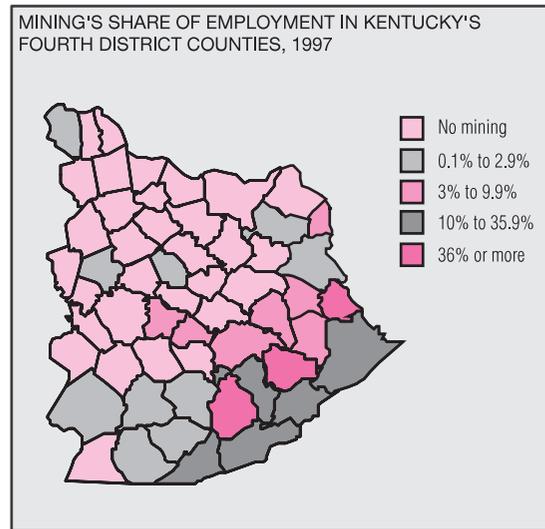
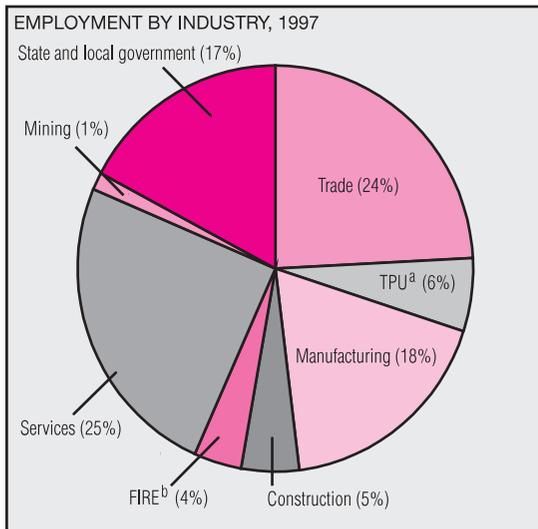
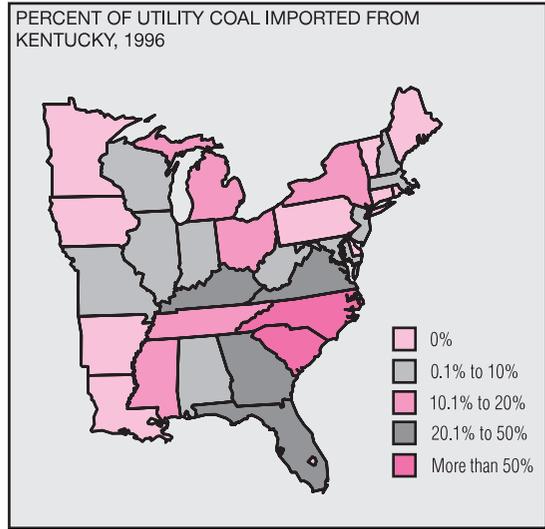


# Kentucky's Coal Industry



a. Transportation and public utilities.

b. Finance, insurance, and real estate.

NOTE: Data are not seasonally adjusted.

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; Kentucky Department for Employment Services, Labor Force Estimates Division; and Kentucky Coal Marketing and Export Council and the Kentucky Coal Association, "Kentucky Coal Facts," 1997-98.

Historically, Kentucky has been a major player in the coal production industry, which provides more than half of the electric power used in the U.S. In 1996, the state ranked third (surpassed only by Wyoming and West Virginia) in total domestic coal production, extracting 152.4 million tons (about 14% of the U.S. total). Approximately 85% of Kentucky's coal is sold to out-of-state electric plants, primarily on the eastern seaboard.

About 1.3% of Kentucky's non-farm jobs are in mining, 0.8 percentage point above the national average. Coal production in the state is region-specific, with the eastern counties employing nearly 71% of the mining workforce. Not surprisingly, the fate of many rural counties is tied closely to the mining industry. While only 2% of the state's total wages come from mining, that share jumps to 13% in the eastern mining counties.

According to the Kentucky Coal Association, state coal production has declined slightly in recent years because of increased competition from states west of the Mississippi. In Kentucky, the cost of extracting a ton of coal is about \$25; in Wyoming, that figure is only \$4. Because large operations can compete effectively with western rivals, Kentucky has seen increased consolidation in the industry over the last several years.