

Discouraged Workers Dropping out of Labor Force June Unemployment Rate Drops to 10 percent

The end of the recent fiscal year brings mixed signals of economic stabilization. [State revenues were the lowest in five years](#), indicating that severe budget cuts to important services will not be restored unless we find new ways to increase revenue. Still, unemployment continues to show some signs of improvement, dropping to 10 percent in June. This is the lowest rate in 16 months and is 0.8 percentage points lower than June of last year. However, the rate is 4.4 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 warns that much of the decrease in unemployment comes from an overall reduction in the workforce – many people are just becoming discouraged and are no longer looking for work. Kentucky’s unemployment rate is 0.5 percentage points higher than the U.S. average of 9.5 percent.



SOURCE: Workforce Kentucky; workforcekentucky.ky.gov

The unemployment rate is a direct result of the recession and severely impacts Kentucky families. Fewer adults working means less income and more families with unemployed parents are more likely to fall below the poverty line. These are families that may not have experienced poverty absent the recession. More families experiencing poverty need to rely more on state support, just as the state has fewer resources to aid the families needing help the most.

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

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