

The Flow of Community Investment:

2019 Competitive City Report



Louisville has the capacity to invest more in itself

The Greater Louisville Project's (GLP) 2018 report indicated that over the last 15 years, Louisville has not made the progress in our Deep Drivers that would enable us to reach our community's goals. As a follow-on to that report, the GLP was asked to investigate the resources being invested in our community across the social, public, and private sectors.

That analysis was complex, but the results clear: **Louisville is investing less than the majority of our peer cities in both the public and social sectors** in terms of per capita dollars. Our private sector investment is comparable with our peers.

Diving deeper, we can see that while more than **90%** of high-income households (those who make more than \$200,000/year) give to nonprofits, they give about **3.5%** of their total income, compared to a peer city average of **4.5%**. **If we gave at our peer city mean, this would generate more than \$80M for nonprofits and religious entities each year.** This is compounded by the relative lack of endowed foundation assets, which means that **Louisville's nonprofit donations are in the bottom tier of our peer cities.**

In the public sector, while the actual ranking varies somewhat depending on the methodology used, **Louisville's government spending per capita is in the bottom tier of our peer cities.**

Private sector investing has fewer reporting requirements, but across some important metrics (small business loans, home loans, and venture capital investment), Louisville is in the middle tier of our peer cities. However, we are not taking full advantage of federal or CDFI resources.

The conclusion is clear, **Louisville has the capacity to invest more in itself** to advance a more competitive city.



Peer cities are communities like Louisville. Every ten years, researchers at the University of Louisville perform an analysis of cities across the country and statistically cluster the results to come up with a list of cities most similar to Louisville.

The Deep Drivers

The Greater Louisville Project defines Deep Drivers of Change as the forces that are critical for the long-term success of our community.

The Greater Louisville Project's four Deep Drivers – Education, 21st-Century Jobs, Health, and Quality of Place – inform our civic agenda and provide a common language and set of metrics to define progress. The original metrics were identified by the Brookings Institution in its 2003 report “Beyond Merger” and have evolved through ongoing engagement with stakeholders from across our community.

JOBS



Median earnings adjusted for inflation and cost of living

QUALITY OF PLACE



The vibrancy of the core county measured by population relative to surrounding areas

EDUCATION



Percentage of bachelor's degrees among the working-age population

HEALTH



An index combining several measures of length and quality of life

Deep Driver Peer City Rankings Over Time

2005	2018
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	16
17	17

By using key community metrics to compare Louisville to our peer cities, we measure the return on investment for our collective efforts to create a more vibrant city.

The health index data has been carried over from 2017 due to delays in data releases from the CDC.

THE FLOW OF COMMUNITY INVESTMENT

Louisville has the capacity to invest more in itself.



A Note on Data

This report combines publicly available data sources (available on our website: www.greaterlouisvilleproject.org) to reach these conclusions. Because of the complexity of the analysis and the human judgment required at various points, we have run multiple analyses and engaged outside experts to verify our conclusions. The specific dollar amounts vary depending on analytical framework, but the peer city rankings are remarkably robust, which is why we use those in the report. Full analysis is available on our website.



A Note from the GLP Policy Board: As this report was going to print in early 2020, COVID-19 was declared a pandemic. The GLP held the release to better understand how that would impact our community and how this data could best be used to spur community engagement in our recovery. As the community copes with both the short-term and long-term implications of the virus and the disproportionate impact on some parts of the community, it is clear that 2020 will be a turning point and this report highlights the opportunity. How we respond will define what kind of city Louisville becomes after the crisis.

JEFF POLSON
Chair of the GLP Policy Board
Executive Director of the Jewish Heritage Fund for Excellence

Investing in Ourselves

The Greater Louisville Project seeks to mobilize key stakeholders across sectors to focus on the areas of highest potential impact to our community's success. By leveraging data and benchmarking against our peer cities, GLP helps establish a shared community agenda and common metrics for long-term progress.

This year's report focuses on the community's capacity to invest in our private, social, and public sectors through the lens of per capita spending. The analysis is complex, but the results are clear: **Louisville invests less in our social and public sectors than our peers with similar resources.**

Our 15 Year Milestone Report highlighted our slower-than-desired progress across several Deep Drivers. This report should be a call to action to engage our community by investing in our shared vision for a community in which everyone has the opportunity to reach their full potential. **If we had the resources to invest, what kind of community could we create?**

A Note on Data and Equity: The GLP's definition of community success includes the success of all community members. It is vital that our city's progress as a whole does not mask important disparities. Whenever possible, the GLP analyzes and highlights trends along racial, geographic, and gender lines in addition to measures of overall community progress. **For more data in each of these areas, as well as original and cleaned data sets, please see our website: www.greaterlouisvilleproject.org.**

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To request copies of the report, go to greaterlouisvilleproject.org or email glp@greaterlouisvilleproject.org.



Greater Louisville Project
ADVANCING A COMPETITIVE CITY

Visit www.greaterlouisvilleproject.org for more data and analysis.

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