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***The State of Kentucky's Economy Teleconference***

**Kentucky business leaders foresee economic turnaround in early 2010**

A panel of economists and Kentucky business leaders reflected in a teleconference on Monday that the worst of the economic downturn may be over, and that a turnaround could be seen in early 2010.

The teleconference, co-hosted by the Kentucky Chamber of Commerce and *The Lane Report*, echoed the results of a recent Chamber member survey, which received 250 responses in late April. Chamber members responding to the survey reported that they expect to see growth in revenue and employment in the next three, six and 12 month intervals.

"The bottom line from that survey is that there appears to be a general improvement in the economy anticipated," said Kentucky Chamber President and CEO Dave Adkisson. "It's not all together rosy, but there seems to be some light at the end of the tunnel."

Nearly 170 people participated in the call, hearing reports from University of Louisville economist Paul Coomes, and Maria Hampton of the Federal Reserve branch in St. Louis.

"The view of the nation's economy and the recent data that's been released seems to reflect that that the worst of the decline and output are behind us. The words 'hopeful' and 'bad, but not as bad' are probably the best descriptors," said Hampton.

Coomes pointed out that the Kentucky economy "did not cause the recession – we got caught up in the recession."

"We'll come back when the U.S. economy comes back, and consumers start buying the things that we make here again," said Coomes. "The second half of this year will probably be pretty flat, but I suspect 2010 will be much brighter."

*The State of Kentucky's Economy Teleconference* also featured presentations about regional economic conditions. The following is a brief look at the assessments provided by business leaders from Kentucky communities.

**WESTERN KENTUCKY**

**Bill Jones, U.S. Bank, Paducah**

- Jobs are being added in Western Kentucky area, particularly in the construction industry – a \$360 million campus at Owensboro Medical Health Systems is underway, as well as a \$40 million riverfront development project in Owensboro.
- Fort Campbell, which reflects a large portion of the Hopkinsville economy, is seeing an upswing as troops return home from Iraq and Afghanistan.
- In Clarksville, Tenn., on the border, Dow Corning announced a \$1.2 billion facility that will employ 500 people.

## **EASTERN KENTUCKY**

### **Jim Booth, Booth Energy, Inez**

- Since Jan. 1, over 1,800 jobs have been lost in the eastern region of the coal fields. The unemployment rate in the Big Sandy District is up about 2.8 percent since 2008.
- In the building industry, Lowes is reporting steady sales in the first part of 2009.
- Convenient stores are reporting a 6 percent increase in gallons of petroleum sold compared to this time last year.

## **SOUTHERN KENTUCKY**

### **Steve Lochmuller, Sumerset Houseboats, Somerset**

- Unemployment has gone up regionally in the last quarter by a large margin – from 8.9 percent in the last quarter to 12.1 percent.
- The houseboat market, typically a luxury item, has had its worst quarter ever, with no new orders on the horizon.
- Small businesses in the area are down 25 percent from last year; however, petroleum sales and local Wal-Mart sales are up.

## **NORTHERN KENTUCKY**

### **John Cain, Wiseway Supply, Florence**

- As of the end of April, commercial constructions contracts were off 21 percent, though construction of small, single-family homes is on the upswing in Northern Kentucky.
- Federal stimulus money will boost the local economy with the e-health initiative being developed at the College of Informatics at Northern Kentucky University.
- A number of businesses have closed across all sectors in the region.

## **CENTRAL KENTUCKY**

### **David Parks, Dean Dorton & Ford, PLLC**

- Lexington's unemployment rate is the state's lowest at 7.4 percent.
- In the housing market, residential sales are down, but median sales prices are down only about 3 percent, and single family building permits are up in Fayette County.
- The manufacturing sector in the region has been massively impacted with plants in Winchester and Versailles cutting jobs.

A recording of the call is available for download at [www.kychamber.com](http://www.kychamber.com).

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