

Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Control Scenario
August 2025

	FY23	FY24	FY25	FY26	FY27	FY28
OUTPUT						
US Real GDP (Bil 2012\$)	22,315 2.2%	23,005 3.1%	23,535 2.3%	23,967 1.8%	24,507 2.3%	24,877 1.5%
Industrial Production Index, Total	1.5%	-0.2%	0.3%	0.3%	0.0%	-0.3%
Industrial Production Index, Durables	-0.7%	-0.5%	1.0%	0.6%	0.6%	-0.6%
INCOME						
KY Personal Income (Mil\$)	244,000 4.8%	257,758 5.6%	269,058 4.4%	281,530 4.6%	294,890 4.7%	307,039 4.1%
KY Wage & Salary Income (Mil\$)	117,803 7.4%	124,664 5.8%	128,511 3.1%	134,033 4.3%	139,287 3.9%	144,638 3.8%
KY Supplements to W&S (Mil\$)	27,882 4.3%	29,496 5.8%	30,749 4.2%	32,538 5.8%	34,037 4.6%	35,530 4.4%
KY Proprietors' Income (Mil\$)	17,763 0.5%	17,931 0.9%	18,462 3.0%	19,483 5.5%	21,642 11.1%	22,500 4.0%
KY Dividend, Interest, & Rent (Mil\$)	40,607 8.9%	43,542 7.2%	44,388 1.9%	45,199 1.8%	47,216 4.5%	49,337 4.5%
KY Transfer Payments (Mil\$)	63,422 0.1%	66,837 5.4%	72,280 8.1%	76,905 6.4%	80,476 4.6%	83,940 4.3%
KY Social Insurance (Mil\$)	19,468 6.6%	20,336 4.5%	20,832 2.4%	21,660 4.0%	22,463 3.7%	23,262 3.6%
US Personal Income (Bil\$)	22,804 6.2%	24,065 5.5%	25,247 4.9%	26,550 5.2%	28,030 5.6%	29,420 5.0%

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S&P IHS Global: Control Scenario
August 2025

	FY23	FY24	FY25	FY26	FY27	FY28
EMPLOYMENT						
KY Nonfarm Employment (Thous)	1,997.3 3.2%	2,028.8 1.6%	2,046.3 0.9%	2,058.6 0.6%	2,068.2 0.5%	2,071.8 0.2%
US Nonfarm Employment (Mil)	154.5 3.2%	157.0 1.6%	158.8 1.2%	159.9 0.7%	160.7 0.5%	161.2 0.3%
KY Manufacturing Employment (Thou)	255.1 3.3%	258.2 1.2%	258.0 0.0%	257.0 -0.4%	255.6 -0.5%	254.6 -0.4%
US Manufacturing Employment (Mil)	12.9 2.6%	12.9 -0.1%	12.8 -0.6%	12.6 -1.5%	12.4 -1.3%	12.4 0.1%
OTHER KEY MEASURES						
Consumer Sentiment Index (Michigan)	60.5	71.1	64.9	62.9	66.2	69.9
Rate of Inflation (%)	6.3%	3.3%	2.6%	2.9%	2.5%	2.4%
US Retail Sales (%)	5.5%	2.9%	3.7%	3.7%	3.1%	2.9%
US Corporate Profits(%)	-0.7%	11.4%	8.6%	-13.7%	4.5%	-0.2%
Three-month Treasury Bills (%)	4.1%	5.3%	4.5%	3.9%	2.8%	2.6%
Oil Price, West Texas (\$/barrel)	81.45	79.90	70.84	56.11	56.80	67.45

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
August 2025

	FY23	FY24	FY25	FY26	FY27	FY28
OUTPUT						
US Real GDP (Bil 2012\$)	22,315 2.2%	23,005 3.1%	23,535 2.3%	24,139 2.6%	24,822 2.8%	25,239 1.7%
Industrial Production Index, Total	1.5%	-0.2%	0.3%	1.0%	0.6%	-0.3%
Industrial Production Index, Durables	-0.7%	-0.5%	1.0%	1.5%	1.3%	-0.4%
INCOME						
KY Personal Income (Mil\$)	244,000 4.8%	257,758 5.6%	269,066 4.4%	282,562 5.0%	297,905 5.4%	312,156 4.8%
KY Wage & Salary Income (Mil\$)	117,803 7.4%	124,664 5.8%	128,518 3.1%	134,361 4.5%	139,895 4.1%	146,115 4.4%
KY Supplements to W&S (Mil\$)	27,882 4.3%	29,496 5.8%	30,738 4.2%	32,495 5.7%	34,093 4.9%	35,839 5.1%
KY Proprietors' Income (Mil\$)	17,763 0.5%	17,931 0.9%	18,453 2.9%	20,002 8.4%	23,052 15.2%	24,389 5.8%
KY Dividend, Interest, & Rent (Mil\$)	40,607 8.9%	43,542 7.2%	44,393 2.0%	45,477 2.4%	48,103 5.8%	50,465 4.9%
KY Transfer Payments (Mil\$)	63,422 0.1%	66,837 5.4%	72,295 8.2%	76,864 6.3%	80,603 4.9%	84,482 4.8%
KY Social Insurance (Mil\$)	19,468 6.6%	20,336 4.5%	20,832 2.4%	21,669 4.0%	22,534 4.0%	23,492 4.3%
US Personal Income (Bil\$)	22,804 6.2%	24,065 5.5%	25,247 4.9%	26,637 5.5%	28,366 6.5%	29,973 5.7%

Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Optimistic Scenario
August 2025

	FY23	FY24	FY25	FY26	FY27	FY28
EMPLOYMENT						
KY Nonfarm Employment (Thous)	1,997.3 3.2%	2,028.8 1.6%	2,046.3 0.9%	2,064.3 0.9%	2,078.0 0.7%	2,082.9 0.2%
US Nonfarm Employment (Mil)	154.5 3.2%	157.0 1.6%	158.8 1.2%	160.2 0.9%	161.4 0.8%	162.0 0.3%
KY Manufacturing Employment (Thou)	255.1 3.3%	258.2 1.2%	258.0 0.0%	257.7 -0.1%	257.1 -0.2%	255.7 -0.6%
US Manufacturing Employment (Mil)	12.9 2.6%	12.9 -0.1%	12.8 -0.6%	12.5 -1.8%	12.4 -1.2%	12.4 -0.4%
OTHER KEY MEASURES						
Consumer Sentiment Index (Michigan)	60.5	71.1	64.9	64.3	69.1	72.4
Rate of Inflation (%)	6.3%	3.3%	2.6%	2.7%	2.8%	2.9%
US Retail Sales (%)	5.5%	2.9%	3.7%	4.3%	5.0%	3.7%
US Corporate Profits(%)	-0.7%	11.4%	8.6%	-11.5%	7.3%	0.7%
Three-month Treasury Bills (%)	4.1%	5.3%	4.5%	3.6%	2.6%	2.4%
Oil Price, West Texas (\$/barrel)	81.45	79.90	70.84	58.66	59.35	69.17

MAK: Macromodel of Kentucky
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Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Pessimistic Scenario
August 2025

	FY23	FY24	FY25	FY26	FY27	FY28
OUTPUT						
US Real GDP (Bil 2012\$)	22,315 2.2%	23,005 3.1%	23,535 2.3%	23,733 0.8%	23,973 1.0%	24,204 1.0%
Industrial Production Index, Total	1.5%	-0.2%	0.3%	-0.9%	-1.4%	-0.7%
Industrial Production Index, Durables	-0.7%	-0.5%	1.0%	-0.7%	-0.8%	-1.3%
INCOME						
KY Personal Income (Mil\$)	244,000 4.8%	257,758 5.6%	269,064 4.4%	280,646 4.3%	291,116 3.7%	300,703 3.3%
KY Wage & Salary Income (Mil\$)	117,803 7.4%	124,664 5.8%	128,519 3.1%	133,892 4.2%	138,056 3.1%	141,878 2.8%
KY Supplements to W&S (Mil\$)	27,882 4.3%	29,496 5.8%	30,750 4.3%	32,510 5.7%	33,659 3.5%	34,728 3.2%
KY Proprietors' Income (Mil\$)	17,763 0.5%	17,931 0.9%	18,460 3.0%	18,759 1.6%	20,219 7.8%	20,731 2.5%
KY Dividend, Interest, & Rent (Mil\$)	40,607 8.9%	43,542 7.2%	44,392 2.0%	44,961 1.3%	45,823 1.9%	47,680 4.1%
KY Transfer Payments (Mil\$)	63,422 0.1%	66,837 5.4%	72,278 8.1%	77,114 6.7%	80,878 4.9%	84,080 4.0%
KY Social Insurance (Mil\$)	19,468 6.6%	20,336 4.5%	20,835 2.5%	21,622 3.8%	22,212 2.7%	22,750 2.4%
US Personal Income (Bil\$)	22,804 6.2%	24,065 5.5%	25,247 4.9%	26,417 4.6%	27,518 4.2%	28,622 4.0%

Selected U.S. and Kentucky Economic Variables
S&P IHS Global: Pessimistic Scenario
August 2025

	FY23	FY24	FY25	FY26	FY27	FY28
EMPLOYMENT						
KY Nonfarm Employment (Thous)	1,997.3 3.2%	2,028.8 1.6%	2,046.3 0.9%	2,049.9 0.2%	2,038.9 -0.5%	2,028.8 -0.5%
US Nonfarm Employment (Mil)	154.5 3.2%	157.0 1.6%	158.8 1.2%	159.1 0.2%	158.0 -0.7%	157.1 -0.5%
KY Manufacturing Employment (Thou)	255.1 3.3%	258.2 1.2%	258.0 0.0%	255.1 -1.1%	249.6 -2.1%	247.5 -0.8%
US Manufacturing Employment (Mil)	12.9 2.6%	12.9 -0.1%	12.8 -0.6%	12.5 -1.8%	12.1 -3.7%	12.0 -0.8%
OTHER KEY MEASURES						
Consumer Sentiment Index (Michigan)	60.5	71.1	64.9	53.0	55.1	61.8
Rate of Inflation (%)	6.3%	3.3%	2.6%	3.0%	2.4%	2.1%
US Retail Sales (%)	5.5%	2.9%	3.7%	3.0%	1.0%	1.5%
US Corporate Profits(%)	-0.7%	11.4%	8.6%	-16.1%	1.0%	0.5%
Three-month Treasury Bills (%)	4.1%	5.3%	4.5%	3.4%	2.0%	1.8%
Oil Price, West Texas (\$/barrel)	81.45	79.90	70.84	52.80	51.15	63.45

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Selected U.S. and Kentucky Economic Variables
Forecast Comparison
August 2025

	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
	S&P IHS Global: August 25 Control			S&P IHS Global: August 25 Optimistic			S&P IHS Global: August 25 Pessimistic		
US Real GDP (Bil 2012\$)	23,967 1.8%	24,507 2.3%	24,877 1.5%	24,139 2.6%	24,822 2.8%	25,239 1.7%	23,733 0.8%	23,973 1.0%	24,204 1.0%
Industrial Production Index, Total	0.3%	0.0%	-0.3%	1.0%	0.6%	-0.3%	-0.9%	-1.4%	-0.7%
Industrial Production, Durables	0.6%	0.6%	-0.6%	1.5%	1.3%	-0.4%	-0.7%	-0.8%	-1.3%
KY Personal Income (Mil\$)	281,530 4.6%	294,890 4.7%	307,039 4.1%	282,562 5.0%	297,905 5.4%	312,156 4.8%	280,646 4.3%	291,116 3.7%	300,703 3.3%
KY Wage & Salary Income (Mil\$)	134,033 4.3%	139,287 3.9%	144,638 3.8%	134,361 4.5%	139,895 4.1%	146,115 4.4%	133,892 4.2%	138,056 3.1%	141,878 2.8%
US Personal Income (Bil\$)	26,550 5.2%	28,030 5.6%	29,420 5.0%	26,637 5.5%	28,366 6.5%	29,973 5.7%	26,417 4.6%	27,518 4.2%	28,622 4.0%
KY Nonfarm Employment ('000)	2,058.6 0.6%	2,068.2 0.5%	2,071.8 0.2%	2,064.3 0.9%	2,078.0 0.7%	2,082.9 0.2%	2,049.9 0.2%	2,038.9 -0.5%	2,028.8 -0.5%
US Nonfarm Employment (Mil)	159.9 0.7%	160.7 0.5%	161.2 0.3%	160.2 0.9%	161.4 0.8%	162.0 0.3%	159.1 0.2%	158.0 -0.7%	157.1 -0.5%
CPI, Rate of Inflation	2.9%	2.5%	2.4%	2.7%	2.8%	2.9%	3.0%	2.4%	2.1%
US Retail Sales	3.7%	3.1%	2.9%	4.3%	5.0%	3.7%	3.0%	1.0%	1.5%
US Corporate Profits	-13.7%	4.5%	-0.2%	-11.5%	7.3%	0.7%	-16.1%	1.0%	0.5%
Oil Price, WTI (\$/barrel)	56.11	56.80	67.45	58.66	59.35	69.17	52.80	51.15	63.45

MAK2006: Macromodel of Kentucky
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