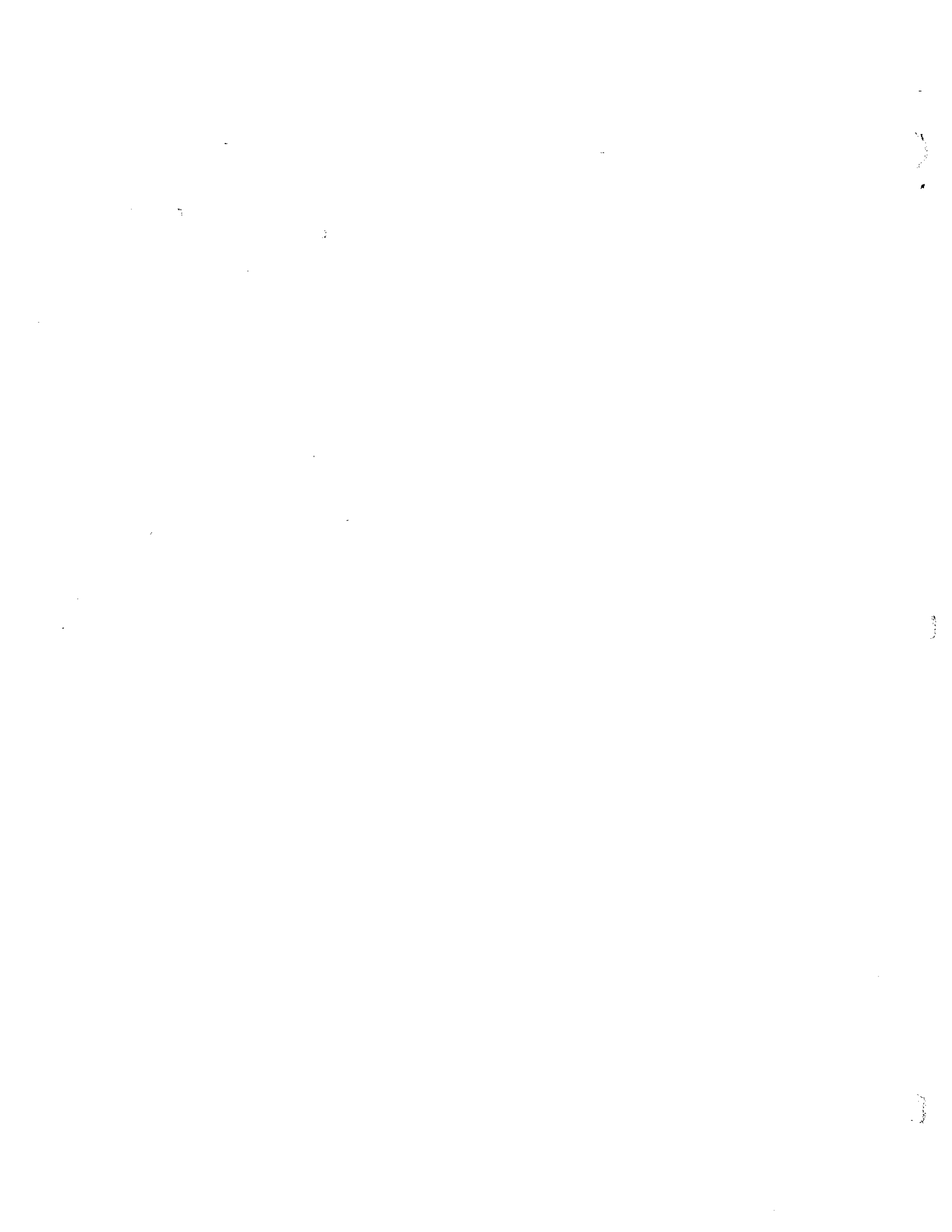


438. Vic Hellard, Jr., Director - Economic Trends in Kentucky Counties, 1969-1987 - BREATHITT COUNTY. Feb., 1990. (Virginia Wilson/ Donna A. Cantrell)
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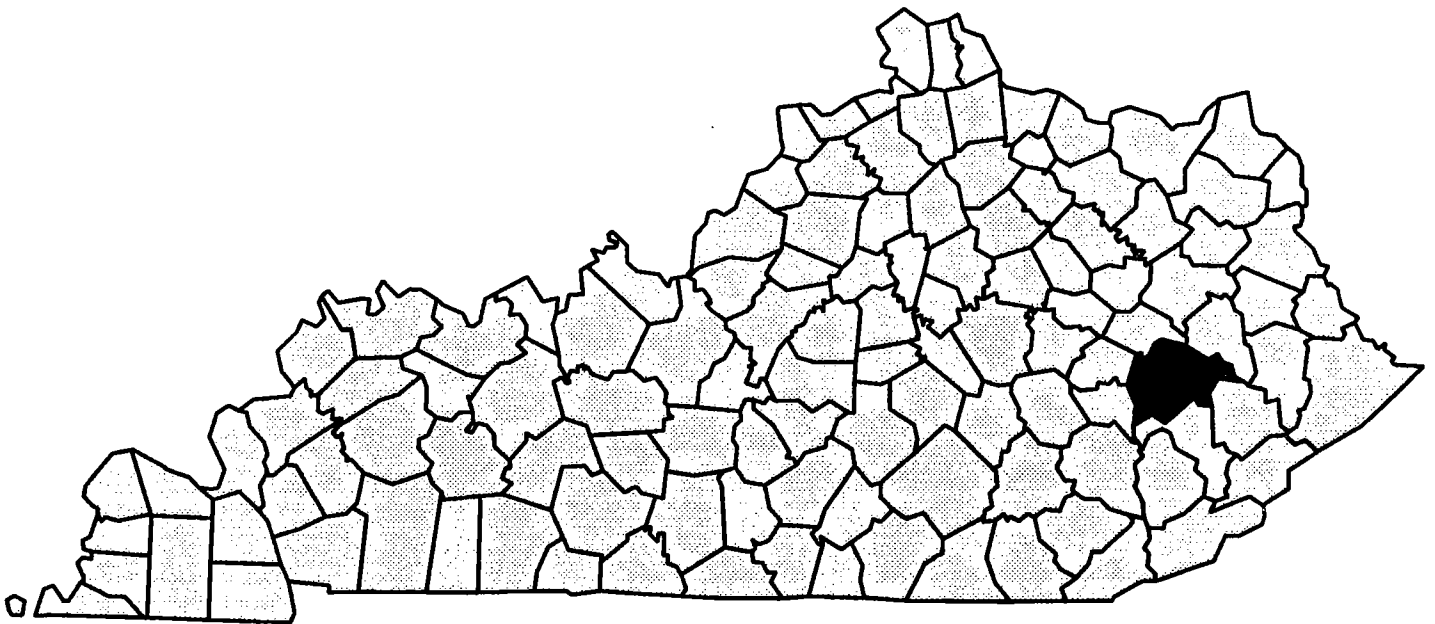
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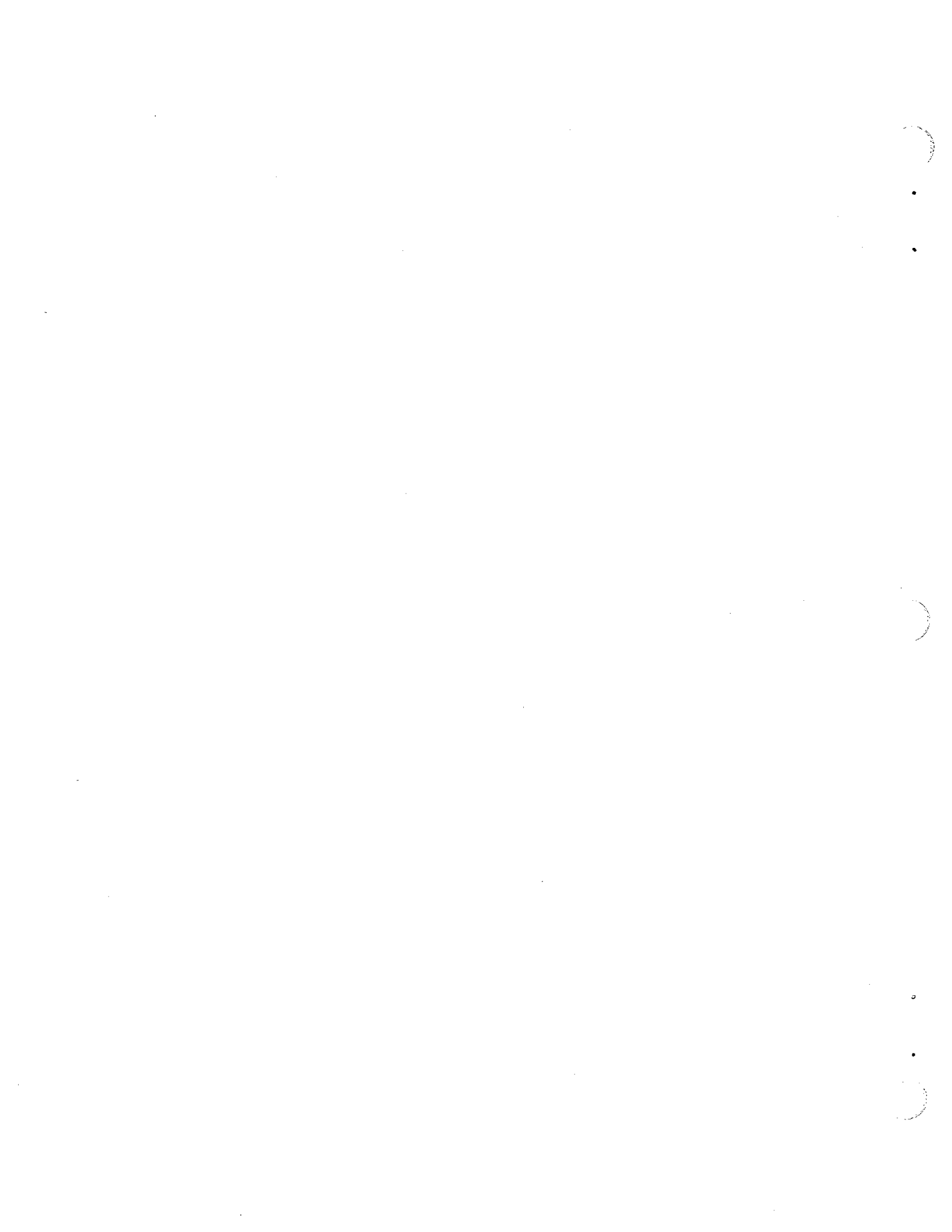
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

BREATHITT COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



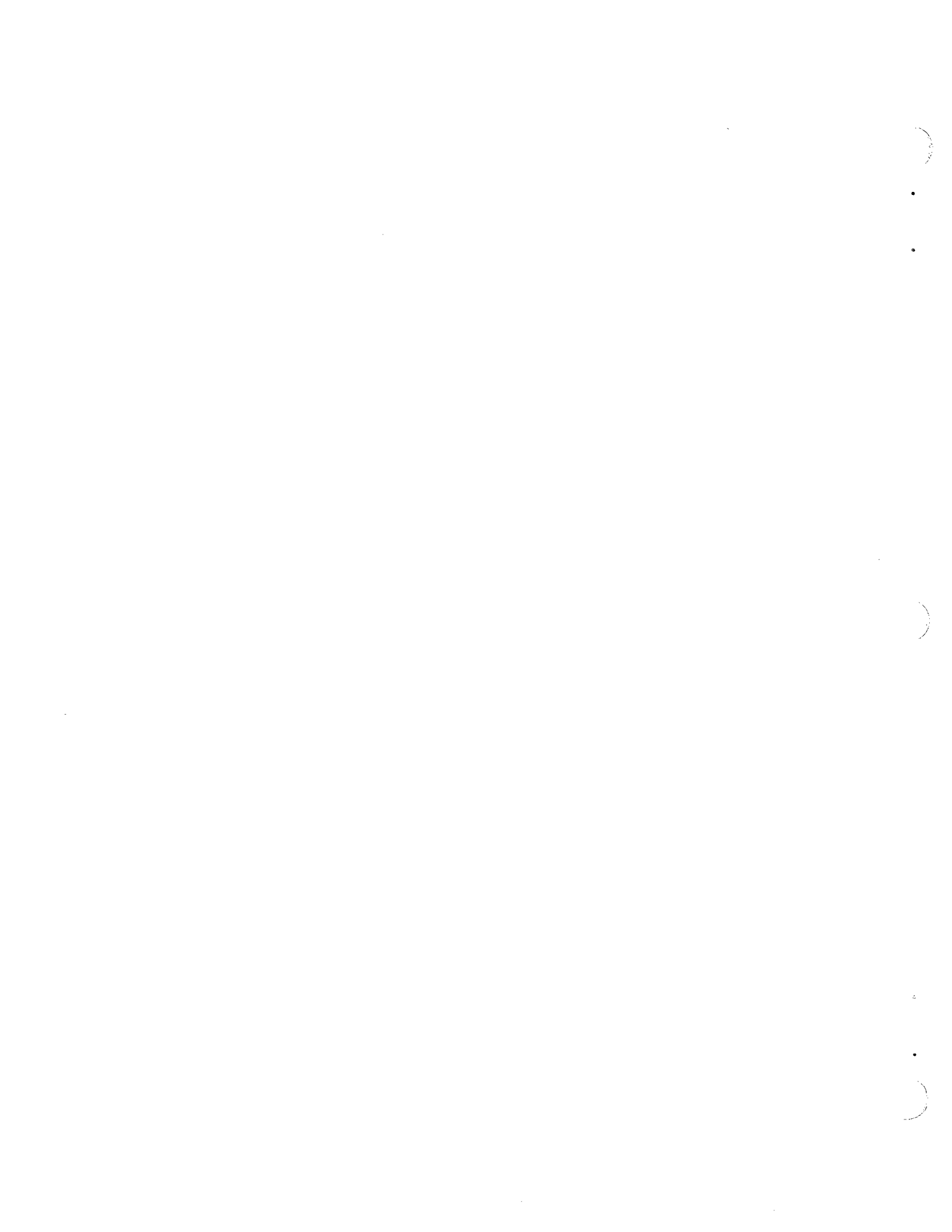
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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

The Breathitt County economy, as measured by personal income, grew strongly in the 1970's and modestly in the 1980's. Breathitt County increased its share of Kentucky personal income in the 1970's, and decreased its share in the 1980's. While per capita personal income was significantly below that of the state, average earnings per job were higher than those of the state. Breathitt County generates a smaller percent of personal income from earnings and a larger percent from transfer payments than does the state as a whole.

The county economy was heavily impacted by the mining sector. Mine sector employment and earnings increased significantly in the early 1980's. The county's shares of earnings and employment from the farming and manufacturing sectors declined.

The non-goods-producing sectors of trade and state and local government were relatively strong in Breathitt County. However, service sector earnings and employment declined significantly. At the state level, the services and trade sectors increased their share, while state and local government was constant.

Events in the international energy markets, specifically a sharp increase in the price of oil, resulted in an increased demand for coal. This provided the impetus for economic growth in Breathitt County in the mid- to late 1970's.

The county has a high concentration in the mining sector. However, this sector has an uncertain economic future. The coal mining sector is very sensitive to economic fluctuations in international markets, and national policies. Further, the coal mining sector is becoming less labor intensive. Consequently, while a high concentration in mining supported the economy during a period of high energy prices, these conditions may not ensure future economic growth. The national economic outlook is for growth in the service and trade sectors. Future economic growth in Breathitt County would probably be enhanced by further development of these industries.



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INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the Breathitt County economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the Breathitt County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Breathitt County economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing, if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



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ECONOMIC TRENDS IN BREATHITT COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Breathitt County economy are analyzed. They are:

1. Personal Income
2. Earnings
- * 3. Employment

Also, because coal production has been an important component in the Kentucky economy and in many local economies, the coal sector is analyzed in counties which have a history of coal production.

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wages and salaries income and proprietors' earnings. Second, income can be earned by property. Included are earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Breathitt County economy, as measured by real personal income, increased, from \$63 million in 1969 to \$148 million in 1987, after adjusting for inflation. Chart 1B shows Breathitt County total personal income as a percent of Kentucky total personal income. Breathitt County's share of Kentucky personal income increased through the 1970's and declined in the 1980's.

A similar pattern emerges from an examination of per capita personal income (Charts 1C and 1D). Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Breathitt County real per capita income generally increased over the time period to a level of \$9,104 in 1987. Breathitt County's per capita personal income was 72.8 percent of the Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$43 million in 1969 to a high of \$107 million in 1980, then declined to \$91 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income increased in the late 1970's and declined in the 1980's. Earnings accounted for 61.5 percent of Breathitt County's total personal income in 1987, which was less than Kentucky's 67.5 percent share.

Transfer payments contributed \$18 million to total personal income in 1969 and \$41 million in 1987. In 1987, transfer payments contributed 27.9 percent of personal income in Breathitt County, much higher than Kentucky's 17.2 percent share.

Income from property in Breathitt County grew steadily through the time period. Income from property totalled \$2 million in 1969 and increased to \$16 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's earnings. Earnings in the goods-producing industries were erratic during the period (Chart 3A). In 1969, Breathitt County received 1.8 percent of its earnings from manufacturing. This percentage fluctuated during the period and decreased to 0.3 percent in 1987. Earnings from the farming sector generally declined from 3.0 percent in 1969 to 1.5 percent in 1987. The mine sector's share of earnings was 13.4 percent in 1969. However, this sector's share increased dramatically and in 1980 accounted for a high of 47.9 percent. Earnings from this sector declined through the 1980's to 41.1 percent in 1987. The state's share of earnings from manufacturing, farming, and mining declined through the period.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services decreased from 34.0 percent in 1969 to 10.2 percent in 1986 (service sector data was not available for 1987). The percent of earnings from the trade sector decreased from 15.2 percent in 1969 to 11.6 percent in 1987. The percentage of earnings in the state and local government sector decreased through the 1970's, then increased to 14.0 percent in 1987. At the state level, the share of earnings from services showed a substantial increase while the shares from trade and state and local government remained constant.

Average earnings per job (adjusted for inflation) for Breathitt County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since that time average earnings per job have declined and in 1987 they were \$18,636 per person. In Breathitt County earnings per job increased significantly, to \$28,937 in 1980, but decreased to a level of \$21,581 in 1987, remaining above the Kentucky average.

Employment

Employment is considered to be any activity for which one receives financial remuneration in the form of wages or profits. In 1969, total employment stood at 2,950 people. By 1987, employment increased to 4,985 people.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Breathitt County are presented in Chart 4B. Breathitt County unemployment rates were generally above those of the state during the period. However, the gap between county and state rates increased in the 1980's. In 1987, the unemployment rate in Breathitt County was 15.9 percent, compared to 8.8 percent in Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately 4 percent for the state. This figure would vary by county depending on the labor market within a county.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of Breathitt County total employment in manufacturing decreased over the time period. Again, this trend parallels the declining concentration in manufacturing for the state. Manufacturing employed 2.4 percent of total employment in 1969. This decreased to 0.6 percent in 1987. The farm sector's share of employment increased from 3.5 percent in 1969 to 8.1 percent in 1987. The farm sector's share declined in the state as a whole. Mine sector employment increased in the 1970's and declined in the 1980's. Mine sector employment increased from 7.2 percent of the total in 1969 to 22.6 percent in 1980. However, by 1986, the mine sector's share declined to 16.3. State trends were similar.

Breathitt County employment in the non-goods-producing industries is illustrated in Chart 4D. In contrast to state employment patterns, employment in the service sector as a percent of total employment decreased from 45.4 percent in 1969 to 20.3 percent in 1986. The percent of employment in trade increased from 15.6 percent in 1969 to 21.5 percent in 1987. The percent of employment in state and local government remained relatively constant and accounted for 15.5 percent in 1987. These changes in trade and government employment shares parallel state trends.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Breathitt County.

The Breathitt County population increased from 14,300 in 1969 to 17,100 in 1979 (Chart 5A), but declined to 16,300 by 1987. It was estimated that in 1986, 9.2 percent of Breathitt County's population was under six years of age, compared to 8.6 percent for the state. Breathitt County's proportion of residents age sixty or older generally declined through the period. In 1986, 14.7 percent of the Breathitt County population was sixty years of age or over, compared to 16.5 percent of all Kentucky residents.

Coal

The coal sector provides significant income and employment to the Kentucky economy. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. Coal production also had a strong impact on the Breathitt County economy.

Breathitt County coal production patterns are presented in Chart 6A. Coal production is estimated by the Energy Information Administration of the U.S. Department of Energy. Estimates of production are calculated from a sample of coal shipments from each county. Coal production increased from 2,618 thousand tons in 1969 to a high of 7,805 thousand tons in 1979. This production increase was likely stimulated by changes in international energy markets. Specifically, a sharp increase in the price of oil resulted in increased demand for coal by utilities and resulted in increases in the price of coal. By 1987, 6,799 thousand tons of coal was mined in Breathitt County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969, this sector provided 211 jobs in Breathitt County. This increased to 1,090 in 1980, but diminished to 781 by 1987. The dramatic changes in employment illustrates the volatile nature of coal production and its impact on local economies.

The average value per ton for coal is illustrated in Chart 6C. Similar to patterns for the national coal market, average value per ton increased in the 1970's and declined during the 1980's.

Coal severance tax receipts are presented in Chart 6D. The Kentucky Revenue Cabinet collects severance taxes on processed coal. Receipts are then allocated to counties, based on the value of the coal mined in the county and the value attributed to any processing done in the county. Therefore, trends in severance tax collections may not exactly parallel those of the coal production figures in Chart 6A. Severance tax collections increased to \$10.9 million in 1982. By 1986, coal severance tax collections declined to \$9.1 million.

CHART 1A

BREATHITT COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

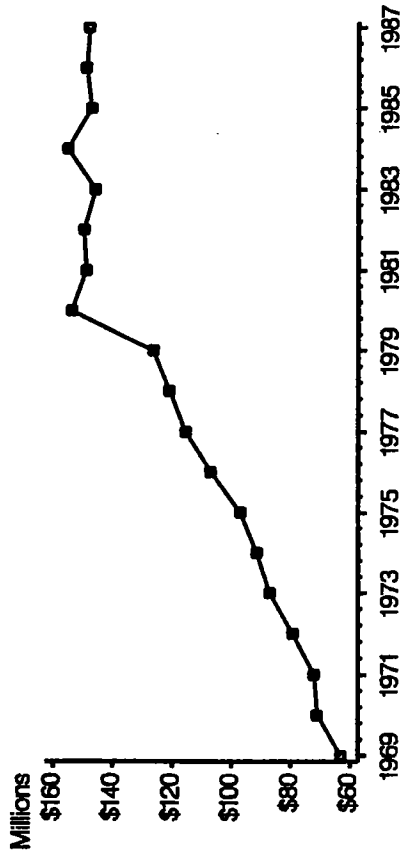


CHART 1B
BREATHITT COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

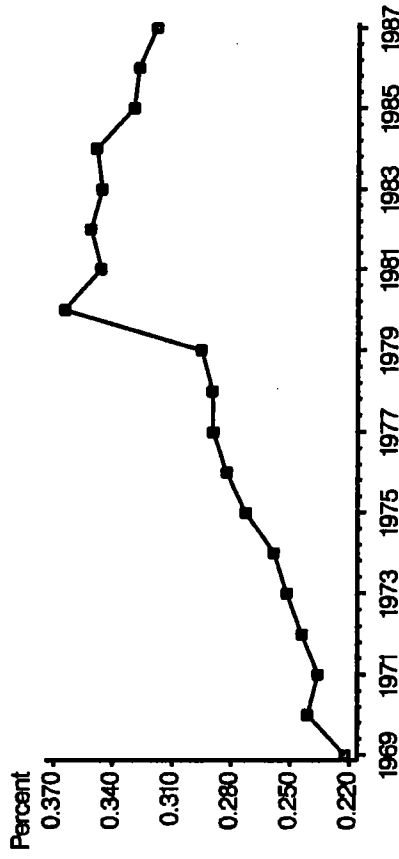


CHART 1C

BREATHITT COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

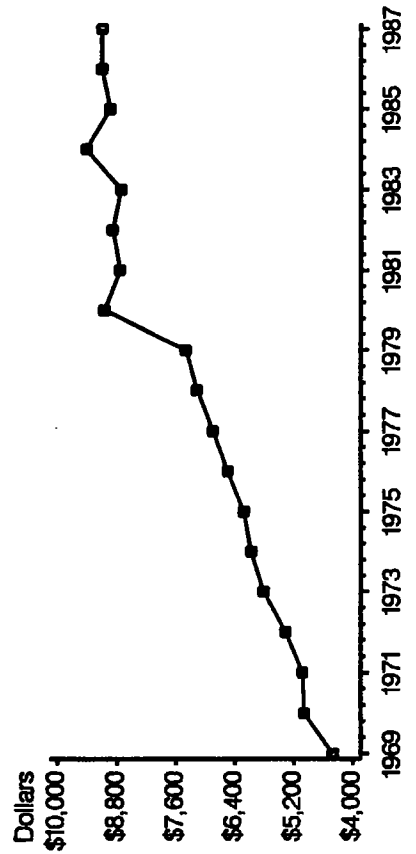


CHART 1D

BREATHITT COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

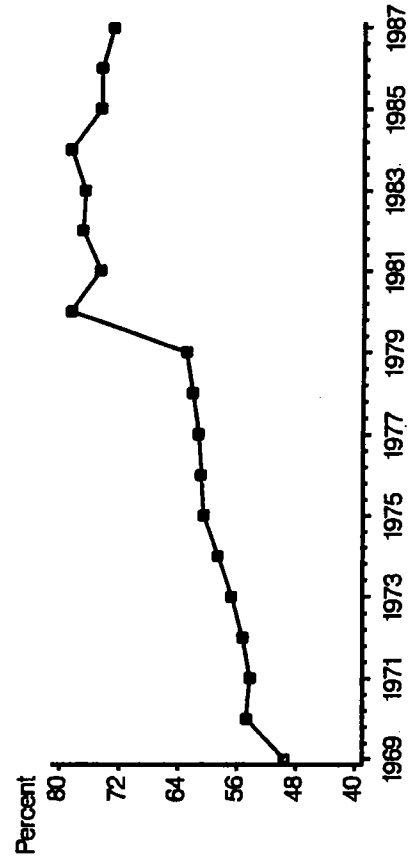


CHART 2A
BREATHITT COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

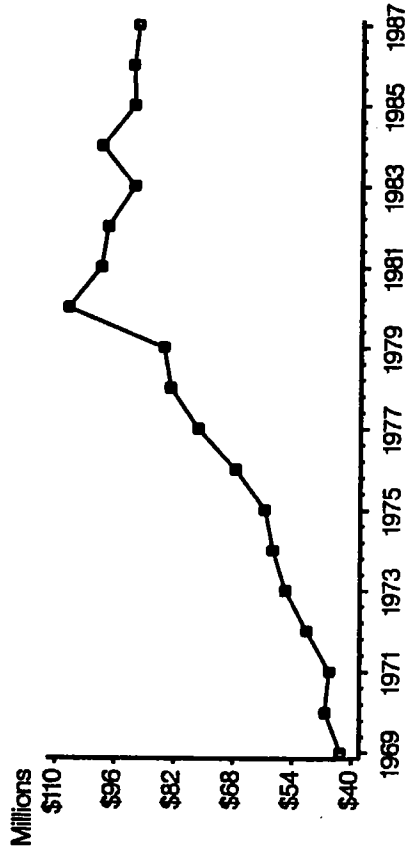


CHART 2B
BREATHITT COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

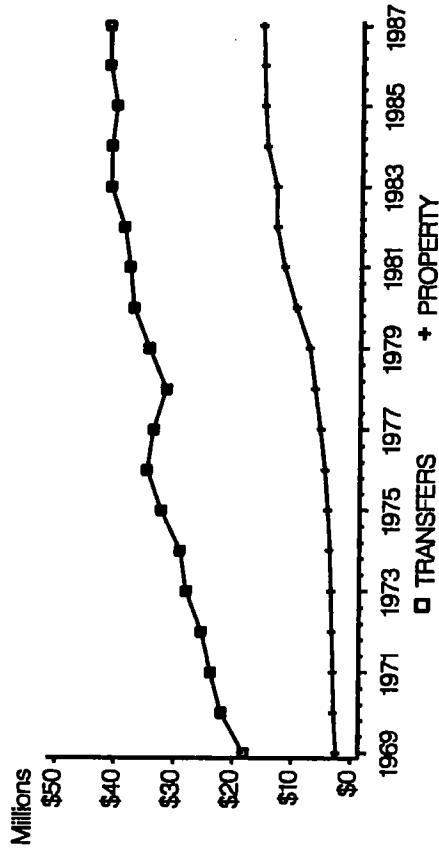


CHART 2C
BREATHITT COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

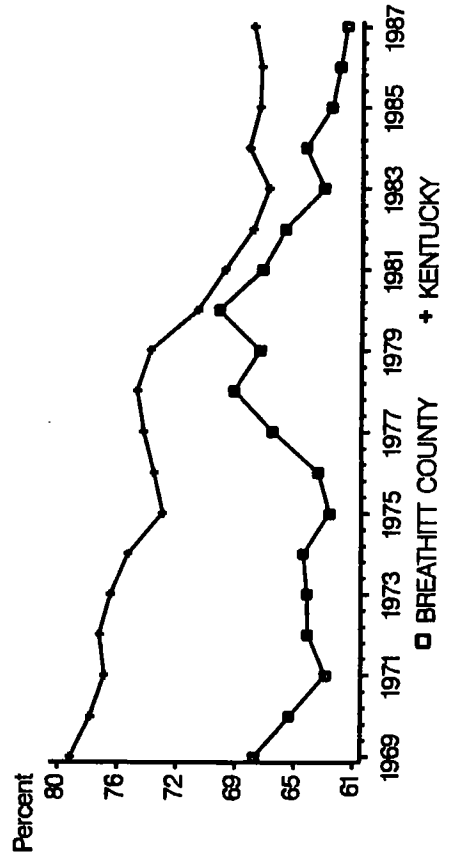


CHART 2D
BREATHITT COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

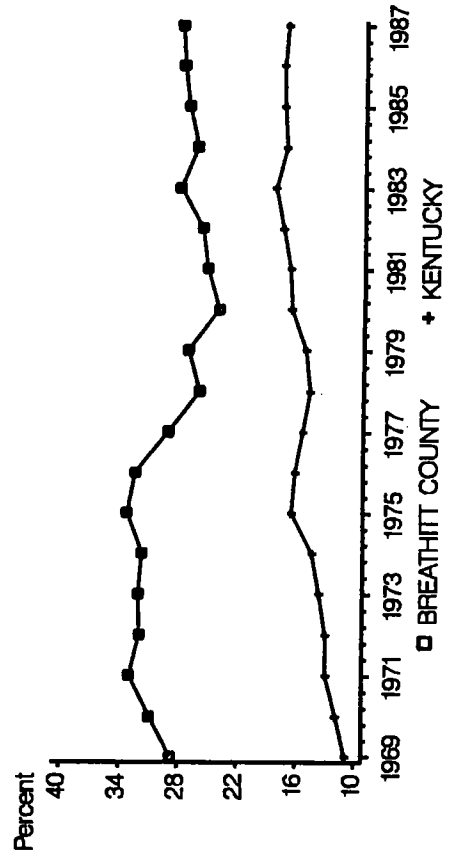


CHART 3A

BREATHITT COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

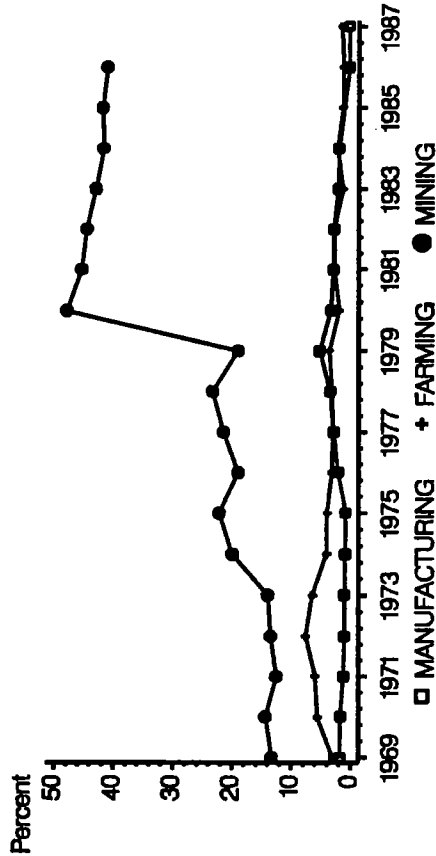


CHART 3B

BREATHITT COUNTY

EARNINGS IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

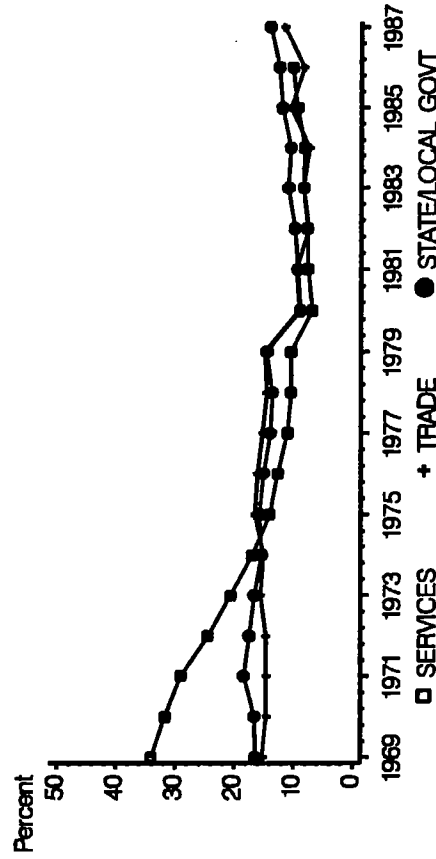


CHART 3C

BREATHITT COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

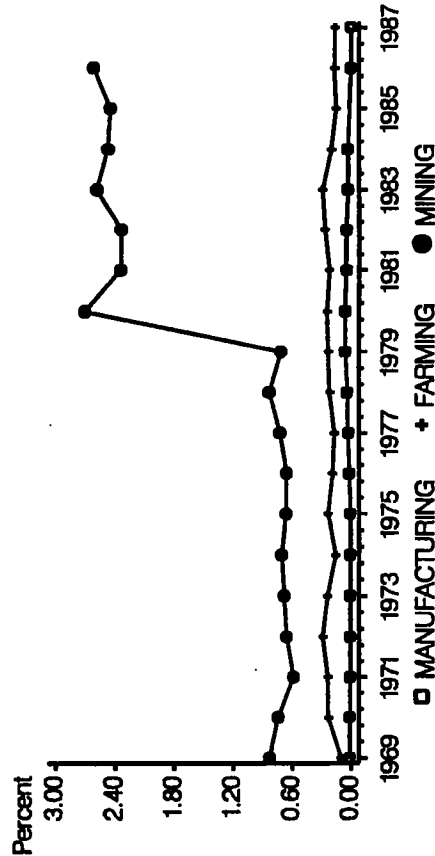


CHART 3D

BREATHITT COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

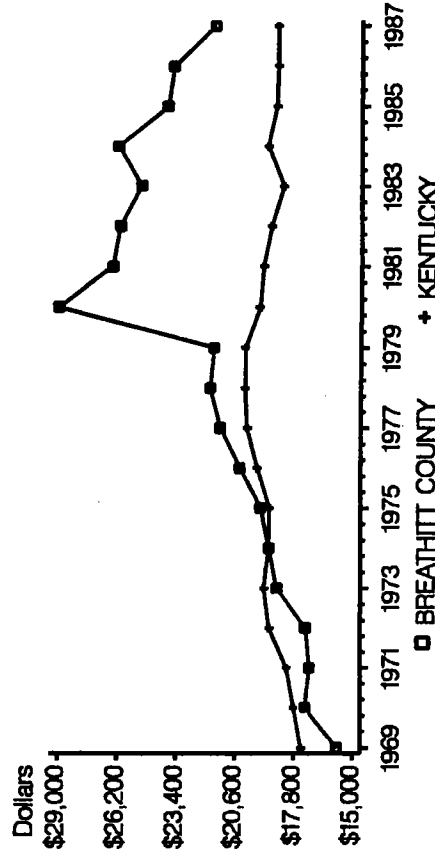


CHART 4A
BREATHITT COUNTY
TOTAL EMPLOYMENT
Thousands of People

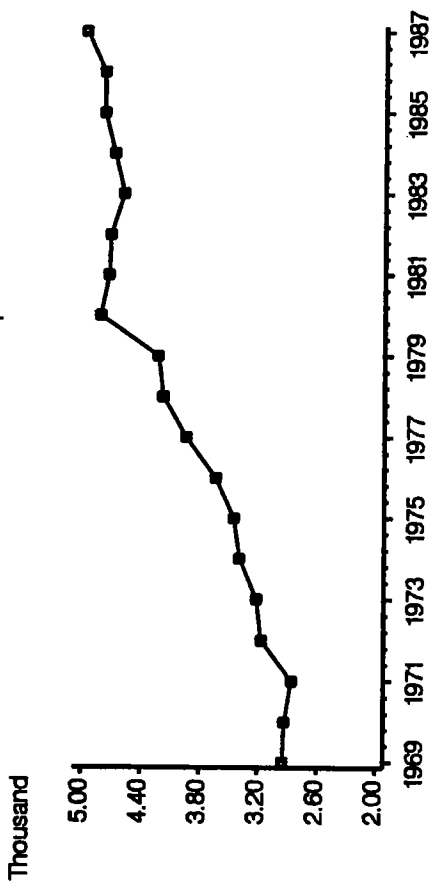


CHART 4B
BREATHITT COUNTY
ANNUAL UNEMPLOYMENT RATE

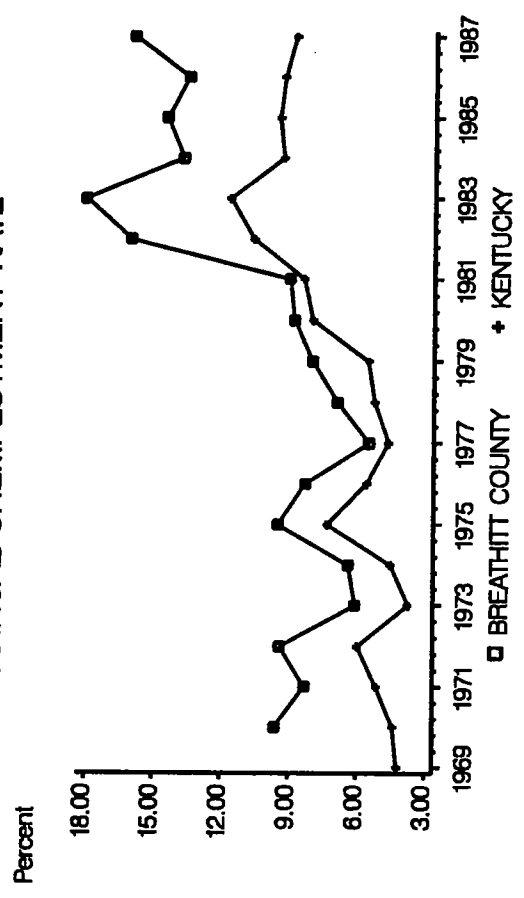


CHART 4C
BREATHITT COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

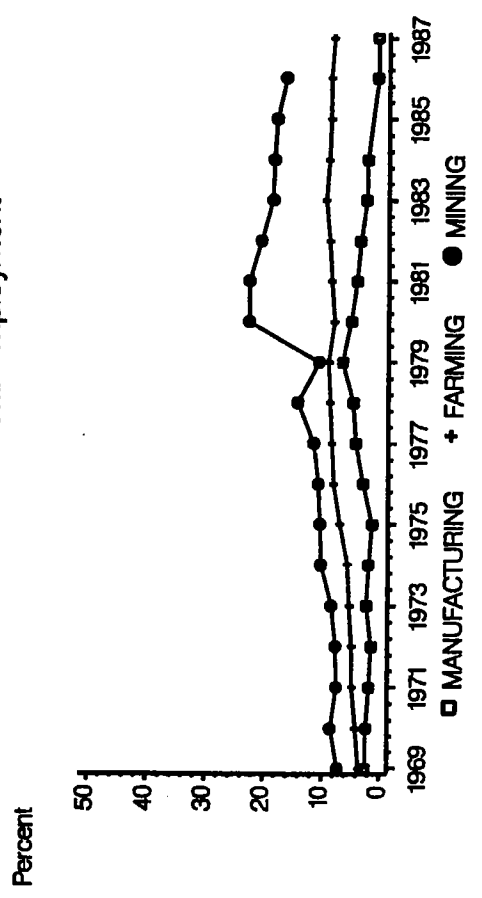


CHART 4D
BREATHITT COUNTY
EMPLOYMENT in NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

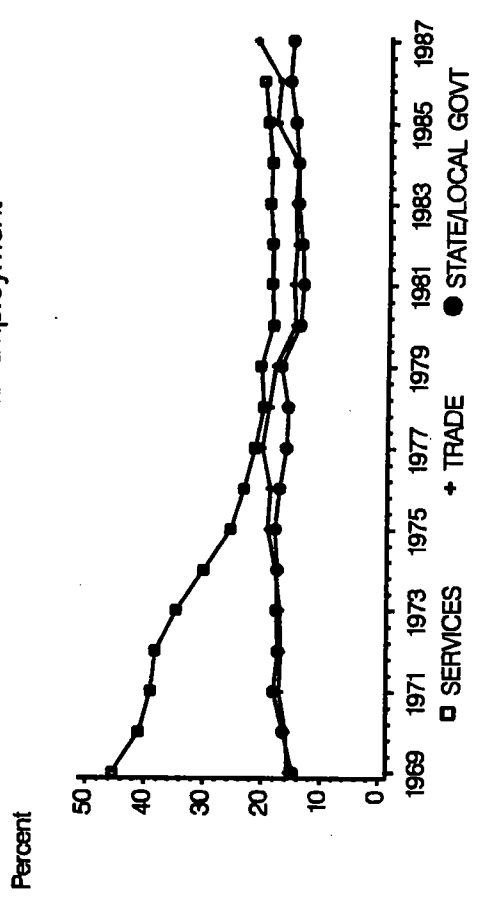


CHART 5A
BREATHITT COUNTY
POPULATION
Thousands of People

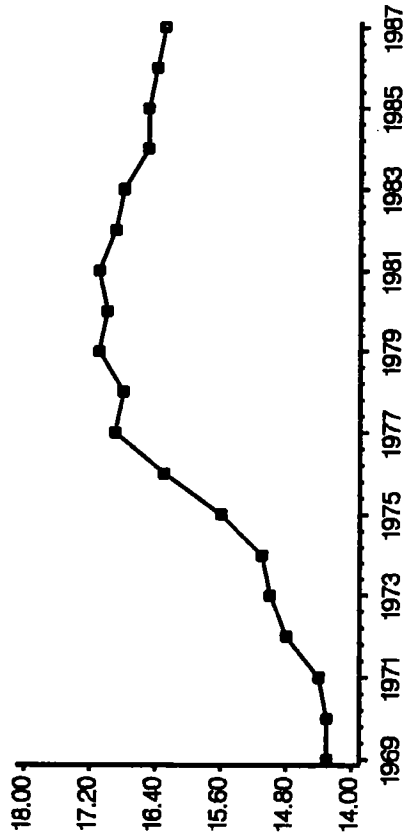


CHART 5B
BREATHITT COUNTY
POPULATION
as a Percent of Kentucky Population

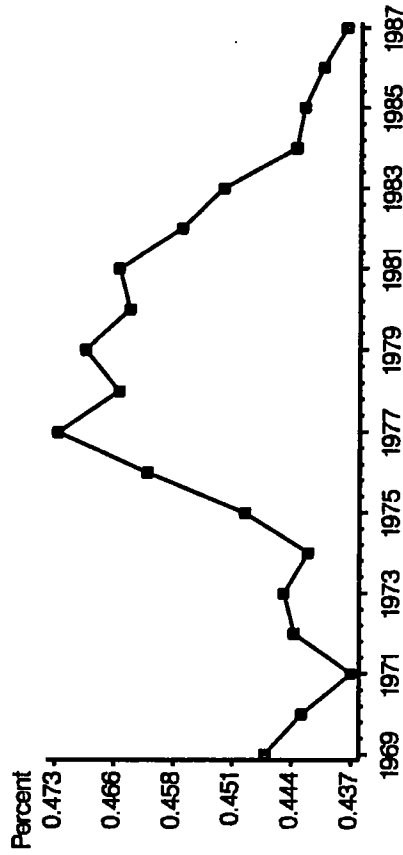


CHART 5C
BREATHITT COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

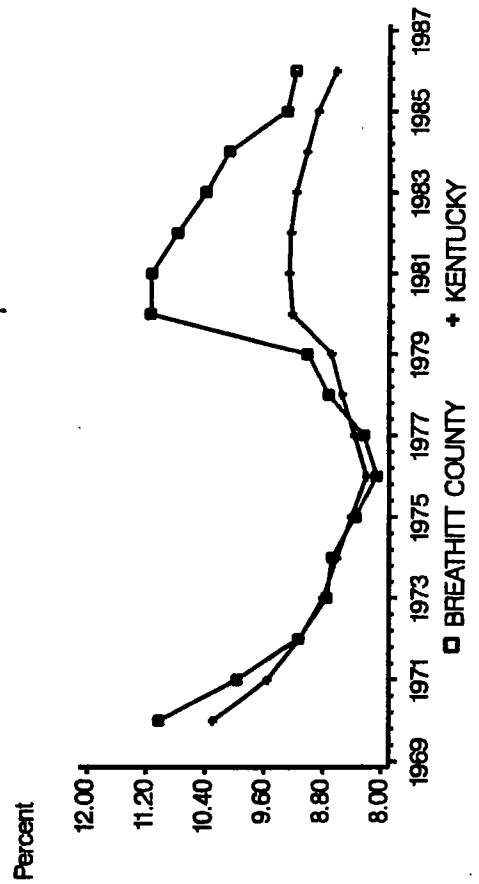


CHART 5D
BREATHITT COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

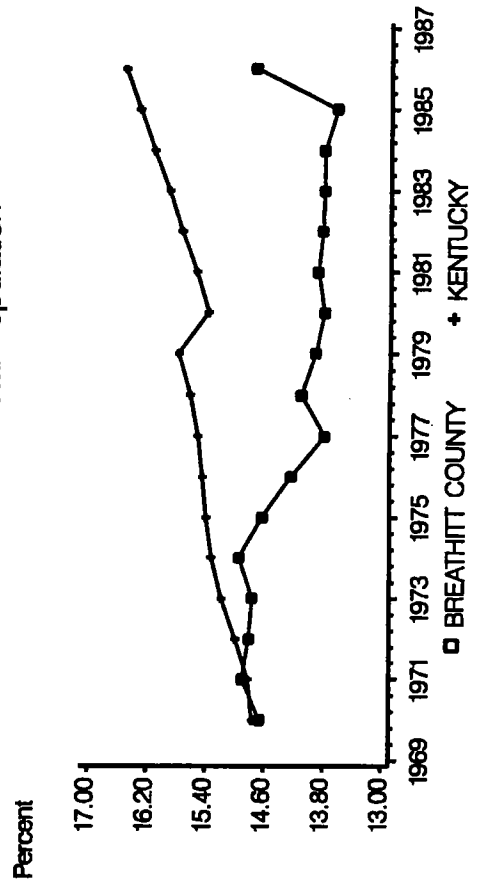


CHART 6A
BREATHITT COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

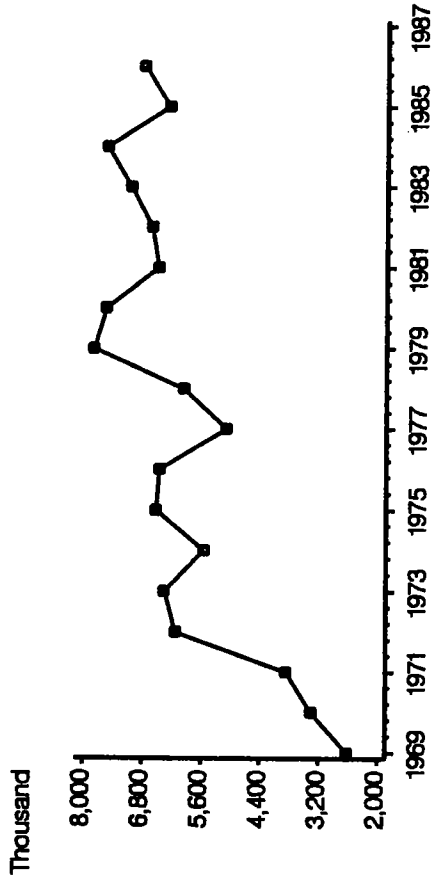


CHART 6B
BREATHITT COUNTY
MINING EMPLOYMENT
 Thousands of People

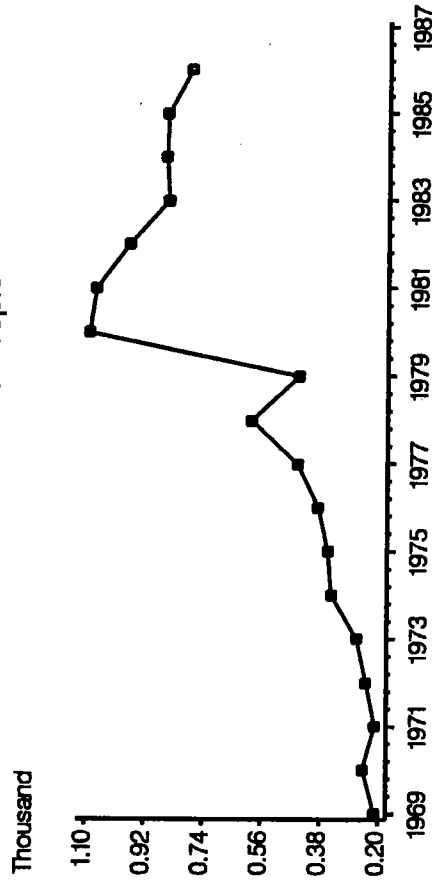


CHART 6C
BREATHITT COUNTY
AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

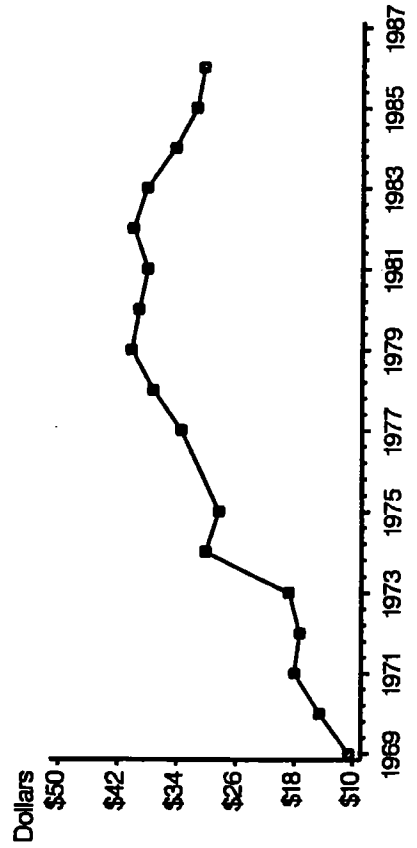
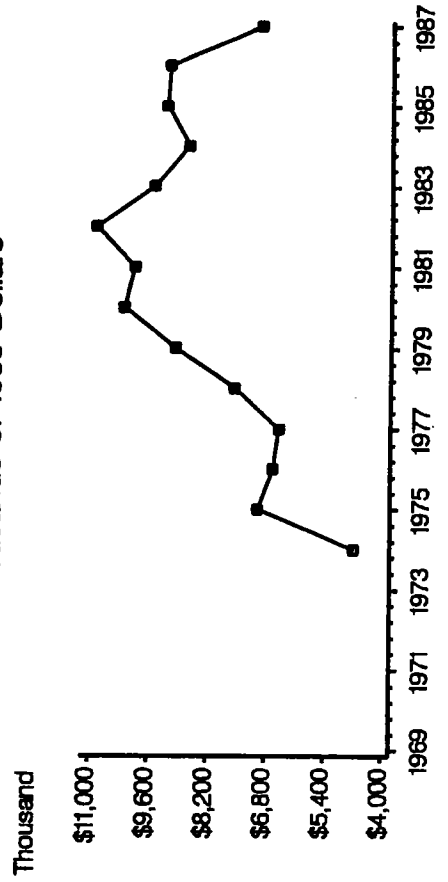


CHART 6D
BREATHITT COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



BREATHITT COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	63	0.22	4,409	49.6
1970	71	0.24	4,986	54.7
1971	72	0.24	5,019	54.2
1972	79	0.24	5,380	55.2
1973	87	0.25	5,826	56.7
1974	92	0.26	6,073	58.6
1975	97	0.27	6,221	60.6
1976	107	0.28	6,549	61.0
1977	116	0.29	6,856	61.3
1978	121	0.29	7,190	62.2
1979	126	0.30	7,408	63.0
1980	154	0.36	9,049	78.5
1981	149	0.35	8,740	74.6
1982	150	0.35	8,889	76.9
1983	146	0.35	8,721	76.6
1984	155	0.35	9,414	78.5
1985	147	0.33	8,937	74.5
1986	149	0.33	9,107	74.4
1987	148	0.32	9,104	72.8

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	43	67.4	79.2	18	28.7	10.9	2	3.9	9.9
1970	46	65.1	77.9	22	30.9	11.9	3	4.0	10.2
1971	45	62.8	77.0	24	33.0	12.9	3	4.3	10.1
1972	51	63.9	77.3	25	31.9	12.9	3	4.1	9.7
1973	56	64.0	76.6	28	32.1	13.6	3	4.0	9.7
1974	59	64.2	75.5	29	31.7	14.4	4	4.0	10.1
1975	61	62.5	73.3	32	33.3	16.5	4	4.2	10.1
1976	68	63.3	73.9	35	32.4	16.1	5	4.3	10.0
1977	77	66.3	74.6	34	29.1	15.3	5	4.6	10.1
1978	83	68.7	75.0	31	26.0	14.6	6	5.3	10.4
1979	85	67.1	74.1	34	27.2	15.1	7	5.7	10.8
1980	107	69.7	71.1	37	24.1	16.7	10	6.2	12.2
1981	100	66.9	69.3	38	25.3	16.8	12	7.8	13.8
1982	98	65.5	67.5	39	25.8	17.6	13	8.7	14.9
1983	92	62.9	66.6	41	28.1	18.4	13	9.0	15.1
1984	100	64.1	67.8	41	26.4	17.3	15	9.5	14.9
1985	92	62.5	67.2	40	27.2	17.6	15	10.3	15.3
1986	92	61.9	67.1	41	27.8	17.6	15	10.3	15.3
1987	91	61.5	67.5	41	27.9	17.2	16	10.5	15.3

BREATHITT COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	1.8	0.01	3.0	0.10	13.4	0.83
1970	1.7	0.01	5.6	0.23	14.4	0.75
1971	1.2	0.01	6.0	0.23	12.5	0.59
1972	1.0	0.01	7.6	0.28	13.5	0.66
1973	1.0	0.01	6.4	0.24	14.0	0.69
1974	0.9	0.01	4.1	0.16	20.0	0.71
1975	0.8	0.01	3.9	0.23	22.2	0.66
1976	2.1	0.02	3.2	0.19	19.0	0.66
1977	2.8	0.03	3.0	0.17	21.4	0.73
1978	3.4	0.04	3.1	0.21	23.3	0.84
1979	5.2	0.06	3.6	0.23	19.0	0.72
1980	3.3	0.06	2.0	0.24	47.9	2.70
1981	2.9	0.05	2.7	0.22	45.4	2.34
1982	2.8	0.05	2.7	0.26	44.5	2.34
1983	2.1	0.04	1.3	0.29	43.0	2.58
1984	2.0	0.03	2.2	0.20	41.7	2.47
1985	.	.	1.3	0.15	41.9	2.45
1986	0.2	0.00	1.2	0.17	41.1	2.62
1987	0.3	0.00	1.5	0.16	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	34.0	0.51	15.2	0.19	16.4	0.36
1970	31.7	0.51	14.6	0.19	16.6	0.37
1971	29.0	0.43	14.6	0.18	18.4	0.38
1972	24.5	0.39	14.7	0.20	17.5	0.38
1973	20.6	0.34	15.6	0.22	16.6	0.39
1974	17.0	0.31	15.1	0.23	15.4	0.39
1975	14.1	0.26	16.5	0.25	15.8	0.40
1976	12.7	0.24	16.1	0.25	15.1	0.40
1977	11.0	0.23	15.3	0.27	14.0	0.40
1978	10.5	0.22	14.6	0.26	13.7	0.41
1979	10.4	0.22	14.8	0.26	14.5	0.42
1980	6.9	0.21	9.1	0.26	8.9	0.39
1981	7.6	0.21	9.5	0.26	9.3	0.38
1982	7.7	0.20	7.4	0.20	9.8	0.39
1983	8.4	0.19	8.4	0.21	10.9	0.39
1984	8.2	0.19	7.4	0.19	10.5	0.39
1985	9.4	0.20	10.5	0.25	12.0	0.41
1986	10.2	0.19	8.3	0.19	12.5	0.40
1987	.	.	11.6	0.25	14.0	0.42

BREATHITT COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	71	2.4	104	3.5	211	7.2
1970	67	2.3	120	4.1	247	8.4
1971	51	1.8	135	4.7	211	7.4
1972	46	1.5	150	4.7	239	7.5
1973	74	2.3	167	5.2	268	8.3
1974	65	1.9	187	5.5	346	10.2
1975	46	1.3	238	6.9	357	10.3
1976	105	2.9	292	8.0	388	10.7
1977	164	4.2	328	8.3	452	11.5
1978	191	4.6	361	8.6	593	14.2
1979	271	6.4	376	8.9	447	10.6
1980	239	5.0	381	7.9	1,090	22.6
1981	192	4.0	400	8.4	1,069	22.5
1982	164	3.5	415	8.8	968	20.5
1983	112	2.4	435	9.5	849	18.5
1984	107	2.3	419	8.9	857	18.3
1985	.	.	411	8.6	853	17.8
1986	27	0.6	411	8.6	781	16.3
1987	29	0.6	403	8.1	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,339	45.4	461	15.6	435	14.7
1970	1,201	41.0	464	15.8	479	16.3
1971	1,117	39.1	487	17.0	515	18.0
1972	1,213	38.3	532	16.8	548	17.3
1973	1,117	34.7	548	17.0	567	17.6
1974	1,021	30.1	604	17.8	593	17.5
1975	885	25.6	661	19.1	618	17.9
1976	849	23.3	683	18.8	627	17.2
1977	845	21.4	798	20.2	635	16.1
1978	837	20.0	795	19.0	664	15.9
1979	869	20.5	764	18.0	724	17.1
1980	894	18.5	716	14.8	674	14.0
1981	889	18.7	718	15.1	638	13.5
1982	887	18.8	693	14.7	653	13.8
1983	882	19.2	691	15.0	664	14.5
1984	887	18.9	682	14.5	680	14.5
1985	938	19.6	872	18.2	719	15.0
1986	975	20.3	842	17.6	768	16.0
1987	.	.	1,073	21.5	774	15.5

BREATHITT COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	2,950	\$15,733	\$17,440	.	4.2
1970	2,931	\$17,247	\$17,811	9.6	4.4
1971	2,858	\$17,033	\$18,166	8.3	5.1
1972	3,168	\$17,222	\$18,970	9.4	6.0
1973	3,219	\$18,630	\$19,232	6.1	3.7
1974	3,396	\$19,002	\$19,008	6.4	4.5
1975	3,455	\$19,392	\$18,976	9.5	7.3
1976	3,639	\$20,371	\$19,563	8.3	5.6
1977	3,944	\$21,314	\$20,031	5.5	4.7
1978	4,182	\$21,815	\$20,121	6.9	5.3
1979	4,233	\$21,627	\$20,110	8.0	5.5
1980	4,826	\$28,937	\$19,439	8.8	8.0
1981	4,743	\$26,425	\$19,286	9.0	8.4
1982	4,726	\$26,070	\$18,931	16.0	10.6
1983	4,593	\$25,064	\$18,358	18.0	11.6
1984	4,688	\$26,166	\$19,080	13.7	9.3
1985	4,793	\$23,815	\$18,676	14.5	9.5
1986	4,795	\$23,529	\$18,627	13.5	9.3
1987	4,985	\$21,581	\$18,636	15.9	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	14,300	0.45	.	.	.	.
1970	14,300	0.44	11.0	10.3	14.7	14.8
1971	14,400	0.44	10.0	9.6	14.9	14.8
1972	14,800	0.44	9.1	9.1	14.8	15.0
1973	15,000	0.44	8.7	8.8	14.8	15.2
1974	15,100	0.44	8.7	8.6	15.0	15.3
1975	15,600	0.45	8.3	8.4	14.6	15.4
1976	16,300	0.46	8.1	8.2	14.2	15.5
1977	16,900	0.47	8.2	8.4	13.8	15.5
1978	16,800	0.47	8.7	8.5	14.1	15.6
1979	17,100	0.47	9.0	8.7	13.9	15.8
1980	17,000	0.46	11.1	9.2	13.8	15.4
1981	17,100	0.47	11.1	9.3	13.9	15.5
1982	16,900	0.46	10.8	9.2	13.8	15.7
1983	16,800	0.45	10.4	9.2	13.8	15.9
1984	16,500	0.44	10.1	9.0	13.8	16.1
1985	16,500	0.44	9.3	8.9	13.6	16.3
1986	16,400	0.44	9.2	8.6	14.7	16.5
1987	16,300	0.44	.	.	.	.

BREATHITT COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	2,618	211	\$10.57	.
1970	3,356	247	\$14.54	.
1971	3,873	211	\$18.05	.
1972	6,127	239	\$17.33	.
1973	6,354	268	\$18.83	.
1974	5,555	346	\$30.22	\$4,673
1975	6,531	357	\$28.39	\$6,989
1976	6,462	388	.	\$6,631
1977	5,101	452	\$33.52	\$6,487
1978	5,978	593	\$37.32	\$7,571
1979	7,805	447	\$40.28	\$8,979
1980	7,559	1,090	\$39.31	\$10,191
1981	6,497	1,069	\$38.15	\$9,949
1982	6,633	968	\$40.13	\$10,853
1983	7,066	849	\$38.28	\$9,494
1984	7,549	857	\$34.40	\$8,670
1985	6,285	853	\$31.56	\$9,202
1986	6,799	781	\$30.57	\$9,130
1987

Note: All dollar figures are presented in constant 1988 dollars.



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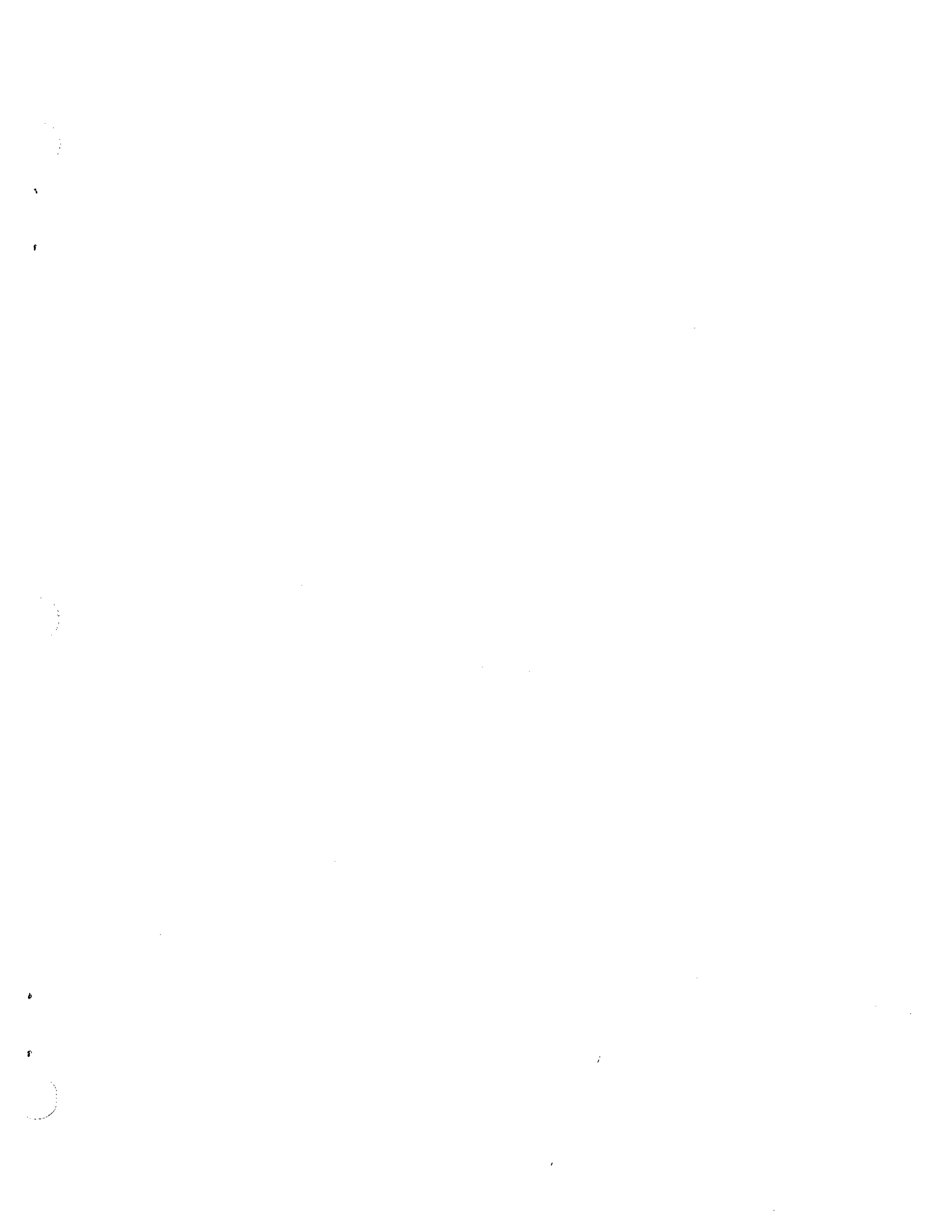
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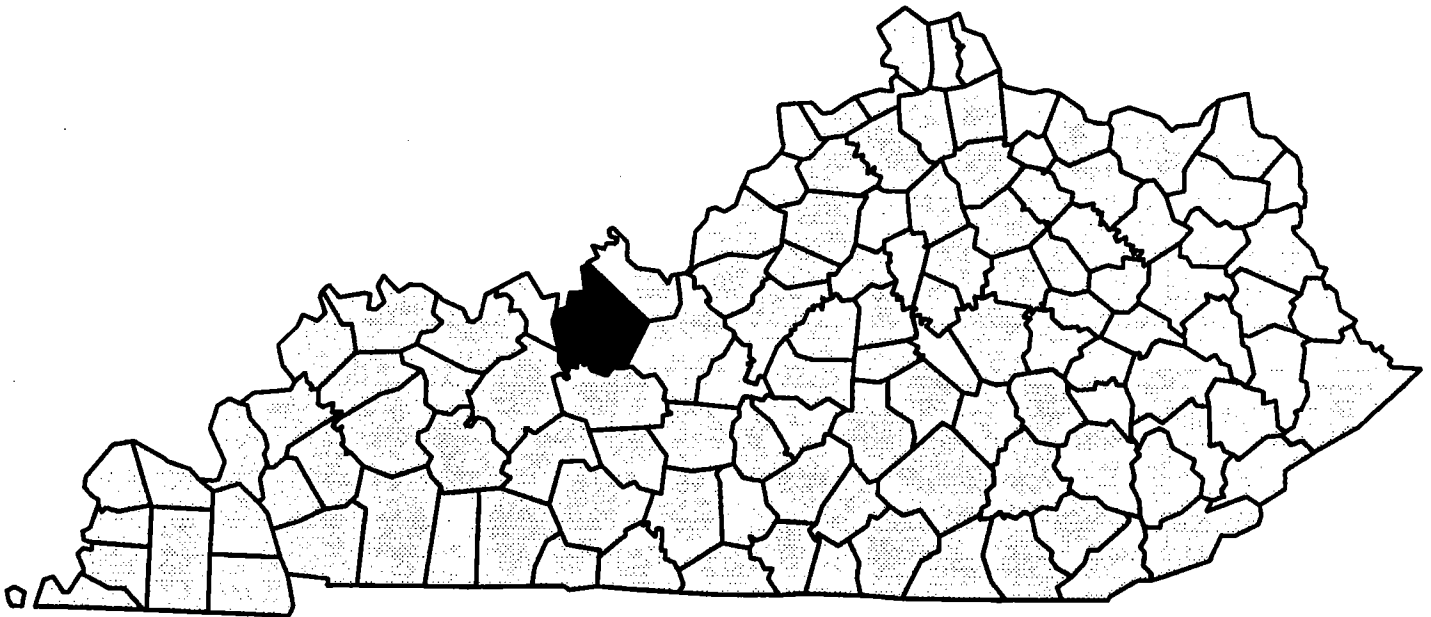
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

BRECKINRIDGE COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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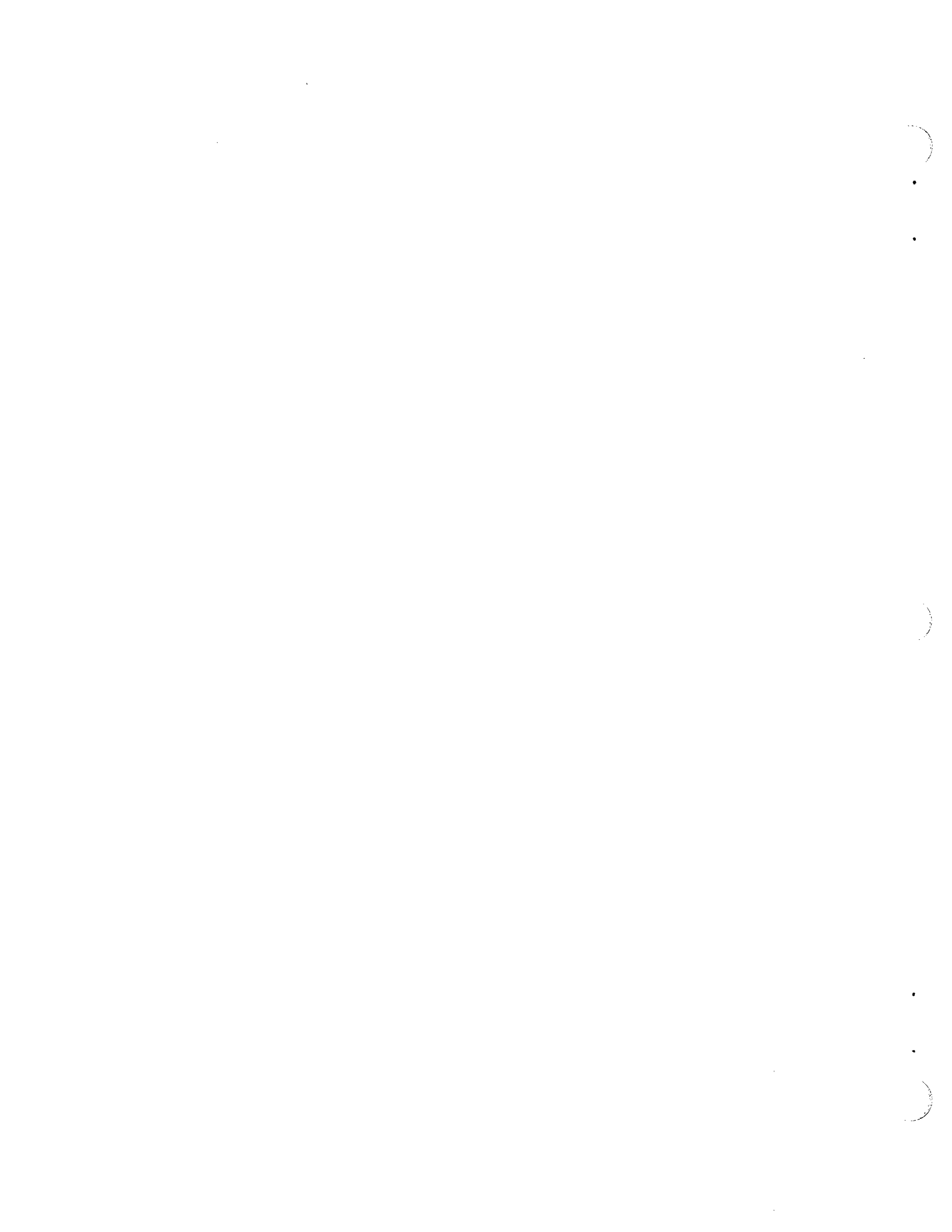
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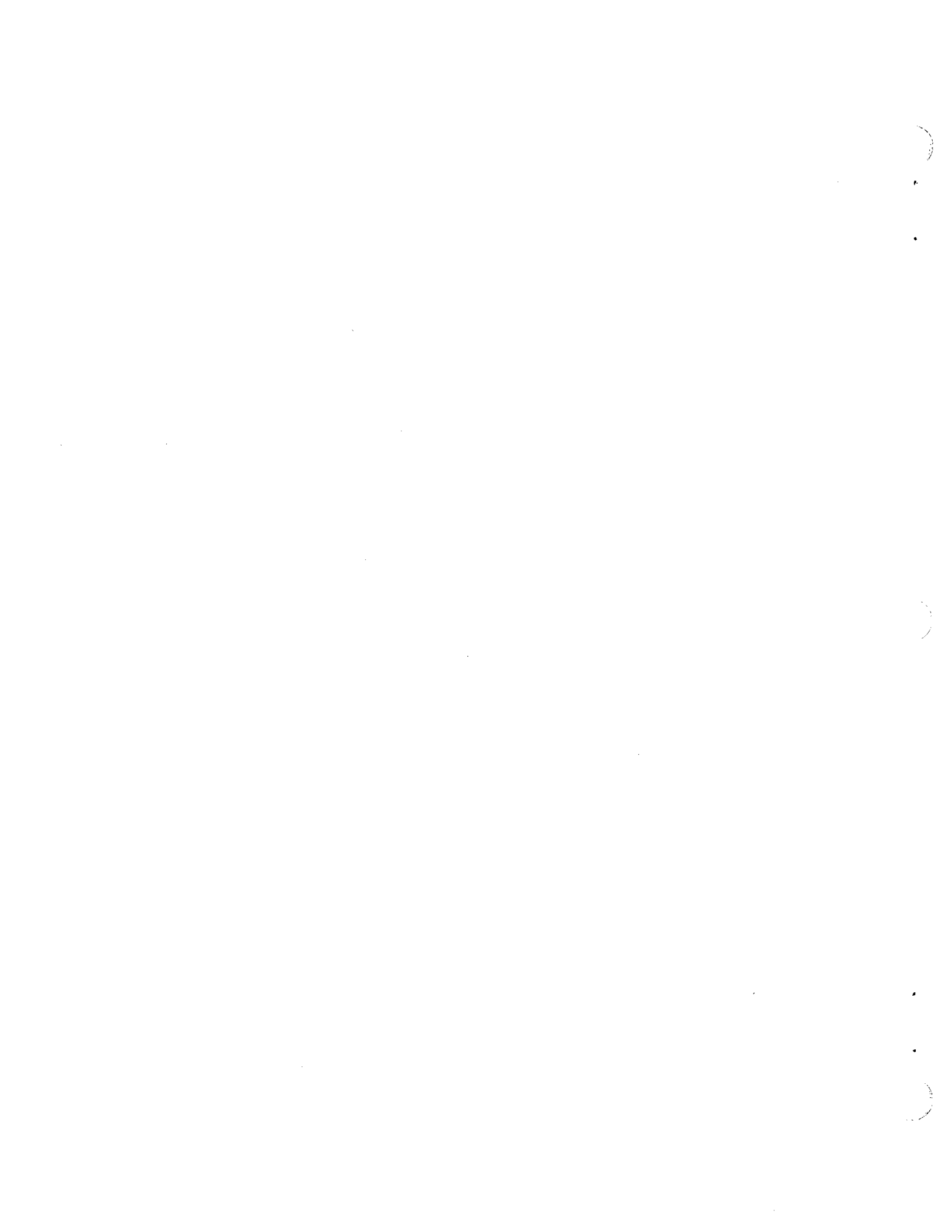
FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell and edited by Charles Bush of the LRC staff. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



SUMMARY

The Breckinridge County economy grew from 1969 to 1987 at rates comparable to the state economy. However, recessionary cycles in the national economy had a significant impact on the county economy. This resulted in extreme fluctuations in total earnings.

The county economy has been dominated by the farm sector. Earnings from this sector were very volatile, and generally declined through the period. Farm employment has declined steadily.

The growth sectors of the county economy are the non-goods-producing industries of services and trade. These sectors are also growing at the state level.

The farm sector has historically been very unpredictable because of its sensitivity to national economic cycles and strong international influences. The non-goods-producing industries are generally less affected by such factors. The growth of these sectors may help to stabilize the county economy, making it less sensitive to recessionary cycles.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



ECONOMIC TRENDS IN BRECKINRIDGE COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Breckinridge County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Breckinridge County economy, as measured by personal income, increased from \$101 million in 1969 to \$180 million in 1987, after adjusting for inflation. Chart 1B shows county total personal income as a percent of Kentucky total personal income. Although it exhibited cyclical declines, Breckinridge County generally maintained its share of Kentucky personal income, indicating that county economic growth rates paralleled those of the state.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Breckinridge County per capita income increased over the time period to a level of \$10,503 per person in 1987, when it was 84.0 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Earnings have

been a very volatile component of county personal income, due to recessionary cycles. However, earnings did increase from \$78 million in 1969 to \$116 million in 1987 (in constant 1988 dollars). While earnings increased, their share of personal income declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 64.2 percent of Breckinridge County's total personal income, which was somewhat less than Kentucky's 67.5 percent share.

Transfer payments contributed \$14 million to total personal income in 1969 and \$37 million in 1987. Throughout this period, transfer payments contributed a higher percentage of personal income in Breckinridge County than in Kentucky.

Income from property in Breckinridge County grew at a stable rate through the time period. Income from property totalled \$9 million in 1969 and increased to \$27 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Breckinridge County received 8.5 percent of total earnings from manufacturing. This percentage decreased to 5.0 percent in 1987 (Chart 3A).

The farm sector was generally the primary source of earnings in Breckinridge County. However, the percent of earnings from this sector fluctuated dramatically over time (Chart 3A). In 1974, 40.5 percent of earnings were generated in the farm sector. In 1983, the farm sector experienced negative earnings coinciding with a national recession in this sector. By 1987, the farm share was 23.7 percent.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from both the services and state and local government sectors increased (Chart 3B). The service sector accounted for 15.2 percent and government 13.8 percent in 1987. Earnings from the trade sector remained relatively stable and accounted for 15.3 percent of earnings in 1987. At the state level, the percent of earnings from services increased, while the percent of earnings from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Breckinridge County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. In Breckinridge County, average earnings reached \$12,598 in 1987 and they were significantly below the Kentucky average throughout the period.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Employment in Breckinridge County was sensitive to recessionary cycles and increased only slightly from 1969 to 1987. In 1969, total employment stood at 5,136 people. By 1987, that figure increased slightly to 5,494.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Breckinridge County are presented in Chart 4B. Unemployment rates in Breckinridge County have been above those of the state since 1982. In 1987, the county unemployment rate was 10.8 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The farm sector was the primary source of employment. Despite this, the farm sector employment share declined from 46.9 percent in 1969 to 33.3 percent in 1987. The percent of total employment in manufacturing remained constant throughout the period. In 1987, 5.2 percent of county employment was in the manufacturing sector. At the state level, manufacturing and farm sector employment declined.

Employment in the non-goods-producing industries is presented in Chart 4D. The percent of employment in the services and trade sector increased through the time period. The share of employment in state and local government remained relatively constant. These employment trends in non-goods-producing sectors reflect state employment trends.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has

important implications for the future demand for goods and services, and ultimately, the economic structure of Breckinridge County.

The Breckinridge County population grew steadily from 14,800 in 1969 to 17,100 in 1987 (Chart 5A). It was estimated that in 1986, 8.1 percent of Breckinridge County's population was under six years of age, compared to 8.6 percent for the state. Breckinridge County had a higher proportion of older residents than the state. In 1987, 18.7 percent of the Breckinridge County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
BRECKINRIDGE COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

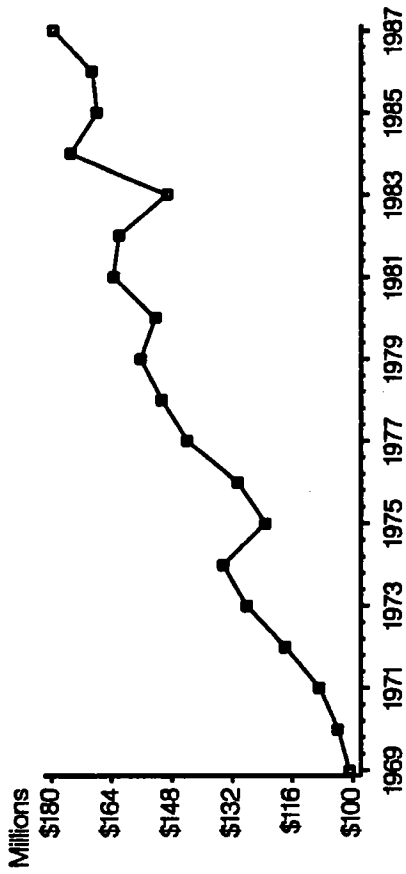


CHART 1B
BRECKINRIDGE COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

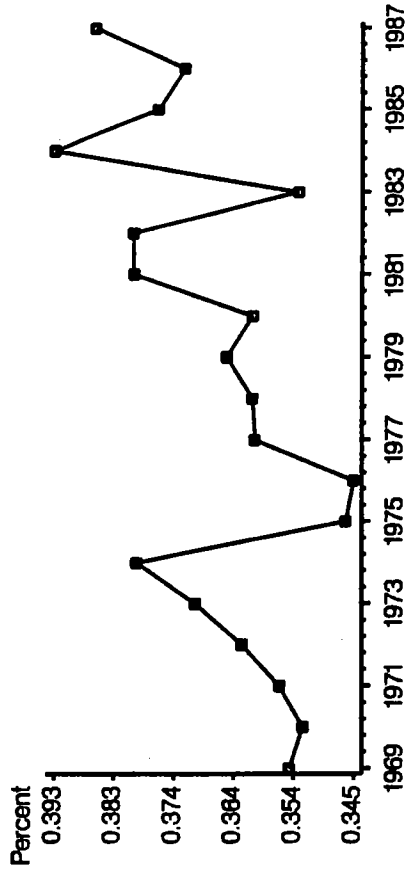


CHART 1C
BRECKINRIDGE COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

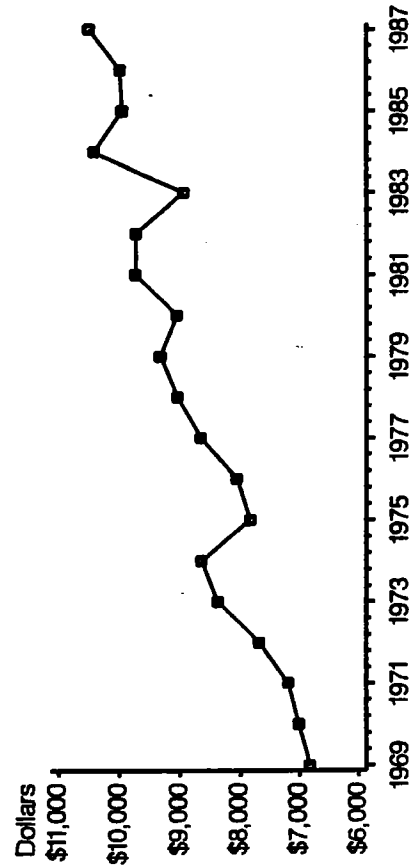


CHART 1D
BRECKINRIDGE COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

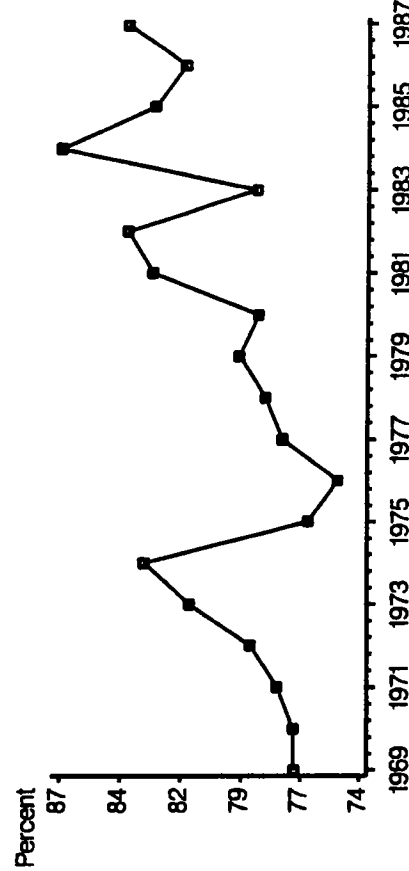


CHART 2A
BRECKINRIDGE COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

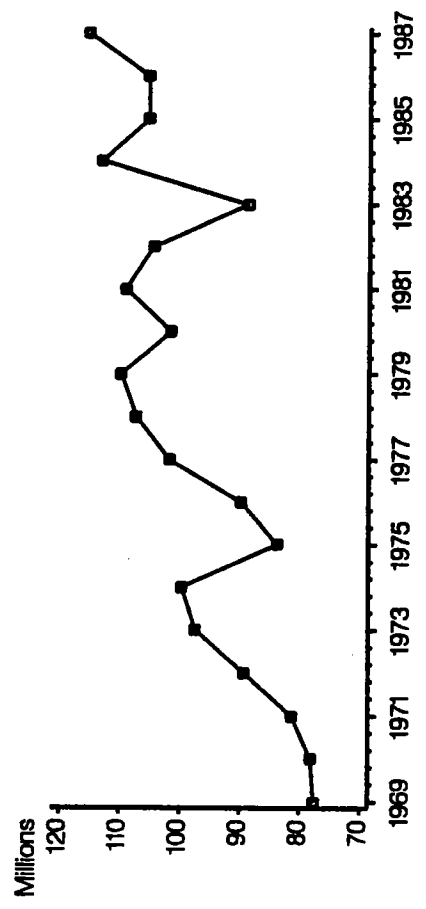


CHART 2B
BRECKINRIDGE COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

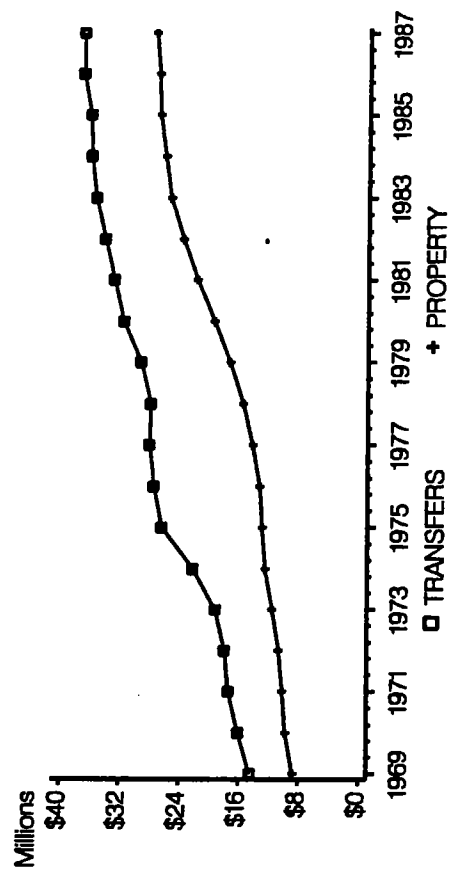


CHART 2C
BRECKINRIDGE COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

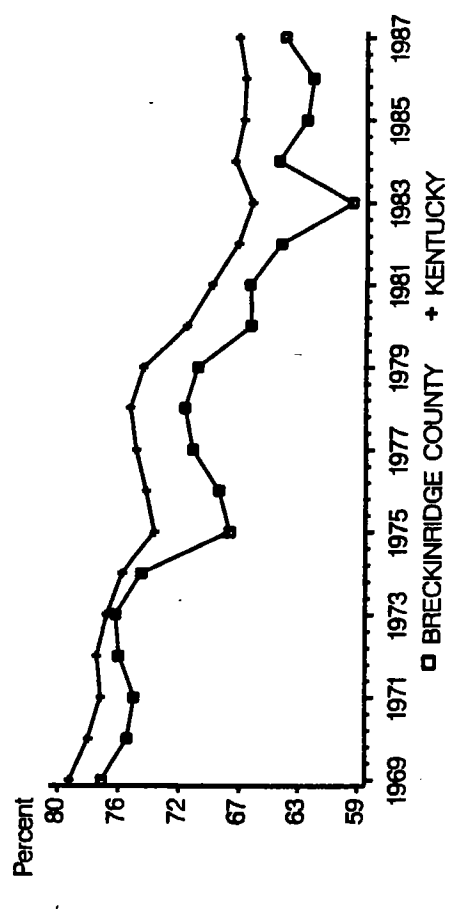


CHART 2D
BRECKINRIDGE COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

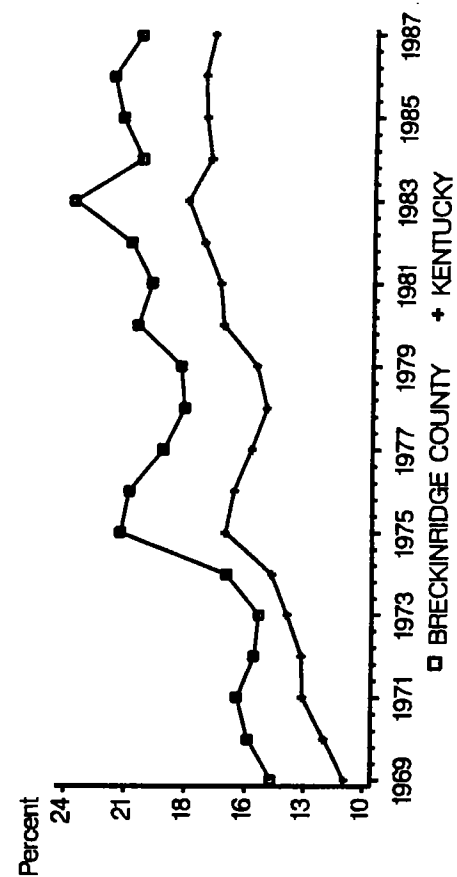


CHART 3A
BRECKINRIDGE COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

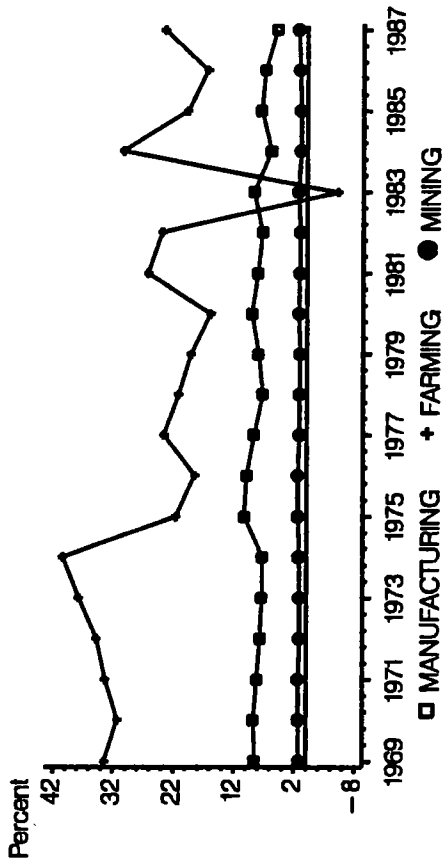


CHART 3B
BRECKINRIDGE COUNTY
EARNINGS IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

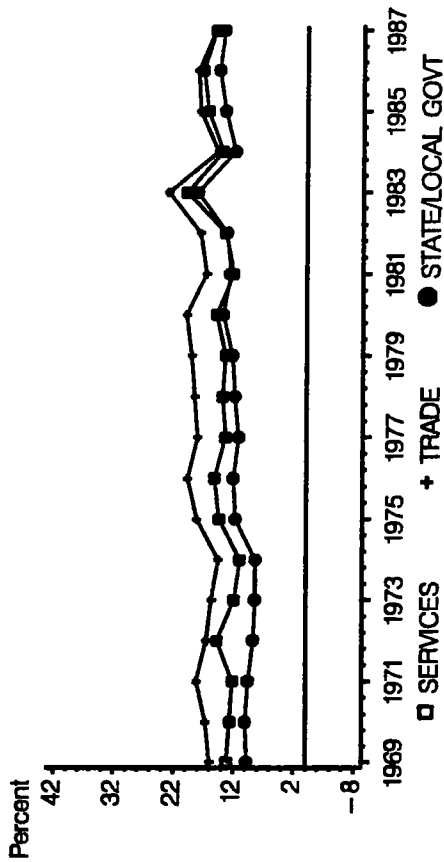


CHART 3C
BRECKINRIDGE COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

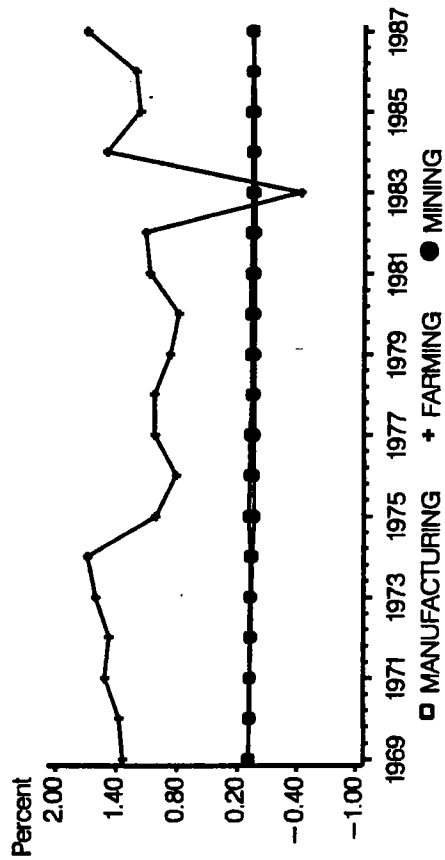


CHART 3D
BRECKINRIDGE COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

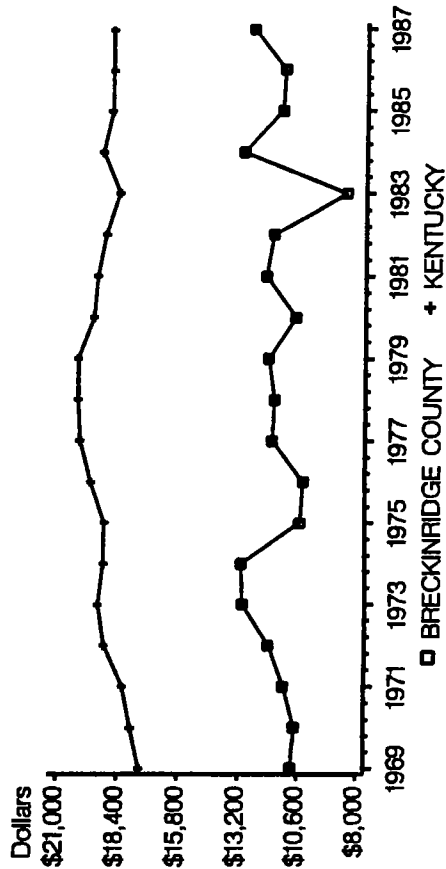


CHART 4A
BRECKINRIDGE COUNTY
TOTAL EMPLOYMENT
Thousands of People

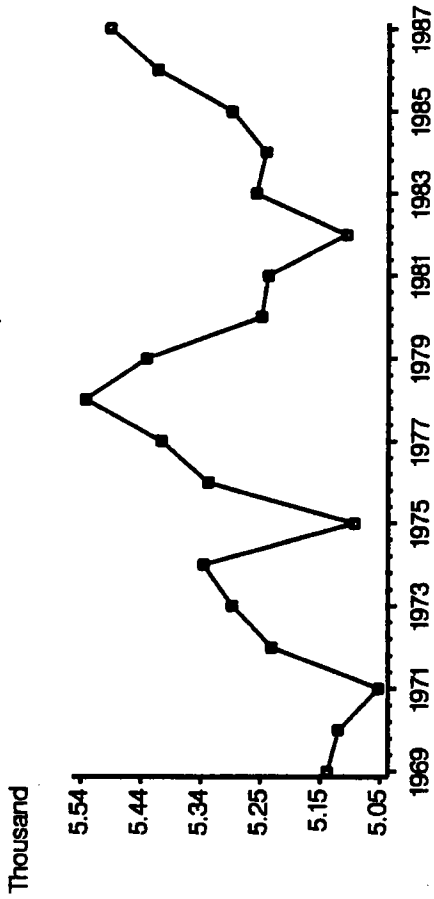


CHART 4B
BRECKINRIDGE COUNTY
ANNUAL UNEMPLOYMENT RATE

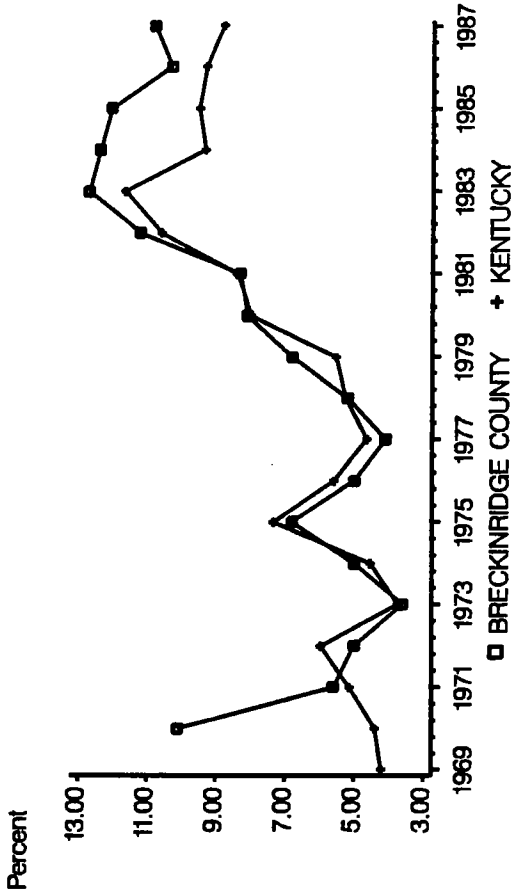


CHART 4C
BRECKINRIDGE COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

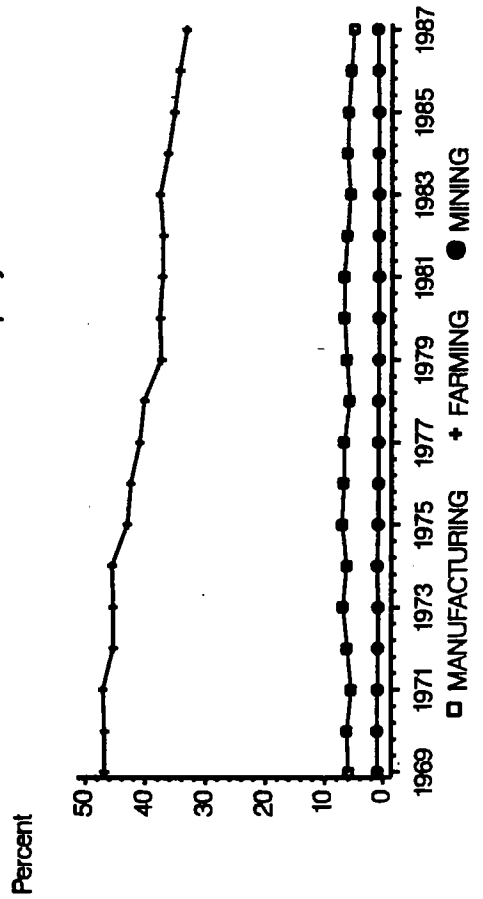


CHART 4D
BRECKINRIDGE COUNTY
EMPLOYMENT IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

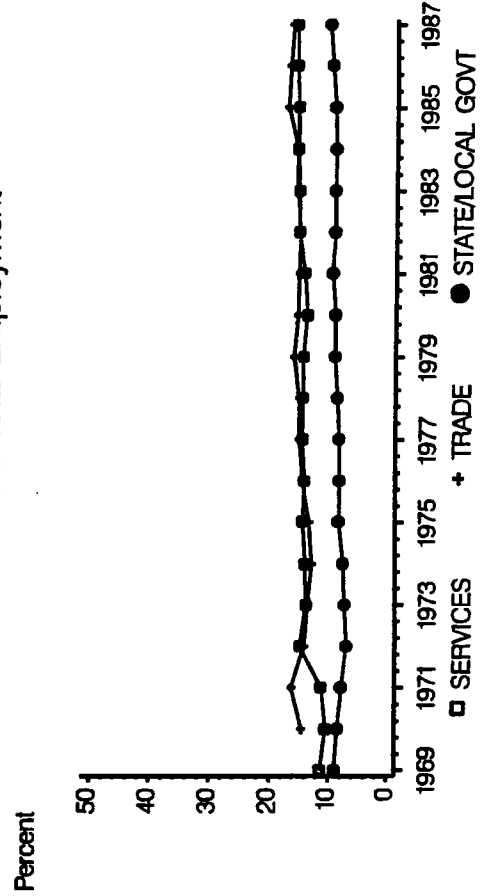


CHART 5A
BRECKINRIDGE COUNTY
POPULATION
Thousands of People

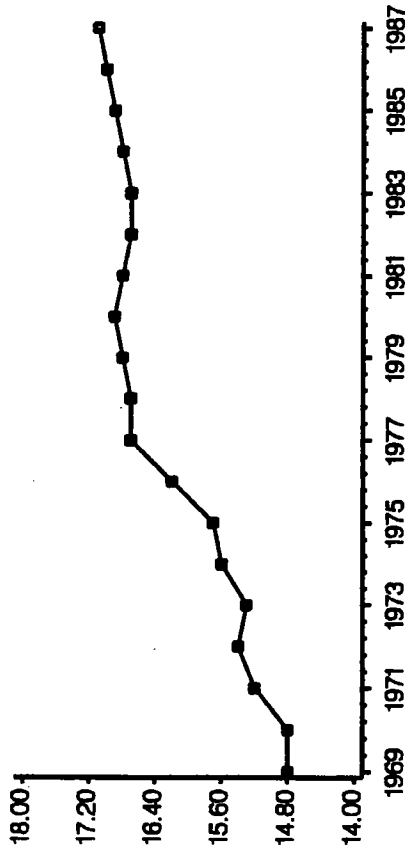


CHART 5B
BRECKINRIDGE COUNTY
POPULATION
as a Percent of Kentucky Population

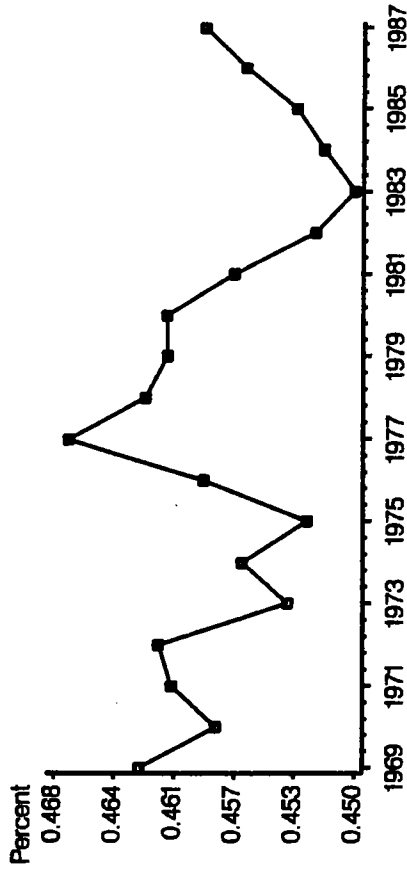


CHART 5C
BRECKINRIDGE COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

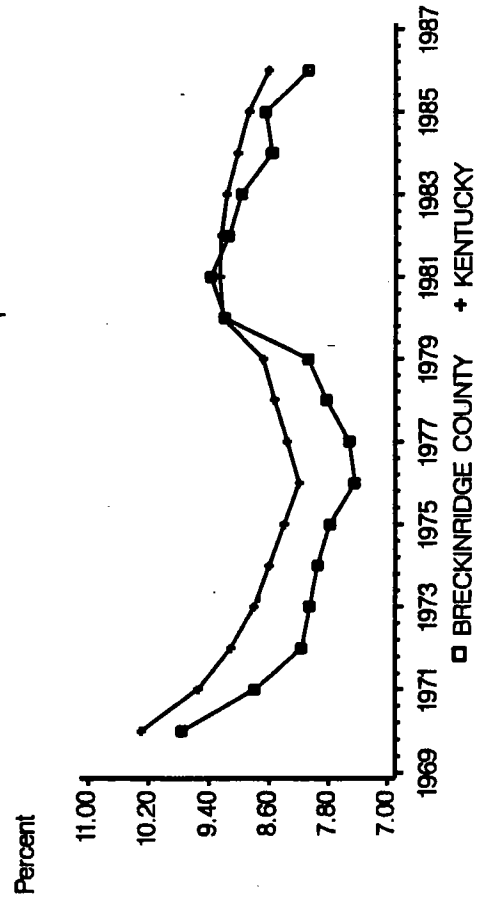
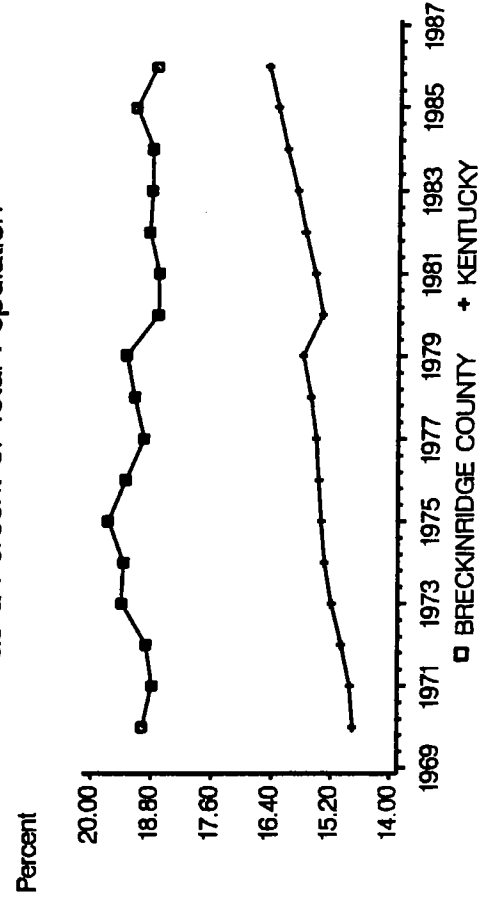


CHART 5D
BRECKINRIDGE COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



BRECKINRIDGE COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	101	0.36	6,829	76.9
1970	104	0.35	7,009	76.9
1971	109	0.36	7,182	77.6
1972	118	0.36	7,678	78.8
1973	128	0.37	8,361	81.4
1974	134	0.38	8,638	83.4
1975	123	0.35	7,828	76.3
1976	131	0.34	8,049	75.0
1977	144	0.36	8,648	77.4
1978	151	0.36	9,037	78.1
1979	156	0.37	9,322	79.3
1980	153	0.36	9,047	78.4
1981	164	0.38	9,727	83.0
1982	162	0.38	9,712	84.1
1983	149	0.35	8,940	78.5
1984	175	0.39	10,420	86.9
1985	168	0.38	9,948	82.9
1986	169	0.37	9,985	81.6
1987	180	0.39	10,503	84.0

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	78	77.0	79.2	14	14.4	10.9	9	8.7	9.9
1970	78	75.2	77.9	16	15.5	11.9	10	9.4	10.2
1971	81	74.7	77.0	17	16.0	12.9	10	9.3	10.1
1972	89	75.8	77.3	18	15.2	12.9	11	9.0	9.7
1973	97	76.0	76.6	19	15.0	13.6	12	9.0	9.7
1974	100	74.2	75.5	22	16.5	14.4	13	9.3	10.1
1975	84	68.1	73.3	26	21.4	16.5	13	10.5	10.1
1976	90	68.8	73.9	27	21.0	16.1	13	10.2	10.0
1977	102	70.6	74.6	28	19.5	15.3	14	9.9	10.1
1978	107	71.2	75.0	28	18.5	14.6	16	10.3	10.4
1979	110	70.3	74.1	29	18.7	15.1	17	11.0	10.8
1980	102	66.6	71.1	32	20.7	16.7	19	12.7	12.2
1981	109	66.7	69.3	33	20.0	16.8	22	13.3	13.8
1982	105	64.5	67.5	34	21.0	17.6	24	14.5	14.9
1983	89	59.5	66.6	35	23.6	18.4	25	16.9	15.1
1984	113	64.6	67.8	36	20.5	17.3	26	14.8	14.9
1985	105	62.7	67.2	36	21.4	17.6	27	15.9	15.3
1986	106	62.3	67.1	37	21.9	17.6	27	15.9	15.3
1987	116	64.2	67.5	37	20.6	17.2	27	15.2	15.3

BRECKINRIDGE COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	8.5	0.08	33.5	1.34	1.2	0.09
1970	8.7	0.08	31.3	1.37	1.3	0.07
1971	8.2	0.08	33.4	1.51	1.4	0.07
1972	7.6	0.07	34.8	1.47	1.1	0.06
1973	7.4	0.07	37.8	1.61	1.1	0.06
1974	7.3	0.07	40.5	1.69	1.3	0.05
1975	10.3	0.08	21.7	1.01	1.4	0.03
1976	9.9	0.08	18.5	0.81	1.4	0.04
1977	8.8	0.07	23.7	1.02	1.2	0.03
1978	7.3	0.06	21.3	1.03	1.2	0.03
1979	8.0	0.06	19.2	0.87	1.1	0.03
1980	9.1	0.07	16.0	0.79	1.3	0.03
1981	8.1	0.07	26.4	1.08	1.2	0.03
1982	7.4	0.06	24.0	1.11	1.1	0.03
1983	8.8	0.06	-5.2	-0.44	1.4	0.03
1984	5.9	0.05	30.4	1.50	1.0	0.03
1985	7.6	0.06	19.8	1.17	1.1	0.03
1986	6.9	0.06	16.5	1.21	1.2	0.04
1987	5.0	0.05	23.7	1.70	1.4	0.06

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	13.1	0.24	16.0	0.24	9.8	0.26
1970	12.6	0.22	16.6	0.24	10.1	0.24
1971	12.2	0.21	18.1	0.26	9.6	0.23
1972	14.7	0.27	16.6	0.25	8.7	0.22
1973	11.9	0.23	15.7	0.25	8.5	0.23
1974	11.0	0.22	14.6	0.24	8.4	0.23
1975	14.5	0.21	18.2	0.22	11.8	0.24
1976	15.3	0.22	19.7	0.23	12.1	0.24
1977	13.4	0.21	18.0	0.24	11.2	0.24
1978	13.9	0.21	18.5	0.23	11.9	0.25
1979	13.4	0.20	19.1	0.24	12.3	0.25
1980	14.9	0.19	19.9	0.23	13.8	0.24
1981	12.1	0.17	16.6	0.22	12.7	0.26
1982	13.5	0.17	17.6	0.23	13.2	0.25
1983	19.9	0.18	23.0	0.22	18.1	0.25
1984	14.0	0.18	14.8	0.21	11.9	0.25
1985	16.4	0.18	17.7	0.22	13.5	0.24
1986	17.3	0.18	18.0	0.22	14.6	0.25
1987	15.2	0.17	15.3	0.21	13.8	0.26

BRECKINRIDGE COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	308	6.0	2,407	46.9	49	1.0
1970	321	6.3	2,396	46.8	52	1.0
1971	280	5.5	2,380	47.1	48	1.0
1972	326	6.2	2,373	45.4	46	0.9
1973	369	7.0	2,404	45.4	47	0.9
1974	336	6.3	2,436	45.6	55	1.0
1975	364	7.1	2,194	43.1	45	0.9
1976	367	6.9	2,270	42.6	45	0.8
1977	367	6.8	2,216	41.0	44	0.8
1978	323	5.8	2,226	40.2	45	0.8
1979	345	6.4	2,033	37.4	42	0.8
1980	356	6.8	1,975	37.7	42	0.8
1981	358	6.8	1,950	37.3	43	0.8
1982	320	6.3	1,894	37.1	43	0.8
1983	303	5.8	1,981	37.7	42	0.8
1984	327	6.2	1,904	36.3	45	0.9
1985	321	6.1	1,869	35.3	42	0.8
1986	305	5.6	1,866	34.5	50	0.9
1987	284	5.2	1,832	33.3	59	1.1

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	582	11.3	730	.	458	8.9
1970	533	10.4	739	14.4	431	8.4
1971	562	11.1	815	16.1	394	7.8
1972	767	14.7	731	14.0	361	6.9
1973	721	13.6	705	13.3	382	7.2
1974	741	13.9	680	12.7	404	7.6
1975	728	14.3	673	13.2	425	8.3
1976	748	14.0	769	14.4	436	8.2
1977	776	14.3	808	14.9	448	8.3
1978	793	14.3	830	15.0	476	8.6
1979	774	14.2	858	15.8	491	9.0
1980	716	13.7	800	15.3	472	9.0
1981	739	14.1	790	15.1	498	9.5
1982	770	15.1	763	14.9	468	9.2
1983	794	15.1	808	15.4	479	9.1
1984	804	15.3	807	15.4	474	9.0
1985	809	15.3	906	17.1	486	9.2
1986	841	15.5	904	16.7	523	9.7
1987	850	15.5	888	16.2	550	10.0

BRECKINRIDGE COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	5,136	\$10,853	\$17,440	.	4.2
1970	5,118	\$10,706	\$17,811	10.1	4.4
1971	5,052	\$11,191	\$18,166	5.6	5.1
1972	5,228	\$11,858	\$18,970	5.0	6.0
1973	5,292	\$13,017	\$19,232	3.6	3.7
1974	5,339	\$13,079	\$19,008	5.0	4.5
1975	5,092	\$10,517	\$18,976	6.8	7.3
1976	5,332	\$10,372	\$19,563	5.0	5.6
1977	5,409	\$11,728	\$20,031	4.1	4.7
1978	5,534	\$11,638	\$20,121	5.2	5.3
1979	5,433	\$11,891	\$20,110	6.8	5.5
1980	5,245	\$10,709	\$19,439	8.1	8.0
1981	5,234	\$12,009	\$19,286	8.3	8.4
1982	5,105	\$11,686	\$18,931	11.2	10.6
1983	5,254	\$8,506	\$18,358	12.7	11.6
1984	5,238	\$13,018	\$19,080	12.4	9.3
1985	5,294	\$11,338	\$18,676	12.0	9.5
1986	5,416	\$11,228	\$18,627	10.3	9.3
1987	5,494	\$12,598	\$18,636	10.8	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	14,800	0.46	.	.	.	.
1970	14,800	0.46	9.8	10.3	19.0	14.8
1971	15,200	0.46	8.8	9.6	18.8	14.8
1972	15,400	0.46	8.2	9.1	18.9	15.0
1973	15,300	0.45	8.1	8.8	19.4	15.2
1974	15,600	0.46	7.9	8.6	19.4	15.3
1975	15,700	0.45	7.8	8.4	19.7	15.4
1976	16,200	0.46	7.5	8.2	19.3	15.5
1977	16,700	0.47	7.5	8.4	19.0	15.5
1978	16,700	0.46	7.8	8.5	19.1	15.6
1979	16,800	0.46	8.1	8.7	19.3	15.8
1980	16,900	0.46	9.2	9.2	18.7	15.4
1981	16,800	0.46	9.4	9.3	18.7	15.5
1982	16,700	0.45	9.1	9.2	18.9	15.7
1983	16,700	0.45	9.0	9.2	18.8	15.9
1984	16,800	0.45	8.6	9.0	18.8	16.1
1985	16,900	0.45	8.7	8.9	19.1	16.3
1986	17,000	0.46	8.1	8.6	18.7	16.5
1987	17,100	0.46

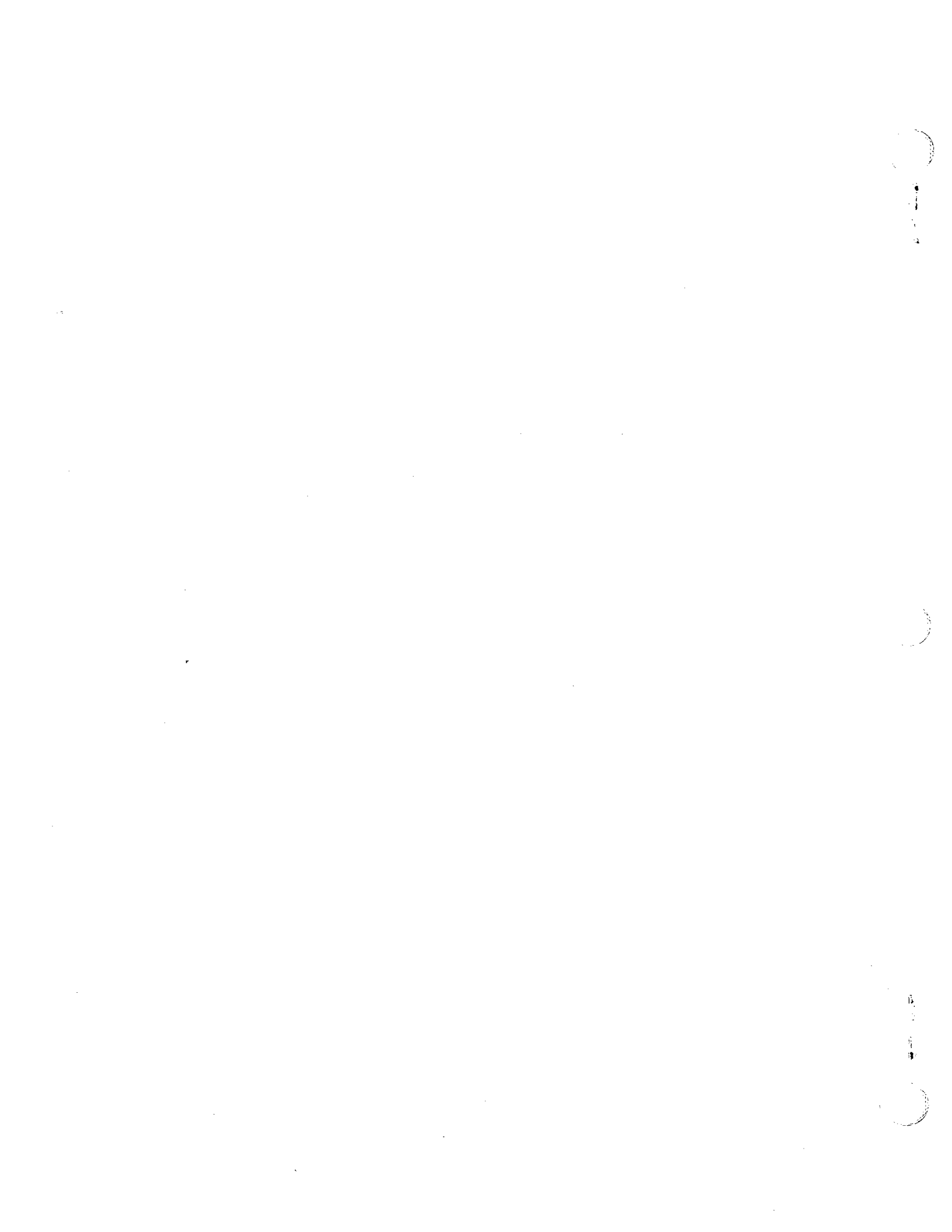


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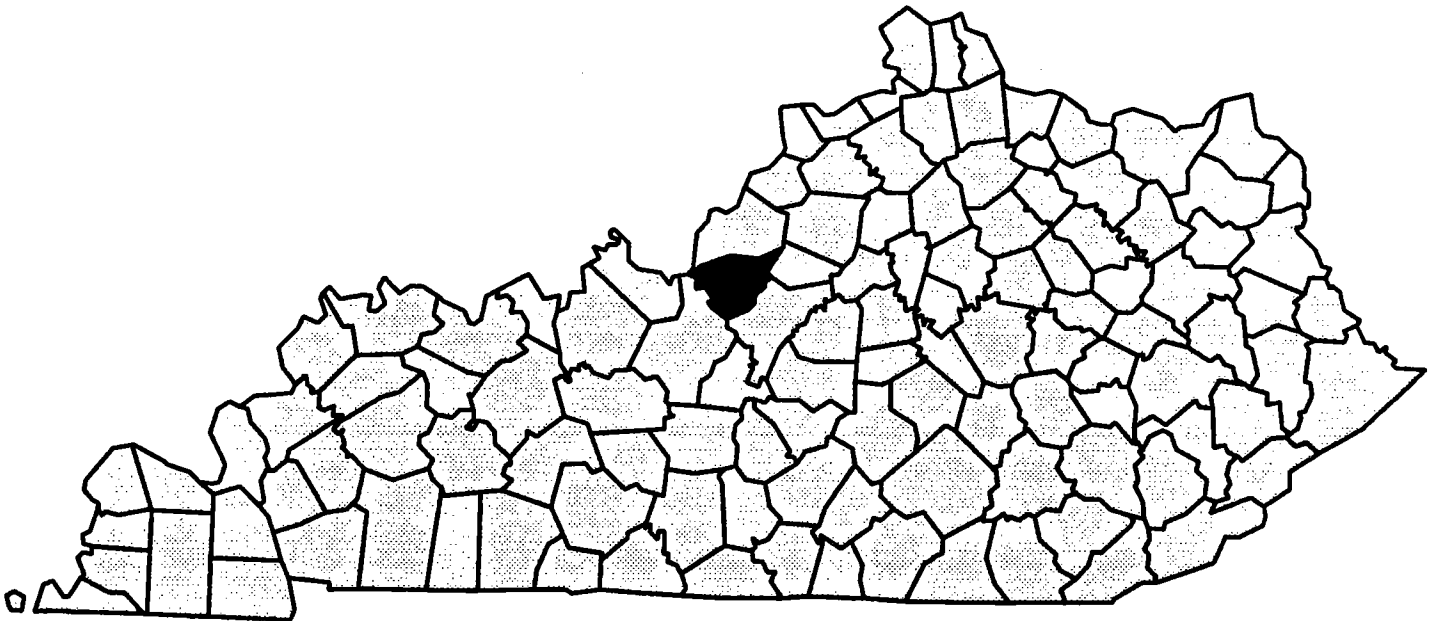
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

BULLITT COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



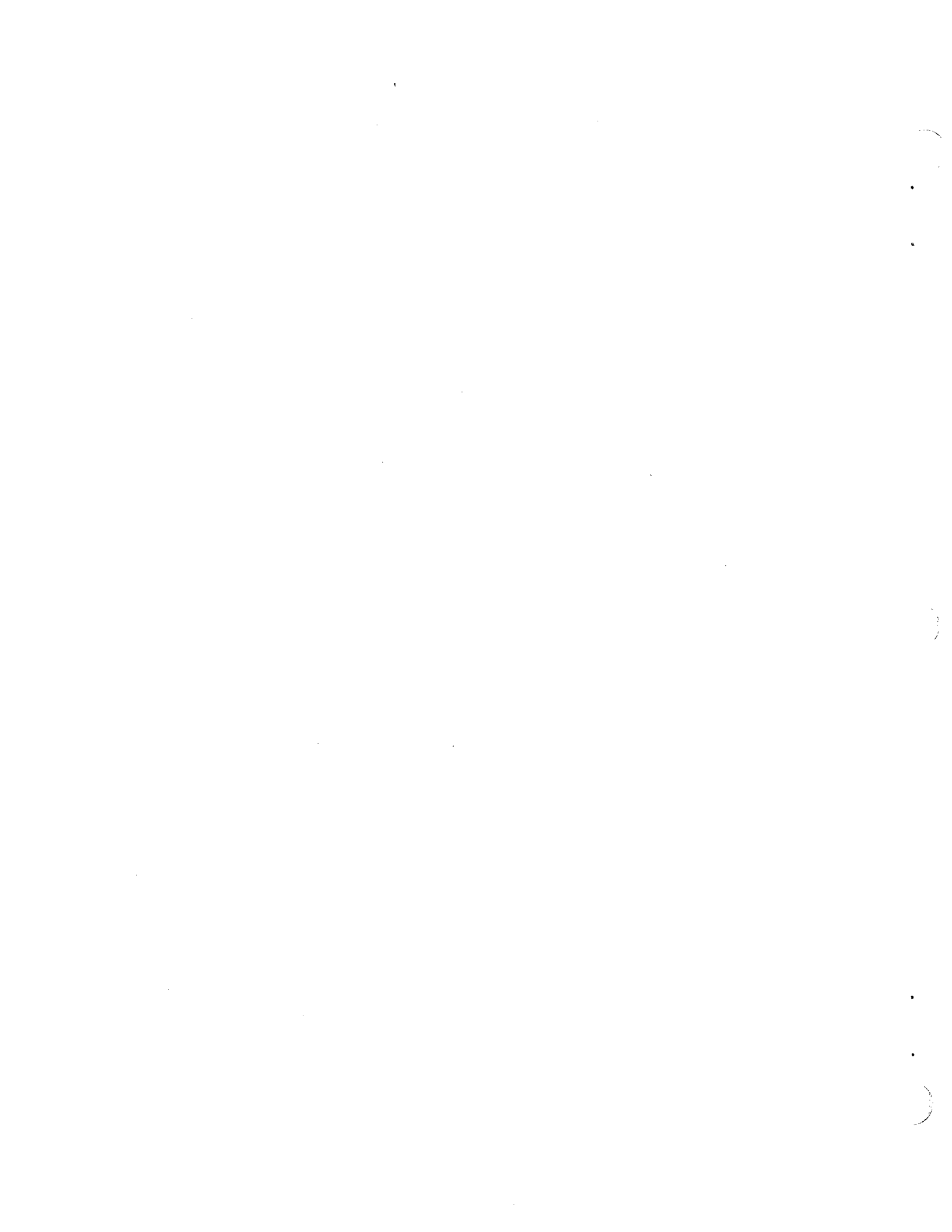
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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BULLITT COUNTY

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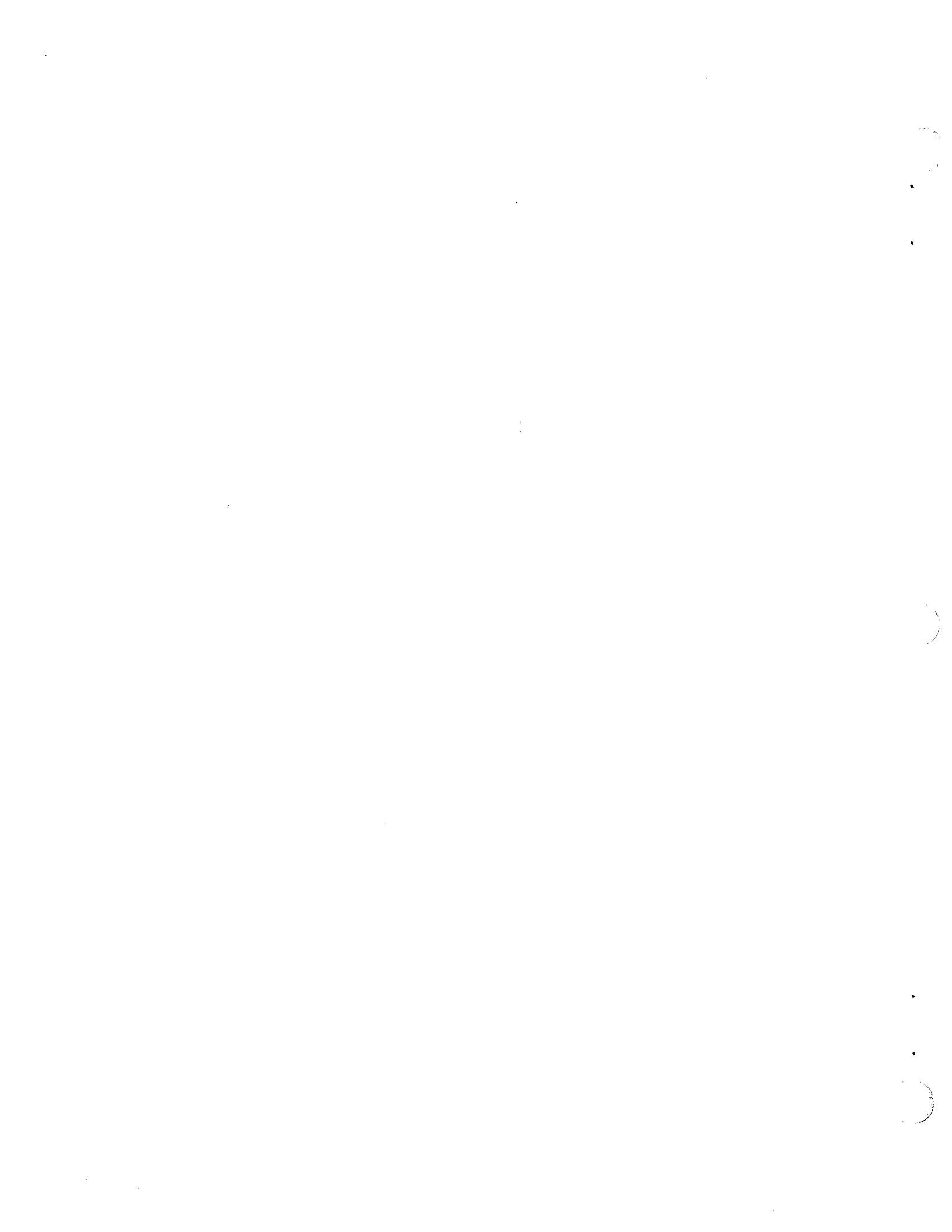
FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



SUMMARY

The Bullitt County economy experienced strong economic growth from 1969 to 1987. Furthermore, the county share of the state economy has increased, indicating that county economic growth exceeded that of the state. One explanation of this relative performance can be found in the composition of personal income. Bullitt County derives a larger percentage of personal income from earnings and a smaller percentage from transfer payments than does Kentucky. The earnings component of personal income was the underlying factor in county economic growth.

The healthy earnings were in part due to strong performance in the service sector. Employment in the trade sector also increased. While the manufacturing sector declined slightly, it performed better than that of the state. At the state level, the trade and service sector share of the economy increased.

In 1987, there was an estimated population of 47,100 and total employment of 10,095. Additionally, Bullitt County has a relatively low percentage of population age sixty and over. This indicates a larger proportion of working-age population. The divergence between employment and population suggests that many Bullitt County residents commute to jobs, most likely in neighboring Jefferson County. The Bullitt County economy is obviously very dependent upon the Jefferson County economy.

INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN BULLITT COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Bullitt County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Bullitt County economy, as measured by personal income, increased from \$196 million in 1969 to \$535 million in 1987, after adjusting for inflation. Chart 1B shows Bullitt County total personal income as a percent of Kentucky total personal income. Bullitt County has increased its share of Kentucky personal income from 0.69 percent in 1969 to 1.15 percent in 1987.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Bullitt County per capita income increased over the time period to a level of \$11,357 per person in 1987, which was 90.9 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their share has changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$171 million in 1969 to \$434 million in 1987 (in constant 1988 dollars) and they increased at

a stable rate. While earnings have increased, their share of personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 81.2 percent of Bullitt County's total personal income, which was significantly higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$13 million to total personal income in 1969 and \$58 million in 1987. During the same period, transfer payments contributed a much smaller percentage of personal income in Bullitt County than in Kentucky.

Income from property in Bullitt County grew at a stable rate through the time period. Income from property totalled \$12 million in 1969 and increased to \$43 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salary and proprietor's income. In 1969, Bullitt County received 29.7 percent of total earnings from manufacturing. This percentage decreased slightly to 28.5 percent in 1987 (Chart 3A). While the share of manufacturing earnings as a percent of total county earnings has declined, Bullitt County's share of state manufacturing earnings has increased (Chart 3C).

Chart 3A also indicates that farming's contribution to total county earnings and decreased from 9.3 percent in 1969 to 5.1 percent in 1987. In 1983, when the state and national agriculture economies were experiencing severe hardship, Bullitt County agriculture fared relatively well.

Earnings from mining were minimal throughout the period. In 1986, there were fewer than four businesses engaged in mining activities. This data is therefore withheld, in order to avoid disclosure of confidential information.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from services increased (Chart 3B). Earnings from the trade sector remained stable, and the percent of earnings from state and local government declined slightly. At the state level, the percent of earnings from services increased, while the percent of earnings from trade and state and local government remained stable.

Average earnings per job (adjusted for inflation) for Bullitt County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined, and in 1987 they were \$18,636 per person. Trends in Bullitt County average earnings per job have been similar to state trends. Average earnings reached \$15,134 in 1987, which was well below the Kentucky average.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Bullitt County increased substantially during the data period. In 1969, total employment stood at 4,212 people. By 1987, that figure had increased to 10,095.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Bullitt County are presented in Chart 4B. Unemployment rates in Bullitt County have followed state trends, but have been below state rates since 1983. In 1987, the county unemployment rate was 6.8 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing decreased from 19.7 percent in 1969 to 17.3 percent in 1987. This trend is like that of the state. Similar to county trends in farm earnings, farm employment as a percent of total employment decreased from 18.4 percent in 1969 to 8.2 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector surpassed manufacturing, to become the primary source of employment in 1976. By 1987, 19.7 percent of employment was in the trade sector. The services sector grew in the 1980's and was the second largest employer in 1987. In 1969, the service sector accounted for 12.9 percent of employment. This share increased to 17.8 percent in 1987. In spite of these changing employment patterns, earnings from manufacturing remained the largest component of personal income, reflecting the high wages in this sector. Employment in state and local government declined slightly. These employment trends in non-goods-producing sectors reflect state employment trends.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Bullitt County.

The Bullitt County population grew steadily, from 25,000 in 1969 to 47,100 in 1987 (Chart 5A). There was a significant underestimation of the population five years and under. Hence, there was a large correction in the data for this population group in 1980. It was estimated that in 1986, 8.2 percent of Bullitt County's population was under six years of age, compared to 8.6 percent for the state. Bullitt County has a smaller proportion of older resident than the state. In 1986, 9.6 percent of the Bullitt County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
 BULLITT COUNTY
 REAL PERSONAL INCOME
 Millions of 1988 dollars

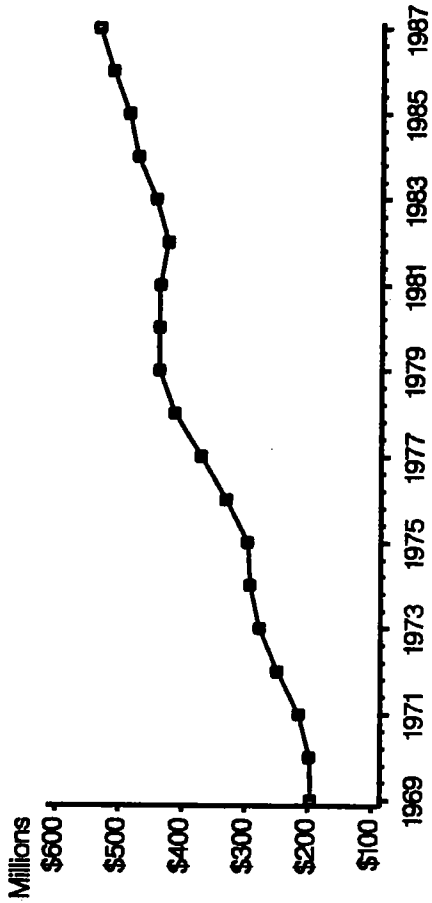


CHART 1B
 BULLITT COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

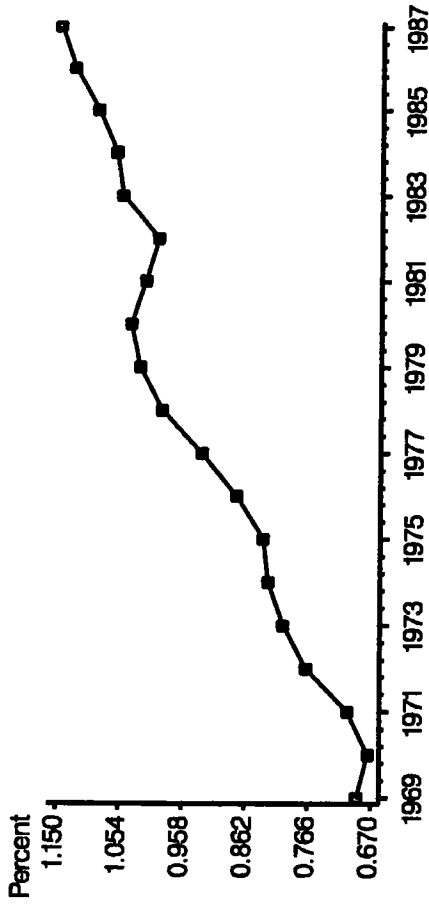


CHART 1C
 BULLITT COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

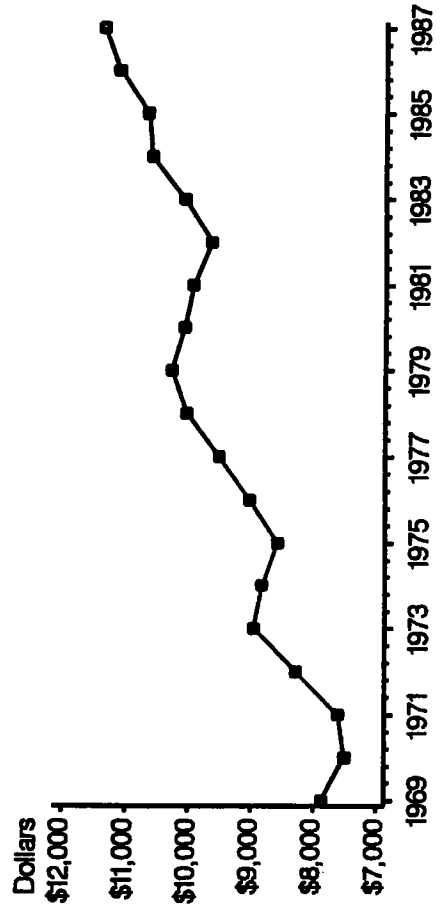


CHART 1D
 BULLITT COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

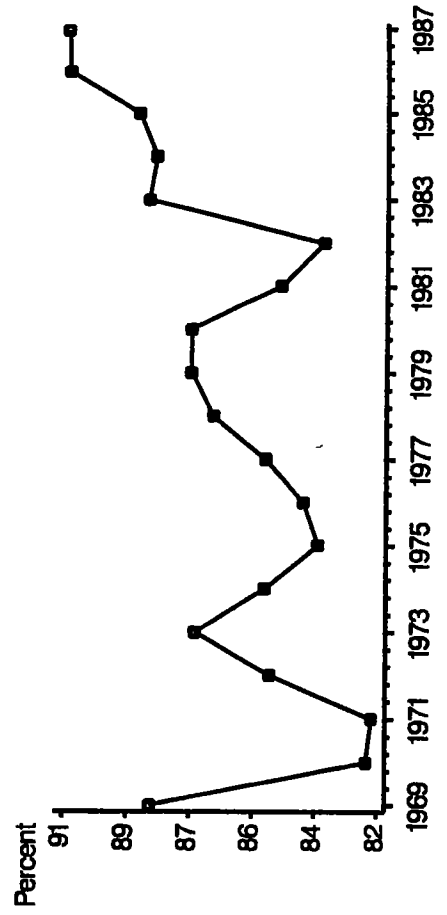


CHART 2A
BULLITT COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

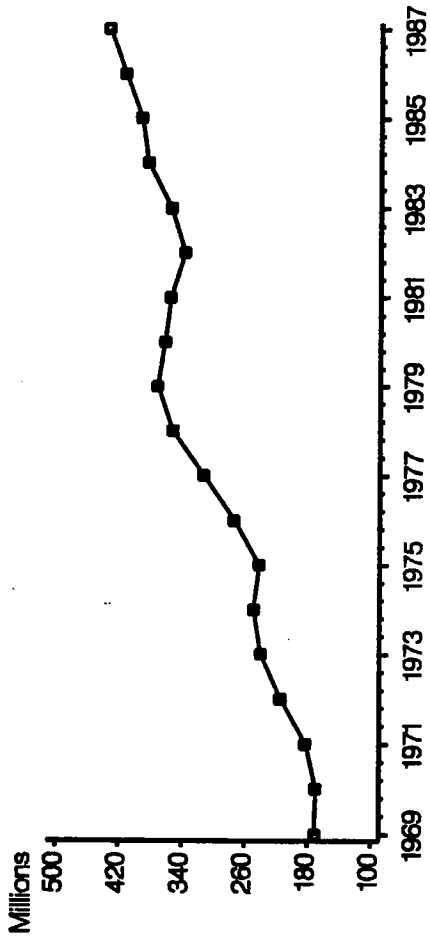


CHART 2B
BULLITT COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

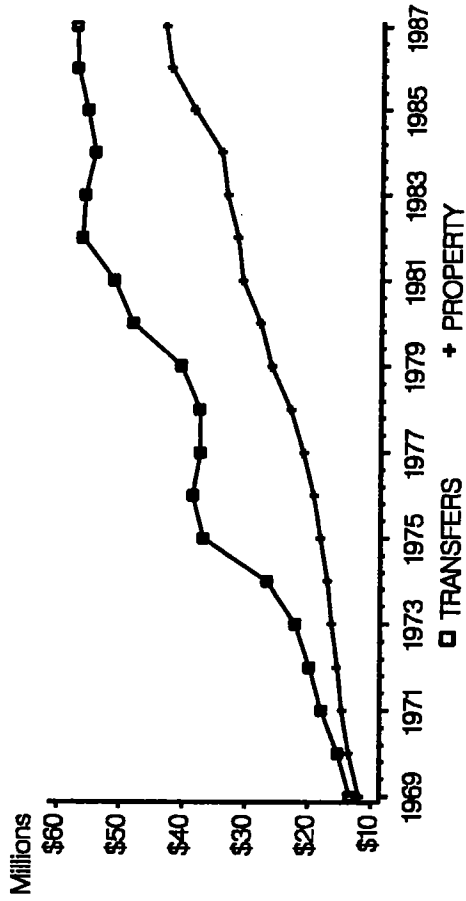


CHART 2C
BULLITT COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

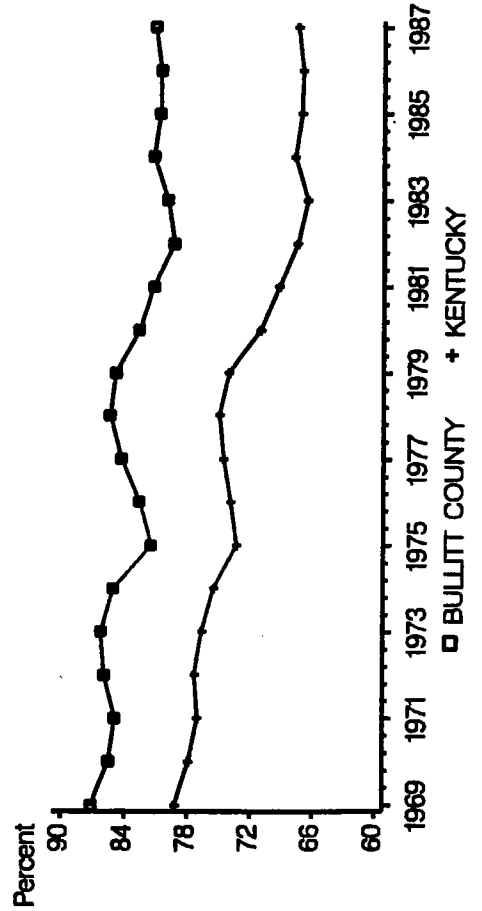


CHART 2D
BULLITT COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

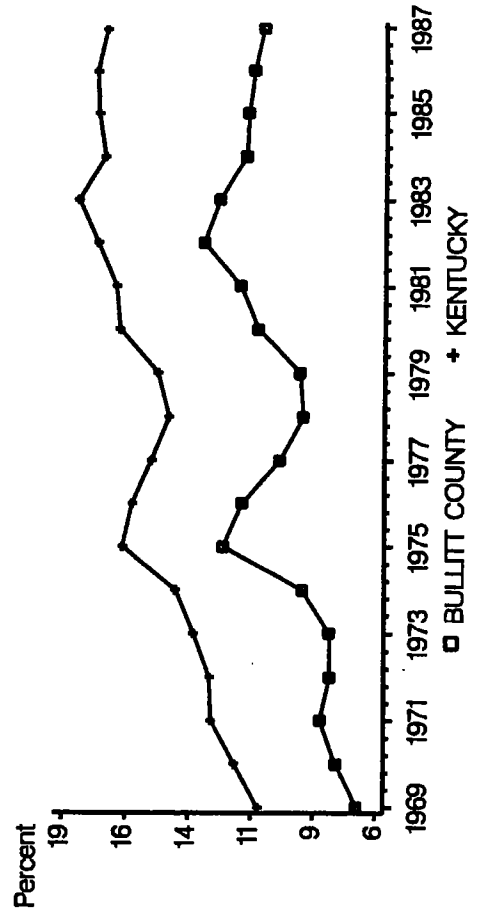


CHART 3A

BULLITT COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

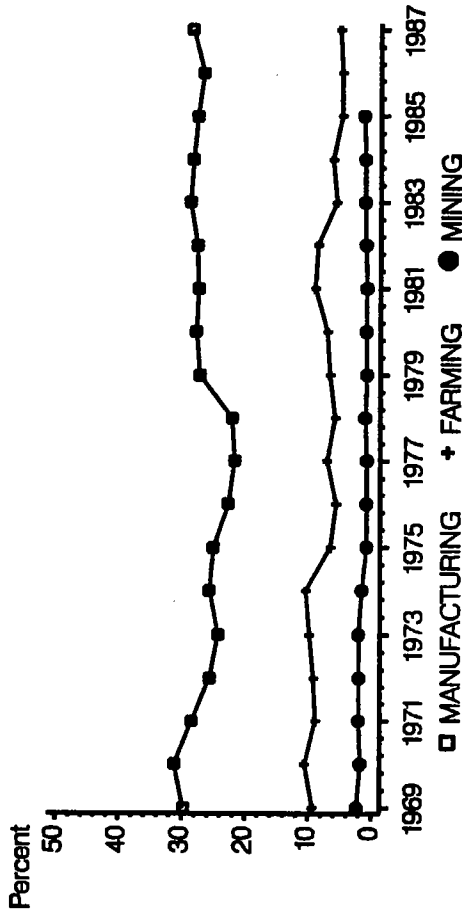


CHART 3B

BULLITT COUNTY

EARNINGS IN NON-GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

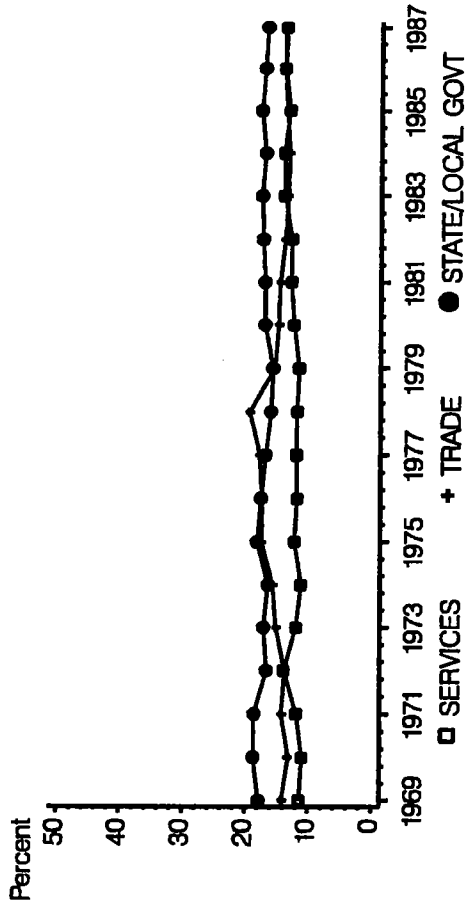


CHART 3C

BULLITT COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Kentucky Industries

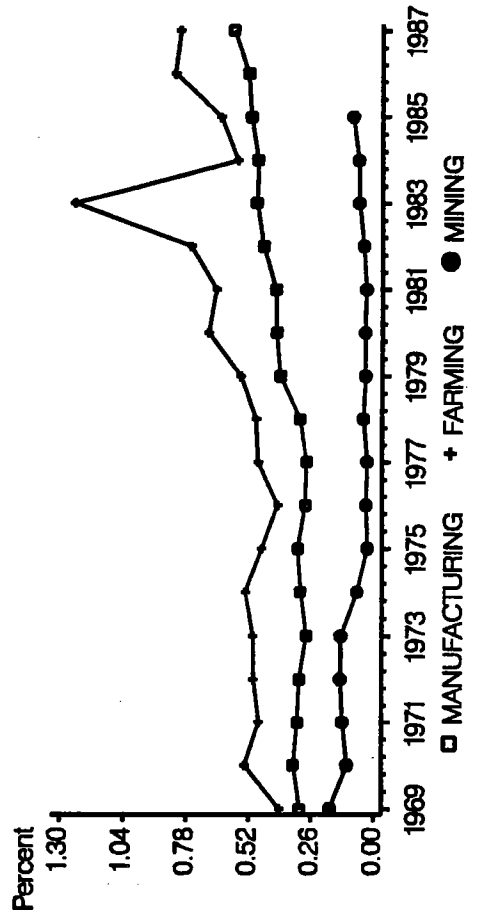


CHART 3D

BULLITT COUNTY

AVERAGE EARNINGS PER JOB

in Constant 1988 Dollars

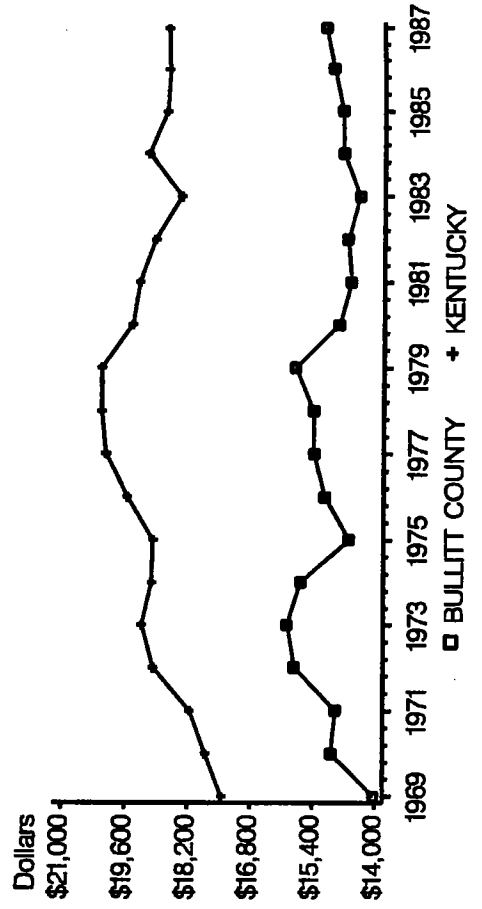


CHART 4A
BULLITT COUNTY
TOTAL EMPLOYMENT
Thousands of People

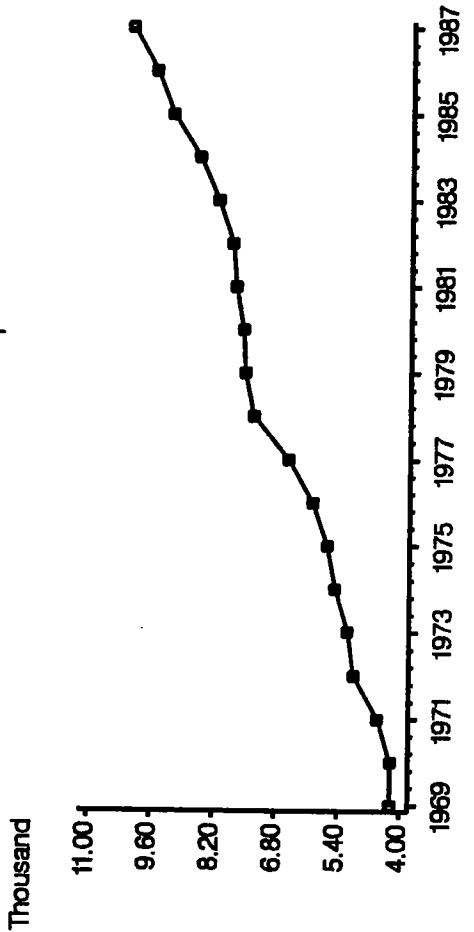


CHART 4B
BULLITT COUNTY
ANNUAL UNEMPLOYMENT RATE

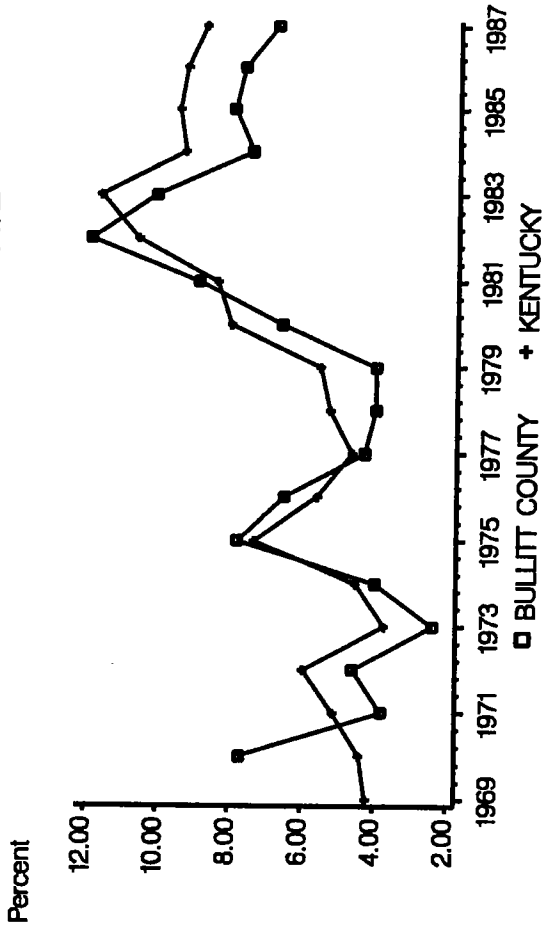


CHART 4C
BULLITT COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

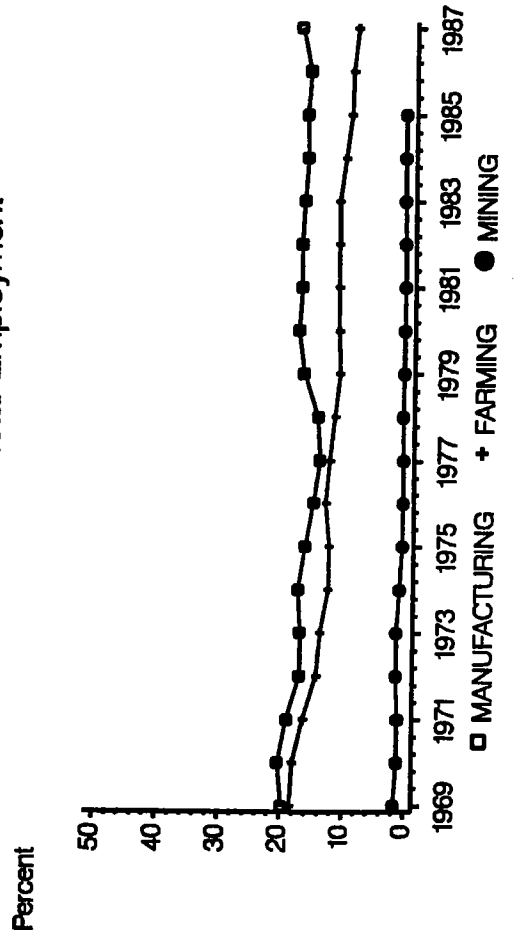


CHART 4D
BULLITT COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

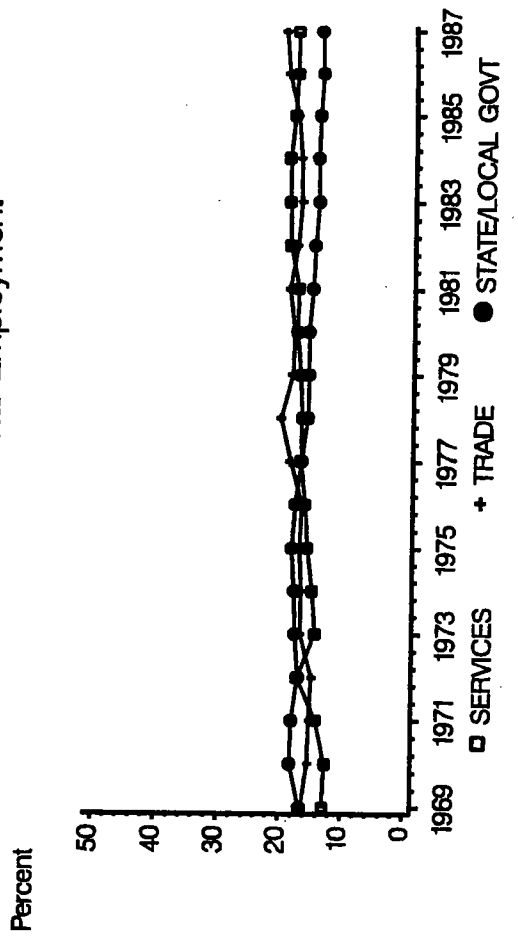


CHART 5A
 BULLITT COUNTY
 POPULATION
 Thousands of People

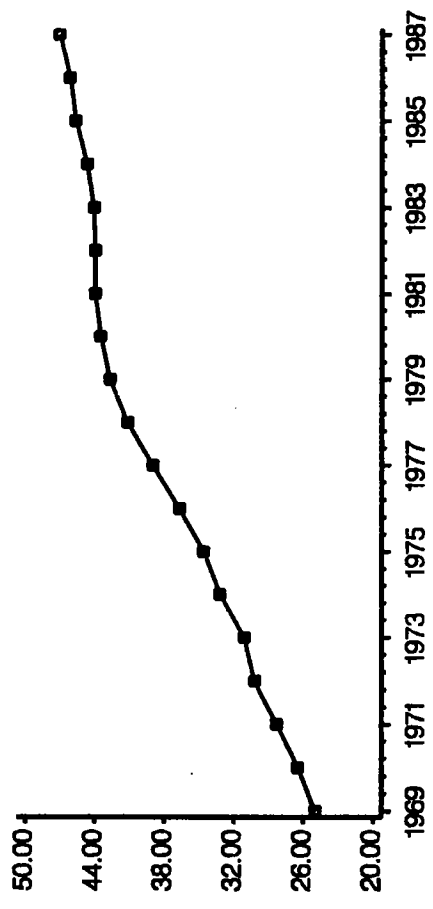


CHART 5B
 BULLITT COUNTY
 POPULATION
 as a Percent of Kentucky Population

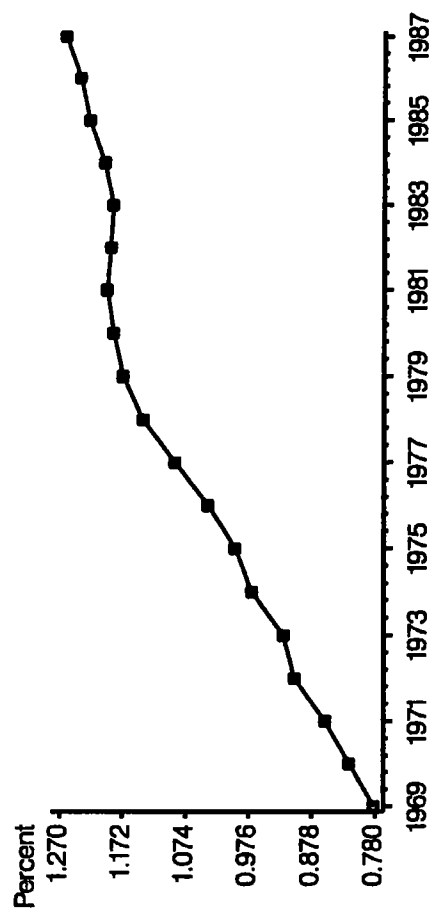


CHART 5C
 BULLITT COUNTY
 POPULATION 5 AND UNDER
 as a Percent of Total Population

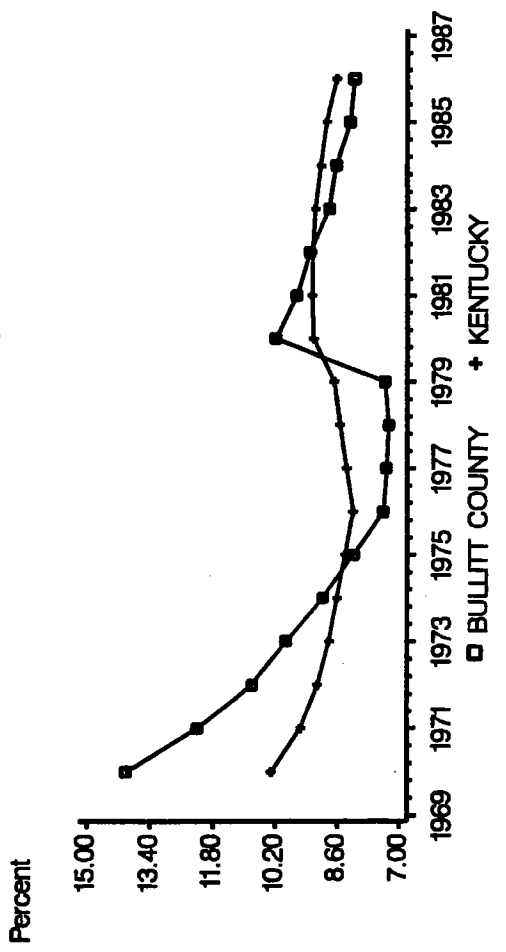
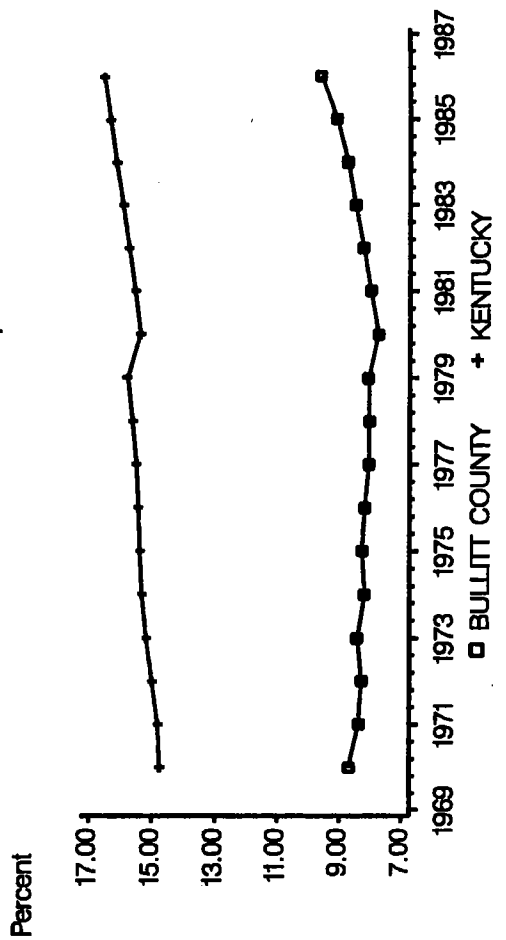


CHART 5D
 BULLITT COUNTY
 POPULATION 60 AND OVER
 as a Percent of Total Population



BULLITT COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	196	0.69	7,865	88.5
1970	199	0.67	7,505	82.3
1971	215	0.71	7,606	82.2
1972	250	0.77	8,294	85.1
1973	278	0.80	8,961	87.3
1974	293	0.83	8,835	85.3
1975	297	0.83	8,593	83.7
1976	332	0.88	9,035	84.2
1977	371	0.93	9,529	85.3
1978	413	0.99	10,035	86.8
1979	438	1.02	10,277	87.4
1980	438	1.04	10,079	87.4
1981	438	1.02	9,943	84.8
1982	425	1.00	9,656	83.6
1983	445	1.05	10,084	88.6
1984	473	1.06	10,598	88.4
1985	488	1.09	10,665	88.9
1986	514	1.13	11,117	90.8
1987	535	1.15	11,357	90.9

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	171	87.1	79.2	13	6.8	10.9	12	6.1	9.9
1970	170	85.5	77.9	15	7.7	11.9	14	6.8	10.2
1971	183	84.9	77.0	18	8.3	12.9	15	6.8	10.1
1972	215	85.9	77.3	20	7.9	12.9	15	6.2	9.7
1973	240	86.2	76.6	22	8.0	13.6	16	5.9	9.7
1974	249	85.1	75.5	27	9.1	14.4	17	5.8	10.1
1975	242	81.5	73.3	37	12.4	16.5	18	6.1	10.1
1976	274	82.6	73.9	38	11.6	16.1	19	5.8	10.0
1977	313	84.3	74.6	37	10.1	15.3	21	5.6	10.1
1978	353	85.4	75.0	37	9.1	14.6	23	5.6	10.4
1979	372	84.8	74.1	40	9.2	15.1	26	5.9	10.8
1980	362	82.7	71.1	48	11.0	16.7	28	6.4	12.2
1981	356	81.3	69.3	51	11.7	16.8	31	7.0	13.8
1982	337	79.3	67.5	56	13.2	17.6	32	7.4	14.9
1983	355	79.9	66.6	56	12.6	18.4	33	7.5	15.1
1984	385	81.3	67.8	54	11.5	17.3	34	7.2	14.9
1985	393	80.7	67.2	56	11.4	17.6	39	7.9	15.3
1986	414	80.6	67.1	57	11.2	17.6	42	8.2	15.3
1987	434	81.2	67.5	58	10.8	17.2	43	8.1	15.3

BULLITT COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	29.7	0.31	9.3	0.40	2.3	0.18
1970	31.2	0.34	10.6	0.54	1.7	0.11
1971	28.4	0.32	8.9	0.48	2.0	0.13
1972	25.6	0.31	9.2	0.50	2.0	0.14
1973	24.3	0.28	9.8	0.50	2.0	0.14
1974	25.7	0.31	10.4	0.53	1.5	0.07
1975	25.1	0.32	6.5	0.47	0.8	0.03
1976	22.7	0.29	5.6	0.40	0.8	0.04
1977	21.7	0.28	7.1	0.48	0.8	0.03
1978	22.2	0.31	5.8	0.49	1.0	0.05
1979	27.2	0.39	6.6	0.55	0.8	0.04
1980	27.8	0.41	7.0	0.69	0.9	0.04
1981	27.5	0.41	9.0	0.66	0.7	0.03
1982	27.7	0.46	8.6	0.76	0.9	0.05
1983	28.8	0.49	5.6	1.24	1.1	0.07
1984	28.4	0.49	6.2	0.57	1.1	0.07
1985	27.7	0.51	4.8	0.64	1.3	0.09
1986	26.7	0.52	4.8	0.83	.	.
1987	28.5	0.58	5.1	0.81	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	11.4	0.22	14.1	0.23	17.8	0.50
1970	11.0	0.22	13.1	0.22	18.7	0.52
1971	11.9	0.24	14.2	0.25	18.5	0.52
1972	13.9	0.32	13.7	0.27	16.6	0.53
1973	11.9	0.28	15.1	0.29	17.1	0.55
1974	11.2	0.27	15.7	0.31	16.4	0.56
1975	12.3	0.28	17.5	0.32	18.2	0.56
1976	11.9	0.28	17.4	0.33	17.6	0.57
1977	12.0	0.30	17.8	0.37	16.8	0.58
1978	11.9	0.31	19.4	0.43	16.0	0.59
1979	11.6	0.31	15.4	0.35	15.7	0.58
1980	12.4	0.31	14.8	0.34	17.0	0.60
1981	12.9	0.32	14.6	0.35	17.1	0.62
1982	12.8	0.31	13.8	0.34	17.3	0.63
1983	14.0	0.33	13.4	0.34	17.5	0.64
1984	14.0	0.34	13.2	0.35	17.0	0.65
1985	13.2	0.33	13.6	0.38	17.7	0.71
1986	14.0	0.34	14.0	0.41	17.1	0.70
1987	13.8	0.33	13.9	0.42	16.8	0.71

BULLITT COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	829	19.7	773	18.4	70	1.7
1970	854	20.3	755	17.9	48	1.1
1971	852	18.9	736	16.3	50	1.1
1972	852	16.9	719	14.3	69	1.4
1973	878	16.9	710	13.7	73	1.4
1974	945	17.3	683	12.5	50	0.9
1975	916	16.2	699	12.4	29	0.5
1976	891	14.9	774	12.9	27	0.5
1977	909	13.9	803	12.3	26	0.4
1978	1,044	14.3	839	11.5	40	0.5
1979	1,248	16.6	811	10.8	33	0.4
1980	1,320	17.4	829	11.0	31	0.4
1981	1,319	17.0	858	11.1	29	0.4
1982	1,334	17.1	860	11.0	30	0.4
1983	1,355	16.6	896	11.0	38	0.5
1984	1,389	16.2	860	10.0	40	0.5
1985	1,500	16.3	841	9.2	39	0.4
1986	1,518	15.9	850	8.9	.	.
1987	1,746	17.3	828	8.2	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	544	12.9	690	16.4	700	16.6
1970	531	12.6	648	15.4	766	18.2
1971	638	14.2	685	15.2	811	18.0
1972	869	17.2	750	14.9	860	17.0
1973	747	14.4	871	16.8	915	17.6
1974	817	14.9	913	16.7	973	17.8
1975	891	15.7	961	17.0	1,030	18.2
1976	969	16.2	998	16.7	1,060	17.7
1977	1,103	16.9	1,211	18.5	1,097	16.8
1978	1,226	16.7	1,471	20.1	1,161	15.9
1979	1,284	17.1	1,380	18.3	1,186	15.8
1980	1,338	17.7	1,367	18.1	1,197	15.8
1981	1,359	17.5	1,471	19.0	1,183	15.3
1982	1,474	18.9	1,386	17.7	1,169	15.0
1983	1,545	19.0	1,399	17.2	1,171	14.4
1984	1,638	19.1	1,485	17.3	1,246	14.5
1985	1,679	18.3	1,633	17.8	1,314	14.3
1986	1,711	17.9	1,844	19.3	1,317	13.8
1987	1,792	17.8	1,990	19.7	1,405	13.9



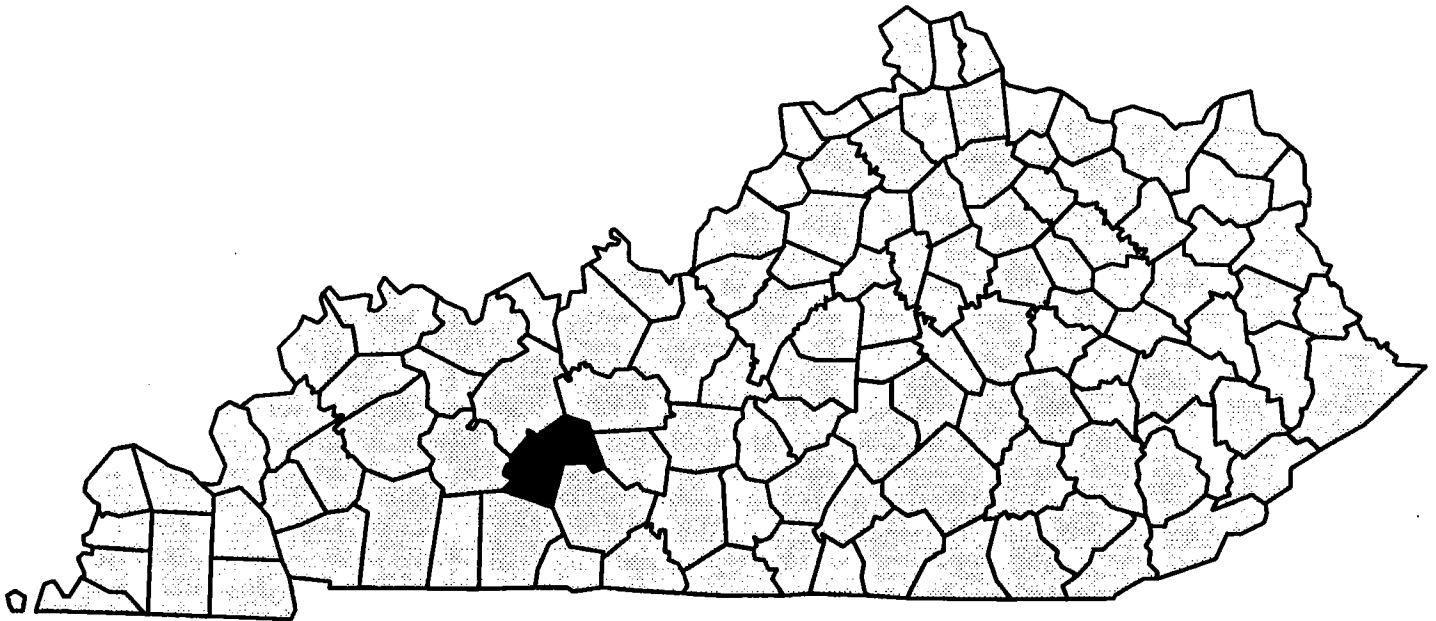
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

BUTLER COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

The Butler County economy, as measured by personal income, grew moderately from 1969 to 1987. However, earnings were extremely volatile during this period. Both per capita personal income and average earnings per job were significantly below those of the state.

Butler County generates a smaller percent of personal income from earnings and a larger percent from transfer payments than does the state as a whole. This is partially explained by the county's relatively high proportion of elderly residents, who would be expected to receive retirement and medical benefits, which are classified as transfer payments.

The county has historically been heavily dependent on the goods-producing industries of manufacturing and farming. Employment in these sectors declined during the period. Mining earnings and employment increased in the 1970's, then declined in the 1980's. The non-goods-producing sectors, particularly service and trade, experienced significant growth at the state level and only moderate growth in the county.

Goods-producing industries tend to be very sensitive to economic fluctuations in national and international markets. The non-goods-producing sectors tend to be more resilient during periods of economic decline. The long-term economic outlook at the state and national levels is for continued increase in such sectors, especially the service sector. Future economic growth and stability in Butler County would be enhanced by development of these sectors.



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INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



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ECONOMIC TRENDS IN BUTLER COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Butler County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Also, because coal production has been an important component in the Kentucky economy and in many local economies, the coal sector is analyzed in counties which have a history of coal production.

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Butler County economy, as measured by personal income, increased from \$53 million in 1969 to \$98 million in 1987, after adjusting for inflation. Chart 1B shows Butler County total personal income as a percent of Kentucky total personal income. Butler County had small changes in its share of Kentucky personal income.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Butler County per capita income generally increased over the time period to a level of \$8,986 in 1987, which was 71.9 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal

income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Earnings were volatile during the period. Total earnings generally increased from \$39 million in 1969 to \$66 million in 1979 (in constant 1988 dollars). Earnings declined to \$50 million in 1983, then increased to \$62 million in 1987. The percent of personal income from earnings declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 63.7 percent of Butler County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$10 million to total personal income in 1969 and \$25 million in 1987. During the same period, transfer payments contributed a much higher percentage of personal income in Butler County than in Kentucky.

Income from property in Butler County grew at a slow but steady rate through the time period. Income from property totalled \$3 million in 1969 and increased to \$11 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wage and salary and proprietor's income. As can be seen in Chart 3A, earnings in the goods-producing industries were very volatile. In 1969, Butler County received 29.3 percent of total earnings from manufacturing. This percentage decreased to 16.4 percent in 1982, then increased to 23.3 percent in 1987. Farming's contribution to total county earnings was also erratic. So much so that no trend is discernable. In 1987, 13.5 percent of earnings was derived in the farm sector. The mining sector's share of total earnings increased from 2.1 percent in 1969 to 21.6 percent in 1978. The mining sector's share of earnings declined to 6.4 percent in 1987. At the state level, the share of earnings from all of these sectors declined.

Earnings from non-goods-producing industries as a percent of total earnings were more stable (Chart 3B). The percent of earnings from the service sector increased to 11.7 percent in 1987. The percent of earnings from the trade sector was relatively constant and stood at 11.7 percent in 1987. The share of earnings from the state and local government sector also remained relatively stable and accounted for 15.1 percent in 1987. At the state level, the percent of earnings from services increased, while the percents from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Butler County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Butler County average earnings per job were \$12,648 in 1987, well below the Kentucky average.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Butler County increased through the 1970's, declined in the early 1980's, then increased. In 1969, total employment stood at 2,720 people. By 1987, that figure had increased to 3,823.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Butler County are presented in Chart 4B. Unemployment rates in Butler County were above those of the state throughout the period. In 1987, the county unemployment rate was 11.7 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing decreased from 26.4 percent in 1969 to 17.1 percent in 1982. This share subsequently increased to 23.0 percent in 1987. The farm sector was the primary source of employment through most of the period. However, farming's share of employment declined from 27.9 percent in 1969 to 21.9 percent in 1987. The mine sector's share of employment increased from 1.7 percent in 1969 to 8.1 percent in 1979, then declined to 2.5 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. The percent of employment in the service sector increased slightly, to 11.7 percent in 1987. The percent of employment in state and local government remained constant and was 12.7 percent in 1987. The trade sector's share of employment increased slightly, to 12.8 percent in 1987. At the state level, service and trade employment increased significantly, while government employment remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important

implications for the future demand for goods and services, and ultimately, the economic structure of Butler County.

The Butler County population grew from 9,700 in 1969 to 11,500 in 1984, then declined to 10,900 in 1987 (Chart 5A). It was estimated that in 1986, 8.9 percent of Butler County's population was under six years of age, compared to 8.6 percent for the state. Butler County had a larger proportion of residents age sixty or over than the state. In 1986, 19.8 percent of the Butler County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

Coal

The coal sector provides significant income and employment to Kentucky. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. Coal production was an influential sector of the Butler County economy.

Butler County coal production patterns are presented in Chart 6A. Coal production is estimated by the Energy Information Administration of the U.S. Department of Energy. Estimates of production are calculated from a sample of coal shipments from each county. Coal production increased significantly in the mid-1970's. This production increase was likely stimulated by changes in international energy markets. Specifically, a sharp increase in the price of oil resulted in increased demand for coal by utilities and resulted in increases in the price of coal. In 1986, 1,751 thousand tons of coal was mined in Butler County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969 there were only 45 people employed in mining in Butler County. Employment increased to 280 in 1979, then declined to 96 in 1987. The large changes in employment illustrate the volatile nature of coal production and its impact on local economies.

The average value per ton for coal is illustrated in Chart 6C. At the state and national levels, average value per ton increased in the 1970's, then declined significantly during the 1980's. However, the average value per ton for coal mined in Butler County increased in the mid-1970's and remained relatively constant.

Coal severance tax receipts are presented in Chart 6D. The Kentucky Revenue Cabinet collects severance taxes on processed coal. Receipts are then allocated to counties, based on the value of the coal mined in the county and the value attributed to any processing done in the county. Therefore, trends in severance tax collections may not exactly parallel those of the coal production figures in Chart 6A. Severance tax collections generally increased over the period. In 1986, coal severance tax collections allocated to Butler County totalled \$2.3 million.

CHART 1A

BUTLER COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

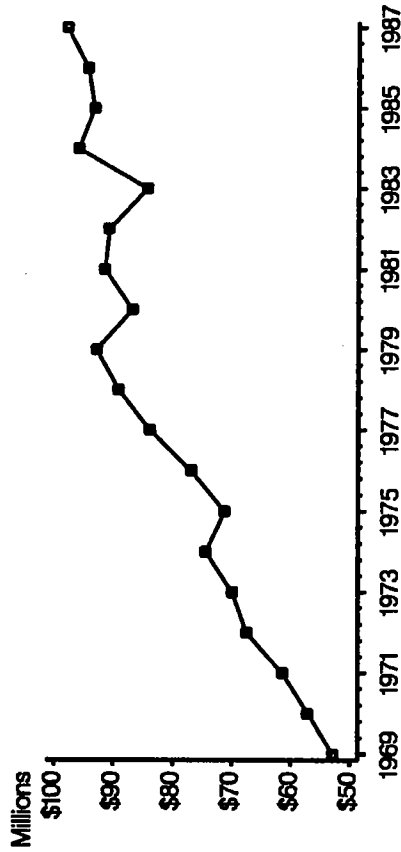


CHART 1B
BUTLER COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

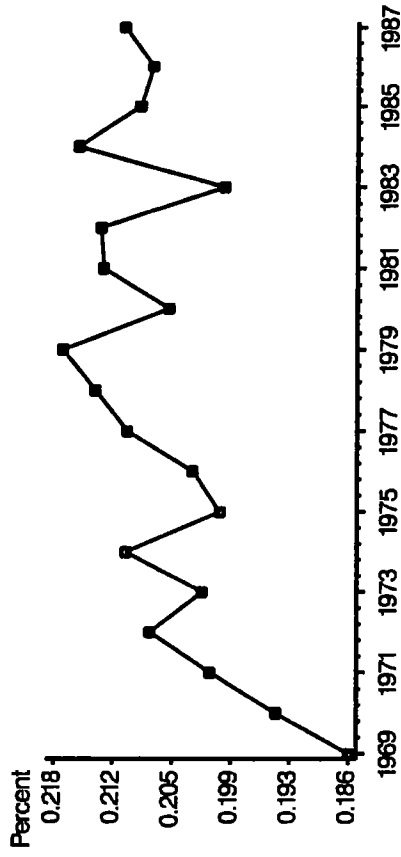


CHART 1C

BUTLER COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

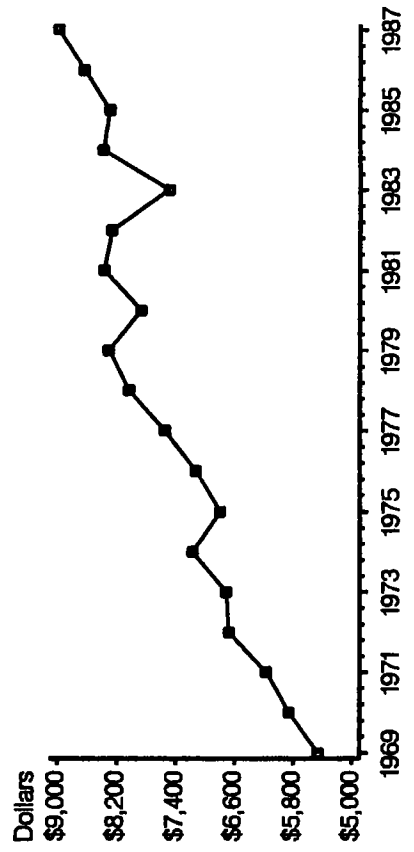


CHART 1D
BUTLER COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

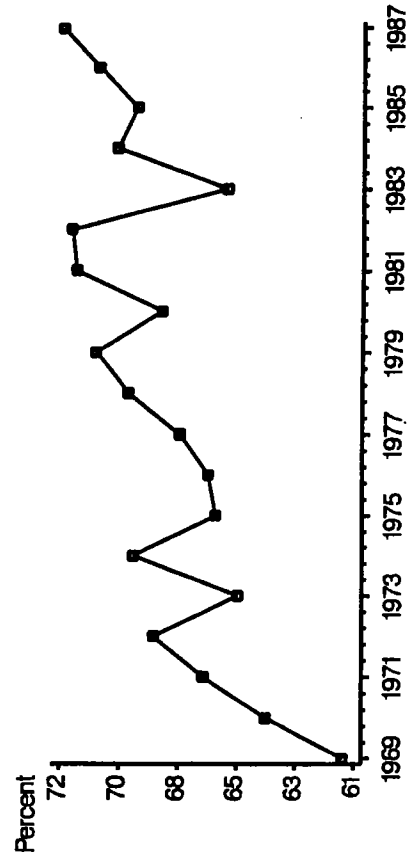


CHART 2A

BUTLER COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

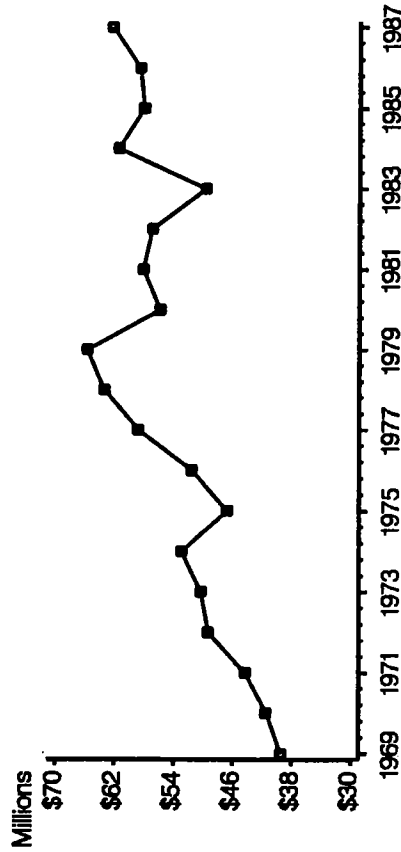


CHART 2B

BUTLER COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

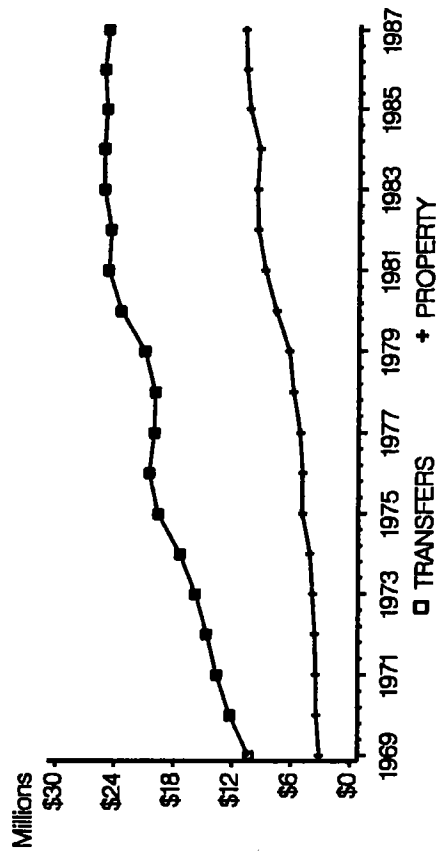


CHART 2C

BUTLER COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

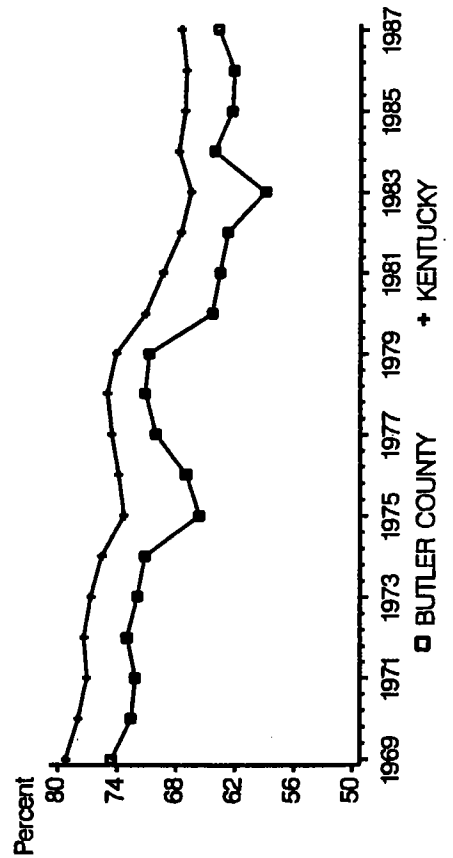


CHART 2D

BUTLER COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

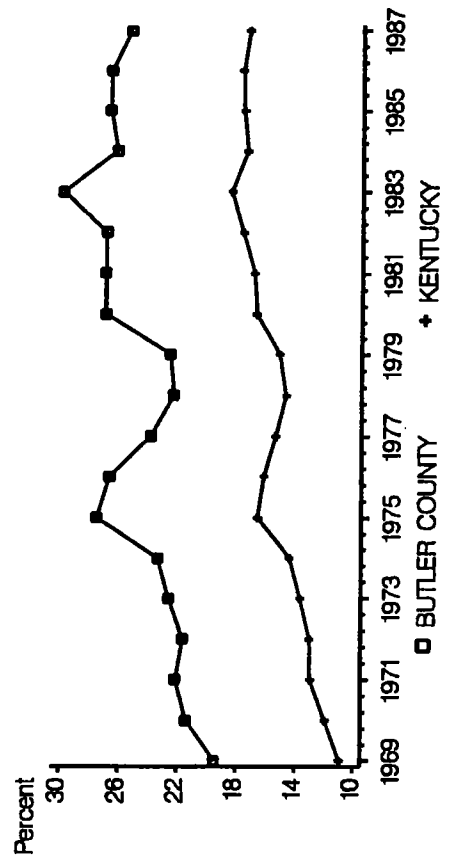


CHART 3A

BUTLER COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

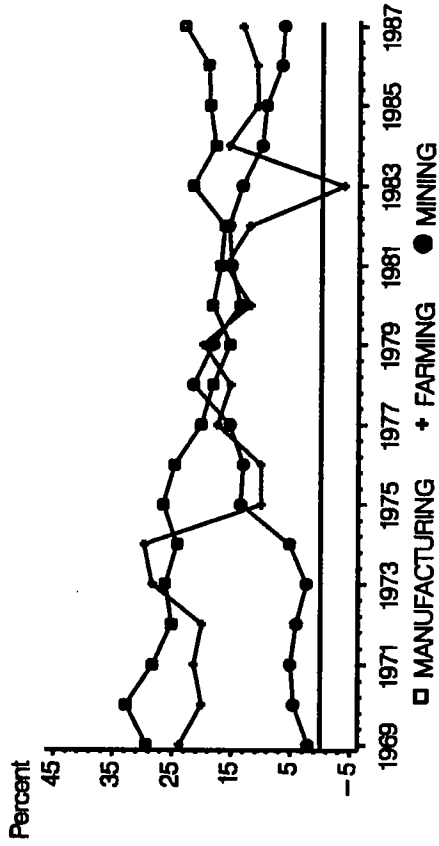


CHART 3B

BUTLER COUNTY

EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

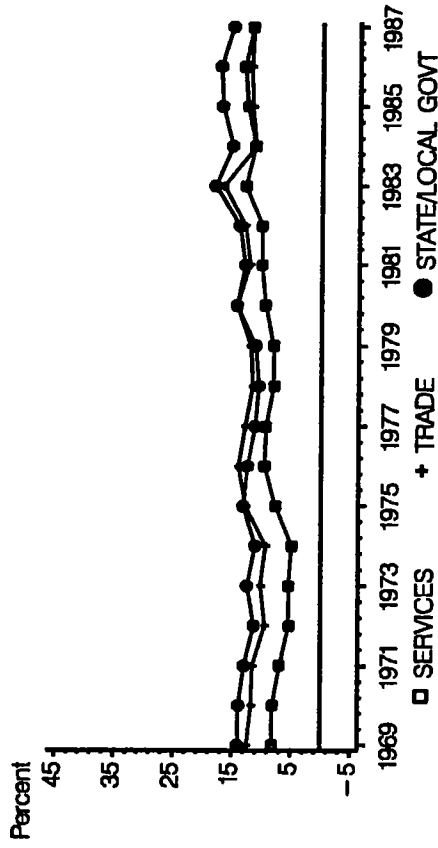


CHART 3C

BUTLER COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

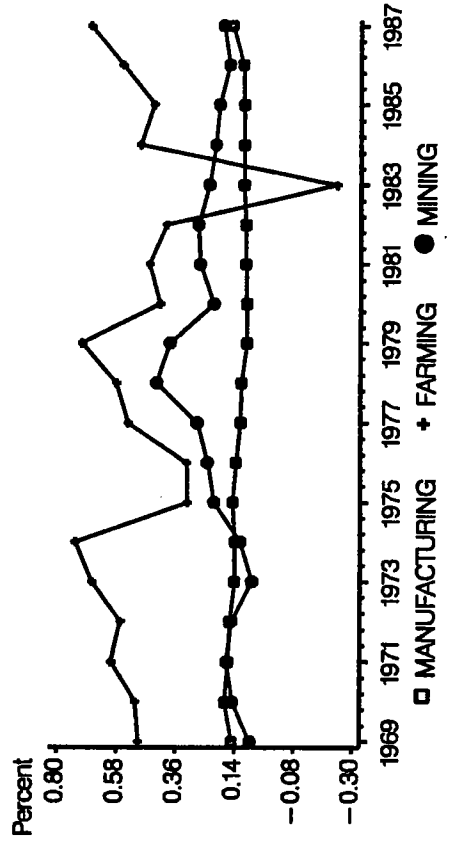


CHART 3D

BUTLER COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

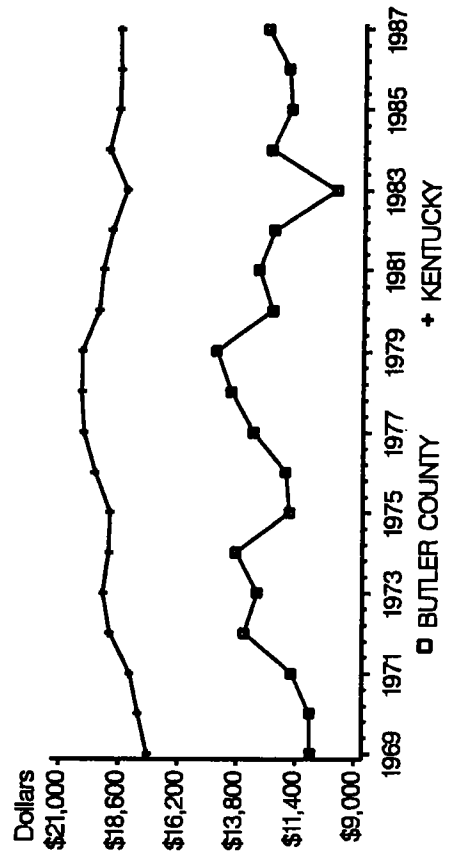


CHART 4A
BUTLER COUNTY
TOTAL EMPLOYMENT
Thousands of People

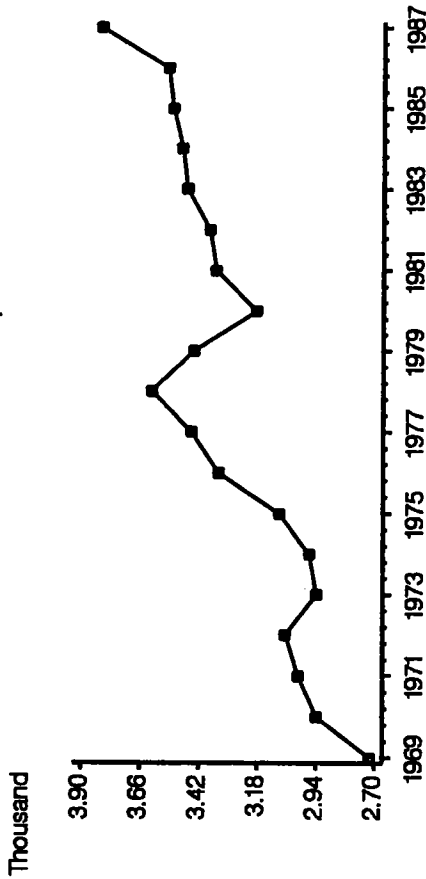


CHART 4B
BUTLER COUNTY
ANNUAL UNEMPLOYMENT RATE

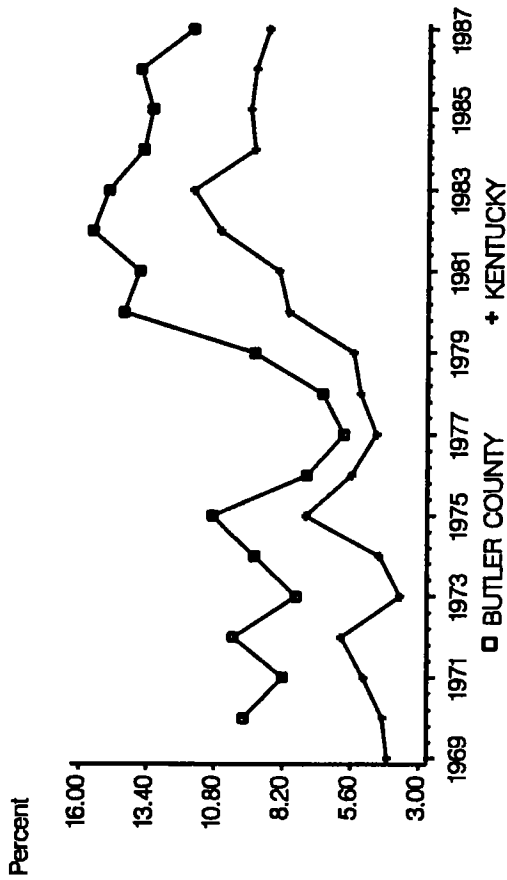


CHART 4C
BUTLER COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

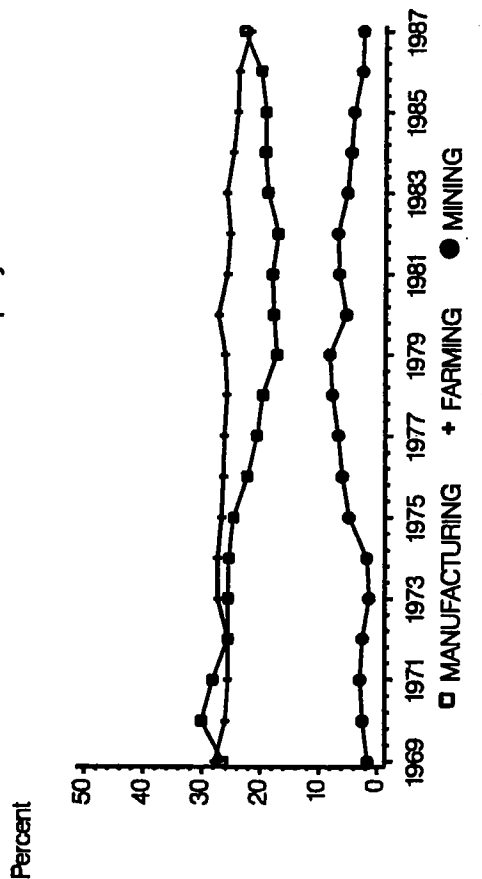


CHART 4D
BUTLER COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

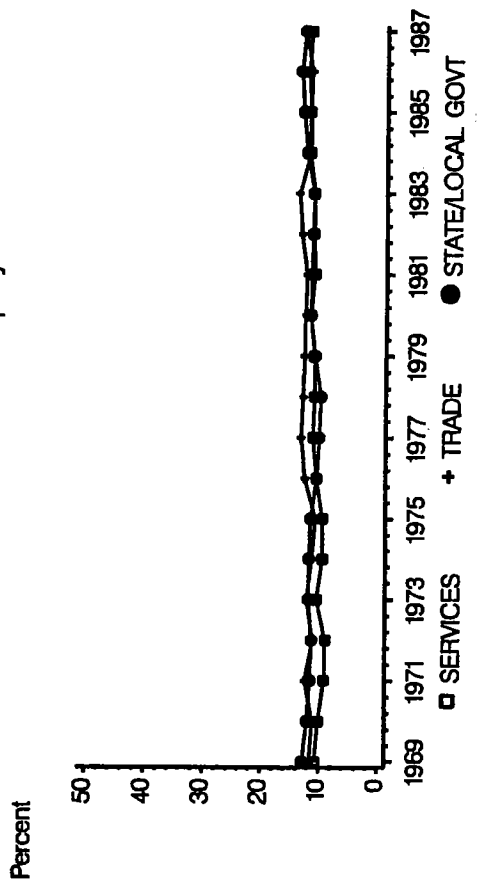


CHART 5A
BUTLER COUNTY
POPULATION
Thousands of People

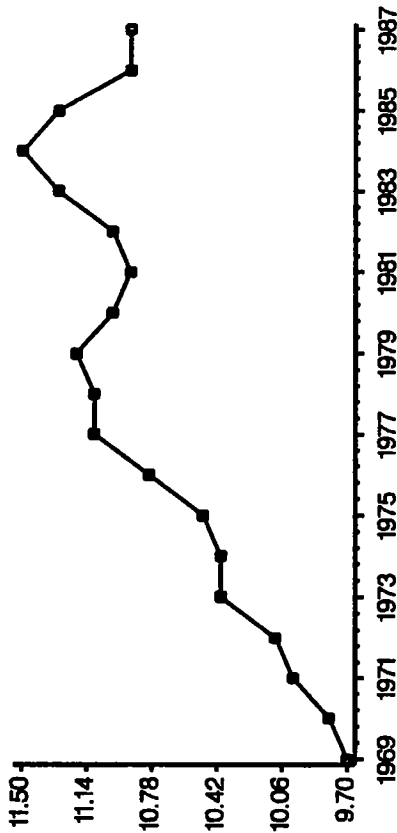


CHART 5B
BUTLER COUNTY
POPULATION
as a Percent of Kentucky Population

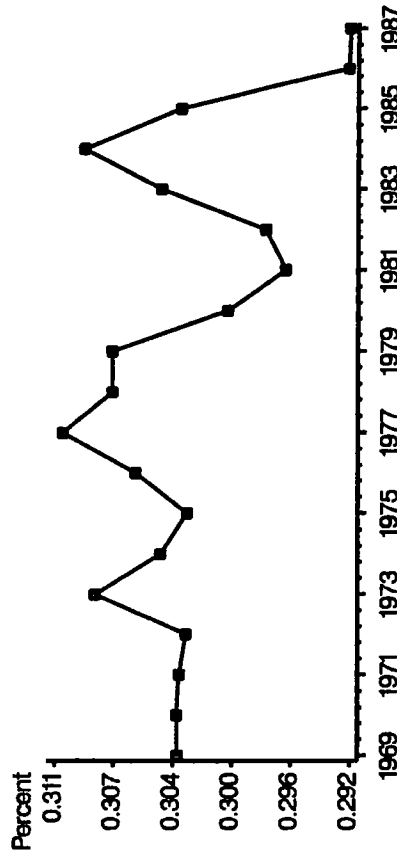


CHART 5C
BUTLER COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

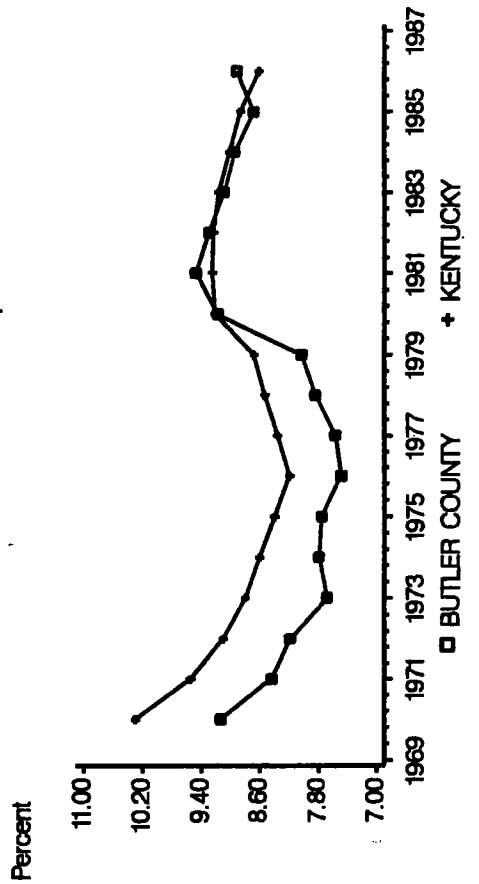


CHART 5D
BUTLER COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

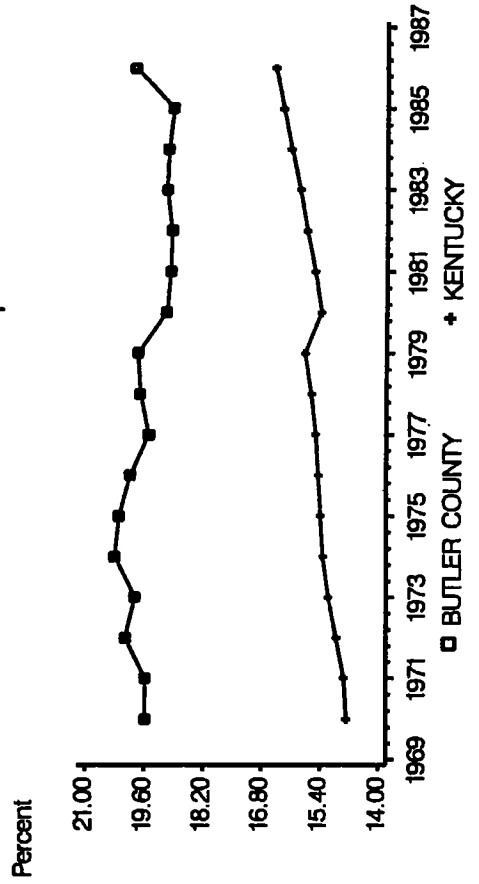


CHART 6A
BUTLER COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

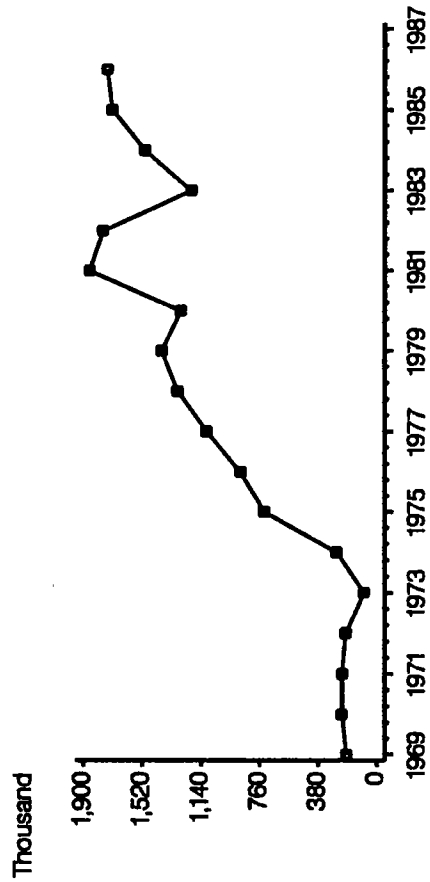


CHART 6B
BUTLER COUNTY
MINING EMPLOYMENT
 Thousands of People

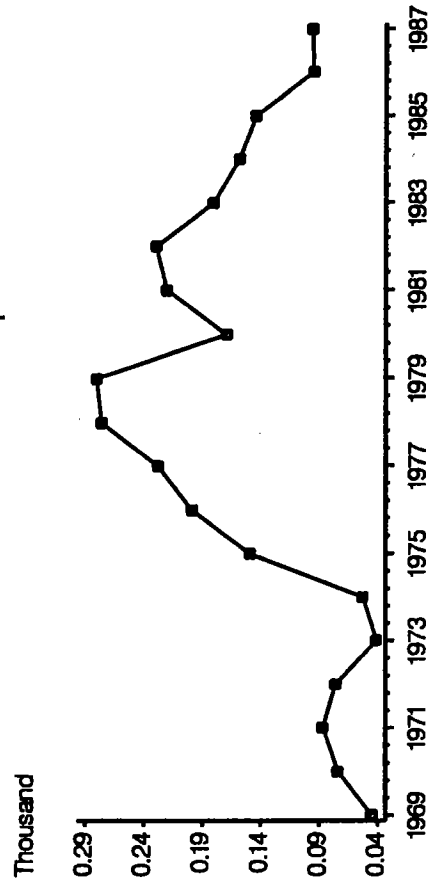


CHART 6C
BUTLER COUNTY
AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

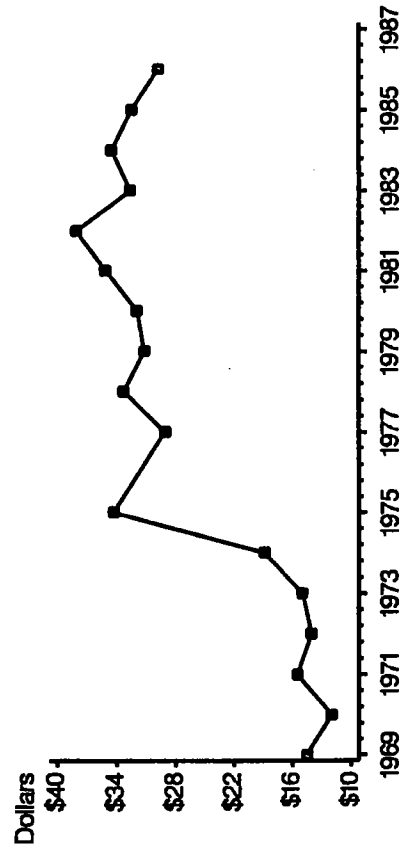
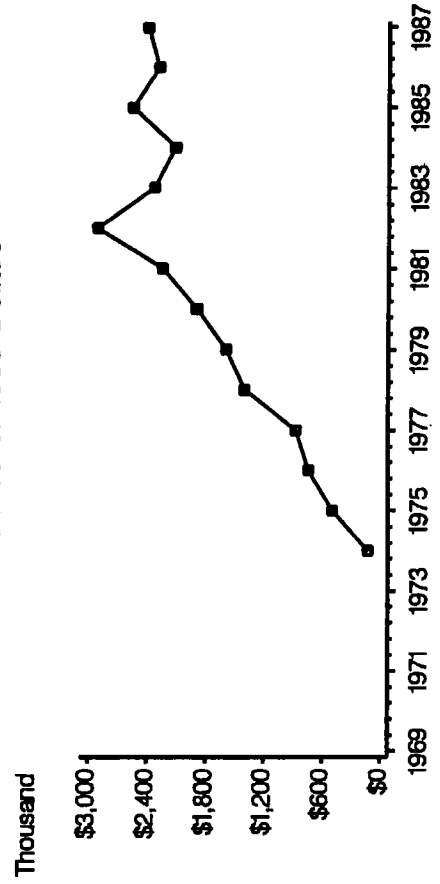


CHART 6D
BUTLER COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



BUTLER COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	53	0.19	5,457	61.4
1970	57	0.19	5,862	64.3
1971	61	0.20	6,170	66.7
1972	68	0.21	6,676	68.5
1973	70	0.20	6,712	65.4
1974	74	0.21	7,177	69.3
1975	71	0.20	6,795	66.2
1976	77	0.20	7,138	66.5
1977	84	0.21	7,550	67.6
1978	89	0.21	8,035	69.5
1979	93	0.22	8,309	70.7
1980	87	0.21	7,868	68.2
1981	92	0.21	8,369	71.4
1982	91	0.21	8,269	71.6
1983	84	0.20	7,489	65.8
1984	96	0.22	8,381	69.9
1985	93	0.21	8,298	69.2
1986	95	0.21	8,637	70.6
1987	98	0.21	8,986	71.9

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	39	74.6	79.2	10	19.5	10.9	3	6.0	9.9
1970	42	72.6	77.9	12	21.4	11.9	3	6.0	10.2
1971	44	72.2	77.0	14	22.1	12.9	4	5.7	10.1
1972	49	73.0	77.3	15	21.6	12.9	4	5.4	9.7
1973	50	71.9	76.6	16	22.6	13.6	4	5.5	9.7
1974	53	71.2	75.5	17	23.3	14.4	4	5.5	10.1
1975	47	65.7	73.3	20	27.4	16.5	5	6.9	10.1
1976	52	67.0	73.9	20	26.6	16.1	5	6.4	10.0
1977	59	70.1	74.6	20	23.8	15.3	5	6.1	10.1
1978	64	71.2	75.0	20	22.3	14.6	6	6.5	10.4
1979	66	70.7	74.1	21	22.5	15.1	6	6.7	10.8
1980	56	64.4	71.1	23	26.9	16.7	8	8.7	12.2
1981	58	63.5	69.3	25	26.9	16.8	9	9.5	13.8
1982	57	62.7	67.5	24	26.9	17.6	9	10.4	14.9
1983	50	58.9	66.6	25	29.7	18.4	10	11.3	15.1
1984	62	64.1	67.8	25	26.2	17.3	9	9.7	14.9
1985	58	62.3	67.2	25	26.6	17.6	10	11.1	15.3
1986	59	62.1	67.1	25	26.6	17.6	11	11.3	15.3
1987	62	63.7	67.5	25	25.2	17.2	11	11.1	15.3

BUTLER COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	29.3	0.15	23.8	0.50	2.1	0.08
1970	32.8	0.18	20.1	0.51	4.6	0.15
1971	28.3	0.16	21.4	0.60	5.1	0.17
1972	25.2	0.16	20.0	0.57	4.1	0.15
1973	26.2	0.14	28.5	0.67	2.4	0.07
1974	24.2	0.14	29.8	0.73	5.2	0.12
1975	26.6	0.15	10.1	0.32	13.5	0.22
1976	24.7	0.14	10.2	0.32	13.1	0.24
1977	20.2	0.12	17.5	0.54	15.4	0.28
1978	18.2	0.11	15.3	0.58	21.6	0.43
1979	15.4	0.09	20.0	0.71	18.2	0.38
1980	18.4	0.10	12.0	0.42	13.7	0.22
1981	17.1	0.10	16.3	0.46	15.2	0.27
1982	16.4	0.10	12.1	0.39	15.7	0.28
1983	21.8	0.11	-3.8	-0.24	13.5	0.24
1984	18.0	0.11	15.7	0.49	10.1	0.21
1985	19.0	0.11	10.9	0.44	9.5	0.20
1986	19.2	0.11	11.1	0.56	6.9	0.16
1987	23.3	0.15	13.5	0.68	6.4	0.18

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	8.2	0.08	12.5	0.10	14.0	0.19
1970	8.1	0.08	11.7	0.10	13.8	0.19
1971	6.9	0.07	11.5	0.10	12.9	0.19
1972	5.3	0.06	9.4	0.10	11.3	0.19
1973	5.4	0.06	10.1	0.09	12.5	0.18
1974	4.9	0.06	9.3	0.09	11.1	0.18
1975	7.7	0.08	12.7	0.10	13.1	0.18
1976	9.6	0.10	13.9	0.12	12.4	0.18
1977	9.4	0.10	12.8	0.12	11.2	0.18
1978	8.0	0.09	11.6	0.11	10.5	0.17
1979	8.1	0.09	12.0	0.12	11.1	0.18
1980	9.5	0.08	14.3	0.12	14.3	0.18
1981	10.1	0.10	12.1	0.11	12.9	0.18
1982	10.1	0.09	13.0	0.12	13.9	0.19
1983	12.9	0.09	16.6	0.12	18.0	0.19
1984	11.3	0.09	11.2	0.10	15.1	0.20
1985	12.6	0.10	11.8	0.10	16.9	0.21
1986	13.2	0.09	12.0	0.10	17.1	0.20
1987	11.7	0.09	11.7	0.11	15.1	0.20

BUTLER COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	719	26.4	758	27.9	45	1.7
1970	884	30.1	767	26.1	74	2.5
1971	851	28.2	774	25.7	87	2.9
1972	787	25.7	786	25.6	76	2.5
1973	754	25.7	805	27.4	41	1.4
1974	758	25.5	815	27.5	53	1.8
1975	764	24.7	828	26.8	149	4.8
1976	744	22.3	885	26.5	199	6.0
1977	713	20.6	909	26.3	228	6.6
1978	709	19.6	936	25.9	276	7.6
1979	594	17.3	903	26.2	280	8.1
1980	568	17.8	870	27.3	169	5.3
1981	606	18.1	866	25.8	220	6.6
1982	579	17.1	858	25.4	229	6.8
1983	655	18.9	902	26.0	180	5.2
1984	676	19.4	869	24.9	158	4.5
1985	681	19.3	853	24.2	144	4.1
1986	712	20.1	847	23.9	95	2.7
1987	878	23.0	837	21.9	96	2.5

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	290	10.7	315	11.6	349	12.8
1970	294	10.0	325	11.1	353	12.0
1971	273	9.1	375	12.4	346	11.5
1972	272	8.9	341	11.1	345	11.2
1973	307	10.4	358	12.2	349	11.9
1974	280	9.4	334	11.2	351	11.8
1975	291	9.4	331	10.7	355	11.5
1976	353	10.6	422	12.6	351	10.5
1977	386	11.2	459	13.3	348	10.1
1978	394	10.9	467	12.9	353	9.8
1979	379	11.0	439	12.8	373	10.8
1980	373	11.7	402	12.6	372	11.7
1981	368	11.0	418	12.5	388	11.6
1982	379	11.2	450	13.3	385	11.4
1983	386	11.1	478	13.8	390	11.2
1984	416	11.9	414	11.9	434	12.4
1985	420	11.9	418	11.8	461	13.1
1986	431	12.1	411	11.6	479	13.5
1987	446	11.7	488	12.8	486	12.7

BUTLER COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	2,720	\$10,774	\$17,440	.	4.2
1970	2,938	\$10,799	\$17,811	9.7	4.4
1971	3,014	\$11,579	\$18,166	8.2	5.1
1972	3,067	\$13,495	\$18,970	10.1	6.0
1973	2,939	\$12,985	\$19,232	7.7	3.7
1974	2,969	\$13,847	\$19,008	9.3	4.5
1975	3,093	\$11,687	\$18,976	10.9	7.3
1976	3,341	\$11,843	\$19,563	7.3	5.6
1977	3,453	\$13,156	\$20,031	5.9	4.7
1978	3,614	\$14,065	\$20,121	6.7	5.3
1979	3,442	\$14,680	\$20,110	9.3	5.5
1980	3,188	\$12,428	\$19,439	14.3	8.0
1981	3,353	\$12,979	\$19,286	13.7	8.4
1982	3,379	\$12,369	\$18,931	15.5	10.6
1983	3,471	\$9,807	\$18,358	14.9	11.6
1984	3,492	\$12,486	\$19,080	13.6	9.3
1985	3,530	\$11,685	\$18,676	13.2	9.5
1986	3,550	\$11,796	\$18,627	13.7	9.3
1987	3,823	\$12,648	\$18,636	11.7	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	9,700	0.30	.	.	.	.
1970	9,800	0.30	9.1	10.3	19.6	14.8
1971	10,000	0.30	8.4	9.6	19.6	14.8
1972	10,100	0.30	8.2	9.1	20.0	15.0
1973	10,400	0.31	7.7	8.8	19.8	15.2
1974	10,400	0.30	7.8	8.6	20.3	15.3
1975	10,500	0.30	7.8	8.4	20.2	15.4
1976	10,800	0.31	7.5	8.2	19.9	15.5
1977	11,100	0.31	7.6	8.4	19.5	15.5
1978	11,100	0.31	7.8	8.5	19.7	15.6
1979	11,200	0.31	8.0	8.7	19.8	15.8
1980	11,000	0.30	9.2	9.2	19.1	15.4
1981	10,900	0.30	9.5	9.3	19.0	15.5
1982	11,000	0.30	9.3	9.2	19.0	15.7
1983	11,300	0.30	9.1	9.2	19.1	15.9
1984	11,500	0.31	8.9	9.0	19.0	16.1
1985	11,300	0.30	8.7	8.9	18.9	16.3
1986	10,900	0.29	8.9	8.6	19.8	16.5
1987	10,900	0.29	.	.	.	.

BUTLER COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	198	45	\$14.48	.
1970	228	74	\$12.01	.
1971	225	87	\$15.47	.
1972	203	76	\$14.05	.
1973	83	41	\$14.96	.
1974	263	53	\$18.95	\$129
1975	731	149	\$34.28	\$489
1976	885	199	.	\$745
1977	1,104	228	\$29.04	\$876
1978	1,293	276	\$33.28	\$1,398
1979	1,396	280	\$31.16	\$1,593
1980	1,272	169	\$31.92	\$1,894
1981	1,864	220	\$35.11	\$2,246
1982	1,775	229	\$38.06	\$2,903
1983	1,204	180	\$32.59	\$2,326
1984	1,505	158	\$34.49	\$2,111
1985	1,716	144	\$32.43	\$2,543
1986	1,751	95	\$29.73	\$2,276
1987	.	96	.	.

Note: All dollar figures are presented in constant 1988 dollars.



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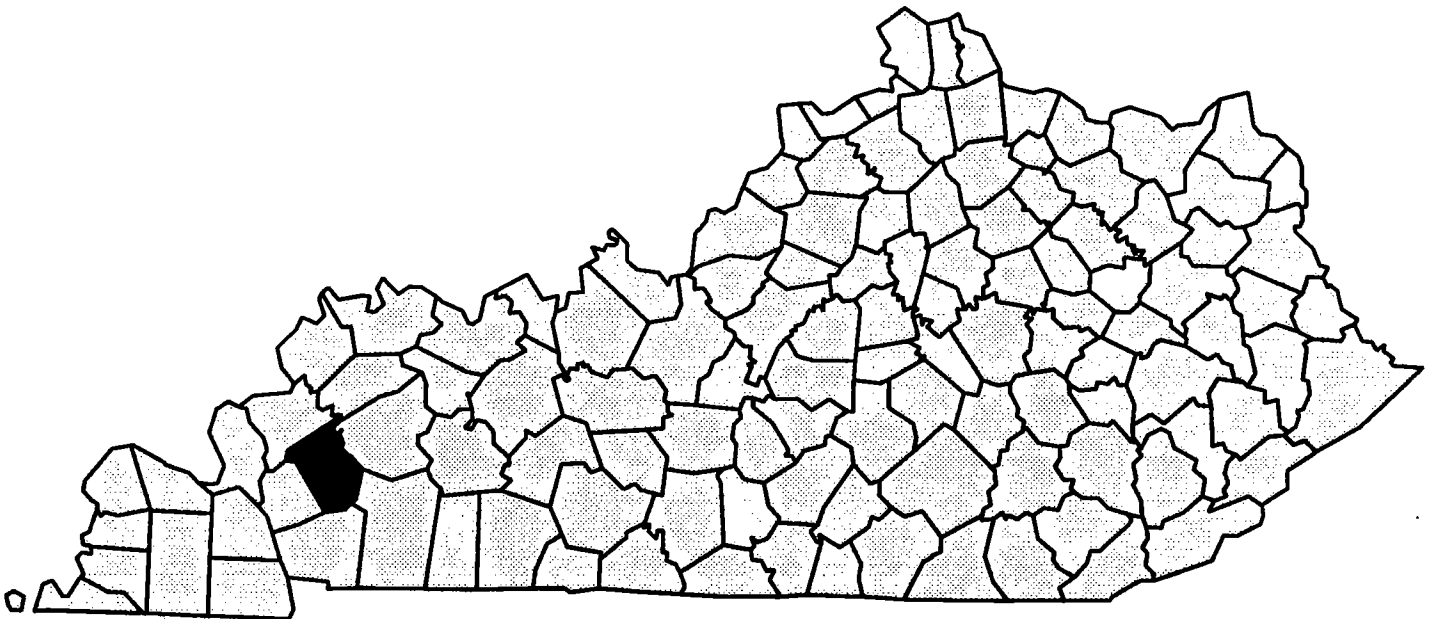
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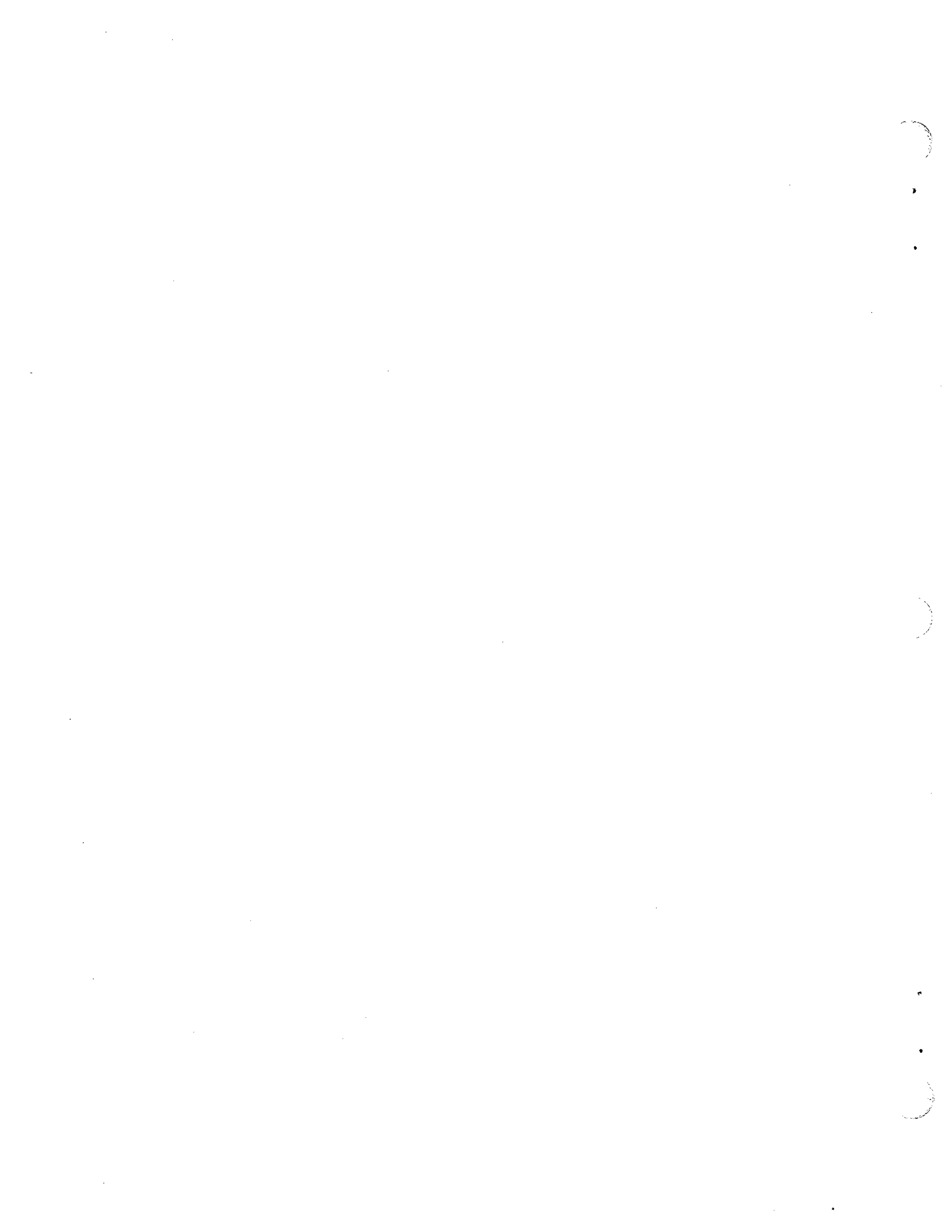
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CALDWELL COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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No. 438
1990

CALDWELL COUNTY

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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

The Caldwell County economy, as measured by personal income, grew moderately from 1969 to 1987. Caldwell County decreased its share of Kentucky personal income, indicating that the county economy did not grow as fast as the state economy. County earnings dropped significantly in 1975 and 1983, periods corresponding to national recessions.

Caldwell County generates a smaller percent of personal income from earnings and a larger percent from transfer payments than does the state as a whole. This is partially explained by the relatively high proportion of elderly residents, who would be expected to receive retirement and medical benefits, which are classified as transfer payments.

The county has historically been heavily dependent on the goods-producing industries of manufacturing and farming. The county's share of earnings and employment in manufacturing declined. The farm sector was very volatile. The non-goods-producing sectors of services trade, and state and local government experienced significant growth at the county level. At the state level, the manufacturing and farming sectors declined, the service and trade sectors increased, while state and local government was relatively stable.

Caldwell County experienced significant declines in the goods-producing sectors and growth in the non-goods-producing sectors. The goods-producing sectors, especially durable goods manufacturing, are very sensitive to national economic cycles. The non-goods-producing sectors tend to be more resilient during periods of economic stagnation. The growth of these sectors has helped to diversify the county economy. This diversification should help to stabilize the county economy and enhance future economic growth.



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INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



ECONOMIC TRENDS IN CALDWELL COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Caldwell County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Also, because coal production has been an important component in the Kentucky economy and in many local economies, the coal sector is analyzed in counties which have a history of coal production.

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Caldwell County economy, as measured by personal income, increased from \$105 million in 1969 to \$151 million in 1987, after adjusting for inflation. Chart 1B shows Caldwell County total personal income as a percent of Kentucky total personal income. Caldwell County decreased its share of Kentucky personal income.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Caldwell County per capita income increased over the time period to a level of \$11,376 in 1987, when it was 91.0 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Earnings declined in 1975 and 1983, periods corresponding to national recessions. Earnings totalled \$89 million in 1987 (in constant 1988 dollars). The percent of personal income from earnings declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 58.8 percent of Caldwell County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$16 million to total personal income in 1969 and \$35 million in 1987. During the same period, transfer payments contributed a higher percentage of personal income in Caldwell County than in Kentucky. In 1969, 23.1 percent of county personal income was from transfer payments, compared to 17.2 percent of state personal income.

Income from property in Caldwell County grew steadily through the time period. Income from property totalled \$11 million in 1969 and increased to \$27 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Caldwell County received 30.8 percent of total earnings from manufacturing. This percentage decreased to 23.6 percent in 1987 (Chart 3A). The mining sector's share of earnings decreased from 4.3 percent in 1969 to 2.7 percent in 1986. Data was not available for 1987. Farming's contribution to total county earnings was very erratic. Overall, the farm sector's share decreased from 9.3 percent in 1969 to 7.9 percent in 1987. The trend toward declining earnings shares in these sectors is consistent with state trends.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector increased from 11.4 percent in 1969 to 18.9 percent in 1987. The percent of earnings from the trade sector increased from 14.2 percent in 1969 to 17.1 percent in 1987. The share of earnings from the state and local government sector increased from 8.2 percent in 1969 to 13.7 percent in 1987. At the state level, the percent of earnings from services increased, while the percents from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Caldwell County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Caldwell County average earnings per job reached \$13,521 in 1987, well below the Kentucky average.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Caldwell County decreased during the data period. In 1969, total employment stood at 6,082 people. By 1987, that figure had decreased to 5,385.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Caldwell County are presented in Chart 4B. Unemployment rates in Caldwell County were above those of the state throughout the period. In 1987, the county unemployment rate was 10.7 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing decreased from 28.7 percent in 1969 to 16.2 percent in 1987. The farm sector's share of employment was relatively stable and accounted for 15.8 percent in 1987. The mining sector's share of employment was also relatively stable and accounted for 1.6 percent in 1986. At the state level, the shares of employment in these sectors declined.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment increased from 1969 to 1987. In 1969, the service sector accounted for 15.1 percent of employment. This share increased to 20.6 percent in 1987. The percent of trade sector employment increased from 16.4 percent in 1969 to 21.4 percent in 1987. State and local government's share of employment increased from 7.2 percent in 1969 to 10.8 percent in 1987. At the state level, service and trade employment increased significantly, while government employment remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Caldwell County.

Caldwell County experienced small changes in population from 1969 to 1987 (Chart 5A). In 1987, Caldwell County had a population of 13,200 people. It was estimated that in 1986, 7.6 percent of Caldwell County's population was under six years of age, compared to 8.6 percent for the state. Caldwell County has a higher proportion of residents age sixty or over than the state. In 1986, 22.5 percent of the Caldwell County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

Coal

The coal sector provides significant income and employment to Kentucky. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. While mining employment and earnings are a small percent of their respective totals for Caldwell County, coal production was a nontrivial sector of the county economy.

Caldwell County coal production patterns are presented in Chart 6A. Coal production is estimated by the Energy Information Administration of the U.S. Department of Energy. Estimates of production are calculated from a sample of coal shipments from each county. Within the period, coal production began to be reported in 1977 and increased to a high of 251 thousand tons in 1980. This production increase was likely stimulated by changes in international energy markets. Specifically, a sharp increase in the price of oil resulted in increased demand for coal by utilities and resulted in increases in the price of coal. However, when oil prices declined, coal production also declined. In 1986, only 57 thousand tons of coal was mined in Caldwell County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. While there was no recorded coal production until 1977, there were 139 people employed in mining in Caldwell County in 1969. Mining employment was erratic during the period. By 1987, this sector provided 84 jobs in Caldwell County. These fluctuations in employment illustrate the volatile nature of coal production and its impact on local economies.

The average value per ton for coal is illustrated in Chart 6C. At the national and state level, average value per ton increased in the 1970's, then declined during the 1980's. This data is not available for coal mined in Caldwell County.

Coal severance tax receipts are presented in Chart 6D. The Kentucky Revenue Cabinet collects severance taxes on processed coal. Receipts are then allocated to counties, based on the value of the coal mined in the county and the value attributed to any processing done in the county.

Coal severance tax collections increased to a high of \$264 thousand in 1981. By 1986, coal severance tax collections allocated to Caldwell County totalled \$62 thousand.

CHART 1A

CALDWELL COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

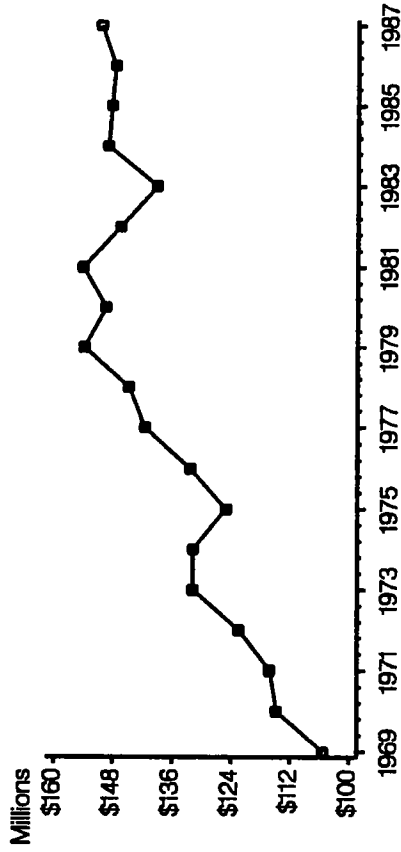


CHART 1B
CALDWELL COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

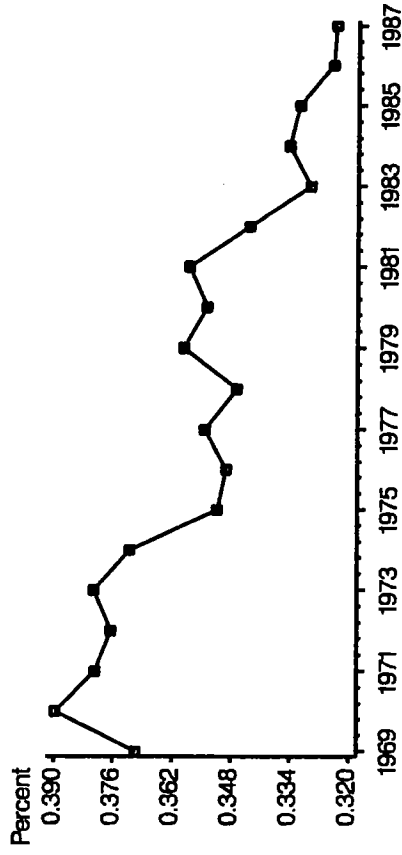


CHART 1C

CALDWELL COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

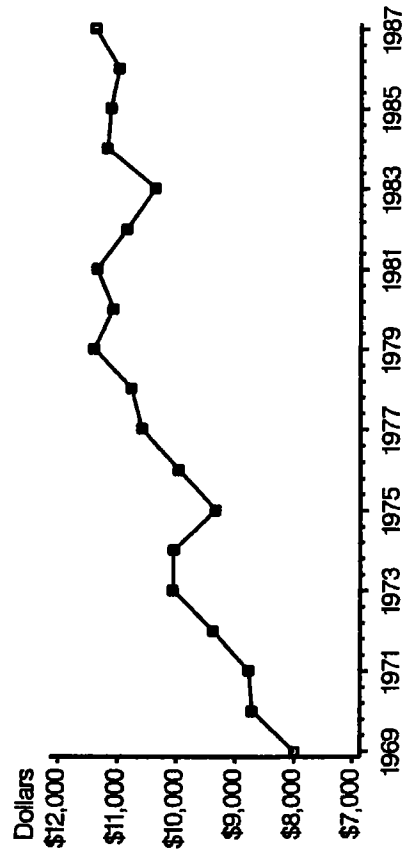


CHART 1D
CALDWELL COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

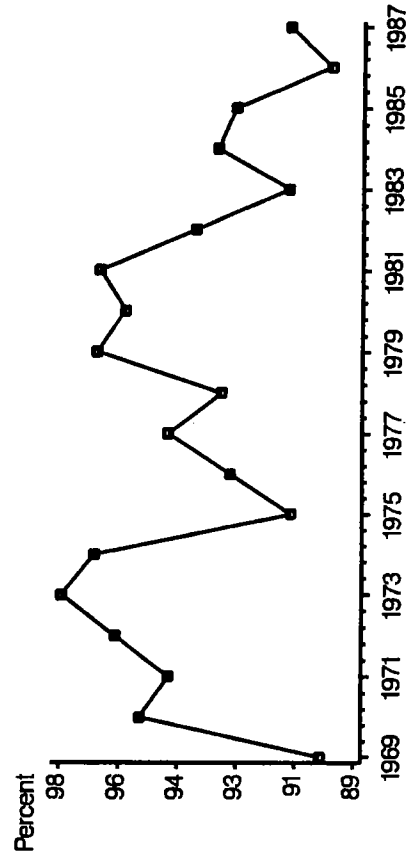


CHART 2A
CALDWELL COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

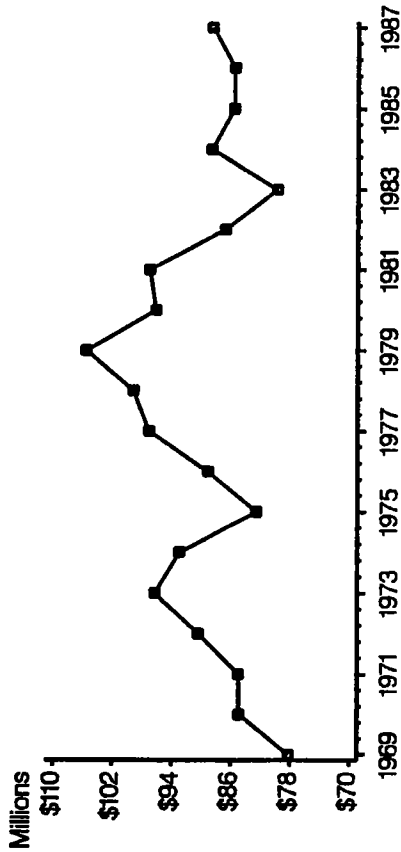


CHART 2B
CALDWELL COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

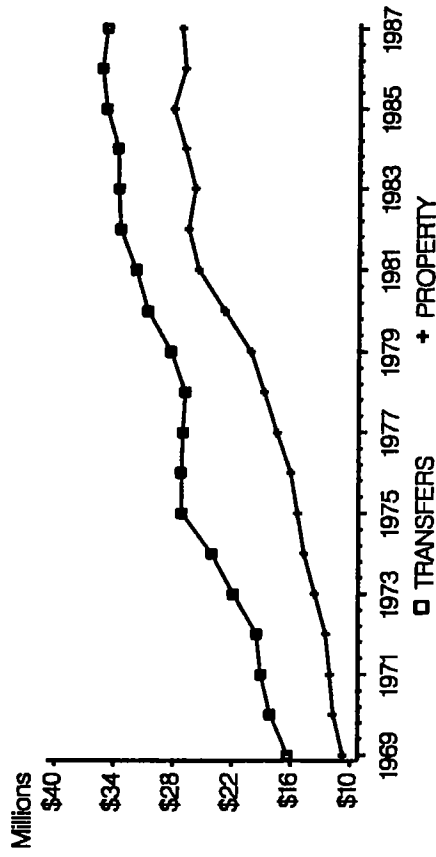


CHART 2C
CALDWELL COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

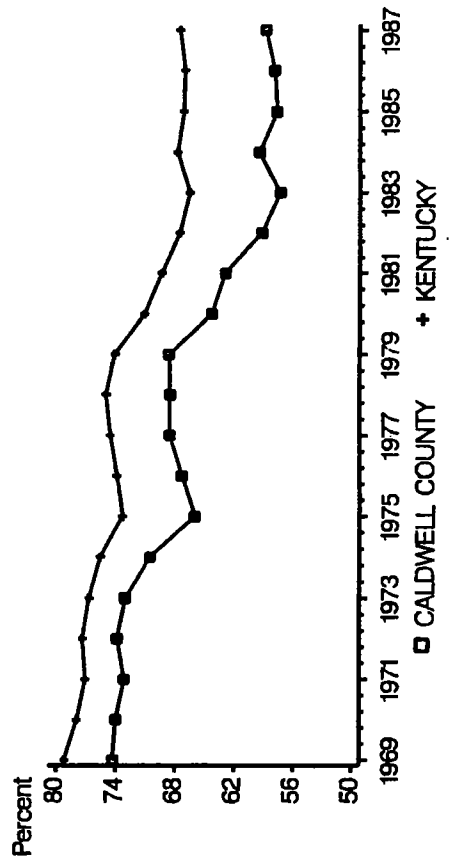


CHART 2D
CALDWELL COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

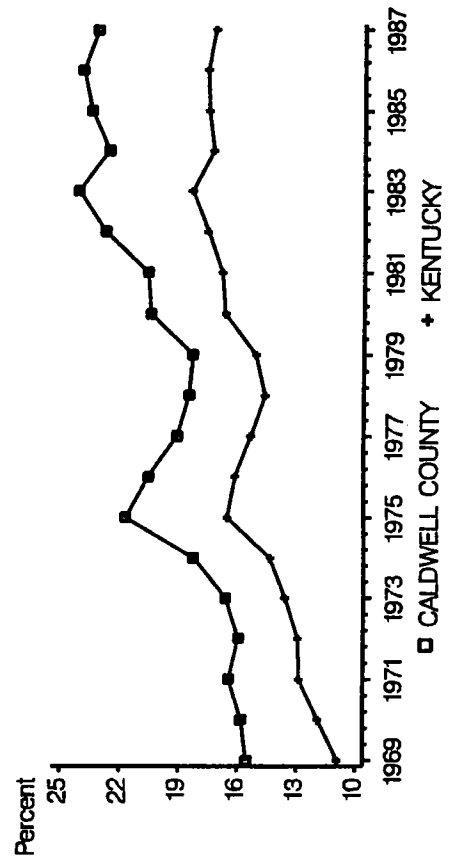


CHART 3A

CALDWELL COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

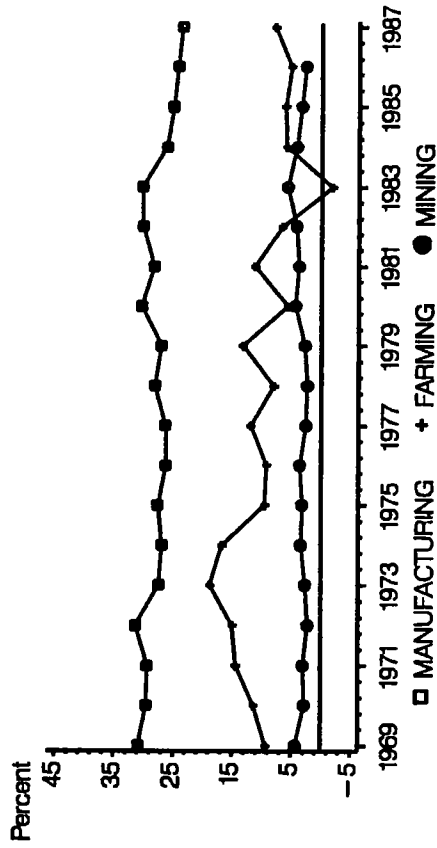


CHART 3B

CALDWELL COUNTY

EARNINGS in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

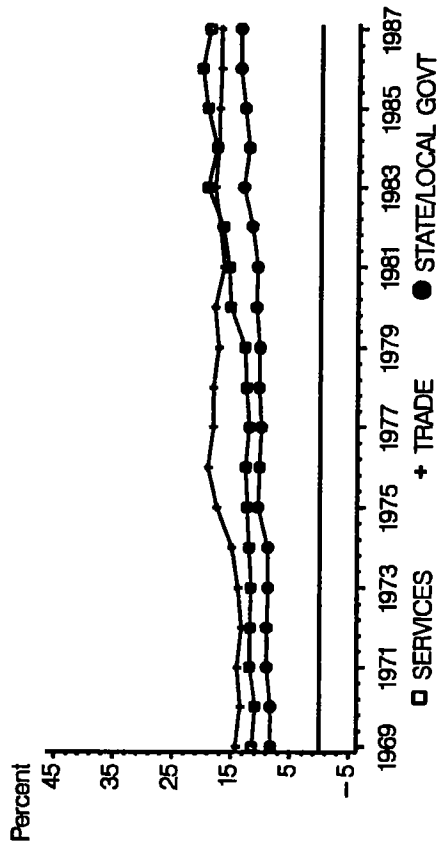


CHART 3C

CALDWELL COUNTY

EARNINGS in GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

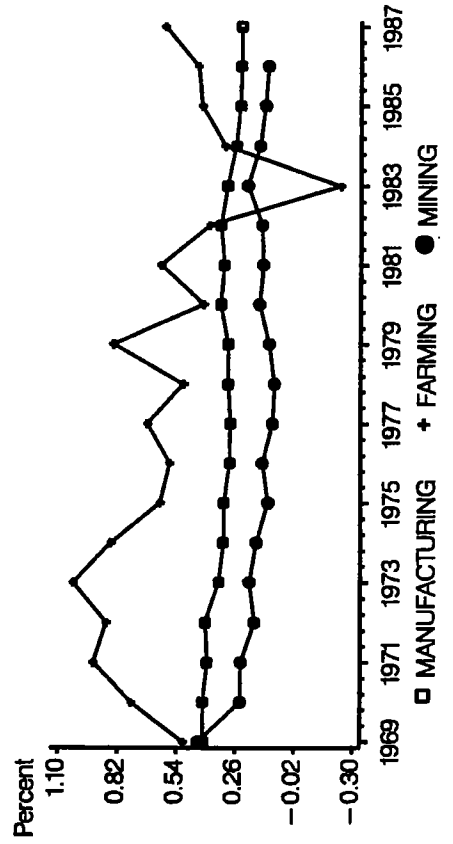


CHART 3D

CALDWELL COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

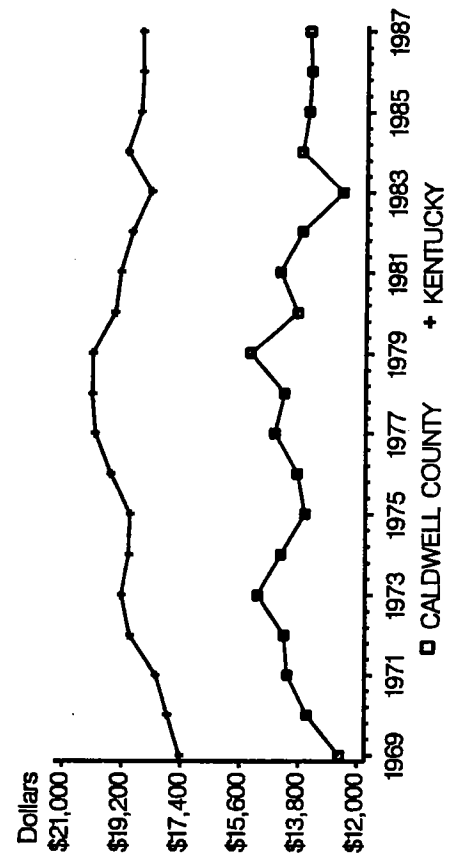


CHART 4A
CALDWELL COUNTY
TOTAL EMPLOYMENT
Thousands of People

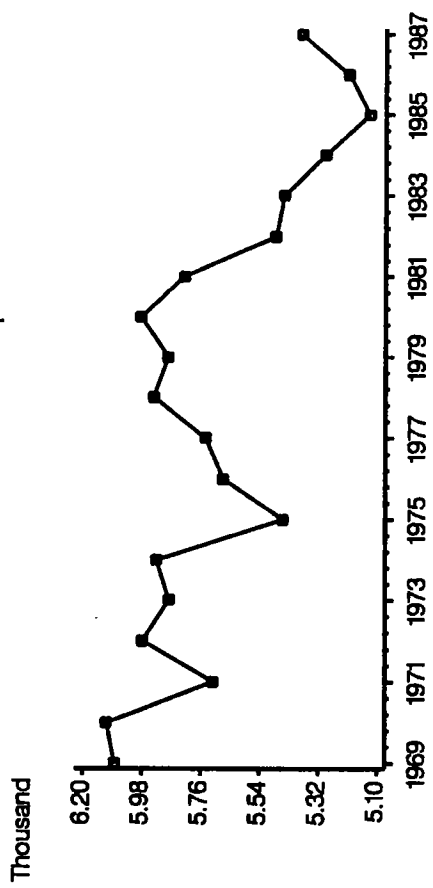


CHART 4B
CALDWELL COUNTY
ANNUAL UNEMPLOYMENT RATE

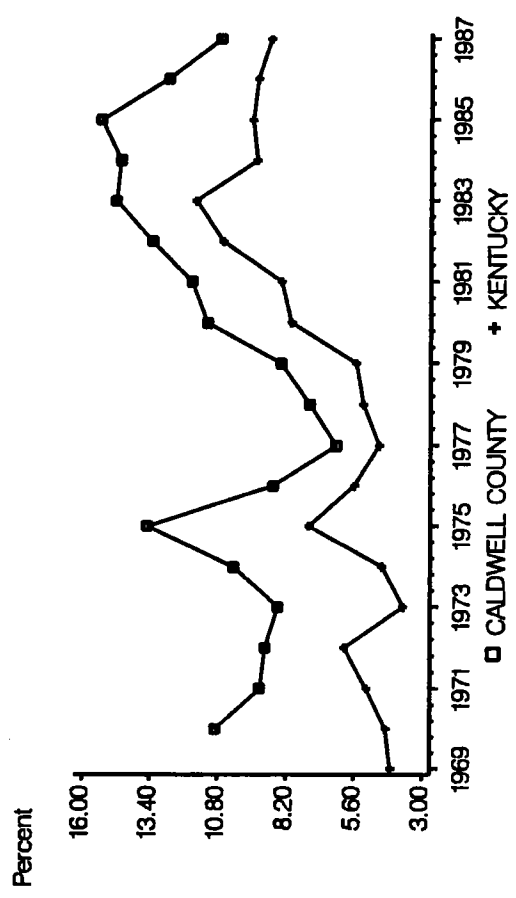


CHART 4C
CALDWELL COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

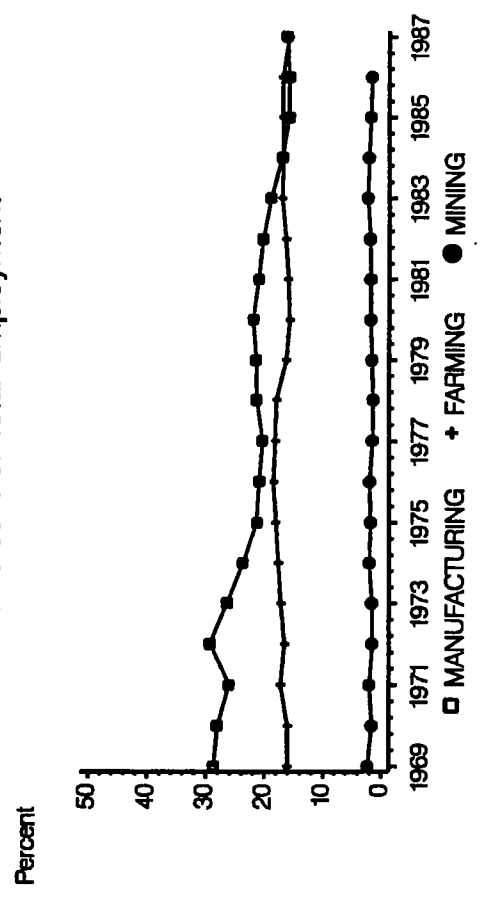


CHART 4D
CALDWELL COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

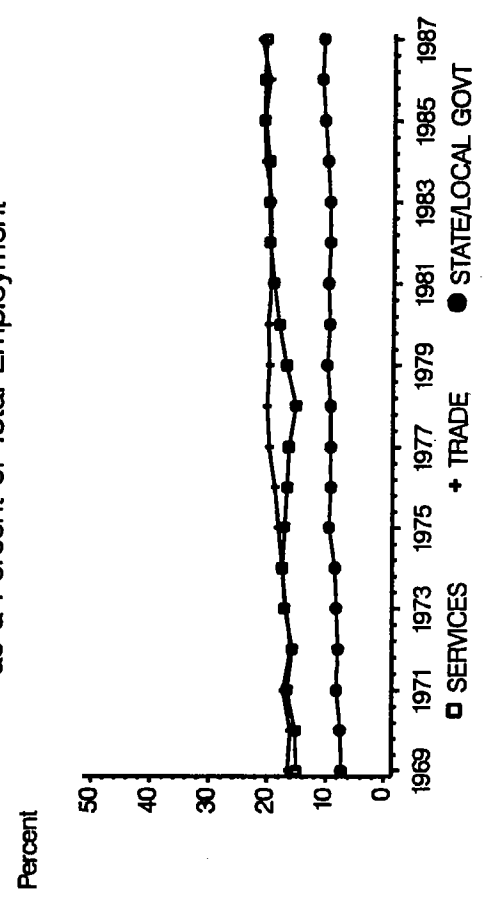


CHART 5A
CALDWELL COUNTY
POPULATION
Thousands of People

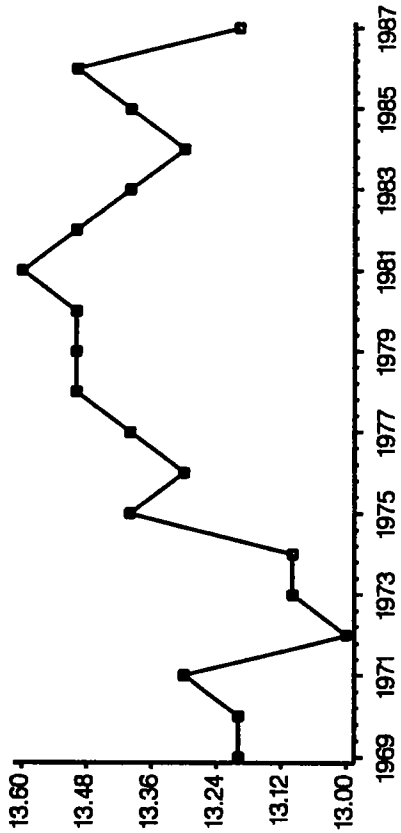


CHART 5B
CALDWELL COUNTY
POPULATION
as a Percent of Kentucky Population

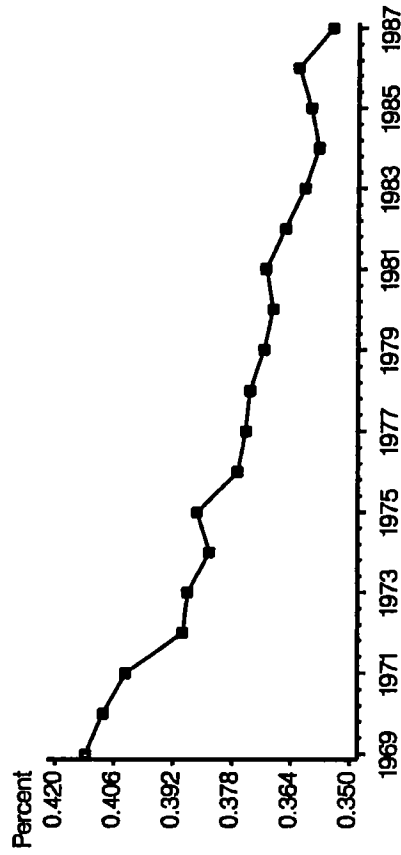


CHART 5C
CALDWELL COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

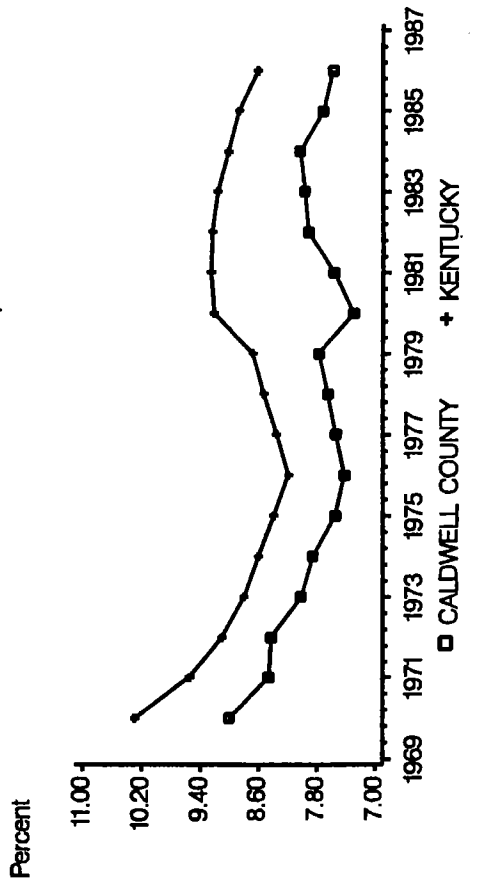


CHART 5D
CALDWELL COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

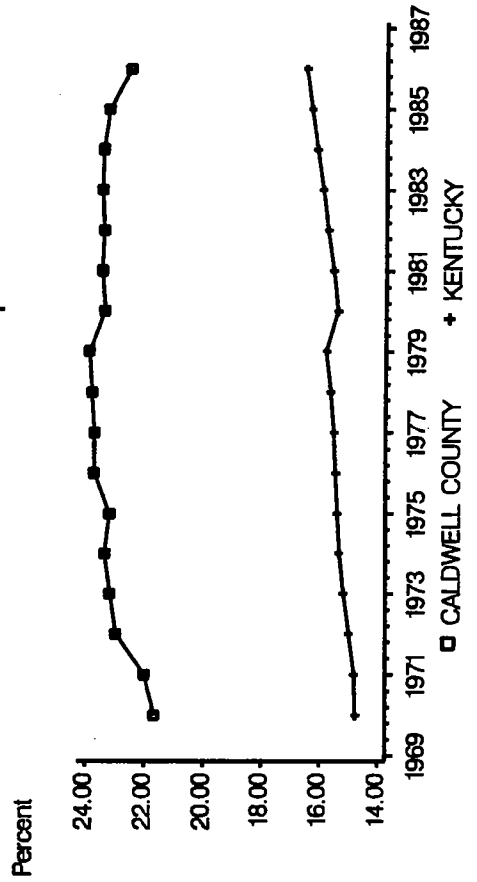


CHART 6A
CALDWELL COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
Thousands of Tons

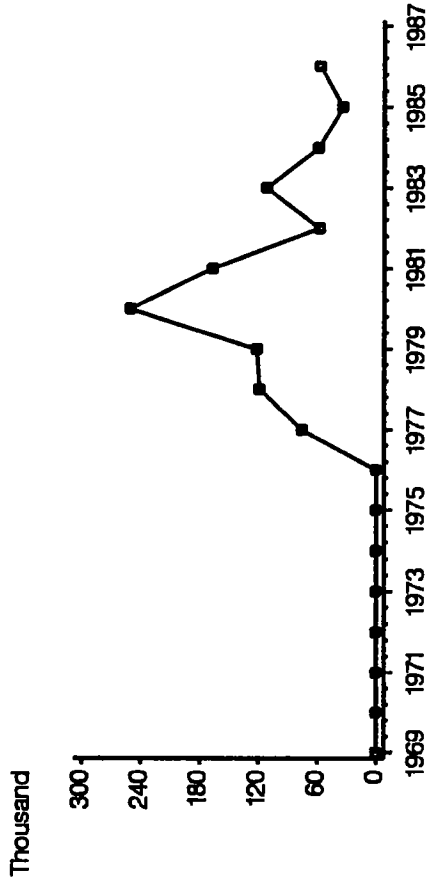


CHART 6B
CALDWELL COUNTY
MINING EMPLOYMENT
Thousands of People

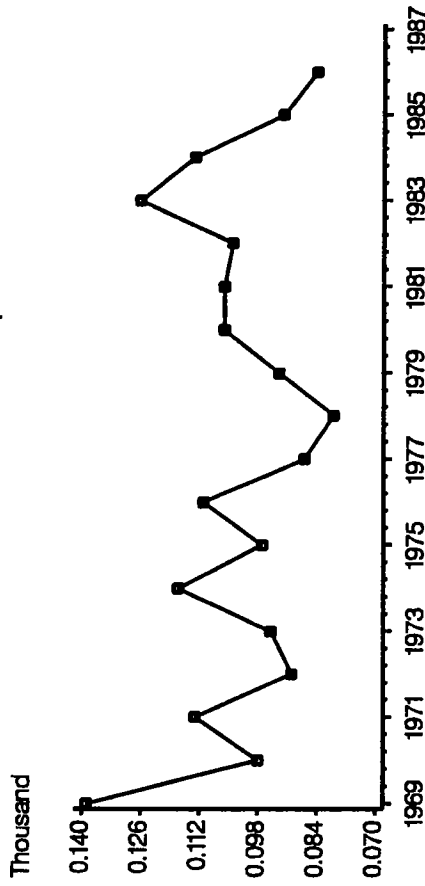


CHART 6C
CALDWELL COUNTY
AVERAGE VALUE PER TON FOR COAL
Constant 1988 Dollars

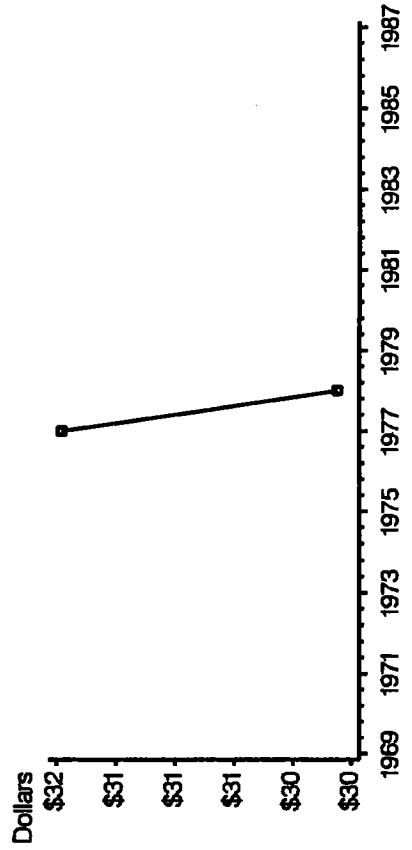
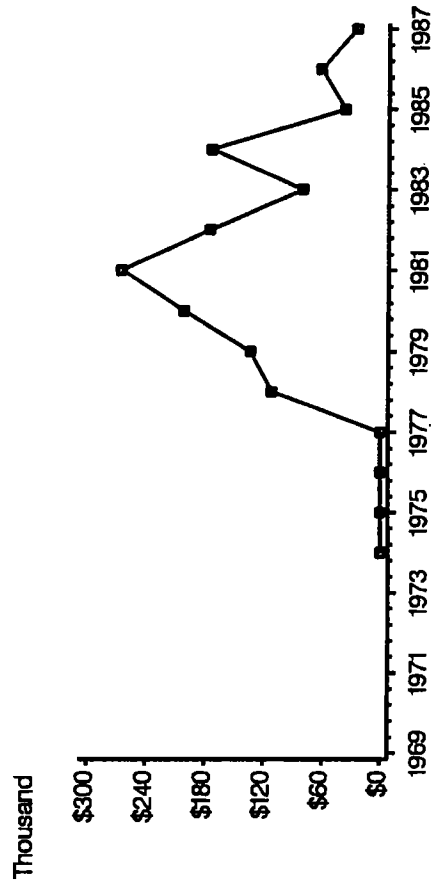


CHART 6D
CALDWELL COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
Thousands of 1988 Dollars



CALDWELL COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	105	0.37	7,998	90.0
1970	115	0.39	8,709	95.5
1971	116	0.38	8,762	94.7
1972	122	0.38	9,384	96.3
1973	132	0.38	10,055	97.9
1974	132	0.37	10,044	96.9
1975	125	0.35	9,335	91.0
1976	132	0.35	9,964	92.8
1977	142	0.35	10,585	94.7
1978	145	0.35	10,767	93.1
1979	154	0.36	11,391	96.9
1980	150	0.35	11,074	96.0
1981	154	0.36	11,346	96.8
1982	147	0.34	10,849	93.9
1983	139	0.33	10,363	91.0
1984	149	0.33	11,177	93.2
1985	149	0.33	11,118	92.7
1986	148	0.32	10,982	89.7
1987	151	0.32	11,376	91.0

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	78	74.3	79.2	16	15.5	10.9	11	10.2	9.9
1970	85	74.0	77.9	18	15.8	11.9	12	10.2	10.2
1971	85	73.2	77.0	19	16.4	12.9	12	10.4	10.1
1972	90	73.8	77.3	20	15.9	12.9	13	10.2	9.7
1973	96	73.0	76.6	22	16.6	13.6	14	10.3	9.7
1974	93	70.5	75.5	24	18.3	14.4	15	11.2	10.1
1975	83	66.0	73.3	27	21.7	16.5	15	12.3	10.1
1976	89	67.3	73.9	27	20.5	16.1	16	12.2	10.0
1977	97	68.6	74.6	27	19.1	15.3	17	12.4	10.1
1978	99	68.5	75.0	27	18.5	14.6	19	13.0	10.4
1979	106	68.6	74.1	28	18.3	15.1	20	13.1	10.8
1980	96	64.3	71.1	31	20.4	16.7	23	15.3	12.2
1981	97	62.9	69.3	32	20.6	16.8	25	16.5	13.8
1982	87	59.2	67.5	33	22.8	17.6	27	18.1	14.9
1983	80	57.3	66.6	34	24.1	18.4	26	18.6	15.1
1984	89	59.4	67.8	34	22.6	17.3	27	18.0	14.9
1985	86	57.7	67.2	35	23.5	17.6	28	18.9	15.3
1986	86	57.9	67.1	35	23.9	17.6	27	18.2	15.3
1987	89	58.8	67.5	35	23.1	17.2	27	18.1	15.3

CALDWELL COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	30.8	0.41	9.3	0.51	4.3	0.44
1970	29.5	0.42	11.4	0.76	2.8	0.24
1971	29.3	0.40	14.4	0.93	3.0	0.23
1972	31.3	0.40	15.0	0.87	2.2	0.17
1973	27.4	0.34	18.8	1.03	2.7	0.19
1974	26.9	0.32	16.7	0.85	3.4	0.16
1975	27.6	0.31	9.5	0.62	3.2	0.11
1976	26.2	0.29	9.2	0.57	3.6	0.13
1977	26.3	0.28	11.9	0.68	2.6	0.09
1978	28.1	0.29	8.0	0.51	2.3	0.08
1979	27.1	0.30	13.3	0.84	2.7	0.10
1980	30.4	0.33	5.7	0.41	4.4	0.15
1981	28.3	0.31	11.3	0.61	3.8	0.13
1982	30.2	0.33	6.6	0.39	4.2	0.13
1983	30.3	0.30	-1.9	-0.24	5.7	0.20
1984	26.2	0.26	5.9	0.31	4.2	0.15
1985	25.1	0.24	6.2	0.42	3.4	0.12
1986	24.3	0.23	5.2	0.44	2.7	0.11
1987	23.6	0.23	7.9	0.60	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	11.4	0.28	14.2	0.30	8.2	0.30
1970	10.9	0.29	13.4	0.29	8.3	0.30
1971	11.8	0.29	13.9	0.29	9.0	0.30
1972	11.8	0.29	13.2	0.28	9.0	0.31
1973	11.6	0.29	13.8	0.28	8.8	0.30
1974	12.0	0.29	14.9	0.29	8.8	0.30
1975	12.3	0.25	17.5	0.29	10.5	0.29
1976	12.6	0.25	19.0	0.32	10.3	0.29
1977	12.0	0.25	18.1	0.32	10.0	0.29
1978	12.5	0.25	18.1	0.30	10.4	0.29
1979	12.8	0.26	17.2	0.30	10.3	0.29
1980	15.2	0.28	17.8	0.30	10.9	0.28
1981	15.5	0.28	16.4	0.29	10.7	0.29
1982	16.5	0.27	17.0	0.28	11.7	0.28
1983	19.2	0.26	17.9	0.26	13.1	0.28
1984	17.7	0.25	17.4	0.26	12.2	0.27
1985	19.3	0.25	17.3	0.25	13.0	0.27
1986	20.2	0.24	17.1	0.24	13.7	0.27
1987	18.9	0.22	17.1	0.25	13.7	0.28

CALDWELL COUNTY
COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,746	28.7	977	16.1	139	2.3
1970	1,715	28.1	980	16.0	98	1.6
1971	1,491	26.1	982	17.2	113	2.0
1972	1,751	29.3	989	16.5	90	1.5
1973	1,555	26.5	1,010	17.2	95	1.6
1974	1,406	23.7	1,043	17.6	117	2.0
1975	1,163	21.3	983	18.0	97	1.8
1976	1,185	20.9	1,044	18.4	111	2.0
1977	1,168	20.3	1,040	18.1	87	1.5
1978	1,267	21.3	1,063	17.9	80	1.3
1979	1,264	21.5	959	16.3	93	1.6
1980	1,311	21.9	941	15.7	106	1.8
1981	1,223	21.0	931	16.0	106	1.8
1982	1,109	20.2	896	16.3	104	1.9
1983	1,028	18.9	927	17.0	126	2.3
1984	897	16.9	887	16.7	113	2.1
1985	812	15.8	864	16.8	92	1.8
1986	823	15.8	881	16.9	84	1.6
1987	871	16.2	851	15.8	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	916	15.1	1,000	16.4	437	7.2
1970	929	15.2	979	16.0	453	7.4
1971	950	16.6	986	17.3	461	8.1
1972	942	15.8	960	16.1	469	7.8
1973	1,007	17.1	993	16.9	484	8.2
1974	1,039	17.5	1,042	17.6	502	8.5
1975	938	17.2	996	18.3	520	9.5
1976	951	16.7	1,069	18.8	524	9.2
1977	947	16.5	1,141	19.9	533	9.3
1978	910	15.3	1,200	20.2	555	9.3
1979	998	17.0	1,169	19.9	587	10.0
1980	1,090	18.2	1,200	20.0	570	9.5
1981	1,117	19.2	1,144	19.6	572	9.8
1982	1,091	19.9	1,082	19.7	525	9.6
1983	1,094	20.1	1,071	19.6	524	9.6
1984	1,061	20.0	1,097	20.7	531	10.0
1985	1,070	20.9	1,073	20.9	542	10.6
1986	1,088	20.9	1,040	20.0	577	11.1
1987	1,107	20.6	1,153	21.4	581	10.8

CALDWELL COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	6,082	\$12,556	\$17,440	.	4.2
1970	6,112	\$13,535	\$17,811	10.9	4.4
1971	5,714	\$14,141	\$18,166	9.2	5.1
1972	5,978	\$14,252	\$18,970	9.0	6.0
1973	5,879	\$15,071	\$19,232	8.5	3.7
1974	5,927	\$14,365	\$19,008	10.2	4.5
1975	5,455	\$13,605	\$18,976	13.5	7.3
1976	5,678	\$13,862	\$19,563	8.7	5.6
1977	5,745	\$14,572	\$20,031	6.3	4.7
1978	5,938	\$14,262	\$20,121	7.3	5.3
1979	5,885	\$15,303	\$20,110	8.4	5.5
1980	5,987	\$13,870	\$19,439	11.2	8.0
1981	5,824	\$14,425	\$19,286	11.8	8.4
1982	5,482	\$13,725	\$18,931	13.3	10.6
1983	5,451	\$12,510	\$18,358	14.7	11.6
1984	5,297	\$13,745	\$19,080	14.5	9.3
1985	5,131	\$13,547	\$18,676	15.3	9.5
1986	5,209	\$13,475	\$18,627	12.7	9.3
1987	5,385	\$13,521	\$18,636	10.7	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	13,200	0.41	.	.	.	.
1970	13,200	0.41	9.0	10.3	21.7	14.8
1971	13,300	0.40	8.5	9.6	22.0	14.8
1972	13,000	0.39	8.4	9.1	23.0	15.0
1973	13,100	0.39	8.0	8.8	23.2	15.2
1974	13,100	0.38	7.9	8.6	23.3	15.3
1975	13,400	0.39	7.5	8.4	23.2	15.4
1976	13,300	0.38	7.4	8.2	23.7	15.5
1977	13,400	0.37	7.5	8.4	23.7	15.5
1978	13,500	0.37	7.6	8.5	23.8	15.6
1979	13,500	0.37	7.8	8.7	23.9	15.8
1980	13,500	0.37	7.3	9.2	23.4	15.4
1981	13,600	0.37	7.6	9.3	23.4	15.5
1982	13,500	0.37	7.9	9.2	23.4	15.7
1983	13,400	0.36	8.0	9.2	23.4	15.9
1984	13,300	0.36	8.0	9.0	23.4	16.1
1985	13,400	0.36	7.7	8.9	23.2	16.3
1986	13,500	0.36	7.6	8.6	22.5	16.5
1987	13,200	0.35	.	.	.	.

CALDWELL COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	0	139	.	.
1970	0	98	.	.
1971	0	113	.	.
1972	0	90	.	.
1973	0	95	.	.
1974	0	117	.	\$0
1975	0	97	.	\$0
1976	0	111	.	\$0
1977	76	87	\$31.86	\$0
1978	119	80	\$29.99	\$111
1979	122	93	.	\$133
1980	251	106	.	\$201
1981	167	106	.	\$264
1982	58	104	.	\$175
1983	112	126	.	\$80
1984	59	113	.	\$174
1985	34	92	.	\$36
1986	57	84	.	\$62
1987

Note: All dollar figures are presented in constant 1988 dollars.



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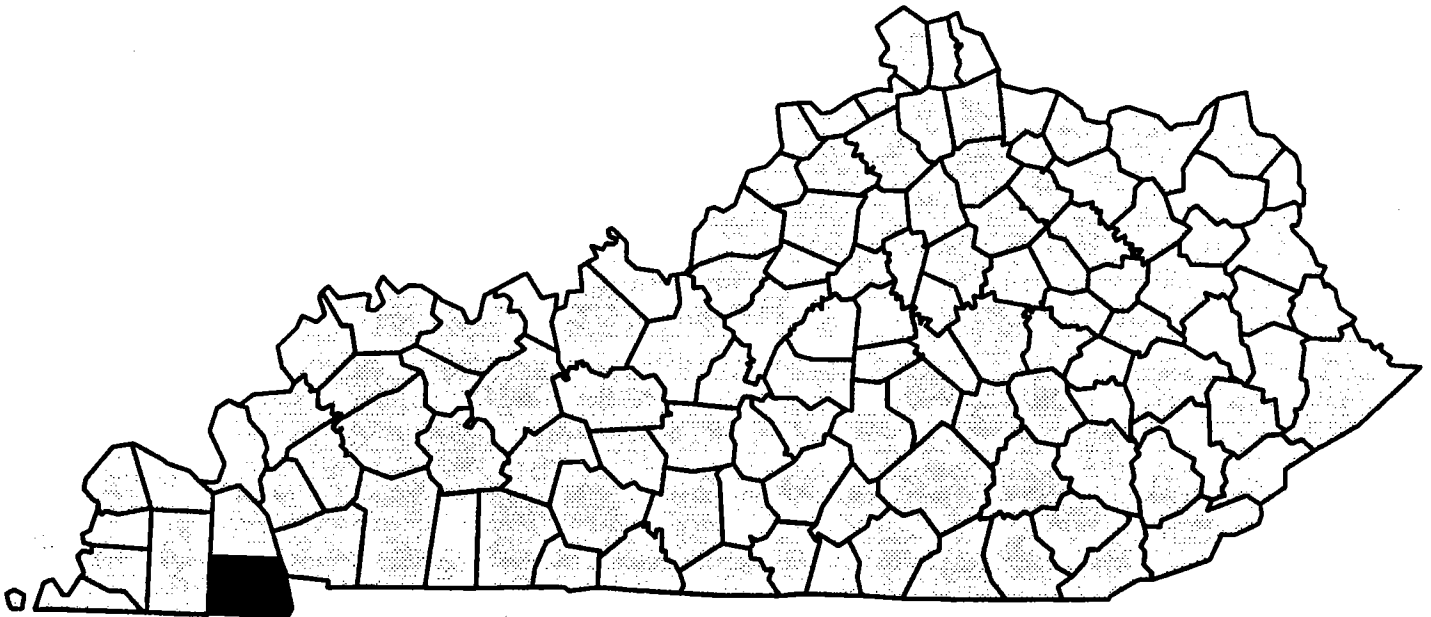


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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CALLOWAY COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

The Calloway County economy experienced significant real growth from 1969 to 1987. This was evidenced by an increase in real personal income and an increased share of the Kentucky economy.

One factor contributing to the healthy economy was a high concentration of economic activity in the non-goods-producing industries. While the services sector maintained a constant share of total employment, earnings from this sector increased substantially. The trade and state and local government sectors exchanged positions during the period as the primary source of employment.

The goods-producing industries in Calloway County were volatile. The manufacturing sector experienced two periods of decline from 1969 to 1987, both coinciding with the national recessions in 1975 and 1982. Farm sector employment declined steadily, and farm earnings were negative in 1982. This also corresponded to a national recession in the farm sector.

Calloway County has a well-diversified economy. This, combined with the orientation toward non-goods-producing industries, puts the county in a healthy position for future economic growth.

INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN CALLOWAY COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Calloway County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Calloway County economy, as measured by personal income, increased from \$202 million in 1969 to \$366 million in 1987, after adjusting for inflation. Chart 1B shows Calloway County total personal income as a percent of Kentucky total personal income. Calloway County has increased its share of Kentucky personal income, indicating that the county economy was growing faster than the state economy.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Calloway County per capita income increased over the time period, to a level of \$12,098 per person in 1987, which was 96.8 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings were volatile over the period and declined substantially in 1975 and 1983, due to recessionary cycles. Overall,

earnings increased from \$154 million in 1969 to \$229 million in 1987 (in constant 1988 dollars). While earnings have increased, their share of personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 62.4 percent of Calloway County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$25 million to total personal income in 1969 and \$72 million in 1987. Throughout the period, transfer payments contributed a larger percentage of personal income in Calloway County than in Kentucky.

Income from property in Calloway County grew rapidly in the late 1970's but stabilized in the 1980's. Income from property totalled \$22 million in 1969 and increased to \$66 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Calloway County received 20.5 percent of total earnings from manufacturing. Manufacturing's share then declined, reaching a low of 10.5 percent in 1975. After another slip in 1982, manufacturing's share increased to 20.6 percent in 1987 (Chart 3A). At the state level, the percent of earnings from manufacturing declined steadily through this time period.

Farming's contribution to total county earnings was relatively small in most years. In 1983, there was a national recession in the farm sector. This was reflected in Calloway County by negative farm earnings. In 1987, 3.5 percent of earnings was generated by the farm sector.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the trade sector declined from 28.3 percent in 1969 to 20.8 percent in 1987. During the 1970's the trade sector was the primary source of earnings. The percent of earnings from both the services and government sectors increased. The state and local government sector was the primary source of earnings in the 1980's and accounted for 23.9 percent in 1987. At the state level, the percent of earnings from services increased, while the percent of earnings from trade and state and local government was stable.

Average earnings per job (adjusted for inflation) for Calloway County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. While trends in Calloway County average earnings per job have paralleled state trends, average earnings have been less than those of the state. County average earnings were \$16,413 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Calloway County increased during the data period. In 1969, total employment stood at 9,562 people. By 1987, that figure had increased to 13,986.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Calloway County are presented in Chart 4B. Unemployment rates in Calloway County have been below those of the state since 1982. In 1987, the county unemployment rate was 4.9 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The manufacturing sector has been a volatile source of employment in Calloway County. The percent of total employment in manufacturing decreased from 14.2 percent in 1969 to 8.6 percent in 1976. By 1987, however, 16.8 percent of employment was in manufacturing. State employment in manufacturing declined through this period. County farm employment decreased steadily through the period.

Employment in the non-goods-producing industries is presented in Chart 4D. The trade sector was the primary source of employment in 1987, accounting for 23.4 percent of total employment. The services sector maintained a constant share of employment throughout the period. In 1987, the service sector accounted for 15.5 percent of employment. State and local government was also a major employer in Calloway County. This sector accounted for 20.9 percent of employment in 1987. At the state level, the percent of employment in the services and trade sectors increased substantially, while government sector employment remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important

implications for the future demand for goods and services, and ultimately, the economic structure of Calloway County.

The Calloway County population grew from 26,900 in 1969 to 30,300 in 1987 (Chart 5A). Calloway County had a lower proportion of younger residents and a larger proportion of older resident than the state. There was a substantial revision in the estimate of the population age five years and under. This is illustrated by the extreme drop from 1979 to 1980 in Chart 5C. It was estimated that in 1986, 6.4 percent of Calloway County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 17.9 percent of the Calloway County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
CALLOWAY COUNTY
REAL PERSONAL INCOME
 Millions of 1988 dollars

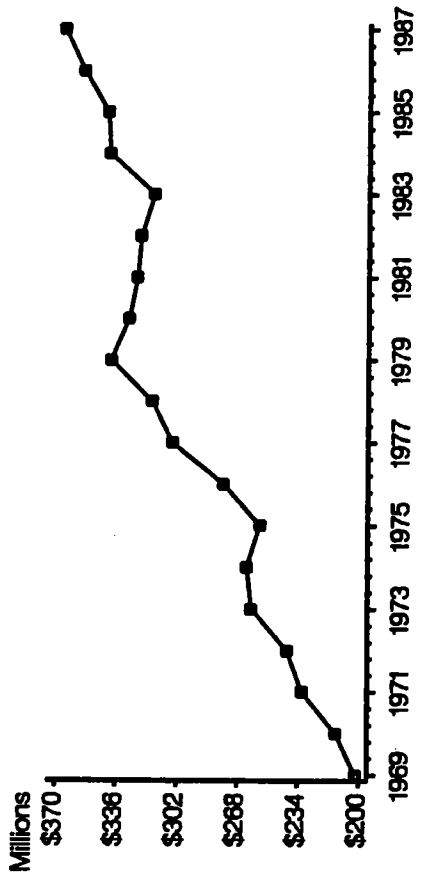


CHART 1B
CALLOWAY COUNTY
PERSONAL INCOME
 as a Percent of Kentucky Personal Income

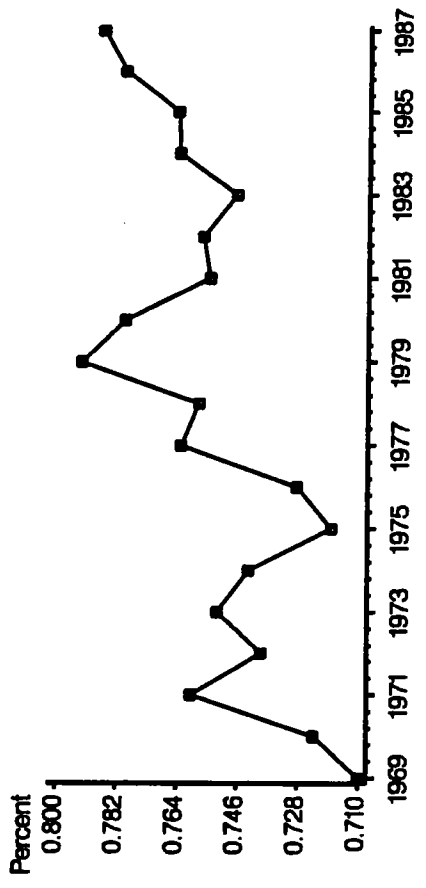


CHART 1C
CALLOWAY COUNTY
PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

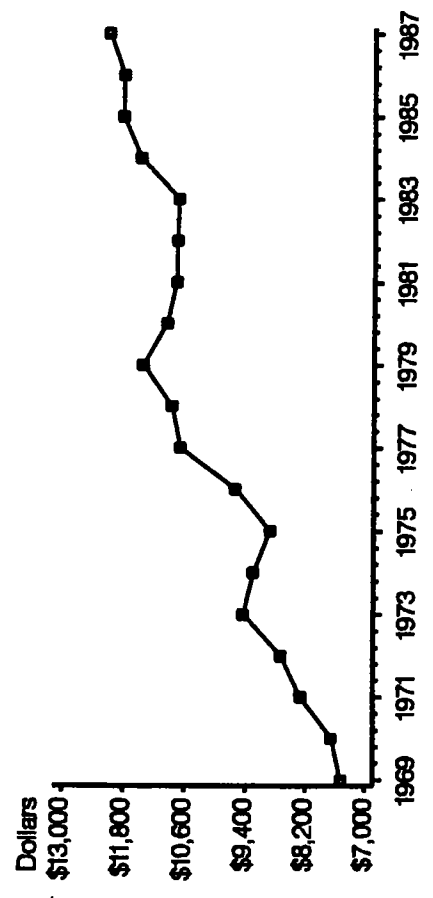


CHART 1D
CALLOWAY COUNTY
PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

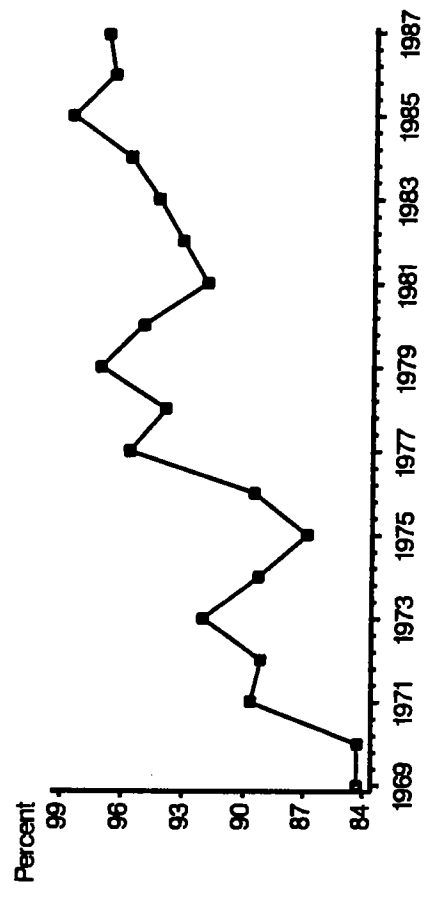


CHART 2A

CALLOWAY COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

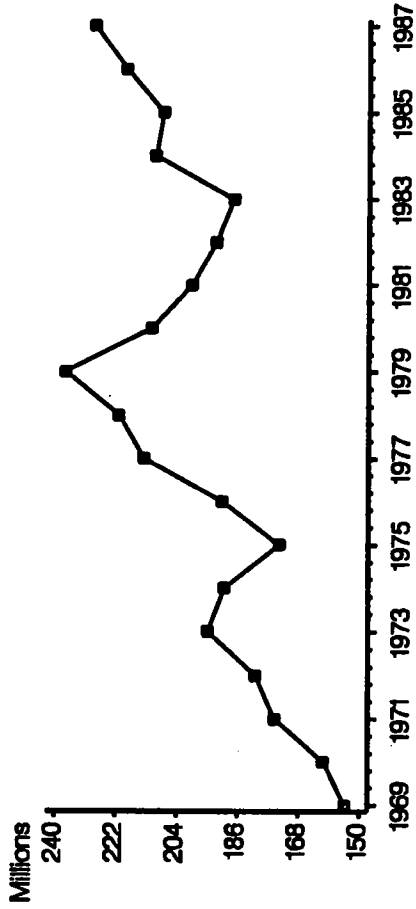


CHART 2B

CALLOWAY COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

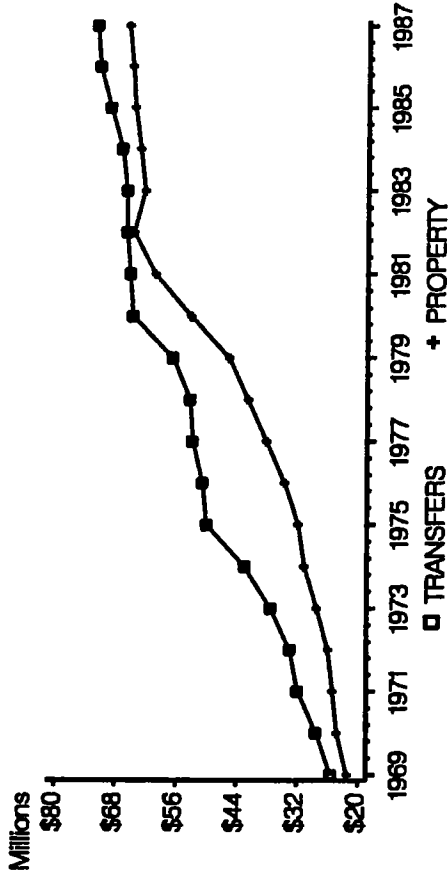


CHART 2C

CALLOWAY COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

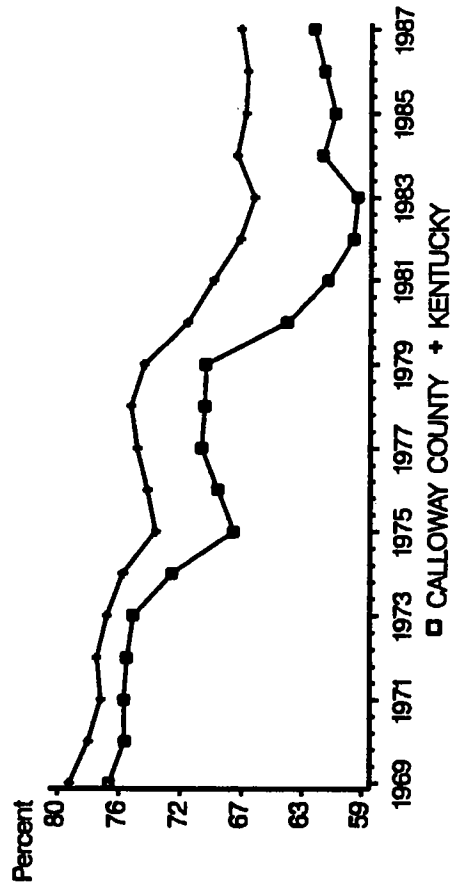


CHART 2D

CALLOWAY COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

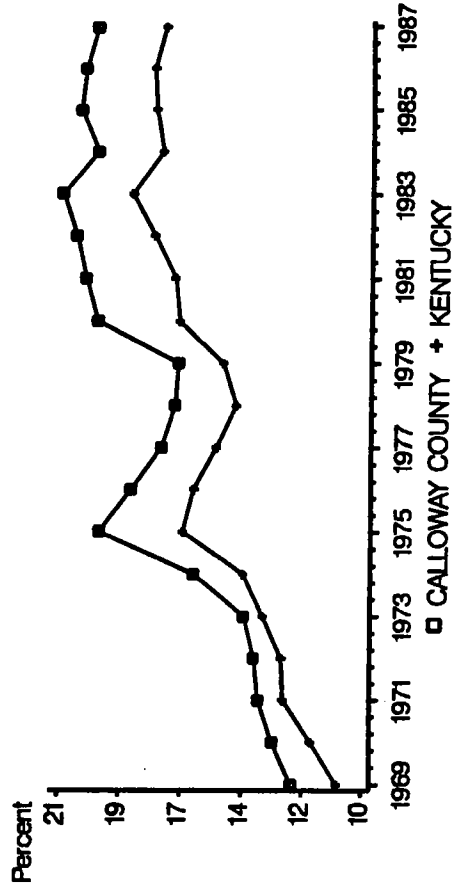


CHART 3A
CALLOWAY COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

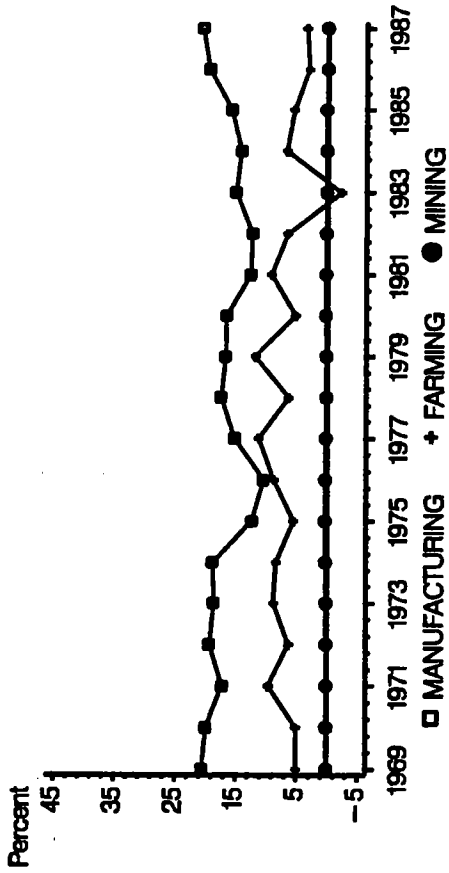


CHART 3B
CALLOWAY COUNTY
EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

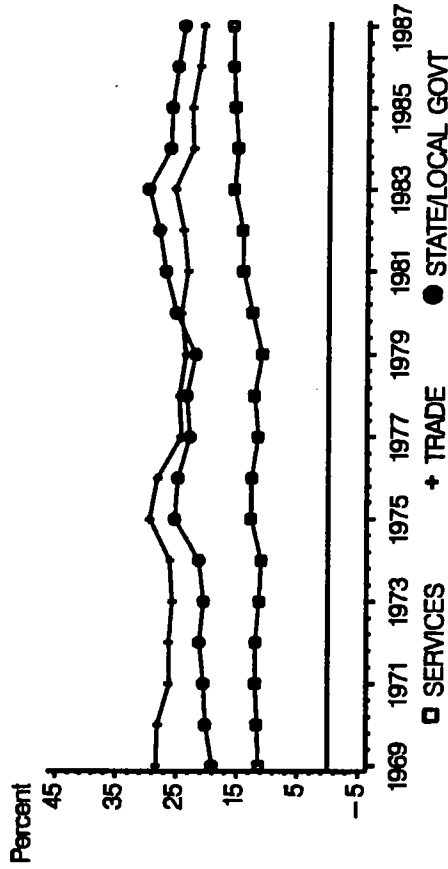


CHART 3C
CALLOWAY COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

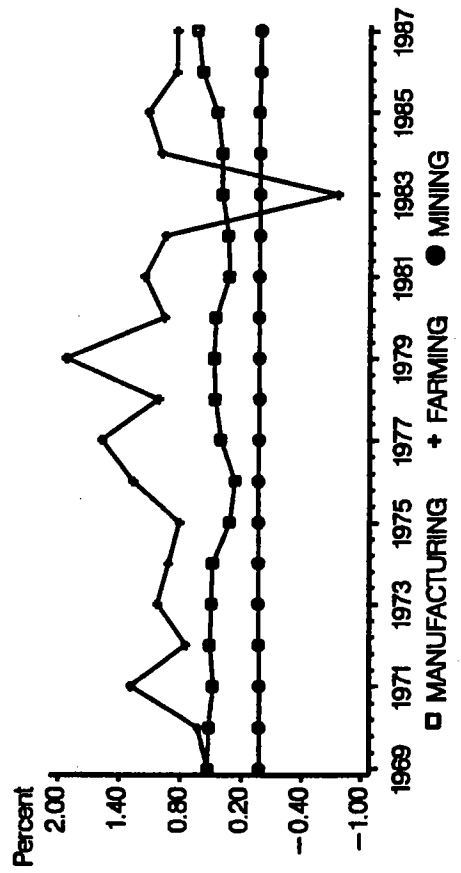


CHART 3D
CALLOWAY COUNTY
AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

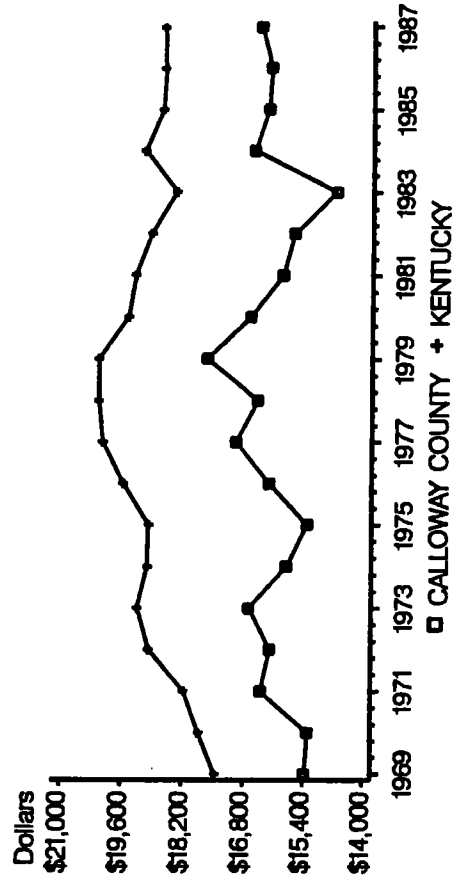


CHART 4A
CALLOWAY COUNTY
TOTAL EMPLOYMENT
 Thousands of People

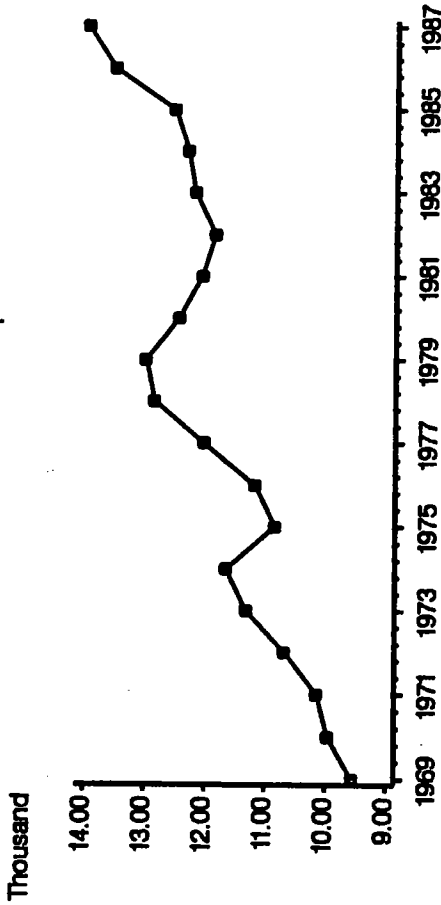


CHART 4B
CALLOWAY COUNTY
ANNUAL UNEMPLOYMENT RATE

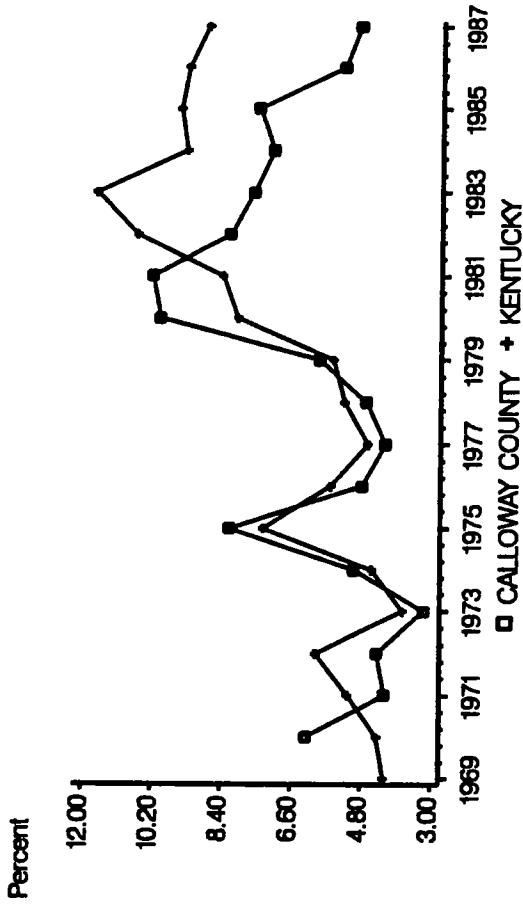


CHART 4C
CALLOWAY COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

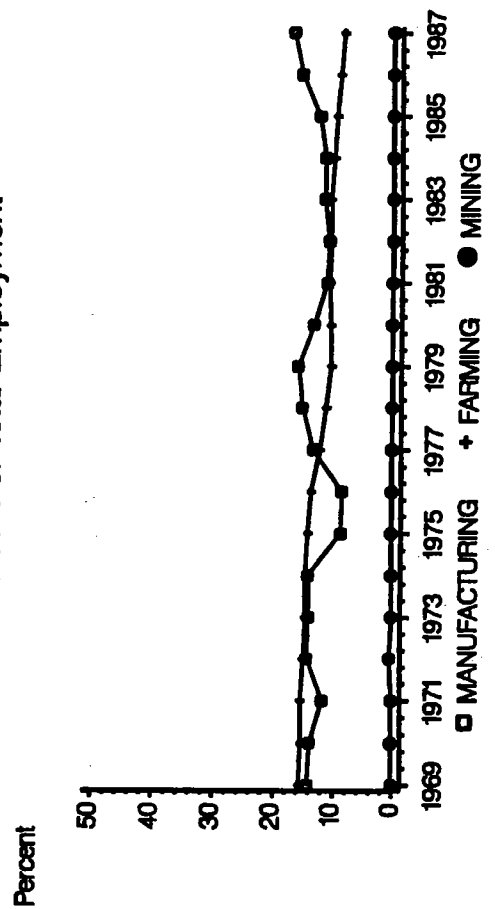


CHART 4D
CALLOWAY COUNTY
EMPLOYMENT in NON - GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

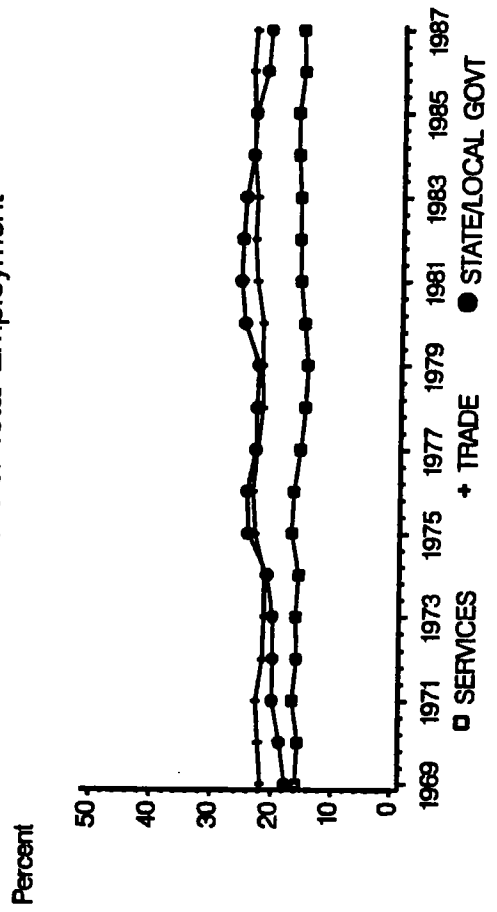


CHART 5A
 CALLOWAY COUNTY
 POPULATION
 Thousands of People

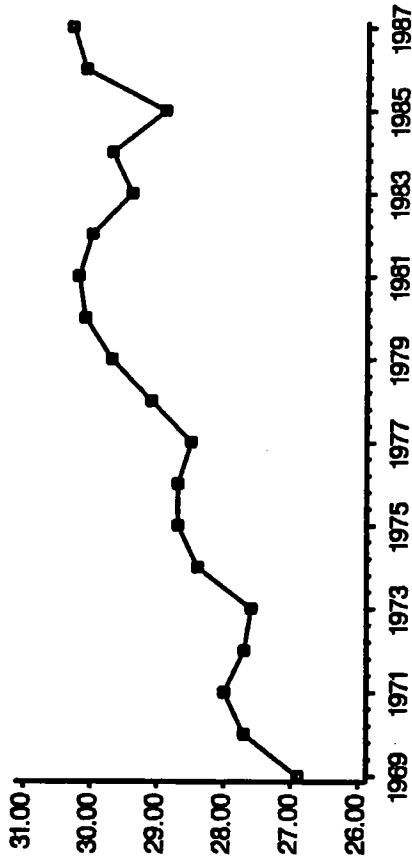


CHART 5B
 CALLOWAY COUNTY
 POPULATION
 as a Percent of Kentucky Population

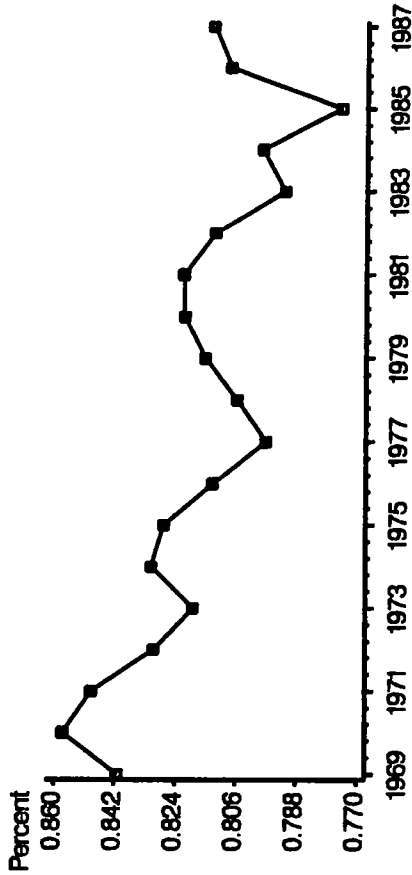


CHART 5C
 CALLOWAY COUNTY
 POPULATION 5 AND UNDER
 as a Percent of Total Population

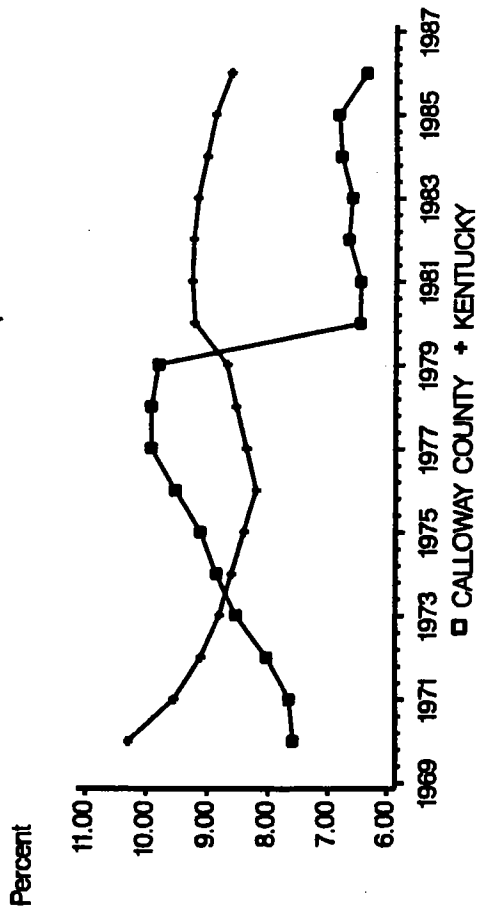
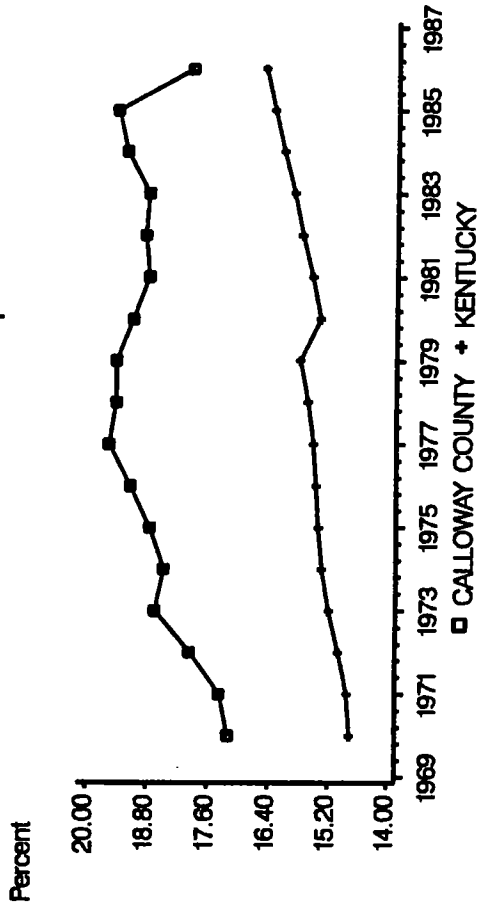


CHART 5D
 CALLOWAY COUNTY
 POPULATION 60 AND OVER
 as a Percent of Total Population



CALLOWAY COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	202	0.71	7,491	84.3
1970	213	0.72	7,682	84.3
1971	232	0.76	8,296	89.6
1972	240	0.74	8,686	89.1
1973	260	0.75	9,448	92.0
1974	263	0.74	9,249	89.3
1975	256	0.72	8,913	86.8
1976	276	0.73	9,610	89.5
1977	305	0.76	10,692	95.7
1978	317	0.76	10,862	93.9
1979	340	0.79	11,418	97.1
1980	330	0.78	10,956	95.0
1981	325	0.75	10,771	91.9
1982	323	0.76	10,758	93.1
1983	316	0.75	10,736	94.3
1984	341	0.76	11,472	95.7
1985	342	0.76	11,822	98.5
1986	356	0.78	11,807	96.5
1987	366	0.79	12,098	96.8

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	154	76.5	79.2	25	12.6	10.9	22	11.0	9.9
1970	161	75.4	77.9	28	13.3	11.9	24	11.3	10.2
1971	175	75.4	77.0	32	13.8	12.9	25	10.8	10.1
1972	181	75.3	77.3	34	13.9	12.9	26	10.8	9.7
1973	195	74.8	76.6	37	14.3	13.6	28	10.9	9.7
1974	190	72.2	75.5	42	16.1	14.4	31	11.7	10.1
1975	174	68.0	73.3	50	19.5	16.5	32	12.5	10.1
1976	191	69.1	73.9	51	18.4	16.1	35	12.5	10.0
1977	214	70.1	74.6	53	17.3	15.3	38	12.5	10.1
1978	221	69.9	75.0	53	16.8	14.6	42	13.2	10.4
1979	237	69.9	74.1	57	16.7	15.1	46	13.4	10.8
1980	212	64.3	71.1	65	19.6	16.7	53	16.1	12.2
1981	200	61.4	69.3	65	20.0	16.8	60	18.5	13.8
1982	193	59.7	67.5	66	20.4	17.6	64	20.0	14.9
1983	187	59.4	66.6	66	20.9	18.4	62	19.7	15.1
1984	211	61.8	67.8	67	19.6	17.3	63	18.6	14.9
1985	208	60.9	67.2	69	20.2	17.6	64	18.8	15.3
1986	219	61.7	67.1	71	20.1	17.6	65	18.2	15.3
1987	229	62.4	67.5	72	19.6	17.2	66	17.9	15.3

CALLOWAY COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	20.5	0.53	5.1	0.53	0.1	0.02
1970	19.9	0.52	5.1	0.63	0.1	0.02
1971	17.2	0.48	9.7	1.29	0.1	0.02
1972	19.3	0.51	6.3	0.75	0.2	0.03
1973	18.6	0.49	8.8	1.03	0.2	0.03
1974	18.8	0.48	8.4	0.92	0.3	0.03
1975	12.4	0.32	5.6	0.81	0.4	0.03
1976	10.5	0.26	8.8	1.27	0.3	0.03
1977	15.3	0.40	11.3	1.57	0.3	0.02
1978	17.5	0.46	6.4	1.02	0.2	0.02
1979	16.8	0.47	11.9	1.92	0.2	0.02
1980	16.6	0.45	5.3	0.96	0.3	0.02
1981	12.6	0.32	9.3	1.15	0.3	0.02
1982	12.4	0.34	6.6	0.95	0.2	0.02
1983	15.1	0.39	-2.3	-0.76	0.2	0.02
1984	14.3	0.39	6.7	0.99	0.2	0.02
1985	15.9	0.44	5.6	1.12	0.2	0.02
1986	19.5	0.59	3.2	0.84	0.1	0.01
1987	20.6	0.64	3.5	0.84	0.1	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	11.4	0.55	28.3	1.13	19.1	1.32
1970	11.6	0.57	28.0	1.12	20.1	1.35
1971	11.9	0.61	26.1	1.12	20.5	1.43
1972	11.9	0.60	26.2	1.11	21.1	1.47
1973	11.3	0.59	25.7	1.12	20.4	1.50
1974	11.0	0.57	26.1	1.11	21.2	1.54
1975	12.7	0.58	29.4	1.10	25.3	1.57
1976	12.6	0.58	28.2	1.08	24.8	1.60
1977	11.5	0.58	24.3	1.03	22.9	1.60
1978	12.1	0.60	24.6	1.01	23.3	1.61
1979	10.9	0.56	23.5	1.03	21.9	1.57
1980	12.5	0.57	24.3	1.03	25.1	1.64
1981	14.1	0.59	23.2	0.95	26.8	1.65
1982	14.2	0.56	24.0	0.96	27.9	1.65
1983	15.7	0.57	25.4	0.97	29.7	1.66
1984	15.0	0.59	22.4	0.95	26.1	1.62
1985	15.5	0.58	22.6	0.94	25.9	1.57
1986	15.9	0.58	21.3	0.95	25.0	1.56
1987	16.0	0.58	20.8	0.95	23.9	1.52

CALLOWAY COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,357	14.2	1,493	15.6	12	0.1
1970	1,376	13.8	1,526	15.3	22	0.2
1971	1,190	11.7	1,558	15.4	14	0.1
1972	1,530	14.3	1,596	14.9	48	0.4
1973	1,591	14.1	1,655	14.6	19	0.2
1974	1,645	14.1	1,701	14.6	24	0.2
1975	955	8.8	1,534	14.1	29	0.3
1976	966	8.6	1,527	13.7	23	0.2
1977	1,606	13.3	1,472	12.2	22	0.2
1978	1,947	15.1	1,446	11.2	20	0.2
1979	2,061	15.9	1,360	10.5	22	0.2
1980	1,655	13.3	1,312	10.5	23	0.2
1981	1,350	11.2	1,295	10.7	20	0.2
1982	1,287	10.9	1,245	10.5	16	0.1
1983	1,412	11.6	1,291	10.6	14	0.1
1984	1,415	11.5	1,236	10.0	17	0.1
1985	1,554	12.4	1,204	9.6	17	0.1
1986	2,081	15.4	1,225	9.0	13	0.1
1987	2,346	16.8	1,185	8.5	11	0.1

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,513	15.8	2,082	21.8	1,687	17.6
1970	1,541	15.5	2,206	22.1	1,849	18.6
1971	1,667	16.4	2,293	22.6	2,017	19.9
1972	1,687	15.8	2,306	21.6	2,116	19.8
1973	1,800	15.9	2,410	21.3	2,251	19.9
1974	1,810	15.5	2,490	21.4	2,434	20.9
1975	1,819	16.8	2,484	22.9	2,609	24.1
1976	1,831	16.4	2,607	23.3	2,710	24.2
1977	1,848	15.4	2,717	22.6	2,754	22.9
1978	1,879	14.6	2,800	21.8	2,923	22.7
1979	1,861	14.3	2,851	21.9	2,926	22.5
1980	1,857	14.9	2,727	21.9	3,090	24.8
1981	1,883	15.6	2,774	23.0	3,084	25.5
1982	1,869	15.8	2,769	23.3	3,007	25.4
1983	1,929	15.8	2,816	23.1	3,036	24.9
1984	1,989	16.1	2,916	23.7	2,921	23.7
1985	2,040	16.3	2,966	23.6	2,934	23.4
1986	2,073	15.3	3,232	23.9	2,920	21.6
1987	2,168	15.5	3,269	23.4	2,923	20.9

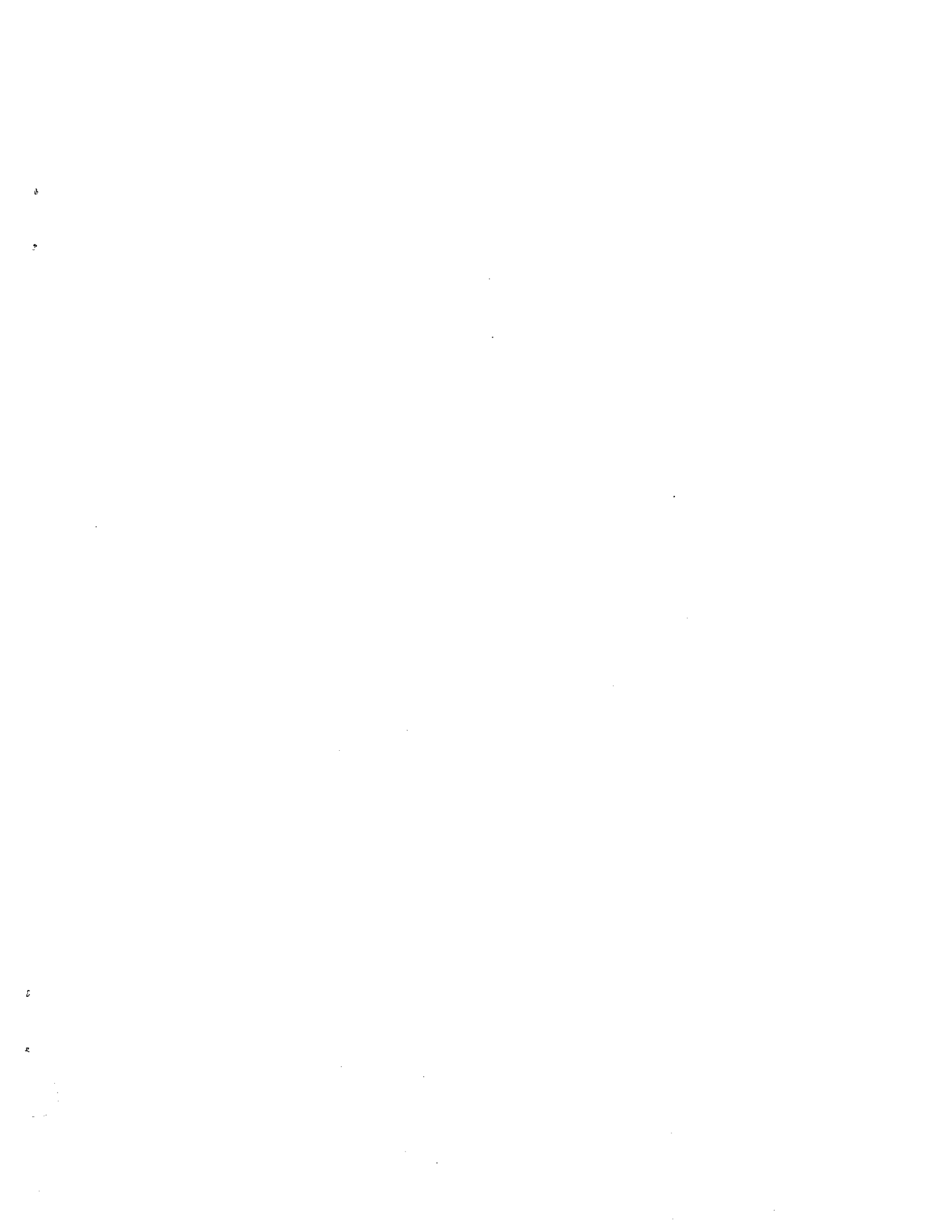
CALLOWAY COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	9,562	\$15,362	\$17,440	.	4.2
1970	9,960	\$15,285	\$17,811	6.2	4.4
1971	10,148	\$16,376	\$18,166	4.2	5.1
1972	10,686	\$16,166	\$18,970	4.4	6.0
1973	11,323	\$16,669	\$19,232	3.2	3.7
1974	11,659	\$15,790	\$19,008	5.0	4.5
1975	10,848	\$15,325	\$18,976	8.2	7.3
1976	11,185	\$16,199	\$19,563	4.8	5.6
1977	12,032	\$16,978	\$20,031	4.2	4.7
1978	12,858	\$16,468	\$20,121	4.7	5.3
1979	13,003	\$17,640	\$20,110	5.9	5.5
1980	12,459	\$16,641	\$19,439	10.0	8.0
1981	12,074	\$15,893	\$19,286	10.2	8.4
1982	11,861	\$15,638	\$18,931	8.2	10.6
1983	12,201	\$14,661	\$18,358	7.6	11.6
1984	12,319	\$16,567	\$19,080	7.1	9.3
1985	12,546	\$16,245	\$18,676	7.5	9.5
1986	13,545	\$16,180	\$18,627	5.3	9.3
1987	13,986	\$16,413	\$18,636	4.9	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	26,900	0.84	.	.	.	.
1970	27,700	0.86	7.6	10.3	17.2	14.8
1971	28,000	0.85	7.6	9.6	17.4	14.8
1972	27,700	0.83	8.0	9.1	18.0	15.0
1973	27,600	0.82	8.5	8.8	18.6	15.2
1974	28,400	0.83	8.9	8.6	18.5	15.3
1975	28,700	0.83	9.1	8.4	18.7	15.4
1976	28,700	0.81	9.5	8.2	19.1	15.5
1977	28,500	0.80	9.9	8.4	19.6	15.5
1978	29,100	0.81	9.9	8.5	19.4	15.6
1979	29,700	0.82	9.8	8.7	19.4	15.8
1980	30,100	0.82	6.5	9.2	19.1	15.4
1981	30,200	0.82	6.5	9.3	18.8	15.5
1982	30,000	0.81	6.7	9.2	18.9	15.7
1983	29,400	0.79	6.6	9.2	18.8	15.9
1984	29,700	0.80	6.8	9.0	19.2	16.1
1985	28,900	0.78	6.8	8.9	19.4	16.3
1986	30,100	0.81	6.4	8.6	17.9	16.5
1987	30,300	0.81





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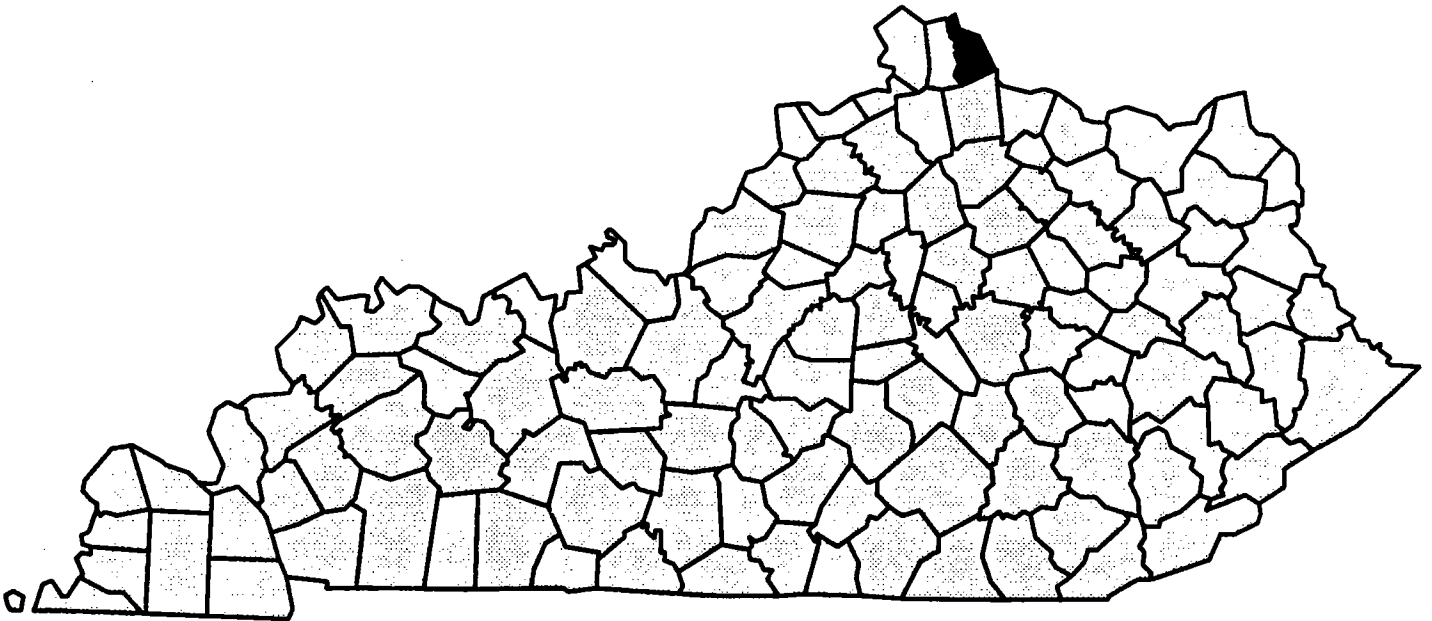


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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CAMPBELL COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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CAMPBELL COUNTY

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RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

The Campbell County economy, as measured by personal income, grew moderately from 1969 to 1987. However, the county economy did not keep pace with state economic growth. In spite of this, county per capita income was generally above the state average.

During the 1970's, the manufacturing sector was a very strong component of the county economy. However, by the end of the 1970's, employment and earnings from this sector were declining. Kentucky also experienced declines in the manufacturing share of the economy.

The non-goods-producing industries dominated the Campbell County economy. The trade sector was the primary source of employment and tended to increase its share of the economy. The county also experienced significant growth in the service sector. This growth was characterized by a greater increase in earnings than employment, indicating that average earnings from this sector are increasing. Once again, the county is paralleling state economic trends. Kentucky has also seen an increase in the service and trade sectors.

Campbell County experienced population declines throughout the period and has a larger proportion of population over age sixty than does the state as a whole. This would imply a smaller proportion of working age population. However, total employment increased, which indicates that people are commuting to Campbell County for employment.



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INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and because inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN CAMPBELL COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Campbell County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Campbell County economy, as measured by personal income, increased from \$844 million in 1969 to \$1,143 million in 1987, after adjusting for inflation. Chart 1B shows Campbell County total personal income as a percent of Kentucky total personal income. Campbell County's share of Kentucky personal income decreased, indicating that the Campbell County economy did not grow as fast as the Kentucky economy.

Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Campbell County per capita income increased over the time period, to a level of \$13,995 per person in 1987, which was 112.0 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings have been very volatile, but generally increased, from \$669 million in 1969 to \$789 million in 1987 (in constant 1988 dollars). While earnings have increased, their share of

personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 69.0 percent of Campbell County's total personal income, which was higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$78 million to total personal income in 1969 and \$172 million in 1987. During the same period, transfer payments contributed a smaller percentage of personal income in Campbell County than in Kentucky.

Income from property in Campbell County grew at a stable rate through the time period. Income from property totalled \$96 million in 1969 and increased to \$183 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wage and salaries and proprietor's income. Earnings in the goods-producing industries are presented in Chart 3C. Manufacturing's share of total county earnings declined substantially since 1969. In 1969, Campbell County received 23.8 percent of total earnings from manufacturing. This percentage decreased to 13.9 percent in 1987 (Chart 3A). Earnings from the farm and mine sector were minimal throughout the period.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector increased from 17.7 percent in 1969 to 26.9 percent in 1987. State and local government's share of earnings also increased from 12.1 percent in 1969 to 16.3 percent in 1987. Earnings from the trade sector remained stable at about 21.0 percent. At the state level, the percent of earnings from services increased, while the percent of earnings from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Campbell County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Trends in Campbell County average earnings per job have been similar to state trends. Average earnings reached \$17,353 in 1987 and were generally below the Kentucky average throughout the period.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Campbell County increased during the data period. In 1969, total employment stood at 20,616 people. By 1987, that figure had increased to 26,231.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Campbell County are presented in Chart 4B. Unemployment rates in Campbell County have been below those of the state through most of the period. In 1987, the county unemployment rate was 7.1 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing decreased from 16.7 percent in 1969 to 8.0 percent in 1987. This trend of declining employment in manufacturing is like that of the state. The farm sector maintained a constant small share of employment through the period. In 1987, 2.4 percent of county employment was in farming. Since mining employed fewer than ten workers, employment data was not disclosed.

Employment in the non-goods-producing industries is presented in Chart 4D. The trade sector was the primary source of employment and increased its share over time. The trade sector employed 24.9 percent of the workforce in 1969, and 27.9 percent by 1987. The service sector was the second largest employer. In 1969, the service sector accounted for 23.1 percent of employment. This share increased to 26.6 percent in 1987. State and local government employment increased slightly over time, accounting for 15.1 percent of total employment in 1987. At the state level, both service and trade sector employment increased, while state and local government employment share was constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Campbell County.

The Campbell County population declined from 88,300 in 1969 to 81,700 in 1987 (Chart 5A). Campbell County has a higher proportion of both younger and older residents than the state. It was estimated that in 1986, 9.1 percent of

Campbell County's population was under six years of age, compared to 8.6 percent for the state. For the same year, 18.4 percent of the Campbell County population was sixty years of age and over while 16.5 percent of all Kentucky residents fell in this age group. This indicates a smaller proportion of working age population in Campbell County.

CHART 1A

CAMPBELL COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

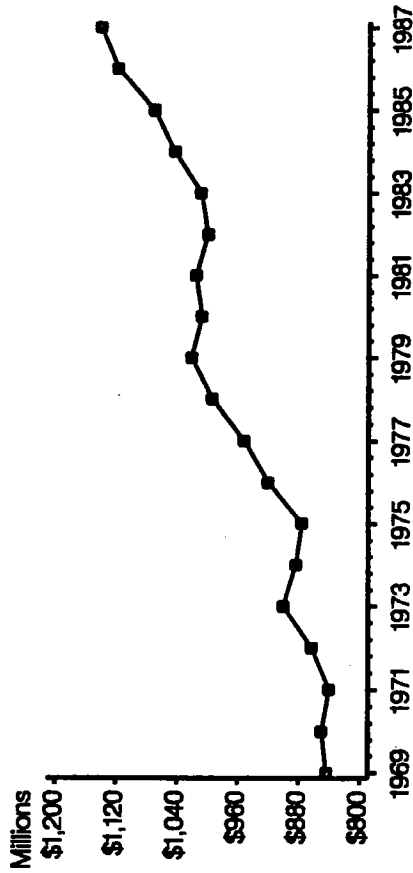


CHART 1B
CAMPBELL COUNTY
PERSONAL INCOME

as a Percent of Kentucky Personal Income

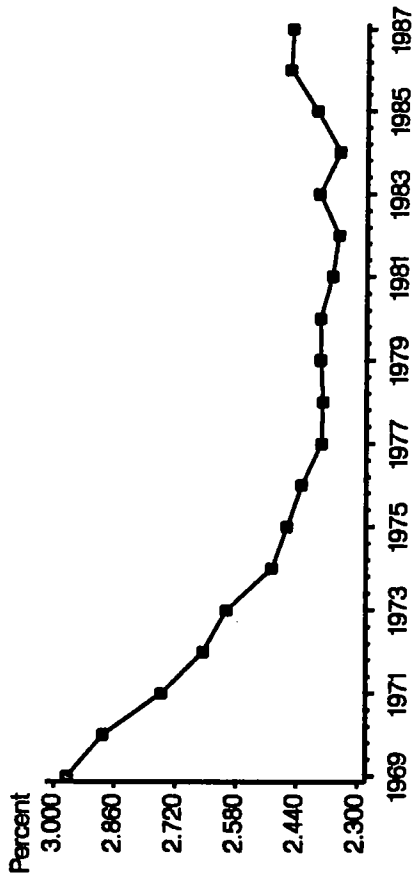


CHART 1C

CAMPBELL COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

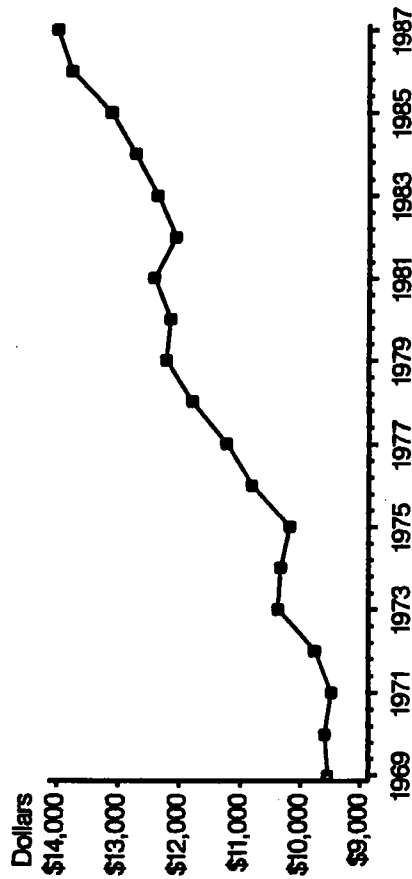


CHART 1D

CAMPBELL COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

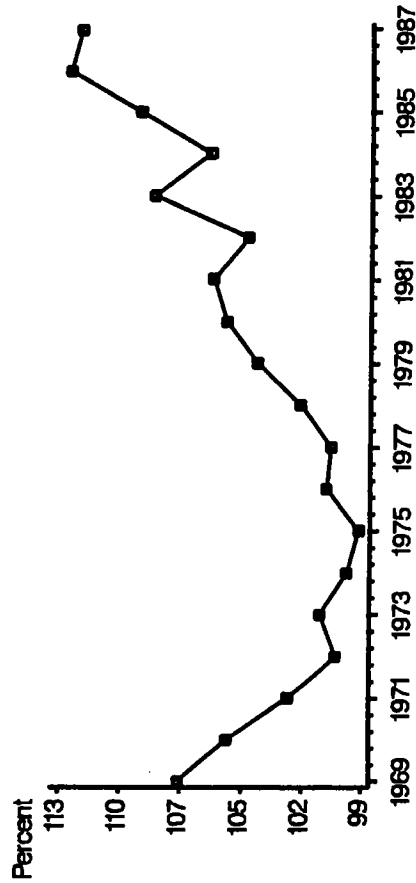


CHART 2A
CAMPBELL COUNTY
REAL TOTAL EARNINGS

Millions of 1988 dollars

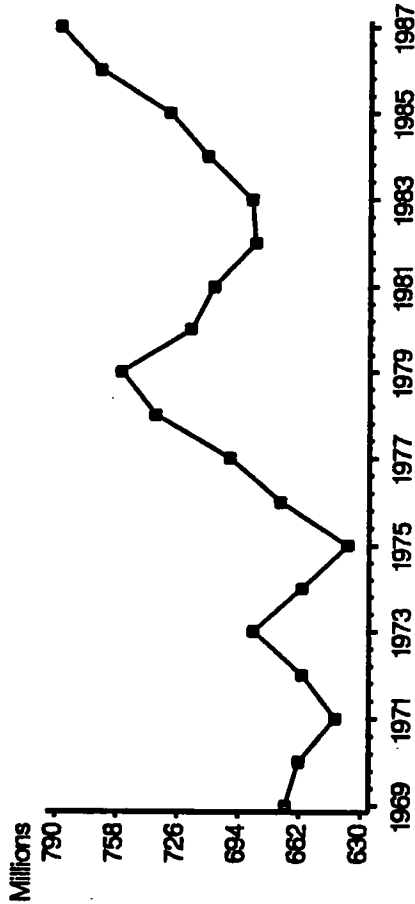


CHART 2B
CAMPBELL COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

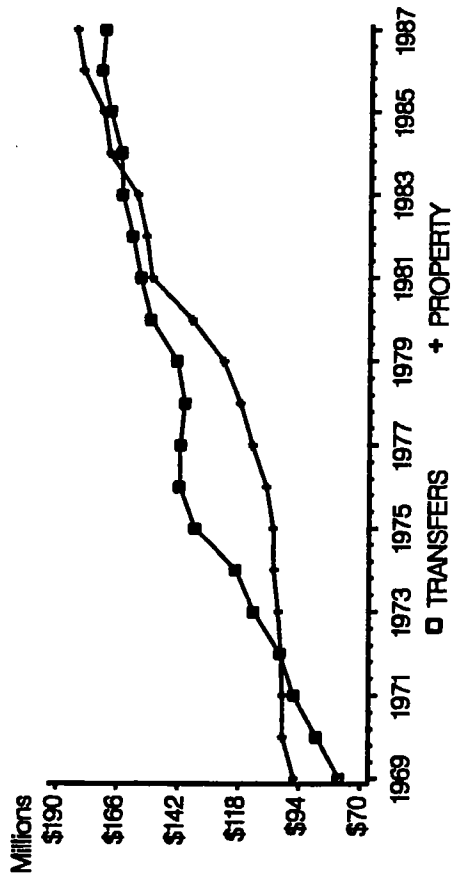


CHART 2C
CAMPBELL COUNTY
TOTAL EARNINGS

as a Percent of Personal Income

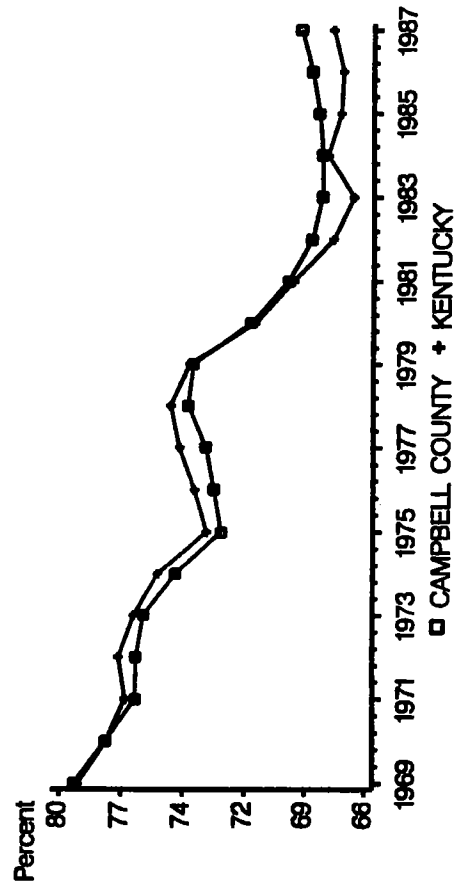


CHART 2D
CAMPBELL COUNTY
TRANSFER PAYMENTS

as a Percent of Personal Income

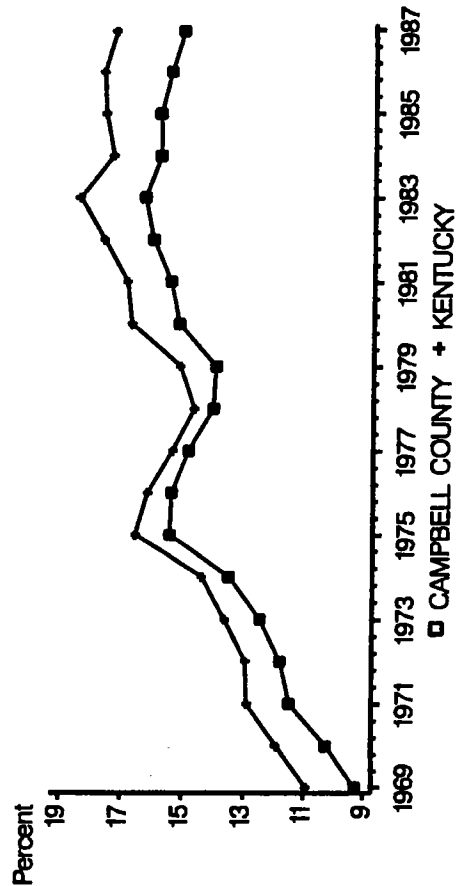


CHART 3A
 CAMPBELL COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

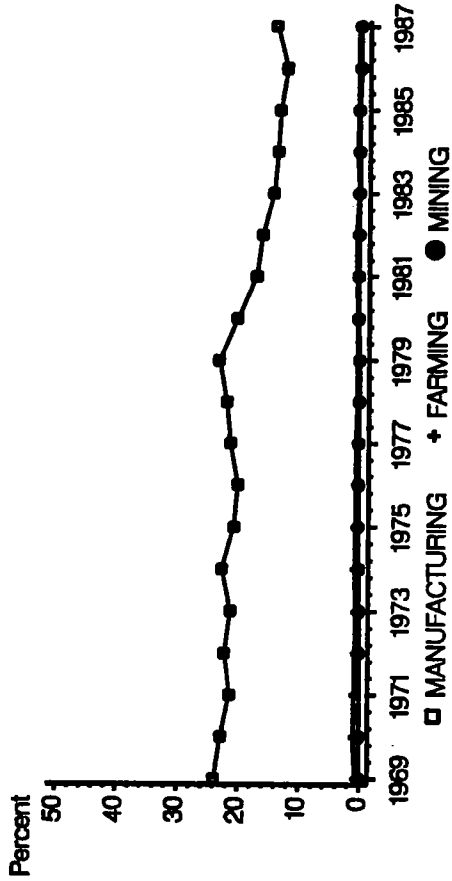


CHART 3B
 CAMPBELL COUNTY
 EARNINGS IN NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

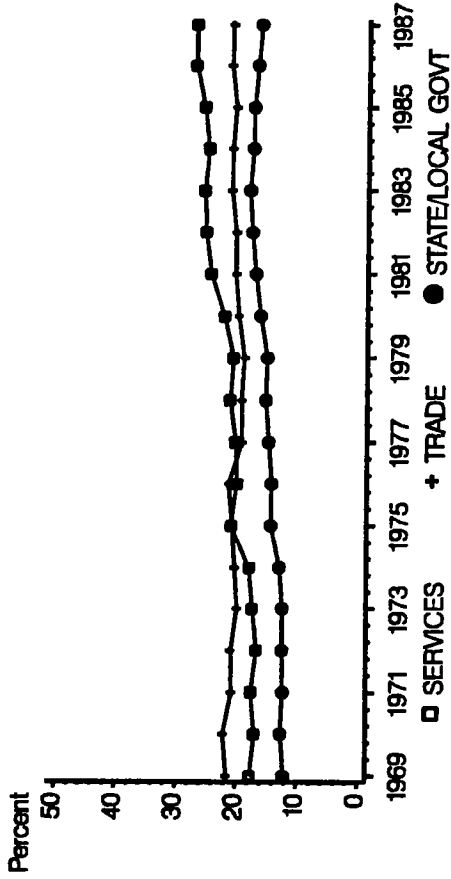


CHART 3C
 CAMPBELL COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

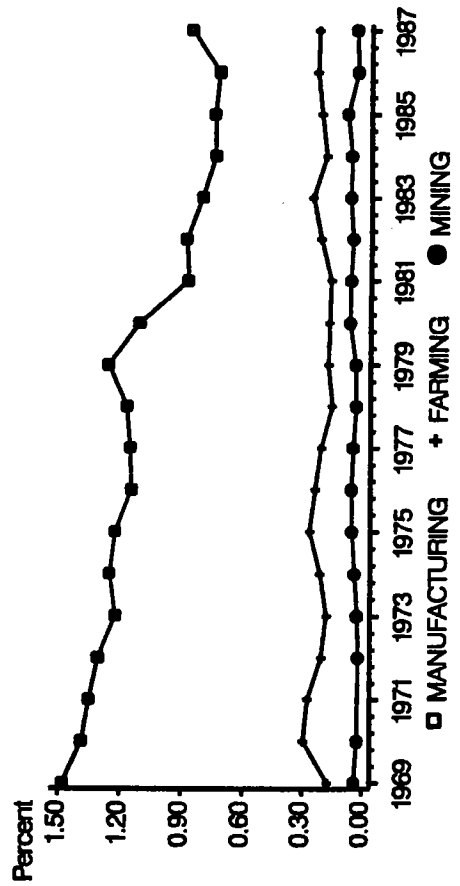


CHART 3D
 CAMPBELL COUNTY
 AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

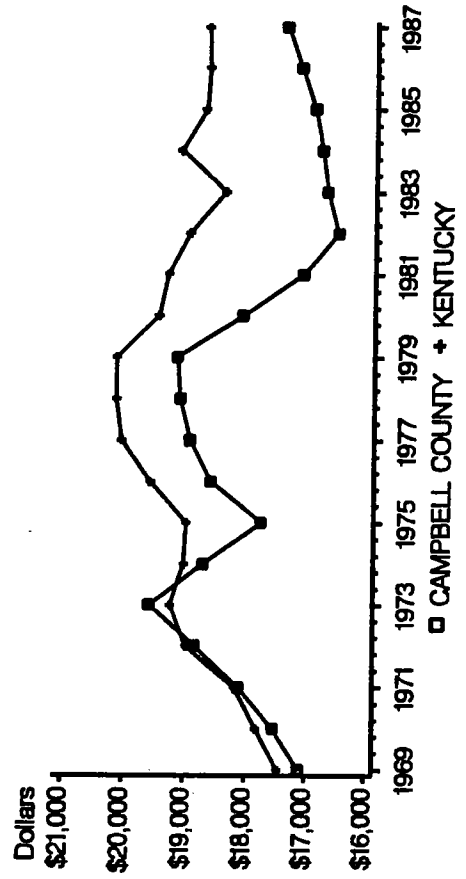


CHART 4A
CAMPBELL COUNTY
TOTAL EMPLOYMENT
Thousands of People

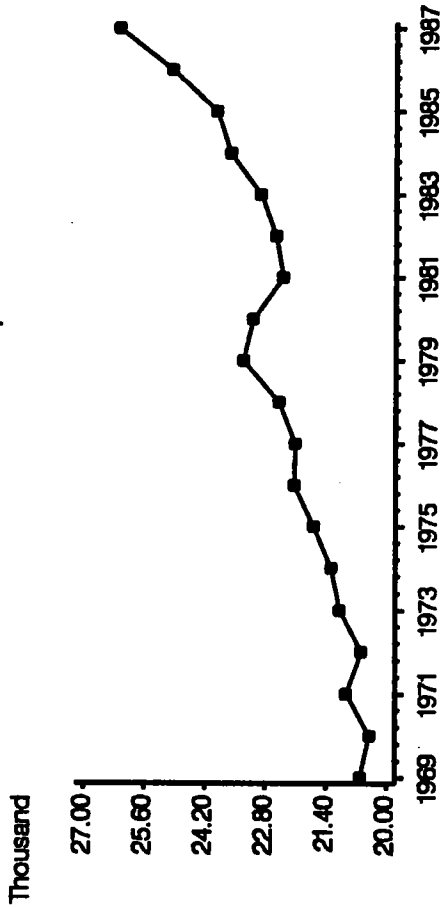


CHART 4B
CAMPBELL COUNTY
ANNUAL UNEMPLOYMENT RATE

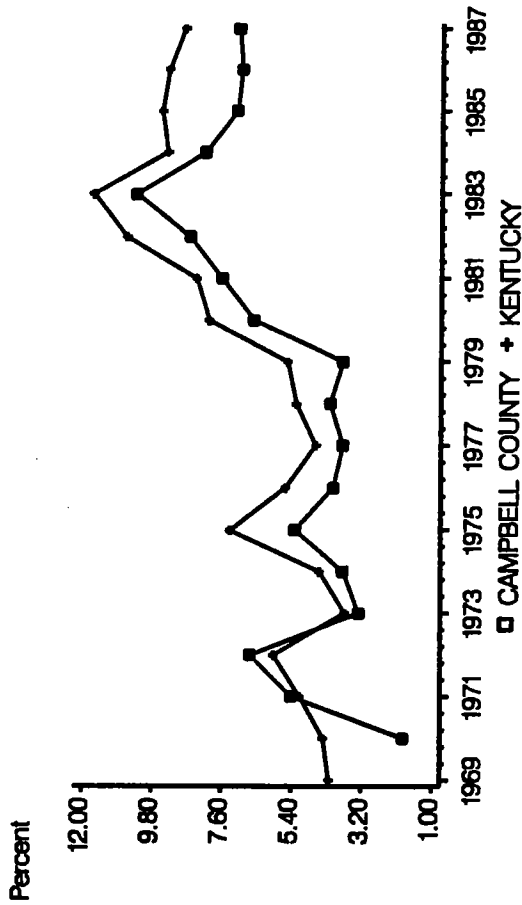


CHART 4C
CAMPBELL COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

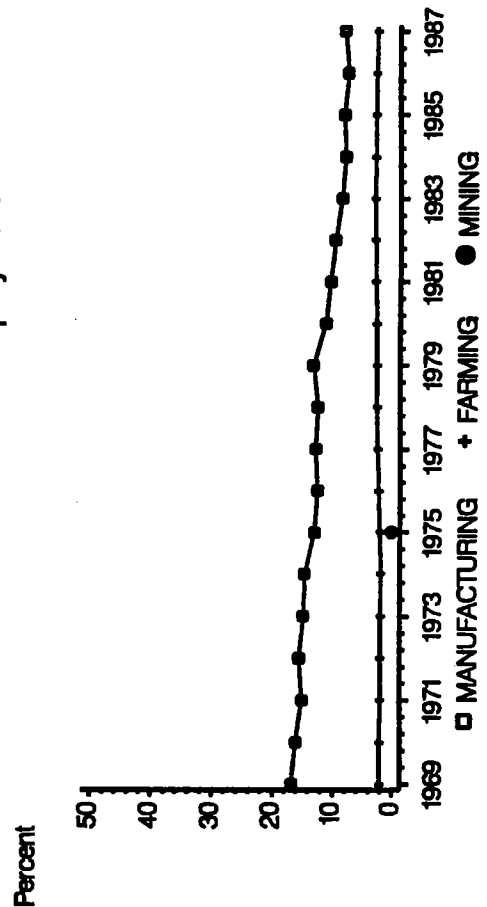


CHART 4D
CAMPBELL COUNTY
EMPLOYMENT in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

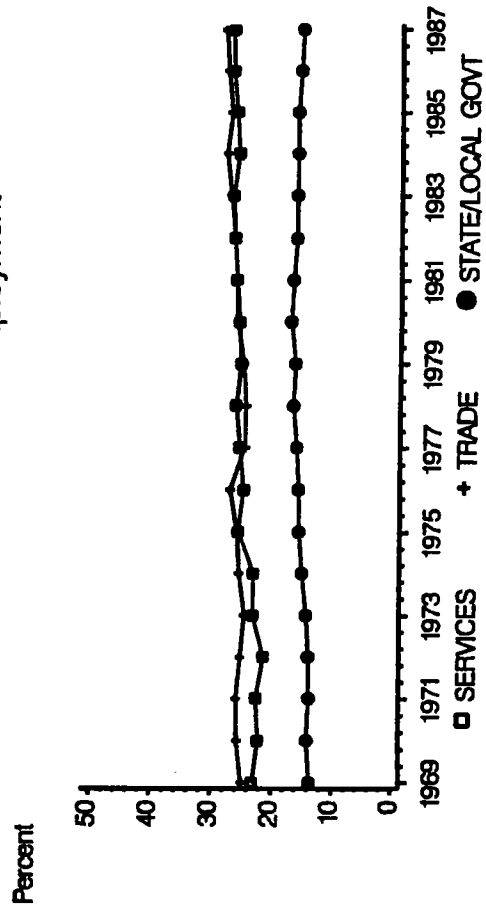


CHART 5A
CAMPBELL COUNTY
POPULATION
 Thousands of People

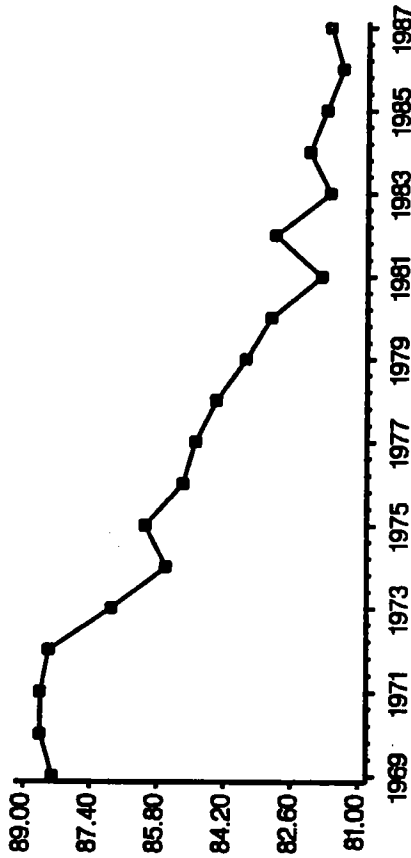


CHART 5B
CAMPBELL COUNTY
POPULATION
 as a Percent of Kentucky Population

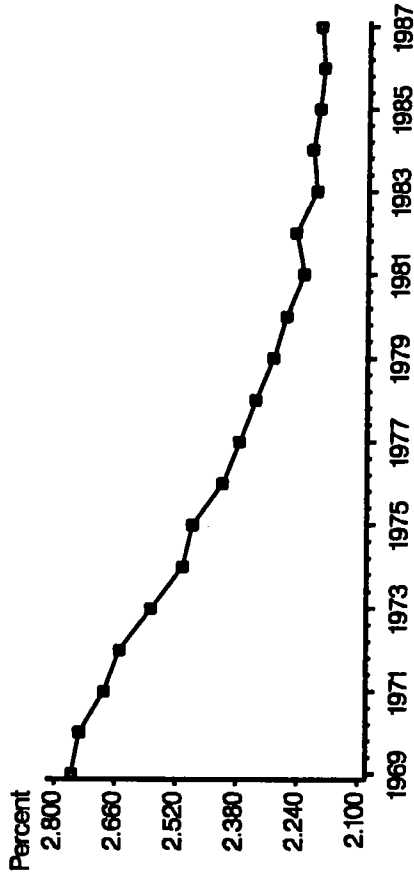


CHART 5C
CAMPBELL COUNTY
POPULATION 5 AND UNDER
 as a Percent of Total Population

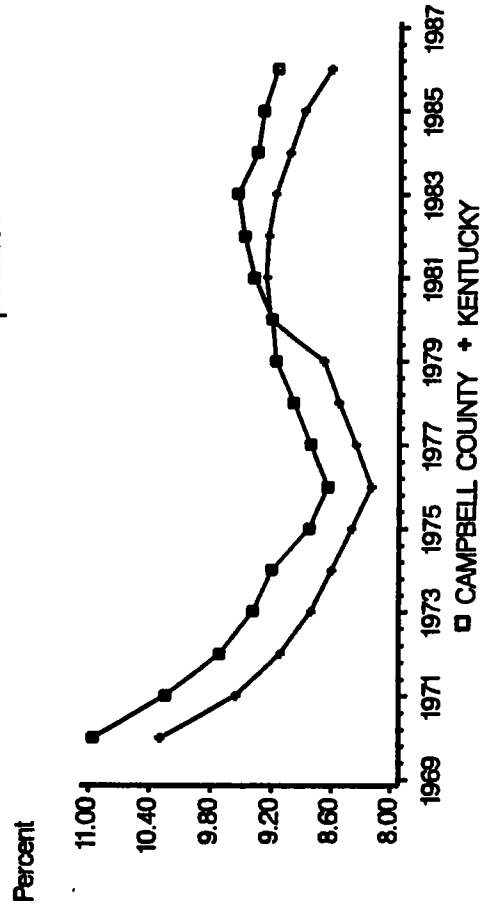
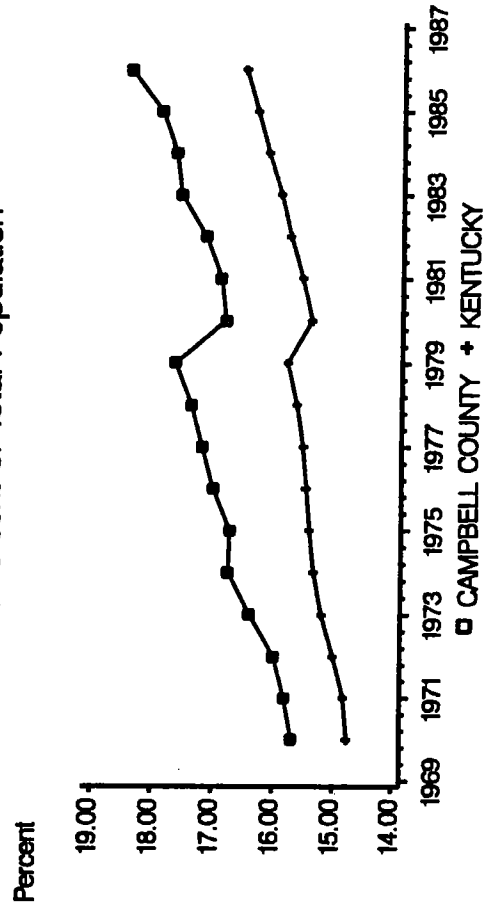


CHART 5D
CAMPBELL COUNTY
POPULATION 60 AND OVER
 as a Percent of Total Population



CAMPBELL COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	844	2.97	9,550	107.5
1970	850	2.89	9,594	105.3
1971	840	2.75	9,480	102.4
1972	863	2.66	9,763	100.2
1973	901	2.60	10,367	101.0
1974	884	2.50	10,328	99.7
1975	877	2.46	10,175	99.1
1976	921	2.43	10,805	100.6
1977	953	2.38	11,226	100.4
1978	995	2.38	11,786	101.9
1979	1,022	2.39	12,216	103.9
1980	1,009	2.39	12,147	105.3
1981	1,017	2.36	12,418	106.0
1982	1,001	2.34	12,055	104.3
1983	1,010	2.39	12,367	108.7
1984	1,045	2.34	12,720	106.1
1985	1,072	2.40	13,113	109.3
1986	1,121	2.46	13,767	112.5
1987	1,143	2.45	13,995	112.0

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	669	79.3	79.2	78	9.3	10.9	96	11.4	9.9
1970	662	77.9	77.9	87	10.3	11.9	101	11.8	10.2
1971	643	76.6	77.0	96	11.5	12.9	101	12.0	10.1
1972	661	76.5	77.3	102	11.8	12.9	101	11.7	9.7
1973	686	76.2	76.6	112	12.4	13.6	102	11.4	9.7
1974	661	74.7	75.5	119	13.5	14.4	104	11.8	10.1
1975	637	72.6	73.3	135	15.4	16.5	105	11.9	10.1
1976	672	73.0	73.9	142	15.4	16.1	107	11.6	10.0
1977	699	73.3	74.6	141	14.8	15.3	113	11.8	10.1
1978	738	74.2	75.0	139	14.0	14.6	118	11.8	10.4
1979	756	73.9	74.1	142	13.9	15.1	124	12.1	10.8
1980	719	71.3	71.1	153	15.1	16.7	137	13.5	12.2
1981	707	69.6	69.3	157	15.4	16.8	152	15.0	13.8
1982	686	68.5	67.5	160	16.0	17.6	155	15.5	14.9
1983	688	68.0	66.6	164	16.3	18.4	158	15.7	15.1
1984	711	68.0	67.8	165	15.8	17.3	169	16.2	14.9
1985	731	68.2	67.2	169	15.8	17.6	172	16.0	15.3
1986	767	68.5	67.1	173	15.4	17.6	180	16.1	15.3
1987	789	69.0	67.5	172	15.0	17.2	183	16.0	15.3

CAMPBELL COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	23.8	1.48	0.7	0.18	0.1	0.04
1970	22.7	1.39	1.0	0.29	0.1	0.03
1971	21.3	1.35	0.9	0.27	.	.
1972	22.2	1.30	0.8	0.21	0.1	0.02
1973	21.2	1.22	0.7	0.18	0.1	0.03
1974	22.6	1.25	0.9	0.21	0.2	0.04
1975	20.7	1.22	0.8	0.27	0.3	0.05
1976	20.1	1.14	0.7	0.24	0.3	0.06
1977	21.3	1.15	0.7	0.21	0.3	0.05
1978	21.9	1.16	0.5	0.16	0.2	0.03
1979	23.2	1.26	0.6	0.17	0.2	0.03
1980	20.3	1.10	0.5	0.17	0.4	0.06
1981	17.1	0.87	0.7	0.16	0.4	0.06
1982	16.2	0.88	0.7	0.21	0.3	0.05
1983	14.4	0.80	0.4	0.25	0.3	0.06
1984	13.7	0.73	0.7	0.19	0.3	0.06
1985	13.4	0.74	0.5	0.21	0.4	0.08
1986	12.2	0.72	0.5	0.23	0.1	0.03
1987	13.9	0.85	0.5	0.23	0.1	0.03

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	17.7	2.03	21.6	2.07	12.1	2.01
1970	16.9	1.94	22.1	2.08	12.6	1.99
1971	17.5	2.04	20.8	2.03	12.3	1.95
1972	16.7	1.89	20.9	1.98	12.4	1.93
1973	17.3	2.00	19.9	1.90	12.4	1.99
1974	17.9	2.02	20.3	1.87	12.9	2.03
1975	20.9	2.21	20.7	1.79	14.3	2.07
1976	20.0	2.10	21.3	1.85	14.3	2.09
1977	20.2	2.08	19.2	1.67	14.7	2.12
1978	21.2	2.12	19.3	1.61	15.3	2.14
1979	20.7	2.08	18.9	1.61	15.0	2.10
1980	22.1	2.04	19.8	1.70	16.2	2.12
1981	24.4	2.04	20.3	1.66	17.0	2.08
1982	25.2	2.01	20.3	1.63	17.6	2.09
1983	25.5	1.97	21.1	1.73	18.0	2.15
1984	24.8	1.88	20.9	1.72	17.5	2.11
1985	25.5	1.89	20.4	1.69	17.4	2.09
1986	27.0	1.94	21.1	1.83	16.8	2.05
1987	26.9	1.94	21.0	1.89	16.3	2.05

CAMPBELL COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	3,450	16.7	427	2.1	.	.
1970	3,265	16.0	418	2.0	.	.
1971	3,137	15.0	405	1.9	.	.
1972	3,177	15.4	394	1.9	.	.
1973	3,110	14.7	390	1.8	.	.
1974	3,091	14.5	380	1.8	.	.
1975	2,800	12.9	426	2.0	10	0.0
1976	2,742	12.4	486	2.2	.	.
1977	2,811	12.7	525	2.4	.	.
1978	2,783	12.4	555	2.5	.	.
1979	3,047	13.1	583	2.5	.	.
1980	2,561	11.1	588	2.5	.	.
1981	2,317	10.3	616	2.7	.	.
1982	2,161	9.6	635	2.8	.	.
1983	1,941	8.5	668	2.9	.	.
1984	1,854	7.8	643	2.7	.	.
1985	1,935	8.1	631	2.6	.	.
1986	1,842	7.4	629	2.5	.	.
1987	2,088	8.0	619	2.4	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	4,763	23.1	5,135	24.9	2,796	13.6
1970	4,527	22.2	5,231	25.6	2,844	13.9
1971	4,721	22.5	5,401	25.8	2,853	13.6
1972	4,399	21.4	5,180	25.2	2,842	13.8
1973	4,886	23.2	5,177	24.5	2,995	14.2
1974	4,917	23.1	5,423	25.5	3,177	14.9
1975	5,548	25.6	5,602	25.8	3,356	15.5
1976	5,475	24.7	5,960	26.9	3,442	15.5
1977	5,618	25.4	5,425	24.5	3,509	15.9
1978	5,857	26.0	5,490	24.4	3,700	16.4
1979	5,888	25.2	5,777	24.8	3,772	16.2
1980	5,890	25.5	5,975	25.9	3,906	16.9
1981	5,829	26.0	5,833	26.0	3,724	16.6
1982	5,956	26.4	5,956	26.4	3,628	16.1
1983	6,108	26.6	6,201	27.0	3,675	16.0
1984	6,090	25.8	6,548	27.7	3,760	15.9
1985	6,241	26.0	6,452	26.9	3,813	15.9
1986	6,674	26.7	6,890	27.6	3,857	15.4
1987	6,966	26.6	7,313	27.9	3,970	15.1

CAMPBELL COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	20,616	\$17,093	\$17,440	.	4.2
1970	20,398	\$17,520	\$17,811	1.9	4.4
1971	20,937	\$18,107	\$18,166	5.4	5.1
1972	20,593	\$18,822	\$18,970	6.7	6.0
1973	21,100	\$19,571	\$19,232	3.3	3.7
1974	21,294	\$18,693	\$19,008	3.8	4.5
1975	21,698	\$17,741	\$18,976	5.3	7.3
1976	22,145	\$18,568	\$19,563	4.1	5.6
1977	22,127	\$18,914	\$20,031	3.8	4.7
1978	22,513	\$19,080	\$20,121	4.2	5.3
1979	23,332	\$19,129	\$20,110	3.8	5.5
1980	23,112	\$18,058	\$19,439	6.6	8.0
1981	22,419	\$17,064	\$19,286	7.6	8.4
1982	22,586	\$16,495	\$18,931	8.6	10.6
1983	22,939	\$16,685	\$18,358	10.3	11.6
1984	23,639	\$16,768	\$19,080	8.1	9.3
1985	23,964	\$16,892	\$18,676	7.1	9.5
1986	24,992	\$17,121	\$18,627	7.0	9.3
1987	26,231	\$17,353	\$18,636	7.1	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	88,300	2.76	.	.	.	.
1970	88,600	2.74	11.0	10.3	15.7	14.8
1971	88,600	2.69	10.2	9.6	15.8	14.8
1972	88,400	2.65	9.7	9.1	16.0	15.0
1973	86,900	2.58	9.4	8.8	16.4	15.2
1974	85,600	2.51	9.2	8.6	16.7	15.3
1975	86,100	2.48	8.8	8.4	16.7	15.4
1976	85,200	2.41	8.6	8.2	17.0	15.5
1977	84,900	2.37	8.8	8.4	17.2	15.5
1978	84,400	2.34	9.0	8.5	17.4	15.6
1979	83,700	2.30	9.2	8.7	17.6	15.8
1980	83,100	2.27	9.2	9.2	16.8	15.4
1981	81,900	2.23	9.4	9.3	16.9	15.5
1982	83,000	2.25	9.5	9.2	17.1	15.7
1983	81,700	2.20	9.5	9.2	17.6	15.9
1984	82,200	2.21	9.4	9.0	17.6	16.1
1985	81,800	2.19	9.3	8.9	17.9	16.3
1986	81,400	2.18	9.1	8.6	18.4	16.5
1987	81,700	2.19

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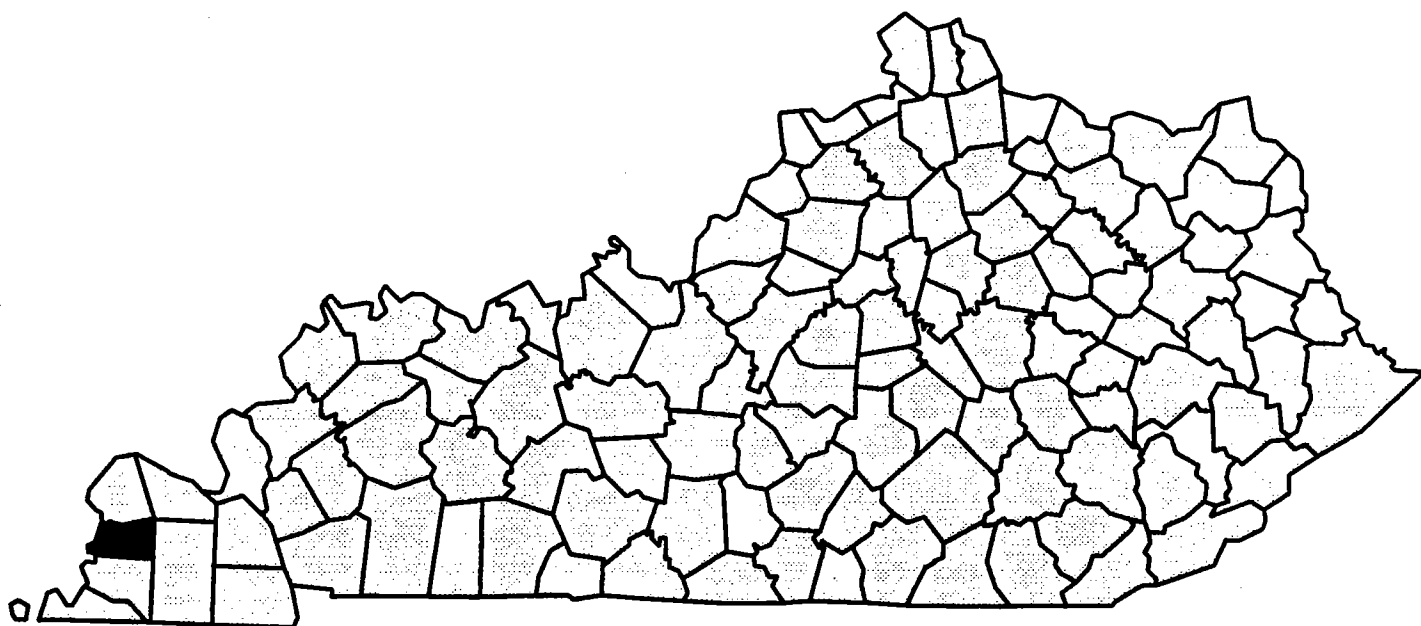


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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CARLISLE COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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No. 438
1990

CARLISLE COUNTY

Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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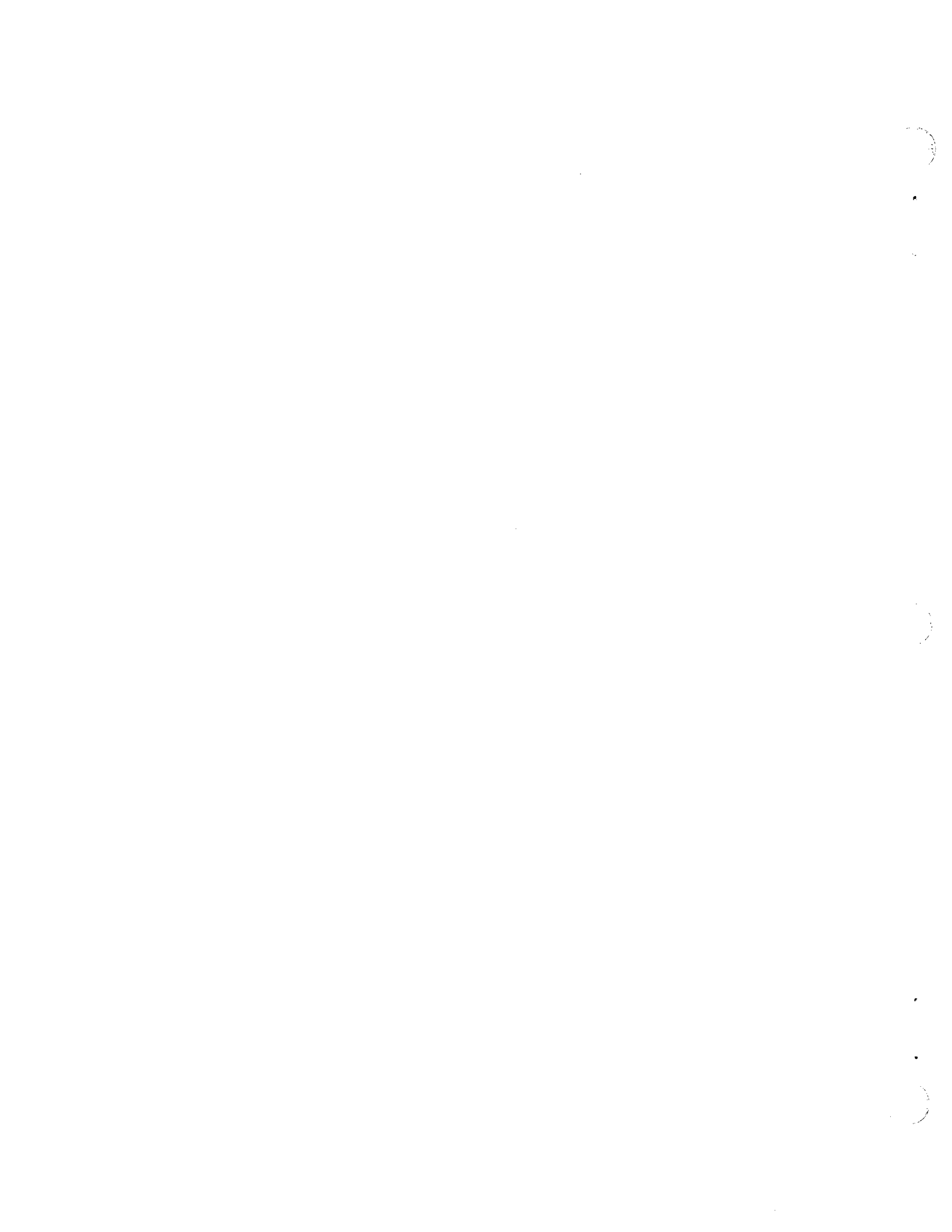
SUMMARY

The Carlisle County economy grew moderately from 1969 to 1987. However, this overall growth was attained with significant fluctuations in the underlying economic base. Total earnings accounted for a much smaller share of the county personal income than for the state and were extremely volatile. Also, transfer payments contributed a much higher percent of personal income in Carlisle County than for Kentucky.

Much of the volatility can be attributed to the dominance and activity of the farm sector. Farm sector earnings were extremely volatile. While the farm sector was the primary source of jobs, employment in this sector declined steadily.

Carlisle County had also seen changes in activity in the non-goods-producing industries. The trade sector decreased its share of the county economy, while the service sector increased its share. In fact, the service sector is the only component of the Carlisle County economy that increased its share.

The most unique characteristic of the county economy is that both population and total employment declined from 1969 to 1987. Further, there is a higher proportion of residents sixty years and over in the county than in the state. Elderly residents would receive retirement and medical benefits, which are classified as transfer payments. This may in part explain the high proportion of transfer payments received in Carlisle County relative to the state.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and because inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN CARLISLE COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Carlisle County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Carlisle County economy, as measured by personal income, increased from \$35 million in 1969 to \$60 million in 1987, after adjusting for inflation. Chart 1B shows Carlisle County total personal income as a percent of Kentucky total personal income. Carlisle County had only small changes in its share of Kentucky personal income.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Carlisle County per capita income generally increased over the time period, to a level of \$11,863 per person in 1987, when it was 94.9 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings were volatile over time but generally increased from \$25 million in 1969 to \$35 million in 1987 (in constant 1988 dollars). While earnings have increased, their share of personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 57.9 percent of Carlisle County's total personal income, which was significantly lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$7 million to total personal income in 1969 and \$13 million in 1987. During the same period, transfer payments contributed a larger percentage of personal income in Carlisle County than in Kentucky.

Income from property in Carlisle County grew rapidly in the mid-1970's. Income from property totalled \$4 million in 1969 and increased to \$13 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. The percent of earnings from manufacturing was erratic. In 1969, Carlisle County received 18.8 percent of total earnings from manufacturing. This percentage decreased to 13.4 percent in 1987 (Chart 3A).

The farm sector experienced extreme fluctuations in earnings throughout the period. Farm earnings increased significantly in the 1970's and accounted for a high of 41.2 percent of earnings in 1973. However, ten years later this sector experienced significant losses. By 1987, 20.2 percent of earnings were derived from farming.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector increased. Earnings from the trade sector generally declined over time. Earnings from the state and local government sector remained stable. At the state level, the percent of earnings from services increased, while the percent of earnings from trade and state and local government was stable.

Average earnings per job (adjusted for inflation) for Carlisle County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Trends in Carlisle County average earnings per job have been more erratic than state trends. Average earnings were \$11,125 in 1987, which was below the Kentucky average.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Carlisle County declined during the data period. In 1969, total employment stood at 1,935 people. By 1987, that figure had decreased to 1,852.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Carlisle County are presented in Chart 4B. Unemployment rates in Carlisle County have been above those of the state throughout the period. In 1987, the county unemployment rate was 13.1 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing was generally stable and accounted for 11.0 percent in 1987. The farm sector is the primary source of employment. However, the farm sector's share employment declined from 41.1 percent in 1969 to 32.2 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector declined over time. In 1987, 14.1 percent of employment was in the trade sector. The services sector became the second largest employer in 1982. In 1969, the service sector accounted for 10.0 percent of employment. This share increased to 20.6 percent in 1987. Employment share in state and local government was constant. At the state level, both trade and services increased their share of total employment, while state and local government remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Carlisle County.

The Carlisle County population declined from 5,400 in 1969 to 5,100 in 1987 (Chart 5A). Carlisle County has a lower proportion of younger residents and a larger proportion of older residents than the state. It was estimated that in 1986, 8.0 percent of Carlisle County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 22.9 percent of the Carlisle County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
CARLISLE COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

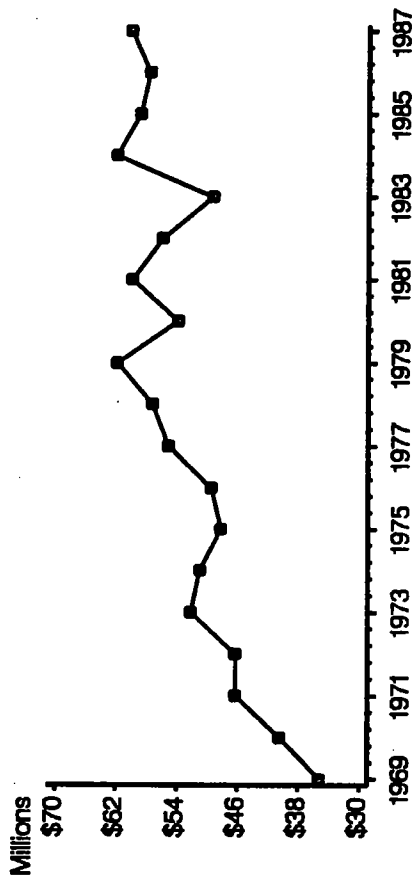


CHART 1B
CARLISLE COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

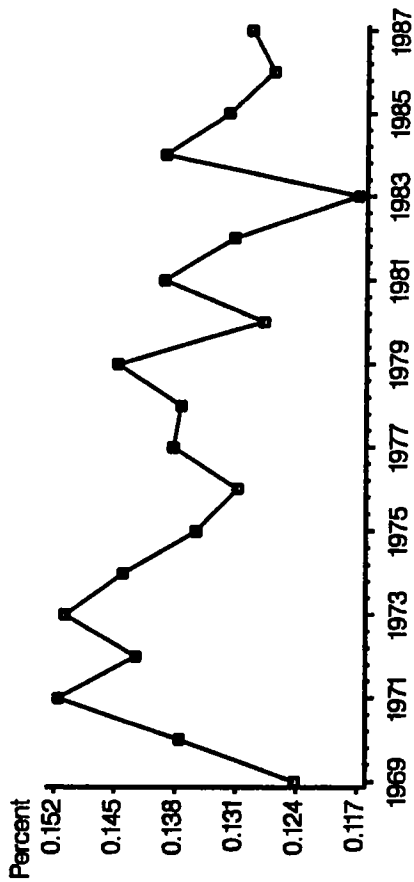


CHART 1C
CARLISLE COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

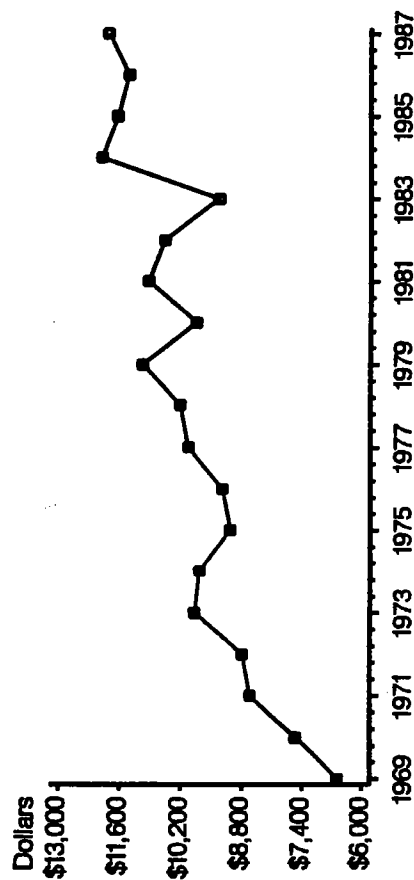


CHART 1D
CARLISLE COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

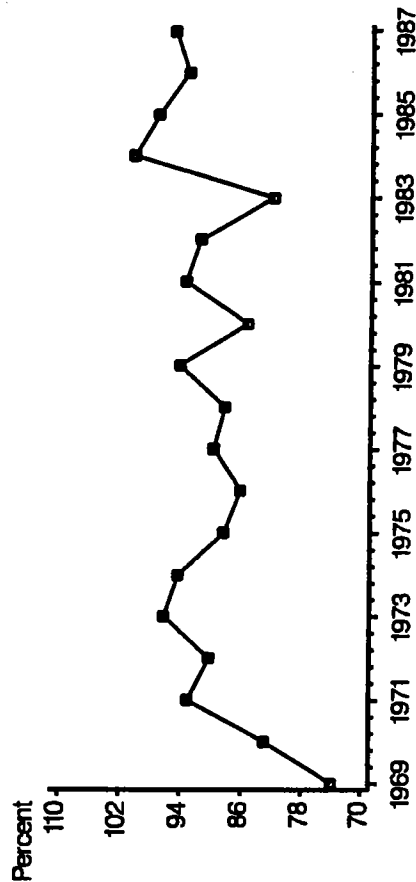


CHART 2A
CARLISLE COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

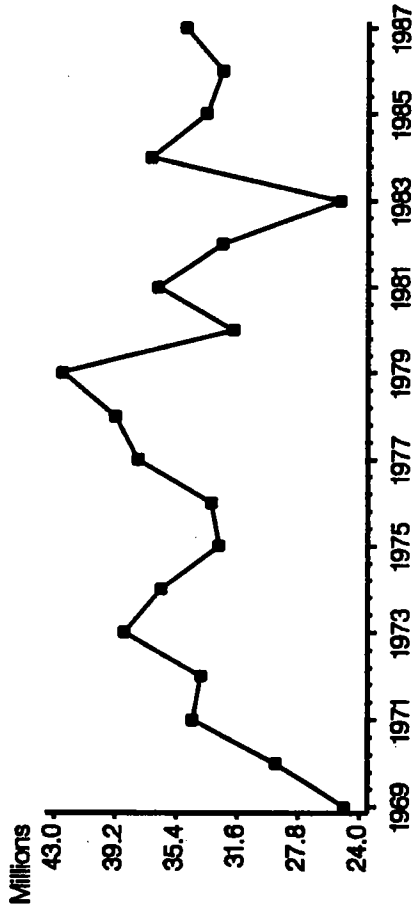


CHART 2C
CARLISLE COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

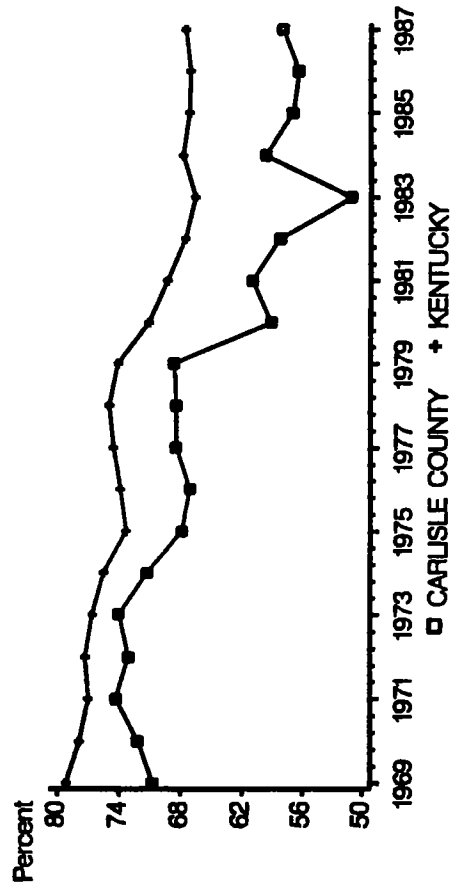


CHART 2B
CARLISLE COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

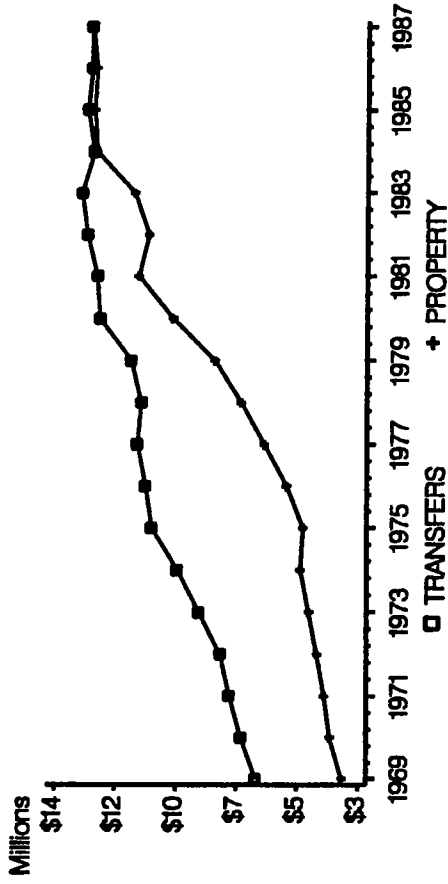


CHART 2D
CARLISLE COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

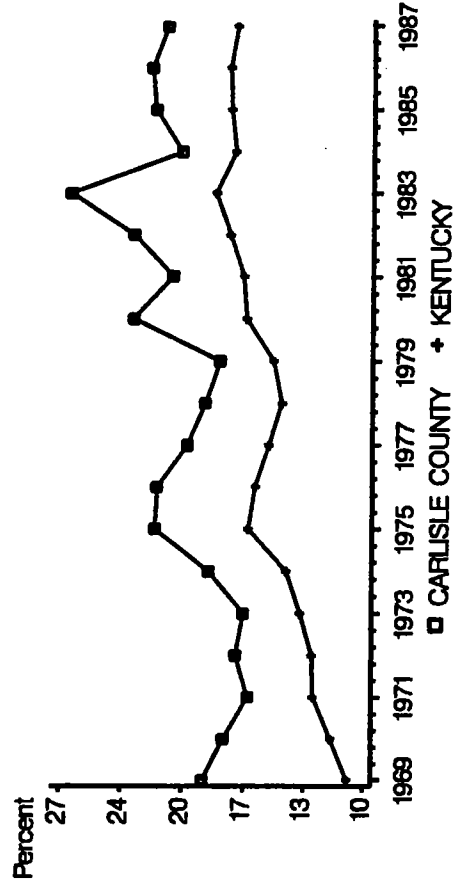


CHART 3A
 CARLISLE COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

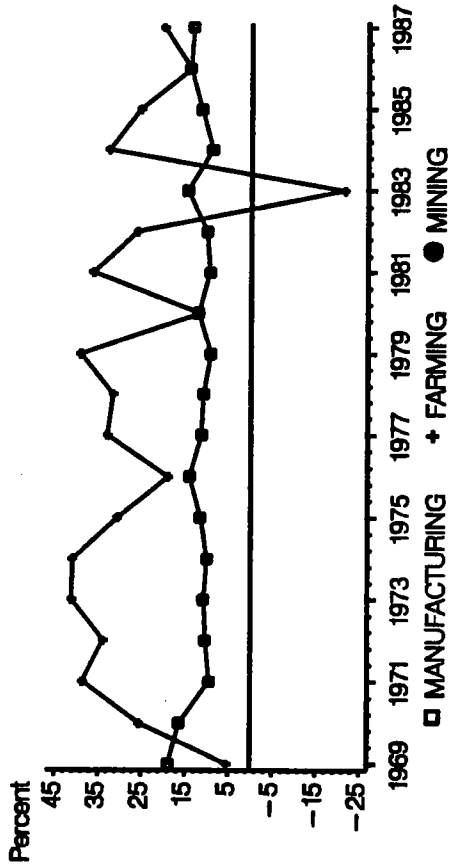


CHART 3B
 CARLISLE COUNTY
 EARNINGS in NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

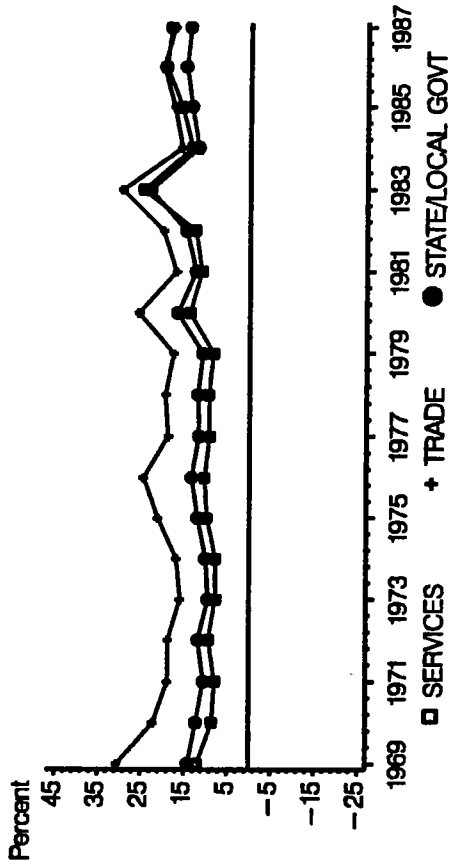


CHART 3C
 CARLISLE COUNTY
 EARNINGS in GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

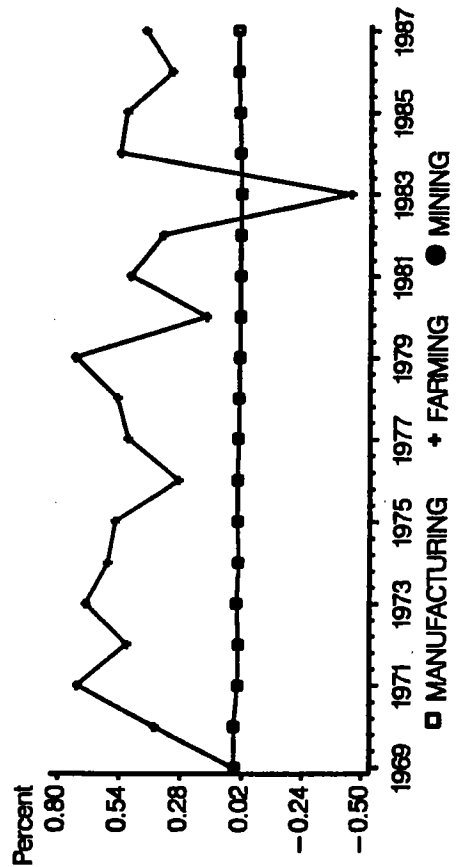


CHART 3D
 CARLISLE COUNTY
 AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

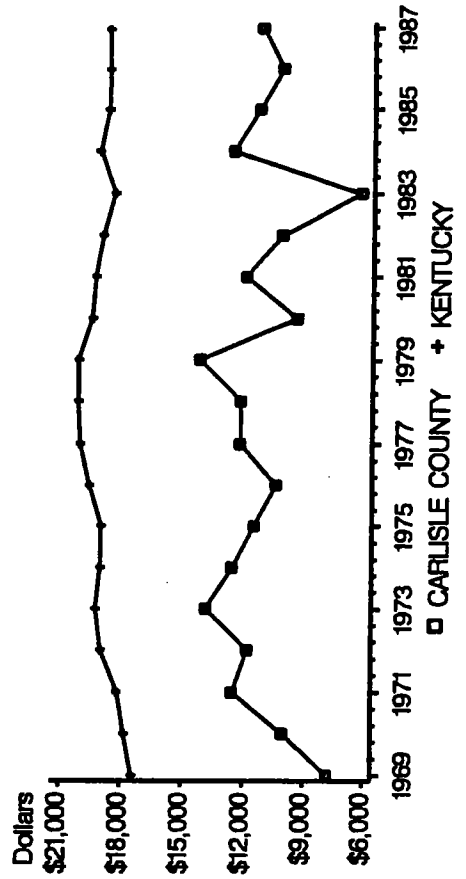


CHART 4A
CARLISLE COUNTY
TOTAL EMPLOYMENT
 Thousands of People

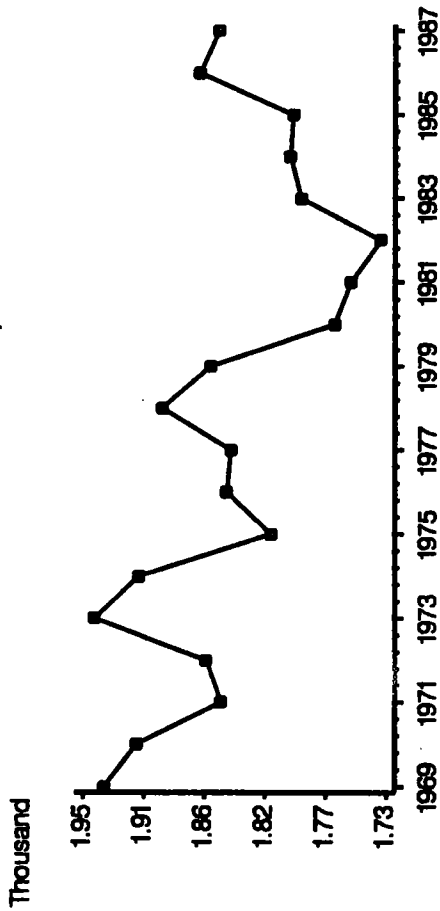


CHART 4B
CARLISLE COUNTY
ANNUAL UNEMPLOYMENT RATE

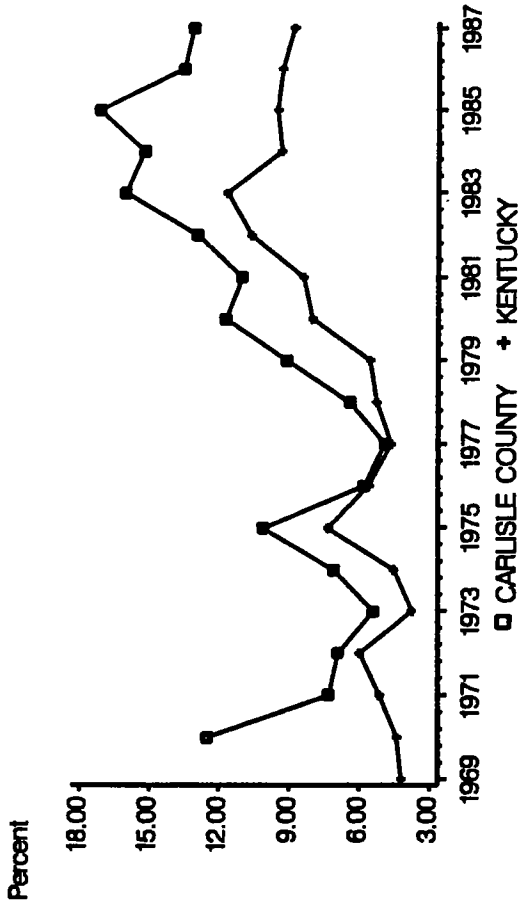


CHART 4C
CARLISLE COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

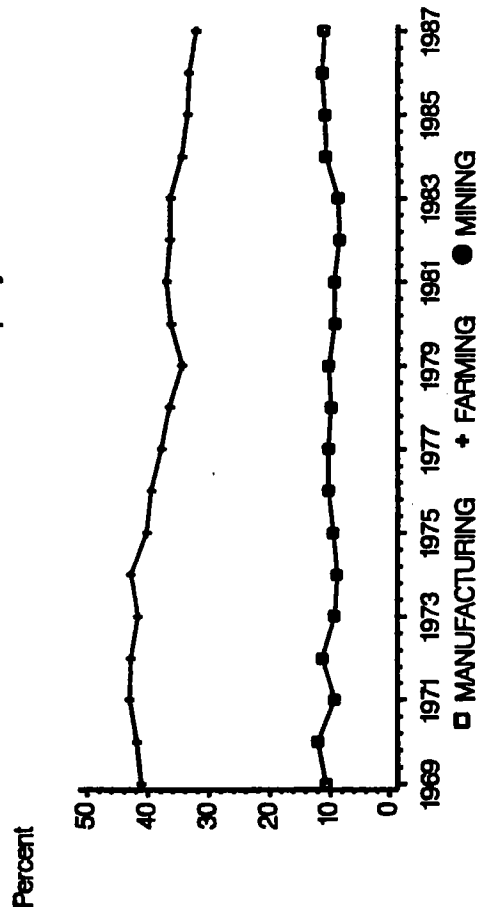


CHART 4D
CARLISLE COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

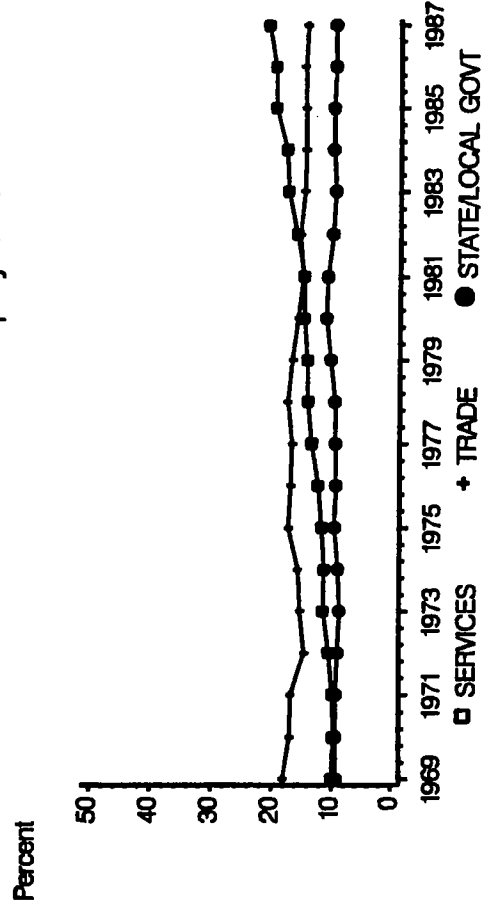


CHART 5A
CARLISLE COUNTY
POPULATION
 Thousands of People

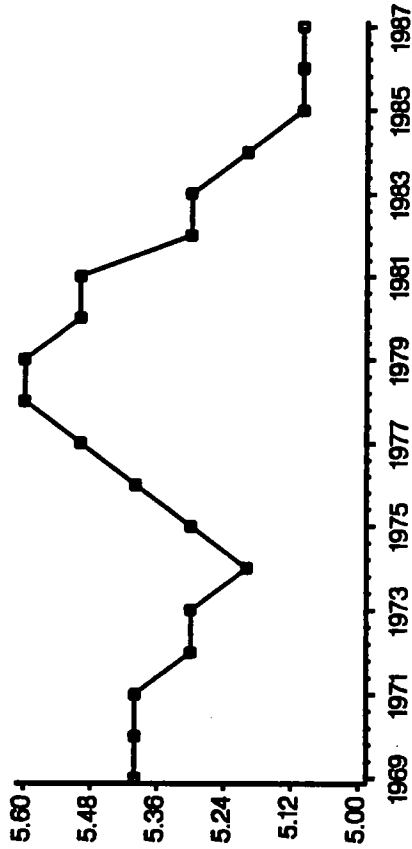


CHART 5B
CARLISLE COUNTY
POPULATION
 as a Percent of Kentucky Population

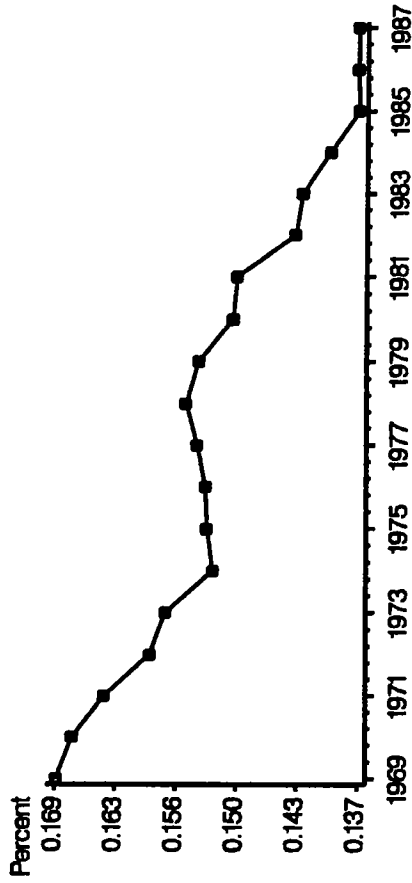


CHART 5C
CARLISLE COUNTY
POPULATION 5 AND UNDER
 as a Percent of Total Population

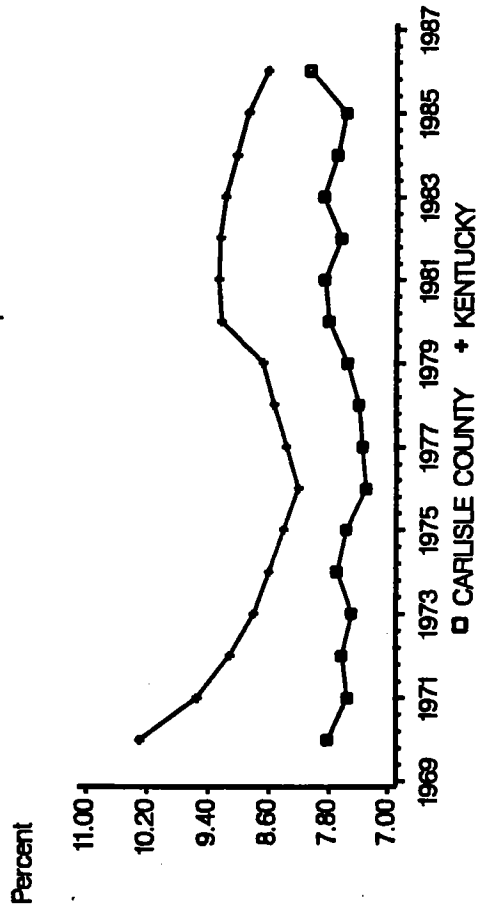
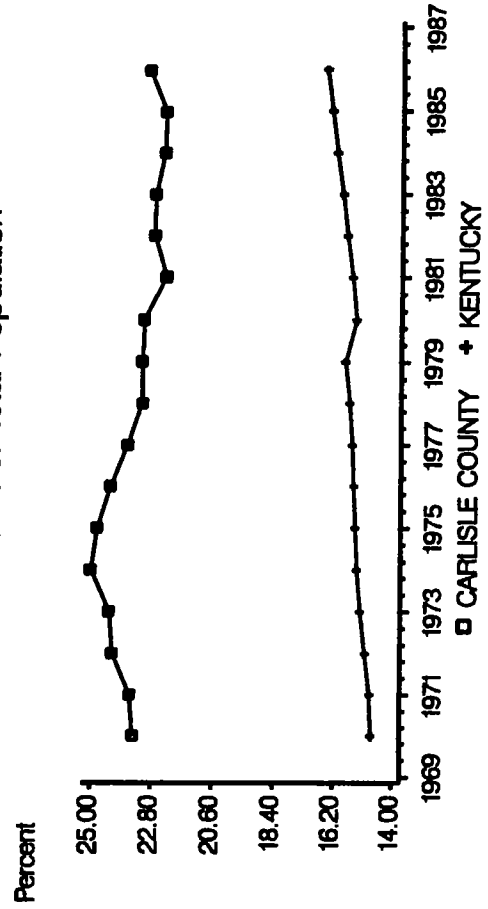


CHART 5D
CARLISLE COUNTY
POPULATION 60 AND OVER
 as a Percent of Total Population



CARLISLE COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	35	0.12	6,568	73.9
1970	40	0.14	7,548	82.8
1971	46	0.15	8,607	93.0
1972	46	0.14	8,787	90.2
1973	52	0.15	9,877	96.2
1974	51	0.14	9,769	94.3
1975	48	0.14	9,068	88.4
1976	50	0.13	9,248	86.1
1977	55	0.14	10,029	89.7
1978	57	0.14	10,214	88.3
1979	62	0.14	11,074	94.2
1980	54	0.13	9,835	85.3
1981	60	0.14	10,950	93.4
1982	56	0.13	10,574	91.5
1983	49	0.12	9,326	81.9
1984	62	0.14	12,016	100.2
1985	59	0.13	11,648	97.1
1986	58	0.13	11,391	93.1
1987	60	0.13	11,863	94.9

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	25	70.7	79.2	7	19.0	10.9	4	10.2	9.9
1970	29	72.2	77.9	7	17.9	11.9	4	9.9	10.2
1971	34	74.3	77.0	8	16.5	12.9	4	9.2	10.1
1972	34	73.1	77.3	8	17.2	12.9	5	9.7	9.7
1973	39	74.0	76.6	9	16.8	13.6	5	9.2	9.7
1974	36	71.3	75.5	10	18.7	14.4	5	10.0	10.1
1975	33	67.9	73.3	10	21.7	16.5	5	10.4	10.1
1976	33	67.1	73.9	11	21.6	16.1	6	11.3	10.0
1977	38	68.5	74.6	11	19.9	15.3	6	11.6	10.1
1978	39	68.4	75.0	11	18.9	14.6	7	12.6	10.4
1979	43	68.7	74.1	11	18.1	15.1	8	13.2	10.8
1980	32	59.1	71.1	12	22.9	16.7	10	18.0	12.2
1981	37	61.0	69.3	12	20.8	16.8	11	18.3	13.8
1982	33	58.2	67.5	13	22.9	17.6	11	18.9	14.9
1983	25	51.1	66.6	13	26.4	18.4	11	22.5	15.1
1984	37	59.6	67.8	13	20.3	17.3	12	20.1	14.9
1985	34	56.9	67.2	13	21.7	17.6	13	21.3	15.3
1986	33	56.4	67.1	13	21.9	17.6	13	21.7	15.3
1987	35	57.9	67.5	13	21.1	17.2	13	21.0	15.3

CARLISLE COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	18.8	0.05	5.4	0.06	.	.
1970	16.3	0.05	25.6	0.39	.	.
1971	9.4	0.04	38.6	0.72	.	.
1972	10.3	0.03	33.9	0.51	.	.
1973	10.8	0.04	41.2	0.68	.	.
1974	10.0	0.03	41.1	0.59	.	.
1975	11.5	0.04	30.7	0.56	.	.
1976	14.1	0.04	19.0	0.29	.	.
1977	11.3	0.03	33.0	0.50	.	.
1978	10.9	0.03	31.8	0.55	.	.
1979	9.2	0.03	39.3	0.73	.	.
1980	12.1	0.03	11.6	0.17	.	.
1981	9.4	0.03	36.4	0.49	.	.
1982	10.2	0.03	26.1	0.36	.	.
1983	14.7	0.02	-21.6	-0.45	.	.
1984	8.9	0.03	32.8	0.54	.	.
1985	11.5	0.03	25.6	0.51	.	.
1986	14.1	0.04	13.9	0.32	.	.
1987	13.4	0.04	20.2	0.43	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	11.9	0.06	30.5	0.13	14.1	0.10
1970	8.5	0.05	22.1	0.11	12.2	0.10
1971	7.9	0.06	18.9	0.11	10.5	0.10
1972	9.3	0.06	18.7	0.10	11.7	0.10
1973	7.7	0.06	16.0	0.10	9.5	0.10
1974	7.8	0.05	16.8	0.09	10.1	0.10
1975	9.8	0.06	21.2	0.10	12.0	0.09
1976	10.4	0.05	24.5	0.10	13.3	0.09
1977	9.1	0.05	18.8	0.09	11.6	0.09
1978	9.3	0.05	19.4	0.09	11.9	0.09
1979	8.3	0.05	17.6	0.09	10.8	0.09
1980	13.8	0.05	25.5	0.09	16.6	0.09
1981	11.1	0.05	16.9	0.08	12.4	0.08
1982	12.6	0.05	19.9	0.08	14.6	0.08
1983	24.5	0.06	29.4	0.07	23.0	0.08
1984	13.3	0.06	15.9	0.07	11.9	0.08
1985	15.8	0.06	17.5	0.07	13.5	0.08
1986	19.4	0.06	20.2	0.08	14.8	0.08
1987	18.3	0.06	17.6	0.07	14.0	0.08

CARLISLE COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	206	10.6	796	41.1	.	.
1970	229	12.0	800	41.9	.	.
1971	171	9.2	797	43.1	.	.
1972	210	11.3	798	42.9	.	.
1973	180	9.3	810	41.7	.	.
1974	169	8.8	819	42.9	.	.
1975	172	9.5	730	40.2	.	.
1976	189	10.2	729	39.5	.	.
1977	189	10.3	697	37.8	.	.
1978	186	9.8	691	36.5	.	.
1979	189	10.2	641	34.5	.	.
1980	163	9.2	642	36.3	.	.
1981	163	9.3	650	37.0	.	.
1982	147	8.5	632	36.4	.	.
1983	156	8.7	652	36.4	.	.
1984	193	10.7	622	34.6	.	.
1985	195	10.8	604	33.6	.	.
1986	210	11.3	622	33.3	.	.
1987	204	11.0	596	32.2	.	.

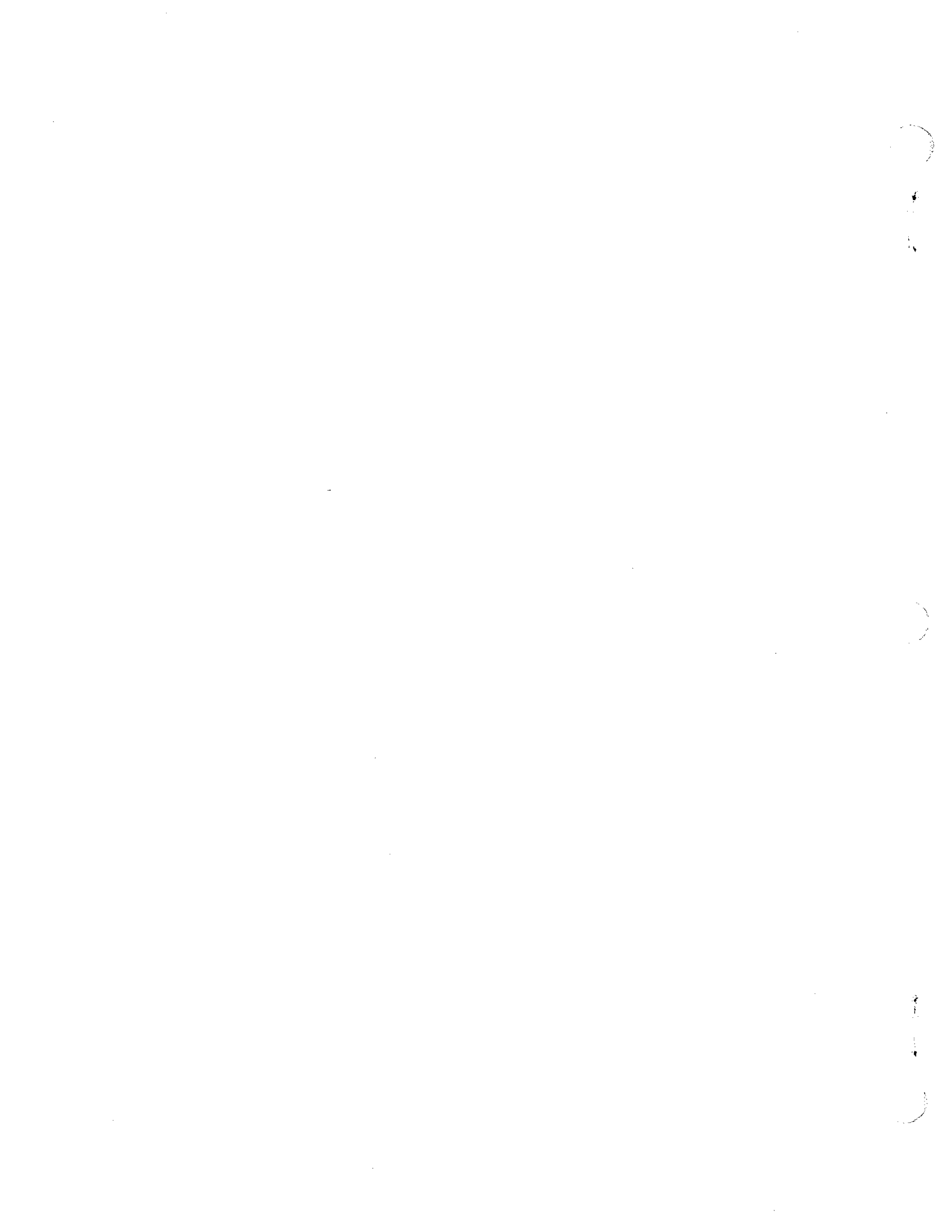
YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	193	10.0	349	18.0	179	9.3
1970	185	9.7	322	16.8	178	9.3
1971	182	9.8	309	16.7	172	9.3
1972	195	10.5	269	14.5	167	9.0
1973	222	11.4	295	15.2	170	8.8
1974	215	11.3	297	15.5	172	9.0
1975	212	11.7	311	17.1	174	9.6
1976	226	12.2	309	16.7	172	9.3
1977	246	13.3	305	16.5	174	9.4
1978	264	13.9	328	17.3	181	9.6
1979	261	14.0	307	16.5	191	10.3
1980	259	14.6	276	15.6	194	11.0
1981	257	14.6	260	14.8	189	10.8
1982	274	15.8	265	15.3	173	10.0
1983	310	17.3	261	14.6	171	9.5
1984	316	17.6	259	14.4	178	9.9
1985	349	19.4	259	14.4	177	9.8
1986	363	19.5	271	14.5	178	9.5
1987	381	20.6	261	14.1	176	9.5

CARLISLE COUNTY
EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	1,935	\$7,822	\$17,440	.	4.2
1970	1,911	\$9,995	\$17,811	12.5	4.4
1971	1,850	\$12,514	\$18,166	7.3	5.1
1972	1,861	\$11,770	\$18,970	6.9	6.0
1973	1,942	\$13,828	\$19,232	5.4	3.7
1974	1,910	\$12,550	\$19,008	7.1	4.5
1975	1,814	\$11,449	\$18,976	10.1	7.3
1976	1,846	\$10,366	\$19,563	5.8	5.6
1977	1,843	\$12,177	\$20,031	4.9	4.7
1978	1,893	\$12,146	\$20,121	6.4	5.3
1979	1,858	\$14,173	\$20,110	9.1	5.5
1980	1,768	\$9,372	\$19,439	11.7	8.0
1981	1,756	\$11,921	\$19,286	11.0	8.4
1982	1,734	\$10,121	\$18,931	12.9	10.6
1983	1,792	\$6,217	\$18,358	16.0	11.6
1984	1,800	\$12,567	\$19,080	15.2	9.3
1985	1,798	\$11,262	\$18,676	17.1	9.5
1986	1,866	\$10,109	\$18,627	13.5	9.3
1987	1,852	\$11,125	\$18,636	13.1	8.8

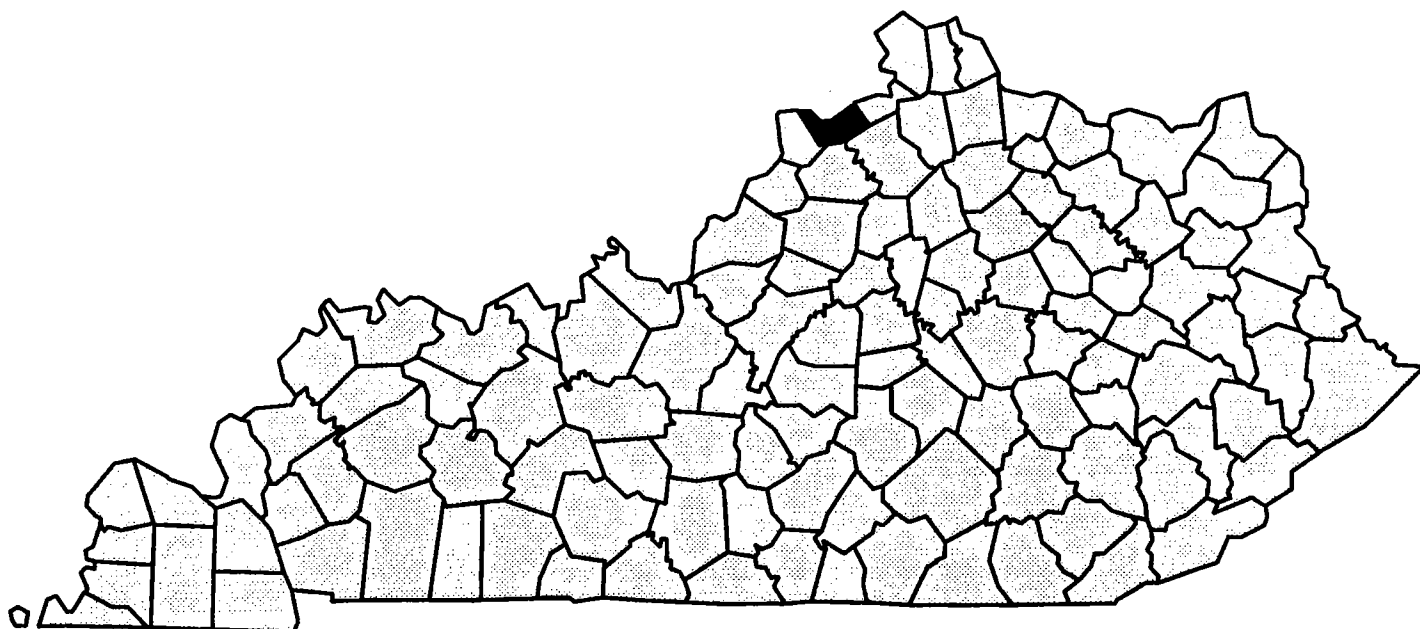
POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	5,400	0.17	.	.	.	.
1970	5,400	0.17	7.8	10.3	23.5	14.8
1971	5,400	0.16	7.6	9.6	23.6	14.8
1972	5,300	0.16	7.6	9.1	24.2	15.0
1973	5,300	0.16	7.5	8.8	24.3	15.2
1974	5,200	0.15	7.7	8.6	25.0	15.3
1975	5,300	0.15	7.6	8.4	24.8	15.4
1976	5,400	0.15	7.3	8.2	24.3	15.5
1977	5,500	0.15	7.3	8.4	23.7	15.5
1978	5,600	0.16	7.4	8.5	23.1	15.6
1979	5,600	0.15	7.6	8.7	23.2	15.8
1980	5,500	0.15	7.8	9.2	23.1	15.4
1981	5,500	0.15	7.9	9.3	22.3	15.5
1982	5,300	0.14	7.6	9.2	22.7	15.7
1983	5,300	0.14	7.9	9.2	22.7	15.9
1984	5,200	0.14	7.7	9.0	22.4	16.1
1985	5,100	0.14	7.6	8.9	22.3	16.3
1986	5,100	0.14	8.0	8.6	22.9	16.5
1987	5,100	0.14	.	.	.	.



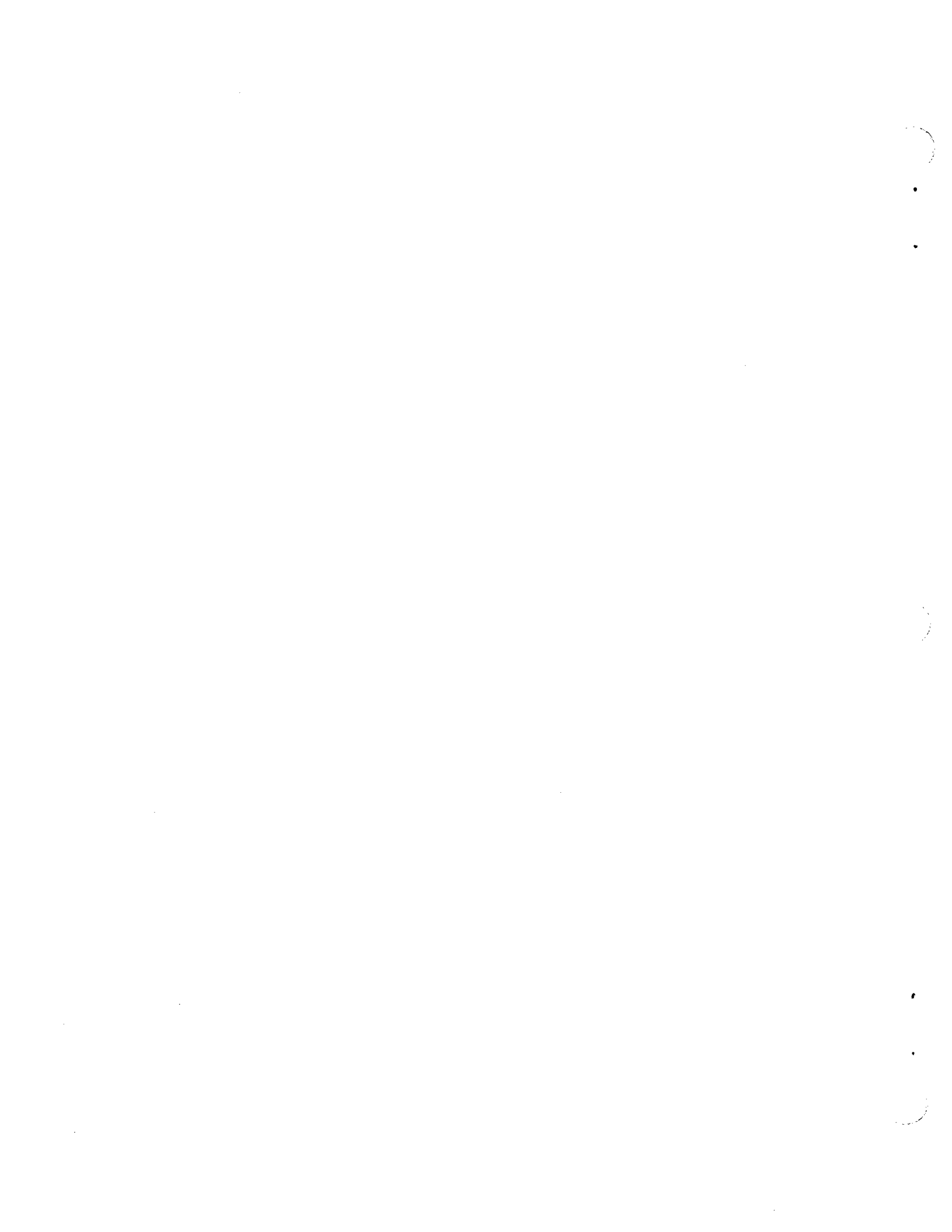
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CARROLL COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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1990

CARROLL COUNTY

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RESEARCH MEMORANDUM 438
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February, 1990



FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



SUMMARY

The Carroll County economy, as measured by personal income, grew moderately from 1969 to 1987. Carroll County had small decreases in its share of Kentucky personal income, indicating that the county economy did not grow as fast as the state economy.

The county has historically been heavily dependent on the goods-producing industries of manufacturing and farming. While the state share of earnings and employment in manufacturing declined, the shares of these components of the Carroll County economy increased substantially. The farm sector's share of the county and state economy declined steadily during the period.

The non-goods-producing sectors of service and trade experienced significant growth at the state level but remained relatively constant in the county. The state and local government sector increased its share of the county economy.

The county's economy benefited from its high concentration in a growing manufacturing sector. This is because manufacturing is a relatively high wage industry. However, manufacturing industries are very sensitive to economic fluctuations. Consequently, while a high concentration in manufacturing supported the economy during a period of national economic growth, it may also make the county more susceptible to recessionary contractions.



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INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN CARROLL COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Carroll County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Carroll County economy, as measured by personal income, increased from \$73 million in 1969 to \$109 million in 1987, after adjusting for inflation. Chart 1B shows Carroll County total personal income as a percent of Kentucky total personal income. Carroll County had small decreases in its share of Kentucky personal income. Thus, although the county economy was growing in absolute terms, it was not growing as fast as that of the state as a whole.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Carroll County per capita income increased over the time period to a level of \$11,529 per person in 1987 when it was 92.2 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their share has changed over time. This information is illustrated in Charts 2A-2D. Earnings showed very strong growth through

1979. However, with the national recession of the early 1980's, earnings dropped significantly. Overall total earnings increased from \$58 million in 1969 to \$72 million in 1987 (in constant 1988 dollars). While earnings increased, their share of personal income declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 66.3 percent of Carroll County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$8 million to total personal income in 1969 and \$22 million in 1987. Over time, transfer payments contributed a progressively higher percentage of personal income in Carroll County than in Kentucky.

Income from property in Carroll County grew at a slow but steady rate through the time period. Income from property totalled \$7 million in 1969 and increased to \$14 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Carroll County received 41.3 percent of total earnings from manufacturing. This percentage increased to 53.1 percent in 1987 (Chart 3A). The county trend toward increasing concentration in manufacturing is different from that for the state, where the percentage of earnings from manufacturing has shown a steady decline over the period.

Farming's contribution to total county earnings decreased from 13.5 percent in 1969 to 2.7 percent in 1987. The trend toward declining farm earnings is consistent with state and national trends.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector remained stable and was 6.3 percent in 1987, while the percent from the trade sector declined slightly to 8.2 percent in 1987. The share of earnings from the state and local government sector increased to 11.0 percent in 1987. At the state level, the percent of earnings from services increased, while the percents from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Carroll County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Trends in Carroll County average earnings per job were similar to state trends. Average earnings increased over time and reached \$19,118 in 1987, which was above Kentucky average earnings.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Carroll County increased substantially during the data period. In 1969, total employment stood at 3,841 people. By 1987, that figure had increased to 5,183.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Carroll County are presented in Chart 4B. Unemployment rates in Carroll County have generally been below those of the state throughout the period. In 1987, the county unemployment rate was 4.7 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing increased from 32.9 percent in 1969 to 34.1 percent in 1987. Again, this trend is unlike that of the state. Farm employment declined steadily throughout the period. Farming's share of employment declined from 19.8 percent in 1969 to 11.2 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment increased slightly from 1969 to 1987. In 1969, the service sector accounted for 9.1 percent of employment and in 1987, 12.2 percent. The trade sector's employment share declined slightly and accounted for 12.7 percent in 1987. The percent of employment in state and local government increased from 9.1 percent in 1969 to 13.0 percent in 1987. At the state level, service and trade employment increased significantly, while government employment remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Carroll County.

The Carroll County population grew slightly from 8,500 in 1969 to 9,400 in 1987 (Chart 5A). It was estimated that in 1986, 8.9 percent of Carroll County's population was under six years of age, about the same as for the state. Carroll County has a higher proportion than the state of residents age sixty or older. In 1987, 19.4 percent of the Carroll County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
 CARROLL COUNTY
 REAL PERSONAL INCOME
 Millions of 1988 dollars

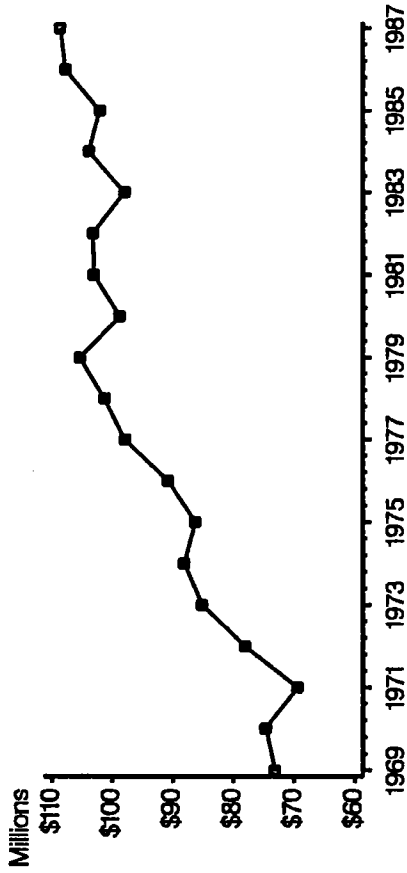


CHART 1B
 CARROLL COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

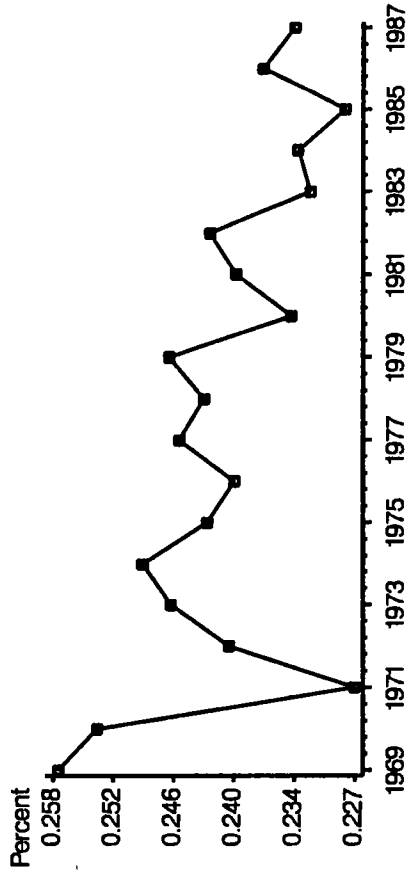


CHART 1C
 CARROLL COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

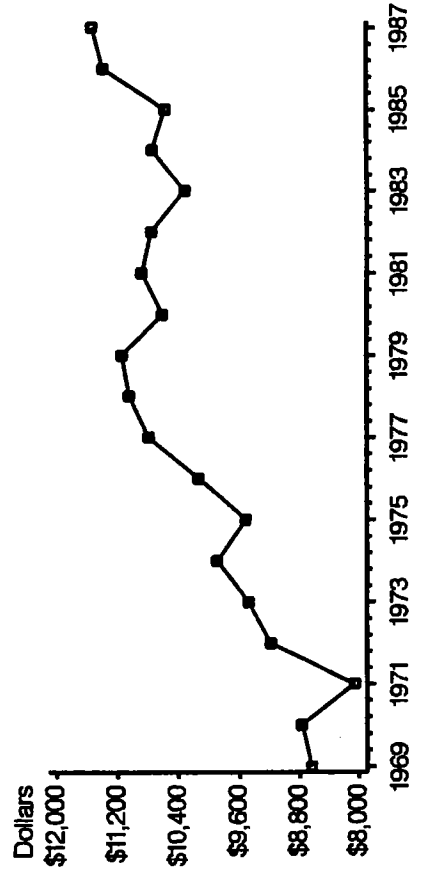


CHART 1D
 CARROLL COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

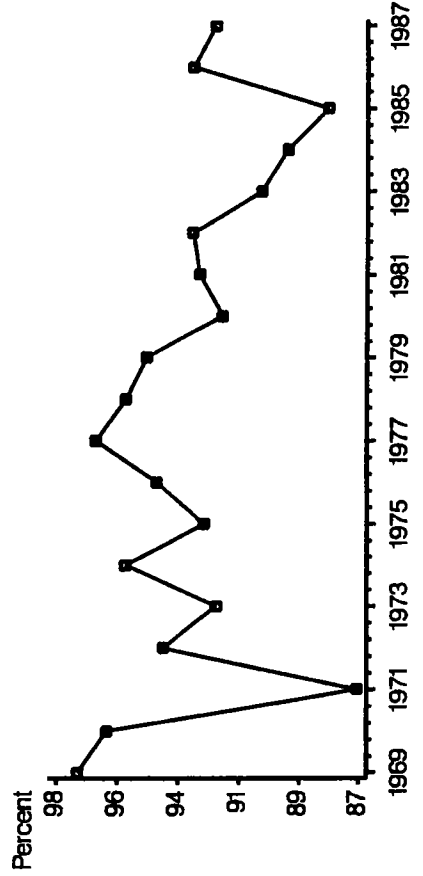


CHART 2A
 CARROLL COUNTY
 REAL TOTAL EARNINGS
 Millions of 1988 dollars

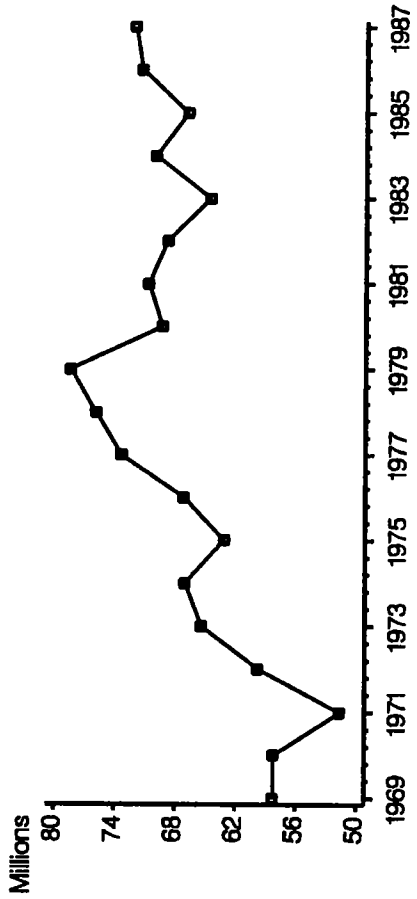


CHART 2B
 CARROLL COUNTY
 TRANSFER PAYMENTS and INCOME FROM PROPERTY
 Millions of 1988 Dollars

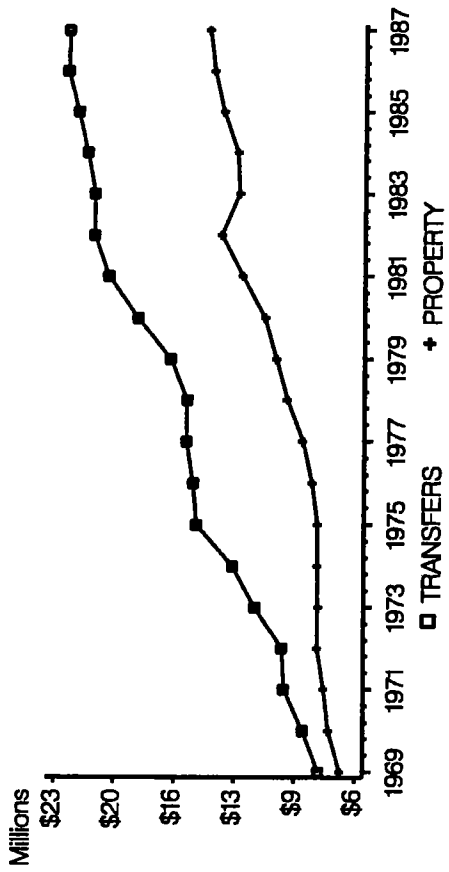


CHART 2C
 CARROLL COUNTY
 TOTAL EARNINGS
 as a Percent of Personal Income

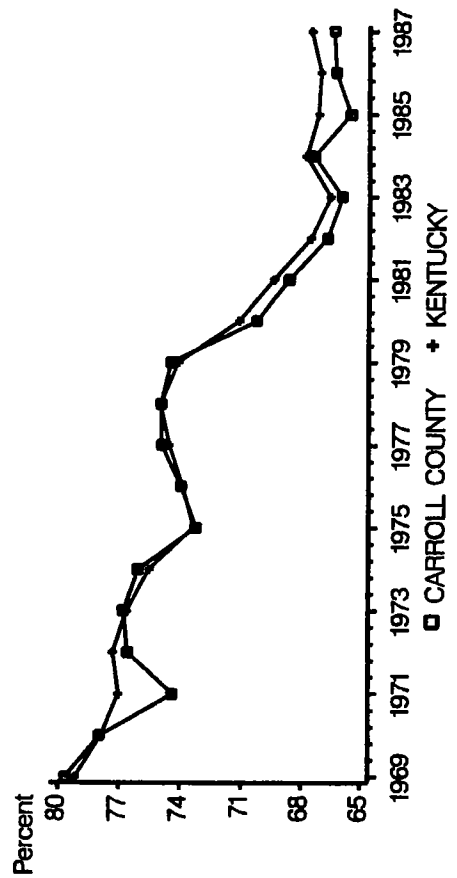


CHART 2D
 CARROLL COUNTY
 TRANSFER PAYMENTS
 as a Percent of Personal Income

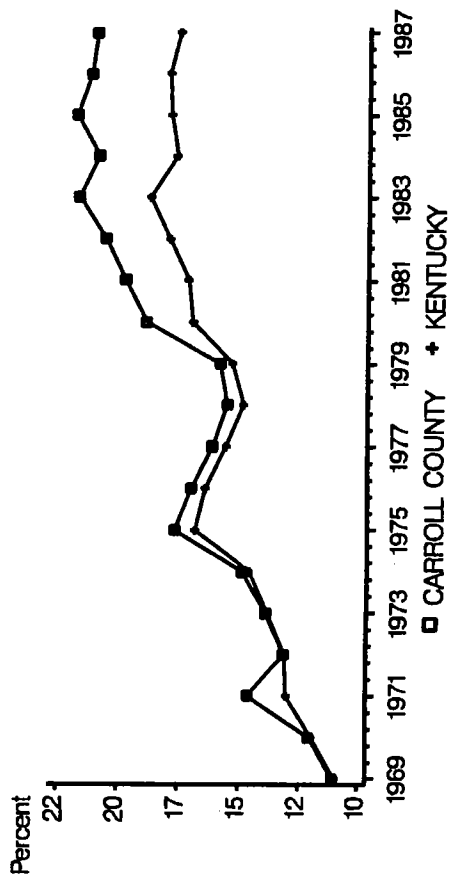


CHART 3A

CARROLL COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

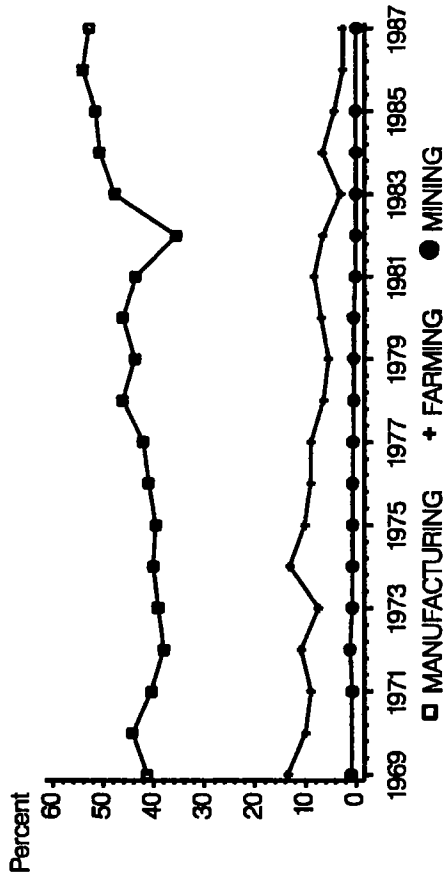


CHART 3B

CARROLL COUNTY

EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

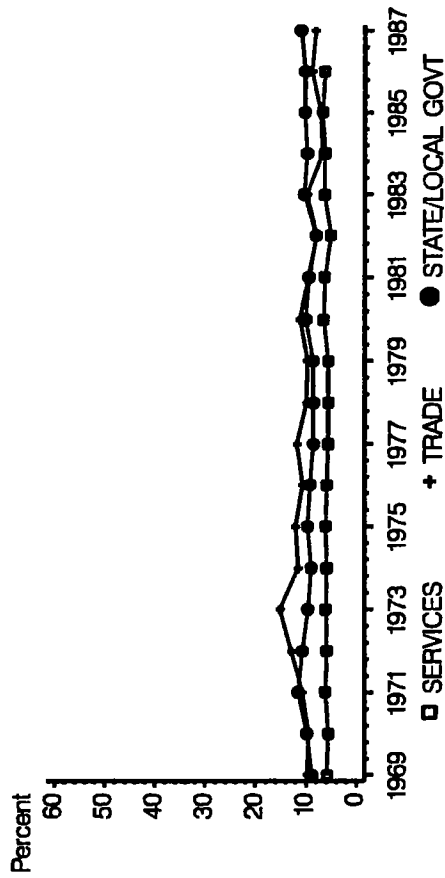


CHART 3C

CARROLL COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

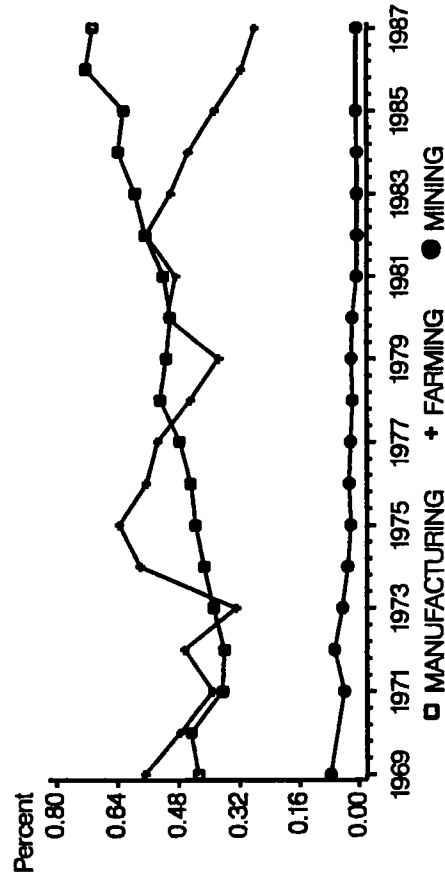


CHART 3D

CARROLL COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

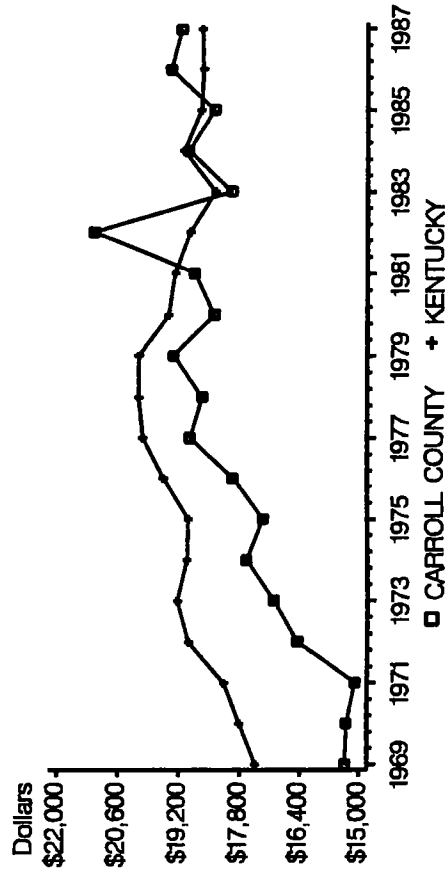


CHART 4A
CARROLL COUNTY
TOTAL EMPLOYMENT
Thousands of People

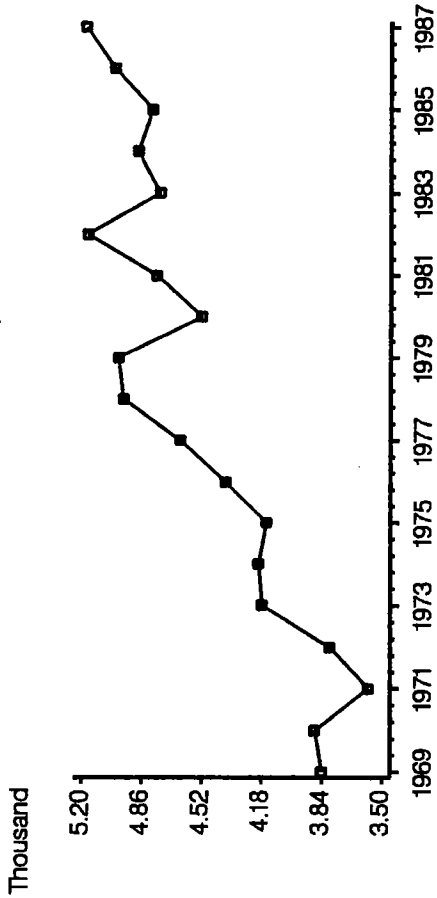


CHART 4B
CARROLL COUNTY
ANNUAL UNEMPLOYMENT RATE

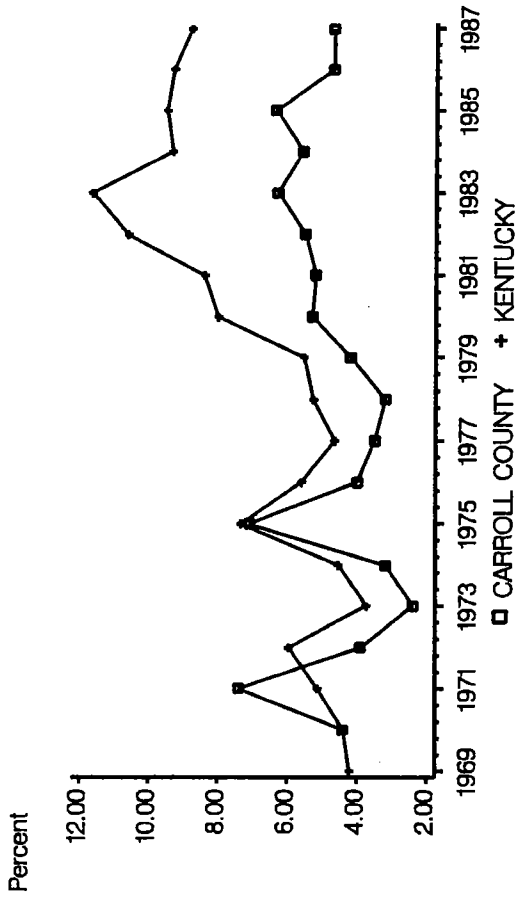


CHART 4C
CARROLL COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

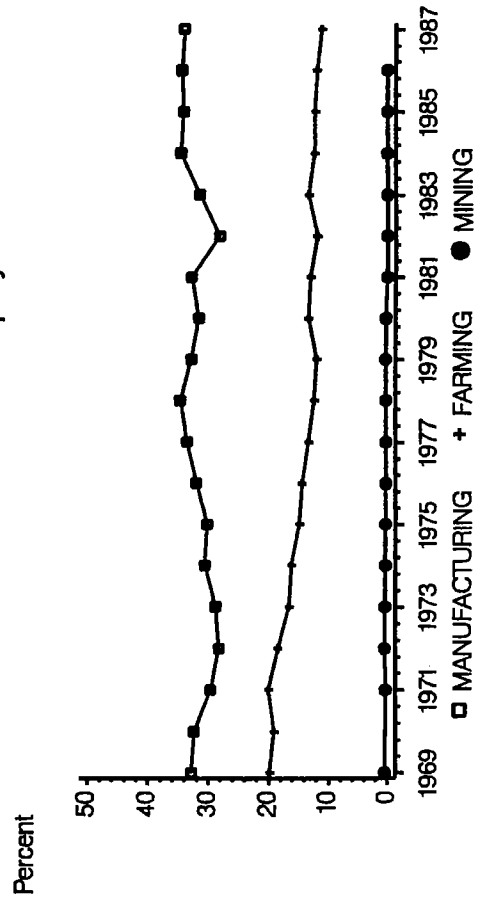


CHART 4D
CARROLL COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

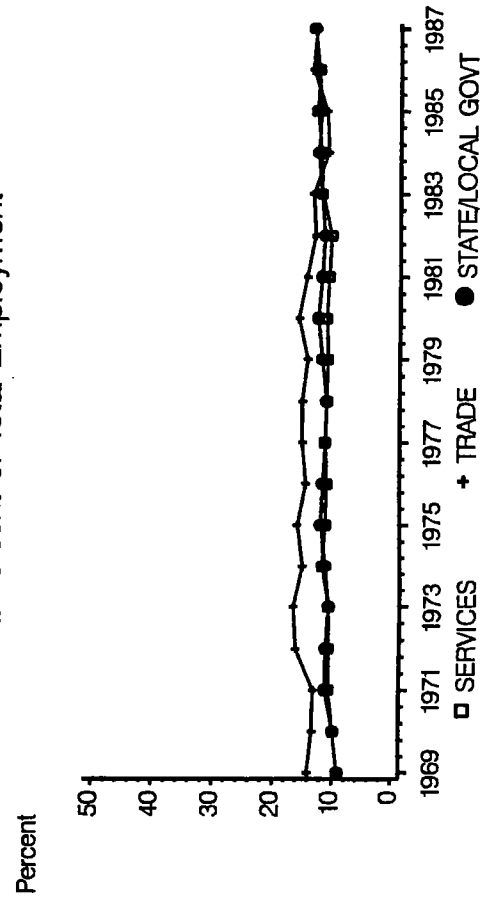


CHART 5A
CARROLL COUNTY
POPULATION
Thousands of People

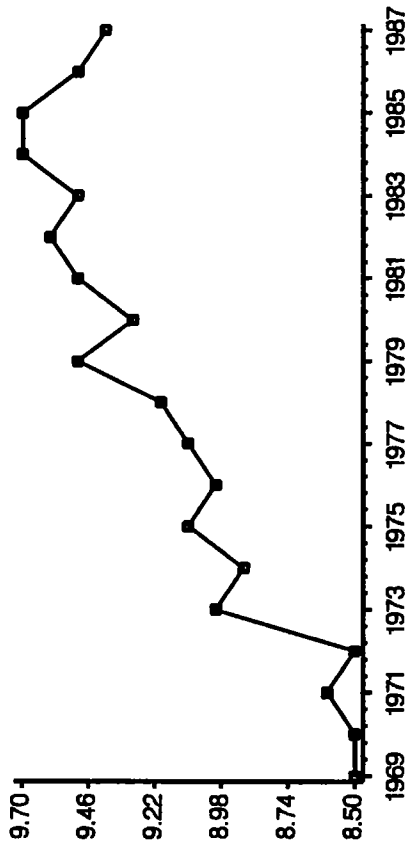


CHART 5B
CARROLL COUNTY
POPULATION
as a Percent of Kentucky Population

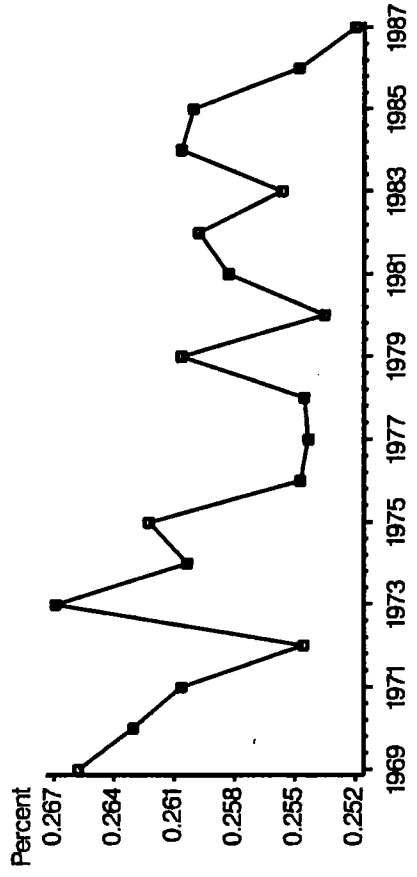


CHART 5C
CARROLL COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

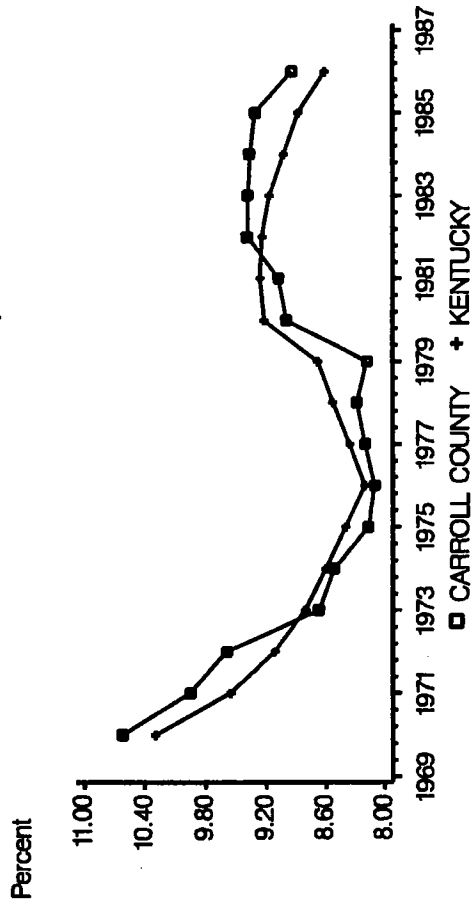
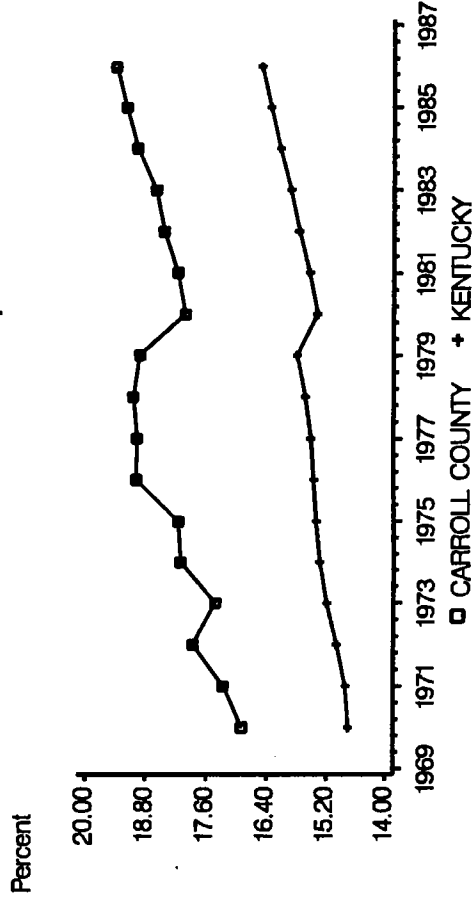


CHART 5D
CARROLL COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



CARROLL COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	73	0.26	8,639	97.2
1970	75	0.25	8,767	96.2
1971	69	0.23	8,058	87.1
1972	78	0.24	9,174	94.1
1973	85	0.25	9,471	92.2
1974	88	0.25	9,896	95.5
1975	86	0.24	9,510	92.7
1976	91	0.24	10,133	94.4
1977	98	0.25	10,794	96.6
1978	101	0.24	11,045	95.5
1979	105	0.25	11,141	94.7
1980	99	0.23	10,611	92.0
1981	103	0.24	10,881	92.8
1982	103	0.24	10,753	93.1
1983	98	0.23	10,308	90.6
1984	104	0.23	10,745	89.6
1985	102	0.23	10,574	88.1
1986	108	0.24	11,387	93.0
1987	109	0.23	11,529	92.2

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	58	79.6	79.2	8	11.0	10.9	7	9.3	9.9
1970	58	78.0	77.9	9	12.0	11.9	8	10.1	10.2
1971	52	74.4	77.0	10	14.4	12.9	8	11.2	10.1
1972	60	76.6	77.3	10	13.0	12.9	8	10.4	9.7
1973	65	76.8	76.6	12	13.7	13.6	8	9.5	9.7
1974	67	76.1	75.5	13	14.7	14.4	8	9.2	10.1
1975	63	73.2	73.3	15	17.4	16.5	8	9.4	10.1
1976	67	74.0	73.9	15	16.7	16.1	8	9.3	10.0
1977	73	74.9	74.6	16	15.9	15.3	9	9.2	10.1
1978	76	75.0	75.0	16	15.3	14.6	10	9.7	10.4
1979	79	74.5	74.1	16	15.6	15.1	10	9.9	10.8
1980	69	70.2	71.1	18	18.5	16.7	11	11.3	12.2
1981	71	68.6	69.3	20	19.4	16.8	12	12.1	13.8
1982	69	66.7	67.5	21	20.1	17.6	14	13.2	14.9
1983	65	65.9	66.6	21	21.2	18.4	13	12.9	15.1
1984	70	67.4	67.8	21	20.4	17.3	13	12.2	14.9
1985	67	65.5	67.2	22	21.3	17.6	14	13.2	15.3
1986	72	66.3	67.1	22	20.7	17.6	14	13.0	15.3
1987	72	66.3	67.5	22	20.5	17.2	14	13.2	15.3

CARROLL COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	41.3	0.43	13.5	0.57	1.0	0.08
1970	44.2	0.45	10.0	0.48	.	.
1971	40.5	0.36	9.0	0.39	0.8	0.04
1972	38.0	0.36	10.9	0.46	1.2	0.07
1973	39.2	0.39	7.5	0.33	0.8	0.04
1974	40.1	0.41	13.1	0.58	0.7	0.03
1975	39.6	0.44	10.2	0.64	0.7	0.02
1976	41.0	0.45	9.1	0.56	0.7	0.03
1977	42.2	0.48	9.0	0.54	0.6	0.02
1978	46.3	0.53	6.5	0.45	0.5	0.02
1979	43.8	0.51	5.5	0.37	0.5	0.02
1980	46.2	0.50	7.0	0.51	0.5	0.02
1981	43.6	0.52	8.4	0.49	0.2	0.01
1982	35.6	0.57	6.7	0.57	0.1	0.00
1983	47.9	0.59	3.1	0.50	0.1	0.01
1984	50.9	0.64	6.8	0.45	0.1	0.00
1985	51.8	0.62	4.4	0.38	0.2	0.01
1986	54.3	0.72	2.7	0.31	.	.
1987	53.1	0.71	2.7	0.28	0.1	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	5.8	0.11	9.8	0.16	8.9	0.25
1970	5.6	0.11	9.4	0.15	9.8	0.26
1971	6.2	0.10	10.7	0.15	11.6	0.26
1972	5.9	0.11	12.9	0.20	10.7	0.27
1973	6.0	0.12	15.1	0.25	9.6	0.27
1974	5.9	0.12	11.5	0.20	8.9	0.26
1975	6.1	0.12	12.1	0.19	9.7	0.26
1976	5.9	0.12	10.7	0.18	9.2	0.26
1977	5.6	0.12	11.8	0.22	8.5	0.26
1978	5.6	0.12	9.9	0.18	8.5	0.26
1979	5.6	0.12	9.7	0.18	8.6	0.26
1980	6.5	0.12	11.2	0.19	10.0	0.26
1981	6.3	0.12	9.6	0.19	9.4	0.27
1982	5.0	0.12	7.9	0.19	8.0	0.28
1983	6.4	0.11	9.8	0.18	10.3	0.28
1984	6.2	0.11	6.7	0.13	9.8	0.27
1985	6.7	0.11	7.2	0.13	10.2	0.27
1986	6.3	0.10	8.8	0.17	10.2	0.28
1987	.	.	8.2	0.16	11.0	0.30

CARROLL COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,263	32.9	762	19.8	16	0.4
1970	1,257	32.4	741	19.1	.	.
1971	1,060	29.6	718	20.1	10	0.3
1972	1,071	28.2	700	18.4	17	0.4
1973	1,202	28.8	692	16.6	16	0.4
1974	1,285	30.6	677	16.1	12	0.3
1975	1,255	30.2	614	14.8	12	0.3
1976	1,404	32.0	629	14.3	10	0.2
1977	1,559	33.6	614	13.2	11	0.2
1978	1,722	34.7	611	12.3	11	0.2
1979	1,642	32.9	595	11.9	13	0.3
1980	1,430	31.6	600	13.3	10	0.2
1981	1,569	32.8	617	12.9	0	0.0
1982	1,455	28.1	613	11.9	0	0.0
1983	1,500	31.5	631	13.3	0	0.0
1984	1,693	34.6	602	12.3	0	0.0
1985	1,644	34.2	585	12.2	0	0.0
1986	1,730	34.5	600	12.0	0	0.0
1987	1,766	34.1	578	11.2	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	349	9.1	538	14.0	349	9.1
1970	380	9.8	513	13.2	380	9.8
1971	377	10.5	468	13.1	401	11.2
1972	403	10.6	608	16.0	422	11.1
1973	446	10.7	690	16.5	445	10.7
1974	490	11.7	627	14.9	471	11.2
1975	463	11.1	655	15.8	496	11.9
1976	480	10.9	630	14.4	511	11.6
1977	521	11.2	695	15.0	520	11.2
1978	544	11.0	745	15.0	547	11.0
1979	539	10.8	705	14.1	584	11.7
1980	498	11.0	707	15.6	562	12.4
1981	509	10.6	682	14.3	564	11.8
1982	529	10.2	668	12.9	587	11.4
1983	563	11.8	633	13.3	568	11.9
1984	587	12.0	528	10.8	606	12.4
1985	607	12.6	533	11.1	577	12.0
1986	614	12.2	669	13.3	622	12.4
1987	.	.	659	12.7	676	13.0

CARROLL COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	3,841	\$15,332	\$17,440	.	4.2
1970	3,879	\$15,297	\$17,811	4.4	4.4
1971	3,577	\$15,093	\$18,166	7.4	5.1
1972	3,796	\$16,452	\$18,970	3.9	6.0
1973	4,178	\$16,991	\$19,232	2.4	3.7
1974	4,200	\$17,641	\$19,008	3.2	4.5
1975	4,153	\$17,241	\$18,976	7.1	7.3
1976	4,388	\$17,957	\$19,563	4.0	5.6
1977	4,642	\$18,933	\$20,031	3.5	4.7
1978	4,967	\$18,656	\$20,121	3.2	5.3
1979	4,996	\$19,321	\$20,110	4.2	5.5
1980	4,523	\$18,383	\$19,439	5.3	8.0
1981	4,780	\$18,837	\$19,286	5.2	8.4
1982	5,171	\$21,143	\$18,931	5.5	10.6
1983	4,761	\$17,980	\$18,358	6.3	11.6
1984	4,887	\$18,964	\$19,080	5.6	9.3
1985	4,804	\$18,363	\$18,676	6.4	9.5
1986	5,020	\$19,375	\$18,627	4.7	9.3
1987	5,183	\$19,118	\$18,636	4.7	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	8,500	0.27	.	.	.	.
1970	8,500	0.26	10.6	10.3	16.9	14.8
1971	8,600	0.26	10.0	9.6	17.3	14.8
1972	8,500	0.25	9.6	9.1	17.9	15.0
1973	9,000	0.27	8.7	8.8	17.4	15.2
1974	8,900	0.26	8.5	8.6	18.1	15.3
1975	9,100	0.26	8.2	8.4	18.2	15.4
1976	9,000	0.25	8.1	8.2	19.0	15.5
1977	9,100	0.25	8.2	8.4	19.0	15.5
1978	9,200	0.25	8.3	8.5	19.0	15.6
1979	9,500	0.26	8.2	8.7	18.9	15.8
1980	9,300	0.25	9.0	9.2	18.0	15.4
1981	9,500	0.26	9.1	9.3	18.2	15.5
1982	9,600	0.26	9.4	9.2	18.4	15.7
1983	9,500	0.26	9.4	9.2	18.6	15.9
1984	9,700	0.26	9.4	9.0	19.0	16.1
1985	9,700	0.26	9.3	8.9	19.2	16.3
1986	9,500	0.25	8.9	8.6	19.4	16.5
1987	9,400	0.25	.	.	.	.

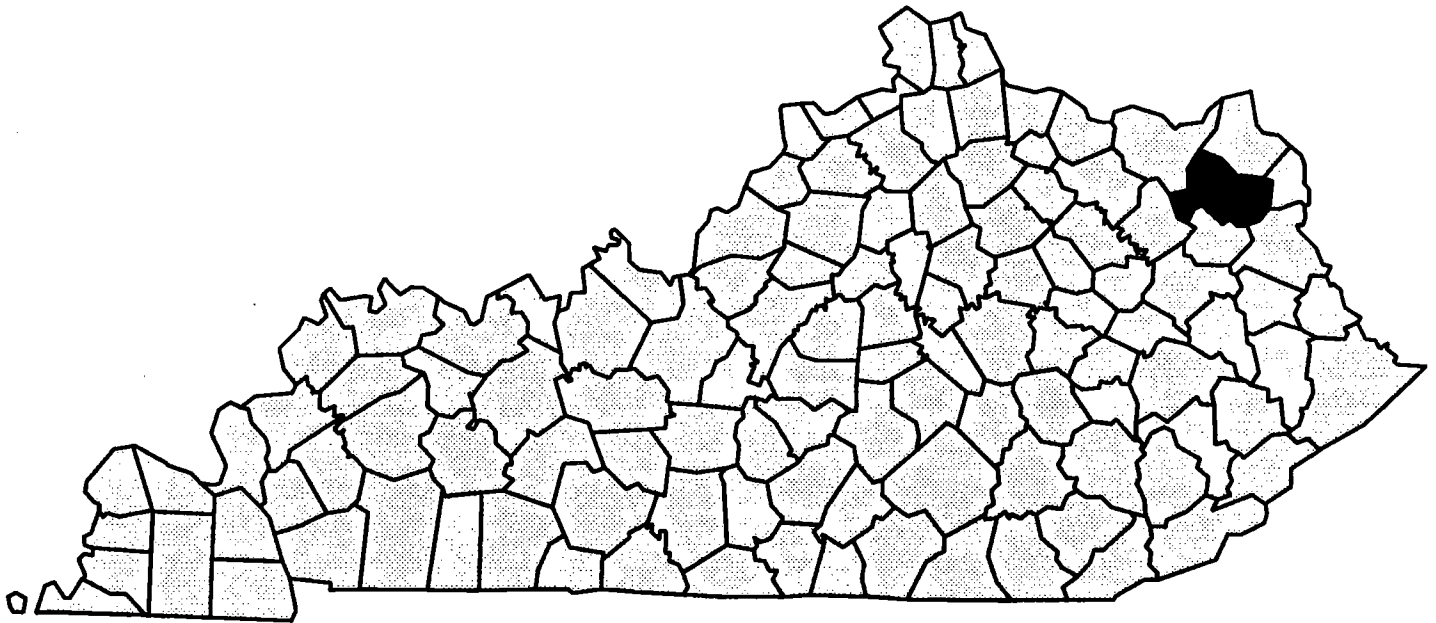






ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CARTER COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



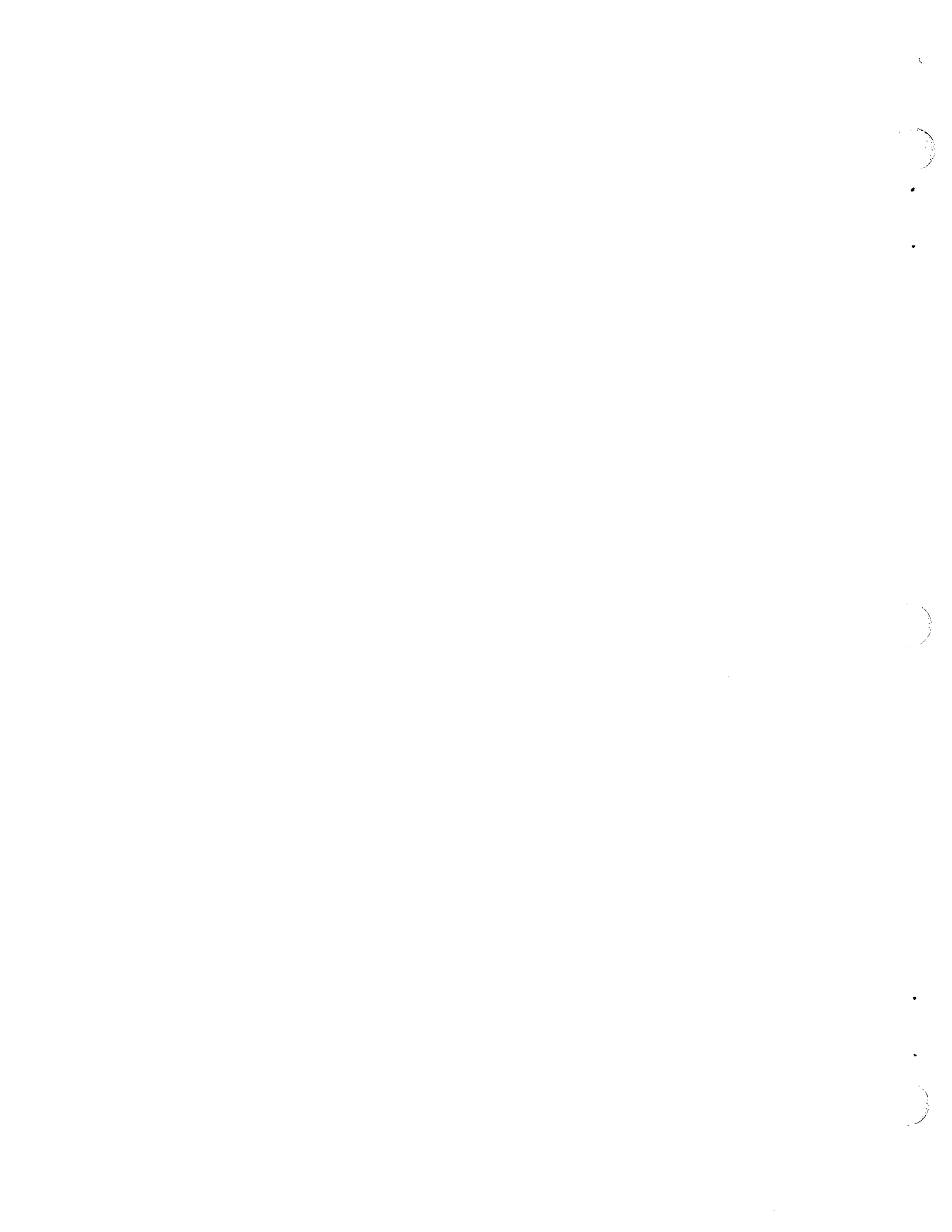
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

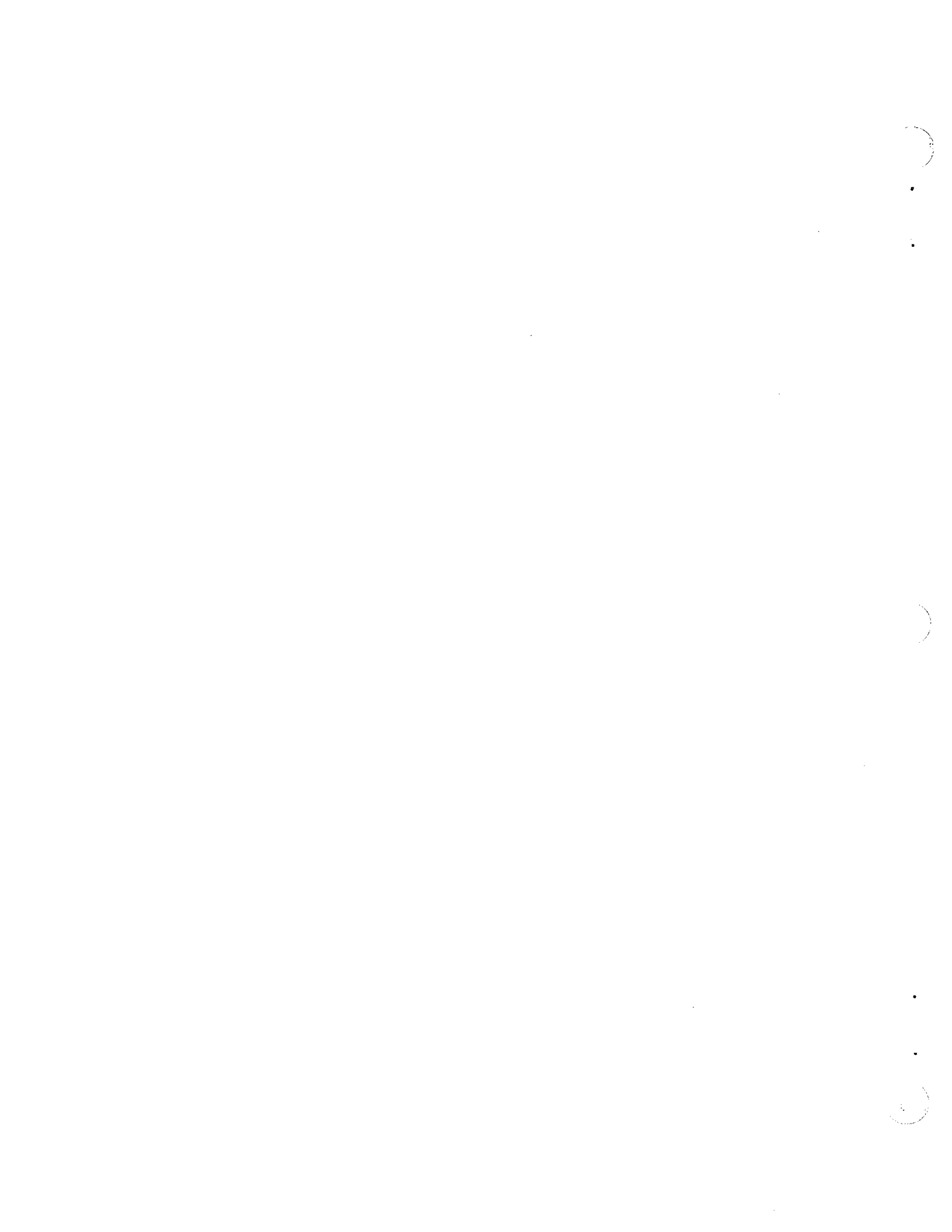
The Carter County economy, as measured by personal income, grew rapidly in the 1970's but declined slightly in the 1980's. Carter County increased its share of Kentucky personal income in the 1970's, then decreased its share in the 1980's. Both per capita personal income and average earnings per job were significantly below those of the state.

Carter County generates a smaller percent of personal income from earnings and a larger percent from transfer payments than does the state as a whole. This is partially explained by the relatively high proportion of elderly residents, who would be expected to receive retirement and medical benefits, which are classified as transfer payments.

The goods-producing industries of the Carter County economy were erratic. The shares of earnings and employment in the manufacturing sector declined at both the county and state levels. The farm sector's share of earnings decreased, while its share of employment increased. Kentucky's shares of these components declined. The mine sector's share of the county economy increased in the early 1980's, then decreased. These trends in the mine sector parallel those of the state.

The non-goods-producing sectors of trade and state and local government were relatively strong in Carter County. The service sector's share of the county economy decreased through the 1970's, then increased in the 1980's. At the state level, the services and trade sectors increased their share, while state and local government was constant.

Goods-producing industries, especially durable manufacturing, tend to be very sensitive to economic fluctuations and market competition. The non-goods-producing sectors tend to be more resilient during periods of economic decline. The long-term economic outlook at the state and national levels is for continued increase in these latter sectors, especially the service sector. Future economic growth in Carter County would be enhanced by growth in these sectors.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



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ECONOMIC TRENDS IN CARTER COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Carter County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Also, because coal production has been an important component in the Kentucky economy and in many local economies, the coal sector is analyzed in counties which have a history of coal production.

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Carter County economy, as measured by personal income, increased from \$127 million in 1969 to \$215 million in 1979, after adjusting for inflation. Personal income then declined to \$203 million in 1987. Chart 1B shows Carter County total personal income as a percent of Kentucky total personal income. Carter County increased its share of Kentucky personal income in the 1970's, then decreased its share in the 1980's.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Carter County per capita income increased to a level of \$8,747 in 1979, then decreased to 8,174 by 1987. Carter County per capita income was 65.4 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Earnings generally increased through 1979. However, with the national recession of 1982, earnings dropped significantly. Overall, total earnings increased from \$99 million in 1969 to \$158 million in 1979, then declined to \$126 million in 1987 (in constant 1988 dollars). The percent of personal income from earnings declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 62.3 percent of Carter County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$22 million to total personal income in 1969 and \$54 million in 1987. During the same period, transfer payments contributed a higher percentage of personal income in Carter County than in Kentucky. In 1987, 26.6 percent of county personal income was derived from transfer payments, compared to 17.2 percent of state personal income.

Income from property in Carter County grew steadily through the time period. Income from property totalled \$7 million in 1969 and increased to \$22 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Carter County received 20.7 percent of total earnings from manufacturing. The percentage decreased to 12.1 percent in 1987 (Chart 3A). This trend parallels state trends, where the percentage of earnings from manufacturing showed a steady decline over the period.

Farming's contribution to total county earnings decreased from 10.1 percent in 1969 to 3.6 percent in 1987. The trend toward declining earnings is consistent with state and national trends. The percent of earnings from the mine sector increased from 2.0 percent in 1969 to 12.7 percent in 1984, then declined to 6.4 percent in 1987.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector decreased through the 1970's, then increased to 13.7 percent in 1987. The percent of earnings from the trade sector increased to 17.4 percent in 1987. The share of earnings from the state and local government sector increased from 9.8 percent in 1969 to 18.3 percent in 1987. At the state level, the percent of earnings from services increased, while the percents from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Carter County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Carter County average earnings per job were below those of the state during the period. County average earnings reached \$11,472 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Carter County increased substantially during the data period. In 1969, total employment stood at 5,481 people. By 1987, that figure had increased to 7,583.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Carter County are presented in Chart 4B. Unemployment rates in Carter County were above those of the state throughout the period. In 1987, the county unemployment rate was 21.0 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing decreased from 18.9 percent in 1969 to 12.8 percent in 1987. Mine sector employment increased from 1.5 percent in 1969 to 5.2 percent in 1983, then declined to 2.9 percent in 1987. The farm sector's share of employment increased from 12.9 percent in 1969 to 15.7 percent in 1987. Overall, Kentucky saw employment shares in these three sectors decline during the period.

Employment in the non-goods-producing industries is presented in Chart 4D. In 1969, the service sector accounted for 25.1 percent of employment. This share decreased to 14.4 percent in 1983, then increased to 16.3 percent in 1987. The percent of employment in state and local government increased slightly, to 11.5 percent in 1987. The trade sector increased its share of total employment from 13.9 percent in 1969 to 19.8 percent in 1987. At the state level, service and trade employment shares increased significantly, while government employment shares remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Carter County.

The Carter County population grew from 19,900 in 1969 to 24,800 in 1987 (Chart 5A). It was estimated that in 1986, 8.9 percent of Carter County's population was under six years of age, compared to 8.6 percent for the state. In the same year, 15.5 percent of the Carter County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

Coal

The coal sector provides significant income and employment to the Kentucky. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. Coal production had a moderate impact on the county economy.

Carter County coal production patterns are presented in Chart 6A. Coal production is estimated by the Energy Information Administration of the U.S. Department of Energy. Estimates of production are calculated from a sample of coal shipments from each county. Coal production generally increased through the 1970's, to a high of 528 thousand tons in 1978. This production increase was likely stimulated by changes in international energy markets. Specifically, a sharp increase in the price of oil resulted in increased demand for coal by utilities and resulted in increases in the price of coal. However, when oil prices declined, coal production also declined. In 1986, 67 thousand tons of coal was mined in Carter County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969 there were only 83 people employed in mining in Carter County. Employment increased to 316 in 1978, but diminished to 222 in 1987. These changes in employment illustrate the volatile nature of coal production and its impact on local economies.

The average value per ton for coal is illustrated in Chart 6C. Similar to patterns for the national coal market, average value per ton increased in the 1970's, then declined during the 1980's.

Coal severance tax receipts are presented in Chart 6D. The Kentucky Revenue Cabinet collects severance taxes on processed coal. Receipts are then allocated to counties, based on the value of the coal mined in the county and the value attributed to any processing done in the county. Therefore, trends in severance tax collections may not exactly parallel those of the coal production figures in Chart 6A. Severance tax collections generally declined over the period. In 1985, coal severance tax collections allocated to Carter County totalled \$235 thousand, and in 1986, \$77 thousand.

CHART 1A

CARTER COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

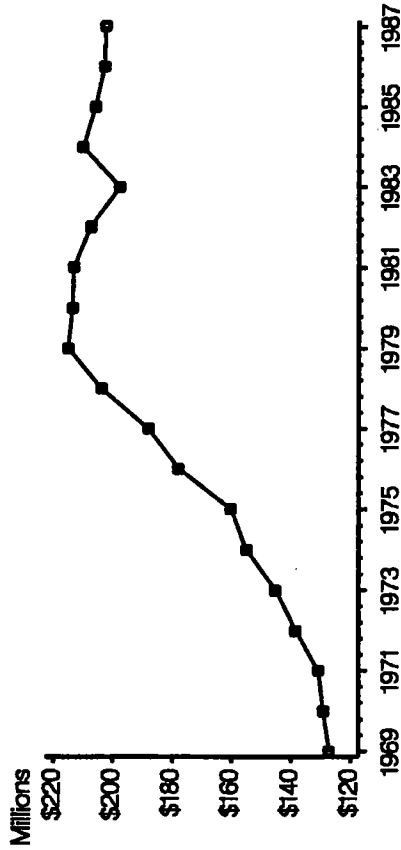


CHART 1B
CARTER COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

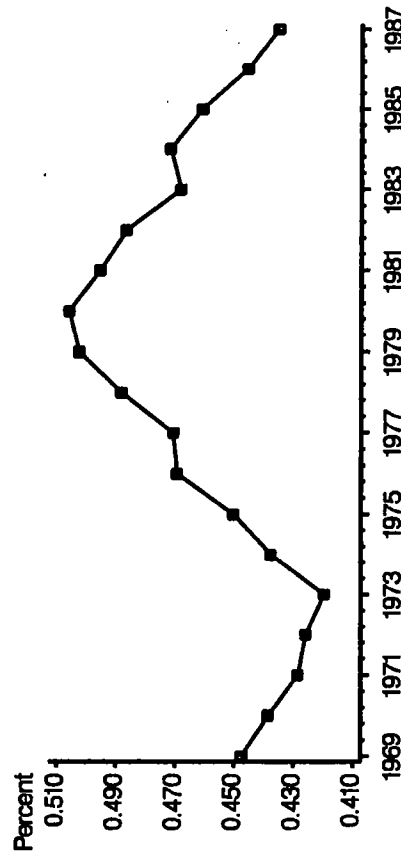


CHART 1C

CARTER COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

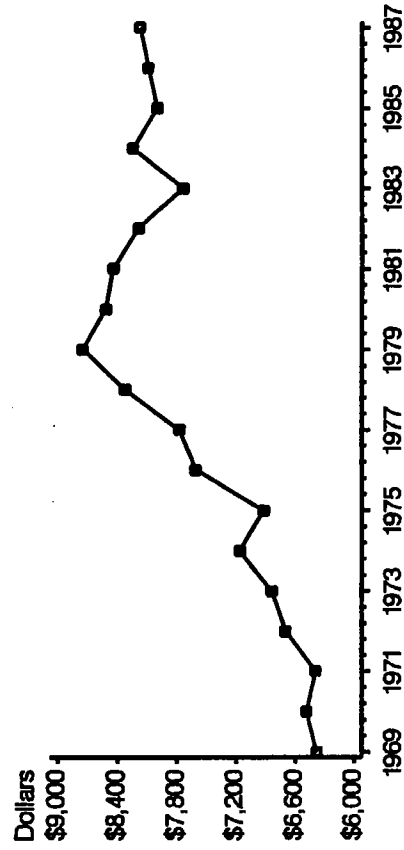


CHART 1D

CARTER COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

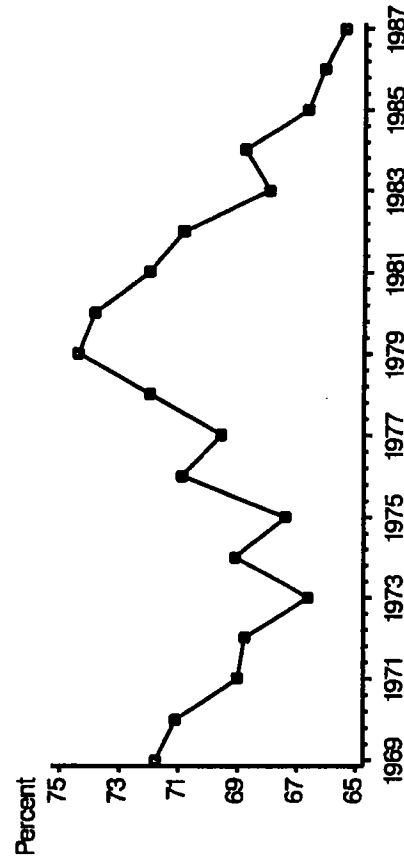


CHART 2A

CARTER COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

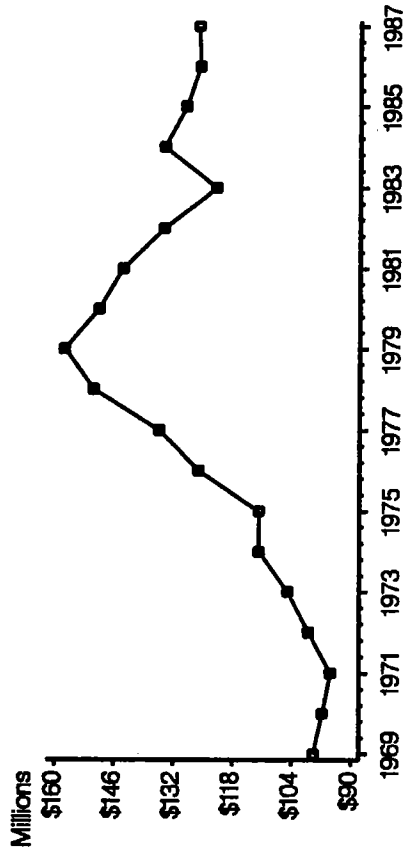


CHART 2C

CARTER COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

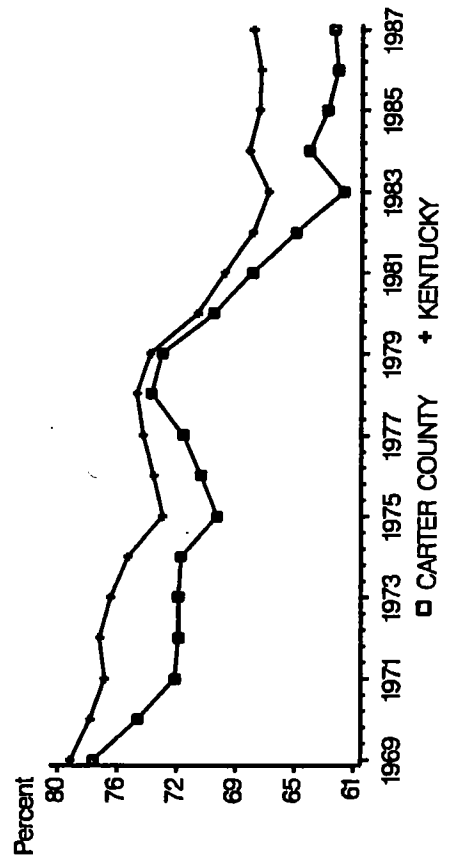


CHART 2B

CARTER COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

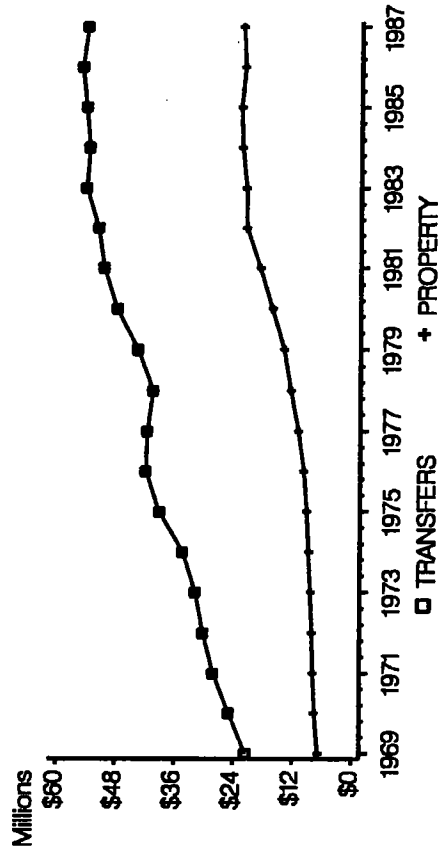


CHART 2D

CARTER COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

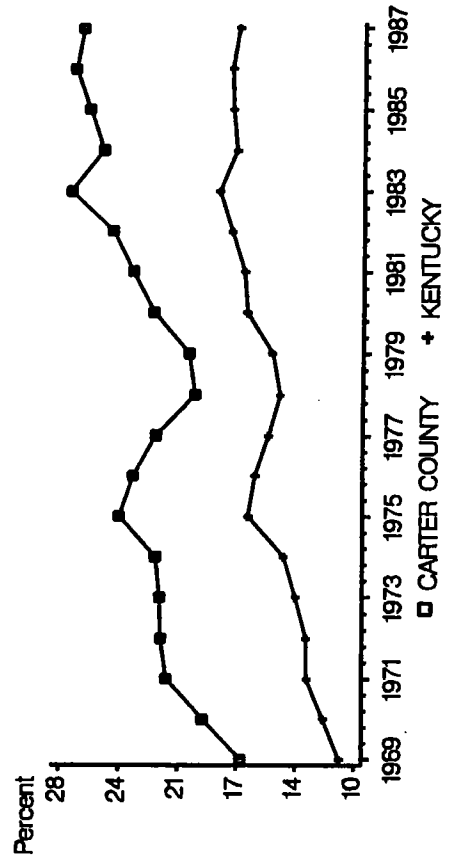


CHART 3A

CARTER COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

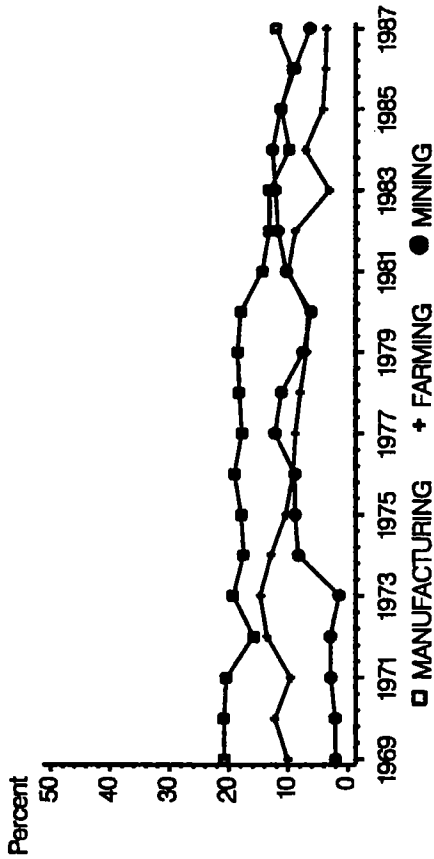


CHART 3B

CARTER COUNTY

EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

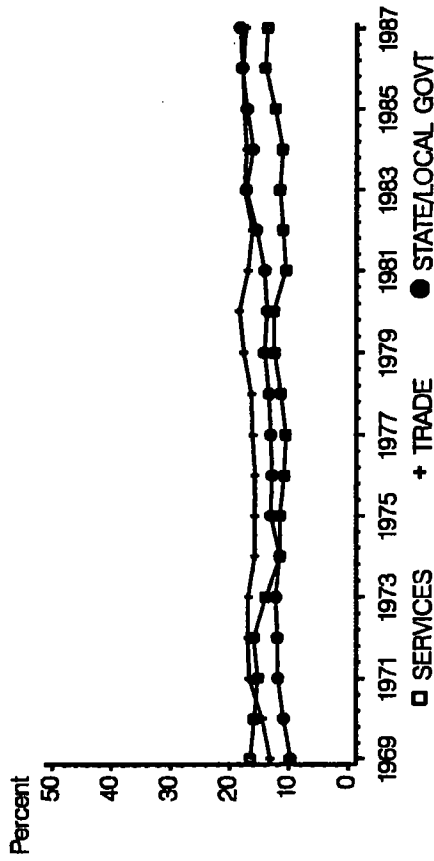


CHART 3C

CARTER COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

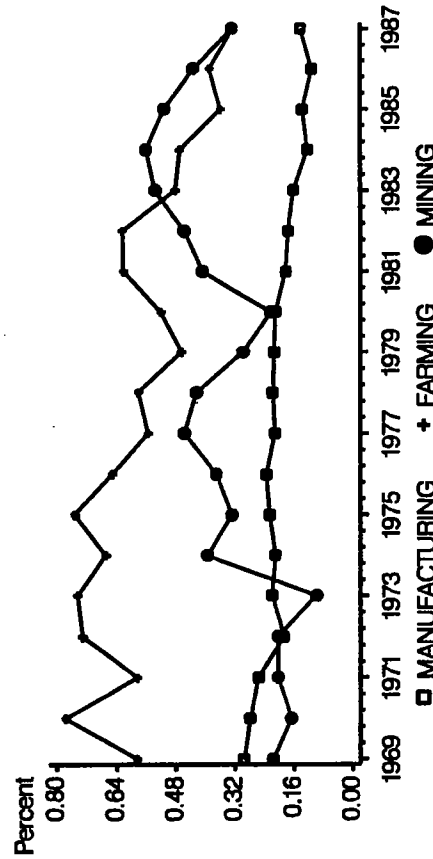


CHART 3D

CARTER COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

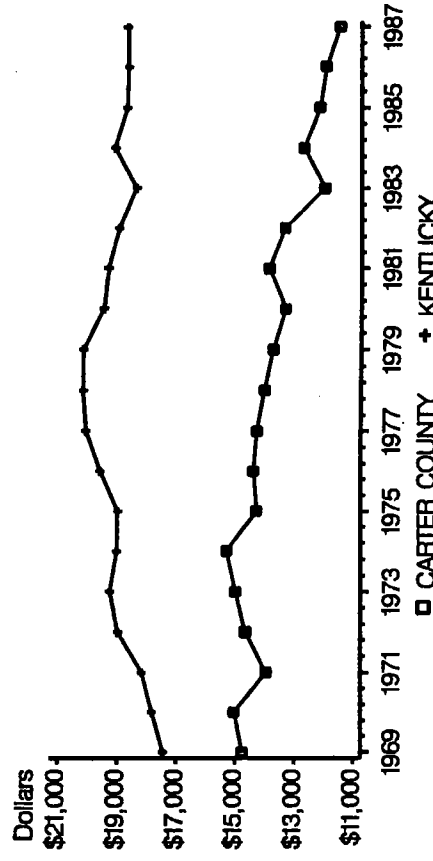


CHART 4A
CARTER COUNTY
TOTAL EMPLOYMENT
Thousands of People

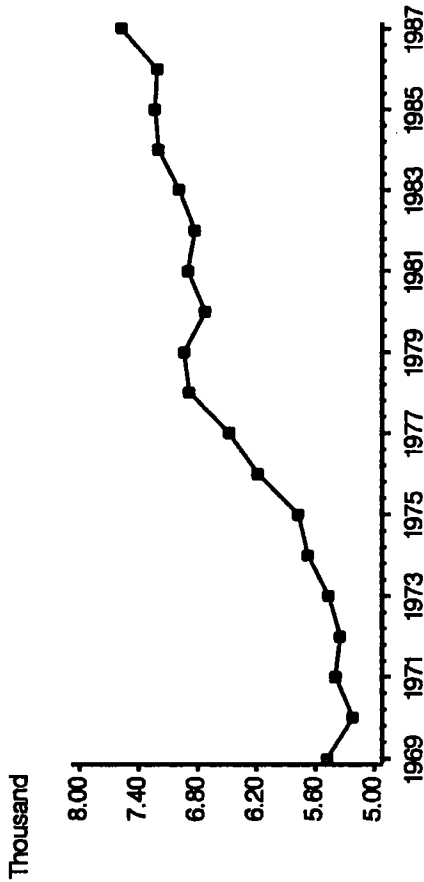


CHART 4B
CARTER COUNTY
ANNUAL UNEMPLOYMENT RATE

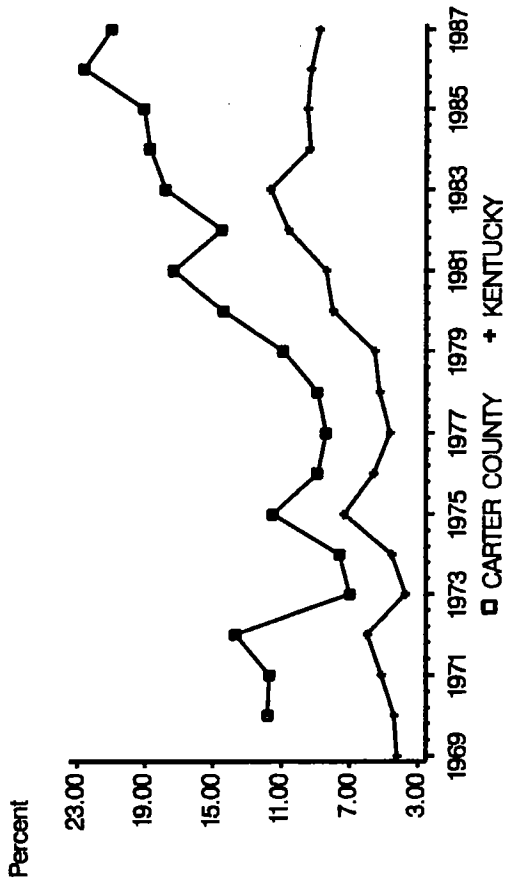


CHART 4C
CARTER COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

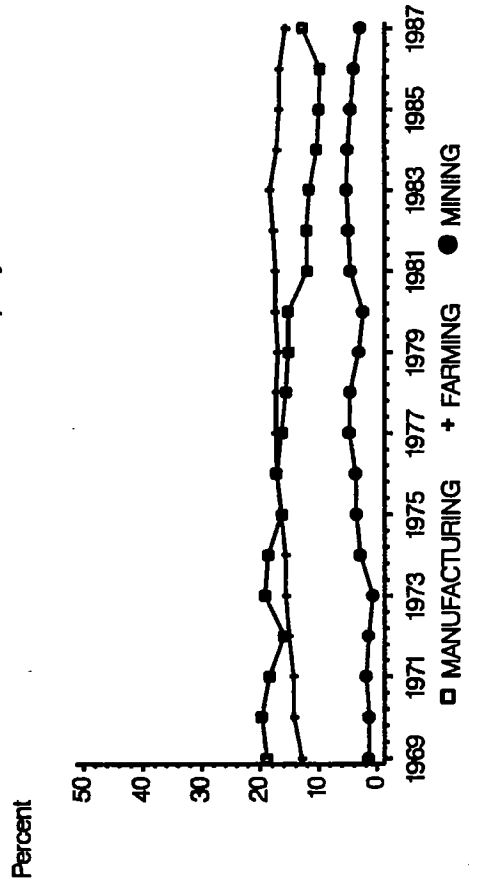


CHART 4D
CARTER COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

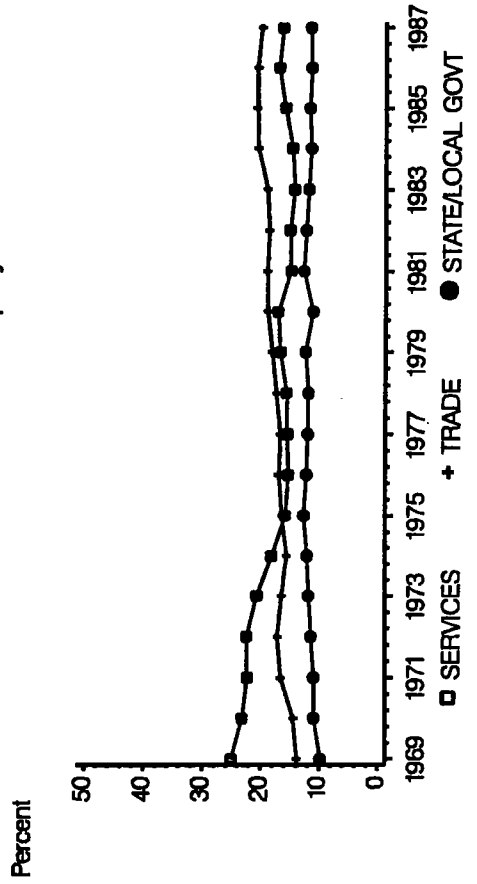


CHART 5A
CARTER COUNTY
POPULATION
Thousands of People

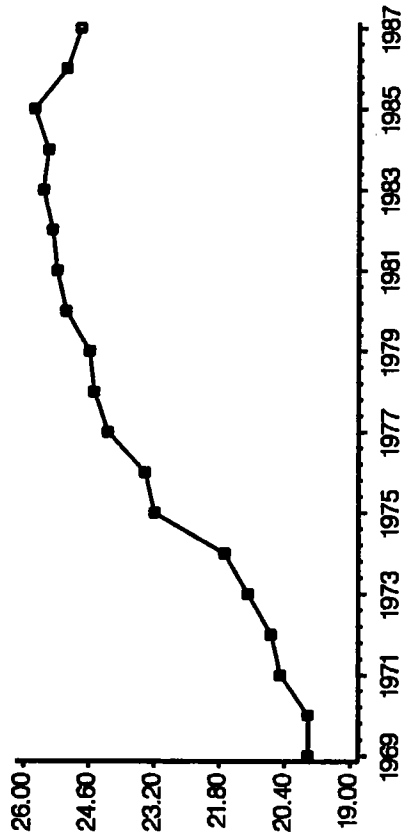


CHART 5B
CARTER COUNTY
POPULATION
as a Percent of Kentucky Population

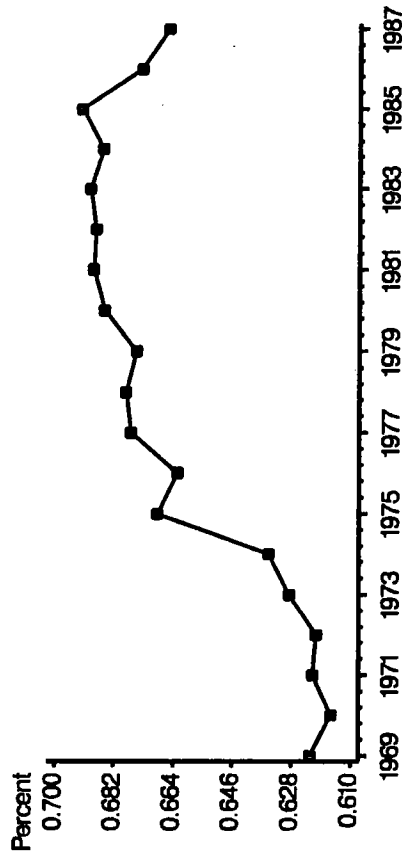


CHART 5C
CARTER COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

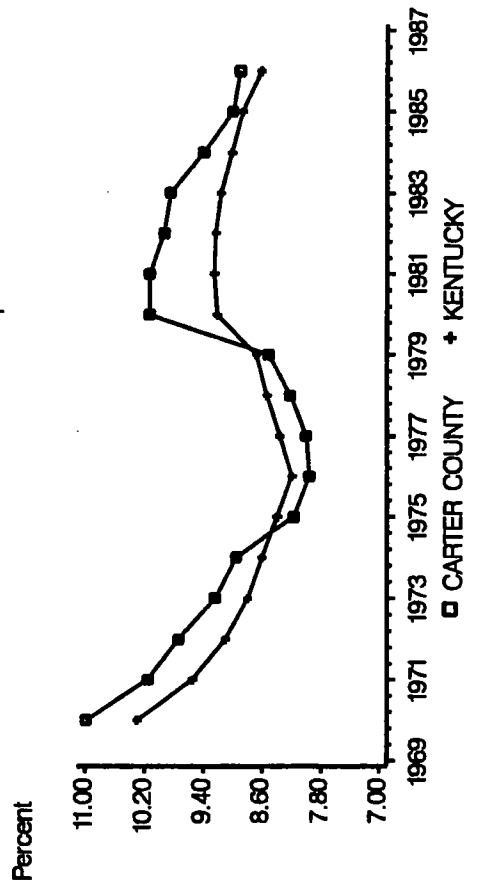


CHART 5D
CARTER COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

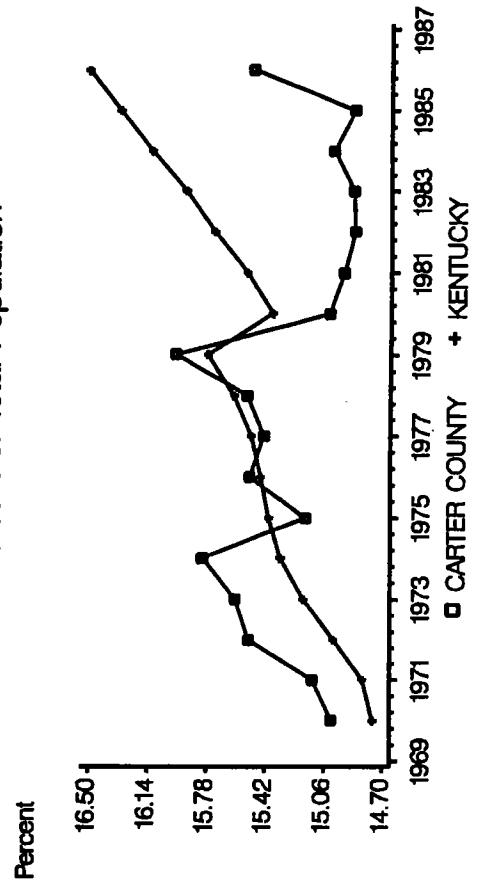


CHART 6A
CARTER COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

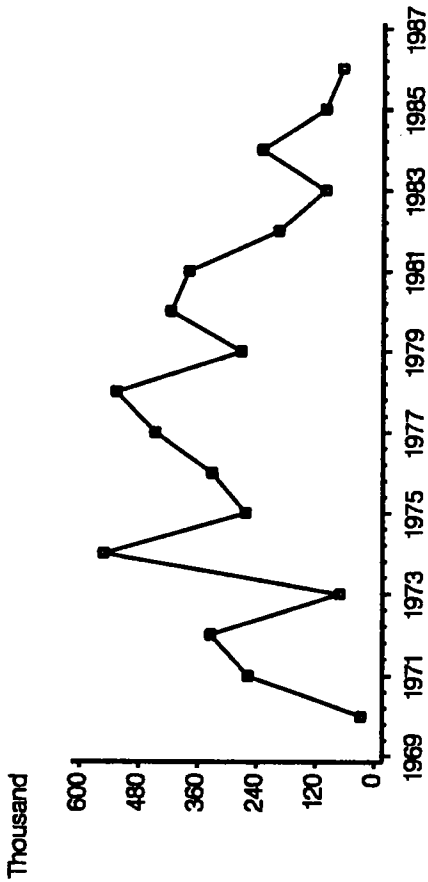


CHART 6B
CARTER COUNTY
MINING EMPLOYMENT
 Thousands of People

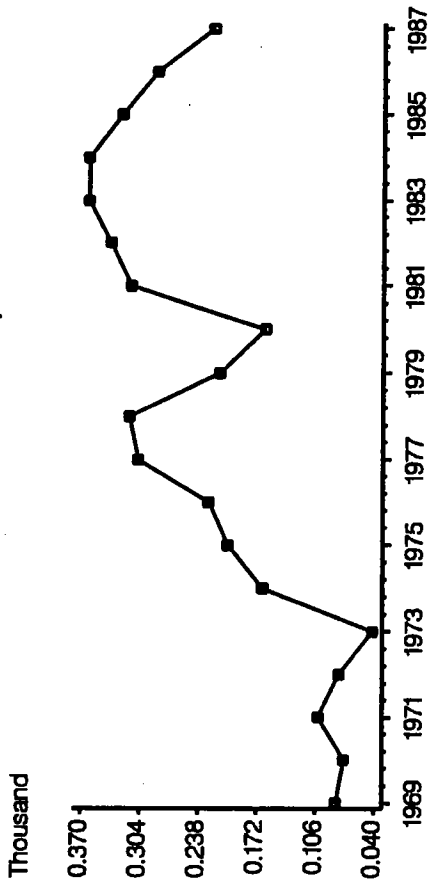


CHART 6C
CARTER COUNTY
AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

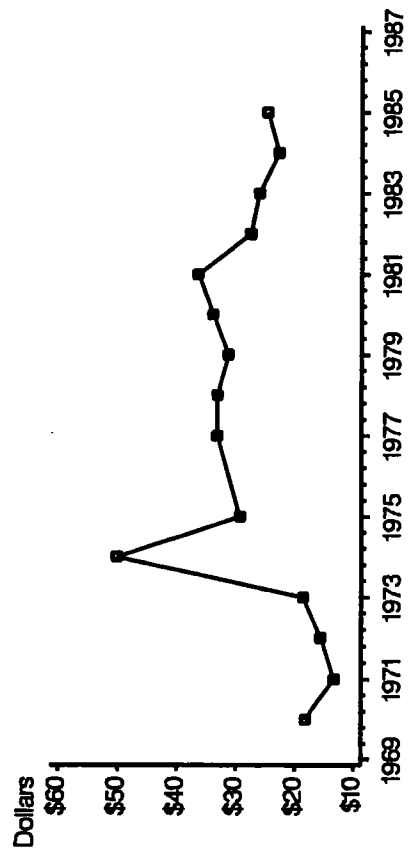
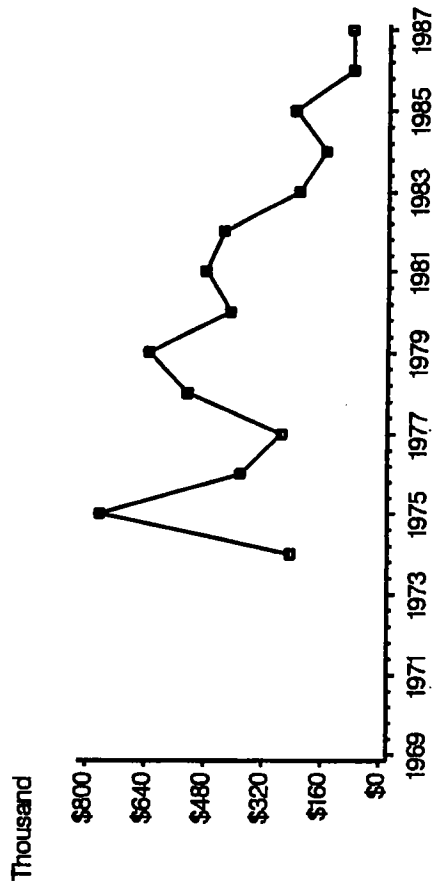


CHART 6D
CARTER COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



CARTER COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	127	0.45	6,377	71.8
1970	129	0.44	6,480	71.1
1971	131	0.43	6,386	69.0
1972	138	0.43	6,700	68.8
1973	145	0.42	6,840	66.6
1974	155	0.44	7,159	69.1
1975	160	0.45	6,917	67.4
1976	178	0.47	7,611	70.9
1977	188	0.47	7,776	69.6
1978	204	0.49	8,326	72.0
1979	215	0.50	8,747	74.4
1980	214	0.51	8,514	73.8
1981	213	0.50	8,440	72.0
1982	208	0.49	8,187	70.9
1983	198	0.47	7,737	68.0
1984	210	0.47	8,247	68.8
1985	206	0.46	7,997	66.6
1986	203	0.45	8,088	66.1
1987	203	0.44	8,174	65.4

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	99	77.7	79.2	22	16.9	10.9	7	5.3	9.9
1970	97	74.9	77.9	25	19.3	11.9	8	5.8	10.2
1971	95	72.5	77.0	28	21.5	12.9	8	6.0	10.1
1972	100	72.3	77.3	30	21.8	12.9	8	5.9	9.7
1973	105	72.3	76.6	32	21.9	13.6	8	5.8	9.7
1974	112	72.2	75.5	34	22.2	14.4	9	5.7	10.1
1975	112	69.8	73.3	39	24.4	16.5	9	5.8	10.1
1976	126	70.9	73.9	42	23.6	16.1	10	5.6	10.0
1977	135	72.0	74.6	42	22.2	15.3	11	5.8	10.1
1978	151	74.0	75.0	40	19.8	14.6	13	6.1	10.4
1979	158	73.3	74.1	44	20.2	15.1	14	6.5	10.8
1980	150	70.0	71.1	48	22.3	16.7	16	7.6	12.2
1981	144	67.6	69.3	50	23.6	16.8	19	8.8	13.8
1982	134	64.8	67.5	52	24.9	17.6	22	10.4	14.9
1983	122	61.7	66.6	54	27.3	18.4	22	11.0	15.1
1984	134	63.9	67.8	53	25.4	17.3	23	10.7	14.9
1985	129	62.7	67.2	54	26.3	17.6	23	11.0	15.3
1986	126	62.1	67.1	55	27.1	17.6	22	10.8	15.3
1987	126	62.3	67.5	54	26.6	17.2	22	11.1	15.3

CARTER COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	20.7	0.29	10.1	0.58	2.0	0.22
1970	20.8	0.28	12.3	0.78	2.1	0.17
1971	20.5	0.26	9.7	0.58	2.8	0.20
1972	15.9	0.19	13.7	0.73	2.9	0.20
1973	19.3	0.22	14.7	0.74	1.4	0.10
1974	17.5	0.21	12.9	0.67	8.2	0.40
1975	17.9	0.23	10.4	0.75	8.9	0.33
1976	19.1	0.24	9.2	0.65	8.9	0.37
1977	17.8	0.21	8.8	0.55	12.2	0.46
1978	18.3	0.22	8.0	0.58	11.2	0.42
1979	18.5	0.21	6.9	0.46	7.5	0.30
1980	18.0	0.21	6.6	0.52	6.1	0.22
1981	14.4	0.18	10.0	0.62	10.3	0.41
1982	13.3	0.18	8.8	0.62	11.8	0.46
1983	13.3	0.16	3.1	0.48	12.2	0.53
1984	9.9	0.12	7.1	0.47	12.7	0.56
1985	11.3	0.14	4.1	0.36	11.3	0.51
1986	9.3	0.11	3.7	0.39	8.9	0.43
1987	12.1	0.14	3.6	0.32	6.4	0.33

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	16.5	0.44	13.2	0.29	9.8	0.37
1970	15.9	0.40	14.5	0.30	10.9	0.38
1971	15.3	0.35	16.7	0.32	11.9	0.38
1972	16.0	0.37	17.0	0.33	12.0	0.38
1973	13.9	0.32	16.9	0.32	12.3	0.39
1974	11.5	0.28	15.8	0.32	11.6	0.40
1975	11.6	0.26	15.8	0.29	13.1	0.40
1976	10.8	0.25	15.8	0.30	12.9	0.41
1977	10.6	0.24	16.2	0.31	13.1	0.42
1978	11.4	0.26	16.4	0.31	13.4	0.42
1979	12.5	0.27	17.7	0.32	14.2	0.42
1980	12.6	0.25	18.4	0.34	13.7	0.39
1981	10.5	0.22	16.9	0.35	14.1	0.43
1982	11.0	0.21	16.2	0.32	15.5	0.45
1983	11.6	0.20	17.5	0.31	17.2	0.45
1984	11.1	0.19	17.2	0.33	16.1	0.45
1985	12.4	0.20	17.6	0.32	17.1	0.45
1986	14.1	0.20	17.8	0.31	17.9	0.44
1987	13.7	0.19	17.4	0.30	18.3	0.44

CARTER COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,034	18.9	709	12.9	83	1.5
1970	1,028	19.7	744	14.3	74	1.4
1971	992	18.4	775	14.4	103	1.9
1972	855	16.0	809	15.1	80	1.5
1973	1,044	19.1	852	15.6	42	0.8
1974	1,057	18.6	893	15.7	166	2.9
1975	944	16.3	952	16.5	205	3.6
1976	1,064	17.2	1,065	17.2	227	3.7
1977	1,057	16.3	1,123	17.3	306	4.7
1978	1,076	15.6	1,187	17.2	316	4.6
1979	1,055	15.2	1,181	17.0	214	3.1
1980	1,024	15.2	1,171	17.4	163	2.4
1981	829	12.0	1,201	17.4	314	4.6
1982	827	12.1	1,213	17.8	337	4.9
1983	813	11.6	1,282	18.3	362	5.2
1984	741	10.3	1,237	17.2	362	5.0
1985	714	9.9	1,217	16.8	325	4.5
1986	696	9.6	1,206	16.7	285	3.9
1987	974	12.8	1,193	15.7	222	2.9

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,373	25.1	761	13.9	536	9.8
1970	1,205	23.1	754	14.4	567	10.9
1971	1,200	22.2	895	16.6	589	10.9
1972	1,195	22.4	918	17.2	610	11.4
1973	1,126	20.6	902	16.5	648	11.9
1974	1,031	18.2	890	15.7	689	12.1
1975	916	15.9	950	16.5	733	12.7
1976	950	15.4	1,047	16.9	754	12.2
1977	1,006	15.5	1,080	16.7	776	12.0
1978	1,079	15.7	1,197	17.4	819	11.9
1979	1,163	16.8	1,257	18.1	862	12.4
1980	1,149	17.1	1,267	18.8	746	11.1
1981	1,035	15.0	1,306	18.9	882	12.8
1982	1,036	15.2	1,274	18.7	845	12.4
1983	1,009	14.4	1,322	18.9	834	11.9
1984	1,061	14.7	1,477	20.5	826	11.5
1985	1,153	15.9	1,492	20.6	846	11.7
1986	1,222	16.9	1,484	20.6	824	11.4
1987	1,236	16.3	1,504	19.8	873	11.5

CARTER COUNTY
EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	5,481	\$14,749	\$17,440	.	4.2
1970	5,218	\$15,018	\$17,811	11.8	4.4
1971	5,395	\$13,956	\$18,166	11.7	5.1
1972	5,346	\$14,641	\$18,970	13.7	6.0
1973	5,465	\$14,970	\$19,232	7.0	3.7
1974	5,676	\$15,276	\$19,008	7.6	4.5
1975	5,774	\$14,275	\$18,976	11.5	7.3
1976	6,185	\$14,379	\$19,563	8.9	5.6
1977	6,479	\$14,264	\$20,031	8.4	4.7
1978	6,885	\$14,017	\$20,121	8.9	5.3
1979	6,938	\$13,736	\$20,110	10.9	5.5
1980	6,723	\$13,314	\$19,439	14.4	8.0
1981	6,901	\$13,871	\$19,286	17.3	8.4
1982	6,831	\$13,341	\$18,931	14.5	10.6
1983	6,990	\$11,979	\$18,358	17.8	11.6
1984	7,202	\$12,679	\$19,080	18.7	9.3
1985	7,238	\$12,141	\$18,676	19.1	9.5
1986	7,217	\$11,934	\$18,627	22.6	9.3
1987	7,583	\$11,472	\$18,636	21.0	8.8

POPULATION STATISTICS

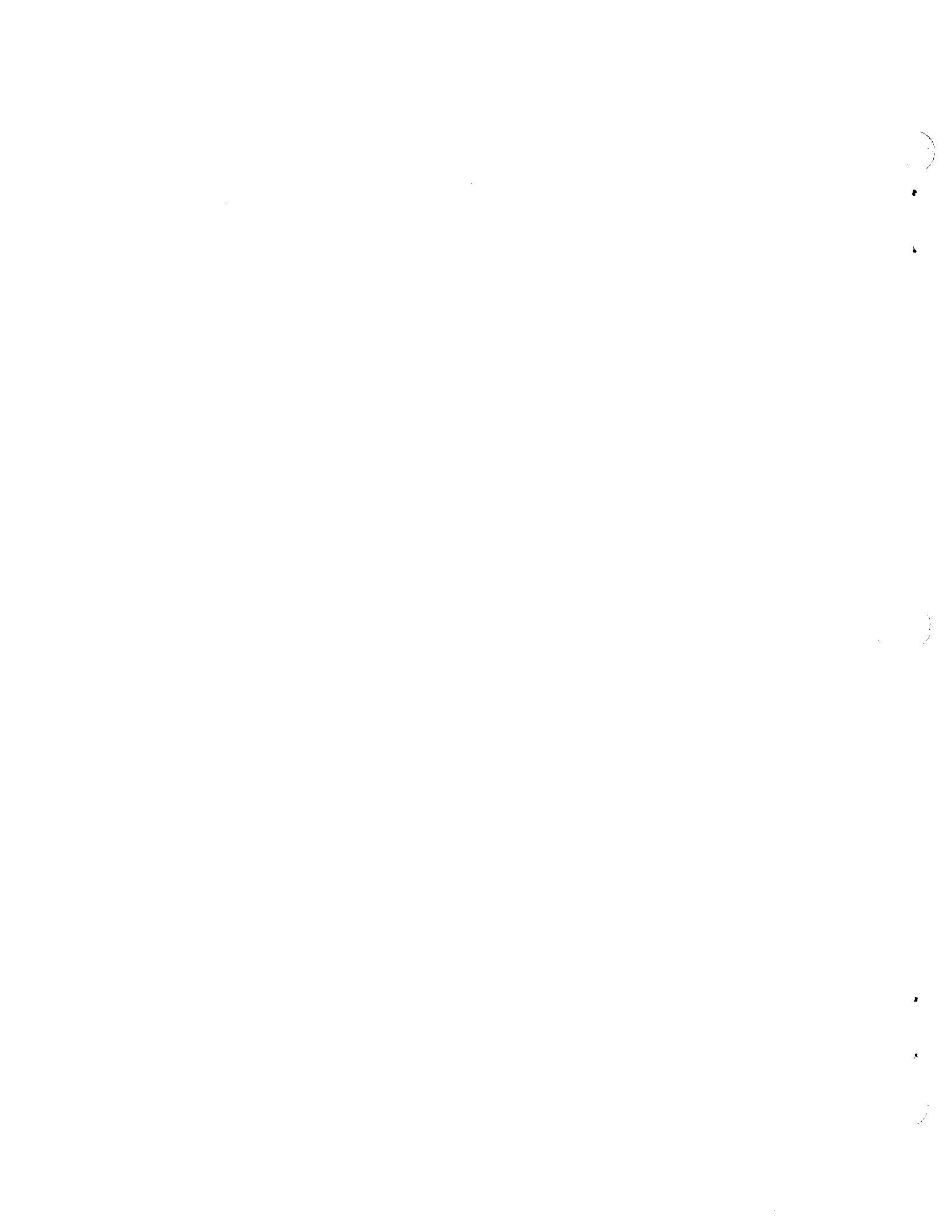
YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	19,900	0.62	.	.	.	.
1970	19,900	0.62	11.0	10.3	15.0	14.8
1971	20,500	0.62	10.2	9.6	15.1	14.8
1972	20,700	0.62	9.7	9.1	15.5	15.0
1973	21,200	0.63	9.2	8.8	15.6	15.2
1974	21,700	0.64	9.0	8.6	15.8	15.3
1975	23,200	0.67	8.2	8.4	15.2	15.4
1976	23,400	0.66	8.0	8.2	15.5	15.5
1977	24,200	0.68	8.0	8.4	15.4	15.5
1978	24,500	0.68	8.2	8.5	15.5	15.6
1979	24,600	0.68	8.5	8.7	16.0	15.8
1980	25,100	0.68	10.1	9.2	15.0	15.4
1981	25,300	0.69	10.1	9.3	14.9	15.5
1982	25,400	0.69	9.9	9.2	14.9	15.7
1983	25,600	0.69	9.9	9.2	14.9	15.9
1984	25,500	0.69	9.4	9.0	15.0	16.1
1985	25,800	0.69	9.0	8.9	14.9	16.3
1986	25,100	0.67	8.9	8.6	15.5	16.5
1987	24,800	0.67	.	.	.	.

CARTER COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	.	83	.	.
1970	27	74	\$18.14	.
1971	257	103	\$13.28	.
1972	334	80	\$15.49	.
1973	71	42	\$18.52	.
1974	552	166	\$50.12	\$246
1975	263	205	\$29.32	\$762
1976	332	227	.	\$381
1977	448	306	\$33.24	\$270
1978	528	316	\$33.23	\$526
1979	273	214	\$31.30	\$631
1980	417	163	\$34.00	\$411
1981	380	314	\$36.56	\$479
1982	198	337	\$27.55	\$429
1983	102	362	\$26.13	\$225
1984	231	362	\$22.84	\$150
1985	102	325	\$24.74	\$235
1986	67	285	.	\$77
1987	.	222	.	.

Note: All dollar figures are presented in constant 1988 dollars.



11

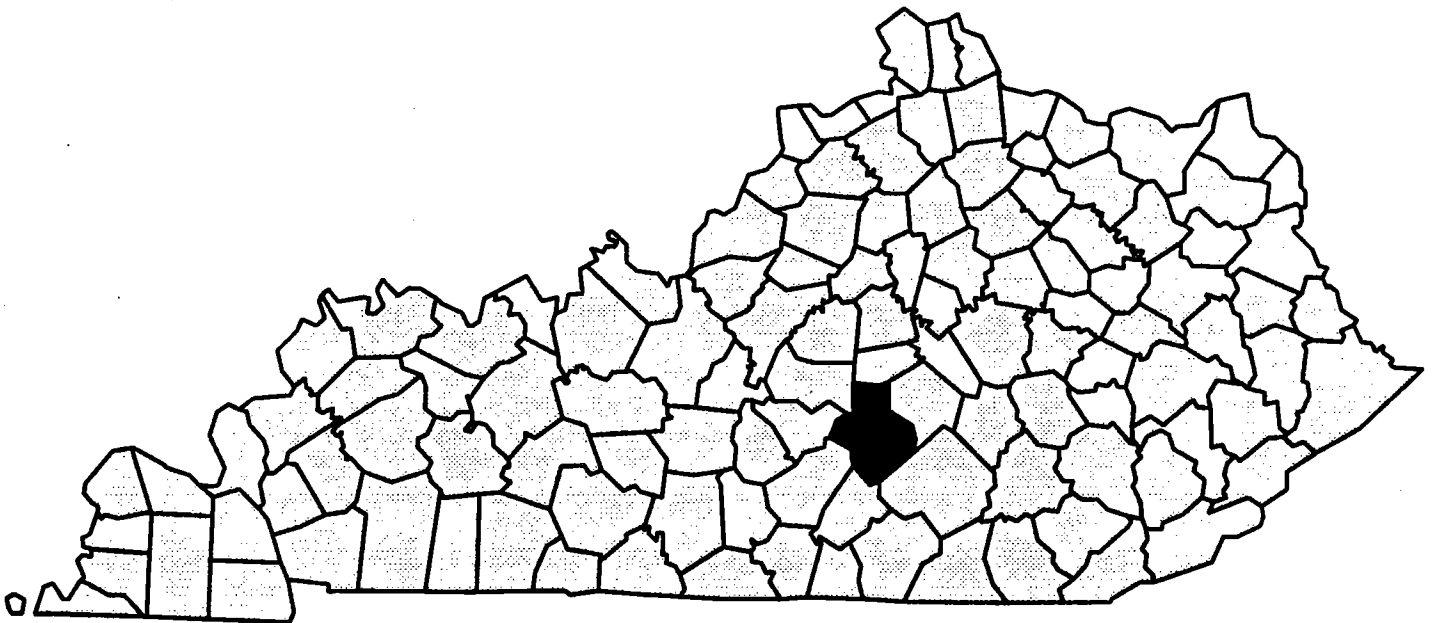
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CASEY COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



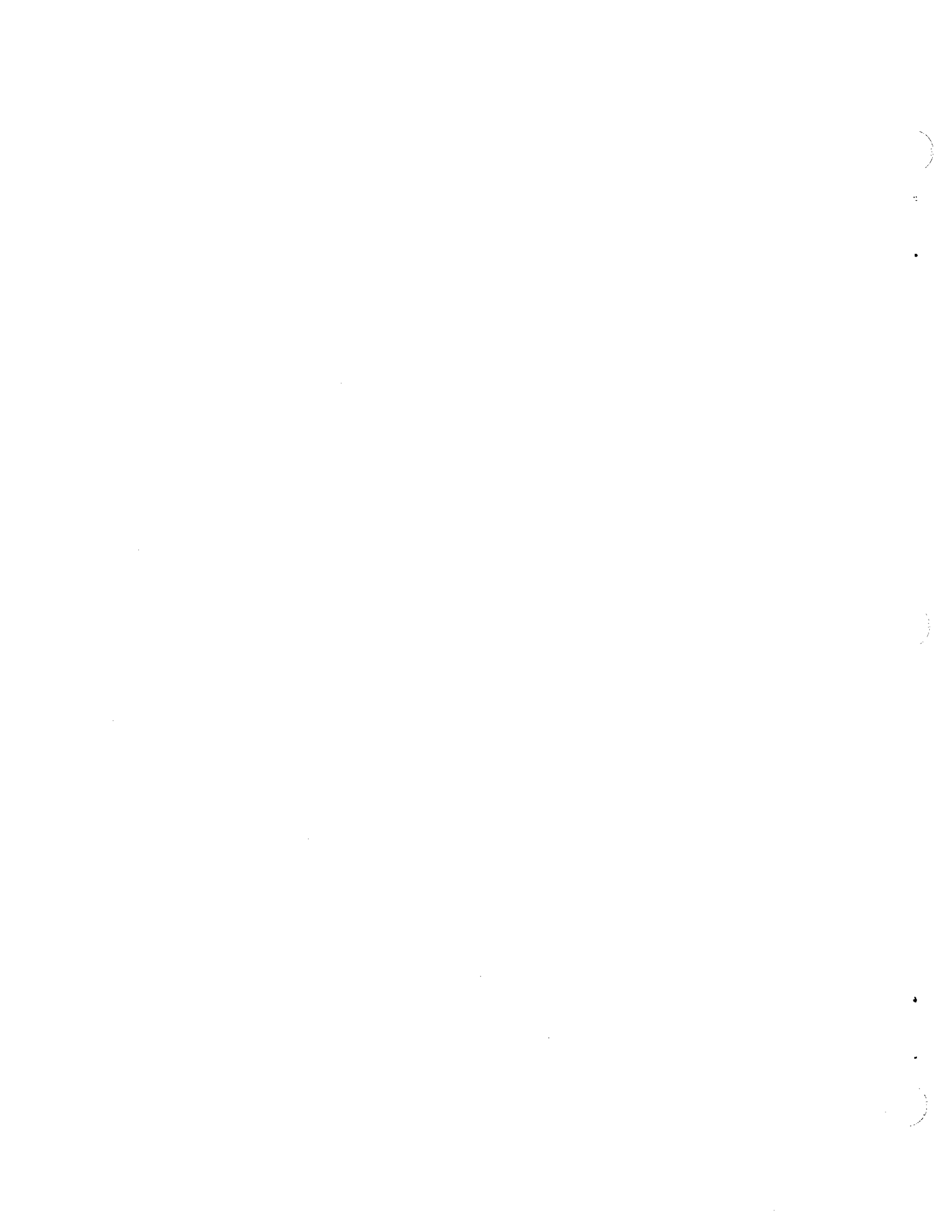
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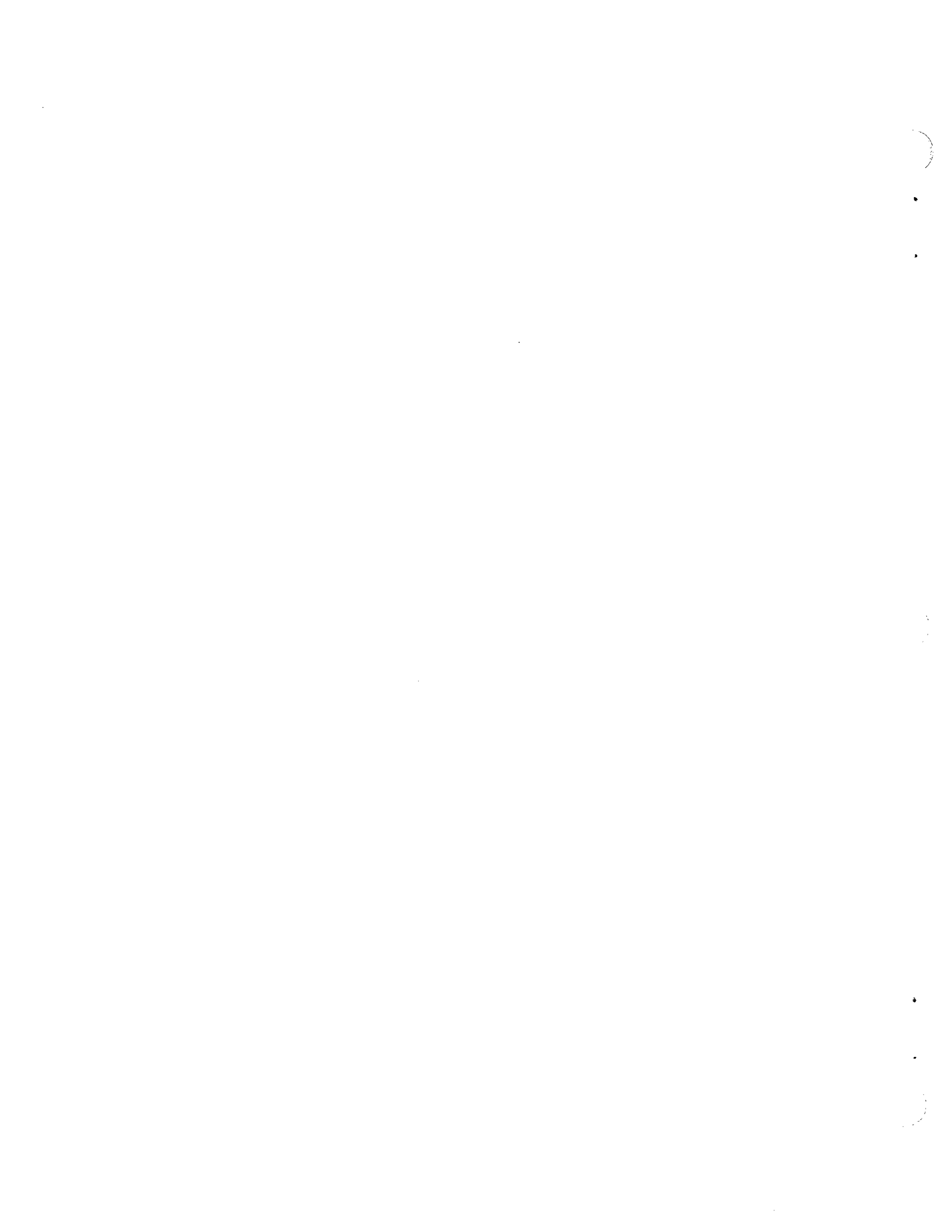
FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



SUMMARY

The Casey County economy, as measured by personal income, grew moderately from 1969 to 1987. Casey County has maintained its share of Kentucky personal income, indicating that the county economy kept pace with the state economy. However, both per capita personal income and average earnings per job were significantly below that of the state.

Casey County generates a smaller percent of personal income from earnings and a larger percent from transfer payments than does the state as a whole. This is partially explained by the relatively high proportion of elderly residents who would receive retirement and medical benefits, which are classified as transfer payments.

The county has historically been heavily dependent on the goods-producing industries of manufacturing and farming. While the state share of earnings and employment in manufacturing declined, the shares of these components of the Casey County economy grew in importance. The non-goods-producing sectors, particularly service and trade, have experienced significant growth at the state level but have remained constant in the county.

The county's economy has been helped by its high concentration in a growing manufacturing sector. This is because manufacturing is a relatively high wage industry. However, manufacturing industries are very sensitive to economic fluctuations. Consequently, while a high concentration in manufacturing supported the economy during a period of national economic growth, it may also make the county more susceptible to recessionary contractions.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN CASEY COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Casey County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Casey County economy, as measured by personal income, increased from \$67 million in 1969 to \$121 million in 1987, after adjusting for inflation. Chart 1B shows Casey County total personal income as a percent of Kentucky total personal income. Casey County had only small changes in its share of Kentucky personal income.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Casey County per capita income increased over the time period to a level of \$8,172 per person in 1987, when it was 65.4 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Earnings showed very strong growth through 1981. However, with the national recession of 1982, earnings dropped significantly. Overall, total earnings increased from \$51 million in 1969 to

\$76 million in 1987 (in constant 1988 dollars). While earnings have increased, their share of personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 62.5 percent of Casey County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$13 million to total personal income in 1969 and \$30 million in 1987. During the same period, transfer payments contributed a much higher percentage of personal income in Casey County than in Kentucky.

Income from property in Casey County grew at a slow but steady rate through the time period. Income from property totalled \$4 million in 1969 and increased to \$15 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Casey County received 15.4 percent of total earnings from manufacturing. This percentage increased to 22.0 percent in 1987 (Chart 3A). The county trend toward increasing concentration in manufacturing is different from that for the state, where the percentage of earnings from manufacturing has shown a steady decline over the period.

Farming's contribution to total county earnings decreased from 30.9 percent in 1969 to 22.5 percent in 1987. The trend toward declining earnings is consistent with state and national trends.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector increased, while the percent from the trade sector declined steadily. The share of earnings from the state and local government sector remained stable. At the state level, the percent of earnings from services increased, while the percents from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Casey County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Trends in Casey County average earnings per job have been similar to state trends. Average earnings reached \$11,505 in 1987, well below the Kentucky average.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Casey County increased during the data period. In 1969, total employment stood at 4,073 people. By 1987, that figure had increased to 5,557.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Casey County are presented in Chart 4B. Unemployment rates in Casey County have generally been above those of the state throughout the period and increased sharply in 1984. In 1987, the county unemployment rate was 10.8 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing increased from 17.4 percent in 1969 to 25.3 percent in 1980. After a significant one year drop, this share increased again to 20.4 percent in 1987. Again, this trend is unlike that of the state.

The farm sector was the primary source of employment throughout the period. However, farming's share of employment declined from 41.2 percent in 1969 to 35.3 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment increased slightly from 1969 to 1987. In 1969, the service sector accounted for 7.0 percent of employment. This share increased to 8.2 percent in 1987. The percent of employment in state and local government and trade remained constant. At the state level, service and trade employment increased significantly, while government employment remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Casey County.

The Casey County population grew slightly, from 13,000 in 1969 to 14,800 in 1987 (Chart 5A). It was estimated that in 1986, 8.6 percent of Casey County's population was under six years of age, the same as for the state. Casey County had a higher proportion of residents age sixty or older, than the

state. In 1986, 19.0 percent of the Casey County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
CASEY COUNTY
REAL PERSONAL INCOME
 Millions of 1988 dollars

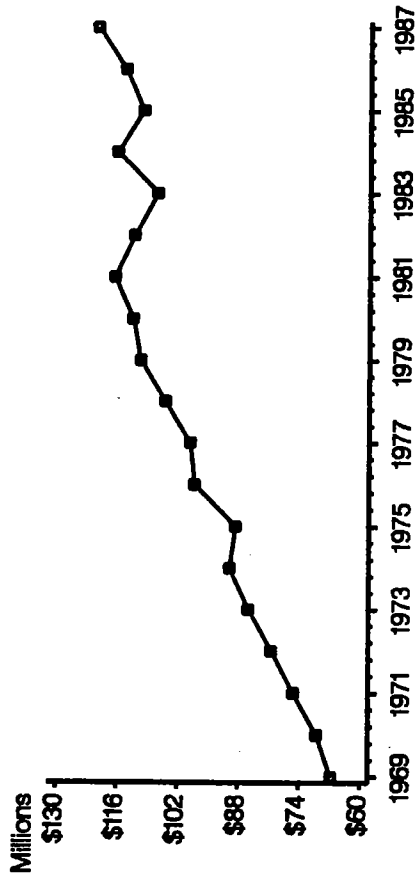


CHART 1B
CASEY COUNTY
PERSONAL INCOME
 as a Percent of Kentucky Personal Income

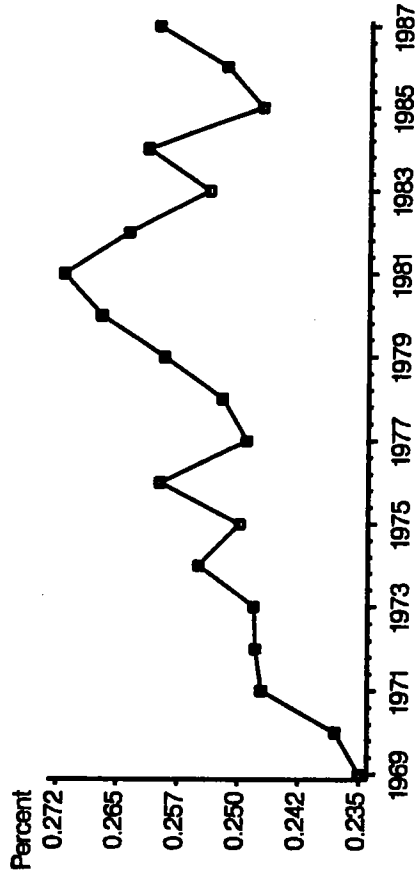


CHART 1C
CASEY COUNTY
PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

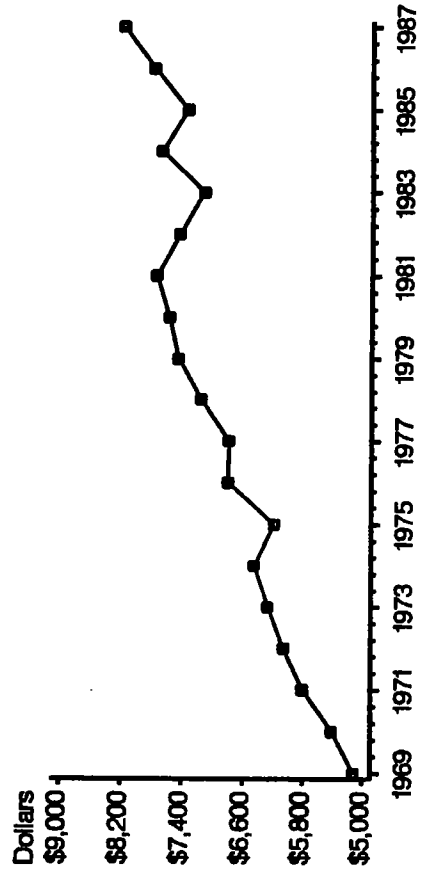


CHART 1D
CASEY COUNTY
PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

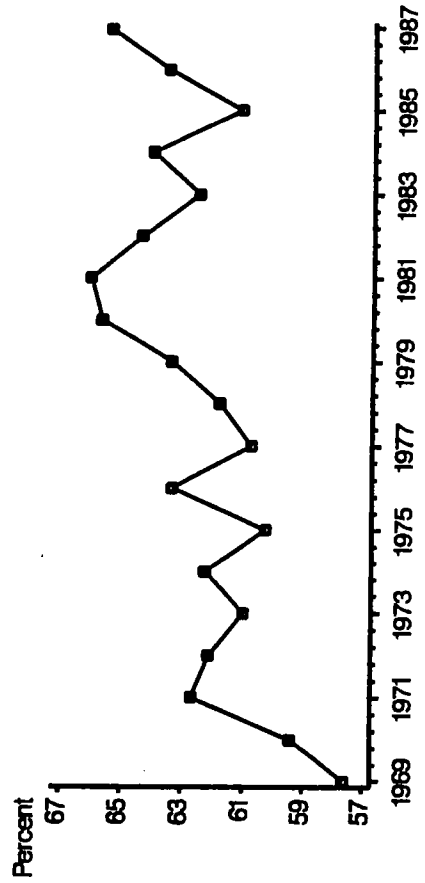


CHART 2A
CASEY COUNTY
REAL TOTAL EARNINGS
 Millions of 1988 dollars

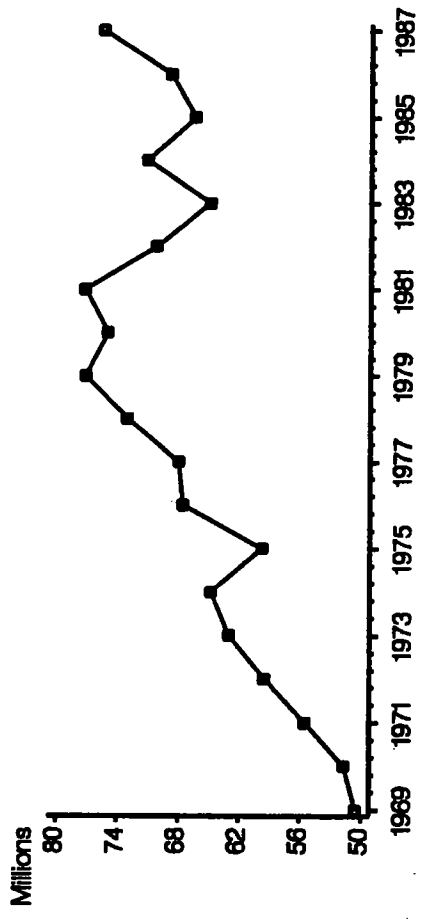


CHART 2B
CASEY COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
 Millions of 1988 Dollars

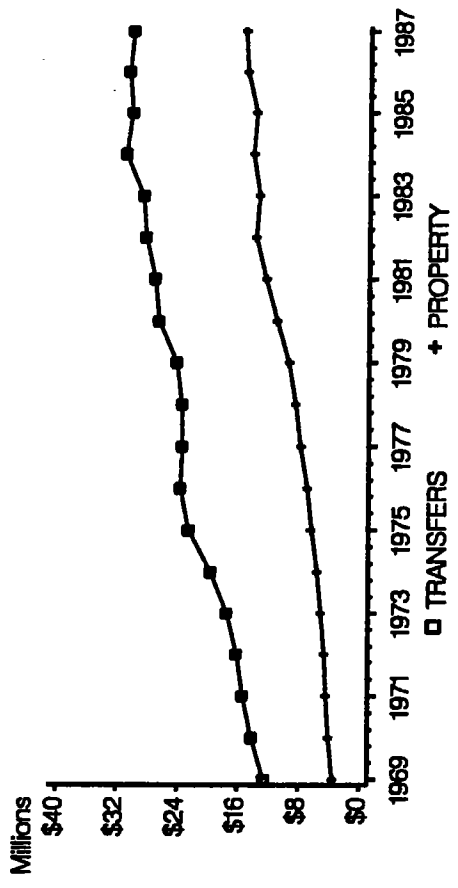


CHART 2C
CASEY COUNTY
TOTAL EARNINGS
 as a Percent of Personal Income

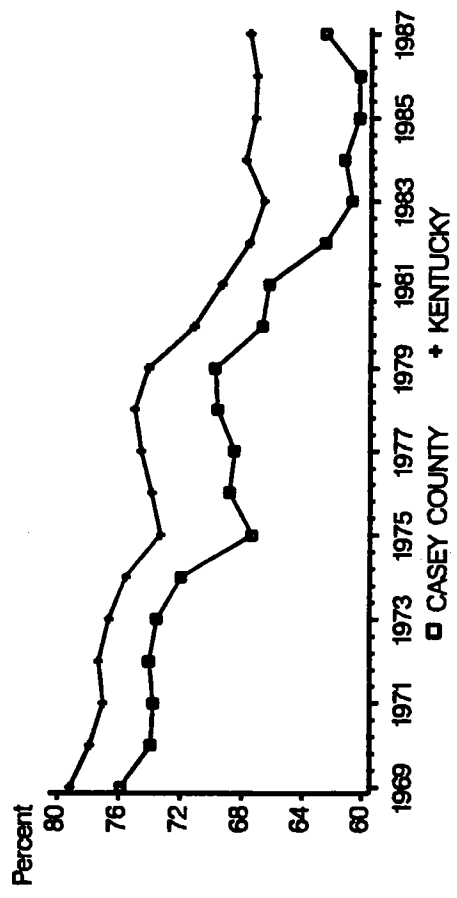


CHART 2D
CASEY COUNTY
TRANSFER PAYMENTS
 as a Percent of Personal Income

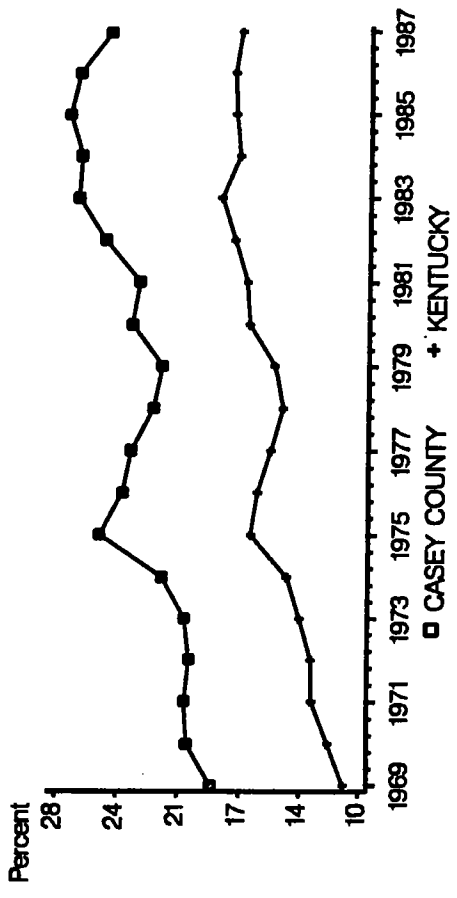


CHART 3A
CASEY COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

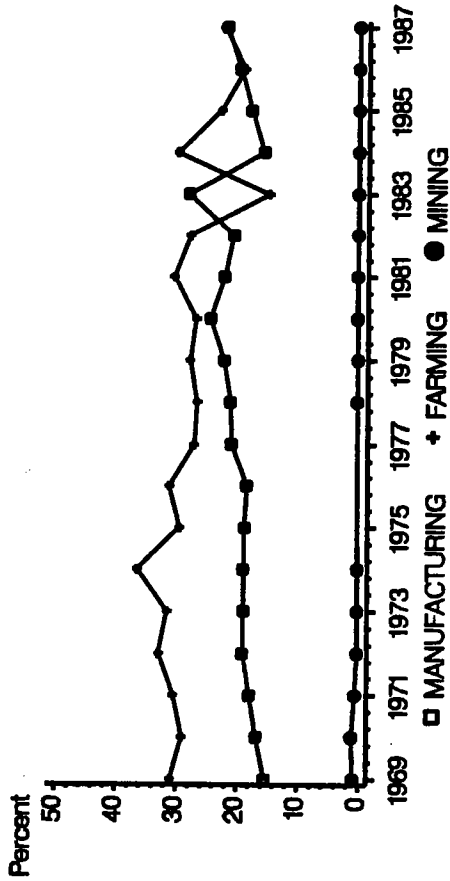


CHART 3C
CASEY COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

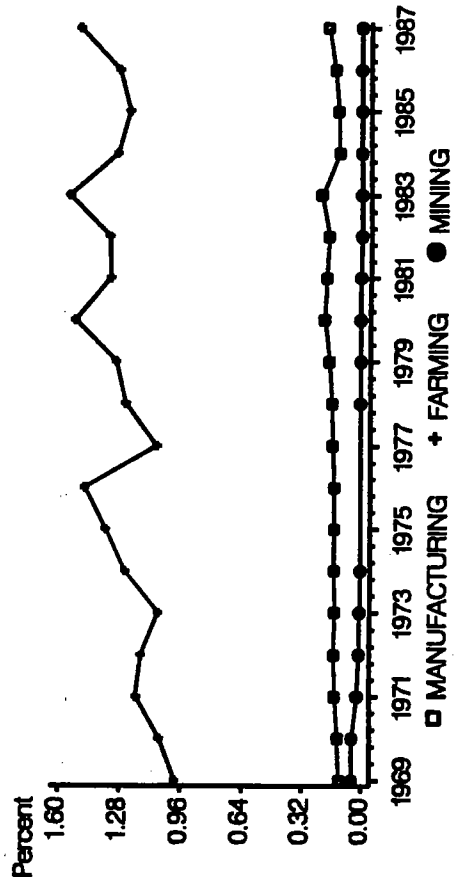


CHART 3B
CASEY COUNTY
EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

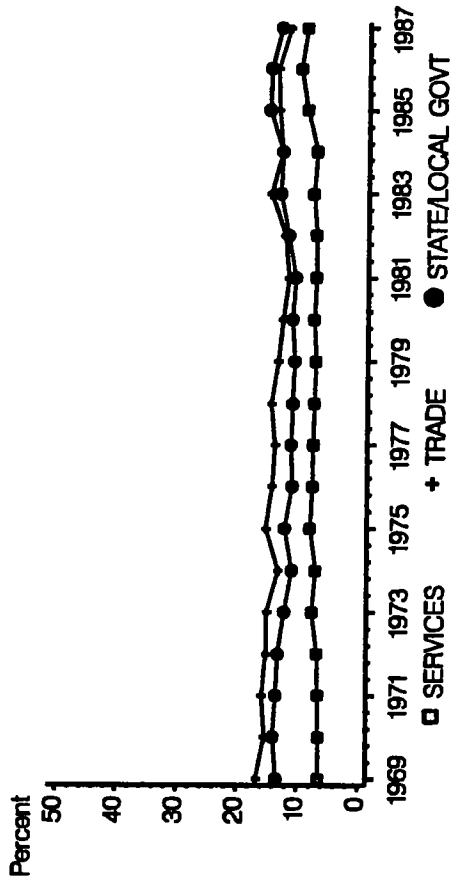


CHART 3D
CASEY COUNTY
AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

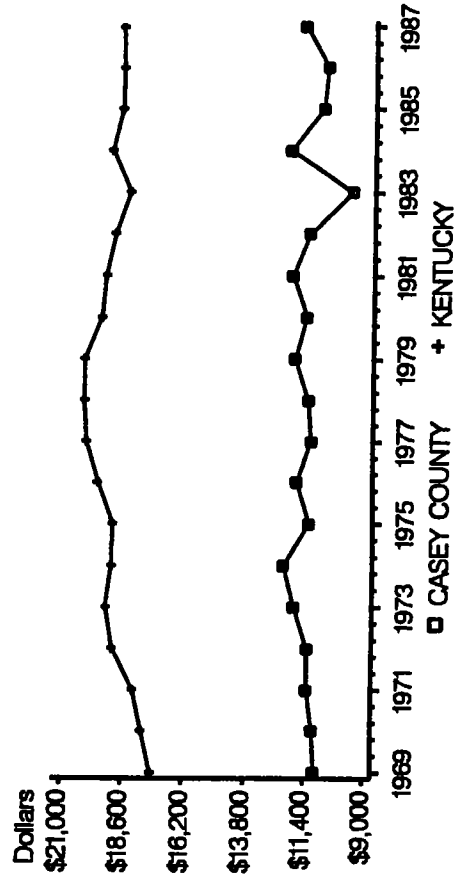


CHART 4A
CASEY COUNTY
TOTAL EMPLOYMENT
 Thousands of People

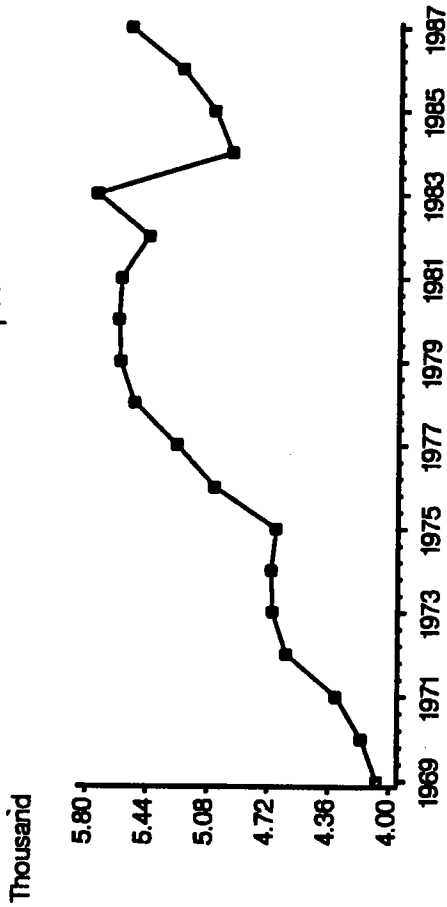


CHART 4B
CASEY COUNTY
ANNUAL UNEMPLOYMENT RATE

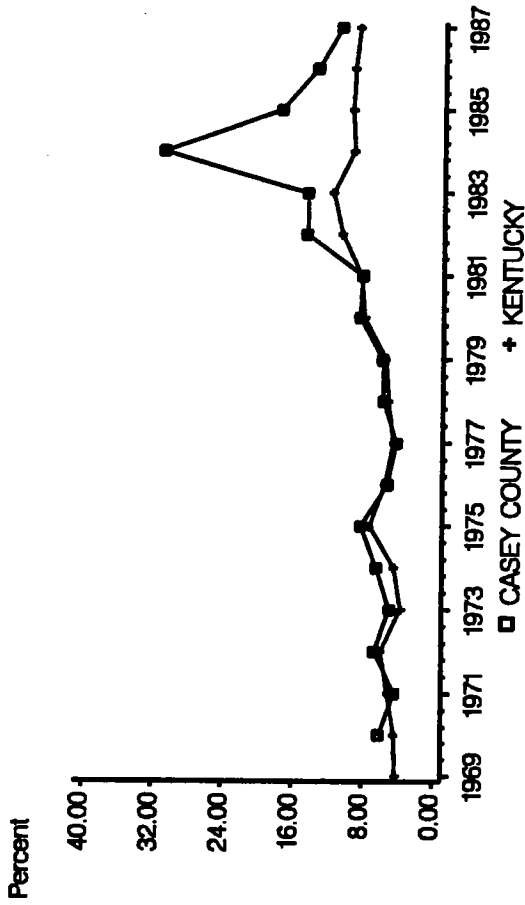


CHART 4C
CASEY COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

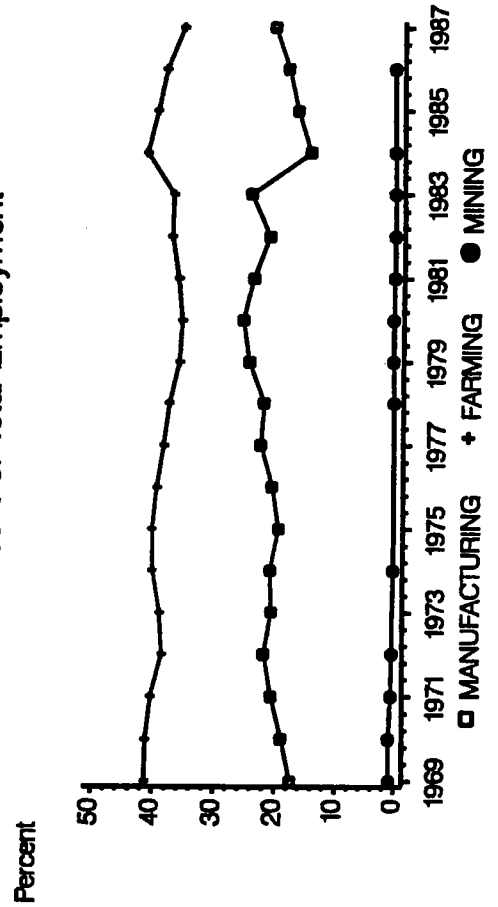


CHART 4D
CASEY COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

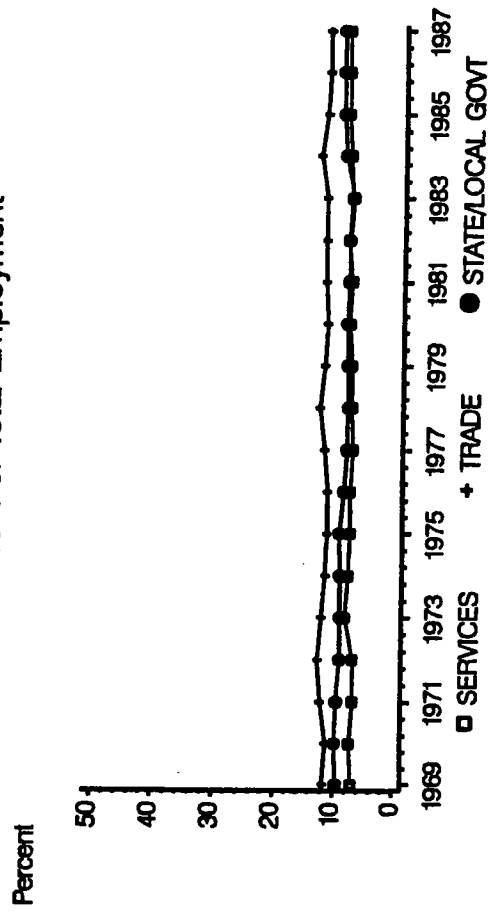


CHART 5A
CASEY COUNTY
POPULATION
Thousands of People

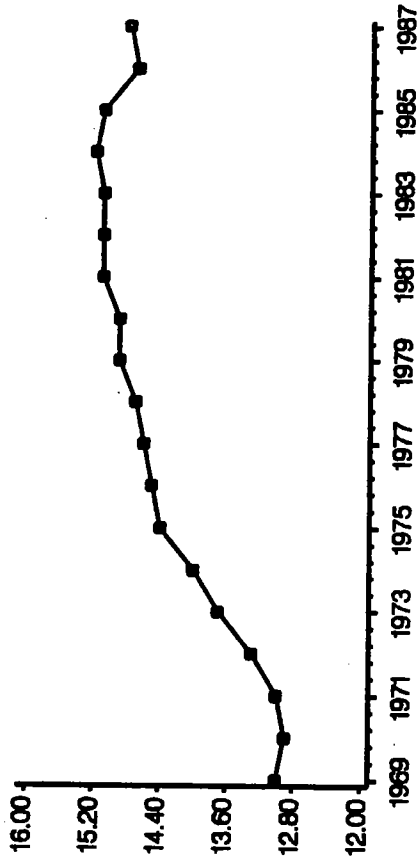


CHART 5B
CASEY COUNTY
POPULATION
as a Percent of Kentucky Population

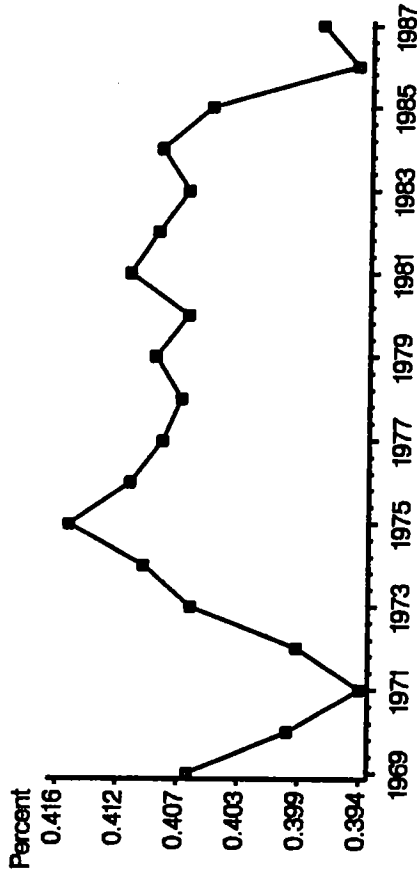


CHART 5C
CASEY COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

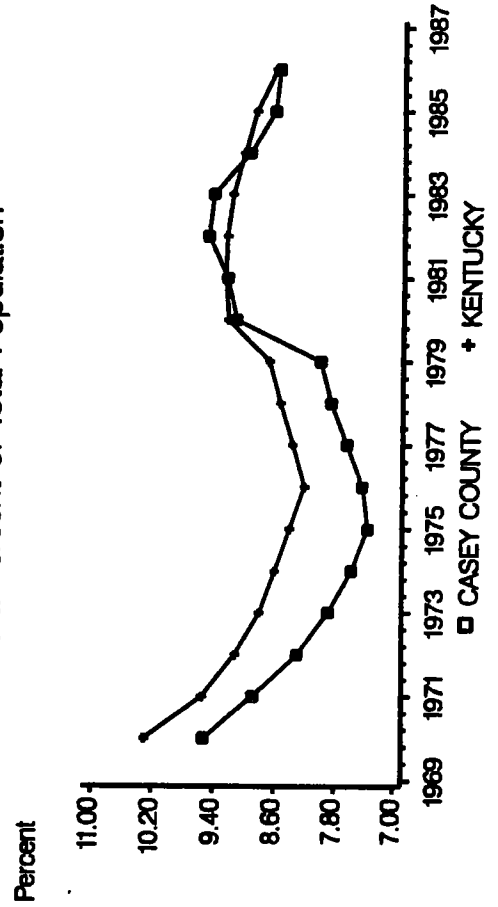
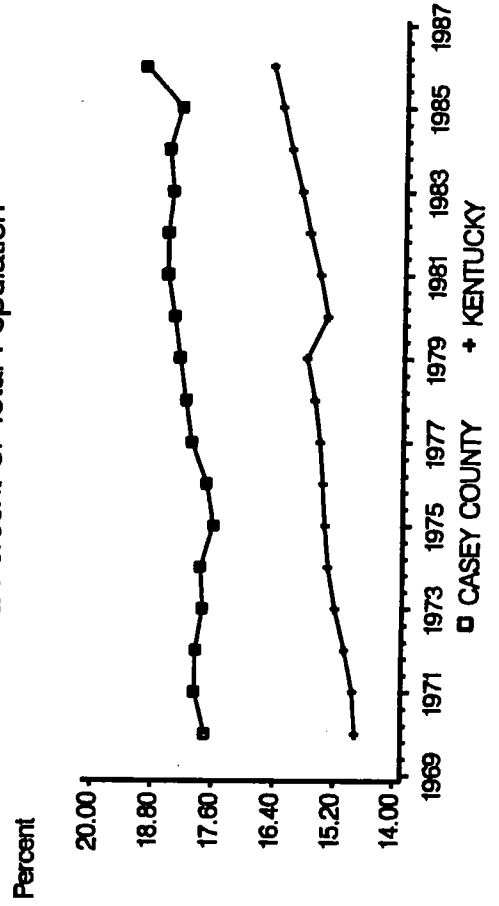


CHART 5D
CASEY COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



CASEY COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	67	0.23	5,120	57.6
1970	70	0.24	5,415	59.4
1971	75	0.25	5,801	62.7
1972	80	0.25	6,052	62.1
1973	86	0.25	6,263	61.0
1974	90	0.25	6,450	62.2
1975	89	0.25	6,183	60.2
1976	98	0.26	6,800	63.3
1977	99	0.25	6,789	60.7
1978	105	0.25	7,148	61.8
1979	111	0.26	7,452	63.4
1980	113	0.27	7,572	65.7
1981	117	0.27	7,740	66.0
1982	112	0.26	7,436	64.4
1983	107	0.25	7,114	62.5
1984	116	0.26	7,677	64.0
1985	110	0.25	7,335	61.1
1986	115	0.25	7,773	63.5
1987	121	0.26	8,172	65.4

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	51	75.9	79.2	13	18.8	10.9	4	5.3	9.9
1970	52	73.9	77.9	14	20.3	11.9	4	5.8	10.2
1971	56	73.8	77.0	15	20.4	12.9	4	5.8	10.1
1972	60	74.0	77.3	16	20.1	12.9	5	5.8	9.7
1973	63	73.5	76.6	18	20.4	13.6	5	6.0	9.7
1974	65	71.9	75.5	20	21.8	14.4	6	6.3	10.1
1975	60	67.3	73.3	23	25.4	16.5	6	7.2	10.1
1976	68	68.8	73.9	24	24.1	16.1	7	7.1	10.0
1977	68	68.5	74.6	23	23.6	15.3	8	7.9	10.1
1978	73	69.6	75.0	23	22.3	14.6	9	8.1	10.4
1979	77	69.7	74.1	24	21.8	15.1	9	8.5	10.8
1980	75	66.6	71.1	27	23.6	16.7	11	9.8	12.2
1981	77	66.2	69.3	27	23.1	16.8	12	10.7	13.8
1982	70	62.6	67.5	28	25.2	17.6	14	12.3	14.9
1983	65	60.7	66.6	29	26.8	18.4	13	12.5	15.1
1984	71	61.2	67.8	31	26.6	17.3	14	12.2	14.9
1985	67	60.2	67.2	30	27.3	17.6	14	12.5	15.3
1986	69	60.2	67.1	31	26.7	17.6	15	13.1	15.3
1987	76	62.5	67.5	30	24.9	17.2	15	12.7	15.3

CASEY COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	15.4	0.12	30.9	0.99	0.9	0.05
1970	16.8	0.13	29.1	1.07	1.1	0.05
1971	17.9	0.15	30.5	1.19	0.5	0.03
1972	19.1	0.15	32.9	1.17	0.3	0.01
1973	19.0	0.15	31.6	1.08	0.3	0.01
1974	19.0	0.15	36.5	1.25	0.3	0.01
1975	18.8	0.15	29.6	1.36	.	.
1976	18.5	0.15	31.3	1.47	.	.
1977	21.0	0.16	27.2	1.09	.	.
1978	21.2	0.16	26.8	1.25	0.4	0.01
1979	22.3	0.18	27.9	1.30	0.3	0.01
1980	24.6	0.21	27.0	1.51	0.4	0.01
1981	22.3	0.20	30.6	1.33	0.3	0.01
1982	20.8	0.19	28.0	1.34	0.3	0.01
1983	28.2	0.22	15.0	1.54	0.3	0.01
1984	15.9	0.13	30.0	1.29	0.3	0.01
1985	18.0	0.13	23.0	1.23	0.2	0.01
1986	19.8	0.15	19.1	1.29	0.3	0.01
1987	22.0	0.19	22.5	1.49	0.2	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	6.5	0.09	16.7	0.20	13.4	0.28
1970	6.5	0.10	15.4	0.19	14.0	0.28
1971	6.6	0.10	15.8	0.20	13.5	0.28
1972	6.8	0.10	15.2	0.19	13.2	0.28
1973	7.6	0.12	15.1	0.19	12.2	0.26
1974	7.1	0.12	13.3	0.18	10.9	0.25
1975	8.0	0.12	15.2	0.18	12.2	0.24
1976	7.6	0.12	14.3	0.18	11.0	0.23
1977	7.5	0.11	13.8	0.17	11.2	0.23
1978	7.4	0.11	14.4	0.17	10.9	0.22
1979	7.2	0.11	13.4	0.17	10.7	0.22
1980	7.5	0.11	12.7	0.17	11.1	0.22
1981	7.2	0.11	11.7	0.17	10.6	0.23
1982	7.2	0.09	12.3	0.16	11.8	0.23
1983	7.7	0.09	14.7	0.17	13.1	0.23
1984	7.2	0.08	12.8	0.16	12.8	0.23
1985	8.8	0.09	13.5	0.15	14.9	0.24
1986	9.9	0.09	13.6	0.15	14.8	0.23
1987	8.9	0.09	11.7	0.15	13.1	0.23

CASEY COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	708	17.4	1,680	41.2	34	0.8
1970	786	18.9	1,711	41.1	39	0.9
1971	888	20.6	1,739	40.3	24	0.6
1972	1,003	21.7	1,773	38.4	18	0.4
1973	965	20.6	1,825	38.9	.	.
1974	977	20.8	1,883	40.1	10	0.2
1975	908	19.4	1,878	40.2	.	.
1976	1,034	20.5	1,985	39.4	.	.
1977	1,180	22.4	2,015	38.2	.	.
1978	1,209	21.9	2,066	37.4	11	0.2
1979	1,362	24.3	2,008	35.8	19	0.3
1980	1,424	25.3	1,986	35.3	20	0.4
1981	1,328	23.7	2,018	36.0	13	0.2
1982	1,148	21.1	2,017	37.1	11	0.2
1983	1,385	24.1	2,116	36.8	10	0.2
1984	706	14.3	2,036	41.1	10	0.2
1985	830	16.4	1,996	39.5	.	.
1986	947	18.0	1,993	38.0	11	0.2
1987	1,131	20.4	1,959	35.3	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	286	7.0	476	11.7	388	9.5
1970	303	7.3	467	11.2	405	9.7
1971	293	6.8	525	12.2	410	9.5
1972	318	6.9	581	12.6	415	9.0
1973	385	8.2	566	12.1	421	9.0
1974	363	7.7	540	11.5	426	9.1
1975	349	7.5	524	11.2	432	9.2
1976	378	7.5	566	11.2	428	8.5
1977	373	7.1	618	11.7	427	8.1
1978	405	7.3	695	12.6	439	7.9
1979	415	7.4	665	11.9	453	8.1
1980	435	7.7	642	11.4	463	8.2
1981	417	7.4	659	11.8	448	8.0
1982	439	8.1	642	11.8	430	7.9
1983	433	7.5	675	11.7	417	7.2
1984	389	7.9	632	12.8	432	8.7
1985	416	8.2	595	11.8	456	9.0
1986	426	8.1	599	11.4	477	9.1
1987	453	8.2	628	11.3	498	9.0

CASEY COUNTY

EMPLOYMENT STATISTICS

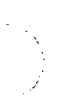
YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	4,073	\$10,986	\$17,440	.	4.2
1970	4,164	\$11,057	\$17,811	6.1	4.4
1971	4,316	\$11,277	\$18,166	4.4	5.1
1972	4,612	\$11,269	\$18,970	6.7	6.0
1973	4,693	\$11,802	\$19,232	5.0	3.7
1974	4,701	\$12,218	\$19,008	6.5	4.5
1975	4,674	\$11,237	\$18,976	8.3	7.3
1976	5,042	\$11,728	\$19,563	5.3	5.6
1977	5,268	\$11,170	\$20,031	4.3	4.7
1978	5,524	\$11,287	\$20,121	5.8	5.3
1979	5,610	\$11,826	\$20,110	5.9	5.5
1980	5,619	\$11,385	\$19,439	8.5	8.0
1981	5,606	\$11,947	\$19,286	8.2	8.4
1982	5,443	\$11,282	\$18,931	14.6	10.6
1983	5,752	\$9,565	\$18,358	14.5	11.6
1984	4,950	\$12,039	\$19,080	30.9	9.3
1985	5,057	\$10,777	\$18,676	17.5	9.5
1986	5,248	\$10,600	\$18,627	13.5	9.3
1987	5,557	\$11,505	\$18,636	10.8	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	13,000	0.41	.	.	.	.
1970	12,900	0.40	9.5	10.3	17.8	14.8
1971	13,000	0.39	8.9	9.6	18.0	14.8
1972	13,300	0.40	8.3	9.1	17.9	15.0
1973	13,700	0.41	7.9	8.8	17.8	15.2
1974	14,000	0.41	7.6	8.6	17.9	15.3
1975	14,400	0.42	7.4	8.4	17.6	15.4
1976	14,500	0.41	7.4	8.2	17.8	15.5
1977	14,600	0.41	7.6	8.4	18.1	15.5
1978	14,700	0.41	7.9	8.5	18.2	15.6
1979	14,900	0.41	8.0	8.7	18.3	15.8
1980	14,900	0.41	9.1	9.2	18.4	15.4
1981	15,100	0.41	9.2	9.3	18.6	15.5
1982	15,100	0.41	9.5	9.2	18.6	15.7
1983	15,100	0.41	9.4	9.2	18.5	15.9
1984	15,200	0.41	9.0	9.0	18.5	16.1
1985	15,100	0.40	8.6	8.9	18.3	16.3
1986	14,700	0.39	8.6	8.6	19.0	16.5
1987	14,800	0.40



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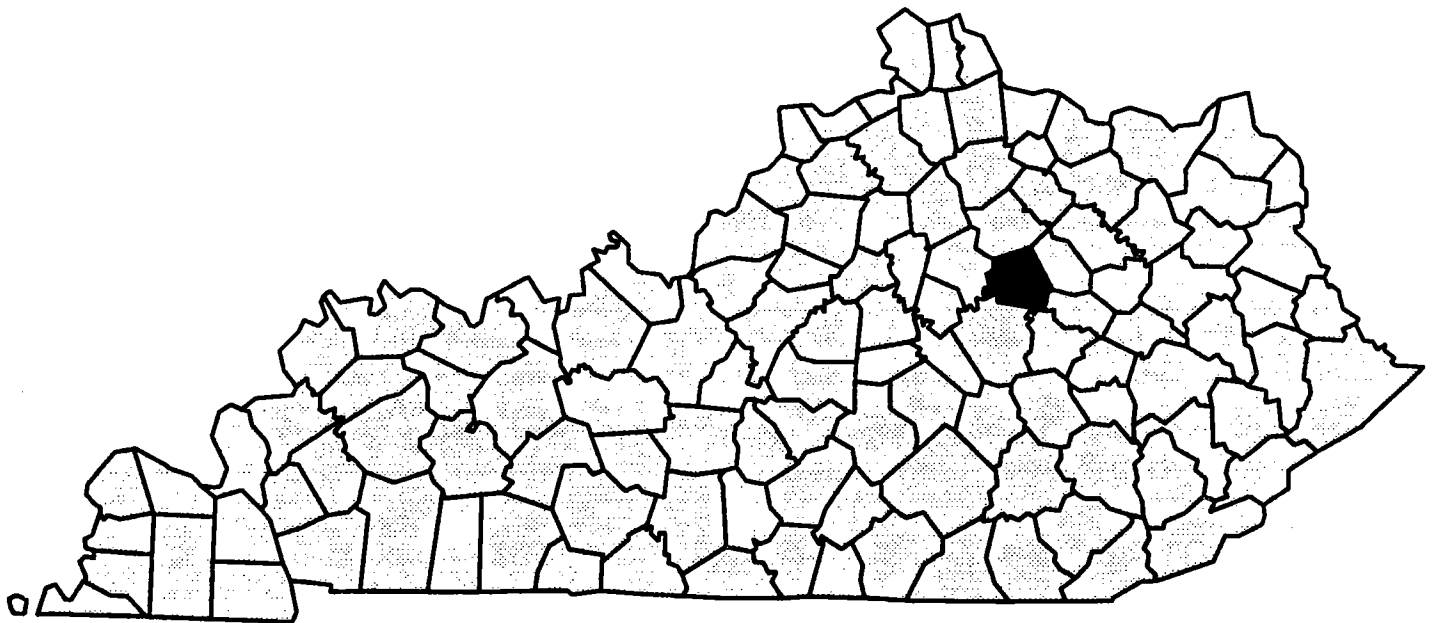


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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CLARK COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



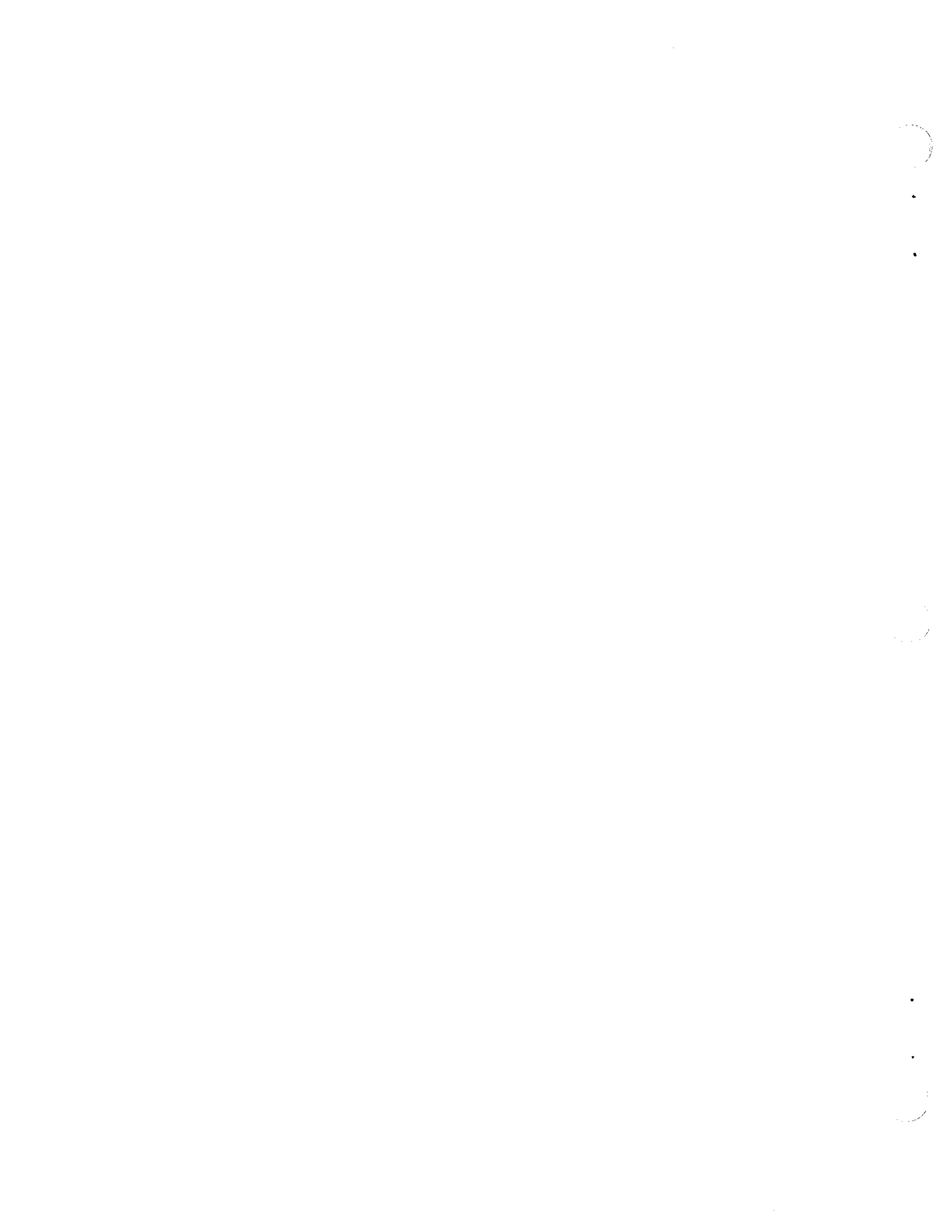
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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CLARK COUNTY

Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990

SUMMARY

The Clark County economy grew moderately from 1969 to 1987 and maintained its share of the state economy. This indicates that the Clark County economy was growing at a rate similar to the state. However, a higher percentage of Clark County personal income comes from earnings and a smaller percentage comes from transfer payments than for the state as a whole.

While the manufacturing sector is the primary source of county earnings and employment, this sector's share of the economy declined. The county's farm sector experienced cyclical patterns of growth and decline. At a time when state farm earnings were declining, 1982-84, Clark County's share increased.

Both the services and trade sectors increased their share of the county economy. This trend occurred at the state level as well.

The high concentration in manufacturing has been beneficial for the local economy, because manufacturing is a relatively high wage industry. However, manufacturing industries are very sensitive to periods of economic volatility and technological changes. Consequently, while a high concentration in manufacturing enables a county to enjoy economic expansion during a period of national economic growth, it may also make the county more susceptible to recessionary contractions. Further, rapid changes in technology can make manufacturing plants obsolete in relatively short time periods. This further contributes to industry volatility.

Future growth in the Clark County economy will most likely be generated by the service and trade sectors. These are the growth sectors of both the state and national economies.

INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN CLARK COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Clark County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Clark County economy, as measured by personal income, increased from \$229 million in 1969 to \$385 million in 1987, after adjusting for inflation. Chart 1B shows Clark County total personal income as a percent of Kentucky total personal income. While, Clark County's share of Kentucky personal income has been somewhat cyclical, the county has generally maintained its share of the state economy.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Clark County per capita income increased over the time period, to a level of \$13,264 per person in 1987, which was 106.1 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$182 million in 1969 to \$271 million in 1987 (in constant 1988 dollars). While earnings have

increased, their share of personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 70.3 percent of Clark County's total personal income, compared to Kentucky's 67.5 percent share.

Transfer payments contributed \$22 million to total personal income in 1969 and \$60 million in 1987. During the period, transfer payments contributed a smaller percentage of personal income in Clark County than in Kentucky.

Income from property totalled \$25 million in 1969 and grew fairly rapidly from 1979 to 1982. After a slight decline, income from property was \$55 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Clark County generated 35.5 percent of its total earnings in manufacturing. During the 1970's, manufacturing's share of earnings performed strongly, reaching 45.3 percent of earnings in 1979. However, by 1987 this percentage decreased to 34.1 percent. (Chart 3A). Kentucky's share of manufacturing earnings as a percent of total county earnings also declined.

Farming's contribution to earnings declined through the 1970's, and then increased in the early 1980's. At the state level, farm earnings declined in the early 1980's. Chart 3A indicates that farming's contribution to total county earnings was 11.7 percent in 1969, increased to 13.3 percent in 1984, and then declined to 10.9 percent in 1987. Earnings from mining were minimal throughout the period.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from both the services and trade sectors increased slightly. Earnings from the state and local government sector remained stable. At the state level, the percent of earnings from services increased significantly, while the percent of earnings from trade and state and local government was stable.

Average earnings per job (adjusted for inflation) for Clark County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Trends in Clark County average earnings per job have been similar to state trends. Average earnings reached \$18,731 in 1987 and have generally exceeded the Kentucky average since 1977.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Clark County increased from 11,057 in 1969 to 14,250 in 1987.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Clark County are presented in Chart 4B. Unemployment rates in Clark County were generally below those of the state throughout the period. In 1987, the county unemployment rate was 8.2 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The manufacturing sector is the primary source of employment in Clark County. The percent of total employment in manufacturing decreased slightly, from 26.5 percent in 1969 to 23.5 percent in 1987. The state share of manufacturing employment also declined.

Farm employment as a percent of total employment decreased steadily through the period. In 1969, 17.7 percent of jobs were in the farm sector. By 1987, this share declined to 11.8 percent.

Employment in the non-goods-producing industries is presented in Chart 4D. In 1969, the service sector accounted for 16.2 percent of employment. The share of service sector employment declined through the 1970's and then increased in the 1980's to 16.8 percent in 1987. Employment in the trade sector increased steadily through the period, and became the second largest employer. By 1987, 21.3 percent of employment was in the trade sector. Employment in state and local government increased slightly. State employment shares in both trade and services have increased, while state and local government employment remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years.

The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Clark County.

The Clark County population grew from 23,800 in 1969 to 29,100 in 1987 (Chart 5A). It was estimated that in 1986, 8.4 percent of Clark County's population was under six years of age, compared to 8.6 percent for the state. Clark County had a smaller proportion of older residents than the state. In 1986, 15.4 percent of the Clark County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
CLARK COUNTY
REAL PERSONAL INCOME
 Millions of 1988 dollars

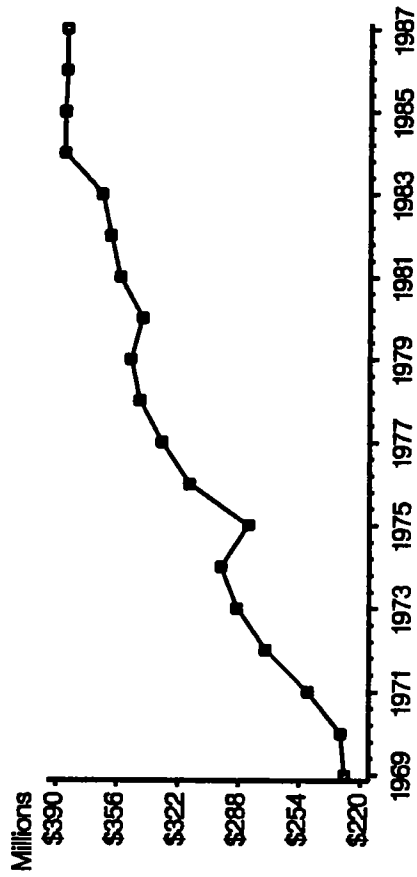


CHART 1C
CLARK COUNTY
PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

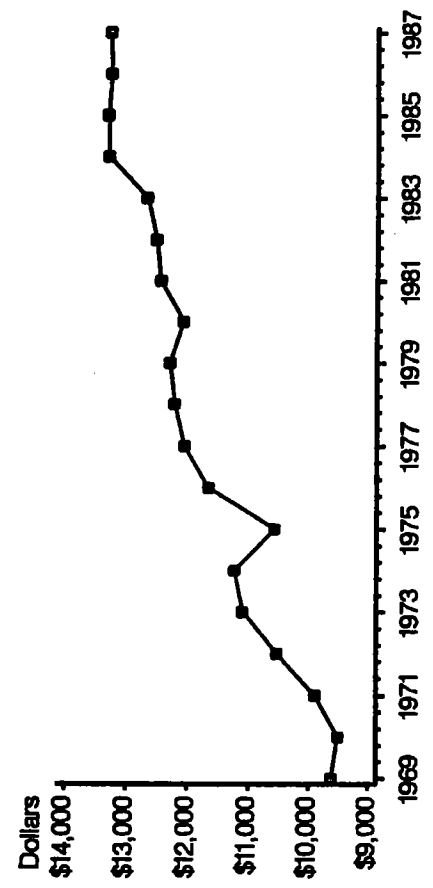


CHART 1B
CLARK COUNTY
PERSONAL INCOME
 as a Percent of Kentucky Personal Income

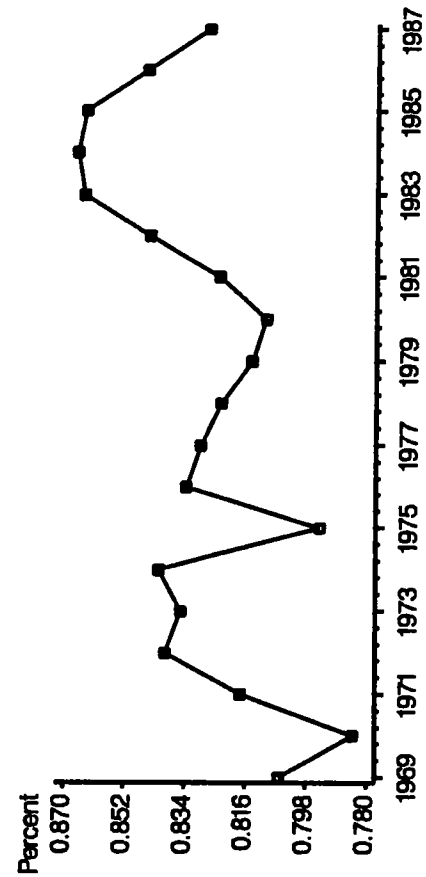


CHART 1D
CLARK COUNTY
PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

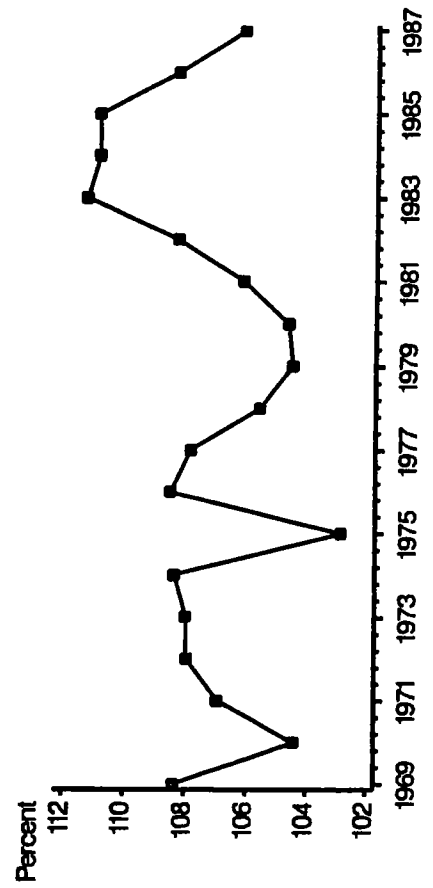


CHART 2A
CLARK COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

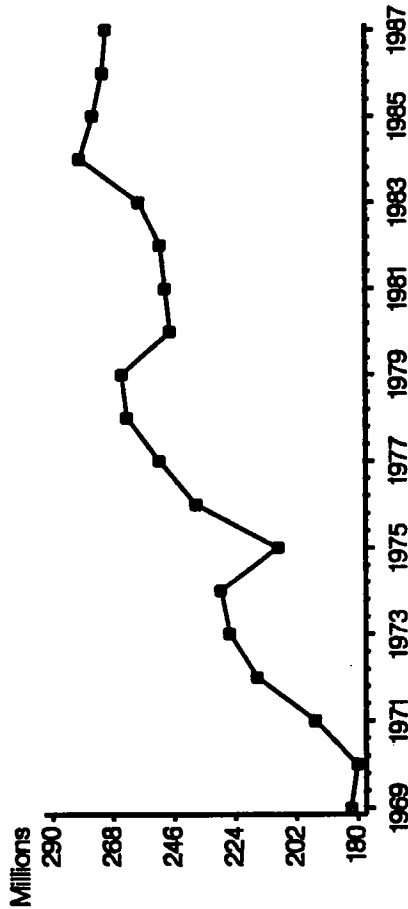


CHART 2B
CLARK COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

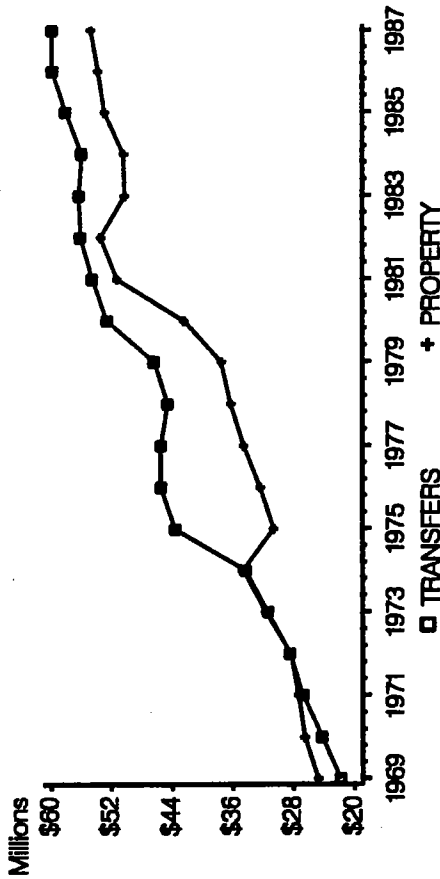


CHART 2C
CLARK COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

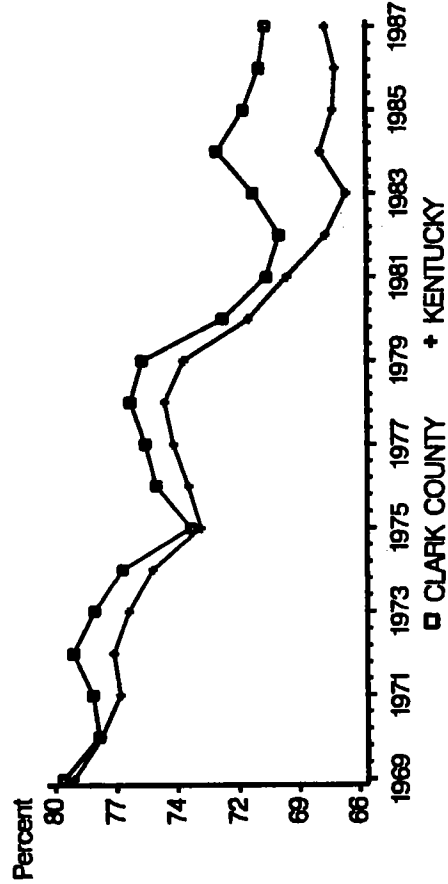


CHART 2D
CLARK COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

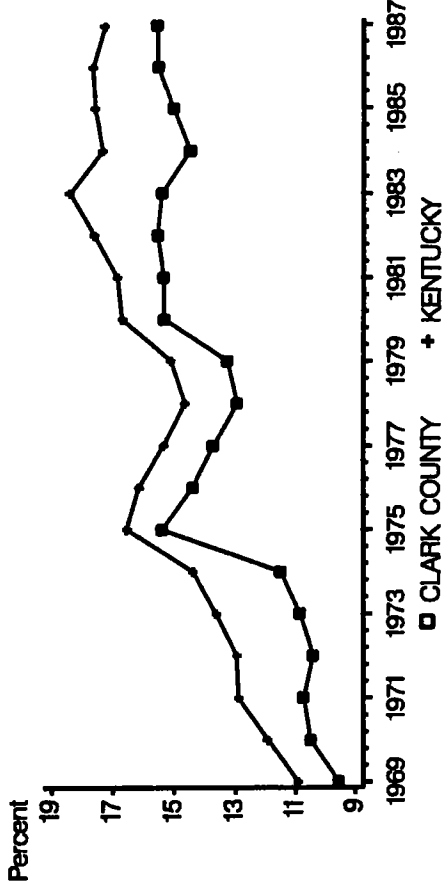


CHART 3A
CLARK COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

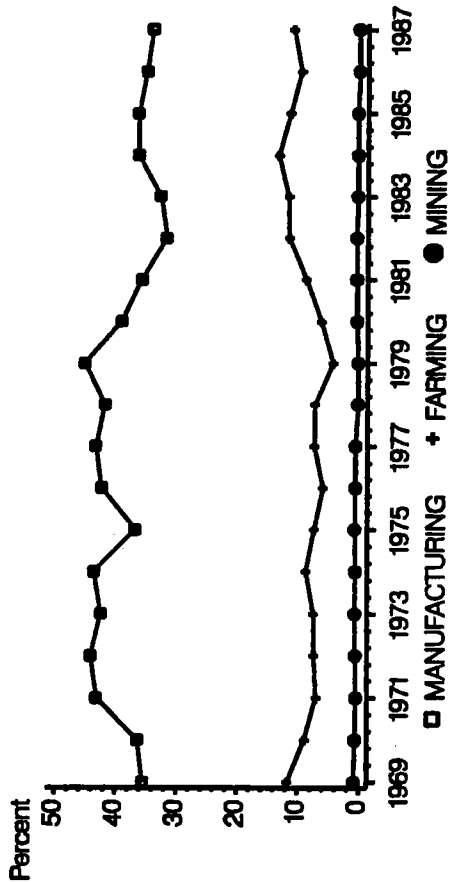


CHART 3C
CLARK COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

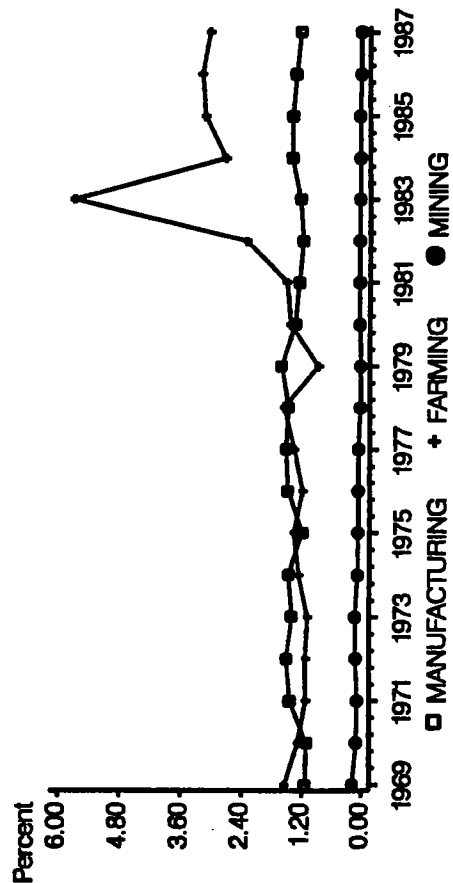


CHART 3B
CLARK COUNTY
EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

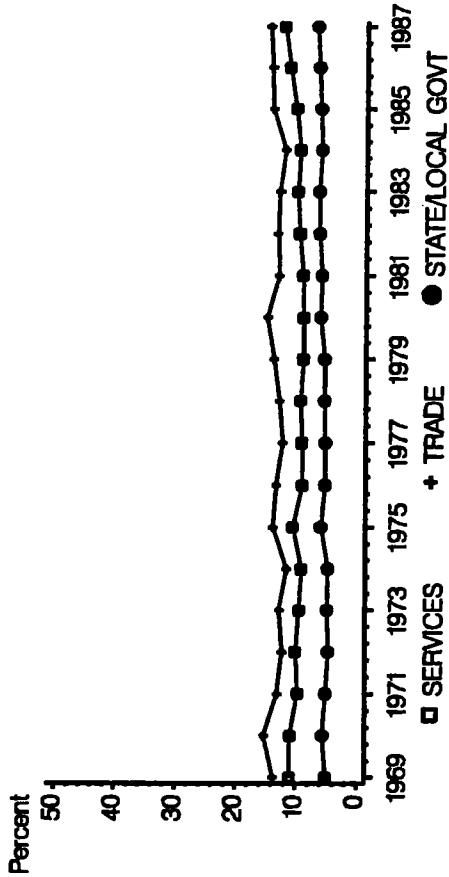


CHART 3D
CLARK COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

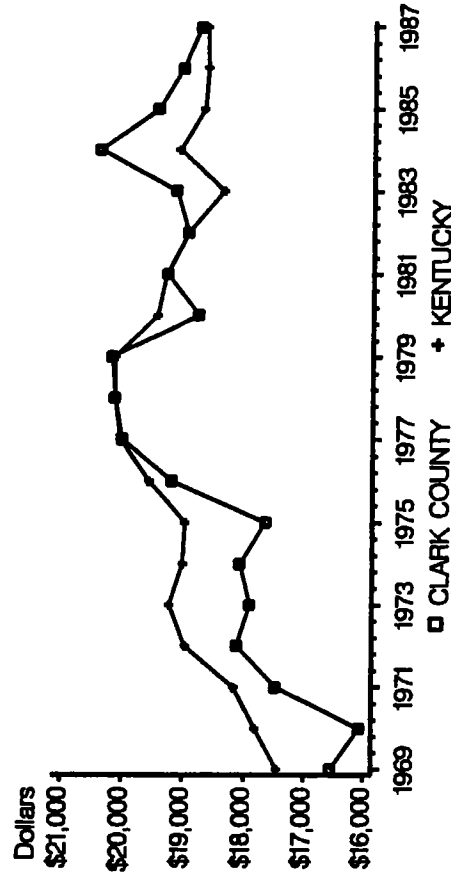


CHART 4A
CLARK COUNTY
TOTAL EMPLOYMENT
 Thousands of People

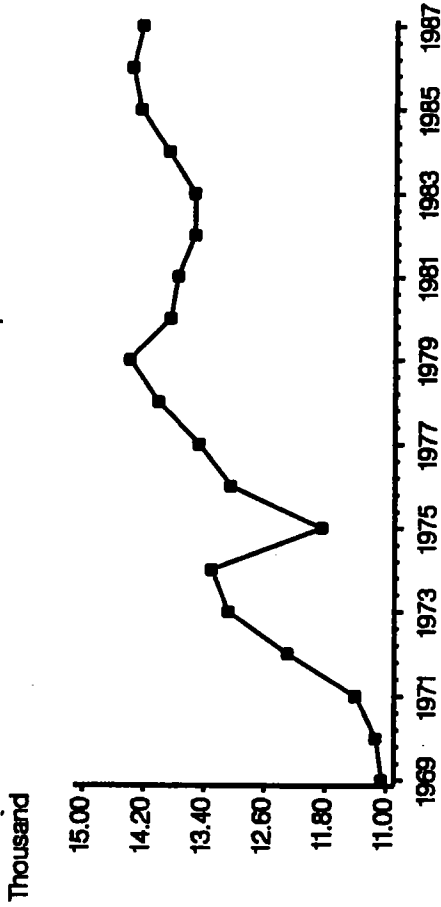


CHART 4C
CLARK COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

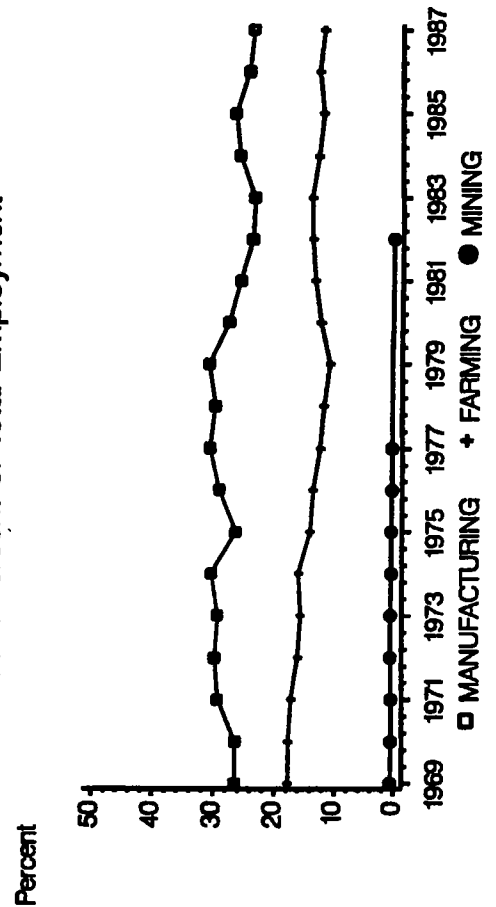


CHART 4B
CLARK COUNTY
ANNUAL UNEMPLOYMENT RATE

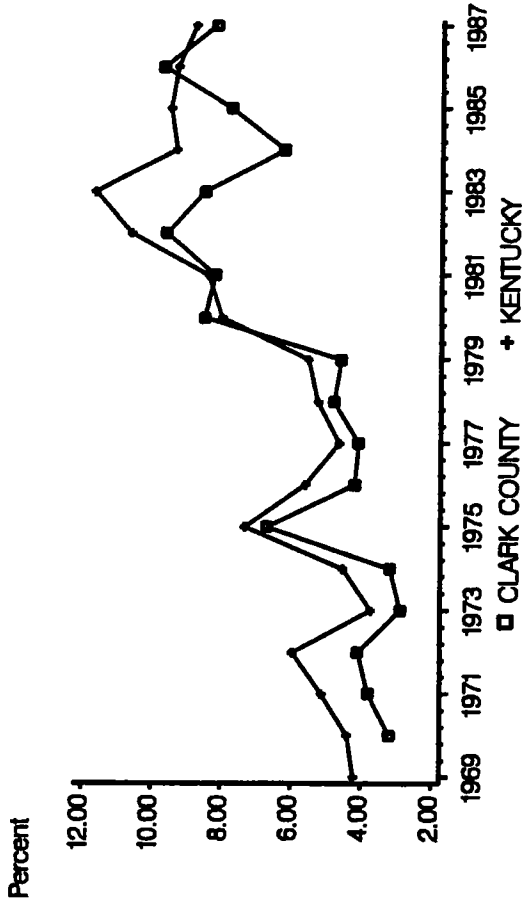


CHART 4D
CLARK COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

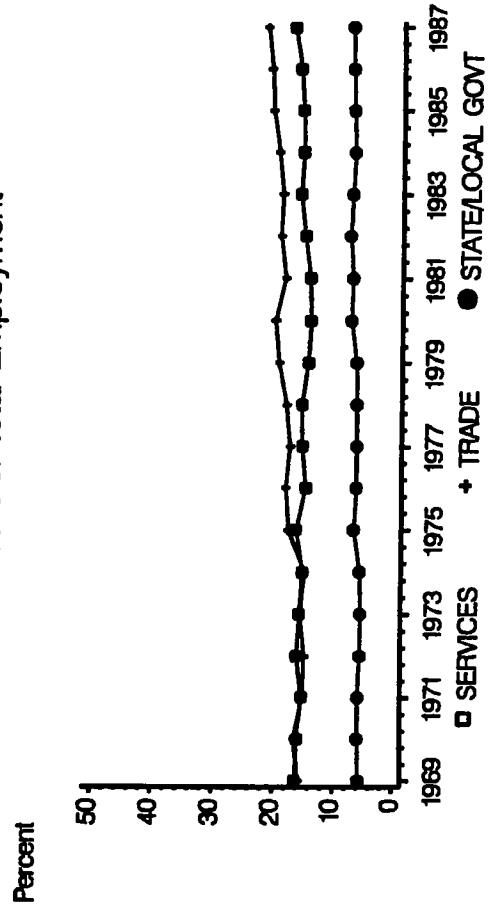


CHART 5A
CLARK COUNTY
POPULATION
Thousands of People

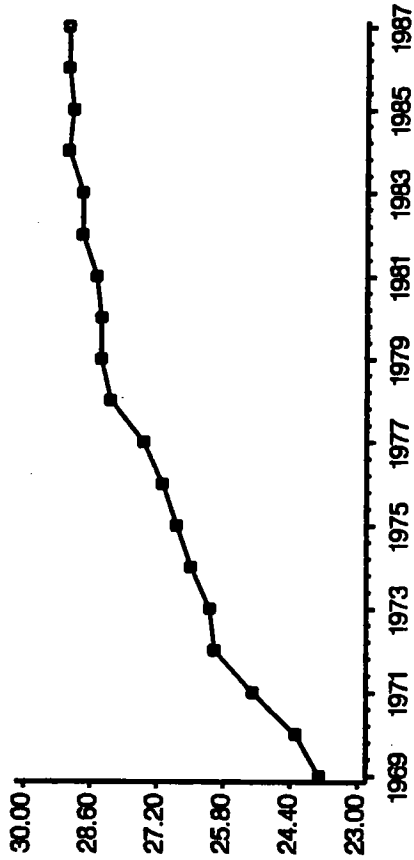


CHART 5B
CLARK COUNTY
POPULATION
as a Percent of Kentucky Population

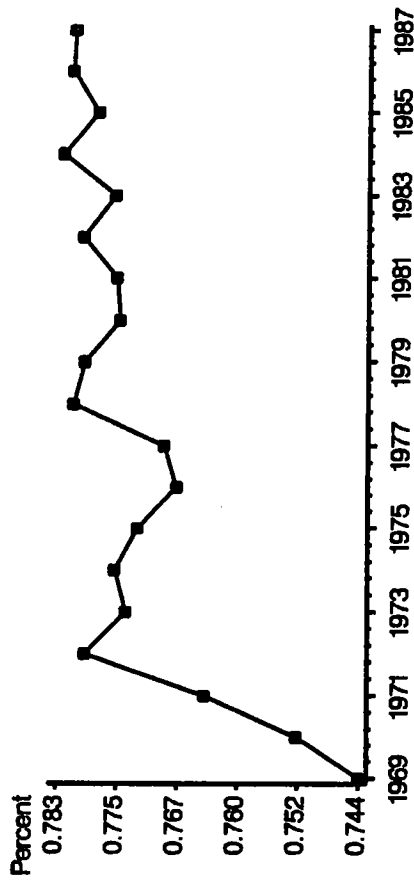


CHART 5C
CLARK COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

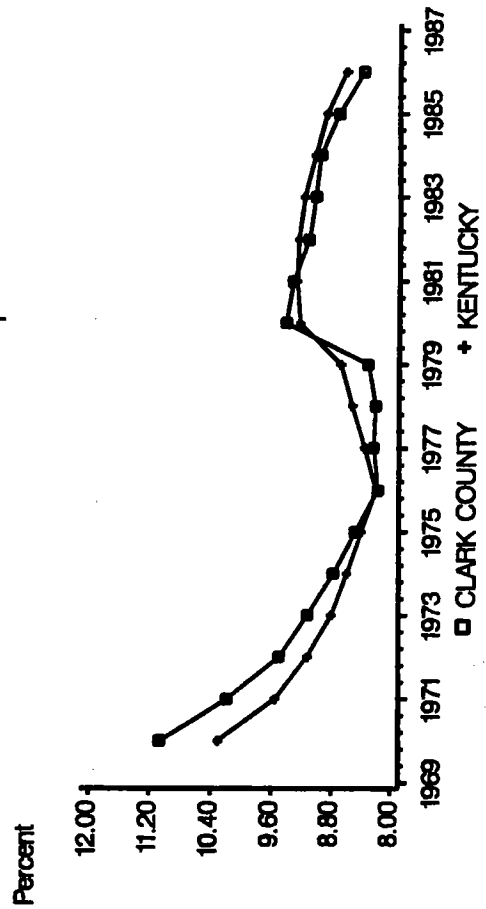
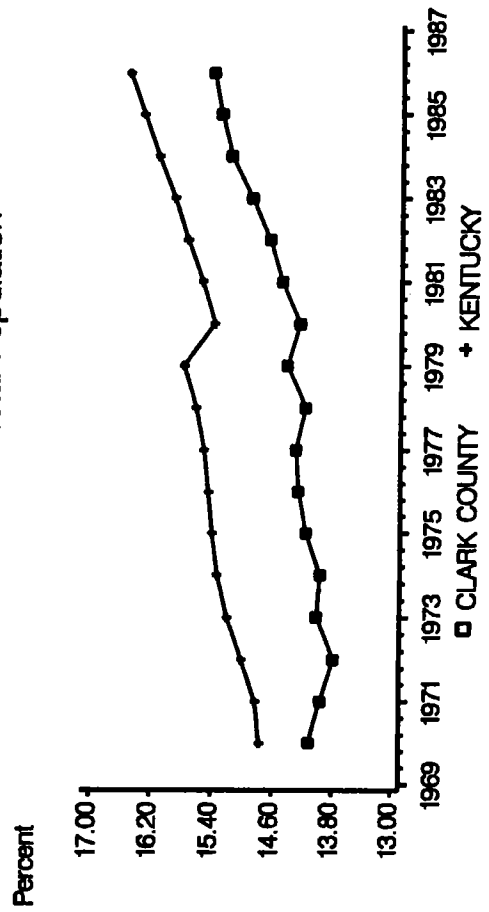


CHART 5D
CLARK COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



CLARK COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	229	0.81	9,629	108.4
1970	231	0.78	9,516	104.4
1971	250	0.82	9,896	106.9
1972	273	0.84	10,520	108.0
1973	289	0.84	11,090	108.0
1974	298	0.84	11,230	108.4
1975	283	0.79	10,557	102.9
1976	316	0.83	11,649	108.5
1977	331	0.83	12,052	107.8
1978	344	0.82	12,210	105.6
1979	349	0.81	12,286	104.5
1980	342	0.81	12,066	104.6
1981	355	0.82	12,442	106.2
1982	360	0.84	12,511	108.3
1983	365	0.86	12,663	111.3
1984	386	0.87	13,291	110.8
1985	386	0.86	13,301	110.9
1986	386	0.85	13,251	108.3
1987	385	0.83	13,264	106.1

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	182	79.6	79.2	22	9.5	10.9	25	10.8	9.9
1970	180	78.0	77.9	24	10.5	11.9	27	11.5	10.2
1971	195	78.3	77.0	27	10.7	12.9	27	11.0	10.1
1972	216	79.2	77.3	28	10.4	12.9	28	10.4	9.7
1973	226	78.2	76.6	31	10.9	13.6	32	10.9	9.7
1974	229	76.9	75.5	34	11.5	14.4	35	11.6	10.1
1975	209	73.8	73.3	44	15.4	16.5	31	10.8	10.1
1976	238	75.4	73.9	45	14.4	16.1	32	10.2	10.0
1977	251	75.9	74.6	45	13.7	15.3	35	10.4	10.1
1978	263	76.5	75.0	44	12.9	14.6	36	10.5	10.4
1979	265	76.0	74.1	46	13.3	15.1	37	10.7	10.8
1980	248	72.3	71.1	52	15.3	16.7	42	12.4	12.2
1981	249	70.3	69.3	54	15.3	16.8	51	14.4	13.8
1982	251	69.7	67.5	56	15.5	17.6	53	14.8	14.9
1983	259	70.9	66.6	56	15.4	18.4	50	13.7	15.1
1984	280	72.5	67.8	56	14.5	17.3	50	13.0	14.9
1985	276	71.3	67.2	58	15.0	17.6	53	13.7	15.3
1986	272	70.6	67.1	60	15.5	17.6	54	13.9	15.3
1987	271	70.3	67.5	60	15.5	17.2	55	14.2	15.3

CLARK COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	35.5	1.14	11.7	1.53	0.8	0.19
1970	36.3	1.11	8.9	1.27	0.6	0.10
1971	43.1	1.43	7.0	1.12	0.4	0.08
1972	44.1	1.49	7.4	1.12	0.6	0.11
1973	42.5	1.39	7.5	1.08	0.6	0.12
1974	43.6	1.45	8.7	1.26	0.6	0.08
1975	36.8	1.18	7.4	1.34	0.7	0.07
1976	42.4	1.47	5.9	1.18	0.6	0.07
1977	43.4	1.51	7.4	1.35	0.6	0.07
1978	41.9	1.46	7.3	1.54	0.2	0.02
1979	45.3	1.59	4.3	0.88	0.2	0.02
1980	39.2	1.33	6.2	1.42	0.4	0.04
1981	35.8	1.26	8.7	1.50	0.4	0.05
1982	31.8	1.19	11.6	2.31	0.4	0.05
1983	32.8	1.23	11.7	5.68	0.3	0.04
1984	36.4	1.39	13.3	2.72	0.2	0.03
1985	36.5	1.38	11.4	3.11	0.3	0.04
1986	35.1	1.31	9.6	3.18	0.1	0.01
1987	34.1	1.22	10.9	3.02	0.1	0.02

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	11.0	0.66	13.7	0.69	5.1	0.44
1970	10.9	0.63	15.2	0.72	5.6	0.44
1971	9.7	0.59	13.1	0.67	5.1	0.43
1972	10.1	0.66	12.3	0.67	4.7	0.42
1973	9.5	0.62	12.8	0.69	4.9	0.45
1974	9.1	0.62	11.6	0.65	4.8	0.46
1975	10.6	0.61	13.8	0.65	6.0	0.47
1976	9.0	0.58	13.3	0.71	5.3	0.48
1977	9.1	0.60	12.3	0.69	5.3	0.49
1978	9.4	0.61	12.8	0.71	5.4	0.50
1979	8.9	0.59	13.7	0.77	5.4	0.49
1980	8.9	0.51	14.8	0.79	6.1	0.50
1981	9.0	0.52	12.9	0.73	5.9	0.50
1982	9.6	0.53	13.2	0.73	6.3	0.52
1983	10.0	0.52	12.9	0.71	6.4	0.52
1984	9.6	0.52	12.0	0.71	6.0	0.52
1985	10.2	0.52	14.0	0.80	6.2	0.51
1986	11.3	0.52	14.2	0.79	6.5	0.51
1987	12.2	0.52	14.6	0.77	6.8	0.50

CLARK COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	2,925	26.5	1,958	17.7	65	0.6
1970	2,938	26.4	1,960	17.6	54	0.5
1971	3,345	29.3	1,958	17.2	51	0.4
1972	3,665	29.8	1,968	16.0	64	0.5
1973	3,837	29.3	2,035	15.5	67	0.5
1974	4,044	30.4	2,116	15.9	54	0.4
1975	3,119	26.3	1,662	14.0	50	0.4
1976	3,796	29.1	1,760	13.5	40	0.3
1977	4,125	30.6	1,660	12.3	39	0.3
1978	4,163	29.7	1,646	11.7	.	.
1979	4,420	30.7	1,548	10.7	.	.
1980	3,802	27.4	1,695	12.2	.	.
1981	3,517	25.5	1,813	13.2	.	.
1982	3,199	23.6	1,845	13.6	17	0.1
1983	3,158	23.3	1,863	13.8	.	.
1984	3,567	25.7	1,761	12.7	.	.
1985	3,769	26.4	1,688	11.8	.	.
1986	3,481	24.2	1,799	12.5	.	.
1987	3,354	23.5	1,683	11.8	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,790	16.2	1,729	15.6	626	5.7
1970	1,763	15.8	1,818	16.3	651	5.8
1971	1,722	15.1	1,700	14.9	660	5.8
1972	1,964	16.0	1,806	14.7	671	5.5
1973	2,037	15.6	2,021	15.4	711	5.4
1974	2,005	15.1	1,960	14.7	751	5.6
1975	1,920	16.2	2,074	17.5	792	6.7
1976	1,902	14.6	2,345	18.0	812	6.2
1977	2,047	15.2	2,328	17.3	836	6.2
1978	2,144	15.3	2,509	17.9	879	6.3
1979	2,055	14.3	2,769	19.2	906	6.3
1980	1,928	13.9	2,755	19.9	1,004	7.2
1981	1,936	14.1	2,508	18.2	967	7.0
1982	2,014	14.9	2,577	19.0	1,017	7.5
1983	2,131	15.7	2,538	18.7	970	7.2
1984	2,117	15.2	2,693	19.4	942	6.8
1985	2,189	15.3	2,912	20.4	991	6.9
1986	2,267	15.8	2,966	20.6	1,016	7.1
1987	2,387	16.8	3,041	21.3	1,013	7.1

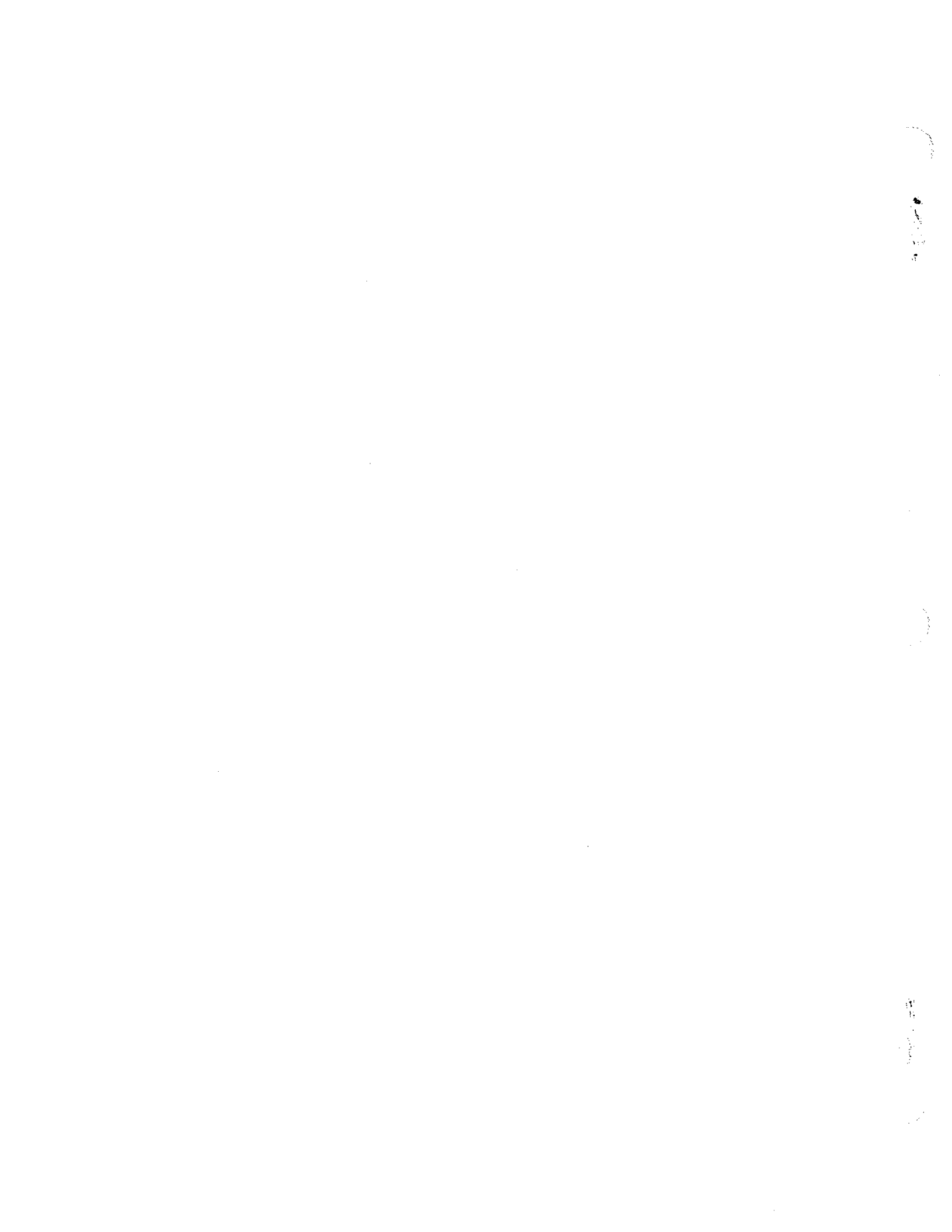
CLARK COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	11,057	\$16,562	\$17,440	.	4.2
1970	11,132	\$16,066	\$17,811	3.2	4.4
1971	11,404	\$17,466	\$18,166	3.8	5.1
1972	12,298	\$18,115	\$18,970	4.1	6.0
1973	13,089	\$17,904	\$19,232	2.9	3.7
1974	13,308	\$18,068	\$19,008	3.2	4.5
1975	11,853	\$17,645	\$18,976	6.7	7.3
1976	13,061	\$19,196	\$19,563	4.2	5.6
1977	13,482	\$20,000	\$20,031	4.1	4.7
1978	14,017	\$20,125	\$20,121	4.8	5.3
1979	14,402	\$20,165	\$20,110	4.6	5.5
1980	13,862	\$18,760	\$19,439	8.5	8.0
1981	13,768	\$19,275	\$19,286	8.2	8.4
1982	13,544	\$18,934	\$18,931	9.6	10.6
1983	13,546	\$19,138	\$18,358	8.5	11.6
1984	13,890	\$20,370	\$19,080	6.2	9.3
1985	14,271	\$19,438	\$18,676	7.8	9.5
1986	14,383	\$19,030	\$18,627	9.7	9.3
1987	14,250	\$18,731	\$18,636	8.2	8.8

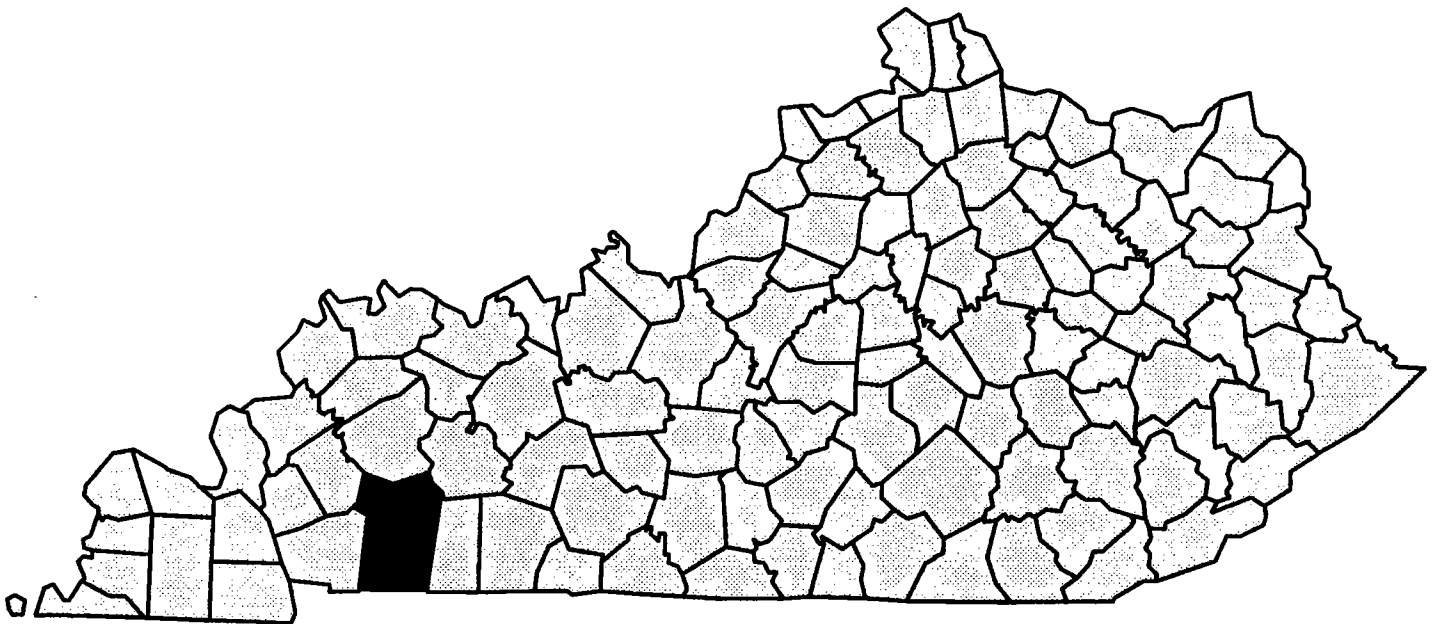
POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	23,800	0.74	.	.	.	.
1970	24,300	0.75	11.1	10.3	14.1	14.8
1971	25,200	0.76	10.2	9.6	14.0	14.8
1972	26,000	0.78	9.5	9.1	13.8	15.0
1973	26,100	0.77	9.1	8.8	14.0	15.2
1974	26,500	0.78	8.8	8.6	14.0	15.3
1975	26,800	0.77	8.5	8.4	14.1	15.4
1976	27,100	0.77	8.2	8.2	14.3	15.5
1977	27,500	0.77	8.2	8.4	14.3	15.5
1978	28,200	0.78	8.2	8.5	14.2	15.6
1979	28,400	0.78	8.3	8.7	14.4	15.8
1980	28,400	0.77	9.4	9.2	14.2	15.4
1981	28,500	0.78	9.3	9.3	14.5	15.5
1982	28,800	0.78	9.1	9.2	14.7	15.7
1983	28,800	0.78	9.0	9.2	14.9	15.9
1984	29,100	0.78	9.0	9.0	15.2	16.1
1985	29,000	0.78	8.7	8.9	15.3	16.3
1986	29,100	0.78	8.4	8.6	15.4	16.5
1987	29,100	0.78	.	.	.	.



ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CHRISTIAN COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990

ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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No.438
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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



SUMMARY

The Christian County economy, as measured by personal income, grew strongly in the 1970's and was fairly constant in the 1980's. Christian County increased its share of Kentucky personal income in the mid-1970's and decreased its share in the 1980's.

With the presence of Fort Campbell, a major installation, it is not surprising that the federal government is the primary source of earnings and employment in the county. Both earnings and employment in this sector were stable during the period.

The manufacturing sector increased slightly in Christian County, while the farm sector declined. At the state level, the share of earnings and employment from these sectors declined.

The non-goods-producing sectors of services and trade experienced growth at the county level, while the state and local government sector remained constant. These county trends parallel state trends.

The Christian County economy is becoming more diversified. Economies which depend too heavily on one economic sector are susceptible to extreme swings when events in the national and international economy affect that sector. The goods-producing sectors, especially manufacturing, are very sensitive to national economic conditions and are vulnerable to production cutbacks and employment layoffs during low- or no-growth periods. The non-goods-producing sectors tend to be more resilient during periods of economic stagnation. The diversification of the Christian County economy should help to stabilize the county economy during recessionary periods and periods of change in federal spending and should help promote future economic growth.



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INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the Christian County economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the Christian County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Christian County economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing, if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



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ECONOMIC TRENDS IN CHRISTIAN COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Christian County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. Included are earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Christian County economy, as measured by real personal income, increased substantially, from \$472 million in 1969 to \$707 million in 1987, after adjusting for inflation. Chart 1B shows Christian County total personal income as a percent of Kentucky total personal income. Christian County's share of Kentucky personal income was erratic, but generally increased in the 1970's and decreased in the 1980's.

A similar pattern emerges from an examination of per capita personal income (Charts 1C and 1D). Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Christian County real per capita income generally increased over the time period to a level of \$11,300 in 1987, which was 90.4 percent of the Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their share has changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$383 million in

1969 to a high of \$546 million in 1979. After a short period of decline, earnings increased to \$500 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income declined over the period. This trend occurred at the state level as well. Earnings accounted for 70.7 percent of Christian County's total personal income in 1987, compared to Kentucky's 67.5 percent share.

Transfer payments contributed \$51 million to total personal income in 1969 and \$118 million in 1987. In 1987, 16.7 percent of Christian County personal income was derived from transfer payments, compared to 17.2 percent for the state.

Income from property in Christian County grew steadily through the time period. Income from property totalled \$38 million in 1969 and increased to \$89 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wage and salary income and proprietor's income.

The federal government sector was the primary source of earnings in Christian County (Chart 3A). The percent of earnings from the federal government was relatively constant during the period. In 1987, this sector accounted for 55.9 percent of total county earnings.

Earnings from goods-producing sectors are presented in Chart 3A. In 1969, Christian County received 9.8 percent of its earnings from manufacturing. This percentage fluctuated during the period but increased to 11.7 percent in 1987. The farm sector's share of earnings declined from 4.4 percent in 1969 to 0.7 percent in 1987.

Earnings from non-goods-producing industries paralleled state trends (Chart 3B). The percent of total earnings from services increased from 6.3 percent in 1969 to 9.4 percent in 1987. The percentage of earnings from the trade sector remained relatively stable and accounted for 9.0 percent in 1987. The share from state and local government was also stable and accounted for 5.7 percent in 1987.

Average earnings per job (adjusted for inflation) for Christian County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Average earnings per job have since declined and in 1987 they were \$18,636 per person. Changes in Christian County earnings paralleled state trends. County average earnings were \$16,938 in 1987, which were below those of the state.

Employment

Employment is considered to be any activity for which one receives financial remuneration in the form of wages or profits. Total employment in

Christian County was volatile during the data period. In 1969, total employment stood at 41,874 people. Employment increased to 51,439 by 1987.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Christian County are presented in Chart 4B. Christian County unemployment rates paralleled trends in Kentucky rates until 1981. After this time, county unemployment rates were below state rates. In 1987, the county unemployment rate was 8.0, compared to 8.8 for the state.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately 4 percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

The federal government was the primary employer in Christian County during the period (Chart 4C). The share of employment in this sector was relatively stable over time and accounted for 52.1 percent in 1987.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of Christian County total employment in manufacturing was relatively constant over the time period and accounted for 8.8 percent in 1987. The farm sector's share of employment decreased from 7.8 percent in 1969 to 3.8 percent in 1987.

Christian County employment in the non-goods-producing industries parallels state trends (Chart 4D). Employment in the service sector as a percent of total employment increased from 8.7 percent in 1969 to 11.2 percent in 1987. The percent of employment in trade increased from 8.7 percent in 1969 to 11.7 percent in 1987. The percent of employment in state and local government remained relatively stable and accounted for 5.2 percent in 1987.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Christian County.

Population trends for Christian County reflect the cycles of economic activity in the area. The Christian County population grew from 56,200 in 1969 to 68,700 in 1974. Population then declined to 62,600 in 1987 (Chart 5A). In 1986, 11.5 percent of Christian County's population was under six years of age, compared to 8.6 percent for the state. In the same year, 11.2 percent of the Christian County population were 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

Christian County's population in 1987 was 62,600, while employment was 51,439. This suggests either an extremely high county labor participation rate or that Christian County is importing labor from surrounding counties.

CHART 1A
CHRISTIAN COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

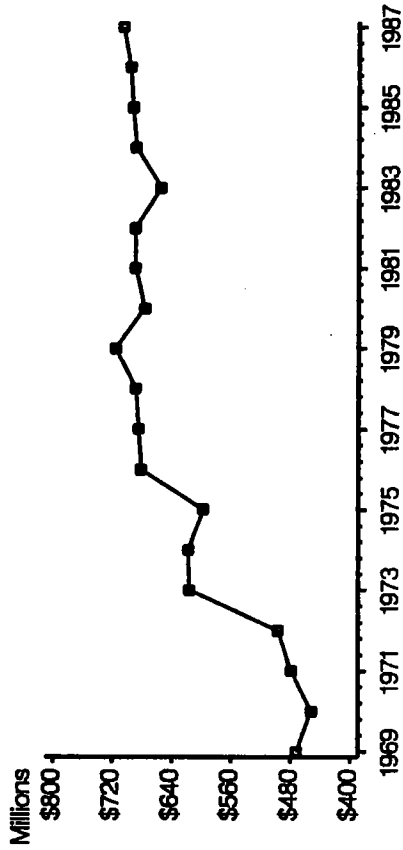


CHART 1B
CHRISTIAN COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

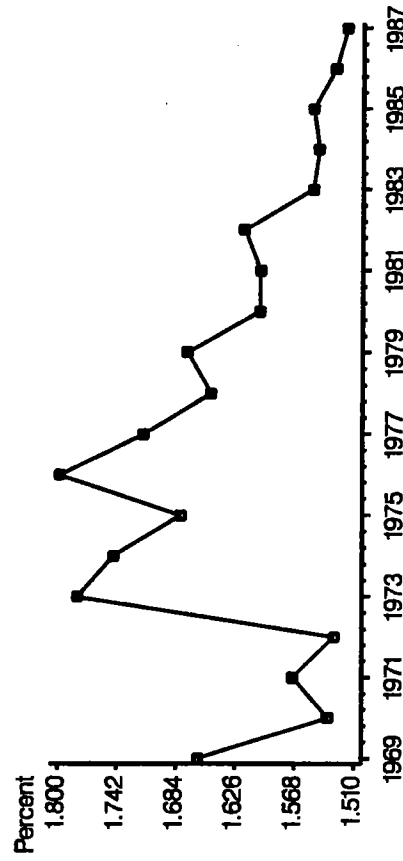


CHART 1C
CHRISTIAN COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

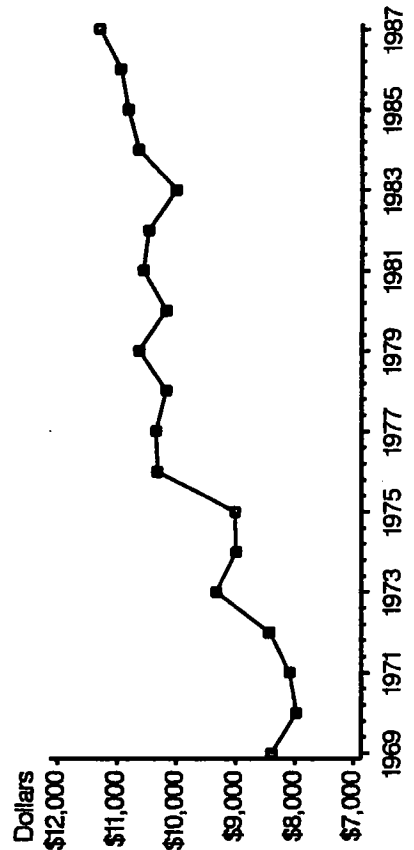


CHART 1D
CHRISTIAN COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

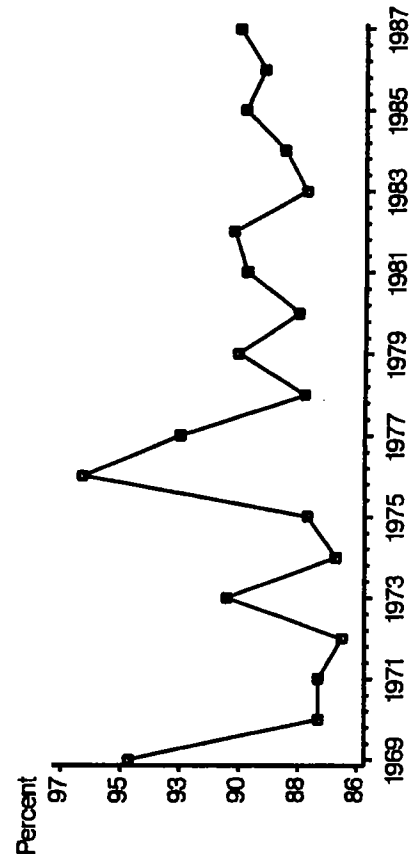


CHART 2A
CHRISTIAN COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

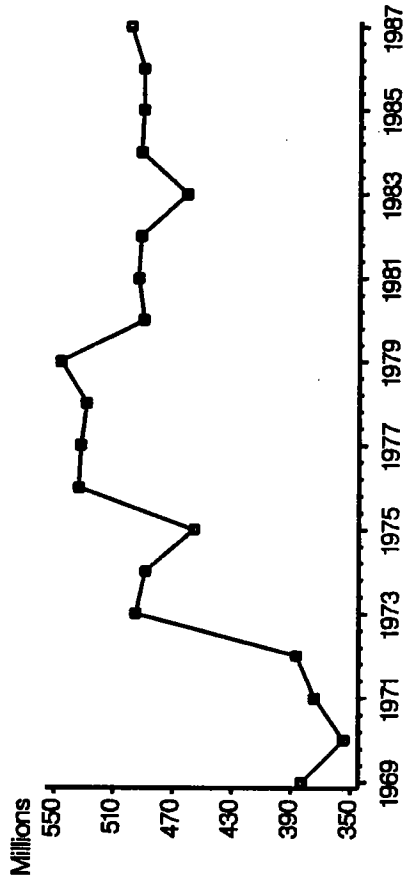


CHART 2B
CHRISTIAN COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

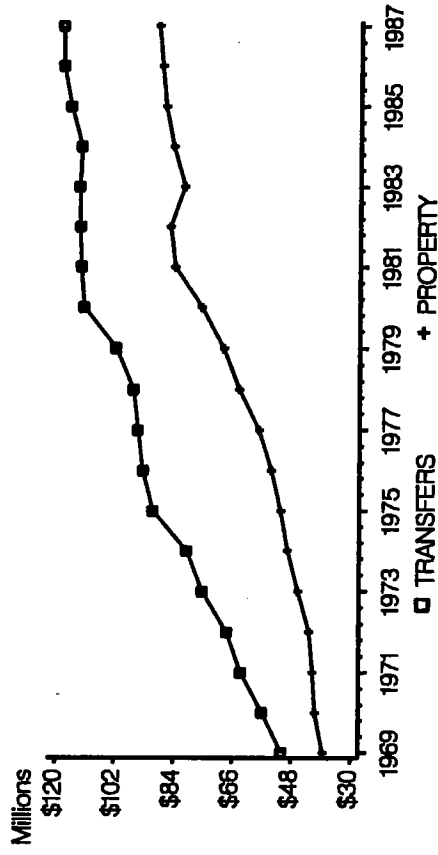


CHART 2C
CHRISTIAN COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

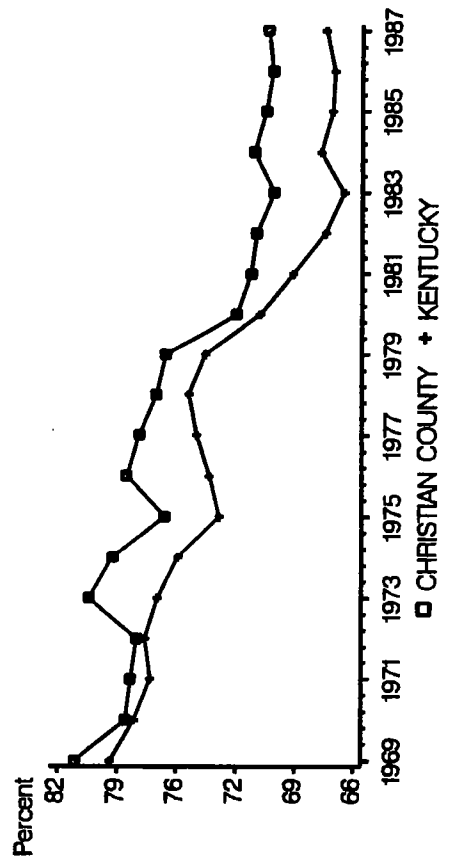


CHART 2D
CHRISTIAN COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

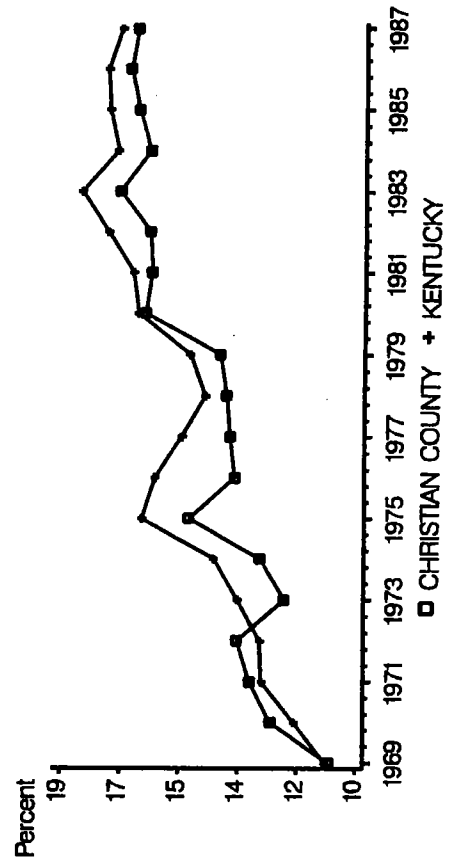


CHART 3A

CHRISTIAN COUNTY
EARNINGS FROM MANUFACTURING, FARMING and FEDERAL GOVERNMENT
as a Percent of Total Earnings

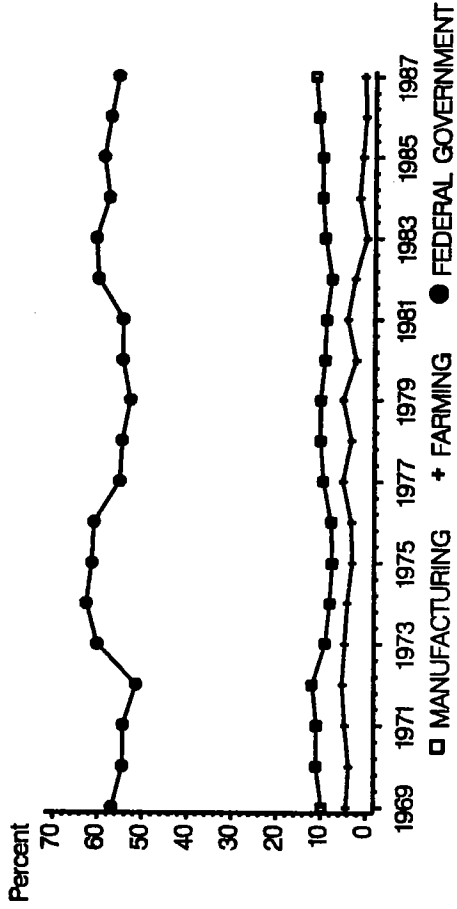


CHART 3B

CHRISTIAN COUNTY
EARNINGS in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

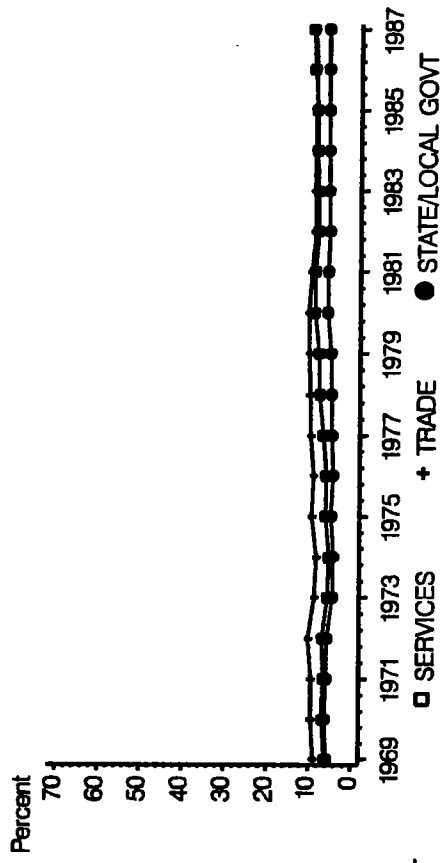


CHART 3C

CHRISTIAN COUNTY
EARNINGS in MANUFACTURING and FEDERAL GOVERNMENT
as a Percent of Kentucky Industries

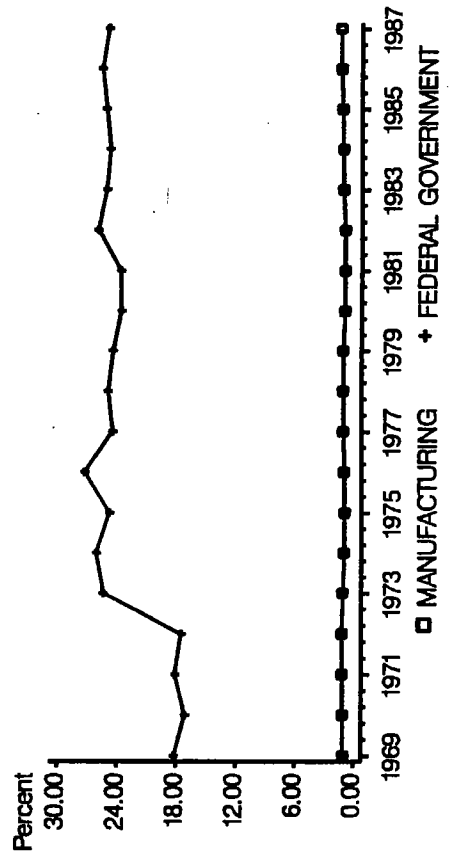


CHART 3D

CHRISTIAN COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

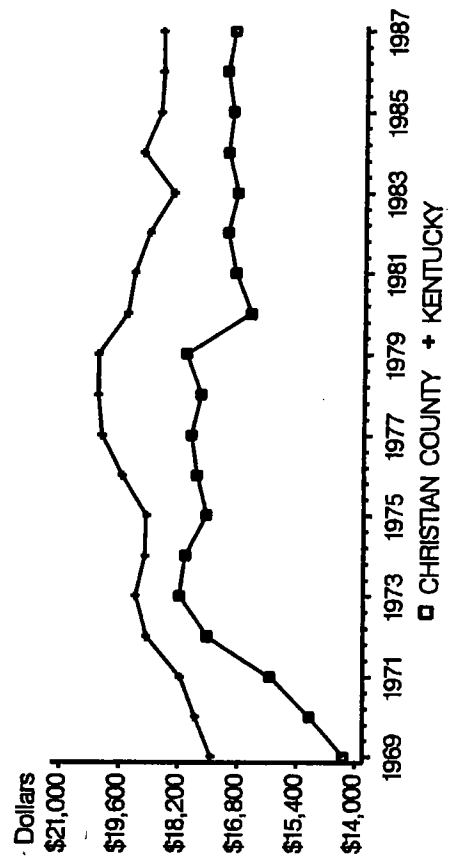


CHART 4A
CHRISTIAN COUNTY
TOTAL EMPLOYMENT
Thousands of People

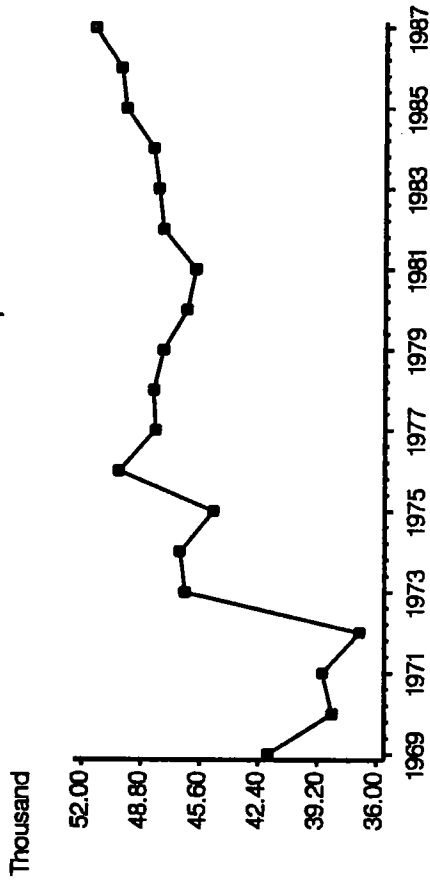


CHART 4B
CHRISTIAN COUNTY
ANNUAL UNEMPLOYMENT RATE

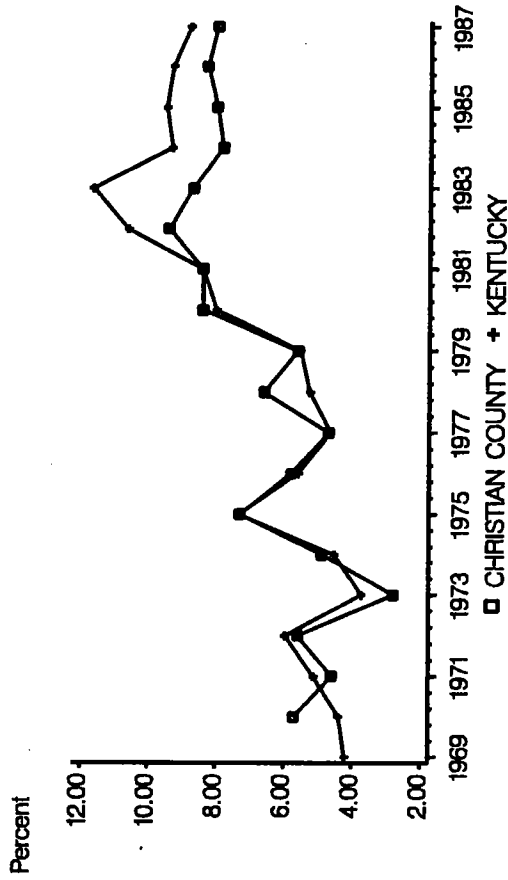


CHART 4C
CHRISTIAN COUNTY
EMPLOYMENT IN MANUFACTURING, FARMINGS, AND FEDERAL GOVERNMENT
as a Percent of Total Employment

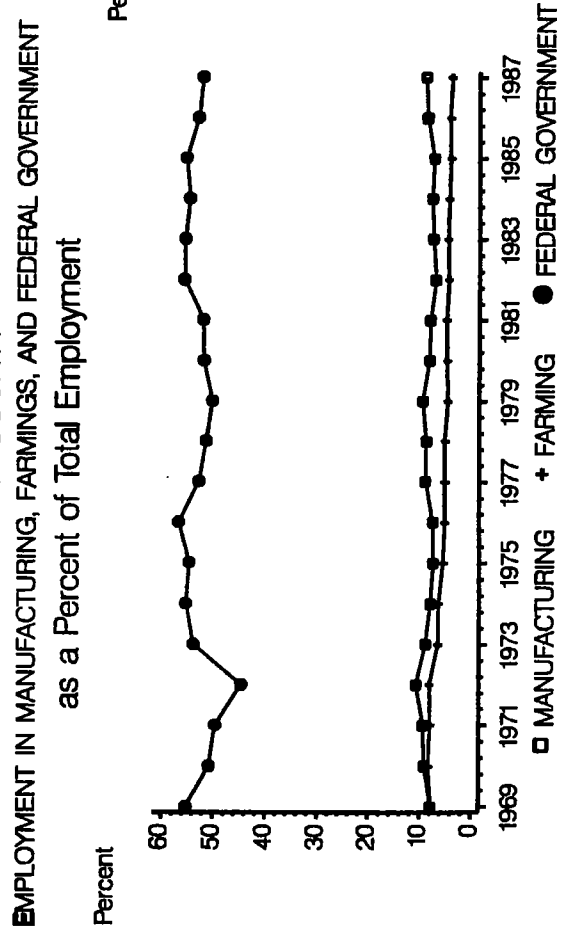


CHART 4D
CHRISTIAN COUNTY
EMPLOYMENT IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

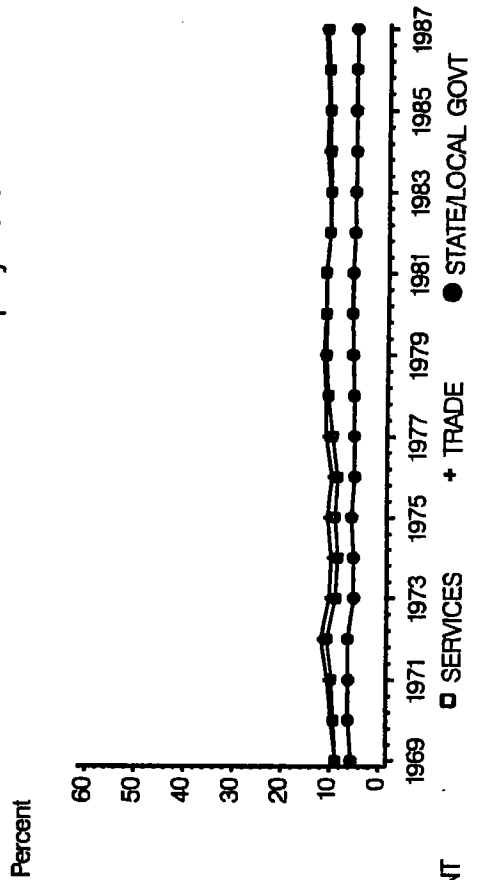


CHART 5A
CHRISTIAN COUNTY
POPULATION
Thousands of People

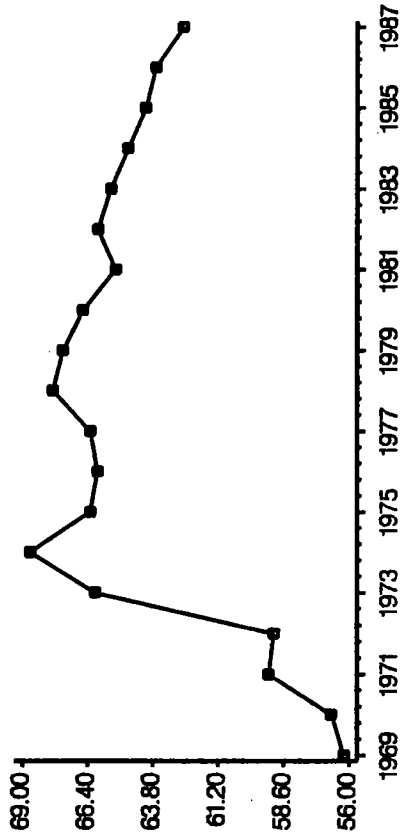


CHART 5B
CHRISTIAN COUNTY
POPULATION
as a Percent of Kentucky Population

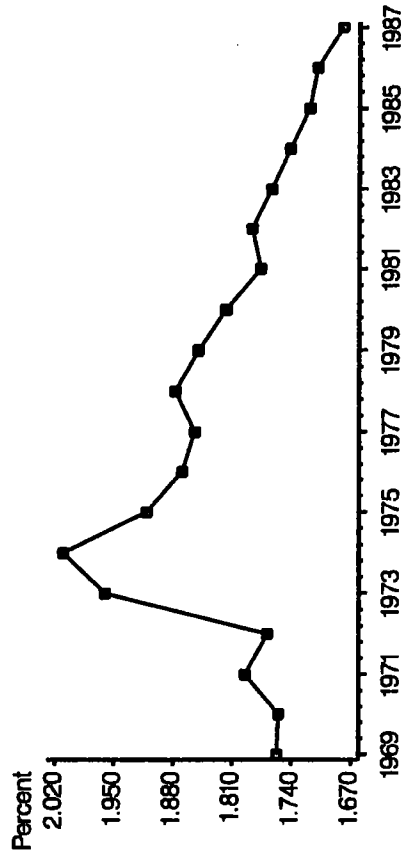


CHART 5C
CHRISTIAN COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

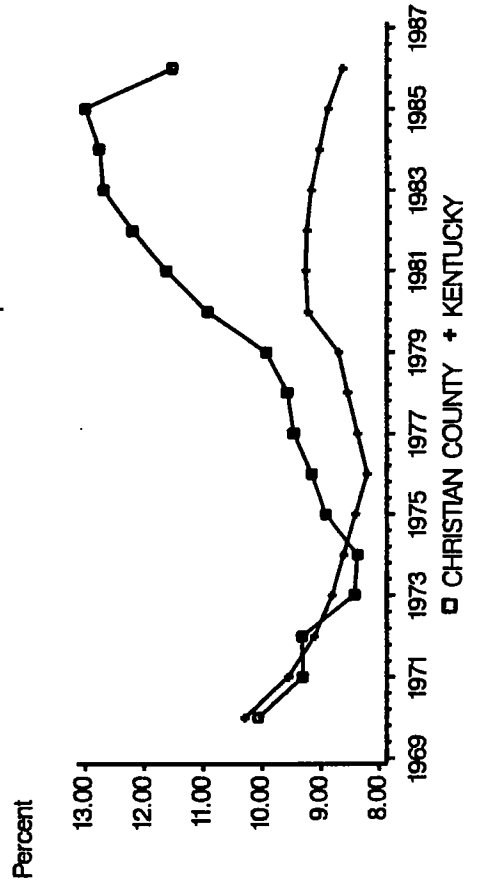
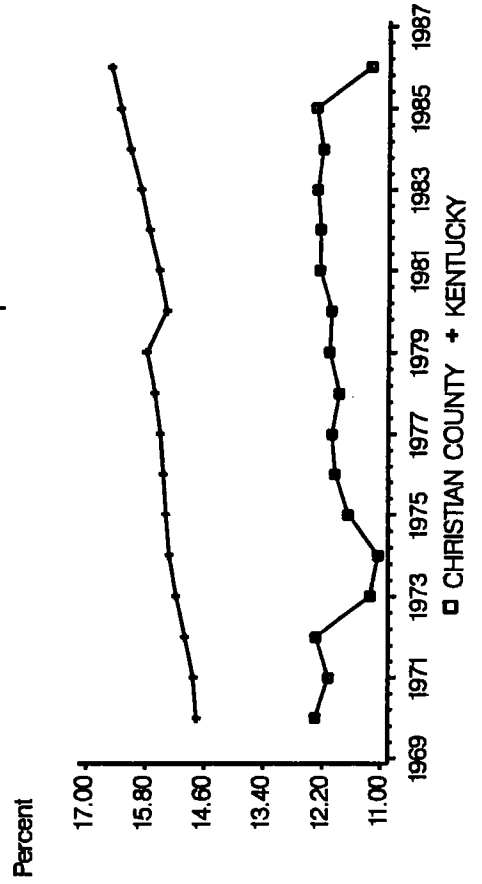


CHART 5D
CHRISTIAN COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



CHRISTIAN COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	472	1.66	8,396	94.5
1970	452	1.54	7,969	87.4
1971	479	1.57	8,091	87.4
1972	497	1.53	8,432	86.5
1973	617	1.78	9,330	90.9
1974	618	1.75	8,992	86.8
1975	598	1.68	9,016	87.8
1976	682	1.80	10,326	96.2
1977	686	1.72	10,348	92.6
1978	689	1.65	10,174	88.0
1979	717	1.67	10,635	90.4
1980	677	1.60	10,173	88.2
1981	690	1.60	10,565	90.1
1982	691	1.62	10,470	90.6
1983	655	1.55	10,007	87.9
1984	689	1.55	10,641	88.7
1985	694	1.55	10,821	90.2
1986	697	1.53	10,951	89.5
1987	707	1.52	11,300	90.4

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	383	81.1	79.2	51	10.8	10.9	38	8.1	9.9
1970	354	78.4	77.9	57	12.6	11.9	41	9.0	10.2
1971	374	78.1	77.0	63	13.2	12.9	42	8.7	10.1
1972	387	77.8	77.3	68	13.6	12.9	43	8.6	9.7
1973	495	80.3	76.6	75	12.2	13.6	46	7.5	9.7
1974	489	79.1	75.5	80	13.0	14.4	49	8.0	10.1
1975	456	76.2	73.3	90	15.1	16.5	52	8.6	10.1
1976	534	78.3	73.9	94	13.7	16.1	54	8.0	10.0
1977	532	77.6	74.6	95	13.9	15.3	58	8.5	10.1
1978	529	76.7	75.0	96	14.0	14.6	64	9.3	10.4
1979	546	76.2	74.1	102	14.2	15.1	69	9.6	10.8
1980	490	72.4	71.1	112	16.5	16.7	76	11.2	12.2
1981	494	71.6	69.3	112	16.3	16.8	84	12.1	13.8
1982	492	71.3	67.5	113	16.3	17.6	85	12.4	14.9
1983	461	70.4	66.6	113	17.2	18.4	81	12.4	15.1
1984	492	71.4	67.8	113	16.3	17.3	84	12.2	14.9
1985	491	70.8	67.2	116	16.7	17.6	87	12.5	15.3
1986	491	70.4	67.1	118	16.9	17.6	88	12.6	15.3
1987	500	70.7	67.5	118	16.7	17.2	89	12.6	15.3

CHRISTIAN COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		FEDERAL GOVT.	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	9.8	1.03	4.4	1.88	56.8	18.22
1970	11.1	1.10	3.8	1.76	54.4	17.13
1971	11.0	1.15	4.7	2.35	54.3	18.12
1972	12.0	1.18	5.2	2.31	51.4	17.51
1973	9.2	1.08	4.8	2.49	60.1	25.36
1974	8.1	0.95	4.2	2.13	62.6	26.07
1975	7.6	0.92	3.1	2.16	61.3	24.78
1976	7.8	0.96	3.3	2.36	60.9	27.26
1977	9.7	1.07	5.3	3.08	55.2	24.47
1978	10.3	1.08	3.4	2.14	54.8	24.93
1979	10.3	1.07	5.3	3.18	52.9	24.46
1980	9.4	0.94	2.4	1.60	54.7	23.62
1981	9.1	0.93	4.3	2.17	54.6	23.68
1982	7.8	0.93	2.7	1.69	60.2	25.93
1983	9.4	1.10	0.1	0.11	60.7	25.09
1984	10.0	1.12	1.7	1.03	57.8	24.76
1985	10.0	1.16	1.0	0.83	59.0	25.11
1986	10.9	1.28	0.4	0.39	57.5	25.55
1987	11.7	1.36	0.7	0.62	55.9	24.91

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	6.3	1.22	8.9	1.45	5.9	1.66
1970	6.8	1.26	9.5	1.45	6.2	1.58
1971	6.5	1.26	9.5	1.52	5.8	1.53
1972	6.8	1.29	10.1	1.60	5.7	1.48
1973	5.6	1.31	8.7	1.69	4.4	1.45
1974	5.3	1.27	8.3	1.61	4.3	1.43
1975	6.1	1.33	9.4	1.66	4.8	1.41
1976	6.0	1.37	9.0	1.69	4.4	1.39
1977	6.7	1.42	9.7	1.74	4.6	1.37
1978	7.7	1.53	9.9	1.64	4.9	1.36
1979	7.9	1.53	10.1	1.67	5.0	1.35
1980	8.9	1.51	10.3	1.62	5.8	1.41
1981	8.8	1.49	9.6	1.59	5.7	1.42
1982	8.1	1.41	8.8	1.54	5.4	1.40
1983	8.1	1.32	8.8	1.52	5.6	1.41
1984	8.4	1.33	8.9	1.52	5.6	1.40
1985	8.5	1.31	8.7	1.50	5.7	1.43
1986	9.0	1.30	8.6	1.50	5.7	1.39
1987	9.4	1.30	9.0	1.55	5.7	1.38

CHRISTIAN COUNTY
COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		FEDERAL GOVT.	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	3,279	7.8	3,246	7.8	23,118	55.2
1970	3,475	9.0	3,158	8.2	19,490	50.8
1971	3,648	9.4	3,063	7.9	19,290	49.5
1972	3,952	10.7	2,980	8.1	16,455	44.6
1973	4,102	8.8	2,964	6.4	24,967	53.8
1974	3,695	7.9	2,932	6.3	25,797	55.3
1975	3,312	7.4	2,440	5.4	24,530	54.7
1976	3,720	7.4	2,558	5.1	28,352	56.7
1977	4,267	8.9	2,444	5.1	25,334	52.7
1978	4,204	8.7	2,443	5.1	24,721	51.3
1979	4,485	9.4	2,171	4.6	23,898	50.2
1980	3,765	8.1	2,184	4.7	24,003	51.8
1981	3,638	7.9	2,186	4.8	23,824	51.9
1982	3,286	6.9	2,114	4.4	26,520	55.6
1983	3,534	7.4	2,164	4.5	26,572	55.5
1984	3,616	7.5	2,061	4.3	26,305	54.6
1985	3,578	7.2	1,993	4.0	27,448	55.2
1986	4,250	8.5	2,066	4.1	26,466	52.9
1987	4,543	8.8	1,969	3.8	26,791	52.1

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	3,657	8.7	3,648	8.7	2,319	5.5
1970	3,531	9.2	3,707	9.7	2,345	6.1
1971	3,746	9.6	4,087	10.5	2,360	6.1
1972	3,890	10.5	4,347	11.8	2,307	6.3
1973	4,074	8.8	4,752	10.2	2,352	5.1
1974	3,947	8.5	4,610	9.9	2,433	5.2
1975	4,043	9.0	4,762	10.6	2,500	5.6
1976	4,239	8.5	4,882	9.8	2,493	5.0
1977	4,590	9.6	5,244	10.9	2,465	5.1
1978	5,064	10.5	5,312	11.0	2,534	5.3
1979	5,255	11.0	5,528	11.6	2,643	5.5
1980	5,143	11.1	5,188	11.2	2,653	5.7
1981	5,151	11.2	5,167	11.3	2,610	5.7
1982	5,007	10.5	5,005	10.5	2,559	5.4
1983	4,910	10.2	5,015	10.5	2,514	5.2
1984	5,035	10.4	5,371	11.1	2,475	5.1
1985	5,230	10.5	5,471	11.0	2,624	5.3
1986	5,391	10.8	5,579	11.2	2,631	5.3
1987	5,752	11.2	6,020	11.7	2,651	5.2

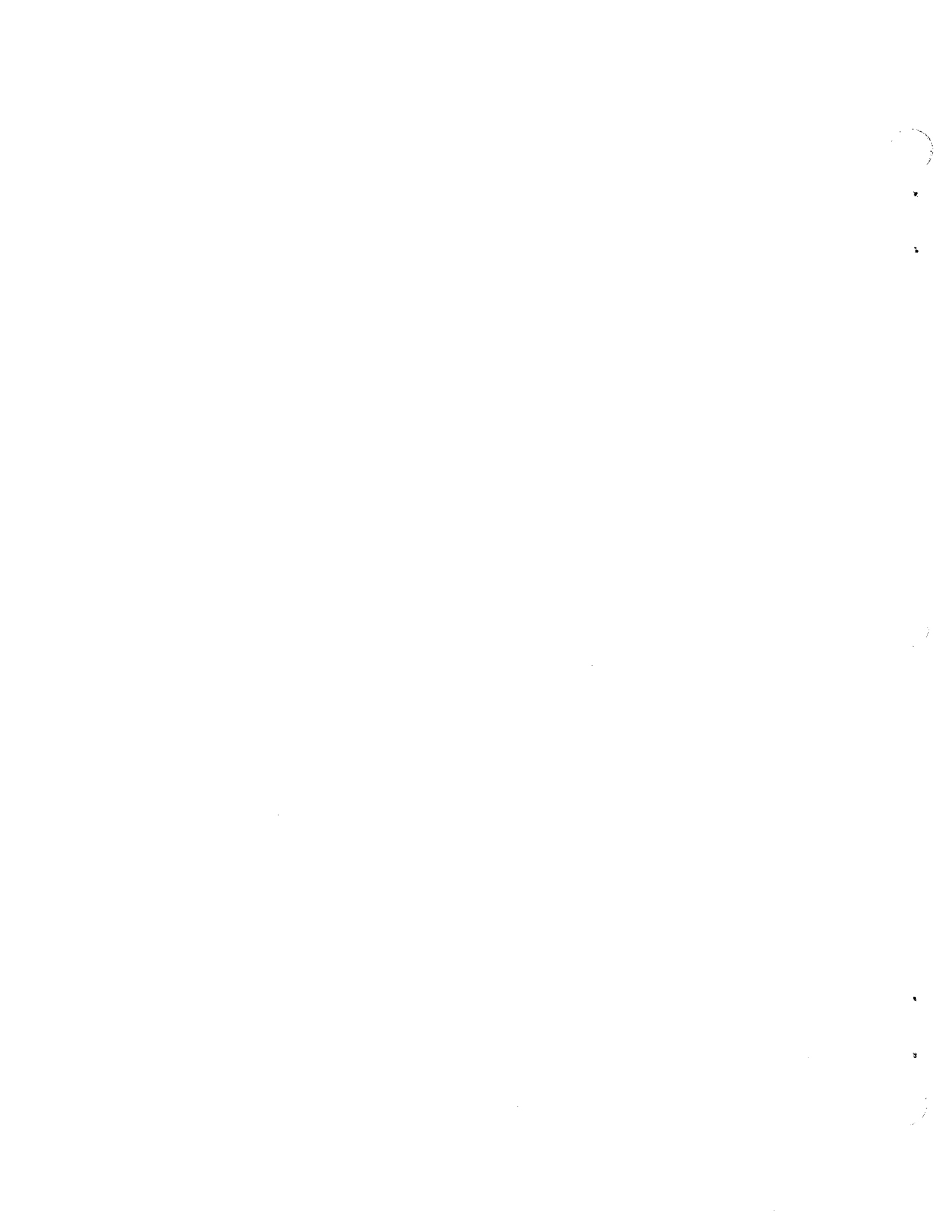
CHRISTIAN COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	41,874	\$14,281	\$17,440	.	4.2
1970	38,401	\$15,079	\$17,811	5.7	4.4
1971	38,931	\$16,044	\$18,166	4.6	5.1
1972	36,891	\$17,537	\$18,970	5.6	6.0
1973	46,412	\$18,183	\$19,232	2.8	3.7
1974	46,679	\$18,057	\$19,008	4.9	4.5
1975	44,873	\$17,560	\$18,976	7.3	7.3
1976	50,021	\$17,792	\$19,563	5.8	5.6
1977	48,057	\$17,928	\$20,031	4.7	4.7
1978	48,160	\$17,706	\$20,121	6.6	5.3
1979	47,636	\$18,057	\$20,110	5.6	5.5
1980	46,360	\$16,521	\$19,439	8.4	8.0
1981	45,883	\$16,894	\$19,286	8.4	8.4
1982	47,660	\$17,090	\$18,931	9.4	10.6
1983	47,915	\$16,854	\$18,358	8.7	11.6
1984	48,206	\$17,082	\$19,080	7.8	9.3
1985	49,705	\$16,971	\$18,676	8.0	9.5
1986	49,996	\$17,112	\$18,627	8.3	9.3
1987	51,439	\$16,938	\$18,636	8.0	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	56,200	1.76	.	.	.	.
1970	56,700	1.76	10.1	10.3	12.3	14.8
1971	59,200	1.79	9.3	9.6	12.1	14.8
1972	59,000	1.77	9.3	9.1	12.3	15.0
1973	66,100	1.96	8.4	8.8	11.2	15.2
1974	68,700	2.01	8.4	8.6	11.0	15.3
1975	66,300	1.91	8.9	8.4	11.7	15.4
1976	66,000	1.87	9.2	8.2	11.9	15.5
1977	66,300	1.85	9.5	8.4	12.0	15.5
1978	67,800	1.88	9.6	8.5	11.8	15.6
1979	67,400	1.85	9.9	8.7	12.0	15.8
1980	66,600	1.82	10.9	9.2	12.0	15.4
1981	65,300	1.78	11.6	9.3	12.3	15.5
1982	66,000	1.79	12.2	9.2	12.2	15.7
1983	65,500	1.76	12.7	9.2	12.3	15.9
1984	64,800	1.74	12.8	9.0	12.2	16.1
1985	64,100	1.72	13.0	8.9	12.3	16.3
1986	63,700	1.71	11.5	8.6	11.2	16.5
1987	62,600	1.68



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2
3

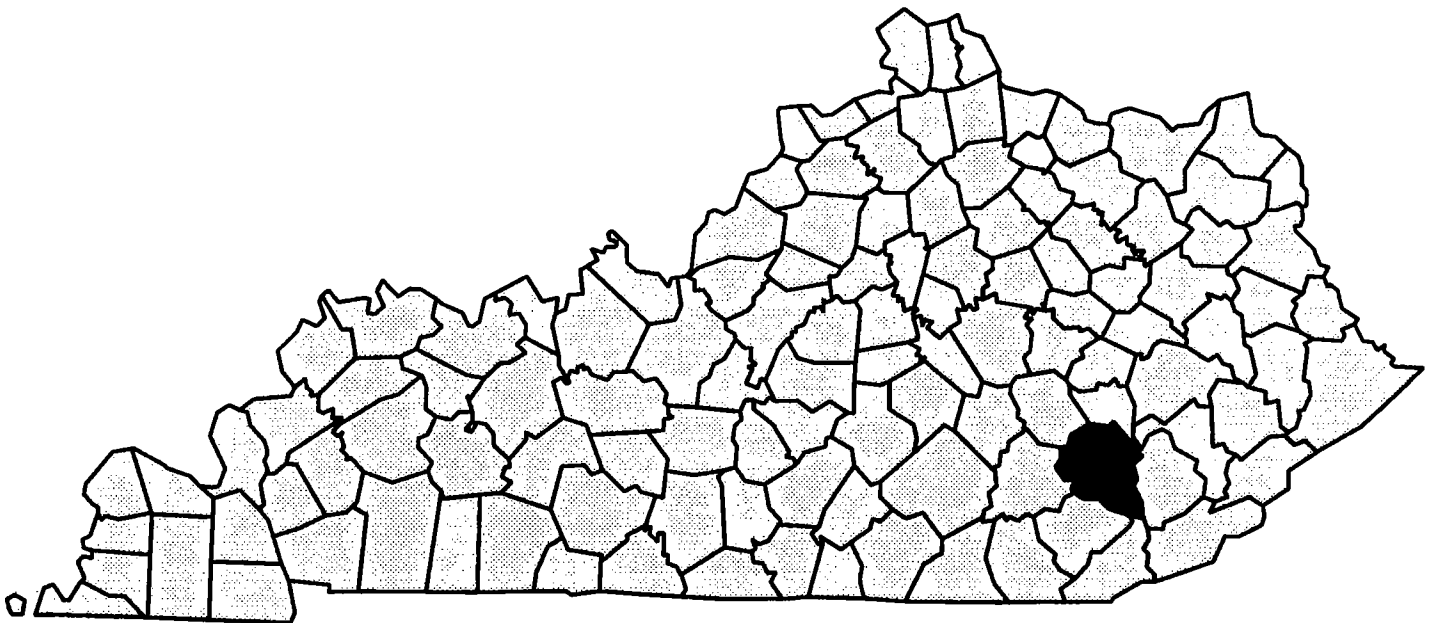
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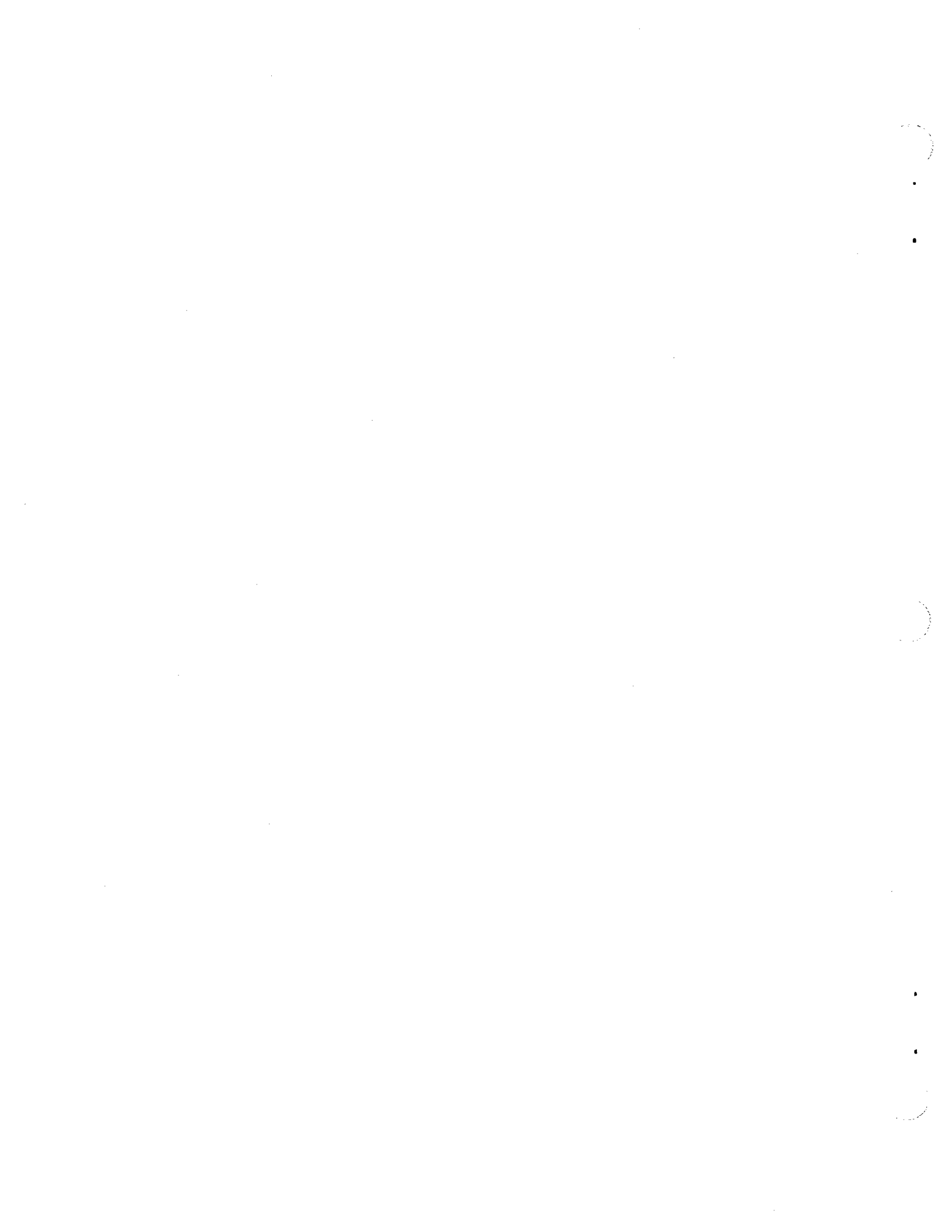
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CLAY COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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No. 438
1990

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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990

SUMMARY

The Clay County economy, as measured by personal income, grew strongly in the 1970's and moderately in the 1980's. Clay County increased its share of Kentucky personal income. County per capita personal income was significantly below that of the state, while average earnings per job exceeded those of the state. Clay County generates a smaller percent of personal income from earnings and a larger percent from transfer payments than does the state as a whole.

The county economy was heavily impacted by the mining sector. This sector increased significantly from 1969 to 1987 and was the primary source of earnings and employment in Clay County in the 1980's. A small share of total county earnings and employment was from the farming and manufacturing sectors.

Employment in the non-goods-producing sectors of services and trade increased. The share of earnings and employment from state and local government declined substantially. At the state level, the services and trade sectors increased, while state and local government was constant.

Events in the international energy markets, specifically a sharp increase in the price of oil in the mid-1970's, resulted in an increased demand for coal. This provided the impetus for economic growth in Clay County.

The coal mining sector is very sensitive to international markets and national policies. Furthermore, the coal mining sector is becoming less labor intensive, limiting the future employment potential of this sector. Consequently, while a high concentration in mining supported the economy during a period of high energy prices, these conditions may not ensure future economic growth. The national economic outlook is for expansion in the service and trade sectors. Future economic growth in Clay County would probably be enhanced by development of these sectors.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the Clay County economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the Clay County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Clay County economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing, if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN CLAY COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Clay County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Also, because coal production has been an important component in the Kentucky economy and in many local economies, the coal sector is analyzed in counties which have a history of coal production.

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wages and salaries and proprietors' earnings. Second, income can be earned by property. Included are earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Clay County economy, as measured by real personal income, increased from \$74 million in 1969 to \$184 million in 1987, after adjusting for inflation. Chart 1B shows Clay County total personal income as a percent of Kentucky total personal income. Clay County's share of Kentucky personal income generally increased through the period.

A similar pattern emerges from an examination of per capita personal income (Charts 1C and 1D). Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Clay County real per capita income generally increased over the time period to a level of \$7,780 in 1987. Clay County's per capita personal income was 62.2 percent of the Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$47 million in 1969 to \$117 million in 1981 (in constant 1988 dollars). There was a subsequent decline to \$110 million in 1987. Earnings as a percent of personal income declined slightly over the period. Earnings accounted for 59.5 percent of Clay County's total personal income in 1987, which was significantly less than Kentucky's 67.5 percent share.

Transfer payments contributed \$23 million to total personal income in 1969 and \$56 million in 1987. Transfer payments contributed 30.6 percent of personal income in Clay County, a much higher percentage than Kentucky's 17.2 percent.

Income from property in Clay County grew steadily through the time period. Income from property totalled \$4 million in 1969 and increased to \$18 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. The percent of earnings from manufacturing fluctuated during the period and was 1.3 percent in 1987 (Chart 3A). The share of earnings from the farming sector declined from 6.8 percent in 1969 to 1.1 percent in 1987. The mine sector's share of earnings increased during the period. The mining sector generated 26.3 percent of total earnings in 1969. The share of earnings from this sector increased to 51.2 percent in 1987. The state's share of total earnings from these sectors declined.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services was generally constant and accounted for 9.9 percent in 1987. The percent of earnings from the trade sector decreased from 18.0 percent in 1969 to 12.5 percent in 1987. The percentage of earnings in the state and local government sector decreased from 24.3 percent in 1969 to 13.2 percent in 1987.

Average earnings per job (adjusted for inflation) for Clay County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Average earnings per job have since declined and in 1987 they were \$18,636 per person. In Clay County earnings per job generally increased during the period to a level of \$19,975 in 1987, which was above the Kentucky average.

Employment

Employment is considered to be any activity for which one receives financial remuneration in the form of wages or profits. In 1969, total employment stood at 3,474 people. By 1987, employment had increased to 6,791 people.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Clay County are presented in Chart 4B. Clay County unemployment rates were above those of the state during the period. In 1987, the unemployment rate in Clay County was 13.9 percent, compared to 8.8 percent in Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately 4 percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of Clay County total employment in manufacturing increased in the early 1970's, then declined in the later period, accounting for 1.8 percent in 1987. The farm sector's share of employment remained relatively constant and accounted for 9.7 percent in 1987. The mining sector represented 19.7 percent of total employment in 1969. This share increased to 27.9 percent in 1987. The percent of employment in these sectors declined at the state level.

Clay County employment in the non-goods-producing industries is illustrated in Chart 4D. Employment in the service sector as a percent of total employment increased from 10.2 percent in 1969 to 13.8 percent in 1987. The percent of employment in trade increased from 16.4 percent in 1969 to 19.0 percent in 1987. The percent of employment in state and local government decreased from 26.3 percent in 1969 to 14.7 percent in 1987. At the state level, the shares of employment in the service and trade sectors increased, while the state and local government share declined.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Clay County.

The Clay County population increased from 18,700 in 1969 to 23,700 in 1987 (Chart 5A). It was estimated that in 1986, 10.2 percent of Clay County's population was under six years of age, compared to 8.6 percent for the state. In the same period, 13.8 percent of the Clay County population was sixty years of age or over, compared to 16.5 percent of all Kentucky residents.

Coal

The coal sector provides significant income and employment to the Clay County and Kentucky economies. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections.

Clay County coal production patterns are presented in Chart 6A. Coal production is estimated by the Energy Information Administration of the U.S. Department of Energy. Estimates of production are calculated from a sample of coal shipments from each county. Coal production increased to a high of 2,892 thousand tons in 1981. This production increase was likely stimulated by changes in international energy markets. Specifically, a sharp increase in the price of oil resulted in increased demand for coal by utilities and resulted in increases in the price of coal. However, coal production declined to 964 thousand tons in 1986.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969, this sector provided 684 jobs in Clay County. This increased to 2,329 in 1984. However, in 1987 there were 1,894 people employed in mining in Clay County.

The average value per ton for coal is illustrated in Chart 6C. At the state level, average value per ton increased in the 1970's, then declined significantly during the 1980's. However, average value per ton for coal in Clay County was more stable.

Coal severance tax receipts are presented in Chart 6D. The Kentucky Revenue Cabinet collects severance taxes on processed coal. Receipts are then allocated to counties, based on the value of the coal mined in the county and the value attributed to any processing done in the county. Therefore, trends in severance tax collections may not exactly parallel those of the coal production figures in Chart 6A. Severance tax collections increased to \$4.2 million in 1985. By 1986, coal severance tax collections declined to \$2.3 million.

CHART 1A

CLAY COUNTY

REAL PERSONAL INCOME

Millions of 1988 dollars

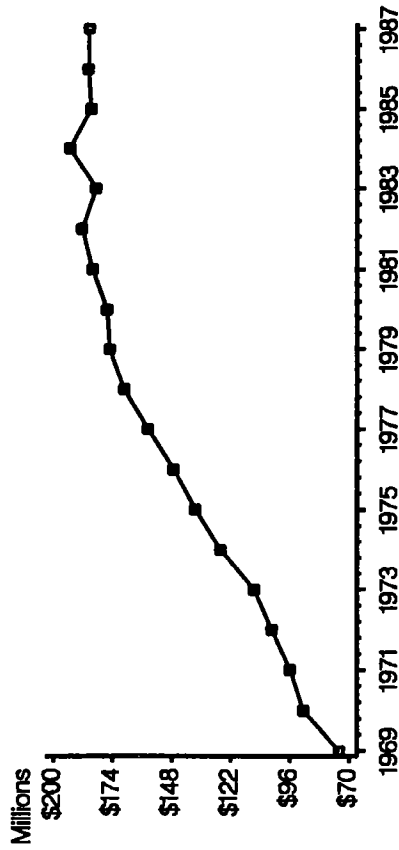


CHART 1B

CLAY COUNTY

PERSONAL INCOME

as a Percent of Kentucky Personal Income

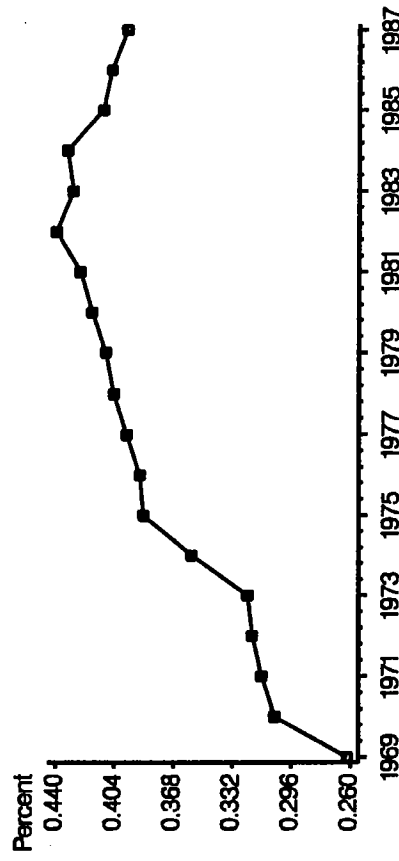


CHART 1C

CLAY COUNTY

PER CAPITA PERSONAL INCOME

in Constant 1988 Dollars

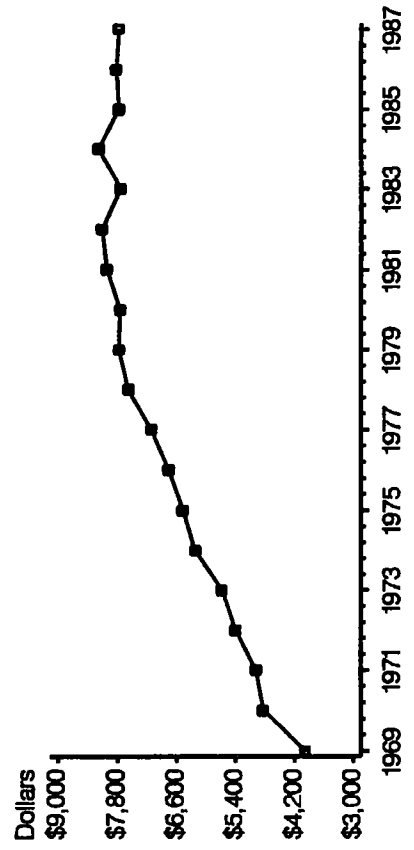


CHART 1D

CLAY COUNTY

PER CAPITA PERSONAL INCOME

as a Percent of Kentucky Per Capita Personal Income

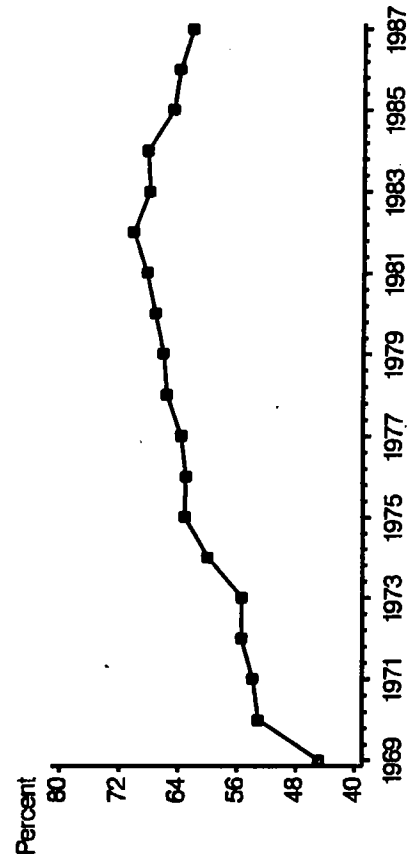


CHART 2A

CLAY COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

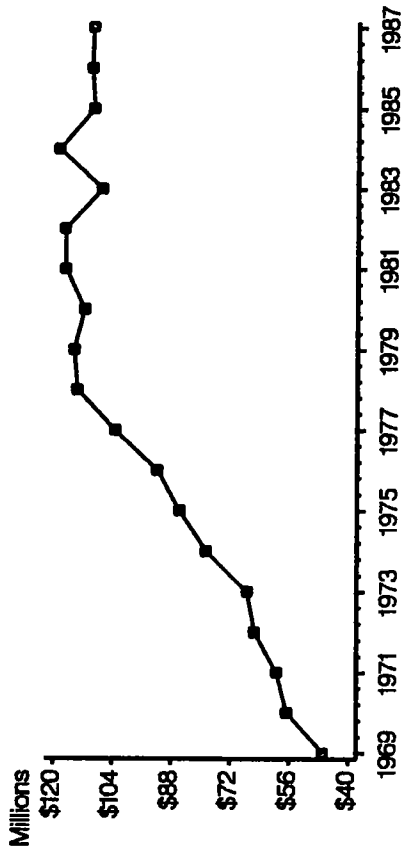


CHART 2C

CLAY COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

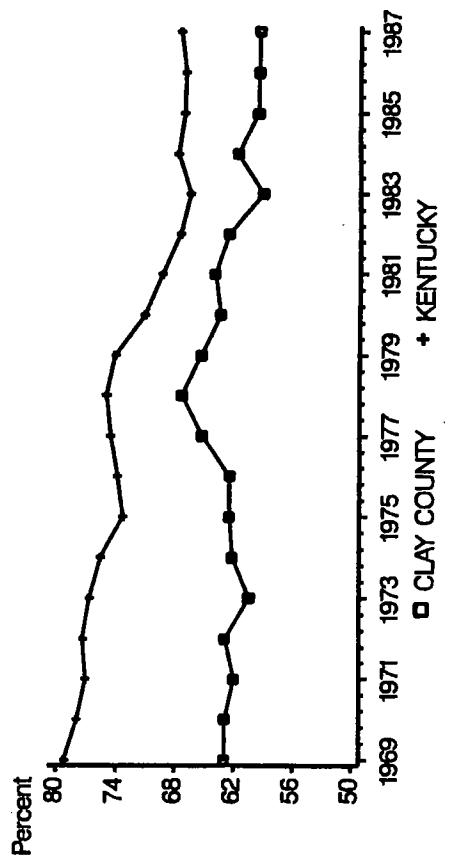


CHART 2B

CLAY COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

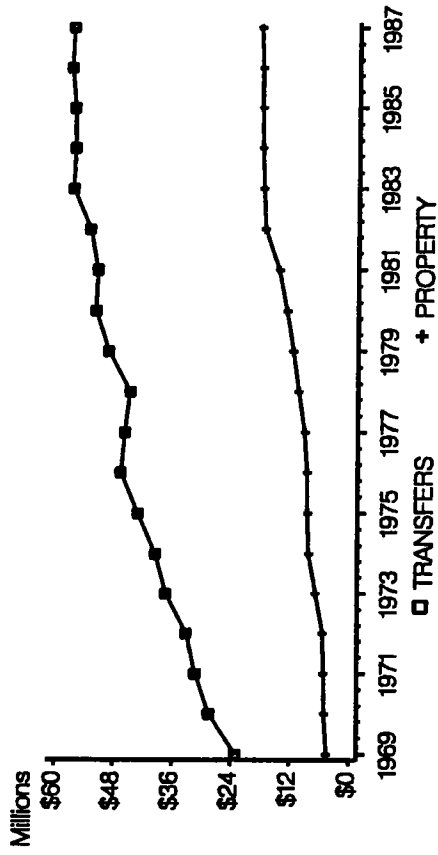


CHART 2D

CLAY COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

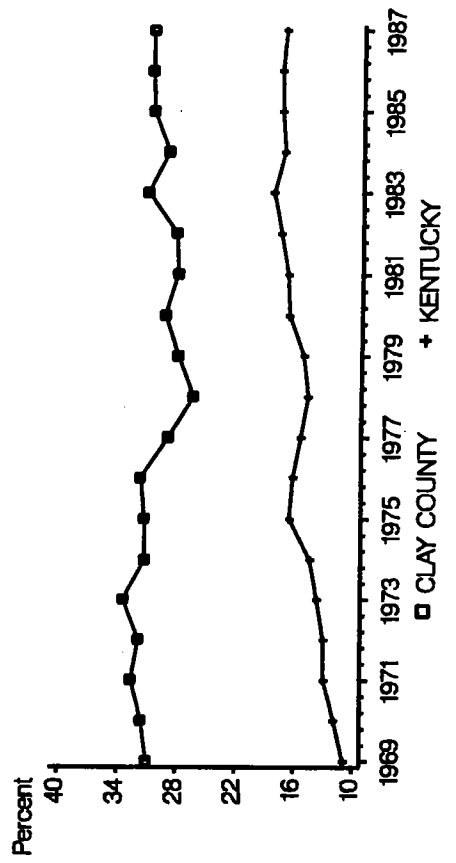


CHART 3A

CLAY COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

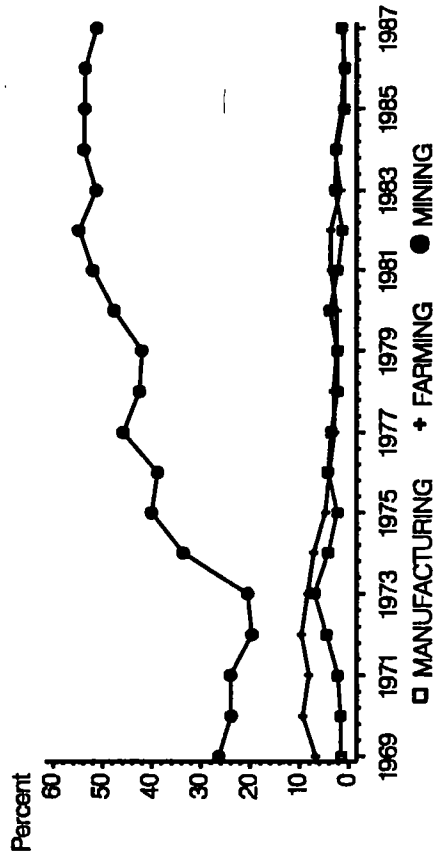


CHART 3B

CLAY COUNTY

EARNINGS in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

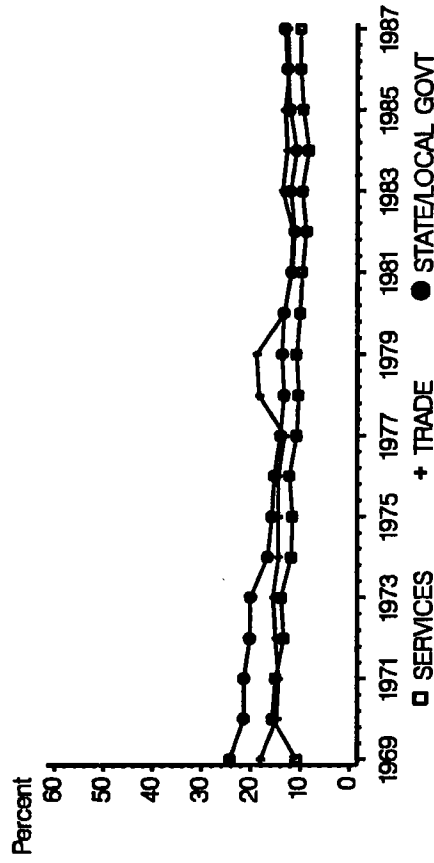


CHART 3C

CLAY COUNTY

EARNINGS in GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

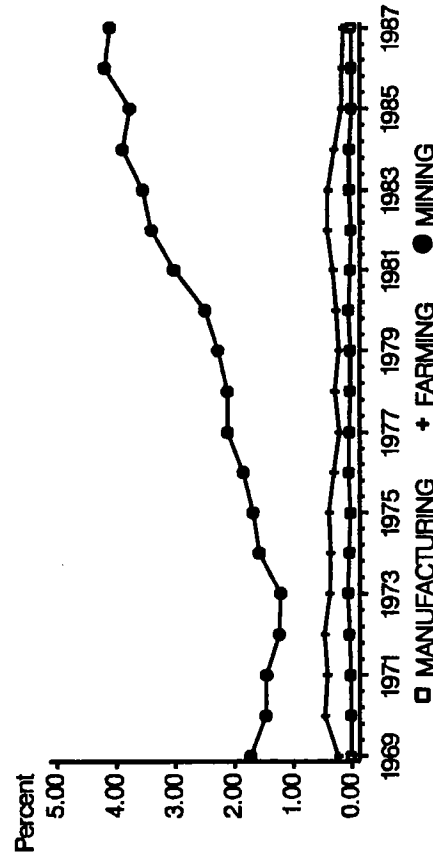


CHART 3D

CLAY COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

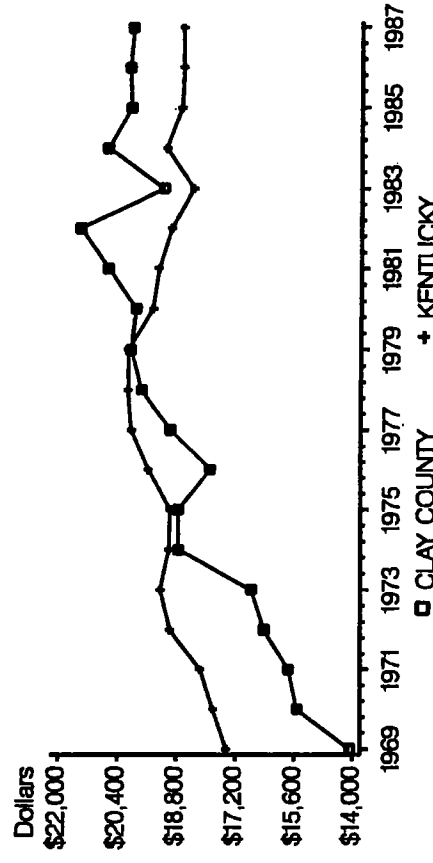


CHART 4A

CLAY COUNTY

TOTAL EMPLOYMENT
Thousands of People

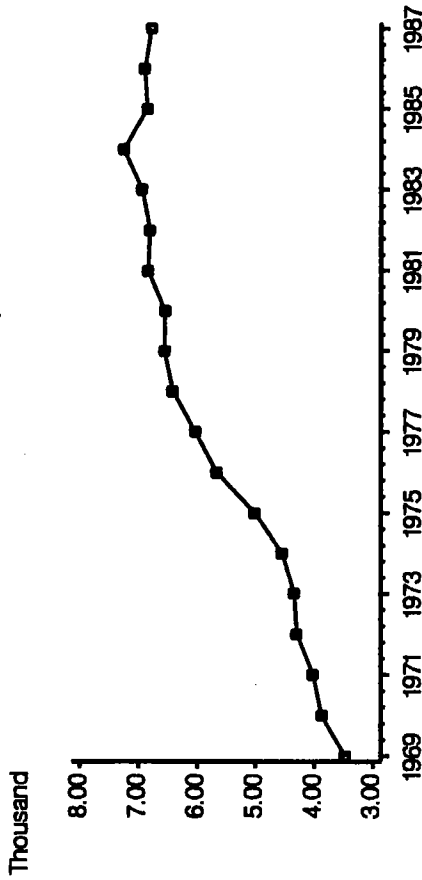


CHART 4B

CLAY COUNTY

ANNUAL UNEMPLOYMENT RATE

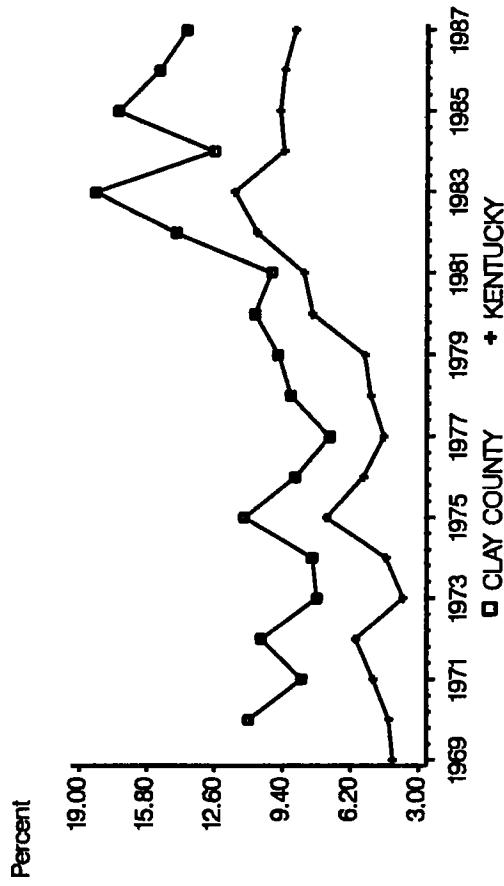


CHART 4C

CLAY COUNTY

EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

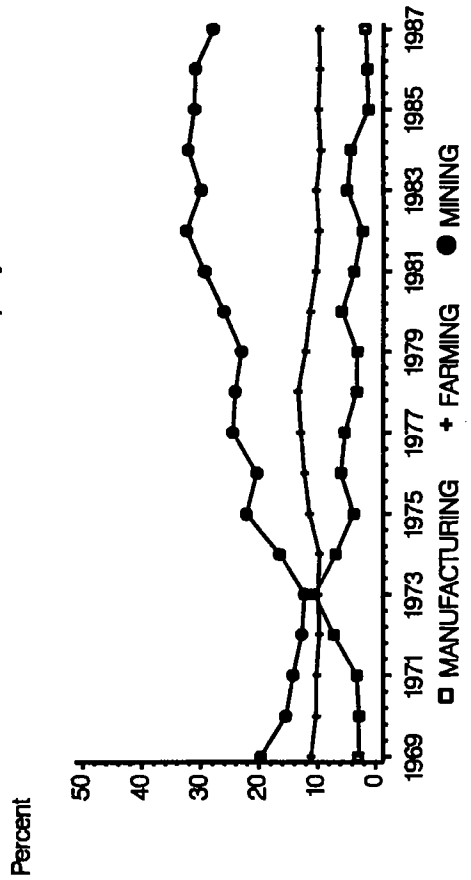


CHART 4D

CLAY COUNTY

EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

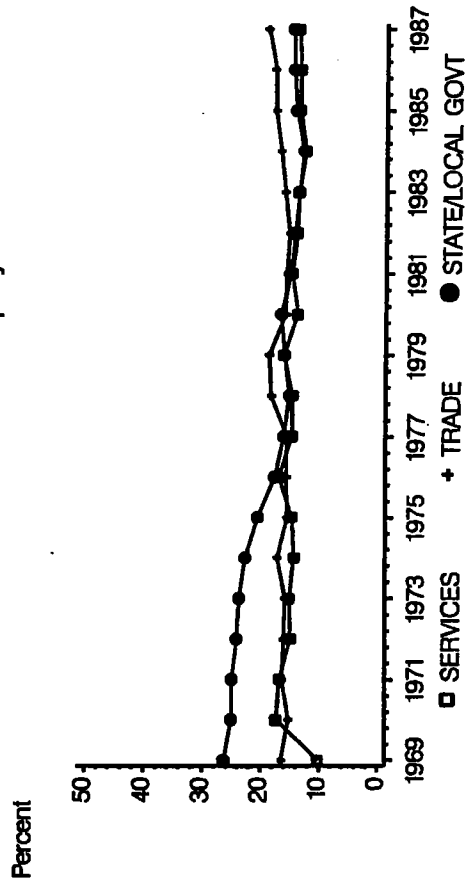


CHART 5A
CLAY COUNTY
POPULATION
Thousands of People

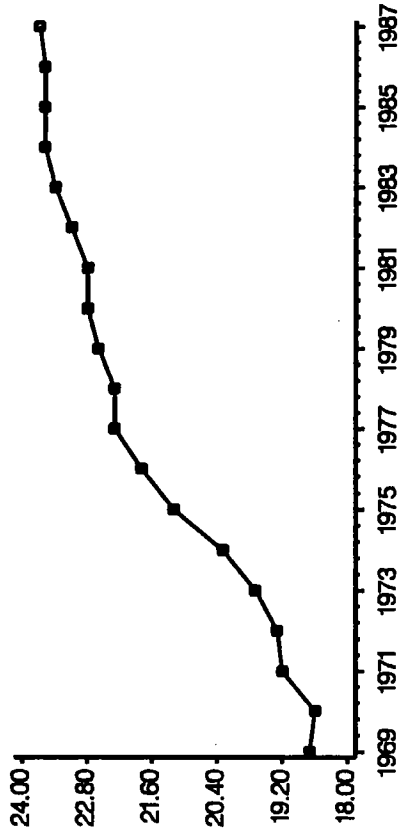


CHART 5B
CLAY COUNTY
POPULATION
as a Percent of Kentucky Population

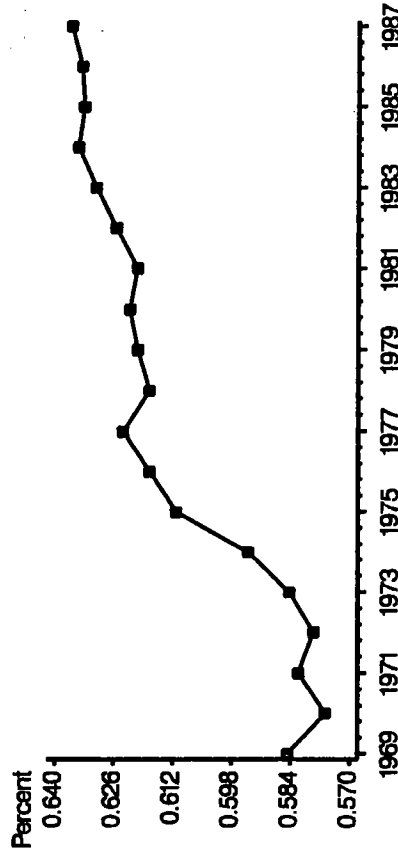


CHART 5C
CLAY COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

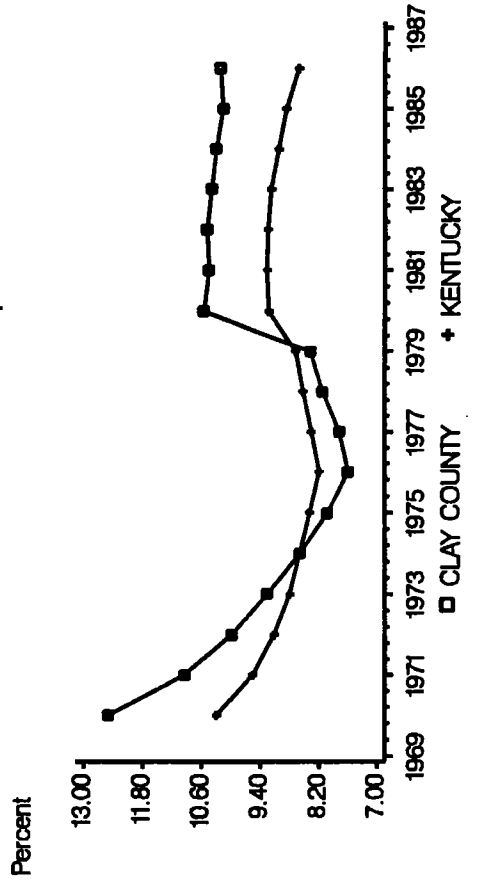


CHART 5D
CLAY COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

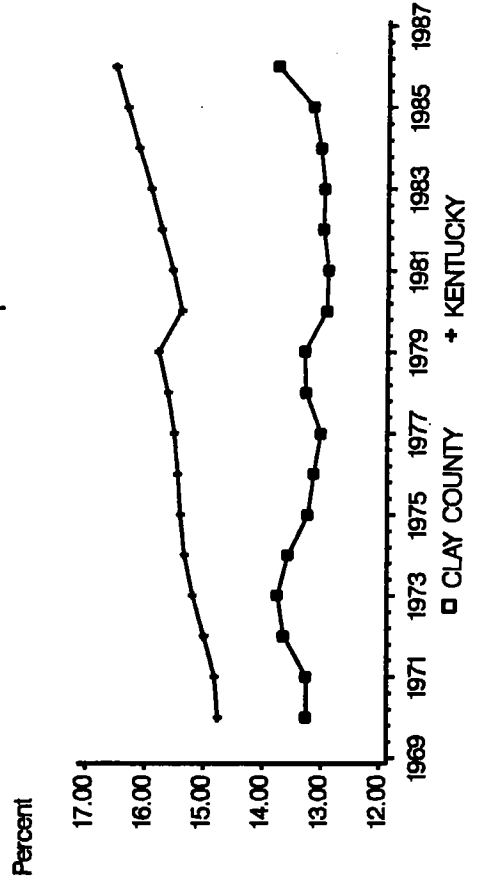


CHART 6A
CLAY COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

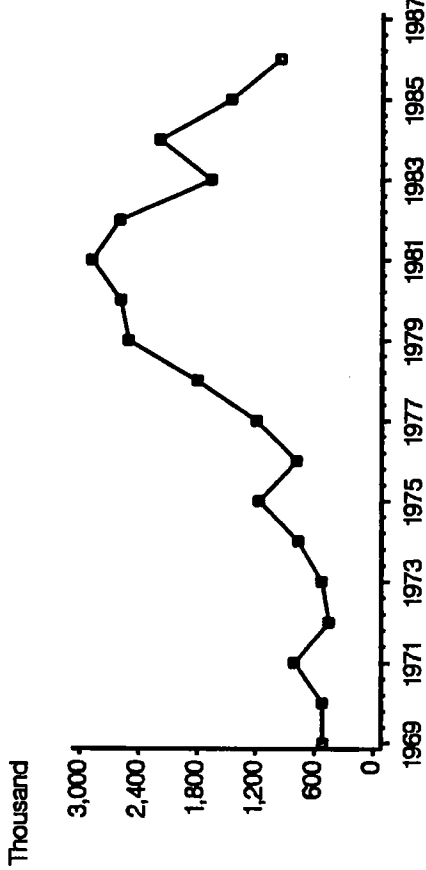


CHART 6B
CLAY COUNTY
MINING EMPLOYMENT
 Thousands of People

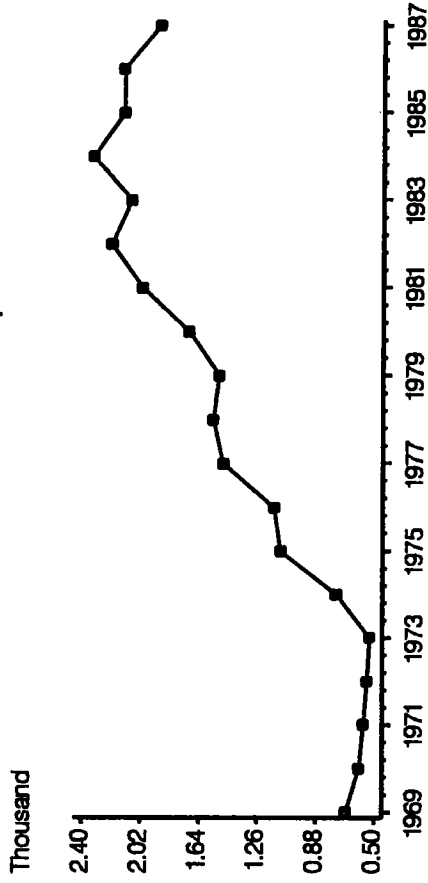


CHART 6C
CLAY COUNTY
AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

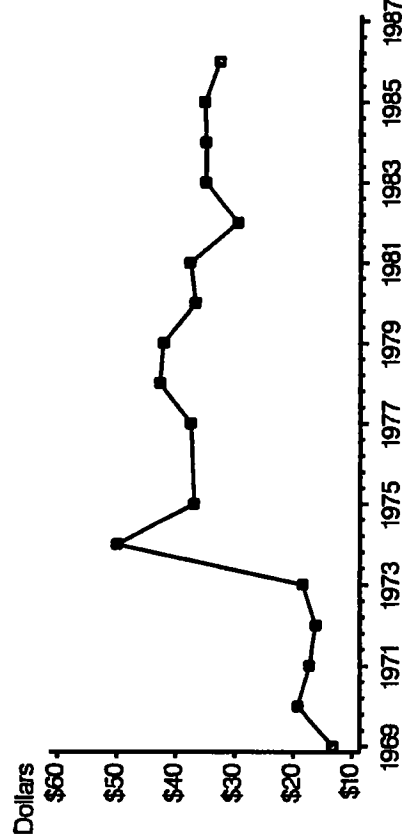
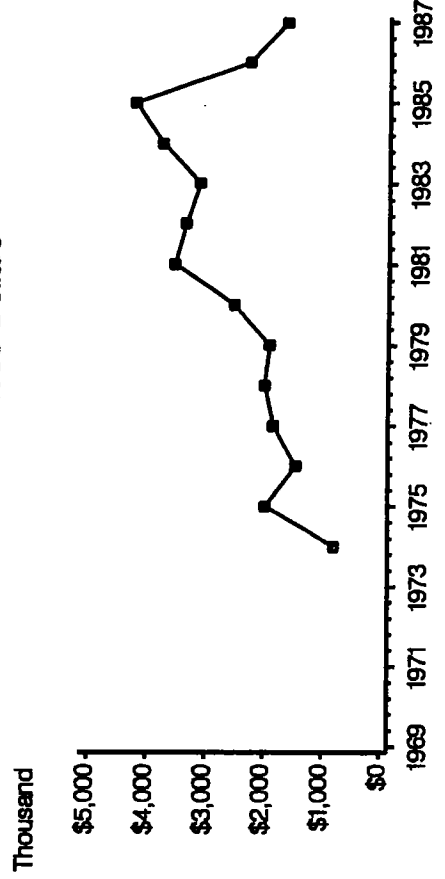


CHART 6D
CLAY COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



CLAY COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	74	0.26	3,981	44.8
1970	90	0.31	4,841	53.1
1971	96	0.31	4,986	53.9
1972	104	0.32	5,396	55.4
1973	112	0.32	5,683	55.3
1974	126	0.36	6,227	60.1
1975	138	0.39	6,484	63.2
1976	147	0.39	6,764	63.0
1977	158	0.40	7,115	63.7
1978	169	0.40	7,588	65.6
1979	175	0.41	7,774	66.1
1980	177	0.42	7,749	67.2
1981	183	0.42	8,012	68.4
1982	187	0.44	8,110	70.2
1983	181	0.43	7,740	68.0
1984	193	0.43	8,182	68.2
1985	184	0.41	7,775	64.8
1986	185	0.41	7,827	64.0
1987	184	0.40	7,780	62.2

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	47	63.0	79.2	23	31.0	10.9	4	6.0	9.9
1970	57	62.9	77.9	28	31.5	11.9	5	5.5	10.2
1971	59	62.0	77.0	31	32.6	12.9	5	5.4	10.1
1972	65	62.9	77.3	33	31.9	12.9	5	5.2	9.7
1973	68	60.4	76.6	37	33.4	13.6	7	6.2	9.7
1974	79	62.2	75.5	39	31.2	14.4	8	6.6	10.1
1975	86	62.5	73.3	43	31.3	16.5	9	6.2	10.1
1976	92	62.4	73.9	47	31.7	16.1	9	5.9	10.0
1977	103	65.3	74.6	46	28.9	15.3	9	5.8	10.1
1978	114	67.4	75.0	45	26.4	14.6	10	6.2	10.4
1979	115	65.4	74.1	49	28.0	15.1	12	6.6	10.8
1980	112	63.4	71.1	52	29.3	16.7	13	7.3	12.2
1981	117	64.0	69.3	51	28.1	16.8	14	7.9	13.8
1982	117	62.5	67.5	53	28.2	17.6	17	9.2	14.9
1983	107	59.1	66.6	56	31.1	18.4	18	9.8	15.1
1984	119	61.6	67.8	56	29.0	17.3	18	9.3	14.9
1985	110	59.6	67.2	56	30.5	17.6	18	9.8	15.3
1986	110	59.5	67.1	57	30.7	17.6	18	9.8	15.3
1987	110	59.5	67.5	56	30.6	17.2	18	9.9	15.3

CLAY COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	1.5	0.01	6.8	0.24	26.3	1.73
1970	1.6	0.02	9.3	0.45	23.8	1.47
1971	2.2	0.02	8.1	0.41	24.0	1.46
1972	4.5	0.05	9.6	0.46	19.6	1.24
1973	6.9	0.07	8.3	0.37	20.5	1.22
1974	4.1	0.05	7.2	0.37	33.6	1.58
1975	2.3	0.03	4.8	0.39	40.0	1.69
1976	4.2	0.06	3.9	0.31	38.8	1.85
1977	3.5	0.05	2.8	0.22	45.8	2.12
1978	2.2	0.03	3.1	0.29	42.5	2.12
1979	2.3	0.04	2.4	0.22	42.0	2.29
1980	3.8	0.07	2.4	0.27	47.7	2.51
1981	2.2	0.04	3.6	0.33	52.0	3.03
1982	1.2	0.03	3.7	0.42	54.9	3.41
1983	2.8	0.05	1.6	0.41	51.3	3.56
1984	2.5	0.05	2.8	0.30	53.8	3.90
1985	0.9	0.02	1.4	0.19	53.7	3.78
1986	0.8	0.02	1.0	0.17	53.6	4.19
1987	1.3	0.02	1.1	0.16	51.2	4.11

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	10.8	0.17	18.0	0.24	24.3	0.56
1970	15.7	0.30	14.7	0.23	21.4	0.57
1971	15.0	0.29	14.4	0.24	21.4	0.57
1972	13.3	0.28	15.0	0.26	20.2	0.57
1973	13.9	0.28	15.5	0.26	20.0	0.57
1974	11.8	0.29	14.4	0.28	16.6	0.56
1975	11.6	0.30	14.5	0.31	15.8	0.56
1976	12.2	0.32	14.4	0.31	15.3	0.55
1977	10.7	0.30	13.1	0.31	14.0	0.55
1978	10.3	0.31	18.3	0.45	13.3	0.55
1979	10.7	0.32	18.8	0.47	13.6	0.56
1980	10.0	0.29	13.2	0.35	13.3	0.55
1981	9.6	0.30	11.8	0.36	11.7	0.53
1982	8.7	0.27	11.4	0.36	11.1	0.51
1983	9.6	0.26	13.5	0.38	12.0	0.50
1984	8.2	0.24	12.6	0.39	10.7	0.49
1985	9.4	0.24	13.1	0.37	12.0	0.49
1986	9.9	0.23	12.2	0.34	12.6	0.50
1987	9.9	0.21	12.5	0.34	13.2	0.49

CLAY COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	102	2.9	386	11.1	684	19.7
1970	107	2.8	397	10.3	598	15.4
1971	128	3.2	407	10.1	570	14.2
1972	307	7.1	415	9.6	547	12.7
1973	456	10.5	429	9.9	532	12.2
1974	308	6.8	441	9.7	750	16.5
1975	188	3.7	573	11.4	1,111	22.1
1976	333	5.9	698	12.3	1,153	20.3
1977	315	5.2	782	13.0	1,483	24.6
1978	204	3.2	860	13.4	1,548	24.1
1979	203	3.1	793	12.1	1,509	23.0
1980	375	5.7	737	11.3	1,706	26.0
1981	250	3.7	704	10.3	2,008	29.3
1982	156	2.3	666	9.8	2,208	32.4
1983	334	4.8	707	10.2	2,079	29.9
1984	305	4.2	683	9.4	2,329	32.1
1985	85	1.2	673	9.8	2,126	31.0
1986	101	1.5	662	9.6	2,131	30.8
1987	122	1.8	659	9.7	1,894	27.9

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	354	10.2	571	16.4	915	26.3
1970	671	17.3	590	15.2	970	25.1
1971	673	16.7	658	16.4	1,003	24.9
1972	641	14.9	691	16.1	1,039	24.1
1973	658	15.1	687	15.8	1,030	23.7
1974	655	14.4	784	17.2	1,030	22.6
1975	740	14.7	781	15.6	1,028	20.5
1976	962	17.0	890	15.7	1,000	17.6
1977	888	14.7	946	15.7	972	16.1
1978	943	14.7	1,176	18.3	976	15.2
1979	1,062	16.2	1,224	18.7	1,052	16.0
1980	912	13.9	1,044	15.9	1,090	16.6
1981	1,014	14.8	1,074	15.7	1,031	15.1
1982	954	14.0	1,044	15.3	983	14.4
1983	957	13.8	1,114	16.0	950	13.7
1984	914	12.6	1,220	16.8	937	12.9
1985	933	13.6	1,212	17.7	975	14.2
1986	936	13.5	1,224	17.7	1,010	14.6
1987	936	13.8	1,288	19.0	1,000	14.7

CLAY COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	3,474	\$14,078	\$17,440	.	4.2
1970	3,872	\$15,515	\$17,811	11.0	4.4
1971	4,021	\$15,761	\$18,166	8.5	5.1
1972	4,303	\$16,420	\$18,970	10.4	6.0
1973	4,345	\$16,762	\$19,232	7.8	3.7
1974	4,552	\$18,741	\$19,008	8.0	4.5
1975	5,017	\$18,755	\$18,976	11.2	7.3
1976	5,668	\$17,885	\$19,563	8.8	5.6
1977	6,035	\$18,961	\$20,031	7.2	4.7
1978	6,420	\$19,757	\$20,121	9.0	5.3
1979	6,561	\$20,039	\$20,110	9.6	5.5
1980	6,551	\$19,898	\$19,439	10.7	8.0
1981	6,844	\$20,649	\$19,286	9.9	8.4
1982	6,816	\$21,385	\$18,931	14.4	10.6
1983	6,948	\$19,141	\$18,358	18.2	11.6
1984	7,263	\$20,651	\$19,080	12.6	9.3
1985	6,859	\$20,036	\$18,676	17.1	9.5
1986	6,910	\$20,068	\$18,627	15.2	9.3
1987	6,791	\$19,975	\$18,636	13.9	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	18,700	0.58	.	.	.	.
1970	18,600	0.58	12.5	10.3	13.3	14.8
1971	19,200	0.58	10.9	9.6	13.3	14.8
1972	19,300	0.58	10.0	9.1	13.6	15.0
1973	19,700	0.58	9.3	8.8	13.7	15.2
1974	20,300	0.59	8.6	8.6	13.6	15.3
1975	21,200	0.61	8.0	8.4	13.2	15.4
1976	21,800	0.62	7.6	8.2	13.1	15.5
1977	22,300	0.62	7.8	8.4	13.0	15.5
1978	22,300	0.62	8.1	8.5	13.3	15.6
1979	22,600	0.62	8.4	8.7	13.3	15.8
1980	22,800	0.62	10.6	9.2	12.9	15.4
1981	22,800	0.62	10.5	9.3	12.9	15.5
1982	23,100	0.63	10.5	9.2	13.0	15.7
1983	23,400	0.63	10.4	9.2	13.0	15.9
1984	23,600	0.63	10.3	9.0	13.0	16.1
1985	23,600	0.63	10.2	8.9	13.2	16.3
1986	23,600	0.63	10.2	8.6	13.8	16.5
1987	23,700	0.64	.	.	.	.

CLAY COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	519	684	\$13.27	.
1970	520	598	\$19.24	.
1971	806	570	\$17.25	.
1972	453	547	\$16.16	.
1973	528	532	\$18.42	.
1974	772	750	\$50.03	\$792
1975	1,171	1,111	\$37.06	\$1,969
1976	788	1,153	.	\$1,456
1977	1,198	1,483	\$37.57	\$1,834
1978	1,808	1,548	\$42.79	\$1,987
1979	2,512	1,509	\$42.14	\$1,905
1980	2,595	1,706	\$36.86	\$2,524
1981	2,892	2,008	\$37.78	\$3,531
1982	2,607	2,208	\$29.64	\$3,344
1983	1,668	2,079	\$35.13	\$3,106
1984	2,197	2,329	\$35.10	\$3,739
1985	1,463	2,126	\$35.32	\$4,207
1986	964	2,131	\$32.71	\$2,264
1987	.	1,894	.	.

Note: All dollar figures are presented in constant 1988 dollars.



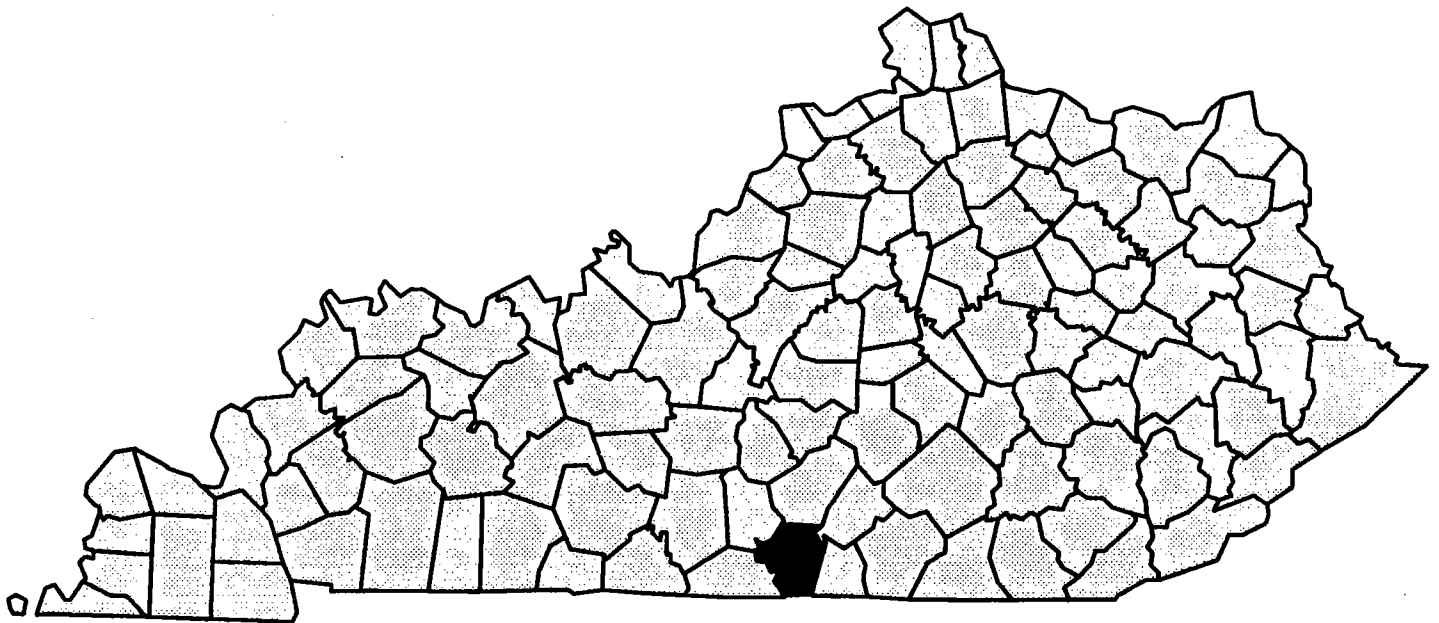
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CUMBERLAND COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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No. 438
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CUMBERLAND COUNTY

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RESEARCH MEMORANDUM 438
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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

The Cumberland County economy, as measured by personal income, grew moderately from 1969 to 1987. Cumberland County decreased its share of Kentucky personal income, indicating that the county economy did not keep pace with the state economy. Both per capita personal income and average earnings per job were significantly below those of the state.

Cumberland County generates a much smaller percent of personal income from earnings and a much larger percent from transfer payments than does the state as a whole. This is partially explained by the relatively high proportion of elderly residents, who would be expected to receive retirement and medical benefits, which are classified as transfer payments.

The county has historically been heavily dependent on the goods-producing industries of manufacturing and farming. While the state shares of earnings and employment in manufacturing declined, the shares of this component of the Cumberland County economy grew in importance. The farm sector's share of earnings and employment declined in both Cumberland County and in Kentucky. The non-goods-producing sectors, particularly service and trade, experienced significant growth at the state level. While the county service sector grew, the trade and state and local government sectors remained constant.

The county's economy was helped by its high concentration in a growing manufacturing sector. This is because manufacturing is a relatively high wage industry. However, manufacturing industries are very sensitive to economic fluctuations. Consequently, while a high concentration in manufacturing supported the economy during a period of national economic growth, it may also make the county more susceptible to recessionary contractions. The national economic outlook calls for further expansion of the services and trade sectors. Future economic growth in Cumberland County may be enhanced by development of these sectors.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



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ECONOMIC TRENDS IN CUMBERLAND COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Cumberland County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Cumberland County economy, as measured by personal income, increased from \$38 million in 1969 to \$59 million in 1987, after adjusting for inflation. Chart 1B shows Cumberland County total personal income as a percent of Kentucky total personal income. Cumberland County decreased its share of Kentucky personal income.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Cumberland County per capita income increased over the time period to a level of \$8,242 in 1987, when it was 65.9 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Earnings were very volatile during the period and declined substantially in 1975 and 1983, periods corresponding to national recessions. Total earnings increased from \$27 million in 1969 to \$37 million

in 1978, then declined to \$31 million in 1987 (in constant 1988 dollars). The percent of personal income derived from earnings declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 52.6 percent of Cumberland County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$9 million to total personal income in 1969 and \$18 million in 1987. During the same period, transfer payments contributed a higher percent of personal income in Cumberland County than in Kentucky. In 1987, 30.6 percent of county personal income was derived from transfer payments, compared to 17.2 percent of state personal income.

Income from property in Cumberland County grew steadily rate through the time period. Income from property totalled \$3 million in 1969 and increased to \$10 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Cumberland County received 10.3 percent of total earnings from manufacturing. This percentage increased to 26.5 percent in 1987 (Chart 3A). The county trend toward increasing concentration in manufacturing is different from that for the state, where the percentage of earnings from manufacturing showed a steady decline over the period.

Farming's contribution to total county earnings decreased from 33.1 percent in 1969 to 15.4 percent in 1987. The trend toward declining farm earnings is consistent with state and national trends.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector increased from 16.9 percent in 1969 to 19.3 percent in 1987. The percent of earnings from the trade sector was relatively constant and accounted for 14.8 percent in 1987. The share of earnings from the state and local government sector increased slightly, to 12.4 percent. At the state level, the percent of earnings from services increased, while the percents from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Cumberland County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Cumberland County average earnings per job were below those of the state. County average earnings reached \$10,273 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Cumberland County increased substantially during the data period. In 1969, total employment stood at 2,127 people. By 1987, that figure had increased to 3,225.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Cumberland County are presented in Chart 4B. Unemployment rates in Cumberland County have generally followed those of the state throughout the period. In 1987, the county unemployment rate was 8.1 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The farm sector was the primary source of employment throughout the period. However, farming's share of employment declined from 38.9 percent in 1969 to 26.7 percent in 1987. The percent of total employment in manufacturing increased from 11.7 percent in 1969 to 27.7 percent in 1976. After a significant drop in the early 1980's, this share increased to 24.9 percent in 1987. At the state level, the shares of employment in farming and manufacturing declined.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment increased from 1969 to 1987. In 1969, the service sector accounted for 12.5 percent of employment. This share increased to 17.5 percent in 1987. The percent of employment in state and local government and trade remained relatively constant. At the state level, service and trade employment increased significantly, while government employment remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Cumberland County.

The Cumberland County population grew slightly, from 6,900 in 1969 to 7,500 in 1985, then declined to 7,200 in 1987 (Chart 5A). It was estimated

that in 1986, 8.1 percent of Cumberland County's population was under six years of age, compared to 8.6 percent for the state. Cumberland County had a higher proportion of residents age sixty or over than the state. In 1986, 23.0 percent of the Cumberland County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
CUMBERLAND COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

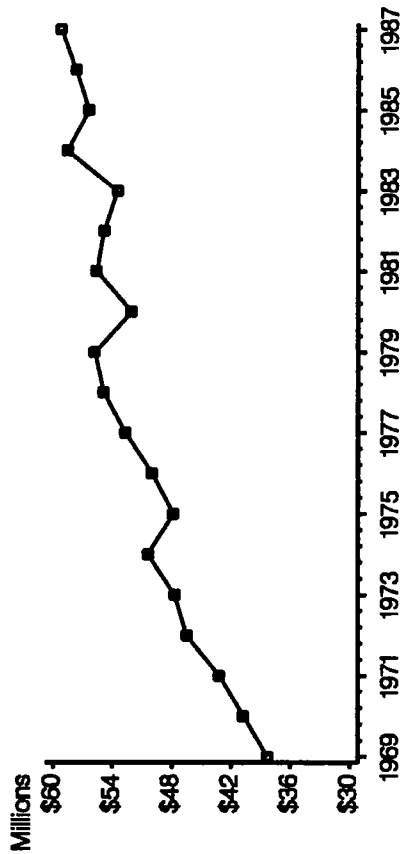


CHART 1B
CUMBERLAND COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

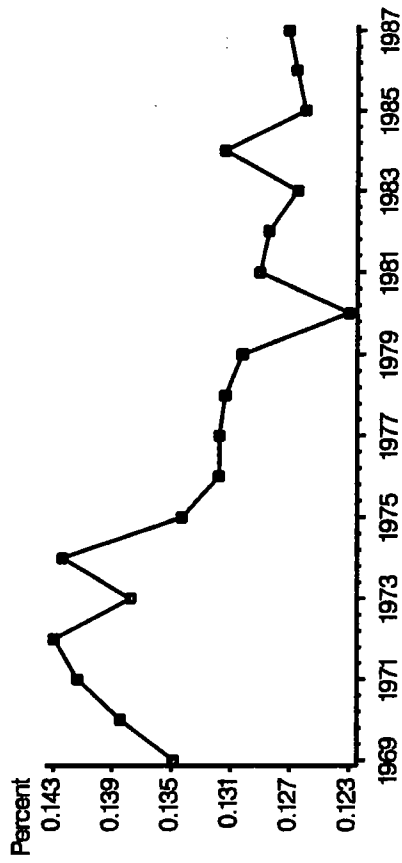


CHART 1C
CUMBERLAND COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

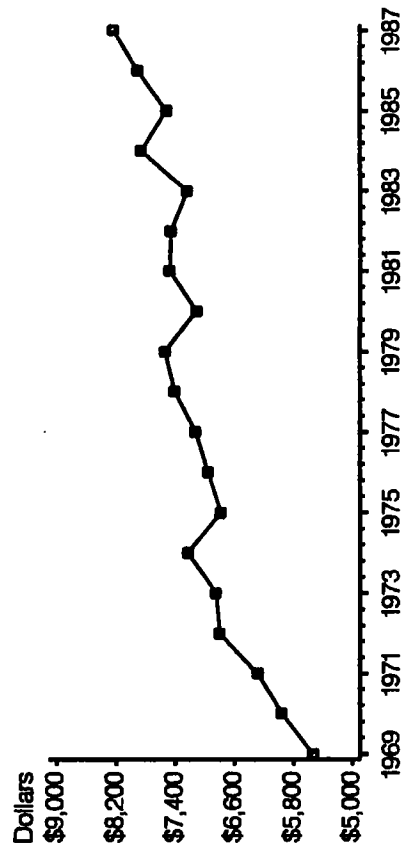


CHART 1D
CUMBERLAND COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

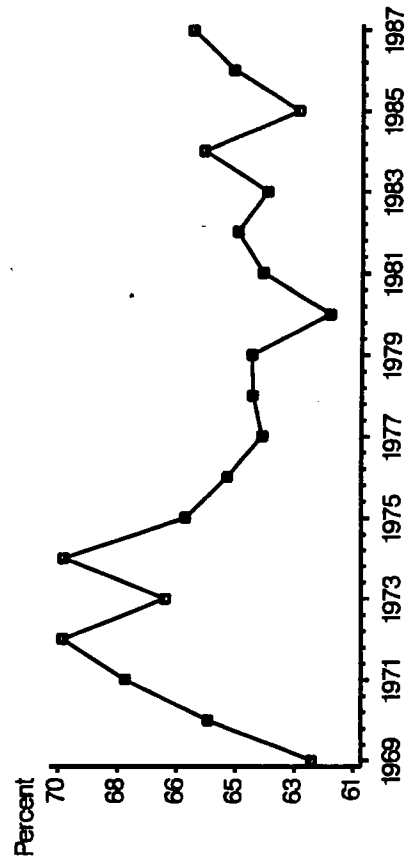


CHART 2A
CUMBERLAND COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

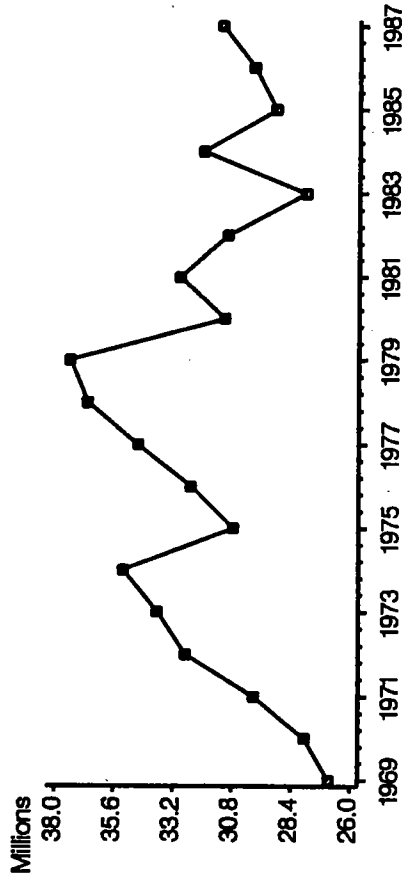


CHART 2B
CUMBERLAND COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

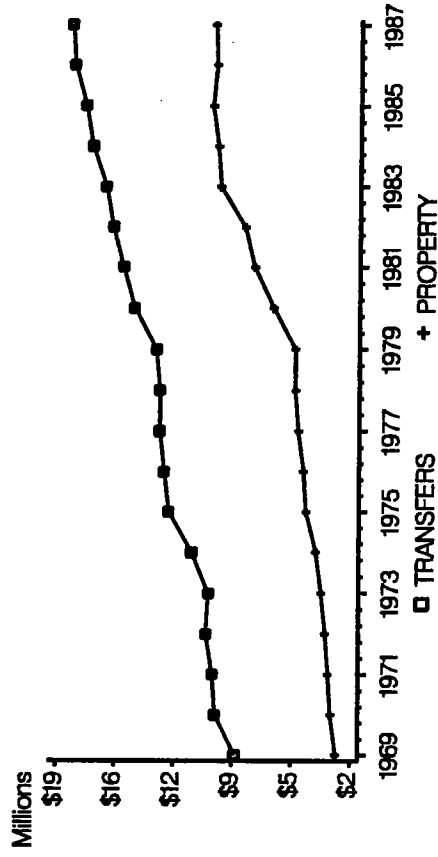


CHART 2C
CUMBERLAND COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

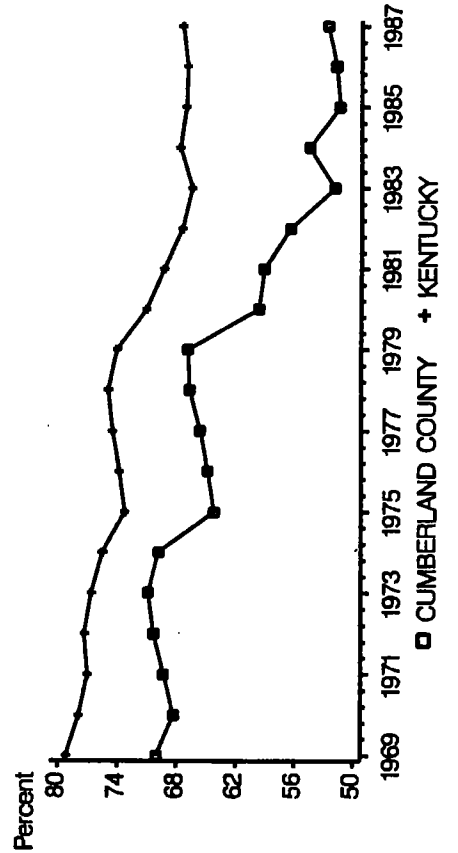


CHART 2D
CUMBERLAND COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

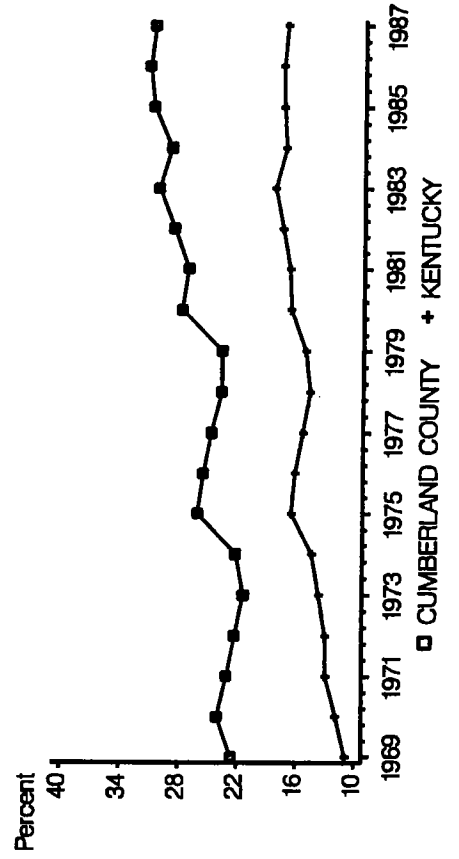


CHART 3A

CUMBERLAND COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

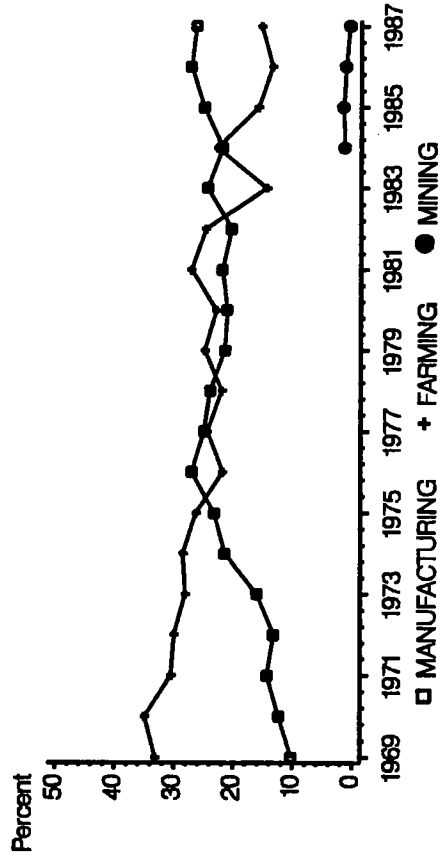


CHART 3B

CUMBERLAND COUNTY
EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

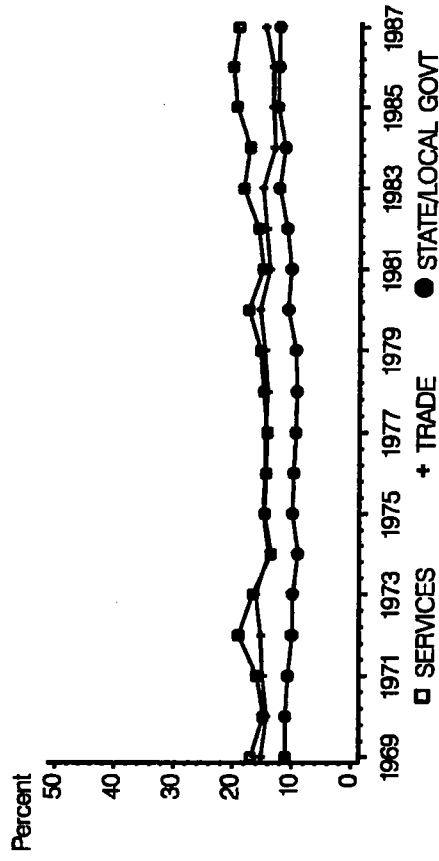


CHART 3C

CUMBERLAND COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

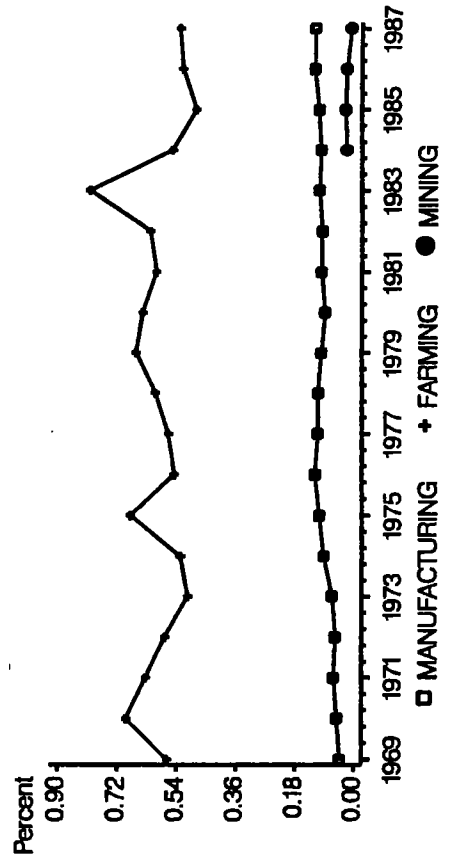


CHART 3D

CUMBERLAND COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

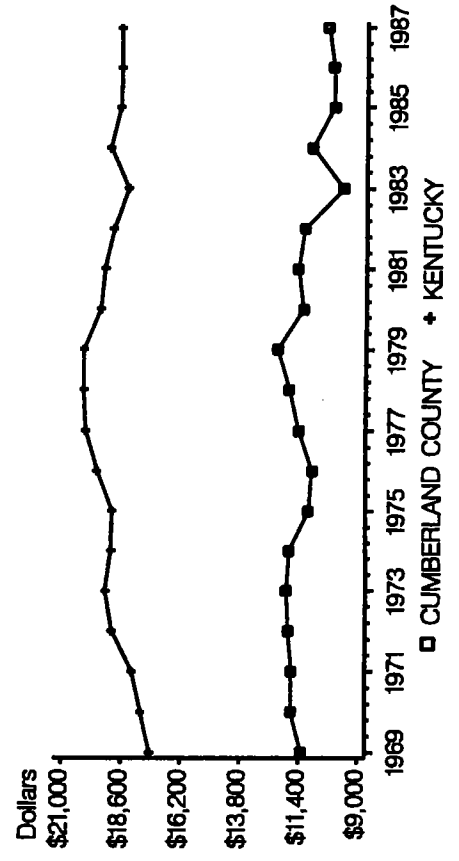


CHART 4A
CUMBERLAND COUNTY
TOTAL EMPLOYMENT
Thousands of People

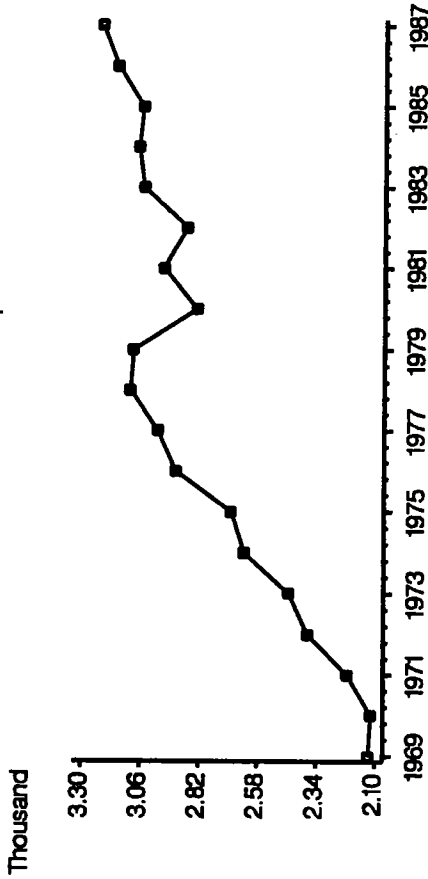


CHART 4B
CUMBERLAND COUNTY
ANNUAL UNEMPLOYMENT RATE

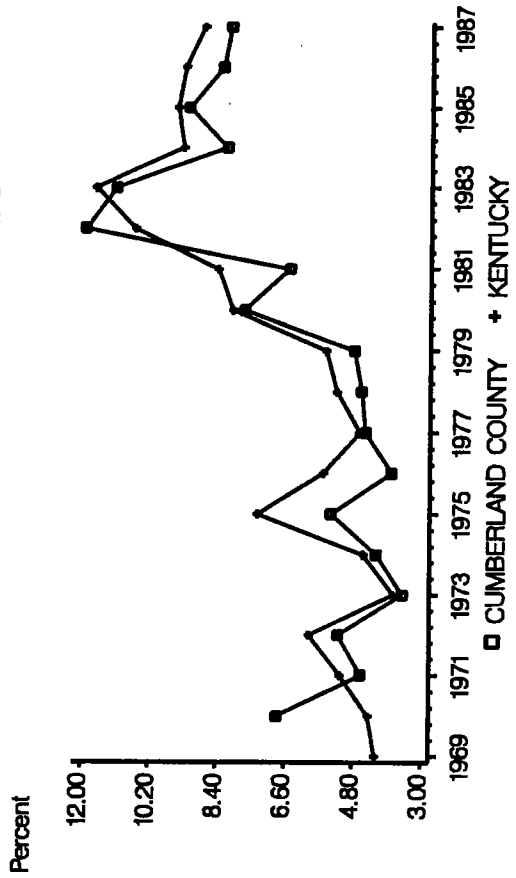


CHART 4C
CUMBERLAND COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

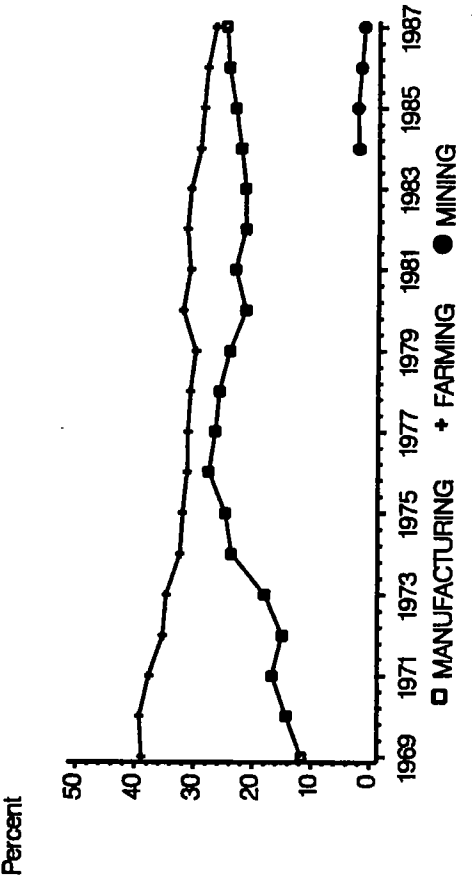


CHART 4D
CUMBERLAND COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

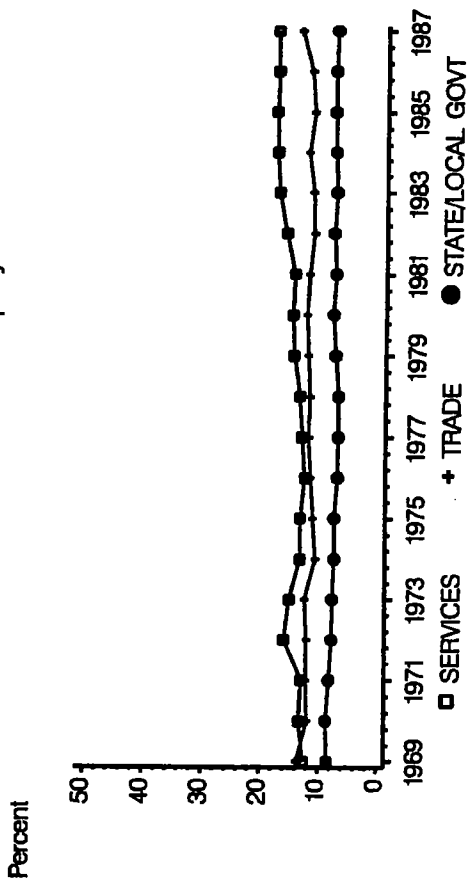


CHART 5A
CUMBERLAND COUNTY
POPULATION
Thousands of People

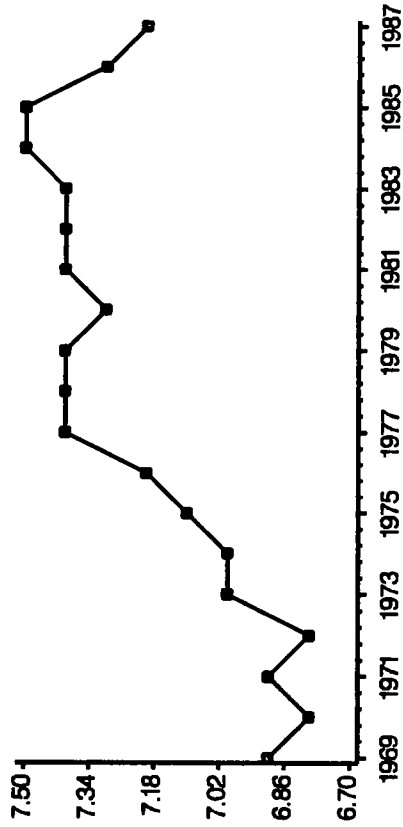


CHART 5B
CUMBERLAND COUNTY
POPULATION
as a Percent of Kentucky Population

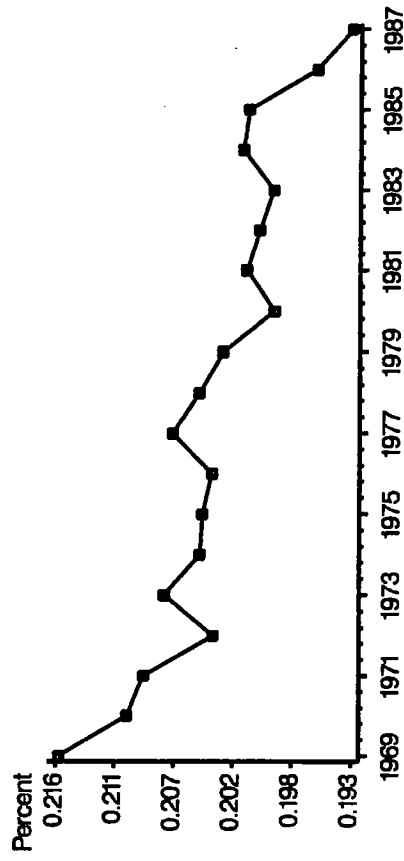


CHART 5C
CUMBERLAND COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

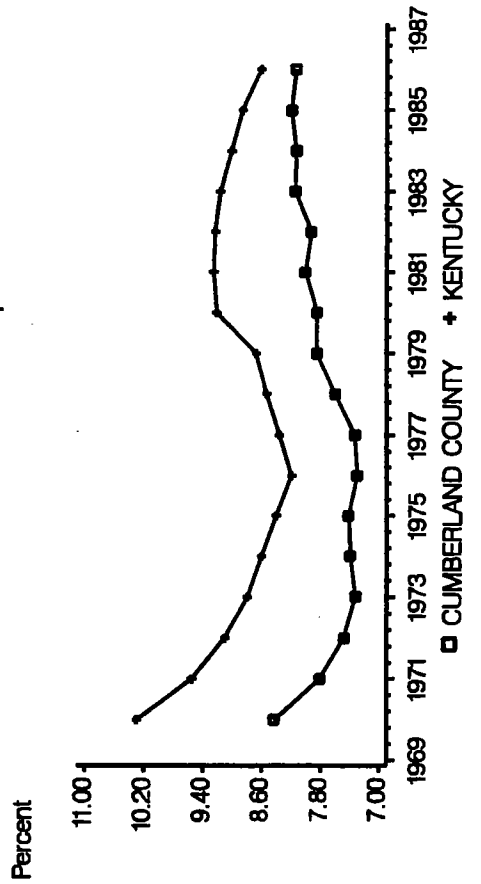
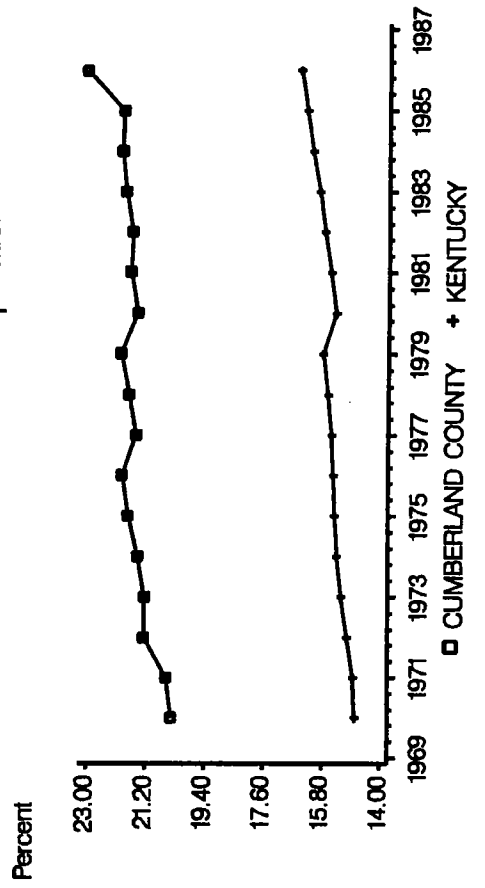


CHART 5D
CUMBERLAND COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



CUMBERLAND COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	38	0.14	5,533	62.3
1970	41	0.14	5,967	65.5
1971	43	0.14	6,292	68.0
1972	46	0.14	6,806	69.8
1973	48	0.14	6,855	66.8
1974	50	0.14	7,236	69.8
1975	48	0.13	6,789	66.1
1976	50	0.13	6,963	64.9
1977	53	0.13	7,132	63.8
1978	55	0.13	7,414	64.1
1979	56	0.13	7,540	64.1
1980	52	0.12	7,119	61.7
1981	56	0.13	7,478	63.8
1982	55	0.13	7,460	64.6
1983	54	0.13	7,248	63.7
1984	59	0.13	7,865	65.6
1985	56	0.13	7,524	62.7
1986	58	0.13	7,917	64.7
1987	59	0.13	8,242	65.9

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	27	70.0	79.2	9	22.6	10.9	3	7.4	9.9
1970	28	68.3	77.9	10	24.0	11.9	3	7.7	10.2
1971	30	69.3	77.0	10	23.0	12.9	3	7.6	10.1
1972	33	70.3	77.3	10	22.2	12.9	3	7.4	9.7
1973	34	70.9	76.6	10	21.4	13.6	4	7.8	9.7
1974	35	69.8	75.5	11	22.2	14.4	4	8.0	10.1
1975	31	64.3	73.3	13	26.1	16.5	5	9.6	10.1
1976	32	64.9	73.9	13	25.6	16.1	5	9.5	10.0
1977	35	65.7	74.6	13	24.7	15.3	5	9.6	10.1
1978	37	66.8	75.0	13	23.7	14.6	5	9.5	10.4
1979	37	66.9	74.1	13	23.7	15.1	5	9.4	10.8
1980	31	59.7	71.1	15	27.8	16.7	7	12.5	12.2
1981	33	59.2	69.3	15	27.2	16.8	8	13.7	13.8
1982	31	56.5	67.5	16	28.7	17.6	8	14.9	14.9
1983	28	51.9	66.6	16	30.2	18.4	10	17.9	15.1
1984	32	54.5	67.8	17	28.9	17.3	10	16.6	14.9
1985	29	51.5	67.2	17	30.7	17.6	10	17.8	15.3
1986	30	51.8	67.1	18	31.2	17.6	10	17.0	15.3
1987	31	52.6	67.5	18	30.6	17.2	10	16.7	15.3

CUMBERLAND COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	10.3	0.04	33.1	0.57	.	.
1970	12.4	0.05	34.9	0.69	.	.
1971	14.3	0.06	30.5	0.63	.	.
1972	13.3	0.06	29.9	0.57	.	.
1973	16.1	0.07	28.1	0.51	.	.
1974	21.5	0.09	28.5	0.53	.	.
1975	23.3	0.11	26.3	0.68	.	.
1976	27.0	0.12	21.9	0.55	.	.
1977	25.0	0.11	24.4	0.57	.	.
1978	24.0	0.11	22.0	0.61	.	.
1979	21.5	0.10	24.9	0.66	.	.
1980	21.1	0.09	23.0	0.64	.	.
1981	22.0	0.10	27.2	0.60	.	.
1982	20.4	0.10	24.8	0.62	.	.
1983	24.5	0.10	14.5	0.80	.	.
1984	22.0	0.10	22.9	0.55	1.4	0.02
1985	25.1	0.11	16.0	0.48	1.7	0.03
1986	27.3	0.12	13.6	0.52	1.2	0.02
1987	26.5	0.12	15.4	0.53	0.5	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	16.9	0.13	15.2	0.10	11.0	0.12
1970	14.8	0.12	14.3	0.09	11.0	0.12
1971	15.9	0.13	15.0	0.10	10.6	0.12
1972	19.0	0.16	15.2	0.10	10.0	0.11
1973	16.6	0.14	16.1	0.11	9.9	0.11
1974	13.6	0.12	13.9	0.10	9.0	0.11
1975	14.6	0.12	14.8	0.10	10.0	0.11
1976	14.4	0.12	14.7	0.10	9.7	0.11
1977	14.2	0.12	14.5	0.10	9.4	0.11
1978	14.9	0.13	14.2	0.10	9.3	0.11
1979	15.3	0.13	14.6	0.11	9.4	0.11
1980	17.4	0.12	15.5	0.10	10.7	0.11
1981	15.0	0.11	13.9	0.10	10.2	0.11
1982	15.8	0.11	14.4	0.10	10.9	0.11
1983	18.3	0.11	15.1	0.09	12.3	0.11
1984	17.3	0.11	13.2	0.09	11.4	0.12
1985	19.5	0.11	13.4	0.08	12.6	0.11
1986	20.2	0.11	13.5	0.09	12.5	0.11
1987	19.3	0.10	14.8	0.10	12.4	0.11

CUMBERLAND COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	248	11.7	827	38.9	.	.
1970	302	14.3	831	39.3	.	.
1971	369	16.7	834	37.7	.	.
1972	356	15.0	839	35.3	.	.
1973	440	17.9	853	34.7	.	.
1974	625	23.7	854	32.4	.	.
1975	668	24.8	861	32.0	.	.
1976	807	27.7	912	31.3	.	.
1977	794	26.5	932	31.1	.	.
1978	803	25.9	955	30.8	.	.
1979	745	24.1	924	29.9	.	.
1980	604	21.3	907	32.0	.	.
1981	687	23.1	915	30.8	.	.
1982	615	21.4	902	31.4	.	.
1983	654	21.4	938	30.7	.	.
1984	684	22.3	898	29.2	66	2.1
1985	709	23.2	876	28.7	72	2.4
1986	772	24.4	888	28.1	56	1.8
1987	802	24.9	862	26.7	42	1.3

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	266	12.5	291	13.7	179	8.4
1970	282	13.3	253	12.0	182	8.6
1971	287	13.0	269	12.1	180	8.1
1972	379	15.9	288	12.1	182	7.7
1973	371	15.1	306	12.5	187	7.6
1974	352	13.4	280	10.6	193	7.3
1975	358	13.3	299	11.1	199	7.4
1976	365	12.5	337	11.5	199	6.8
1977	392	13.1	356	11.9	202	6.8
1978	418	13.5	363	11.7	210	6.8
1979	449	14.5	372	12.0	226	7.3
1980	419	14.8	350	12.4	219	7.7
1981	429	14.4	355	12.0	219	7.4
1982	457	15.9	321	11.2	222	7.7
1983	523	17.1	346	11.3	223	7.3
1984	537	17.5	373	12.1	229	7.4
1985	539	17.6	343	11.2	233	7.6
1986	550	17.4	369	11.7	240	7.6
1987	564	17.5	435	13.5	236	7.3

CUMBERLAND COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	2,127	\$11,284	\$17,440	.	4.2
1970	2,117	\$11,710	\$17,811	6.8	4.4
1971	2,215	\$11,701	\$18,166	4.6	5.1
1972	2,377	\$11,837	\$18,970	5.2	6.0
1973	2,455	\$11,915	\$19,232	3.5	3.7
1974	2,636	\$11,796	\$19,008	4.2	4.5
1975	2,691	\$11,014	\$18,976	5.4	7.3
1976	2,918	\$10,853	\$19,563	3.8	5.6
1977	2,992	\$11,410	\$20,031	4.5	4.7
1978	3,105	\$11,821	\$20,121	4.6	5.3
1979	3,093	\$12,304	\$20,110	4.8	5.5
1980	2,833	\$11,248	\$19,439	7.7	8.0
1981	2,969	\$11,479	\$19,286	6.5	8.4
1982	2,874	\$11,195	\$18,931	11.9	10.6
1983	3,051	\$9,625	\$18,358	11.1	11.6
1984	3,074	\$10,889	\$19,080	8.2	9.3
1985	3,057	\$10,014	\$18,676	9.2	9.5
1986	3,162	\$10,050	\$18,627	8.3	9.3
1987	3,225	\$10,273	\$18,636	8.1	8.8

POPULATION STATISTICS

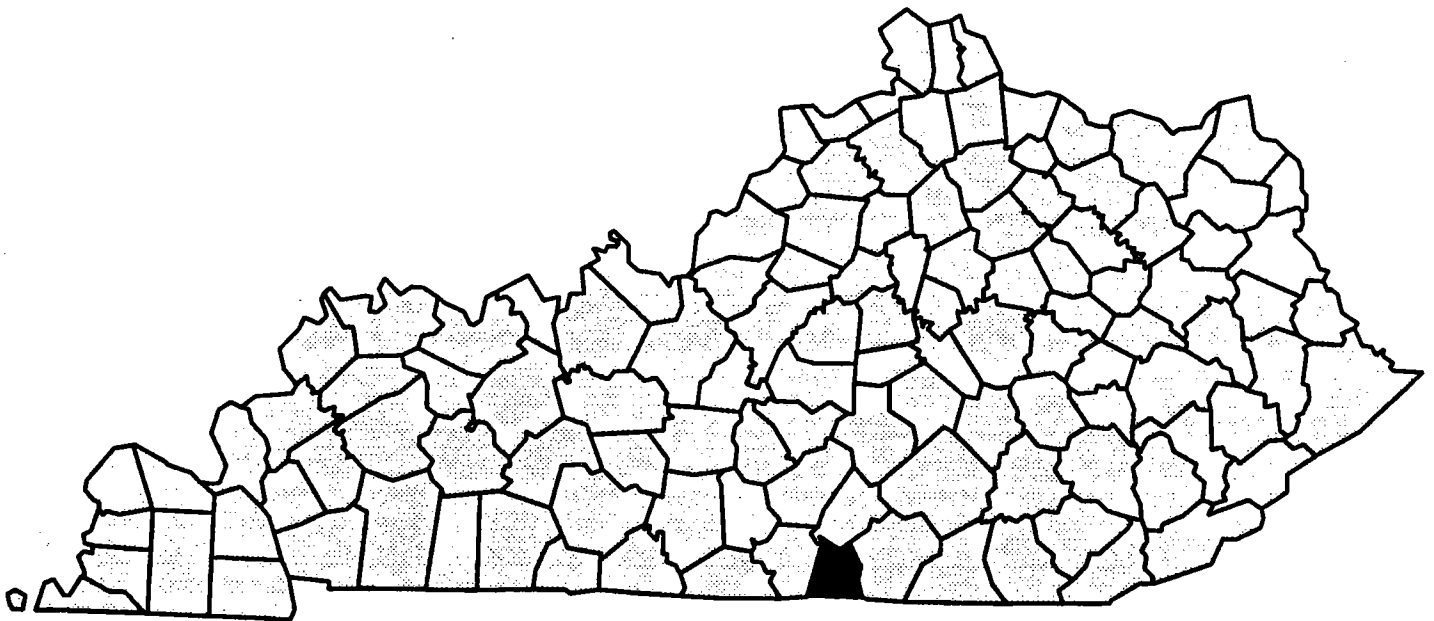
YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	6,900	0.22	.	.	.	.
1970	6,800	0.21	8.4	10.3	20.4	14.8
1971	6,900	0.21	7.8	9.6	20.6	14.8
1972	6,800	0.20	7.5	9.1	21.3	15.0
1973	7,000	0.21	7.3	8.8	21.2	15.2
1974	7,000	0.20	7.4	8.6	21.4	15.3
1975	7,100	0.20	7.4	8.4	21.7	15.4
1976	7,200	0.20	7.3	8.2	21.9	15.5
1977	7,400	0.21	7.3	8.4	21.5	15.5
1978	7,400	0.20	7.6	8.5	21.7	15.6
1979	7,400	0.20	7.9	8.7	22.0	15.8
1980	7,300	0.20	7.8	9.2	21.5	15.4
1981	7,400	0.20	8.0	9.3	21.7	15.5
1982	7,400	0.20	7.9	9.2	21.6	15.7
1983	7,400	0.20	8.1	9.2	21.8	15.9
1984	7,500	0.20	8.1	9.0	21.9	16.1
1985	7,500	0.20	8.2	8.9	21.9	16.3
1986	7,300	0.20	8.1	8.6	23.0	16.5
1987	7,200	0.19	.	.	.	.





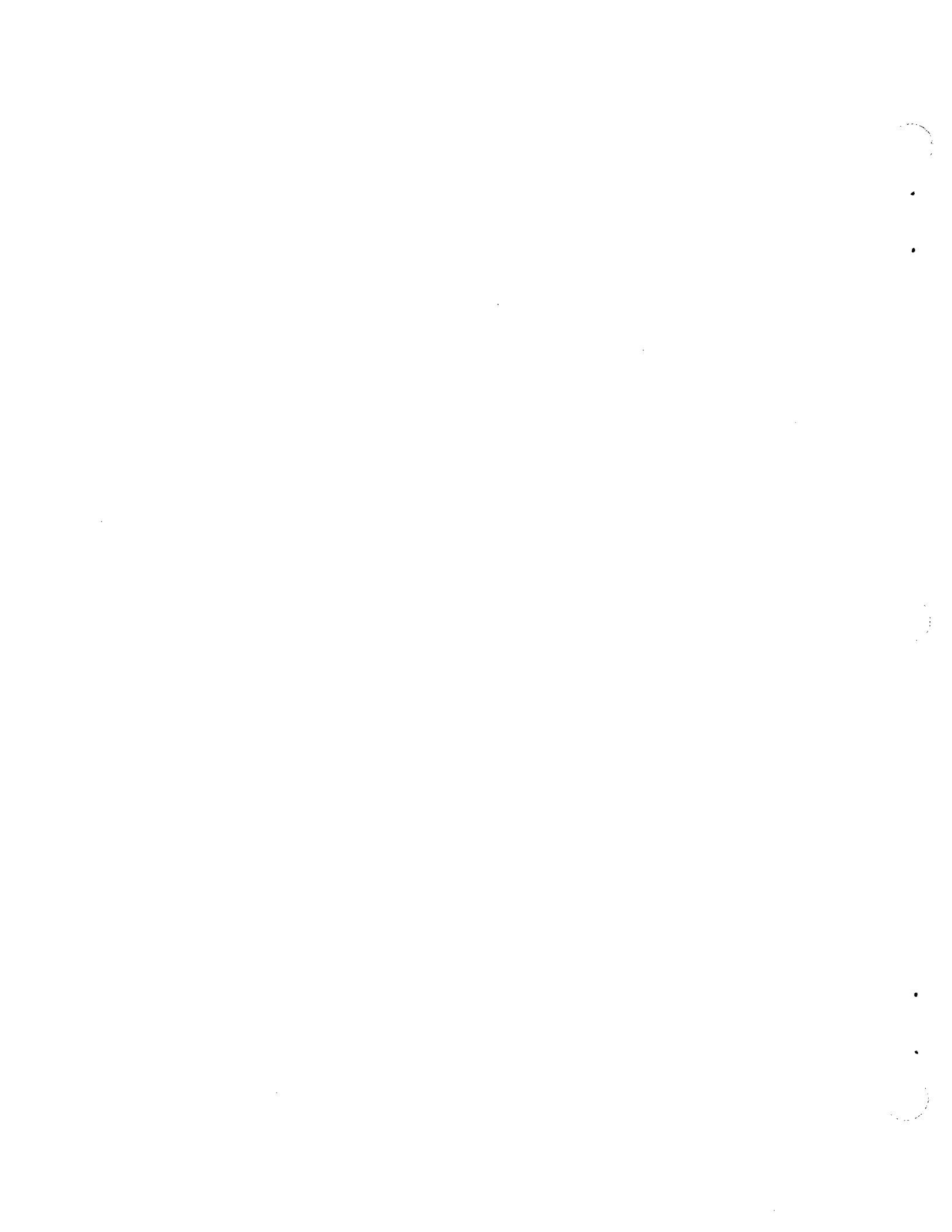
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CLINTON COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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No. 438
1990

CLINTON COUNTY

Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990

FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



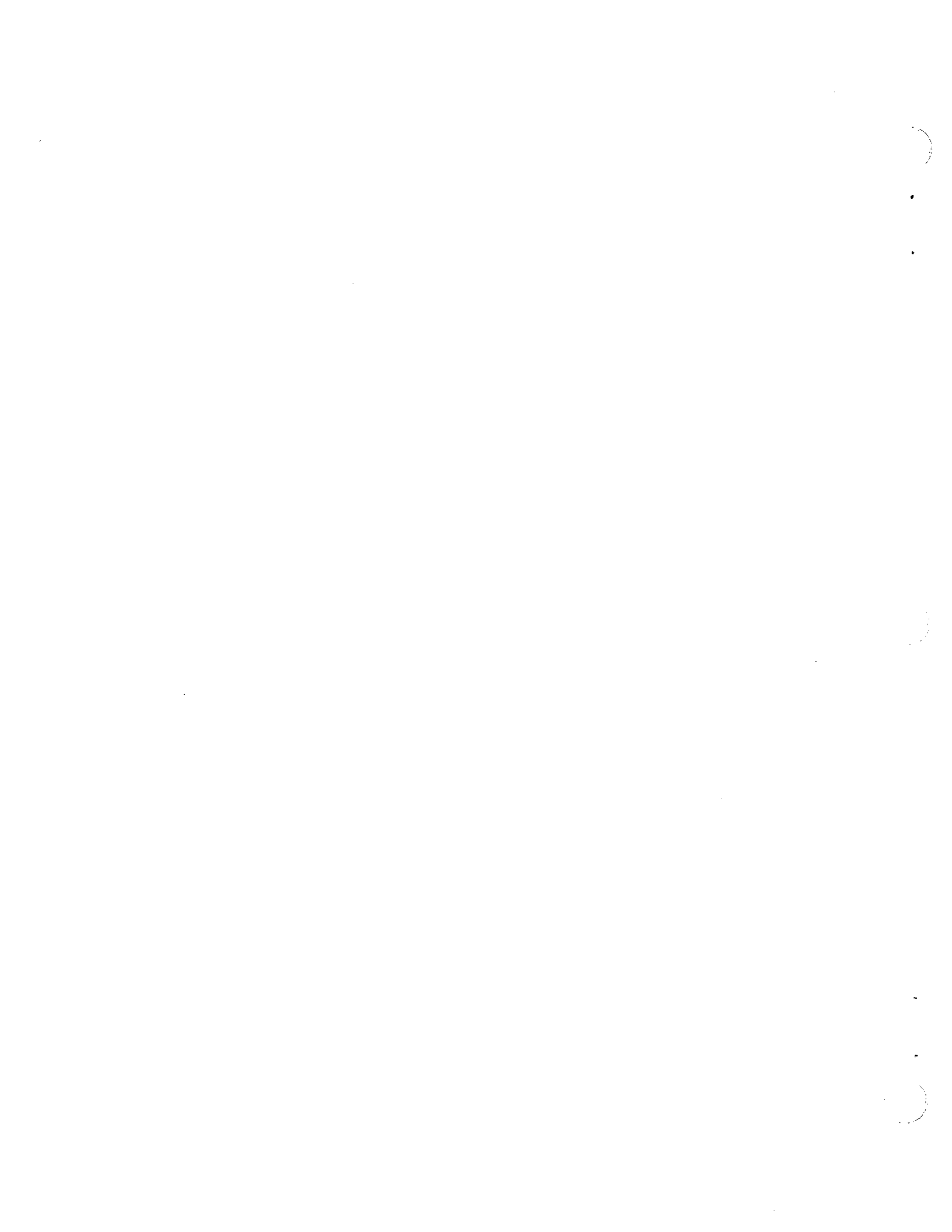
SUMMARY

The Clinton County economy increased modestly from 1969 to 1987 and managed to maintain its share of the Kentucky economy. However, the components of personal income generating economic growth are very different from those of the state. Clinton County derives a much smaller share of personal income from earnings and a much larger share from transfer payments.

Clinton County is heavily vested in goods-producing industries. Similar to state trends, the manufacturing sector's share of the county economy declined. Still, manufacturing was the primary source of earnings. The farm sector had been the primary source of employment since 1975. However, the percent of earnings in this sector declined. In 1982, there was increased activity in the mining sector, but this sector appears to have since declined.

The county's service sector increased substantially and became the second largest source of earnings in the mid 1970's. The service sector has been the fastest growing sector of the Kentucky economy. The trade sector declined in Clinton County, but increased at the state level.

The fact that the county receives a much larger share of personal income from transfer payments than does the state may, in part, be explained by the high proportion of the population which is sixty and over. These individuals are more likely to receive retirement and health care benefits, which are classified as transfer payments. While unemployment was higher in Clinton County than the state, the difference was not large enough to account for the unusually high proportion of transfer payments.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN CLINTON COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Clinton County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Clinton County economy, as measured by personal income, increased modestly from \$38 million in 1969 to \$71 million in 1987, after adjusting for inflation. Chart 1B shows Clinton County total personal income as a percent of Kentucky total personal income. Clinton County managed to maintain its share of Kentucky personal income over the years.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Clinton County per capita income increased over the time period to a level of \$7,329 per person in 1987, when it was 58.6 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased moderately in the early-1970's and were relatively constant thereafter. Earnings increased from

\$26 million in 1969 to \$39 million in 1987 (in constant 1988 dollars). Although earnings increased, their share of personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 54.1 percent of Clinton County's total personal income, which was significantly lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$10 million to total personal income in 1969 and \$24 million in 1987. During the same period, transfer payments contributed a much larger percentage of personal income in Clinton County than in Kentucky. In 1987, 33.4 percent of personal income was derived from transfer payments. This compares to 17.2 percent for Kentucky.

Income from property in Clinton County grew slowly through the time period. Income from property totalled \$2 million in 1969 and increased to \$9 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. The share of manufacturing earnings as a percent of total county earnings declined, and parallels state trends. In 1969, Clinton County received 31.6 percent of total earnings from manufacturing. This percentage decreased to 24.0 percent in 1987 (Chart 3A).

Chart 3A also indicates that farming's contribution to total county earnings has been volatile. Overall, farming's share decreased from 18.5 percent in 1969 to 11.1 percent in 1987.

Earnings from mining were minimal through 1981. However, Clinton County earnings from mining increased significantly in 1982. Earnings from this sector have since declined.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from both the services and state and local government sector increased (Chart 3B). Earnings share from the trade sector declined. At the state level, the percent of earnings from services increased, while the percents from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Clinton County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. In Clinton County, average earnings per job peaked in 1973 and they declined to \$9,785 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Clinton

County increased during the data period. In 1969, total employment stood at 2,682 people. By 1987, that figure had increased to 4,021.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Clinton County are presented in Chart 4B. Unemployment rates in Clinton County have been above those of the state throughout the period. In 1987, the county unemployment rate was 10.4 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing decreased from 30.2 percent in 1969 to 23.5 percent in 1987. This trend is like that of the state. County trends in farm employment were more stable than trends in farm earnings. The farm sector has been the primary source of employment since 1975. However, the percent of farm employment decreased steadily since 1980. In 1987, 24.5 percent of the employment was in the farm sector. Mining employment was minimal through 1981, but increased significantly in 1982. In 1987, 4.9 percent of county employment was in the mining sector.

Employment in the non-goods-producing industries is presented in Chart 4D. The service sector significantly increased its share of employment. In 1969, the service sector accounted for 6.7 percent of employment. This share increased to 15.6 percent in 1987. The percent of employment in the trade sector declined from 14.5 percent in 1969 to 11.0 percent in 1987. The percent of employment in state and local government increased slightly. At the state level, both the service and trade sector shares increased, while the government employment share has remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Clinton County.

The Clinton County population grew from 8,200 in 1969 to 9,700 in 1987 (Chart 5A). Clinton County had a smaller proportion of younger residents and a larger proportion of older residents than the state. It was estimated that, in 1986, 7.7 percent of Clinton County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 18.9 percent of the Clinton County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
CLINTON COUNTY
REAL PERSONAL INCOME
 Millions of 1988 dollars

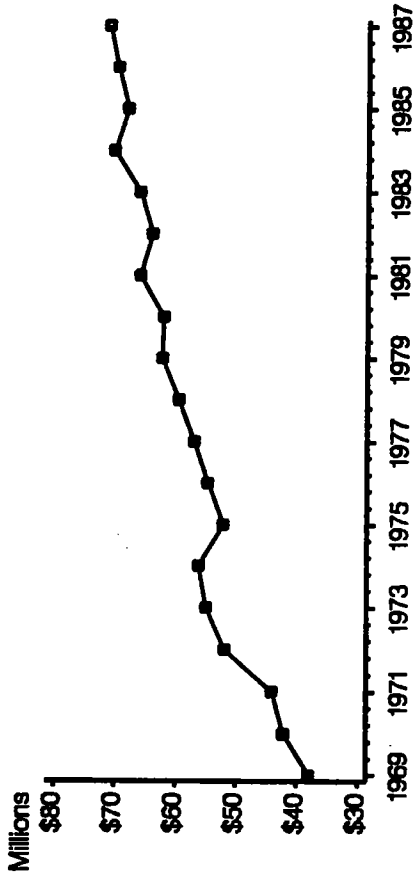


CHART 1B
CLINTON COUNTY
PERSONAL INCOME
 as a Percent of Kentucky Personal Income

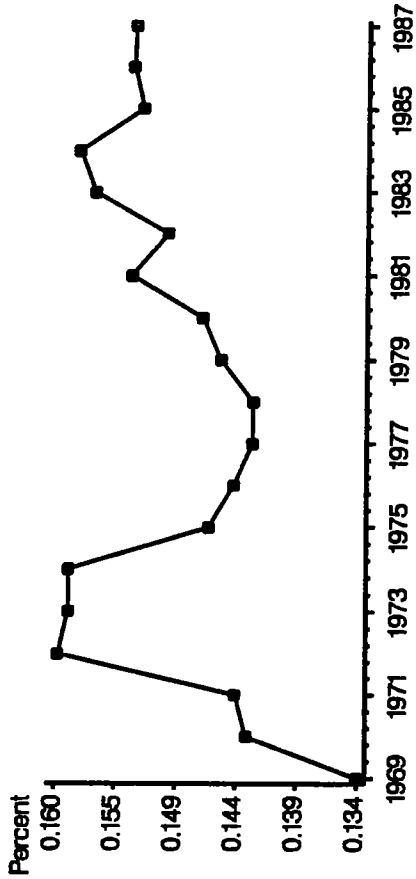


CHART 1C
CLINTON COUNTY
PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

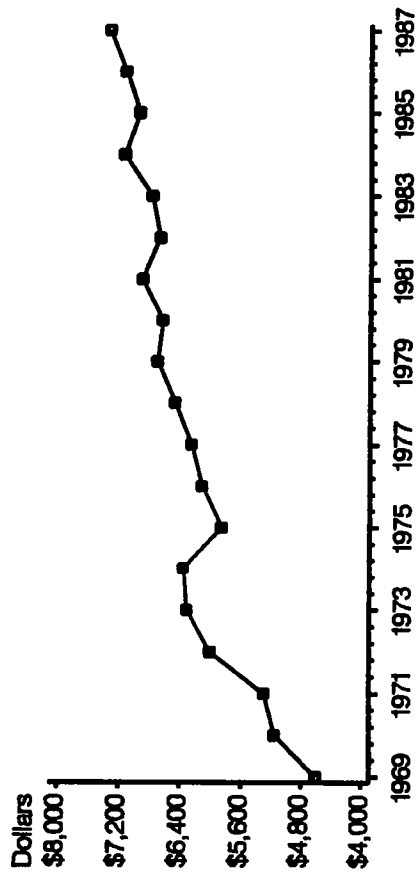


CHART 1D
CLINTON COUNTY
PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

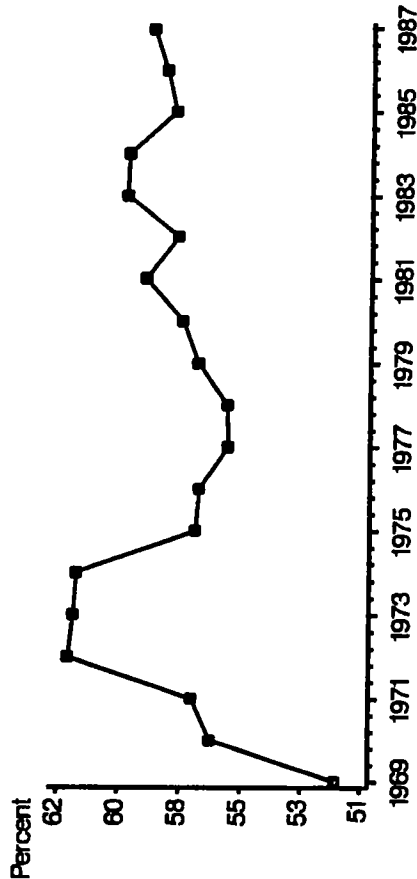


CHART 2A

CLINTON COUNTY
REAL TOTAL EARNINGS

Millions of 1988 dollars

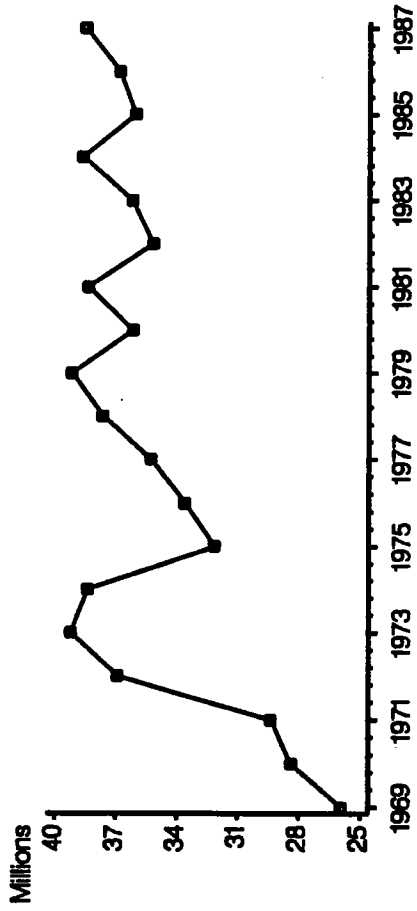


CHART 2C

CLINTON COUNTY
TOTAL EARNINGS

as a Percent of Personal Income

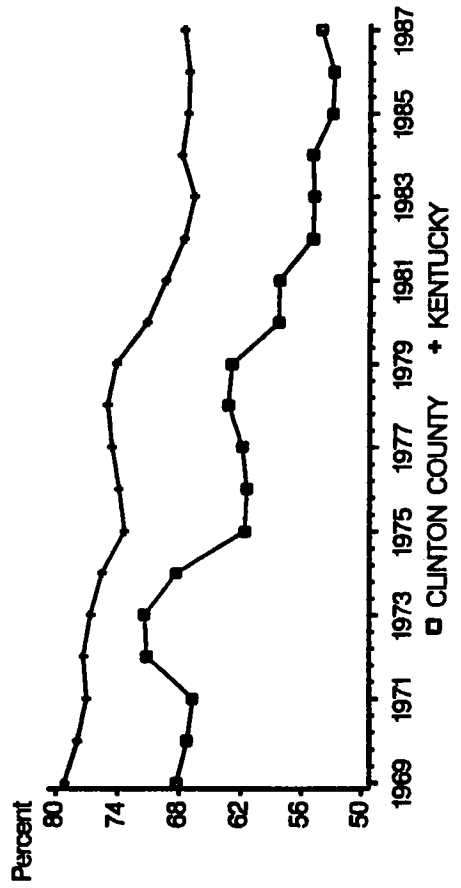


CHART 2B

CLINTON COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

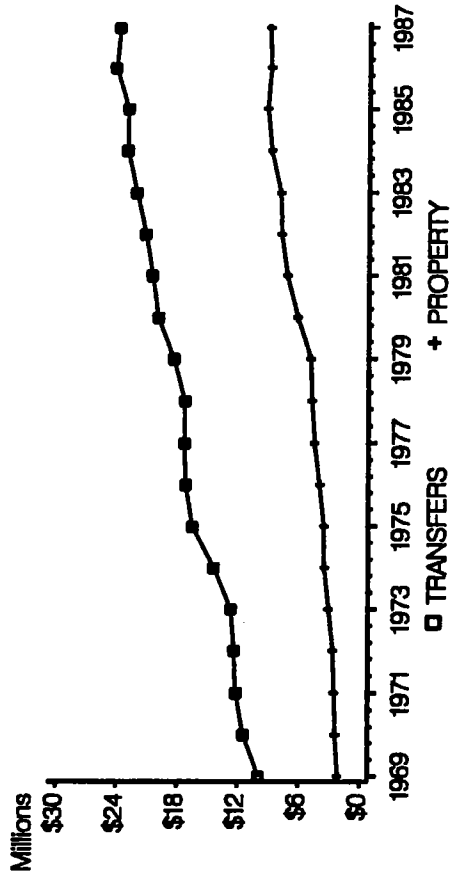


CHART 2D

CLINTON COUNTY
TRANSFER PAYMENTS

as a Percent of Personal Income

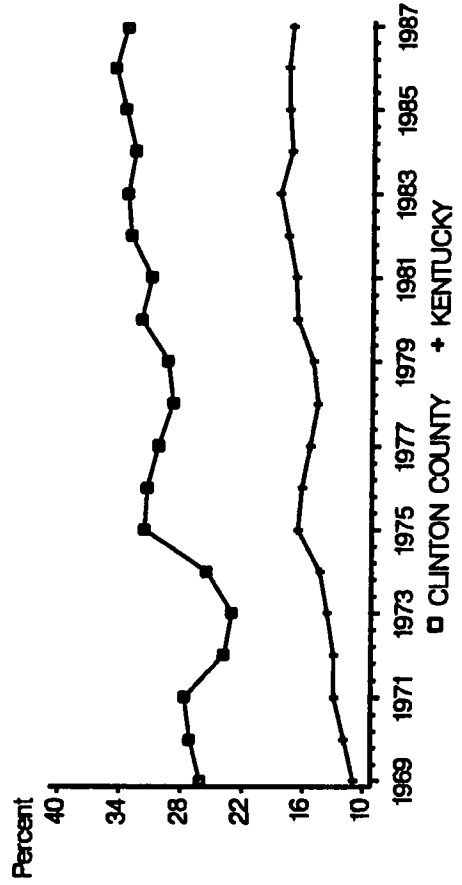


CHART 3A
CLINTON COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

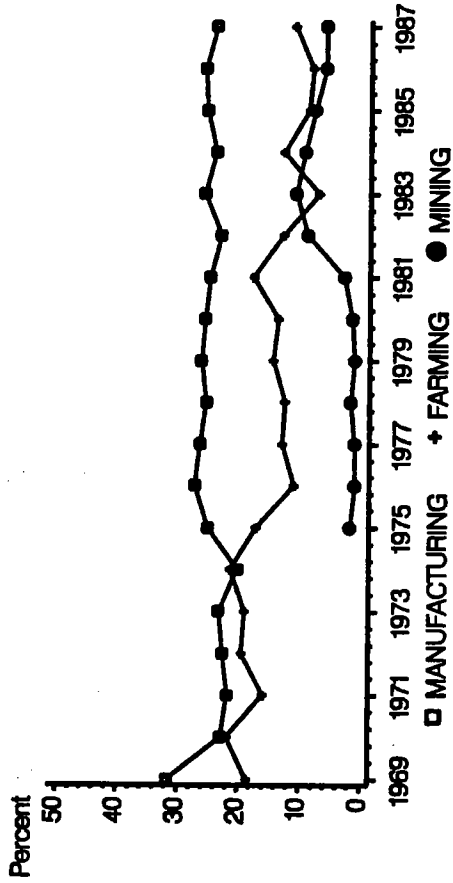


CHART 3B
CLINTON COUNTY
EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

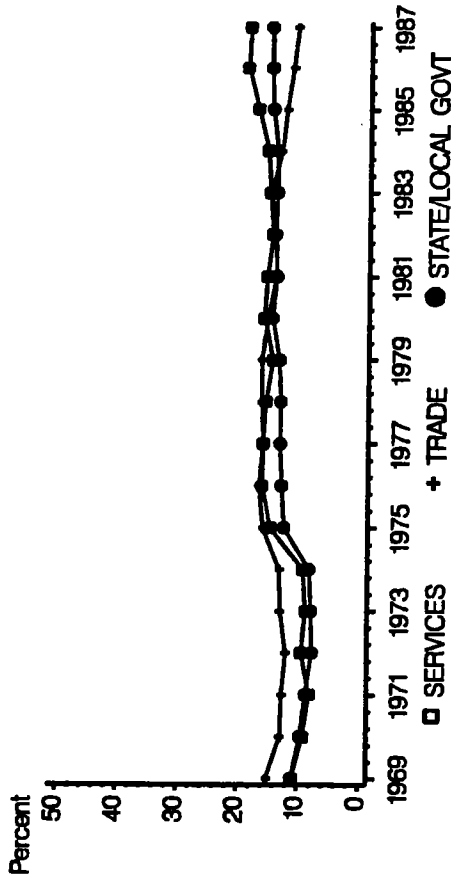


CHART 3C
CLINTON COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

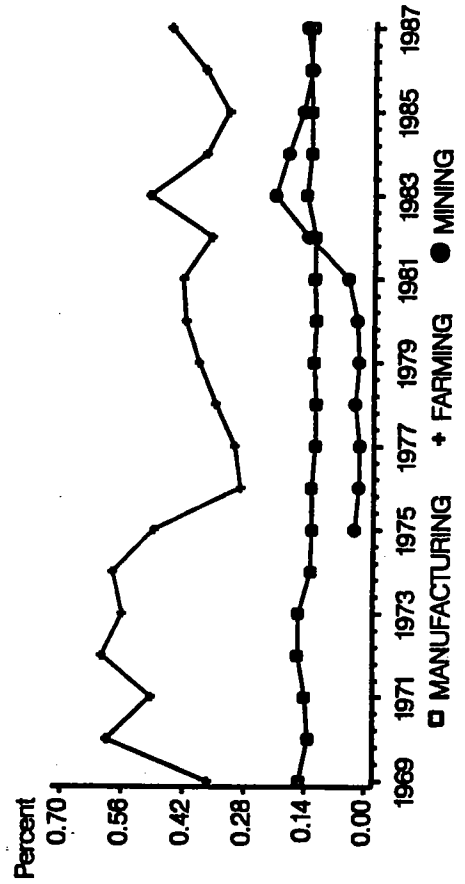


CHART 3D
CLINTON COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

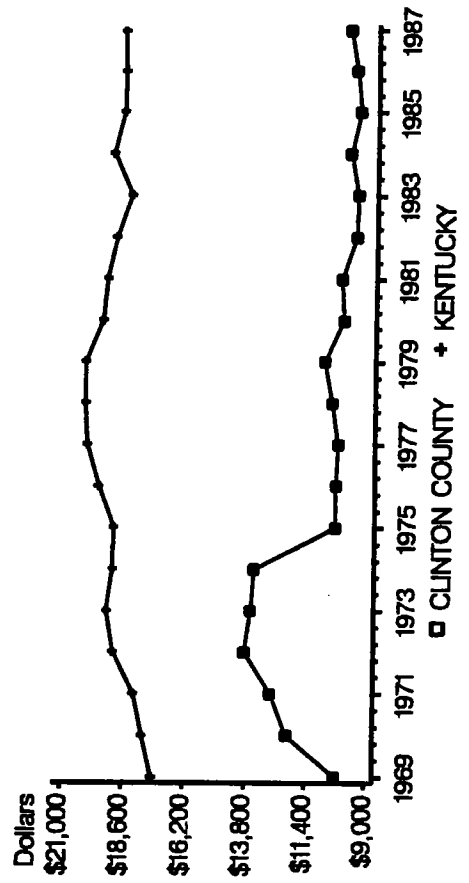


CHART 4A
CLINTON COUNTY
TOTAL EMPLOYMENT
 Thousands of People

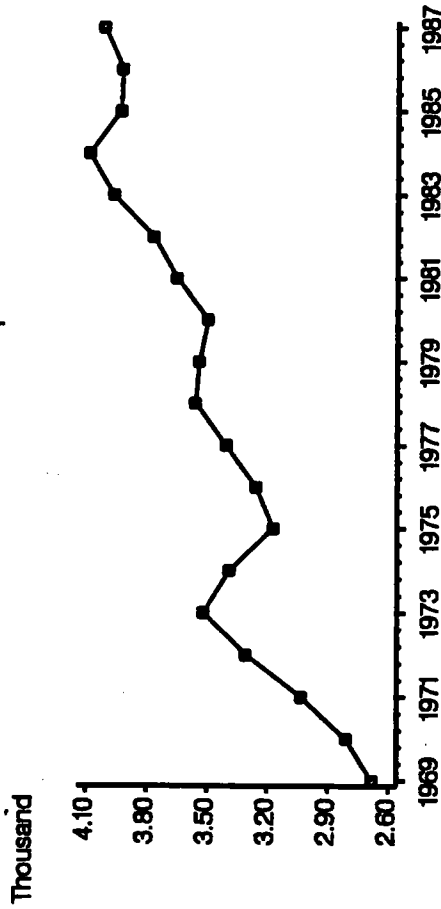


CHART 4B
CLINTON COUNTY
ANNUAL UNEMPLOYMENT RATE

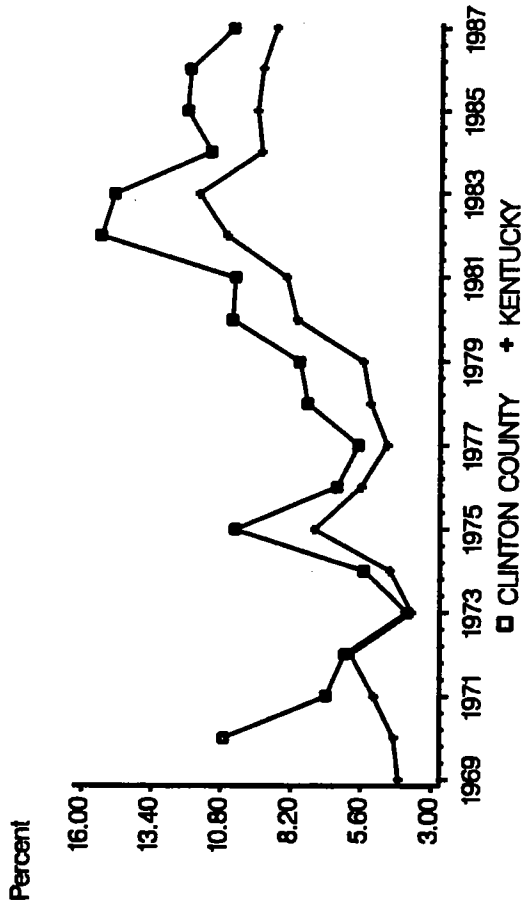


CHART 4C
CLINTON COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

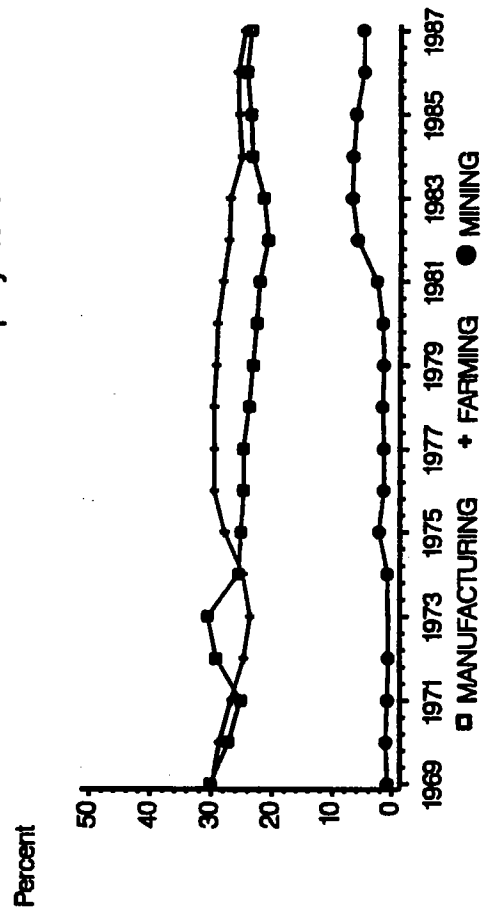


CHART 4D
CLINTON COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

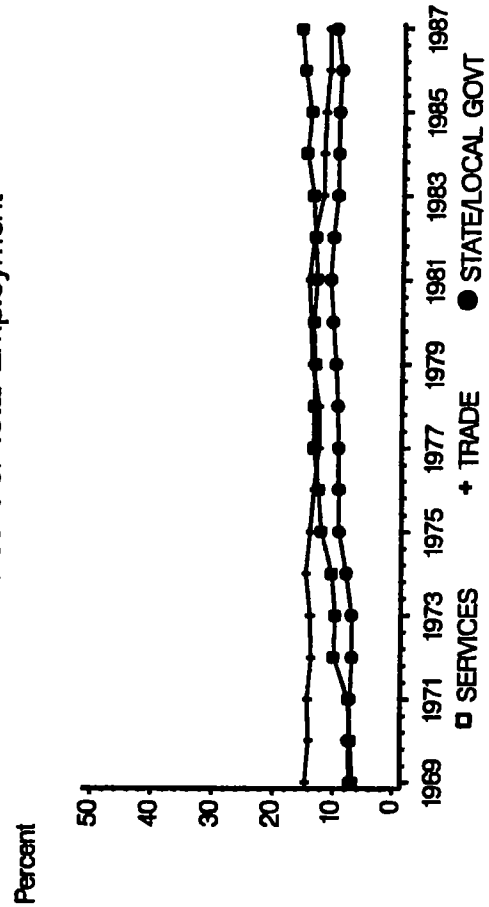


CHART 5A
CLINTON COUNTY
POPULATION
Thousands of People

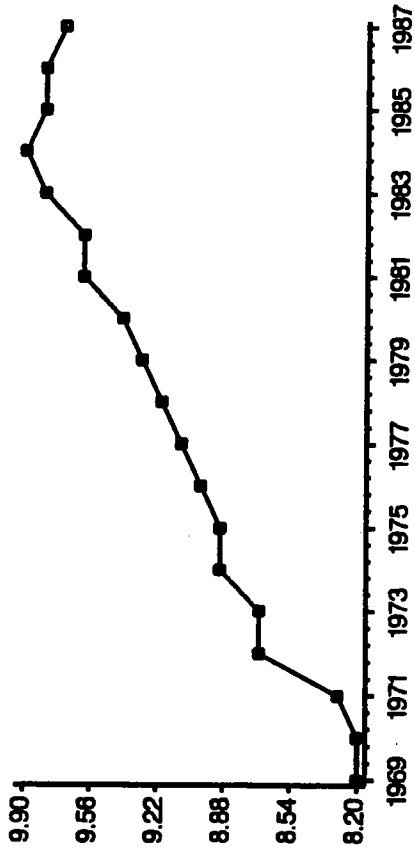


CHART 5B
CLINTON COUNTY
POPULATION
as a Percent of Kentucky Population

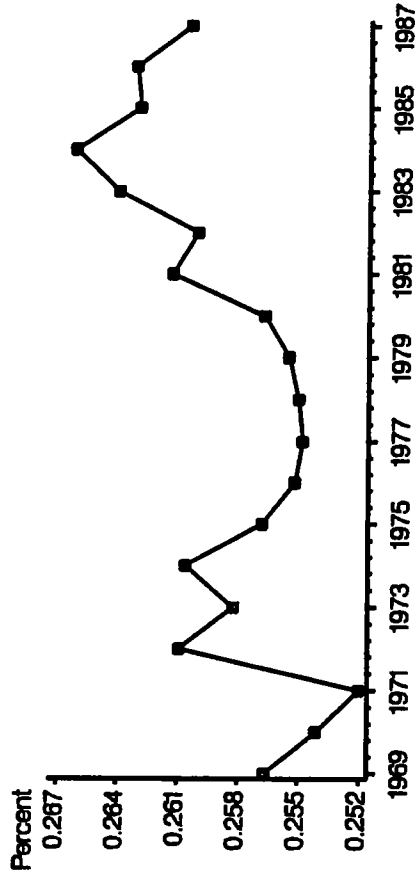


CHART 5C
CLINTON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

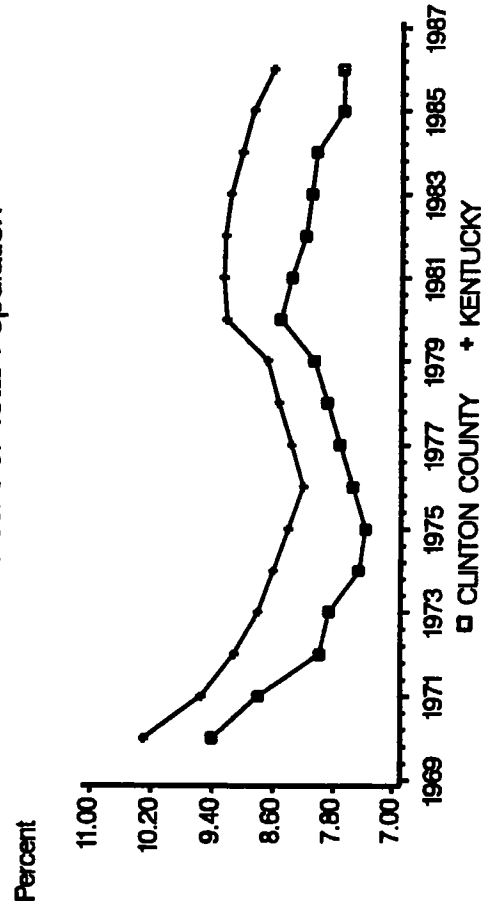
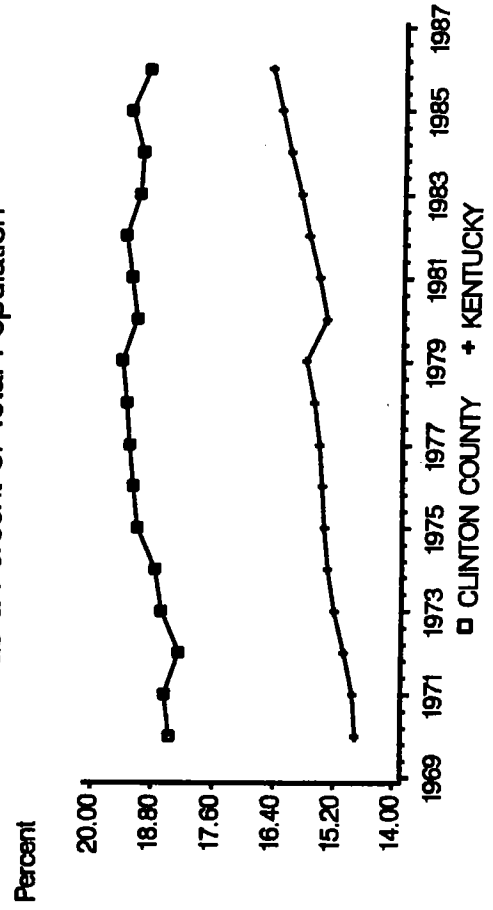


CHART 5D
CLINTON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



CLINTON COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	38	0.13	4,616	51.9
1970	42	0.14	5,148	56.5
1971	44	0.14	5,291	57.2
1972	52	0.16	6,004	61.6
1973	55	0.16	6,308	61.4
1974	56	0.16	6,354	61.3
1975	52	0.15	5,855	57.0
1976	55	0.14	6,110	56.9
1977	57	0.14	6,247	55.9
1978	60	0.14	6,468	55.9
1979	62	0.15	6,699	57.0
1980	62	0.15	6,636	57.5
1981	66	0.15	6,903	58.9
1982	64	0.15	6,669	57.7
1983	66	0.16	6,780	59.6
1984	70	0.16	7,134	59.5
1985	68	0.15	6,938	57.8
1986	70	0.15	7,118	58.2
1987	71	0.15	7,329	58.6

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	26	68.3	79.2	10	26.1	10.9	2	5.7	9.9
1970	28	67.2	77.9	11	27.1	11.9	2	5.6	10.2
1971	29	66.7	77.0	12	27.6	12.9	3	5.7	10.1
1972	37	71.1	77.3	12	23.8	12.9	3	5.1	9.7
1973	39	71.4	76.6	13	23.0	13.6	3	5.6	9.7
1974	38	68.3	75.5	14	25.5	14.4	3	6.2	10.1
1975	32	61.6	73.3	16	31.6	16.5	4	6.8	10.1
1976	34	61.4	73.9	17	31.3	16.1	4	7.3	10.0
1977	35	61.8	74.6	17	30.3	15.3	4	7.9	10.1
1978	38	63.2	75.0	17	28.9	14.6	5	7.9	10.4
1979	39	62.8	74.1	18	29.4	15.1	5	7.8	10.8
1980	36	58.2	71.1	20	31.9	16.7	6	9.9	12.2
1981	38	58.1	69.3	20	31.0	16.8	7	10.9	13.8
1982	35	54.9	67.5	21	33.0	17.6	8	12.1	14.9
1983	36	54.8	66.6	22	33.3	18.4	8	11.9	15.1
1984	39	54.9	67.8	23	32.6	17.3	9	12.5	14.9
1985	36	52.9	67.2	23	33.6	17.6	9	13.5	15.3
1986	37	52.8	67.1	24	34.6	17.6	9	12.6	15.3
1987	39	54.1	67.5	24	33.4	17.2	9	12.6	15.3

CLINTON COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	31.6	0.15	18.5	0.36	.	.
1970	22.8	0.13	21.8	0.59	.	.
1971	21.7	0.14	15.9	0.49	.	.
1972	22.5	0.16	19.5	0.61	.	.
1973	23.2	0.15	19.0	0.56	.	.
1974	20.2	0.13	21.3	0.58	.	.
1975	25.1	0.13	17.2	0.49	1.7	0.03
1976	27.3	0.13	11.0	0.29	1.0	0.02
1977	26.5	0.12	13.0	0.30	1.1	0.01
1978	25.4	0.12	12.5	0.35	1.7	0.03
1979	26.3	0.12	14.5	0.39	1.1	0.02
1980	25.7	0.12	13.6	0.42	1.5	0.02
1981	24.9	0.12	17.7	0.42	2.8	0.04
1982	23.1	0.12	12.8	0.36	8.9	0.14
1983	25.9	0.14	7.1	0.50	10.8	0.21
1984	24.0	0.13	12.8	0.37	9.4	0.18
1985	25.5	0.13	8.8	0.32	7.8	0.15
1986	25.8	0.13	8.2	0.37	6.0	0.13
1987	24.0	0.13	11.1	0.45	6.0	0.14

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	10.8	0.10	15.0	0.11	10.9	0.14
1970	9.1	0.10	12.8	0.11	9.5	0.14
1971	8.1	0.10	12.6	0.13	8.7	0.14
1972	9.5	0.13	12.0	0.13	7.7	0.14
1973	8.8	0.12	12.9	0.14	7.9	0.15
1974	9.2	0.12	13.1	0.14	8.2	0.15
1975	14.6	0.13	15.9	0.12	12.4	0.15
1976	16.0	0.14	16.5	0.12	12.8	0.15
1977	15.9	0.14	15.8	0.11	13.1	0.16
1978	15.5	0.13	16.1	0.12	13.1	0.16
1979	14.4	0.12	16.2	0.12	13.3	0.16
1980	15.8	0.12	15.1	0.11	14.5	0.16
1981	15.4	0.12	14.0	0.11	13.8	0.16
1982	14.5	0.11	13.8	0.11	14.1	0.16
1983	15.0	0.11	14.9	0.12	13.9	0.16
1984	15.4	0.12	13.2	0.11	13.8	0.17
1985	17.0	0.12	12.4	0.09	14.6	0.16
1986	18.8	0.12	11.3	0.09	14.8	0.16
1987	18.5	0.11	10.6	0.08	14.9	0.16

CLINTON COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	809	30.2	799	29.8	21	0.8
1970	762	27.1	806	28.7	29	1.0
1971	762	25.1	809	26.7	22	0.7
1972	965	29.2	815	24.6	19	0.6
1973	1,078	30.6	831	23.6	.	.
1974	862	25.4	841	24.8	25	0.7
1975	797	25.1	883	27.8	68	2.1
1976	804	24.7	963	29.5	46	1.4
1977	842	24.7	1,006	29.5	46	1.3
1978	847	23.8	1,053	29.6	57	1.6
1979	821	23.2	1,035	29.2	50	1.4
1980	788	22.5	1,015	29.0	55	1.6
1981	808	22.1	1,026	28.1	95	2.6
1982	782	20.7	1,024	27.1	224	5.9
1983	853	21.5	1,070	26.9	270	6.8
1984	954	23.3	1,027	25.1	273	6.7
1985	929	23.6	1,005	25.5	241	6.1
1986	952	24.2	1,010	25.7	187	4.8
1987	943	23.5	987	24.5	198	4.9

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	181	6.7	389	14.5	194	7.2
1970	199	7.1	392	14.0	208	7.4
1971	226	7.5	430	14.2	218	7.2
1972	326	9.9	450	13.6	226	6.8
1973	340	9.7	485	13.8	245	7.0
1974	348	10.3	491	14.5	267	7.9
1975	382	12.0	440	13.9	288	9.1
1976	408	12.5	431	13.2	299	9.2
1977	453	13.3	424	12.4	314	9.2
1978	472	13.3	444	12.5	335	9.4
1979	465	13.1	485	13.7	345	9.7
1980	470	13.4	484	13.8	360	10.3
1981	475	13.0	522	14.3	392	10.7
1982	500	13.3	507	13.4	389	10.3
1983	543	13.7	478	12.0	381	9.6
1984	603	14.7	488	11.9	391	9.6
1985	554	14.1	462	11.7	374	9.5
1986	594	15.1	436	11.1	357	9.1
1987	627	15.6	442	11.0	396	9.8

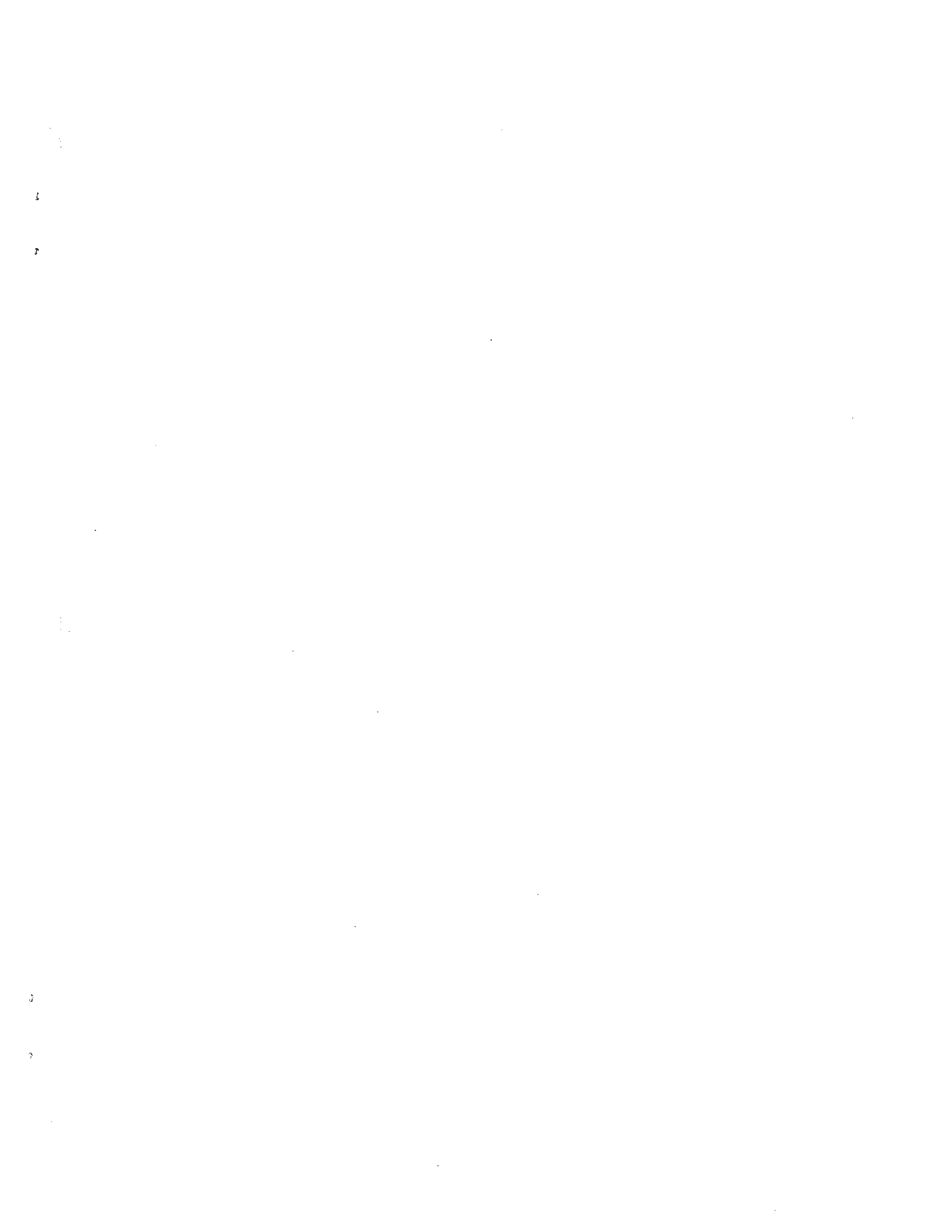
CLINTON COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	2,682	\$10,221	\$17,440	.	4.2
1970	2,809	\$12,105	\$17,811	10.7	4.4
1971	3,032	\$12,758	\$18,166	6.9	5.1
1972	3,307	\$13,815	\$18,970	6.2	6.0
1973	3,520	\$13,572	\$19,232	3.9	3.7
1974	3,390	\$13,454	\$19,008	5.5	4.5
1975	3,172	\$10,257	\$18,976	10.3	7.3
1976	3,259	\$10,230	\$19,563	6.5	5.6
1977	3,408	\$10,162	\$20,031	5.7	4.7
1978	3,561	\$10,407	\$20,121	7.6	5.3
1979	3,543	\$10,729	\$20,110	7.9	5.5
1980	3,500	\$9,961	\$19,439	10.4	8.0
1981	3,655	\$10,057	\$19,286	10.3	8.4
1982	3,772	\$9,488	\$18,931	15.3	10.6
1983	3,972	\$9,441	\$18,358	14.8	11.6
1984	4,093	\$9,752	\$19,080	11.2	9.3
1985	3,939	\$9,377	\$18,676	12.1	9.5
1986	3,931	\$9,534	\$18,627	12.0	9.3
1987	4,021	\$9,785	\$18,636	10.4	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	8,200	0.26	.	.	.	.
1970	8,200	0.25	9.4	10.3	18.5	14.8
1971	8,300	0.25	8.8	9.6	18.6	14.8
1972	8,700	0.26	8.0	9.1	18.3	15.0
1973	8,700	0.26	7.9	8.8	18.6	15.2
1974	8,900	0.26	7.5	8.6	18.8	15.3
1975	8,900	0.26	7.4	8.4	19.1	15.4
1976	9,000	0.25	7.5	8.2	19.2	15.5
1977	9,100	0.25	7.7	8.4	19.3	15.5
1978	9,200	0.25	7.9	8.5	19.3	15.6
1979	9,300	0.26	8.1	8.7	19.4	15.8
1980	9,400	0.26	8.5	9.2	19.1	15.4
1981	9,600	0.26	8.4	9.3	19.3	15.5
1982	9,600	0.26	8.2	9.2	19.4	15.7
1983	9,800	0.26	8.1	9.2	19.1	15.9
1984	9,900	0.27	8.0	9.0	19.0	16.1
1985	9,800	0.26	7.7	8.9	19.3	16.3
1986	9,800	0.26	7.7	8.6	18.9	16.5
1987	9,700	0.26



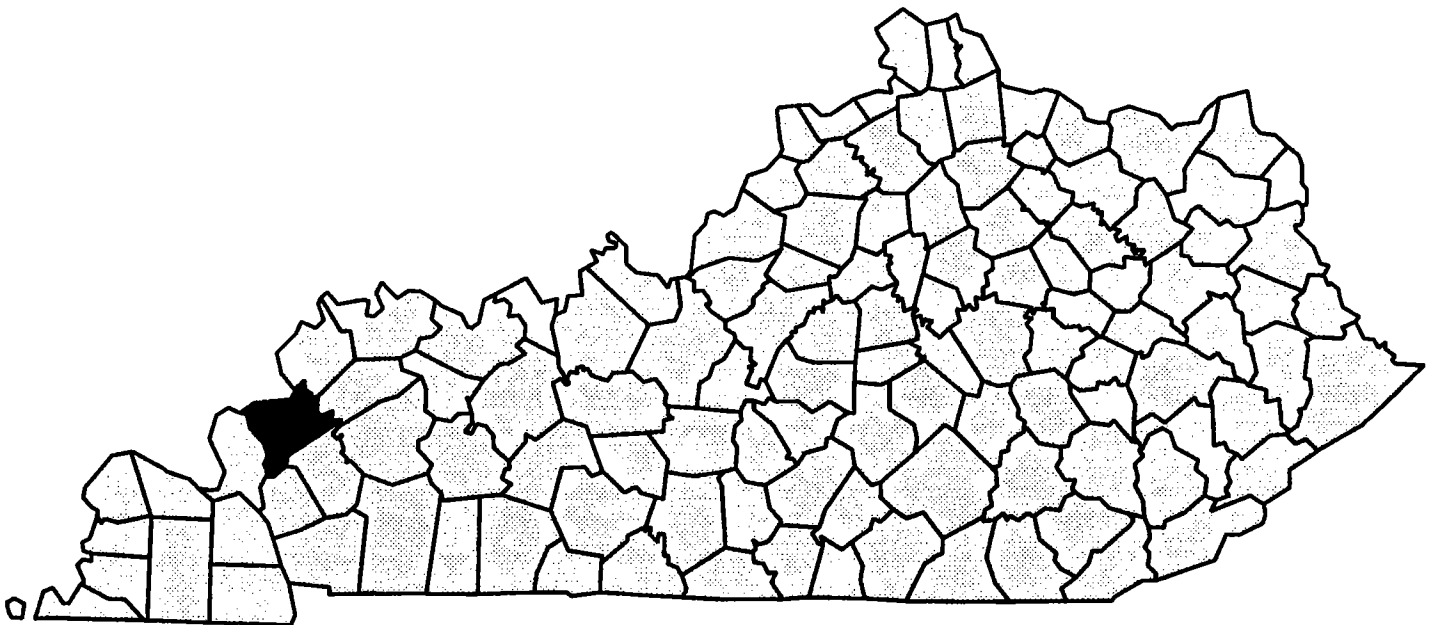
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

CRITTENDEN COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

The Crittenden County economy, as measured by personal income, grew moderately from 1969 to 1987. Crittenden County showed a slight decline in its share of Kentucky personal income, indicating that the county economy did not quite keep pace with the state economy. Both per capita personal income and average earnings per job were significantly below those of the state.

Crittenden County generates a smaller percent of personal income from earnings and a larger percent from transfer payments than does the state as a whole. This is partially explained by the relatively high concentration of elderly residents, who would be expected to receive retirement and medical benefits, which are classified as transfer payments.

The county has historically been heavily dependent on the goods-producing industries of manufacturing and farming. While the state share of earnings and employment in manufacturing declined, this sector maintained its share of the county economy. The agriculture sector was the primary source of employment, but experienced extremely volatile earnings. The non-goods-producing sectors, particularly service and state and local government, experienced significant growth. At the state level the service and trade sectors have grown significantly.

The county economy was highly concentrated in manufacturing. In many cases, manufacturing industries are very sensitive to economic fluctuations. Consequently, a high concentration in manufacturing can make a county more susceptible to recessionary contractions. However, in Crittenden County this sector was relatively stable during the 1982 recession, when the state experienced a significant decline. This may be attributable to the type of goods produced.

There is a national and state trend toward declining farm employment. Therefore, the outlook for this sector in Crittenden County is for continued decline. Future economic growth will most likely be dependent upon further expansion of the service and trade sectors.



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INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



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ECONOMIC TRENDS IN CRITTENDEN COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Crittenden County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Crittenden County economy, as measured by personal income, increased from \$58 million in 1969 to \$90 million in 1987, after adjusting for inflation. Chart 1B shows Crittenden County total personal income as a percent of Kentucky total personal income. Crittenden County had a slight decline in its share of Kentucky personal income.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Crittenden County per capita income increased over the time period to a level of \$10,338 per person in 1987, 82.7 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$44 million in 1969 to \$64 million in 1979 (in constant 1988 dollars). However, earnings

subsequently declined and were \$53 million in 1987. Earnings as a percent of personal income declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 58.4 percent of Crittenden County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$9 million to total personal income in 1969 and \$23 million in 1987. During the same period, transfer payments contributed a much higher percentage of personal income in Crittenden County than in Kentucky.

Income from property in Crittenden County grew steadily through the time period. Income from property totalled \$4 million in 1969 and increased to \$15 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wage and salary and proprietor's income. In 1969, Crittenden County received 27.0 percent of total earnings from manufacturing. This percentage increased to a high of 41.7 percent in 1983 (Chart 3A). However, by 1987, the county share declined to 27.3 percent. At the state level, the percentage of earnings from manufacturing has shown a steady decline over the period.

The farm sector's share of earnings were very volatile throughout the period. In 1983, farm earnings were negative. There was a national farm sector recession at this time. This dramatic decline in farm earnings partially explains the strength of the manufacturing sector in this year. By 1987, the percent of earnings from the farm sector was 13.2 percent. The percent of earnings from the farm sector at the state and national levels declined.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector increased from 8.0 percent in 1969 to 18.2 percent in 1987. The percent from the trade sector declined steadily from 18.9 percent in 1969 to 14.1 percent in 1987. The share of earnings from the state and local government sector increased slightly and was 12.0 percent in 1987. At the state level, the percent of earnings from services increased, while the percents from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Crittenden County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Crittenden County average earnings per job have been below those of the state throughout the period. Average earnings were \$12,814 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Crittenden County declined during the data period. In 1969, total employment stood at 3,049 people. By 1987, that figure had decreased to 3,000.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Crittenden County are presented in Chart 4B. Unemployment rates in Crittenden County were above those of the state throughout the period. In 1987, the county unemployment rate was 11.9 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing increased from 18.7 percent in 1969 to 23.4 percent in 1974. By 1987, this share decreased to 16.8 percent.

The farm sector was the primary source of employment through most of the period. However, farming's share of employment declined from 28.0 percent in 1969 to 21.8 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment increased from 1969 to 1987. In 1969, the service sector accounted for 10.9 percent of employment. This share increased to 19.1 percent in 1987. The percent of employment in state and local government increased from 7.6 percent in 1969 to 10.3 percent in 1987. The percent of employment in the trade sector remained stable and was 16.3 percent in 1987. At the state level, service and trade employment increased significantly, while government employment remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important

implications for the future demand for goods and services, and ultimately, the economic structure of Crittenden County.

The Crittenden County population grew slightly, from 8,500 in 1969 to 8,700 in 1987 (Chart 5A). The county has a smaller proportion of population under age six. It was estimated that in 1986, 7.6 percent of Crittenden County's population was under six years of age, compared to 8.6 for the state. Crittenden County also has a higher proportion than the state of residents age sixty or older. In 1986, 22.4 percent of the Crittenden County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A

CRITTENDEN COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

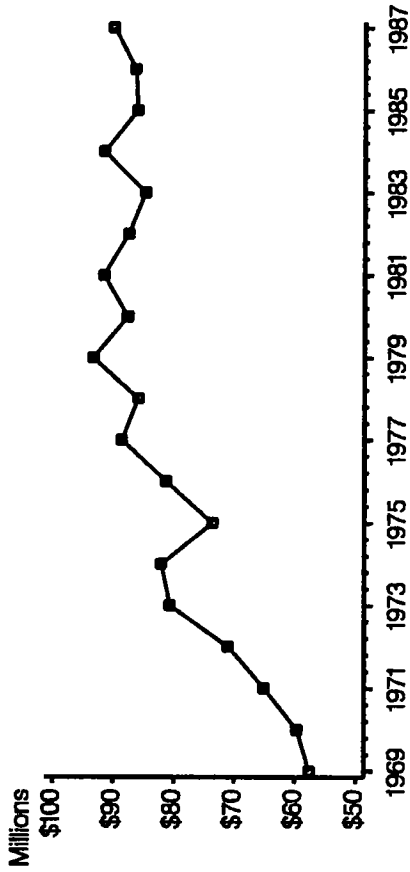


CHART 1B
CRITTENDEN COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

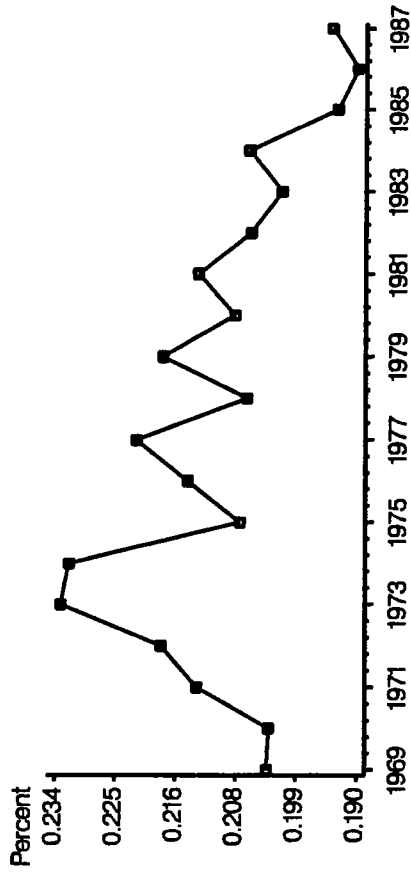


CHART 1C

CRITTENDEN COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

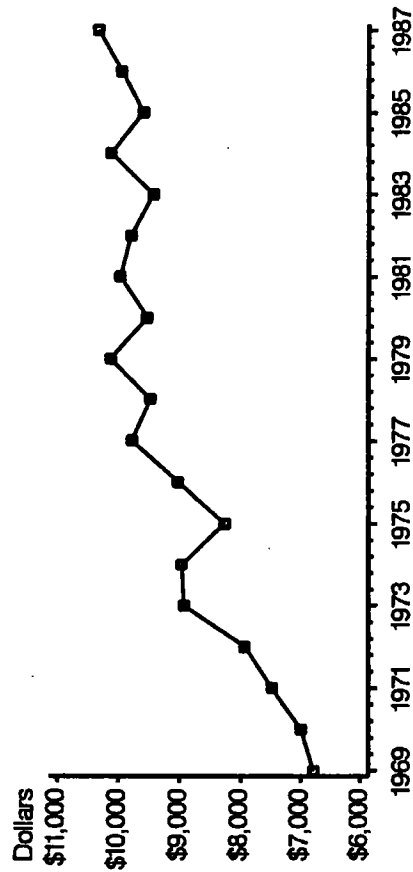


CHART 1D
CRITTENDEN COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

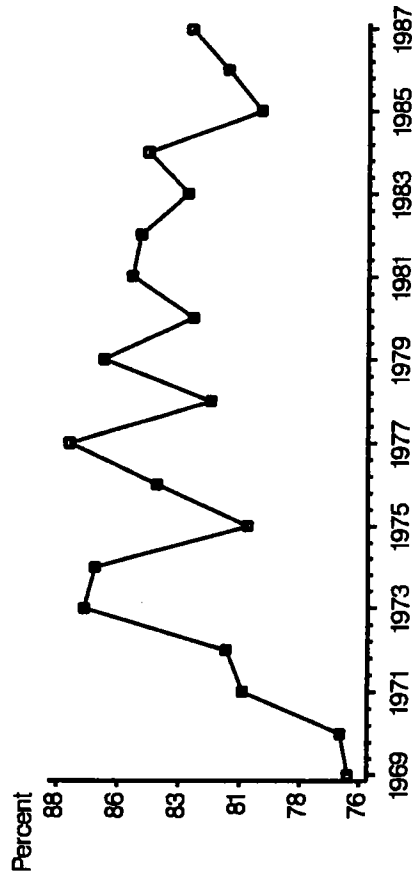


CHART 2A

CRITTENDEN COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

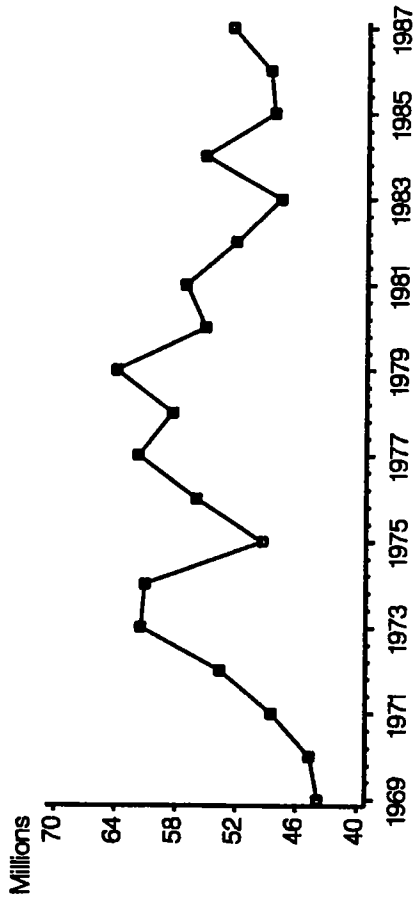


CHART 2C
CRITTENDEN COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

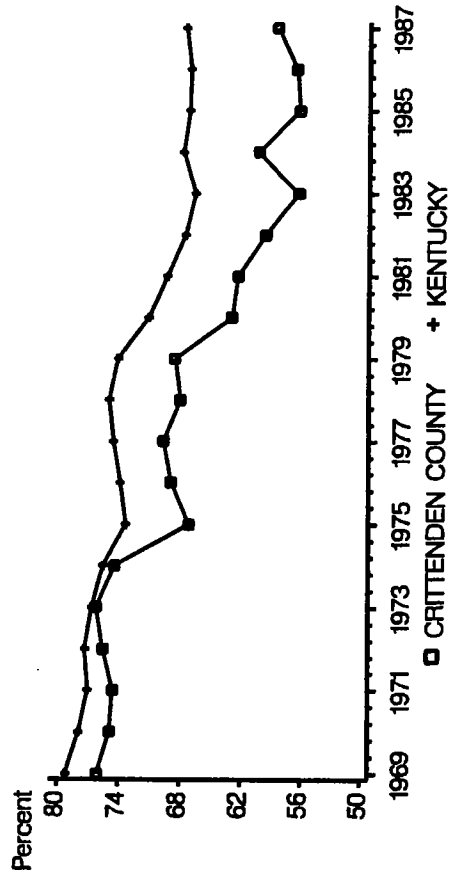


CHART 2B

CRITTENDEN COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

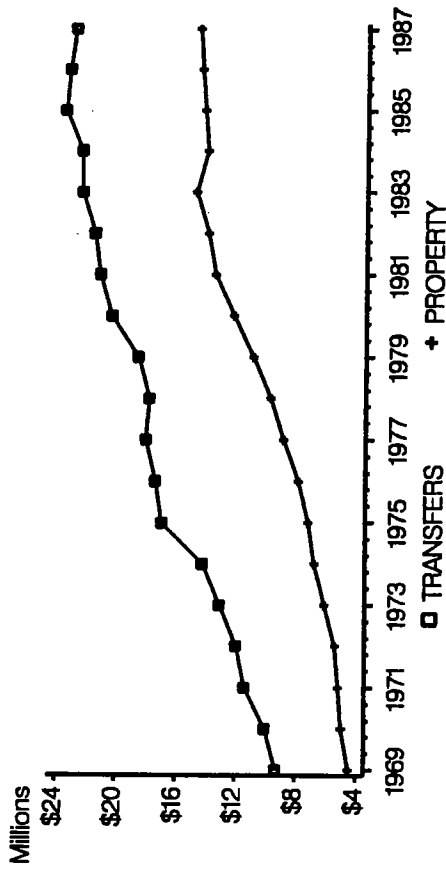


CHART 2D
CRITTENDEN COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

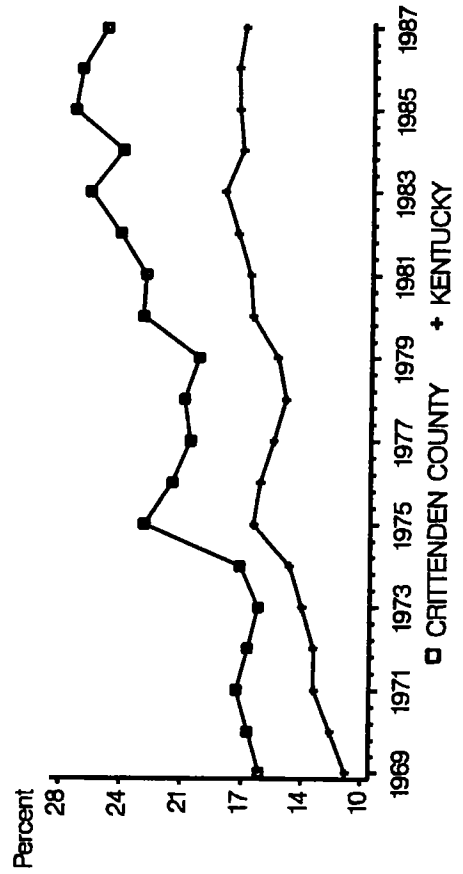


CHART 3A

CRITTENDEN COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

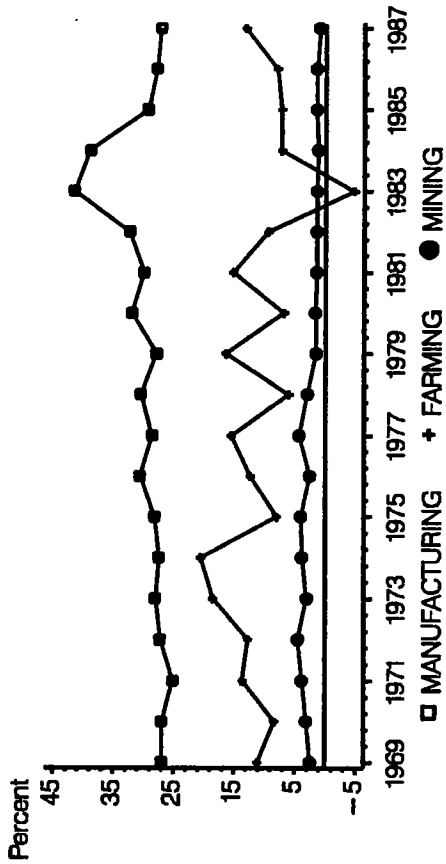


CHART 3B

CRITTENDEN COUNTY

EARNINGS IN NON-GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

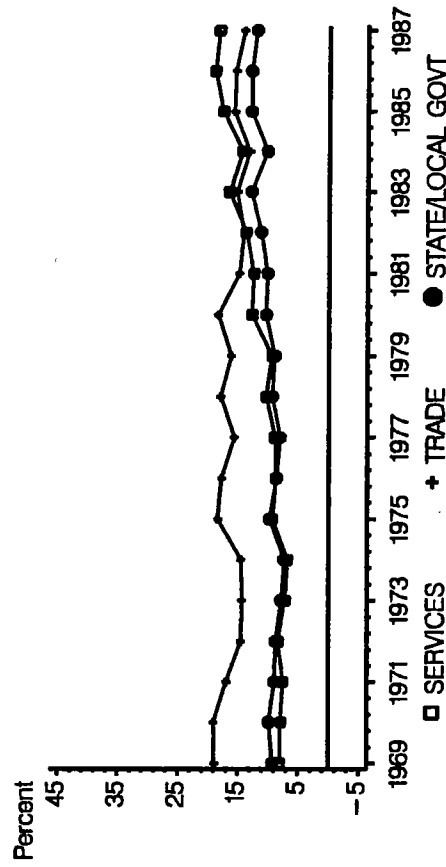


CHART 3C

CRITTENDEN COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Kentucky Industries

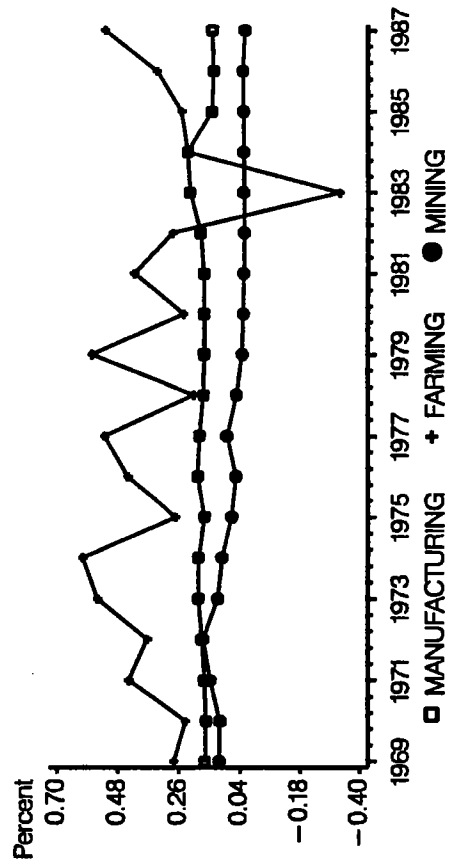


CHART 3D

CRITTENDEN COUNTY

AVERAGE EARNINGS PER JOB

in Constant 1988 Dollars

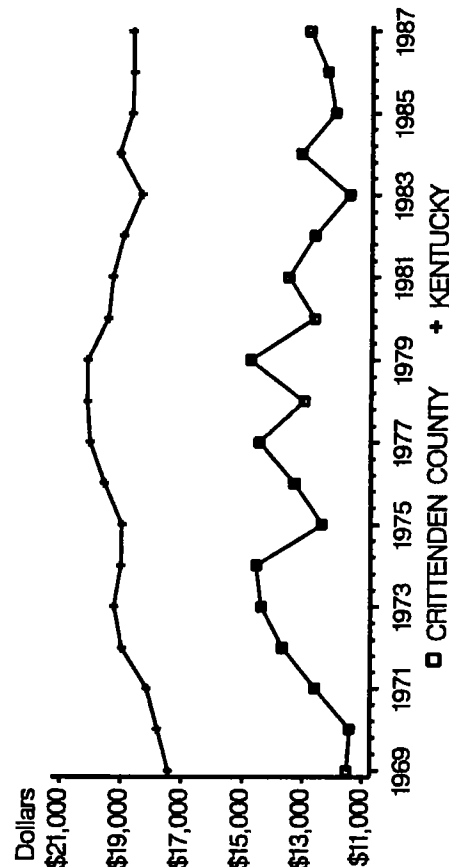


CHART 4A
CRITTENDEN COUNTY
TOTAL EMPLOYMENT
Thousands of People

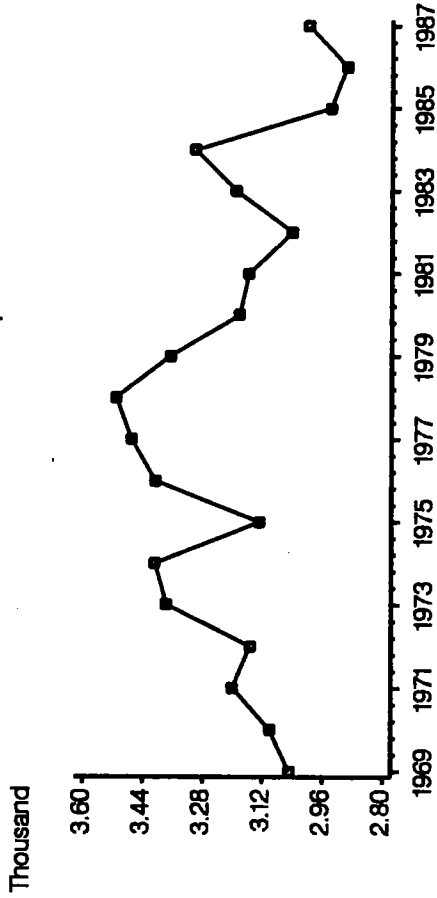


CHART 4B
CRITTENDEN COUNTY
ANNUAL UNEMPLOYMENT RATE

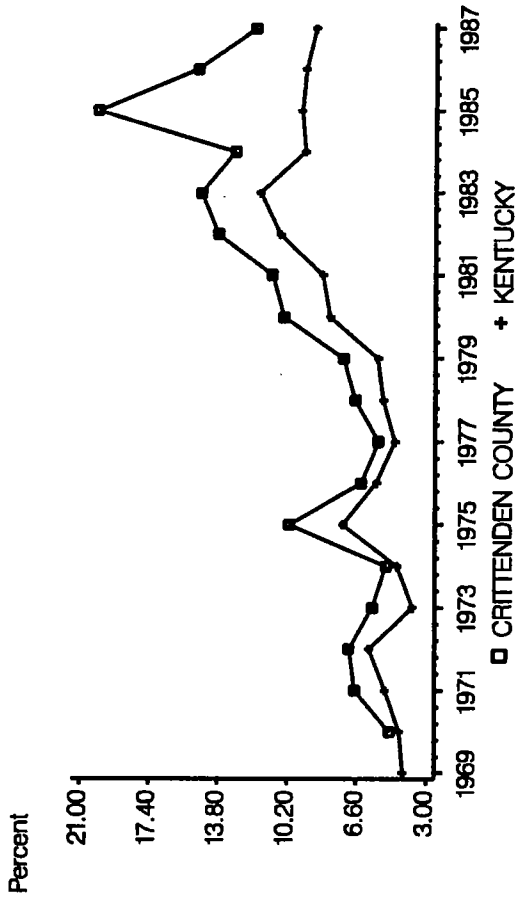


CHART 4C
CRITTENDEN COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

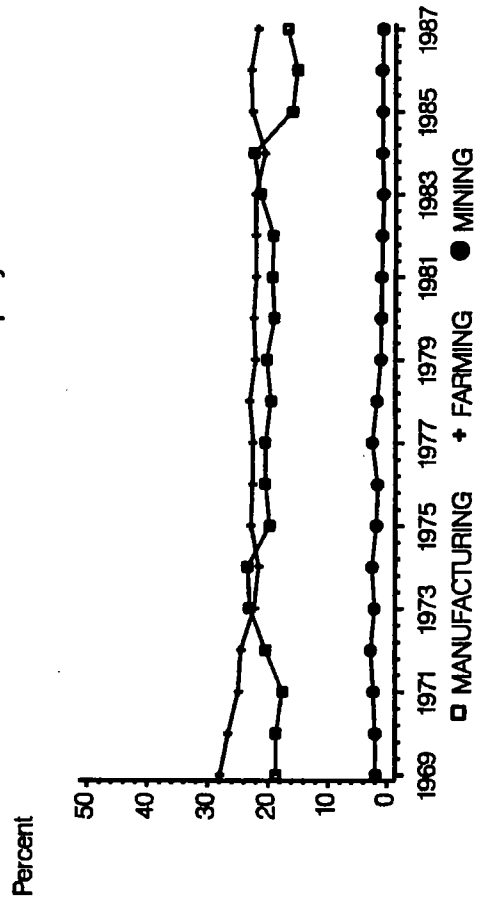


CHART 4D
CRITTENDEN COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

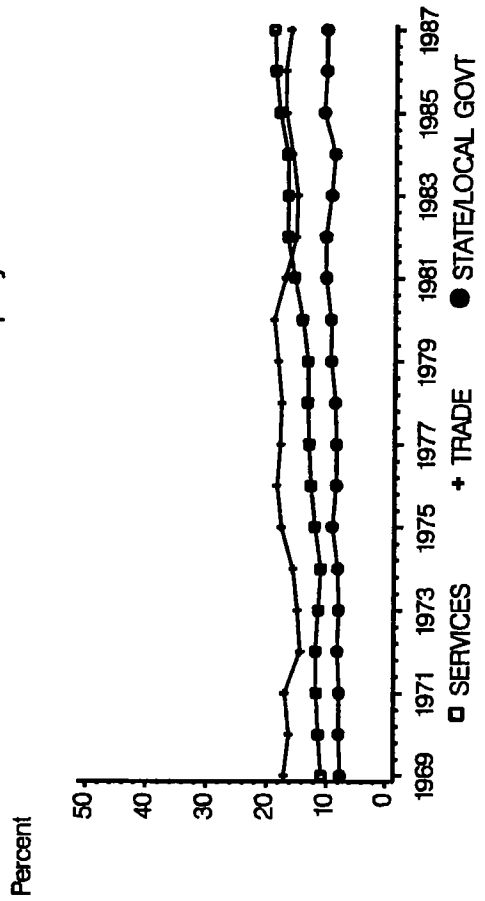


CHART 5A
CRITTENDEN COUNTY
POPULATION
Thousands of People

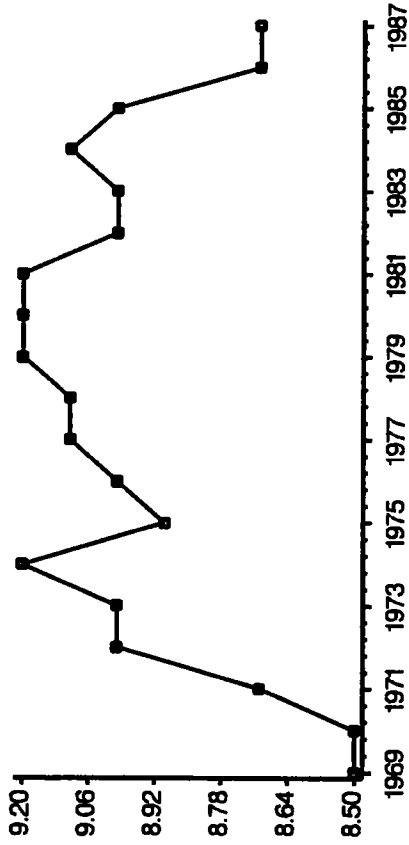


CHART 5B
CRITTENDEN COUNTY
POPULATION
as a Percent of Kentucky Population

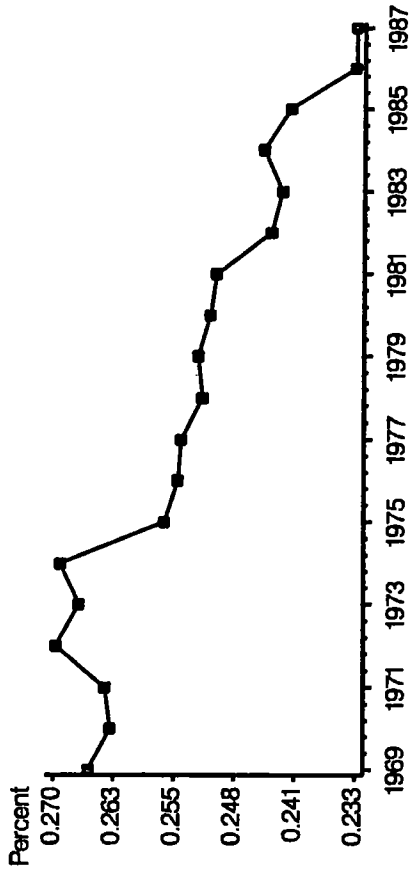


CHART 5C
CRITTENDEN COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

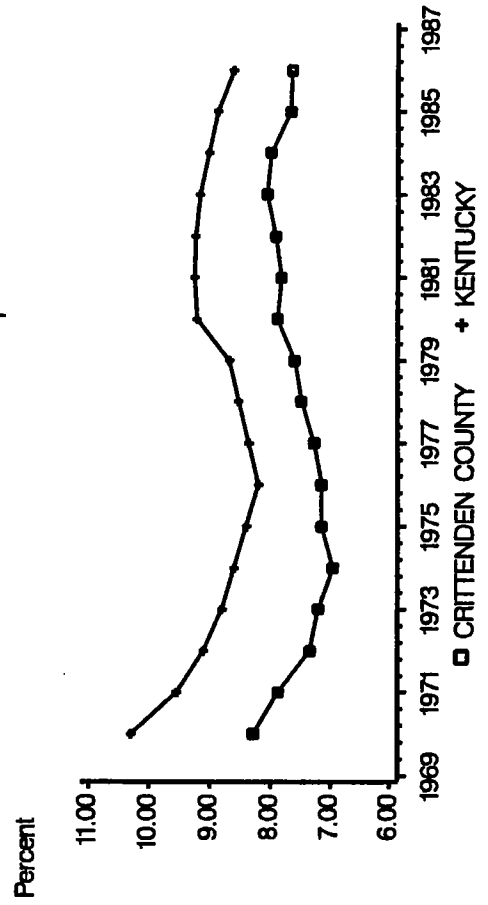
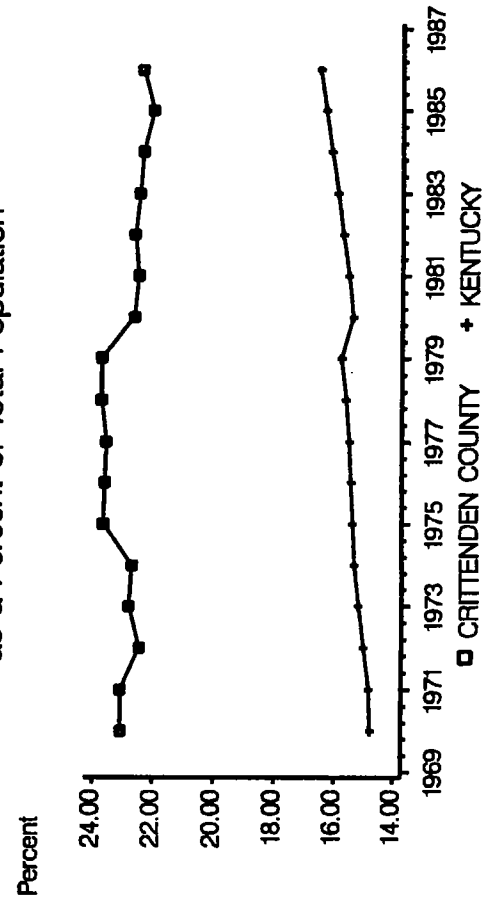


CHART 5D
CRITTENDEN COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



CRITTENDEN COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	58	0.20	6,793	76.5
1970	60	0.20	6,997	76.8
1971	65	0.21	7,467	80.7
1972	71	0.22	7,926	81.3
1973	81	0.23	8,926	86.9
1974	82	0.23	8,963	86.5
1975	74	0.21	8,259	80.5
1976	81	0.21	9,027	84.1
1977	89	0.22	9,781	87.5
1978	86	0.21	9,480	82.0
1979	93	0.22	10,132	86.2
1980	88	0.21	9,532	82.6
1981	92	0.21	9,971	85.1
1982	88	0.21	9,789	84.7
1983	85	0.20	9,433	82.9
1984	92	0.21	10,125	84.4
1985	86	0.19	9,594	80.0
1986	87	0.19	9,949	81.3
1987	90	0.19	10,338	82.7

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	44	76.1	79.2	9	16.1	10.9	4	7.8	9.9
1970	45	74.8	77.9	10	16.8	11.9	5	8.3	10.2
1971	49	74.5	77.0	11	17.5	12.9	5	8.0	10.1
1972	54	75.5	77.3	12	16.9	12.9	5	7.6	9.7
1973	62	76.2	76.6	13	16.2	13.6	6	7.6	9.7
1974	61	74.4	75.5	14	17.3	14.4	7	8.3	10.1
1975	49	67.1	73.3	17	23.0	16.5	7	9.8	10.1
1976	56	68.9	73.9	17	21.4	16.1	8	9.7	10.0
1977	62	69.7	74.6	18	20.3	15.3	9	10.0	10.1
1978	58	68.0	75.0	18	20.7	14.6	10	11.3	10.4
1979	64	68.5	74.1	19	19.8	15.1	11	11.7	10.8
1980	55	62.9	71.1	20	23.2	16.7	12	13.9	12.2
1981	57	62.3	69.3	21	23.0	16.8	13	14.7	13.8
1982	52	59.6	67.5	21	24.5	17.6	14	15.9	14.9
1983	48	56.3	66.6	22	26.3	18.4	15	17.4	15.1
1984	55	60.3	67.8	22	24.4	17.3	14	15.3	14.9
1985	48	56.2	67.2	24	27.3	17.6	14	16.5	15.3
1986	49	56.5	67.1	23	26.9	17.6	14	16.6	15.3
1987	53	58.4	67.5	23	25.4	17.2	15	16.2	15.3

CRITTENDEN COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	27.0	0.17	11.1	0.28	2.4	0.11
1970	26.9	0.16	8.3	0.24	3.1	0.11
1971	25.1	0.17	13.6	0.44	3.8	0.15
1972	27.2	0.18	12.8	0.38	4.5	0.17
1973	28.1	0.19	18.5	0.55	3.0	0.12
1974	27.5	0.19	20.6	0.61	3.8	0.11
1975	28.2	0.17	8.1	0.27	4.0	0.07
1976	30.7	0.19	12.4	0.44	2.6	0.06
1977	28.6	0.18	15.6	0.53	4.3	0.09
1978	30.6	0.17	6.0	0.21	2.9	0.05
1979	27.9	0.17	16.5	0.57	1.5	0.03
1980	32.0	0.17	6.9	0.24	1.7	0.03
1981	30.1	0.17	15.2	0.42	1.5	0.03
1982	32.4	0.18	9.4	0.28	1.5	0.02
1983	41.7	0.22	-4.8	-0.33	1.4	0.03
1984	39.0	0.23	7.3	0.23	1.3	0.03
1985	29.4	0.14	7.3	0.25	1.5	0.03
1986	28.0	0.14	8.0	0.34	1.5	0.03
1987	27.3	0.14	13.2	0.53	1.0	0.02

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	8.0	0.09	18.9	0.18	9.2	0.15
1970	7.9	0.09	19.0	0.18	9.9	0.15
1971	7.5	0.09	16.9	0.18	8.9	0.15
1972	8.3	0.10	14.5	0.15	8.7	0.15
1973	7.2	0.10	14.3	0.16	7.8	0.15
1974	6.8	0.10	14.5	0.17	7.3	0.14
1975	9.3	0.10	18.4	0.16	9.7	0.14
1976	8.7	0.10	17.8	0.17	8.6	0.14
1977	8.8	0.11	15.6	0.16	8.1	0.14
1978	10.4	0.11	17.9	0.16	9.3	0.14
1979	9.3	0.10	16.2	0.15	8.9	0.14
1980	12.7	0.11	18.3	0.15	10.3	0.13
1981	12.4	0.12	14.8	0.13	10.1	0.14
1982	13.7	0.11	14.0	0.12	11.2	0.14
1983	16.5	0.12	15.2	0.12	12.8	0.15
1984	14.3	0.12	13.1	0.12	10.2	0.13
1985	17.6	0.11	15.7	0.11	12.9	0.13
1986	18.9	0.11	15.5	0.11	12.9	0.13
1987	18.2	0.11	14.1	0.11	12.0	0.13

CRITTENDEN COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	570	18.7	853	28.0	58	1.9
1970	579	18.7	826	26.6	60	1.9
1971	562	17.6	797	24.9	72	2.2
1972	645	20.5	772	24.5	85	2.7
1973	781	23.1	755	22.4	71	2.1
1974	799	23.4	736	21.6	84	2.5
1975	618	19.8	717	22.9	55	1.8
1976	699	20.5	772	22.7	55	1.6
1977	712	20.5	785	22.6	86	2.5
1978	686	19.5	812	23.1	59	1.7
1979	683	20.3	747	22.2	34	1.0
1980	604	19.0	714	22.4	31	1.0
1981	611	19.3	698	22.1	31	1.0
1982	584	19.2	674	22.1	27	0.9
1983	683	21.4	708	22.2	22	0.7
1984	741	22.4	682	20.6	27	0.8
1985	469	15.9	669	22.7	23	0.8
1986	437	15.1	665	22.9	26	0.9
1987	503	16.8	655	21.8	22	0.7

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	331	10.9	519	17.0	233	7.6
1970	350	11.3	501	16.2	244	7.9
1971	373	11.7	540	16.9	252	7.9
1972	372	11.8	454	14.4	259	8.2
1973	384	11.4	501	14.8	269	8.0
1974	376	11.0	532	15.6	278	8.2
1975	377	12.0	551	17.6	287	9.2
1976	433	12.7	626	18.4	289	8.5
1977	453	13.0	618	17.8	295	8.5
1978	467	13.3	620	17.6	307	8.7
1979	448	13.3	614	18.2	318	9.4
1980	453	14.2	604	19.0	304	9.5
1981	492	15.6	541	17.1	328	10.4
1982	510	16.8	467	15.3	317	10.4
1983	534	16.7	483	15.1	303	9.5
1984	554	16.8	527	16.0	295	8.9
1985	533	18.1	501	17.0	316	10.7
1986	546	18.8	497	17.1	301	10.4
1987	573	19.1	489	16.3	310	10.3

CRITTENDEN COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	3,049	\$11,506	\$17,440	.	4.2
1970	3,100	\$11,402	\$17,811	4.9	4.4
1971	3,200	\$12,594	\$18,166	6.7	5.1
1972	3,153	\$13,660	\$18,970	7.0	6.0
1973	3,377	\$14,365	\$19,232	5.8	3.7
1974	3,409	\$14,533	\$19,008	5.1	4.5
1975	3,129	\$12,364	\$18,976	10.1	7.3
1976	3,408	\$13,285	\$19,563	6.4	5.6
1977	3,472	\$14,436	\$20,031	5.5	4.7
1978	3,514	\$12,975	\$20,121	6.7	5.3
1979	3,368	\$14,739	\$20,110	7.3	5.5
1980	3,184	\$12,644	\$19,439	10.4	8.0
1981	3,159	\$13,500	\$19,286	11.0	8.4
1982	3,043	\$12,642	\$18,931	13.8	10.6
1983	3,194	\$11,461	\$18,358	14.7	11.6
1984	3,303	\$13,096	\$19,080	12.9	9.3
1985	2,941	\$11,940	\$18,676	20.1	9.5
1986	2,898	\$12,204	\$18,627	14.9	9.3
1987	3,000	\$12,814	\$18,636	11.9	8.8

POPULATION STATISTICS

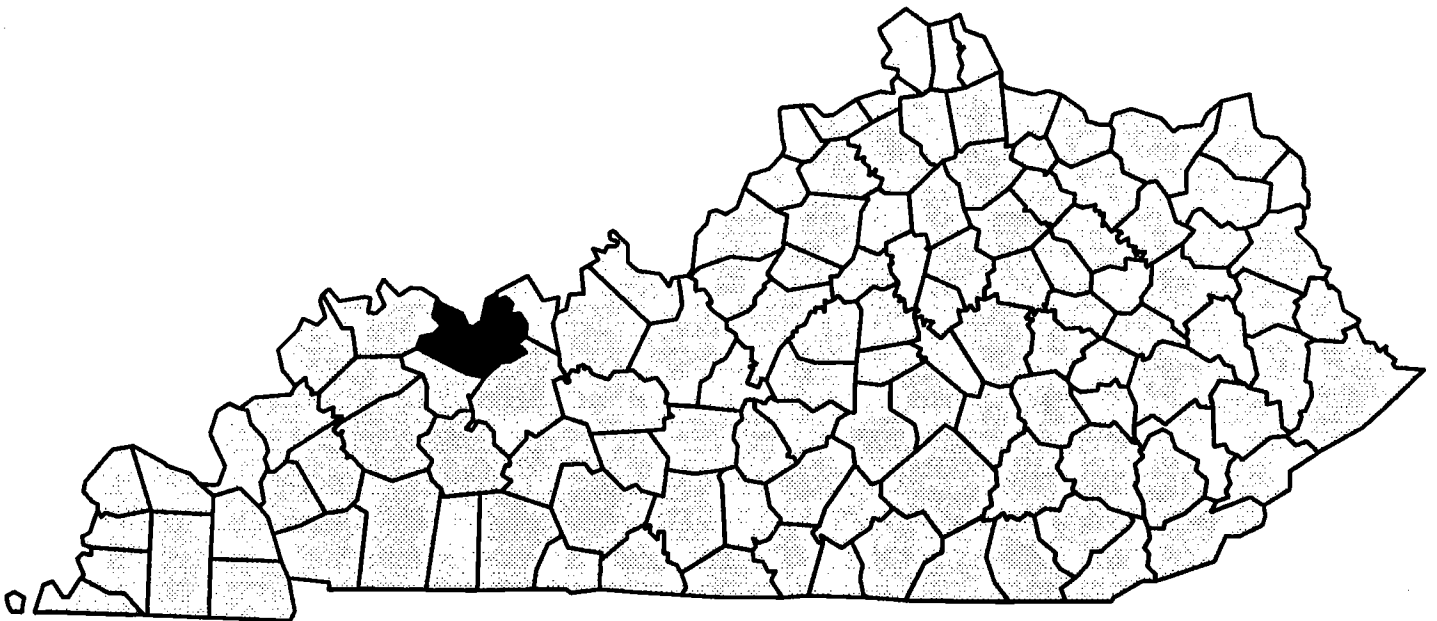
YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	8,500	0.27	.	.	.	.
1970	8,500	0.26	8.3	10.3	23.1	14.8
1971	8,700	0.26	7.9	9.6	23.1	14.8
1972	9,000	0.27	7.3	9.1	22.5	15.0
1973	9,000	0.27	7.2	8.8	22.8	15.2
1974	9,200	0.27	7.0	8.6	22.7	15.3
1975	8,900	0.26	7.1	8.4	23.7	15.4
1976	9,000	0.25	7.1	8.2	23.6	15.5
1977	9,100	0.25	7.3	8.4	23.6	15.5
1978	9,100	0.25	7.5	8.5	23.7	15.6
1979	9,200	0.25	7.6	8.7	23.7	15.8
1980	9,200	0.25	7.9	9.2	22.6	15.4
1981	9,200	0.25	7.8	9.3	22.5	15.5
1982	9,000	0.24	7.9	9.2	22.6	15.7
1983	9,000	0.24	8.1	9.2	22.5	15.9
1984	9,100	0.24	8.0	9.0	22.4	16.1
1985	9,000	0.24	7.7	8.9	22.0	16.3
1986	8,700	0.23	7.6	8.6	22.4	16.5
1987	8,700	0.23	.	.	.	.





ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

DAVIESS COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990

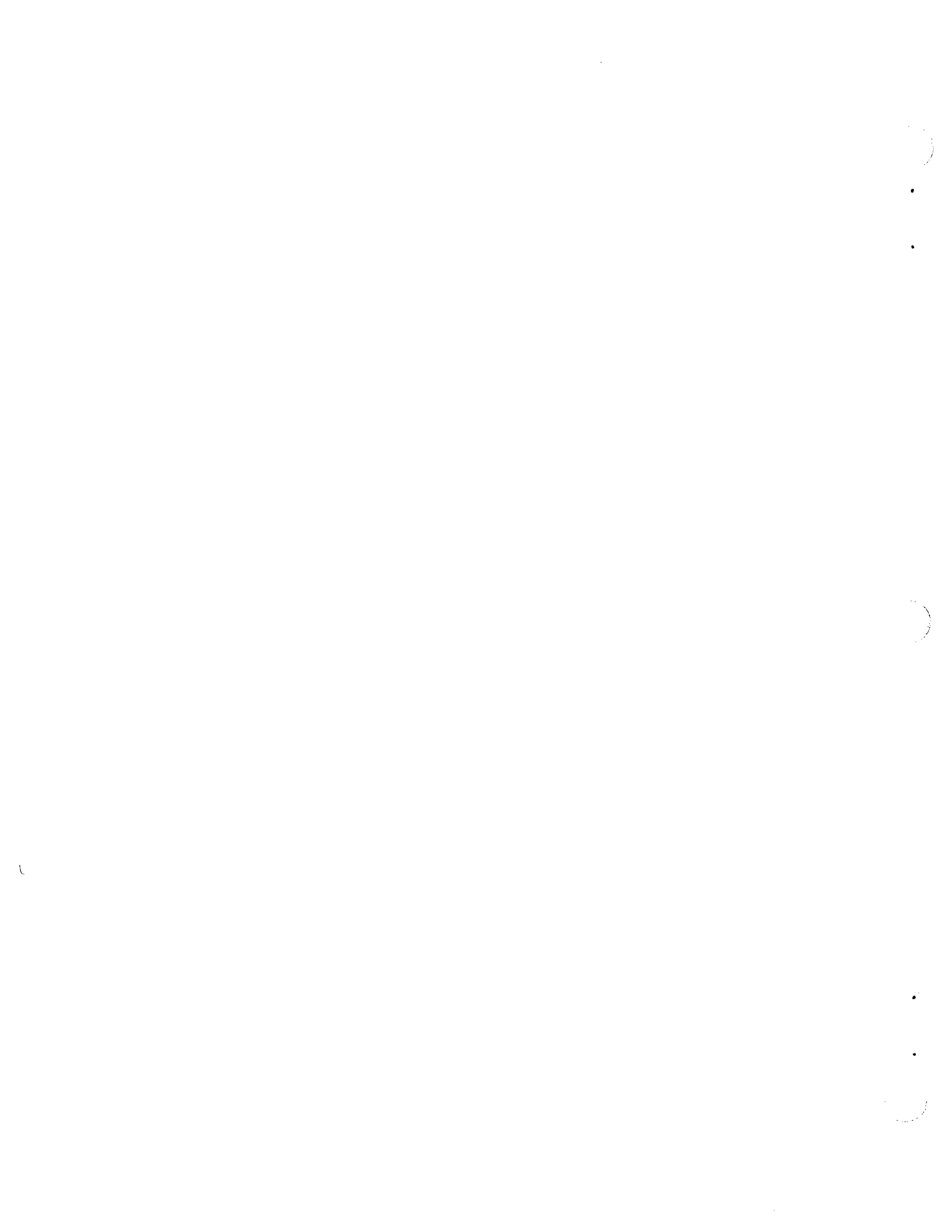
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1990

ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

DAVIESS COUNTY

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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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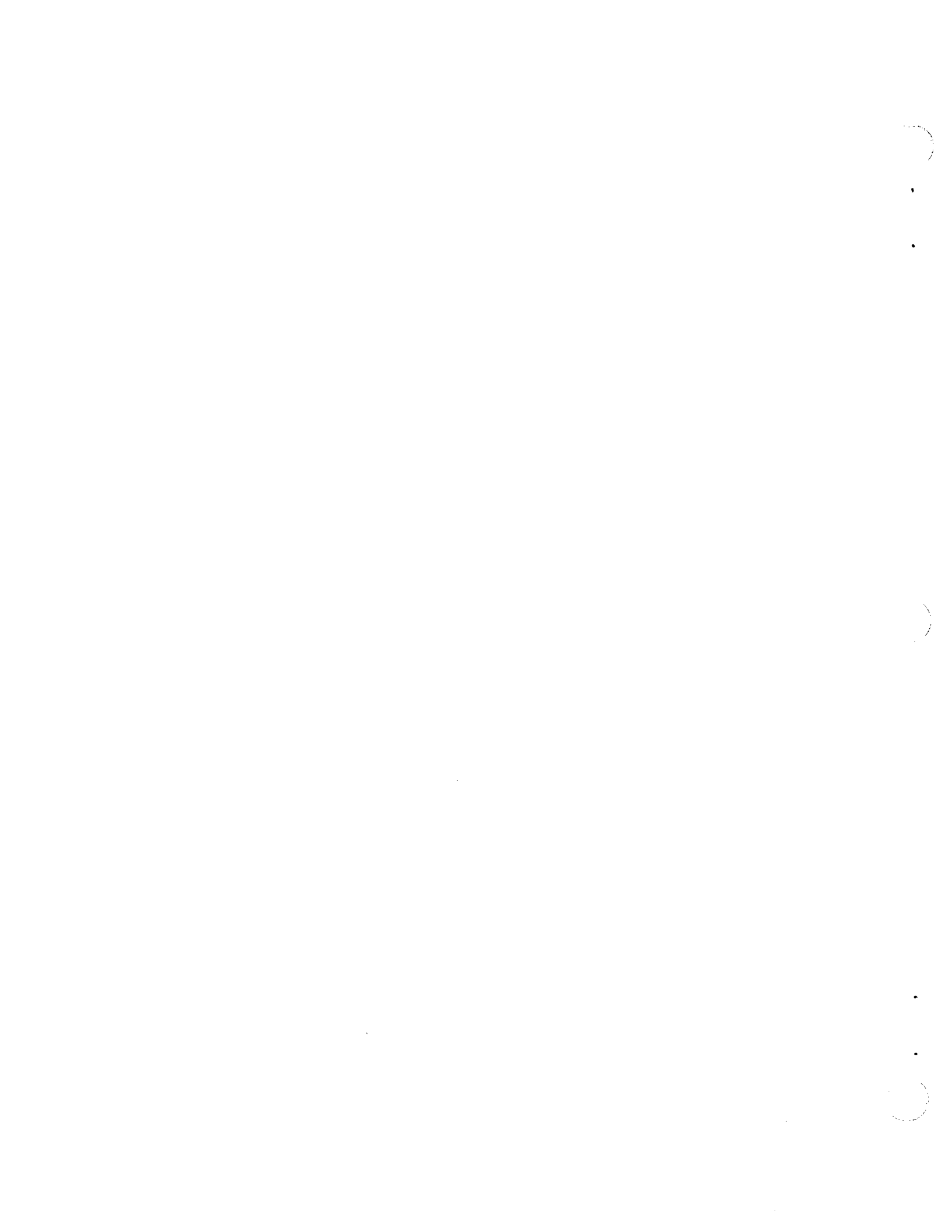
SUMMARY

The Daviess County economy, as measured by personal income, grew strongly in the 1970's and was relatively constant in the 1980's. Daviess County increased its share of Kentucky personal income in the mid-1970's and decreased its share in the 1980's.

The county economy was heavily impacted by the manufacturing sector. While the manufacturing sector was the primary source of earnings in Daviess County, earnings and employment from this sector declined substantially. The county's share of earnings and employment from farming declined through most of the period. The mining sector's share of employment and earnings was minimal. At the state level, the shares of these sectors declined.

The non-goods-producing sectors of services, trade, and state and local government experienced growth at the county level. At the state level, the services and trade sectors increased, while the state and local government sector was constant.

Goods-producing industries, especially durables manufacturing, tend to be very sensitive to economic fluctuations and market competition. The non-goods-producing sectors tend to be more resilient during periods of economic decline. The long-term economic outlook at the state and national levels is for continued increase in these latter sectors, especially the service sector. Future economic growth in Daviess County would be enhanced by further growth in such sectors.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the Daviess County economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

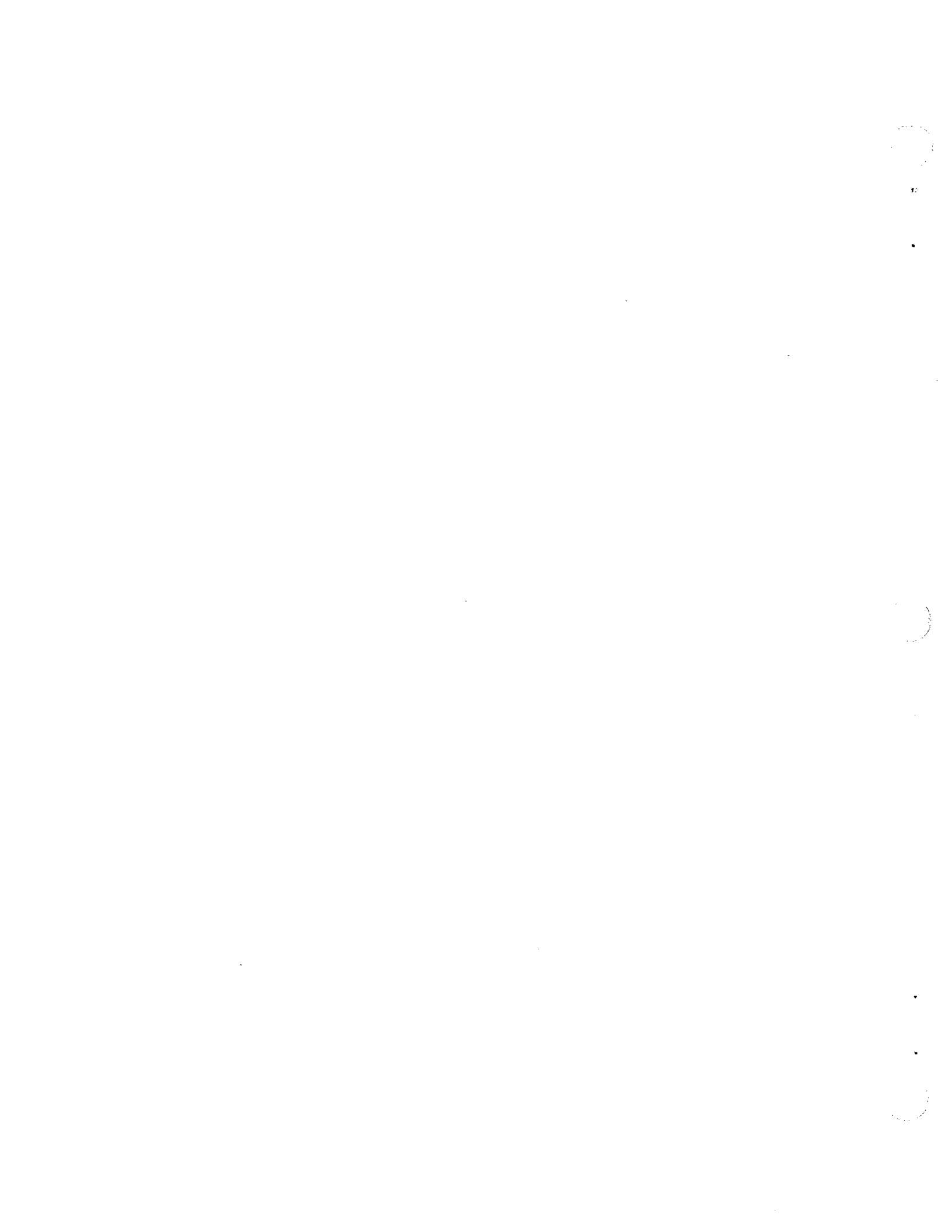
A second question concerns the structure and nature of the Daviess County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Daviess County economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing, if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



ECONOMIC TRENDS IN DAVIESS COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Daviess County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Also, because coal production has been an important component in the Kentucky economy and in many local economies, the coal sector is analyzed in counties which have a history of coal production.

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. Included are earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

The Daviess County economy experienced significant growth during the period. As can be seen in Chart 1A, the size of the Daviess County economy, as measured by real personal income, increased from \$740 million in 1969 to \$1,173 million in 1987, after adjusting for inflation. Chart 1B shows Daviess County total personal income as a percent of Kentucky total personal income. Daviess County's share of Kentucky personal income fluctuated during the period.

A similar pattern emerges from an examination of per capita personal income (Charts 1C and 1D). Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Daviess County per capita income generally increased over the time period to a level of \$13,310 in 1987, when it was 106.5 percent of the Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$585 million in 1969 to a high of \$825 million in 1979, then declined to \$788 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income declined over the period. Earnings accounted for 67.2 percent of Daviess County's total personal income in 1987, compared to Kentucky's 67.5 percent share.

Transfer payments contributed \$68 million to total personal income in 1969 and \$184 million in 1987. Transfer payments contributed a smaller percentage of personal income in Daviess County than in Kentucky. In 1987, 15.7 percent of Daviess County personal income was derived from transfer payments, less than the 17.2 percent for the state.

Income from property in Daviess County grew rapidly in the 1970's, and more slowly in the 1980's. Income from property totalled \$87 million in 1969 and increased to \$201 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wage and salary income and proprietor's income. Earnings from goods-producing sectors are presented in Chart 3A. In 1969, Daviess County received 33.8 percent of its earnings from manufacturing. This percentage decreased to 19.1 percent in 1987. Earnings from farming were minimal through most of this period and accounted for 1.4 percent in 1987. The percent of earnings from mining increased from 2.7 percent in 1969 to 5.1 percent in 1981, then declined to 3.4 percent in 1987. At the state level, the percent of earnings from these sectors declined during the period.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services increased from 13.7 percent in 1969 to 22.2 percent in 1987. The percentage of earnings from the trade sector increased slightly and accounted for 17.2 percent in 1987. The share from state and local government increased and was 11.8 percent in 1987. At the state level, the share of earnings from services increased, while the shares from trade and state and local government was constant.

Average earnings per job (adjusted for inflation) for Daviess County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since this time average earnings per job have declined and in 1987 they were \$18,636 per person. Similarly, in Daviess County earnings per job peaked in 1979 at an average \$19,554. Since this time, average earnings decreased to a level of \$17,381 in 1987, below the Kentucky average.

Employment

Employment is considered to be any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Daviess County increased during the data period. In 1969, total employment stood at 35,986 people. By 1987, employment had increased to 43,985 people.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Daviess County are presented in Chart 4B. Daviess County unemployment rates followed trends in Kentucky rates. In 1987, the county unemployment rate was 10.6, compared to 8.8 for the state.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately 4 percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of Daviess County total employment in manufacturing decreased over the time period. Manufacturing represented 26.9 percent of total employment in 1969. This share decreased to 12.8 percent in 1987. The farm sector's share of employment declined from 7.4 percent in 1969 to 4.5 percent in 1987. These trends parallel those of the state.

The county's share of mining employment increased slightly, and accounted for 4.1 percent in 1987. This is unlike the state trend, where the share of mining employment declined.

Daviess County employment in the non-goods-producing industries paralleled state trends (Chart 4D). Employment in the service sector as a percent of total employment increased from 18.6 percent in 1969 to 24.5 percent in 1987. The percent of employment in trade increased from 17.5 percent in 1969 to 22.4 percent in 1987. The percent of employment in state and local government remained relatively stable and accounted for 10.5 percent in 1987.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years.

The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Daviess County.

The Daviess County population grew from 78,600 in 1969 to 88,100 in 1987. In 1986, 9.5 percent of Daviess County's population was under six years of age, compared to 8.6 percent for the state. In the same year, 16.4 percent of the Daviess County population were sixty years of age or over, compared to 16.5 percent of all Kentucky residents in this age group.

Coal

The coal sector provides significant income and employment to the Kentucky economy. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. While mining employment and earnings are a small percent of their respective totals for Daviess County, coal production has been a nontrivial sector of the county economy.

Daviess County coal production patterns are presented in Chart 6A. Coal production is estimated by the Energy Information Administration of the U.S. Department of Energy. Estimates of production are calculated from a sample of coal shipments from each county. Coal production was erratic during the period. In 1986, 1,192 thousand tons of coal was mined in Daviess County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. Employment increased steadily in the 1970's and 1980's to 2,280 in 1984, then declined to 1,808 by 1987.

The average value per ton for coal is illustrated in Chart 6C. Similar to patterns for the national coal market, average value per ton increased in the 1970's, then declined during the 1980's.

Coal severance tax receipts are presented in Chart 6D. The Kentucky Revenue Cabinet collects severance taxes on processed coal. Receipts are then allocated to counties, based on the value of the coal mined in the county and the value attributed to any processing done in the county. Therefore, trends in severance tax collections may not exactly parallel those of the coal production figures in Chart 6A. Severance tax collections were cyclical over the period. In 1986, coal severance tax collections allocated to Daviess County totalled \$1.75 million.

CHART 1A
 DAVIESS COUNTY
 REAL PERSONAL INCOME
 Millions of 1988 dollars

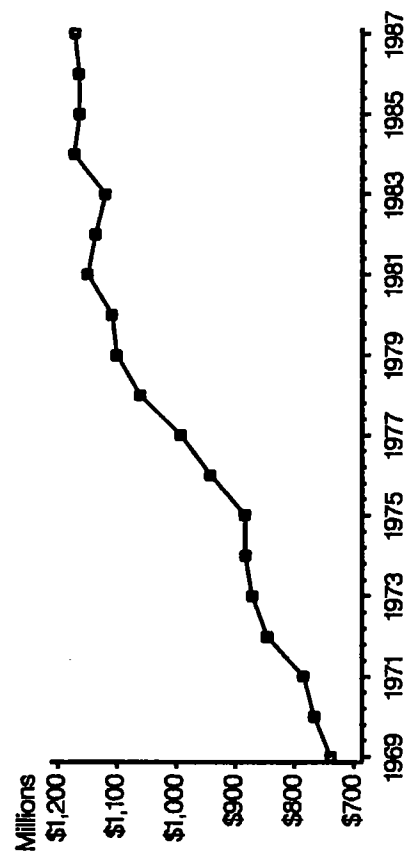


CHART 1B
 DAVIESS COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

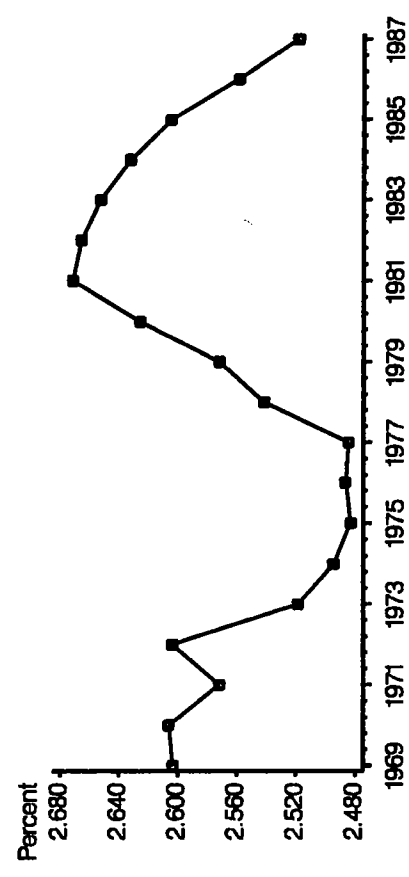


CHART 1C
 DAVIESS COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

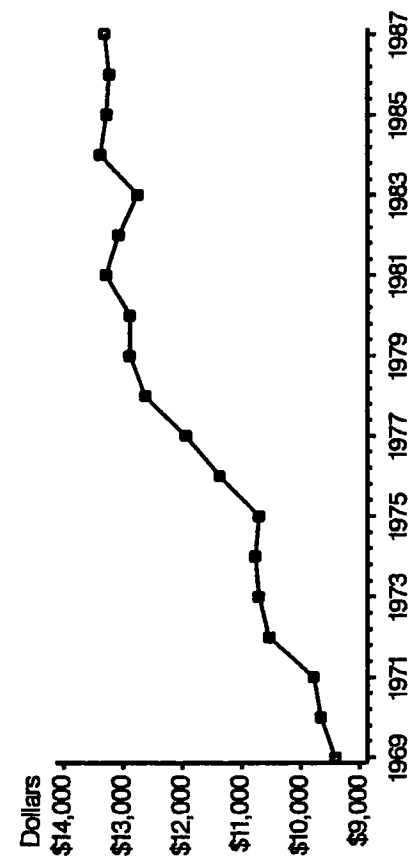


CHART 1D
 DAVIESS COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

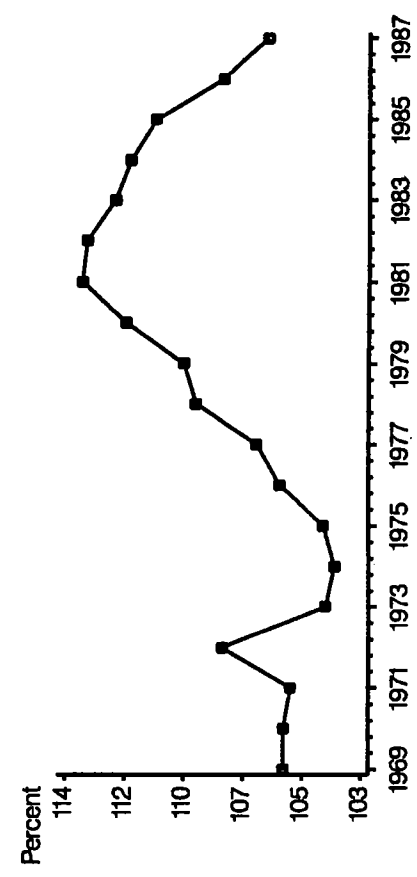


CHART 2A

DAVISS COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

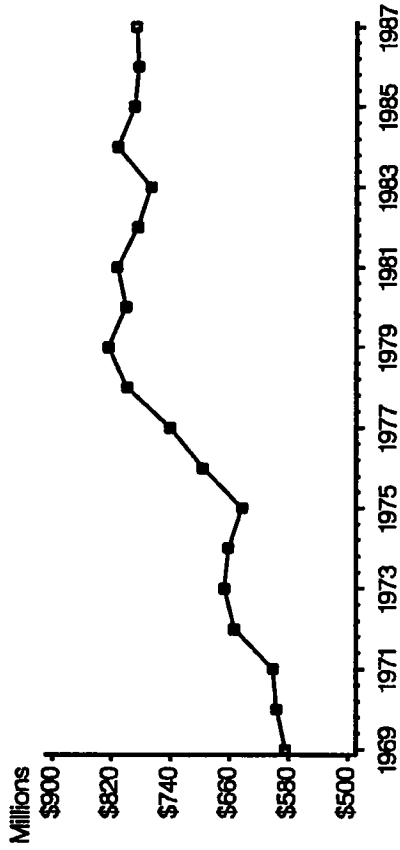


CHART 2B

DAVISS COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

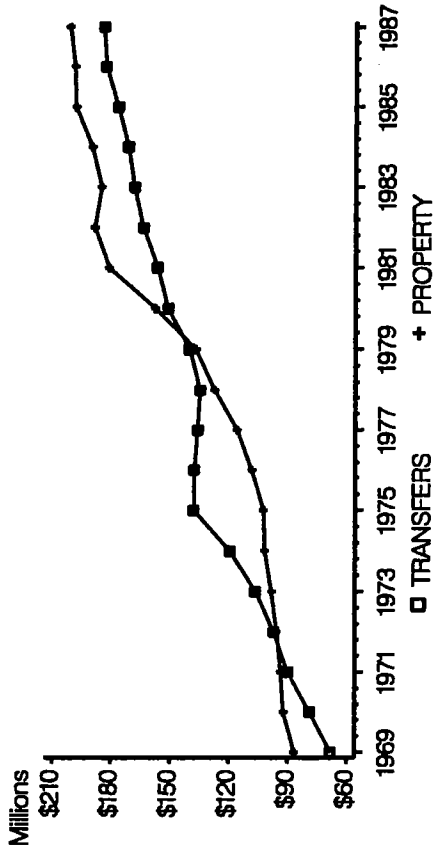


CHART 2C

DAVISS COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

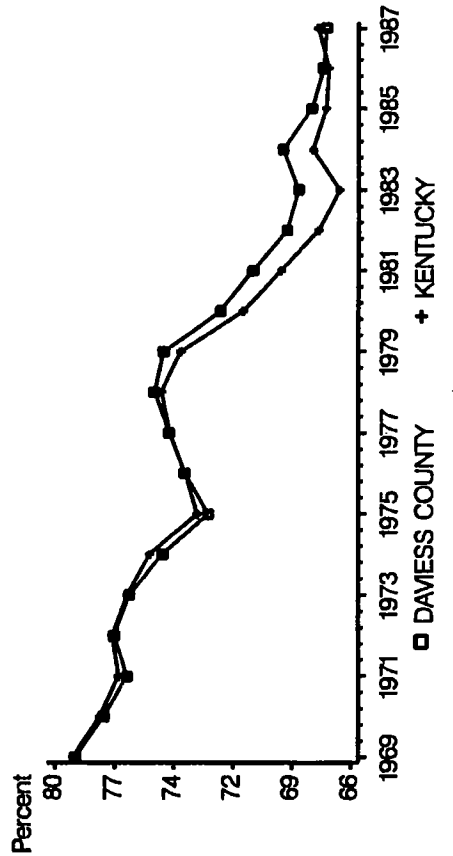


CHART 2D

DAVISS COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

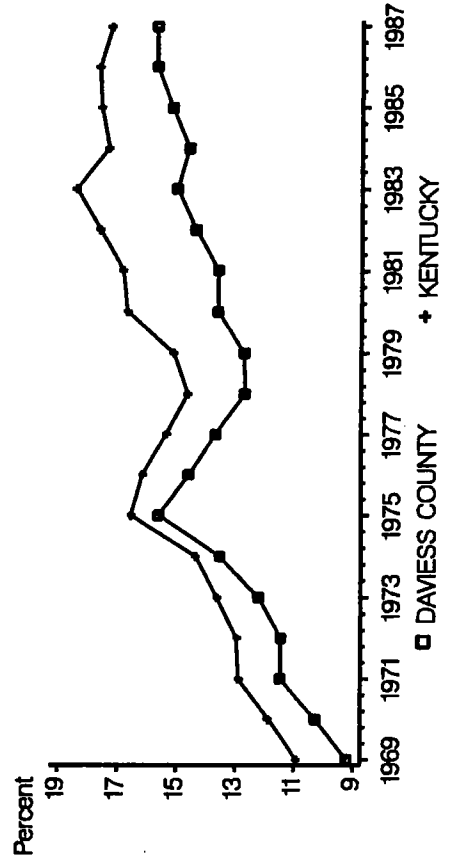


CHART 3A

DAVISS COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

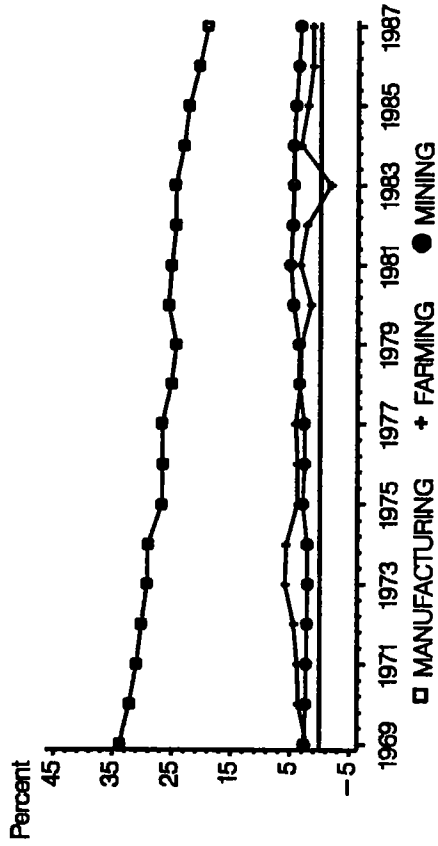


CHART 3B

DAVISS COUNTY

EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

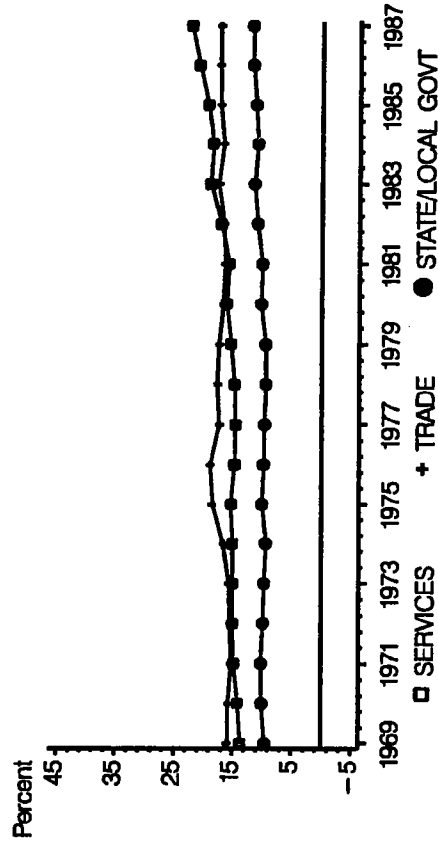


CHART 3C

DAVISS COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

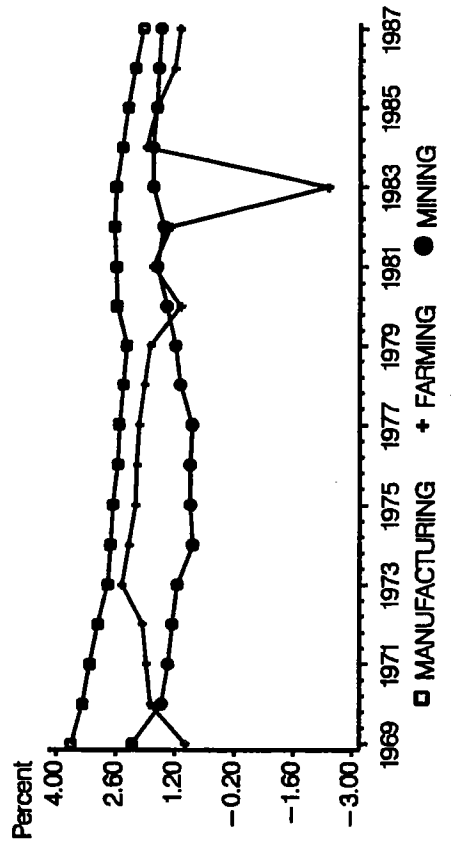


CHART 3D

DAVISS COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

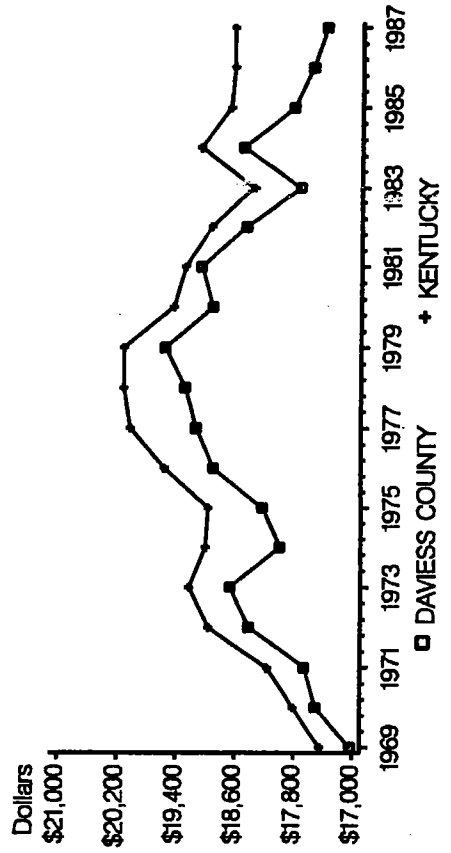


CHART 4A
DAVISS COUNTY
TOTAL EMPLOYMENT
Thousands of People

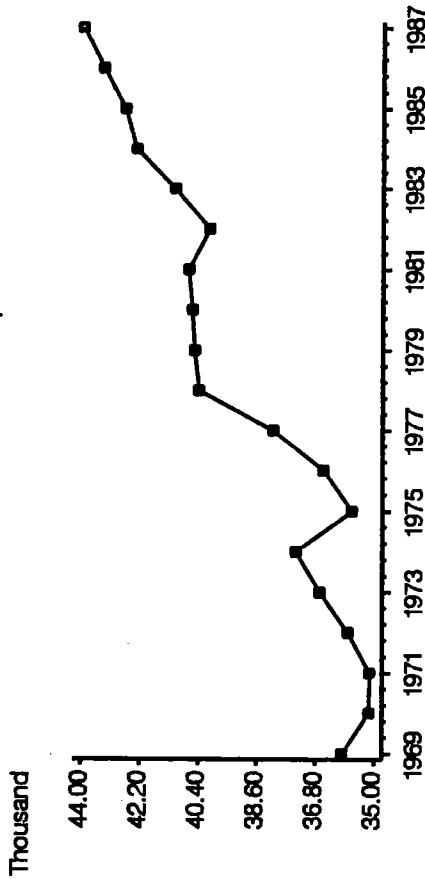


CHART 4B
DAVISS COUNTY
ANNUAL UNEMPLOYMENT RATE

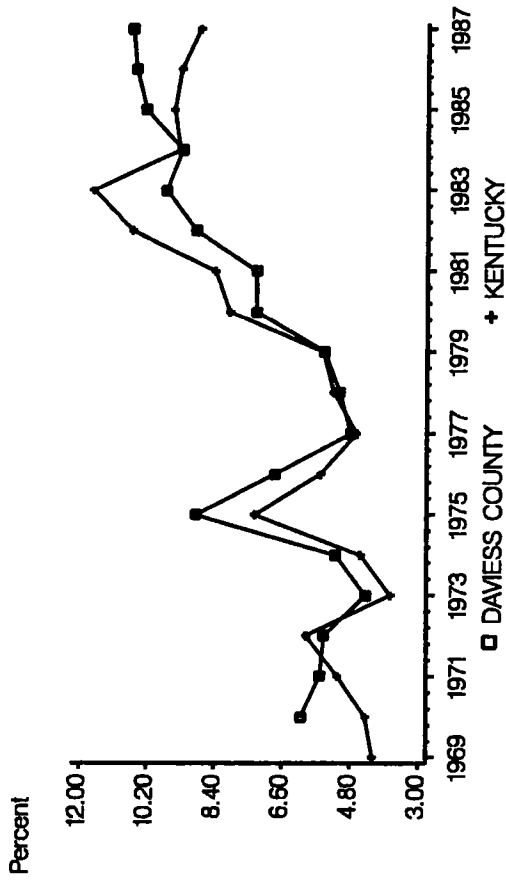


CHART 4C
DAVISS COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

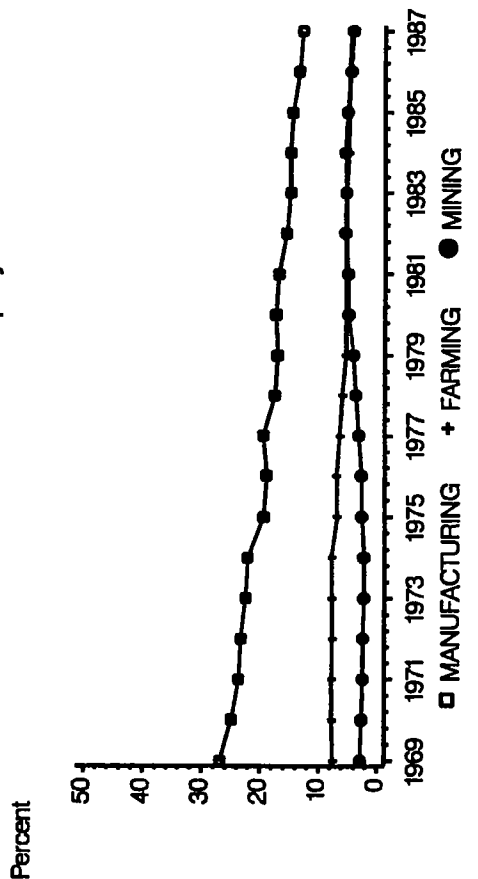


CHART 4D
DAVISS COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

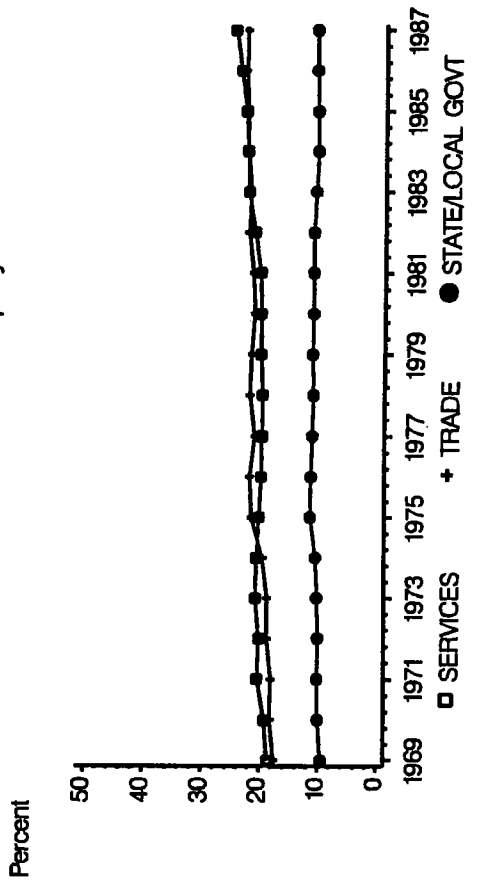


CHART 5A
 DAVIESS COUNTY
 POPULATION
 Thousands of People

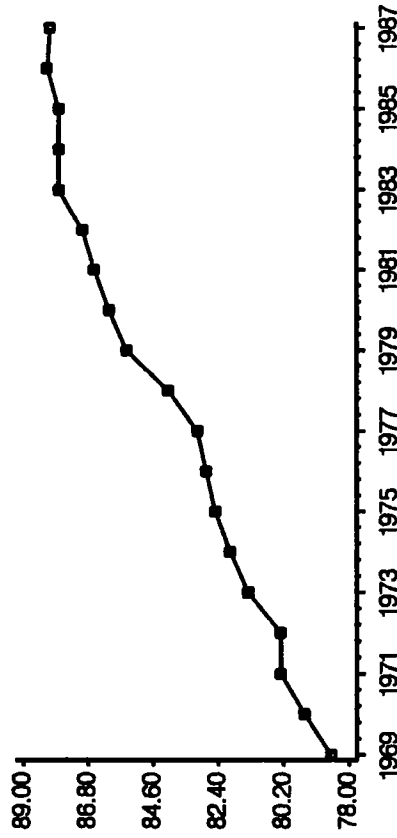


CHART 5B
 DAVIESS COUNTY
 POPULATION
 as a Percent of Kentucky Population



CHART 5C
 DAVIESS COUNTY
 POPULATION 5 AND UNDER
 as a Percent of Total Population

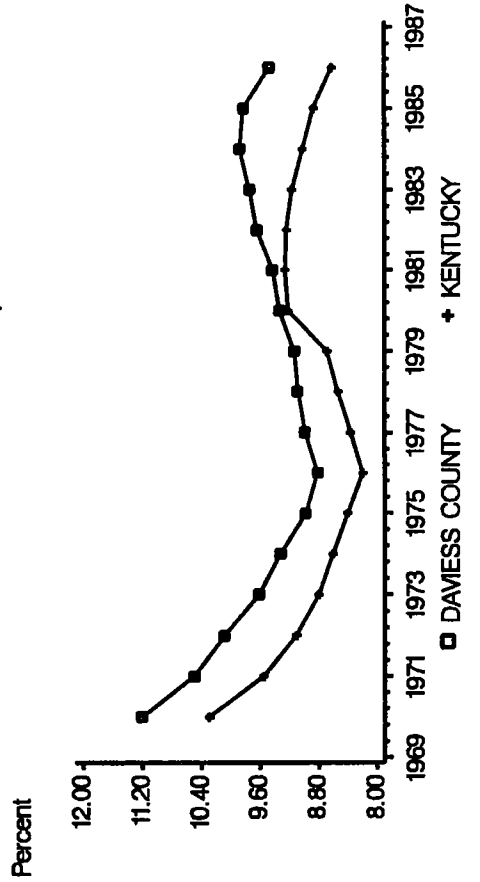


CHART 5D
 DAVIESS COUNTY
 POPULATION 60 AND OVER
 as a Percent of Total Population

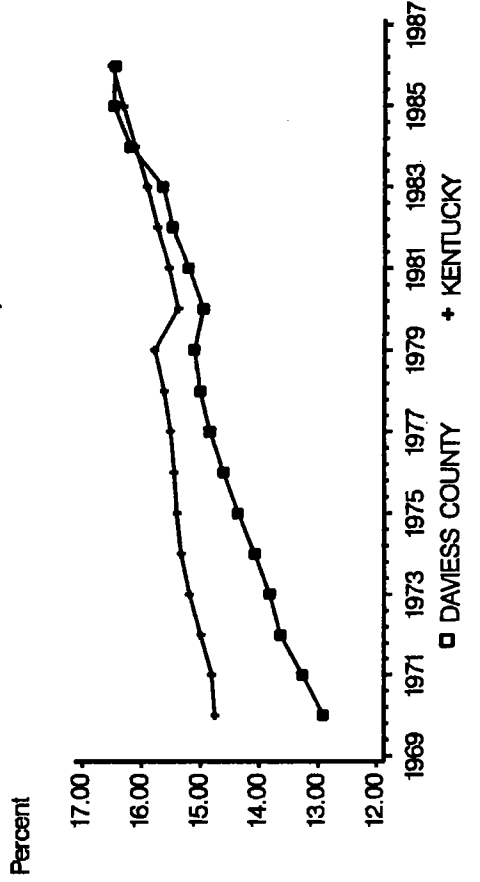


CHART 6A
DAVISS COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
Thousands of Tons

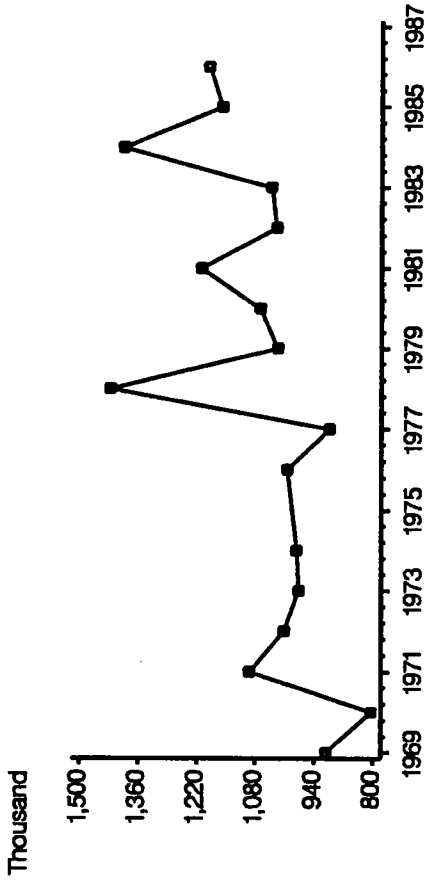


CHART 6B
DAVISS COUNTY
MINING EMPLOYMENT
Thousands of People

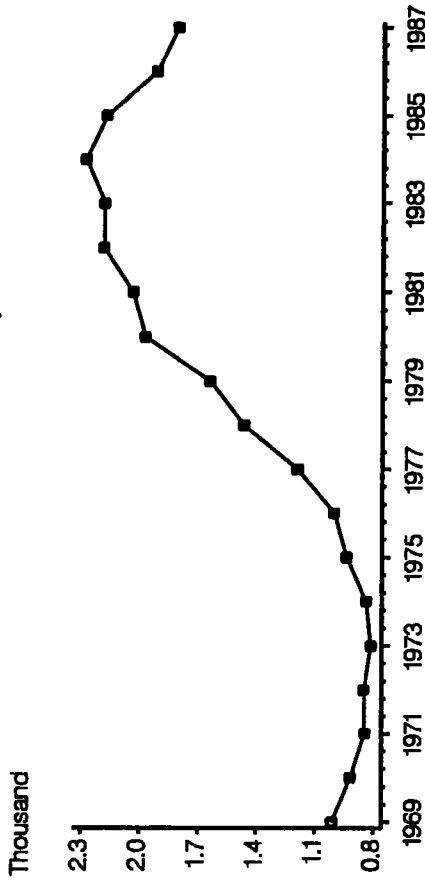


CHART 6C
DAVISS COUNTY
AVERAGE VALUE PER TON FOR COAL
Constant 1988 Dollars

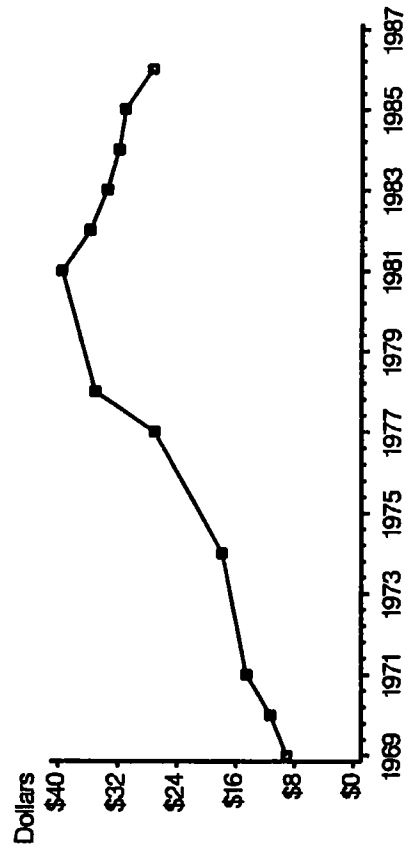
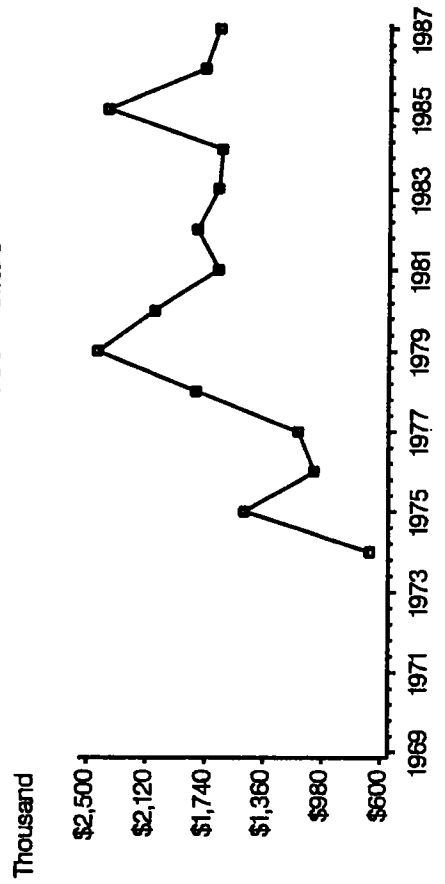


CHART 6D
DAVISS COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
Thousands of 1988 Dollars



DAVISS COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	740	2.60	9,410	105.9
1970	767	2.61	9,652	105.9
1971	785	2.57	9,777	105.6
1972	847	2.60	10,541	108.2
1973	872	2.52	10,711	104.3
1974	883	2.49	10,773	104.0
1975	884	2.48	10,713	104.4
1976	942	2.49	11,384	106.0
1977	993	2.48	11,948	106.9
1978	1,062	2.54	12,626	109.2
1979	1,102	2.57	12,888	109.6
1980	1,110	2.63	12,887	111.7
1981	1,151	2.67	13,286	113.4
1982	1,138	2.67	13,075	113.2
1983	1,121	2.65	12,763	112.1
1984	1,174	2.63	13,379	111.6
1985	1,165	2.60	13,273	110.6
1986	1,167	2.56	13,233	108.1
1987	1,173	2.52	13,310	106.5

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	585	79.0	79.2	68	9.2	10.9	87	11.7	9.9
1970	596	77.7	77.9	79	10.3	11.9	92	12.0	10.2
1971	602	76.6	77.0	90	11.5	12.9	94	11.9	10.1
1972	654	77.2	77.3	97	11.5	12.9	96	11.3	9.7
1973	667	76.5	76.6	107	12.2	13.6	98	11.3	9.7
1974	662	74.9	75.5	120	13.5	14.4	102	11.5	10.1
1975	643	72.8	73.3	138	15.6	16.5	103	11.6	10.1
1976	696	73.9	73.9	138	14.6	16.1	108	11.5	10.0
1977	741	74.6	74.6	136	13.7	15.3	116	11.7	10.1
1978	800	75.3	75.0	135	12.7	14.6	127	12.0	10.4
1979	825	74.9	74.1	140	12.7	15.1	137	12.4	10.8
1980	801	72.2	71.1	151	13.6	16.7	158	14.2	12.2
1981	813	70.7	69.3	157	13.6	16.8	181	15.7	13.8
1982	785	69.0	67.5	164	14.4	17.6	188	16.6	14.9
1983	768	68.5	66.6	168	15.0	18.4	185	16.5	15.1
1984	813	69.2	67.8	171	14.6	17.3	190	16.2	14.9
1985	790	67.8	67.2	177	15.2	17.6	198	17.0	15.3
1986	785	67.3	67.1	183	15.7	17.6	199	17.0	15.3
1987	788	67.2	67.5	184	15.7	17.2	201	17.2	15.3

DAVIESS COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	33.8	3.64	2.2	0.96	2.7	2.21
1970	32.1	3.37	3.6	1.78	2.4	1.52
1971	30.9	3.20	3.8	1.87	2.3	1.37
1972	30.1	3.01	4.4	1.97	2.1	1.27
1973	29.2	2.79	5.8	2.46	2.1	1.15
1974	29.1	2.72	5.7	2.29	2.1	0.79
1975	26.7	2.67	3.8	2.14	2.9	0.84
1976	26.6	2.55	3.8	2.11	2.6	0.85
1977	26.8	2.51	4.1	2.05	2.7	0.80
1978	25.2	2.42	3.3	1.92	3.5	1.08
1979	24.4	2.34	3.2	1.78	3.6	1.19
1980	25.7	2.58	1.6	1.07	4.5	1.40
1981	25.2	2.59	3.4	1.72	5.1	1.62
1982	24.5	2.64	2.3	1.31	4.7	1.48
1983	24.6	2.60	-1.8	-2.44	4.5	1.72
1984	23.1	2.45	3.3	1.88	4.6	1.73
1985	22.3	2.32	2.2	1.64	4.2	1.63
1986	20.6	2.15	1.3	1.21	3.7	1.59
1987	19.1	1.96	1.4	1.10	3.4	1.54

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	13.7	2.73	15.8	2.65	9.5	2.75
1970	14.1	2.78	15.7	2.54	10.0	2.73
1971	14.8	2.81	15.2	2.43	10.1	2.64
1972	15.0	2.89	15.4	2.48	9.8	2.61
1973	15.0	2.86	15.7	2.47	9.6	2.57
1974	15.1	2.87	16.6	2.59	9.4	2.50
1975	15.3	2.73	18.4	2.70	10.1	2.46
1976	14.7	2.60	18.8	2.76	9.8	2.42
1977	14.5	2.61	17.3	2.64	9.6	2.41
1978	14.7	2.67	17.7	2.68	9.5	2.40
1979	15.4	2.75	17.3	2.64	9.5	2.35
1980	16.1	2.73	16.7	2.63	10.2	2.48
1981	15.6	2.66	16.4	2.72	10.1	2.51
1982	17.0	2.69	16.6	2.65	10.9	2.57
1983	18.8	2.77	17.4	2.72	11.4	2.60
1984	18.4	2.76	16.6	2.71	10.9	2.59
1985	19.3	2.68	17.2	2.68	11.2	2.53
1986	20.8	2.66	17.3	2.67	11.7	2.54
1987	22.2	2.68	17.2	2.61	11.8	2.49

DAVIESS COUNTY
COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	9,680	26.9	2,678	7.4	1,013	2.8
1970	8,758	24.9	2,687	7.6	918	2.6
1971	8,294	23.6	2,689	7.7	844	2.4
1972	8,333	23.3	2,705	7.6	849	2.4
1973	8,227	22.4	2,782	7.6	814	2.2
1974	8,249	22.1	2,859	7.6	838	2.2
1975	6,909	19.4	2,412	6.8	939	2.6
1976	6,900	18.9	2,508	6.9	1,005	2.7
1977	7,405	19.4	2,403	6.3	1,193	3.1
1978	7,079	17.5	2,386	5.9	1,466	3.6
1979	6,927	17.1	2,168	5.3	1,641	4.0
1980	7,022	17.3	2,164	5.3	1,973	4.9
1981	6,869	16.9	2,166	5.3	2,036	5.0
1982	6,242	15.6	2,102	5.2	2,187	5.5
1983	6,131	14.9	2,164	5.3	2,184	5.3
1984	6,299	14.9	2,065	4.9	2,280	5.4
1985	6,208	14.5	2,002	4.7	2,174	5.1
1986	5,804	13.4	2,063	4.8	1,916	4.4
1987	5,649	12.8	1,977	4.5	1,808	4.1

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	6,688	18.6	6,307	17.5	3,379	9.4
1970	6,716	19.1	6,391	18.2	3,500	10.0
1971	7,144	20.3	6,335	18.0	3,538	10.1
1972	7,184	20.1	6,709	18.7	3,574	10.0
1973	7,588	20.7	6,873	18.7	3,734	10.2
1974	7,667	20.5	7,300	19.5	3,900	10.4
1975	7,192	20.2	7,647	21.4	4,068	11.4
1976	7,243	19.8	7,949	21.7	4,121	11.3
1977	7,498	19.7	7,960	20.9	4,207	11.0
1978	7,914	19.6	8,782	21.7	4,397	10.9
1979	8,071	19.9	8,717	21.5	4,495	11.1
1980	8,092	19.9	8,520	21.0	4,441	10.9
1981	8,176	20.1	8,699	21.4	4,477	11.0
1982	8,440	21.1	8,855	22.1	4,398	11.0
1983	9,104	22.1	8,959	21.8	4,365	10.6
1984	9,439	22.3	9,417	22.2	4,347	10.3
1985	9,635	22.6	9,566	22.4	4,415	10.3
1986	10,184	23.5	9,801	22.6	4,552	10.5
1987	10,757	24.5	9,867	22.4	4,602	10.5

DAVIESS COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	35,986	\$17,032	\$17,440	.	4.2
1970	35,152	\$17,497	\$17,811	6.1	4.4
1971	35,133	\$17,652	\$18,166	5.6	5.1
1972	35,806	\$18,411	\$18,970	5.5	6.0
1973	36,670	\$18,667	\$19,232	4.4	3.7
1974	37,405	\$18,000	\$19,008	5.2	4.5
1975	35,686	\$18,235	\$18,976	8.9	7.3
1976	36,563	\$18,906	\$19,563	6.8	5.6
1977	38,113	\$19,142	\$20,031	4.8	4.7
1978	40,400	\$19,291	\$20,121	5.1	5.3
1979	40,541	\$19,554	\$20,110	5.5	5.5
1980	40,610	\$18,917	\$19,439	7.3	8.0
1981	40,726	\$19,076	\$19,286	7.3	8.4
1982	40,081	\$18,457	\$18,931	8.9	10.6
1983	41,146	\$17,724	\$18,358	9.7	11.6
1984	42,343	\$18,502	\$19,080	9.3	9.3
1985	42,695	\$17,822	\$18,676	10.2	9.5
1986	43,353	\$17,560	\$18,627	10.5	9.3
1987	43,985	\$17,381	\$18,636	10.6	8.8

POPULATION STATISTICS

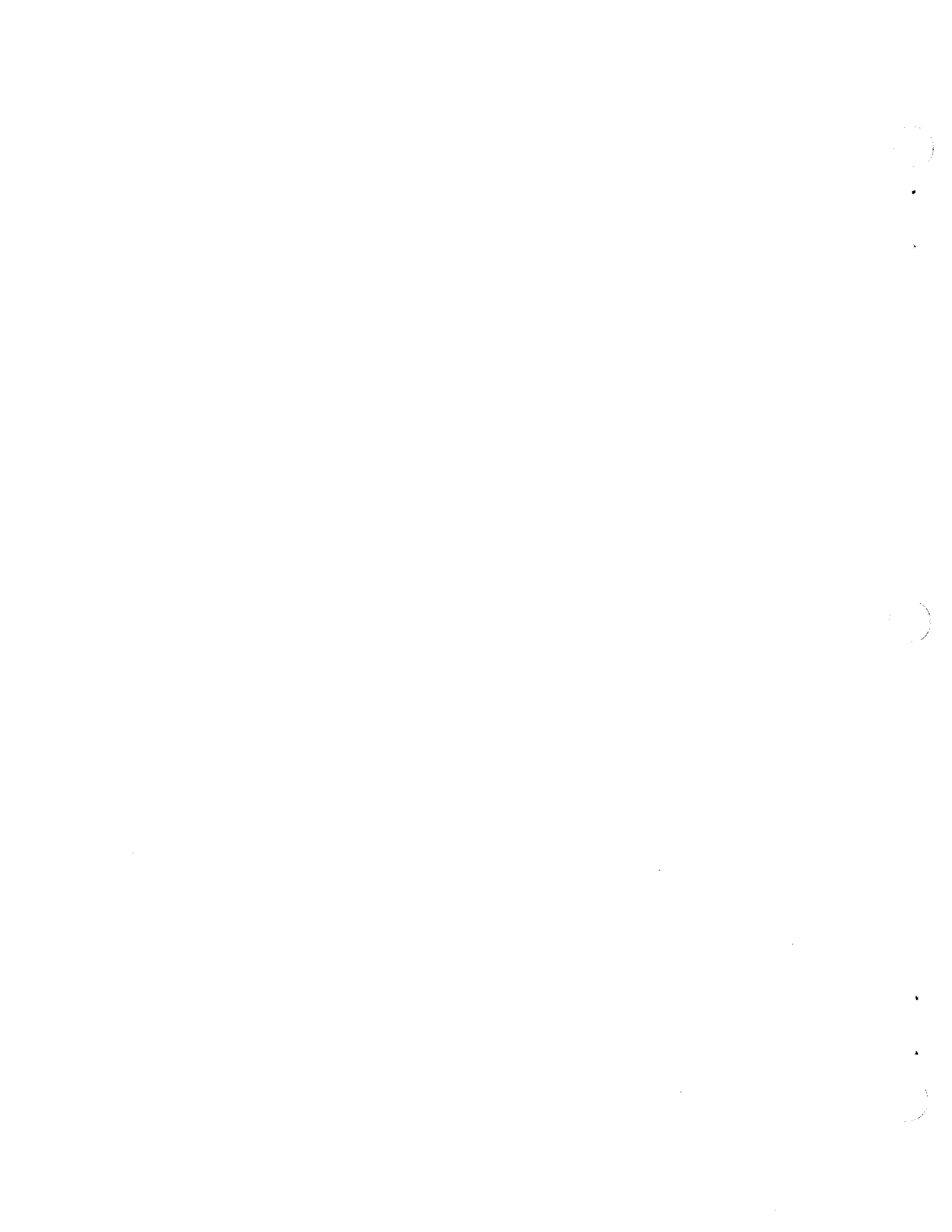
YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	78,600	2.46	.	.	.	.
1970	79,500	2.46	11.2	10.3	12.9	14.8
1971	80,300	2.43	10.5	9.6	13.3	14.8
1972	80,300	2.41	10.1	9.1	13.6	15.0
1973	81,400	2.41	9.6	8.8	13.8	15.2
1974	82,000	2.40	9.3	8.6	14.1	15.3
1975	82,500	2.38	9.0	8.4	14.4	15.4
1976	82,800	2.35	8.8	8.2	14.6	15.5
1977	83,100	2.32	9.0	8.4	14.8	15.5
1978	84,100	2.33	9.1	8.5	15.0	15.6
1979	85,500	2.35	9.1	8.7	15.1	15.8
1980	86,100	2.35	9.3	9.2	15.0	15.4
1981	86,600	2.36	9.4	9.3	15.2	15.5
1982	87,000	2.36	9.6	9.2	15.5	15.7
1983	87,800	2.36	9.7	9.2	15.6	15.9
1984	87,800	2.36	9.9	9.0	16.2	16.1
1985	87,800	2.35	9.8	8.9	16.5	16.3
1986	88,200	2.37	9.5	8.6	16.4	16.5
1987	88,100	2.36	.	.	.	.

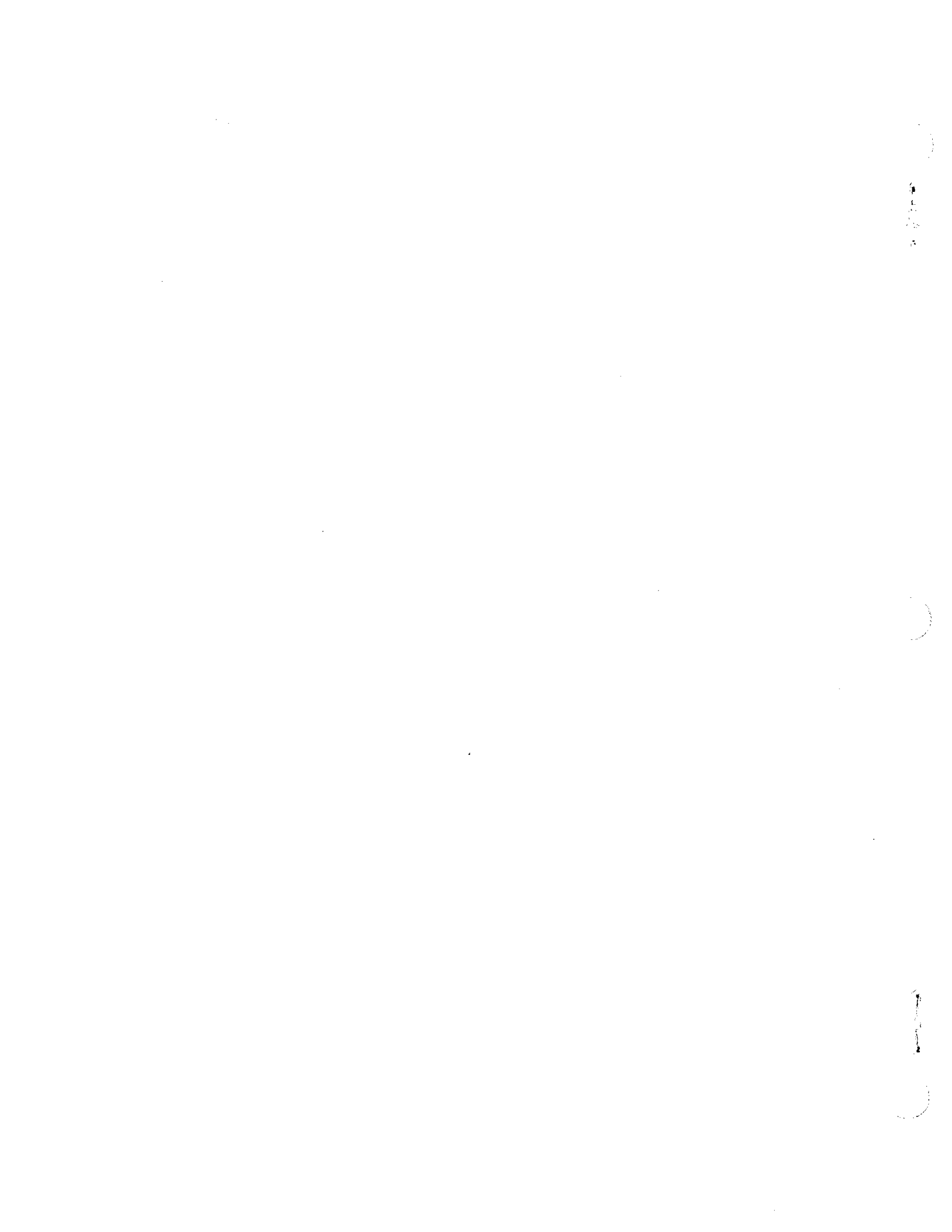
DAVIESS COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	912	1,013	\$9.11	.
1970	804	918	\$11.35	.
1971	1,094	844	\$14.56	.
1972	1,012	849	.	.
1973	977	814	.	.
1974	982	838	\$17.88	\$675
1975	.	939	.	\$1,487
1976	1,005	1,005	.	\$1,035
1977	904	1,193	\$27.03	\$1,142
1978	1,427	1,466	\$35.00	\$1,800
1979	1,028	1,641	.	\$2,432
1980	1,070	1,973	.	\$2,069
1981	1,210	2,036	\$39.48	\$1,663
1982	1,031	2,187	\$35.71	\$1,798
1983	1,043	2,184	\$33.45	\$1,663
1984	1,395	2,280	\$31.90	\$1,639
1985	1,161	2,174	\$31.01	\$2,370
1986	1,192	1,916	\$27.27	\$1,751
1987	.	1,808	.	.

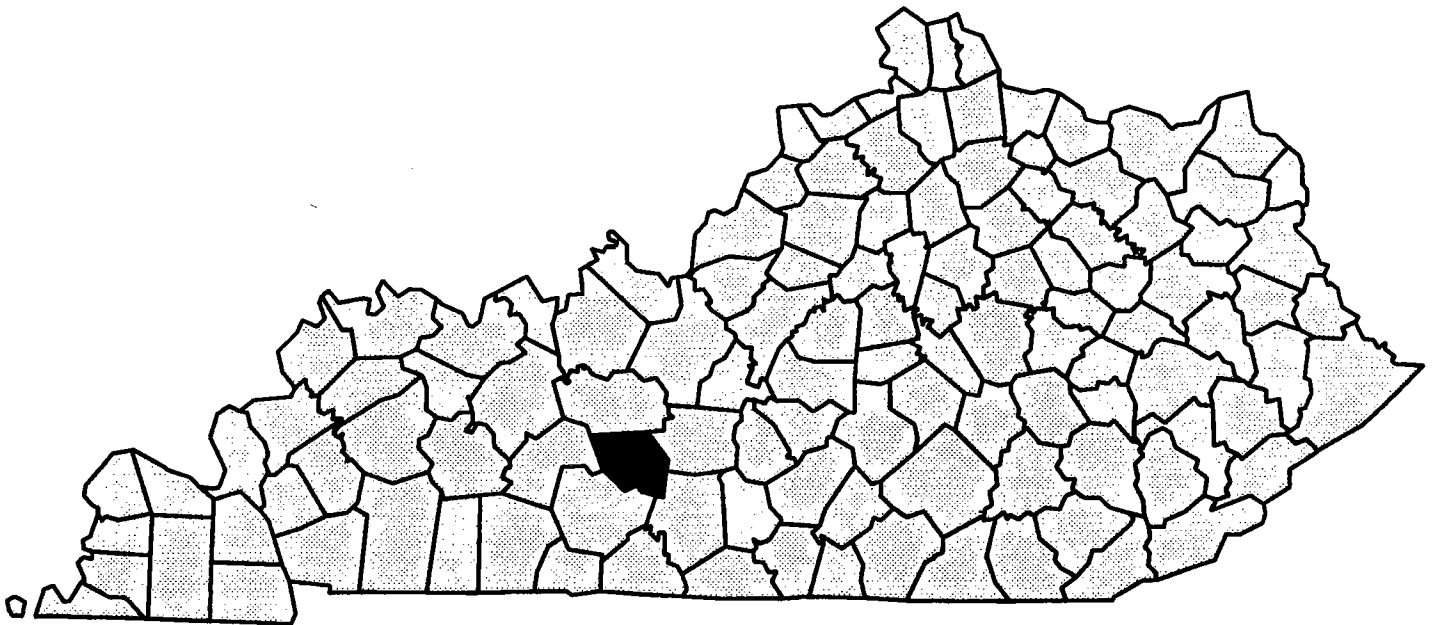
Note: All dollar figures are presented in constant 1988 dollars.





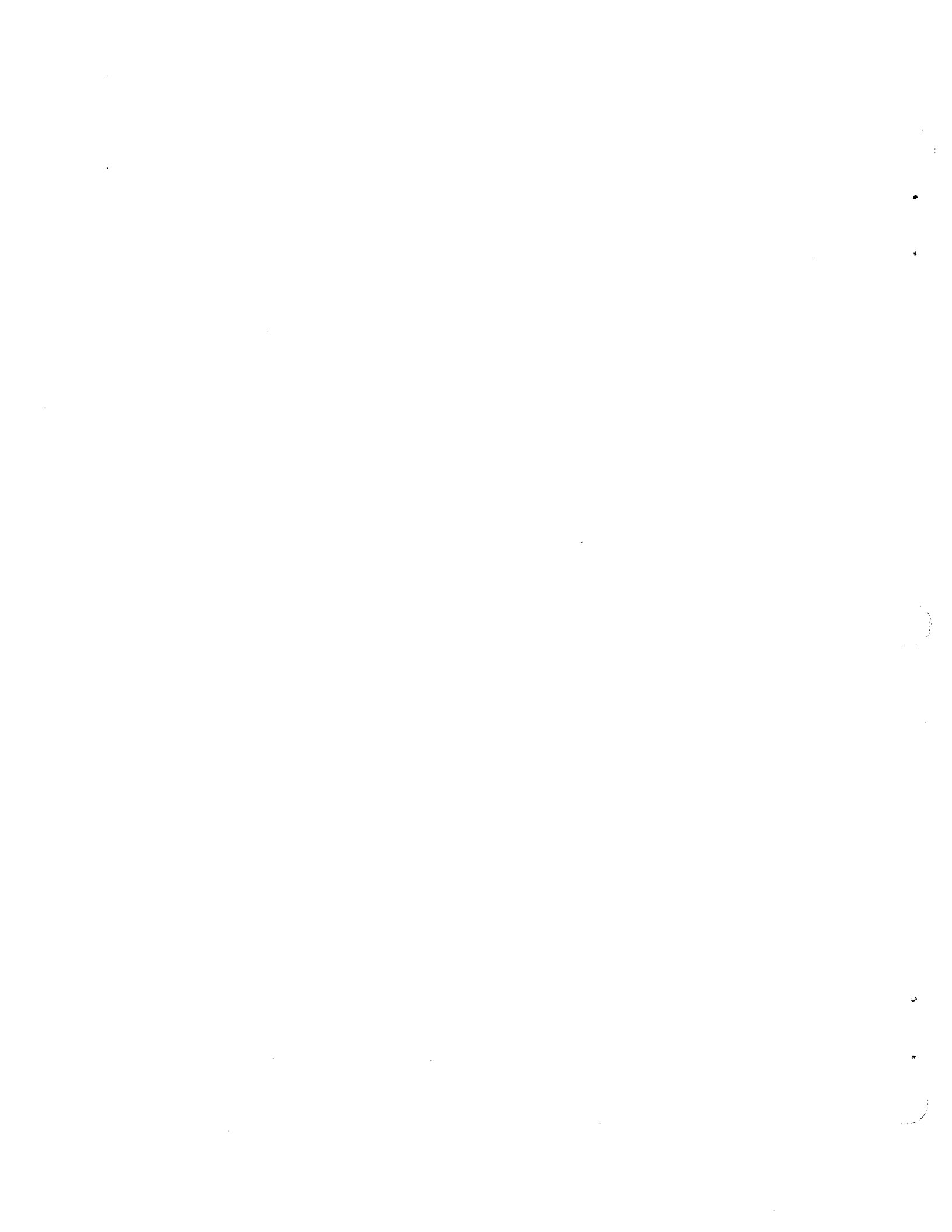
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

EDMONSON COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



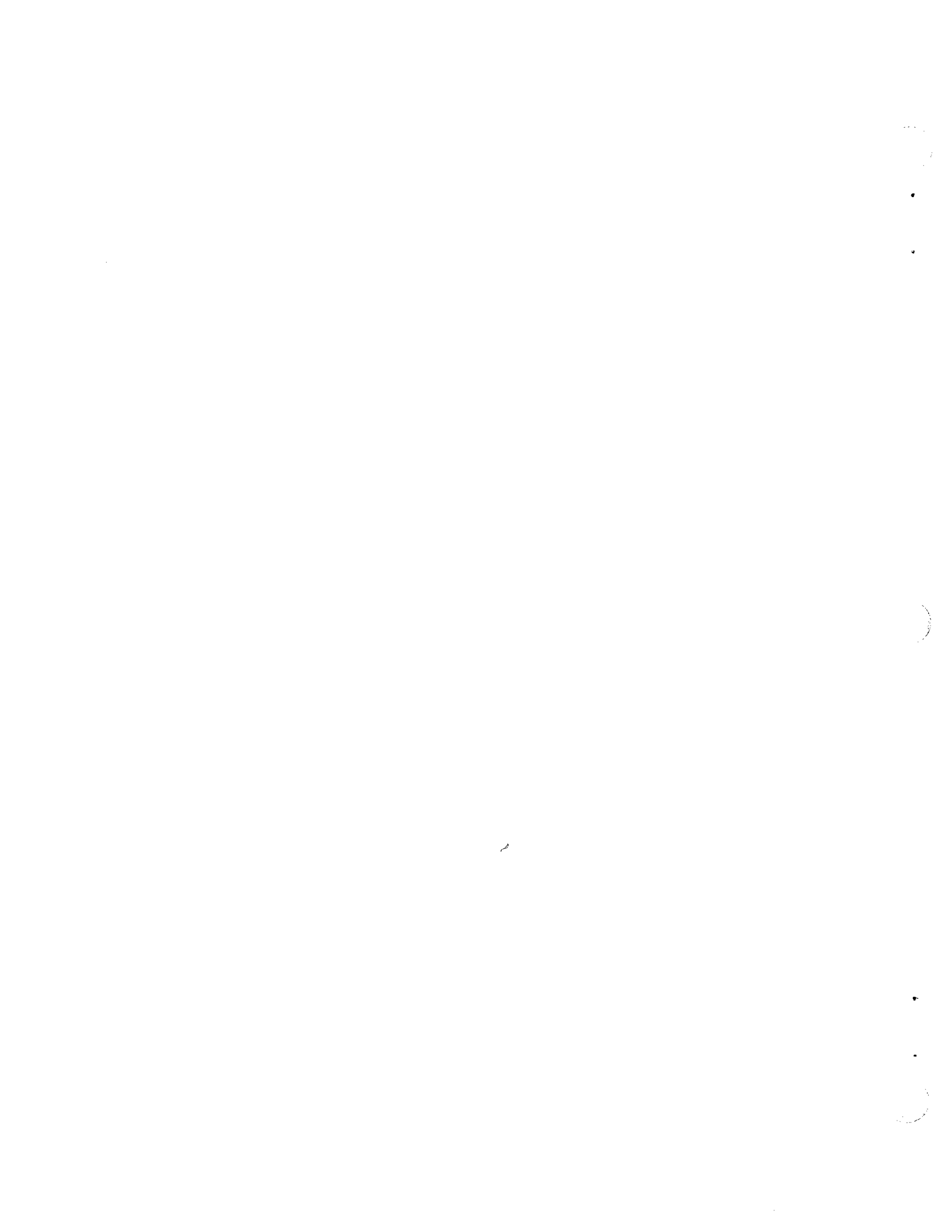
ECONOMIC TRENDS IN
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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



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SUMMARY

The Edmonson County economy, as measured by personal income, grew strongly in the 1970's, then declined slightly in the 1980's. Edmonson County decreased its share of the Kentucky economy. This indicates the county economy did not grow as fast as the state economy.

The most prominent economic trend in Edmonson County was a decline in earnings from the farm sector, although farm employment increased. The share of earnings from manufacturing also declined, as did the employment share.

Edmonson County economic growth came primarily from increases in the non-goods-producing industries. The services and state and local government sectors increased their share of both county earnings and employment. The trade sector of Edmonson County declined. The growth sectors at the state level were the service and trade sectors.

There is a national and state trend toward declining farm employment. Therefore, the outlook for this sector in Edmonson County is for continued decline. Future economic growth in Edmonson County will most likely be dependent upon expansion of the service and trade sectors.

INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN EDMONSON COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Edmonson County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Edmonson County economy, as measured by personal income, increased from \$49 million in 1969 to \$75 million in 1979, after adjusting for inflation. Personal income then declined to \$67 million in 1987. Chart 1B shows Edmonson County total personal income as a percent of Kentucky total personal income. Edmonson County maintained its share of Kentucky personal income through the 1970's, then decreased its share in the mid-1980's.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Edmonson County per capita income increased to \$7,593 in 1979, then declined to \$6,675 in 1987. Edmonson county per capita income was 53.4 percent of Kentucky per capita personal income in 1987.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$40 million in

1969 to \$54 million in 1979, then declined to \$40 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income also declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 58.7 percent of Edmonson County's total personal income, which was less than Kentucky's 67.5 percent share.

Transfer payments contributed \$7 million to total personal income in 1969 and \$19 million in 1987. During the same period, transfer payments contributed a higher percentage of personal income in Edmonson County than in Kentucky. In 1987, 28.0 percent of county personal income was derived from transfer payments, compared to 17.2 percent of state personal income.

Income from property in Edmonson County grew moderately through the time period. Income from property totalled \$3 million in 1969 and increased to \$9 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. Farm sector earnings were volatile during the period (Chart 3A). The percent of earnings from the farm sector decreased from 26.7 percent in 1969 to 13.1 percent in 1987. In 1969, Edmonson County received 20.1 percent of total earnings from manufacturing. This percentage declined to 6.8 percent in 1980, then increased to 10.1 percent in 1987. The trends toward declining earnings in these sectors is consistent with state and national trends.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from the service sector increased from 15.5 percent in 1969 to 22.9 percent in 1982, then declined to 18.1 percent in 1987. The trade sector's share of earnings decreased from 12.4 percent in 1969 to 9.5 percent in 1987. Earnings from the state and local government sector increased from 11.2 percent in 1969 to 16.6 percent in 1987. At the state level, the percent of earnings from services increased, while the percent of earnings from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Edmonson County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1979. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. In Edmonson County, average earnings were below those of the state during the period; they were \$11,081 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Edmonson

County increased erratically during the data period. In 1969, total employment stood at 2,156 people. By 1987, that figure had increased to 2,693.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Edmonson County are presented in Chart 4B. Unemployment rates in Edmonson County were above those of the state during the period. In 1987, the county unemployment rate was 15.9 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The farm sector was the primary source of county employment. The percent of employment in this sector increased from 29.8 percent of total employment in 1969 to 34.5 percent in 1987. At the state level, the farm sector's share of employment declined.

The percent of total employment in manufacturing decreased from 19.9 percent in 1969 to 6.3 percent in 1982, then increased to 9.4 percent in 1987. At the state level, manufacturing's share of employment also declined.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector decreased and accounted for 8.7 percent of employment in 1987. The percent of employment in the service sector generally increased, standing at 15.2 percent in 1987. The employment share in state and local government increased slightly and accounted for 11.2 percent in 1987. At the state level, employment shares in both the service and trade sectors increased, while the government employment share remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Edmonson County.

The Edmonson County population grew from 8,700 in 1969 to 10,100 in 1987 (Chart 5A). It was estimated that in 1986, 7.7 percent of Edmonson County's population was under six years of age, compared to 8.6 percent for the state. For the same year, 18.8 percent of the Edmonson County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
EDMONSON COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

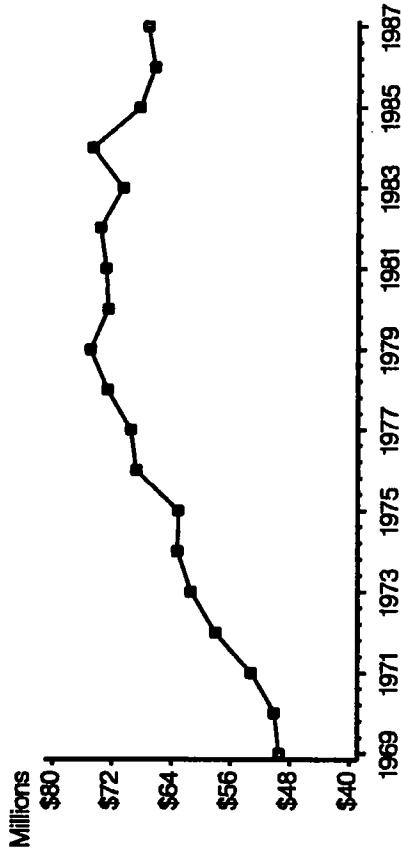


CHART 1B
EDMONSON COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

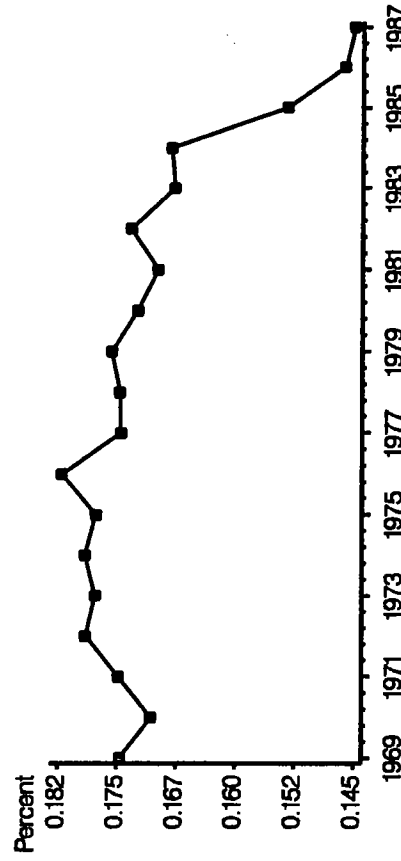


CHART 1C
EDMONSON COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

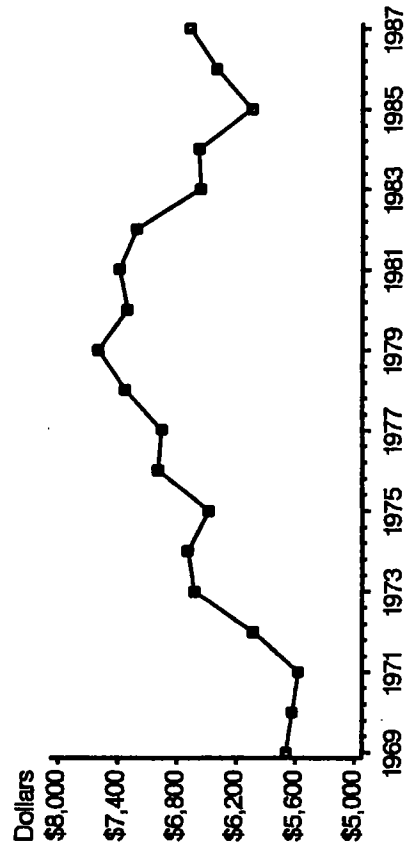


CHART 1D
EDMONSON COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

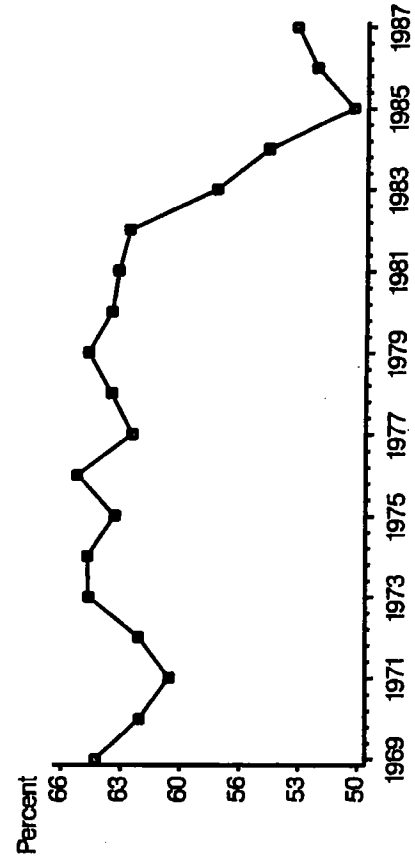


CHART 2A
EDMONSON COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

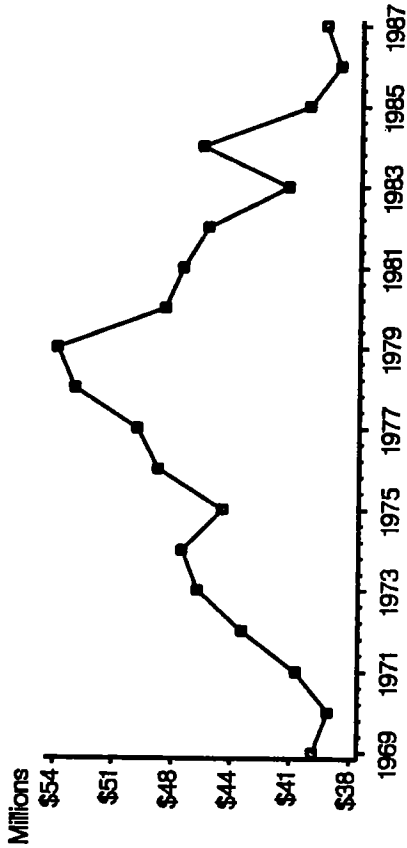


CHART 2B
EDMONSON COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars



CHART 2C
EDMONSON COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

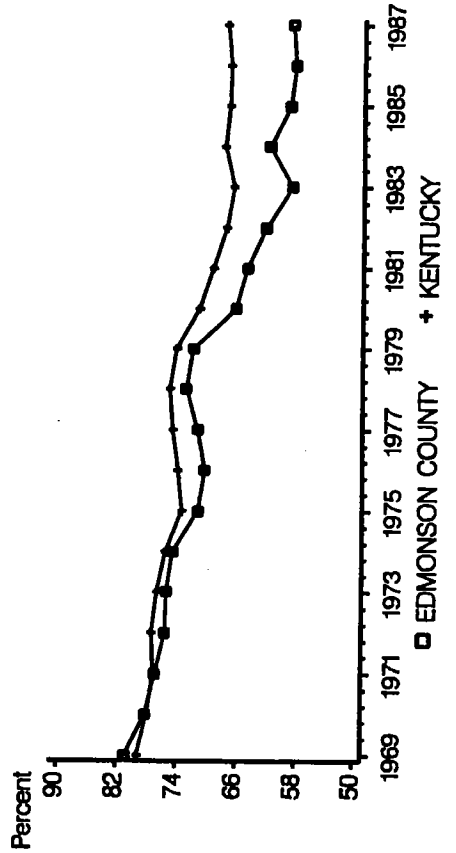


CHART 2D
EDMONSON COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

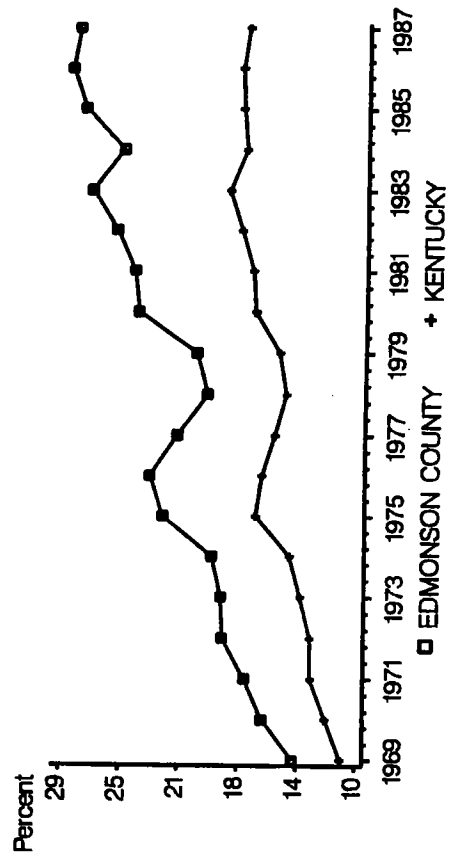


CHART 3A

EDMONSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

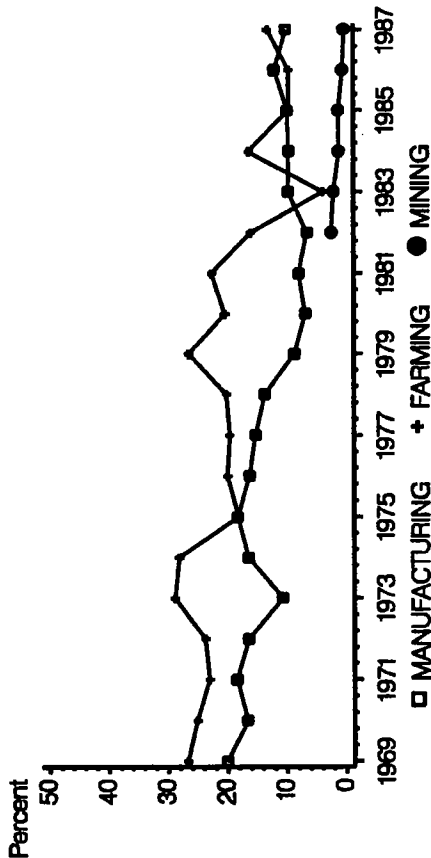


CHART 3B

EDMONSON COUNTY

EARNINGS IN NON - GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

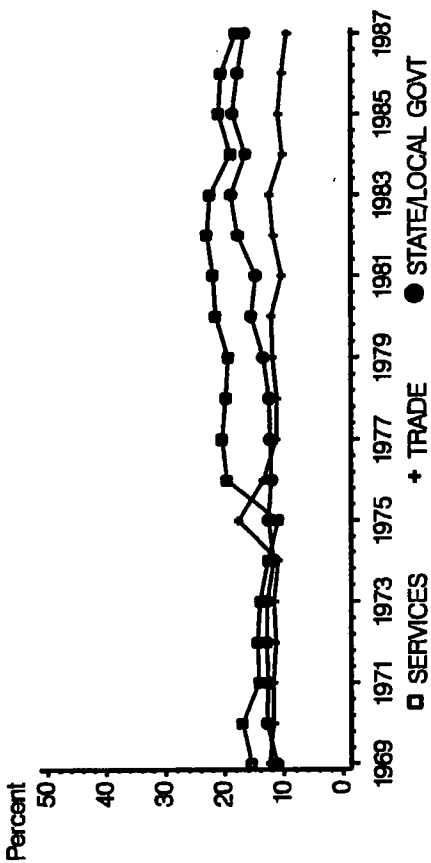


CHART 3C

EDMONSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Kentucky Industries

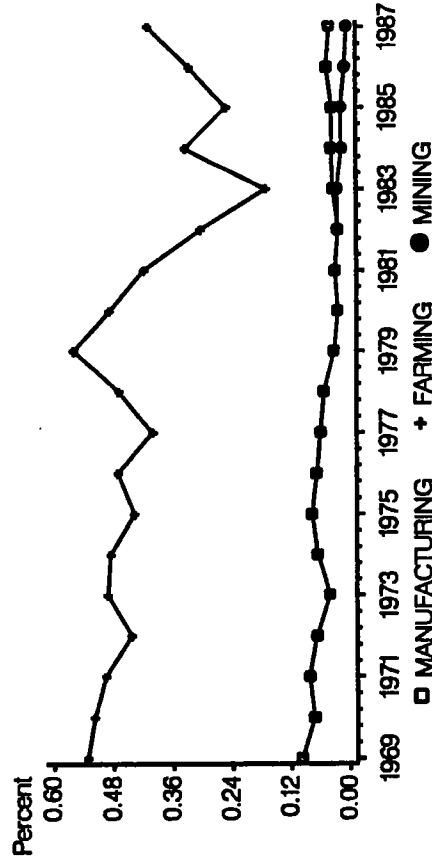


CHART 3D

EDMONSON COUNTY

AVERAGE EARNINGS PER JOB

in Constant 1988 Dollars

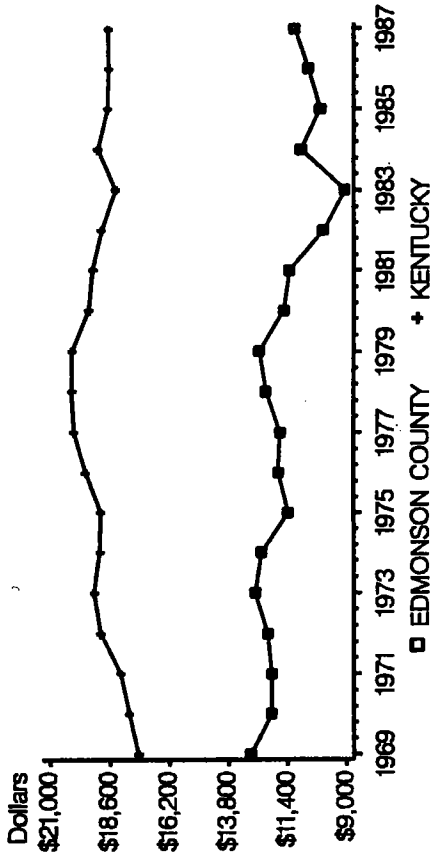


CHART 4A
EDMONSON COUNTY
TOTAL EMPLOYMENT
Thousands of People

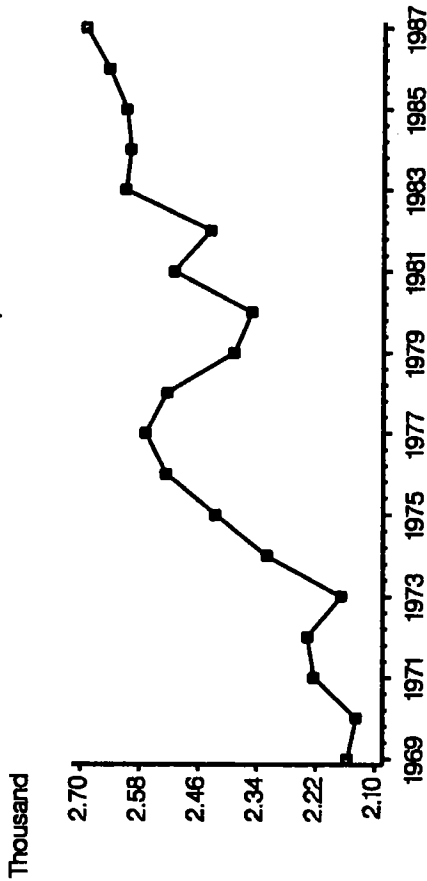


CHART 4B
EDMONSON COUNTY
ANNUAL UNEMPLOYMENT RATE

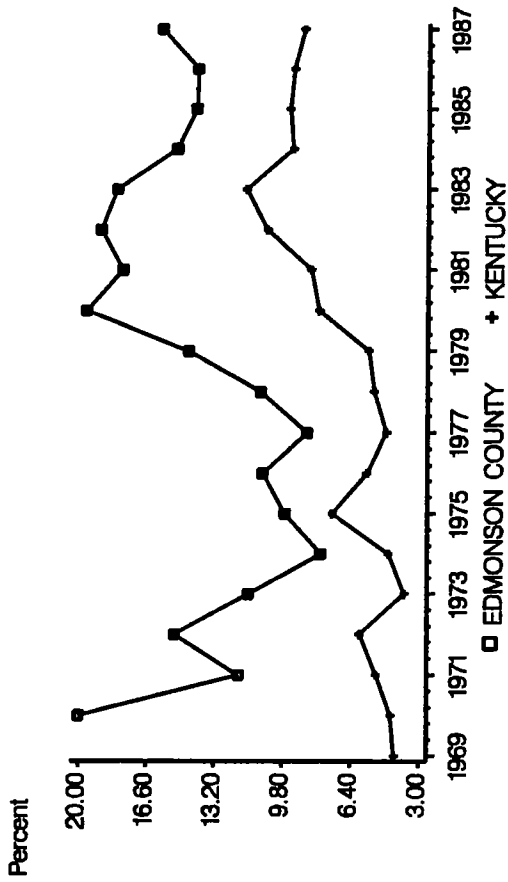


CHART 4C
EDMONSON COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

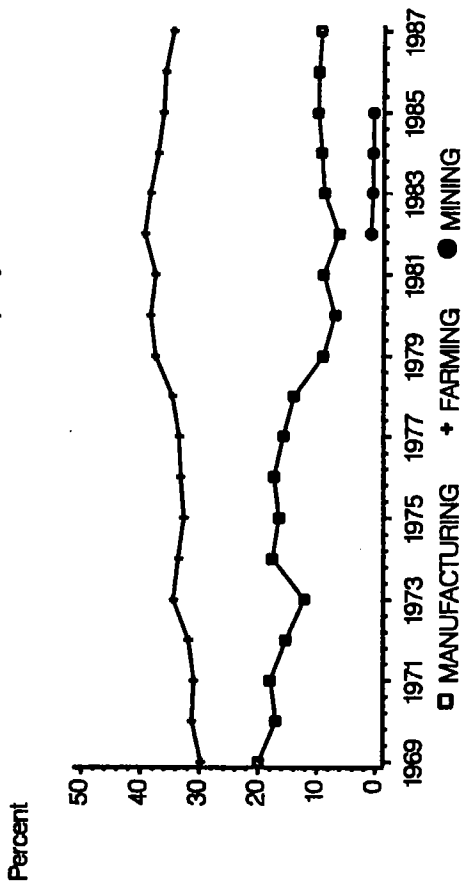


CHART 4D
EDMONSON COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

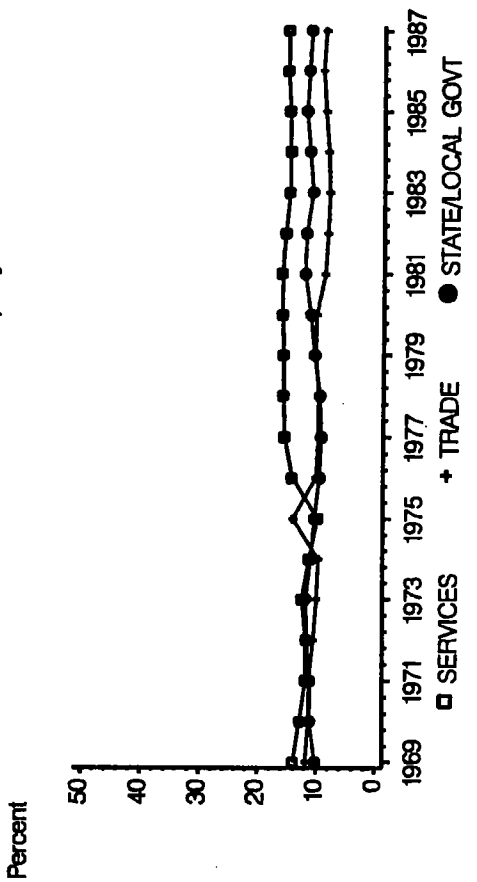


CHART 5A
EDMONSON COUNTY
POPULATION
Thousands of People

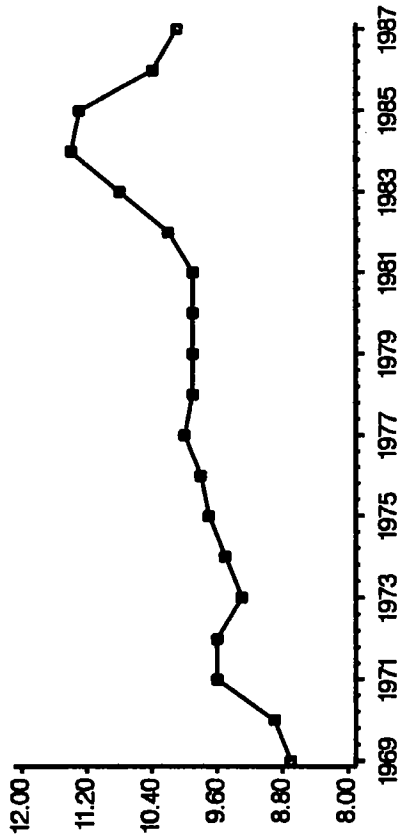


CHART 5B
EDMONSON COUNTY
POPULATION
as a Percent of Kentucky Population

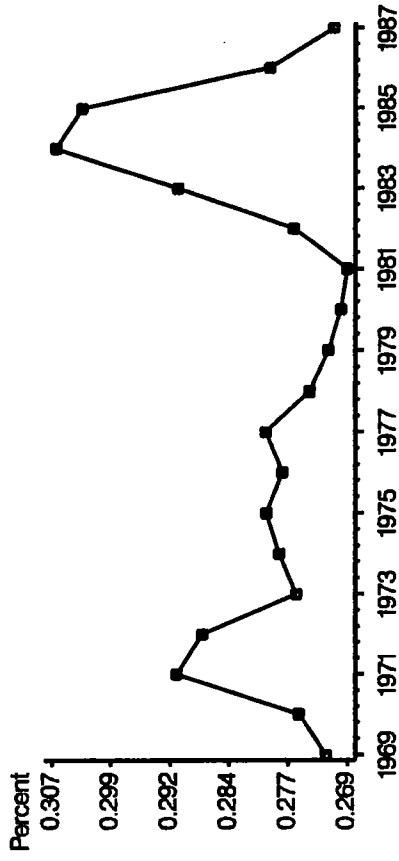


CHART 5C
EDMONSON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

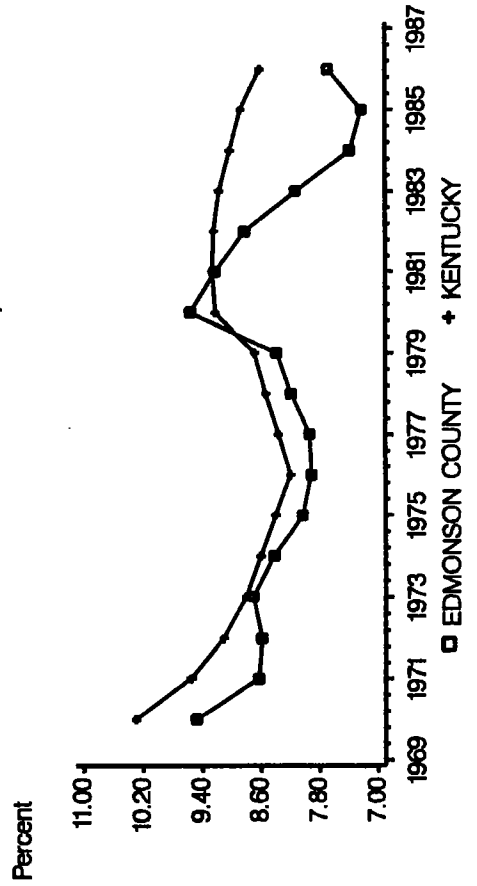
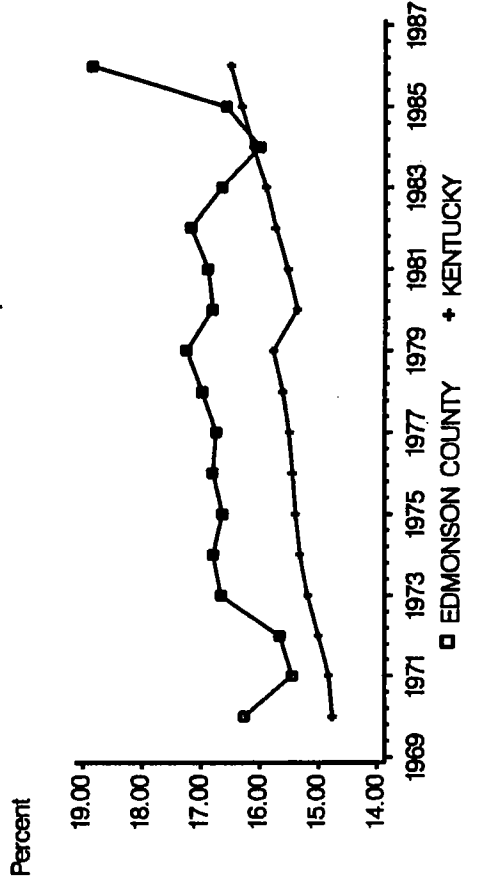


CHART 5D
EDMONSON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



EDMONSON COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	49	0.17	5,697	64.1
1970	50	0.17	5,633	61.8
1971	53	0.17	5,571	60.2
1972	58	0.18	6,028	61.9
1973	61	0.18	6,627	64.5
1974	63	0.18	6,693	64.6
1975	63	0.18	6,482	63.2
1976	69	0.18	6,993	65.1
1977	70	0.17	6,955	62.2
1978	73	0.17	7,327	63.3
1979	75	0.18	7,593	64.6
1980	73	0.17	7,303	63.3
1981	73	0.17	7,384	63.0
1982	74	0.17	7,211	62.4
1983	71	0.17	6,568	57.7
1984	75	0.17	6,584	54.9
1985	68	0.15	6,042	50.4
1986	66	0.15	6,401	52.3
1987	67	0.14	6,675	53.4

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	40	80.8	79.2	7	14.0	10.9	3	5.2	9.9
1970	39	78.1	77.9	8	16.0	11.9	3	5.9	10.2
1971	41	76.8	77.0	9	17.1	12.9	3	6.0	10.1
1972	44	75.5	77.3	11	18.6	12.9	3	5.9	9.7
1973	46	75.3	76.6	12	18.8	13.6	4	5.9	9.7
1974	47	74.5	75.5	12	19.4	14.4	4	6.2	10.1
1975	45	71.2	73.3	14	22.5	16.5	4	6.3	10.1
1976	48	70.4	73.9	16	23.3	16.1	4	6.3	10.0
1977	50	71.3	74.6	15	21.6	15.3	5	7.1	10.1
1978	53	72.8	75.0	14	19.7	14.6	5	7.5	10.4
1979	54	71.9	74.1	15	20.4	15.1	6	7.7	10.8
1980	48	66.2	71.1	18	24.1	16.7	7	9.6	12.2
1981	47	64.6	69.3	18	24.5	16.8	8	10.9	13.8
1982	46	62.1	67.5	19	25.6	17.6	9	12.3	14.9
1983	41	58.7	66.6	19	27.2	18.4	10	14.1	15.1
1984	46	61.7	67.8	19	25.2	17.3	10	13.1	14.9
1985	40	59.0	67.2	19	27.6	17.6	9	13.4	15.3
1986	39	58.3	67.1	19	28.5	17.6	9	13.2	15.3
1987	40	58.7	67.5	19	28.0	17.2	9	13.3	15.3

EDMONSON COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	20.1	0.10	26.7	0.53	.	.
1970	16.6	0.07	25.1	0.52	.	.
1971	18.5	0.08	23.1	0.50	.	.
1972	16.4	0.07	23.8	0.44	.	.
1973	10.7	0.04	28.9	0.49	.	.
1974	16.5	0.07	28.1	0.49	.	.
1975	18.3	0.08	18.2	0.44	.	.
1976	16.3	0.07	20.0	0.47	.	.
1977	15.3	0.06	19.6	0.40	.	.
1978	13.6	0.05	20.2	0.47	.	.
1979	8.7	0.03	26.5	0.56	.	.
1980	6.8	0.02	20.4	0.49	.	.
1981	8.0	0.03	22.6	0.42	.	.
1982	6.5	0.02	16.0	0.30	2.4	0.02
1983	9.7	0.03	3.8	0.17	2.0	0.02
1984	9.6	0.04	16.4	0.33	1.1	0.02
1985	9.9	0.04	9.6	0.25	1.2	0.02
1986	12.0	0.05	9.7	0.33	0.5	0.01
1987	10.1	0.04	13.1	0.41	0.2	0.00

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	15.5	0.14	12.4	0.09	11.2	0.15
1970	17.0	0.14	11.7	0.08	12.9	0.15
1971	14.2	0.12	11.8	0.08	12.7	0.14
1972	14.5	0.12	11.4	0.08	12.9	0.14
1973	14.0	0.11	11.6	0.07	12.9	0.14
1974	12.7	0.10	11.0	0.07	11.7	0.13
1975	11.0	0.08	17.7	0.11	12.6	0.13
1976	19.6	0.15	13.5	0.08	12.1	0.13
1977	20.5	0.15	11.3	0.07	12.3	0.13
1978	19.8	0.14	11.2	0.07	12.5	0.13
1979	19.4	0.13	11.9	0.07	13.5	0.13
1980	21.5	0.13	12.1	0.07	15.5	0.13
1981	21.9	0.14	10.4	0.06	14.7	0.13
1982	22.9	0.12	11.7	0.06	17.7	0.14
1983	22.4	0.11	12.4	0.06	18.8	0.14
1984	18.9	0.10	10.2	0.06	16.4	0.14
1985	20.9	0.10	10.9	0.06	18.6	0.15
1986	20.5	0.10	10.3	0.06	17.7	0.14
1987	18.1	0.09	9.5	0.06	16.6	0.14

EDMONSON COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	429	19.9	643	29.8	.	.
1970	363	17.0	668	31.3	.	.
1971	399	17.9	689	31.0	.	.
1972	343	15.3	713	31.9	.	.
1973	265	12.2	746	34.4	.	.
1974	409	17.6	780	33.6	.	.
1975	401	16.5	793	32.7	.	.
1976	439	17.4	840	33.2	.	.
1977	406	15.8	861	33.5	.	.
1978	354	14.0	874	34.6	.	.
1979	213	8.9	898	37.6	.	.
1980	163	6.9	904	38.4	.	.
1981	225	9.0	944	37.6	.	.
1982	154	6.3	960	39.4	22	0.9
1983	230	8.8	1,004	38.5	17	0.7
1984	241	9.3	965	37.1	14	0.5
1985	258	9.9	946	36.2	11	0.4
1986	259	9.8	949	35.9	.	.
1987	252	9.4	930	34.5	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	302	14.0	255	11.8	219	10.2
1970	274	12.8	242	11.3	236	11.0
1971	263	11.8	249	11.2	247	11.1
1972	264	11.8	235	10.5	260	11.6
1973	272	12.5	216	10.0	257	11.9
1974	262	11.3	224	9.7	254	10.9
1975	237	9.8	343	14.1	251	10.4
1976	362	14.3	257	10.2	240	9.5
1977	402	15.6	249	9.7	237	9.2
1978	401	15.9	246	9.7	240	9.5
1979	379	15.9	245	10.3	249	10.4
1980	378	16.1	238	10.1	262	11.1
1981	406	16.2	219	8.7	306	12.2
1982	380	15.6	202	8.3	293	12.0
1983	390	14.9	209	8.0	283	10.8
1984	384	14.8	213	8.2	296	11.4
1985	390	14.9	227	8.7	313	12.0
1986	404	15.3	242	9.1	307	11.6
1987	408	15.2	234	8.7	301	11.2

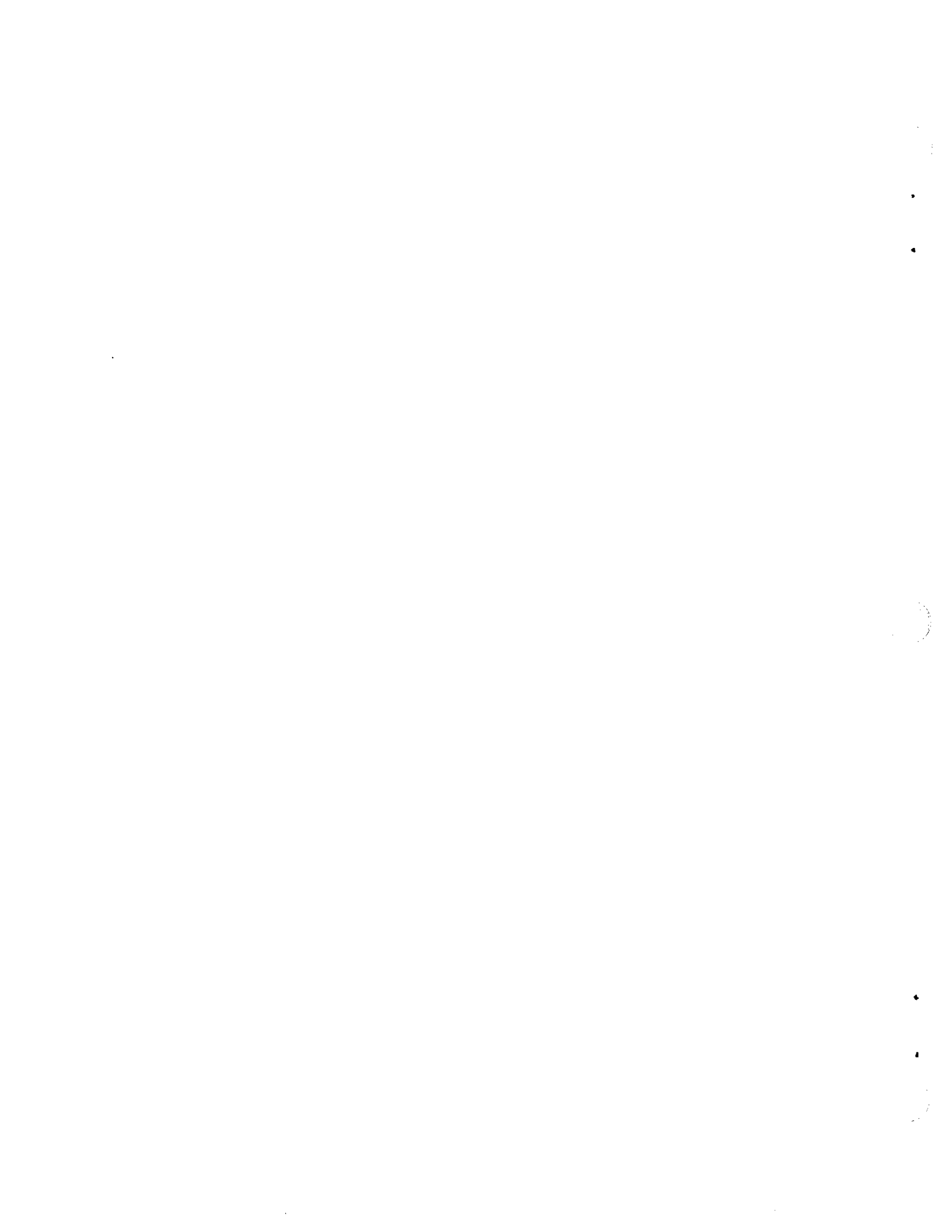
EDMONSON COUNTY

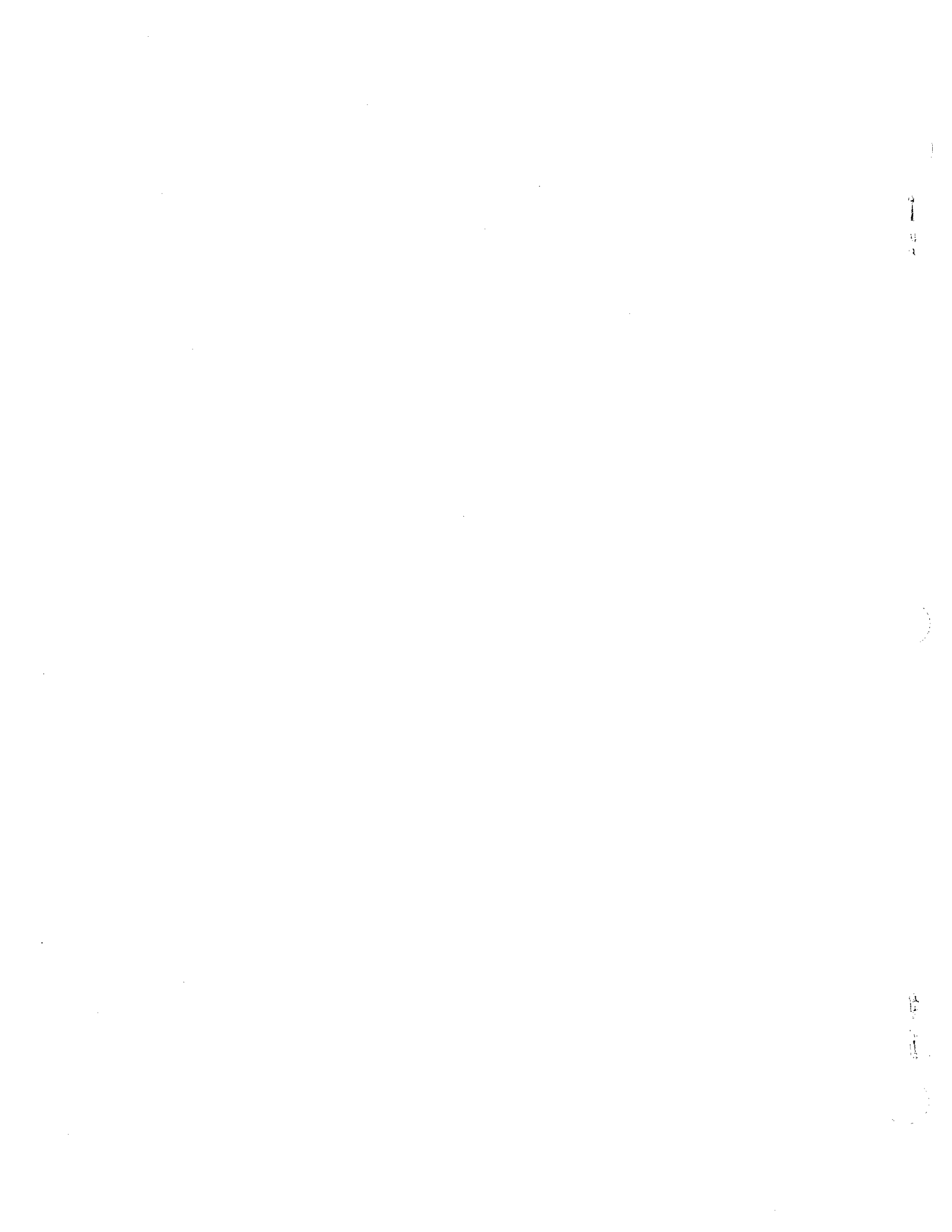
EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	2,156	\$12,905	\$17,440	.	4.2
1970	2,137	\$12,050	\$17,811	20.0	4.4
1971	2,224	\$12,037	\$18,166	12.0	5.1
1972	2,237	\$12,210	\$18,970	15.2	6.0
1973	2,168	\$12,724	\$19,232	11.5	3.7
1974	2,320	\$12,466	\$19,008	7.9	4.5
1975	2,425	\$11,359	\$18,976	9.7	7.3
1976	2,527	\$11,756	\$19,563	10.8	5.6
1977	2,569	\$11,685	\$20,031	8.6	4.7
1978	2,525	\$12,288	\$20,121	10.9	5.3
1979	2,388	\$12,565	\$20,110	14.5	5.5
1980	2,352	\$11,543	\$19,439	19.6	8.0
1981	2,511	\$11,306	\$19,286	17.8	8.4
1982	2,436	\$9,946	\$18,931	18.9	10.6
1983	2,611	\$9,067	\$18,358	18.1	11.6
1984	2,601	\$10,830	\$19,080	15.1	9.3
1985	2,610	\$10,065	\$18,676	14.2	9.5
1986	2,646	\$10,541	\$18,627	14.1	9.3
1987	2,693	\$11,081	\$18,636	15.9	8.8

POPULATION STATISTICS

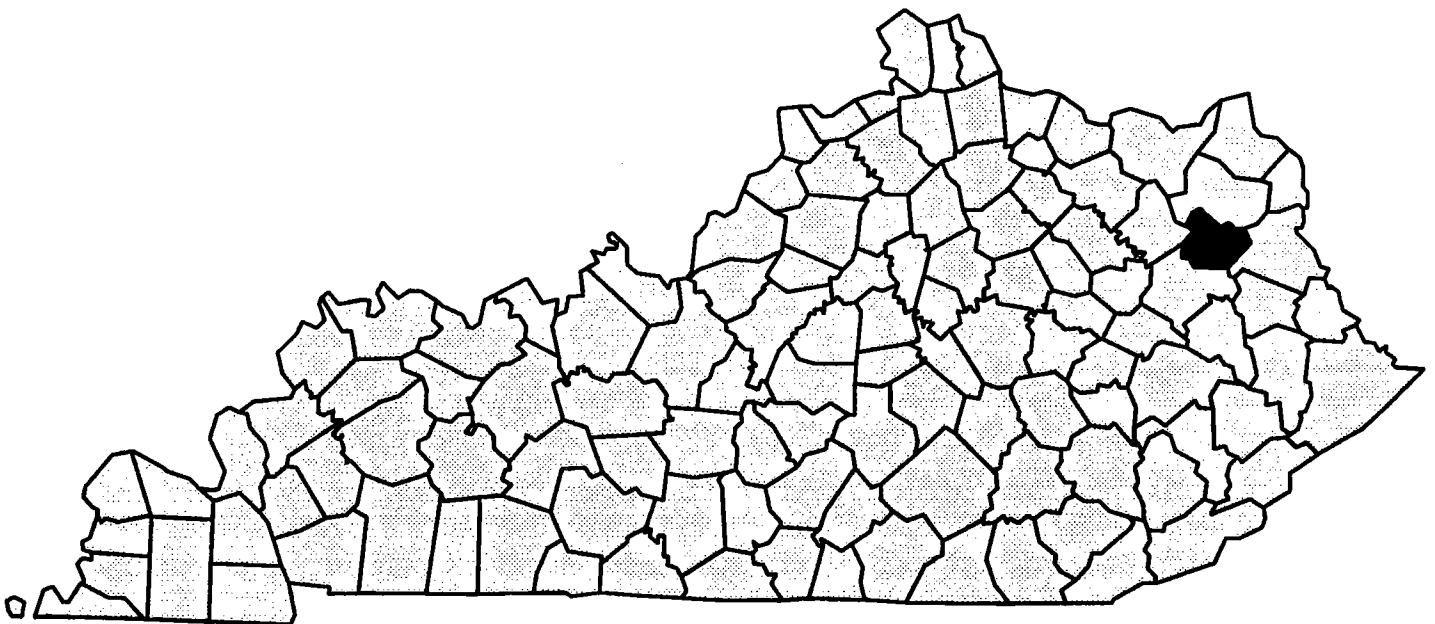
YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	8,700	0.27	.	.	.	.
1970	8,900	0.28	9.5	10.3	16.3	14.8
1971	9,600	0.29	8.6	9.6	15.5	14.8
1972	9,600	0.29	8.6	9.1	15.7	15.0
1973	9,300	0.28	8.7	8.8	16.7	15.2
1974	9,500	0.28	8.4	8.6	16.8	15.3
1975	9,700	0.28	8.0	8.4	16.6	15.4
1976	9,800	0.28	7.9	8.2	16.8	15.5
1977	10,000	0.28	7.9	8.4	16.7	15.5
1978	9,900	0.27	8.2	8.5	17.0	15.6
1979	9,900	0.27	8.4	8.7	17.3	15.8
1980	9,900	0.27	9.6	9.2	16.8	15.4
1981	9,900	0.27	9.2	9.3	16.9	15.5
1982	10,200	0.28	8.8	9.2	17.2	15.7
1983	10,800	0.29	8.1	9.2	16.7	15.9
1984	11,400	0.31	7.4	9.0	16.0	16.1
1985	11,300	0.30	7.2	8.9	16.6	16.3
1986	10,400	0.28	7.7	8.6	18.8	16.5
1987	10,100	0.27	.	.	.	.





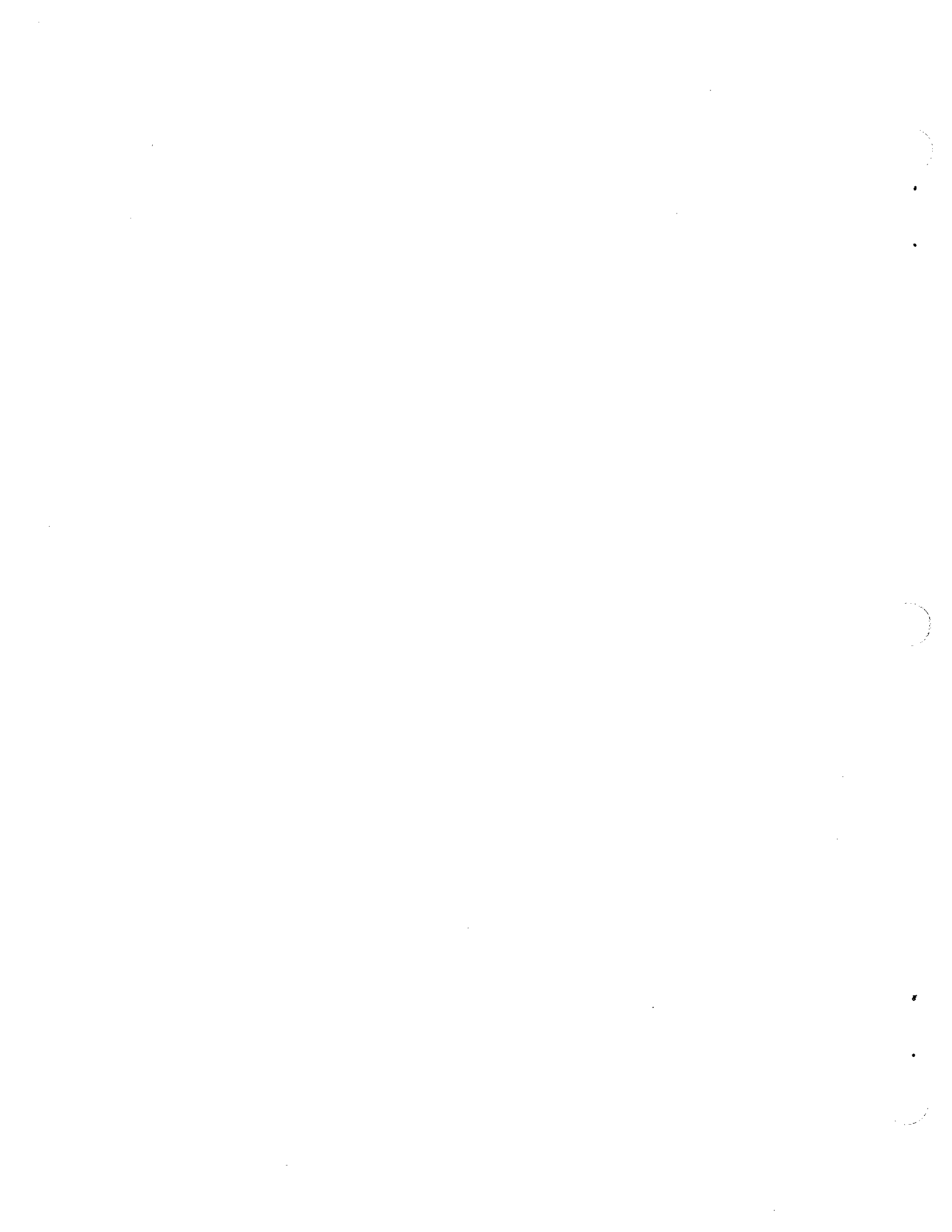
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

ELLIOTT COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



KY
65
LRM
No. 438
1990

ECONOMIC TRENDS IN
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1969 – 1987

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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



SUMMARY

The Elliott County economy, as measured by personal income, grew strongly in the 1970's but declined slightly in the 1980's. Elliott County had small increases in its share of Kentucky personal income in the 1970's and small decreases in its share in the 1980's. By 1987, both per capita personal income and average earnings per job were significantly below those of the state. Elliott County generates a smaller percent of personal income from earnings and a larger percent from transfer payments than does the state as a whole.

The county economy was heavily impacted by the volatile goods-producing industries of mining, manufacturing and farming. The farm sector was the primary source of employment in Elliott County. However, earnings from this sector declined substantially. The county's share of earnings and employment from mining and manufacturing declined. These sectors also diminished at the state level.

The non-goods-producing sectors of services, trade, and state and local government were generally constant in Elliott County. At the state level, the services and trade sectors increased their share, while state and local government was constant.

Events in the international energy markets, specifically a sharp increase in the price of oil, resulted in an increased demand for coal. This provided the impetus for economic growth in Elliott County in the mid-to late-1970's. However, these favorable coal market conditions were not sustained. Earnings and employment from this sector subsequently declined.

The county's high concentration in a the goods-producing sectors have meant a volatile economic history and an uncertain economic future. These industries, especially the coal mining sector, are very sensitive to economic fluctuations. Consequently, while a high concentration in mining supported the economy during a period of high energy prices, these conditions will not ensure future economic growth. Similarly, the national outlook for the farm sector is for continued decline in employment and average earnings. The prospects for future economic growth in Elliott County would be enhanced by development of other, less volatile, sectors.



INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the Elliott County economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the Elliott County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Elliott County economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing, if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN ELLIOTT COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Elliott County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Also, because coal production has been an important component in the Kentucky economy and in many local economies, the coal sector is analyzed in counties which have a history of coal production.

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wages and salaries income and proprietors' earnings. Second, income can be earned by property. Included are earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Elliott County economy, as measured by real personal income, increased, from \$24 million in 1969 to a high of \$48 million in 1979. There was a subsequent decline to \$43 million in 1987, after adjusting for inflation. Chart 1B shows Elliott County total personal income as a percent of Kentucky total personal income. Elliott County's share of Kentucky personal income increased through the 1970's and declined in the 1980's.

A similar pattern emerges from an examination of per capita personal income (Charts 1C and 1D). Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Elliott County real per capita income increased in the early 1970's, declined slightly in 1980, and was relatively constant in the 1980's. County per capita income was \$6,405 in 1987, 51.2 percent of the Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$18 million in 1969 to a high of \$33 million in 1978, then declined to \$25 million in 1987 (in constant 1988 dollars). Except for an increase from 1971 to 1974, earnings as a percent of personal income declined over the period. Earnings accounted for 57.9 percent of Elliott County's total personal income in 1987, which was significantly less than Kentucky's 67.5 percent share.

Transfer payments contributed \$6 million to total personal income in 1969 and \$12 million in 1987. Transfer payments contributed a much higher percentage of personal income in Elliott County than in Kentucky. In 1987, 29.0 percent of county personal income was from transfer payments, compared to 17.2 percent of state personal income.

Income from property in Elliott County grew in the late 1970's and was constant in the 1980's. Income from property totalled \$1 million in 1969 and increased to \$6 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's earnings. Earnings in the goods-producing industries were volatile during the period (Chart 3A). In 1969, Elliott County received 3.1 percent of its earnings from manufacturing. This percentage fluctuated during the period and decreased to 2.0 percent in 1987. Earnings from the farm sector generally declined, from 36.5 percent in 1969 to 11.3 percent in 1987. The mine sector's share of earnings was minimal through 1972. However, this sector's share increased dramatically in the mid-1970's and accounted for a high of 54.5 percent in 1977. Earnings from this sector declined through the 1980's to 5.8 percent in 1987. At the state level, the percents of earnings from these sectors declined.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The share of earnings from the non-goods-producing sectors generally declined in the late 1970's. This decline probably reflects the strong earnings in the mining sector, rather than real decline in the non-goods-producing sectors. The percent of total earnings from services increased in the 1980's to 13.1 percent in 1987. The percent of earnings from the trade sector was 11.0 percent in 1987. The percentage of earnings in both the state and local government sector was 19.9 percent in 1969, declined to 10.1 percent in 1976, and increased to 29.5 percent in 1987.

Average earnings per job (adjusted for inflation) for Elliott County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since this time average earnings per job have declined and in 1987 they were \$18,636 per person. In Elliott County earnings per job increased during the mid-1970's. Since this time, average earnings decreased to a level of \$9,281 in 1987, well below the Kentucky average.

Employment

Employment is considered to be any activity for which one receives financial remuneration in the form of wages or profits. In 1969, total employment stood at 910 people. By 1977, employment increased to 1,637, then declined to 1,463 by 1987.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Elliott County are presented in Chart 4B. Elliott County unemployment rates were above those of the state in the early 1970's, were generally comparable to state rates in the mid-1970's, and have been above state rates since 1979. In 1987, the unemployment rate in Elliott County was 21.7 percent, compared to 8.8 percent in Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately 4 percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of Elliott County total employment in manufacturing decreased over the time period. This trend parallels the declining concentration in manufacturing for the state. In Elliott County, manufacturing accounted for 3.5 percent of total employment in 1969. This share decreased to 1.2 percent in 1987. The farm sector was the primary source of employment in Elliott County. The farm sector's share of employment remained relatively constant and accounted for 45.1 percent in 1987. The mining sector represented a minimal share of total employment until 1974. However, mine sector employment increased to 26.4 percent in 1976. This share declined through the 1980's to 3.3 percent in 1987.

Elliott County employment in the non-goods-producing industries is illustrated in Chart 4D. Employment in the service sector as a percent of total employment decreased from 10.8 percent in 1969 to 8.1 percent in 1987. The percent of employment in trade decreased from 9.3 percent in 1969 to 7.2 percent in 1987. The percent of employment in state and local government decreased from 19.6 percent in 1969 to 17.2 percent in 1987.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Elliott County.

The Elliott County population increased from 6,000 in 1969 to 7,000 in 1983 (Chart 5A). However, population subsequently declined to 6,600 in 1987. It was estimated that in 1986, 6.9 percent of Elliott County's population was under six years of age, compared to 8.6 percent for the state. Elliott County's proportion of residents age sixty or older declined through the period. In 1986, 15.8 percent of the Elliott County population was sixty or older, compared to 16.5 percent of all Kentucky residents.

Coal

The coal sector provides significant income and employment to the Kentucky economy. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. Coal production has had a strong impact on the Elliott County economy.

Elliott County coal production patterns are presented in Chart 6A. Coal production is estimated by the Energy Information Administration of the U.S. Department of Energy. Estimates of production are calculated from a sample of coal shipments from each county. Coal production increased significantly between 1973 and 1978. Production increased to a high of 903 thousand tons in 1978. This production increase was likely stimulated by changes in international energy markets. Specifically, a sharp increase in the price of oil resulted in increased demand for coal by utilities and resulted in increases in the price of coal. However, when oil prices declined, coal production also declined. In 1986, 222 thousand tons of coal was mined in Elliott County. Data was not available for 1987.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. Mining employment increased to 424 jobs in 1976. However, in 1987 there were 48 people employed in mining in Elliott County. The dramatic increase in employment from 1973 to 1977 and subsequent decline illustrates the volatile nature of coal production and its impact on local economies.

The average value per ton for coal is illustrated in Chart 6C. Similar to patterns for the national coal market, average value per ton increased in the 1970's and declined during the 1980's.

Coal severance tax receipts are presented in Chart 6D. The Kentucky Revenue Cabinet collects severance taxes on processed coal. Receipts are then allocated to counties, based on the value of the coal mined in the county and the value attributed to any processing done in the county. Therefore, trends in severance tax collections may not exactly parallel those of the coal production figures in Chart 6A. This is reflected by the erratic pattern of Elliott County severance tax collections. Severance tax collections reached a high of \$1.47 million in 1981. By 1986, only \$678 thousand was collected.

CHART 1A
 ELLIOTT COUNTY
 REAL PERSONAL INCOME
 Millions of 1988 dollars

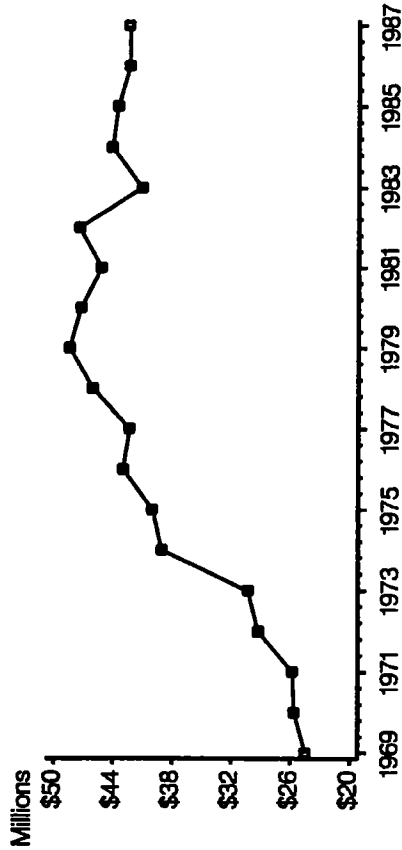


CHART 1B
 ELLIOTT COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

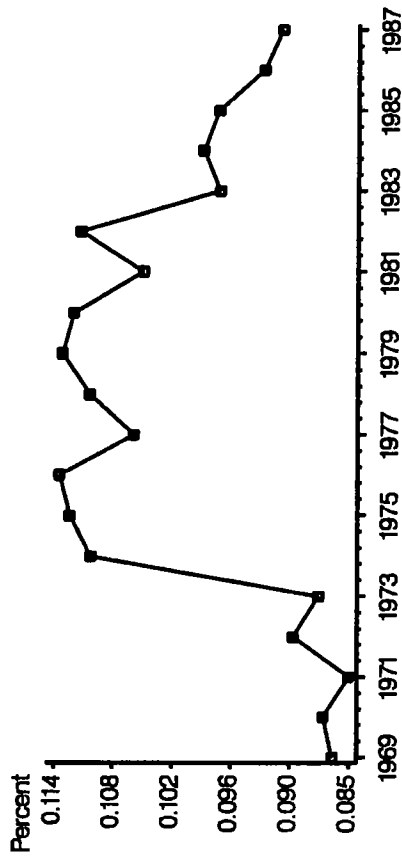


CHART 1C
 ELLIOTT COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

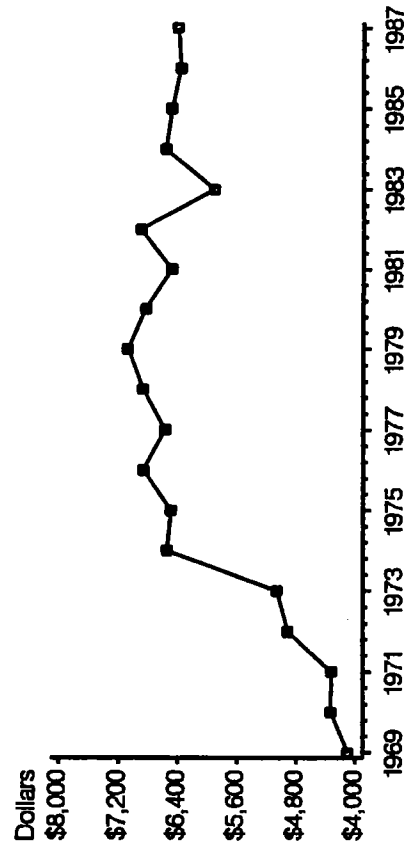


CHART 1D
 ELLIOTT COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

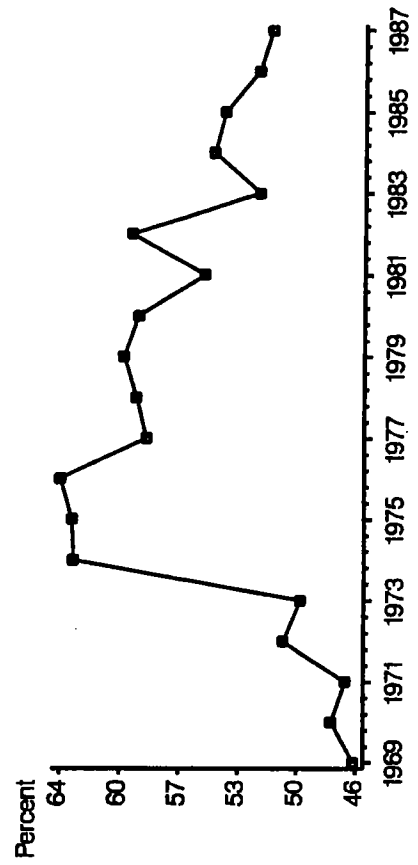


CHART 2A

ELLIOTT COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

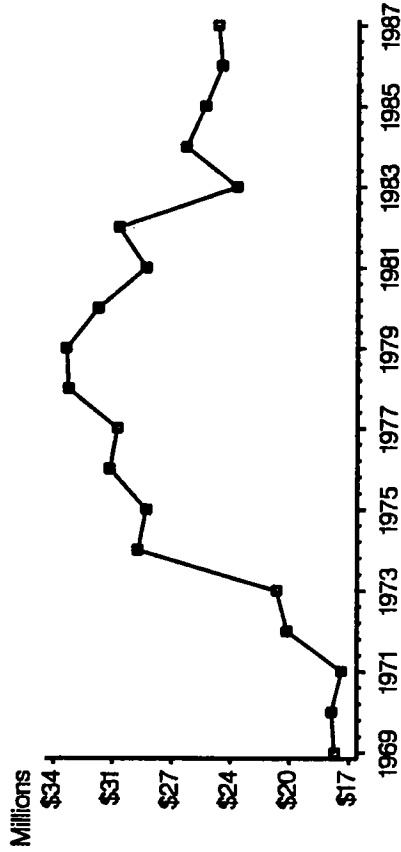


CHART 2B

ELLIOTT COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

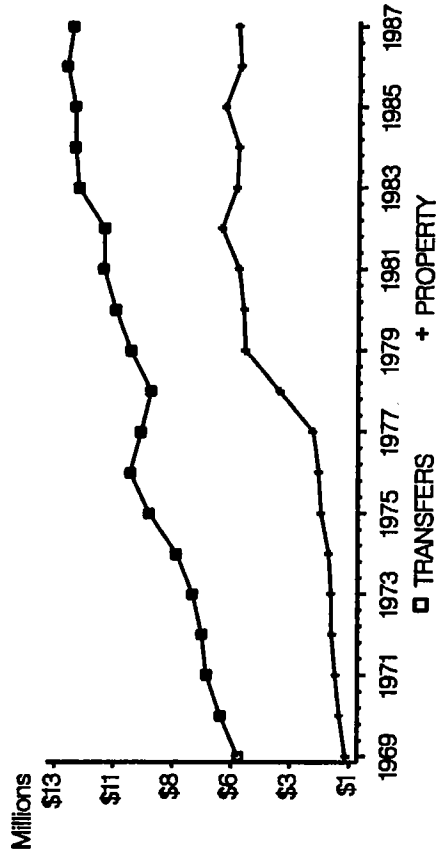


CHART 2C

ELLIOTT COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

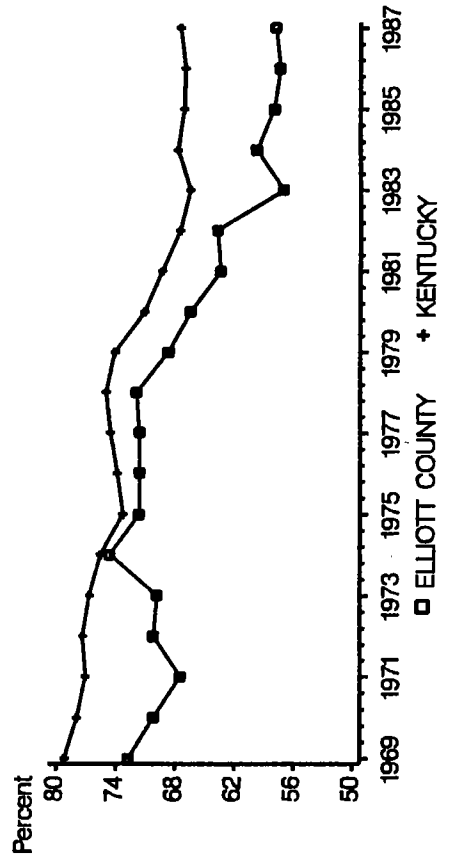


CHART 2D

ELLIOTT COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

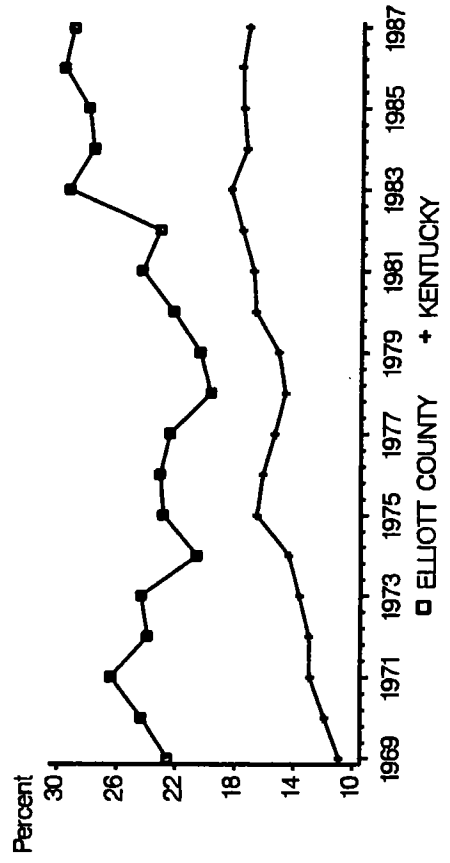


CHART 3A

ELLIOTT COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

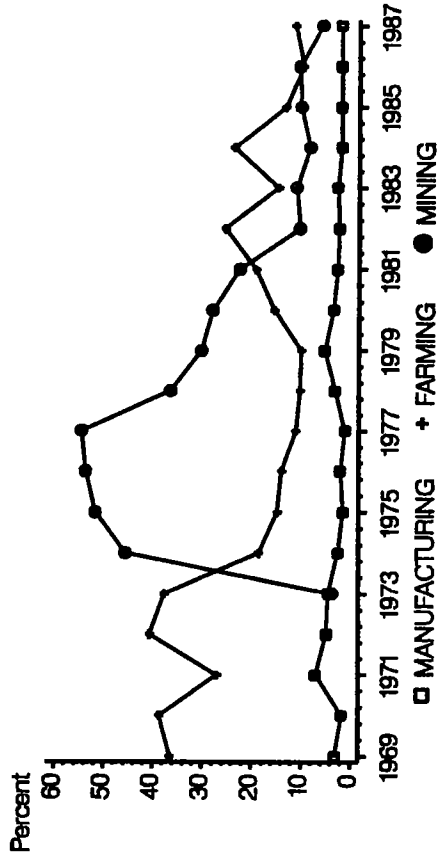


CHART 3B

ELLIOTT COUNTY

EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

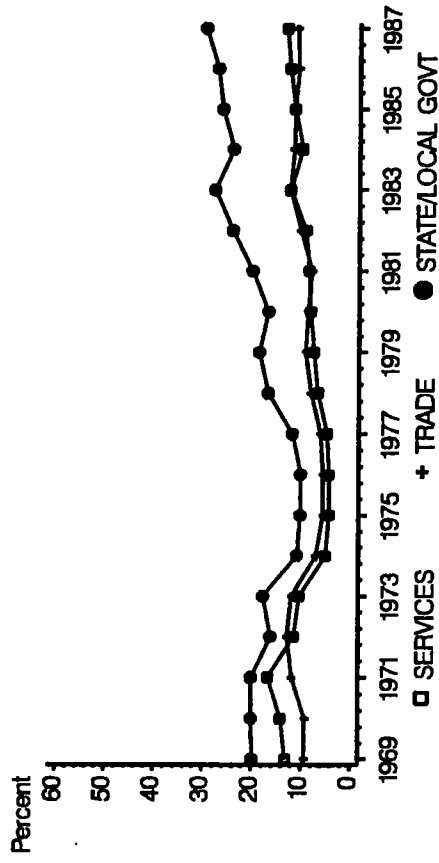


CHART 3C

ELLIOTT COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

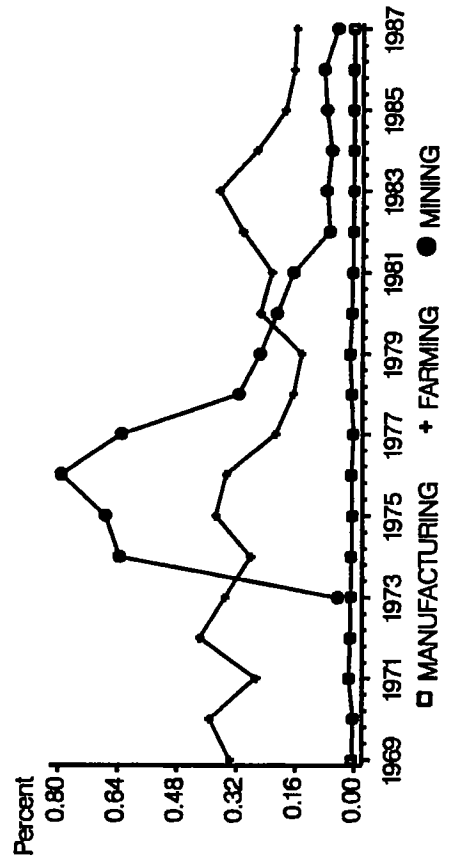


CHART 3D

ELLIOTT COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

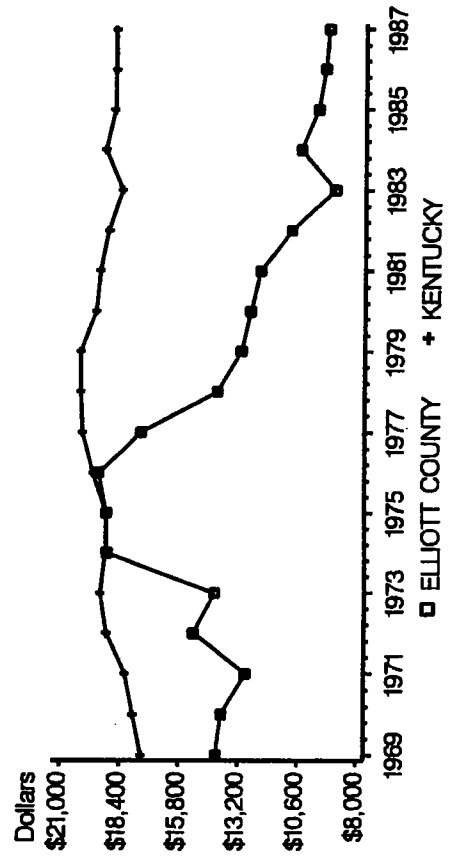


CHART 4A
ELLIOTT COUNTY
TOTAL EMPLOYMENT
Thousands of People

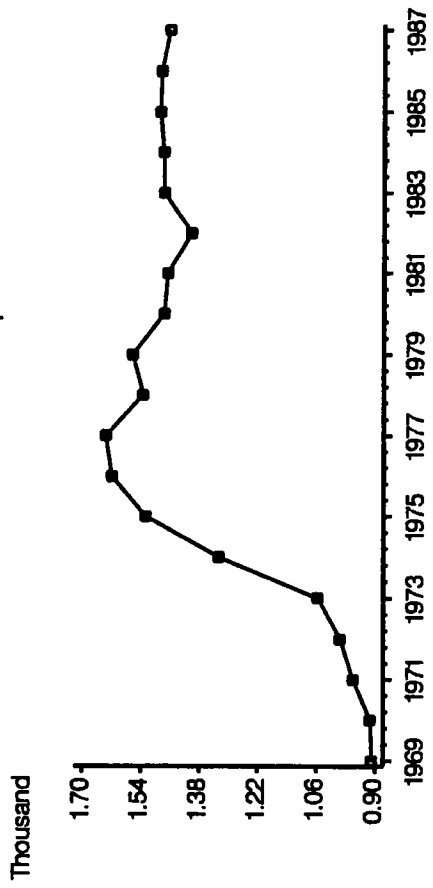


CHART 4B
ELLIOTT COUNTY
ANNUAL UNEMPLOYMENT RATE

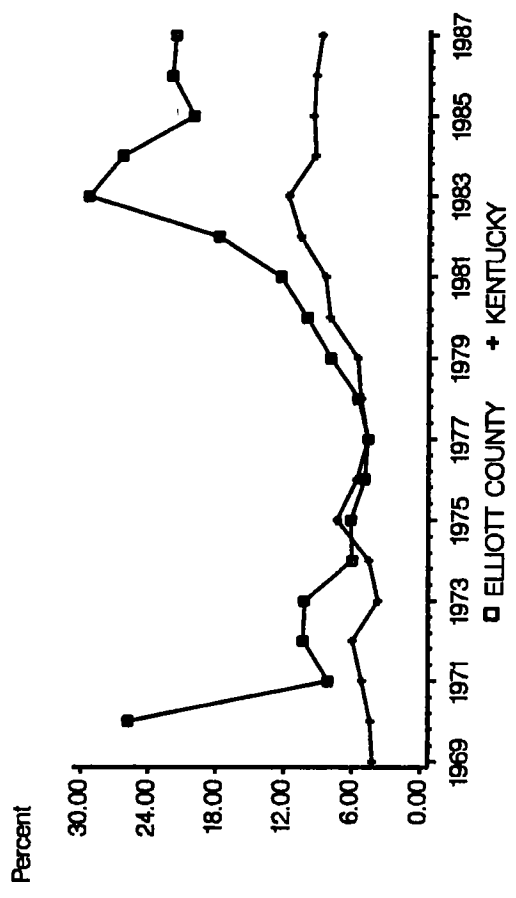


CHART 4C
ELLIOTT COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

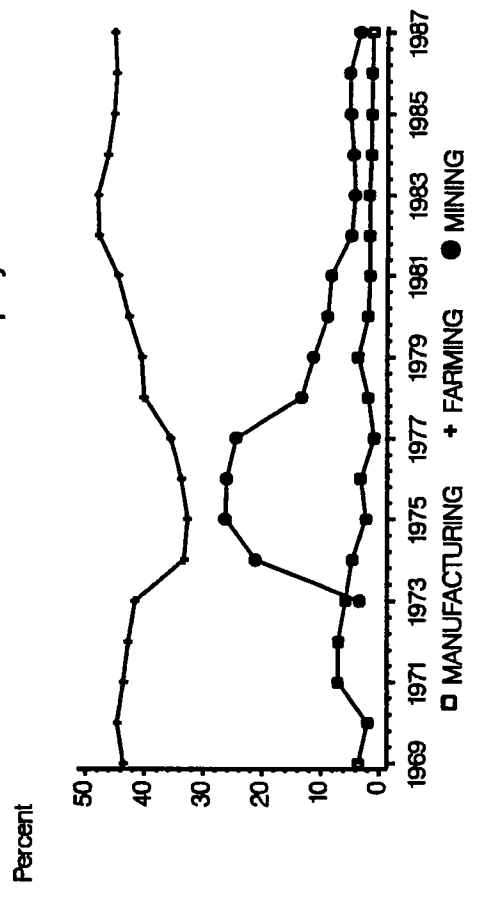


CHART 4D
ELLIOTT COUNTY
EMPLOYMENT in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

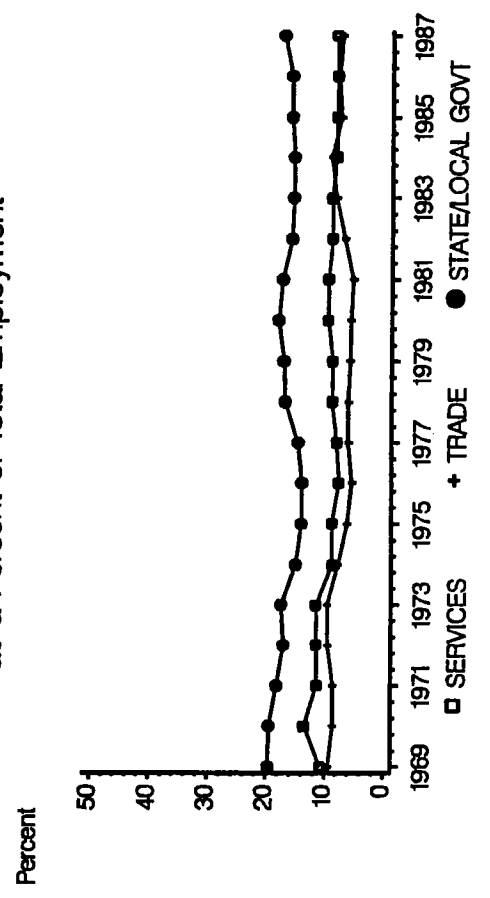


CHART 5A

ELLIOTT COUNTY
POPULATION

Thousands of People

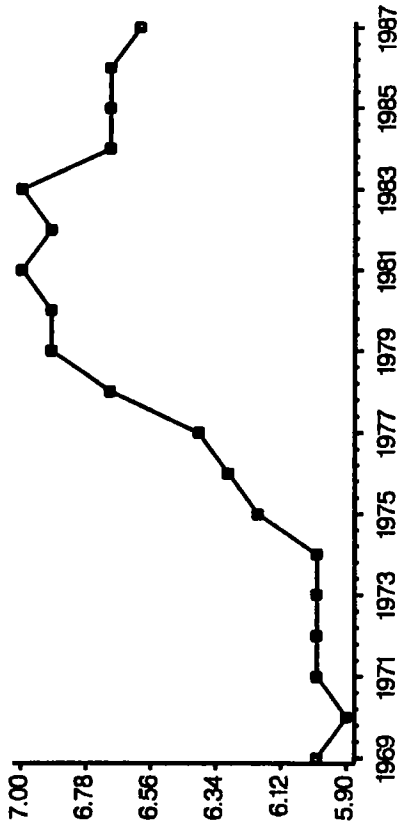


CHART 5B
ELLIOTT COUNTY
POPULATION

as a Percent of Kentucky Population

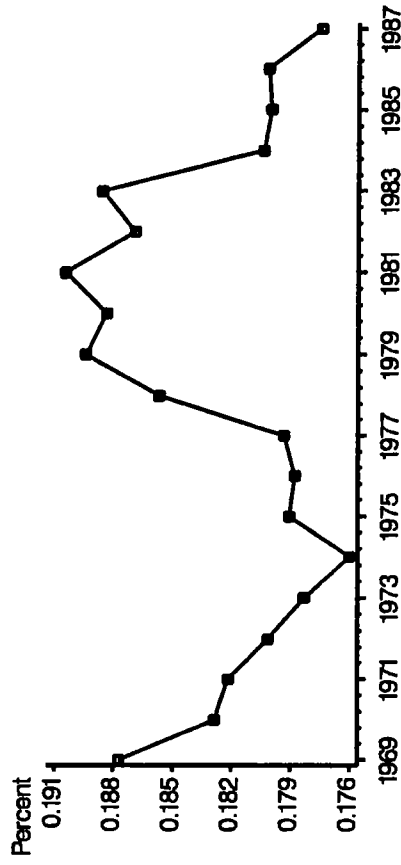


CHART 5C

ELLIOTT COUNTY
POPULATION 5 AND UNDER

as a Percent of Total Population

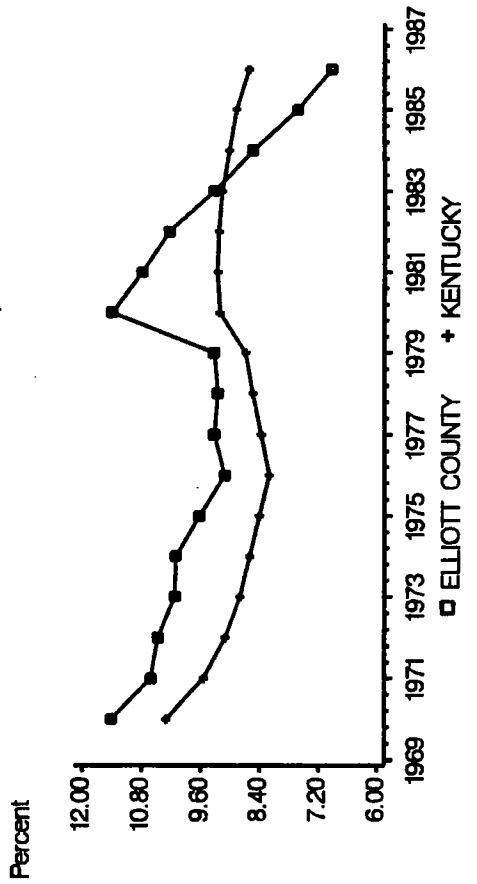


CHART 5D
ELLIOTT COUNTY
POPULATION 60 AND OVER

as a Percent of Total Population

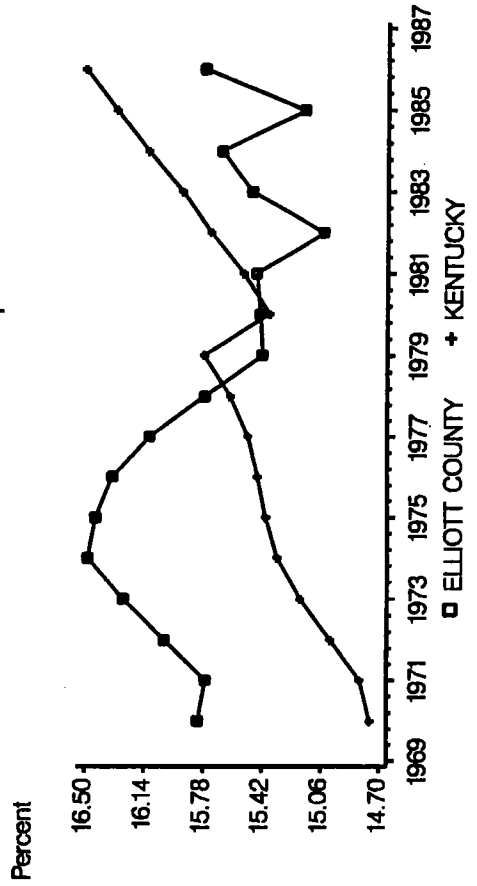


CHART 6A
ELLIOTT COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

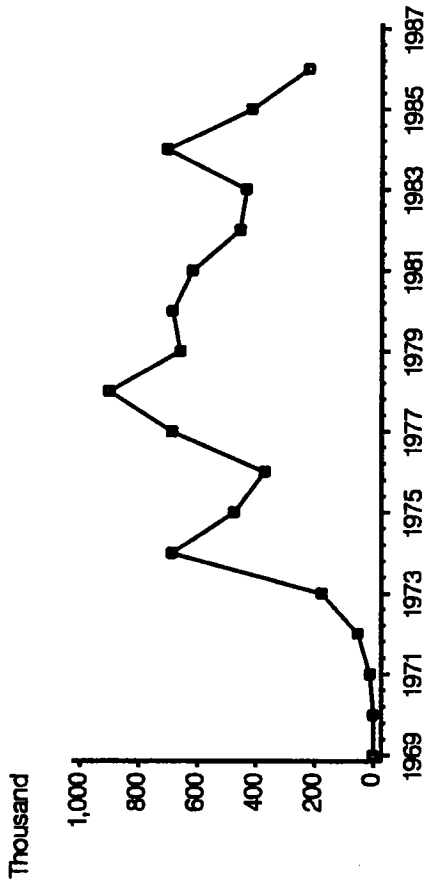


CHART 6B
ELLIOTT COUNTY
MINING EMPLOYMENT
 Thousands of People

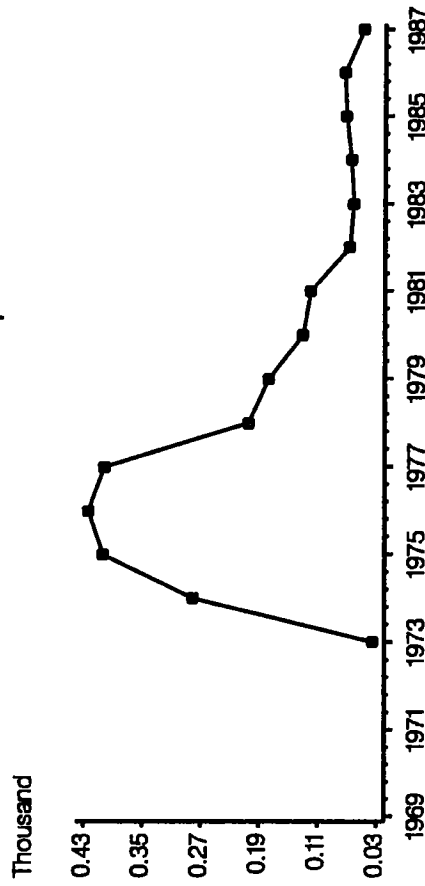


CHART 6C
ELLIOTT COUNTY
AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

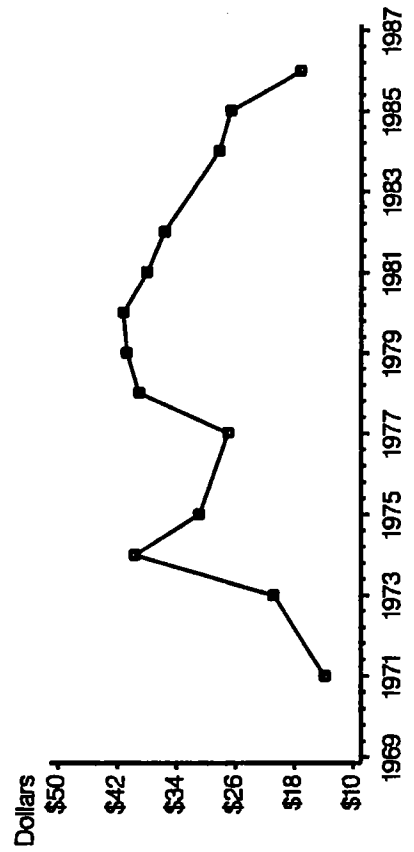
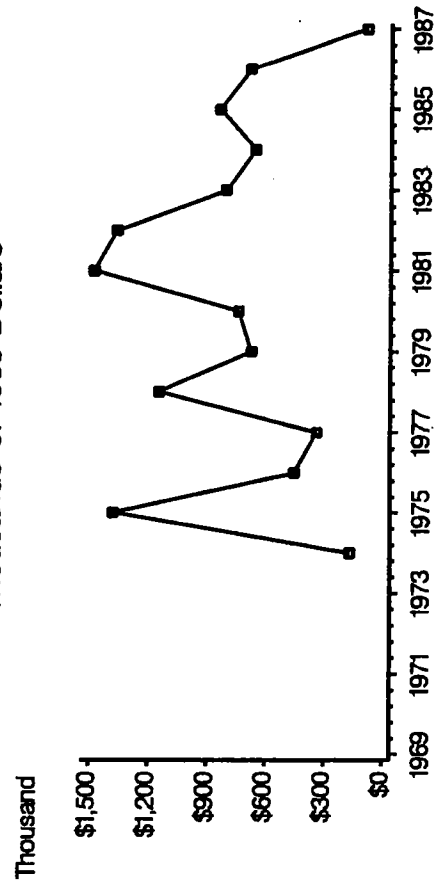


CHART 6D
ELLIOTT COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



ELLIOTT COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	24	0.09	4,102	46.2
1970	26	0.09	4,330	47.5
1971	26	0.08	4,317	46.6
1972	29	0.09	4,916	50.5
1973	30	0.09	5,070	49.4
1974	39	0.11	6,548	63.2
1975	40	0.11	6,494	63.3
1976	43	0.11	6,869	64.0
1977	42	0.11	6,572	58.8
1978	46	0.11	6,872	59.4
1979	48	0.11	7,077	60.2
1980	47	0.11	6,837	59.3
1981	45	0.11	6,482	55.3
1982	48	0.11	6,900	59.7
1983	41	0.10	5,916	52.0
1984	44	0.10	6,565	54.7
1985	44	0.10	6,488	54.1
1986	42	0.09	6,367	52.0
1987	43	0.09	6,405	51.2

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	18	72.7	79.2	6	22.5	10.9	1	4.7	9.9
1970	18	70.2	77.9	6	24.3	11.9	1	5.5	10.2
1971	17	67.5	77.0	7	26.4	12.9	2	6.1	10.1
1972	21	70.2	77.3	7	23.9	12.9	2	5.9	9.7
1973	21	69.8	76.6	7	24.3	13.6	2	5.8	9.7
1974	29	74.6	75.5	8	20.6	14.4	2	4.8	10.1
1975	29	71.7	73.3	9	22.9	16.5	2	5.5	10.1
1976	31	71.6	73.9	10	23.1	16.1	2	5.3	10.0
1977	30	71.6	74.6	10	22.4	15.3	3	5.9	10.1
1978	33	71.9	75.0	9	19.7	14.6	4	8.4	10.4
1979	33	68.7	74.1	10	20.4	15.1	5	10.9	10.8
1980	31	66.5	71.1	11	22.3	16.7	5	11.3	12.2
1981	29	63.4	69.3	11	24.4	16.8	6	12.2	13.8
1982	30	63.7	67.5	11	23.2	17.6	6	13.1	14.9
1983	23	57.0	66.6	12	29.3	18.4	6	13.7	15.1
1984	26	59.8	67.8	12	27.6	17.3	6	12.6	14.9
1985	25	58.0	67.2	12	28.0	17.6	6	14.0	15.3
1986	24	57.4	67.1	13	29.6	17.6	5	12.9	15.3
1987	25	57.9	67.5	12	29.0	17.2	6	13.2	15.3

ELLIOTT COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	3.1	0.01	36.5	0.34	.	.
1970	1.7	0.00	38.6	0.39	.	.
1971	7.0	0.01	26.9	0.27	.	.
1972	4.9	0.01	40.6	0.42	.	.
1973	4.5	0.01	37.6	0.35	3.6	0.04
1974	2.5	0.01	18.6	0.28	45.6	0.63
1975	1.6	0.01	14.9	0.38	51.7	0.67
1976	2.1	0.01	14.0	0.35	53.7	0.79
1977	1.1	0.00	11.1	0.22	54.5	0.63
1978	3.2	0.01	10.3	0.17	36.5	0.31
1979	5.3	0.01	10.0	0.14	30.3	0.26
1980	3.5	0.01	15.6	0.26	28.0	0.21
1981	2.7	0.01	19.3	0.23	22.5	0.17
1982	2.4	0.01	25.4	0.30	10.4	0.07
1983	2.7	0.01	14.7	0.37	11.1	0.08
1984	1.9	0.00	23.7	0.27	8.3	0.06
1985	2.0	0.00	13.3	0.19	10.1	0.08
1986	2.0	0.00	9.8	0.17	10.4	0.08
1987	2.0	0.00	11.3	0.16	5.8	0.05

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	13.1	0.06	9.3	0.03	19.9	0.12
1970	14.0	0.06	9.2	0.03	20.0	0.11
1971	16.7	0.06	11.8	0.04	20.1	0.10
1972	11.4	0.05	12.8	0.05	16.1	0.10
1973	10.4	0.04	11.9	0.04	17.7	0.10
1974	5.0	0.04	7.0	0.04	10.8	0.11
1975	4.3	0.03	5.6	0.04	10.1	0.11
1976	4.5	0.04	5.6	0.04	10.1	0.11
1977	4.8	0.03	6.1	0.04	11.8	0.12
1978	6.7	0.03	8.1	0.03	16.8	0.12
1979	7.5	0.03	9.2	0.04	18.5	0.12
1980	8.2	0.03	8.8	0.03	16.7	0.10
1981	8.5	0.03	7.9	0.03	20.0	0.12
1982	9.2	0.03	10.2	0.03	24.0	0.12
1983	12.3	0.03	12.4	0.04	27.6	0.11
1984	10.0	0.03	11.7	0.04	23.9	0.11
1985	11.5	0.03	11.4	0.03	26.1	0.11
1986	12.5	0.03	10.8	0.03	27.0	0.11
1987	13.1	0.03	11.0	0.03	29.5	0.11

ELLIOTT COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	32	3.5	396	43.5	.	.
1970	18	2.0	407	44.6	.	.
1971	67	7.0	418	43.5	.	.
1972	69	6.9	426	42.8	.	.
1973	60	5.7	440	41.6	35	3.3
1974	60	4.5	442	33.3	281	21.2
1975	35	2.3	500	32.7	404	26.4
1976	51	3.1	548	33.8	424	26.2
1977	15	0.9	583	35.6	402	24.6
1978	29	1.9	617	40.2	205	13.4
1979	56	3.6	634	40.5	177	11.3
1980	28	1.9	631	42.7	131	8.9
1981	24	1.6	654	44.6	120	8.2
1982	24	1.7	671	47.8	67	4.8
1983	27	1.8	709	48.0	62	4.2
1984	21	1.4	685	46.3	65	4.4
1985	20	1.3	673	45.2	72	4.8
1986	19	1.3	666	44.8	74	5.0
1987	17	1.2	660	45.1	48	3.3

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	98	10.8	85	9.3	178	19.6
1970	123	13.5	78	8.5	177	19.4
1971	109	11.4	82	8.5	174	18.1
1972	114	11.4	94	9.4	169	17.0
1973	122	11.5	101	9.6	184	17.4
1974	115	8.7	102	7.7	199	15.0
1975	134	8.8	94	6.2	215	14.1
1976	123	7.6	87	5.4	227	14.0
1977	130	7.9	98	6.0	240	14.7
1978	135	8.8	92	6.0	259	16.9
1979	137	8.8	90	5.8	268	17.1
1980	141	9.5	83	5.6	266	18.0
1981	140	9.5	77	5.2	255	17.4
1982	124	8.8	94	6.7	222	15.8
1983	132	8.9	121	8.2	230	15.6
1984	121	8.2	133	9.0	229	15.5
1985	121	8.1	109	7.3	236	15.8
1986	119	8.0	115	7.7	235	15.8
1987	119	8.1	105	7.2	251	17.2

ELLIOTT COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	910	\$14,175	\$17,440	.	4.2
1970	913	\$13,924	\$17,811	25.8	4.4
1971	960	\$12,852	\$18,166	8.1	5.1
1972	996	\$15,175	\$18,970	10.3	6.0
1973	1,057	\$14,255	\$19,232	10.2	3.7
1974	1,327	\$18,957	\$19,008	6.0	4.5
1975	1,528	\$18,976	\$18,976	6.1	7.3
1976	1,620	\$19,317	\$19,563	4.9	5.6
1977	1,637	\$17,471	\$20,031	4.6	4.7
1978	1,535	\$14,137	\$20,121	5.5	5.3
1979	1,564	\$13,082	\$20,110	7.9	5.5
1980	1,478	\$12,692	\$19,439	10.0	8.0
1981	1,468	\$12,278	\$19,286	12.3	8.4
1982	1,403	\$10,910	\$18,931	17.8	10.6
1983	1,478	\$8,994	\$18,358	29.3	11.6
1984	1,480	\$10,489	\$19,080	26.3	9.3
1985	1,490	\$9,731	\$18,676	20.1	9.5
1986	1,486	\$9,439	\$18,627	22.0	9.3
1987	1,463	\$9,281	\$18,636	21.7	8.8

POPULATION STATISTICS

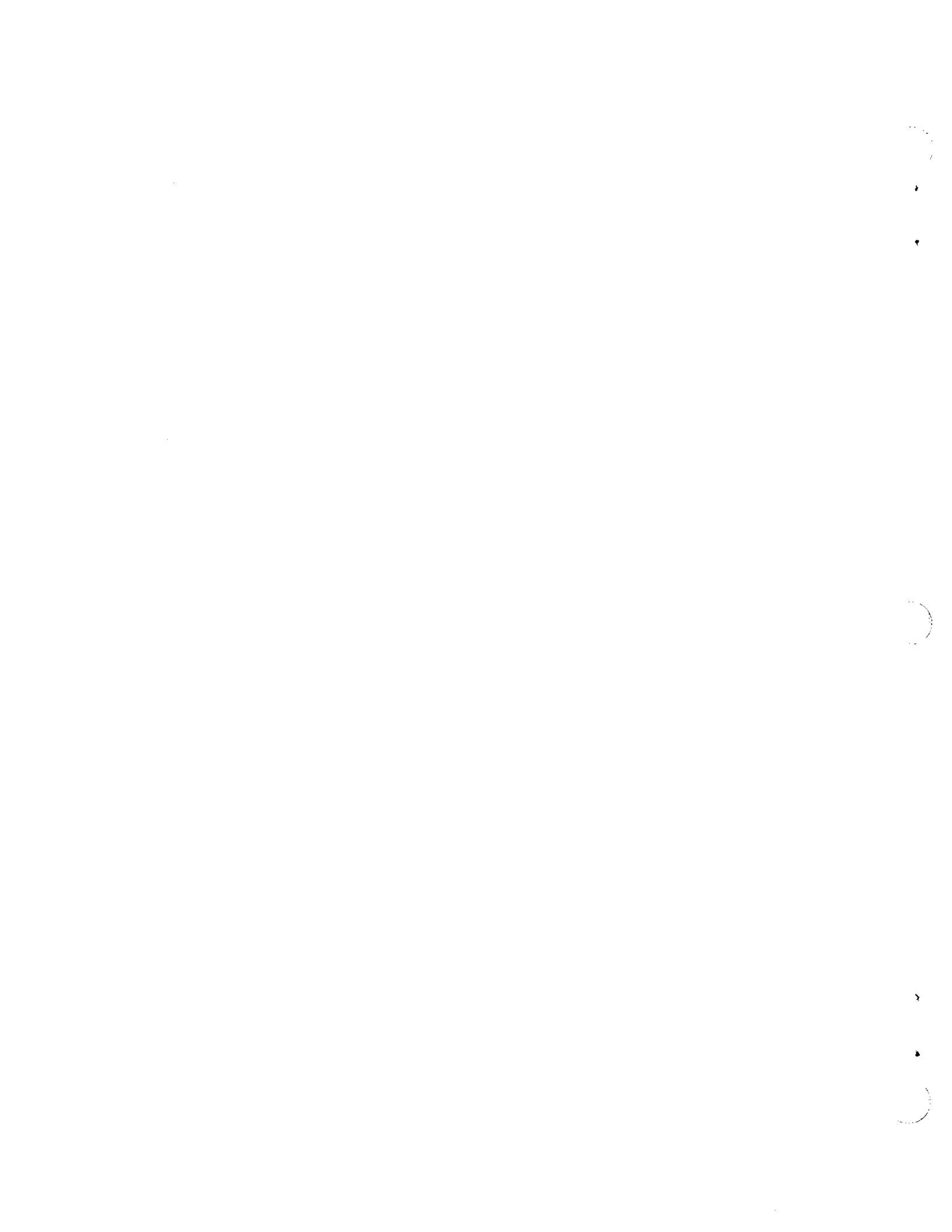
YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	6,000	0.19	.	.	.	.
1970	5,900	0.18	11.4	10.3	15.8	14.8
1971	6,000	0.18	10.6	9.6	15.8	14.8
1972	6,000	0.18	10.5	9.1	16.0	15.0
1973	6,000	0.18	10.1	8.8	16.3	15.2
1974	6,000	0.18	10.1	8.6	16.5	15.3
1975	6,200	0.18	9.6	8.4	16.4	15.4
1976	6,300	0.18	9.1	8.2	16.3	15.5
1977	6,400	0.18	9.3	8.4	16.1	15.5
1978	6,700	0.19	9.3	8.5	15.8	15.6
1979	6,900	0.19	9.3	8.7	15.4	15.8
1980	6,900	0.19	11.4	9.2	15.4	15.4
1981	7,000	0.19	10.8	9.3	15.5	15.5
1982	6,900	0.19	10.2	9.2	15.0	15.7
1983	7,000	0.19	9.3	9.2	15.5	15.9
1984	6,700	0.18	8.5	9.0	15.7	16.1
1985	6,700	0.18	7.6	8.9	15.2	16.3
1986	6,700	0.18	6.9	8.6	15.8	16.5
1987	6,600	0.18	.	.	.	.

ELLIOTT COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	0	.	.	.
1970	0	.	.	.
1971	11	.	\$13.86	.
1972	53	.	.	.
1973	177	35	\$20.88	.
1974	687	281	\$39.64	\$168
1975	473	404	\$31.02	\$1,375
1976	371	424	.	\$455
1977	688	402	\$27.03	\$339
1978	903	205	\$39.11	\$1,145
1979	661	177	\$40.79	\$673
1980	686	131	\$41.23	\$742
1981	618	120	\$37.99	\$1,474
1982	456	67	\$35.66	\$1,358
1983	434	62	.	\$805
1984	705	65	\$28.24	\$653
1985	416	72	\$26.58	\$837
1986	222	74	\$17.12	\$678
1987	.	48	.	.

Note: All dollar figures are presented in constant 1988 dollars.



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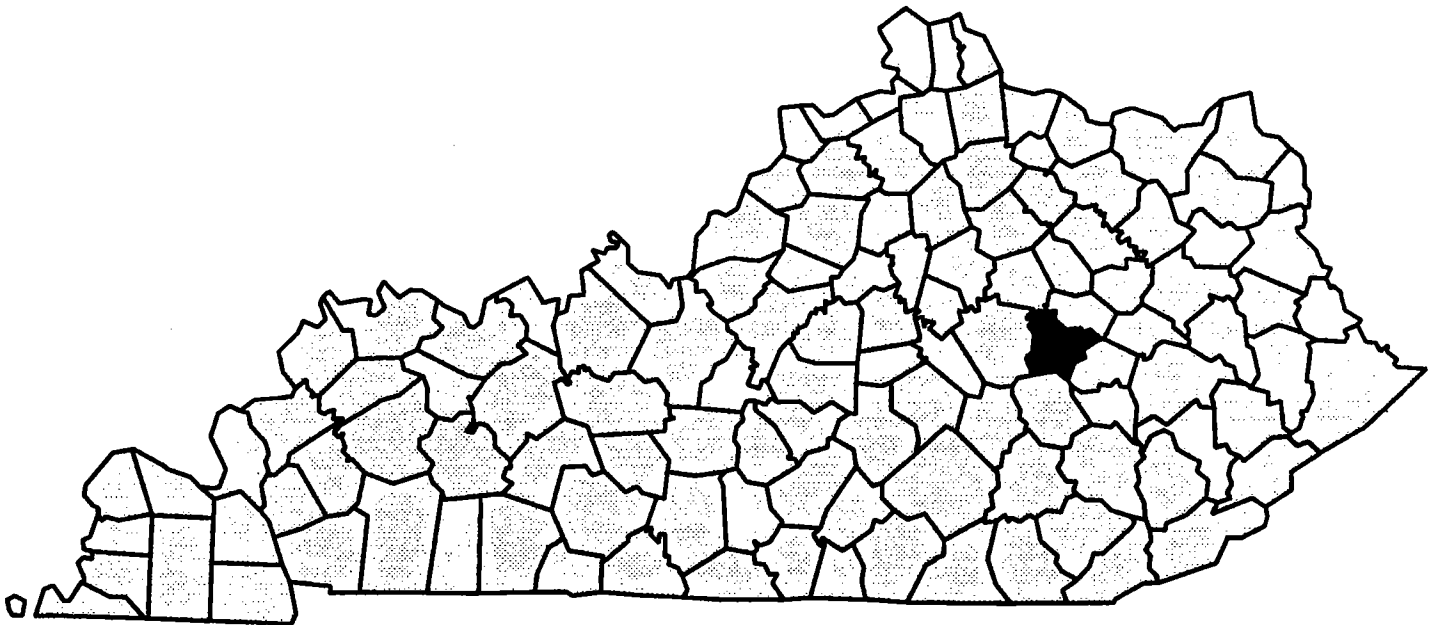
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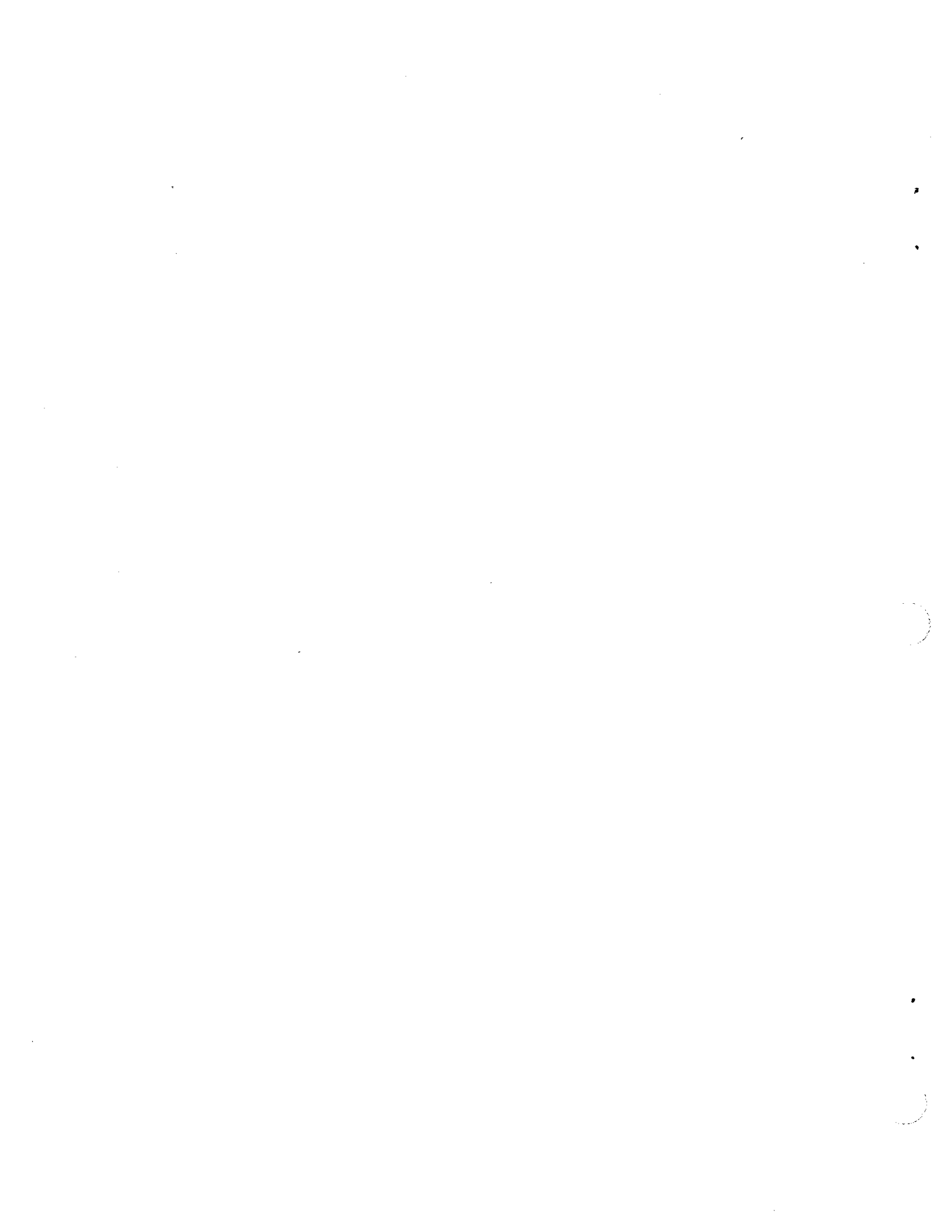
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

ESTILL COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



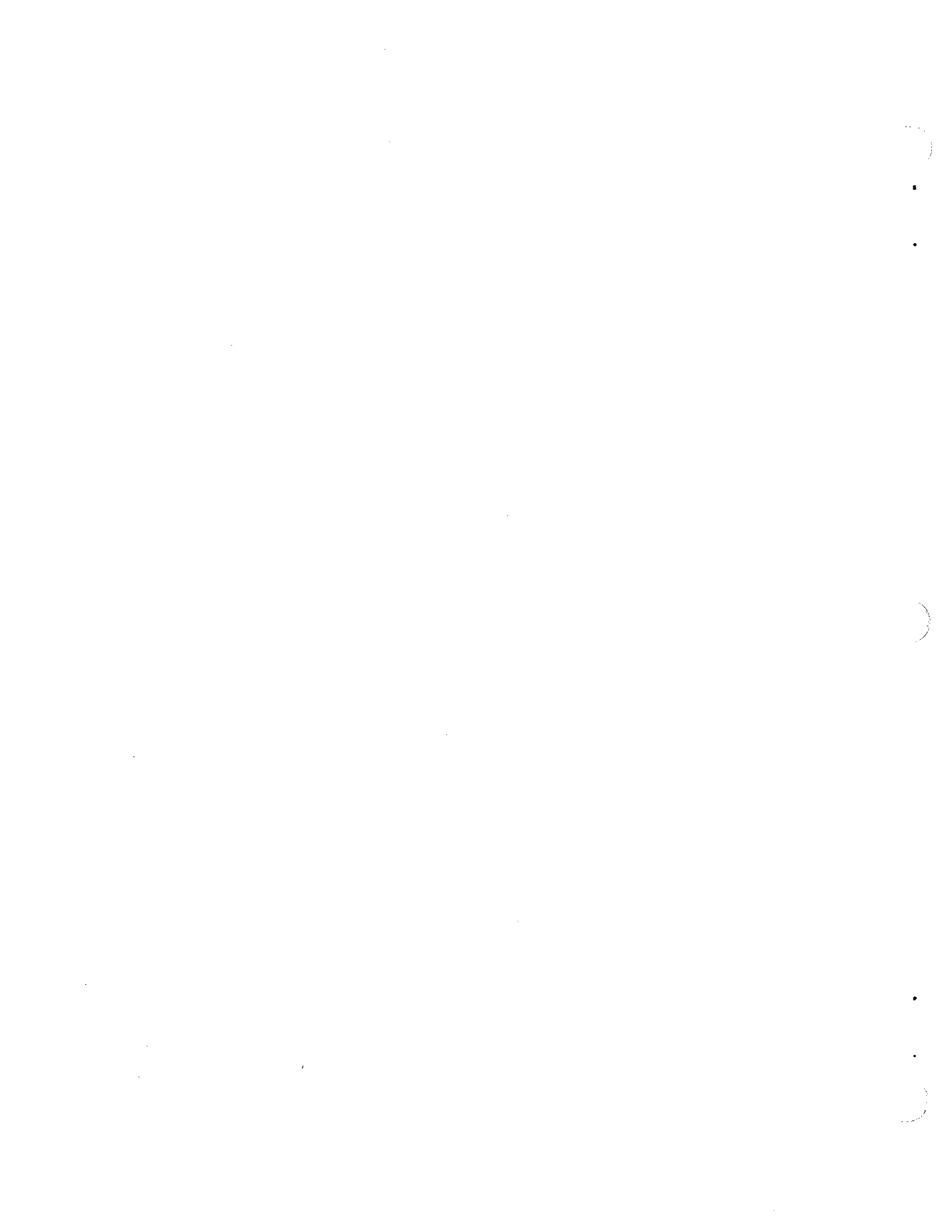
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1969 – 1987

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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



SUMMARY

The Estill County economy grew modestly from 1969 to 1987 and has maintained its share of the Kentucky economy. However, the Estill County economy has performed very differently than the Kentucky economy. Estill County receives a smaller percent of its personal income from transfer payments and a much larger percent from transfer payments than does the state. Often, a higher percentage of income from earnings may be explained by individuals receiving retirement benefits. However, by 1987 Estill County had a lower proportion of retirement age population than the state. Estill County also had unemployment rates which exceeded the state's rates throughout the period. This combination of factors suggests the higher proportion of transfer payments is likely attributed to income maintenance and unemployment programs.

The structure of the Estill County economy is very different from that of the state. Estill County has increased its share of manufacturing earnings and employment. Conversely, at the state level both earnings and employment have declined in this sector. The percent of earnings and employment in the service sector has declined in Estill County, while they have increased at the state level. Finally, the trade sector has had a constant share of employment, while its share of earnings declined. At the state level, trade sector employment increased, while earnings were constant.

The high concentration in the manufacturing sector has enabled the county economy to maintain a constant share of the state economy. However, manufacturing industries are very sensitive to changing patterns in consumer demand and are generally more susceptible to economic declines. Consequently, while a high concentration in manufacturing enabled the county to enjoy some economic growth during a period of national economic expansion, it may also make the county more susceptible to recessionary contractions.

INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.



ECONOMIC TRENDS IN ESTILL COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Estill County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, of the Estill County economy, as measured by personal income, increased from \$81 million in 1969 to \$129 million in 1987, after adjusting for inflation. Chart 1B shows Estill County total personal income as a percent of Kentucky total personal income. Estill County's share of Kentucky personal income was 0.28 percent in 1987 and has shown only small changes constant over the years.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Estill County per capita income increased over the time period to a level of \$8,654 per person in 1987 and was 69.2 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their share has changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$60 million in 1969 to \$78 million in 1987 (in constant 1988 dollars). While earnings have

increased, their share of personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 60.7 percent of Estill County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$15 million to total personal income in 1969 and \$34 million in 1987. Transfer payments comprised a much larger percentage of personal income in Estill County than in Kentucky throughout the period. In 1987, 26.4 percent of Estill County personal income was derived from transfer payments, compared to 17.2 percent for the state.

Income from property in Estill County grew at a slow but steady rate through the time period. Income from property totalled \$5 million in 1969 and increased to \$17 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. In 1969, Estill County received 8.7 percent of total earnings from manufacturing. This percentage increased to 12.9 percent in 1987 (Chart 3A). This is unlike state trends, where earnings from manufacturing declined during this period.

Chart 3A also indicates that farming's contribution to total county earnings has decreased. In 1969, 10.5 percent of earnings was derived from farming, compared to 5.5 percent in 1987.

The mining sector accounted for only 2.2 percent of total earnings in 1969. This contribution increased substantially in 1975. By 1987, 12.9 percent of earnings was derived from mining.

Earning trends in the non-goods-producing sectors of Estill County were very different from those of the state. The percent of earnings from the service sector declined through the seventies and early eighties. However, it appears that by 1983, the percent of earnings from this sector began to increase. The percent of earnings from trade decreased from 25.3 percent in 1969 to 17.3 percent in 1987. (Chart 3B). Earnings from the state and local government sector remained stable. At the state level, the percent of earnings from services increased, while the percent of earnings from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Estill County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. Trends in average earnings per job in Estill County have been similar to state trends. Average earnings reached \$14,085 in 1987 and were well below the Kentucky average.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Estill County increased from 2,426 people to 3,823 in 1987.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Estill County are presented in Chart 4B. Unemployment rates in Estill County have been above those of the state throughout the period. In 1987, the county unemployment rate was 14.6 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing increased from 9.2 percent in 1969 to 13.0 percent in 1987. This trend is unlike that of the state, where manufacturing's share of employment has declined. While the percent of earnings from the farming sector declined dramatically, farming's share of employment declined only one percent over the seventeen-year period. Mining sector employment increased dramatically in 1974. This growth was sustained through most of the eighties. However, by 1987, this share declined to 6.0 percent.

Employment in the non-goods-producing industries is illustrated in Chart 4D. The percent of those employed in the trade sector has been relatively constant since 1969. The trade sector has been the largest source of employment in Estill County. In 1987, 19.7 percent of employment was in the trade sector. Estill County's share of service employment decreased. In 1969, the service sector accounted for 18.3 percent of employment. This share decreased to 14.7 percent in 1987. Employment in state and local government was stable. At the state level, service and trade employment increased, while employment in state and local government was stable.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated through intervening years.

The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Estill County.

The Estill County population grew steadily from 12,700 in 1969 to 14,900 in 1987 (Chart 5A). It was estimated that in 1986, 8.6 percent of Estill County's population was under six years of age, the same as for the state. The percent of population 60 years old and over in Estill County declined over the period. In 1969, 18.0 percent of population was 60 years old or over, compared to 14.8 percent of the state. However, by 1987, the percent of Estill County's senior population declined to 16.1, while the state percent increased to 16.5.

CHART 1A
ESTILL COUNTY
REAL PERSONAL INCOME
 Millions of 1988 dollars

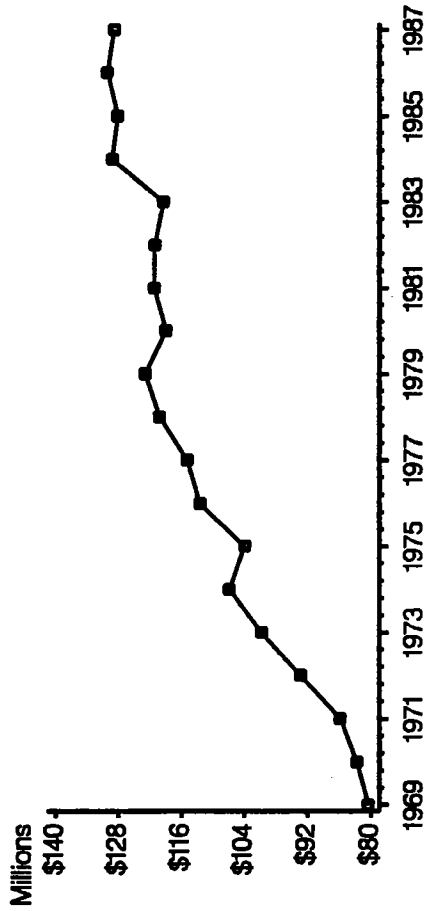


CHART 1B
ESTILL COUNTY
PERSONAL INCOME
 as a Percent of Kentucky Personal Income

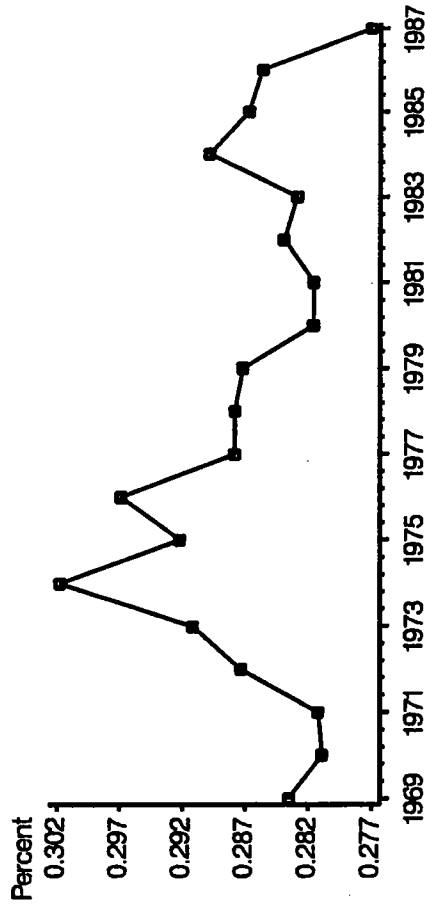


CHART 1C
ESTILL COUNTY
PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

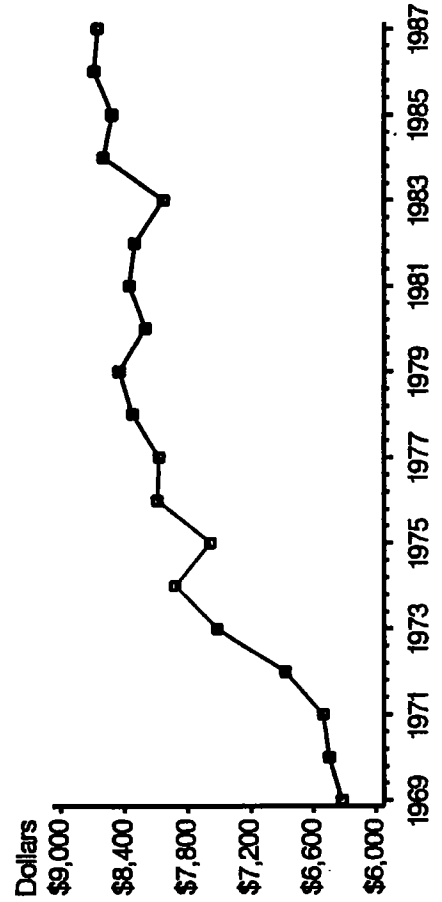


CHART 1D
ESTILL COUNTY
PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

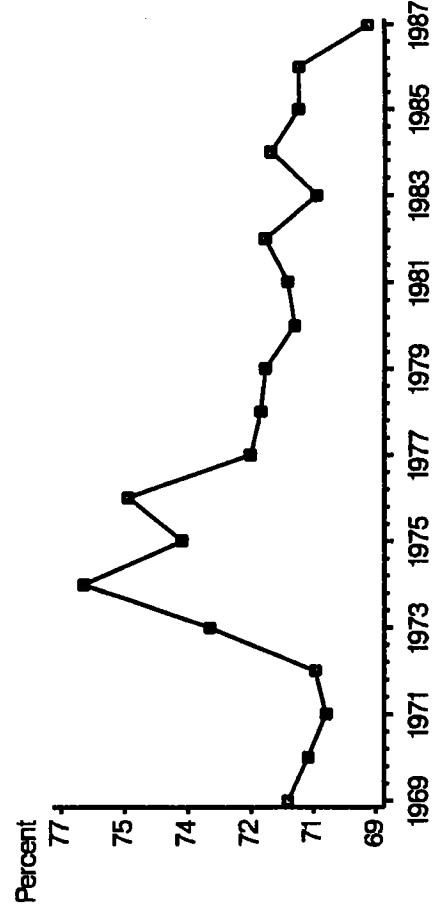


CHART 2A
ESTILL COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

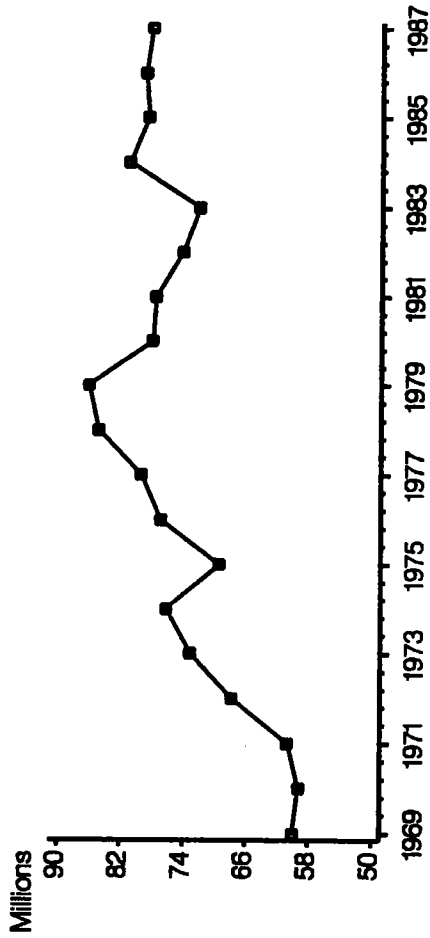


CHART 2B
ESTILL COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

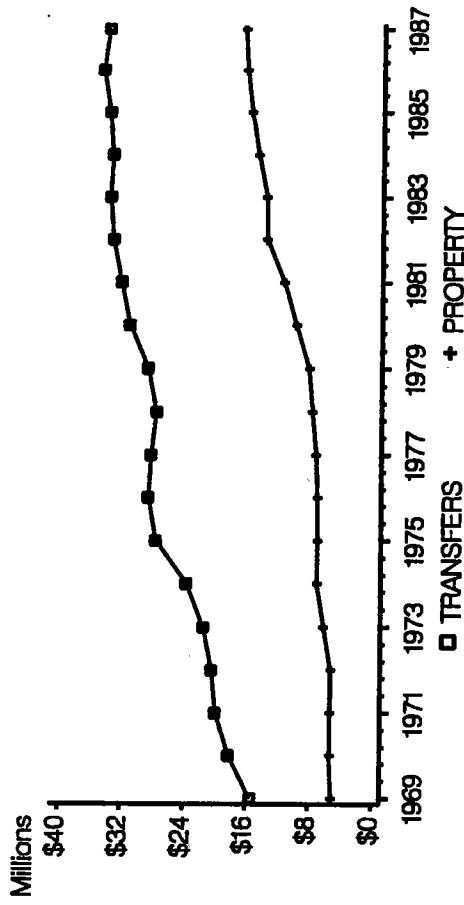


CHART 2C
ESTILL COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

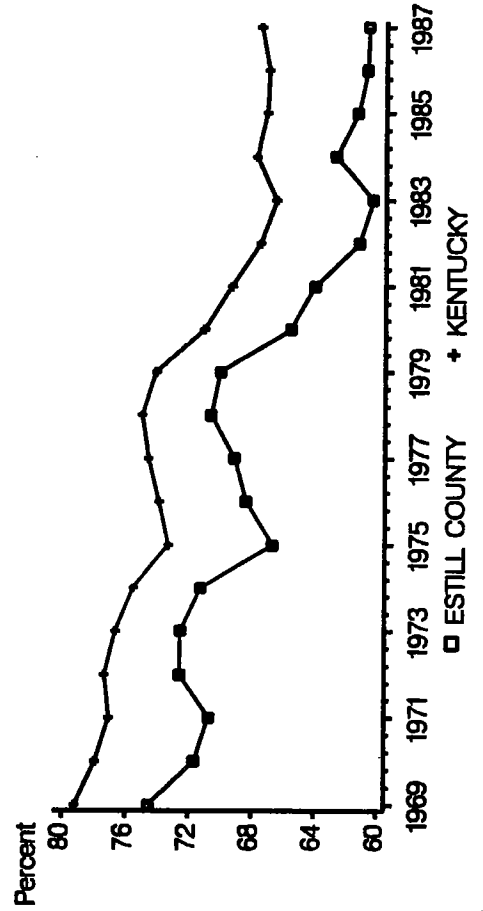


CHART 2D
ESTILL COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

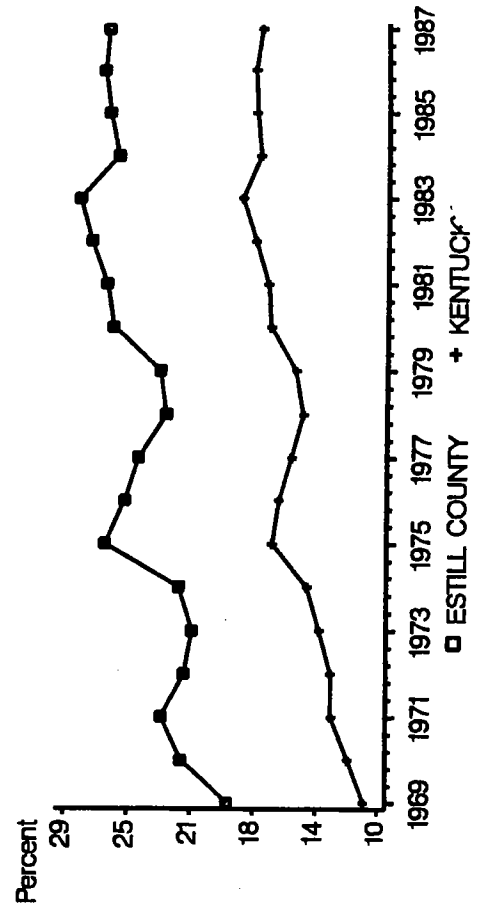


CHART 3A
ESTILL COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

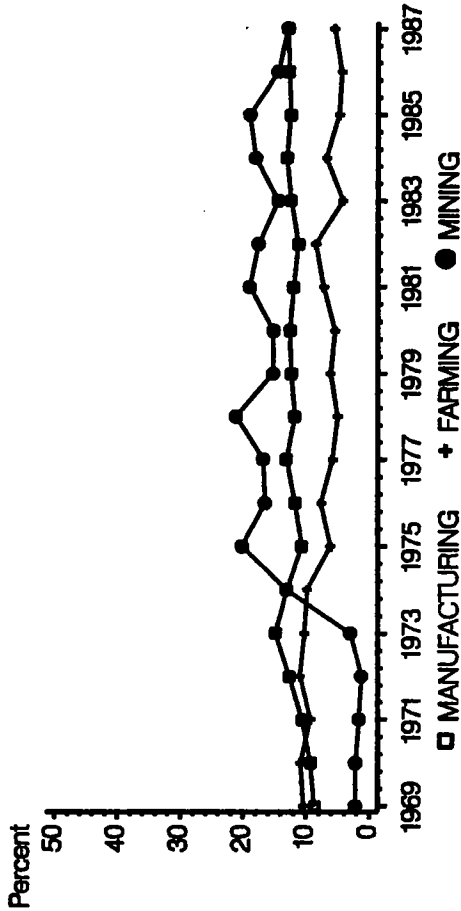


CHART 3B
ESTILL COUNTY

EARNINGS in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

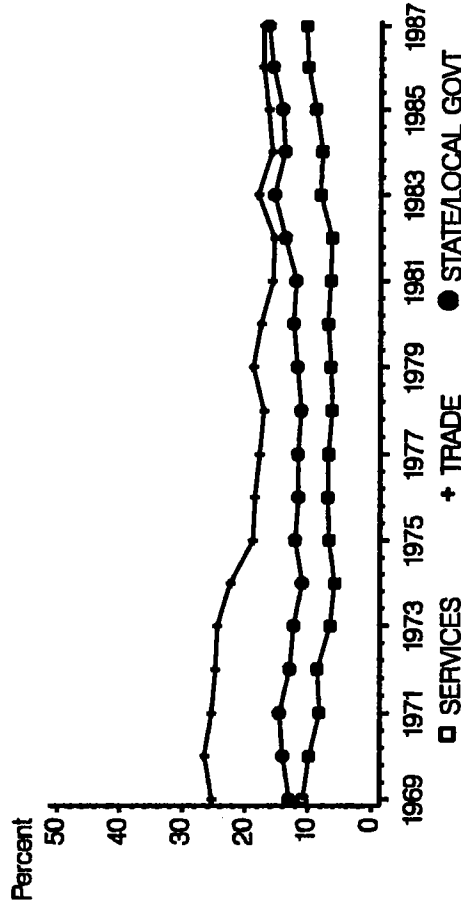


CHART 3C
ESTILL COUNTY

EARNINGS in GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

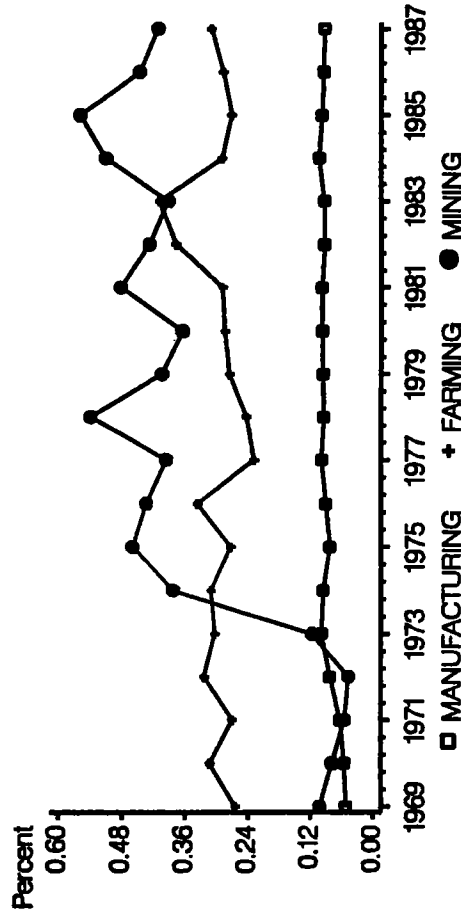


CHART 3D
ESTILL COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

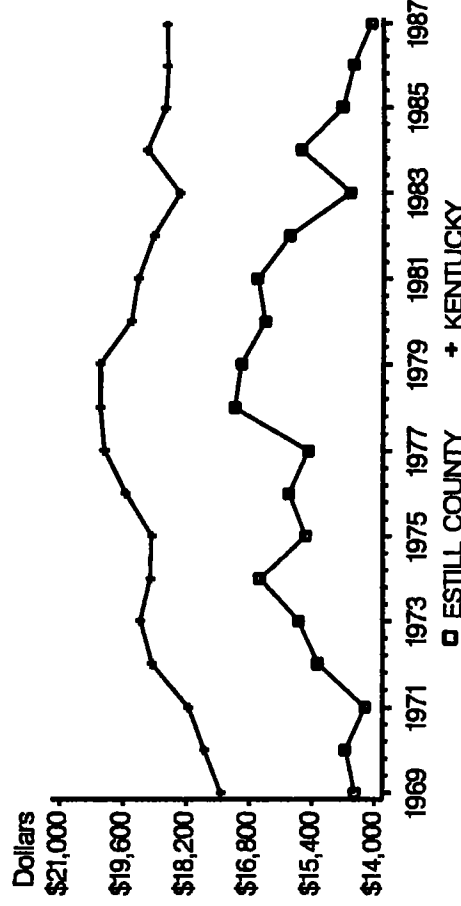


CHART 4A
ESTILL COUNTY

TOTAL EMPLOYMENT
Thousands of People

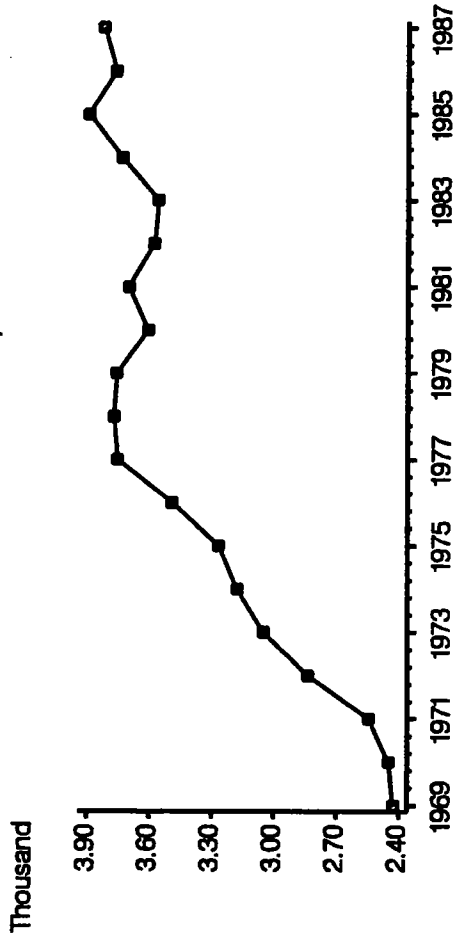


CHART 4B
ESTILL COUNTY
ANNUAL UNEMPLOYMENT RATE

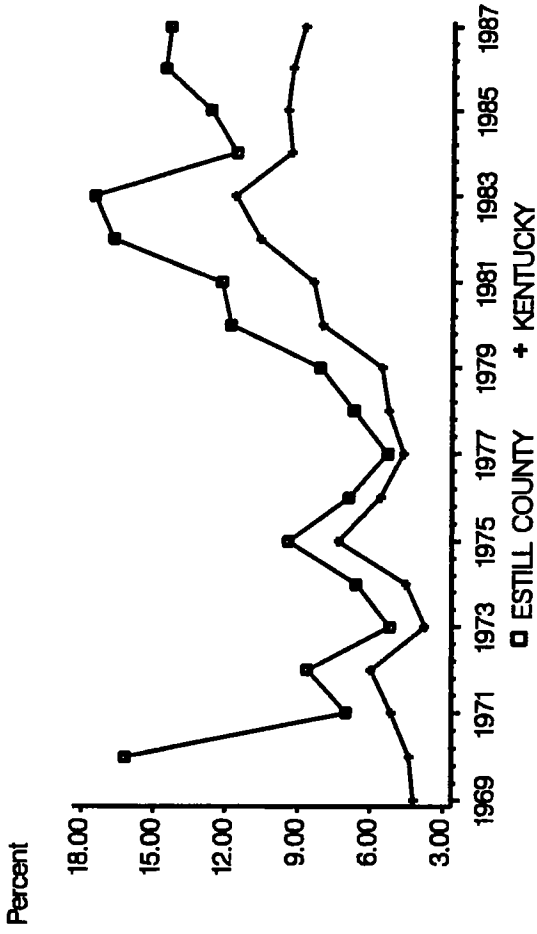


CHART 4C
ESTILL COUNTY

EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

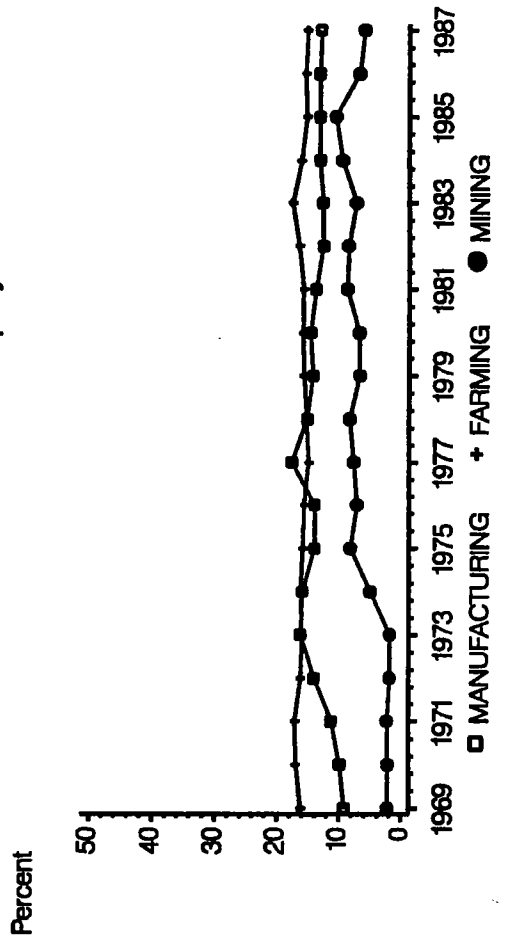


CHART 4D
ESTILL COUNTY

EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

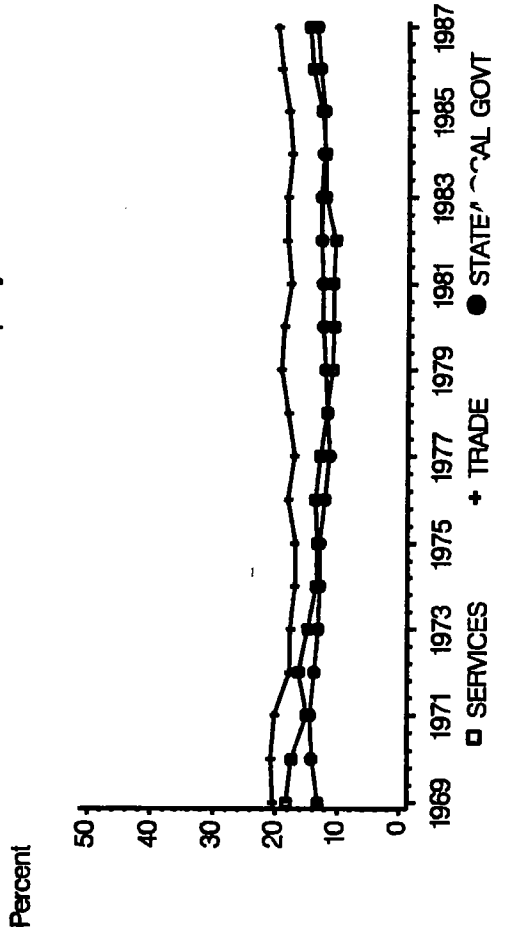


CHART 5A
ESTILL COUNTY
POPULATION

Thousands of People

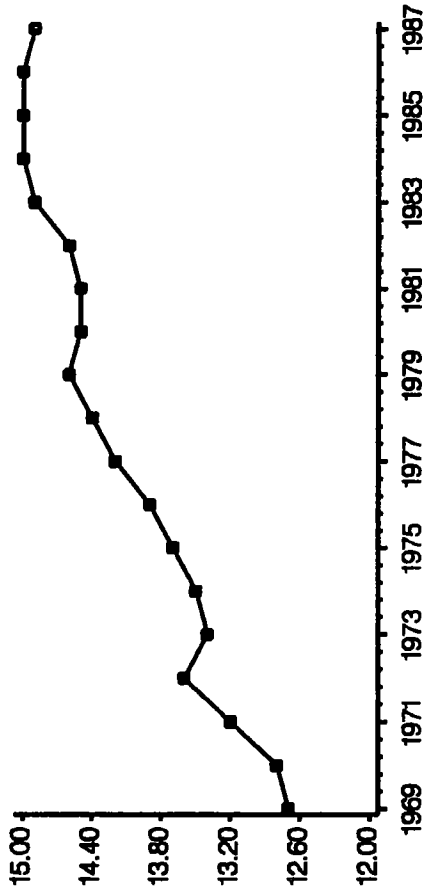


CHART 5B
ESTILL COUNTY
POPULATION
as a Percent of Kentucky Population

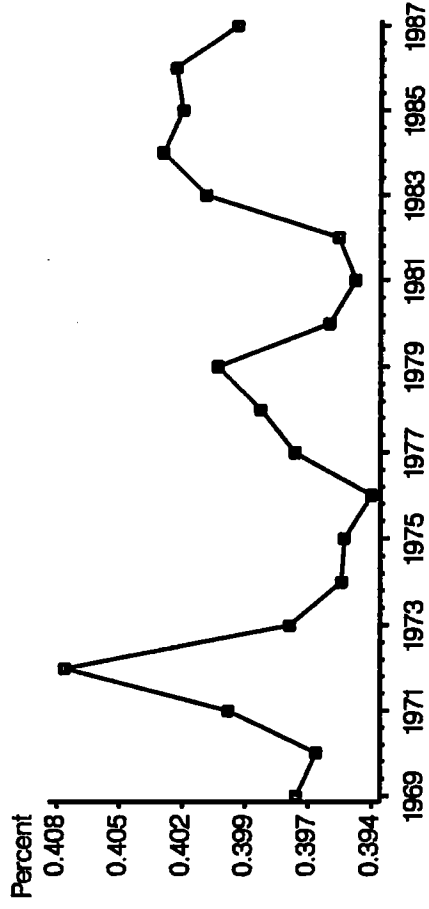


CHART 5C
ESTILL COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

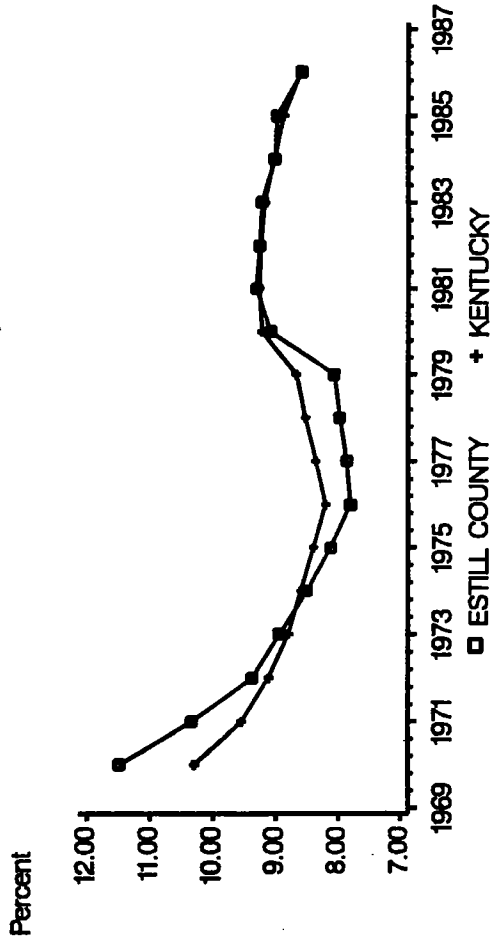
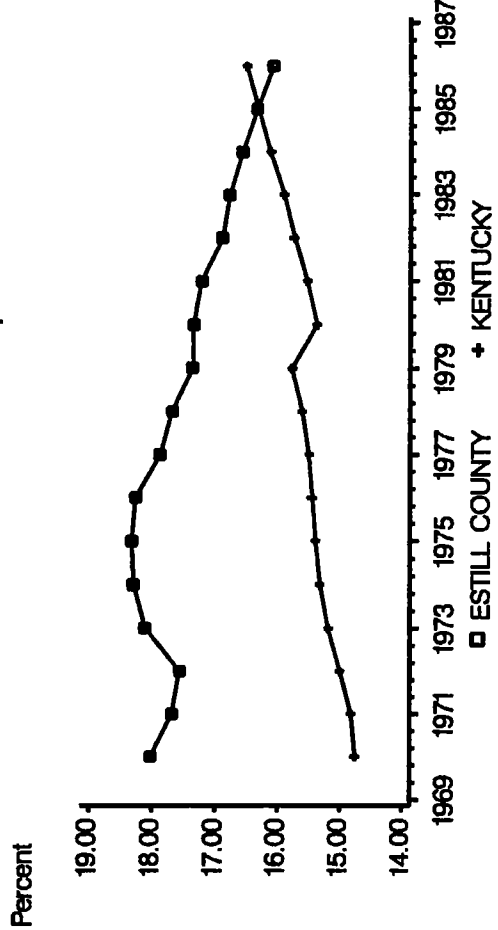


CHART 5D
ESTILL COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



ESTILL COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	81	0.28	6,331	71.3
1970	83	0.28	6,448	70.7
1971	86	0.28	6,505	70.3
1972	93	0.29	6,875	70.6
1973	101	0.29	7,523	73.3
1974	107	0.30	7,920	76.4
1975	104	0.29	7,590	74.0
1976	113	0.30	8,087	75.3
1977	115	0.29	8,071	72.2
1978	120	0.29	8,324	72.0
1979	123	0.29	8,449	71.9
1980	119	0.28	8,200	71.1
1981	121	0.28	8,356	71.3
1982	121	0.28	8,303	71.9
1983	119	0.28	8,029	70.5
1984	129	0.29	8,600	71.7
1985	128	0.29	8,520	71.0
1986	130	0.29	8,688	71.0
1987	129	0.28	8,654	69.2

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	60	74.5	79.2	15	19.2	10.9	5	6.3	9.9
1970	59	71.6	77.9	18	22.0	11.9	5	6.4	10.2
1971	61	70.7	77.0	20	23.2	12.9	5	6.1	10.1
1972	68	72.6	77.3	20	21.8	12.9	5	5.6	9.7
1973	73	72.5	76.6	22	21.3	13.6	6	6.1	9.7
1974	76	71.3	75.5	24	22.1	14.4	7	6.6	10.1
1975	69	66.7	73.3	28	26.6	16.5	7	6.7	10.1
1976	77	68.4	73.9	29	25.4	16.1	7	6.2	10.0
1977	79	69.1	74.6	28	24.6	15.3	7	6.3	10.1
1978	85	70.6	75.0	28	22.9	14.6	8	6.4	10.4
1979	86	70.0	74.1	29	23.3	15.1	8	6.7	10.8
1980	78	65.6	71.1	31	26.1	16.7	10	8.3	12.2
1981	78	64.0	69.3	32	26.5	16.8	11	9.4	13.8
1982	74	61.3	67.5	33	27.5	17.6	14	11.3	14.9
1983	72	60.3	66.6	34	28.2	18.4	14	11.5	15.1
1984	81	62.7	67.8	33	25.8	17.3	15	11.4	14.9
1985	79	61.4	67.2	34	26.4	17.6	16	12.2	15.3
1986	79	60.8	67.1	35	26.7	17.6	16	12.6	15.3
1987	78	60.7	67.5	34	26.4	17.2	17	12.9	15.3

ESTILL COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	8.7	0.05	10.5	0.26	2.2	0.10
1970	9.3	0.06	10.9	0.31	2.1	0.08
1971	10.6	0.06	9.3	0.27	1.6	0.06
1972	12.7	0.08	11.0	0.32	1.2	0.05
1973	14.8	0.10	10.3	0.30	3.0	0.12
1974	13.1	0.10	9.9	0.31	13.1	0.38
1975	10.7	0.08	6.1	0.27	20.2	0.46
1976	11.8	0.09	7.6	0.34	16.5	0.43
1977	13.1	0.10	5.8	0.23	16.8	0.40
1978	11.8	0.09	5.0	0.24	21.1	0.54
1979	12.4	0.10	6.1	0.28	15.2	0.40
1980	12.6	0.10	5.4	0.28	15.2	0.36
1981	12.0	0.10	7.2	0.29	19.0	0.48
1982	11.2	0.09	8.5	0.38	17.6	0.43
1983	12.4	0.09	4.2	0.41	14.4	0.39
1984	13.1	0.10	6.8	0.29	18.0	0.51
1985	12.5	0.10	4.8	0.27	18.9	0.56
1986	12.7	0.10	4.3	0.29	14.5	0.45
1987	12.9	0.09	5.5	0.31	12.9	0.41

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	10.9	0.12	25.3	0.24	13.0	0.22
1970	9.9	0.11	26.4	0.25	14.0	0.22
1971	8.2	0.09	25.4	0.24	14.6	0.22
1972	8.5	0.11	24.7	0.26	12.9	0.22
1973	6.5	0.09	24.5	0.27	12.3	0.23
1974	5.8	0.09	22.3	0.27	11.0	0.23
1975	6.7	0.09	18.8	0.21	12.1	0.23
1976	6.9	0.10	18.5	0.22	11.6	0.23
1977	6.8	0.10	17.8	0.22	11.7	0.23
1978	6.3	0.09	17.1	0.22	11.2	0.24
1979	6.5	0.09	18.7	0.23	11.8	0.23
1980	6.9	0.09	17.5	0.21	12.4	0.23
1981	6.5	0.09	15.7	0.21	12.0	0.24
1982	6.3	0.08	15.5	0.19	13.7	0.25
1983	8.1	0.09	18.0	0.20	15.5	0.25
1984	7.9	0.09	15.9	0.19	13.9	0.25
1985	8.9	0.09	16.5	0.19	14.3	0.24
1986	10.2	0.09	17.4	0.19	15.8	0.25
1987	10.5	0.09	17.3	0.18	16.5	0.25

ESTILL COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	222	9.2	394	16.2	55	2.3
1970	241	9.8	416	17.0	54	2.2
1971	285	11.2	437	17.2	59	2.3
1972	400	14.1	461	16.3	54	1.9
1973	497	16.3	488	16.0	58	1.9
1974	508	16.0	518	16.3	162	5.1
1975	458	14.0	520	15.9	268	8.2
1976	489	14.0	548	15.7	251	7.2
1977	664	17.7	563	15.0	289	7.7
1978	574	15.2	577	15.3	313	8.3
1979	536	14.3	593	15.8	253	6.7
1980	529	14.7	575	15.9	247	6.8
1981	511	13.8	586	15.8	322	8.7
1982	451	12.6	592	16.5	306	8.6
1983	451	12.7	625	17.6	260	7.3
1984	491	13.1	604	16.2	354	9.5
1985	514	13.2	597	15.3	411	10.5
1986	496	13.2	584	15.5	257	6.8
1987	496	13.0	583	15.2	230	6.0

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	444	18.3	495	20.4	319	13.1
1970	428	17.5	508	20.8	348	14.2
1971	382	15.0	513	20.2	369	14.5
1972	464	16.4	506	17.8	391	13.8
1973	454	14.9	539	17.7	401	13.2
1974	428	13.5	541	17.0	412	13.0
1975	435	13.3	553	16.9	422	12.9
1976	478	13.7	632	18.1	423	12.1
1977	484	12.9	642	17.1	427	11.4
1978	445	11.8	683	18.1	441	11.7
1979	411	10.9	724	19.3	456	12.1
1980	387	10.7	678	18.8	451	12.5
1981	403	10.9	657	17.8	466	12.6
1982	378	10.6	657	18.4	458	12.8
1983	433	12.2	651	18.3	456	12.8
1984	455	12.2	659	17.6	466	12.5
1985	497	12.8	708	18.2	480	12.3
1986	537	14.3	722	19.2	491	13.0
1987	561	14.7	754	19.7	515	13.5

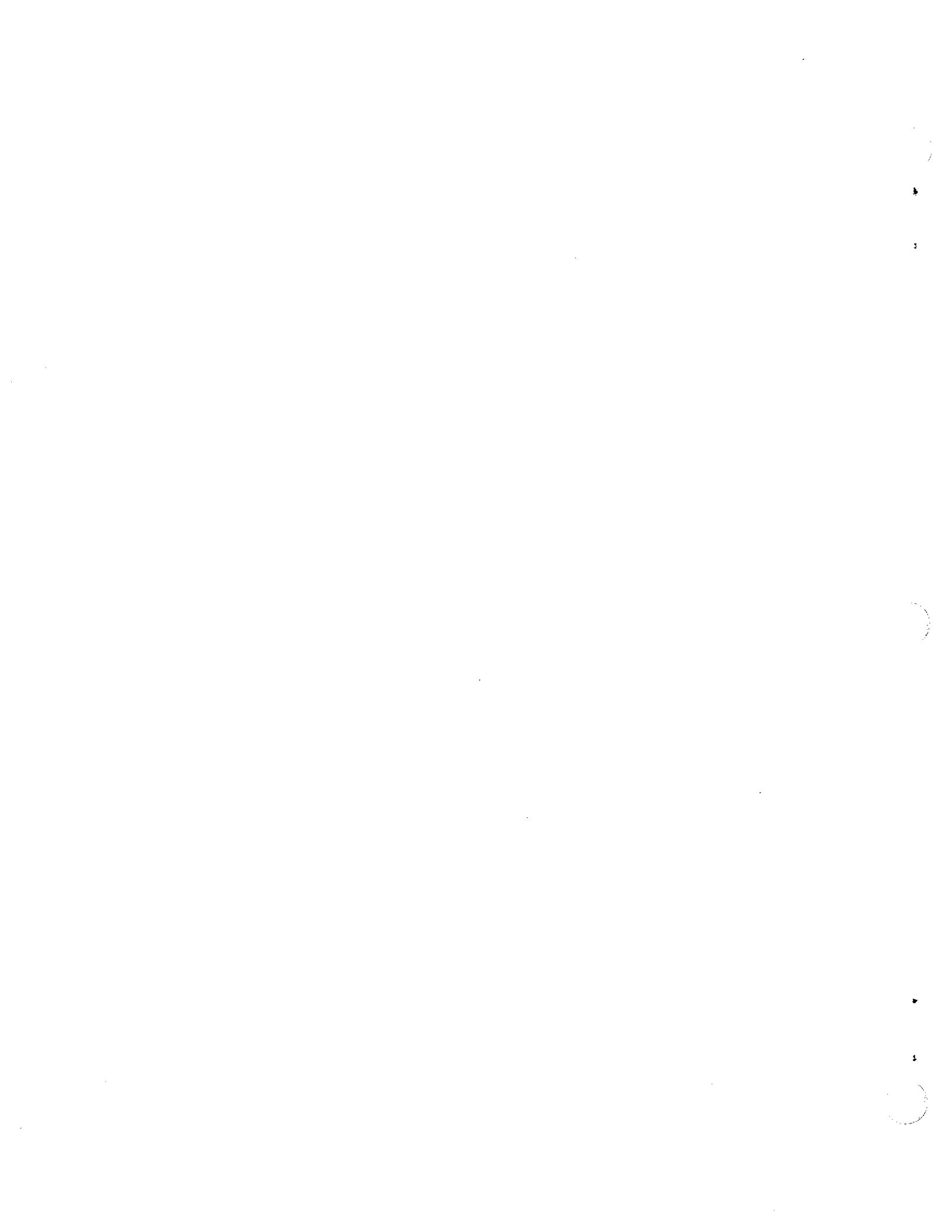
ESTILL COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	2,426	\$14,463	\$17,440	.	4.2
1970	2,448	\$14,670	\$17,811	16.2	4.4
1971	2,544	\$14,227	\$18,166	7.0	5.1
1972	2,836	\$15,271	\$18,970	8.6	6.0
1973	3,049	\$15,708	\$19,232	5.2	3.7
1974	3,177	\$16,580	\$19,008	6.6	4.5
1975	3,267	\$15,552	\$18,976	9.4	7.3
1976	3,492	\$15,932	\$19,563	6.9	5.6
1977	3,756	\$15,494	\$20,031	5.3	4.7
1978	3,773	\$17,134	\$20,121	6.7	5.3
1979	3,758	\$16,994	\$20,110	8.1	5.5
1980	3,608	\$16,475	\$19,439	11.8	8.0
1981	3,701	\$16,640	\$19,286	12.2	8.4
1982	3,578	\$15,925	\$18,931	16.7	10.6
1983	3,560	\$14,584	\$18,358	17.5	11.6
1984	3,734	\$15,670	\$19,080	11.6	9.3
1985	3,897	\$14,757	\$18,676	12.7	9.5
1986	3,765	\$14,500	\$18,627	14.6	9.3
1987	3,823	\$14,085	\$18,636	14.4	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	12,700	0.40	.	.	.	.
1970	12,800	0.40	11.5	10.3	18.0	14.8
1971	13,200	0.40	10.3	9.6	17.7	14.8
1972	13,600	0.41	9.4	9.1	17.6	15.0
1973	13,400	0.40	8.9	8.8	18.1	15.2
1974	13,500	0.40	8.5	8.6	18.3	15.3
1975	13,700	0.39	8.1	8.4	18.3	15.4
1976	13,900	0.39	7.8	8.2	18.3	15.5
1977	14,200	0.40	7.9	8.4	17.9	15.5
1978	14,400	0.40	8.0	8.5	17.7	15.6
1979	14,600	0.40	8.1	8.7	17.4	15.8
1980	14,500	0.40	9.1	9.2	17.3	15.4
1981	14,500	0.39	9.3	9.3	17.2	15.5
1982	14,600	0.40	9.2	9.2	16.9	15.7
1983	14,900	0.40	9.2	9.2	16.8	15.9
1984	15,000	0.40	9.0	9.0	16.6	16.1
1985	15,000	0.40	9.0	8.9	16.3	16.3
1986	15,000	0.40	8.6	8.6	16.1	16.5
1987	14,900	0.40



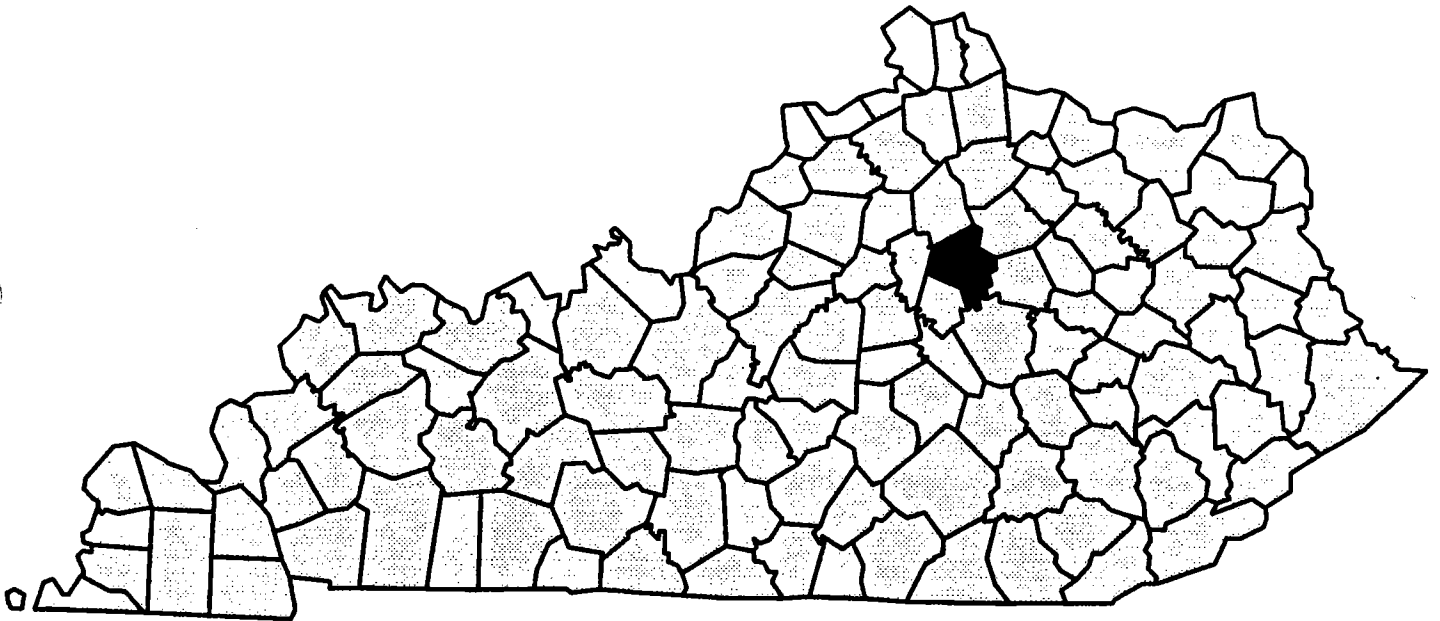
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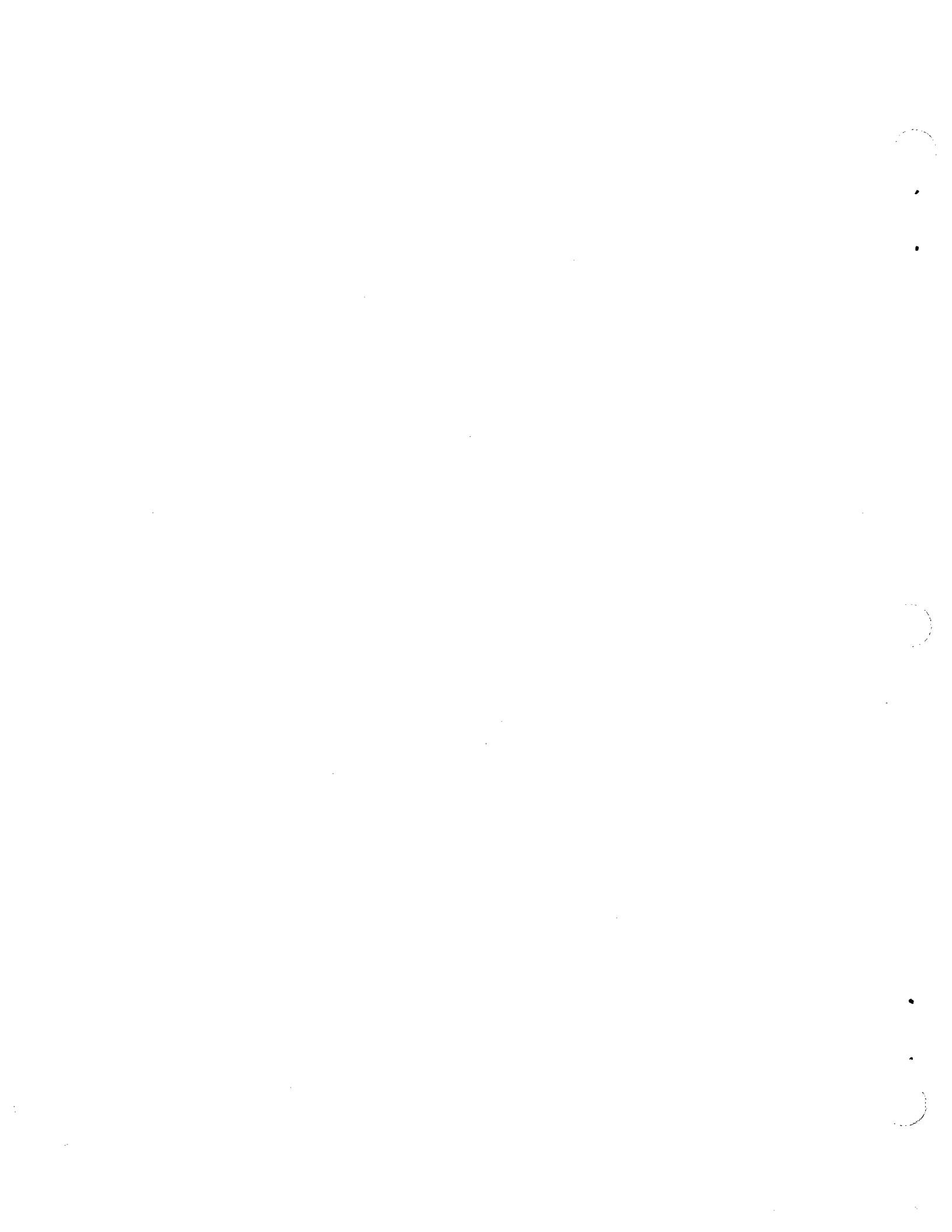
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

FAYETTE COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990

SUMMARY

Fayette County experienced significant economic growth from 1969 to 1987. Personal income more than doubled over this period. Fayette County also increased its share of Kentucky personal income, indicating that the county economy is growing at a faster rate than the state economy. One explanation for this relatively better performance can be found in the component shares of county personal income. Earnings account for a much larger share of personal income in Fayette County than in Kentucky. Transfer payments contribute a smaller share to personal income in the county than in the state.

The economic growth was spurred to a large extent by an increase in both the service and trade sectors. While the manufacturing sector in Fayette County increased its share of the state manufacturing sector, its share in the county economy declined. These trends in the service, trade, and manufacturing sectors parallel state trends.

Economies which depend too heavily on one economic sector are susceptible to extreme economic swings when events in the national and international economy affect that sector. The goods-producing sectors, especially manufacturing, are very sensitive to national economic conditions and are vulnerable to production cutbacks and employment layoffs during low or no-growth periods. The non-goods-producing sectors tend to be more resilient during periods of economic stagnation. Furthermore, the growth in the trade and service sectors in Fayette County has helped to create a more diversified economic base. This diversification should help to stabilize the county economy during recessionary periods.

INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN FAYETTE COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Fayette County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Fayette County economy, as measured by personal income, increased significantly from \$1,882 million in 1969 to \$3,589 million in 1987, after adjusting for inflation. Chart 1B shows Fayette County total personal income as a percent of Kentucky total personal income. Fayette County has increased its share of Kentucky personal income, indicating that the Fayette economy outperformed the Kentucky economy. In 1987, 7.7 percent of Kentucky personal income was generated in Fayette County.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Fayette County per capita income increased over the time period to a level of \$16,202 per person in 1987, which was 129.6 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their share has changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$1,515 million in

1969 to \$2,586 million in 1987 (in constant 1988 dollars) and they increased at a stable rate. While earnings have increased, their share of personal income has declined over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 72.1 percent of Fayette County's total personal income, which was higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$147 million to total personal income in 1969 and \$407 million in 1987. During the same period, transfer payments contributed a much smaller percentage of personal income in Fayette County than in Kentucky.

Income from property in Fayette County grew rapidly from 1979 to 1982. Income from property totalled \$221 million in 1969 and increased to \$595 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's income. Reflecting to state trends, Fayette County experienced declines in manufacturing's share of earnings. In 1969, Fayette County received 23.7 percent of total earnings from manufacturing. By 1987, manufacturing earnings accounted for 18.6 percent of total earnings (Chart 3A). While the share of manufacturing earnings as a percent of total county earnings has declined, Fayette County's share of state manufacturing earnings has increased (Chart 3C).

Chart 3A also indicates that farming's contribution to total county earnings increased in the late seventies to a peak of 5.0 percent in 1980. This share has since declined to 2.3 percent in 1987. Earnings from mining were minimal and accounted for 1.5 percent of earnings in 1987.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. Fayette County is heavily vested in the non-goods-producing industries. The service sector was the primary source of earnings by 1982. The percent of earnings from the service sector increased from 16.5 percent in 1969 to 24.2 percent in 1987 (Chart 3B). Earnings from the trade and state and local government sector remained stable. These trends parallel corresponding state trends.

Average earnings per job (adjusted for inflation) for Fayette County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. While trends in Fayette County average earnings per job have been similar to state trends, county average earnings exceeded those of the state throughout the period. Average earnings reached \$21,024 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Fayette

County increased substantially during the data period. In 1969, total employment stood at 97,366 people. By 1987, that figure had increased to 159,574.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Fayette County are presented in Chart 4B. Unemployment rates in Fayette County have been below those of the state throughout the period. In 1987, the county unemployment rate was 4.5 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. Employment trends in manufacturing parallel those in earnings. The percent of total employment in manufacturing decreased from 18.0 percent in 1969 to 11.1 percent in 1987. State employment in manufacturing has also declined. Farming employment share has also declined over the period. In 1969, farming accounted for 4.2 percent of employment, compared to 1.7 percent in 1987. Mining employment was minimal and accounted for 0.5 percent employment in 1987.

The non-goods-producing industries are the predominant employers in Fayette County (Chart 4D). While earnings in the service sector did not surpass manufacturing until 1982, employment in the service sector exceeded that in manufacturing throughout the period. In 1987, 26.9 percent of employment was in the service sector. The trade sector was the second highest employer. In 1969, the trade sector accounted for 18.0 percent of employment. This share increased to 22.4 percent in 1987. Employment in state and local government declined slightly. These employment trends parallel state employment trends.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Fayette County.

The Fayette County population grew steadily from 169,300 in 1969 to 221,500 in 1987 (Chart 5A). It was estimated that in 1986, 8.4 percent of Fayette County's population was under six years of age, compared to 8.6 percent for the state. There was a significant overestimation of the age 5 and under population, hence the sharp drop in the data for this age group in 1980. Fayette County had a smaller proportion of older residents than the state. However, this difference is being reduced. In 1986, 13.8 percent of the Fayette County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A

FAYETTE COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

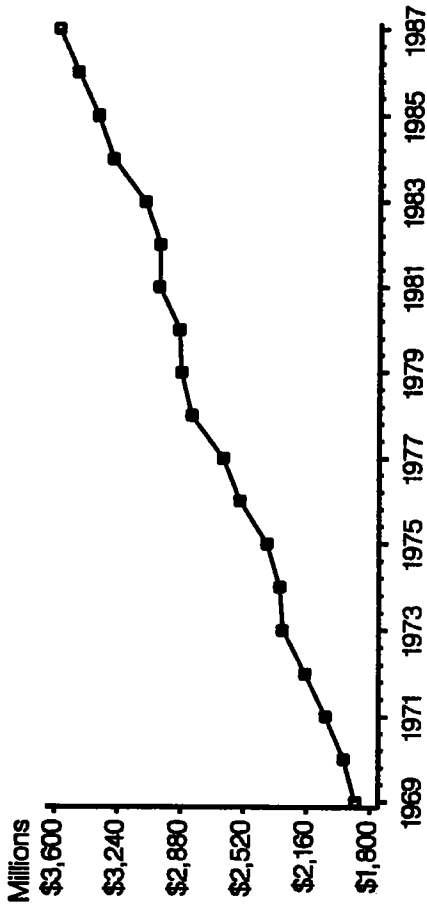


CHART 1B
FAYETTE COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

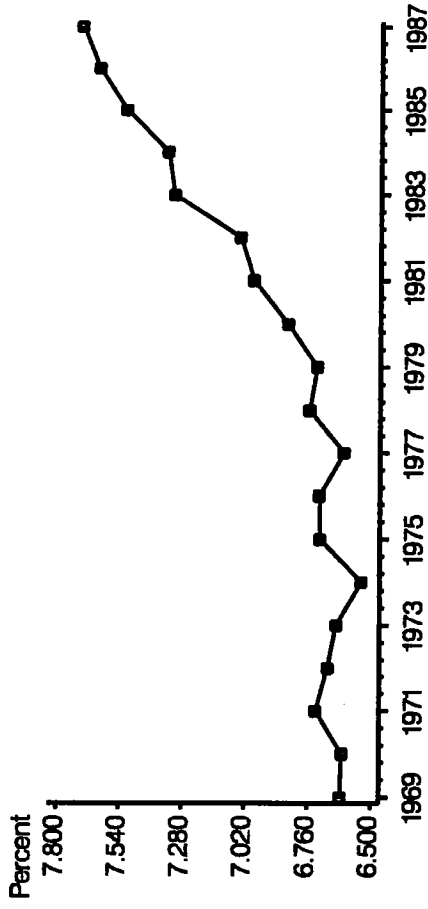


CHART 1C

FAYETTE COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

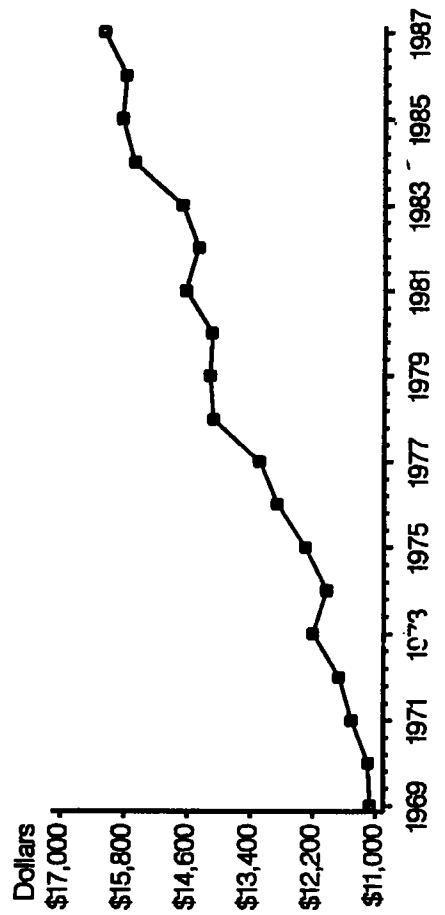


CHART 1D

FAYETTE COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

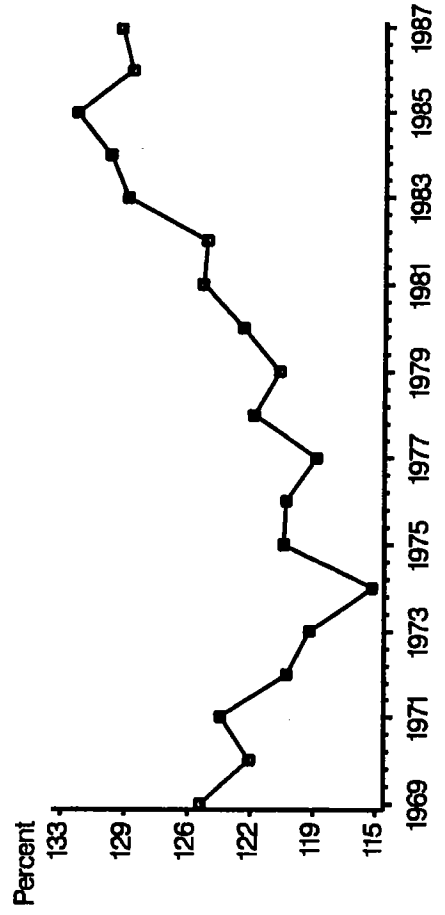


CHART 2A

FAYETTE COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

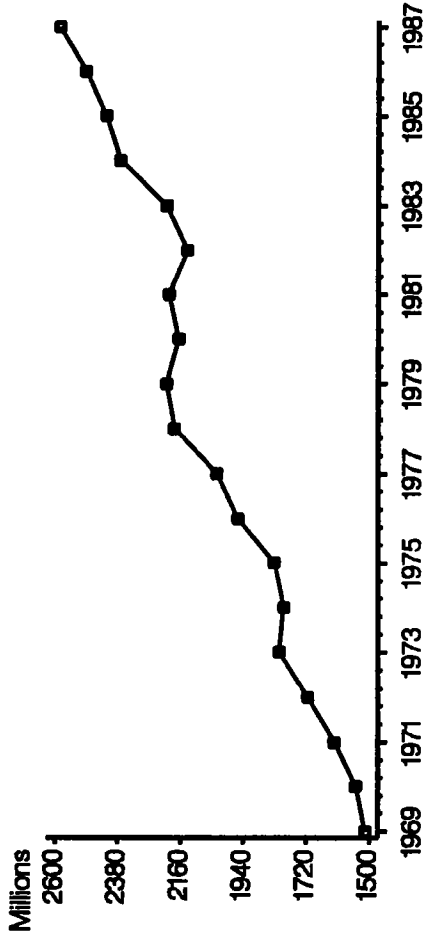


CHART 2B

FAYETTE COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

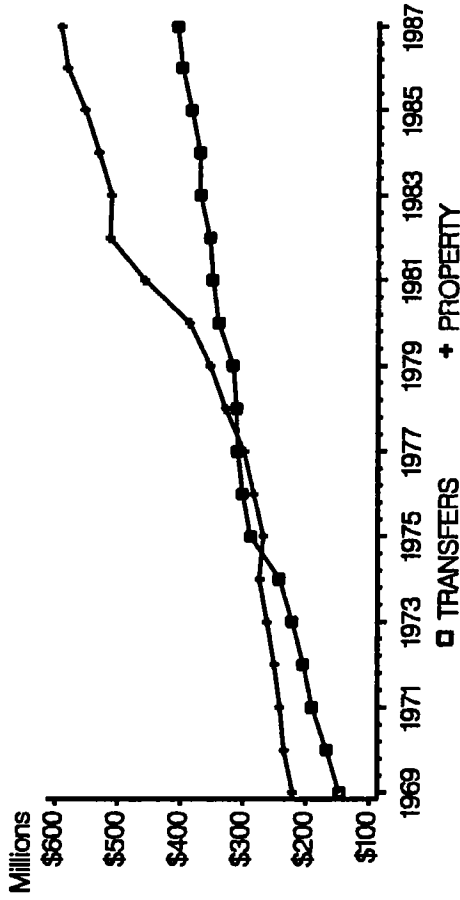


CHART 2C

FAYETTE COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

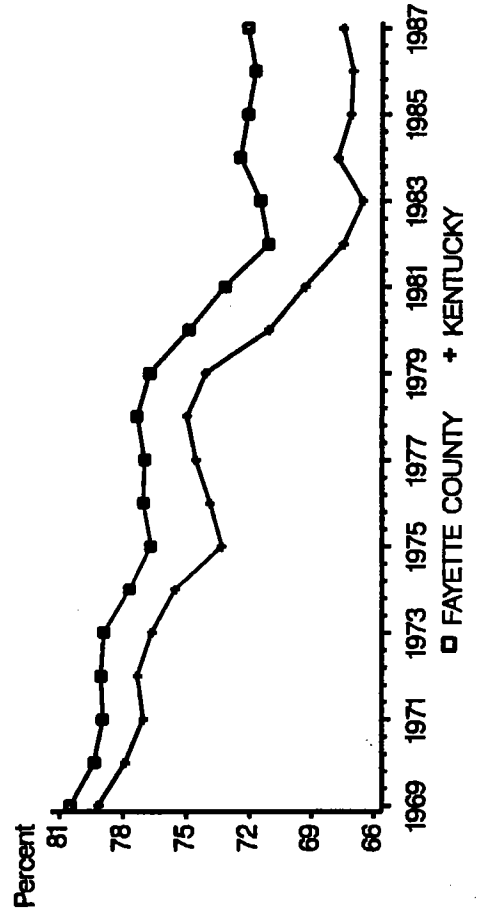


CHART 2D

FAYETTE COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

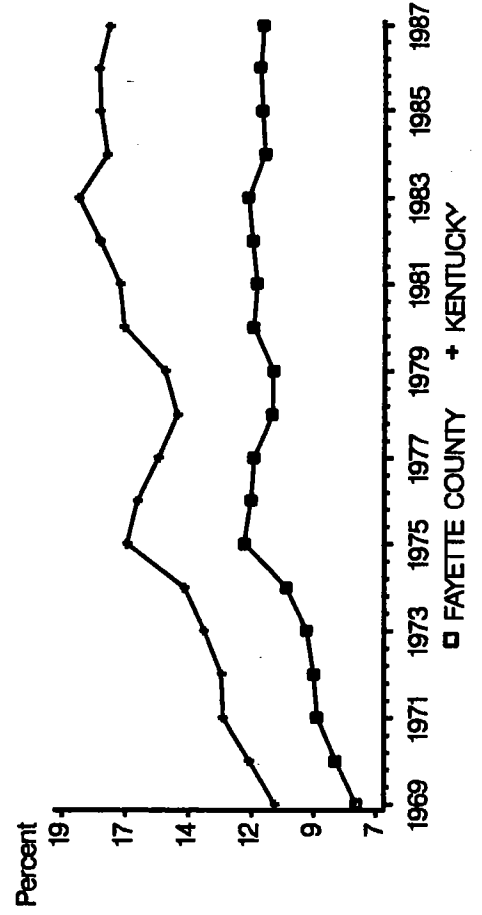


CHART 3A
FAYETTE COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

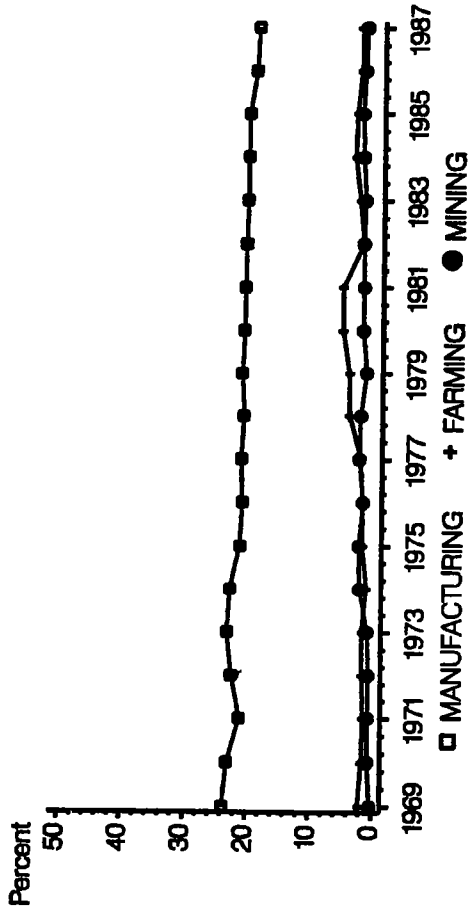


CHART 3B
FAYETTE COUNTY
EARNINGS IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

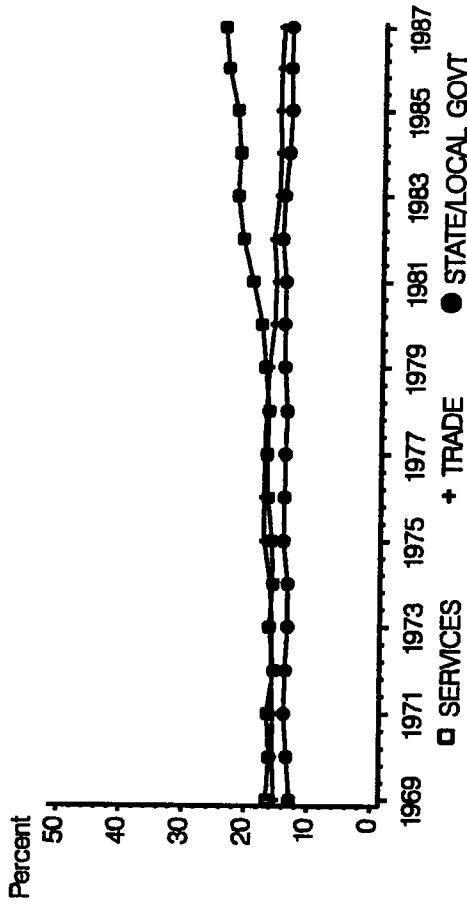


CHART 3C
FAYETTE COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

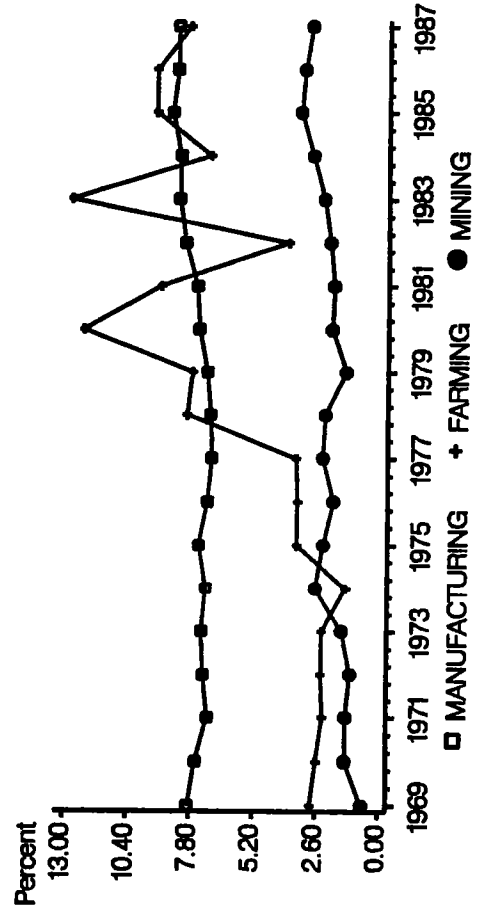


CHART 3D
FAYETTE COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

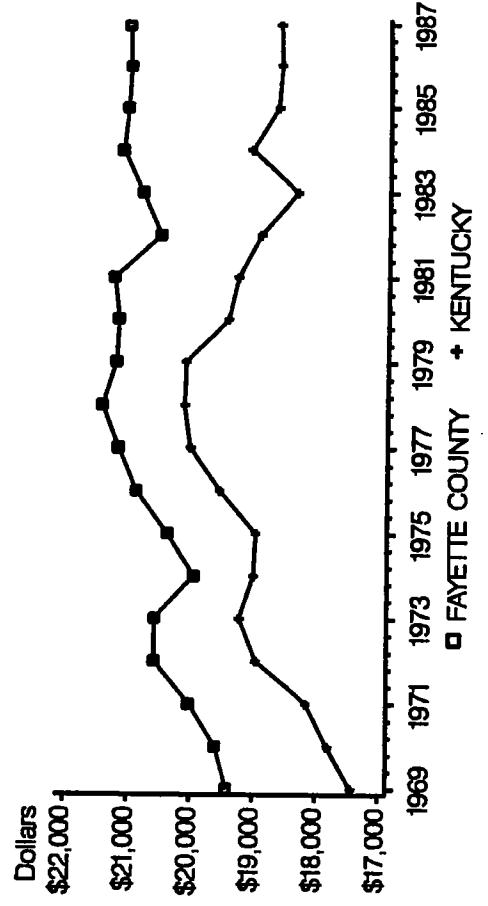


CHART 4A

FAYETTE COUNTY
TOTAL EMPLOYMENT
Thousands of People

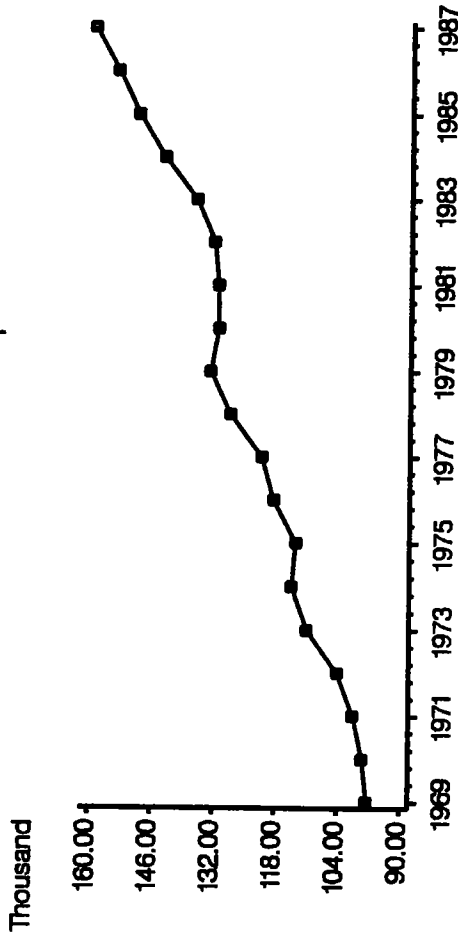


CHART 4B
FAYETTE COUNTY
ANNUAL UNEMPLOYMENT RATE

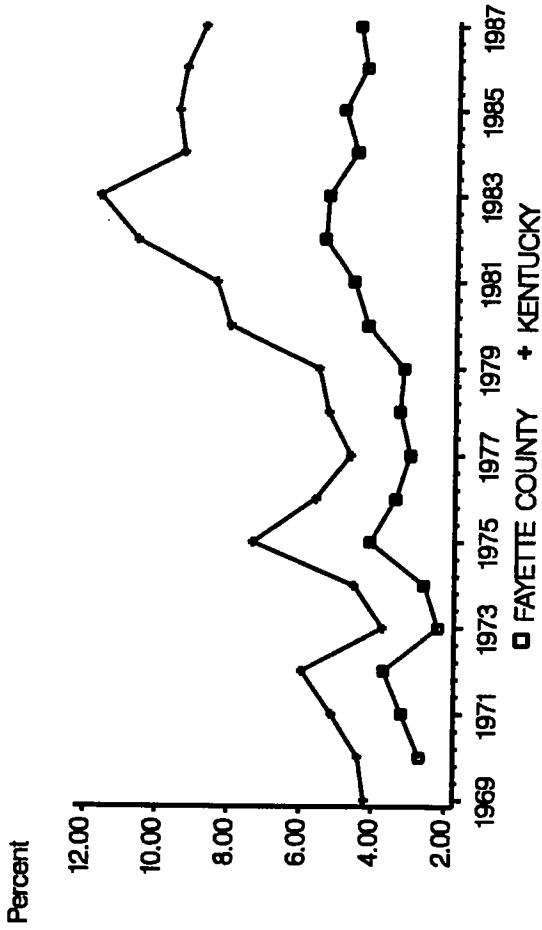


CHART 4C

FAYETTE COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

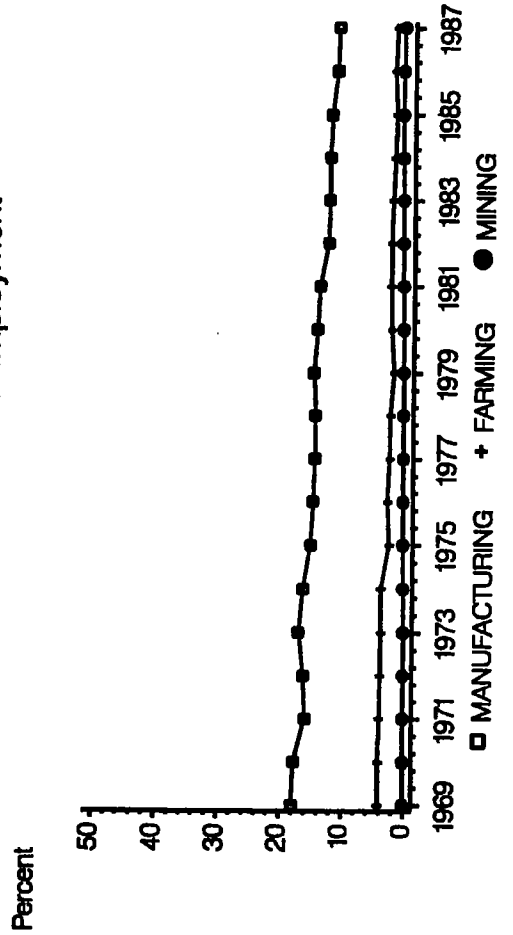


CHART 4D

FAYETTE COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

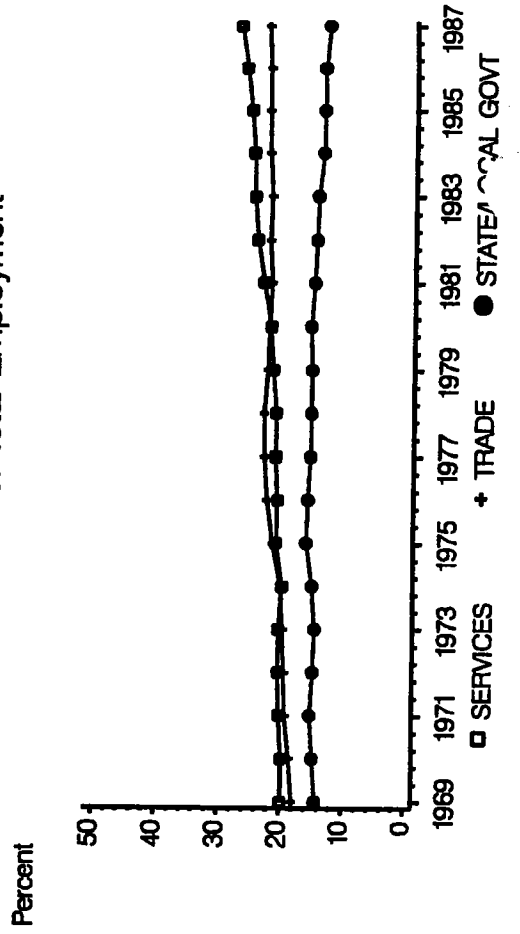


CHART 5A
 FAYETTE COUNTY
 POPULATION
 Thousands of People

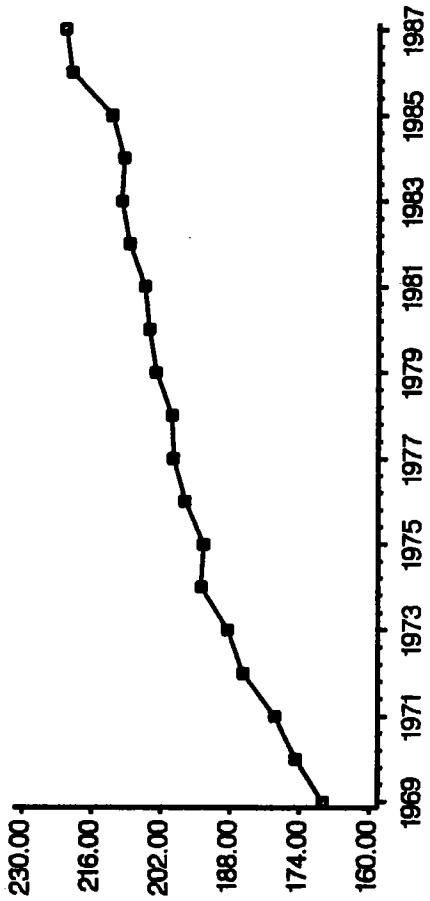


CHART 5B
 FAYETTE COUNTY
 POPULATION
 as a Percent of Kentucky Population

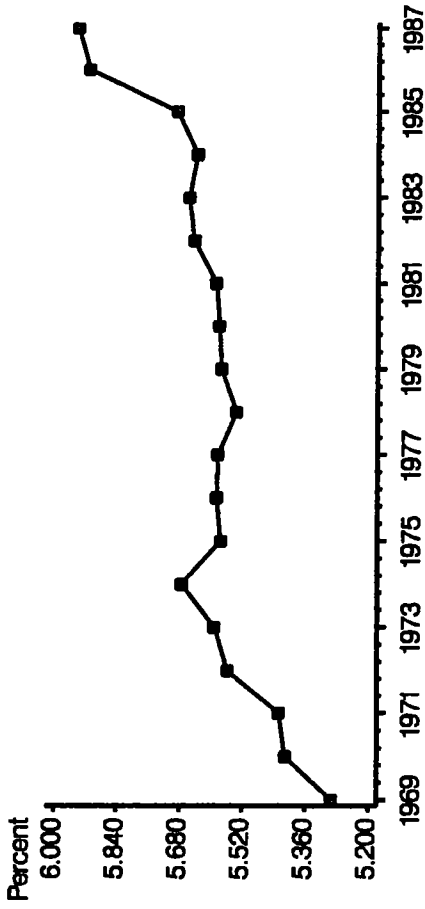


CHART 5C
 FAYETTE COUNTY
 POPULATION 5 AND UNDER
 as a Percent of Total Population

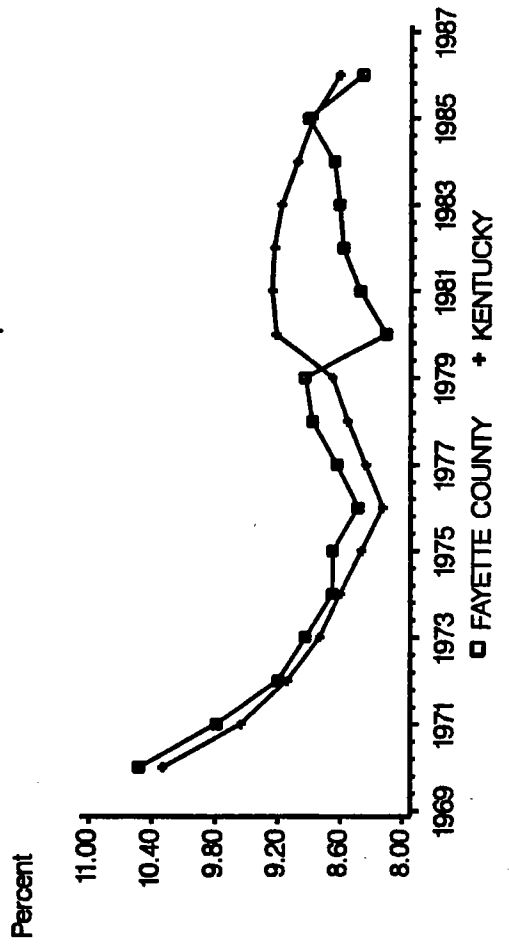
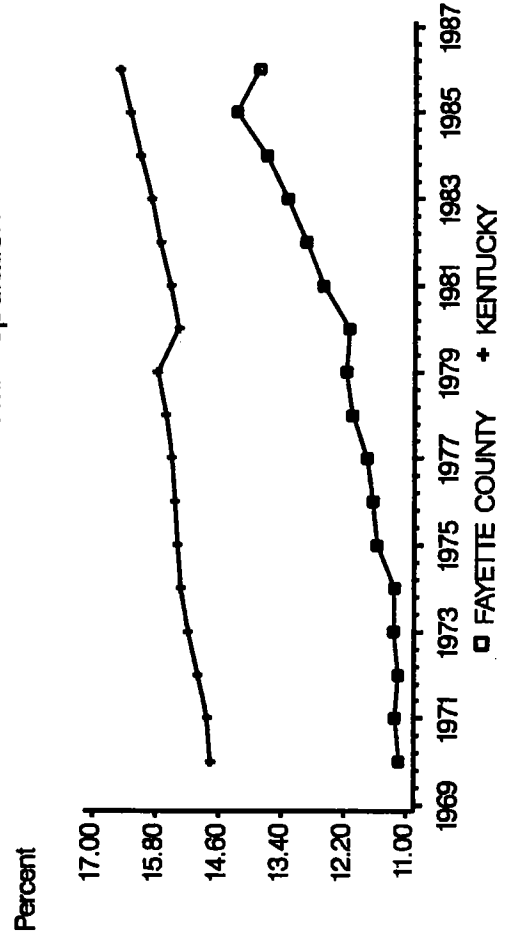


CHART 5D
 FAYETTE COUNTY
 POPULATION 60 AND OVER
 as a Percent of Total Population



FAYETTE COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	1,882	6.62	11,114	125.1
1970	1,949	6.62	11,147	122.3
1971	2,054	6.73	11,471	123.9
1972	2,171	6.68	11,709	120.2
1973	2,300	6.64	12,204	118.8
1974	2,316	6.54	11,941	115.2
1975	2,389	6.71	12,353	120.4
1976	2,545	6.71	12,905	120.2
1977	2,642	6.61	13,240	118.5
1978	2,822	6.76	14,118	122.1
1979	2,881	6.72	14,184	120.6
1980	2,894	6.85	14,149	122.7
1981	3,010	6.99	14,652	125.0
1982	3,006	7.04	14,416	124.8
1983	3,092	7.32	14,715	129.3
1984	3,276	7.34	15,621	130.3
1985	3,363	7.52	15,857	132.2
1986	3,479	7.63	15,789	129.0
1987	3,589	7.70	16,202	129.6

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	1,515	80.5	79.2	147	7.8	10.9	221	11.7	9.9
1970	1,547	79.4	77.9	167	8.6	11.9	235	12.1	10.2
1971	1,622	79.0	77.0	191	9.3	12.9	242	11.8	10.1
1972	1,716	79.0	77.3	205	9.4	12.9	250	11.5	9.7
1973	1,815	78.9	76.6	222	9.7	13.6	262	11.4	9.7
1974	1,799	77.7	75.5	243	10.5	14.4	274	11.8	10.1
1975	1,832	76.7	73.3	289	12.1	16.5	268	11.2	10.1
1976	1,960	77.0	73.9	301	11.8	16.1	283	11.1	10.0
1977	2,034	77.0	74.6	310	11.7	15.3	299	11.3	10.1
1978	2,182	77.3	75.0	311	11.0	14.6	329	11.6	10.4
1979	2,211	76.7	74.1	317	11.0	15.1	354	12.3	10.8
1980	2,168	74.9	71.1	340	11.7	16.7	386	13.4	12.2
1981	2,202	73.1	69.3	350	11.6	16.8	458	15.2	13.8
1982	2,137	71.1	67.5	354	11.8	17.6	514	17.1	14.9
1983	2,211	71.5	66.6	369	11.9	18.4	512	16.6	15.1
1984	2,373	72.4	67.8	371	11.3	17.3	532	16.3	14.9
1985	2,424	72.1	67.2	384	11.4	17.6	555	16.5	15.3
1986	2,495	71.7	67.1	400	11.5	17.6	584	16.8	15.3
1987	2,586	72.1	67.5	407	11.4	17.2	595	16.6	15.3

FAYETTE COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	23.7	7.87	2.1	2.82	0.3	0.69
1970	23.0	7.56	1.7	2.56	0.7	1.37
1971	21.1	7.08	1.4	2.30	0.7	1.34
1972	22.4	7.26	1.6	2.39	0.6	1.17
1973	23.1	7.35	1.7	2.36	0.8	1.53
1974	22.7	7.18	1.0	1.38	2.1	2.64
1975	21.1	7.48	1.7	3.45	2.2	2.32
1976	20.8	7.13	1.7	3.42	1.6	1.91
1977	21.0	6.96	2.0	3.49	2.3	2.35
1978	20.6	7.02	3.9	7.97	2.1	2.24
1979	20.9	7.16	3.9	7.76	1.2	1.40
1980	20.7	7.49	5.0	12.21	1.8	1.99
1981	20.5	7.59	5.0	9.06	1.7	1.92
1982	20.4	8.07	1.8	3.84	1.8	2.08
1983	20.3	8.33	2.4	12.71	1.6	2.33
1984	20.2	8.28	3.2	7.06	1.9	2.82
1985	20.1	8.63	3.0	9.29	2.1	3.34
1986	19.0	8.42	2.4	9.28	1.7	3.19
1987	18.6	8.40	2.3	7.92	1.5	2.89

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	16.5	10.16	15.2	7.86	12.9	11.45
1970	16.1	9.96	15.6	7.93	13.3	11.35
1971	16.5	10.18	15.6	8.10	13.8	11.67
1972	15.5	9.71	15.8	8.26	13.6	11.72
1973	16.2	10.32	15.8	8.31	13.3	11.81
1974	15.6	10.14	16.1	8.49	13.3	12.05
1975	15.9	10.10	17.2	8.93	14.1	12.18
1976	16.6	10.51	17.3	9.04	13.9	12.29
1977	16.7	10.56	17.1	9.17	13.9	12.24
1978	16.5	10.55	16.9	9.07	13.6	12.22
1979	17.1	10.91	16.5	8.91	14.1	12.42
1980	17.8	10.90	15.8	9.03	14.2	12.41
1981	19.3	11.76	15.6	9.27	14.1	12.60
1982	20.9	12.14	16.0	9.41	14.7	12.65
1983	21.8	12.53	15.3	9.28	14.4	12.75
1984	21.5	12.49	15.1	9.54	13.7	12.66
1985	22.0	12.70	15.3	9.85	13.4	12.54
1986	23.6	12.84	15.2	9.96	13.6	12.58
1987	24.2	12.82	14.9	9.89	13.6	12.58

FAYETTE COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	17,497	18.0	4,057	4.2	135	0.1
1970	17,369	17.7	4,047	4.1	118	0.1
1971	15,985	15.9	4,020	4.0	123	0.1
1972	16,881	16.2	4,023	3.9	163	0.2
1973	18,886	17.0	4,231	3.8	192	0.2
1974	18,724	16.4	4,407	3.9	311	0.3
1975	17,260	15.2	2,915	2.6	354	0.3
1976	17,593	14.8	3,408	2.9	377	0.3
1977	17,718	14.6	3,138	2.6	393	0.3
1978	18,669	14.5	3,188	2.5	403	0.3
1979	19,741	14.8	2,594	2.0	505	0.4
1980	18,792	14.3	3,083	2.4	597	0.5
1981	18,307	13.9	3,296	2.5	673	0.5
1982	16,692	12.6	3,265	2.5	789	0.6
1983	16,996	12.5	3,166	2.3	774	0.6
1984	17,797	12.4	2,924	2.0	930	0.6
1985	18,183	12.2	2,709	1.8	1,061	0.7
1986	17,420	11.3	3,162	2.0	1,011	0.7
1987	17,657	11.1	2,760	1.7	821	0.5

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	19,274	19.8	17,548	18.0	13,936	14.3
1970	19,406	19.7	18,216	18.5	14,577	14.8
1971	20,246	20.1	19,330	19.2	15,340	15.3
1972	21,189	20.4	20,240	19.4	15,460	14.9
1973	22,579	20.3	21,909	19.7	16,161	14.6
1974	22,710	19.8	22,958	20.1	17,263	15.1
1975	23,653	20.8	24,309	21.4	18,253	16.1
1976	24,530	20.7	26,545	22.4	18,735	15.8
1977	25,441	21.0	27,692	22.8	18,736	15.4
1978	26,903	20.9	29,424	22.9	19,698	15.3
1979	28,630	21.5	29,783	22.4	20,341	15.3
1980	28,715	21.9	29,008	22.1	20,357	15.5
1981	30,306	23.1	28,658	21.8	19,676	15.0
1982	31,944	24.1	29,340	22.2	19,438	14.7
1983	33,541	24.6	29,908	21.9	19,817	14.5
1984	35,562	24.8	31,984	22.3	19,701	13.7
1985	37,743	25.2	33,466	22.4	20,351	13.6
1986	40,147	26.0	34,274	22.2	20,853	13.5
1987	42,939	26.9	35,767	22.4	20,397	12.8

FAYETTE COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	97,366	\$19,422	\$17,440	.	4.2
1970	98,388	\$19,604	\$17,811	2.7	4.4
1971	100,530	\$20,028	\$18,166	3.2	5.1
1972	104,087	\$20,578	\$18,970	3.7	6.0
1973	111,010	\$20,575	\$19,232	2.2	3.7
1974	114,442	\$19,959	\$19,008	2.6	4.5
1975	113,476	\$20,381	\$18,976	4.1	7.3
1976	118,547	\$20,883	\$19,563	3.4	5.6
1977	121,334	\$21,167	\$20,031	3.0	4.7
1978	128,463	\$21,422	\$20,121	3.3	5.3
1979	133,000	\$21,210	\$20,110	3.2	5.5
1980	131,142	\$21,175	\$19,439	4.2	8.0
1981	131,286	\$21,249	\$19,286	4.6	8.4
1982	132,294	\$20,518	\$18,931	5.4	10.6
1983	136,404	\$20,810	\$18,358	5.3	11.6
1984	143,644	\$21,125	\$19,080	4.5	9.3
1985	149,513	\$21,055	\$18,676	4.9	9.5
1986	154,297	\$21,006	\$18,627	4.3	9.3
1987	159,574	\$21,024	\$18,636	4.5	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	169,300	5.29	.	.	.	.
1970	174,800	5.41	10.5	10.3	11.1	14.8
1971	179,000	5.43	9.8	9.6	11.2	14.8
1972	185,400	5.56	9.2	9.1	11.2	15.0
1973	188,500	5.59	8.9	8.8	11.3	15.2
1974	193,900	5.67	8.7	8.6	11.2	15.3
1975	193,400	5.58	8.7	8.4	11.6	15.4
1976	197,200	5.59	8.4	8.2	11.7	15.5
1977	199,600	5.58	8.6	8.4	11.8	15.5
1978	199,900	5.54	8.9	8.5	12.1	15.6
1979	203,100	5.57	8.9	8.7	12.2	15.8
1980	204,500	5.58	8.2	9.2	12.1	15.4
1981	205,400	5.59	8.4	9.3	12.6	15.5
1982	208,500	5.64	8.6	9.2	13.0	15.7
1983	210,100	5.66	8.6	9.2	13.3	15.9
1984	209,700	5.64	8.7	9.0	13.7	16.1
1985	212,100	5.69	8.9	8.9	14.3	16.3
1986	220,300	5.91	8.4	8.6	13.8	16.5
1987	221,500	5.94





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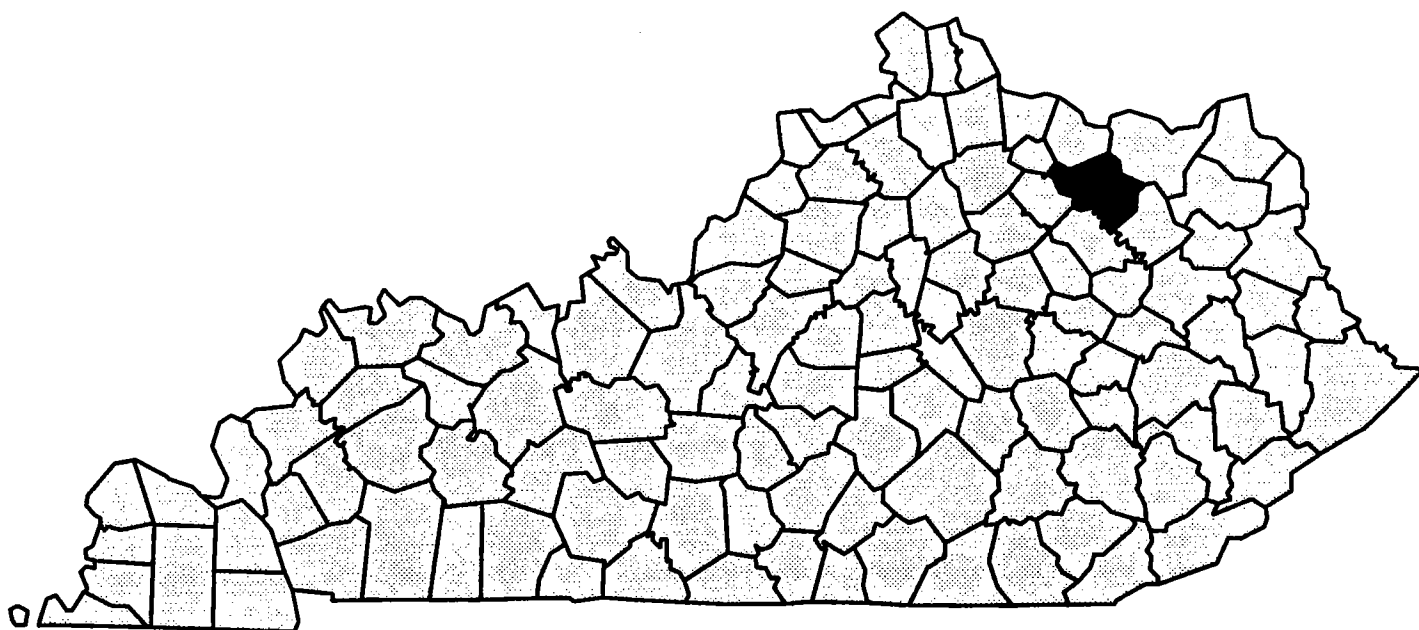
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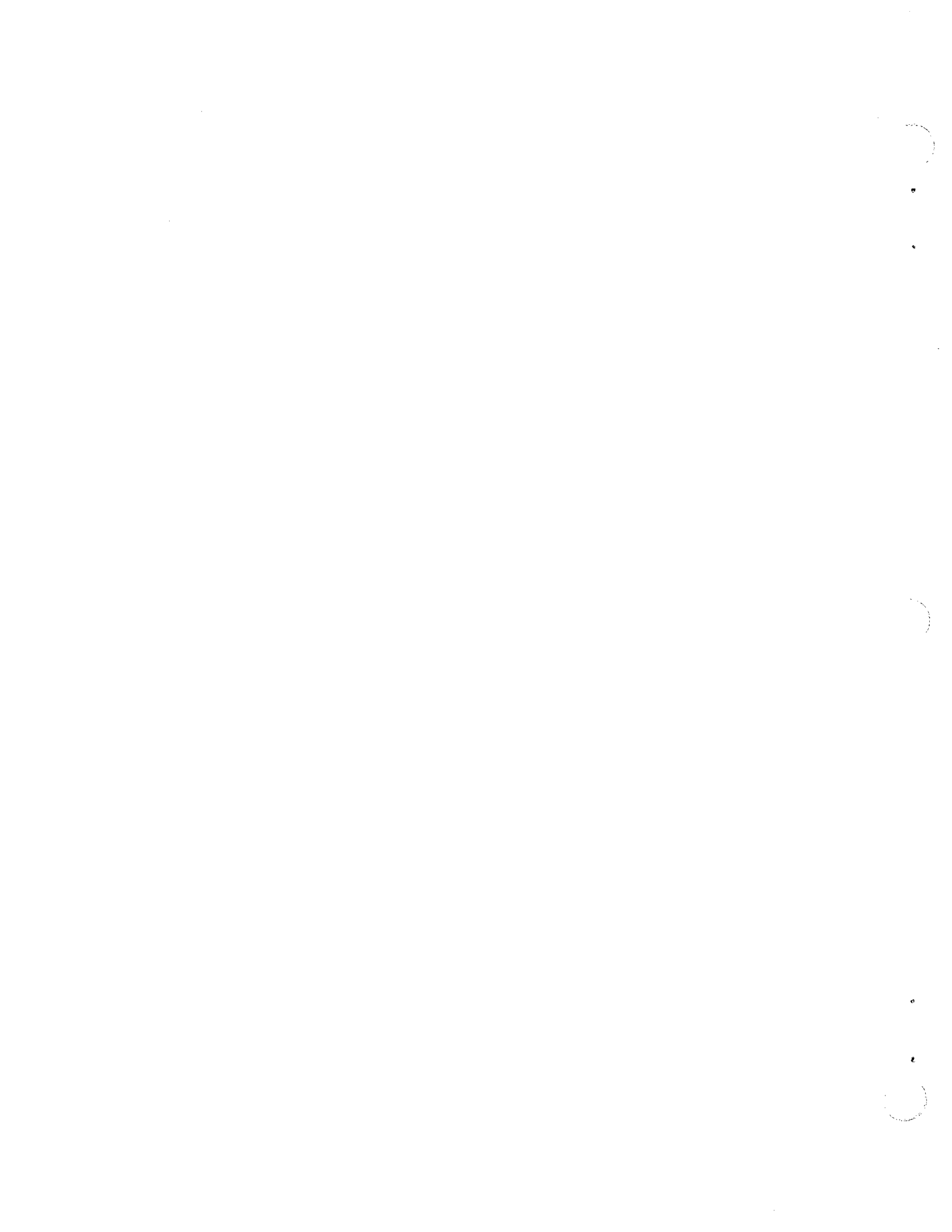
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

FLEMING COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



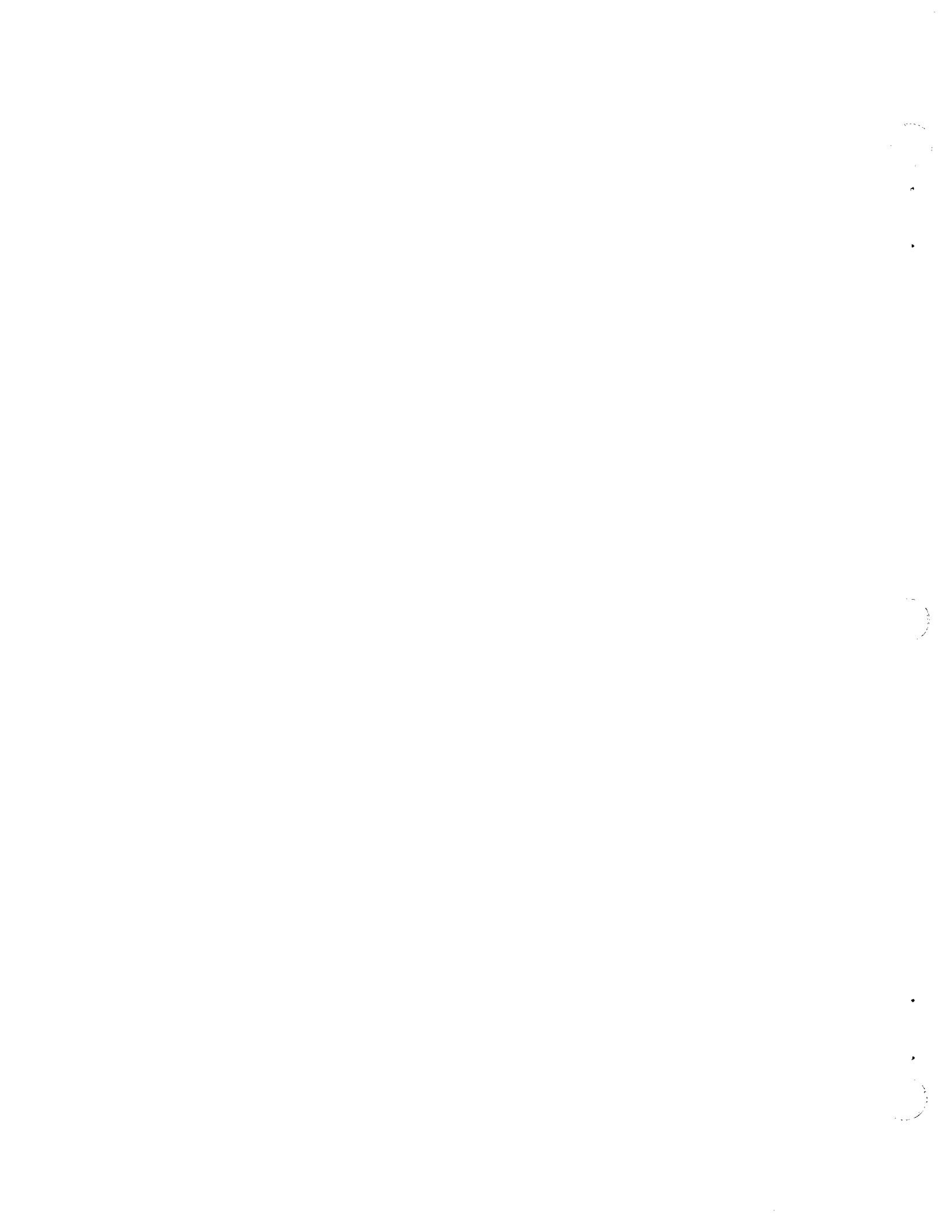
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ECONOMIC TRENDS IN
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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990



SUMMARY

The Fleming County economy, as measured by personal income, grew moderately from 1969 to 1987. However, Fleming County decreased its share of the Kentucky economy. This indicates the county economy has not grown as fast as the state economy.

The most prominent economic trend in Fleming County has been the decline in earnings from the farm sector. Farm employment has also declined, but to a much lesser degree, indicating a decline in average earnings in this sector.

While Fleming County has experienced some economic growth, it has come primarily from increases in the non-goods-producing industries. The state and local government sector significantly increased its share of both county earnings and employment. The growth sectors at the state level have been the service and trade sectors. While the trade sector has increased in Fleming County, the service sector maintained a constant share of the economy.

INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the county economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the county economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well-being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN FLEMING COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Fleming County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wage and salary income and proprietors' earnings. Second, income can be earned by property. This component includes earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the Fleming County economy, as measured by personal income, increased from \$93 million in 1969 to \$118 million in 1987, after adjusting for inflation. Chart 1B shows Fleming County total personal income as a percent of Kentucky total personal income. Fleming County has decreased its share of Kentucky personal income.

A similar pattern emerges from an examination of per capita personal income. Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Charts 1C and 1D indicate that Fleming County per capita income increased over the time period to a level of \$9,672 per person in 1987, when it was 77.4 percent of Kentucky per capita personal income.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their share has changed over time. This information is illustrated in Charts 2A-2D. Total earnings decreased from \$75 million in 1969 to \$72 million in 1987 (in constant 1988 dollars) and have been very volatile. Earnings as a percent of personal income has also declined over

time. This trend is occurring at the state level as well. In 1987, earnings accounted for 61.4 percent of Fleming County's total personal income, which was significantly lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$11 million to total personal income in 1969 and \$27 million in 1987. During the same period, transfer payments contributed a larger percentage of personal income in Fleming County than in Kentucky.

Income from property in Fleming County grew at a stable rate through the time period. Income from property totalled \$8 million in 1969 and increased to \$19 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings from the goods-producing sectors are illustrated in Chart 3A. Earnings include both wages and salaries and proprietor's income. In 1969, Fleming County received 14.8 percent of total earnings from manufacturing. This percentage increased to 17.6 percent in 1987. The percent of earnings from the farm sector declined from 37.9 percent in 1969 to 10.5 percent in 1987.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. The percent of earnings from both the services and trade sectors have increased moderately (Chart 3B). Earnings from the state and local government sectors increased significantly, from 7.8 percent in 1969 to 19.0 percent in 1987. At the state level, the percent of earnings from services increased, while the percent of earnings from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Fleming County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Since then, average earnings per job declined and in 1987 they were \$18,636 per person. In Fleming County, average earnings declined through the early 1980's, then increased to \$11,953 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Fleming County increased during the data period. In 1969, total employment stood at 4,935 people. By 1987, that figure had increased to 5,634.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Fleming County

are presented in Chart 4B. Unemployment rates in Fleming County followed state trends. In 1987, the county unemployment rate was 9.0 percent, compared to 8.8 percent for Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately four percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing remained constant and accounted for 14.2 percent in 1987. At the state level, manufacturing's share of employment declined. The farm sector was the primary source of county employment. However, employment in this sector declined from 40.7 percent of total employment in 1969 to 31.9 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector increased slightly and accounted for 15.9 percent of employment in 1987. The percent of employment in the service sector remained constant and accounted for 10.4 percent in 1987. The employment share in state and local government increased dramatically, from 7.8 percent in 1969 to 12.9 percent in 1987. At the state level, employment shares in both the service and trade sectors increased, while the government employment share remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important implications for the future demand for goods and services, and ultimately, the economic structure of Fleming County.

The Fleming County population grew from 11,300 in 1969 to 12,200 in 1987 (Chart 5A). Fleming County has a smaller proportion of younger residents and a higher proportion of older residents than the state. It was estimated that in 1986, 8.2 percent of Fleming County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 19.7 percent of the Fleming County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A
 FLEMING COUNTY
 REAL PERSONAL INCOME
 Millions of 1988 dollars

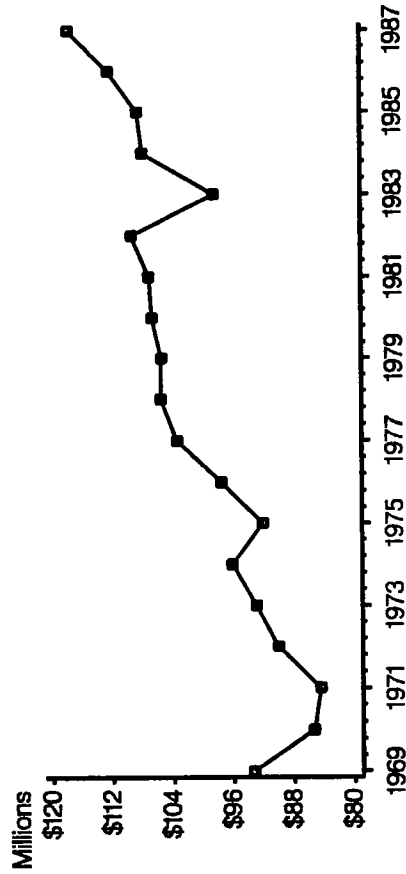


CHART 1B
 FLEMING COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

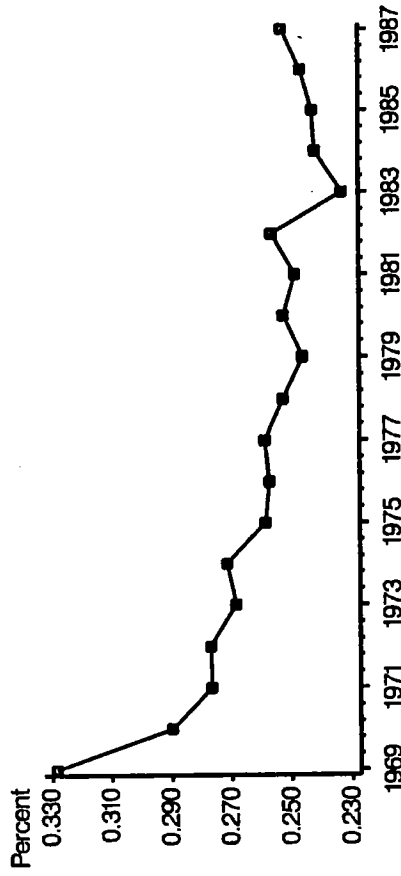


CHART 1C
 FLEMING COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

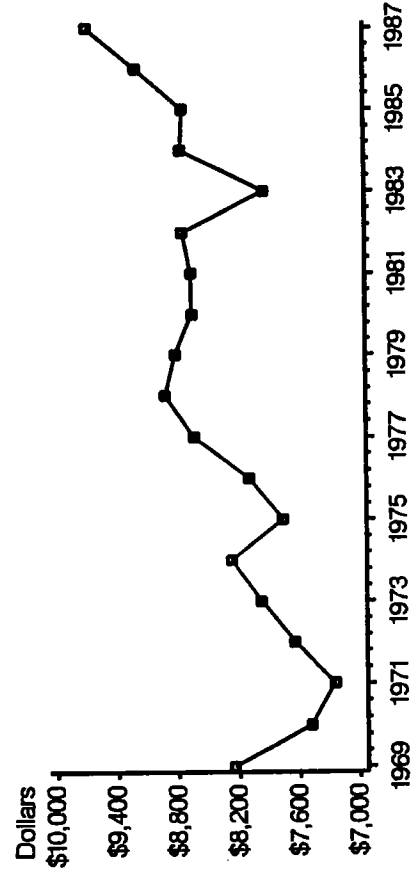


CHART 1D
 FLEMING COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

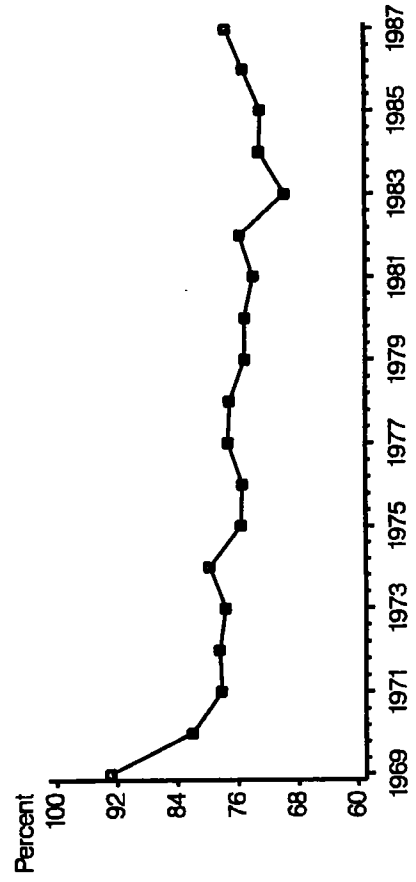


CHART 2A
FLEMING COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

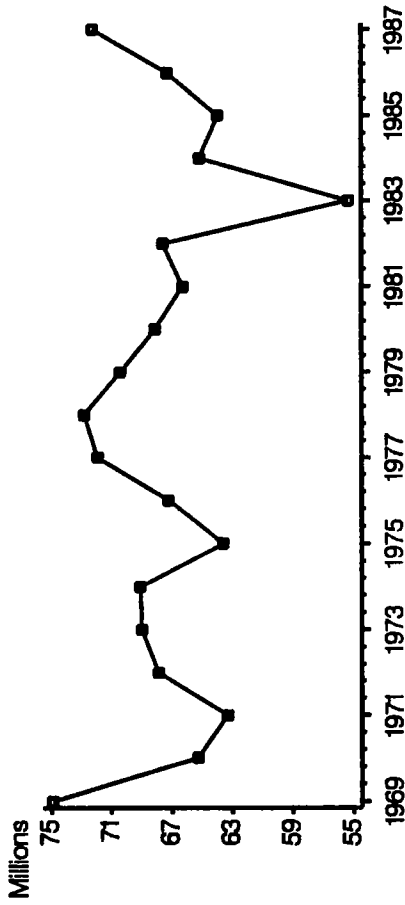


CHART 2B
FLEMING COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

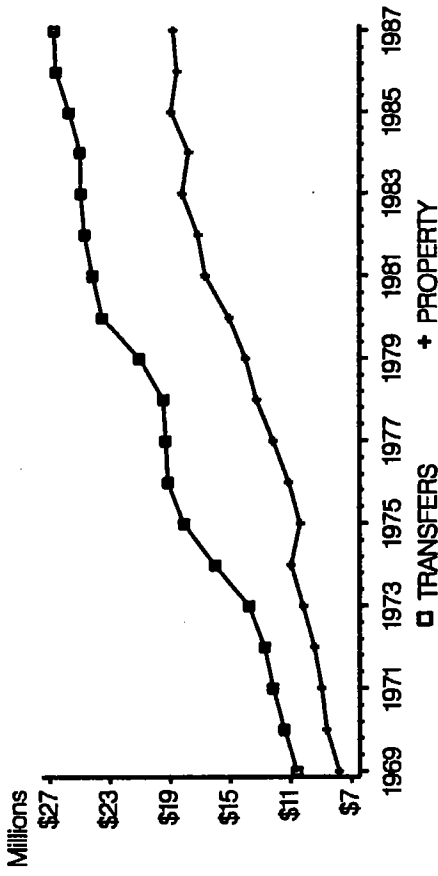


CHART 2C
FLEMING COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

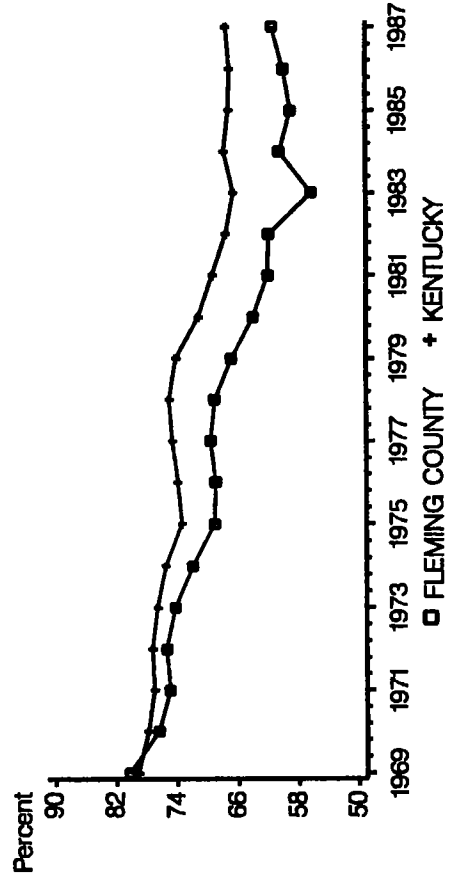


CHART 2D
FLEMING COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

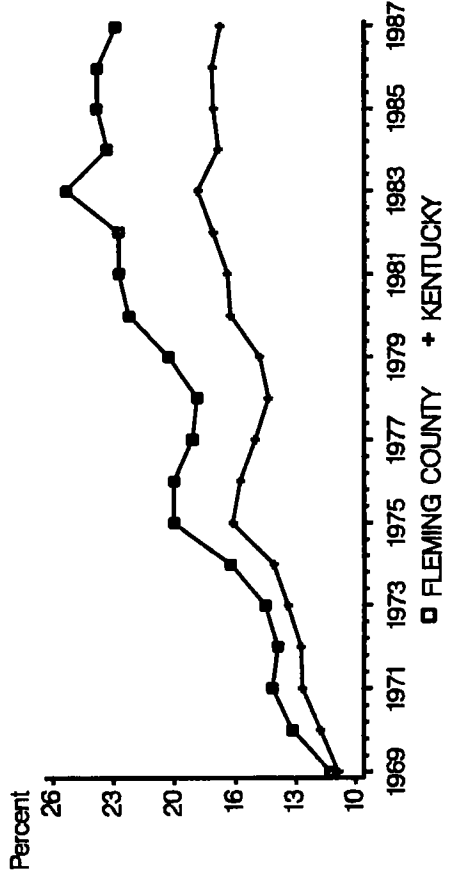


CHART 3A
FLEMING COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

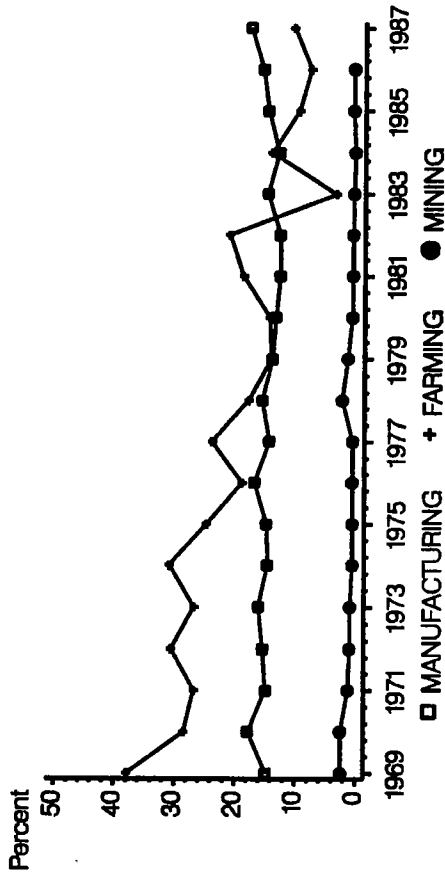


CHART 3B
FLEMING COUNTY
EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

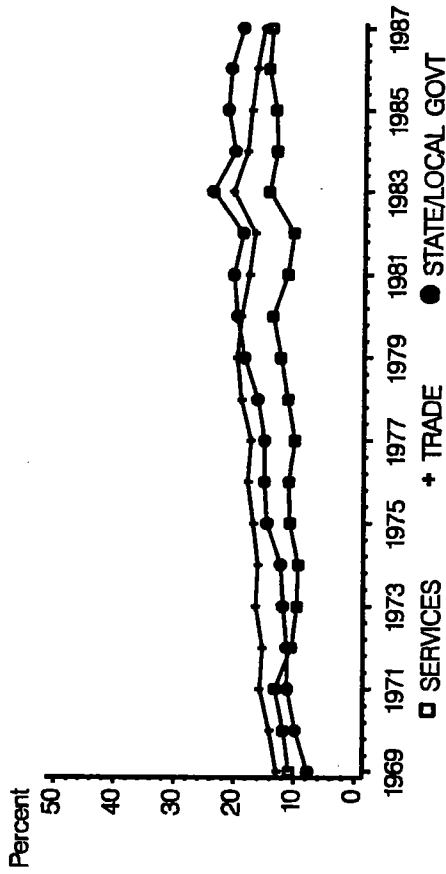


CHART 3C
FLEMING COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

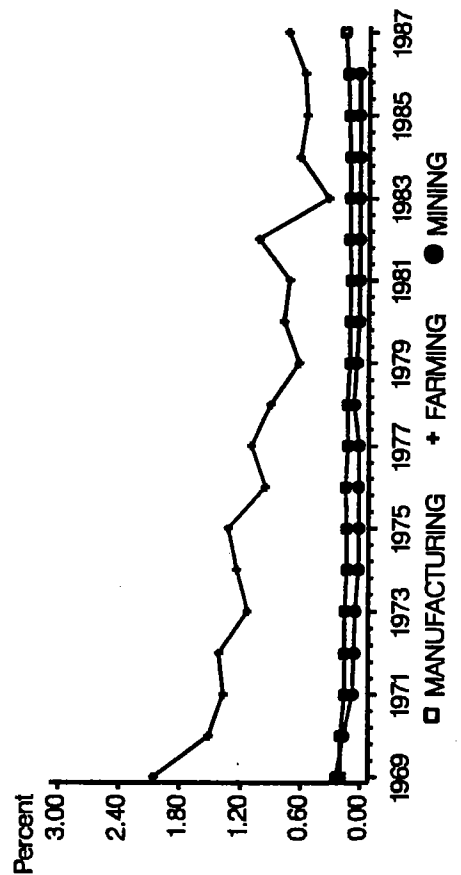


CHART 3D
FLEMING COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

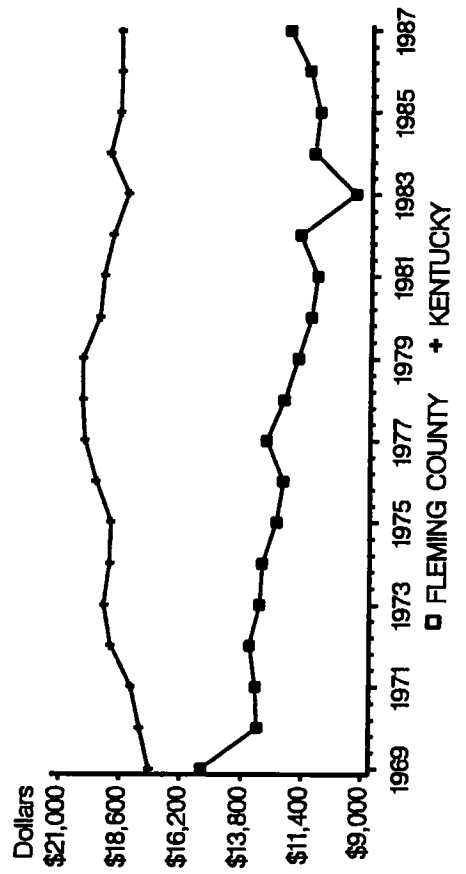


CHART 4A
FLEMING COUNTY
TOTAL EMPLOYMENT
Thousands of People

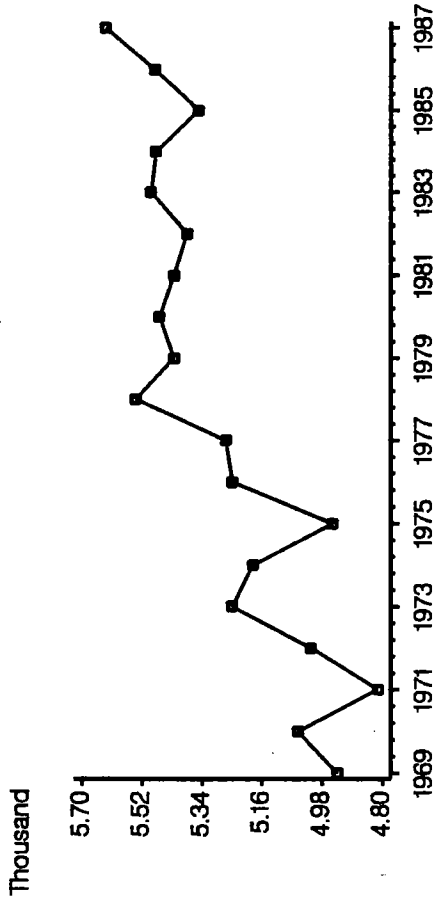


CHART 4B
FLEMING COUNTY
ANNUAL UNEMPLOYMENT RATE

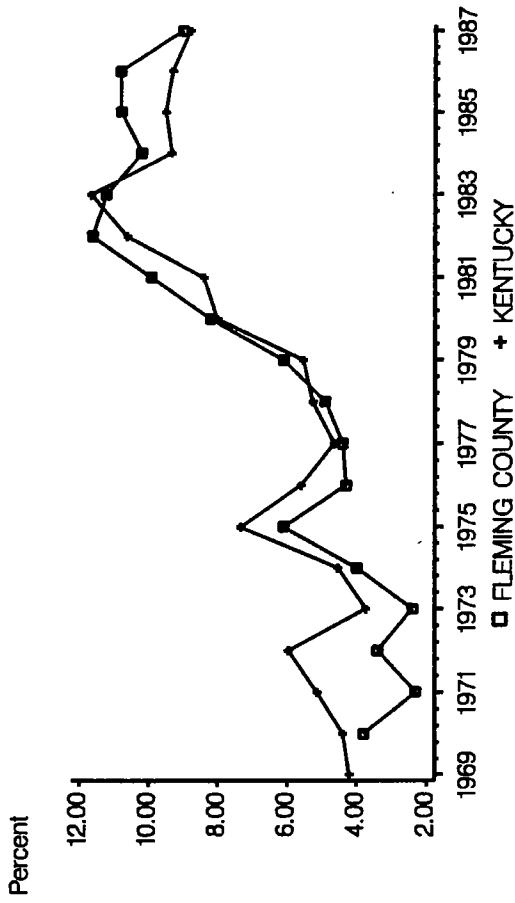


CHART 4C
FLEMING COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

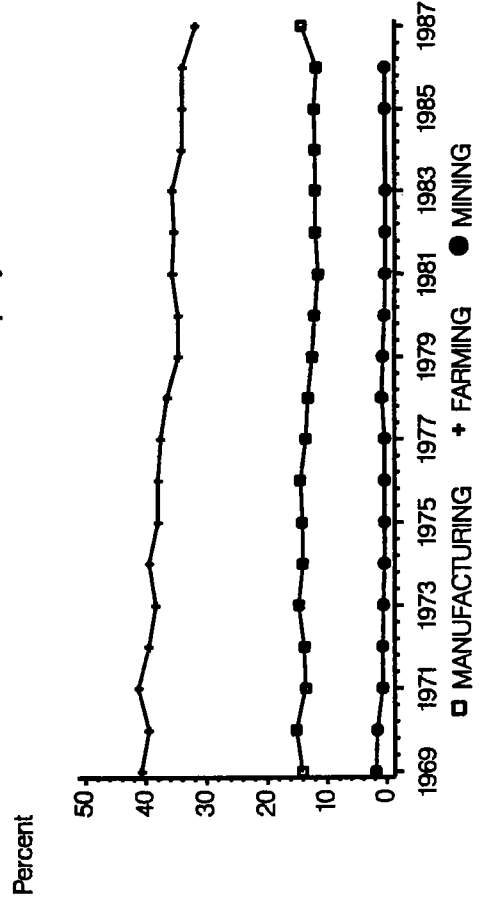


CHART 4D
FLEMING COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

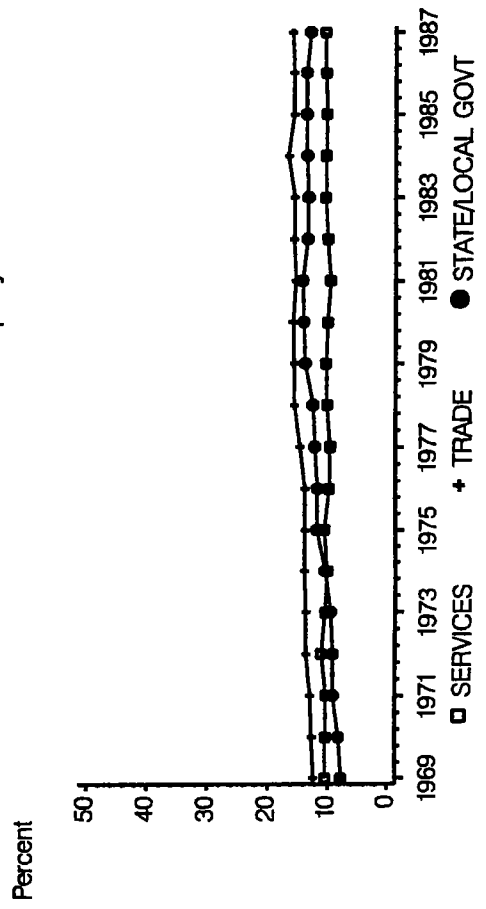


CHART 5A
FLEMING COUNTY
POPULATION
Thousands of People

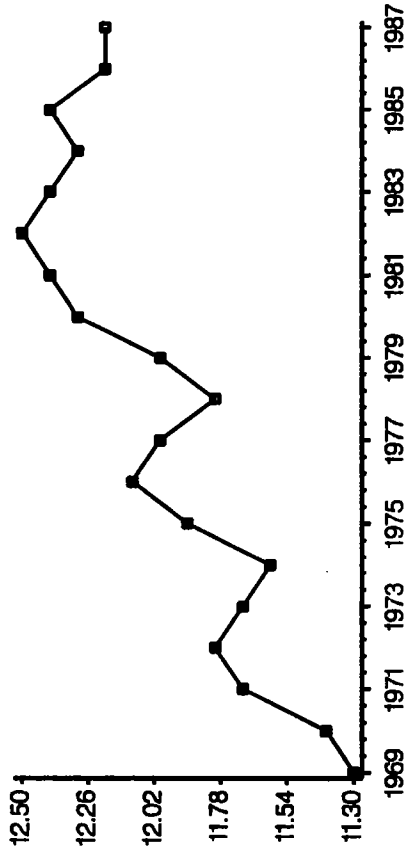


CHART 5B
FLEMING COUNTY
POPULATION
as a Percent of Kentucky Population

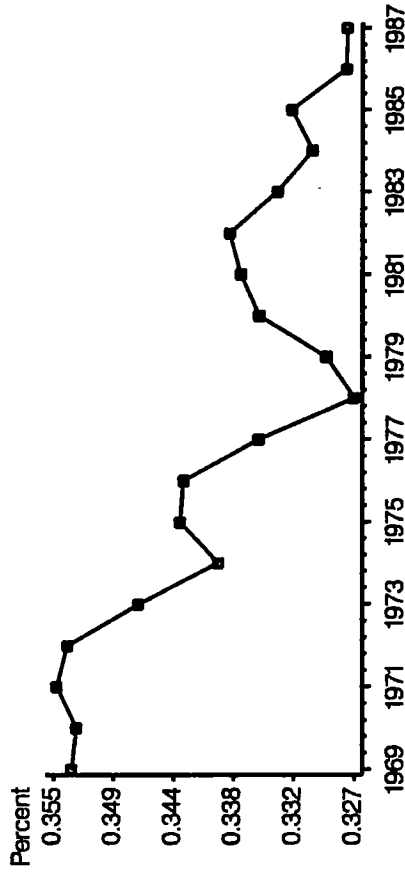


CHART 5C
FLEMING COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

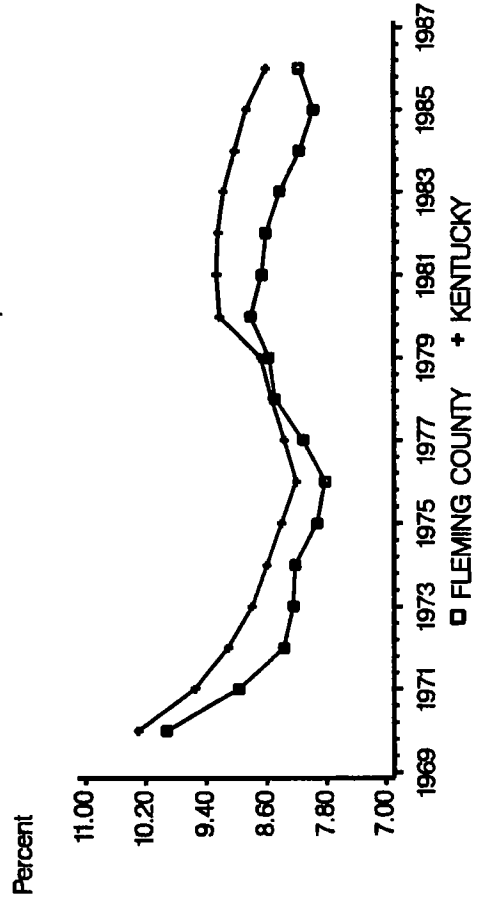
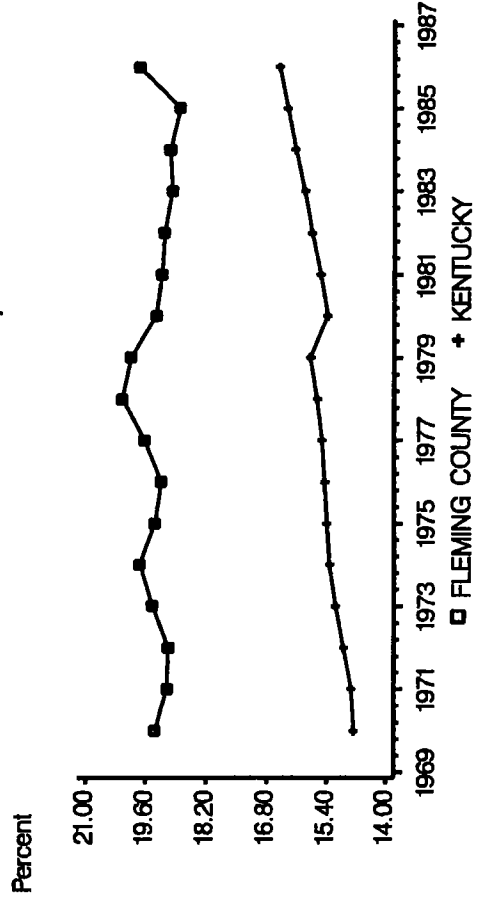


CHART 5D
FLEMING COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



FLEMING COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	93	0.33	8,247	92.8
1970	85	0.29	7,482	82.1
1971	84	0.28	7,240	78.2
1972	90	0.28	7,643	78.4
1973	93	0.27	7,972	77.6
1974	96	0.27	8,265	79.8
1975	92	0.26	7,754	75.6
1976	98	0.26	8,087	75.3
1977	103	0.26	8,635	77.3
1978	106	0.25	8,913	77.1
1979	105	0.25	8,812	74.9
1980	107	0.25	8,645	75.0
1981	107	0.25	8,652	73.8
1982	109	0.26	8,736	75.6
1983	98	0.23	7,927	69.6
1984	108	0.24	8,748	73.0
1985	109	0.24	8,731	72.8
1986	112	0.25	9,194	75.1
1987	118	0.25	9,672	77.4

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	75	80.3	79.2	11	11.4	10.9	8	8.4	9.9
1970	65	76.5	77.9	11	13.4	11.9	9	10.1	10.2
1971	63	75.0	77.0	12	14.4	12.9	9	10.6	10.1
1972	68	75.4	77.3	13	14.1	12.9	9	10.5	9.7
1973	69	74.2	76.6	14	14.8	13.6	10	11.0	9.7
1974	69	71.9	75.5	16	16.7	14.4	11	11.4	10.1
1975	64	69.1	73.3	18	19.6	16.5	10	11.3	10.1
1976	67	68.9	73.9	19	19.6	16.1	11	11.4	10.0
1977	72	69.6	74.6	19	18.7	15.3	12	11.8	10.1
1978	73	69.0	75.0	19	18.4	14.6	13	12.6	10.4
1979	70	66.8	74.1	21	19.9	15.1	14	13.3	10.8
1980	68	63.9	71.1	23	22.0	16.7	15	14.1	12.2
1981	66	61.9	69.3	24	22.5	16.8	17	15.6	13.8
1982	68	61.8	67.5	25	22.5	17.6	17	15.7	14.9
1983	55	56.2	66.6	25	25.3	18.4	18	18.5	15.1
1984	65	60.4	67.8	25	23.1	17.3	18	16.5	14.9
1985	64	58.9	67.2	26	23.7	17.6	19	17.4	15.3
1986	67	59.9	67.1	27	23.7	17.6	19	16.5	15.3
1987	72	61.4	67.5	27	22.7	17.2	19	16.0	15.3

FLEMING COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	14.8	0.20	37.9	2.06	2.4	0.24
1970	17.8	0.20	28.4	1.51	2.5	0.17
1971	14.8	0.16	26.8	1.37	1.2	0.07
1972	15.4	0.16	30.6	1.41	1.0	0.06
1973	16.1	0.15	26.8	1.13	0.9	0.05
1974	14.6	0.14	30.9	1.24	0.6	0.02
1975	14.8	0.14	24.7	1.32	0.6	0.02
1976	16.8	0.15	18.8	0.95	0.6	0.02
1977	14.4	0.12	23.9	1.09	0.6	0.02
1978	15.6	0.13	17.8	0.90	2.3	0.06
1979	13.9	0.11	14.1	0.62	1.4	0.04
1980	13.3	0.11	14.4	0.77	0.7	0.02
1981	12.6	0.10	18.7	0.71	0.6	0.01
1982	12.6	0.11	21.1	1.02	0.6	0.02
1983	14.7	0.11	3.4	0.33	0.5	0.01
1984	12.9	0.10	14.1	0.61	0.3	0.01
1985	14.7	0.12	9.6	0.54	0.5	0.02
1986	15.5	0.13	7.7	0.57	0.5	0.02
1987	17.6	0.16	10.5	0.73	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	10.9	0.27	12.9	0.27	7.8	0.28
1970	11.8	0.25	14.1	0.25	9.9	0.29
1971	13.2	0.26	15.7	0.26	11.2	0.30
1972	10.5	0.21	15.3	0.25	11.3	0.31
1973	9.6	0.18	16.4	0.26	11.9	0.32
1974	9.4	0.18	16.0	0.25	12.3	0.33
1975	10.9	0.18	16.9	0.23	14.6	0.34
1976	11.0	0.18	17.8	0.24	15.1	0.34
1977	10.1	0.17	17.4	0.24	15.1	0.35
1978	11.3	0.18	19.0	0.25	16.3	0.36
1979	12.4	0.18	19.7	0.24	18.4	0.36
1980	13.8	0.18	19.0	0.24	19.7	0.38
1981	11.3	0.15	17.7	0.22	20.3	0.38
1982	10.4	0.14	16.8	0.23	18.8	0.37
1983	14.5	0.15	20.4	0.22	23.8	0.38
1984	13.2	0.15	18.2	0.23	20.2	0.37
1985	13.4	0.14	17.5	0.21	21.5	0.37
1986	14.7	0.15	16.7	0.21	21.0	0.37
1987	14.2	0.15	15.5	0.21	19.0	0.35

FLEMING COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	695	14.1	2,011	40.7	88	1.8
1970	763	15.1	1,997	39.5	79	1.6
1971	651	13.5	1,985	41.2	31	0.6
1972	690	13.8	1,984	39.6	32	0.6
1973	771	14.7	2,016	38.4	28	0.5
1974	728	14.0	2,050	39.5	19	0.4
1975	699	14.1	1,883	38.0	17	0.3
1976	758	14.4	1,997	38.0	18	0.3
1977	710	13.5	1,981	37.6	16	0.3
1978	727	13.1	2,021	36.5	44	0.8
1979	674	12.4	1,882	34.7	31	0.6
1980	660	12.1	1,900	34.7	19	0.3
1981	623	11.5	1,937	35.7	14	0.3
1982	644	12.0	1,909	35.4	13	0.2
1983	658	12.0	1,964	35.7	11	0.2
1984	654	11.9	1,873	34.2	.	.
1985	647	12.1	1,823	34.1	13	0.2
1986	643	11.7	1,865	34.0	15	0.3
1987	800	14.2	1,797	31.9	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	516	10.5	609	12.3	383	7.8
1970	522	10.3	636	12.6	413	8.2
1971	493	10.2	619	12.9	437	9.1
1972	552	11.0	680	13.6	458	9.1
1973	542	10.3	711	13.5	497	9.5
1974	520	10.0	716	13.8	540	10.4
1975	521	10.5	681	13.8	584	11.8
1976	514	9.8	723	13.8	613	11.7
1977	507	9.6	767	14.6	640	12.1
1978	561	10.1	863	15.6	691	12.5
1979	557	10.3	848	15.6	746	13.7
1980	548	10.0	863	15.8	766	14.0
1981	519	9.6	832	15.3	771	14.2
1982	539	10.0	845	15.7	721	13.4
1983	572	10.4	851	15.5	727	13.2
1984	565	10.3	906	16.5	736	13.4
1985	544	10.2	835	15.6	725	13.5
1986	566	10.3	860	15.7	745	13.6
1987	587	10.4	894	15.9	726	12.9

FLEMING COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	4,935	\$15,365	\$17,440	.	4.2
1970	5,052	\$13,144	\$17,811	3.8	4.4
1971	4,814	\$13,218	\$18,166	2.3	5.1
1972	5,014	\$13,458	\$18,970	3.4	6.0
1973	5,250	\$13,052	\$19,232	2.4	3.7
1974	5,188	\$12,961	\$19,008	4.0	4.5
1975	4,949	\$12,397	\$18,976	6.1	7.3
1976	5,250	\$12,148	\$19,563	4.3	5.6
1977	5,270	\$12,812	\$20,031	4.4	4.7
1978	5,541	\$12,121	\$20,121	4.9	5.3
1979	5,426	\$11,589	\$20,110	6.1	5.5
1980	5,470	\$11,087	\$19,439	8.2	8.0
1981	5,426	\$10,846	\$19,286	9.9	8.4
1982	5,387	\$11,540	\$18,931	11.6	10.6
1983	5,496	\$9,313	\$18,358	11.2	11.6
1984	5,481	\$10,982	\$19,080	10.2	9.3
1985	5,353	\$10,773	\$18,676	10.8	9.5
1986	5,486	\$11,178	\$18,627	10.8	9.3
1987	5,634	\$11,953	\$18,636	9.0	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	11,300	0.35	.	.	.	.
1970	11,400	0.35	9.9	10.3	19.4	14.8
1971	11,700	0.35	9.0	9.6	19.1	14.8
1972	11,800	0.35	8.4	9.1	19.1	15.0
1973	11,700	0.35	8.2	8.8	19.5	15.2
1974	11,600	0.34	8.2	8.6	19.7	15.3
1975	11,900	0.34	7.9	8.4	19.4	15.4
1976	12,100	0.34	7.8	8.2	19.2	15.5
1977	12,000	0.34	8.1	8.4	19.6	15.5
1978	11,800	0.33	8.5	8.5	20.1	15.6
1979	12,000	0.33	8.6	8.7	19.9	15.8
1980	12,300	0.34	8.8	9.2	19.4	15.4
1981	12,400	0.34	8.7	9.3	19.2	15.5
1982	12,500	0.34	8.6	9.2	19.2	15.7
1983	12,400	0.33	8.4	9.2	19.0	15.9
1984	12,300	0.33	8.2	9.0	19.0	16.1
1985	12,400	0.33	8.0	8.9	18.8	16.3
1986	12,200	0.33	8.2	8.6	19.7	16.5
1987	12,200	0.33



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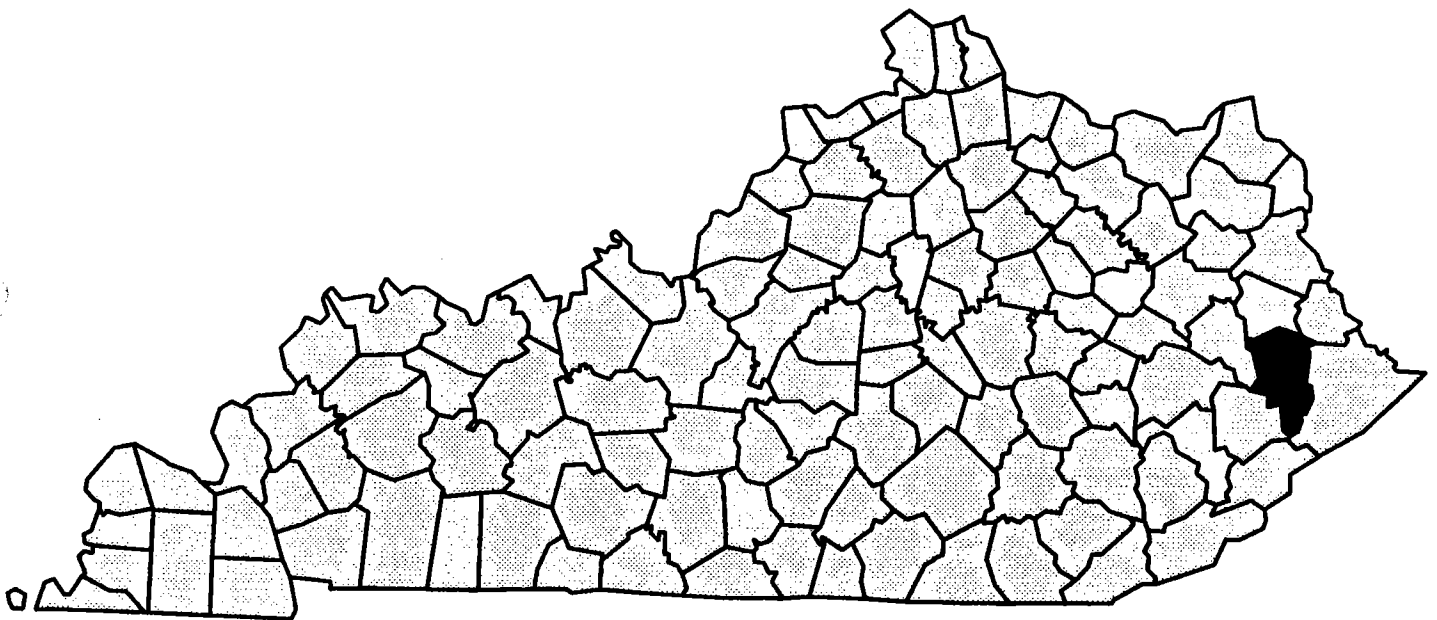


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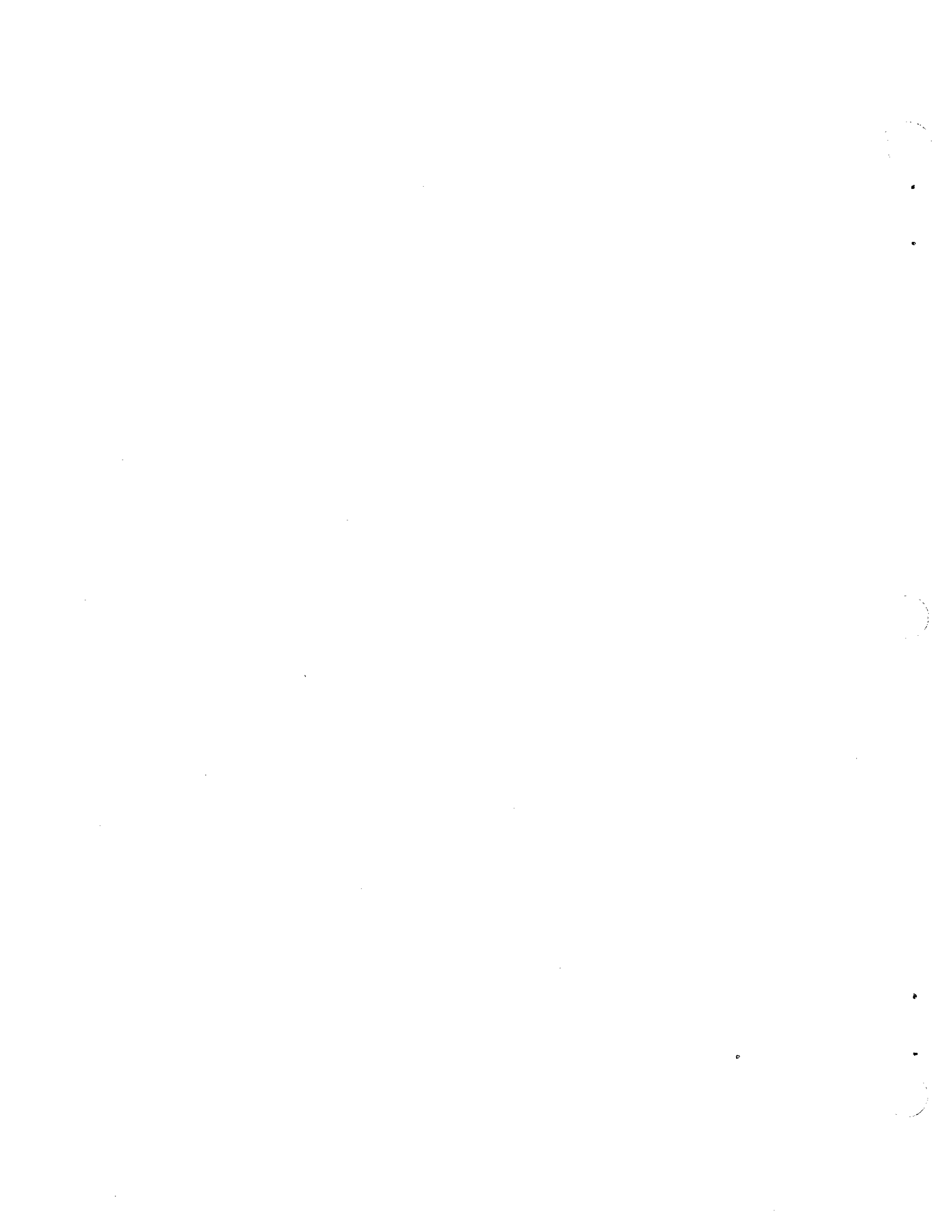
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

FLOYD COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
February, 1990



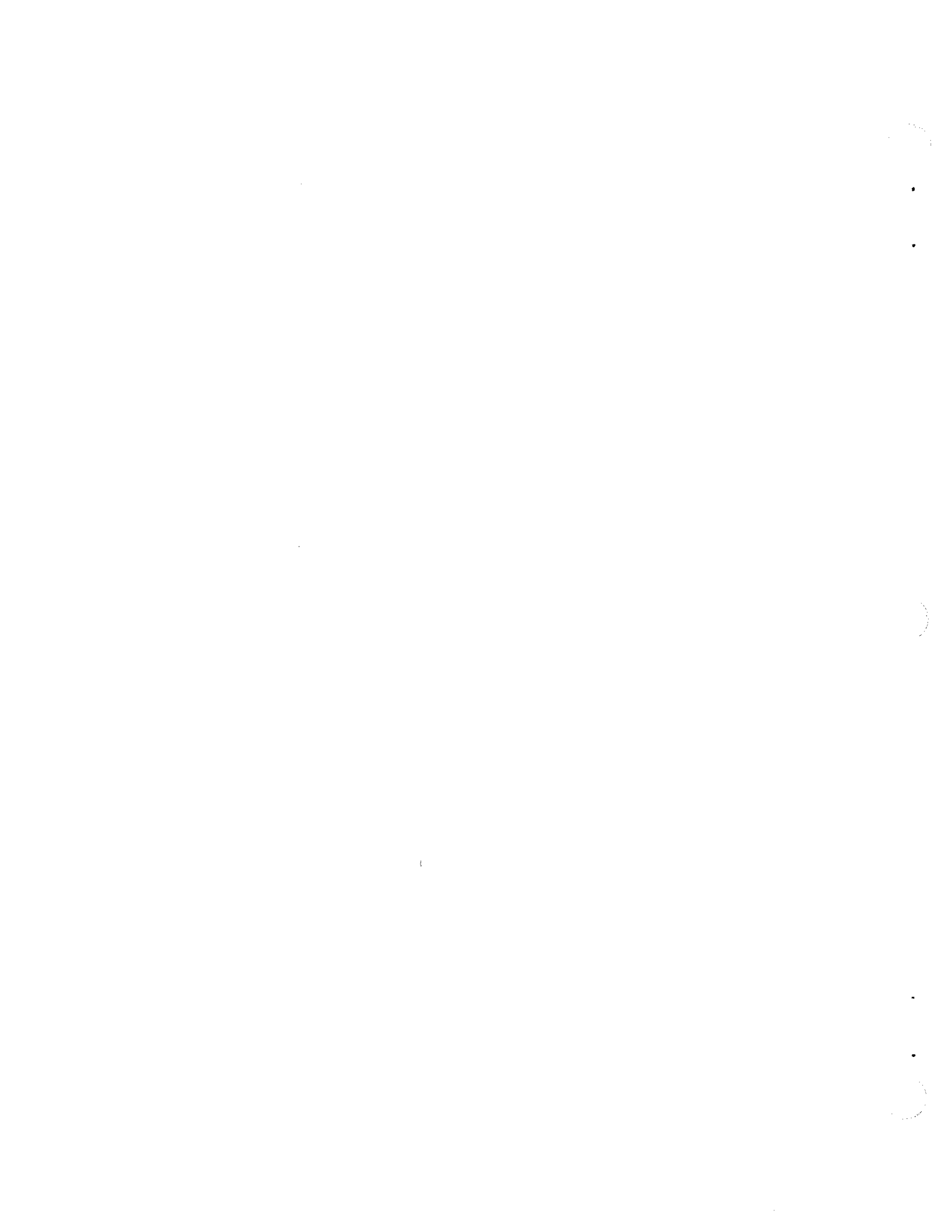
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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FLOYD COUNTY

Prepared by
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Donna A. Cantrell

RESEARCH MEMORANDUM 438
Legislative Research Commission
Frankfort, Kentucky
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FOREWORD

This publication is one of a set of 120, highlighting economic trends in each county in Kentucky from 1969-1987. This effort is part of the ongoing activities sponsored by the Legislative Research Commission to provide a long-term perspective on issues for decision makers. The economies of individual counties do not always parallel overall state trends. This set of publications is an attempt to look at the economic trends in each county over time and to point out where the economies of individual counties may be performing differently from the economy of the state as a whole.

This publication was prepared by Virginia Wilson and Donna Cantrell. Susan Dance assisted in production of the manuscript and Charles Bush edited the report. The assistance of Carol Straus from the Center for Business and Economic Research at the University of Kentucky in deciphering data is gratefully acknowledged.

Vic Hellard, Jr.
Director

The Capitol
Frankfort
February, 1990

SUMMARY

The Floyd County economy, as measured by personal income, grew strongly in the 1970's but declined slightly in the 1980's. Floyd County increased its share of Kentucky personal income in the 1970's and decreased its share in the 1980's. Per capita personal income was significantly below that of the state, while average earnings per job were above those of the state. Floyd County generates a smaller percent of personal income from earnings and property, and a larger percent from transfer payments than does the state as a whole.

The county economy was dominated by the mining sector. The mine sector was the primary source of earnings and employment in Floyd County. However, earnings and employment from this sector declined in the 1980's. The county's share of earnings and employment from manufacturing also declined. These sectors declined at the state level as well.

The service sector increased its share of earnings and employment in Floyd County. The trade sector decreased its share of earnings and increased its share of employment. The state and local government decreased its share of employment and maintained its share of earnings. These trends in the non-goods-producing sectors generally parallel state trends.

Economies which depend too heavily on one economic sector are susceptible to extreme economic swings when events in the national and international economy affect that sector. The mining sector is becoming less labor intensive, limiting its future employment potential. Consequently, while a high concentration in mining supported the county economy during a period of high energy prices, these conditions will not ensure future economic growth. The non-goods-producing sectors tend to be more resilient during periods of economic stagnation. Furthermore, the growth in the trade and service sectors in Floyd County helped to create a more diversified economic base. This diversification should help to stabilize the county economy during recessionary periods.

INTRODUCTION

This is one of a series of reports called Economic Trends in Kentucky Counties. The purpose of this series is to describe the economic structure of Kentucky counties and to assess their economic performance relative to their own history and relative to the Kentucky economy. Information on the structure and patterns of change in county economies and an understanding of their relationship to the Kentucky economy can help in making policy decisions that are intended to shape Kentucky's economic future.*

When assessing any economy there are several pertinent questions which may be addressed. The first concerns changes in the absolute size of the economy over time. Here the relevant comparison is between the Floyd County economy and its own history. Since most economic variables are given in dollars and since inflation causes the value of a dollar to vary over time, all dollar values in this report are presented in constant 1988 dollars. This allows analysis of real changes over time by controlling for the effects of inflation.

A second question concerns the structure and nature of the Floyd County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Floyd County economy when compared to the Kentucky economy. For example, if a county has a higher proportion of earnings or employment in a particular sector it would indicate a specialization in that sector. Differences in economic structure may explain variations in relative economic well being between a county and the state as a whole.

Economic data for counties are usually published after a lag of two years. Therefore, most data in this report cover the period 1969 to 1987. All data for this report was obtained from the Kentucky Economic Information System, an on-line database maintained by the University of Kentucky Center for Business and Economic Development.

There are certain caveats which should be remembered when analyzing data. First, it is a common and useful approach to evaluate the percentage an economic sector contributes to the total economy. However, one must remember that a sector's percentage contribution may decline even when its absolute value is increasing, if another sector's contribution is growing at a faster rate. Secondly, when reviewing data in graphical analyses, the scales used to present data should be noted. In this report most graphs are presented with the narrowest scale which will cover all data points. This can accentuate visual patterns over time even when absolute changes are relatively small.

*For an analysis of economic trends in Kentucky, see Virginia Wilson, Patterns of Growth and Decline in the Kentucky Economy 1969-1988, Research Memorandum 437, Legislative Research Commission, November 1989.

ECONOMIC TRENDS IN FLOYD COUNTY

The following analysis includes a brief description of the county economy and is accompanied by graphical illustrations. Data tables are also included at the end of this report. Three principal components of the Floyd County economy are analyzed. They are:

1. Personal Income
2. Earnings
3. Employment

Also, because coal production has been an important component in the Kentucky economy and in many local economies, the coal sector is analyzed in counties which have a history of coal production.

Personal Income

Personal income is often used as a measure of the economic activity in an area. Personal income is the sum of all the dollar income received by individuals in an area from any legal source. Personal income data is published by the Bureau of Economic Analysis (BEA) for most major geographic regions, including states, counties, and major cities.

In general, income can be obtained in three ways. First, it can be earned by the work of an individual. This type of income includes wages and salaries income and proprietors' earnings. Second, income can be earned by property. Included are earnings from rents, dividends, and interest. Finally, income can be received as a gift or an entitlement. This type of income constitutes the component of personal income called transfer payments. Included in this component is income from sources such as retirement benefits, unemployment benefits, food stamps, and medical programs such as Medicare and Medicaid.

As can be seen in Chart 1A, the size of the Floyd County economy, as measured by real personal income, increased, from \$232 million in 1969 to a high of \$507 million in 1980 (adjusting for inflation). There was a subsequent decline to \$481 million in 1987. Chart 1B shows Floyd County total personal income as a percent of Kentucky total personal income. Floyd County's share of Kentucky personal income increased through the 1970's and declined in the 1980's.

A similar pattern emerges from an examination of per capita personal income (Charts 1C and 1D). Per capita personal income is simply the total personal income of an area divided by its population. Per capita personal income is often used as a measure of the economic well-being of the residents of an area. Floyd County real per capita income generally increased over the time period to a level of \$9,806 in 1987. While Floyd County's per capita personal income was 78.5 percent of the Kentucky per capita personal income in 1987, this percentage was erratic during the period.

A better understanding of the nature of economic activity can be gleaned from an examination of the relative contribution of the components of personal income and how their shares have changed over time. This information is illustrated in Charts 2A-2D. Total earnings increased from \$179 million in 1969 to a high of \$353 million in 1978, then declined to \$307 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income declined over the period. Earnings accounted for 63.9 percent of Floyd County's total personal income in 1987, compared to Kentucky's 67.5 percent share.

Transfer payments contributed \$41 million to total personal income in 1969 and \$122 million in 1987. Transfer payments contributed a much higher percentage of personal income in Floyd County than in Kentucky. In 1987, 25.3 percent of Floyd County personal income was from transfer payments, compared to 17.2 percent of Kentucky personal income.

Income from property in Floyd County grew steadily through the time period. Income from property totalled \$12 million in 1969 and increased to \$52 million in 1987.

Earnings

Earnings are the component of personal income reflecting payments to individuals in return for labor. Earnings include both wages and salaries and proprietor's earnings. Earnings in the goods-producing industries are illustrated in Chart 3A. In 1969, Floyd County received 6.1 percent of its earnings from manufacturing. This percentage fluctuated during the period and generally decreased to 2.6 percent in 1987. This trend of a decline in the percent of total earnings from manufacturing parallels the state trend. Earnings from the farming sector were less than one percent of total earnings during the period. The mine sector's share of earnings was 32.1 percent in 1969. This sector's share increased significantly in the late 1970's and reached a high of 49.7 percent in 1975. Earnings from this sector declined through the 1980's to 31.5 percent in 1987.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services increased from 8.2 percent in 1969 to 17.9 percent in 1987. The percent of earnings from the trade sector decreased from 23.5 percent in 1969 to 19.0 percent in 1987. The percentage of earnings in the state and local government sector decreased from 12.0 percent in 1969 to 10.1 percent in 1987. These county patterns are largely similar to state patterns during the period.

Average earnings per job (adjusted for inflation) for Floyd County and Kentucky are shown in Chart 3D. In Kentucky, average earnings per job reached a high of \$20,121 per person in 1978. Average earnings per job have since declined and in 1987 they were \$18,636 per person. Similarly, in Floyd County earnings per job increased during the 1970's but decreased to a level of \$21,340 in 1987, remaining above the Kentucky average.

Employment

Employment is considered to be any activity for which one receives financial remuneration in the form of wages or profits. In 1969, total employment stood at 9,689 people. By 1987, employment had increased to 14,301.

The unemployment rate, often used as an indicator of economic well-being, is the ratio of unemployed to the total civilian labor force. Unemployment is described as a condition of being out of work while actively seeking employment within the last thirty days. The civilian labor force is described as the proportion of population age 16 or older employed or actively seeking employment. Annual unemployment rates for Kentucky and Floyd County are presented in Chart 4B. Floyd County unemployment rates were above those of the state during the period. In 1987, the unemployment rate in Floyd County was 14.1 percent, compared to 8.8 percent in Kentucky.

Another employment concept includes the discouraged worker. Discouraged workers are persons who want jobs but made no attempt to find work in the last thirty days because they believe they could not find it. These individuals are not included when calculating official unemployment rates. The Cabinet for Human Resources does not estimate discouraged workers by county. However, preliminary research by the Cabinet indicates that the inclusion of discouraged workers in the civilian labor force estimate would increase the unemployment rate by approximately 4 percent for the state. This figure would vary by county depending on the labor market in a county or within commuting distance.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of Floyd County total employment in manufacturing decreased over the time period. Again, this trend parallels the declining concentration in manufacturing at the state level. Manufacturing accounted for 8.6 percent of total employment in 1969. This share decreased to 2.9 percent in 1987. The farm sector's share of employment remained minimal and accounted for 0.7 percent in 1987. The mining sector accounted for 23.7 percent of total employment in 1969 and increased to 27.8 percent in 1979. However, this share declined through the 1980's to 17.2 percent in 1987.

Floyd County employment in the non-goods-producing industries is illustrated in Chart 4D. Employment in the service sector as a percent of total employment increased from 13.7 percent in 1969 to 22.2 percent in 1987. The percent of employment in trade increased from 20.5 percent in 1969 to 26.0 percent in 1987. The percent of employment in state and local government decreased from 16.4 percent in 1969 to 12.0 percent in 1987. At the state level, the shares of employment in the service and trade sectors increased and the share in state and local government remained constant.

Population

The census conducted each decade counts the actual population in an area. Population is then statistically estimated during intervening years. The demographic composition of this population growth has important

implications for the future demand for goods and services, and ultimately, the economic structure of Floyd County.

The Floyd County population grew from 36,400 in 1969 to 49,000 in 1987 (Chart 5A). It was estimated that in 1986, 9.1 percent of Floyd County's population was under six years of age, compared to 8.6 percent for the state. In the same year, 15.8 percent of the Floyd County population was sixty years of age or over, compared to 16.5 percent of all Kentucky residents.

Coal

The coal sector provides significant income and employment to the Kentucky economy. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. Coal production had a strong impact on the Floyd County economy.

Floyd County coal production patterns are presented in Chart 6A. Coal production is estimated by the Energy Information Administration of the U.S. Department of Energy. Estimates of production are calculated from a sample of coal shipments from each county. Coal production in Floyd County increased from 4,655 thousand tons in 1969 to 9,471 thousand tons in 1986.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969, this sector provided 2,298 jobs in Floyd County. Employment increased to 3,741 in 1979. However, in 1987 employment declined to 2,455 people.

The average value per ton for coal is illustrated in Chart 6C. Similar to patterns for the national coal market, average value per ton increased in the 1970's, then declined during the 1980's.

Coal severance tax receipts are presented in Chart 6D. The Kentucky Revenue Cabinet collects severance taxes on processed coal. Receipts are then allocated to counties, based on the value of the coal mined in the county and the value attributed to any processing done in the county. Therefore, trends in severance tax collections may not exactly parallel those of the coal production figures in Chart 6A. Coal severance tax collections generally increased to \$10.5 million in 1986.

CHART 1A
 FLOYD COUNTY
 REAL PERSONAL INCOME
 Millions of 1988 dollars

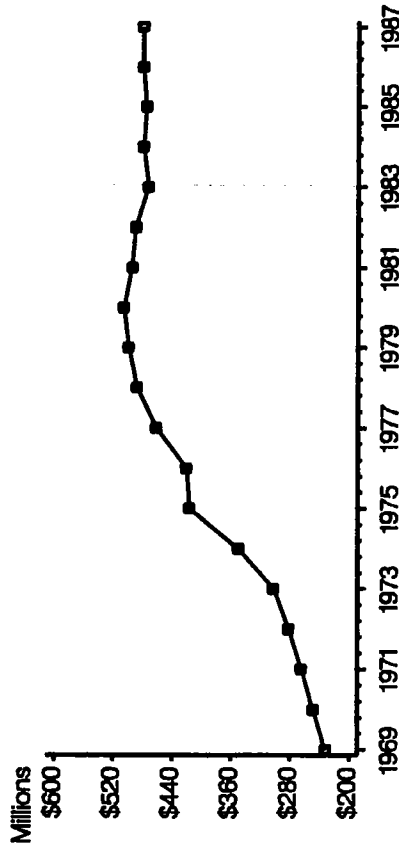


CHART 1B
 FLOYD COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

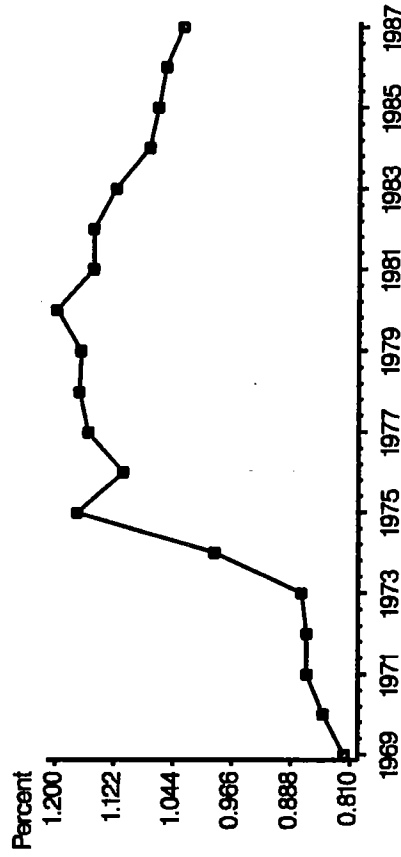


CHART 1C
 FLOYD COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

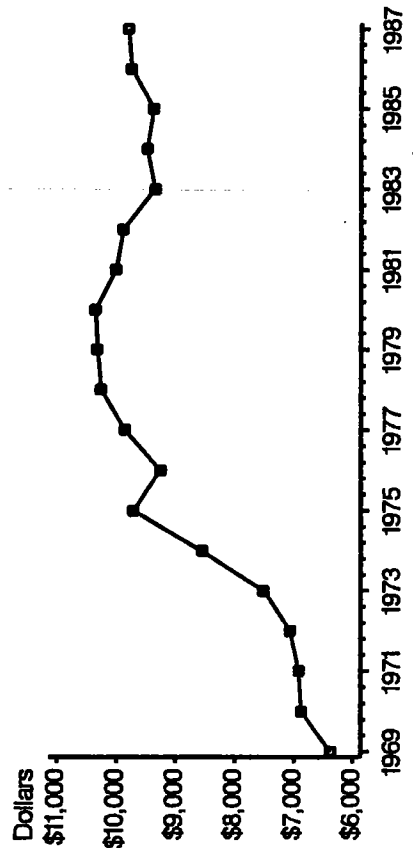


CHART 1D
 FLOYD COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

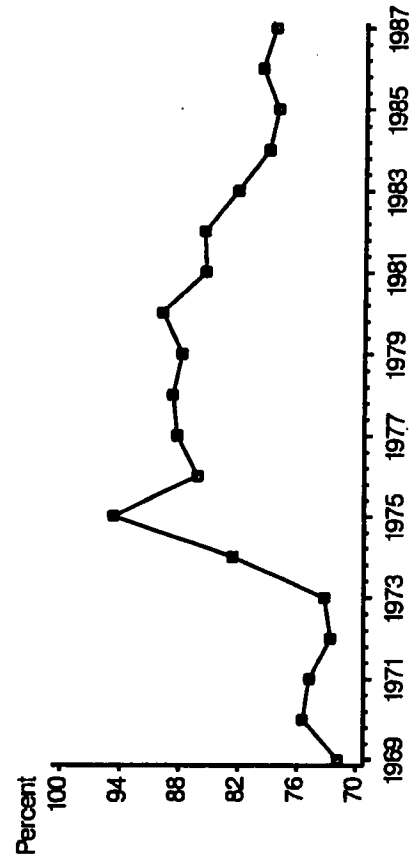


CHART 2A

FLOYD COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

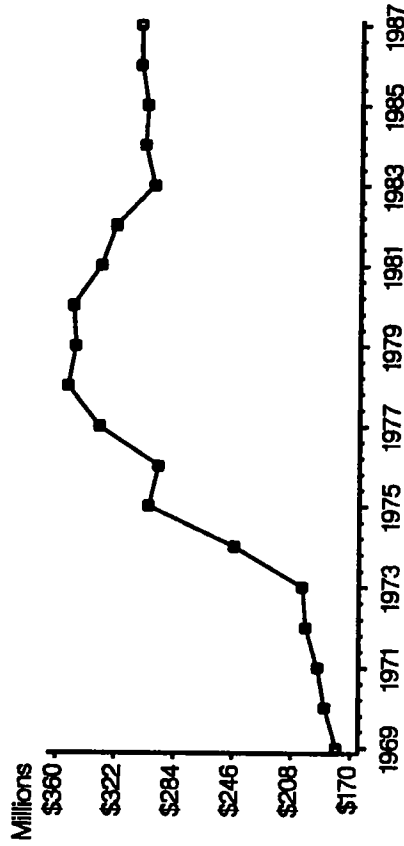


CHART 2B

FLOYD COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars



CHART 2C

FLOYD COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

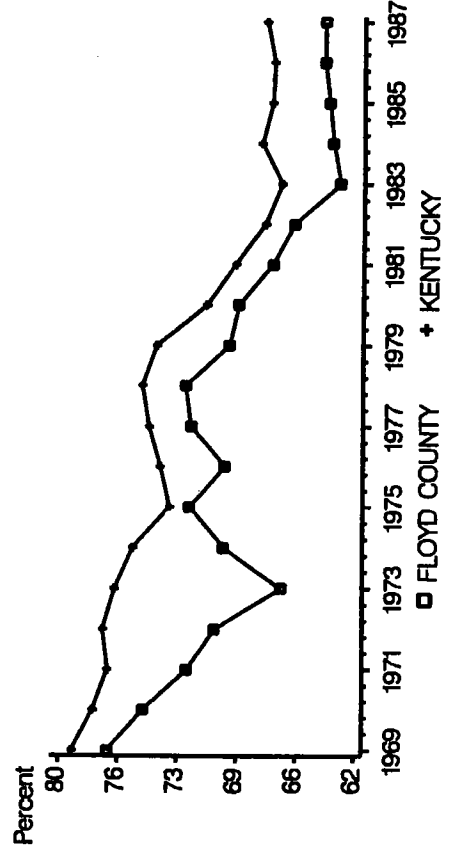


CHART 2D

FLOYD COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

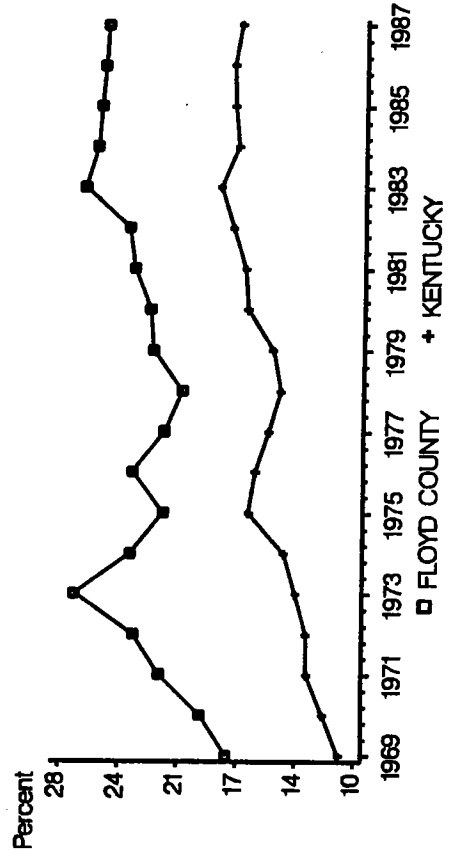


CHART 3A
 FLOYD COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

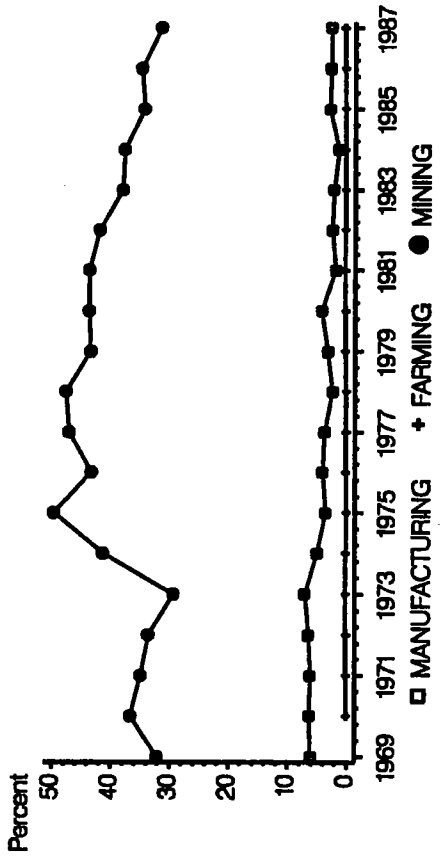


CHART 3B
 FLOYD COUNTY
 EARNINGS in NON - GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

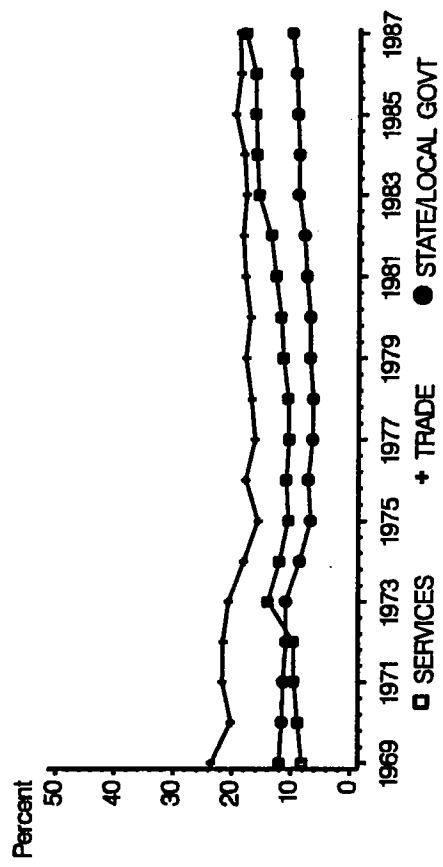


CHART 3C
 FLOYD COUNTY
 EARNINGS in GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

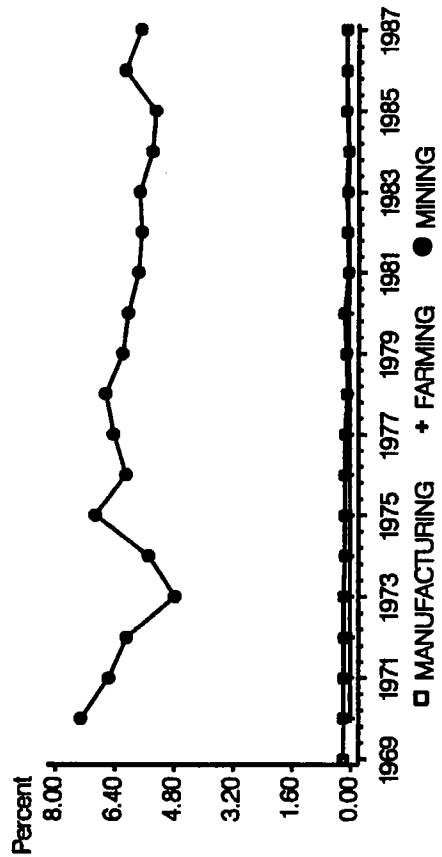


CHART 3D
 FLOYD COUNTY
 AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

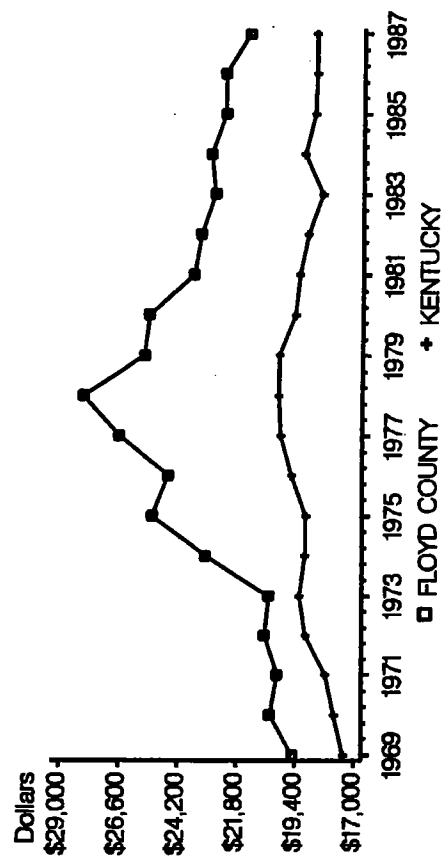


CHART 4A

FLOYD COUNTY
TOTAL EMPLOYMENT
Thousands of People

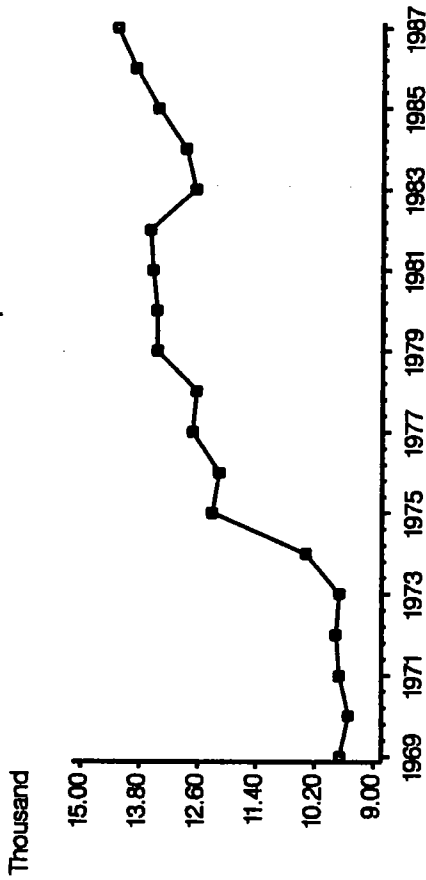


CHART 4B
FLOYD COUNTY
ANNUAL UNEMPLOYMENT RATE

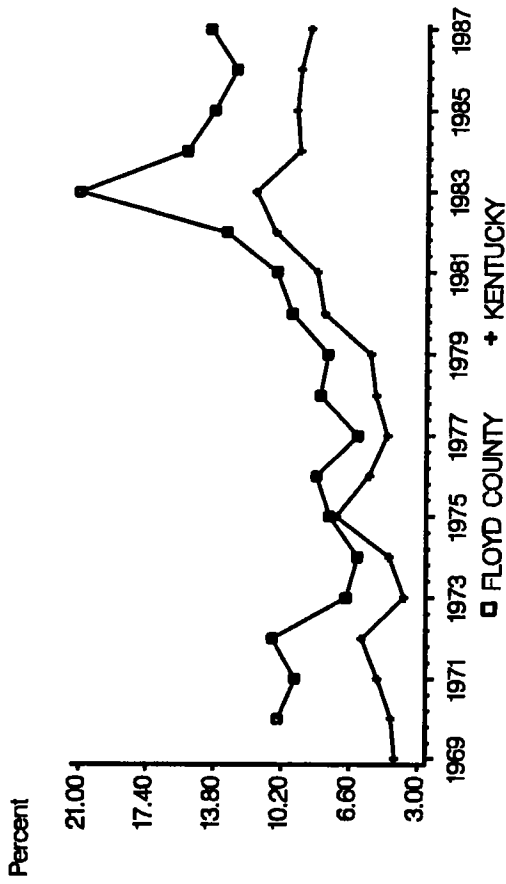


CHART 4C

FLOYD COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

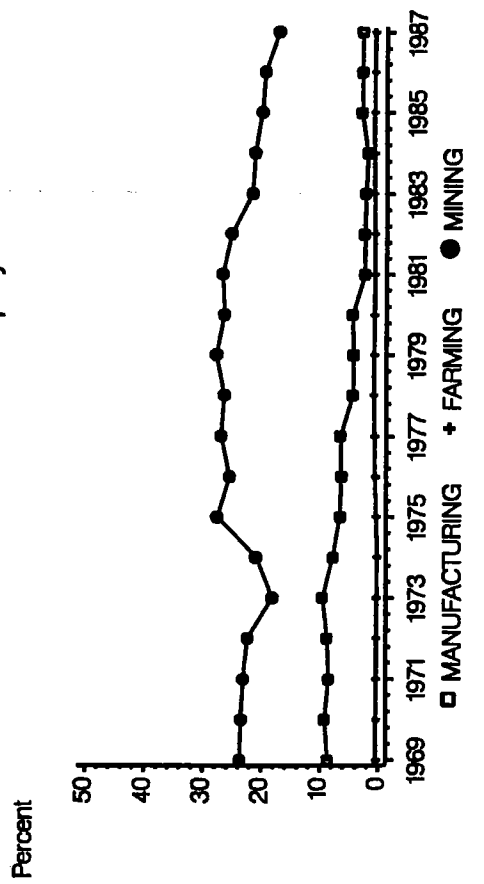


CHART 4D

FLOYD COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

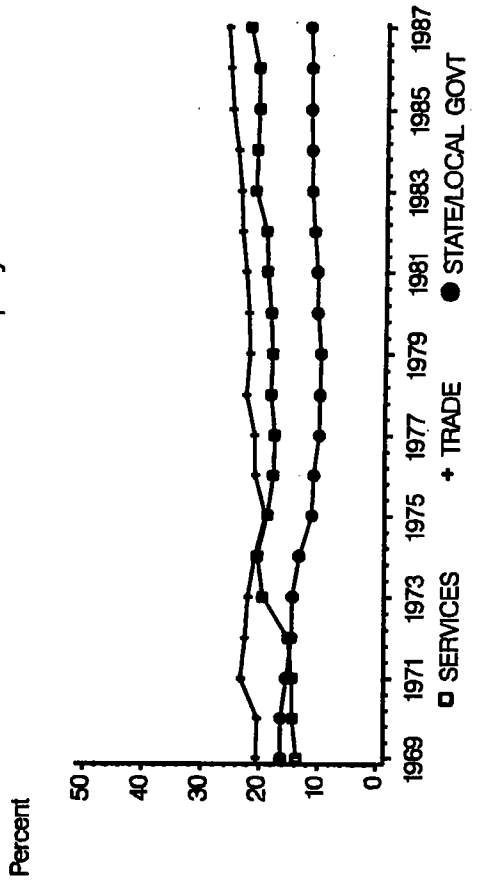


CHART 5A
FLOYD COUNTY
POPULATION
Thousands of People

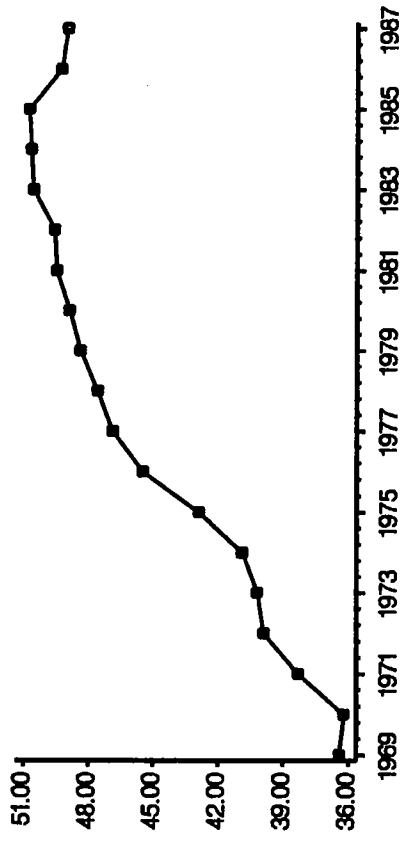


CHART 5B
FLOYD COUNTY
POPULATION
as a Percent of Kentucky Population

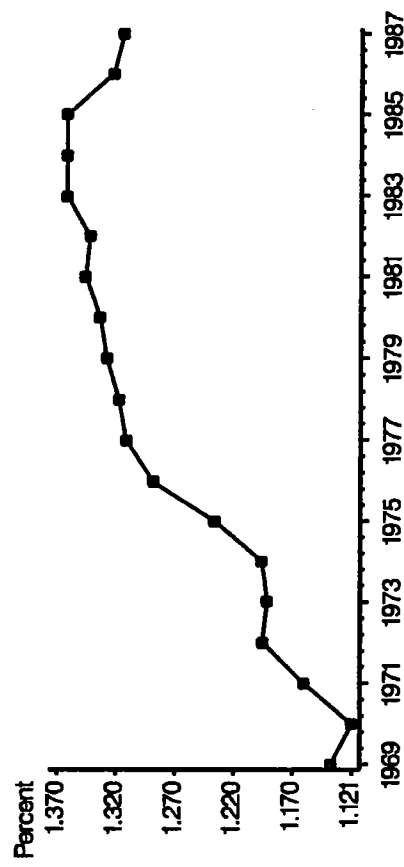


CHART 5C
FLOYD COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

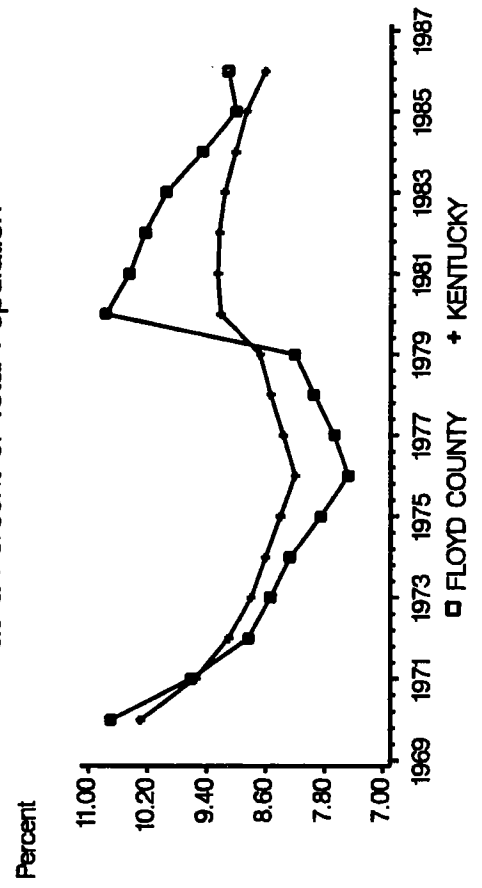


CHART 5D
FLOYD COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

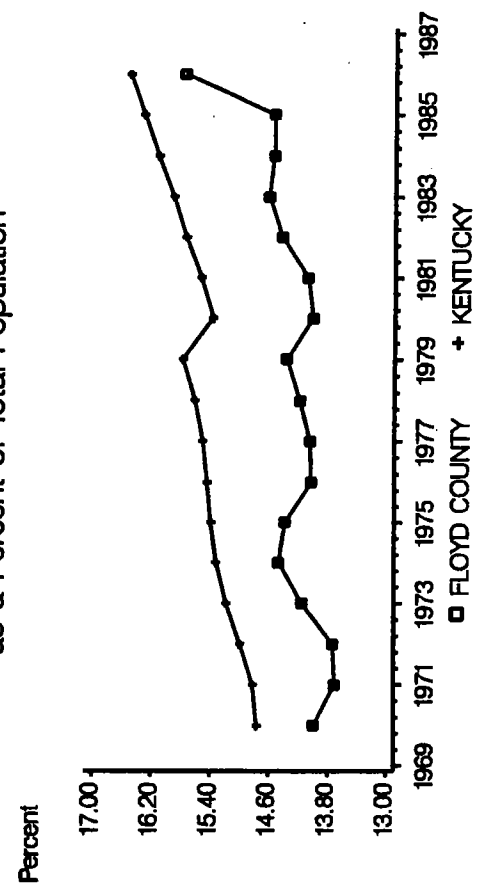


CHART 6A
 FLOYD COUNTY
 TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

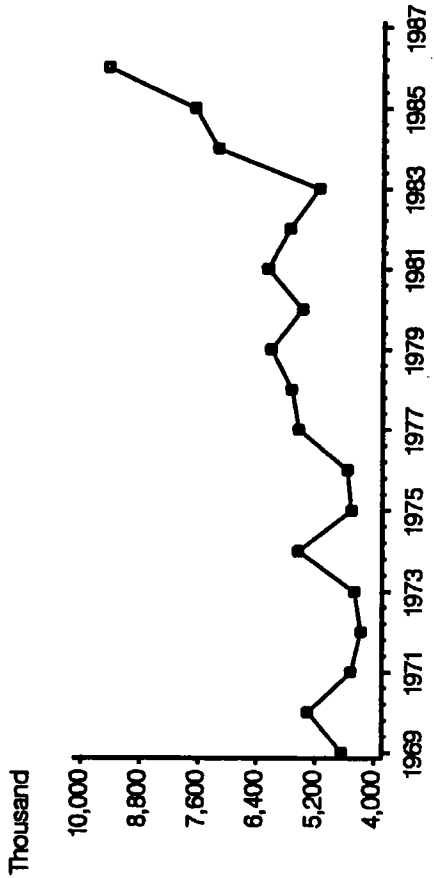


CHART 6B
 FLOYD COUNTY
 MINING EMPLOYMENT
 Thousands of People

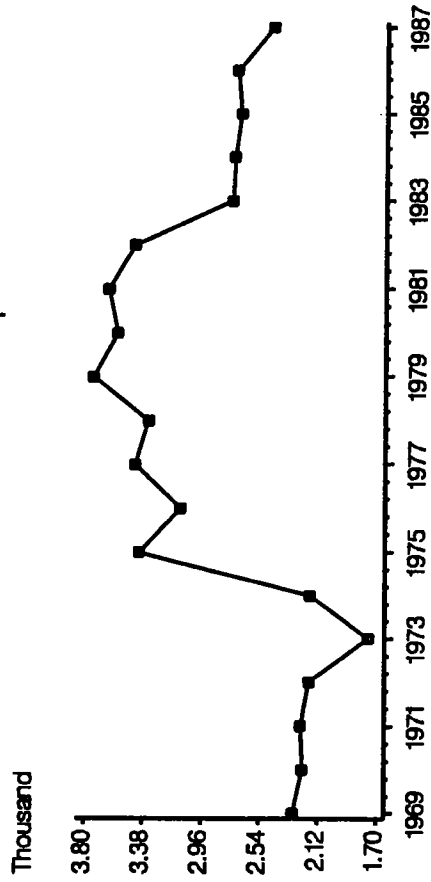


CHART 6C
 FLOYD COUNTY
 AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

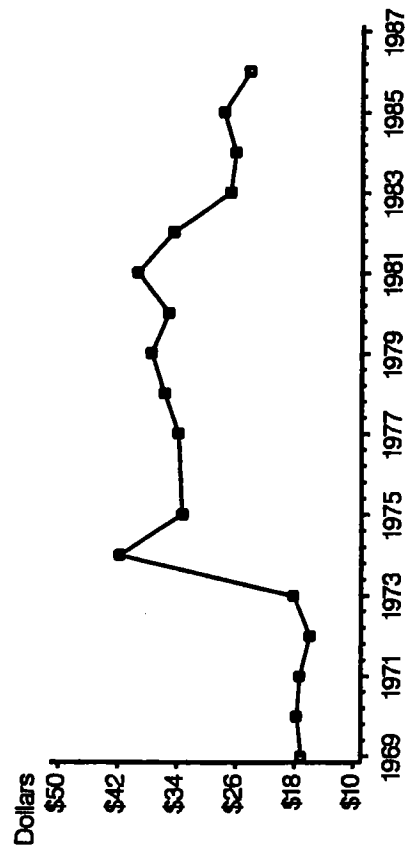
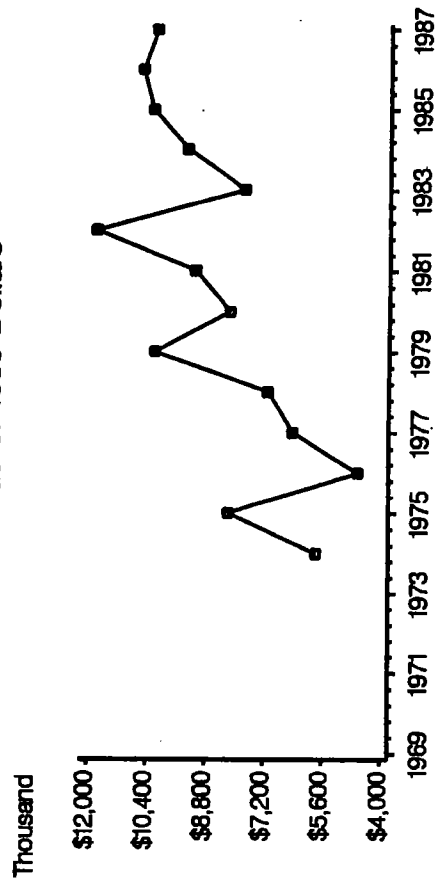


CHART 6D
 FLOYD COUNTY
 TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



FLOYD COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	232	0.82	6,380	71.8
1970	249	0.85	6,872	75.4
1971	265	0.87	6,913	74.7
1972	282	0.87	7,070	72.6
1973	303	0.87	7,518	73.2
1974	350	0.99	8,556	82.6
1975	417	1.17	9,716	94.7
1976	421	1.11	9,256	86.2
1977	462	1.16	9,863	88.2
1978	488	1.17	10,261	88.7
1979	500	1.17	10,321	87.8
1980	507	1.20	10,354	89.8
1981	495	1.15	10,014	85.4
1982	491	1.15	9,888	85.6
1983	474	1.12	9,351	82.2
1984	480	1.08	9,481	79.1
1985	476	1.06	9,373	78.1
1986	481	1.05	9,757	79.7
1987	481	1.03	9,806	78.5

COMPONENTS OF PERSONAL INCOME
In Constant 1988 Dollars

Year	EARNINGS			TRANSFER PAYMENTS			INCOME from PROPERTY		
	M\$	Percent of Personal Income		M\$	Percent of Personal Income		M\$	Percent of Personal Income	
		County	Kentucky		County	Kentucky		County	Kentucky
1969	179	77.0	79.2	41	17.8	10.9	12	5.2	9.9
1970	186	74.9	77.9	48	19.4	11.9	14	5.7	10.2
1971	191	72.2	77.0	58	21.9	12.9	16	5.9	10.1
1972	199	70.6	77.3	66	23.5	12.9	17	5.9	9.7
1973	201	66.5	76.6	82	27.1	13.6	19	6.4	9.7
1974	245	70.0	75.5	83	23.7	14.4	22	6.2	10.1
1975	301	72.1	73.3	91	21.7	16.5	26	6.2	10.1
1976	295	70.0	73.9	99	23.6	16.1	27	6.4	10.0
1977	333	72.0	74.6	100	21.7	15.3	29	6.3	10.1
1978	353	72.4	75.0	101	20.6	14.6	34	7.0	10.4
1979	348	69.7	74.1	112	22.4	15.1	40	7.9	10.8
1980	350	69.1	71.1	114	22.6	16.7	42	8.3	12.2
1981	332	67.1	69.3	117	23.6	16.8	46	9.4	13.8
1982	323	65.8	67.5	117	23.9	17.6	51	10.3	14.9
1983	298	63.0	66.6	126	26.6	18.4	49	10.4	15.1
1984	305	63.4	67.8	124	25.8	17.3	52	10.7	14.9
1985	303	63.6	67.2	122	25.7	17.6	51	10.7	15.3
1986	307	63.9	67.1	122	25.5	17.6	51	10.6	15.3
1987	307	63.9	67.5	122	25.3	17.2	52	10.8	15.3

FLOYD COUNTY

SECTOR EARNINGS as a PERCENT of TOTAL COUNTY EARNINGS and
as a PERCENT of KENTUCKY SECTOR EARNINGS

YEAR	MANUFACTURING		FARMING		MINING	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	6.1	0.20	.	.	32.1	8.15
1970	6.3	0.21	0.1	0.02	36.6	7.31
1971	6.2	0.20	0.1	0.02	34.9	6.56
1972	6.5	0.20	0.1	0.02	33.6	6.09
1973	7.1	0.20	0.2	0.03	29.4	4.78
1974	5.0	0.17	0.2	0.03	41.3	5.48
1975	3.6	0.17	0.1	0.02	49.7	6.92
1976	4.1	0.17	0.2	0.04	43.3	6.10
1977	3.8	0.16	0.2	0.04	47.1	6.44
1978	2.4	0.11	0.2	0.04	47.7	6.65
1979	3.2	0.13	0.3	0.07	43.5	6.19
1980	4.2	0.19	0.2	0.07	43.8	6.04
1981	1.9	0.08	0.3	0.07	43.7	5.76
1982	2.5	0.12	0.3	0.07	42.0	5.68
1983	2.3	0.09	0.3	0.15	38.1	5.72
1984	1.4	0.06	0.3	0.07	37.8	5.38
1985	2.9	0.12	0.3	0.08	34.4	5.29
1986	2.8	0.12	0.3	0.13	34.9	6.12
1987	2.6	0.11	0.4	0.11	31.5	5.69

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	8.2	0.50	23.5	1.21	12.0	1.07
1970	8.9	0.55	20.2	1.03	11.6	0.99
1971	9.6	0.57	21.7	1.09	11.3	0.93
1972	9.6	0.57	21.5	1.06	10.8	0.88
1973	14.0	0.77	20.7	0.95	10.9	0.84
1974	12.0	0.82	18.1	1.00	8.6	0.81
1975	10.5	0.90	15.6	1.09	6.8	0.79
1976	10.9	0.83	17.7	1.12	7.2	0.76
1977	10.4	0.87	16.2	1.15	6.4	0.75
1978	10.6	0.87	16.8	1.16	6.3	0.73
1979	11.4	0.88	17.7	1.17	6.8	0.73
1980	11.8	0.89	17.0	1.19	6.9	0.74
1981	12.7	0.89	17.9	1.22	7.5	0.76
1982	13.5	0.92	18.2	1.25	7.9	0.79
1983	15.7	0.91	17.7	1.09	8.9	0.80
1984	16.0	0.90	18.2	1.12	8.8	0.79
1985	16.2	0.89	19.6	1.20	9.1	0.81
1986	16.3	0.85	18.8	1.18	9.3	0.83
1987	17.9	0.86	19.0	1.15	10.1	0.85

FLOYD COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	835	8.6	39	0.4	2,298	23.7
1970	870	9.2	38	0.4	2,229	23.4
1971	819	8.4	37	0.4	2,242	23.1
1972	853	8.7	37	0.4	2,184	22.4
1973	930	9.6	37	0.4	1,759	18.1
1974	806	7.8	26	0.3	2,178	21.0
1975	800	6.5	54	0.4	3,408	27.7
1976	766	6.3	76	0.6	3,112	25.6
1977	820	6.4	93	0.7	3,439	27.0
1978	556	4.4	108	0.9	3,344	26.4
1979	578	4.3	110	0.8	3,741	27.8
1980	605	4.5	105	0.8	3,567	26.5
1981	327	2.4	106	0.8	3,631	26.8
1982	344	2.5	105	0.8	3,441	25.3
1983	296	2.3	113	0.9	2,743	21.6
1984	250	1.9	109	0.8	2,729	21.2
1985	394	2.9	108	0.8	2,684	19.9
1986	398	2.9	106	0.8	2,712	19.5
1987	414	2.9	106	0.7	2,455	17.2

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,325	13.7	1,990	20.5	1,585	16.4
1970	1,368	14.4	1,931	20.3	1,552	16.3
1971	1,405	14.5	2,248	23.2	1,500	15.5
1972	1,486	15.2	2,197	22.5	1,427	14.6
1973	1,890	19.5	2,137	22.0	1,402	14.5
1974	2,130	20.5	2,172	20.9	1,393	13.4
1975	2,316	18.8	2,353	19.1	1,375	11.2
1976	2,170	17.8	2,541	20.9	1,321	10.9
1977	2,246	17.6	2,680	21.1	1,263	9.9
1978	2,311	18.3	2,842	22.5	1,246	9.9
1979	2,434	18.1	2,951	21.9	1,311	9.7
1980	2,476	18.4	2,988	22.2	1,400	10.4
1981	2,588	19.1	3,075	22.7	1,425	10.5
1982	2,623	19.3	3,187	23.4	1,502	11.0
1983	2,679	21.1	2,987	23.6	1,460	11.5
1984	2,697	20.9	3,115	24.2	1,492	11.6
1985	2,781	20.7	3,384	25.2	1,583	11.8
1986	2,895	20.8	3,564	25.6	1,635	11.7
1987	3,176	22.2	3,712	26.0	1,710	12.0

FLOYD COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	9,689	\$19,513	\$17,440	.	4.2
1970	9,506	\$20,445	\$17,811	10.4	4.4
1971	9,703	\$20,139	\$18,166	9.5	5.1
1972	9,768	\$20,658	\$18,970	10.7	6.0
1973	9,701	\$20,492	\$19,232	6.8	3.7
1974	10,393	\$23,076	\$19,008	6.2	4.5
1975	12,314	\$25,236	\$18,976	7.7	7.3
1976	12,172	\$24,588	\$19,563	8.4	5.6
1977	12,727	\$26,586	\$20,031	6.2	4.7
1978	12,645	\$28,025	\$20,121	8.2	5.3
1979	13,461	\$25,553	\$20,110	7.8	5.5
1980	13,469	\$25,376	\$19,439	9.7	8.0
1981	13,554	\$23,596	\$19,286	10.5	8.4
1982	13,610	\$23,299	\$18,931	13.2	10.6
1983	12,679	\$22,723	\$18,358	21.0	11.6
1984	12,881	\$22,888	\$19,080	15.3	9.3
1985	13,454	\$22,297	\$18,676	13.9	9.5
1986	13,925	\$22,327	\$18,627	12.7	9.3
1987	14,301	\$21,340	\$18,636	14.1	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	36,400	1.14	.	.	.	.
1970	36,200	1.12	10.7	10.3	14.0	14.8
1971	38,300	1.16	9.6	9.6	13.7	14.8
1972	39,900	1.20	8.8	9.1	13.7	15.0
1973	40,200	1.19	8.5	8.8	14.2	15.2
1974	40,900	1.20	8.3	8.6	14.5	15.3
1975	42,900	1.24	7.9	8.4	14.4	15.4
1976	45,500	1.29	7.5	8.2	14.0	15.5
1977	46,900	1.31	7.7	8.4	14.0	15.5
1978	47,600	1.32	7.9	8.5	14.2	15.6
1979	48,400	1.33	8.2	8.7	14.4	15.8
1980	48,900	1.33	10.8	9.2	14.0	15.4
1981	49,500	1.35	10.5	9.3	14.1	15.5
1982	49,600	1.34	10.2	9.2	14.4	15.7
1983	50,600	1.36	10.0	9.2	14.6	15.9
1984	50,700	1.36	9.5	9.0	14.5	16.1
1985	50,800	1.36	9.0	8.9	14.5	16.3
1986	49,300	1.32	9.1	8.6	15.8	16.5
1987	49,000	1.31	.	.	.	.

FLOYD COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	4,655	2,298	\$17.13	.
1970	5,349	2,229	\$17.67	.
1971	4,470	2,242	\$17.27	.
1972	4,266	2,184	\$15.89	.
1973	4,404	1,759	\$18.17	.
1974	5,549	2,178	\$41.78	\$5,783
1975	4,462	3,408	\$33.33	\$8,195
1976	4,548	3,112	.	\$4,638
1977	5,553	3,439	\$33.90	\$6,442
1978	5,701	3,344	\$35.72	\$7,117
1979	6,121	3,741	\$37.51	\$10,205
1980	5,482	3,567	\$35.18	\$8,166
1981	6,192	3,631	\$39.38	\$9,116
1982	5,745	3,441	\$34.59	\$11,787
1983	5,146	2,743	\$26.85	\$7,761
1984	7,221	2,729	\$26.16	\$9,333
1985	7,697	2,684	\$27.76	\$10,269
1986	9,471	2,712	\$24.28	\$10,548
1987	.	2,455	.	.

Note: All dollar figures are presented in constant 1988 dollars.

