Region in Transition:
A Look at Eastern Kentucky in Four Parts

coal production • creative placemaking • self-representation • population shifts
INTRODUCTION

Appalachia. Its mention likely conjures images of bluegrass musicians, coal mining, poverty, and wooden cabins in the hollows deep in the mountains. These images have been and still could be true in eastern Kentucky, but they are supplemented by new hopes for this challenged part of the Fourth Federal Reserve District. Researchers from the Federal Reserve Bank of Cleveland examine through the following 4 essays how the region is changing.

The first of these touches on the current context of change in eastern Kentucky, reviewing its recent coal mining legacy. The essay identifies 4 things to know about the region as we examine its transition from mining to a post-coal economy.

The second essay describes a shift underway from coal to craft as an economic engine. Leaders are applying strategies of “creative placemaking” within the region, guiding the transition to the future by connecting to the region’s creative roots in order to establish a craft-based tourism economy.

The third of these pieces provides details on a specific organization, Appalshop, established in 1969 as part of President Lyndon Johnson’s War on Poverty. This historic organization provides a voice to the region’s residents so that they may tell their own stories and thus contest outsiders’ representations of Appalachian Kentucky. Cleveland Fed researchers observe, too, that the organization is in a unique position to act as a change agent for new ideas and to explore strategies for individuals and organizations striving to improve the region.

The final essay outlines the demographic challenges in eastern Kentucky, touching on the decline in population within the region and the challenges resulting from decades of migration. The essay details the in-and-out movement of residents and immigrants to the region, their demographics, and the potential implications for regional leaders.

We encourage you to use these essays as an introduction to this beautiful and historic Fourth District region of Appalachia. Learn about its challenges—and learn about those who are working every day to lead its transition into the future.
A little history

Eastern Kentucky is a tangled landscape of mountains and valleys with a hardscrabble reputation and a long history with coal dating back more than 200 years to the first recorded commercial production: 20 tons in 1790. Production didn’t truly take off until after the Civil War when land speculators crawled across the region purchasing leases for the coal below the ground. Rail lines constructed in the late 1800s ferried loads of coal to the nation’s growing industrial markets. Coal production grew exponentially as eastern Kentucky mines produced 1 million tons in 1888, surpassed 10 million tons in 1913, and peaked in 1990 at nearly 131 million tons.

Four things to know

1. Coal production in eastern Kentucky has been declining for a quarter century

The eastern Kentucky coal industry has seen its share of booms and busts, but none as long as the current 25-year slide, which since its peak has seen production drop 79 percent. At first, the impact was felt primarily in the coal mines of Central Appalachia, which includes eastern Kentucky, but more recent developments have since impacted coal production nationally. Early on, accessibility was an issue, as easier to reach coal seams were exhausted, leaving harder to reach deposits. This contributed to higher coal production rates in western states such as Wyoming, where production costs were lower. The national share of coal produced in eastern Kentucky declined from 13 percent in 1984 to 4 percent in 2014, while Wyoming’s share increased from 15 percent to 40 percent over that same period. However, recent more stringent emission regulations have caused many coal-fired electrical power plants across the country to either shut down or convert to natural gas. This decline in demand has led some of the largest US coal producers to declare bankruptcy, affecting coal mines across the country.

2. Coal mining employment has been declining for more than 60 years, but it’s still important to the region

Around 1950, eastern Kentucky’s coal production and employment decoupled and began moving in different directions. Production continued to surge, while employment, aside from a brief resurgence in the late 1970s, declined as a result of improved mechanization and the increased use of surface mining that requires less labor. All told, coal mining employment declined 92 percent in eastern Kentucky from its 1948 peak, a loss of more than 61,000 jobs, or 900 jobs per year since 1979.

Yet, even with this constant decline, the state still contains an above-average share of coal mining jobs. In 2014, the state of Kentucky had a location quotient (the comparison of the share of an industry in one region against that of a larger geographic area) of 11.20 for coal mining employment, 11 times greater than the national average. Although a decline from the 2001 rate of 15.34, it still indicates the coal mining industry’s importance to the state economy. This impact of the sustained loss of coal jobs ripples through the local economy. While the rest of the state and nation recovered from the Great Recession, eastern Kentucky didn’t, and it’s been declining the past 4 years. Incomes have been impacted, too. In 2014, the average annual income in eastern Kentucky was $35,982, while the average coal miner earned $72,809 per year, nearly double the region’s average. The loss of thousands of high-paying coal mining jobs represents a significant decline in local spending power.

3. The decline in production and jobs is hitting local governments hard as coal-related tax revenue declines

Decreasing coal production has led to a dramatic decline in severance tax revenue for the state, nearly 40 percent, from $298 million collected in 2011–2012 to $180 million collected in 2014–2015, straining city and county budgets that have become dependent on the tax revenue for maintaining services.

Letcher County, for example, until a few years ago had been receiving payments in excess of $1 million per quarter, but lately that number has dropped to $350,000. Kentucky collects a severance tax, a tax imposed on a nonrenewable resource that is “severed” or extracted within a specified taxing jurisdiction, on coal at a current rate of 4.5 percent of the gross value of mined coal in the state. Revenue from this tax goes in a few directions:

- 50 percent, Kentucky’s general fund
- 35 percent, local government economic development fund, where it’s available as grants for eligible counties to use on projects helping to diversify their economies
- 15 percent, local government economic assistance fund, a revenue-sharing fund that cities and counties in coal-impacted regions receive automatically

One additional related strain is population decline. According to US Census Bureau estimates, from 1996 to 2009 eastern Kentucky’s overall population was essentially unchanged. Since 2009, though, it’s declined by nearly 14,000 people, shrinking the tax base cities rely on to maintain services.

Roughly 31 counties make up eastern Kentucky coal country.
While the slow, steady decline in coal employment and production has exacerbated the region’s economic malaise, there are numerous groups, partnerships, and projects looking to a post-coal economy. Here are a few examples.

**Shaping Our Appalachian Region (SOAR)**
SOAR began as a partnership between the Kentucky governor’s office and Hal Rogers, the US congressman serving eastern Kentucky. Its annual conference and ongoing working committees seek to bring together organizations and stakeholders to discuss the region’s future.

**The Appalachian Funders Network (AFN)**
On the philanthropic side is the Appalachian Funders Network (AFN), a collection of 80 grant makers focused on Central Appalachia, which includes eastern Kentucky. Its goal is to build stronger relationships among grant-making participants in order to help the region transition economically. A recent project is the Just Transition Fund, designed to help communities impacted by the declining coal industry to develop economic and workforce development plans.

**Eastern Kentucky Concentrated Employment Program (EKCEP)**
In a region where thousands of unemployed coal miners need retraining for new careers, the Eastern Kentucky Concentrated Employment Program (EKCEP) manages workforce development, job training, and unemployment programs in a 23-county region. Formed in 1968, it was one of 87 Concentrated Employment Programs (CEPs) developed during the Johnson Administration. CEPs were designed to focus on employment programs and related services in areas with high unemployment rates. Of note is the Hiring Our Miners Everyday (H.O.M.E.) program, which retrain unemployed miners and their spouses in hopes that they will be re-employed in the region.

**Arts and culture as economic development**
The idea of using arts and culture to stimulate a local economy is not new, but in eastern Kentucky, it has become another tool in the economic development toolbox. From 1998 to 2015, grants from the National Endowment for the Arts have averaged nearly $150,000 annually to fund art- and culture-related projects in the region.

**Broadband**
Infrastructure typically conjures up images of roads, bridges, and sewers, but broadband access falls into this category, as well. Kentucky Wired, a state initiative, is committed to bringing Internet access to every county in the state by 2018. Such a feat is of particular importance to eastern Kentucky, where it is hoped that broadband access will stimulate job creation and entrepreneurship to help diversify the economy.

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All told, coal mining employment declined 92 percent in eastern Kentucky from its 194,8 peak, a loss of more than 61,000 jobs, or 900 jobs per year since 1979.

Eastern Kentucky is a region with deep-rooted social issues.

This is what makes finding a solution to eastern Kentucky’s economic problem so difficult. It’s not as simple as attracting new jobs: The region has been wracked with a host of social issues spanning generations. The poverty rate for eastern Kentucky has declined from a staggeringly high 61 percent in 1960 to 26 percent in 2010, but that’s still nearly double the national average of 15 percent—and is 9 percentage points higher than that of the state, which comes in at 17 percent.

Drug abuse, too, is becoming a bane across the country, and eastern Kentucky is firmly in its grasp. According to an analysis by the Kentucky Injury Prevention and Research Center, in 2013 Kentucky had the second-highest number of drug overdoses per 100,000 people in the US. West Virginia, its neighbor to the east, had the highest. In fact, total statewide drug overdose deaths in Kentucky have increased a stunning 347 percent, from 241 in 2000 to 1,077 in 2014. Rates in eastern Kentucky counties are some of the highest in the state, with the majority of overdoses there caused by prescription drugs commonly used to treat pain, anxiety, and insomnia.

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Pulling it together
So what is eastern Kentucky? It’s a region tied to coal—economically, personally—for more than 200 years. It has seen coal production and employment decline for decades. The boom and bust cycle inherent to natural resource extraction caused many to hope the next boom was just around the corner. Both international and domestic changes in energy production, pricing, and policy make the next boom increasingly improbable, and communities are suffering financially as tax revenue lags and more residents become unemployed. All of this is occurring in a region that suffers historically from a slew of social issues such as high poverty and drug abuse rates. What can turn this around that hasn’t already been attempted?
Swiftly changing economic conditions, highly competitive trade growth, and a future relying on evolving technology, a transition is taking place in eastern Kentucky.

The decline of the coal industry and loss of thousands of mining jobs creates a need to reexamine a new economic direction for eastern Kentucky. One option is through "creative placemaking" in which partners from disparate sectors use arts and culture activities to strategically shape the character of a region or neighborhood. It’s an integrative approach to neighborhood planning and economic development, encouraging local communities to use their distinctive resources, cultural diversity, and unique attributes to stimulate their economies.

**The economic impact of creative placemaking**

Creative placemaking is a significant economic development tool and can be highly transformative for a region in terms of income generation and job creation. The Arts and Cultural Production Satellite Account (ACPSA) is a partnership between the National Endowment for the Arts (NEA) and the Department of Commerce’s Bureau of Economic Analysis. This partnership produced the first federal in-depth analysis of the impact that arts and culture have on economic conditions.

In 2012, the ACPSA reported that arts and culture production contributed more than $698 billion to the US economy, or 4.3 percent of the US gross domestic product. To put this in perspective, that’s more than either the construction ($586.7 billion) or the transportation and warehousing sectors ($464.1 billion). There were 4.7 million workers employed in the production of arts and culture activities, generating $334.9 billion in compensation.

Arts and culture spending has a ripple effect on the overall economy, boosting ancillary businesses. The ACPSA calculated that for every 100 jobs created in the arts, 62 additional jobs are also created in fields such as retail, information technology, manufacturing, and food service, to name just a few. That’s a big impact.
The creative industry ranks on the same level with many other sectors, for instance, information technologies, communications, transportation, and logistics.

Within Kentucky’s creative industry, according to the 2014 Creative Industry Report issued by the Kentucky Arts Council, there are approximately 60,000 direct jobs, a number which places the creative industry ahead of other key industries such as bioscience and auto and aircraft manufacturing in terms of employment. Including creative occupations, indirect jobs associated with suppliers, and spending by those employed within the creative industry, creative occupations add up to 108,500 jobs.

A case for investment: two examples

Creative placemaking has occurred in communities throughout eastern Kentucky for some time. The region traditionally has been known for its creative assets, but during the past few years new funding mechanisms have been created by the NEA, ArtPlace, and Kentucky Arts Council to stimulate economic development in rural communities.

Berea College

Berea College is a small liberal arts college recognized nationally for its labor program in which all students participate in work study. Aptly termed “work colleges” offer students enhanced learning opportunities by integrating work, learning, and service during students’ college experience. Located in Berea, Kentucky, Berea College is distinctive among post-secondary institutions for providing free education to students from selected counties. Every admitted student from an Appalachian county is provided the equivalent of a 4-year full tuition scholarship.

Late in 2015, the college received a $100,000 Our Town grant from the NEA to help spur economic development for rural communities in eastern Kentucky. The award is given to projects that could make communities more lively, beautiful, and resilient with the help of the arts. Berea College’s project goal is to map out areas of rural Kentucky where a creative culture may be used to help create economic development. The college is partnering with 8 rural communities, the Kentucky Arts Council, and Kentucky Highlands Investment Corporation. This initiative is relatively new, enacted as coal production in the region has declined.

The college will focus its project efforts within several HUD “Promise Zones,” communities with high poverty rates where the federal government and local leaders work together to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health, and address other priorities. The counties of Bell, Clay, Harlan, Knox, Letcher, Perry, and Whitley, some of the hardest hit economically by the downturn in coal production, comprise Berea College’s zones. Overall, they have a poverty rate of 30 percent, with 2,724 direct coal jobs lost since 2002.

Appalshop

Appalshop was founded in 1969 as a project of the US government’s War on Poverty and is located in Letcher County, Kentucky, a region hit hard by the loss of coal jobs. The city is battling high unemployment. The organization is 1 of 10 Community Film Workshops conceived through a partnership between the Federal Office of Economic Opportunity and the American Film Institute. In 1974, the initial worker-operated organization evolved into a nonprofit company now called Appalshop and established itself as a hub of filmmaking in Appalachia. Since that time, it has produced more than 100 films covering subjects such as coal mining, the environment, traditional culture, and the economy. It has branched out to include theater, music and spoken-word recordings, radio, photography, multimedia, and books. Appalshop’s goals are to increase arts, media, and technology training opportunities for young people in the mountains and to strengthen longstanding cultural institutions in the county.

In addition, it contributes to diversifying Letcher County’s economy by helping develop tourism opportunities celebrating place-based traditions and creating conditions that can support entrepreneurs building creative businesses in the community. Selected from a pool of nearly 1,300 applicants, Appalshop received a grant of $45,000 from ArtPlace America’s 2015 National Grants Program.

Making dollars and sense

Creative placemaking is broader than just an organization or an artist. It’s about community transformation. And it’s about dollars and cents—and what makes sense.

Artists bring new life into the community. Foot traffic from arts and culture events is a bonus for secondary businesses, restaurants, bars, and hotels. Creative placemaking stimulates public and private spaces, revitalizes structures and streetscapes, and improves local business sustainability. It brings diverse people together to celebrate, inspire, and be inspired in small towns.

The creative culture is an enticement for tourism through the promise of a unique regional experience. Data presented at the Kentucky Travel Industry Association’s annual conference in October 2015 indicate that travel and tourism in Kentucky is larger than ever: The industry increased by more than $2.2 billion over the past 5 years and has reached $13 billion.

And the story’s not over yet. The NEA is a federally funded organization. Its funding provides individuals and communities the chance to participate in the arts on many levels, be it creative or experiential. In its first round of grants for fiscal year 2016, the NEA has awarded $200,000 total to 8 Kentucky arts organizations. Grantees include Berea College in Berea and Appalshop in Whitesburg. It also requires a creditor to notify the applicant of its decision within 30 days from receipt of a completed application.

A state government agency responsible for developing and promoting support for the arts in Kentucky, the Council awarded 73 grants totaling over $450,000 in eastern Kentucky in 2015.

The Major Players

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ArtPlace America

ArtPlace is a 10-year collaboration among a number of foundations, federal agencies, and financial institutions. Its mission is to position arts and culture as a core sector of comprehensive community planning and development in order to strengthen the social, physical, and economic fabric of local communities. Since 2012, it has awarded approximately $12.2 million to 4 communities in eastern Kentucky. These 4 grants will incorporate landscape design, public art, spaces for performance, and temporary installations alongside a walking path in a rural Appalachian coalfield county. Grantees include the River Arts Greenway in Hazard, the Higher Ground Project in Cumberland, Mining the Meaning in Whitesburg, and LuigiART Makers Spaces in Lexington.
How can one organization located in the foothills of eastern Kentucky provide a view of a largely hidden yet broad segment of American history and culture in the midst of transition? Ask Appalshop.

The story of Appalachia is remarkable, and Appalshop—a media, arts, and education center—seeks to preserve it. Since its creation, Appalshop has received a mixed pool of investments from an assortment of funding mechanisms: local and national donors, federal and state sources, the National Endowment for the Arts, the National Endowment for the Humanities, the Kentucky Arts Council, and private and corporate foundations. It also receives support from online sales of its films and stories. By preserving the past, it allows for future growth in the region by acknowledging the area’s rich cultural heritage while visioning new economic possibilities.

Appalshop is located in Whitesburg, Kentucky, a town of approximately 2,100 located in the heart of the Appalachians. The surrounding county of Letcher has a population of roughly 24,000. In the 1950s and 1960s, Whitesburg and the surrounding towns and counties were hit hard by the mechanization of the coal mines, and the resulting unemployment made the region a central focus of President Lyndon Johnson’s War on Poverty.

The importance of local business development in Whitesburg can’t be overstated, especially given the area’s decline in coal production. Within just 3 square miles, there’s a new restaurant, a cooperative record store, and a new entertainment venue and distillery, providing cultural entertainment and jobs. This economic activity seems to be taking hold in other parts of the region, as well. For the past 47 years, Appalshop has brought new residents, businesses, and investment to the area, creating a positive dynamic within the community.

A view of the PAST

Initially 1 of 10 Community Film Workshops born of a partnership between the Office of Economic Opportunity and the American Film Institute, Appalshop was the only rural workshop and is the only workshop of the 10 that is still in existence today. Through media training, storytelling, cultural events, and preservation of Appalachian traditions, it’s an energizing force in Whitesburg.

Established in 1969, Appalshop started at a time of renewed interest in the telling of the Appalachian story. After the original government funding for Appalshop expired, it became an independent nonprofit with the mission to amplify the voices of the Appalachian people through radio, theater, music, fine arts, storytelling, filmmaking, and photography. From the very beginning, filmmakers turned the camera inward, demonstrating an early example of how the utilization of more portable video equipment could influence social change through storytelling.

In its early years, Appalshop’s connection to Appalachian social movements, organizations, and individuals was integral in shaping the work. The depictions offered in those early films were authentic and poignant, resulting in the films’ success. Praise for Appalshop’s initial work propelled the organization to a position of prominence as a media production company, subsequently connecting it to a network of social justice advocates, activists, and academics who participated in the social movement to provide a truer representation of the region.

Appalshop—and the popularity of film and availability of new equipment—has played a significant role in countering adverse descriptions and stereotypes of the Appalachian region. Josh May, Appalshop’s communications director, says, “There was nothing like it in the community. What developed was an honest representation of the area and the people.” Allowing residents to speak for themselves, to one another, and to the nation at large, telling the unique story of Appalachia, allowed residents and Appalshop to contest adverse perceptions of the region. Even though there are various individual views among Appalshop’s filmmakers, they all agree on one fundamental aspect of regional representation: It is critical for Appalachians to tell their own stories. This media space provides a window into regional conditions and into the hardships of living in this beautiful but challenging place. These films record Appalachia’s cultural legacy, offering participants room in which to participate actively in current issues affecting their communities.
A view from the PRESENT

Every manner and aspect of Appalshop’s programming serves the Appalachian community. A prioritized connection to the region is central to the organization, originating with hiring its staff. Appalshop is a major employer in the community, with more than 30 employees, and everyone from local student interns to local on-air personalities is from and committed to the region. This specificity has resulted in a group of people who feel responsible for and invested in the success of the organization as well as in the future of eastern Kentucky and its residents. After all, it’s their future as well.

A view into the FUTURE

Appalshop is in a unique position to act as a change agent for new ideas and to explore strategies for individuals and organizations striving to improve the region.

The creative output reflects the relationships developed between filmmakers and area stakeholders. These connections played a significant role in Appalshop’s development as a regional institution by solidifying its position in the local community.

Now Appalshop has come full circle, going back to its workforce development roots. In partnership with the Southeast Kentucky Community and Technical College, Appalshop is providing a certificate program in media production. For this inaugural class, a consortium of employers in Letcher County is committed to providing 20 new jobs in the region.

The SKHTW Certificate project is financed by a grant from the federal Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Plus initiative. POWER provides more than $55 million in funding for job training, job creation, economic diversification, and other efforts in communities that have experienced layoffs as a result of declines in the coal industry. Of this amount, $20 million is earmarked for coal miners or coal plant workers who have lost their jobs in recent years. The money will go toward job transitioning services and programs. Another $25 million is designated for the Appalachian Regional Commission, which works to improve economic opportunities in Appalachia.

Appalshop looks at ways to shift the conversation, moving from a community supported by extractive resources to one supported by creative placemaking.

The project seeks to fill the technology and media skills gap identified by employers in the region, providing an educational framework, connecting graduates with local businesses looking to hire, matching graduates with entrepreneurs working to establish new businesses, and working with graduates to apply their new skills in starting their own businesses.

The SKHTW Certificate program has since expanded to include cake decorating, darkroom, square dancing, banjo, sewing, calligraphy, drawing, and painting. This evolution brings us to the current approach centered on workforce development and job training in the region.

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Read more}

For further information about Appalshop, check out appalshop.org.

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The issues these examples demonstrate are especially important in eastern Kentucky, which is in a state of flux as it seeks to reorient its coal-centric economy. The loss of coal mining jobs has sent ripples throughout the region, one that has struggled with its share of economic and social issues over decades.

**Population change in eastern Kentucky: The long and short runs**

Let’s start by examining the bigger and longer-term picture when it comes to population trends in the region, say, for the past 115 years. That’s a big chunk of time; but it provides an idea of the broader changes taking place. Looking across this time span, a few things stand out:

1. The United States’ population increased fourfold at a strong, consistent rate.
2. Eastern Kentucky’s periods of population growth tend to coincide with booms in coal production, but that impact has lessened as coal mining has become more automated.
3. The rest of Kentucky saw a population that doubled at a steady, albeit slower rate than that of the US.

Now zoom in to look at the short run, the past 25 years from 1990, the peak in eastern Kentucky coal production, to 2015. Eastern Kentucky saw stagnant population levels, which began to decline in the last few years as the bottom dropped out of the coal industry. On the other hand, the US and the rest of Kentucky saw positive growth at similar rates.

**Digging into the details**

**BIRTHS AND DEATHS**

Otherwise known as “natural increase,” the difference between the number of live births and the number of deaths is calculated annually down to the county level by the US Census Bureau’s Population Estimates Program (PEP). The data are based on birth and death certificates provided by the National Center for Health Statistics. For the past 35 years, the average rate of natural increase per year has been dropping dramatically in eastern Kentucky. In the 1980s, the region averaged more than 4,600 more births than deaths per year; but by the 2010s, deaths began outpacing births on average. Calculating a birth-to-death ratio (births divided by deaths) allows us to compare eastern Kentucky to the rest of the state and to the US. While all regions have seen a decline in the ratio, eastern Kentucky’s is the largest, dipping to below 1.00 (deaths outpacing births).

The birth-to-death ratio is declining faster in eastern Kentucky.

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<tr>
<td>Rest of Kentucky</td>
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<td>-0.20</td>
</tr>
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<td>US</td>
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<td>-0.27</td>
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</tbody>
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**Source**: US Census Bureau, Population Division.

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**A long-run look at population trends in eastern Kentucky.**

[Graph showing population trends from 1900 to 2015 for the United States, Rest of Kentucky, and Eastern Kentucky.]
Comings and goings
In order to understand exactly how much migration is occurring as well as where people are coming from and going to, a good place to start is reviewing data from the Internal Revenue Service (IRS).

**DATA SPOTLIGHT**
IRS Migration Data are released annually and based on year-to-year address changes reported on filed individual income tax returns.

**CAVEATS:** The dataset tends to undercount first-time filers, the elderly, the informal economy, immigrants, and some low-income tax filers, though the Earned Income Tax Credit alleviates the last of these. In addition, the methodology was adjusted starting in 2011–2012.

**BOTTOM LINE:** It’s a solid dataset to use when trying to understand broad migration trends in a region because it’s an actual count, not a sample that is subject to potentially large margins of error.

From 1995 to 2011, total net migration between eastern Kentucky and different states was positive as more people moved to eastern Kentucky than away from it: a net gain of around 1,300 people per year. However, from 2011 to 2014, a period that coincides with the recent decline of the coal industry, net migration became negative to the tune of -1,100 people per year.

A closer look at net migration rates between individual counties from 2011 to 2014 demonstrates that in terms of total flow, the vast majority of migration occurred either within Kentucky or between Kentucky and states sharing its border. Eastern Kentucky had the greatest net loss to Fayette County, Kentucky, home to the fast-growing city of Lexington. Conversely, eastern Kentucky had the greatest net gain from Wayne County, West Virginia, where preliminary numbers suggest that natural resource and mining employment has declined 67% from 2011 to September 2015 (a loss of 604 jobs). One final point is that the counties with the highest total migration (in-migration plus out-migration) are counties within eastern Kentucky. In other words, the majority of migration in eastern Kentucky is movement within eastern Kentucky counties. (Note that the IRS does not disclose data for counties in which fewer than 10 observations occurred, a circumstance which means some county-to-county migration is excluded in a given year.)

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**Who’s migrating**
The final piece involves looking at migrant demographics, including education and income levels and employment status. Data from the US Census Bureau’s American Community Survey’s (ACS’s) 5-year county-to-county migration files suggest clear differences when comparing movers to eastern Kentucky with movers to the rest of the state. Of the people moving to eastern Kentucky from other states, a majority fall into at least one of the following categories when comparing eastern Kentucky to the rest of Kentucky, respectively:

- **Have a high school education or less** (64 percent versus 38 percent)
- **Earn less than $25,000 per year** (47 percent versus 24 percent)
- **Are not in the labor force** (52 percent versus 33 percent)
- **Weren’t working in a year or longer** (42 percent versus 25 percent)

In other words, people who move to eastern Kentucky from other states tend to be less educated, have lower incomes, and/or be out of the labor force.

Even though eastern Kentucky’s population is declining, people are still entering the region, and a significant number of them are not working.

Tying it all together
There are 3 major takeaways in this analysis of population and migration trends in eastern Kentucky.

Eastern Kentucky is shedding population through a combination of out-migration and deaths that are outpacing births, circumstances that have accelerated as the coal industry has declined. But even though eastern Kentucky’s population is declining, people are still entering the region, and a significant number of them are not working.

This detail underscores the importance of attracting new jobs to and cultivating existing jobs and entrepreneurship within the region, particularly as the elimination of coal-related jobs continues. To this end, the state’s initiative to construct a broadband network in eastern Kentucky could help the region to diversify its job opportunities.

A large number of the people coming into the region from other states have a high school diploma or less, further underscoring the need for jobs that don’t require a college degree yet pay a decent wage. Jobs that can be obtained via certificate training are one option (though many of these, too, require a high school diploma or General Education Development certificate). Financial support for such training could come from a pool of federal dollars called the Partnerships for Opportunity and Workforce Economic Revitalization (POWER) Plus initiative, mentioned in part 3 of Forefront’s 4-part series on eastern Kentucky (see page 13). This $68.5 million fund is earmarked to help coal-dependent communities diversify their economies and retrain their workforces.

Finally, however the region moves forward, doing so will take a concerted effort from policymakers and stakeholders working together toward the same or similar goals. It’s evident through this look at population and migration trends that the region is still seeking its equilibrium.