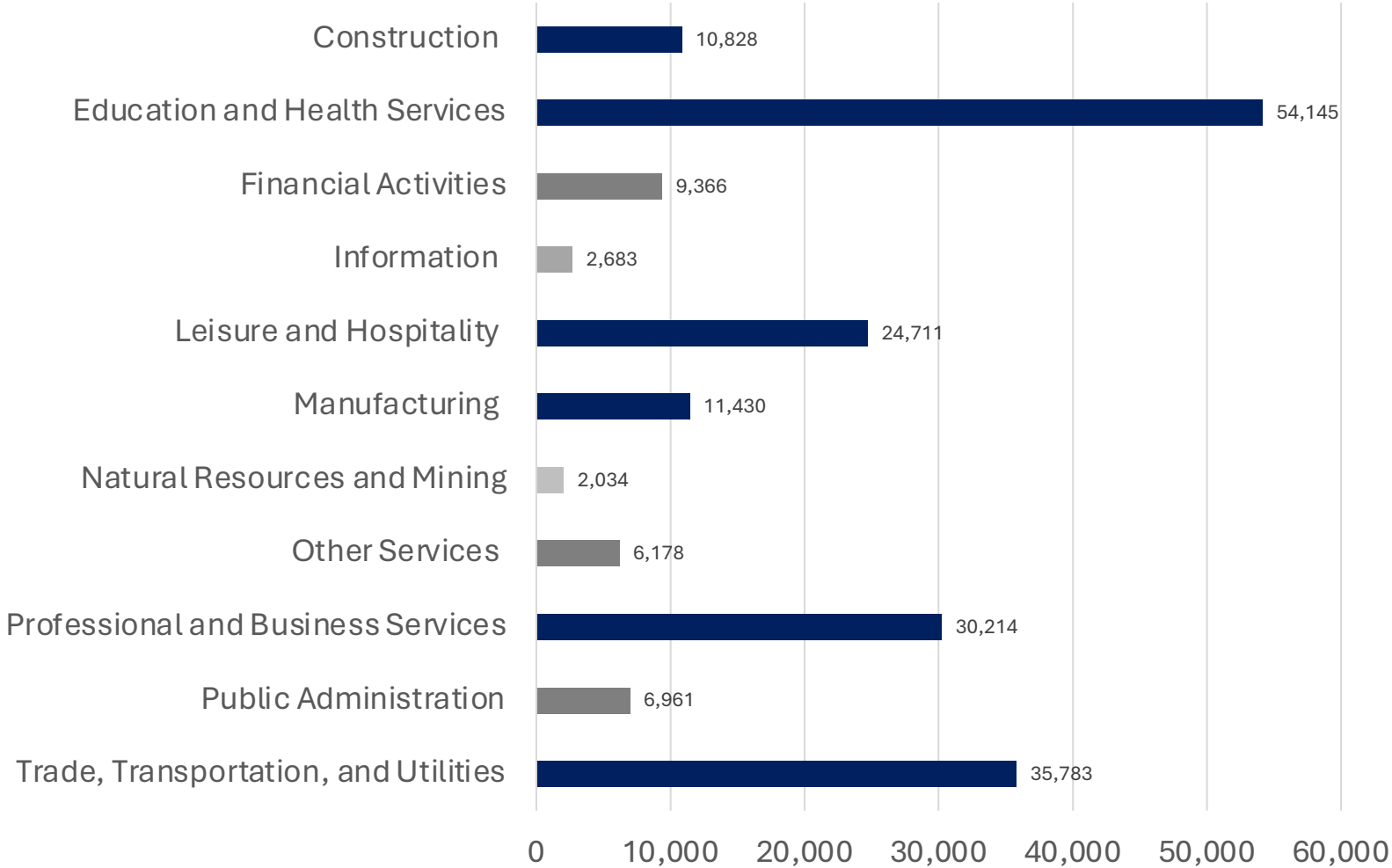
## Lexington compared to the MSA



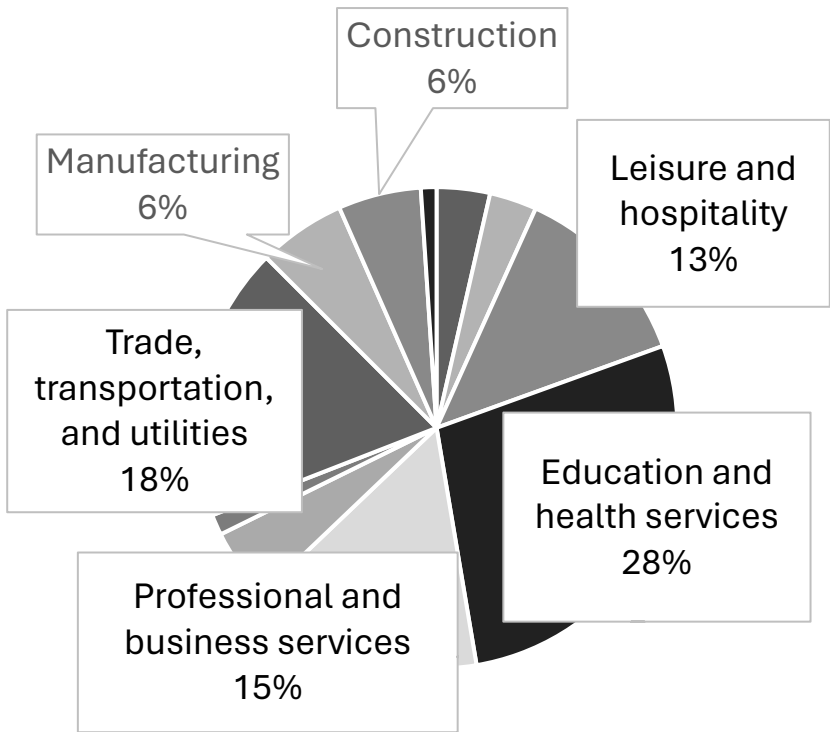
# Lexington Labor Market Snapshot: **Employment**



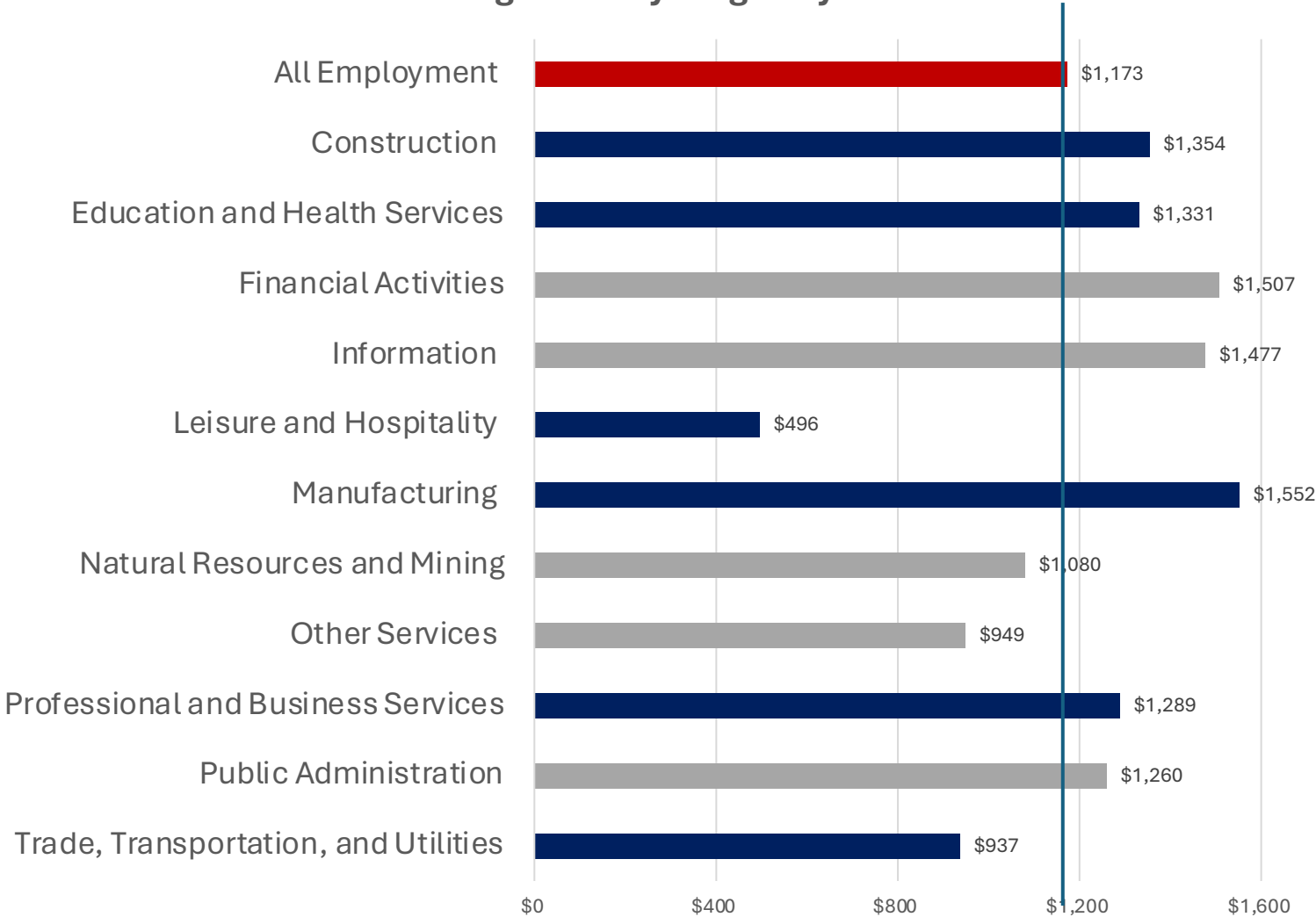
Lexington Jobs by Sector



# Lexington Labor Market Snapshot: **Average Weekly Wages**

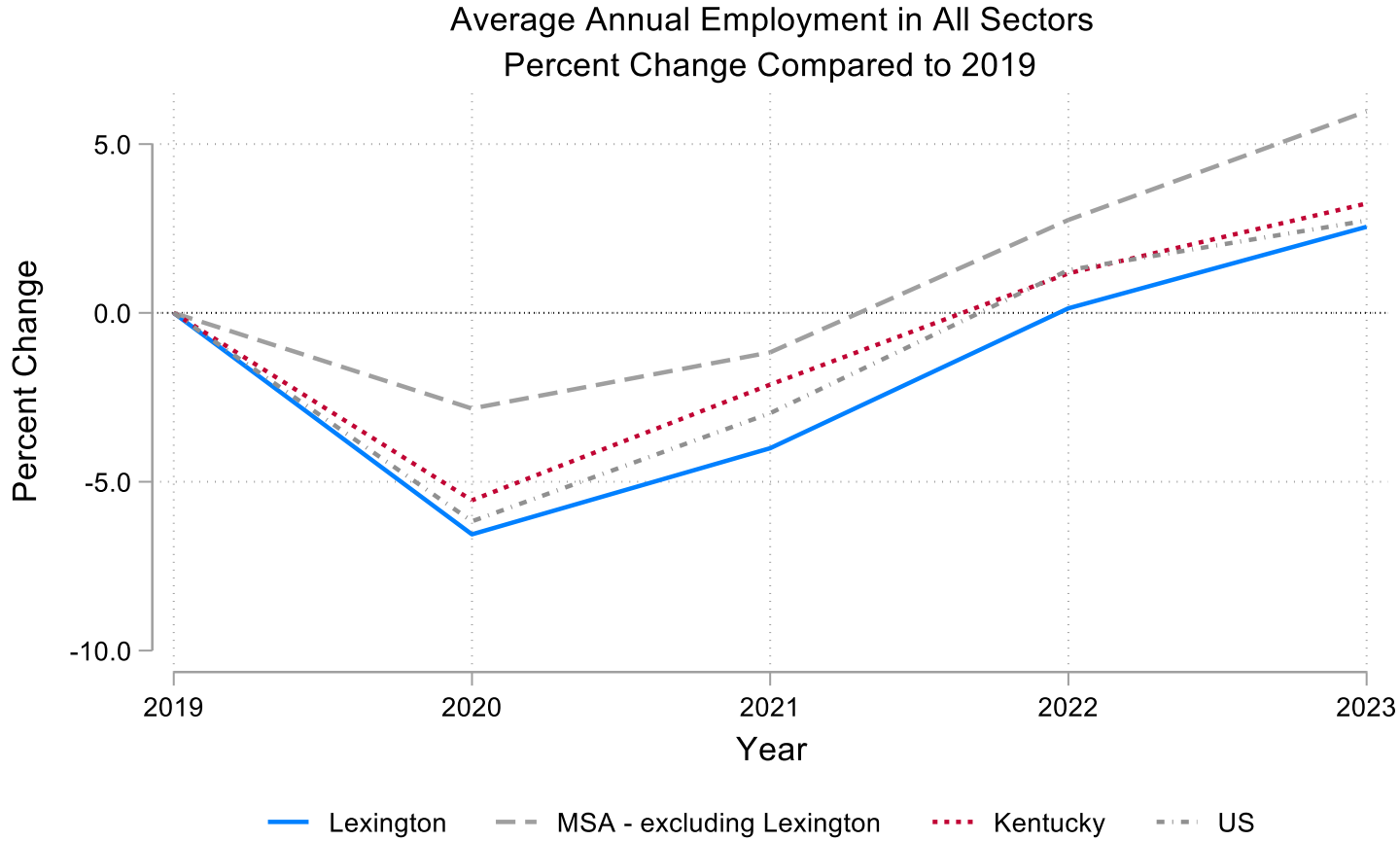
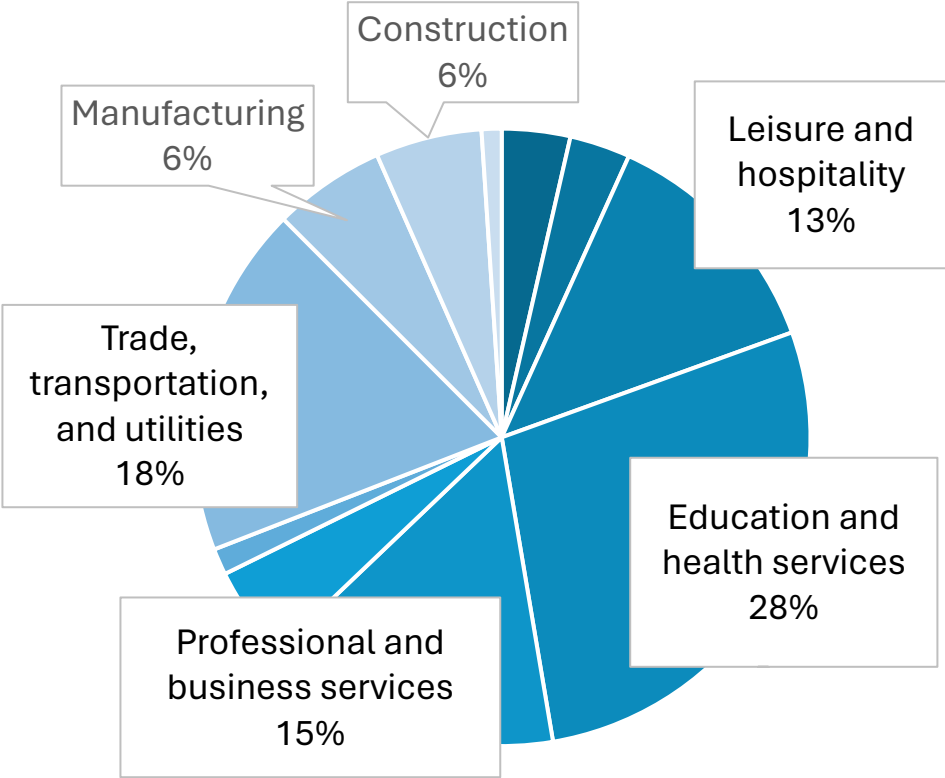


**Average Weekly Wages by Sector**



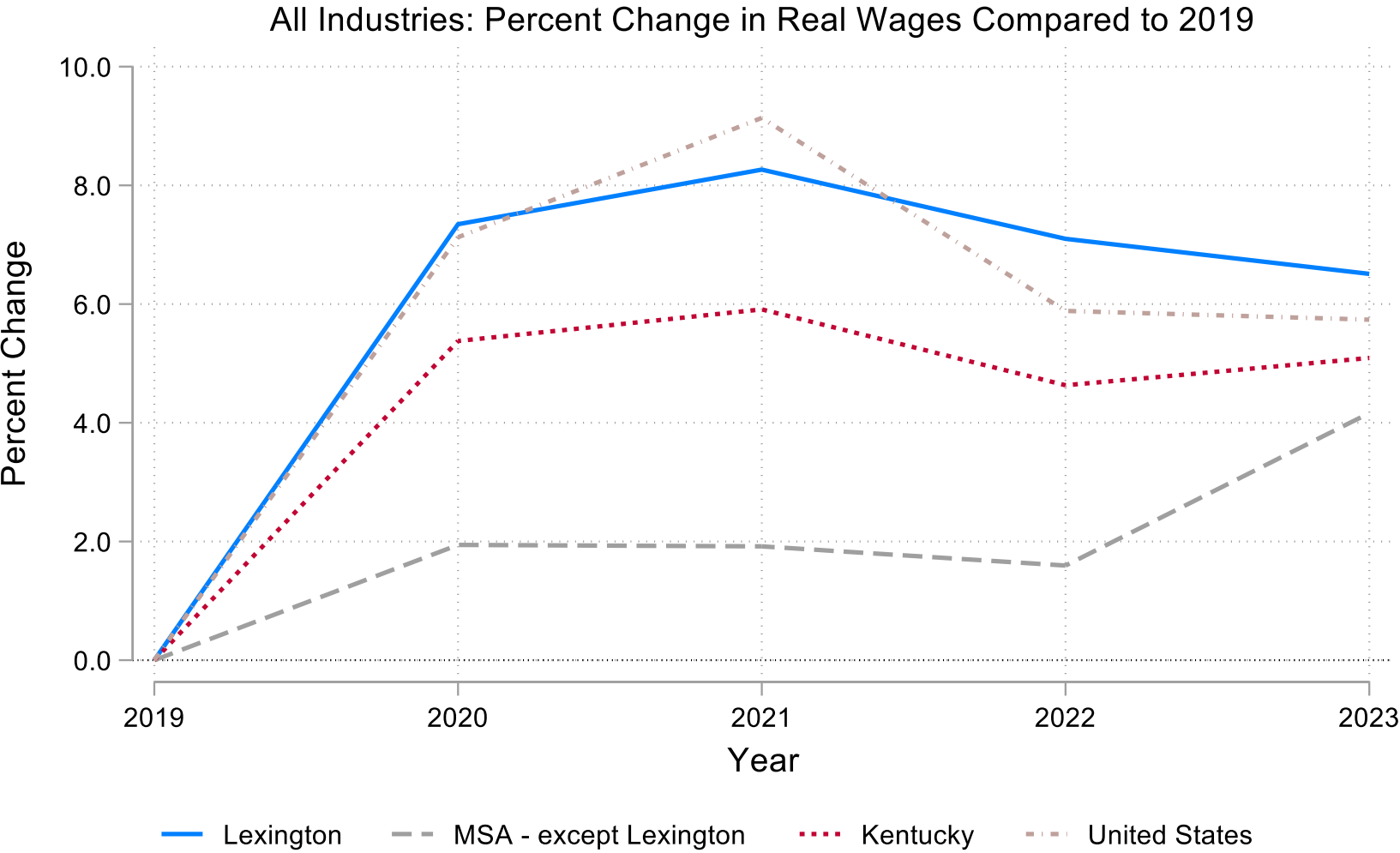
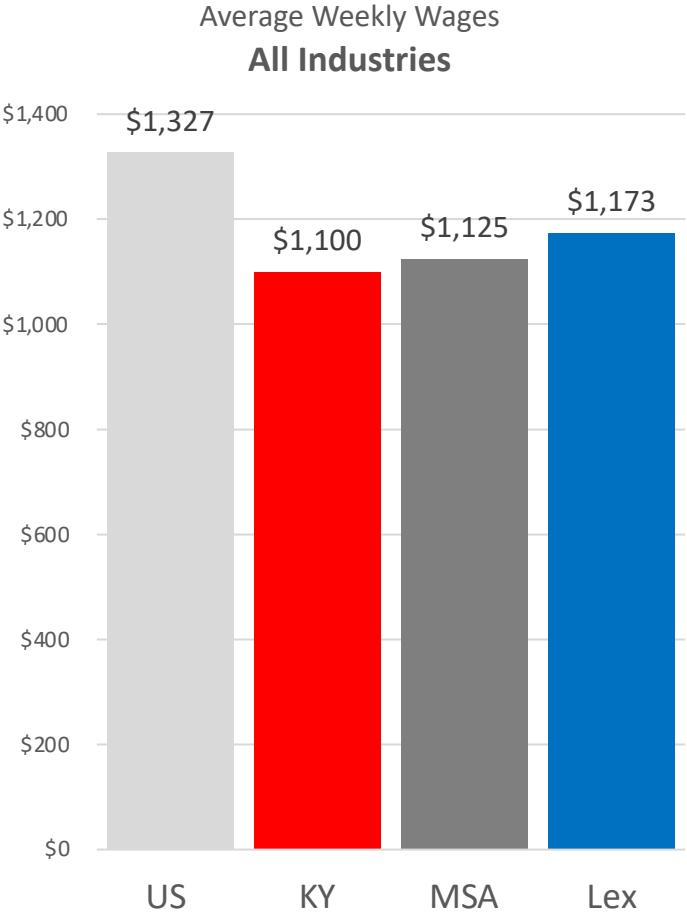
# Lexington's Labor Market since the COVID-19 Pandemic 2019 to Q2-2023

# Overall Employment



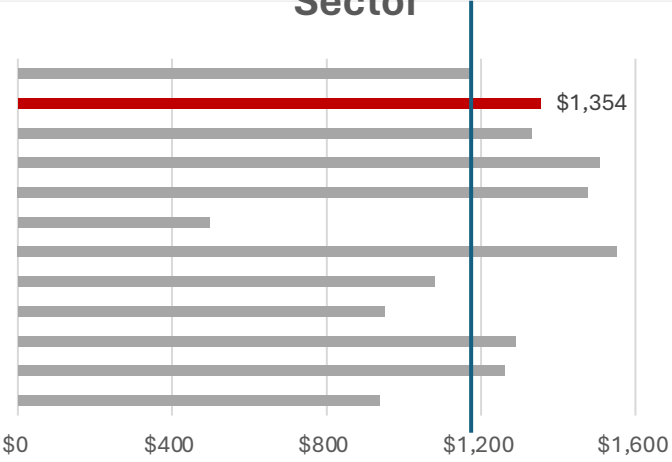
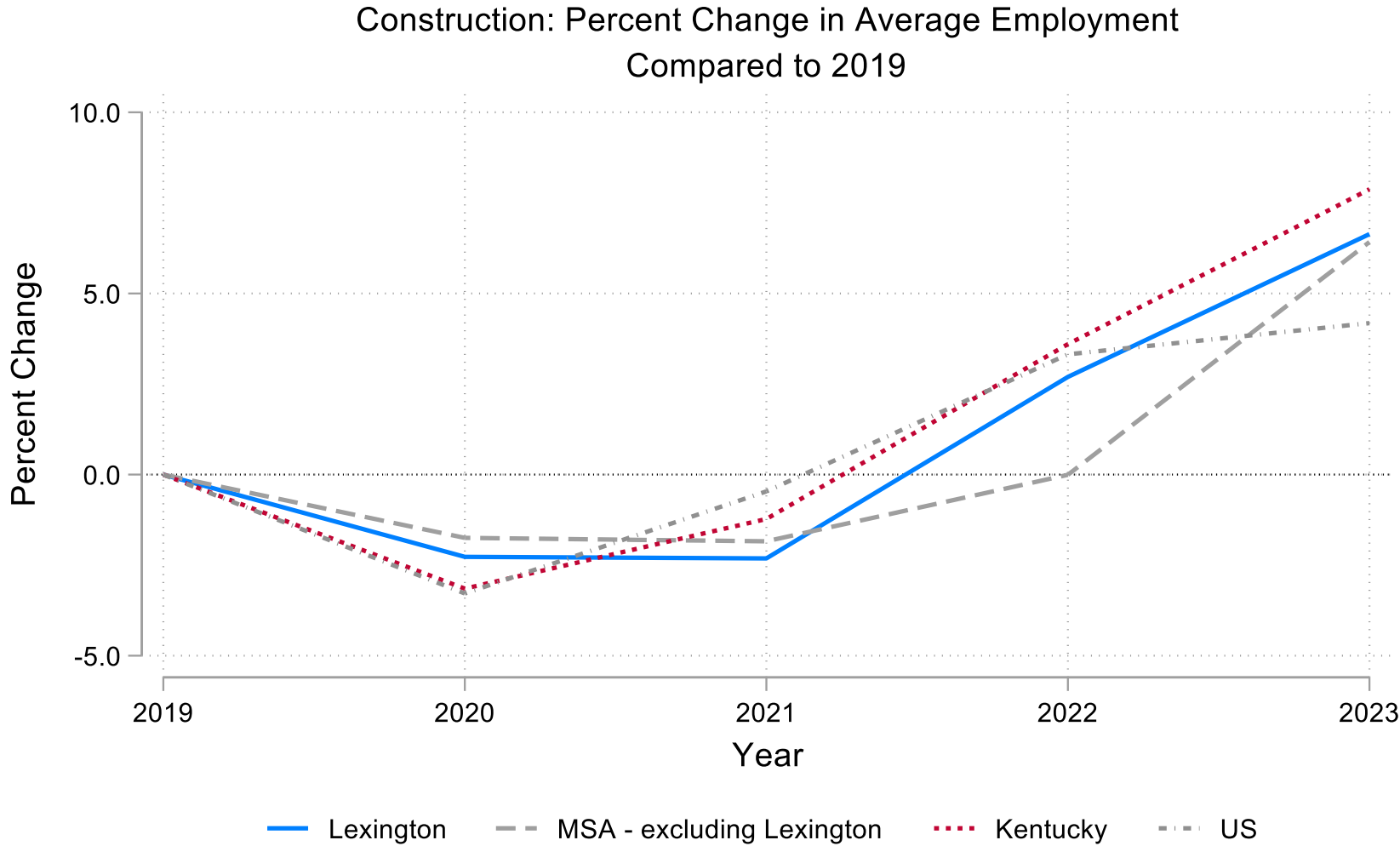
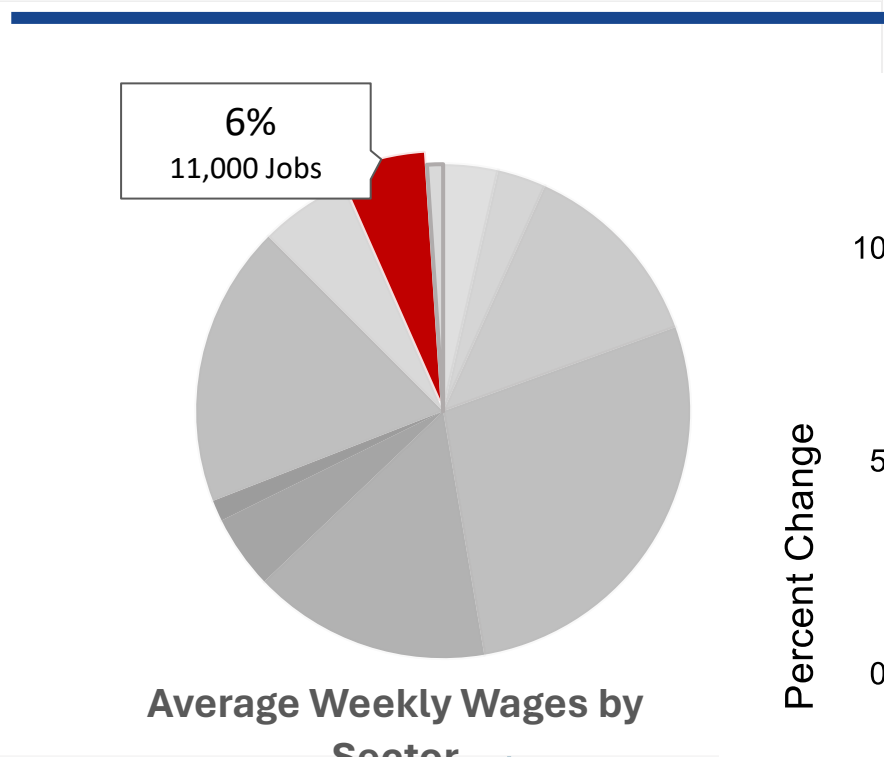
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Average Weekly Wages for All Industries



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

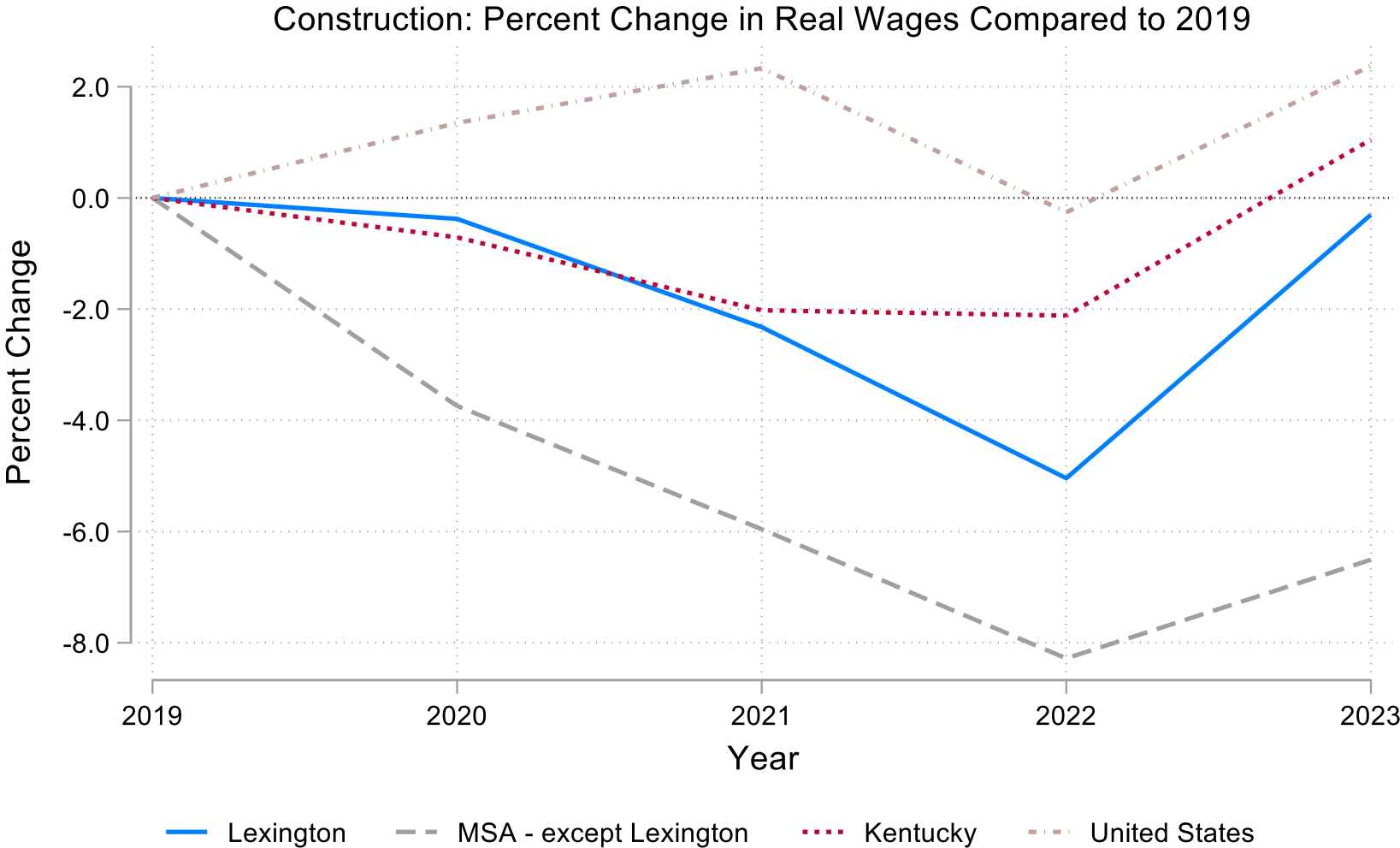
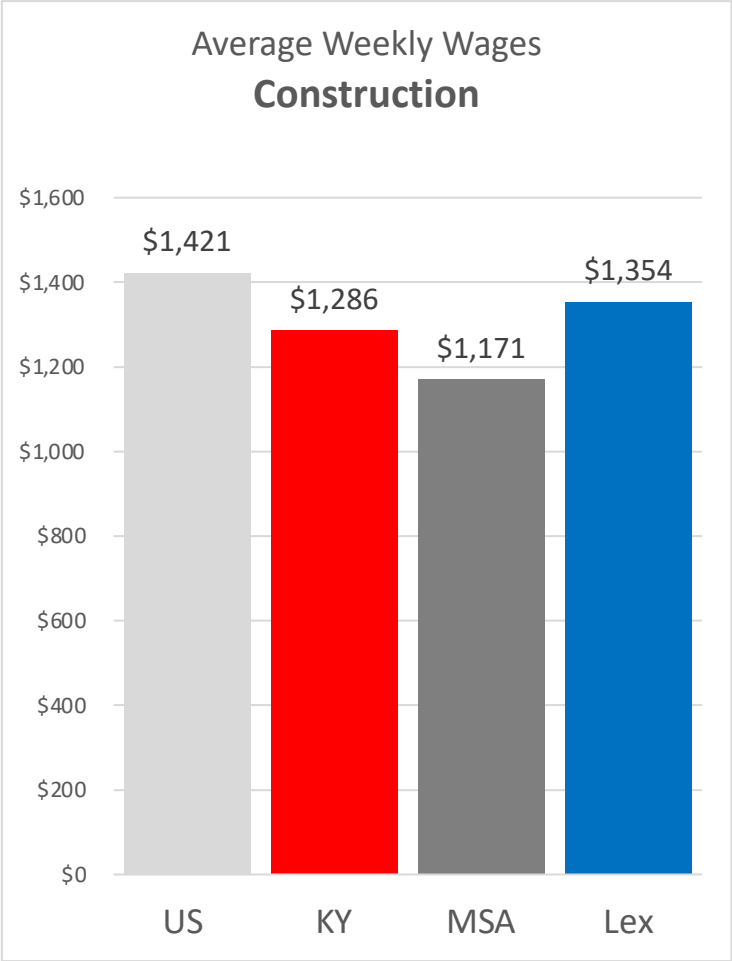
# Employment in the Construction Sector



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

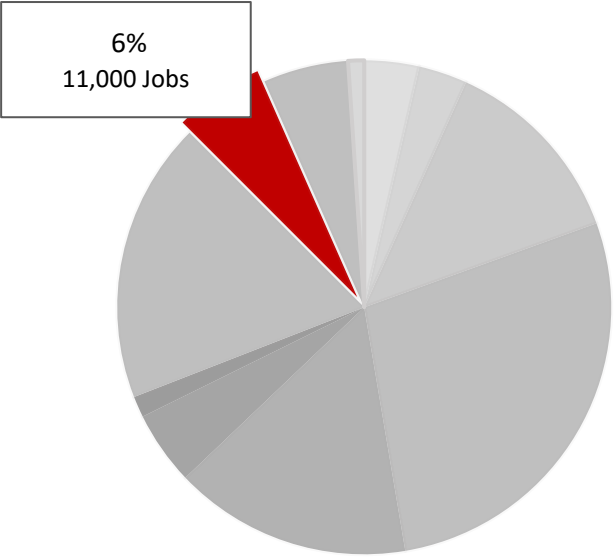


# Average Weekly Wages in the Construction Sector

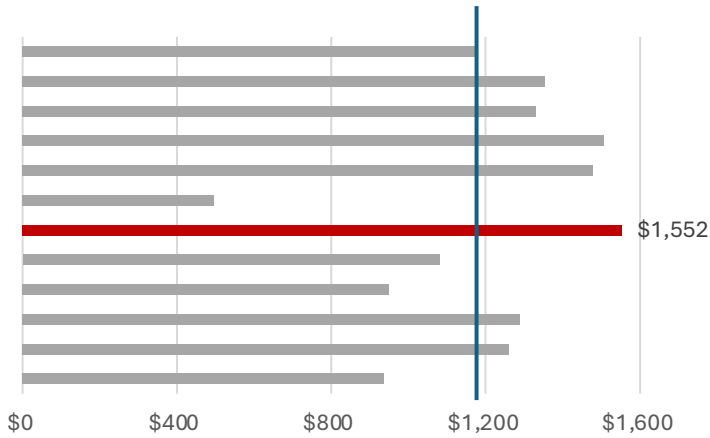


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

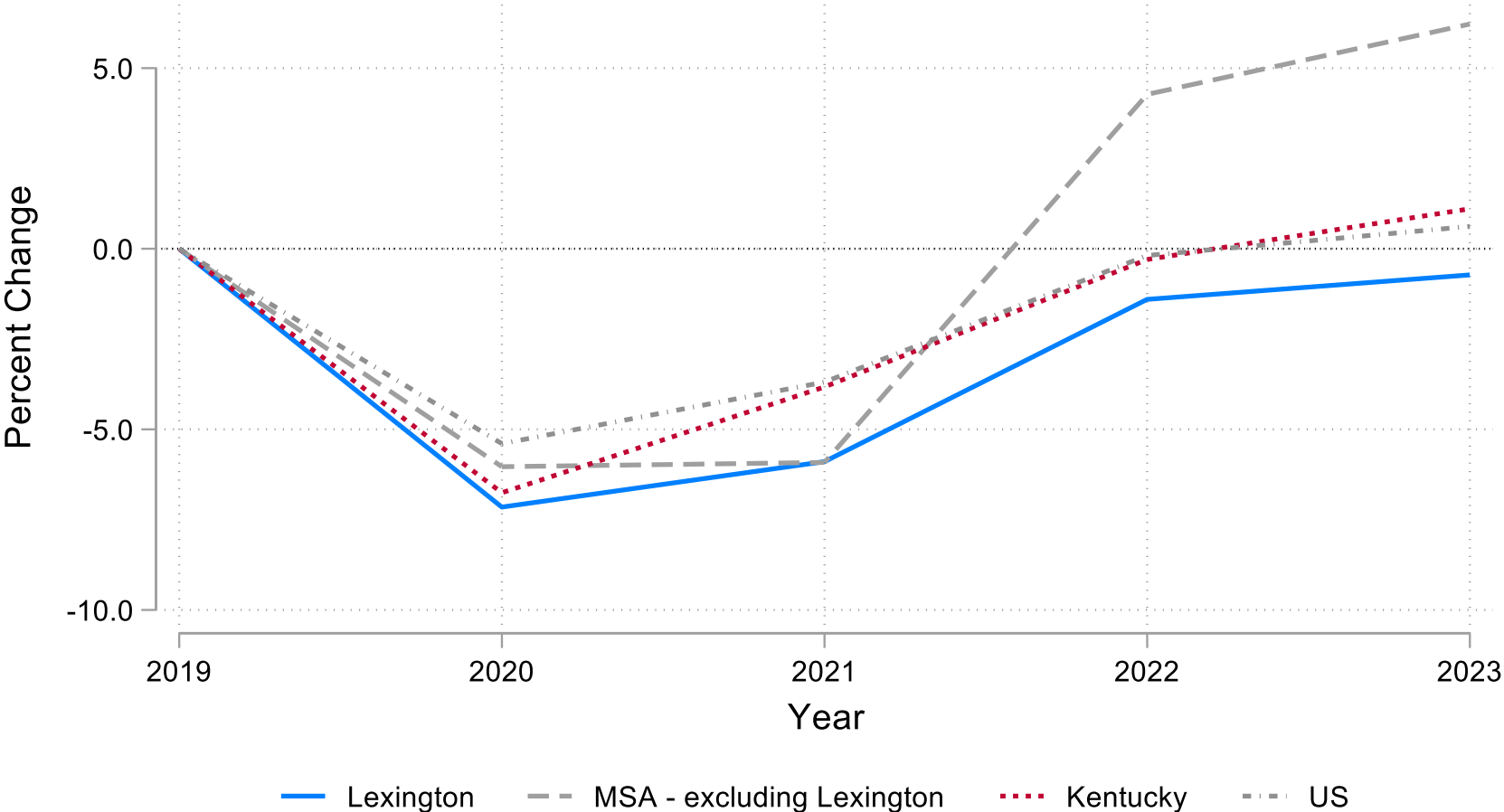
# Employment in the Manufacturing Sector



Average Weekly Wages by Sector

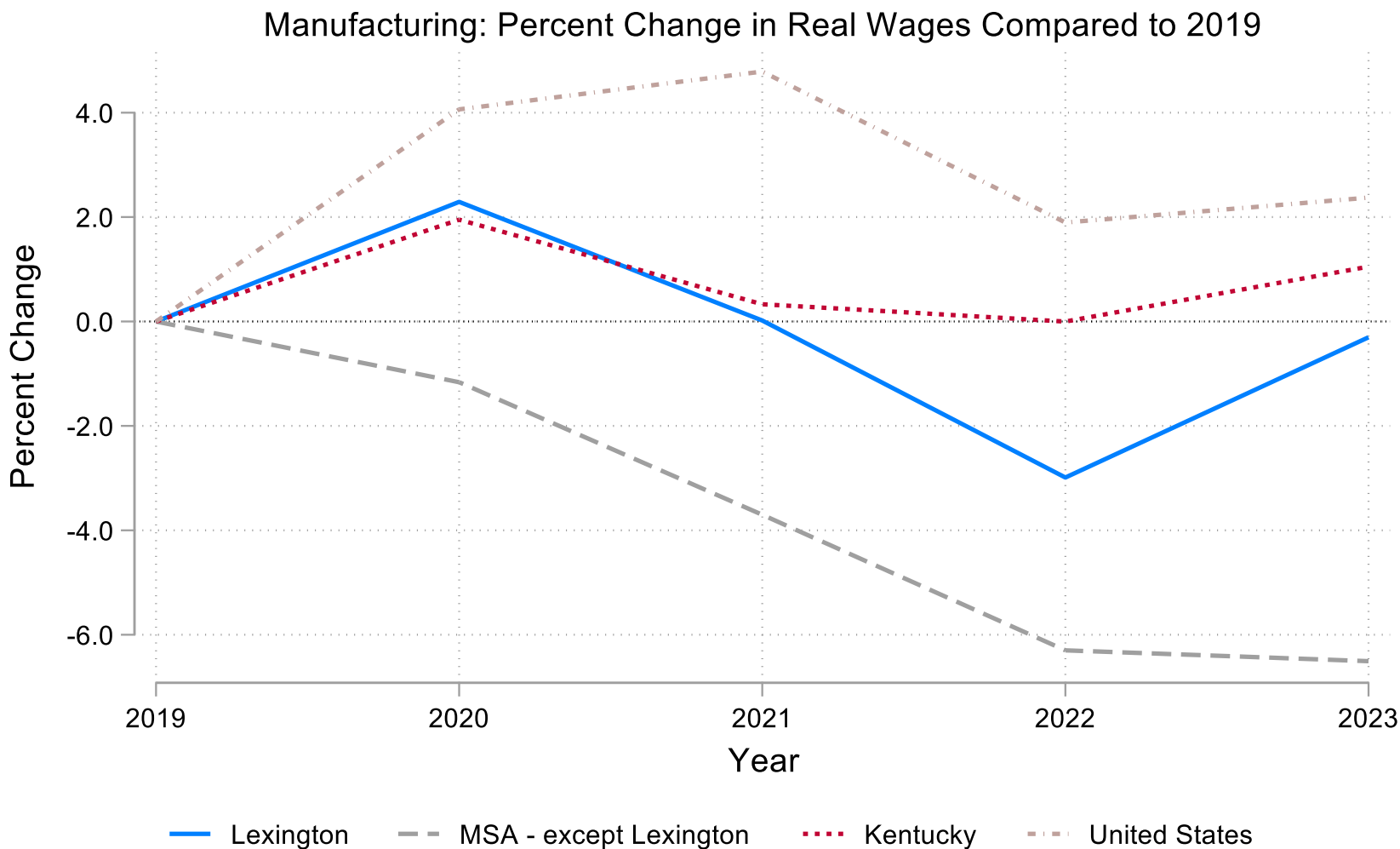
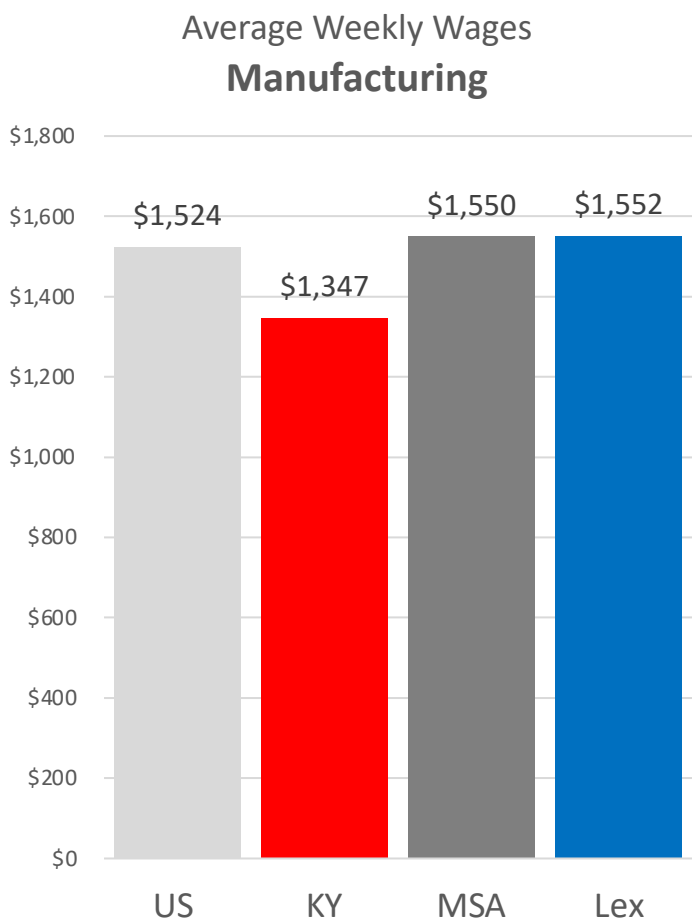


Manufacturing: Percent Change in Average Employment Compared to 2019



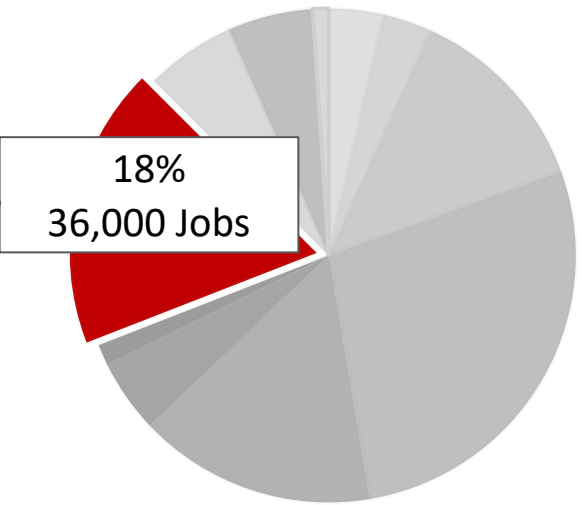
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Average Wages in the Manufacturing Sector

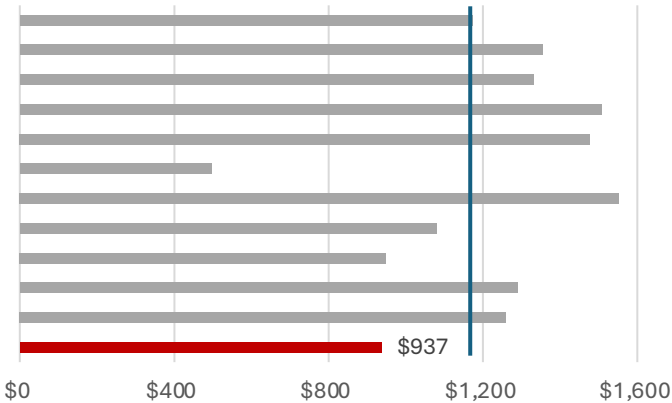


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

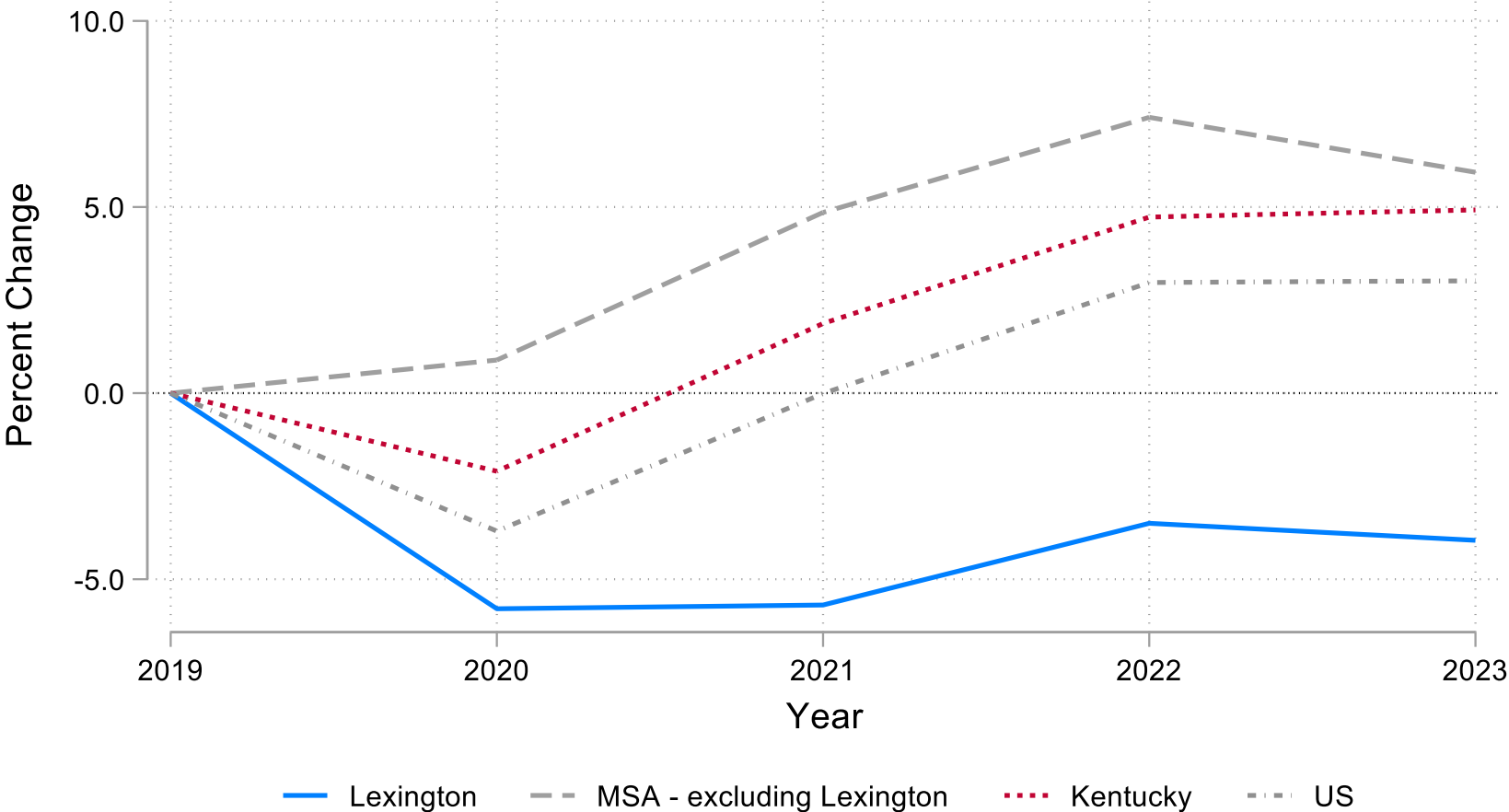
# Employment in the Trade Transportation and Utilities Sector



Average Weekly Wages by Sector

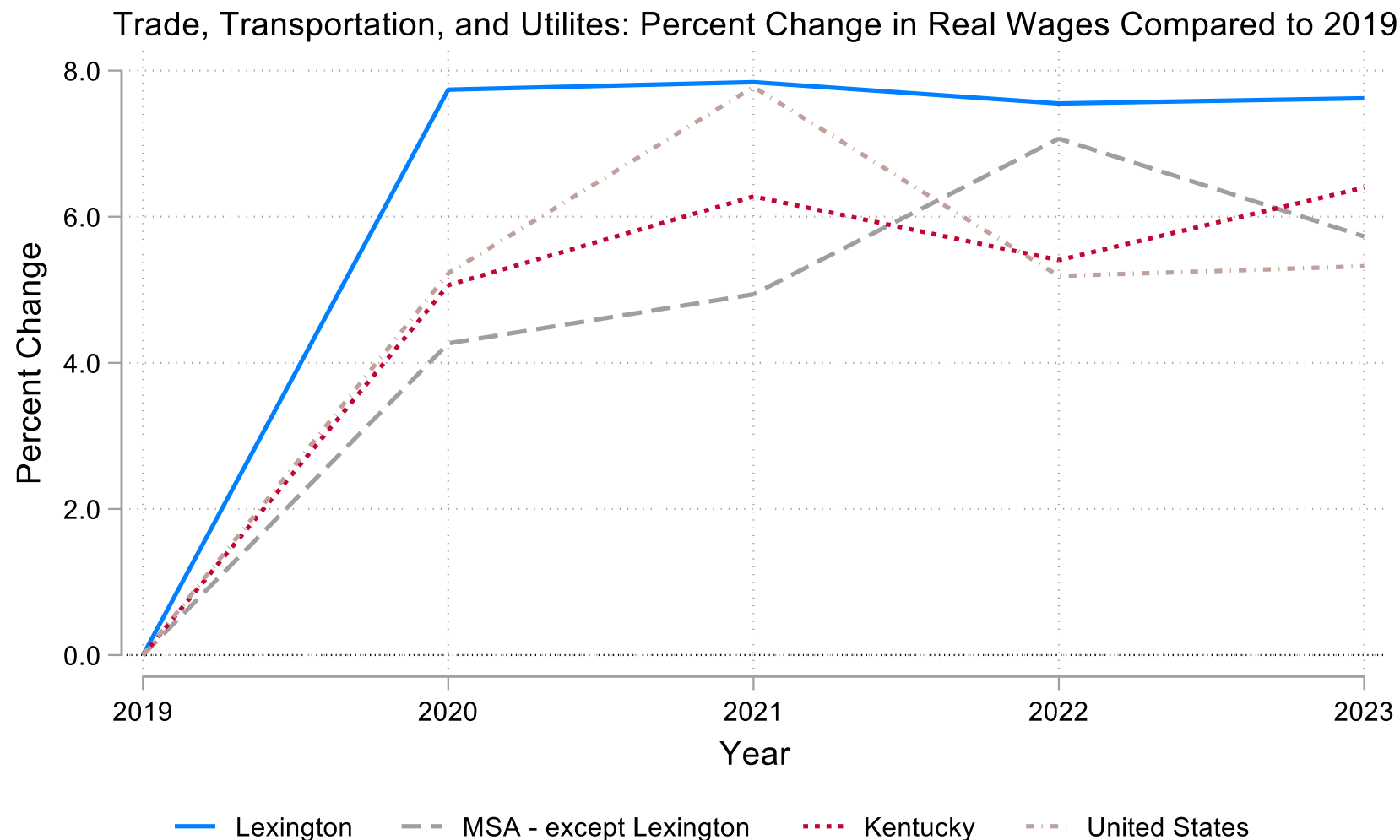
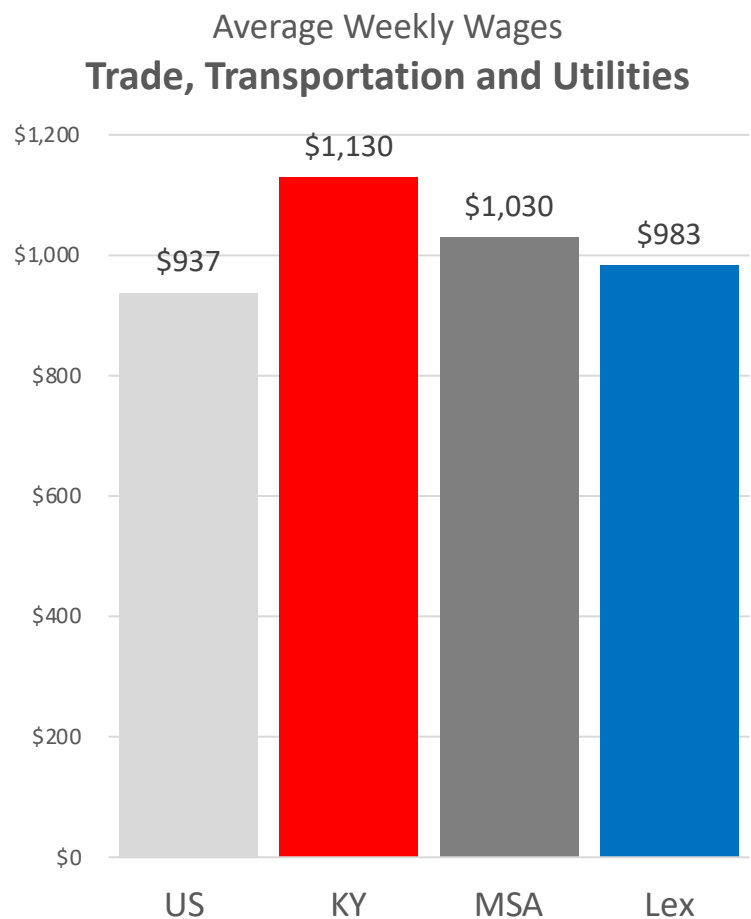


Trade, Transportation, and Utilities: Percent Change in Employment Compared to 2019



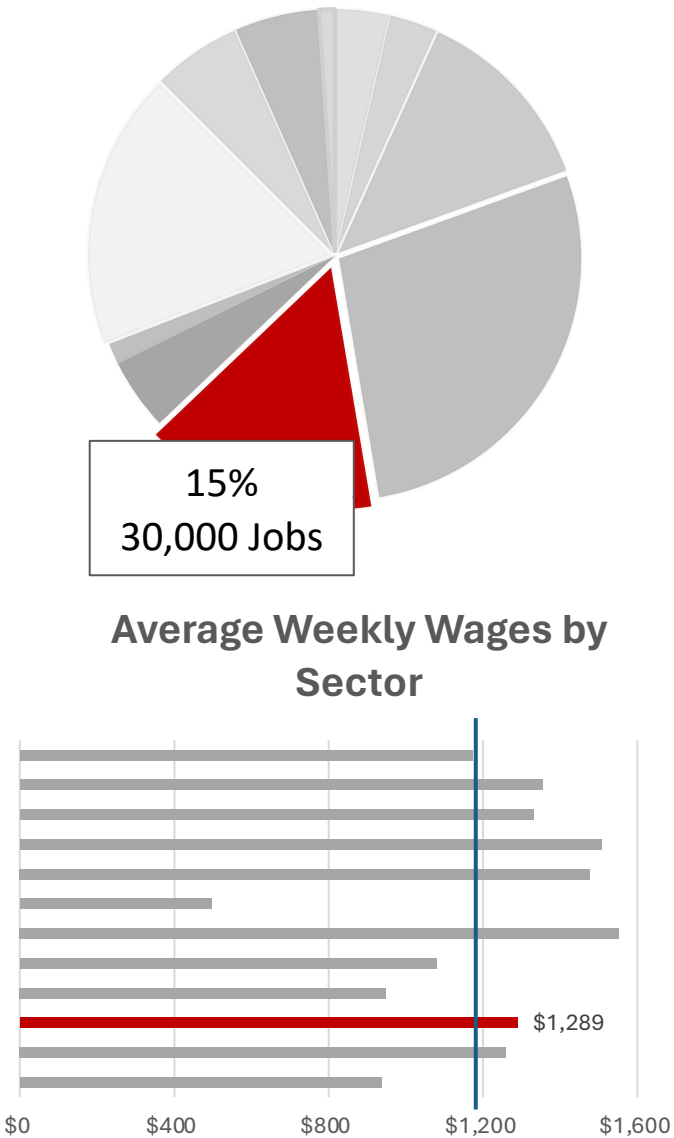
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Average Wages in the Trade, Transportation and Utilities Sector

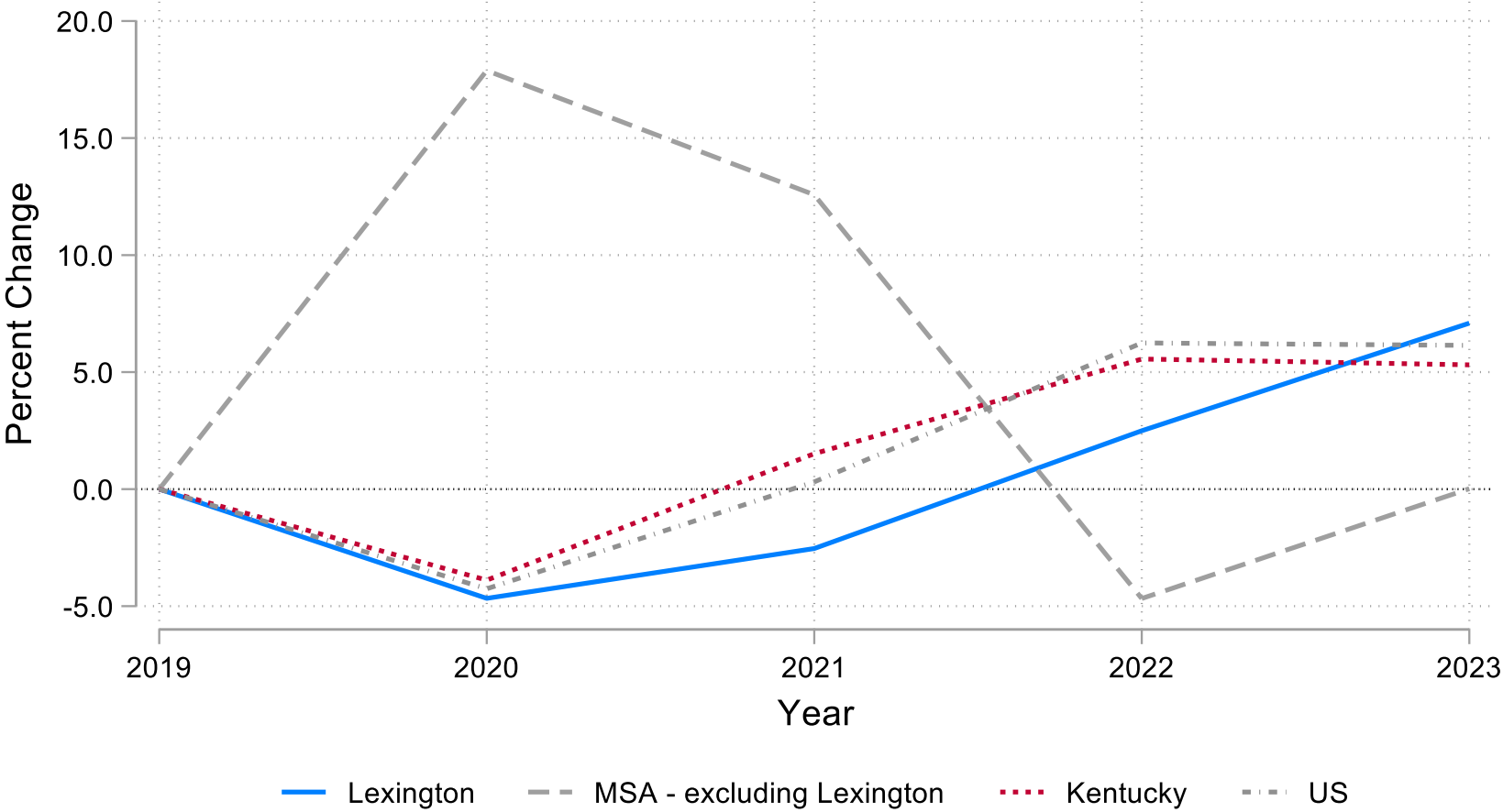


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Employment in the Professional and Business Services Sector

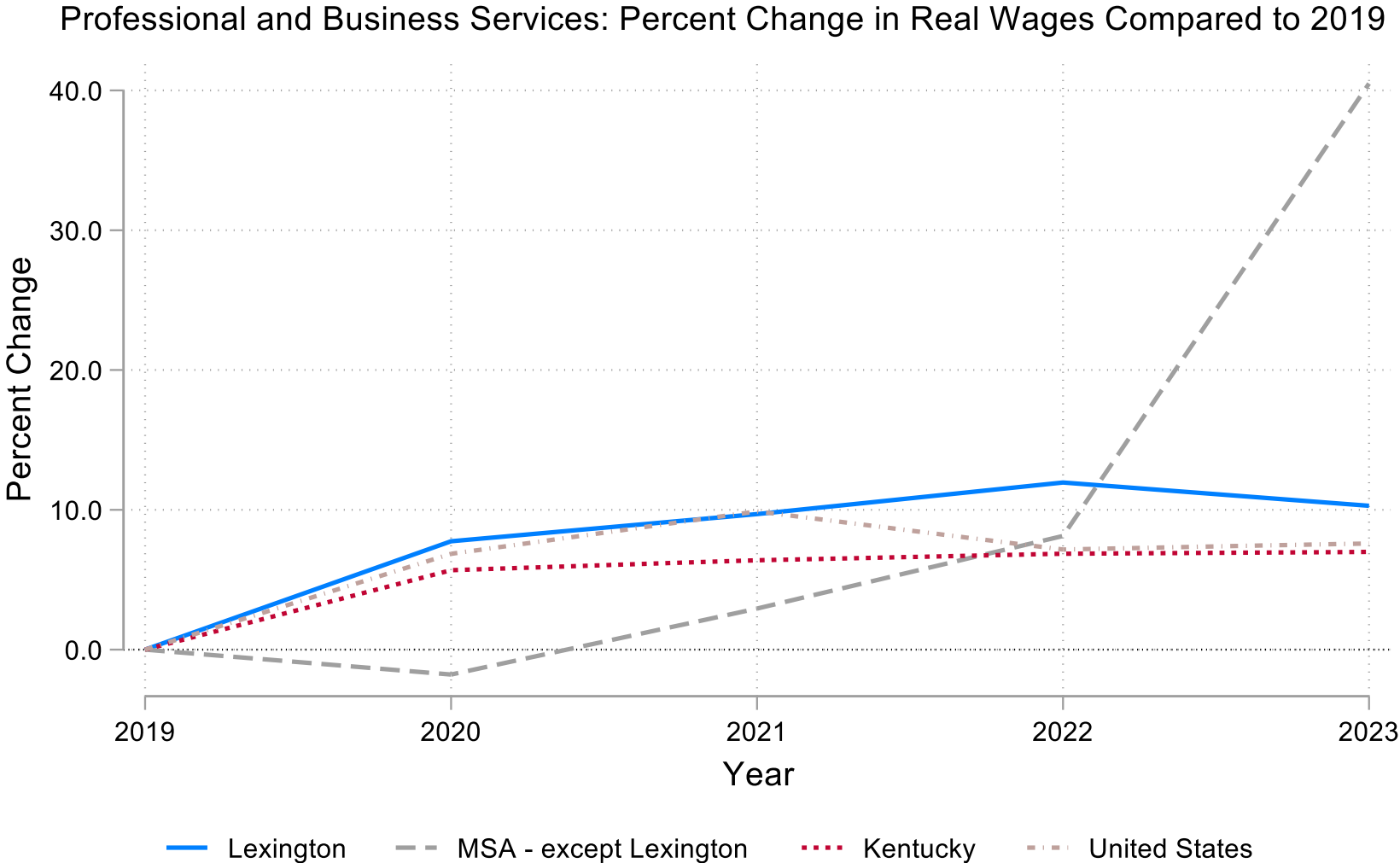
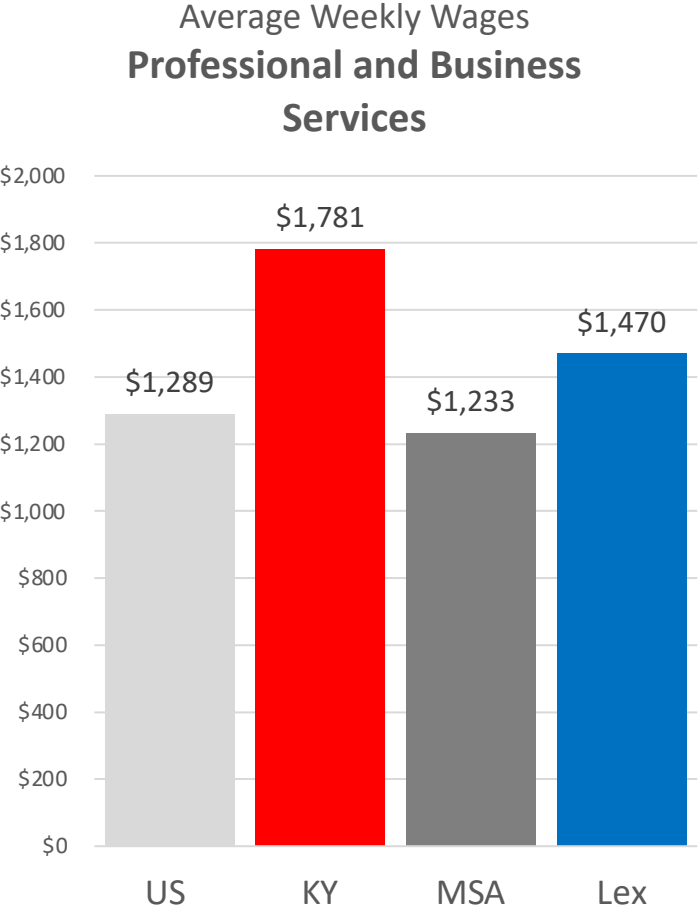


Business and Professional Services: Percent Change in Average Annual Employment Compared to 2019



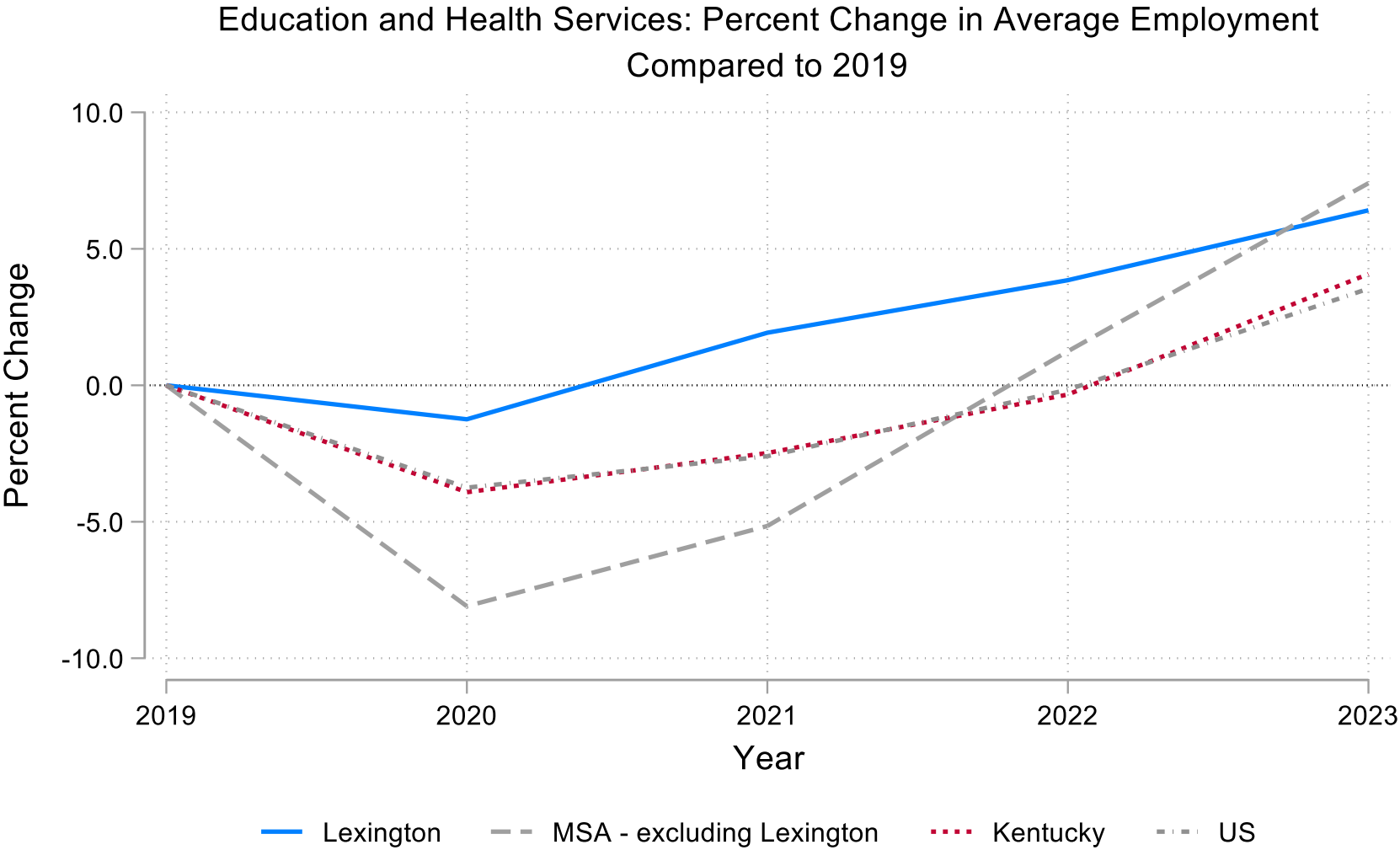
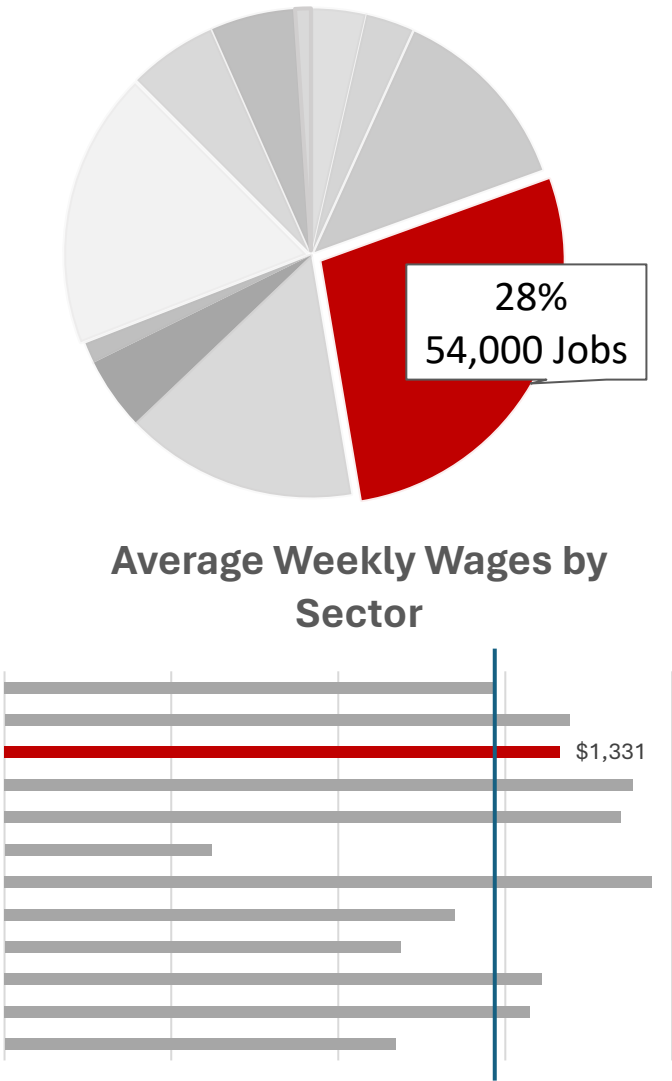
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Average Wages in the Professional and Business Services Sector



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

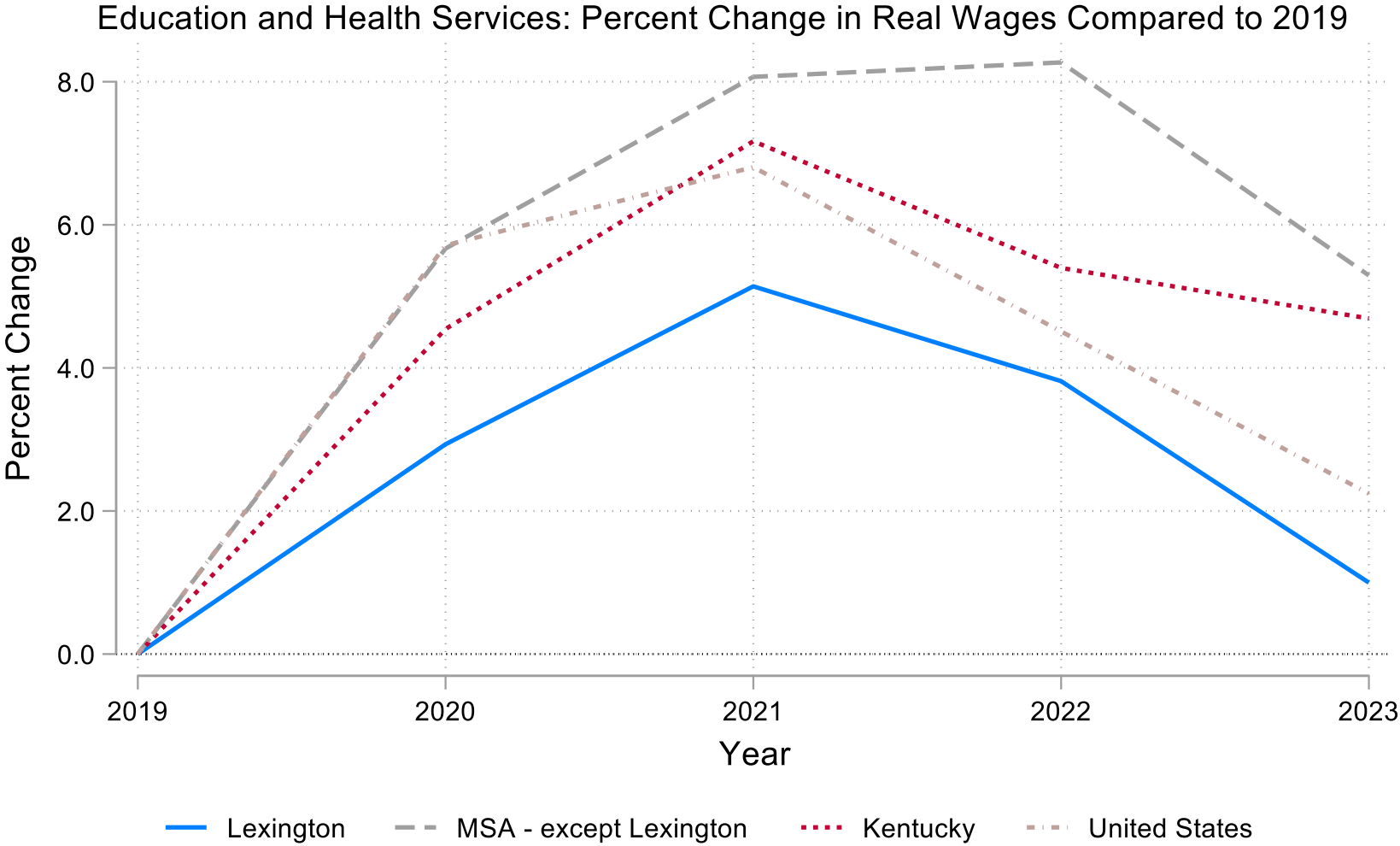
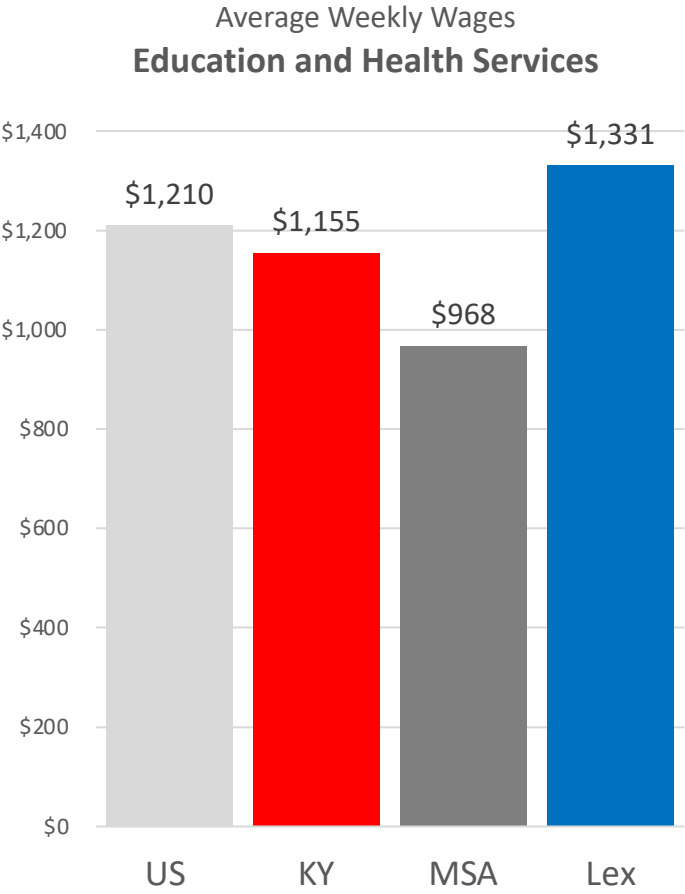
# Employment in the Education and Health Services Sector



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

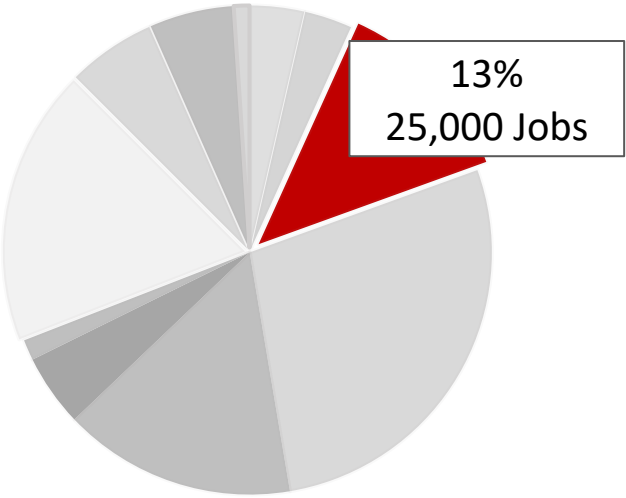


# Average Wages in the Education and Health Services Sector

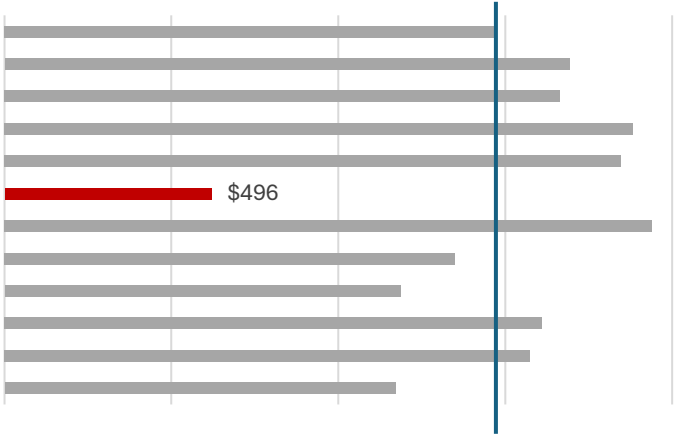


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

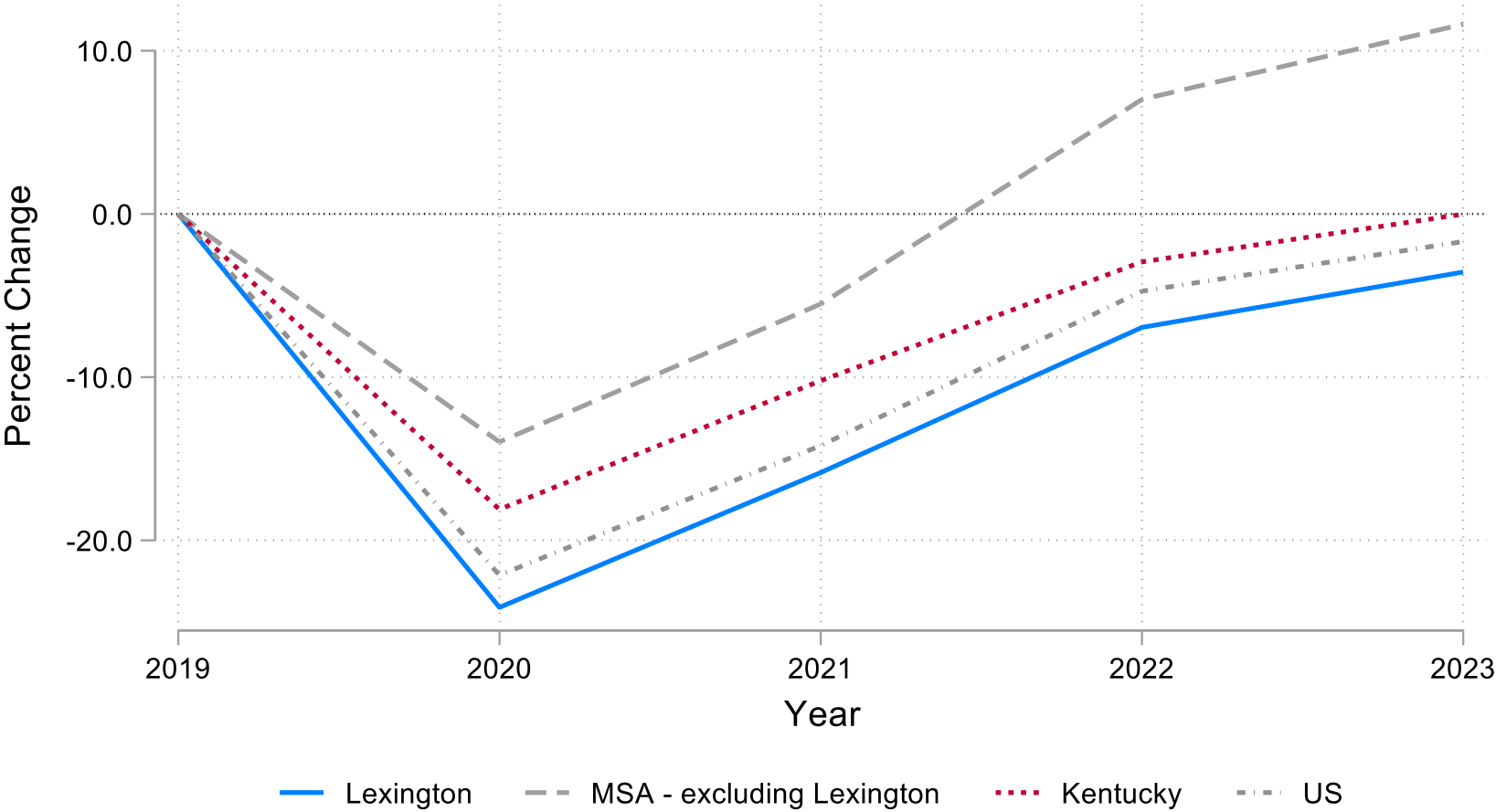
# Employment in the Leisure and Hospitality Sector



Average Weekly Wages by Sector

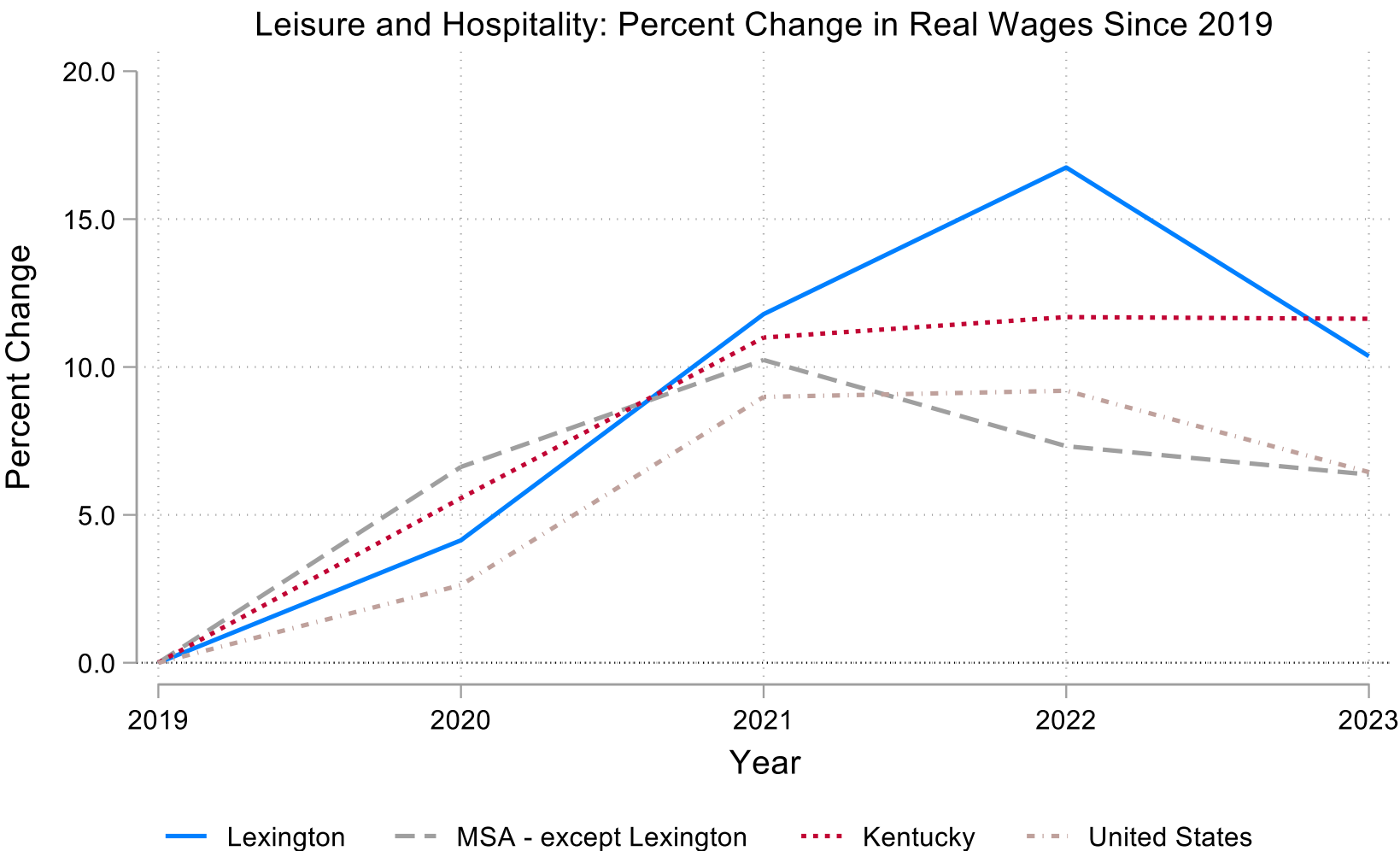
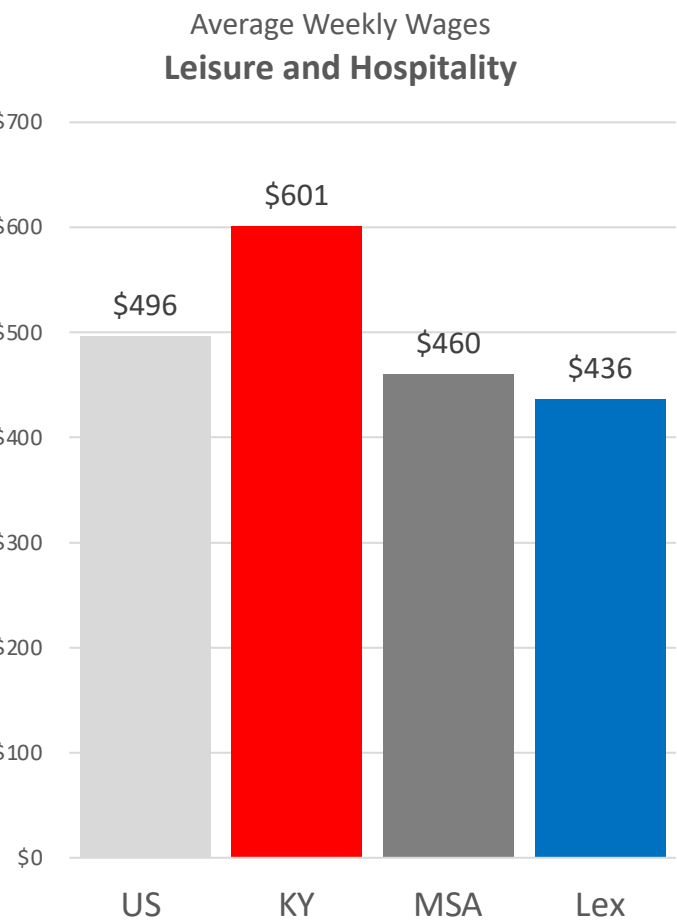


Leisure and Hospitality: Percent Change in Average Annual Employment Compared to 2019



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Average Wages in the Leisure and Hospitality Sector



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

## Takeaways and Discussion

---

- Top six industries account for more than 86 percent of the jobs in Lexington.
- Tight labor market led to increased or stable real wages in the six major sectors.
  - Two of the top six industries showing signs of a labor shortage:
    - Trade, Transportation, and Utilities (18% of jobs)
      - Number of jobs declined
      - Increase in real wages
    - Leisure and Hospitality (13% of jobs)
      - Decline in number of jobs
      - Increase in real wages
- On the national level, in the next 10 years, high growth is projected in occupations such as:
  - Healthcare support services (+15.4%)
  - Computer and mathematical occupations (+15.2%)
  - Community and social services (7.8%)



<http://cber.uky.edu/>

## Occupations with the Largest Projected Increase in Jobs – National Forecast

2022 National Employment Matrix title	Employment, 2022	Employment, 2032	Employment change, numeric, 2022-32	Employment change, percent, 2022-32	Median annual wage, 2022 <sup>(1)</sup>
Total, all occupations	164,482.6	169,148.1	4,665.5	2.8	\$46,310
Healthcare support occupations	7,144.9	8,245.5	1,100.6	15.4	\$33,600
Computer and mathematical occupations	5,277.6	6,081.4	803.8	15.2	\$100,440
Transportation and material moving occupations	14,302.8	15,082.2	779.4	5.4	\$37,940
Healthcare practitioners and technical occupations	9,481.0	10,243.7	762.7	8.0	\$77,760
Management occupations	12,574.7	13,257.7	683.0	5.4	\$107,360
Business and financial operations occupations	10,591.1	11,179.7	588.6	5.6	\$76,850
Personal care and service occupations	4,115.9	4,365.2	249.3	6.1	\$31,340
Installation, maintenance, and repair occupations	6,315.3	6,543.7	228.4	3.6	\$50,080
Community and social service occupations	2,936.5	3,164.2	227.7	7.8	\$49,380
Food preparation and serving related occupations	12,965.9	13,191.5	225.6	1.7	\$29,640
Educational instruction and library occupations	9,354.1	9,570.6	216.5	2.3	\$57,490

## Discussion

---

- What growth is merely recovery or a short-term trend in response to a post-COVID economy?
- What industries are most likely to continue growing?
- Labor demand is high.
  - Is the labor market “slack” in industries?
  - Do some industries have a labor market that is too “tight”?

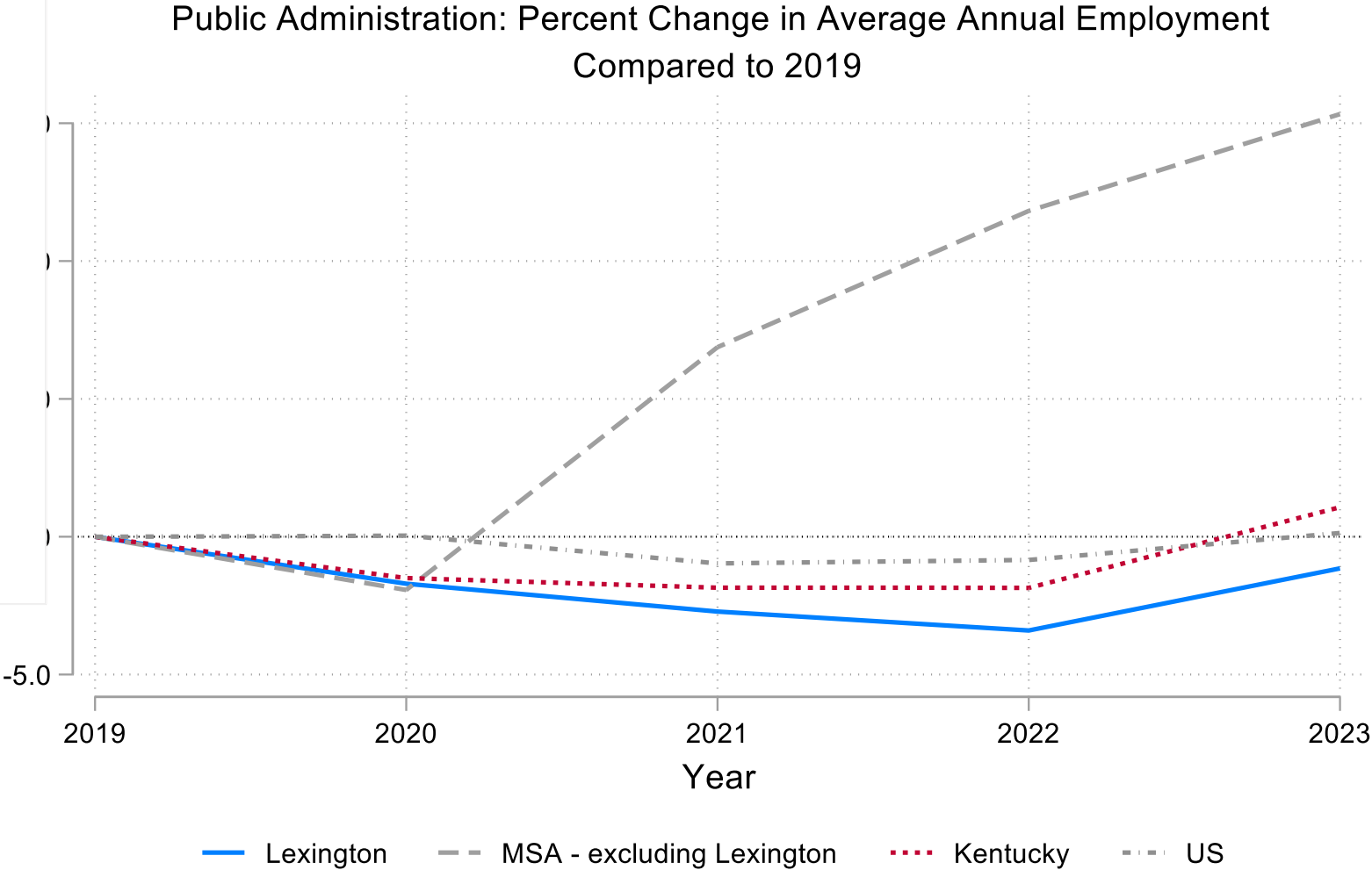
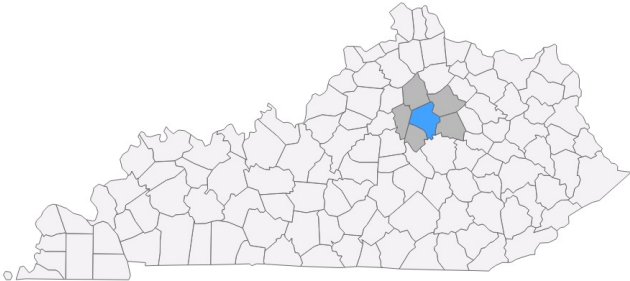
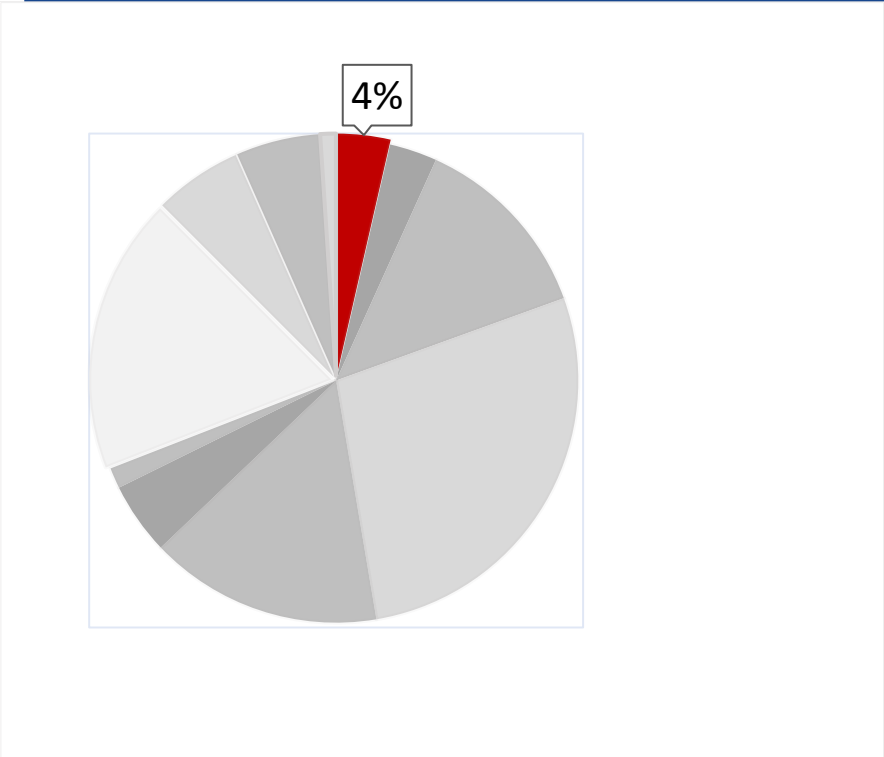
# Lexington's Labor Market: Notable Developments



## Top 10 Fastest Growing Occupations Nationally

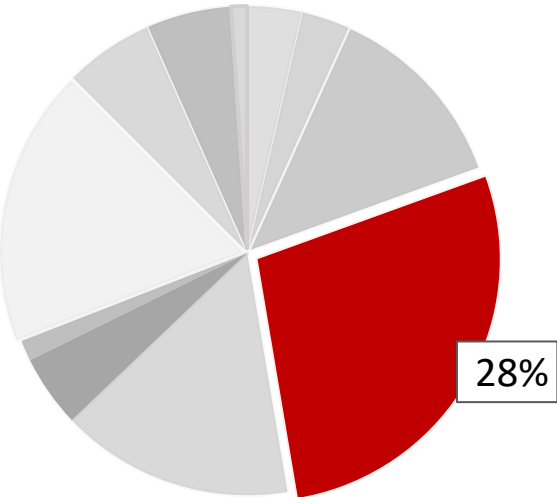
2022 National Employment Matrix title	Employment, 2022	Employment, 2032	Employment change, numeric, 2022-32	Employment change, percent, 2022-32	Median annual wage, 2022 <sup>(1)</sup>
Healthcare support occupations	7,144.9	8,245.5	1,100.6	15.4	\$33,600
Computer and mathematical occupations	5,277.6	6,081.4	803.8	15.2	\$100,440
Healthcare practitioners and technical occupations	9,481.0	10,243.7	762.7	8.0	\$77,760
Community and social service occupations	2,936.5	3,164.2	227.7	7.8	\$49,380
Life, physical, and social science occupations	1,473.7	1,563.2	89.5	6.1	\$74,330
Personal care and service occupations	4,115.9	4,365.2	249.3	6.1	\$31,340
Legal occupations	1,362.4	1,442.3	80.0	5.9	\$95,170
Business and financial operations occupations	10,591.1	11,179.7	588.6	5.6	\$76,850
Management occupations	12,574.7	13,257.7	683.0	5.4	\$107,360
Transportation and material moving occupations	14,302.8	15,082.2	779.4	5.4	\$37,940
Architecture and engineering occupations	2,611.8	2,746.8	134.9	5.2	\$83,700

# Employment in the Public Administration Sector

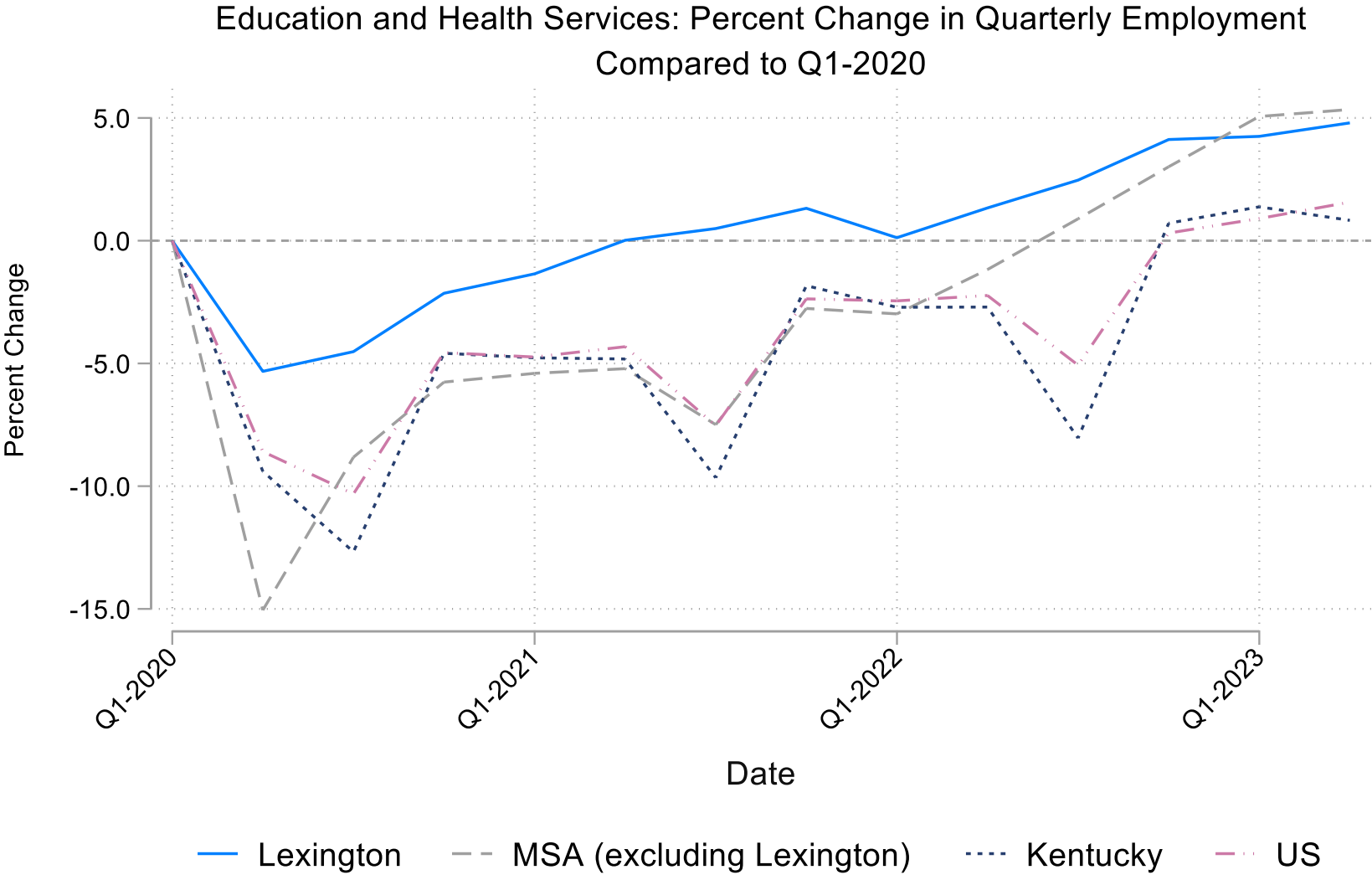
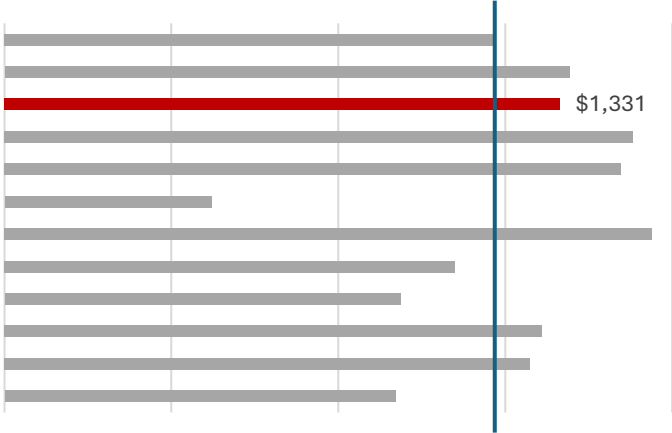


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

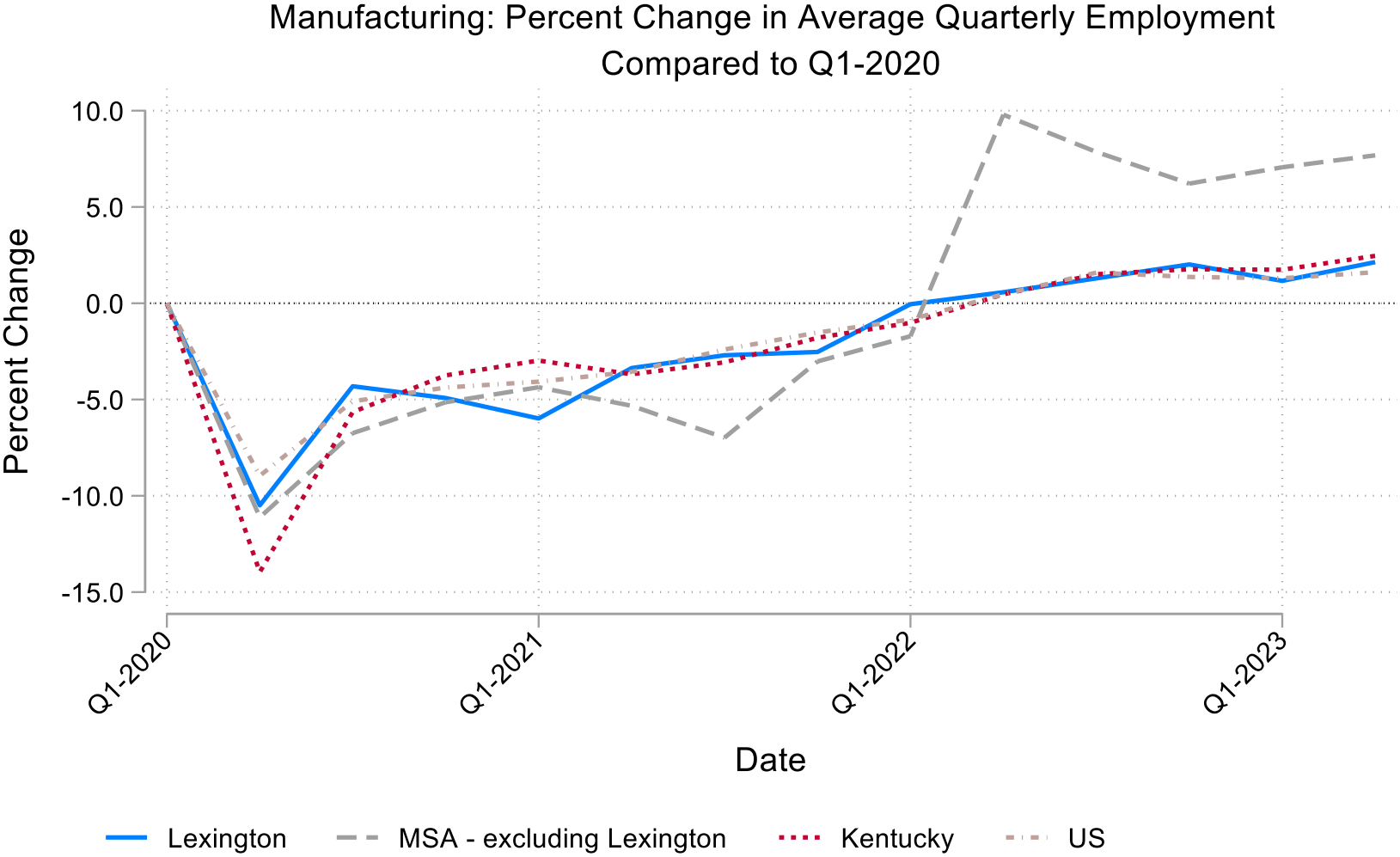
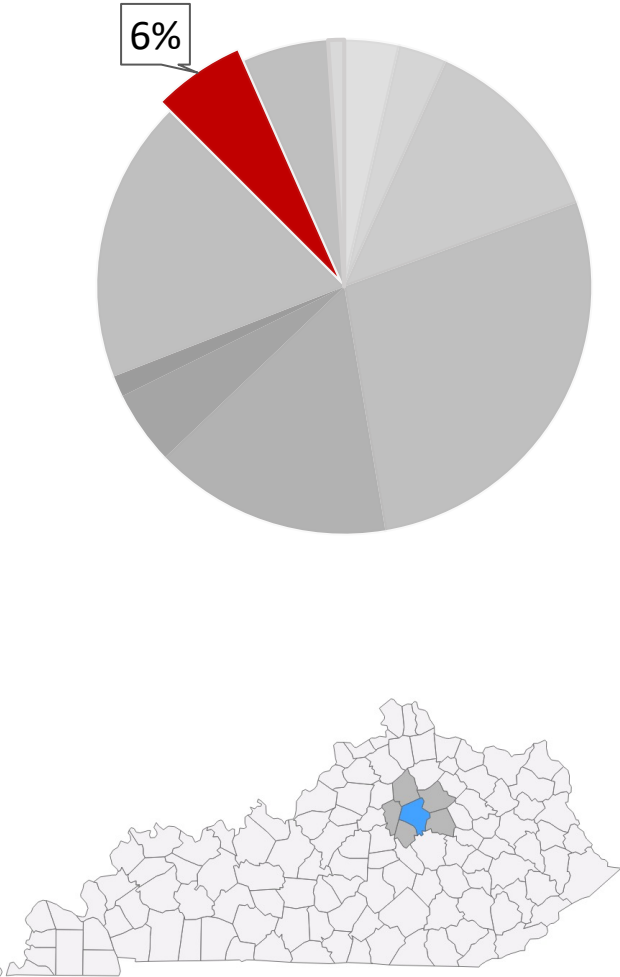
# Employment in the Education and Health Services Sector



Average Weekly Wages by Sector

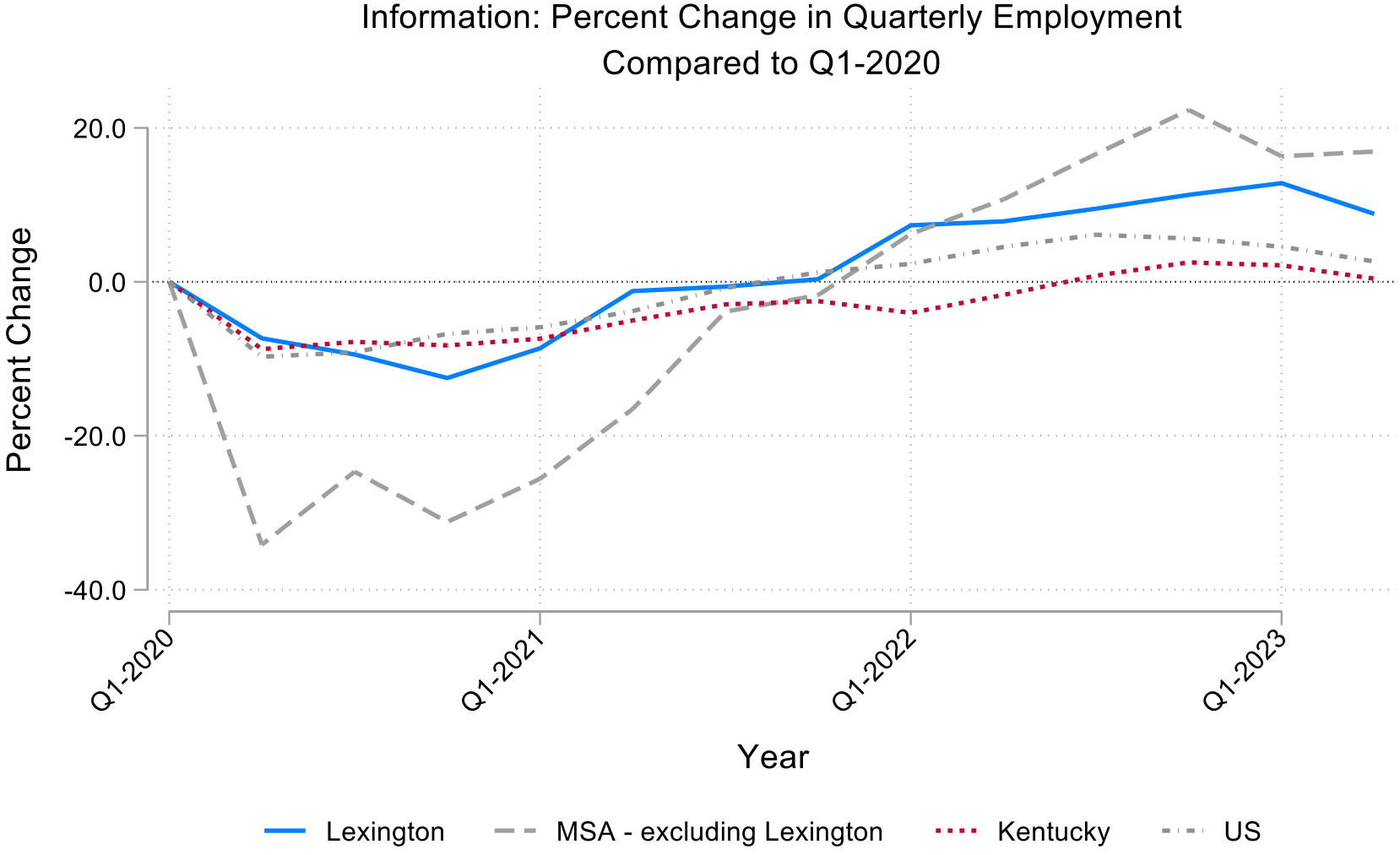
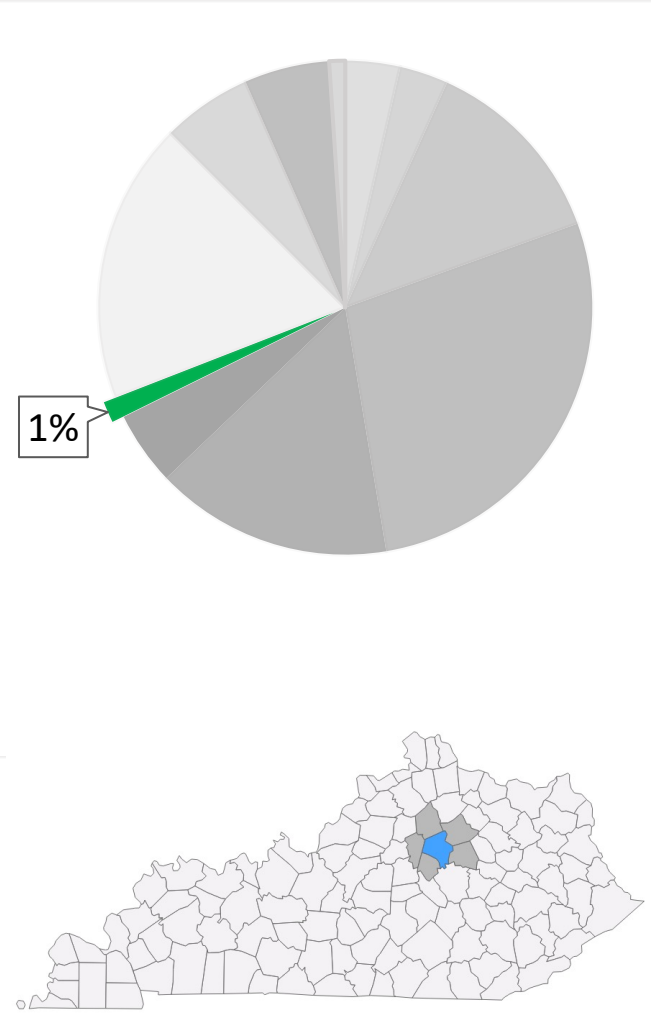


# Employment in the Manufacturing Sector



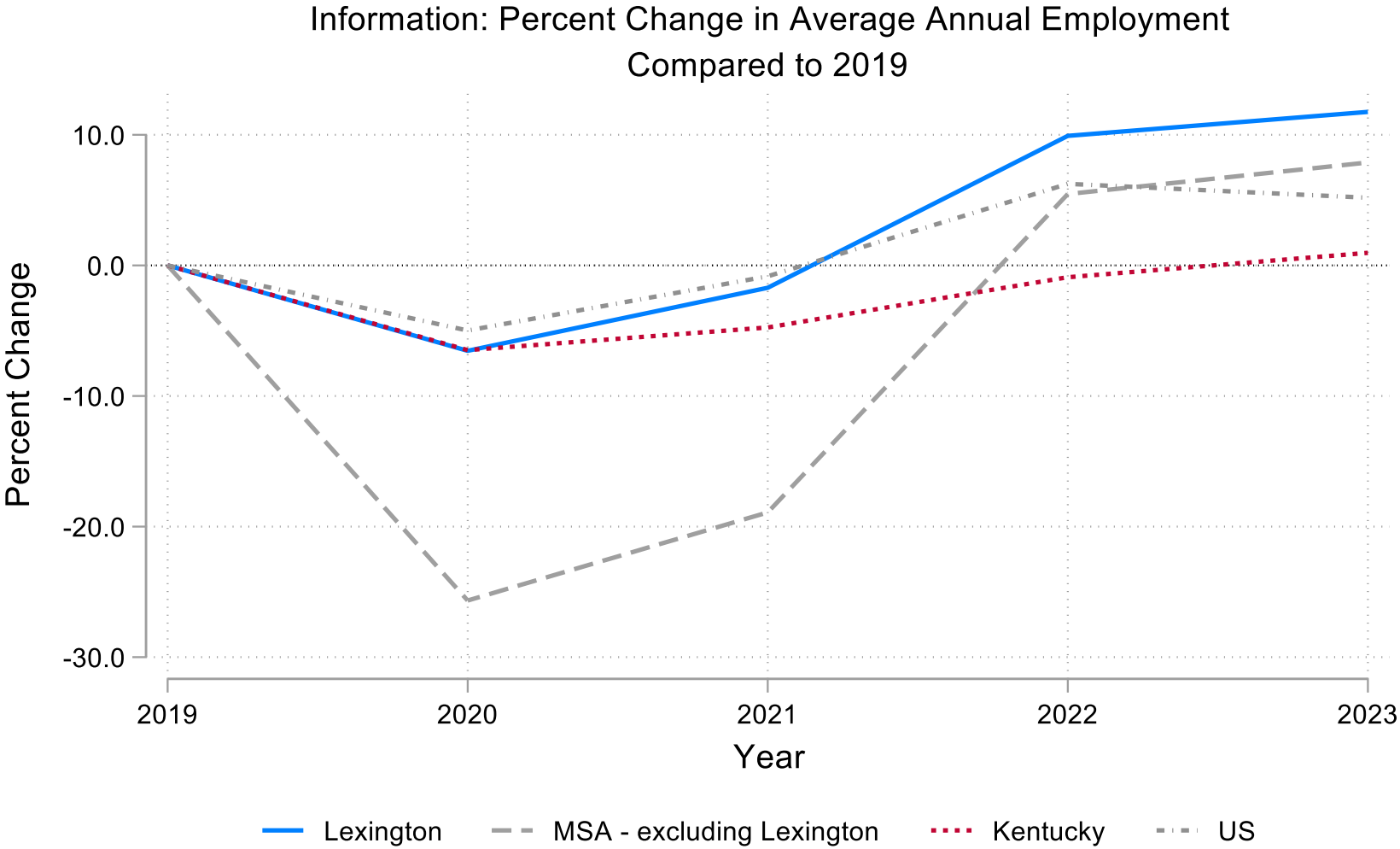
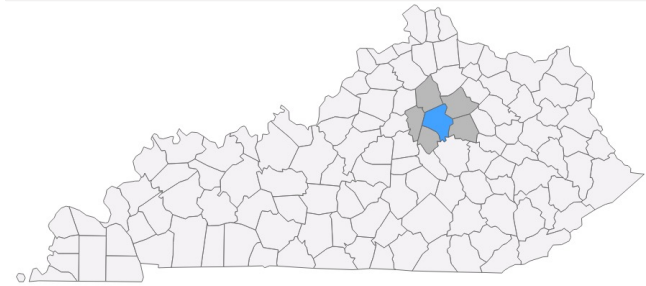
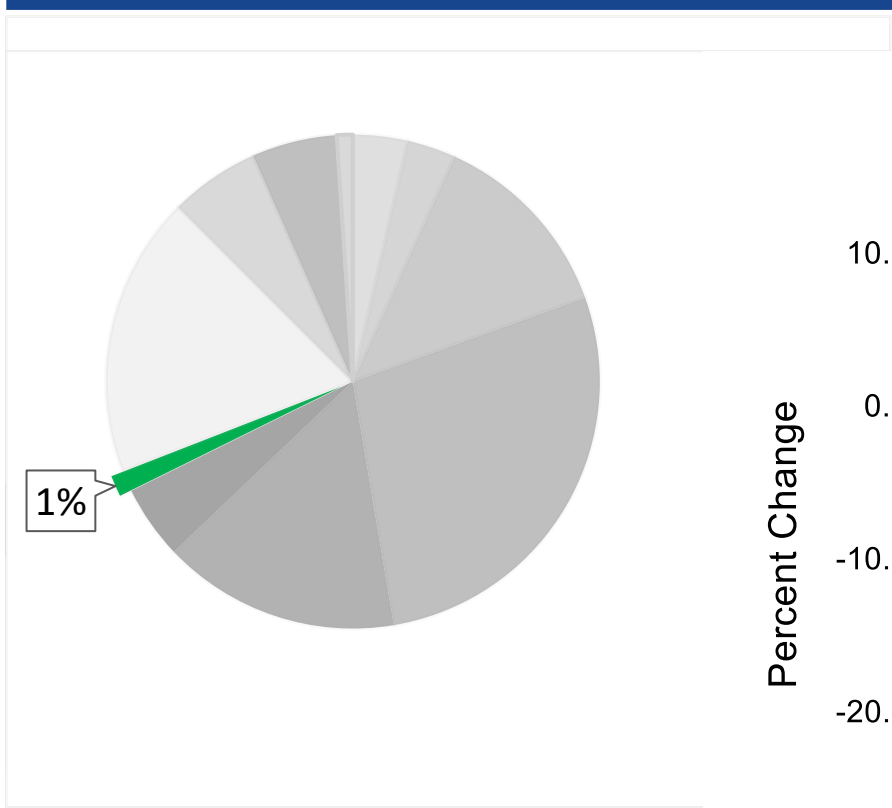
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Employment in the Information Sector



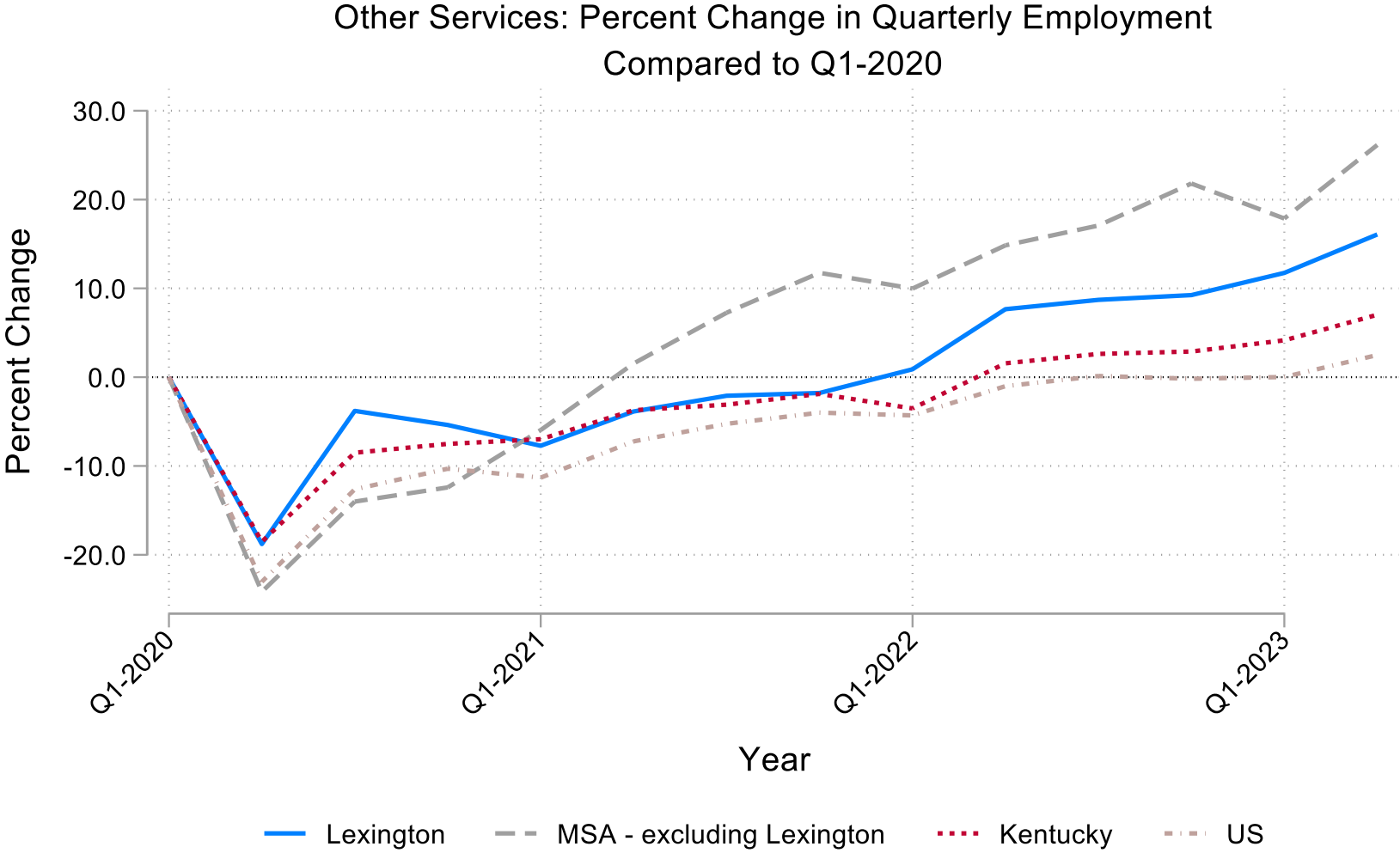
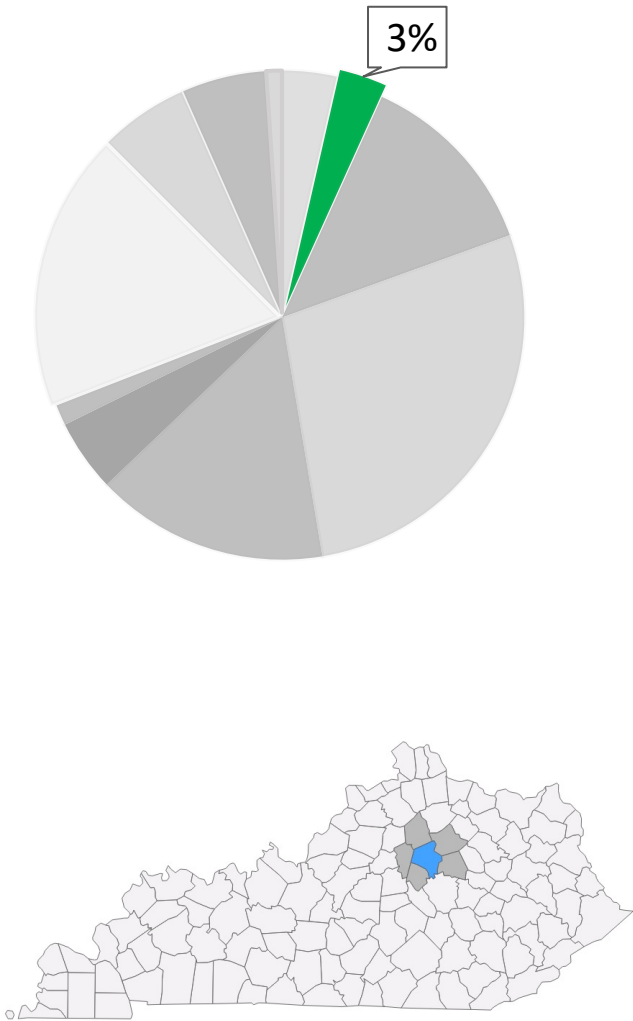
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Employment in the Information Sector



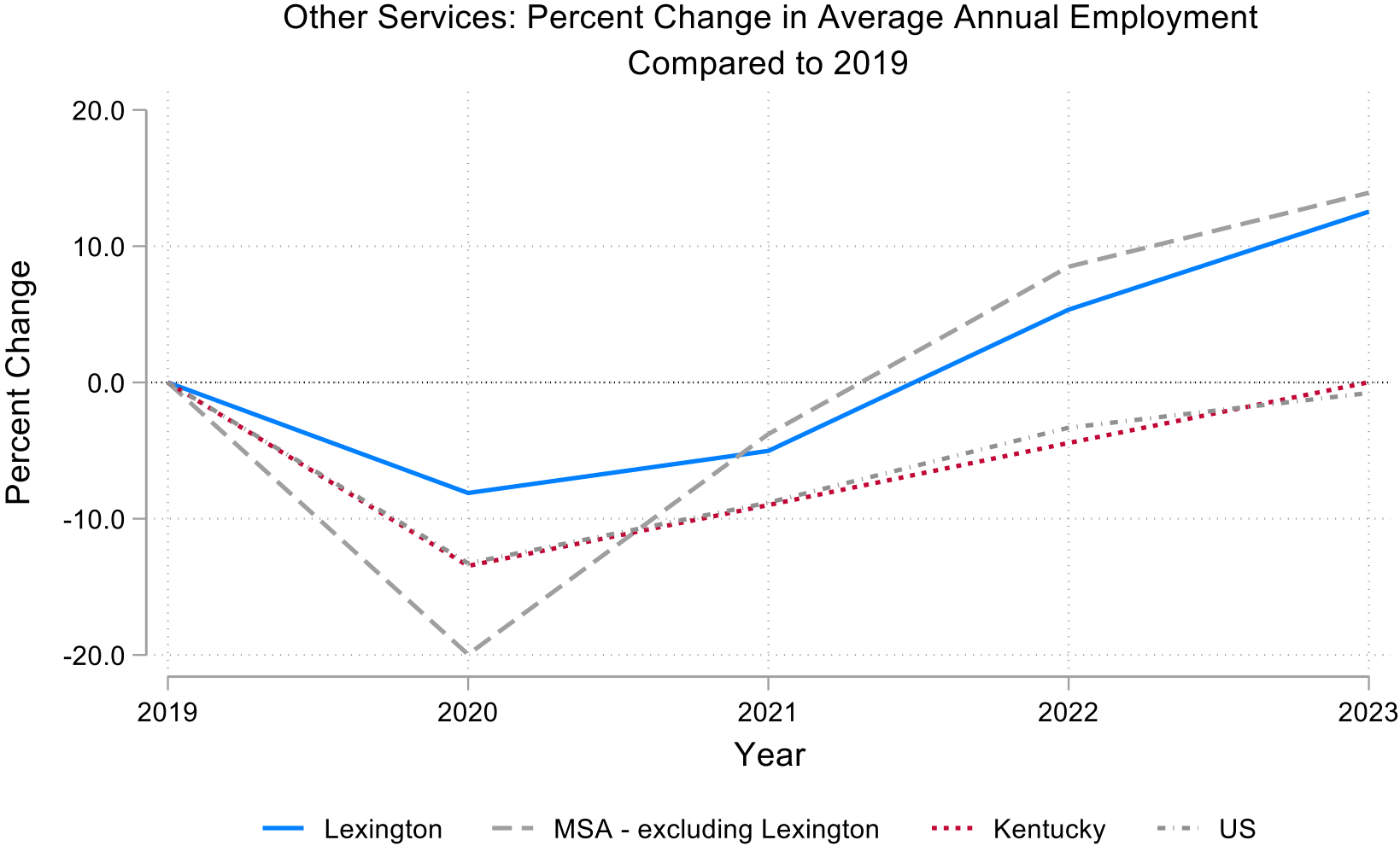
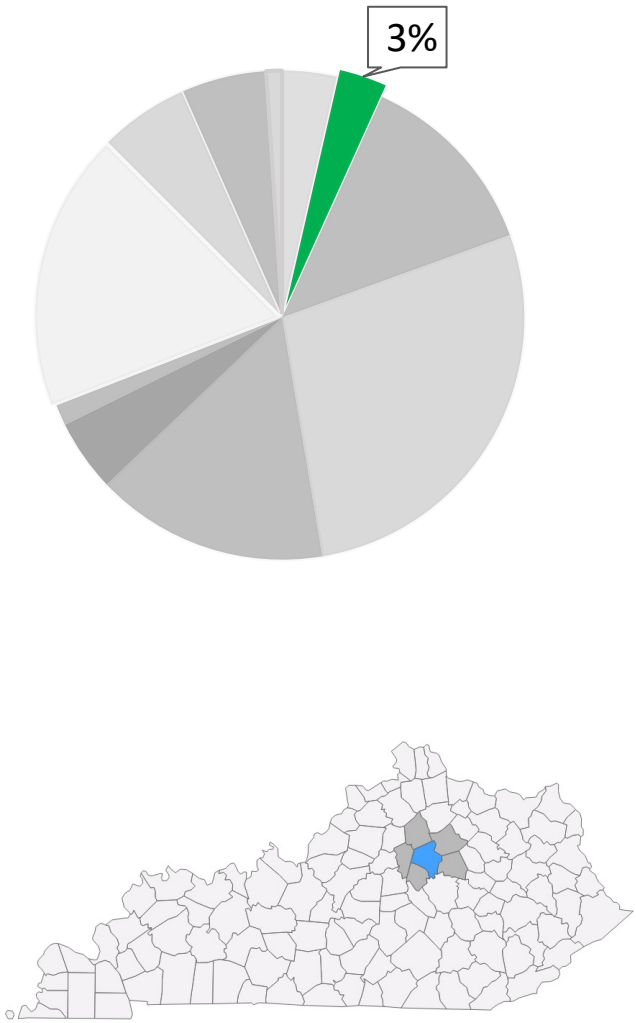
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Employment in the Other Services Sector



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

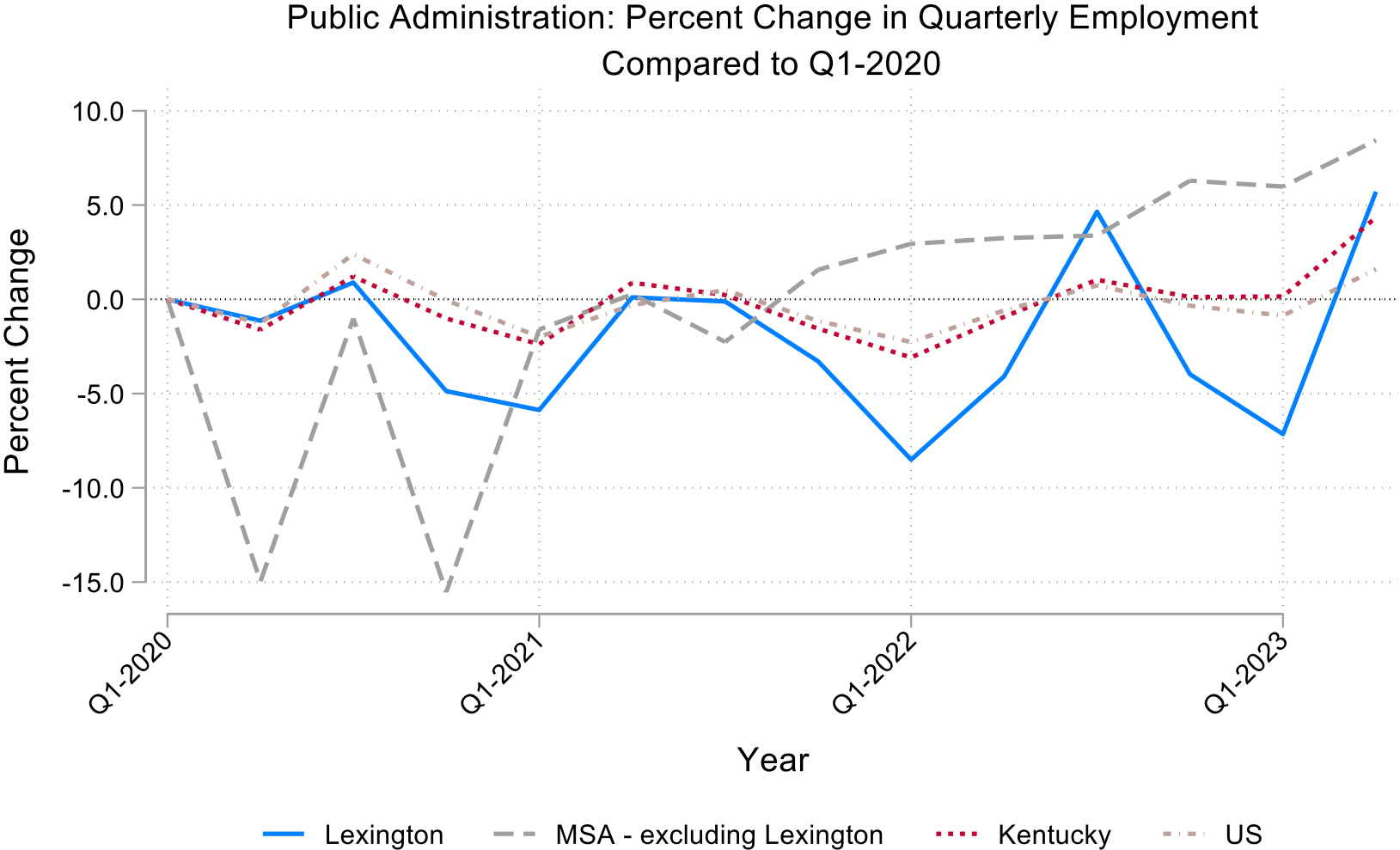
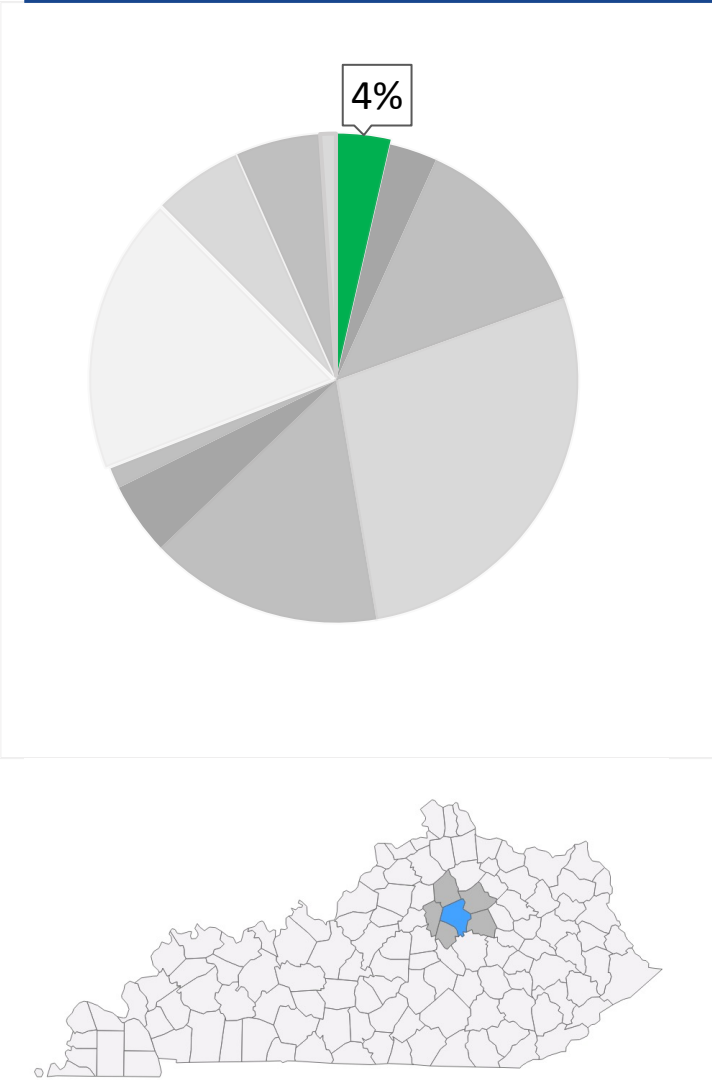
# Employment in the Other Services Sector



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

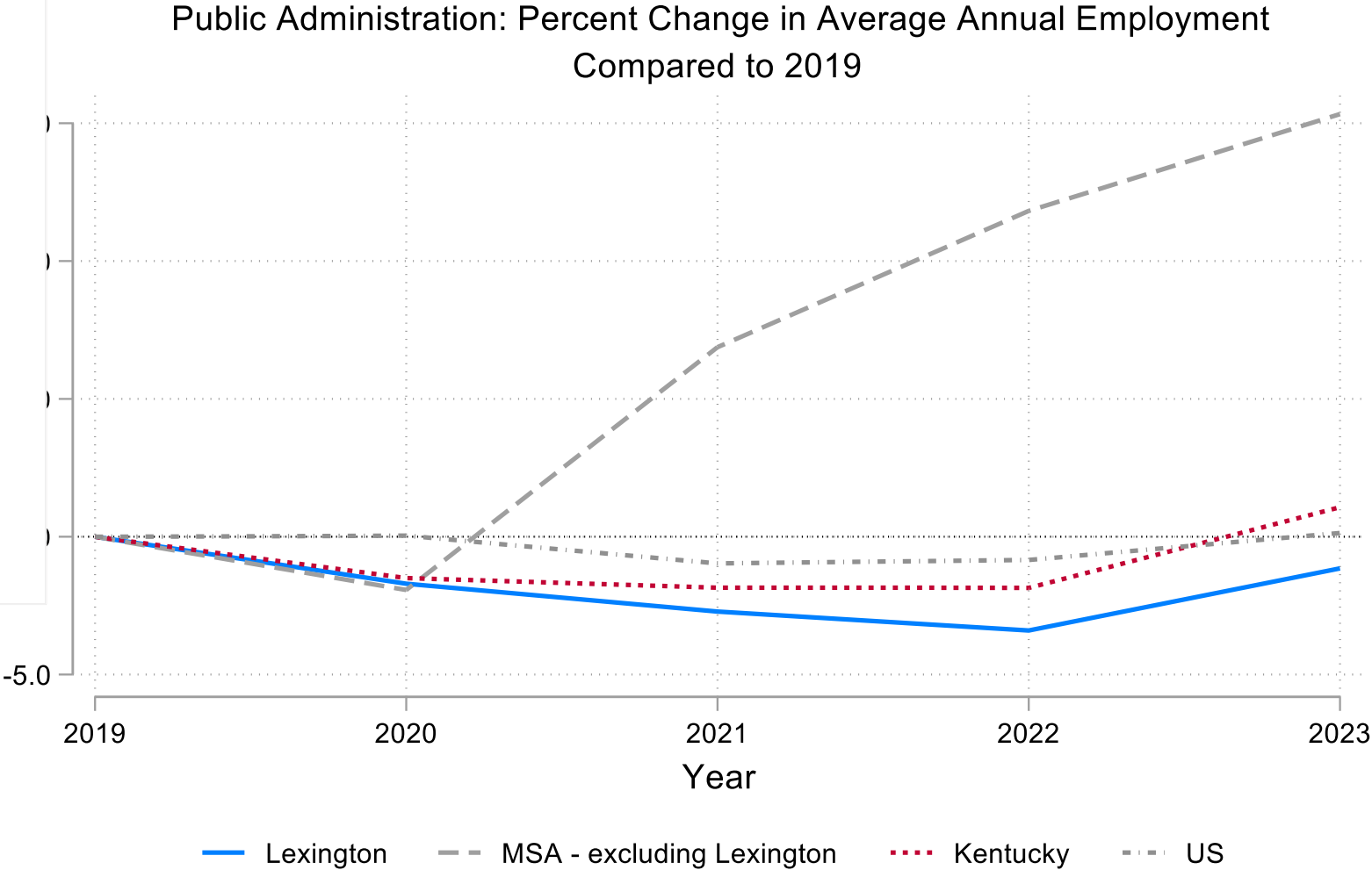
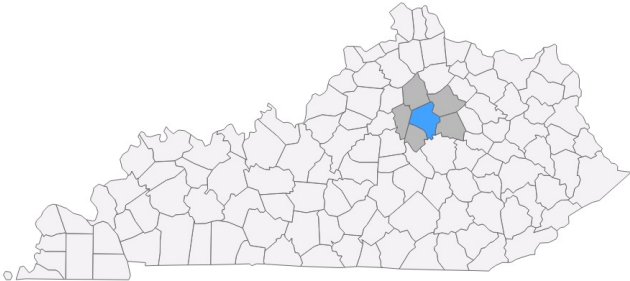
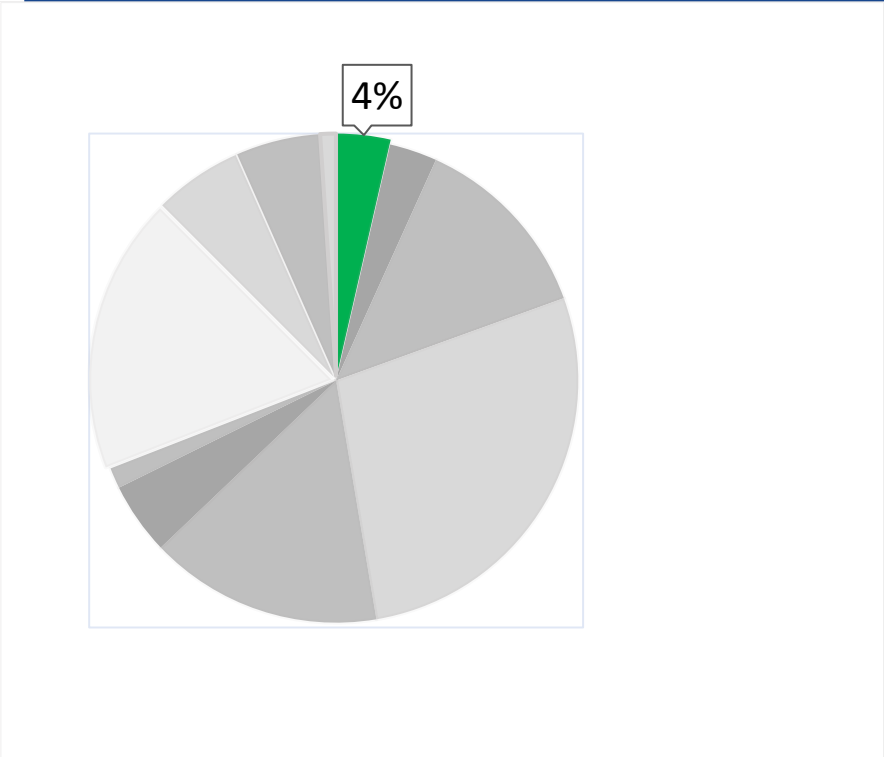


# Employment in the Public Administration Sector



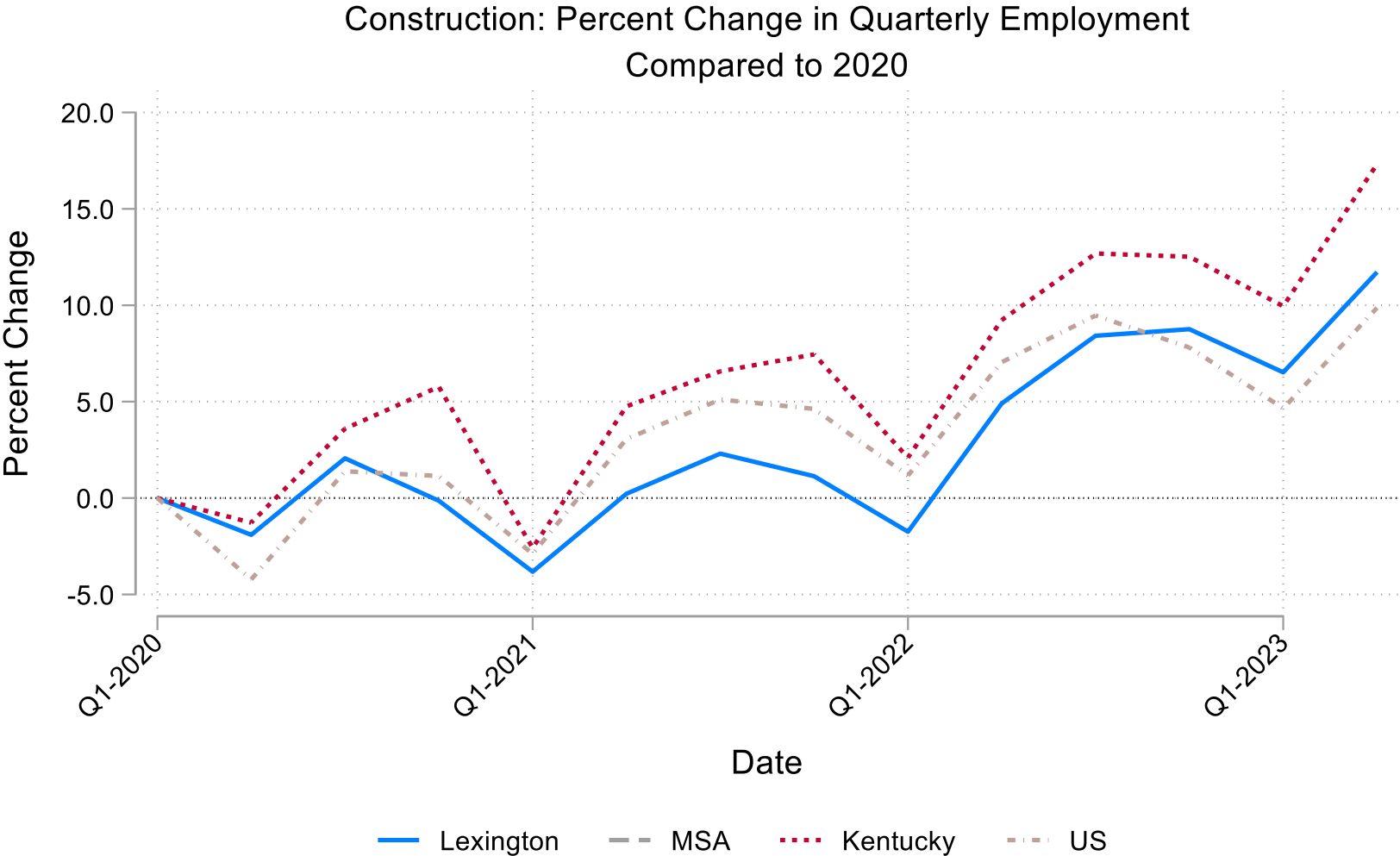
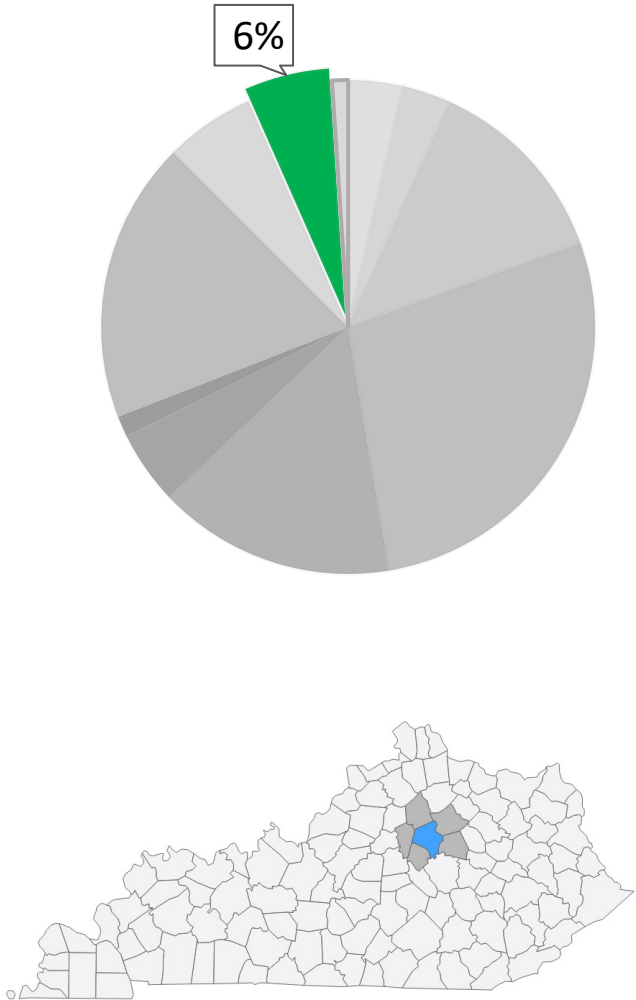
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Employment in the Public Administration Sector



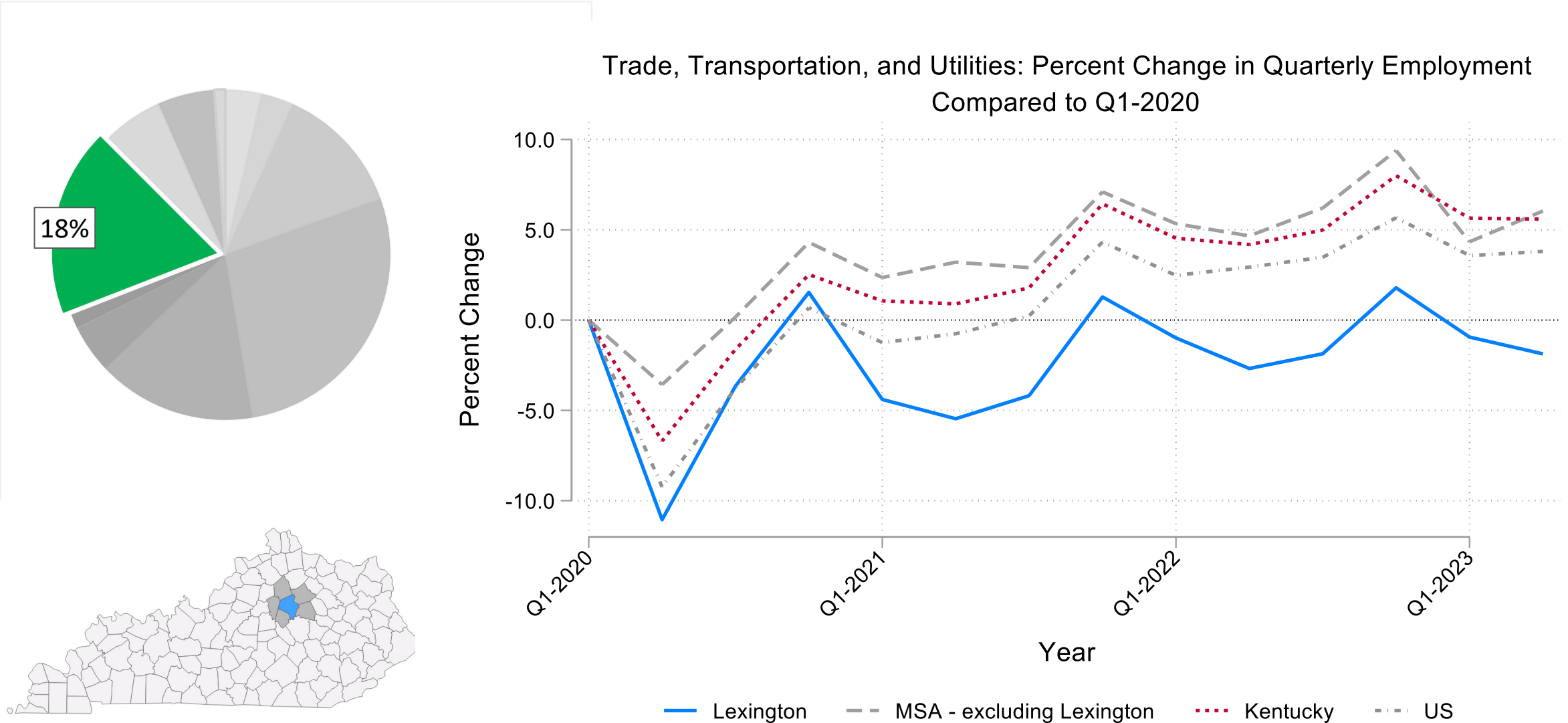
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Employment in the Construction Sector



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Employment in the Trade Transportation and Utilities Sector

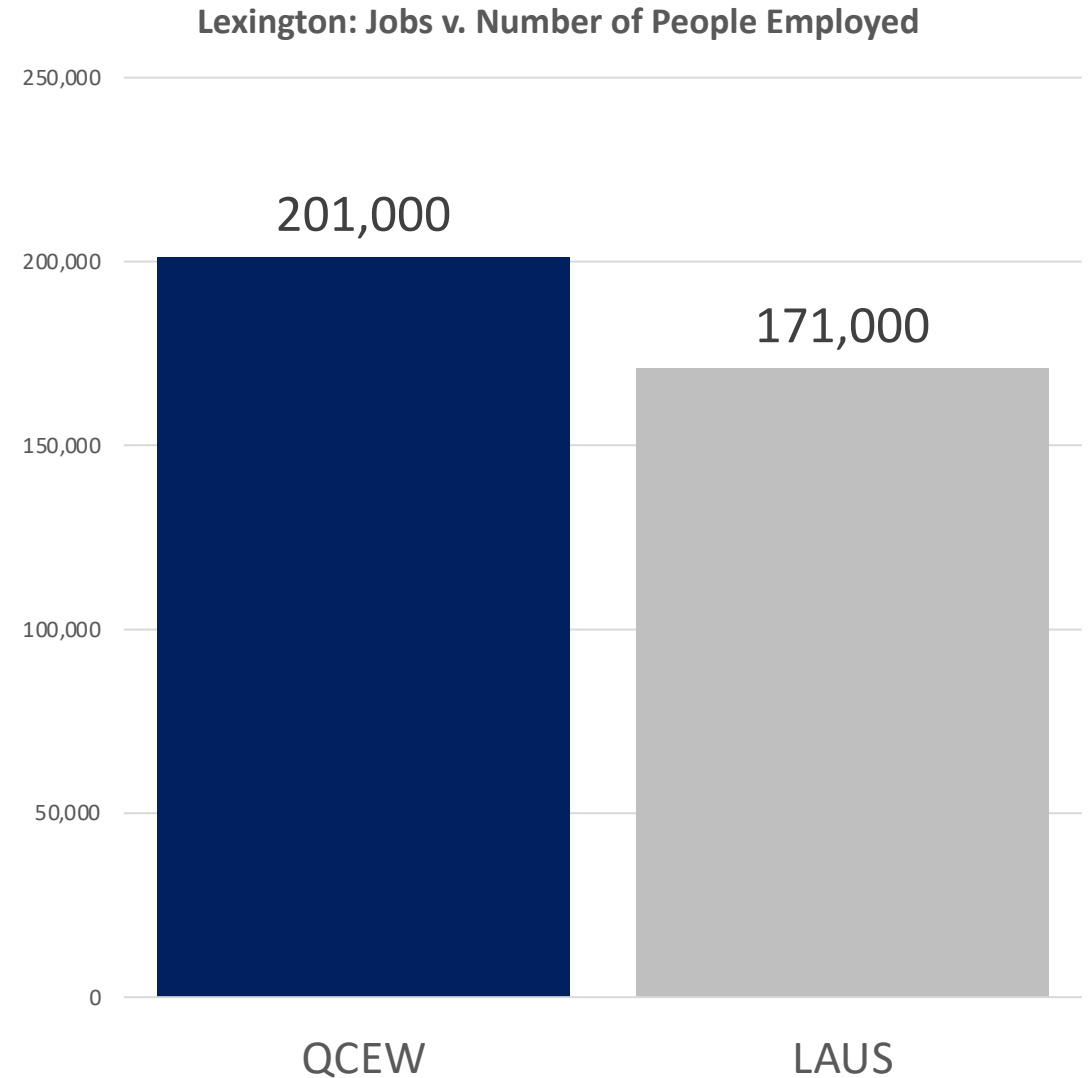


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

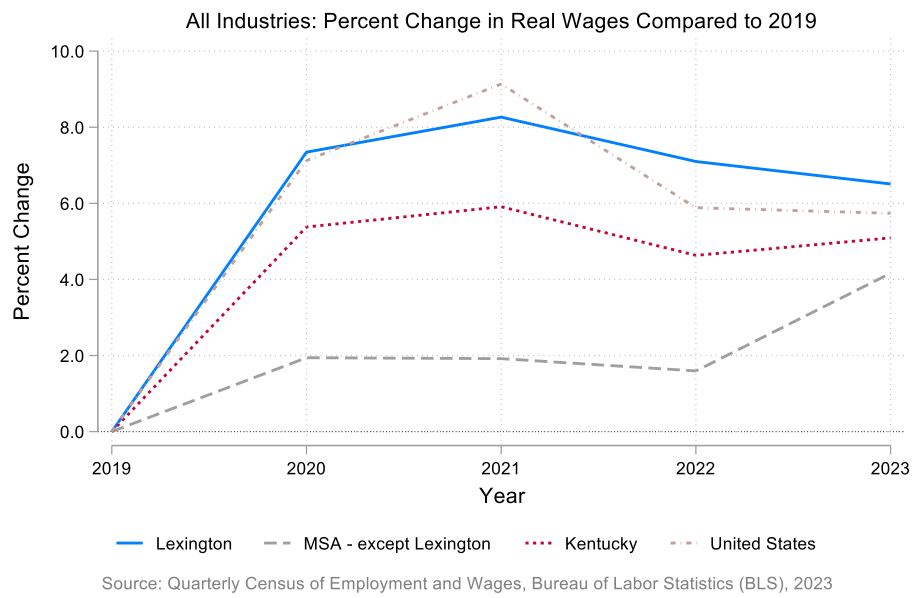
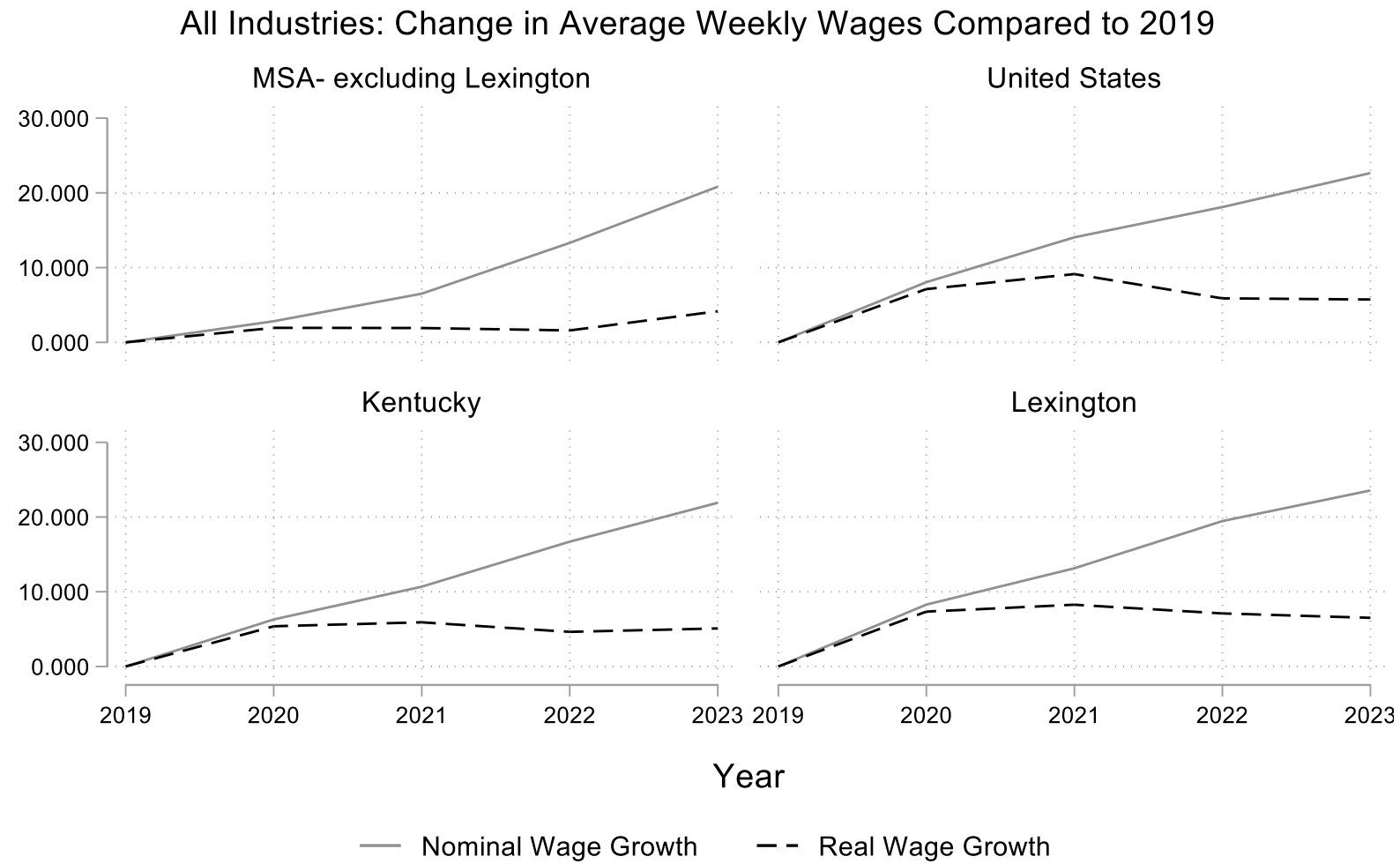
# Labor Market Data Sources

Two different data sets which report data at the county level:

- Quarterly Census of Employment and Wages (QCEW)
  - Mandatory UI reports
  - Counts the number of **jobs**.
  - Classified based on **job site**.
- Local Area Unemployment Statistics (LAUS)
  - Survey of **individuals**
  - Counts the number of **people** employed.
  - Based on where the **employee lives**.

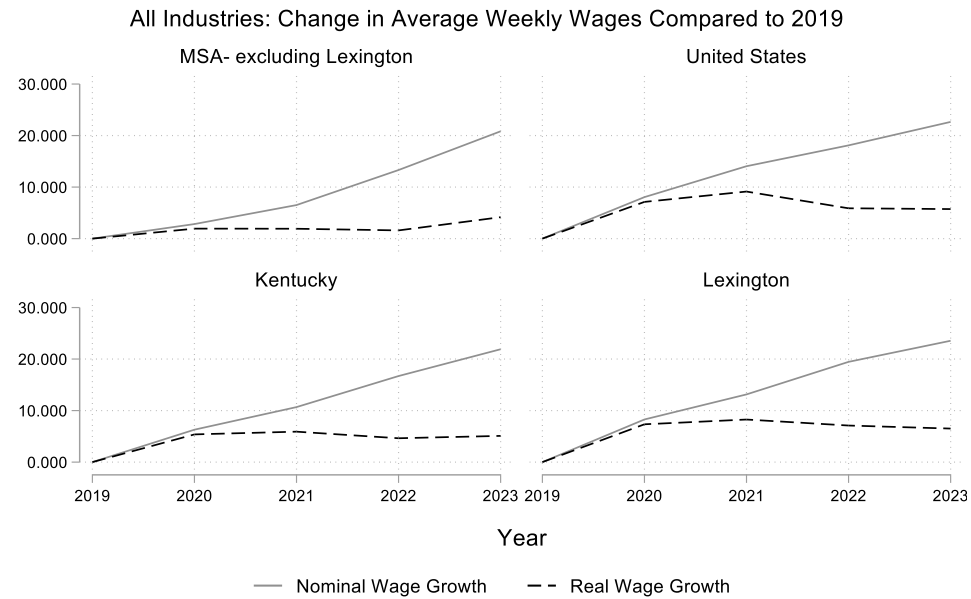


# Time Series: Real v. Nominal Wage Growth

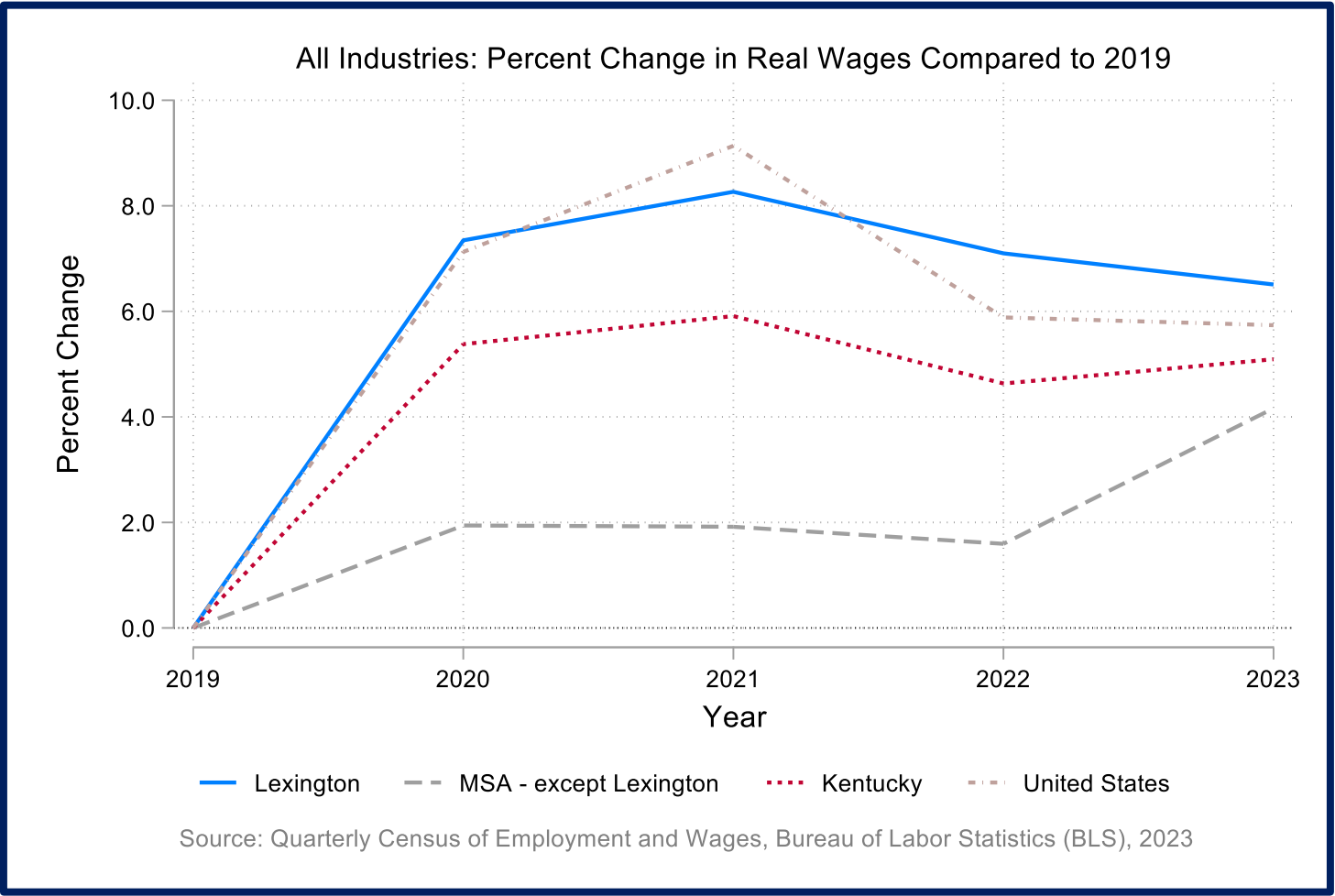


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Time Series: Real v. Nominal Wage Growth

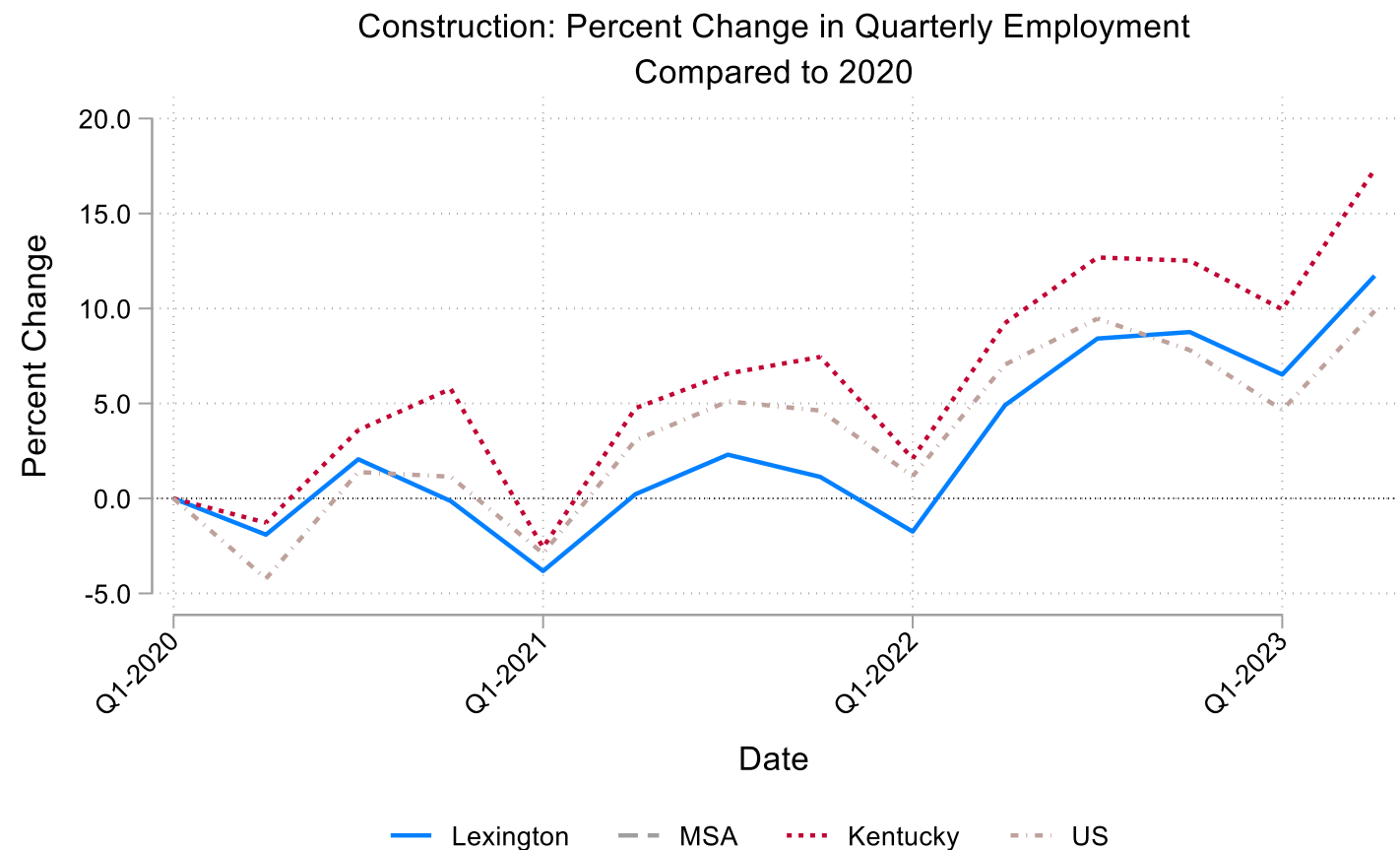


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

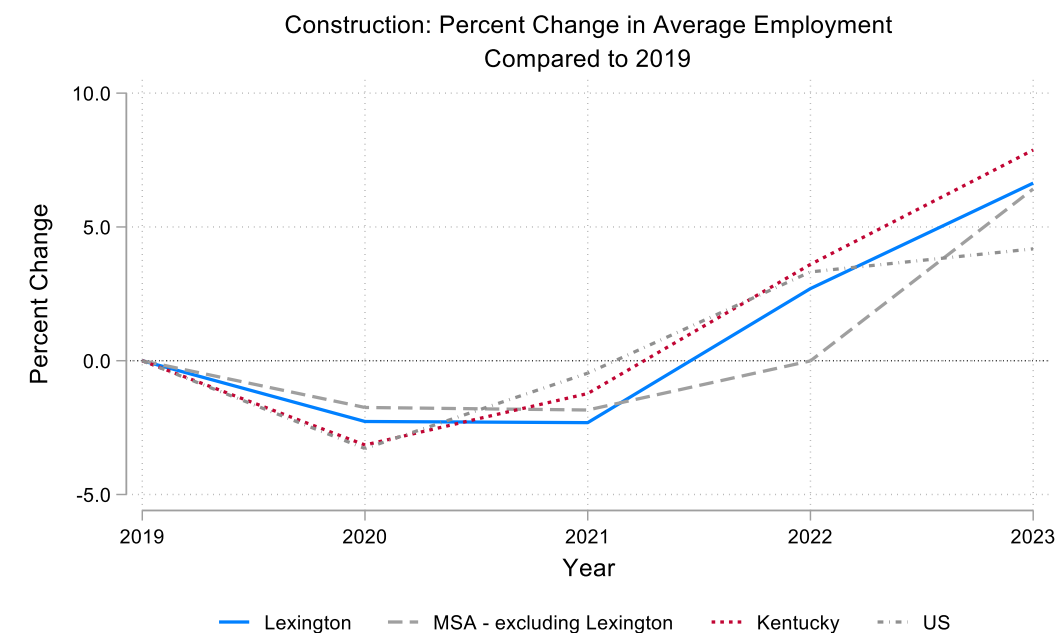


Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023

# Time Series: Quarterly v Annual Data



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics (BLS), 2023



# Time Series: Quarterly v Annual Data

