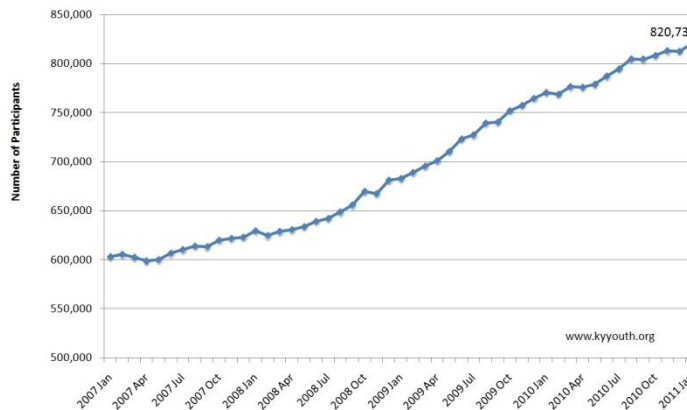


Beginning of 2011 Sees Additional Increase to SNAP Participation

Demand for Key Support Program Shows Continued Need for Public Investment

After a slight decrease in participation in the Supplemental Nutrition Assistance Program (SNAP) in December 2010, participation peaked again in January 2011. The number of Kentuckians participating in this effective support program increased by more than 7,900 at the beginning of 2011 at the end of 2010. 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. More than 820,000 Kentuckians rely on this program. With unemployment expected to remain high for the remainder of 2011 and into 2012, [demand for SNAP will remain high as well.](#)

SNAP Participation Rises in Beginning of 2011



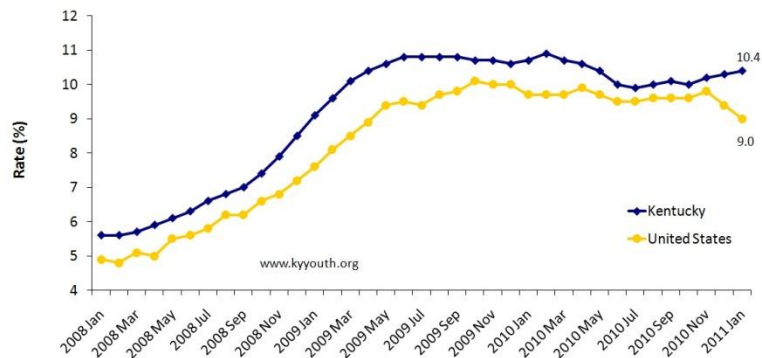
SOURCE: Cabinet for Health and Family Services: Division of Family Support.

Unemployment increased

Unemployment increased in Kentucky between December 2010 and January 2011 from 10.3 percent to 10.4 percent. Marking the third consecutive month for unemployment increase, it is clear Kentucky has a long way to go before making a full economic recovery.

Annual state unemployment rates were also released this week. Kentucky's 2010 unemployment rate dropped to 10.5 percent from 10.7 percent in 2009. Kentucky has lost over 57,000 jobs in the last decade and ranked 9th for state unemployment rate in 2010, according to Dr.

Unemployment Increases in Beginning of 2011
Up 4.8 Percentage Points Since January 2008



SOURCE: BLS and Kentucky Education and Workforce Development Cabinet.

Available at:

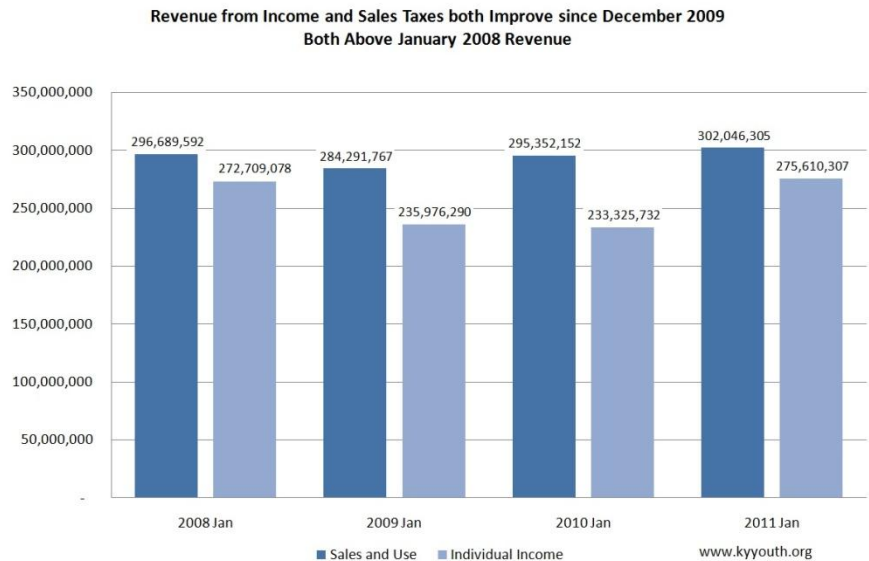
<http://162.114.36.138/article.asp?PAGEID=4&SUBID=&articleID=1055>

Justine Detzel, chief labor market analyst in Office of Employment and Training.

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

Despite high unemployment and SNAP participation, Kentucky revenues show continued signs of stabilization in January 2011. Individual income tax receipts increased 18.1 percent since January 2010 and sales and use tax receipts were up 2.3 percent in December and 4.3 percent for the year. Revenues from both taxes have increased in line with estimates from the Consensus Forecasting Group and need to increase 2.3 percent for the remainder of the fiscal year to meet the official estimates. State budget director, Mary Lassiter, anticipates revenue growth for the rest of the year will be difficult, but said the state is on course to meet estimated revenues.



SOURCE: Office of the State Budget Director, "General Fund and Road Fund Receipts for January 2011" Available at: <http://www.osbd.ky.gov/NR/rdonlyres/80520E61-F10D-40F2-9472-A1D08873A58A/0/1101TaxReceipt.pdf>

As the economy shows some signs of improvement, state legislators will be meeting Monday for a special session to discuss closing the Medicaid budget gap. The House originally proposed closing the budget gap by moving money forward from the next fiscal year, FY 2012, and balancing next year's budget with anticipated cost savings, including managed care. The Senate passed a different version of HB 305 that included broad-based cuts across state government for the last months of the current budget year and the next budget year to make up the Medicaid shortfall. Make sure you let your legislators know you do not support additional cuts to services that help families during the economic downturn. Reaching agreement soon is important in order to avoid dramatic cuts in Medicaid provider reimbursement rates. These cuts could lead to fewer providers seeing Medicaid patients and a sicker population.

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.