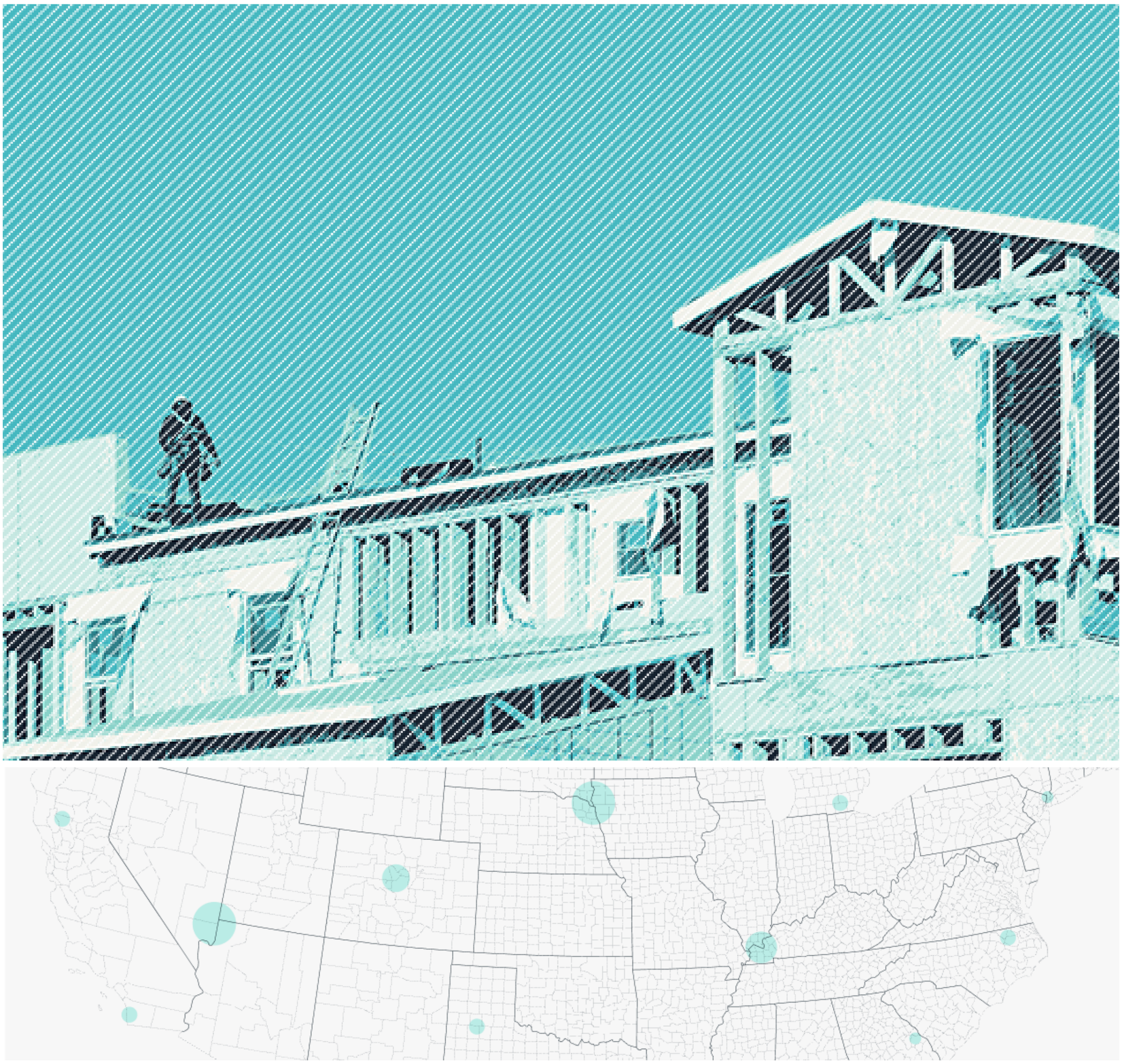
535 Insights



Kentucky

Lafayette Square Institute

535 Insights

Lafayette Square Institute

WHERE **Kentucky**

WHAT

535 Insights quantifies economic opportunity for American workers and families for all 20,000+ municipalities, counties, congressional districts, states and across a variety of measures. For each datapoint, you can see how a chosen geography fares in comparison to the rest of the country, ranked by desirability. Each page includes written analysis that explains the datapoints within a broader policy context.

WHY

Financial security and the opportunity to build wealth and rise up the income ladder is the foundation of the American Dream.

Learn how **Kentucky** fares in core areas of wealth and economic security.

44 out of 50
FAR BELOW AVERAGE ↓

7%

Chance to become high-income with low-income parents[1]

45 out of 50
FAR BELOW AVERAGE ↓

$133K

Median household net worth[2]

45 out of 50
FAR BELOW AVERAGE ↓

$38.5K

Median earnings for population without a college degree[3]

44 out of 50
FAR ABOVE AVERAGE ↑

61%

Share of working-age adults with $0 retirement savings[4]

Housing Supply

By increasing supply, affordability, and access to homeownership, we can help build strong communities where families thrive.

Renter Wealth

By creating opportunities for renters to build wealth where they live, we can help reduce the opportunity cost of renting and strengthen neighborhoods.

Employee Ownership

By expanding employee ownership through ESOPs, we can create generational wealth for American workers while enhancing U.S. competitiveness.

Job Quality

By expanding and improving workplace benefits, we can build good jobs that help workers thrive and communities prosper.

Housing Supply & Access

Kentucky faces housing supply and affordability challenges. This is contributing to unsustainable financial burdens for families and creates barriers to economic opportunity.

12 out of 50
BELOW AVERAGE

3.2x

Median home value to median household income[5]

36 out of 50
ABOVE AVERAGE

105

Foreclosures per 100,000 mortgage holders[6]

46 out of 50
FAR ABOVE AVERAGE

30%

Residents living in high-poverty areas[7]

27 out of 50
AVERAGE

11%

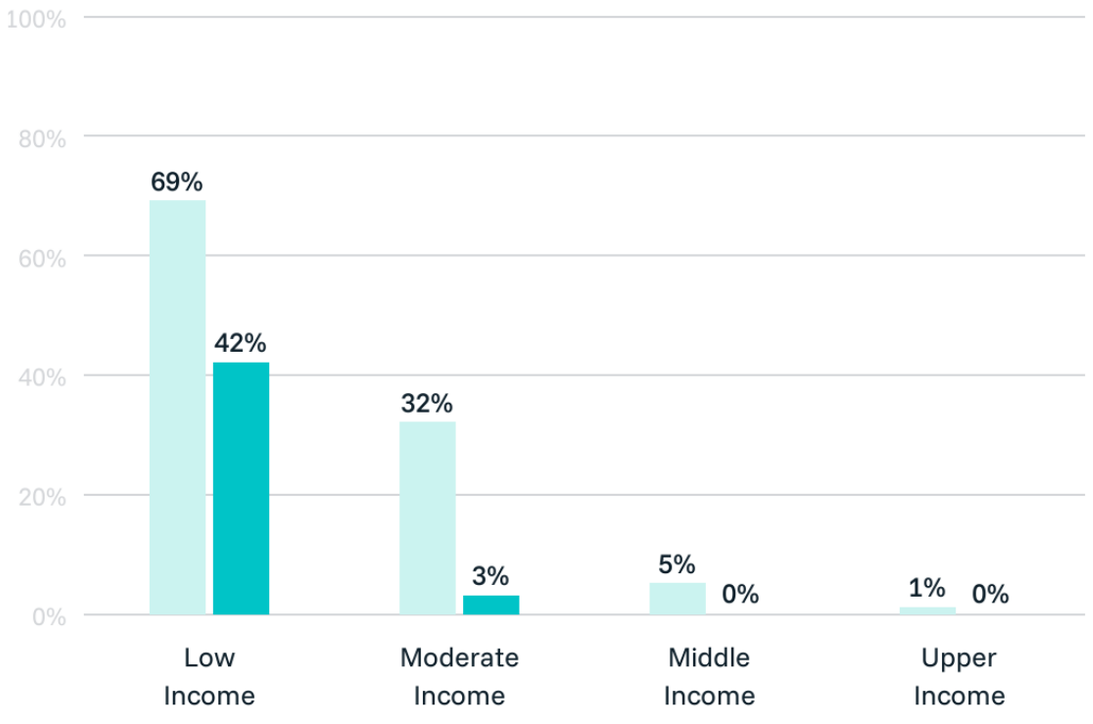
Housing units built since 2010[8]

The United States is 4 million homes short of meeting national demand, a shortfall that almost doubled over the past decade. Kentucky has a shortfall of 25,404 units.[9] This undersupply contributes to rising housing costs which force working-class families to spend an unsustainable portion of their income on rent, increasing eviction risk and pushing many households into neighborhoods with high poverty rates.[10] Research demonstrates that concentrated poverty poses obstacles to children's ability to access economic mobility.[11] Housing cost burdens are also rising for middle-class families, making the American Dream of homeownership increasingly unattainable—narrowing pathways for families to build wealth.

Of the over $200 billion invested annually in housing, only a fraction supports projects affordable for working-class families.[12] Innovative models capable of significantly boosting the supply of affordable housing exist but struggle to attract capital to scale. New policies, programs and financing tools are needed to redirect private capital into projects that promote financial stability and homeownership, and help build strong, resilient communities.

Rent Burden: **Kentucky**[13]

- Burdened — 30% or more of income
- Severely Burdened — 50% or more of income



6 out of 50
FAR BELOW AVERAGE

$967

Median rent[14]

5 out of 50
FAR BELOW AVERAGE

$205K

Median home value[15]

20 out of 50
ABOVE AVERAGE

68%

Homeownership rate[16]

LEARN MORE

Housing Supply & Access

535 Insights

Renter Wealth

Lafayette Square Institute

Kentucky faces growing pressures that leave many renters with too little room to save, overcome setbacks, and build a financial foundation for their futures. These conditions can prevent households from achieving upward mobility, putting homeownership out of reach for most renters.

46 out of 50
FAR ABOVE AVERAGE ↑
East South Central Division estimate

86.4x

net worth of family owning vs. renting (division level)[17]

47 out of 50
FAR BELOW AVERAGE ↓
East South Central Division estimate

$2810

median renter net worth (division level)[18]

11 out of 50
BELOW AVERAGE ↘

45%

of renters are burdened by housing costs[19]

14 out of 50
BELOW AVERAGE ↘

20%

of renters are severely burdened by housing costs[20]

Renter wealth is a critical but often overlooked driver of household financial stability. High rent burdens and poverty rates leave many households with little room to absorb financial shocks or invest in their futures. Higher renter churn may reflect instability, displacement, or rapidly changing local housing markets; while higher overcrowding can signal that affordability pressures are forcing renters into housing that does not adequately meet their needs. Median renter household net worth in the U.S. is less than $10,000 and represents a small fraction of the typical owner household net worth,[21] underscoring how difficult it can be for renters to build long-term financial security, through homeownership or otherwise. Roughly two-thirds of all renting households today do not believe they could ever become homeowners.[22]

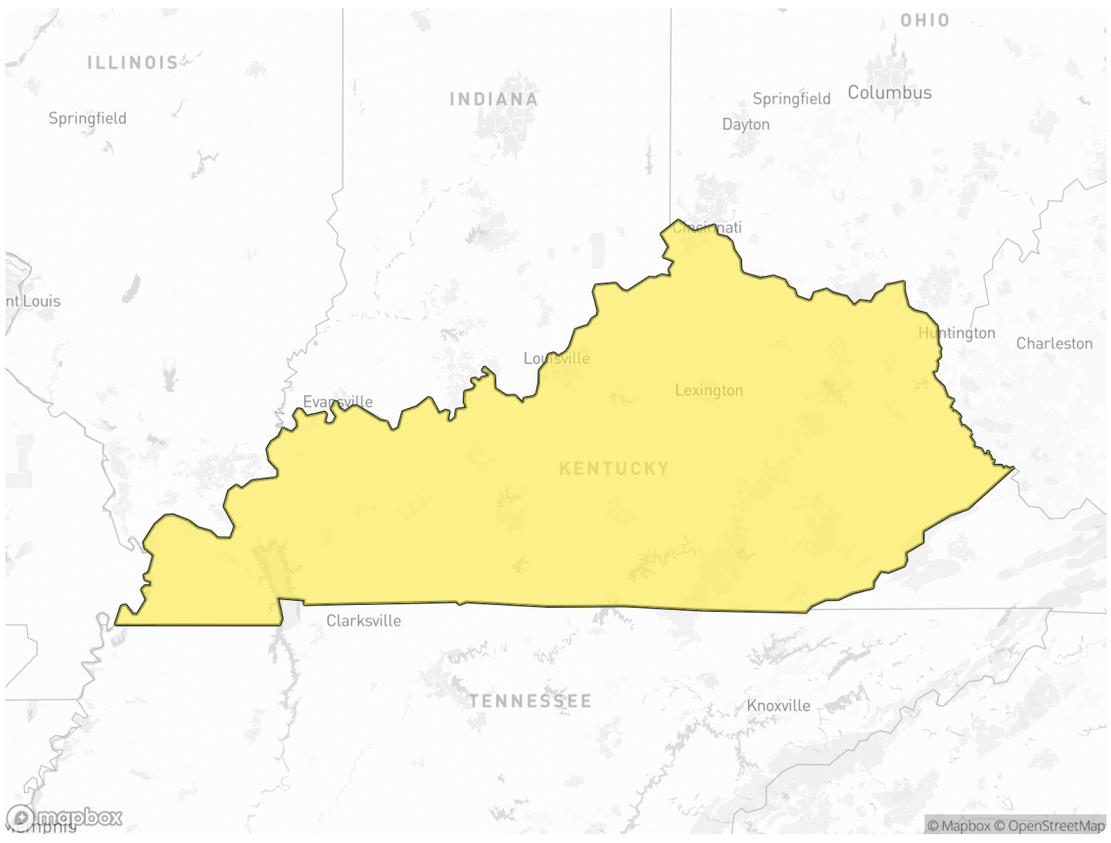
The Renter Wealth Index developed by Lafayette Square Institute helps identify where these pressures are most acute. By combining multiple indicators of renter financial stress, housing instability, affordability, and housing quality, the index highlights places where targeted renter wealth initiatives could have an outsized impact on economic mobility. New policies, programs, and financing tools are needed to support approaches that help renters build savings, reduce short-term financial precarity, and create stronger pathways to long-term financial security, enabling every family to thrive.

Renter Wealth Index: **Kentucky**[23]

Rating: **2.1**

Moderate Renter Wealth

Low — High



45 out of 50
FAR ABOVE AVERAGE ↑

28%

of renters live below the poverty line[24]

23 out of 50
AVERAGE →

13%

of renters moved within county in the last year[25]

19 out of 50
BELOW AVERAGE ↘

4%

of renters live in overcrowded situations[26]

LEARN MORE

Renter Wealth

Employee Ownership

Kentucky faces a wave of retiring business owners preparing to sell over the next 5-10 years, while too many workers are unprepared for retirement. Employee ownership is a proven succession option that preserves local jobs, strengthens U.S. competitiveness, and builds retirement security.

29 out of 50
AVERAGE

51%

of businesses have an owner aged 55 or older[27]

26 out of 50
AVERAGE

2254

manufacturing firms with owners over 55[28]

40 out of 50
BELOW AVERAGE

55%

of workers have access to a retirement plan at work[29]

44 out of 50
FAR ABOVE AVERAGE

61%

of working-age adults have no retirement savings[30]

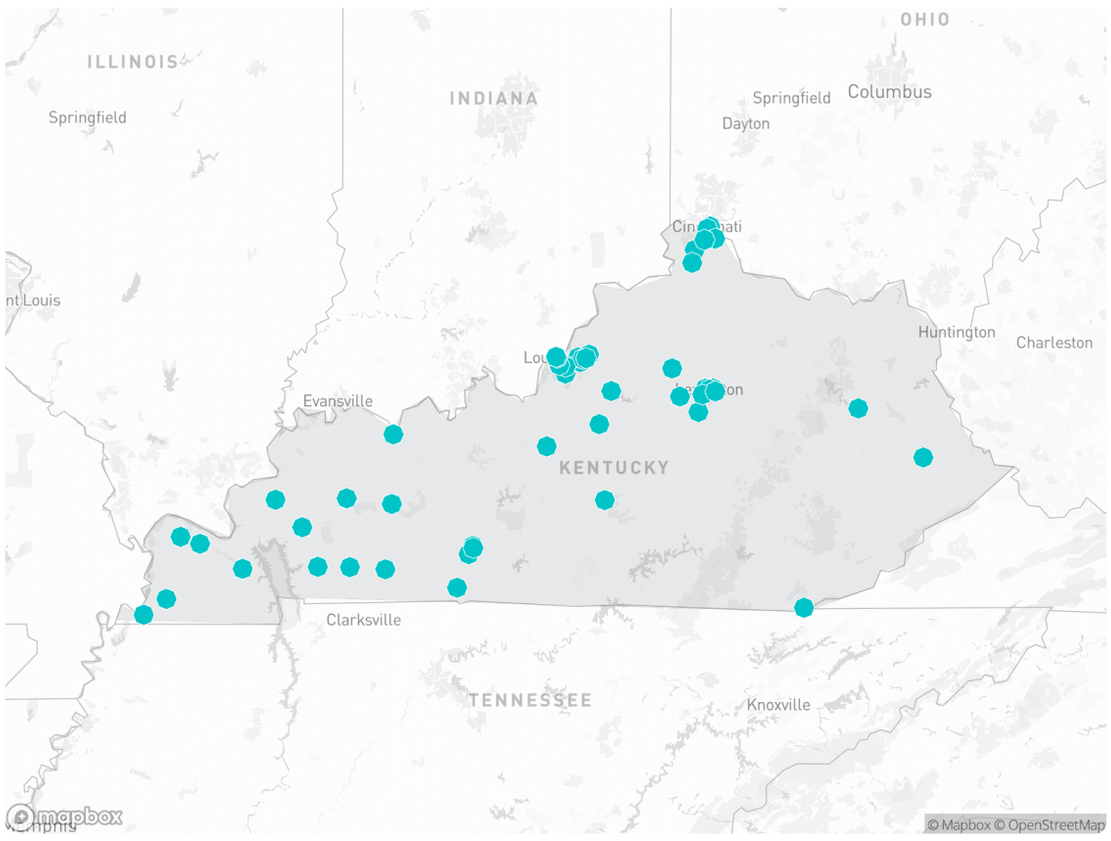
Without a policy strategy to address business succession, we risk the loss of American businesses and their local jobs. Too often, the sale of a business to an out-of-state or foreign buyer results in the loss of local jobs and investment. With many businesses in critical industries, e.g., those with implications for national and economic security, facing the challenges of business succession,[31] promoting employee ownership can be part of a broader competition framework to maintain our leadership in strategic sectors while investing in American workers.

What is an ESOP? An Employee Stock Ownership Plan (ESOP) is both a retirement plan and corporate finance vehicle that allows retiring business owners to sell their business to employees. Employees do not pay for their shares, employee ownership is instead an incremental benefit on top of wages and benefits. ESOPs have been demonstrated to create over 2.5 times more retirement wealth for workers, in addition to superior pay and benefits, compared to traditional companies.[32] Employee-owned businesses have also been shown to innovate more frequently and exhibit greater resilience during an economic downturn.[33]

As baby boomers prepare to retire and sell their businesses, ESOPs can play an important role in maintaining domestic ownership and productive capacity across manufacturing and other strategic sectors, a win-win for U.S. economic security and for American workers across the country.

Privately Held ESOP Companies in Kentucky[34]

Total shown on the map **111**



18 out of 50
ABOVE AVERAGE

111

privately held ESOP companies[34]

15 out of 50
ABOVE AVERAGE

46.2K

employee owners in local ESOP companies[35]

42 out of 50
FAR BELOW AVERAGE

$105K

average ESOP balance per employee[36]

LEARN MORE

Employee Ownership

Job Quality

Kentucky faces gaps in access to workplace benefits, leaving too many workers without health coverage or retirement savings. These gaps drive economic insecurity and limit workers' ability to build savings for the future.

16 out of 50
BELOW AVERAGE ↘

7%

full-time workers without health insurance[37]

10 out of 47
FAR BELOW AVERAGE ↓
High confidence estimate

10%

childcare costs as a share of median family income[38]

48 out of 50
FAR ABOVE AVERAGE ↑

41%

residents unable to cover a $2,000 emergency[39]

44 out of 50
FAR BELOW AVERAGE ↓

60%

labor force participation[40]

Too many workers lack access to benefits that make work secure and sustainable. Across the country, employer-sponsored benefits like health insurance and retirement savings are out of reach for millions of working people. Gaps in access to these benefits lead to rising rates of medical debt, student loan default, and underinsurance. These effects are even more pronounced among lower income workers who are 3-4 times less likely to participate in medical and retirement benefits.[41]

The growing benefits gap leaves working families vulnerable to economic insecurity, with limited tools to build savings and assets. As a result, many workers make tradeoffs between immediate needs and long-term financial stability. The workplace benefits gap is particularly acute for small and medium-sized businesses, which employ 46 percent of the private American workforce.[42] These small and mid-sized employers often face challenges in navigating the cost, complexity, and suitability of available benefit options for their employees.

Strong worker benefits drive economic growth. Businesses that offer competitive benefits keep workers longer and see better performance. Workers with access to health coverage, retirement savings, and childcare are less burdened by financial stress and able to invest in their futures. The whole economy benefits from a more stable and productive workforce.

Living Wage in Kentucky[43]

Medium confidence estimate

Rank: 25 out of 50

	1 Adult	1 Adult 1 Child	2 Adults 1 Child	2 Adults 2 Children
Living Wage	$20.09	$33.39	$33.85	$37.43
Median Wage	$19.62	$19.62	$39.24	$39.24
Annual Difference	↘ -$980.29	↘ -$28,644.29	↗ $11,205.82	↗ $3,759.42

By annual difference for one adult, assuming a full-time 2080 hours worked per year, 2024 data, see footnote for details.

46 out of 50
FAR ABOVE AVERAGE ↑

13%

residents aged 65+ in poverty[44]

30 out of 45
ABOVE AVERAGE ↗

5%

residents with medical debt in collections[45]

24 out of 50
AVERAGE →

15%

residents with student loan debt[46]

LEARN MORE

Job Quality

About Us

Lafayette Square Institute is a nonprofit policy and data analytics platform committed to aligning private capital with the public interest. Through deep bipartisan relationships, innovative finance tools, and data analysis we mobilize investment in the people and places that need it.

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All data sourced and managed with the support of Potomac X Lafayette Square.

LSI Imputation Methods

All sub-national metrics labeled as estimates are produced with LSI imputation methods built on Geocorr 2022: Geographic Correspondence Engine (Missouri Census Data Center), mapping 2020 Counties and 2010 PUMAs to Congressional Districts of the 119th Congress, weighted by population.

LSI PUMA to Congressional District and County Imputation Method. Applies to the Urban Institute Financial Health and Wealth Dashboard metrics (median household net worth, mortgage foreclosure, retirement plan access, and emergency savings). PUMA-level values are allocated to Congressional Districts using 2010 PUMA-to-119th-CD population-allocation factors, and to Counties using PUMA-to-county population-allocation factors. Where no single county captures at least 50 percent of a PUMA's population, the state-level estimate is substituted for the county value.

LSI County to Congressional District Imputation Method. Applies to county-level sources (childcare prices, medical debt, student loan debt, and the living-wage estimate). County-level values are allocated to Congressional Districts using 2020 county-to-119th-CD population-allocation factors.

Confidence — High. Districts where at least 75% of the population comes from counties or PUMAs that contribute at least 80% of their population to the district, and the largest county or PUMA contribution is at least 85%.

Confidence — Medium. Districts where either at least 40% of the population comes from well-aligned counties or PUMAs (contributing at least 80% of their population), or the largest county or PUMA contribution is at least 60% with fewer than 4 poorly aligned counties or 3 poorly aligned PUMAs (contributing <50% of their population).

Confidence — Lower. All remaining districts with lower alignment.

Use County Data. Districts where at least 85% of the district population comes from a single county that contributes less than 80% of its population to the district (for example, Los Angeles County, which spans 17 districts).

***Note on jam values for medians in the Census:**

For some median variables, the Census limits the range of possible values between two numbers. These variables include personal and household income ($2,500 - $250,000), home value ($10,000 - $2,000,000), and rent ($100 - $3500). Any values that fall outside of these ranges are placed in bins. For example, a median household income value of $260,000 will be expressed as $250,001, while a median home value of $9,000 will be expressed as $9,999. To learn more, read the Census's technical documentation.

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