



# Compendium of key analyses for Kentucky

Collaborative Blueprint created by and for Kentucky's Economic Developers

December 2023



# Overview of this document

## **This document contains the following from the Collaborative Blueprint deliverables:**

- Economic overview of Kentucky, focusing on 5 parts: Sectors & Firms, Talent & Human capital, Capital & Innovation, Infrastructure, Business climate, and Economic Development Operating Capabilities
- The Business Climate section provides an overview of Kentucky's cost of doing business and business friendliness compared to competitor states.
- Where applicable, the levers are analyzed through multiple lenses: state-wide, geographic breakdown, and by demographic group
- Data as of Dec 2023

# Analyses were completed against a 6 part framework



- 1 Sectors & Firms**
- 2 Talent & Human capital**
- 3 Capital & Innovation**
- 4 Infrastructure**
- 5 Business climate**
- 6 Economic Development Operating Capabilities**

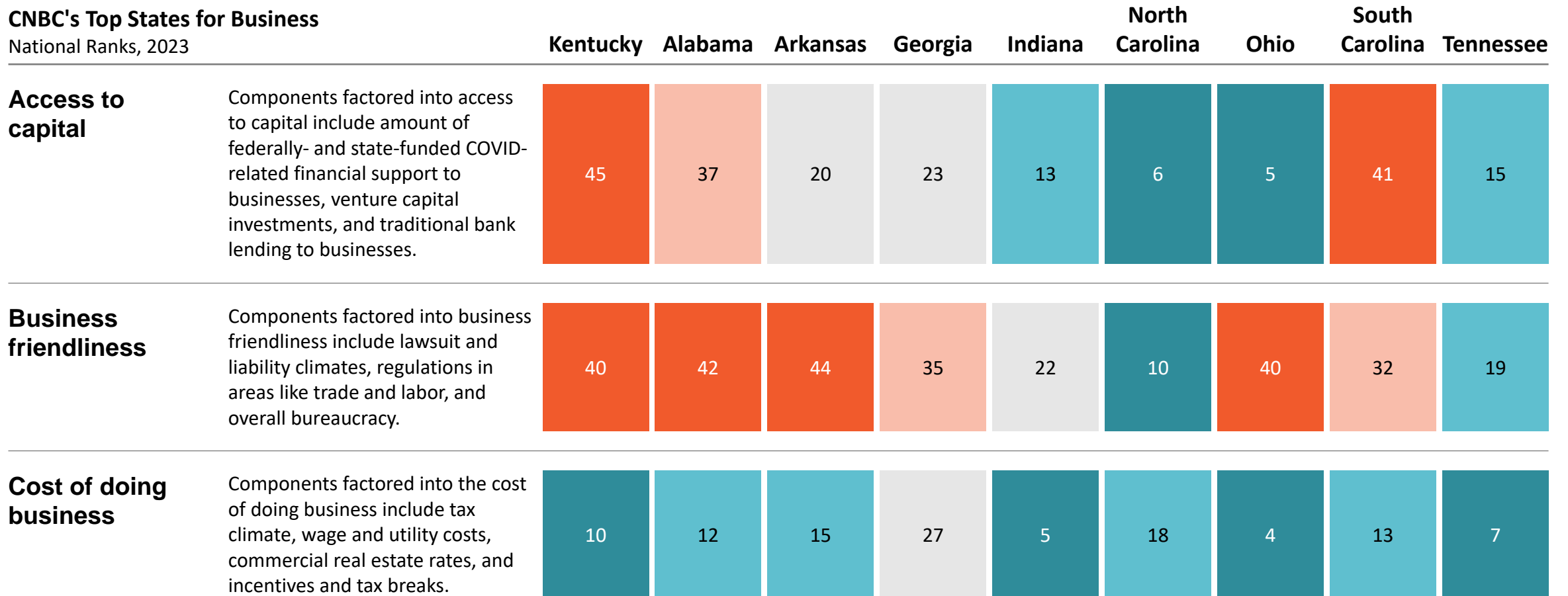
Where applicable, the levers are analyzed through multiple lenses: **state-wide, geographic breakdown, and by demographic group**

## 5. Business climate

# Kentucky's business attractiveness ranking varies across metrics

## CNBC's Top States for Business

National Ranks, 2023



# Kentucky has a favorable tax structure compared to peers and nationally

State tax rates and index rankings<sup>1</sup>, as of July 1, 2022

State tax climate rank  
1  50

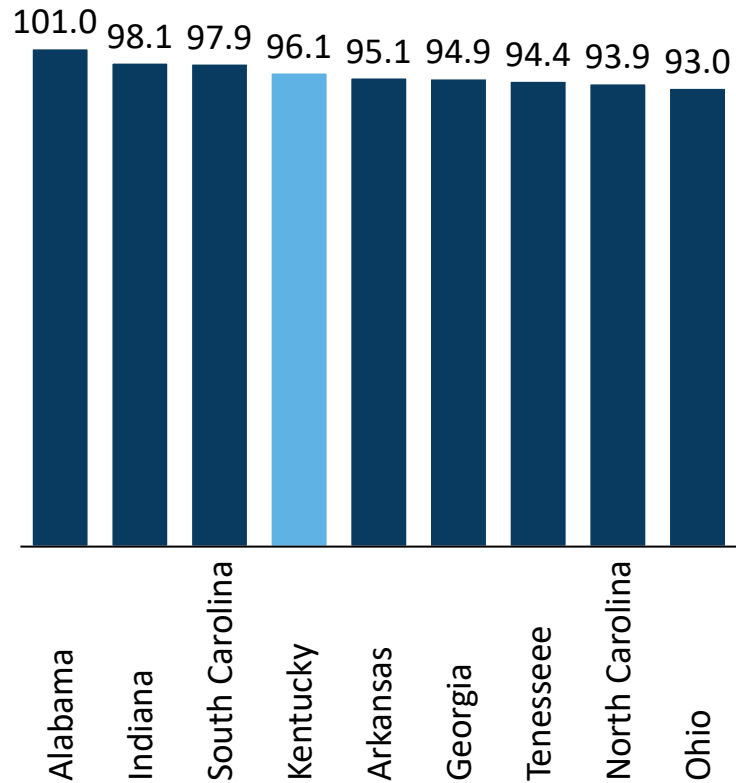
	Kentucky	Indiana	North Carolina	Tennessee	South Carolina	Georgia	Ohio	Arkansas	Alabama
<b>Overall Rank</b>	18	9	10	14	31	32	37	40	41
<b>Corporate</b>	5.0%	4.9%	2.5%	6.5%	5.0%	5.75%	0.26%	1.0-5.9%	6.5%
<b>Individual Income</b>	5.0%	3.23%	4.99%	none	0-6.5%	1.0-5.75%	2.76-3.99%	2-4.9%	2-5%
<b>Sales</b>	6.0%	7.0%	4.75%	7.0%	6.0%	4.0%	5.75%	6.5%	4.0%
<b>Property<sup>2</sup></b>	1.91%	2.19%	1.61%	1.61%	2.68%	2.57%	2.72%	1.69%	1.37%
<b>Unemployment insurance</b>	0.3-10.0%	0.5-7.4%	0.06-5.76%	0.01-10.0%	0.06-5.46%	0.04-8.1%	0.8-10.2%	0.3-14.2%	1.15-7.30%

1. The State Business Tax Climate Index is designed to show how well states structure their tax systems

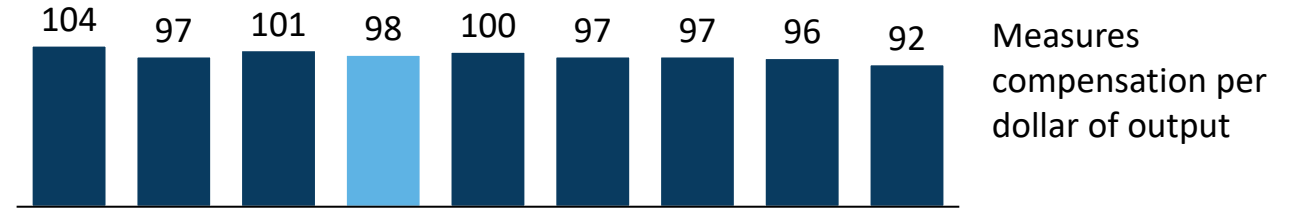
2. As a % of personal income

# Kentucky's cost of doing business is below US average but ranks 6th among peers

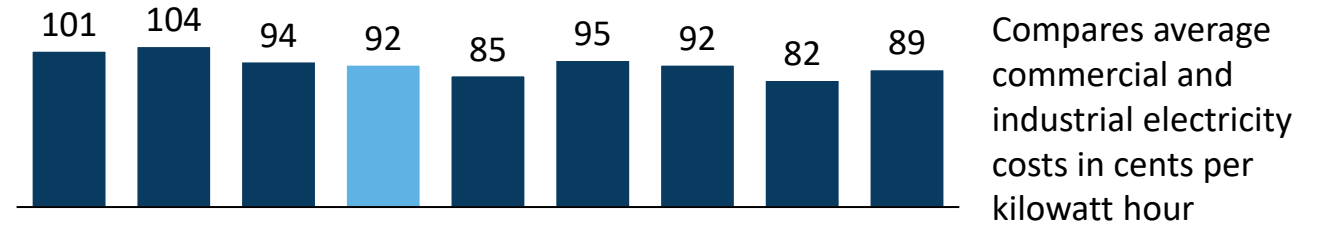
**Cost of Doing Business**  
2022, 100=US Average



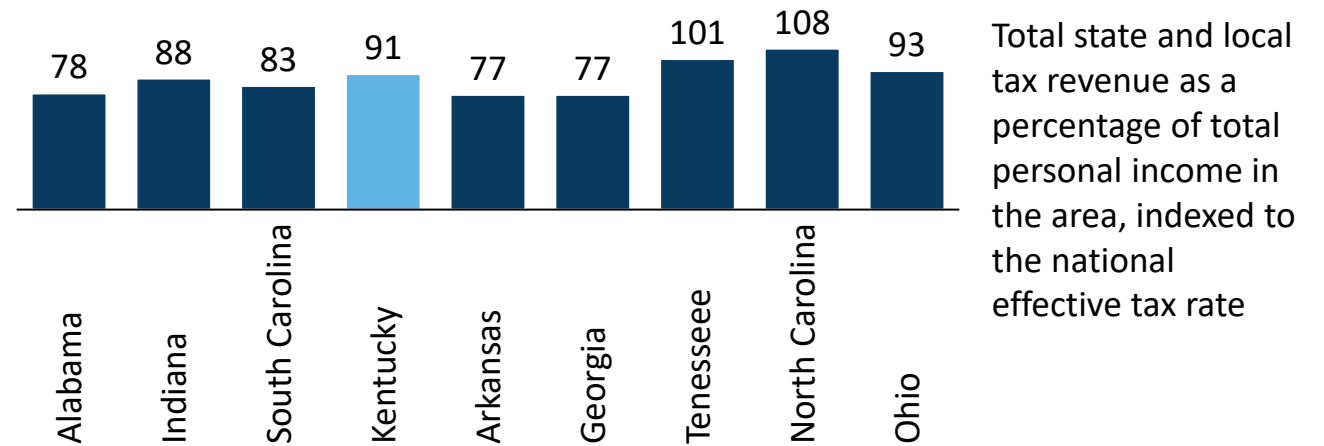
**Unit Labor Cost**



**Energy Cost**



**Tax Cost**



Note: a higher score indicates a higher cost of doing business. Component costs are weighted using geography-specific weights to obtain the overall cost of doing business score

Source: Moody's Analytics, Data as of Dec 2023