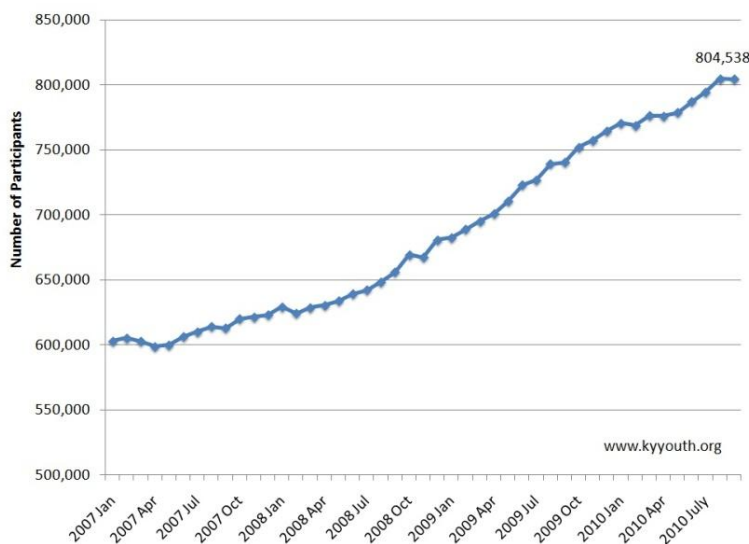


September SNAP Participation Drops Slightly

Key Economic Indicators Show Continued Need for Public Investment

Supplemental Nutrition Assistance Program (SNAP) participation dropped slightly in September 2010 by 0.6 percent. While this data point is an improvement from August 2010, more than 800,000 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 dips slightly in September, up almost 28 percent since start of recession

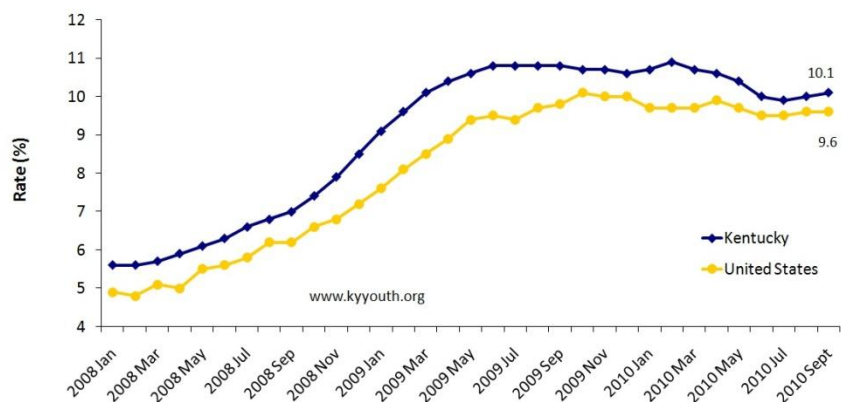


Source: Cabinet for Health and Family Services: Division of Family Support.

Unemployment remains high

Many Kentuckians are relying on SNAP benefits during the recession, with unemployment at 10.1 percent. Unemployment ticked upward last month because of cutbacks in government, administrative and support businesses, according to Chief Labor Market Analyst, Justine Detzel, from Office of Employment and Training. Still, Kentucky struggles in the aftermath of the national recession.

Unemployment increases slightly in September 2010
Up 4.5 percentage points since January 2008

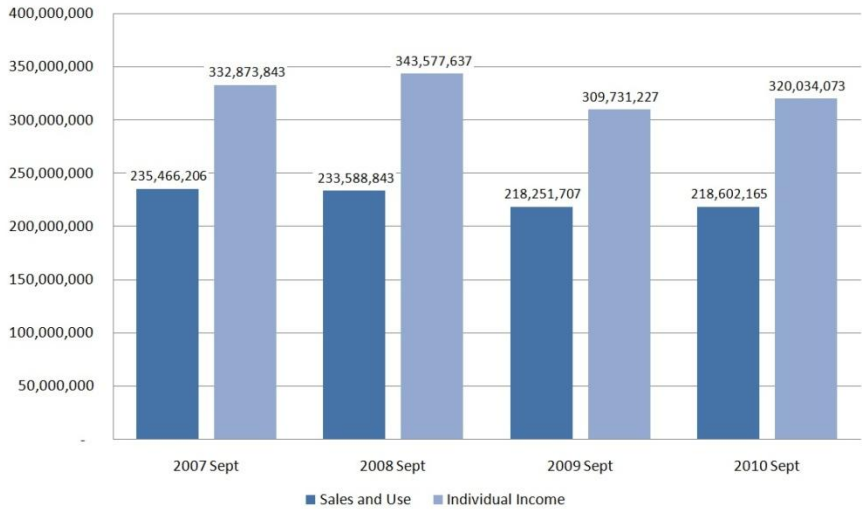


SOURCE: News Release, Kentucky Education and Workforce Development Cabinet

Moderate growth in state revenues

The unemployment rate is a direct result of the recession and severely impacts Kentucky families' financial stability. It also affects state revenues because increased unemployment results in decreased sales and income tax revenues. In September 2010, total general fund revenues jumped 5.3 percent and have grown 4.4 percent so far for the year. This revenue growth is a positive sign, yet the stagnate unemployment rate and high SNAP participation all indicate that Kentucky is struggling to recover from the recession.

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



SOURCE: Office of the State Budget Director, "General Fund and Road Fund Receipts for September 2010" Available: <http://www.osbd.ky.gov/NR/rdonlyres/E0B1652E-762B-4D46-AA66-B4732D18356E/0/1009TaxReceipt.pdf>

Continued public investment needed

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. Kentucky's mix of revenue sources, including income taxes, sales taxes, and property taxes, have allowed Kentucky to begin recovery more quickly than other states, according to Greg Harkenrider, Deputy Executive Director of the Governor's Office for Economic Analysis. Continued public investment that includes a stable and predictable tax structure with a sustainable mix of revenue sources will allow Kentucky to avoid relying too heavily on harmful cuts to support programs and services, like workforce development and training and work supports, which help families already struggling to get by.

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.