A Decade of Data
2000–2010

What’s New, Lou?

During the first decade of the 21st Century, Louisville not only held its own in comparison to its regional peers but also logged some notable gains, despite the punishing blows of the Great Recession. Still, the many investments aimed at transforming it into a fully competitive player in the new economy of innovation have not yet paid sufficient dividends to move into the top tier of American cities.

On several important fronts, Louisville has moved from the bottom tier into the solid middle among its regional peers – and achieved one of the fastest rates of improvement on a few key measures of education attainment and 21st Century jobs.

But Louisville today is not a dramatically more competitive community than it was in 2000, when The Greater Louisville Project commissioned The Brookings Institution to take its measure in the seminal report, “Beyond Merger: A Competitive Vision for the Regional City of Louisville.”

Now, with a decade of data for comparison, certain trend lines are moving in the right direction and gathering momentum but not yet enough to change the community’s profile and competitive position.

Much of the Competitive City Agenda laid out in the 2002 report remains to be implemented, and many challenges have grown as a result of the Great Recession. In particular, recovery from severe job losses remains painfully slow and unprecedented levels of abandoned and vacant properties are undermining neighborhood health and stability across the community.

New government.
New leadership.
New arena.
New vibrancy.

Deep Drivers of Change

Education
Goal: Increase working age adults with a Bachelor’s Degree or higher to 40%.
• 2nd highest rate of improvement among peer cities.
• Moved from bottom tier solidly into the middle.
• Racial gap biggest obstacle to overcome.

Jobs
Goal: Increase percentage of residents in professional/technical jobs to 40%.
• Professional/technical jobs increased from 32% to 39% – small gain but 2nd highest increase among peer cities.
• Export strength: top third of all major metros as percentage of Gross Metro Product.
• Strong growth in U of L research base stalled last two years.

Quality of Place
Goal: Maintain Louisville’s compactness and livability: protect its strength as a regional hub.
• Share of regional population and jobs declined over the decade.
• Eastern suburbs gained population, while older areas of city lost.
• Rate of homeownership fell to 63%. Vacant properties increased.
• Poverty rate up to 16%.

Changing City Vitals 2000–2010

Population: 741,096 ▲ 7%
48% Male
52% Female

72.7% White ▲ 4%
20.8% African American ▲ 17.8%
4.4% Hispanic ▲ 163.7%
2.2% Asian ▲ 69.5%
4.2% Other

Children and adolescents: 190,743
Age 5 and under: 48,634
Median Age: by more than a year: 36.7 to 37.9
Foreign Born Population: 20,000
Net International Migration: 15,000,
almost 30% of total population growth

Median Family Income: $58,869 ▲ when adjusted for inflation

Total Housing Units: 337,616 ▲ 10%
Downtown Residents: ▲ 10%
Downtown Workers: ▲ almost 12%
Young Women Lead the Way

During the decade, Louisville forged unprecedented community collaboration and commitment to raise education attainment, and it is paying off, with the most recent year of data confirming a leap forward first noted last year.

Louisville registered the second highest rate of improvement among its peer cities in the educational levels of both young adults and the working-age population as a whole, moving up from 11th to 8th and 9th in its rankings against peer cities—during a decade when no other city moved up more than one slot.

Young women are leading the way with 39% of those age 25-34 holding a Bachelor's Degree or higher—indicating that they are likely to reach the community goal of 40% early in the decade.

Young men have not kept pace, however, with only 33% of them holding a degree.

And progress among women contrasts sharply with the persistence of the racial achievement gap. Just 14% of Louisville's African American population holds a Bachelor's Degree or higher, one of the lowest levels among its peer cities.

The racial achievement gap manifests early in elementary and secondary school, where minority children persistently lag behind their white and Hispanic counterparts on state achievement tests. While recent data showed a decline in the number of students dropping out of JCPS high schools, the graduation rate (a different calculation) has hovered between 70% and 75% for the entire decade—meaning that at least one out of every four students does not graduate on time.
Next Economy: Export & Innovate

Louisville’s progress toward increasing employment in technical and professional fields stalled during the Great Recession, and the slow recovery is still hampering its evolution to a more knowledge-based economy for the 21st Century.

On the jobs front overall, the 13-county Louisville Metropolitan Statistical Area experienced relatively low growth compared to its peer cities over most of the decade but lost less than several others when the recession hit.

In the Next Economy, The Brookings Institution says, successful metros will be “export-oriented, driven by innovation, low-carbon, and rich in opportunity.”

While the Louisville regional economy is smaller than several of its peer cities, because of its still strong manufacturing base it ranks in the top third of all major metros on total exports as a percentage of Gross Metropolitan Product and 5th among its 15 peer cities. Investments, like the ones Ford Motor Company and GE are making to transform their local operations into world-class competitors in production and “green” products, exemplify the Next Economy.

Louisville’s work to strengthen the innovation economy is slower in gaining traction, although it has changed the business ecosystem. It’s low on measures such as the rate of patent applications and degrees awarded in science and technology. And, despite an almost 130% increase in R&D expenditures at the University of Louisville over the decade, totals for the last two years showed declines.

On the other hand, the rate of business start-ups for the state as a whole spiked over the last year – registering one of the highest rates among all the states.
The Shifting Shape of the Community

Overall, Louisville’s strength as a regional hub weakened over the decade. Its share of the region’s 1.2 million population declined, as outer counties grew more rapidly than the 7% increase that brought Jefferson County’s population up 741,096.

But Louisville’s dominance as the regional hub fell less than in many other cities, where the trend for inner counties to hollow out, like inner cities did, has taken hold. Its strength as a regional job hub continues with 69% of jobs in the MSA located in Jefferson County.

Perhaps the most ominous revelations in the 2010 Census are depicted in the composite picture in the accompanying maps: increasing rates of poverty spreading into many quarters of the community and dramatic increases in vacant and abandoned homes and property.

Since 1960, the percentage of vacant houses in Louisville Metro remained stable between 5% and 6%—but jumped to 10% during the last half of the decade, as the national housing and foreclosure crisis hit. The map charting changes in population over the decade shows that eastern suburbs swelled, while areas west of 1-65 and older areas of the city lost residents and economic ground.

Those areas of distress now extend into well-established neighborhoods and represent a red flag for an important component of Louisville’s distinctive quality of place: its diverse range of strong neighborhoods.

The maps also reveal notable exceptions. The revitalized housing market in the Park DuValle neighborhood and other areas of eastern Louisville stands out—demonstrating that investments in established neighborhoods can pay off.

Louisville’s physical infrastructure also represents a growing challenge, with traffic congestion greater than in several of its peer cities and a recent evaluation labeling more than half of its roadways in need of improvement.

The 2010 Census also confirmed the increasing diversity of Louisville. Minority groups fueled population growth, and the census tracts that showed the largest increases among African-American residents were in the far eastern suburbs.

Health indicators showed improvement over the decade, although Louisville’s overall rates of obesity, diabetes and smoking exceed national averages. Key environmental indicators on air quality are trending in the right direction but fluctuated over the decade.
A Super Region for the 21st Century

Louisville’s long push to transform itself from an older industrial past into a 21st Century future is paying off but still not fast enough to close the gap with other regional rivals.

The evidence from the decade of data covering 2000 to 2010 makes it clear that gradual or incremental change remains too gradual and incremental – even as the deep and lingering impact of the Great Recession clearly demonstrates how vulnerable cities like Louisville are to the forces reshaping global competition.

The urgency to assemble the critical elements for 21st Century success has been fully embraced in the area of education with the recent formation of “55 Degrees,” the unprecedented consortium of education, business and civic leaders convened to fulfill the Greater Louisville Education Commitment by producing 55,000 more degrees during this decade.

Now Mayor Greg Fischer has proposed an equally game-changing approach to economic development, partnering with Lexington Mayor Jim Gray to redefine the state’s largest metropolitan areas as one super region to create an integrated economic development strategy that pulls together the strengths of both:

- Capitalize on the combined research bases of the University of Kentucky and the University of Louisville.
- Foster greater collaboration within business clusters that span the two metro regions.
- Increase the flow of knowledge, information and talent to drive innovation, growth and investment.

Across the nation and around the globe, the most dynamic regions are those that “collaborate to compete” on a global scale. Greater partnership between Kentucky’s two largest metros could redefine both toward stronger competitive positions and answer the question, River Port to World Port: what next?

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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, The Annie E. Casey Foundation, Ghens 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.

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