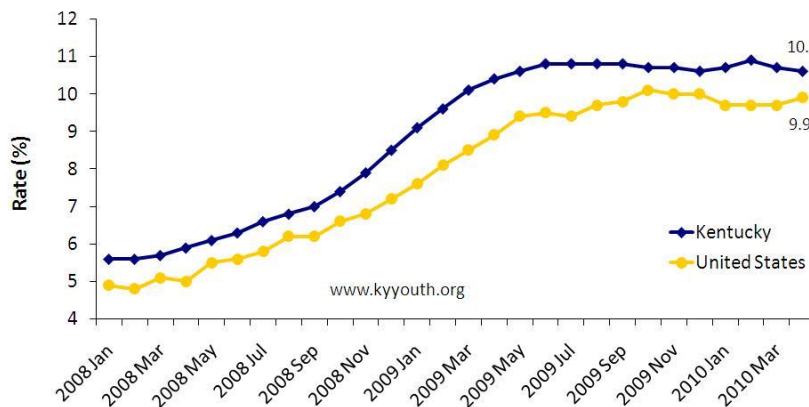


Economy Continues Showing Short-term Signs of Stabilization

April Unemployment Rate Drops to 10.6 percent

In April, the economy was showing some signs of stabilization based on a slight decrease in the [unemployment rate](#) and an increase in [revenue receipts](#) for March. April, however, delivered a 5 percent decrease in [revenue receipts](#), indicating significant ground has to be made up before the end of the fiscal year in June. Still, unemployment continues to show some signs of improvement, dropping to 10.6 percent in April. This remains 0.2 percentage points higher than April of last year and 5 percentage points higher than January 2008, when the recession began in Kentucky. Despite the increase, Chief Labor Market Analyst, Justine Detzel, from Office of Employment and Training said temporary jobs, particularly those in administrative and support business, are fueling the decrease in unemployment, rather than an increase in permanent jobs. Kentucky’s unemployment rate is 0.7 percentage points higher than the U.S. average of 9.9 percent.

KY and U.S. Unemployment Rate



SOURCE: Workforce Kentucky; workforcekentucky.ky.gov

The high unemployment rate is a direct result of the national recession and can have a severe impact on Kentucky’s families. Families with one or both parents facing unemployment are more likely to need some type of government support to help make ends meet and maintain stability in their homes. This increased demand for support can come in the form of food assistance; the need for child care subsidy; or, in the case of long-term unemployment, workforce training to retool skills to help find employment. This increased demand comes at a time when the state is struggling with low revenue and has fewer resources to support families that need help. For the long-term stability of Kentucky it is important that the government maintain these important programs and ensure that they can keep up with the increased demand occurring because of the recession.

To access this issue and archives of the Kentucky Economic Watch, visit:
http://www.kyyouth.org/Issue_Areas/budget/KentuckyEconomicWatch.html.

Kentucky Youth Advocates is home to the Kentucky Tax and Budget Initiative. We work to promote an adequate, sustainable and transparent budget upon which we can build strong public structures and the long-term economic vitality of the Commonwealth. Funding is provided by the Annie E. Casey Foundation and the Stoneman Family Foundation.