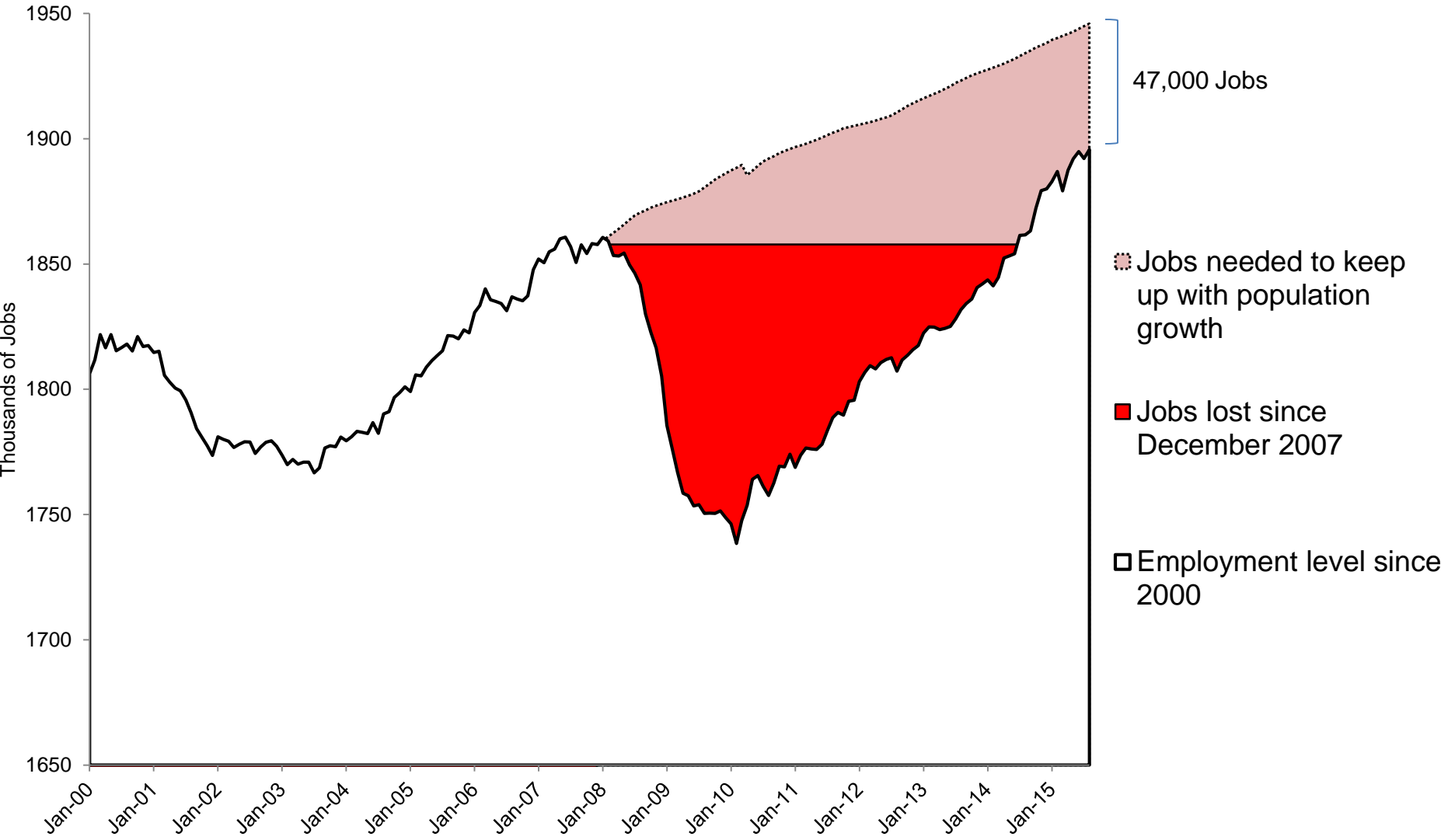


The Working Poor in Kentucky



House Task Force on Vulnerable Kentuckians
August 19, 2016

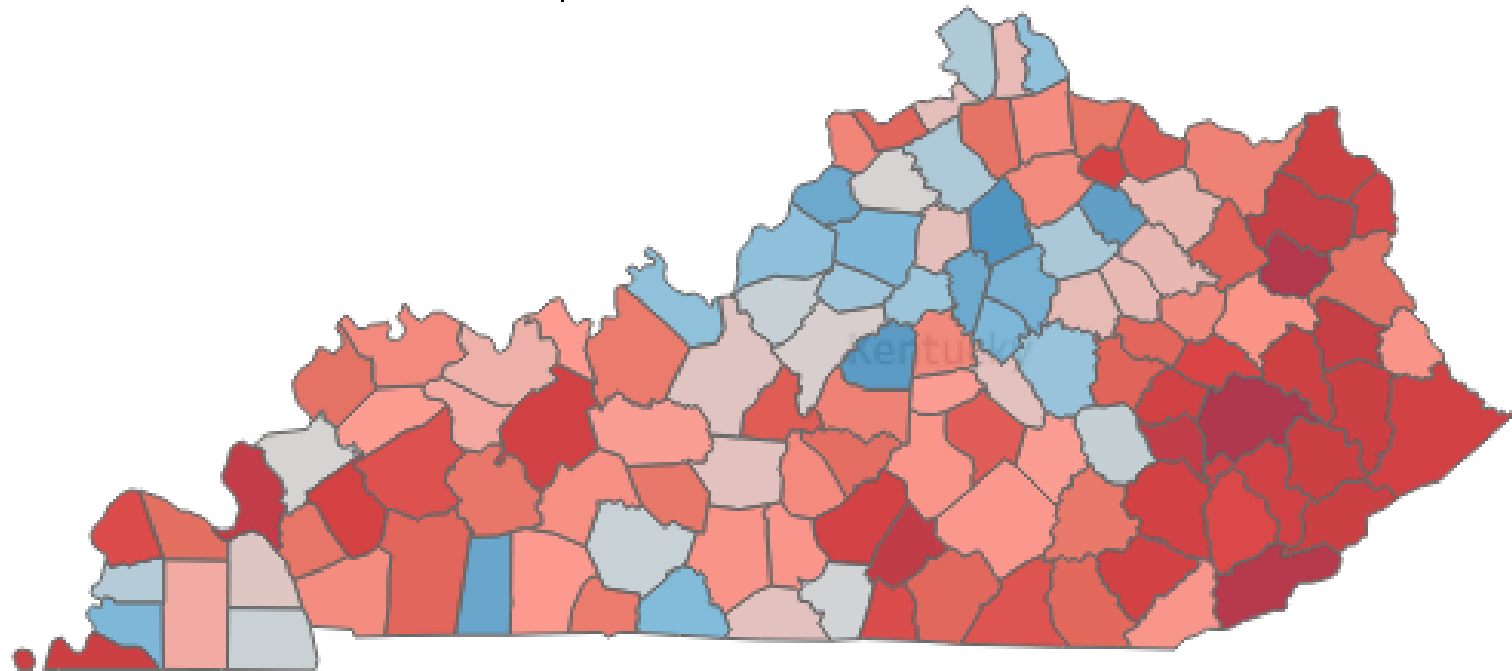
Kentucky Job Growth Continues But State Still Faces Jobs Deficit



Job Recovery Has Been Concentrated in a Minority of Kentucky Counties

Percent Employment Change, Mar. 2007-Mar. 2016

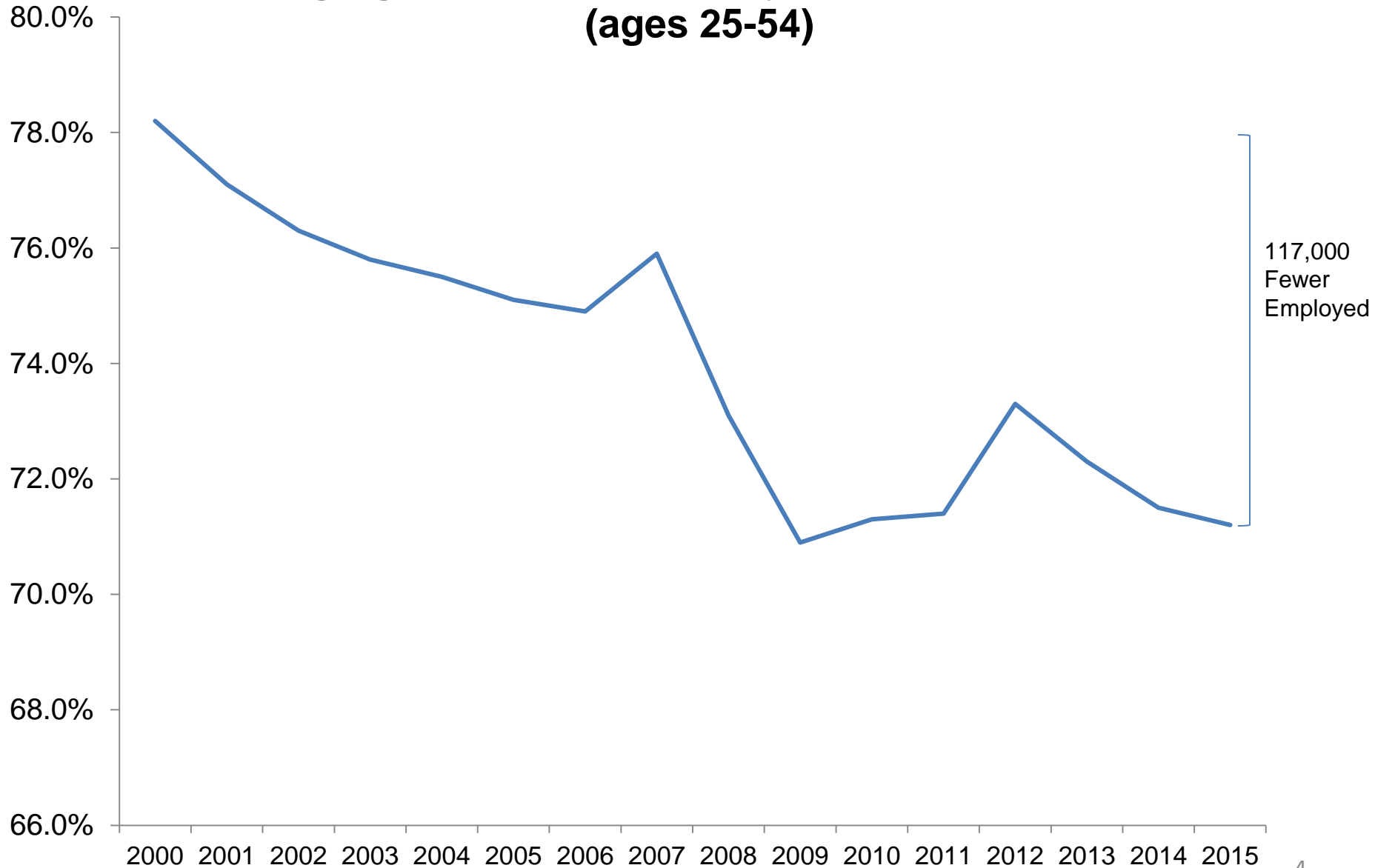
-33% 18%



Data Source: Bureau of Labor Statistics, Local Area Unemployment Statistics.



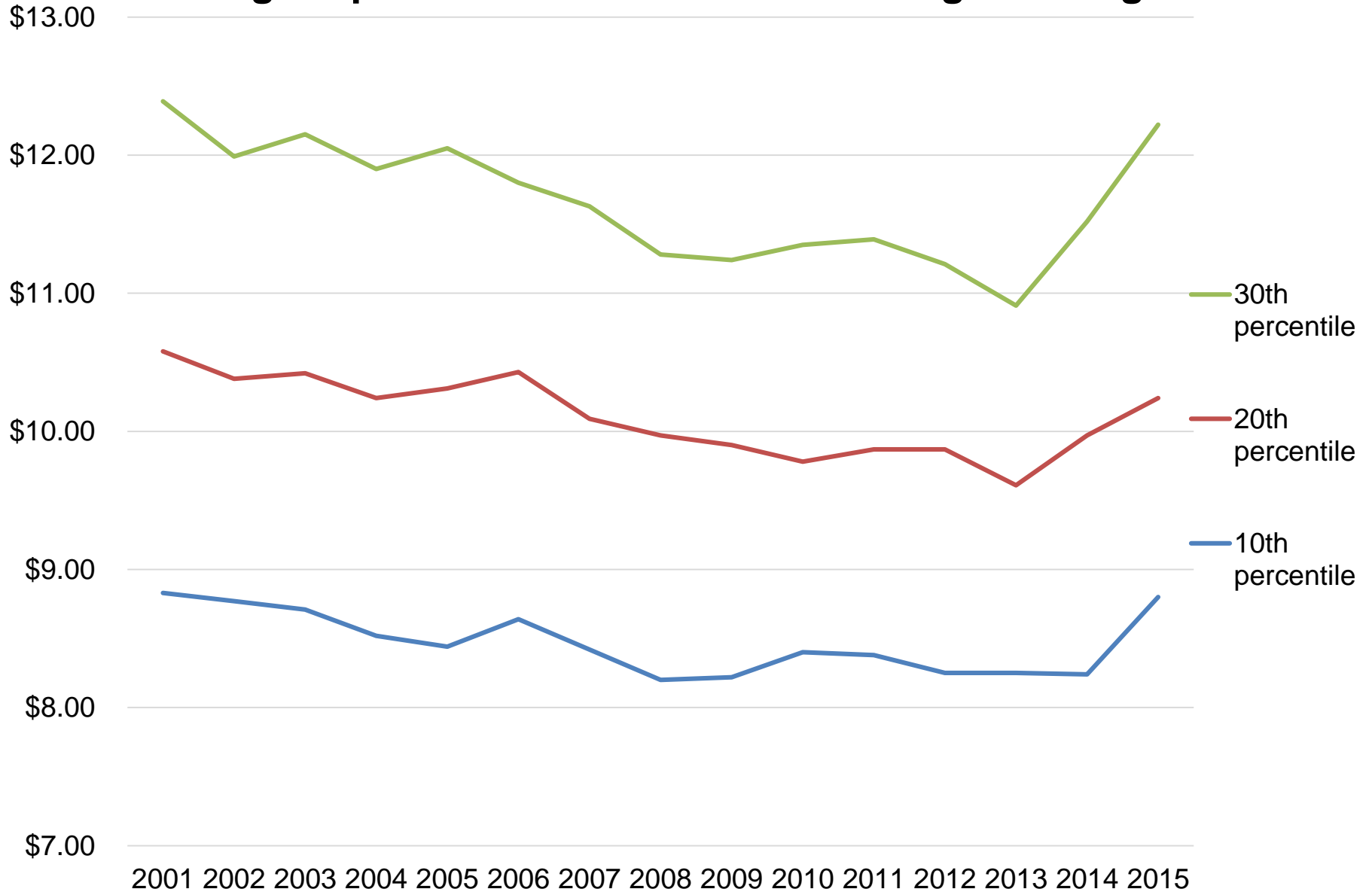
Despite Falling Unemployment Rate, Share of the Prime Working Age Population Employed Remains Depressed (ages 25-54)



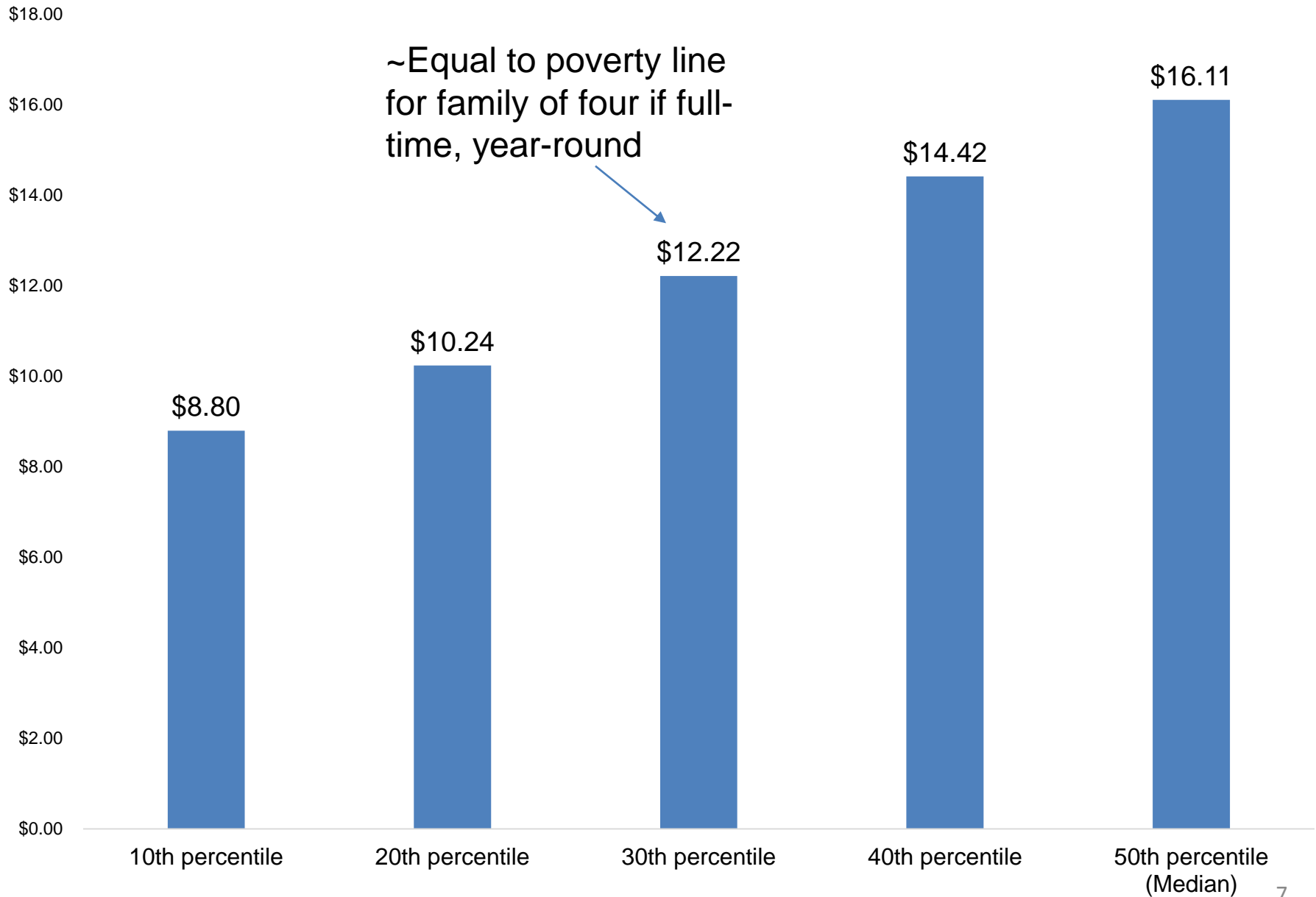
Good and Bad News in Terms of Job Quality in the Recovery

	Job Growth June 2009-June 2016 (thousands)	Percent growth	Average Annual Pay
Employment Services (Temp Agencies)	32.9	118%	\$24,805
Transportation Equipment Manufacturing	22.6	55%	\$62,283
Food Services and Drinking Places	19.8	14%	\$15,031
Transportation and Warehousing	16.8	21%	\$50,329
Retail Trade	15.4	8%	\$25,961
Ambulatory Health Care Services	10.3	14%	\$60,126
Social Assistance	10.1	35%	\$21,763

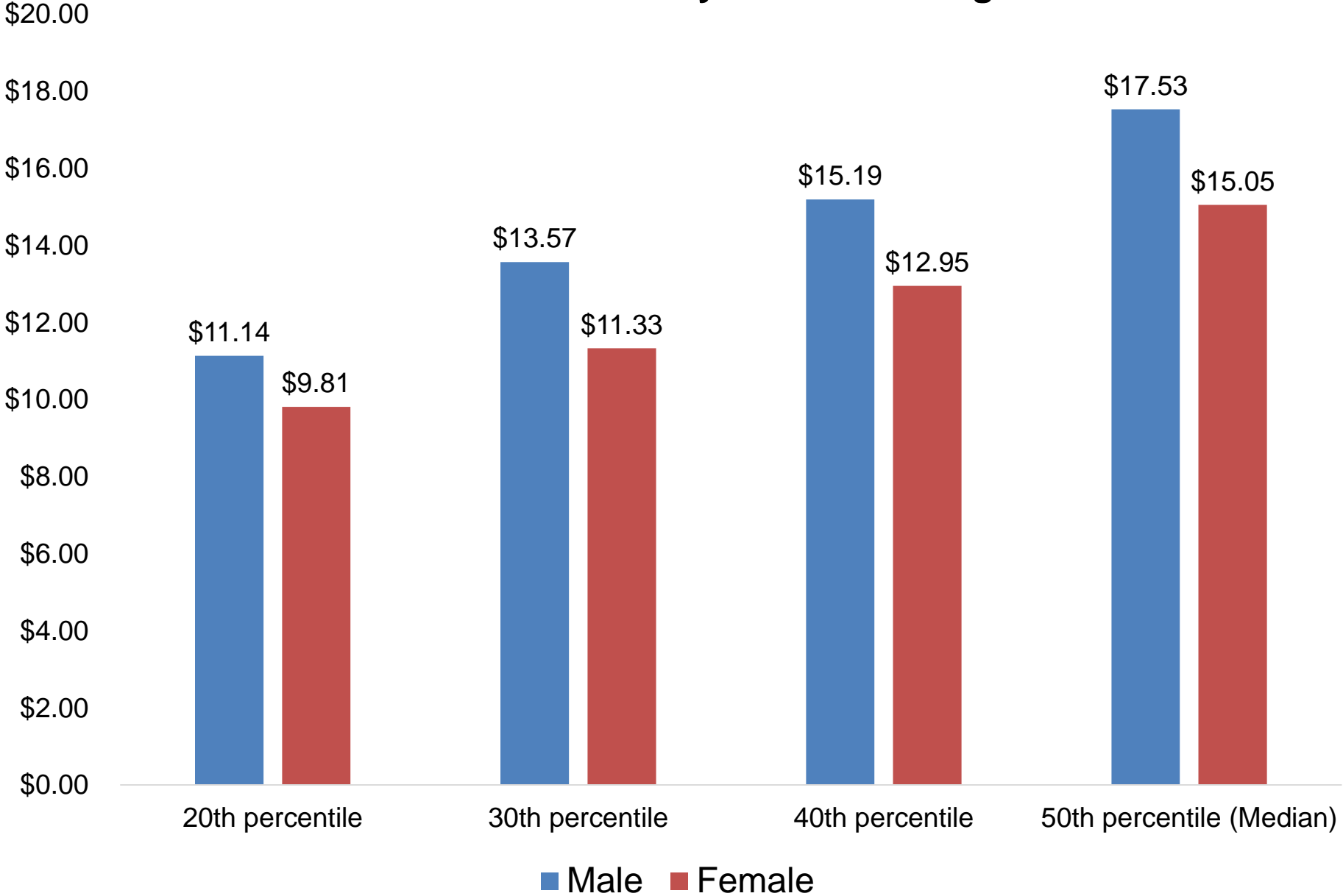
Bright Spot in 2015 After Decade of Stagnant Wages



But Wages Are Low for Many Kentuckians



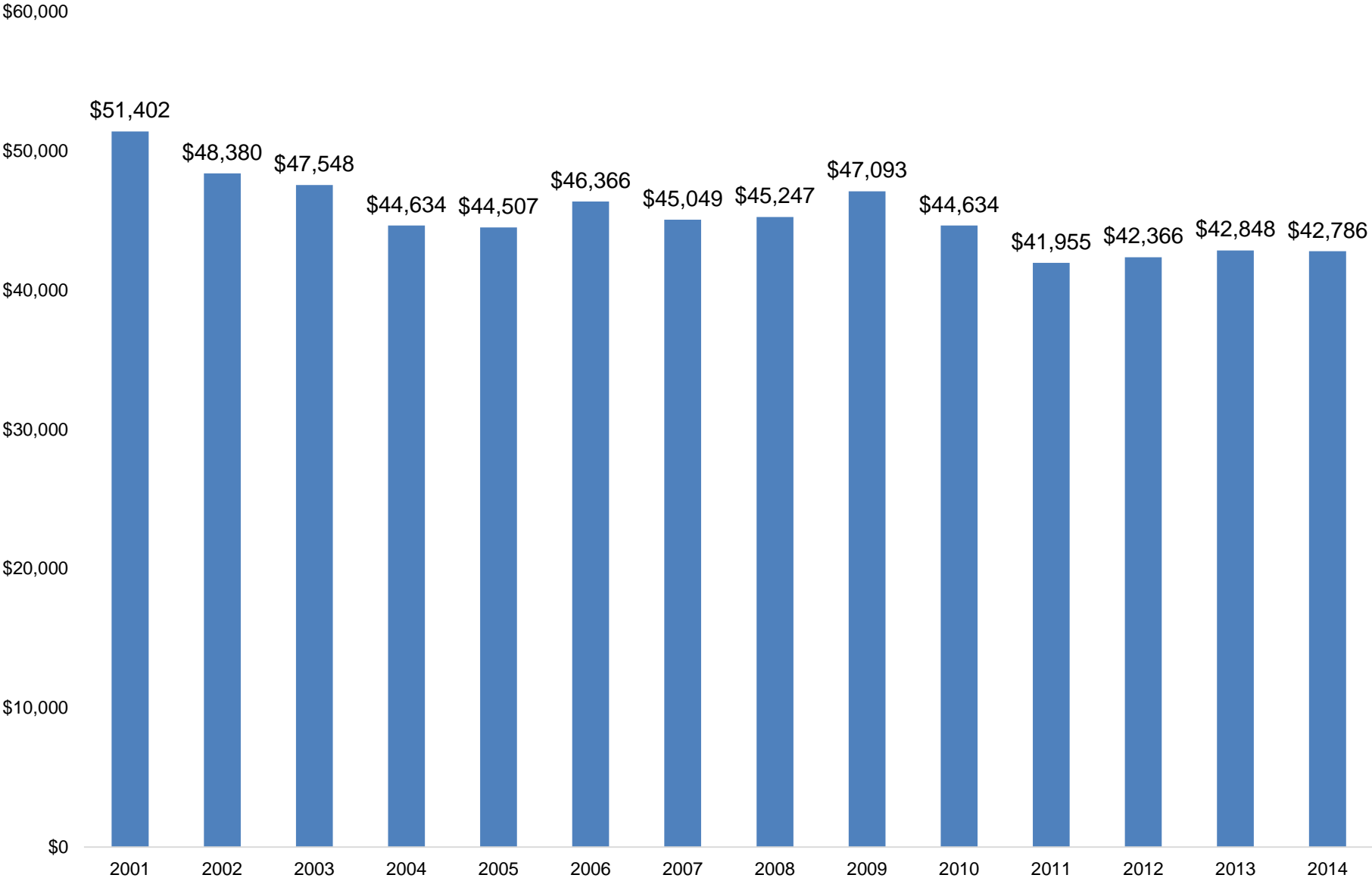
Female KY Workers More Likely to Be Low Wage than Men



More Education Equals Better Pay, But Education No Protection Against Wage Stagnation

	Median Wage in 2001	Median Wage in 2015	Premium Over High School Graduate in 2001	Premium Over High School Graduate in 2015
High school	\$13.89	\$14.50		
Some College	\$16.15	\$14.92	+\$2.26	+\$0.42
Bachelor's	\$25.16	\$23.96	+\$11.27	+\$9.46








Median Household Income in Kentucky Is Only \$43,000



Basic Family Budget in Kentucky

MONTHLY COSTS








1 adult *and* 1 child
Rural Kentucky

 HOUSING	\$589
 FOOD	\$399
 CHILD CARE	\$457
 TRANSPORTATION	\$575
 HEALTH CARE	\$326
 OTHER NECESSITIES	\$477
 TAXES	\$452
Monthly Total	\$3,276
Annual Total	<u>\$39,310</u>

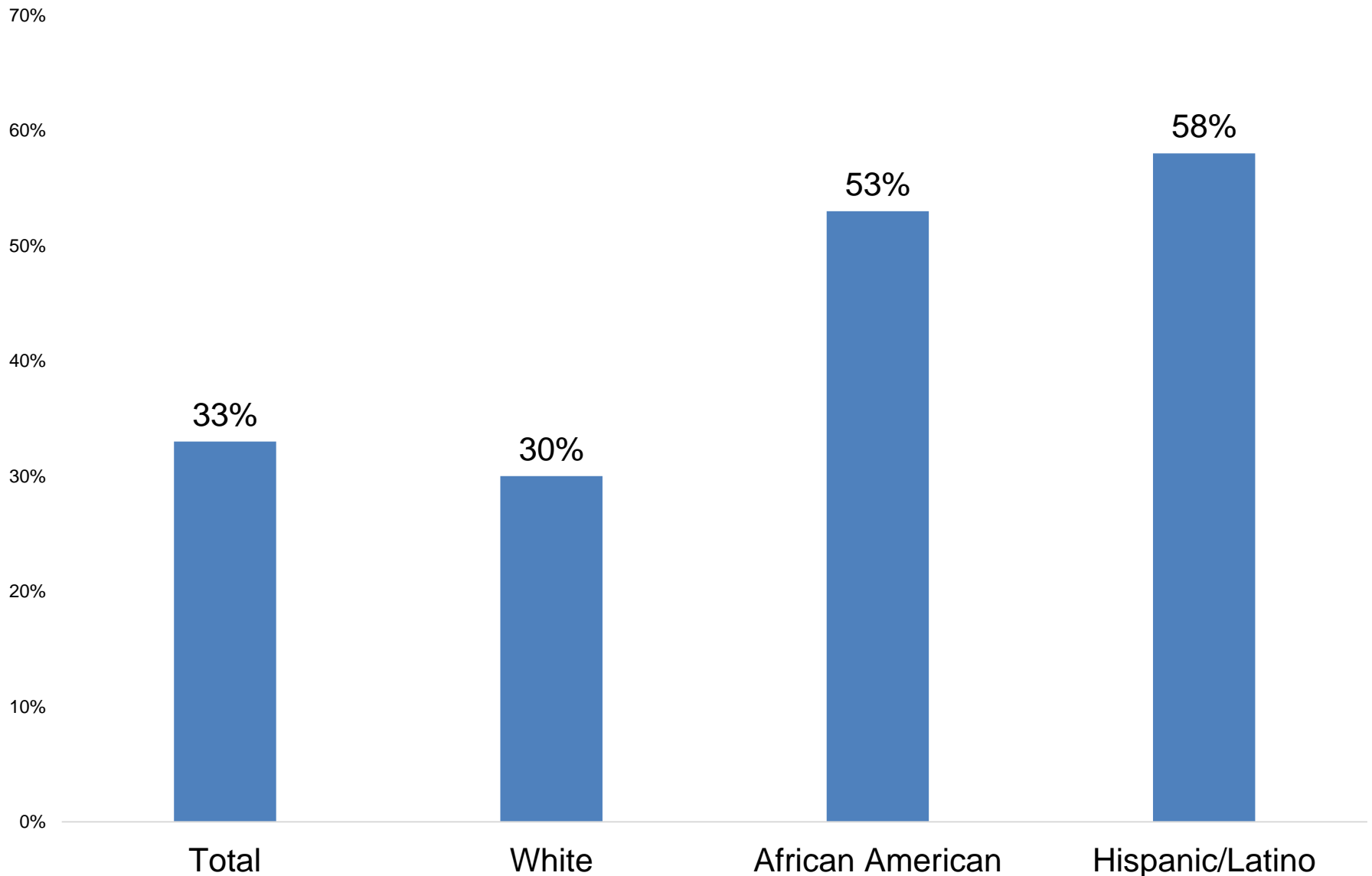
Basic Family Budget in Kentucky

MONTHLY COSTS

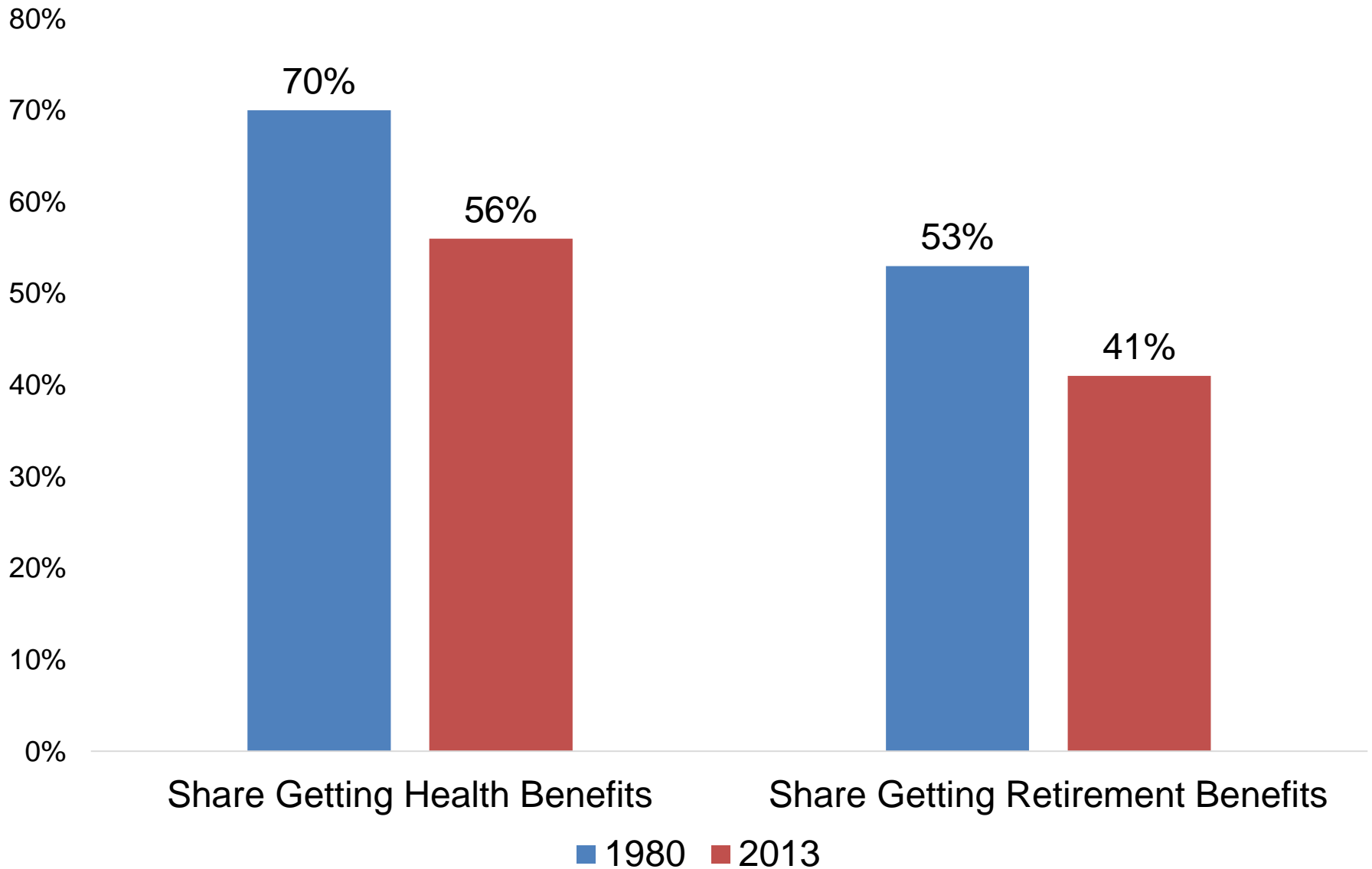
2 adults *and* 2 children
Louisville, KY metro area

 HOUSING	\$705
 FOOD	\$782
 CHILD CARE	\$973
 TRANSPORTATION	\$620
 HEALTH CARE	\$677
 OTHER NECESSITIES	\$718
 TAXES	\$588
Monthly Total	\$5,064
Annual Total	<u>\$60,764</u>

Large Share of Kentucky Working Families Below 200% of Poverty Line



Fewer Kentucky Private Sector Workers Are Receiving Benefits through Job



Medicaid Expansion Has Meant Health Coverage for Many Low-Wage Kentucky Workers

Kentucky Industries with the Largest Drop in Uninsured Low-income Adult Citizen Workers in 2014

	2014 Covered	Uninsured Rate	
		2013	2014
Restaurants & Food Services	14,620	58%	25%
Construction	5,920	63%	32%
Employment Services (temp agencies)	4,690	68%	25%
Department and Discount Stores	3,500	50%	18%
Building Services (cleaning, etc.)	2,970	66%	29%
Grocery Stores	2,250	49%	20%
General Merchandise Stores	1,920	69%	9%
Nursing Care Facilities	1,850	41%	20%

(Some of the) Barriers to Advancement

- Lack of locally-available jobs
- Job quality—wages, hours, working conditions, opportunities
- Inadequate educational attainment
 - 13% of prime age adults have no high school degree, 32% have only high school, 25% have some post-secondary, no degree
- Childcare, transportation costs
- Criminal records
- Health challenges



Policy Issues Facing Kentucky's Working Poor

- Job creation needed to get to full employment
 - Example: Investments in infrastructure, targeted assistance to distressed communities
- Job quality standards inadequate
 - Example: KY minimum wage still 24% below peak, 29 states have higher
- Work supports needed to remove barriers
 - Affordable higher ed/training with career pathways
 - Child care assistance, modernized unemployment insurance, criminal justice reforms, EITC, etc.

