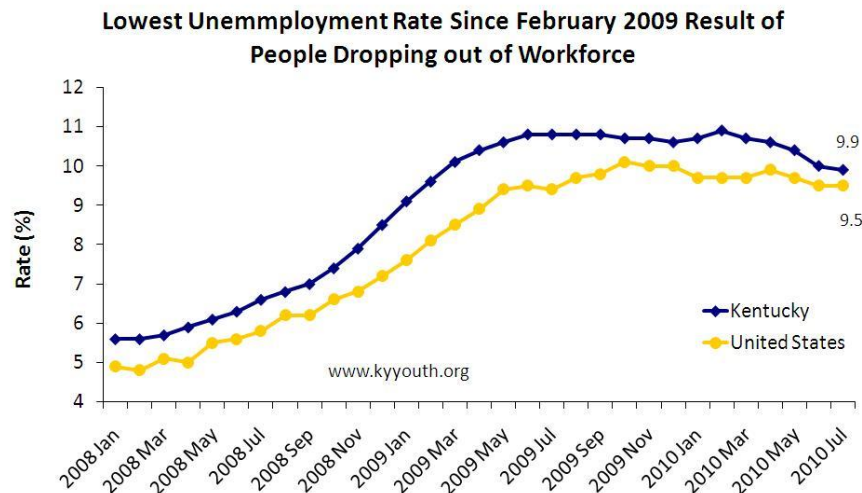


## Discouraged Kentucky Workers Continue Dropping out of Labor Force

### July Unemployment Rate Drops to 9.9 percent

The Kentucky unemployment rate dropped to 9.9 percent in July. Much of the decrease in unemployment comes from an overall reduction in the workforce – many people are becoming discouraged and no longer looking for work, according to Chief Labor Market Analyst, Justine Detzel, from Office of Employment and Training. While this is the lowest unemployment rate since February 2009, the shrinking labor force is problematic because it will continue to lower [state revenues](#) from income taxes and sales taxes. Unemployment remains 4.3 percentage points higher than January 2008, when the recession began in Kentucky and is almost one-half a percentage point higher than the U.S. average of 9.5 percent.



SOURCE: New Release, Kentucky Education and Workforce Development Cabinet

The unemployment rate is a direct result of the recession and severely impacts Kentucky families. Fewer adults working means more families are likely to fall below the poverty line. These are families that may not have experienced poverty absent the recession. These families need access to short-term supports to help see them through the recession. Unemployment continues to hit families across the country. Check out [this graphic](#) to see the change in unemployment across the U.S. since 2007.

To access this issue and archives of the Kentucky Economic Watch, visit: [http://www.kyyouth.org/Issue\\_Areas/budget/KentuckyEconomicWatch.html](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.