

# New Albany

In 2002, the economy of Southern Indiana and the Louisville metropolitan area continues to perform better than national economic trends. To date, employment losses and increases in the unemployment rate in the Louisville area have not been as extreme as in other parts of Indiana, Kentucky, and many parts of the U.S. The seven counties in the Louisville Metropolitan Statistical Area (MSA) are Clark, Floyd, Harrison, and Scott counties in Southern Indiana, and Bullitt, Jefferson, and Oldham counties in Northern Kentucky. The following analysis examines various measures of economic growth in the Louisville MSA and its component counties. Three additional Indiana counties—Crawford, Orange, and Washington—in the Southern Indiana labor market area are included when data are available.

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**Table 2**  
Non-Agricultural Employment and Components, September 1999 to September 2002

<i>In Thousands</i>	1999	2000	2001	2002 <sup>*</sup>
<b>NON-AGRICULTURAL EMPLOYMENT</b>				
Southern Indiana Counties <sup>1</sup>	95.2	94.2	94.9	94.4
Louisville MSA <sup>2</sup>	584.2	593.4	603.1	583.9
<b>MANUFACTURING EMPLOYMENT</b>				
Southern Indiana Counties	20.6	20.2	20.4	19.9
Louisville MSA	89.1	88.0	84.4	83.1
<b>Durable Goods</b>				
Southern Indiana Counties	11.3	10.8	11.2	11.0
Louisville MSA	50.6	50.9	48.1	47.7
<b>Nondurable Goods</b>				
Southern Indiana Counties	9.3	9.4	9.2	8.9
Louisville MSA	38.5	37.1	36.3	35.4
<b>NON-MANUFACTURING EMPLOYMENT</b>				
Southern Indiana Counties	74.6	74.0	74.5	74.5
Louisville MSA	495.1	505.4	518.7	500.8
<b>Wholesale Trade</b>				
Southern Indiana Counties	3.4	3.4	3.5	3.1
Louisville MSA	33.0	34.3	34.5	32.4
<b>Retail Trade</b>				
Southern Indiana Counties	20.2	20.3	19.5	19.1
Louisville MSA	111.6	109.6	114.7	105.3
<b>Finance, Insurance &amp; Real Estate</b>				
Southern Indiana Counties	2.8	2.7	2.6	3.0
Louisville MSA	29.6	35.0	35.8	34.4
<b>Services</b>				
Southern Indiana Counties	18.5	18.9	19.7	19.1
Louisville MSA	173.2	171.9	179.5	175.5
<b>Government</b>				
Southern Indiana Counties	16.4	15.1	16.0	17.6
Louisville MSA	71.9	75.1	74.8	74.2

<sup>1</sup> Clark, Floyd, Harrison, and Scott counties

<sup>2</sup> Clark, Floyd, Harrison, and Scott counties in Indiana, and Bullitt, Jefferson, and Oldham counties in Kentucky

\* September 2002 figures are preliminary.

**Table 1**  
Unemployment Rates Around Louisville

Area	1999	2000	2001	2002
Clark, IN*	2.8	2.9	4.0	4.2
Crawford, IN	3.9	3.3	4.2	4.3
Floyd, IN*	2.3	2.5	2.5	3.4
Harrison, IN*	2.3	2.0	3.1	3.0
Jefferson, IN	2.5	3.3	3.3	4.6
Orange, IN	5.6	3.5	8.5	8.1
Scott, IN*	2.9	2.5	4.9	4.8
Washington, IN	7.1	3.6	7.1	6.4
Louisville MSA	3.3	3.2	4.4	4.5
Indiana	2.9	2.4	3.9	4.6
Kentucky	4.0	3.9	5.2	4.8
U.S. (seasonally adjusted)	4.2	4.0	5.0	5.6

\* Counties in the Louisville Metropolitan Statistical Area

## Labor Markets

The 2002 unemployment rates in the counties of the Louisville metropolitan area have declined over the year and continue to be below, or even with, that of Indiana as a whole and below that of Kentucky and the United States, as shown in **Table 1**. Clark and Floyd counties have higher unemployment rates than for the same period in previous years. Unemployment in Harrison County is currently among the lowest in the state, while the unemployment rate in Orange County is among the highest in the state.

Recent data for the Louisville MSA indicate that the average level of non-agricultural employment decreased by about 19,000 jobs between September 2001 and September 2002 (see **Table 2**). The vast majority of job losses occurred on the Kentucky side of the river. Manufacturing employment decreased by 500 jobs in Southern Indiana and about 1,300 jobs in the MSA. Non-manufacturing employment remains steady in Southern Indiana but decreased significantly (by 17,900 jobs) in the MSA during this period. The MSA job losses in the non-manufacturing sector were led by decreases in the service and retail sectors. Several major retail chains are expanding operations into Southern Indiana, which has kept retail employment steady at around 19,000 workers during 2002.

Recent data from the Indiana Department of Revenue indicate that 36,300 workers commuted daily between Southern Indiana

and Kentucky in 2000. This is about 1,200 fewer workers commuting from Southern Indiana to Kentucky than in 1999. The proportion of commuters originating in each county is shown in **Table 3**.

### Wages and Hours in Manufacturing

Manufacturing is the only sector for which wage and salary information is collected for the Southern Indiana area. Average hourly manufacturing earnings in Southern Indiana remain consistently below that of the MSA as a whole. Average hourly earnings in manufacturing industries in Southern Indiana have been consistently below that of Indiana as a whole for years (see **Figure 1**). Beginning in May of 2002 that trend changed, and hourly manufacturing earnings rose above the state average. This is most likely a fluctuation rather than inflationary pressure. While there is no standard measure of labor productivity for metropolitan areas, national averages suggest that labor productivity in

manufacturing has increased substantially over the past decade, thus holding output prices and wages down.

Average weekly hours worked in the manufacturing sector were stable at around 40 hours per week in the Southern Indiana counties until May 2002 when weekly hours began creeping up. They peaked at 45.1 hours per week in August and averaged 42 hours per week over the past year. This suggests that the increase in average earnings is due to overtime pay.

### Consumer Activity

*Sales and Marketing Management* magazine's 2002 Survey of Buying power shows that retail sales declined over the past year. Total retail sales in the Louisville MSA decreased by 4.51 percent from \$13.5 billion in 2001 to \$12.9 billion in 2002. Jefferson County, Kentucky and Floyd County, Indiana had the largest decreases (on a percentage basis) between 2000 and 2001. Harrison is the only county in the MSA to show positive growth in retail sales.

Activity in the residential housing market decreased slightly over the past year. Housing sales through October 2002 in the Southern Indiana area totaled 2,144 compared with 2,242 for the January–October 2001 period and 1,840 for the same period in 2000. The sale of existing homes in 2001 totaled 2,568, which is among the highest levels of sales since 1990, suggesting that this indicator peaked in 2001. The average sale price was \$123,917 for January–October 2002 sales, down 5.9 percent from the year before. The average amount of time for a house to sell was 110 days.

In contrast to housing sales, residential construction, as measured by residential building permits for new single-family units, decreased from the 2001 in Jefferson and Floyd counties and increased in Clark and Harrison counties. As shown in **Table 4**, the largest decrease in the number of single-family permits (146) occurred in Jefferson County. The largest percent decline occurred in Floyd County with a 9.9 percent decrease. The number of multi-family permits increased in Jefferson County.

Gaming at Caesar's Casino continues to expand. The turnstile count for September of 2002 was 272,262 patrons, a 28.8 percent increase over September 2001. The turnstile count for January through September 2002 was 30.8 percent higher than the same period last year. Admissions and gaming tax revenues totaled \$51.72 million for the January–September 2002 period, a 7.7 percent increase over the same period in 2001.

**Table 3**  
**Commuting Flows, 2000**  
*Commuters as a Percent of County Workforce*

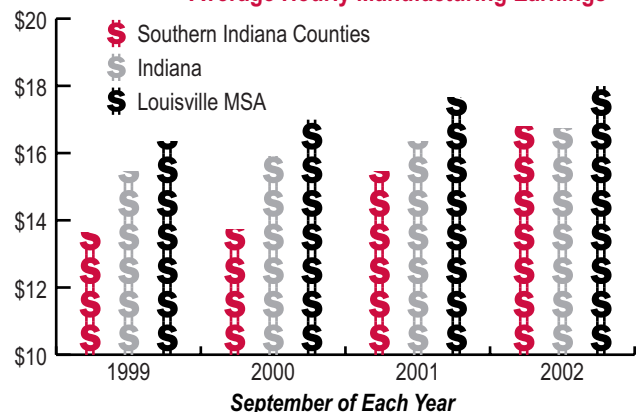
		Working In							
		Kentucky	Clark	Crawford	Floyd	Harrison	Orange	Scott	Washington
Living in	Clark	42.73	79.31	0.30	12.28	2.54	0.08	2.51	1.35
	Crawford	1.74	0.33	88.08	0.55	4.25	1.34	0.00	0.20
	Floyd	34.41	10.28	0.41	76.83	4.70	0.14	0.60	0.90
	Harrison	14.63	2.77	3.75	5.61	83.39	0.15	0.17	0.84
	Orange	0.42	0.04	2.68	0.11	0.37	87.44	0.00	1.62
	Scott	2.16	1.50	0.00	0.49	0.11	0.00	86.48	0.86
	Washington	3.91	3.00	0.32	2.11	1.61	1.94	3.47	91.80
	Kentucky	NA	1.44	0.18	1.37	1.85	0.10	0.20	0.10
	Other	NA	1.34	4.29	0.65	1.18	8.81	6.57	2.33

**Table 4**  
**Residential Building Permits Issued for Privately-Owned Structures**

County	Single-Family			Multi-Family		
	2000	2001	2002	2000	2001	2002
Jefferson, KY	2,032	2,382	2,236	43	23	56
Clark, IN	204	219	222	2	15	9
Floyd, IN	282	282	254	6	3	2
Harrison, IN	80	124	146	0	0	1

\*Data from January to September of each year

**Figure 1**  
**Average Hourly Manufacturing Earnings**



## Demographic Trends

Recently released data from the 2000 Census show that educational attainment for the adult population has increased from the 1990 level in the Louisville metropolitan area and the surrounding counties (see **Figure 2**).

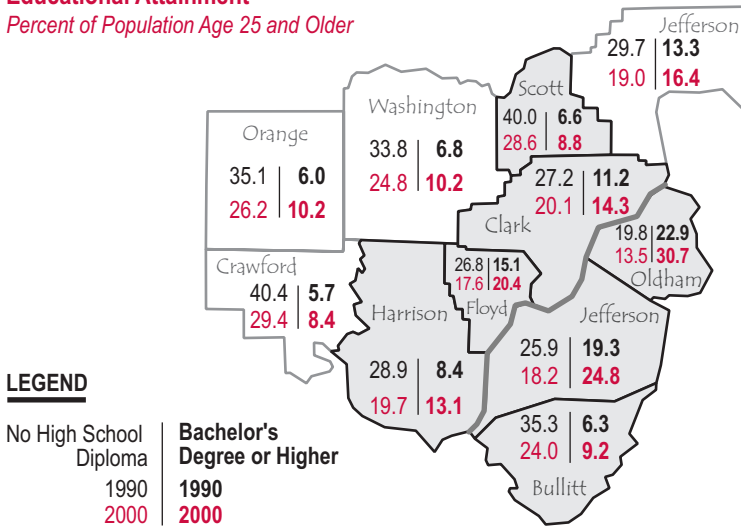
Income statistics from Census 2000 (see **Table 5**) reveal that both per capita income and median family income have grown after adjusting for inflation. The income statistics indicate substantial gains in some counties, particularly Floyd. However, income for many of the counties—Crawford, Orange, Scott, and Washington—continues to lag behind the national figures.

The growing Hispanic population has become a focus for local social service agencies and nonprofit groups. **Table 6** shows the growth in the Hispanic population from 1990 to 2000. A substantial increase has occurred in the Louisville MSA, particularly in Clark and Jefferson counties.

In the last few months of 2002, Louisville and the Southern Indiana area have settled into a period of sluggish growth. Unemployment rates are a bit higher than in 2001 but have been declining in most counties for the past few months and are

still relatively low compared to the state and national averages. After a decline from the 2001 levels, employment growth in the non-agricultural sector reached a low point during the summer of 2002 but has been increasing for the past few months. Employment in several industries (nondurable goods and finance, insurance, and real estate) has remained stable over the past year. Consumer activity—as measured by retail sales, single-family residential building permits, and housing sales—decreased relative to the previous year. ◀

**Figure 2**  
**Educational Attainment**  
Percent of Population Age 25 and Older



**Table 5**  
**Income Statistics by County**

County	Per Capita Income		Median Household Income	
	1989*	1999	1989*	1999
<b>Indiana</b>	<b>17,666</b>	<b>20,397</b>	<b>38,689</b>	<b>41,567</b>
Clark	16,213	19,936	36,793	40,111
Crawford	11,873	15,926	27,363	32,646
Floyd	17,738	21,852	38,236	44,022
Harrison	14,992	19,643	36,594	43,423
Orange	12,390	16,717	28,234	31,564
Scott	13,121	16,065	29,185	34,656
Washington	13,686	16,748	30,762	36,630
<b>Kentucky</b>	<b>14,984</b>	<b>18,093</b>	<b>30,274</b>	<b>33,672</b>
Bullitt	14,654	18,339	39,573	45,106
Jefferson, KY	18,899	22,352	36,398	39,457
Oldham	20,838	25,374	51,612	63,229
<b>Louisville MSA</b>	<b>18,272</b>	<b>21,756</b>	<b>37,079</b>	<b>40,821</b>
Louisville city	15,487	18,193	27,059	28,843
<b>U.S.</b>	<b>19,373</b>	<b>21,587</b>	<b>40,380</b>	<b>41,994</b>

\* Adjusted for inflation using the CPI-U

**Table 6**  
**Hispanic Population Trends**

Area	Total Population		Hispanic Population		Change in Total Population	Change in Hispanics	Percent Change in Hispanics	Hispanics as Share of Population	
	1990	2000	1990	2000				1990	2000
<b>Indiana</b>	<b>5,544,159</b>	<b>6,080,485</b>	<b>98,788</b>	<b>214,536</b>	<b>536,326</b>	<b>115,748</b>	<b>117%</b>	<b>1.8%</b>	<b>3.5%</b>
Clark, IN	87,777	96,472	560	1,799	8,695	1,239	221%	0.6%	1.9%
Floyd, IN	64,404	70,823	254	772	6,419	518	204%	0.4%	1.1%
Harrison, IN	29,890	34,325	126	331	4,435	205	163%	0.4%	1.0%
Scott, IN	20,991	22,960	148	222	1,969	74	50%	0.7%	1.0%
Bullitt, KY	47,567	61,236	93	383	13,669	290	312%	0.2%	0.6%
Jefferson, KY	664,937	693,604	4,813	12,370	28,667	7,557	157%	0.7%	1.8%
Oldham, KY	33,263	46,178	129	602	12,915	473	367%	0.4%	1.3%
<b>Louisville MSA</b>	<b>948,829</b>	<b>1,025,598</b>	<b>6,123</b>	<b>16,479</b>	<b>76,769</b>	<b>10,356</b>	<b>169%</b>	<b>0.6%</b>	<b>1.6%</b>
Crawford, IN	9,914	10,743	16	100	829	84	525%	0.2%	0.9%
Jefferson, IN	29,797	31,705	123	332	1,908	209	170%	0.4%	1.0%
Orange, IN	18,409	19,306	59	108	897	49	83%	0.3%	0.6%
Washington, IN	23,717	27,223	108	200	3,506	92	85%	0.5%	0.7%