



The employment situation improved slightly in the Appalachian region in the fourth quarter of 2009 as the unemployment rate fell to 9.8%; however, this had much more to do with workers giving up the job search and leaving the labor force altogether, rather than an improving employment outlook.

The rate of job loss in this recession was more severe in Appalachia than in the nation as a whole: -6.7% vs. -5.5%. Job loss was most severe in Southern Appalachia, where the decline was -9.2% since 2007Q4, and less severe in Northern and Central Appalachia, where employment fell -4.6%. While U.S. employment has fallen back to levels last seen in 2004, Appalachia has lost all of the jobs gained since 2000. Of the 420 counties in Appalachia, only 8 registered positive employment growth since 2007, down from 19 counties in the first quarter of 2009.

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. In the fourth quarter the unemployment rate was 1.5% higher than the nation in Central Appalachia, and somewhat lower in northern and north-central Appalachia. Nearly two-thirds of Appalachia's 420 counties have a higher unemployment rate than the nation as a whole.

During the expansion, labor force growth was slower in Appalachia than the nation, and during this recession labor force contraction is greater: -1.2% vs. -0.3% for Appalachia and the nation, respectively. The labor force declined by a stunning -3.0% in southern Appalachia and -2.3% in north-central Appalachia. A decline in the labor force indicates workers who 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, 5.0% vs. 8.0%, but again it varied widely among different parts of the region. Population in northern Appalachia declined -1.8% over the period and remained nearly flat (+1.3%) in Central Appalachia, but boomed in Southern Appalachia: at 14.1% increase, it grew at nearly double the rate for the nation as a whole.

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 (.458 and .478 respectively). While most subregions of Appalachia were fairly close to the national average, only 39.2% of the population participated in the labor force in Central Appalachia.

Some areas of Appalachia have been harder hit than others in this recession. Employment in the fourth quarter declined by more than the national average in Appalachian Alabama (-12.1%), Georgia (-8.7%), Maryland (-6.4%), North Carolina (-7.4%), Ohio (-7.0%), Tennessee (-6.9) and West Virginia (-7.3%). The Appalachian regions of Kentucky, Mississippi, New York, Pennsylvania, and South Carolina are faring slightly better than the nation.

Unemployment exceeded the national average in the Appalachian portion of Alabama (10.2%), Georgia (9.9%), Kentucky (11.4%), Mississippi (11.8%), North Carolina (10.8%), and South Carolina (11.9%). Unemployment was highest in Appalachian Ohio, at 12.0%. Unemployment rates are higher than the nation in the Appalachian portion of every state except Maryland, New York, Pennsylvania, and Virginia.

## Recession hits harder in Appalachia

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

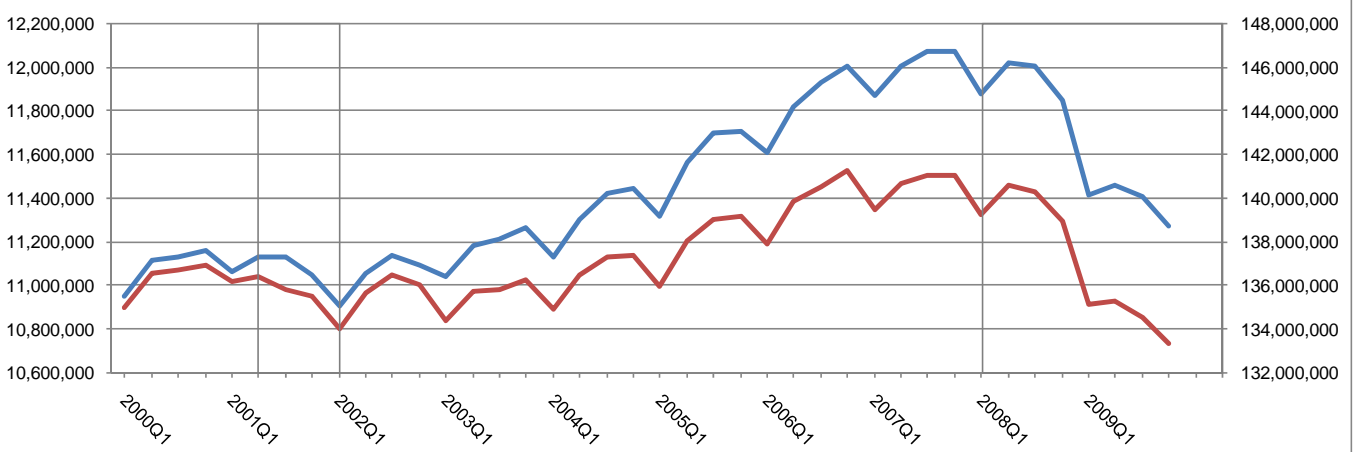
Employment Trends	Average annual labor force change (%)			Average annual employment change (%)			Unemployment rate (%) (unemployed/ civilian labor force)					Population change(%)	Employment population
	2001q1-2002q1 recession	2002q1-2008q1 expansion	2007q4-2009q4 recession	2001q1-2002q1 recession	2002q1-2008q1 expansion	2007q4-2009q4 recession	2001 peak	2002 trough	2007 peak	2008	2009 Q4	2000-2008	2008 ratio
Northern= NY, PA, OH, MD Central= OH, KY, VA, WV, TN, NC Southern= SC, GA, AL, MS													
United States	0.5	1.0	-0.3	-1.2	1.2	-5.5	4.7	5.8	4.6	5.8	9.5	8.0	.478
Appalachian Region	-0.4	0.6	-1.2	-1.9	0.8	-6.7	5.0	5.8	4.7	5.9	9.8	5.0	.458
Northern Appalachia	0.3	0.1	0.0	-1.1	0.3	-4.6	5.2	6.0	4.9	5.9	9.1	-1.8	.476
North Central Appalachia	-0.5	0.5	-2.3	-1.4	0.7	-7.1	5.3	6.1	5.0	5.3	9.2	2.3	.438
Central Appalachia	0.5	0.4	1.2	-0.8	0.6	-4.6	6.2	6.8	6.0	6.8	11.0	1.3	.392
South Central Appalachia	-0.5	0.7	-1.0	-2.4	0.9	-6.7	5.1	5.8	4.6	6.2	10.2	7.5	.463
Southern Appalachia	-1.6	1.3	-3.0	-3.0	1.4	-9.2	4.4	5.2	4.3	5.8	10.5	14.1	.459



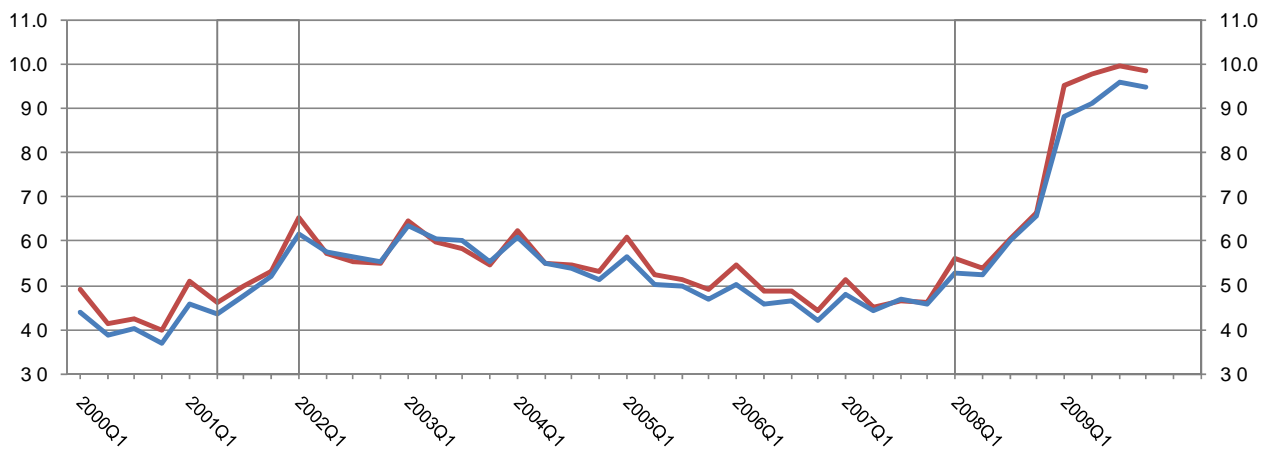
# Appalachian Region Employment Report - 2009 Q4

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

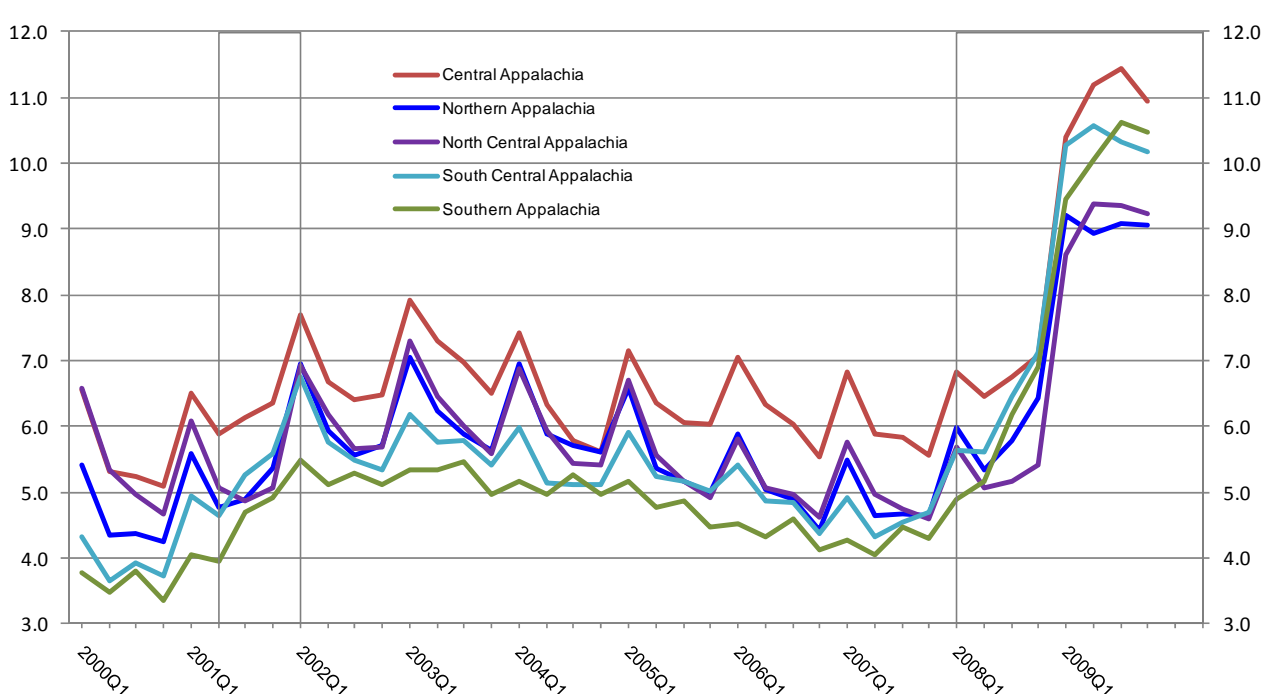
**Total Employment** quarterly averages, not seasonally adjusted



**Unemployment Rate** quarterly averages, not seasonally adjusted



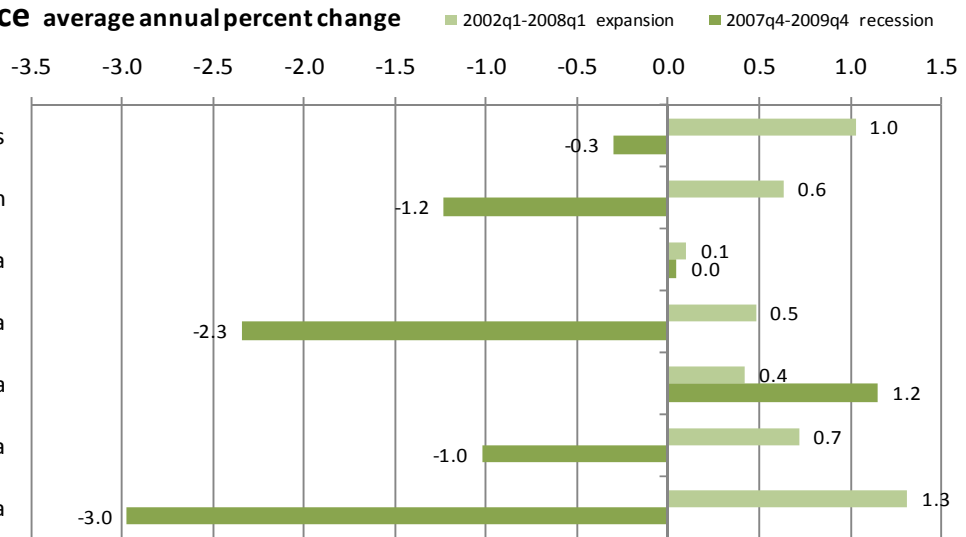
**Unemployment Rate by Region** quarterly averages, not seasonally adjusted





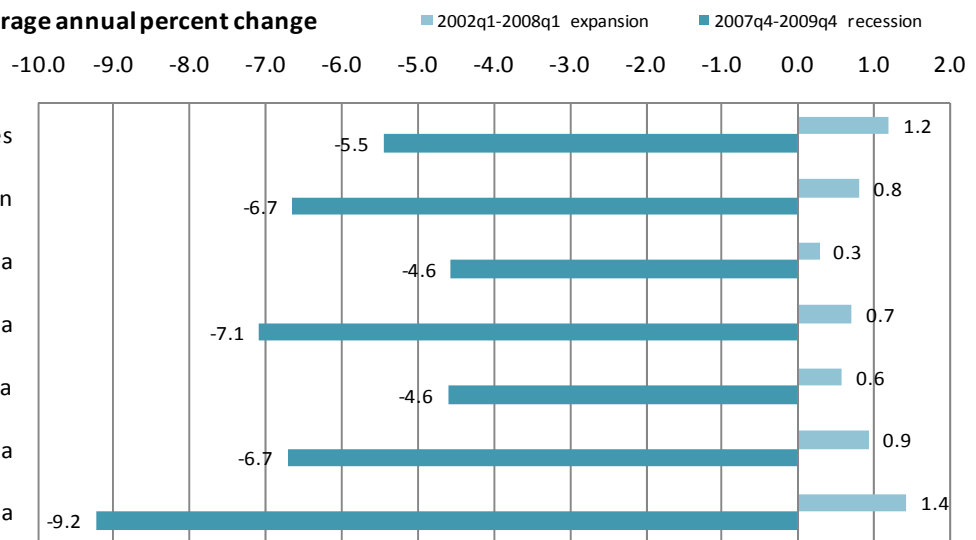
**Civilian labor force average annual percent change**

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



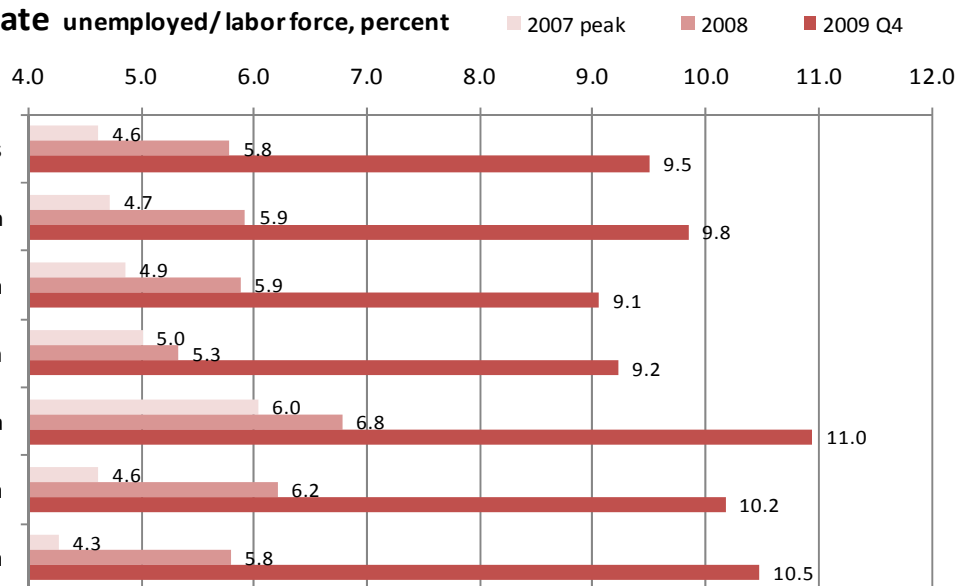
**Employment average annual percent change**

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



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

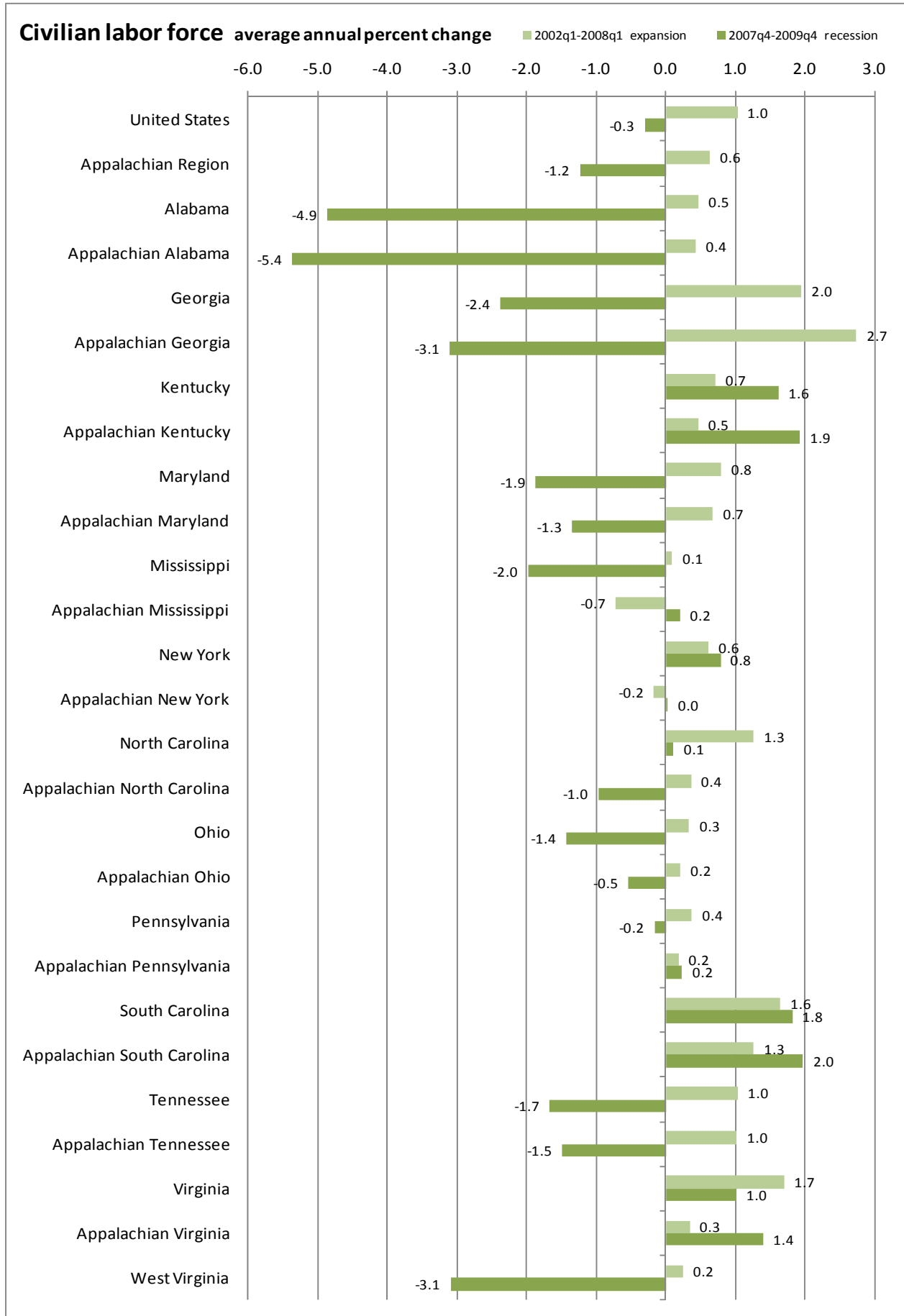
Northern= NY, PA, OH, MD  
 Central= OH, KY, VA, WV, TN, NC  
 Southern= SC, GA, AL, MS





# Appalachian Region Employment Report - 2009 Q4

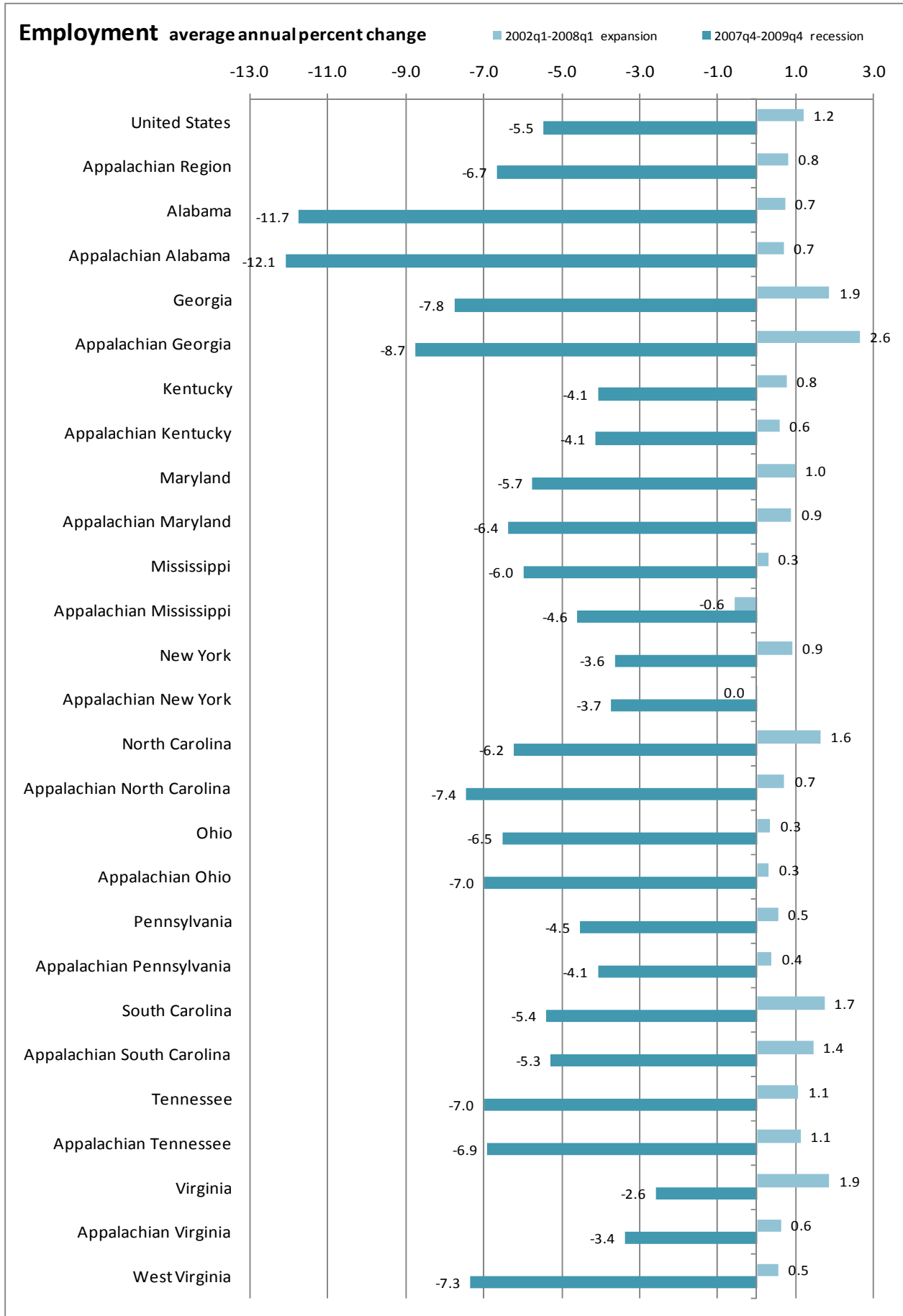
Source: U.S. Department of Labor LAUS Program, data not seasonally adjusted





# Appalachian Region Employment Report - 2009 Q4

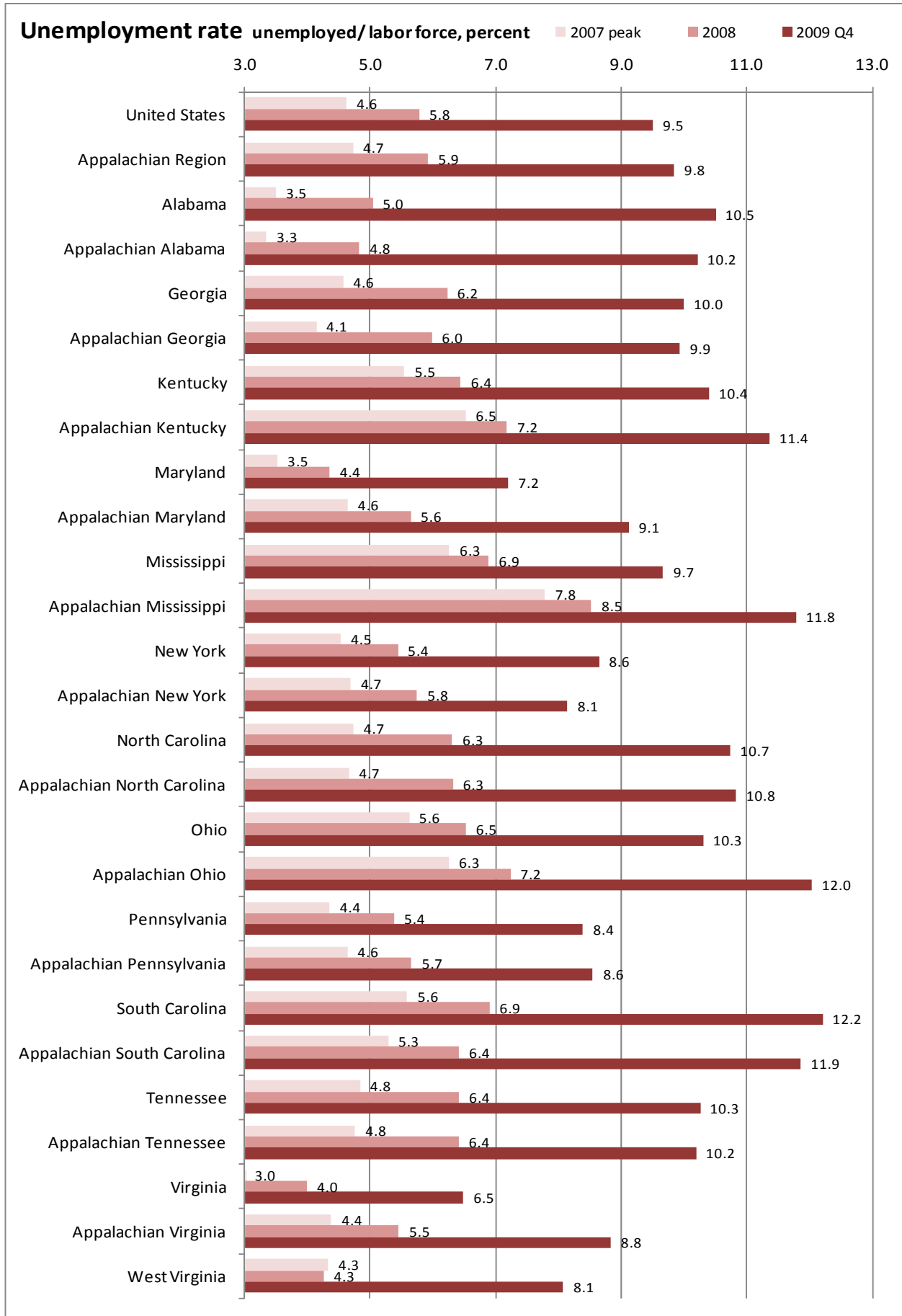
Source: U.S. Department of Labor LAUS Program, data not seasonally adjusted





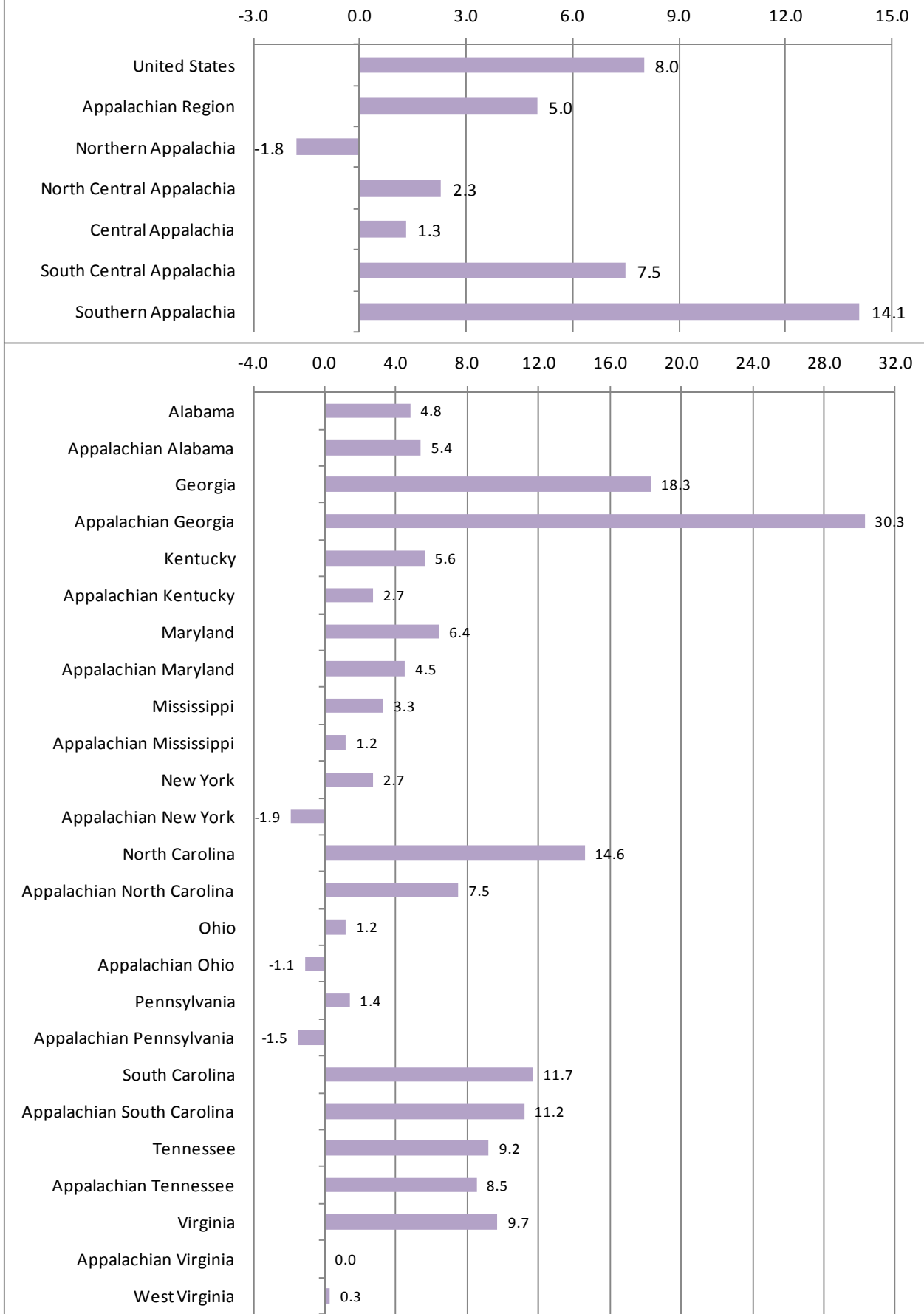
# Appalachian Region Employment Report - 2009 Q4

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



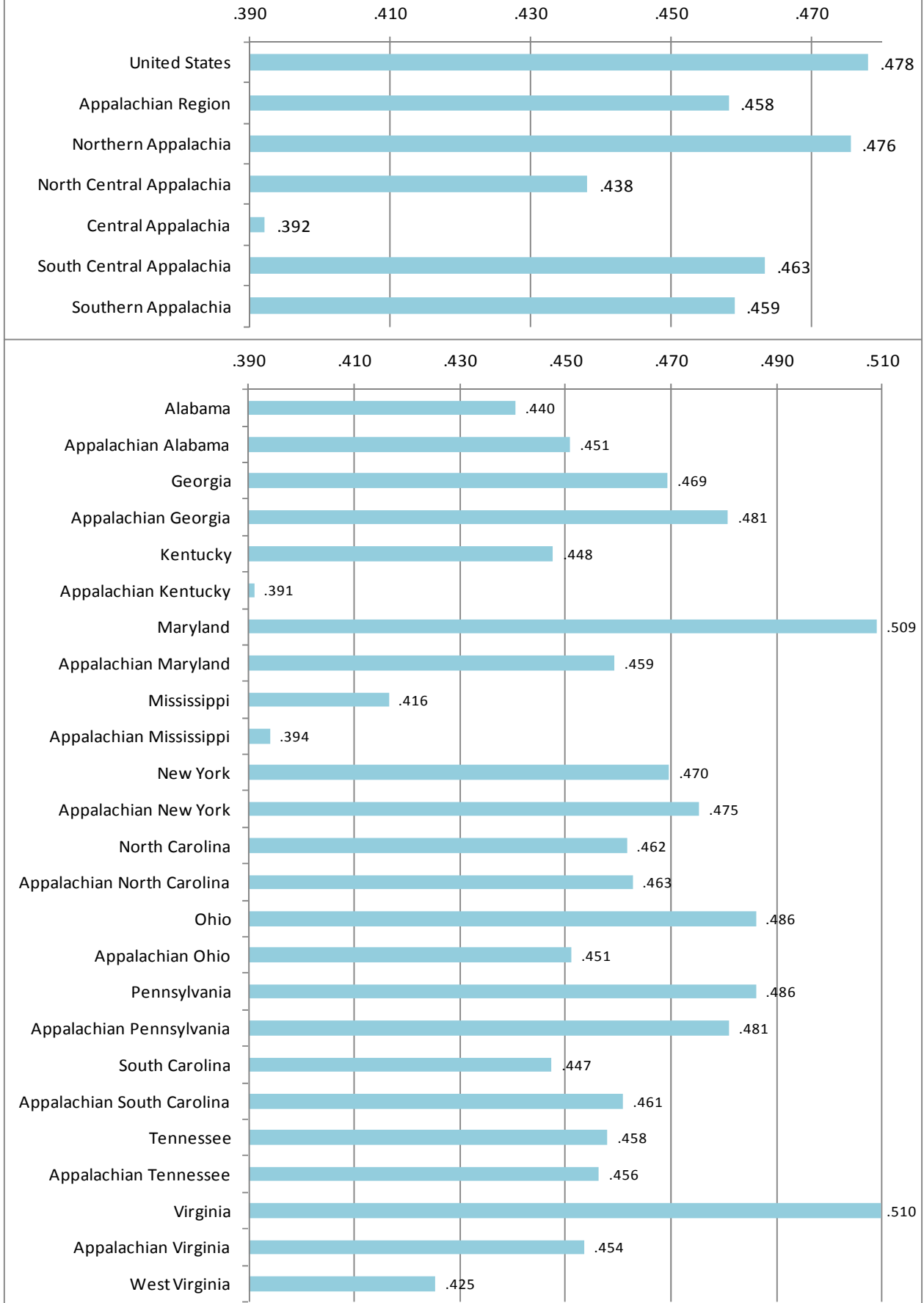


**Population change 2000-2008 percent**





## Employment- population ratio 2008







# Appalachian Region Employment Report - 2009 Q4

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	Employment estimate
	2001q1-2002q1 recession	2002q1-2008q1 expansion	2007q4-2009q4 recession	2001q1-2002q1 recession	2002q1-2008q1 expansion	2007q4-2009q4 recession	2001 peak	2002 trough	2007 peak	2008	2009 Q4	2000-2008	2008 ratio	2008	2008
United States	0.5	1.0	-0.3	-1.2	1.2	-5.5	4.7	5.8	4.6	5.8	9.5	8.0	.478	304,059,724	145,362,500
Appalachian Region	-0.4	0.6	-1.2	-1.9	0.8	-6.7	5.0	5.8	4.7	5.9	9.8	5.0	.458	24,831,844	11,377,550
Northern Appalachia	0.3	0.1	0.0	-1.1	0.3	-4.6	5.2	6.0	4.9	5.9	9.1	-1.8	.476	8,293,073	3,943,439
North Central Appalachia	-0.5	0.5	-2.3	-1.4	0.7	-7.1	5.3	6.1	5.0	5.3	9.2	2.3	.438	2,372,899	1,039,617
Central Appalachia	0.5	0.4	1.2	-0.8	0.6	-4.6	6.2	6.8	6.0	6.8	11.0	1.3	.392	1,913,742	750,547
Southern Central Appalachia	-0.5	0.7	-1.0	-2.4	0.9	-6.7	5.1	5.8	4.6	6.2	10.2	7.5	.463	4,617,914	2,139,775
Southern Appalachia	-1.6	1.3	-3.0	-3.0	1.4	-9.2	4.4	5.2	4.3	5.8	10.5	14.1	.459	7,634,216	3,504,172
United States	0.5	1.0	-0.3	-1.2	1.2	-5.5	4.7	5.8	4.6	5.8	9.5	8.0	.478	304,059,724	145,362,500
Appalachian Region	-0.4	0.6	-1.2	-1.9	0.8	-6.7	5.0	5.8	4.7	5.9	9.8	5.0	.458	24,831,844	11,377,550
Alabama	-2.6	0.5	-4.9	-3.8	0.7	-11.7	4.7	5.4	3.5	5.0	10.5	4.8	.440	4,661,900	2,053,502
Appalachian Alabama	-2.5	0.4	-5.4	-3.8	0.7	-12.1	4.5	5.2	3.3	4.8	10.2	5.4	.451	2,991,150	1,348,653
Georgia	0.4	2.0	-2.4	-0.9	1.9	-7.8	4.0	4.8	4.6	6.2	10.0	18.3	.469	9,685,744	4,545,675
Appalachian Georgia	1.4	2.7	-3.1	0.1	2.6	-8.7	3.6	4.4	4.1	6.0	9.9	30.3	.481	2,875,926	1,382,707
Kentucky	-1.3	0.7	1.6	-2.6	0.8	-4.1	5.2	5.7	5.5	6.4	10.4	5.6	.448	4,269,245	1,911,240
Appalachian Kentucky	0.5	0.5	1.9	-0.7	0.6	-4.1	6.5	6.9	6.5	7.2	11.4	2.7	.391	1,191,592	465,882
Maryland	0.3	0.8	-1.9	-0.6	1.0	-5.7	4.1	4.5	3.5	4.4	7.2	6.4	.509	5,633,597	2,867,178
Appalachian Maryland	0.5	0.7	-1.3	-0.2	0.9	-6.4	5.1	5.4	4.6	5.6	9.1	4.5	.459	247,320	113,585
Mississippi	-1.1	0.1	-2.0	-3.2	0.3	-6.0	5.6	6.7	6.3	6.9	9.7	3.3	.416	2,938,618	1,223,858
Appalachian Mississippi	-2.7	-0.7	0.2	-5.1	-0.6	-4.6	6.6	7.9	7.8	8.5	11.8	1.2	.394	622,875	245,405
New York	1.2	0.6	0.8	-0.9	0.9	-3.6	4.9	6.2	4.5	5.4	8.6	2.7	.470	19,490,297	9,152,934
Appalachian New York	1.2	-0.2	0.0	-1.1	0.0	-3.7	4.5	5.7	4.7	5.8	8.1	-1.9	.475	1,051,882	499,966
North Carolina	0.1	1.3	0.1	-2.2	1.6	-6.2	5.6	6.6	4.7	6.3	10.7	14.6	.462	9,222,414	4,256,815
Appalachian North Carolina	-0.3	0.4	-1.0	-2.6	0.7	-7.4	5.5	6.5	4.7	6.3	10.8	7.5	.463	1,640,226	758,897
Ohio	0.2	0.3	-1.4	-1.7	0.3	-6.5	4.4	5.7	5.6	6.5	10.3	1.2	.486	11,485,910	5,582,127
Appalachian Ohio	0.6	0.2	-0.5	-1.1	0.3	-7.0	5.5	6.7	6.3	7.2	12.0	-1.1	.451	2,017,575	910,137
Pennsylvania	0.7	0.4	-0.2	-0.6	0.5	-4.5	4.8	5.6	4.4	5.4	8.4	1.4	.486	12,448,279	6,050,623
Appalachian Pennsylvania	0.3	0.2	0.2	-0.9	0.4	-4.1	5.2	6.0	4.6	5.7	8.6	-1.5	.481	5,731,290	2,756,537
Southern Carolina	-3.5	1.6	1.8	-5.1	1.7	-5.4	5.2	5.9	5.6	6.9	12.2	11.7	.447	4,479,800	2,004,241
Appalachian South Carolina	-5.2	1.3	2.0	-7.3	1.4	-5.3	4.8	5.9	5.3	6.4	11.9	11.2	.461	1,144,265	527,407
Tennessee	-1.3	1.0	-1.7	-3.0	1.1	-7.0	4.7	5.3	4.8	6.4	10.3	9.2	.458	6,214,888	2,846,096
Appalachian Tennessee	-0.7	1.0	-1.5	-2.4	1.1	-6.9	4.9	5.4	4.8	6.4	10.2	8.5	.456	2,745,503	1,252,897
Virginia	2.0	1.7	1.0	0.1	1.9	-2.6	3.2	4.2	3.0	4.0	6.5	9.7	.510	7,769,089	3,960,011
Appalachian Virginia	1.3	0.3	1.4	-0.7	0.6	-3.4	5.1	6.2	4.4	5.5	8.8	0.0	.454	757,772	343,673
West Virginia	-1.8	0.2	-3.1	-2.3	0.5	-7.3	5.2	5.9	4.3	4.3	8.1	0.3	.425	1,814,468	771,805