



**The employment situation deteriorated further in the Appalachian region in the third quarter of 2009,** although the trend showed signs of leveling off. Of the 420 counties in Appalachia, only 8 registered positive employment growth since the same period last year, down from 19 counties in the first quarter of 2009. The rate of job loss was more severe in Appalachia than in the nation as a whole: -5.0% vs. -4.1% respectively. Job loss was most severe in Southern Appalachia, where the decline was -6.6% since last year, and less severe in Northern Appalachia, where employment fell -3.8%. While U.S. employment has fallen back to levels last seen in 2004, Appalachia has lost all of the jobs gained since the end of the previous recession in 2002.

Unemployment trends in Appalachia closely tracked the nation as a whole during the expansion phase of the business cycle and in 2008, the first year of the recession. However, in the third quarter the unemployment gap between Appalachia and the nation widened to 1.8% higher in Central Appalachia, and 1.0% higher in Southern Appalachia. In Northern Appalachia, the unemployment rate was 0.5% lower than the nation.

Labor force growth turned negative for the first time in this recession in the third quarter, and it fell further in Appalachia than in the nation as a whole: -.9% and -.3 % respectively. The labor force dropped by a stunning -2% in Southern Appalachia and -1.4% in North-central Appalachia. A declining labor force indicates that many workers have given up the search for jobs and dropped out of the labor force altogether.

Population growth between 2000 and 2008 was lower in Appalachia than in the nation as a whole, 5% vs. 8%, but again there was great variation between different parts of the region. Population in Northern Appalachia declined -1.8% over the period 2000-2008 and remained nearly flat in Central Appalachia, at 1.3%. Population boomed in Southern Appalachia: with greater than 14% increase, it was nearly double the growth rate of the nation.

The ratio of employment to population, a rough measure of labor force participation, was 2% lower in Appalachia than in the nation as a whole, at .458 and .478 respectively. While most subregions of Appalachia were fairly close to the national average, only 39% of the population was part of the labor force in Central Appalachia.

Some areas of Appalachia have been harder hit than others in this recession. Employment in the third quarter declined by more than the U.S. average of -4.1% in Appalachian Alabama (-8.5%), Georgia (-6.5%), Ohio (-5.5%), Maryland (-4.2%), North Carolina (-4.9%), Tennessee (-5.2) and West Virginia (-6.4%). The Appalachian portion of Kentucky, Maryland, Mississippi, Pennsylvania, and North and South Carolina are faring slightly better than the nation. Sixty percent of Appalachia's 420 counties have lost proportionately more jobs than the nation as a whole.

Unemployment exceeded 10% in the Appalachian portion of Alabama (10.4%), Georgia (10.2%), Kentucky (11.8%), Mississippi (12.1%), North Carolina (10.6%), and South Carolina (11.6%). Unemployment was highest in Appalachian Ohio, at 12.2%. Unemployment rates are higher than the nation in the Appalachian portion of every state except Maryland, New York, Pennsylvania, and Virginia. Sixty percent of Appalachia's 420 counties have a higher unemployment rate than the nation as a whole.

The complete employment report may be downloaded from the ARC website at: <http://www.arc.gov/index.do?nodeId=26>.

## Recession hits harder in Appalachia

Source: U.S. Bureau of Labor Statistics LAUS, quarterly averages, not seasonally adjusted

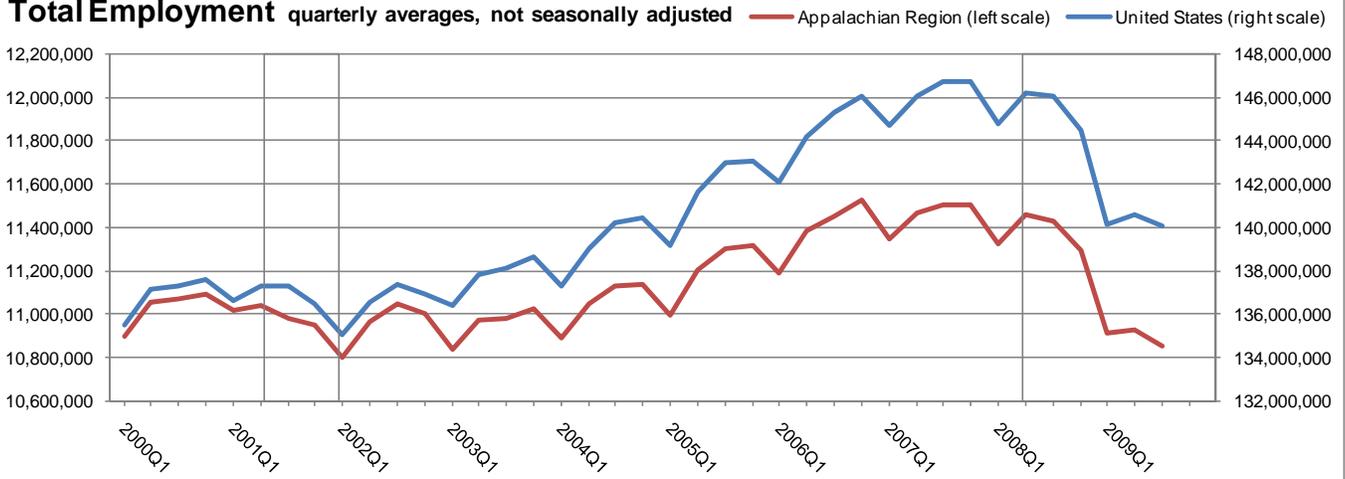
Employment Trends	Average annual labor force change (%)			Average annual employment change (%)			Unemployment rate (%) (unemployed/ civilian labor force)					Population change(%)	Employment population
	2001q1-2002q1 recession	2002q1-2008q1 expansion	2008q3-2009q3 recession	2001q1-2002q1 recession	2002q1-2008q1 expansion	2008q3-2009q3 recession	2001 peak	2002 trough	2007 peak	2008	2009 Q3	2000-2008	2008 ratio
United States	0.5	1.0	-0.3	-1.2	1.2	-4.1	4.7	5.8	4.6	5.8	9.6	8.0	.478
Appalachian Region	-0.4	0.6	-0.9	-1.9	0.8	-5.0	5.0	5.8	4.7	5.9	10.0	5.0	.458
Northern Appalachia	0.3	0.1	-0.3	-1.1	0.3	-3.8	5.2	6.0	4.9	5.9	9.1	-1.8	.476
North Central Appalachia	-0.5	0.5	-1.4	-1.4	0.7	-5.7	5.3	6.1	5.0	5.3	9.4	2.3	.438
Central Appalachia	0.5	0.4	1.1	-0.8	0.6	-4.0	6.2	6.8	6.0	6.8	11.4	1.3	.392
South Central Appalachia	-0.5	0.7	-0.6	-2.4	0.9	-4.7	5.1	5.8	4.6	6.2	10.3	7.5	.463
Southern Appalachia	-1.6	1.3	-2.0	-3.0	1.4	-6.6	4.4	5.2	4.3	5.8	10.6	14.1	.459



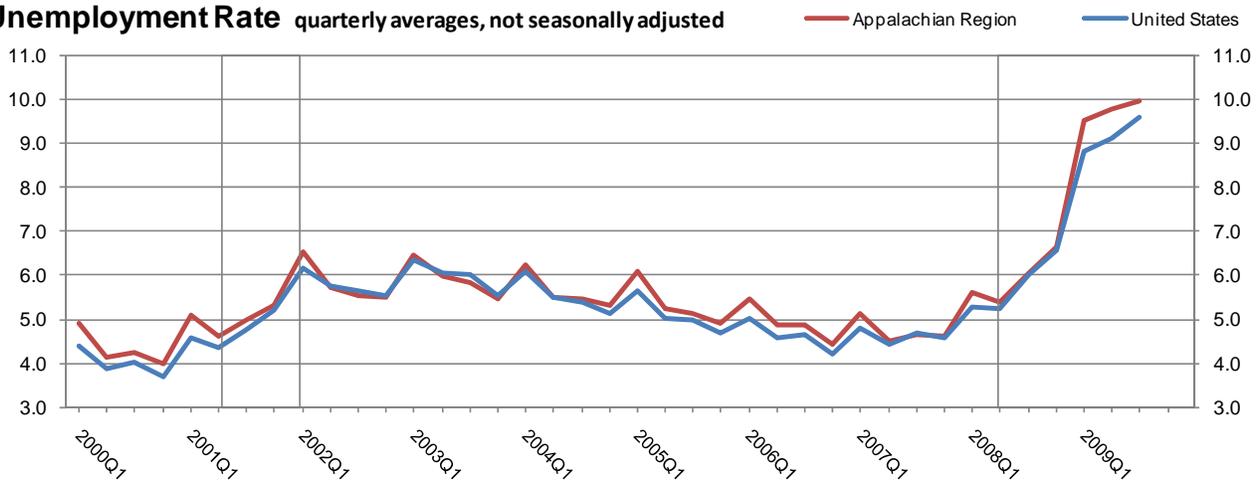
# Appalachian Region Employment Report - 2009 Q3

Source: U.S. Department of Labor LAUS Program, data not seasonally adjusted

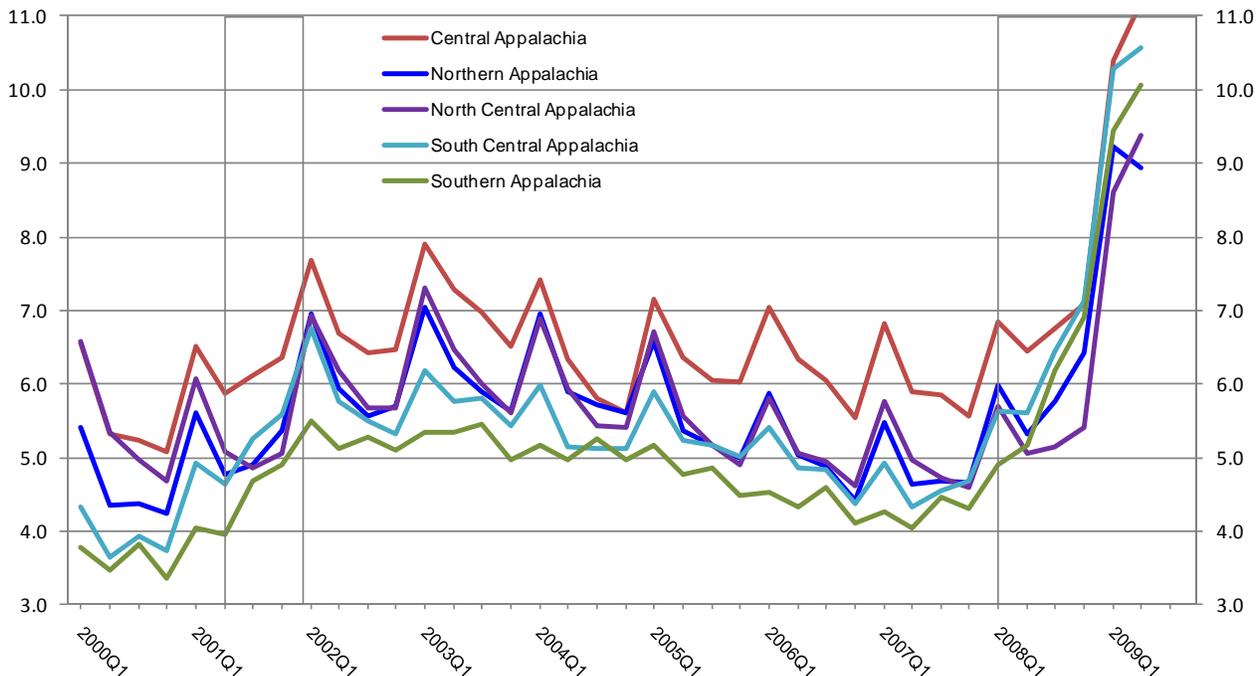
## Total Employment quarterly averages, not seasonally adjusted



## Unemployment Rate quarterly averages, not seasonally adjusted



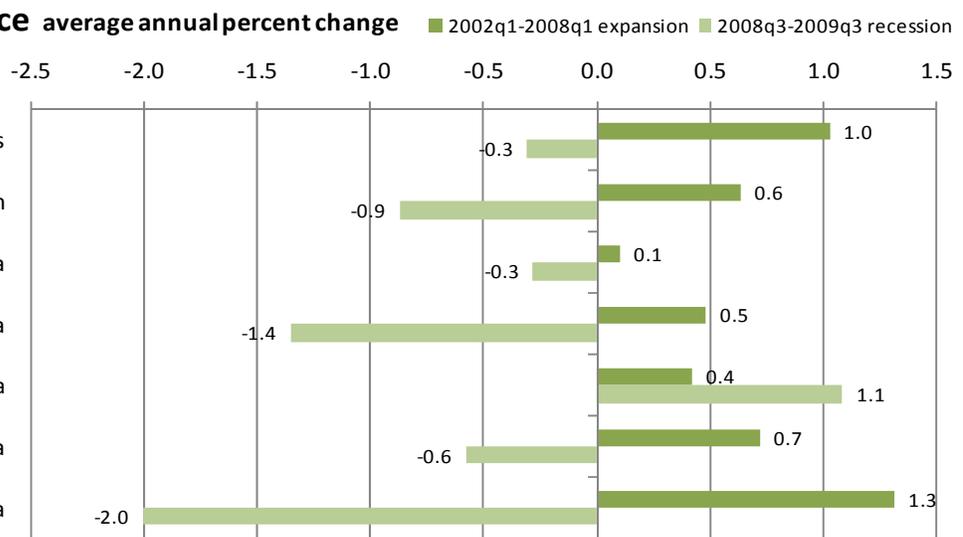
## Unemployment Rate by Region quarterly averages, not seasonally adjusted





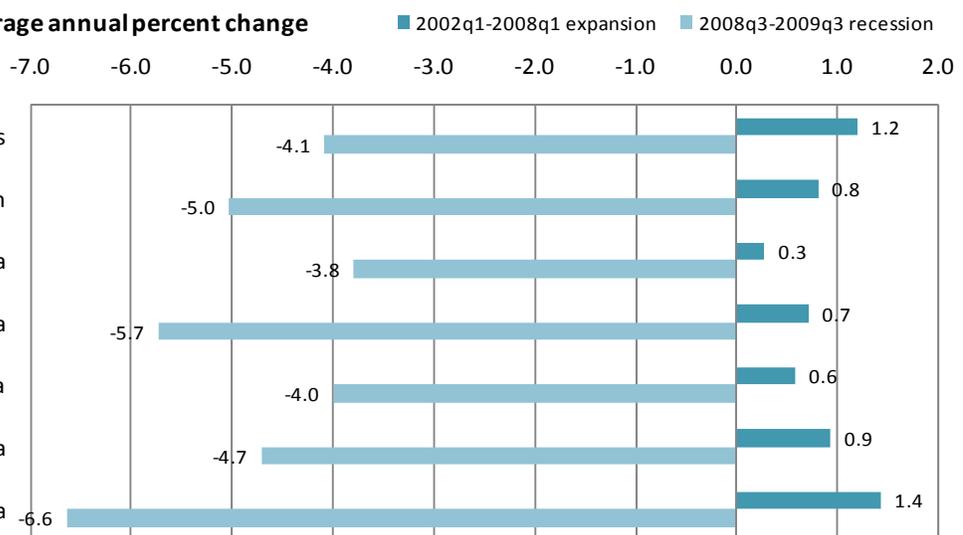
**Civilian labor force average annual percent change**

Northern= NY, PA, OH, MD  
 Central= OH, KY, VA, WV, TN, NC  
 Southern= SC, GA, AL, MS



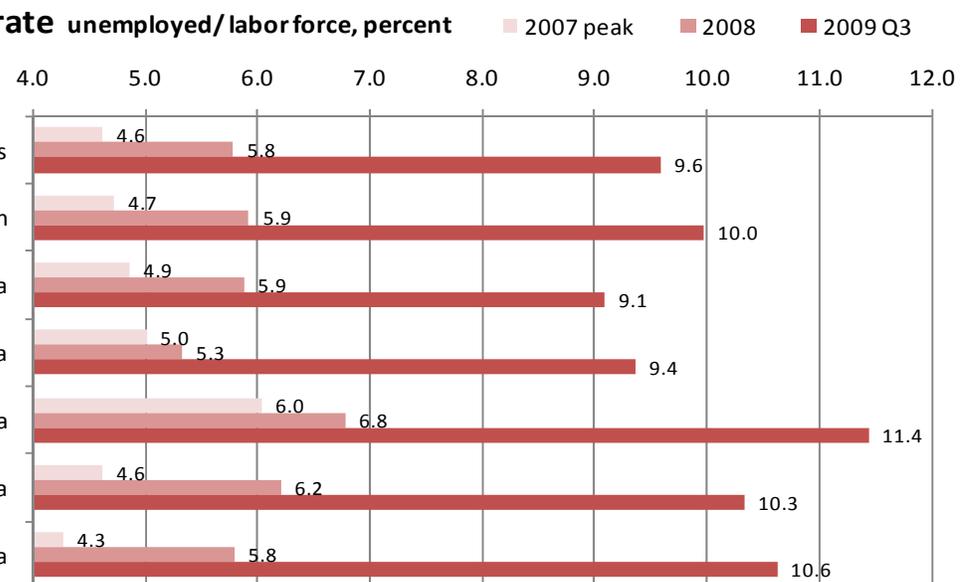
**Employment average annual percent change**

Northern= NY, PA, OH, MD  
 Central= OH, KY, VA, WV, TN, NC  
 Southern= SC, GA, AL, MS



**Unemployment rate unemployed/labor force, percent**

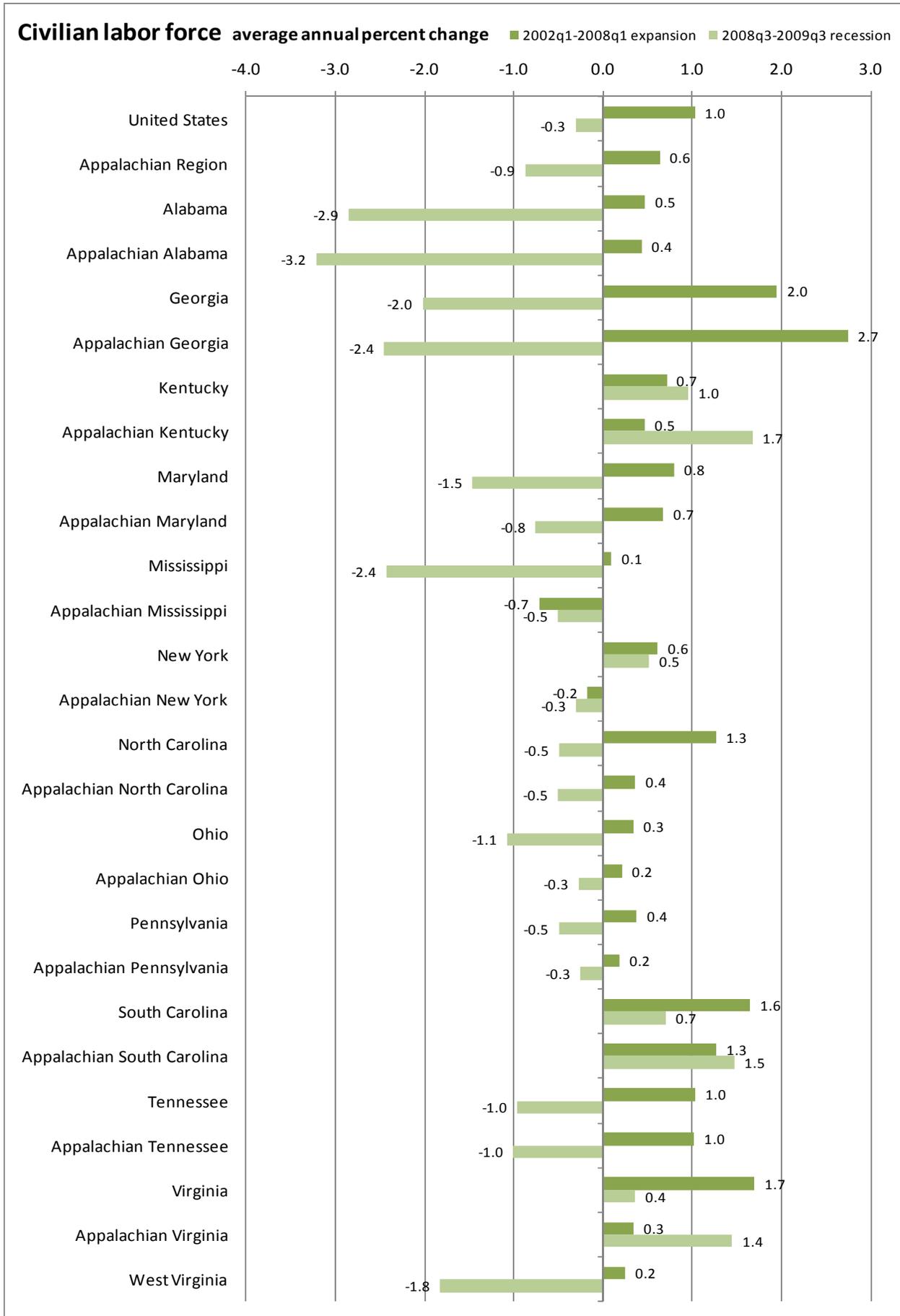
Northern= NY, PA, OH, MD  
 Central= OH, KY, VA, WV, TN, NC  
 Southern= SC, GA, AL, MS





# Appalachian Region Employment Report - 2009 Q3

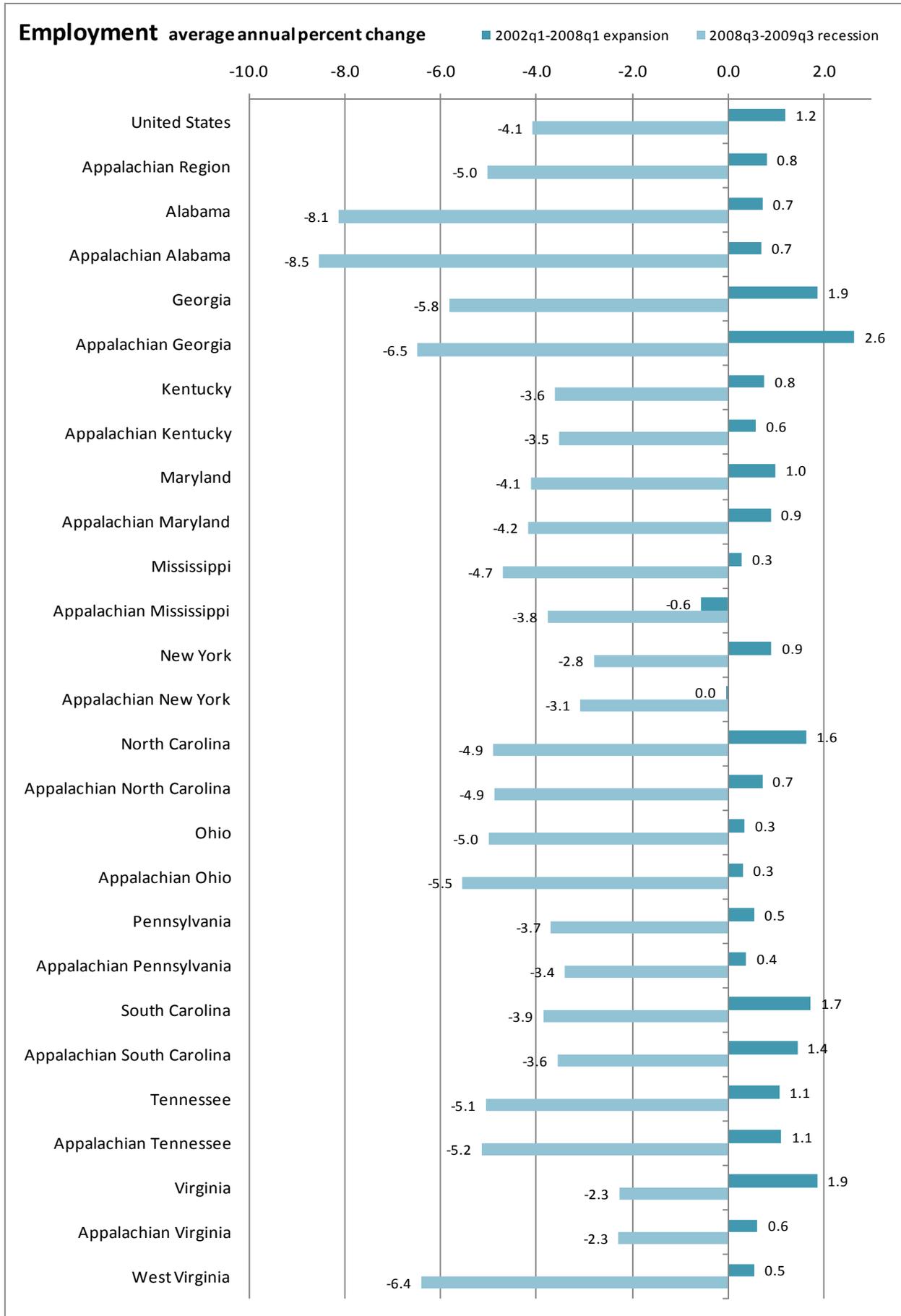
Source: U.S. Department of Labor LAUS Program, data not seasonally adjusted





# Appalachian Region Employment Report - 2009 Q3

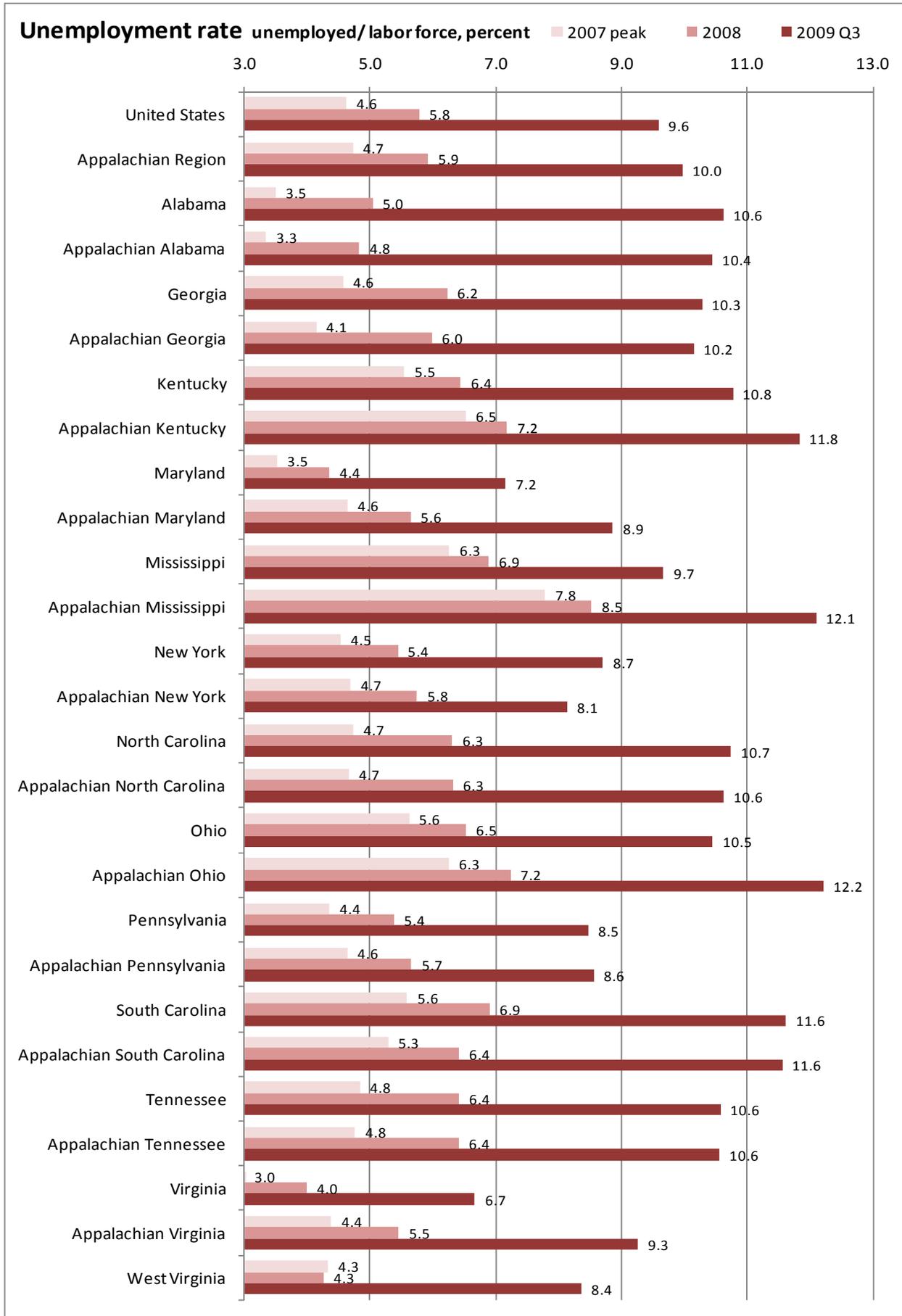
Source: U.S. Department of Labor LAUS Program, data not seasonally adjusted





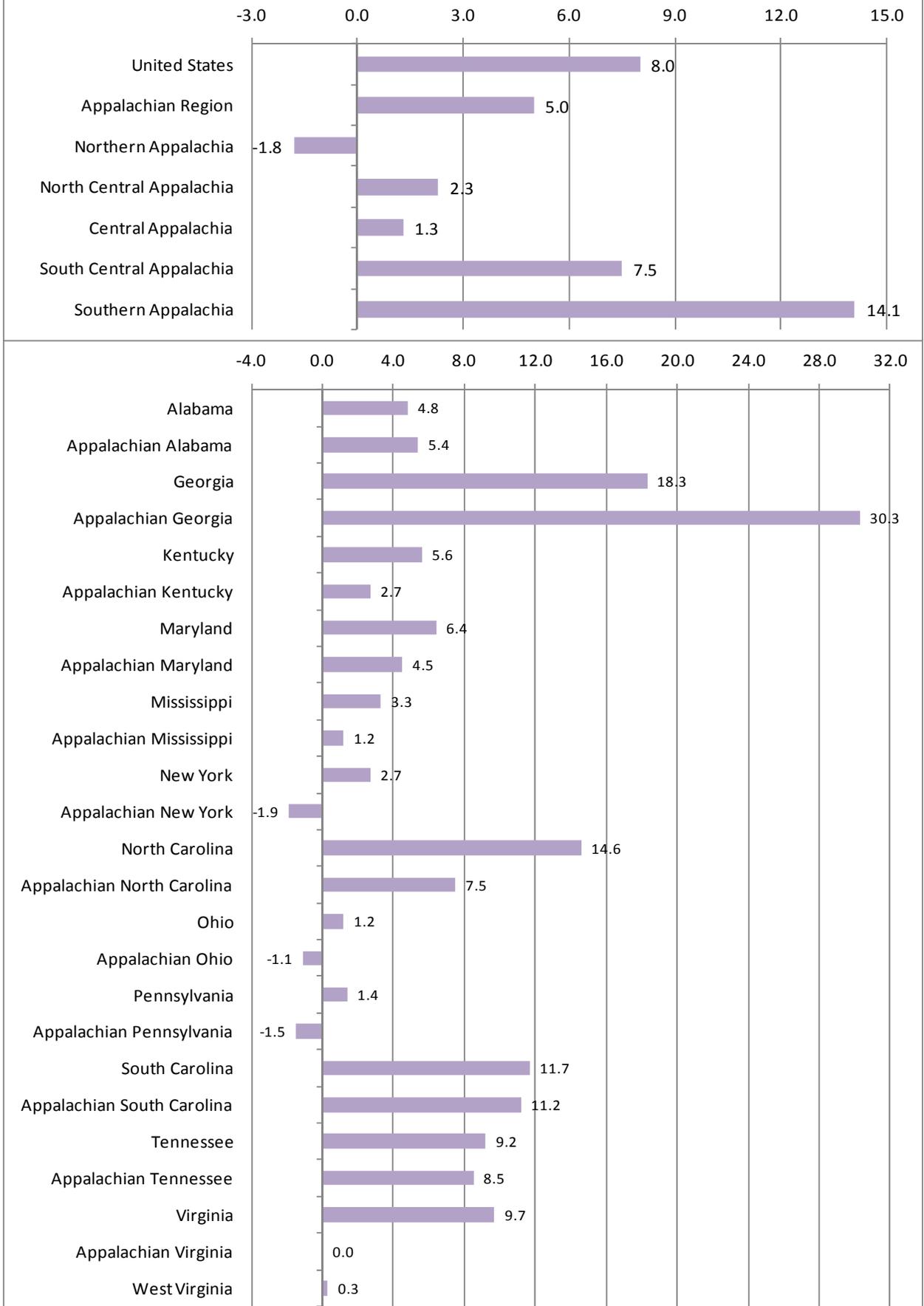
# Appalachian Region Employment Report - 2009 Q3

Source: U.S. Department of Labor LAUS Program, data not seasonally adjusted



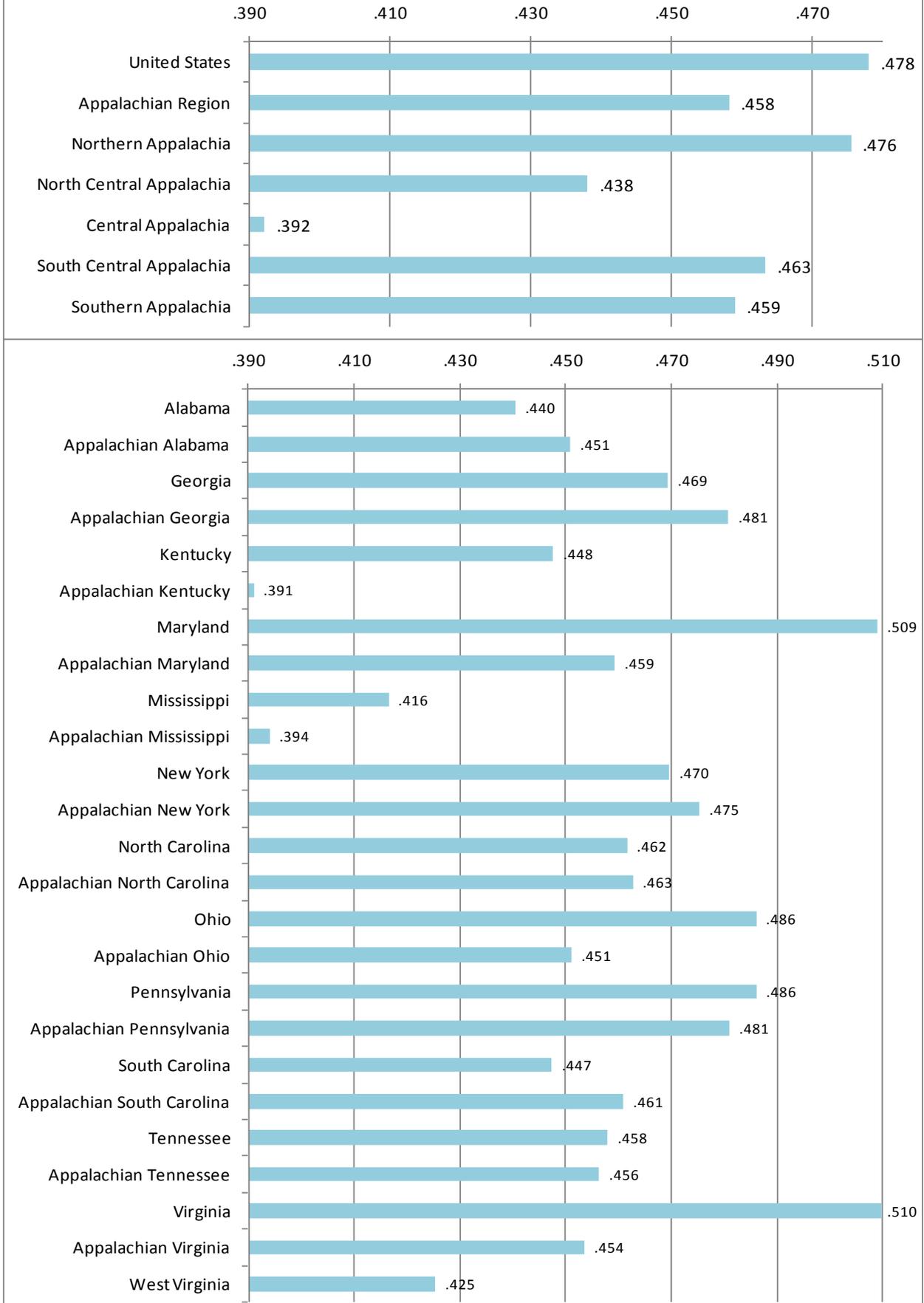


**Population change 2000-2008 percent**





## Employment- population ratio 2008





# Appalachian Region Employment Report - 2009 Q3

Source: U.S. Department of Labor LAUS Program, data not seasonally adjusted

Employment Trends	Average annual labor force change (%)			Average annual employment change (%)			Unemployment rate (%) (unemployed/ civilian labor force)					Population change(%)	Employment population	Population estimate
	2001q1-2002q1 recession	2002q1-2008q1 expansion	2008q3-2009q3 recession	2001q1-2002q1 recession	2002q1-2008q1 expansion	2008q3-2009q3 recession	2001 peak	2002 trough	2007 peak	2008	2009 Q3	2000-2008	2008 ratio	2008
United States	0.5	1.0	-0.3	-1.2	1.2	-4.1	4.7	5.8	4.6	5.8	9.6	8.0	.478	304,059,724
Appalachian Region	-0.4	0.6	-0.9	-1.9	0.8	-5.0	5.0	5.8	4.7	5.9	10.0	5.0	.458	24,831,844
Northern Appalachia	0.3	0.1	-0.3	-1.1	0.3	-3.8	5.2	6.0	4.9	5.9	9.1	-1.8	.476	8,293,073
North Central Appalachia	-0.5	0.5	-1.4	-1.4	0.7	-5.7	5.3	6.1	5.0	5.3	9.4	2.3	.438	2,372,899
Central Appalachia	0.5	0.4	1.1	-0.8	0.6	-4.0	6.2	6.8	6.0	6.8	11.4	1.3	.392	1,913,742
South Central Appalachia	-0.5	0.7	-0.6	-2.4	0.9	-4.7	5.1	5.8	4.6	6.2	10.3	7.5	.463	4,617,914
Southern Appalachia	-1.6	1.3	-2.0	-3.0	1.4	-6.6	4.4	5.2	4.3	5.8	10.6	14.1	.459	7,634,216
United States	0.5	1.0	-0.3	-1.2	1.2	-4.1	4.7	5.8	4.6	5.8	9.6	8.0	.478	304,059,724
Appalachian Region	-0.4	0.6	-0.9	-1.9	0.8	-5.0	5.0	5.8	4.7	5.9	10.0	5.0	.458	24,831,844
Alabama	-2.6	0.5	-2.9	-3.8	0.7	-8.1	4.7	5.4	3.5	5.0	10.6	4.8	.440	4,661,900
Appalachian Alabama	-2.5	0.4	-3.2	-3.8	0.7	-8.5	4.5	5.2	3.3	4.8	10.4	5.4	.451	2,991,150
Georgia	0.4	2.0	-2.0	-0.9	1.9	-5.8	4.0	4.8	4.6	6.2	10.3	18.3	.469	9,685,744
Appalachian Georgia	1.4	2.7	-2.4	0.1	2.6	-6.5	3.6	4.4	4.1	6.0	10.2	30.3	.481	2,875,926
Kentucky	-1.3	0.7	1.0	-2.6	0.8	-3.6	5.2	5.7	5.5	6.4	10.8	5.6	.448	4,269,245
Appalachian Kentucky	0.5	0.5	1.7	-0.7	0.6	-3.5	6.5	6.9	6.5	7.2	11.8	2.7	.391	1,191,592
Maryland	0.3	0.8	-1.5	-0.6	1.0	-4.1	4.1	4.5	3.5	4.4	7.2	6.4	.509	5,633,597
Appalachian Maryland	0.5	0.7	-0.8	-0.2	0.9	-4.2	5.1	5.4	4.6	5.6	8.9	4.5	.459	247,320
Mississippi	-1.1	0.1	-2.4	-3.2	0.3	-4.7	5.6	6.7	6.3	6.9	9.7	3.3	.416	2,938,618
Appalachian Mississippi	-2.7	-0.7	-0.5	-5.1	-0.6	-3.8	6.6	7.9	7.8	8.5	12.1	1.2	.394	622,875
New York	1.2	0.6	0.5	-0.9	0.9	-2.8	4.9	6.2	4.5	5.4	8.7	2.7	.470	19,490,297
Appalachian New York	1.2	-0.2	-0.3	-1.1	0.0	-3.1	4.5	5.7	4.7	5.8	8.1	-1.9	.475	1,051,882
North Carolina	0.1	1.3	-0.5	-2.2	1.6	-4.9	5.6	6.6	4.7	6.3	10.7	14.6	.462	9,222,414
Appalachian North Carolina	-0.3	0.4	-0.5	-2.6	0.7	-4.9	5.5	6.5	4.7	6.3	10.6	7.5	.463	1,640,226
Ohio	0.2	0.3	-1.1	-1.7	0.3	-5.0	4.4	5.7	5.6	6.5	10.5	1.2	.486	11,485,910
Appalachian Ohio	0.6	0.2	-0.3	-1.1	0.3	-5.5	5.5	6.7	6.3	7.2	12.2	-1.1	.451	2,017,575
Pennsylvania	0.7	0.4	-0.5	-0.6	0.5	-3.7	4.8	5.6	4.4	5.4	8.5	1.4	.486	12,448,279
Appalachian Pennsylvania	0.3	0.2	-0.3	-0.9	0.4	-3.4	5.2	6.0	4.6	5.7	8.6	-1.5	.481	5,731,290
South Carolina	-3.5	1.6	0.7	-5.1	1.7	-3.9	5.2	5.9	5.6	6.9	11.6	11.7	.447	4,479,800
Appalachian South Carolina	-5.2	1.3	1.5	-7.3	1.4	-3.6	4.8	5.9	5.3	6.4	11.6	11.2	.461	1,144,265
Tennessee	-1.3	1.0	-1.0	-3.0	1.1	-5.1	4.7	5.3	4.8	6.4	10.6	9.2	.458	6,214,888
Appalachian Tennessee	-0.7	1.0	-1.0	-2.4	1.1	-5.2	4.9	5.4	4.8	6.4	10.6	8.5	.456	2,745,503
Virginia	2.0	1.7	0.4	0.1	1.9	-2.3	3.2	4.2	3.0	4.0	6.7	9.7	.510	7,769,089
Appalachian Virginia	1.3	0.3	1.4	-0.7	0.6	-2.3	5.1	6.2	4.4	5.5	9.3	0.0	.454	757,772
West Virginia	-1.8	0.2	-1.8	-2.3	0.5	-6.4	5.2	5.9	4.3	4.3	8.4	0.3	.425	1,814,468