LOUISVILLE MSA: LOOKING AHEAD

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New Louisville MSA Boundaries
Population Quick Facts

- Population growth 2010-2013: 2%

<table>
<thead>
<tr>
<th>City/Region</th>
<th>Estimate 2013</th>
<th>Percent Change</th>
<th>2012 Rank</th>
<th>2013 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jacksonville, FL MSA</td>
<td>1,394,624</td>
<td>1.2</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Memphis, TN-MS-AR MSA</td>
<td>1,341,746</td>
<td>0.1</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Oklahoma City, OK MSA</td>
<td>1,319,677</td>
<td>1.7</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Louisville/Jefferson County, KY-IN MSA</td>
<td>1,262,261</td>
<td>0.9</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Richmond, VA MSA</td>
<td>1,245,764</td>
<td>1</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>New Orleans-Metairie, LA MSA</td>
<td>1,240,977</td>
<td>1.1</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Hartford-West Hartford-East Hartford, CT MSA</td>
<td>1,215,211</td>
<td>0.1</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Raleigh, NC MSA</td>
<td>1,214,516</td>
<td>2.2</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Salt Lake City, UT MSA</td>
<td>1,140,483</td>
<td>1.5</td>
<td>50</td>
<td>48</td>
</tr>
<tr>
<td>Birmingham-Hoover, AL MSA</td>
<td>1,140,300</td>
<td>0.5</td>
<td>48</td>
<td>49</td>
</tr>
<tr>
<td>Buffalo-Cheektowaga-Niagara Falls, NY MSA</td>
<td>1,134,115</td>
<td>0</td>
<td>49</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: US Census Bureau 2013 Population Estimates
Projected Population

Louisville MSA Population 2010-2050

Population Growth from 2010-2013 = 2%

Source: Kentucky State Data Center
MSA Fast Profile 1

- 45% married couple families
- 9% single mother households
- 44% nonfamily households
  - Includes householder living alone
- 30% never married
- 10% are veterans
- 15% have a disability
MSA Fast Profile 2

• 5% are foreign born
  – 37% naturalized, 63% not a citizen
• 2% of foreign born entered prior to 2010
  – 11% entered 200-2009
  – 87% entered before 2000
• 7% speak a language other than English
  – 3% cannot speak English very well
• 14% of foreign born have bachelor’s degree
• 14% of foreign born have graduate or professional degree
MSA Fast Profile 3

• 16% had incomes in the last year below 100% of the poverty level
  – 9% between 100 and 149% of the poverty level
• 42% of poor were male
  – 10% had a bachelor’s degree or higher
• 58% of poor were female
  – 8% had a bachelor’s degree or higher
Per Capita Real GDP
(2005 Chained Dollars)

United States (Metropolitan Portion)
Louisville MSA
Per Capita Personal Income

- United States (Metropolitan Portion)
- Louisville MSA

2001 - 2012

$20,000 - $50,000
Income in Past 12 Months
(in 2012 inflation-adjusted dollars)

Source: US Census Bureau ACS 1-Year Estimates 2012
Source: BLS Local Area Unemployment Statistics
MSA Unemployment 2012-March 2014

Source: BLS Local Area Unemployment Statistics
## Unemployment Change 1 Year

<table>
<thead>
<tr>
<th>Location</th>
<th>Mar-13</th>
<th>Mar-14</th>
<th>12-month net change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bowling Green, KY</td>
<td>7.8</td>
<td>7.3</td>
<td>-0.5</td>
</tr>
<tr>
<td>Cincinnati-Middletown, OH-KY-IN</td>
<td>7.3</td>
<td>5.8</td>
<td>-1.5</td>
</tr>
<tr>
<td>Clarksville, TN-KY</td>
<td>8.7</td>
<td>8</td>
<td>-0.7</td>
</tr>
<tr>
<td>Elizabethtown, KY</td>
<td>7.9</td>
<td>8</td>
<td>0.1</td>
</tr>
<tr>
<td>Evansville, IN-KY</td>
<td>7.2</td>
<td>5.8</td>
<td>-1.4</td>
</tr>
<tr>
<td>Huntington-Ashland, WV-KY-OH</td>
<td>7.1</td>
<td>6.5</td>
<td>-0.6</td>
</tr>
<tr>
<td>Lexington-Fayette, KY</td>
<td>7</td>
<td>7.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Louisville-Jefferson County, KY-IN</td>
<td>8.2</td>
<td>7.7</td>
<td>-0.5</td>
</tr>
<tr>
<td>Owensboro, KY</td>
<td>7.2</td>
<td>7.3</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: BLS Local Area Unemployment Statistics
MSA Employment 2012
(full and part time)
Employment by Occupation

(Occupations with > 20,000 Employees as of May 2013)

- Construction and Extraction
- Business and Financial Operations
- Installation Maintenance and Repair
- Education Training and Library
- Management
- Healthcare Practitioners and Technical
- Food Preparation and Serving Related
- Production
- Transportation and Material Moving
- Sales and Related
- Office and Administrative Support

Source: BLS Occupational Employment Statistics (OES) Survey
HANDOUTS

• Industry by occupation
  – Still tend to be a production oriented economy
  – Seeing some improvement in management occupations as educational attainment improves

• Occupation by gender and earnings
  – The gender wage gap is alive and well across all occupations
  – Transportation remains male dominated industry in MSA
    • National statistics on air transportation suggest more parity
Educational Attainment
(25 Years and Older)

Source: US Census Bureau ACS 1 Year Estimates
### Bachelor’s Degrees by Field 2012

<table>
<thead>
<tr>
<th>Field</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Science and Engineering</td>
<td></td>
</tr>
<tr>
<td>Computers, Mathematics and Statistics</td>
<td>4%</td>
</tr>
<tr>
<td>Biological, Agricultural, and Environmental Sciences</td>
<td>6%</td>
</tr>
<tr>
<td>Physical and Related Sciences</td>
<td>3%</td>
</tr>
<tr>
<td>Psychology</td>
<td>5%</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>7%</td>
</tr>
<tr>
<td>Engineering</td>
<td>6%</td>
</tr>
<tr>
<td>Multidisciplinary Studies</td>
<td>1%</td>
</tr>
<tr>
<td>Science and Engineering Related Fields</td>
<td>10%</td>
</tr>
<tr>
<td>Business</td>
<td>22%</td>
</tr>
<tr>
<td>Education</td>
<td>12%</td>
</tr>
<tr>
<td>Arts, Humanities, and Other</td>
<td></td>
</tr>
<tr>
<td>Literature and Languages</td>
<td>5%</td>
</tr>
<tr>
<td>Liberal Arts and History</td>
<td>6%</td>
</tr>
<tr>
<td>Visual and Performing Arts</td>
<td>3%</td>
</tr>
<tr>
<td>Communications</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>
Geographical Mobility by Education

Same House or Moved Within County Past Year

- Graduate or professional degree
- Bachelor's degree
- Some college or associate's degree
- High school graduate (includes equivalency)
- Less than high school graduate

Moved to Different County or Out of State Past Year

- Graduate or professional degree
- Bachelor's degree
- Some college or associate's degree
- High school graduate (includes equivalency)
- Less than high school graduate
Geographical Mobility by Income

Same House or Moved Within County Past Year

- $75,000 or more: 0%
- $65,000 to $74,999: 5%
- $50,000 to $64,999: 10%
- $35,000 to $49,999: 15%
- $25,000 to $34,999: 20%
- $15,000 to $24,999: 30%
- $10,000 to $14,999: 30%
- $1 to $9,999 or less: 20%
- No income: 20%

Moved from Different County, State or Country Past Year

- $75,000 or more: 0%
- $65,000 to $74,999: 0%
- $50,000 to $64,999: 10%
- $35,000 to $49,999: 20%
- $25,000 to $34,999: 20%
- $15,000 to $24,999: 30%
- $10,000 to $14,999: 30%
- $1 to $9,999 or less: 20%
- No income: 30%
Commercial Passenger Industry Trends

- Employment falling while productivity rising
  - Airlines replacing directly employed with contract workers from other firms

- Low cost carriers outsource most maintenance workers, use newer aircraft
  - Their share of industry is rising

- Substitution of technology for tasks previously handed by employees
  - We print our own boarding passes
General Aviation

• Business jet market stabilized after recession tumble
• Turbo prop segment showed about 10% growth in use for shipments
• The private pilot population continues to shrink
• Forecast 1.5% growth in hours flown

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal</td>
<td>68%</td>
</tr>
<tr>
<td>Business</td>
<td>8%</td>
</tr>
<tr>
<td>Instructional</td>
<td>6%</td>
</tr>
<tr>
<td>Aerial Apps</td>
<td>5%</td>
</tr>
<tr>
<td>Corporate</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
<tr>
<td>Sightseeing</td>
<td>1%</td>
</tr>
<tr>
<td>Air Medical</td>
<td>&lt; 1%</td>
</tr>
</tbody>
</table>
Freight Transportation

• Sensitivity to economic cycle (historical correlation with GDP)
  – Air transportation = .5785
  – Water transportation = .2375
  – Rail transportation at .4460
• Air carries around 5% of world trade shipments but 35% by value (think perishable or time sensitive). Outlook: Flat
• Trucks carry 68.5% of domestic shipments. Outlook: Growing so fast that many drivers have jobs before they finish training school
• Rail carries 40% of intercity cargo. Outlook: Strong especially as auto markets rebound
• Water is over, except transoceanic as a form of intermodal.
• Intermodal is growing faster than any single form and many expect to see even more rapid growth in 2014 as the economy recovers.
  – More emphasis on coordination of modes
  – Strong growth in terminal modes, i.e. the UPS truck that brings the product to your door
Private Compensation – Air Transportation (in thousands)

Source: Bureau of Economic Analysis
Air Transportation Employees and Average Weekly Wages

Source: Bureau of Labor Statistics QCEW
Air Transportation Employment Projections

• Scheduled
  – Forecast negative 12.5% growth to 2022

• Nonscheduled
  – Forecast flat at 0.1% growth to 2022

• When I was here in 2012 growth rate for scheduled was weak (.01%) but unscheduled was very strong (36.2%)
  – Chalk it up to a bunch of economists who thought the recovery was going to take off any minute
Location Quotients

• Last handout
• If the LQ is = 1, the region (Louisville MSA) has the same share of its employment as the reference area, here the United States
• LQs tell how concentrated a particular industry is compared to the rest of the nation
• LQs are commonly used to reveal the “export orientation” of an industry, which is associated a higher multiplier effect
Aerotropolis?

- SDF ranked #7 in the world in tons of freight shipped in 2012
- ACI (Airports Council International) is predicting 2.2% growth in 2013
- Kasarda and Lindsay argue that the economies of cities will increasingly be built around airports
Smart Growth

• Aerotropolis development has largely been haphazard, resulting in congestion and environmental problems

• Development needs to be more strategic
  – Dedicated expressway links (aerolanes)
  – Truck only lanes
  – Business, residential location decisions
  – Cluster rather than strip development
  – Mixed use residential/commercial communities
It's QUESTION TIME!!

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