How a UK economic report helps shape Kentucky's future

BY LINDSEY PIERCY
UKNOW



Screenshot

LEXINGTON, Ky. — What began as an annual publication tracking economic trends has evolved into one of Kentucky's most comprehensive resources for policymakers, business leaders and community organizations working to plan for the future.

Produced by UK's Center for Business and Economic Research (CBER) in the Gatton College of Business and Economics, the Kentucky Annual Economic Report traces its origins to 1972 — when the first report was released by the Kentucky Council of Economic Advisors.

"Developing sound public policy is difficult, and it becomes much harder without reliable data and the context needed to understand what those data mean," said CBER Director Michael W. Clark, Ph.D. "The Kentucky Annual Economic Report helps policymakers, business and community leaders, and citizens understand the economic, workforce and demographic challenges facing the Commonwealth and make better-informed decisions."

CBER assumed responsibility for publishing the report in 1984, and in 1986 the Kentucky General Assembly enacted KRS 164.738 — directing CBER to maintain state economic data and produce the annual report.

Over time, the publication has expanded far beyond traditional economic indicators. Beginning in 2013, Michael Childress, CBER research associate and managing editor of the Annual Economic Report, redesigned and broadened the report to place greater emphasis on the long-term forces shaping Kentucky's economy and quality of life.

Today, the report examines 13 major topic areas — ranging from the economy, education and workforce to health, infrastructure, innovation, population, public finance and the strength of Kentucky's communities. By combining data, research and analysis across these areas, the report provides a broad view of the state's challenges, progress and opportunities.

WHAT THE 2026 REPORT SAYS ABOUT KENTUCKY

At more than 360 pages, the 2026 Kentucky Annual Economic Report highlights Kentucky's economic strengths, while identifying persistent challenges that could affect the state's long-term growth.

"The economic strengths include a diverse mix of industries, a central location, strong transportation networks, competitive energy costs and a growing manufacturing sector," Clark said. "But the report also finds that building a more skilled and educated workforce will be key to the state's future growth."

Kentucky continues to trail the nation and many competitor states in educational attainment and labor force participation, with significant regional disparities and acute challenges in many rural and Appalachian communities.

The report also points to innovation, infrastructure and population trends as important to Kentucky's economic future. The state continues to lag the nation in areas such as venture capital, patents and STEM jobs. Slow population growth and an aging population could also make it harder to grow the workforce.

Overall, the report identifies education, workforce participation, innovation and infrastructure as key areas that will determine Kentucky's ability to build on its strengths and support continued economic growth.

A NATIONAL MODEL FOR LONG-TERM PLANNING

The approach to building the comprehensive report recently received national recognition.

The Pew Charitable Trusts highlighted CBER's report in "States Are Thinking Long Term to Prepare for Emerging Budget Risks," an examination of how state governments are using information about demographic, climate and technological change to prepare for fiscal challenges.

"The CBER annual report stands out as an example of putting long-term trend data into the context of a state's fiscal outlook," said Caitlyn Wan Smith, officer with The Pew Charitable Trusts. "Incorporating this type of information into the budget process gives decision-makers the opportunity and insight to plan for challenges beyond the next fiscal year."

A TRUSTED RESOURCE FOR KENTUCKY LEADERS

For Kentucky policymakers, the report serves as a day-to-day reference.

"The Kentucky Annual Economic Report is one of those resources I keep within arm's reach at my desk in Frankfort. It's an encyclopedia of Kentucky's economy — bringing together an extraordinary amount of information in one place," said Sen. Chris McDaniel of Ryland Heights, chair of the Senate Appropriations & Revenue Committee. "Whether I'm looking at employment trends, household income, public finances or any number of other issues, the report helps me better understand where Kentucky stands and the factors shaping our future. It's an invaluable reference for anyone responsible for making informed decisions on behalf of the commonwealth."

Organizations across education, business, innovation and public policy also rely on the report to understand how Kentucky is evolving and what those changes mean for its future.

"We look forward to the report every year as a barometer on how the state is doing — in areas of progress and in areas where we need to make progress," said Brigitte Blom, president and CEO of the Prichard Committee for Academic Excellence. "The report helps us see where we are progressing as a state and where we need to collectively double down."

"The report is a critical tool for Kentucky's business community," added Charles Aull, Ph.D., vice president of policy and research for the Kentucky Chamber of Commerce. "It helps organizations like the chamber to have all this information accessible in one place and to have it produced by trusted researchers."

Kris Kimel, co-founder of Space Tango, founder of Humanity in Deep Space and partner with Kentucky Space Futures, said the report helps frame discussions about Kentucky's long-term competitiveness.

"For many years, we have relied on CBER's Kentucky Annual Economic Report, because it looks beyond today's economy and examines the long-term forces that will shape Kentucky's future competitiveness," Kimel said. "Creating Kentucky's future economy requires more than good intentions — it requires credible data, thoughtful analysis, a willingness to look beyond the next budget cycle and imaginative new ideas. The annual report helps frame the conversations Kentucky needs to be having if we hope to build a more competitive, innovation-driven economy."

PUTTING THE DATA TO WORK

The report also has practical applications in state government.

Nick Grinstead, Ph.D., HMA planner/planning grants manager with the UK Hazard Mitigation Grants Program Office, has been using the report since 2013 to help Kentucky meet federal requirements for its FEMA-approved hazard mitigation plan.

Stephanie Robey, assistant director of administration at the Kentucky Division of Emergency Management, also uses the report when Kentucky seeks federal disaster assistance.

"When developing the governor's request for a Presidential Major Disaster Declaration, I rely heavily on the Kentucky Annual Economic Report," she said. "Much of the decision-making by FEMA and the White House is centered on socioeconomics. To have this wealth of data and analysis is crucial."

The report is intended to serve a practical purpose: helping people make informed decisions about Kentucky's future. Its findings can support everything from budgeting and fiscal planning to decisions involving education, business, innovation and emergency management.

LOOKING BEYOND THE NEXT BUDGET CYCLE

The modern report blends CBER's longstanding tradition of economic analysis with the broader public-policy perspective developed through that work.

"Economic development is ultimately about preparing for the future," Childress said. "Many of the forces that will determine Kentucky's long-term prosperity — including demographic change, educational attainment, entrepreneurship, technological innovation, infrastructure and workforce development — unfold over decades rather than election cycles. Our goal is to identify those trends early, present them objectively and provide research that helps Kentucky's leaders anticipate opportunities and challenges before they become immediate problems."

More than 50 years after its debut, the Kentucky Annual Economic Report remains rooted in its original purpose of helping Kentuckians understand their economy. Today, however, it offers something broader.

"This recognition affirms the important role university-based research can play in helping Kentucky prepare for the future," Clark added. "For more than five decades, CBER has provided independent, data-driven analysis that helps policymakers, business leaders and communities understand not only where Kentucky's economy is today, but where it is headed. That work reflects the University of Kentucky's land-grant mission, and we're honored that it has been recognized as a model for supporting long-term public policy planning."

Kentucky Power files plan to protect customers from data center costs

BY TOM LATEK
KENTUCKY TODAY

ASHLAND, Ky. – Kentucky Power has filed a plan with the Kentucky Public Service Commission to keep their customers from bearing the brunt of costs involving a large data center coming to Carter County.

According to Kentucky Power, the filings would support TeraWulf's planned Muskie Data Campus in Grayson and the infrastructure needed to serve it. Over the life of the agreement, the project is expected to provide Kentucky Power customers with more than $500 million in fixed-cost rate offsets and $100 million in winter bill credits for residential customers.

"Our commitment to eastern Kentucky goes beyond providing reliable electricity, said Cindy Wiseman, president and chief operating officer of Kentucky Power. "We've served these communities for generations, and we want our customers and communities to share directly in the benefits when new investment comes to the region. Eastern Kentucky has a tremendous opportunity ahead, and thoughtful growth can strengthen our electric system, support good jobs and attract new investment."

Kentucky Power announced its amended agreement with TeraWulf in October, and today's filings mark the next step in seeking the regulatory approvals needed to move the project forward.

TeraWulf's planned Muskie Data Campus is expected to support up to 1 gigawatt of contracted electric demand in phases by 2029, subject to regulatory approval and construction schedules. To reliably serve that demand, Kentucky Power is seeking approval to construct a new 760-MW combined-cycle natural gas facility next to its Big Sandy natural gas generating unit in Louisa and a new transmission substation in the EastPark Industrial Park area.

If approved by the PSC, TeraWulf will fund $100 million in winter bill credits for Kentucky Power's residential customers beginning in 2029 and continuing over the first 10 years of the contract.

TeraWulf has also agreed to pay the estimated financing costs associated with construction of the proposed generation facility at Big Sandy. Together, these protections are designed to ensure the costs associated with serving TeraWulf's new demand are paid for by TeraWulf, while allowing new and existing customers to share in the benefits created by the growth.

Housing reform needed to strengthen state economy, report says

BY TOM LATEK
KENTUCKY TODAY

FRANKFORT, Ky. (KT) – A new report from the Kentucky Chamber Center for Policy and Research finds that bold housing reform is essential to strengthening Kentucky's economy and solving workforce challenges.

Let Kentucky Build, a joint report from the Kentucky Chamber, the Home Builders Association of Kentucky, and Kentucky REALTORS®, outlines the challenges limiting housing development across the Commonwealth and recommends12 policy reforms for state lawmakers to consider.

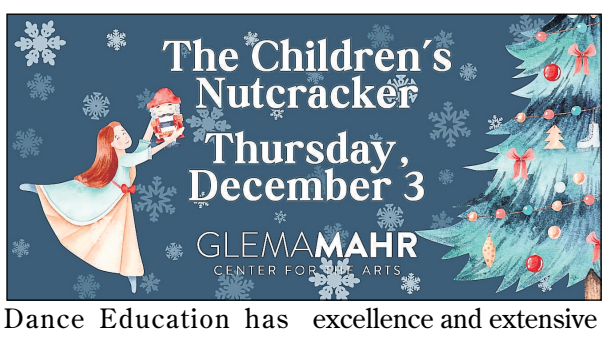
"Kentucky has worked hard to attract new jobs and investment, but that progress depends on having enough homes for the people who fill those jobs," said Ashli Watts, president and CEO of the Kentucky Chamber. "These reforms offer practical solutions to help communities grow, and the 2027 legislative

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Children's Center for Dance Education to present 'The Nutcracker' at Glema Center

BY THE JE STAFF



MADISONVILLE, Ky. — The Glema Mahr Center for the Arts and the Children's Center for Dance Education will present The Children's Nutcracker at 6:30 p.m. Thursday, Dec. 3.

The ballet will feature local dancers celebrating the timeless holiday classic. Founded in 1995, the Children's Center for Dance Education has developed a model for ballet organizations through innovative programming, artistic excellence and extensive community outreach.

The performance will be held at the Glema Mahr Center for the Arts, 2000 College Drive, Madisonville. Tickets are $20 for adults and $15 for youth, with youth tickets half price.

Tickets are available online at glemacenter.universitytickets.com, in person at the Glema Center Ticket Office from 10 a.m. to 4 p.m. Monday through Friday, or by calling 270-821-2787.