

The LRC Economist

Kentucky's Economy: An Overview



Definitions:

GDP Growth

The rate at which the total value of all the goods and services produced in a given area increases or decreases annually.

High School Graduate or Higher

The percent of people eighteen and older who graduated high school or received their GED, or higher.

Median Household Income

The middle value of all household incomes in a population. Fifty percent of the households earn more than this value and fifty percent earn less than this value. Income does not include noncash benefits such as food stamps or housing subsidies.

Poverty Rate

The percent of the population with a family income below the poverty threshold. This threshold changes and is based on the number of family members and their ages. Income does not include noncash benefits such as food stamps or housing subsidies.

Unemployment Rate

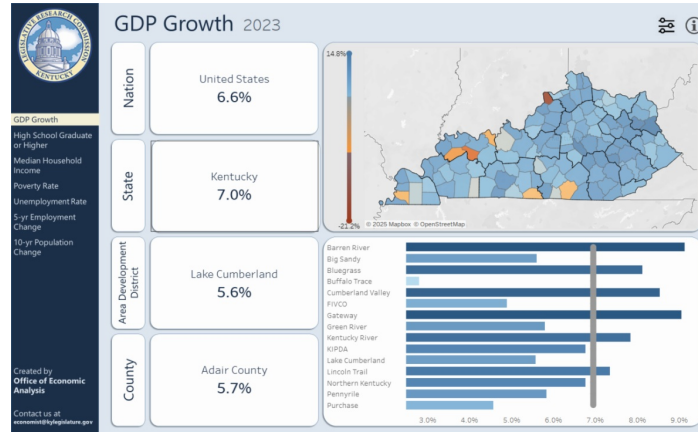
The percentage of people in the labor force without a job who are actively trying to find employment. The labor force includes only people who are 16 years or older and are either working or seeking employment.

5-year Employment Change

The percentage change of the number of jobs in a given area for a population over a given 5-year time period.

10-year Population Change

The percentage change of population in a given area over a given 10-year time period.



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What is an Economy?

What is an economy? Put simply, an economy is an area surrounding the production, distribution, and consumption of goods and services. The health of an economy is largely indicated by the growth rate of its gross domestic product, or GDP. GDP is **the total value of all the goods and services produced in a given area in a year.**

Generally, GDP growth means an economy is doing well. **Growth in GDP is often accompanied by an increase in employment and income.** The more people who are employed, the more money in their pockets. When people have more money, they tend to buy more goods and services, therefore boosting GDP and the economy. Similarly, when GDP declines, an economy tends to struggle. **A decline in GDP is often accompanied by a decrease in employment and income.**

What Indicates an Economy's Wellbeing?

While GDP is an important indicator of an economy's health, **there are other economic measures that also provide insight into an economy's wellbeing.** Such measures include, but aren't limited to, income, education, and employment. While no conclusion can be drawn by viewing each measure individually, together they can speak to a region's economic wellbeing.

Using data from the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Federal Reserve, this dashboard provides a high-level overview of Kentucky's economy, from 2018 to 2023, through seven economic measures: GDP growth, educational attainment, median household income, poverty rate, unemployment rate, 5-year employment change, and 10-year population change. **While a variable cannot singularly portray the status of Kentucky's economy, the six together paint a more complete picture.** This dashboard enables the user to view each measure at the national, state, area development district, and county level.

It is important to note there are many other economic measures not included in this dashboard, and this dashboard does not provide a complete picture of Kentucky's economy.

To see more interactive visualizations, visit our website [here](#). If you have any questions or comments, please email us at economist@kylegislature.gov.

