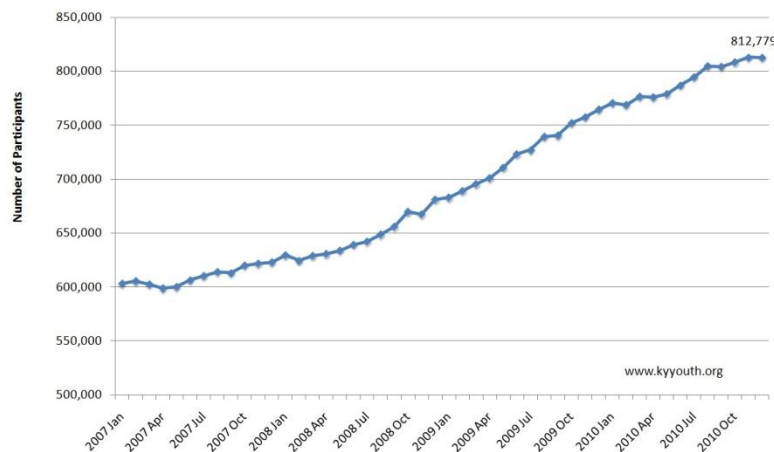


SNAP Participation Remained High through End of 2010

Key Economic Indicators Show Continued Need for Public Investment

December 2010 saw a slight decrease in participation in the Supplemental Nutrition Assistance Program (SNAP). The number of Kentuckians participating in this effective support program decreased by only 262 people (less than one percent) at the end of 2010. More than 812,000 Kentuckians still need government assistance to meet their daily needs. SNAP is a federally funded program that both helps Kentuckians get enough nutritious food to eat and brings money into our economy through grocery stores.

SNAP participation decreased slightly in December 2010

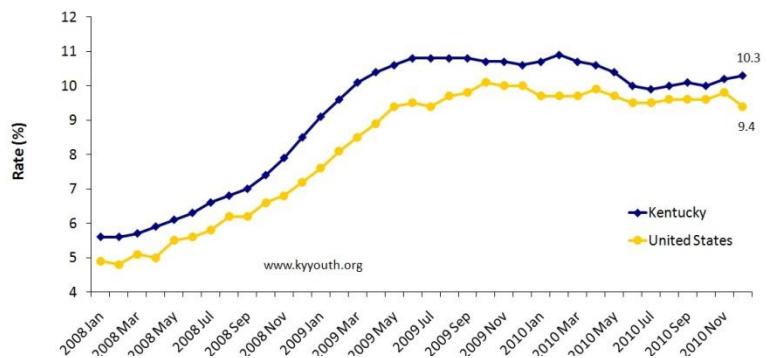


SOURCE: Cabinet for Health and Family Services: Division of Family Support.

Unemployment increased

The December unemployment rate increased by 0.1 percent to 10.3 percent, marking the second consecutive increase and the highest rate since June 2010. It is clear Kentucky has a long way to go before making a full economic recovery. The December unemployment increase is an indication of an economy continuing to struggle as well as a decrease in the number of construction jobs in December, according to Dr. Justine Detzel, chief labor market analyst for Office of

Unemployment increases in December 2010
Up 4.7 percentage points since January 2008



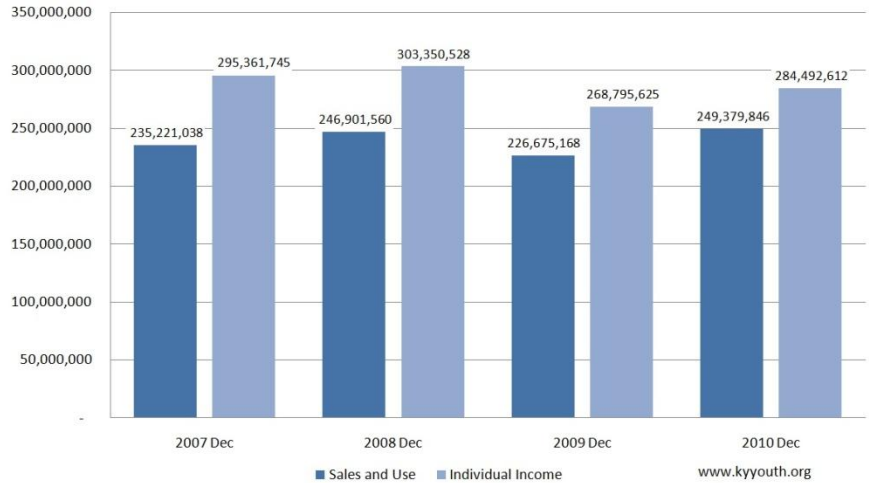
SOURCE: News Release, Kentucky Education and Workforce Development Cabinet. Available at: <http://www.workforcekentucky.ky.gov/article.asp?PAGEID=4&SUBID=&articleD=1044>

Employment and Training. After showing some signs of improvement, the increased unemployment rate, combined with persistently high SNAP participation, clearly indicates Kentuckians are still struggling in the midst of the worst economic crisis since the Great Depression.

Moderate growth in state revenues

Kentucky revenues continued to show signs of stabilization in December 2010. Individual income tax receipts increased 5.8 percent since December 2009 sales and use tax receipts were up 10 percent in December and 4.7 percent for the year. Revenues from both taxes have increased in line with estimates from the Consensus Forecasting Group and need to increase 3.0 percent for the remainder of the fiscal year to meet the official estimates. State budget director, Mary Lassiter, cautions that revenue growth will slow for the remaining of the year. The unemployment rate has a direct effect on state revenue. Because the unemployment rate is a direct result of the recession and impacts Kentucky families’ financial stability, it also affects state revenues because high unemployment results in decreased sales and income tax revenues. This revenue growth is a positive sign, yet stagnate unemployment rates and high SNAP participations all indicate that Kentucky is far from making a complete economic recovery.

Revenue from income and sales taxes both improve since December 2009
Income tax revenue still below 2008



SOURCE: Office of the State Budget Director, “General Fund and Road Fund Receipts for December 2010” Available at: <http://www.osbd.ky.gov/NR/rdonlyres/E444503E-8A8D-433B-99C8-33D5815DA46F/0/1012TaxReceipt.pdf>

Kentucky Senator Rand Paul recently presented his federal budget plan, which includes cutting funding to the federal food stamp program, SNAP, by 30 percent. SNAP allows millions of people across the county to provide adequate nutrition for their families by targeting those most in need. Kentucky’s average monthly participation has been steadily increasing since 2007. This growth suggests the program has responded well to the needs of families during the recession. Protecting this program is critical for helping hundreds of thousands of Kentucky families get enough to eat.

To access this issue and archives of the Kentucky Economic Watch, visit: http://www.kyouth.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.