

Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Control Scenario
December 2023

	FY23	FY24	FY25	FY26
OUTPUT				
US Real GDP (Bil 2012\$)	22,045 1.6%	22,564 2.4%	22,789 1.0%	23,163 1.6%
Industrial Production Index, Total	1.5%	0.1%	-0.5%	1.1%
Industrial Production Index, Durables	-0.8%	-1.7%	-0.6%	0.9%
INCOME				
KY Personal Income (Mil\$)	239,885 4.0%	250,727 4.5%	261,116 4.1%	271,377 3.9%
KY Wage & Salary Income (Mil\$)	118,626 8.3%	125,728 6.0%	129,833 3.3%	133,923 3.1%
KY Supplements to W&S (Mil\$)	27,882 4.6%	29,442 5.6%	30,581 3.9%	31,719 3.7%
KY Proprietors' Income (Mil\$)	17,098 1.8%	17,613 3.0%	18,237 3.5%	18,746 2.8%
KY Dividend, Interest, & Rent (Mil\$)	39,040 5.6%	40,502 3.7%	43,257 6.8%	45,508 5.2%
KY Transfer Payments (Mil\$)	60,535 -2.6%	62,088 2.6%	64,867 4.5%	68,233 5.2%
KY Social Insurance (Mil\$)	19,027 7.9%	20,086 5.6%	20,725 3.2%	21,437 3.4%
US Personal Income (Bil\$)	22,455 5.1%	23,494 4.6%	24,710 5.2%	25,905 4.8%

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	FY23	FY24	FY25	FY26
EMPLOYMENT				
KY Nonfarm Employment (Thous)	1,988.1 2.7%	2,021.8 1.7%	2,022.3 0.0%	2,026.9 0.2%
US Nonfarm Employment (Mil)	154.7 3.3%	157.0 1.5%	157.2 0.1%	157.5 0.2%
KY Manufacturing Employment (Thou)	257.1 4.1%	259.1 0.8%	255.2 -1.5%	253.3 -0.7%
US Manufacturing Employment (Mil)	13.0 2.8%	13.0 0.2%	12.6 -3.0%	12.2 -3.2%
OTHER KEY MEASURES				
Consumer Sentiment Index (Michigan)	60.5	74.2	84.3	90.6
Rate of Inflation (%)	3.0%	3.1%	3.2%	3.2%
US Retail Sales (%)	5.7%	3.1%	1.9%	1.9%
US Corporate Profits(%)	-1.4%	10.1%	-2.4%	0.6%
Three-month Treasury Bills (%)	4.1%	5.5%	4.5%	3.1%
Oil Price, West Texas (\$/barrel)	81.45	81.00	75.23	73.67

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

Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Optimistic Scenario
December 2023

	FY23	FY24	FY25	FY26
OUTPUT				
US Real GDP (Bil 2012\$)	22,045 1.6%	22,643 2.7%	23,037 1.7%	23,475 1.9%
Industrial Production Index, Total	1.5%	0.4%	0.7%	2.1%
Industrial Production Index, Durables	-0.8%	-1.1%	0.5%	1.4%
INCOME				
KY Personal Income (Mil\$)	239,885 4.0%	251,535 4.9%	263,693 4.8%	274,776 4.2%
KY Wage & Salary Income (Mil\$)	118,626 8.3%	126,306 6.5%	131,110 3.8%	135,670 3.5%
KY Supplements to W&S (Mil\$)	27,882 4.6%	29,571 6.1%	30,919 4.6%	32,194 4.1%
KY Proprietors' Income (Mil\$)	17,098 1.8%	17,557 2.7%	18,614 6.0%	19,203 3.2%
KY Dividend, Interest, & Rent (Mil\$)	39,040 5.6%	40,724 4.3%	43,800 7.6%	46,079 5.2%
KY Transfer Payments (Mil\$)	60,535 -2.6%	62,093 2.6%	65,101 4.8%	68,661 5.5%
KY Social Insurance (Mil\$)	19,027 7.9%	20,157 5.9%	20,915 3.8%	21,718 3.8%
US Personal Income (Bil\$)	22,455 5.1%	23,584 5.0%	24,986 5.9%	26,254 5.1%

Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Optimistic Scenario
December 2023

	FY23	FY24	FY25	FY26
EMPLOYMENT				
KY Nonfarm Employment (Thous)	1,988.1 2.7%	2,026.4 1.9%	2,030.7 0.2%	2,035.6 0.2%
US Nonfarm Employment (Mil)	154.7 3.3%	157.4 1.7%	157.7 0.2%	158.1 0.2%
KY Manufacturing Employment (Thou)	257.1 4.1%	259.7 1.0%	256.9 -1.1%	255.7 -0.5%
US Manufacturing Employment (Mil)	13.0 2.8%	13.0 0.3%	12.6 -3.3%	12.1 -3.4%
OTHER KEY MEASURES				
Consumer Sentiment Index (Michigan)	60.5	75.7	85.9	92.5
Rate of Inflation (%)	3.0%	3.1%	3.2%	3.3%
US Retail Sales (%)	5.7%	3.5%	3.2%	2.4%
US Corporate Profits(%)	-1.4%	11.2%	0.8%	1.5%
Three-month Treasury Bills (%)	4.1%	5.6%	4.9%	3.4%
Oil Price, West Texas (\$/barrel)	81.45	77.83	75.23	73.66

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Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Pessimistic Scenario
December 2023

	FY23	FY24	FY25	FY26
OUTPUT				
US Real GDP (Bil 2012\$)	22,045 1.6%	22,472 1.9%	22,549 0.3%	22,900 1.6%
Industrial Production Index, Total	1.5%	-0.4%	-2.8%	0.0%
Industrial Production Index, Durables	-0.8%	-2.2%	-2.4%	0.4%
INCOME				
KY Personal Income (Mil\$)	239,885 4.0%	250,531 4.4%	259,442 3.6%	269,072 3.7%
KY Wage & Salary Income (Mil\$)	118,626 8.3%	125,246 5.6%	127,508 1.8%	130,501 2.3%
KY Supplements to W&S (Mil\$)	27,882 4.6%	29,314 5.1%	29,928 2.1%	30,727 2.7%
KY Proprietors' Income (Mil\$)	17,098 1.8%	17,868 4.5%	19,011 6.4%	19,735 3.8%
KY Dividend, Interest, & Rent (Mil\$)	39,040 5.6%	40,481 3.7%	42,870 5.9%	45,466 6.1%
KY Transfer Payments (Mil\$)	60,535 -2.6%	62,169 2.7%	65,313 5.1%	68,723 5.2%
KY Social Insurance (Mil\$)	19,027 7.9%	19,988 5.1%	20,251 1.3%	20,766 2.5%
US Personal Income (Bil\$)	22,455 5.1%	23,454 4.5%	24,412 4.1%	25,551 4.7%

Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Pessimistic Scenario
December 2023

	FY23	FY24	FY25	FY26
EMPLOYMENT				
KY Nonfarm Employment (Thous)	1,988.1 2.7%	2,012.2 1.2%	1,984.6 -1.4%	1,980.5 -0.2%
US Nonfarm Employment (Mil)	154.7 3.3%	156.1 0.9%	153.8 -1.5%	153.5 -0.2%
KY Manufacturing Employment (Thou)	257.1 4.1%	258.0 0.3%	247.6 -4.0%	242.2 -2.2%
US Manufacturing Employment (Mil)	13.0 2.8%	12.9 -0.8%	12.1 -6.1%	11.5 -4.5%
OTHER KEY MEASURES				
Consumer Sentiment Index (Michigan)	60.5	67.5	76.9	84.4
Rate of Inflation (%)	3.0%	3.1%	3.2%	3.3%
US Retail Sales (%)	5.7%	3.0%	1.7%	1.4%
US Corporate Profits(%)	-2.9%	9.0%	-1.5%	2.3%
Three-month Treasury Bills (%)	4.1%	5.5%	3.8%	1.4%
Oil Price, West Texas (\$/barrel)	81.66	91.32	89.59	94.13

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

	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
	S&P IHS Global: Dec 23 Control			S&P IHS Global: Dec 23 Optimistic			S&P IHS Global: Dec 23 Pessimistic			S&P IHS Global: Sept 23 Control			S&P IHS Global: Sept 23 Optimistic			S&P IHS Global: Sept 23 Pessimistic		
US Real GDP (Bil 2012\$)	22,564 2.4%	22,789 1.0%	23,163 1.6%	22,643 2.7%	23,037 1.7%	23,475 1.9%	22,472 1.9%	22,549 0.3%	22,900 1.6%	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	0.1%	-0.5%	1.1%	0.4%	0.7%	2.1%	-0.4%	-2.8%	0.0%	-0.8%	-0.5%	0.6%	-0.3%	0.7%	1.6%	-1.7%	-2.8%	-0.2%
Industrial Production, Durables	-1.7%	-0.6%	0.9%	-1.1%	0.5%	1.4%	-2.2%	-2.4%	0.4%	-1.4%	-0.6%	0.3%	-0.7%	0.1%	0.8%	-2.2%	-2.3%	0.0%
KY Personal Income (Mil\$)	250,727 4.5%	261,116 4.1%	271,377 3.9%	251,535 4.9%	263,693 4.8%	274,776 4.2%	250,531 4.4%	259,442 3.6%	269,072 3.7%	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\$)	125,728 6.0%	129,833 3.3%	133,923 3.1%	126,306 6.5%	131,110 3.8%	135,670 3.5%	125,246 5.6%	127,508 1.8%	130,501 2.3%	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\$)	23,494 4.6%	24,710 5.2%	25,905 4.8%	23,584 5.0%	24,986 5.9%	26,254 5.1%	23,454 4.5%	24,412 4.1%	25,551 4.7%	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)	2,021.8 1.7%	2,022.3 0.0%	2,026.9 0.2%	2,026.4 1.9%	2,030.7 0.2%	2,035.6 0.2%	2,012.2 1.2%	1,984.6 -1.4%	1,980.5 -0.2%	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)	157.0 1.5%	157.2 0.1%	157.5 0.2%	157.4 1.7%	157.7 0.2%	158.1 0.2%	156.1 0.9%	153.8 -1.5%	153.5 -0.2%	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	3.1%	3.2%	3.2%	3.1%	3.2%	3.3%	3.1%	3.2%	3.3%	3.1%	3.2%	3.2%	3.1%	3.2%	3.3%	3.1%	3.2%	3.3%
US Retail Sales	3.1%	1.9%	1.9%	3.5%	3.2%	2.4%	3.0%	1.7%	1.4%	2.0%	1.8%	1.8%	2.5%	2.9%	2.2%	2.0%	1.5%	1.3%
US Corporate Profits	10.1%	-2.4%	0.6%	11.2%	0.8%	1.5%	9.0%	-1.5%	2.3%	7.5%	1.6%	3.8%	8.5%	4.3%	4.5%	9.0%	-1.5%	2.3%
Oil Price, WTI (\$/barrel)	81.00	75.23	73.67	77.83	75.23	73.66	91.32	89.59	94.13	73.90	74.99	80.91	71.87	74.99	80.91	87.18	91.63	97.99