

2012: Updates on Education and Quality of Place with a New Look at 21st Century Jobs

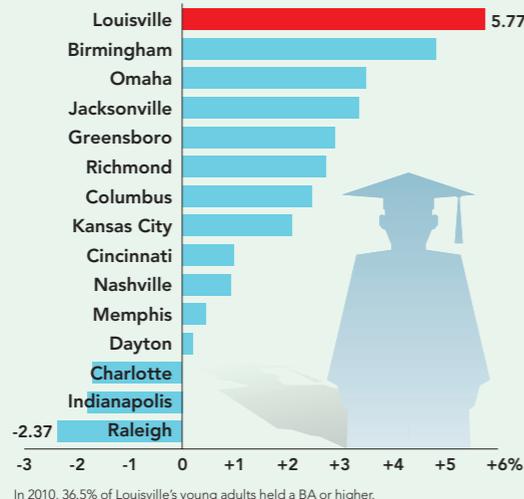
Moving Louisville into the top tier of American cities requires building on gains made over the last 10 years and a different way to measure progress in the regional economy.



Greater Louisville Project
ADVANCING A COMPETITIVE CITY

Education: Young Adults Make Louisville Number One

Percentage Point Change in Four-Year College Attainment Rate for 25 to 34 Year Olds, 2000–2010



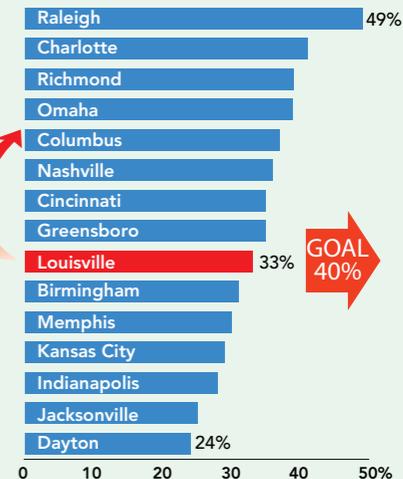
An increase of over 8,000 young adults with Bachelor's Degrees or higher between 2000 and 2010 has propelled Louisville into **first place in the rate of improvement among its peer cities**. For the first time, Louisville produced and attracted similar numbers of educated young adults as perennial top tier cities Charlotte and Columbus – a substantial accomplishment.

During this period, Louisville's population became more diverse and minorities increased their share of total Bachelor's Degrees. However, a troubling gap between minority and white degree attainment remains. In 2010, 21% of Hispanics and 16.5% of African

Americans held a Bachelor's Degree or higher, compared to 33.3% of whites age 25 and older – a reminder of the importance of community-based efforts like 55,000 Degrees and 15K Degrees.

Progress on both fronts is necessary if Louisville is to achieve its Deep Driver goal of 40% of the working-age population with college degrees. The city must continue to attract and retain young adults and eliminate its graduation gap if it is to move into the top tier of competitive cities, increasing its ability to grow, retain and attract 21st Century jobs.

Working Age Population (25 to 64) with a Bachelor's Degree or Higher, 2010



Quality of Place: Louisville as the Heart of its Region

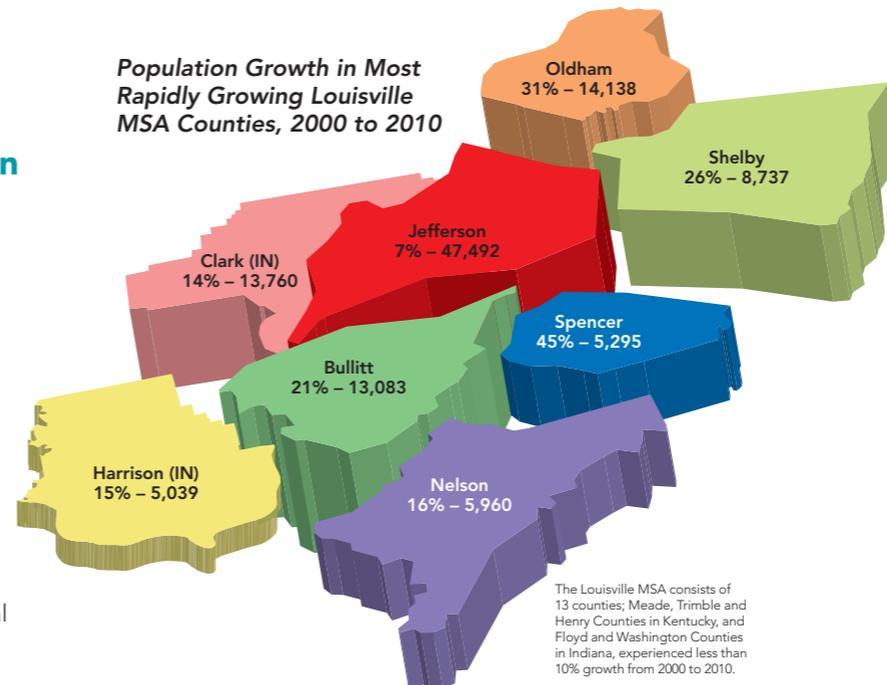
While Louisville's population grew 7% over the last decade, many surrounding counties grew at a faster rate and the city **lost ground in its share of the region's 1.2 million population**. If this trend continues, it could threaten the core density that is crucial to a city's vitality.

The combination of a vibrant city with well-paying jobs is essential in creating the quality of place that appeals to an educated, highly-skilled workforce. The addition of 7,200 young adults in the last decade may be an indication

that **Louisville's 20-year brain drain is reversing**. A comparison of the percentage change in the number of young adults across peer cities would rank Louisville at 5th place, cracking the top tier.

The imperative to strengthen the city's role as the employment and population center in the metropolitan area continues. Regional economic partnerships with Lexington and along the I-65 Corridor offer game-changing strategies to increase Louisville's national and international competitive footprint.

Population Growth in Most Rapidly Growing Louisville MSA Counties, 2000 to 2010



The Louisville MSA consists of 13 counties; Meade, Trimble and Henry Counties in Kentucky, and Floyd and Washington Counties in Indiana, experienced less than 10% growth from 2000 to 2010.

Louisville is home to 69% of the region's jobs and 58% of the region's population.

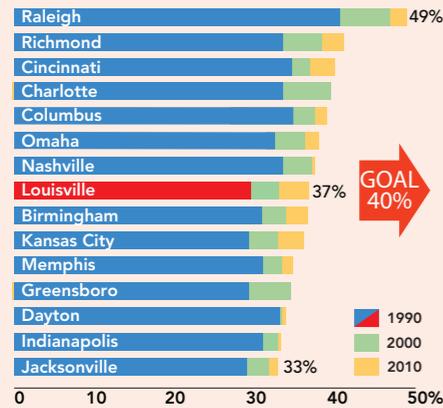
The city ranks in the middle tier among its peers on these measures, with the 8th largest share of regional jobs and 9th largest share of regional population.

Source: BEA, 2009 and US Census Bureau, 2010. Peer core county comparison.

21st Century Jobs: What Does Success Look Like?

A peer city comparison of employment in professional and technical jobs shows Louisville has moved up one place since the last report, **continuing its advance up the peer cities ranking from 12th to 8th place since 2000**, with about 37% of its residents employed in these types of jobs, still short of the 40% goal.

Employed in Professional or Technical Occupations



As world economies continue to evolve, this primary indicator for the Greater Louisville Project's 21st Century Job Deep Driver no longer tells the whole story, calling for a new way to look at the region's economy. The following section of this report offers a new frame for this Deep Driver: The Innovation Economy.

A Framework for an Innovation Economy

A Look Back

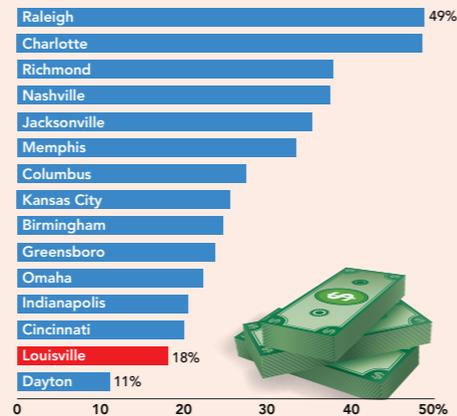
In the past 35 years, the Louisville region and the rest of the nation experienced four recessions – 1980, 1990, 2000, and 2007 – that significantly affected the city's ability to attract and retain both talent and high-value jobs. Louisville responded with varied economic development initiatives, including business attraction strategies with a focus on key sectors like life sciences and logistics. When local governments merged in 2003, a more competitive business environment was a desired outcome.

Results have been mixed. The growth of Louisville's UPS hub has been a catalyst for

jobs in logistics and related enterprises, but Louisville did not achieve a tipping point of wage growth, high-value businesses and knowledge-rich talent.

The region had barely recovered from the 2000 recession, when the 2007 recession hit. As the city struggles back from the most recent recession and looks forward, this moment in time offers an opportunity to **evaluate how Louisville has actually fared over recent decades.**

Real Wage Growth, Louisville and Peer MSAs, 1980–2010



Wage and salary employment, also referred to as wage and salary jobs, measures the average annual number of full-time and part-time jobs in each area by place-of-work. All jobs for which wages and salaries are paid are counted. Full-time and part-time jobs are counted with equal weight.

Source: BEA Local Area data; analysis by Dr. Uric Dufrene, Indiana University Southeast

Indicators Tell the Story

Two indicators are alarming: job and wage growth.

From 1980 to 2010, the Louisville region's total employment grew only 38 percent, ranking 11th in growth among peers. During the same period, wages grew only 18 percent in inflation-adjusted dollars, ranking it 14th. **Both indicators, especially the region's sluggish wage growth, are a wake up call.**

These indicators are particularly important because they directly shape the standard of living of the region's families, and underscore that Louisville has yet to fully realize the promises of earlier economic development strategies or merger.

Percent Job Losses in Recent Recessions, Louisville MSA



Source: US Bureau of Labor Statistics, Current Employment Survey, Nonfarm Total Employment, Seasonally Adjusted Series. Data for 1974 and 1980 recessions are for the old 7-county Louisville MSA definition. The region's recession experience differs in timing from the nation's. Data for the 1990, 2000, and 2007 recessions are for the current 13-county Louisville MSA definition. Analysis by Barry Kornstein, University of Louisville

Why an Innovation Economy?

Innovation: the creation of pioneering ideas that leads to new products, efficiencies, and industries, essential to long-term economic growth.

To move to the top tier of competitive cities, Louisville must raise educational attainment and build on its distinctive strengths and competitive advantages to grow, retain and attract high-value businesses and knowledge-rich talent.

In future reports, The Greater Louisville Project will consider new 21st Century Job indicators such as regional economic clusters, exports, R&D expenditures, STEM (scientific, technology, engineering and math) jobs, small business creation and knowledge transfer from ideation to market to measure Louisville's progress in the Innovation Economy.

This Innovation Economy frame will provide the community and its leaders a new focus on the work Louisville must do to compete in the 21st Century for jobs and talent.

Find More Data and Information at: www.greaterlouisvilleproject.org 502.693.8585

The Greater Louisville Project is a non-partisan civic initiative organized by The Community Foundation of Louisville and supported by a consortium of philanthropic foundations including The James Graham Brown Foundation, Brown-Forman, The C.E. & S. Foundation, Gheens Foundation, The Humana Foundation, The JP Morgan Chase Foundation, and the Stephen Reily and Emily Bingham Fund. Its mission is to act as a catalyst for civic action by providing research and data analysis to engage the community in a shared agenda for long-term progress.

Unless otherwise noted, data is for Jefferson County and peer core counties; 1990 and 2000 data is from the U.S. Census Bureau Decennial Census; and, 2010 data is from the American Community Survey for 2010. The Louisville Metropolitan Statistical Area is comprised of 13 counties, which had a 2010 population of 1,283,566. "Louisville" refers to Jefferson County and "Louisville region" refers to the 13 county area. The report was prepared by the staff of The Greater Louisville Project: Elisabeth Alkire and Julia Inman, with data and analysis provided by Michael Price of the Kentucky State Data Center at the University of Louisville, Dr. Uric Dufrene of Indiana University Southeast and Barry Kornstein in the Urban Studies Institute at the University of Louisville. Special thanks also go to Joe Cortright of Impresa Inc., and Judy Rosenfield. The report was designed by Galloway Communications and Darkhorse Creative.

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