

Selected U.S. and Kentucky Economic Variables
IHS Markit: Control Scenario
August 2023

	FY23	FY24	FY25	FY26
OUTPUT				
US Real GDP (Bil 2012\$)	20,231 1.8%	20,620 1.9%	20,866 1.2%	21,172 1.5%
Industrial Production Index, Total	1.6%	-0.8%	-0.5%	0.6%
Industrial Production Index, Durables	-0.6%	-1.4%	-0.6%	0.3%
INCOME				
KY Personal Income (Mil\$)	239,651 4.1%	248,392 3.6%	258,018 3.9%	268,113 3.9%
KY Wage & Salary Income (Mil\$)	118,027 7.4%	122,807 4.0%	127,298 3.7%	131,775 3.5%
KY Supplements to W&S (Mil\$)	29,367 5.6%	30,559 4.1%	31,846 4.2%	33,117 4.0%
KY Proprietors' Income (Mil\$)	17,373 6.1%	17,614 1.4%	17,868 1.4%	18,426 3.1%
KY Dividend, Interest, & Rent (Mil\$)	37,493 4.5%	39,382 5.0%	41,987 6.6%	43,638 3.9%
KY Transfer Payments (Mil\$)	61,308 -2.1%	63,010 2.8%	65,232 3.5%	68,560 5.1%
KY Social Insurance (Mil\$)	19,576 7.5%	20,422 4.3%	21,277 4.2%	22,088 3.8%
US Personal Income (Bil\$)	22,371 5.2%	23,410 4.6%	24,499 4.7%	25,561 4.3%

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	FY23	FY24	FY25	FY26
EMPLOYMENT				
KY Nonfarm Employment (Thous)	1,988.3 2.7%	1,997.6 0.5%	1,993.0 -0.2%	1,990.4 -0.1%
US Nonfarm Employment (Mil)	154.7 3.3%	156.7 1.3%	156.5 -0.1%	156.3 -0.2%
KY Manufacturing Employment (Thou)	257.1 4.1%	253.4 -1.4%	250.6 -1.1%	249.4 -0.5%
US Manufacturing Employment (Mil)	13.0 2.8%	12.9 -0.5%	12.5 -2.7%	12.3 -2.1%
OTHER KEY MEASURES				
Consumer Sentiment Index (Michigan)	60.5	69.1	82.0	87.8
Rate of Inflation (%)	6.3%	2.9%	2.5%	2.5%
US Retail Sales (%)	5.8%	2.0%	1.8%	1.8%
US Corporate Profits(%)	-2.9%	7.5%	1.6%	3.8%
Three-month Treasury Bills (%)	1005.8%	31.5%	-27.3%	-31.5%
Oil Price, West Texas (\$/barrel)	81.45	73.90	74.99	80.91

MAK: Macromodel of Kentucky
Governor's Office for Economic Analysis
Office of State Budget Director

Selected U.S. and Kentucky Economic Variables
IHS Markit: Optimistic Scenario
August 2023

	FY23	FY24	FY25	FY26
OUTPUT				
US Real GDP (Bil 2012\$)	20,231 1.8%	20,720 2.4%	21,088 1.8%	21,448 1.7%
Industrial Production Index, Total	1.6%	-0.3%	0.7%	1.6%
Industrial Production Index, Durables	-0.6%	-0.7%	0.1%	0.8%
INCOME				
KY Personal Income (Mil\$)	239,631 4.0%	249,492 4.1%	260,284 4.3%	270,916 4.1%
KY Wage & Salary Income (Mil\$)	118,015 7.4%	123,380 4.5%	128,354 4.0%	133,237 3.8%
KY Supplements to W&S (Mil\$)	29,359 5.6%	30,710 4.6%	32,188 4.8%	33,552 4.2%
KY Proprietors' Income (Mil\$)	17,368 6.1%	17,665 1.7%	18,266 3.4%	18,715 2.5%
KY Dividend, Interest, & Rent (Mil\$)	37,495 4.5%	39,851 6.3%	42,525 6.7%	44,117 3.7%
KY Transfer Payments (Mil\$)	61,310 -2.1%	62,986 2.7%	65,375 3.8%	68,977 5.5%
KY Social Insurance (Mil\$)	19,574 7.4%	20,541 4.9%	21,488 4.6%	22,369 4.1%
US Personal Income (Bil\$)	22,371 5.2%	23,554 5.3%	24,772 5.2%	25,885 4.5%

Selected U.S. and Kentucky Economic Variables
IHS Markit: Optimistic Scenario
August 2023

	FY23	FY24	FY25	FY26
EMPLOYMENT				
KY Nonfarm Employment (Thous)	1,988.3 2.7%	2,001.0 0.6%	1,998.9 -0.1%	1,997.8 -0.1%
US Nonfarm Employment (Mil)	154.7 3.3%	157.0 1.5%	156.8 -0.1%	156.7 -0.1%
KY Manufacturing Employment (Thou)	257.1 4.1%	254.4 -1.0%	252.5 -0.8%	251.9 -0.2%
US Manufacturing Employment (Mil)	13.0 2.8%	12.9 -0.4%	12.5 -2.8%	12.2 -2.4%
OTHER KEY MEASURES				
Consumer Sentiment Index (Michigan)	60.5	75.1	85.1	90.9
Rate of Inflation (%)	6.3%	2.9%	3.1%	2.6%
US Retail Sales (%)	5.8%	2.5%	2.9%	2.2%
US Corporate Profits(%)	-2.9%	8.5%	4.3%	4.5%
Three-month Treasury Bills (%)	1005.8%	34.8%	-23.6%	-30.0%
Oil Price, West Texas (\$/barrel)	81.45	71.87	74.99	80.91

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Selected U.S. and Kentucky Economic Variables
IHS Markit: Pessimistic Scenario
August 2023

	FY23	FY24	FY25	FY26
OUTPUT				
US Real GDP (Bil 2012\$)	20,231 1.8%	20,503 1.3%	20,622 0.6%	20,904 1.4%
Industrial Production Index, Total	1.6%	-1.7%	-2.8%	-0.2%
Industrial Production Index, Durables	-0.6%	-2.2%	-2.3%	0.0%
INCOME				
KY Personal Income (Mil\$)	239,655 4.1%	247,364 3.2%	255,328 3.2%	265,048 3.8%
KY Wage & Salary Income (Mil\$)	118,029 7.4%	121,264 2.7%	123,977 2.2%	127,538 2.9%
KY Supplements to W&S (Mil\$)	29,365 5.6%	30,158 2.7%	31,021 2.9%	31,985 3.1%
KY Proprietors' Income (Mil\$)	17,381 6.2%	18,094 4.1%	18,554 2.5%	19,277 3.9%
KY Dividend, Interest, & Rent (Mil\$)	37,492 4.5%	39,365 5.0%	41,575 5.6%	43,871 5.5%
KY Transfer Payments (Mil\$)	61,306 -2.1%	63,210 3.1%	65,867 4.2%	69,056 4.8%
KY Social Insurance (Mil\$)	19,576 7.5%	20,168 3.0%	20,730 2.8%	21,366 3.1%
US Personal Income (Bil\$)	22,371 5.2%	23,292 4.1%	24,201 3.9%	25,256 4.4%

Selected U.S. and Kentucky Economic Variables
IHS Markit: Pessimistic Scenario
August 2023

	FY23	FY24	FY25	FY26
EMPLOYMENT				
KY Nonfarm Employment (Thous)	1,988.3 2.7%	1,977.3 -0.6%	1,947.3 -1.5%	1,940.2 -0.4%
US Nonfarm Employment (Mil)	154.7 3.3%	154.7 0.0%	152.4 -1.5%	151.8 -0.4%
KY Manufacturing Employment (Thou)	257.1 4.1%	250.4 -2.6%	241.6 -3.5%	238.6 -1.2%
US Manufacturing Employment (Mil)	13.0 2.8%	12.5 -3.4%	12.0 -4.4%	11.7 -2.4%
OTHER KEY MEASURES				
Consumer Sentiment Index (Michigan)	60.5	59.9	71.8	79.4
Rate of Inflation (%)	6.3%	3.7%	3.0%	2.0%
US Retail Sales (%)	5.8%	2.0%	1.5%	1.3%
US Corporate Profits(%)	-2.9%	9.0%	-1.5%	2.3%
Three-month Treasury Bills (%)	1005.8%	33.8%	-50.5%	-65.4%
Oil Price, West Texas (\$/barrel)	81.45	87.18	91.63	97.99

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Selected U.S. and Kentucky Economic Variables
Forecast Comparison
August 2023

	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
	IHS Markit: August 23 Control			IHS Markit: August 23 Optimistic			IHS Markit: August 23 Pessimistic		
US Real GDP (Bil 2012\$)	20,620 1.9%	20,866 1.2%	21,172 1.5%	20,720 2.4%	21,088 1.8%	21,448 1.7%	20,503 1.3%	20,622 0.6%	20,904 1.4%
Industrial Production Index, Total	-0.8%	-0.5%	0.6%	-0.3%	0.7%	1.6%	-1.7%	-2.8%	-0.2%
Industrial Production, Durables	-1.4%	-0.6%	0.3%	-0.7%	0.1%	0.8%	-2.2%	-2.3%	0.0%
KY Personal Income (Mil\$)	248,392 3.6%	258,018 3.9%	268,113 3.9%	249,492 4.1%	260,284 4.3%	270,916 4.1%	247,364 3.2%	255,328 3.2%	265,048 3.8%
KY Wage & Salary Income (Mil\$)	122,807 4.0%	127,298 3.7%	131,775 3.5%	123,380 4.5%	128,354 4.0%	133,237 3.8%	121,264 2.7%	123,977 2.2%	127,538 2.9%
US Personal Income (Bil\$)	23,410 4.6%	24,499 4.7%	25,561 4.3%	23,554 5.3%	24,772 5.2%	25,885 4.5%	23,292 4.1%	24,201 3.9%	25,256 4.4%
KY Nonfarm Employment ('000)	1,997.6 0.5%	1,993.0 -0.2%	1,990.4 -0.1%	2,001.0 0.6%	1,998.9 -0.1%	1,997.8 -0.1%	1,977.3 -0.6%	1,947.3 -1.5%	1,940.2 -0.4%
US Nonfarm Employment (Mil)	156.7 1.3%	156.5 -0.1%	156.3 -0.2%	157.0 1.5%	156.8 -0.1%	156.7 -0.1%	154.7 0.0%	152.4 -1.5%	151.8 -0.4%
CPI, Rate of Inflation	2.9%	2.5%	2.5%	2.9%	3.1%	2.6%	3.7%	3.0%	2.0%
US Retail Sales	2.0%	1.8%	1.8%	2.5%	2.9%	2.2%	2.0%	1.5%	1.3%
US Corporate Profits	7.5%	1.6%	3.8%	8.5%	4.3%	4.5%	9.0%	-1.5%	2.3%
Oil Price, WTI (\$/barrel)	73.90	74.99	80.91	71.87	74.99	80.91	87.18	91.63	97.99