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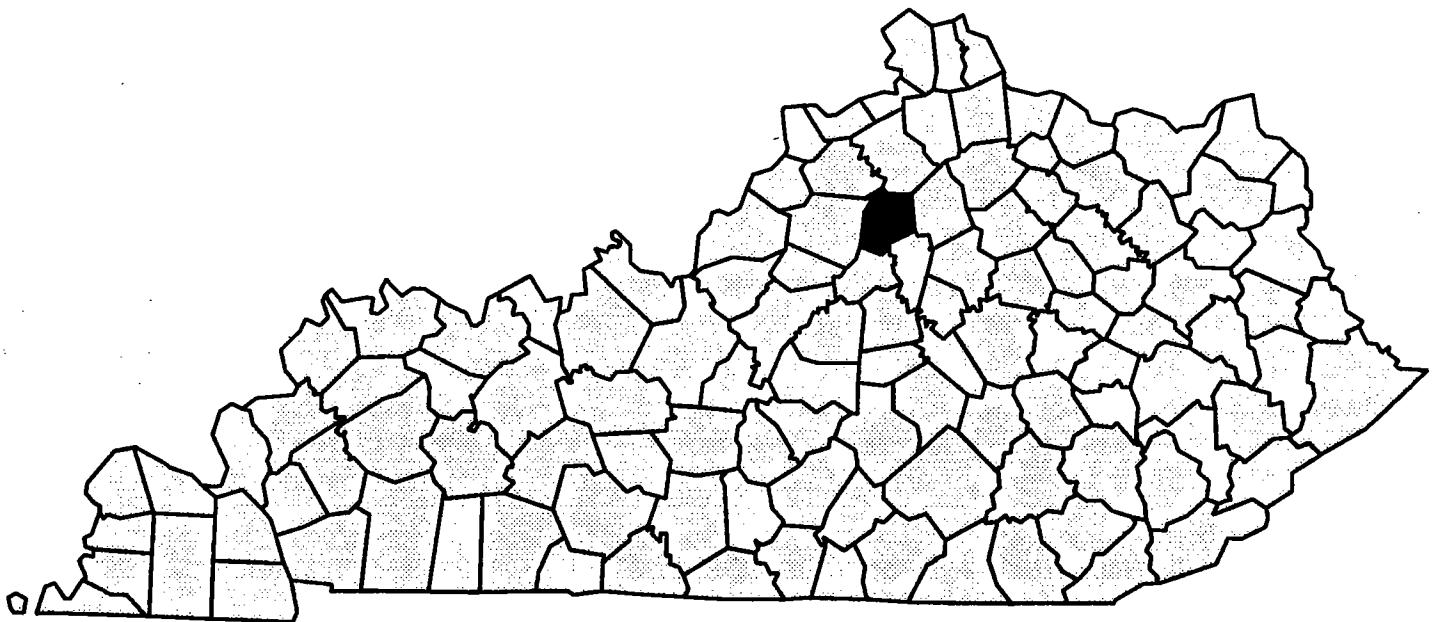
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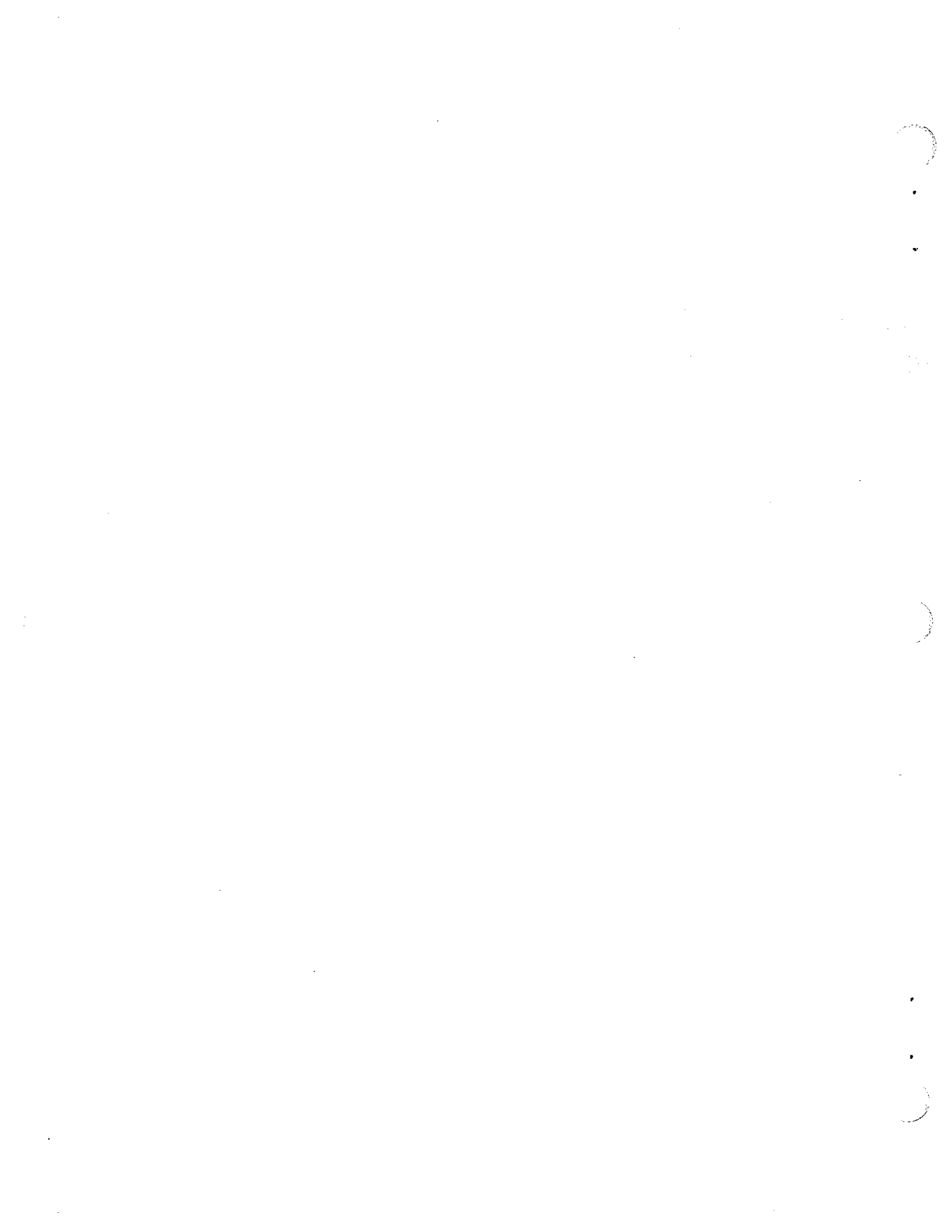
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

FRANKLIN 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 Franklin County economy, as measured by personal income, grew significantly from 1969 to 1987. Franklin County increased its share of Kentucky personal income, indicating that the county economy grew faster than the state economy.

Franklin County was heavily vested in non-goods-producing industries. The dominance and stability of the state and local government sector helped to promote economic growth in Franklin County. The service sector also increased, further enhancing the county economy. The service sector's share also increased in Kentucky. While the trade sector increased at the state level, it declined in Franklin County.

The manufacturing sector was the second largest source of earnings in Franklin County. However, the share of earnings and employment from this sector declined during the period. The farm sector accounts for a relatively small share of the county economy and decreased during the period. These sectors also declined at the state level.



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 FRANKLIN 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 Franklin 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 Franklin County economy, as measured by personal income, increased from \$361 million in 1969 to \$637 million in 1987, after adjusting for inflation. Chart 1B shows Franklin County total personal income as a percent of Kentucky total personal income. Franklin County increased 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 Franklin County per capita income increased over the time period to a level of \$14,416 in 1987, which was 115.3 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 1979. However, earnings dropped significantly in the early 1980's and then began increasing again in 1984. Overall, total earnings increased from \$291

million in 1969 to \$426 million in 1987 (in constant 1988 dollars). While earnings have increased, their share of personal income has declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 66.9 percent of Franklin County's total personal income, compared to Kentucky's 67.5 percent share.

Transfer payments contributed \$33 million to total personal income in 1969 and \$110 million in 1987. The contribution of transfer payments to personal income was generally equal in Franklin County and in Kentucky.

Income from property in Franklin County grew steadily through the time period. Income from property totalled \$38 million in 1969 and increased to \$101 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, Franklin County received 16.9 percent of total earnings from manufacturing. This percentage decreased to 14.9 percent in 1987 (Chart 3A). Farming's contribution to total county earnings was relatively small and decreased from 3.8 percent in 1969 to 0.8 percent in 1987. The trend toward a declining share of earnings from manufacturing and farming 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 share of earnings from the state and local government sector increased from 38.8 percent in 1969 to 49.3 percent in 1987. The percent of earnings from the service sector increased from 10.4 percent in 1969 to 12.0 percent in 1987. The percent of earnings from the trade sector declined steadily, from 14.3 percent in 1969 to 8.9 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 Franklin 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 Franklin County average earnings per job have paralleled state trends. County average earnings reached \$19,218 in 1987, above the Kentucky average.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. In 1969, total employment in Franklin County stood at 19,701 people. Total employment increased steadily through 1980, declined in the early-1980's, then increased to 32,439.

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 Franklin County are presented in Chart 4B. Unemployment rates in Franklin County were below those of the state throughout the period. In 1987, the county unemployment rate was 5.2 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 percent of total employment in manufacturing decreased from 16.7 percent in 1969 to 13.0 percent in 1987. The farm sector's share of employment declined from 5.8 percent in 1969 to 3.3 percent in 1987. These employment trends parallel those of the state.

Employment in the non-goods-producing industries is presented in Chart 4D. The percent of employment in state and local government increased from 36.1 percent in 1969 to 47.3 percent in 1980. Since then, that employment share declined to 41.9 percent in 1987. The service sector's share of employment increased slightly, from 13.1 percent in 1969 to 14.6 percent in 1987. The trade sector's share of employment remained constant and accounted for 13.9 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 Franklin County.

The Franklin County population grew from 33,900 in 1969 to 44,200 in 1987 (Chart 5A). It was estimated that in 1986, 7.9 percent of Franklin County's population was under six years of age, compared to 8.6 percent for the state. In 1986, 15.9 percent of the Franklin County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

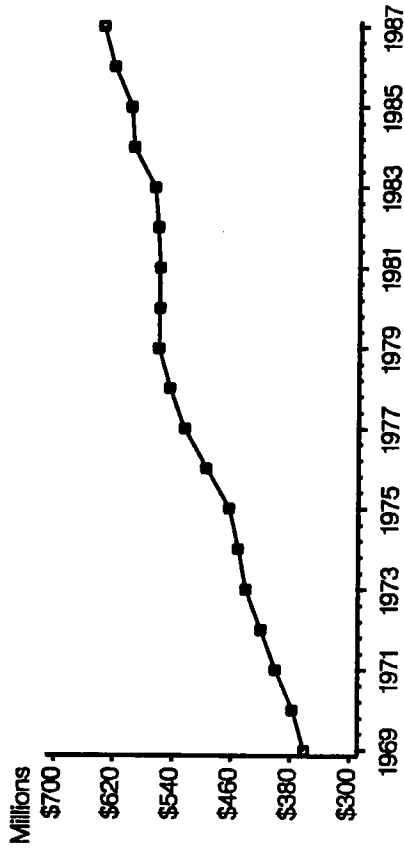


CHART 1B
FRANKLIN COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

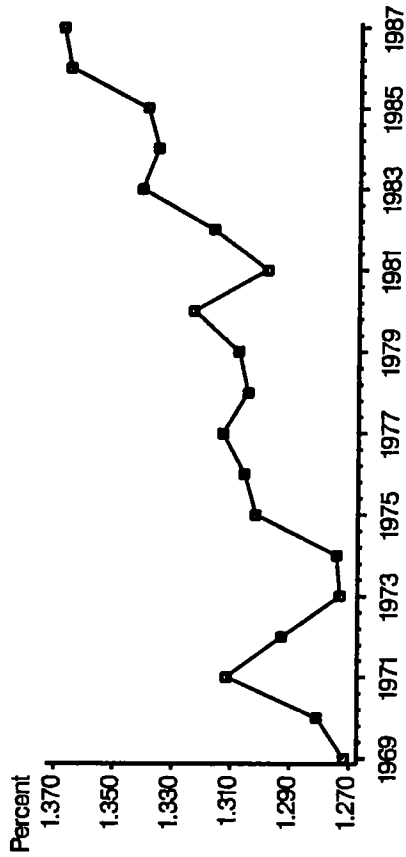


CHART 1C
FRANKLIN COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

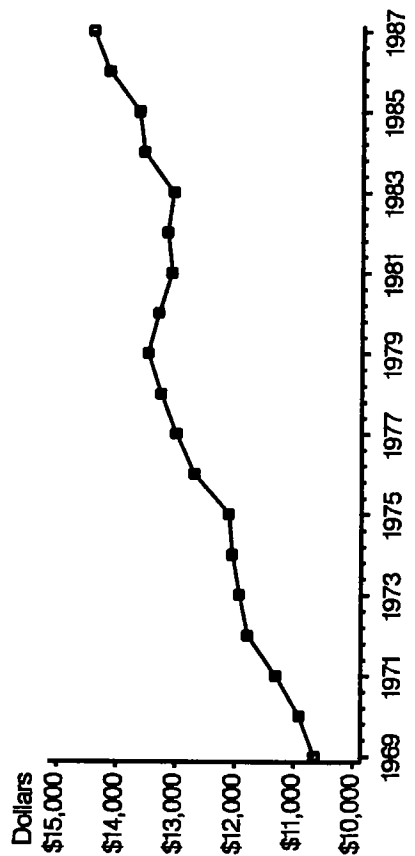


CHART 1D
FRANKLIN COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

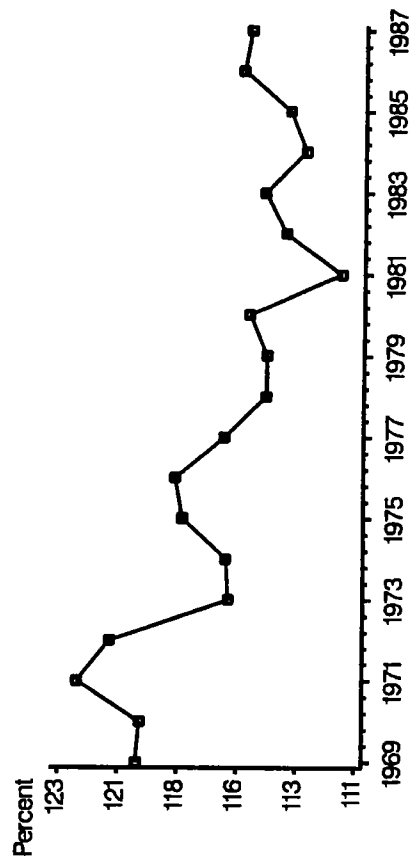


CHART 2A

FRANKLIN COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

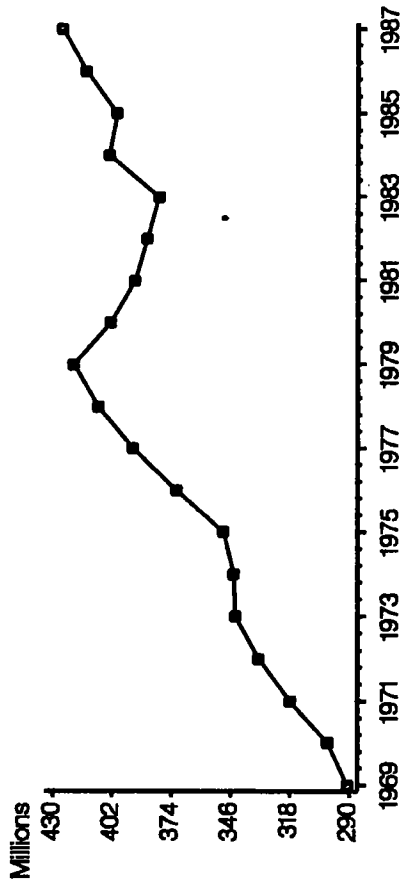


CHART 2B

FRANKLIN COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

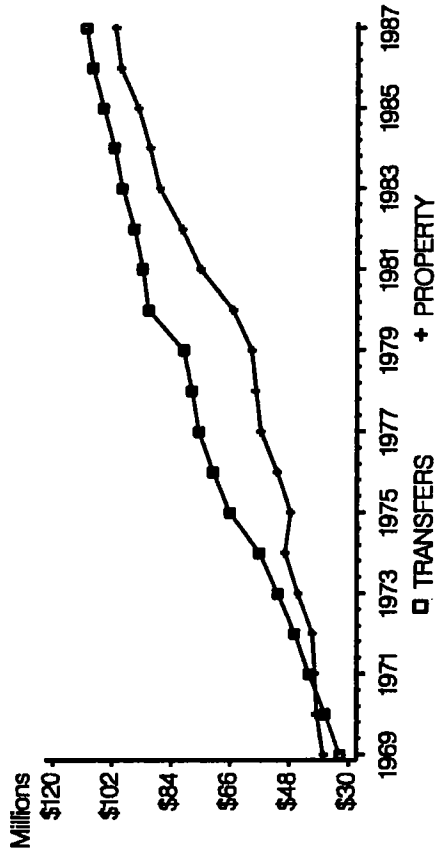


CHART 2C

FRANKLIN COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

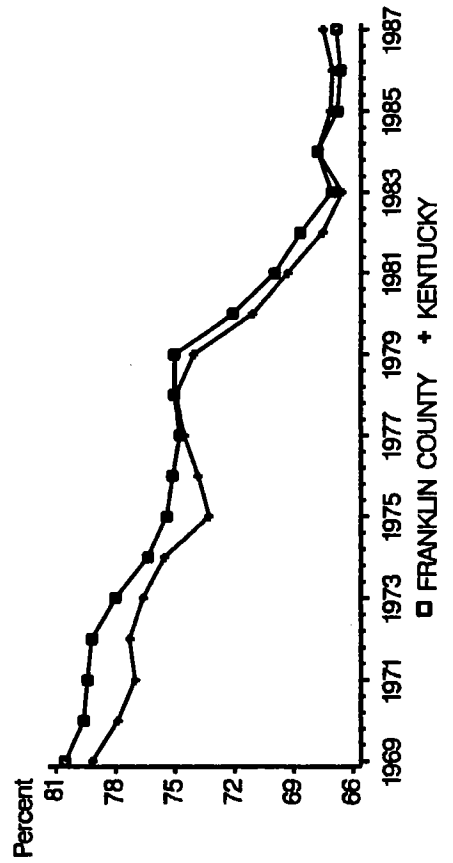


CHART 2D

FRANKLIN COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

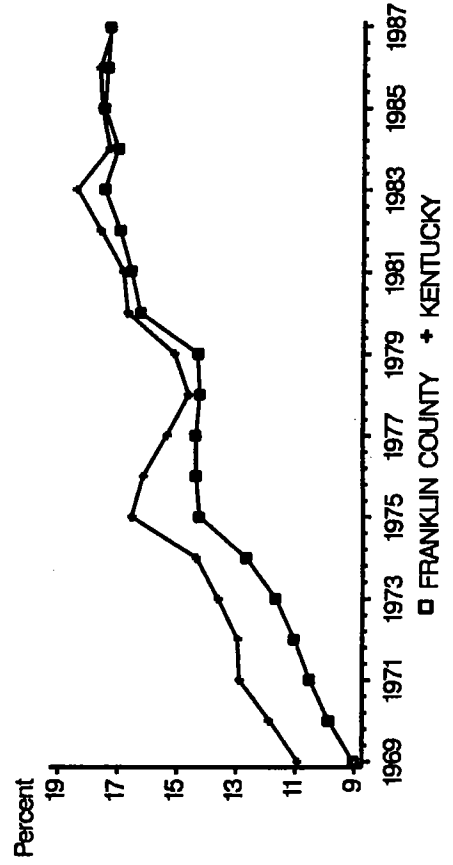


CHART 3A
FRANKLIN COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

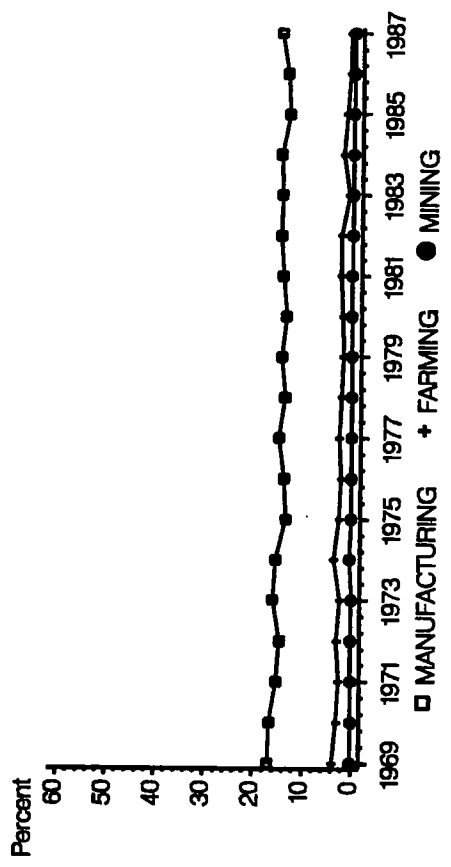


CHART 3B
FRANKLIN COUNTY
EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

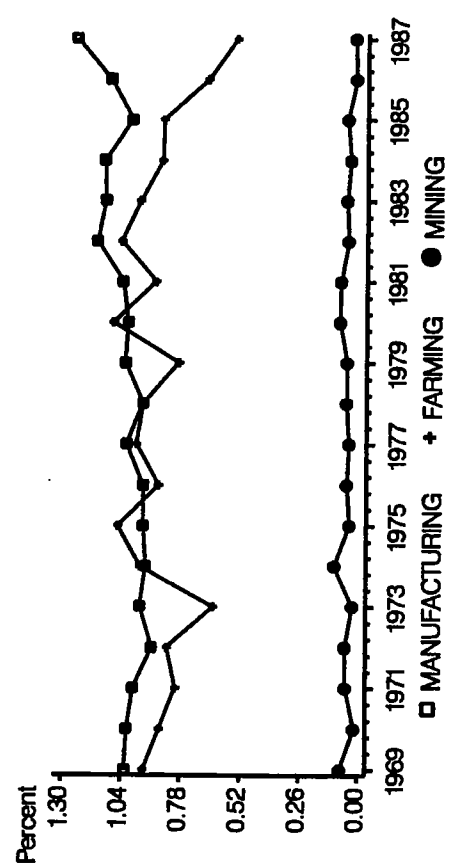


CHART 3C
FRANKLIN COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

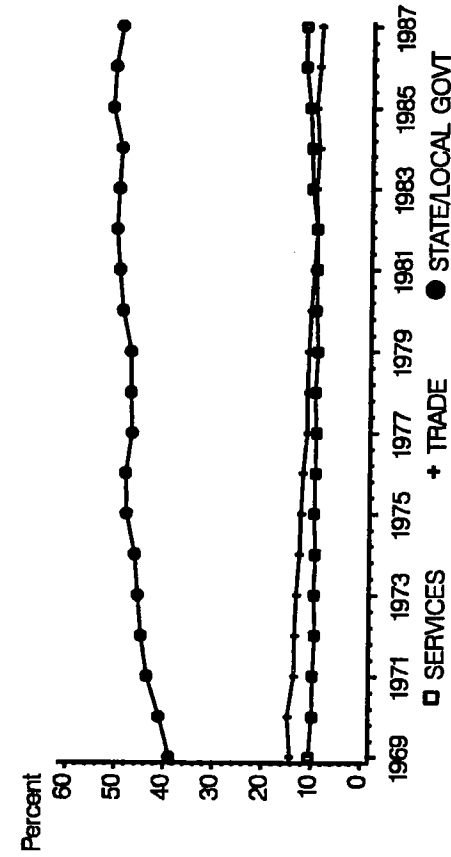


CHART 3D
FRANKLIN COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

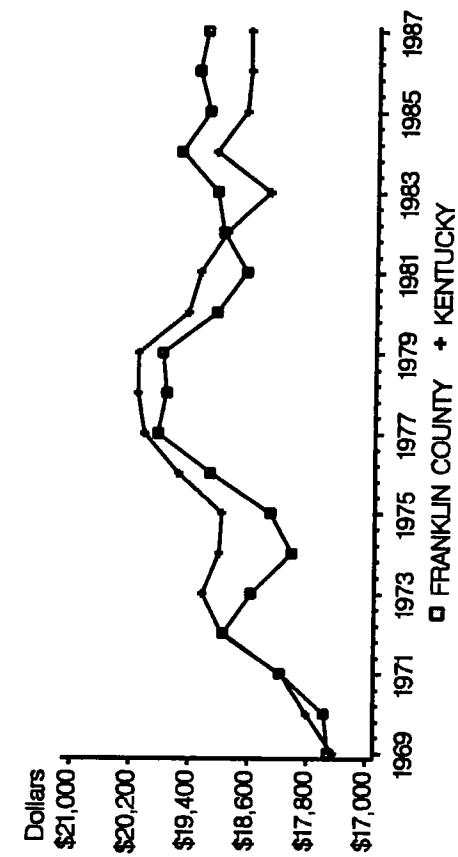


CHART 4A
FRANKLIN COUNTY
TOTAL EMPLOYMENT
Thousands of People

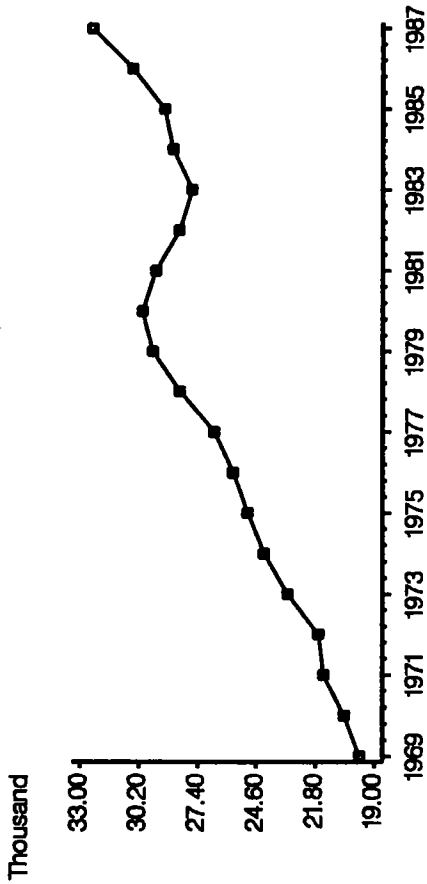


CHART 4B
FRANKLIN COUNTY
ANNUAL UNEMPLOYMENT RATE

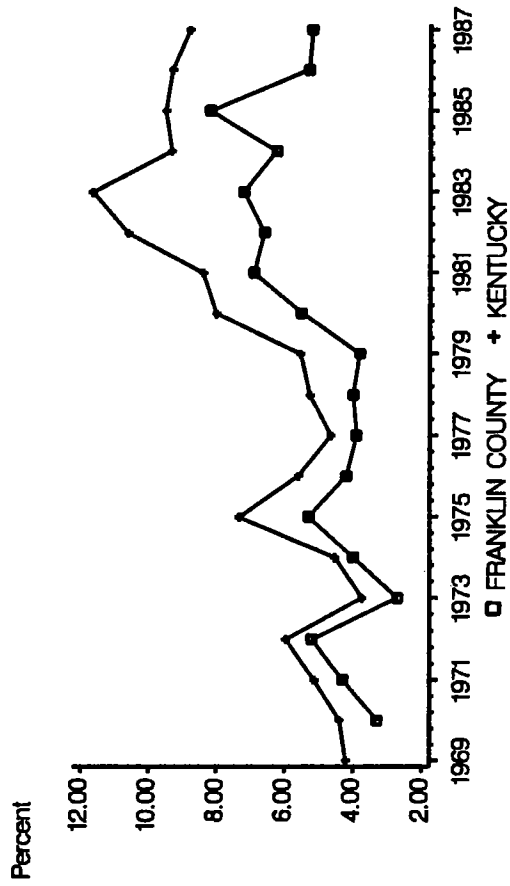


CHART 4C
FRANKLIN COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

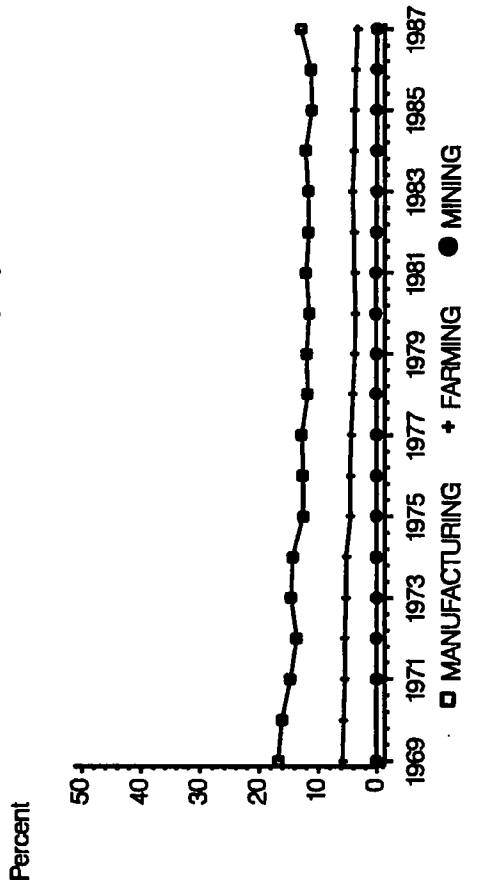


CHART 4D
FRANKLIN COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

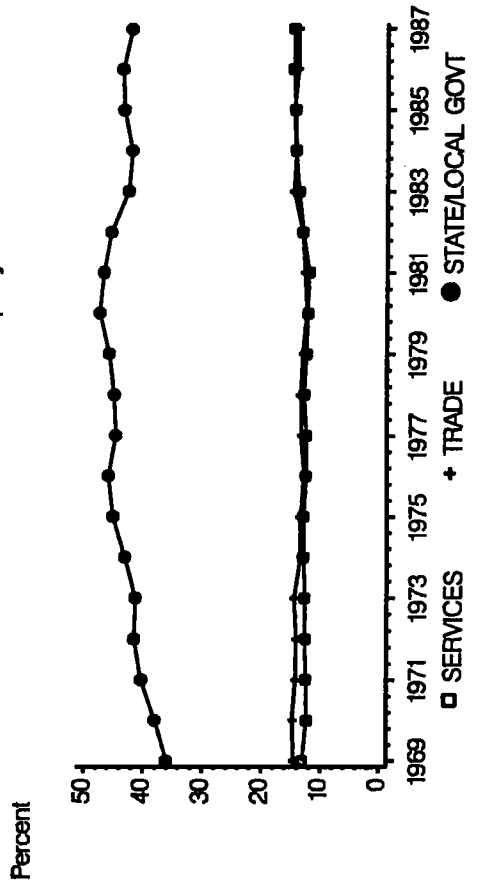


CHART 5A
FRANKLIN COUNTY
POPULATION
Thousands of People

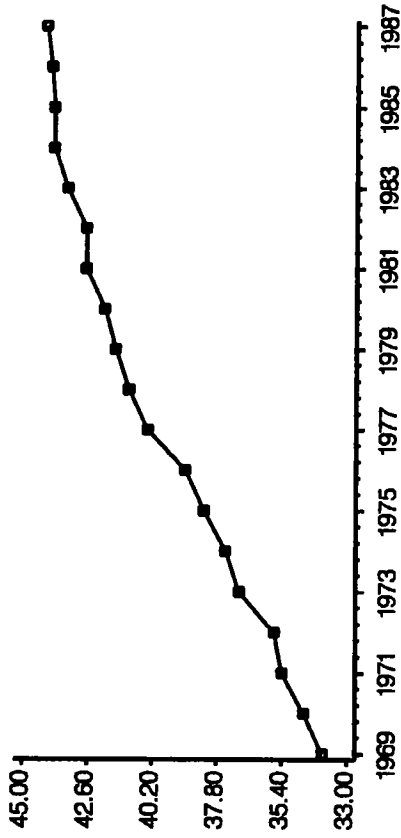


CHART 5B
FRANKLIN COUNTY
POPULATION
as a Percent of Kentucky Population

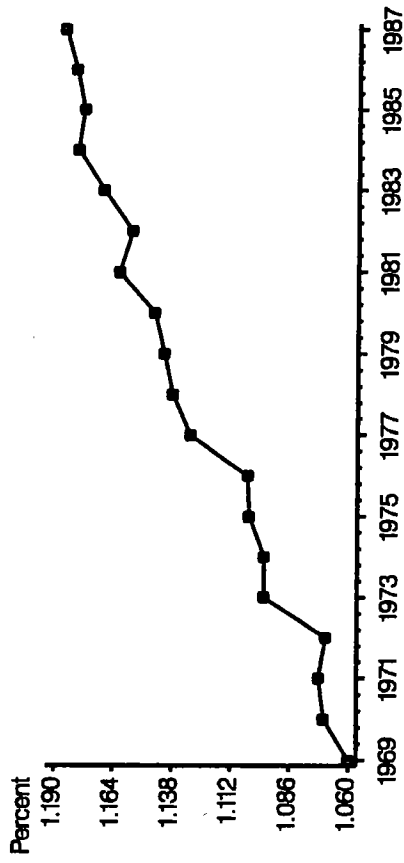


CHART 5C
FRANKLIN COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

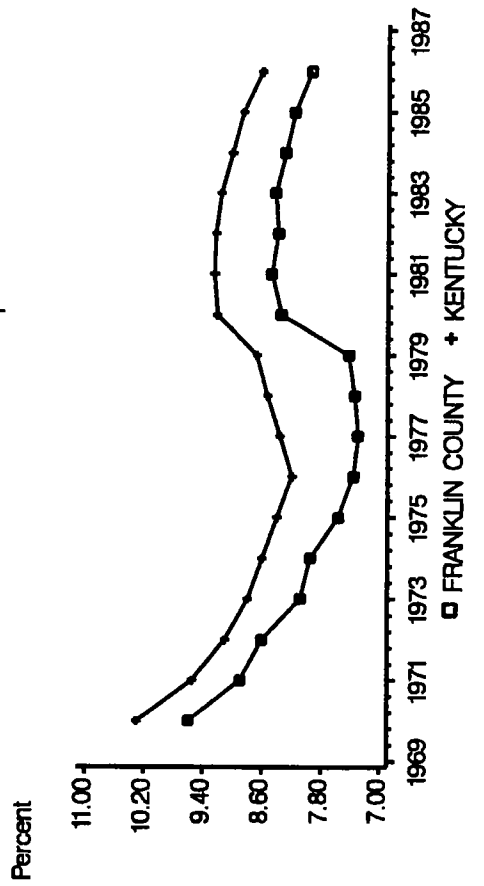
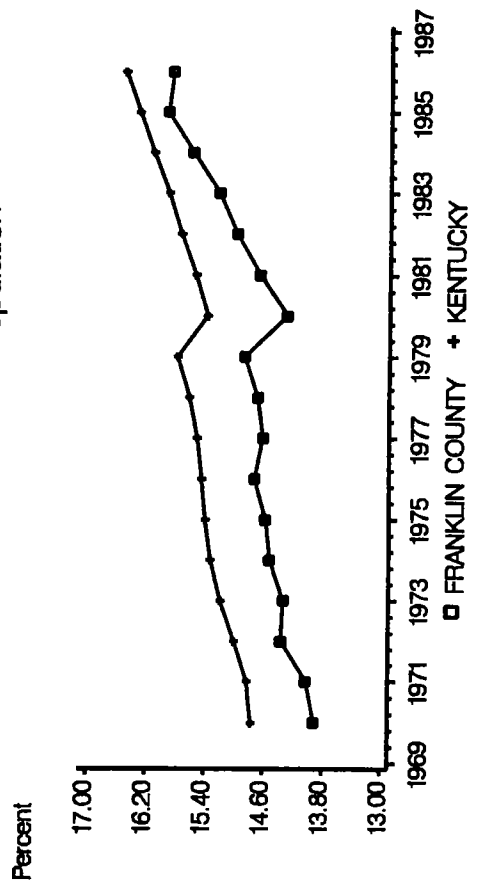


CHART 5D
FRANKLIN COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



FRANKLIN COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	361	1.27	10,649	119.9
1970	377	1.28	10,912	119.7
1971	400	1.31	11,313	122.2
1972	420	1.29	11,784	120.9
1973	441	1.27	11,928	116.2
1974	451	1.27	12,048	116.3
1975	463	1.30	12,114	118.0
1976	495	1.31	12,703	118.3
1977	525	1.31	13,003	116.3
1978	545	1.30	13,262	114.7
1979	560	1.31	13,482	114.6
1980	559	1.32	13,304	115.4
1981	559	1.30	13,086	111.6
1982	562	1.32	13,161	113.9
1983	567	1.34	13,064	114.8
1984	596	1.34	13,560	113.1
1985	599	1.34	13,649	113.8
1986	622	1.37	14,152	115.6
1987	637	1.37	14,416	115.3

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	291	80.5	79.2	33	9.0	10.9	38	10.4	9.9
1970	300	79.6	77.9	37	9.9	11.9	40	10.5	10.2
1971	318	79.4	77.0	42	10.5	12.9	40	10.1	10.1
1972	333	79.2	77.3	46	11.0	12.9	41	9.8	9.7
1973	344	78.0	76.6	52	11.7	13.6	45	10.3	9.7
1974	345	76.4	75.5	57	12.7	14.4	49	11.0	10.1
1975	350	75.4	73.3	66	14.3	16.5	48	10.3	10.1
1976	372	75.1	73.9	71	14.4	16.1	52	10.5	10.0
1977	392	74.8	74.6	76	14.4	15.3	57	10.8	10.1
1978	409	75.0	75.0	78	14.3	14.6	58	10.7	10.4
1979	421	75.1	74.1	80	14.3	15.1	60	10.6	10.8
1980	403	72.1	71.1	91	16.3	16.7	65	11.7	12.2
1981	392	70.0	69.3	93	16.6	16.8	75	13.4	13.8
1982	386	68.7	67.5	95	17.0	17.6	81	14.4	14.9
1983	380	67.1	66.6	99	17.5	18.4	88	15.5	15.1
1984	404	67.8	67.8	101	17.0	17.3	91	15.2	14.9
1985	400	66.8	67.2	105	17.5	17.6	94	15.7	15.3
1986	415	66.6	67.1	108	17.4	17.6	100	16.0	15.3
1987	426	66.9	67.5	110	17.3	17.2	101	15.9	15.3

FRANKLIN 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	16.9	1.02	3.8	0.94	0.2	0.08
1970	16.6	1.01	3.0	0.87	0.0	0.02
1971	15.2	0.99	2.6	0.80	0.1	0.05
1972	14.6	0.91	3.0	0.84	0.2	0.06
1973	16.0	0.96	2.4	0.64	0.1	0.03
1974	15.4	0.94	3.7	0.96	0.4	0.10
1975	13.5	0.95	2.6	1.06	0.2	0.04
1976	13.9	0.95	2.3	0.88	0.2	0.05
1977	15.0	1.02	2.7	0.98	0.2	0.04
1978	13.8	0.95	2.3	0.95	0.2	0.05
1979	14.5	1.03	1.9	0.79	0.2	0.05
1980	13.6	1.01	2.1	1.08	0.4	0.08
1981	14.3	1.04	2.5	0.89	0.4	0.08
1982	14.7	1.15	2.5	1.04	0.2	0.05
1983	14.6	1.11	1.0	0.96	0.2	0.06
1984	14.8	1.12	2.1	0.87	0.2	0.04
1985	13.2	1.00	1.6	0.86	0.2	0.05
1986	13.6	1.09	0.9	0.67	0.1	0.02
1987	14.9	1.24	0.8	0.54	0.1	0.02

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	10.4	1.17	14.3	1.35	38.8	6.31
1970	9.8	1.12	14.7	1.39	41.0	6.50
1971	9.7	1.16	13.5	1.35	43.5	7.12
1972	9.4	1.13	13.4	1.34	44.7	7.38
1973	9.5	1.14	13.1	1.30	45.4	7.58
1974	9.4	1.16	12.6	1.27	46.1	7.96
1975	9.6	1.20	12.3	1.26	47.8	8.21
1976	9.4	1.18	12.0	1.25	48.0	8.43
1977	9.3	1.21	11.1	1.23	46.8	8.48
1978	9.5	1.24	11.2	1.21	47.1	8.55
1979	9.1	1.20	11.0	1.23	47.1	8.61
1980	9.5	1.20	10.5	1.24	48.8	8.80
1981	9.3	1.12	10.0	1.17	49.5	8.71
1982	9.5	1.09	9.4	1.09	50.1	8.56
1983	10.5	1.12	9.7	1.10	49.7	8.19
1984	10.7	1.14	9.2	1.06	49.2	8.36
1985	11.1	1.13	9.8	1.12	51.1	8.45
1986	12.0	1.19	9.2	1.10	50.6	8.49
1987	12.0	1.18	8.9	1.10	49.3	8.50

FRANKLIN COUNTY
COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	3,298	16.7	1,143	5.8	27	0.1
1970	3,297	16.1	1,151	5.6	.	.
1971	3,157	14.7	1,159	5.4	17	0.1
1972	2,962	13.7	1,172	5.4	30	0.1
1973	3,380	14.6	1,208	5.2	17	0.1
1974	3,479	14.4	1,248	5.1	35	0.1
1975	3,153	12.6	1,125	4.5	33	0.1
1976	3,255	12.7	1,173	4.6	36	0.1
1977	3,425	12.9	1,155	4.3	33	0.1
1978	3,348	11.8	1,158	4.1	48	0.2
1979	3,538	12.0	1,118	3.8	43	0.1
1980	3,474	11.6	1,107	3.7	63	0.2
1981	3,577	12.2	1,125	3.8	61	0.2
1982	3,323	11.7	1,113	3.9	37	0.1
1983	3,262	11.8	1,158	4.2	28	0.1
1984	3,491	12.2	1,112	3.9	13	0.0
1985	3,224	11.1	1,087	3.7	15	0.1
1986	3,447	11.3	1,093	3.6	14	0.0
1987	4,217	13.0	1,067	3.3	13	0.0

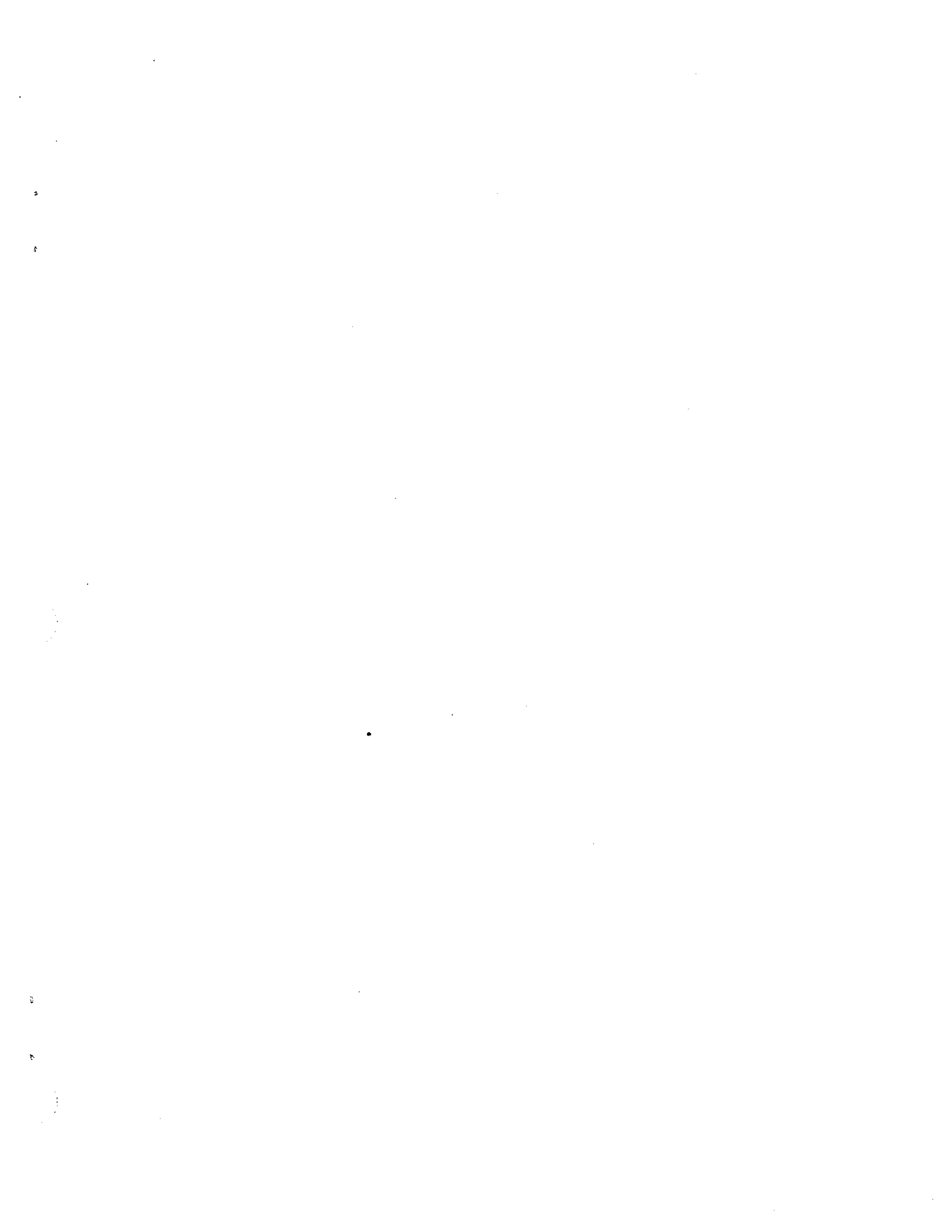
YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	2,575	13.1	2,866	14.5	7,104	36.1
1970	2,518	12.3	2,994	14.7	7,765	38.0
1971	2,670	12.5	3,044	14.2	8,631	40.3
1972	2,726	12.6	3,058	14.1	8,984	41.5
1973	2,930	12.7	3,316	14.3	9,538	41.3
1974	3,123	12.9	3,232	13.3	10,436	43.1
1975	3,222	12.9	3,353	13.4	11,273	45.1
1976	3,206	12.5	3,305	12.9	11,786	45.8
1977	3,320	12.5	3,541	13.3	11,876	44.6
1978	3,627	12.8	3,786	13.4	12,681	44.9
1979	3,660	12.4	3,843	13.0	13,519	45.7
1980	3,660	12.2	3,747	12.5	14,222	47.3
1981	3,534	12.0	3,760	12.8	13,714	46.6
1982	3,695	13.1	3,733	13.2	12,846	45.4
1983	3,810	13.8	4,041	14.6	11,769	42.5
1984	4,083	14.3	4,061	14.2	11,993	41.9
1985	4,163	14.4	4,236	14.6	12,549	43.3
1986	4,470	14.6	4,246	13.9	13,272	43.5
1987	4,720	14.6	4,495	13.9	13,600	41.9

FRANKLIN COUNTY
EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	19,701	\$17,506	\$17,440	.	4.2
1970	20,428	\$17,563	\$17,811	3.3	4.4
1971	21,416	\$18,176	\$18,166	4.3	5.1
1972	21,654	\$18,944	\$18,970	5.2	6.0
1973	23,116	\$18,565	\$19,232	2.7	3.7
1974	24,237	\$18,023	\$19,008	4.0	4.5
1975	25,017	\$18,313	\$18,976	5.3	7.3
1976	25,719	\$19,134	\$19,563	4.2	5.6
1977	26,616	\$19,843	\$20,031	3.9	4.7
1978	28,264	\$19,727	\$20,121	4.0	5.3
1979	29,555	\$19,783	\$20,110	3.8	5.5
1980	30,045	\$19,063	\$19,439	5.5	8.0
1981	29,404	\$18,659	\$19,286	6.9	8.4
1982	28,295	\$18,980	\$18,931	6.6	10.6
1983	27,685	\$19,070	\$18,358	7.2	11.6
1984	28,590	\$19,551	\$19,080	6.2	9.3
1985	29,000	\$19,184	\$18,676	8.2	9.5
1986	30,520	\$19,327	\$18,627	5.3	9.3
1987	32,439	\$19,218	\$18,636	5.2	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	33,900	1.06	.	.	.	.
1970	34,600	1.07	9.6	10.3	13.9	14.8
1971	35,400	1.07	8.9	9.6	14.0	14.8
1972	35,700	1.07	8.6	9.1	14.4	15.0
1973	37,000	1.10	8.1	8.8	14.3	15.2
1974	37,500	1.10	8.0	8.6	14.5	15.3
1975	38,300	1.10	7.6	8.4	14.6	15.4
1976	39,000	1.10	7.4	8.2	14.7	15.5
1977	40,400	1.13	7.3	8.4	14.6	15.5
1978	41,100	1.14	7.3	8.5	14.7	15.6
1979	41,600	1.14	7.4	8.7	14.9	15.8
1980	42,000	1.15	8.3	9.2	14.3	15.4
1981	42,700	1.16	8.5	9.3	14.7	15.5
1982	42,700	1.16	8.4	9.2	15.0	15.7
1983	43,400	1.17	8.4	9.2	15.2	15.9
1984	43,900	1.18	8.3	9.0	15.6	16.1
1985	43,900	1.18	8.2	8.9	15.9	16.3
1986	44,000	1.18	7.9	8.6	15.9	16.5
1987	44,200	1.19



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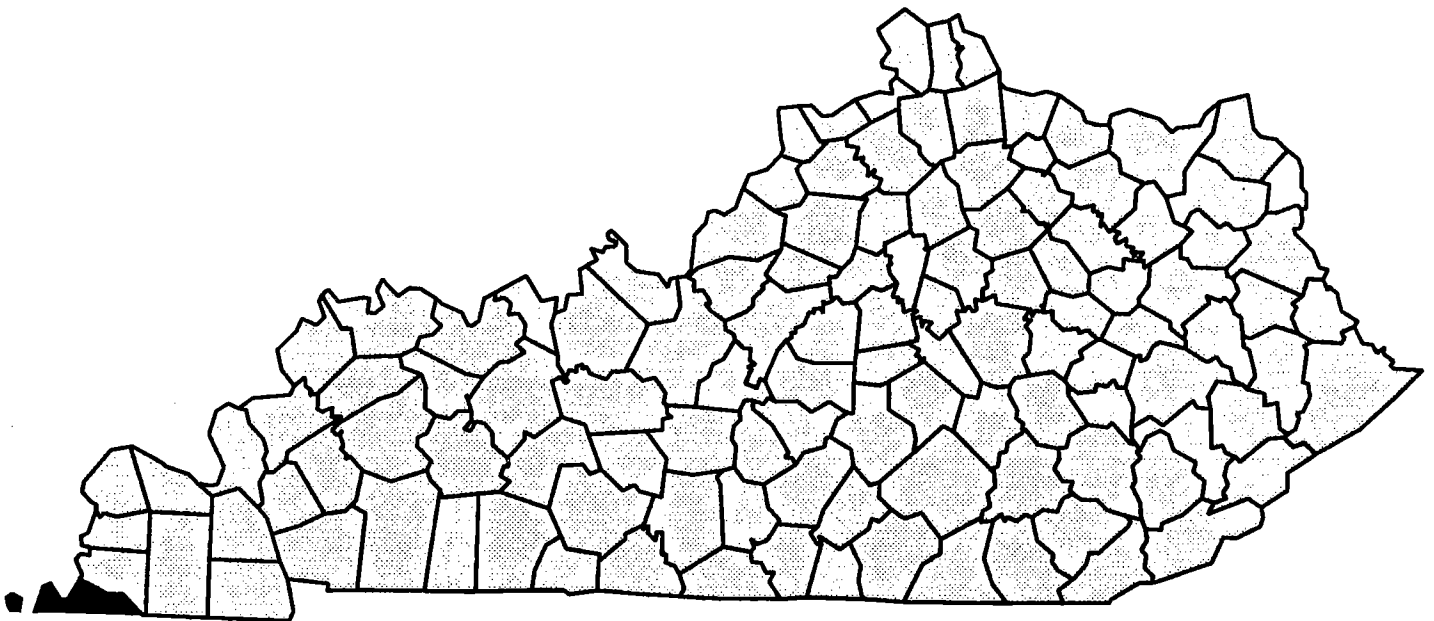
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

FULTON 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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FULTON COUNTY

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RESEARCH MEMORANDUM 438
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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



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SUMMARY

The Fulton County economy, as measured by personal income, grew from 1969 to 1977, then showed a decline thereafter. Fulton County did not maintain its share of Kentucky personal income, indicating that the state economy grew faster than the county economy. However, because of a decline in population, per capita personal income in the county grew to be above that of the state.

Fulton 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 in the county, 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, the share of this component of the Fulton County economy grew in importance. The non-goods-producing sectors, particularly service and trade, experienced significant growth at the state level. While the trade and state and local government sectors increased in Fulton County, the service sector declined.

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.



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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 FULTON 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 Fulton 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.

The Fulton County economy grew through the 1970's and declined slightly in the 1980's. As can be seen in Chart 1A, the size of the Fulton County economy, as measured by personal income, increased from \$75 million in 1969 to \$104 million in 1987, after adjusting for inflation. Chart 1B shows Fulton County total personal income as a percent of Kentucky total personal income. Fulton County decreased its share of Kentucky 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 Fulton County per capita income increased over the time period to a level of \$13,321 in 1987, when it was 106.6 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. Earnings showed very moderate growth through 1979, then showed a decline through 1983. Total earnings increased from \$49 million in 1983 to \$55 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

52.6 percent of Fulton 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 \$27 million in 1987. During the same period, transfer payments contributed a much higher percentage of personal income in Fulton County than in Kentucky.

Income from property in Fulton County grew at a steady rate through the time period. Income from property totalled \$9 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, Fulton County received 18.6 percent of total earnings from manufacturing. This percentage increased to 32.6 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 increased to 20.6 percent in 1977 then declined to 1.4 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 state and local government sector increased, while the percent from the service sector declined. The share of earnings from the trade 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 Fulton 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 Fulton County average earnings per job followed state trends but have been more erratic. Average earnings were \$13,090 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 Fulton County was volatile during the data period. In 1969, total employment stood at 4,993 people; it reached a high of 5,267 in 1973, then declined to 4,366 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 Fulton County are presented in Chart 4B. Unemployment rates in Fulton County were slightly above those of the state throughout the period. In 1987, the county unemployment rate was 9.8 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 14.6 percent in 1969 to 14.9 percent in 1980. After a significant one year drop, this share increased to 23.5 percent in 1987. Again, this trend is unlike that of the state.

The farm sector was a primary source of employment early in the period. However, farming's share of employment declined from 20.9 percent in 1969 to 9.9 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment decreased slightly from 1969 to 1987. In 1969, the service sector accounted for 18.9 percent of employment. This share decreased to 16.1 percent in 1987. The percent of employment in state and local government and trade both increased. Trade increased to 23.8 percent and government to 10.1 percent. 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 Fulton County.

The Fulton County population declined significantly from 10,300 in 1969 to 7,800 in 1987 (Chart 5A). It was estimated that in 1986, 9.0 percent of Fulton County's population was under six years of age, compared to 8.6 for the state. Fulton County had a larger proportion of residents age sixty or over than the state. In 1986, 22.0 percent of the Fulton County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

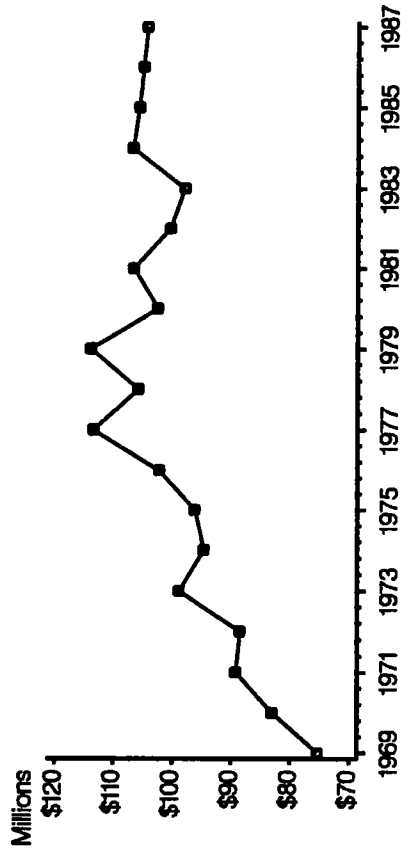


CHART 1B
 FULTON COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

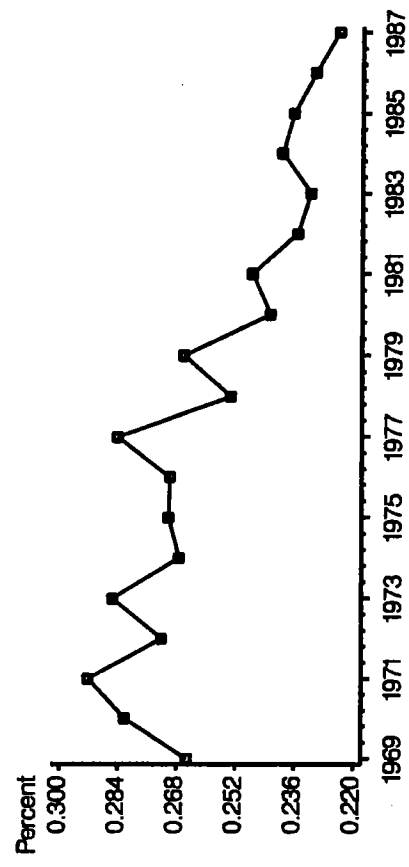


CHART 1C
 FULTON COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

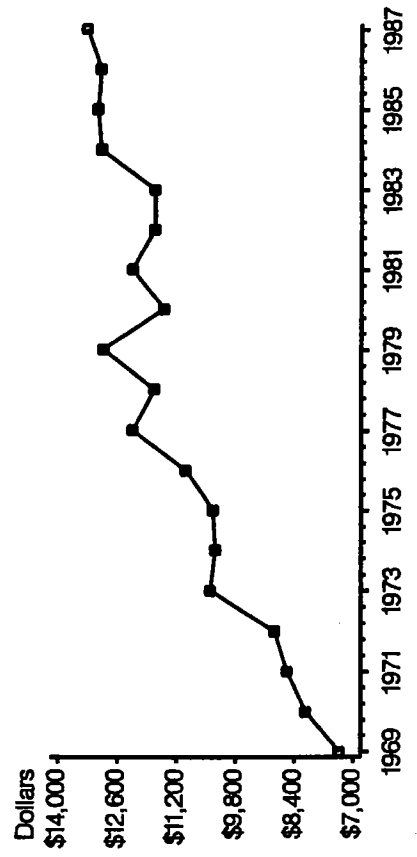


CHART 1D
 FULTON COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

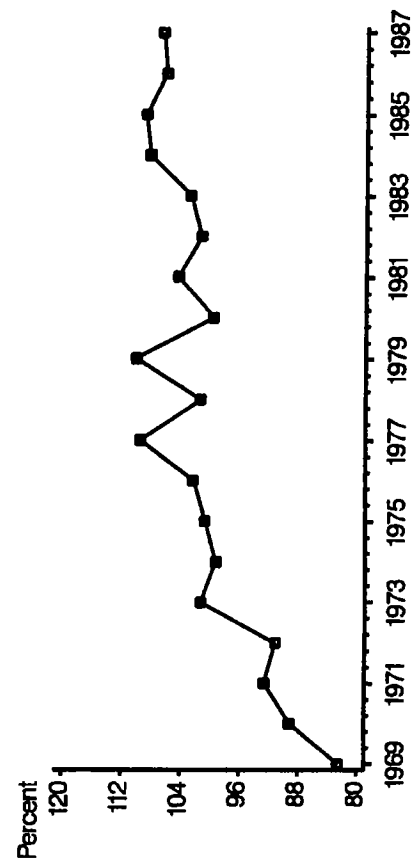


CHART 2A

FULTON COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

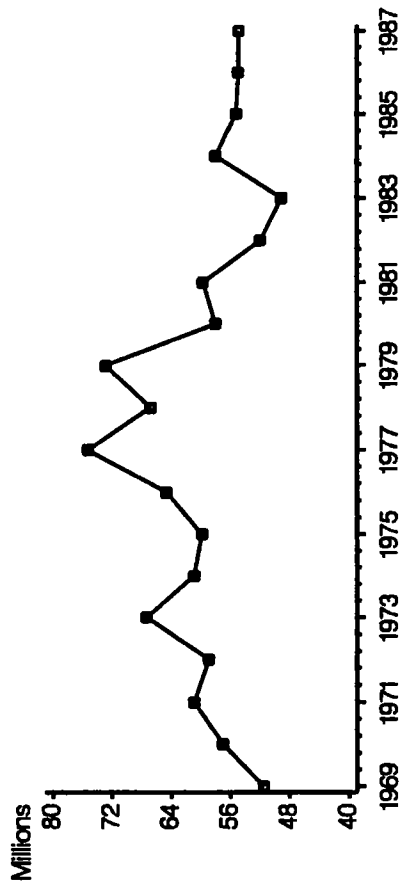


CHART 2B

FULTON COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

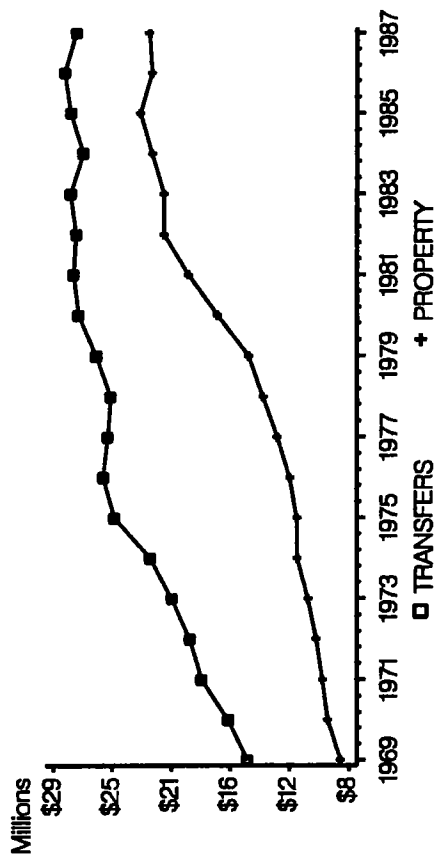


CHART 2C

FULTON COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

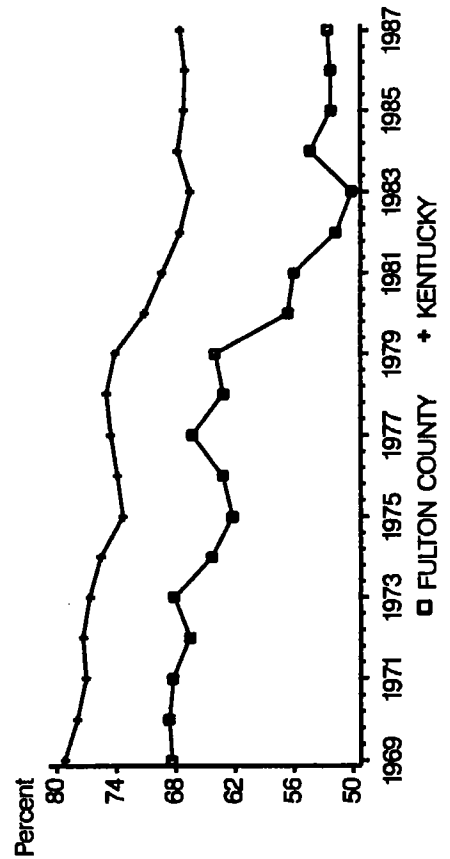


CHART 2D

FULTON COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

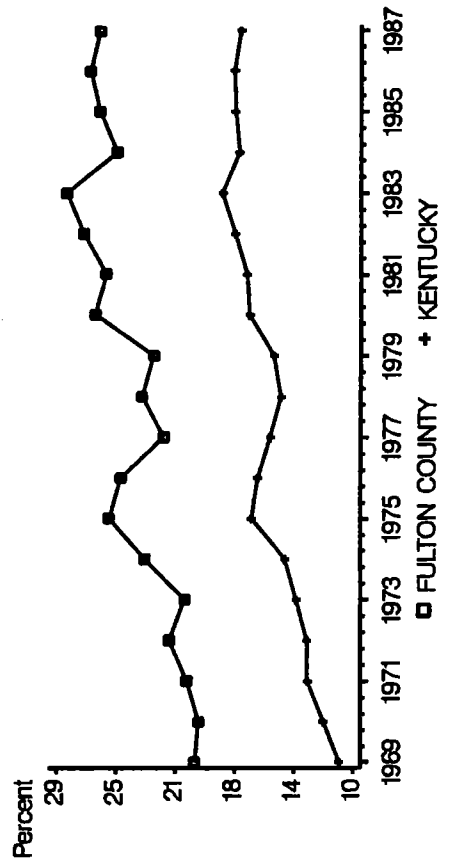


CHART 3A
 FULTON COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

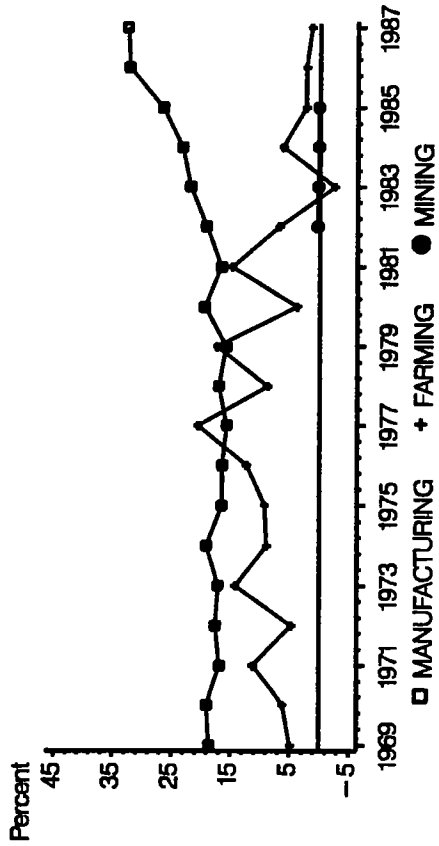


CHART 3B
 FULTON COUNTY
 EARNINGS in NON - GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

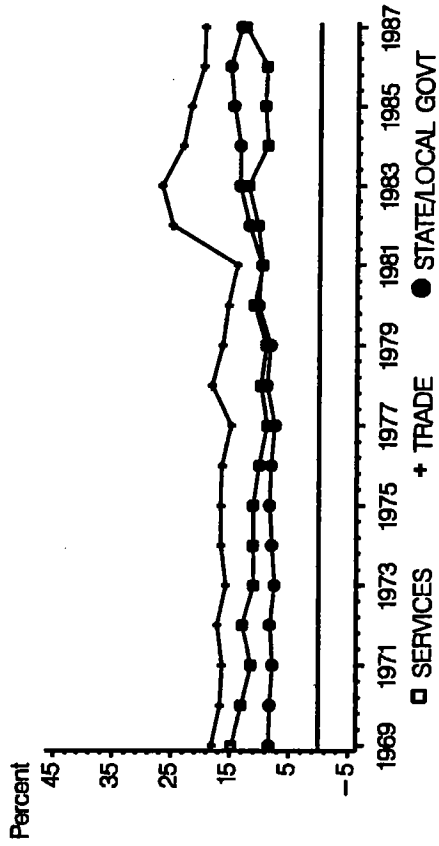


CHART 3C
 FULTON COUNTY
 EARNINGS in GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

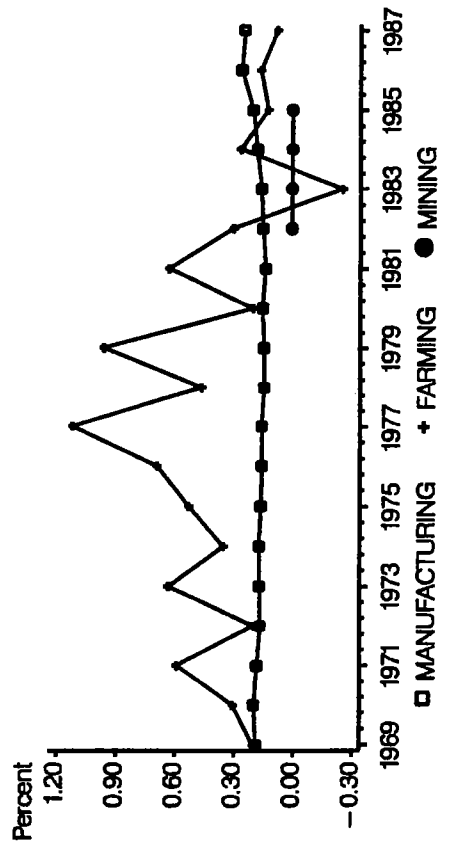


CHART 3D
 FULTON COUNTY
 AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

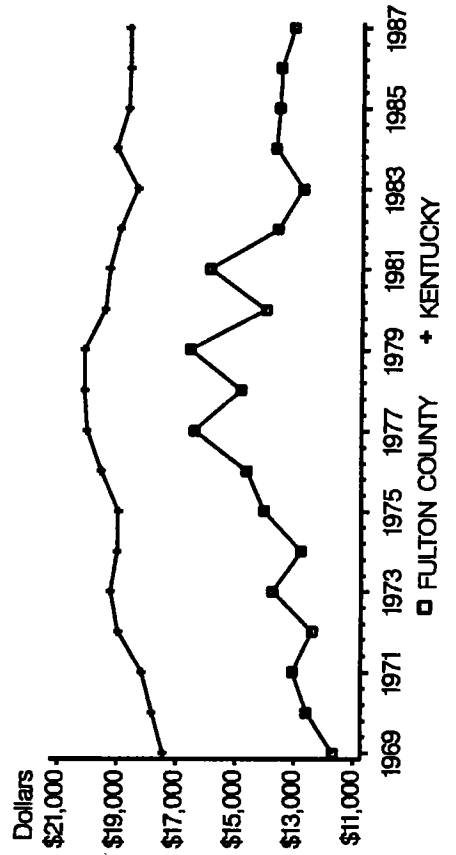


CHART 4A

FULTON COUNTY

TOTAL EMPLOYMENT

Thousands of People

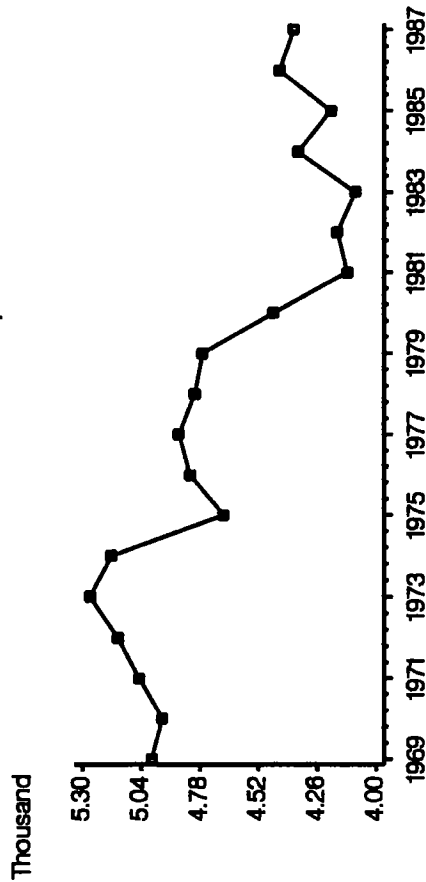


CHART 4B

FULTON COUNTY

ANNUAL UNEMPLOYMENT RATE

Percent

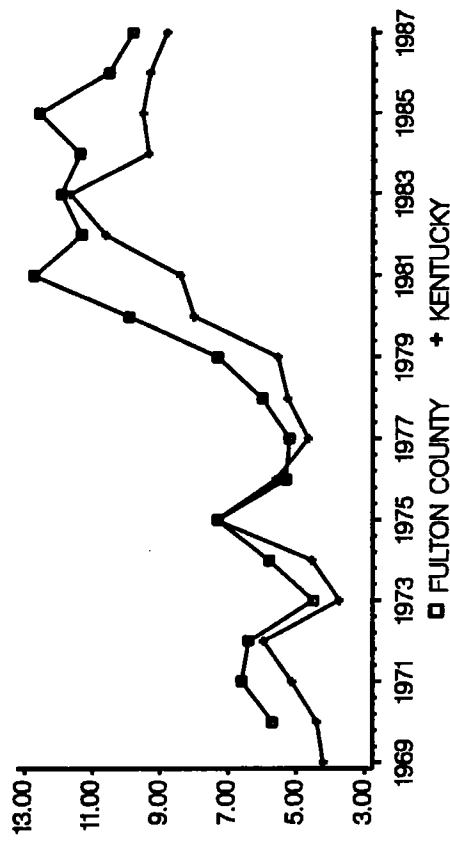


CHART 4C

FULTON COUNTY

EMPLOYMENT IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Employment

Percent

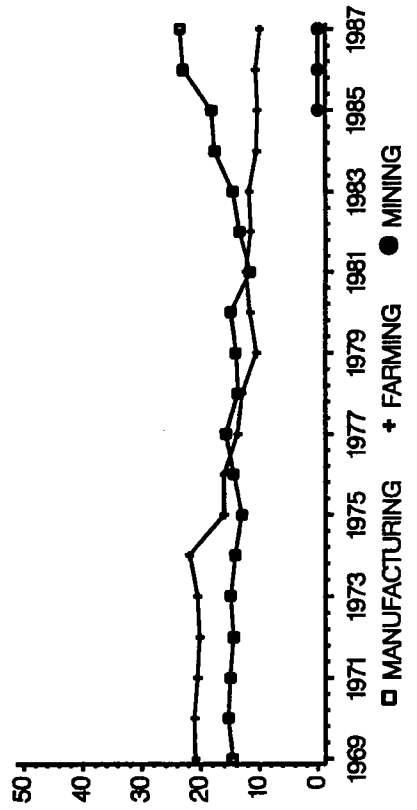


CHART 4D

FULTON COUNTY

EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES

as a Percent of Total Employment

Percent

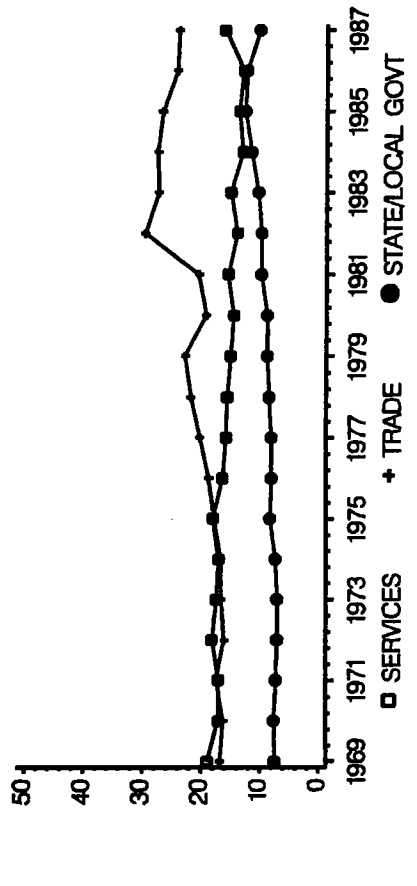


CHART 5A
 FULTON COUNTY
 POPULATION
 Thousands of People

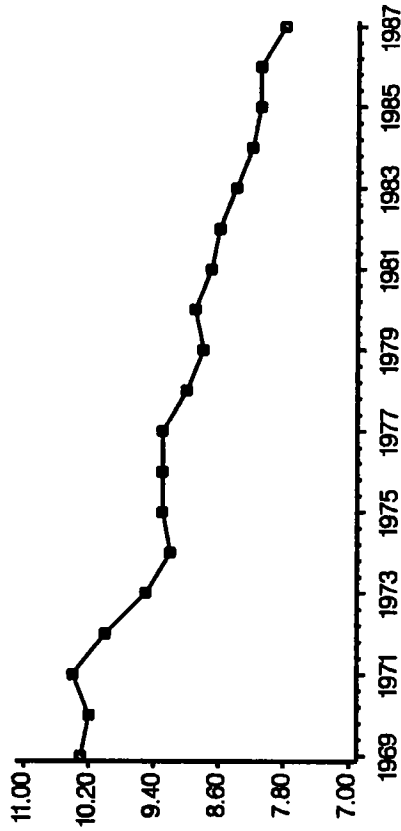


CHART 5B
 FULTON COUNTY
 POPULATION
 as a Percent of Kentucky Population

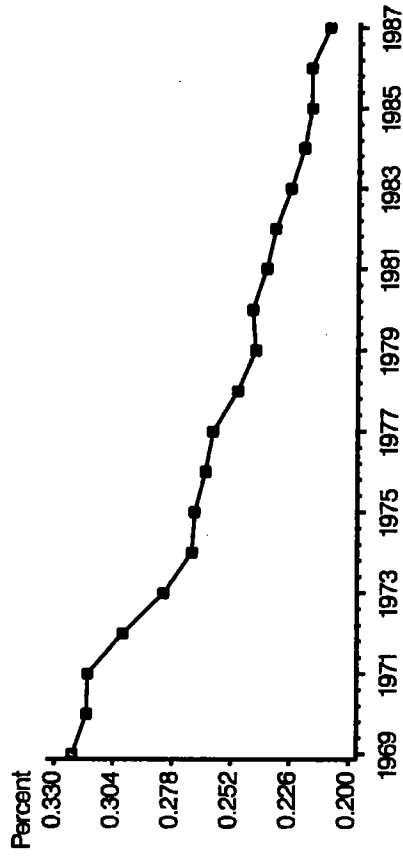


CHART 5C
 FULTON COUNTY
 POPULATION 5 AND UNDER
 as a Percent of Total Population

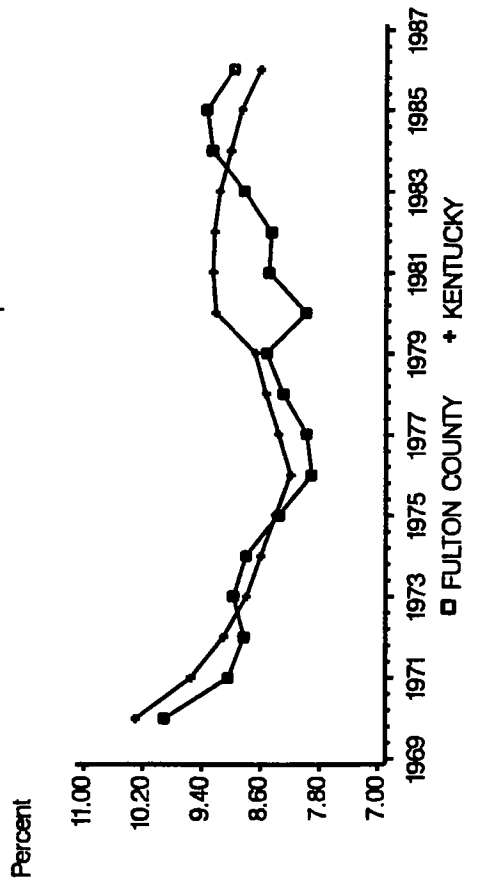
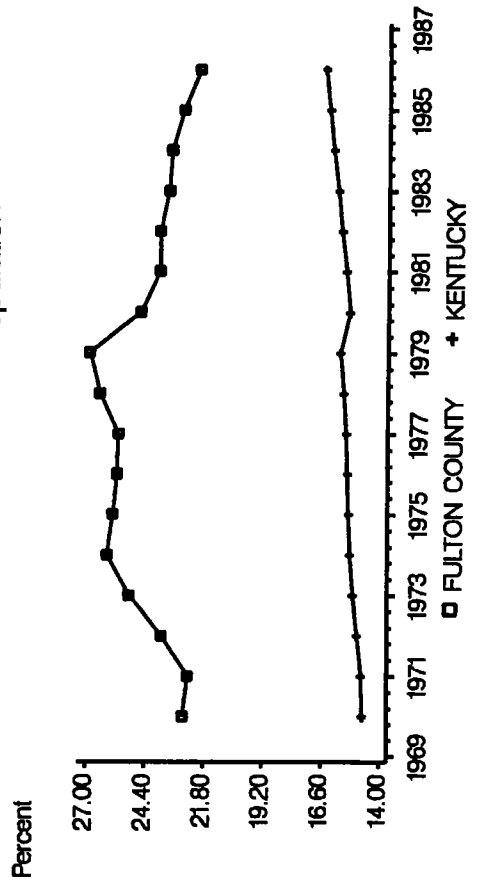


CHART 5D
 FULTON COUNTY
 POPULATION 60 AND OVER
 as a Percent of Total Population



FULTON COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	75	0.27	7,336	82.6
1970	83	0.28	8,126	89.1
1971	89	0.29	8,576	92.7
1972	88	0.27	8,886	91.2
1973	99	0.29	10,399	101.3
1974	95	0.27	10,283	99.2
1975	96	0.27	10,341	100.8
1976	102	0.27	10,992	102.4
1977	114	0.28	12,241	109.5
1978	106	0.25	11,728	101.4
1979	114	0.27	12,944	110.1
1980	103	0.24	11,495	99.7
1981	107	0.25	12,247	104.5
1982	100	0.24	11,713	101.4
1983	98	0.23	11,711	102.9
1984	107	0.24	12,986	108.3
1985	106	0.24	13,061	108.9
1986	105	0.23	12,990	106.2
1987	104	0.22	13,321	106.6

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	52	68.4	79.2	15	20.2	10.9	9	11.4	9.9
1970	57	68.6	77.9	17	19.9	11.9	10	11.4	10.2
1971	61	68.3	77.0	18	20.7	12.9	10	11.1	10.1
1972	59	66.6	77.3	19	21.8	12.9	10	11.6	9.7
1973	67	68.2	76.6	21	20.8	13.6	11	11.0	9.7
1974	61	64.3	75.5	22	23.3	14.4	12	12.3	10.1
1975	60	62.2	73.3	25	25.6	16.5	12	12.1	10.1
1976	65	63.2	73.9	25	24.9	16.1	12	11.9	10.0
1977	75	66.3	74.6	25	22.1	15.3	13	11.5	10.1
1978	67	63.1	75.0	25	23.5	14.6	14	13.3	10.4
1979	73	64.0	74.1	26	22.8	15.1	15	13.3	10.8
1980	58	56.6	71.1	27	26.5	16.7	17	16.9	12.2
1981	60	56.0	69.3	28	25.8	16.8	19	18.2	13.8
1982	52	51.7	67.5	27	27.2	17.6	21	21.0	14.9
1983	49	50.1	66.6	28	28.3	18.4	21	21.5	15.1
1984	58	54.3	67.8	27	25.1	17.3	22	20.6	14.9
1985	55	52.2	67.2	28	26.2	17.6	23	21.6	15.3
1986	55	52.3	67.1	28	26.8	17.6	22	20.9	15.3
1987	55	52.6	67.5	27	26.2	17.2	22	21.2	15.3

FULTON 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	18.6	0.19	4.9	0.20	.	.
1970	19.0	0.20	6.2	0.31	.	.
1971	16.8	0.18	11.2	0.59	.	.
1972	17.5	0.17	4.7	0.20	.	.
1973	17.1	0.17	14.2	0.64	.	.
1974	19.1	0.18	8.9	0.35	.	.
1975	16.5	0.17	9.3	0.53	.	.
1976	16.4	0.16	12.3	0.69	.	.
1977	15.7	0.16	20.6	1.12	.	.
1978	17.0	0.15	8.8	0.47	.	.
1979	15.8	0.15	17.3	0.96	.	.
1980	19.4	0.16	3.8	0.21	.	.
1981	16.6	0.14	14.8	0.63	.	.
1982	19.1	0.16	6.9	0.30	0.4	0.01
1983	21.9	0.17	-2.5	-0.25	0.3	0.01
1984	23.3	0.19	6.2	0.27	0.2	0.01
1985	26.6	0.21	2.3	0.13	0.2	0.01
1986	32.3	0.26	2.3	0.17	.	.
1987	32.6	0.25	1.4	0.08	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	14.7	0.28	18.1	0.29	8.4	0.23
1970	13.1	0.26	16.7	0.27	8.3	0.23
1971	11.4	0.23	16.4	0.28	7.8	0.22
1972	12.9	0.24	17.2	0.27	8.3	0.21
1973	11.0	0.22	15.7	0.26	7.5	0.21
1974	11.1	0.21	16.6	0.25	7.9	0.21
1975	11.1	0.20	16.6	0.25	8.4	0.21
1976	10.2	0.18	16.4	0.25	8.1	0.20
1977	8.8	0.17	14.9	0.25	7.5	0.20
1978	9.9	0.16	18.1	0.25	8.8	0.21
1979	9.0	0.16	16.4	0.25	8.2	0.20
1980	11.0	0.15	15.4	0.20	10.3	0.20
1981	9.6	0.14	13.9	0.20	9.7	0.20
1982	10.4	0.13	24.9	0.31	11.9	0.22
1983	12.1	0.13	26.7	0.30	13.5	0.22
1984	8.9	0.10	23.1	0.29	13.5	0.24
1985	9.3	0.10	21.8	0.25	14.6	0.25
1986	9.1	0.09	19.8	0.24	15.2	0.26
1987	12.7	0.11	19.5	0.22	13.3	0.21

FULTON COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	731	14.6	1,042	20.9	.	.
1970	757	15.3	1,039	21.0	.	.
1971	756	15.0	1,035	20.5	.	.
1972	744	14.5	1,038	20.2	.	.
1973	788	15.0	1,080	20.5	.	.
1974	734	14.2	1,132	21.9	.	.
1975	608	13.0	752	16.1	.	.
1976	695	14.4	773	16.0	.	.
1977	765	15.7	669	13.7	.	.
1978	658	13.7	623	13.0	.	.
1979	667	14.0	497	10.4	.	.
1980	662	14.9	515	11.6	.	.
1981	478	11.6	507	12.3	.	.
1982	560	13.4	481	11.5	.	.
1983	596	14.6	482	11.8	.	.
1984	763	17.6	453	10.4	.	.
1985	759	18.1	433	10.3	0	0.0
1986	1,014	22.9	468	10.6	0	0.0
1987	1,025	23.5	431	9.9	0	0.0

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	946	18.9	839	16.8	369	7.4
1970	844	17.1	803	16.2	371	7.5
1971	859	17.0	878	17.4	363	7.2
1972	933	18.1	829	16.1	360	7.0
1973	917	17.4	875	16.6	368	7.0
1974	881	17.0	863	16.7	377	7.3
1975	842	18.0	832	17.8	385	8.2
1976	790	16.4	902	18.7	384	8.0
1977	771	15.8	985	20.2	390	8.0
1978	751	15.6	1,045	21.8	404	8.4
1979	718	15.1	1,084	22.7	416	8.7
1980	649	14.6	855	19.2	389	8.7
1981	640	15.5	844	20.5	405	9.8
1982	583	14.0	1,236	29.6	407	9.8
1983	617	15.1	1,119	27.3	423	10.3
1984	566	13.0	1,196	27.5	499	11.5
1985	573	13.6	1,117	26.6	529	12.6
1986	573	12.9	1,067	24.1	545	12.3
1987	703	16.1	1,041	23.8	440	10.1

FULTON COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	4,993	\$11,697	\$17,440	.	4.2
1970	4,946	\$12,569	\$17,811	5.7	4.4
1971	5,049	\$13,052	\$18,166	6.6	5.1
1972	5,144	\$12,394	\$18,970	6.4	6.0
1973	5,267	\$13,758	\$19,232	4.5	3.7
1974	5,172	\$12,777	\$19,008	5.8	4.5
1975	4,675	\$14,057	\$18,976	7.3	7.3
1976	4,824	\$14,650	\$19,563	5.3	5.6
1977	4,874	\$16,424	\$20,031	5.2	4.7
1978	4,803	\$14,834	\$20,121	6.0	5.3
1979	4,769	\$16,569	\$20,110	7.3	5.5
1980	4,454	\$14,021	\$19,439	9.9	8.0
1981	4,127	\$15,895	\$19,286	12.7	8.4
1982	4,172	\$13,622	\$18,931	11.3	10.6
1983	4,092	\$12,768	\$18,358	11.9	11.6
1984	4,346	\$13,700	\$19,080	11.3	9.3
1985	4,200	\$13,580	\$18,676	12.5	9.5
1986	4,428	\$13,534	\$18,627	10.5	9.3
1987	4,366	\$13,090	\$18,636	9.8	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	10,300	0.32	.	.	.	.
1970	10,200	0.32	9.9	10.3	22.7	14.8
1971	10,400	0.32	9.0	9.6	22.5	14.8
1972	10,000	0.30	8.8	9.1	23.7	15.0
1973	9,500	0.28	9.0	8.8	25.1	15.2
1974	9,200	0.27	8.8	8.6	26.1	15.3
1975	9,300	0.27	8.4	8.4	25.8	15.4
1976	9,300	0.26	7.9	8.2	25.6	15.5
1977	9,300	0.26	8.0	8.4	25.6	15.5
1978	9,000	0.25	8.3	8.5	26.4	15.6
1979	8,800	0.24	8.5	8.7	26.9	15.8
1980	8,900	0.24	8.0	9.2	24.6	15.4
1981	8,700	0.24	8.5	9.3	23.8	15.5
1982	8,600	0.23	8.5	9.2	23.8	15.7
1983	8,400	0.23	8.8	9.2	23.4	15.9
1984	8,200	0.22	9.3	9.0	23.3	16.1
1985	8,100	0.22	9.3	8.9	22.8	16.3
1986	8,100	0.22	9.0	8.6	22.0	16.5
1987	7,800	0.21



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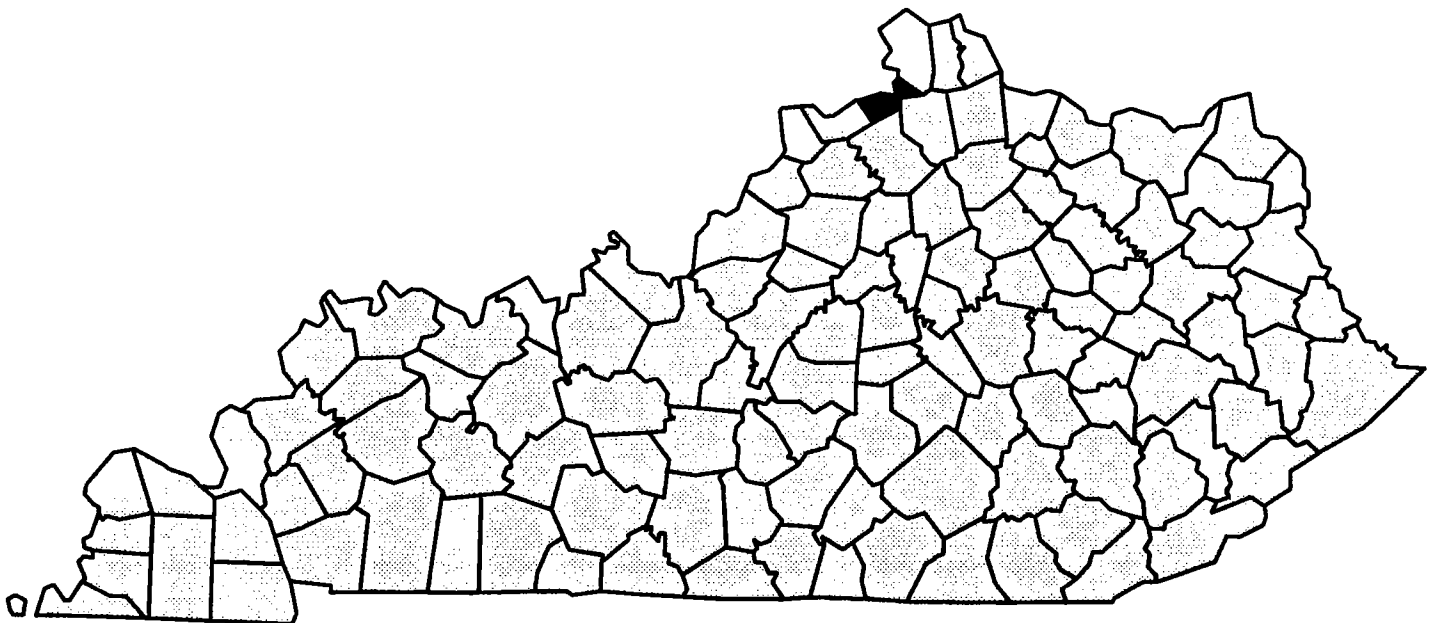
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

GALLATIN COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



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KENTUCKY COUNTIES
1969 – 1987

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GALLATIN COUNTY

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RESEARCH MEMORANDUM 438
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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



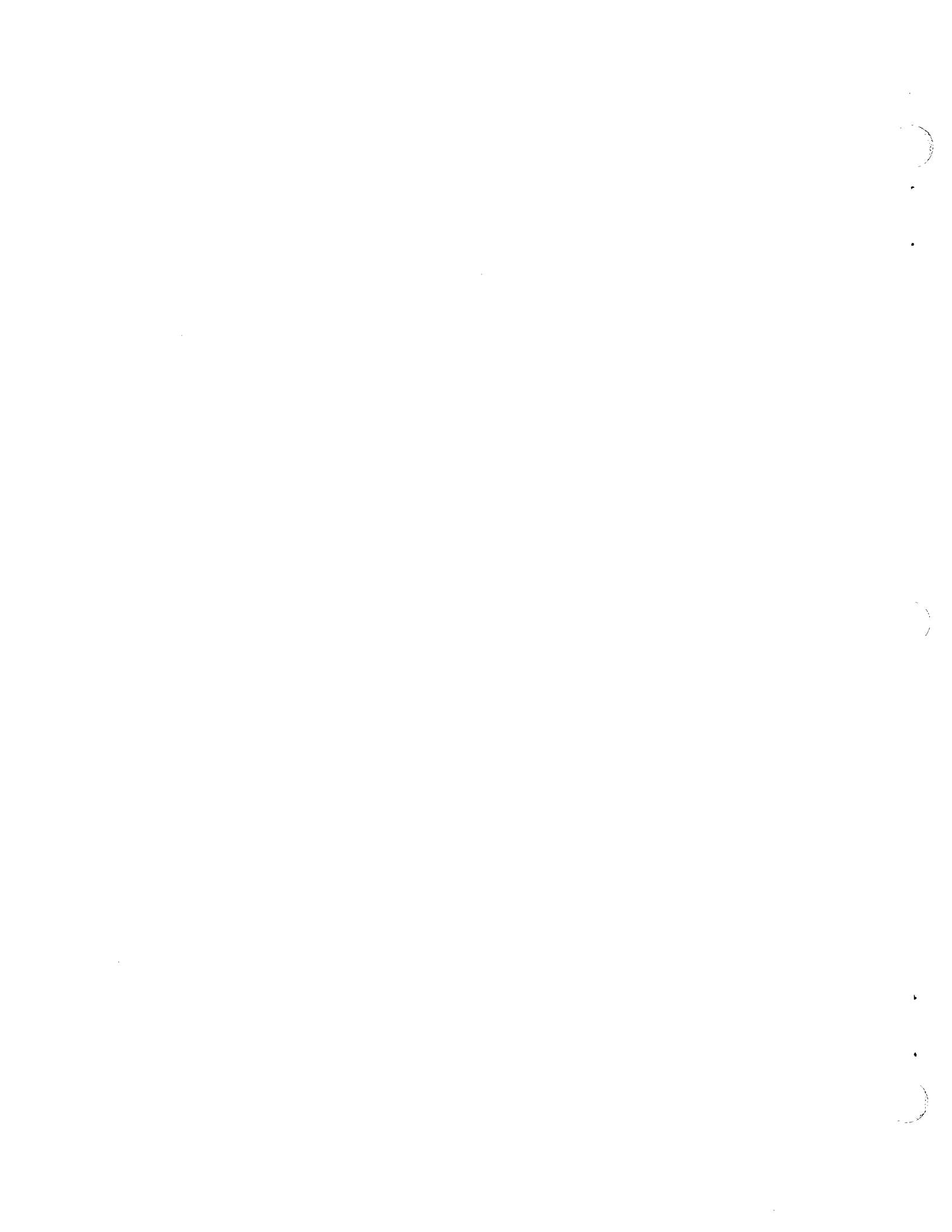
SUMMARY

The Gallatin County economy, as measured by personal income, grew moderately from 1969 to 1987. Gallatin County maintained its share of the Kentucky economy. This indicates the county economy grew at rates comparable to the state economy.

The most prominent economic trend in Gallatin County was a decline in earnings from the farm sector. Farm employment also declined, but to a much lesser degree. This suggests a decline in average earnings in this sector.

While Gallatin County experienced some economic growth, it came primarily from increases in the government sector. 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. The trade sector decreased in Gallatin County, while the service sector maintained a constant share of the economy.

There is a national and state trend toward declining farm employment. Therefore, the outlook for this sector in Gallatin County is for continued decline. Future economic growth in Gallatin County will most likely be dependent upon further expansion of other economic 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 GALLATIN 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 Gallatin 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 Gallatin County economy, as measured by personal income, increased from \$32 million in 1969 to \$55 million in 1987, after adjusting for inflation. Chart 1B shows Gallatin County total personal income as a percent of Kentucky total personal income. Gallatin County has generally maintained 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 Gallatin County per capita income increased over the time period to a level of \$11,080 per person in 1987, when it was 88.6 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 from \$26 million in 1969 to \$40 million in 1987 (in constant 1988 dollars) and have been very volatile in recessionary periods. 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 72.4 percent of Gallatin County's total personal income, which was higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$4 million to total personal income in 1969 and \$10 million in 1987. Transfer payments generally contributed a slightly higher percentage of personal income in Gallatin County than in Kentucky.

Income from property in Gallatin County grew moderately through the time period. Income from property totalled \$2 million in 1969 and increased to \$5 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 farm sector was an important source of earnings throughout the period. However, the percent of earnings from the farm sector declined from 29.7 percent in 1969 to 10.1 percent in 1987 (Chart 3A). In 1969, Gallatin County received 3.8 percent of total earnings from manufacturing. This percentage increased to 6.1 percent in 1987.

Earnings from non-goods-producing industries as a percent of total earnings are illustrated in Chart 3B. While the trade sector has been strong in Gallatin County, its share of earnings has fluctuated. The trade sector's share decreased from 27.2 percent in 1969 to 24.8 percent in 1987. The percent of earnings from the service sector declined through the late 1970's, but then increased to 13.7 percent in 1987. The percent of earnings from the state and local government increased from 11.1 percent in 1969 to 19.2 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 Gallatin 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 Gallatin County, average earnings were well below the state through the period and were \$9,651 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Gallatin County increased moderately during the data period. In 1969, total employment stood at 1,238 people. By 1987, that figure had increased to 1,447.

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 Gallatin County are presented in Chart 4B. Unemployment rates in Gallatin County exceeded those of the state since 1980. In 1987, the county unemployment rate was 11.1 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 county employment. However, employment in this sector declined from 43.6 percent of total employment in 1969 to 33.7 percent in 1987. The percent of total employment in manufacturing increased slightly and accounted for 6.1 percent in 1987. At the state level, the share of employment in manufacturing and farming declined.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector declined slightly and accounted for 19.6 percent of employment in 1987. The percent of employment in the service sector remained constant and accounted for 10.5 percent in 1987. Employment share in state and local government increased from 8.4 percent in 1969 to 12.2 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 Gallatin County.

The Gallatin County population grew from 4,100 in 1969 to 4,900 in 1987 (Chart 5A). It was estimated that in 1986, 8.3 percent of Gallatin County's population was under six years of age, compared to 8.6 percent for the state. For the same year 17.5 percent of the Gallatin County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A

GALLATIN COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

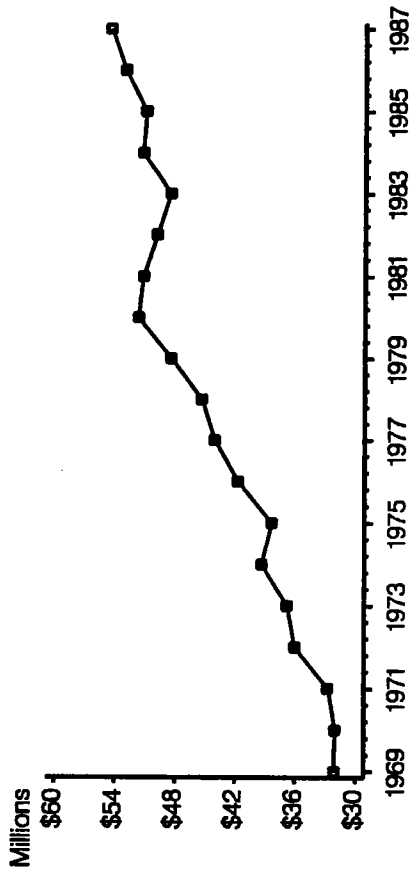


CHART 1B
GALLATIN COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

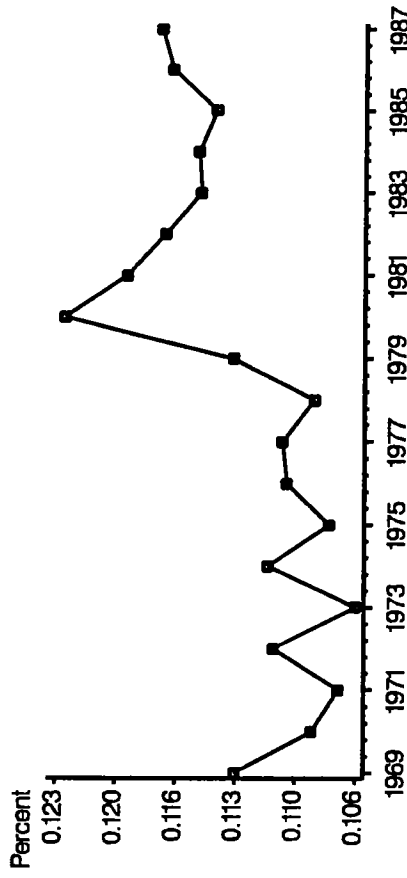


CHART 1C

GALLATIN COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

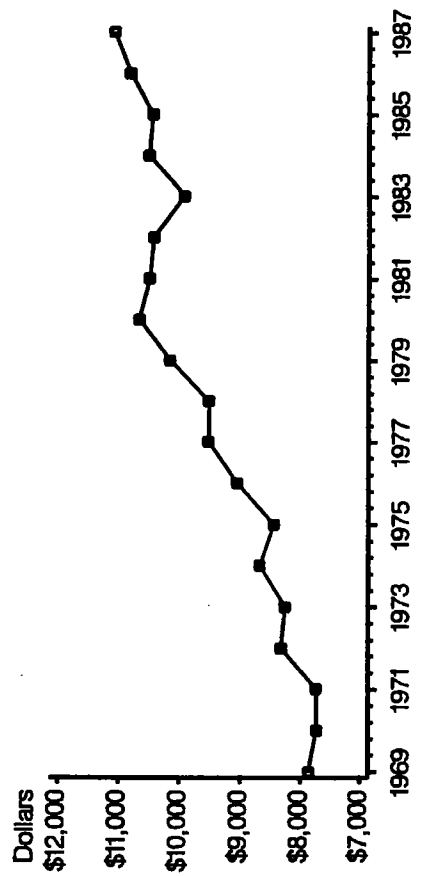


CHART 1D

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

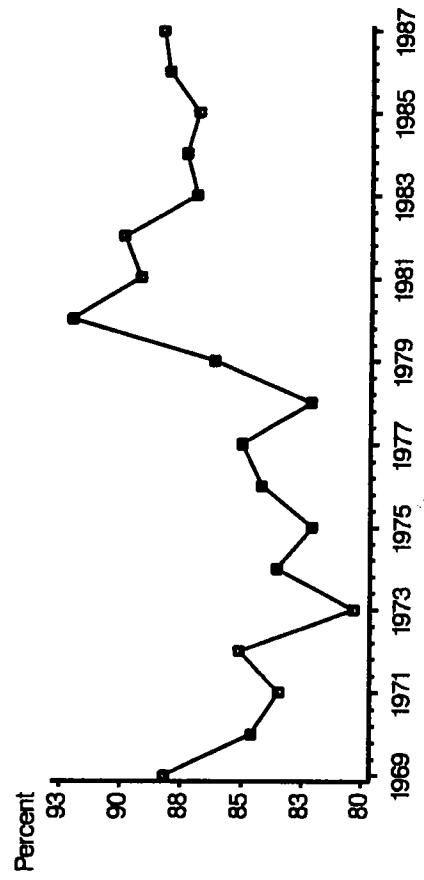


CHART 2A

GALLATIN COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

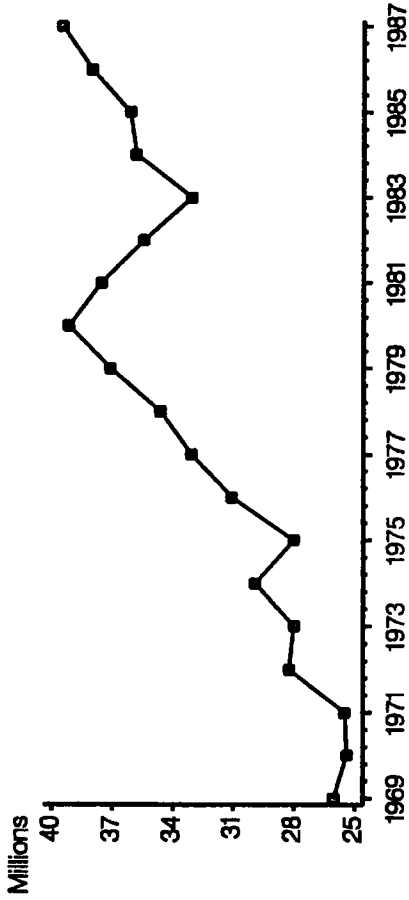


CHART 2C

GALLATIN COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

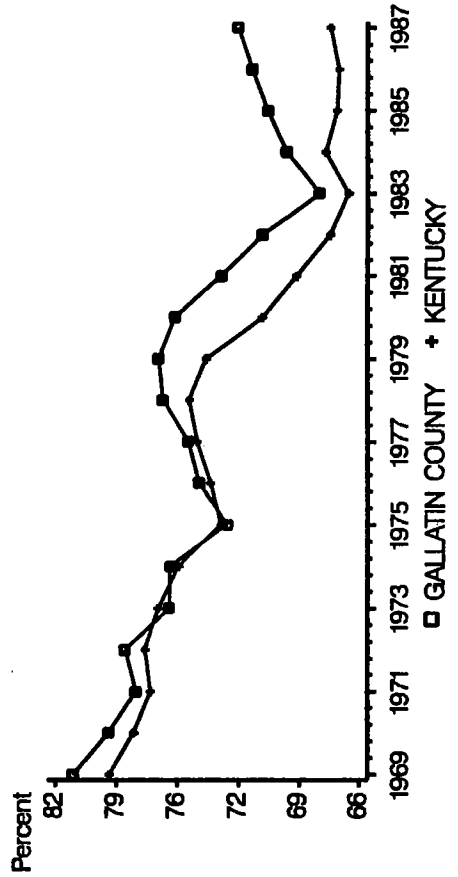


CHART 2B

GALLATIN COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

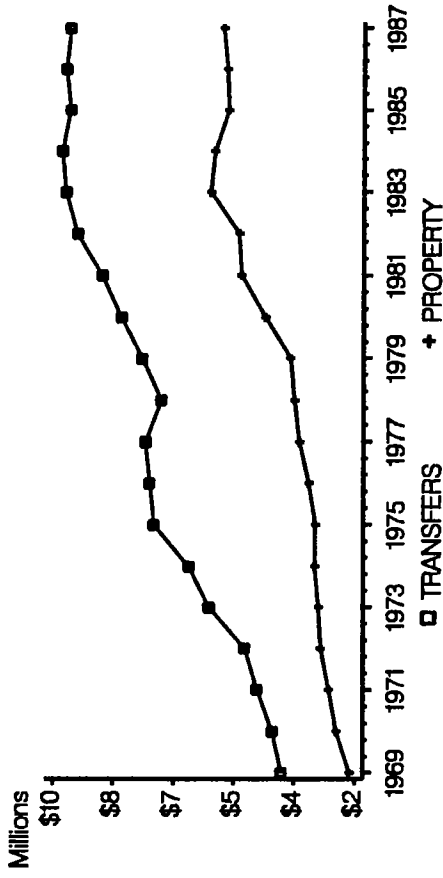


CHART 2D

GALLATIN COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

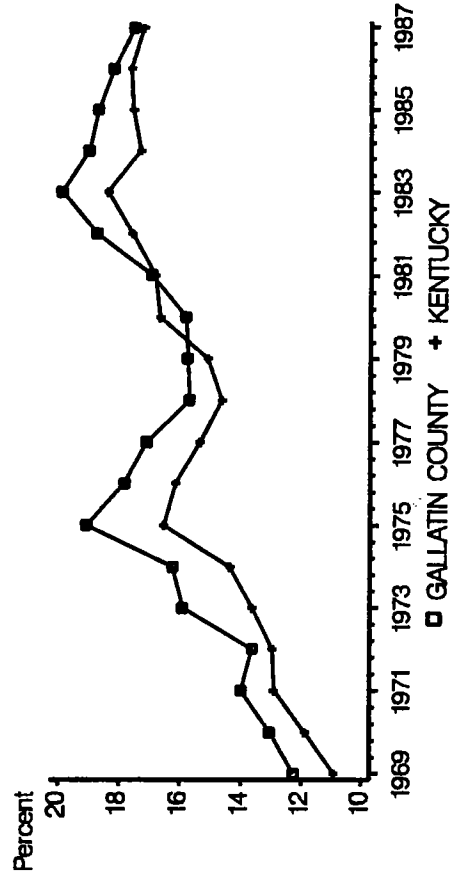


CHART 3A
GALLATIN COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

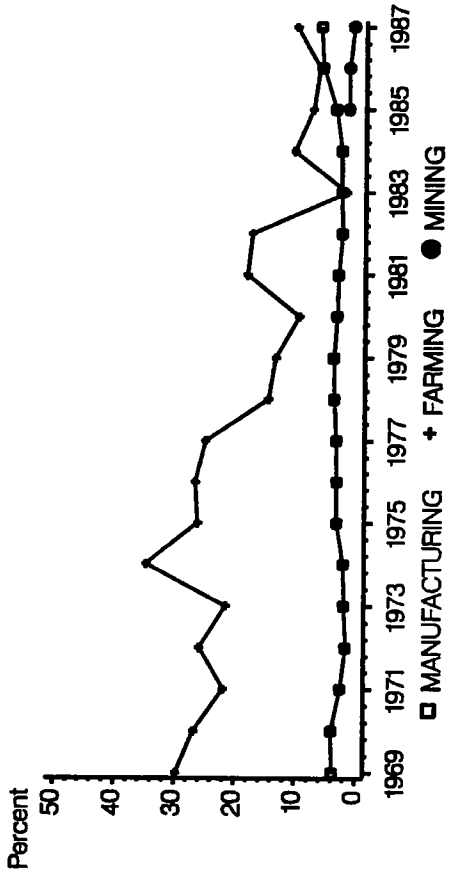


CHART 3B
GALLATIN COUNTY
EARNINGS IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

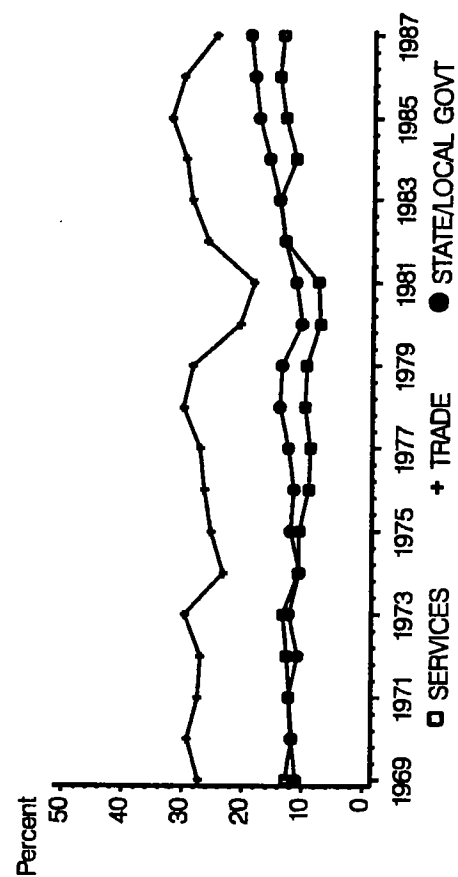


CHART 3C
GALLATIN COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

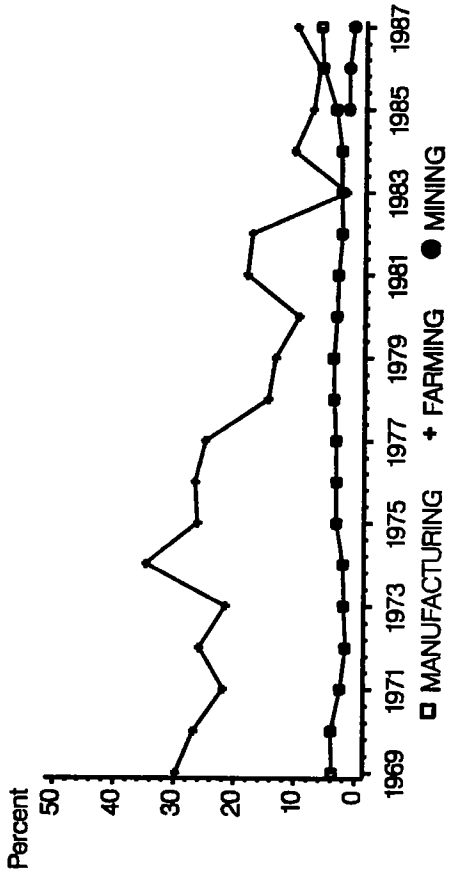


CHART 3D
GALLATIN COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

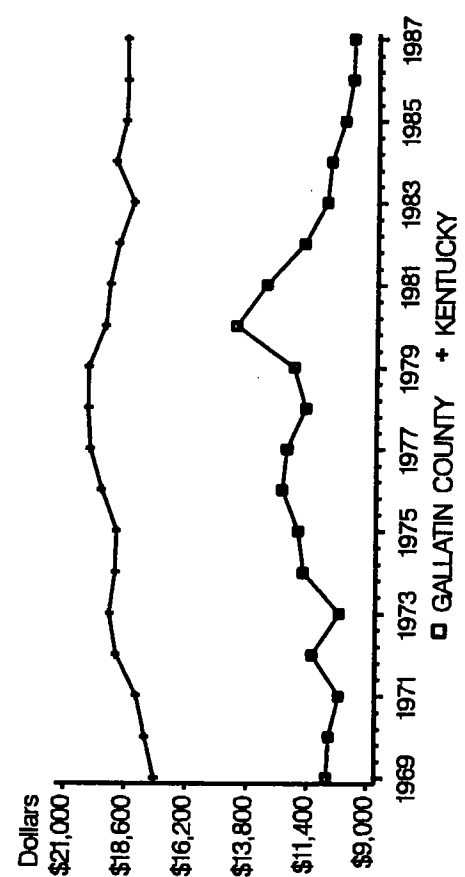


CHART 4A
GALLATIN COUNTY
TOTAL EMPLOYMENT
Thousands of People

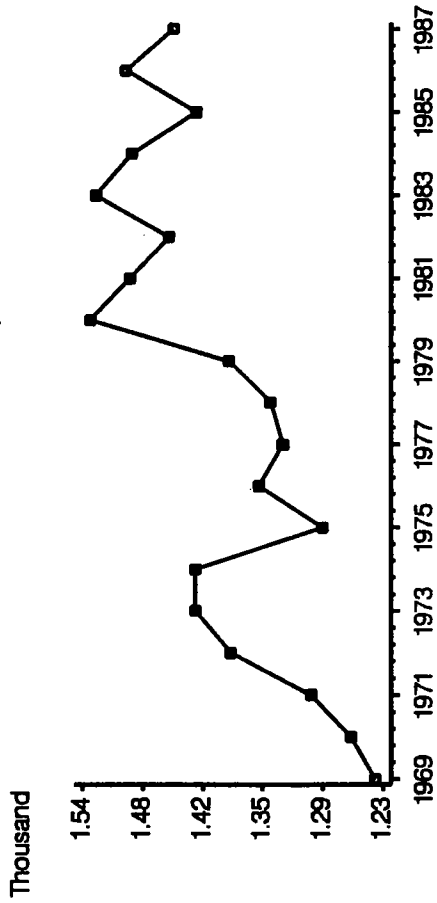


CHART 4B
GALLATIN COUNTY
ANNUAL UNEMPLOYMENT RATE

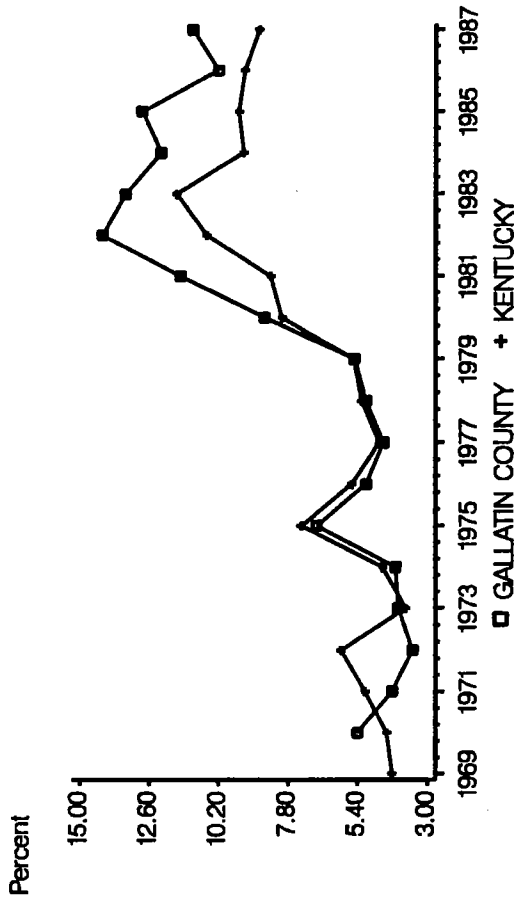


CHART 4C
GALLATIN COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

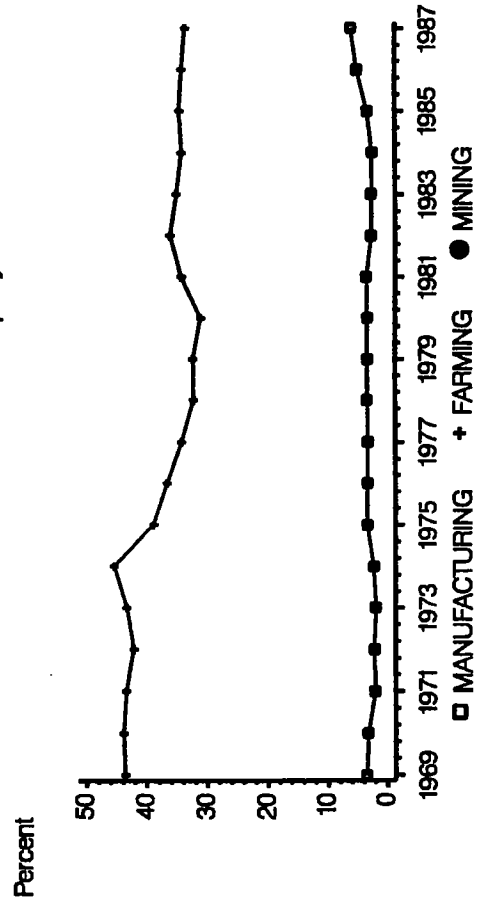


CHART 4D
GALLATIN COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

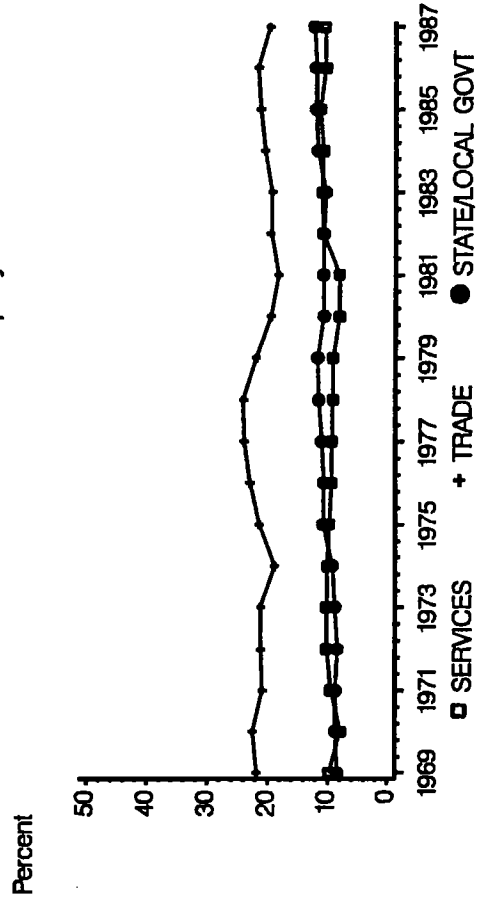


CHART 5A
GALLATIN COUNTY
POPULATION
Thousands of People

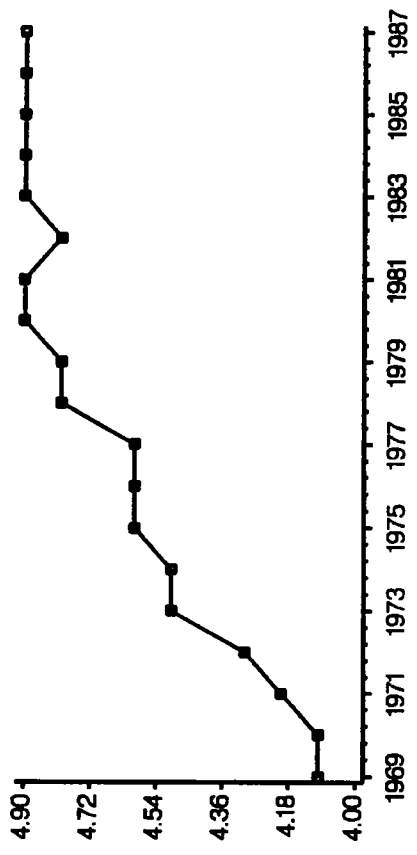


CHART 5B
GALLATIN COUNTY
POPULATION
as a Percent of Kentucky Population

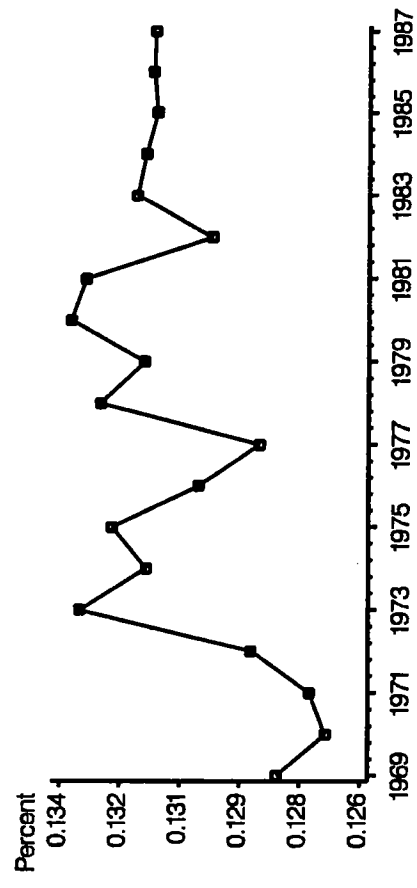


CHART 5C
GALLATIN COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

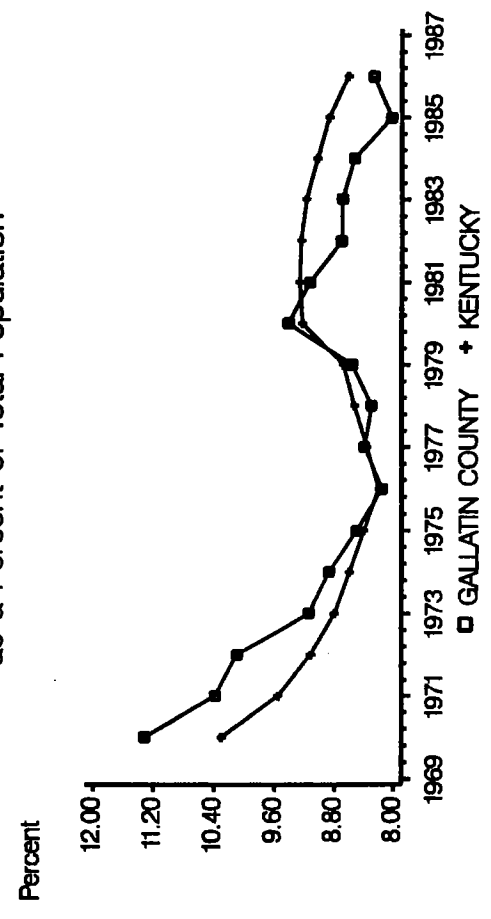
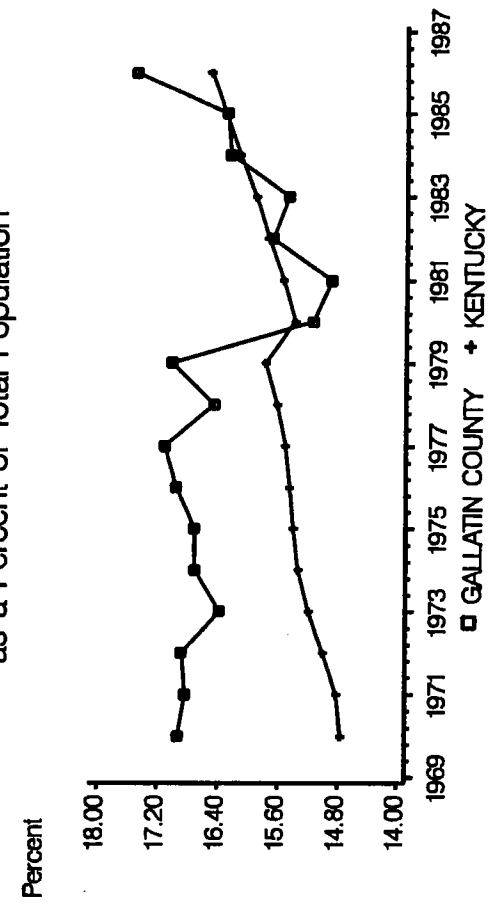


CHART 5D
GALLATIN COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



GALLATIN COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	32	0.11	7,865	88.5
1970	32	0.11	7,728	84.8
1971	33	0.11	7,736	83.6
1972	36	0.11	8,312	85.3
1973	37	0.11	8,251	80.3
1974	39	0.11	8,672	83.7
1975	38	0.11	8,433	82.2
1976	42	0.11	9,055	84.3
1977	44	0.11	9,523	85.2
1978	45	0.11	9,511	82.2
1979	48	0.11	10,161	86.4
1980	52	0.12	10,669	92.5
1981	51	0.12	10,501	89.6
1982	50	0.12	10,433	90.3
1983	49	0.11	9,925	87.2
1984	51	0.12	10,508	87.6
1985	51	0.11	10,452	87.1
1986	53	0.12	10,816	88.4
1987	55	0.12	11,080	88.6

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	81.1	79.2	4	12.3	10.9	2	6.7	9.9
1970	25	79.2	77.9	4	13.0	11.9	2	7.7	10.2
1971	25	77.8	77.0	5	14.0	12.9	3	8.2	10.1
1972	28	78.3	77.3	5	13.6	12.9	3	8.0	9.7
1973	28	76.0	76.6	6	15.9	13.6	3	8.0	9.7
1974	30	76.0	75.5	6	16.2	14.4	3	7.8	10.1
1975	28	73.0	73.3	7	19.1	16.5	3	7.9	10.1
1976	31	74.5	73.9	7	17.8	16.1	3	7.7	10.0
1977	33	75.0	74.6	8	17.1	15.3	3	7.9	10.1
1978	35	76.4	75.0	7	15.7	14.6	4	7.9	10.4
1979	37	76.6	74.1	8	15.8	15.1	4	7.6	10.8
1980	39	75.7	71.1	8	15.8	16.7	4	8.4	12.2
1981	38	73.3	69.3	9	17.0	16.8	5	9.8	13.8
1982	35	71.1	67.5	9	18.7	17.6	5	10.1	14.9
1983	33	68.1	66.6	10	19.9	18.4	6	12.0	15.1
1984	36	69.9	67.8	10	19.0	17.3	6	11.1	14.9
1985	36	70.8	67.2	10	18.7	17.6	5	10.5	15.3
1986	38	71.7	67.1	10	18.2	17.6	5	10.2	15.3
1987	40	72.4	67.5	10	17.5	17.2	5	10.1	15.3

GALLATIN 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	3.8	0.01	29.7	0.28	.	.
1970	4.0	0.01	26.7	0.29	.	.
1971	2.5	0.01	21.9	0.23	.	.
1972	1.6	0.00	25.9	0.27	.	.
1973	2.0	0.00	21.5	0.19	.	.
1974	2.1	0.00	34.8	0.34	.	.
1975	3.2	0.01	26.2	0.35	.	.
1976	3.2	0.01	26.7	0.36	.	.
1977	3.3	0.01	24.9	0.28	.	.
1978	3.7	0.01	14.6	0.17	.	.
1979	3.8	0.01	13.4	0.16	.	.
1980	3.3	0.01	9.5	0.18	.	.
1981	3.1	0.01	18.2	0.23	.	.
1982	2.5	0.01	17.4	0.23	.	.
1983	2.6	0.01	1.7	0.05	.	.
1984	2.6	0.01	10.4	0.12	.	.
1985	3.6	0.01	7.4	0.10	1.5	0.01
1986	5.9	0.01	6.3	0.11	1.4	0.01
1987	6.1	0.01	10.1	0.15	0.6	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	12.8	0.05	27.2	0.10	11.1	0.07
1970	11.7	0.05	29.2	0.10	11.9	0.07
1971	12.2	0.05	27.4	0.09	12.3	0.07
1972	12.6	0.06	27.0	0.10	10.9	0.07
1973	13.3	0.05	29.6	0.10	12.3	0.07
1974	10.8	0.05	23.2	0.09	10.6	0.07
1975	10.6	0.04	25.3	0.09	12.1	0.07
1976	9.1	0.04	26.4	0.09	11.5	0.07
1977	8.9	0.04	27.1	0.09	12.5	0.07
1978	9.8	0.04	29.9	0.09	14.0	0.07
1979	9.5	0.04	28.5	0.09	13.6	0.07
1980	7.3	0.04	20.6	0.09	10.4	0.07
1981	7.7	0.03	18.3	0.08	11.4	0.07
1982	13.2	0.05	26.0	0.09	13.2	0.07
1983	14.2	0.05	28.7	0.10	14.2	0.07
1984	11.5	0.03	29.8	0.10	15.9	0.08
1985	13.3	0.03	32.2	0.09	17.7	0.07
1986	14.3	0.03	30.2	0.09	18.4	0.08
1987	13.7	0.03	24.8	0.07	19.2	0.07

GALLATIN COUNTY
COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	43	3.5	540	43.6	.	.
1970	41	3.2	554	43.9	.	.
1971	26	2.0	567	43.5	.	.
1972	30	2.2	585	42.2	.	.
1973	27	1.9	618	43.4	.	.
1974	32	2.2	647	45.4	.	.
1975	43	3.3	502	38.9	.	.
1976	45	3.3	498	36.7	.	.
1977	43	3.2	457	34.3	.	.
1978	45	3.3	435	32.3	.	.
1979	46	3.3	450	32.4	.	.
1980	51	3.3	477	31.1	.	.
1981	52	3.5	512	34.3	.	.
1982	38	2.6	524	36.1	.	.
1983	40	2.6	536	35.1	.	.
1984	37	2.5	511	34.3	.	.
1985	47	3.3	493	34.6	.	.
1986	76	5.1	513	34.3	.	.
1987	88	6.1	488	33.7	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	121	9.8	271	21.9	104	8.4
1970	99	7.8	284	22.5	110	8.7
1971	123	9.4	272	20.9	113	8.7
1972	141	10.2	293	21.1	117	8.4
1973	145	10.2	302	21.2	125	8.8
1974	143	10.0	269	18.9	132	9.3
1975	126	9.8	277	21.4	139	10.8
1976	128	9.4	312	23.0	145	10.7
1977	125	9.4	319	23.9	147	11.0
1978	124	9.2	324	24.1	155	11.5
1979	127	9.1	305	22.0	162	11.7
1980	124	8.1	299	19.5	163	10.6
1981	121	8.1	272	18.2	161	10.8
1982	157	10.8	283	19.5	155	10.7
1983	167	10.9	295	19.3	159	10.4
1984	160	10.7	306	20.5	174	11.7
1985	160	11.2	302	21.2	170	11.9
1986	155	10.4	323	21.6	179	12.0
1987	152	10.5	284	19.6	177	12.2

GALLATIN COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	1,238	\$10,613	\$17,440	.	4.2
1970	1,263	\$10,526	\$17,811	5.4	4.4
1971	1,304	\$10,118	\$18,166	4.2	5.1
1972	1,387	\$11,216	\$18,970	3.5	6.0
1973	1,424	\$10,121	\$19,232	4.0	3.7
1974	1,424	\$11,575	\$19,008	4.1	4.5
1975	1,292	\$11,783	\$18,976	6.8	7.3
1976	1,358	\$12,412	\$19,563	5.1	5.6
1977	1,333	\$12,235	\$20,031	4.5	4.7
1978	1,346	\$11,511	\$20,121	5.1	5.3
1979	1,389	\$11,985	\$20,110	5.5	5.5
1980	1,533	\$14,294	\$19,439	8.6	8.0
1981	1,492	\$13,078	\$19,286	11.5	8.4
1982	1,451	\$11,611	\$18,931	14.2	10.6
1983	1,527	\$10,719	\$18,358	13.4	11.6
1984	1,490	\$10,549	\$19,080	12.2	9.3
1985	1,423	\$9,999	\$18,676	12.8	9.5
1986	1,496	\$9,696	\$18,627	10.2	9.3
1987	1,447	\$9,651	\$18,636	11.1	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	4,100	0.13	.	.	.	.
1970	4,100	0.13	11.3	10.3	16.9	14.8
1971	4,200	0.13	10.4	9.6	16.8	14.8
1972	4,300	0.13	10.1	9.1	16.9	15.0
1973	4,500	0.13	9.1	8.8	16.4	15.2
1974	4,500	0.13	8.9	8.6	16.7	15.3
1975	4,600	0.13	8.5	8.4	16.7	15.4
1976	4,600	0.13	8.2	8.2	17.0	15.5
1977	4,600	0.13	8.4	8.4	17.1	15.5
1978	4,800	0.13	8.3	8.5	16.5	15.6
1979	4,800	0.13	8.6	8.7	17.0	15.8
1980	4,900	0.13	9.4	9.2	15.1	15.4
1981	4,900	0.13	9.1	9.3	14.9	15.5
1982	4,800	0.13	8.7	9.2	15.7	15.7
1983	4,900	0.13	8.7	9.2	15.5	15.9
1984	4,900	0.13	8.5	9.0	16.2	16.1
1985	4,900	0.13	8.0	8.9	16.3	16.3
1986	4,900	0.13	8.3	8.6	17.5	16.5
1987	4,900	0.13



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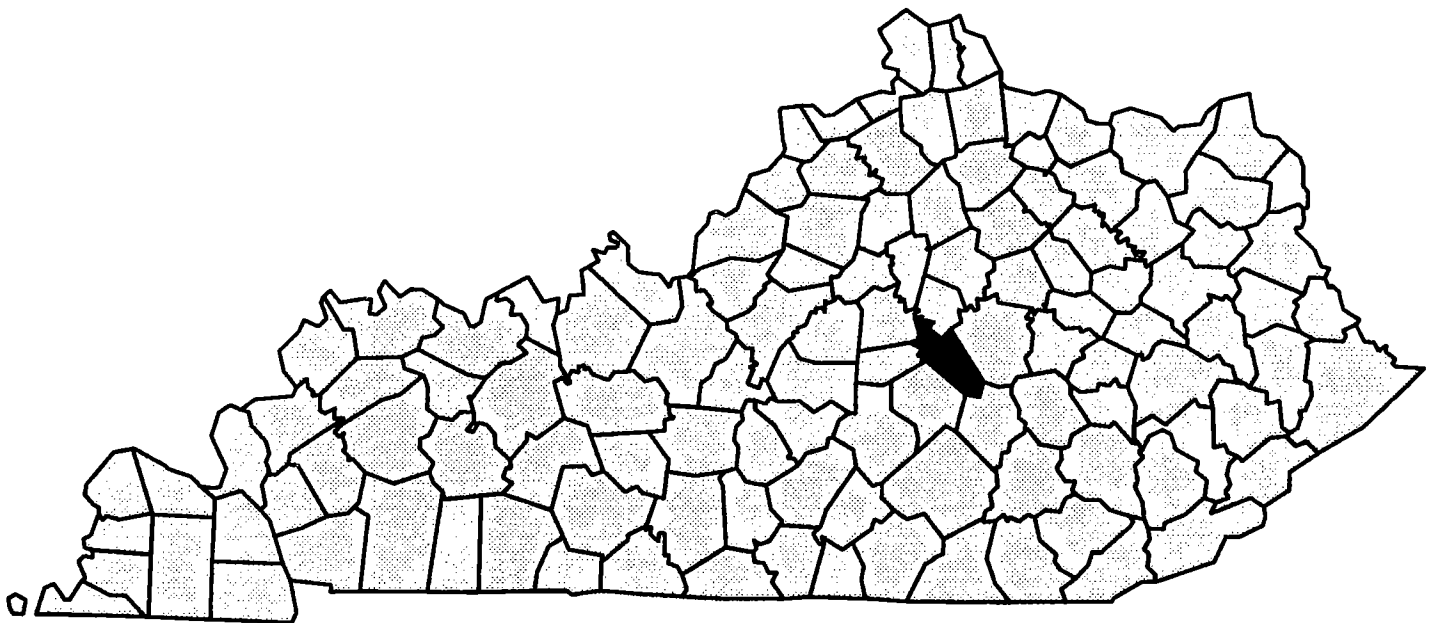
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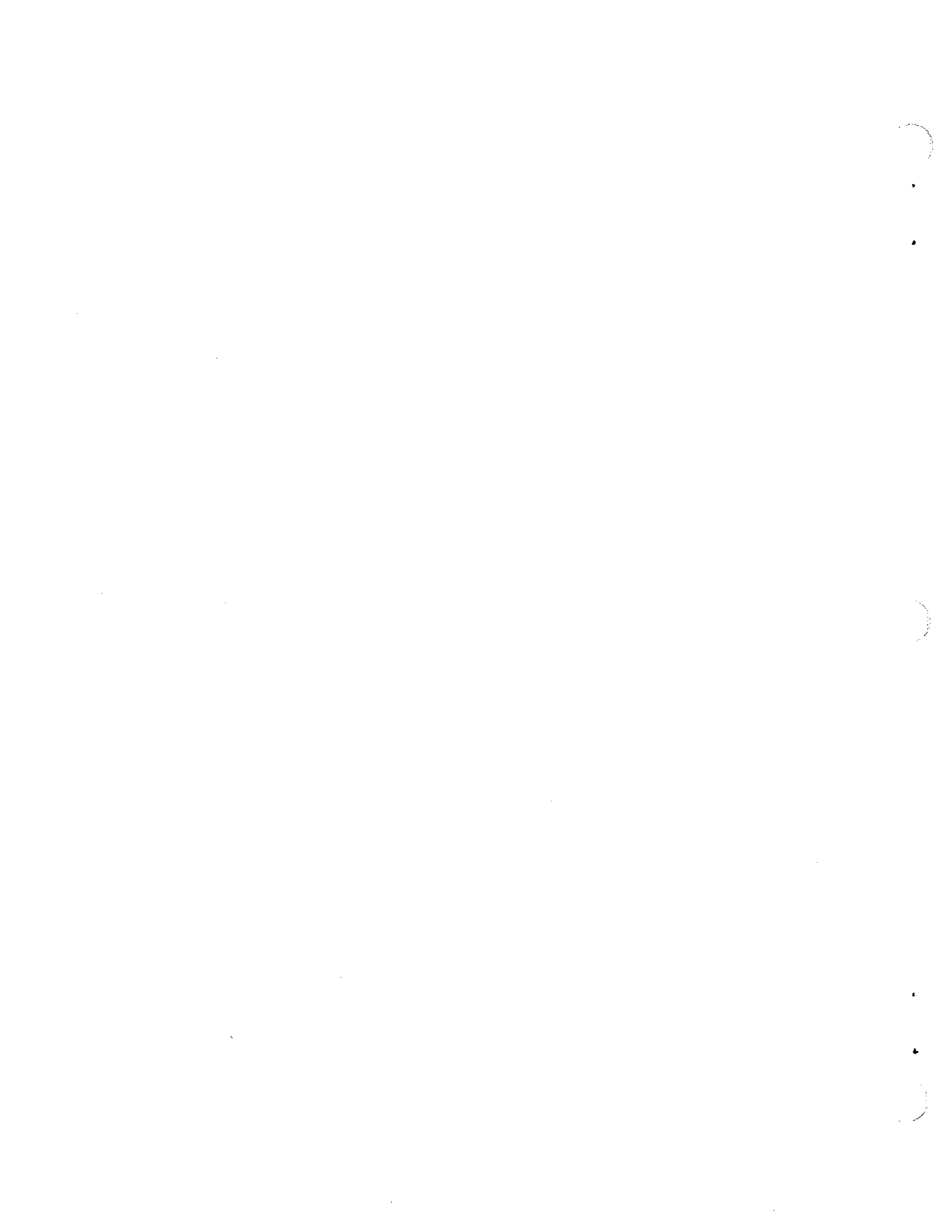
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

GARRARD 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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GARRARD 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 Garrard County economy, as measured by personal income, grew moderately from 1969 to 1987. However, Garrard 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 Garrard County was a decline in earnings from the farm sector. Farm employment also declined, but to a much lesser degree.

While Garrard County experienced some economic growth, it came primarily from increases in the non-goods-producing industries. Both the services and state and local government sectors significantly increased their shares of both county earnings and employment. The growth sectors at the state level have been the service and trade sectors. In Garrard County the trade sector maintained a fairly constant share of the economy.

There is a national and state trend toward declining farm employment. Therefore, the outlook for this sector in Garrard County is for continued decline. The national economic outlook is for continued expansion of the service and trade sectors. Future economic growth in Garrard County will most likely be dependent upon future expansion 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 GARRARD 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 Garrard 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 Garrard County economy, as measured by personal income, increased from \$90 million in 1969 to \$127 million in 1987, after adjusting for inflation. Chart 1B shows Garrard County total personal income as a percent of Kentucky total personal income. Except for some very small changes, Garrard County maintained 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 Garrard County per capita income generally increased over the time period to a level of \$11,075 per person in 1987, 88.6 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 were very volatile, especially during the national recessions of 1975 and 1982. Overall, total earnings

increased from \$73 million in 1969 to \$81 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. In 1987, earnings accounted for 63.8 percent of Garrard County's total personal income, which was slightly less than Kentucky's 67.5 percent share.

Transfer payments contributed \$8 million to total personal income in 1969 and \$23 million in 1987. Over the time period, transfer payments contributed about the same percentage of personal income in Garrard County as they did in Kentucky.

Income from property in Garrard County grew strongly through the late-1970's and early-1980's. Income from property totalled \$8 million in 1969 and increased to \$23 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. During the 1970's, the farm sector was the primary source of earnings in Garrard County (Chart3A). However, the percent of earnings from the farm sector declined from 41.4 percent in 1969 to 12.4 percent in 1987. The trend toward declining earnings in this sector is consistent with state and national trends.

In 1969, Garrard County received 15.1 percent of total earnings from manufacturing. This percentage decreased to 8.6 percent in 1987. Manufacturing's share of total state earnings also declined over this time 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 6.1 percent in 1969 to 18.9 percent in 1987. The trade sector's share of earnings also increased. In 1969, 11.7 percent of earnings were generated in the trade sector, compared to 13.7 in 1987. Earnings from the state and local government sector increased from 8.0 percent in 1969 to 18.6 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 Garrard 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 Garrard County, average earnings per job were below those of the state and generally decreased over the period to \$9,781 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Garrard County fluctuated greatly during the data period. In 1969, total employment stood at 4,233 people. However, there was a 446 person drop from 1974 to 1975. By 1987, employment had increased to 4,256.

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 Garrard County are presented in Chart 4B. Unemployment rates in Garrard County generally followed state trends. However, by 1984 county unemployment rates were above those of the state. In 1987, the county unemployment rate was 11.6 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 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. However, employment in this sector decreased from 43.4 percent of total employment in 1969 to 33.4 percent in 1987. The percent of total employment in manufacturing decreased from 14.7 percent in 1969 to 8.3 percent in 1987. At the state level, both the farm and manufacturing's share of employment also declined.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector increased slightly and accounted for 13.5 percent of employment in 1987. The percent of employment in the service sector increased from 8.1 percent in 1969 to 12.9 percent in 1987. The employment share in state and local government also increased, from 8.4 percent in 1969 to 12.0 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 Garrard County.

The Garrard County population grew from 9,500 in 1969 to 11,500 in 1987 (Chart 5A). Garrard County had a lower proportion of younger residents and a higher proportion of older residents than the state. It was estimated that in 1986, 7.2 percent of Garrard County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 19.0 percent of the Garrard County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

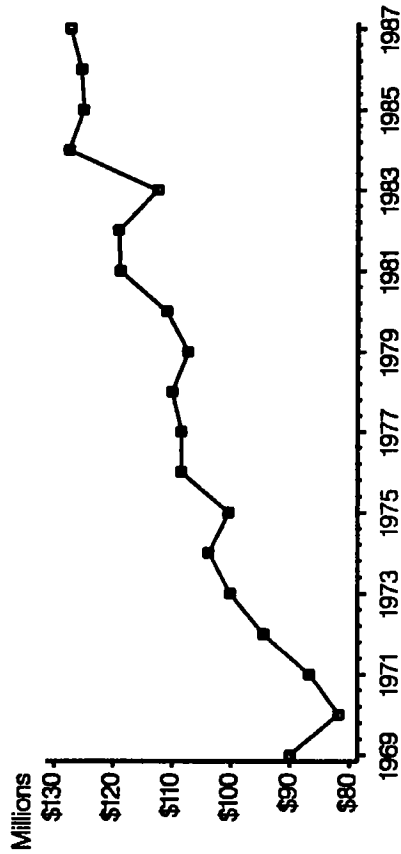


CHART 1B
 GARRARD COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

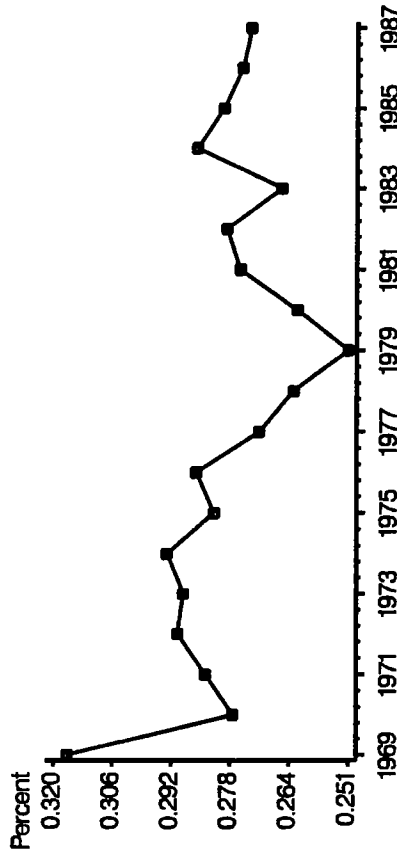


CHART 1C
 GARRARD COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

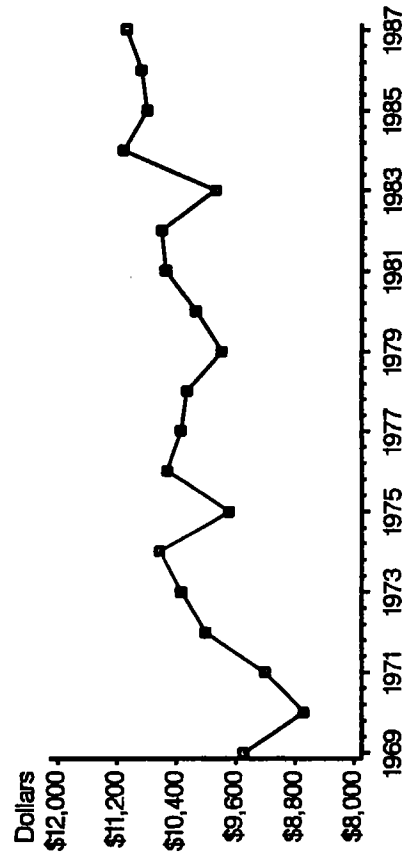


CHART 1D
 GARRARD COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

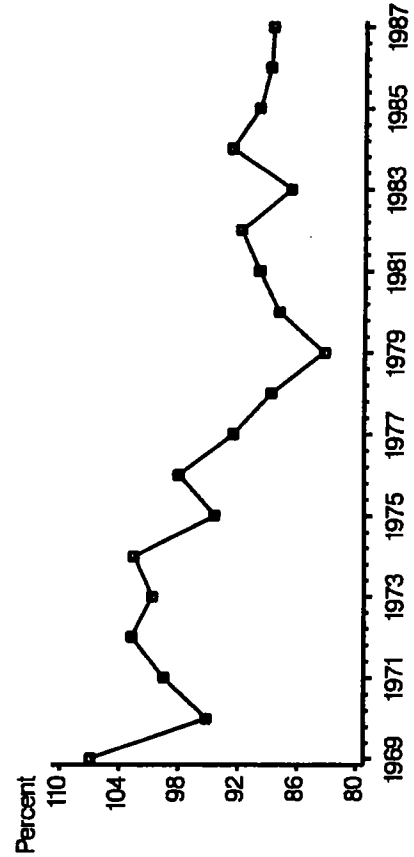


CHART 2A

GARRARD COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

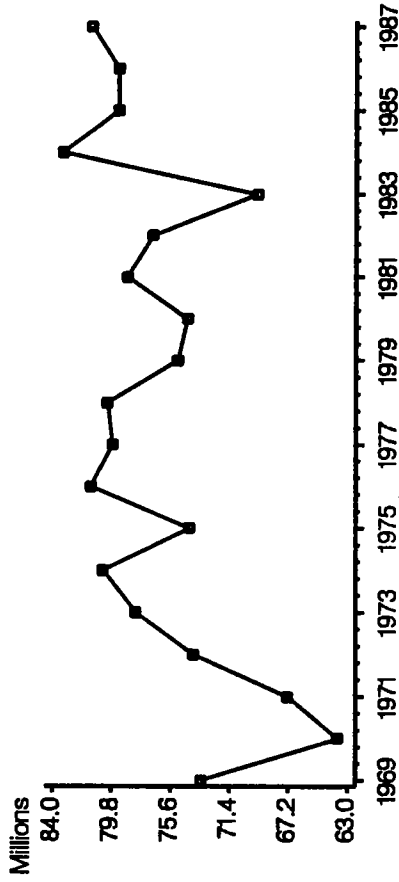


CHART 2B

GARRARD COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

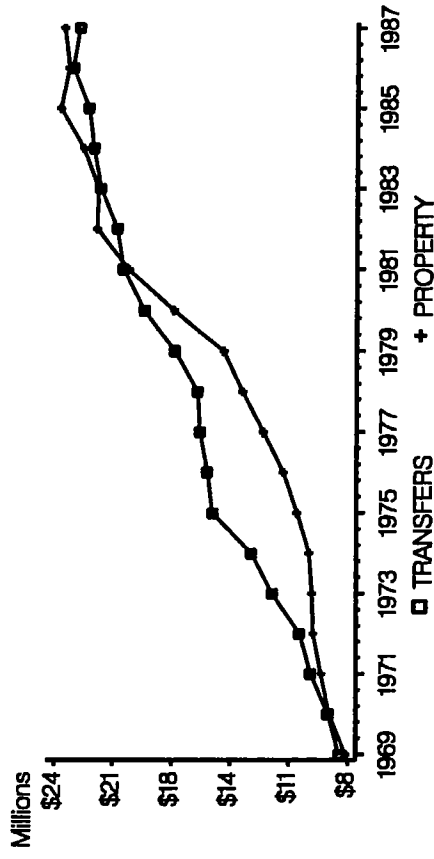


CHART 2C

GARRARD COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

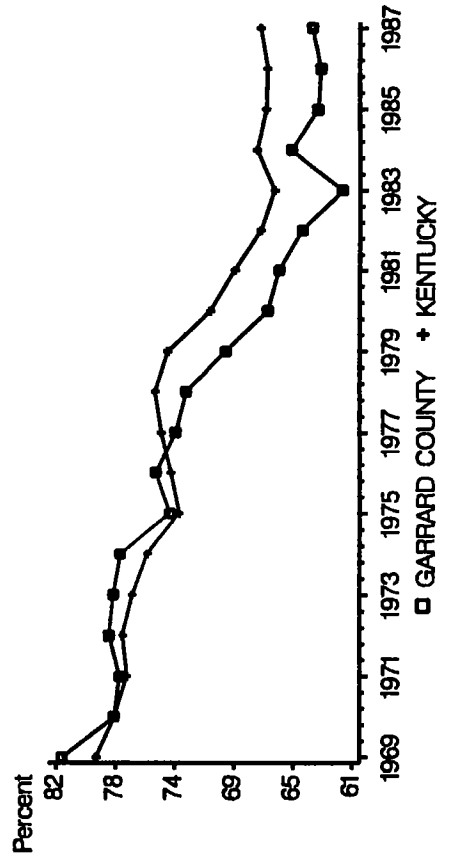


CHART 2D

GARRARD COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

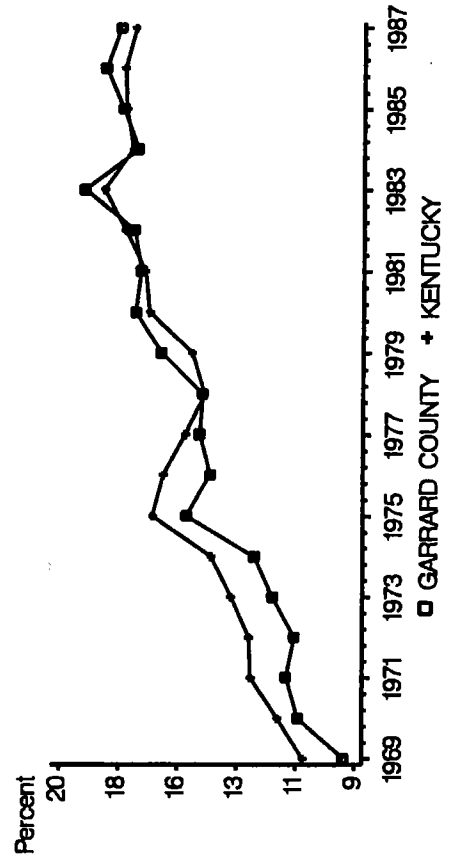


CHART 3A

GARRARD COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

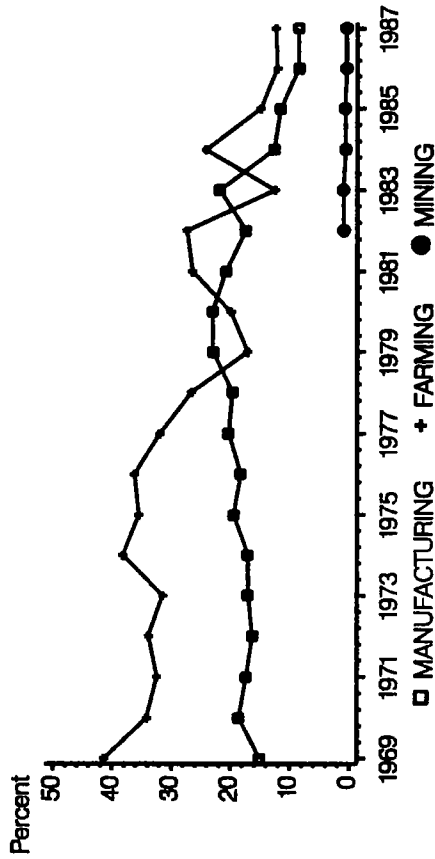


CHART 3B

GARRARD COUNTY

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

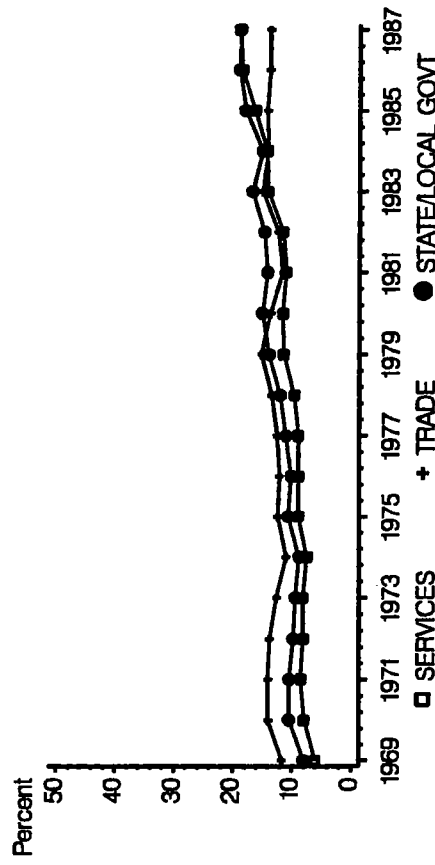


CHART 3C

GARRARD COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

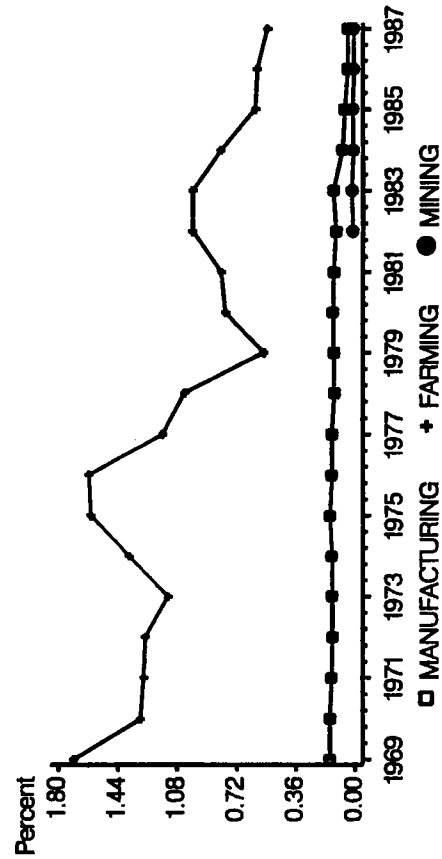


CHART 3D

GARRARD COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

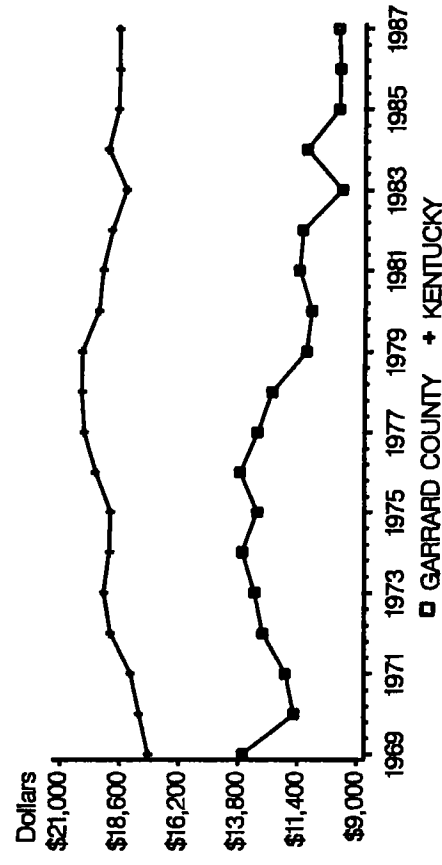


CHART 4A
GARRARD COUNTY
TOTAL EMPLOYMENT
 Thousands of People

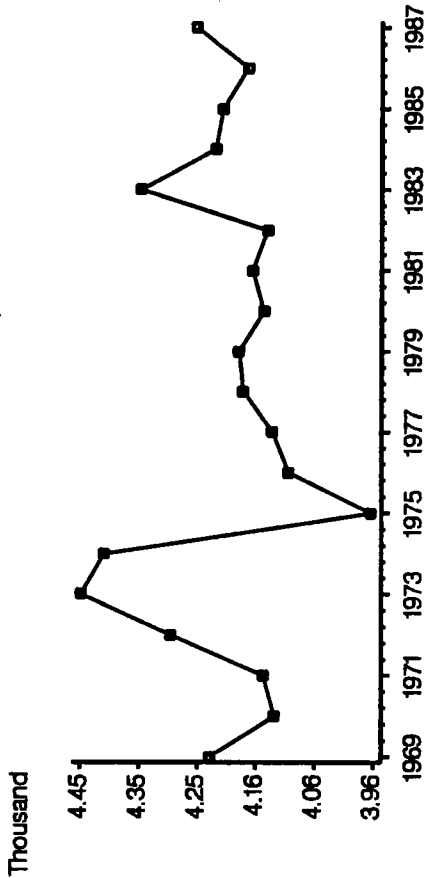


CHART 4B
GARRARD COUNTY
ANNUAL UNEMPLOYMENT RATE

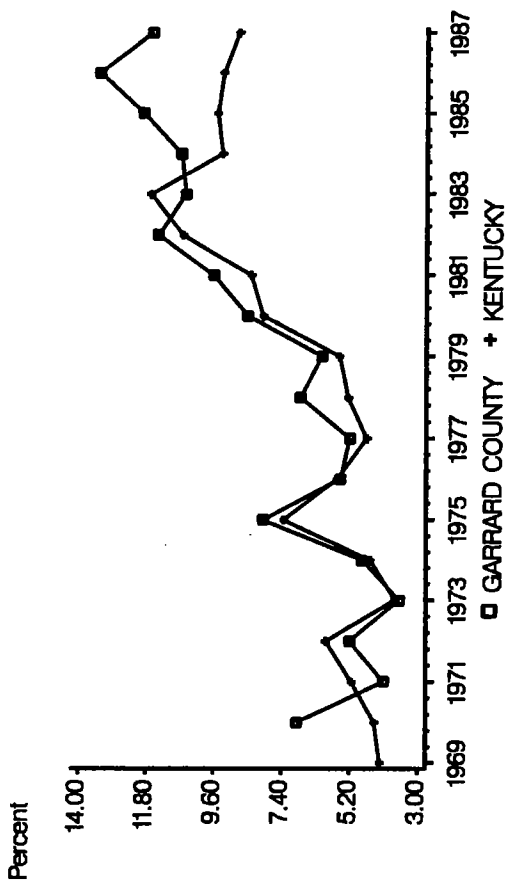


CHART 4C
GARRARD COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

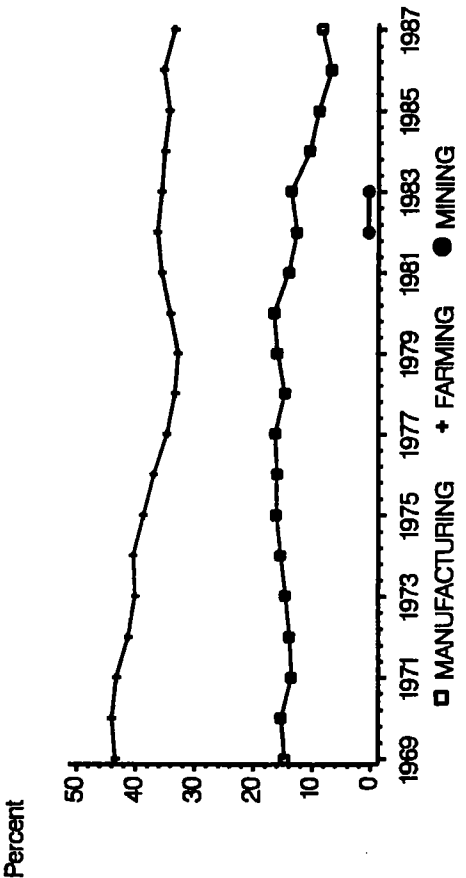


CHART 4D
GARRARD COUNTY
EMPLOYMENT IN NON - GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

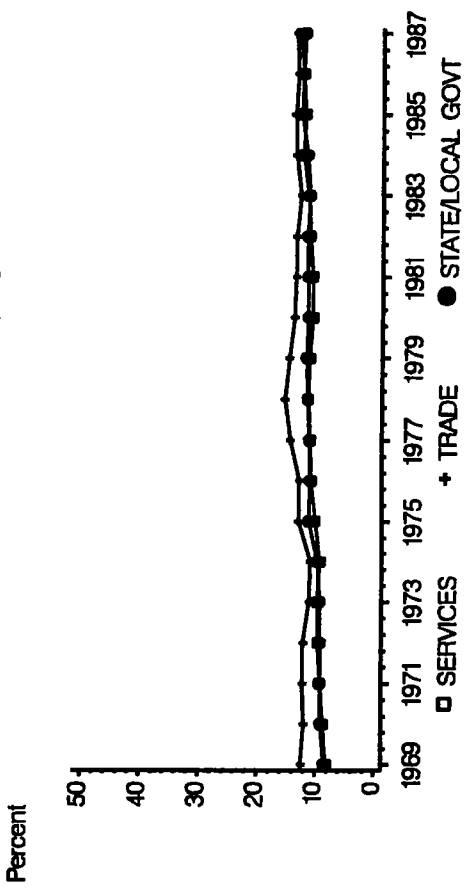


CHART 5A
GARRARD COUNTY
POPULATION
Thousands of People

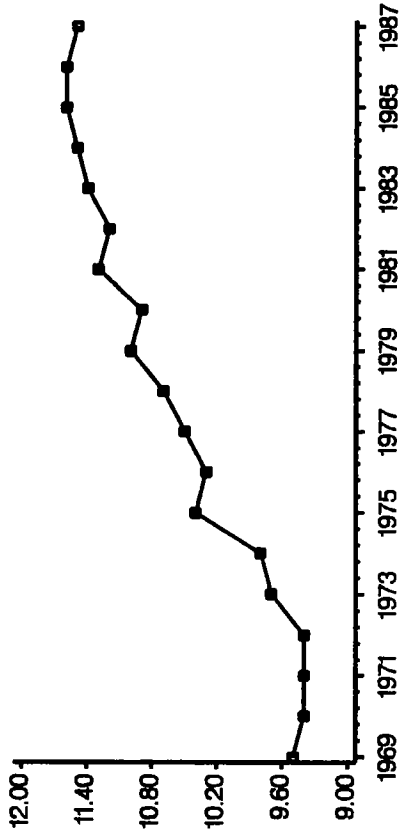


CHART 5B
GARRARD COUNTY
POPULATION
as a Percent of Kentucky Population

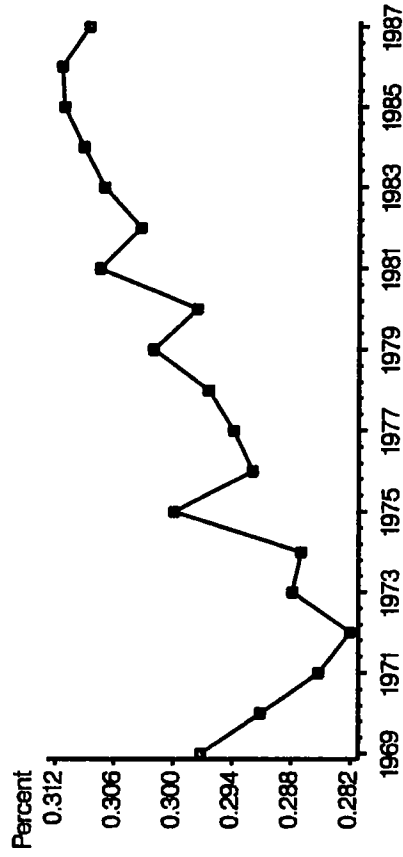


CHART 5C
GARRARD COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

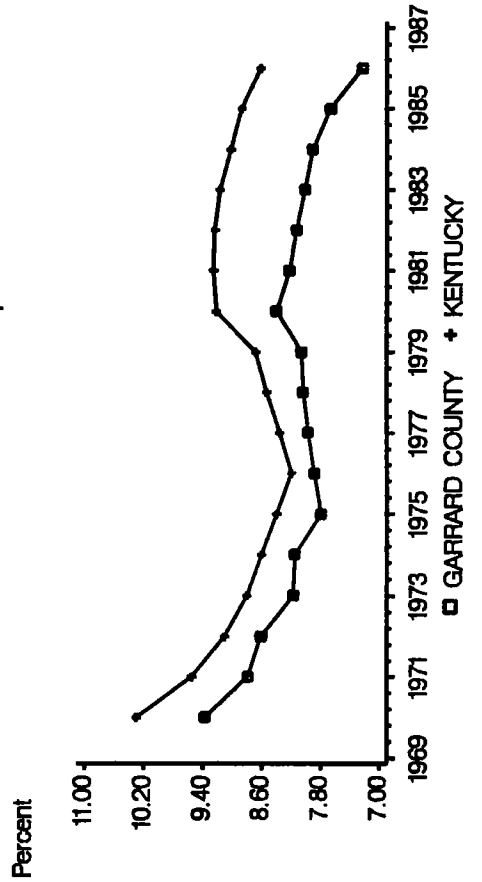
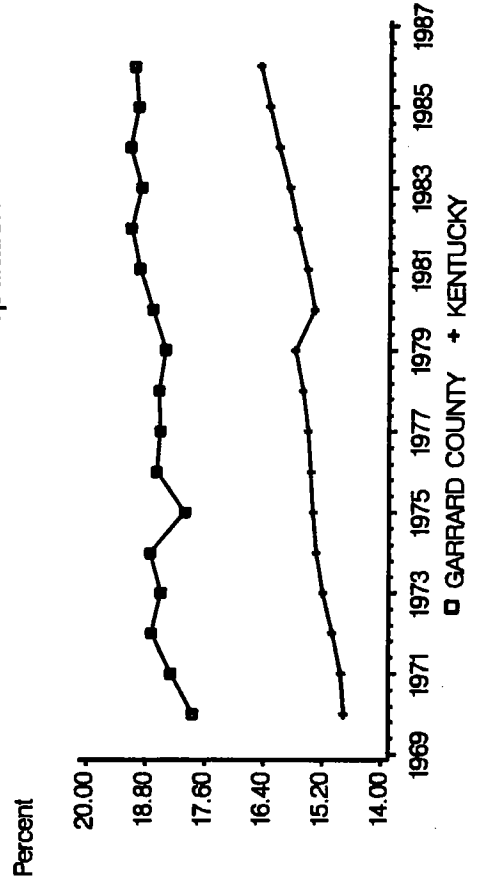


CHART 5D
GARRARD COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



GARRARD COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	90	0.32	9,492	106.8
1970	82	0.28	8,677	95.2
1971	87	0.28	9,209	99.5
1972	95	0.29	10,011	102.7
1973	100	0.29	10,337	100.7
1974	104	0.29	10,626	102.5
1975	100	0.28	9,689	94.4
1976	109	0.29	10,523	98.0
1977	108	0.27	10,337	92.5
1978	110	0.26	10,259	88.7
1979	107	0.25	9,790	83.3
1980	111	0.26	10,143	87.9
1981	119	0.28	10,542	89.9
1982	119	0.28	10,599	91.7
1983	113	0.27	9,873	86.7
1984	128	0.29	11,113	92.7
1985	125	0.28	10,794	90.0
1986	126	0.28	10,874	88.9
1987	127	0.27	11,075	88.6

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	73	81.6	79.2	8	9.4	10.9	8	9.0	9.9
1970	64	77.9	77.9	9	11.1	11.9	9	11.0	10.2
1971	67	77.5	77.0	10	11.6	12.9	9	10.9	10.1
1972	74	78.3	77.3	11	11.3	12.9	10	10.5	9.7
1973	78	78.0	76.6	12	12.1	13.6	10	9.9	9.7
1974	80	77.5	75.5	13	12.8	14.4	10	9.8	10.1
1975	74	73.9	73.3	15	15.3	16.5	11	10.8	10.1
1976	81	74.9	73.9	16	14.4	16.1	12	10.6	10.0
1977	80	73.5	74.6	16	14.8	15.3	13	11.6	10.1
1978	80	72.8	75.0	16	14.7	14.6	14	12.5	10.4
1979	75	70.0	74.1	17	16.2	15.1	15	13.8	10.8
1980	74	67.0	71.1	19	17.2	16.7	17	15.8	12.2
1981	79	66.2	69.3	20	17.0	16.8	20	16.8	13.8
1982	77	64.5	67.5	21	17.3	17.6	22	18.2	14.9
1983	69	61.7	66.6	21	19.1	18.4	22	19.2	15.1
1984	83	65.3	67.8	22	17.1	17.3	22	17.6	14.9
1985	79	63.4	67.2	22	17.7	17.6	24	18.9	15.3
1986	79	63.2	67.1	23	18.3	17.6	23	18.5	15.3
1987	81	63.8	67.5	23	17.8	17.2	23	18.4	15.3

GARRARD 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	15.1	0.15	41.4	1.71	.	.
1970	18.6	0.15	34.2	1.30	.	.
1971	17.4	0.14	32.4	1.28	.	.
1972	16.3	0.14	33.9	1.27	.	.
1973	17.0	0.14	31.5	1.14	.	.
1974	17.0	0.14	38.2	1.37	.	.
1975	19.4	0.15	35.5	1.60	.	.
1976	18.3	0.14	36.2	1.62	.	.
1977	20.4	0.14	32.0	1.17	.	.
1978	19.7	0.13	26.6	1.04	.	.
1979	22.9	0.13	17.1	0.56	.	.
1980	23.0	0.14	20.0	0.79	.	.
1981	20.8	0.13	26.5	0.81	.	.
1982	17.4	0.12	27.4	0.99	0.9	0.02
1983	21.9	0.13	12.5	0.99	1.0	0.02
1984	12.7	0.08	24.2	0.82	0.6	0.01
1985	11.6	0.07	15.0	0.61	0.7	0.01
1986	8.5	0.05	12.2	0.60	0.4	0.01
1987	8.6	0.05	12.4	0.54	0.4	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	6.1	0.11	11.7	0.18	8.0	0.22
1970	7.9	0.12	14.0	0.18	10.5	0.22
1971	8.5	0.13	14.0	0.18	10.4	0.22
1972	8.1	0.13	13.7	0.19	9.7	0.22
1973	8.1	0.13	12.6	0.17	9.4	0.21
1974	7.4	0.13	11.0	0.15	8.8	0.21
1975	8.9	0.13	12.4	0.14	10.6	0.21
1976	8.9	0.13	12.1	0.14	10.1	0.20
1977	8.9	0.12	12.5	0.14	11.0	0.20
1978	9.6	0.12	13.5	0.14	12.0	0.20
1979	11.4	0.12	15.1	0.13	13.9	0.20
1980	11.6	0.11	13.6	0.13	15.0	0.21
1981	11.0	0.11	11.6	0.12	14.1	0.21
1982	11.5	0.11	12.3	0.12	14.6	0.22
1983	14.1	0.12	15.0	0.13	16.7	0.22
1984	14.2	0.13	14.1	0.14	15.0	0.21
1985	16.3	0.12	14.2	0.12	17.9	0.22
1986	18.4	0.13	13.8	0.11	18.9	0.22
1987	18.9	0.12	13.7	0.11	18.6	0.21

GARRARD COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	624	14.7	1,839	43.4	.	.
1970	633	15.3	1,814	44.0	.	.
1971	564	13.6	1,790	43.2	.	.
1972	597	13.9	1,774	41.3	.	.
1973	651	14.6	1,784	40.1	.	.
1974	682	15.5	1,785	40.5	.	.
1975	641	16.2	1,534	38.7	.	.
1976	657	16.0	1,517	37.0	.	.
1977	675	16.3	1,433	34.7	.	.
1978	614	14.7	1,391	33.3	.	.
1979	669	16.0	1,374	32.8	.	.
1980	686	16.6	1,413	34.1	.	.
1981	585	14.1	1,481	35.6	.	.
1982	524	12.7	1,503	36.3	17	0.4
1983	593	13.6	1,550	35.6	17	0.4
1984	439	10.4	1,481	35.1	.	.
1985	370	8.8	1,443	34.3	.	.
1986	279	6.7	1,469	35.2	.	.
1987	352	8.3	1,422	33.4	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	342	8.1	526	12.4	355	8.4
1970	353	8.6	492	11.9	372	9.0
1971	379	9.1	506	12.2	380	9.2
1972	408	9.5	520	12.1	394	9.2
1973	430	9.7	493	11.1	410	9.2
1974	405	9.2	481	10.9	427	9.7
1975	399	10.1	515	13.0	444	11.2
1976	441	10.8	526	12.8	449	10.9
1977	453	11.0	594	14.4	457	11.1
1978	473	11.3	641	15.3	476	11.4
1979	463	11.1	612	14.6	487	11.6
1980	436	10.5	572	13.8	471	11.4
1981	444	10.7	564	13.6	477	11.5
1982	459	11.1	556	13.4	479	11.6
1983	495	11.4	553	12.7	486	11.2
1984	520	12.3	574	13.6	492	11.6
1985	504	12.0	578	13.7	533	12.7
1986	514	12.3	555	13.3	517	12.4
1987	548	12.9	573	13.5	512	12.0

GARRARD COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	4,233	\$13,610	\$17,440	.	4.2
1970	4,125	\$11,536	\$17,811	6.9	4.4
1971	4,144	\$11,893	\$18,166	4.1	5.1
1972	4,299	\$12,821	\$18,970	5.2	6.0
1973	4,449	\$13,143	\$19,232	3.6	3.7
1974	4,410	\$13,631	\$19,008	4.8	4.5
1975	3,964	\$13,039	\$18,976	8.0	7.3
1976	4,102	\$13,717	\$19,563	5.5	5.6
1977	4,129	\$13,036	\$20,031	5.2	4.7
1978	4,178	\$12,447	\$20,121	6.8	5.3
1979	4,185	\$11,051	\$20,110	6.1	5.5
1980	4,143	\$10,838	\$19,439	8.5	8.0
1981	4,162	\$11,358	\$19,286	9.6	8.4
1982	4,137	\$11,206	\$18,931	11.4	10.6
1983	4,349	\$9,638	\$18,358	10.5	11.6
1984	4,224	\$11,037	\$19,080	10.7	9.3
1985	4,212	\$9,751	\$18,676	11.9	9.5
1986	4,170	\$9,717	\$18,627	13.3	9.3
1987	4,256	\$9,781	\$18,636	11.6	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	9,500	0.30	.	.	.	.
1970	9,400	0.29	9.4	10.3	17.8	14.8
1971	9,400	0.28	8.8	9.6	18.3	14.8
1972	9,400	0.28	8.6	9.1	18.7	15.0
1973	9,700	0.29	8.2	8.8	18.5	15.2
1974	9,800	0.29	8.2	8.6	18.7	15.3
1975	10,400	0.30	7.8	8.4	18.0	15.4
1976	10,300	0.29	7.9	8.2	18.6	15.5
1977	10,500	0.29	8.0	8.4	18.5	15.5
1978	10,700	0.30	8.0	8.5	18.5	15.6
1979	11,000	0.30	8.1	8.7	18.4	15.8
1980	10,900	0.30	8.4	9.2	18.7	15.4
1981	11,300	0.31	8.2	9.3	18.9	15.5
1982	11,200	0.30	8.1	9.2	19.1	15.7
1983	11,400	0.31	8.0	9.2	18.9	15.9
1984	11,500	0.31	7.9	9.0	19.1	16.1
1985	11,600	0.31	7.7	8.9	19.0	16.3
1986	11,600	0.31	7.2	8.6	19.0	16.5
1987	11,500	0.31



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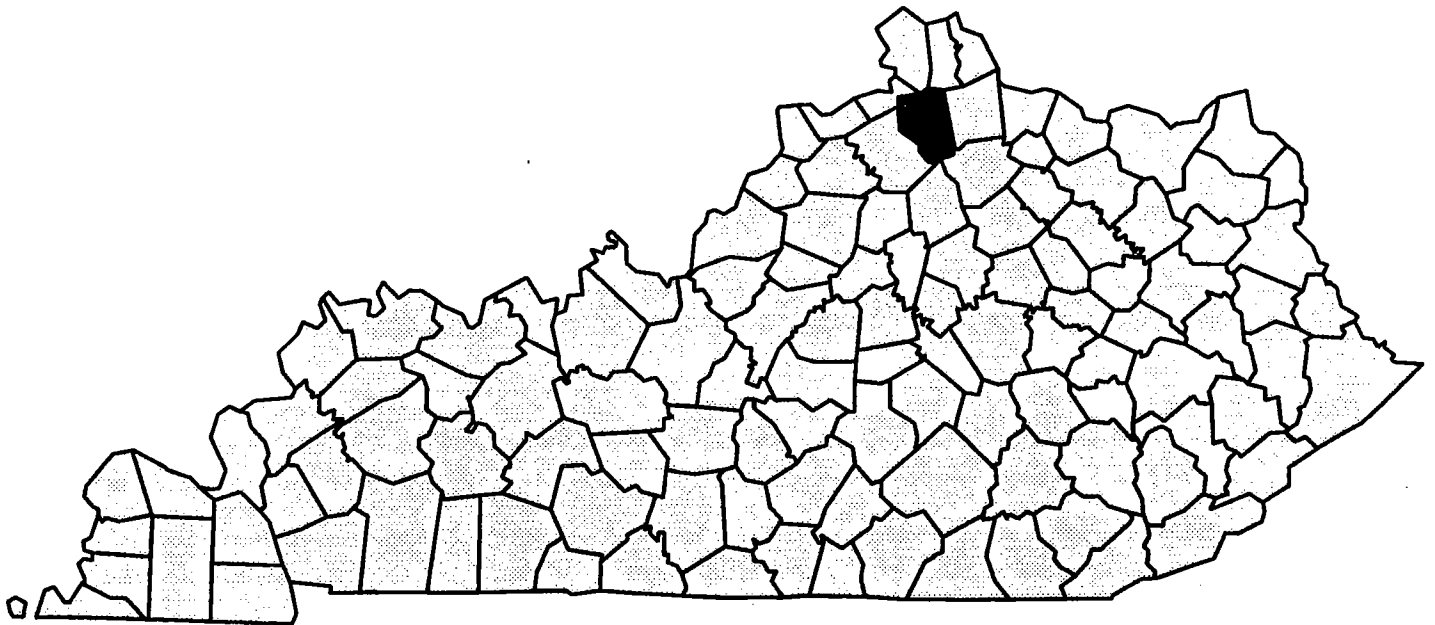
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

GRANT 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

GRANT COUNTY

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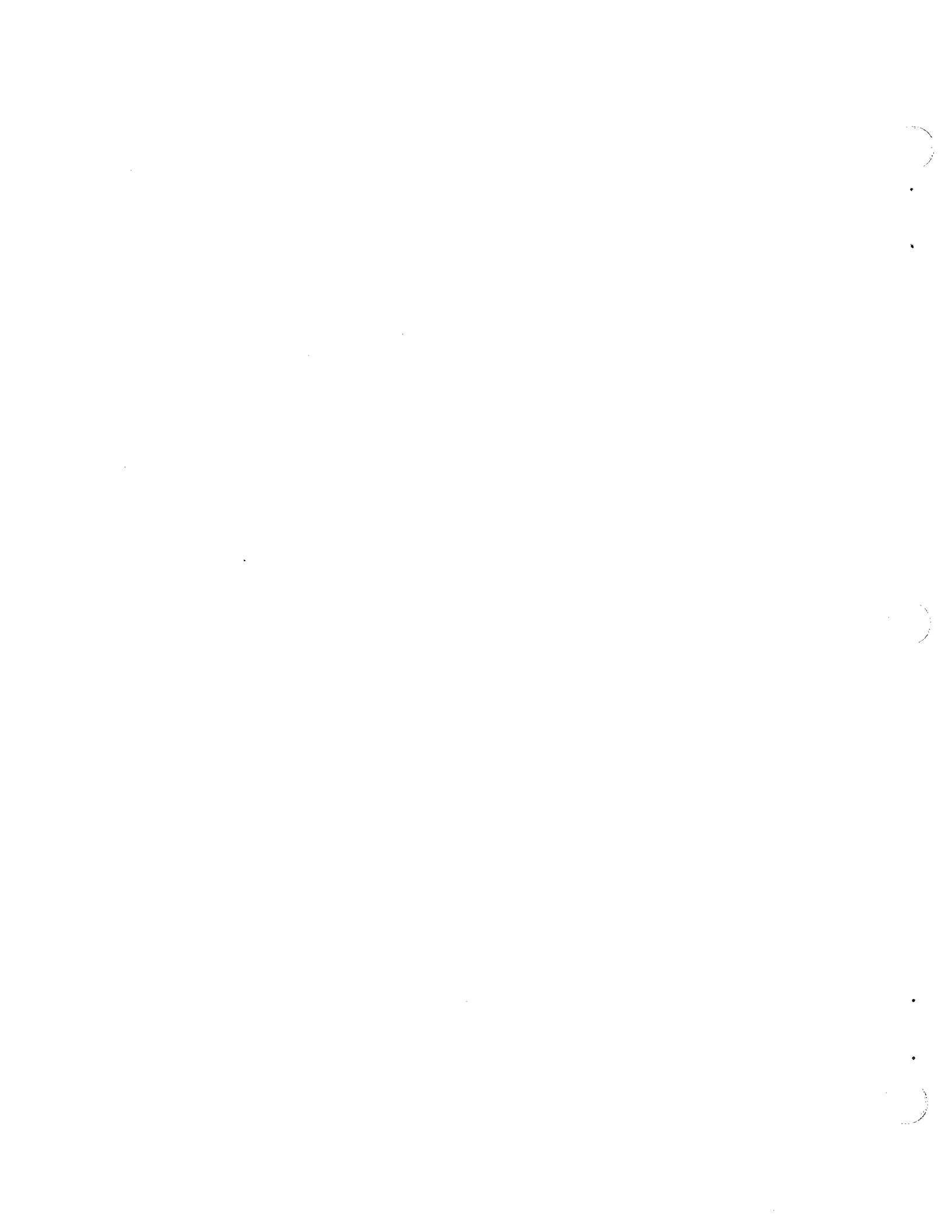
FOREWORD

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 Grant County economy, as measured by personal income, grew steadily from 1969 to 1987. Grant County increased its share of the Kentucky economy. This indicates the county economy grew faster than the state economy.

The most prominent economic trend in Grant County was a decline in earnings from the farm sector. Farm employment has also declined, but to a much lesser degree.

This decline in the farm sector was offset by an increase in the manufacturing sector. The growth sectors at the state level have been the service and trade sectors. While the state and local government sector increased in Grant County, the service sector maintained a constant share of the economy, and the trade sector declined.

There is a national and state trend toward a declining farm sector. Therefore, the outlook for this sector in Grant County is for continued decline. The county's economic growth resulted primarily from growth in the manufacturing sector. While manufacturing industries often have high wages, they are also very sensitive to economic fluctuations. Consequently, while a high concentration in manufacturing supported the economy during a period of 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 GRANT 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 Grant 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 Grant County economy, as measured by personal income, increased from \$86 million in 1969 to \$159 million in 1987, after adjusting for inflation. Chart 1B shows Grant County total personal income as a percent of Kentucky total personal income. Grant County increased 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 Grant County per capita income increased over the time period to a level of \$11,191 per person in 1987, which was 89.5 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. Except for recessionary declines in 1975 and 1982, total earnings increased from \$69 million in 1969 to \$109 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income decreased over time. This trend is occurring at the state level as well. In

1987, earnings accounted for 68.5 percent of Grant County's total personal income, compared to Kentucky's 67.5 percent share.

Transfer payments contributed \$10 million to total personal income in 1969 and \$29 million in 1987. During the same period, transfer payments contributed a slightly higher percentage of personal income in Grant County than in Kentucky.

Income from property in Grant County grew steadily through the time period. Income from property totalled \$8 million in 1969 and increased to \$21 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, Grant County received 8.9 percent of total earnings from manufacturing. This percentage increased to 19.4 percent in 1987 (Chart 3A).

The farm sector's share of total earnings was very volatile. The percent of earnings from the farm sector declined from 22.1 percent in 1969 to 5.0 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 declined through the 1970's but then increased to 14.4 percent in 1987. The trade sector's share of earnings declined from 21.8 percent in 1969 to 16.5 percent in 1987. Earnings from the state and local government sector increased from 12.4 percent in 1969 to 16.9 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 were stable.

Average earnings per job (adjusted for inflation) for Grant 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 Grant County, average earnings were well below those of the state and were \$11,419 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Grant County increased during the data period. In 1969, total employment stood at 3,914 people. By 1987, that figure had increased to 5,581.

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 Grant County are presented in Chart 4B. Unemployment rates in Grant County followed state trends. 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 percent of total employment in manufacturing increased from 5.4 percent in 1969 to 12.2 percent in 1987. At the state level, manufacturing's share of employment declined.

The farm sector was the primary source of county employment. However, the percent of employment in this sector decreased from 37.7 percent of total employment in 1969 to 27.0 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector declined slightly, accounting for 17.6 percent of employment in 1987. The percent of employment in the service sector remained stable, accounting for 12.0 percent in 1987. The employment share in state and local government was also fairly stable and was 10.2 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 Grant County.

The Grant County population grew from 9,900 in 1969 to 14,200 in 1987 (Chart 5A). It was estimated that in 1986, 9.0 percent of Grant County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 16.6 percent of the Grant County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A

GRANT COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

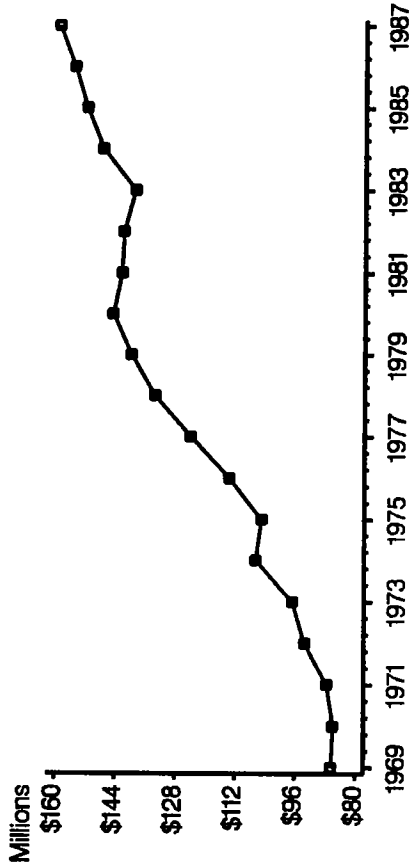


CHART 1B
GRANT COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

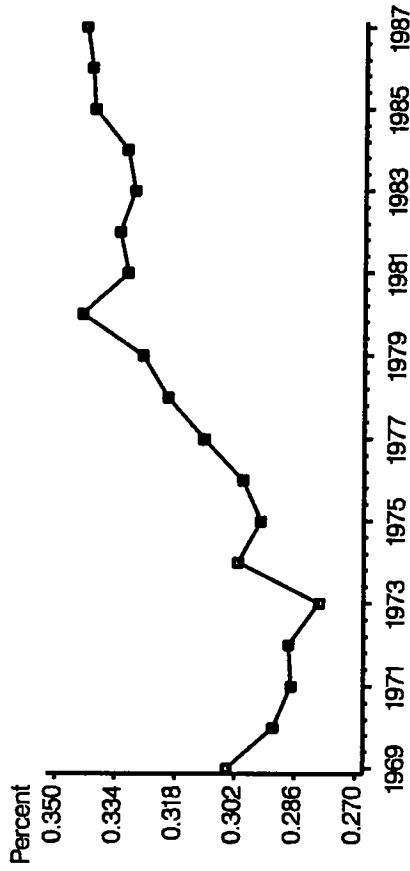


CHART 1C

GRANT COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

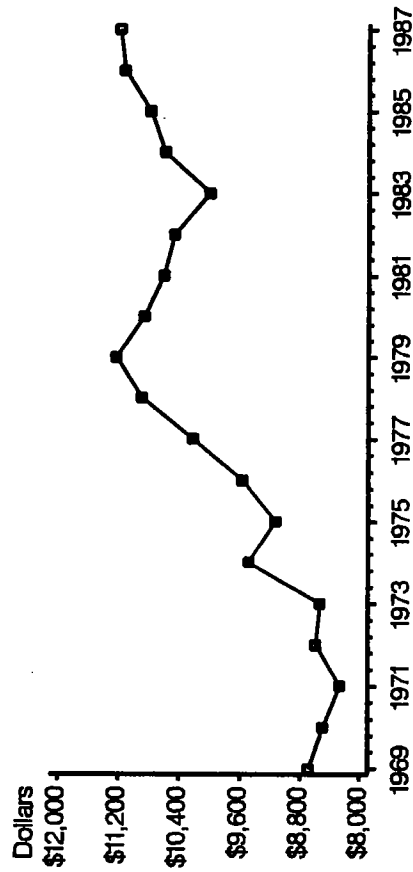


CHART 1D

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

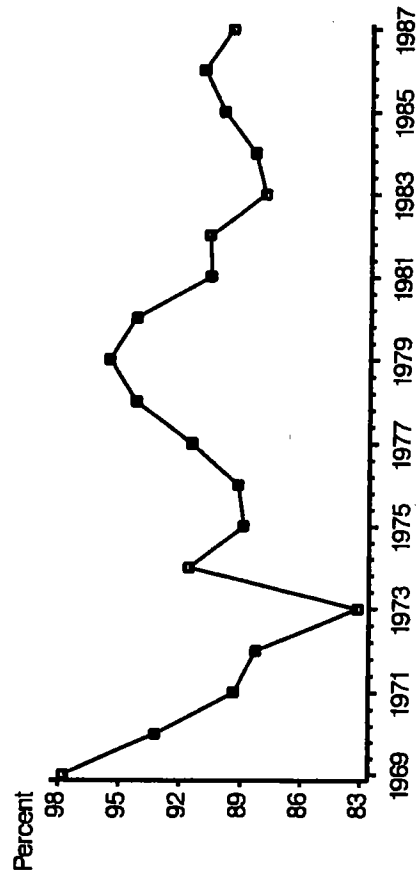


CHART 2A
GRANT COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

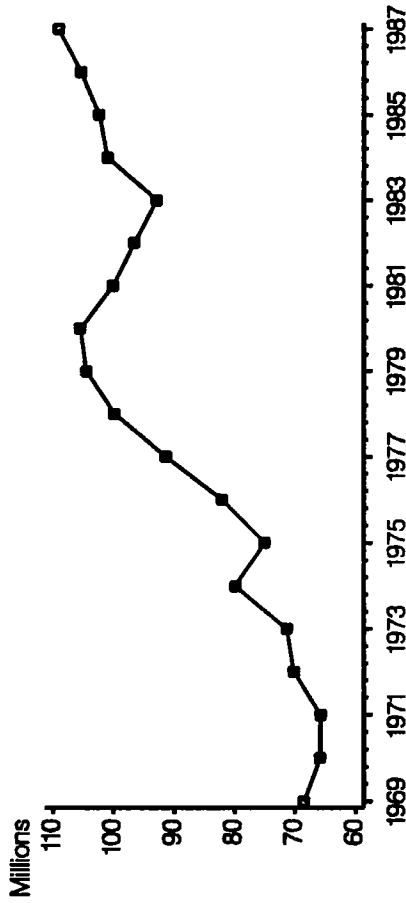


CHART 2B
GRANT COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

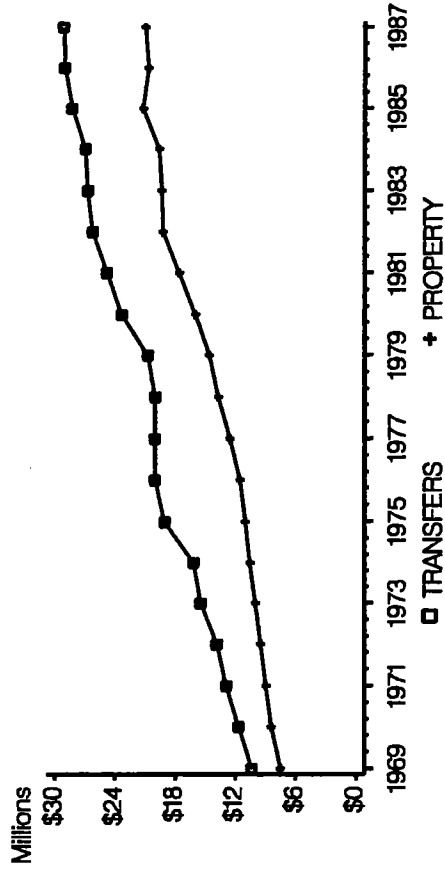


CHART 2C
GRANT COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

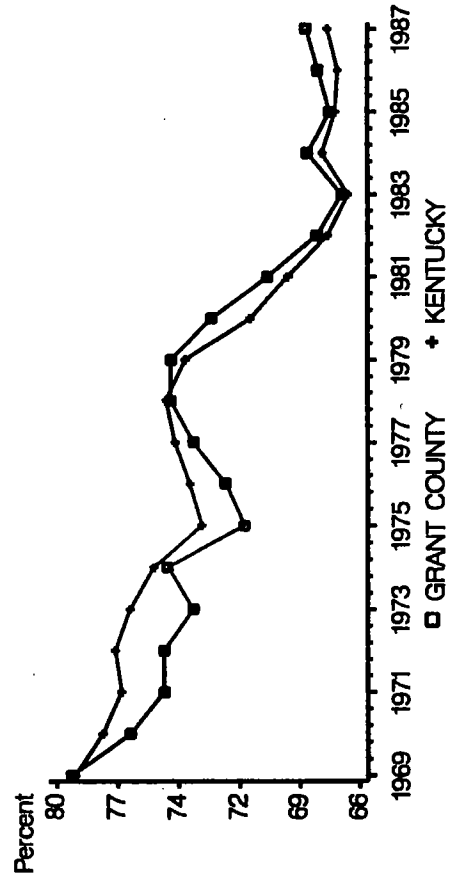


CHART 2D
GRANT COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

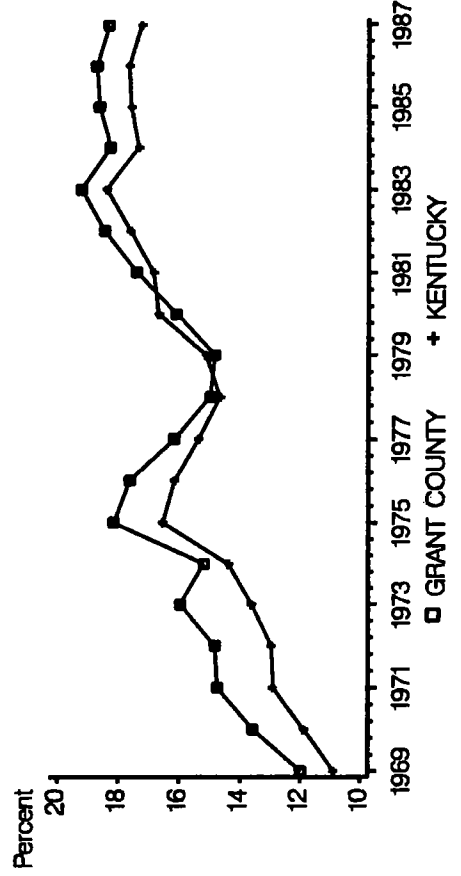


CHART 3A
GRANT COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

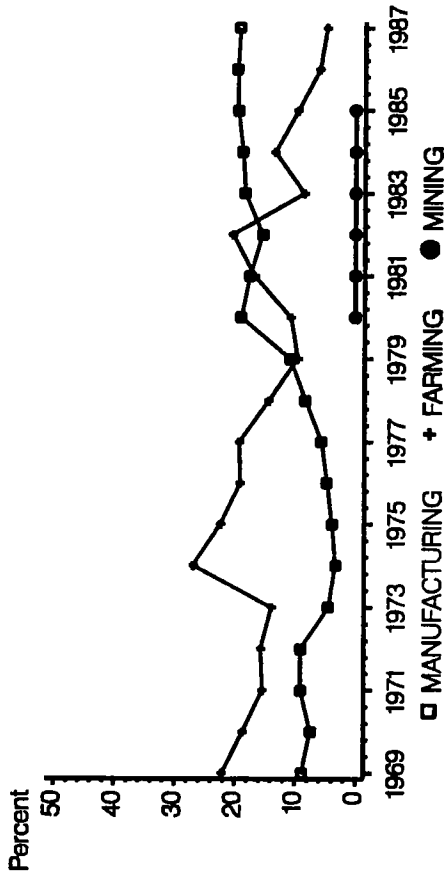


CHART 3B
GRANT COUNTY
EARNINGS IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

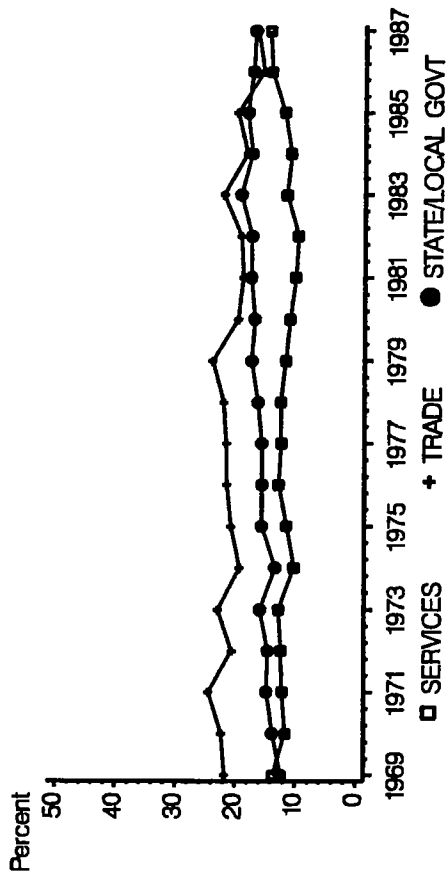


CHART 3C
GRANT COUNTY
EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

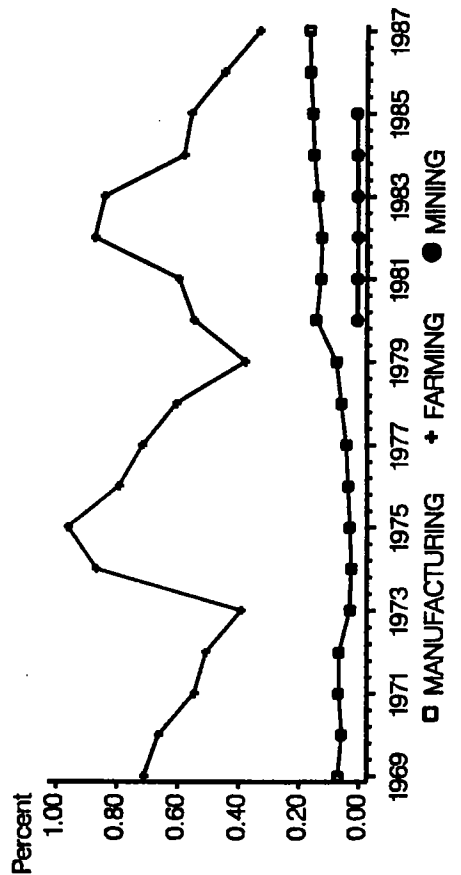


CHART 3D
GRANT COUNTY
AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

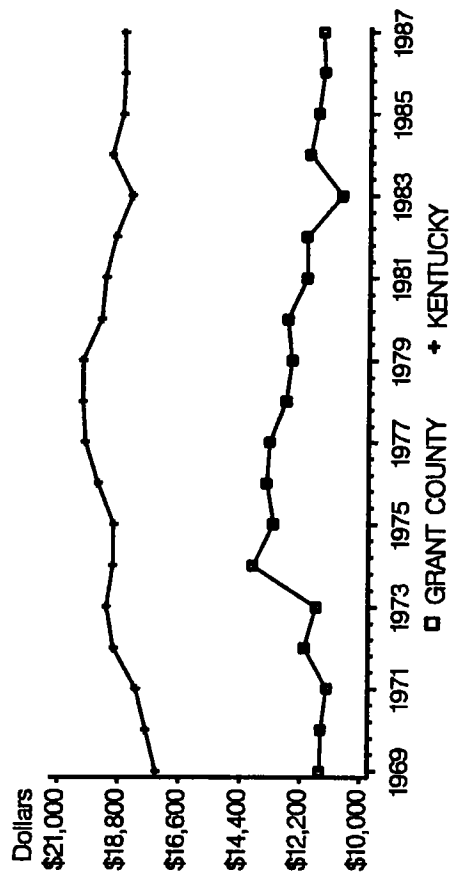


CHART 4A
GRANT COUNTY
TOTAL EMPLOYMENT
Thousands of People

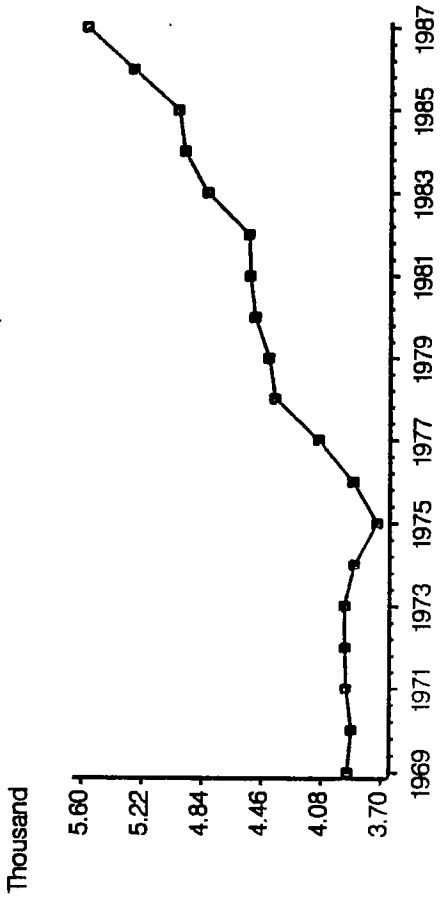


CHART 4B
GRANT COUNTY
ANNUAL UNEMPLOYMENT RATE

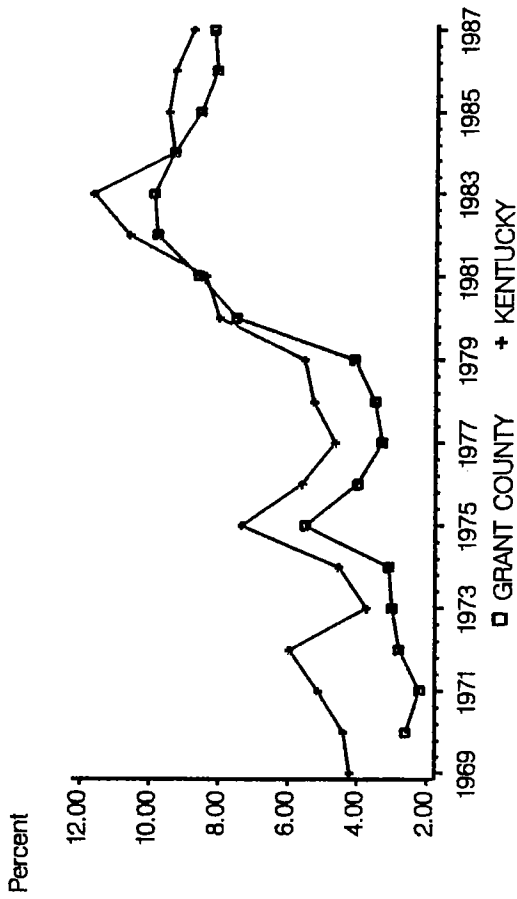


CHART 4C
GRANT COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

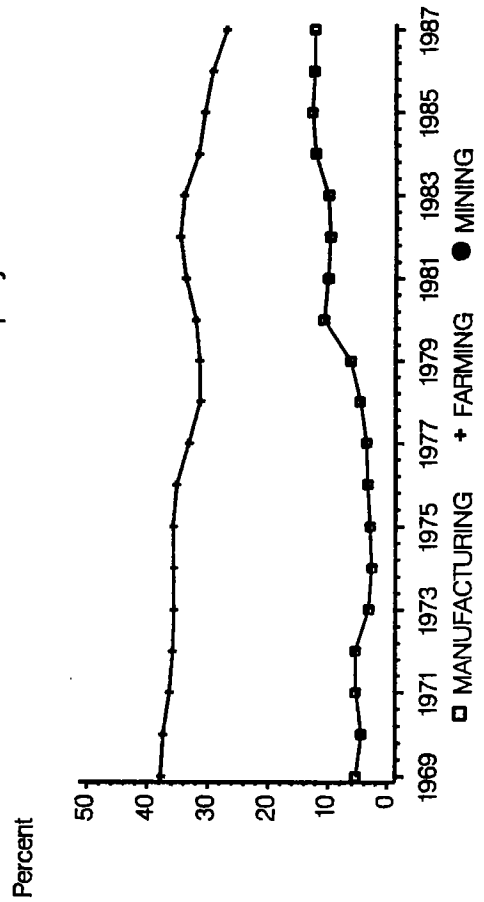


CHART 4D
GRANT COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

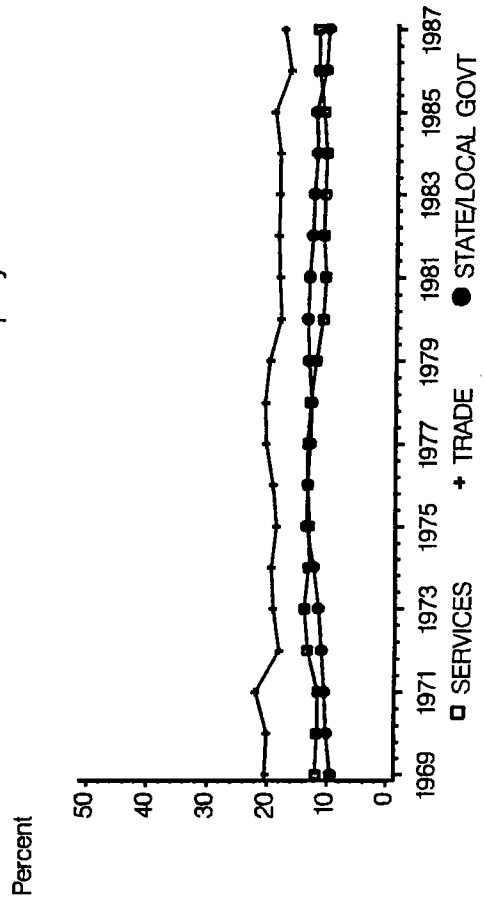


CHART 5A
GRANT COUNTY
POPULATION
Thousands of People

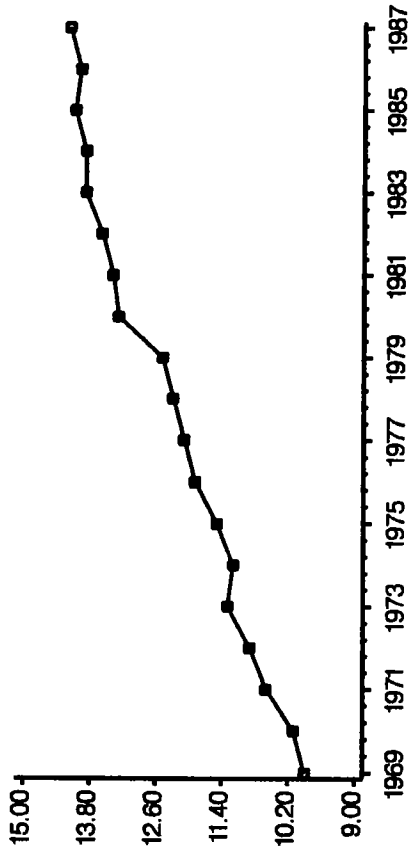


CHART 5B
GRANT COUNTY
POPULATION
as a Percent of Kentucky Population

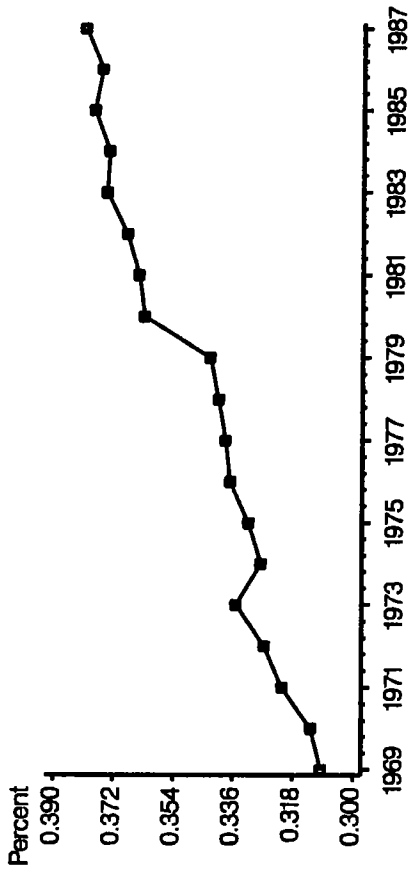


CHART 5C
GRANT COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

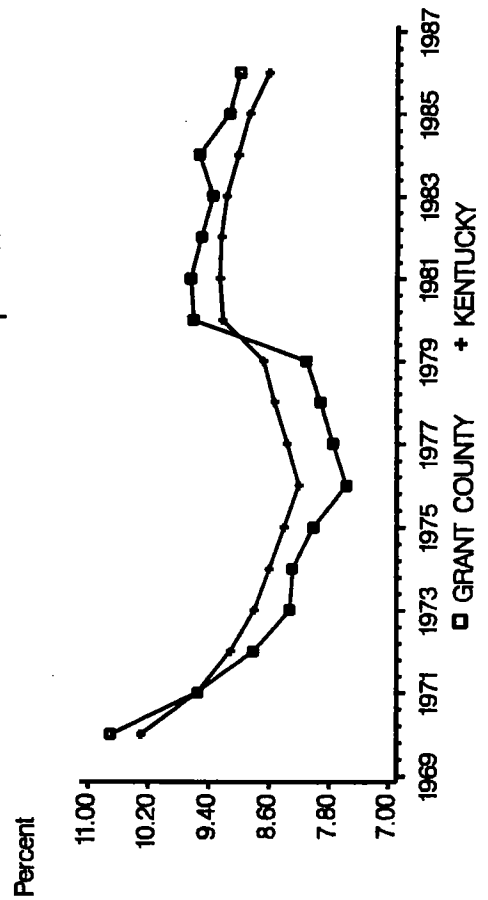
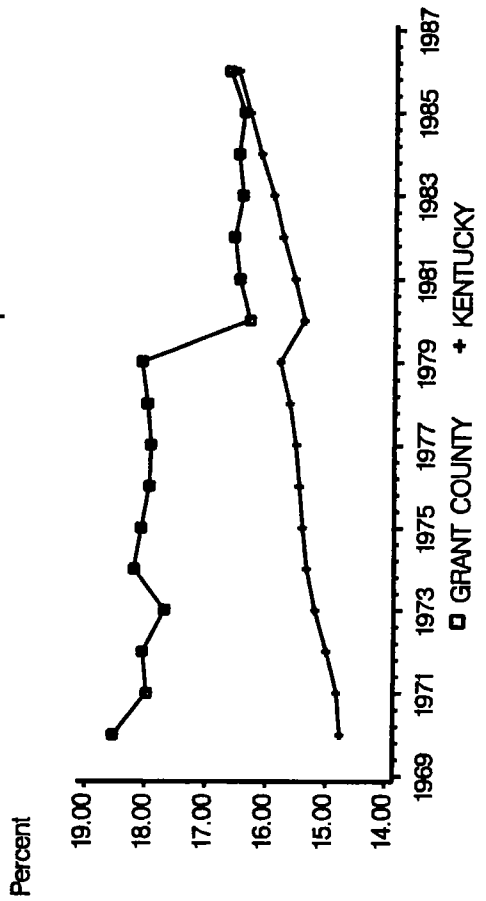


CHART 5D
GRANT COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



GRANT COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	86	0.30	8,685	97.7
1970	86	0.29	8,497	93.2
1971	88	0.29	8,269	89.3
1972	94	0.29	8,598	88.2
1973	97	0.28	8,539	83.2
1974	107	0.30	9,487	91.6
1975	105	0.30	9,121	88.9
1976	114	0.30	9,572	89.2
1977	124	0.31	10,221	91.4
1978	134	0.32	10,897	94.2
1979	140	0.33	11,234	95.5
1980	145	0.34	10,866	94.2
1981	143	0.33	10,615	90.6
1982	142	0.33	10,470	90.6
1983	139	0.33	10,001	87.9
1984	148	0.33	10,598	88.4
1985	152	0.34	10,792	89.9
1986	155	0.34	11,128	90.9
1987	159	0.34	11,191	89.5

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	69	79.3	79.2	10	12.0	10.9	8	8.7	9.9
1970	66	76.6	77.9	12	13.6	11.9	8	9.8	10.2
1971	66	75.1	77.0	13	14.7	12.9	9	10.2	10.1
1972	70	75.1	77.3	14	14.8	12.9	9	10.1	9.7
1973	71	73.7	76.6	15	16.0	13.6	10	10.3	9.7
1974	80	74.9	75.5	16	15.2	14.4	11	9.9	10.1
1975	75	71.4	73.3	19	18.2	16.5	11	10.5	10.1
1976	82	72.2	73.9	20	17.6	16.1	12	10.2	10.0
1977	91	73.7	74.6	20	16.2	15.3	13	10.1	10.1
1978	100	74.8	75.0	20	15.0	14.6	14	10.3	10.4
1979	105	74.7	74.1	21	14.8	15.1	15	10.4	10.8
1980	106	72.9	71.1	23	16.1	16.7	16	11.0	12.2
1981	100	70.3	69.3	25	17.4	16.8	18	12.3	13.8
1982	97	68.0	67.5	26	18.4	17.6	19	13.5	14.9
1983	93	66.9	66.6	27	19.2	18.4	19	13.9	15.1
1984	101	68.5	67.8	27	18.3	17.3	20	13.3	14.9
1985	103	67.4	67.2	28	18.6	17.6	21	14.0	15.3
1986	106	68.0	67.1	29	18.7	17.6	21	13.3	15.3
1987	109	68.5	67.5	29	18.3	17.2	21	13.2	15.3

GRANT 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	8.9	0.07	22.1	0.71	.	.
1970	7.4	0.06	18.6	0.66	.	.
1971	9.1	0.07	15.4	0.54	.	.
1972	9.1	0.07	15.6	0.51	.	.
1973	4.5	0.03	13.9	0.39	.	.
1974	3.3	0.03	26.9	0.87	.	.
1975	3.9	0.03	22.4	0.96	.	.
1976	4.8	0.03	19.2	0.79	.	.
1977	5.8	0.04	19.3	0.72	.	.
1978	8.4	0.06	14.5	0.60	.	.
1979	10.9	0.07	9.7	0.38	.	.
1980	19.1	0.14	10.9	0.55	0.2	0.00
1981	17.7	0.13	16.9	0.60	0.2	0.00
1982	15.5	0.12	20.5	0.87	0.1	0.00
1983	18.5	0.14	8.7	0.84	0.2	0.00
1984	18.9	0.15	13.6	0.58	0.1	0.00
1985	19.7	0.16	9.7	0.56	0.2	0.01
1986	19.8	0.16	6.1	0.45	.	.
1987	19.4	0.17	5.0	0.33	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	13.7	0.20	21.8	0.27	12.4	0.26
1970	11.6	0.17	22.3	0.26	13.8	0.27
1971	12.2	0.16	24.4	0.28	14.8	0.27
1972	12.4	0.17	20.6	0.24	14.6	0.28
1973	12.8	0.16	22.9	0.24	15.9	0.28
1974	10.2	0.16	19.3	0.24	13.4	0.28
1975	11.5	0.15	20.7	0.23	15.6	0.29
1976	12.8	0.17	21.4	0.24	15.6	0.29
1977	12.4	0.17	21.5	0.24	15.6	0.29
1978	12.5	0.16	22.0	0.24	16.3	0.30
1979	11.7	0.15	23.8	0.25	17.3	0.30
1980	11.0	0.14	19.6	0.23	16.8	0.30
1981	10.1	0.12	18.8	0.22	17.4	0.30
1982	9.7	0.11	19.1	0.23	17.3	0.30
1983	11.6	0.12	22.0	0.24	19.1	0.31
1984	10.9	0.12	18.2	0.22	17.3	0.31
1985	11.9	0.13	19.8	0.23	18.1	0.31
1986	14.2	0.14	15.5	0.19	17.2	0.29
1987	14.4	0.15	16.5	0.21	16.9	0.30

GRANT COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	213	5.4	1,477	37.7	.	.
1970	175	4.5	1,453	37.4	.	.
1971	213	5.4	1,426	36.3	.	.
1972	215	5.5	1,408	35.8	.	.
1973	126	3.2	1,402	35.6	.	.
1974	104	2.7	1,381	35.7	.	.
1975	112	3.0	1,334	35.8	.	.
1976	132	3.4	1,367	35.2	.	.
1977	149	3.6	1,361	33.2	.	.
1978	206	4.7	1,372	31.3	.	.
1979	278	6.3	1,390	31.5	.	.
1980	482	10.7	1,447	32.1	.	.
1981	456	10.0	1,532	33.7	.	.
1982	441	9.7	1,577	34.7	.	.
1983	483	10.0	1,639	34.1	.	.
1984	601	12.1	1,570	31.7	.	.
1985	634	12.7	1,533	30.7	.	.
1986	653	12.3	1,552	29.3	.	.
1987	683	12.2	1,508	27.0	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	466	11.9	798	20.4	368	9.4
1970	452	11.6	783	20.1	394	10.1
1971	451	11.5	863	22.0	412	10.5
1972	522	13.3	711	18.1	430	10.9
1973	544	13.8	755	19.2	454	11.5
1974	510	13.2	755	19.5	479	12.4
1975	487	13.1	696	18.7	505	13.5
1976	518	13.3	747	19.2	518	13.3
1977	547	13.3	837	20.4	531	12.9
1978	569	13.0	902	20.6	558	12.7
1979	532	12.0	876	19.8	588	13.3
1980	494	11.0	812	18.0	608	13.5
1981	481	10.6	830	18.3	602	13.3
1982	499	11.0	843	18.5	581	12.8
1983	517	10.7	883	18.3	603	12.5
1984	522	10.5	907	18.3	597	12.0
1985	549	11.0	958	19.2	610	12.2
1986	625	11.8	874	16.5	564	10.7
1987	667	12.0	984	17.6	571	10.2

GRANT COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	3,914	\$11,478	\$17,440	.	4.2
1970	3,889	\$11,431	\$17,811	2.6	4.4
1971	3,924	\$11,216	\$18,166	2.2	5.1
1972	3,930	\$12,061	\$18,970	2.8	6.0
1973	3,934	\$11,622	\$19,232	3.0	3.7
1974	3,873	\$13,920	\$19,008	3.1	4.5
1975	3,727	\$13,178	\$18,976	5.5	7.3
1976	3,882	\$13,428	\$19,563	4.0	5.6
1977	4,102	\$13,310	\$20,031	3.3	4.7
1978	4,380	\$12,737	\$20,121	3.5	5.3
1979	4,418	\$12,533	\$20,110	4.1	5.5
1980	4,508	\$12,690	\$19,439	7.5	8.0
1981	4,541	\$12,003	\$19,286	8.6	8.4
1982	4,549	\$12,025	\$18,931	9.8	10.6
1983	4,813	\$10,716	\$18,358	9.9	11.6
1984	4,959	\$11,909	\$19,080	9.3	9.3
1985	5,000	\$11,600	\$18,676	8.6	9.5
1986	5,289	\$11,379	\$18,627	8.1	9.3
1987	5,581	\$11,419	\$18,636	8.2	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	9,900	0.31	.	.	.	.
1970	10,100	0.31	10.7	10.3	18.5	14.8
1971	10,600	0.32	9.5	9.6	18.0	14.8
1972	10,900	0.33	8.8	9.1	18.0	15.0
1973	11,300	0.34	8.3	8.8	17.7	15.2
1974	11,200	0.33	8.3	8.6	18.2	15.3
1975	11,500	0.33	8.0	8.4	18.1	15.4
1976	11,900	0.34	7.6	8.2	17.9	15.5
1977	12,100	0.34	7.8	8.4	17.9	15.5
1978	12,300	0.34	7.9	8.5	18.0	15.6
1979	12,500	0.34	8.1	8.7	18.1	15.8
1980	13,300	0.36	9.6	9.2	16.3	15.4
1981	13,400	0.36	9.6	9.3	16.5	15.5
1982	13,600	0.37	9.5	9.2	16.6	15.7
1983	13,900	0.37	9.4	9.2	16.4	15.9
1984	13,900	0.37	9.5	9.0	16.5	16.1
1985	14,100	0.38	9.1	8.9	16.4	16.3
1986	14,000	0.38	9.0	8.6	16.6	16.5
1987	14,200	0.38



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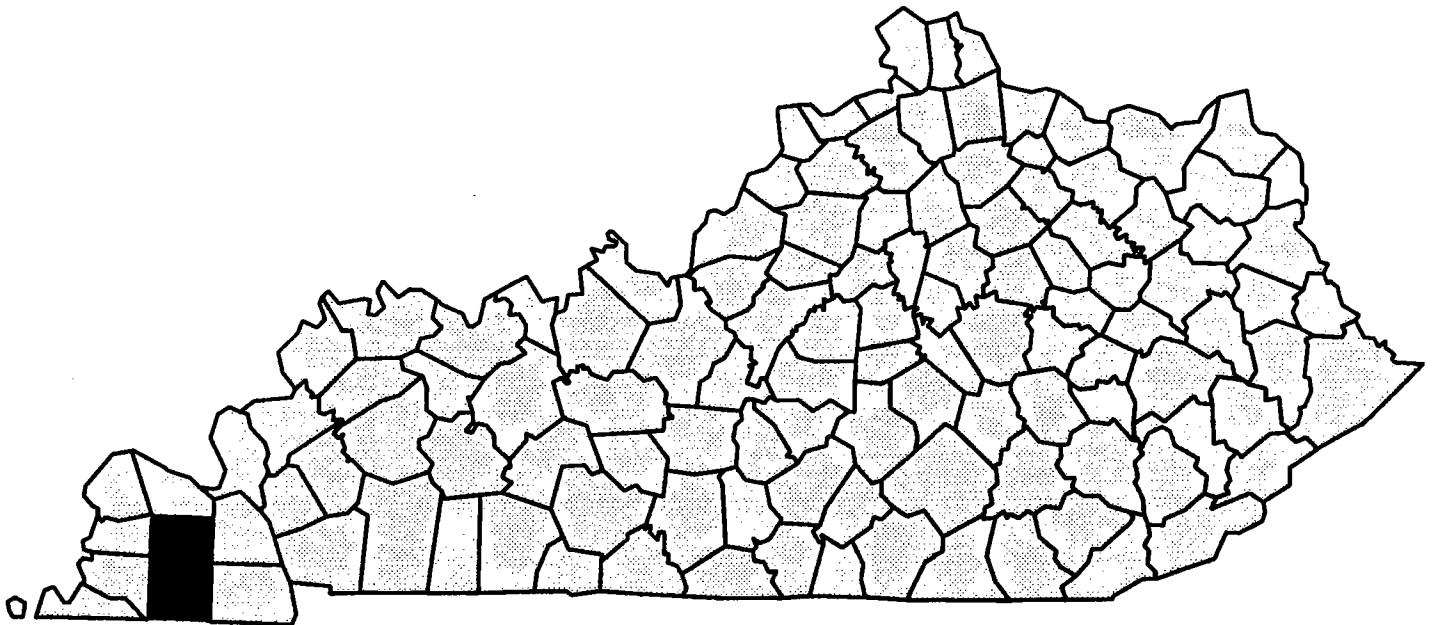
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

GRAVES COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



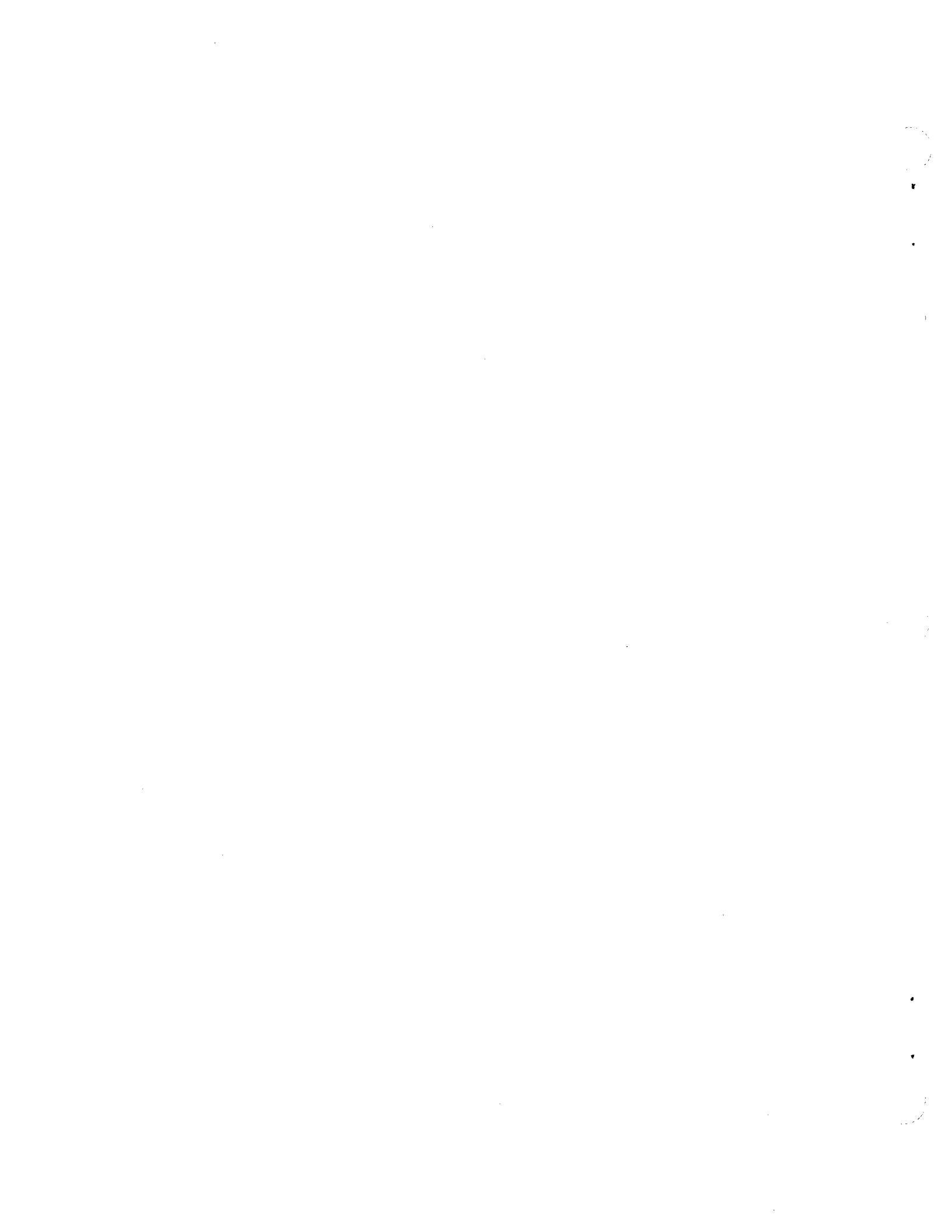
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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GRAVES COUNTY

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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 Graves County economy, as measured by personal income, grew substantially from 1969 to 1987. However, Graves County had only small changes in its share of the Kentucky economy. This indicates that the county economy grew at rates comparable to the state economy in most years.

The most prominent economic pattern in Graves County was the strong effect on the county of national recessions in 1975 and the early 1980's. The county's farm and manufacturing sectors suffered serious declines during these periods.

Economic growth in the county came primarily from increases in transfer payments and property income, and a strong manufacturing sector. The services and state and local government sectors increased their share of both county earnings and employment. The growth sectors at the state level have been the service and trade sectors. The trade sector decreased its share of earnings in Graves County, but increased its share of employment.

The county's economy has 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 periods of national economic growth, it also makes 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 GRAVES 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 Graves 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 Graves County economy, as measured by personal income, increased from \$254 million in 1969 to \$427 million in 1987, after adjusting for inflation. Chart 1B shows Graves County total personal income as a percent of Kentucky total personal income. Graves County's share of Kentucky personal income was very erratic.

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 Graves County per capita income was somewhat volatile over the time period and in 1987 stood at \$12,583 per person, which was 100.7 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 dropped significantly in 1975 and 1980 to 1983, periods corresponding to national recessionary cycles. Overall, earnings increased from \$191 million in 1969 to \$270 million in 1987 (in constant 1988 dollars) and have also been somewhat volatile. Earnings as a

percent of personal income declined over the period. This trend is occurring at the state level as well. In 1987, earnings accounted for 63.3 percent of Graves County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$36 million, or 14.3 percent of total personal income, in 1969. By 1987 they accounted for \$82 million, or 19.3 percent of personal income. During the same period, transfer payments contributed a larger percentage of personal income in Graves County than in Kentucky.

Income from property in Graves County also grew significantly through the period. Income from property totalled \$27 million in 1969 and increased to \$75 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, Graves County received 37.0 percent of total earnings from manufacturing. This percentage increased to 46.0 percent in 1987 (Chart 3A). The percent of earnings from the farm sector declined from 7.7 percent in 1969 to 3.4 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 both the services and state and local government sectors increased moderately. The share of earnings from the trade sector decreased significantly, from 17.5 percent in 1969 to 12.8 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) in Graves 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 Graves County, average earnings followed a similar pattern and in 1987 stood at \$17,689.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Graves County increased moderately during the data period. In 1969, total employment stood at 12,592 people. By 1987, that figure had increased to 14,878.

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 Graves County

are presented in Chart 4B. Unemployment rates in Graves County were generally well above state rates. However, in 1987, the county unemployment rate dropped to 7.9 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 remained fairly constant and accounted for 26.8 percent in 1987. At the state level, manufacturing's share of employment declined. County employment in the farm sector declined from 17.6 percent of total employment in 1969 to 12.8 percent in 1987. This drop paralleled the state trend in agriculture employment.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector increased slightly and accounted for 19.2 percent of employment in 1987. The percent of employment in the service sector increased at about the same rate and accounted for 16.9 percent in 1987. The employment share in state and local government increased similarly from 6.0 percent in 1969 to 8.3 percent in 1987. At the state level, employment shares in both the service and trade sectors increased substantially, 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 Graves County.

The Graves County population grew from 30,800 in 1969 to 33,900 in 1987 (Chart 5A). Graves County had a smaller proportion of younger residents and a larger proportion of older residents than the state. It was estimated that in 1986, 7.2 percent of Graves County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 22.3 percent of the Graves County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

The higher concentration of older residents partially accounts for the county's greater share of personal income from transfer payments. This is because the transfer payments category includes retirement benefits and medical payments under Medicare and Medicaid.

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

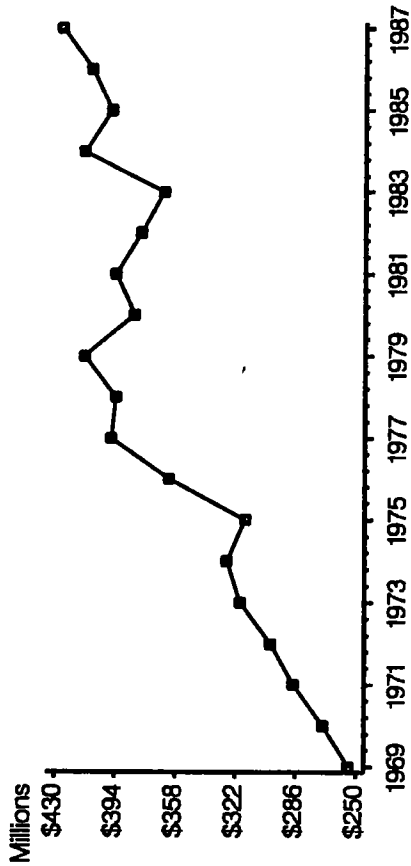


CHART 1B
GRAVES COUNTY
PERSONAL INCOME
 as a Percent of Kentucky Personal Income

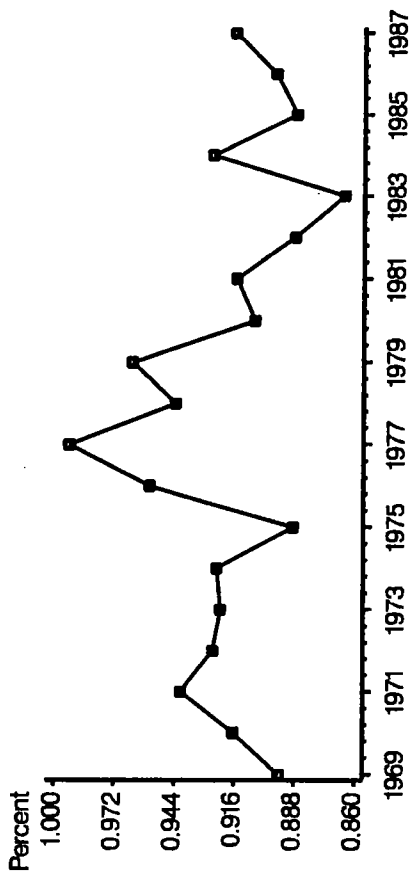


CHART 1C
GRAVES COUNTY
PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

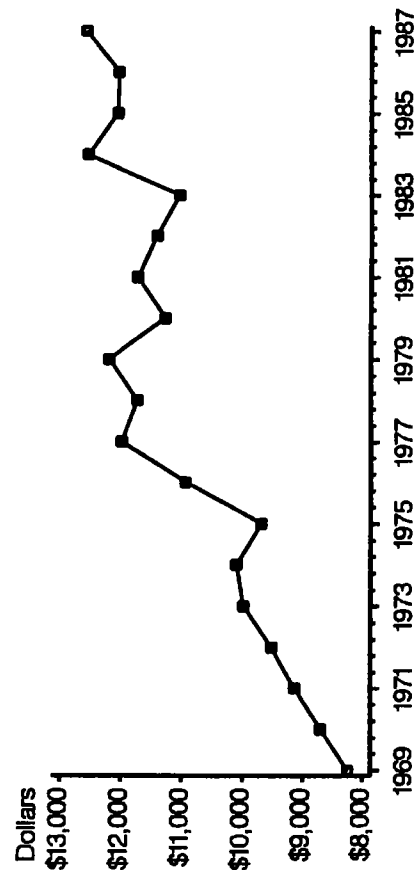


CHART 1D
GRAVES COUNTY
PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

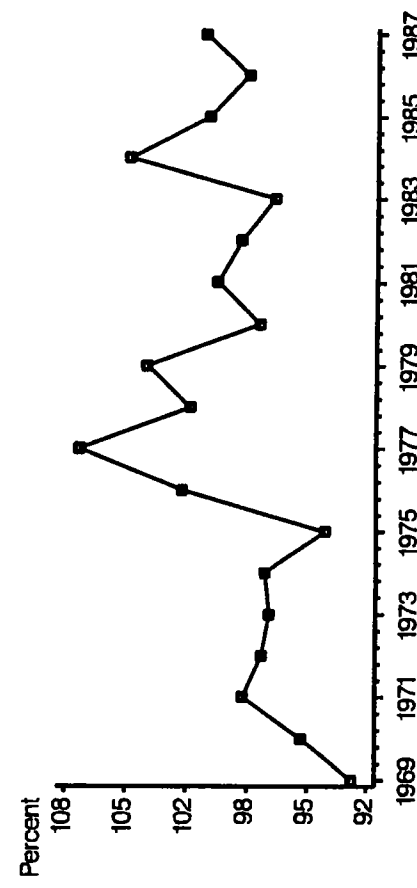


CHART 2A

GRAVES COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

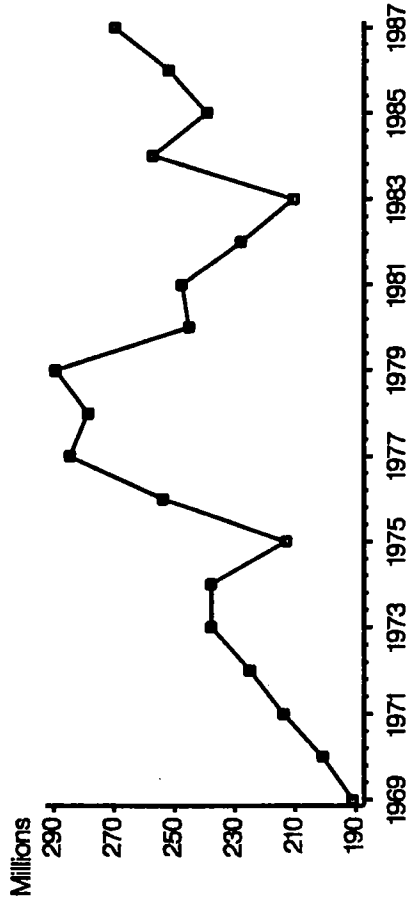


CHART 2B

GRAVES COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

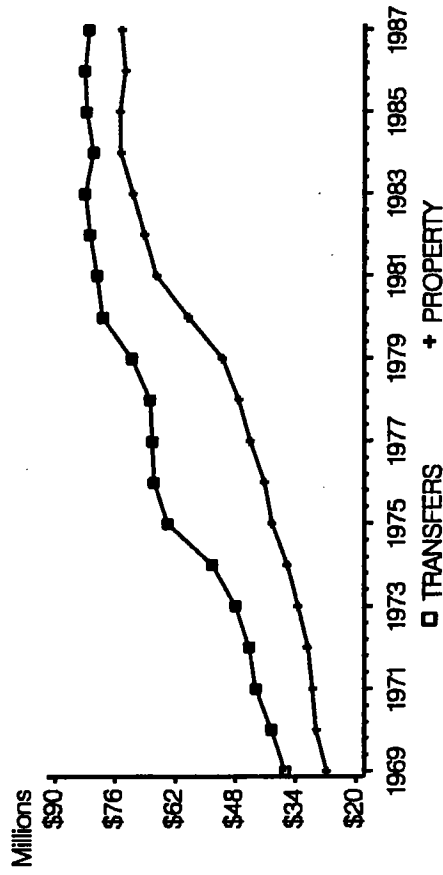


CHART 2C

GRAVES COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

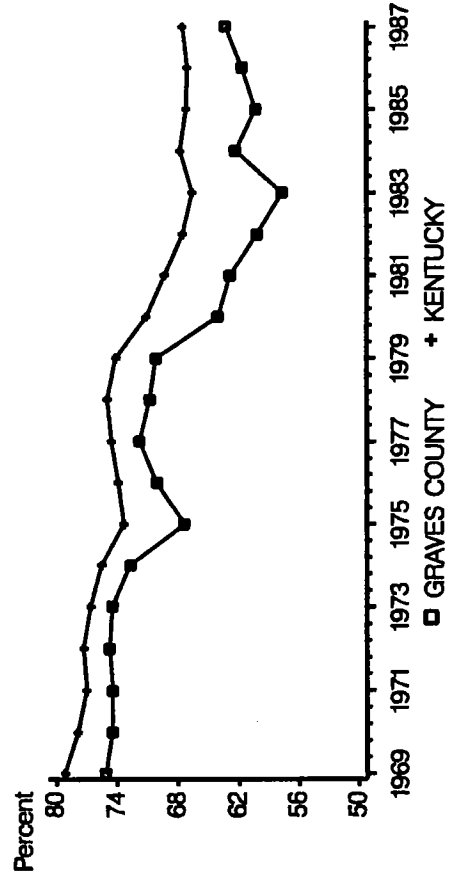


CHART 2D

GRAVES COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

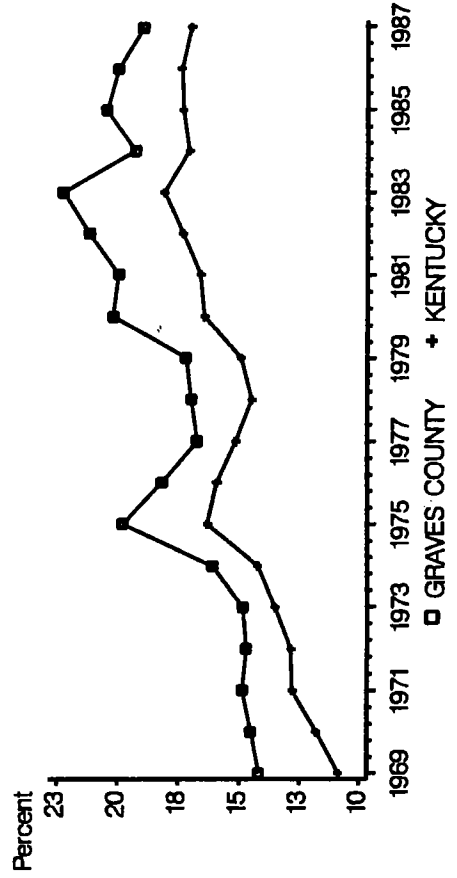


CHART 3A

GRAVES COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

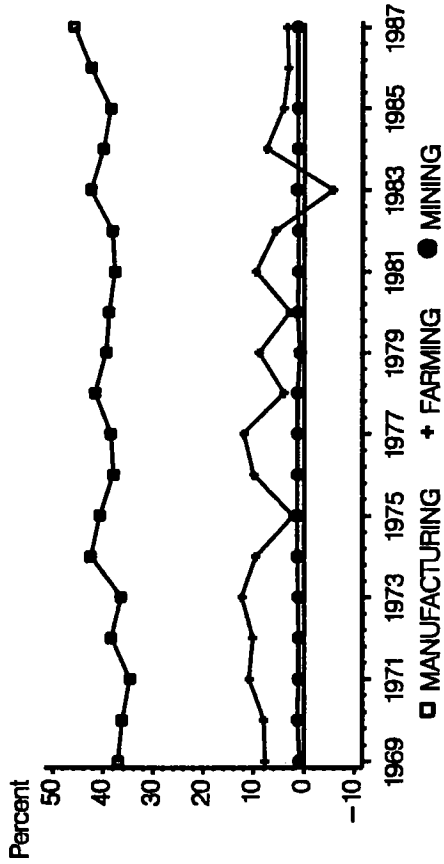


CHART 3C

GRAVES COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Kentucky Industries

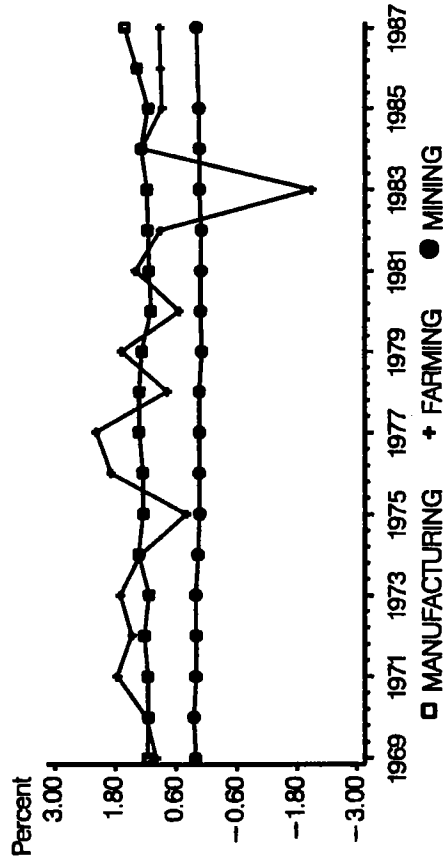


CHART 3B

GRAVES COUNTY

EARNINGS IN NON - GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

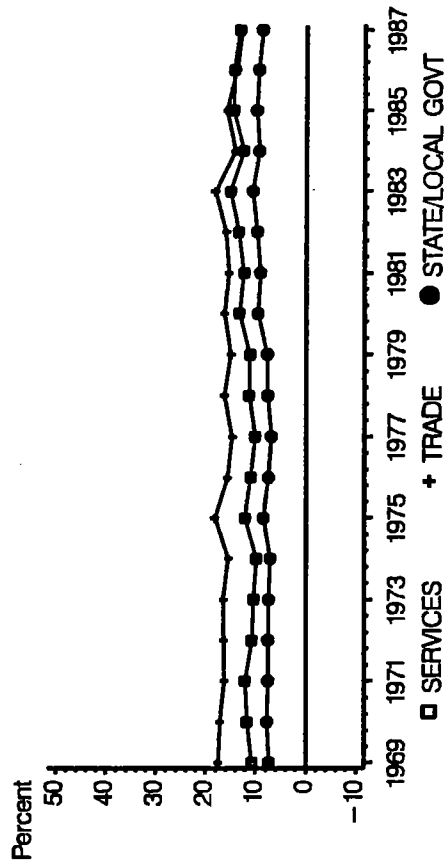


CHART 3D

GRAVES COUNTY

AVERAGE EARNINGS PER JOB

in Constant 1988 Dollars

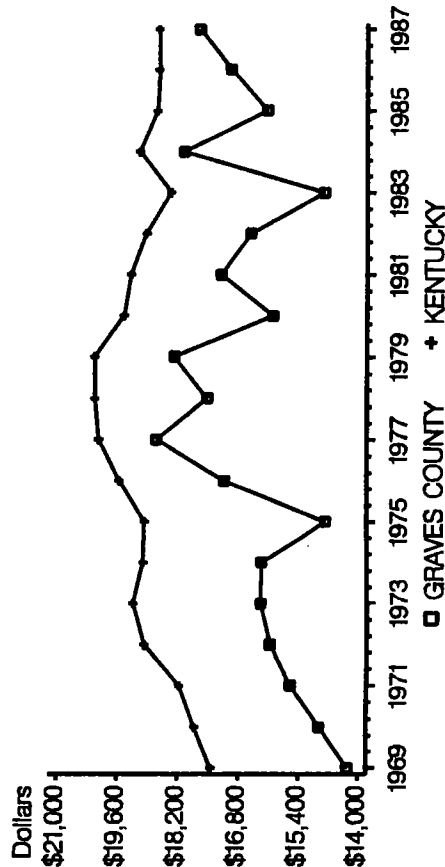


CHART 4A
GRAVES COUNTY
TOTAL EMPLOYMENT
Thousands of People

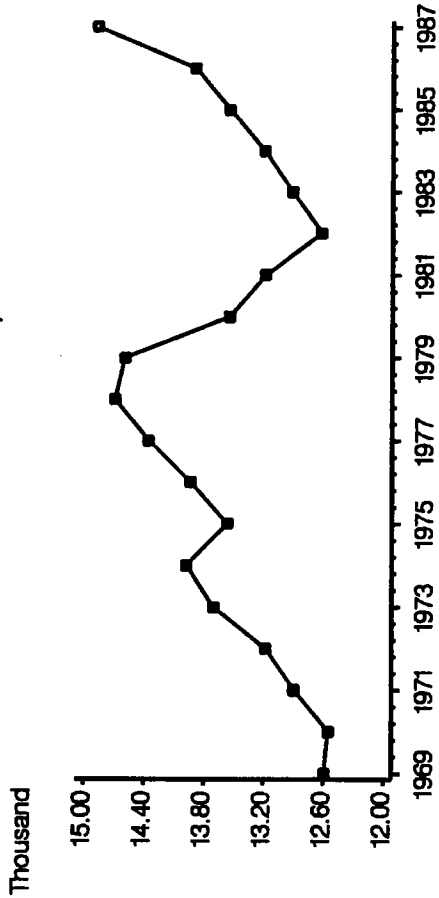


CHART 4B
GRAVES COUNTY
ANNUAL UNEMPLOYMENT RATE

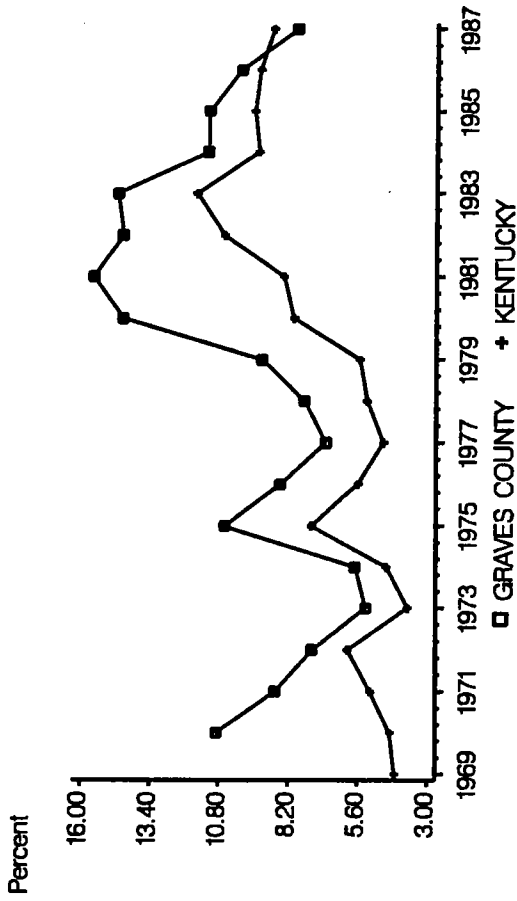


CHART 4C
GRAVES COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

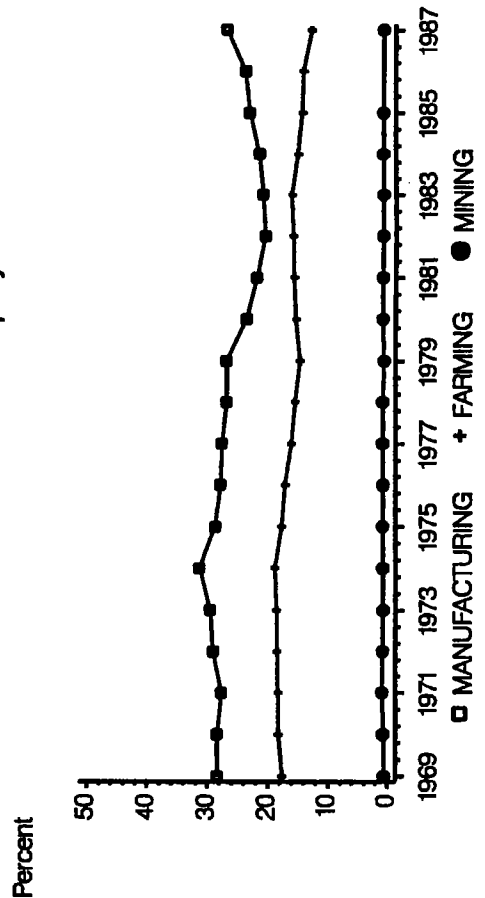


CHART 4D
GRAVES COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

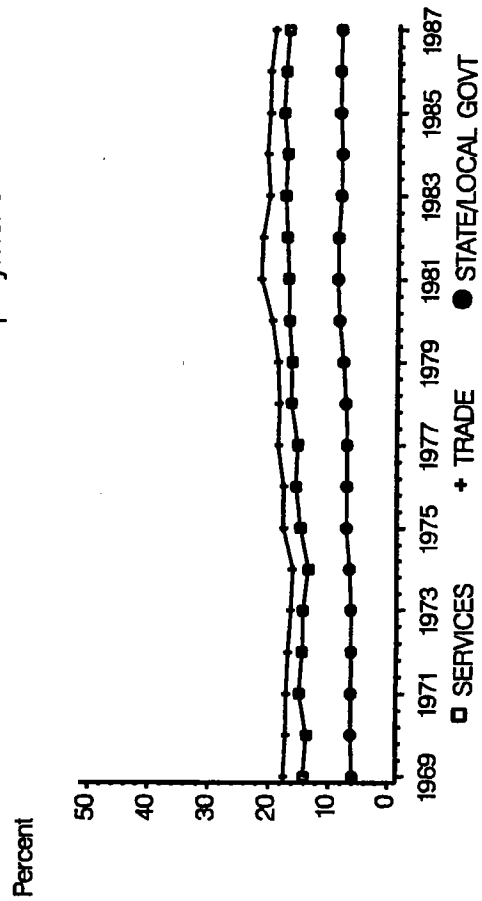


CHART 5A
GRAVES COUNTY
POPULATION
Thousands of People

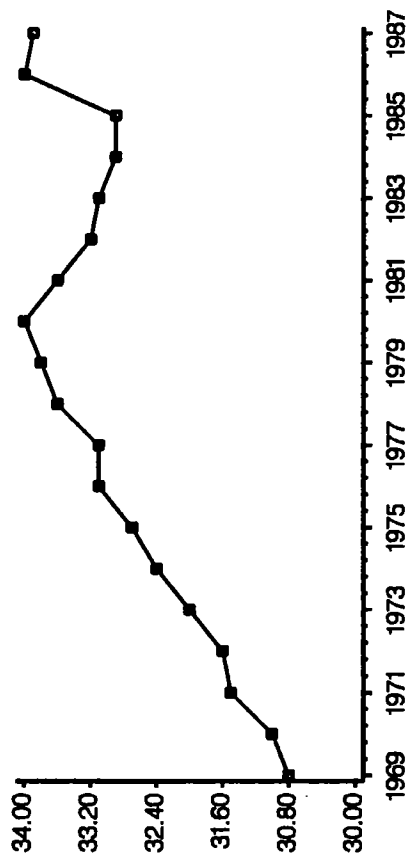


CHART 5B
GRAVES COUNTY
POPULATION
as a Percent of Kentucky Population

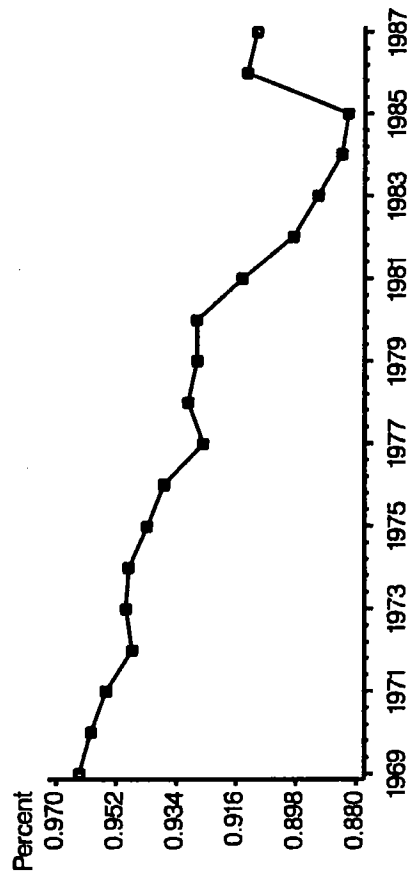


CHART 5C
GRAVES COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

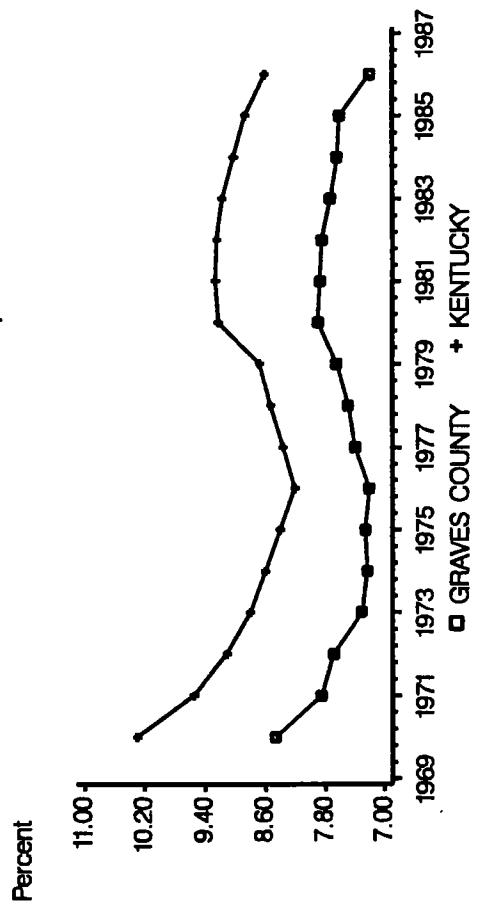
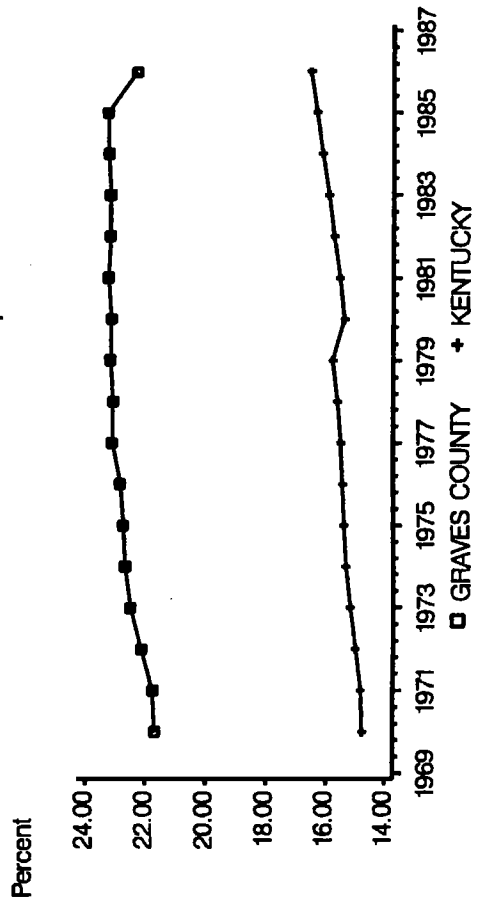


CHART 5D
GRAVES COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



GRAVES COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	254	0.90	8,247	92.8
1970	270	0.92	8,706	95.5
1971	287	0.94	9,128	98.6
1972	301	0.93	9,512	97.6
1973	319	0.92	9,983	97.2
1974	327	0.92	10,099	97.5
1975	316	0.89	9,678	94.3
1976	362	0.96	10,935	101.9
1977	397	0.99	11,989	107.3
1978	394	0.94	11,732	101.4
1979	413	0.96	12,197	103.7
1980	383	0.91	11,277	97.8
1981	394	0.92	11,725	100.0
1982	379	0.89	11,413	98.8
1983	366	0.87	11,041	97.0
1984	413	0.93	12,547	104.6
1985	397	0.89	12,056	100.5
1986	409	0.90	12,043	98.4
1987	427	0.92	12,583	100.7

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	191	75.1	79.2	36	14.3	10.9	27	10.5	9.9
1970	201	74.5	77.9	40	14.7	11.9	29	10.8	10.2
1971	214	74.5	77.0	43	15.1	12.9	30	10.5	10.1
1972	225	74.8	77.3	45	14.9	12.9	31	10.4	9.7
1973	238	74.5	76.6	48	15.0	13.6	34	10.5	9.7
1974	238	72.7	75.5	53	16.3	14.4	36	11.0	10.1
1975	213	67.3	73.3	64	20.2	16.5	40	12.5	10.1
1976	254	70.1	73.9	67	18.5	16.1	41	11.4	10.0
1977	285	71.8	74.6	67	17.0	15.3	45	11.2	10.1
1978	279	70.8	75.0	68	17.2	14.6	47	12.0	10.4
1979	290	70.2	74.1	72	17.5	15.1	51	12.4	10.8
1980	245	64.0	71.1	79	20.6	16.7	59	15.4	12.2
1981	248	62.8	69.3	80	20.3	16.8	66	16.8	13.8
1982	228	60.2	67.5	82	21.6	17.6	69	18.2	14.9
1983	211	57.6	66.6	83	22.7	18.4	72	19.7	15.1
1984	257	62.3	67.8	81	19.6	17.3	75	18.1	14.9
1985	239	60.3	67.2	83	20.8	17.6	75	18.9	15.3
1986	252	61.7	67.1	83	20.3	17.6	74	18.0	15.3
1987	270	63.3	67.5	82	19.3	17.2	75	17.5	15.3

GRAVES 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	37.0	1.17	7.7	0.99	0.9	0.21
1970	36.2	1.15	8.0	1.20	1.3	0.24
1971	34.7	1.16	10.9	1.76	1.0	0.20
1972	38.4	1.23	10.2	1.48	1.0	0.20
1973	36.5	1.13	12.4	1.70	1.1	0.20
1974	42.5	1.34	9.6	1.30	1.3	0.16
1975	40.7	1.25	2.2	0.39	1.4	0.13
1976	38.0	1.26	10.0	1.89	1.2	0.14
1977	38.6	1.33	12.0	2.18	1.2	0.14
1978	41.7	1.33	4.0	0.77	1.3	0.14
1979	39.5	1.28	9.0	1.68	0.8	0.09
1980	38.9	1.10	2.8	0.53	1.2	0.11
1981	37.8	1.14	9.6	1.41	1.1	0.10
1982	38.3	1.16	5.6	0.91	1.1	0.10
1983	42.6	1.18	-5.8	-2.09	1.4	0.14
1984	40.0	1.29	7.4	1.28	1.2	0.14
1985	38.6	1.15	4.1	0.88	1.3	0.14
1986	42.6	1.37	3.2	0.91	.	.
1987	46.0	1.62	3.4	0.93	1.3	0.20

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	10.8	0.63	17.5	0.85	7.4	0.62
1970	11.7	0.70	17.1	0.84	7.7	0.63
1971	12.0	0.74	16.3	0.84	7.5	0.63
1972	10.7	0.66	16.4	0.85	7.5	0.64
1973	10.4	0.65	16.4	0.84	7.4	0.64
1974	9.8	0.63	15.5	0.81	7.1	0.64
1975	12.1	0.67	18.1	0.81	8.4	0.63
1976	11.0	0.67	15.6	0.79	7.4	0.63
1977	10.1	0.67	14.7	0.82	6.9	0.64
1978	11.3	0.68	16.3	0.82	7.6	0.64
1979	11.2	0.67	15.0	0.77	7.7	0.64
1980	13.3	0.64	16.2	0.72	9.6	0.65
1981	12.4	0.61	15.4	0.74	9.1	0.66
1982	13.4	0.60	16.0	0.72	9.7	0.64
1983	15.1	0.58	18.1	0.74	10.6	0.63
1984	12.4	0.57	14.1	0.70	9.3	0.68
1985	14.5	0.58	15.8	0.71	9.8	0.64
1986	14.3	0.57	13.8	0.66	9.4	0.63
1987	13.2	0.55	12.8	0.67	8.7	0.64

GRAVES COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	3,576	28.4	2,217	17.6	74	0.6
1970	3,564	28.4	2,290	18.2	87	0.7
1971	3,569	27.7	2,357	18.3	111	0.9
1972	3,830	29.1	2,433	18.5	100	0.8
1973	4,046	29.5	2,539	18.5	96	0.7
1974	4,389	31.4	2,639	18.9	108	0.8
1975	3,902	28.8	2,405	17.7	105	0.8
1976	3,887	27.9	2,392	17.2	105	0.8
1977	3,970	27.7	2,306	16.1	114	0.8
1978	3,944	26.8	2,270	15.4	113	0.8
1979	3,913	26.8	2,138	14.6	75	0.5
1980	3,192	23.6	2,074	15.3	95	0.7
1981	2,884	21.9	2,056	15.6	98	0.7
1982	2,586	20.5	1,988	15.7	96	0.8
1983	2,691	20.8	2,067	16.0	90	0.7
1984	2,835	21.5	1,981	15.0	91	0.7
1985	3,131	23.1	1,931	14.2	91	0.7
1986	3,306	23.8	1,958	14.1	.	.
1987	3,990	26.8	1,901	12.8	93	0.6

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,769	14.0	2,192	17.4	753	6.0
1970	1,699	13.5	2,140	17.1	787	6.3
1971	1,908	14.8	2,185	16.9	807	6.3
1972	1,890	14.3	2,198	16.7	822	6.2
1973	1,950	14.2	2,233	16.3	868	6.3
1974	1,861	13.3	2,230	16.0	917	6.6
1975	1,995	14.7	2,384	17.6	966	7.1
1976	2,161	15.5	2,450	17.6	988	7.1
1977	2,181	15.2	2,656	18.5	1,015	7.1
1978	2,397	16.3	2,699	18.4	1,072	7.3
1979	2,372	16.3	2,724	18.7	1,130	7.7
1980	2,267	16.7	2,661	19.6	1,146	8.5
1981	2,229	16.9	2,833	21.5	1,156	8.8
1982	2,176	17.2	2,691	21.3	1,102	8.7
1983	2,261	17.5	2,612	20.2	1,071	8.3
1984	2,264	17.2	2,713	20.6	1,075	8.1
1985	2,408	17.8	2,732	20.2	1,145	8.4
1986	2,428	17.5	2,792	20.1	1,181	8.5
1987	2,519	16.9	2,861	19.2	1,234	8.3

GRAVES COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	12,592	\$14,248	\$17,440	.	4.2
1970	12,550	\$14,911	\$17,811	10.9	4.4
1971	12,894	\$15,597	\$18,166	8.7	5.1
1972	13,179	\$16,049	\$18,970	7.3	6.0
1973	13,703	\$16,273	\$19,232	5.3	3.7
1974	13,977	\$16,249	\$19,008	5.7	4.5
1975	13,566	\$14,776	\$18,976	10.6	7.3
1976	13,939	\$17,134	\$19,563	8.5	5.6
1977	14,357	\$18,694	\$20,031	6.8	4.7
1978	14,694	\$17,524	\$20,121	7.6	5.3
1979	14,596	\$18,285	\$20,110	9.2	5.5
1980	13,549	\$15,994	\$19,439	14.4	8.0
1981	13,186	\$17,205	\$19,286	15.5	8.4
1982	12,627	\$16,507	\$18,931	14.4	10.6
1983	12,919	\$14,808	\$18,358	14.6	11.6
1984	13,198	\$18,055	\$19,080	11.2	9.3
1985	13,552	\$16,126	\$18,676	11.2	9.5
1986	13,898	\$16,974	\$18,627	10.0	9.3
1987	14,878	\$17,689	\$18,636	7.9	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	30,800	0.96	.	.	.	.
1970	31,000	0.96	8.5	10.3	21.7	14.8
1971	31,500	0.96	7.8	9.6	21.8	14.8
1972	31,600	0.95	7.7	9.1	22.1	15.0
1973	32,000	0.95	7.3	8.8	22.5	15.2
1974	32,400	0.95	7.2	8.6	22.7	15.3
1975	32,700	0.94	7.3	8.4	22.7	15.4
1976	33,100	0.94	7.2	8.2	22.8	15.5
1977	33,100	0.93	7.4	8.4	23.1	15.5
1978	33,600	0.93	7.5	8.5	23.1	15.6
1979	33,800	0.93	7.6	8.7	23.2	15.8
1980	34,000	0.93	7.9	9.2	23.1	15.4
1981	33,600	0.91	7.9	9.3	23.2	15.5
1982	33,200	0.90	7.8	9.2	23.2	15.7
1983	33,100	0.89	7.7	9.2	23.2	15.9
1984	32,900	0.88	7.6	9.0	23.2	16.1
1985	32,900	0.88	7.6	8.9	23.2	16.3
1986	34,000	0.91	7.2	8.6	22.3	16.5
1987	33,900	0.91



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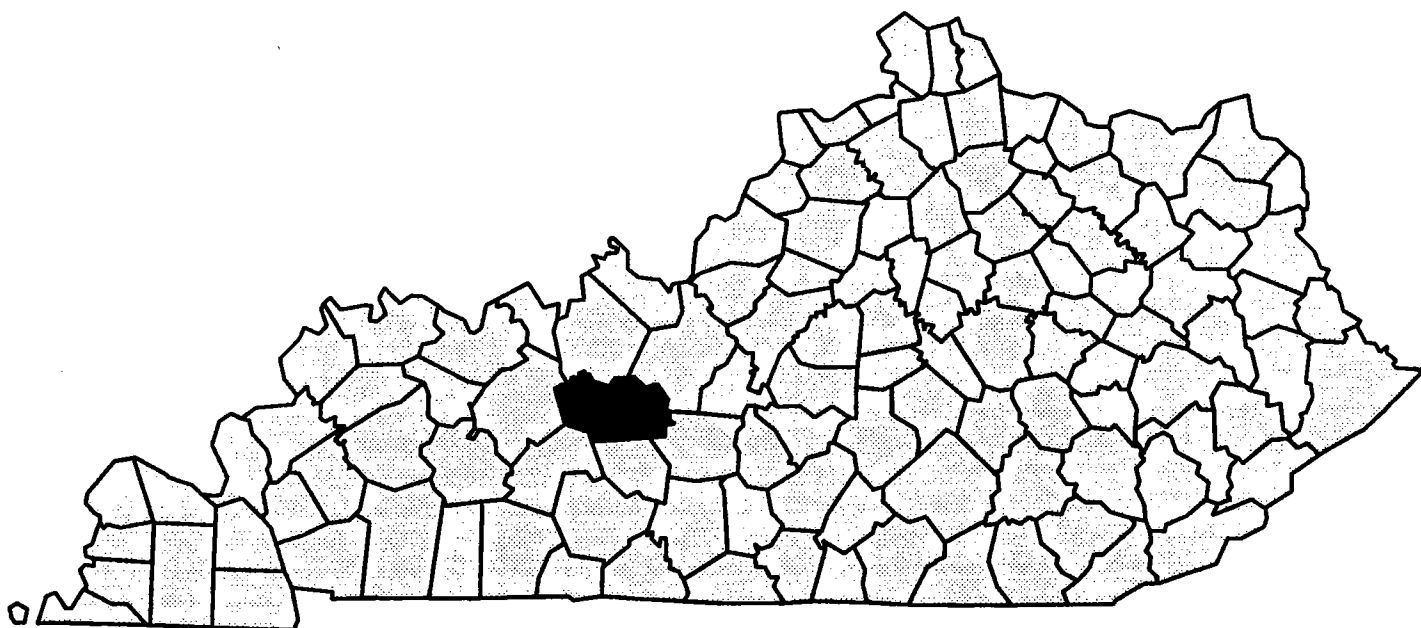
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

GRAYSON 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 Grayson County economy, as measured by personal income, grew steadily from 1969 to 1987. Grayson County increased its share of Kentucky personal income, indicating that the county economy grew more rapidly than the state economy. However, both per capita personal income and average earnings per job were significantly below those of the state.

Grayson 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's share of earnings and employment in manufacturing declined, the shares of these components of the Grayson County economy grew in importance. The non-goods-producing sectors, particularly service and trade, experienced significant growth at the state level but were weaker in the county.

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.



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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 GRAYSON 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 Grayson 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 Grayson County economy, as measured by personal income, increased from \$106 million in 1969 to \$202 million in 1987, after adjusting for inflation. Chart 1B shows Grayson County total personal income as a percent of Kentucky total personal income. Grayson County increased its share of Kentucky personal income, indicating that county economic growth exceeded that 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 Grayson County per capita income increased over the time period to a level of \$9,288 per person in 1987, which was 74.3 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 \$78 million in 1969 to \$122 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 60.5 percent of Grayson County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$18 million to total personal income in 1969 and \$48 million in 1987. During the same period, transfer payments contributed a much higher percentage of personal income in Grayson County than in Kentucky.

Income from property in Grayson County grew steadily through the time period. Income from property totalled \$9 million in 1969 and increased to \$32 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, Grayson County received 13.8 percent of total earnings from manufacturing. This percentage increased to 31.5 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 21.9 percent in 1969 to 6.3 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 decreased slightly, accounting for 11.7 percent in 1987. The percent from the trade sector also declined steadily and was 15.1 percent in 1987. The share of earnings from the state and local government sector increased and was 14.8 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 Grayson 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. Grayson County average earnings per job were below those of the state throughout the period. Average earnings were \$11,874 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Grayson County increased during the data period. In 1969, total employment stood at 5,225 people. By 1987, that figure had increased to 9,075.

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 Grayson County are presented in Chart 4B. Unemployment rates in Grayson County were above those of the state through most of 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 increased from 14.6 percent in 1969 to 23.7 percent in 1987. Again, this trend is unlike that of the state.

The farm sector was the primary source of employment during the 1970's. However, farming's share of employment declined from 30.0 percent in 1969 to 20.1 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 11.8 percent of employment. This share increased to 13.2 percent in 1987. The percent of employment in state and local government generally remained constant. The percent of employment in the trade sector declined slightly, to 15.3 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 Grayson County.

The Grayson County population grew slightly, from 16,400 in 1969 to 21,700 in 1987 (Chart 5A). It was estimated that in 1986, 8.4 percent of Grayson County's population was under six years of age, compared to 8.6 for the state. Grayson County had a higher proportion than the state of residents age sixty or older. In 1969, 18.8 percent of the Grayson County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A

GRAYSON COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

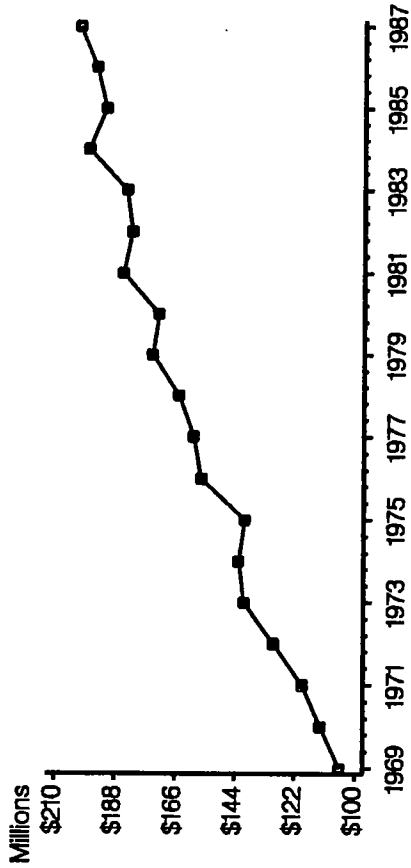


CHART 1B
GRAYSON COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

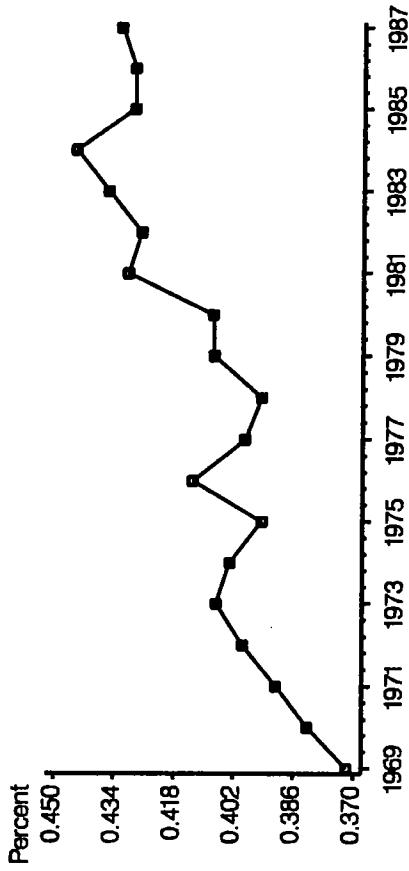


CHART 1C

GRAYSON COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

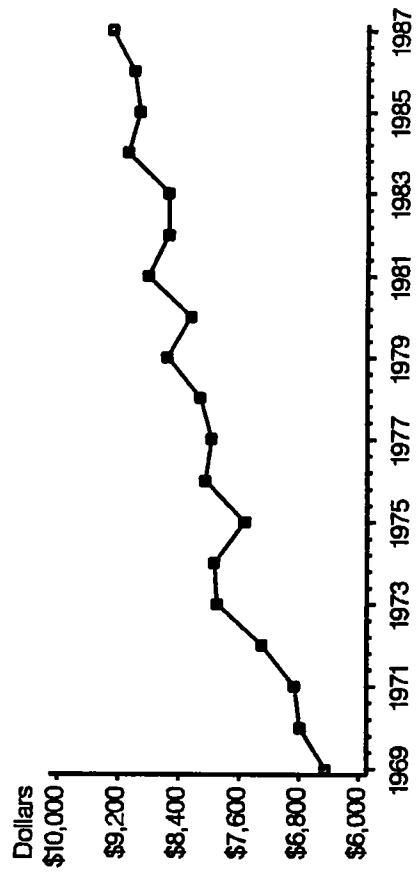


CHART 1D
GRAYSON COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

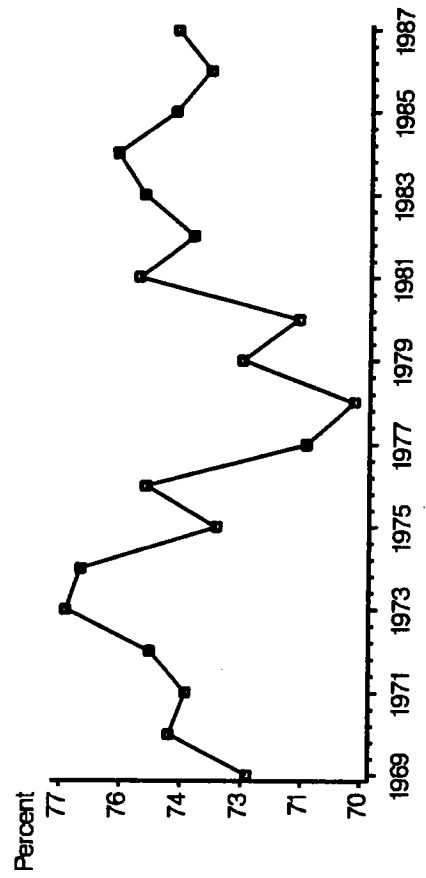


CHART 2A

GRAYSON COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

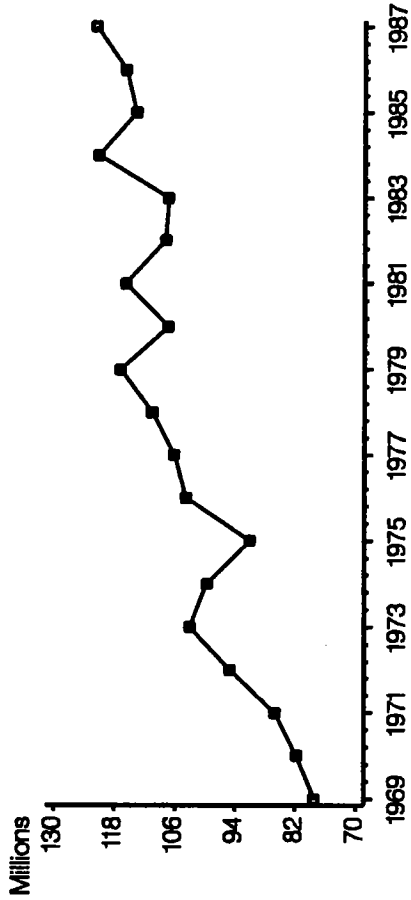


CHART 2C

GRAYSON COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

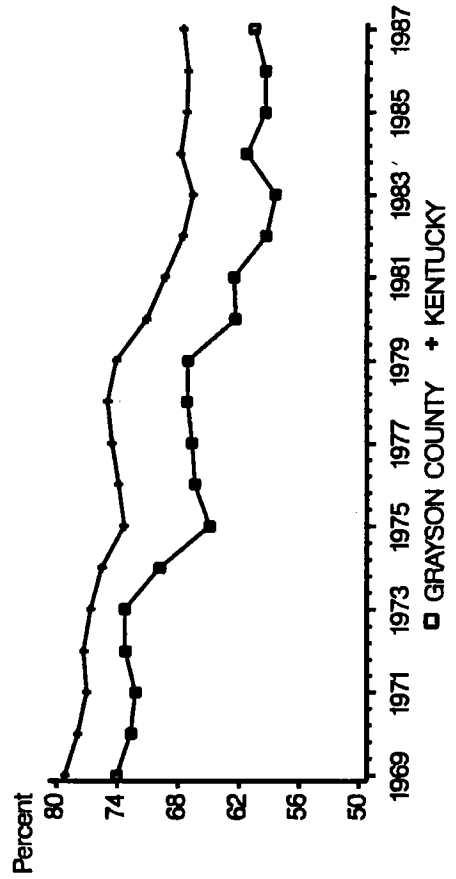


CHART 2B

GRAYSON COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

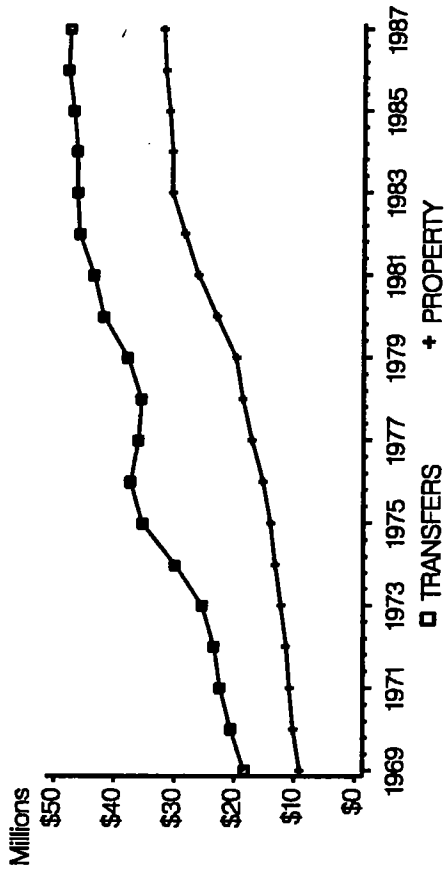


CHART 2D

GRAYSON COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

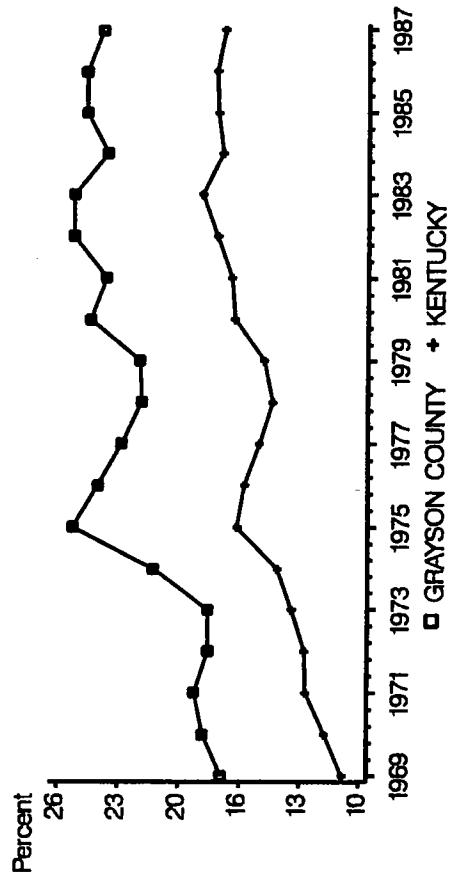


CHART 3A

GRAYSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

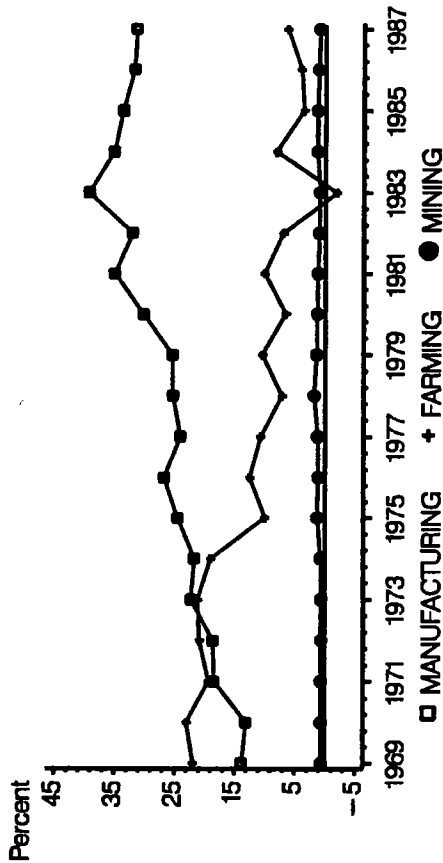


CHART 3B

GRAYSON COUNTY

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

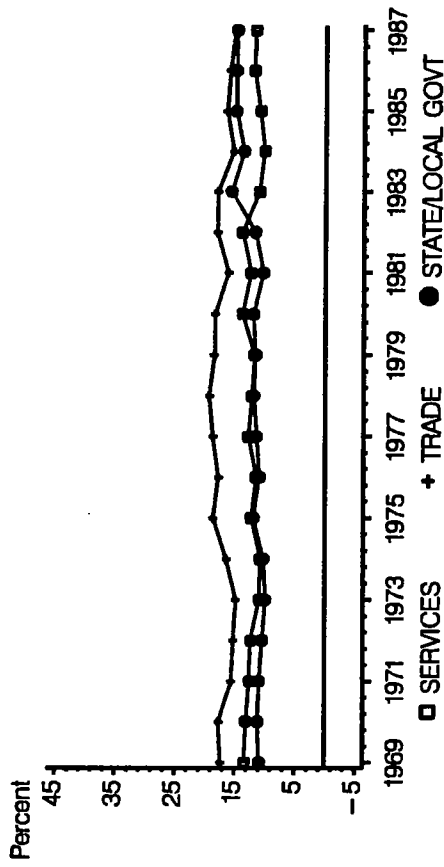


CHART 3C

GRAYSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

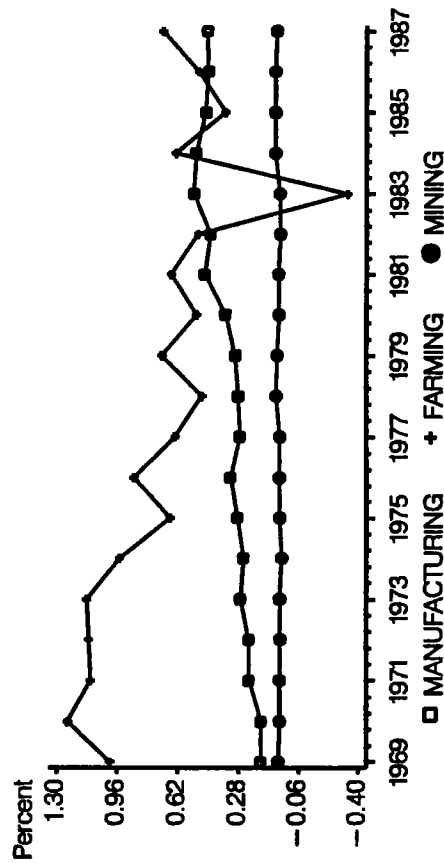


CHART 3D

GRAYSON COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

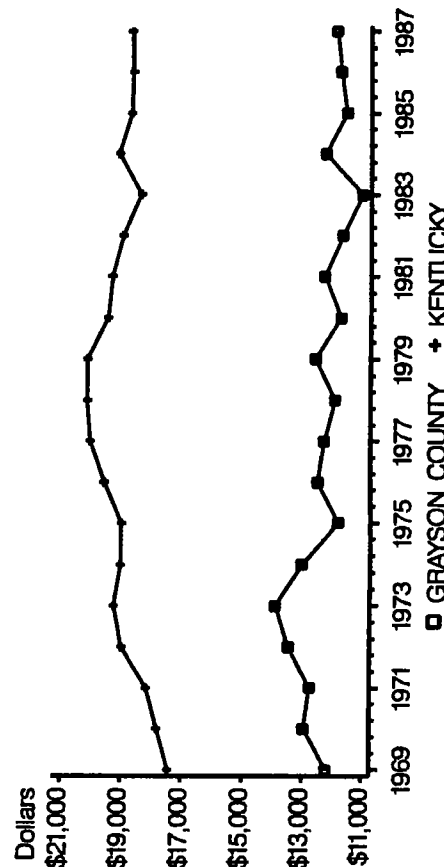


CHART 4A

GRAYSON COUNTY
TOTAL EMPLOYMENT
Thousands of People

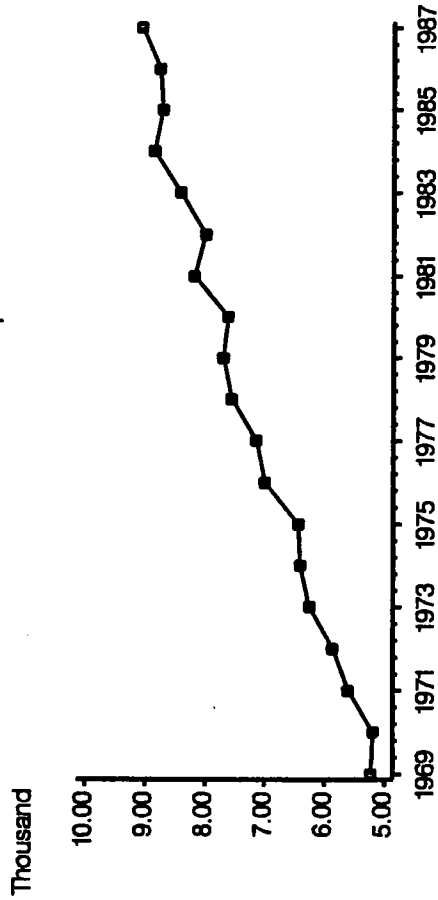


CHART 4B
GRAYSON COUNTY
ANNUAL UNEMPLOYMENT RATE

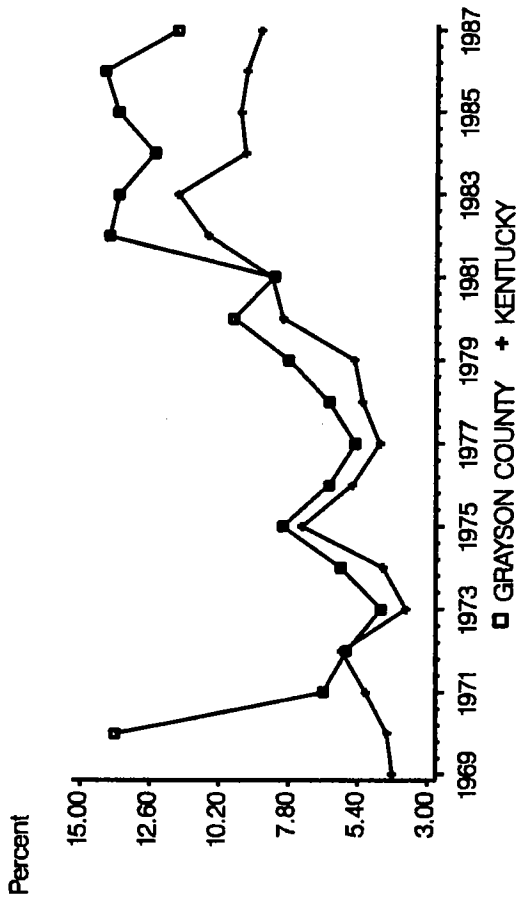


CHART 4C

GRAYSON COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

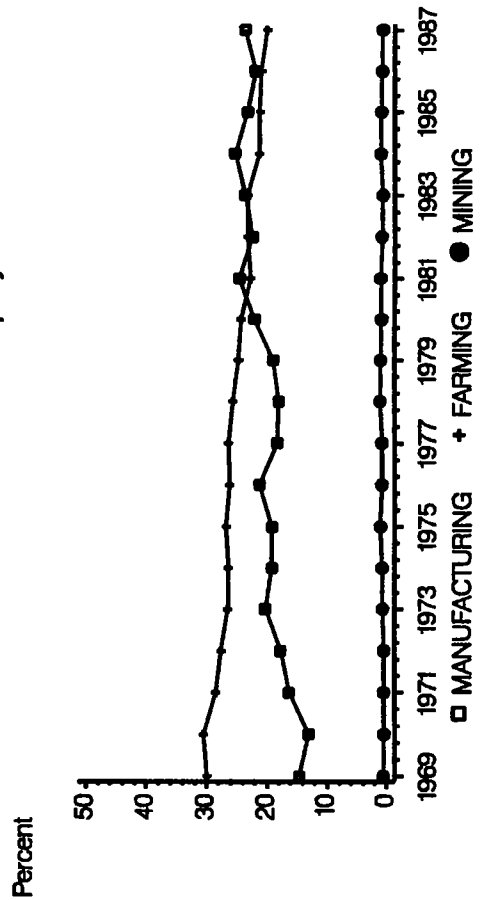


CHART 4D

GRAYSON COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

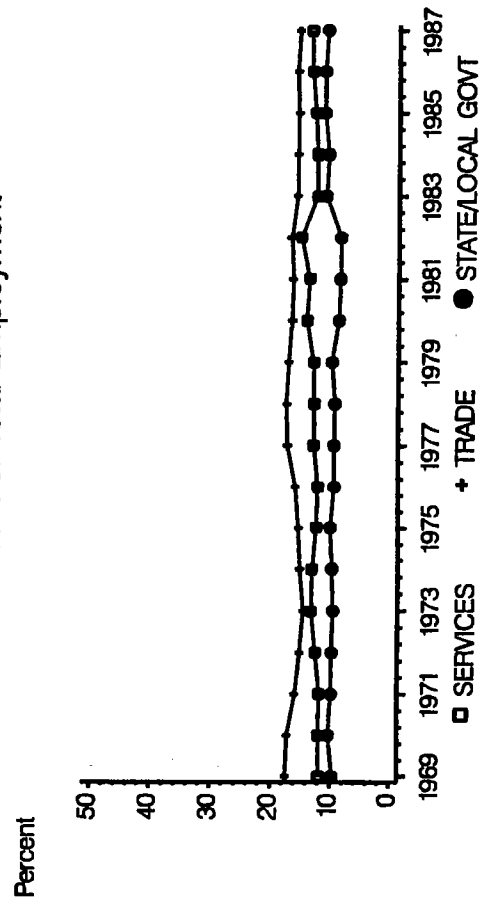


CHART 5A
GRAYSON COUNTY
POPULATION
Thousands of People

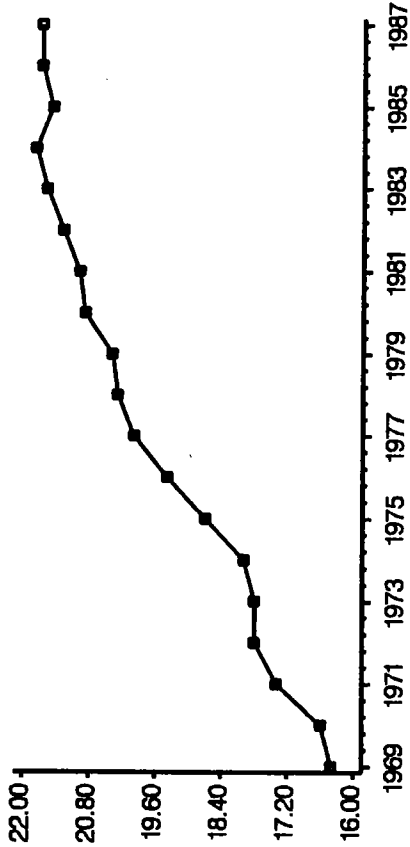


CHART 5B
GRAYSON COUNTY
POPULATION
as a Percent of Kentucky Population

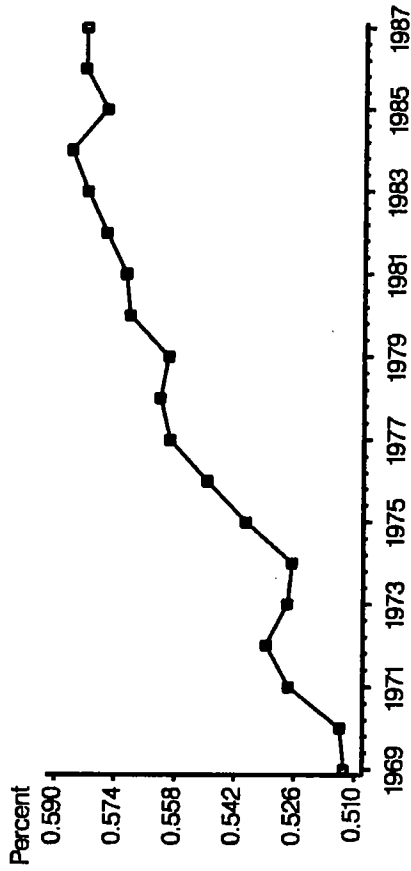


CHART 5C
GRAYSON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

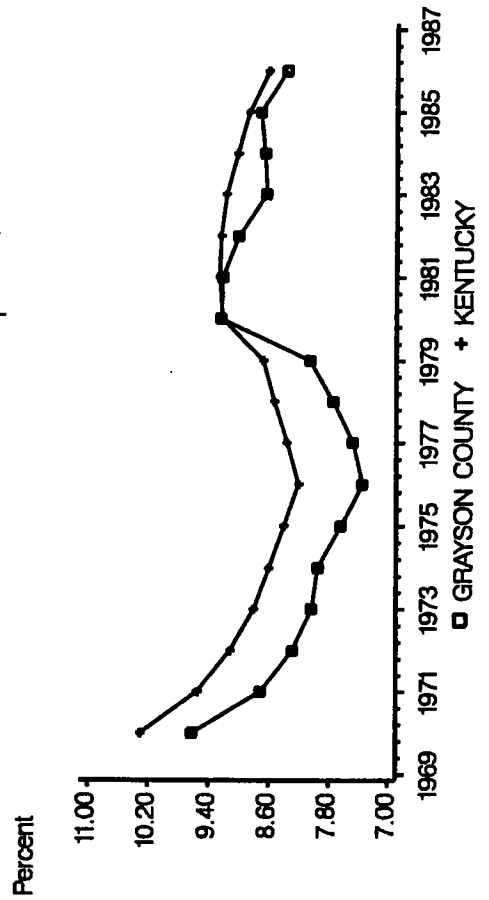
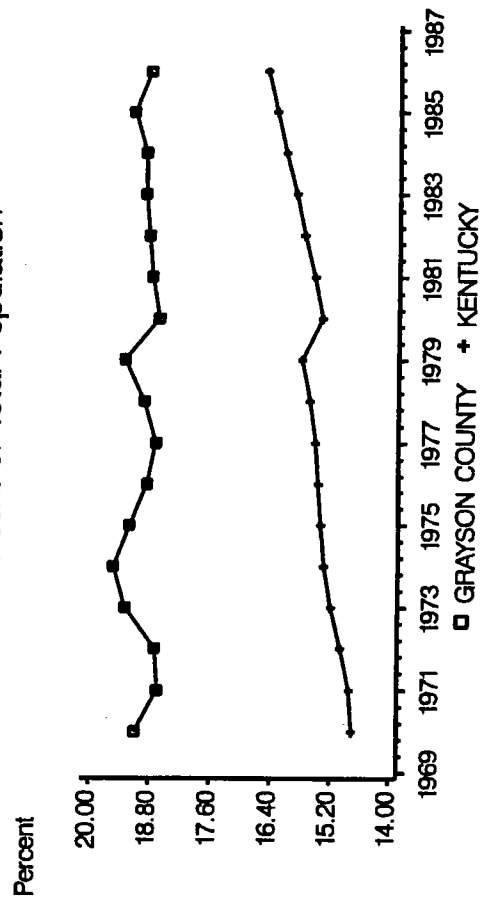


CHART 5D
GRAYSON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



GRAYSON COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	106	0.37	6,456	72.7
1970	113	0.38	6,788	74.5
1971	119	0.39	6,857	74.1
1972	130	0.40	7,299	74.9
1973	141	0.41	7,892	76.9
1974	143	0.40	7,929	76.5
1975	140	0.39	7,531	73.4
1976	157	0.41	8,053	75.0
1977	159	0.40	7,968	71.3
1978	165	0.39	8,117	70.2
1979	175	0.41	8,559	72.8
1980	172	0.41	8,243	71.5
1981	185	0.43	8,812	75.2
1982	182	0.43	8,542	73.9
1983	184	0.44	8,545	75.1
1984	198	0.44	9,077	75.7
1985	192	0.43	8,921	74.4
1986	196	0.43	9,001	73.6
1987	202	0.43	9,288	74.3

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	74.0	79.2	18	17.3	10.9	9	8.6	9.9
1970	82	72.6	77.9	21	18.3	11.9	10	9.1	10.2
1971	86	72.2	77.0	22	18.8	12.9	11	9.1	10.1
1972	95	73.2	77.3	23	18.0	12.9	11	8.8	9.7
1973	103	73.2	76.6	25	18.1	13.6	12	8.7	9.7
1974	100	69.8	75.5	30	20.9	14.4	13	9.3	10.1
1975	91	64.8	73.3	35	25.2	16.5	14	10.0	10.1
1976	104	66.3	73.9	37	23.9	16.1	15	9.8	10.0
1977	106	66.6	74.6	36	22.6	15.3	17	10.8	10.1
1978	111	67.1	75.0	36	21.6	14.6	19	11.3	10.4
1979	117	67.0	74.1	38	21.7	15.1	20	11.3	10.8
1980	107	62.4	71.1	42	24.3	16.7	23	13.4	12.2
1981	116	62.5	69.3	43	23.4	16.8	26	14.1	13.8
1982	108	59.3	67.5	46	25.2	17.6	28	15.5	14.9
1983	107	58.4	66.6	46	25.1	18.4	30	16.5	15.1
1984	121	61.2	67.8	46	23.4	17.3	31	15.4	14.9
1985	114	59.4	67.2	47	24.5	17.6	31	16.2	15.3
1986	116	59.3	67.1	48	24.5	17.6	32	16.2	15.3
1987	122	60.5	67.5	48	23.6	17.2	32	15.9	15.3

GRAYSON 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	13.8	0.15	21.9	1.00	0.6	0.05
1970	13.1	0.15	23.0	1.24	0.6	0.04
1971	18.4	0.22	19.4	1.11	0.6	0.04
1972	18.6	0.22	20.8	1.12	0.6	0.04
1973	22.3	0.27	21.2	1.13	0.6	0.04
1974	21.7	0.25	19.0	0.95	0.7	0.03
1975	24.5	0.29	10.0	0.66	1.3	0.04
1976	26.8	0.33	12.5	0.87	1.1	0.05
1977	24.1	0.27	10.7	0.64	1.3	0.04
1978	25.3	0.28	7.2	0.48	1.8	0.06
1979	25.4	0.30	10.4	0.71	1.4	0.06
1980	30.3	0.35	6.5	0.51	1.3	0.05
1981	35.1	0.47	10.1	0.66	1.2	0.05
1982	32.1	0.44	6.9	0.50	1.0	0.04
1983	39.4	0.53	-1.9	-0.34	0.9	0.04
1984	35.2	0.52	8.1	0.63	1.3	0.07
1985	33.7	0.46	3.6	0.35	1.3	0.07
1986	31.9	0.45	4.0	0.50	1.2	0.07
1987	31.5	0.45	6.3	0.71	1.0	0.06

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	13.3	0.28	17.3	0.30	10.8	0.33
1970	13.1	0.28	17.6	0.31	11.1	0.33
1971	12.5	0.27	15.5	0.29	10.9	0.33
1972	12.3	0.28	15.2	0.29	10.4	0.33
1973	10.9	0.26	14.8	0.30	9.9	0.33
1974	10.7	0.25	16.4	0.32	10.2	0.34
1975	12.2	0.26	18.6	0.32	11.9	0.34
1976	11.5	0.26	17.8	0.33	10.9	0.34
1977	12.8	0.28	18.7	0.34	11.4	0.34
1978	12.2	0.26	19.3	0.34	11.9	0.35
1979	11.7	0.26	18.4	0.34	11.6	0.35
1980	13.7	0.27	18.3	0.34	11.9	0.34
1981	12.4	0.27	16.1	0.35	10.3	0.33
1982	13.8	0.28	18.0	0.36	11.7	0.35
1983	11.0	0.21	17.9	0.36	15.7	0.45
1984	10.1	0.21	15.3	0.35	13.6	0.45
1985	10.8	0.20	16.5	0.34	14.9	0.45
1986	11.9	0.21	15.9	0.33	14.9	0.44
1987	11.7	0.20	15.1	0.32	14.8	0.44

GRAYSON COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	761	14.6	1,567	30.0	28	0.5
1970	674	13.0	1,585	30.6	20	0.4
1971	914	16.3	1,599	28.5	25	0.4
1972	1,041	17.7	1,619	27.6	25	0.4
1973	1,271	20.3	1,658	26.5	38	0.6
1974	1,232	19.2	1,694	26.4	45	0.7
1975	1,239	19.2	1,725	26.8	65	1.0
1976	1,492	21.3	1,837	26.2	55	0.8
1977	1,310	18.3	1,888	26.4	55	0.8
1978	1,369	18.1	1,944	25.7	81	1.1
1979	1,466	19.0	1,906	24.7	75	1.0
1980	1,689	22.2	1,855	24.3	61	0.8
1981	2,017	24.6	1,867	22.8	82	1.0
1982	1,797	22.5	1,857	23.2	63	0.8
1983	1,992	23.6	1,959	23.3	52	0.6
1984	2,242	25.3	1,891	21.3	82	0.9
1985	2,030	23.3	1,859	21.3	71	0.8
1986	1,928	22.0	1,843	21.0	63	0.7
1987	2,149	23.7	1,820	20.1	54	0.6

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	617	11.8	910	17.4	505	9.7
1970	617	11.9	889	17.1	533	10.3
1971	659	11.7	884	15.8	550	9.8
1972	728	12.4	884	15.1	569	9.7
1973	819	13.1	901	14.4	594	9.5
1974	833	13.0	963	15.0	622	9.7
1975	793	12.3	984	15.3	649	10.1
1976	847	12.1	1,113	15.9	659	9.4
1977	912	12.8	1,229	17.2	673	9.4
1978	960	12.7	1,315	17.4	708	9.4
1979	987	12.8	1,310	17.0	756	9.8
1980	1,065	14.0	1,255	16.5	663	8.7
1981	1,108	13.5	1,334	16.3	697	8.5
1982	1,196	14.9	1,326	16.6	675	8.4
1983	1,036	12.3	1,318	15.6	915	10.9
1984	1,091	12.3	1,373	15.5	928	10.5
1985	1,101	12.6	1,345	15.4	970	11.1
1986	1,152	13.1	1,368	15.6	976	11.1
1987	1,200	13.2	1,384	15.3	966	10.6

GRAYSON COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	5,225	\$12,198	\$17,440	.	4.2
1970	5,188	\$12,946	\$17,811	13.8	4.4
1971	5,611	\$12,747	\$18,166	6.6	5.1
1972	5,867	\$13,442	\$18,970	5.8	6.0
1973	6,256	\$13,868	\$19,232	4.6	3.7
1974	6,412	\$13,002	\$19,008	6.0	4.5
1975	6,440	\$11,806	\$18,976	8.0	7.3
1976	7,007	\$12,498	\$19,563	6.4	5.6
1977	7,149	\$12,282	\$20,031	5.5	4.7
1978	7,563	\$11,916	\$20,121	6.4	5.3
1979	7,706	\$12,585	\$20,110	7.8	5.5
1980	7,624	\$11,717	\$19,439	9.7	8.0
1981	8,194	\$12,287	\$19,286	8.3	8.4
1982	8,002	\$11,666	\$18,931	14.0	10.6
1983	8,423	\$11,006	\$18,358	13.7	11.6
1984	8,864	\$12,250	\$19,080	12.5	9.3
1985	8,728	\$11,537	\$18,676	13.7	9.5
1986	8,772	\$11,730	\$18,627	14.2	9.3
1987	9,075	\$11,874	\$18,636	11.7	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	16,400	0.51	.	.	.	.
1970	16,600	0.51	9.6	10.3	19.1	14.8
1971	17,400	0.53	8.7	9.6	18.6	14.8
1972	17,800	0.53	8.3	9.1	18.7	15.0
1973	17,800	0.53	8.0	8.8	19.3	15.2
1974	18,000	0.53	7.9	8.6	19.5	15.3
1975	18,700	0.54	7.6	8.4	19.2	15.4
1976	19,400	0.55	7.4	8.2	18.9	15.5
1977	20,000	0.56	7.5	8.4	18.7	15.5
1978	20,300	0.56	7.7	8.5	18.9	15.6
1979	20,400	0.56	8.0	8.7	19.3	15.8
1980	20,900	0.57	9.2	9.2	18.6	15.4
1981	21,000	0.57	9.2	9.3	18.8	15.5
1982	21,300	0.58	9.0	9.2	18.8	15.7
1983	21,600	0.58	8.6	9.2	18.9	15.9
1984	21,800	0.59	8.7	9.0	18.9	16.1
1985	21,500	0.58	8.7	8.9	19.1	16.3
1986	21,700	0.58	8.4	8.6	18.8	16.5
1987	21,700	0.58



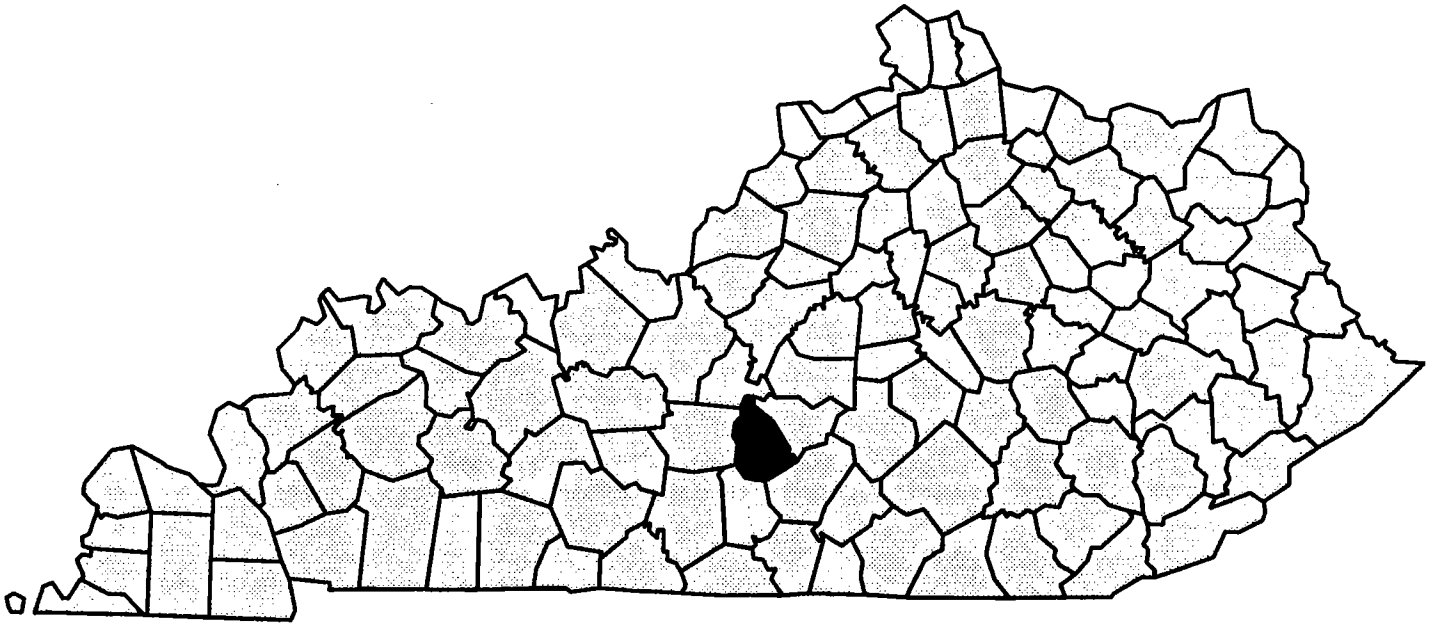
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

GREEN 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 Green County economy, as measured by personal income, grew moderately from 1969 to 1987. However, Green County decreased its share of the Kentucky economy. This indicates the county economy did not grow as fast as the state economy. The earnings component of personal income was extremely volatile, especially during the national recessions in 1975 and 1982.

The most prominent economic trend in Green County was a decline in earnings from the farm sector. Farm employment also declined, but to a much lesser degree. The decline in the farm sector was offset by an increase in the manufacturing sector.

While Green County did experience some economic growth, it came primarily from increases in the manufacturing sector and the non-goods-producing industries. The service and state and local government sectors significantly increased their shares of both county earnings and employment. 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 Green County is for continued decline. Future economic growth in Green County will most likely be dependent upon further 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 GREEN 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 Green 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 Green County economy, as measured by personal income, increased from \$82 million in 1969 to \$107 million in 1987, after adjusting for inflation. Chart 1B shows Green County total personal income as a percent of Kentucky total personal income. Green County generally 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 Green County per capita income increased over the time period to a level of \$9,877 in 1987, when it was 79.0 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 in Green County were very volatile, especially in periods corresponding to the national recessions of 1975 and 1982. Total earnings increased from \$67 million in 1969 to \$76

million in 1979 (in constant 1988 dollars). Earnings then declined to \$57 million in 1983. After another temporary increase, earnings declined to \$65 million by 1987. Earnings as a percent of personal income also decreased over time. This trend occurred at the state level as well. In 1987, earnings accounted for 60.9 percent of Green County's total personal income, which was less than Kentucky's 67.5 percent share.

Transfer payments contributed \$8 million to total personal income in 1969 and \$23 million in 1987. Since 1974, transfer payments have contributed a higher percentage to personal income in Green County than in Kentucky.

Income from property in Green County grew rapidly through the late 1970's then declined slightly. Income from property totalled \$6 million in 1969 and \$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 farm sector was the primary source of earnings in Green County (Chart 3A). However, the percent of earnings from the farm sector decreased from 38.4 percent in 1969 to 9.6 percent in 1983, a recessionary period for this sector nationally. By 1987, 20.4 percent of total county earnings were generated in the farm sector. The trend toward declining farm earnings is consistent with state and national trends. The decline in the farm sector was offset by an increase in the manufacturing sector. In 1969, Green County received 9.9 percent of total earnings from manufacturing. This percentage increased to 19.3 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 increased from 11.5 percent in 1969 to 16.2 percent in 1987. The trade sector's share of earnings increased slightly, from 12.0 percent in 1969 to 13.9 percent in 1987. The percent of earnings from the state and local government sector increased from 7.0 percent in 1969 to 15.8 percent in 1987. At the state level, the percent of earnings from services increased, while the percents of earnings from trade and state and local government were stable.

Average earnings per job (adjusted for inflation) for Green 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. Green County average earnings, well below those of the state, were \$11,232 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Green County increased in the late 1970's and subsequently declined. In 1987, total employment stood at 4,364 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 Green County are presented in Chart 4B. Unemployment rates in Green County paralleled state trends. In 1987, the county unemployment rate was 10.3 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.

The farm sector was the primary source of county employment. However, employment in this sector declined from 45.5 percent of total employment in 1969 to 38.4 percent in 1987.

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing increased from 10.4 percent in 1969 to 13.8 percent in 1987. At the state level, manufacturing's share of employment declined.

Employment in the non-goods-producing industries is presented in Chart 4D. The percent of employment in the trade sector remained constant and accounted for 11.1 percent of employment in 1987. The percent of employment in the service sector increased from 7.7 percent in 1969 to 12.7 percent in 1987. The employment share in state and local government increased from 6.3 percent in 1969 to 11.0 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 Green County.

The Green County population grew from 1969 to 1981 and then declined. By 1987, Green County had a population of 10,800 (Chart 5A). Green County had a lower proportion of younger residents and a higher proportion of older residents than the state. It was estimated that in 1986, 6.5 percent of Green

County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 21.5 percent of the Green County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

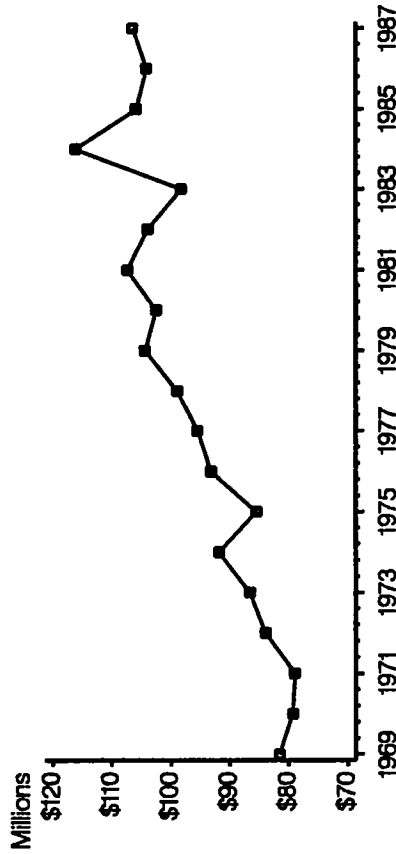


CHART 1B
GREEN COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

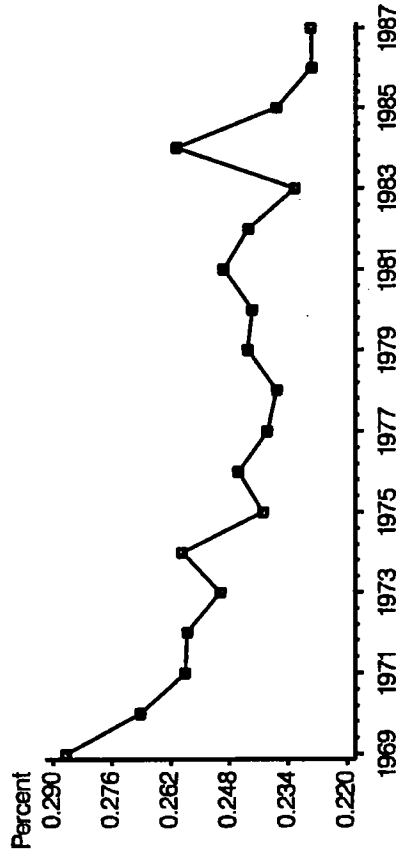


CHART 1C
GREEN COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

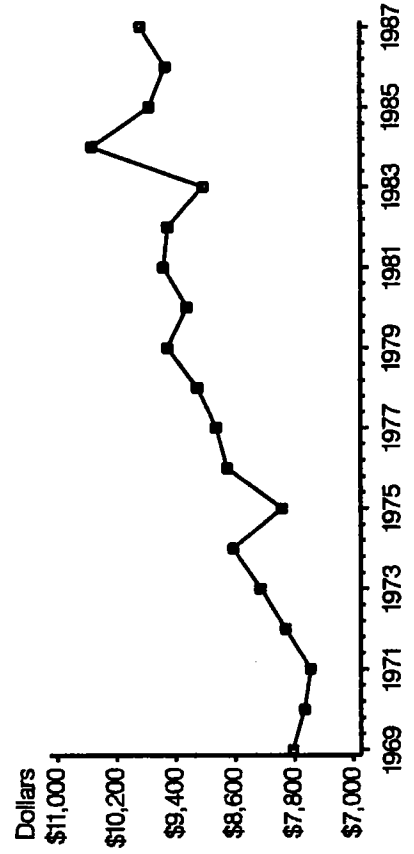


CHART 1D
GREEN COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

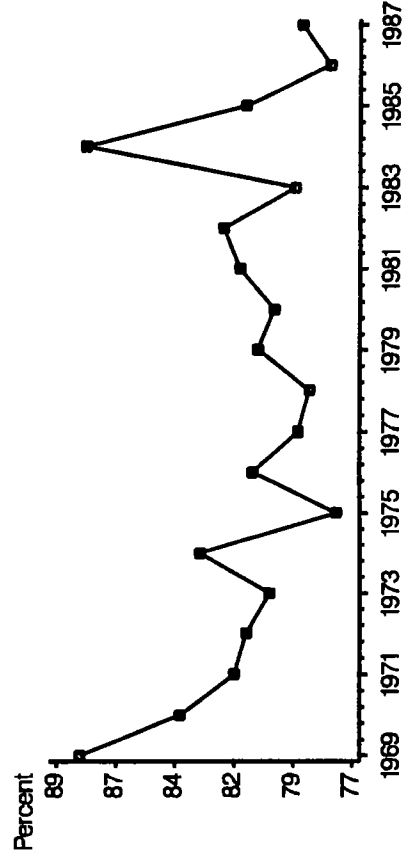


CHART 2A
GREEN COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

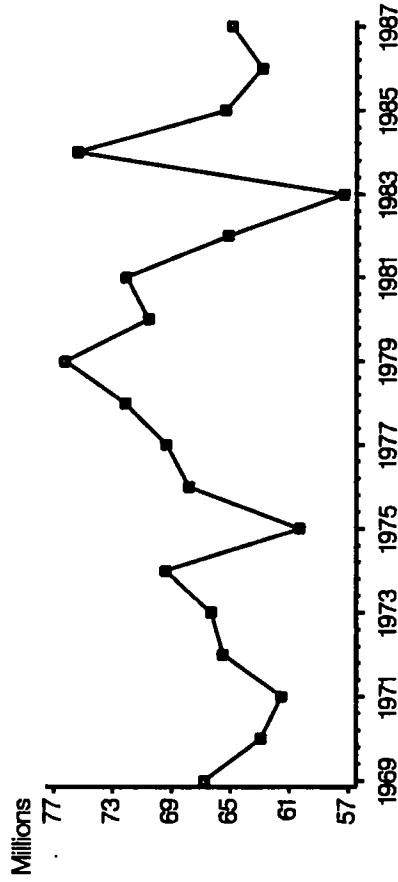


CHART 2B
GREEN COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

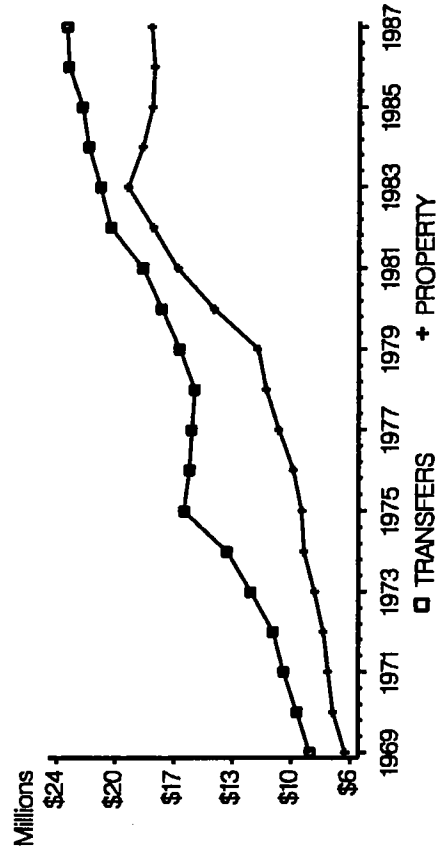


CHART 2C
GREEN COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

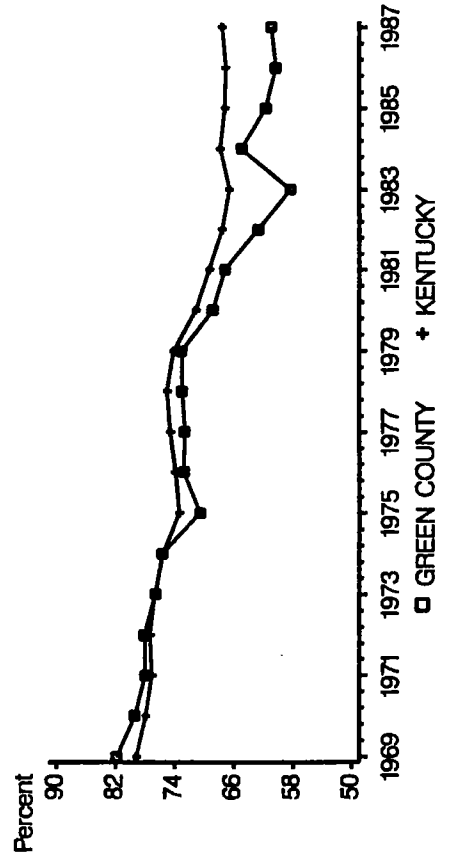


CHART 2D
GREEN COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

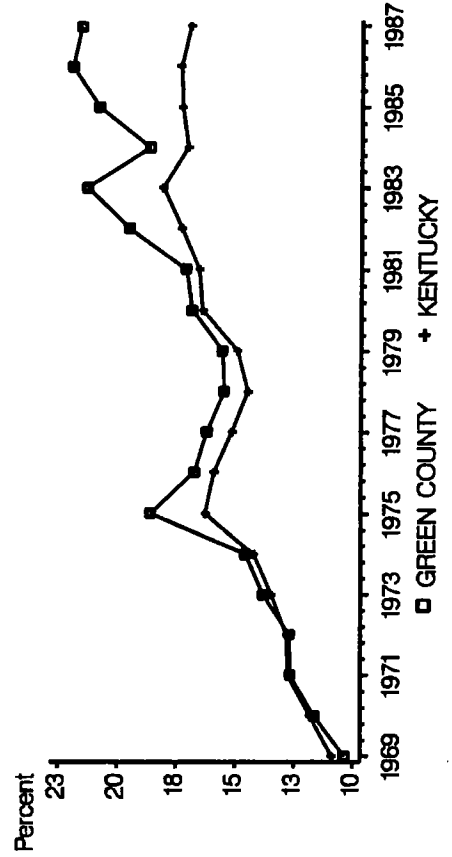


CHART 3A

GREEN COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

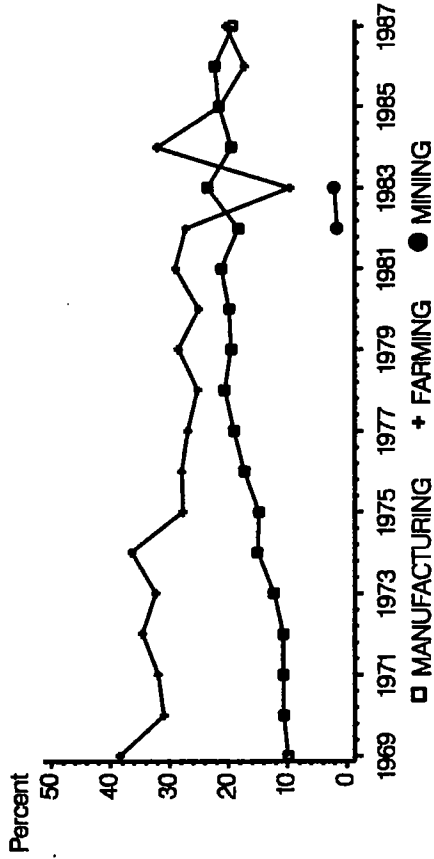


CHART 3B

GREEN COUNTY

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

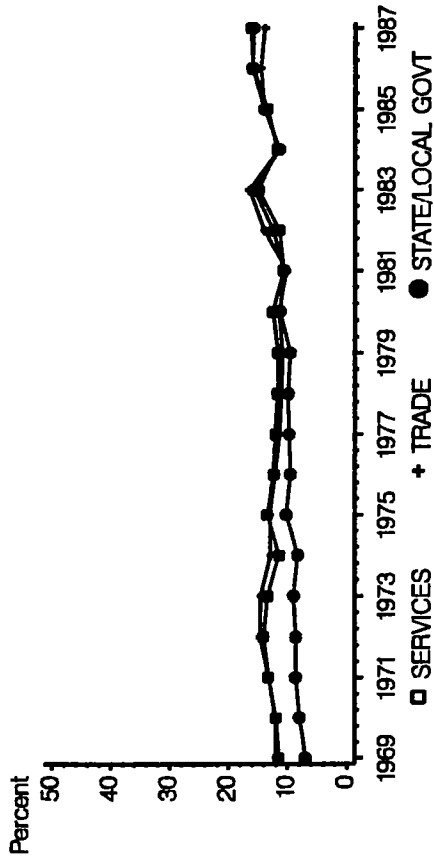


CHART 3C

GREEN COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

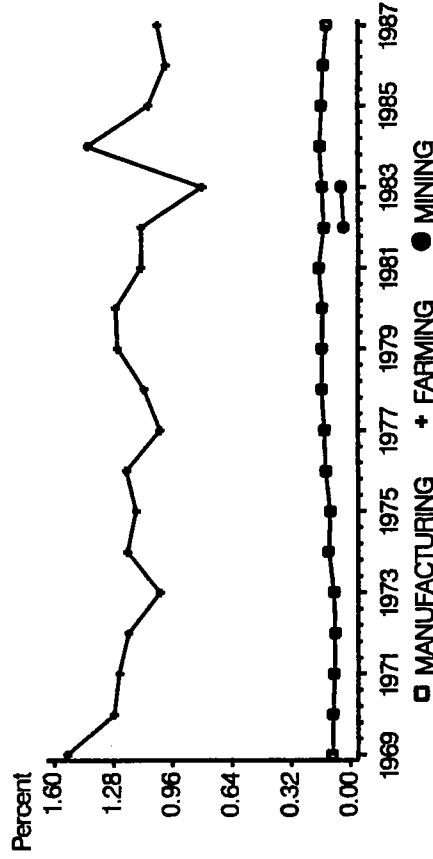


CHART 3D

GREEN COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

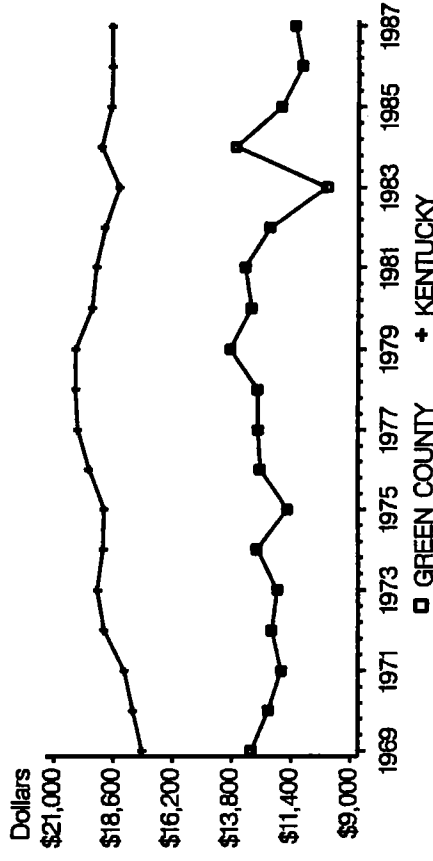


CHART 4A
GREEN COUNTY
TOTAL EMPLOYMENT
Thousands of People

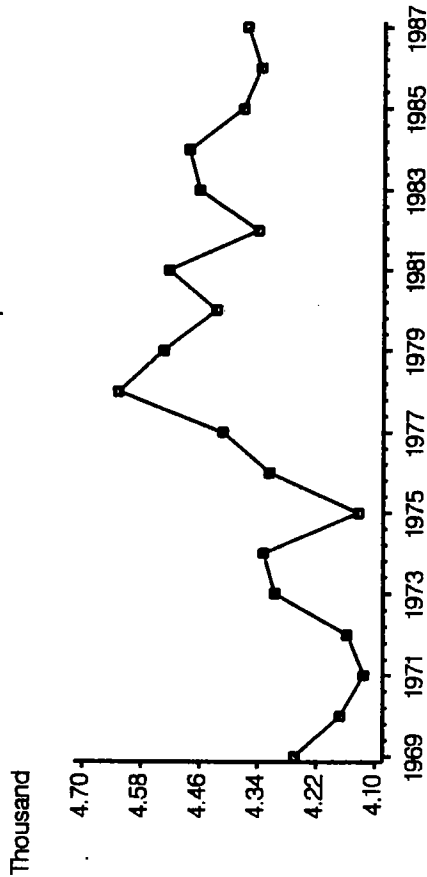


CHART 4B
GREEN COUNTY
ANNUAL UNEMPLOYMENT RATE

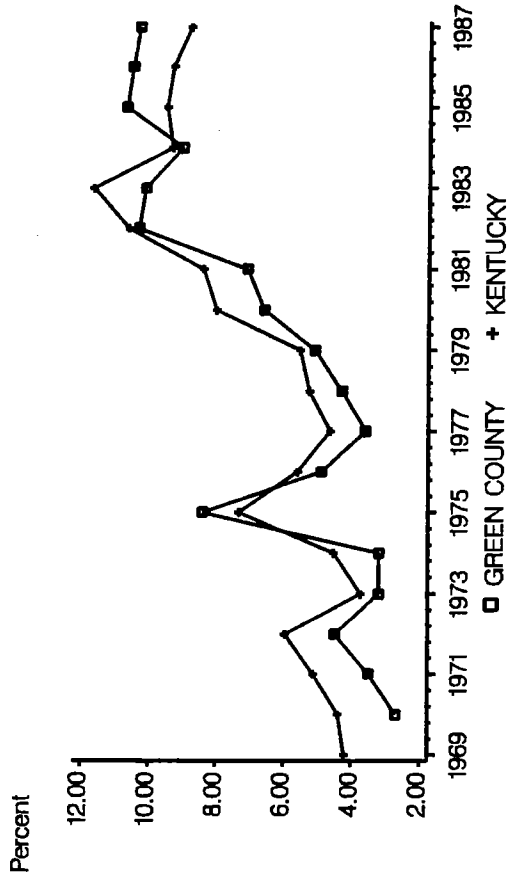


CHART 4C
GREEN COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

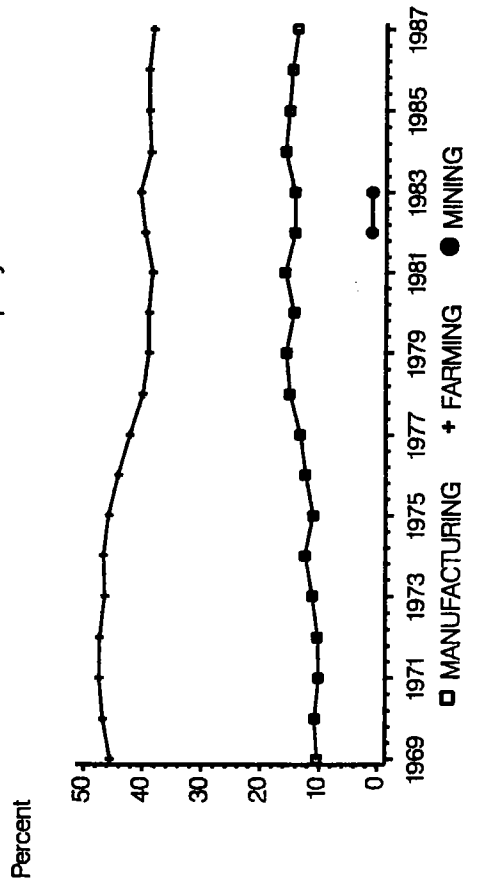


CHART 4D
GREEN COUNTY
EMPLOYMENT in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

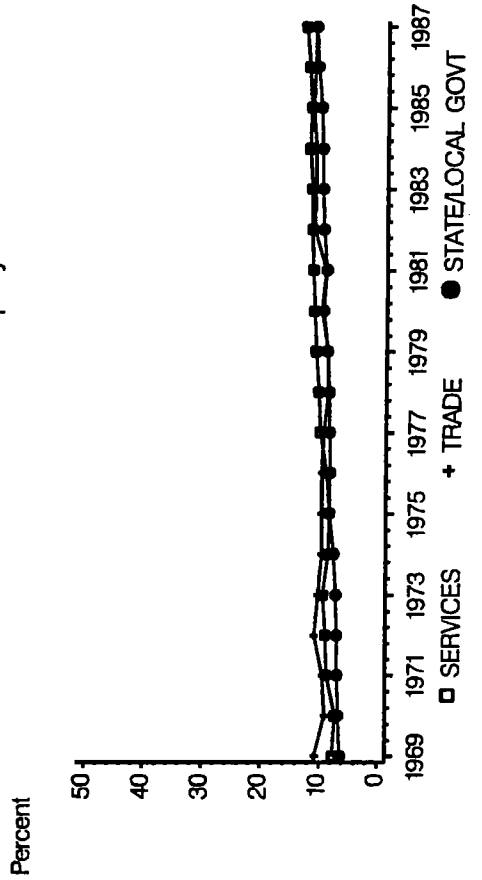


CHART 5A
GREEN COUNTY
POPULATION
Thousands of People

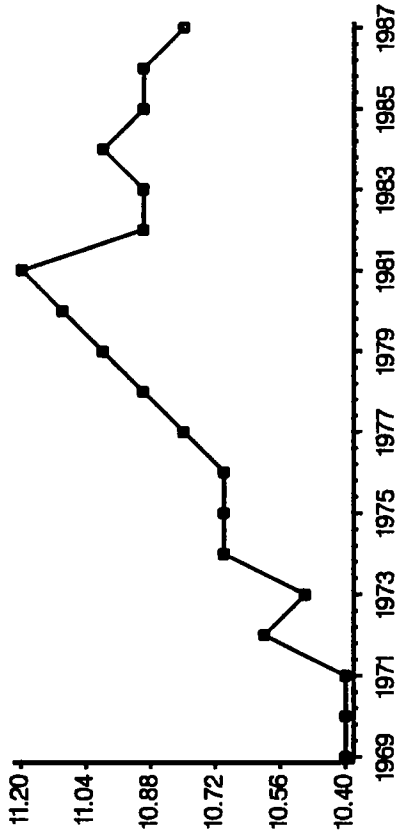


CHART 5B
GREEN COUNTY
POPULATION
as a Percent of Kentucky Population

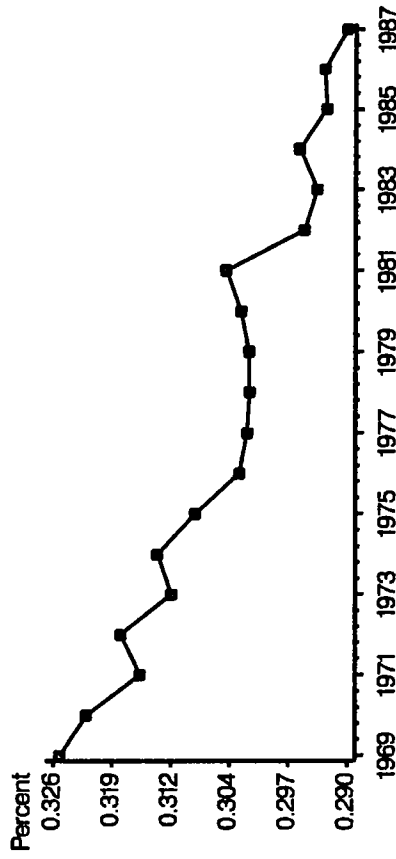


CHART 5C
GREEN COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

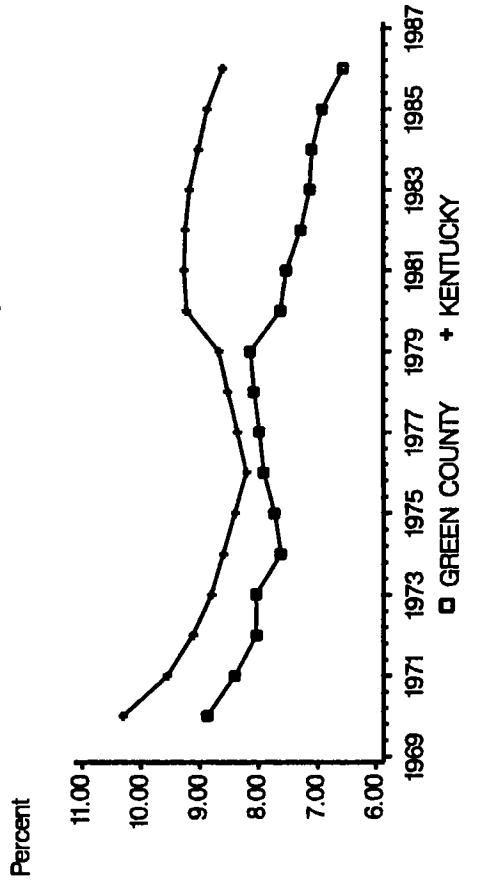
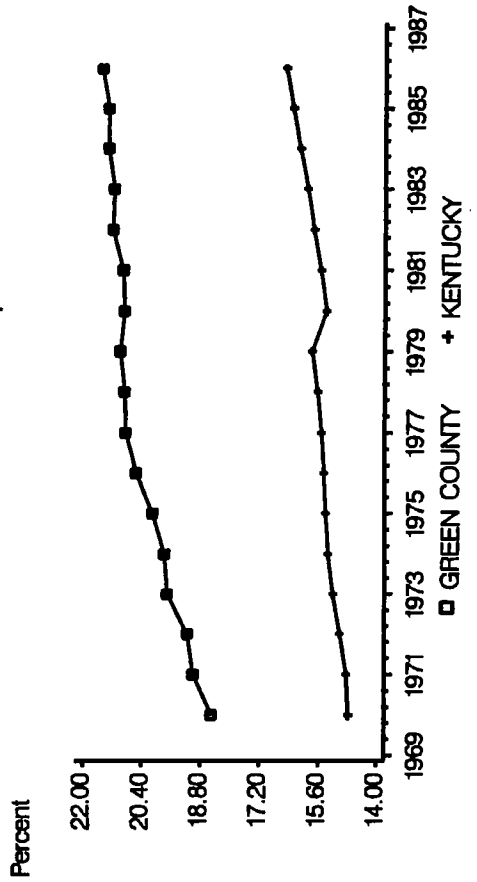


CHART 5D
GREEN COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



GREEN COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	82	0.29	7,822	88.0
1970	79	0.27	7,656	84.0
1971	79	0.26	7,570	81.8
1972	84	0.26	7,921	81.3
1973	87	0.25	8,253	80.4
1974	92	0.26	8,620	83.2
1975	85	0.24	7,966	77.6
1976	93	0.25	8,701	81.0
1977	95	0.24	8,851	79.2
1978	99	0.24	9,106	78.7
1979	104	0.24	9,506	80.8
1980	103	0.24	9,247	80.2
1981	107	0.25	9,560	81.6
1982	104	0.24	9,501	82.2
1983	98	0.23	9,028	79.3
1984	116	0.26	10,524	87.8
1985	106	0.24	9,755	81.3
1986	104	0.23	9,532	77.9
1987	107	0.23	9,877	79.0

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	67	81.9	79.2	8	10.4	10.9	6	7.8	9.9
1970	63	79.4	77.9	9	11.7	11.9	7	8.9	10.2
1971	62	77.9	77.0	10	12.8	12.9	7	9.3	10.1
1972	65	78.1	77.3	11	12.8	12.9	8	9.1	9.7
1973	66	76.6	76.6	12	14.0	13.6	8	9.5	9.7
1974	69	75.6	75.5	14	14.7	14.4	9	9.6	10.1
1975	60	70.6	73.3	16	18.9	16.5	9	10.5	10.1
1976	68	72.8	73.9	16	17.0	16.1	10	10.2	10.0
1977	69	72.6	74.6	16	16.5	15.3	10	10.9	10.1
1978	72	73.0	75.0	16	15.7	14.6	11	11.3	10.4
1979	76	73.1	74.1	16	15.8	15.1	12	11.2	10.8
1980	71	68.8	71.1	18	17.1	16.7	14	14.0	12.2
1981	72	67.1	69.3	19	17.4	16.8	17	15.5	13.8
1982	65	62.7	67.5	21	19.9	17.6	18	17.4	14.9
1983	57	58.3	66.6	21	21.7	18.4	20	20.0	15.1
1984	75	64.9	67.8	22	19.0	17.3	19	16.1	14.9
1985	65	61.7	67.2	22	21.2	17.6	18	17.1	15.3
1986	63	60.3	67.1	23	22.4	17.6	18	17.3	15.3
1987	65	60.9	67.5	23	22.0	17.2	18	17.1	15.3

GREEN 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	9.9	0.10	38.4	1.53	.	.
1970	10.6	0.09	31.0	1.28	.	.
1971	10.7	0.09	31.9	1.25	.	.
1972	10.7	0.08	34.6	1.20	.	.
1973	12.3	0.09	32.4	1.03	.	.
1974	15.1	0.12	36.4	1.21	.	.
1975	14.8	0.11	27.7	1.16	.	.
1976	17.3	0.13	27.9	1.21	.	.
1977	19.1	0.14	26.9	1.03	.	.
1978	20.6	0.15	25.2	1.11	.	.
1979	19.6	0.15	28.5	1.26	.	.
1980	19.9	0.15	25.1	1.27	.	.
1981	21.2	0.17	29.0	1.13	.	.
1982	18.3	0.14	27.3	1.13	1.6	0.04
1983	23.6	0.15	9.6	0.80	2.2	0.05
1984	19.5	0.16	32.1	1.42	.	.
1985	21.6	0.15	21.5	1.09	.	.
1986	22.4	0.15	17.4	1.00	.	.
1987	19.3	0.13	20.4	1.04	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	11.5	0.21	12.0	0.18	7.0	0.18
1970	12.0	0.20	12.1	0.16	8.0	0.18
1971	13.2	0.20	13.2	0.17	8.6	0.18
1972	14.1	0.21	14.7	0.18	8.6	0.18
1973	13.4	0.19	14.5	0.17	9.0	0.18
1974	11.4	0.18	12.9	0.17	8.3	0.18
1975	13.5	0.18	13.1	0.14	10.3	0.18
1976	12.4	0.17	12.1	0.14	9.5	0.19
1977	12.0	0.17	11.4	0.13	9.8	0.19
1978	11.7	0.16	11.1	0.13	9.9	0.19
1979	11.6	0.16	10.9	0.13	9.6	0.19
1980	12.5	0.16	11.5	0.14	11.2	0.20
1981	10.7	0.14	10.1	0.13	10.6	0.20
1982	11.4	0.13	13.9	0.16	12.4	0.21
1983	14.9	0.13	16.5	0.16	15.7	0.22
1984	11.8	0.14	11.5	0.15	11.4	0.21
1985	13.5	0.13	13.9	0.15	13.9	0.21
1986	15.9	0.13	14.6	0.14	16.0	0.22
1987	16.2	0.13	13.9	0.13	15.8	0.21

GREEN COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	444	10.4	1,941	45.5	.	.
1970	449	10.8	1,949	46.7	.	.
1971	415	10.1	1,953	47.4	.	.
1972	428	10.3	1,966	47.3	.	.
1973	480	11.1	1,998	46.4	.	.
1974	538	12.4	2,022	46.7	.	.
1975	457	11.1	1,893	45.8	.	.
1976	533	12.3	1,905	44.1	.	.
1977	587	13.3	1,863	42.2	.	.
1978	697	15.1	1,855	40.1	.	.
1979	707	15.6	1,772	39.1	.	.
1980	637	14.4	1,731	39.1	.	.
1981	719	15.9	1,741	38.5	.	.
1982	618	14.2	1,726	39.8	47	1.1
1983	636	14.3	1,808	40.5	45	1.0
1984	709	15.8	1,739	38.8	.	.
1985	664	15.2	1,709	39.1	.	.
1986	636	14.7	1,697	39.1	.	.
1987	603	13.8	1,674	38.4	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	327	7.7	459	10.8	268	6.3
1970	299	7.2	375	9.0	279	6.7
1971	360	8.7	387	9.4	282	6.8
1972	372	8.9	454	10.9	289	7.0
1973	406	9.4	442	10.3	307	7.1
1974	369	8.5	418	9.7	326	7.5
1975	345	8.3	400	9.7	345	8.3
1976	382	8.8	415	9.6	353	8.2
1977	440	10.0	412	9.3	366	8.3
1978	477	10.3	398	8.6	389	8.4
1979	490	10.8	397	8.8	399	8.8
1980	493	11.1	435	9.8	421	9.5
1981	514	11.4	412	9.1	406	9.0
1982	502	11.6	486	11.2	415	9.6
1983	520	11.7	489	11.0	433	9.7
1984	539	12.0	493	11.0	440	9.8
1985	516	11.8	502	11.5	439	10.0
1986	526	12.1	487	11.2	464	10.7
1987	555	12.7	483	11.1	478	11.0

GREEN COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	4,264	\$13,012	\$17,440	.	4.2
1970	4,171	\$12,331	\$17,811	2.7	4.4
1971	4,122	\$11,812	\$18,166	3.5	5.1
1972	4,157	\$12,194	\$18,970	4.5	6.0
1973	4,305	\$11,963	\$19,232	3.2	3.7
1974	4,329	\$12,791	\$19,008	3.2	4.5
1975	4,134	\$11,560	\$18,976	8.4	7.3
1976	4,317	\$12,661	\$19,563	4.9	5.6
1977	4,413	\$12,749	\$20,031	3.6	4.7
1978	4,627	\$12,758	\$20,121	4.3	5.3
1979	4,535	\$13,857	\$20,110	5.1	5.5
1980	4,427	\$13,011	\$19,439	6.6	8.0
1981	4,525	\$13,266	\$19,286	7.1	8.4
1982	4,341	\$12,267	\$18,931	10.3	10.6
1983	4,462	\$9,943	\$18,358	10.1	11.6
1984	4,484	\$13,621	\$19,080	9.0	9.3
1985	4,372	\$11,795	\$18,676	10.7	9.5
1986	4,336	\$10,938	\$18,627	10.5	9.3
1987	4,364	\$11,232	\$18,636	10.3	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	10,400	0.33	.	.	.	.
1970	10,400	0.32	8.9	10.3	18.5	14.8
1971	10,400	0.32	8.4	9.6	19.0	14.8
1972	10,600	0.32	8.0	9.1	19.2	15.0
1973	10,500	0.31	8.0	8.8	19.7	15.2
1974	10,700	0.31	7.6	8.6	19.8	15.3
1975	10,700	0.31	7.7	8.4	20.1	15.4
1976	10,700	0.30	7.9	8.2	20.6	15.5
1977	10,800	0.30	8.0	8.4	20.8	15.5
1978	10,900	0.30	8.1	8.5	20.9	15.6
1979	11,000	0.30	8.1	8.7	21.0	15.8
1980	11,100	0.30	7.6	9.2	20.9	15.4
1981	11,200	0.30	7.5	9.3	20.9	15.5
1982	10,900	0.30	7.3	9.2	21.2	15.7
1983	10,900	0.29	7.1	9.2	21.2	15.9
1984	11,000	0.30	7.1	9.0	21.3	16.1
1985	10,900	0.29	6.9	8.9	21.3	16.3
1986	10,900	0.29	6.5	8.6	21.5	16.5
1987	10,800	0.29



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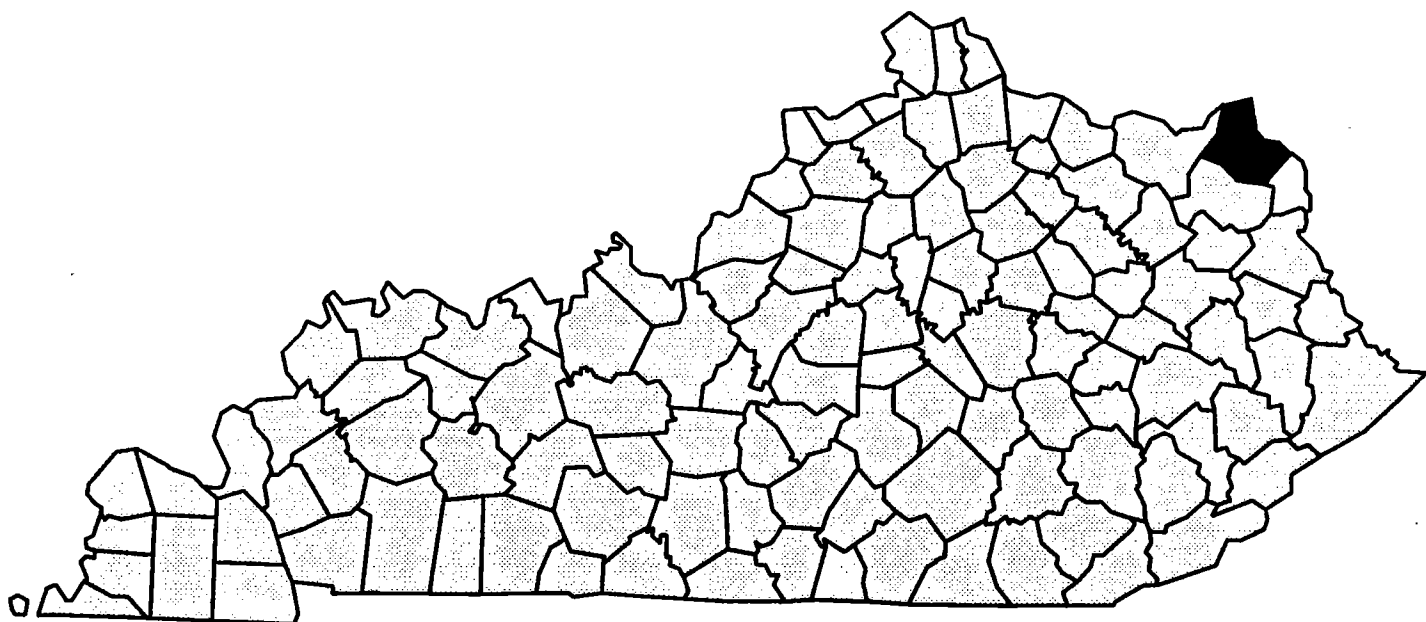
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

GREENUP 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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GREENUP 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



SUMMARY

The Greenup County economy, as measured by personal income, grew strongly in the 1970's but showed little change in the 1980's. Greenup County increased its share of Kentucky personal income in the 1970's and decreased its share in the 1980's. However, average earnings per job were significantly above those of the state.

The county economy was heavily dependent on the manufacturing sector. Both earning and employment in the manufacturing sector increased dramatically in 1973. However, manufacturing employment declined slightly in the 1980's. The county's share of earnings and employment from mining and farming were minimal through most of the period.

The shares of the non-goods-producing sectors of services, trade and state and local government experienced declines at the county level. At the state level, the service and trade sectors increased, 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 Greenup County would be enhanced by 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 Greenup 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 Greenup 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 Greenup 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 GREENUP 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 Greenup 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 Greenup County economy experienced significant growth in the 1970's and a slight decline in the 1980's. As can be seen in Chart 1A, the size of the Greenup County economy, as measured by real personal income, increased from \$256 million in 1969 to a high of \$469 million in 1980, after adjusting for inflation. County personal income declined to \$457 million by 1987. Chart 1B shows Greenup County total personal income as a percent of Kentucky total personal income. Greenup County's share of Kentucky personal income increased through the 1970's and decreased slightly 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. Greenup County real per capita income generally increased over the time period to a level of \$12,250 in 1987. Greenup County's per capita personal income was 98.0 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 \$210 million in 1969 to a high of \$380 million in 1979, then declined to \$331 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income have declined over the period. Earnings accounted for 72.4 percent of Greenup County's total personal income in 1987, which was higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$30 million to total personal income in 1969 and \$78 million in 1987. In 1987, 17.1 percent of Greenup County personal income was derived from transfer payments, compared to 17.2 percent for the state.

Income from property in Greenup County grew steadily through the time period. Income from property totalled \$17 million in 1969 and increased to \$48 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, Greenup County received 11.0 percent of its earnings from manufacturing. This percentage increased dramatically to 48.7 percent in 1973. By 1987, 57.7 percent of earnings was derived from manufacturing. This pattern of an increase in the percent of total earnings from manufacturing was unlike that of the state, where earnings from manufacturing declined. County earnings from farming and mining were minimal through most of this period. At the state level, the share of earnings from the farming and mining sectors declined.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services decreased from 13.3 percent in 1969 to 5.1 percent in 1979, then increased to 9.7 percent in 1987. The percentage of earnings from the trade sector decreased from 10.4 percent in 1969 to 5.2 percent in 1987. The share from state and local government decreased through the 1970's and increased to 5.9 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 Greenup 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. Greenup County

average earnings per job increased substantially in 1973. Average earnings per job were \$27,274 in 1987, well 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 5,931 people. By 1987, employment had increased to 13,324 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 Greenup County are presented in Chart 4B. Except for a sharp increase in 1982 and 1983, Greenup County unemployment rates closely paralleled Kentucky rates. In 1987, the county unemployment rate was 10.8, 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. Manufacturing represented 7.0 percent of total employment in 1969. The percent of Greenup County total employment in manufacturing increased substantially in 1973 to 36.0 percent. This share decreased to 32.4 percent in 1987. The farm sector accounted for 9.1 percent of employment in 1969. This share decreased to 7.7 percent by 1987. The mine sector's share of employment was minimal during the period. At the state level, the percents of total employment in these sectors declined.

Greenup County employment in the non-goods-producing industries are illustrated in Chart 4D. Employment in the service sector as a percent of total employment decreased in the 1970's and increased in the 1980's to 15.2 percent in 1987. The trade sector's share of employment declined slightly and accounted for 13.2 percent in 1987. The percent of employment in state and local government decreased from 14.4 percent in 1969 to 9.0 percent in 1987. At the state level, the percents of employment in the service and trade sectors increased, while state and local government remained relatively 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 Greenup County.

The Greenup County population grew from 32,800 in 1969 to 39,100 in 1980. Population then declined to 37,300 in 1987 (Chart 5A). In 1986, 7.7 percent of Greenup County's population was under six years of age, compared to 8.6 percent for the state. In the same year, 15.2 percent of the Greenup County population were 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 economy. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. While mining employment and earnings are a very small percent of their respective totals for Greenup County, coal production has been a nontrivial sector of the county economy.

Greenup 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 shipment from each county. Coal production increased in the 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. However, when oil prices declined, coal production also declined. By 1986, production in Greenup County again increased to 739 thousand tons of coal.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969 there were only 48 people employed in mining in Greenup County. Employment in this sector increased to 209 people in 1980. By 1987, this sector provided 18 jobs in Greenup County. The dramatic 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. Data for many periods in Greenup County was not available. At the state level, average value per ton increased in the 1970's, and declined steadily in 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 in Greenup County were cyclical over the period. In 1986, coal severance tax collections allocated to Greenup County totalled \$542 thousand.

CHART 1A

GREENUP COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

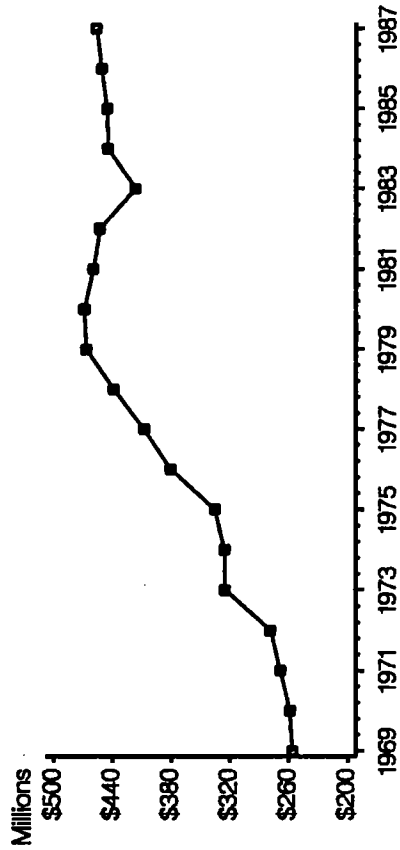


CHART 1B
GREENUP COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

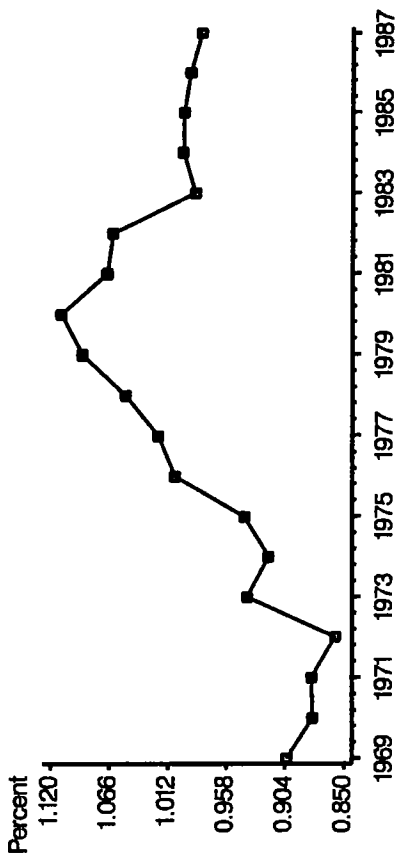


CHART 1C

GREENUP COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

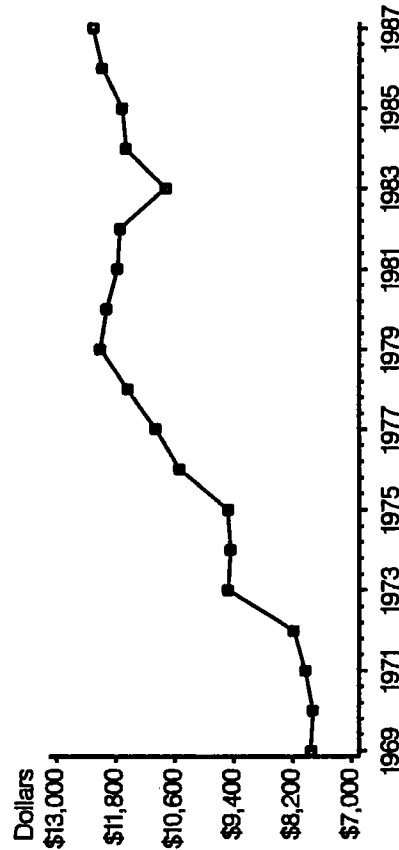


CHART 1D
GREENUP COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

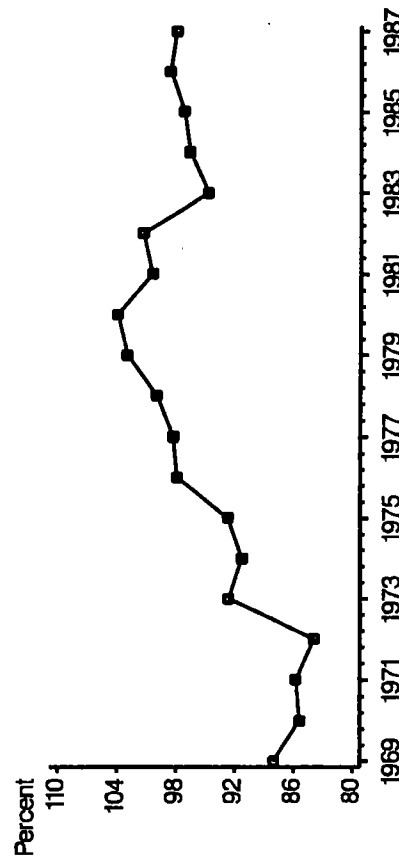


CHART 2A

GREENUP COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

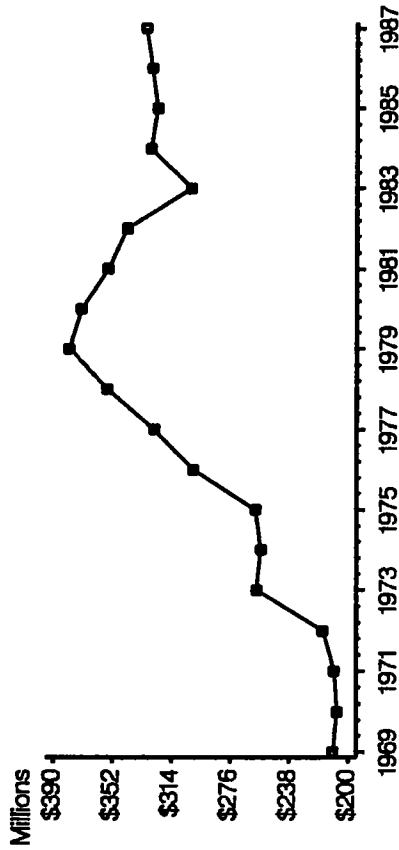


CHART 2B

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

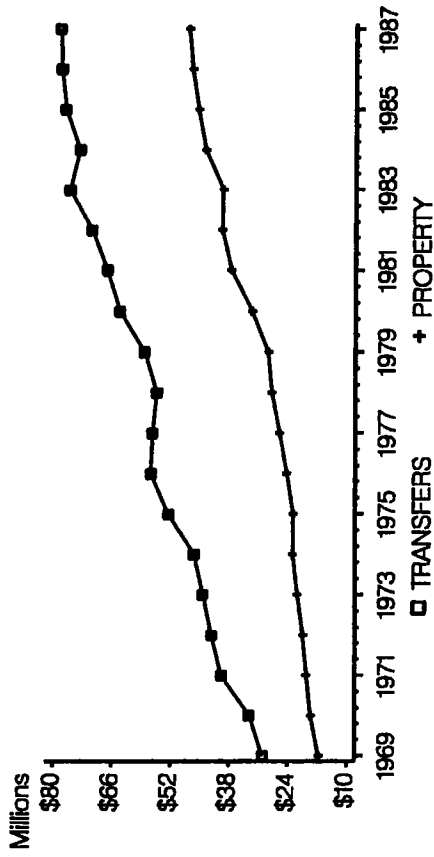


CHART 2C

GREENUP COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

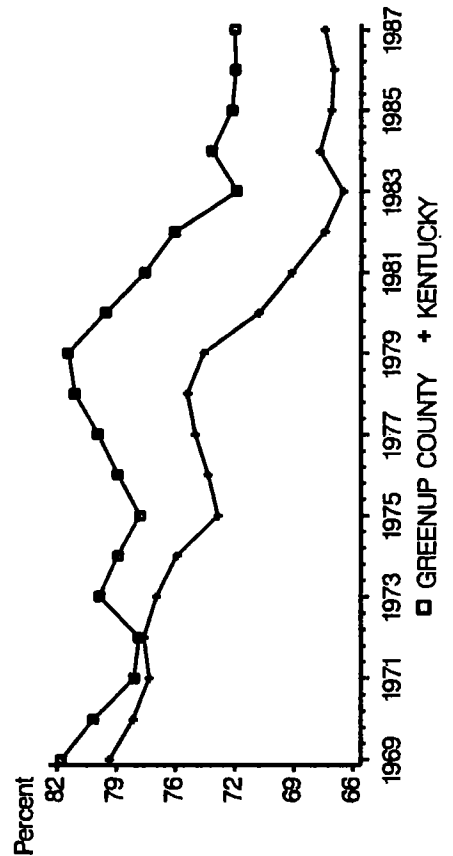


CHART 2D

GREENUP COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

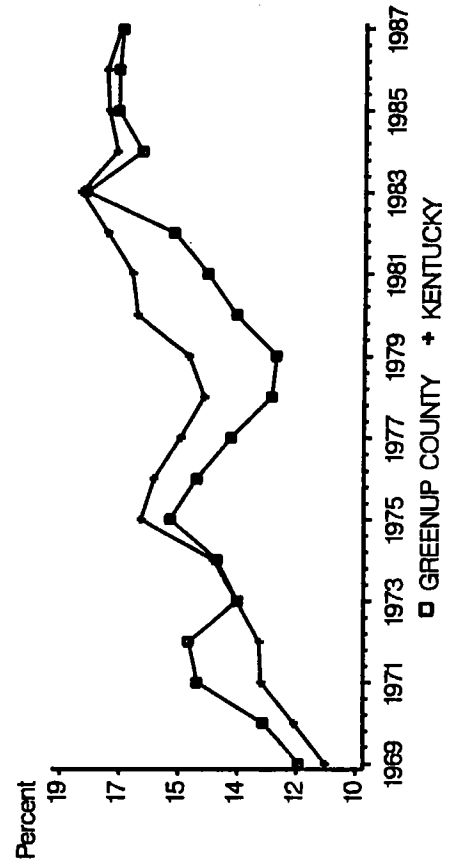


CHART 3A

GREENUP COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

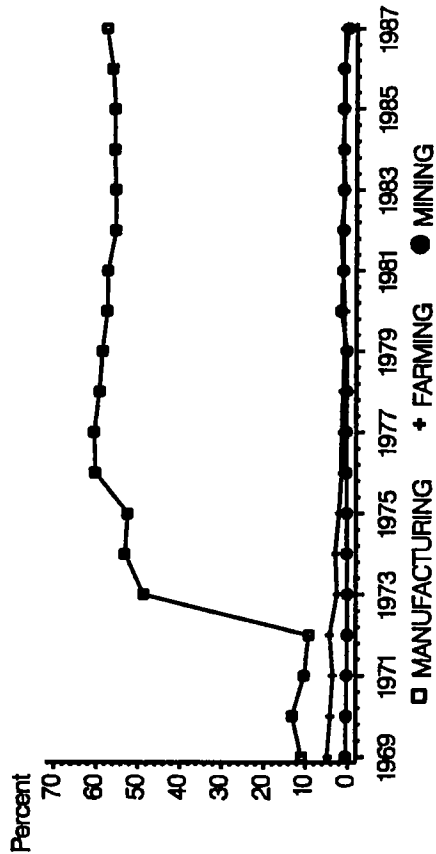


CHART 3B

GREENUP COUNTY

EARNINGS in NON - GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

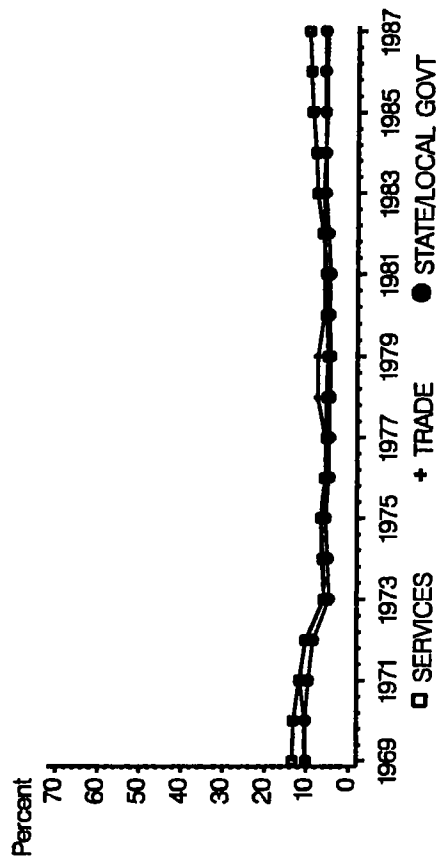


CHART 3C

GREENUP COUNTY

EARNINGS in GOODS PRODUCING INDUSTRIES

as a Percent of Kentucky Industries

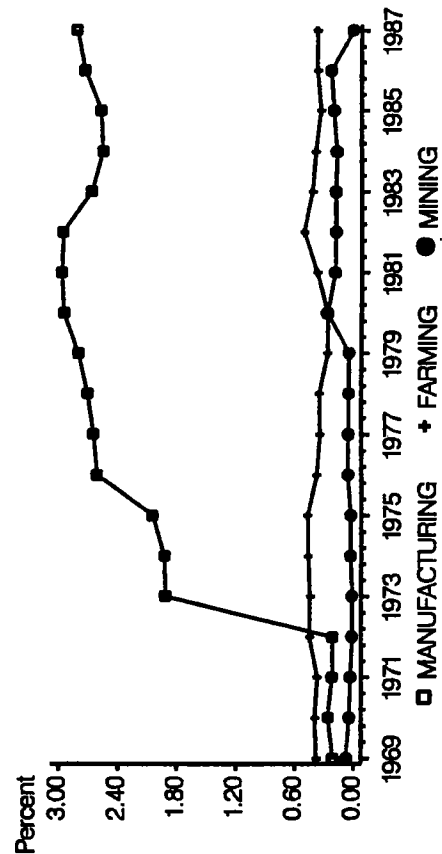


CHART 3D

GREENUP COUNTY

AVERAGE EARNINGS PER JOB

in Constant 1988 Dollars

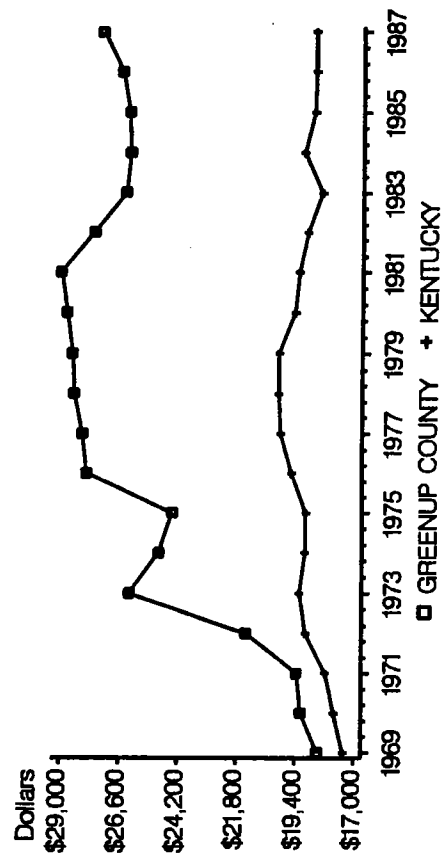


CHART 4A
GREENUP COUNTY
TOTAL EMPLOYMENT
Thousands of People

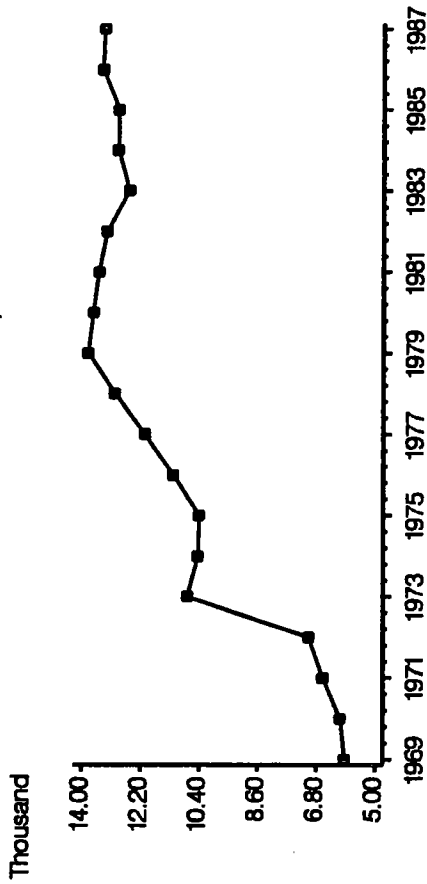


CHART 4B
GREENUP COUNTY
ANNUAL UNEMPLOYMENT RATE

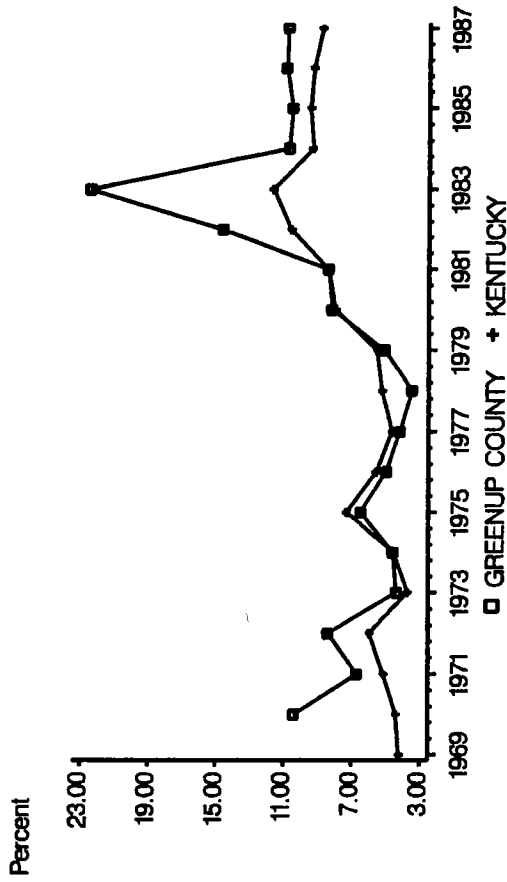


CHART 4C
GREENUP COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

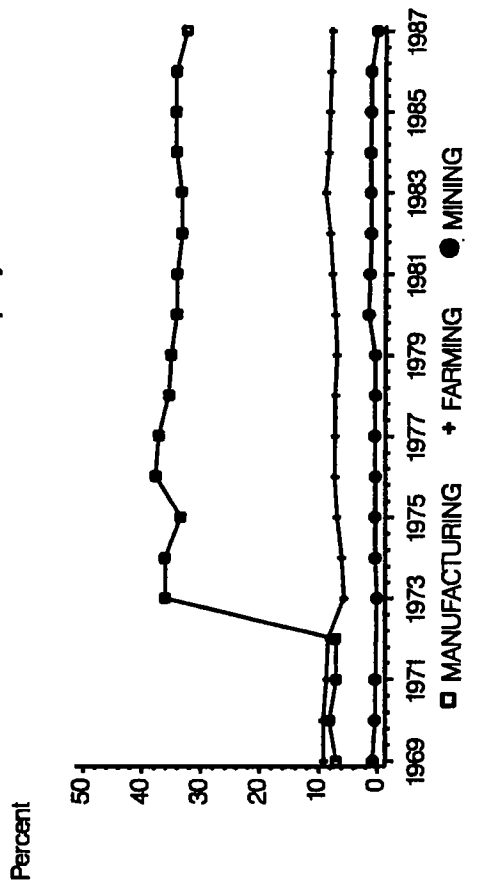


CHART 4D
GREENUP COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

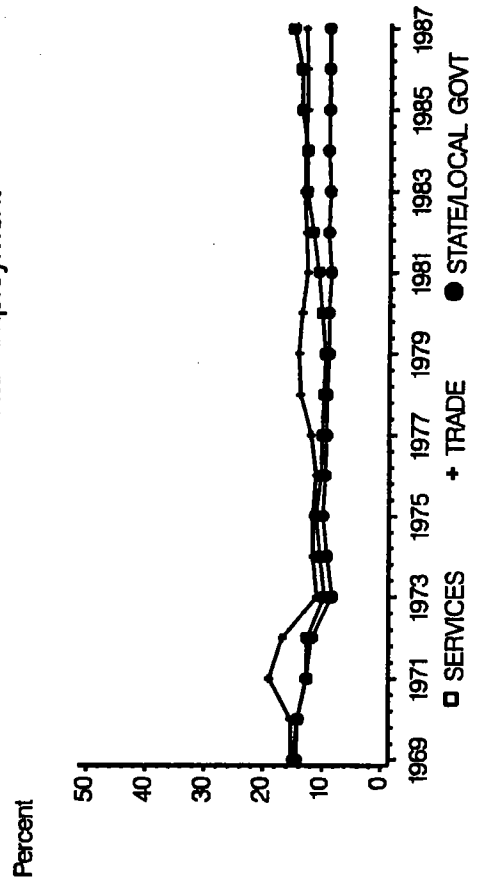


CHART 5A
GREENUP COUNTY
POPULATION
Thousands of People

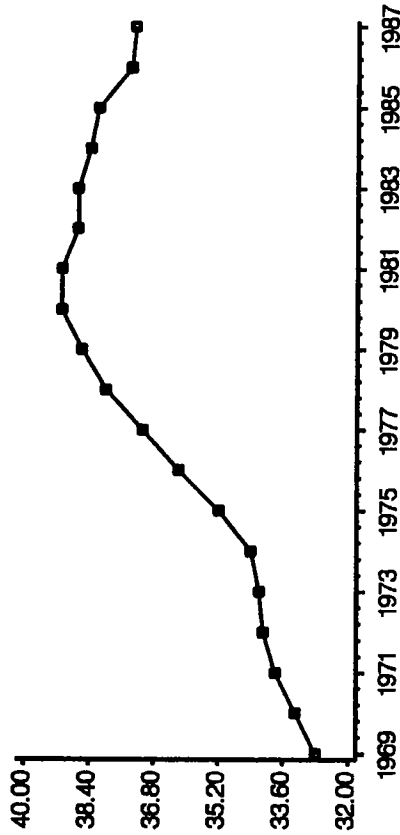


CHART 5B
GREENUP COUNTY
POPULATION
as a Percent of Kentucky Population

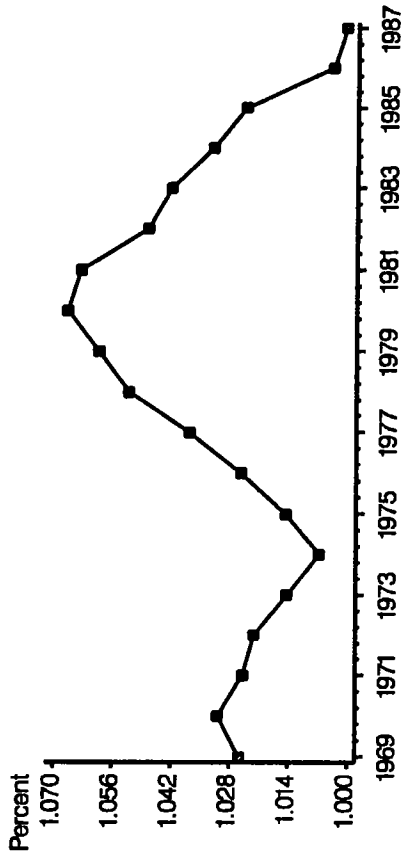


CHART 5C
GREENUP COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

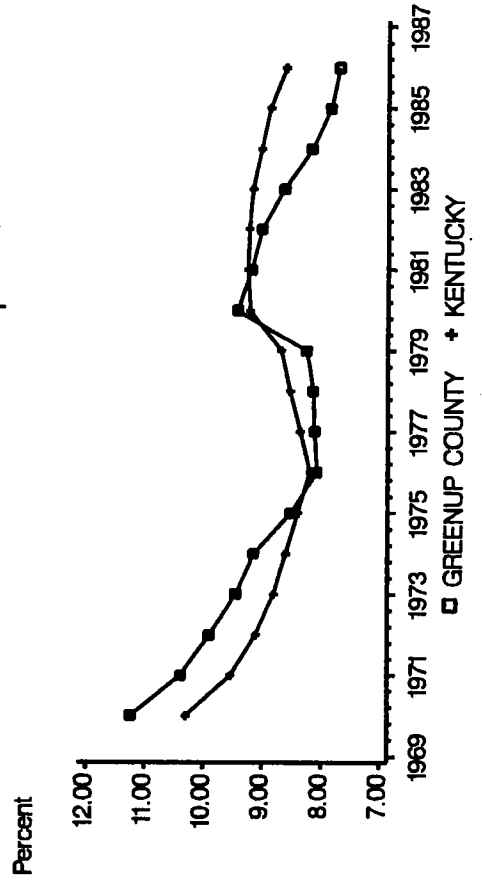


CHART 5D
GREENUP COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

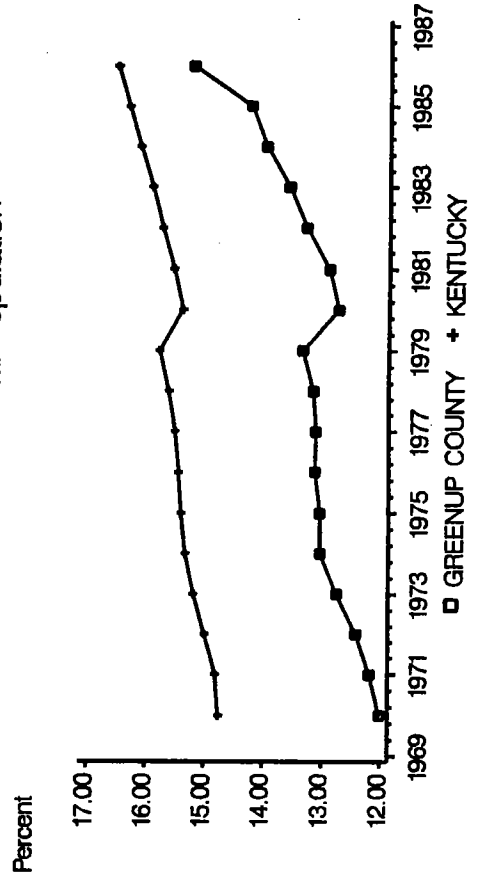


CHART 6A
GREENUP COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
Thousands of Tons

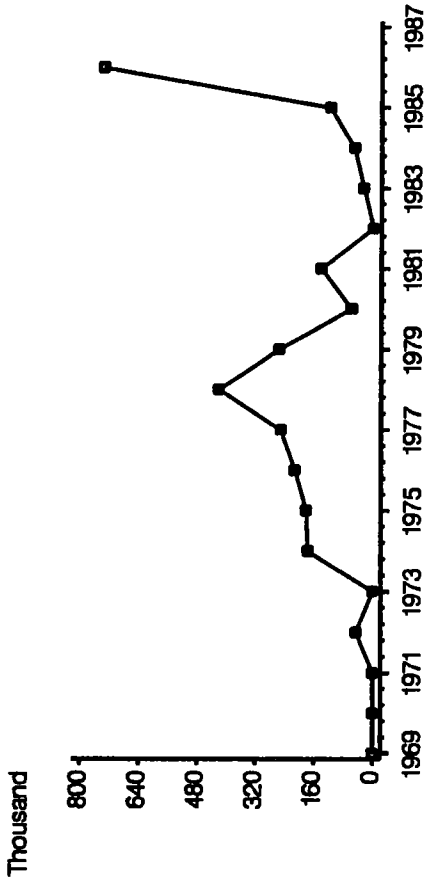


CHART 6B
GREENUP COUNTY
MINING EMPLOYMENT
Thousands of People

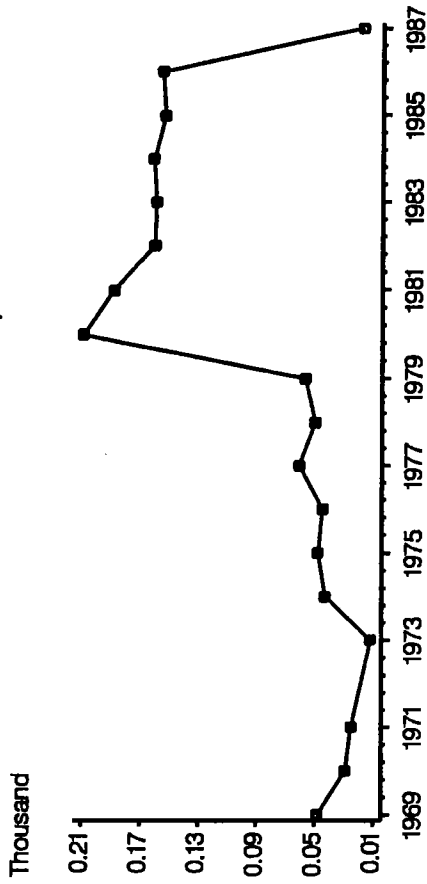


CHART 6C
GREENUP COUNTY
AVERAGE VALUE PER TON FOR COAL
Constant 1988 Dollars

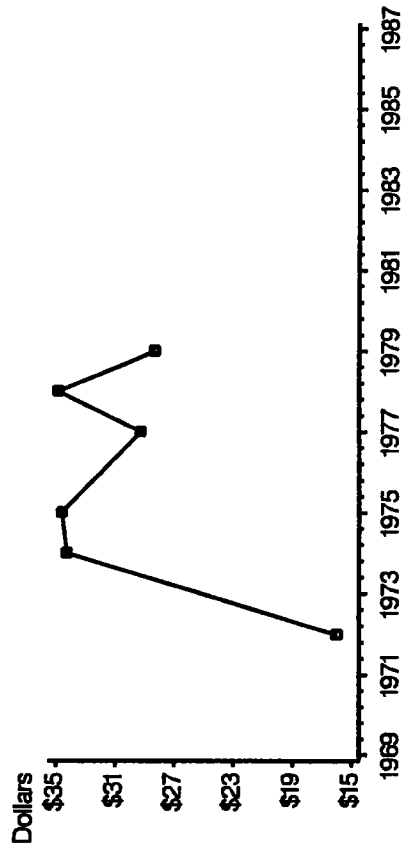
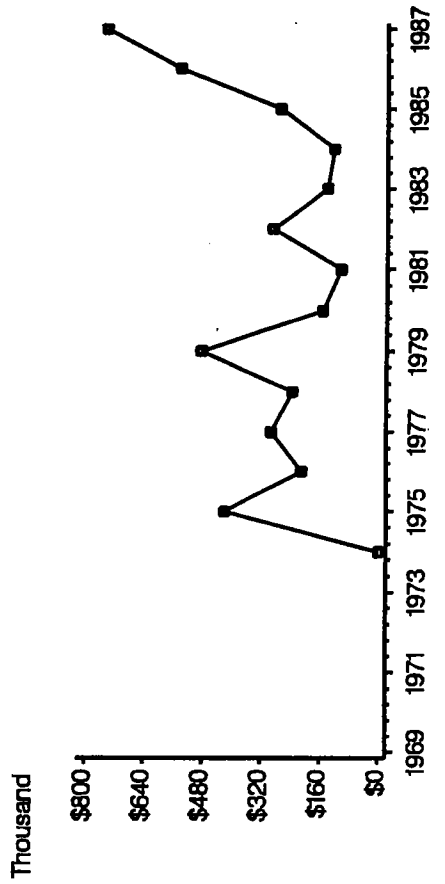


CHART 6D
GREENUP COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
Thousands of 1988 Dollars



GREENUP COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	256	0.90	7,825	88.1
1970	259	0.88	7,781	85.4
1971	269	0.88	7,939	85.8
1972	279	0.86	8,176	83.9
1973	325	0.94	9,508	92.6
1974	326	0.92	9,458	91.3
1975	335	0.94	9,514	92.7
1976	381	1.01	10,513	97.9
1977	408	1.02	10,988	98.3
1978	439	1.05	11,561	100.0
1979	467	1.09	12,109	103.0
1980	469	1.11	11,989	104.0
1981	460	1.07	11,767	100.4
1982	453	1.06	11,709	101.3
1983	417	0.99	10,785	94.8
1984	445	1.00	11,591	96.7
1985	446	1.00	11,667	97.2
1986	452	0.99	12,072	98.6
1987	457	0.98	12,250	98.0

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	210	81.8	79.2	30	11.7	10.9	17	6.5	9.9
1970	207	80.0	77.9	33	12.8	11.9	19	7.2	10.2
1971	209	77.8	77.0	40	14.8	12.9	20	7.3	10.1
1972	216	77.6	77.3	42	15.1	12.9	20	7.3	9.7
1973	259	79.7	76.6	44	13.6	13.6	22	6.7	9.7
1974	256	78.7	75.5	46	14.2	14.4	23	7.0	10.1
1975	260	77.5	73.3	52	15.7	16.5	23	6.8	10.1
1976	300	78.7	73.9	57	14.9	16.1	24	6.4	10.0
1977	326	79.8	74.6	56	13.8	15.3	26	6.4	10.1
1978	356	81.0	75.0	55	12.6	14.6	28	6.4	10.4
1979	380	81.4	74.1	58	12.5	15.1	29	6.1	10.8
1980	372	79.4	71.1	64	13.7	16.7	33	7.0	12.2
1981	355	77.3	69.3	67	14.6	16.8	38	8.2	13.8
1982	343	75.7	67.5	71	15.6	17.6	40	8.8	14.9
1983	302	72.3	66.6	76	18.2	18.4	40	9.5	15.1
1984	328	73.6	67.8	74	16.5	17.3	44	9.8	14.9
1985	324	72.5	67.2	77	17.3	17.6	45	10.2	15.3
1986	327	72.4	67.1	78	17.3	17.6	47	10.4	15.3
1987	331	72.4	67.5	78	17.1	17.2	48	10.5	15.3

GREENUP 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	11.0	0.21	4.8	0.38	0.5	0.08
1970	13.1	0.26	4.2	0.39	0.4	0.05
1971	10.3	0.22	3.6	0.37	0.3	0.03
1972	9.3	0.21	4.3	0.44	0.1	0.02
1973	48.7	1.91	2.5	0.44	0.1	0.02
1974	53.2	1.92	2.9	0.46	0.2	0.03
1975	52.5	2.04	2.1	0.47	0.3	0.03
1976	60.3	2.61	1.5	0.37	0.4	0.06
1977	60.6	2.65	1.5	0.34	0.4	0.06
1978	59.3	2.71	1.3	0.35	0.3	0.05
1979	58.6	2.80	1.0	0.26	0.3	0.05
1980	57.5	2.95	0.8	0.27	1.7	0.27
1981	57.4	2.97	1.5	0.37	1.2	0.19
1982	55.5	2.96	1.8	0.50	1.2	0.18
1983	55.6	2.67	0.7	0.42	1.1	0.19
1984	55.9	2.55	1.6	0.38	1.1	0.18
1985	55.8	2.57	1.0	0.33	1.2	0.20
1986	56.4	2.73	0.9	0.36	1.1	0.23
1987	57.7	2.82	1.0	0.37	0.0	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	13.3	0.48	10.4	0.31	10.2	0.52
1970	13.1	0.49	10.4	0.32	10.3	0.53
1971	11.7	0.46	11.7	0.38	9.6	0.51
1972	10.2	0.45	10.4	0.38	8.4	0.51
1973	5.9	0.46	5.8	0.38	4.8	0.52
1974	6.2	0.46	6.4	0.39	5.1	0.52
1975	6.7	0.46	6.5	0.37	5.6	0.53
1976	5.7	0.46	5.6	0.37	4.8	0.53
1977	5.4	0.45	5.7	0.41	4.6	0.54
1978	5.4	0.46	7.5	0.54	4.6	0.55
1979	5.1	0.45	7.5	0.57	4.4	0.55
1980	5.5	0.47	6.0	0.48	4.7	0.58
1981	5.4	0.46	5.9	0.49	4.5	0.57
1982	6.3	0.49	5.9	0.47	5.0	0.59
1983	7.7	0.51	6.2	0.44	5.8	0.60
1984	8.0	0.52	5.9	0.41	5.7	0.59
1985	8.9	0.55	5.5	0.38	5.9	0.59
1986	9.3	0.55	5.5	0.40	6.0	0.60
1987	9.7	0.56	5.2	0.38	5.9	0.59

GREENUP COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	414	7.0	542	9.1	48	0.8
1970	495	8.2	559	9.2	29	0.5
1971	460	7.0	574	8.7	25	0.4
1972	498	7.1	589	8.4	.	.
1973	3,876	36.0	607	5.6	12	0.1
1974	3,769	36.1	631	6.0	43	0.4
1975	3,477	33.4	716	6.9	48	0.5
1976	4,226	37.8	808	7.2	45	0.4
1977	4,498	37.2	866	7.2	61	0.5
1978	4,609	35.5	925	7.1	50	0.4
1979	4,853	35.1	950	6.9	57	0.4
1980	4,664	34.1	981	7.2	209	1.5
1981	4,597	34.1	1,037	7.7	188	1.4
1982	4,401	33.2	1,074	8.1	160	1.2
1983	4,189	33.3	1,118	8.9	159	1.3
1984	4,416	34.2	1,073	8.3	161	1.2
1985	4,423	34.3	1,047	8.1	153	1.2
1986	4,583	34.2	1,061	7.9	155	1.2
1987	4,322	32.4	1,032	7.7	18	0.1

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	883	14.9	903	15.2	856	14.4
1970	859	14.2	930	15.4	857	14.2
1971	831	12.6	1,251	19.0	838	12.7
1972	891	12.7	1,178	16.7	828	11.8
1973	1,038	9.6	1,183	11.0	894	8.3
1974	1,091	10.5	1,217	11.7	962	9.2
1975	1,164	11.2	1,219	11.7	1,031	9.9
1976	1,148	10.3	1,252	11.2	1,071	9.6
1977	1,215	10.1	1,452	12.0	1,122	9.3
1978	1,276	9.8	1,811	13.9	1,198	9.2
1979	1,325	9.6	1,958	14.2	1,238	9.0
1980	1,397	10.2	1,861	13.6	1,238	9.1
1981	1,461	10.8	1,732	12.8	1,174	8.7
1982	1,565	11.8	1,726	13.0	1,203	9.1
1983	1,623	12.9	1,681	13.4	1,111	8.8
1984	1,658	12.8	1,710	13.2	1,183	9.2
1985	1,773	13.8	1,665	12.9	1,168	9.1
1986	1,859	13.9	1,733	12.9	1,209	9.0
1987	2,028	15.2	1,756	13.2	1,200	9.0

GREENUP COUNTY
EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	5,931	\$18,469	\$17,440	.	4.2
1970	6,056	\$19,151	\$17,811	10.4	4.4
1971	6,595	\$19,329	\$18,166	6.7	5.1
1972	7,040	\$21,405	\$18,970	8.4	6.0
1973	10,762	\$26,175	\$19,232	4.4	3.7
1974	10,432	\$24,961	\$19,008	4.6	4.5
1975	10,395	\$24,427	\$18,976	6.5	7.3
1976	11,193	\$27,901	\$19,563	5.0	5.6
1977	12,083	\$28,077	\$20,031	4.2	4.7
1978	13,001	\$28,409	\$20,121	3.5	5.3
1979	13,824	\$28,484	\$20,110	5.1	5.5
1980	13,659	\$28,700	\$19,439	8.2	8.0
1981	13,491	\$28,944	\$19,286	8.4	8.4
1982	13,242	\$27,608	\$18,931	14.6	10.6
1983	12,569	\$26,333	\$18,358	22.4	11.6
1984	12,911	\$26,155	\$19,080	10.7	9.3
1985	12,894	\$26,193	\$18,676	10.5	9.5
1986	13,384	\$26,479	\$18,627	10.9	9.3
1987	13,324	\$27,274	\$18,636	10.8	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	32,800	1.03	.	.	.	.
1970	33,300	1.03	11.2	10.3	12.0	14.8
1971	33,800	1.02	10.4	9.6	12.2	14.8
1972	34,100	1.02	9.9	9.1	12.4	15.0
1973	34,200	1.01	9.5	8.8	12.7	15.2
1974	34,400	1.01	9.1	8.6	13.0	15.3
1975	35,200	1.01	8.5	8.4	13.0	15.4
1976	36,200	1.03	8.1	8.2	13.1	15.5
1977	37,100	1.04	8.1	8.4	13.1	15.5
1978	38,000	1.05	8.1	8.5	13.2	15.6
1979	38,600	1.06	8.3	8.7	13.3	15.8
1980	39,100	1.07	9.4	9.2	12.7	15.4
1981	39,100	1.06	9.2	9.3	12.9	15.5
1982	38,700	1.05	9.0	9.2	13.3	15.7
1983	38,700	1.04	8.6	9.2	13.6	15.9
1984	38,400	1.03	8.2	9.0	14.0	16.1
1985	38,200	1.02	7.8	8.9	14.2	16.3
1986	37,400	1.00	7.7	8.6	15.2	16.5
1987	37,300	1.00	.	.	.	.

GREENUP COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	0	48	.	.
1970	0	29	.	.
1971	0	25	.	.
1972	45	.	\$16.00	.
1973	0	12	.	.
1974	178	43	\$34.26	\$0
1975	182	48	\$34.60	\$420
1976	213	45	.	\$210
1977	252	61	\$29.29	\$292
1978	422	50	\$34.85	\$235
1979	256	57	\$28.29	\$484
1980	59	209	.	\$153
1981	142	188	.	\$104
1982	0	160	.	\$290
1983	26	159	.	\$142
1984	52	161	.	\$123
1985	118	153	.	\$270
1986	739	155	.	\$542
1987	.	18	.	.

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





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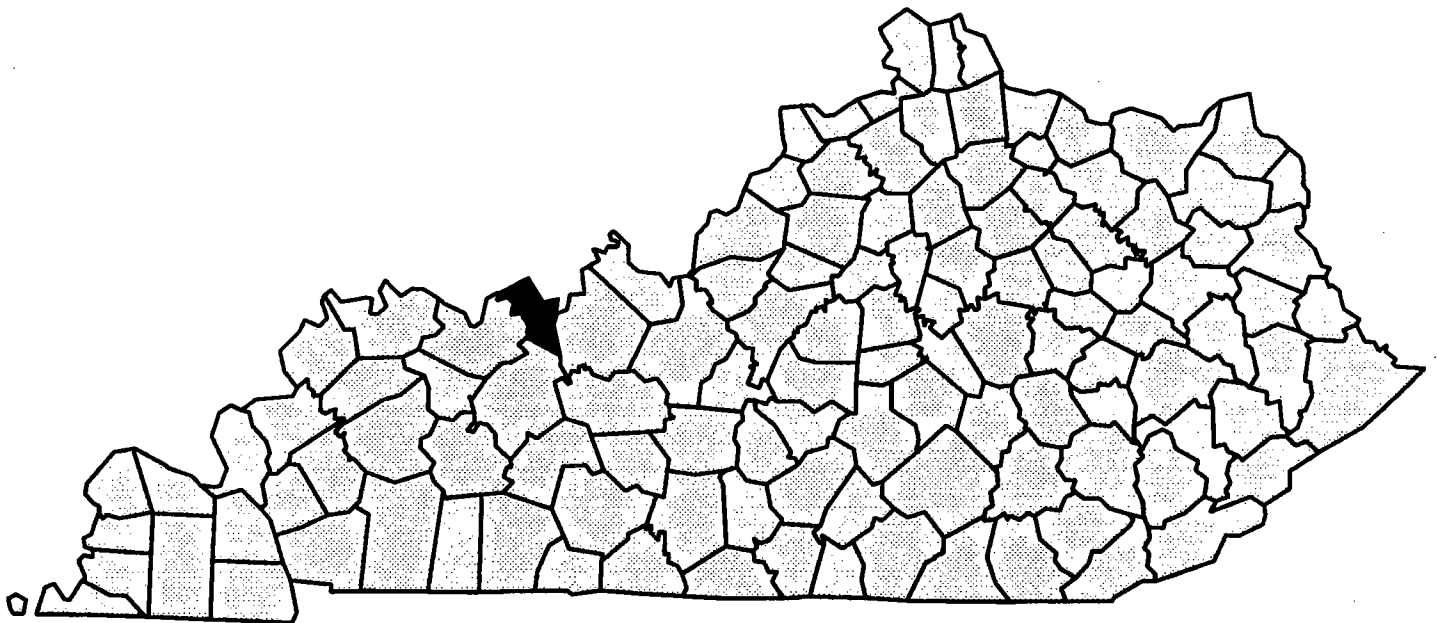


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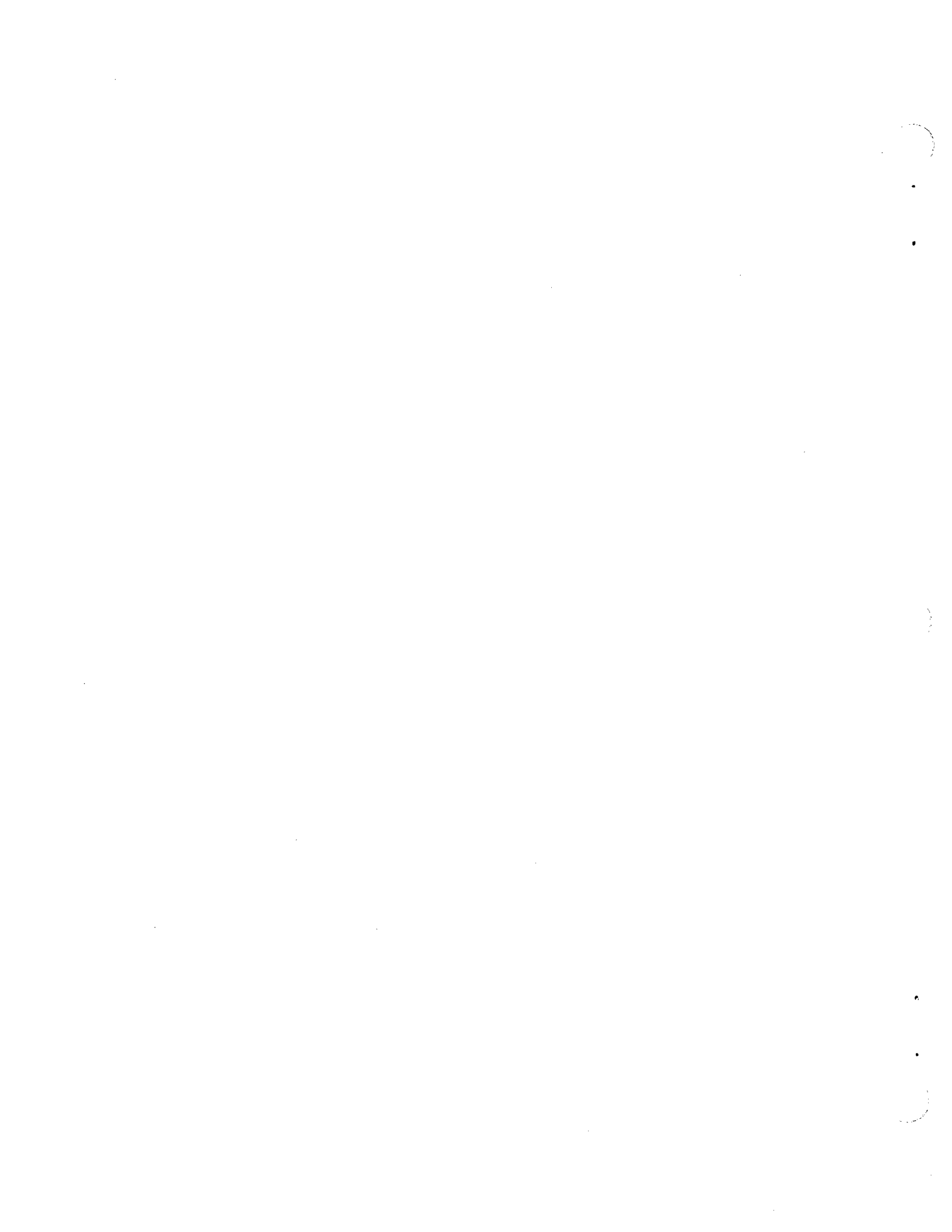
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HANCOCK 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 Hancock County economy, as measured by personal income, grew moderately from 1969 to 1987. Hancock County decreased its share of Kentucky personal income, indicating that the county economy did not keep pace with the state economy. However, both per capita personal income and average earnings per job were above those of the state.

The county was dominated by the manufacturing sector. While the state share of earnings and employment in manufacturing declined, the shares of these components of the Hancock County economy grew in importance. The trade sector decreased its share of earnings and employment, while the state and local government sector slightly increased its share. The service and trade sectors were the growth sectors at the state level.

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 HANCOCK 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 Hancock 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 Hancock County economy, as measured by personal income, increased from \$70 million in 1969 to \$103 million in 1987, after adjusting for inflation. Chart 1B shows Hancock County total personal income as a percent of Kentucky total personal income. Hancock 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 Hancock County per capita income increased to \$13,261 in 1981, then declined to \$12,800 in 1987, which was 102.4 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 strong growth through 1981. However, earnings dropped significantly in the early 1980's. Total earnings increased from \$61 million in 1969 to \$81 million in 1981, then declined to \$77 million in 1987 (in constant 1988 dollars). The percent of personal income from earnings declined during the period. This trend occurred at the state level as well. In 1987, earnings accounted for 74.9 percent of Hancock County's total personal income, higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$5 million to total personal income in 1969 and \$14 million in 1987. During the same period, transfer payments contributed a much lower percentage of personal income in Hancock County than in Kentucky.

Income from property in Hancock County grew steadily through the time period. Income from property totalled \$4 million in 1969 and increased to \$12 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, Hancock County received 39.9 percent of total earnings from manufacturing. This percentage increased dramatically in 1971 and stood at 83.9 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 8.8 percent in 1969 to 0.5 percent in 1987. The trend toward declining farm earnings is consistent with state and national trends. The mine sector's share of earnings accounted for less than one percent of total earnings during 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 trade sector decreased from 4.6 percent in 1969 to 1.5 percent in 1987. The share of earnings from the state and local government sector remained stable and accounted for 3.6 percent in 1987. Data was not available on earnings from the services sector until 1987 because of non-disclosure rules. In 1987, 2.5 percent of earnings was derived from the service sector. 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 Hancock 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. Hancock County average earnings per job were well above those of the state. County average earnings reached \$29,671 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Hancock County increased from 3,528 people in 1969 to 5,469 people in 1979. By 1987, that figure had decreased to 5,136.

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 Hancock County are presented in Chart 4B. Unemployment rates in Hancock County generally followed those of the state until 1984. Thereafter, county unemployment rates exceeded those of the state. 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 manufacturing sector was the primary source of employment during the period. The percent of total employment in manufacturing increased from 31.5 percent in 1969 to 57.2 percent in 1987. Again, this trend is unlike that of the state.

The farm sector's share of employment declined from 17.0 percent in 1969 to 12.6 percent in 1987. The farm sector's share of state employment also declined. The mining sector represented less than one percent of total employment.

Employment in the non-goods-producing industries is presented in Chart 4D. Trade sector employment decreased slightly from 1969 to 1987. In 1969, the trade sector accounted for 6.4 percent of employment. This share decreased to 4.9 percent in 1987. The percent of employment in state and local government increased slightly and accounted for 6.5 percent in 1987. Data on the service sector was not available until 1987. In 1987, 7.1 percent of county employment was in the service sector. 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 Hancock County.

The Hancock County population grew from 6,900 in 1969 to 8,100 in 1987 (Chart 5A). It was estimated that in 1986, 9.1 percent of Hancock County's population was under six years of age, compared to 8.6 percent for the state. Hancock County has a lower proportion of residents age sixty or over than the state. In 1986, 13.9 percent of the Hancock 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 economy. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections. While mining employment and earnings are a very small percent of their respective totals for Hancock County, coal production has been a nontrivial sector of the county economy.

Hancock 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 very erratic in Hancock County. In 1986, 164 thousand tons of coal was mined in Hancock County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1987, this sector provided 15 jobs in Hancock County.

The average value per ton for coal is illustrated in Chart 6C. At the national level, average value per ton increased in the 1970's, then declined significantly during the 1980's. This data is not available for most years in Hancock 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. 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 Hancock County totalled \$247 thousand.

CHART 1A

HANCOCK COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

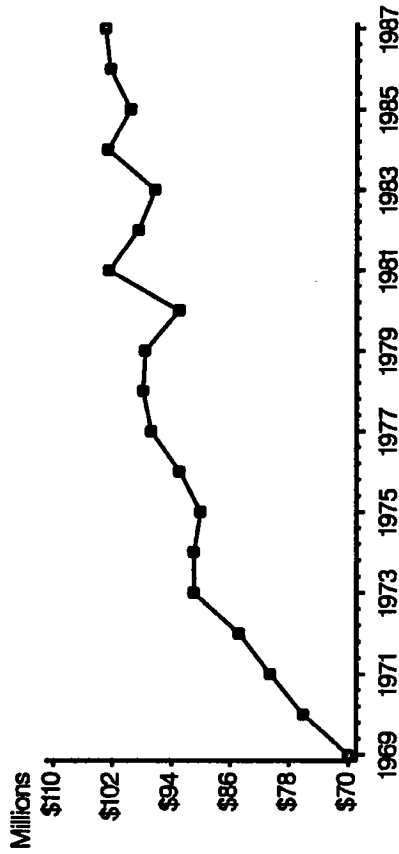


CHART 1B
HANCOCK COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

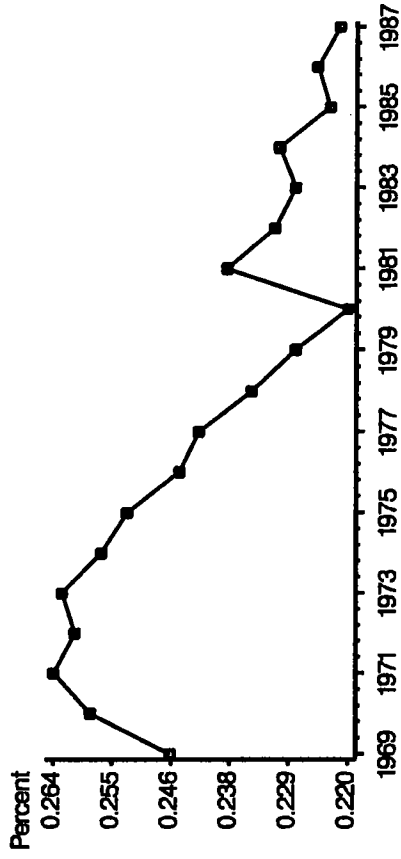


CHART 1C

HANCOCK COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

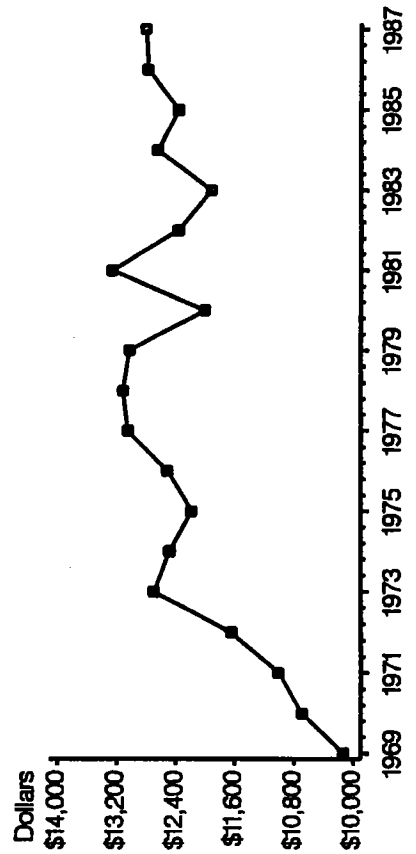


CHART 1D
HANCOCK COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

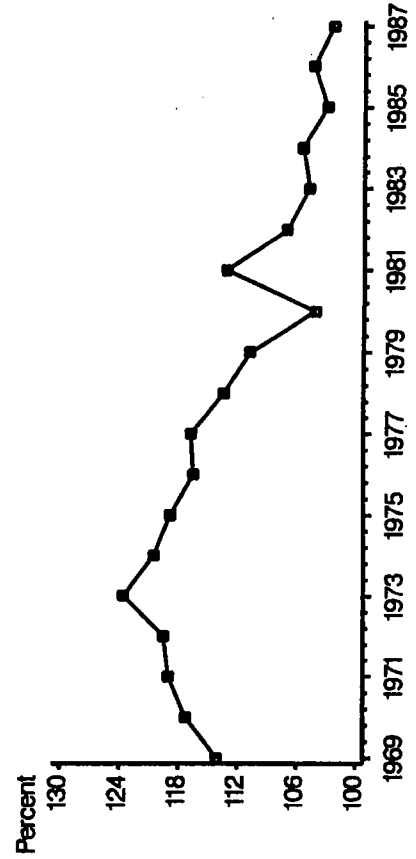


CHART 2A

HANCOCK COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

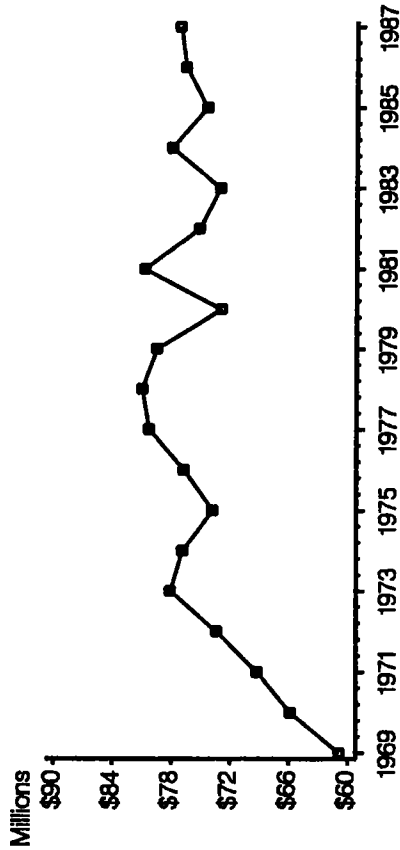


CHART 2B

HANCOCK COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

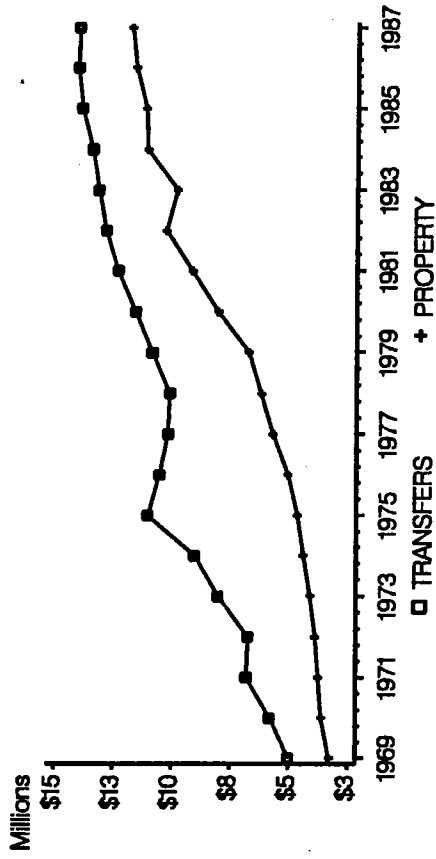


CHART 2C

HANCOCK COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

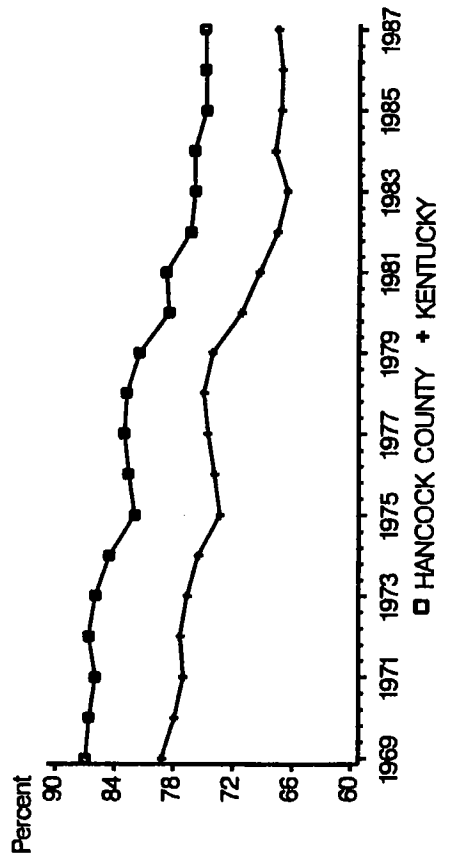


CHART 2D

HANCOCK COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

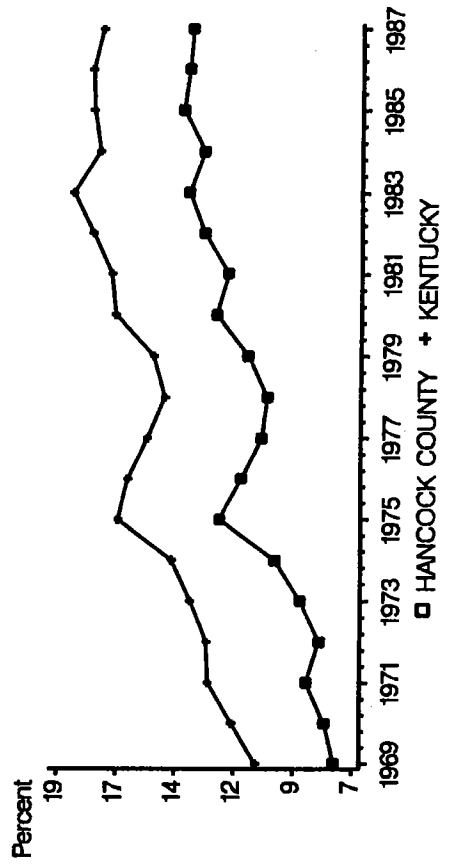


CHART 3A

HANCOCK COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

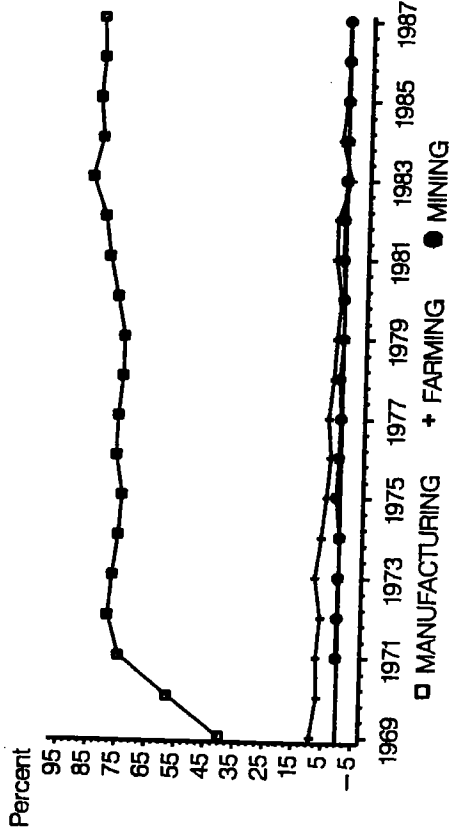


CHART 3C

HANCOCK COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Kentucky Industries

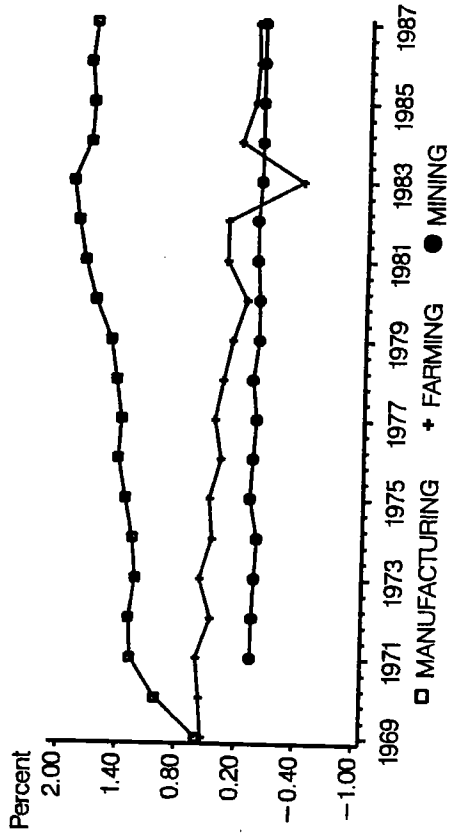


CHART 3B

HANCOCK COUNTY

EARNINGS IN NON - GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

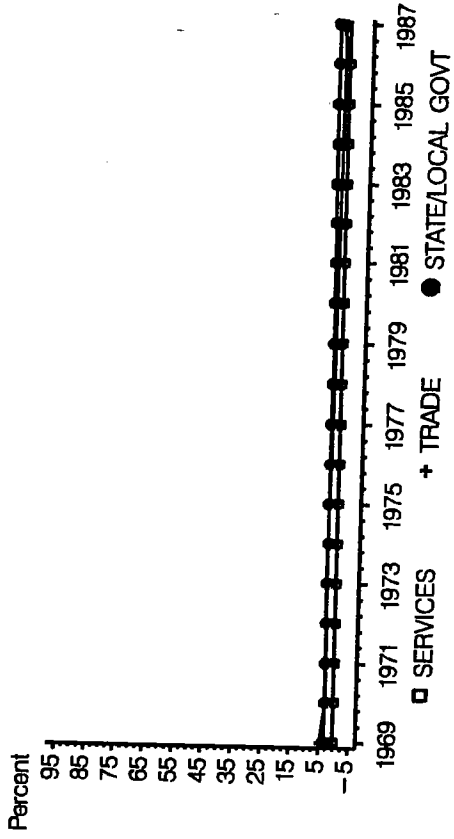


CHART 3D

HANCOCK COUNTY

AVERAGE EARNINGS PER JOB

in Constant 1988 Dollars

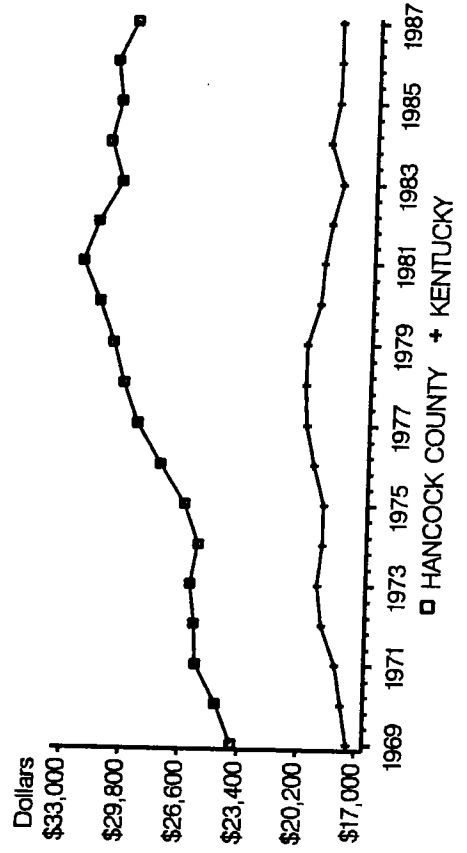


CHART 4A
HANCOCK COUNTY
TOTAL EMPLOYMENT
Thousands of People

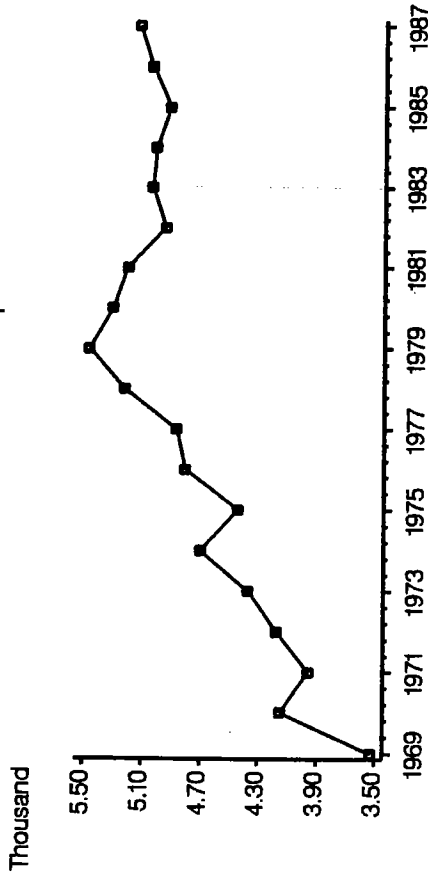


CHART 4B
HANCOCK COUNTY
ANNUAL UNEMPLOYMENT RATE

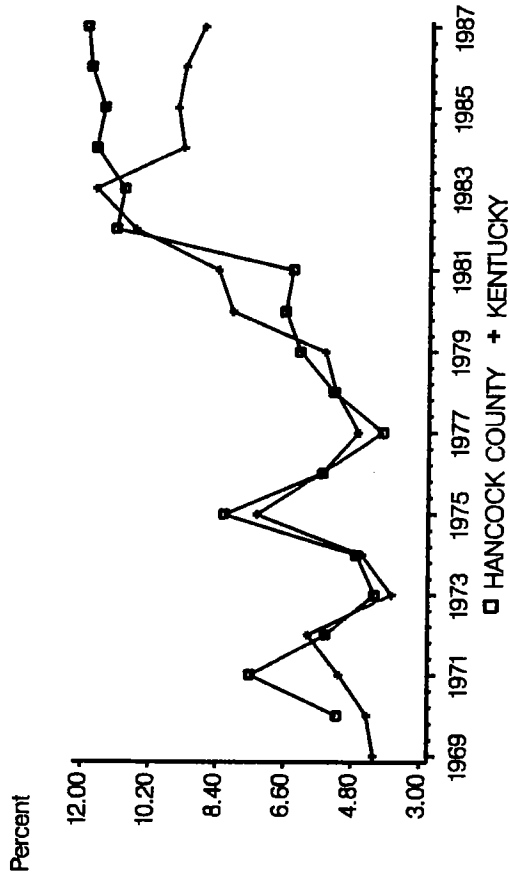


CHART 4C
HANCOCK COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

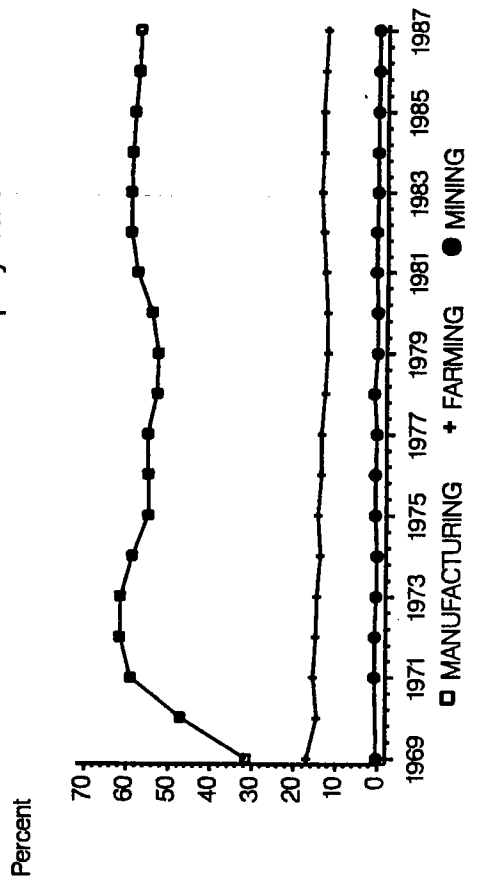


CHART 4D
HANCOCK COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

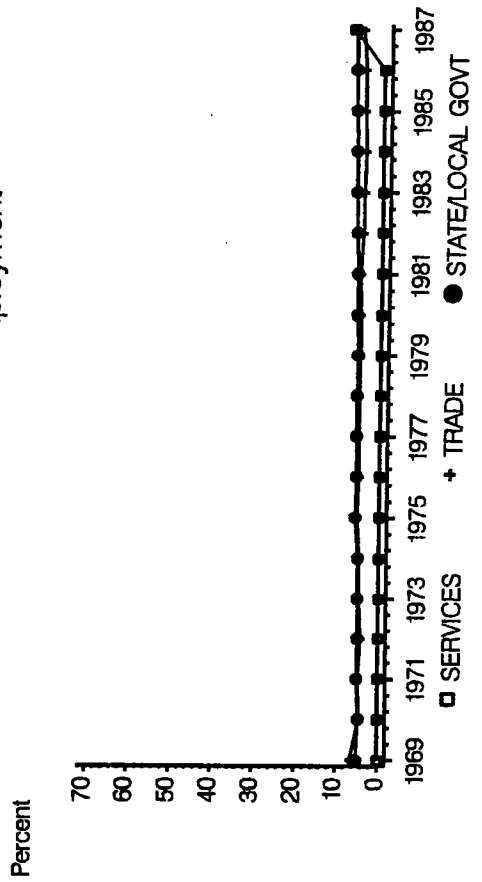


CHART 5A
HANCOCK COUNTY
POPULATION
Thousands of People

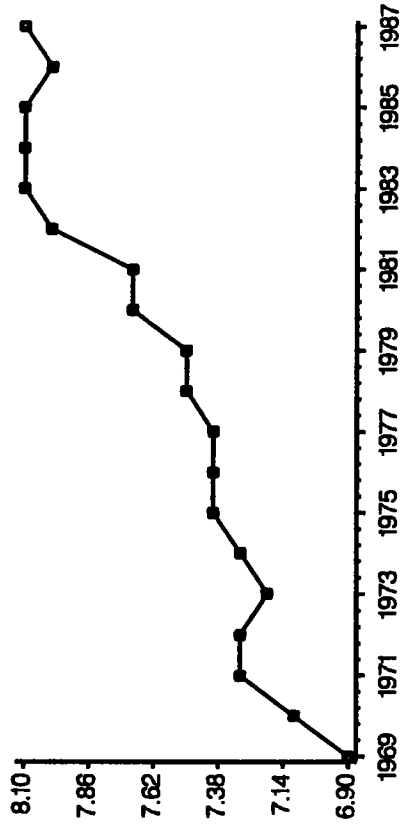


CHART 5B
HANCOCK COUNTY
POPULATION
as a Percent of Kentucky Population

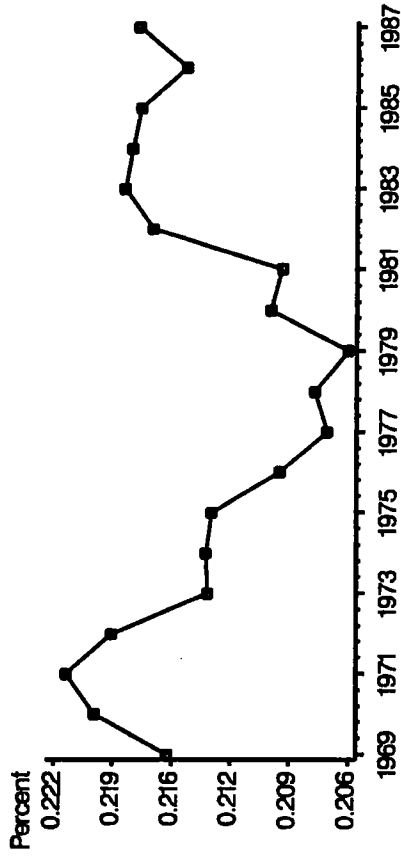


CHART 5C
HANCOCK COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

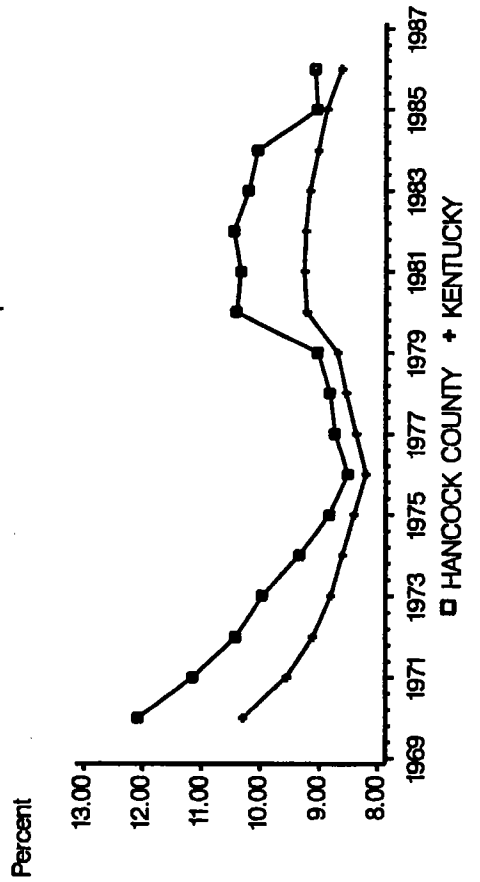


CHART 5D
HANCOCK COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

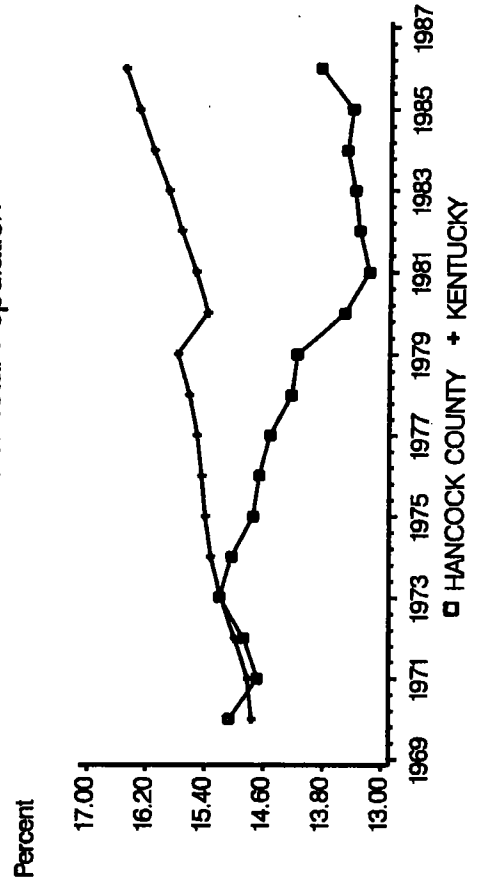


CHART 6A
HANCOCK COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

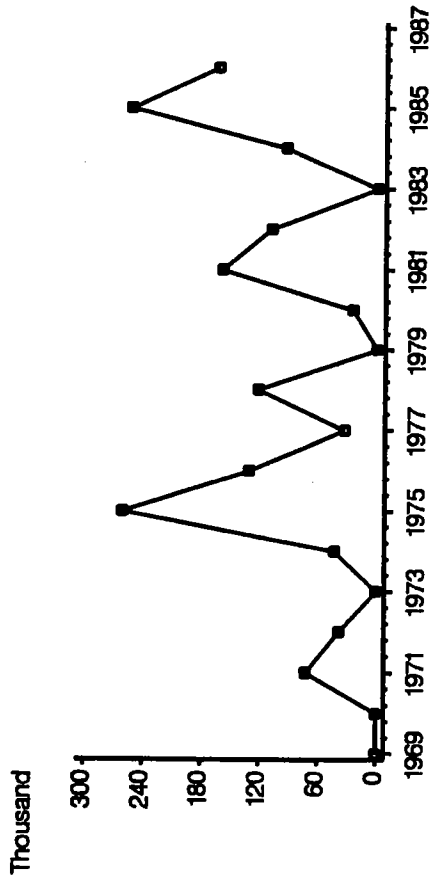


CHART 6B
HANCOCK COUNTY
MINING EMPLOYMENT
 Thousands of People

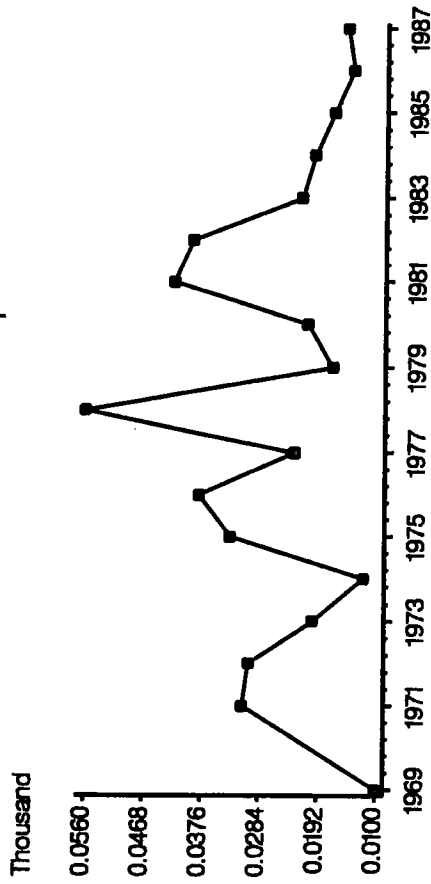


CHART 6C
HANCOCK COUNTY
AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

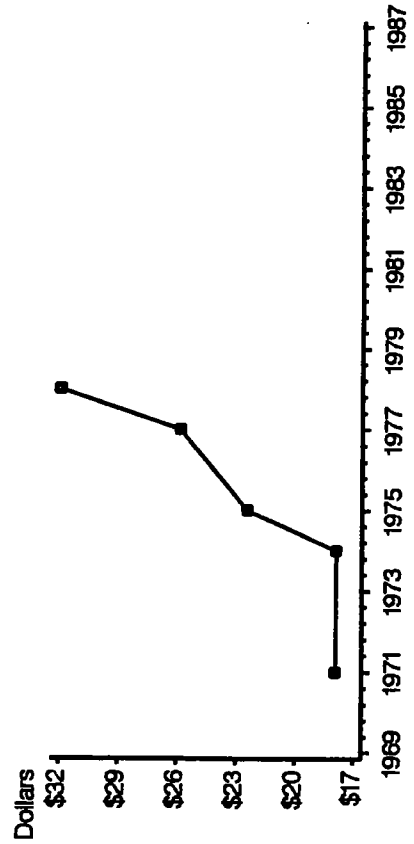
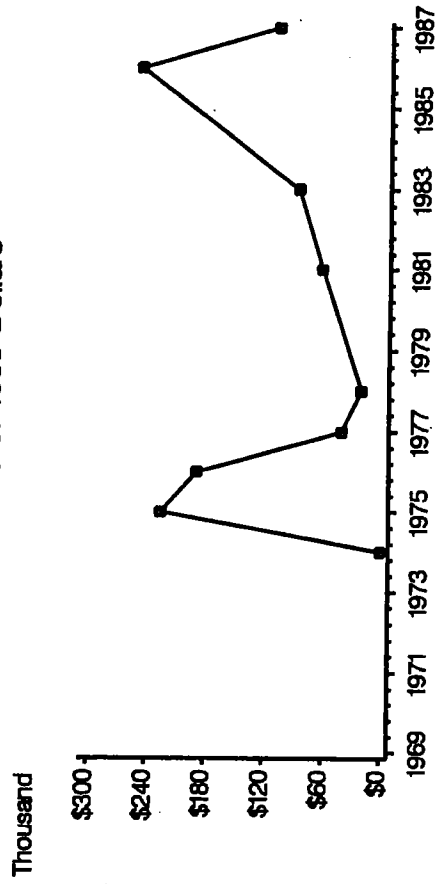


CHART 6D
HANCOCK COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



HANCOCK COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	70	0.25	10,136	114.1
1970	76	0.26	10,688	117.3
1971	81	0.26	11,014	119.0
1972	85	0.26	11,642	119.5
1973	91	0.26	12,691	123.6
1974	91	0.26	12,484	120.5
1975	90	0.25	12,191	118.8
1976	93	0.25	12,510	116.5
1977	97	0.24	13,051	116.8
1978	98	0.23	13,116	113.4
1979	98	0.23	13,023	110.8
1980	93	0.22	12,009	104.1
1981	103	0.24	13,261	113.1
1982	99	0.23	12,369	107.1
1983	96	0.23	11,925	104.8
1984	103	0.23	12,642	105.4
1985	100	0.22	12,362	103.0
1986	102	0.22	12,772	104.4
1987	103	0.22	12,800	102.4

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	61	86.9	79.2	5	7.7	10.9	4	5.4	9.9
1970	66	86.5	77.9	6	8.1	11.9	4	5.3	10.2
1971	69	85.9	77.0	7	8.9	12.9	4	5.2	10.1
1972	73	86.6	77.3	7	8.3	12.9	4	5.1	9.7
1973	78	85.9	76.6	8	9.1	13.6	5	5.0	9.7
1974	77	84.5	75.5	9	10.2	14.4	5	5.3	10.1
1975	74	81.9	73.3	11	12.4	16.5	5	5.6	10.1
1976	77	82.6	73.9	11	11.5	16.1	5	5.9	10.0
1977	80	83.0	74.6	10	10.7	15.3	6	6.3	10.1
1978	81	82.8	75.0	10	10.5	14.6	7	6.7	10.4
1979	80	81.5	74.1	11	11.3	15.1	7	7.2	10.8
1980	73	78.5	71.1	12	12.6	16.7	8	8.9	12.2
1981	81	78.8	69.3	12	12.1	16.8	9	9.1	13.8
1982	75	76.3	67.5	13	13.1	17.6	10	10.6	14.9
1983	73	75.9	66.6	13	13.7	18.4	10	10.4	15.1
1984	78	76.0	67.8	13	13.1	17.3	11	10.9	14.9
1985	74	74.7	67.2	14	14.0	17.6	11	11.3	15.3
1986	77	74.8	67.1	14	13.7	17.6	12	11.4	15.3
1987	77	74.9	67.5	14	13.6	17.2	12	11.5	15.3

HANCOCK 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	39.9	0.59	8.8	0.53	.	.
1970	57.9	1.01	6.8	0.56	.	.
1971	74.5	1.27	7.3	0.60	0.5	0.05
1972	78.4	1.28	6.2	0.46	0.4	0.04
1973	77.1	1.23	8.1	0.57	0.3	0.02
1974	75.3	1.26	6.3	0.45	0.1	0.01
1975	74.3	1.34	4.7	0.48	1.5	0.08
1976	76.5	1.42	3.6	0.38	0.9	0.05
1977	76.1	1.39	4.6	0.44	0.4	0.02
1978	74.8	1.45	3.1	0.36	1.1	0.07
1979	74.5	1.51	2.4	0.28	0.2	0.01
1980	77.1	1.68	1.0	0.15	0.2	0.02
1981	80.1	1.79	3.2	0.35	0.7	0.05
1982	81.9	1.86	2.9	0.35	0.8	0.05
1983	86.6	1.92	-1.4	-0.40	0.2	0.02
1984	83.4	1.75	2.1	0.23	0.2	0.01
1985	84.5	1.73	0.7	0.10	0.2	0.01
1986	83.3	1.77	0.3	0.07	0.1	0.01
1987	83.9	1.72	0.5	0.08	0.1	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	.	.	4.6	0.10	3.2	0.13
1970	.	.	2.8	0.07	2.9	0.13
1971	.	.	3.0	0.08	3.0	0.13
1972	.	.	3.1	0.08	3.0	0.13
1973	.	.	3.4	0.09	3.1	0.14
1974	.	.	3.2	0.09	2.9	0.14
1975	.	.	2.9	0.08	3.2	0.14
1976	.	.	2.8	0.08	3.0	0.14
1977	.	.	2.6	0.08	3.0	0.15
1978	.	.	2.4	0.07	2.9	0.15
1979	.	.	2.3	0.07	2.8	0.15
1980	.	.	2.1	0.07	2.9	0.15
1981	.	.	1.9	0.07	2.8	0.15
1982	.	.	1.9	0.06	3.1	0.16
1983	.	.	1.7	0.06	3.3	0.16
1984	.	.	1.5	0.05	3.3	0.16
1985	.	.	1.5	0.05	3.5	0.16
1986	.	.	1.4	0.04	3.4	0.15
1987	2.5	0.06	1.5	0.05	3.6	0.15

HANCOCK COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,110	31.5	601	17.0	10	0.3
1970	1,955	47.1	610	14.7	.	.
1971	2,336	59.0	616	15.6	31	0.8
1972	2,574	61.6	626	15.0	30	0.7
1973	2,687	61.5	641	14.7	20	0.5
1974	2,760	58.7	656	14.0	12	0.3
1975	2,440	54.9	645	14.5	33	0.7
1976	2,643	55.0	665	13.8	38	0.8
1977	2,684	55.1	670	13.8	23	0.5
1978	2,770	53.0	673	12.9	56	1.1
1979	2,887	52.8	672	12.3	17	0.3
1980	2,882	54.3	659	12.4	21	0.4
1981	3,006	57.7	669	12.8	42	0.8
1982	2,934	59.3	667	13.5	39	0.8
1983	2,989	59.3	701	13.9	22	0.4
1984	2,961	59.0	674	13.4	20	0.4
1985	2,877	58.4	661	13.4	17	0.3
1986	2,903	57.5	659	13.1	14	0.3
1987	2,939	57.2	649	12.6	15	0.3

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	.	.	227	6.4	176	5.0
1970	.	.	181	4.4	187	4.5
1971	.	.	185	4.7	195	4.9
1972	.	.	171	4.1	202	4.8
1973	.	.	207	4.7	217	5.0
1974	.	.	220	4.7	234	5.0
1975	.	.	234	5.3	250	5.6
1976	.	.	228	4.7	258	5.4
1977	.	.	241	4.9	270	5.5
1978	.	.	262	5.0	289	5.5
1979	.	.	265	4.8	298	5.4
1980	.	.	258	4.9	301	5.7
1981	.	.	262	5.0	298	5.7
1982	.	.	226	4.6	293	5.9
1983	.	.	219	4.3	305	6.0
1984	.	.	206	4.1	310	6.2
1985	.	.	216	4.4	313	6.4
1986	.	.	224	4.4	327	6.5
1987	365	7.1	254	4.9	336	6.5

HANCOCK COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	3,528	\$23,743	\$17,440	.	4.2
1970	4,148	\$24,613	\$17,811	5.2	4.4
1971	3,957	\$25,748	\$18,166	7.5	5.1
1972	4,177	\$25,868	\$18,970	5.5	6.0
1973	4,372	\$26,107	\$19,232	4.2	3.7
1974	4,701	\$25,718	\$19,008	4.7	4.5
1975	4,443	\$26,507	\$18,976	8.2	7.3
1976	4,807	\$27,881	\$19,563	5.6	5.6
1977	4,869	\$29,169	\$20,031	4.0	4.7
1978	5,226	\$29,957	\$20,121	5.3	5.3
1979	5,469	\$30,565	\$20,110	6.2	5.5
1980	5,308	\$31,364	\$19,439	6.6	8.0
1981	5,207	\$32,317	\$19,286	6.4	8.4
1982	4,949	\$31,516	\$18,931	11.1	10.6
1983	5,043	\$30,302	\$18,358	10.9	11.6
1984	5,018	\$30,965	\$19,080	11.7	9.3
1985	4,923	\$30,426	\$18,676	11.4	9.5
1986	5,046	\$30,672	\$18,627	11.8	9.3
1987	5,136	\$29,671	\$18,636	11.9	8.8

POPULATION STATISTICS

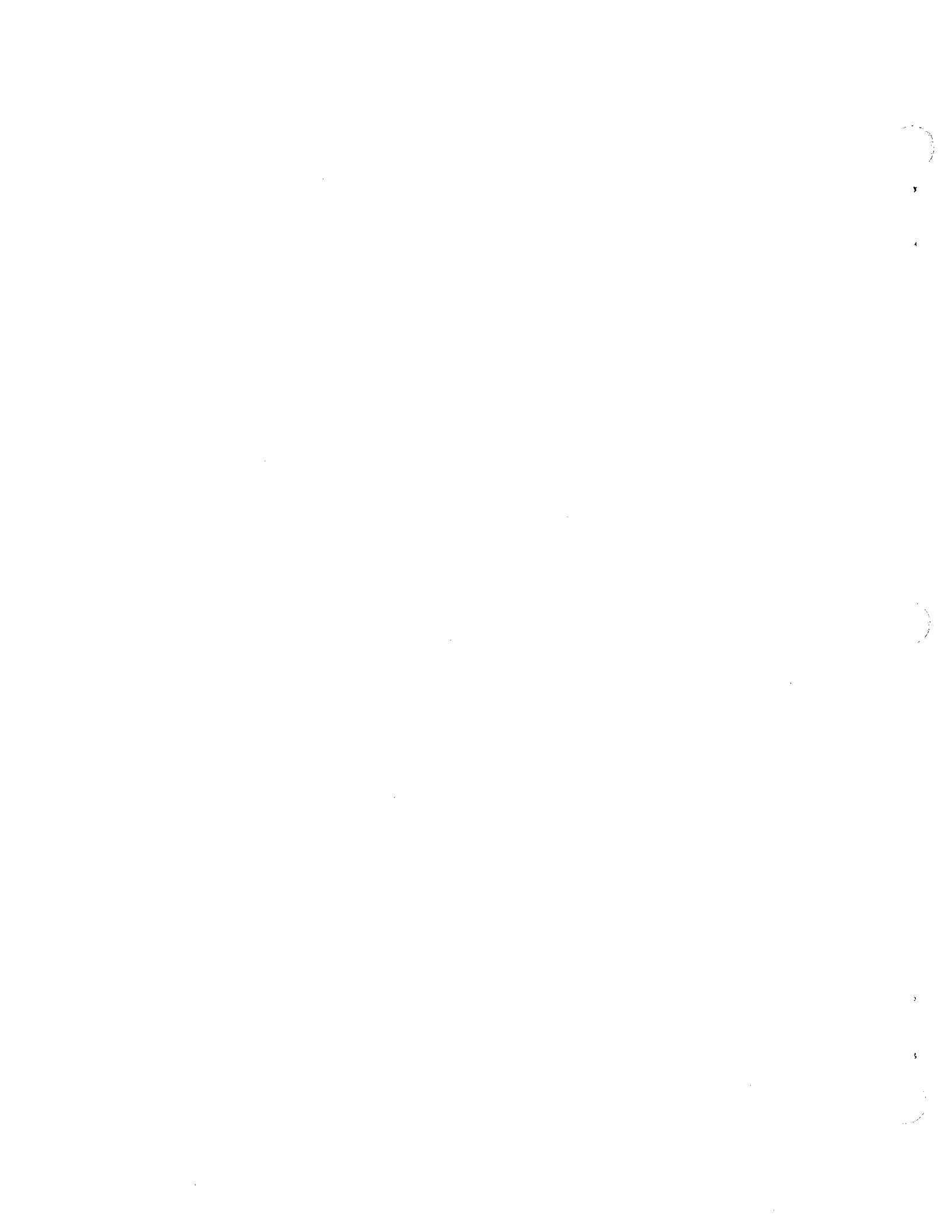
YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	6,900	0.22	.	.	.	.
1970	7,100	0.22	12.1	10.3	15.1	14.8
1971	7,300	0.22	11.2	9.6	14.7	14.8
1972	7,300	0.22	10.4	9.1	14.9	15.0
1973	7,200	0.21	10.0	8.8	15.2	15.2
1974	7,300	0.21	9.3	8.6	15.0	15.3
1975	7,400	0.21	8.8	8.4	14.7	15.4
1976	7,400	0.21	8.5	8.2	14.7	15.5
1977	7,400	0.21	8.7	8.4	14.5	15.5
1978	7,500	0.21	8.8	8.5	14.2	15.6
1979	7,500	0.21	9.0	8.7	14.2	15.8
1980	7,700	0.21	10.4	9.2	13.5	15.4
1981	7,700	0.21	10.3	9.3	13.2	15.5
1982	8,000	0.22	10.5	9.2	13.3	15.7
1983	8,100	0.22	10.2	9.2	13.4	15.9
1984	8,100	0.22	10.0	9.0	13.5	16.1
1985	8,100	0.22	9.0	8.9	13.4	16.3
1986	8,000	0.21	9.1	8.6	13.9	16.5
1987	8,100	0.22	.	.	.	.

HANCOCK COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	0	10	.	.
1970	0	.	.	.
1971	72	31	\$17.91	.
1972	38	30	.	.
1973	0	20	.	.
1974	43	12	\$17.88	\$0
1975	261	33	\$22.42	\$225
1976	131	38	.	\$188
1977	33	23	\$25.85	\$40
1978	122	56	\$31.93	\$20
1979	0	17	.	.
1980	25	21	.	.
1981	159	42	.	\$62
1982	109	39	.	.
1983	0	22	.	\$86
1984	94	20	.	.
1985	253	17	.	.
1986	164	14	.	\$247
1987	.	15	.	.

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



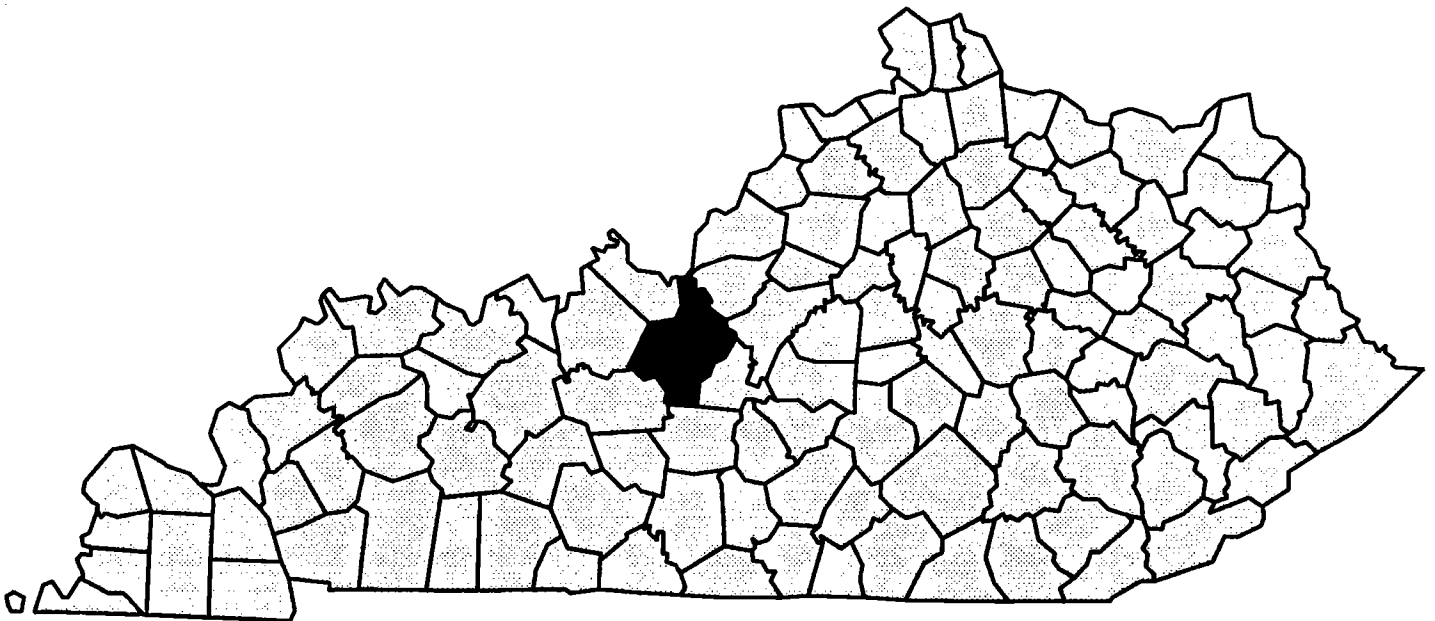
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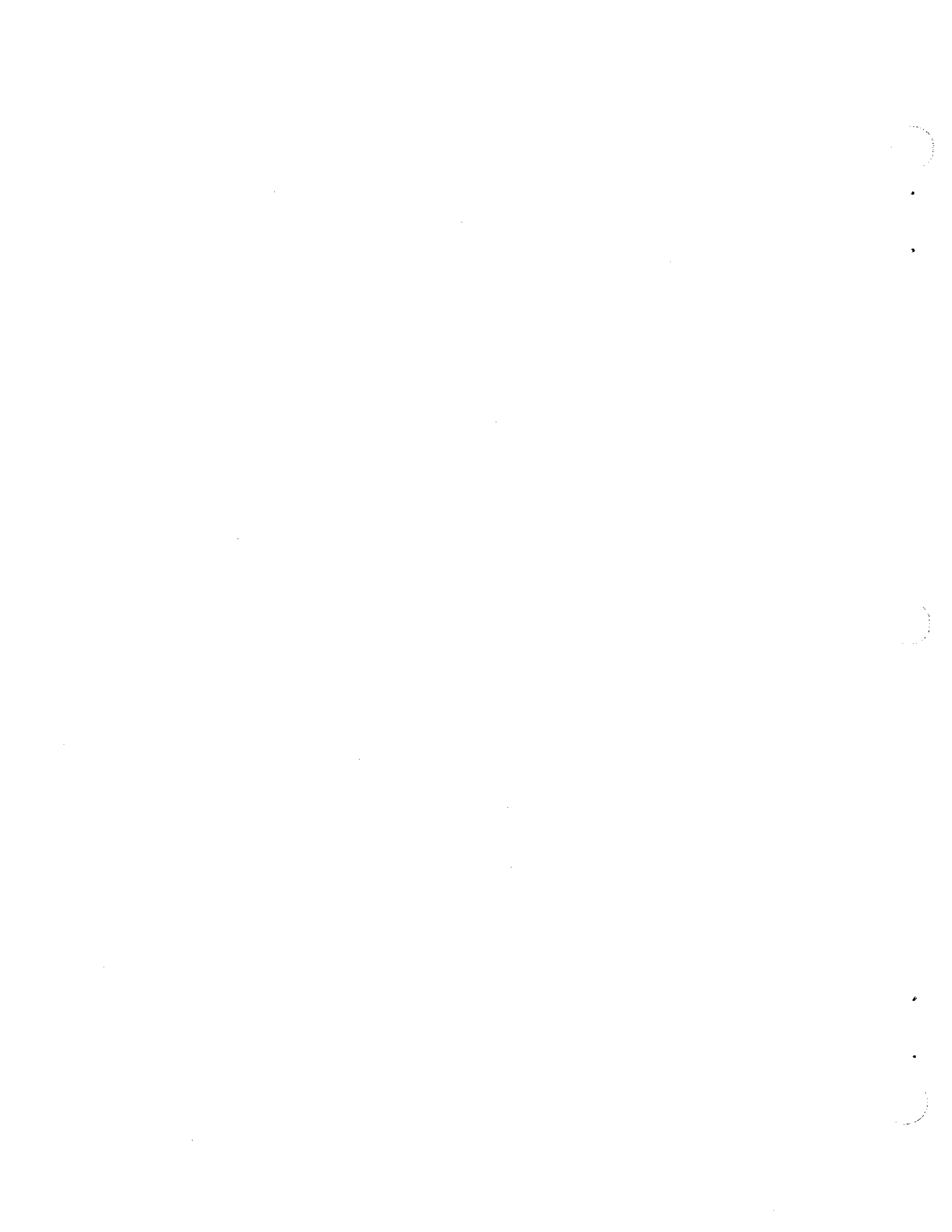
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HARDIN COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



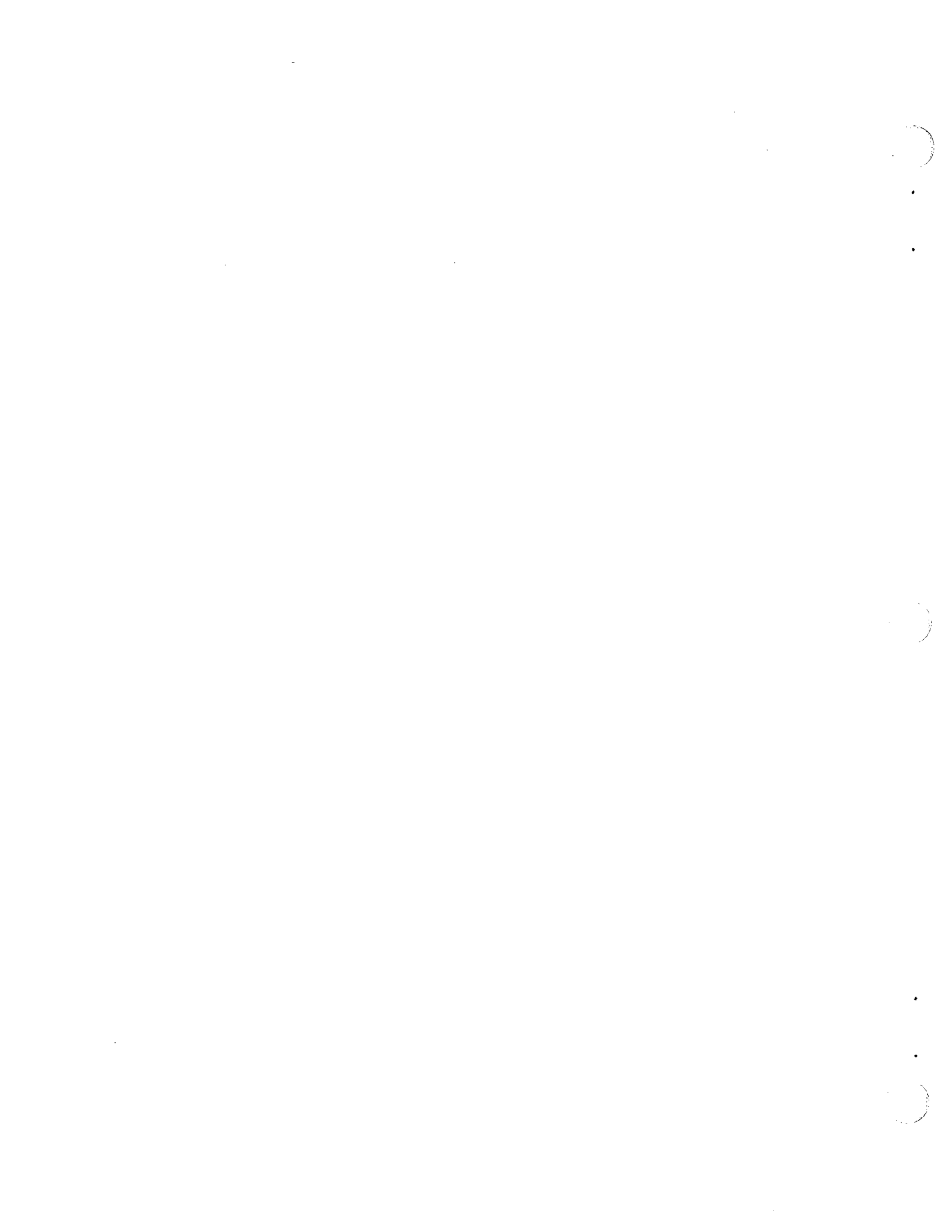
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KENTUCKY COUNTIES
1969 – 1987

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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



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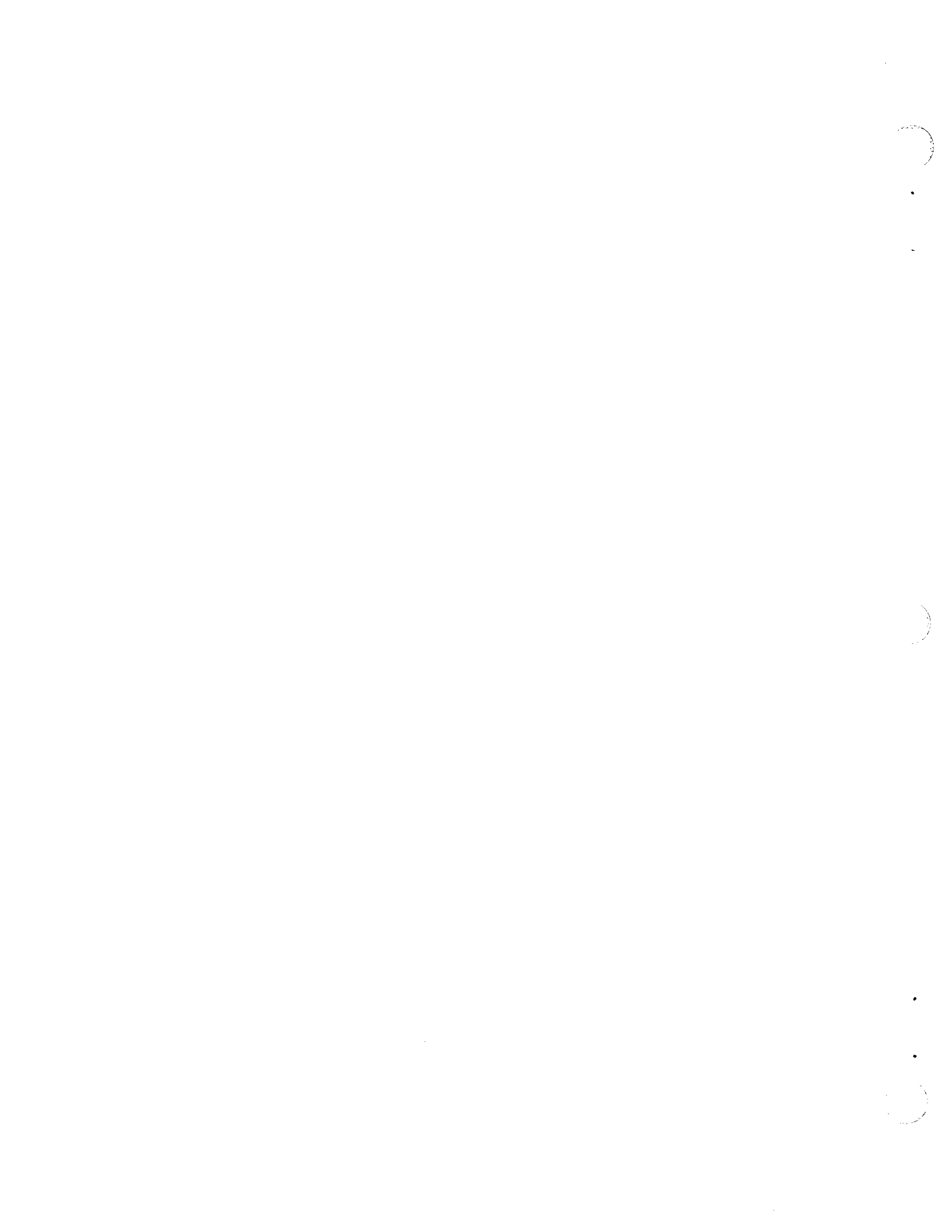
SUMMARY

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

With the presence of Fort Knox, a major federal government installation, in Hardin County, it is not surprising that the federal government is the primary source of earnings and employment in the county. However, the federal government's share of the county economy declined significantly from 1969 to 1987.

The decline in the federal government sector was offset by increases in every other sector analyzed. The non-goods-producing sectors of services, trade, and state and local government doubled their shares in the county economy. The manufacturing sector also doubled its share, while the farm sector increased slightly.

The Hardin 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 Hardin 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.



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 HARDIN 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 Hardin 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 Hardin County economy, as measured by personal income, increased from \$790 million in 1969 to \$1,054 million in 1987, after adjusting for inflation. Chart 1B shows Hardin County total personal income as a percent of Kentucky total personal income. Hardin County decreased its share of Kentucky 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 Hardin County per capita income was volatile in the 1970's and increased in the 1980's to a level of \$11,286 in 1987, which was 90.3 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 extremely volatile through 1981. However, earnings increased steadily from 1982 to 1987. Total earnings were \$773 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 73.3 percent of Hardin County's total personal income, which was higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$53 million to total personal income in 1969 and \$171 million in 1987. During the same period, transfer payments contributed a lower percentage of personal income in Hardin County than in Kentucky.

Income from property in Hardin County grew steadily through the time period. Income from property totalled \$36 million in 1969 and increased to \$110 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 federal government was the primary source of earnings in Hardin County. In 1969, 74.4 percent of earnings was derived in the federal government sector. By 1987, this share declined to 48.4 percent (Chart 3A).

In 1969, Hardin County received 5.1 percent of total earnings from manufacturing. This percentage increased to 11.6 percent in 1987. 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 was small and decreased from 2.3 percent in 1969 to 1.4 percent in 1987. The trend toward declining earnings from farming 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 4.4 percent in 1969 to 10.2 percent in 1987. The percent of earnings from the trade sector increased from 6.0 percent in 1969 to 10.3 percent in 1987. The share of earnings from the state and local government sector also increased from 3.5 percent to 7.9 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 Hardin 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. Hardin County average earnings per job declined since 1972. Average earnings were \$17,084 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 Hardin County decreased from 61,971 people in 1969 to 45,454 in 1973. By 1987, that figure had increased to 54,854.

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 Hardin County are presented in Chart 4B. Unemployment rates in Hardin County have been below those of the state since 1982. In 1987, the county unemployment rate was 6.0 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 federal government sector declined significantly during the early 1970's. This sector accounted for 74.9 percent of employment in 1969. By 1987, the share declined to 44.3 percent (Chart 4C).

Employment in the goods-producing industries is illustrated in Chart 4C. The percent of total employment in manufacturing increased from 3.9 percent in 1969 to 7.9 percent in 1987. The farm sector's share of employment increased from 3.7 percent in 1969 to 4.3 percent in 1987.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment increased slightly from 5.0 percent in 1969 to 11.5 percent in 1987. The trade sector's share of employment increased from 5.7 percent in 1969 to 14.7 percent in 1987. The percent of employment in state and local government increased from 3.2 percent in 1969 to 7.2 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 Hardin County.

The Hardin County population shrank from 77,200 in 1969 to 69,600 in 1973 (Chart 5A). Population then increased to 93,400 in 1987. It was estimated that in 1986, 10.8 percent of Hardin County's population was under six years of age, compared to 8.6 for the state. Hardin County had a lower proportion of residents age sixty or over than the state. In 1986, 11.5 percent of the Hardin County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

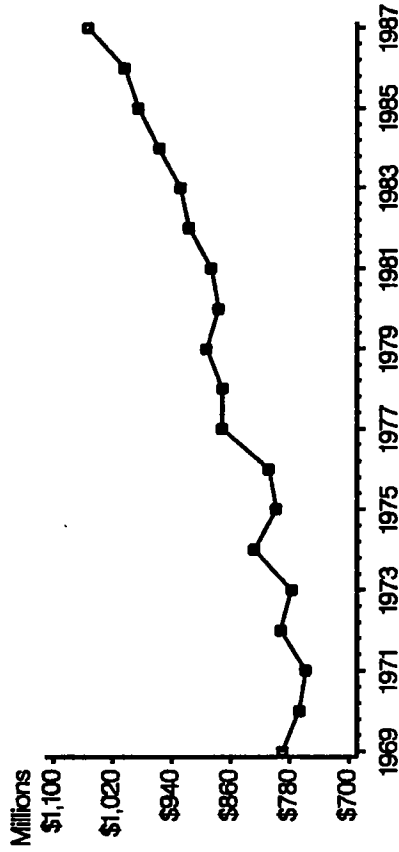


CHART 1B
HARDIN COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

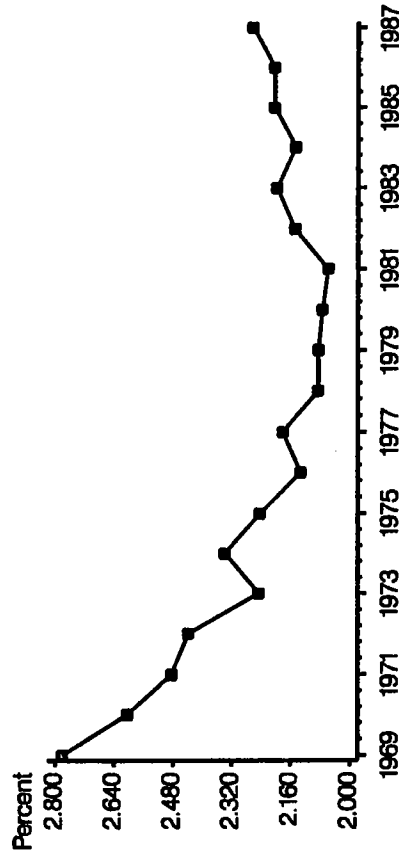


CHART 1C
HARDIN COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

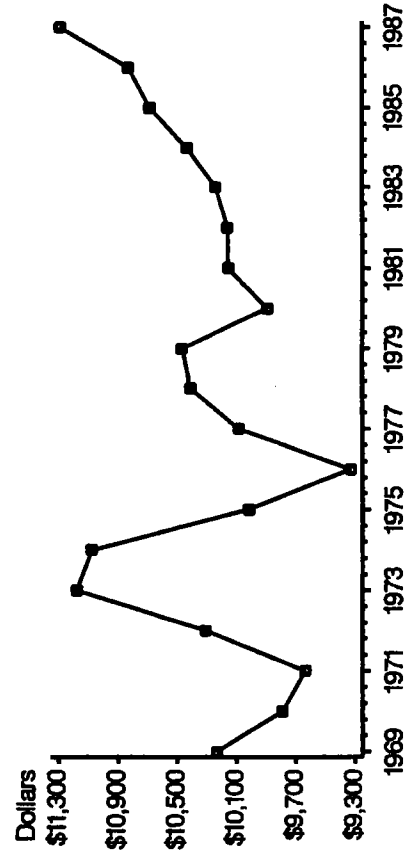


CHART 1D
HARDIN COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

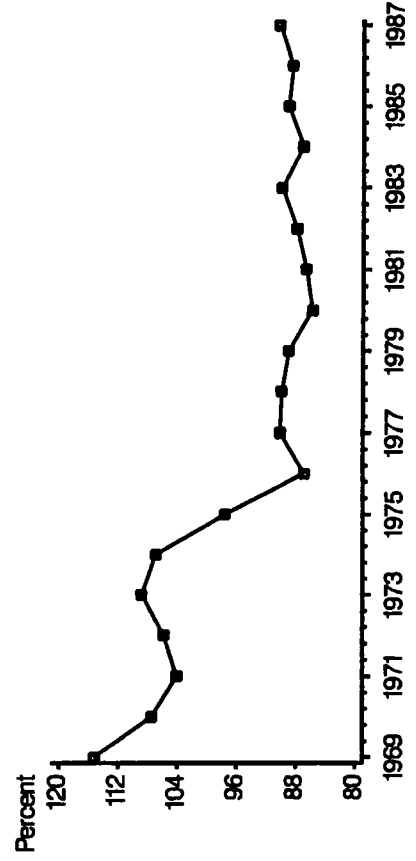


CHART 2A

HARDIN COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

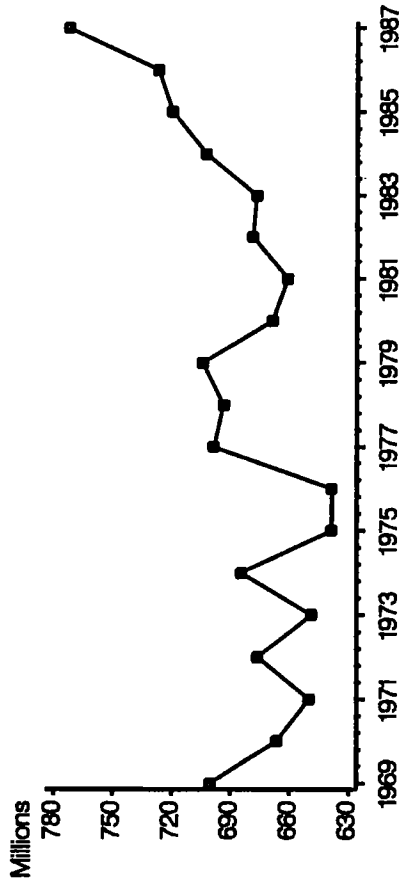


CHART 2B

HARDIN COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

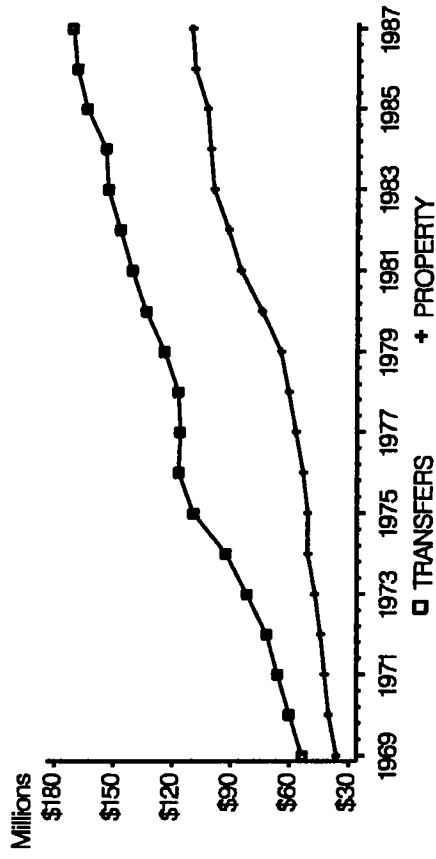


CHART 2C

HARDIN COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

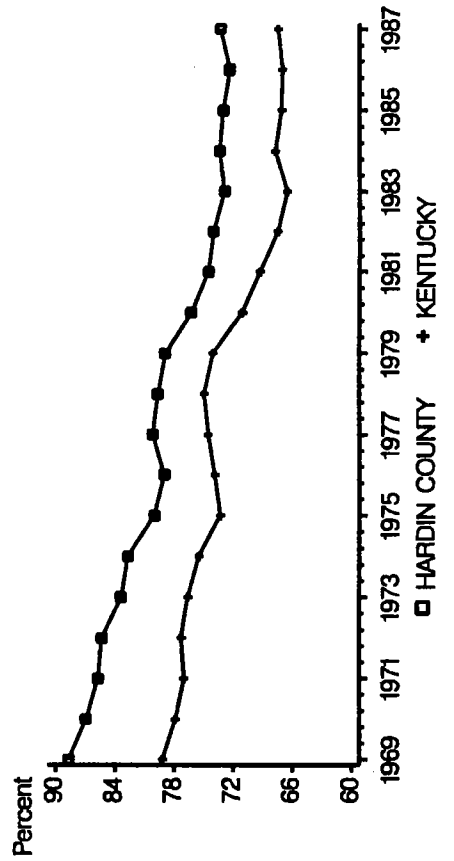


CHART 2D

HARDIN COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

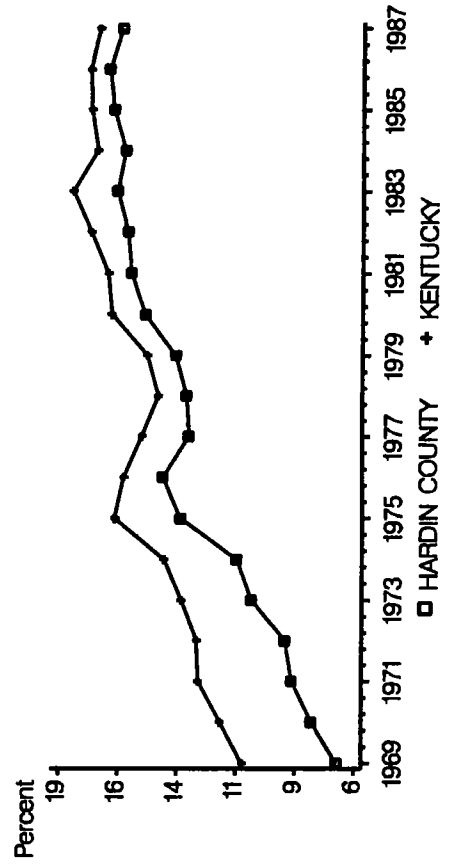


CHART 3A

HARDIN COUNTY

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

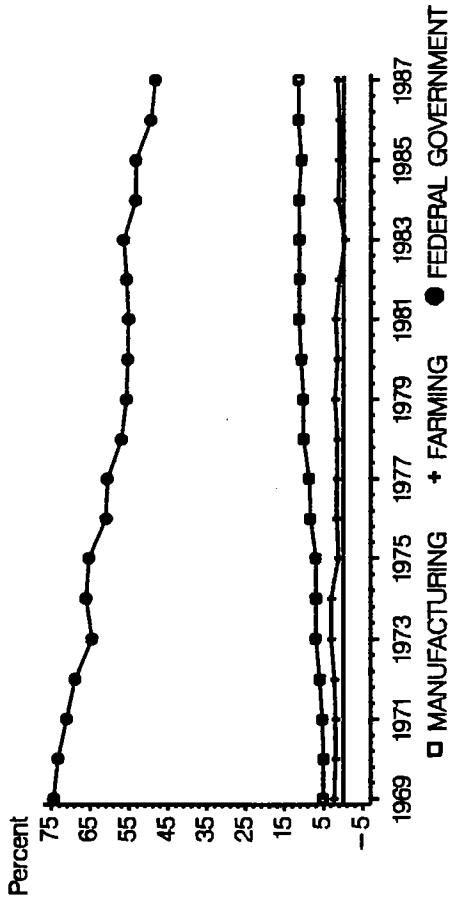


CHART 3C

HARDIN COUNTY

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

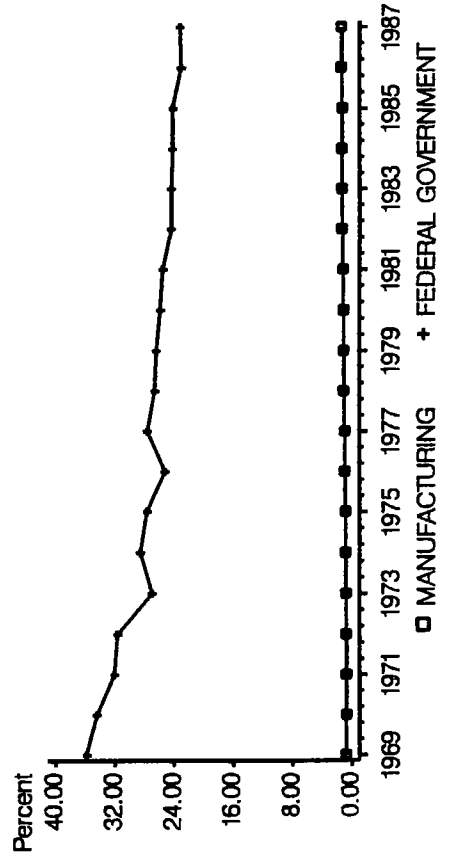


CHART 3B

HARDIN COUNTY

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

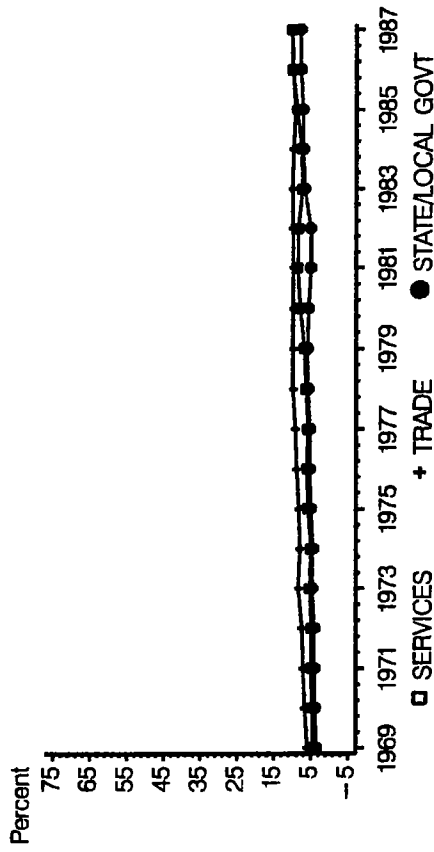


CHART 3D

HARDIN COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

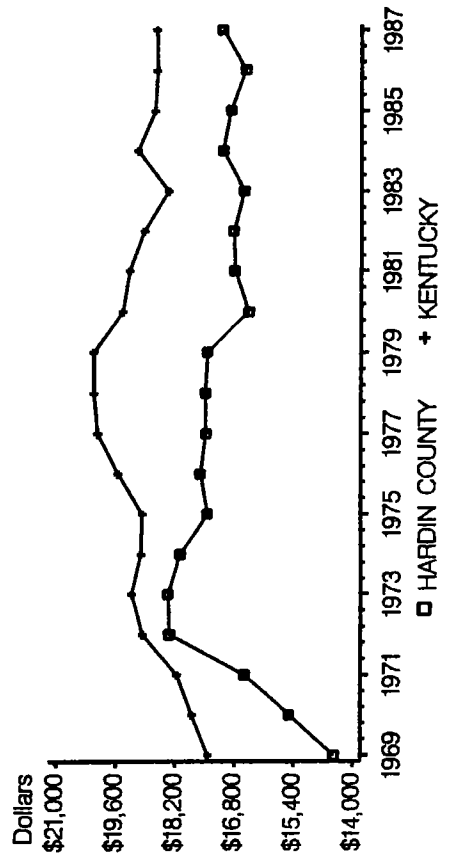


CHART 4A
HARDIN COUNTY
TOTAL EMPLOYMENT
Thousands of People

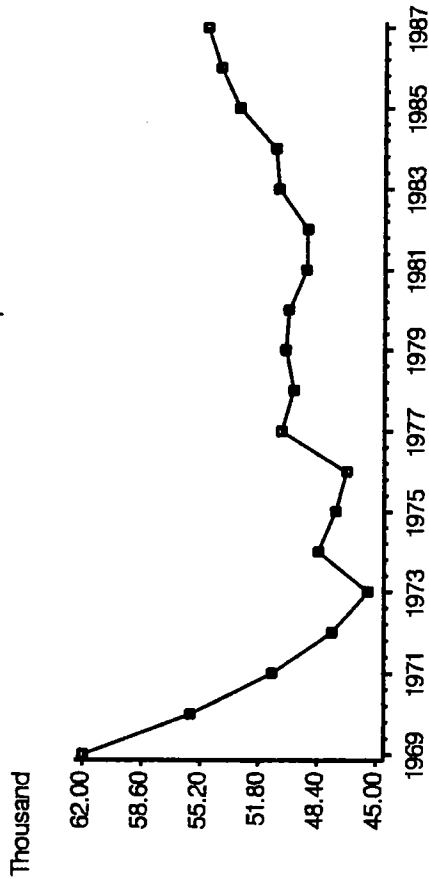


CHART 4B
HARDIN COUNTY
ANNUAL UNEMPLOYMENT RATE

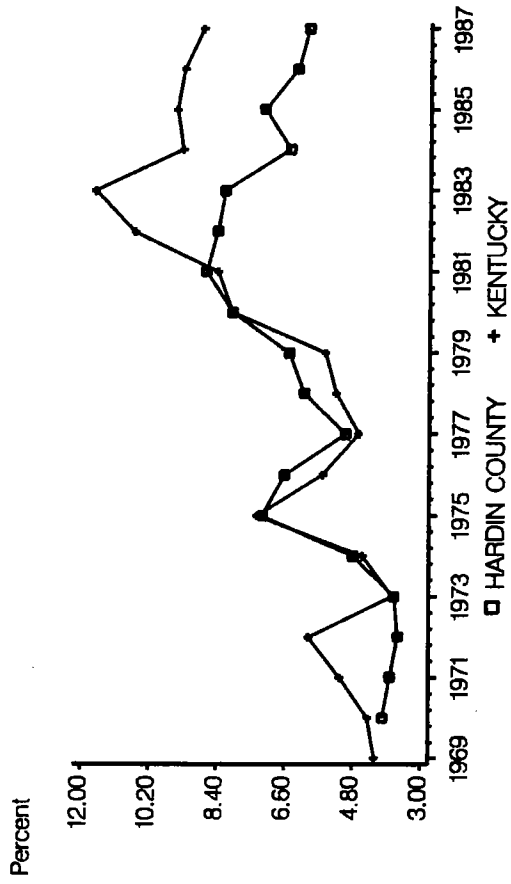


CHART 4C
HARDIN COUNTY

EMPLOYMENT IN MANUFACTURING, FARMINGS, AND FEDERAL GOVERNMENT
as a Percent of Total Employment

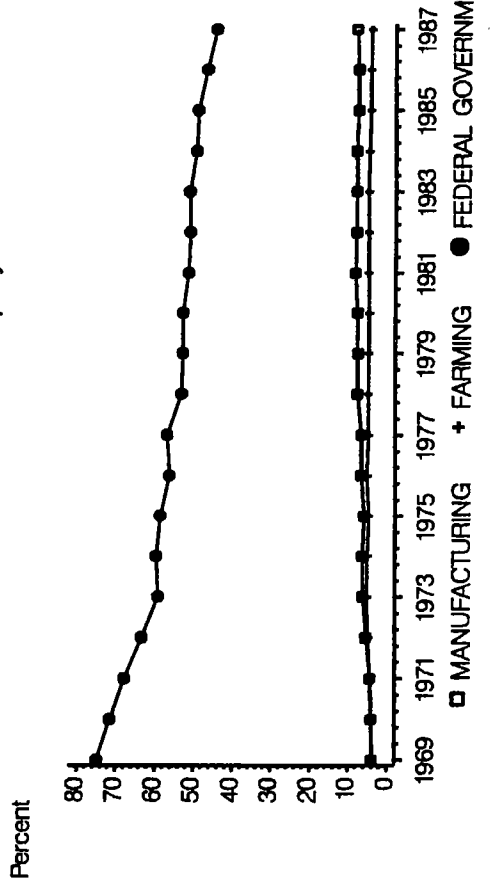


CHART 4D
HARDIN COUNTY

EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

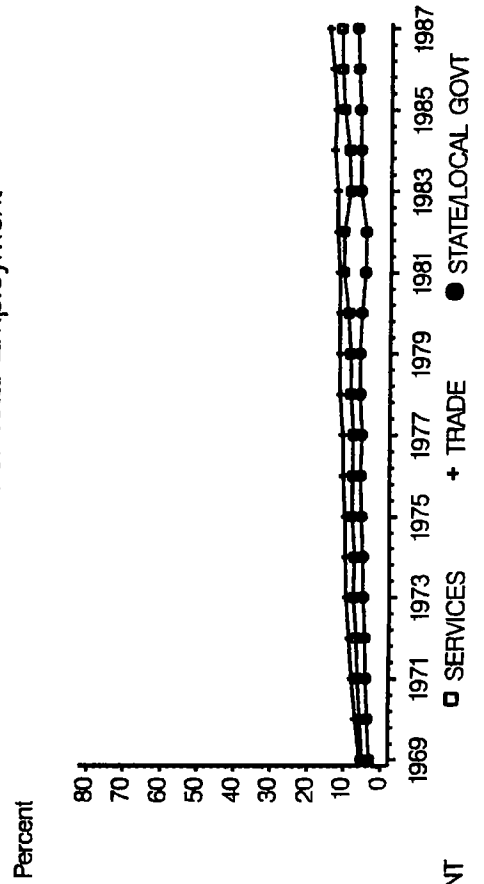


CHART 5A
HARDIN COUNTY
POPULATION
Thousands of People

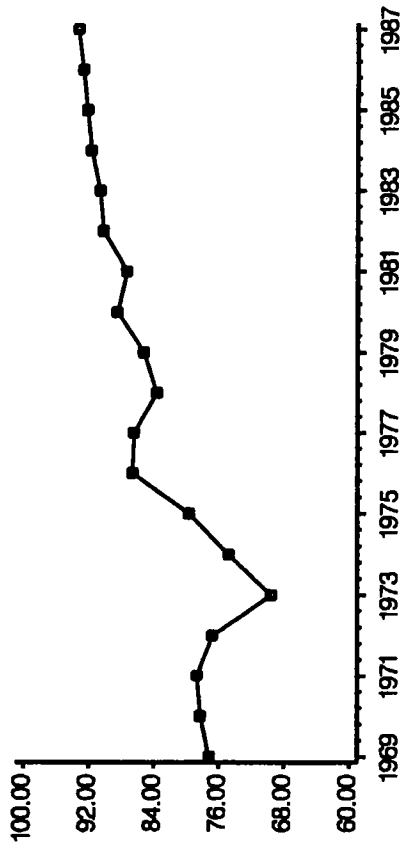


CHART 5B
HARDIN COUNTY
POPULATION
as a Percent of Kentucky Population

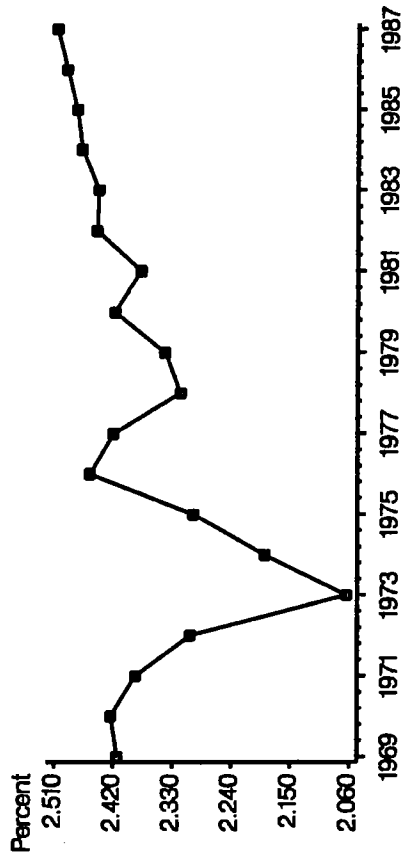


CHART 5C
HARDIN COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

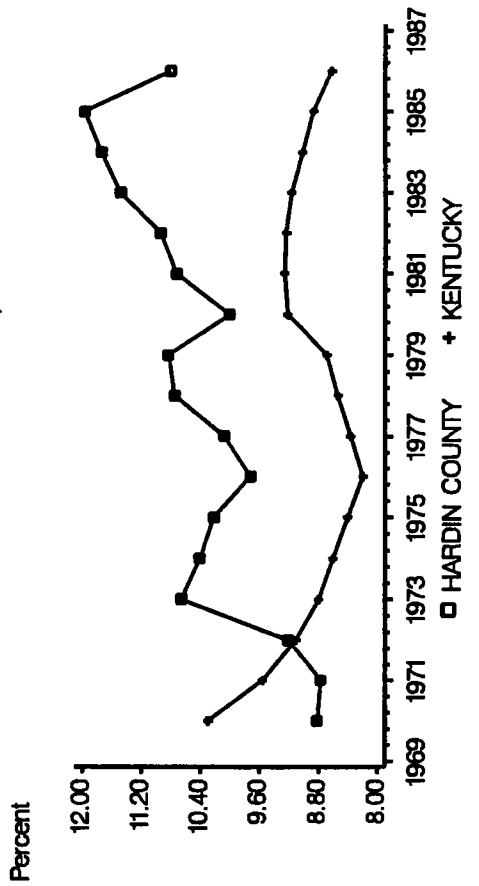
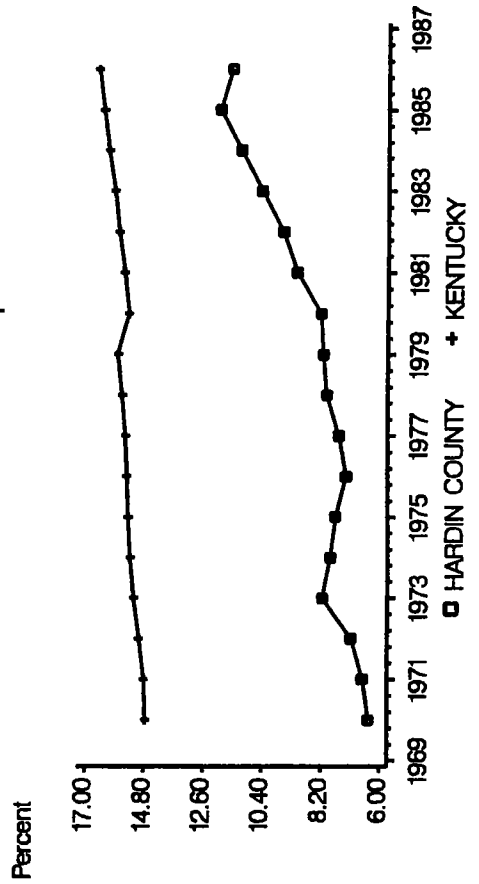


CHART 5D
HARDIN COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



HARDIN COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	790	2.78	10,233	115.2
1970	767	2.60	9,792	107.4
1971	758	2.48	9,633	104.1
1972	792	2.44	10,309	105.8
1973	778	2.25	11,175	108.8
1974	828	2.34	11,073	106.9
1975	799	2.24	10,015	97.6
1976	809	2.13	9,330	86.9
1977	872	2.18	10,081	90.2
1978	871	2.09	10,409	90.0
1979	893	2.08	10,465	89.0
1980	877	2.07	9,891	85.8
1981	887	2.06	10,151	86.6
1982	917	2.15	10,157	87.9
1983	929	2.20	10,241	90.0
1984	957	2.15	10,435	87.0
1985	986	2.20	10,682	89.0
1986	1,005	2.20	10,829	88.5
1987	1,054	2.26	11,286	90.3

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	700	88.7	79.2	53	6.8	10.9	36	4.6	9.9
1970	666	86.9	77.9	60	7.9	11.9	40	5.2	10.2
1971	650	85.7	77.0	66	8.7	12.9	42	5.6	10.1
1972	676	85.3	77.3	72	9.1	12.9	44	5.6	9.7
1973	649	83.4	76.6	82	10.5	13.6	47	6.1	9.7
1974	685	82.7	75.5	92	11.2	14.4	51	6.1	10.1
1975	639	80.0	73.3	109	13.7	16.5	51	6.4	10.1
1976	639	79.0	73.9	117	14.4	16.1	53	6.6	10.0
1977	699	80.2	74.6	116	13.3	15.3	57	6.5	10.1
1978	694	79.6	75.0	117	13.4	14.6	61	7.0	10.4
1979	704	78.9	74.1	124	13.9	15.1	65	7.2	10.8
1980	669	76.3	71.1	133	15.2	16.7	74	8.5	12.2
1981	661	74.6	69.3	141	15.9	16.8	85	9.6	13.8
1982	679	74.0	67.5	147	16.0	17.6	91	10.0	14.9
1983	677	72.9	66.6	153	16.5	18.4	99	10.6	15.1
1984	703	73.4	67.8	154	16.1	17.3	101	10.5	14.9
1985	720	73.0	67.2	164	16.6	17.6	102	10.4	15.3
1986	727	72.4	67.1	169	16.8	17.6	109	10.8	15.3
1987	773	73.3	67.5	171	16.2	17.2	110	10.5	15.3

HARDIN 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	5.1	0.81	2.3	1.49	74.4	35.75
1970	5.1	0.74	1.9	1.32	73.3	34.42
1971	5.4	0.76	1.9	1.31	71.1	32.07
1972	6.0	0.79	2.2	1.33	68.9	31.66
1973	7.0	0.81	3.0	1.57	64.6	26.93
1974	7.0	0.84	3.0	1.56	66.0	28.54
1975	7.0	0.88	1.2	0.85	65.3	27.63
1976	8.4	0.96	1.7	1.08	60.9	25.20
1977	8.7	0.99	1.6	0.95	60.7	27.56
1978	10.2	1.10	1.5	0.97	57.1	26.55
1979	10.3	1.09	2.1	1.28	55.8	26.34
1980	10.8	1.17	1.5	1.06	55.5	25.83
1981	11.4	1.24	1.9	1.01	55.3	25.47
1982	11.3	1.36	1.1	0.71	55.8	24.36
1983	11.3	1.38	-0.4	-0.61	56.6	24.36
1984	11.4	1.34	1.4	0.87	53.5	24.19
1985	10.8	1.32	1.1	0.96	53.5	24.15
1986	11.6	1.42	1.0	1.07	49.6	23.03
1987	11.6	1.45	1.4	1.39	48.4	23.22

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	4.4	1.30	6.0	1.47	3.5	1.46
1970	4.6	1.28	6.6	1.51	3.8	1.45
1971	4.9	1.27	7.2	1.56	4.1	1.44
1972	4.9	1.25	7.5	1.60	4.1	1.43
1973	5.3	1.24	8.4	1.62	4.6	1.49
1974	5.0	1.25	8.0	1.62	4.4	1.52
1975	5.8	1.32	8.3	1.55	5.0	1.55
1976	6.1	1.28	9.0	1.57	5.4	1.58
1977	5.9	1.27	9.3	1.70	5.3	1.61
1978	6.4	1.29	9.9	1.67	5.7	1.63
1979	6.8	1.35	9.9	1.66	5.9	1.62
1980	8.0	1.46	9.8	1.67	5.6	1.46
1981	8.6	1.55	9.7	1.70	5.0	1.33
1982	8.4	1.48	9.9	1.77	5.0	1.32
1983	7.3	1.24	10.0	1.80	6.7	1.76
1984	7.6	1.26	9.8	1.77	7.0	1.86
1985	8.7	1.43	9.2	1.69	7.2	1.92
1986	10.0	1.51	9.9	1.80	7.8	1.99
1987	10.2	1.51	10.3	1.90	7.9	2.04

HARDIN COUNTY
COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		FEDERAL GOVT.	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	2,397	3.9	2,269	3.7	46,387	74.9
1970	2,211	4.0	2,278	4.1	39,858	71.5
1971	2,186	4.3	2,284	4.5	34,545	67.7
1972	2,560	5.4	2,304	4.8	30,093	63.3
1973	2,823	6.2	2,358	5.2	26,886	59.1
1974	3,057	6.3	2,416	5.0	28,844	59.7
1975	2,795	5.9	2,275	4.8	27,751	58.6
1976	3,098	6.6	2,400	5.1	26,285	56.3
1977	3,341	6.6	2,405	4.8	28,730	56.9
1978	3,793	7.6	2,442	4.9	26,407	53.0
1979	3,799	7.6	2,390	4.8	26,527	52.8
1980	3,836	7.7	2,379	4.7	26,443	52.8
1981	4,044	8.2	2,430	5.0	25,194	51.3
1982	3,938	8.0	2,425	4.9	24,965	50.9
1983	4,007	7.9	2,530	5.0	25,916	51.1
1984	4,028	7.9	2,427	4.8	25,096	49.3
1985	3,970	7.5	2,374	4.5	25,913	48.9
1986	4,085	7.6	2,392	4.4	25,189	46.6
1987	4,336	7.9	2,334	4.3	24,288	44.3

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	3,114	5.0	3,555	5.7	1,953	3.2
1970	3,139	5.6	3,809	6.8	2,050	3.7
1971	3,242	6.4	4,050	7.9	2,115	4.1
1972	3,248	6.8	4,178	8.8	2,152	4.5
1973	3,439	7.6	4,358	9.6	2,302	5.1
1974	3,562	7.4	4,721	9.8	2,468	5.1
1975	3,786	8.0	4,707	9.9	2,632	5.6
1976	3,718	8.0	4,922	10.5	2,721	5.8
1977	3,928	7.8	5,399	10.7	2,812	5.6
1978	4,231	8.5	5,680	11.4	2,990	6.0
1979	4,351	8.7	5,818	11.6	3,098	6.2
1980	4,625	9.2	5,807	11.6	2,877	5.7
1981	5,241	10.7	5,815	11.8	2,362	4.8
1982	5,232	10.7	6,068	12.4	2,273	4.6
1983	4,544	9.0	6,322	12.5	3,107	6.1
1984	4,723	9.3	6,765	13.3	3,144	6.2
1985	5,644	10.6	6,766	12.8	3,370	6.4
1986	6,112	11.3	7,398	13.7	3,676	6.8
1987	6,314	11.5	8,072	14.7	3,927	7.2

HARDIN COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	61,971	\$14,460	\$17,440	.	4.2
1970	55,769	\$15,500	\$17,811	4.0	4.4
1971	51,019	\$16,557	\$18,166	3.8	5.1
1972	47,543	\$18,334	\$18,970	3.6	6.0
1973	45,454	\$18,366	\$19,232	3.7	3.7
1974	48,354	\$18,084	\$19,008	4.8	4.5
1975	47,328	\$17,443	\$18,976	7.2	7.3
1976	46,699	\$17,617	\$19,563	6.6	5.6
1977	50,509	\$17,480	\$20,031	5.0	4.7
1978	49,795	\$17,498	\$20,121	6.1	5.3
1979	50,274	\$17,444	\$20,110	6.5	5.5
1980	50,099	\$16,477	\$19,439	8.0	8.0
1981	49,074	\$16,800	\$19,286	8.7	8.4
1982	49,014	\$16,825	\$18,931	8.4	10.6
1983	50,695	\$16,583	\$18,358	8.2	11.6
1984	50,883	\$17,081	\$19,080	6.5	9.3
1985	53,005	\$16,890	\$18,676	7.2	9.5
1986	54,082	\$16,548	\$18,627	6.3	9.3
1987	54,854	\$17,084	\$18,636	6.0	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	77,200	2.41	.	.	.	.
1970	78,300	2.42	8.8	10.3	6.4	14.8
1971	78,700	2.39	8.8	9.6	6.6	14.8
1972	76,800	2.30	9.2	9.1	7.1	15.0
1973	69,600	2.06	10.7	8.8	8.1	15.2
1974	74,800	2.19	10.4	8.6	7.8	15.3
1975	79,700	2.30	10.2	8.4	7.6	15.4
1976	86,700	2.46	9.7	8.2	7.3	15.5
1977	86,500	2.42	10.1	8.4	7.5	15.5
1978	83,700	2.32	10.7	8.5	8.0	15.6
1979	85,300	2.34	10.8	8.7	8.1	15.8
1980	88,600	2.42	10.0	9.2	8.2	15.4
1981	87,400	2.38	10.7	9.3	9.1	15.5
1982	90,300	2.44	10.9	9.2	9.6	15.7
1983	90,700	2.44	11.5	9.2	10.4	15.9
1984	91,800	2.47	11.7	9.0	11.2	16.1
1985	92,300	2.48	12.0	8.9	12.0	16.3
1986	92,800	2.49	10.8	8.6	11.5	16.5
1987	93,400	2.51

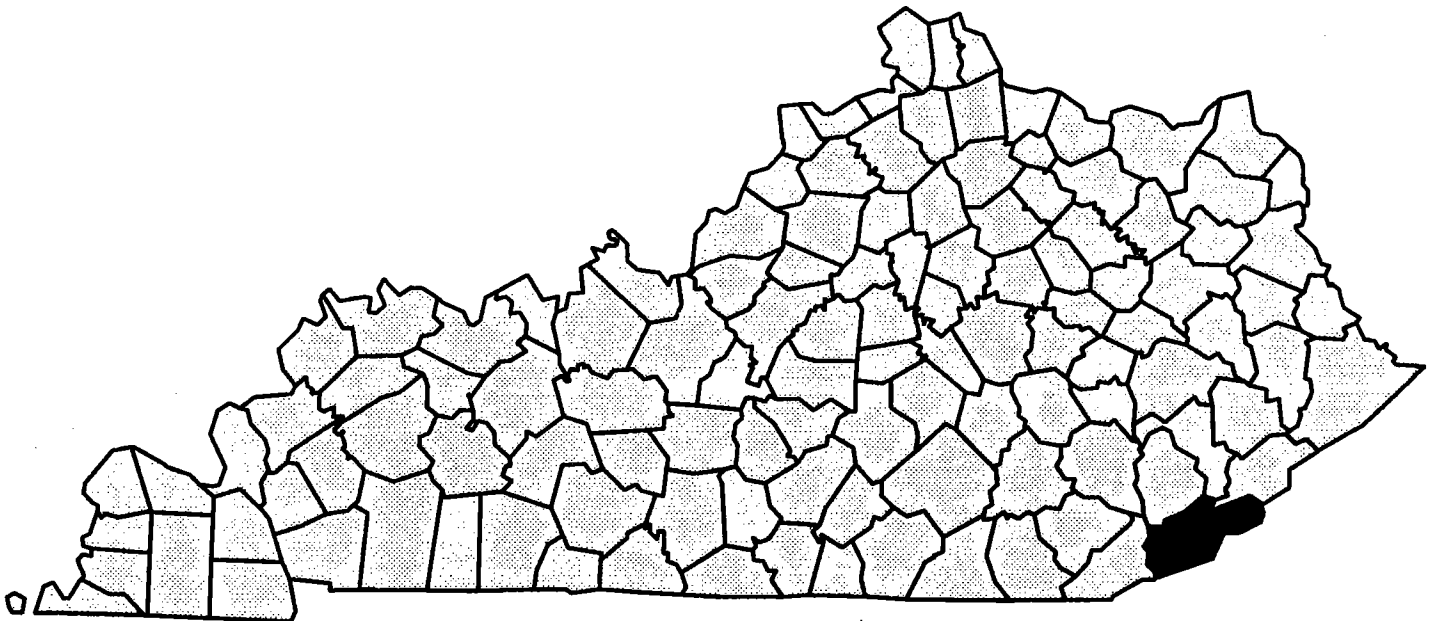
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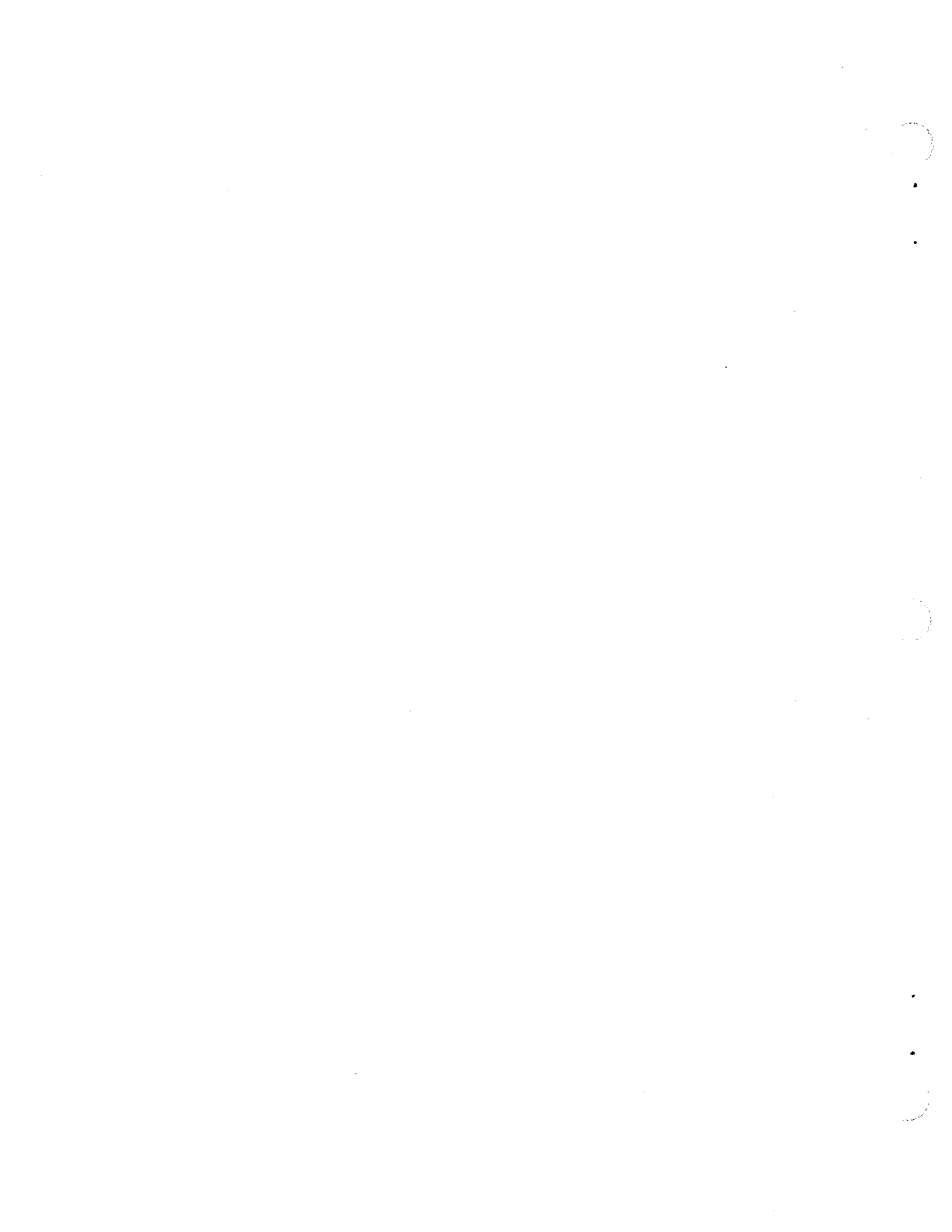
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HARLAN 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 Harlan County economy, as measured by personal income, grew strongly in the 1970's but declined in the 1980's. Harlan 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. Per capita personal income was significantly below that of the state, while average earnings per job were above those of the state. Harlan 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 heavily impacted by the mining sector. The mine sector was the primary source of employment in Harlan County. However, earnings and employment from this sector declined in the 1980's. The county's share of earnings and employment from manufacturing declined as well. These sectors also lost share at the state level.

The non-goods-producing sectors of services and state and local government decreased their share of the county economy, while the trade sector increased its share. At the state level, the service and trade sectors increased their shares, while the state and local government share was constant.

Events in the international energy markets, specifically a sharp increase in the price of oil in 1973, resulted in an increased demand for coal. This provided the impetus for economic growth in Harlan 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 the mining sector led to a volatile economic history and projects an uncertain economic future. The coal mining sector is very sensitive to events in the international energy markets. Furthermore, mining is becoming less labor intensive, limiting its potential for future employment growth. 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. Future economic growth in Harlan County would probably 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 Harlan 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.

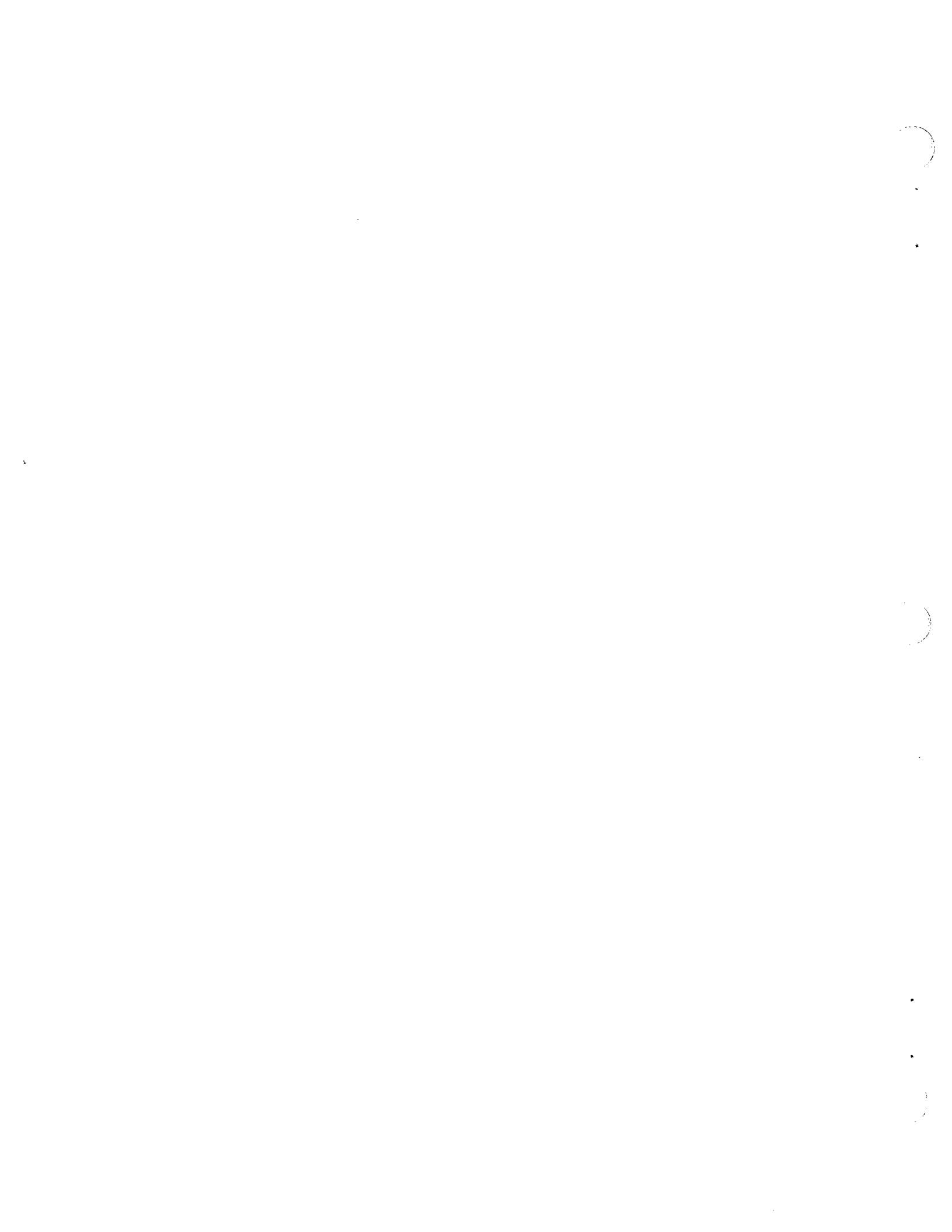
A second question concerns the structure and nature of the Harlan County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Harlan 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 HARLAN 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 Harlan 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 Harlan County economy, as measured by real personal income, increased, from \$232 million in 1969 to a high of \$438 million in 1979 (after adjusting for inflation). There was a subsequent decline to \$363 million in 1987. Chart 1B shows Harlan County total personal income as a percent of Kentucky total personal income. Harlan County's share of Kentucky personal income increased through the mid-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. Harlan County real per capita income generally increased to \$10,361 in 1979, then declined to a level of \$8,982 per person in 1987. Harlan County's per capita personal income was 71.9 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 \$166 million in 1969 to a high of \$301 million in 1979, then declined to \$215 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income declined over the period. Earnings accounted for 59.2 percent of Harlan County's total personal income in 1987, less than Kentucky's 67.5 percent share.

Transfer payments contributed \$53 million to total personal income in 1969 and \$105 million in 1987. Transfer payments contributed a much higher percentage of personal income in Harlan County than in Kentucky. In 1987, transfer payments accounted for 29.1 percent of personal income in Harlan County, compared to 17.2 percent in Kentucky.

Income from property in Harlan County grew steadily through the time period. Income from property totalled \$13 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 salaries and proprietor's income. Earnings in the goods-producing industries are illustrated in Chart 3A. The mine sector's share of earnings was 34.8 percent in 1969. This sector's share increased in the late 1970's and accounted for a high of 51.9 percent in 1981. The share of earnings from the mine sector declined through the 1980's to 44.2 percent in 1987. Harlan County received 5.8 percent of its earnings from manufacturing in 1969. This percentage decreased to 2.2 percent in 1987. This pattern of a decline in the percent of total earnings from manufacturing parallels that of the state. Earnings from the farming sector were minimal during the period. At the state level, earnings from these sectors declined.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services decreased from 16.1 percent in 1969 to 14.9 percent in 1987. The percent of earnings from the trade sector decreased from 14.3 percent in 1969 to 12.1 percent in 1987. The percentage of earnings in the state and local government sectors decreased from 13.6 percent in 1969 to 7.4 percent in 1977, then increased to 11.8 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 Harlan 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 Harlan County earnings per job increased during the 1970's. Average earnings then decreased to a level of \$21,071 in 1987, well 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 9,914 people. By 1981, employment had increased to 13,264 people; it declined to 11,632 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 Harlan County are presented in Chart 4B. In 1987, the unemployment rate in Harlan County was 16.4 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 mine sector was the primary source of employment in Harlan County. The mine sector's share of employment increased from 23.2 percent in 1969 to 32.8 percent in 1981, then declined to 25.2 percent in 1987. The percent of total employment in manufacturing decreased over the time period. Manufacturing represented 5.6 percent of total employment in 1969. This decreased to 3.0 percent in 1987. These employment trends parallel those of the the state.

Harlan County employment in the non-goods-producing industries is illustrated in Chart 4D. Employment in the service sector as a percent of total employment remained relatively constant and accounted for 18.4 percent in 1987. The percent of employment in trade increased from 19.5 percent in 1969 to 22.2 percent in 1987. The percent of employment in state and local government decreased from 17.8 percent in 1969 to 14.8 percent in 1987. These county employment patterns are somewhat different from state patterns, where the shares of employment in the services 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 Harlan County.

The Harlan County population grew from 38,500 in 1969 to 42,800 in 1978, then declined to 40,000 in 1987 (Chart 5A). There was a significant correction in the estimates of the population by age group after the 1980 census. It was estimated that in 1986, 9.7 percent of Harlan County's population was under six years of age, compared to 8.6 percent for the state. In the same year, 16.6 percent of the Harlan County population was sixty years of age and over, compared to 16.5 percent of all Kentucky residents.

Coal

The coal sector provides significant income and employment to the Harlan County and Kentucky economies. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections.

Harlan 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 erratically during the period. In 1986, 10,035 thousand tons of coal was mined in Harlan County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969, this sector provided 2,302 jobs in Harlan County. Employment increased to 4,356 in 1981, then declined to 2,927 people by 1987. The dramatic 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 mid-1970's, then declined significantly 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 allocated to Harlan County totalled \$16.6 million in 1986.

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

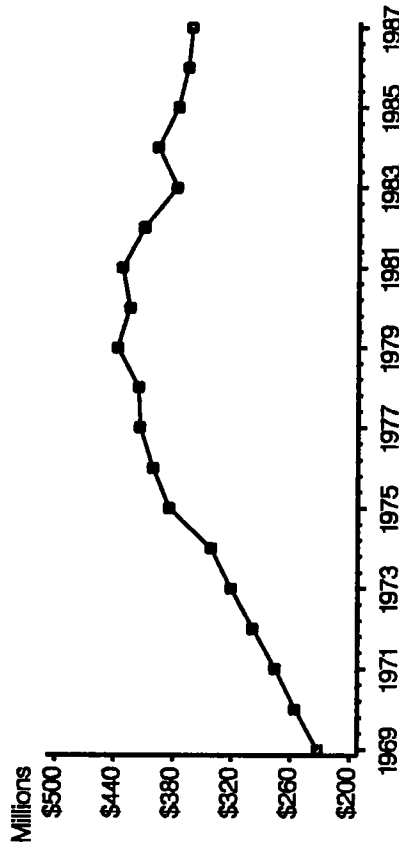


CHART 1B
 HARLAN COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

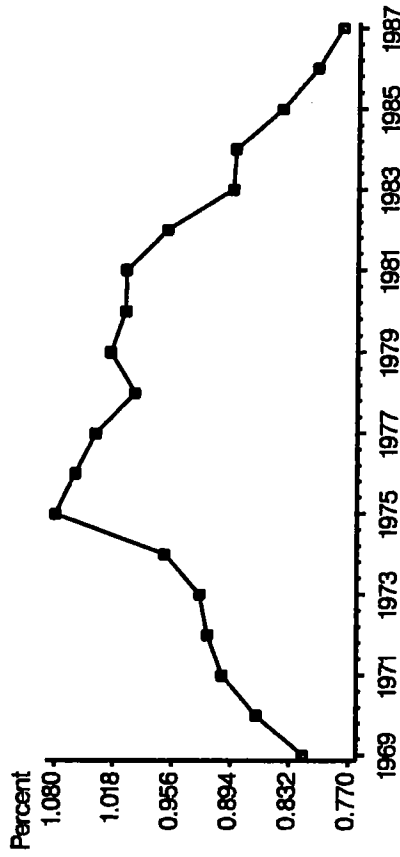


CHART 1C
 HARLAN COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

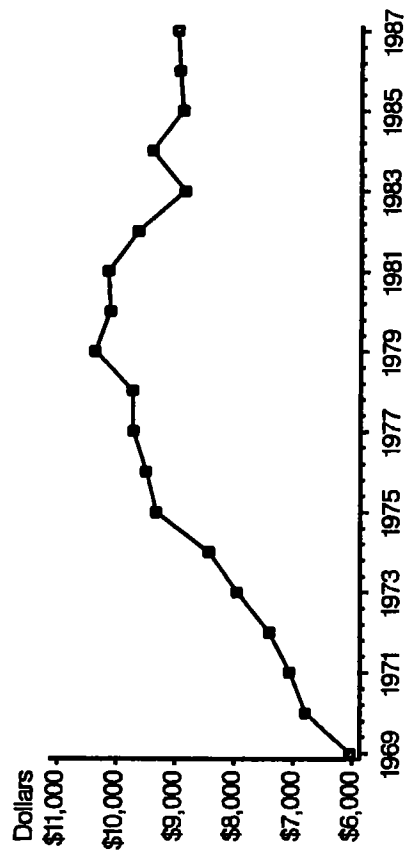


CHART 1D
 HARLAN COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

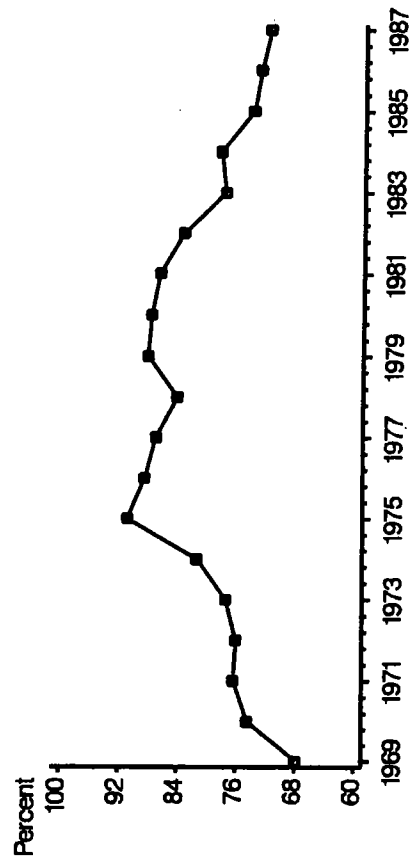


CHART 2A
HARLAN COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

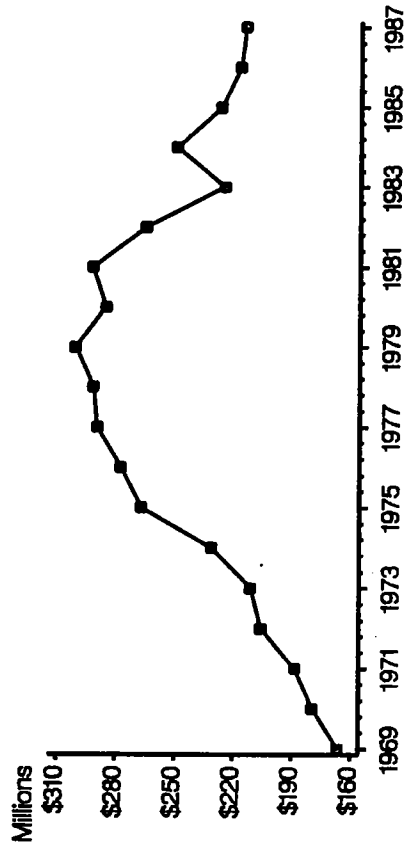


CHART 2B
HARLAN COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

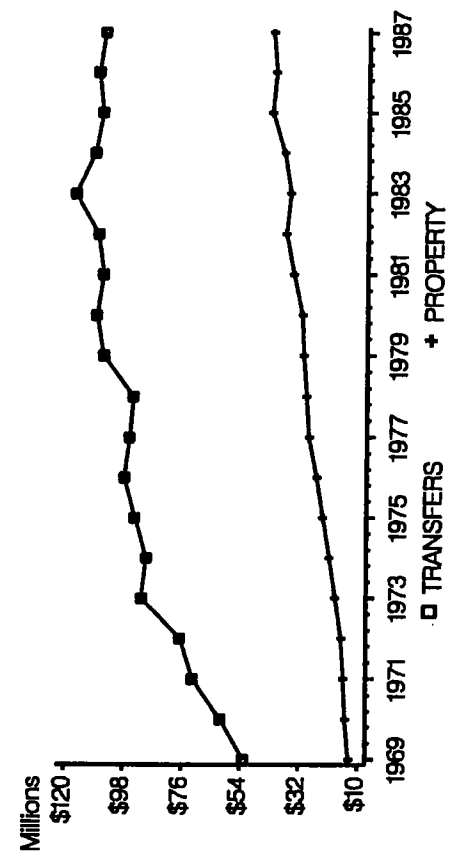


CHART 2C
HARLAN COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

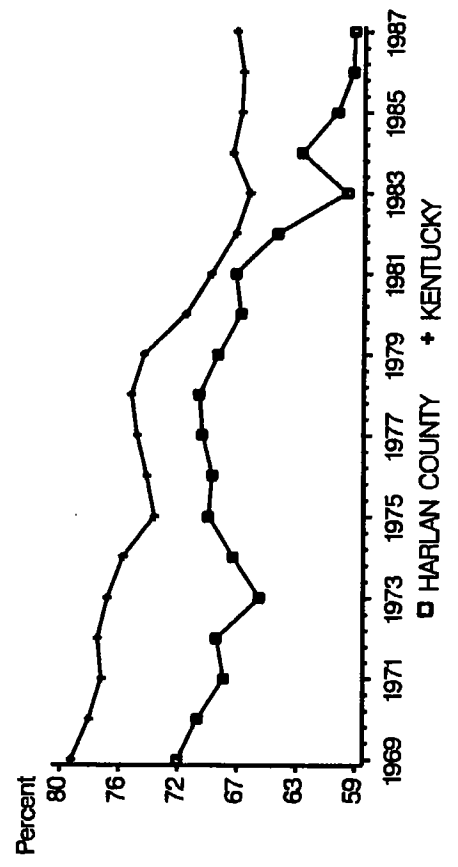


CHART 2D
HARLAN COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

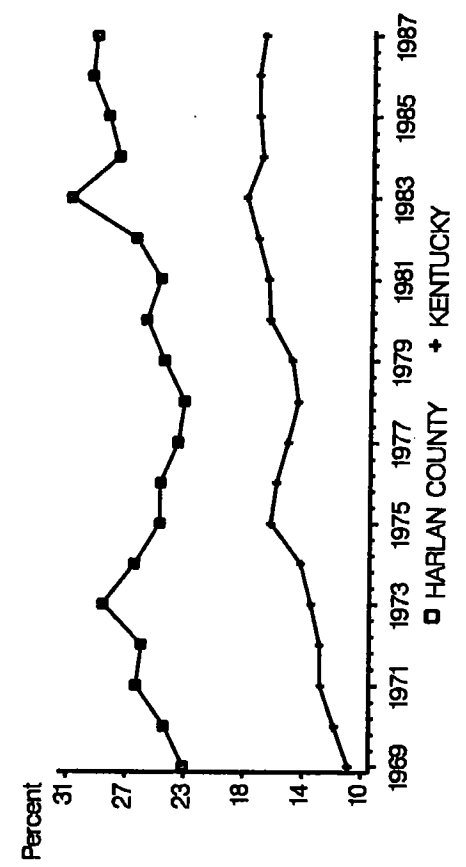


CHART 3A

HARLAN COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

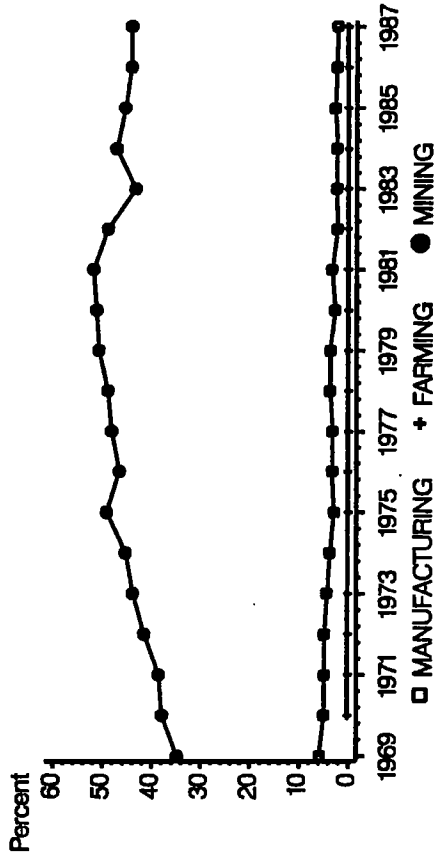


CHART 3B

HARLAN COUNTY

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

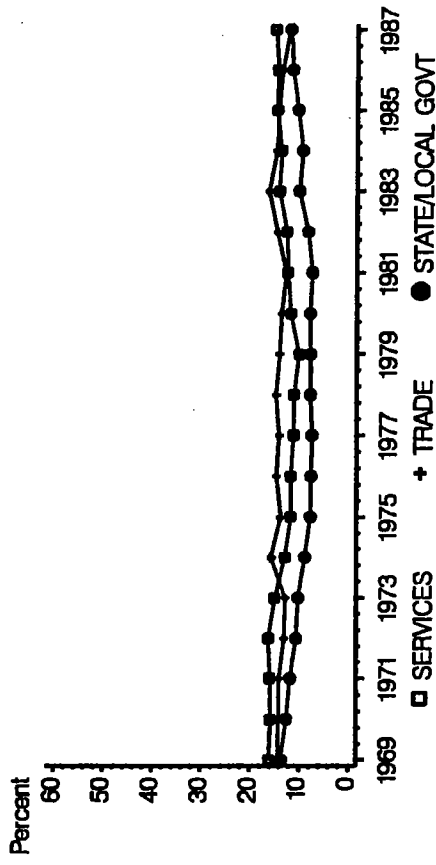


CHART 3C

HARLAN COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

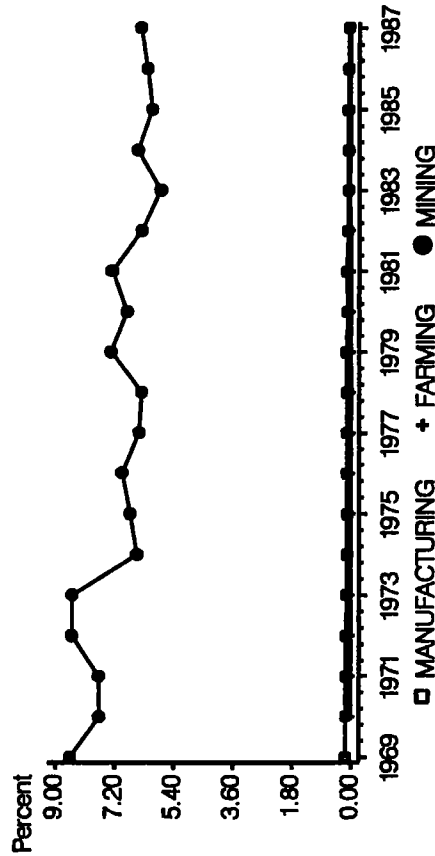


CHART 3D

HARLAN COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

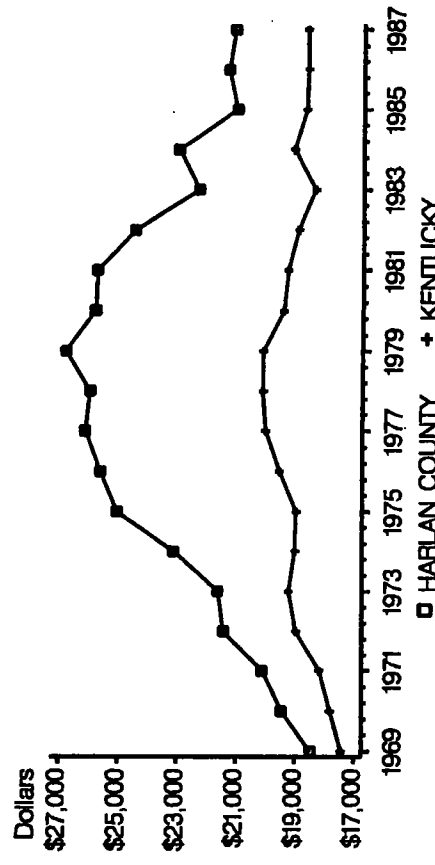


CHART 4A
HARLAN COUNTY
TOTAL EMPLOYMENT
Thousands of People

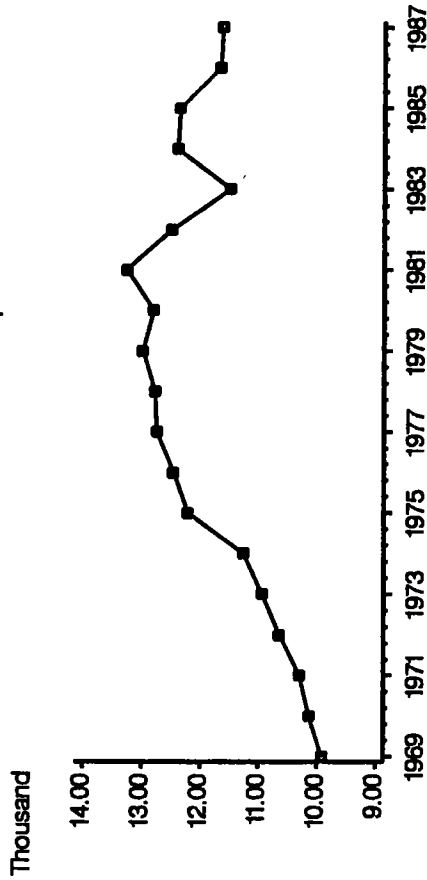


CHART 4B
HARLAN COUNTY
ANNUAL UNEMPLOYMENT RATE

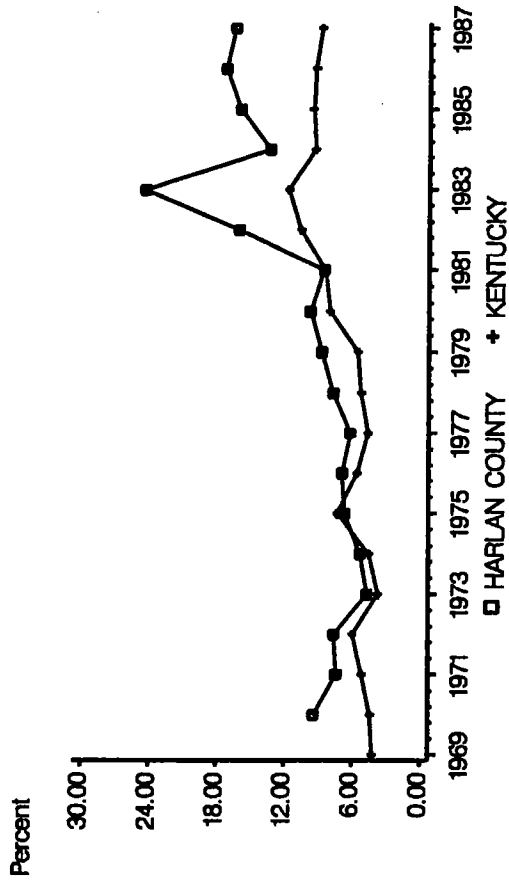


CHART 4C
HARLAN COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

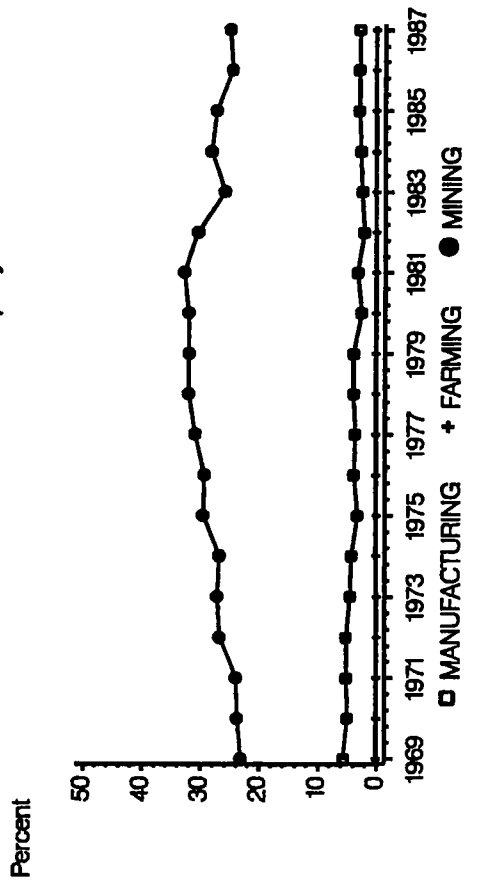


CHART 4D
HARLAN COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

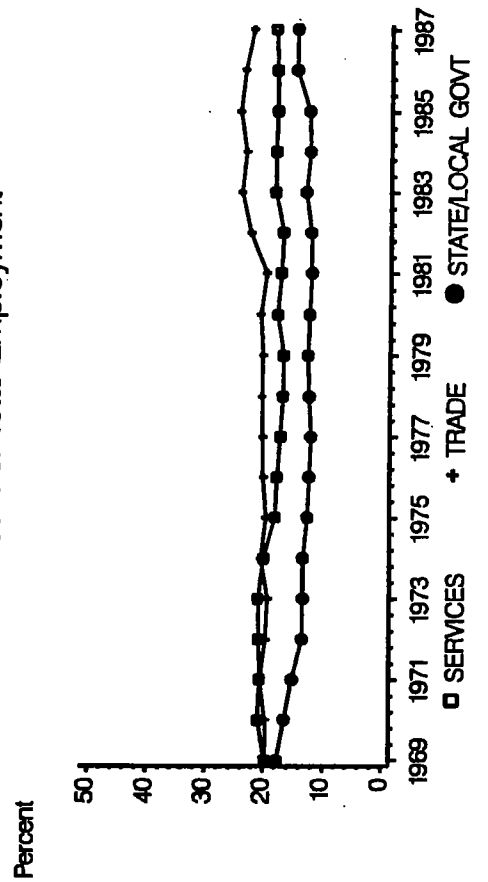


CHART 5A
HARLAN COUNTY
POPULATION
Thousands of People

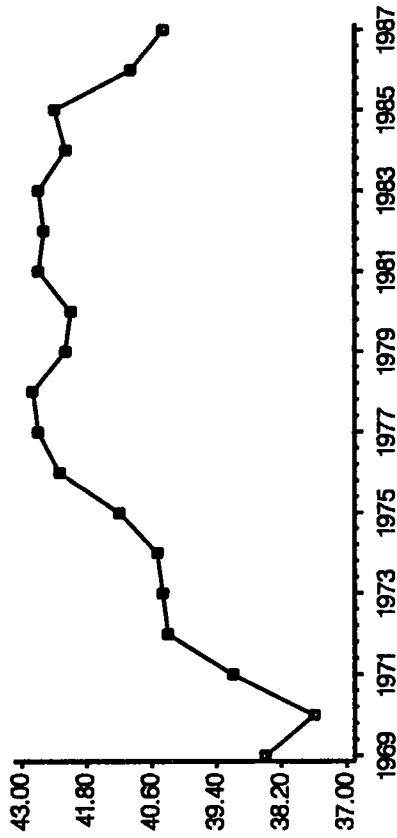


CHART 5B
HARLAN COUNTY
POPULATION
as a Percent of Kentucky Population

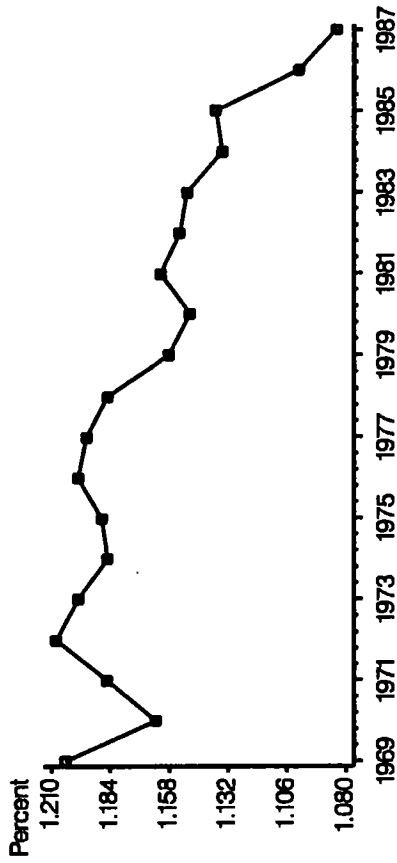


CHART 5C
HARLAN COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

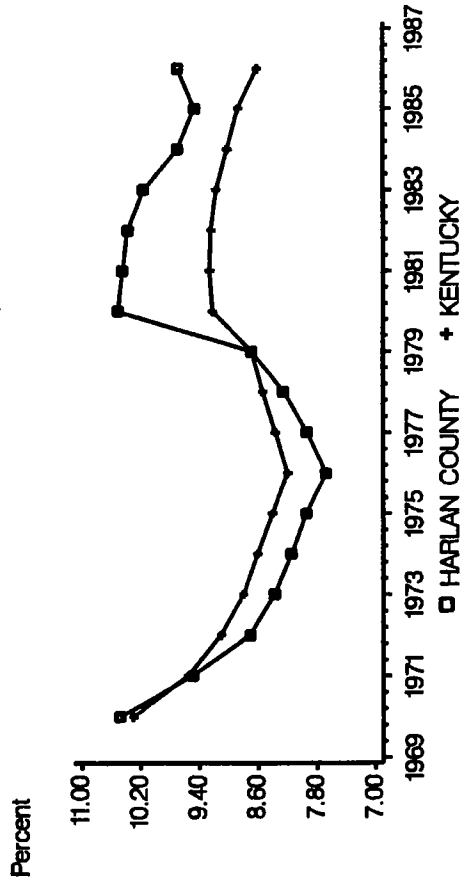


CHART 5D
HARLAN COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

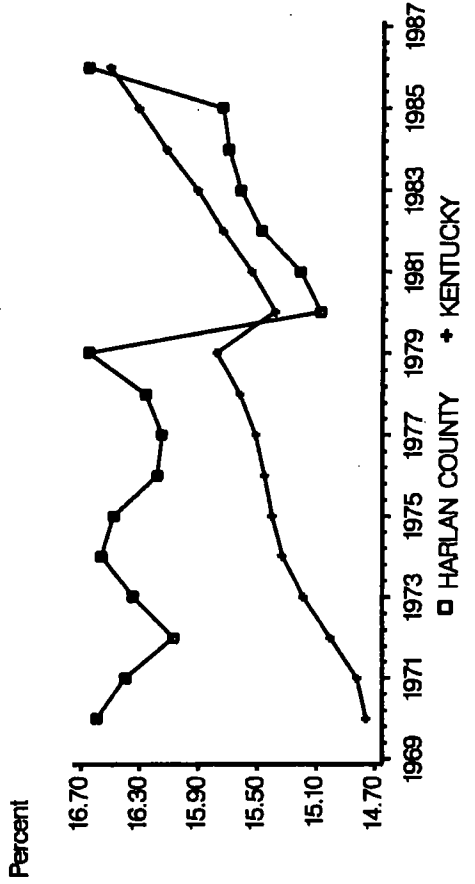


CHART 6A
 HARLAN COUNTY
 TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

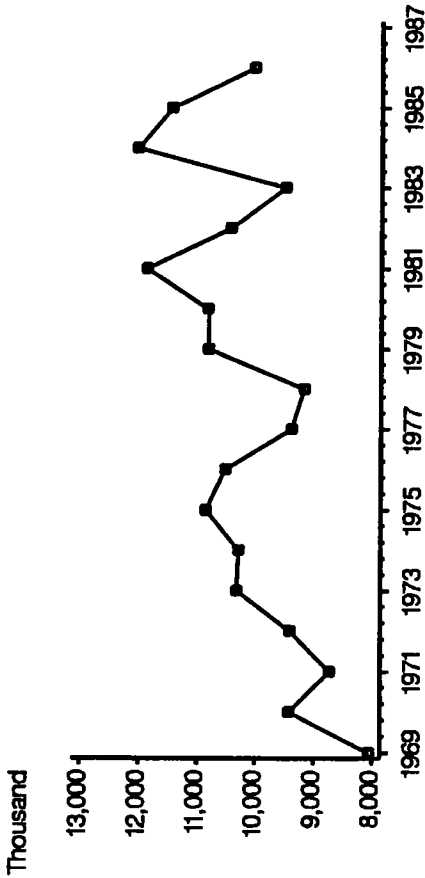


CHART 6B
 HARLAN COUNTY
 MINING EMPLOYMENT
 Thousands of People

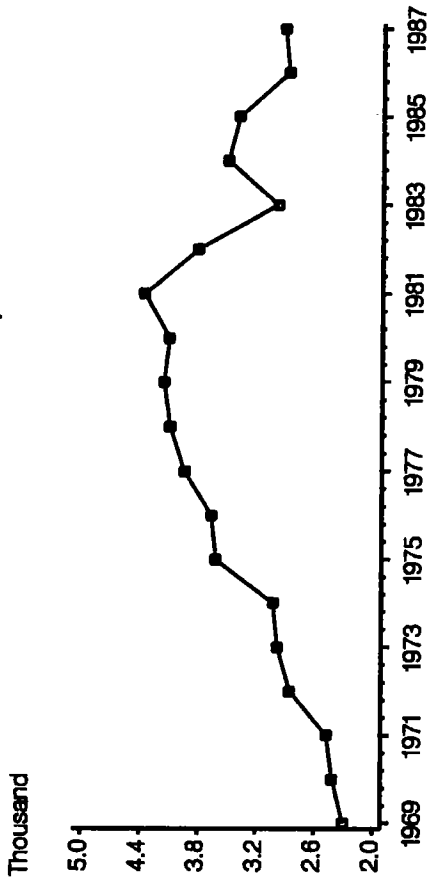


CHART 6C
 HARLAN COUNTY
 AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

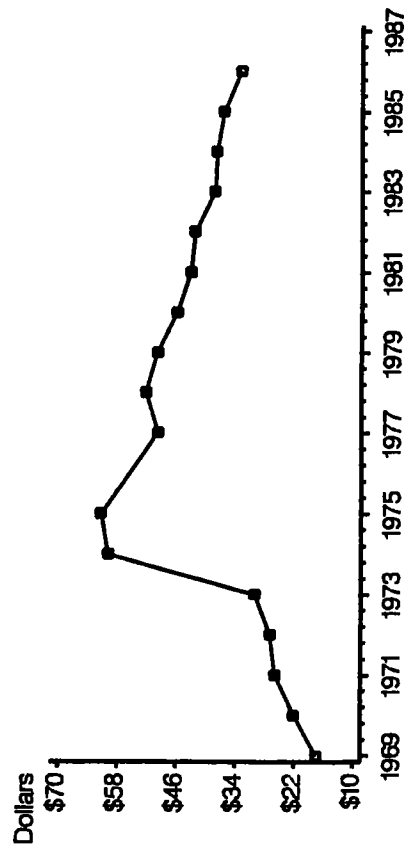
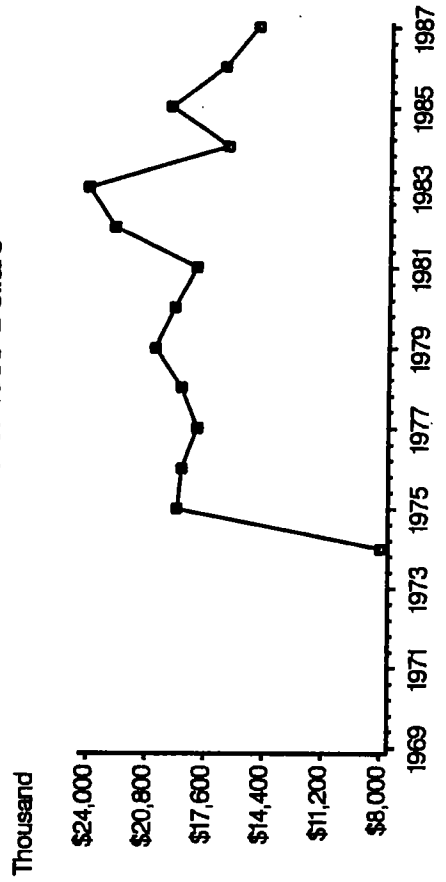


CHART 6D
 HARLAN COUNTY
 TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



HARLAN 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	6,034	67.9
1970	255	0.87	6,785	74.4
1971	276	0.90	7,062	76.3
1972	299	0.92	7,406	76.0
1973	321	0.93	7,949	77.4
1974	341	0.96	8,438	81.4
1975	384	1.08	9,323	90.8
1976	401	1.06	9,499	88.5
1977	414	1.04	9,717	86.9
1978	416	1.00	9,732	84.1
1979	438	1.02	10,361	88.1
1980	425	1.01	10,108	87.6
1981	433	1.00	10,143	86.5
1982	411	0.96	9,640	83.4
1983	378	0.89	8,851	77.8
1984	397	0.89	9,403	78.4
1985	376	0.84	8,888	74.1
1986	367	0.80	8,946	73.1
1987	363	0.78	8,982	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	166	71.6	79.2	53	22.7	10.9	13	5.7	9.9
1970	179	70.2	77.9	61	24.1	11.9	15	5.7	10.2
1971	189	68.4	77.0	72	26.1	12.9	15	5.6	10.1
1972	206	68.9	77.3	77	25.7	12.9	16	5.4	9.7
1973	211	65.8	76.6	91	28.4	13.6	19	5.8	9.7
1974	231	67.7	75.5	89	26.2	14.4	21	6.1	10.1
1975	267	69.5	73.3	94	24.4	16.5	23	6.1	10.1
1976	278	69.2	73.9	98	24.4	16.1	26	6.4	10.0
1977	290	69.9	74.6	96	23.1	15.3	29	6.9	10.1
1978	292	70.1	75.0	95	22.7	14.6	30	7.1	10.4
1979	301	68.8	74.1	106	24.2	15.1	31	7.0	10.8
1980	286	67.2	71.1	108	25.5	16.7	31	7.4	12.2
1981	292	67.5	69.3	106	24.5	16.8	35	8.0	13.8
1982	265	64.6	67.5	108	26.2	17.6	38	9.1	14.9
1983	225	59.7	66.6	116	30.8	18.4	36	9.5	15.1
1984	250	62.9	67.8	109	27.5	17.3	38	9.7	14.9
1985	227	60.3	67.2	106	28.2	17.6	43	11.4	15.3
1986	217	59.3	67.1	108	29.4	17.6	42	11.3	15.3
1987	215	59.2	67.5	105	29.1	17.2	43	11.7	15.3

HARLAN 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	5.8	0.19	.	.	34.8	8.55
1970	4.9	0.17	0.2	0.03	37.9	7.67
1971	4.9	0.17	0.1	0.02	38.5	7.67
1972	4.8	0.17	0.2	0.03	41.5	8.49
1973	4.3	0.14	0.2	0.03	43.8	8.48
1974	3.7	0.13	.	.	45.3	6.52
1975	2.9	0.13	0.1	0.01	49.2	6.74
1976	3.3	0.14	0.1	0.03	46.6	6.99
1977	3.2	0.14	0.1	0.02	48.1	6.46
1978	3.7	0.15	0.0	0.01	48.9	6.38
1979	3.6	0.15	0.1	0.01	50.8	7.31
1980	2.7	0.12	0.1	0.02	51.2	6.83
1981	3.3	0.15	0.1	0.02	51.9	7.28
1982	2.2	0.10	0.1	0.02	48.9	6.37
1983	2.4	0.09	0.1	0.05	43.3	5.78
1984	2.4	0.09	0.1	0.02	47.2	6.49
1985	2.7	0.10	0.1	0.02	45.5	6.05
1986	2.4	0.08	0.1	0.04	44.2	6.20
1987	2.2	0.07	0.1	0.04	44.2	6.41

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	16.1	0.96	14.3	0.71	13.6	1.17
1970	15.8	1.00	14.1	0.73	12.5	1.09
1971	15.9	1.01	14.1	0.75	11.8	1.02
1972	16.2	1.08	13.0	0.73	10.6	0.97
1973	14.9	0.98	12.8	0.70	10.2	0.93
1974	12.9	0.95	15.7	0.95	8.8	0.91
1975	11.7	0.98	13.8	0.95	7.7	0.88
1976	11.7	0.95	14.7	0.99	7.6	0.86
1977	11.2	0.91	14.1	0.98	7.4	0.85
1978	11.1	0.85	14.7	0.95	7.7	0.83
1979	10.1	0.79	14.0	0.94	7.7	0.84
1980	11.8	0.86	13.6	0.92	7.8	0.81
1981	12.3	0.92	12.6	0.92	7.3	0.80
1982	12.6	0.82	14.4	0.95	8.2	0.80
1983	14.1	0.73	16.2	0.89	10.1	0.80
1984	13.7	0.75	14.7	0.87	9.4	0.81
1985	14.6	0.70	14.2	0.76	10.3	0.80
1986	14.4	0.60	13.5	0.68	11.4	0.81
1987	14.9	0.58	12.1	0.59	11.8	0.80

HARLAN COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	552	5.6	13	0.1	2,302	23.2
1970	497	4.9	13	0.1	2,416	23.8
1971	524	5.1	13	0.1	2,475	24.0
1972	547	5.1	12	0.1	2,857	26.8
1973	489	4.5	12	0.1	2,982	27.3
1974	478	4.2	22	0.2	3,025	26.9
1975	396	3.2	25	0.2	3,619	29.6
1976	485	3.9	29	0.2	3,665	29.4
1977	470	3.7	31	0.2	3,945	31.0
1978	503	3.9	29	0.2	4,095	32.0
1979	509	3.9	31	0.2	4,154	32.0
1980	339	2.6	33	0.3	4,103	32.0
1981	437	3.3	37	0.3	4,356	32.8
1982	276	2.2	34	0.3	3,808	30.5
1983	299	2.6	34	0.3	2,990	26.0
1984	344	2.8	33	0.3	3,504	28.3
1985	374	3.0	33	0.3	3,390	27.4
1986	358	3.1	33	0.3	2,884	24.7
1987	344	3.0	32	0.3	2,927	25.2

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,957	19.7	1,936	19.5	1,760	17.8
1970	2,119	20.9	1,991	19.6	1,672	16.5
1971	2,123	20.6	2,120	20.6	1,564	15.2
1972	2,220	20.9	2,092	19.7	1,440	13.5
1973	2,293	21.0	2,113	19.3	1,470	13.4
1974	2,256	20.0	2,309	20.5	1,518	13.5
1975	2,219	18.2	2,407	19.7	1,558	12.8
1976	2,225	17.8	2,515	20.2	1,554	12.5
1977	2,202	17.3	2,585	20.3	1,549	12.2
1978	2,159	16.9	2,612	20.4	1,596	12.5
1979	2,180	16.8	2,630	20.2	1,654	12.7
1980	2,289	17.9	2,655	20.7	1,606	12.5
1981	2,298	17.3	2,624	19.8	1,617	12.2
1982	2,124	17.0	2,813	22.5	1,544	12.4
1983	2,108	18.3	2,775	24.1	1,520	13.2
1984	2,266	18.3	2,897	23.4	1,560	12.6
1985	2,233	18.1	3,013	24.4	1,569	12.7
1986	2,119	18.2	2,748	23.6	1,736	14.9
1987	2,137	18.4	2,582	22.2	1,723	14.8

HARLAN COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	9,914	\$18,456	\$17,440	.	4.2
1970	10,133	\$19,453	\$17,811	9.4	4.4
1971	10,298	\$20,117	\$18,166	7.4	5.1
1972	10,644	\$21,418	\$18,970	7.6	6.0
1973	10,940	\$21,614	\$19,232	4.7	3.7
1974	11,257	\$23,117	\$19,008	5.3	4.5
1975	12,216	\$25,039	\$18,976	6.7	7.3
1976	12,465	\$25,586	\$19,563	6.9	5.6
1977	12,745	\$26,091	\$20,031	6.2	4.7
1978	12,781	\$25,938	\$20,121	7.7	5.3
1979	12,993	\$26,763	\$20,110	8.7	5.5
1980	12,806	\$25,760	\$19,439	9.7	8.0
1981	13,264	\$25,699	\$19,286	8.5	8.4
1982	12,494	\$24,429	\$18,931	16.0	10.6
1983	11,491	\$22,298	\$18,358	24.3	11.6
1984	12,398	\$22,966	\$19,080	13.3	9.3
1985	12,358	\$21,011	\$18,676	15.9	9.5
1986	11,666	\$21,292	\$18,627	17.2	9.3
1987	11,632	\$21,071	\$18,636	16.4	8.8

POPULATION STATISTICS

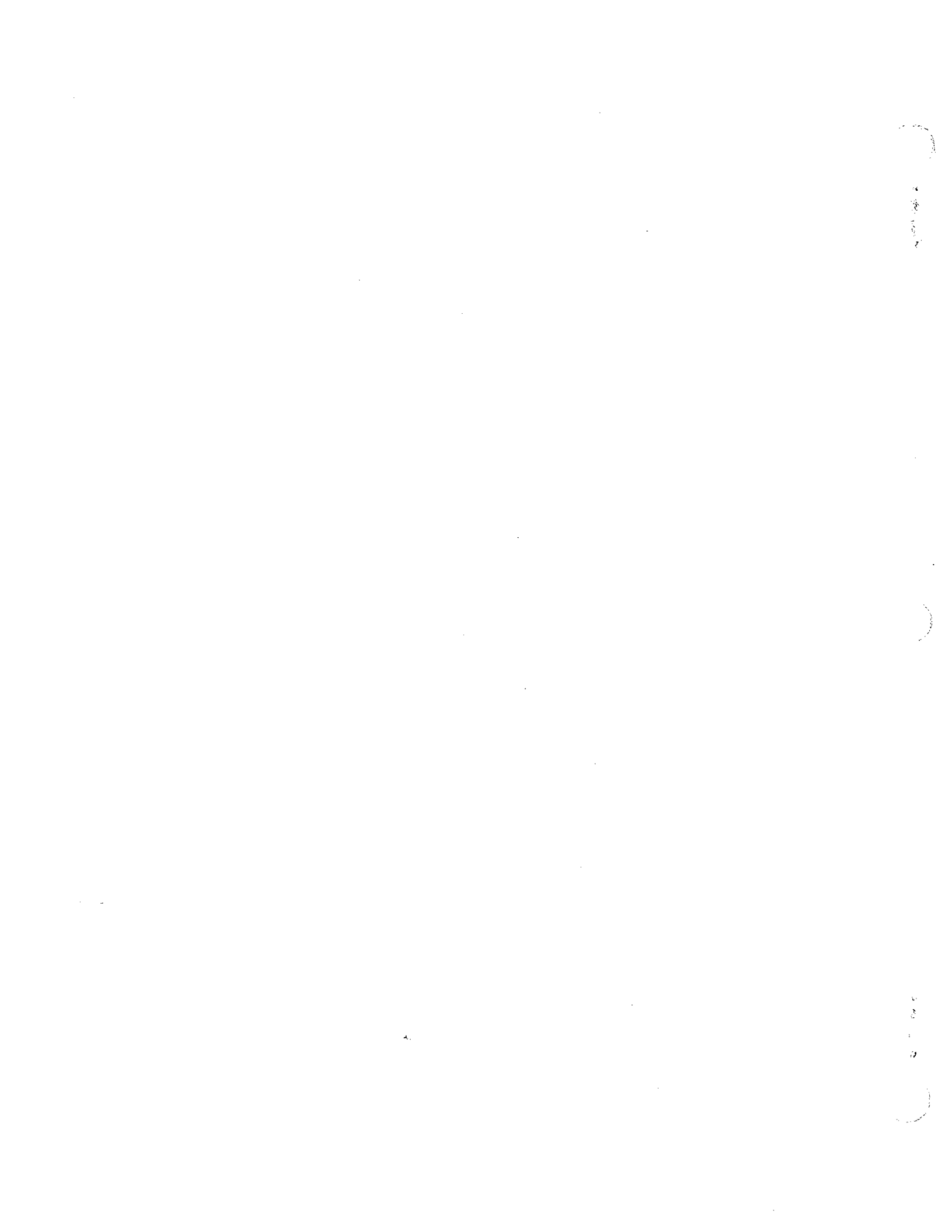
YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	38,500	1.20	.	.	.	.
1970	37,600	1.16	10.5	10.3	16.6	14.8
1971	39,100	1.19	9.5	9.6	16.4	14.8
1972	40,300	1.21	8.7	9.1	16.1	15.0
1973	40,400	1.20	8.4	8.8	16.3	15.2
1974	40,500	1.19	8.1	8.6	16.6	15.3
1975	41,200	1.19	7.9	8.4	16.5	15.4
1976	42,300	1.20	7.7	8.2	16.2	15.5
1977	42,700	1.19	7.9	8.4	16.1	15.5
1978	42,800	1.19	8.3	8.5	16.3	15.6
1979	42,200	1.16	8.7	8.7	16.6	15.8
1980	42,100	1.15	10.5	9.2	15.1	15.4
1981	42,700	1.16	10.4	9.3	15.2	15.5
1982	42,600	1.15	10.4	9.2	15.5	15.7
1983	42,700	1.15	10.2	9.2	15.6	15.9
1984	42,200	1.13	9.7	9.0	15.7	16.1
1985	42,400	1.14	9.5	8.9	15.7	16.3
1986	41,000	1.10	9.7	8.6	16.6	16.5
1987	40,400	1.08	.	.	.	.

HARLAN COUNTY

COAL MINING STATISTICS

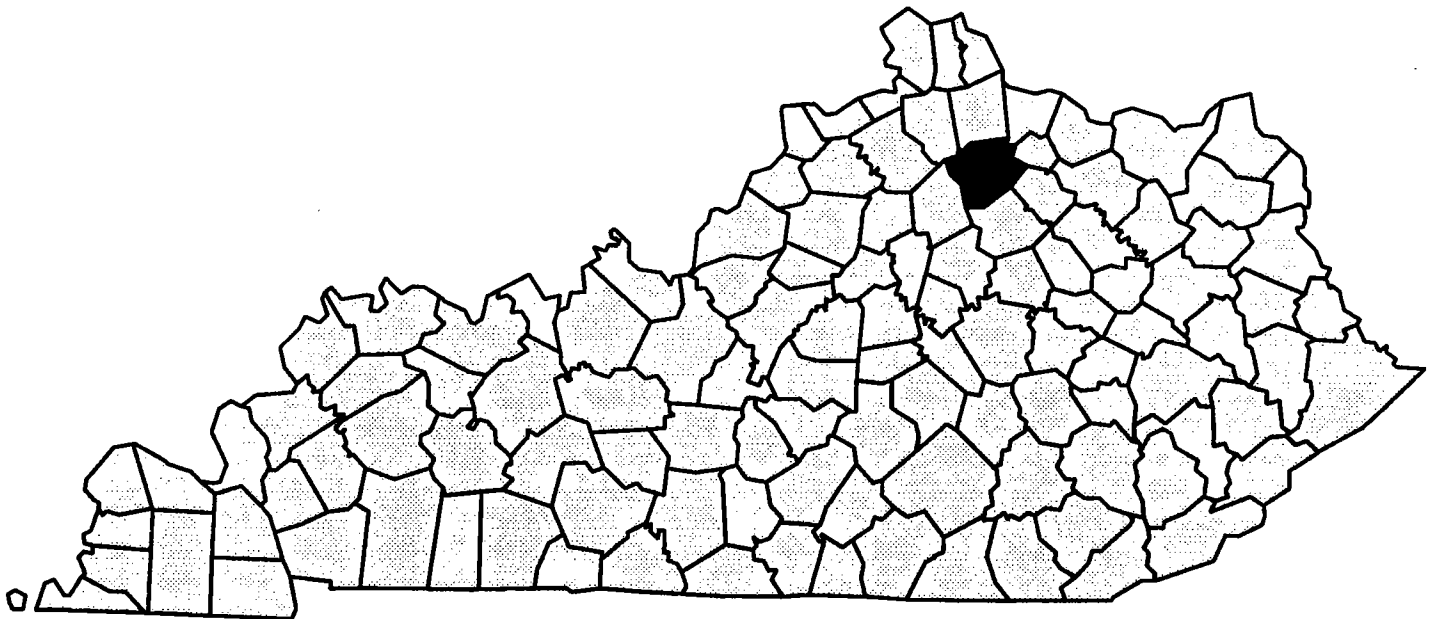
YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	8,055	2,302	\$17.40	.
1970	9,422	2,416	\$22.03	.
1971	8,729	2,475	\$25.90	.
1972	9,408	2,857	\$26.87	.
1973	10,319	2,982	\$29.97	.
1974	10,289	3,025	\$59.80	\$8,006
1975	10,860	3,619	\$61.22	\$19,100
1976	10,518	3,665	.	\$18,858
1977	9,389	3,945	\$49.71	\$18,027
1978	9,175	4,095	\$52.15	\$18,885
1979	10,811	4,154	\$49.82	\$20,344
1980	10,824	4,103	\$45.90	\$19,284
1981	11,870	4,356	\$43.17	\$18,106
1982	10,427	3,808	\$42.35	\$22,553
1983	9,500	2,990	\$38.31	\$23,991
1984	12,034	3,504	\$37.93	\$16,436
1985	11,453	3,390	\$36.44	\$19,533
1986	10,035	2,884	\$32.94	\$16,642
1987	.	2,927	.	.

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



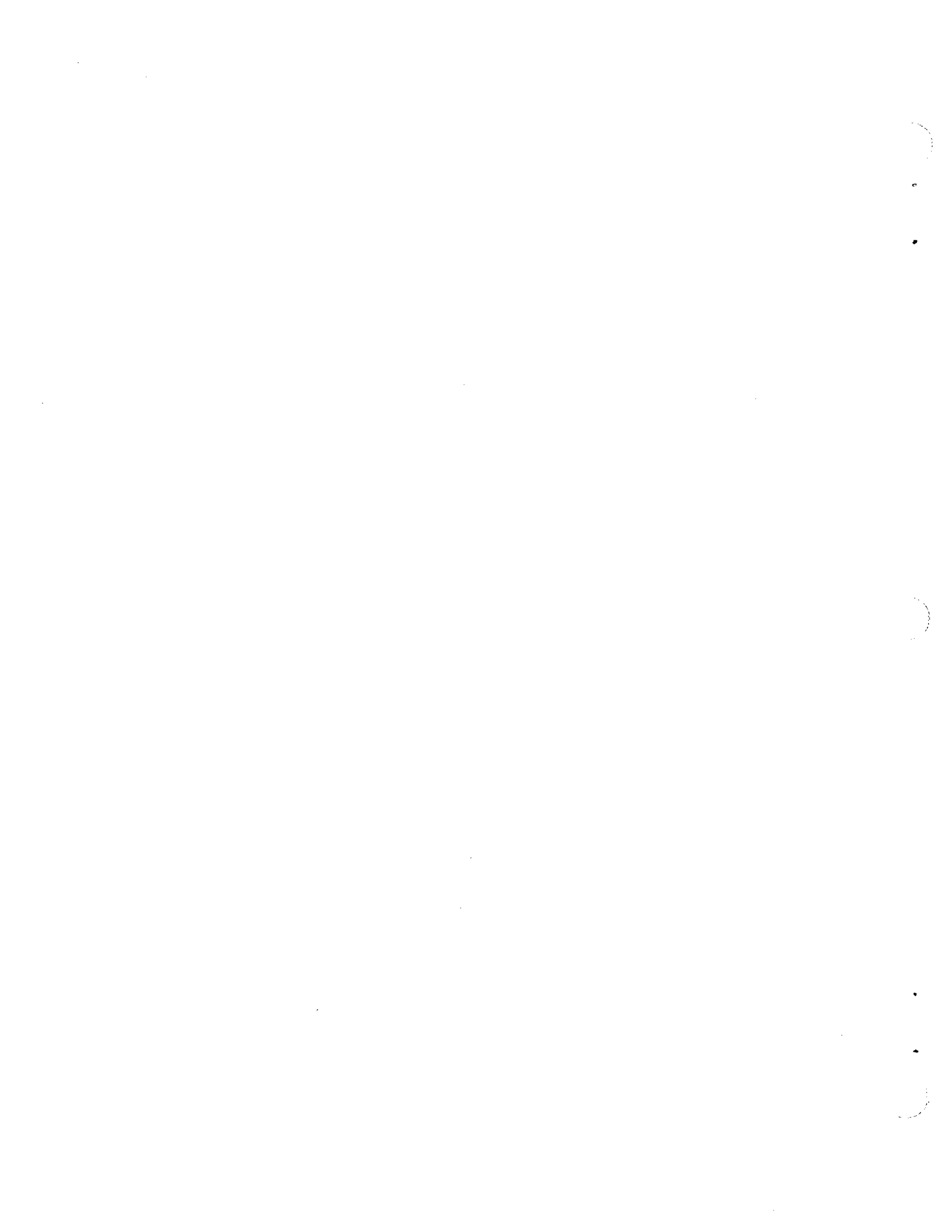
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HARRISON COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



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KENTUCKY COUNTIES
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 Harrison County economy, as measured by personal income, grew moderately from 1969 to 1987. Harrison 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. While personal income generally increased, the earnings component was volatile.

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 Harrison County economy grew in importance. County farm sector earnings declined substantially, while farm employment declined to a lesser extent. The farm sector declined at the state level as well.

The non-goods-producing sectors, particularly services and state and local government, experienced growth in the county. Kentucky's primary growth sectors were services and trade.

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.



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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.

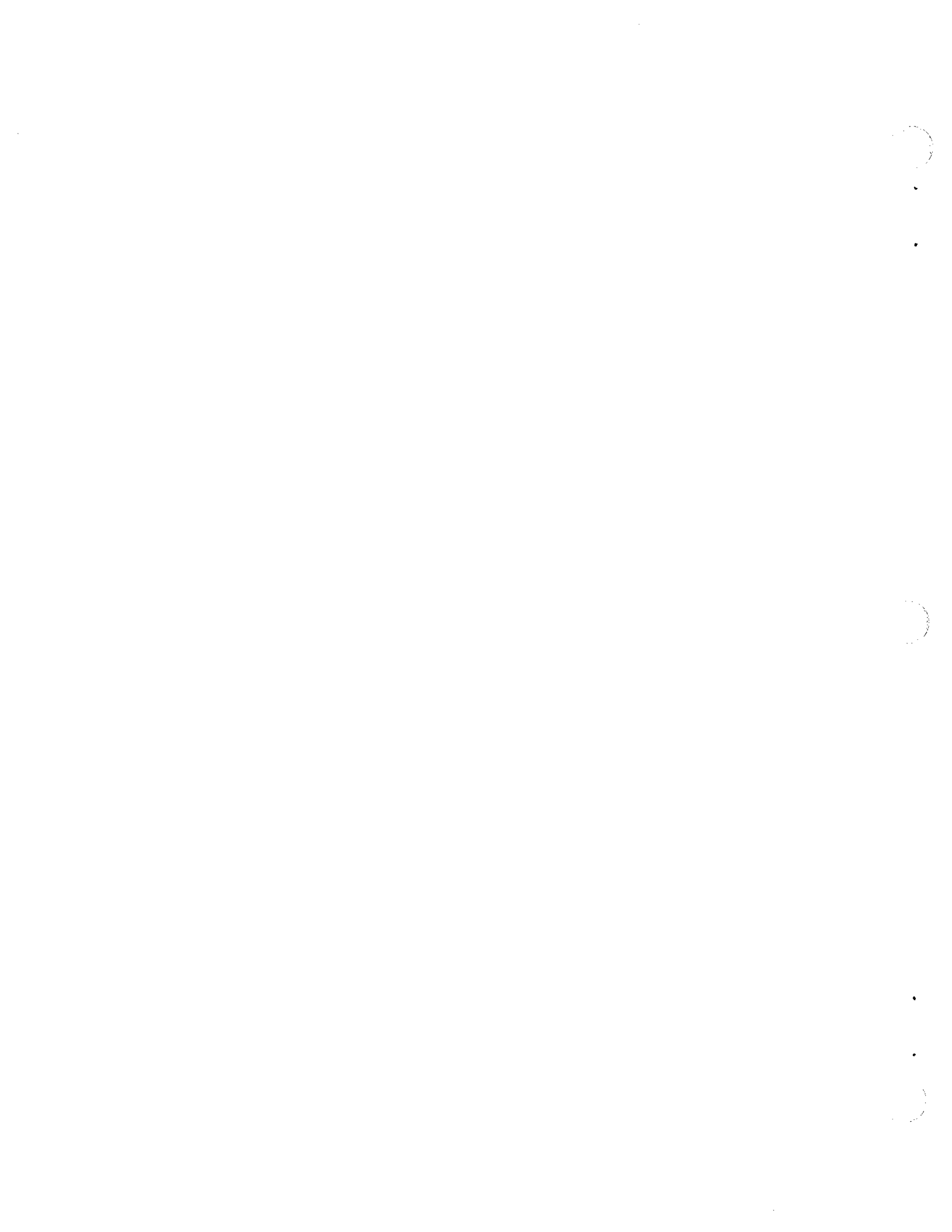
A second question concerns the structure and nature of the county economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

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 HARRISON 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 Harrison 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 Harrison County economy, as measured by personal income, increased from \$133 million in 1969 to \$185 million in 1987, after adjusting for inflation. Chart 1B shows Harrison County total personal income as a percent of Kentucky total personal income. Harrison 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 Harrison County per capita income increased over the time period to a level of \$11,530 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 shares have changed over time. This information is illustrated in Charts 2A-2D. Earnings showed strong growth through 1979, then dropped significantly in the early 1980's. They rebounded in 1984 and were \$118 million by 1987 (in constant 1988 dollars). While earnings have

increased, their share of personal income has declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 64.1 percent of Harrison County's total personal income, which was less than Kentucky's 67.5 percent share.

Transfer payments contributed \$14 million to total personal income in 1969 and \$33 million in 1987. The share of personal income from transfer payments in Harrison County generally equalled that for Kentucky.

Income from property in Harrison County grew rapidly through the 1970's. Income from property totalled \$14 million in 1969 and increased to \$33 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, Harrison County received 28.9 percent of total earnings from manufacturing. This percentage increased to 42.6 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 26.6 percent in 1969 to 4.5 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 11.8 percent in 1969 to 18.1 percent in 1987. The percent from the trade sector remained constant and accounted for 11.1 percent in 1987. The share of earnings from the state and local government sector increased slightly and accounted for 8.2 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 Harrison 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. County average earnings per job were below those of the state; they were \$14,983 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Harrison County fluctuated substantially during the data period. In 1987, 7,491 people were employed in Harrison County.

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 Harrison County are presented in Chart 4B. Unemployment rates in Harrison County were below those of the state throughout the period. In 1987, the county unemployment rate was 8.5 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. The percent of total employment in manufacturing increased from 21.7 percent in 1969 to 23.3 percent in 1987. Again, this trend was unlike that of the state.

The farm sector's share of employment declined from 32.1 percent in 1969 to 21.5 percent in 1987. The farm sector's declining share of employment was consistent with state and national trends.

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 16.3 percent of employment. This share increased to 18.5 percent in 1987. Trade sector employment increased from 11.0 percent in 1969 to 16.8 percent in 1987. The percent of employment in state and local government increased slightly and was 6.8 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 Harrison County.

The Harrison County population grew from 14,100 in 1969 to 16,000 in 1987 (Chart 5A). It was estimated that in 1986, 8.4 percent of Harrison County's population was under six years of age, compared to 8.6 for the

state. Harrison County had a higher proportion of residents age sixty or over than the state. In 1986, 20.6 percent of the Harrison County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

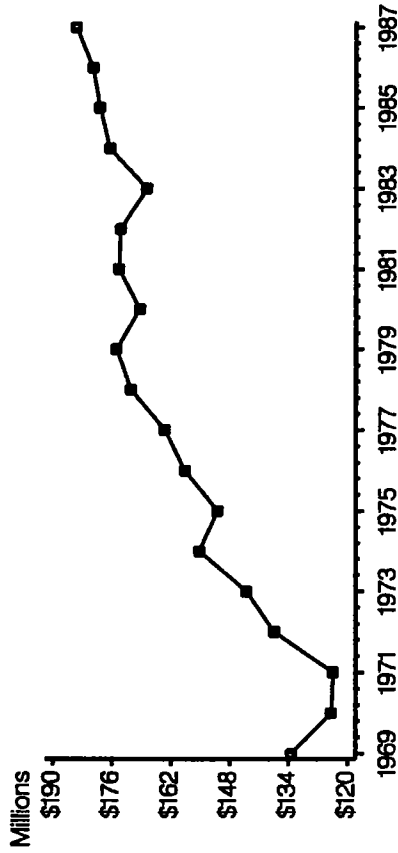


CHART 1B
HARRISON COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

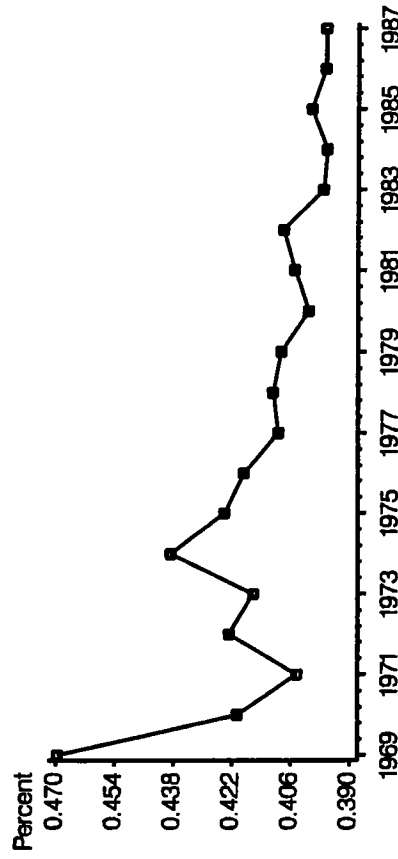


CHART 1C
HARRISON COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

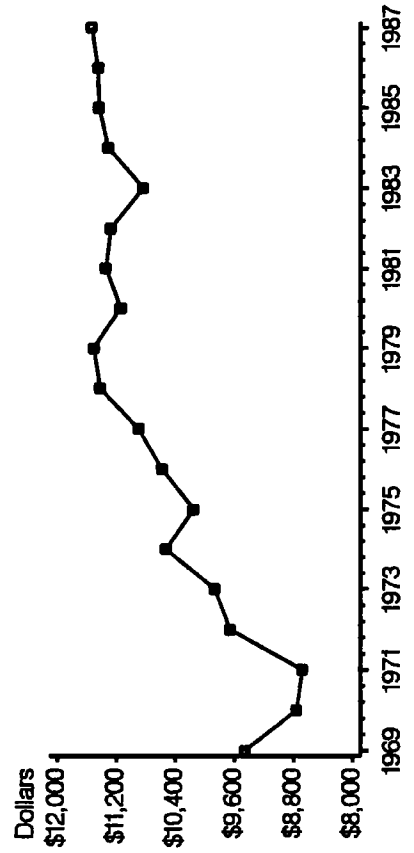


CHART 1D
HARRISON COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

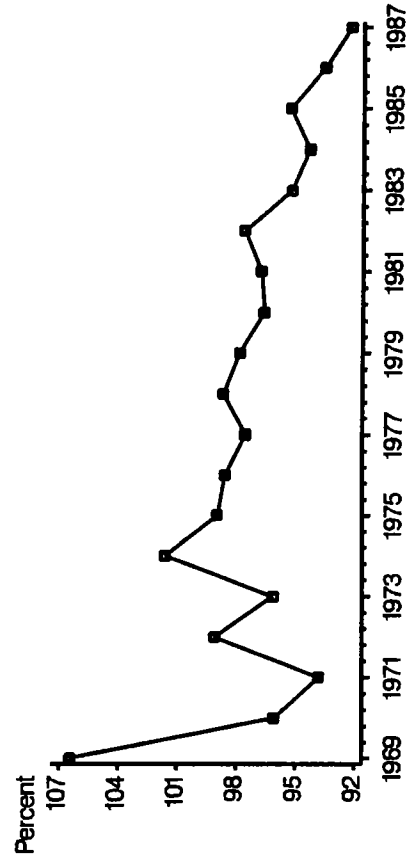


CHART 2A

HARRISON COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

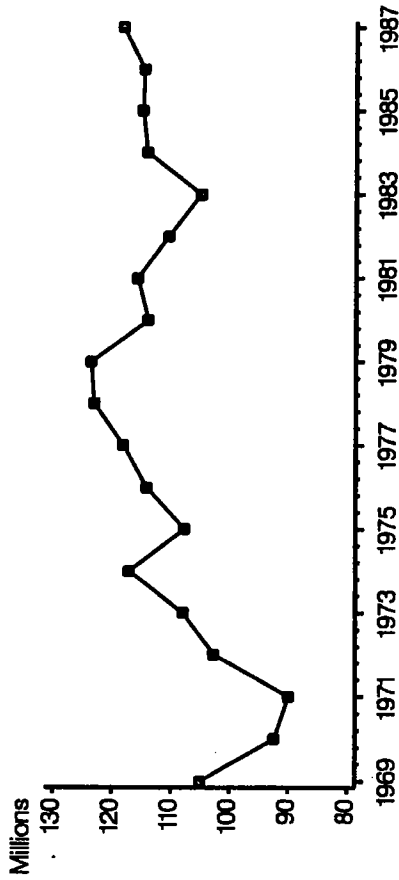


CHART 2B
HARRISON COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

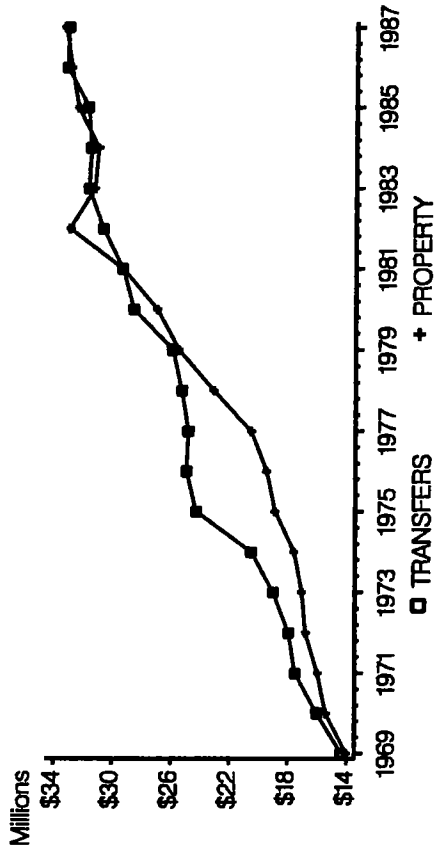


CHART 2C

HARRISON COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

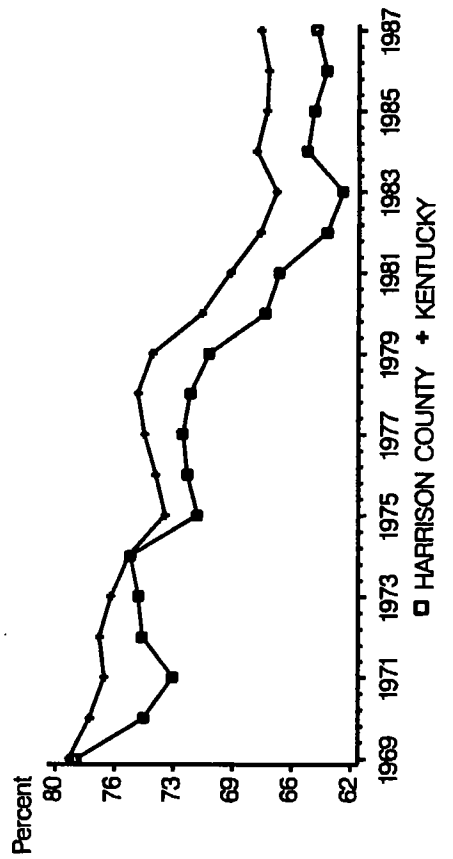


CHART 2D

HARRISON COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

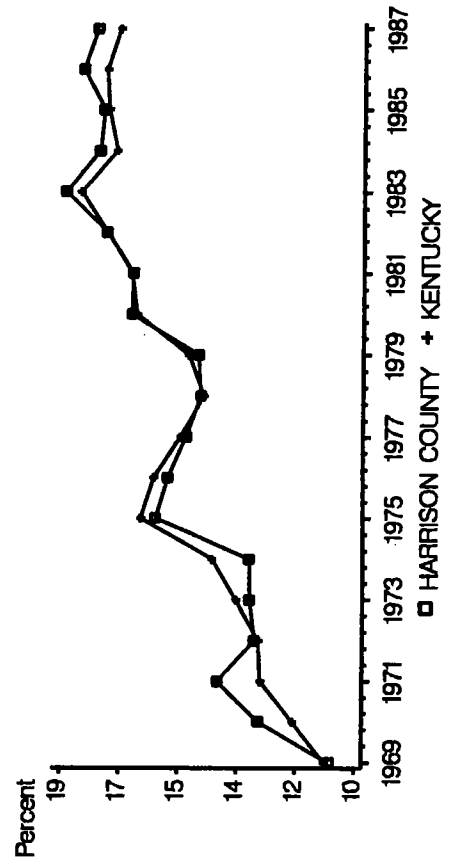


CHART 3A

HARRISON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

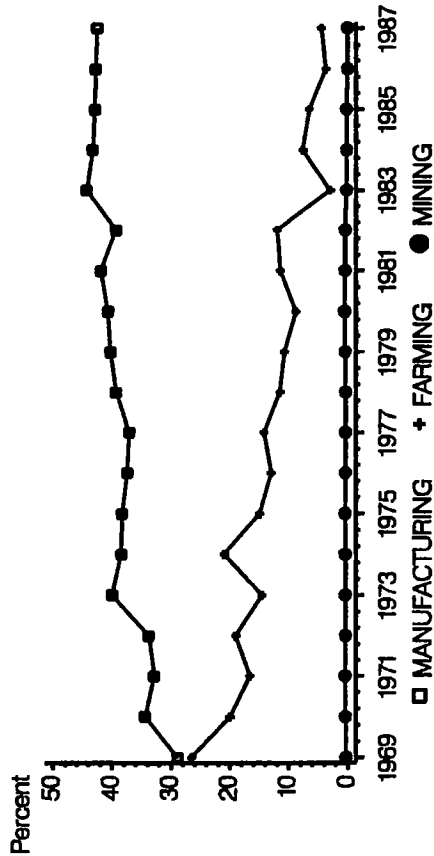


CHART 3B

HARRISON COUNTY

EARNINGS IN NON-GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

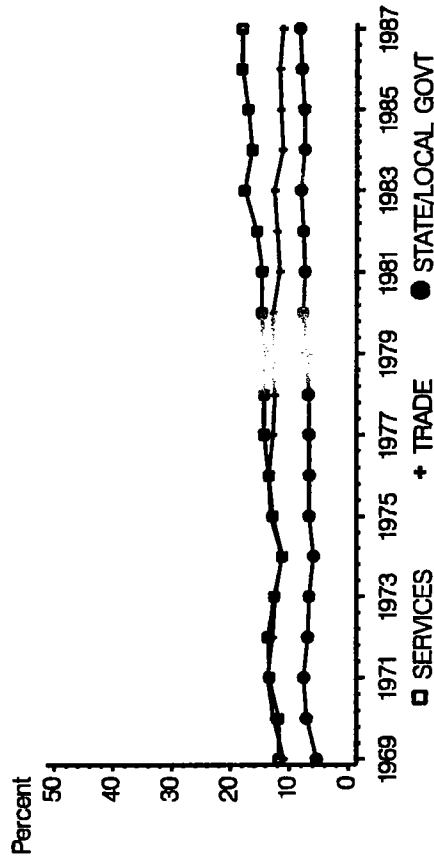


CHART 3C

HARRISON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Kentucky Industries

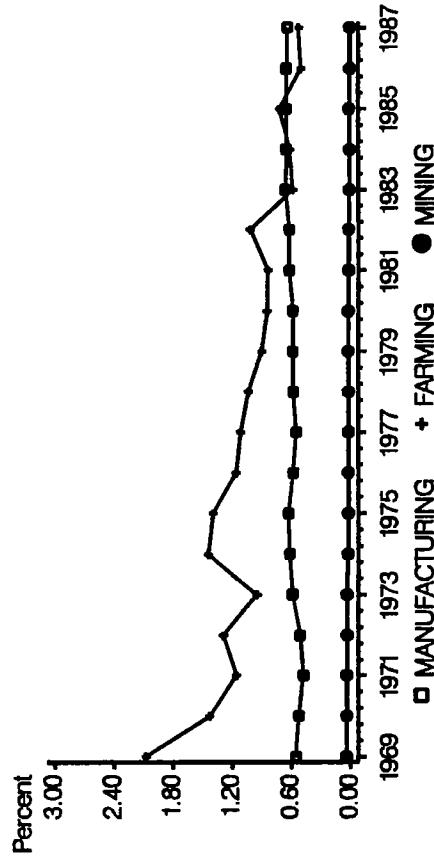


CHART 3D

HARRISON COUNTY

AVERAGE EARNINGS PER JOB

in Constant 1988 Dollars

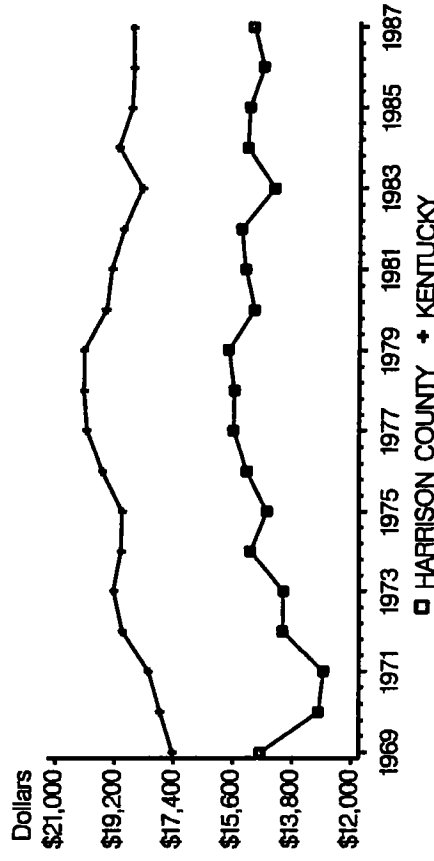


CHART 4A
HARRISON COUNTY
TOTAL EMPLOYMENT
Thousands of People

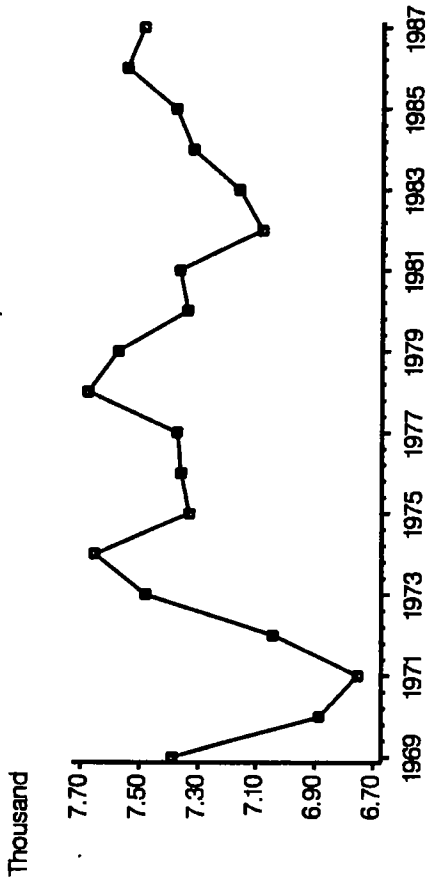


CHART 4B
HARRISON COUNTY
ANNUAL UNEMPLOYMENT RATE

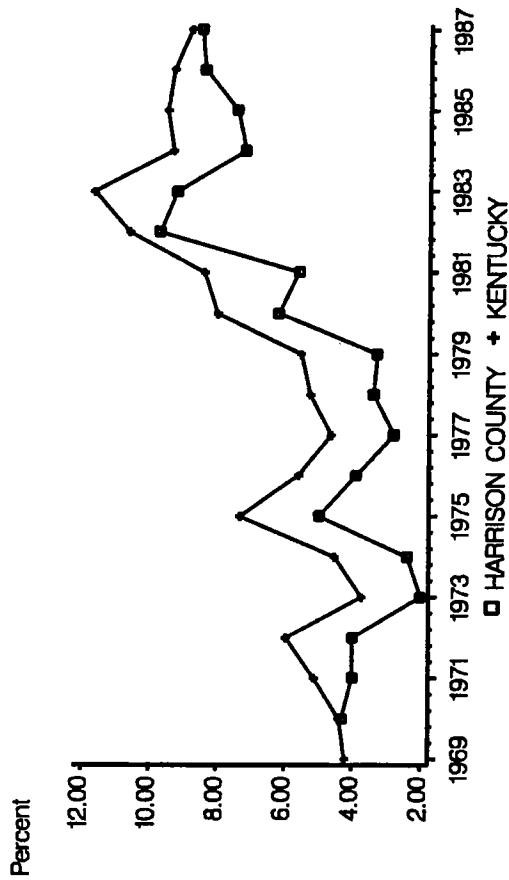


CHART 4C
HARRISON COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

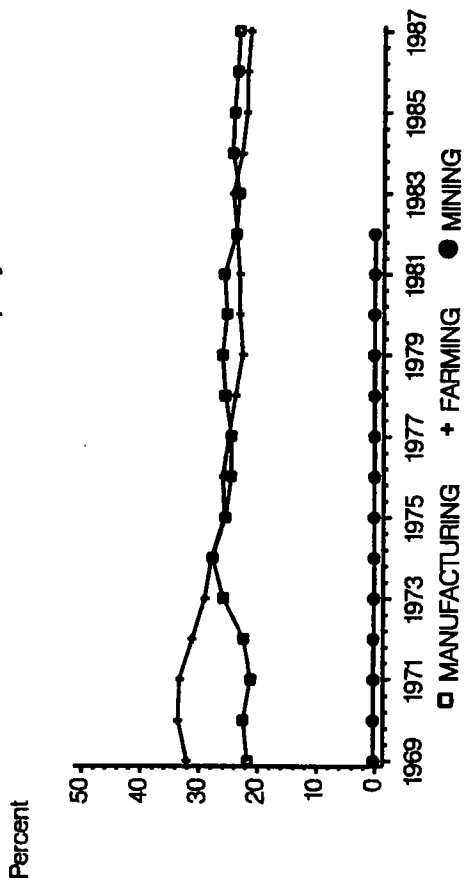


CHART 4D
HARRISON COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

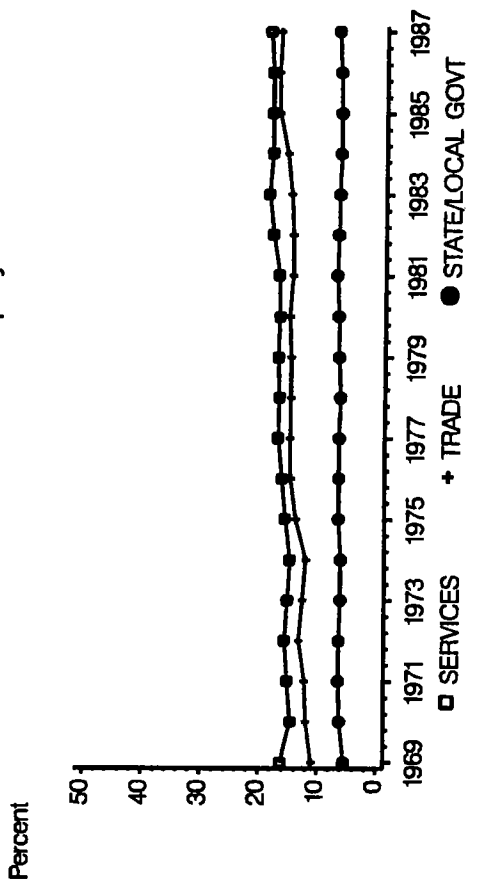


CHART 5A
HARRISON COUNTY
POPULATION
Thousands of People

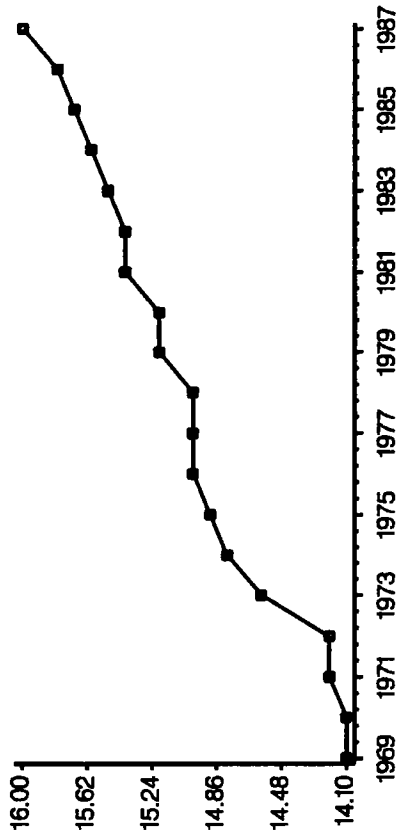


CHART 5B
HARRISON COUNTY
POPULATION
as a Percent of Kentucky Population

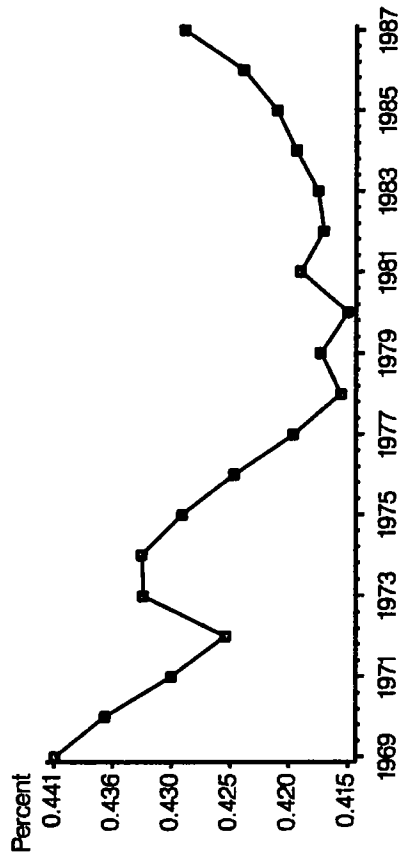


CHART 5C
HARRISON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

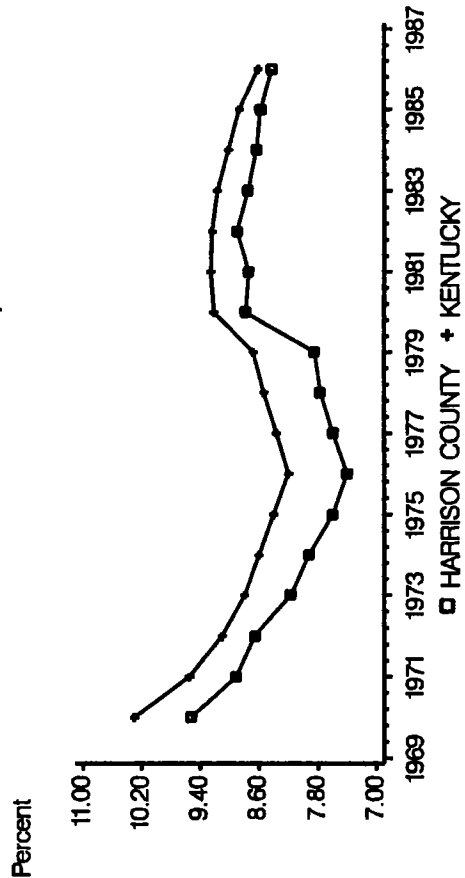
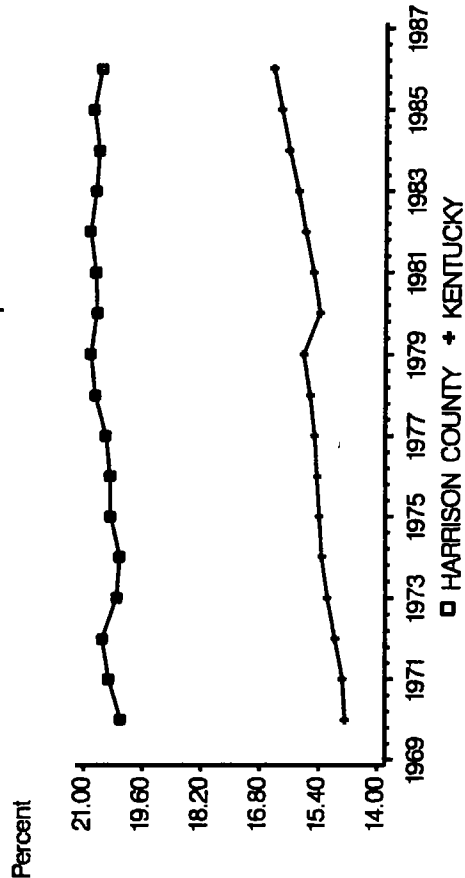


CHART 5D
HARRISON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



HARRISON COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	133	0.47	9,456	106.4
1970	124	0.42	8,759	96.1
1971	123	0.40	8,679	93.8
1972	137	0.42	9,656	99.1
1973	144	0.42	9,872	96.1
1974	155	0.44	10,528	101.6
1975	151	0.42	10,158	99.0
1976	159	0.42	10,583	98.6
1977	164	0.41	10,901	97.5
1978	172	0.41	11,414	98.7
1979	175	0.41	11,503	97.8
1980	170	0.40	11,142	96.6
1981	174	0.40	11,342	96.8
1982	174	0.41	11,276	97.6
1983	168	0.40	10,840	95.2
1984	177	0.40	11,309	94.3
1985	179	0.40	11,434	95.3
1986	181	0.40	11,446	93.5
1987	185	0.40	11,530	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	105	78.7	79.2	14	10.8	10.9	14	10.5	9.9
1970	92	74.6	77.9	16	12.9	11.9	15	12.4	10.2
1971	90	72.9	77.0	18	14.2	12.9	16	13.0	10.1
1972	103	74.7	77.3	18	13.1	12.9	17	12.2	9.7
1973	108	74.9	76.6	19	13.2	13.6	17	11.9	9.7
1974	117	75.4	75.5	21	13.2	14.4	18	11.3	10.1
1975	108	71.4	73.3	24	16.1	16.5	19	12.5	10.1
1976	114	72.0	73.9	25	15.7	16.1	20	12.3	10.0
1977	118	72.3	74.6	25	15.2	15.3	21	12.6	10.1
1978	123	71.8	75.0	25	14.7	14.6	23	13.5	10.4
1979	124	70.6	74.1	26	14.8	15.1	26	14.6	10.8
1980	114	67.2	71.1	29	16.8	16.7	27	15.9	12.2
1981	116	66.4	69.3	29	16.8	16.8	29	16.8	13.8
1982	111	63.5	67.5	31	17.6	17.6	33	18.9	14.9
1983	105	62.5	66.6	32	18.8	18.4	31	18.6	15.1
1984	114	64.6	67.8	32	17.8	17.3	31	17.5	14.9
1985	115	64.2	67.2	32	17.7	17.6	32	18.1	15.3
1986	115	63.5	67.1	33	18.3	17.6	33	18.2	15.3
1987	118	64.1	67.5	33	17.9	17.2	33	18.0	15.3

HARRISON 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	28.9	0.55	26.6	2.08	0.3	0.04
1970	34.4	0.52	20.0	1.43	0.4	0.04
1971	32.9	0.48	16.6	1.16	0.5	0.04
1972	33.8	0.51	19.0	1.29	0.4	0.03
1973	40.0	0.59	14.6	0.95	0.4	0.04
1974	38.5	0.62	21.0	1.45	0.4	0.03
1975	38.3	0.63	15.0	1.40	0.5	0.02
1976	37.4	0.58	13.1	1.16	0.4	0.02
1977	37.1	0.55	14.3	1.11	0.4	0.02
1978	39.4	0.58	11.6	1.03	0.4	0.02
1979	40.3	0.58	10.8	0.90	0.4	0.02
1980	40.7	0.58	8.8	0.85	0.5	0.02
1981	42.0	0.62	11.5	0.84	0.4	0.02
1982	39.4	0.62	12.0	1.01	0.4	0.02
1983	44.4	0.66	3.0	0.59	0.2	0.01
1984	43.3	0.65	7.7	0.62	0.2	0.01
1985	43.0	0.65	6.6	0.72	0.2	0.01
1986	42.8	0.65	3.7	0.50	0.1	0.01
1987	42.6	0.64	4.5	0.52	0.1	0.01

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	11.8	0.42	11.0	0.33	5.4	0.28
1970	11.8	0.34	12.7	0.30	7.1	0.28
1971	13.4	0.36	13.8	0.31	7.5	0.27
1972	13.6	0.40	12.8	0.31	6.9	0.27
1973	12.6	0.37	12.4	0.30	6.7	0.27
1974	11.2	0.37	11.2	0.30	5.9	0.27
1975	12.9	0.38	13.3	0.32	6.6	0.27
1976	13.5	0.39	13.5	0.32	6.6	0.26
1977	14.3	0.40	12.8	0.31	6.7	0.26
1978	14.3	0.40	12.6	0.29	6.8	0.26
1979	14.4	0.39	12.8	0.29	7.0	0.26
1980	14.7	0.36	12.9	0.29	7.7	0.27
1981	14.7	0.36	11.7	0.28	7.4	0.27
1982	15.6	0.36	12.1	0.28	7.7	0.26
1983	17.7	0.37	12.6	0.28	8.1	0.26
1984	16.4	0.35	11.2	0.26	7.4	0.25
1985	17.0	0.35	11.5	0.26	7.5	0.25
1986	18.1	0.34	11.7	0.26	8.0	0.25
1987	18.1	0.32	11.1	0.25	8.2	0.26

HARRISON COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,604	21.7	2,373	32.1	23	0.3
1970	1,548	22.5	2,311	33.6	25	0.4
1971	1,432	21.2	2,247	33.3	19	0.3
1972	1,580	22.4	2,195	31.2	23	0.3
1973	1,940	25.9	2,172	29.0	19	0.3
1974	2,128	27.8	2,135	27.9	20	0.3
1975	1,876	25.6	1,889	25.8	22	0.3
1976	1,815	24.7	1,917	26.0	18	0.2
1977	1,816	24.6	1,846	25.0	18	0.2
1978	1,971	25.7	1,832	23.9	16	0.2
1979	1,982	26.2	1,716	22.7	21	0.3
1980	1,866	25.4	1,702	23.2	21	0.3
1981	1,908	25.9	1,715	23.3	16	0.2
1982	1,691	23.9	1,685	23.8	18	0.3
1983	1,671	23.3	1,747	24.4	.	.
1984	1,793	24.5	1,672	22.8	.	.
1985	1,785	24.2	1,630	22.1	.	.
1986	1,786	23.7	1,657	21.9	.	.
1987	1,749	23.3	1,607	21.5	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,201	16.3	811	11.0	398	5.4
1970	1,002	14.6	820	11.9	420	6.1
1971	1,026	15.2	826	12.2	430	6.4
1972	1,102	15.6	936	13.3	445	6.3
1973	1,139	15.2	948	12.7	455	6.1
1974	1,136	14.8	924	12.1	465	6.1
1975	1,147	15.6	1,019	13.9	475	6.5
1976	1,194	16.2	1,089	14.8	473	6.4
1977	1,245	16.9	1,100	14.9	472	6.4
1978	1,286	16.7	1,137	14.8	480	6.3
1979	1,285	17.0	1,124	14.8	493	6.5
1980	1,228	16.7	1,109	15.1	491	6.7
1981	1,245	16.9	1,077	14.6	515	7.0
1982	1,269	17.9	1,035	14.6	481	6.8
1983	1,337	18.7	1,067	14.9	472	6.6
1984	1,324	18.1	1,141	15.6	473	6.5
1985	1,339	18.1	1,251	16.9	472	6.4
1986	1,368	18.1	1,293	17.1	494	6.5
1987	1,388	18.5	1,260	16.8	512	6.8

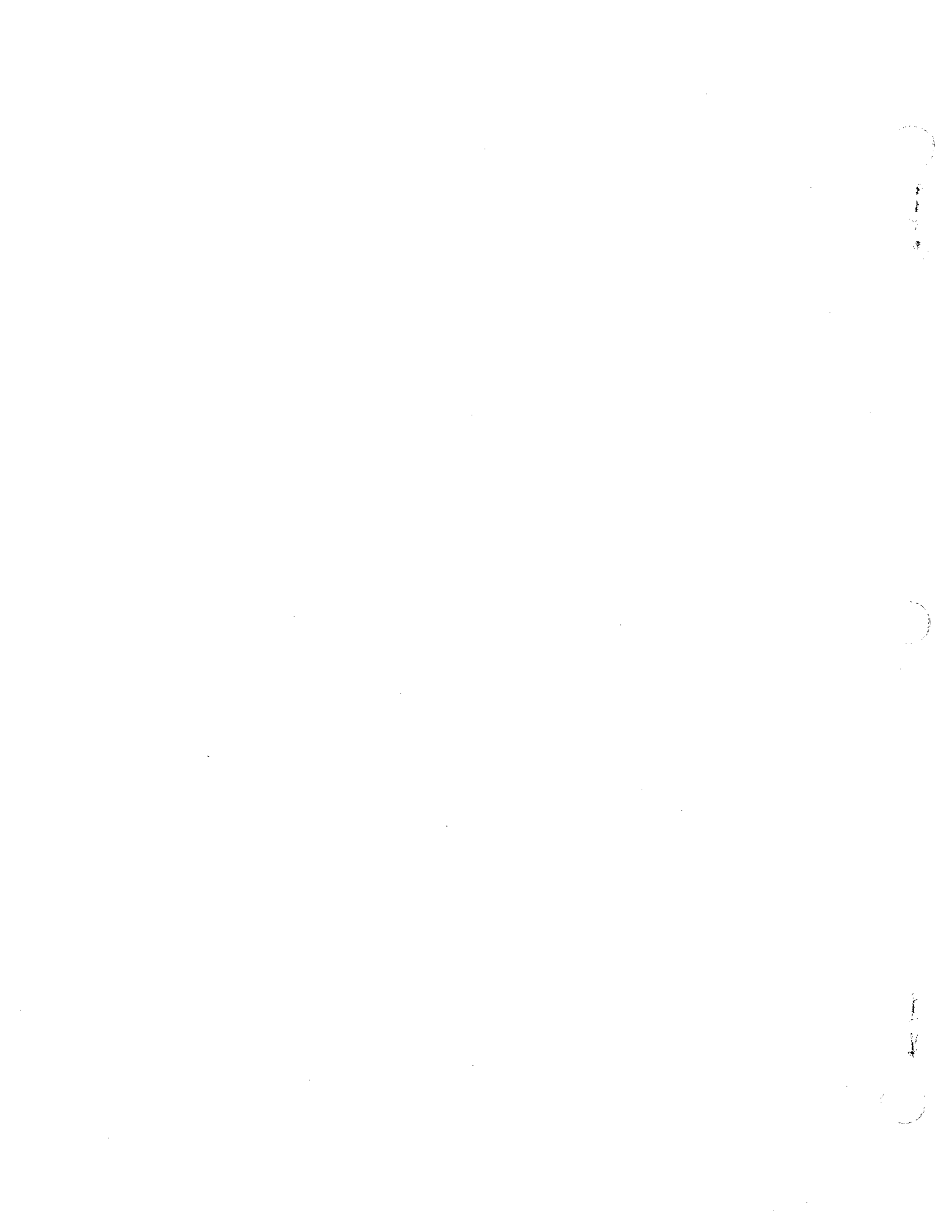
HARRISON COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	7,387	\$14,761	\$17,440	.	4.2
1970	6,884	\$12,969	\$17,811	4.3	4.4
1971	6,753	\$12,822	\$18,166	4.0	5.1
1972	7,043	\$14,092	\$18,970	4.0	6.0
1973	7,481	\$14,072	\$19,232	2.0	3.7
1974	7,653	\$15,058	\$19,008	2.4	4.5
1975	7,332	\$14,568	\$18,976	5.0	7.3
1976	7,361	\$15,181	\$19,563	3.9	5.6
1977	7,374	\$15,580	\$20,031	2.8	4.7
1978	7,678	\$15,547	\$20,121	3.4	5.3
1979	7,576	\$15,728	\$20,110	3.3	5.5
1980	7,339	\$14,947	\$19,439	6.2	8.0
1981	7,367	\$15,215	\$19,286	5.6	8.4
1982	7,083	\$15,343	\$18,931	9.7	10.6
1983	7,163	\$14,356	\$18,358	9.2	11.6
1984	7,321	\$15,166	\$19,080	7.2	9.3
1985	7,381	\$15,104	\$18,676	7.4	9.5
1986	7,549	\$14,694	\$18,627	8.4	9.3
1987	7,491	\$14,983	\$18,636	8.5	8.8

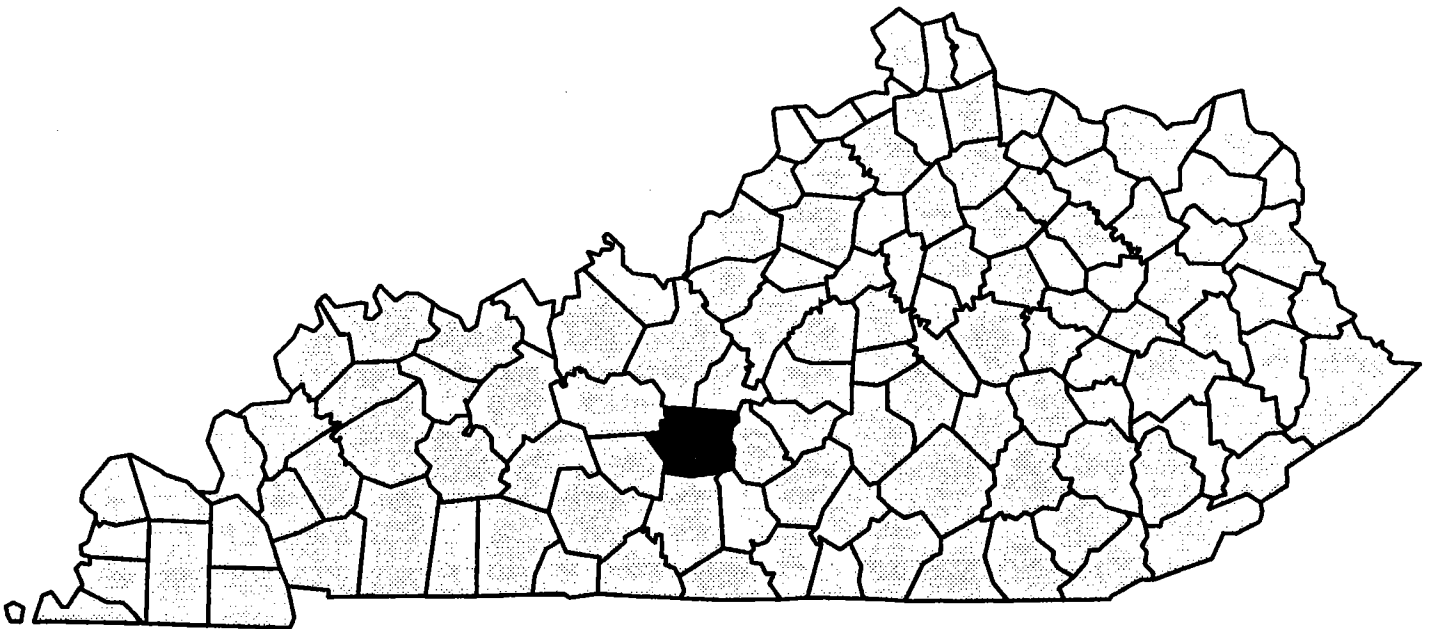
POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	14,100	0.44	.	.	.	.
1970	14,100	0.44	9.5	10.3	20.1	14.8
1971	14,200	0.43	8.9	9.6	20.4	14.8
1972	14,200	0.43	8.7	9.1	20.6	15.0
1973	14,600	0.43	8.2	8.8	20.2	15.2
1974	14,800	0.43	7.9	8.6	20.1	15.3
1975	14,900	0.43	7.6	8.4	20.4	15.4
1976	15,000	0.42	7.4	8.2	20.4	15.5
1977	15,000	0.42	7.6	8.4	20.5	15.5
1978	15,000	0.42	7.8	8.5	20.7	15.6
1979	15,200	0.42	7.8	8.7	20.8	15.8
1980	15,200	0.41	8.8	9.2	20.7	15.4
1981	15,400	0.42	8.7	9.3	20.7	15.5
1982	15,400	0.42	8.9	9.2	20.9	15.7
1983	15,500	0.42	8.7	9.2	20.7	15.9
1984	15,600	0.42	8.6	9.0	20.6	16.1
1985	15,700	0.42	8.6	8.9	20.8	16.3
1986	15,800	0.42	8.4	8.6	20.6	16.5
1987	16,000	0.43	.	.	.	.



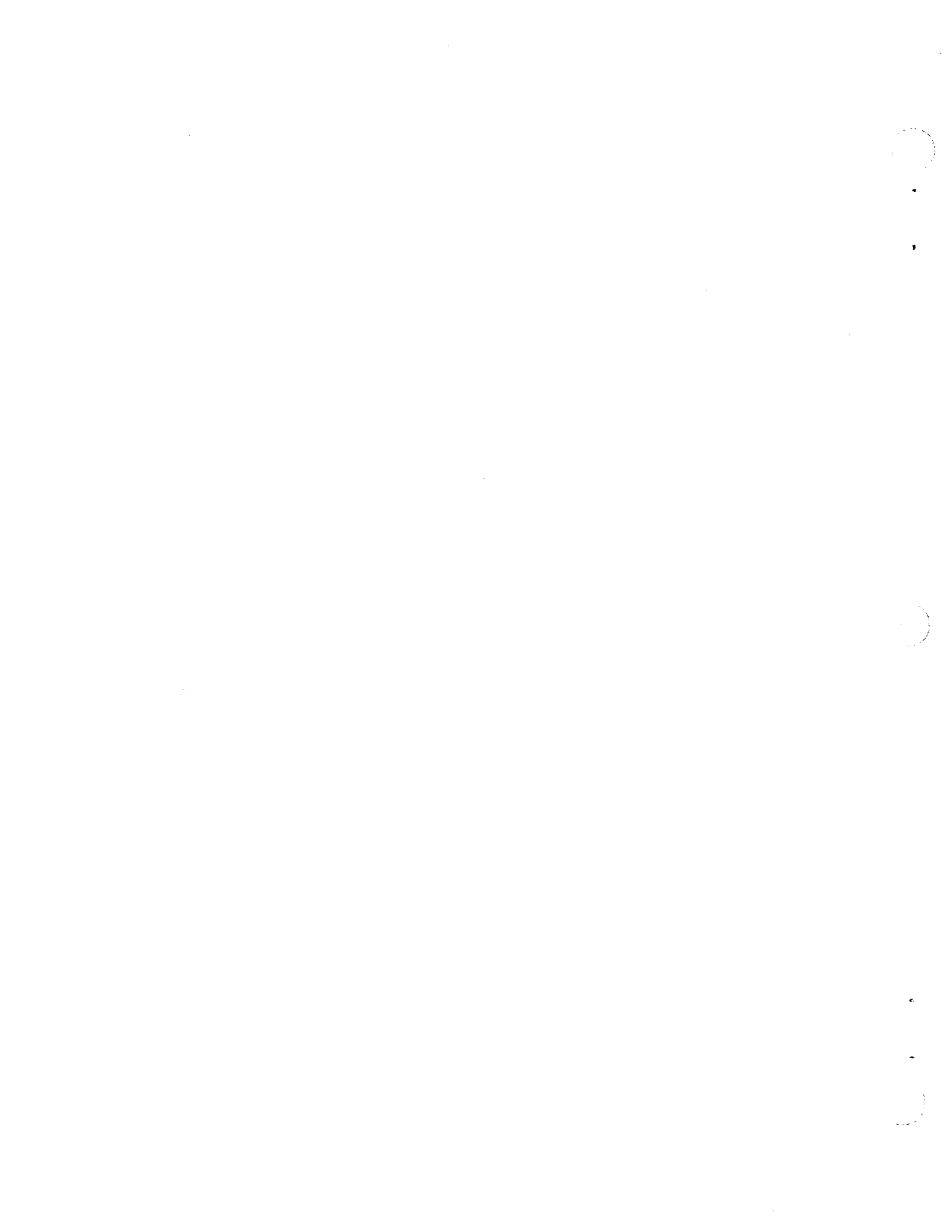
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HART 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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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 Hart County economy, as measured by personal income, grew moderately from 1969 to 1987, and generally maintained its share of the Kentucky economy. The most prominent economic trend in Hart County was a decline in earnings from the farm sector. Farm employment also declined, but to a much lesser degree. This decline was partially offset by an increase in the manufacturing sector.

Hart County experienced 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 were the service and trade sectors. While the service sector increased in Hart County, the trade sector decreased its share of the economy.

There is a national and state trend toward declining farm employment. Therefore, the outlook for this sector in Hart County is for continued decline. The trend toward an increase in manufacturing may increase county economic growth, because manufacturing is a relatively high wage industry. However, manufacturing industries are very sensitive to economic fluctuations. Consequently, a high concentration in manufacturing 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 HART 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 Hart 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 Hart County economy, as measured by personal income, increased from \$91 million in 1969 to \$140 million in 1987, after adjusting for inflation. Chart 1B shows Hart County total personal income as a percent of Kentucky total personal income. Hart County showed 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 Hart County per capita income increased over the time period to a level of \$9,432 per person in 1987, 75.5 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 \$69 million in 1969 to \$94 million in 1979 (in constant 1988 dollars). However, they subsequently declined to \$82 million in 1987. Earnings as a percent of personal income have also declined over time. This trend is occurring at the

state level as well. In 1987, earnings accounted for 58.1 percent of Hart 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 \$32 million in 1987. During the same period, transfer payments contributed a higher percentage of personal income in Hart County than in Kentucky.

Income from property in Hart County grew steadily 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. The percent of earnings from the farm sector declined from 34.0 percent in 1969 to 16.2 percent in 1987 (Chart 3A). The trend toward a decline in the farm sector's share of total earnings is consistent with state and national trends.

In 1969, Hart County received 12.8 percent of total earnings from manufacturing. This percentage increased substantially in 1983 and accounted for 21.7 percent by 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 increased from 8.8 percent in 1969 to 15.3 percent in 1987. The trade sector's share of earnings declined from 19.5 percent in 1969 to 14.8 percent in 1987. Earnings from the state and local government sector increased substantially, from 6.7 percent in 1969 to 15.7 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 Hart 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 Hart County, average earnings were below those of the state throughout the period and were \$11,126 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. In 1969, total employment stood at 5,289 people. Total employment in Hart County increased through the 1970's, but declined in the early 1980's. By 1987, employment was once again increasing and 5,826 people were employed.

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 Hart County are presented in Chart 4B. Unemployment rates in Hart County generally exceeded those of the state. In 1987, the county unemployment rate was 12.0 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 farm sector was the primary source of county employment. However, employment in this sector declined from 44.6 percent of total employment in 1969 to 34.0 percent in 1987. The percent of total employment in manufacturing increased slightly and accounted for 14.1 percent in 1987. At the state level, manufacturing's share of employment declined. Mining sector employment was minimal.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector remained stable and accounted for 13.8 percent of employment in 1987. The percent of employment in the service sector increased and accounted for 14.0 percent in 1987. The employment share in state and local government increased from 5.5 percent in 1969 to 10.9 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 Hart County.

The Hart County population grew from 14,000 in 1969 to 16,000 in 1984, then declined to 14,900 in 1987 (Chart 5A). Hart County has a lower proportion of younger residents and a higher proportion of older residents than the state. It was estimated that in 1986, 7.8 percent of Hart County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 20.0 percent of the Hart County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

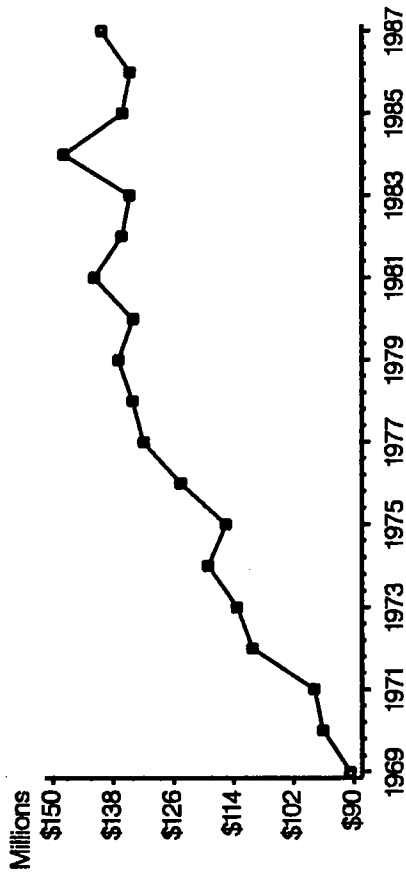


CHART 1B
HART COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

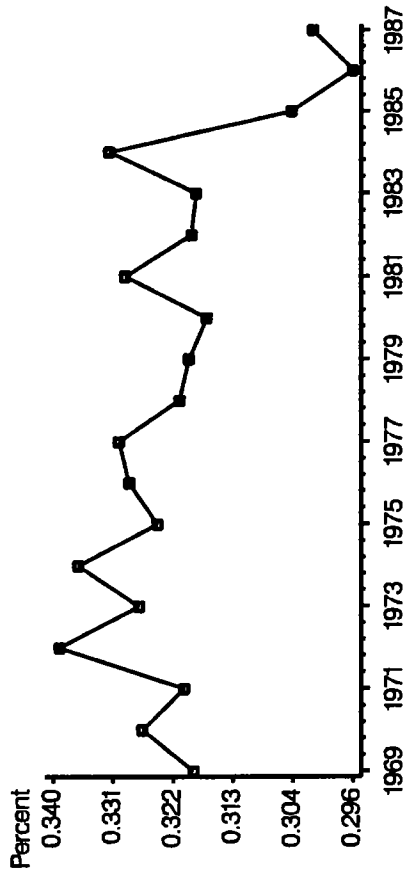


CHART 1C
HART COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

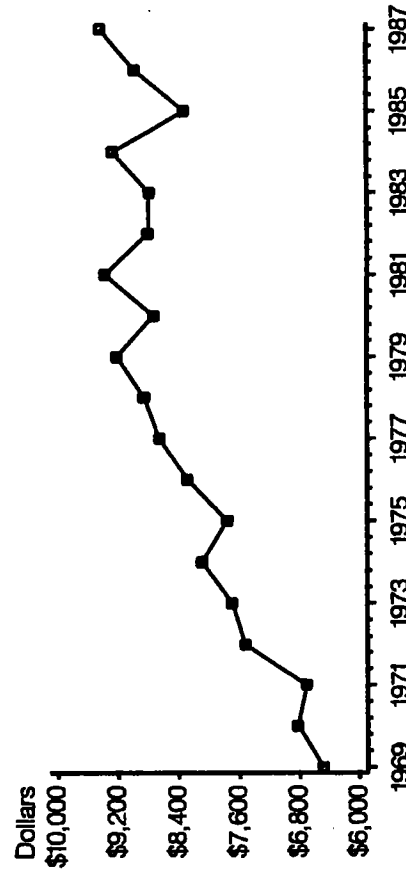


CHART 1D
HART COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

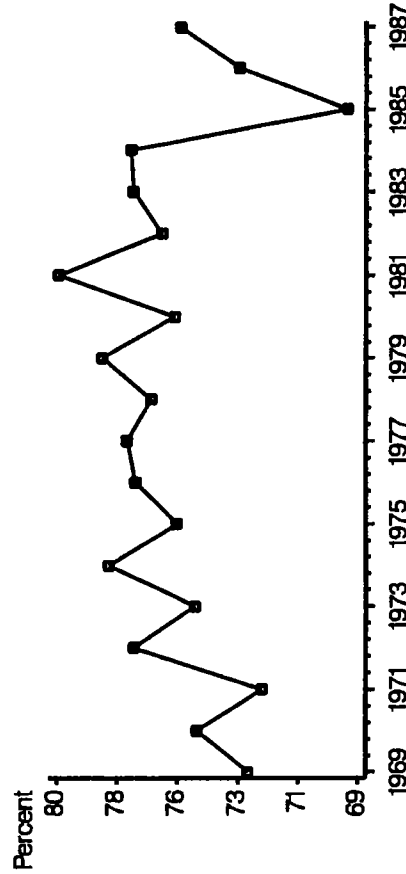


CHART 2A
HART COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

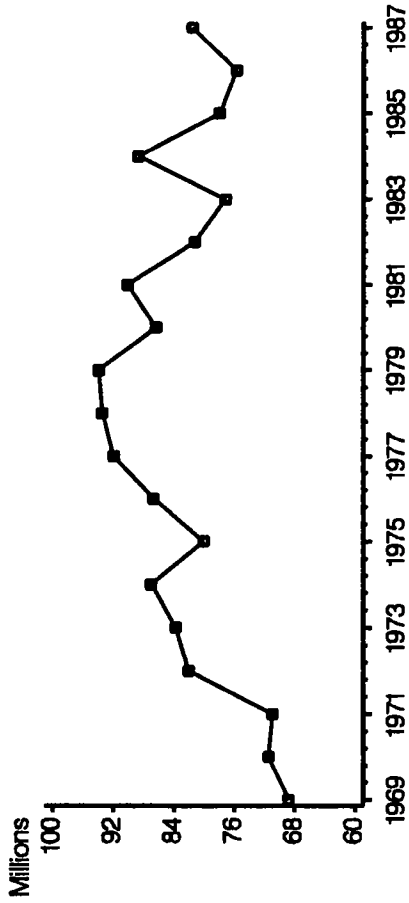


CHART 2B
HART COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

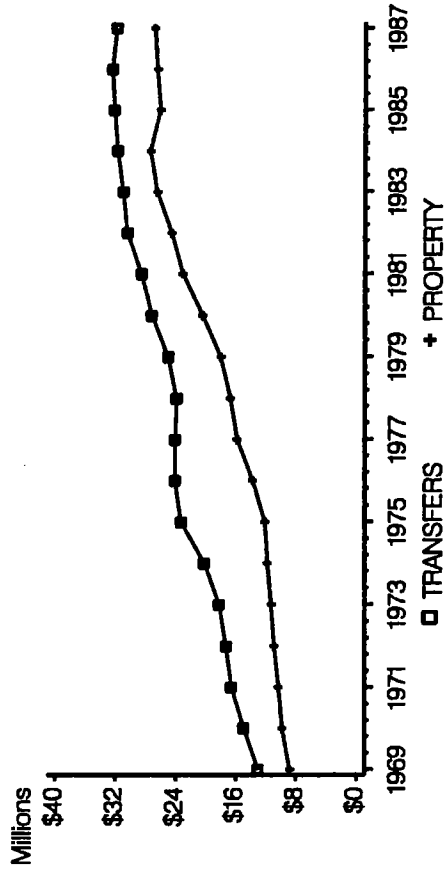


CHART 2C
HART COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

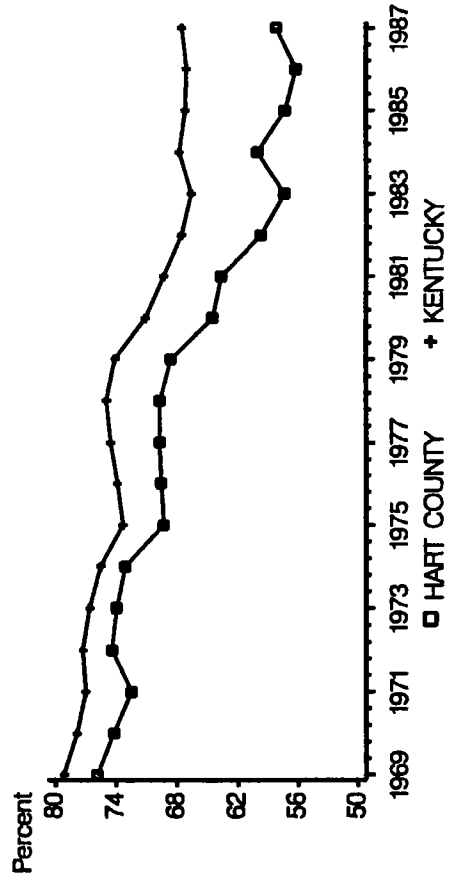


CHART 2D
HART COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

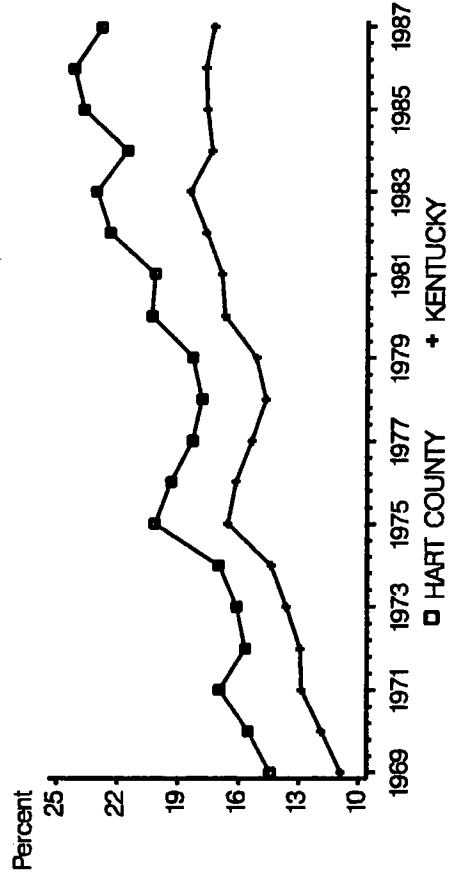


CHART 3A
HART COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

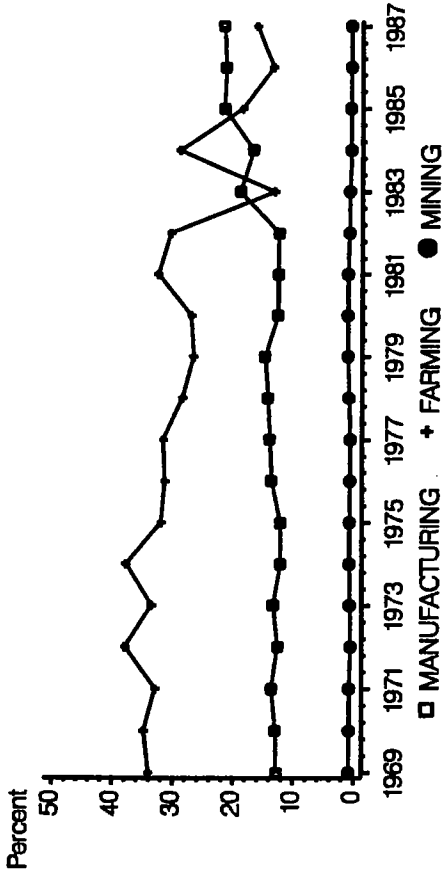


CHART 3B
HART COUNTY
EARNINGS in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

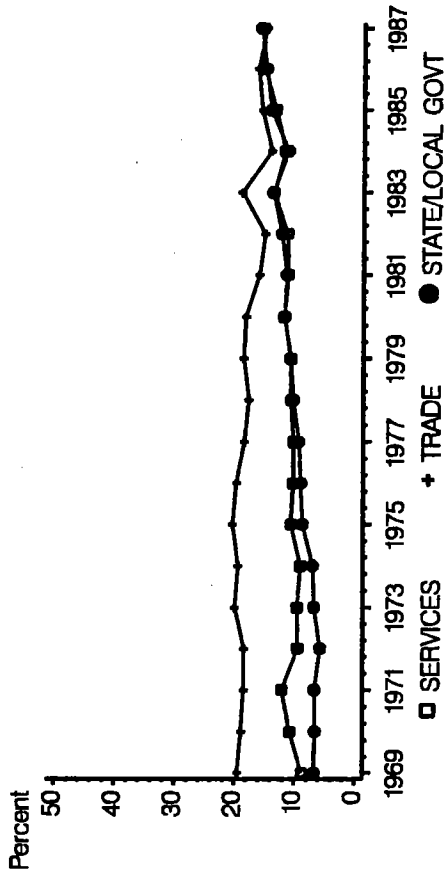


CHART 3C
HART COUNTY

EARNINGS in GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

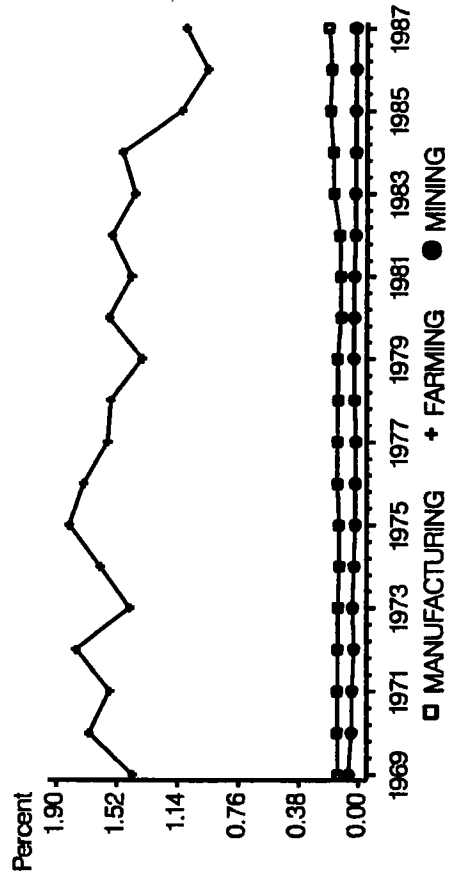


CHART 3D
HART COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

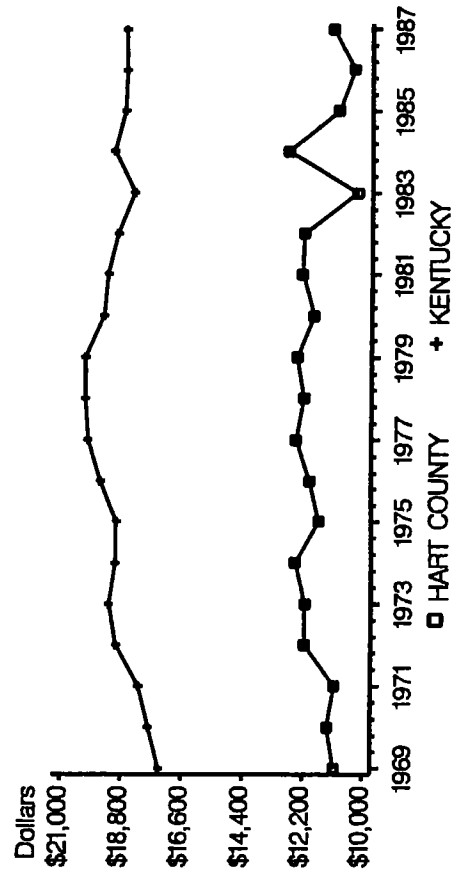


CHART 4A

HART COUNTY

TOTAL EMPLOYMENT

Thousands of People

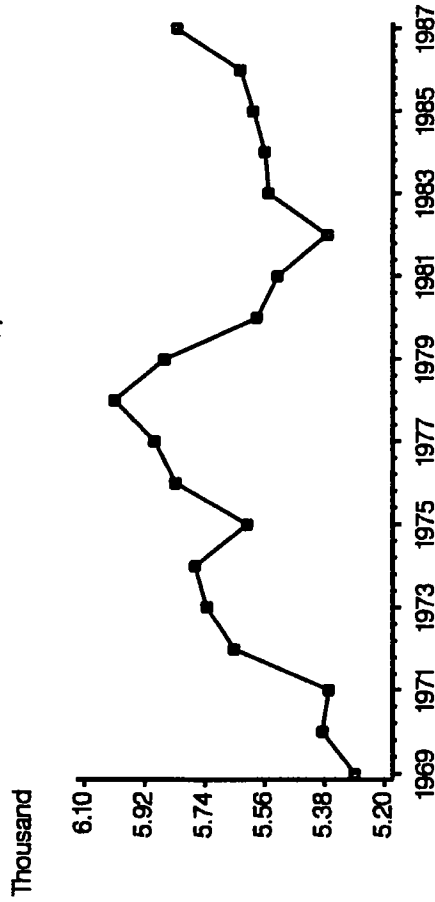


CHART 4B

HART COUNTY

ANNUAL UNEMPLOYMENT RATE

Percent

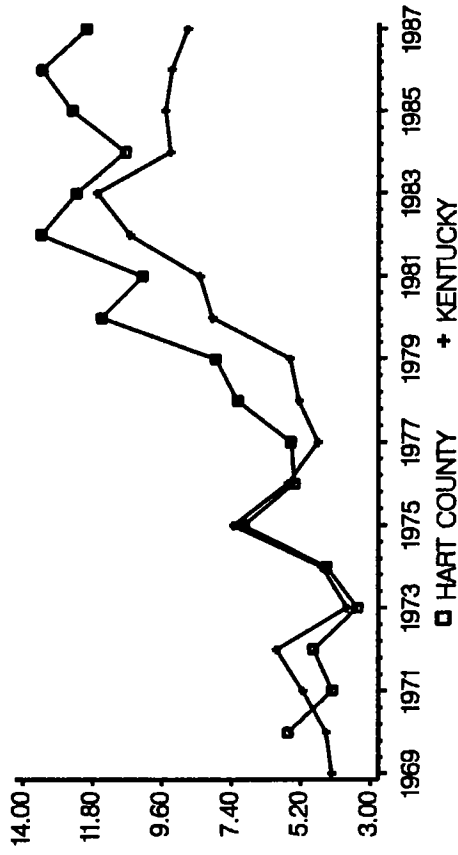


CHART 4C

HART COUNTY

EMPLOYMENT IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Employment

Percent

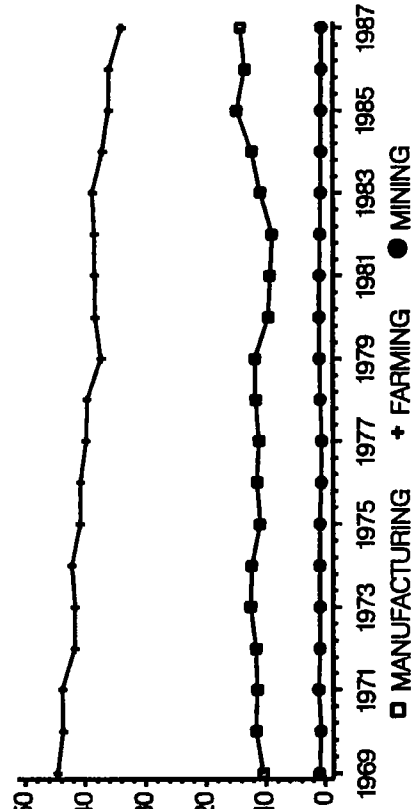


CHART 4D

HART COUNTY

EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES

as a Percent of Total Employment

Percent

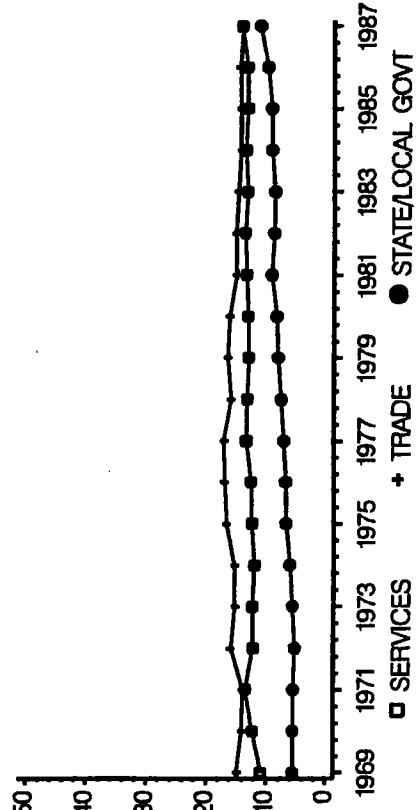


CHART 5A
HART COUNTY
POPULATION
Thousands of People

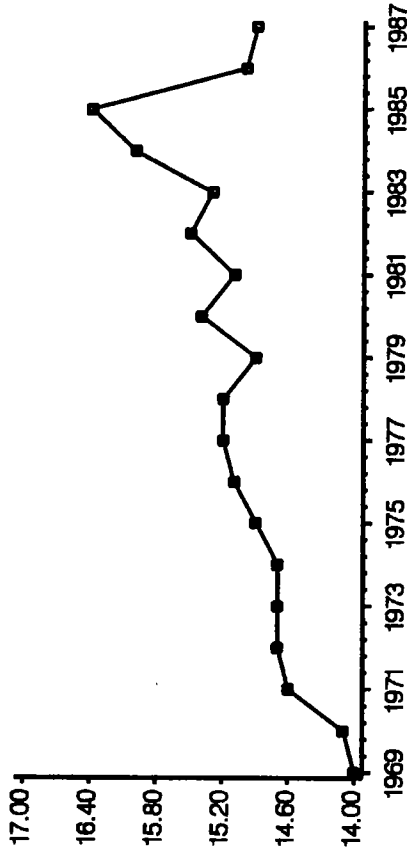


CHART 5B
HART COUNTY
POPULATION
as a Percent of Kentucky Population

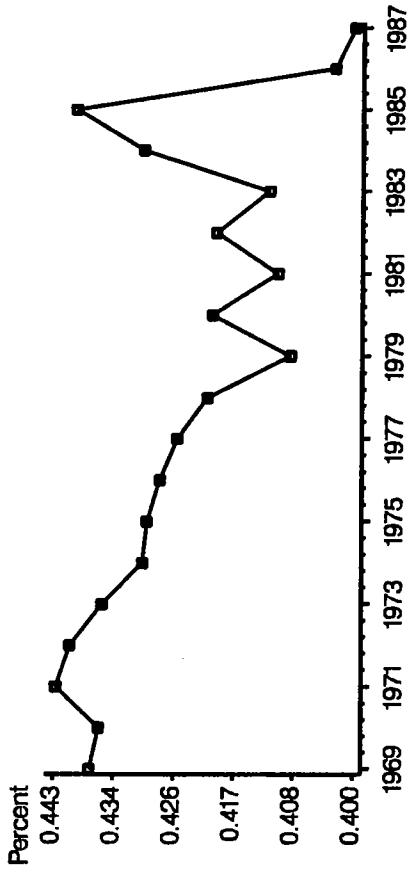


CHART 5C
HART COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

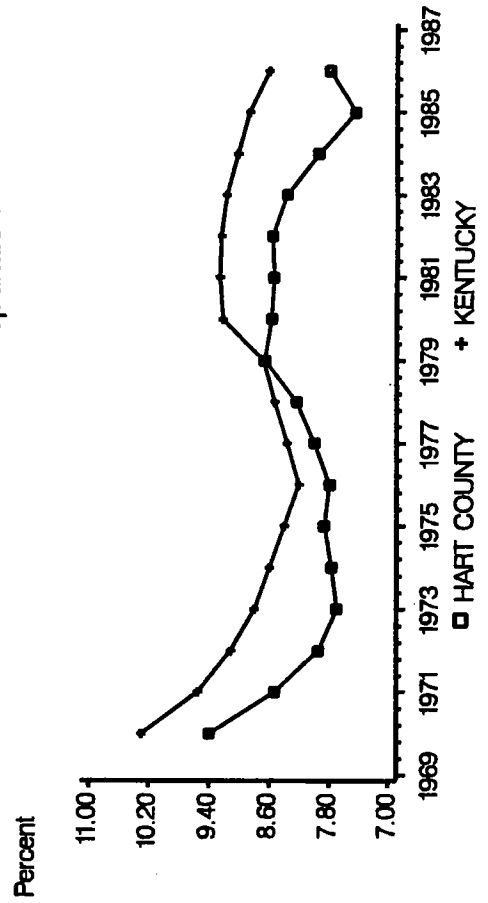
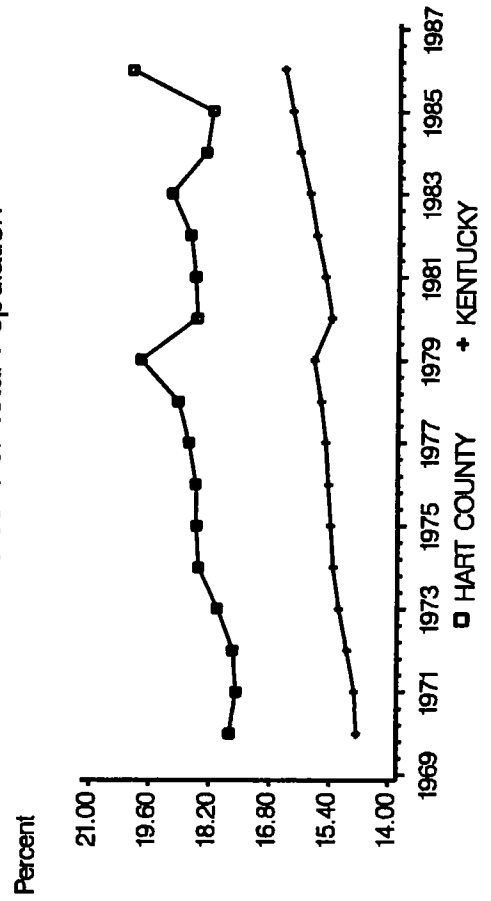


CHART 5D
HART COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



HART COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	91	0.32	6,489	73.0
1970	96	0.33	6,826	74.9
1971	98	0.32	6,710	72.5
1972	110	0.34	7,521	77.2
1973	113	0.33	7,696	74.9
1974	119	0.34	8,090	78.1
1975	116	0.32	7,760	75.6
1976	125	0.33	8,279	77.1
1977	132	0.33	8,653	77.4
1978	134	0.32	8,854	76.5
1979	137	0.32	9,210	78.3
1980	134	0.32	8,729	75.7
1981	142	0.33	9,366	79.9
1982	136	0.32	8,800	76.2
1983	135	0.32	8,787	77.2
1984	148	0.33	9,266	77.3
1985	136	0.30	8,323	69.4
1986	135	0.30	8,975	73.3
1987	140	0.30	9,432	75.5

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	69	75.9	79.2	13	14.4	10.9	9	9.7	9.9
1970	71	74.2	77.9	15	15.5	11.9	10	10.2	10.2
1971	71	72.5	77.0	17	16.9	12.9	10	10.6	10.1
1972	82	74.4	77.3	17	15.7	12.9	11	9.9	9.7
1973	84	73.9	76.6	18	16.1	13.6	11	10.0	9.7
1974	87	73.1	75.5	20	17.0	14.4	12	9.9	10.1
1975	80	69.3	73.3	23	20.2	16.5	12	10.5	10.1
1976	87	69.6	73.9	24	19.3	16.1	14	11.1	10.0
1977	92	69.7	74.6	24	18.3	15.3	16	12.0	10.1
1978	94	69.7	75.0	24	17.8	14.6	17	12.5	10.4
1979	94	68.6	74.1	25	18.3	15.1	18	13.1	10.8
1980	86	64.5	71.1	27	20.3	16.7	20	15.3	12.2
1981	90	63.6	69.3	29	20.1	16.8	23	16.3	13.8
1982	81	59.6	67.5	30	22.3	17.6	25	18.0	14.9
1983	77	57.3	66.6	31	23.0	18.4	27	19.7	15.1
1984	89	60.0	67.8	32	21.5	17.3	27	18.5	14.9
1985	78	57.2	67.2	32	23.6	17.6	26	19.1	15.3
1986	76	56.2	67.1	33	24.1	17.6	27	19.7	15.3
1987	82	58.1	67.5	32	22.7	17.2	27	19.1	15.3

HART 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	12.8	0.13	34.0	1.42	0.8	0.06
1970	12.9	0.13	34.8	1.70	0.7	0.04
1971	13.6	0.13	32.9	1.57	0.7	0.04
1972	12.6	0.13	37.9	1.78	0.5	0.03
1973	13.3	0.13	33.6	1.44	0.6	0.04
1974	12.1	0.12	37.8	1.63	0.7	0.03
1975	12.2	0.12	32.0	1.82	0.7	0.02
1976	13.7	0.13	31.4	1.73	0.6	0.02
1977	14.0	0.13	31.7	1.58	0.6	0.02
1978	14.3	0.13	28.5	1.56	0.8	0.02
1979	14.8	0.13	26.7	1.36	1.0	0.03
1980	12.6	0.11	27.1	1.57	1.0	0.03
1981	12.6	0.11	32.6	1.43	1.0	0.03
1982	12.5	0.12	30.4	1.55	0.7	0.02
1983	19.0	0.16	13.2	1.41	0.7	0.02
1984	16.7	0.16	29.0	1.48	0.5	0.02
1985	21.6	0.18	18.5	1.11	0.6	0.02
1986	21.3	0.17	13.5	0.95	0.5	0.02
1987	21.7	0.19	16.2	1.09	0.5	0.02

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	8.8	0.17	19.5	0.31	6.7	0.18
1970	10.7	0.21	18.9	0.30	6.6	0.18
1971	12.1	0.22	18.5	0.28	6.6	0.17
1972	9.4	0.19	18.4	0.31	5.7	0.16
1973	9.5	0.18	19.9	0.32	6.7	0.18
1974	9.0	0.18	19.4	0.32	7.0	0.20
1975	10.6	0.19	20.3	0.30	8.7	0.21
1976	10.2	0.18	19.6	0.29	9.0	0.22
1977	10.2	0.18	18.3	0.28	9.3	0.24
1978	10.6	0.18	17.7	0.25	10.3	0.25
1979	10.6	0.18	18.5	0.26	10.7	0.24
1980	11.8	0.17	18.1	0.25	11.7	0.24
1981	11.1	0.16	15.9	0.23	11.3	0.25
1982	11.3	0.16	15.0	0.21	12.2	0.25
1983	13.6	0.16	18.8	0.23	13.7	0.24
1984	11.7	0.16	14.0	0.21	11.1	0.24
1985	13.2	0.15	15.6	0.19	14.0	0.25
1986	15.2	0.15	16.2	0.19	14.9	0.25
1987	15.3	0.16	14.8	0.19	15.7	0.28

HART COUNTY
COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	552	10.4	2,361	44.6	52	1.0
1970	624	11.6	2,355	43.7	41	0.8
1971	609	11.3	2,352	43.8	58	1.1
1972	653	11.6	2,361	41.8	49	0.9
1973	713	12.4	2,394	41.7	47	0.8
1974	708	12.3	2,436	42.2	50	0.9
1975	612	10.9	2,294	40.9	46	0.8
1976	662	11.4	2,378	40.8	36	0.6
1977	653	11.1	2,350	39.9	31	0.5
1978	697	11.6	2,383	39.6	44	0.7
1979	685	11.7	2,187	37.3	52	0.9
1980	531	9.5	2,139	38.3	51	0.9
1981	512	9.3	2,121	38.4	51	0.9
1982	481	9.0	2,065	38.4	46	0.9
1983	601	10.8	2,151	38.8	40	0.7
1984	677	12.2	2,064	37.1	34	0.6
1985	823	14.7	2,018	36.1	34	0.6
1986	751	13.3	2,031	36.0	34	0.6
1987	824	14.1	1,982	34.0	35	0.6

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	572	10.8	781	14.8	293	5.5
1970	656	12.2	751	13.9	297	5.5
1971	715	13.3	740	13.8	292	5.4
1972	683	12.1	890	15.7	291	5.1
1973	697	12.2	865	15.1	319	5.6
1974	687	11.9	877	15.2	349	6.0
1975	690	12.3	930	16.6	378	6.7
1976	726	12.5	984	16.9	396	6.8
1977	781	13.3	1,004	17.0	419	7.1
1978	789	13.1	951	15.8	455	7.6
1979	755	12.9	960	16.4	472	8.1
1980	726	13.0	895	16.0	462	8.3
1981	732	13.3	823	14.9	505	9.1
1982	724	13.5	807	15.0	469	8.7
1983	726	13.1	808	14.6	476	8.6
1984	742	13.3	788	14.2	506	9.1
1985	728	13.0	796	14.2	513	9.2
1986	737	13.1	806	14.3	549	9.7
1987	814	14.0	806	13.8	637	10.9

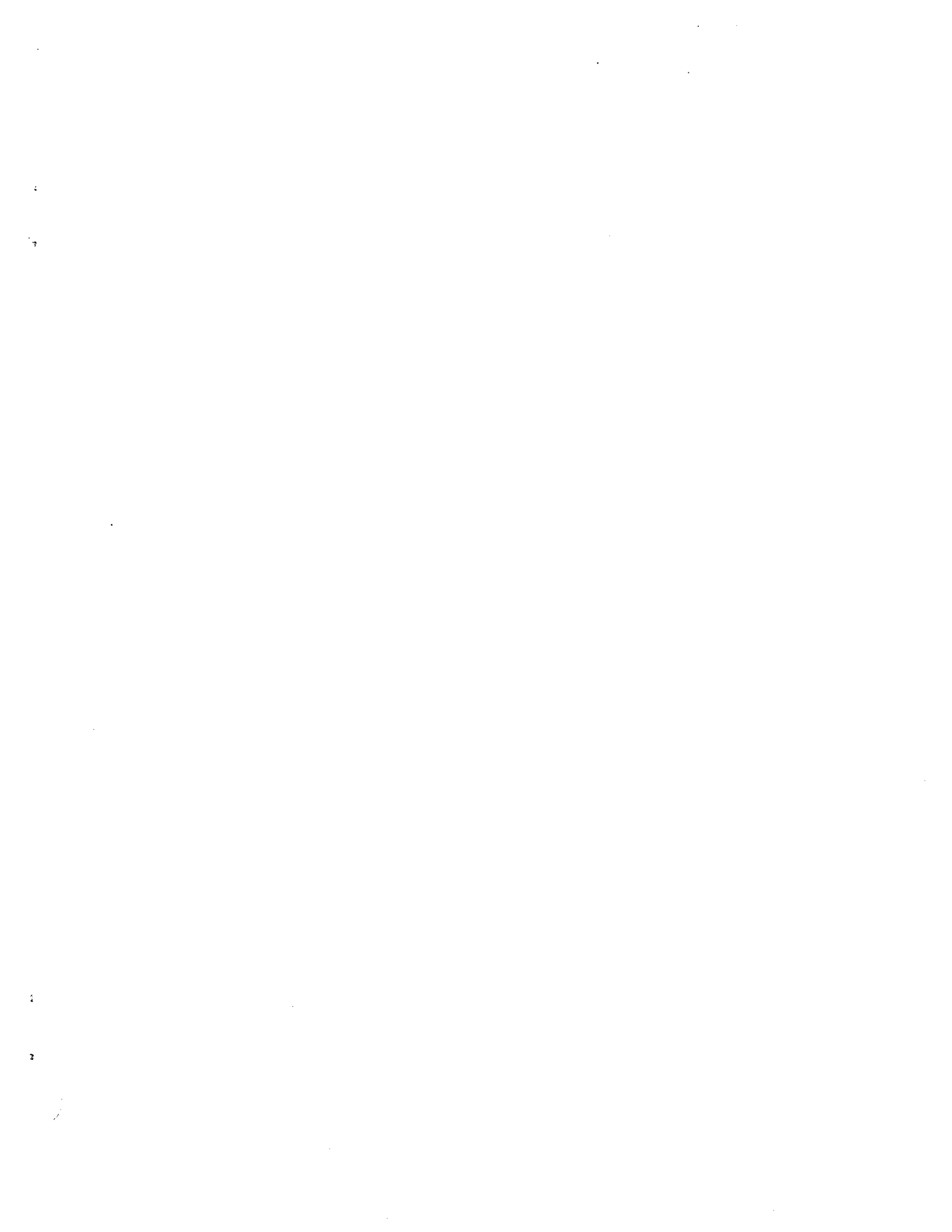
HART COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	5,289	\$11,041	\$17,440	.	4.2
1970	5,387	\$11,286	\$17,811	5.6	4.4
1971	5,367	\$11,030	\$18,166	4.2	5.1
1972	5,652	\$12,151	\$18,970	4.8	6.0
1973	5,735	\$12,124	\$19,232	3.4	3.7
1974	5,770	\$12,475	\$19,008	4.4	4.5
1975	5,613	\$11,624	\$18,976	7.0	7.3
1976	5,829	\$11,969	\$19,563	5.4	5.6
1977	5,892	\$12,452	\$20,031	5.5	4.7
1978	6,012	\$12,167	\$20,121	7.2	5.3
1979	5,862	\$12,421	\$20,110	7.9	5.5
1980	5,585	\$11,825	\$19,439	11.5	8.0
1981	5,522	\$12,254	\$19,286	10.2	8.4
1982	5,372	\$12,195	\$18,931	13.4	10.6
1983	5,550	\$10,230	\$18,358	12.3	11.6
1984	5,561	\$12,760	\$19,080	10.8	9.3
1985	5,596	\$10,915	\$18,676	12.4	9.5
1986	5,635	\$10,354	\$18,627	13.4	9.3
1987	5,826	\$11,126	\$18,636	12.0	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	14,000	0.44	.	.	.	.
1970	14,100	0.44	9.4	10.3	17.7	14.8
1971	14,600	0.44	8.5	9.6	17.6	14.8
1972	14,700	0.44	7.9	9.1	17.7	15.0
1973	14,700	0.44	7.7	8.8	18.0	15.2
1974	14,700	0.43	7.8	8.6	18.5	15.3
1975	14,900	0.43	7.9	8.4	18.5	15.4
1976	15,100	0.43	7.8	8.2	18.5	15.5
1977	15,200	0.43	8.0	8.4	18.7	15.5
1978	15,200	0.42	8.2	8.5	19.0	15.6
1979	14,900	0.41	8.7	8.7	19.8	15.8
1980	15,400	0.42	8.6	9.2	18.5	15.4
1981	15,100	0.41	8.5	9.3	18.6	15.5
1982	15,500	0.42	8.6	9.2	18.7	15.7
1983	15,300	0.41	8.4	9.2	19.1	15.9
1984	16,000	0.43	7.9	9.0	18.3	16.1
1985	16,400	0.44	7.5	8.9	18.2	16.3
1986	15,000	0.40	7.8	8.6	20.0	16.5
1987	14,900	0.40



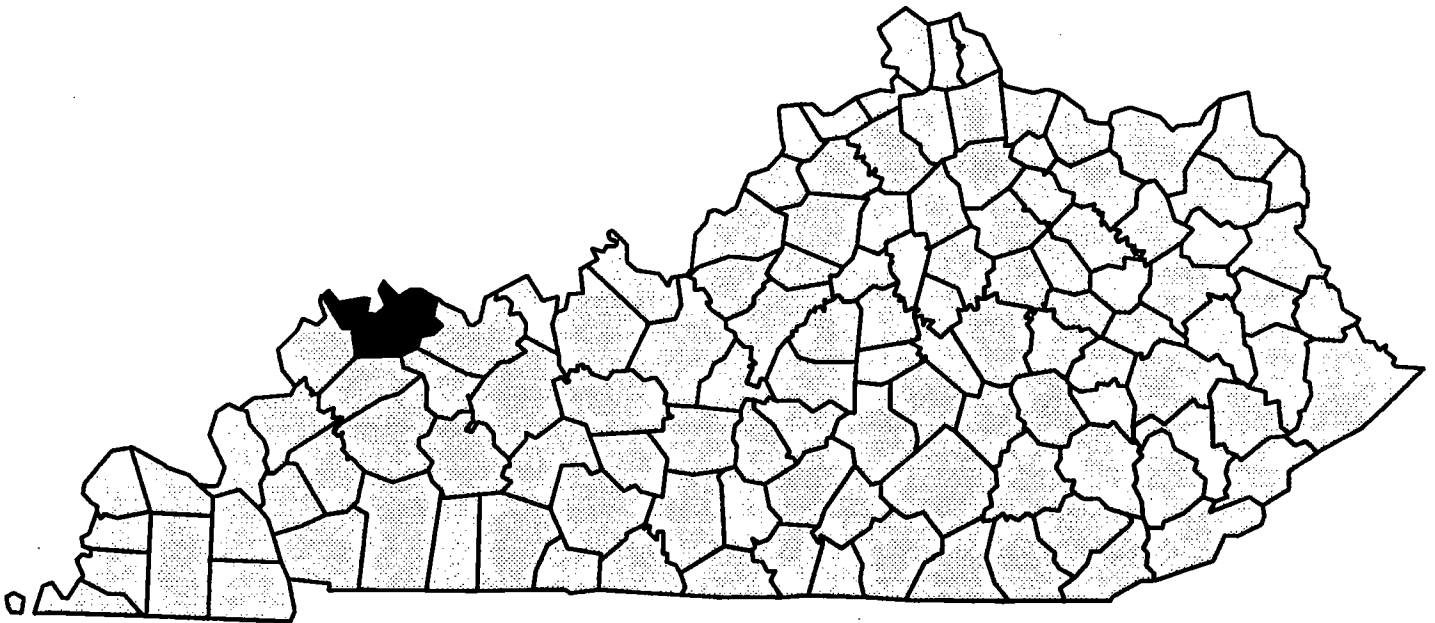
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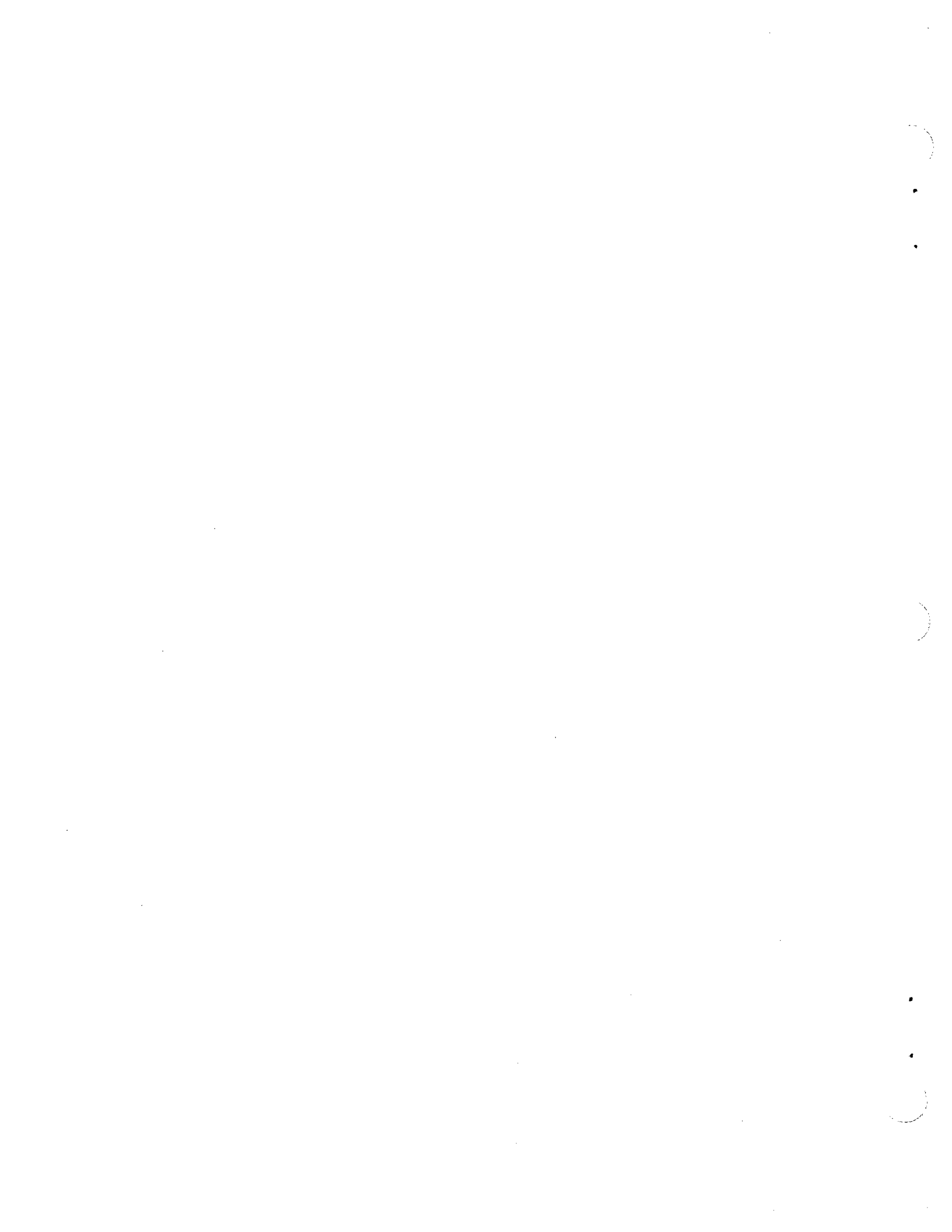
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HENDERSON COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



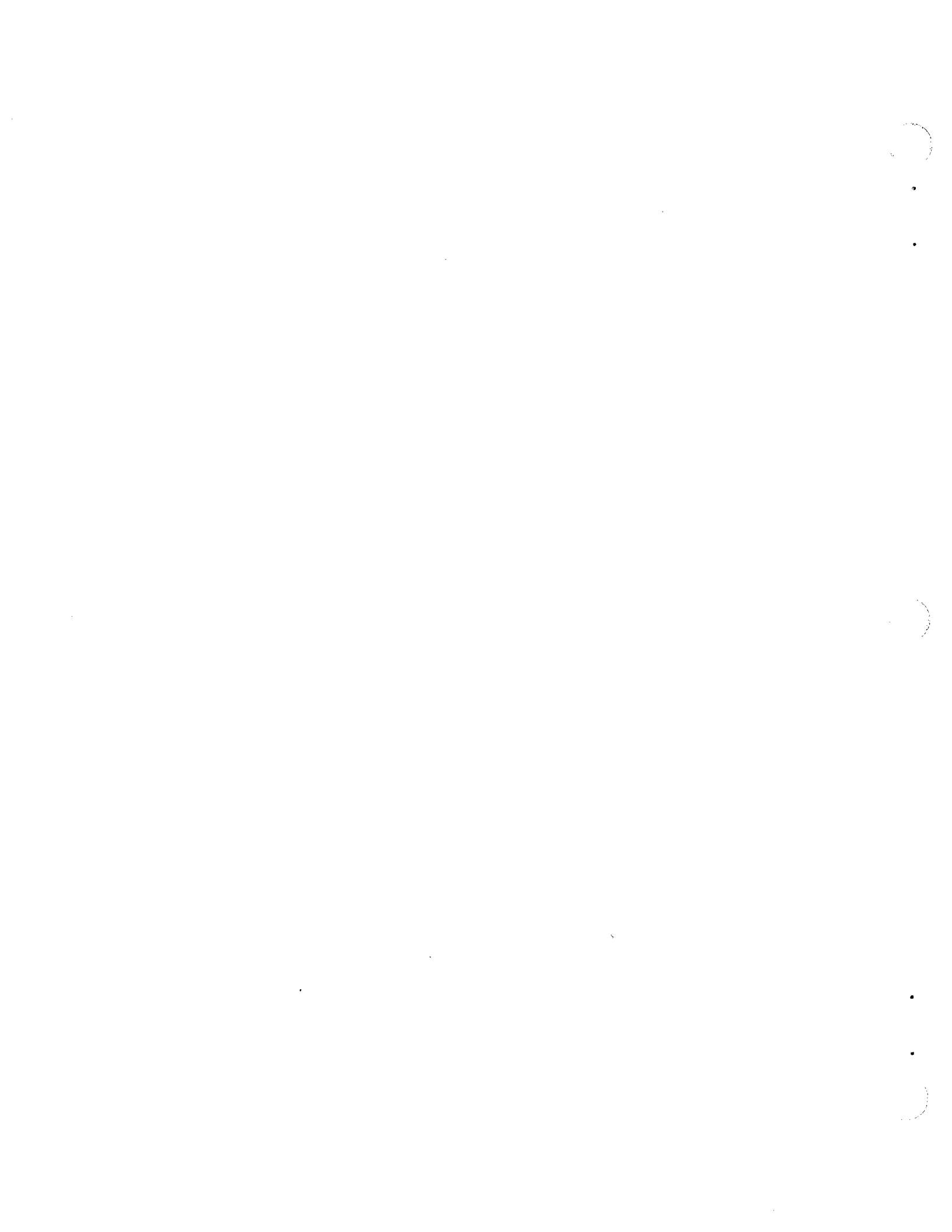
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FOREWORD

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 Henderson County economy, as measured by personal income, grew moderately from 1969 to 1987. Henderson County generally increased its share of Kentucky personal income. Both per capita personal income and average earnings per job were above those of the state. Henderson County generates a higher percent of personal income from earnings and a lower percent from transfer payments than does the state as a whole.

The county economy was heavily impacted by the manufacturing sector, the primary source of earnings in Henderson County. Further, the share of earnings from this sector increased during the period. The county's share of earnings and employment from farming was small and declined. The mining sector also increased its share of earnings and employment.

The service sector experienced growth at the county level, while the trade and state and local government sectors maintained a constant share of earnings and employment. At the state level, services and trade increased, 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 sectors, especially the service sector. Future economic growth in Henderson County would be enhanced by growth in 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 Henderson 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.

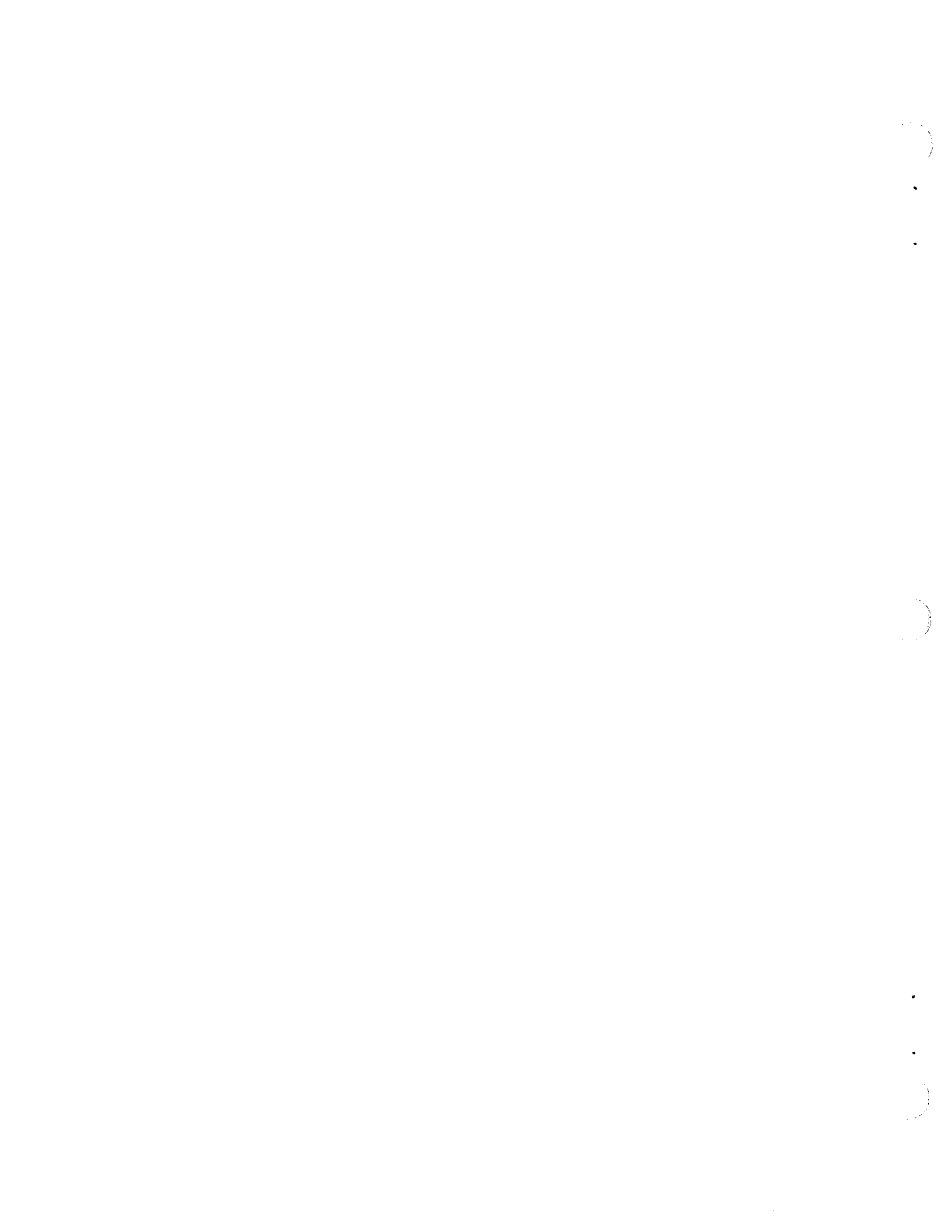
A second question concerns the structure and nature of the Henderson County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Henderson 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 HENDERSON 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 Henderson 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.

As can be seen in Chart 1A, the size of the Henderson County economy, as measured by real personal income, increased from \$337 million in 1969 to \$590 million in 1987. Chart 1B shows Henderson County total personal income as a percent of Kentucky total personal income. Henderson County's share of Kentucky personal income increased through 1984, then declined slightly.

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. Henderson County real per capita income generally increased over the time period to a level of \$14,008 in 1987. Henderson County's per capita personal income was 112.1 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 erratically from \$268 million in 1969 to \$419 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income declined over the period. Earnings accounted for 70.9 percent of Henderson County's total personal income in 1987, compared to Kentucky's 67.5 percent share.

Transfer payments contributed \$33 million to total personal income in 1969 and \$86 million in 1987. Transfer payments contributed a smaller percentage of personal income in Henderson County than in Kentucky. In 1987, 14.6 percent of Henderson County personal income was derived from transfer payments, compared to 17.2 percent for the state.

Income from property in Henderson County grew steadily through the time period. Income from property totalled \$36 million in 1969 and increased to \$86 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. Earnings from goods-producing sectors are presented in Chart 3A. In 1969, Henderson County received 25.1 percent of its earnings from manufacturing. This percentage increased to 33.8 percent in 1987. This trend is unlike that of the state, where manufacturing's share of earnings declined. The percent of earnings from the farming sector declined from 6.4 percent in 1969 to 1.4 percent in 1987. Mine sector earnings increased significantly in the 1970's to 17.0 percent in 1975. This sector's share subsequently declined to 10.5 percent in 1987.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services increased from 15.0 percent in 1969 to 18.6 percent in 1987. The percentage of earnings from the trade sector declined from 17.2 percent in 1969 to 13.3 percent in 1987. The share from state and local government was constant and was 7.6 percent in 1987. At the state level, the share of earnings from services increased, while the share of earnings from services increased, while the shares from trade and state and local government were constant.

Average earnings per job (adjusted for inflation) for Henderson 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 Henderson County average earnings per job peaked in 1977 at \$22,244. Average earnings then decreased over the period to a level of \$20,656 in 1987, still well 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. Total employment in Henderson County increased during the data period. In 1969, total employment stood at 14,724 people. By 1987, employment increased to 20,817 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 Henderson County are presented in Chart 4B. Henderson County unemployment rates generally followed trends in Kentucky rates. In 1987, the county unemployment rate was 10.4, 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 manufacturing sector's share of employment was relatively constant and was 22.5 percent in 1987. The percent of employment in the farm sector declined from 13.5 percent in 1969 to 5.1 percent in 1987. The manufacturing sector increased its share of employment from 3.3 percent in 1969 to 5.3 percent in 1987. At the state level, the employment share in the goods-producing sectors declined.

Henderson 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 15.4 percent in 1969 to 23.3 percent in 1987. The percent of employment in the trade sector increased slightly, to 23.3 percent in 1987. The percent of employment in state and local government remained relatively stable and accounted for 8.3 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 Henderson County.

The Henderson County population grew from 35,800 in 1969 to 42,100 in 1987 (Chart 5A). In 1986, 9.2 percent of Henderson County's population was under six years of age, compared to 8.6 percent for the state. In the same year, 16.7 percent of the Henderson County population was sixty years of age or over, compared to 16.5 percent of 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. While mining employment and earnings are a small percent of their respective totals for Henderson County, coal production has been a nontrivial sector of the county economy.

Henderson 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 erratically during the period. In 1986, 1,745 thousand tons of coal was mined in Henderson County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969 there were 480 people employed in mining in Henderson County. In 1987, this sector provided 1,093 jobs in Henderson 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. Therefore, trends in severance tax collections may not exactly parallel those of the coal production figures in Chart 6A. Much of the data on coal severance tax collections in Henderson County was unavailable because of non-disclosure rules.

CHART 1A

HENDERSON COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

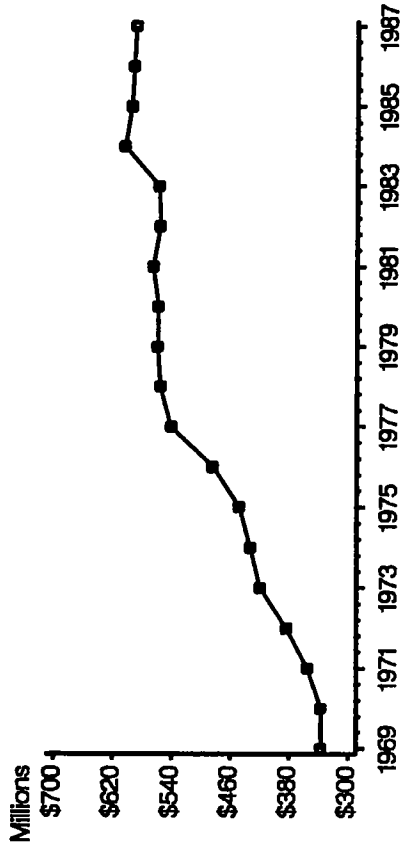


CHART 1B
HENDERSON COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

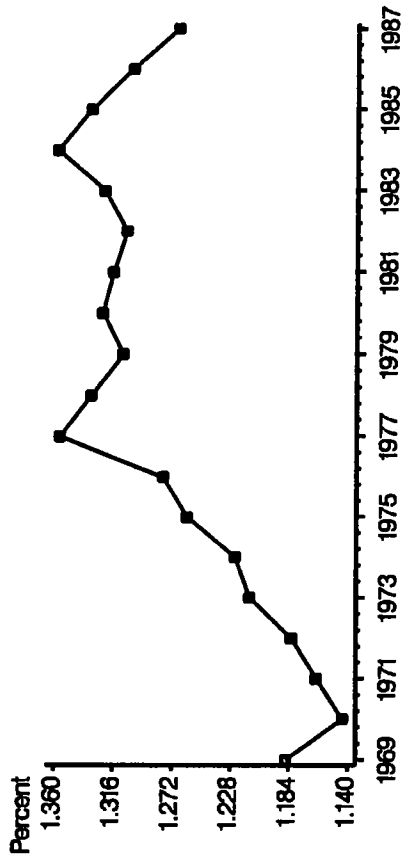


CHART 1C

HENDERSON COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

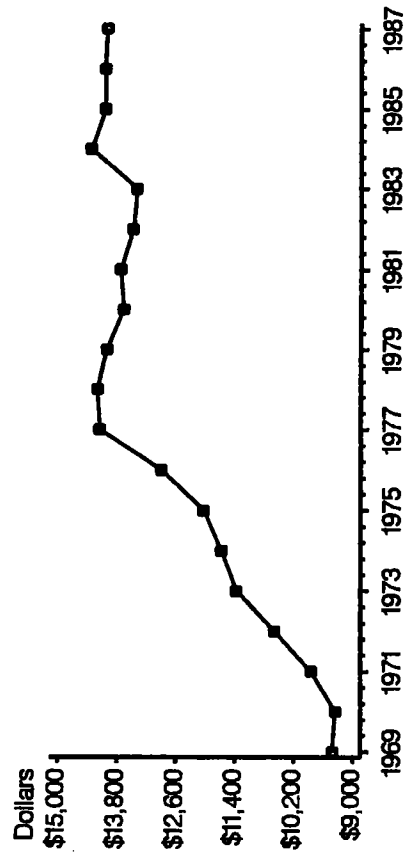


CHART 1D

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

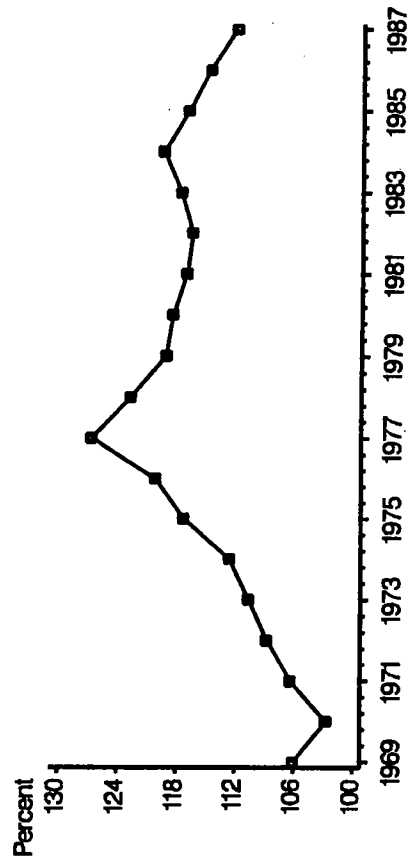


CHART 2A

HENDERSON COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

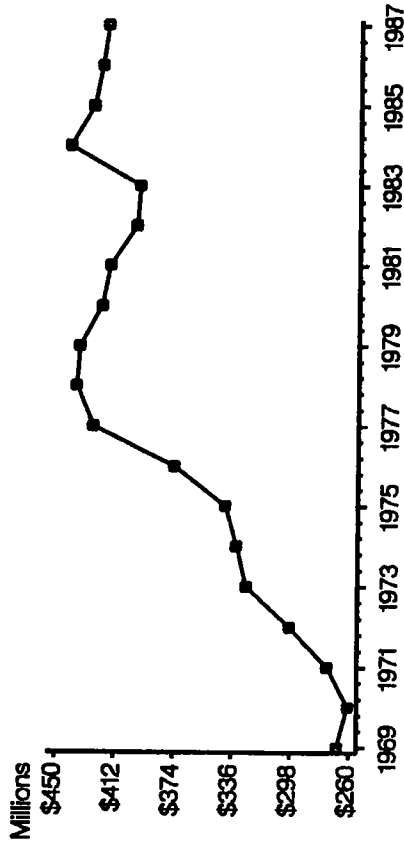


CHART 2B
HENDERSON COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

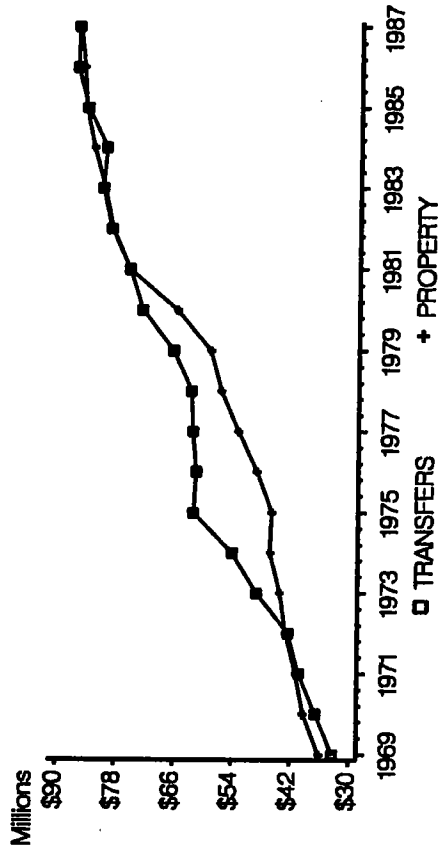


CHART 2C

HENDERSON COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

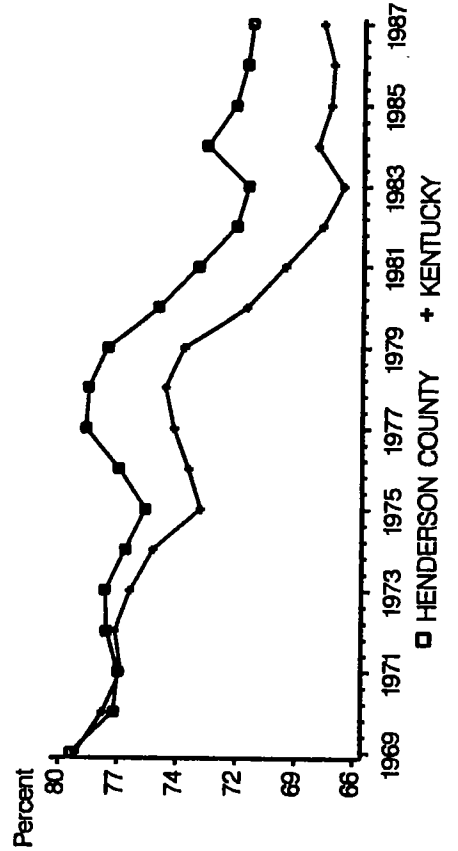


CHART 2D

HENDERSON COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

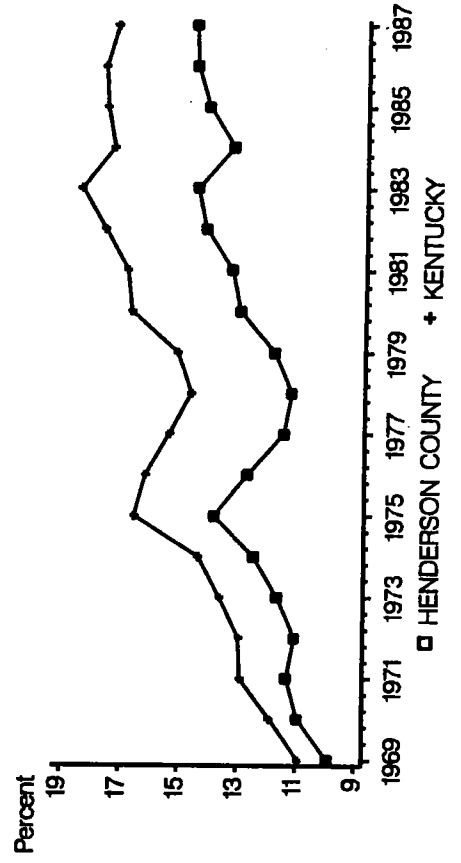


CHART 3A
 HENDERSON COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

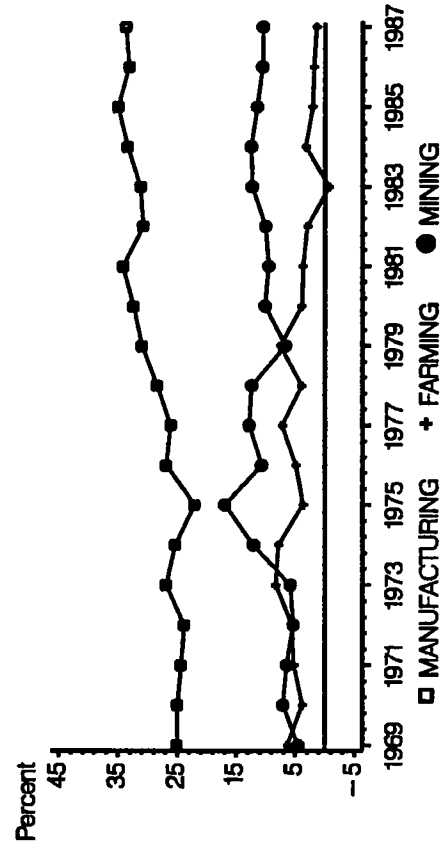


CHART 3B
 HENDERSON COUNTY
 EARNINGS IN NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

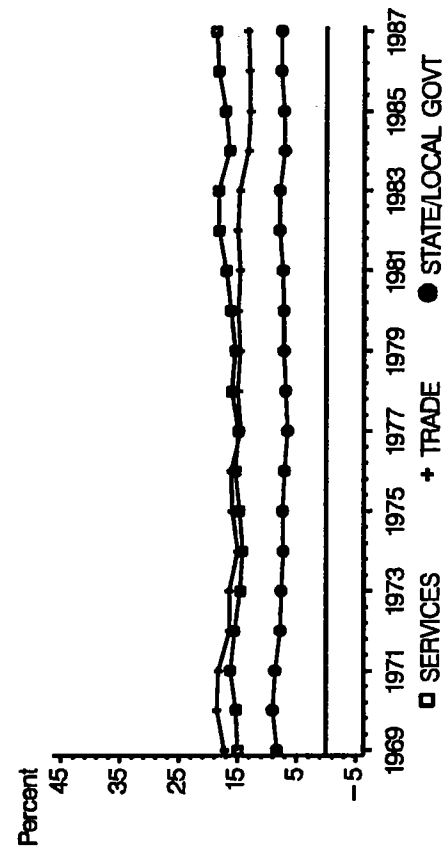


CHART 3C
 HENDERSON COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

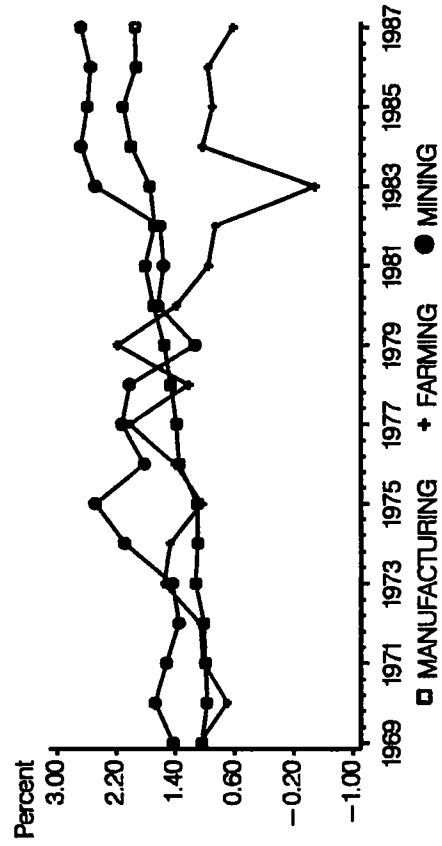


CHART 3D
 HENDERSON COUNTY
 AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

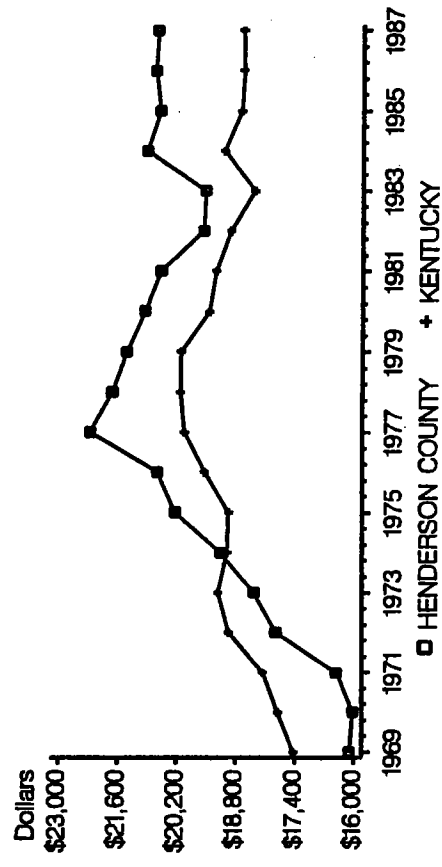


CHART 4A
 HENDERSON COUNTY
 TOTAL EMPLOYMENT
 Thousands of People

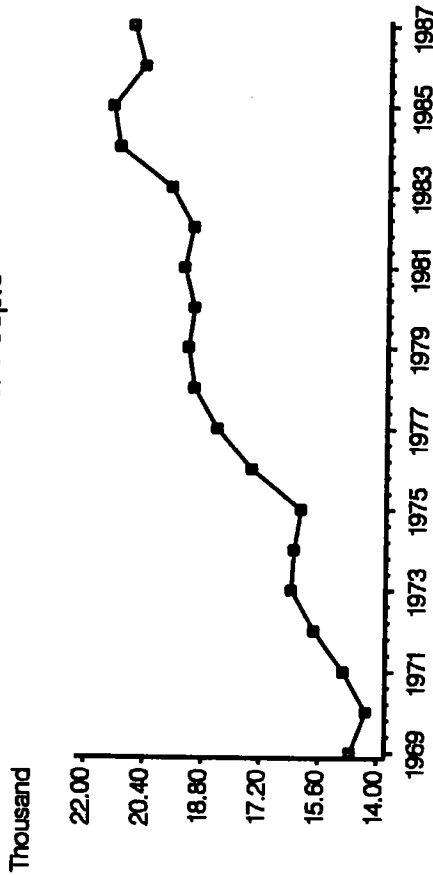


CHART 4B
 HENDERSON COUNTY
 ANNUAL UNEMPLOYMENT RATE

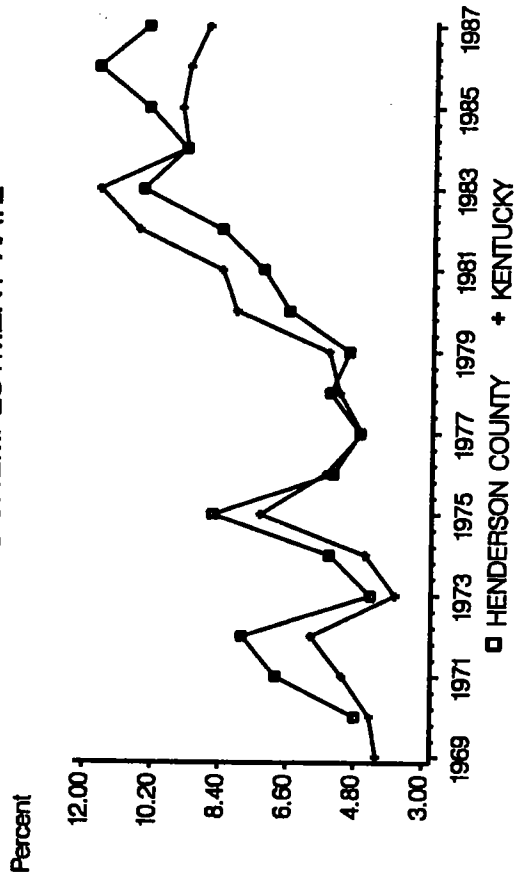


CHART 4C
 HENDERSON COUNTY
 EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

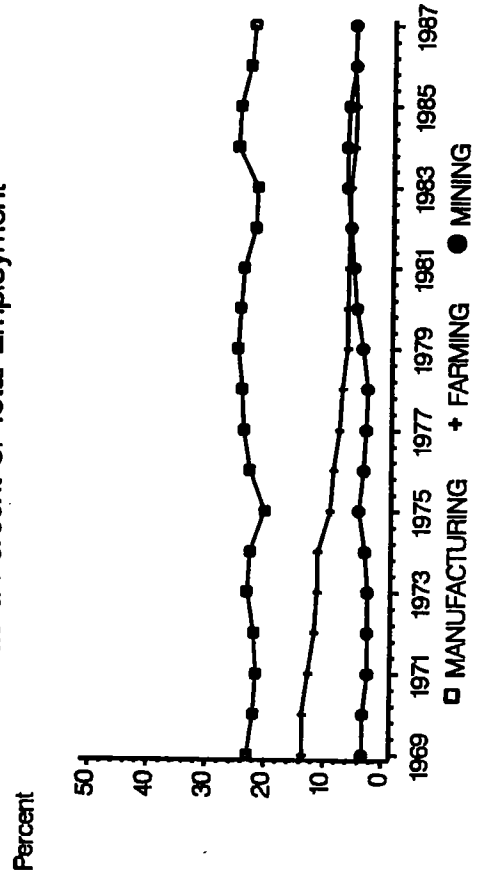


CHART 4D
 HENDERSON COUNTY
 EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Employment

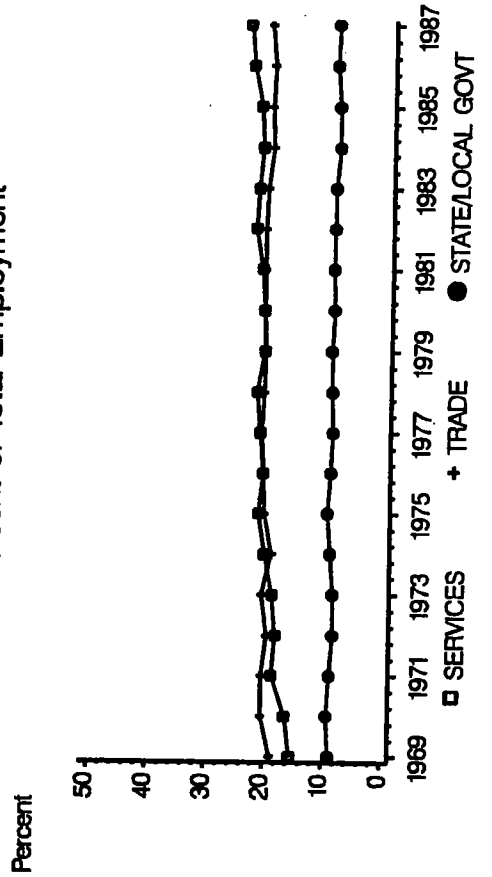


CHART 5A
HENDERSON COUNTY
POPULATION
Thousands of People

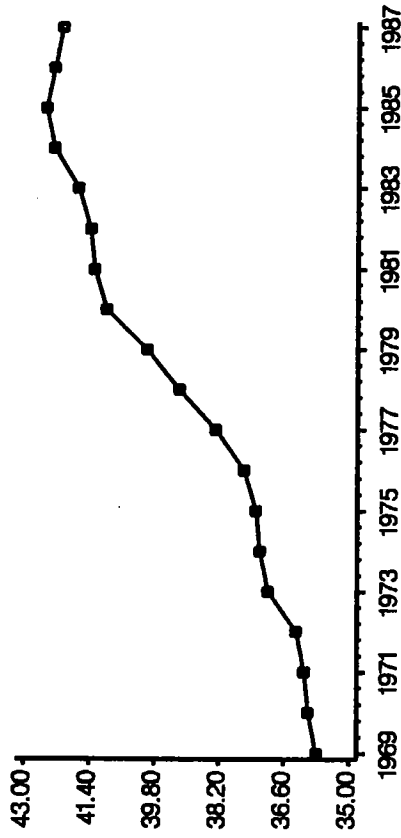


CHART 5B
HENDERSON COUNTY
POPULATION
as a Percent of Kentucky Population

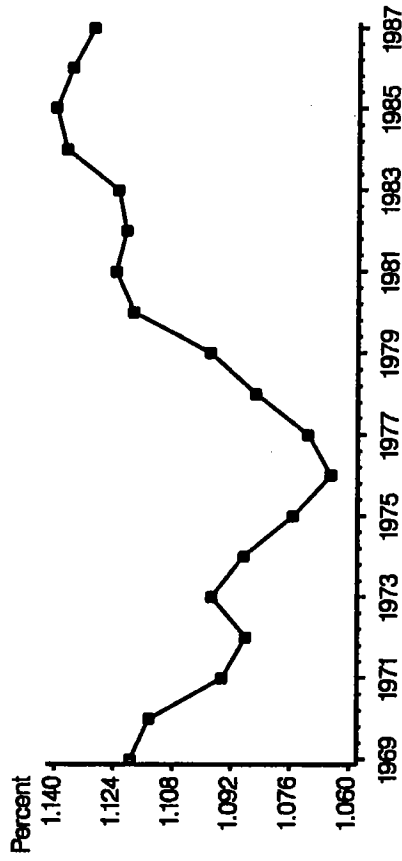


CHART 5C
HENDERSON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

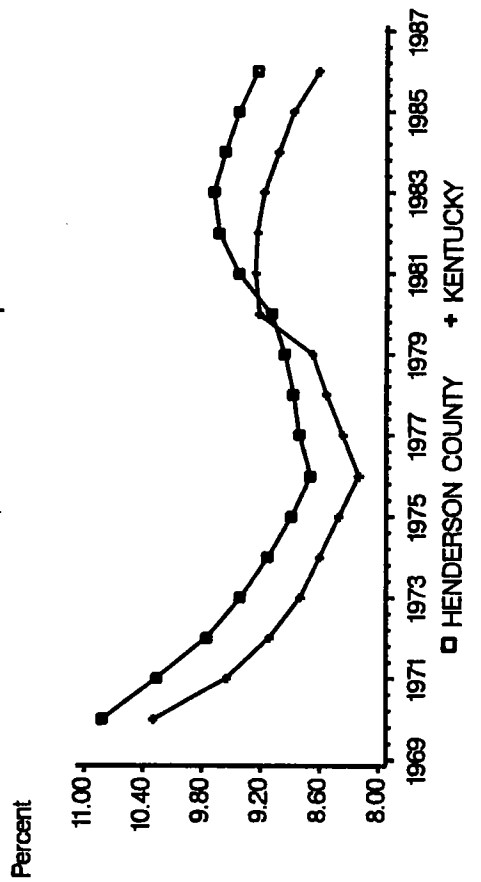


CHART 5D
HENDERSON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

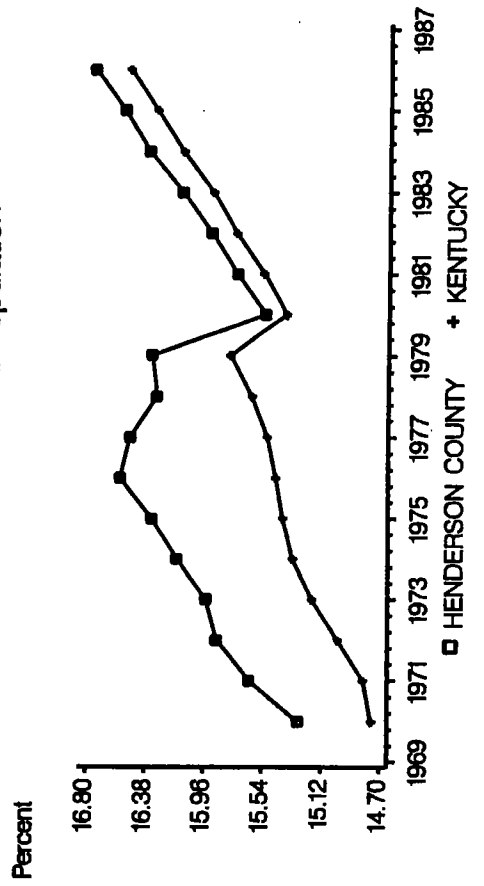


CHART 6A
 HENDERSON COUNTY
 TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

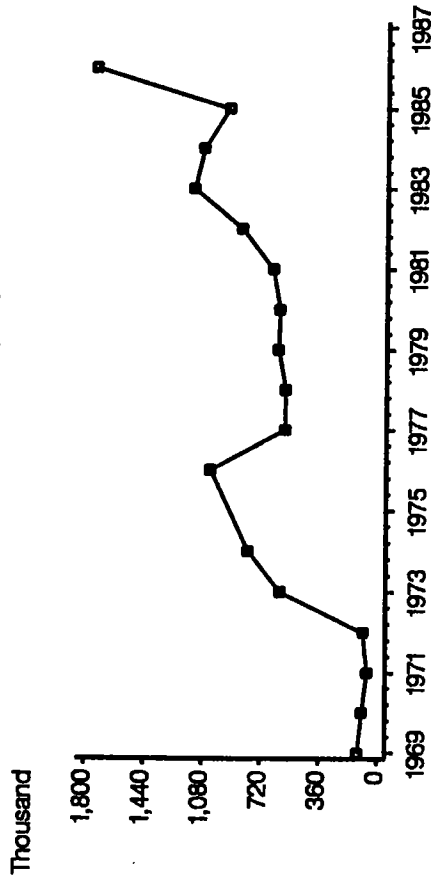


CHART 6B
 HENDERSON COUNTY
 MINING EMPLOYMENT
 Thousands of People

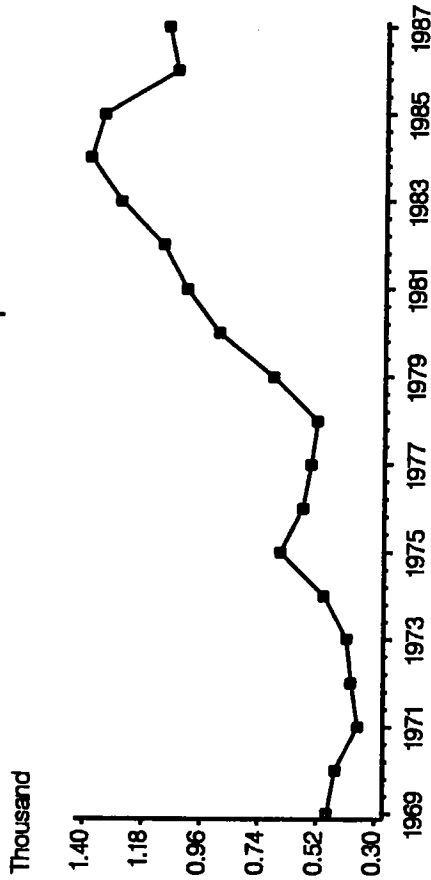


CHART 6C
 HENDERSON COUNTY
 AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

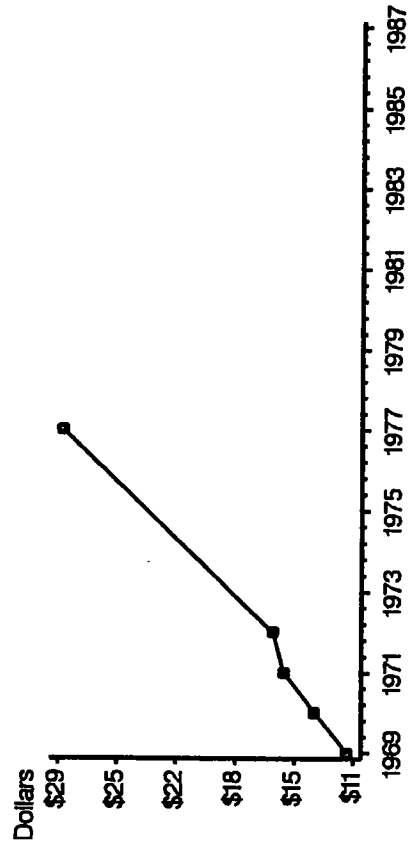
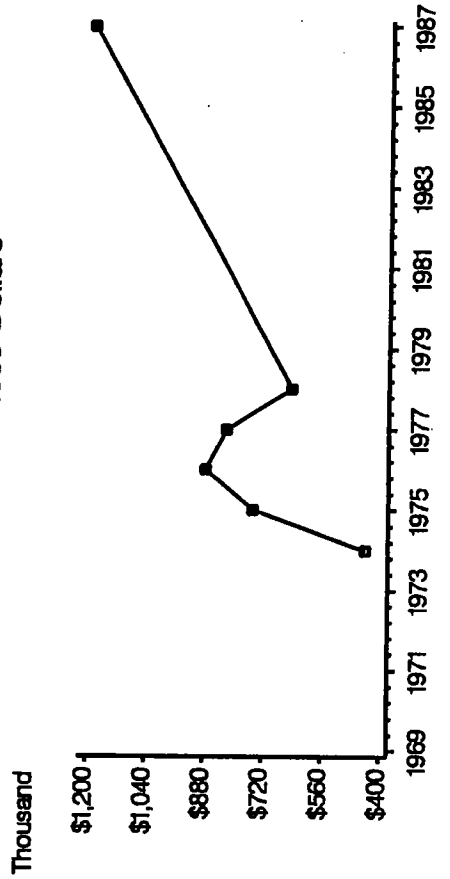


CHART 6D
 HENDERSON COUNTY
 TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



HENDERSON COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	337	1.19	9,419	106.0
1970	337	1.14	9,359	102.7
1971	355	1.16	9,841	106.3
1972	384	1.18	10,600	108.8
1973	420	1.21	11,361	110.6
1974	434	1.22	11,666	112.6
1975	449	1.26	12,038	117.3
1976	485	1.28	12,895	120.1
1977	542	1.36	14,150	126.6
1978	557	1.33	14,189	122.7
1979	561	1.31	14,007	119.1
1980	560	1.32	13,663	118.5
1981	567	1.32	13,725	117.1
1982	557	1.31	13,467	116.6
1983	559	1.32	13,395	117.7
1984	606	1.36	14,323	119.5
1985	596	1.33	14,036	117.0
1986	593	1.30	14,040	114.7
1987	590	1.27	14,008	112.1

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	268	79.4	79.2	33	9.9	10.9	36	10.7	9.9
1970	261	77.4	77.9	37	10.9	11.9	39	11.7	10.2
1971	274	77.2	77.0	40	11.3	12.9	41	11.5	10.1
1972	299	77.7	77.3	43	11.1	12.9	43	11.2	9.7
1973	327	77.8	76.6	49	11.7	13.6	44	10.5	9.7
1974	333	76.9	75.5	54	12.5	14.4	46	10.7	10.1
1975	341	75.9	73.3	62	13.8	16.5	46	10.2	10.1
1976	374	77.2	73.9	62	12.7	16.1	49	10.1	10.0
1977	427	78.7	74.6	62	11.5	15.3	53	9.8	10.1
1978	438	78.6	75.0	63	11.2	14.6	57	10.2	10.4
1979	436	77.7	74.1	66	11.8	15.1	59	10.5	10.8
1980	421	75.3	71.1	73	13.0	16.7	66	11.7	12.2
1981	416	73.4	69.3	75	13.3	16.8	75	13.3	13.8
1982	399	71.6	67.5	79	14.2	17.6	79	14.2	14.9
1983	397	71.1	66.6	81	14.5	18.4	81	14.4	15.1
1984	442	73.1	67.8	80	13.3	17.3	83	13.7	14.9
1985	427	71.7	67.2	84	14.1	17.6	85	14.2	15.3
1986	422	71.1	67.1	86	14.5	17.6	85	14.3	15.3
1987	419	70.9	67.5	86	14.6	17.2	86	14.5	15.3

HENDERSON 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	25.1	1.05	6.4	1.08	4.5	1.43
1970	25.0	0.98	3.8	0.70	7.1	1.67
1971	24.4	1.00	5.2	1.02	6.4	1.52
1972	23.9	1.02	5.6	1.07	5.4	1.35
1973	27.0	1.13	8.3	1.55	5.8	1.44
1974	25.4	1.10	7.9	1.47	12.1	2.09
1975	22.1	1.11	3.7	1.05	17.0	2.48
1976	27.0	1.35	4.9	1.40	10.7	1.82
1977	26.2	1.38	7.3	2.02	12.8	2.13
1978	28.5	1.46	3.9	1.22	12.4	2.02
1979	31.0	1.55	7.6	2.18	6.7	1.14
1980	32.5	1.70	4.0	1.39	10.1	1.64
1981	34.3	1.81	3.7	0.97	9.5	1.56
1982	30.9	1.68	3.0	0.86	10.1	1.61
1983	31.3	1.75	-0.7	-0.49	12.4	2.48
1984	33.5	2.01	3.3	1.04	12.5	2.67
1985	35.1	2.11	2.1	0.90	11.5	2.59
1986	33.3	1.93	1.9	0.96	10.6	2.54
1987	33.8	1.95	1.4	0.62	10.5	2.68

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	15.0	1.16	17.2	1.12	8.3	0.93
1970	15.3	1.12	18.5	1.12	9.1	0.92
1971	16.3	1.22	18.3	1.15	8.7	0.89
1972	15.5	1.28	16.4	1.13	7.8	0.88
1973	14.6	1.22	16.5	1.14	7.6	0.89
1974	14.2	1.26	15.0	1.09	7.3	0.90
1975	14.7	1.32	15.9	1.17	7.4	0.91
1976	15.4	1.42	16.2	1.24	7.1	0.91
1977	14.9	1.50	14.5	1.24	6.5	0.92
1978	16.0	1.54	15.0	1.21	6.9	0.93
1979	15.4	1.43	14.6	1.15	7.2	0.92
1980	16.2	1.43	14.9	1.23	7.2	0.91
1981	16.9	1.47	14.6	1.25	7.3	0.94
1982	18.2	1.46	15.0	1.22	7.9	0.94
1983	18.2	1.42	14.7	1.21	7.9	0.96
1984	16.4	1.39	13.2	1.22	7.1	0.95
1985	17.1	1.38	12.9	1.16	7.2	0.94
1986	18.3	1.31	13.1	1.12	7.7	0.93
1987	18.6	1.26	13.3	1.13	7.6	0.91

HENDERSON COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	3,376	22.9	1,986	13.5	480	3.3
1970	3,130	21.9	1,933	13.5	449	3.1
1971	3,214	21.5	1,879	12.6	365	2.4
1972	3,450	21.9	1,832	11.6	391	2.5
1973	3,786	23.1	1,829	11.2	408	2.5
1974	3,694	22.7	1,813	11.1	495	3.0
1975	3,250	20.2	1,460	9.1	660	4.1
1976	3,984	22.8	1,484	8.5	576	3.3
1977	4,405	23.9	1,382	7.5	545	3.0
1978	4,626	24.2	1,344	7.0	523	2.7
1979	4,808	25.0	1,194	6.2	690	3.6
1980	4,691	24.6	1,194	6.3	895	4.7
1981	4,662	24.1	1,190	6.1	1,017	5.2
1982	4,223	22.1	1,145	6.0	1,106	5.8
1983	4,311	21.8	1,169	5.9	1,267	6.4
1984	5,325	25.1	1,110	5.2	1,383	6.5
1985	5,303	24.8	1,074	5.0	1,332	6.2
1986	4,742	23.1	1,114	5.4	1,057	5.2
1987	4,675	22.5	1,059	5.1	1,093	5.3

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	2,272	15.4	2,760	18.7	1,292	8.8
1970	2,329	16.3	2,902	20.3	1,310	9.2
1971	2,768	18.5	3,036	20.3	1,302	8.7
1972	2,831	18.0	3,067	19.5	1,294	8.2
1973	3,049	18.6	3,342	20.4	1,361	8.3
1974	3,262	20.0	3,063	18.8	1,433	8.8
1975	3,396	21.1	3,237	20.1	1,504	9.3
1976	3,546	20.3	3,553	20.3	1,536	8.8
1977	3,849	20.9	3,800	20.6	1,571	8.5
1978	4,098	21.5	3,873	20.3	1,654	8.7
1979	3,901	20.3	3,870	20.1	1,705	8.9
1980	3,898	20.4	3,898	20.4	1,628	8.5
1981	4,049	20.9	3,953	20.4	1,686	8.7
1982	4,212	22.0	3,904	20.4	1,640	8.6
1983	4,269	21.6	3,960	20.1	1,675	8.5
1984	4,447	21.0	4,083	19.3	1,665	7.9
1985	4,561	21.4	4,160	19.5	1,713	8.0
1986	4,651	22.7	3,931	19.2	1,746	8.5
1987	4,852	23.3	4,113	19.8	1,732	8.3

HENDERSON COUNTY
EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	14,724	\$16,106	\$17,440	.	4.2
1970	14,294	\$16,031	\$17,811	4.8	4.4
1971	14,928	\$16,407	\$18,166	6.9	5.1
1972	15,735	\$17,859	\$18,970	7.8	6.0
1973	16,367	\$18,374	\$19,232	4.4	3.7
1974	16,299	\$19,179	\$19,008	5.5	4.5
1975	16,114	\$20,246	\$18,976	8.6	7.3
1976	17,473	\$20,662	\$19,563	5.4	5.6
1977	18,436	\$22,244	\$20,031	4.7	4.7
1978	19,077	\$21,728	\$20,121	5.5	5.3
1979	19,241	\$21,388	\$20,110	5.0	5.5
1980	19,091	\$20,957	\$19,439	6.6	8.0
1981	19,375	\$20,578	\$19,286	7.3	8.4
1982	19,139	\$19,579	\$18,931	8.4	10.6
1983	19,748	\$19,536	\$18,358	10.5	11.6
1984	21,173	\$20,904	\$19,080	9.4	9.3
1985	21,363	\$20,596	\$18,676	10.4	9.5
1986	20,510	\$20,705	\$18,627	11.7	9.3
1987	20,817	\$20,656	\$18,636	10.4	8.8

POPULATION STATISTICS

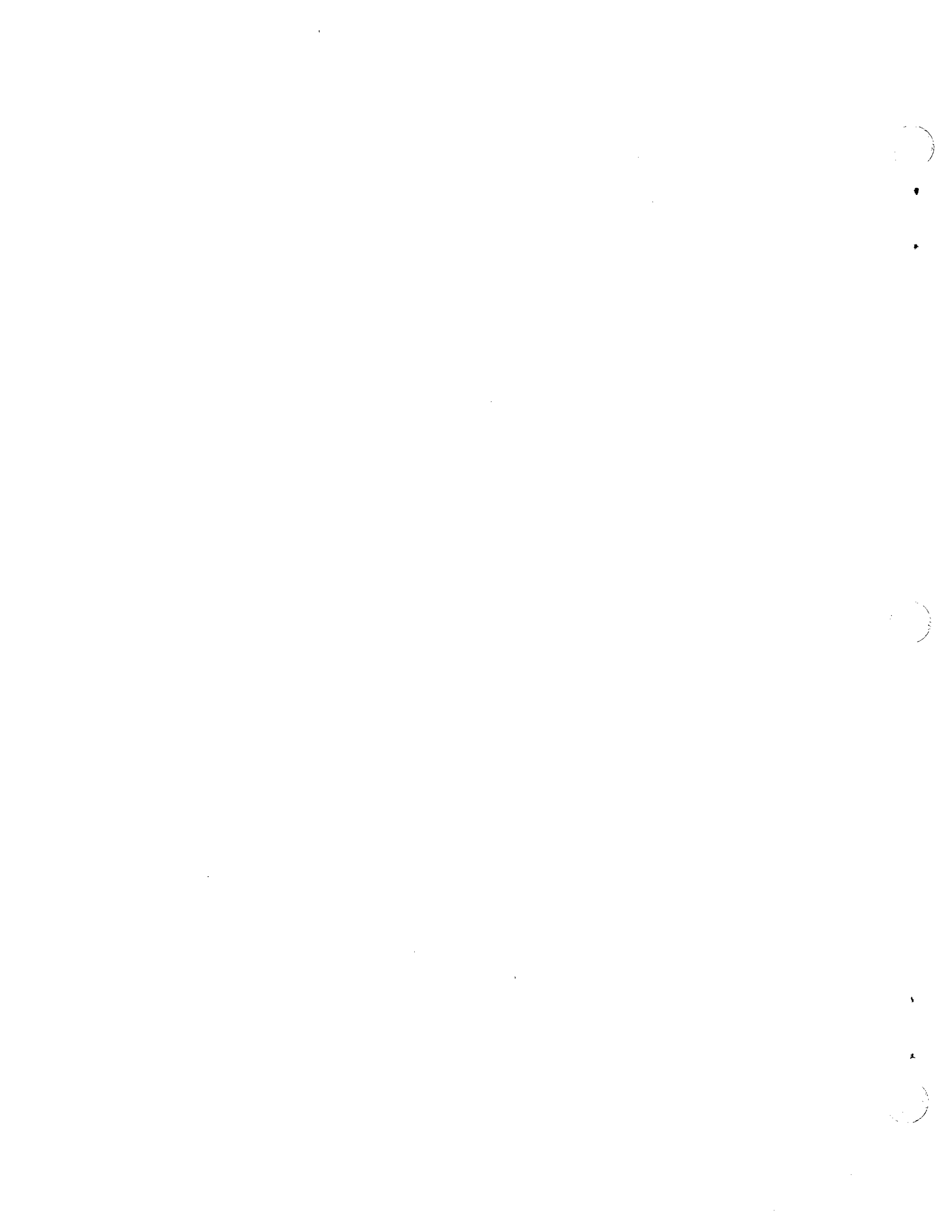
YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	35,800	1.12	.	.	.	.
1970	36,000	1.11	10.8	10.3	15.3	14.8
1971	36,100	1.09	10.3	9.6	15.6	14.8
1972	36,300	1.09	9.8	9.1	15.9	15.0
1973	37,000	1.10	9.4	8.8	15.9	15.2
1974	37,200	1.09	9.1	8.6	16.2	15.3
1975	37,300	1.08	8.9	8.4	16.3	15.4
1976	37,600	1.07	8.7	8.2	16.6	15.5
1977	38,300	1.07	8.8	8.4	16.5	15.5
1978	39,200	1.09	8.9	8.5	16.3	15.6
1979	40,000	1.10	9.0	8.7	16.3	15.8
1980	41,000	1.12	9.1	9.2	15.5	15.4
1981	41,300	1.12	9.4	9.3	15.7	15.5
1982	41,400	1.12	9.6	9.2	15.9	15.7
1983	41,700	1.12	9.7	9.2	16.1	15.9
1984	42,300	1.14	9.6	9.0	16.4	16.1
1985	42,500	1.14	9.4	8.9	16.5	16.3
1986	42,300	1.14	9.2	8.6	16.7	16.5
1987	42,100	1.13	.	.	.	.

HENDERSON COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	118	480	\$11.39	.
1970	93	449	\$13.35	.
1971	62	365	\$15.25	.
1972	87	391	\$15.92	.
1973	600	408	.	.
1974	800	495	.	\$441
1975	.	660	.	\$748
1976	1,034	576	.	\$878
1977	574	545	\$28.73	\$821
1978	573	523	.	\$644
1979	618	690	.	.
1980	610	895	.	.
1981	653	1,017	.	.
1982	845	1,106	.	.
1983	1,143	1,267	.	.
1984	1,083	1,383	.	.
1985	928	1,332	.	.
1986	1,745	1,057	.	.
1987	.	1,093	.	.

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



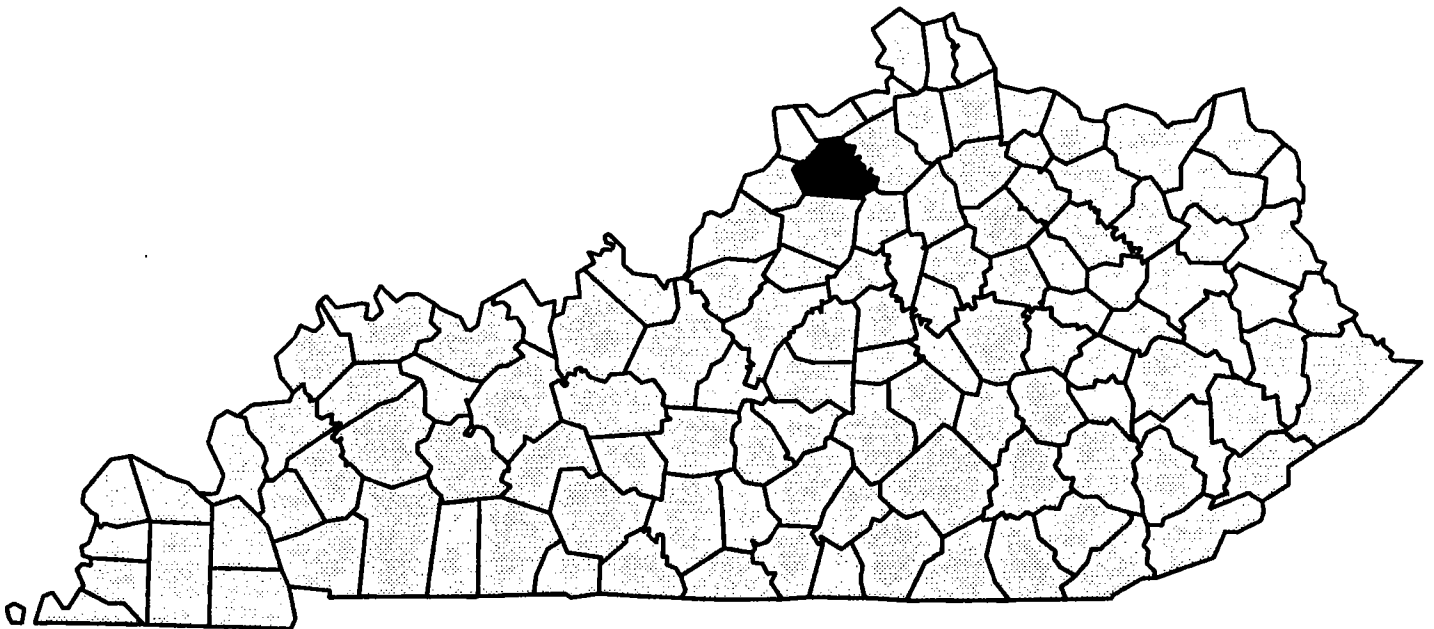
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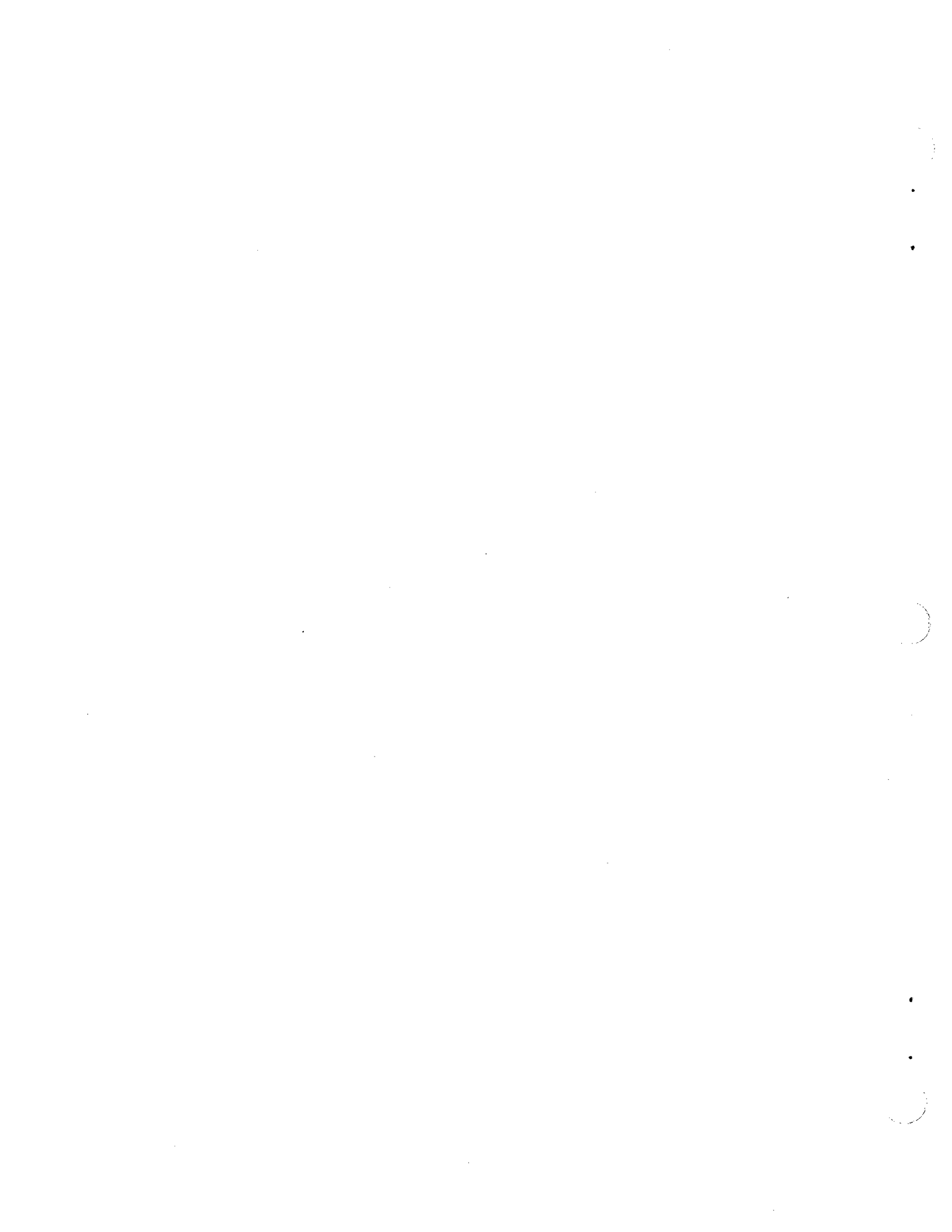
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HENRY COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



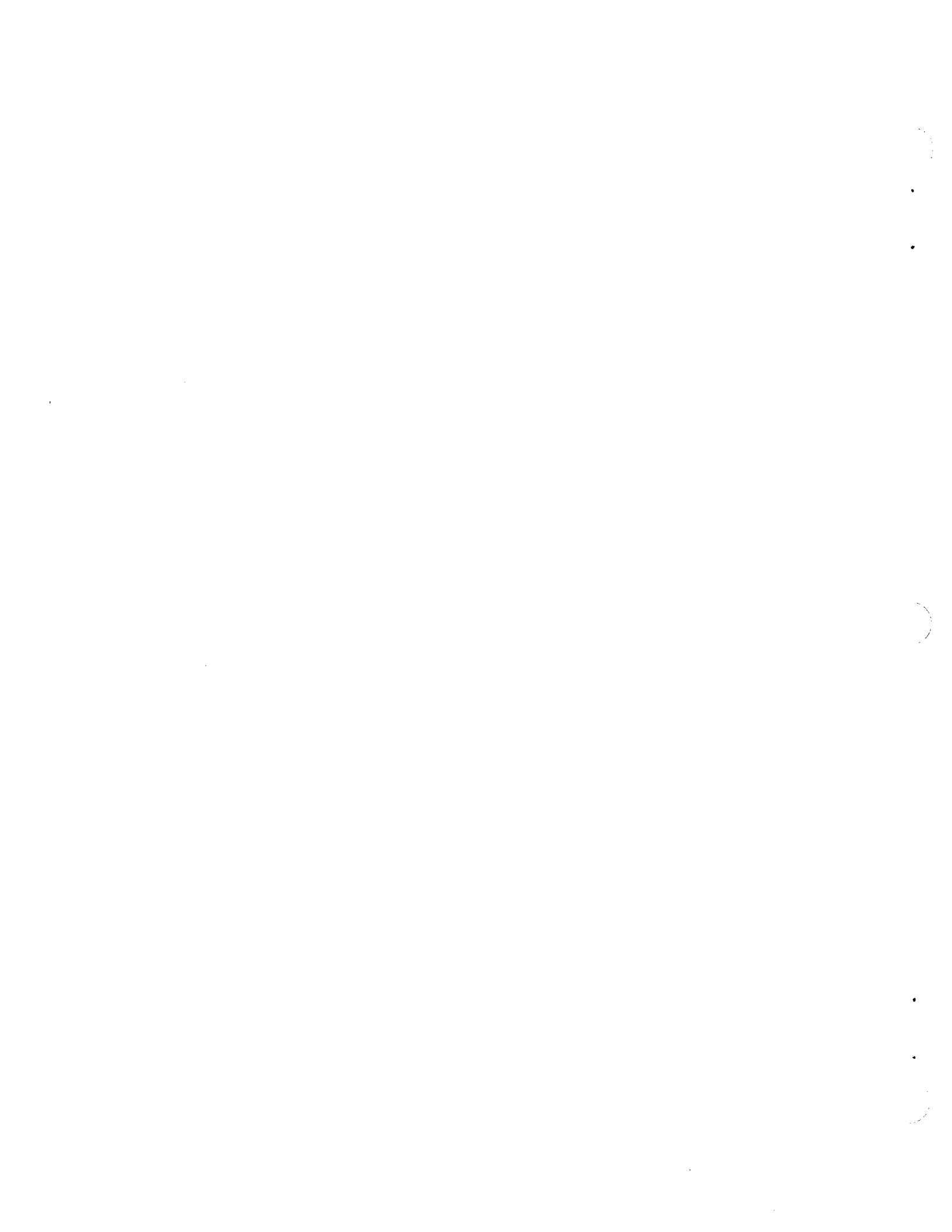
ECONOMIC TRENDS IN
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1969 – 1987

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HENRY 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 Henry County economy, as measured by personal income, grew moderately from 1969 to 1987. However, Henry 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 Henry County was a decline in earnings from the farm sector. Farm employment also declined, but to a much lesser degree. This decline was offset by an increase in manufacturing and the non-goods-producing industries. The service and state and local government sectors significantly increased their shares of both county earnings and employment. 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 Henry County is for continued decline. Future economic growth in Henry County will most likely be dependent upon further expansion of the non-goods-producing 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 HENRY 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 Henry 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 Henry County economy, as measured by personal income, grew moderately from \$105 million in 1969 to \$145 million in 1987, after adjusting for inflation. Chart 1B shows Henry County total personal income as a percent of Kentucky total personal income. Henry County decreased its share of Kentucky personal income, indicating that the state economy grew faster than the county 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 Henry County per capita income increased from \$9,623 per person in 1969 to a high of \$11,322 in 1978. However, per capita income declined to \$10,899 in 1987, when it was 87.2 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 shares have changed over time. This information is illustrated in Charts 2A-2D. Similar to patterns in per capita income, total earnings increased from \$87 million in 1969 to \$100 million in 1978 (in constant 1988 dollars). By 1987, total earnings had declined slightly and

were \$95 million. Earnings as a percent of personal income declined over the period. This trend is occurring at the state level as well. In 1987, earnings accounted for 65.7 percent of Henry County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$11 million to total personal income in 1969 and \$29 million in 1987. Since 1979, transfer payments contributed a higher percentage of personal income in Henry County than in Kentucky.

Income from property in Henry County grew from \$8 million in 1969 to \$25 million in 1984. However, income from property declined to \$21 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. Earnings in the goods-producing sectors are present in Chart 3A. Through the 1970's and early 1980's, the farm sector was the primary source of earnings in Henry County. However, the percent of earnings from the farm sector decreased from 47.1 percent in 1969 to 15.4 percent in 1987. By 1986, the manufacturing sector became the primary source of earnings. In 1969, Henry County received 9.4 percent of total earnings from manufacturing. This percentage increased to 22.2 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 services and state and local government sectors increased substantially. In 1969, 7.5 percent of earnings were generated by the service sector. This increased to 15.9 percent in 1987. The state and local government sectors share of earnings increased from 7.6 percent in 1969 to 13.2 percent in 1987. The percent of earnings from the trade sector increased slightly to 14.9 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 were stable.

Average earnings per job (adjusted for inflation) for Henry 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 Henry County, average earnings were well below those of Kentucky; they were \$13,026 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Henry County fluctuated during the data period. In 1969, total employment stood at 4,385 people. By 1987, that figure had increased to 4,672.

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 Henry County are presented in Chart 4B. Unemployment rates in Henry County paralleled state trends. 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 farm sector was the primary source of county employment. However, employment in this sector decreased from 49.5 percent of total employment in 1969 to 33.2 percent in 1987. The farm sector's share of employment also declined at the state and national levels. The percent of total employment in manufacturing increased in the early 1970's to 16.1 percent in 1973. However, since this time manufacturing's share of employment declined and was 11.0 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 increased over the period and accounted for 16.3 percent of employment in 1987. The percent of employment in the service sector also increased and accounted for 15.2 percent in 1987. The employment share in state and local government increased to 9.5 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 Henry County.

The Henry County population grew from 10,900 in 1969 to 13,300 in 1987 (Chart 5A). Henry County had a smaller proportion of younger residents and a larger proportion of older residents than the state. It was estimated that in 1986, 7.8 percent of Henry County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 19.3 percent of the Henry County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

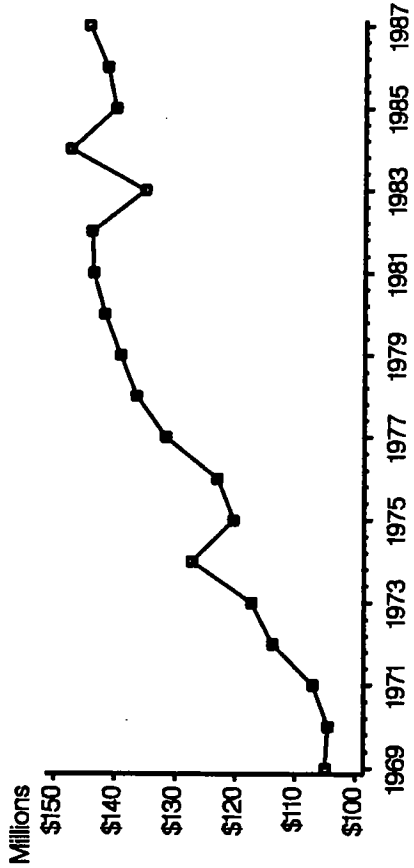


CHART 1B
HENRY COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

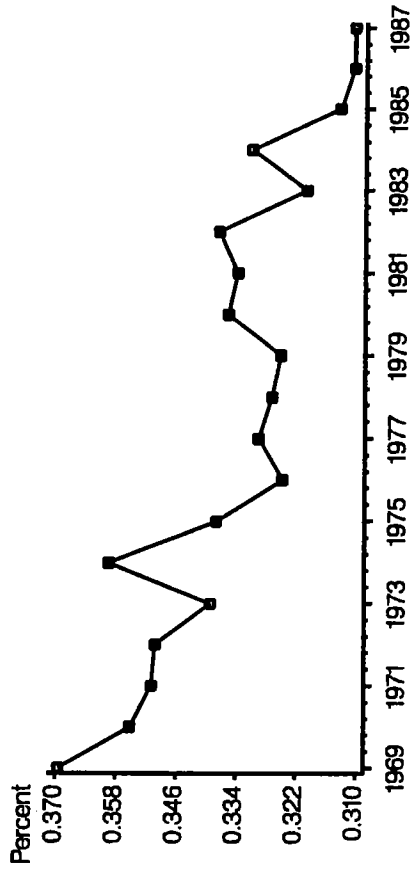


CHART 1C
HENRY COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

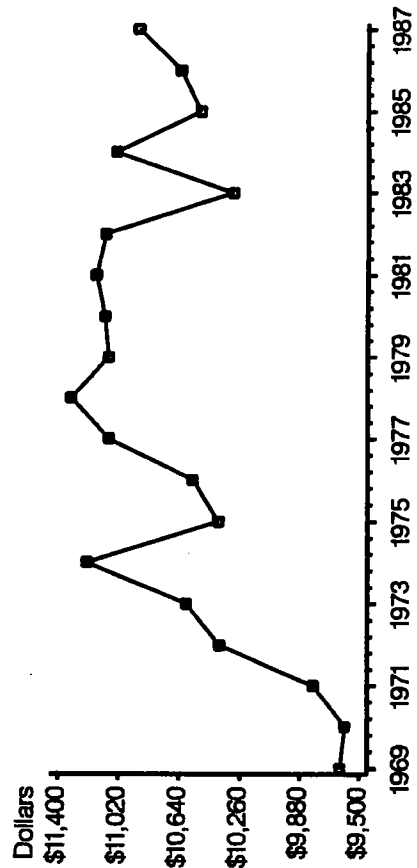


CHART 1D
HENRY COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

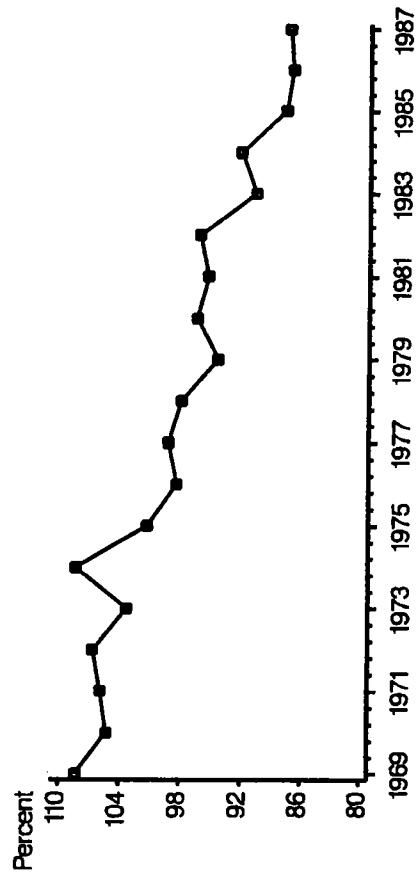


CHART 2A
HENRY COUNTY

REAL TOTAL EARNINGS
Millions of 1988 dollars

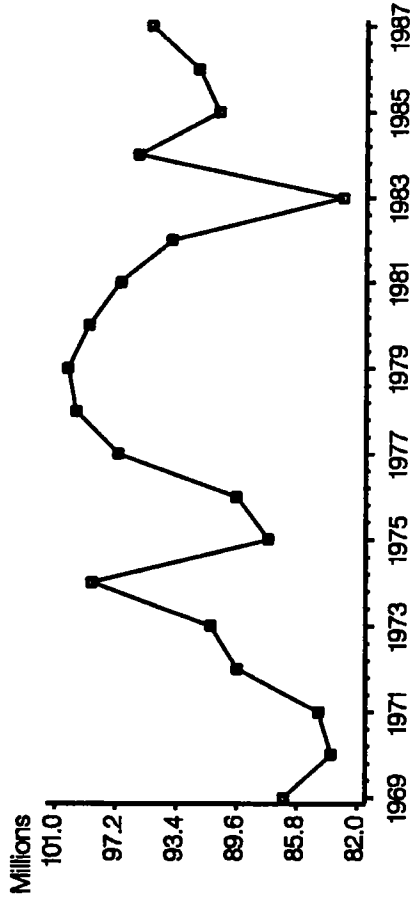


CHART 2C
HENRY COUNTY

TOTAL EARNINGS
as a Percent of Personal Income

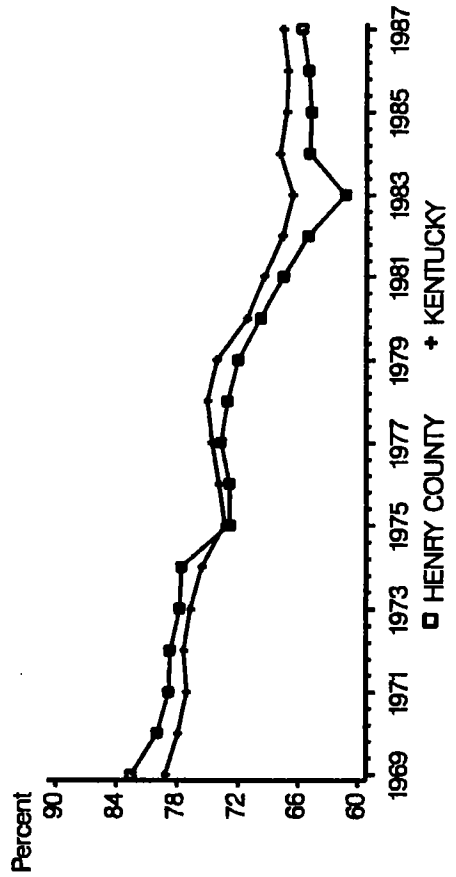


CHART 2B
HENRY COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

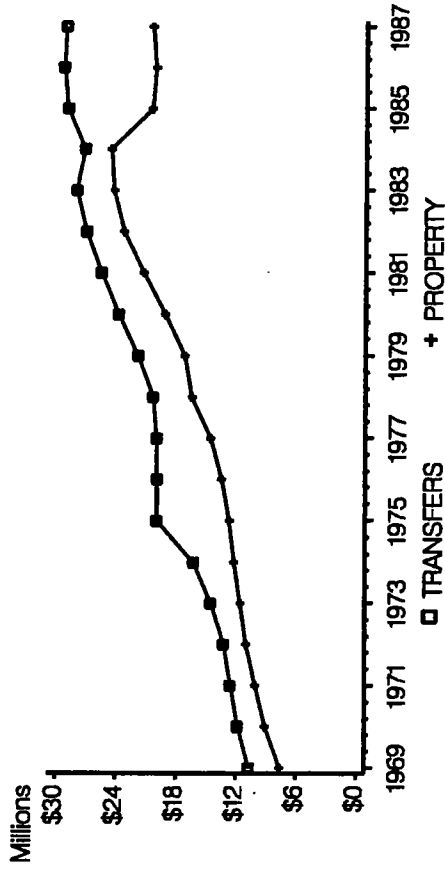


CHART 2D
HENRY COUNTY

TRANSFER PAYMENTS
as a Percent of Personal Income

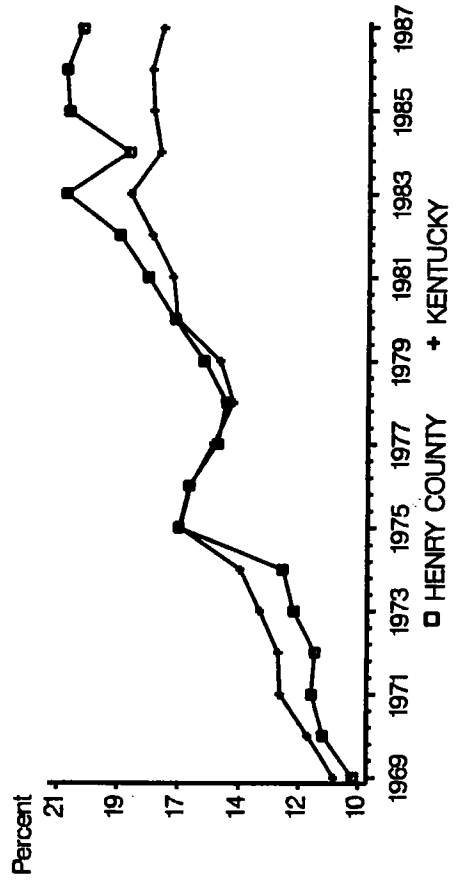


CHART 3A
HENRY COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

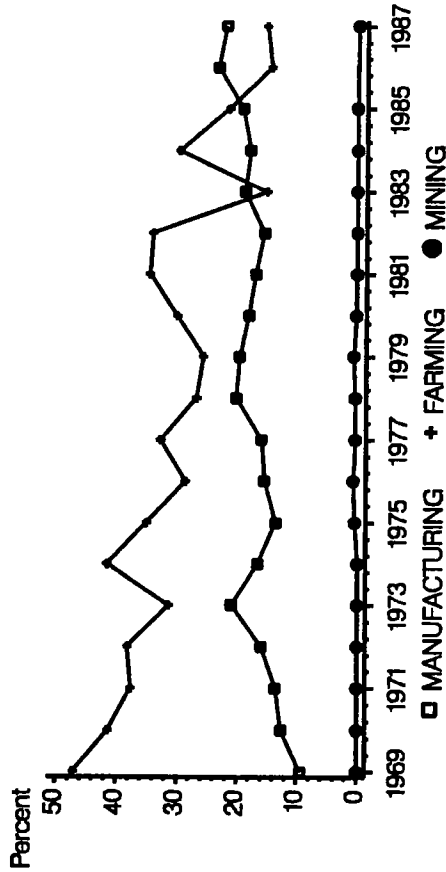


CHART 3B
HENRY COUNTY

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

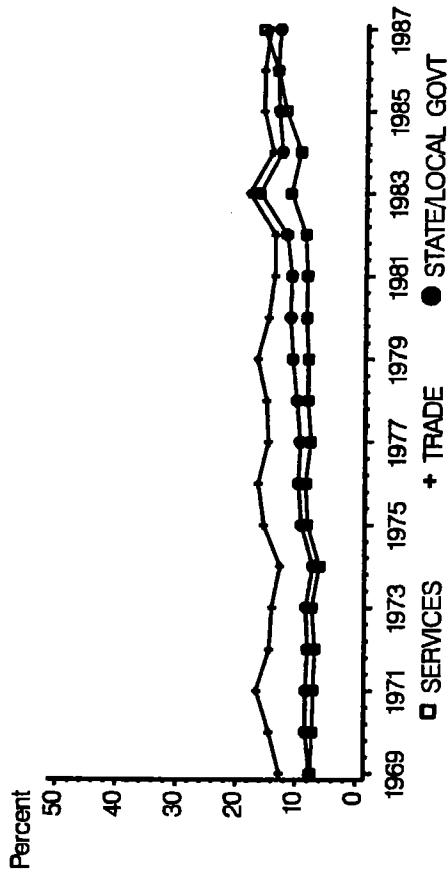


CHART 3C
HENRY COUNTY

EARNINGS in GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

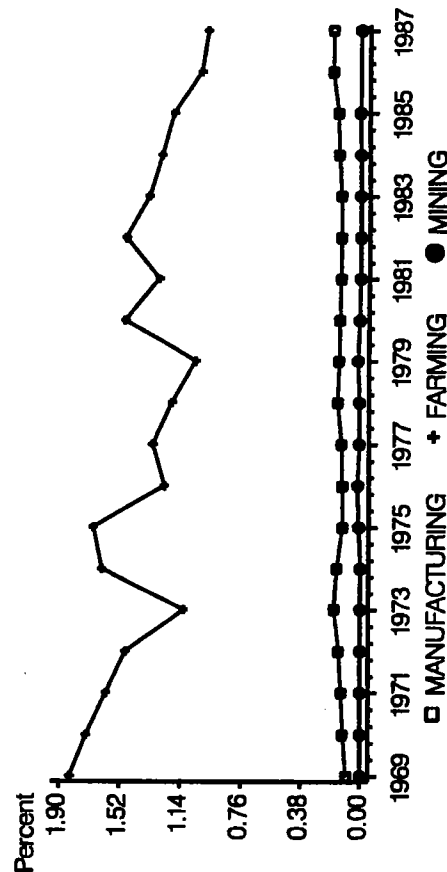


CHART 3D
HENRY COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

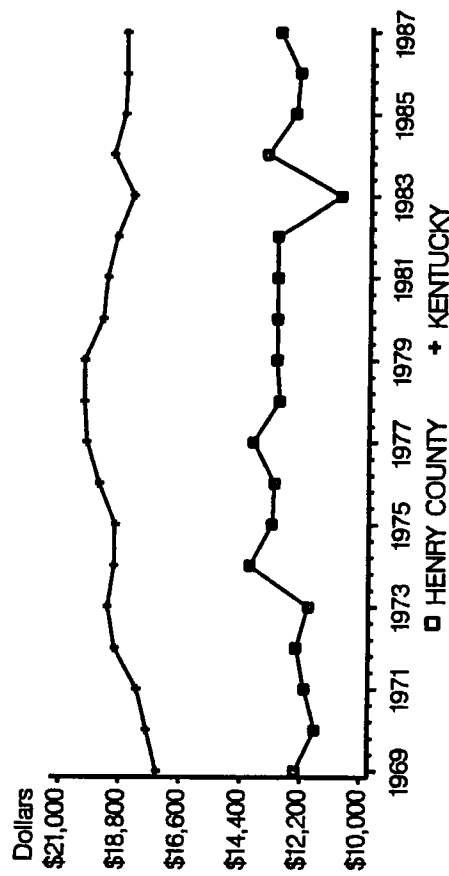


CHART 4A
HENRY COUNTY
TOTAL EMPLOYMENT
Thousands of People

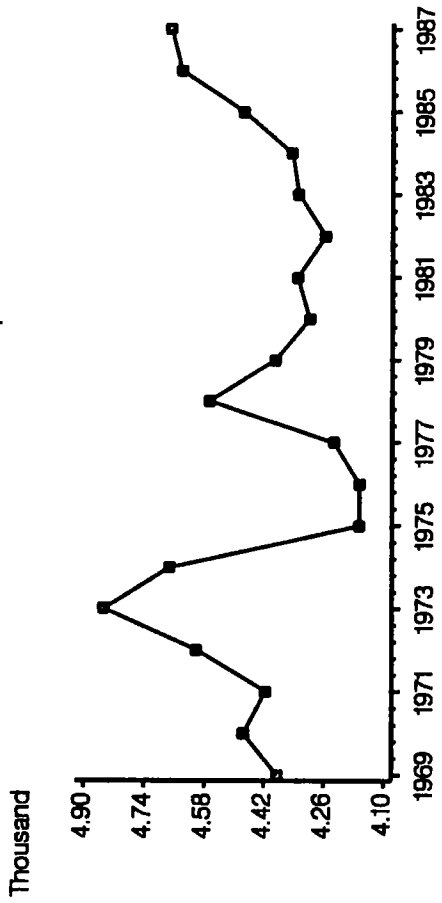


CHART 4B
HENRY COUNTY
ANNUAL UNEMPLOYMENT RATE

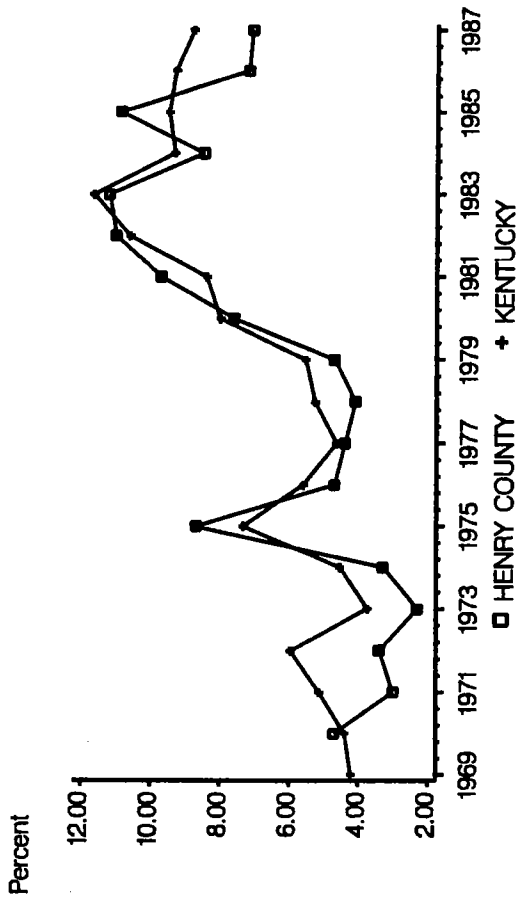


CHART 4C
HENRY COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

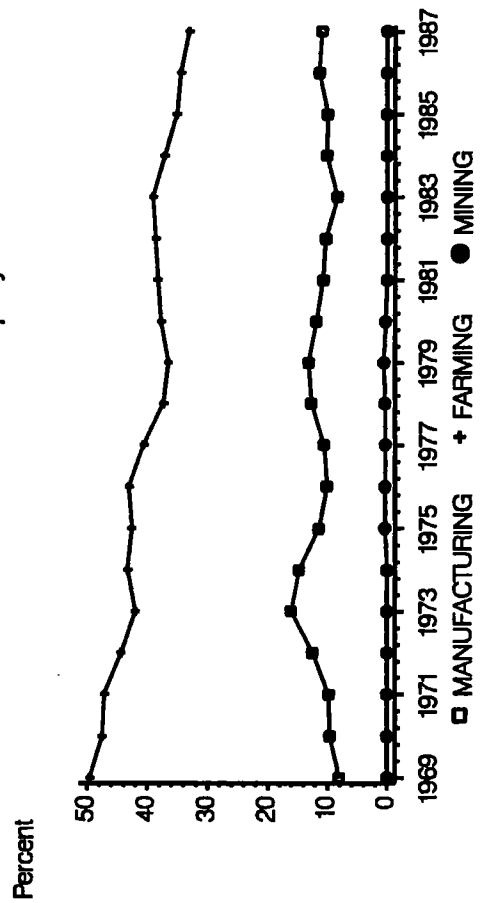


CHART 4D
HENRY COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

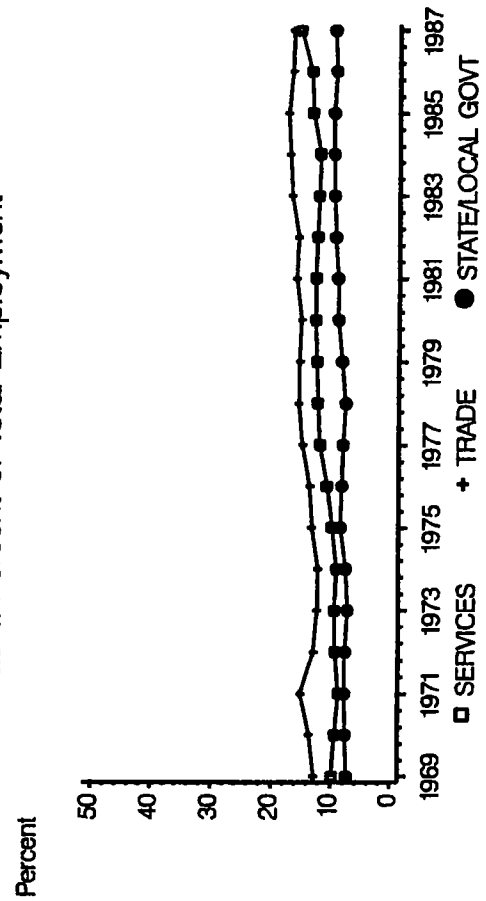


CHART 5A
HENRY COUNTY
POPULATION
Thousands of People

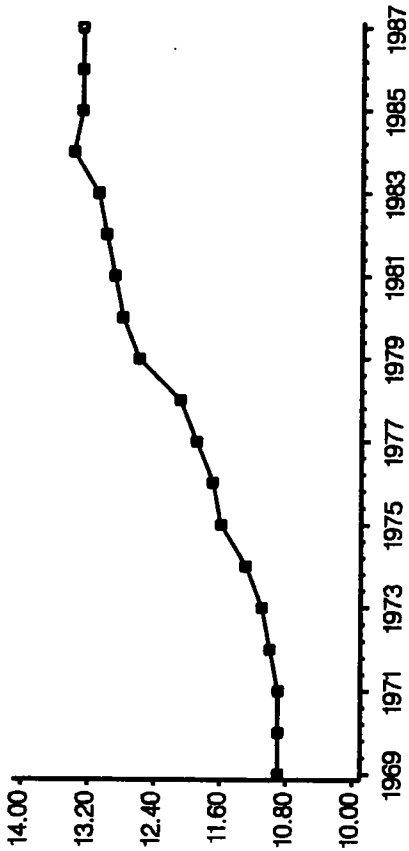


CHART 5B
HENRY COUNTY
POPULATION
as a Percent of Kentucky Population

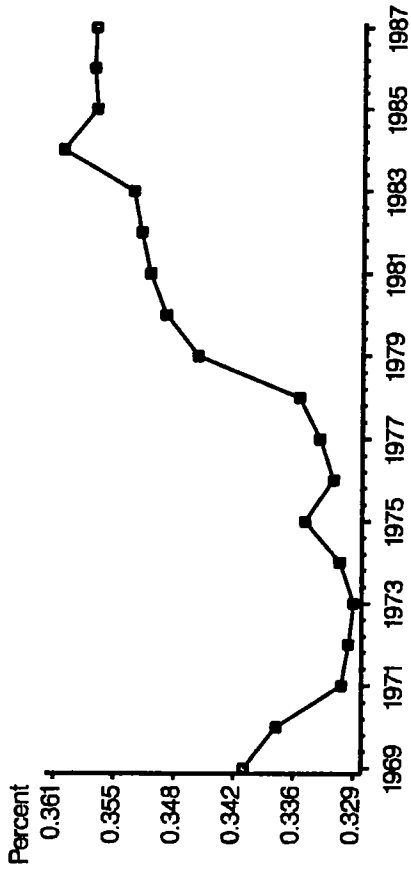


CHART 5C
HENRY COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

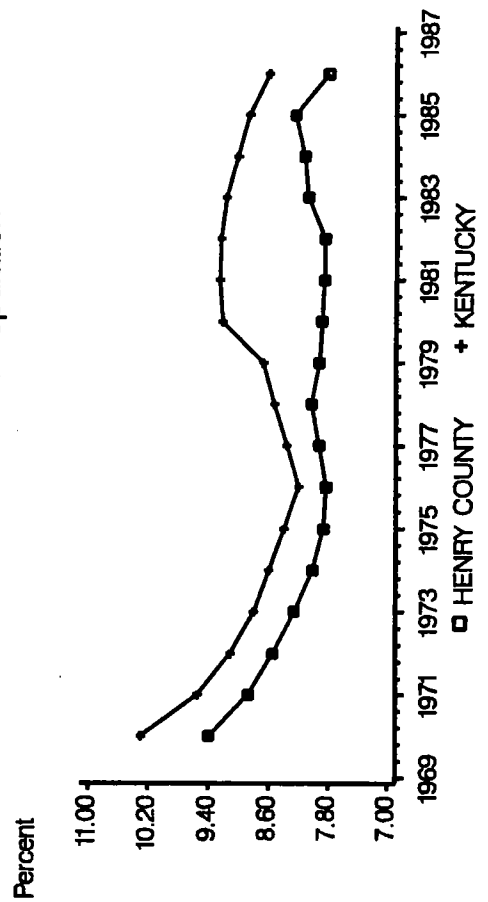
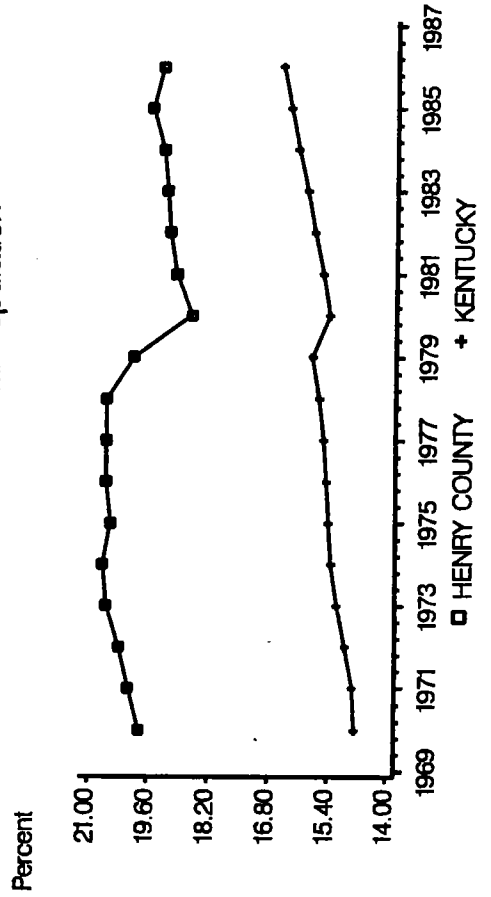


CHART 5D
HENRY COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



HENRY COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	105	0.37	9,623	108.3
1970	105	0.36	9,591	105.2
1971	107	0.35	9,796	105.8
1972	114	0.35	10,387	106.6
1973	117	0.34	10,598	103.2
1974	127	0.36	11,221	108.3
1975	120	0.34	10,393	101.3
1976	123	0.32	10,557	98.3
1977	132	0.33	11,086	99.2
1978	137	0.33	11,322	97.9
1979	139	0.33	11,086	94.3
1980	142	0.34	11,109	96.3
1981	144	0.33	11,164	95.3
1982	144	0.34	11,103	96.1
1983	135	0.32	10,304	90.5
1984	148	0.33	11,038	92.1
1985	140	0.31	10,508	87.6
1986	142	0.31	10,633	86.9
1987	145	0.31	10,899	87.2

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	87	82.5	79.2	11	10.2	10.9	8	7.3	9.9
1970	84	80.0	77.9	12	11.3	11.9	9	8.7	10.2
1971	84	78.8	77.0	13	11.7	12.9	10	9.4	10.1
1972	90	78.7	77.3	13	11.6	12.9	11	9.7	9.7
1973	91	77.7	76.6	15	12.4	13.6	12	9.9	9.7
1974	99	77.6	75.5	16	12.8	14.4	12	9.6	10.1
1975	88	72.8	73.3	20	16.6	16.5	13	10.6	10.1
1976	90	72.8	73.9	20	16.2	16.1	13	11.0	10.0
1977	97	73.7	74.6	20	15.2	15.3	15	11.1	10.1
1978	100	73.0	75.0	20	14.9	14.6	16	12.1	10.4
1979	100	72.0	74.1	22	15.7	15.1	17	12.3	10.8
1980	99	69.7	71.1	24	16.8	16.7	19	13.5	12.2
1981	97	67.4	69.3	26	17.8	16.8	21	14.8	13.8
1982	94	65.1	67.5	27	18.8	17.6	23	16.2	14.9
1983	83	61.3	66.6	28	20.7	18.4	24	18.0	15.1
1984	96	64.9	67.8	27	18.4	17.3	25	16.7	14.9
1985	91	64.7	67.2	29	20.6	17.6	21	14.6	15.3
1986	92	65.0	67.1	29	20.7	17.6	20	14.3	15.3
1987	95	65.7	67.5	29	20.1	17.2	21	14.2	15.3

HENRY 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	9.4	0.09	47.1	1.83	0.0	0.00
1970	12.6	0.11	41.4	1.73	0.0	0.00
1971	13.5	0.12	37.6	1.61	0.0	0.00
1972	16.0	0.14	38.2	1.48	0.0	0.00
1973	21.0	0.17	31.4	1.12	0.0	0.00
1974	16.6	0.15	41.6	1.63	0.0	0.00
1975	13.6	0.12	35.1	1.69	0.4	0.01
1976	15.5	0.12	28.7	1.24	0.7	0.02
1977	16.0	0.12	32.8	1.32	0.4	0.01
1978	20.3	0.15	26.9	1.19	0.4	0.01
1979	19.7	0.14	25.8	1.04	0.7	0.02
1980	18.2	0.13	30.1	1.49	0.3	0.01
1981	17.1	0.13	34.7	1.28	0.2	0.01
1982	15.7	0.13	34.2	1.48	0.2	0.00
1983	19.0	0.13	15.3	1.34	0.2	0.01
1984	18.1	0.14	29.8	1.26	0.2	0.01
1985	19.4	0.15	21.6	1.19	0.3	0.01
1986	23.5	0.18	14.6	1.01	.	.
1987	22.2	0.18	15.4	0.97	0.1	0.00

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	7.5	0.13	12.8	0.19	7.6	0.20
1970	7.2	0.12	14.5	0.20	8.4	0.19
1971	7.1	0.12	16.6	0.23	8.4	0.19
1972	6.8	0.11	14.5	0.20	8.1	0.18
1973	7.3	0.12	14.0	0.19	8.4	0.19
1974	6.1	0.11	12.7	0.19	7.3	0.19
1975	8.2	0.12	15.5	0.19	9.2	0.19
1976	8.5	0.12	16.4	0.19	9.7	0.19
1977	7.7	0.11	14.8	0.18	9.5	0.19
1978	8.1	0.11	15.1	0.17	10.0	0.19
1979	8.2	0.11	16.6	0.18	10.8	0.19
1980	8.5	0.11	14.8	0.17	11.1	0.20
1981	8.4	0.10	13.8	0.17	11.0	0.20
1982	8.7	0.10	13.7	0.17	11.8	0.21
1983	11.2	0.11	18.1	0.18	16.4	0.24
1984	9.6	0.11	14.3	0.17	12.7	0.23
1985	12.1	0.12	15.8	0.18	13.3	0.22
1986	13.5	0.13	15.8	0.18	13.5	0.22
1987	15.9	0.15	14.9	0.18	13.2	0.22

HENRY COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	355	8.1	2,171	49.5	0	0.0
1970	430	9.6	2,126	47.5	0	0.0
1971	433	9.8	2,081	47.1	0	0.0
1972	573	12.5	2,044	44.4	0	0.0
1973	779	16.1	2,037	42.0	0	0.0
1974	688	14.7	2,024	43.3	0	0.0
1975	476	11.4	1,776	42.6	15	0.4
1976	419	10.1	1,795	43.1	14	0.3
1977	448	10.6	1,720	40.6	11	0.3
1978	579	12.7	1,705	37.3	16	0.4
1979	576	13.1	1,606	36.6	22	0.5
1980	509	11.8	1,622	37.7	11	0.3
1981	466	10.8	1,659	38.3	0	0.0
1982	441	10.4	1,646	38.7	0	0.0
1983	365	8.4	1,693	39.1	0	0.0
1984	440	10.1	1,616	37.2	0	0.0
1985	447	10.0	1,575	35.2	0	0.0
1986	528	11.4	1,604	34.5	0	0.0
1987	512	11.0	1,550	33.2	0	0.0

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	431	9.8	560	12.8	325	7.4
1970	417	9.3	602	13.5	339	7.6
1971	384	8.7	661	15.0	342	7.7
1972	428	9.3	590	12.8	352	7.7
1973	455	9.4	593	12.2	352	7.3
1974	425	9.1	568	12.2	353	7.6
1975	412	9.9	549	13.2	354	8.5
1976	446	10.7	564	13.5	344	8.3
1977	503	11.9	625	14.8	342	8.1
1978	560	12.3	707	15.5	349	7.6
1979	545	12.4	672	15.3	363	8.3
1980	542	12.6	644	15.0	384	8.9
1981	546	12.6	687	15.9	392	9.0
1982	529	12.4	662	15.6	400	9.4
1983	527	12.2	720	16.6	418	9.7
1984	520	12.0	740	17.0	423	9.7
1985	591	13.2	776	17.3	435	9.7
1986	619	13.3	769	16.6	434	9.3
1987	710	15.2	763	16.3	444	9.5

HENRY COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	4,385	\$12,383	\$17,440	.	4.2
1970	4,475	\$11,666	\$17,811	4.7	4.4
1971	4,416	\$12,053	\$18,166	3.0	5.1
1972	4,601	\$12,362	\$18,970	3.4	6.0
1973	4,848	\$11,918	\$19,232	2.3	3.7
1974	4,673	\$14,056	\$19,008	3.3	4.5
1975	4,166	\$13,239	\$18,976	8.7	7.3
1976	4,165	\$13,160	\$19,563	4.7	5.6
1977	4,235	\$13,949	\$20,031	4.4	4.7
1978	4,567	\$12,991	\$20,121	4.1	5.3
1979	4,392	\$13,103	\$20,110	4.7	5.5
1980	4,299	\$13,081	\$19,439	7.6	8.0
1981	4,332	\$13,094	\$19,286	9.7	8.4
1982	4,257	\$13,095	\$18,931	11.0	10.6
1983	4,330	\$10,784	\$18,358	11.2	11.6
1984	4,348	\$13,472	\$19,080	8.5	9.3
1985	4,477	\$12,478	\$18,676	10.9	9.5
1986	4,643	\$12,331	\$18,627	7.2	9.3
1987	4,672	\$13,026	\$18,636	7.1	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	10,900	0.34	.	.	.	.
1970	10,900	0.34	9.4	10.3	19.8	14.8
1971	10,900	0.33	8.9	9.6	20.1	14.8
1972	11,000	0.33	8.5	9.1	20.3	15.0
1973	11,100	0.33	8.3	8.8	20.6	15.2
1974	11,300	0.33	8.0	8.6	20.7	15.3
1975	11,600	0.33	7.9	8.4	20.5	15.4
1976	11,700	0.33	7.8	8.2	20.6	15.5
1977	11,900	0.33	7.9	8.4	20.6	15.5
1978	12,100	0.34	8.0	8.5	20.6	15.6
1979	12,600	0.35	7.9	8.7	19.9	15.8
1980	12,800	0.35	7.9	9.2	18.6	15.4
1981	12,900	0.35	7.9	9.3	19.0	15.5
1982	13,000	0.35	7.9	9.2	19.1	15.7
1983	13,100	0.35	8.1	9.2	19.2	15.9
1984	13,400	0.36	8.1	9.0	19.3	16.1
1985	13,300	0.36	8.2	8.9	19.5	16.3
1986	13,300	0.36	7.8	8.6	19.3	16.5
1987	13,300	0.36

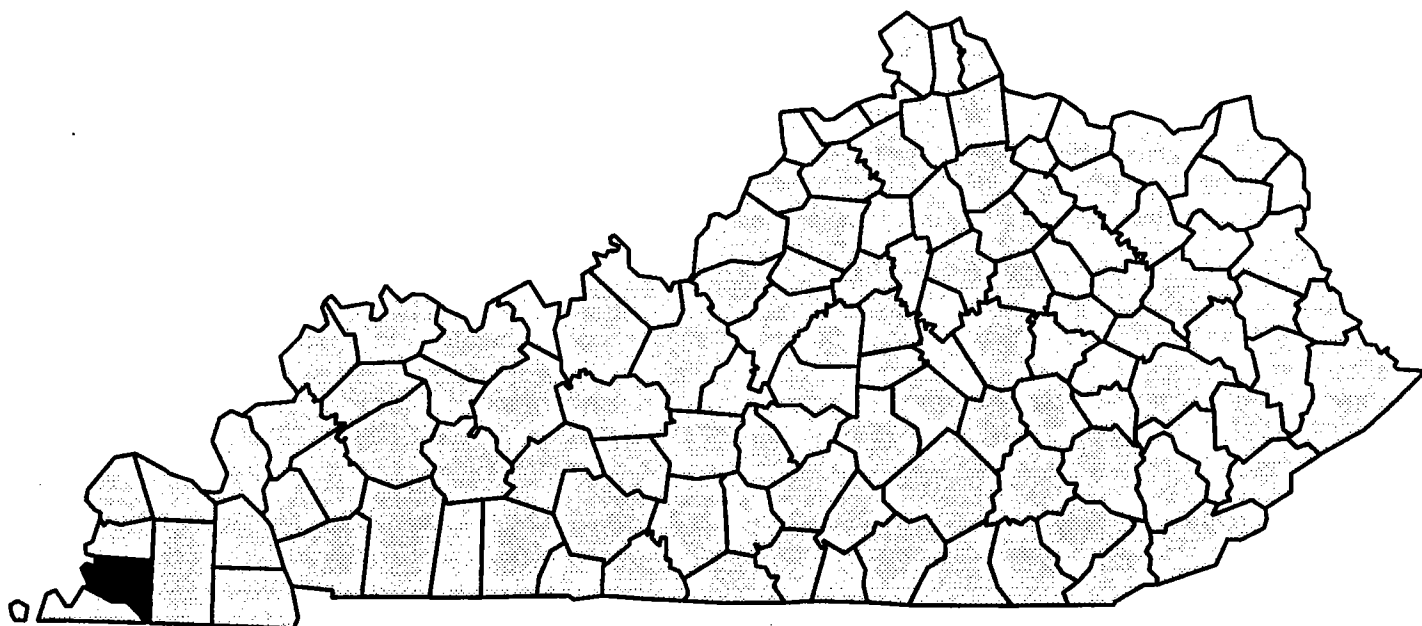
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HICKMAN 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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HICKMAN 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 Hickman County economy, as measured by personal income, grew rapidly from 1969 to 1979. However, the county economy declined in the early 1980's and has since been fairly constant. Hickman County also experienced a decline in total employment until 1985 and a decline in population over most of the period.

The most prominent economic trend in Hickman County was the volatility in earnings. This, in large part, resulted from the volatility of a declining farm sector. Farm employment also declined, but to a much lesser degree. While manufacturing's share of earnings has declined, employment's share has increased.

Non-goods-producing industries were a growing segment of the county economy. The service and state and local government sectors increased their shares of both county earnings and employment. The trade sector maintained a constant share of the county economy. The growth sectors at the state level have been the service and trade sectors.

There is a national and state trend toward declining farm employment. Therefore, the outlook for this sector in Hickman County is for continued decline. There was an increase in manufacturing employment in 1986. This may result in increases in the sectors which supply goods and services to the individuals employed. Future economic growth in Hickman County will most likely be dependent upon further expansion of such service and trade firms.

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 HICKMAN 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 Hickman 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 Hickman County economy, as measured by personal income, increased from \$39 million in 1969 to \$73 million in 1979, after adjusting for inflation. After a decline, personal income was relatively constant and stood at \$64 million in 1987. Chart 1B shows Hickman County total personal income as a percent of Kentucky total personal income. Since 1974, Hickman County saw a small 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 Hickman County per capita income increased in the 1970's, then declined in the early 1980's. By 1987, per capita income increased to \$11,689, which was 93.6 percent of Kentucky per capita personal income in the same year.

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. Similar to personal income trends, total

earnings increased from \$29 million in 1969 to \$54 million in 1979 (in constant 1988 dollars). However, earnings have since declined to \$38 million. Earnings as a percent of personal income have also decreased over time. This trend is occurring at the state level as well. In 1987, earnings accounted for 59.2 percent of Hickman County's total personal income, which was less than Kentucky's 67.5 percent share.

Transfer payments contributed \$6 million to total personal income in 1969 and \$13 million in 1987. During most of the period, transfer payments contributed a higher percentage of personal income in Hickman County than in Kentucky.

Income from property in Hickman County grew steadily through the time period. 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. In 1969, Hickman County received 25.7 percent of total earnings from manufacturing. This percentage decreased to 19.3 percent in 1987 (Chart 3A). At the state level, manufacturing's share of total earnings also declined.

The farm sector's share of earnings was very volatile. The percent of earnings from the farm sector increased through the 1970's, but declined substantially in the 1980's. In 1987, 6.8 percent of earnings were generated in 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 services sector increased from 14.7 percent in 1969 to 18.5 percent in 1987. The percent of earnings from the state and local government sector increased from 9.1 percent in 1969 to 13.2 percent in 1987. The trade sector's share of earnings generally declined and were 16.8 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 Hickman 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 Hickman County, average earnings increased through the 1970's and have since declined to \$10,248 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. In 1969, total employment stood

at 2,719 people. Total employment in Hickman County decreased through the period to a low of 2,123 in 1985. By 1987, that figure had increased sharply to 2,465.

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 Hickman County are presented in Chart 4B. Unemployment rates in Hickman County generally exceeded those of the state. However in 1987, the county unemployment rate was 8.0 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. In 1969, 23.9 percent of employment was in the manufacturing sector. The percent of total employment in manufacturing declined through most of the period. However, manufacturing employment increased sharply in 1986 and accounted for 33.7 percent by 1987. At the state level, manufacturing's share of employment declined.

The farm sector was the primary source of county employment through the 1970's. However, employment in this sector declined steadily from 37.0 percent of total employment in 1969 to 21.0 percent in 1987. This decline is consistent with state and national trends.

Employment in the non-goods-producing industries is presented in Chart 4D. Employment in the trade sector remained stable and accounted for 10.1 percent of employment in 1987. The percent of employment in the service sector increased slightly and accounted for 11.9 percent in 1987. The employment share in state and local government increased from 6.4 percent in 1969 to 8.1 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 Hickman County.

The Hickman County population declined from 6,300 in 1969 to 5,500 in 1987 (Chart 5A). Hickman County has a lower proportion of younger residents and a much higher proportion of older residents than the state. It was estimated that in 1986, 6.7 percent of Hickman County's population was under six years of age, compared to 8.6 percent for the state. Conversely, for the same year 24.6 percent of the Hickman County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

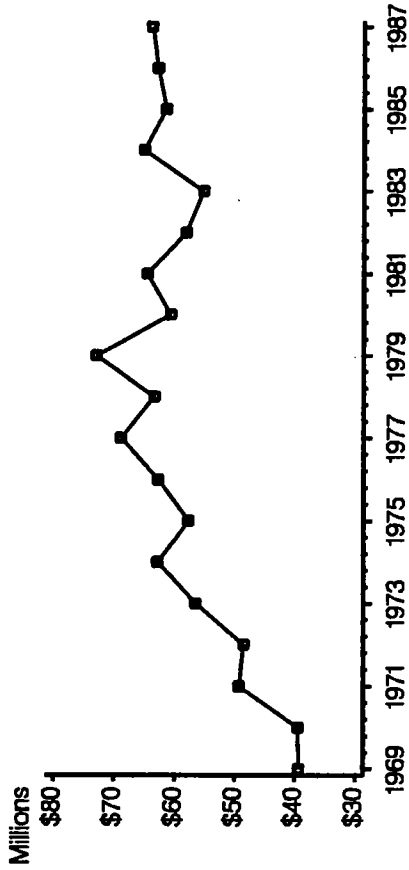


CHART 1B
 HICKMAN COUNTY
 PERSONAL INCOME
 as a Percent of Kentucky Personal Income

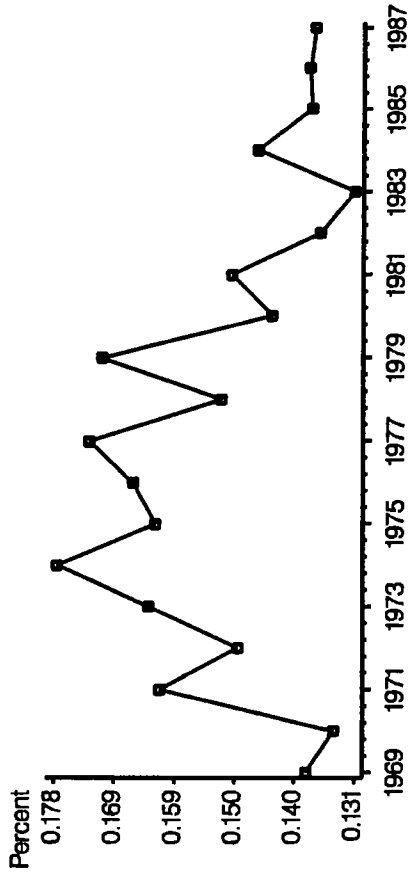


CHART 1C
 HICKMAN COUNTY
 PER CAPITA PERSONAL INCOME
 in Constant 1988 Dollars

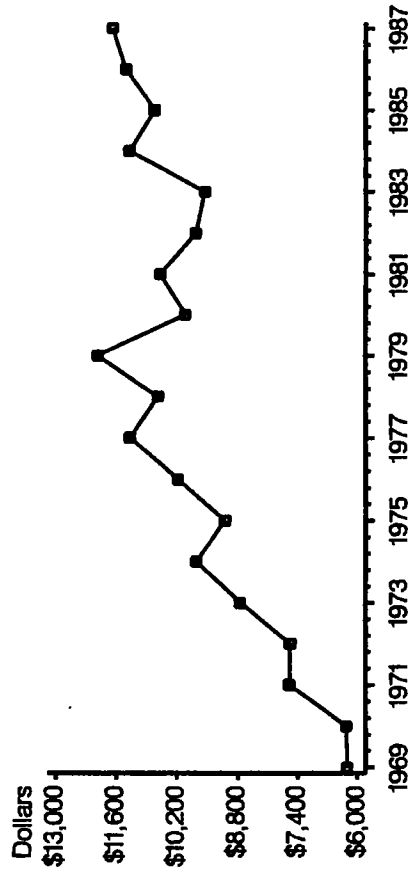


CHART 1D
 HICKMAN COUNTY
 PER CAPITA PERSONAL INCOME
 as a Percent of Kentucky Per Capita Personal Income

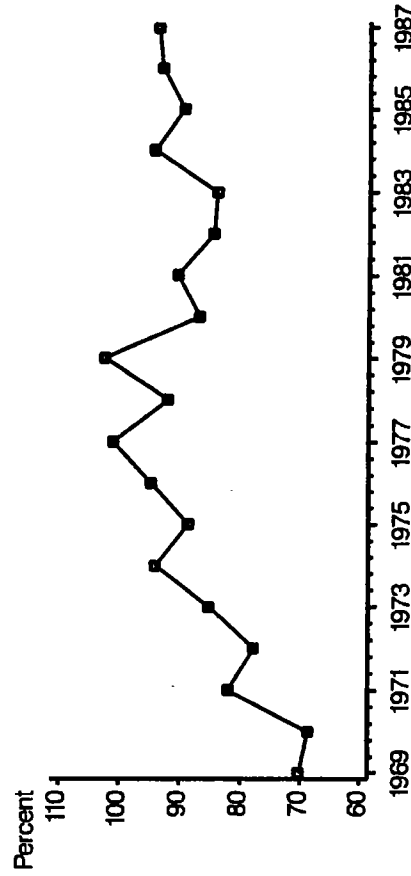


CHART 2A
 HICKMAN COUNTY
 REAL TOTAL EARNINGS
 Millions of 1988 dollars

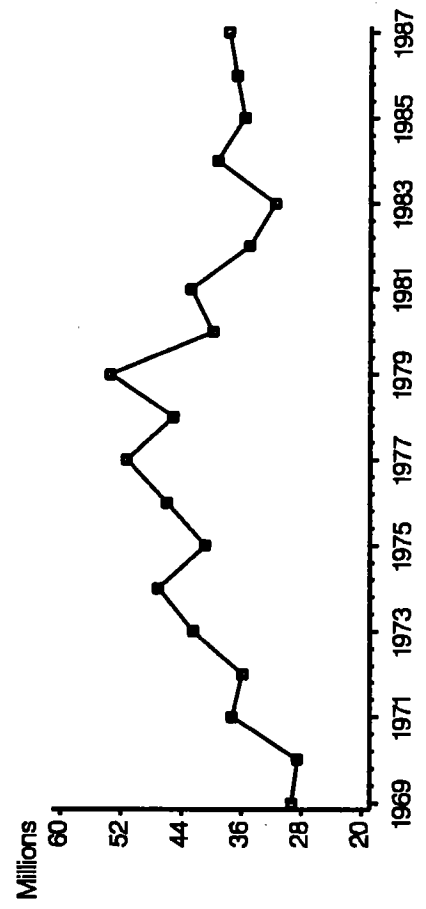


CHART 2B
 HICKMAN COUNTY
 TRANSFER PAYMENTS and INCOME FROM PROPERTY
 Millions of 1988 Dollars

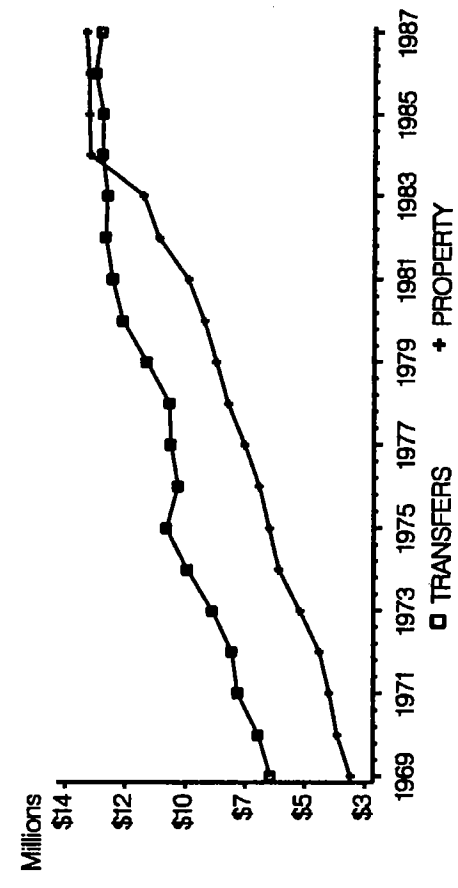


CHART 2C
 HICKMAN COUNTY
 TOTAL EARNINGS
 as a Percent of Personal Income

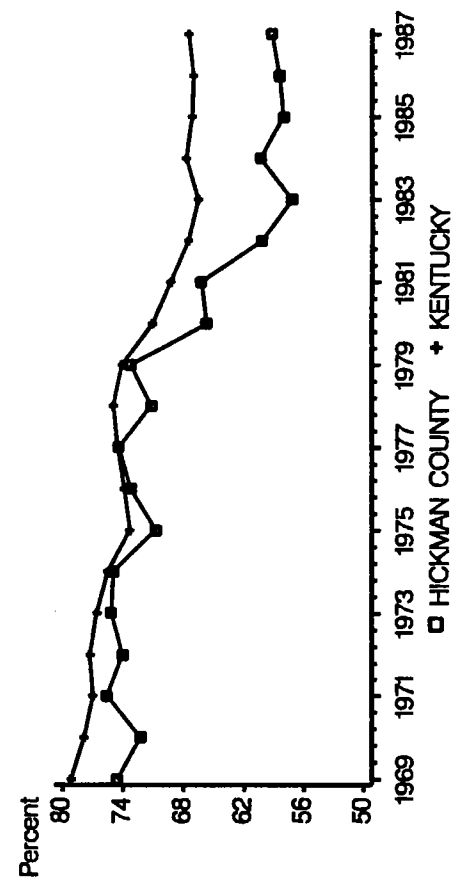


CHART 2D
 HICKMAN COUNTY
 TRANSFER PAYMENTS
 as a Percent of Personal Income

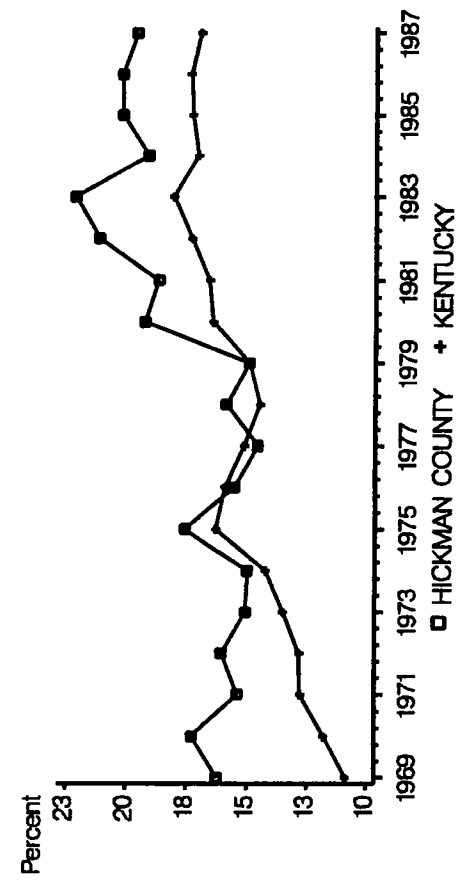


CHART 3A
 HICKMAN COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

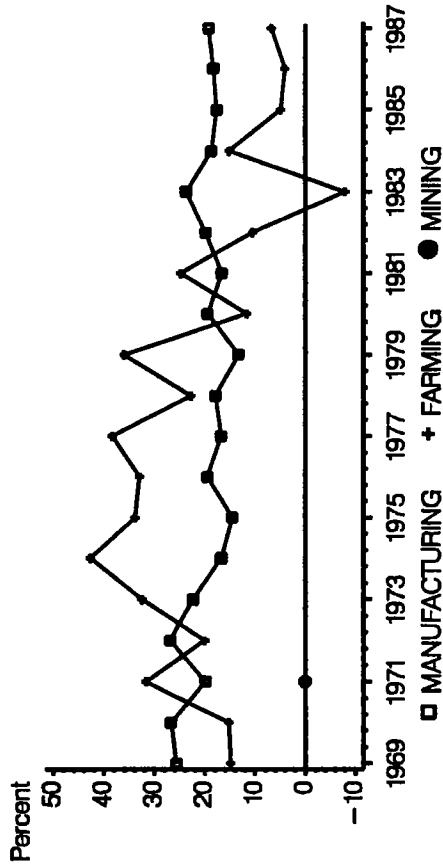


CHART 3B
 HICKMAN COUNTY
 EARNINGS in NON - GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

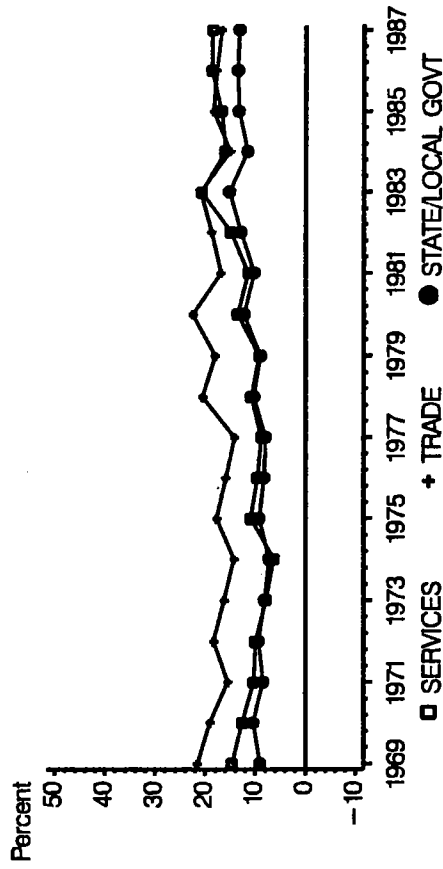


CHART 3C
 HICKMAN COUNTY
 EARNINGS in GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

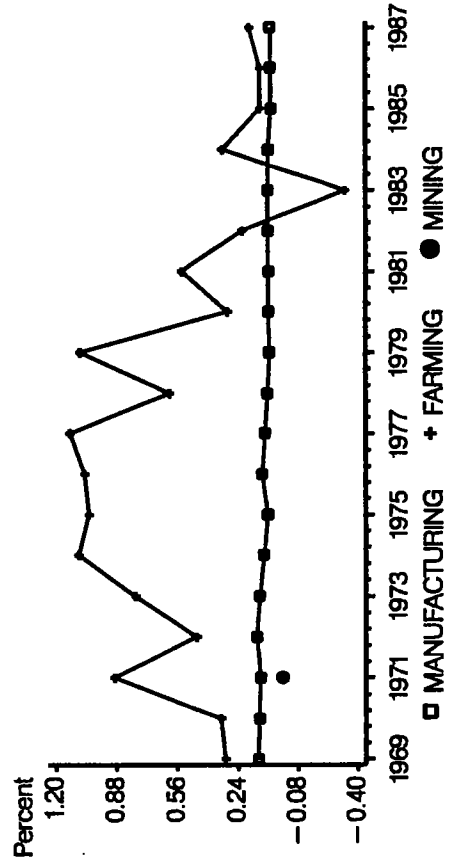


CHART 3D
 HICKMAN COUNTY
 AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

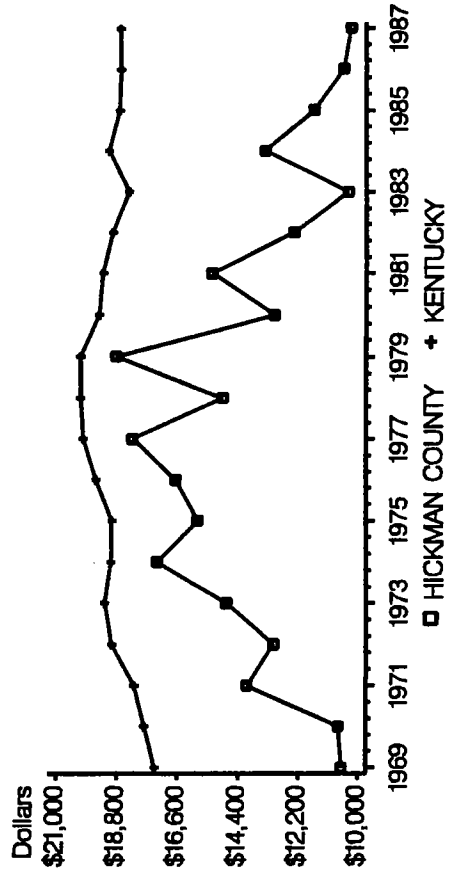


CHART 4A

HICKMAN COUNTY
TOTAL EMPLOYMENT
Thousands of People

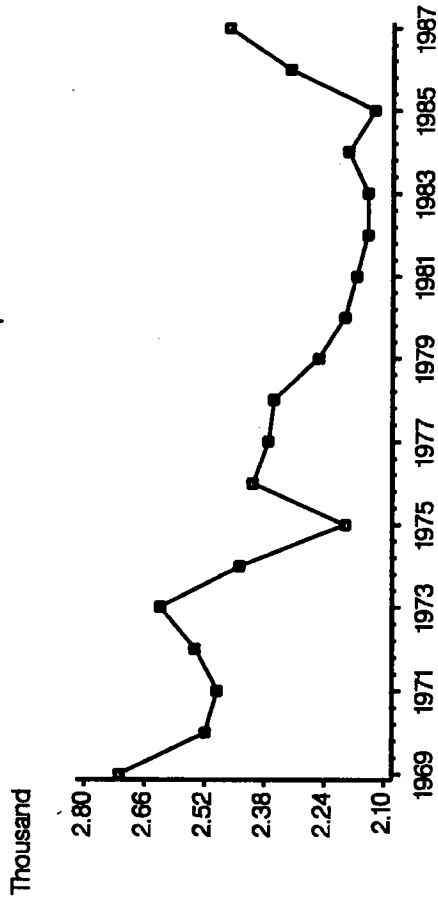


CHART 4B
HICKMAN COUNTY
ANNUAL UNEMPLOYMENT RATE

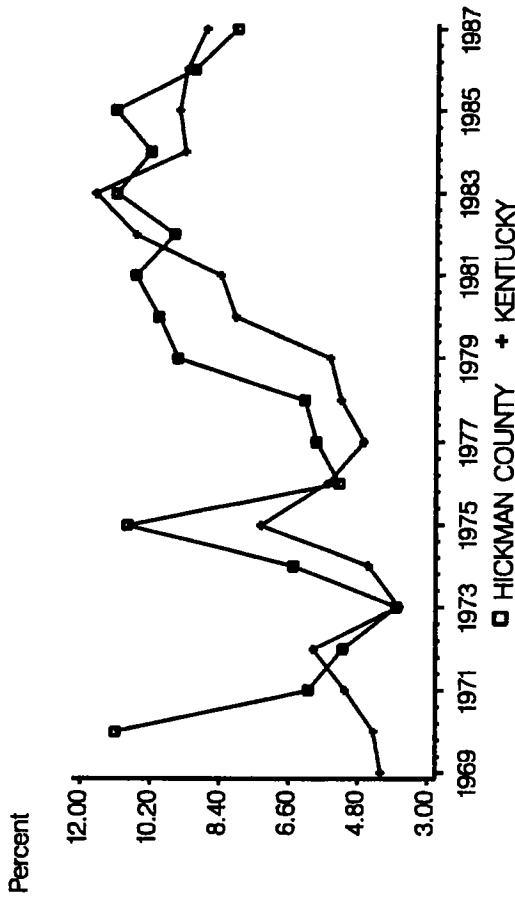


CHART 4C

HICKMAN COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

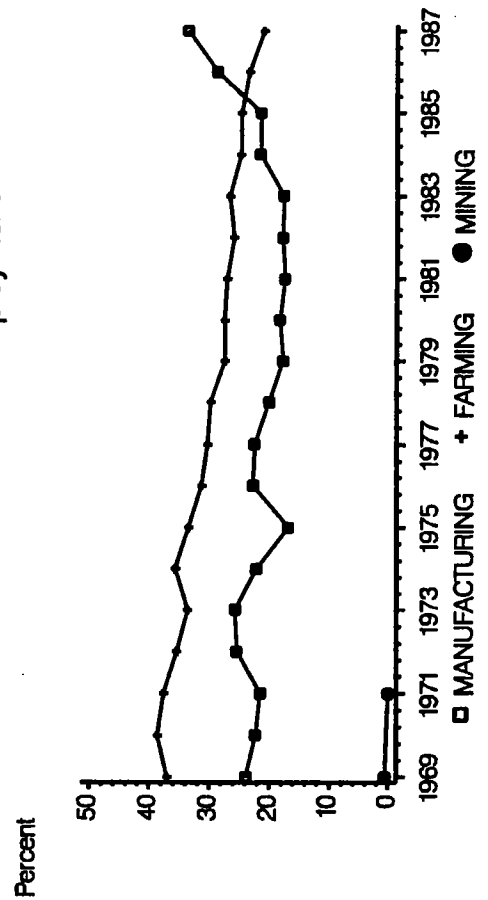


CHART 4D

HICKMAN COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

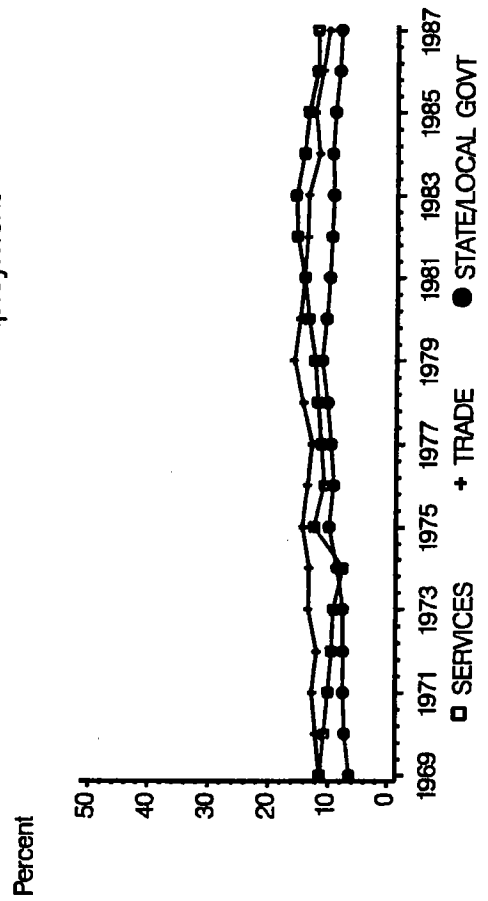


CHART 5A
HICKMAN COUNTY
POPULATION
Thousands of People

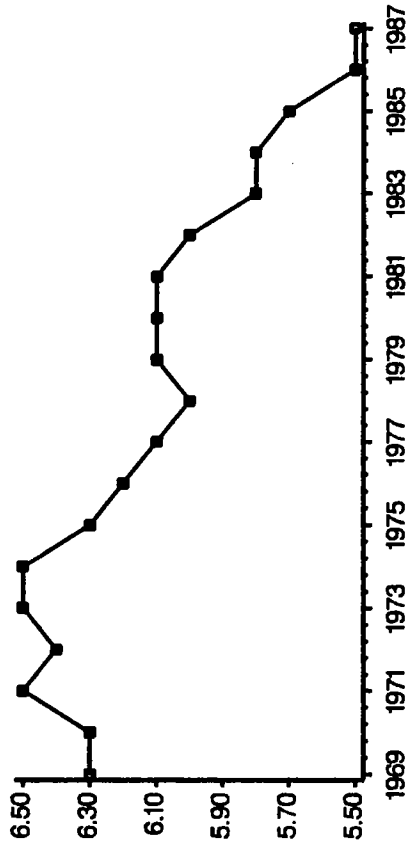


CHART 5B
HICKMAN COUNTY
POPULATION
as a Percent of Kentucky Population

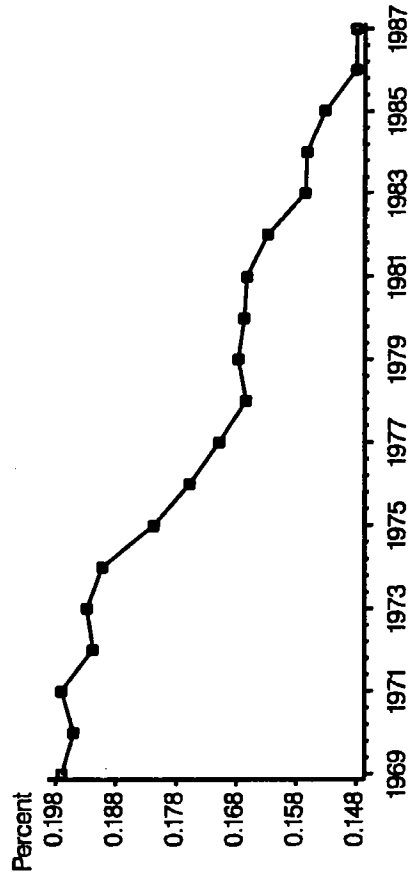


CHART 5C
HICKMAN COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

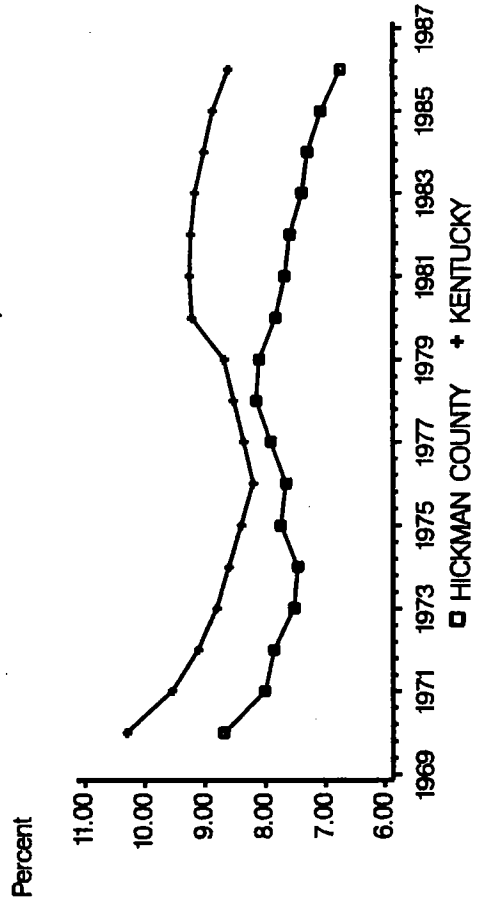
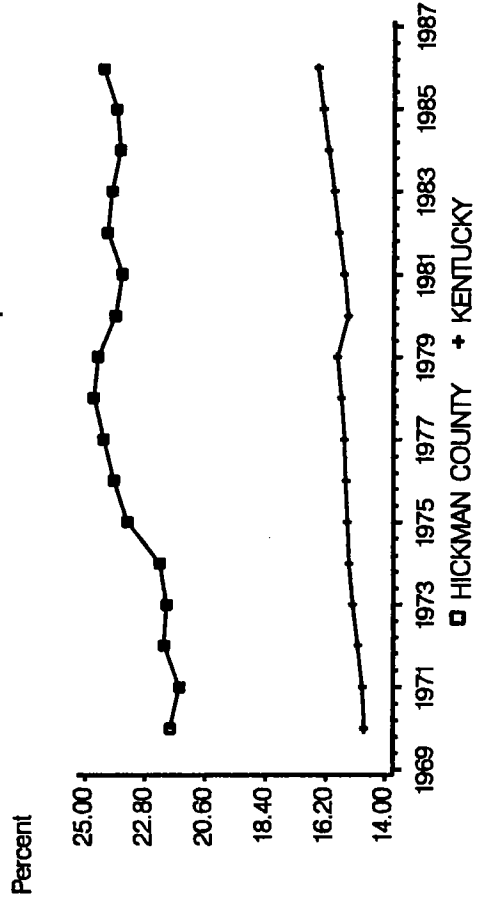


CHART 5D
HICKMAN COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



HICKMAN COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	39	0.14	6,240	70.2
1970	39	0.13	6,260	68.7
1971	49	0.16	7,589	82.0
1972	49	0.15	7,571	77.7
1973	57	0.16	8,743	85.1
1974	63	0.18	9,746	94.1
1975	58	0.16	9,091	88.6
1976	63	0.17	10,179	94.8
1977	69	0.17	11,287	101.0
1978	63	0.15	10,643	92.0
1979	73	0.17	12,041	102.4
1980	61	0.14	10,006	86.8
1981	65	0.15	10,600	90.4
1982	58	0.14	9,763	84.5
1983	55	0.13	9,556	84.0
1984	65	0.15	11,302	94.3
1985	62	0.14	10,724	89.4
1986	63	0.14	11,380	93.0
1987	64	0.14	11,698	93.6

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	29	74.6	79.2	6	16.5	10.9	4	9.0	9.9
1970	29	72.3	77.9	7	17.6	11.9	4	10.2	10.2
1971	37	75.6	77.0	8	15.6	12.9	4	8.8	10.1
1972	36	74.0	77.3	8	16.3	12.9	5	9.7	9.7
1973	42	75.2	76.6	9	15.3	13.6	5	9.6	9.7
1974	47	75.0	75.5	10	15.2	14.4	6	9.8	10.1
1975	41	70.8	73.3	10	17.9	16.5	7	11.3	10.1
1976	46	73.2	73.9	10	15.8	16.1	7	11.0	10.0
1977	51	74.5	74.6	10	14.7	15.3	7	10.8	10.1
1978	45	71.2	75.0	10	16.1	14.6	8	12.7	10.4
1979	54	73.3	74.1	11	15.1	15.1	8	11.6	10.8
1980	40	65.7	71.1	12	19.6	16.7	9	14.7	12.2
1981	43	66.3	69.3	12	19.0	16.8	10	14.7	13.8
1982	35	60.2	67.5	13	21.6	17.6	11	18.2	14.9
1983	32	57.2	66.6	13	22.6	18.4	11	20.2	15.1
1984	39	60.3	67.8	13	19.5	17.3	13	20.2	14.9
1985	36	58.0	67.2	13	20.6	17.6	13	21.4	15.3
1986	37	58.4	67.1	13	20.6	17.6	13	21.0	15.3
1987	38	59.2	67.5	13	20.0	17.2	13	20.8	15.3

HICKMAN 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	25.7	0.13	14.9	0.31	.	.
1970	26.7	0.12	15.2	0.33	.	.
1971	19.9	0.12	31.7	0.89	0.0	0.00
1972	26.9	0.14	20.0	0.45	.	.
1973	22.3	0.12	32.5	0.78	.	.
1974	16.7	0.10	42.8	1.08	.	.
1975	14.6	0.08	33.9	1.03	.	.
1976	19.5	0.11	33.0	1.05	.	.
1977	16.8	0.09	38.5	1.13	.	.
1978	17.9	0.08	22.8	0.60	.	.
1979	13.3	0.07	36.1	1.07	.	.
1980	19.5	0.07	11.7	0.29	.	.
1981	16.6	0.07	24.9	0.54	.	.
1982	19.9	0.08	10.5	0.22	.	.
1983	23.7	0.08	-8.0	-0.33	.	.
1984	18.7	0.07	15.2	0.32	.	.
1985	17.7	0.06	4.9	0.12	.	.
1986	18.3	0.06	4.0	0.12	.	.
1987	19.3	0.07	6.8	0.18	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	14.7	0.14	21.6	0.17	9.1	0.12
1970	12.6	0.11	19.0	0.14	10.5	0.12
1971	10.3	0.11	15.5	0.14	8.4	0.12
1972	9.9	0.10	18.3	0.15	9.3	0.12
1973	7.9	0.09	16.2	0.15	8.1	0.12
1974	6.3	0.08	14.2	0.14	7.2	0.12
1975	10.9	0.10	17.6	0.14	9.2	0.12
1976	9.6	0.10	15.9	0.13	8.3	0.12
1977	8.8	0.09	14.1	0.13	8.0	0.12
1978	10.9	0.09	20.5	0.14	10.3	0.12
1979	9.2	0.09	18.0	0.15	8.9	0.12
1980	13.5	0.09	22.5	0.13	12.2	0.11
1981	11.4	0.08	16.9	0.12	10.2	0.11
1982	14.9	0.08	18.7	0.11	12.9	0.11
1983	20.7	0.09	20.9	0.10	15.1	0.10
1984	16.0	0.09	15.0	0.09	11.6	0.10
1985	16.8	0.08	18.3	0.09	13.3	0.10
1986	18.7	0.08	17.7	0.09	13.5	0.09
1987	18.5	0.07	16.8	0.08	13.2	0.09

HICKMAN COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	649	23.9	1,007	37.0	16	0.6
1970	561	22.3	971	38.5	.	.
1971	536	21.5	935	37.5	0	0.0
1972	645	25.4	901	35.4	.	.
1973	673	25.6	884	33.7	.	.
1974	541	22.2	870	35.7	.	.
1975	368	16.8	734	33.5	.	.
1976	548	22.8	754	31.3	.	.
1977	533	22.5	718	30.3	.	.
1978	473	20.1	702	29.8	.	.
1979	399	17.7	616	27.3	.	.
1980	400	18.2	601	27.4	.	.
1981	377	17.4	585	27.0	.	.
1982	380	17.8	554	25.9	.	.
1983	377	17.6	568	26.6	.	.
1984	471	21.6	541	24.8	.	.
1985	456	21.5	524	24.7	.	.
1986	666	28.7	542	23.3	.	.
1987	830	33.7	517	21.0	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	308	11.3	310	11.4	175	6.4
1970	268	10.6	303	12.0	183	7.3
1971	250	10.0	314	12.6	187	7.5
1972	240	9.4	303	11.9	192	7.6
1973	242	9.2	349	13.3	200	7.6
1974	185	7.6	321	13.2	209	8.6
1975	272	12.4	313	14.3	219	10.0
1976	259	10.8	323	13.4	222	9.2
1977	267	11.3	303	12.8	229	9.7
1978	279	11.8	337	14.3	241	10.2
1979	279	12.4	355	15.7	252	11.2
1980	294	13.4	325	14.8	230	10.5
1981	304	14.0	306	14.1	216	10.0
1982	329	15.4	292	13.6	206	9.6
1983	333	15.6	287	13.4	200	9.4
1984	309	14.1	256	11.7	208	9.5
1985	286	13.5	265	12.5	194	9.1
1986	279	12.0	260	11.2	194	8.4
1987	294	11.9	250	10.1	200	8.1

HICKMAN COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	2,719	\$10,595	\$17,440	.	4.2
1970	2,519	\$10,717	\$17,811	11.1	4.4
1971	2,491	\$14,061	\$18,166	6.1	5.1
1972	2,543	\$13,069	\$18,970	5.2	6.0
1973	2,625	\$14,820	\$19,232	3.8	3.7
1974	2,439	\$17,339	\$19,008	6.5	4.5
1975	2,192	\$15,844	\$18,976	10.8	7.3
1976	2,408	\$16,666	\$19,563	5.3	5.6
1977	2,372	\$18,214	\$20,031	5.9	4.7
1978	2,359	\$14,945	\$20,121	6.2	5.3
1979	2,254	\$18,807	\$20,110	9.5	5.5
1980	2,193	\$13,039	\$19,439	10.0	8.0
1981	2,166	\$15,323	\$19,286	10.6	8.4
1982	2,140	\$12,352	\$18,931	9.6	10.6
1983	2,139	\$10,362	\$18,358	11.1	11.6
1984	2,185	\$13,393	\$19,080	10.2	9.3
1985	2,123	\$11,623	\$18,676	11.1	9.5
1986	2,322	\$10,522	\$18,627	9.1	9.3
1987	2,465	\$10,248	\$18,636	8.0	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	6,300	0.20	.	.	.	.
1970	6,300	0.20	8.7	10.3	21.9	14.8
1971	6,500	0.20	8.0	9.6	21.6	14.8
1972	6,400	0.19	7.8	9.1	22.1	15.0
1973	6,500	0.19	7.5	8.8	22.0	15.2
1974	6,500	0.19	7.4	8.6	22.3	15.3
1975	6,300	0.18	7.7	8.4	23.5	15.4
1976	6,200	0.18	7.6	8.2	24.0	15.5
1977	6,100	0.17	7.9	8.4	24.3	15.5
1978	6,000	0.17	8.1	8.5	24.7	15.6
1979	6,100	0.17	8.1	8.7	24.5	15.8
1980	6,100	0.17	7.8	9.2	23.9	15.4
1981	6,100	0.17	7.7	9.3	23.7	15.5
1982	6,000	0.16	7.6	9.2	24.2	15.7
1983	5,800	0.16	7.4	9.2	24.0	15.9
1984	5,800	0.16	7.3	9.0	23.7	16.1
1985	5,700	0.15	7.1	8.9	23.9	16.3
1986	5,500	0.15	6.7	8.6	24.3	16.5
1987	5,500	0.15



1

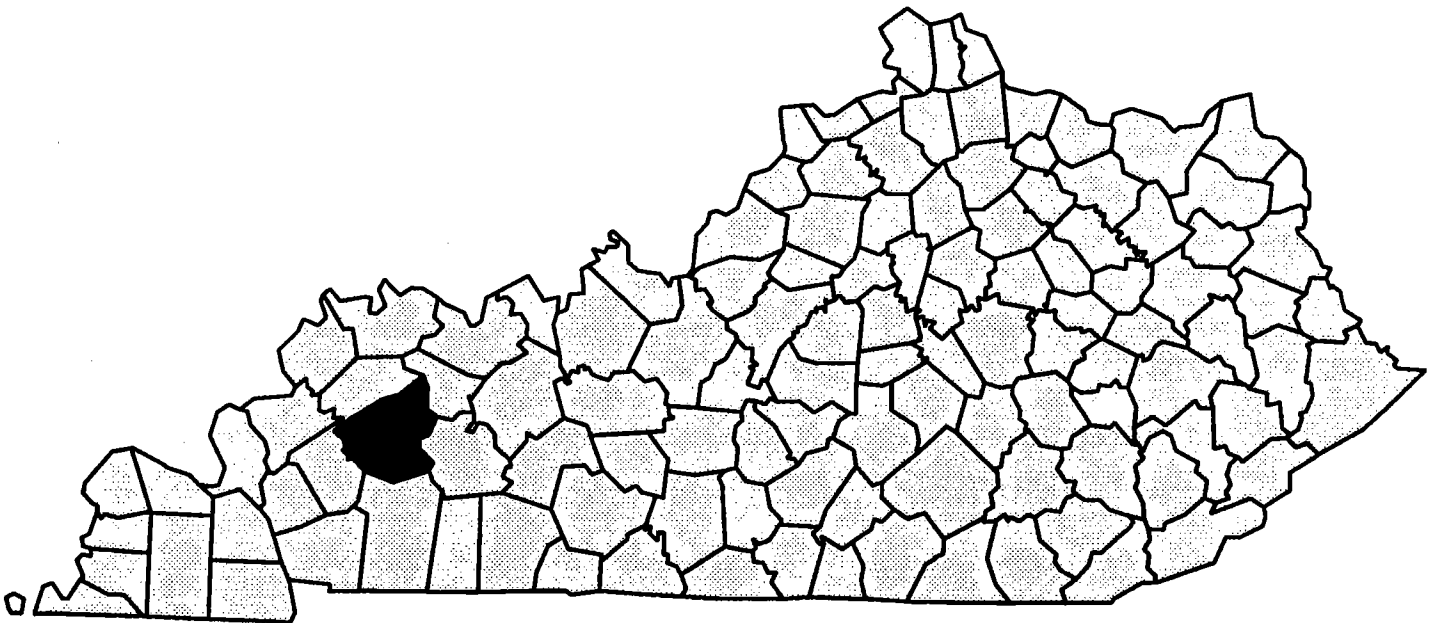
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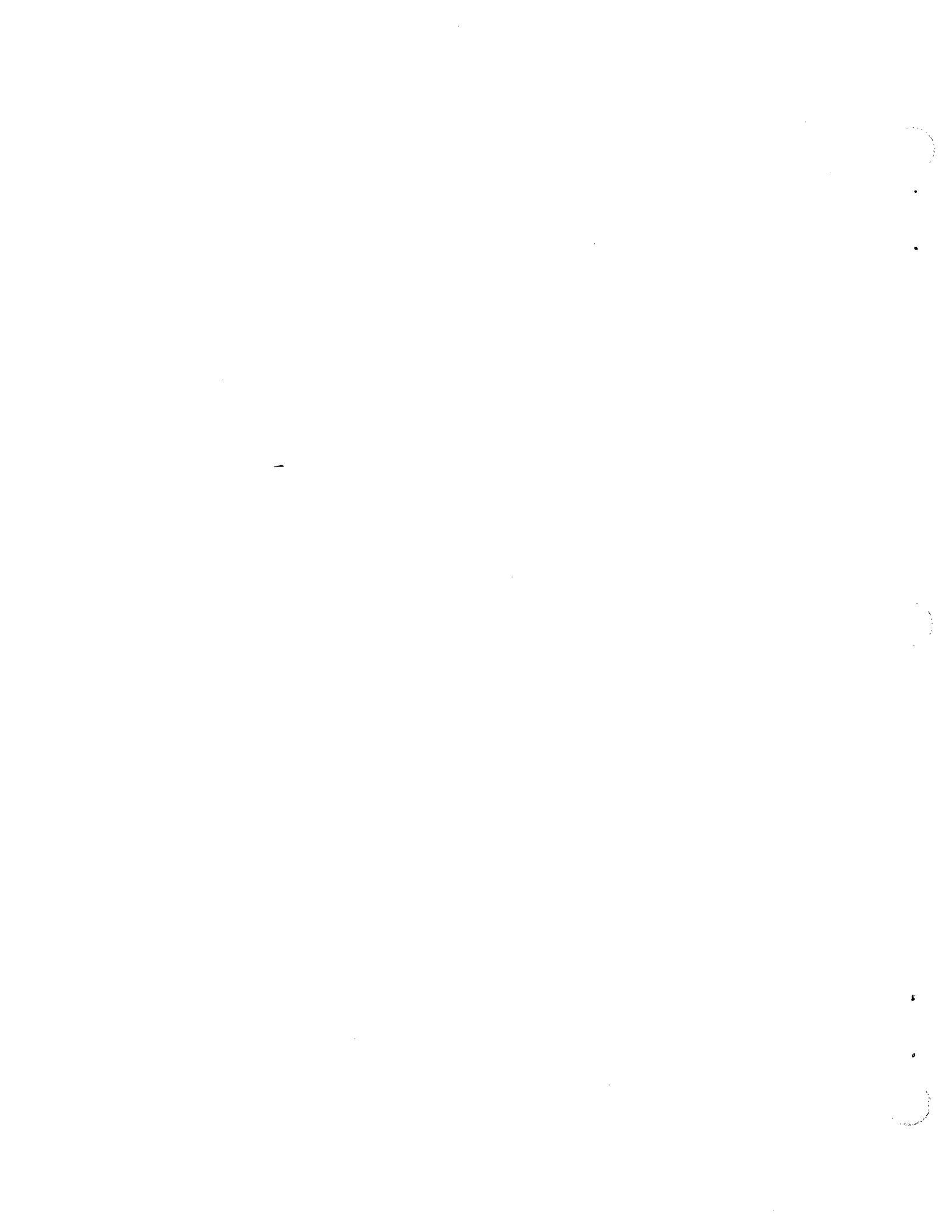
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

HOPKINS 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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HOPKINS COUNTY

Prepared by
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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 Hopkins County economy, as measured by personal income, grew moderately from 1969 to 1987. Hopkins County has increased its share of Kentucky personal income in the 1970's and decreased its share in the 1980's. However, both per capita personal income and average earnings per job were significantly above those of the state.

The county has historically been heavily dependent on the goods-producing industries of manufacturing and mining. While the state share of earnings and employment in manufacturing declined, the shares of this component of the Hopkins County economy grew in importance. The mining sector's share of both the county and state economy declined. The non-goods-producing sectors of services and trade experienced significant growth at both the county and state levels, while state and local government remained relatively constant.

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.

The coal sector is also vulnerable to events in international energy markets. Furthermore, this sector is becoming less labor intensive, which limits its potential for employment growth.

The national economic outlook is for continued expansion of the trade and service sectors. Hopkins County's strength in these sectors makes it well positioned to experience continued 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 HOPKINS 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 Hopkins 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 Hopkins County economy, as measured by personal income, increased from \$370 million in 1969 to \$660 million in 1987, after adjusting for inflation. Chart 1B shows Hopkins County total personal income as a percent of Kentucky total personal income. Hopkins County increased its share of Kentucky personal income in the early 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 Hopkins County per capita income increased over the time period to a level of \$14,327 per person in 1987, when it was 114.6 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. Earnings showed very strong growth through 1979. However, with the national recession of 1982, earnings dropped significantly. Overall, total earnings increased from \$290 million in 1969 to \$450 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 68.1 percent of Hopkins County's total personal income, which was lower than Kentucky's 67.5 percent share.

Transfer payments contributed \$46 million to total personal income in 1969 and \$116 million in 1987. In 1987, transfer payments contributed 17.6 percent of personal income in Hopkins County, compared to 17.2 percent in Kentucky.

Income from property in Hopkins County grew rapidly in the late 1970's and more steadily in the 1980's. Income from property totalled \$34 million in 1969 and increased to \$94 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, Hopkins County received 9.5 percent of total earnings from manufacturing. This percentage increased to 20.0 percent in 1987 (Chart 3A). The county trend toward an 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.

The coal sector's share of earnings declined from 28.0 percent in 1970 to 19.1 percent in 1987. Farming's contribution to total county earnings was relatively constant through most of the period and accounted for 0.8 percent in 1987. The state experienced a decline in the shares of earnings from both of these sectors.

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 19.2 percent in 1969 to 24.2 percent in 1987. The percent of earnings from the trade sector was relatively stable and accounted for 12.4 percent in 1987. The share of earnings from the state and local government sector declined slightly to 8.9 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 Hopkins 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 Hopkins County, average earnings per job were above those of the state. County average earnings reached \$21,835 in 1987.

Employment

Employment is considered any activity for which one receives financial remuneration in the form of wages or profits. Total employment in Hopkins County increased during the data period. In 1969, total employment stood at 15,027 people. By 1987, that figure had increased to 21,809.

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 Hopkins County are presented in Chart 4B. In 1987, the county unemployment rate was 8.6 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 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 10.7 percent in 1969 to 15.7 percent in 1987. Again, this trend is opposite that of the state. The mine sector's share of employment declined from 13.2 percent in 1969 to 8.7 percent in 1987. The farm sector's share of employment also declined, from 7.4 percent in 1969 to 4.0 percent in 1987. The county trends in mining and farming employment parallel state trends.

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 19.6 percent of employment. This share increased to 24.4 percent in 1987. The trade sector's share of employment increased from 17.2 percent in 1969 to 19.8 percent in 1987. The percent of employment in state and local government declined slightly and accounted for 10.2 percent in 1987. At the state level, service and trade employment shares increased significantly, 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 Hopkins County.

The Hopkins County population grew from 38,200 in 1969 to 46,100 in 1987 (Chart 5A). It was estimated that in 1986, 8.8 percent of Hopkins County's population was under six years of age, compared to 8.6 percent for the state. Hopkins County had a higher proportion of residents age sixty or over than the state. In 1986, 18.1 percent of the Hopkins 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 Hopkins County and Kentucky economies. This sector also contributes directly to the Commonwealth's General Fund revenues through severance tax collections.

Hopkins 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. County coal production decreased through the 1970's, then increased significantly in 1984. In 1986, 10,351 thousand tons of coal was mined in Hopkins County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969 there were 1,982 people employed in mining in Hopkins County. Employment increased to a high of 2,870 people in 1977, then declined to 1,888 in 1987. The 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 significantly 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 Hopkins County totalled \$12.0 million.

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

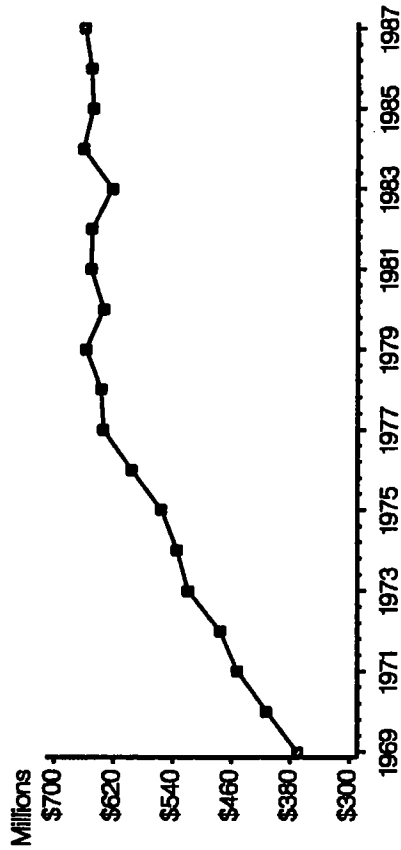


CHART 1B
HOPKINS COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

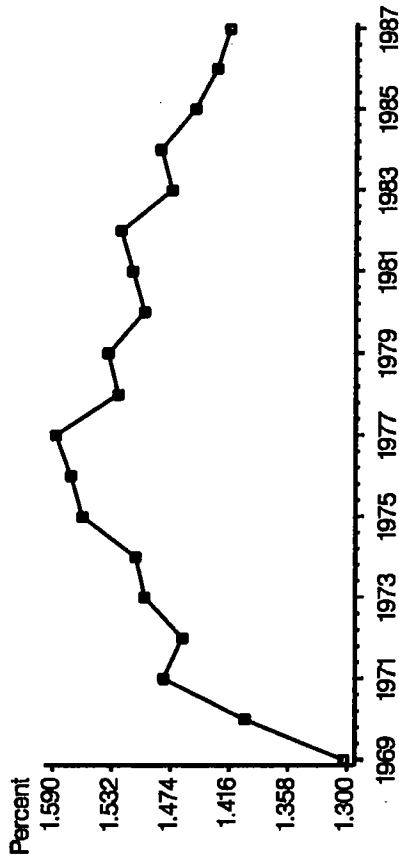


CHART 1C
HOPKINS COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

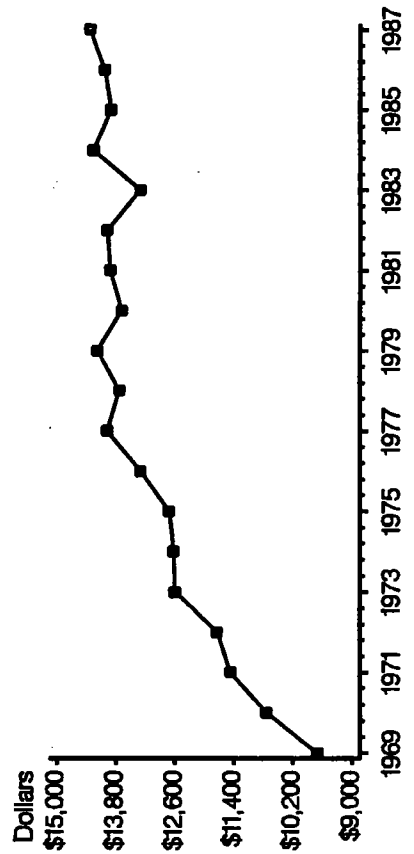


CHART 1D
HOPKINS COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

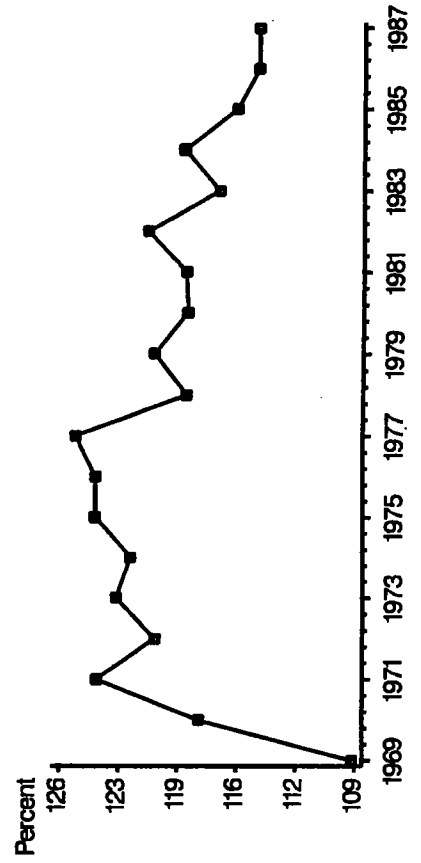


CHART 2A

HOPKINS COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

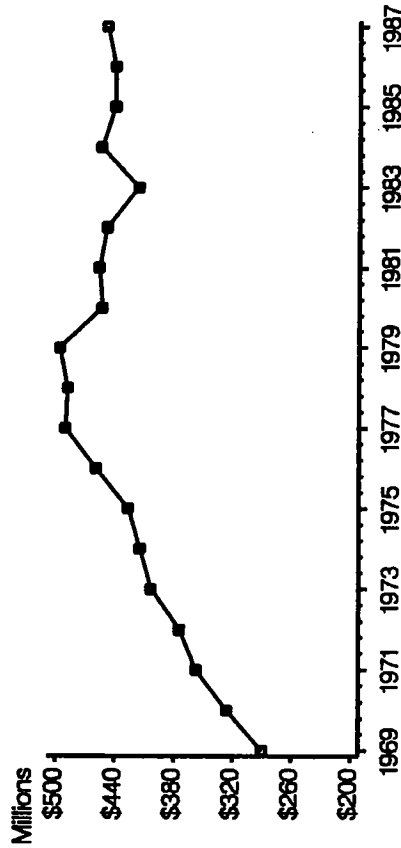


CHART 2B

HOPKINS COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

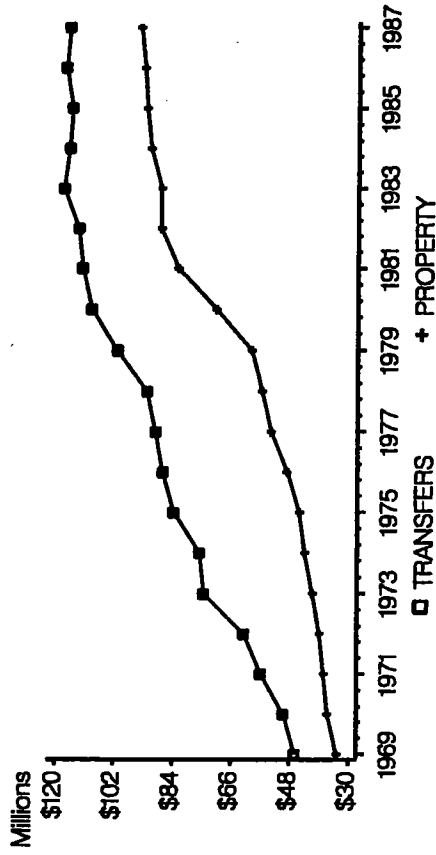


CHART 2C

HOPKINS COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

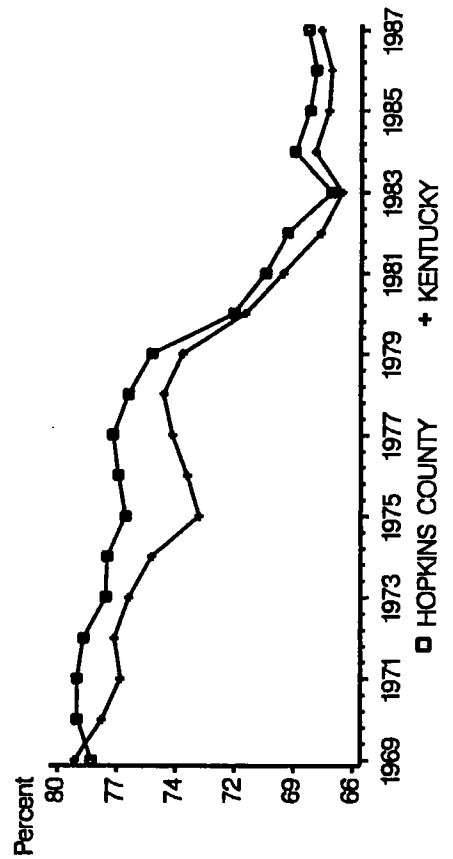


CHART 2D

HOPKINS COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

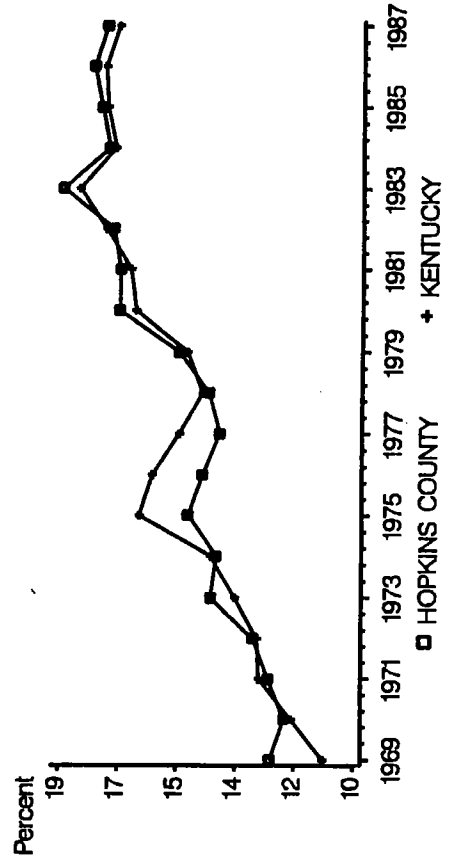


CHART 3A
 HOPKINS COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

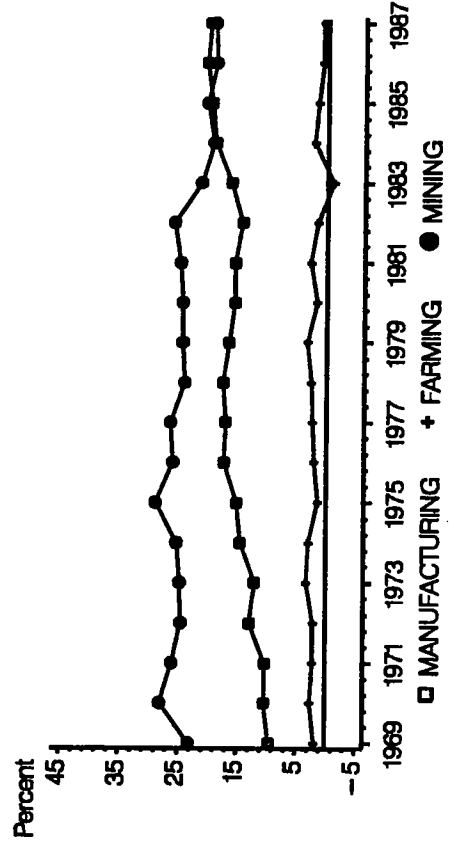


CHART 3B
 HOPKINS COUNTY
 EARNINGS IN NON-GOODS PRODUCING INDUSTRIES
 as a Percent of Total Earnings

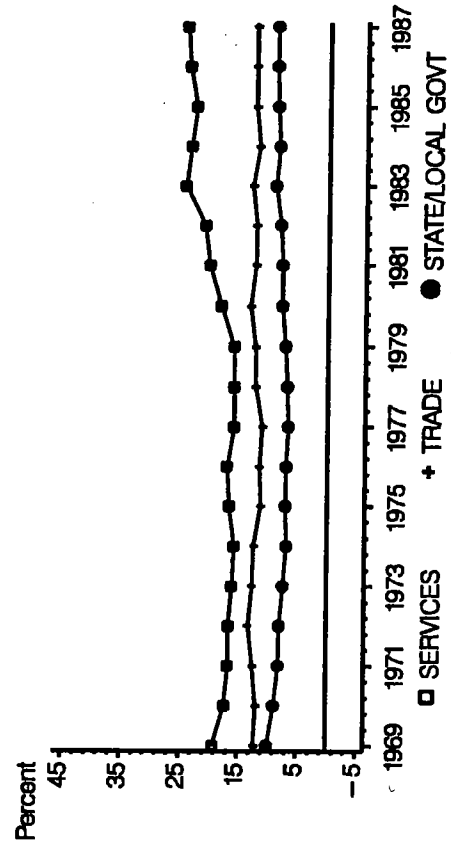


CHART 3C
 HOPKINS COUNTY
 EARNINGS IN GOODS PRODUCING INDUSTRIES
 as a Percent of Kentucky Industries

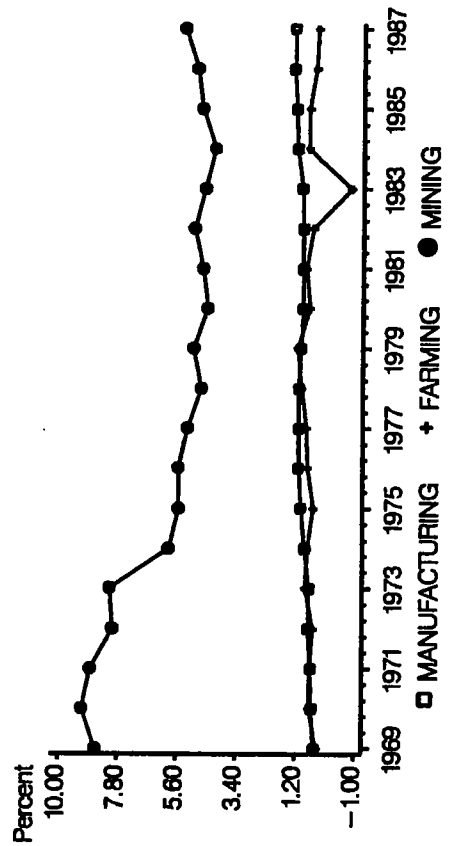


CHART 3D
 HOPKINS COUNTY
 AVERAGE EARNINGS PER JOB
 in Constant 1988 Dollars

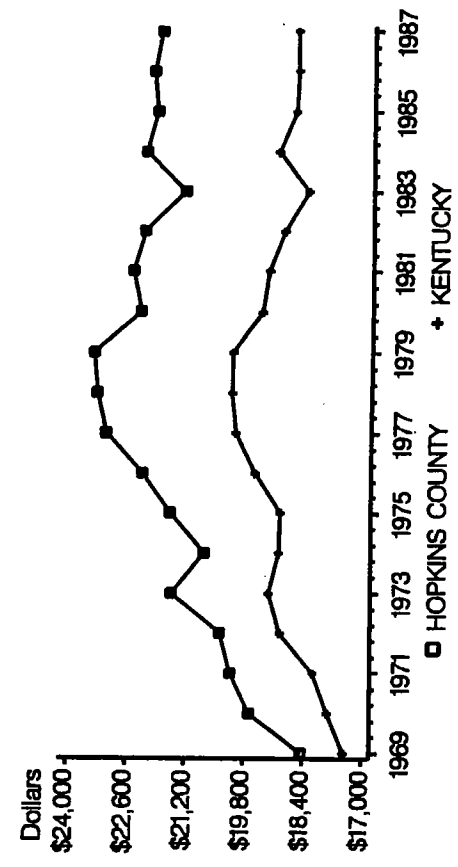


CHART 4A
HOPKINS COUNTY
TOTAL EMPLOYMENT
Thousands of People

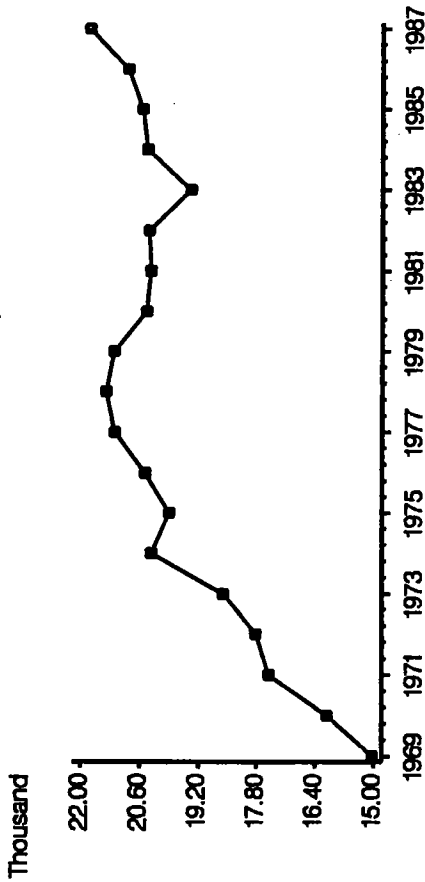


CHART 4B
HOPKINS COUNTY
ANNUAL UNEMPLOYMENT RATE

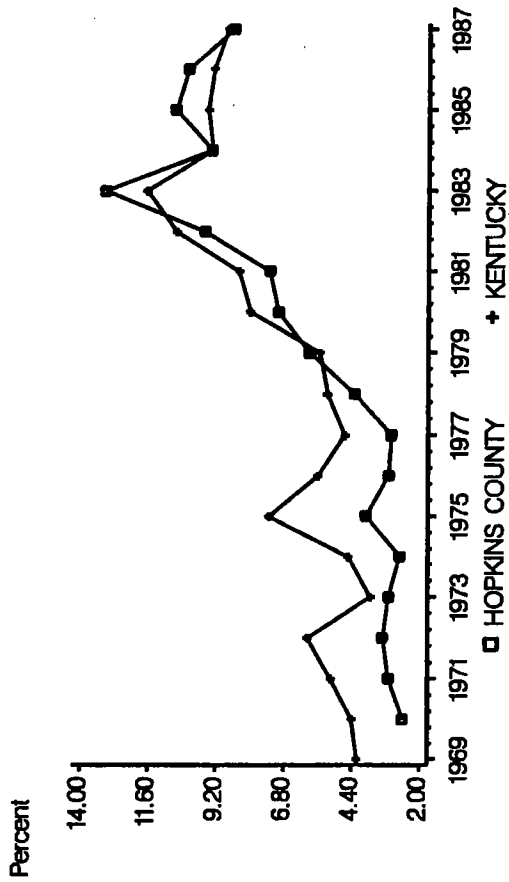


CHART 4C
HOPKINS COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

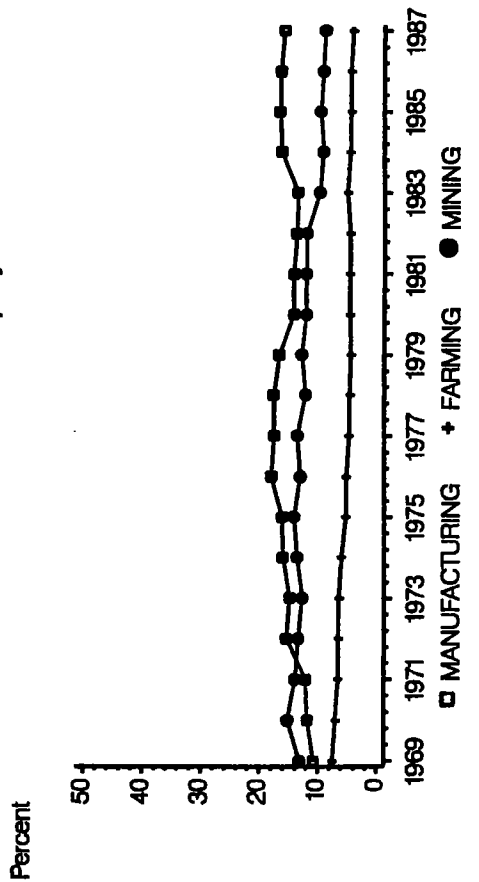


CHART 4D
HOPKINS COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

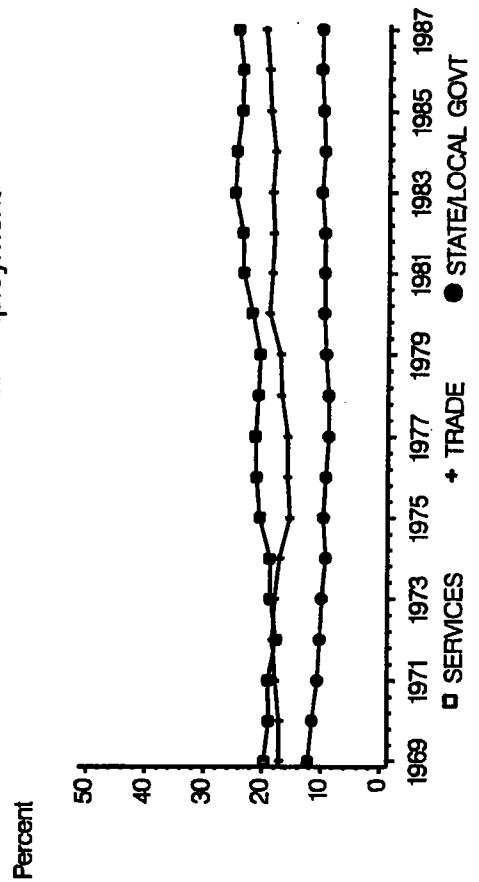


CHART 5A
HOPKINS COUNTY
POPULATION
Thousands of People

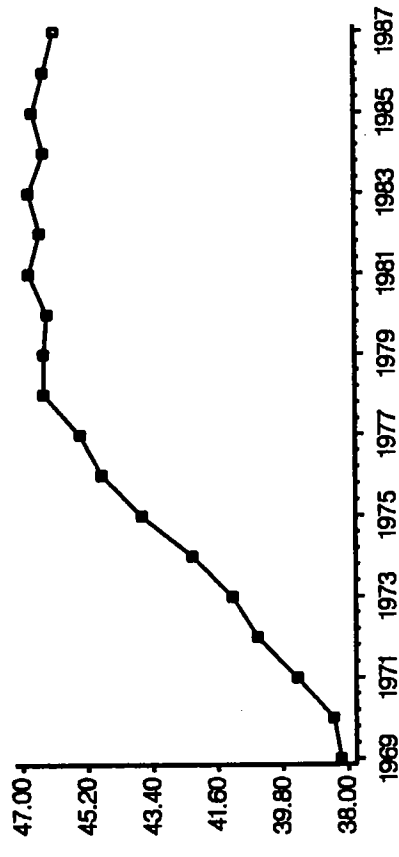


CHART 5B
HOPKINS COUNTY
POPULATION
as a Percent of Kentucky Population

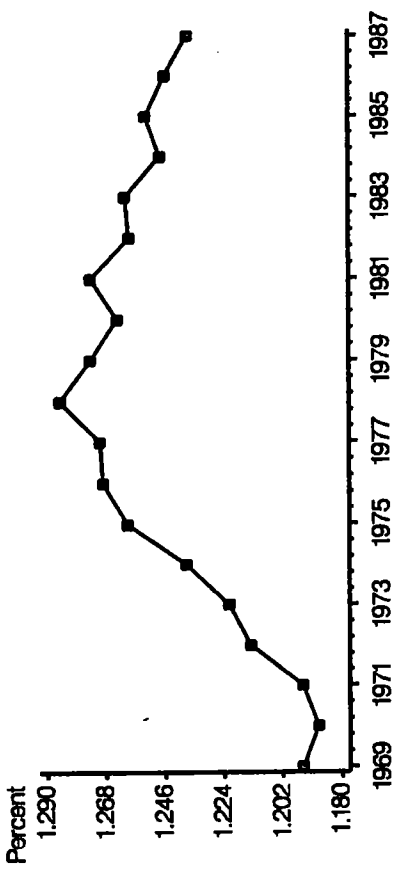


CHART 5C
HOPKINS COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

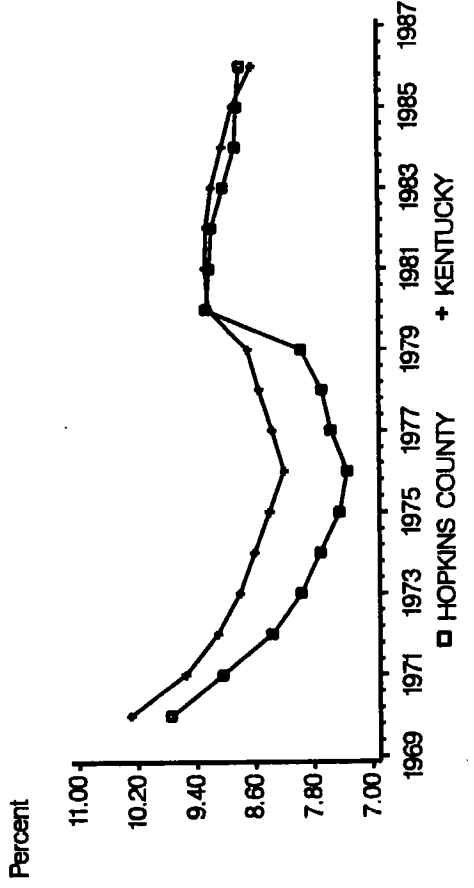


CHART 5D
HOPKINS COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

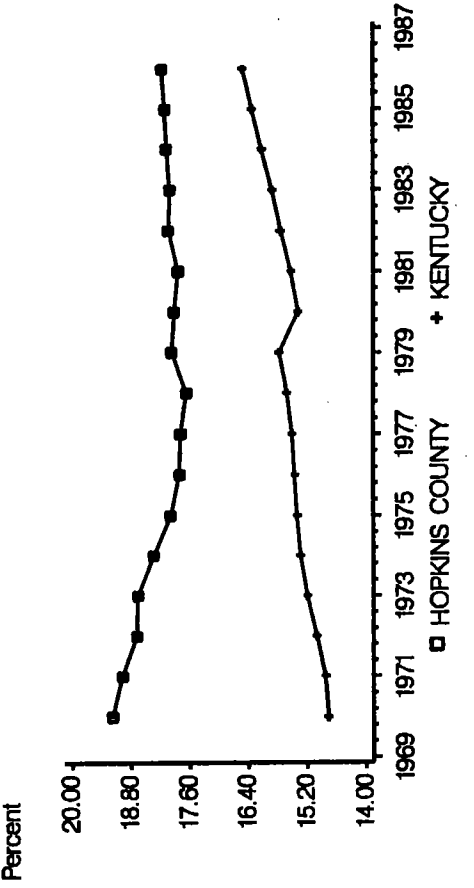


CHART 6A
HOPKINS COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
Thousands of Tons

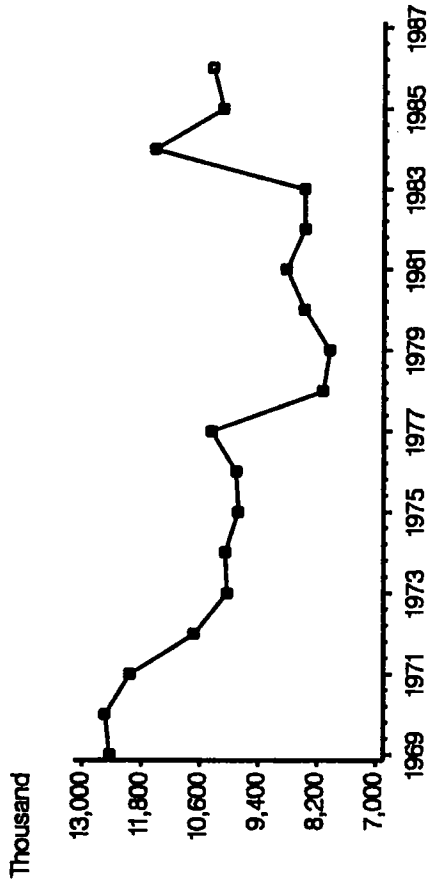


CHART 6B
HOPKINS COUNTY
MINING EMPLOYMENT
Thousands of People

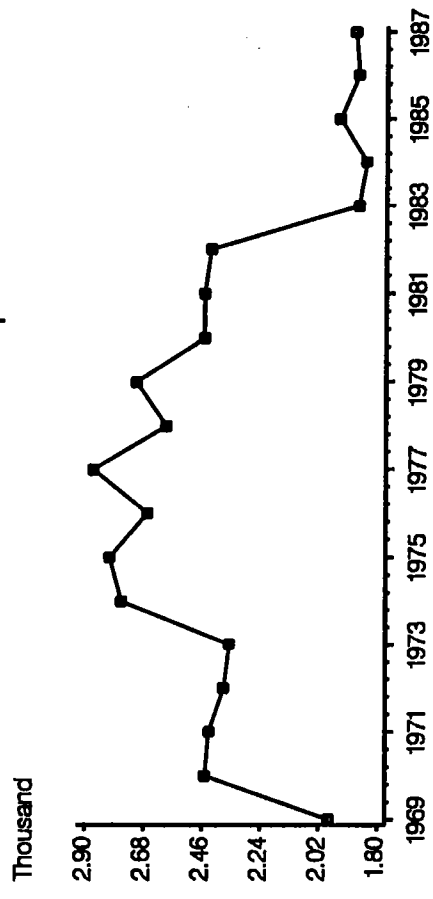


CHART 6C
HOPKINS COUNTY
AVERAGE VALUE PER TON FOR COAL
Constant 1988 Dollars

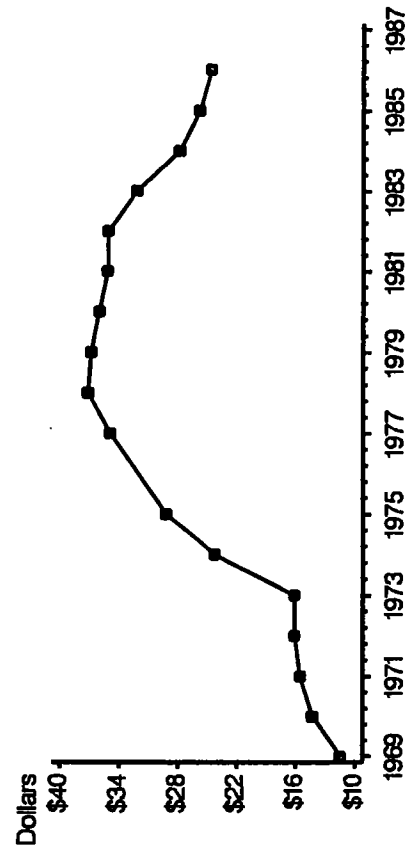
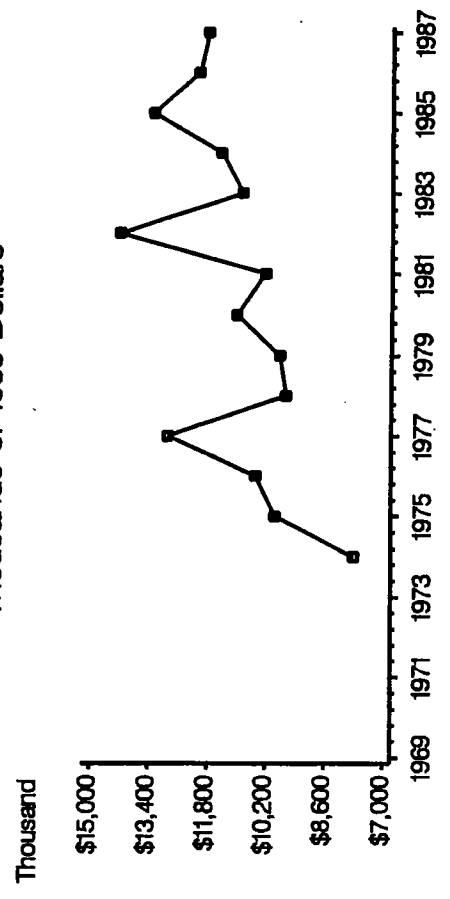


CHART 6D
HOPKINS COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
Thousands of 1988 Dollars



HOPKINS COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	370	1.30	9,699	109.2
1970	412	1.40	10,752	118.0
1971	452	1.48	11,463	123.8
1972	475	1.46	11,741	120.5
1973	519	1.50	12,603	122.7
1974	534	1.51	12,632	121.9
1975	556	1.56	12,719	123.9
1976	596	1.57	13,303	123.9
1977	634	1.59	13,979	125.1
1978	637	1.53	13,733	118.7
1979	658	1.54	14,176	120.6
1980	634	1.50	13,688	118.7
1981	651	1.51	13,921	118.8
1982	650	1.52	13,974	120.9
1983	623	1.47	13,302	116.9
1984	662	1.48	14,256	118.9
1985	649	1.45	13,899	115.8
1986	651	1.43	14,029	114.6
1987	660	1.42	14,327	114.6

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	290	78.4	79.2	46	12.5	10.9	34	9.1	9.9
1970	326	79.0	77.9	50	12.1	11.9	36	8.8	10.2
1971	357	79.1	77.0	57	12.6	12.9	38	8.3	10.1
1972	374	78.7	77.3	62	13.1	12.9	39	8.2	9.7
1973	404	77.7	76.6	75	14.4	13.6	41	7.9	9.7
1974	415	77.7	75.5	76	14.2	14.4	44	8.1	10.1
1975	427	76.8	73.3	84	15.1	16.5	45	8.1	10.1
1976	460	77.1	73.9	87	14.6	16.1	49	8.2	10.0
1977	491	77.4	74.6	89	14.1	15.3	54	8.5	10.1
1978	489	76.7	75.0	92	14.4	14.6	57	8.9	10.4
1979	497	75.5	74.1	101	15.4	15.1	60	9.1	10.8
1980	454	71.6	71.1	109	17.2	16.7	71	11.2	12.2
1981	457	70.2	69.3	112	17.2	16.8	83	12.7	13.8
1982	449	69.1	67.5	113	17.4	17.6	88	13.5	14.9
1983	417	67.0	66.6	118	18.9	18.4	88	14.1	15.1
1984	455	68.7	67.8	116	17.5	17.3	91	13.7	14.9
1985	441	68.0	67.2	115	17.7	17.6	92	14.2	15.3
1986	441	67.7	67.1	117	18.0	17.6	93	14.3	15.3
1987	450	68.1	67.5	116	17.6	17.2	94	14.3	15.3

HOPKINS 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	9.5	0.46	1.9	0.37	23.1	8.60
1970	10.3	0.56	2.6	0.66	28.0	9.11
1971	10.3	0.60	2.2	0.62	26.0	8.80
1972	12.9	0.71	2.1	0.52	24.5	7.99
1973	12.1	0.67	3.3	0.82	24.7	8.10
1974	14.5	0.85	3.0	0.75	25.3	5.91
1975	15.2	1.00	1.4	0.53	28.9	5.55
1976	17.3	1.10	2.1	0.76	26.0	5.56
1977	17.1	1.08	2.4	0.80	26.4	5.22
1978	17.6	1.08	2.6	0.97	24.0	4.72
1979	16.6	1.00	3.3	1.13	24.4	5.01
1980	15.6	0.93	1.7	0.68	24.4	4.50
1981	15.6	0.95	2.7	0.82	24.8	4.68
1982	14.4	0.95	1.6	0.56	25.9	5.01
1983	16.3	0.97	-1.1	-0.83	21.4	4.60
1984	19.0	1.16	2.2	0.74	19.3	4.23
1985	19.7	1.21	1.6	0.72	20.5	4.73
1986	20.5	1.29	0.8	0.47	18.9	4.92
1987	20.0	1.28	0.8	0.40	19.1	5.38

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	19.2	1.73	12.2	0.92	10.0	1.30
1970	17.3	1.75	11.9	0.99	8.9	1.24
1971	16.7	1.80	12.5	1.13	8.2	1.21
1972	16.6	1.77	13.3	1.18	8.0	1.17
1973	16.1	1.79	12.7	1.17	7.4	1.16
1974	15.8	1.89	12.4	1.21	6.9	1.15
1975	16.6	1.96	11.3	1.09	7.1	1.14
1976	17.0	1.98	11.5	1.11	7.0	1.13
1977	15.9	1.91	11.1	1.13	6.7	1.12
1978	15.8	1.84	12.2	1.19	6.8	1.11
1979	15.9	1.78	12.3	1.17	7.2	1.12
1980	18.1	1.82	13.1	1.23	7.8	1.12
1981	20.1	2.01	12.3	1.20	7.9	1.15
1982	20.9	2.03	12.2	1.20	8.1	1.17
1983	24.3	2.02	12.9	1.14	9.0	1.16
1984	23.4	2.03	11.8	1.12	8.4	1.16
1985	22.5	1.86	12.4	1.14	8.8	1.18
1986	23.7	1.83	12.5	1.16	8.9	1.16
1987	24.2	1.82	12.4	1.17	8.9	1.17

HOPKINS COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,609	10.7	1,109	7.4	1,982	13.2
1970	1,897	11.8	1,119	6.9	2,448	15.2
1971	2,121	12.1	1,129	6.4	2,433	13.9
1972	2,740	15.4	1,143	6.4	2,378	13.3
1973	2,746	14.8	1,176	6.3	2,357	12.7
1974	3,245	16.0	1,204	5.9	2,764	13.6
1975	3,204	16.1	1,035	5.2	2,809	14.1
1976	3,666	17.9	1,044	5.1	2,667	13.0
1977	3,708	17.5	996	4.7	2,870	13.5
1978	3,749	17.5	973	4.5	2,596	12.1
1979	3,521	16.6	922	4.3	2,709	12.8
1980	2,896	14.2	925	4.5	2,452	12.0
1981	2,882	14.2	940	4.6	2,452	12.0
1982	2,790	13.7	929	4.6	2,427	11.9
1983	2,613	13.5	960	4.9	1,874	9.7
1984	3,316	16.2	918	4.5	1,845	9.0
1985	3,389	16.5	892	4.3	1,945	9.5
1986	3,417	16.4	909	4.3	1,875	9.0
1987	3,428	15.7	878	4.0	1,888	8.7

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	2,951	19.6	2,580	17.2	1,834	12.2
1970	3,038	18.9	2,767	17.2	1,854	11.5
1971	3,329	19.0	3,122	17.8	1,858	10.6
1972	3,152	17.7	3,257	18.3	1,814	10.2
1973	3,474	18.7	3,340	18.0	1,836	9.9
1974	3,816	18.8	3,484	17.1	1,877	9.2
1975	4,071	20.5	3,080	15.5	1,909	9.6
1976	4,321	21.1	3,252	15.9	1,886	9.2
1977	4,506	21.2	3,363	15.9	1,854	8.7
1978	4,452	20.8	3,615	16.9	1,888	8.8
1979	4,357	20.5	3,640	17.2	1,974	9.3
1980	4,491	22.0	3,898	19.1	1,981	9.7
1981	4,774	23.5	3,797	18.7	1,962	9.6
1982	4,815	23.6	3,745	18.4	1,974	9.7
1983	4,842	25.0	3,615	18.6	1,967	10.1
1984	5,036	24.6	3,712	18.2	1,966	9.6
1985	4,891	23.8	3,883	18.9	2,046	10.0
1986	4,937	23.6	4,025	19.3	2,154	10.3
1987	5,314	24.4	4,317	19.8	2,219	10.2

HOPKINS COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	15,027	\$18,441	\$17,440	.	4.2
1970	16,111	\$19,662	\$17,811	2.6	4.4
1971	17,510	\$20,122	\$18,166	3.1	5.1
1972	17,819	\$20,371	\$18,970	3.3	6.0
1973	18,602	\$21,521	\$19,232	3.1	3.7
1974	20,322	\$20,767	\$19,008	2.7	4.5
1975	19,897	\$21,567	\$18,976	3.9	7.3
1976	20,477	\$22,237	\$19,563	3.1	5.6
1977	21,205	\$23,093	\$20,031	3.0	4.7
1978	21,407	\$23,309	\$20,121	4.3	5.3
1979	21,213	\$23,389	\$20,110	5.9	5.5
1980	20,449	\$22,298	\$19,439	7.0	8.0
1981	20,352	\$22,496	\$19,286	7.3	8.4
1982	20,391	\$22,217	\$18,931	9.6	10.6
1983	19,395	\$21,270	\$18,358	13.1	11.6
1984	20,438	\$22,193	\$19,080	9.4	9.3
1985	20,549	\$21,936	\$18,676	10.7	9.5
1986	20,899	\$22,018	\$18,627	10.2	9.3
1987	21,809	\$21,835	\$18,636	8.6	8.8

POPULATION STATISTICS

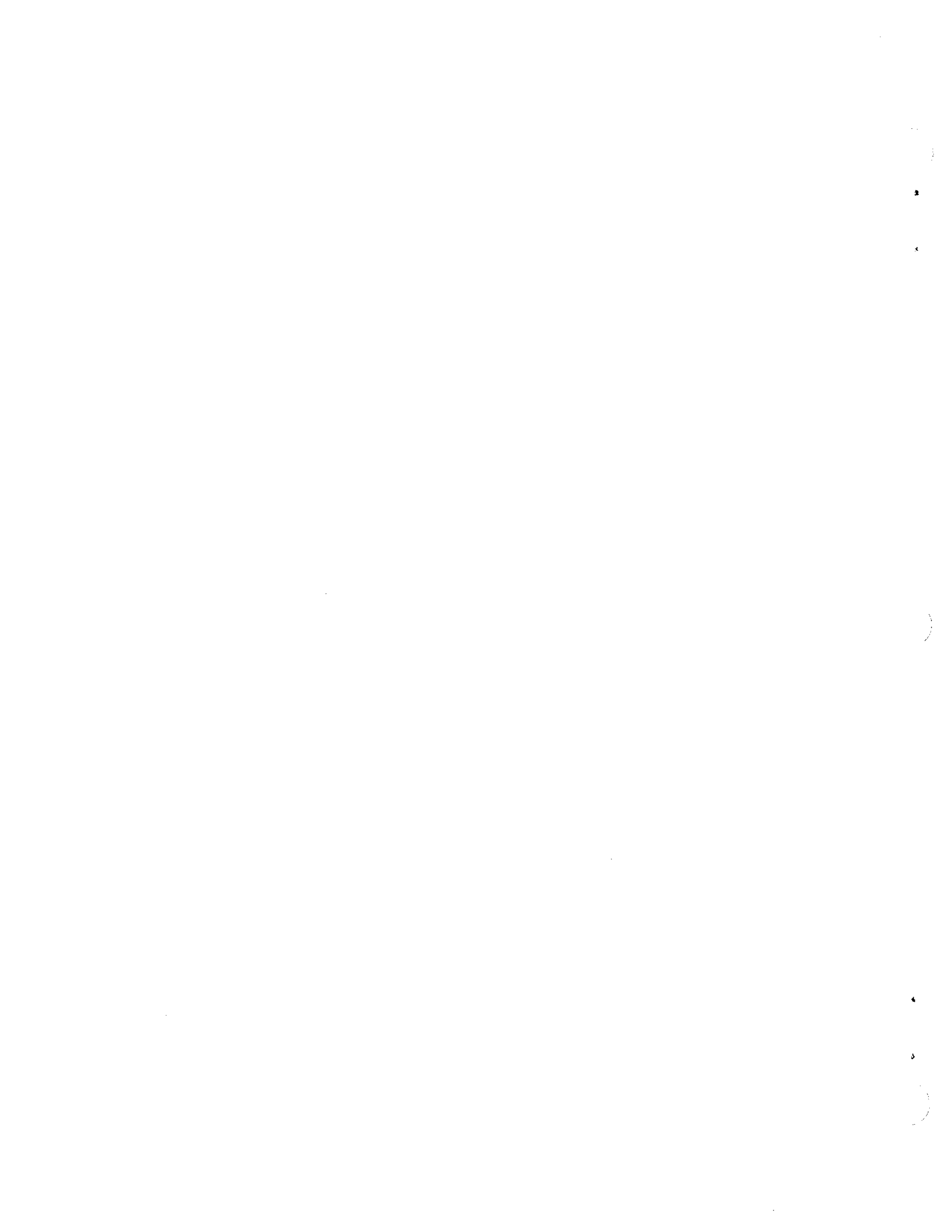
YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	38,200	1.19	.	.	.	.
1970	38,400	1.19	9.7	10.3	19.2	14.8
1971	39,400	1.19	9.0	9.6	19.0	14.8
1972	40,500	1.21	8.4	9.1	18.7	15.0
1973	41,200	1.22	8.0	8.8	18.7	15.2
1974	42,300	1.24	7.7	8.6	18.3	15.3
1975	43,700	1.26	7.4	8.4	18.0	15.4
1976	44,800	1.27	7.3	8.2	17.8	15.5
1977	45,400	1.27	7.5	8.4	17.8	15.5
1978	46,400	1.28	7.7	8.5	17.7	15.6
1979	46,400	1.27	8.0	8.7	18.0	15.8
1980	46,300	1.26	9.3	9.2	17.9	15.4
1981	46,800	1.27	9.2	9.3	17.8	15.5
1982	46,500	1.26	9.2	9.2	18.0	15.7
1983	46,800	1.26	9.0	9.2	18.0	15.9
1984	46,400	1.25	8.8	9.0	18.1	16.1
1985	46,700	1.25	8.8	8.9	18.1	16.3
1986	46,400	1.25	8.8	8.6	18.1	16.5
1987	46,100	1.24	.	.	.	.

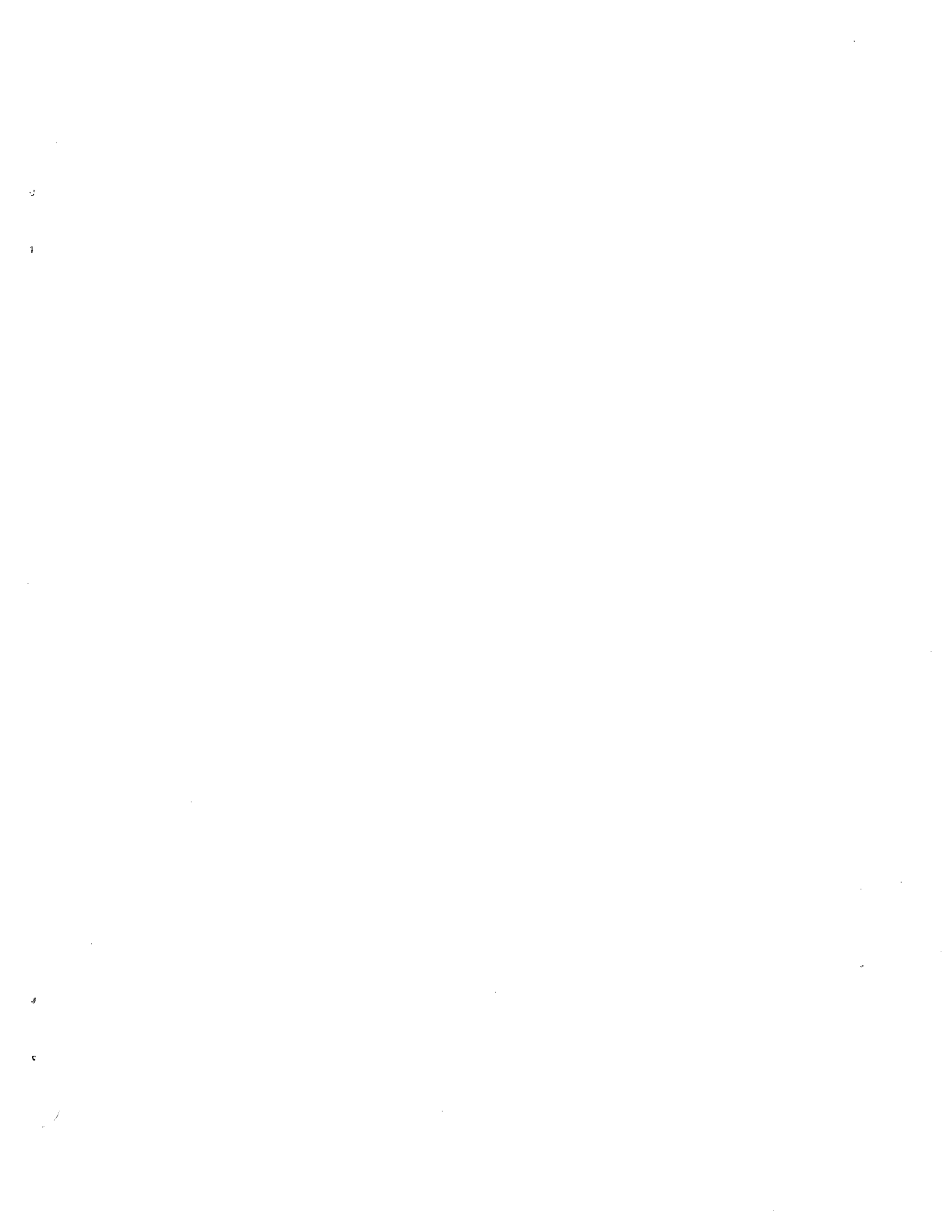
HOPKINS COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	12,438	1,982	\$11.51	.
1970	12,533	2,448	\$14.28	.
1971	12,030	2,433	\$15.56	.
1972	10,723	2,378	\$16.13	.
1973	10,046	2,357	\$16.14	.
1974	10,081	2,764	\$24.26	\$7,812
1975	9,813	2,809	\$29.19	\$9,958
1976	9,859	2,667	.	\$10,478
1977	10,365	2,870	\$34.94	\$12,880
1978	8,080	2,596	\$37.14	\$9,670
1979	7,945	2,709	\$36.81	\$9,843
1980	8,464	2,452	\$36.01	\$11,009
1981	8,837	2,452	\$35.19	\$10,243
1982	8,457	2,427	\$35.11	\$14,198
1983	8,466	1,874	\$32.21	\$10,859
1984	11,534	1,845	\$27.89	\$11,459
1985	10,137	1,945	\$25.87	\$13,287
1986	10,351	1,875	\$24.65	\$12,051
1987	.	1,888	.	.

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



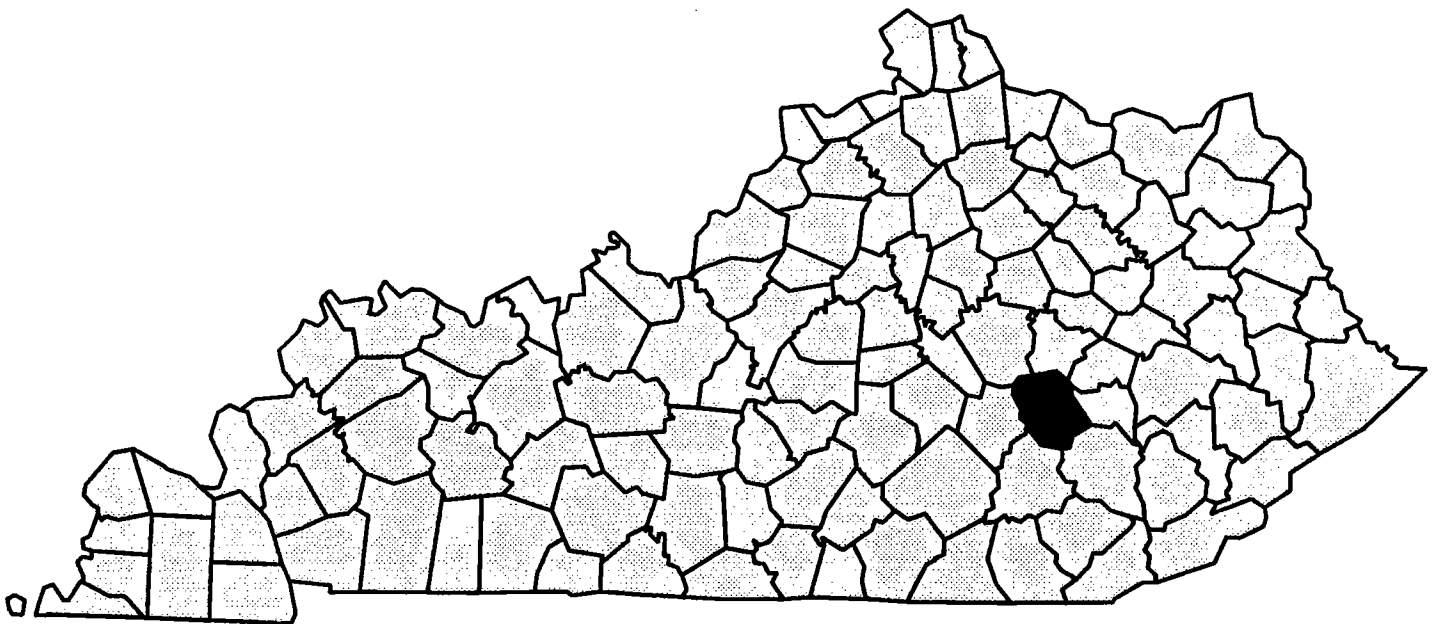


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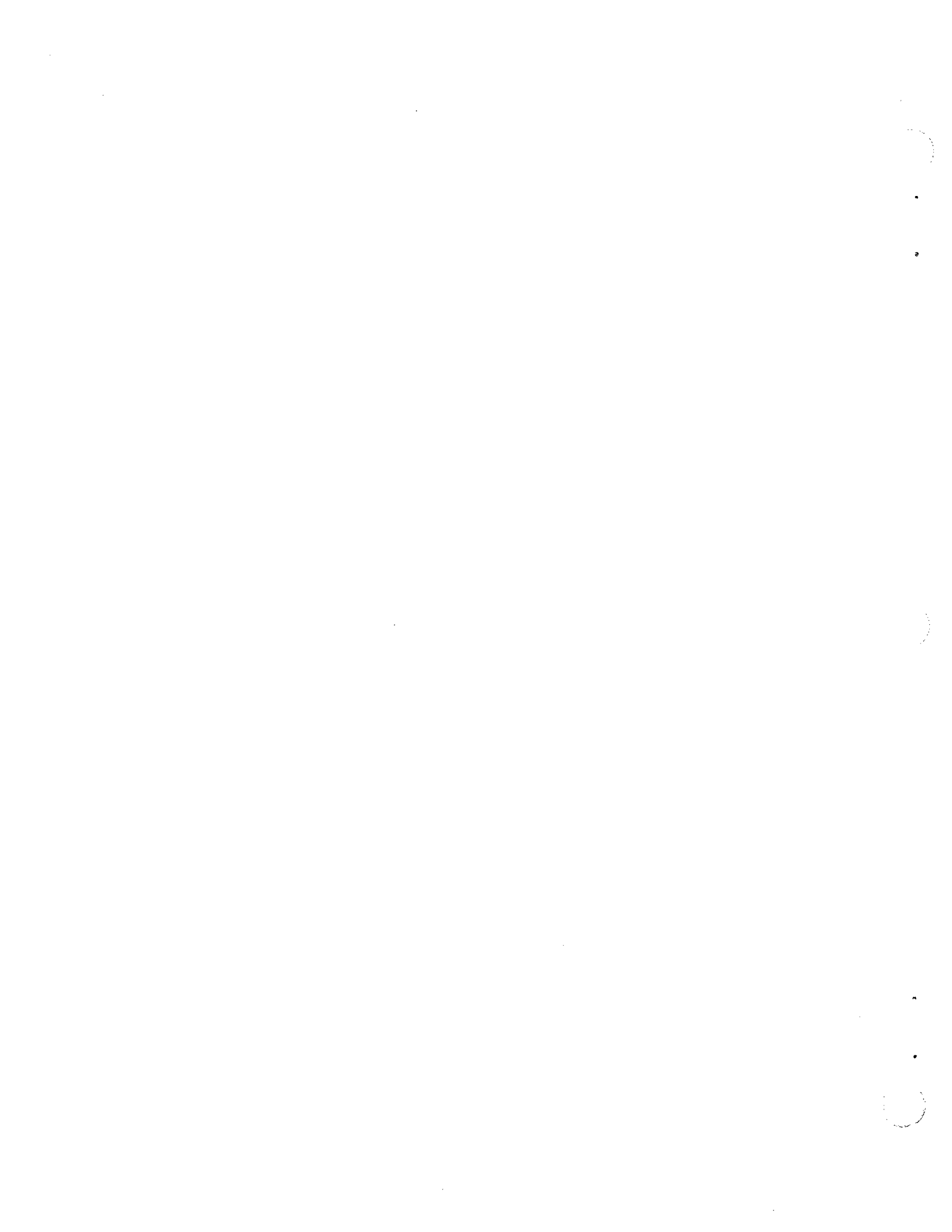
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

JACKSON 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

SUMMARY

The Jackson County economy, as measured by personal income, grew moderately from 1969 to 1987. Much of the economic growth came from increases in transfer payments. Both per capita income and average earnings per job were significantly below those of the state. Jackson County derives a much lower percent of personal income from earnings and property and a higher percent from transfer payments than does the state as a whole.

The most prominent economic trend in Jackson County was a decline in earnings from the farm sector, although farm employment remained relatively constant. The manufacturing and mining sectors of the Jackson County economy increased their shares of earnings and employment.

Jackson County experienced economic growth in the non-goods-producing industries. The services and state and local government sectors increased their shares of both county earnings and employment. The trade sector declined in Jackson County. The growth sectors at the state level were the service and trade sectors.

There is a national and state trend toward declining farm earnings and employment. Therefore, the outlook for this sector in Jackson County is for continued decline. Future economic growth in Jackson County will most likely be dependent upon further expansion of other 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 JACKSON 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 Jackson 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 Jackson County economy, as measured by personal income, increased from \$47 million in 1969 to \$86 million in 1987, after adjusting for inflation. Chart 1B shows Jackson County total personal income as a percent of Kentucky total personal income. Jackson County had small increases 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 Jackson County per capita income increased over the time period to a level of \$6,869 in 1987, 55.0 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 increased in the 1970's and were erratic in the 1980's. Total earnings increased from \$35 million in 1969 to \$49 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 57.6 percent of Jackson 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 \$27 million in 1987. During the same period, transfer payments contributed a much higher percentage of personal income in Jackson County than in Kentucky.

Income from property in Jackson County grew steadily 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 farm sector was the primary source of earnings in Jackson County in the early period (Chart 3A). However, the percent of earnings from the farm sector decreased from 25.4 percent in 1969 to 8.3 percent in 1987. In 1969, Jackson County received 2.5 percent of total earnings from manufacturing. This percentage increased to 10.1 percent in 1987. The mining sector's share of earnings increased from 1.9 percent in 1969 to 7.3 percent in 1987. At the state level, the shares of earnings from farming, manufacturing and mining all 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 7.8 percent in 1969 to 10.8 percent in 1987. The trade sector's share of earnings decreased from 14.1 percent in 1969 to 9.1 percent in 1987. Earnings from the state and local government sector increased from 14.7 percent in 1969 to 18.4 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 Jackson 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 Jackson County, average earnings declined during the period to \$11,553 in 1987, well below those of the state.

Employment

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

County increased during the data period. In 1969, total employment stood at 1,879 people. By 1987, that figure had increased to 3,208.

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 Jackson County are presented in Chart 4B. Unemployment rates in Jackson County were above those of the state. 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 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 share of employment in the farm sector remained relatively constant and accounted for 32.2 percent in 1987. The percent of total employment in manufacturing increased from 5.5 percent in 1969 to 10.1 percent in 1987. The mining sector's share of employment increased from 1.5 percent in 1969 to 3.6 percent in 1987. At the state level, the employment share of these sectors declined.

Employment in non-goods-producing industries is presented in Chart 4D. The percent of employment in the service sector increased from 10.5 percent in 1969 to 12.4 percent in 1987. Employment in the trade sector decreased from 13.9 percent in 1969 to 7.9 percent of employment in 1987. The employment share in state and local government increased slightly and accounted for 13.4 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 Jackson County.

The Jackson County population grew from 10,100 in 1969 to 12,500 in 1987 (Chart 5A). It was estimated that in 1986, 8.9 percent of Jackson County's

population was under six years of age, compared to 8.6 percent for the state. For the same year 16.9 percent of the Jackson County population was 60 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 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 Jackson County, coal production has been a nontrivial sector of the county economy.

Jackson 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 1975. 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, 169 thousand tons of coal was mined in Jackson County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969 there were only 28 people employed in mining in Jackson County. By 1987, this sector provided 115 jobs in Jackson County.

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 Jackson County totalled \$455,000.

CHART 1A

JACKSON COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

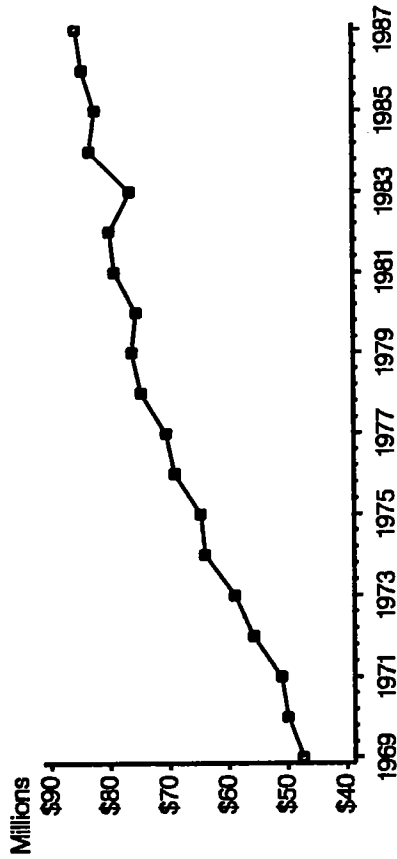


CHART 1B
JACKSON COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

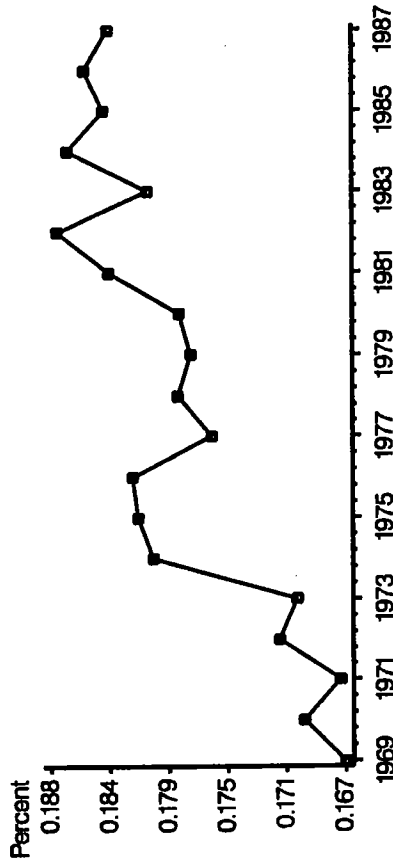


CHART 1C

JACKSON COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

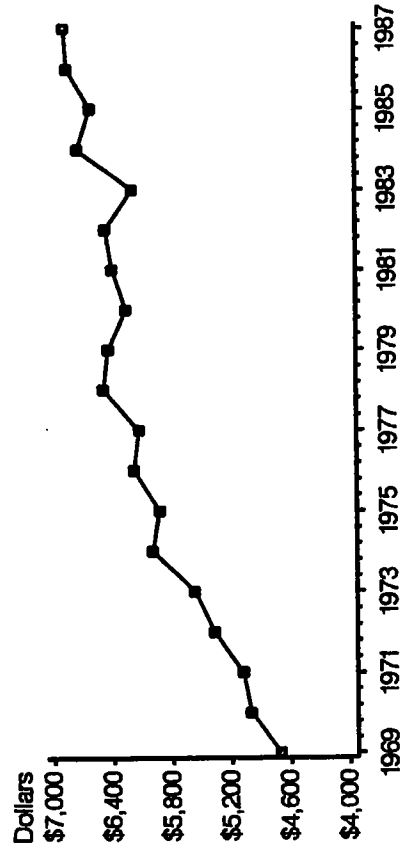


CHART 1D
JACKSON COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

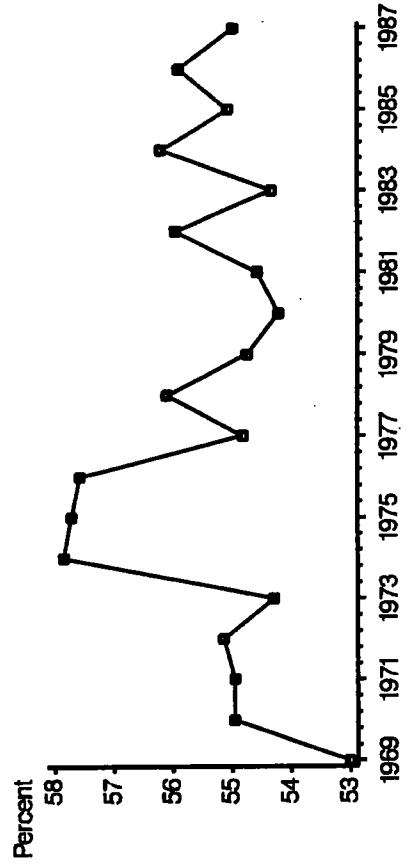


CHART 2A

JACKSON COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

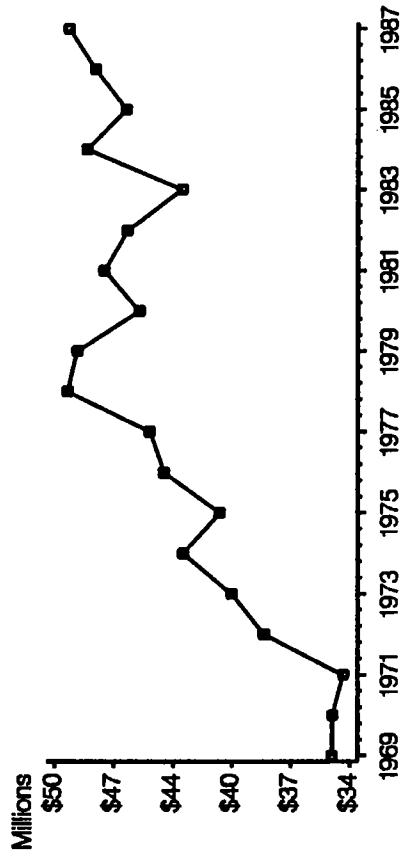


CHART 2B

JACKSON COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

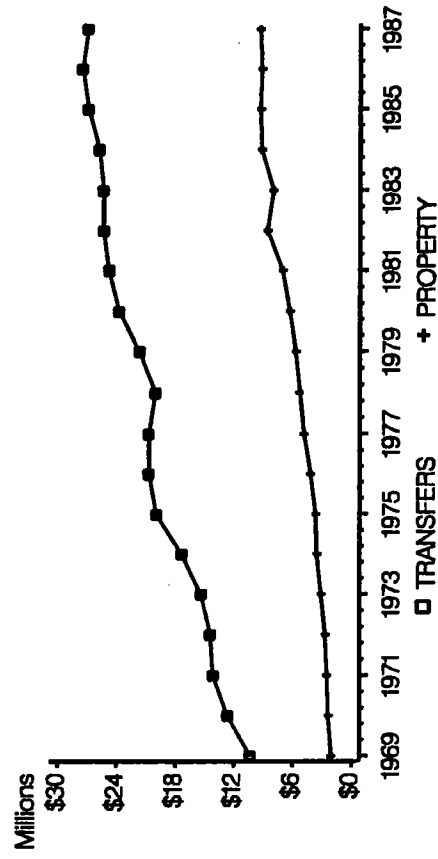


CHART 2C

JACKSON COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

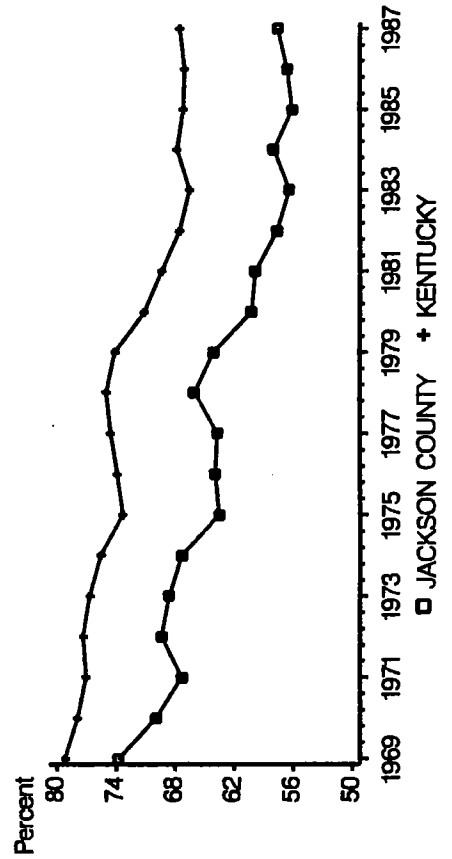


CHART 2D

JACKSON COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

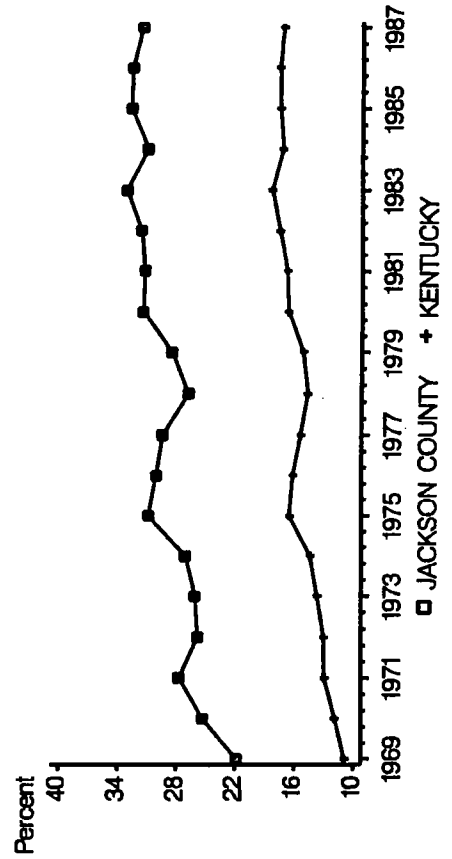


CHART 3A

JACKSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

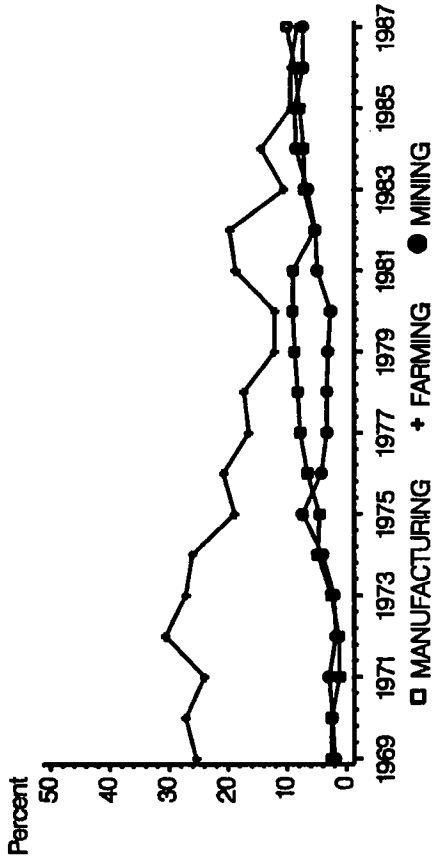


CHART 3B

JACKSON COUNTY

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

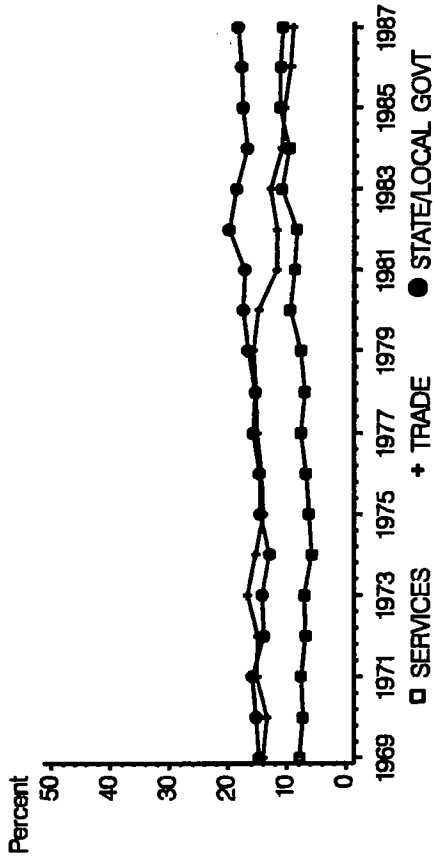


CHART 3C

JACKSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

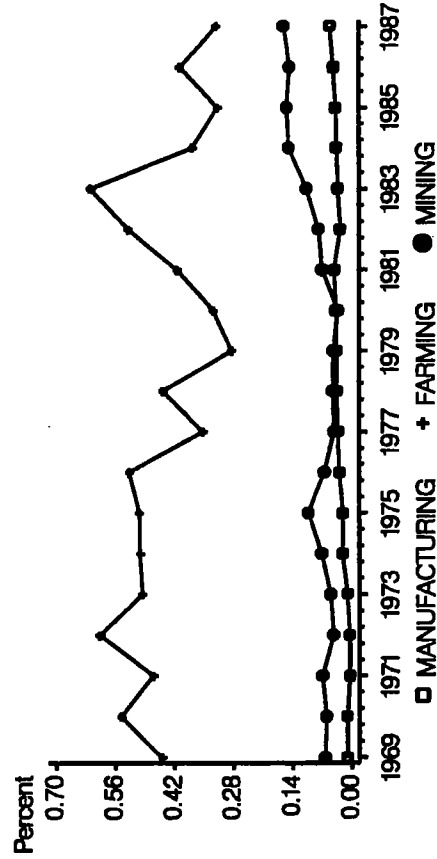


CHART 3D

JACKSON COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

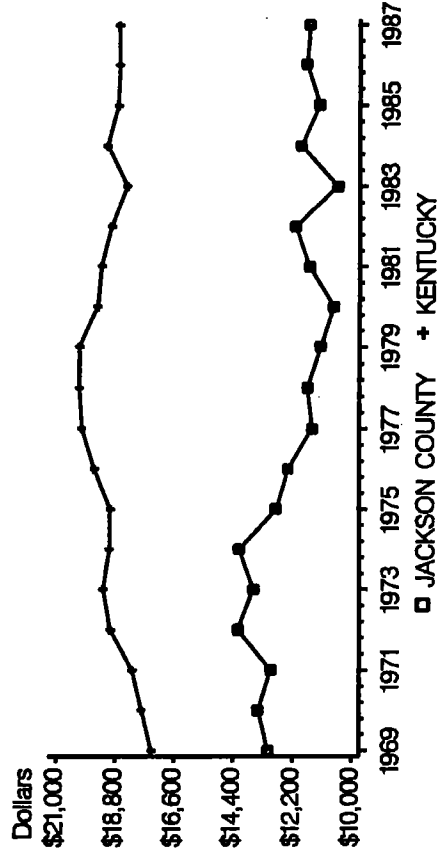


CHART 4A
JACKSON COUNTY
TOTAL EMPLOYMENT
Thousands of People

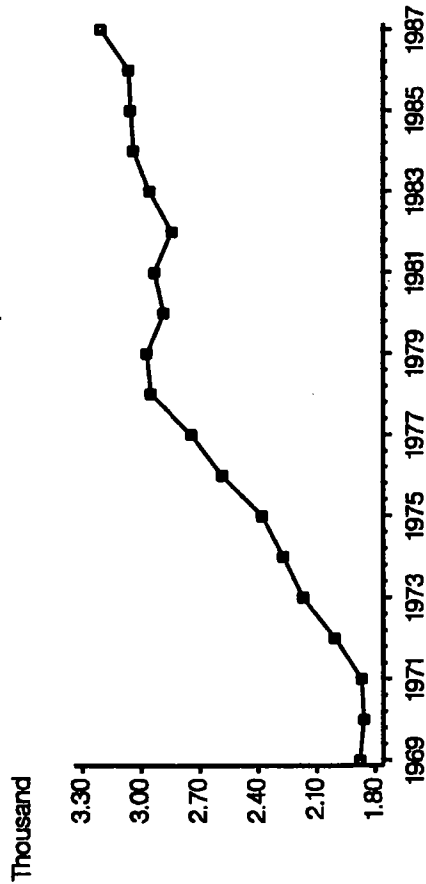


CHART 4B
JACKSON COUNTY
ANNUAL UNEMPLOYMENT RATE

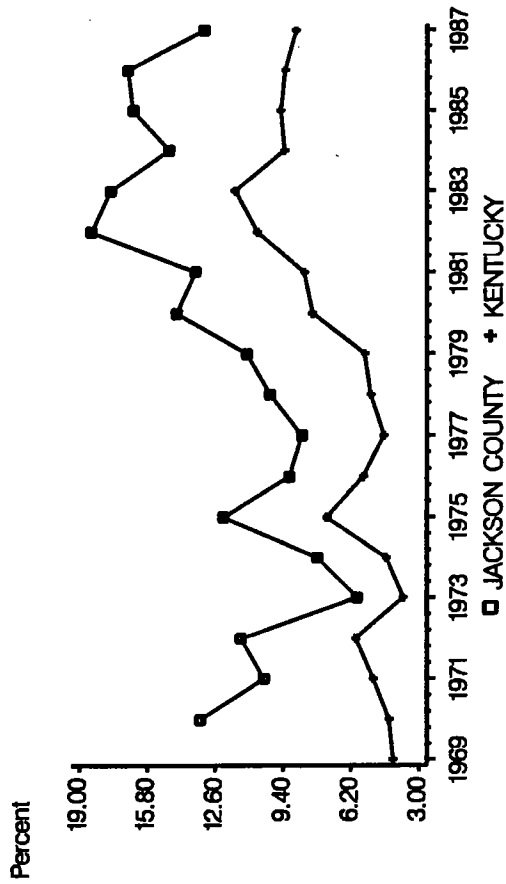


CHART 4C
JACKSON COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

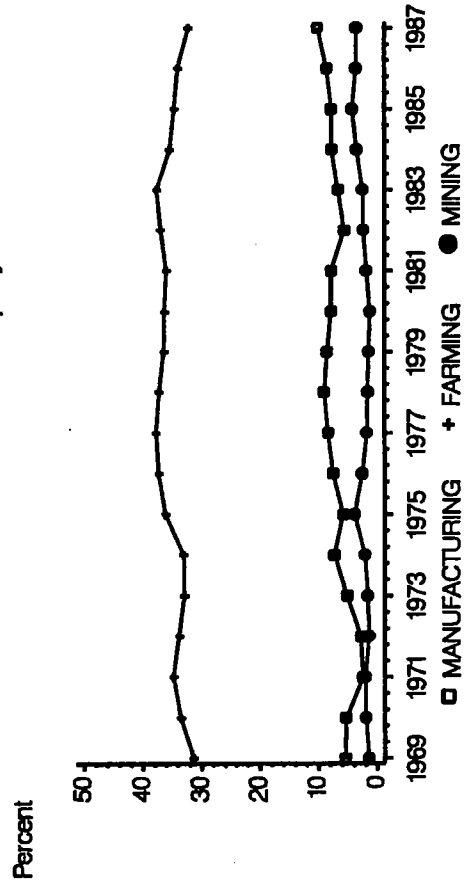


CHART 4D
JACKSON COUNTY
EMPLOYMENT in NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

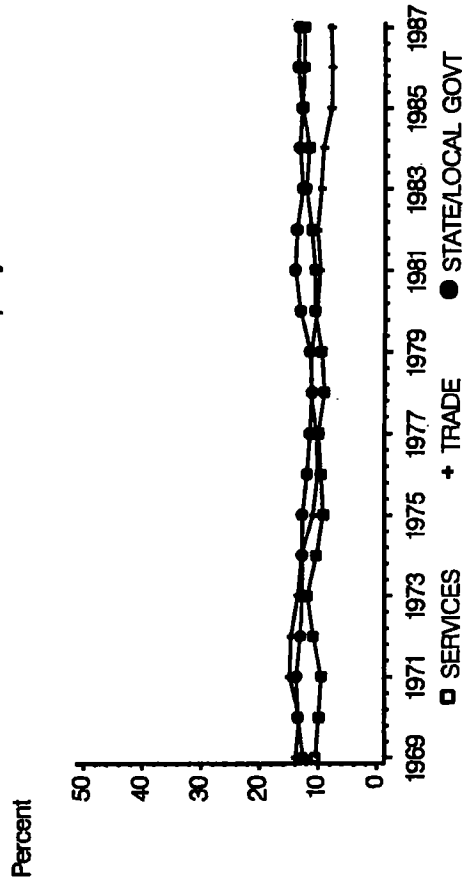


CHART 5A
JACKSON COUNTY
POPULATION
Thousands of People

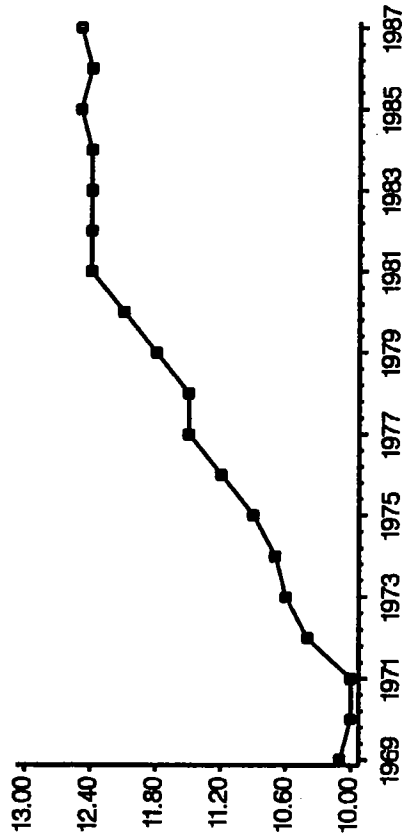


CHART 5B
JACKSON COUNTY
POPULATION
as a Percent of Kentucky Population

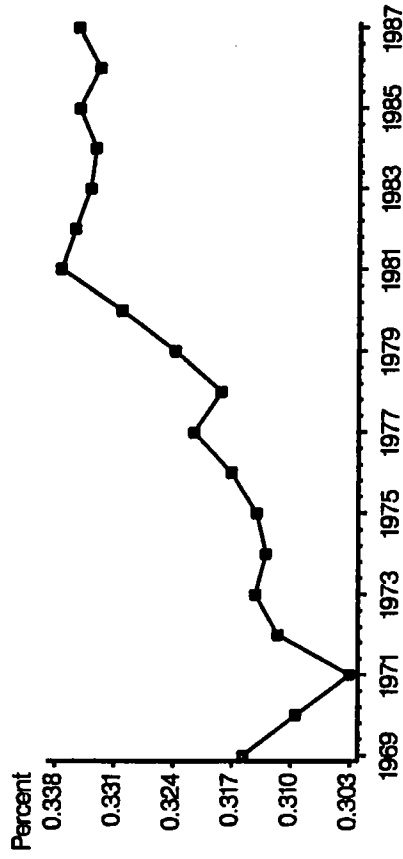


CHART 5C
JACKSON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

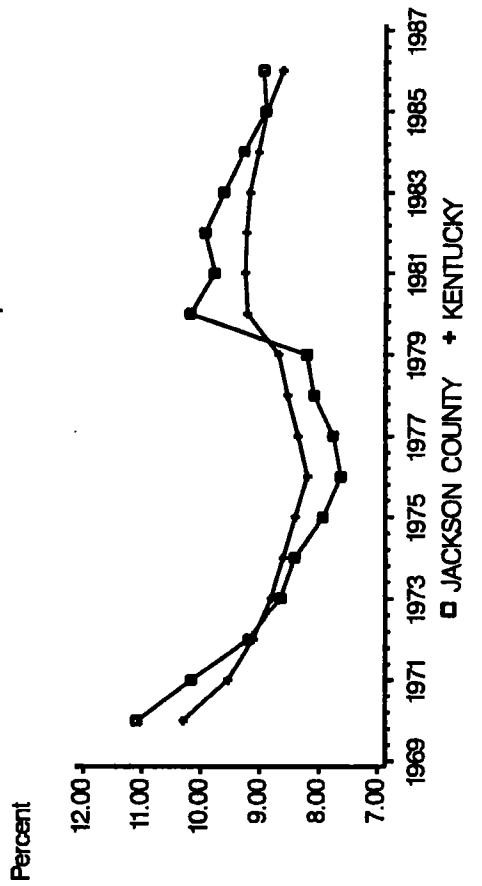


CHART 5D
JACKSON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

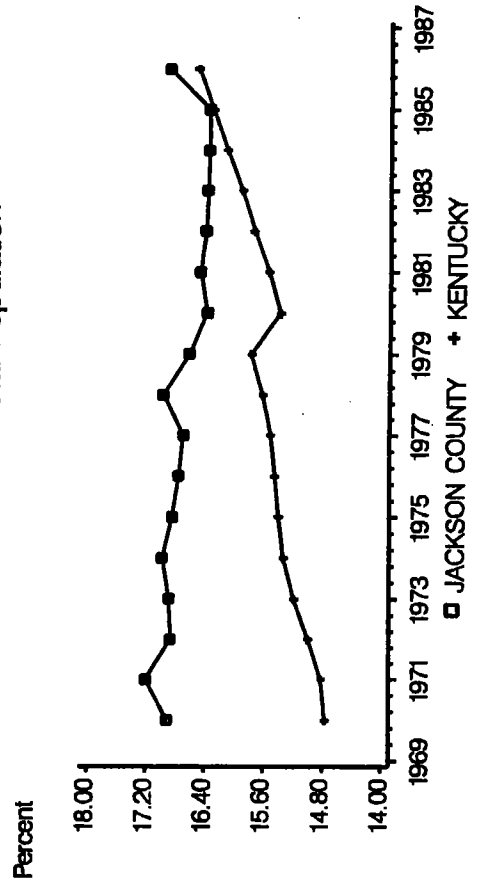


CHART 6A
JACKSON COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

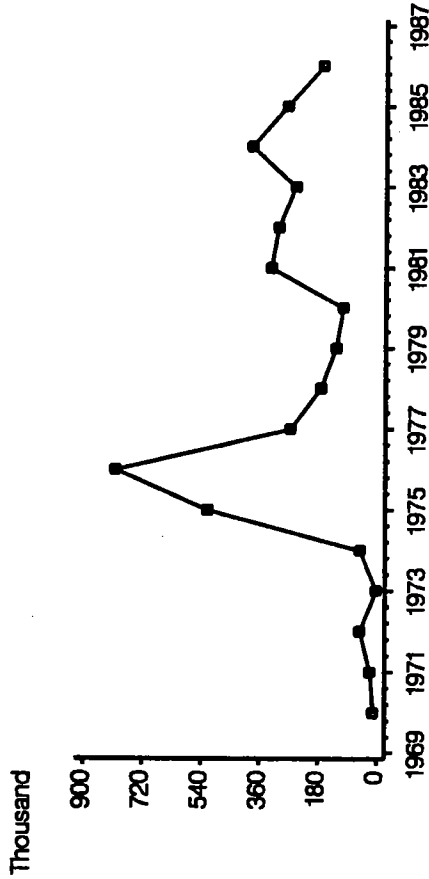


CHART 6B
JACKSON COUNTY
MINING EMPLOYMENT
 Thousands of People

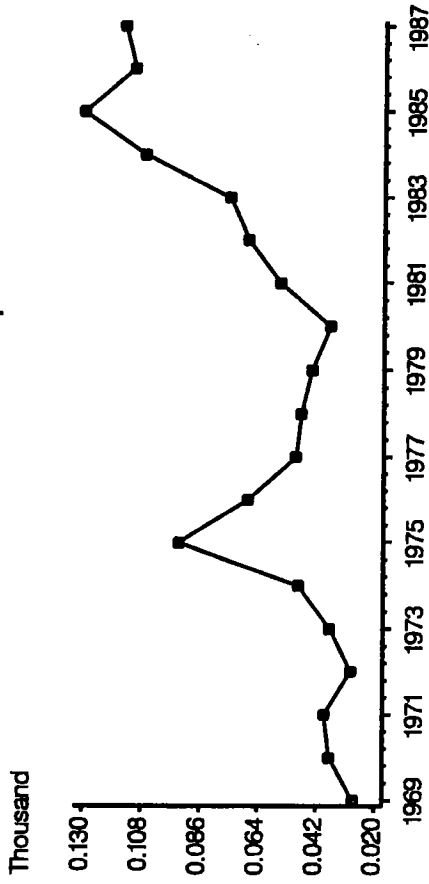


CHART 6C
JACKSON COUNTY
AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

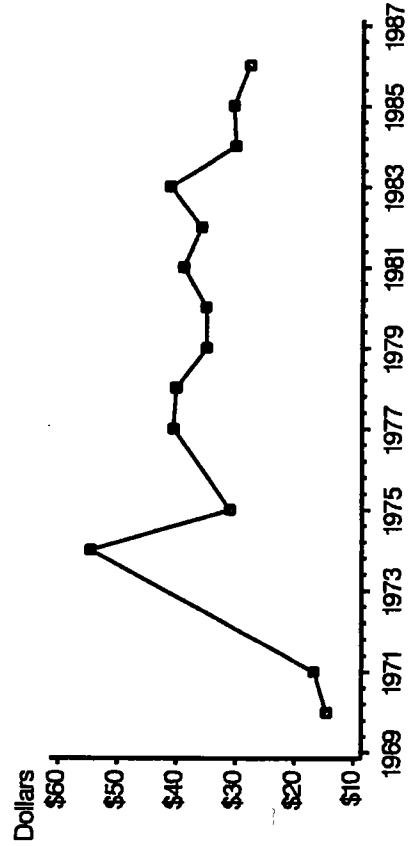
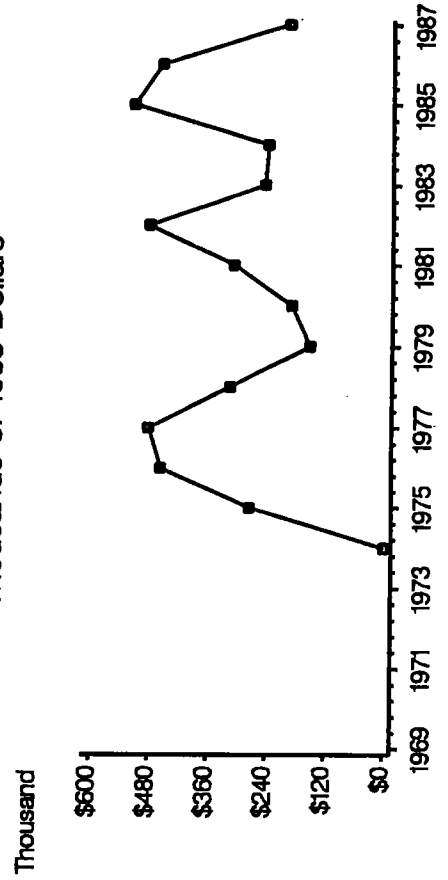


CHART 6D
JACKSON COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



JACKSON COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	47	0.17	4,710	53.0
1970	50	0.17	5,009	55.0
1971	51	0.17	5,085	54.9
1972	56	0.17	5,372	55.1
1973	59	0.17	5,575	54.3
1974	64	0.18	5,993	57.8
1975	65	0.18	5,922	57.7
1976	69	0.18	6,179	57.6
1977	70	0.18	6,126	54.8
1978	75	0.18	6,488	56.1
1979	76	0.18	6,437	54.7
1980	76	0.18	6,252	54.2
1981	79	0.18	6,396	54.6
1982	80	0.19	6,464	55.9
1983	76	0.18	6,184	54.3
1984	83	0.19	6,736	56.2
1985	82	0.18	6,605	55.1
1986	85	0.19	6,839	55.9
1987	86	0.18	6,869	55.0

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	35	73.8	79.2	10	21.8	10.9	2	4.4	9.9
1970	35	69.9	77.9	13	25.4	11.9	2	4.7	10.2
1971	34	67.3	77.0	14	27.7	12.9	3	5.0	10.1
1972	39	69.3	77.3	14	25.9	12.9	3	4.8	9.7
1973	40	68.6	76.6	15	26.1	13.6	3	5.3	9.7
1974	43	67.3	75.5	17	27.1	14.4	4	5.6	10.1
1975	41	63.5	73.3	20	30.8	16.5	4	5.7	10.1
1976	44	63.9	73.9	21	30.0	16.1	4	6.1	10.0
1977	45	63.7	74.6	21	29.4	15.3	5	6.9	10.1
1978	49	66.1	75.0	20	26.8	14.6	5	7.1	10.4
1979	49	64.1	74.1	22	28.5	15.1	6	7.5	10.8
1980	45	60.2	71.1	24	31.4	16.7	6	8.4	12.2
1981	47	59.8	69.3	25	31.3	16.8	7	8.9	13.8
1982	46	57.6	67.5	25	31.6	17.6	9	10.7	14.9
1983	43	56.4	66.6	25	33.1	18.4	8	10.5	15.1
1984	48	58.0	67.8	26	30.9	17.3	9	11.1	14.9
1985	46	56.1	67.2	27	32.6	17.6	9	11.3	15.3
1986	48	56.6	67.1	27	32.5	17.6	9	10.9	15.3
1987	49	57.6	67.5	27	31.5	17.2	9	10.9	15.3

JACKSON 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	2.5	0.01	25.4	0.45	1.9	0.06
1970	2.5	0.01	27.2	0.55	2.3	0.06
1971	1.1	0.00	24.0	0.47	2.9	0.07
1972	1.2	0.01	30.6	0.60	1.7	0.04
1973	2.5	0.01	27.2	0.50	2.0	0.05
1974	4.8	0.02	26.0	0.50	3.9	0.07
1975	4.4	0.02	18.9	0.50	7.4	0.10
1976	6.5	0.03	20.8	0.53	4.2	0.06
1977	7.8	0.03	16.5	0.35	3.2	0.04
1978	8.1	0.03	17.4	0.45	3.2	0.04
1979	8.7	0.04	12.2	0.28	3.1	0.04
1980	9.1	0.04	12.1	0.33	2.6	0.03
1981	9.0	0.04	18.8	0.41	4.9	0.07
1982	5.3	0.03	19.8	0.53	5.2	0.08
1983	7.1	0.03	10.6	0.62	6.5	0.11
1984	7.2	0.04	14.5	0.38	8.5	0.15
1985	7.9	0.04	9.4	0.32	8.7	0.15
1986	8.6	0.04	9.4	0.41	7.3	0.15
1987	10.1	0.05	8.3	0.32	7.3	0.16

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	7.8	0.06	14.1	0.09	14.7	0.17
1970	7.3	0.06	13.5	0.09	15.2	0.17
1971	7.6	0.06	15.2	0.09	15.9	0.16
1972	6.8	0.06	15.0	0.10	13.9	0.16
1973	7.0	0.06	16.8	0.11	14.2	0.16
1974	5.8	0.05	15.3	0.11	13.0	0.16
1975	6.3	0.05	14.0	0.10	14.6	0.17
1976	6.8	0.06	14.4	0.10	14.7	0.17
1977	7.6	0.06	15.1	0.10	15.8	0.17
1978	7.0	0.06	15.3	0.10	15.4	0.17
1979	7.7	0.06	15.7	0.10	16.6	0.17
1980	9.5	0.06	14.8	0.09	17.4	0.17
1981	8.7	0.06	11.7	0.08	17.2	0.19
1982	8.3	0.06	11.7	0.09	19.8	0.22
1983	10.9	0.07	12.8	0.09	18.6	0.18
1984	9.6	0.07	10.9	0.08	16.8	0.18
1985	11.2	0.07	10.5	0.07	17.5	0.18
1986	11.1	0.07	9.4	0.07	17.8	0.18
1987	10.8	0.06	9.1	0.07	18.4	0.19

JACKSON COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	103	5.5	590	31.4	28	1.5
1970	99	5.3	622	33.5	37	2.0
1971	47	2.5	649	34.7	39	2.1
1972	58	2.9	679	33.8	29	1.4
1973	112	5.2	714	32.9	37	1.7
1974	165	7.3	751	33.1	49	2.2
1975	138	5.8	859	36.1	94	3.9
1976	192	7.4	963	37.2	68	2.6
1977	227	8.3	1,034	37.7	50	1.8
1978	264	8.9	1,097	37.2	48	1.6
1979	250	8.4	1,078	36.3	44	1.5
1980	223	7.7	1,045	36.2	37	1.3
1981	228	7.8	1,052	35.9	56	1.9
1982	159	5.6	1,049	36.9	68	2.4
1983	196	6.6	1,110	37.5	75	2.5
1984	233	7.7	1,073	35.3	107	3.5
1985	236	7.7	1,056	34.6	130	4.3
1986	260	8.5	1,040	33.9	111	3.6
1987	324	10.1	1,034	32.2	115	3.6

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	197	10.5	261	13.9	238	12.7
1970	182	9.8	246	13.2	250	13.5
1971	176	9.4	279	14.9	257	13.8
1972	217	10.8	295	14.7	262	13.0
1973	257	11.8	293	13.5	276	12.7
1974	234	10.3	291	12.8	290	12.8
1975	217	9.1	258	10.8	304	12.8
1976	246	9.5	259	10.0	308	11.9
1977	272	9.9	281	10.2	314	11.4
1978	264	8.9	333	11.3	326	11.0
1979	281	9.5	332	11.2	340	11.4
1980	307	10.6	297	10.3	380	13.2
1981	310	10.6	287	9.8	413	14.1
1982	318	11.2	289	10.2	393	13.8
1983	359	12.1	281	9.5	377	12.7
1984	352	11.6	277	9.1	404	13.3
1985	389	12.7	239	7.8	393	12.9
1986	383	12.5	236	7.7	416	13.6
1987	398	12.4	252	7.9	429	13.4

JACKSON COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	1,879	\$13,121	\$17,440	.	4.2
1970	1,857	\$13,474	\$17,811	13.3	4.4
1971	1,869	\$13,010	\$18,166	10.3	5.1
1972	2,008	\$14,207	\$18,970	11.4	6.0
1973	2,170	\$13,637	\$19,232	5.9	3.7
1974	2,272	\$14,165	\$19,008	7.8	4.5
1975	2,381	\$12,810	\$18,976	12.2	7.3
1976	2,586	\$12,366	\$19,563	9.1	5.6
1977	2,744	\$11,442	\$20,031	8.5	4.7
1978	2,951	\$11,629	\$20,121	10.0	5.3
1979	2,972	\$11,145	\$20,110	11.1	5.5
1980	2,886	\$10,664	\$19,439	14.4	8.0
1981	2,933	\$11,555	\$19,286	13.5	8.4
1982	2,844	\$12,085	\$18,931	18.4	10.6
1983	2,959	\$10,523	\$18,358	17.5	11.6
1984	3,040	\$11,868	\$19,080	14.8	9.3
1985	3,056	\$11,187	\$18,676	16.5	9.5
1986	3,066	\$11,659	\$18,627	16.7	9.3
1987	3,208	\$11,553	\$18,636	13.1	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	10,100	0.32	.	.	.	.
1970	10,000	0.31	11.1	10.3	16.9	14.8
1971	10,000	0.30	10.2	9.6	17.2	14.8
1972	10,400	0.31	9.2	9.1	16.9	15.0
1973	10,600	0.31	8.6	8.8	16.9	15.2
1974	10,700	0.31	8.4	8.6	17.0	15.3
1975	10,900	0.31	7.9	8.4	16.8	15.4
1976	11,200	0.32	7.6	8.2	16.8	15.5
1977	11,500	0.32	7.7	8.4	16.7	15.5
1978	11,500	0.32	8.1	8.5	17.0	15.6
1979	11,800	0.32	8.2	8.7	16.6	15.8
1980	12,100	0.33	10.2	9.2	16.4	15.4
1981	12,400	0.34	9.8	9.3	16.5	15.5
1982	12,400	0.34	9.9	9.2	16.4	15.7
1983	12,400	0.33	9.6	9.2	16.4	15.9
1984	12,400	0.33	9.3	9.0	16.4	16.1
1985	12,500	0.34	8.9	8.9	16.4	16.3
1986	12,400	0.33	8.9	8.6	16.9	16.5
1987	12,500	0.34	.	.	.	.

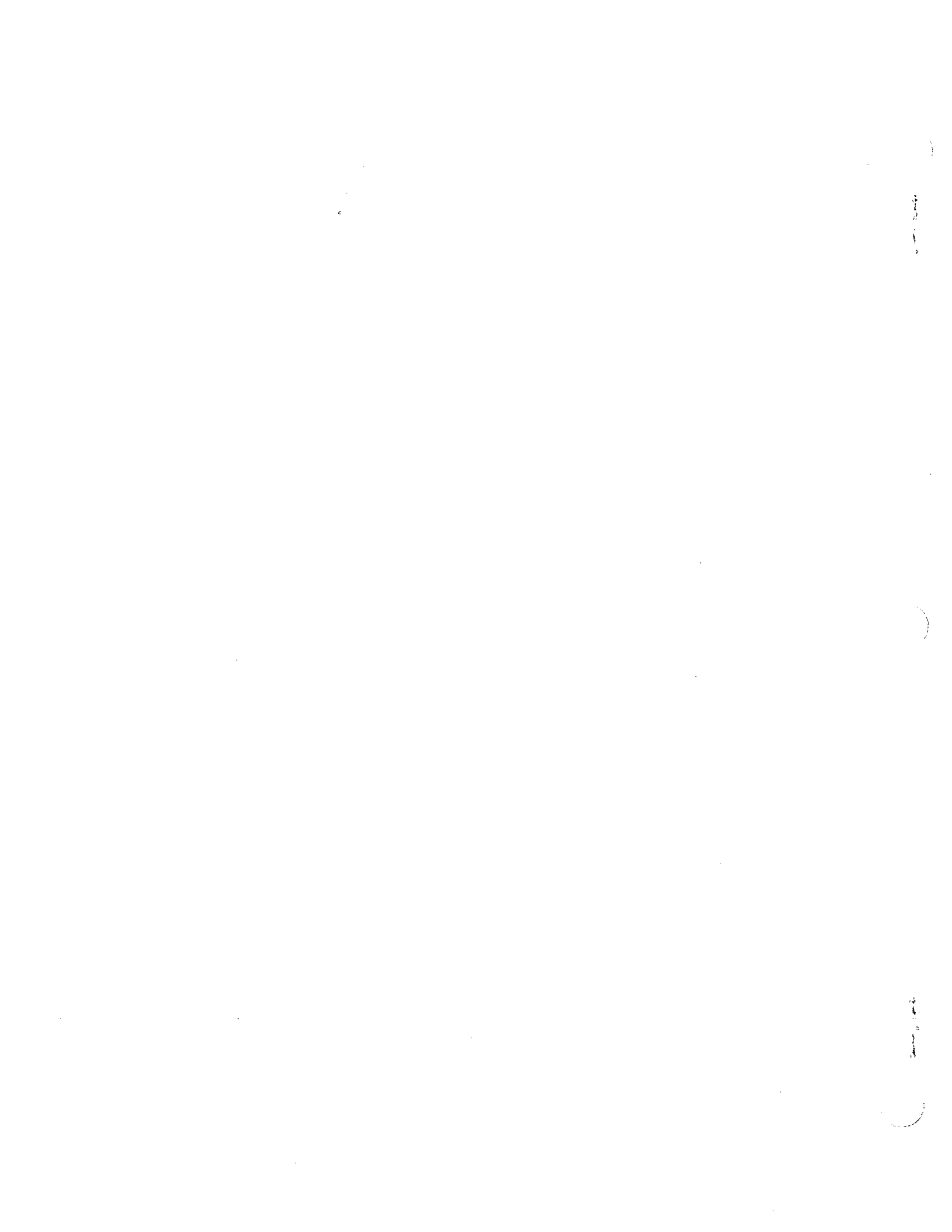
JACKSON COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	.	28	.	.
1970	11	37	\$14.51	.
1971	20	39	\$16.64	.
1972	52	29	.	.
1973	2	37	.	.
1974	53	49	\$54.59	\$0
1975	521	94	\$30.98	\$273
1976	804	68	.	\$456
1977	268	50	\$40.64	\$481
1978	174	48	\$40.13	\$315
1979	127	44	\$35.03	\$153
1980	106	37	\$35.12	\$191
1981	328	56	\$38.97	\$308
1982	306	68	\$35.98	\$482
1983	254	75	\$41.19	\$245
1984	388	107	\$30.13	\$239
1985	280	130	\$30.47	\$512
1986	169	111	\$27.79	\$455
1987	.	115	.	.

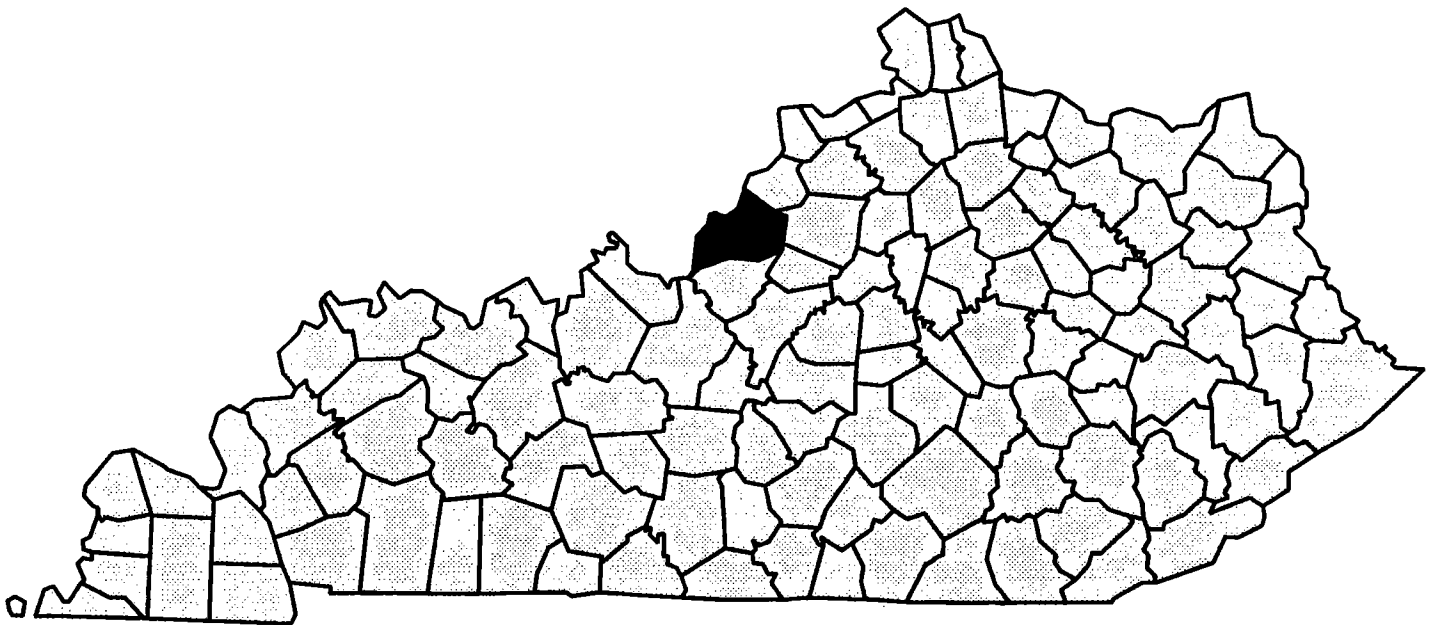
Note: All dollar figures are presented in constant 1988 dollars.





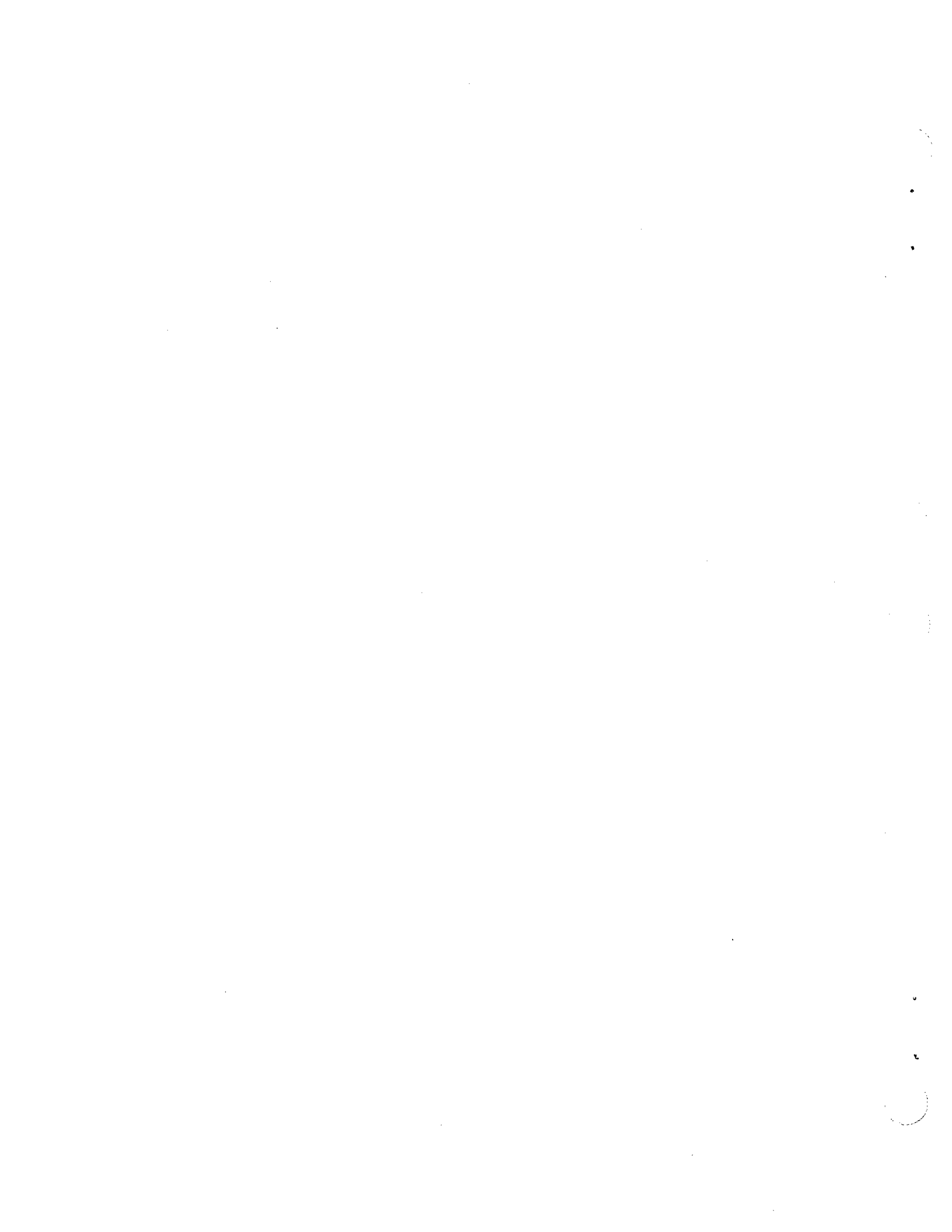
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

JEFFERSON 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

JEFFERSON 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 Jefferson County economy, as measured by personal income, grew moderately from 1969 to 1987. Jefferson County's share of Kentucky personal income declined, indicating that the county economy did not grow as fast as the state economy. However, both per capita personal income and average earnings per job were well above those of the state.

The county has historically been heavily dependent on the manufacturing sector. While the county's share of earnings and employment in manufacturing declined, the sector still accounted for a third of all manufacturing earnings in Kentucky. The service sector experienced significant growth in Jefferson County.

While Jefferson County has not maintained its share of the Kentucky economy, county economic trends parallel those of the state. This is not surprising, since 18.2 percent of the state's population resided in Jefferson County in 1987. Further, 23.4 percent of Kentucky personal income was generated in Jefferson County. Because of this large share of the Kentucky economy, Jefferson County may define state trends in some economic sectors.

The county population declined since 1974. However, employment increased. This unlikely combination can likely be attributed to individuals commuting to jobs in Jefferson County from other counties.

Jefferson County's concentration in manufacturing made it especially sensitive to the national recessions in 1975 and 1982. Manufacturing industries are very responsive to economic fluctuations and international competition. Consequently, while a high concentration in manufacturing may support 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 JEFFERSON 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 Jefferson 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 Jefferson County economy, as measured by personal income, increased from \$7,936 million in 1969 to \$10,884 million in 1987, after adjusting for inflation. Chart 1B shows Jefferson County total personal income as a percent of Kentucky total personal income. Jefferson County decreased its share of Kentucky personal income, indicating that county economic growth did not keep pace with that 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 Jefferson County per capita income increased over the time period to a level of \$16,029 in 1987, when it was 128.2 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 shares have changed over time. This information is illustrated in Charts 2A-2D. Earnings were very volatile and were adversely affected by the national recessions of 1975 and 1982. Total earnings were

\$7,305 million in 1987, below those of the late 1970's (in constant 1988 dollars). 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 67.1 percent of Jefferson County's total personal income, which compares to Kentucky's 67.5 percent share.

Transfer payments contributed \$637 million to total personal income in 1969 and \$1,583 million in 1987. During the same period, transfer payments contributed a lower percentage of personal income in Jefferson County than in Kentucky.

Income from property in Jefferson County grew rapidly in the late 1970's. Income from property totalled \$974 million in 1969 and increased to \$1,995 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 Jefferson County economy has been dominated by the manufacturing sector. In 1969, Jefferson County received 35.2 percent of total earnings from manufacturing. This percentage decreased to 26.1 percent in 1987 (Chart 3A). The Jefferson County manufacturing sector accounted for 44.9 percent of Kentucky manufacturing in 1969 (see data tables). This state share declined to 32.1 percent in 1987. While this share is still significant, Jefferson County's share of the Kentucky manufacturing sector is declining.

Other goods-producing industries include the farm and mining sectors. Jefferson County is unique in that it received only minuscule earnings from both the farm and mining sectors.

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 14.4 percent in 1969 to 23.0 percent in 1987. The percent from the trade sector remained constant, accounting for 17.2 percent in 1987. The share of earnings from the state and local government sector also remained stable and was 7.8 percent in 1987. The trends in Jefferson County reflect those of the state.

Average earnings per job (adjusted for inflation) for Jefferson 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 Jefferson County average earnings per job have paralleled state trends. Average earnings reached \$21,980 in 1987, above 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 Jefferson County increased during the data period. In 1969, total employment stood at 337,996 people. By 1987, that figure had increased to 416,782.

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 Jefferson County are presented in Chart 4B. While unemployment rates in Jefferson County have generally followed state trends, county unemployment has been below state levels since 1983. In 1987, the county unemployment rate was 7.3 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 28.0 percent in 1969 to 16.7 percent in 1987. Again, this trend is like that of the state. The farm and mining sectors collectively accounted for less than 1.0 percent of total employment throughout the period.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment increased over the period. In 1969, the service sector accounted for 19.3 percent of employment. This share increased to 28.0 percent in 1987. The trade sector's share of employment increased from 21.2 percent in 1969 to 23.0 percent in 1987. The percent of employment in state and local government remained constant. The employment trends in the non-goods-producing industries parallel state trends, where service and trade employment also 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 Jefferson County.

The Jefferson County population decreased slightly from 711,600 in 1974 to 679,000 in 1987 (Chart 5A). It was estimated that in 1986, 8.4 percent of Jefferson County's population was under six years of age, compared to 8.6 for the state. Jefferson County had a higher proportion than the state of residents age sixty or older. In 1969, 17.7 percent of the Jefferson County population was sixty years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

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

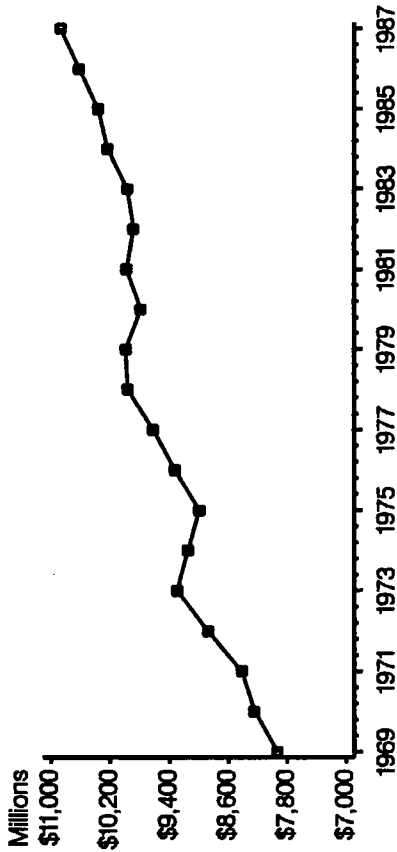


CHART 1B
JEFFERSON COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

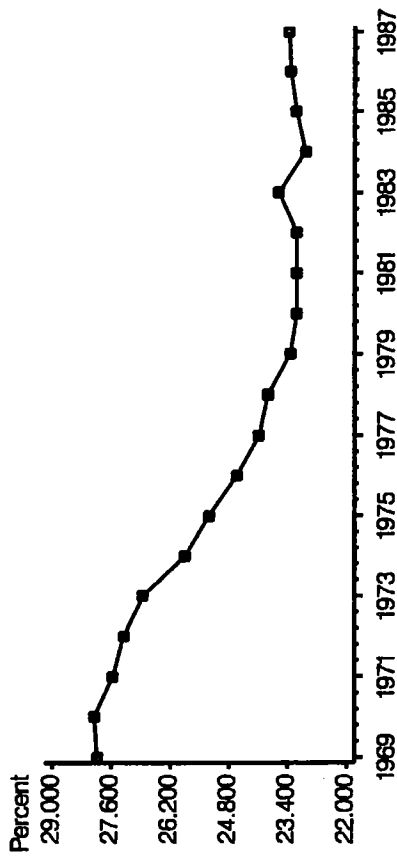


CHART 1C
JEFFERSON COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

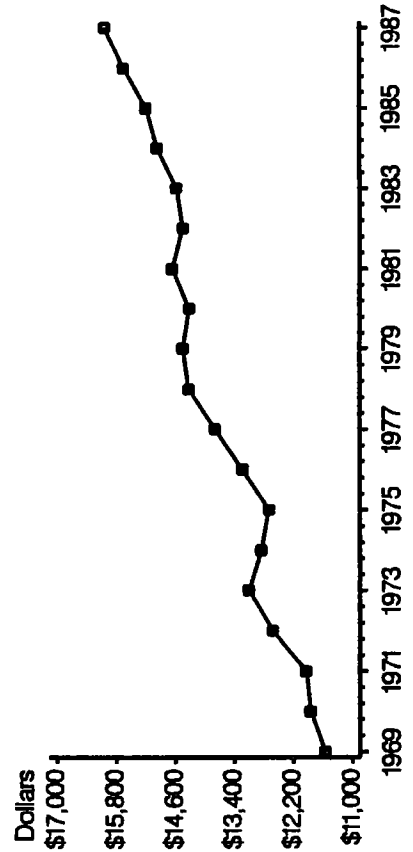


CHART 1D
JEFFERSON COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

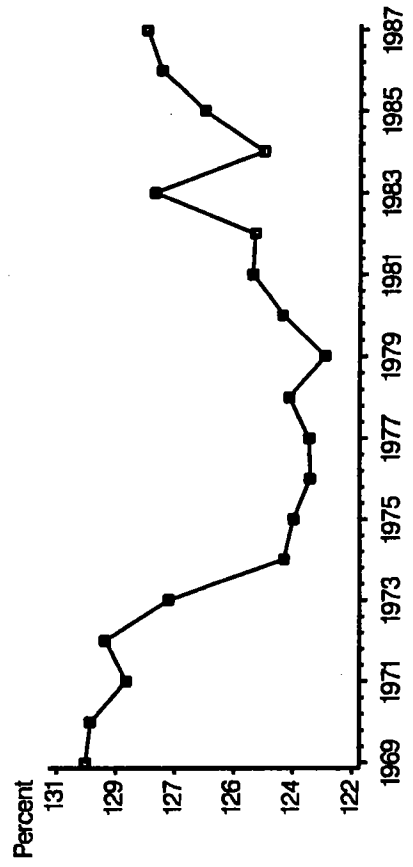


CHART 2A

JEFFERSON COUNTY
REAL TOTAL EARNINGS
Millions of 1988 dollars

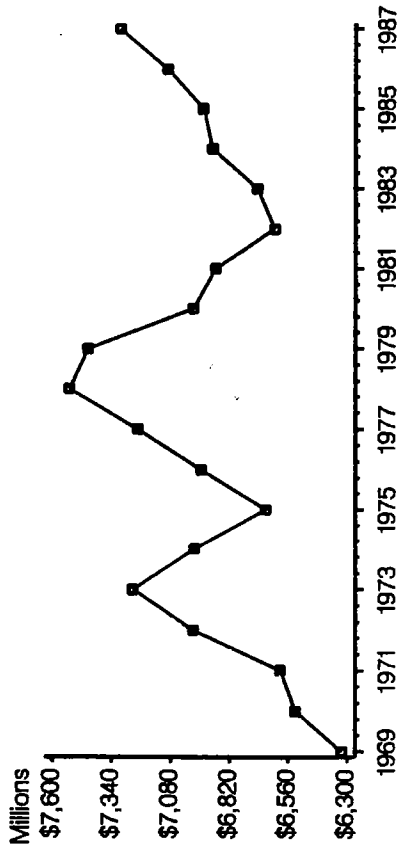


CHART 2B
JEFFERSON COUNTY
TRANSFER PAYMENTS and INCOME FROM PROPERTY
Millions of 1988 Dollars

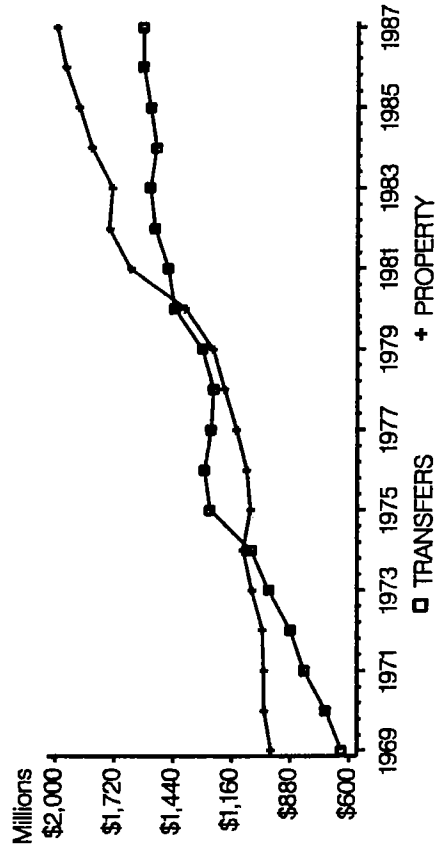


CHART 2C

JEFFERSON COUNTY
TOTAL EARNINGS
as a Percent of Personal Income

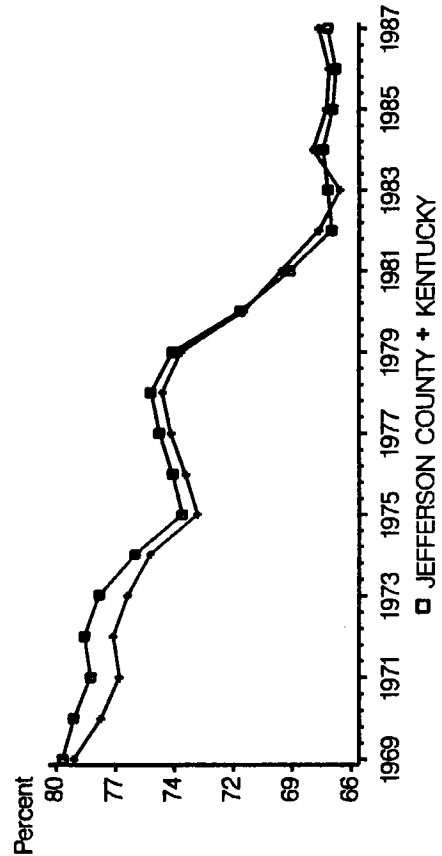


CHART 2D

JEFFERSON COUNTY
TRANSFER PAYMENTS
as a Percent of Personal Income

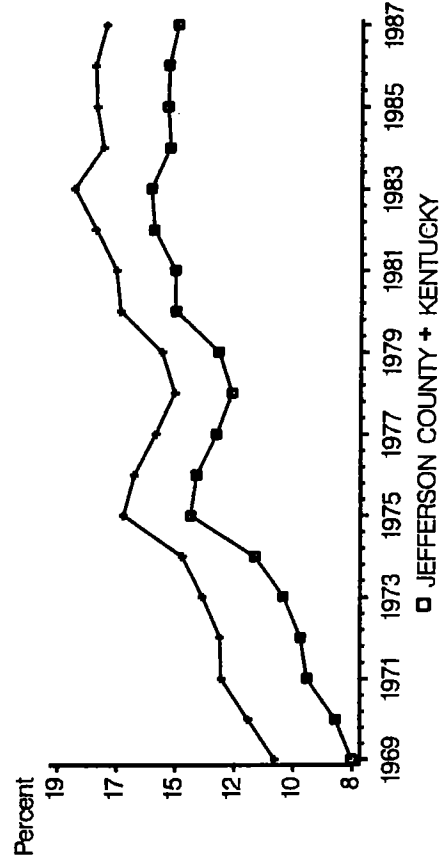


CHART 3A

JEFFERSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

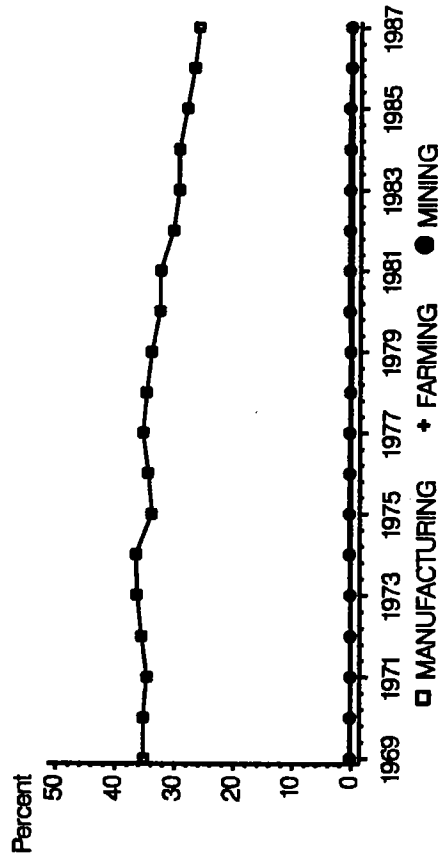


CHART 3B

JEFFERSON COUNTY

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

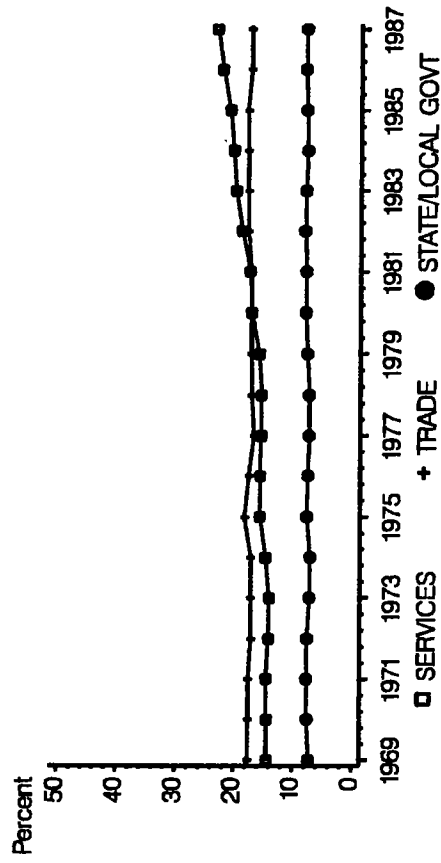


CHART 3C

JEFFERSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

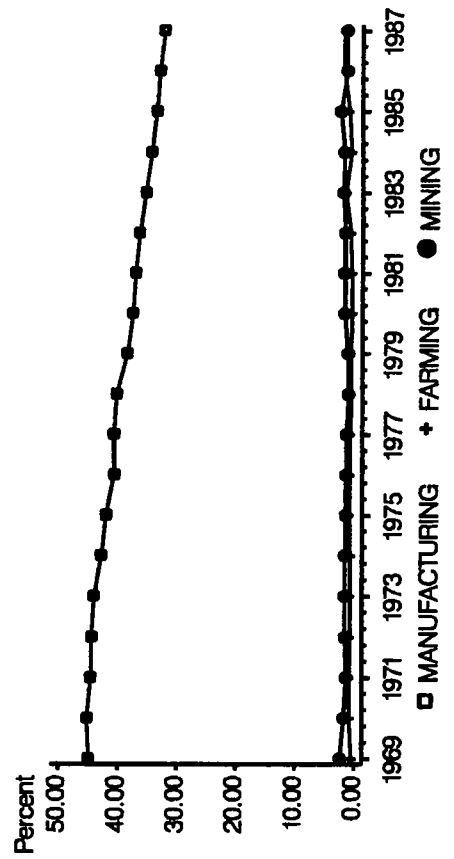


CHART 3D

JEFFERSON COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

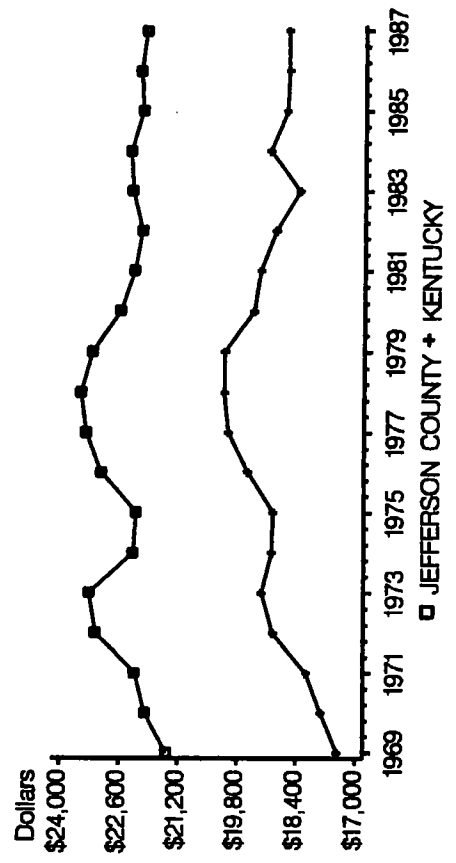


CHART 4A
JEFFERSON COUNTY
TOTAL EMPLOYMENT
Thousands of People

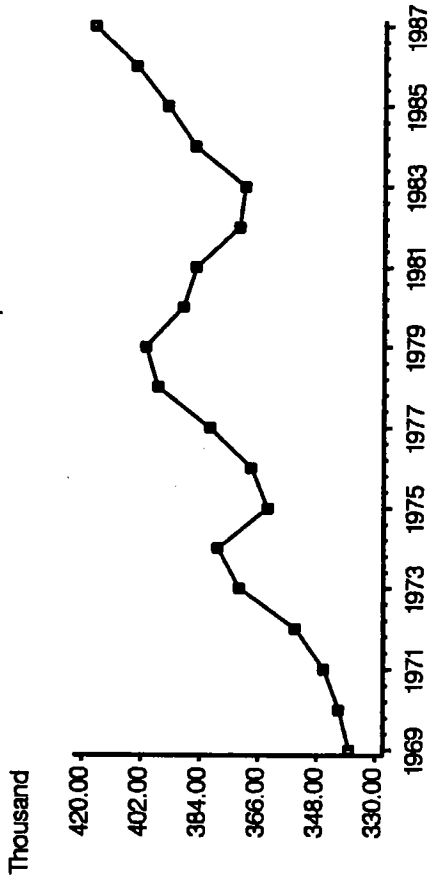


CHART 4B
JEFFERSON COUNTY
ANNUAL UNEMPLOYMENT RATE

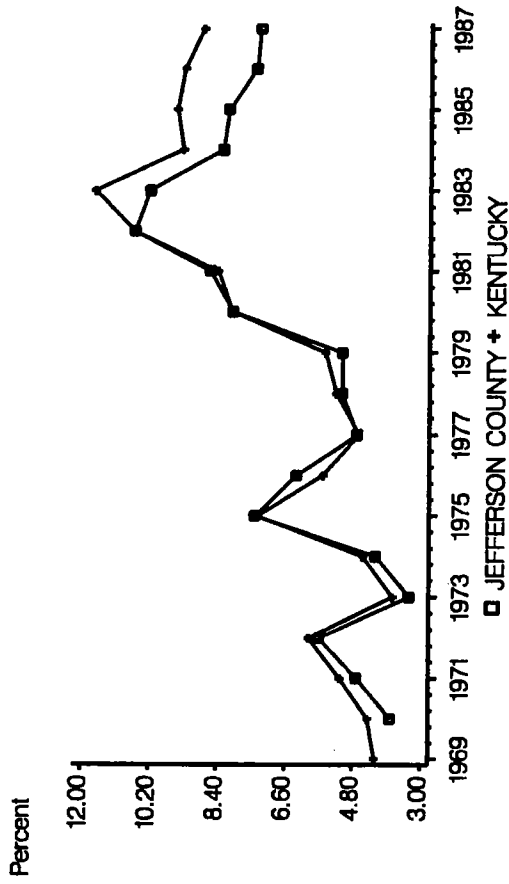


CHART 4C
JEFFERSON COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

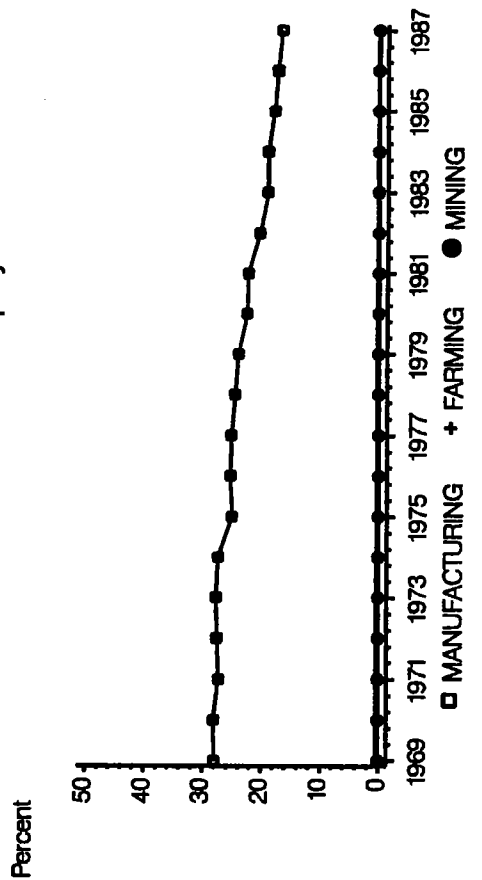


CHART 4D
JEFFERSON COUNTY
EMPLOYMENT IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

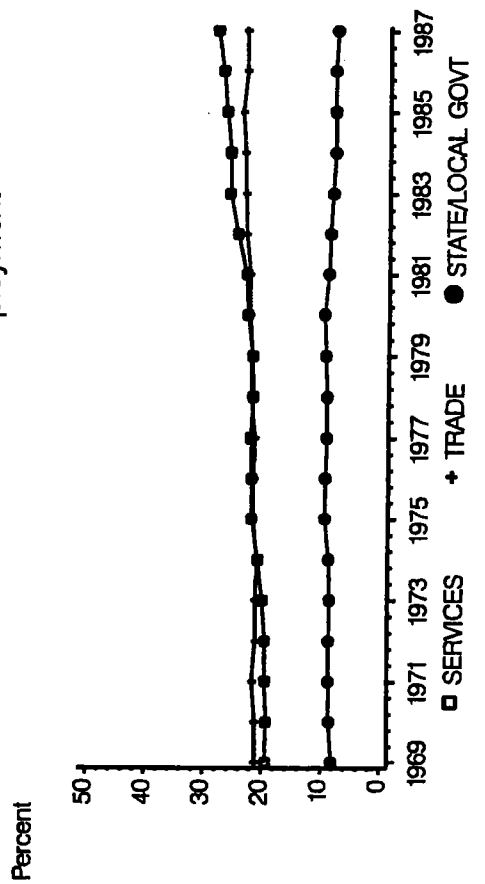


CHART 5A
JEFFERSON COUNTY
POPULATION
Thousands of People

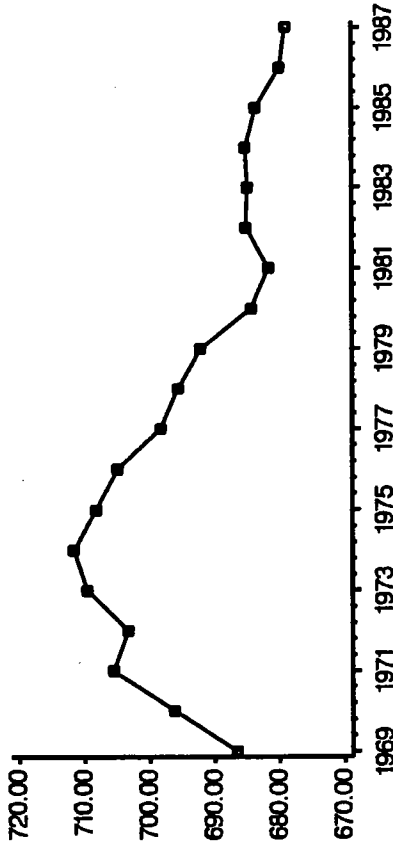


CHART 5B
JEFFERSON COUNTY
POPULATION
as a Percent of Kentucky Population

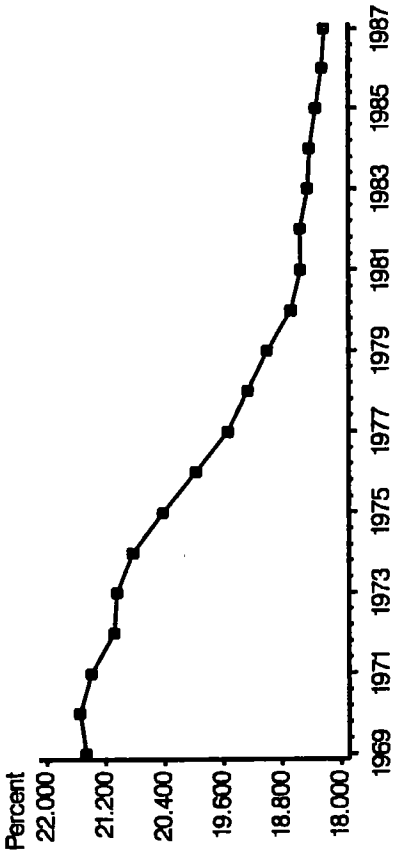


CHART 5C
JEFFERSON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

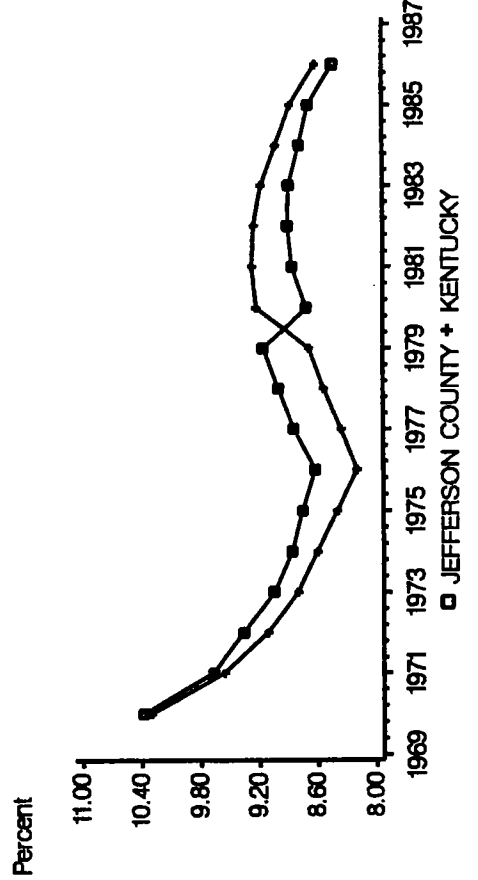
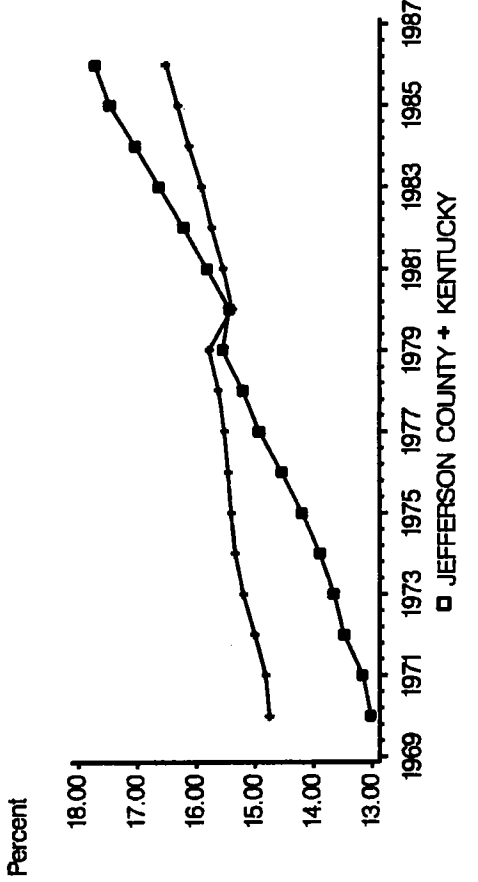


CHART 5D
JEFFERSON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



JEFFERSON COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	7,936	27.93	11,560	130.1
1970	8,247	28.00	11,846	130.0
1971	8,416	27.57	11,929	128.9
1972	8,876	27.30	12,621	129.5
1973	9,296	26.85	13,100	127.6
1974	9,150	25.84	12,857	124.1
1975	8,995	25.27	12,702	123.8
1976	9,328	24.61	13,234	123.3
1977	9,623	24.08	13,781	123.3
1978	9,969	23.87	14,331	123.9
1979	9,996	23.33	14,443	122.8
1980	9,796	23.18	14,315	124.1
1981	9,990	23.19	14,657	125.1
1982	9,892	23.18	14,440	125.0
1983	9,980	23.61	14,570	128.0
1984	10,246	22.97	14,953	124.7
1985	10,375	23.19	15,177	126.5
1986	10,634	23.32	15,640	127.8
1987	10,884	23.36	16,029	128.2

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	6,325	79.7	79.2	637	8.0	10.9	974	12.3	9.9
1970	6,529	79.2	77.9	712	8.6	11.9	1,006	12.2	10.2
1971	6,596	78.4	77.0	814	9.7	12.9	1,006	12.0	10.1
1972	6,982	78.7	77.3	880	9.9	12.9	1,014	11.4	9.7
1973	7,248	78.0	76.6	984	10.6	13.6	1,064	11.5	9.7
1974	6,977	76.3	75.5	1,067	11.7	14.4	1,106	12.1	10.1
1975	6,660	74.0	73.3	1,264	14.1	16.5	1,071	11.9	10.1
1976	6,948	74.5	73.9	1,291	13.8	16.1	1,089	11.7	10.0
1977	7,228	75.1	74.6	1,258	13.1	15.3	1,137	11.8	10.1
1978	7,528	75.5	75.0	1,246	12.5	14.6	1,195	12.0	10.4
1979	7,446	74.5	74.1	1,300	13.0	15.1	1,251	12.5	10.8
1980	6,981	71.3	71.1	1,433	14.6	16.7	1,383	14.1	12.2
1981	6,883	68.9	69.3	1,463	14.6	16.8	1,643	16.4	13.8
1982	6,622	66.9	67.5	1,526	15.4	17.6	1,744	17.6	14.9
1983	6,699	67.1	66.6	1,550	15.5	18.4	1,731	17.3	15.1
1984	6,897	67.3	67.8	1,520	14.8	17.3	1,828	17.8	14.9
1985	6,938	66.9	67.2	1,548	14.9	17.6	1,889	18.2	15.3
1986	7,097	66.7	67.1	1,583	14.9	17.6	1,954	18.4	15.3
1987	7,305	67.1	67.5	1,583	14.5	17.2	1,995	18.3	15.3

JEFFERSON 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	35.2	44.86	0.1	0.54	0.2	2.40
1970	35.3	45.12	0.1	0.81	0.2	1.75
1971	34.7	44.46	0.1	0.88	0.2	1.38
1972	35.6	44.31	0.1	0.77	0.2	1.56
1973	36.3	43.91	0.1	0.77	0.2	1.64
1974	36.5	42.70	0.1	0.71	0.3	1.59
1975	33.9	41.94	0.1	0.87	0.4	1.45
1976	34.5	40.61	0.1	0.81	0.4	1.42
1977	35.4	40.61	0.1	0.79	0.4	1.34
1978	34.8	40.18	0.1	0.55	0.3	1.05
1979	34.0	38.38	0.1	0.64	0.3	1.11
1980	32.6	37.44	0.1	0.41	0.5	1.69
1981	32.5	36.97	0.1	0.53	0.5	1.71
1982	30.4	36.34	0.1	0.69	0.5	1.65
1983	29.4	35.25	0.1	1.54	0.4	1.94
1984	29.4	34.27	0.1	0.61	0.4	1.80
1985	28.1	33.38	0.1	0.96	0.5	2.35
1986	26.9	32.88	0.2	1.75	0.3	1.27
1987	26.1	32.09	0.2	1.82	0.2	1.33

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	14.4	34.09	17.6	34.87	7.2	24.77
1970	14.4	34.66	17.5	34.65	7.5	25.00
1971	14.5	34.30	17.5	34.76	7.7	24.79
1972	14.1	34.06	17.1	34.37	7.5	24.83
1973	14.0	33.93	17.2	34.32	7.2	24.18
1974	14.7	35.05	17.2	33.48	7.1	23.50
1975	15.6	34.49	18.2	33.07	7.6	23.02
1976	15.6	33.96	17.5	31.46	7.5	22.62
1977	15.5	33.87	16.7	31.00	7.3	22.36
1978	15.4	33.48	17.0	30.99	7.3	22.14
1979	15.8	33.16	17.2	30.67	7.6	22.11
1980	17.1	33.18	17.2	31.00	7.9	21.82
1981	17.4	32.56	17.1	31.30	7.8	21.47
1982	18.7	32.84	17.7	31.39	8.0	20.99
1983	19.8	33.04	17.7	31.38	7.9	20.32
1984	20.2	33.26	17.7	31.83	7.6	19.96
1985	20.8	33.14	17.8	31.72	7.8	20.16
1986	22.1	33.20	17.3	31.26	8.0	20.28
1987	23.0	33.32	17.2	31.30	7.8	19.83

JEFFERSON COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	94,489	28.0	1,504	0.4	481	0.1
1970	95,877	28.1	1,492	0.4	488	0.1
1971	94,388	27.3	1,468	0.4	503	0.1
1972	97,806	27.6	1,453	0.4	485	0.1
1973	102,987	27.7	1,495	0.4	531	0.1
1974	103,793	27.4	1,542	0.4	468	0.1
1975	91,046	25.1	1,179	0.3	388	0.1
1976	93,263	25.3	1,341	0.4	272	0.1
1977	95,991	25.2	1,293	0.3	362	0.1
1978	97,543	24.6	1,327	0.3	439	0.1
1979	96,195	24.0	1,138	0.3	478	0.1
1980	87,514	22.5	1,194	0.3	535	0.1
1981	86,128	22.3	1,214	0.3	616	0.2
1982	75,674	20.3	1,180	0.3	692	0.2
1983	70,366	19.0	1,197	0.3	814	0.2
1984	73,089	18.9	1,132	0.3	749	0.2
1985	70,461	17.9	1,086	0.3	732	0.2
1986	69,862	17.3	1,154	0.3	698	0.2
1987	69,425	16.7	1,079	0.3	621	0.1

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	65,344	19.3	71,504	21.2	27,343	8.1
1970	65,516	19.2	72,191	21.2	28,845	8.5
1971	67,141	19.4	74,712	21.6	29,851	8.6
1972	69,095	19.5	74,871	21.1	30,616	8.6
1973	74,226	20.0	78,541	21.1	31,643	8.5
1974	78,638	20.8	79,331	21.0	32,930	8.7
1975	79,384	21.9	78,634	21.6	34,150	9.4
1976	80,720	21.9	79,233	21.5	34,465	9.4
1977	84,070	22.1	81,350	21.3	34,712	9.1
1978	85,923	21.6	87,568	22.1	36,091	9.1
1979	87,495	21.8	87,976	21.9	37,417	9.3
1980	88,411	22.7	86,681	22.3	37,501	9.6
1981	88,493	23.0	86,352	22.4	34,536	9.0
1982	91,095	24.5	85,485	23.0	32,223	8.7
1983	95,881	25.9	85,739	23.1	30,557	8.2
1984	99,610	25.8	89,958	23.3	30,269	7.8
1985	104,446	26.5	93,463	23.7	31,006	7.9
1986	109,376	27.1	93,026	23.0	32,131	8.0
1987	116,841	28.0	96,025	23.0	31,713	7.6

JEFFERSON COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	337,996	\$21,472	\$17,440	.	4.2
1970	341,164	\$21,975	\$17,811	3.8	4.4
1971	345,803	\$22,227	\$18,166	4.7	5.1
1972	354,731	\$23,151	\$18,970	5.7	6.0
1973	371,992	\$23,299	\$19,232	3.3	3.7
1974	378,593	\$22,271	\$19,008	4.2	4.5
1975	363,242	\$22,200	\$18,976	7.4	7.3
1976	368,325	\$23,025	\$19,563	6.3	5.6
1977	381,108	\$23,382	\$20,031	4.7	4.7
1978	397,045	\$23,505	\$20,121	5.1	5.3
1979	400,805	\$23,236	\$20,110	5.1	5.5
1980	389,353	\$22,585	\$19,439	8.0	8.0
1981	385,486	\$22,255	\$19,286	8.6	8.4
1982	372,138	\$22,080	\$18,931	10.6	10.6
1983	370,438	\$22,314	\$18,358	10.2	11.6
1984	385,788	\$22,350	\$19,080	8.3	9.3
1985	394,430	\$22,065	\$18,676	8.1	9.5
1986	404,036	\$22,114	\$18,627	7.4	9.3
1987	416,782	\$21,980	\$18,636	7.3	8.8

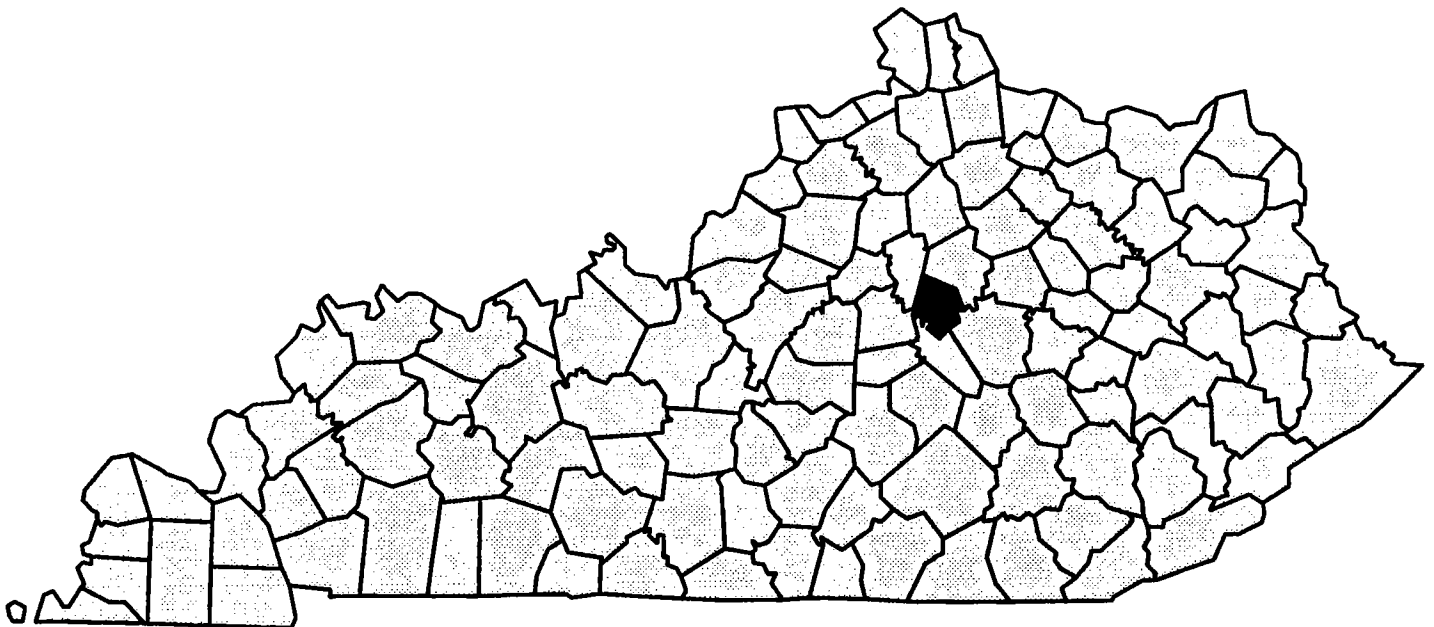
POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	686,600	21.47	.	.	.	.
1970	696,200	21.55	10.4	10.3	13.0	14.8
1971	705,600	21.39	9.7	9.6	13.2	14.8
1972	703,300	21.08	9.4	9.1	13.5	15.0
1973	709,600	21.05	9.0	8.8	13.7	15.2
1974	711,600	20.83	8.9	8.6	13.9	15.3
1975	708,200	20.42	8.7	8.4	14.2	15.4
1976	704,900	19.97	8.6	8.2	14.6	15.5
1977	698,300	19.53	8.8	8.4	14.9	15.5
1978	695,600	19.26	9.0	8.5	15.2	15.6
1979	692,100	18.99	9.2	8.7	15.5	15.8
1980	684,300	18.67	8.7	9.2	15.4	15.4
1981	681,600	18.54	8.9	9.3	15.8	15.5
1982	685,100	18.55	8.9	9.2	16.2	15.7
1983	684,900	18.44	8.9	9.2	16.6	15.9
1984	685,200	18.42	8.8	9.0	17.0	16.1
1985	683,600	18.33	8.7	8.9	17.5	16.3
1986	679,900	18.25	8.4	8.6	17.7	16.5
1987	679,000	18.22	.	.	.	.



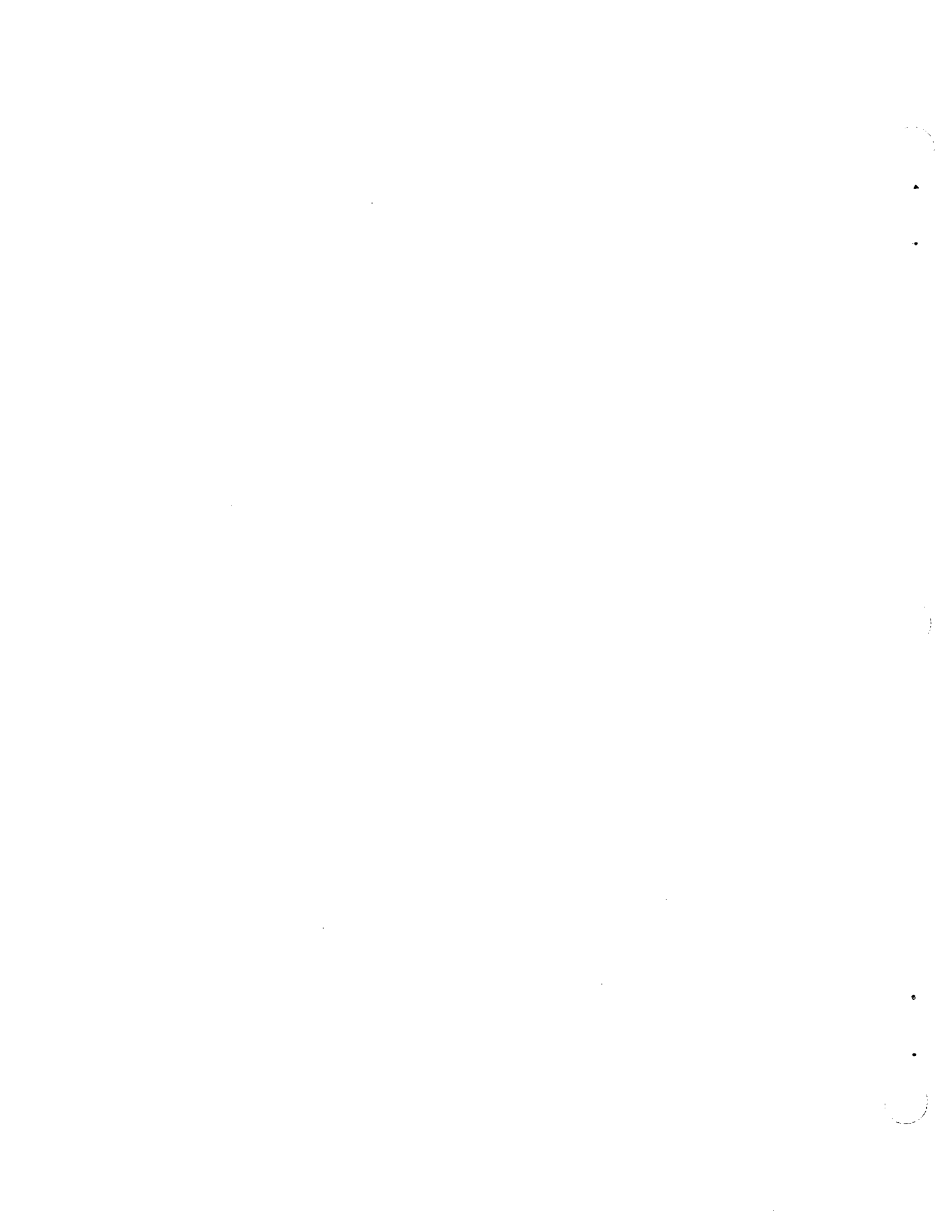
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

JESSAMINE COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



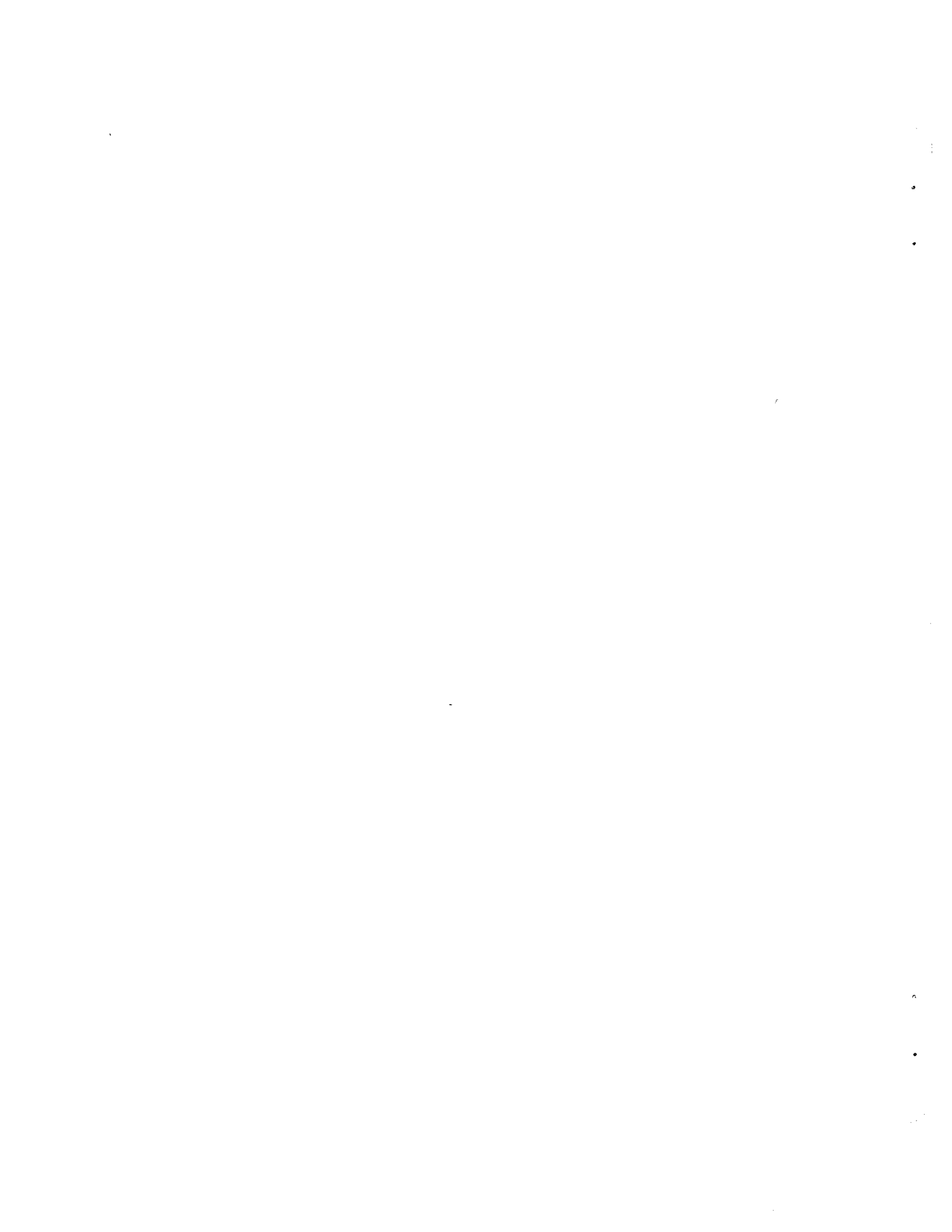
ECONOMIC TRENDS IN
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1969 – 1987

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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 Jessamine County economy, as measured by personal income, grew robustly from 1969 to 1987. Jessamine County increased its share of Kentucky personal income, indicating that the county economy grew faster than the state economy. One explanation for this healthy growth may be that Jessamine County generates a higher percent of personal income from earnings and a smaller percent from transfer payments than does the state as a whole.

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 Jessamine County economy grew in importance. The farm sector was Jessamine County's primary employer in the 1970's. However, this sector's share of the county economy has since declined.

The non-goods-producing sectors, particularly service and trade, experienced significant growth at the state level. In Jessamine County, the trade sector increased its share of the county economy, while the service sector decreased its share.

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 JESSAMINE 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 Jessamine 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 Jessamine County economy, as measured by personal income, increased from \$154 million in 1969 to \$373 million in 1987, after adjusting for inflation. Chart 1B shows Jessamine County total personal income as a percent of Kentucky total personal income. Jessamine County increased 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 Jessamine County per capita income increased over the time period to a level of \$12,466 per person in 1987, when it was 99.7 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 \$130 million in 1969 to \$289 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 77.5

percent of Jessamine County's total personal income, which was higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$13 million to total personal income in 1969 and \$45 million in 1987. During the same period, transfer payments contributed a lower percentage of personal income in Jessamine County than in Kentucky.

Income from property in Jessamine County grew steadily through the time period. Income from property totalled \$11 million in 1969 and increased to \$39 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, Jessamine County received 7.0 percent of total earnings from manufacturing. This percentage increased to 23.1 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 showed a steady decline over the period.

Farming's contribution to total county earnings decreased from 27.8 percent in 1969 to 4.1 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 decreased from 17.9 percent in 1969 to 14.8 percent in 1987. The percent of earnings from the trade sector increased steadily to 19.0 percent in 1987. 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 Jessamine 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 Jessamine County average earnings per job have paralleled state trends. Average earnings reached \$14,837 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 Jessamine County increased substantially during the data period. In 1969, total employment stood at 5,041 people. By 1987, that figure had increased to 11,195.

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 Jessamine County are presented in Chart 4B. Unemployment rates in Jessamine County have been below those of the state since 1971. In 1987, the county unemployment rate was 5.4 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 increased from 6.2 percent in 1969 to 14.5 percent in 1987. Again, this trend is unlike that of the state, where manufacturing's share of employment declined.

Farming's share of employment declined from 32.8 percent in 1969 to 12.2 percent in 1987. This parallels state and national trends.

Employment in the non-goods-producing industries is presented in Chart 4D. Service sector employment accounted for 22.0 percent of total employment in 1969. This share was virtually the same, at 20.6 percent, in 1987. The percent of employment in the trade sector increased from 15.1 percent in 1969 to 19.2 percent in 1987. The percent of employment in state and local government remained constant and was 8.6 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 Jessamine County.

The Jessamine County population grew substantially, from 17,000 in 1969 to 29,900 in 1987 (Chart 5A). It was estimated that in 1986, 9.3 percent of Jessamine County's population was under six years of age, compared to 8.6 for the state. Jessamine County had a lower proportion than the state of residents age sixty or older. In 1969, 11.4 percent of the Jessamine County population was 60 years of age and over, while 16.5 percent of all Kentucky residents fell in this age group.

CHART 1A

JESSAMINE COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

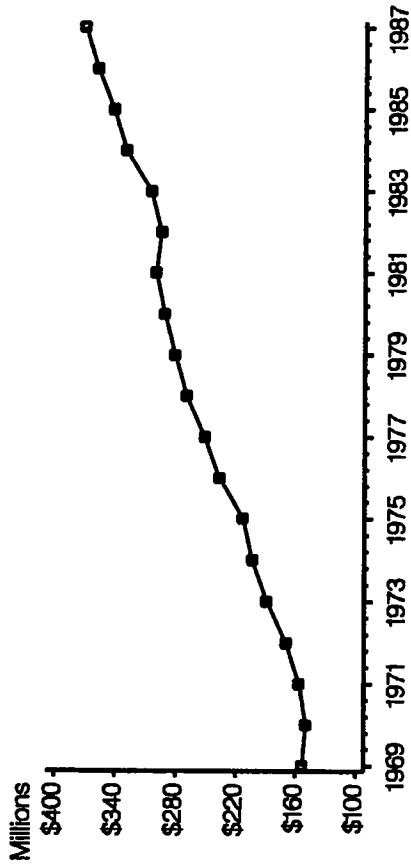


CHART 1B
JESSAMINE COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

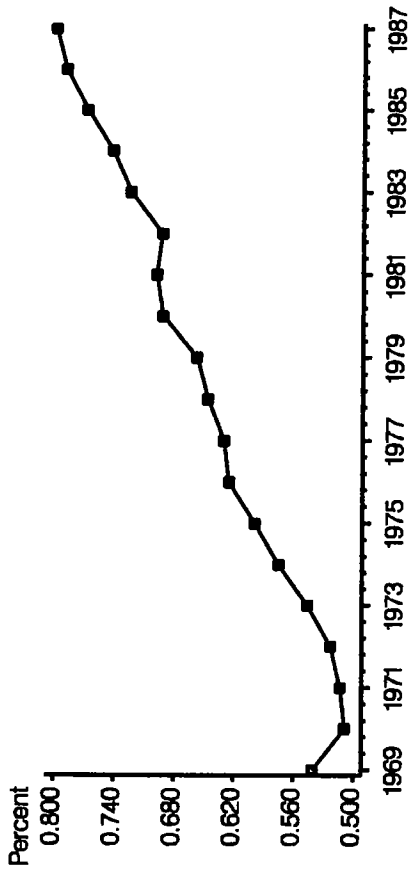


CHART 1C

JESSAMINE COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

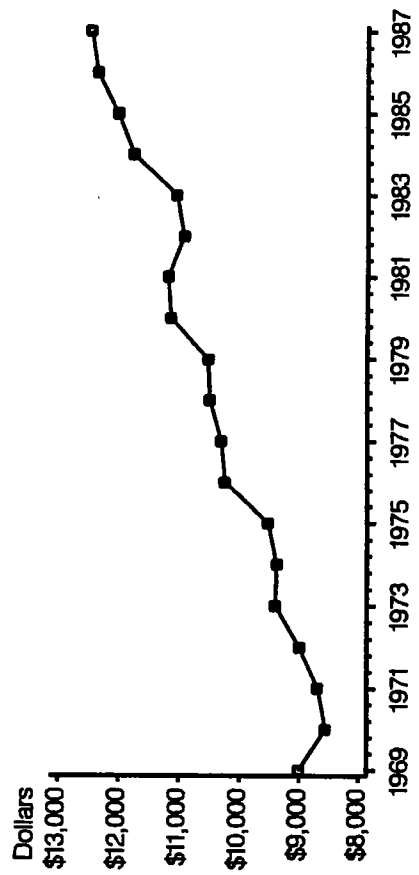


CHART 1D
JESSAMINE COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

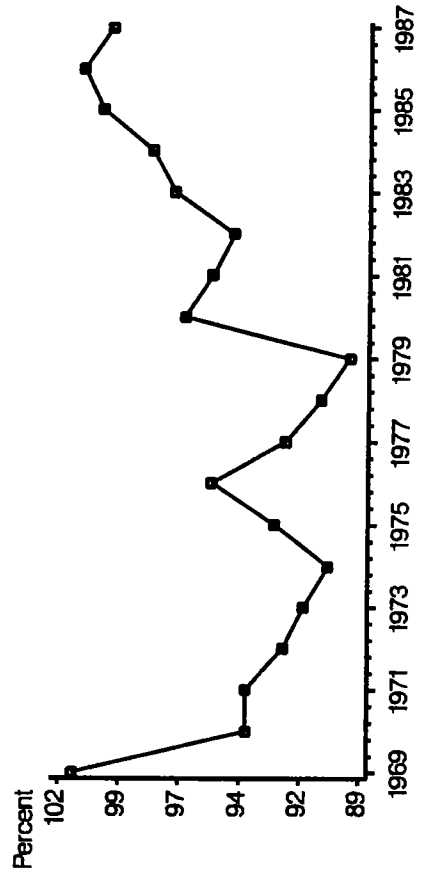


CHART 2A
 JESSAMINE COUNTY
 REAL TOTAL EARNINGS
 Millions of 1988 dollars

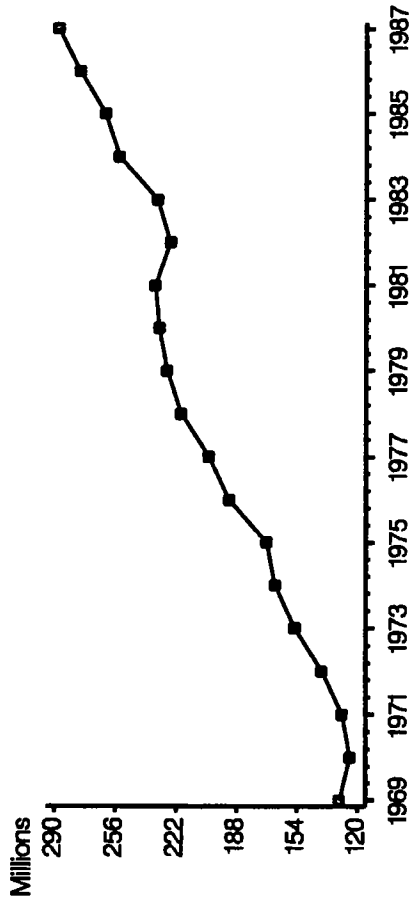


CHART 2B
 JESSAMINE COUNTY
 TRANSFER PAYMENTS and INCOME FROM PROPERTY
 Millions of 1988 Dollars

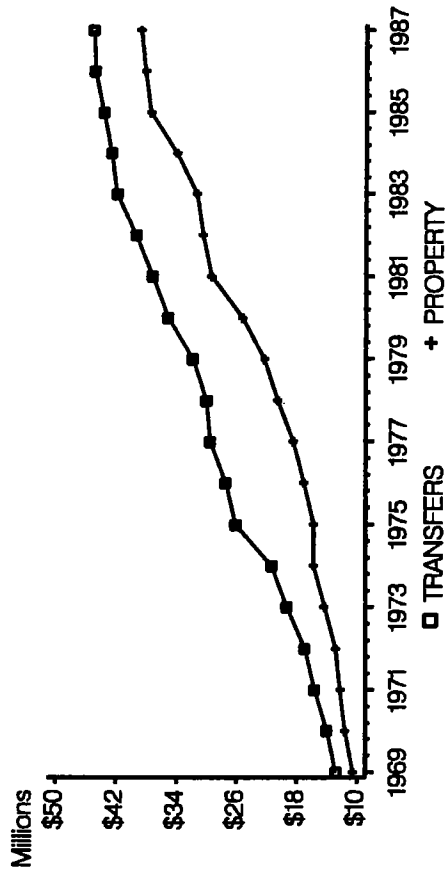


CHART 2C
 JESSAMINE COUNTY
 TOTAL EARNINGS
 as a Percent of Personal Income

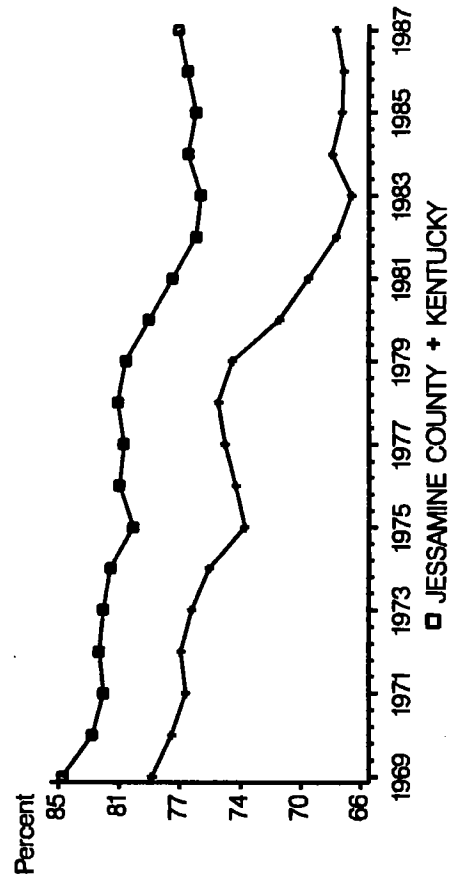


CHART 2D
 JESSAMINE COUNTY
 TRANSFER PAYMENTS
 as a Percent of Personal Income

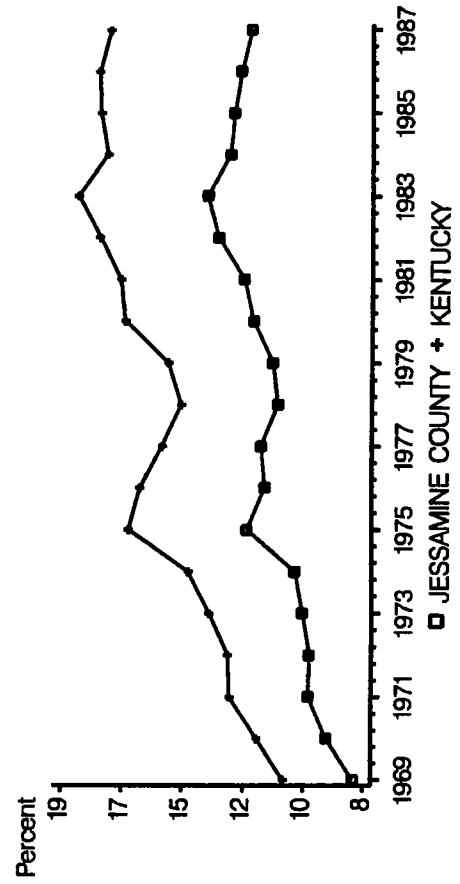


CHART 3A

JESSAMINE COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

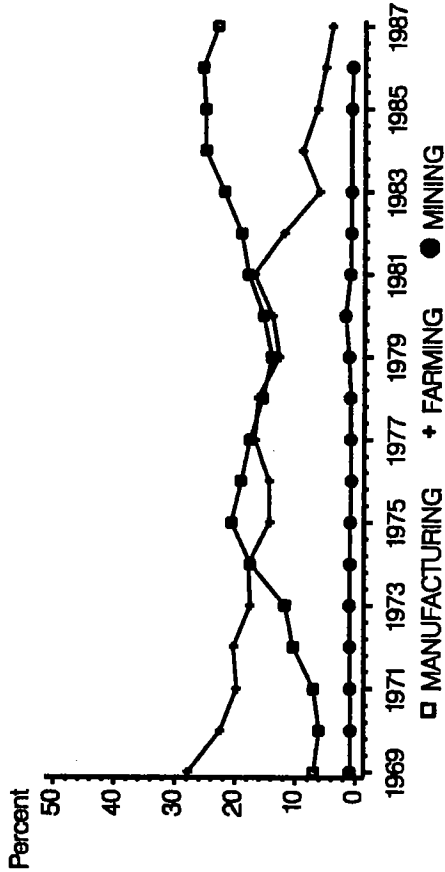


CHART 3B

JESSAMINE COUNTY

EARNINGS in NON - GOODS PRODUCING INDUSTRIES

as a Percent of Total Earnings

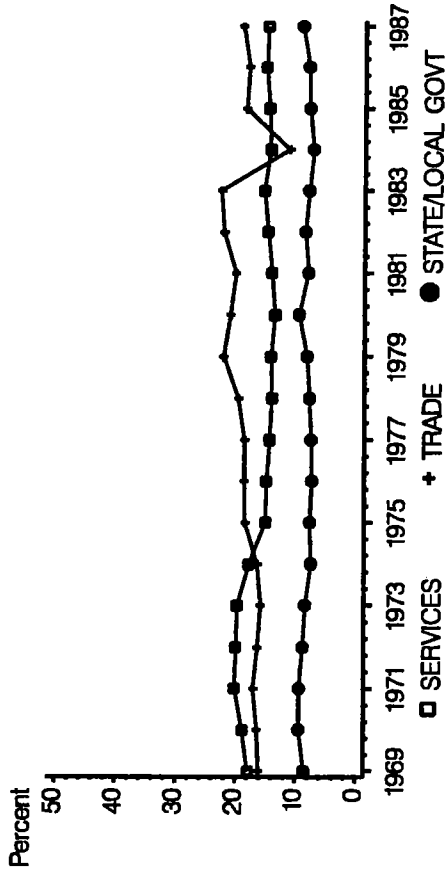


CHART 3C

JESSAMINE COUNTY

EARNINGS in GOODS PRODUCING INDUSTRIES

as a Percent of Kentucky Industries

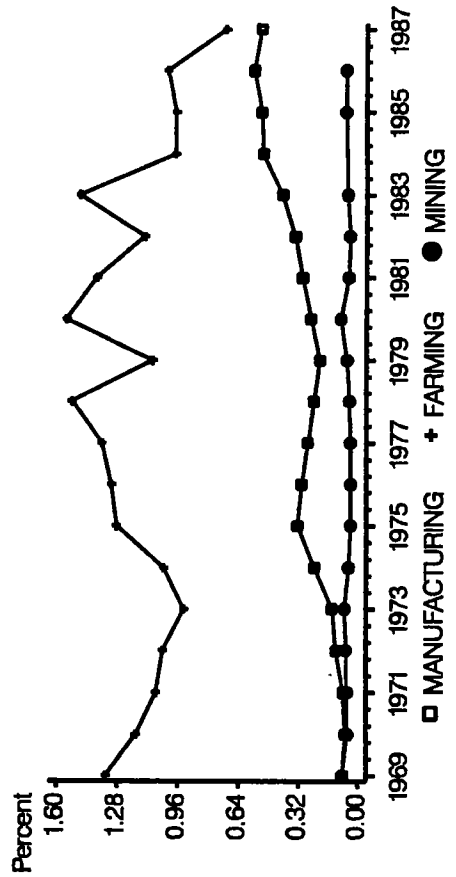


CHART 3D

JESSAMINE COUNTY

AVERAGE EARNINGS PER JOB

in Constant 1988 Dollars

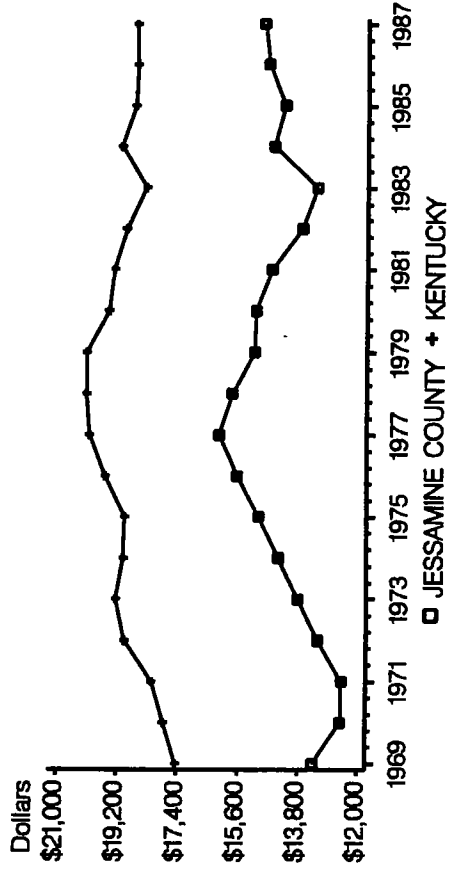


CHART 4A
JESSAMINE COUNTY
TOTAL EMPLOYMENT
Thousands of People

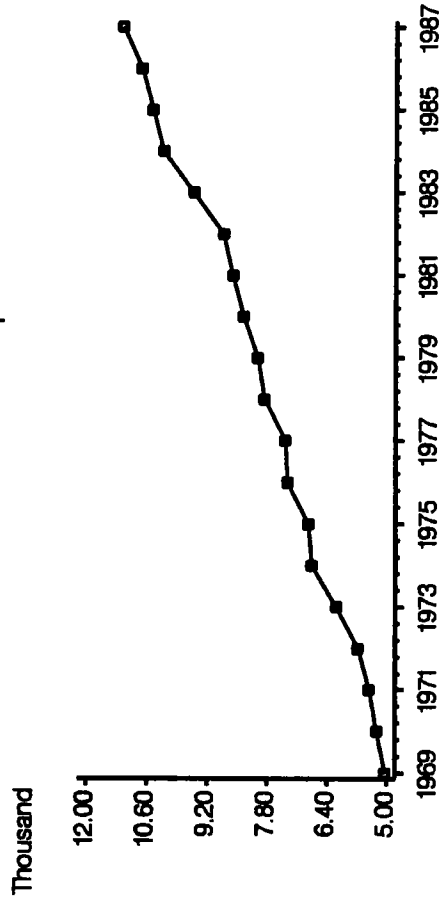


CHART 4B
JESSAMINE COUNTY
ANNUAL UNEMPLOYMENT RATE

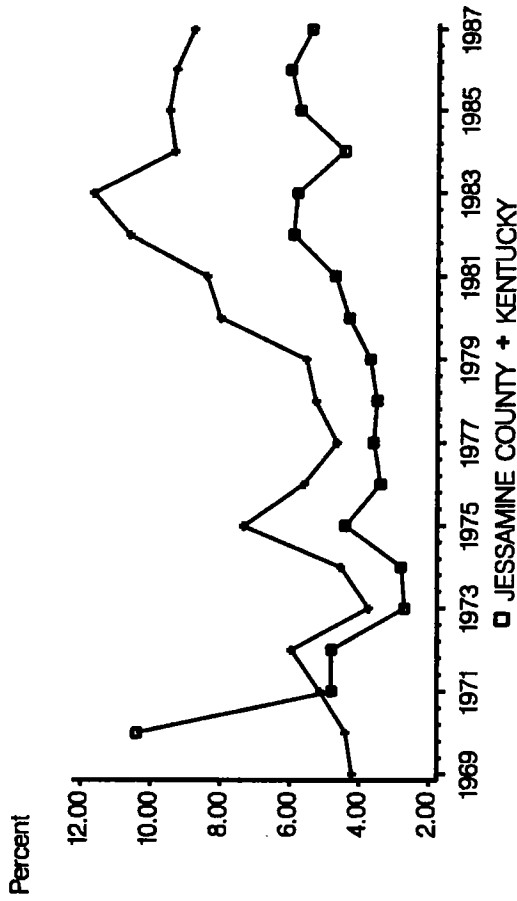


CHART 4C
JESSAMINE COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

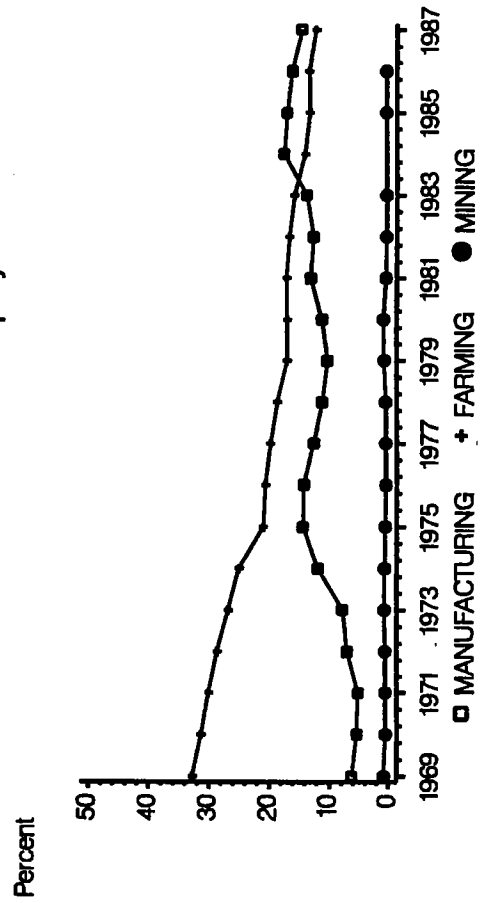


CHART 4D
JESSAMINE COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

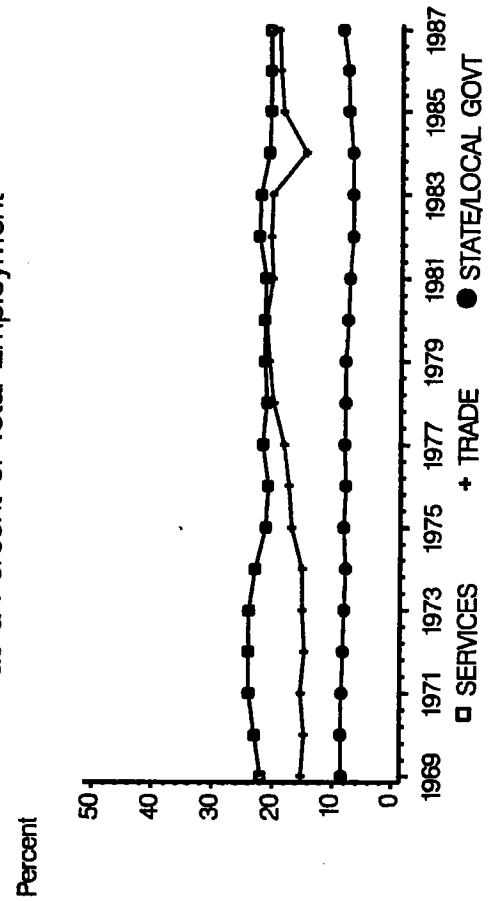


CHART 5A

JESSAMINE COUNTY
POPULATION

Thousands of People

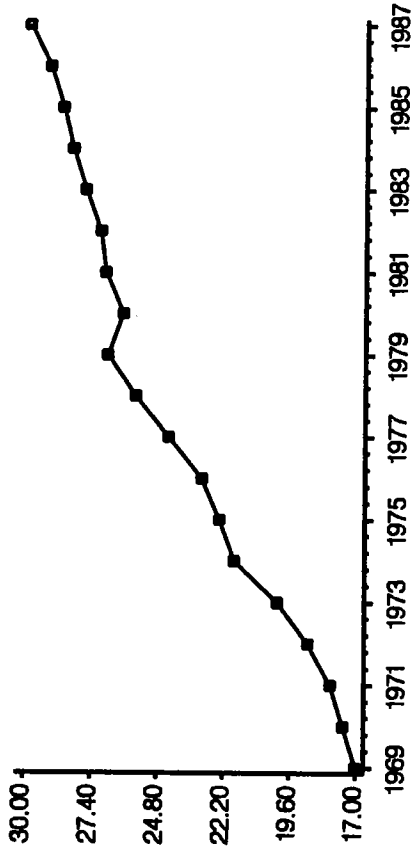


CHART 5B

JESSAMINE COUNTY
POPULATION

as a Percent of Kentucky Population

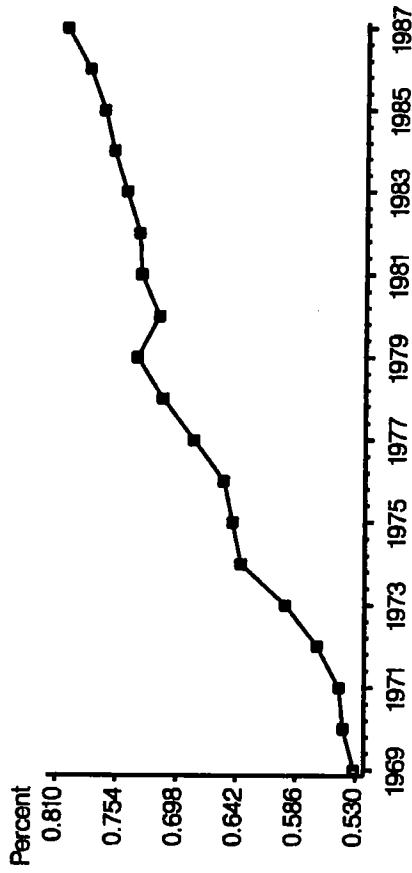


CHART 5C

JESSAMINE COUNTY
POPULATION 5 AND UNDER

as a Percent of Total Population

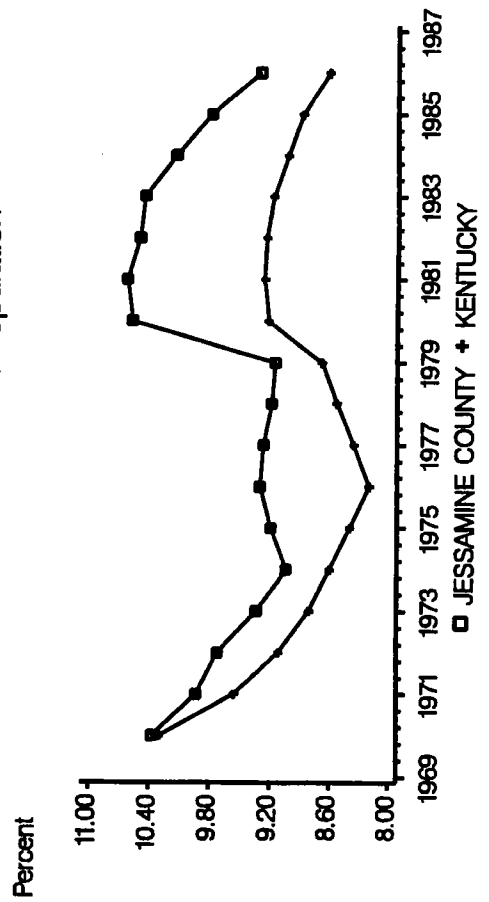
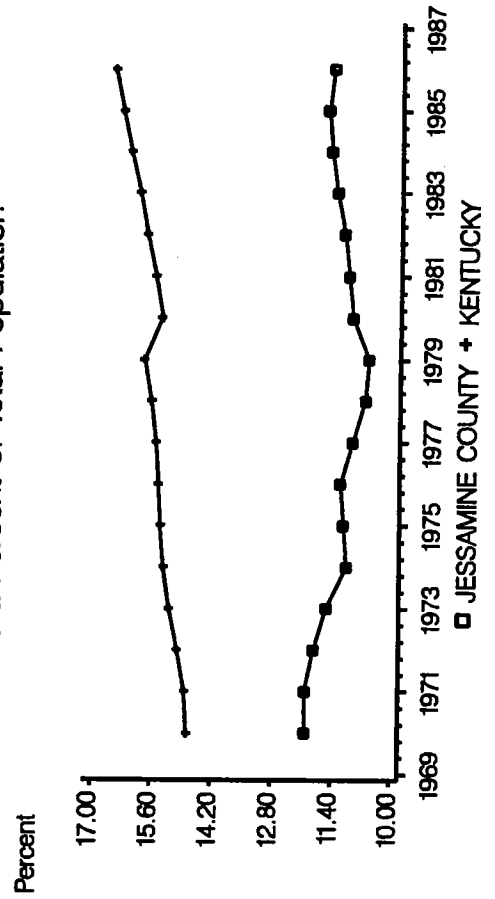


CHART 5D

JESSAMINE COUNTY
POPULATION 60 AND OVER

as a Percent of Total Population



JESSAMINE COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	154	0.54	9,010	101.4
1970	150	0.51	8,561	93.9
1971	157	0.51	8,693	93.9
1972	170	0.52	8,995	92.3
1973	189	0.55	9,390	91.4
1974	204	0.58	9,365	90.4
1975	213	0.60	9,514	92.7
1976	237	0.63	10,244	95.4
1977	252	0.63	10,309	92.2
1978	270	0.65	10,492	90.7
1979	282	0.66	10,519	89.5
1980	292	0.69	11,139	96.6
1981	301	0.70	11,185	95.4
1982	296	0.69	10,920	94.5
1983	306	0.72	11,047	97.1
1984	331	0.74	11,754	98.0
1985	344	0.77	12,017	100.2
1986	360	0.79	12,357	101.0
1987	373	0.80	12,466	99.7

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	130	84.7	79.2	13	8.4	10.9	11	6.9	9.9
1970	124	82.9	77.9	14	9.4	11.9	12	7.8	10.2
1971	129	82.2	77.0	16	10.0	12.9	12	7.8	10.1
1972	140	82.5	77.3	17	10.0	12.9	13	7.6	9.7
1973	156	82.2	76.6	19	10.2	13.6	14	7.6	9.7
1974	167	81.7	75.5	21	10.5	14.4	16	7.8	10.1
1975	171	80.3	73.3	26	12.3	16.5	16	7.4	10.1
1976	192	81.2	73.9	27	11.6	16.1	17	7.2	10.0
1977	204	80.9	74.6	30	11.7	15.3	19	7.4	10.1
1978	220	81.3	75.0	30	11.1	14.6	21	7.6	10.4
1979	228	80.8	74.1	32	11.3	15.1	22	7.9	10.8
1980	232	79.3	71.1	35	12.0	16.7	25	8.6	12.2
1981	234	77.9	69.3	37	12.4	16.8	29	9.8	13.8
1982	226	76.3	67.5	39	13.3	17.6	31	10.3	14.9
1983	233	76.1	66.6	42	13.7	18.4	31	10.2	15.1
1984	255	76.8	67.8	43	12.9	17.3	34	10.3	14.9
1985	262	76.4	67.2	44	12.7	17.6	38	10.9	15.3
1986	277	76.9	67.1	45	12.5	17.6	38	10.6	15.3
1987	289	77.5	67.5	45	12.1	17.2	39	10.4	15.3

JESSAMINE 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	7.0	0.08	27.8	1.34	0.9	0.08
1970	6.0	0.07	22.5	1.18	0.8	0.06
1971	7.0	0.08	19.8	1.08	0.9	0.06
1972	10.4	0.12	20.3	1.04	1.0	0.06
1973	11.8	0.14	17.6	0.93	1.0	0.07
1974	17.6	0.24	17.8	1.04	0.9	0.05
1975	20.7	0.33	14.3	1.28	0.9	0.04
1976	19.1	0.30	14.4	1.31	0.7	0.04
1977	17.7	0.27	16.8	1.36	0.9	0.04
1978	15.5	0.24	16.3	1.52	0.9	0.05
1979	14.1	0.21	12.8	1.10	1.2	0.06
1980	15.5	0.25	14.0	1.55	1.8	0.09
1981	18.0	0.30	17.0	1.39	1.0	0.05
1982	19.2	0.34	12.0	1.14	0.9	0.04
1983	22.0	0.40	6.2	1.48	0.8	0.06
1984	25.1	0.51	9.0	0.97	.	.
1985	25.2	0.51	6.6	0.97	0.8	0.06
1986	25.6	0.56	5.3	1.01	0.7	0.06
1987	23.1	0.52	4.1	0.71	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	17.9	0.39	16.1	0.30	8.6	0.27
1970	18.8	0.40	16.4	0.28	9.5	0.27
1971	20.1	0.42	17.0	0.30	9.4	0.27
1972	19.9	0.44	16.3	0.30	8.8	0.27
1973	19.7	0.47	15.7	0.31	8.4	0.28
1974	17.8	0.49	16.4	0.37	7.5	0.29
1975	15.0	0.42	18.4	0.42	7.7	0.29
1976	14.9	0.44	18.6	0.45	7.3	0.30
1977	14.4	0.42	18.5	0.46	7.5	0.31
1978	14.0	0.41	19.6	0.47	7.8	0.31
1979	14.2	0.39	22.1	0.51	8.2	0.31
1980	13.5	0.38	20.9	0.54	9.5	0.38
1981	14.1	0.39	20.0	0.54	8.0	0.32
1982	14.7	0.38	22.0	0.58	8.5	0.33
1983	15.4	0.39	22.5	0.61	7.9	0.31
1984	14.3	0.41	11.1	0.35	7.2	0.33
1985	14.6	0.40	18.4	0.56	7.9	0.35
1986	15.1	0.40	18.0	0.58	8.0	0.36
1987	14.8	0.39	19.0	0.62	9.1	0.42

JESSAMINE COUNTY
 COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	315	6.2	1,653	32.8	41	0.8
1970	281	5.4	1,642	31.4	26	0.5
1971	280	5.2	1,631	30.1	30	0.6
1972	401	7.1	1,628	28.7	32	0.6
1973	484	7.8	1,659	26.8	43	0.7
1974	805	11.9	1,692	25.0	45	0.7
1975	980	14.3	1,442	21.1	38	0.6
1976	1,041	14.2	1,517	20.7	33	0.4
1977	923	12.5	1,463	19.8	34	0.5
1978	877	11.1	1,468	18.6	38	0.5
1979	828	10.3	1,365	17.0	56	0.7
1980	933	11.1	1,418	16.9	69	0.8
1981	1,125	13.0	1,472	17.1	37	0.4
1982	1,112	12.6	1,469	16.6	32	0.4
1983	1,305	13.7	1,501	15.7	34	0.4
1984	1,797	17.5	1,428	13.9	.	.
1985	1,785	17.0	1,381	13.2	38	0.4
1986	1,736	16.1	1,431	13.3	38	0.4
1987	1,628	14.5	1,365	12.2	.	.

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	1,108	22.0	763	15.1	427	8.5
1970	1,203	23.0	766	14.6	450	8.6
1971	1,296	23.9	824	15.2	459	8.5
1972	1,362	24.0	831	14.6	472	8.3
1973	1,480	23.9	925	14.9	501	8.1
1974	1,549	22.9	1,014	15.0	531	7.8
1975	1,451	21.2	1,150	16.8	562	8.2
1976	1,529	20.8	1,272	17.3	577	7.9
1977	1,603	21.7	1,338	18.1	596	8.1
1978	1,661	21.1	1,573	20.0	627	8.0
1979	1,726	21.5	1,668	20.8	642	8.0
1980	1,803	21.5	1,778	21.2	638	7.6
1981	1,841	21.4	1,744	20.2	635	7.4
1982	1,988	22.5	1,815	20.5	607	6.9
1983	2,122	22.2	1,932	20.3	657	6.9
1984	2,134	20.8	1,492	14.6	710	6.9
1985	2,163	20.6	1,938	18.5	800	7.6
1986	2,222	20.7	2,034	18.9	837	7.8
1987	2,308	20.6	2,149	19.2	963	8.6

JESSAMINE COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	5,041	\$13,355	\$17,440	.	4.2
1970	5,237	\$12,508	\$17,811	10.4	4.4
1971	5,421	\$12,481	\$18,166	4.8	5.1
1972	5,682	\$13,223	\$18,970	4.8	6.0
1973	6,191	\$13,813	\$19,232	2.7	3.7
1974	6,765	\$14,386	\$19,008	2.8	4.5
1975	6,848	\$14,980	\$18,976	4.4	7.3
1976	7,337	\$15,632	\$19,563	3.4	5.6
1977	7,386	\$16,181	\$20,031	3.6	4.7
1978	7,878	\$15,778	\$20,121	3.5	5.3
1979	8,037	\$15,109	\$20,110	3.7	5.5
1980	8,374	\$15,069	\$19,439	4.3	8.0
1981	8,622	\$14,597	\$19,286	4.7	8.4
1982	8,841	\$13,715	\$18,931	5.9	10.6
1983	9,538	\$13,274	\$18,358	5.8	11.6
1984	10,247	\$14,547	\$19,080	4.4	9.3
1985	10,500	\$14,241	\$18,676	5.7	9.5
1986	10,760	\$14,710	\$18,627	6.0	9.3
1987	11,195	\$14,837	\$18,636	5.4	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	17,000	0.53	.	.	.	.
1970	17,500	0.54	10.4	10.3	12.0	14.8
1971	18,000	0.55	9.9	9.6	12.0	14.8
1972	18,900	0.57	9.7	9.1	11.8	15.0
1973	20,100	0.60	9.3	8.8	11.5	15.2
1974	21,800	0.64	9.0	8.6	11.1	15.3
1975	22,400	0.65	9.2	8.4	11.1	15.4
1976	23,100	0.65	9.3	8.2	11.2	15.5
1977	24,400	0.68	9.3	8.4	10.9	15.5
1978	25,700	0.71	9.2	8.5	10.6	15.6
1979	26,800	0.74	9.1	8.7	10.5	15.8
1980	26,200	0.71	10.6	9.2	10.9	15.4
1981	26,900	0.73	10.6	9.3	11.0	15.5
1982	27,100	0.73	10.5	9.2	11.1	15.7
1983	27,700	0.75	10.5	9.2	11.3	15.9
1984	28,200	0.76	10.1	9.0	11.5	16.1
1985	28,600	0.77	9.8	8.9	11.5	16.3
1986	29,100	0.78	9.3	8.6	11.4	16.5
1987	29,900	0.80



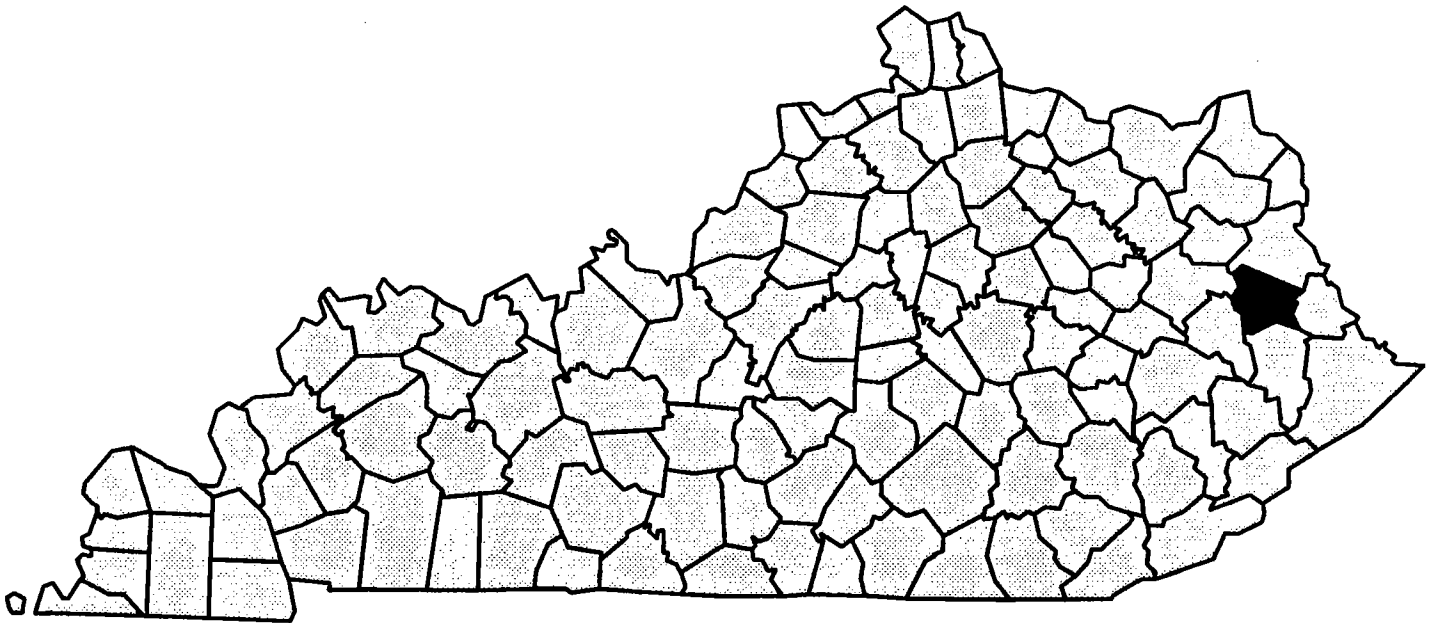
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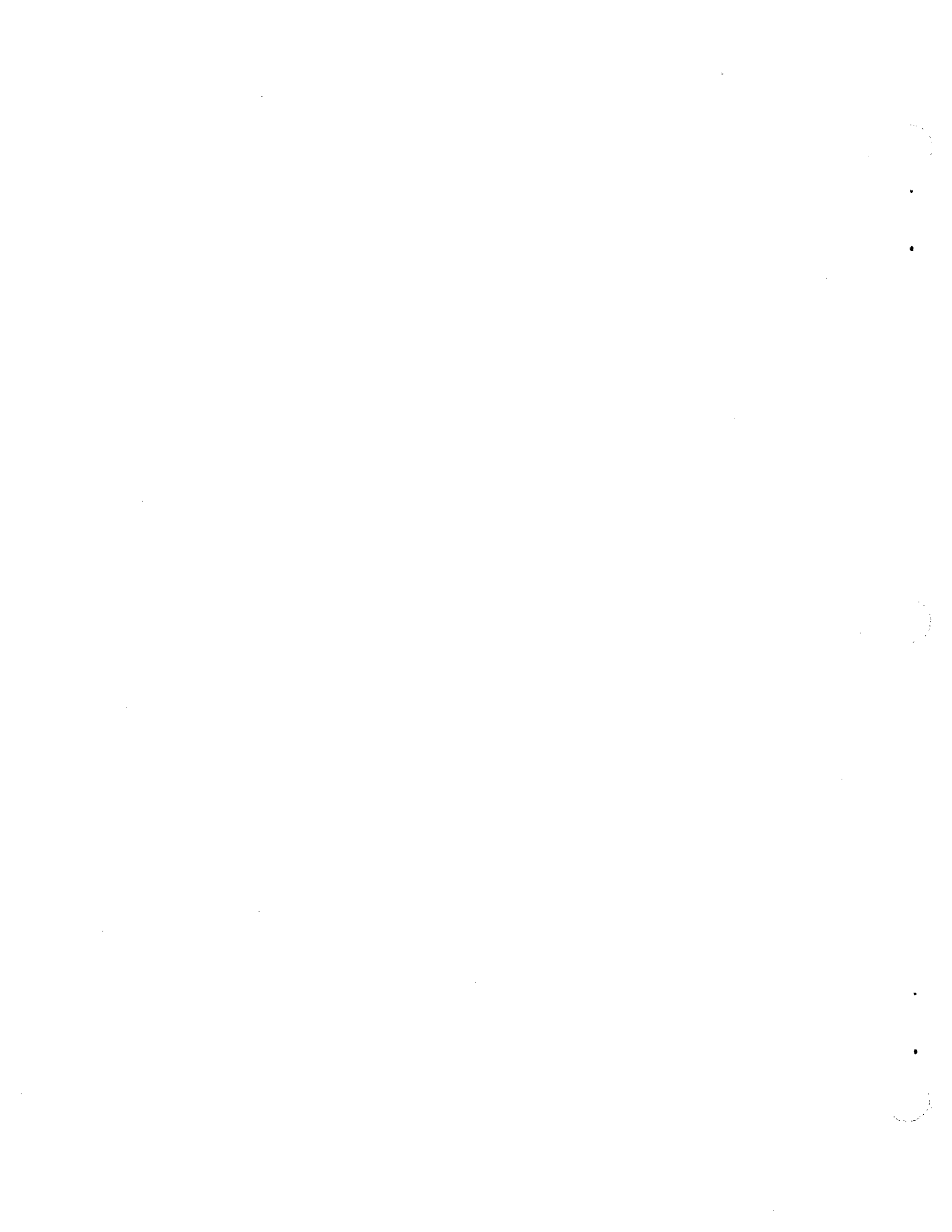
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

JOHNSON COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



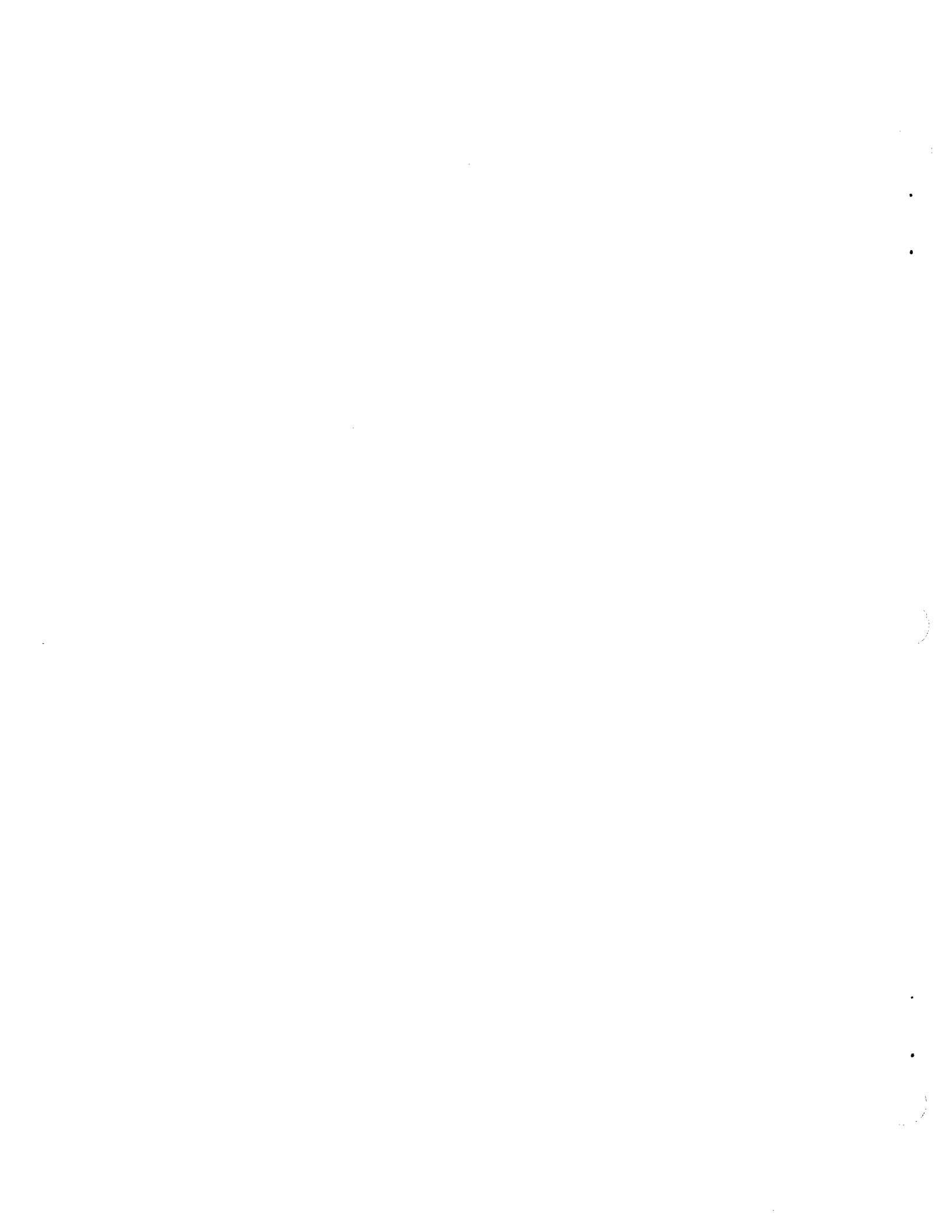
ECONOMIC TRENDS IN
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FOREWORD

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



SUMMARY

The Johnson County economy, as measured by personal income, grew strongly in the 1970's and declined slightly in the 1980's. Johnson County increased its share of Kentucky personal income in the 1970's and decreased its share in the 1980's. Johnson 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 heavily impacted by a volatile mining sector. The mine sector was very strong in the mid-1970's. However, earnings and employment from this sector declined substantially in the mid-1980's. The county's share of earnings and employment from manufacturing was also volatile. These sectors also declined at the state level.

The service sector experienced significant decreases in its share of earnings and employment. The trade and state and local government sectors increased their shares. At the state level, the services and trade sectors increased their shares, while the state and local government share 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 Johnson County in the mid-to-late 1970's. However, these favorable coal market conditions could not be sustained. Earnings and employment from this sector subsequently declined.

The county's high concentration in the goods-producing sectors contributed to a volatile economic history and suggests an uncertain economic future. These industries, especially coal mining, are very sensitive to economic fluctuations. Also, the mining industry is becoming less labor intensive. 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. Future economic growth in Johnson County would probably be enhanced by development of other 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 Johnson 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.

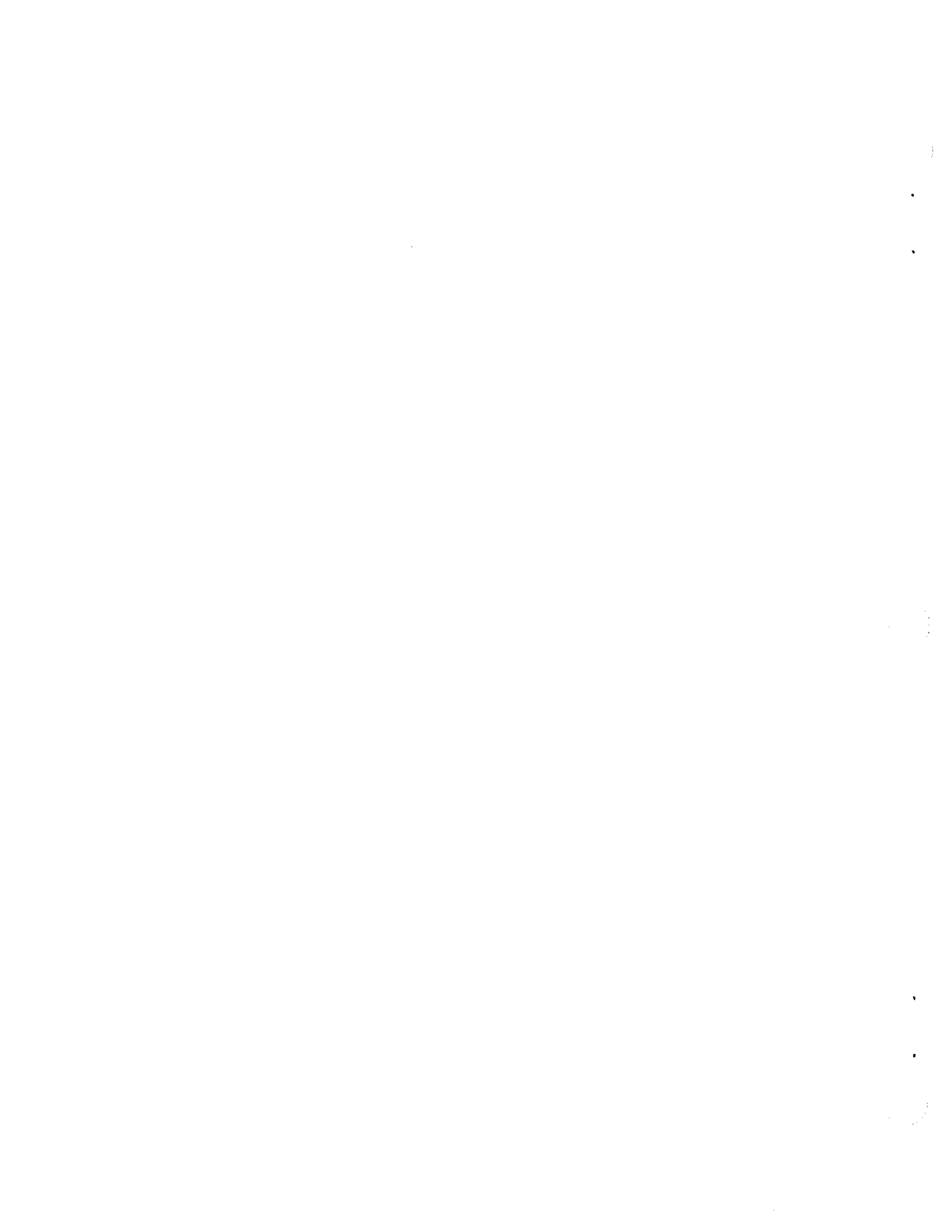
A second question concerns the structure and nature of the Johnson County economy. The structure of an economy refers to the relative share contributed by the various segments of the economy, while the nature deals with how this share has changed over time.

A third question concerns the performance of the Johnson 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 JOHNSON 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 Johnson 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 Johnson County economy, as measured by real personal income, increased, from \$127 million in 1969 to a high of \$265 million in 1980 (after adjusting for inflation). There was a subsequent decline to \$247 million in 1987. Chart 1B shows Johnson County total personal income as a percent of Kentucky total personal income. Johnson 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. Johnson County real per capita income generally increased in the 1970's, then declined slightly in the 1980's to a level of \$9,957 in 1987. Johnson County's per capita personal income was 79.7 percent of the 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 \$96 million in 1969 to a high of \$187 million in 1978, then declined to \$158 million in 1987 (in constant 1988 dollars). Earnings as a percent of personal income declined over the period. Earnings accounted for 64.1 percent of Johnson County's total personal income in 1987, less than Kentucky's 67.5 percent share.

Transfer payments contributed \$22 million to total personal income in 1969 and \$61 million in 1987. Transfer payments contributed a higher percentage of personal income in Johnson County than in Kentucky. In 1987, transfer payments contributed 24.6 percent to county personal income, compared to 17.2 percent for state personal income.

Income from property in Johnson County grew steadily through the time period. Income from property totalled \$8 million in 1969 and increased to \$28 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 income and proprietor's earnings. Earnings in the goods-producing industries are illustrated in Chart 3A. In 1969, Johnson County received 2.1 percent of its earnings from manufacturing. This percentage fluctuated during the period and increased to 7.4 percent in 1987. Earnings from the farming sector were generally constant and accounted for 0.6 percent of the total in 1987. The mine sector's share of earnings was 5.7 percent in 1969. This sector's share increased dramatically in the 1970's and accounted for a high of 37.7 percent in 1982. The earnings share from this sector subsequently declined to 14.6 percent in 1987. The earnings shares of all three sectors declined in the state as a whole.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services decreased from 36.7 percent in 1969 to 13.1 percent in 1982, then increased to 21.2 percent in 1987. The percent of earnings from the trade sector increased from 16.8 percent in 1969 to 21.0 percent in 1987. The percentage of earnings in the state and local government sectors increased from 9.3 percent in 1969 to 15.0 percent in 1987. At the level, the share of earnings from services showed a substantial increase, while the shares from trade and state and local government remained stable.

Average earnings per job (adjusted for inflation) for Johnson 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 Johnson County earnings per job increased during the 1970's. Since that time, average earnings decreased to a level of \$17,908 in 1987.

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 6,329 people. Employment increased sporadically to 8,029 in 1979, then declined to 7,618 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 Johnson County are presented in Chart 4B. Johnson County unemployment rates were above those of the state during the period. However, the gap between county and state rates increased in the mid-1980's. In 1987, the unemployment rate in Johnson County was 15.6 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 share of Johnson County total employment in manufacturing was volatile over the time period. Manufacturing represented 3.0 percent of total employment in 1969. This increased to 10.5 percent in 1973, then declined to 5.0 percent in 1987. The farm sector's share of employment increased slightly and accounted for 3.5 percent in 1987. The mining sector had a minimal share of total employment in 1969. Mine sector employment increased to 18.2 percent of the total in 1982. This share subsequently declined to 3.9 percent in 1987. Overall, Kentucky saw employment shares in these industries decline during the period.

Johnson 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 45.5 percent in 1969 to 25.3 percent in 1987. The percent of employment in trade increased from 16.8 percent in 1969 to 26.9 percent in 1987. The percent of employment in state and local government increased from 9.1 percent in 1969 to 15.0 percent in 1987. These county employment patterns are different from state patterns, where the shares of employment in services and trade 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 Johnson County.

The Johnson County population increased from 17,700 in 1969 to 24,800 in 1987 (Chart 5A). It was estimated that in 1986, 9.1 percent of Johnson County's population was under six years of age, compared to 8.6 percent for the state. Johnson County's proportion of residents age sixty or older declined through the period. In 1986, 15.9 percent of the Johnson 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 Johnson County economy.

Johnson 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 1976 to a high of 3,725 thousand tons. 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, 248 thousand tons of coal was mined in Johnson County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969, this sector provided 283 jobs in Johnson County. Employment increased to 1,450 in 1982. However, in 1987 there were only 300 people employed in mining in Johnson County. The dramatic decrease in employment from 1982 to 1987 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, 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 increased to \$4.6 million in 1978. By 1986, coal severance tax collections allocated to Johnson County totalled \$0.9 million.

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

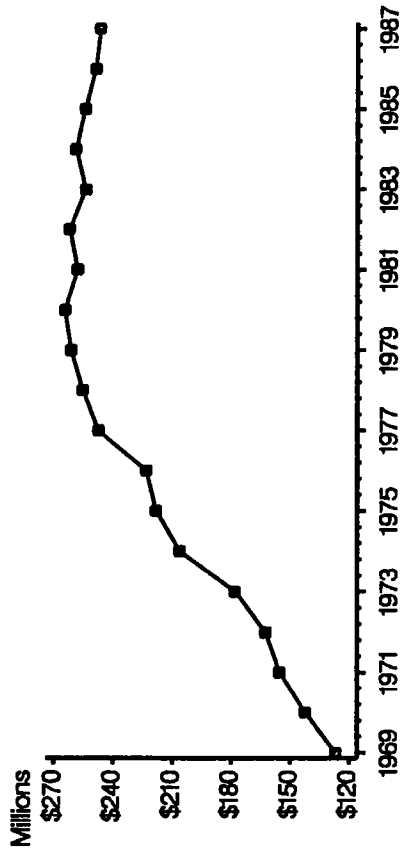


CHART 1B
JOHNSON COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

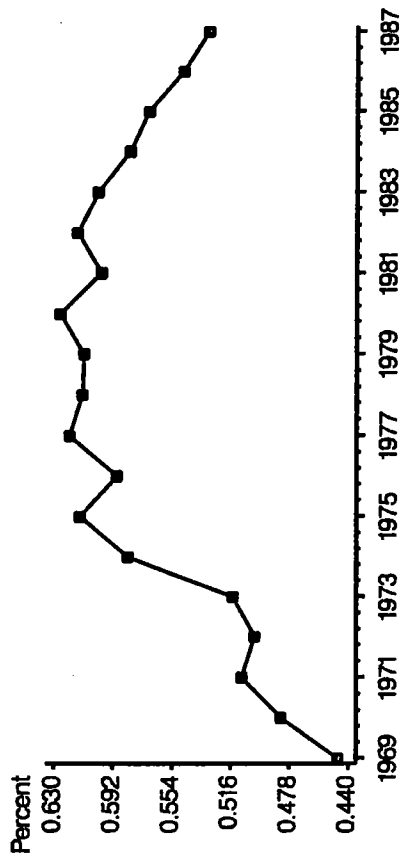


CHART 1C
JOHNSON COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

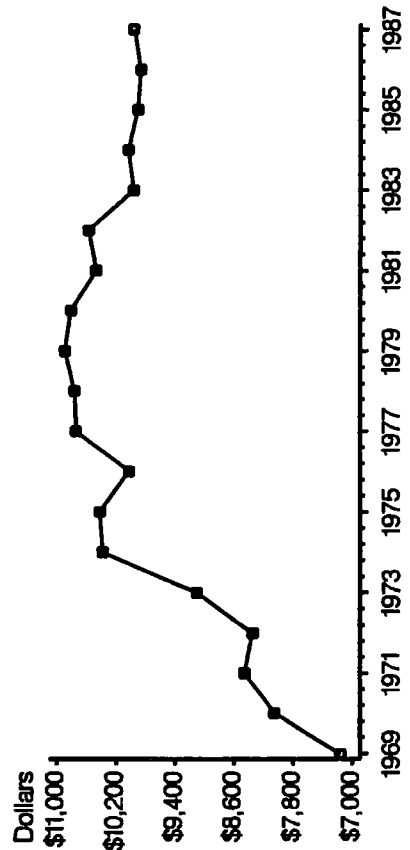


CHART 1D
JOHNSON COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

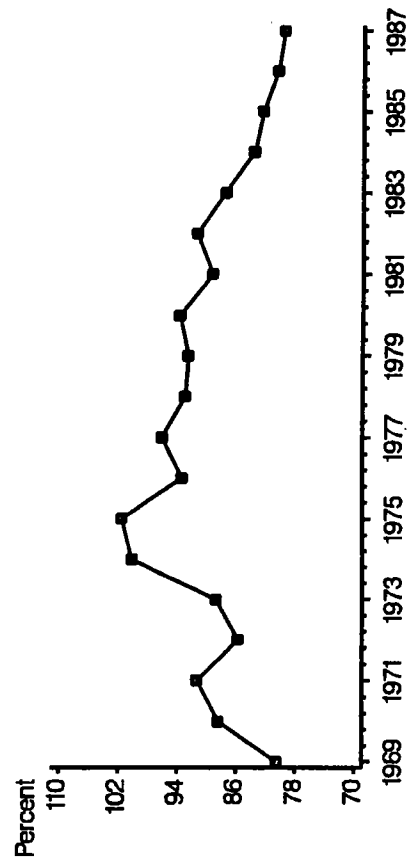


CHART 2A

JOHNSON COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

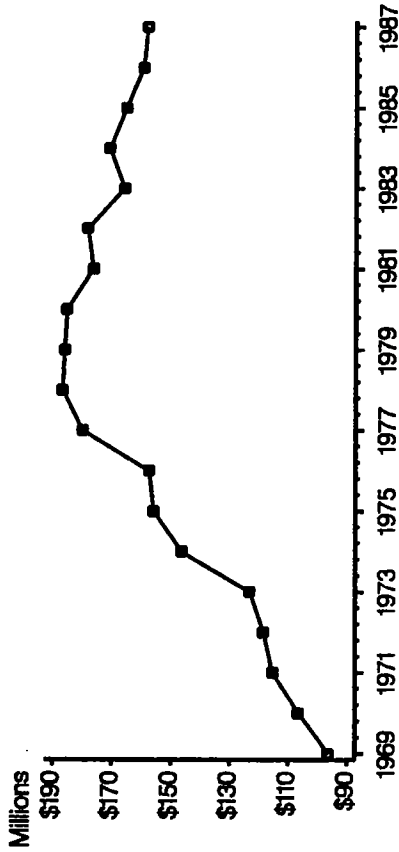


CHART 2C

JOHNSON COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

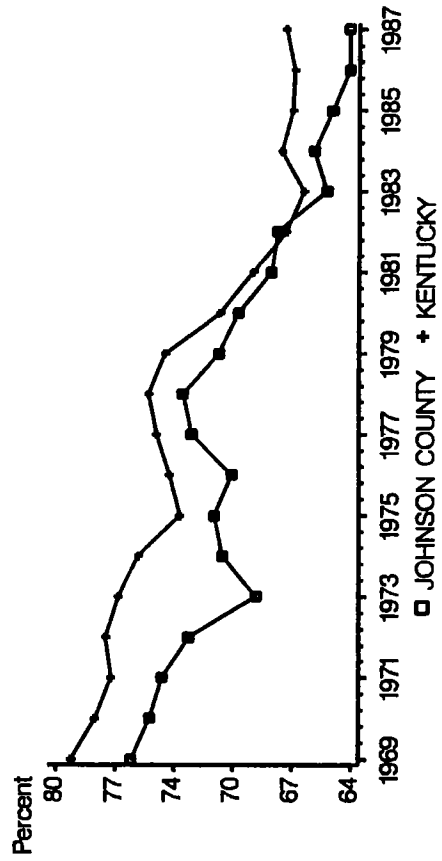


CHART 2B

JOHNSON COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

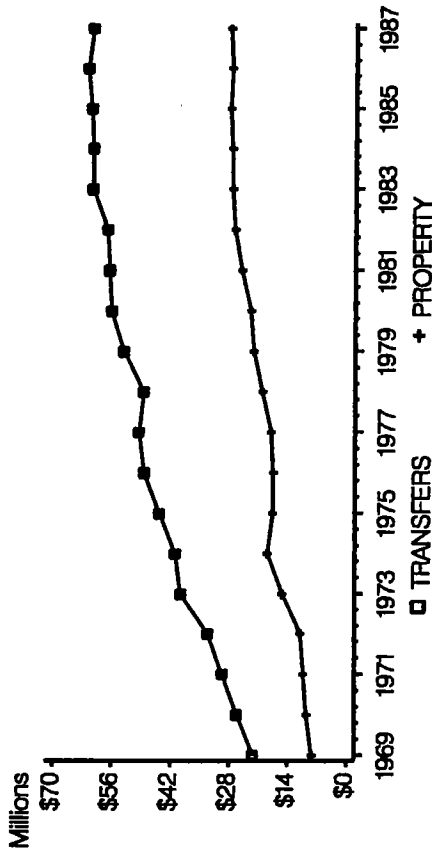


CHART 2D

JOHNSON COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

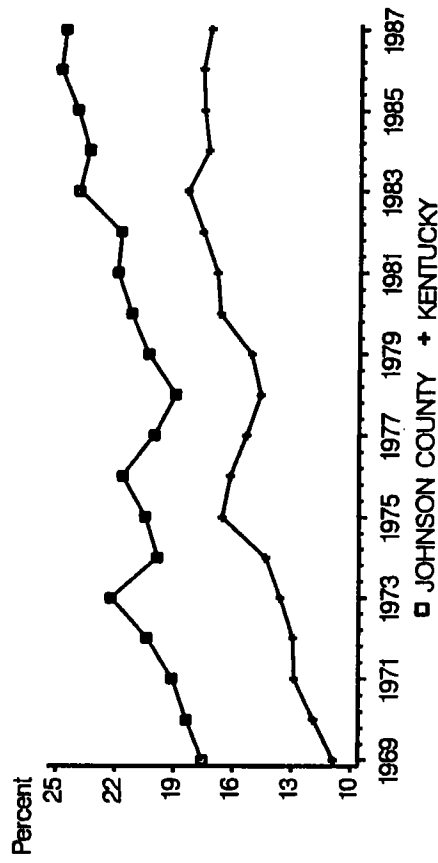


CHART 3A

JOHNSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

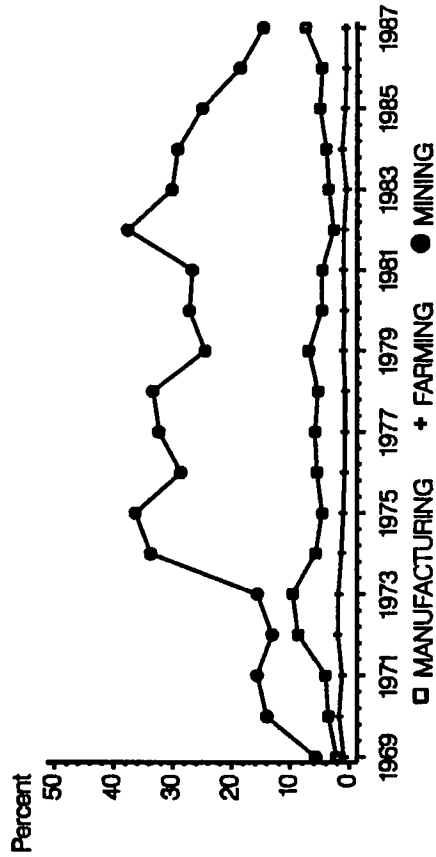


CHART 3B

JOHNSON COUNTY

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

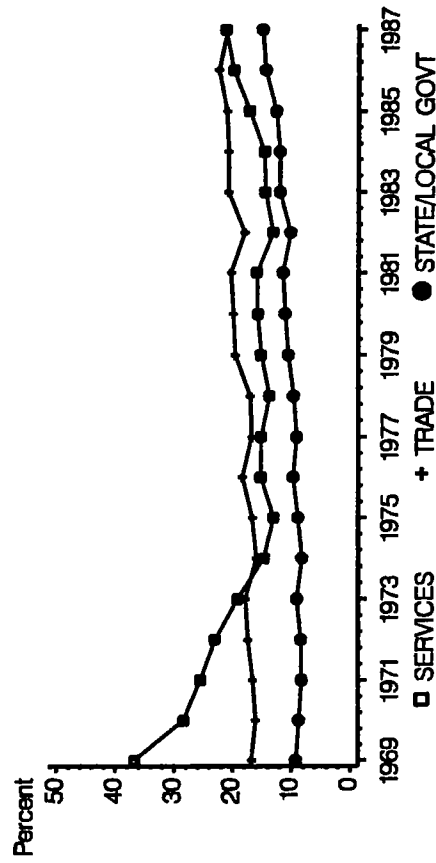


CHART 3C

JOHNSON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

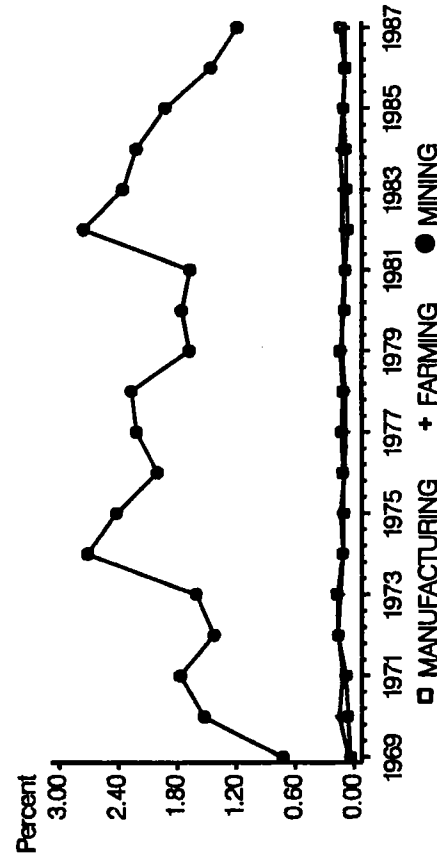


CHART 3D

JOHNSON COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

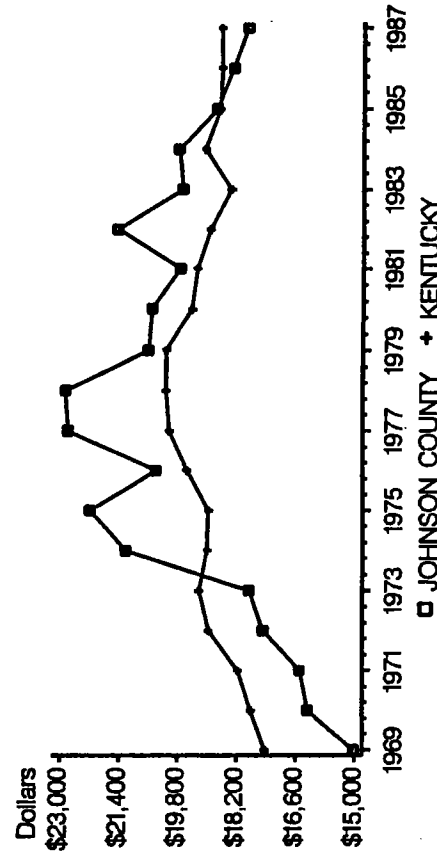


CHART 4A
JOHNSON COUNTY
TOTAL EMPLOYMENT
Thousands of People

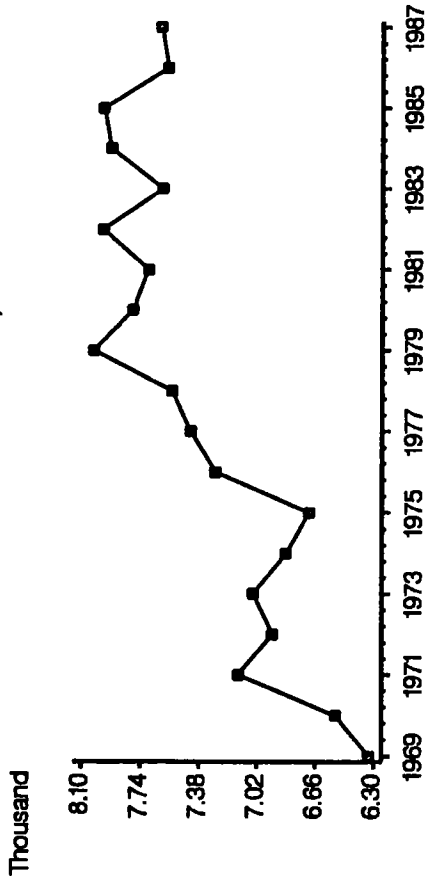


CHART 4B
JOHNSON COUNTY
ANNUAL UNEMPLOYMENT RATE

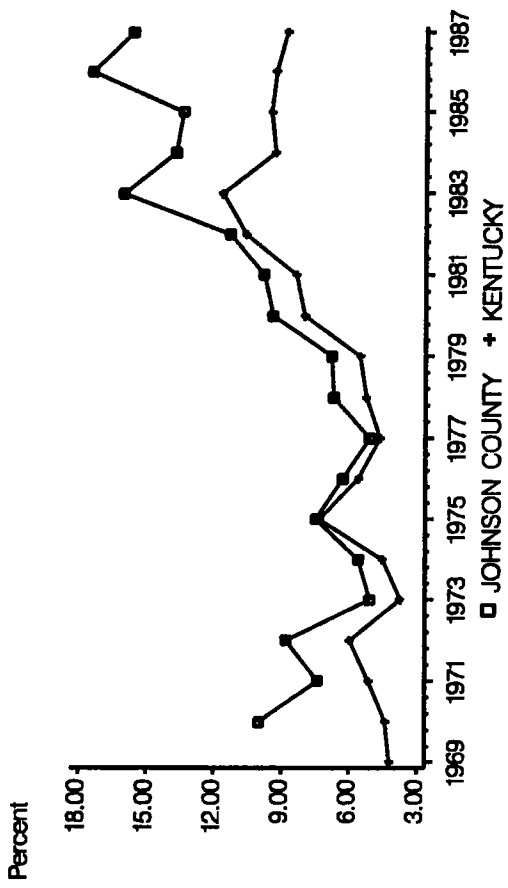


CHART 4C
JOHNSON COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

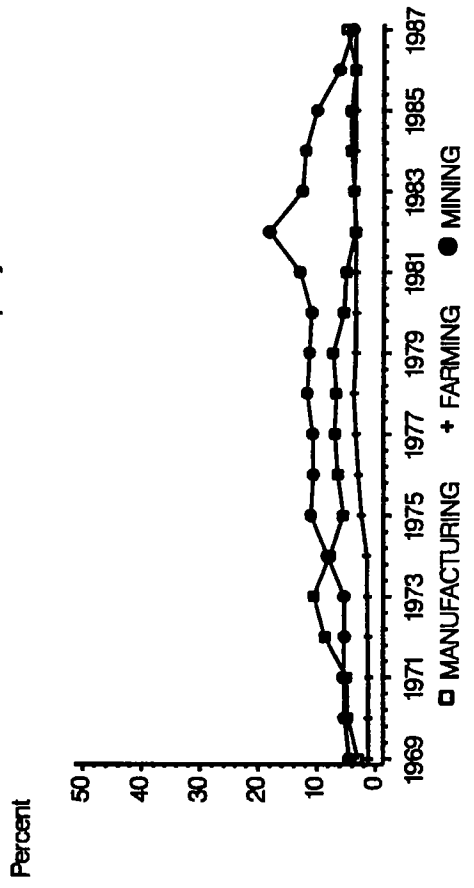


CHART 4D
JOHNSON COUNTY
EMPLOYMENT IN NON - GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

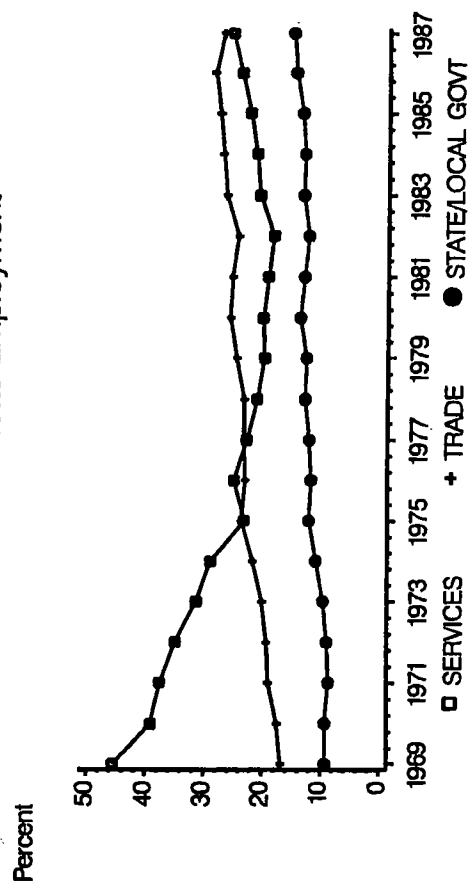


CHART 5A
JOHNSON COUNTY
POPULATION
Thousands of People

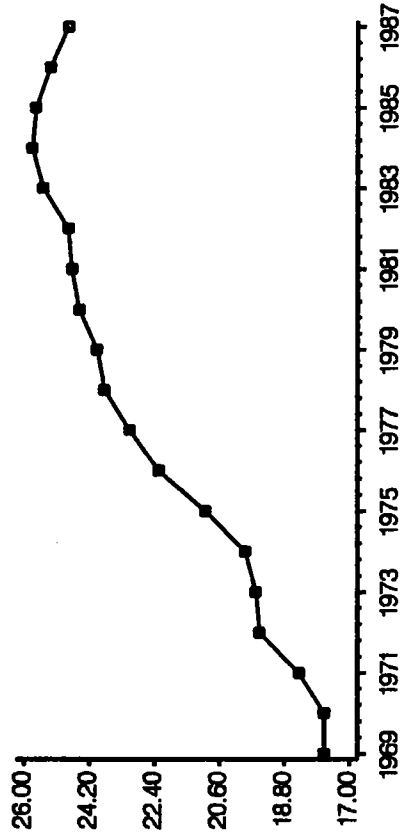


CHART 5B
JOHNSON COUNTY
POPULATION
as a Percent of Kentucky Population

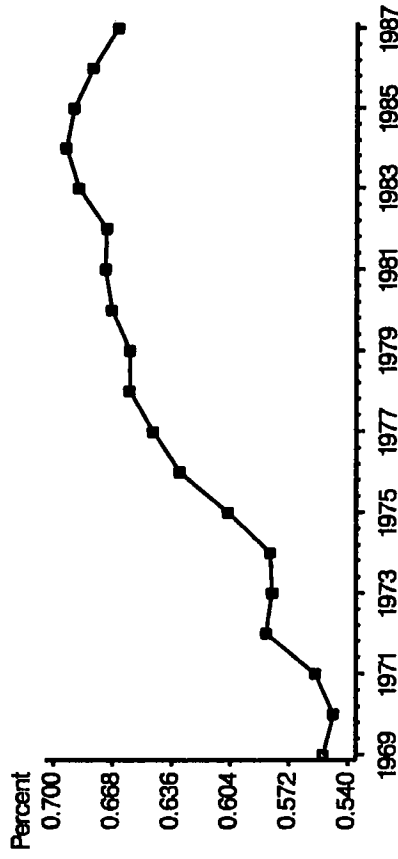


CHART 5C
JOHNSON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

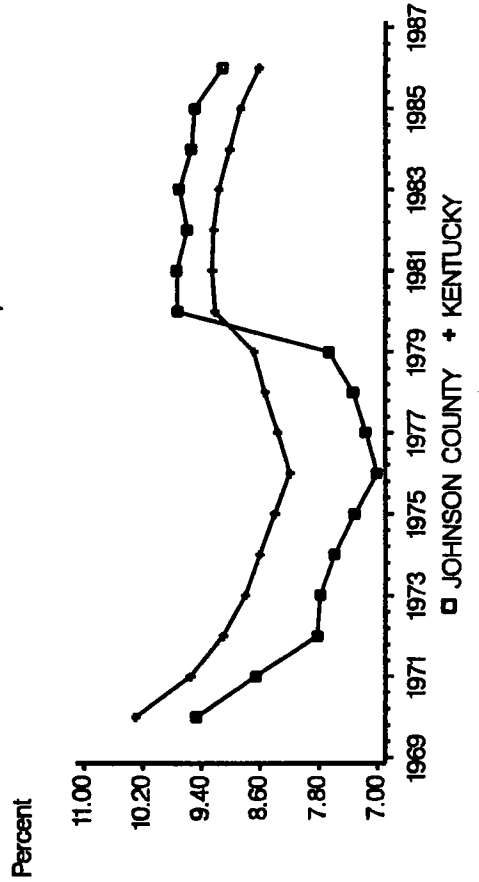


CHART 5D
JOHNSON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population

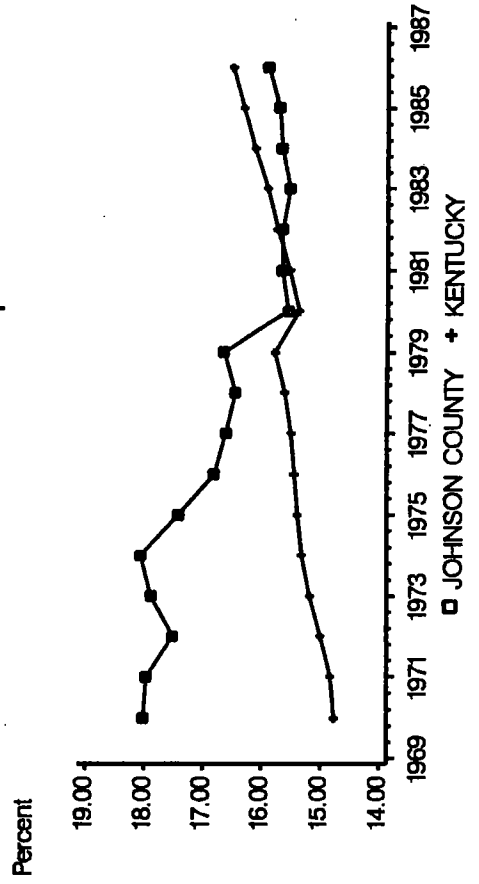


CHART 6A
JOHNSON COUNTY
TOTAL COAL PRODUCTION (SHIPMENTS)
Thousands of Tons

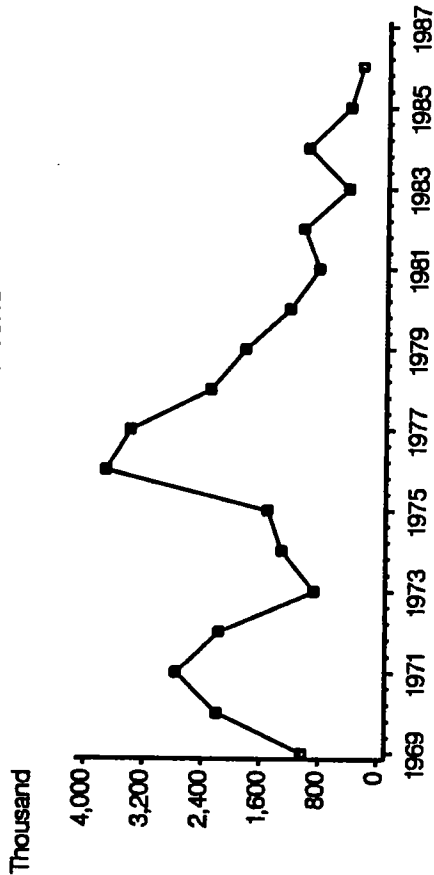


CHART 6B
JOHNSON COUNTY
MINING EMPLOYMENT
Thousands of People

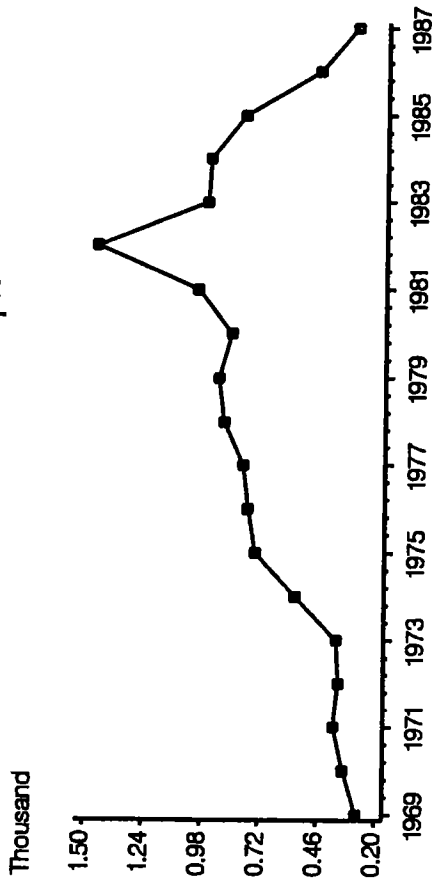


CHART 6C
JOHNSON COUNTY
AVERAGE VALUE PER TON FOR COAL
Constant 1988 Dollars

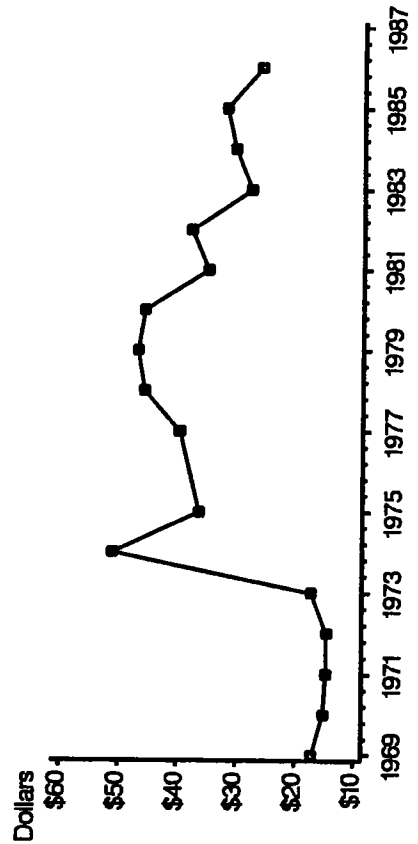
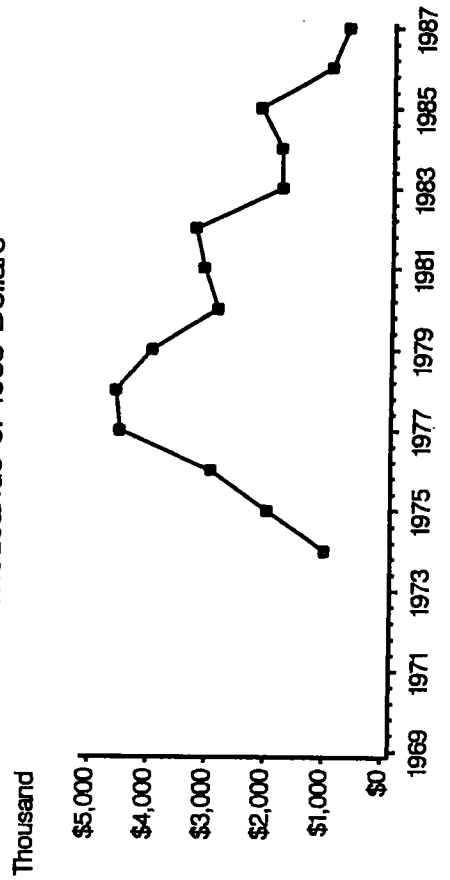


CHART 6D
JOHNSON COUNTY
TAX RECEIPTS ON COAL SEVERED OR PROCESSED
Thousands of 1988 Dollars



JOHNSON 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	7,163	80.6
1970	142	0.48	8,056	88.4
1971	155	0.51	8,454	91.3
1972	163	0.50	8,347	85.7
1973	178	0.51	9,112	88.7
1974	206	0.58	10,380	100.2
1975	218	0.61	10,421	101.5
1976	223	0.59	10,026	93.4
1977	248	0.62	10,736	96.1
1978	256	0.61	10,755	93.0
1979	262	0.61	10,887	92.6
1980	265	0.63	10,805	93.7
1981	258	0.60	10,465	89.3
1982	262	0.61	10,568	91.5
1983	254	0.60	9,961	87.5
1984	259	0.58	10,033	83.7
1985	255	0.57	9,901	82.5
1986	249	0.55	9,861	80.6
1987	247	0.53	9,957	79.7

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	96	75.9	79.2	22	17.6	10.9	8	6.5	9.9
1970	107	74.9	77.9	26	18.4	11.9	10	6.7	10.2
1971	115	74.2	77.0	30	19.1	12.9	10	6.7	10.1
1972	119	72.8	77.3	33	20.4	12.9	11	6.8	9.7
1973	123	69.2	76.6	40	22.2	13.6	15	8.6	9.7
1974	146	71.0	75.5	41	19.9	14.4	19	9.2	10.1
1975	156	71.4	73.3	45	20.5	16.5	18	8.1	10.1
1976	157	70.5	73.9	48	21.7	16.1	18	7.9	10.0
1977	180	72.7	74.6	50	20.0	15.3	18	7.3	10.1
1978	187	73.2	75.0	48	19.0	14.6	20	7.9	10.4
1979	186	71.2	74.1	53	20.3	15.1	22	8.5	10.8
1980	186	70.1	71.1	56	21.2	16.7	23	8.7	12.2
1981	177	68.4	69.3	57	21.9	16.8	25	9.7	13.8
1982	179	68.0	67.5	57	21.8	17.6	27	10.2	14.9
1983	166	65.3	66.6	61	23.9	18.4	27	10.8	15.1
1984	171	66.0	67.8	61	23.4	17.3	28	10.6	14.9
1985	166	65.0	67.2	61	24.0	17.6	28	11.0	15.3
1986	160	64.1	67.1	62	24.8	17.6	28	11.1	15.3
1987	158	64.1	67.5	61	24.6	17.2	28	11.3	15.3

JOHNSON 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	2.1	0.04	0.9	0.06	5.7	0.73
1970	3.5	0.06	1.7	0.15	14.0	1.53
1971	4.0	0.08	1.2	0.11	15.6	1.77
1972	8.7	0.16	1.9	0.16	13.1	1.42
1973	9.6	0.17	1.8	0.14	15.6	1.61
1974	5.7	0.12	1.3	0.11	33.7	2.71
1975	4.6	0.10	1.0	0.13	36.3	2.42
1976	5.5	0.11	0.8	0.10	28.7	2.00
1977	5.8	0.13	0.7	0.08	32.4	2.21
1978	5.3	0.11	0.7	0.08	33.4	2.27
1979	6.8	0.14	1.0	0.12	24.5	1.68
1980	4.7	0.10	0.8	0.12	27.2	1.76
1981	4.5	0.09	1.0	0.10	26.7	1.67
1982	2.6	0.06	0.9	0.12	37.7	2.75
1983	3.5	0.08	0.4	0.12	30.2	2.35
1984	3.9	0.08	1.2	0.14	29.3	2.21
1985	5.0	0.10	0.7	0.10	25.0	1.91
1986	4.6	0.09	0.5	0.09	18.6	1.45
1987	7.4	0.14	0.6	0.09	14.6	1.18

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	36.7	1.14	16.8	0.44	9.3	0.41
1970	28.4	0.97	16.1	0.45	8.7	0.41
1971	25.5	0.92	16.6	0.50	8.3	0.41
1972	23.0	0.82	17.5	0.52	8.4	0.41
1973	19.1	0.67	17.9	0.52	9.1	0.44
1974	14.8	0.61	16.0	0.54	8.2	0.47
1975	13.0	0.53	16.7	0.56	8.9	0.49
1976	15.3	0.58	18.4	0.58	9.7	0.51
1977	15.2	0.63	16.8	0.59	9.1	0.53
1978	13.8	0.55	17.1	0.57	9.7	0.54
1979	15.2	0.57	19.6	0.62	10.5	0.55
1980	15.7	0.56	19.9	0.65	11.1	0.56
1981	15.9	0.53	20.3	0.66	11.5	0.56
1982	13.1	0.48	18.0	0.66	10.2	0.55
1983	14.5	0.44	20.8	0.67	12.0	0.56
1984	14.6	0.44	20.8	0.68	12.0	0.57
1985	17.2	0.47	21.0	0.64	12.6	0.56
1986	19.9	0.46	22.4	0.63	14.4	0.57
1987	21.2	0.46	21.0	0.57	15.0	0.57

JOHNSON COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	190	3.0	78	1.2	283	4.5
1970	307	4.7	83	1.3	342	5.2
1971	350	4.9	89	1.2	387	5.4
1972	593	8.6	93	1.3	365	5.3
1973	743	10.5	100	1.4	376	5.3
1974	529	7.7	111	1.6	562	8.2
1975	369	5.5	169	2.5	742	11.1
1976	468	6.4	217	3.0	775	10.6
1977	514	6.9	253	3.4	798	10.7
1978	502	6.6	280	3.7	884	11.7
1979	577	7.2	274	3.4	908	11.3
1980	424	5.4	266	3.4	852	10.9
1981	389	5.1	271	3.5	1,004	13.1
1982	278	3.5	272	3.4	1,450	18.2
1983	286	3.8	290	3.8	963	12.7
1984	331	4.2	281	3.5	951	12.0
1985	333	4.2	277	3.5	798	10.0
1986	263	3.5	271	3.6	467	6.2
1987	380	5.0	270	3.5	300	3.9

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	2,877	45.5	1,066	16.8	579	9.1
1970	2,554	39.1	1,142	17.5	600	9.2
1971	2,674	37.5	1,355	19.0	614	8.6
1972	2,413	34.8	1,336	19.3	617	8.9
1973	2,209	31.3	1,413	20.1	677	9.6
1974	1,980	28.9	1,482	21.7	746	10.9
1975	1,547	23.1	1,580	23.6	812	12.1
1976	1,812	24.9	1,674	23.0	856	11.8
1977	1,687	22.7	1,721	23.2	898	12.1
1978	1,582	21.0	1,749	23.2	968	12.8
1979	1,586	19.8	1,967	24.5	1,015	12.6
1980	1,558	20.0	1,997	25.6	1,070	13.7
1981	1,477	19.2	1,947	25.3	1,007	13.1
1982	1,459	18.3	1,938	24.3	982	12.3
1983	1,570	20.6	2,004	26.3	1,006	13.2
1984	1,680	21.2	2,133	26.9	1,035	13.1
1985	1,775	22.3	2,194	27.5	1,070	13.4
1986	1,803	23.8	2,151	28.4	1,109	14.6
1987	1,930	25.3	2,047	26.9	1,146	15.0

JOHNSON COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	6,329	\$15,031	\$17,440	.	4.2
1970	6,536	\$16,258	\$17,811	10.0	4.4
1971	7,136	\$16,487	\$18,166	7.4	5.1
1972	6,925	\$17,483	\$18,970	8.8	6.0
1973	7,047	\$17,849	\$19,232	5.1	3.7
1974	6,843	\$21,215	\$19,008	5.6	4.5
1975	6,700	\$22,177	\$18,976	7.5	7.3
1976	7,279	\$20,387	\$19,563	6.3	5.6
1977	7,433	\$22,776	\$20,031	5.1	4.7
1978	7,549	\$22,841	\$20,121	6.7	5.3
1979	8,029	\$20,601	\$20,110	6.8	5.5
1980	7,790	\$20,507	\$19,439	9.4	8.0
1981	7,693	\$19,744	\$19,286	9.8	8.4
1982	7,973	\$21,439	\$18,931	11.3	10.6
1983	7,607	\$19,674	\$18,358	16.0	11.6
1984	7,924	\$19,774	\$19,080	13.7	9.3
1985	7,971	\$18,754	\$18,676	13.4	9.5
1986	7,577	\$18,307	\$18,627	17.4	9.3
1987	7,618	\$17,908	\$18,636	15.6	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	17,700	0.55	.	.	.	.
1970	17,700	0.55	9.5	10.3	18.0	14.8
1971	18,400	0.56	8.7	9.6	18.0	14.8
1972	19,500	0.58	7.8	9.1	17.5	15.0
1973	19,600	0.58	7.8	8.8	17.9	15.2
1974	19,900	0.58	7.6	8.6	18.1	15.3
1975	21,000	0.61	7.3	8.4	17.4	15.4
1976	22,300	0.63	7.0	8.2	16.8	15.5
1977	23,100	0.65	7.2	8.4	16.6	15.5
1978	23,800	0.66	7.3	8.5	16.5	15.6
1979	24,000	0.66	7.7	8.7	16.6	15.8
1980	24,500	0.67	9.7	9.2	15.6	15.4
1981	24,700	0.67	9.7	9.3	15.7	15.5
1982	24,800	0.67	9.6	9.2	15.7	15.7
1983	25,500	0.69	9.7	9.2	15.5	15.9
1984	25,800	0.69	9.5	9.0	15.7	16.1
1985	25,700	0.69	9.5	8.9	15.7	16.3
1986	25,300	0.68	9.1	8.6	15.9	16.5
1987	24,800	0.67	.	.	.	.

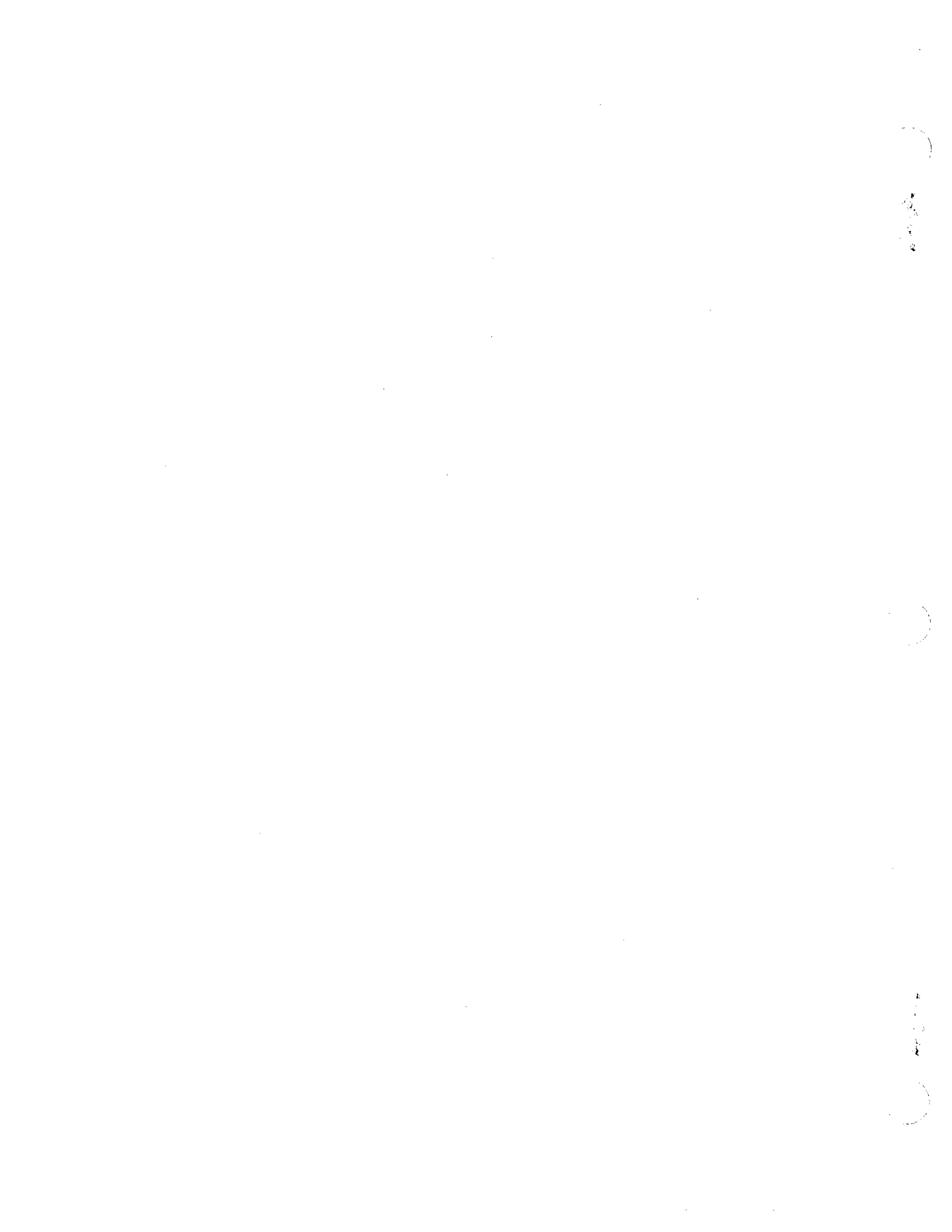
JOHNSON COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	1,031	283	\$17.04	.
1970	2,196	342	\$15.03	.
1971	2,756	387	\$14.64	.
1972	2,166	365	\$14.50	.
1973	868	376	\$17.17	.
1974	1,320	562	\$51.12	\$989
1975	1,513	742	\$36.51	\$1,973
1976	3,725	775	.	\$2,945
1977	3,391	798	\$39.72	\$4,493
1978	2,299	884	\$45.73	\$4,562
1979	1,829	908	\$46.89	\$3,962
1980	1,224	852	\$45.69	\$2,848
1981	826	1,004	\$35.09	\$3,084
1982	1,042	1,450	\$37.96	\$3,231
1983	429	963	\$27.72	\$1,767
1984	988	951	\$30.44	\$1,785
1985	417	798	\$31.96	\$2,133
1986	248	467	\$26.10	\$928
1987	.	300	.	.

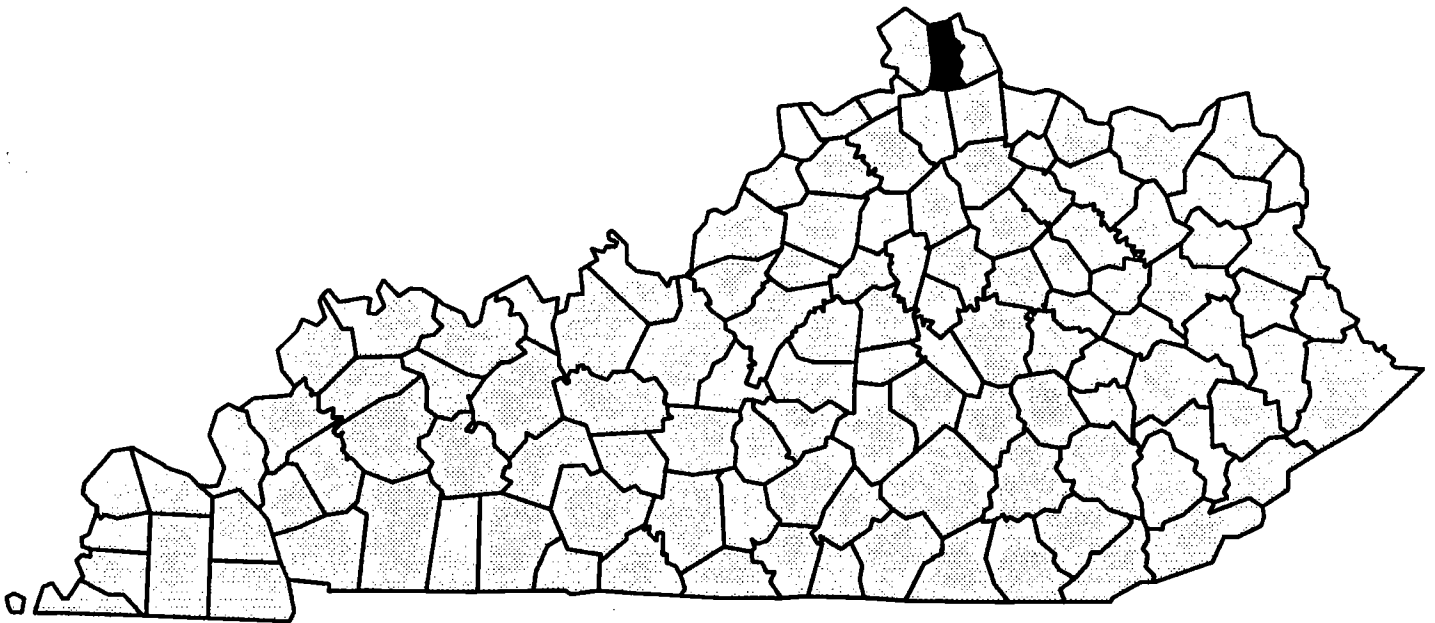
Note: All dollar figures are presented in constant 1988 dollars.





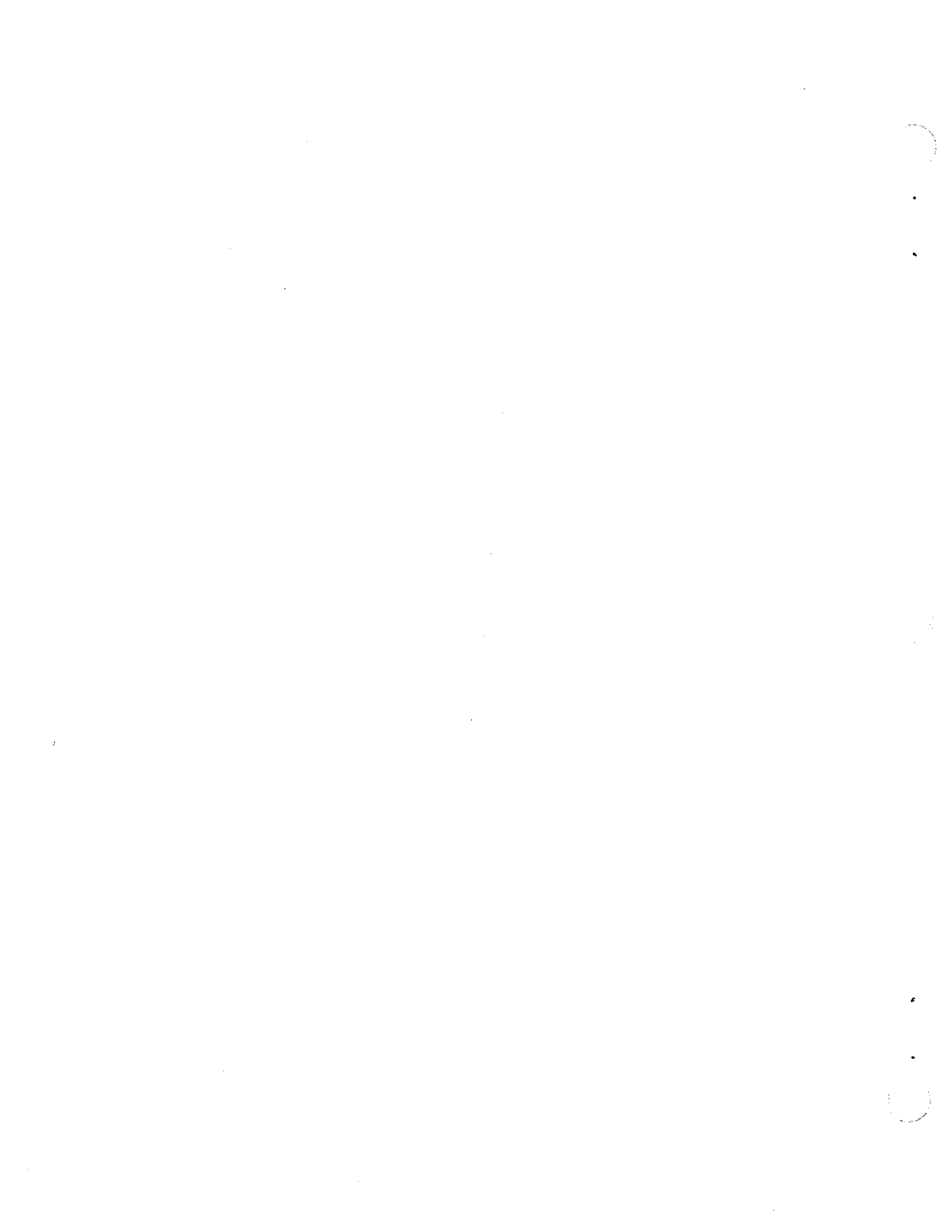
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

KENTON 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

KENTON COUNTY

Prepared by
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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 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 Kenton County economy, as measured by personal income, grew moderately from 1969 to 1987. Until 1982 Kenton County decreased its share of the Kentucky economy, indicating that county economic growth was slower than that of the state. After that time the county economy grew faster than the state economy. Both per capita personal income and average earnings per job were significantly above those of the state.

Kenton County economic trends paralleled those of the state. The county was heavily vested in the non-goods-producing industries. These sectors, particularly service and trade, experienced significant growth in Kenton County. These sectors were also the growth sectors in the Kentucky economy. The manufacturing sector's share of county earnings and employment declined. This also occurred at the state level.

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. The growth in the trade and service sectors in Kenton County helped to create a more diversified economic base. This diversification should help 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 KENTON 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 Kenton 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 Kenton County economy, as measured by personal income, increased from \$1,283 million in 1969 to \$1,966 million in 1987, after adjusting for inflation. Chart 1B shows Kenton County total personal income as a percent of Kentucky total personal income. Kenton County decreased its share of Kentucky personal income until 1982, then showed a general increase.

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 Kenton County per capita income increased over the time period to a level of \$14,137 in 1987, when it was 113.1 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. While earnings generally increased, they were severely impacted by national recessionary cycles. Total earnings increased

from \$1,030 million in 1969 to \$1,411 million in 1987 (in constant 1988 dollars). Earnings' share of personal income declined over time. This trend occurred at the state level as well. In 1987, earnings accounted for 71.8 percent of Kenton County's total personal income which was higher than Kentucky's 67.5 percent share.

Transfer payments contributed \$117 million to total personal income in 1969 and \$279 million in 1987. During the same period, transfer payments contributed a lower percentage of personal income in Kenton County than in Kentucky.

Income from property in Kenton County increased rapidly in the late 1970's and early 1980's. However, since then growth has moderated. Income from property totalled \$137 million in 1969 and increased to \$276 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, Kenton County received 16.1 percent of total earnings from manufacturing. This percentage decreased to 11.9 percent in 1987 (Chart 3A). The county trend parallels that of the state, where the percentage of earnings from manufacturing also showed a steady decline over the period. The contributions to total county earnings from the farming and mining sectors were minimal.

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 19.2 percent in 1969 to 26.9 percent in 1987. The percent from the trade sector declined slightly and accounted for 21.9 percent in 1987. The share of earnings from the state and local government sector remained stable and was 9.4 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 Kenton 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. Kenton County average earnings per job were below those of the state during most of the period. Average earnings were \$17,608 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 Kenton County increased slowly during the 1970's and more rapidly in the 1980's. In 1969, total employment stood at 35,762 people. By 1987, that figure had increased to 54,063.

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 Kenton County are presented in Chart 4B. Unemployment rates in Kenton County were generally below those of the state. In 1987, the county unemployment rate was 6.0 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 12.5 percent in 1969 to 8.1 percent in 1987. Again, this trend is like that of the state, where manufacturing's share of total employment declined.

The farm sector's share of employment was small and stable over the period. In 1987, 1.2 percent of employment was in the farm sector.

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 24.7 percent of employment. This share increased to 28.8 percent in 1987. The percent of employment in state and local government declined from 10.0 percent in 1969 to 8.5 percent in 1987. Trade sector employment increased slightly and accounted for 26.6 percent of employment 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 Kenton County.

The Kenton County population grew from 128,600 in 1969 to 139,100 in 1987 (Chart 5A). Kenton County had a higher proportion of its population under six years old than did the state. It was estimated that in 1986, 9.7 percent of Kenton County's population was under six years of age, compared to 8.6 for the state. In 1986, 16.7 percent of the Kenton County population was sixty years of age and over, compared to 16.5 percent for all Kentucky residents.

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

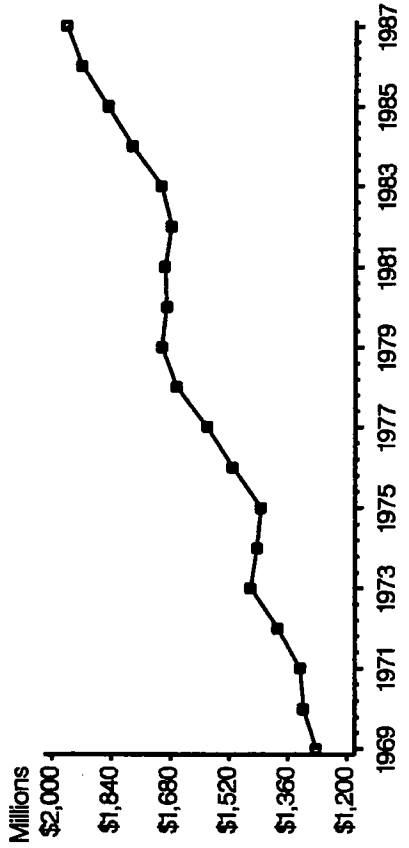


CHART 1B
KENTON COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

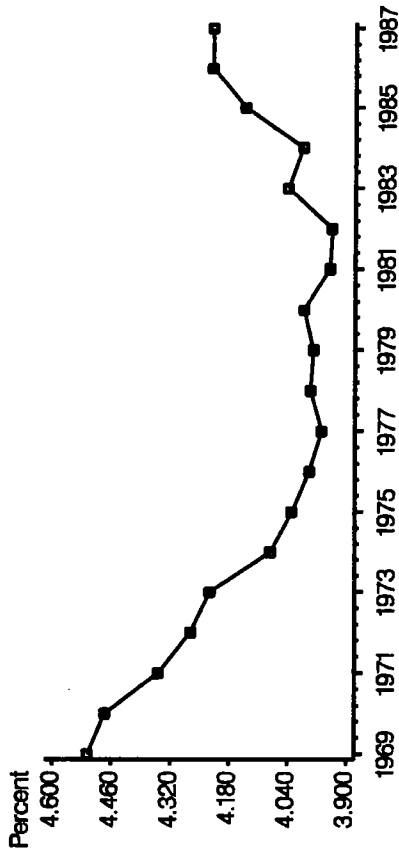


CHART 1C
KENTON COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

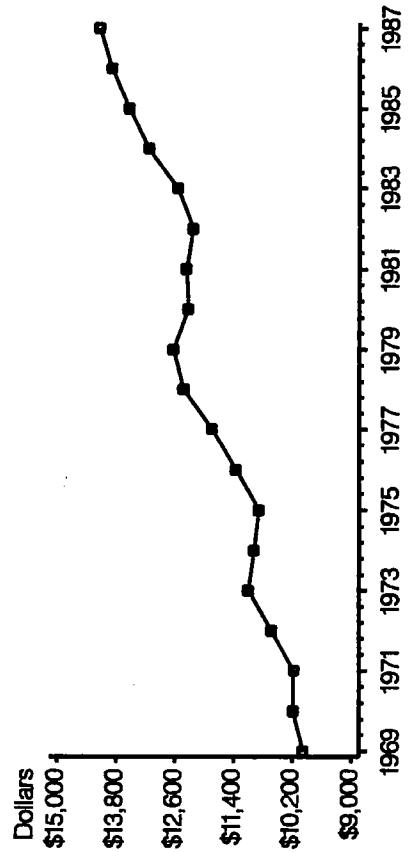


CHART 1D
KENTON COUNTY
PER CAPITA PERSONAL INCOME
as a Percent of Kentucky Per Capita Personal Income

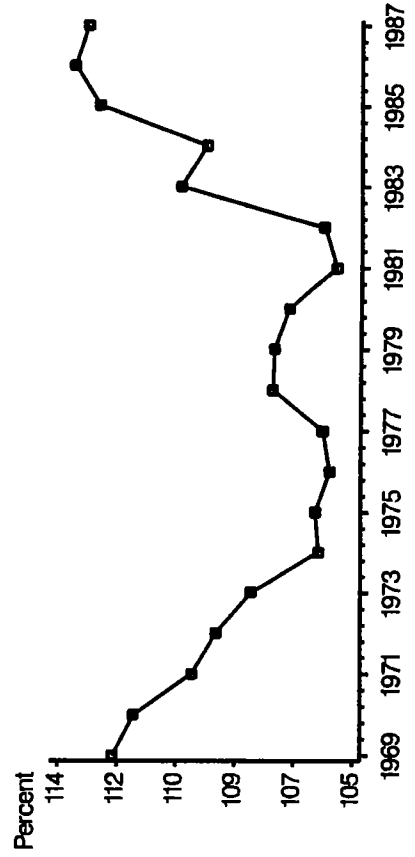


CHART 2A

KENTON COUNTY

REAL TOTAL EARNINGS

Millions of 1988 dollars

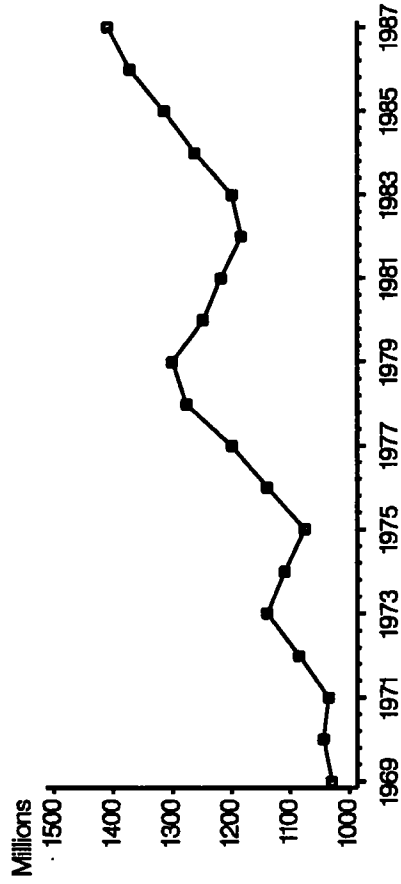


CHART 2B

KENTON COUNTY

TRANSFER PAYMENTS and INCOME FROM PROPERTY

Millions of 1988 Dollars

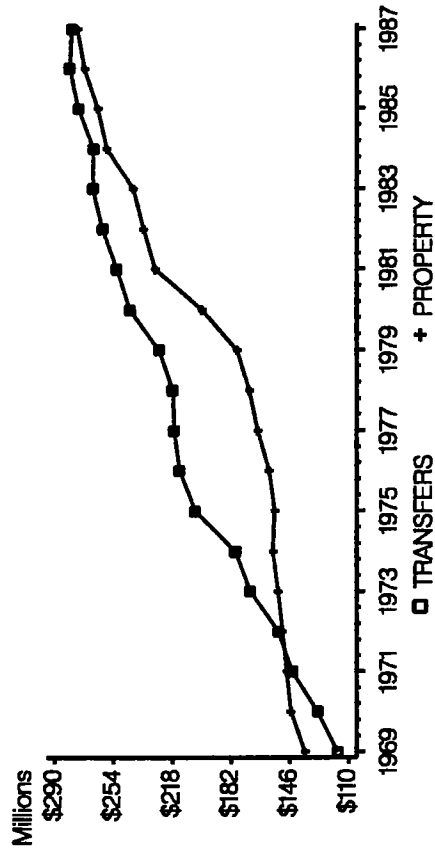


CHART 2C

KENTON COUNTY

TOTAL EARNINGS

as a Percent of Personal Income

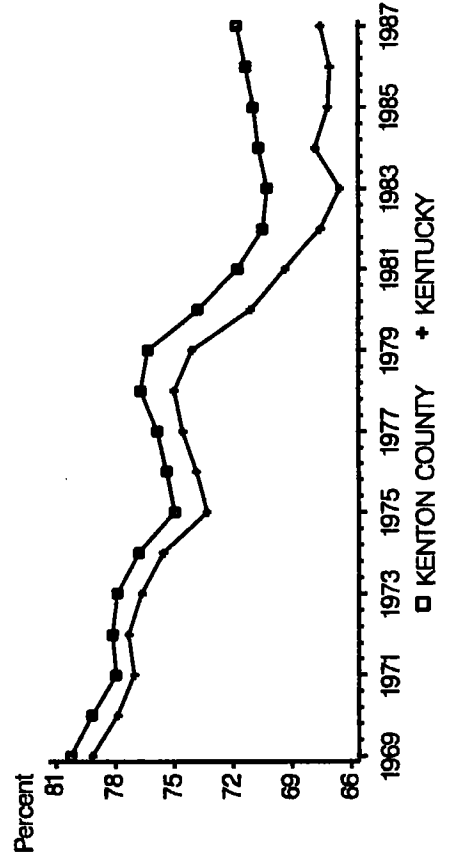


CHART 2D

KENTON COUNTY

TRANSFER PAYMENTS

as a Percent of Personal Income

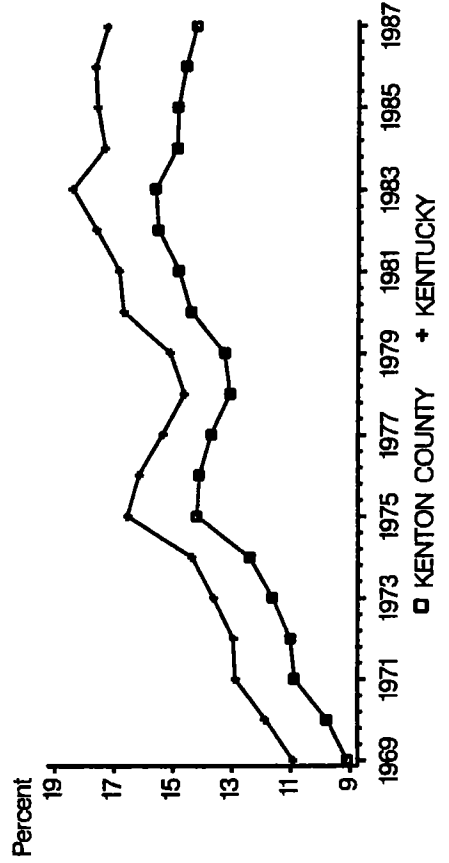


CHART 3A

KENTON COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

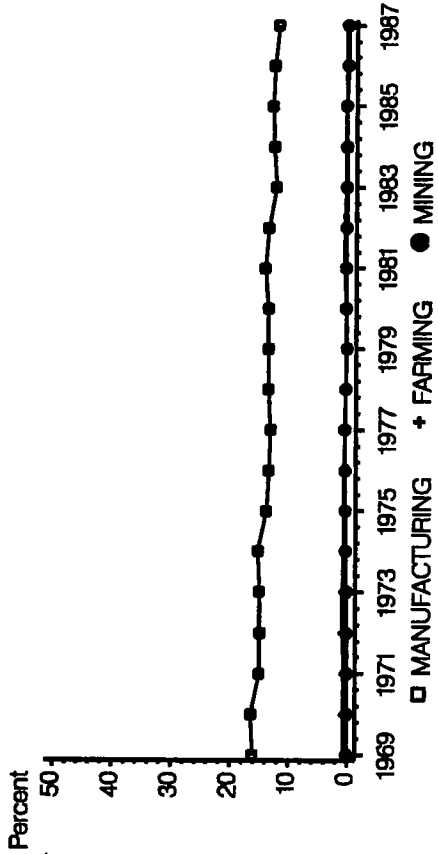


CHART 3B

KENTON COUNTY

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

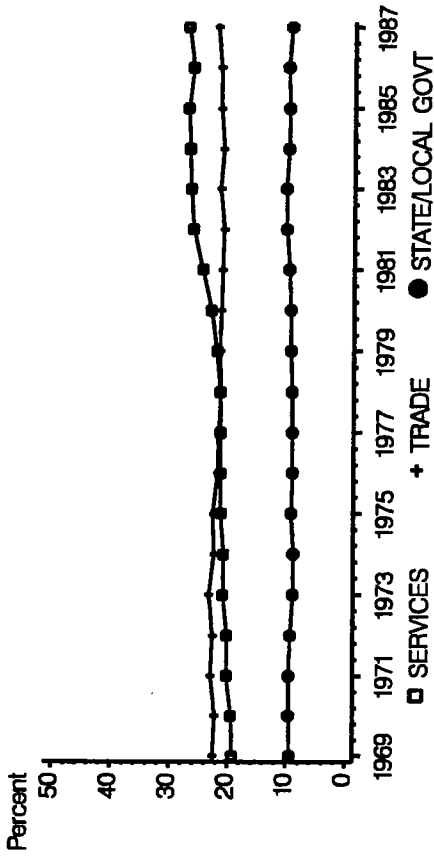


CHART 3C

KENTON COUNTY

EARNINGS in GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

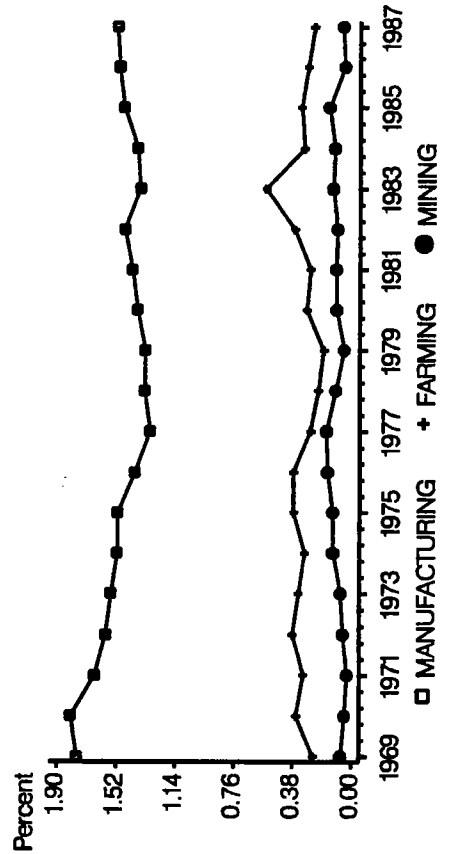


CHART 3D

KENTON COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

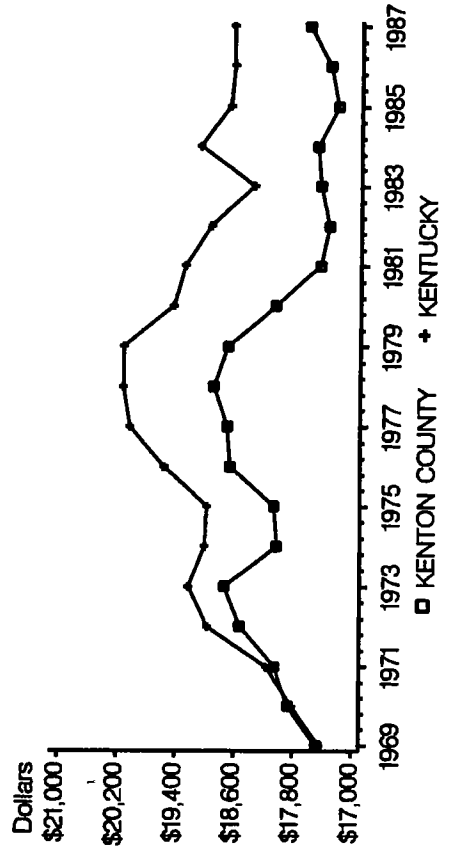


CHART 4A
KENTON COUNTY
TOTAL EMPLOYMENT
Thousands of People

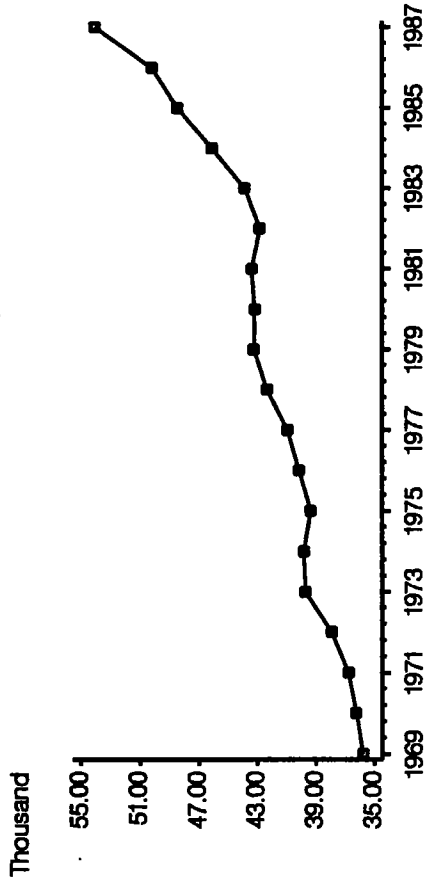


CHART 4B
KENTON COUNTY
ANNUAL UNEMPLOYMENT RATE

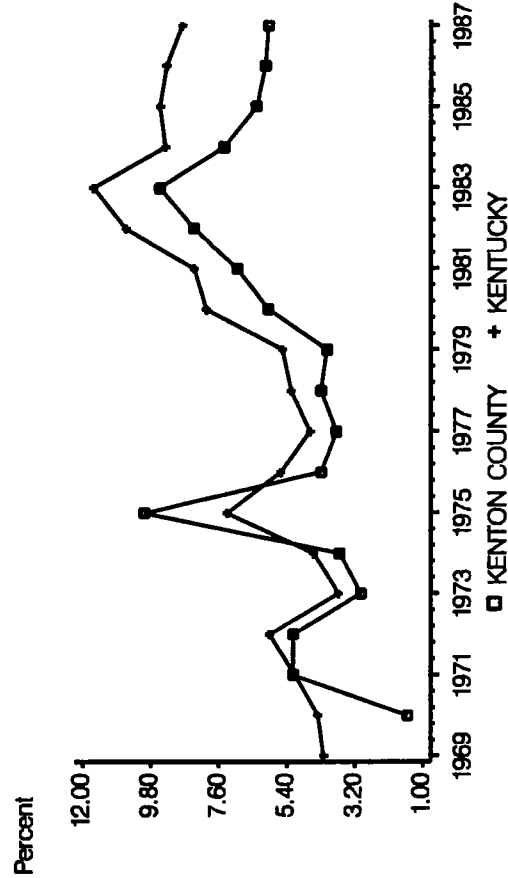


CHART 4C
KENTON COUNTY
EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

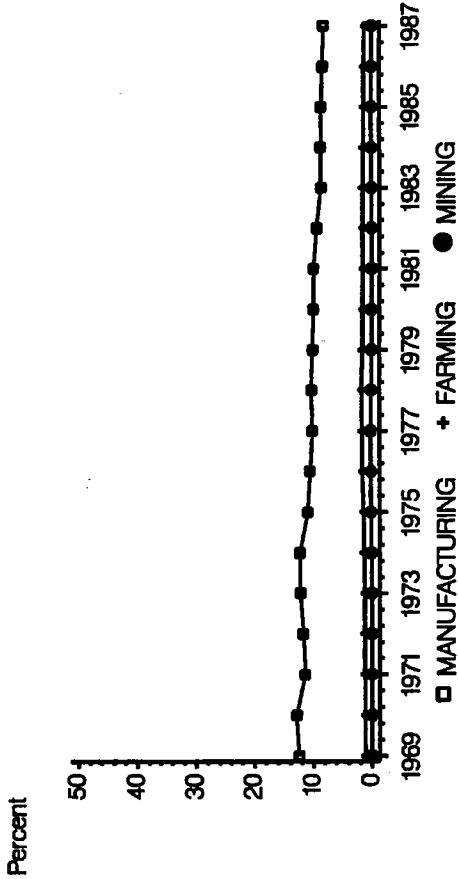


CHART 4D
KENTON COUNTY
EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

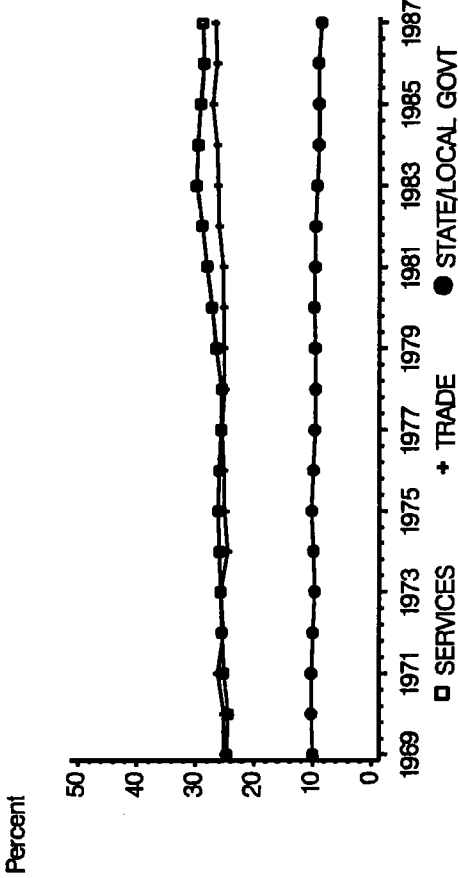


CHART 5A
KENTON COUNTY
POPULATION
Thousands of People

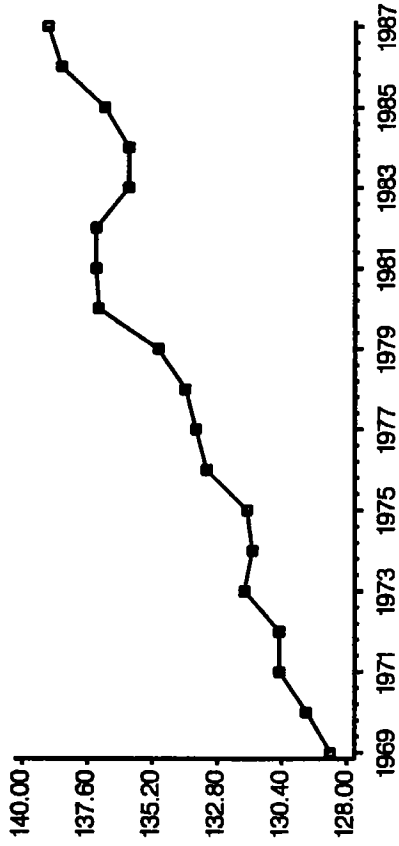


CHART 5B
KENTON COUNTY
POPULATION
as a Percent of Kentucky Population

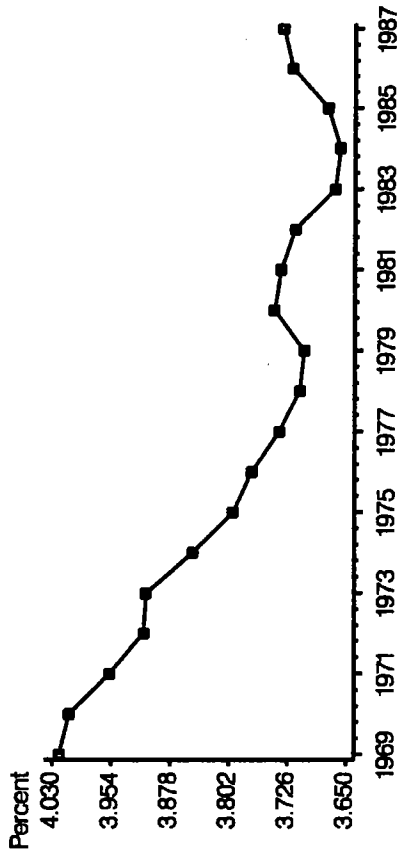


CHART 5C
KENTON COUNTY
POPULATION 5 AND UNDER
as a Percent of Total Population

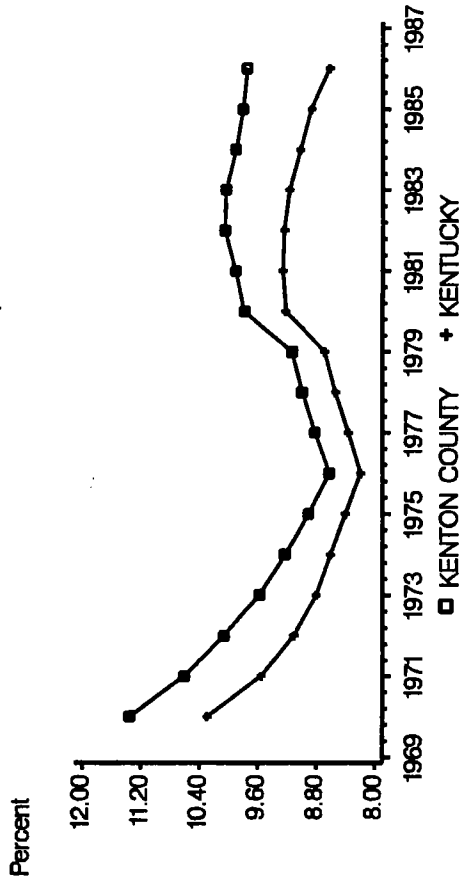
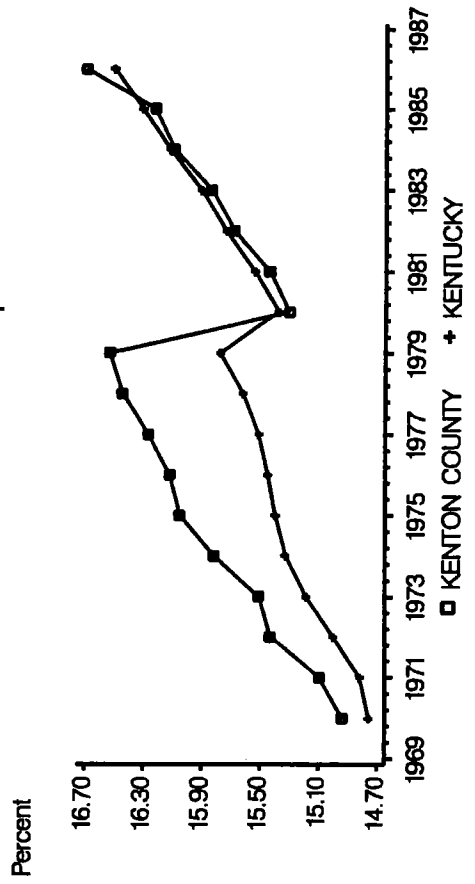


CHART 5D
KENTON COUNTY
POPULATION 60 AND OVER
as a Percent of Total Population



KENTON COUNTY

PERSONAL INCOME
In Constant 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	1,283	4.52	9,981	112.3
1970	1,318	4.48	10,181	111.7
1971	1,328	4.35	10,174	109.9
1972	1,389	4.27	10,637	109.2
1973	1,463	4.23	11,102	108.1
1974	1,446	4.08	10,989	106.1
1975	1,435	4.03	10,894	106.1
1976	1,512	3.99	11,350	105.7
1977	1,582	3.96	11,840	105.9
1978	1,665	3.99	12,431	107.5
1979	1,705	3.98	12,631	107.4
1980	1,692	4.00	12,335	107.0
1981	1,698	3.94	12,370	105.5
1982	1,680	3.94	12,237	105.9
1983	1,708	4.04	12,553	110.3
1984	1,787	4.01	13,128	109.5
1985	1,853	4.14	13,529	112.8
1986	1,925	4.22	13,892	113.5
1987	1,966	4.22	14,137	113.1

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	1,030	80.2	79.2	117	9.1	10.9	137	10.7	9.9
1970	1,044	79.2	77.9	129	9.8	11.9	145	11.0	10.2
1971	1,035	78.0	77.0	144	10.9	12.9	148	11.1	10.1
1972	1,085	78.1	77.3	153	11.0	12.9	151	10.8	9.7
1973	1,140	77.9	76.6	170	11.6	13.6	153	10.5	9.7
1974	1,110	76.8	75.5	179	12.4	14.4	156	10.8	10.1
1975	1,076	75.0	73.3	204	14.2	16.5	155	10.8	10.1
1976	1,140	75.4	73.9	214	14.1	16.1	159	10.5	10.0
1977	1,200	75.8	74.6	217	13.7	15.3	166	10.5	10.1
1978	1,277	76.7	75.0	218	13.1	14.6	171	10.3	10.4
1979	1,301	76.3	74.1	226	13.3	15.1	178	10.5	10.8
1980	1,248	73.8	71.1	244	14.4	16.7	200	11.8	12.2
1981	1,218	71.7	69.3	252	14.8	16.8	228	13.4	13.8
1982	1,184	70.5	67.5	260	15.5	17.6	235	14.0	14.9
1983	1,200	70.3	66.6	266	15.6	18.4	242	14.2	15.1
1984	1,263	70.7	67.8	266	14.9	17.3	258	14.4	14.9
1985	1,315	71.0	67.2	275	14.8	17.6	263	14.2	15.3
1986	1,373	71.3	67.1	280	14.6	17.6	271	14.1	15.3
1987	1,411	71.8	67.5	279	14.2	17.2	276	14.0	15.3

KENTON 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	16.1	1.77	0.5	0.25	0.1	0.07
1970	16.4	1.81	0.7	0.36	0.1	0.05
1971	15.0	1.66	0.6	0.31	0.0	0.03
1972	14.9	1.59	0.8	0.38	0.1	0.06
1973	15.0	1.56	0.7	0.34	0.1	0.07
1974	15.2	1.52	0.7	0.30	0.3	0.12
1975	13.9	1.51	0.6	0.37	0.4	0.12
1976	13.5	1.40	0.6	0.38	0.4	0.16
1977	13.2	1.30	0.5	0.27	0.5	0.16
1978	13.5	1.34	0.4	0.22	0.3	0.11
1979	13.6	1.33	0.3	0.18	0.2	0.05
1980	13.6	1.38	0.4	0.29	0.3	0.10
1981	14.2	1.42	0.5	0.27	0.3	0.11
1982	13.6	1.47	0.6	0.37	0.3	0.10
1983	12.3	1.37	0.4	0.56	0.3	0.13
1984	12.7	1.38	0.5	0.31	0.3	0.11
1985	13.0	1.47	0.4	0.33	0.4	0.15
1986	12.6	1.50	0.3	0.28	0.1	0.05
1987	11.9	1.52	0.2	0.24	0.1	0.06

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	19.2	3.91	22.5	3.84	9.4	2.77
1970	19.4	4.03	22.2	3.79	9.6	2.74
1971	20.2	4.11	22.9	3.92	9.6	2.66
1972	20.1	4.15	22.5	3.87	9.3	2.63
1973	20.9	4.33	23.2	3.98	8.9	2.57
1974	20.7	4.22	22.3	3.71	8.8	2.50
1975	21.2	4.13	22.6	3.60	9.2	2.45
1976	21.3	4.08	21.8	3.46	9.0	2.41
1977	21.3	4.00	21.6	3.45	9.1	2.39
1978	21.3	3.97	21.2	3.31	9.1	2.37
1979	21.9	4.00	21.4	3.32	9.3	2.35
1980	22.9	3.95	21.3	3.40	9.4	2.30
1981	24.4	4.04	21.0	3.40	9.7	2.35
1982	26.0	4.13	20.8	3.34	10.1	2.40
1983	26.4	4.09	21.4	3.51	10.2	2.44
1984	26.7	4.12	20.9	3.51	9.8	2.41
1985	26.9	4.11	21.4	3.64	9.8	2.42
1986	26.1	3.81	21.4	3.77	9.9	2.45
1987	26.9	4.05	21.9	4.13	9.4	2.47

KENTON COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	4,474	12.5	426	1.2	12	0.0
1970	4,678	12.9	444	1.2	11	0.0
1971	4,206	11.4	463	1.3	18	0.0
1972	4,455	11.8	485	1.3	17	0.0
1973	4,837	12.2	518	1.3	29	0.1
1974	4,908	12.3	558	1.4	62	0.2
1975	4,287	10.9	571	1.5	78	0.2
1976	4,208	10.5	660	1.6	79	0.2
1977	4,134	10.1	696	1.7	92	0.2
1978	4,341	10.3	734	1.7	63	0.1
1979	4,332	10.0	694	1.6	30	0.1
1980	4,263	9.9	675	1.6	31	0.1
1981	4,284	9.9	674	1.6	31	0.1
1982	3,991	9.3	671	1.6	31	0.1
1983	3,760	8.6	710	1.6	43	0.1
1984	3,978	8.6	686	1.5	41	0.1
1985	4,141	8.5	677	1.4	37	0.1
1986	4,153	8.3	667	1.3	33	0.1
1987	4,377	8.1	662	1.2	32	0.1

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	8,823	24.7	9,016	25.2	3,562	10.0
1970	8,840	24.4	9,111	25.1	3,691	10.2
1971	9,252	25.2	9,618	26.2	3,750	10.2
1972	9,658	25.5	9,576	25.3	3,776	10.0
1973	10,221	25.7	10,189	25.7	3,834	9.7
1974	10,339	26.0	9,751	24.5	3,914	9.8
1975	10,285	26.1	9,833	25.0	3,984	10.1
1976	10,428	26.0	10,106	25.2	3,942	9.8
1977	10,496	25.6	10,418	25.4	3,918	9.6
1978	10,803	25.5	10,596	25.0	4,005	9.5
1979	11,455	26.5	10,873	25.1	4,145	9.6
1980	11,768	27.3	10,891	25.2	4,209	9.8
1981	12,193	28.1	10,990	25.3	4,158	9.6
1982	12,384	28.9	11,150	26.0	4,063	9.5
1983	13,080	29.8	11,461	26.1	4,039	9.2
1984	13,625	29.5	12,159	26.4	4,133	9.0
1985	14,113	29.1	13,113	27.1	4,336	9.0
1986	14,348	28.6	13,241	26.4	4,531	9.0
1987	15,580	28.8	14,387	26.6	4,603	8.5

KENTON COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	35,762	\$17,476	\$17,440	.	4.2
1970	36,229	\$17,862	\$17,811	1.5	4.4
1971	36,753	\$18,051	\$18,166	5.2	5.1
1972	37,903	\$18,526	\$18,970	5.2	6.0
1973	39,706	\$18,733	\$19,232	3.0	3.7
1974	39,807	\$18,032	\$19,008	3.7	4.5
1975	39,339	\$18,067	\$18,976	10.0	7.3
1976	40,153	\$18,659	\$19,563	4.3	5.6
1977	40,943	\$18,701	\$20,031	3.8	4.7
1978	42,340	\$18,887	\$20,121	4.3	5.3
1979	43,235	\$18,693	\$20,110	4.1	5.5
1980	43,155	\$18,054	\$19,439	6.0	8.0
1981	43,366	\$17,451	\$19,286	7.0	8.4
1982	42,823	\$17,335	\$18,931	8.4	10.6
1983	43,854	\$17,450	\$18,358	9.5	11.6
1984	46,113	\$17,494	\$19,080	7.4	9.3
1985	48,436	\$17,221	\$18,676	6.4	9.5
1986	50,201	\$17,327	\$18,627	6.1	9.3
1987	54,063	\$17,608	\$18,636	6.0	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER AGE 6		PERCENT AGE 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	128,600	4.02	.	.	.	.
1970	129,500	4.01	11.4	10.3	14.9	14.8
1971	130,500	3.96	10.6	9.6	15.1	14.8
1972	130,500	3.91	10.1	9.1	15.4	15.0
1973	131,800	3.91	9.6	8.8	15.5	15.2
1974	131,500	3.85	9.2	8.6	15.8	15.3
1975	131,700	3.80	8.9	8.4	16.1	15.4
1976	133,200	3.77	8.6	8.2	16.1	15.5
1977	133,600	3.74	8.8	8.4	16.3	15.5
1978	134,000	3.71	9.0	8.5	16.4	15.6
1979	135,000	3.71	9.1	8.7	16.5	15.8
1980	137,200	3.74	9.8	9.2	15.3	15.4
1981	137,300	3.74	9.9	9.3	15.4	15.5
1982	137,300	3.72	10.1	9.2	15.7	15.7
1983	136,100	3.67	10.0	9.2	15.8	15.9
1984	136,100	3.66	9.9	9.0	16.1	16.1
1985	137,000	3.67	9.8	8.9	16.2	16.3
1986	138,600	3.72	9.7	8.6	16.7	16.5
1987	139,100	3.73



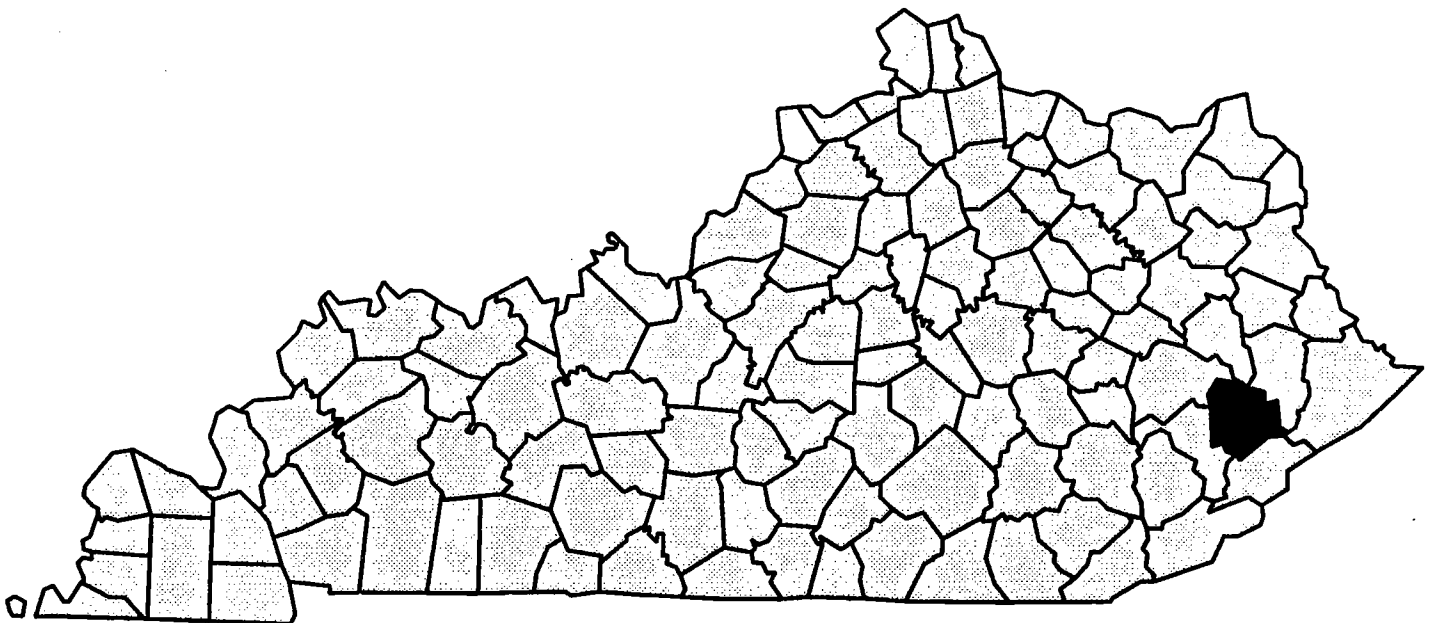
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ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

KNOTT COUNTY



Prepared by
Virginia Wilson
Donna A. Cantrell

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



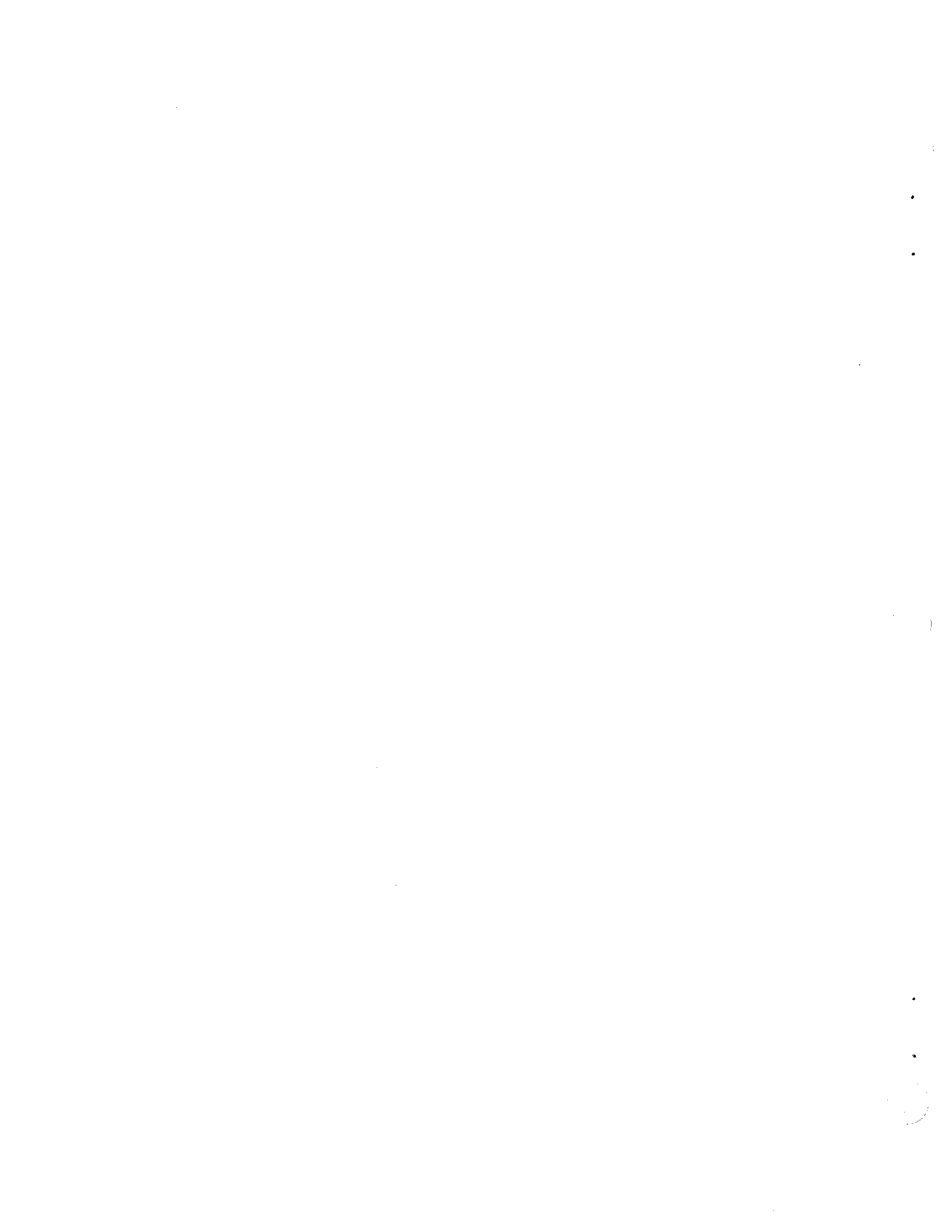
ECONOMIC TRENDS IN
KENTUCKY COUNTIES
1969 – 1987

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KNOTT COUNTY

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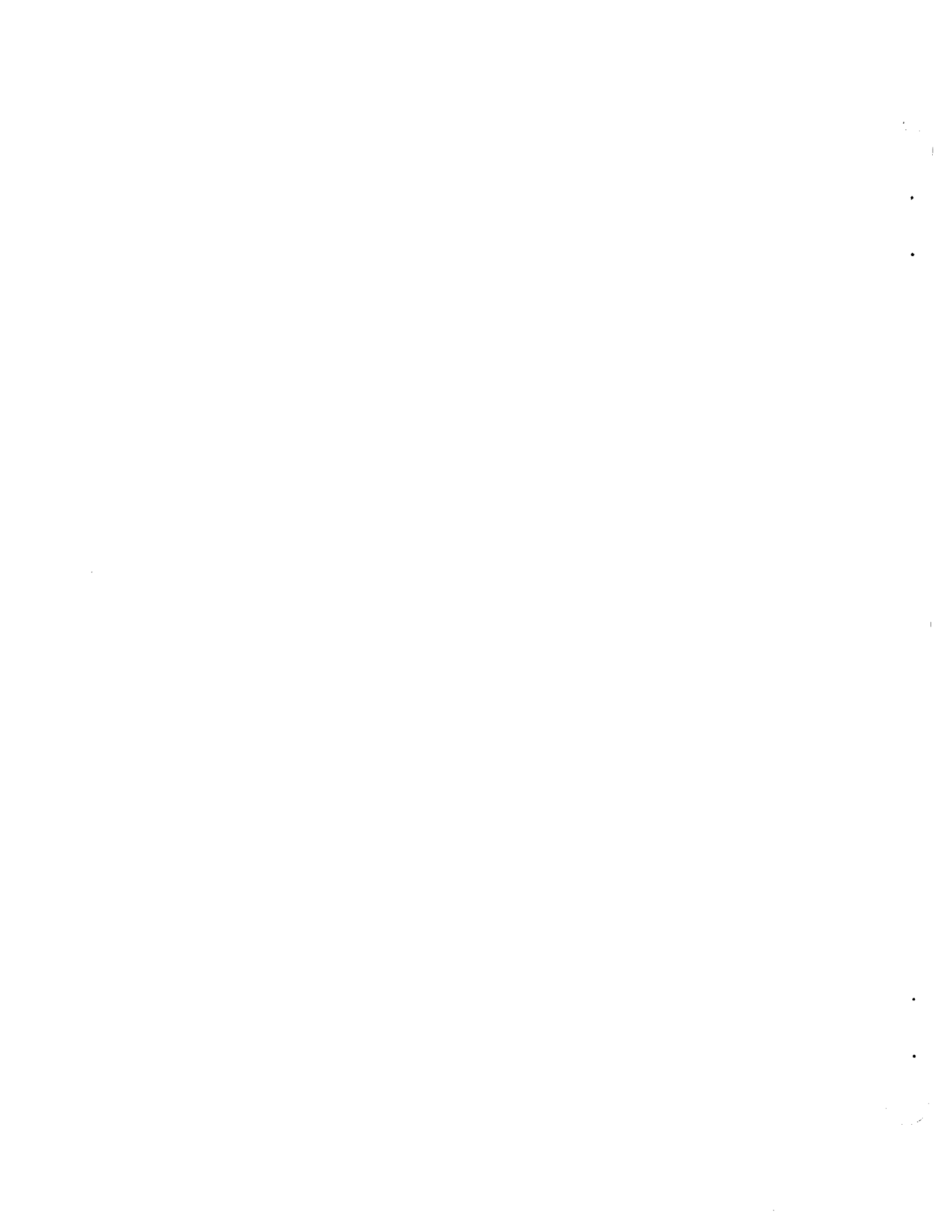
FOREWORD

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 Knott County economy, as measured by personal income, grew strongly in the 1970's and moderately in the 1980's. Knott County increased its share of Kentucky personal income in the 1970's and generally maintained 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. Knott 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 dominated by the mining sector. The mine sector was the primary source of earnings and employment in Knott County. Earnings and employment from this sector increased in the 1970's and were relatively stable in the 1980's. The county's share of earnings and employment from farming and manufacturing were minimal. These sectors lost share at the state level.

The non-goods-producing sectors of trade and state and local government decreased their shares of earnings and employment, while the service sector increased its share. At the state level, the services and trade sectors increased their shares, while the state and local government share 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 Knott County in the mid-1970's.

The county's concentration in mining contributed to a volatile economic history and projects an uncertain economic future. The mining sector is very sensitive to economic fluctuations, due to changes in national and international energy markets. Furthermore, the coal mining industry is less labor intensive. This may limit employment opportunities in the sector. Future economic growth in Knott County would probably 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 Knott 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 Knott 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 Knott 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 KNOTT 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 Knott 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 Knott County economy, as measured by real personal income, increased from \$57 million in 1969 to \$148 million in 1987, after adjusting for inflation. Chart 1B shows Knott County total personal income as a percent of Kentucky total personal income. Knott County's share of Kentucky personal income increased through the 1970's and remained stable 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. Knott County real per capita income generally increased over the time period, to a level of \$8,215 in 1987. Knott County's per capita personal income was 65.7 percent of the Kentucky per capita personal income for that year.

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 \$36 million in 1969 to \$86 million in 1987. Earnings as a percent of personal income declined during the period. Earnings accounted for 58.4 percent of Knott County's total personal income in 1987, which was significantly less than Kentucky's 67.5 percent share.

Transfer payments contributed \$18 million to total personal income in 1969 and \$44 million in 1987. Transfer payments contributed a much higher percentage of personal income in Knott County than in Kentucky during the period. In 1987, transfer payments contributed 29.4 percent of Knott County personal income, compared to 17.2 percent for Kentucky personal income.

Income from property in Knott County grew at a stable rate through the time period. Income from property totalled \$3 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 earnings. Earnings in the goods-producing industries are illustrated in Chart 3A. In 1969, Knott County received 19.0 percent of its earnings from mining. This percentage increased significantly in the early 1970's, then remained fairly constant during the rest of the period. The percentage was 49.9 percent in 1987. In Kentucky, the percent of earnings from mining increased in the late 1970's and decreased in the 1980's.

Earnings from the farm and manufacturing sectors were minimal throughout the period. At the state level, the share of earnings from the farming and manufacturing sectors declined during the period.

Earnings from non-goods-producing industries are illustrated in Chart 3B. The percent of total earnings from services remained relatively constant and accounted for 11.3 percent in 1987. The percent of earnings from the trade sector decreased from 18.1 percent in 1969 to 7.4 percent in 1987. The percentage of earnings in the state and local government sector decreased from 23.0 percent in 1969 to 12.7 percent in 1987. At the state level, the percents from the services and trade sectors increased, while the percent from state and local government was constant.

Average earnings per job (adjusted for inflation) for Knott 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 Knott County, average earnings decreased to a level of \$ 20,048 in 1987, well 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 1,778 people. By 1987, employment had increased to 4,292 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 Knott County are presented in Chart 4B. Knott County unemployment rates were above those of the state during the period. In 1987, the unemployment rate in Knott County was 15.7 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 Knott County total employment in manufacturing and farming was minimal over the time period. Manufacturing involved 1.9 percent of total employment in 1987. The farm sector's share of employment was 0.9 percent in 1987. The mining sector accounted for 18.3 percent of total employment in 1969, increasing to 40.1 percent in 1974. However, this share declined through the 1980's to 31.1 percent in 1987. For the state, the employment shares in these sectors declined.

Knott 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 15.3 percent in 1969 to 20.5 percent in 1987. The percent of employment in trade remained relatively constant and accounted for 14.4 percent in 1987. The percent of employment in state and local government decreased from 26.5 percent in 1969 to 14.3 percent in 1987. At the state level, the shares of employment in services and trade increased, while the share in state and local government 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 Knott County.

The Knott County population increased from 15,000 in 1969 to 18,000 in 1987 (Chart 5A). It was estimated that in 1986, 9.5 percent of Knott County's population was under six years of age, compared to 8.6 percent for the state. In the same year, 15.1 percent of the Knott County population was sixty years of age or over, compared to 16.5 percent of all Kentucky residents.

Coal

The coal sector provides a significant source of income and employment for 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 Knott County economy.

Knott 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 during the period. In 1986, 8,121 thousand tons of coal was mined in Knott County.

Employment in the mining sector, which includes coal and other forms of mining, is illustrated in Chart 6B. In 1969, this sector provided 325 jobs in Knott County. Mining employment increased to 1,273 in 1974 but dropped significantly in 1975. However, by 1987, employment had increased to 1,336 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 significantly 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 fluctuated during the period. Knott County severance tax collections increased to \$8.7 million in 1986.

CHART 1A

KNOTT COUNTY
REAL PERSONAL INCOME
Millions of 1988 dollars

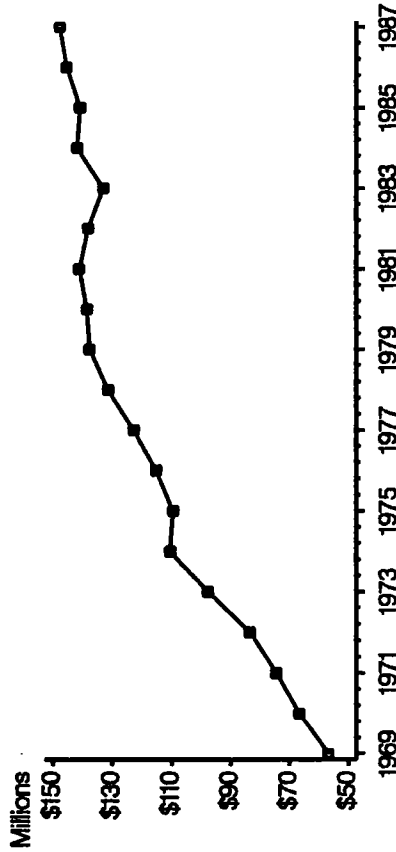


CHART 1B
KNOTT COUNTY
PERSONAL INCOME
as a Percent of Kentucky Personal Income

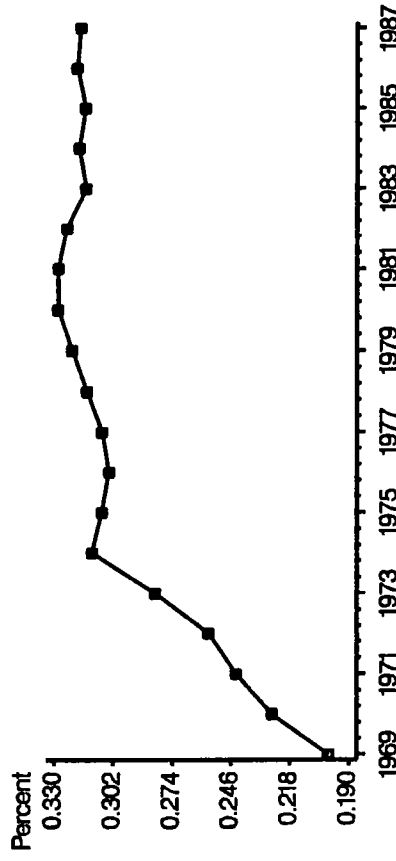


CHART 1C

KNOTT COUNTY
PER CAPITA PERSONAL INCOME
in Constant 1988 Dollars

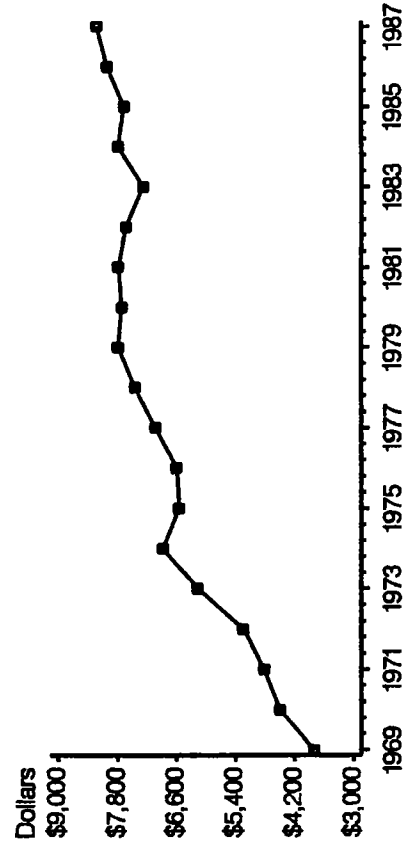


CHART 1D

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

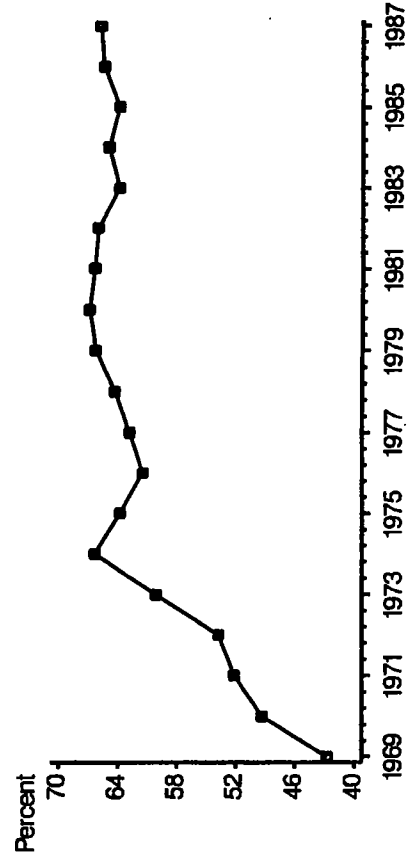


CHART 2A
 KNOTT COUNTY
 REAL TOTAL EARNINGS
 Millions of 1988 dollars

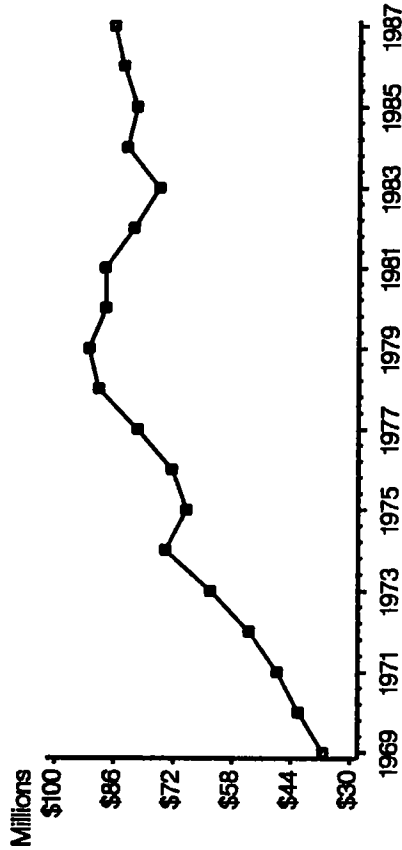


CHART 2B
 KNOTT COUNTY
 TRANSFER PAYMENTS and INCOME FROM PROPERTY
 Millions of 1988 Dollars

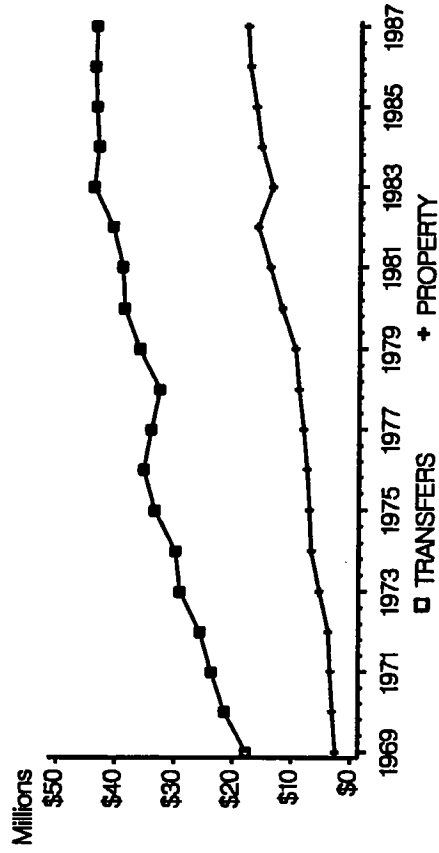


CHART 2C
 KNOTT COUNTY
 TOTAL EARNINGS
 as a Percent of Personal Income

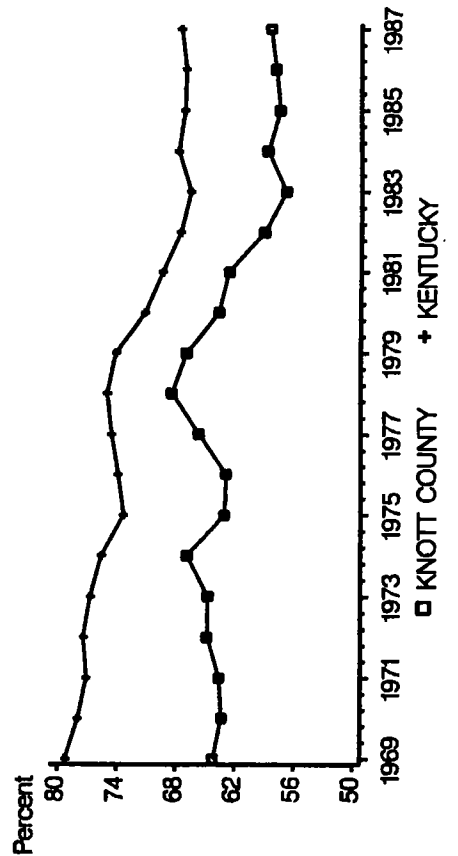


CHART 2D
 KNOTT COUNTY
 TRANSFER PAYMENTS
 as a Percent of Personal Income

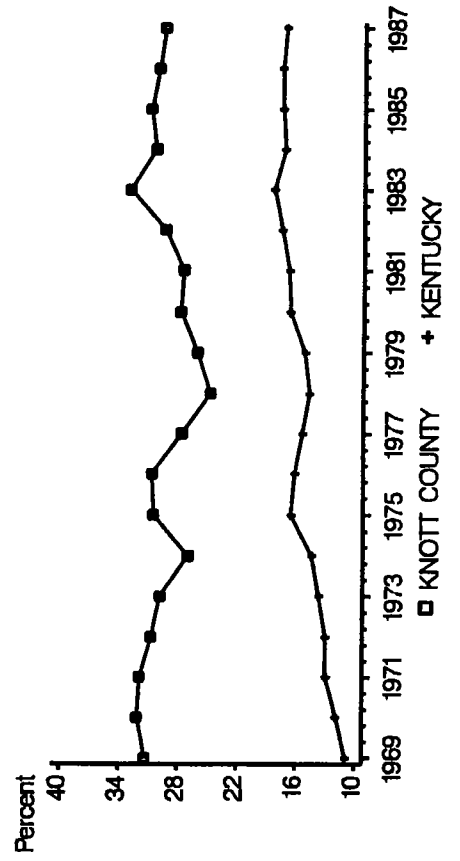


CHART 3A

KNOTT COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Earnings

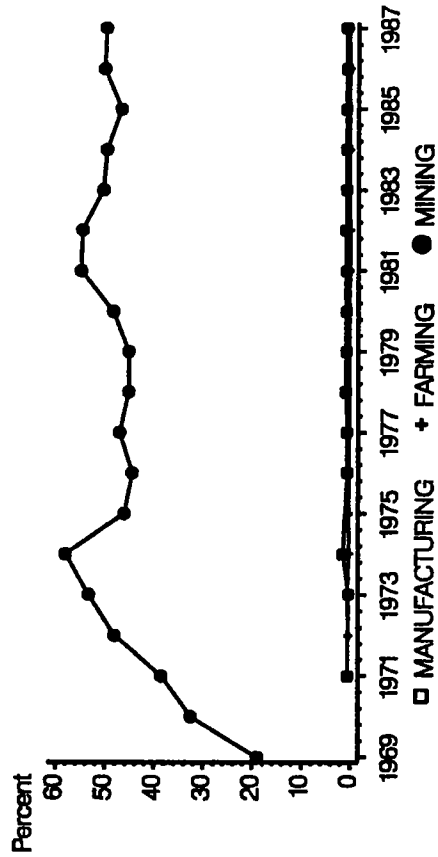


CHART 3B

KNOTT COUNTY

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

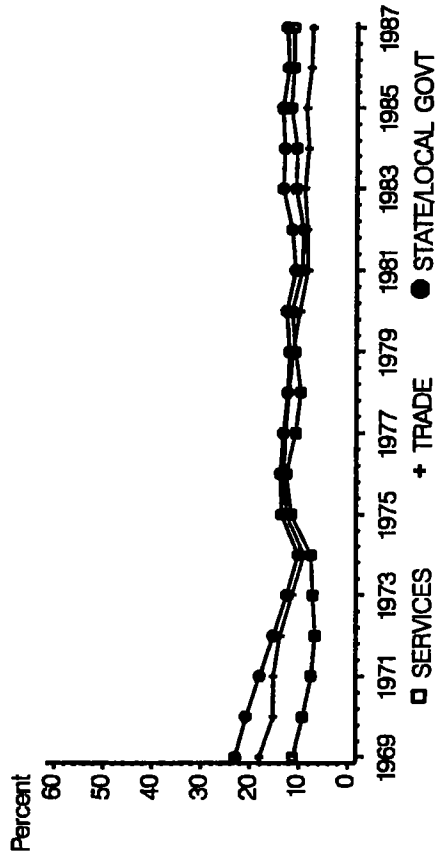


CHART 3C

KNOTT COUNTY

EARNINGS IN GOODS PRODUCING INDUSTRIES
as a Percent of Kentucky Industries

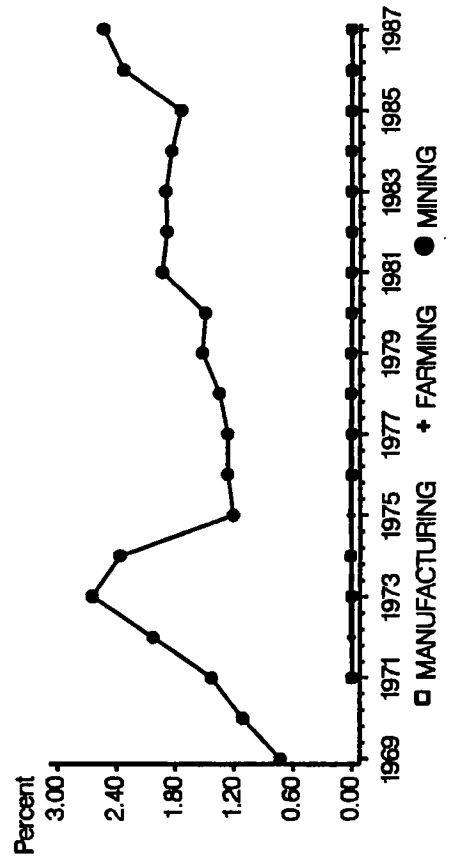


CHART 3D

KNOTT COUNTY

AVERAGE EARNINGS PER JOB
in Constant 1988 Dollars

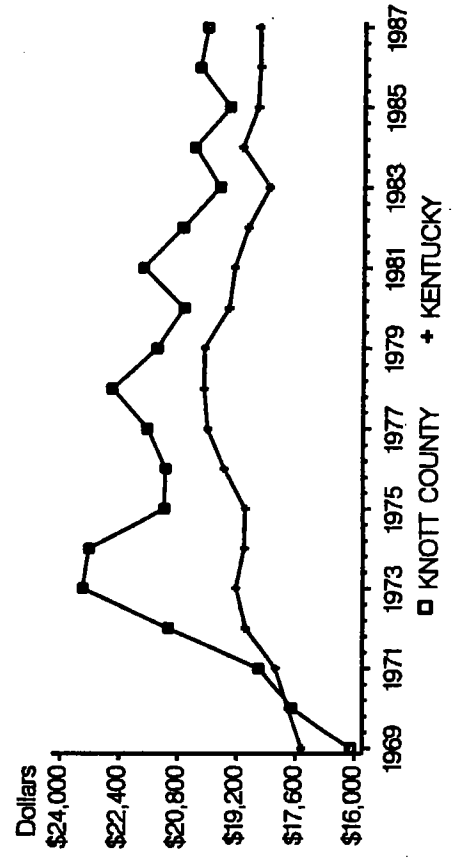


CHART 4A

KNOTT COUNTY

TOTAL EMPLOYMENT
Thousands of People

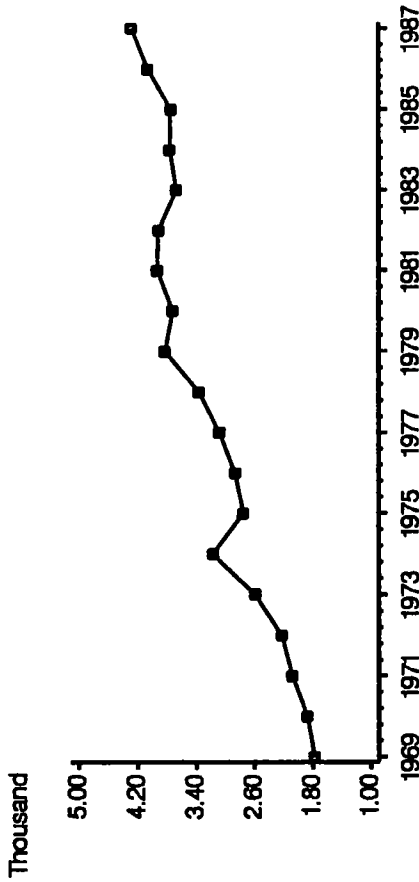


CHART 4B

KNOTT COUNTY

ANNUAL UNEMPLOYMENT RATE

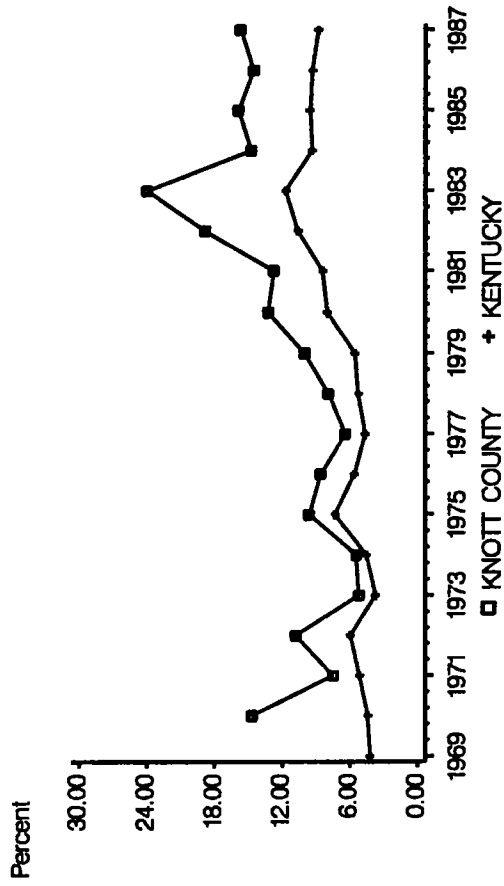


CHART 4C

KNOTT COUNTY

EMPLOYMENT IN GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

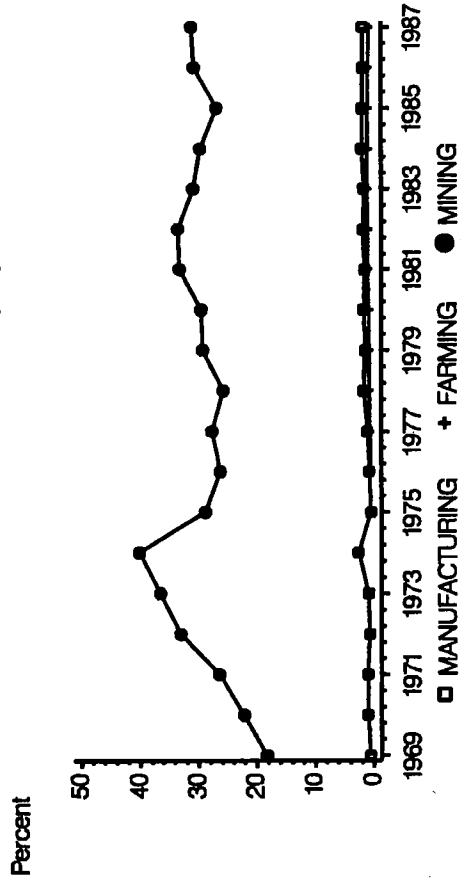


CHART 4D

KNOTT COUNTY

EMPLOYMENT IN NON-GOODS PRODUCING INDUSTRIES
as a Percent of Total Employment

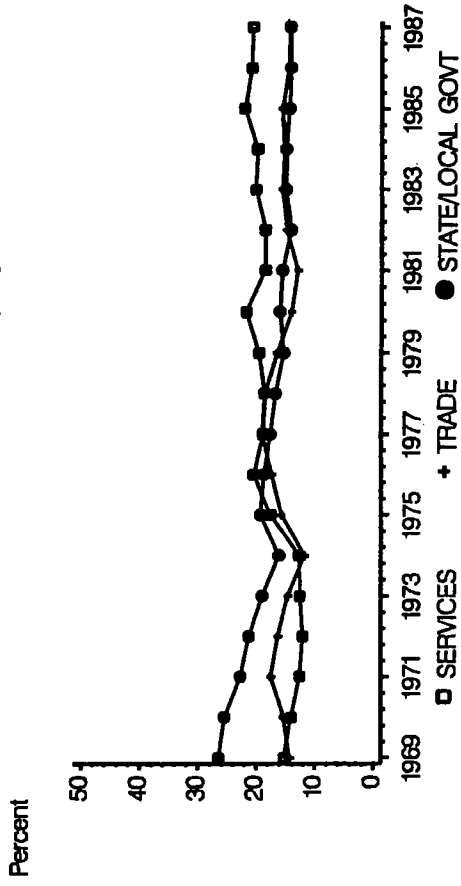


CHART 5A
 KNOTT COUNTY
 POPULATION
 Thousands of People

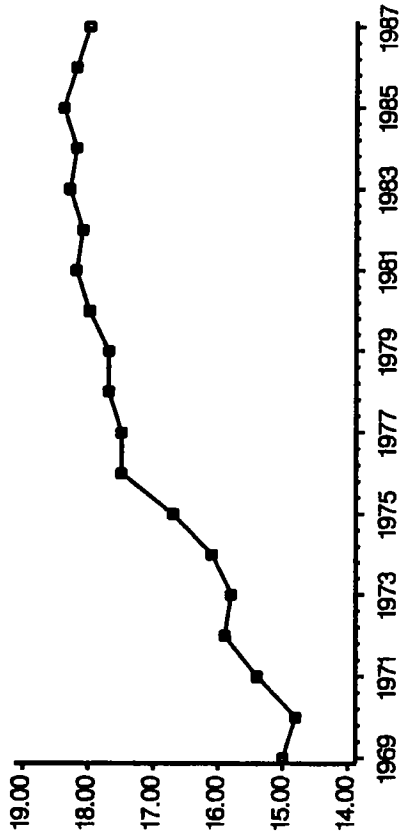


CHART 5B
 KNOTT COUNTY
 POPULATION
 as a Percent of Kentucky Population

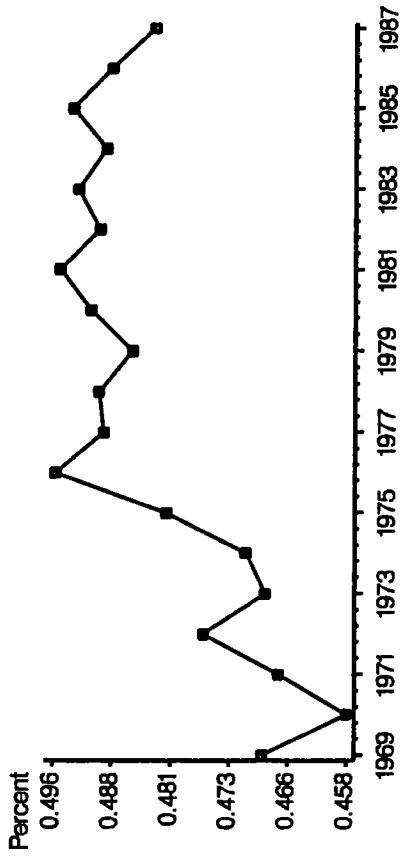


CHART 5C
 KNOTT COUNTY
 POPULATION 5 AND UNDER
 as a Percent of Total Population

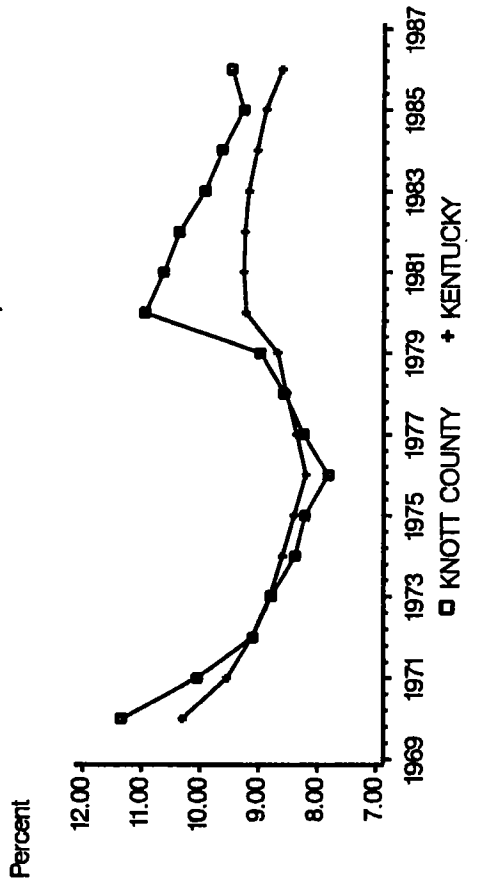


CHART 5D
 KNOTT COUNTY
 POPULATION 60 AND OVER
 as a Percent of Total Population

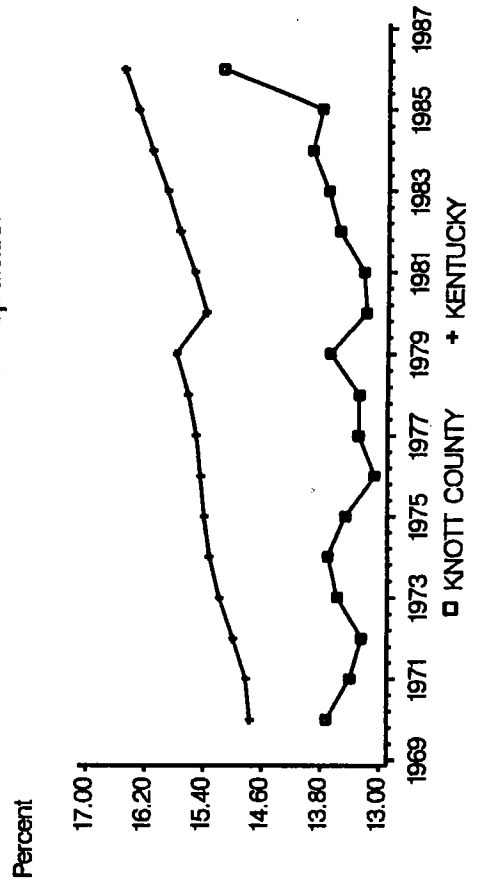


CHART 6A
 KNOTT COUNTY
 TOTAL COAL PRODUCTION (SHIPMENTS)
 Thousands of Tons

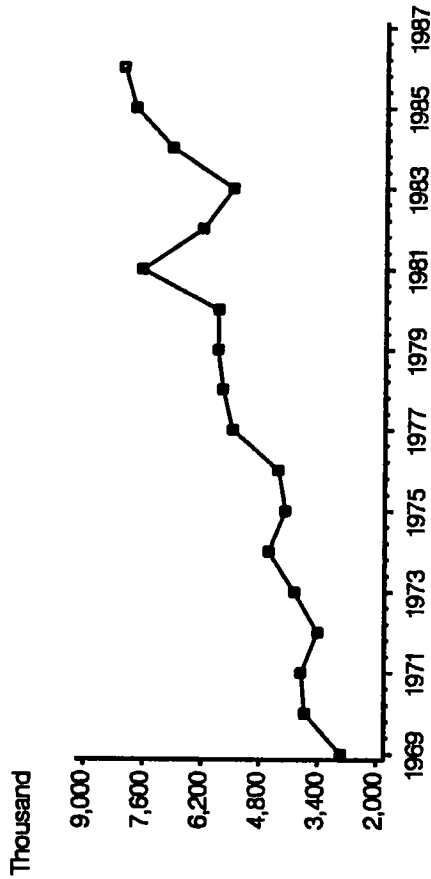


CHART 6B
 KNOTT COUNTY
 MINING EMPLOYMENT
 Thousands of People

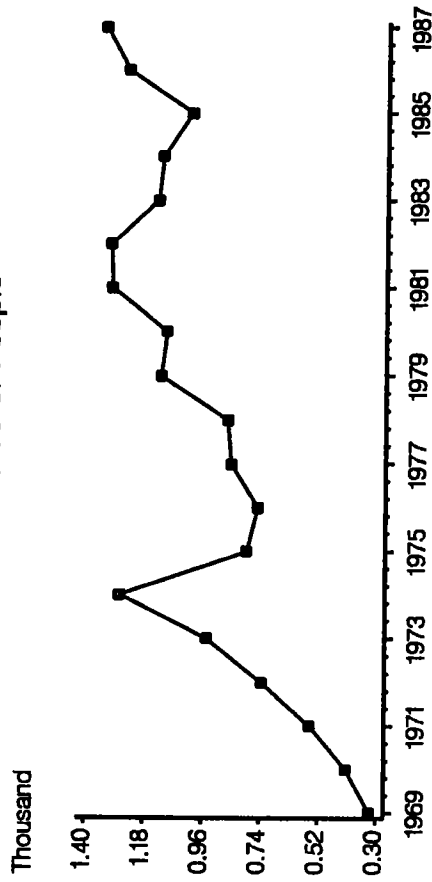


CHART 6C
 KNOTT COUNTY
 AVERAGE VALUE PER TON FOR COAL
 Constant 1988 Dollars

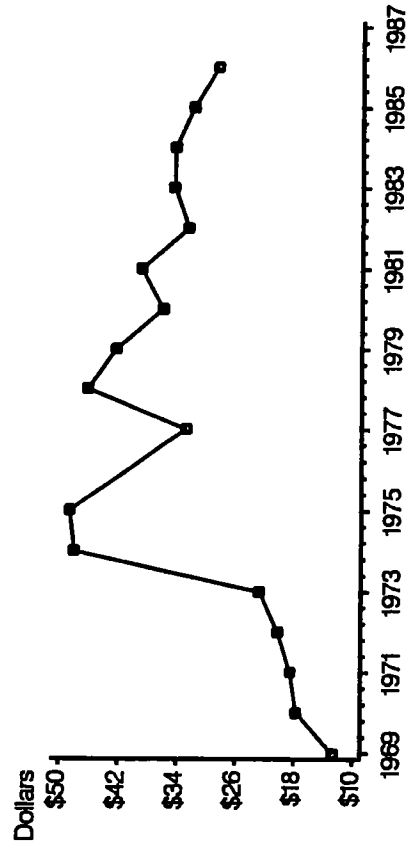
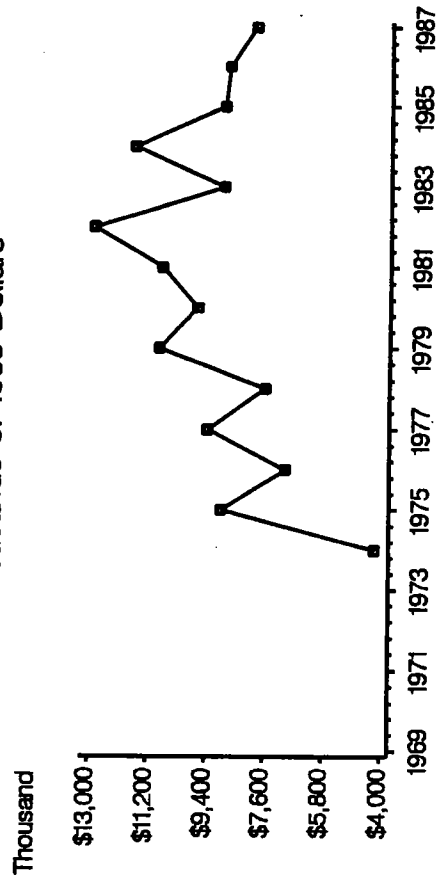


CHART 6D
 KNOTT COUNTY
 TAX RECEIPTS ON COAL SEVERED OR PROCESSED
 Thousands of 1988 Dollars



KNOTT COUNTY

PERSONAL INCOME
In Millions of 1988 Dollars

Year	County Personal Income (M\$)	Percent of Kentucky (%)	Per Capita Personal Income (\$)	Percent of Kentucky (%)
1969	57	0.20	3,796	42.7
1970	67	0.23	4,501	49.4
1971	74	0.24	4,825	52.1
1972	83	0.26	5,236	53.7
1973	98	0.28	6,172	60.1
1974	111	0.31	6,872	66.3
1975	109	0.31	6,547	63.8
1976	115	0.30	6,597	61.4
1977	123	0.31	7,020	62.8
1978	131	0.31	7,440	64.3
1979	138	0.32	7,787	66.2
1980	139	0.33	7,709	66.8
1981	141	0.33	7,775	66.3
1982	138	0.32	7,623	66.0
1983	133	0.31	7,267	63.8
1984	142	0.32	7,784	64.9
1985	141	0.32	7,662	63.9
1986	146	0.32	8,005	65.4
1987	148	0.32	8,215	65.7

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	36	64.2	79.2	18	31.3	10.9	3	4.5	9.9
1970	42	63.3	77.9	21	32.1	11.9	3	4.6	10.2
1971	47	63.6	77.0	24	31.8	12.9	3	4.6	10.1
1972	54	64.8	77.3	26	30.7	12.9	4	4.5	9.7
1973	63	64.8	76.6	29	29.8	13.6	5	5.5	9.7
1974	74	66.9	75.5	30	27.0	14.4	7	6.1	10.1
1975	69	63.1	73.3	33	30.5	16.5	7	6.5	10.1
1976	72	62.8	73.9	35	30.6	16.1	8	6.5	10.0
1977	81	65.7	74.6	34	27.7	15.3	8	6.6	10.1
1978	90	68.4	75.0	33	24.8	14.6	9	6.8	10.4
1979	92	66.9	74.1	36	26.2	15.1	10	6.9	10.8
1980	88	63.6	71.1	39	27.8	16.7	12	8.5	12.2
1981	88	62.6	69.3	39	27.6	16.8	14	9.9	13.8
1982	82	59.0	67.5	41	29.4	17.6	16	11.6	14.9
1983	76	56.8	66.6	44	33.0	18.4	14	10.2	15.1
1984	83	58.7	67.8	43	30.3	17.3	16	10.9	14.9
1985	81	57.5	67.2	44	30.9	17.6	16	11.6	15.3
1986	84	57.9	67.1	44	30.1	17.6	18	12.0	15.3
1987	86	58.4	67.5	44	29.4	17.2	18	12.1	15.3

KNOTT 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	.	.	.	.	19.0	0.73
1970	.	.	.	.	32.5	1.11
1971	0.5	0.00	.	.	38.5	1.44
1972	.	.	0.4	0.01	48.0	2.03
1973	0.3	0.00	0.6	0.02	53.3	2.65
1974	1.5	0.02	0.2	0.01	58.1	2.37
1975	.	.	0.4	0.02	46.1	1.21
1976	0.6	0.00	.	.	44.5	1.27
1977	0.6	0.01	0.3	0.01	47.0	1.27
1978	0.8	0.01	.	.	45.2	1.35
1979	0.8	0.01	.	.	45.2	1.53
1980	0.8	0.01	.	.	48.4	1.50
1981	0.8	0.01	0.1	0.01	54.9	1.94
1982	0.8	0.01	0.1	0.00	54.6	1.89
1983	0.7	0.01	.	.	50.5	1.90
1984	0.8	0.01	0.2	0.01	49.7	1.84
1985	0.8	0.01	.	.	46.8	1.74
1986	0.7	0.01	0.1	0.01	50.2	2.33
1987	0.7	0.01	0.2	0.01	49.9	2.54

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	TOTAL	KENTUCKY	TOTAL	KENTUCKY	TOTAL	KENTUCKY
1969	11.2	0.10	18.1	0.14	23.0	0.31
1970	9.2	0.10	15.3	0.13	20.8	0.31
1971	7.5	0.09	15.3	0.15	18.1	0.29
1972	6.7	0.09	13.8	0.16	15.3	0.29
1973	7.2	0.12	11.4	0.16	12.5	0.29
1974	7.6	0.16	9.0	0.15	10.2	0.30
1975	11.6	0.19	12.6	0.17	13.6	0.30
1976	12.7	0.20	13.2	0.17	13.9	0.30
1977	10.8	0.18	12.9	0.18	13.3	0.30
1978	9.7	0.17	12.2	0.18	12.4	0.31
1979	10.8	0.20	11.3	0.18	12.1	0.31
1980	11.5	0.20	9.9	0.16	12.6	0.31
1981	9.4	0.18	8.3	0.15	10.9	0.30
1982	9.2	0.16	8.5	0.15	11.5	0.30
1983	10.8	0.16	9.0	0.14	13.4	0.30
1984	10.6	0.16	8.2	0.13	13.1	0.30
1985	11.8	0.16	8.7	0.13	13.5	0.29
1986	11.3	0.16	7.7	0.13	12.3	0.29
1987	11.3	0.15	7.4	0.13	12.7	0.30

KNOTT COUNTY

COUNTY EMPLOYMENT by SECTOR

YEAR	MANUFACTURING		FARMING		MINING	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	11	0.6	.	.	325	18.3
1970	18	1.0	.	.	415	22.1
1971	21	1.0	.	.	552	26.5
1972	16	0.7	.	.	735	33.0
1973	24	0.9	.	.	945	36.5
1974	84	2.6	.	.	1,273	40.1
1975	14	0.5	.	.	794	28.8
1976	22	0.8	15	0.5	753	26.3
1977	34	1.1	20	0.6	854	27.7
1978	58	1.7	26	0.8	867	25.7
1979	55	1.4	29	0.8	1,120	29.3
1980	63	1.7	30	0.8	1,098	29.5
1981	62	1.6	41	1.0	1,305	33.2
1982	72	1.8	40	1.0	1,310	33.5
1983	63	1.7	41	1.1	1,134	30.9
1984	76	2.0	39	1.0	1,117	29.7
1985	72	1.9	39	1.0	1,009	26.9
1986	75	1.8	39	1.0	1,249	30.7
1987	81	1.9	38	0.9	1,336	31.1

YEAR	SERVICES		TRADE		STATE and LOCAL GOVERNMENT	
	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL	EMPLOYMENT	PERCENT OF TOTAL
1969	272	15.3	256	14.4	471	26.5
1970	264	14.1	288	15.4	478	25.5
1971	263	12.6	364	17.5	472	22.6
1972	269	12.1	364	16.3	473	21.2
1973	325	12.5	380	14.7	490	18.9
1974	405	12.8	374	11.8	511	16.1
1975	484	17.6	434	15.8	529	19.2
1976	585	20.4	497	17.3	535	18.7
1977	579	18.8	585	19.0	544	17.7
1978	625	18.6	623	18.5	565	16.8
1979	749	19.6	631	16.5	590	15.4
1980	808	21.7	525	14.1	598	16.1
1981	728	18.5	513	13.0	616	15.7
1982	723	18.5	586	15.0	556	14.2
1983	737	20.1	575	15.7	553	15.1
1984	744	19.8	577	15.3	564	15.0
1985	823	22.0	587	15.7	542	14.5
1986	846	20.8	593	14.6	579	14.2
1987	882	20.5	617	14.4	614	14.3

KNOTT COUNTY

EMPLOYMENT STATISTICS

YEAR	TOTAL EMPLOYMENT	AVERAGE EARNINGS		UNEMPLOYMENT RATE	
		COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	1,778	\$16,112	\$17,440	.	4.2
1970	1,876	\$17,688	\$17,811	14.7	4.4
1971	2,084	\$18,611	\$18,166	7.5	5.1
1972	2,228	\$21,066	\$18,970	10.8	6.0
1973	2,590	\$23,384	\$19,232	5.2	3.7
1974	3,171	\$23,217	\$19,008	5.4	4.5
1975	2,753	\$21,180	\$18,976	9.6	7.3
1976	2,865	\$21,143	\$19,563	8.6	5.6
1977	3,082	\$21,645	\$20,031	6.4	4.7
1978	3,367	\$22,601	\$20,121	7.9	5.3
1979	3,829	\$21,380	\$20,110	10.0	5.5
1980	3,720	\$20,668	\$19,439	13.2	8.0
1981	3,934	\$21,760	\$19,286	12.7	8.4
1982	3,916	\$20,706	\$18,931	18.8	10.6
1983	3,672	\$19,701	\$18,358	23.9	11.6
1984	3,763	\$20,385	\$19,080	14.7	9.3
1985	3,748	\$19,428	\$18,676	15.9	9.5
1986	4,068	\$20,259	\$18,627	14.5	9.3
1987	4,292	\$20,048	\$18,636	15.7	8.8

POPULATION STATISTICS

YEAR	POPULATION	% OF KY	PERCENT UNDER 6		PERCENT 60+	
			COUNTY	KENTUCKY	COUNTY	KENTUCKY
1969	15,000	0.47	.	.	.	.
1970	14,800	0.46	11.3	10.3	13.7	14.8
1971	15,400	0.47	10.1	9.6	13.4	14.8
1972	15,900	0.48	9.1	9.1	13.2	15.0
1973	15,800	0.47	8.8	8.8	13.6	15.2
1974	16,100	0.47	8.4	8.6	13.7	15.3
1975	16,700	0.48	8.2	8.4	13.5	15.4
1976	17,500	0.50	7.8	8.2	13.1	15.5
1977	17,500	0.49	8.2	8.4	13.3	15.5
1978	17,700	0.49	8.6	8.5	13.3	15.6
1979	17,700	0.49	9.0	8.7	13.7	15.8
1980	18,000	0.49	10.9	9.2	13.2	15.4
1981	18,200	0.50	10.6	9.3	13.2	15.5
1982	18,100	0.49	10.4	9.2	13.6	15.7
1983	18,300	0.49	9.9	9.2	13.7	15.9
1984	18,200	0.49	9.6	9.0	13.9	16.1
1985	18,400	0.49	9.3	8.9	13.8	16.3
1986	18,200	0.49	9.5	8.6	15.1	16.5
1987	18,000	0.48	.	.	.	.

KNOTT COUNTY

COAL MINING STATISTICS

YEAR	PRODUCTION (Thousand Tons)	EMPLOYMENT	AVERAGE VALUE PER TON	COAL TAX RECEIPTS (000)
1969	2,838	325	\$12.72	.
1970	3,718	415	\$17.70	.
1971	3,807	552	\$18.55	.
1972	3,408	735	\$20.26	.
1973	3,972	945	\$22.77	.
1974	4,594	1,273	\$47.94	\$4,216
1975	4,198	794	\$48.56	\$8,942
1976	4,371	753	.	\$6,970
1977	5,479	854	\$32.85	\$9,372
1978	5,722	867	\$46.13	\$7,582
1979	5,842	1,120	\$42.38	\$10,859
1980	5,829	1,098	\$35.96	\$9,700
1981	7,661	1,305	\$38.92	\$10,785
1982	6,211	1,310	\$32.66	\$12,867
1983	5,486	1,134	\$34.53	\$8,901
1984	6,947	1,117	\$34.40	\$11,640
1985	7,842	1,009	\$31.93	\$8,890
1986	8,121	1,249	\$28.58	\$8,743
1987	.	1,336	.	.

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



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