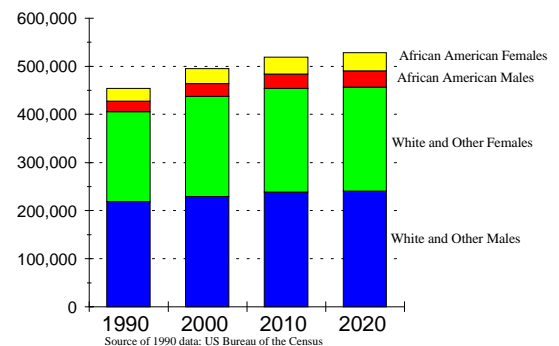


How Jobs Are Likely to Be Filled in the Future

Strong job growth in Louisville during the 1987 to 1993 period was largely supported by existing residents. Net immigration of workers was not required. The number of workers leaving the area was nearly matched by those who came in. As employment rates for women and especially African-Americans increase, local workers should adequately support the expected job growth for the remainder of this decade. However, labor market conditions will be tight by then and immigration of workers is expected during the first two decades of the next century if the projected jobs materialize.

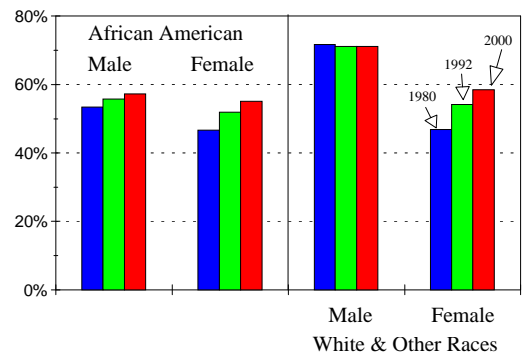
- There are a number of ways to fill new Louisville area jobs in the future. They can be filled by unemployed residents. They can be filled by persons entering or reentering the labor force. They can be filled by new residents, or they can be filled by multiple job holding of persons already employed.
- Currently, there is not a large surplus of labor in Louisville. The unemployment rate is low relative to a decade earlier and relative to the rest of the country. Labor force participation rates for white males have peaked. Rates for females are approaching those for males and are not projected to increase much. Some new jobs are likely to be held by currently unemployed African-American males, though they do not make up a large percentage of the population. Hence, much of the net new job growth in the future will have to be filled by new residents or by more multiple job holding of employed persons.

**Employed Persons in the Louisville MSA
1990 through 2020**



Employment Rates, Louisville MSA

Employment Rate = Employed Persons as a % of Population age 16+.



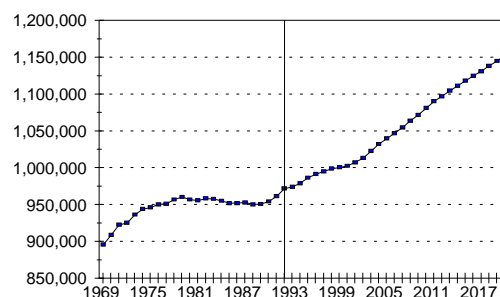
- Of all employed workers, African-American males are expected to increase at the fastest rate. From 1990 to 2020, the number of African-American males is projected to increase by 54%. With employment of African-American females rising 43%, the employment share of all African-Americans is expected to increase from 10.5% to 13.5%. A similar improvement in employment rates for African-Americans is also expected nationally.
- Although employment for white males is forecast to grow by 10% over the next two and one-half decades, their share of local employment will drop from 48.1% to 45.5%. Meanwhile, white female employment will grow 16%, but experience a slight drop in share.

Population Growth: 1995 to 2020

The population of the Louisville metropolitan area will grow steadily over the next 25 years, surpassing the one million threshold before the end of this decade. As employment rates for females and African-Americans increase, net immigration of new workers will not be required over the remainder of this decade. The population will continue to grow, however, by natural increase, the balance of births over deaths. As natural increase slows in the next century and job growth continues, new workers and their families will be attracted to the Louisville area in greater numbers than those who leave.

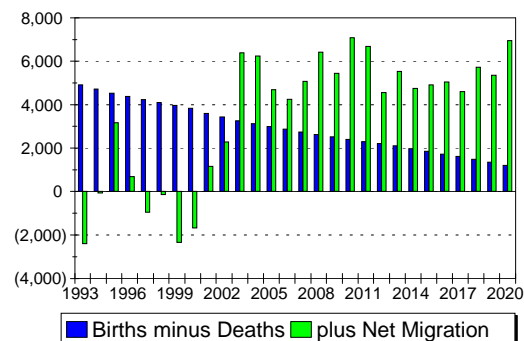
- From 1995 to 2020, the population of the Louisville metro area is forecast to grow by 167,000 persons, or by 17%.
- The balance of migration flows into and out of the Louisville metropolitan area has approached equilibrium during the last few years, following decades of steady net outmigration. If job growth surpasses local labor supply as projected, net immigration will result.
- As the population gradually ages, annual births are expected to remain fairly constant, but annual deaths will increase, slowing “natural increase” to 0.1% annually by the end of the projection period.
- The number of households will continue to grow faster than the population. From 1995 to 2020, nearly 100,000 new households will be formed in the Louisville area, an increase of 25%. Average household size is expected to drop from 2.49 persons to 2.32 persons.

Projected Population Growth: 1993-2020
Louisville MSA

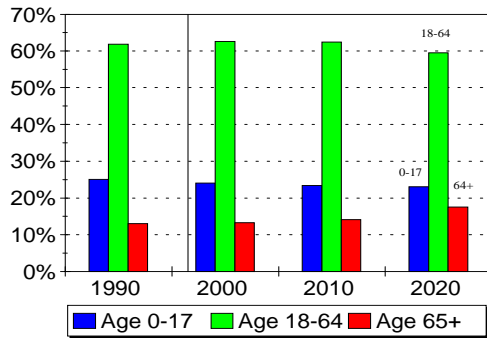


MSA definition is that before the 1992 reclassification: Bullitt, Clark, Floyd, Harrison, Jefferson, Oldham and Shelby counties.

Sources of Population Change
Louisville MSA: 1993 to 2020



Age Distribution of Population
Louisville MSA

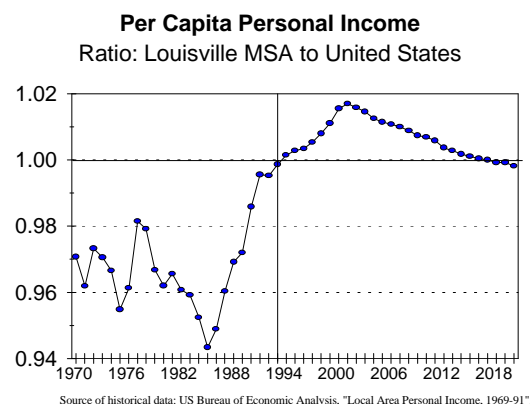
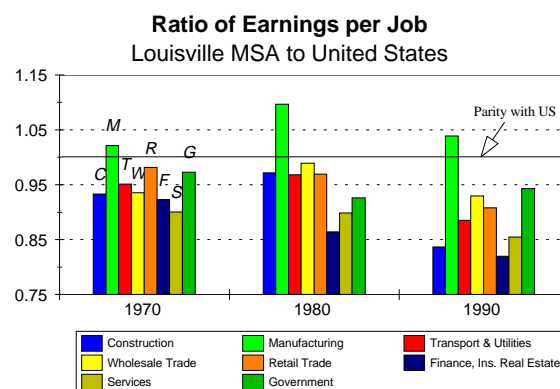


- The elderly will be the fastest growing segment of the population. Over the next 25 years, those 65 years and over will increase by 55%, adding over 71,000 persons. Their share of the total population will rise from 13.2% to 17.5%. Meanwhile, the population under 18 years will increase by only 8% and those of working age (18 to 64 years) will increase by 13%.

Earnings of Workers and Income of Residents

Louisville area workers are projected to maintain their below average earnings per job in most industries. Nevertheless, relatively strong job growth is likely to be sufficient to boost the per capita income of Louisville residents above those for the US during the next decade. This implies that residents are more likely to be employed, possibly at more than one job, than their US counterparts. In response, we anticipate more net immigration to Louisville and a gradual convergence to the average US per capita income by the year 2020.

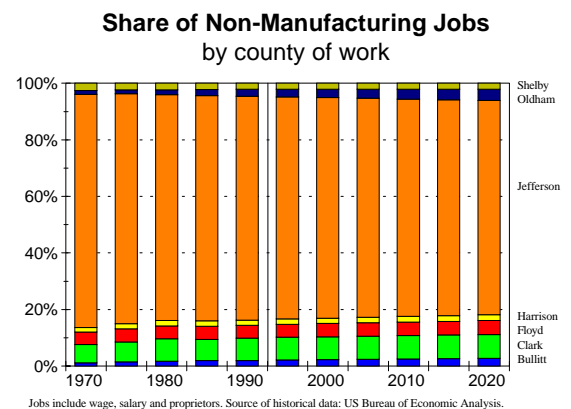
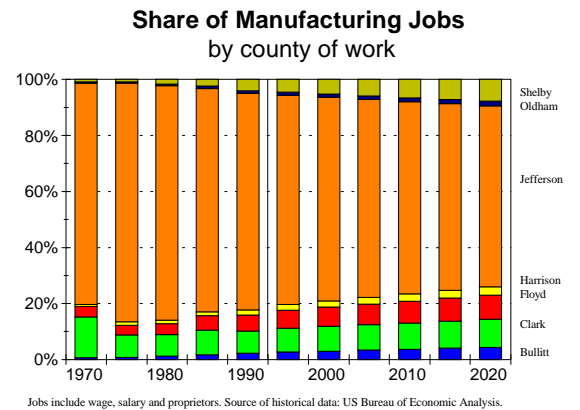
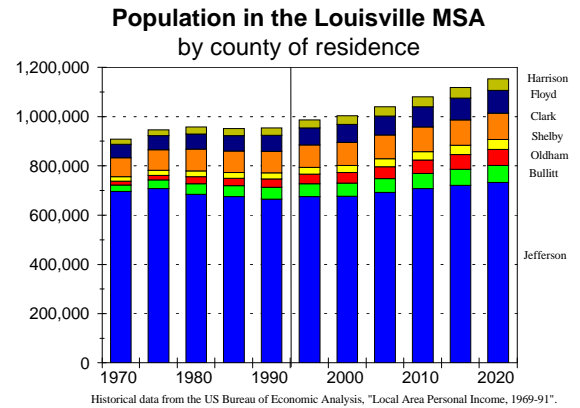
- Workers in the Louisville economy have seen their earnings per job erode slightly relative to their national counterparts over the past 20 years. However, because of the stronger job growth locally, Louisville area residents have been able to gain on their US counterparts in terms of per capita income.
- Manufacturing is the only sector in which Louisville area workers currently earn more on average than their national counterparts. However, manufacturing is the only local sector in which employment levels are projected to decline.
- Workers in the Louisville area service sector have been gaining recently against the national average of earnings per worker. Jobs in the health services sector pay on average about as much as manufacturing jobs and have been concentrated in urbanized areas.
- Local earnings per job in the finance, insurance, and real estate sector is the lowest relative to earnings in the same sector nationally.



How Metro Area Counties Will Share in the Growth

Population and jobs are projected to increase sufficiently in the metropolitan area so that all seven counties will gain by both measures. While Jefferson County's share of metro activity is likely to continue to fall, we project that it will add about 57,000 residents and 67,000 jobs between 1995 and 2020. Jefferson County will continue to lose manufacturing jobs but host most of the new service sector jobs, particularly the higher skilled and higher paying professional service jobs.

- All counties are projected to add to their job bases over the next 25 years, though counties differ in the types of jobs likely to emerge. Jefferson County is likely to become less industrial and more service-oriented. We project a 31% reduction in manufacturing jobs and a 21% increase in nonmanufacturing jobs. The net result is an increase of about 67,000 new jobs in the county.
- Oldham County is likely to see strong service sector growth. Shelby, Bullitt, Floyd, and Harrison counties are likely to become more industrial, while Clark County is likely to become less industrial.
- While the metro economy is projected to lose a net 18,000 manufacturing jobs, most counties are projected to actually gain jobs in that sector. Shelby, Bullitt, Floyd, Harrison, and Oldham counties are projected to add a total of 3,300 manufacturing jobs over the forecast period while Jefferson County is projected to lose 20,000 jobs. Clark County is projected to lose about 500 manufacturing jobs.



- The metro economy is projected to add around 135,000 net new nonmanufacturing jobs between 1995 and 2020. All seven counties are likely to share considerably in this growth. Jefferson County is projected to gain the largest number of new nonmanufacturing jobs (88,000) but have the smallest percentage growth (21%). Oldham County is projected to gain the most in percentage terms (84%), adding 12,000 nonmanufacturing jobs between 1995 and 2020.
- New residents are projected for all metro area counties over the next 25 years. Jefferson County is projected to gain the largest number of new residents (56,000) but have the smallest percentage growth (8%). Other gains projected are: Oldham County (27,000 residents, 69% growth), Floyd County (23,000 residents, 34% growth), Bullitt County (17,000 residents, 34% growth), Clark County (15,000 residents, 17% growth), Harrison County (14,000 residents, 43% growth), and Shelby County (13,000 residents, 49% growth).

Wage and Salary Jobs by Industry

Annual Employment, Selected Years

Louisville MSA

SIC Codes	Industrial Sectors	1990	1992	1994	1995	2000	2010
10-14	Mining	545	537	504	496	467	
15-17	Contract Construction	23,692	22,663	24,652	26,482	28,217	31
20	Mfg: Food and Kindred Products	9,809	9,896	9,690	9,605	9,099	7
21	Mfg: Tobacco Products	4,513	4,417	4,186	4,154	3,694	3
27	Mfg: Printing and Publishing	8,472	8,448	8,536	8,701	9,417	10
28	Mfg: Chemicals and Allied Products	7,481	7,008	6,922	6,915	6,713	5
22,23,26,29,30,31	Mfg: Other Nondurables	9,968	10,272	10,610	10,735	11,225	11
	Total: Nondurable Manufacturing	40,242	40,041	39,943	40,110	40,149	39
24	Mfg: Lumber and Wood Products	3,935	3,600	3,701	3,848	3,674	3
25	Mfg: Furniture and Fixtures	2,035	2,160	2,207	2,234	2,176	1
32	Mfg: Stone, Clay and Glass	2,487	2,453	2,531	2,597	2,585	2
34	Mfg: Fabricated Metal Products	9,382	8,790	8,763	8,895	8,858	8
35	Mfg: Nonelectrical Machinery	6,738	7,564	7,391	7,238	6,987	6
36	Mfg: Electrical Machinery	12,422	11,863	11,701	11,581	10,986	9
37	Mfg: Transportation Equipment	8,188	7,900	7,282	7,112	7,039	7
33,38,39	Mfg: Other Durables	4,040	3,583	3,424	3,393	3,424	3
	Total Durable Manufacturing	49,227	47,912	47,000	46,897	45,729	43
40-49	Transportation, Communications and Public Utilities	30,875	32,555	33,298	33,855	36,306	40
50-59	Wholesale and Retail Trade	119,520	119,650	124,316	127,528	138,115	154
60-68	Finance, Insurance and Real Estate	27,750	27,632	28,795	28,972	30,210	31
73	Business Services	25,818	28,085	30,439	31,731	37,692	48
80	Health Services	40,393	44,986	48,464	50,370	58,954	73
70,72,75-79,81-89	Other Services	59,514	60,846	65,242	67,649	78,246	95
70-89	All Service Industries	125,725	133,917	144,144	149,750	174,892	216
91	Federal Government	12,680	11,890	10,880	11,028	11,950	11
92,93	State and Local Governments	51,010	56,330	57,546	58,501	63,571	67
	All Government	63,690	68,220	68,426	69,529	75,521	79
	All Nonagricultural Industries	481,266	493,127	511,078	523,620	569,605	637

Source: U.S. Bureau of Labor Statistics, "Current Employment Statistics" program. Estimates are derived from monthly survey of establishments, and are benchmarked to comprehensive data from the unemployment insurance program. Estimates exclude proprietors and other self-employed persons. Jobs are NOT full-time equivalents: double-counting occurs for persons holding two jobs. See the monthly BLS publication "Employment and Earnings" for details.

**Summary of Demographic Projections
Louisville MSA*
1990 to 2020**

Year Ending July 1	Population as of July 1	Births	Deaths	Net Migration	Change in Population
1990	954,309	14,248	9,203		
1991	962,821	14,419	8,956	3,049	8,512
1992	971,844	14,239	9,123	3,907	9,023
1993	974,035	14,021	9,113	-2,717	2,191
1994	978,683	13,841	9,131	-63	4,647
1995	986,373	13,702	9,172	3,161	7,691
1996	991,433	13,632	9,262	689	5,059
1997	994,722	13,555	9,316	-949	3,290
1998	998,683	13,449	9,356	-131	3,962
1999	1,000,312	13,371	9,402	-2,340	1,629
2000	1,002,471	13,260	9,432	-1,670	2,158
2001	1,007,229	13,141	9,537	1,154	4,758
2002	1,012,952	13,109	9,680	2,293	5,722
2003	1,022,606	13,105	9,841	6,390	9,654
2004	1,031,973	13,181	10,059	6,246	9,368
2005	1,039,653	13,260	10,263	4,682	7,679
2006	1,046,773	13,325	10,455	4,249	7,119
2007	1,054,594	13,410	10,665	5,076	7,821
2008	1,063,643	13,494	10,871	6,425	9,048
2009	1,071,599	13,601	11,077	5,434	7,958
2010	1,081,079	13,683	11,289	7,086	9,480
2011	1,090,052	13,808	11,514	6,679	8,973
2012	1,096,812	13,944	11,738	4,553	6,759
2013	1,104,444	14,019	11,922	5,536	7,633
2014	1,111,167	14,106	12,125	4,742	6,723
2015	1,117,932	14,157	12,300	4,908	6,765
2016	1,124,706	14,214	12,488	5,048	6,774
2017	1,130,932	14,295	12,675	4,606	6,226
2018	1,138,137	14,357	12,876	5,723	7,204
2019	1,144,852	14,442	13,086	5,358	6,714
2020	1,153,008	14,501	13,293	6,947	8,155

* The Louisville MSA is defined here according to the pre-1992 designation. It includes Bullitt, Clark, Floyd, Harrison, Jefferson, Oldham and Shelby counties. In 1992, Shelby County Kentucky was removed and Scott County, Indiana was added.

**Personal Income Components (\$000)
Louisville MSA and the United States**

	1980	1990	1995	2000	2010
Louisville MSA					
Earnings by Place of Work	\$7,205,901	\$12,995,436	\$16,551,609	\$21,062,475	\$35,200,537
- Personal Contributions for Social Insurance	\$352,574	\$787,512	\$1,038,163	\$1,357,095	\$2,343,465
+ Adjustment to Place of Residence Basis	(\$220,787)	(\$370,884)	(\$415,507)	(\$481,687)	(\$647,347)
= Net Earnings by Place of Residence	\$6,632,540	\$11,837,040	\$15,097,938	\$19,223,693	\$32,209,725
+ Dividends, Interest and Rent Income	\$1,257,492	\$3,198,240	\$3,439,477	\$4,396,680	\$7,565,412
+ Transfer Payments	\$1,259,625	\$2,491,733	\$3,727,483	\$4,817,358	\$8,687,795
= Total Personal Income	\$9,149,657	\$17,527,013	\$22,264,898	\$28,437,732	\$48,462,931
Population	956,800	954,000	986,373	1,002,471	1,081,079
Per Capita Personal Income	\$9,563	\$18,372	\$22,572	\$28,368	\$44,828
Ratio of Per Capita Income: L'ville to US	0.962	0.986	1.003	1.016	1.007
United States					
Earnings by Place of Work	\$1,681,256,000	\$3,364,247,000	\$4,237,329,957	\$5,448,603,542	\$9,280,921,492
- Personal Contributions for Social Insurance	\$88,254,000	\$224,129,000	\$263,690,896	\$348,381,149	\$613,304,924
+ Adjustment to Place of Residence Basis	(\$488,000)	(\$775,000)	\$0	\$0	\$0
= Net Earnings by Place of Residence	\$1,592,514,000	\$3,139,343,000	\$3,973,639,061	\$5,100,222,393	\$8,667,616,568
+ Dividends, Interest and Rent Income	\$344,256,000	\$822,574,000	\$919,094,893	\$1,208,811,739	\$2,091,871,985
+ Transfer Payments	\$322,236,000	\$686,950,000	\$1,042,990,073	\$1,386,881,601	\$2,515,409,614
= Total Personal Income	\$2,259,006,000	\$4,648,867,000	\$5,933,267,749	\$7,699,238,063	\$13,308,435,135
Population	227,255,000	249,466,200	263,577,955	275,616,758	298,923,439
Per Capita Income	\$9,940	\$18,635	\$22,510	\$27,935	\$44,521

Source of historical job, earnings and income data: US Bureau of Economic Analysis, "Local Area Personal Income, 1969-91", May 1993.

County Shares: Jobs and Population

	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020
Manufacturing Labor and Proprietors Jobs											
Number in County											
Bullitt	854	916	1,320	1,498	2,152	2,385	2,663	2,955	3,155	3,207	3,172
Clark	17,652	8,452	8,029	7,816	7,158	7,663	7,806	8,003	7,974	7,625	7,142
Floyd	4,522	3,758	4,138	4,562	5,313	5,733	6,055	6,415	6,586	6,474	6,220
Harrison	891	1,292	1,267	1,271	1,668	1,840	1,970	2,112	2,191	2,174	2,106
Jefferson	95,899	91,001	87,566	70,603	70,878	66,702	64,050	61,905	58,161	52,441	46,311
Oldham	566	499	612	694	856	957	1,054	1,158	1,226	1,238	1,217
Shelby	1,107	1,018	1,717	2,140	3,755	4,075	4,595	5,139	5,522	5,642	5,606
MSA Total	121,491	106,936	104,649	88,584	91,780	89,355	88,194	87,685	84,816	78,801	71,773
Share of MSA Total											
Bullitt	0.7%	0.9%	1.3%	1.7%	2.3%	2.7%	3.0%	3.4%	3.7%	4.1%	4.4%
Clark	14.5%	7.9%	7.7%	8.8%	7.8%	8.6%	8.9%	9.1%	9.4%	9.7%	10.0%
Floyd	3.7%	3.5%	4.0%	5.1%	5.8%	6.4%	6.9%	7.3%	7.8%	8.2%	8.7%
Harrison	0.7%	1.2%	1.2%	1.4%	1.8%	2.1%	2.2%	2.4%	2.6%	2.8%	2.9%
Jefferson	78.9%	85.1%	83.7%	79.7%	77.2%	74.6%	72.6%	70.6%	68.6%	66.5%	64.5%
Oldham	0.5%	0.5%	0.6%	0.8%	0.9%	1.1%	1.2%	1.3%	1.4%	1.6%	1.7%
Shelby	0.9%	1.0%	1.6%	2.4%	4.1%	4.6%	5.2%	5.9%	6.5%	7.2%	7.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Non-Manufacturing Labor and Proprietors Jobs											
Number in County											
Bullitt	3,429	4,930	6,414	7,687	9,729	11,373	12,955	14,297	15,620	16,780	17,916
Clark	19,457	24,168	30,949	31,221	38,696	42,482	46,599	49,632	52,441	54,581	56,558
Floyd	13,437	15,751	17,235	18,646	21,968	24,579	26,973	28,741	30,381	31,635	32,794
Harrison	5,270	6,213	7,457	7,932	9,442	10,369	11,348	12,060	12,716	13,207	13,657
Jefferson	250,185	277,021	307,572	326,817	387,943	417,625	449,314	469,427	486,583	496,881	505,196
Oldham	4,090	4,825	6,781	8,720	12,190	14,330	16,966	19,366	21,798	24,045	26,289
Shelby	7,993	7,895	8,869	9,132	10,600	11,513	12,502	13,183	13,793	14,217	14,591
MSA Total	303,861	340,803	385,277	410,155	490,568	532,252	576,611	606,630	633,223	651,205	666,827
Share of MSA Total											
Bullitt	1.1%	1.4%	1.7%	1.9%	2.0%	2.1%	2.2%	2.4%	2.5%	2.6%	2.7%
Clark	6.4%	7.1%	8.0%	7.6%	7.9%	8.0%	8.1%	8.2%	8.3%	8.4%	8.5%
Floyd	4.4%	4.6%	4.5%	4.5%	4.5%	4.6%	4.7%	4.7%	4.8%	4.9%	4.9%
Harrison	1.7%	1.8%	1.9%	1.9%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Jefferson	82.3%	81.3%	79.8%	79.7%	79.1%	78.5%	77.9%	77.4%	76.8%	76.3%	75.8%
Oldham	1.3%	1.4%	1.8%	2.1%	2.5%	2.7%	2.9%	3.2%	3.4%	3.7%	3.9%
Shelby	2.6%	2.3%	2.3%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Population of Louisville MSA, by County											
Bullitt	26,500	34,600	43,500	45,000	47,800	51,570	53,915	57,474	61,386	65,155	68,929
Clark	76,200	83,400	88,900	88,000	87,900	91,228	92,717	96,156	99,987	103,396	106,640
Floyd	55,600	57,000	61,400	61,900	64,600	69,512	72,651	77,425	82,673	87,727	92,785
Harrison	20,500	23,800	27,400	28,600	30,000	32,585	34,621	37,464	40,579	43,639	46,737
Jefferson	696,200	708,200	684,300	675,000	665,200	675,551	676,552	691,249	707,981	720,936	732,026
Oldham	14,700	18,200	27,900	29,500	33,600	38,781	42,923	48,153	53,856	59,605	65,510
Shelby	19,000	20,600	23,400	23,600	24,900	27,146	29,093	31,732	34,618	37,474	40,380
MSA Total	908,700	945,800	956,800	951,600	954,000	986,373	1,002,471	1,039,653	1,081,079	1,117,932	1,153,008
Share of MSA Total											
Bullitt	2.9%	3.7%	4.5%	4.7%	5.0%	5.2%	5.4%	5.5%	5.7%	5.8%	6.0%
Clark	8.4%	8.8%	9.3%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
Floyd	6.1%	6.0%	6.4%	6.5%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
Harrison	2.3%	2.5%	2.9%	3.0%	3.1%	3.3%	3.5%	3.6%	3.8%	3.9%	4.1%
Jefferson	76.6%	74.9%	71.5%	70.9%	69.7%	68.5%	67.5%	66.5%	65.5%	64.5%	63.5%
Oldham	1.6%	1.9%	2.9%	3.1%	3.5%	3.9%	4.3%	4.6%	5.0%	5.3%	5.7%
Shelby	2.1%	2.2%	2.4%	2.5%	2.6%	2.8%	2.9%	3.1%	3.2%	3.4%	3.5%
MSA Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source of historical data: US Bureau of Economic Analysis, "Local Area Personal Income, 1969-91", May 1993. Job estimates include wage and salary workers, proprietors and other self-employed workers, farm workers and military personnel.

Summary of Forecasts for Jefferson County, Kentucky

	1980	1985	1990	1995	2000	2005	2010	2015
place of residence								
Population	685,004	675,069	664,937	675,567	676,570	691,265	707,999	720,000
Persons per Household	2.69	2.59	2.49	2.41	2.34	2.31	2.28	2.25
Number of Households	250,569	257,354	264,138	276,471	285,903	295,970	306,449	311,111
Per Capita Personal Income	\$10,018	\$14,013	\$19,277	\$23,701	\$29,786	\$37,532	\$47,070	\$56,000
Per Capita Personal Income (1992\$)	\$17,097	\$18,609	\$20,715	\$21,849	\$23,461	\$24,617	\$25,828	\$27,000
place of work								
Labor and Proprietors Jobs by Major Industry								
Farming	1,184	1,073	1,021	891	778	626	454	300
Agricultural Services, Fisheries, Forestry	1,448	1,882	2,290	2,677	3,112	3,428	3,739	4,000
Mining	560	861	615	601	624	626	621	600
Construction	20,582	20,248	24,028	23,688	24,266	24,413	24,312	24,000
Manufacturing	87,566	70,603	70,878	66,702	64,050	61,905	58,161	55,000
Transportation, Communications, Utilities	23,133	23,570	27,873	30,097	32,041	33,241	34,204	35,000
Wholesale and Retail Trade	86,898	94,067	106,276	111,762	118,576	122,375	125,304	128,000
Finance, Insurance and Real Estate	35,895	36,348	39,427	41,996	44,383	45,827	46,922	48,000
Services	88,857	105,172	138,891	157,697	177,898	192,620	206,692	221,000
Government	49,015	43,596	47,522	48,217	47,635	46,271	44,335	43,000
Total Labor and Proprietors Jobs	395,138	397,420	458,821	484,327	513,364	531,331	544,744	554,000
Average Earnings per Job	\$15,512	\$19,752	\$23,349	\$27,905	\$33,203	\$41,058	\$51,376	\$60,000
Total Earnings by Place of Work (\$000)	\$6,129,513	\$7,849,656	#####	#####	#####	#####	#####	###

Source of historical job, earnings and income data: US Bureau of Economic Analysis, "Local Area Personal Income, 1969-91", May 1993.
 Household estimates from the University of Louisville, "Long-Term Forecasting Project".