

Kentucky's Economic Outlook 2024

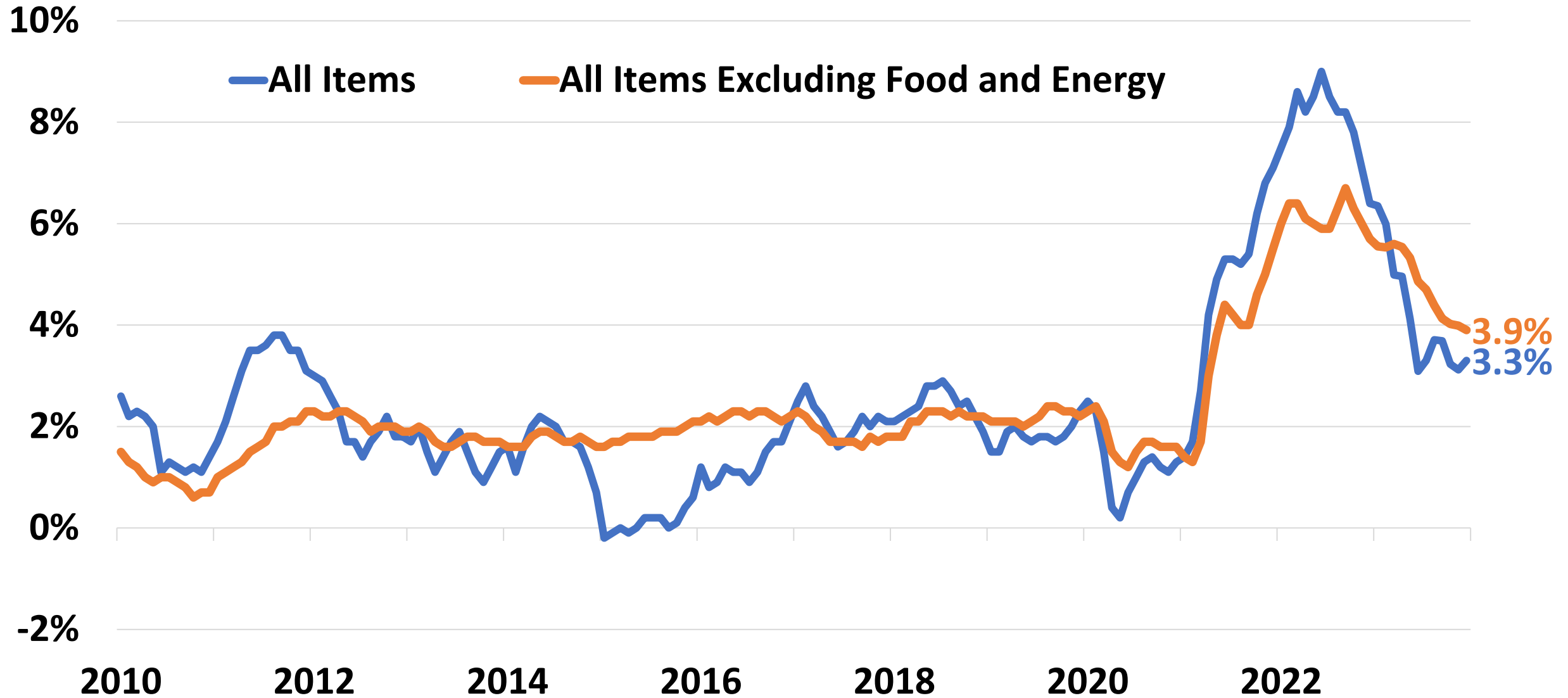
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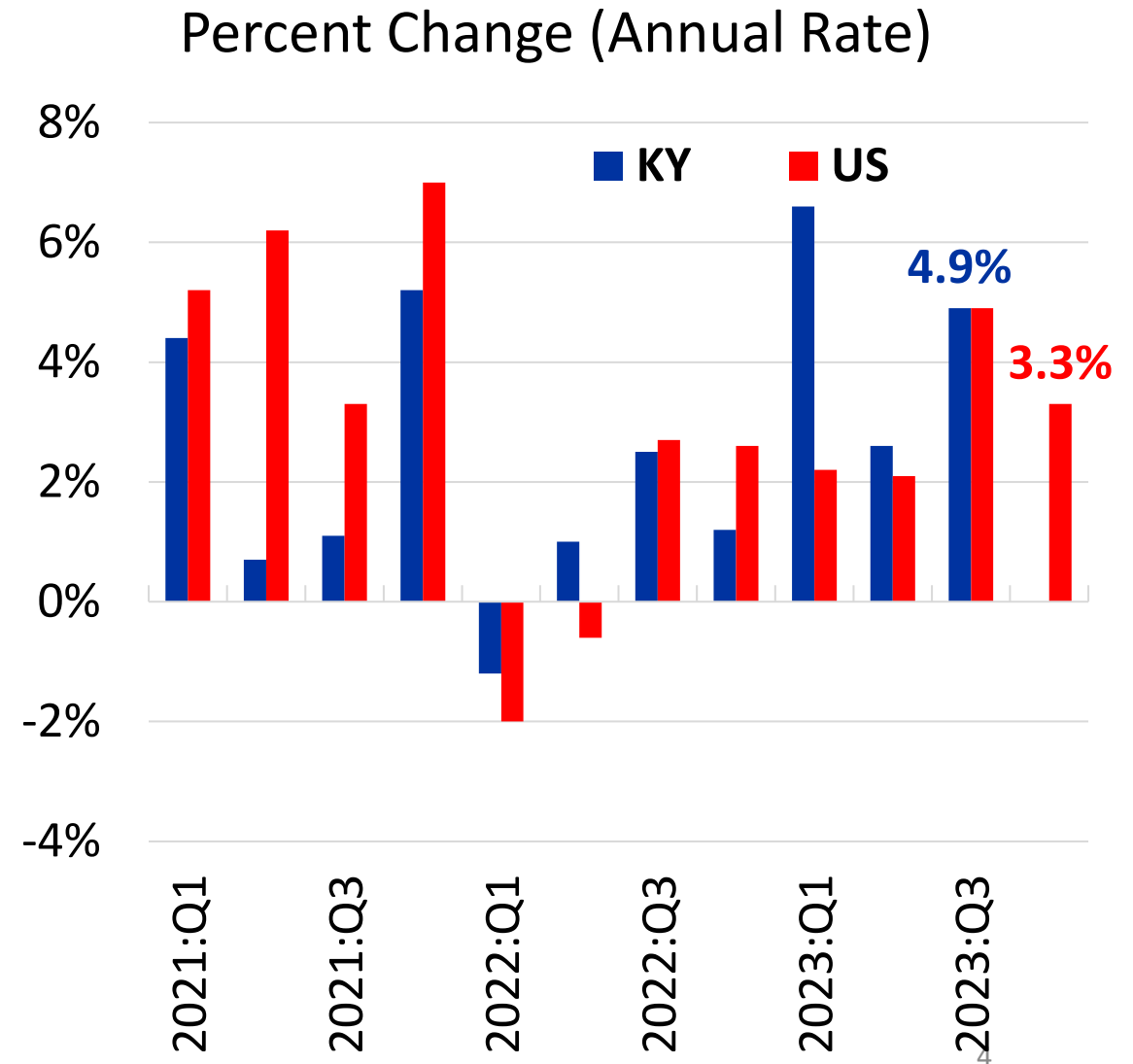
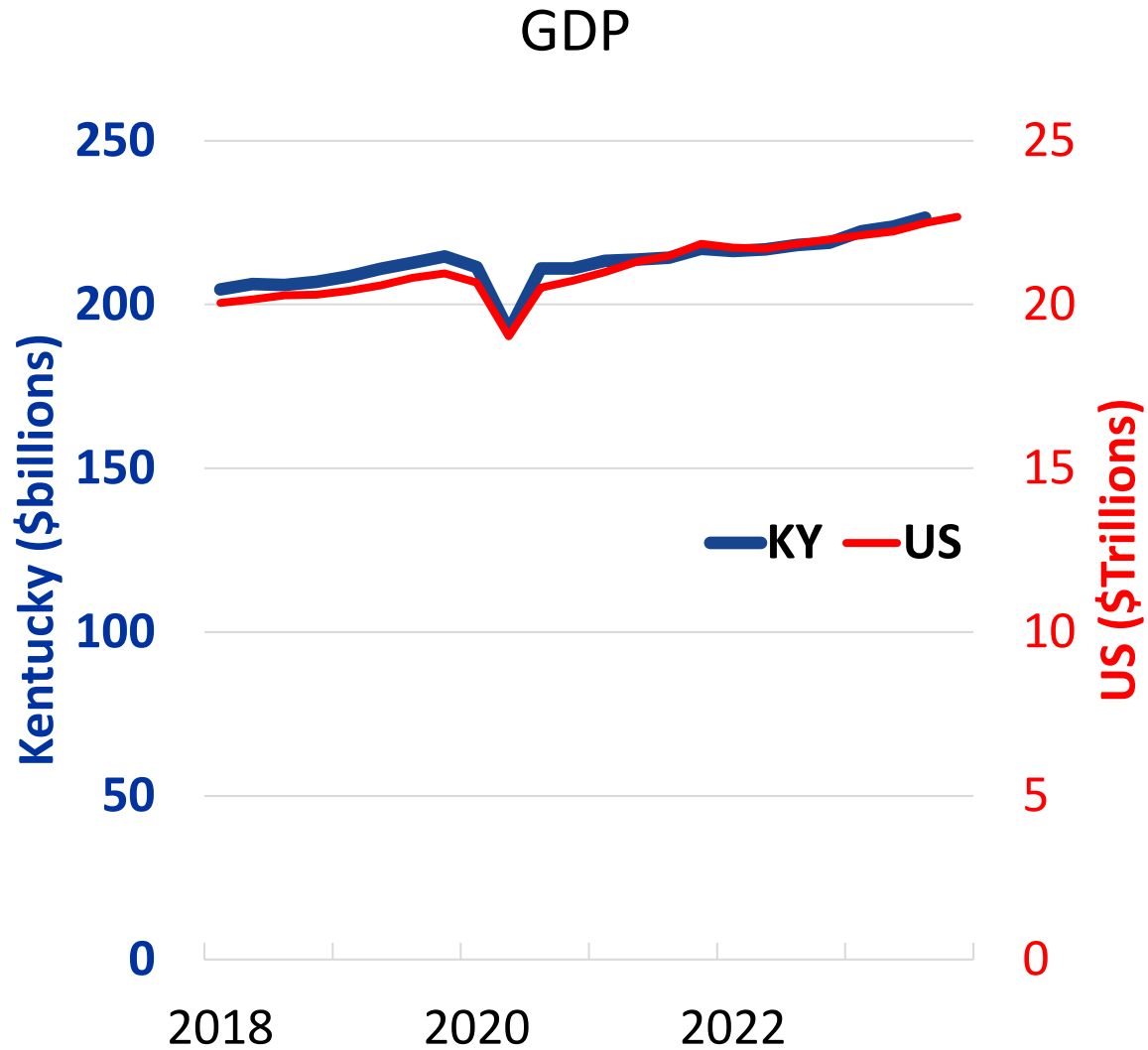
Overview

- Economy seems to be responding as hoped:
 - Inflation pressures have eased
 - Employment continues to grow but at slower pace...mostly
- Kentucky
 - Significant employment growth in 2023
 - Broadly shared across many of KY's major sectors
- Soft landing seems likely

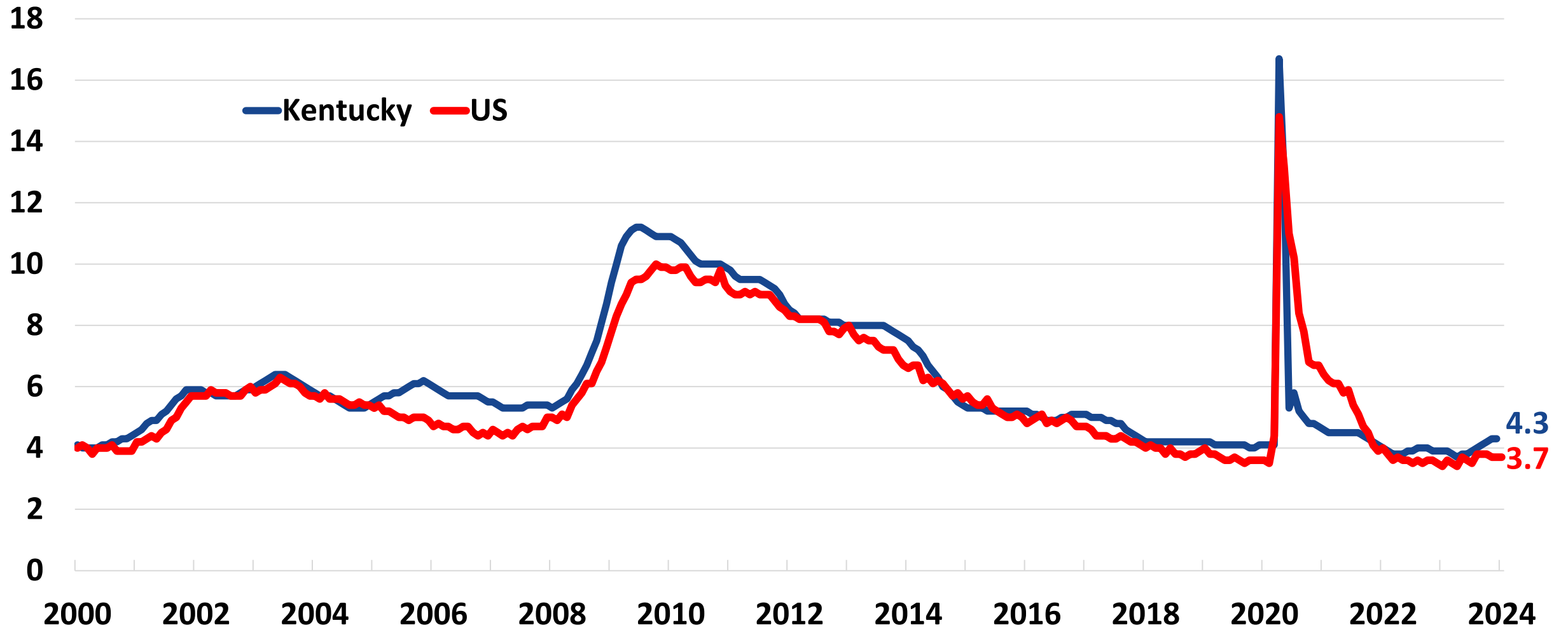
Inflation: Consumer Price Index (CPI) 12-Month Percent Change



Real Gross Domestic Product, Percent Change Kentucky & U.S.



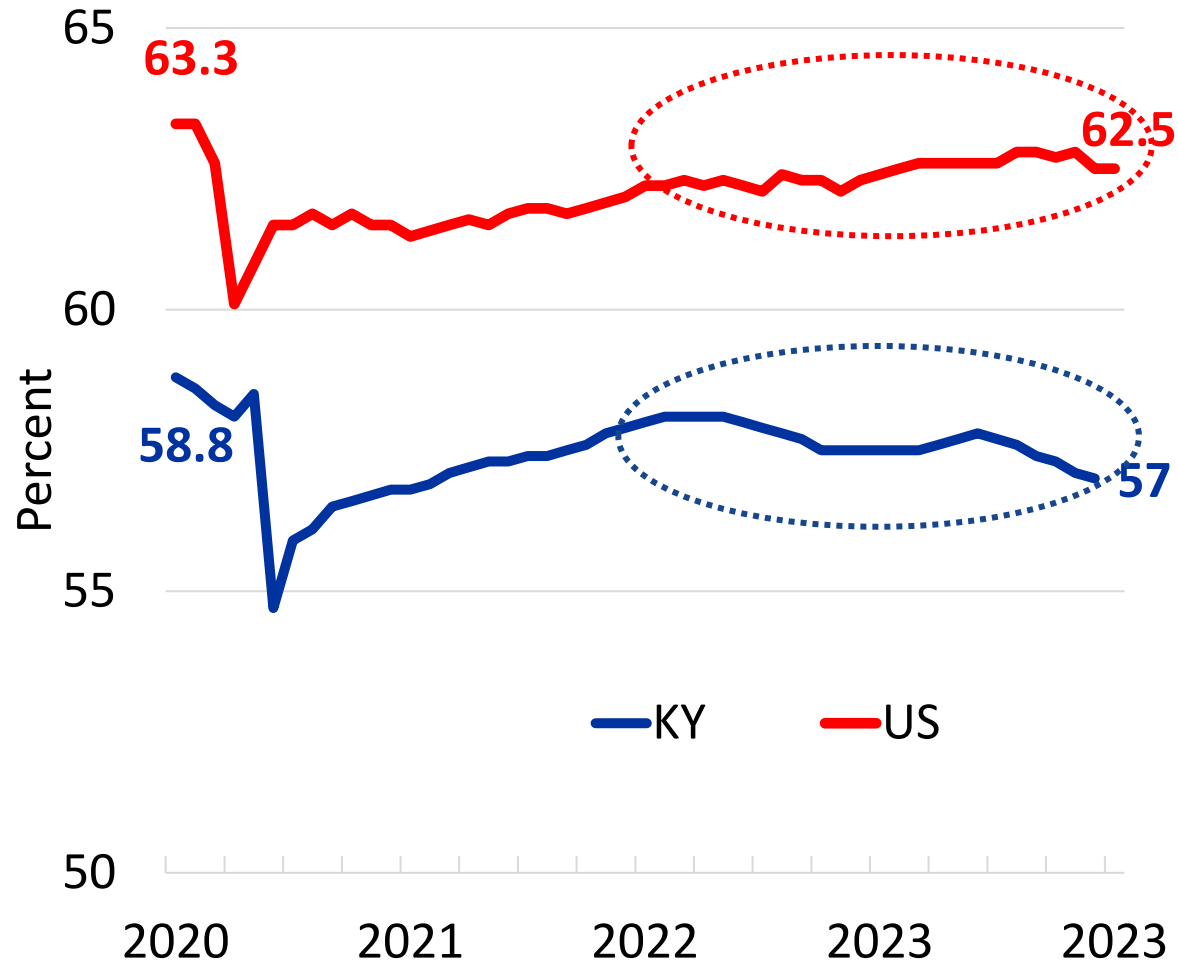
Unemployment Rates Kentucky & U.S.



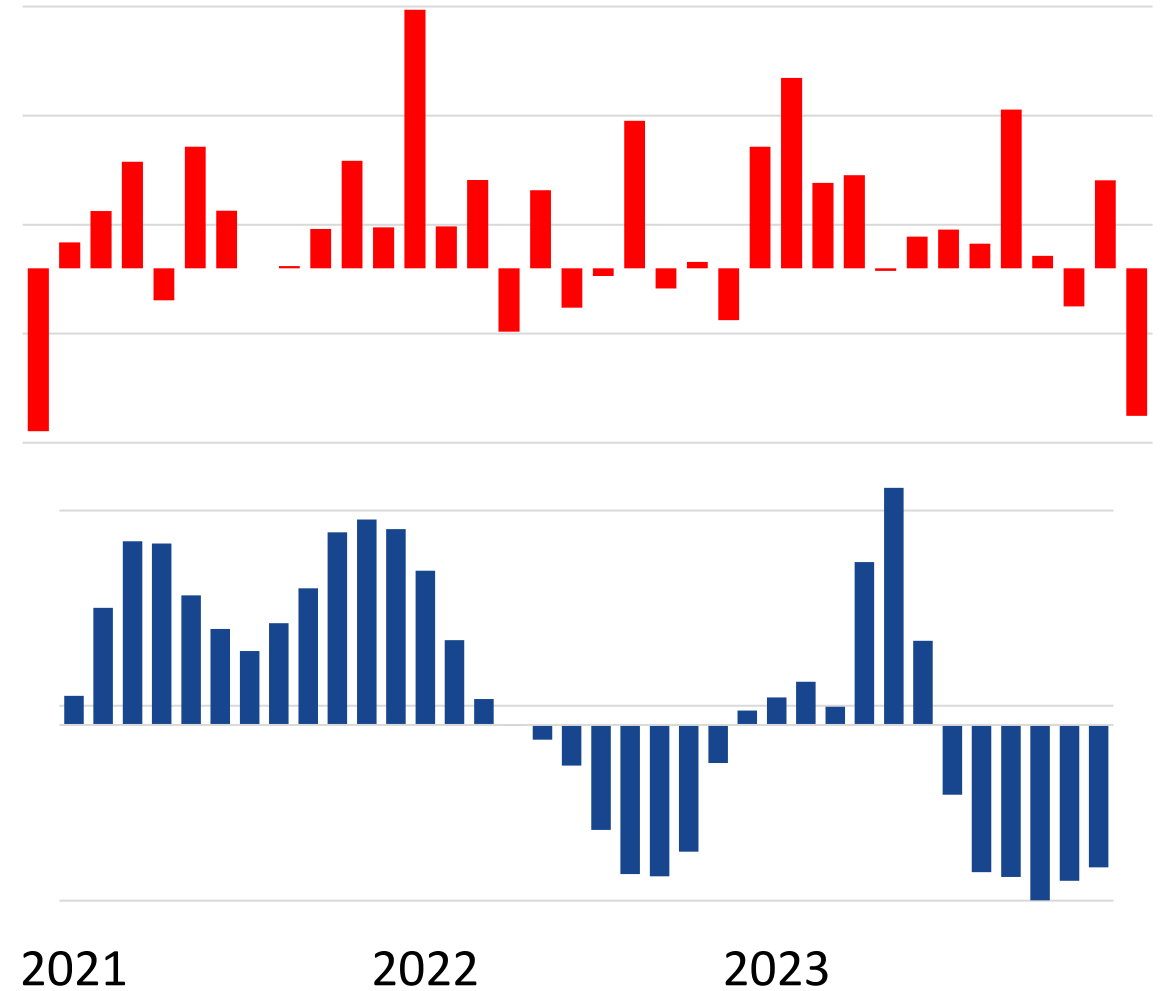


Labor Force

Labor Force Participation Rate

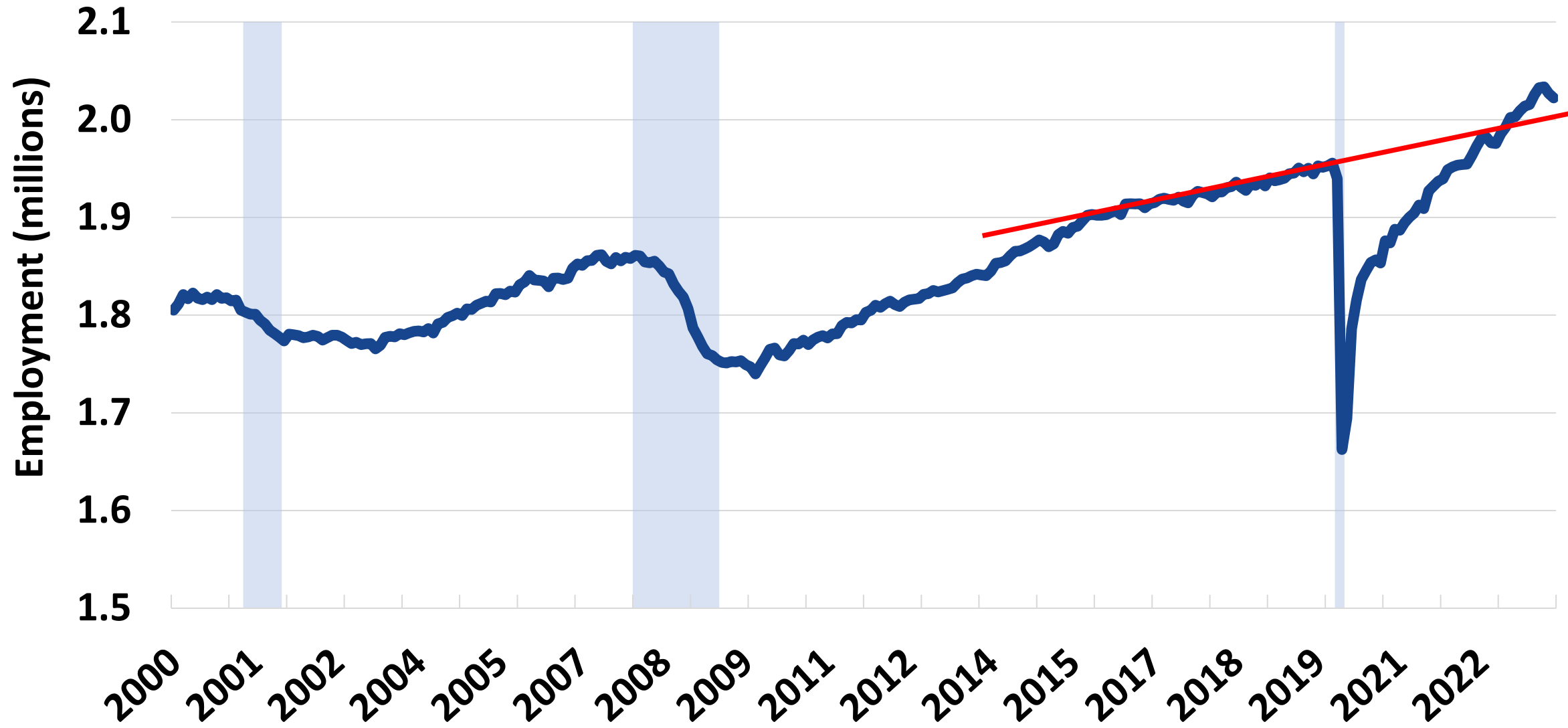


Monthly Change in Labor Force

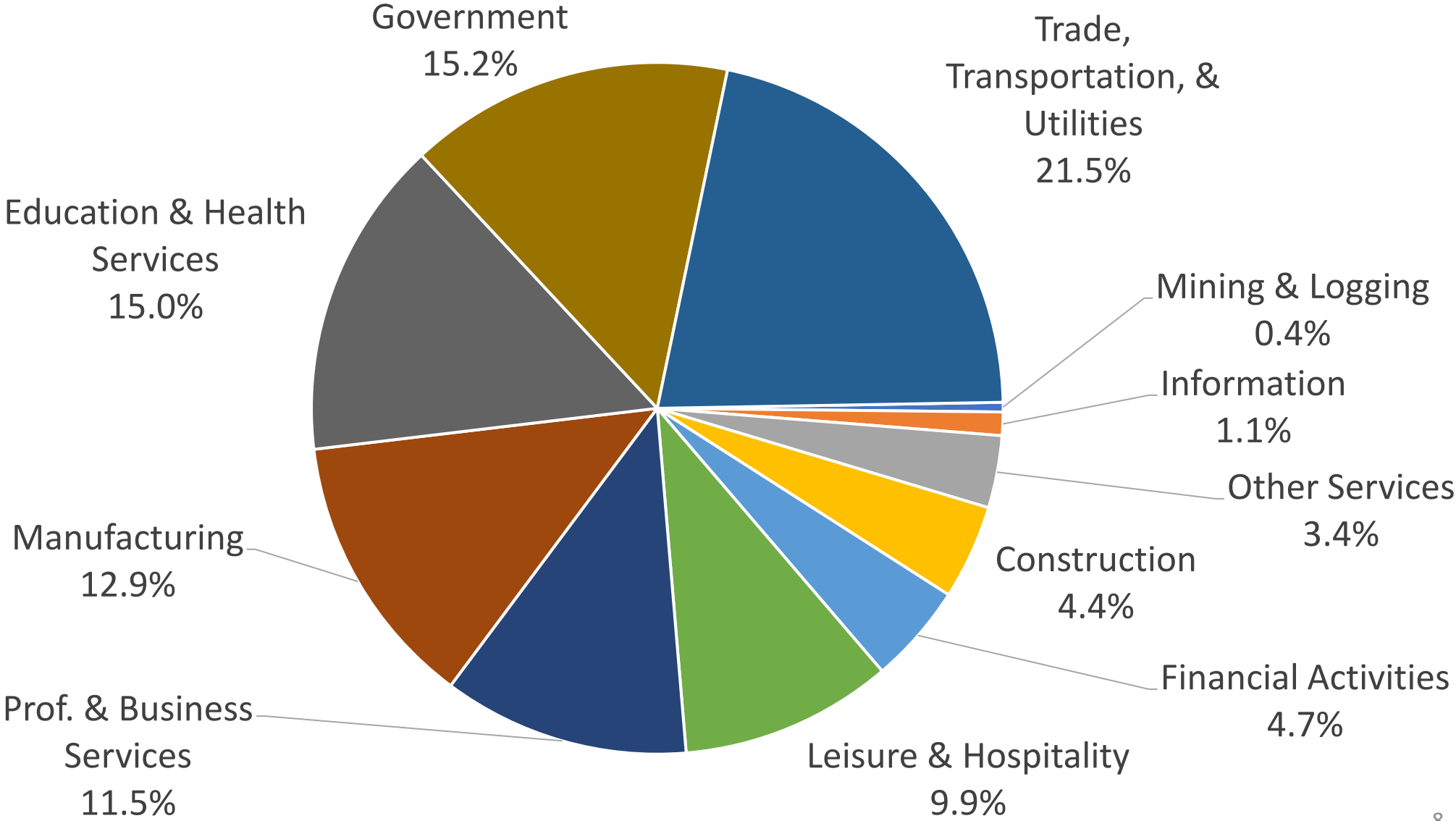


Source: US Bureau of Labor Statistics. Local Area Unemployment Statistics. Seasonally Adjusted.

Kentucky's Nonfarm Employment (Jobs)

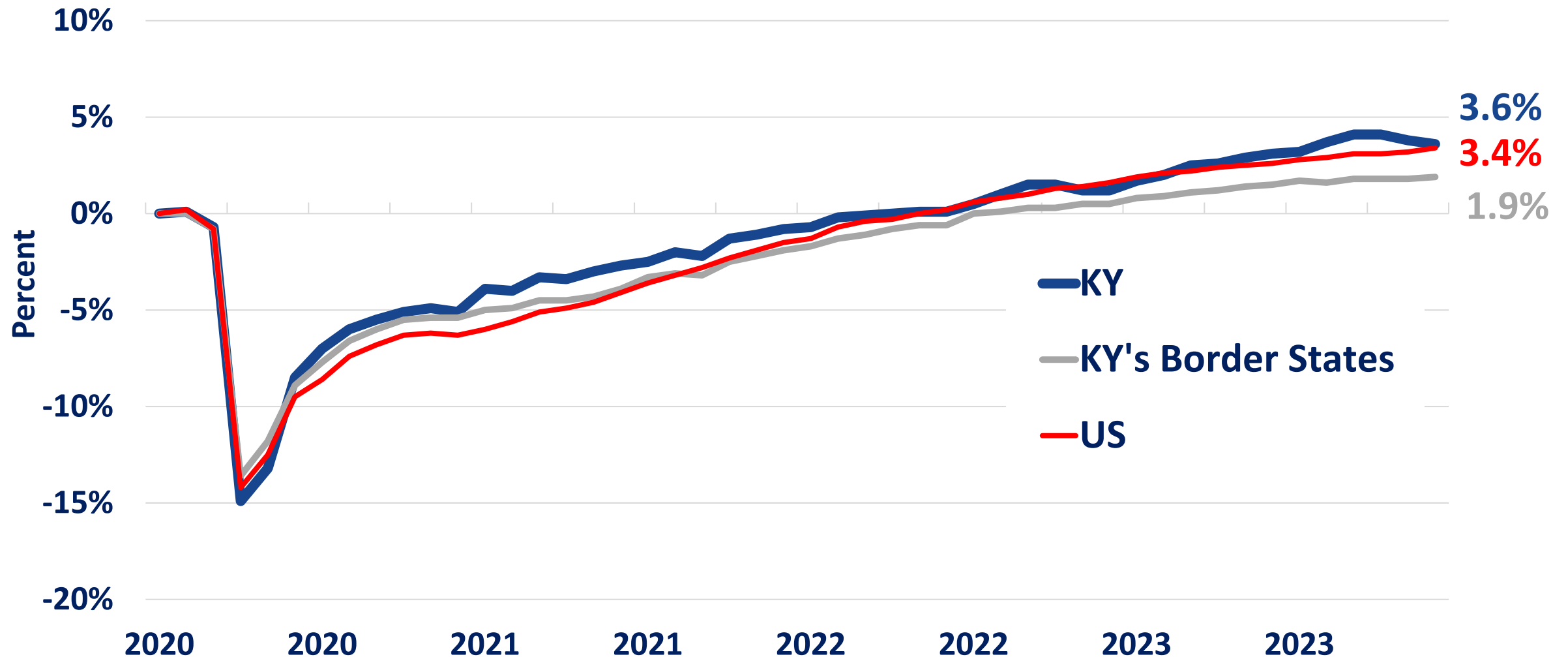


Share of Kentucky Employment 2023 by Sector

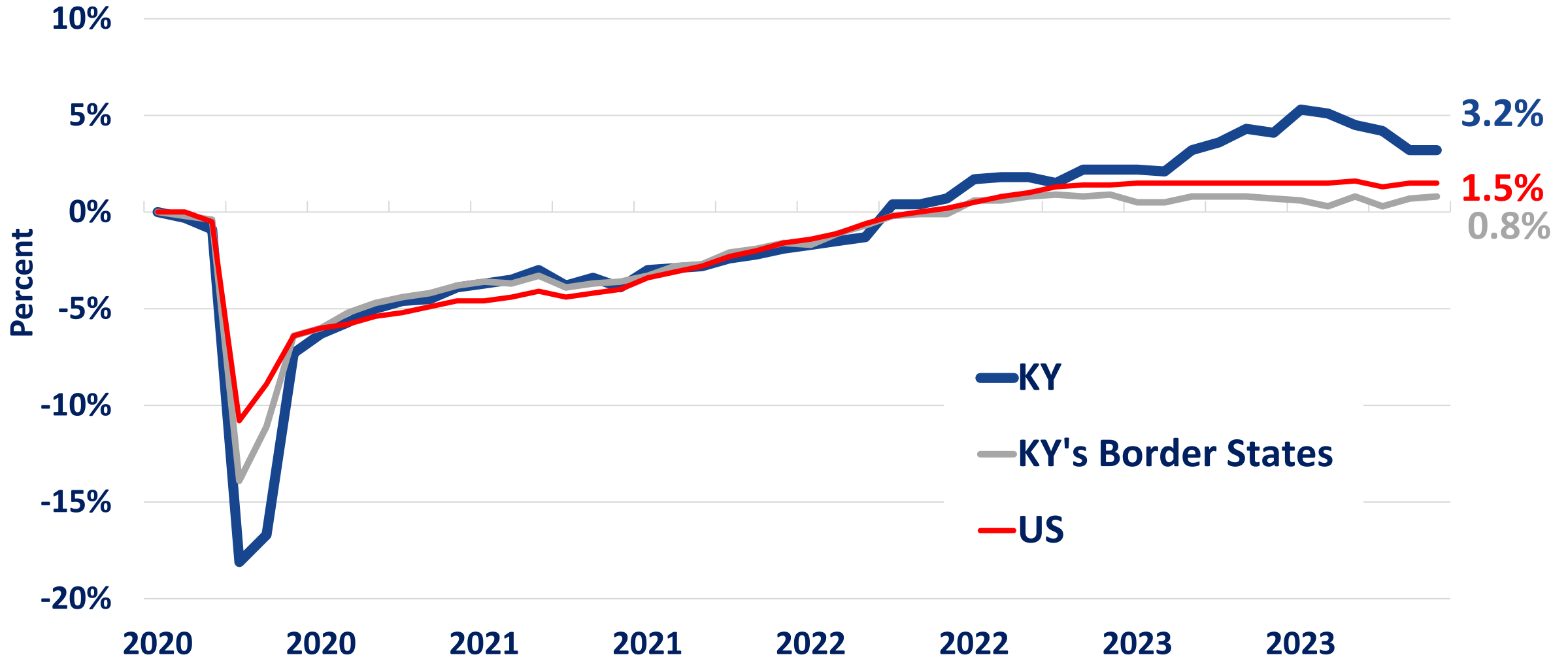




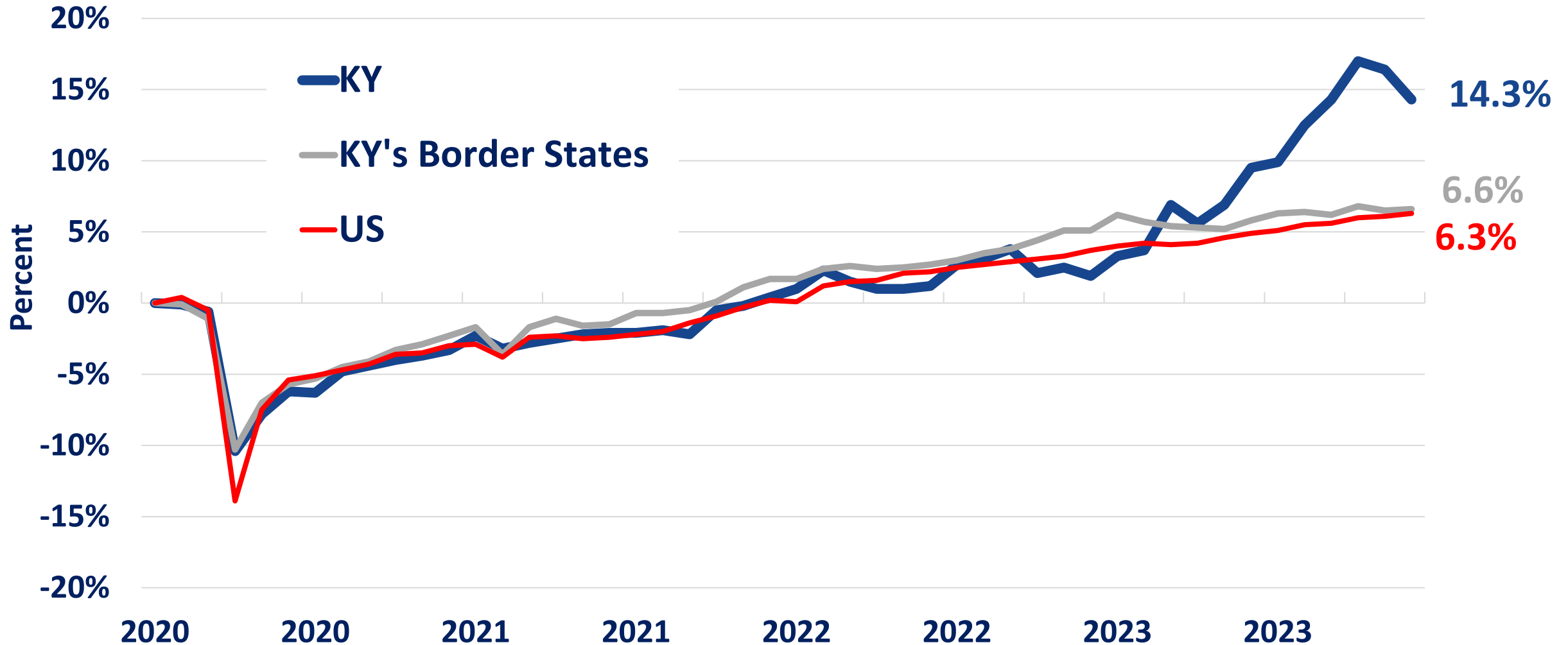
Total Nonfarm Employment, Percent Change from January 2020



Manufacturing Employment Percent Change from January 2020



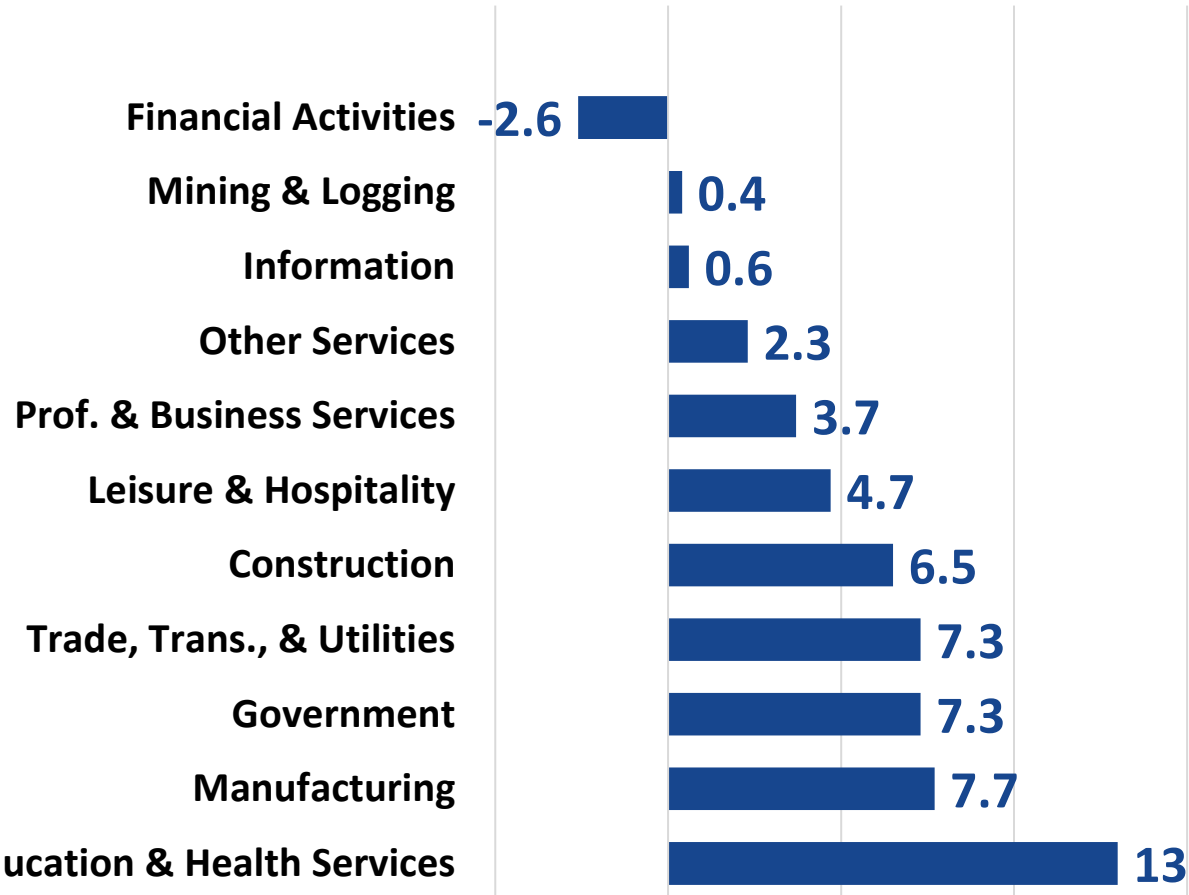
Construction Employment Percent Change from January 2020



Change in Average Annual Employment 2022 to 2023

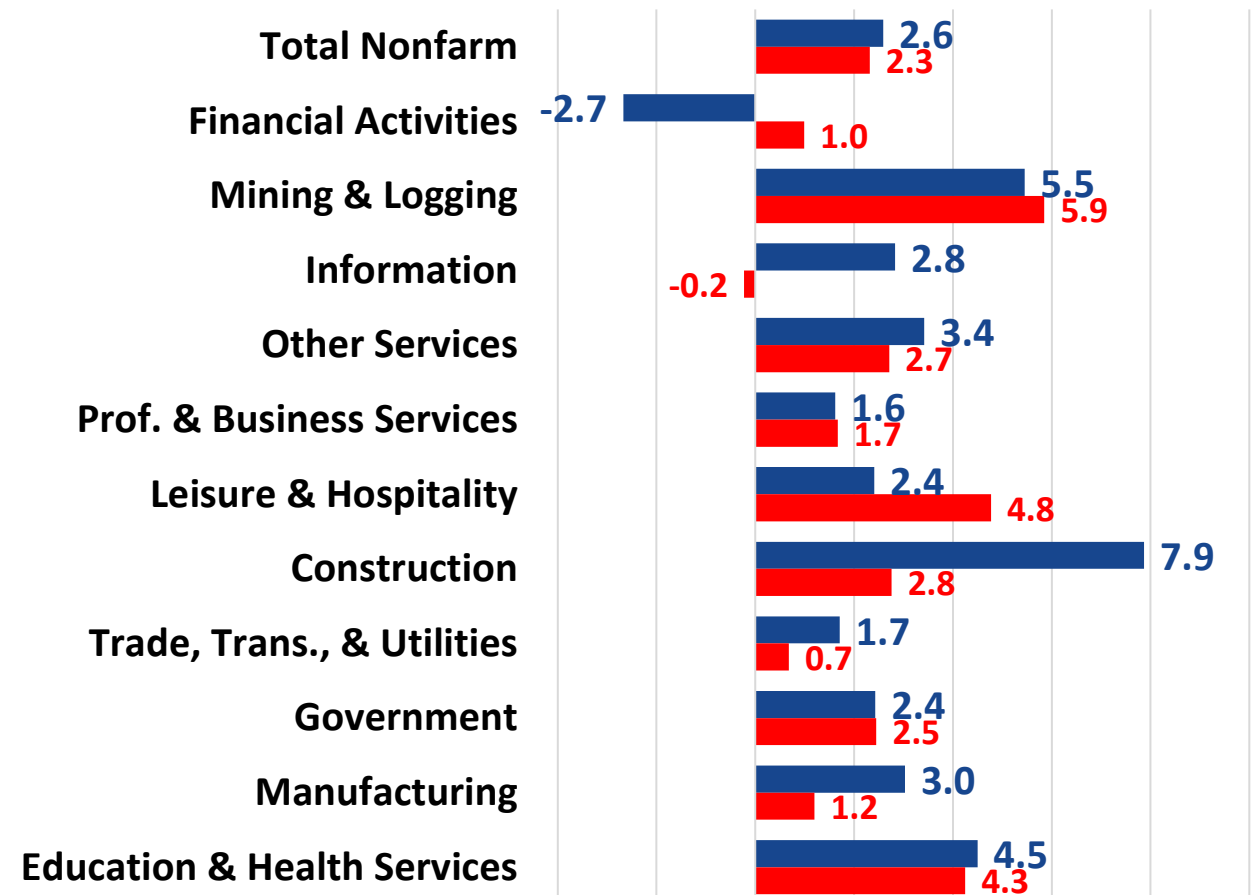
KY Change (000s)

-5 0 5 10 15



Percentage Change

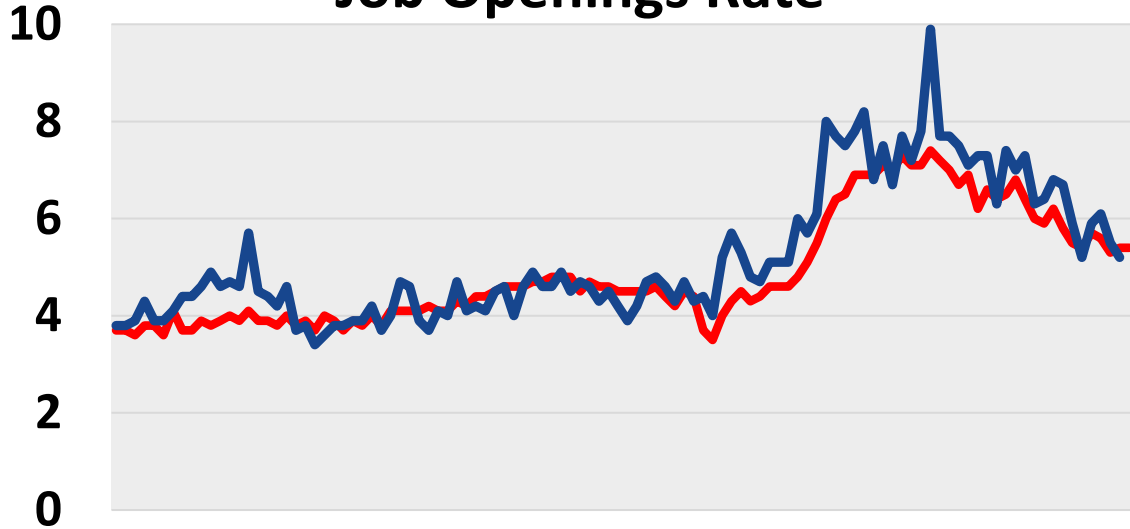
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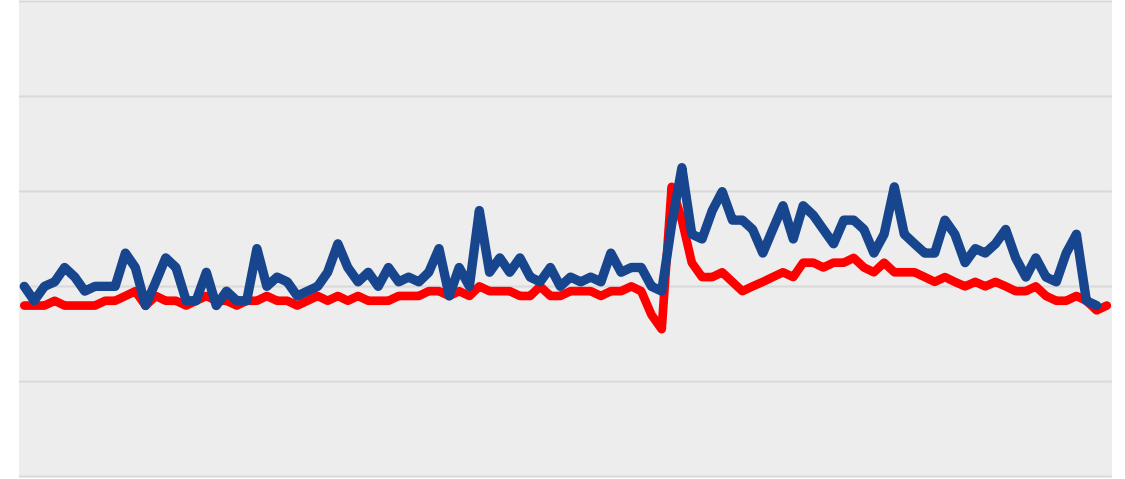
Job Opening and Turnover

— KY — US

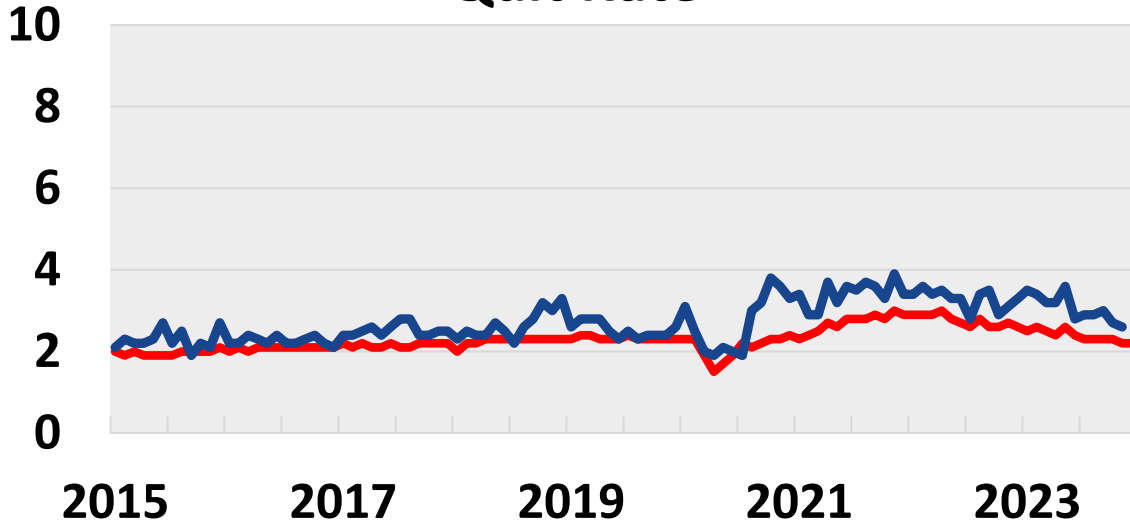
Job Openings Rate



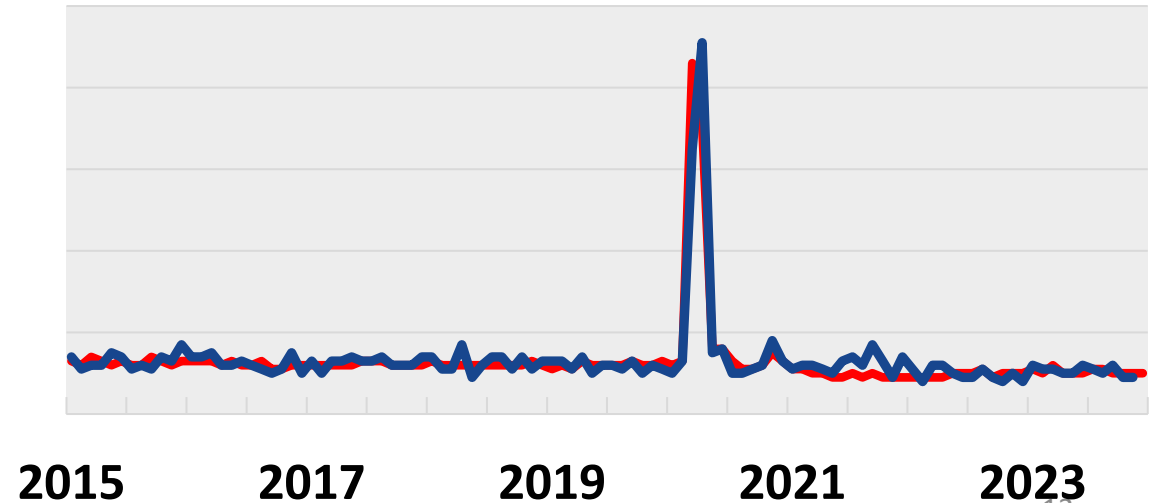
Hire Rate



Quit Rate



Layoff & Discharges Rate

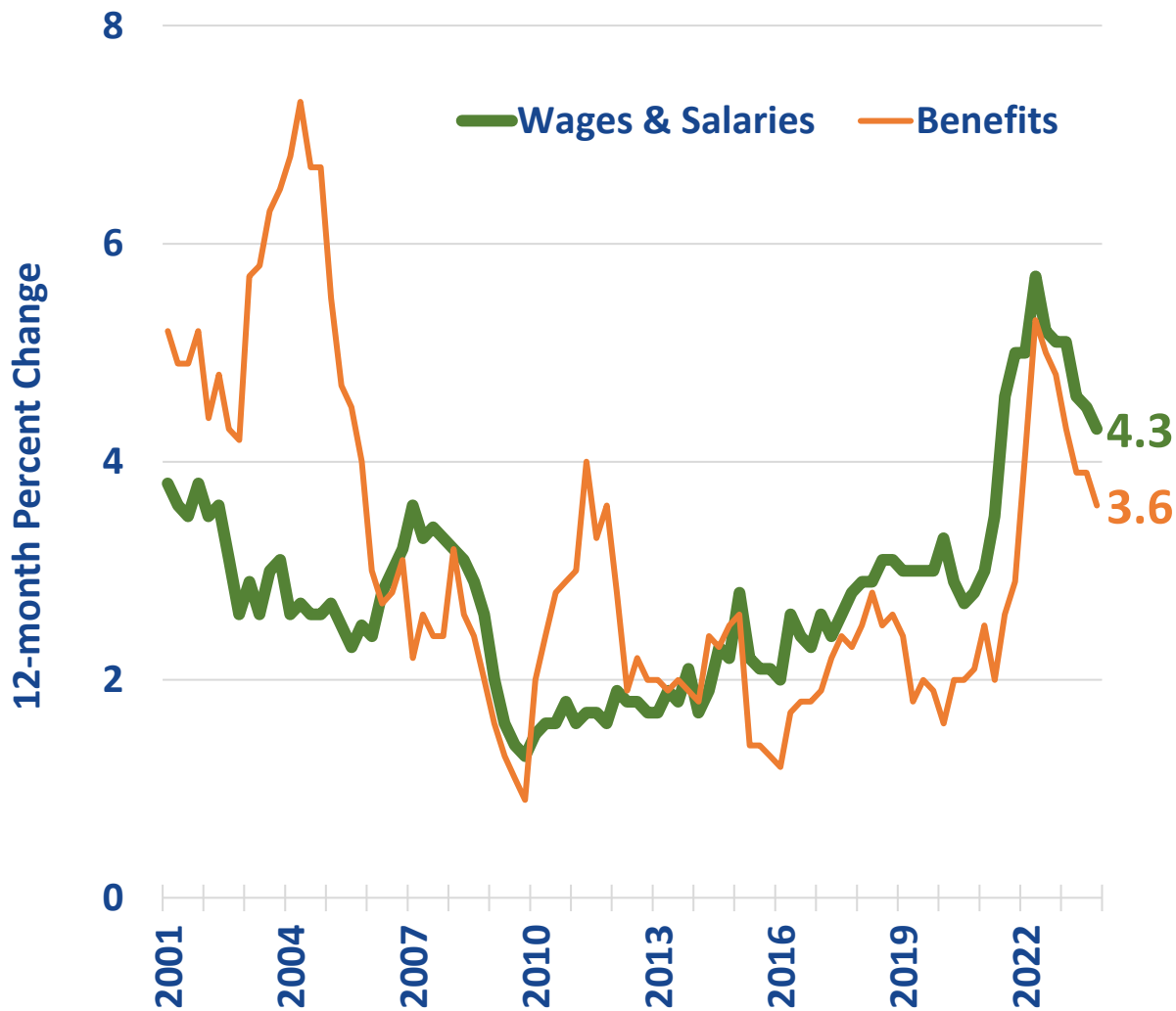


Source: US Bureau of Labor Statistics. Job Openings and Labor Turnover Survey.

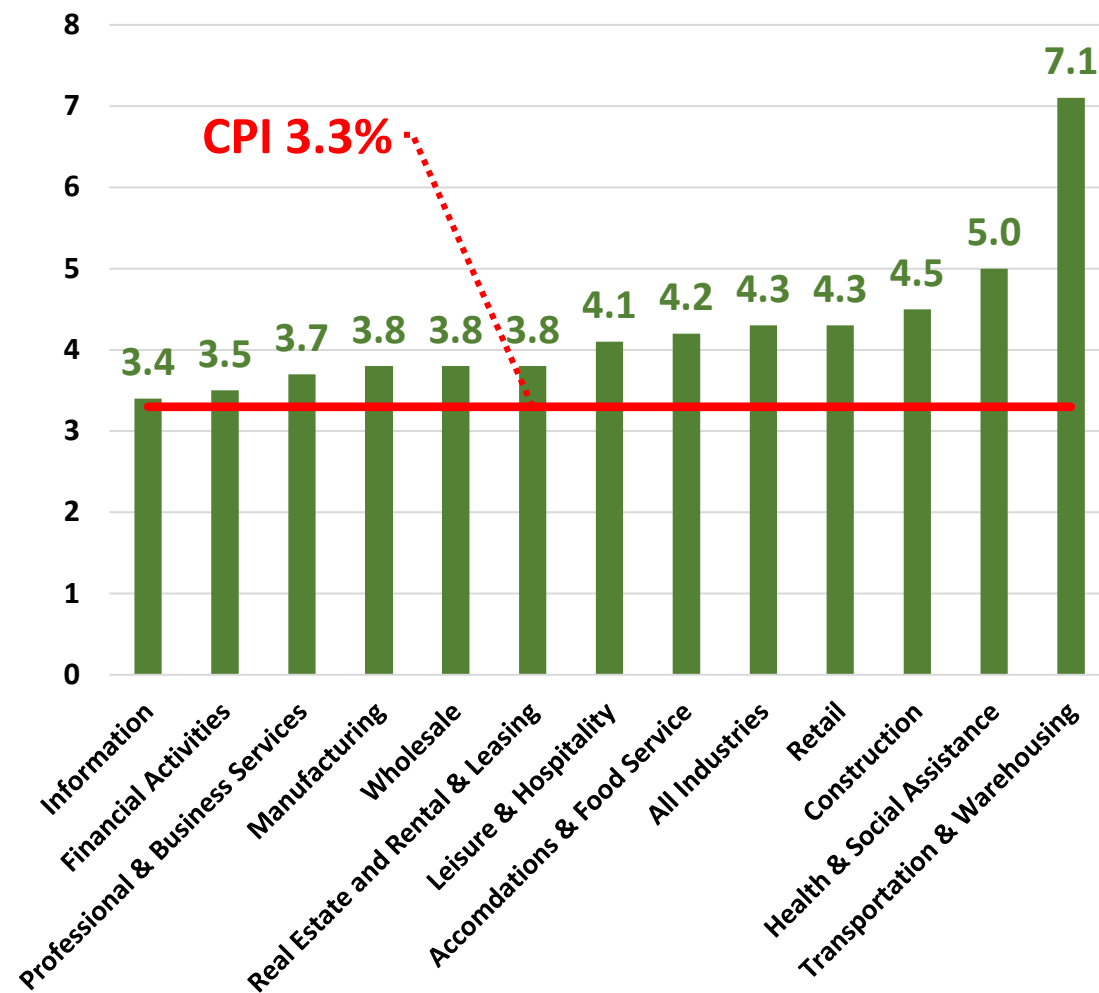
U.S. Employment Cost Index for Private Workers

Wages and Salaries and Benefits

All Private Industry Workers



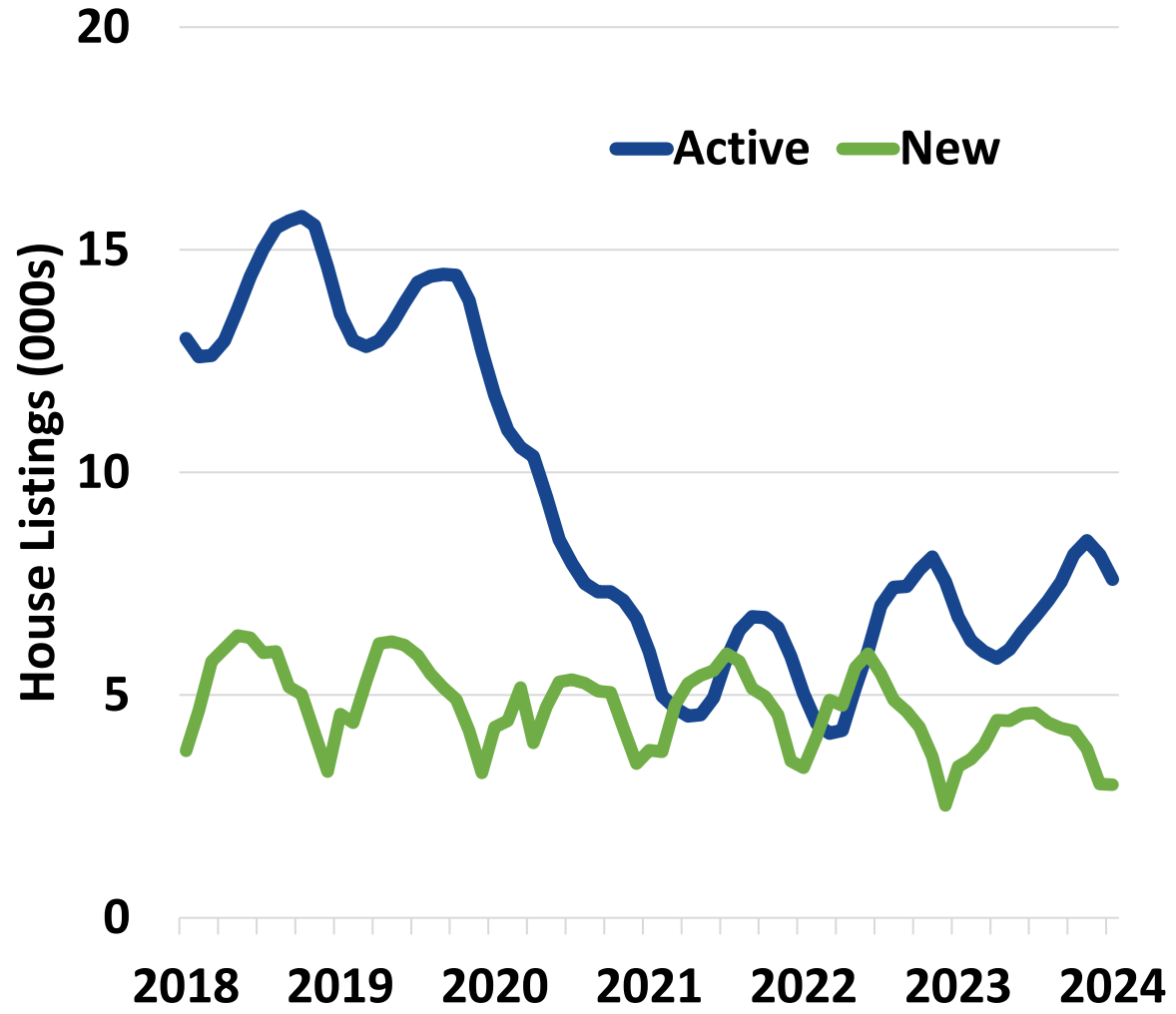
4th Quarter 2023
12-month % Change



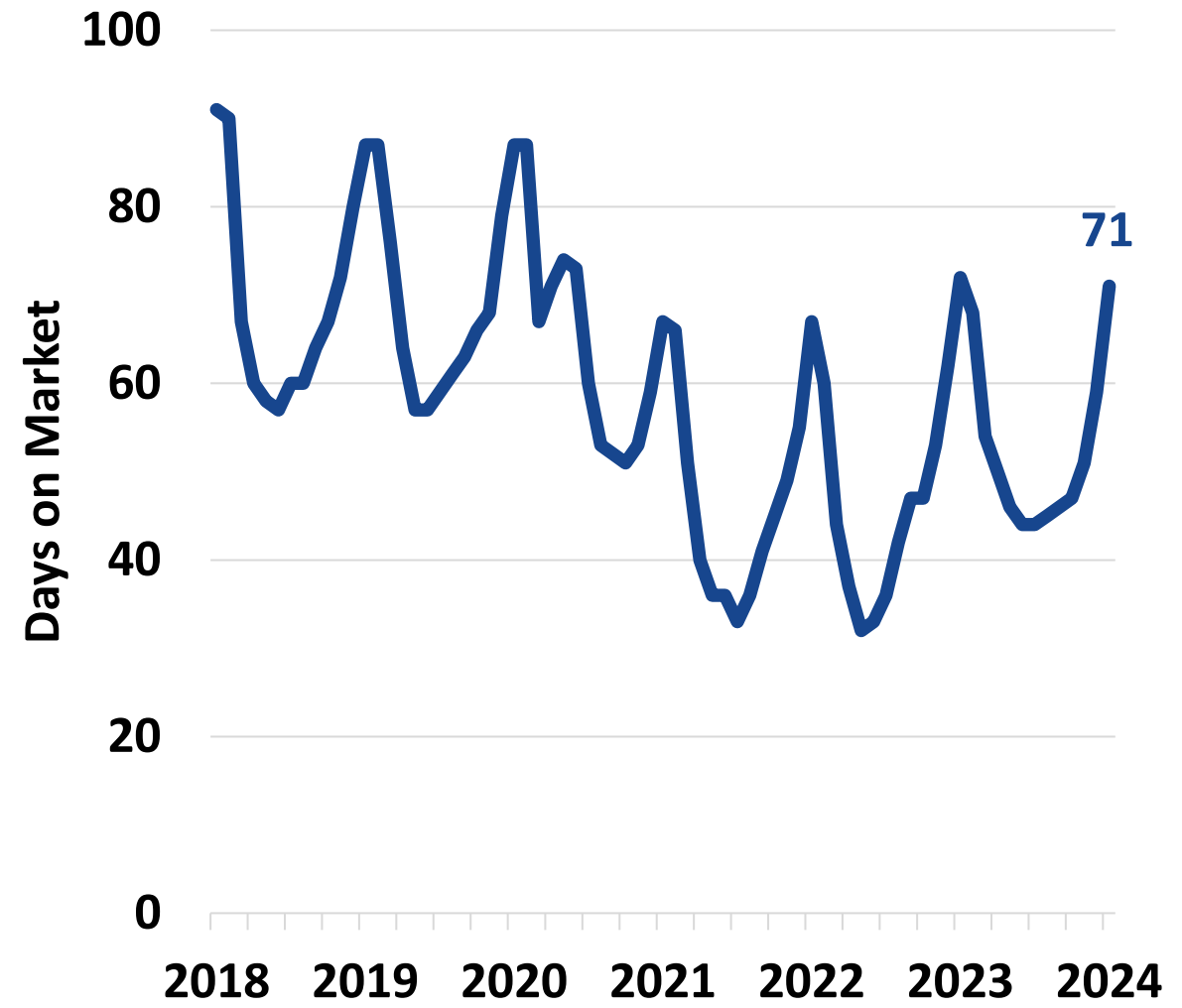
Housing Market

Housing Market

Number of Listings, KY

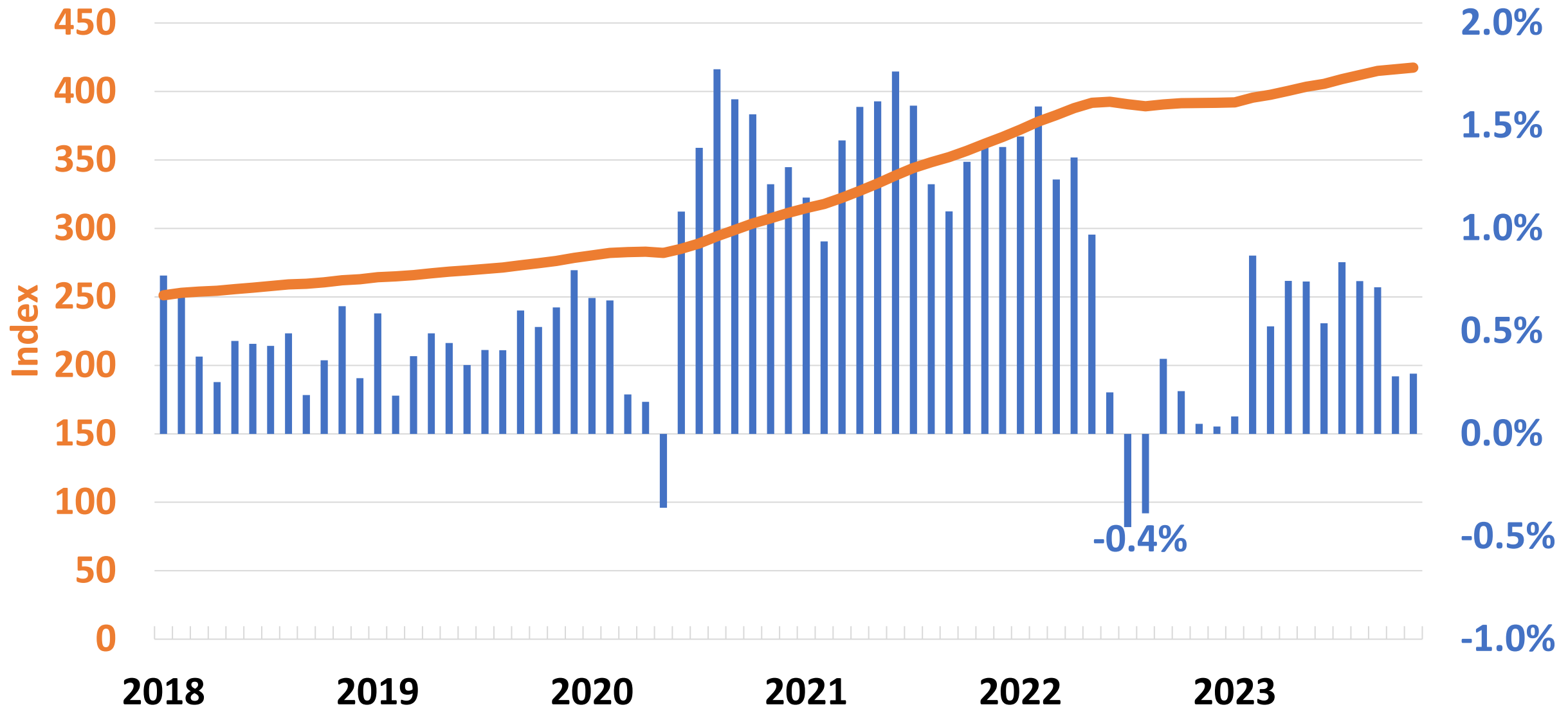


Median Days on Market, KY

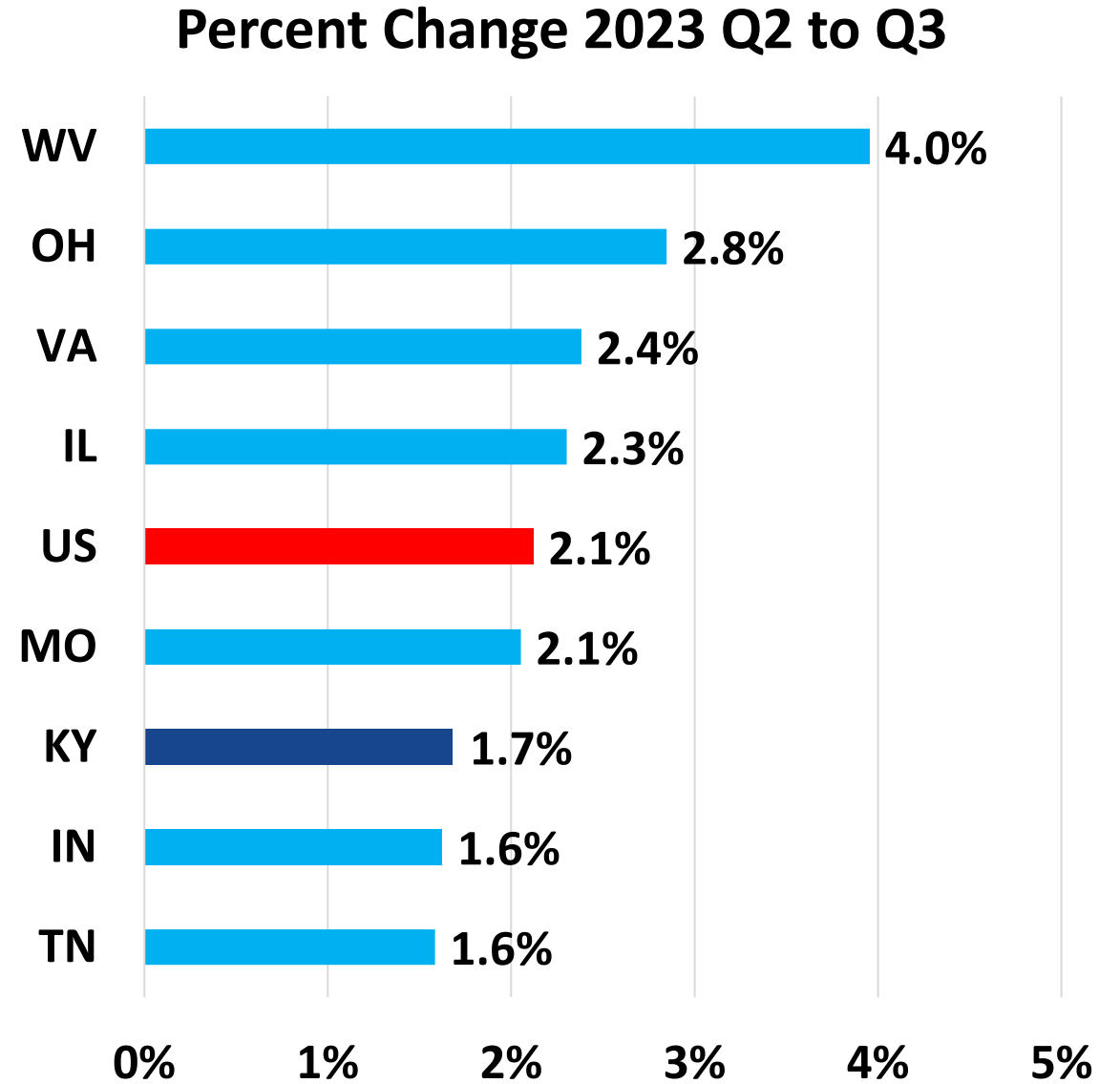
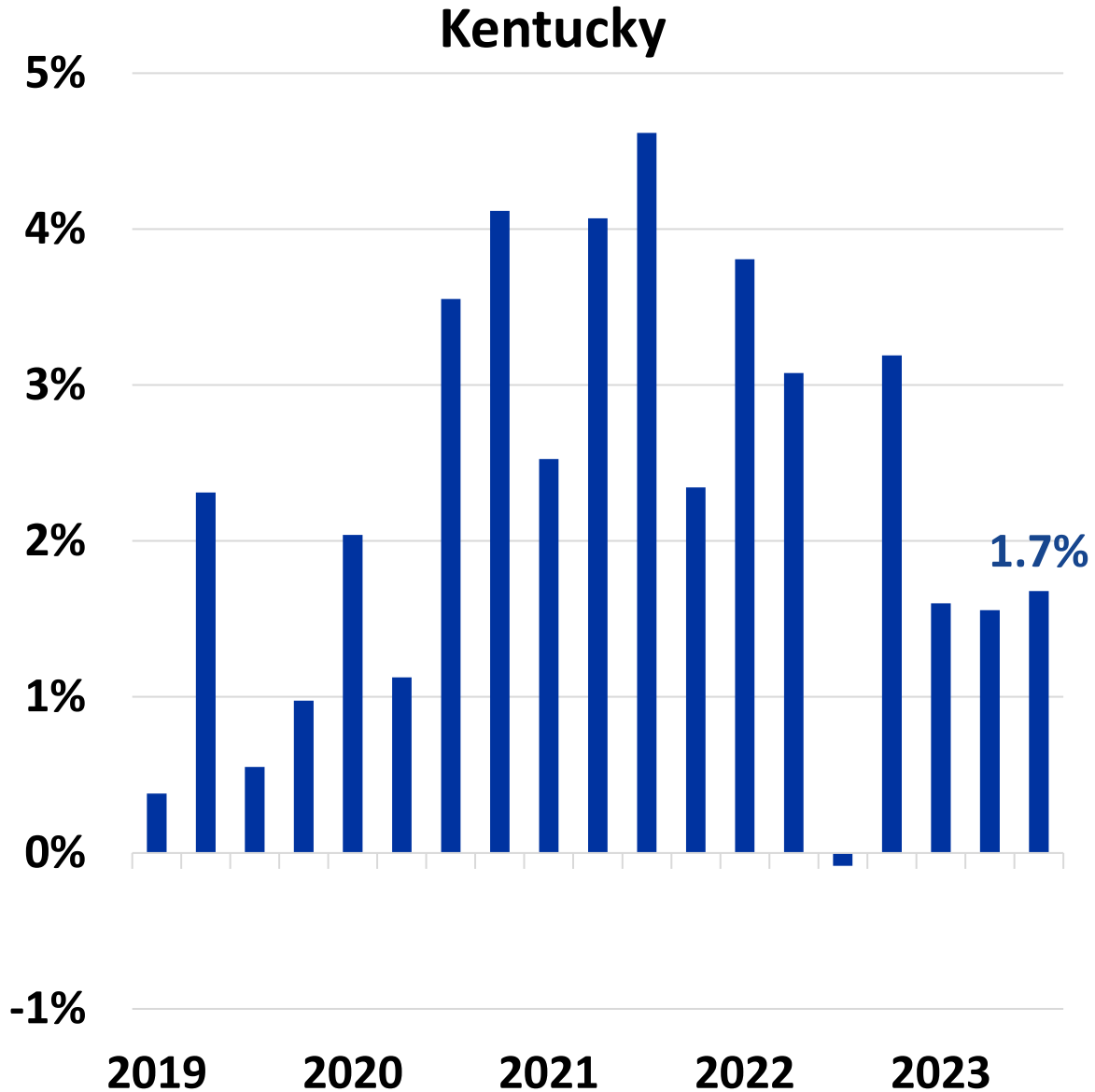


Source: Realtor.com. <https://www.realtor.com/research/data/>

U.S. Housing Price Index, Percent Change from Prior Month

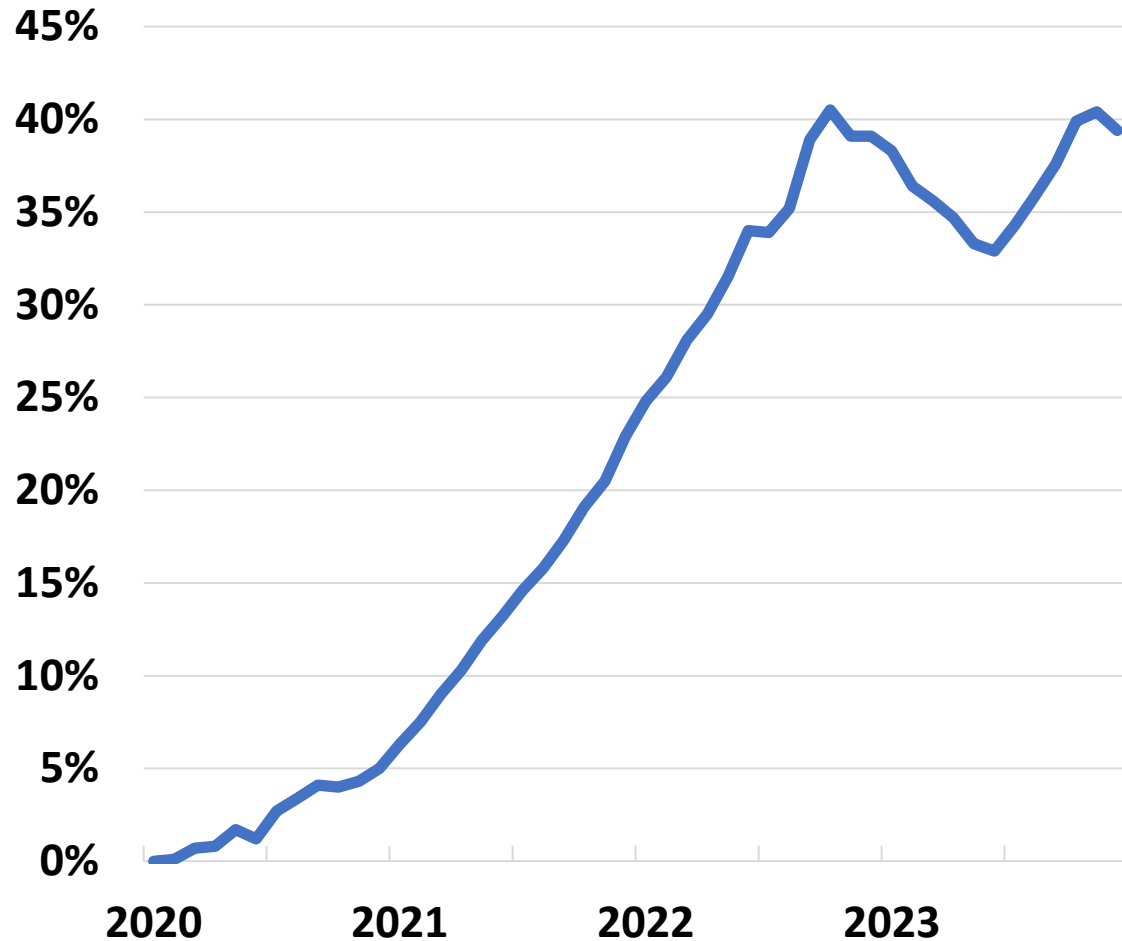


Housing Price Index, Percent Change from Prior Quarter



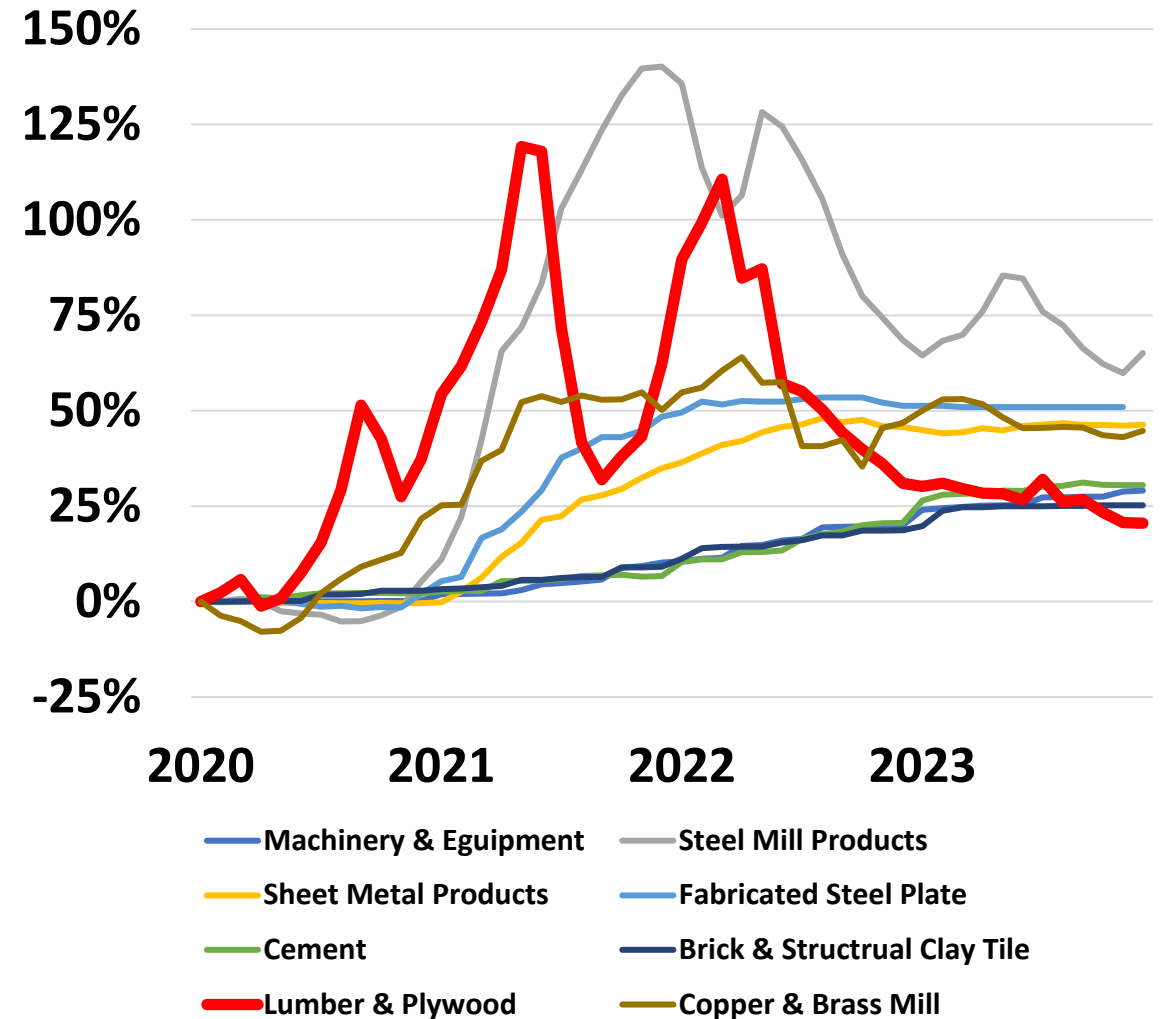
U.S. Construction Costs (% Change from Jan 2020)

Construction Price Index for Single-Family Houses



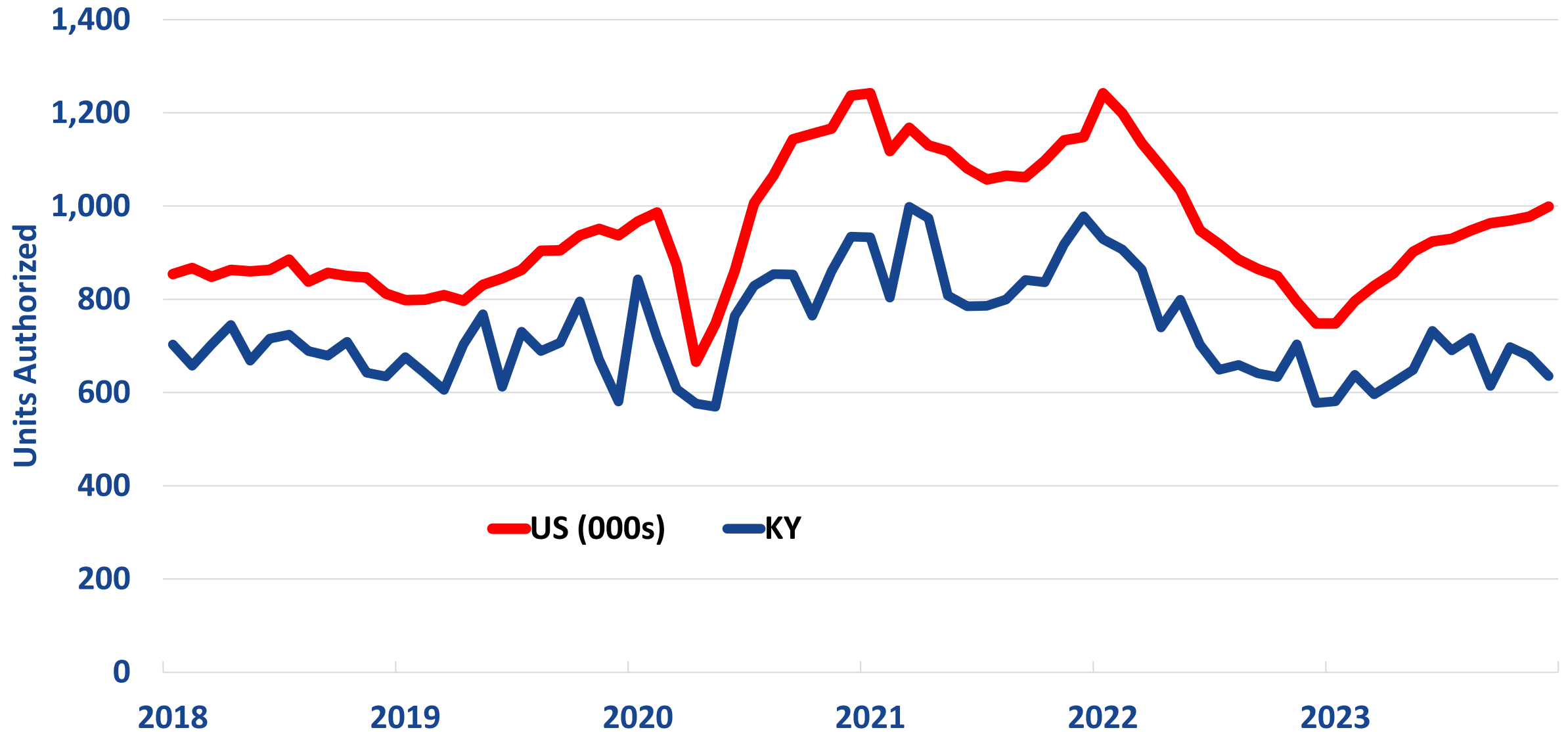
Source: US Census Bureau, Construction Price Indexes.

Prices for Construction Related Inputs



Source: US Bureau of Labor Statistics. Producer Price Index.

Housing Permits for Single Family Units (Units Authorized)



Outlook

- **Economy continues to slows, but likely to avoid recession**
- **Unemployment rate increases gradually**
- **Inflation pressures ease**
- **Fed could begin cautiously lowering interest rates in last half of year**
- **High level of uncertainty remains**

Economic Outlook

	2024
Real GDP—US	1.4%
Real GDP—Kentucky	1.1%
Inflation—US	2.7%
Unemployment Rate—US	4.1%
Unemployment Rate—Kentucky	4.5%
Nonfarm Employment—US	1.4%
Nonfarm Employment—Kentucky	1.3%
Manufacturing Employment—Kentucky	-1.0%

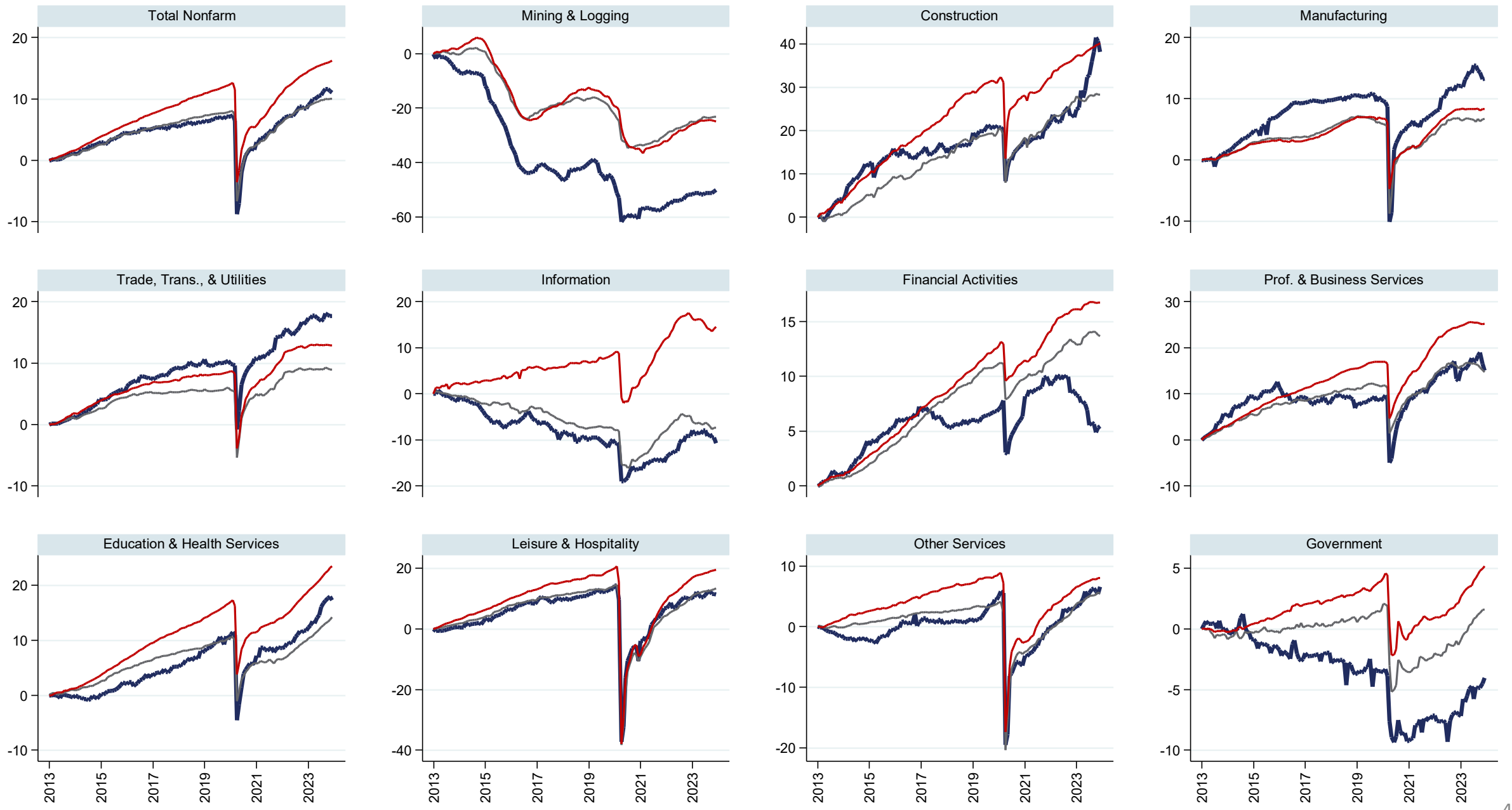


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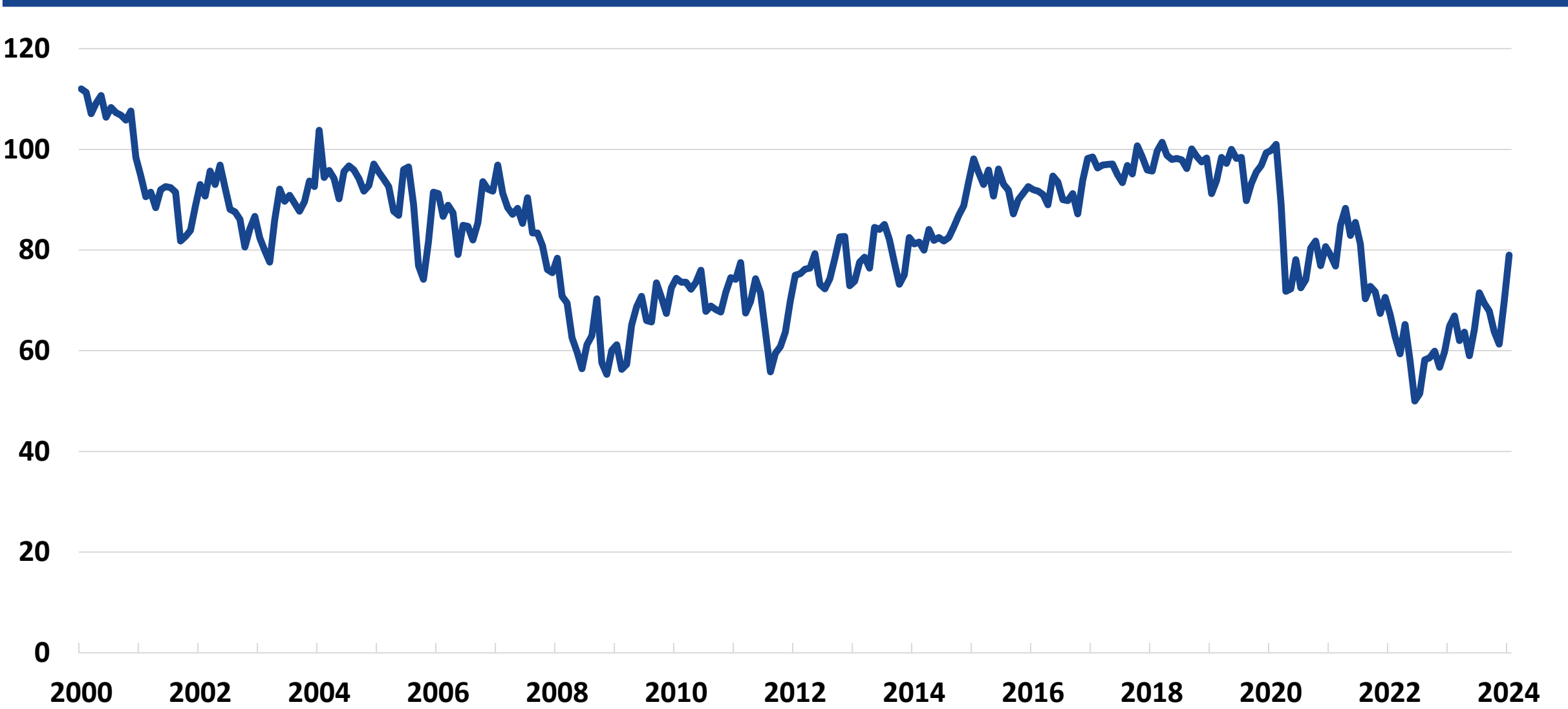
Percent Change in Employment Since January 2013

— KY — Ky's Bordering States — US

Percent



Consumer Sentiment (1996=100)



Source: University of Michigan.