JOINT ECONOMIC COMMITTEE
VICE CHAIR AMY KLOBUCHAR
UNITED STATES CONGRESS
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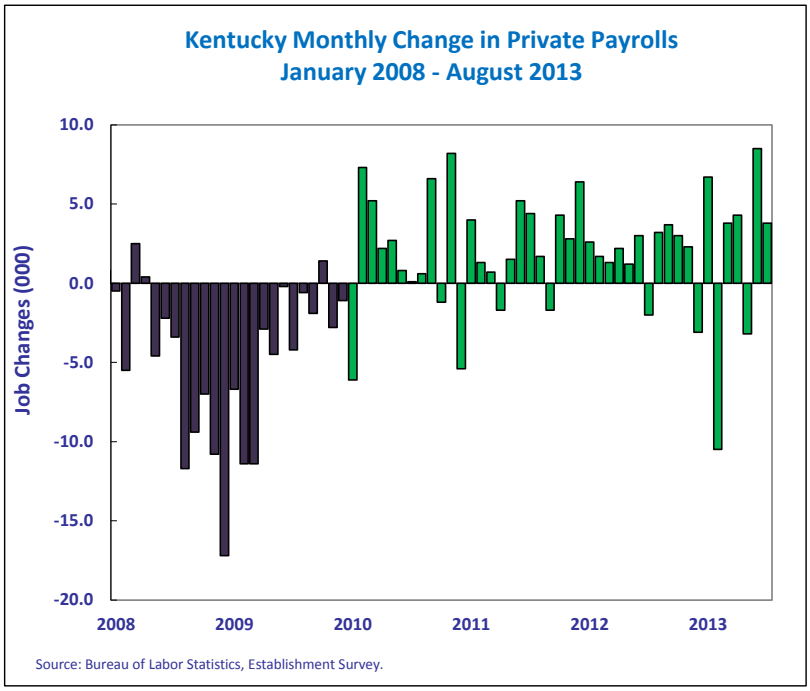
Economic Overview And Outlook: Kentucky

Jobs

- Including August, the private sector has gained jobs nationwide for 42 consecutive months.
- In Kentucky, private sector employment fell by 7.9 percent from January 2008 to February 2010. Since February 2010, private sector employment has grown by 6.2 percent.
- In Kentucky, employees in the manufacturing, construction, and information services sectors faced the largest job losses (as a percent of employment within an industry) over the recession. Since the beginning of 2010, the following sectors in Kentucky have experienced the greatest employment increases: professional and business services; leisure and hospitality; and manufacturing.*
- As the economy continues its emergence from the Great Recession, service-providing industries are projected to add the most jobs between 2010 and 2020. The largest gains over this period are expected to occur in the healthcare and social assistance, professional and business services, and retail trade sectors. Job gains in the goods-producing sector of the economy will be led by the construction and mining industries while the number of manufacturing jobs is expected to fall.

Employment

- The unemployment rate in Kentucky was 8.4 percent in August 2013, up 2.8 percentage points from December 2007, but down from its most recent peak of 10.7 percent in January 2010.
- 175,000 residents were counted among the unemployed in Kentucky during August 2013.
- In Kentucky, initial claims for unemployment insurance benefits totaled 19,186 during August, down 17.7 percent from the previous month. Since peaking at 60,316 in March 2009, initial claims for unemployment insurance benefits have declined by 68.2 percent.



Earnings

- Between the start of the recession in the 4th quarter of 2007 and the 3rd quarter of 2009, inflation-adjusted total personal income in the United States declined 4.6 percent. Most recently, in the 1st quarter of 2013, total personal income is 2.5 percent above its 4th quarter of 2007 level.
- Real per capita personal income (in 2005 $) in Kentucky was $30,216.60 in the 1st quarter of 2013, up from $29,956.60 in the 1st quarter of 2011.

Housing

- After peaking in the first quarter of 2007, national home prices declined by 18.0 percent over 17 quarters. Between the second quarter of 2011 and the second quarter of 2013, the most recent quarter, national home prices rose by 4.1 percent.
- In Kentucky, home prices fell by 4.1 percent over 9 quarters from their peak in the first quarter of 2009. Since the second quarter of 2011, home prices in Kentucky have risen by 2.4 percent.
- As of the 2nd quarter of 2013, 2.9 percent of all mortgages, including 9.6 percent of subprime mortgages, were in foreclosure in Kentucky.
- Housing starts in Kentucky totaled 7,620 units (seasonally adjusted annual rate) in July 2013, a decrease of 23.7 percent from June.
- Within the South census region, which includes Kentucky, sales of new single-family homes totaled 213,000 units in July 2013, a decrease of 13.4 percent from June. Sales of existing single-family homes increased 3.8 percent to 1,910,000 units (at seasonally adjusted annual rates) from July to August 2013.

*** For Kentucky-specific labor sector statistics, please refer to the Kentucky office: http://www.workforcekentucky.ky.gov/**

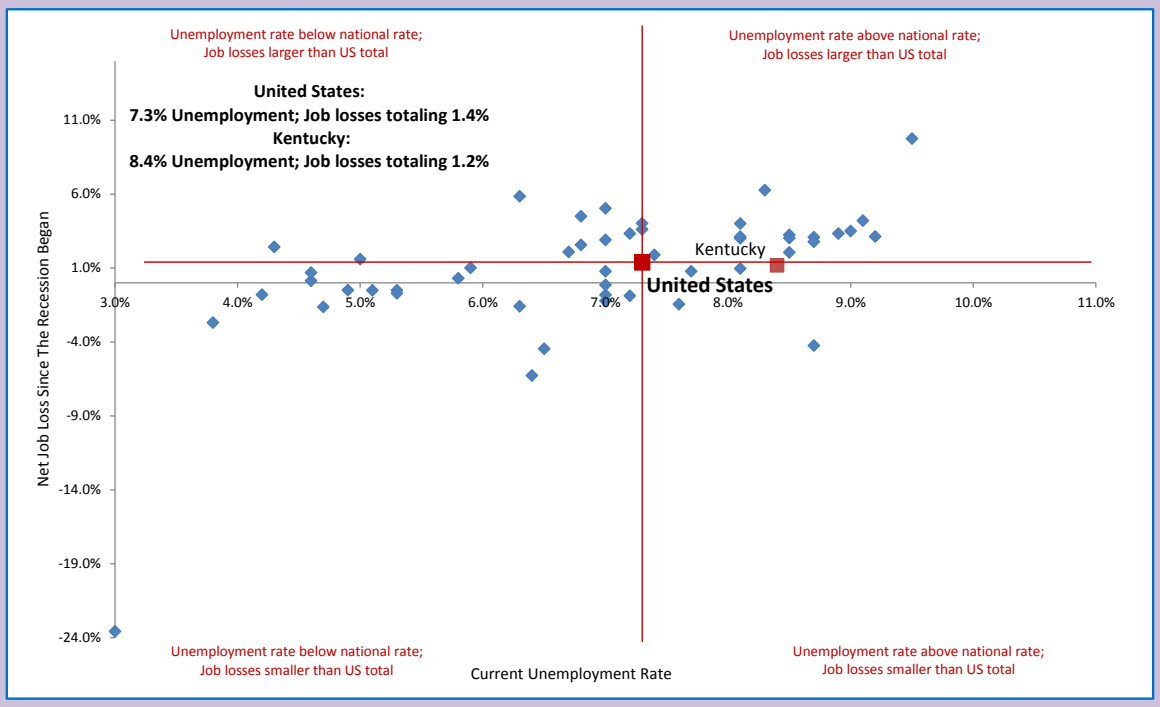
Prepared by the Vice Chair's Staff of the Joint Economic Committee

How Does Kentucky Compare To Other States?

Workers across the country were hard hit during the Great Recession. Although labor markets in many states have started recovering, employment in most states still remains below pre-recession levels. The chart below allows you to compare Kentucky to other states using two metrics.

The current unemployment rate (measured along the horizontal axis) serves as a gauge of current labor market conditions faced by residents, while the proportion of jobs lost within Kentucky since the start of the recession (shown along the vertical axis) measures the toll the recession took on the job supply in Kentucky.

States falling in the upper right quadrant have lost a disproportionate share of jobs, relative to the total United States, and have unemployment rates higher than the national unemployment rate. States falling in the lower left quadrant are experiencing lower unemployment rates and smaller job losses than the national average.



State Quick Facts

		Kentucky	United States
Unemployment Rates	August 2010	10.0%	9.5%
	August 2011	9.6%	9.0%
	August 2012	8.3%	8.1%
	August 2013	8.4%	7.3%
Percent of Population Who Are Veterans	2012	9.9%	9.0%
All Veterans' Unemployment Rate	2012	7.2%	7.0%
Post-9/11 Veterans' Unemployment Rate	2012	13.2%	9.9%
Median Household Income	2007	$ 43,689	$ 55,627
(2012 $)	2012	$ 41,086	$ 51,017
Poverty Rate	2007	15.5%	12.5%
	2012	17.9%	15.0%
No Health Insurance	2007	13.4%	14.7%
	2012	15.7%	15.4%

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