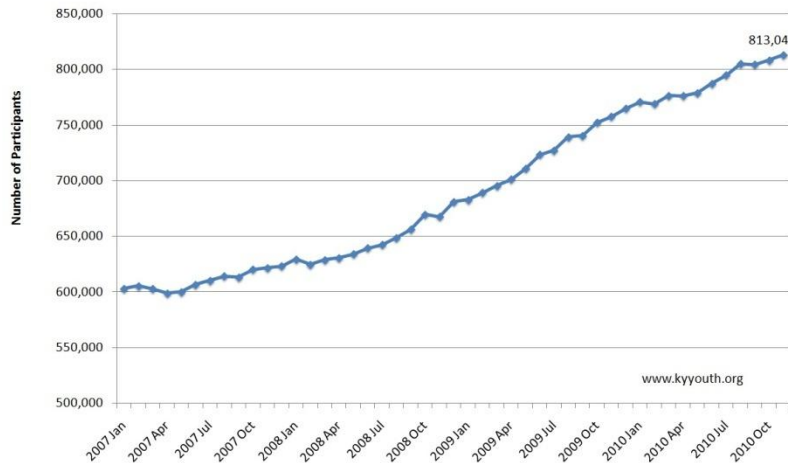


SNAP Participation Peaked in November

Key Economic Indicators Show Continued Need for Public Investment

Supplemental Nutrition Assistance Program (SNAP) participation increased again in November 2010, seeing a 0.6 percent rise since October. More than 813,000 Kentuckians now 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 increases in November, up over 29 percent since January 2008

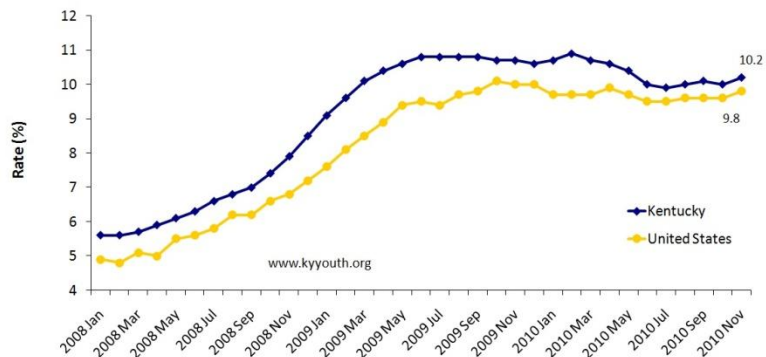


SOURCE: Cabinet for Health and Family Services: Division of Family Support.

Unemployment increased

The November unemployment rate increased by 0.2 percent to 10.2 percent, marking the first increase since May 2010. It is clear Kentucky has a long way to go before making a full economic recovery. The November unemployment increase is an indication of a slowing recovery as well as new individuals entering and reentering the labor force, according to Dr. Justine Detzel, chief labor market analyst for Office of Employment and Training. After showing some signs of

Unemployment increases in November 2010
Up 4.6 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=&articleID=1029&printerFriendly=true>

improvement, the increased unemployment rate, combined with continually increasing SNAP participation, clearly indicates the needs of Kentuckians remain persistently high.

Moderate growth in state revenues

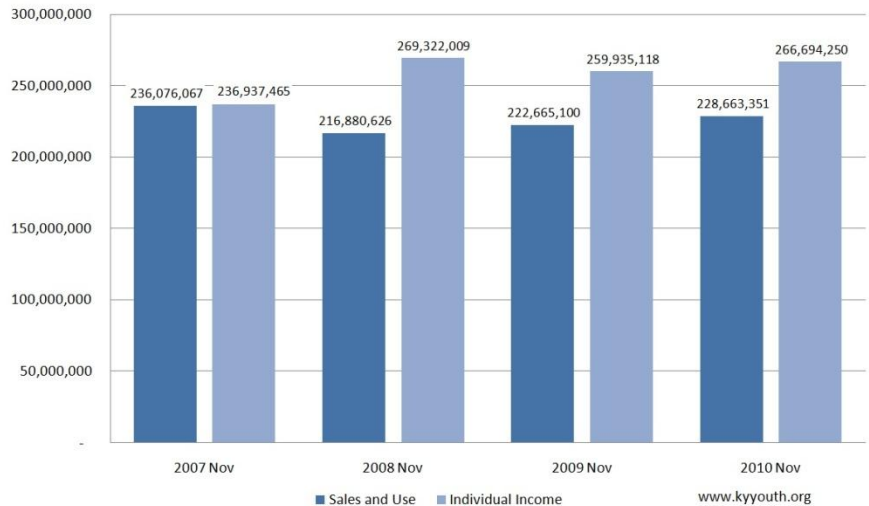
The unemployment rate is a direct result of the recession and impacts Kentucky families' financial stability. It also affects state revenues because high unemployment results in decreased sales and income tax revenues. Kentucky revenues continued to show signs of stabilization in November 2010. Individual income tax receipts increased 2.6 percent and are up 4.2 percent for the year and sales and use tax receipts are up 2.2 percent in November. Revenues from both taxes have increased in line with estimates from the Consensus Forecasting Group and need to increase 3.7 percent for the remainder

of the fiscal year to meet the official estimates. Revenue growth is expected to slow for the remainder of the fiscal year, according to state budget director, Mary Lassiter. 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. At the state level, Kentucky policymakers will continue to face tough decisions about how to balance the state's budget as mid-year gaps emerge and federal recovery dollars dissipate. A key to maintaining state revenue growth is maintaining a diversified tax structure. Relying solely on the sales tax to meet the needs of Kentuckians would place the state in a volatile place when the next recession hits.

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.

Income taxes still below 2008 levels, income and sales taxes both improve since last year



SOURCE: Office of the State Budget Director, "General Fund and Road Fund Receipts for November 2010" Available at: <http://www.osbd.ky.gov/NR/rdonlyres/AED60D92-563F-4F70-BF93-9F7C8EA3C51C/0/1011TaxReceipt.pdf>