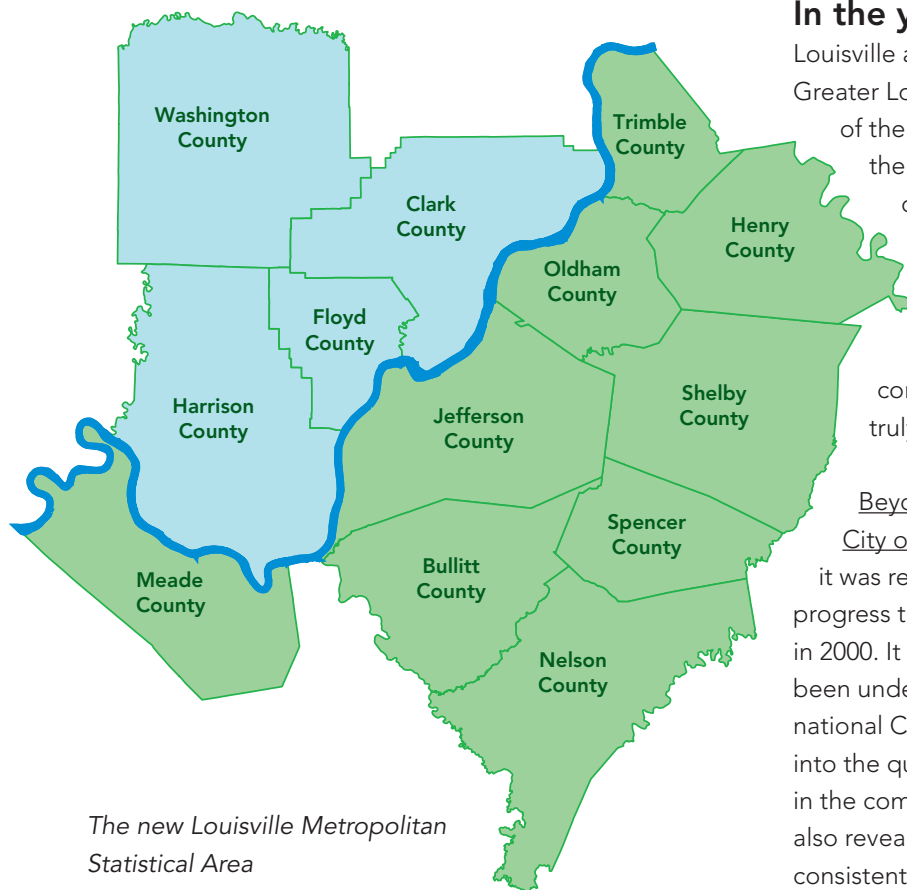**Greater Louisville Project**

Fix
Build
Create
Invest
Balance

2005 Competitive City Report

Introduction

The new Louisville Metropolitan Statistical Area map, showing counties:

- Washington County
- Clark County
- Trimble County
- Henry County
- Oldham County
- Floyd County
- Harrison County
- Shelby County
- Jefferson County
- Meade County
- Spencer County
- Bullitt County
- Nelson County

The new Louisville Metropolitan Statistical Area

In the year leading up to the historic merger of Louisville and Jefferson County government in 2003, The Greater Louisville Project commissioned a broad assessment of the competitive status of the new Louisville Metro and the challenges it faced. The aim was to stimulate the development of a civic agenda that would move Louisville into the top tier of American cities.

Two years after merger, it is time to reassert that agenda, committing to enhancing Louisville's competitive position and establishing it as one of the truly distinctive American cities.

Beyond Merger: A Competitive Vision for the Regional City of Louisville resonated powerfully and widely when it was released. It tapped into the same aspirations for progress that led voters to approve the merger referendum in 2000. It brought into focus challenges that had long been understood and put them into the context of a national Competitive Cities Agenda based on research into the qualities and characteristics that distinguish cities in the competition for people, talent, and prosperity. It also revealed some new, discomforting issues, and drew consistent praise for "telling it like it is."

More than 1,000 citizens turned out for initial briefings on the report. Dozens of community groups requested presentations over the following two years. More than 15,000 copies of the report and its summary have been put in circulation, and it is routinely cited in public discourse on a wide range of topics.

Prepared by The Brookings Institution Metropolitan Policy Program, Beyond Merger connected the dots across key sectors of community life – education,

Connect the dots between a quality workforce, quality economic development, and a superior quality of life.

Population
1780
359

1778
George Rogers Clark founds Louisville

1811
First steamboat

1850
43,000
10th Largest City

1861–1865
Civil War and Emancipation Proclamation

1875
First Kentucky Derby

1890
100,000

1891
Frederick Law Olmsted commissioned to design parks

1913
Ford Motor Co. opens plant

1937
Ohio River floods

economic development, community assets and amenities, neighborhoods, family supports, and patterns of growth – and suggested how their interrelated paths shape community prospects for economic growth and social health.

Its first finding was that Louisville entered merger from a position of strength, following a decade of growth in population and jobs, with the largest share of the region's assets in terms of both jobs and people concentrated in Louisville Metro.

It pointed out that almost all of that population growth over the last decade stemmed from an influx of immigrants and new ethnic minorities, and it noted the historic divide between African-American and white communities, which manifests itself in virtually every aspect of community life.

Beyond Merger called upon Louisville Metro to capitalize on the momentum of merger to overcome legacies like those and other obstacles to achieving the community's vision for its future. It spelled out an ambitious, long-term Competitive City Agenda organized under five key headings:

- **Fix the Basics**, raising education attainment and achievement levels for all ages.

- **Build on Assets**, leveraging competitive advantages to strengthen economic vitality and creating a "package of amenities" including a vibrant downtown, recreation opportunities, arts and cultural life.

- **Create Quality Neighborhoods**, as the fundamental building block of community.

- **Invest in Working Families**, with the goal of raising all families above the poverty line.

- **Balance Metropolitan Growth** to ensure that the region maintains its distinctive quality of life.

The first two years of Louisville Metro have been dominated by the hard work of building a new government, laying the groundwork for "getting it right" by creating a top-notch local government.
As the timeline below illustrates, the impact of long-term trends determines the future, but sustaining change that spans years will require unwavering focus and commitment.

Now is the time to recommit to the higher aspirations that galvanized the community at Louisville Metro's birth – to put the big picture of its strengths and weaknesses back into focus and stake out indicators of progress for the long haul. The Competitive City Report is intended for that purpose.

1953
General Electric opens Appliance Park

1974
Tornado rips through Louisville

1981
Recession hits manufacturing jobs

2002
UPS Worldport opens

2003
700,000
16th Largest City

2004
$95 Million Waterfront Park Final Phase Announced

1941–45
World War II creates 80,000 jobs

1960
400,000

1967
Local Open Housing Ordinance

1975
City and county school districts merge

1990
Kentucky Education Reform Act enacted

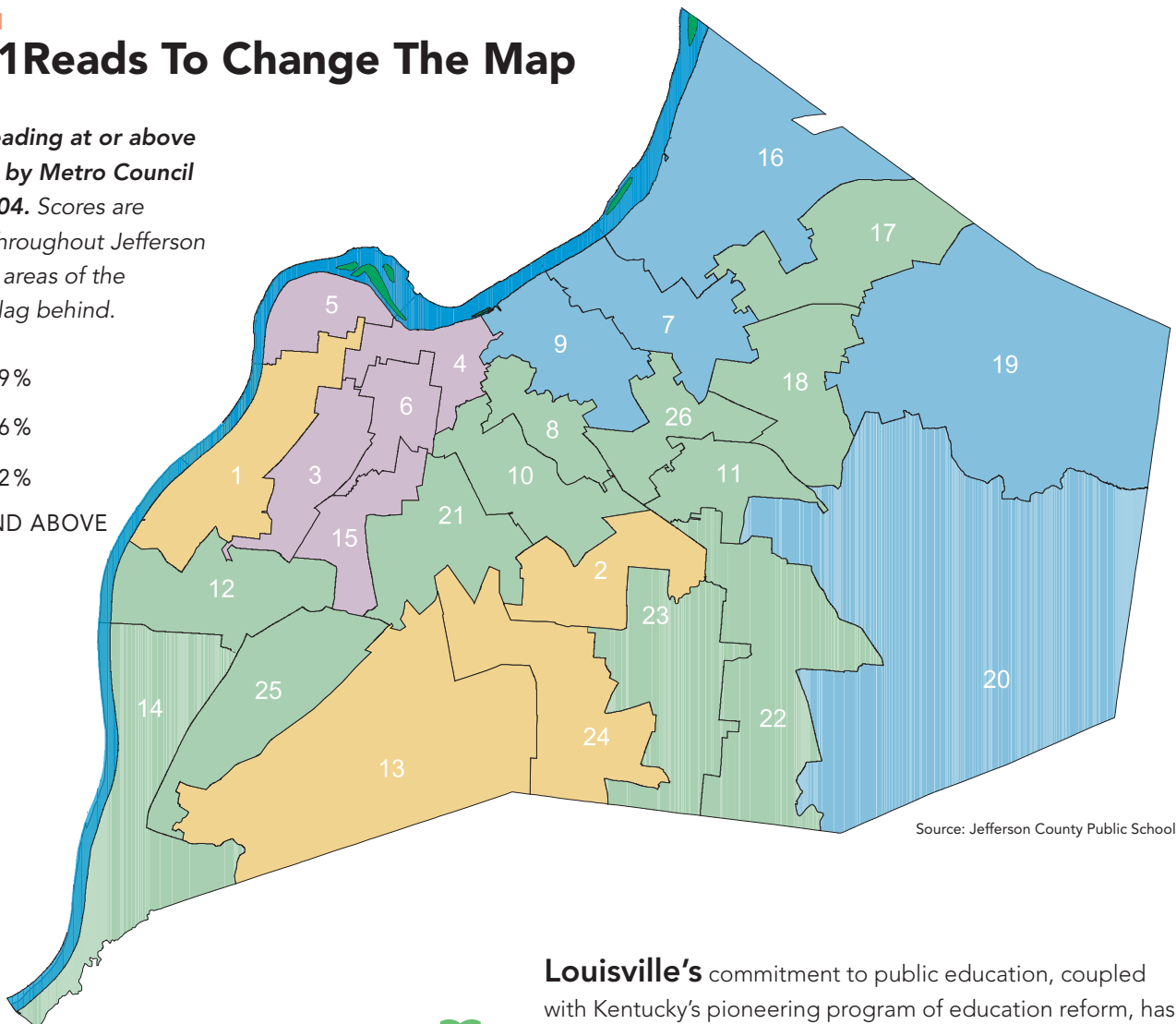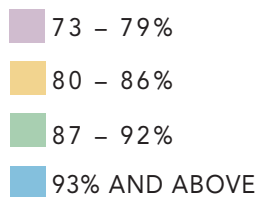**2003**
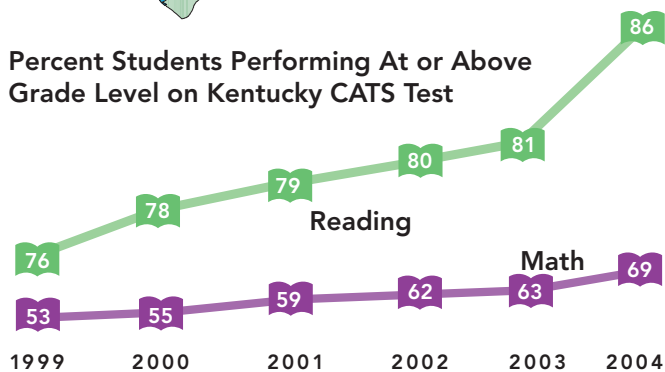Louisville and Jefferson County governments merge

Louisville

Every1Reads To Change The Map

Students reading at or above grade level by Metro Council District, 2004. Scores are improving throughout Jefferson County, but areas of the community lag behind.

■	73 – 79%
■	80 – 86%
■	87 – 92%
■	93% AND ABOVE

Source: Jefferson County Public Schools

Percent Students Performing At or Above Grade Level on Kentucky CATS Test

Reading: 76 (1999), 78 (2000), 79 (2001), 80 (2002), 81 (2003), 86 (2004)

Math: 53 (1999), 55 (2000), 59 (2001), 62 (2002), 63 (2003), 69 (2004)

| 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |

Source: Jefferson County Public Schools

Louisville's commitment to public education, coupled with Kentucky's pioneering program of education reform, has produced a strong and stable public school system and a record of steady improvement in recent years.

Beyond Merger underscored the urgency of escalating that trend and particularly of closing the achievement gap for all students. It identified higher educational achievement as the single most important challenge confronting Louisville Metro and urged the community to "make itself a national leader in producing high levels of achievement among all students."

The challenge to "Fix the Basics" was quickly embraced by both the community's civic leadership and the Jefferson County Public Schools. Brought together by Greater Louisville Inc., they devised Every1Reads, one of the most ambitious community-wide education improvement efforts in the nation.

Reading ability is the foundation of academic success. But, as the accompanying map demonstrates, the level of achievement in that basic skill varies widely across the community, primarily because of the deep impact that poverty and other circumstances of family distress can have on children's learning.

Eliminating such disparities, as Beyond Merger said, "will require a comprehensive commitment that cuts across all other agendas and institutional boundaries…to make educational achievement the top priority of every family and neighborhood."
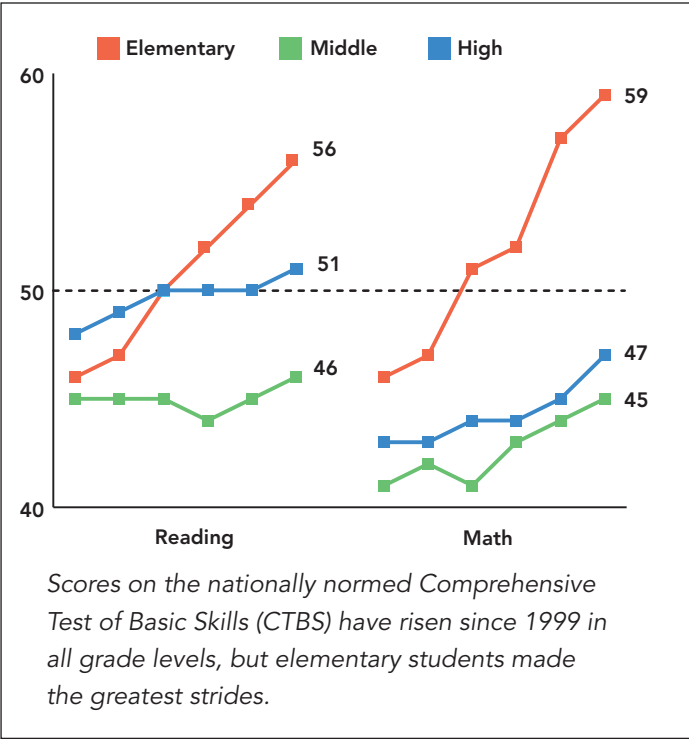
Every1Reads reflects just such a commitment, going beyond the schoolhouse to mobilize the community for change. By combining major changes in the expectations and practices of public school educators with major donations of time, money, and effort by hundreds of citizen volunteers, the initiative's goal is to ensure that, by the end of four years, and for the first time ever, every child in Louisville's public schools will be reading at least on grade level.

Achieving that goal will distinguish Louisville among major urban areas across the nation. Valid comparisons among cities on the quality of public education are difficult to make because of variations in education policy and testing measures. One standardized test that reports achievement compared to national norms produces a mixed picture for the Jefferson County Public Schools. As Indicator #2 shows, in 2004 local elementary students outperformed 56 percent of their national peers in reading, while high school students outperformed just over half of the national test group on the Comprehensive Test of Basic Skills (CTBS). Louisville Metro's middle school students scored lower, outperforming only 46 percent of the national group.

On Kentucky's more extensive CATS tests, JCPS students and schools have shown steady improvement, although math scores have risen more slowly than reading scores, and wide gaps still exist between the highest and lowest-scoring schools, as well as among student groups, particularly African-Americans, other racial minorities, and children with learning differences.

On a key indicator that national research shows may play an important role in learning for minority children and those

Louisville Metro Scores on Comprehensive Test of Basic Skills (CTBS) Compared to National Test Group: 1999 – 2004

Scores on the nationally normed Comprehensive Test of Basic Skills (CTBS) have risen since 1999 in all grade levels, but elementary students made the greatest strides.
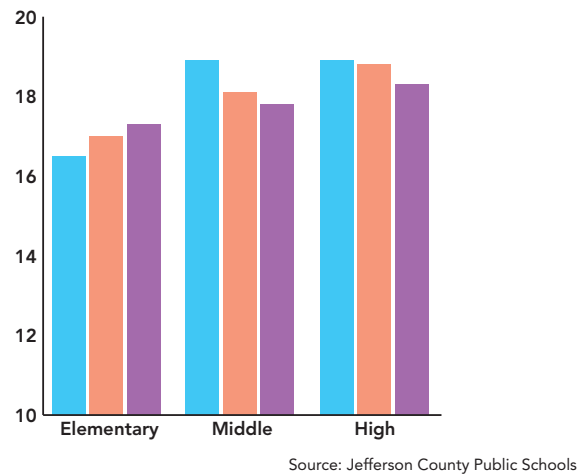
Source: Jefferson County Public Schools

from poorer households, the Jefferson County Public Schools have lost some ground. The national recommendation for student-teacher ratios in elementary schools is 15 students for each teacher. As Indicator #4 shows, over the last three years, that ratio rose in JCPS schools to reach an average of 17.3 students per teacher.

The drop-out rate from Jefferson County high schools moved up and down over the last decade and has declined for four years, as the graph for Indicator #5 shows. Among college-bound high school students, Jefferson County Public Schools' average scores on the ACT test closely track the national averages for both white and African-American students, as Indicator #6 shows.

Bottom Line

The Top Priorities Are: Education, Education, Education

Indicator #4
Student/Teacher Ratios in Jefferson County Public Schools: 2001 – 2003

Source: Jefferson County Public Schools

Indicator #5
High School Dropout Rates (Grades 9 – 12) for Jefferson County Public Schools: 1993 – 2002

Source: Jefferson County Public Schools
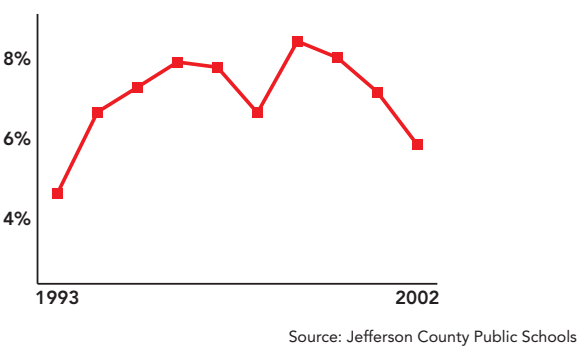
Indicator #6
Average American College Testing (ACT) Scores for African-American and White Students Compared to National: 1985 – 2002

Source: Jefferson County Public Schools
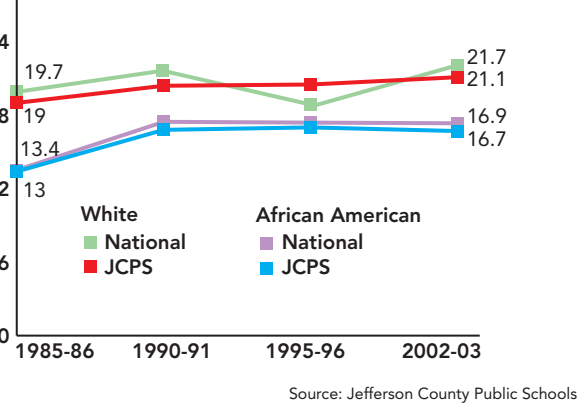
Competitive City Agenda

Build an educated and skilled workforce that can compete and prevail in the knowledge economy.

Students Performing At or Above Grade Level By Race: 2004

Reading

Math
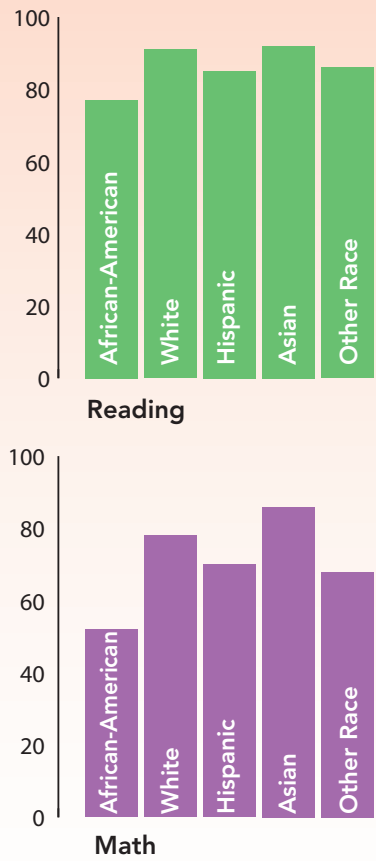
Source: Jefferson County Public Schools

Young Adults Set the Pace for Going Higher

Master's Degree Or Above — 26.6%

Bachelor's Degree — 28%

Some College Or Associate Degree — 11.4%

High School Grad Only — 8.8%

Not High School Grad — 31.9%

1990   2000

16.8 (1990)   22.4 (2000)

Source: U.S. Census Bureau

Percent Of Young Adults (25 – 34) With Bachelor's Degree. The number of young adults aged 25 to 34 who have a college degree increased by a third over ten years.

Education Attainment Among Adults Ages 25 – 64, 1990 and 2000. Since 1990, the number of Louisville Metro adults without a high school diploma has declined by almost a third, and the number of people attaining higher education goals has risen.

Source: U.S. Census Bureau

The Basics 2

Just as education opens the door to personal prosperity, the knowledge and skills of a community's workforce determine its prospects for economic success. Beyond Merger documented the urgent need to substantially raise education attainment and the skills of the region's workforce as an essential step to enhancing its competitive position.

In Louisville Metro, the agenda to raise education attainment is gaining traction, as the key graphic shows. From 1990 – 2000, Louisville Metro led its peer cities in the rate of reduction in the percentage of residents who lacked a high-school diploma and in the rate of increase for the percentage with a bachelor's degree.
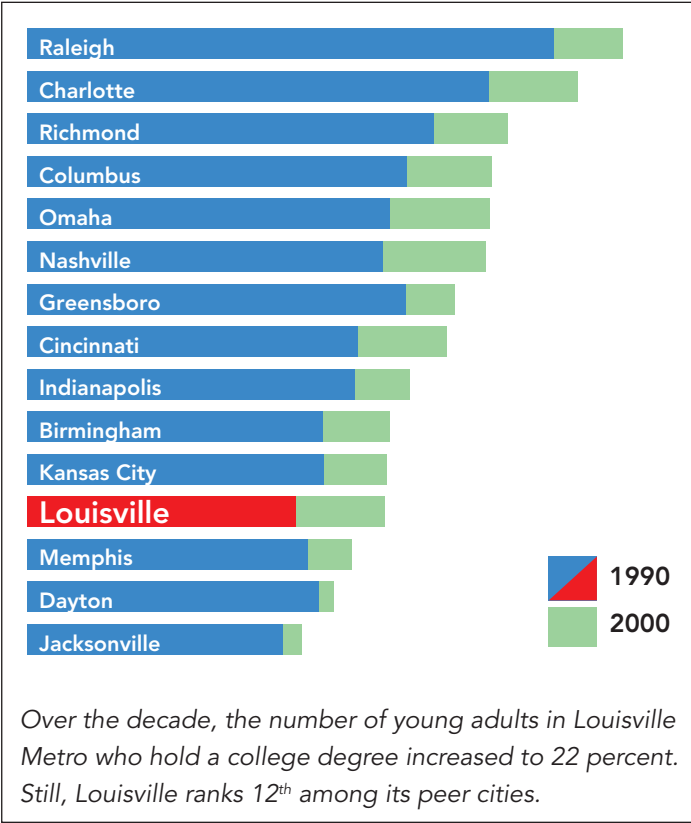
The rate among younger adults (ages 25 – 34) is notable. In that critical age group, the percentage of Louisville Metro residents who hold at least a bachelor's degree increased by a third between 1990 and 2000 – confirmation that the imperative to "Go Higher!" is taking hold.

Increasing enrollments in local institutions of higher learning has not been a steady, upward trend, however. Research by Paul Coomes of the University of Louisville, showed that enrollments climbed in the early 1990s, then dipped, and rebounded over the last five years. Those fluctuations underscore the need to sustain the push to raise education expectations for young people.

Other indicators point to an underlying need to better prepare them for higher education. The rate at which entering freshmen are assigned to remedial courses remains high, creating additional barriers to success and eating away at financial resources.

The University of Louisville has placed renewed emphasis on improving its historically low retention and graduation rates. Between 1998 and 2003, U. of L. raised the rate of freshmen who return from 78 percent to 83 percent and increased from 30 percent to 35 percent the number of students who graduate within six years. But that's still only slightly more than one in three.

The most dramatic indication that Louisville is slowly gaining a more effective and coherent workforce system comes from the community and technical colleges. According to the new KentuckianaWorks Human Capital Scorecard, the number of students earning certificates below the level of associate degrees doubled in the 2002 – 2003 academic year, indicating growing demand for short-term training to upgrade skills.

Bottom Line

Sustain the Push To "Go Higher" and Raise Education Attainment at All Levels

Indicator #2
Percent Ages 25 – 34 with Bachelor's Degree Peer Cities Comparison: 1990 and 2000

Raleigh
Charlotte
Richmond
Columbus
Omaha
Nashville
Greensboro
Cincinnati
Indianapolis
Birmingham
Kansas City
Louisville
Memphis
Dayton
Jacksonville

1990
2000

Over the decade, the number of young adults in Louisville Metro who hold a college degree increased to 22 percent. Still, Louisville ranks 12th among its peer cities.
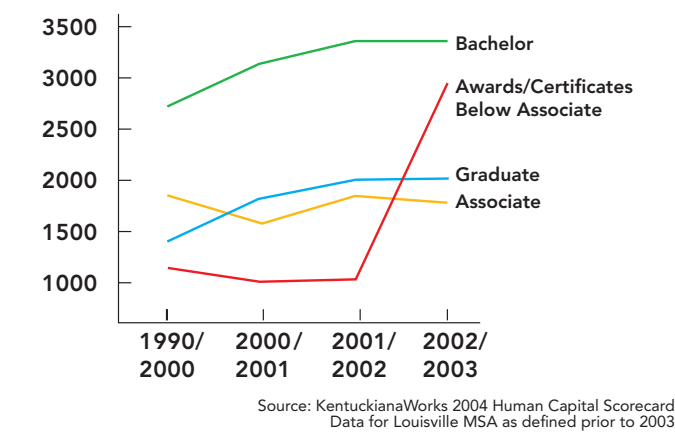
Source: U.S. Census Bureau
Analysis by Kentucky Population Research, State Data Center, University of Louisville

Indicator #4
Postsecondary Degrees Awarded by Louisville MSA Institutions: 1990 – 2002

Bachelor
Awards/Certificates Below Associate
Graduate
Associate

Source: KentuckianaWorks 2004 Human Capital Scorecard
Data for Louisville MSA as defined prior to 2003

Indicator #5
Jefferson Community and Technical College Students Enrolled in Remedial Courses: 2002 – 2004

English Reading Algebra Pre-Algebra
2002 2003 2004

Source: Jefferson Community College
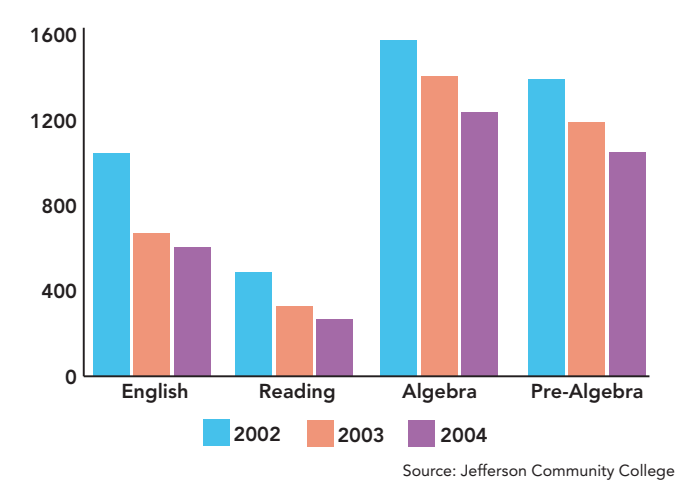
Indicator #6
University of Louisville Freshman Retention, and Six–Year Graduation Rates: 1998 – 2003

1-Year Retention Rate
6-Year Graduation Rate

Source: Kentucky Council on Postsecondary Education
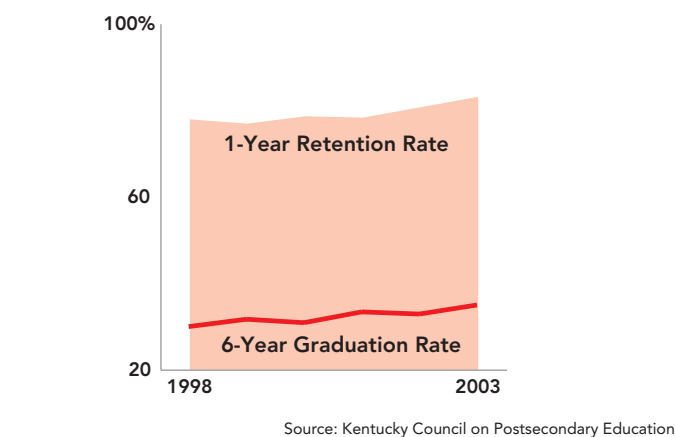
Competitive City Agenda

Build a state-of-the-art workforce development system.
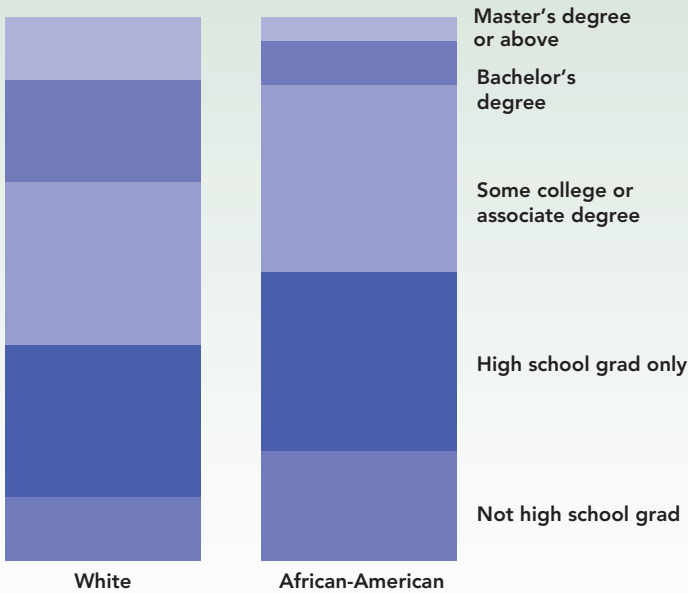
Move Up to Higher-Wage Sectors

The graphic depicts the Louisville Metropolitan Statistical Area economy, showing the relative size of business sectors, concentrations of jobs based on number of employees, and the value of total payroll divided by the total number of employees for each sector. The goal to achieve greater economic prosperity is to grow the circles and move up into higher-wage quadrants.

Payroll Value per Employee (000s)

$100, 90, 80, 70, 60, 50, 40, 30, 20, 10

Utilities
Management
Professional, Scientific, Technical
Finance/ Insurance
Mining
Information
Transportation/ Warehousing
Wholesale Trade
Construction
Real Estate
Healthcare & Social Assistance
Manufacturing
Other
Admin Support & Waste Mgmt
Accommodation & Food Services
Retail Trade
Arts, Entertainment & Recreation
Educational Services

Number of Employees in Industry (000s)
0 10 20 30 40 50 60 70 80

Number of Firms
1-100
101-1000
1001-2000
2001 +

Source: U.S. Department of Labor, Bureau of Labor Statistics, 2001

An example helps illustrate what the graphic shows: In the local economy, the construction industry includes more than 2,000 business establishments, and they employ more than 30,000 people. The average construction worker — including all sizes and types of firms, as well as all levels of skill and experience — earns a little more than $30,000 per year.

Louisville's economic standing suffered badly in the national shift from a manufacturing economy, in which it excelled, to a knowledge economy, in which it did not. But the community retained many important assets on which a Competitive City Agenda, and a new era of economic and social prosperity, can be built.

Beyond Merger affirmed the wisdom of the strategy to target economic development efforts on sectors of strength, including healthcare and logistics, and added the dimension of a vibrant downtown and "package of amenities" as important selling points for the New Economy.

Education Attainment Ages 25 – 64 by Race, 2000

Master's degree or above
Bachelor's degree
Some college or associate degree
High school grad only
Not high school grad

White   African-American

Source: U.S. Census Bureau

On Assets

It called on Louisville to step up those efforts even further. Gaining a foothold in the New Economy represents an uphill climb against stiff competition. That reality is demonstrated in the key graphic, which shows the relative strength of industry sectors based on number of firms, number of employees, and worker pay. To attain a higher level of prosperity, Louisville needs to grow into higher-wage sectors.

While the proportion of workers employed in technical and professional fields has grown to account for more than a third of all local workers, that gain was not sufficient to move Louisville up among its peer cities on that measure of New Economy strength.
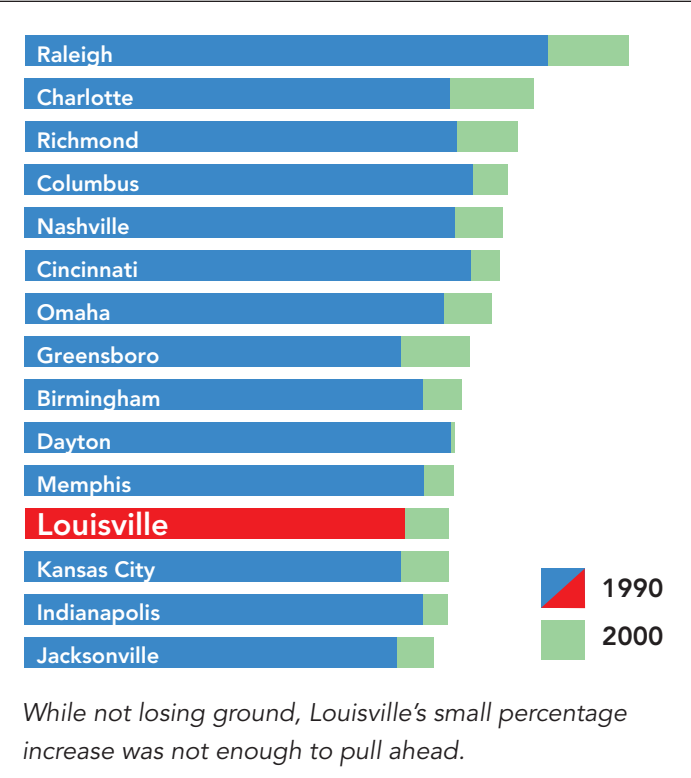
Overall, Louisville Metro workers have continued to lose ground in average wages compared to their counterparts in peer cities, falling from 5th in 1980, when the dominance of its manufacturing base was in decline, to 12th by 2003.

Nevertheless, Greater Louisville Inc.'s bold goal to transform Louisville from "a nice place to live" to an "economic hot spot" and the local initiative to create a business climate more conducive to entrepreneurial activity have raised the community's profile. Entrepreneur magazine recently named Louisville as the best city for small business growth and ranked it 15th nationally in terms of its entrepreneurial environment.

Efforts to open new channels for venture capital are also gaining momentum, as is the commitment to build the University of Louisville's research base. While still substantially below major research universities in competitor cities, by 2004 research funding at U. of L. had grown to $82 million, almost triple the level five years earlier.

Other assets vital to Louisville's competitive position have also been strengthened:

- An estimated $600 million in downtown investments approach the critical mass of activity that civic leaders have long sought.
- Demand for downtown housing continues to rise, improving the odds for achieving the goal of 5,000 new residents in ten years.
- Fourth Street Live! anchors a new entertainment district tailored to young adults.
- The final phase of the $95 million Waterfront Park that has dramatically reclaimed Louisville's public landscape is underway.

Indicator #2
Percent employed in Professional or Technical Occupations Peer Cities Comparison: 1990 and 2000

Raleigh
Charlotte
Richmond
Columbus
Nashville
Cincinnati
Omaha
Greensboro
Birmingham
Dayton
Memphis
Louisville
Kansas City
Indianapolis
Jacksonville

1990
2000

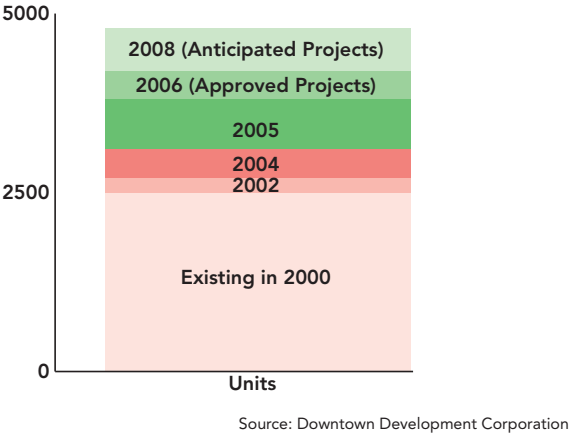*While not losing ground, Louisville's small percentage increase was not enough to pull ahead.*

Source: U.S. Census Bureau
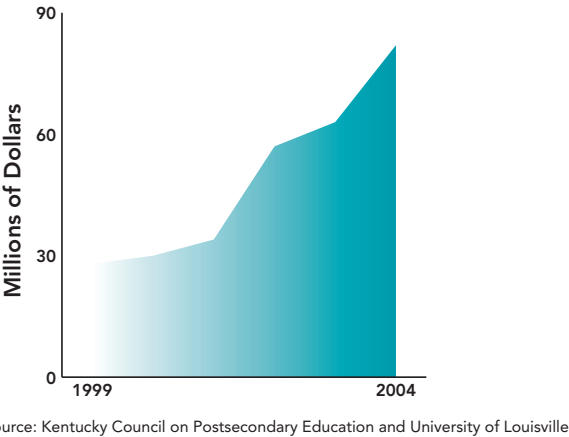Analysis by Kentucky Population Research, State Data Center, University of Louisville

- Vibrant art and retail districts along Main and Market streets, as well as Frankfort Avenue and Bardstown Road, grow in popularity.
- The new Frazier Arms Museum opened, with the Muhammad Ali Center and the African-American Cultural Center to follow.
- A first-ever Arts and Cultural Blueprint geared to protect and enhance the city's cherished art institutions is being developed with the goal of reducing financial pressures.

Bottom Line

Louisville Metro Must Connect the Dots — Leveraging its Assets and Playing to Win in the Knowledge Economy
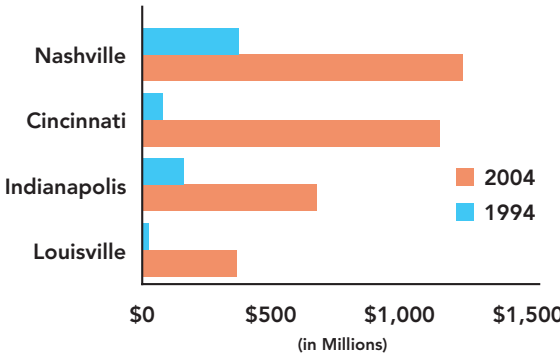
Indicator #4
Total Downtown Housing Units – New Construction and Rehabilitation: 2000 – 2008

2008 (Anticipated Projects)
2006 (Approved Projects)
2005
2004
2002
Existing in 2000
Units

Source: Downtown Development Corporation

Indicator #5
University of Louisville Research Grants: 1999 – 2004

Millions of Dollars
1999
2004

Source: Kentucky Council on Postsecondary Education and University of Louisville

Indicator #6
Private Venture Capital Resources: 1994 and 2004

Nashville
Cincinnati
Indianapolis
Louisville

2004
1994

$0 $500 $1,000 $1,500
(in Millions)

Source: Pratt's Guide to Venture Capital Sources, 1995 edition, and VentureSource, 2004 cited in "State of Entrepreneurship for Greater Louisville" by the Enterprise Group, a GLI Company
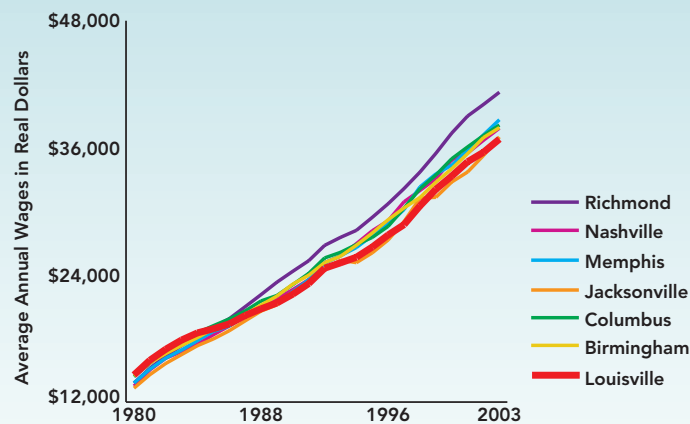
Competitive City Agenda

Leverage Louisville's assets to enhance its competitive position in the new economy.

Shift the Landscape on "Neighborhoods of Choice"

Poverty Rates by Census Tract, 2000 with neighborhoods that meet additional criteria of distress identified.
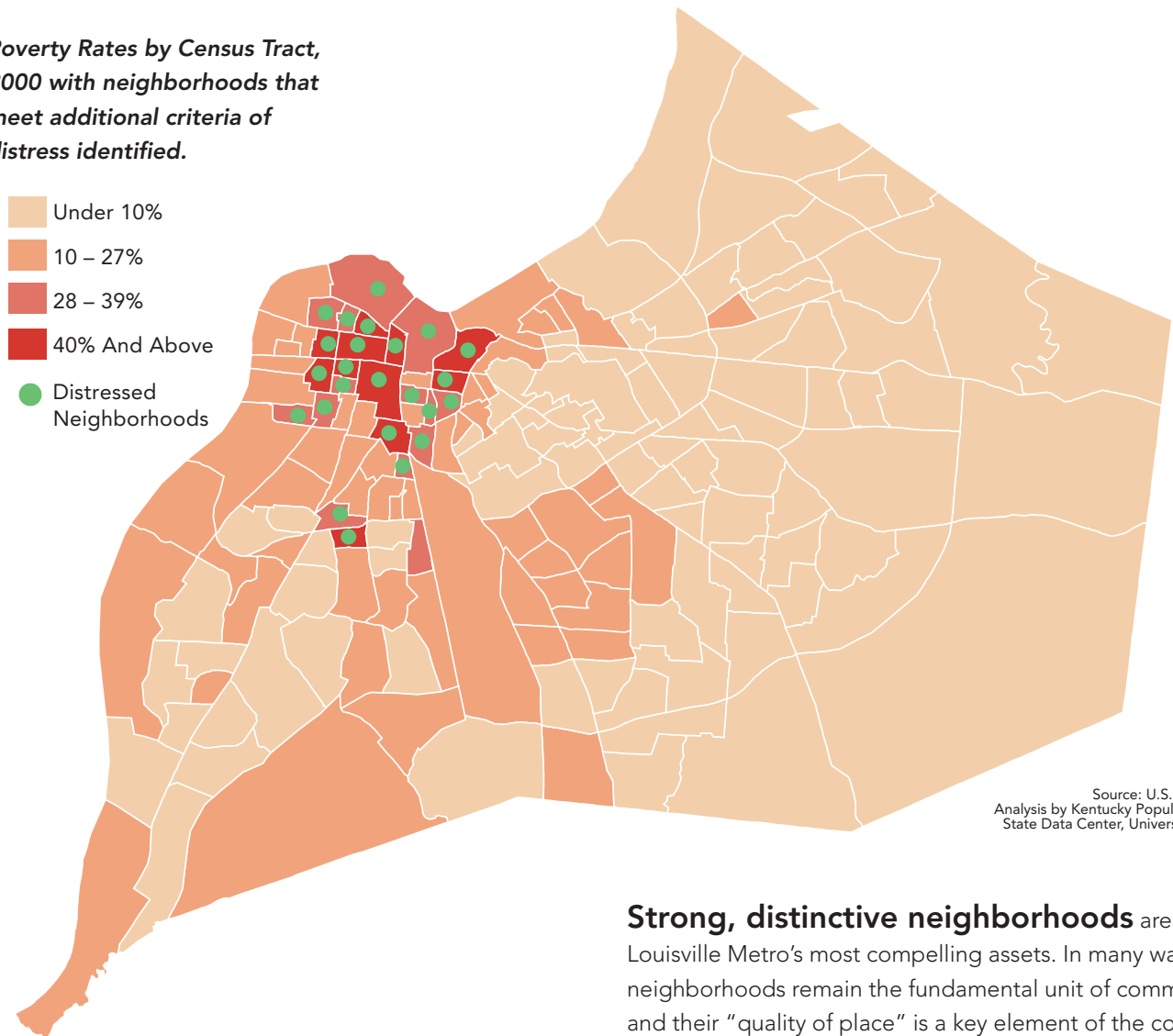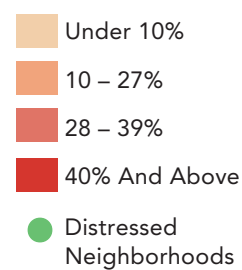
- Under 10%
- 10 – 27%
- 28 – 39%
- 40% And Above
- ● Distressed Neighborhoods

Source: U.S. Census Bureau
Analysis by Kentucky Population Research,
State Data Center, University of Louisville

Strong, distinctive neighborhoods are among Louisville Metro's most compelling assets. In many ways, neighborhoods remain the fundamental unit of community life and their "quality of place" is a key element of the competitive package Louisville offers.

Beyond Merger urged the adoption of a comprehensive strategy to assess the condition of neighborhoods throughout the community, followed by aggressive reinvestment to shore up and revitalize fragile and declining neighborhoods.

Louisville Metro has translated the commitment to neighborhoods into a goal to create "neighborhoods of choice with housing at all price points in all areas of the community." The vision is that a range of housing types and prices for every generation, from affordable and starter homes, to family-size

Average Annual Wages Selected Peer Cities Comparison: 1980 – 2003

- Richmond
- Nashville
- Memphis
- Jacksonville
- Columbus
- Birmingham
- Louisville

The dramatic decline in Louisville's manufacturing job base (from 42 percent in 1963 to 26 percent in 1982) pushed average wages in Louisville Metro down in comparison to its peer cities.

Source: U.S. Bureau of Labor Statistics

Quality
Neighborhoods

steps up, along with downsizing options for older residents, should be available throughout the community.

Achieving the vision for neighborhoods of choice will require extensive reinvestment in older neighborhoods and strong planning as new neighborhoods take shape. It will address a prime indicator of social health: the number of residents living in distressed communities, which declined to just over 10 percent during the 1990s. Louisville advanced in comparison to its peer cities on that measure.

The accompanying map presents a typology of Louisville Metro neighborhoods based on concentrations of poverty. Since poverty levels alone do not capture important characteristics of neighborhoods, researchers for the Population Reference Bureau and The Annie E. Casey Foundation combined several measures of vitality to identify severely distressed communities. The green dots highlight neighborhoods where high concentrations of poverty coincide with other characteristics that define neighborhoods of distress, including the prevalence of families headed by single women, the percentage of residents who do not have a high school diploma, and the percentage of working-age men not connected to the labor force.

The map represents a critical snapshot, or baseline, as Louisville Metro Government undertakes neighborhood assessments and the design of a comprehensive housing strategy. The map will change if there is sustained commitment to the success of vital community development initiatives, including the development of new, mixed-income neighborhoods on the site of large public housing complexes, the expansion of downtown housing options, and the addition of more affordable housing near suburban job centers.

The quality and affordability of Louisville's housing stock have long been recognized as hallmarks of the quality of life available here. The median price of a home in Louisville Metro jumped over the last decade to $103,000, however, moving it from among the most affordable into the middle among its peer cities.

A disconcerting finding in Beyond Merger was that while the rate of homeownership had risen for white families between 1990 and 2000, it actually dropped for African-American families and now stands at 40 percent – although rates of homeownership rose for all families during that period.

Indicator #2
Percent of Population Living in Distressed Neighborhoods Peer Cities Comparison: 1990 and 2000
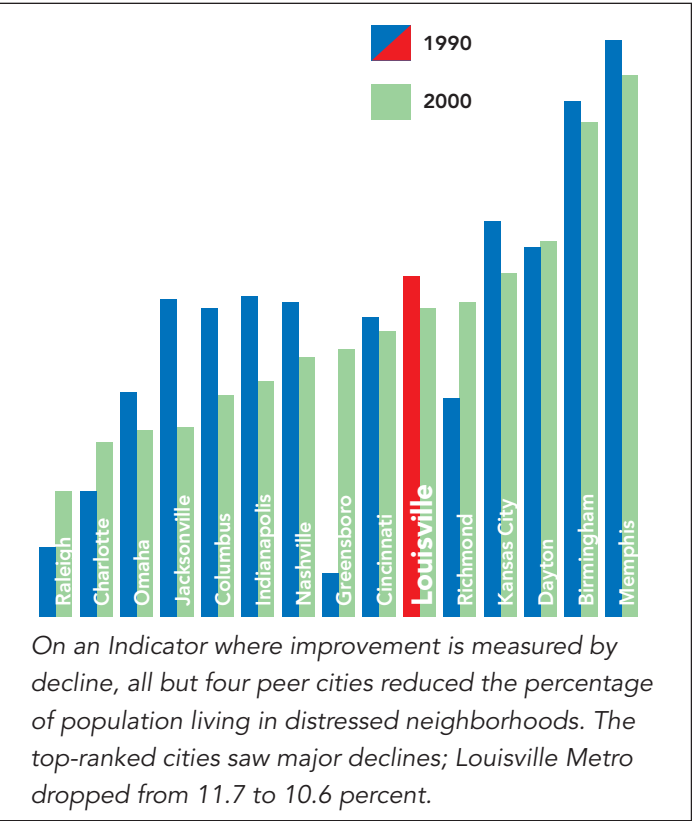
On an Indicator where improvement is measured by decline, all but four peer cities reduced the percentage of population living in distressed neighborhoods. The top-ranked cities saw major declines; Louisville Metro dropped from 11.7 to 10.6 percent.
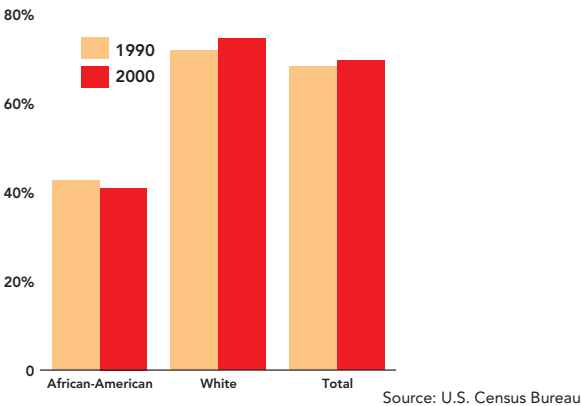
Source: U.S. Census Bureau
Analysis by Kentucky Population Research, State Data Center, University of Louisville

Residents judge the quality of public services and community life most directly from their front porches or the foot of their driveway. The vast majority of Louisville Metro residents in all areas give their neighborhoods high marks. In a recent public opinion survey conducted for The Annie E. Casey Foundation, 87 percent of Louisville Metro residents said they consider their neighborhood a good place to raise children, and 63 percent regarded their neighborhoods as close-knit communities.

Overall, residents gave Louisville Metro Police high marks for fairness and responsiveness, but only 60 percent found the quality of street repairs satisfactory.
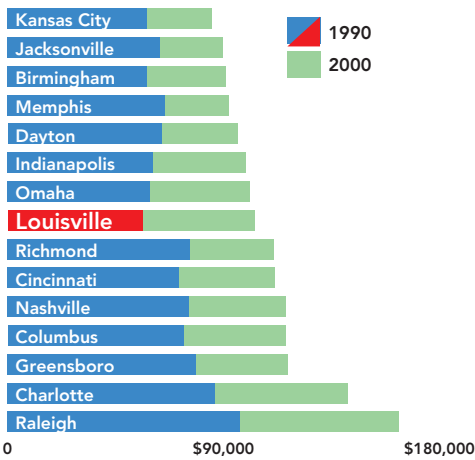
Bottom Line
Achieve the Vision of Neighborhoods of Choice Throughout the Community

Indicator #4
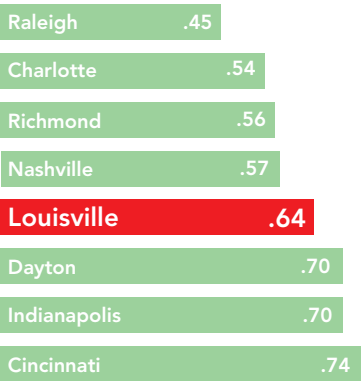### Rates of Homeownership in the Louisville MSA: 1990 and 2000

Source: U.S. Census Bureau

Indicator #5
Median Home Values Peer Cities Comparison: 1990 and 2000

Source: U.S. Census Bureau
Analysis by Kentucky Population Research, State Data Center, University of Louisville

Indicator #6
Degree of Housing Integration Among Selected Peer City MSAs: 2000

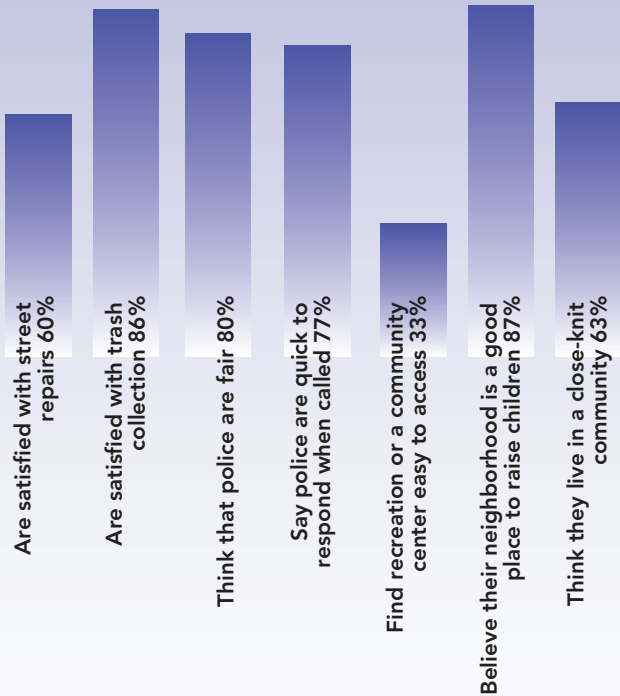|	
Raleigh	.45
Charlotte	.54
Richmond	.56
Nashville	.57
Louisville	.64
Dayton	.70
Indianapolis	.70
Cincinnati	.74

The U. S. Census Bureau's Racial Dissimilarity Index reflects housing patterns among community residents. An index of zero equals total housing integration among African-American and white residents, while an index of one equals total housing segregation.

Source: U.S. Census Bureau Racial Dissimilarity Index, 2000

Invest

Competitive City Agenda

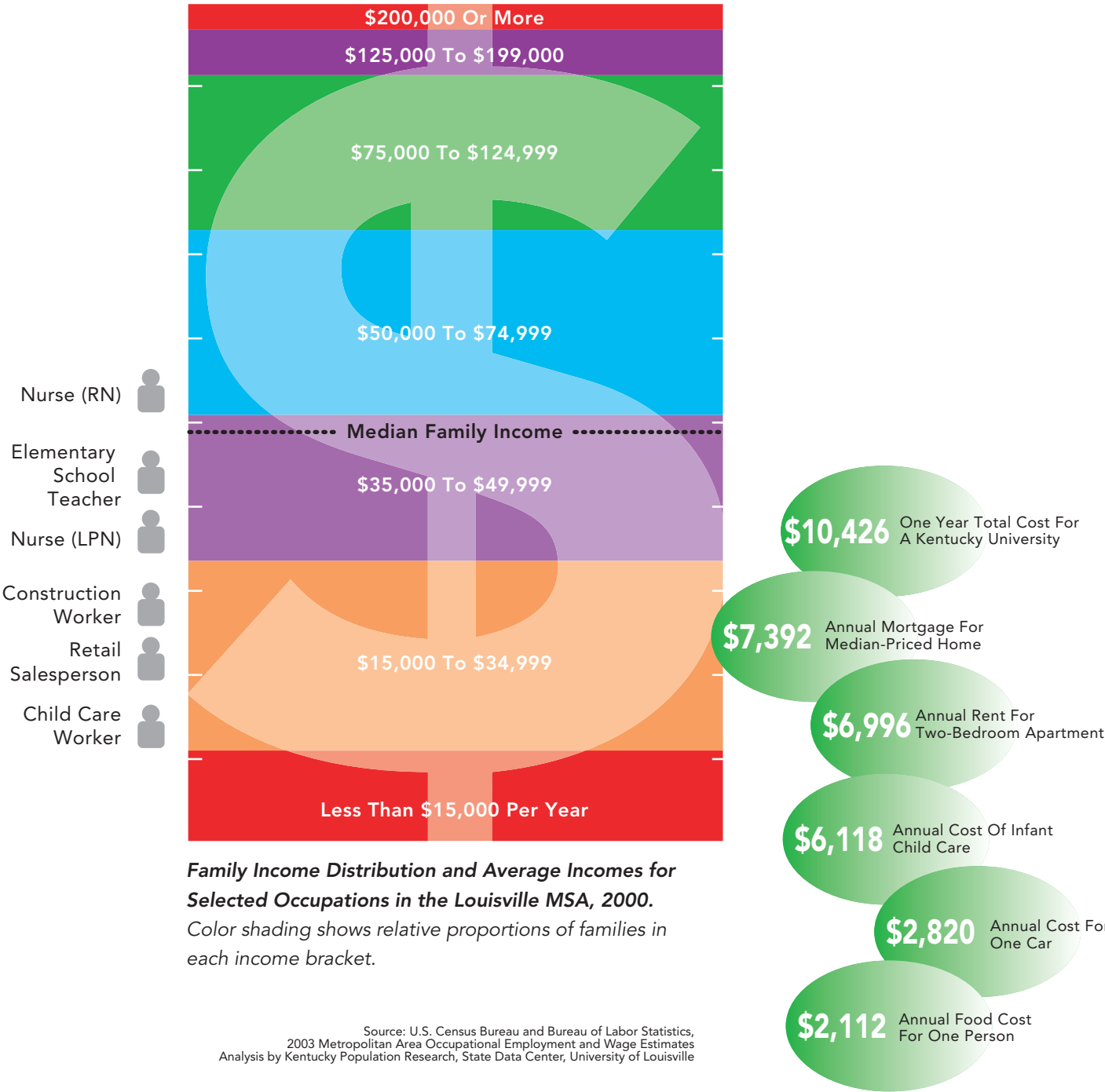**Nurture and sustain neighborhoods of choice, quality, and distinction throughout the community.**

Indicator #3
Louisville Metro Neighborhood and Community Survey: 2004

- Are satisfied with street repairs 60%
- Are satisfied with trash collection 86%
- Think that police are fair 80%
- Say police are quick to respond when called 77%
- Find recreation or a community center easy to access 33%
- Believe their neighborhood is a good place to raise children 87%
- Think they live in a close-knit community 63%

Source: National Organization for Research at the University of Chicago (NORC), and The Urban Institute for The Annie E. Casey Foundation

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Indicator #1
Lift Working Families Above the Line

- $200,000 Or More
- $125,000 To $199,000
- $75,000 To $124,999
- $50,000 To $74,999
- Nurse (RN)
- ········ Median Family Income ········
- Elementary School Teacher
- $35,000 To $49,999
- Nurse (LPN)
- Construction Worker
- Retail Salesperson
- $15,000 To $34,999
- Child Care Worker
- Less Than $15,000 Per Year

Family Income Distribution and Average Incomes for Selected Occupations in the Louisville MSA, 2000. Color shading shows relative proportions of families in each income bracket.

Source: U.S. Census Bureau and Bureau of Labor Statistics,
2003 Metropolitan Area Occupational Employment and Wage Estimates
Analysis by Kentucky Population Research, State Data Center, University of Louisville

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- **$10,426** One Year Total Cost For A Kentucky University
- **$7,392** Annual Mortgage For Median-Priced Home
- **$6,996** Annual Rent For Two-Bedroom Apartment
- **$6,118** Annual Cost Of Infant Child Care
- **$2,820** Annual Cost For One Car
- **$2,112** Annual Food Cost For One Person

Costs of living present barriers to economic stability for low-wage workers.

In Working Families

Buttressing the stability of working families represents an essential task for strengthening the community's productive capacity and social fabric.

Beyond Merger noted Louisville Metro's relatively high number of working poor families and challenged its leadership to focus on increasing the economic stability of those families. Initiatives like the Asset Building Coalition and efforts to ensure that eligible families file for Earned Income Tax Credits and child-care credits secure important cash resources that can make a tangible difference for families.

The key graphic shows the distribution of family incomes for Louisville Metro in 2000, as well as the median family income. It also indicates the average pay among local elementary school teachers, nurses, and a few other sample occupations, according to the Bureau of Labor Statistics. The cost of a median-priced home, a year of child care, a year of college expenses (including room and board) for a Kentucky school, and other basic living expenses are lined up for comparison.

Among its peer cities, Louisville Metro ranked 11th in median family income in 2000, after surpassing Kansas City and Jacksonville over the last decade.

Another analysis – the "shape of the curve" for household income – confirms The Brookings Institution's observation that Louisville Metro includes a higher percentage of households that struggle to make ends meet. Indicator #3 shows how closely Louisville Metro mirrors the nation as a whole in its income distribution. If all U.S. households are divided into five equal groups, and Louisville households are sorted into the resulting income tiers for comparison, a slightly higher percentage of Louisville Metro households fall in the low, lower-middle, and also in the high-income groups. The percentages in the middle and upper-middle income categories are slightly lower than the nation as a whole.

Other indicators point to increasing economic pressures on working families. The rise in the number of employed workers and their families who do not have health

insurance is a mounting national crisis. Although solid data on the local number are scarce, market research conducted for Norton Healthcare, the community's largest provider of hospital care, found that the number of residents in the Louisville region who do not have health insurance coverage grew by almost 10 percent in three years and now stands at over 100,000 people.

Bottom Line

Louisville's Productive Capacity and Social Fabric Depend on the Stability of Working Families

Indicator #2
Median Family Income Peer Cities Comparison: 1990 and 2000

Raleigh
Charlotte
Omaha
Columbus
Cincinnati
Greensboro
Richmond
Dayton
Indianapolis
Nashville
Louisville
Kansas City
Jacksonville
Memphis
Birmingham

■ 1990
■ 2000

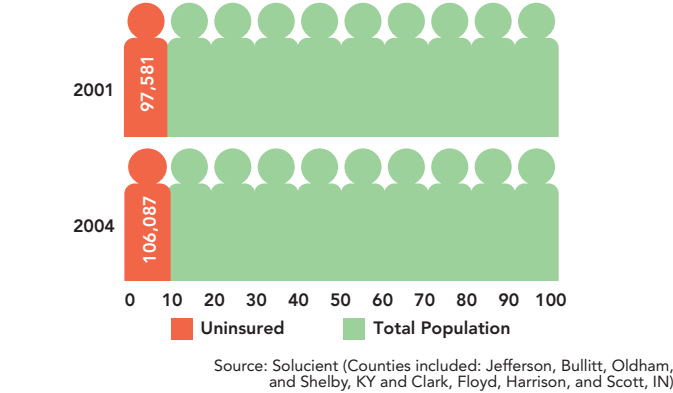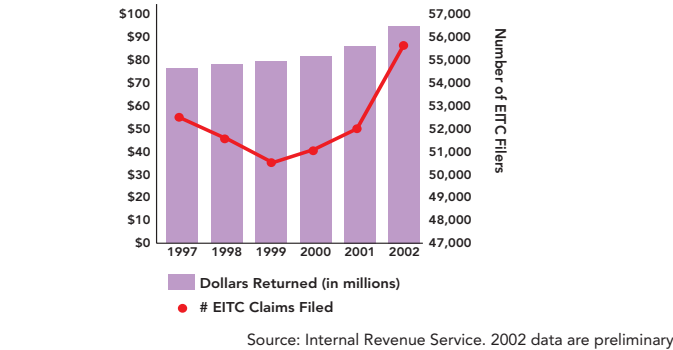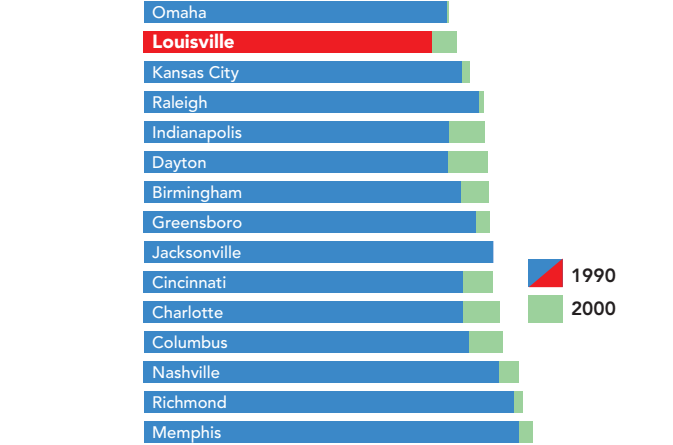*Louisville Metro moved up among its peer cities, but lags substantially behind Raleigh, the top peer city for family income.*

Source: U.S. Census Bureau
Analysis by Kentucky Population Research,
State Data Center, University of Louisville

Indicator #4
Percent of Population Without Health Insurance Coverage: 2001 – 2004

2001 — 97,581
2004 — 106,087

0 10 20 30 40 50 60 70 80 90 100

■ Uninsured   ■ Total Population

Source: Solucient (Counties included: Jefferson, Bullitt, Oldham, and Shelby, KY and Clark, Floyd, Harrison, and Scott, IN)

Indicator #5
Earned Income Tax Credit (EITC) Filers and Dollar Amount Returned to the Louisville Metro Community: 1997 – 2002

$100 / 57,000
$90 / 56,000
$80 / 55,000
$70 / 54,000
$60 / 53,000
$50 / 52,000
$40 / 51,000
$30 / 50,000
$20 / 49,000
$10 / 48,000
$0 / 47,000

1997 1998 1999 2000 2001 2002

Number of EITC Filers

■ Dollars Returned (in millions)
● # EITC Claims Filed
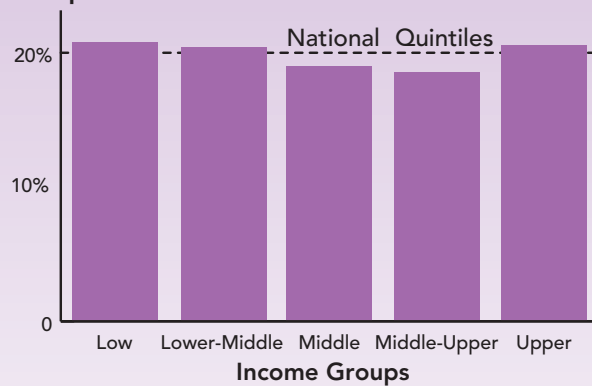
Source: Internal Revenue Service. 2002 data are preliminary

Indicator #6
Percentage of Households Paying More than 30 Percent of Income for Housing Peer Cities Comparison: 1990 and 2000

Omaha
Louisville
Kansas City
Raleigh
Indianapolis
Dayton
Birmingham
Greensboro
Jacksonville
Cincinnati
Charlotte
Columbus
Nashville
Richmond
Memphis

■ 1990
■ 2000

Source: U.S. Census Bureau
Households include renters and owners

Competitive City Agenda

Craft an urgent agenda to lift all working families out of poverty and onto the path to self-sufficiency and homeownership.
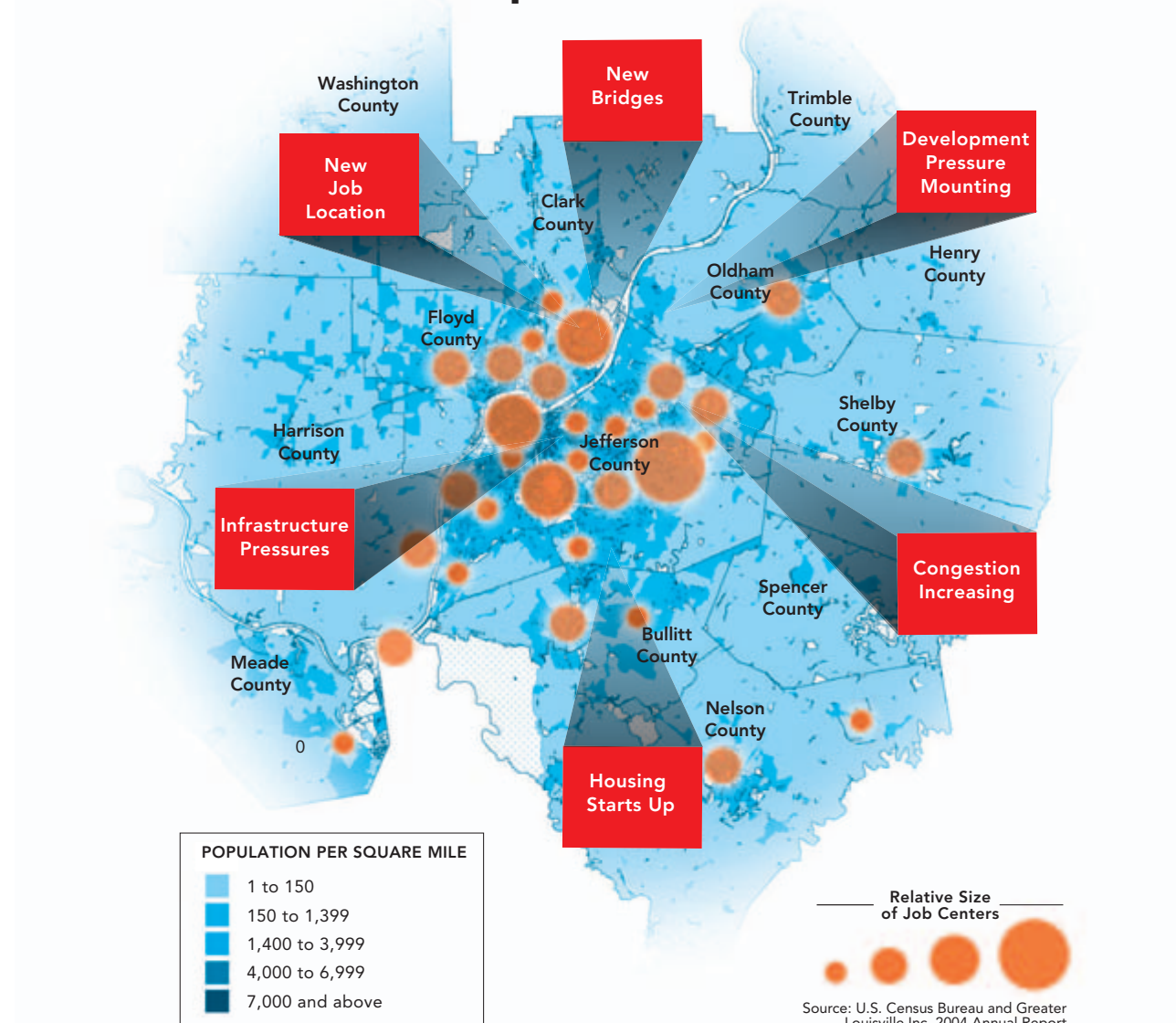
Indicator #1
Strike the Balance and Shape the Future

Population Density Per Square Mile and Major Job Centers, 2000. Job centers are identified according to major industry and business park locations.

POPULATION PER SQUARE MILE

- 1 to 150
- 150 to 1,399
- 1,400 to 3,999
- 4,000 to 6,999
- 7,000 and above

Relative Size of Job Centers

Source: U.S. Census Bureau and Greater Louisville Inc. 2004 Annual Report

Indicator #3
Household Incomes for Louisville Metro Compared to U.S.: 2000

National Quintiles

Income Groups: Low, Lower-Middle, Middle, Middle-Upper, Upper

Source: U.S. Census Bureau. Shape of the Curve Analysis, The Brookings Institution Metropolitan Policy Program, 2000

The graphic shows how the distribution of incomes among all Louisville Metro households compares to the nation. If all households in the United States are divided into five equal groups based on income, household incomes across Louisville Metro closely mirror that distribution of incomes, except that a slightly higher percentage of households fall in the low, lower-middle, and also high-income groups. The percentages in the middle and upper-middle income categories are slightly lower than the nation as a whole.

In one important sense, Louisville Metro's relatively slow rate of growth in recent decades is now a blessing. The quality of daily life that residents value has been shielded from the extreme fragmentation and costly problems that have accompanied rapid growth elsewhere.

As a result, just as Louisville Metro entered the 21st Century with a new, unified government that other communities envy, so also it enters this era with its enviable levels of compactness, cohesion, and convenience still intact. Those assets are among Louisville's competitive advantages.

Metropolitan Growth

Preserving them by ensuring balanced growth and strategic regional planning is one of its chief competitive challenges.

Without a cogent eye to the future, continued outward expansion of low-density development will lead to ever-increasing distances between where residents live, work, shop, and go for fun.

Louisville Metro continues to be home to the lion's share of the region's households, families, and jobs. But over the last 20 years, the overall balance in development has shifted, even while population growth was low. In 1980, approximately 60 percent of new building permits issued in the region were for sites in Jefferson County, with adjacent counties accounting for a total of roughly 40 percent. By 2000, the relative proportions had reversed, with surrounding counties now accounting for roughly 60 percent of all new building permits in the region.

Commute times have exploded in the last few years. The 2004 Urban Mobility Study by the Texas Transportation Institute put the experience of Louisville drivers into stark perspective. Over the last 20 years, the average time spent by Louisville commuters in congested traffic increased fourfold.

The struggle to reduce air pollution and improve other measures of environmental quality continues, with the issue of air toxins recently added to the long effort to control ozone to meet national clean-air standards.

The issues those trends crystallize are complex. The growth patterns that underlie them raise red flags. When building permits outpace population growth, for example, the expansion often comes at the expense of older neighborhoods and first-ring suburbs. Eventually, the inner county can begin to take on characteristics of the inner city, as is evident in some areas of Jefferson, Oldham, Floyd, and Clark counties.

But community growth is valued and a mark of success. The new business park out by the interstate, moving into a dream home on five acres in the country, all reflect the cycle of growth and development. The question for the Louisville region is what it can learn from faster-growing communities that have already traversed the path it is following.

Unbalanced growth holds the potential to undermine the quality of life and sense of community that are valued aspects

Indicator #2
Annual Hours of Delay for Rush Hour Travelers Peer Cities Comparison: 2002

Over the last two decades, time spent in traffic congestion during peak hours increased almost fourfold, now consuming the equivalent of one full work week each year during rush hours.
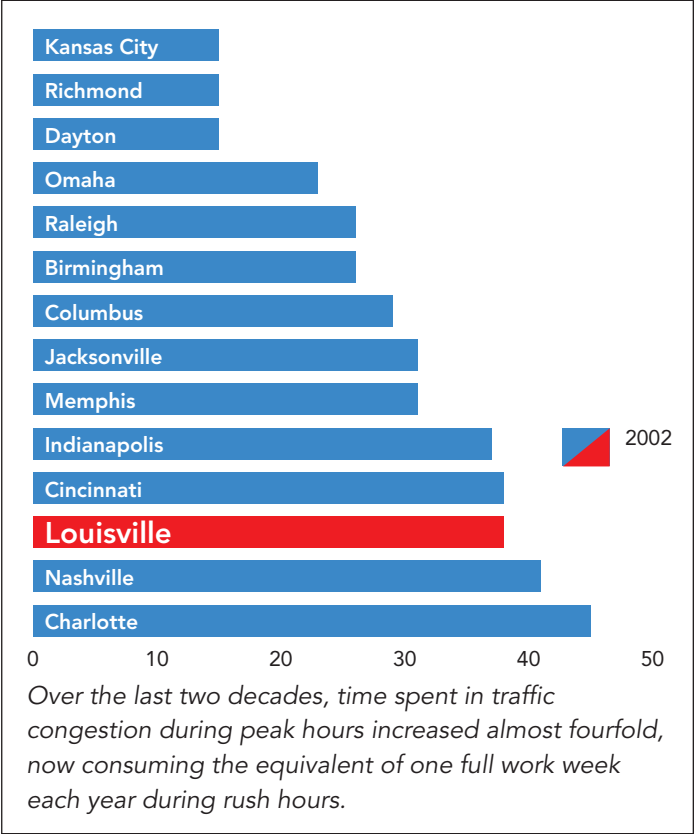
Source: Texas Transportation Institute, 2004 Urban Mobility Study
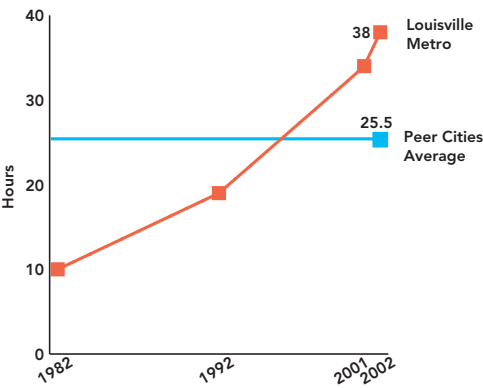(Greensboro was omitted from the study)

of Louisville's identity. Inadequate infrastructure – roads, sewers, and schools – burden public systems and taxpayers. Allowing some areas to be "left behind" as jobs and people move out undermines the vitality of the entire community.

Suburban growth and development are altering the shape of the Louisville region day by day. Complementing those forces with robust investment and incentives to level the playing field between urban and suburban areas can help restore healthy markets and counterbalance the outward push.

Beginning to think and act like a region can help Louisville shape its destiny – preserve what it values and avoid undermining its quality of life.
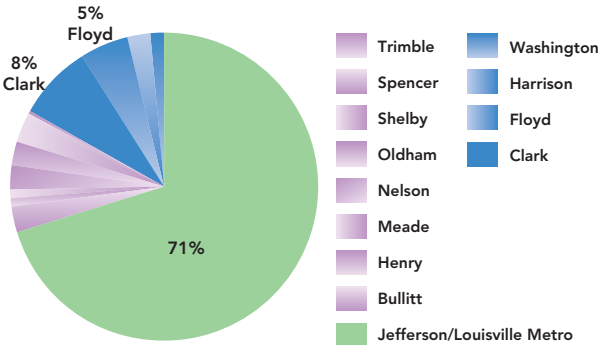
Bottom Line
Balance Growth to Protect Quality of Life

Indicator #4
Traffic Delay for Rush Hour Travelers: 1982 – 2002
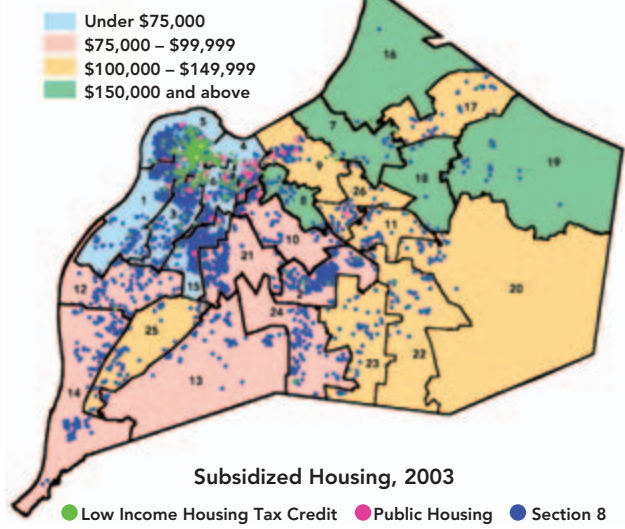

Source: Texas Transportation Institute, 2004 Urban Mobility Study

Indicator #5
Louisville KY–IN MSA Distribution of Employment: 2003

Source: Bureau of Economic Analysis

Indicator #6
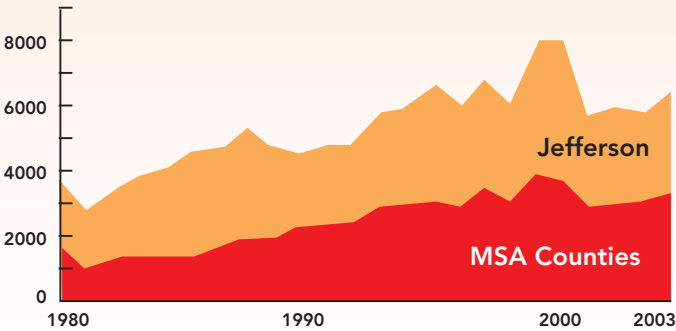### Housing Options and Affordability
Median House Value, 2000

- Under $75,000
- $75,000 – $99,999
- $100,000 – $149,999
- $150,000 and above

Subsidized Housing, 2003
- Low Income Housing Tax Credit
- Public Housing
- Section 8

Source: U.S. Census Bureau and Metropolitan Housing Coalition

Conclusion

Now is the time to forge a broad community consensus to undertake the careful thinking and bold action called for by the Competitive City Agenda. Two years into the creation of a new, unified local government, it is time to renew the civic dialogue and focus on strategies designed to move Louisville into the top ranks of American cities.

Merger was about more than consolidation of local government. It was about uniting Louisville under one leadership and stepping up its aspirations. It was about "playing to win," as The Brookings Institution said, in the competition for people, talent, and opportunity.

Beyond Merger: A Competitive Vision for the Regional City of Louisville tapped into that civic energy and rising aspirations. It held up a mirror showing the big picture of Louisville's position, its assets, strengths, weaknesses, and obstacles to success. It outlined a compelling, comprehensive agenda to move Louisville forward on a new path designed to fulfill the community's highest ambitions.

Achieving that vision will require sustained focus, and ratcheting up the scope and commitment to a broad set of initiatives. The disciplined approach applied to implementing the regional economic development strategy offers a model for what is needed across every aspect of the Competitive City Agenda: It is on the scale of such long-term, comprehensive approaches that Louisville's future will be determined.

''The citizen leadership we need for the 21st Century requires a lot of people from every sector working very hard together to make our communities better places to live, work, and raise our children," John Gardner wrote in the introduction to Boundary Crossers, a book about new forms of civic leadership by urban specialists Neal Peirce and Curtis Johnson. Boundary crossing for the purpose of community betterment is exactly what Louisville and Jefferson County residents embraced when they voted to erase the outmoded political boundaries that divided them and create Louisville Metro.

The Competitive City Report provides a tool for moving forward to fulfill their aspirations. It establishes benchmarks and documents how Louisville fares when measured against its past and among its peer cities. It draws clear lines, delineating progress in some areas and bringing new insights in others. Its purpose is to galvanize action and to invite community leaders to hold themselves accountable for important change.

The Greater Louisville Project offers the Competitive City Report 2005 as a new touchstone for community progress, a set of key Indicators that can be measured periodically to chart a new course for Louisville.

Greater Louisville Project

Links to data and reports cited, as well as additional information, are available at:
www.greaterlouisvilleproject.org

Competitive City Agenda

Protect Louisville Metro's livability, centrality, and efficiency that are quality of life assets by balancing growth on a metro-wide basis.

Indicator #3
Building Permits Issued in Louisville Metro Compared to Surrounding Counties: 1980 – 2002

Source: U.S. Census Bureau
Louisville KY–IN MSA counties used for comparison