

Economic



2024





Working in 29 states

**Statewide Competitiveness Strategies
(CT, HI, **CO**, **LA**, NE, NH)**

**Locational Analysis for Companies
Future Trend Analysis (trendspotting)**

- **Specialized Research**
 - **Workforce (LA)**
 - **Public Safety (MO)**
 - **Manufacturing (VA)**
 - **Technology (CO)**
 - **Transportation (MO)**
 - **Immigration (NE)**
 - **Financial Services (NY)**
 - **Health & Safety (FL)**

**State and Local Economic Strategies
Group Leadership Assessments
Corporate Communications**

www.econleadership.com



Bluegrass Region

The goal is to grow the economy, maintain adequate infrastructure, attract and create more and better jobs, educate and train the future workforce, and maintain both the affordability and the quality of life that citizens enjoy.



**Oscar
Mayer**

RESEALABLE
FULLY COOKED



Pumpkin Spice Bologna

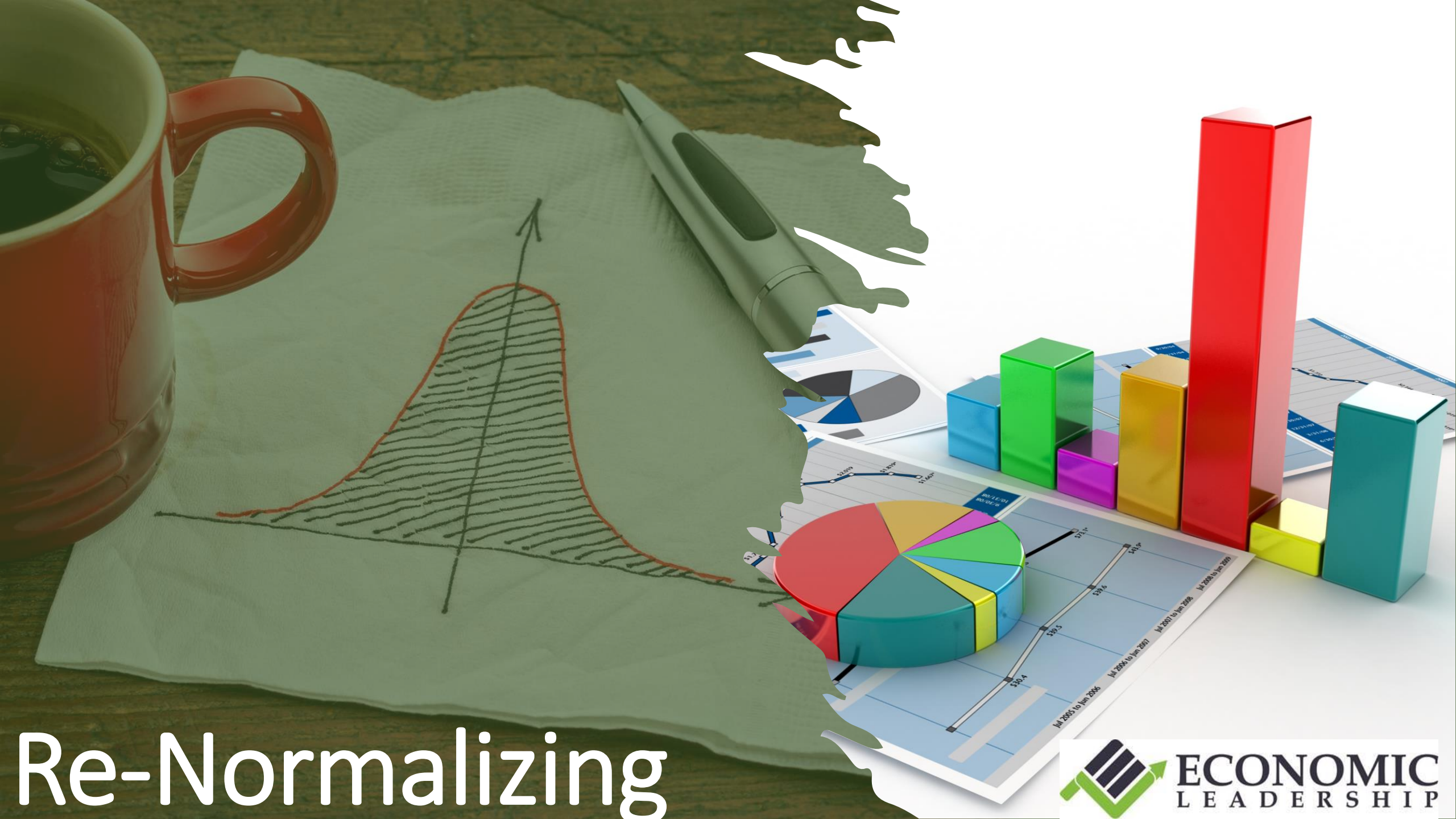
MADE WITH CHICKEN & PORK
& Pumpkin & Cinnamon



80
CALORIES
PER SLICE

NET WT 16 OZ (1 LB)

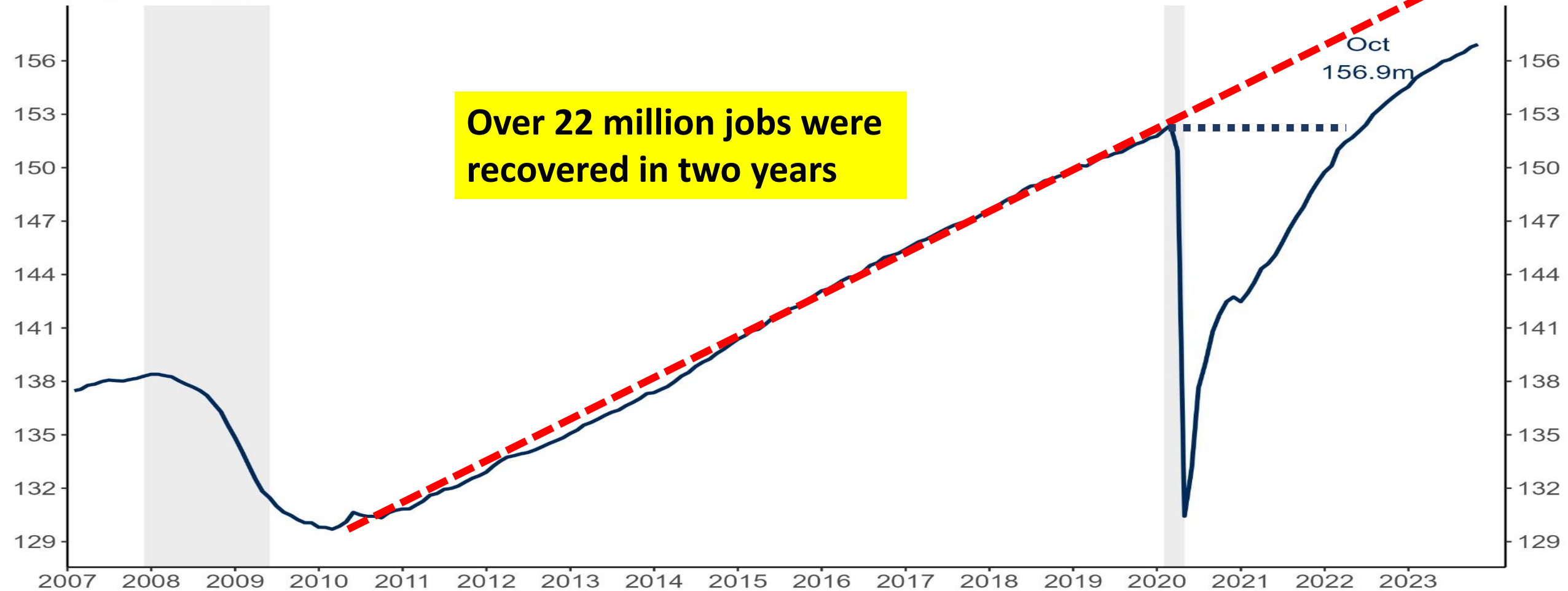
FOR BEST QUALITY, PURCHASE AND USE BY DATE SHOWN.
ONCE OPENED, USE WITHIN 7 DAYS. KEEP REFRIGERATED.



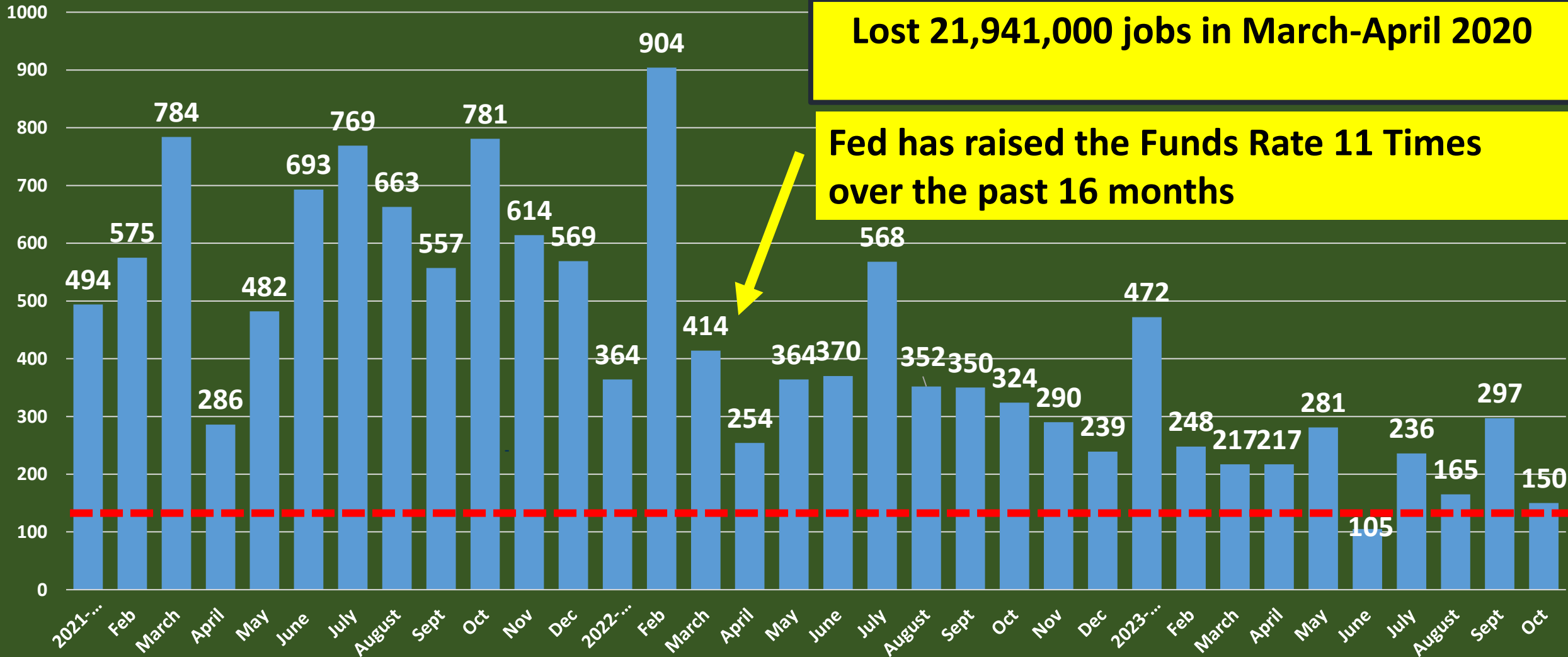
Re-Normalizing

Nonfarm Payroll Employment

Nonfarm Payroll Employment
Millions of Persons



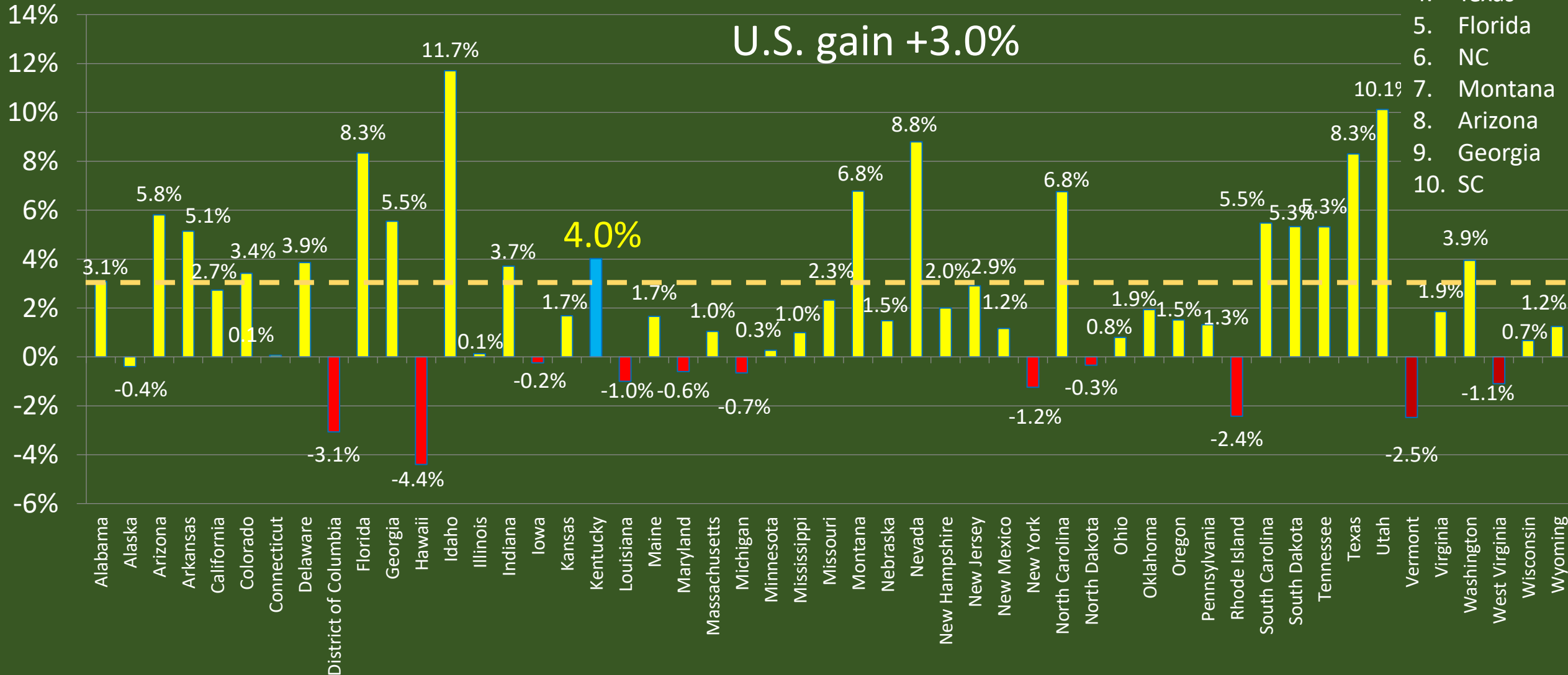
USA Nonfarm Payroll Employment Monthly Growth in Thousands



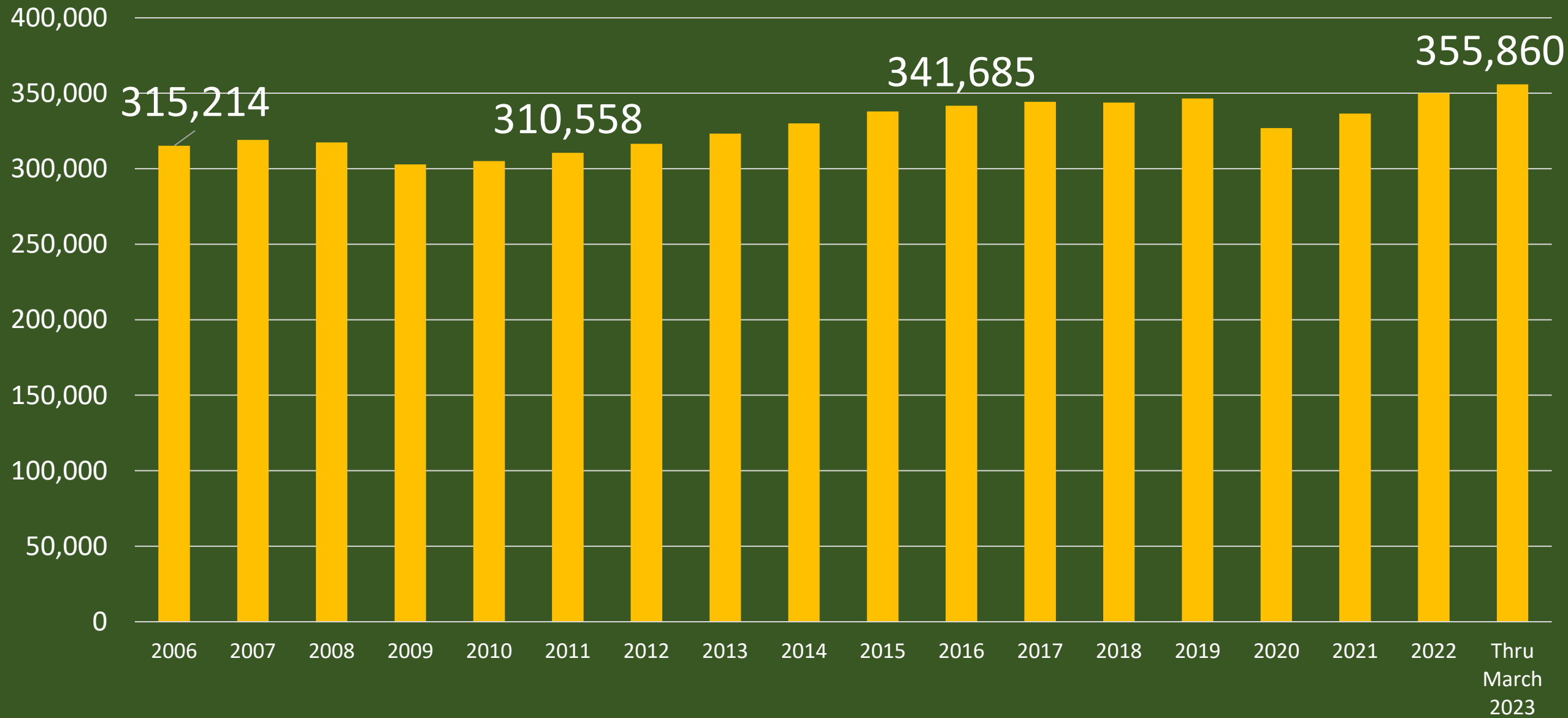
All States Since Start of Covid

Total Non-Farm Employment Percentage Change Feb 2020 to October 2023

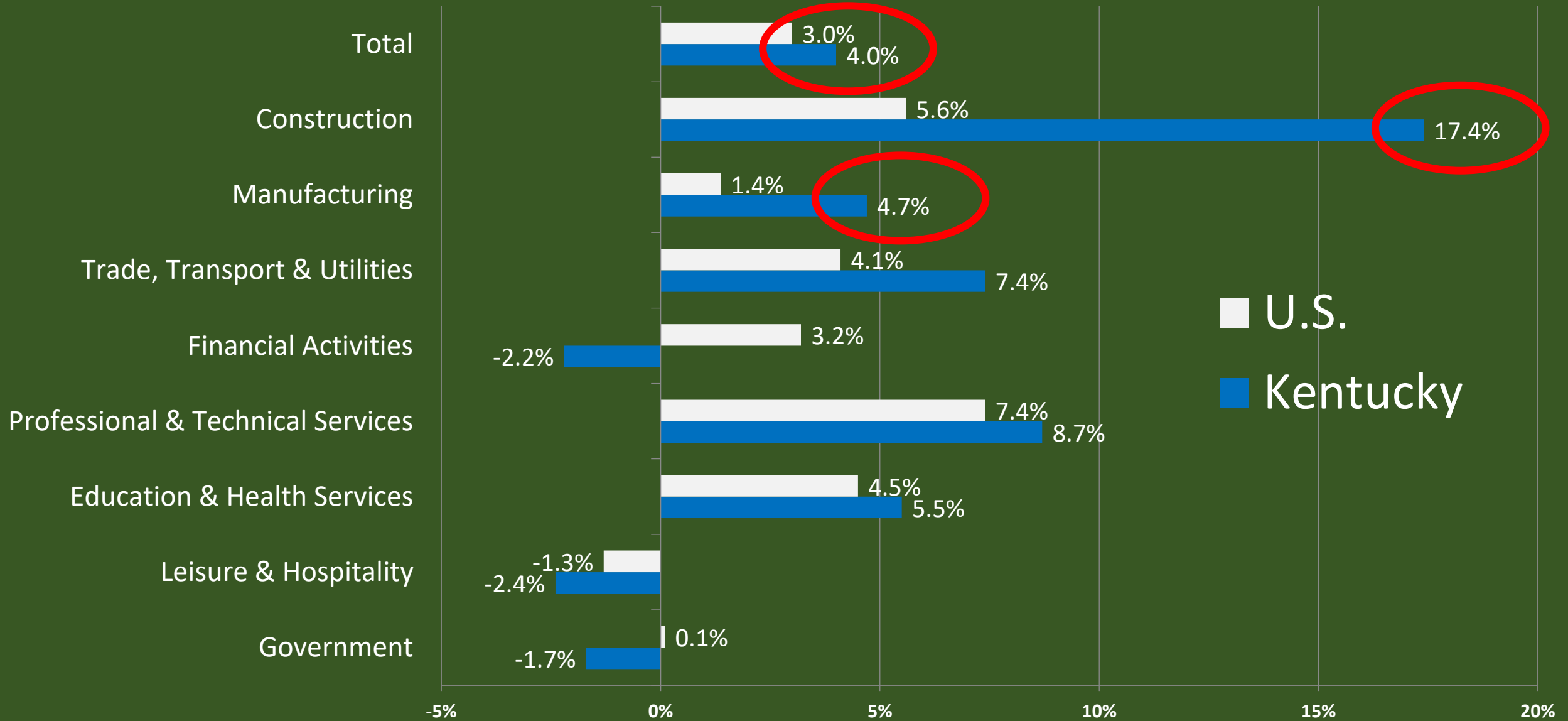
U.S. gain +3.0%



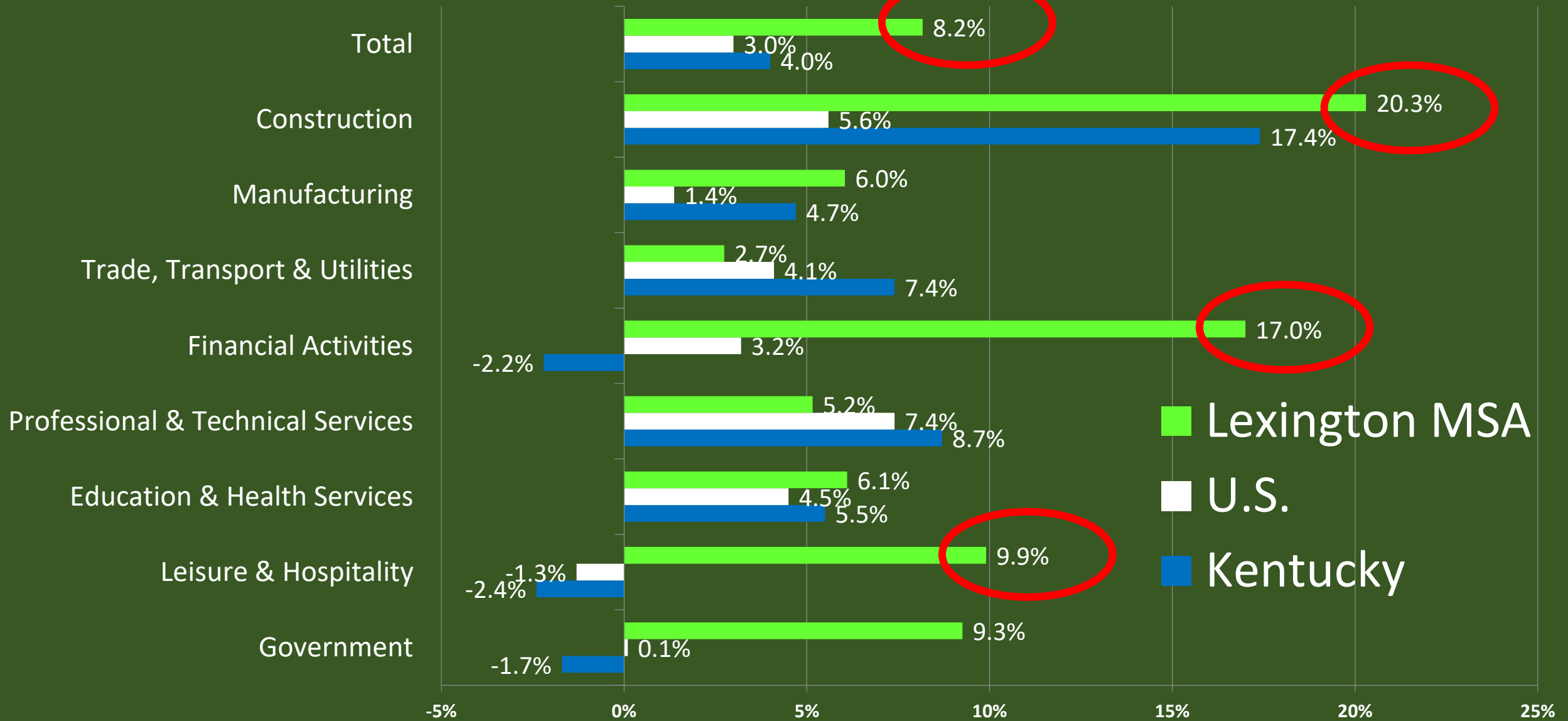
Bluegrass Region Jobs



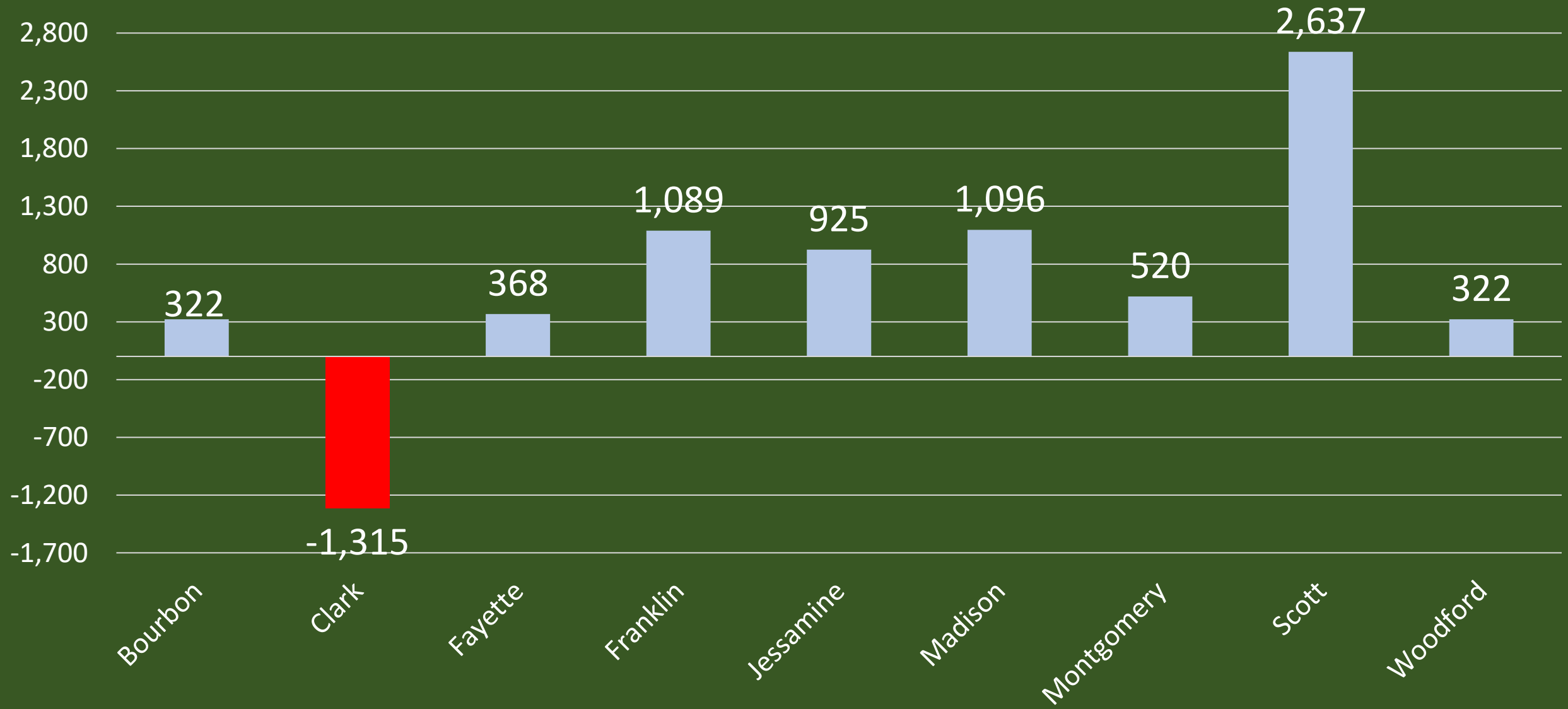
Nonfarm Employment Change by Sector February 2020 – October 2023



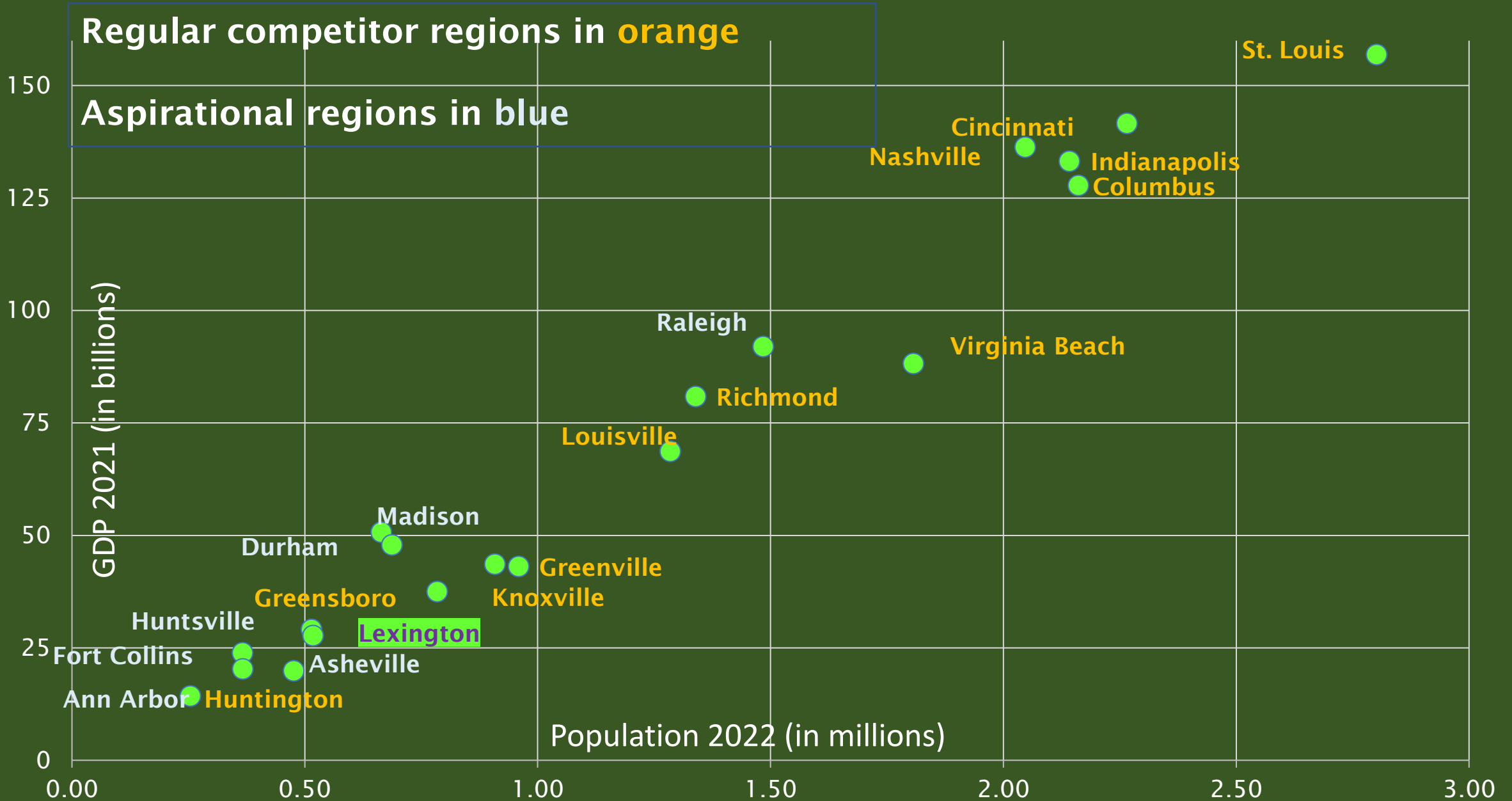
Nonfarm Employment Change by Sector February 2020 – October 2023



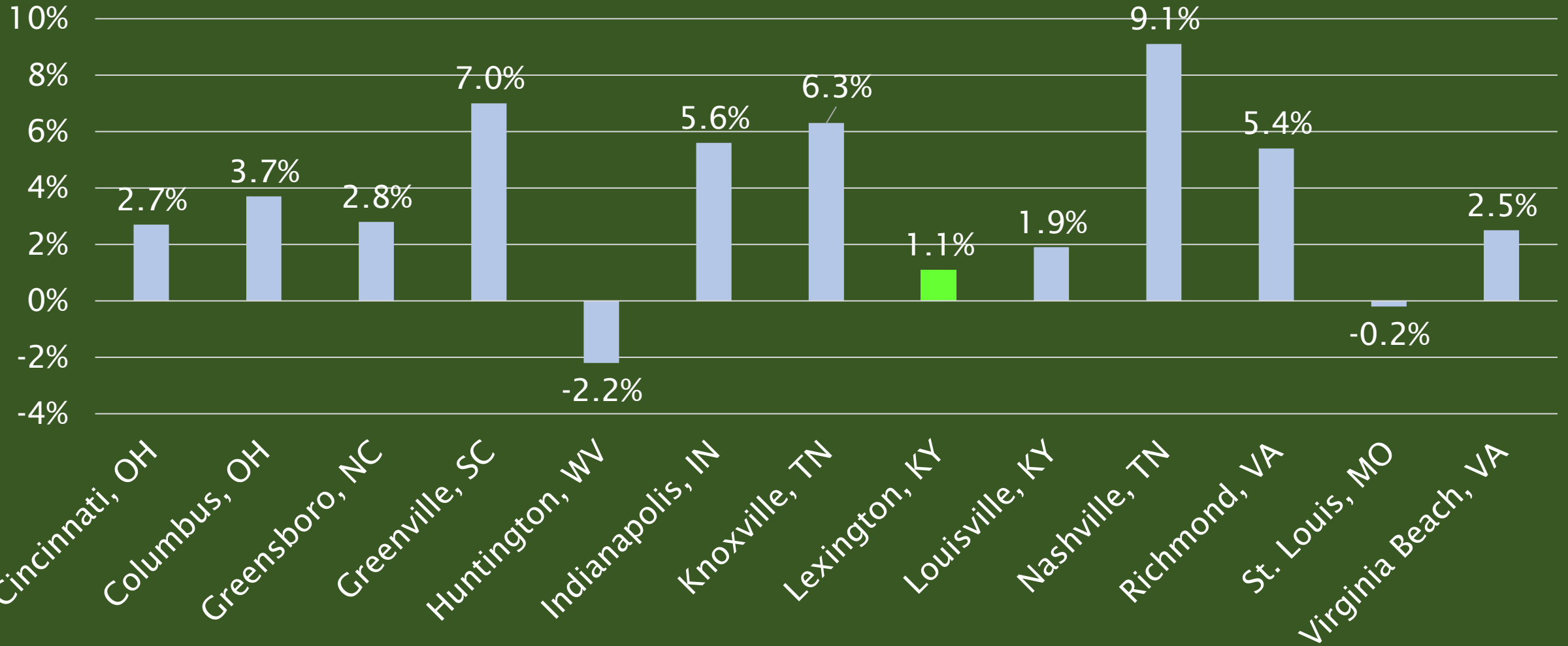
Bluegrass Region Job Growth 2017-2022



Competitor & Aspirational Regions

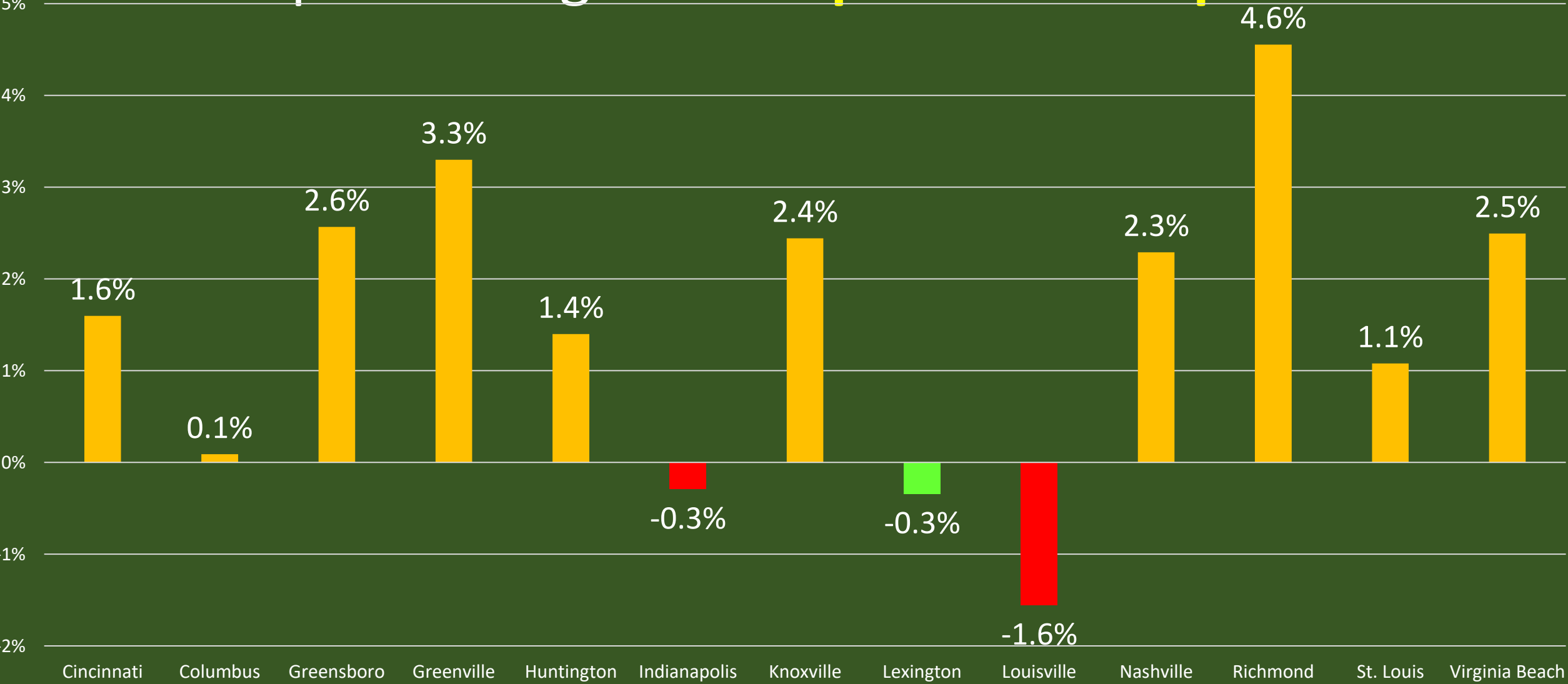


Competitor Metro Employment Growth 2017-2022



Percentage Employment Growth

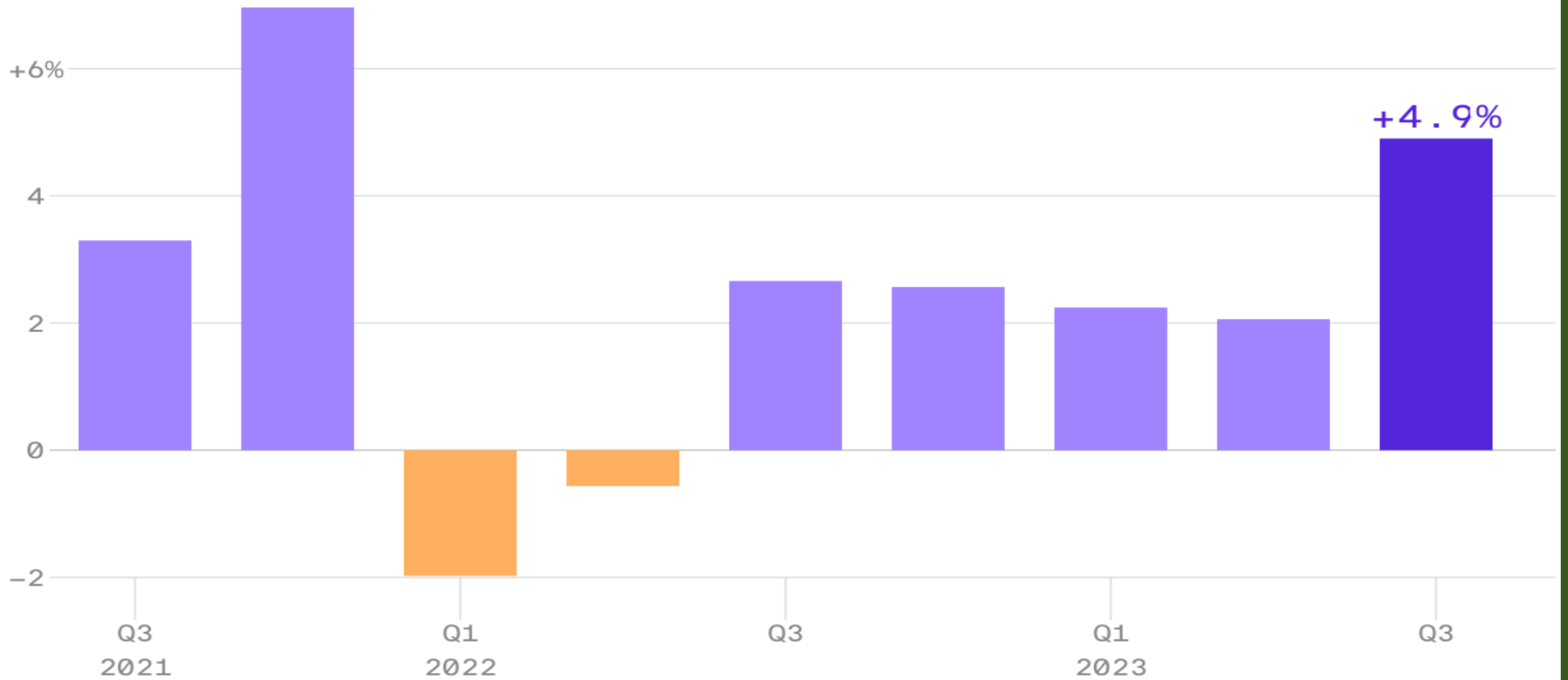
Competitor Regions – Sept 2022 to Sept 2023



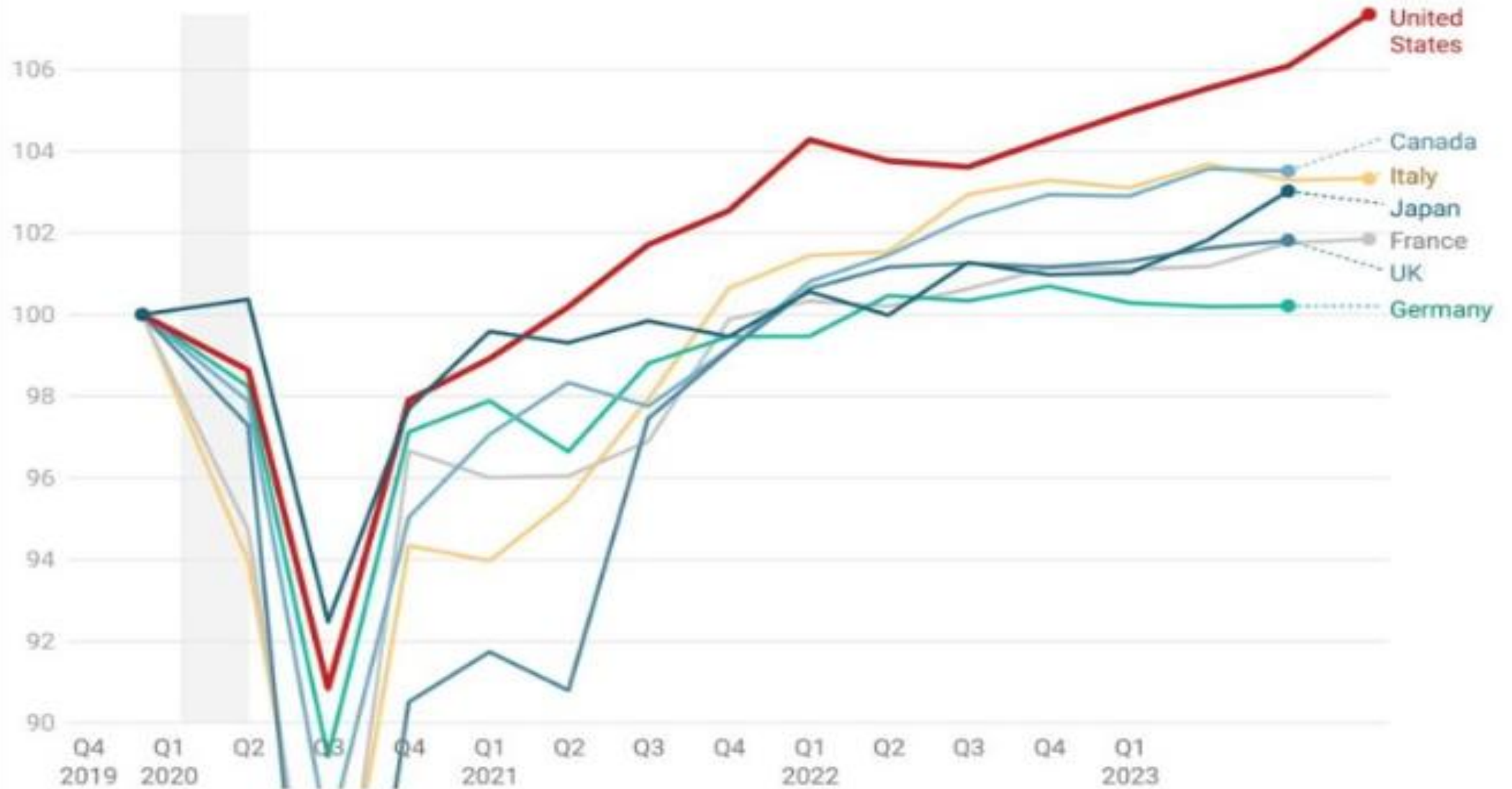
Source: US Bureau of Labor Statistics LAUS

Change in U.S. real GDP

Annualized rate; Quarterly, Q3 2021 to Q3 2023



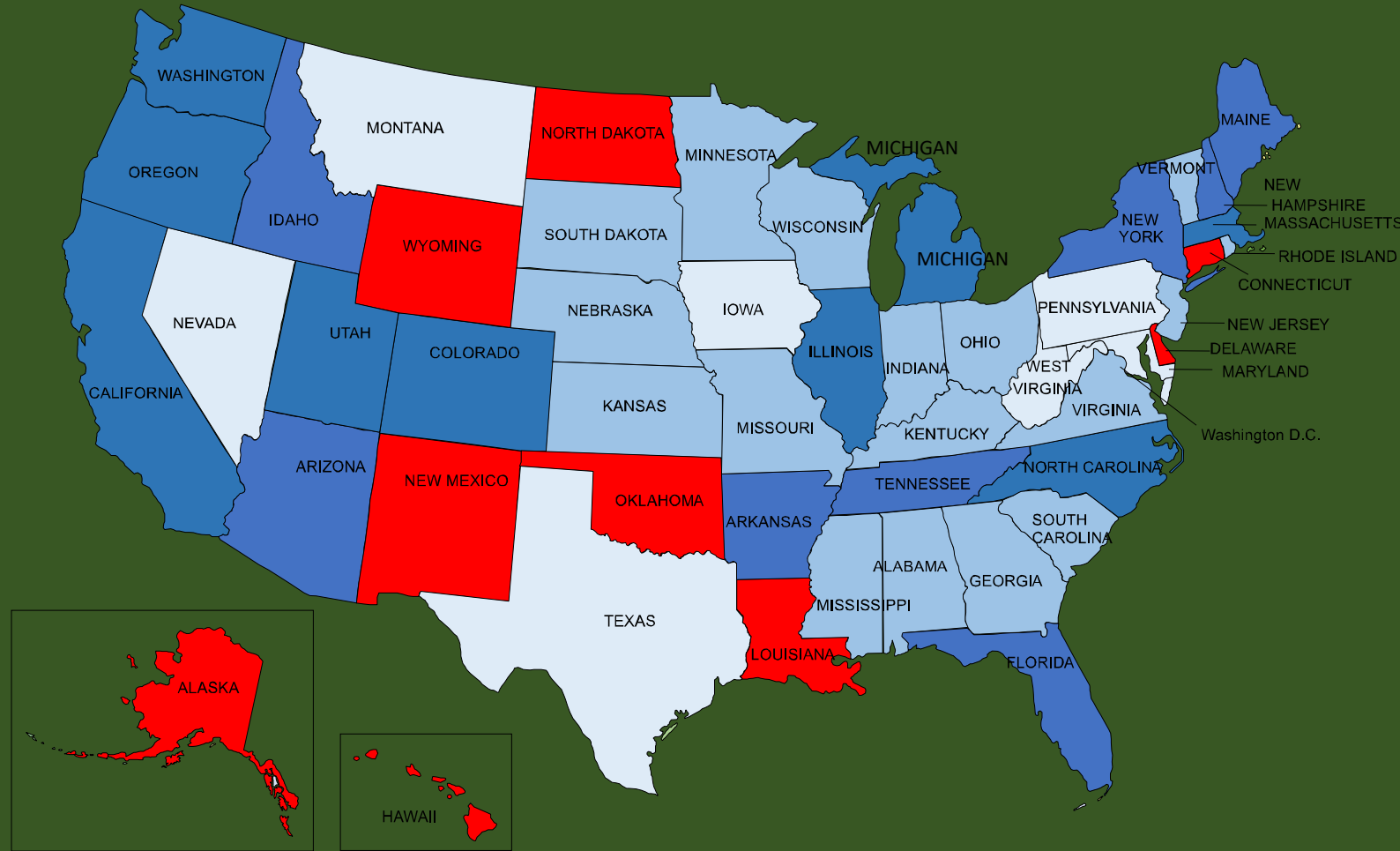
Real GDP (Index: Q4 2019 = 100)



"Real" denotes inflation-adjusted figures.

Source: Country statistical agencies accessed through Bloomberg. • Created with Datawrapper

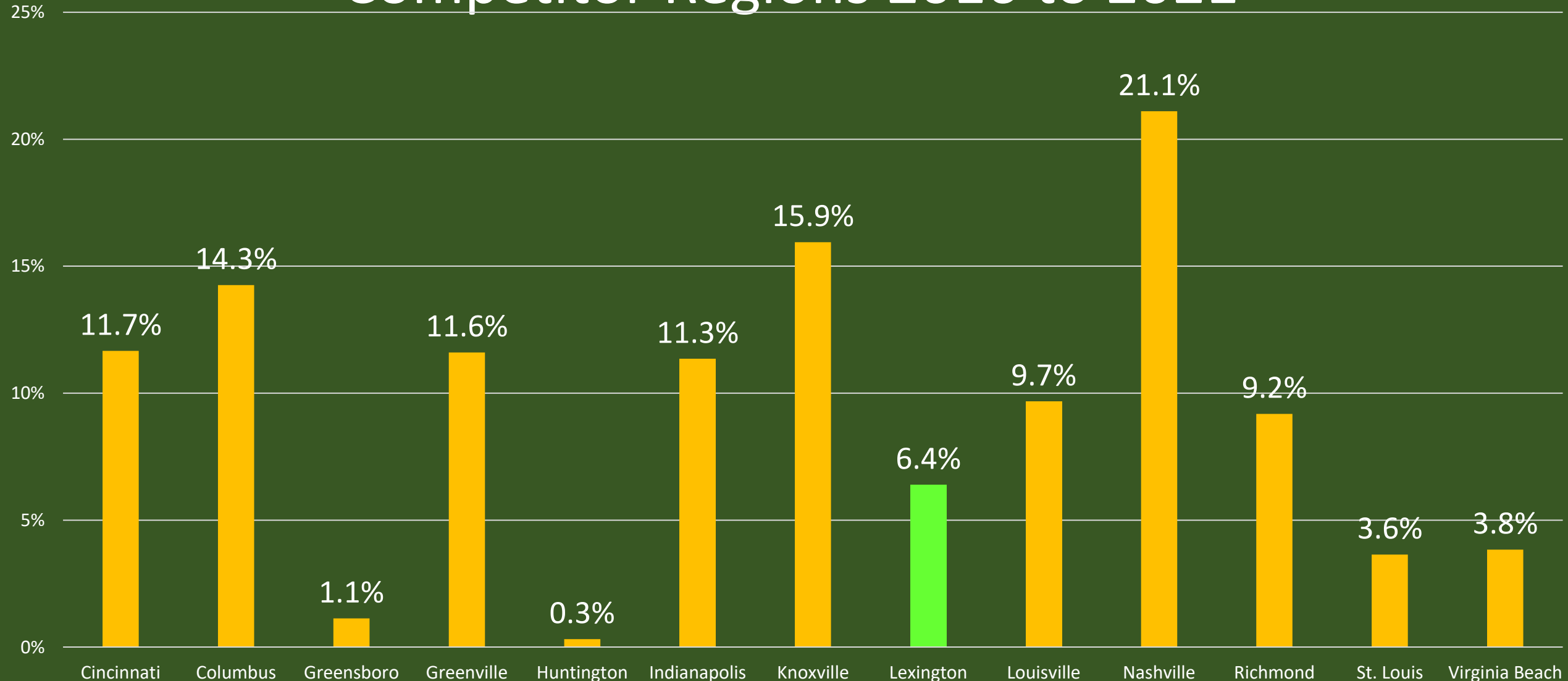
GDP Per Capita Three Year % Growth 2019 - 2022



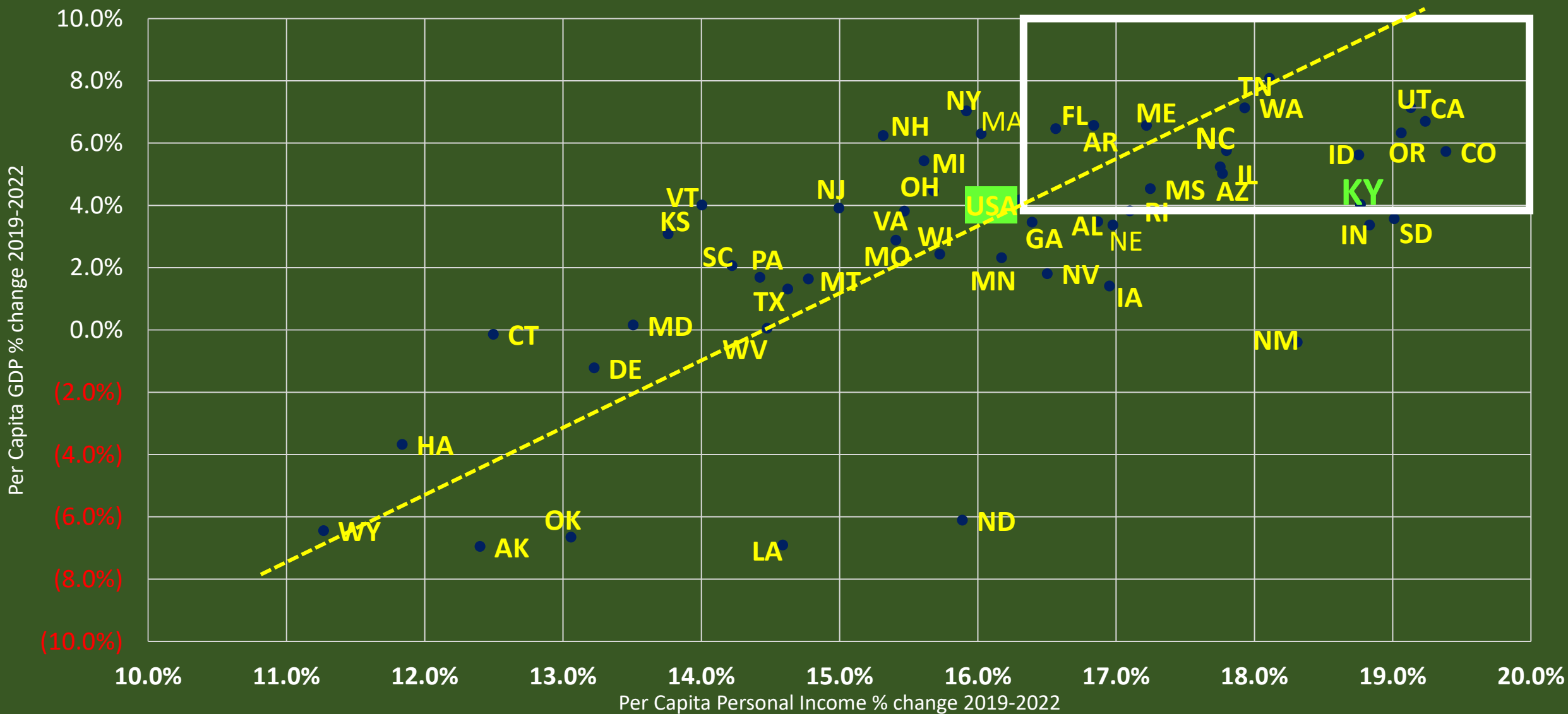
U.S. 4.2%
KY 4.0%

Loss Under 2% 2.0% - 5.0% Over 5.0%

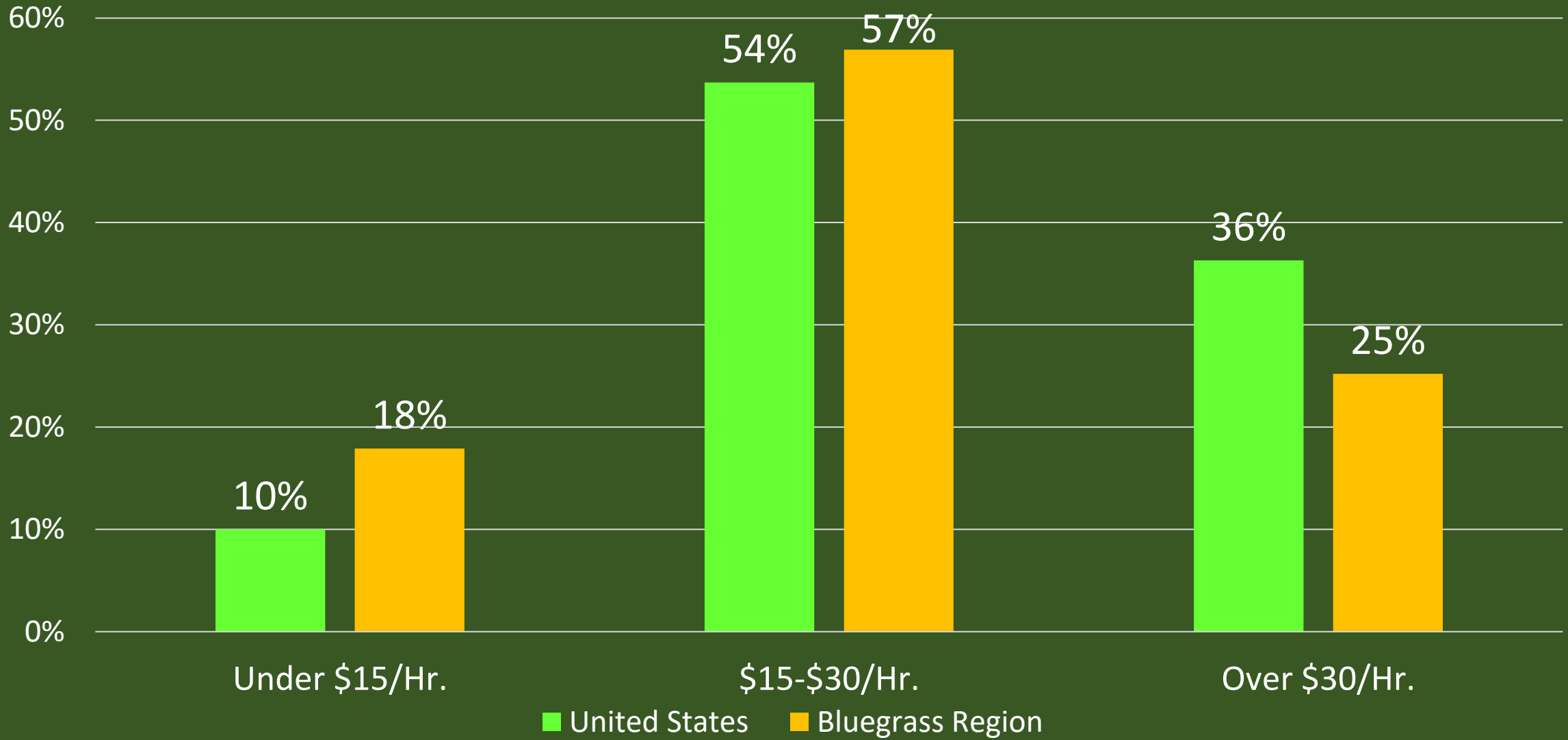
Percentage GDP Growth Competitor Regions 2016 to 2021



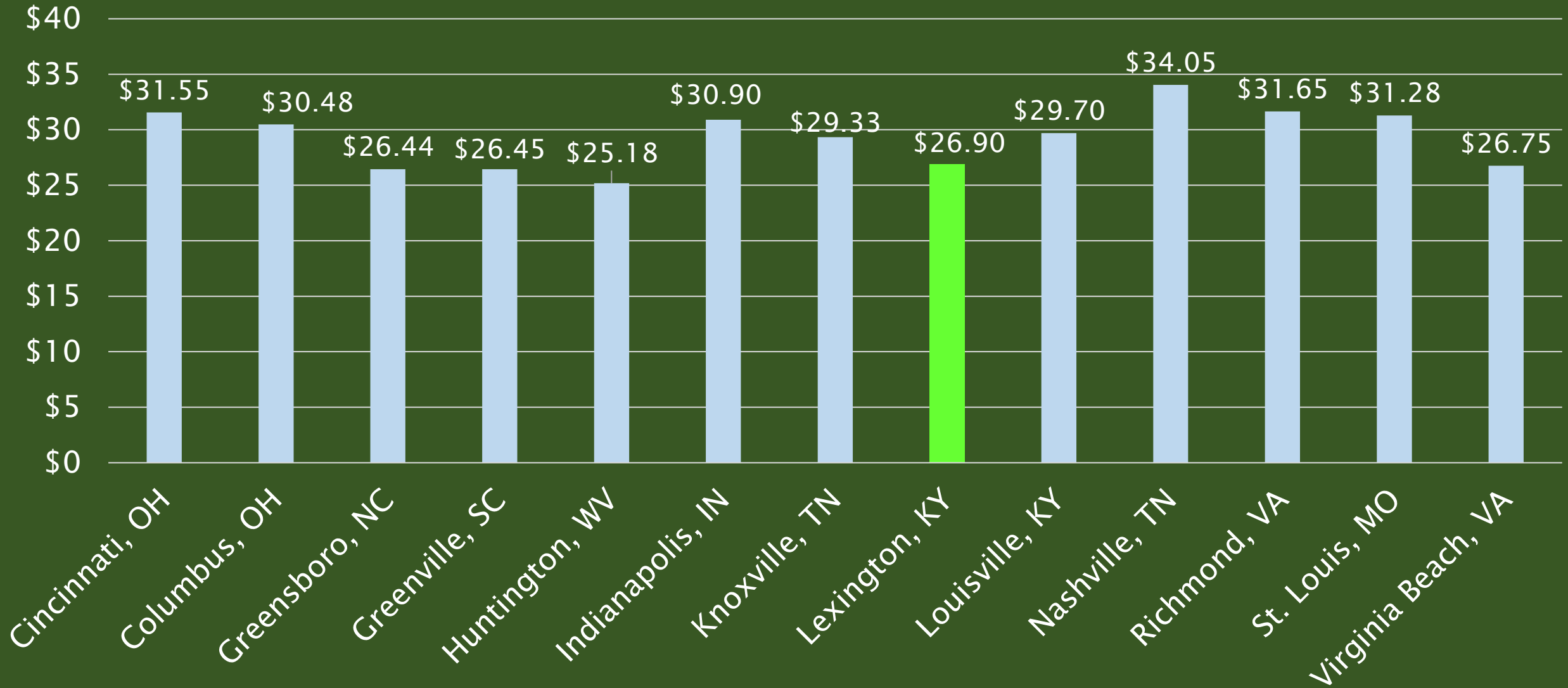
3 Year Growth in Per Capita GDP vs Per Capita Personal Income



Percentage Average Wage of Jobs 2022

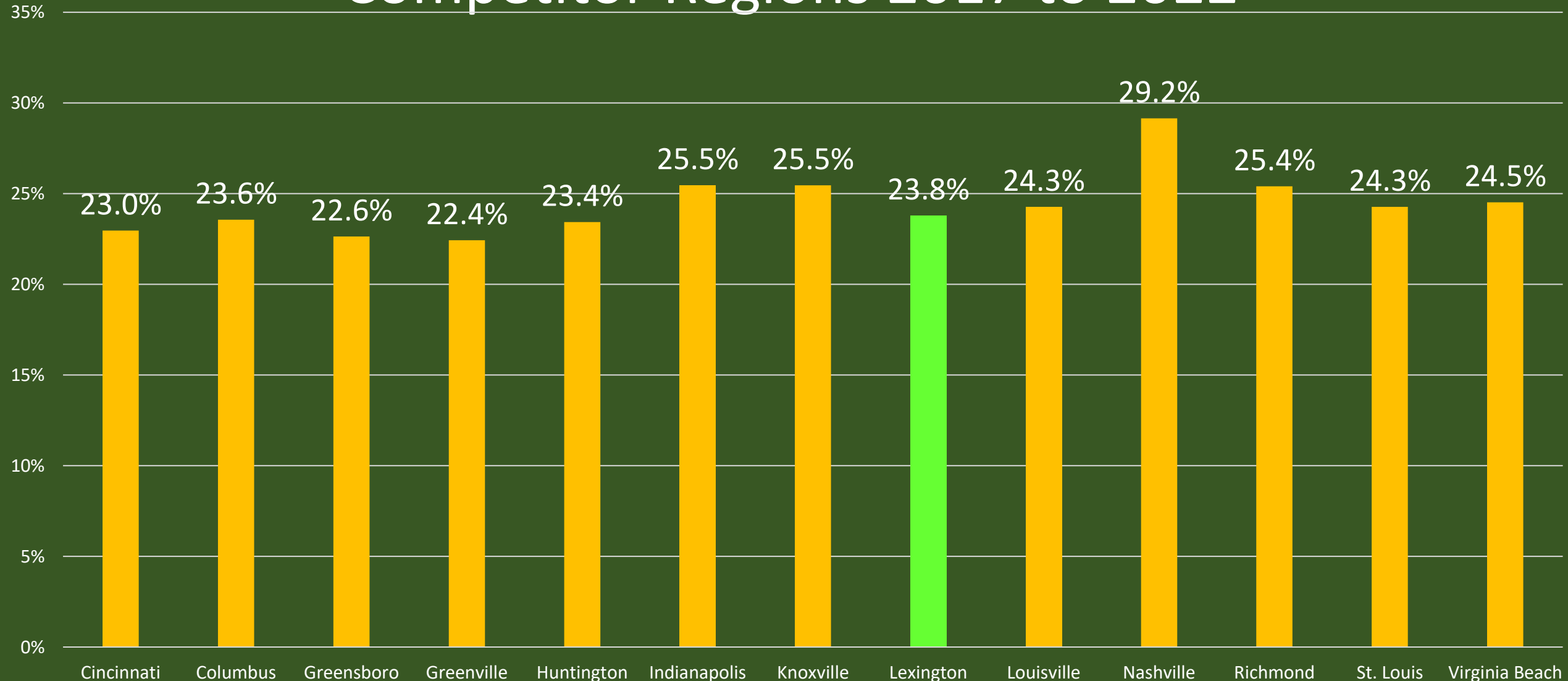


COL Adj Wage Private Sector Jobs 2022



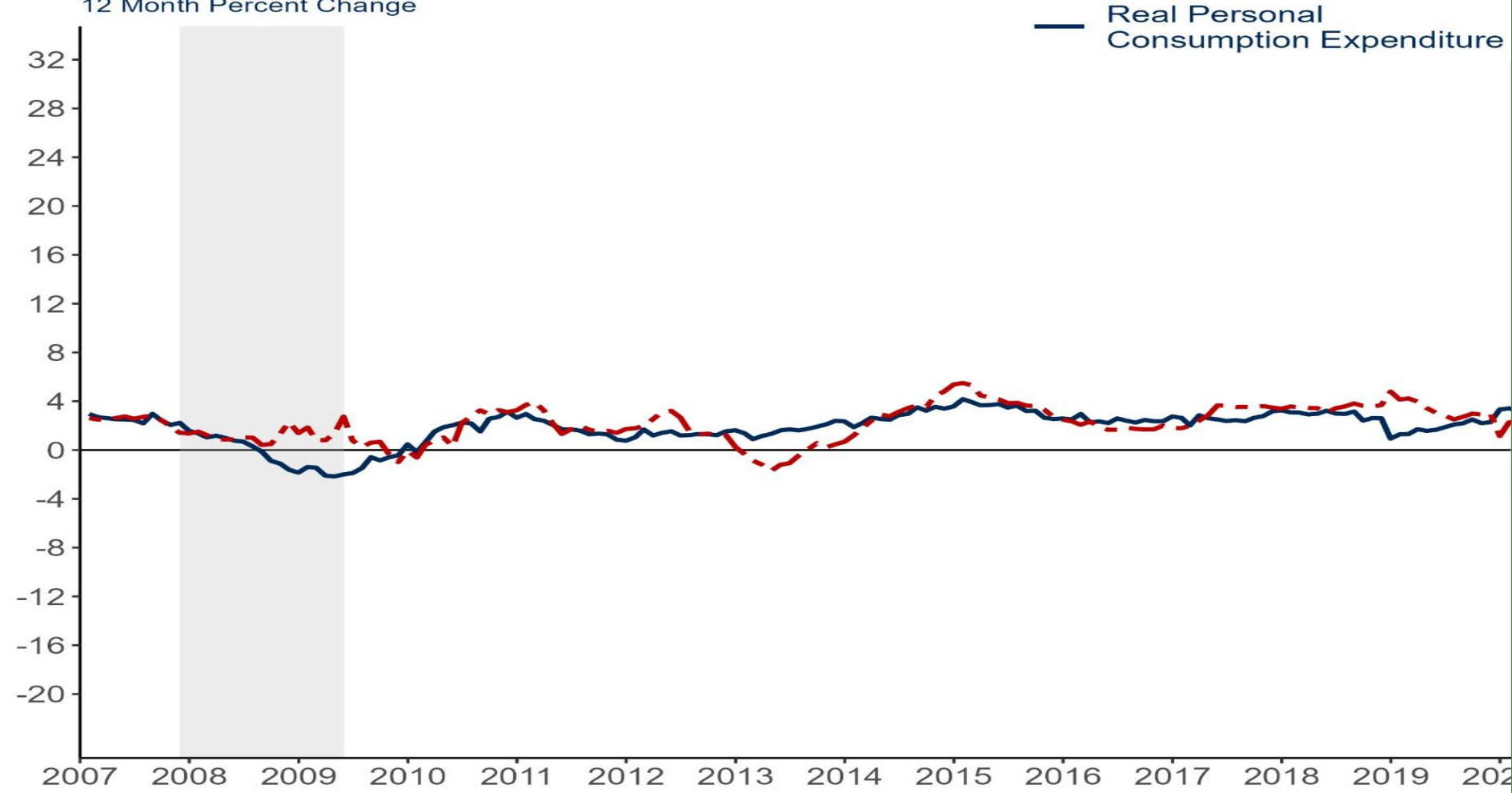
Source: EL Metro Indexes September 2023

Percentage Average Hourly Wage Growth Competitor Regions 2017 to 2022



Consumer Spending and Income

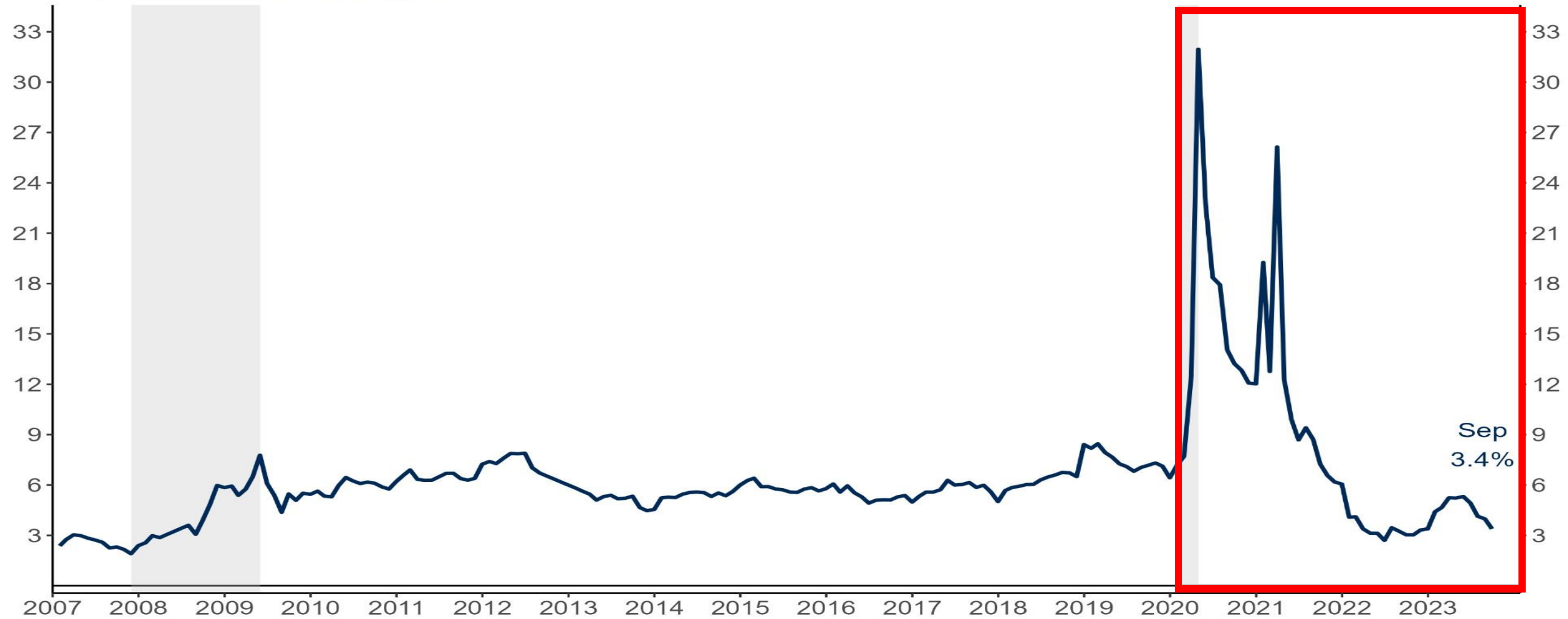
Consumer Spending and Income
12 Month Percent Change



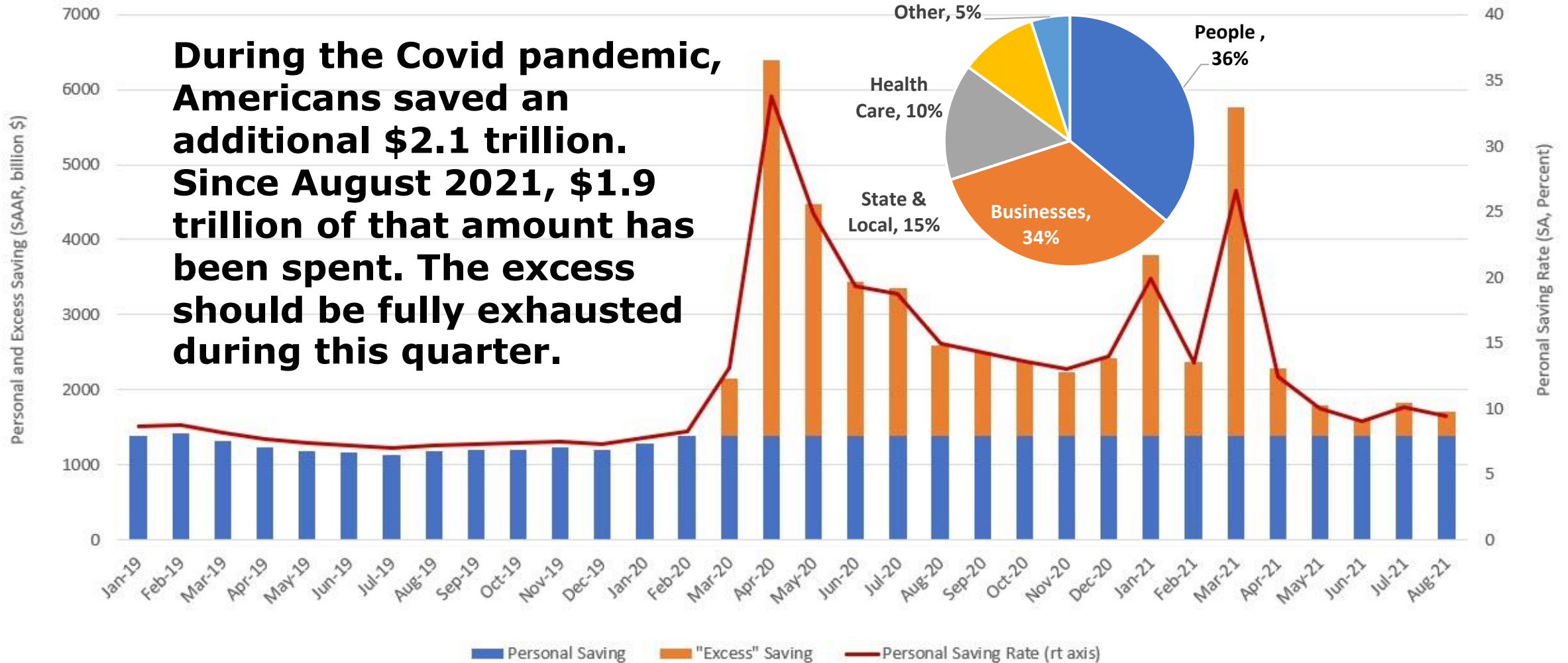
Source: Bureau of Economic Analysis via Haver Analytics

Personal Saving Rate

Personal Saving Rate
Percent of Disposable Personal Income



Personal Saving and Personal Saving Rate



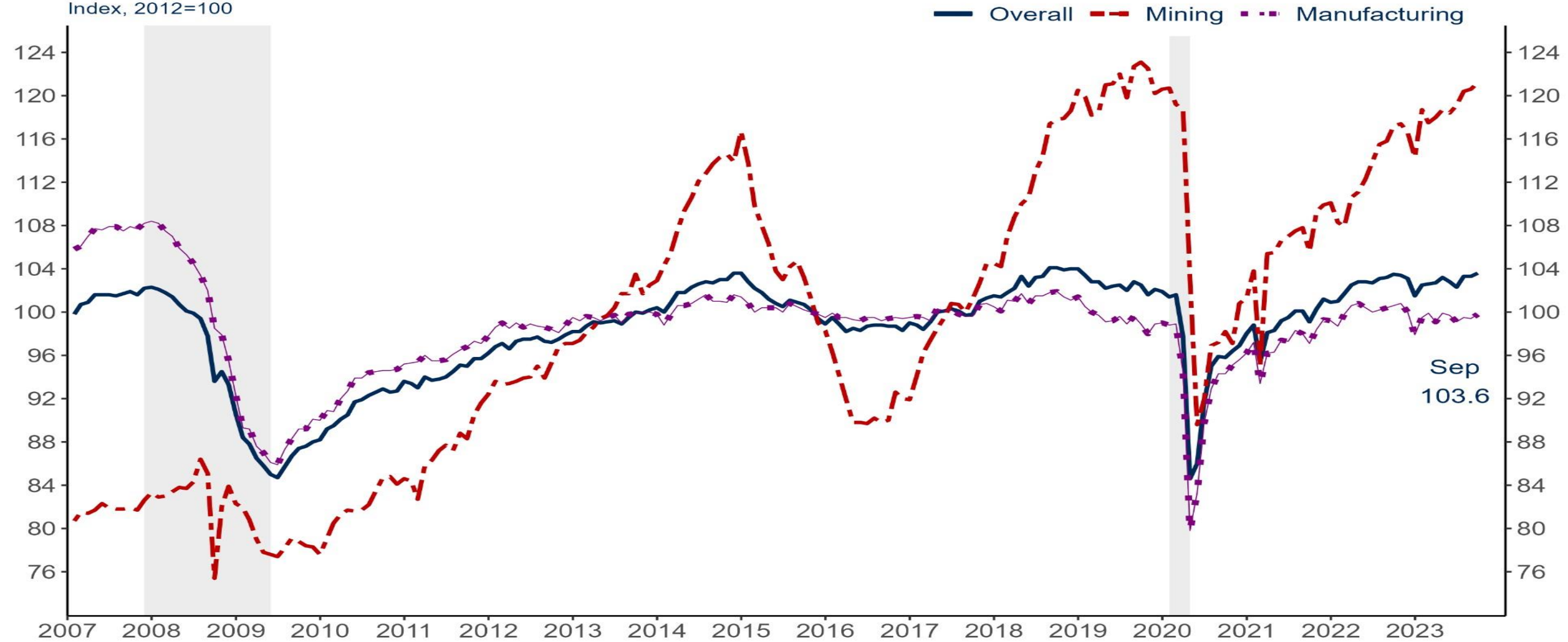
SOURCE: Bureau of Economic Analysis



Manufacturing

Industrial Production

Industrial Production
Index, 2012=100

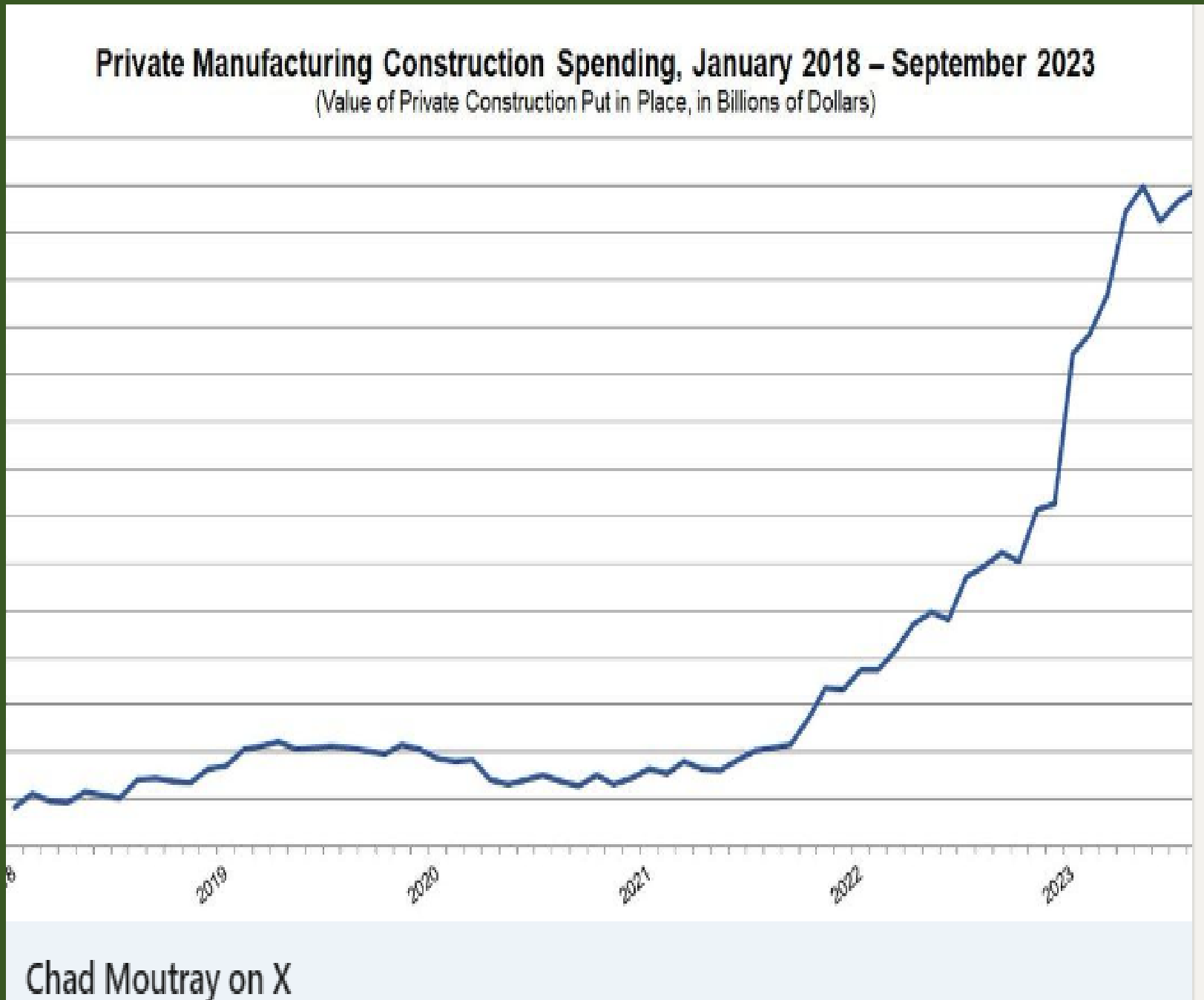


Source: Board of Governors via Haver Analytics

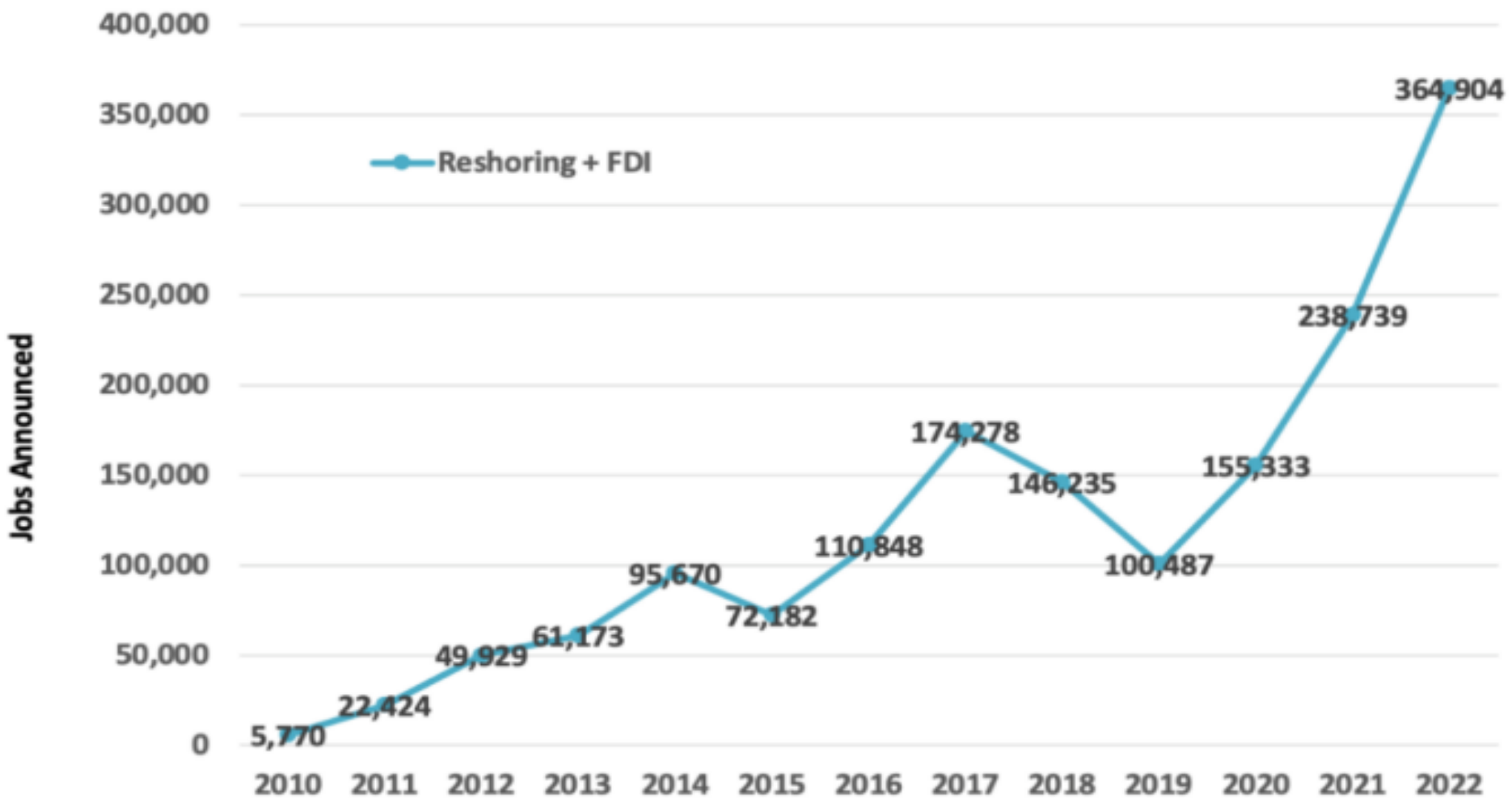
“Manufacturing construction put in place has soared dramatically, up 62.5% year-over-year, as the sector continues to make significant increases in the capacity in the United States.”



Chad Moutray • 1st
Chief Economist, National Association of Manufacturers, and Director, Cente...
1d • 🌐



Manufacturing Job Announcements per Year, Reshoring + FDI, 2010 thru 2022



Source: Reshoring Initiative Library data

2022					2019
Rank	Industry	Jobs	Companies	% of jobs	% of jobs
1	Electrical Equipment, Appliances & Components	151,905	381	42%	4%
2	Computer & Electronic Products	93,445	375	26%	13%
3	Chemicals	28,350	303	8%	11%
4	Transportation Equipment	25,938	146	7%	34%
5	Medical Equipment & Supplies	14,468	105	4%	4%
6	Apparel & Textiles	10,674	138	3%	6%
7	Primary Metal Products	9,569	49	3%	3%
8	Machinery	5,971	88	2%	3%
9	Food & Beverage	4,408	44	1%	2%
10	Miscellaneous, Including Hobbies	3,863	25	1%	1%
11	Castings/Foundries - Subset of Primary Metal Products	3,450	20	1%	1%
12	Fabricated Metal Products	2,984	33	1%	5%
13	Plastic & Rubber Products	2,913	36	1%	3%
14	Wood & Paper Products	2,815	21	1%	4%
15	Nonmetallic Mineral Products	2,276	26	1%	1%
16	Furniture and Related Products	1,880	30	1%	3%

In 2017, our 1st rankings, Kentucky was ranked 20th.

Business climate has improved from 24th to 15th, manufacturing economic strength from 6th to 1st.

Top 10 States

- 1) Utah
- 2) North Carolina
- 3) Tennessee
- 4) Idaho
- 5) Texas
- 6) Florida
- 7) Virginia
- 8) Kentucky
- 9) Arizona
- 10) Georgia

2023 OVERALL STATE RANKINGS						
		BUSINESS CLIMATE	WORKFORCE	INFRA-STRUCTURE	INNOVATION	ECONOMIC STRENGTH
1	Utah	3	2	3	11	8
2	North Carolina	1	3T	18	6	19
3T	Tennessee	6T	20	22	19	7
3T	Idaho	5	21	12	15T	21
5	Texas	20	26	6	7	16
6	Florida	9	15	14	12	26
7	Virginia	6T	6	7	34	35
8	Kentucky	15T	24	9	40	1
9	Arizona	12	27	27T	15	11
10	Georgia	24T	13	13	15T	30T
11	Nebraska	17	5	24	33	18
12	New Hampshire	29	3T	33	21	13T
13	Indiana	14	7	41	35	5
14T	Colorado	27	1	50	3	28
14T	South Dakota	2	18	5	44	40
16T	Washington	31T	8	49	1	22
16T	Michigan	15T	34	40	20	2
18	North Dakota	8	19	1	47	39
19	Wisconsin	34	11T	34T	27T	10
20	Kansas	35	30	8	32	13T
21	New Jersey	49	11T	23	8	29
22	Iowa	43	14	19	43	3T
23T	Wyoming	4	23	27T	36T	34
23T	Ohio	18	28	36	25	17
23T	Oregon	36T	46	25T	4	13T
26	California	50	25	42T	2	6
27	Maryland	38	17	10	15T	46
28	Missouri	10	40	39	14	24T
29	Mississippi	13	45	17	42	11
30T	Connecticut	33	10	37	23	30T
30T	New Mexico	21	47	2	18	45
32	Vermont	39	16	11	27T	42
33	Alabama	26	39	27T	36T	9
34	Massachusetts	40	9	48	5	36
35	South Carolina	19	37T	34T	29	20
36	Pennsylvania	46	31	21	10	32
37	Illinois	48	22	45	24	3T
38	Montana	22	33	4	36T	48
39	Minnesota	47	32	16	26	27
40	Delaware	28	29	32	30	37
41	Oklahoma	11	43	20	41	43
42	New York	44T	37T	30T	9	41
43	Arkansas	23	41	30T	45	23
44	Maine	36T	44	38	22	24T
45	Nevada	24T	36	47	31	38
46	West Virginia	31T	50	15	50	44
47	Rhode Island	41	35	44	38	47
48T	Hawaii	30	42	42T	49	49
48T	Alaska	42	49	25T	46	50
50	Louisiana	44T	48	46	48	33

top 15

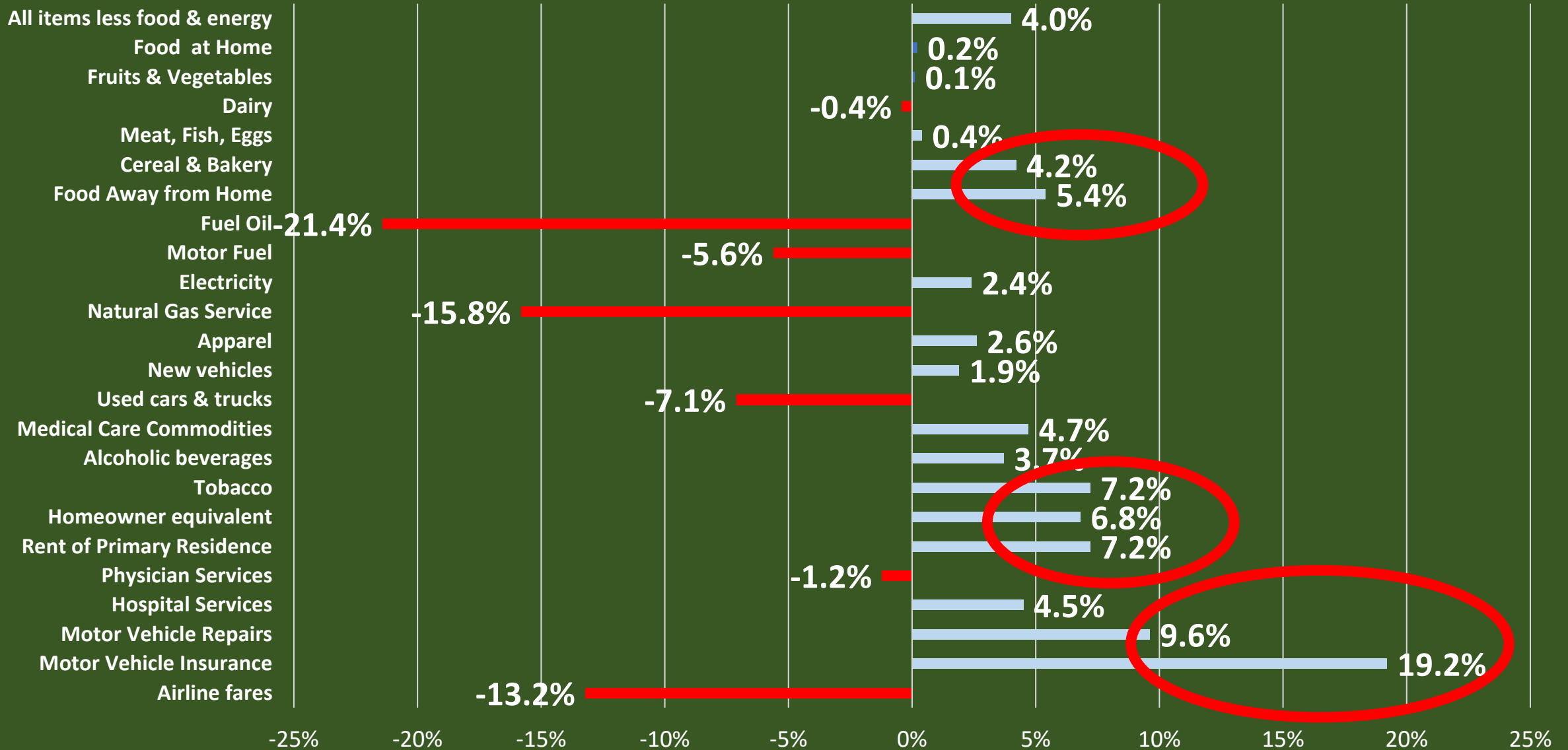
bottom 15

Change in Personal Consumption Expenditures Price Index

Monthly from a year ago; September 2003 to September 2023



Consumer Price Index Percent Change Oct 2022 – Oct 2023



Source: U.S. Bureau of Labor Statistics

Top Site Selection Issues 2023

1-Availability of Skilled Labor

1-Energy Availability

3-Labor Costs (tie)

3-Proximity to Major Markets

3-State and Local Incentives

6-Energy Costs

7-Highway Accessibility

7-Proximity to Suppliers

7-Availability of Land

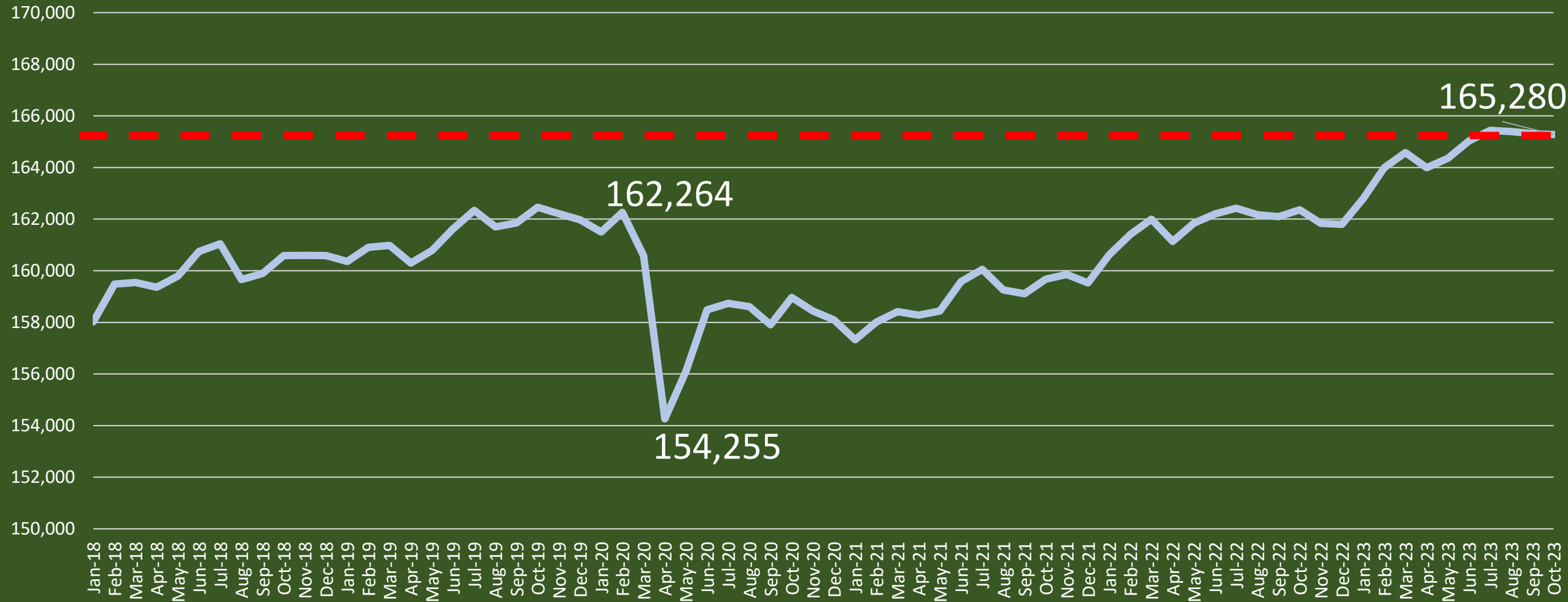
10-Expedited/fast-tracked Permitting

10-Construction Costs

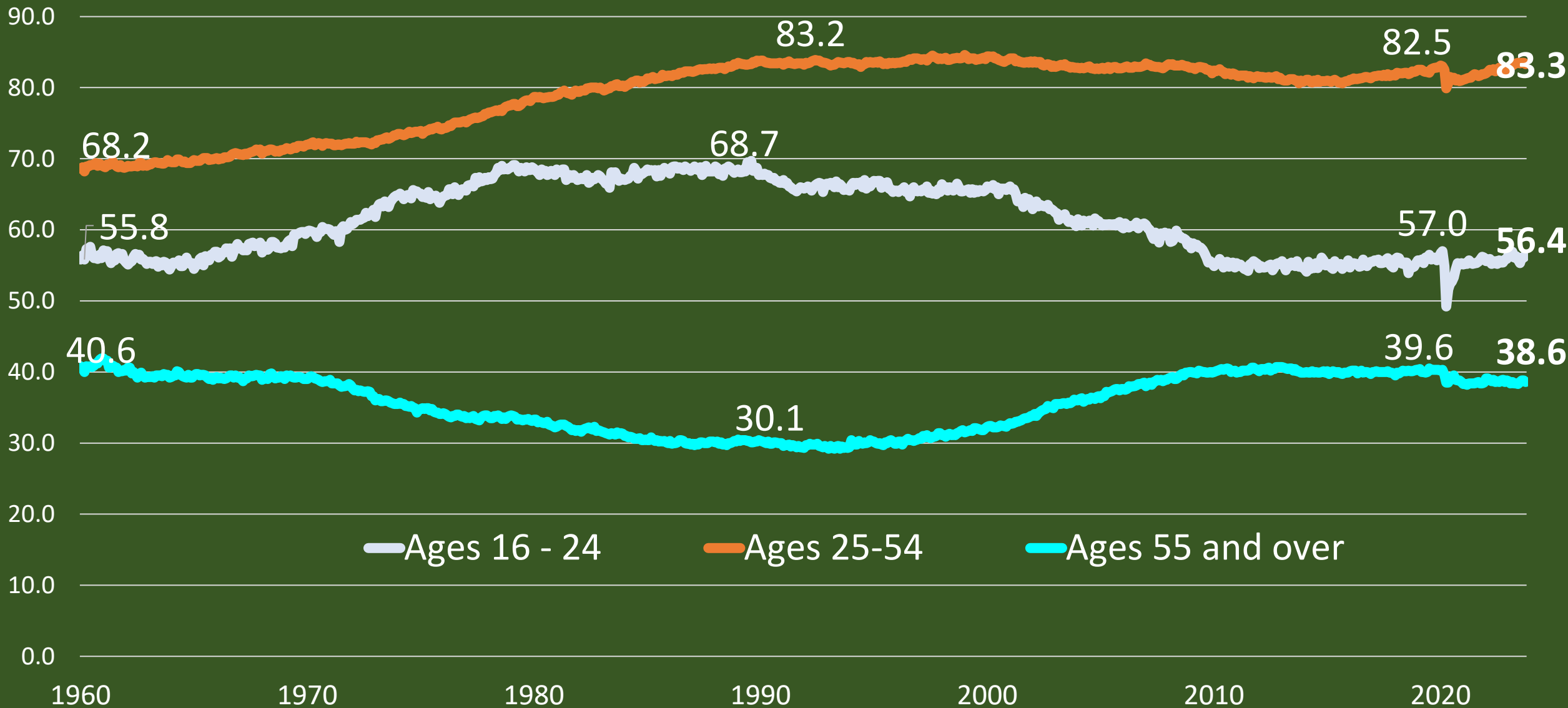


U.S. Labor Force

18 & older (in \$thousands)



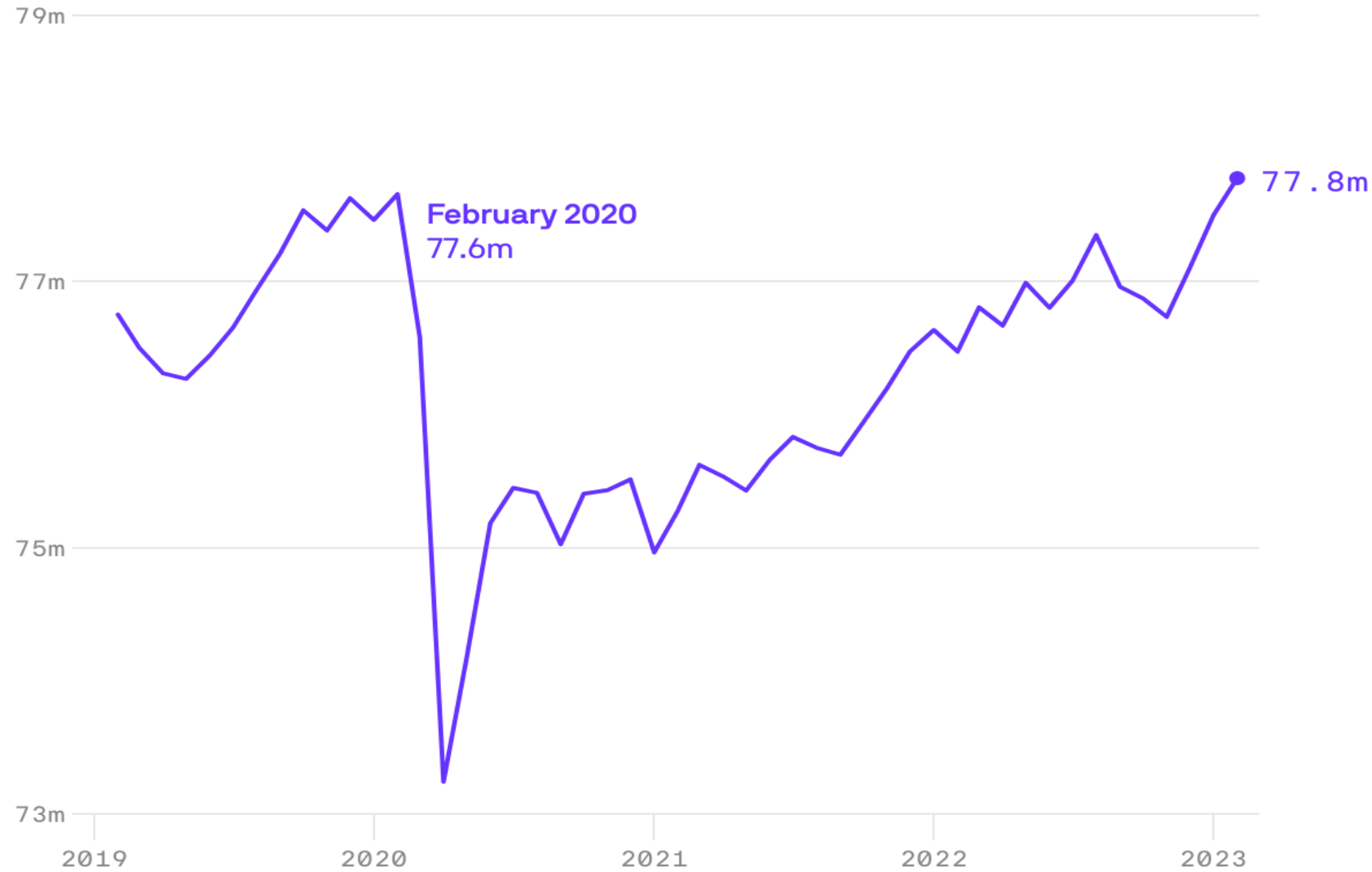
US Labor Force Participation Rate 1960 - 2023



Source: US Bureau of Labor Statistics

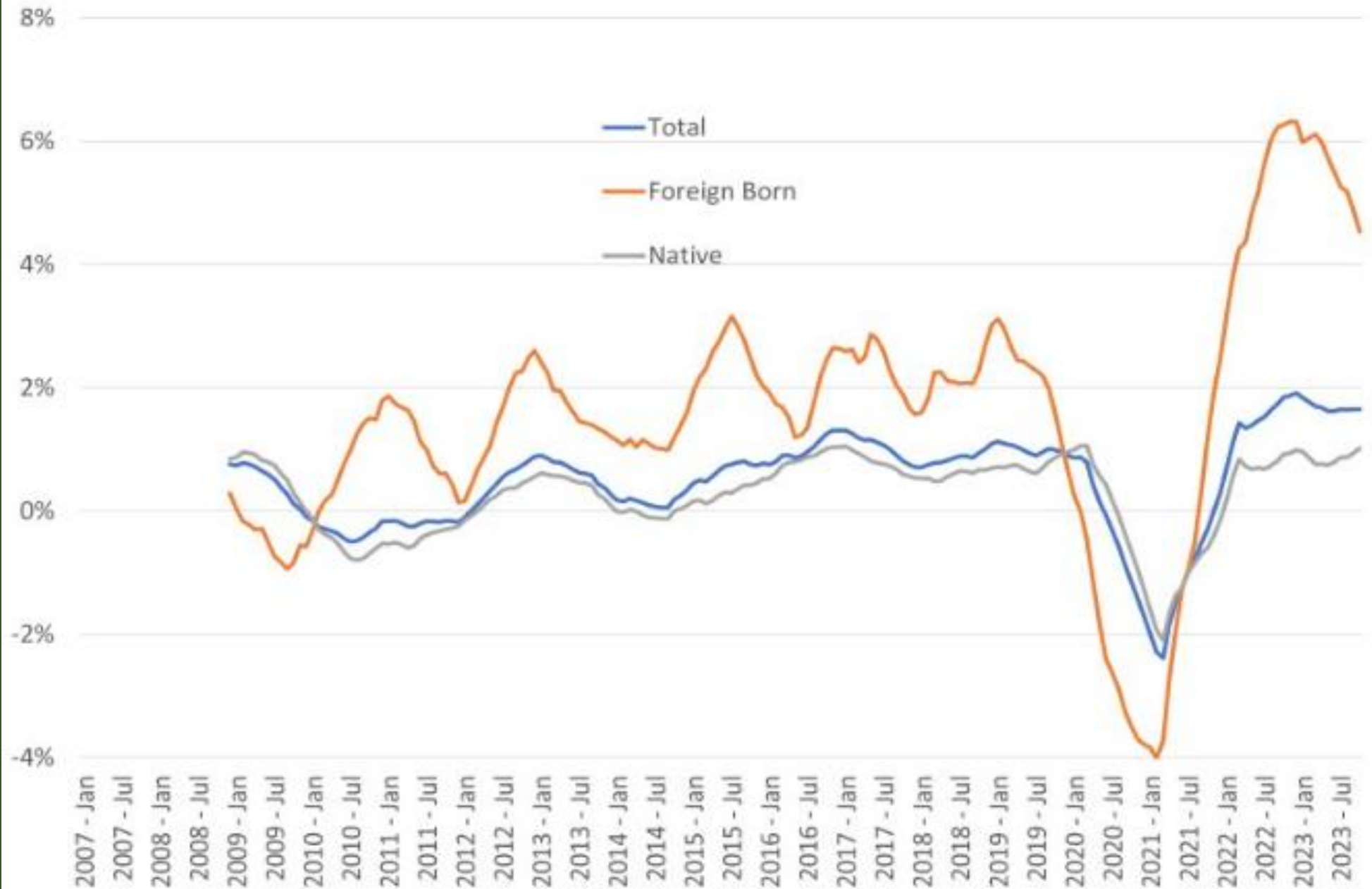
Women in the U.S. labor force

Monthly; February 2019 to February 2023



Women's labor force participation is at 57.2%, back to the February 2020 rate and more women work today than anytime in history.

Percent Change in the labor Force, Last 12 Months versus Previous 12 Months



PREMIUM



Gad Levanon

Chief Economist at The Burning Glass Institute

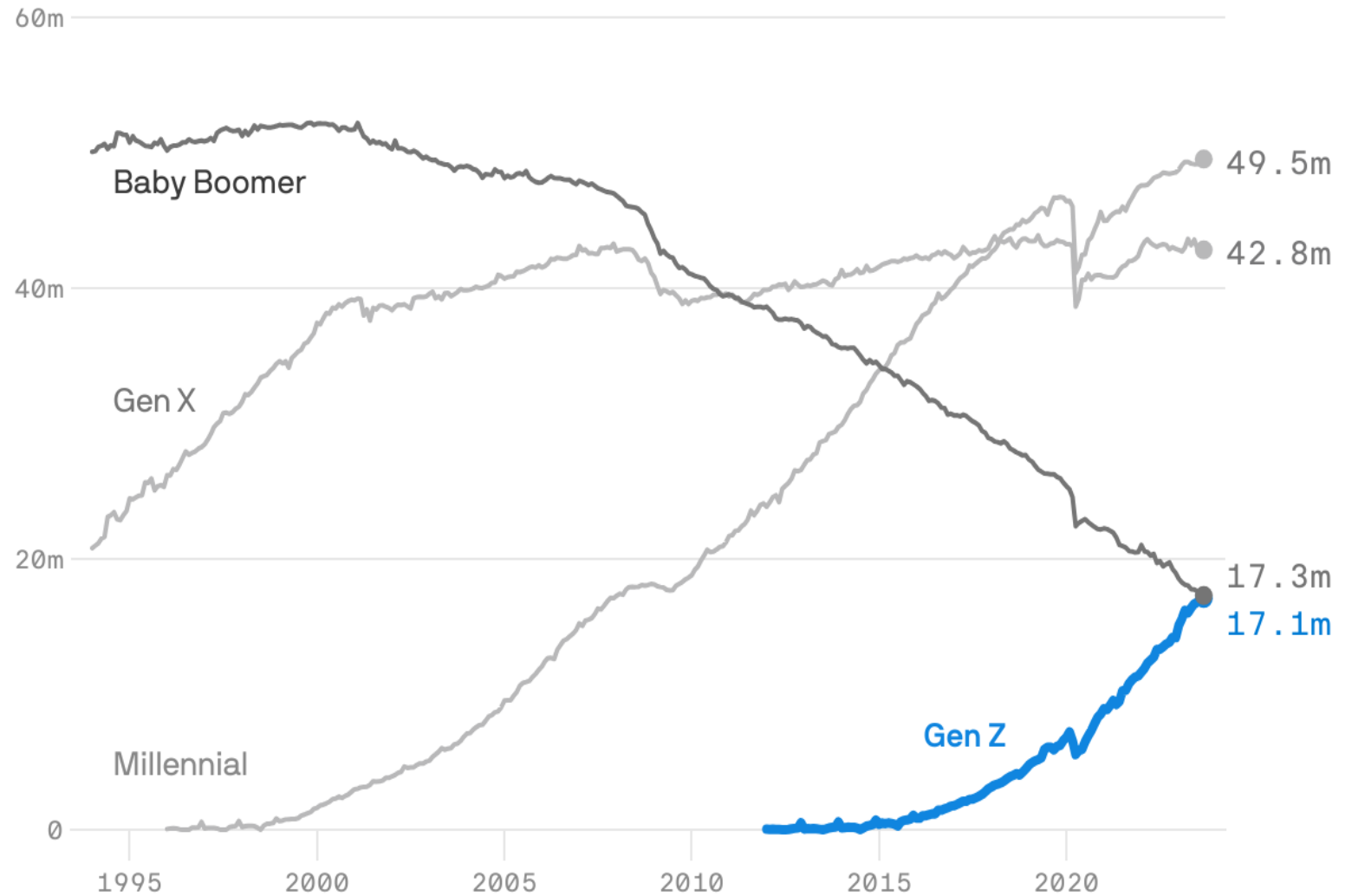


Generational differences
can be challenging and
disruptive



U.S. full-time workforce, by generation

Seasonally adjusted; Monthly, January 1994 to September 2023



Gen Zers are expected to overtake
Baby Boomers by early 2024

Data: Glassdoor analysis of Census
Bureau data; Chart: Simran Parwani/Axios

Workforce: A Throttle on American Growth

Last year Economic Leadership completed a national study- the lack of workers, and workers with specific skills has slowed growth in our economy!

Ted Abernathy Economic Leadership

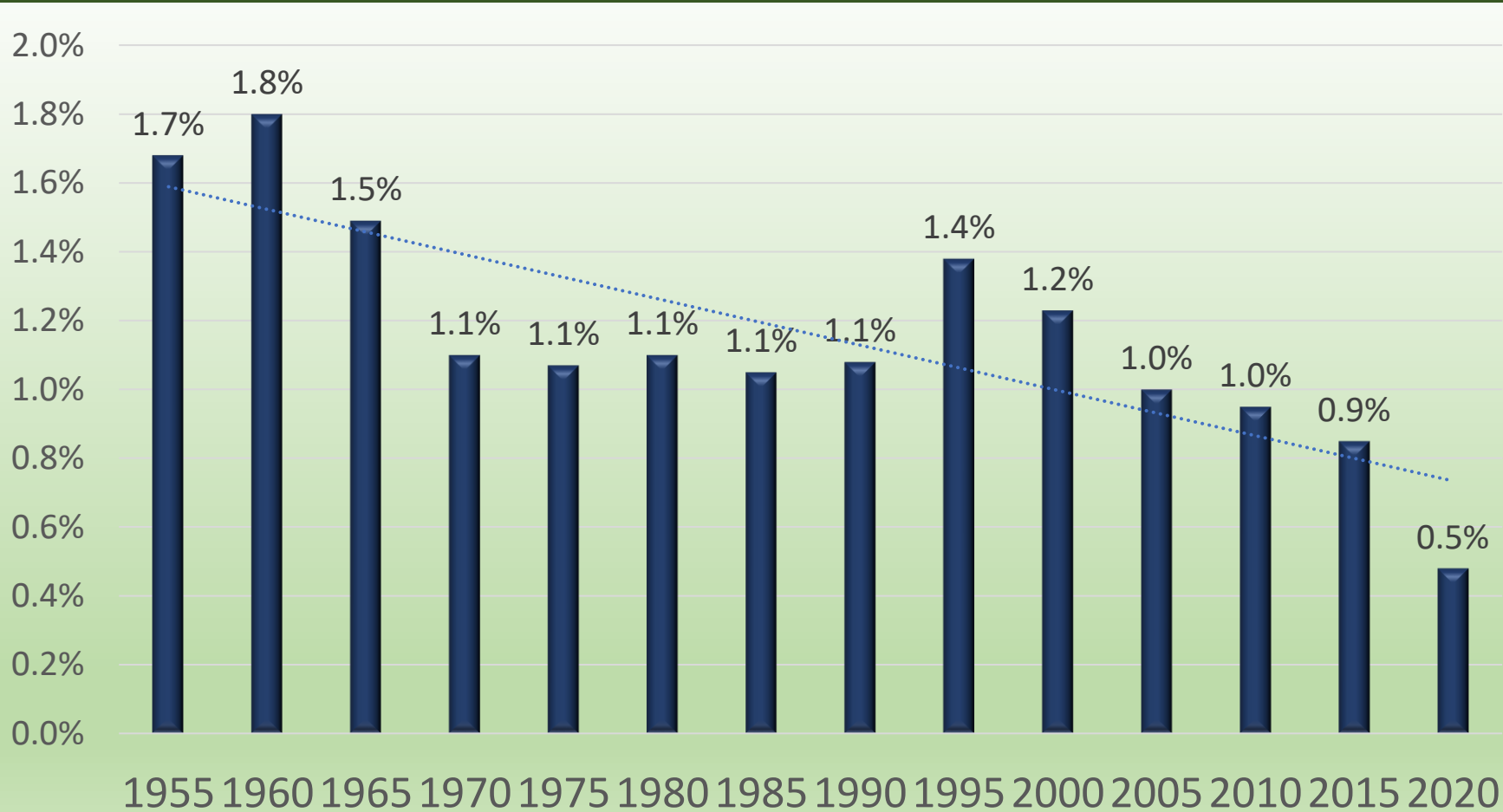
**A 50-State Scan of Business Efforts to
Address the National Workforce Challenge**



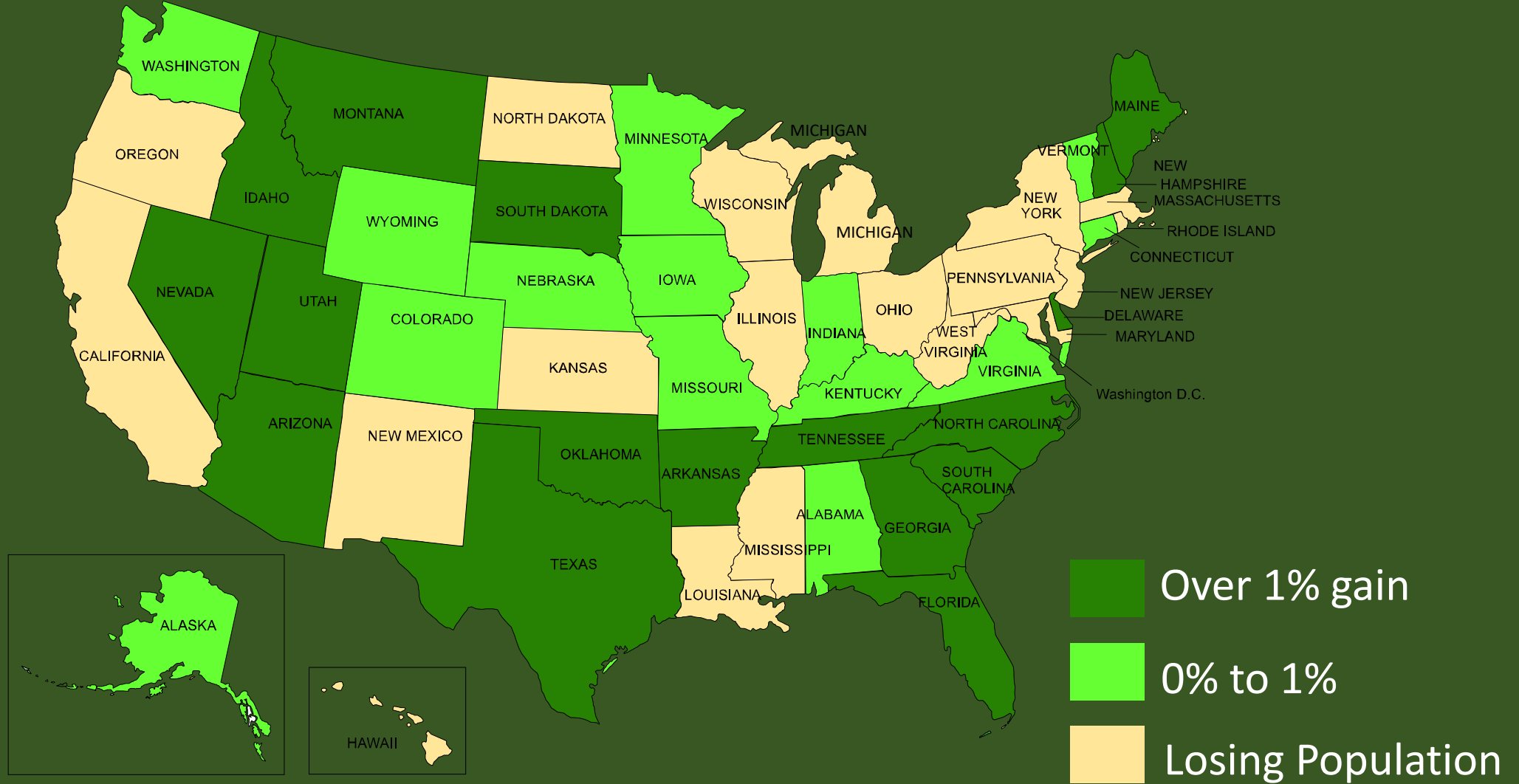
August 2022

US Population Growth Rate

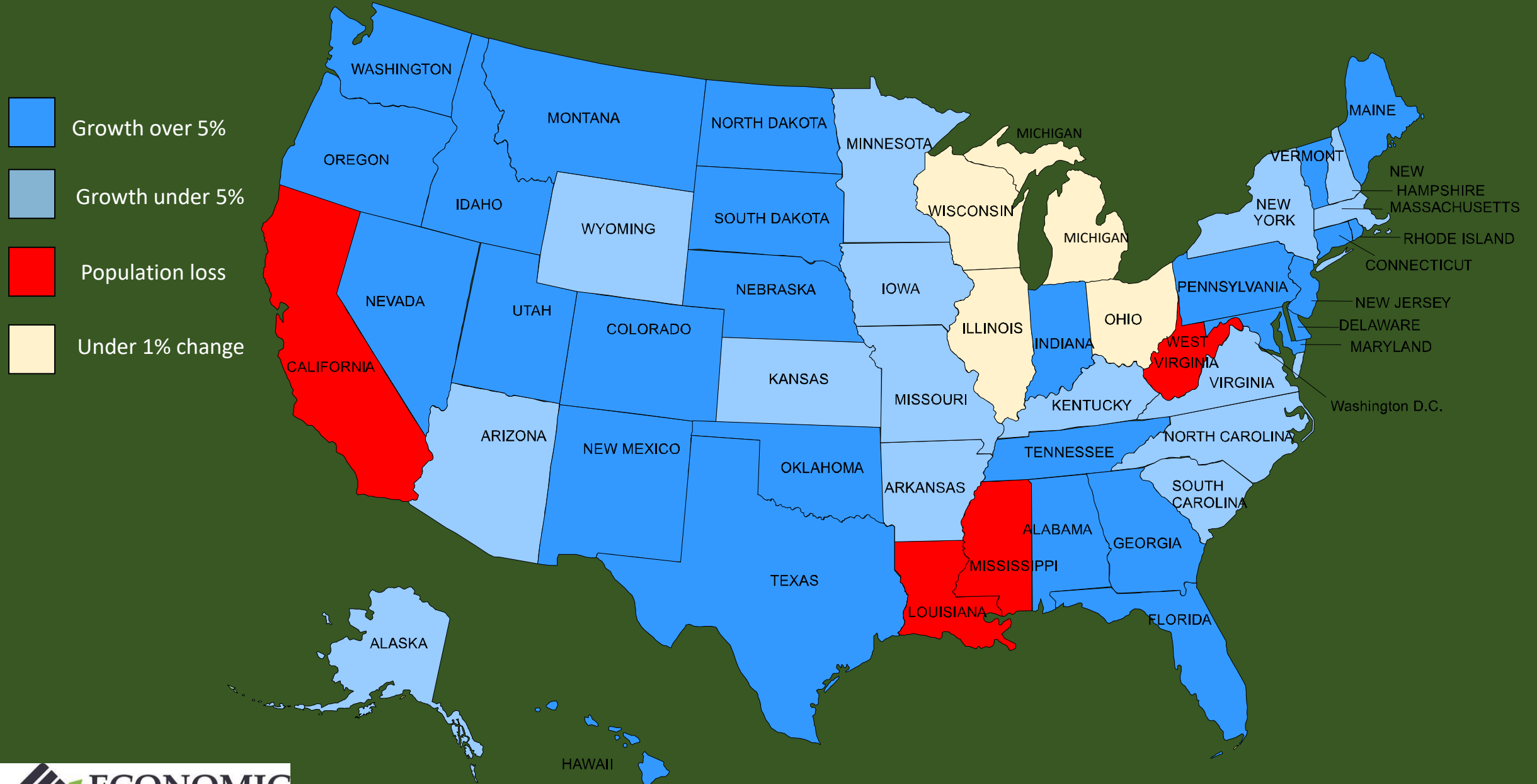
1960 US Fertility Rate-3.7 children-2020 it was 1.6 children



Percentage Population Change 2020-2022



Projected Population Change 2023–2033 Ages 25-64



Mapping Net Migration: Which States Are Americans Flocking To?

States with Positive Net Migration

Back



Source: [StorageCafe analysis of U.S. Census data](#) • [Download image](#) • Created with [Datawrapper](#)

Mapping Net Migration: Which States Are Americans Flocking To?

States with Negative Net Migration

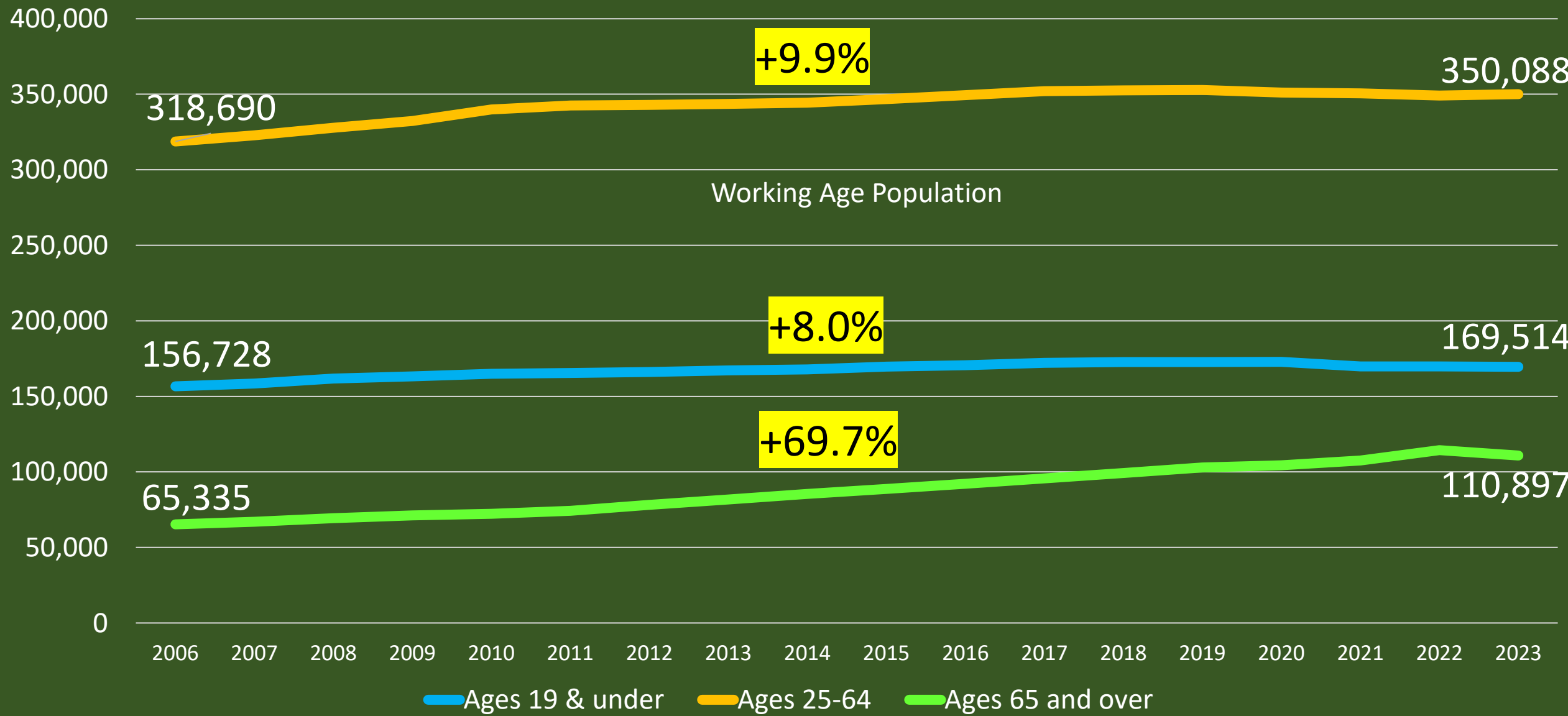
Back



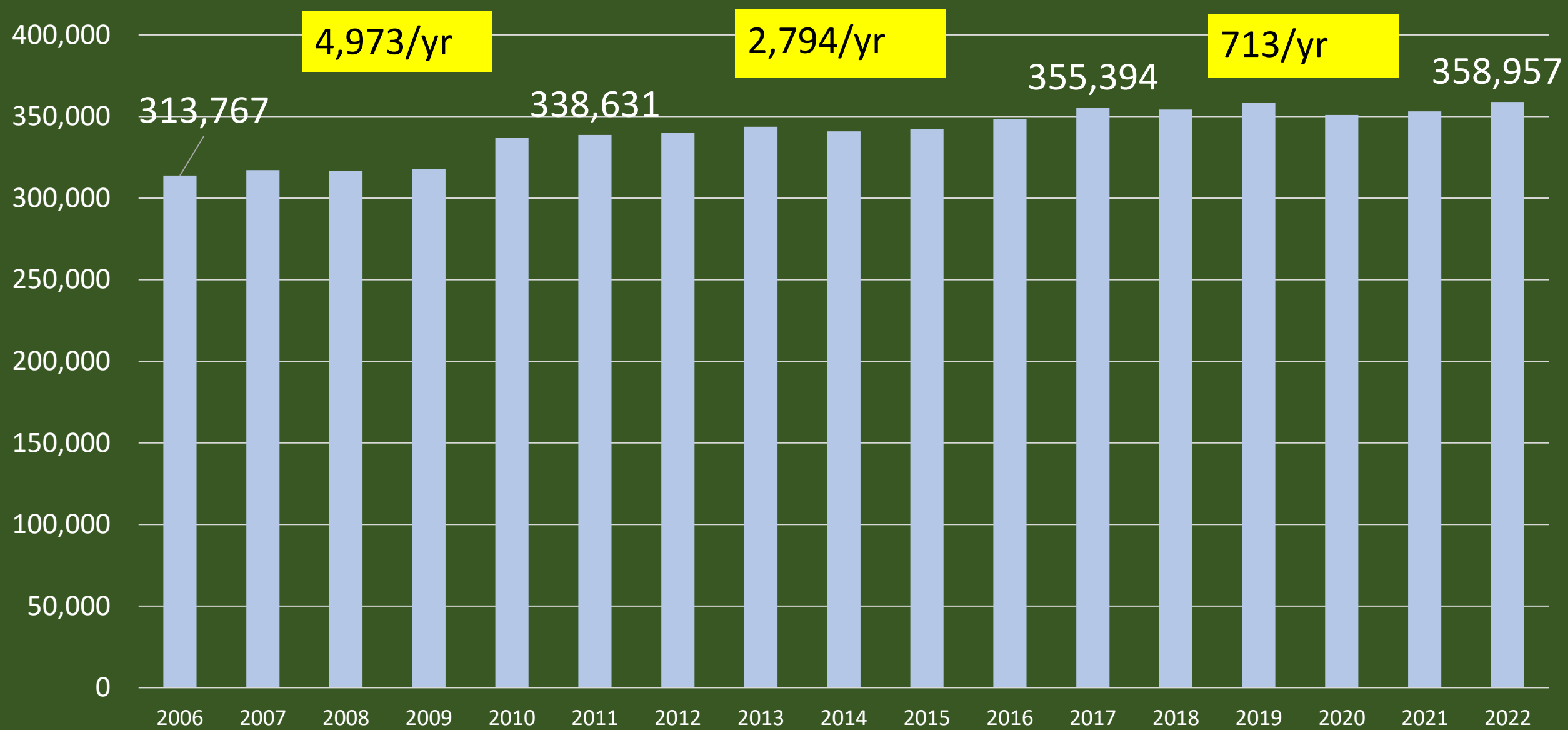
Source: [StorageCafe analysis of U.S. Census data](#) • [Download image](#) • Created with [Datawrapper](#)



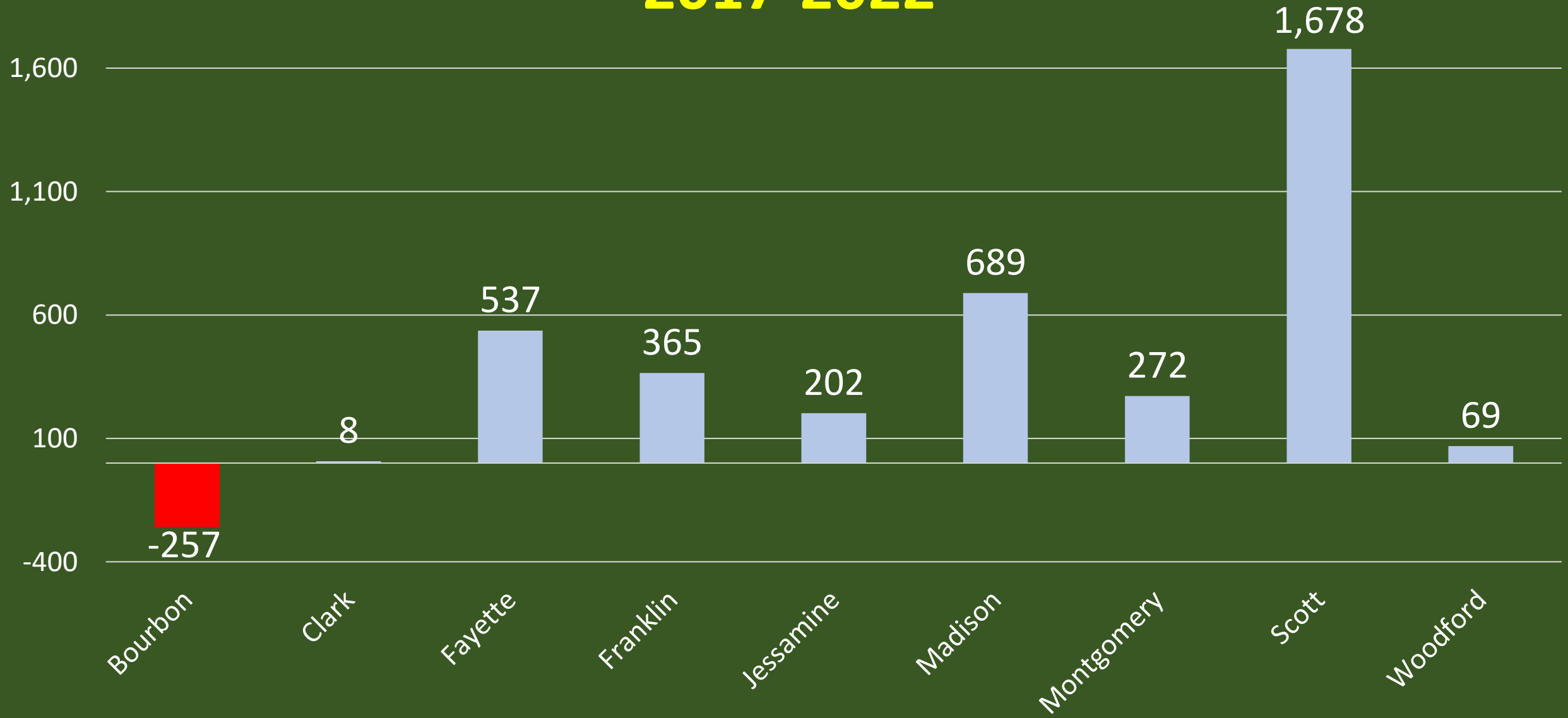
9-County Region Population 2006-2023



Bluegrass Region Labor Force

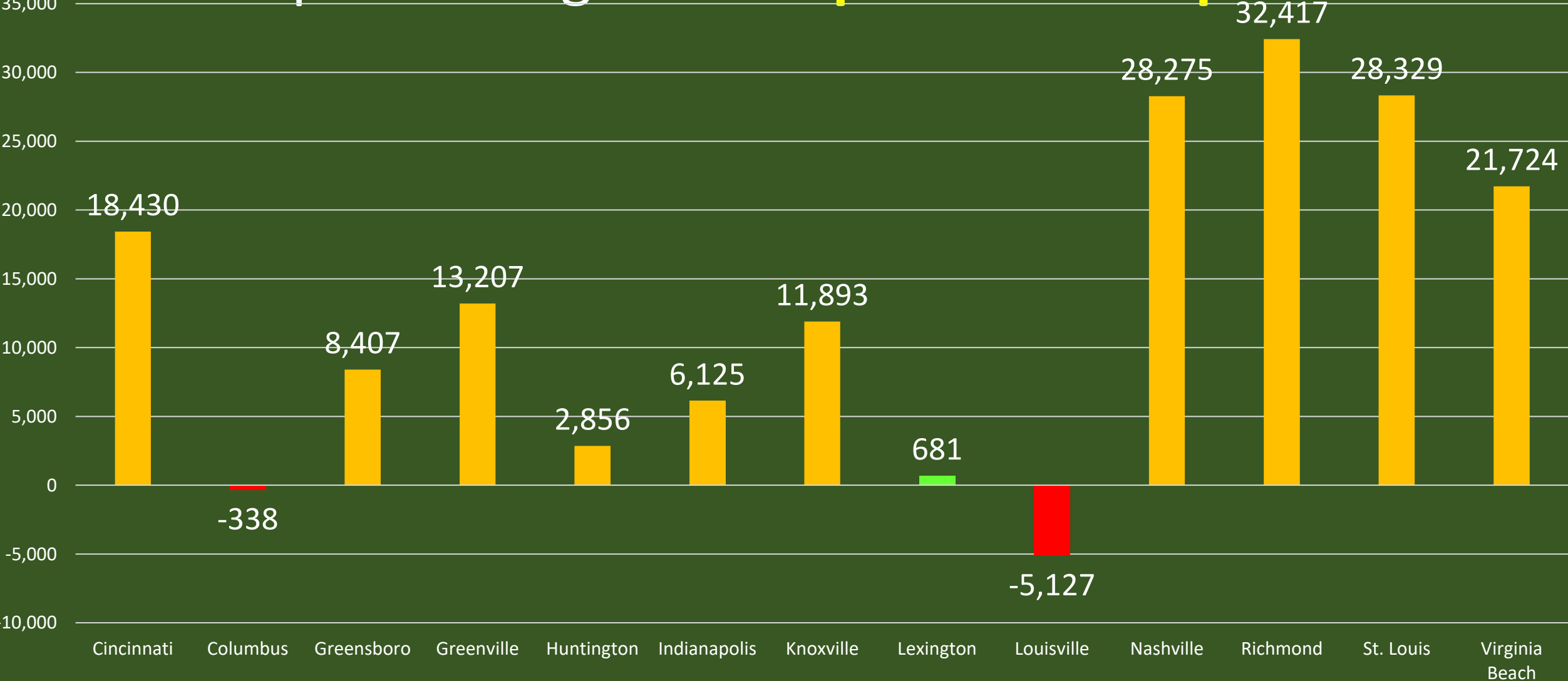


Bluegrass Region Labor Force Growth 2017-2022



Labor Force Growth

Competitor Regions – Sept 2022 to Sept 2023

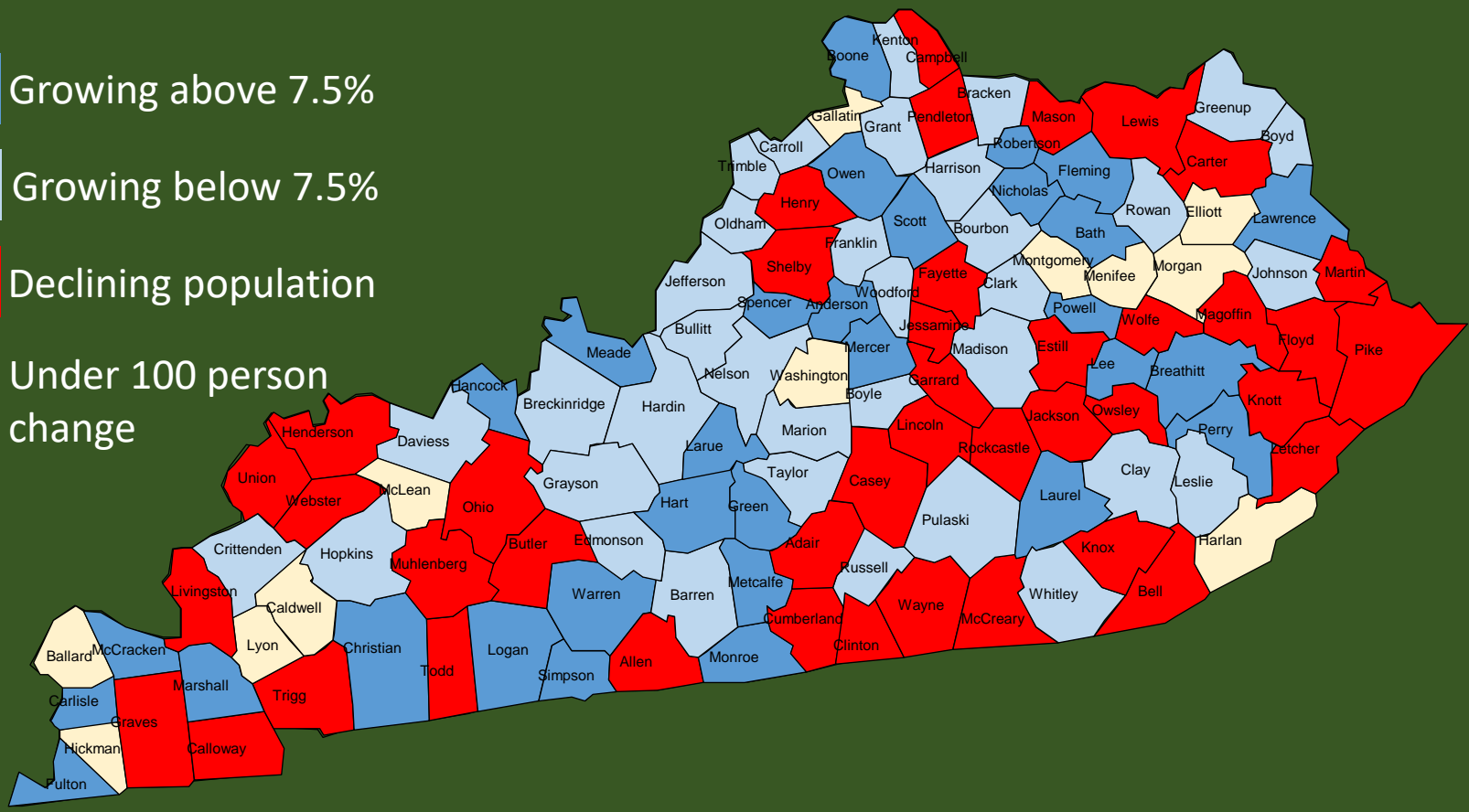


Source: US Bureau of Labor Statistics LAUS

KY Projected Change in Ages 25-64 Pop. **2023-2033** (projections)

Kentucky average +1.8%
U.S. average +4.8%

- Growing above 7.5%
- Growing below 7.5%
- Declining population
- Under 100 person change



Scott	11.0%
Franklin	6.8%
Woodford	3.8%
Bourbon	3.6%
Clark	3.6%
Madison	3.1%
Montgomery	0.0%
Jessamine	-6.2%
Fayette	-7.0%
Region	-1.3%

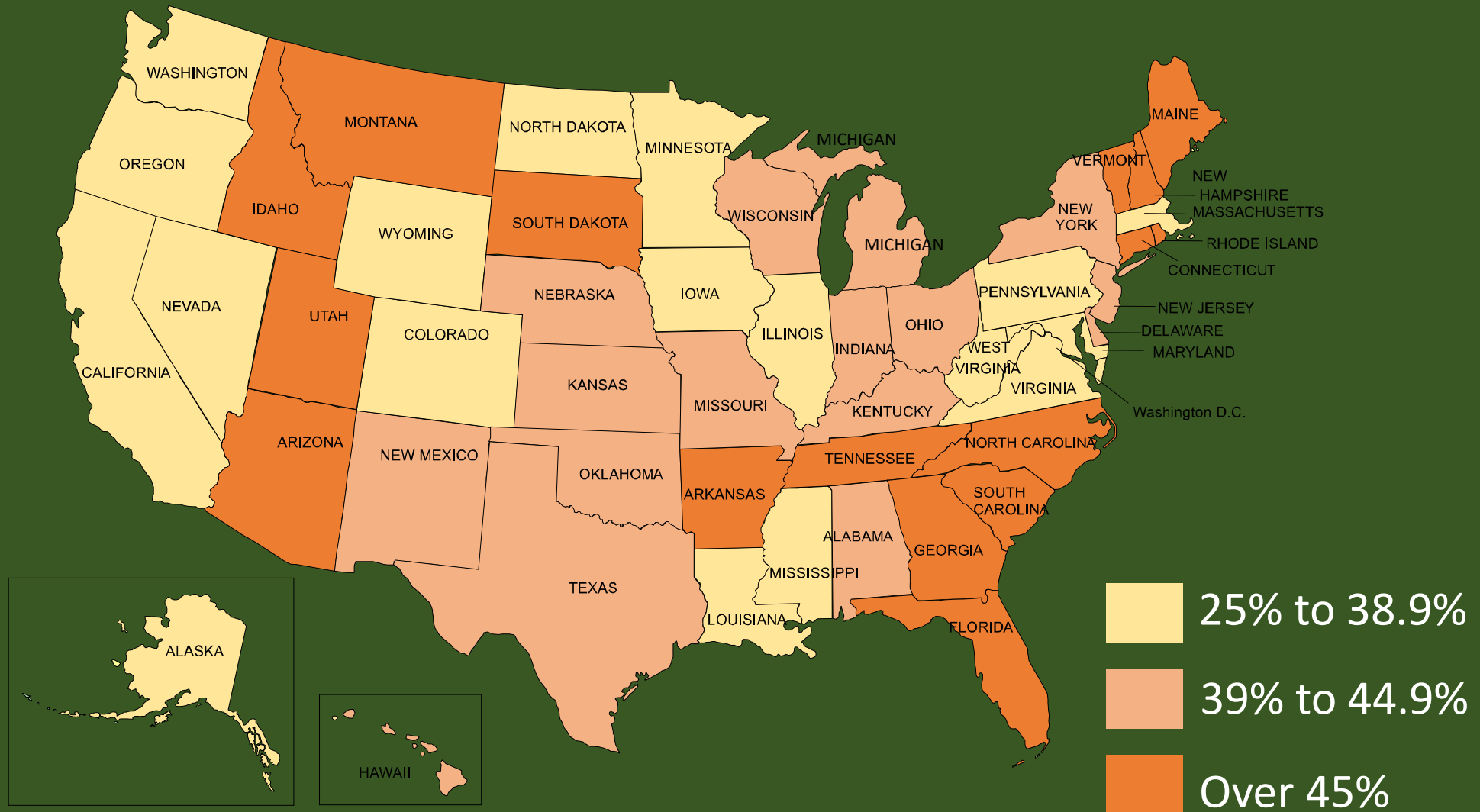
Real Estate Thinking for 2023

Real Estate Headwinds

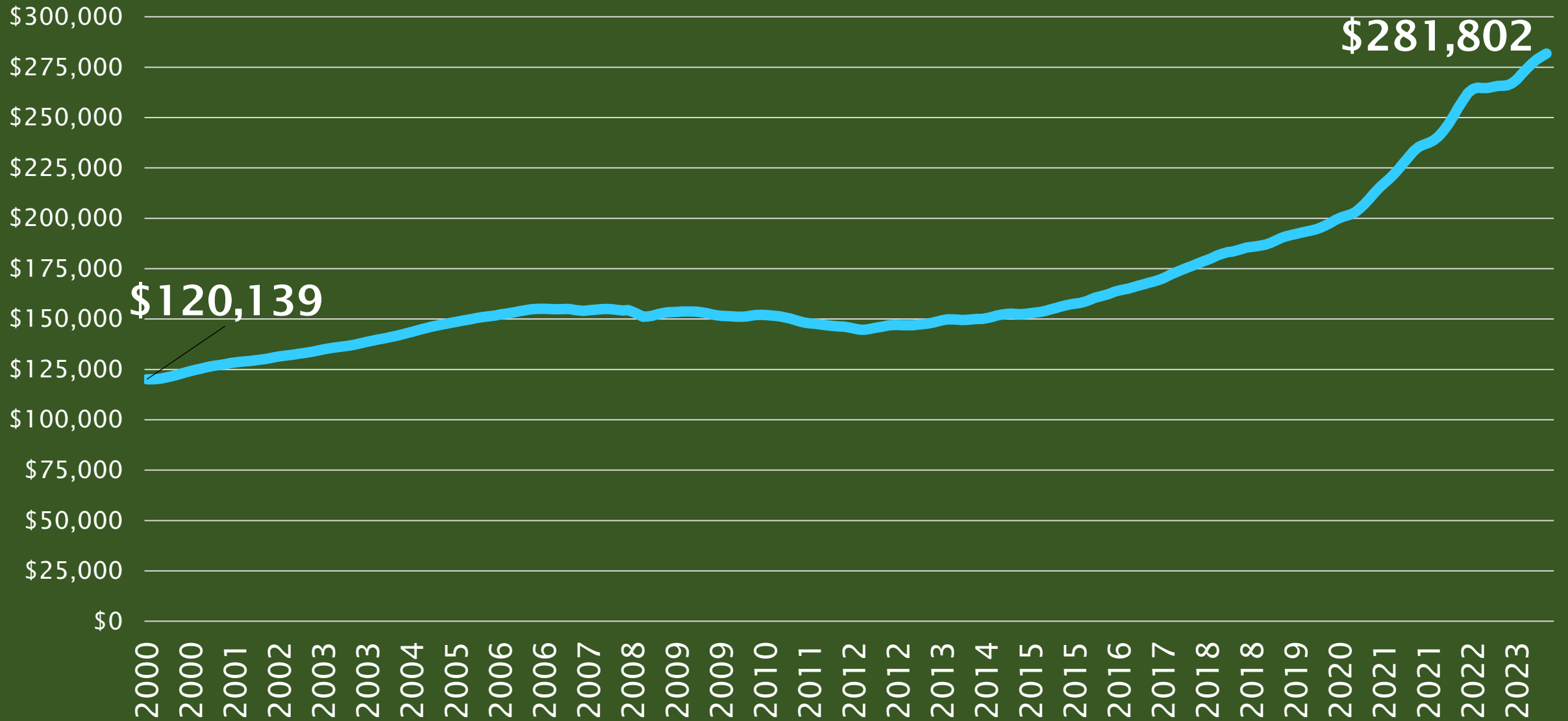
- Construction labor availability
- Labor costs
- Material costs
- Land costs
- Interest rates



Housing Price Increase 2020Q1 to 2023Q2

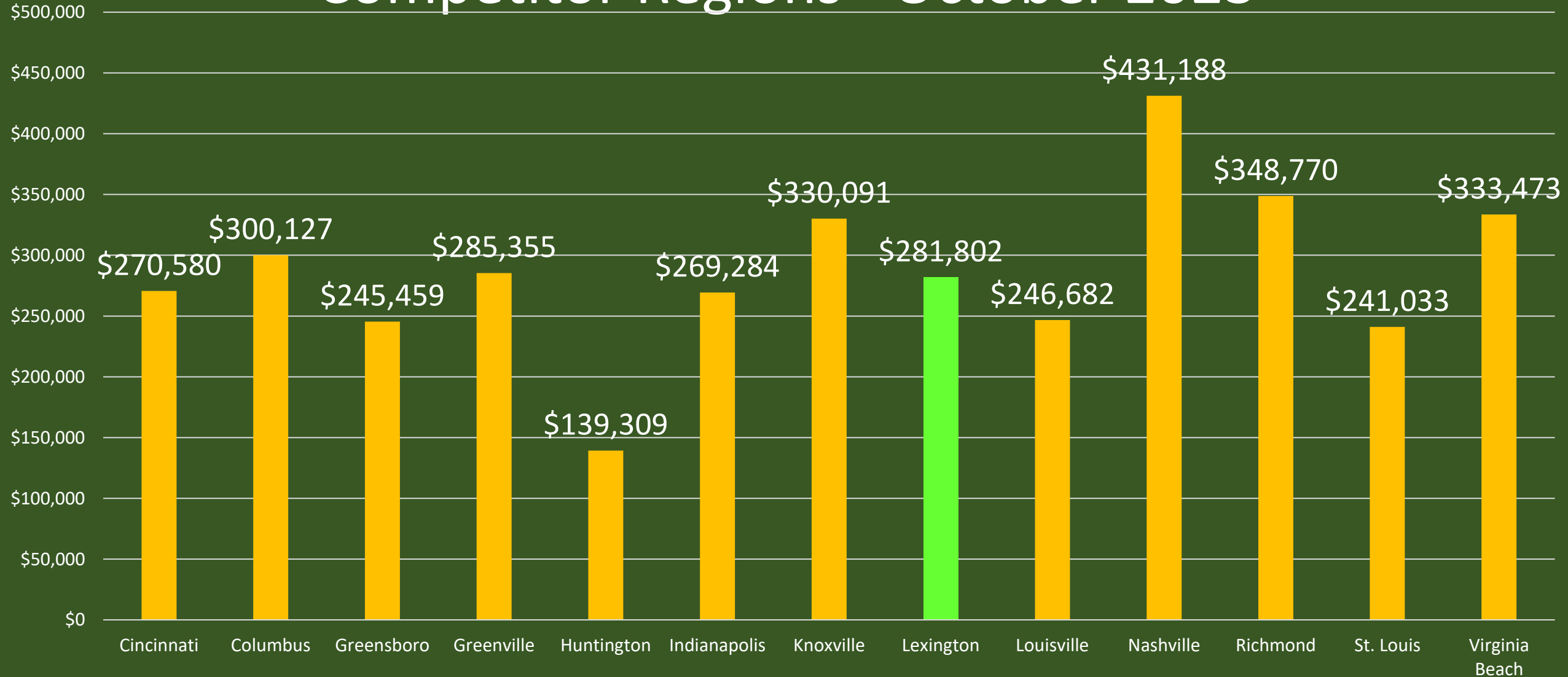


Lexington MSA Housing Value



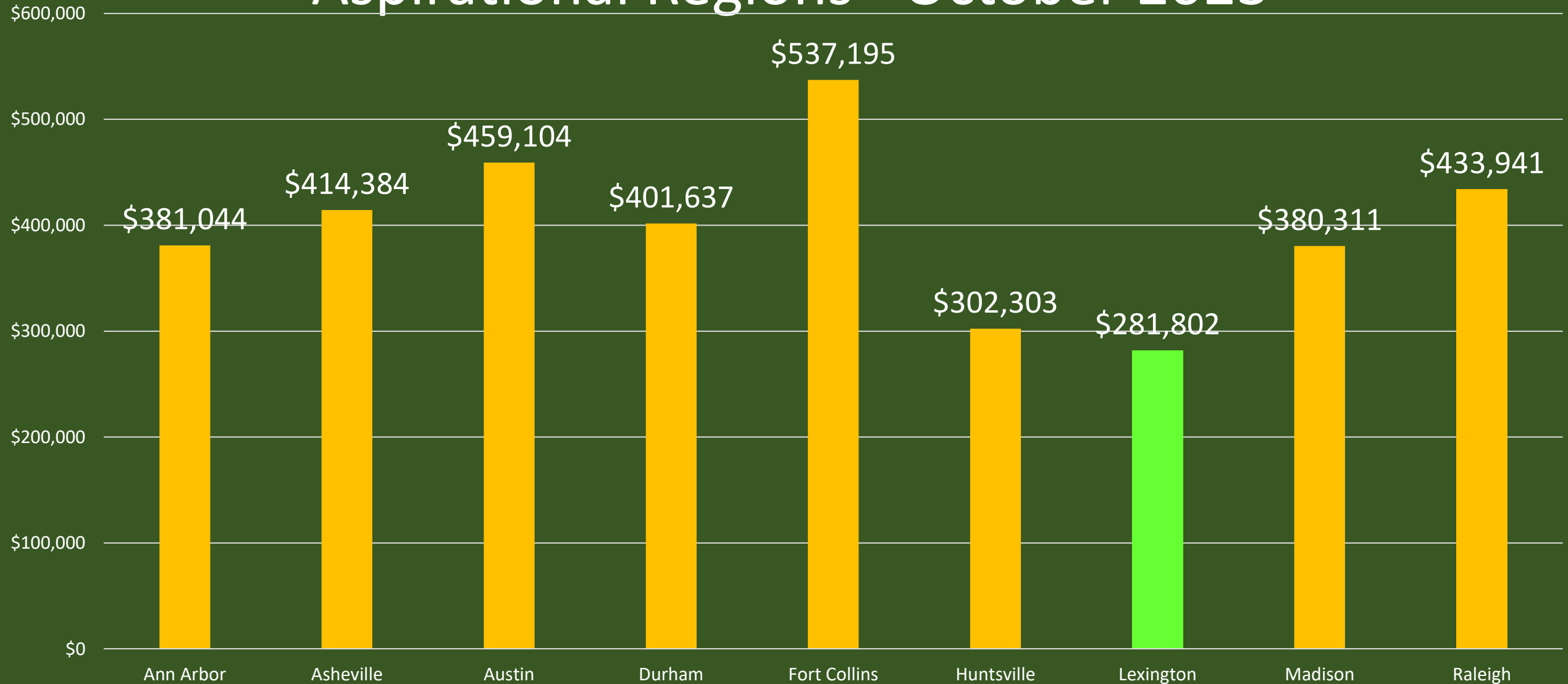
MSA Housing Value

Competitor Regions - October 2023

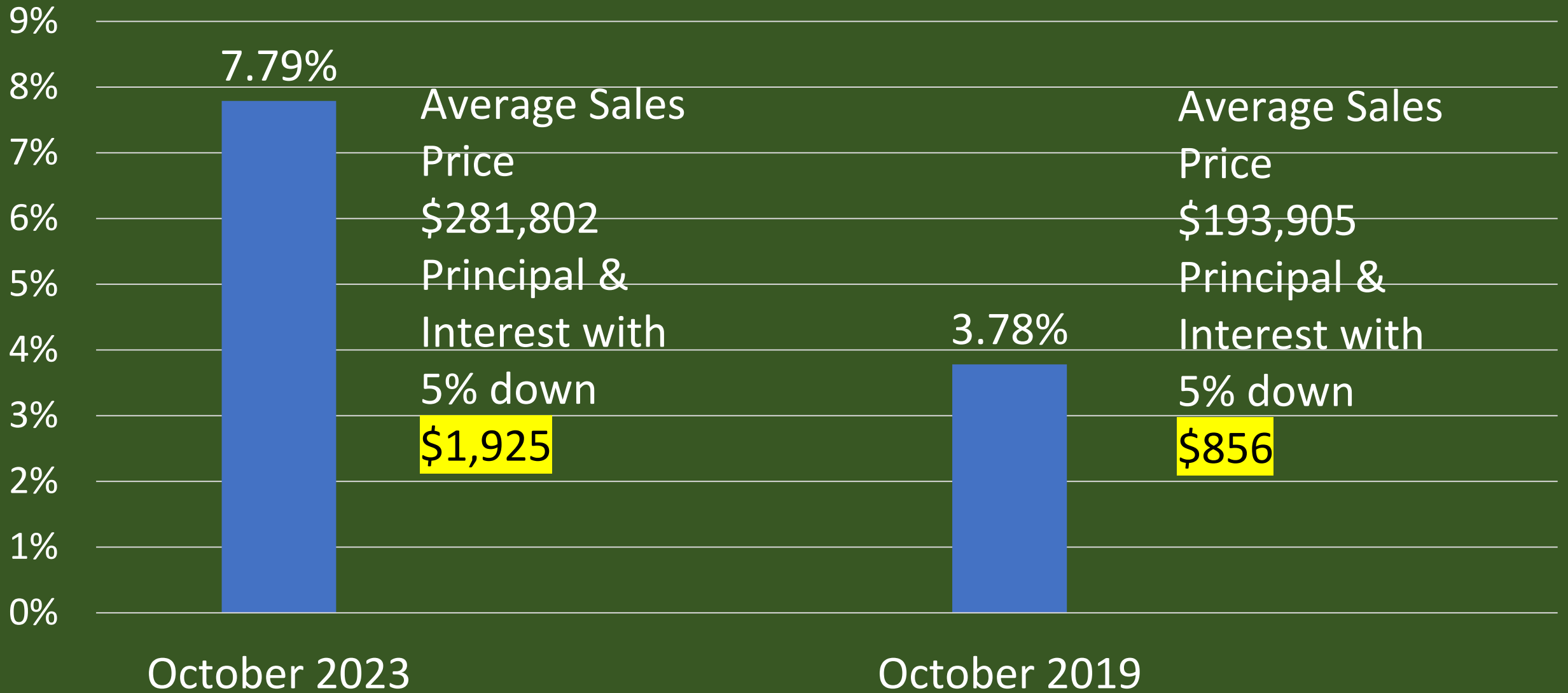


MSA Housing Value

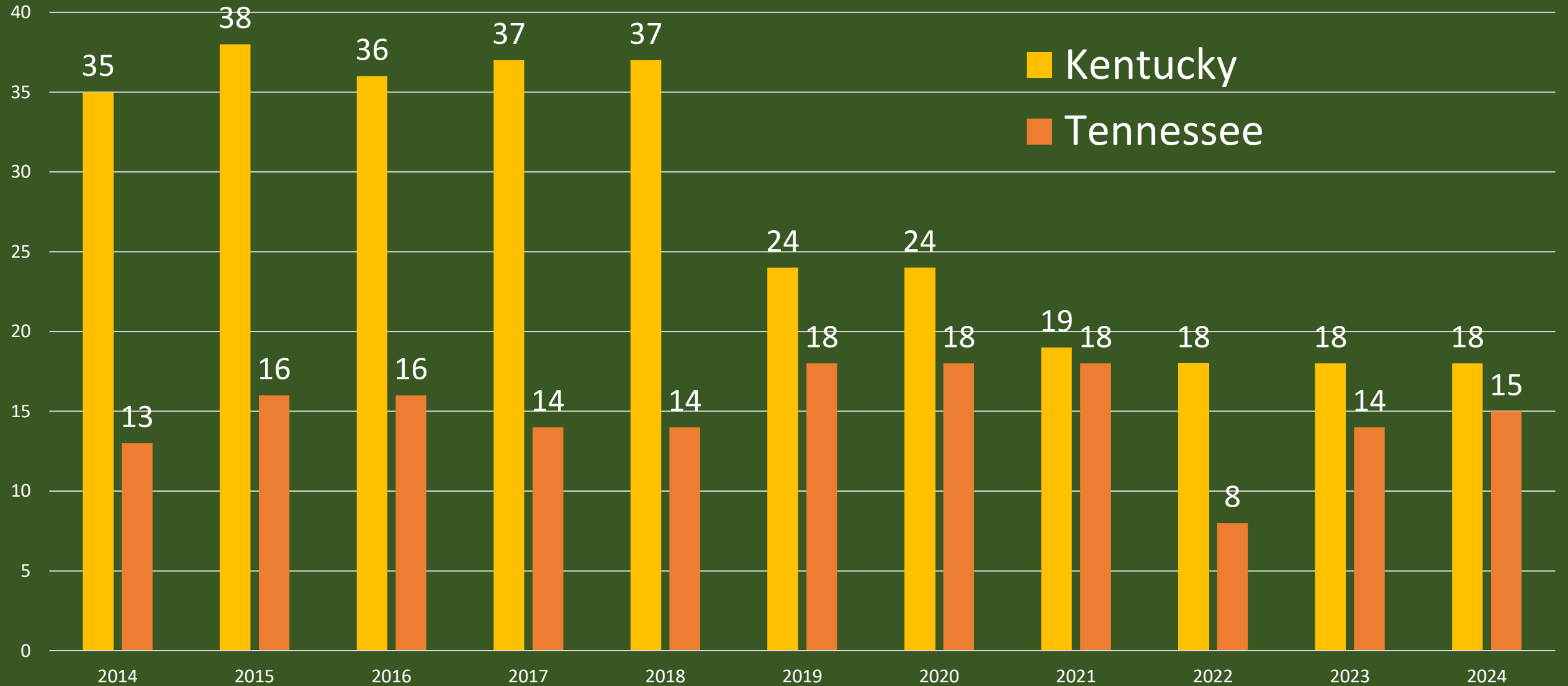
Aspirational Regions - October 2023



Home Interest Rates and Affordability – Lexington MSA



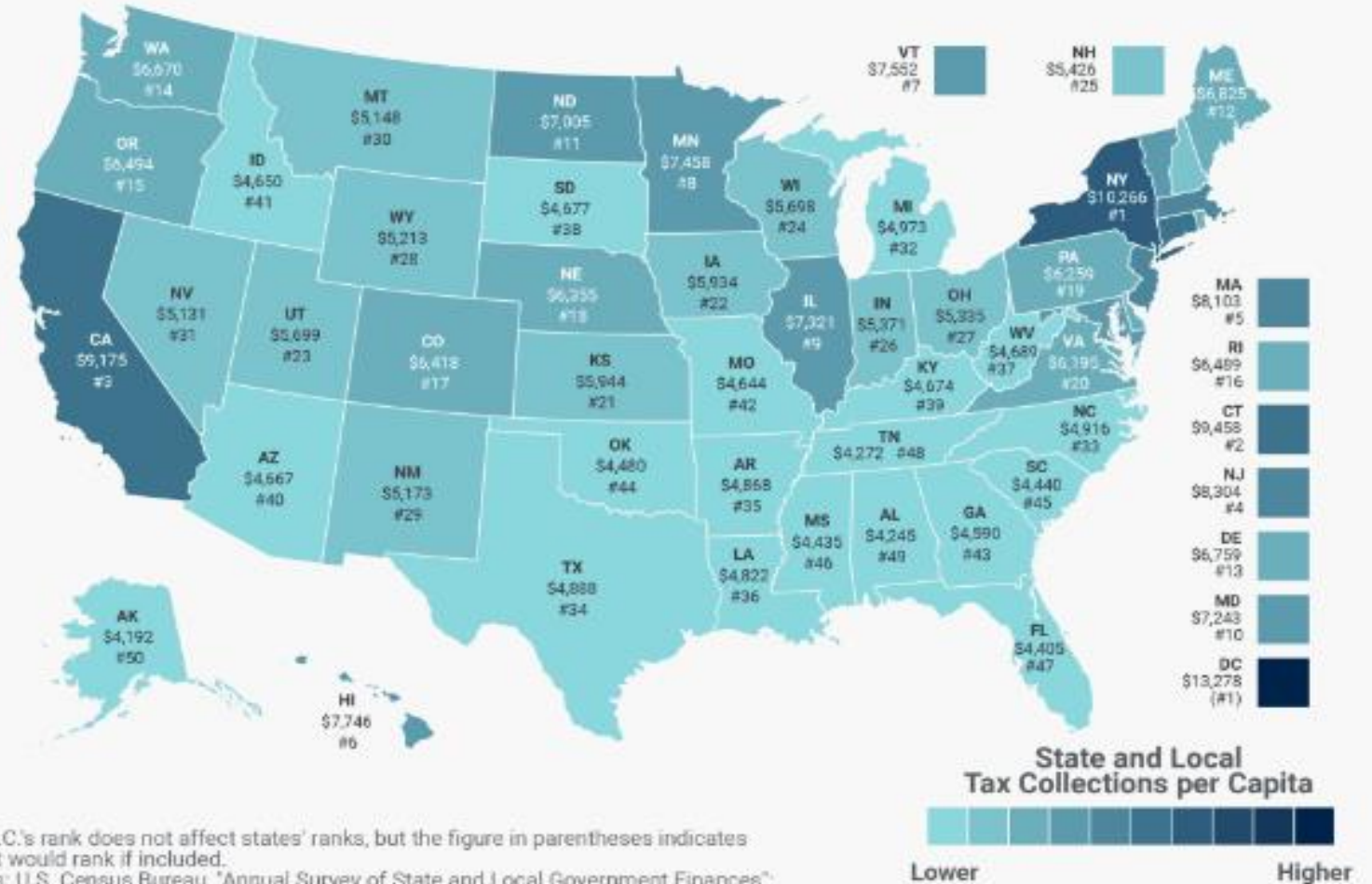
Tax Foundation Business Climate Rankings



Kentucky ranks 39th
 in State and Local
 taxes collected per
 capita.
 (Among the lowest
 dozen states)

How High are State and Local Tax Collections in Your State?

State and Local Tax Collections Per Capita, Fiscal Year 2021



Note: D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.
 Sources: U.S. Census Bureau, "Annual Survey of State and Local Government Finances"; Tax Foundation calculations.



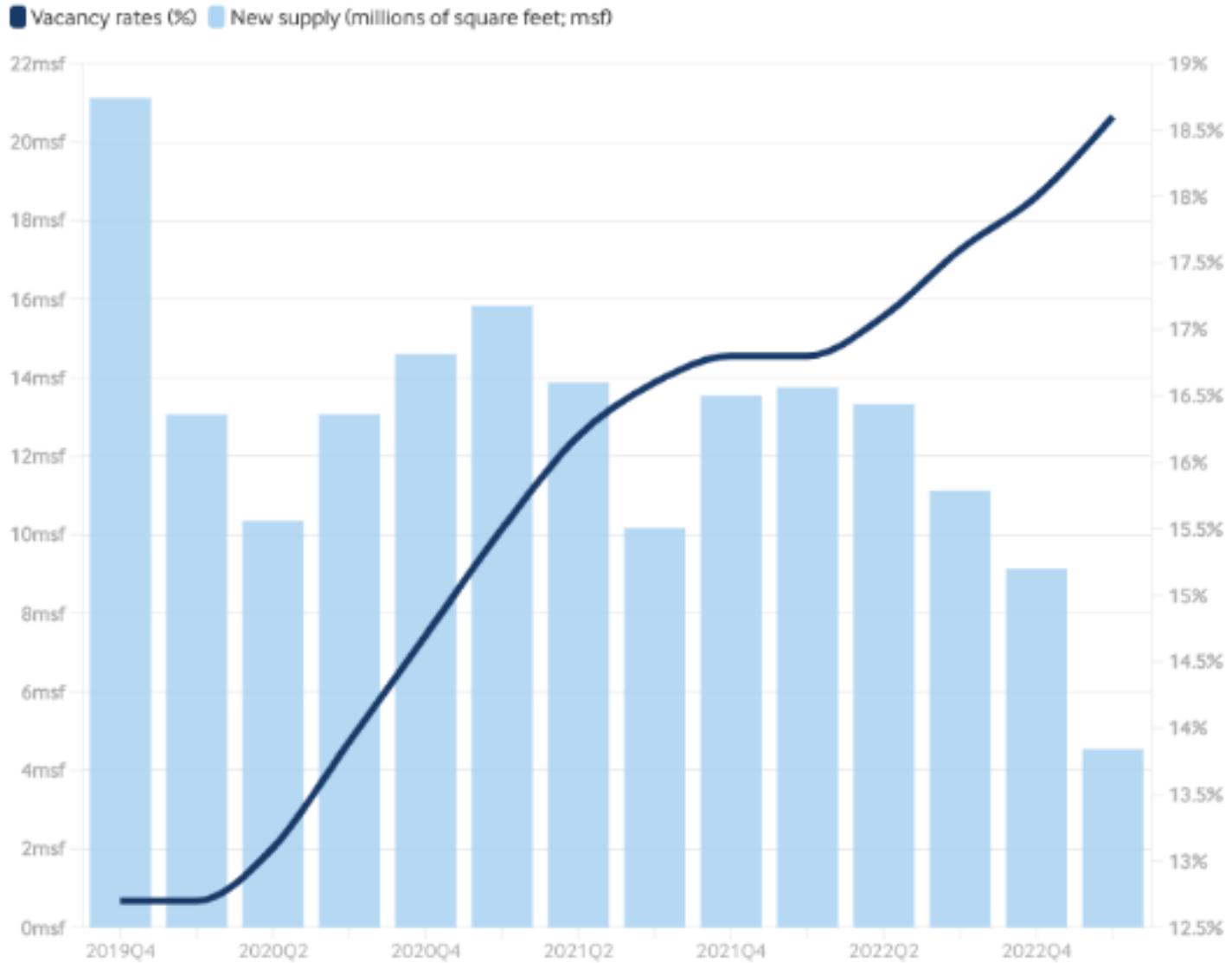
FINAL
THOUGHTS

8 Things Shaping Our
Future & Knotting
My Brain

TODAY

Office imbalance

Rising national US office vacancy rates have coincided with falling levels of new supply



Source: [Cushman & Wakefield](#)

FDI Intelligence



**HYBRID
OF FICEWORK**



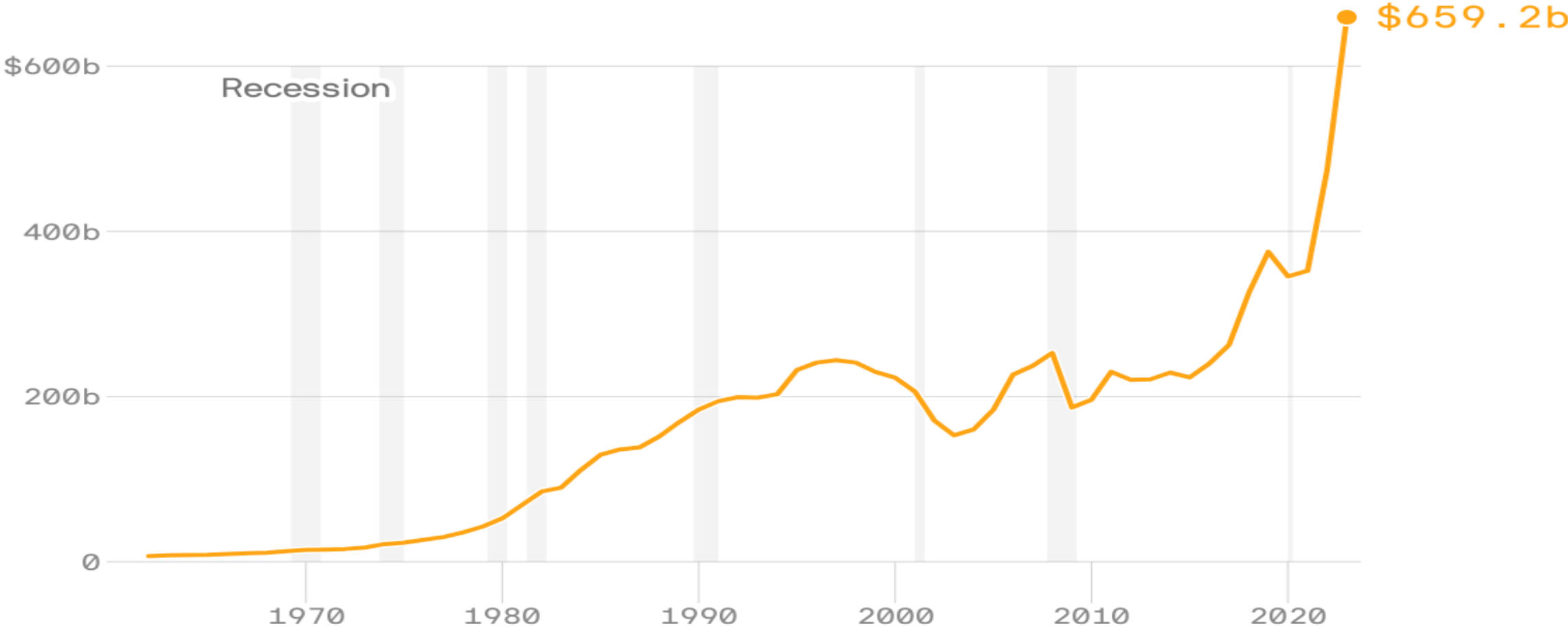
30-year fixed mortgage rate

Daily; October 5, 2018 to October 5, 2023



Net interest payments on U.S. federal debt

Fiscal years; 1962-2023



Data: Treasury Department; Office of Management and Budget; Chart: Axios Visuals

The percentage of women and men with a college degree in 2021, by 5-year age group.

Age group

25 to 29

Men 33%

Women 43%

30 to 34

36%

45%

35 to 39

36%

44%

40 to 44

35%

43%

45 to 49

35%

40%

50 to 54

34%

37%

55 to 59

30%

32%

60 to 64

30%

30%

0%

10%

20%

30%

40%

Percentage of women and men with a college degree

The educational gap between men and women is growing.

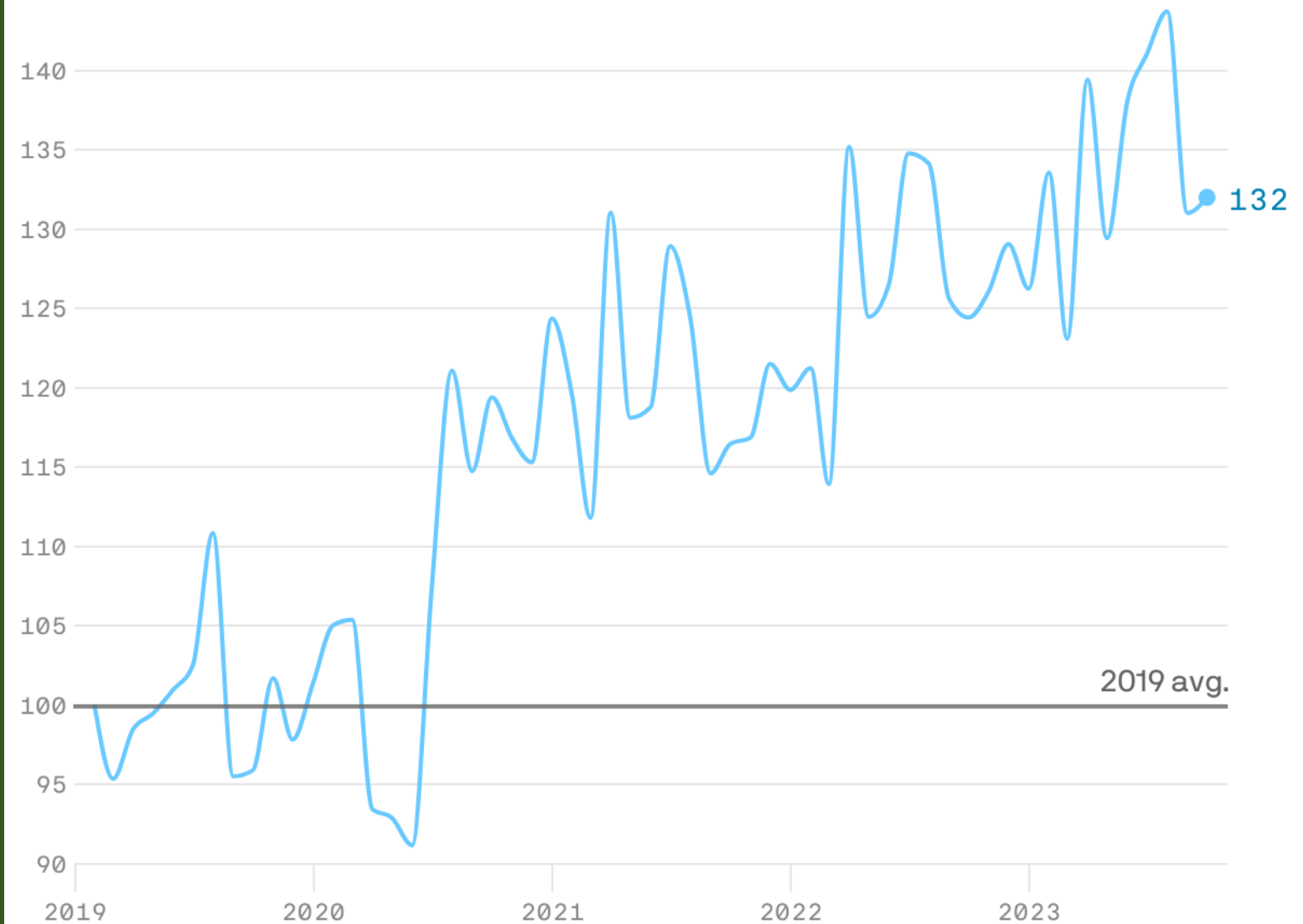
Sources: IPUMS-ACS, University of Minnesota; Burning Glass Institute

The average child care payment is up 32% from 2019, according to new data from the Bank of America Institute.

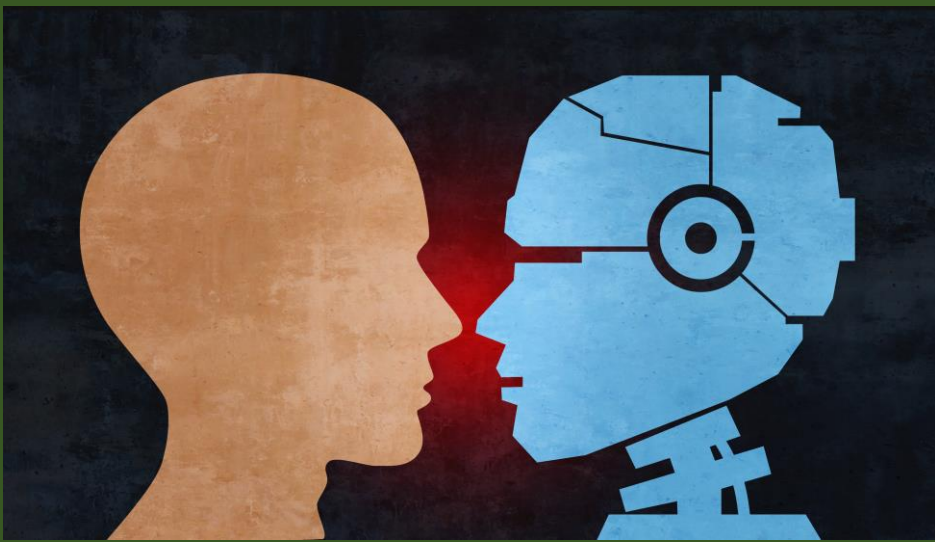
The price surge outpaced overall inflation; the Consumer Price Index was up 20% over the same period.

Average household child care cost index

January 2019 to September 2023

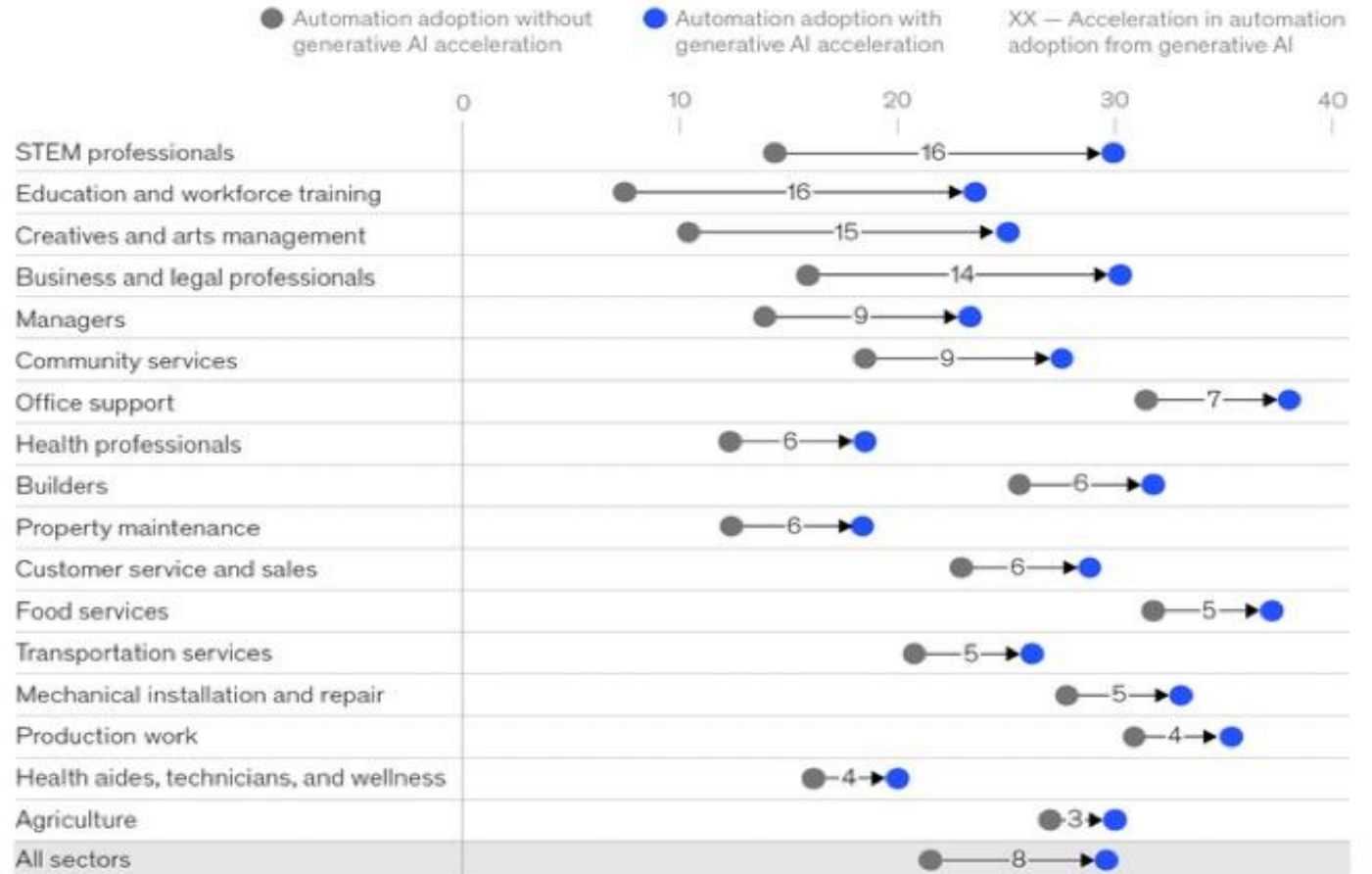


Data: Internal Bank of America data, [Bank of America Institute](#); Chart: Axios Visuals



With generative AI, 30 percent of hours worked today could be automated by 2030

Midpoint automation adoption by 2030 as a share of time spent on work activities, US, %



Source: O*NET; US Bureau of Labor Statistics; McKinsey Global Institute analysis

McKinsey
Global Institute

Critical Positions

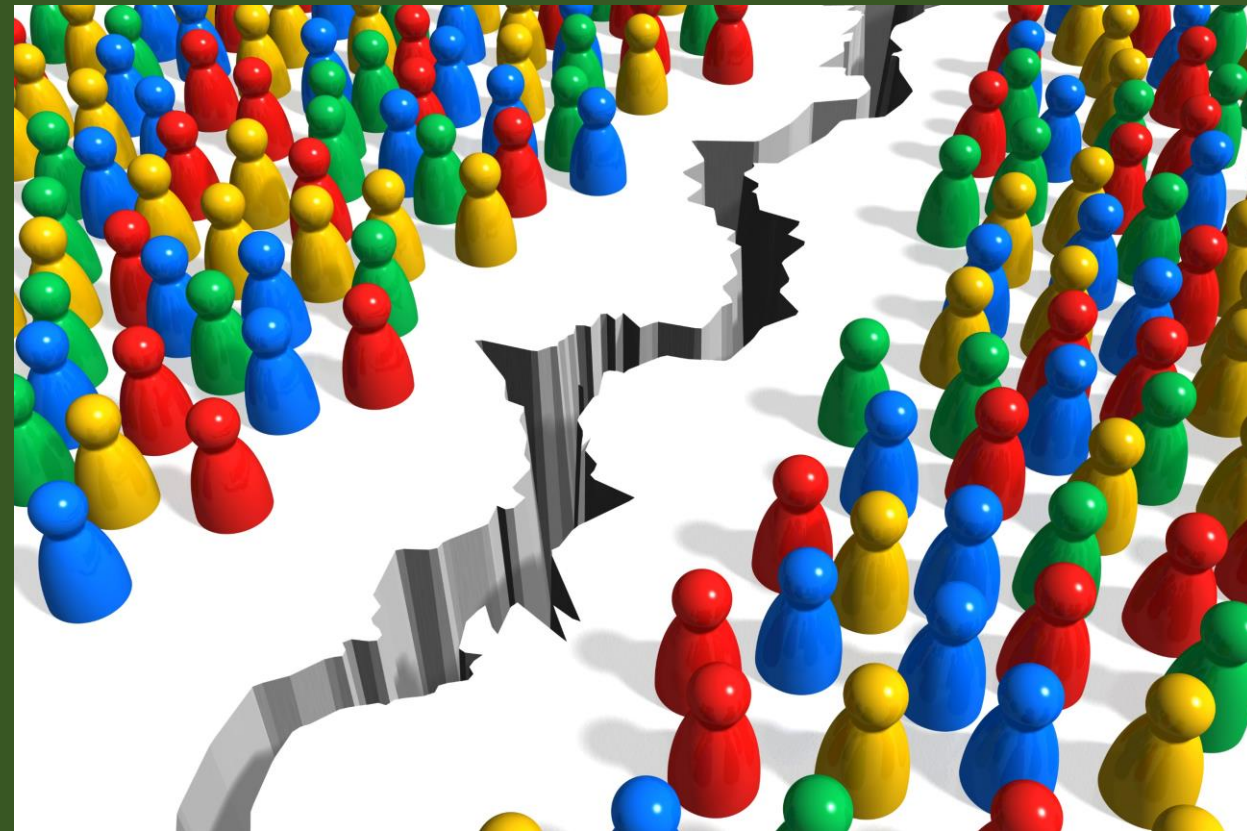
CRISIS





Rapidly Changing Globalization Geo-Politics & Geo-Economics

**Economic
Domestic
Tribalizing**



2023 Economic News

- ✓ GDP growth higher than expected
- ✓ People went back to work (No She-cession)
- ✓ Real wages growing above inflation
- ✓ Productivity rising
- ✓ No banking crisis
- ✓ Gas prices moderated
- ✓ Soft landing, so far

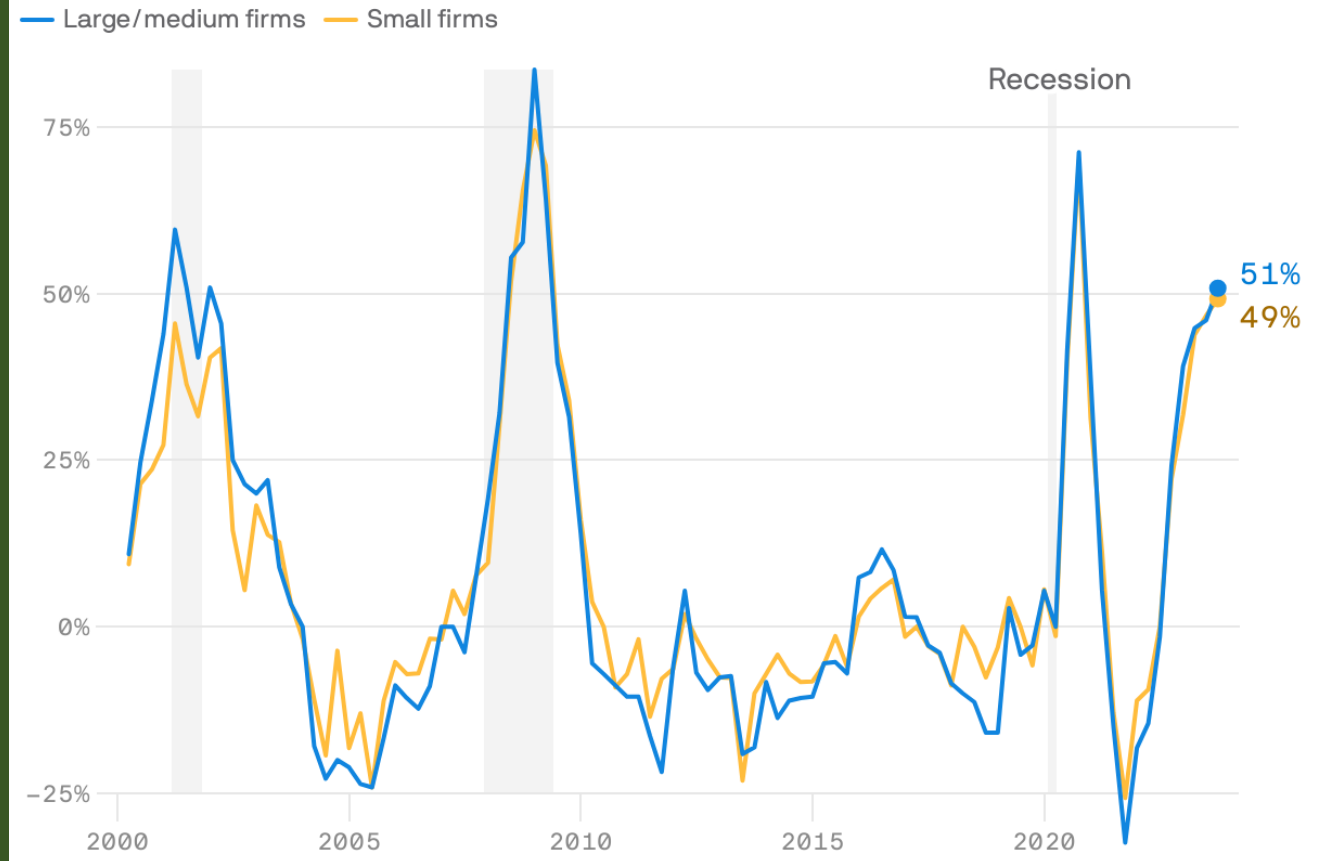


I Expect a Slower 2024

- End of excess savings
- Interest rates/ home building
- OPEC
- Bank lending tightening
- Student loans
- Election year

Net share of banks that said they tightened standards for commercial and industrial loans

Quarterly; Q1 2000 to Q3 2023



Data: Federal Reserve, FactSet; Note: Large/medium firms are those with annual sales of at least \$50 million; Chart: Axios Visuals



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Serendipity is Not a Strategy