

4. TRANSPORTATION

THE TREND: The auto-oriented transportation network serving the Regional City of Louisville is showing signs of stress.

Automobile travel predominates in the Regional City. According to the latest Census data, transit trips still make up a very small percentage of the total number of trips taken in the region. Only about 3.1 percent of all commuting trips were taken on transit in Jefferson County, down from 4.3 percent in 1990.⁷ Overall, Jefferson County figures are slightly lower than those for the nation, but are slightly higher than in peer counties such as Marion and Jacksonville, in terms of alternative means of transportation. However, transit ridership in Cuyahoga and Allegheny counties, which both have mature light rail systems, far exceeds the national average.

The region has been building a lot of roads lately. The number of new lane miles in the Louisville urbanized area increased by 20.1 percent between 1990 and 2000, resulting in a 15.8 percent increase in roadway miles per capita. The region's per capita road construction far outpaced that of key peer regions.⁸

Consequently, the number of miles being driven in the Louisville urbanized area⁹ far outpaced population growth in the 1990s. Population grew by 3.7 percent in the urbanized area between

1990 and 2000. However, the total vehicle miles driven (VMT) in the region increased 34.4 percent over the same period. This contributed to a 29.6 percent change in miles driven per capita in the Louisville urbanized area. Most of this increase took place early in the decade as VMT rose only 6.4 percent from 1995 to 2000.

LOUISVILLE'S PER-CAPITA LANE MILES GREW FAR FASTER THAN THOSE IN PEER REGIONS DURING THE 1990S

SELECT URBANIZED AREAS	% Change in Lane Miles per Capita 1990–2000
Nashville	-13.3%
Jacksonville	-13.2%
Columbus	-9.9%
Indianapolis	3.0%
Louisville	15.8%

Source: Texas Transportation Institute

LOUISVILLIANS DEPEND HEAVILY ON THEIR CARS FOR COMMUTING (Workers 16 years and over).

	Jefferson County (Louisville)	Duval County (Jacksonville)	Marion County (Indianapolis)	Cuyahoga County (Cleveland)	Allegheny County (Pittsburgh)	National
Drove alone	80.8%	79.5%	80.3%	79.3%	73.4%	76.4%
Carpooled	11.0%	13.1%	12.2%	7.8%	8.3%	11.2%
Public transit	3.1%	2.0%	2.3%	8.2%	11.4%	5.2%
Walked	2.0%	1.8%	1.9%	2.4%	3.9%	2.7%
Other means	0.9%	1.7%	0.7%	0.3%	0.8%	1.3%
Worked at home	2.2%	2.0%	2.5%	1.9%	2.1%	3.2%

Source: U.S. Census Bureau

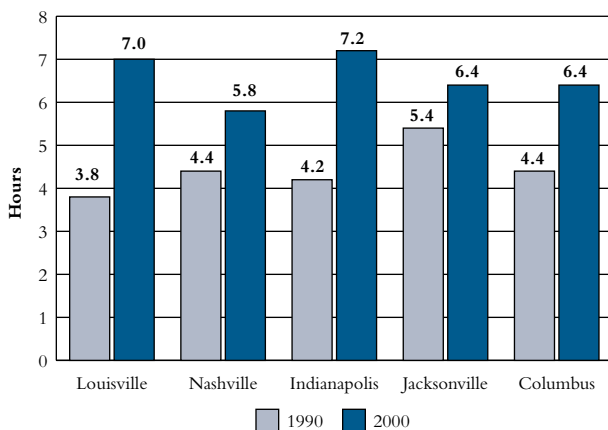
PER-CAPITA VEHICLE MILES TRAVELED GREW RAPIDLY IN LOUISVILLE IN THE 1990s, ESPECIALLY EARLY IN THE DECADE

Select Urbanized Areas	% Change in VMT 1990–2000	% Change in VMT 1990–1995	% Change in VMT 1995–2000	Change in VMT per capita 1990–2000
Jacksonville	34.9%	18.5%	13.9%	12.3%
Columbus	36.0%	27.7%	6.5%	13.8%
Nashville	47.4%	27.9%	15.2%	19.0%
Indianapolis	37.6%	29.7%	6.1%	27.5%
Louisville	34.4%	26.3%	6.4%	29.6%

Source: Texas Transportation Institute

The increase in VMTs translates to greater traffic congestion. The percentage of congested lane miles in the region remains moderate in absolute terms, but it increased from 36 to 55 percent between 1990 and 2000. During that same period, the number of “rush hours” (the time during the day when the roads are congested) nearly doubled, increasing from 3.8 hours per day to 7.0. As a result, the total costs due to congestion increased by 509 percent from 1990 to 2000 to over \$335 million per year, which is among the highest total costs for any medium-sized metro area in the nation.¹⁰

THE NUMBER OF CONGESTED “RUSH HOURS” IN LOUISVILLE NEARLY DOUBLED IN THE 1990s



Source: Texas Transportation Institute

Substandard road conditions and safety shortfalls also reveal stress. Recent data from the Federal Highway Administration shows that nearly half (45 percent) of the Louisville urbanized area’s major roadways are in poor or mediocre condition.¹¹ That suggests that while new road construction continues rapidly, roads that have already been built are falling into disrepair. At the same time, roads in the Louisville area now rank among the most dangerous in the country. An analysis of National Highway Traffic Safety Administration data reveals that of the top 50 urbanized areas, only eight had a higher rate of traffic related fatalities per 100,000 residents than Louisville. This includes automobile, bicycle, and pedestrian deaths.¹²

MORE OF LOUISVILLE’S ROADS ARE DILAPIDATED THAN ARE IN COMPETITOR REGIONS

Select Urbanized Areas	Percent of Major Arterials in Poor or Mediocre Conditions
Jacksonville	13%
Nashville	19%
Columbus	26%
Indianapolis	29%
Louisville	45%

Source: The Road Information Program, 2002

One positive development in the region, however, has been a recent uptick in transit ridership. Trips on Transit Authority of River City (TARC) buses have increased lately, after years of declining or stagnant numbers. From 2000 to 2001, the number of weekday trips increased by 5.1 percent, reversing a decade of declines. This recent surge follows a 3.4 percent decline from the previous year, and bucks transit ridership trends in peer regions.¹³ What is more, new and extended services are beginning to add to the options available. Vanpools to rural or distant areas have been provided, as have special services that connect job seekers to recruitment sites and “Night Owl” service running between 11 p.m. and 5 a.m. An extensive light rail system is also in its early planning stages.

LOUISVILLE BUS RIDERSHIP GREW BETWEEN 2000 AND 2001, WHEN IT DECLINED IN SEVERAL COMPETITOR REGIONS

Select Urbanized Areas	Trips Through Dec. 2001 (000's)	Trips Through Dec. 2000 (000's)	Year-to-Date Change
Louisville	15,621	14,857	5.1%
Columbus	18,138	18,259	-0.7%
Jacksonville	8,031	8,183	-1.9%
Nashville	6,362	6,740	-5.6%
Indianapolis	8,854	9,439	-6.2%

Source: American Public Transportation Association

WHAT THIS MEANS:

The region's aggressive road-building strategy may not necessarily improve mobility. Granted, the Louisville transportation system remains less snarled than troubled systems in cities such as Atlanta. But rising congestion and increasing VMT combined with deteriorating road conditions are clearly making it harder for Louisvillians to get around. Meanwhile, transit remains a limited option for most residents thanks to the region's intense focus on freeways and arterials. Taken together, these trends pose a serious threat to the region's quality of life.

Current transportation patterns could also exacerbate growth and environmental imbalances across the region. Aggressive road building—coupled with proposed large-scale transportation corridor projects—can redistribute business and residential development. Recent evidence suggests that new highways and interchanges become conduits for decentralization. In this fashion, proposed transportation improvements in eastern Jefferson County could weaken older sections of the new Regional City, further isolating the western corridor.¹⁴ Pollution tied in part to motor vehicle exhaust emissions, at the same time, continues to complicate economic development planning. From 1998 to 2000, the counties with the worst ozone air pollution in the states of Indiana and Kentucky were both in the Louisville metropolitan

area. Clark County, Indiana and Oldham County, Kentucky each offer the most unhealthy air in their respective states. Oldham recently replaced Jefferson County as the worst in Kentucky.¹⁵ And these ratings have impacts beyond their undesirable health effects, including the possible loss of federal transportation funds.¹⁶ TARC, the regional public transit system, is actively responding to these negative trends with reduced fares, and plans to add electric buses and light rail to its fleet.

Current trends could also undermine the region's leadership in the distribution and logistics industry. Louisville's competitive advantage in freight handling depends on the uninhibited movement of goods through and between the region's major air and rail hubs, its port, and its interstate highway network. However, the efficiency of all of these facilities would be compromised by the traffic delays, deteriorating roads, and decentralized development that could result from an ill-considered road-building program. That suggests the need for the Regional City to weigh carefully the full impact of all proposed transportation improvements so as to protect and grow its critical logistics and distribution sector.

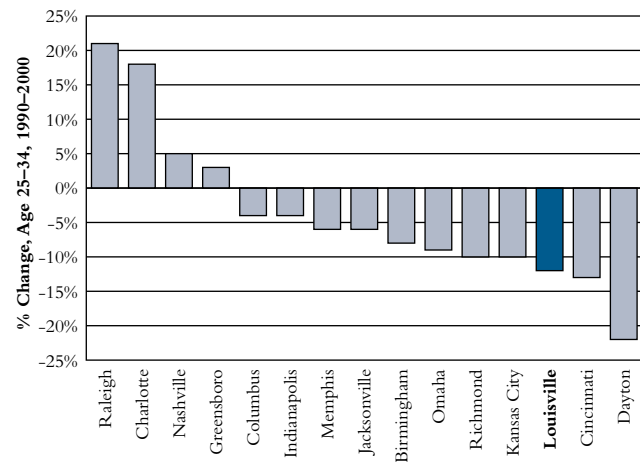
5. AGE AND HOUSEHOLD TYPE

THE TREND: Household sizes are shrinking as the age and living arrangements of the region's population change.

The Regional City of Louisville is aging and has a greater share of older Americans than most cities. In 1980, the elderly accounted for 11 percent of the Regional City's population; by 2000 the figure had reached 14 percent. Outside the traditional senior magnets of Florida, Arizona and Hawaii, only the cities of Pittsburgh and Yonkers, New York have proportionally more seniors than Louisville.¹⁷ Nor will the trend slow any time soon. By 2020 the Kentucky State Data Center projects that the elderly population of the Regional City will grow by 29 percent. By then, the elderly will account for 17 percent of the Regional City's total population.

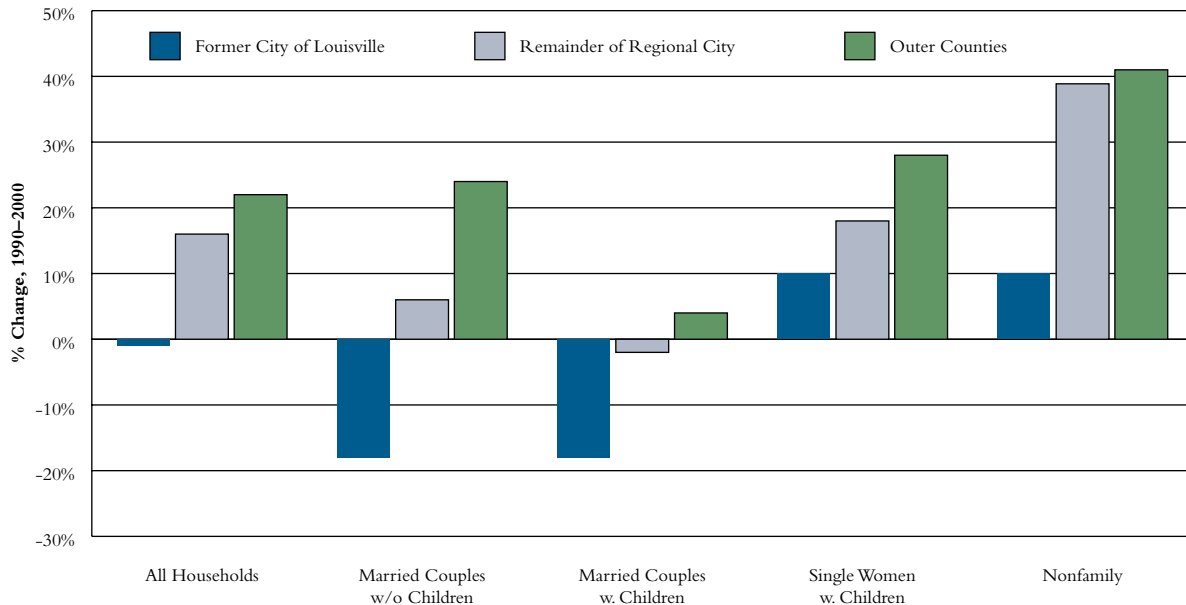
The number of young adults in the new Regional City is declining faster than it is nationally. Specifically, the cohort of those anticipating their most productive years—those aged 25 to 34 years—declined by 15 percent between 1990 and 2000. Nationwide, the cohort shrunk by just 2.8 percent. The 7-county Louisville metro area, a better representation of the region's labor pool, also lost a large percentage of this young cohort, with its 12 percent decline. This ranks the potential size of the Regional City's young labor force as one of the smallest among peer regions.

OVER THE DECADE METRO LOUISVILLE LOST MORE YOUNG PEOPLE THAN DID ITS PEERS



The new Regional City's center is losing married families with kids. Between 1990 and 2000, the Regional City of Louisville lost 6 percent of its married families with children. But the decline was more dramatic in the former city of Louisville. There, the city center lost 18 percent of its married couples, both with and without children, leaving it with a much smaller proportion of married households than the typical central city. By contrast, the average U.S. central city lost just 2 percent of its married households without children and increased its number of married couples with children by 6 percent.¹⁸ Along with its increase of unmarried households the former City of Louisville experienced a 10-percent increase in the number of its households made up of single mothers with children.

THE NEW REGIONAL CITY OF LOUISVILLE IS LOSING MARRIED FAMILIES WITH CHILDREN; NON-TRADITIONAL HOUSEHOLDS ARE GROWING RAPIDLY IN SUBURBAN AREAS



Source: U.S. Census Bureau

Non-family and single-parent households are proliferating in the region’s outer communities. In 2000, nearly 21 percent more single mothers with children were living in the outer districts of the Regional City than in 1990, and nearly 28 percent more were living in the outer counties of the region. Likewise, the single fastest growing household type in the region consisted of nonfamily households—whether single people living together or elderly people living alone. The number of these households grew by 41 percent in the outer counties and 39 percent in the suburban Regional City, compared to a 27 percent rate of growth in other suburban areas nationwide. The suburbs of the Regional City of Louisville now contain more nonfamily households—largely young singles and elderly people living alone—than married couples with children.

THE REGIONAL CITY AND THE OUTER COUNTIES SAW RAPID GROWTH IN SINGLE

Louisville	Households			Married Couples w/o Children		
	1990	2000	% Change	1990	2000	% Change
MSA:	366,364	412,050	12%	103,136	110,358	7%
Outer Counties	102,226	125,038	22%	31,018	38,379	24%
Regional City:	264,138	287,012	9%	72,118	71,979	0%
Former City of Louisville	113,065	111,414	-1%	24,949	20,403	-18%
Remainder	151,073	175,598	16%	47,169	51,576	9%

Source: U.S. Census Bureau

WHAT THIS MEANS:

The Regional City of Louisville is “thinning out” as household growth outpaces population growth—which may increase per capita demand for housing. Household size, now at 2.37 persons per household in the Regional City, is dwindling. Fewer people are living in each dwelling unit, thanks to demographic change, and that is leading to an increase in the number of households relative to population. In the former city of Louisville, the loss of married families with children combined with the rise of nonfamily households has caused population to decline five times faster than households have been lost. This is reducing the density of central neighborhoods and could increase the per capita costs of providing services. In the suburbs, meanwhile, the rise of smaller nonfamily, single-elderly and single-parent households may result in higher per capita housing demand. This may generate higher demand for affordable and multifamily homes and apartments, and possibly greater pressure to develop further out from the core.

Singles and single-parent families are becoming the predominant household type in the region, which creates new challenges for the provision of programs and services across the new Regional City. The changing household types in the city and the county confirm that the “city” and “the suburbs” are no longer two homogenous places. In fact, they are both changing rapidly and becoming

quite diverse. The former city of Louisville and its surrounding suburbs are each home to increasing numbers of young singles, the elderly, and single-parent families.¹⁹ This convergence presents new challenges and opportunities to the region. With increasing numbers of nonfamily and single-parent family households in the suburbs, the need for affordable multifamily housing is no longer limited to the central city. Similarly, the demand for transportation and home health care for elderly homeowners in the suburbs may be catching up with these demands in the center. In these ways the convergence of central and suburban household structures could shift the focus of government and non-profit service providers.

The aging of households and the loss of young workers could constrain economic growth. Projected increases in the numbers of retirement-age Louisvillians could well limit the available supply of labor in the metro area in the future. So could the reduced pool of workers forecasted by the dwindling of the age 25-to-34 cohort and the shrinkage of the under-25 population, which has dropped in size from 41 percent of the population in 1980 to about a third of the population in 2000. As the region thins out, it may also find its store of human capital tapped out.

MOTHERS AND SINGLES IN THE 1990s

Married Couples w. Children			Single Women w. Children			Nonfamily		
1990	2000	% Change	1990	2000	% Change	1990	2000	% Change
95,011	92,952	-2%	32,459	38,239	18%	107,561	136,680	27%
33,787	35,280	4%	7,458	9,522	28%	23,094	32,639	41%
61,224	57,672	-6%	25,001	28,717	15%	84,467	104,041	23%
17,949	14,768	-18%	13,580	14,942	10%	45,668	50,040	10%
43,275	42,904	-1%	11,421	13,775	21%	38,799	54,001	39%

6. INCOME

THE TREND: Incomes in the Louisville region are rising, but poverty and working poverty remain high, particularly compared to other metro areas.

Household income in the Regional City and its metro area increased in the 1990s. Between 1989 and 1999, the median incomes in the Regional City and the larger Louisville area each grew by 12 percent, reaching \$39,457 and \$39,990 respectively. Households in the former City of Louisville also saw their incomes grow to a median level of \$28,843, a 10-percent jump. However, not all municipalities saw such gains. Of the approximately 100 municipalities within the Regional City, nearly 40 of them saw drops in median household income. For instance, median household income declined in Glenview Hills by 30 percent and just slightly in Shively. Furthermore, despite Louisville's overall income gains, its median household income figures remain low compared to that of its peers.

METRO LOUISVILLE'S MEDIAN HOUSEHOLD INCOME STILL LAGS AMONG PEERS

Metro Area	1989	1999	%Change
Raleigh	41,545	48,845	18%
Richmond	43,464	46,800	8%
Kansas City	40,960	45,636	11%
Charlotte	40,293	45,607	13%
Indianapolis	40,643	45,548	12%
Columbus	39,728	44,782	13%
Nashville	39,186	44,223	13%
Omaha	39,272	44,213	13%
Cincinnati	39,406	43,561	11%
Jacksonville	38,305	42,439	11%
Dayton	39,541	41,550	5%
Greensboro	37,695	40,913	9%
Louisville	35,608	39,990	12%
Memphis	34,911	39,464	13%
Birmingham	34,541	39,278	14%

Source: SUNY Albany, Lewis Mumford Center

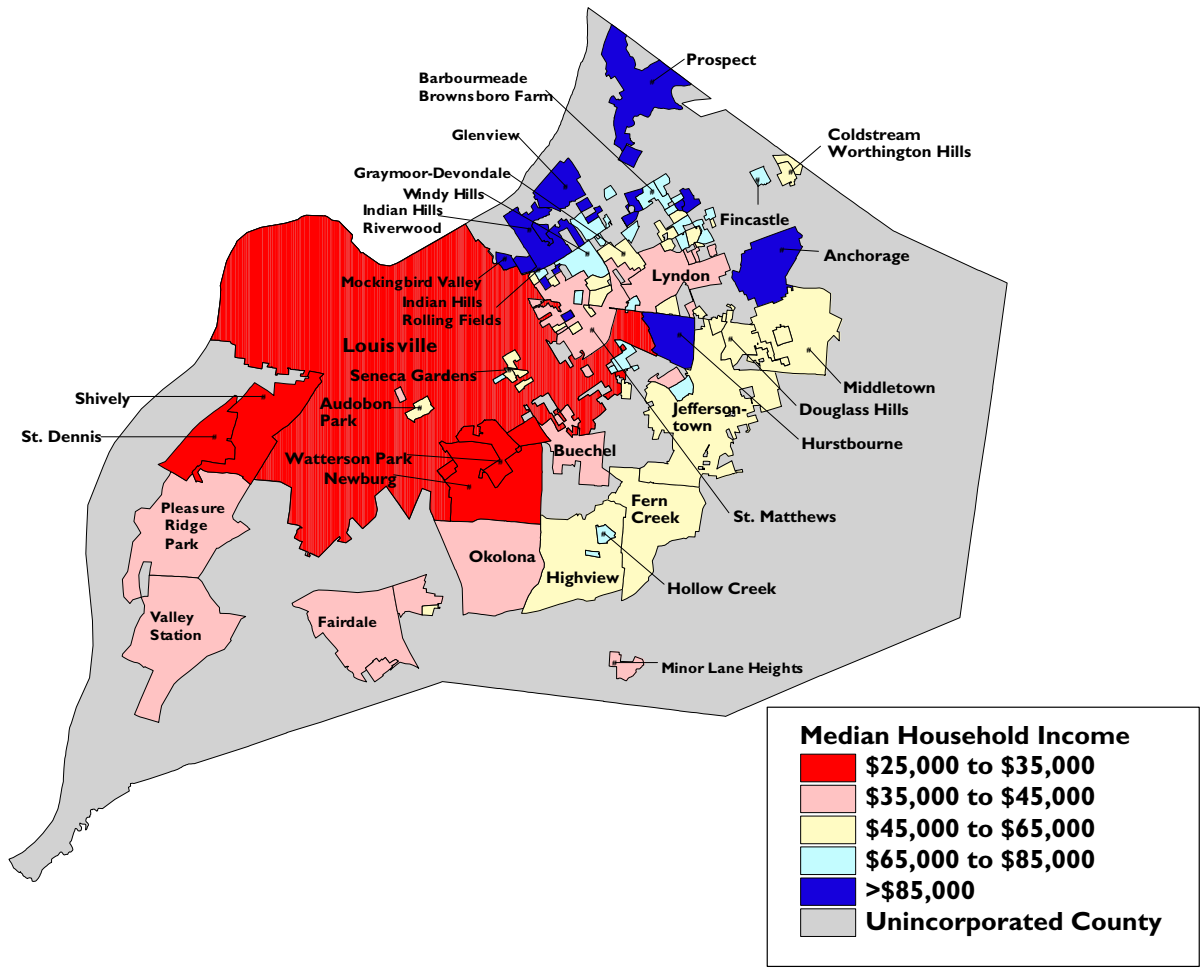
MEDIAN HOUSEHOLD INCOME GREW IN THE LOUISVILLE REGION IN THE 1990s

Area	1989	1999	% Change
Former City of Louisville	26,140	28,843	10%
Regional City	35,162	39,457	12%
Metro Area	35,608	39,990	12%
Clark County	35,543	40,111	13%
Floyd County	36,937	44,022	19%
Harrison County	35,351	43,423	23%
Scott County	28,193	34,656	23%
Bullitt County	38,228	45,106	18%
Oldham County	49,859	63,229	27%

Source: U.S. Census Bureau

Incomes rose especially fast in the higher-income eastern portion of the Regional City and in the surrounding counties. While median household incomes grew in the former central city and the new Regional City, they grew even faster and reached higher levels in nearly all of the surrounding counties. Oldham and Bullitt counties have the highest median household incomes in the region. Within the Regional City, low- and moderate-income households live primarily in the former central city and in municipalities to the south and west. Households earning above \$45,000 and above \$85,000 are found principally to the east.

MEDIAN HOUSEHOLD INCOME IN 1999 FOR MUNICIPALITIES IN THE REGIONAL CITY OF LOUISVILLE



Source: U.S. Census Bureau

Poverty in the region and the Regional City of Louisville declined in the 1990s. In the region, poverty rates fell from 12.8 percent in 1989 to 10.9 percent in 1999. Similar good news occurred in the new Regional City and the former central city, where poverty levels dropped by 1.3 percentage points (to 12.4 percent) and by 1 percentage point (to 21.6 percent), respectively. Of course, the portion of the population living below the poverty line has also declined in most other metro areas. Thus, the Louisville area continues to have a high level of poverty, relative to its peers.

At the same time, poverty is spatially concentrated on the southern and western side of the

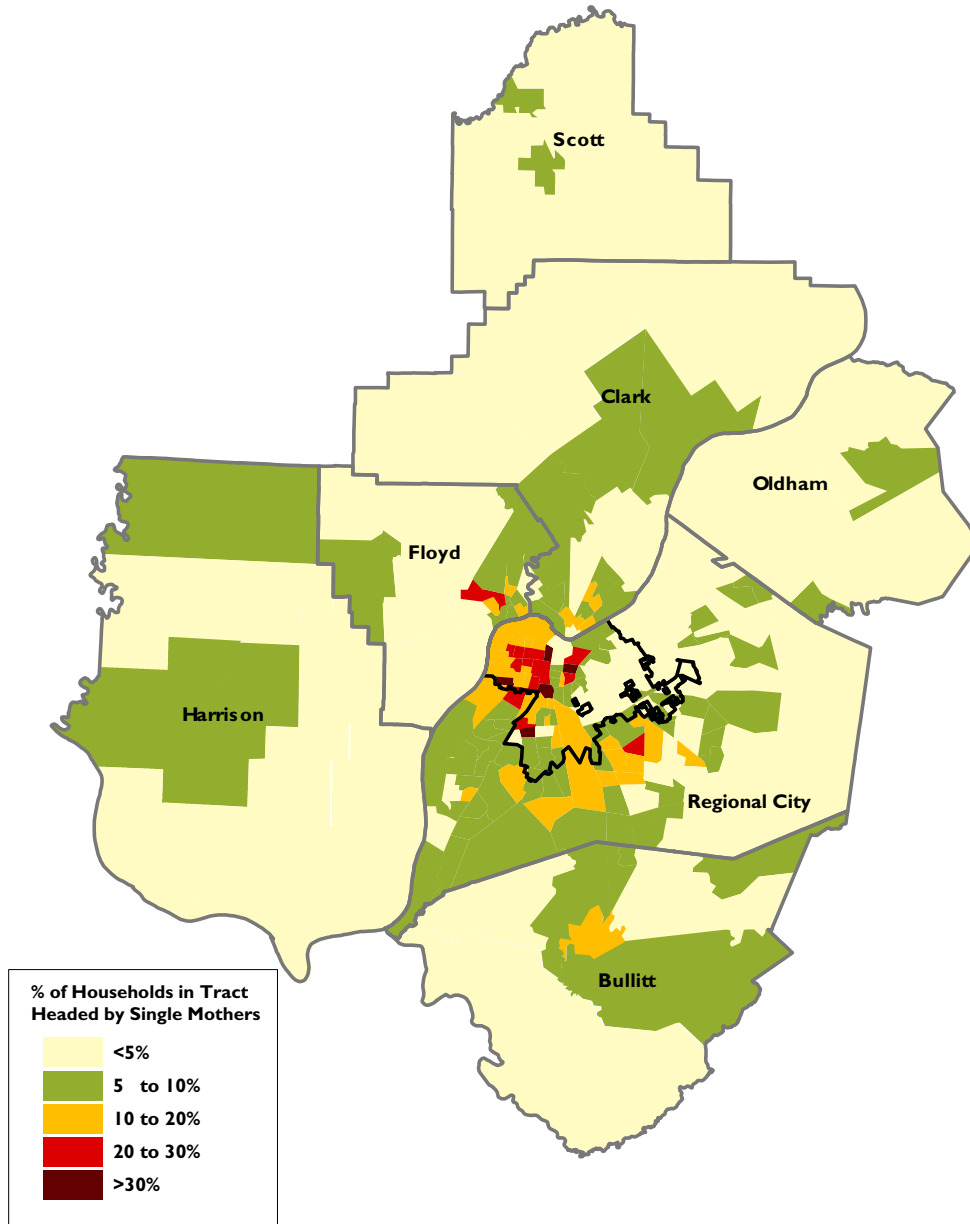
Regional City. Fully 77 percent of those living in poverty in the Louisville metro area resided in the Regional City in 1999. Also stubbornly high in some neighborhoods is the proportion of families with children headed by single mothers—often a companion indicator of low incomes. Most single mothers lived in the neighborhoods in the areas popularly known as west Louisville and the older suburbs to the south of the central city. For instance, single mothers headed at least 40 percent of families in Russell and 18 percent in Newburg. All told, the share of single-mother-and-kids households in the Regional City increased from 9.8 percent to 11.5 percent between 1990 and 2000.

A RELATIVELY HIGH PERCENTAGE OF PEOPLE IN METRO LOUISVILLE AND THE CITY OF LOUISVILLE LIVE IN POVERTY

Metro Area	% in Poverty in 1999	Central City	% in Poverty in 1999
Memphis	15.3%	Birmingham	24.7%
Birmingham	13.1%	Dayton	23.0%
Louisville	10.9%	Cincinnati	21.9%
Jacksonville	10.7%	Former City of Louisville	21.6%
Greensboro	10.4%	Richmond	21.4%
Dayton	10.3%	Memphis	20.6%
Raleigh	10.2%	Columbus	14.8%
Nashville	10.1%	Kansas City	14.3%
Columbus	10.1%	Nashville	13.3%
Cincinnati	9.5%	Regional City of Louisville	12.4%
Charlotte	9.3%	Greensboro	12.3%
Richmond	9.3%	Jacksonville	12.2%
Indianapolis	8.6%	Indianapolis	11.9%
Kansas City	8.5%	Raleigh	11.5%
Omaha	8.4%	Omaha	11.3%
		Charlotte	10.6%

Source: U.S. Census Bureau

METRO LOUISVILLE: PERCENT OF HOUSEHOLDS HEADED BY SINGLE MOTHERS, 2000 BY CENSUS TRACT



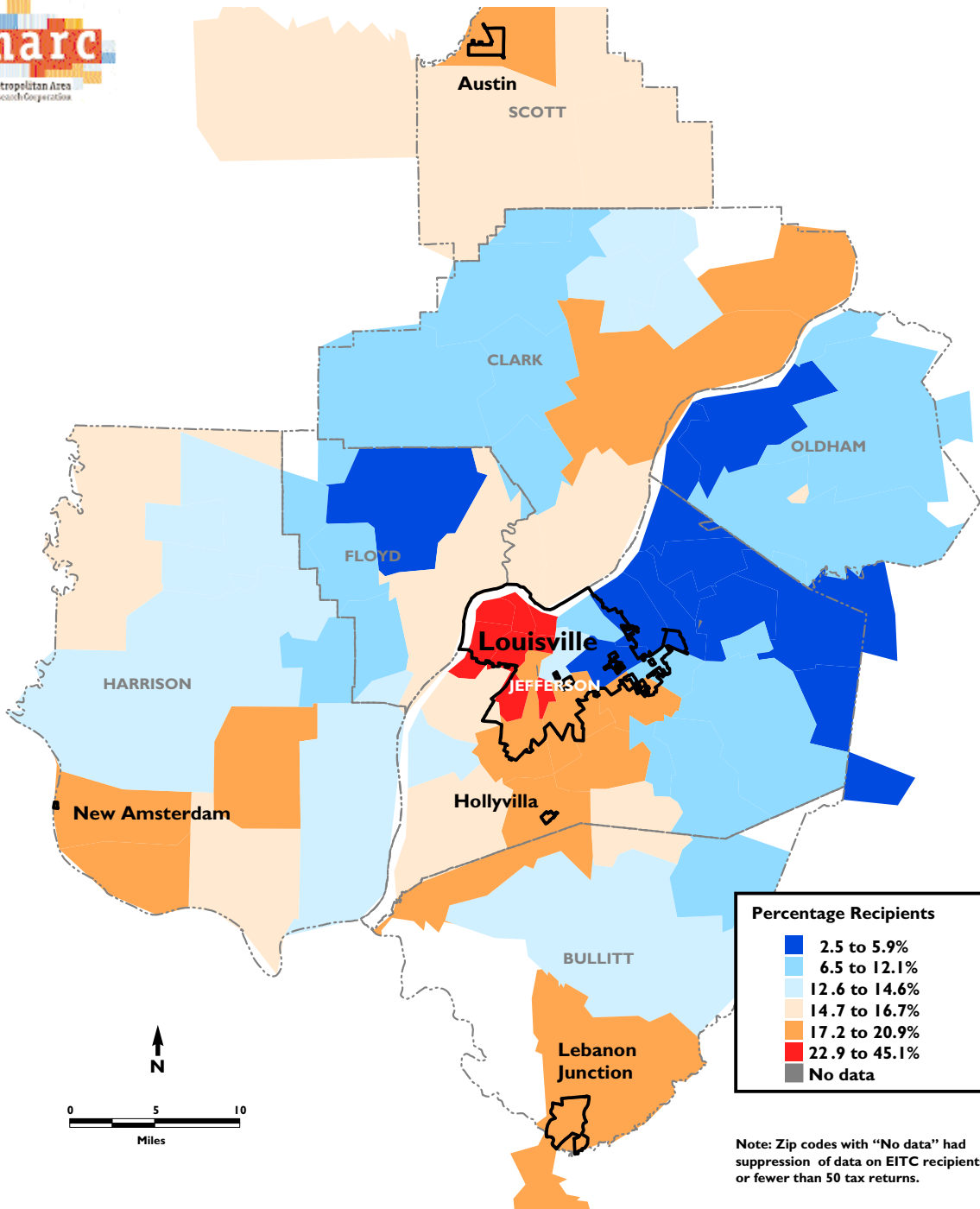
Source: U.S. Census Bureau

The Regional City of Louisville is home to a large concentration of workers who are poor.

Many of the Regional City's poor work but, because of their low educational attainment and low pay, earn wages too low to afford a decent standard of living. Data on the federal Earned Income Tax Credit (EITC), which offers a tax break to families earning less than \$32,121 for a family of four or \$28,281 for a family with one child, reveals the number and location of the

working poor in the Regional City and its metropolitan area. While 12.4 percent of the population lived in poverty in 1999, 15.5 percent of all taxpayers earned low enough wages to claim, on average, a \$1,500 tax refund in 1998. All told, 73 percent of the region's working poor lived in the Regional City of Louisville. Within the Regional City, the highest concentrations of the working poor were found in its west and south-western portions.

LOUISVILLE MSA: EITC RECIPIENTS AS A PERCENTAGE OF TOTAL TAX RETURNS BY ZIP CODE, 1998



Note: Zip codes with "No data" had suppression of data on EITC recipients or fewer than 50 tax returns.

Source: U.S. Internal Revenue Service

WHAT THIS MEANS:

Income increases in the region bode well for the Regional City's future.

The region's strong earnings growth in the 1990s reflects the efficiency of the high-value-added work occurring at Louisville's many factories. The importance of this achievement cannot be overestimated. Median household income growth is a better measure of the economic health of a region than population growth, for example. And, together with the drop in poverty levels, the region's income growth reflects that many low-income people have moved from welfare to work and are now participating in key sectors of the Louisville economy.

However, an income divide exists in the Regional City. Many metro areas in the country are growing in spatially divided ways, with wealth and opportunity accumulating in one portion of the region while slow growth and lower-income households congregate at the opposite end. In this fashion, Washington is divided east-west, while Chicago and Atlanta divide north-south. A similar divide exists in the Louisville region. While the pattern of income distribution in the Regional City of Louisville is not so stark as that in these other metro areas, the geographic separation between economic classes has become fairly distinct. The maps on female-headed households, working poverty, and middle-class households show that lower-income households cluster in the western and southwestern portions of the Regional City, while middle- to upper-income families disperse to the east. Left unattended, this income divide may sharpen, concentrating distress even further in the west and pushing wealth, investment, and opportunity to the eastern and outer reaches of the Regional City and metropolitan area.

All taxpayers in the new Regional City of Louisville ultimately pay for the costs of concentrated poverty, at the expense of better services and infrastructure. Poverty has obvious detrimental consequences for individual households and particular neighborhoods. But being home to 77 percent of the region's poor people also places serious financial burdens on all citizens of the Regional City. A series of studies from the Wharton School at the University of Pennsylvania confirms that, despite federal anti-poverty

aid, cities with high levels of poverty have to spend more of their own revenues on direct poverty expenditures (e.g., welfare, public health, and hospitals) than do other jurisdictions with less poverty. Poverty also drives up the cost of providing other services such as police, schools, courts, and fire protection. As two Wharton scholars concluded, "This reduces the resources that cities have to serve non-poor residents and increases the tax rates they have to charge all their residents."²⁰ Poverty, it turns out, burdens the entire jurisdiction, not just those neighborhoods that suffer from high concentrations of distress.



7. RACE

THE TREND: Racial diversity is growing throughout the region, but Louisville’s minority families remain highly concentrated in central areas.

The Louisville region remains overwhelmingly white, though whites have been leaving downtown and the center city. Even after the nearly nation-wide diversification of the 1990s, whites accounted for 82 percent of metropolitan population in 2000. Together the six outer counties were 94 percent white. Jefferson County outside of the former city of Louisville remains 85 percent white. In only one place, in fact, did the white share of the population change significantly: the former City of Louisville. The former city of Louisville lost 14 percent of its white population in the 1990s.

The Regional City of Louisville overall is growing more diverse, however. Jefferson County has always been home to a sizable African American population, but in the 1990s the region saw a significant increase in all racial and ethnic households. During the period, the total non-white portion of the population increased to 24 percent, up from 19 percent in 1990. Driving much of this change was a 15-percent growth of the Regional City’s African American population—by far the largest minority group in the region, at 79 percent of the total minority population. African

Americans now account for 130,000 people (or 18.7 percent) of the total Regional City population. And other minority populations are growing too, though their numbers remain small. The Regional City’s Latino population nearly tripled in the 1990s, and now accounts for 12,370 residents—1.8 percent of total population. Asian Americans doubled their number to 10,000 residents in 2000. Nearly 90 percent of the metro area’s minority citizens live in the Regional City.

The Louisville region also has a small but growing immigrant population. Approximately 16,000 foreign-born immigrants arrived in the metro area between 1990 and 2000. This represented a 133 percent increase in the 12,000 foreign-born residents living in the metro area in 1990, which placed the region’s immigrant growth at the median among its peer cities. Eighty-six percent of these new arrivals live in the Regional City, and 40 percent within the former central city. As a group, they have been diverse, hailing from all parts of the world and filling a variety of occupations.²¹

THE LOUISVILLE REGION GREW MORE DIVERSE DURING THE 1990S

Location	Hispanic			White		
	1990	2000	% Change	1990	2000	% Change
MSA:	5823	16,479	183%	813,760	840,677	3%
Outer Counties	1,458	4,109	182%	272,158	310,621	14%
Regional City:	4,365	12,370	183%	541,602	530,056	-2%
Old City of Louisville	1,756	4,755	171%	185,239	158,651	-14%
Remainder	2,609	7,615	192%	356,363	371,405	4%

Source: U.S. Census Bureau

METRO LOUISVILLE'S FOREIGN-BORN POPULATION GREW RAPIDLY IN THE 1990S; PEER METRO AREAS EXPERIENCED SIMILAR GROWTH

Metro Area	Foreign-Born Population			% Foreign Born	
	1990	2000	%Change	1990	2000
Greensboro	15,318	71,565	367%	1.5%	5.7%
Charlotte	24,041	99,760	315%	2.1%	6.7%
Raleigh	29,374	108,803	270%	3.4%	9.2%
Nashville	18,012	57,614	220%	1.8%	4.7%
Memphis	13,907	37,670	171%	1.4%	3.3%
Indianapolis	21,597	54,343	152%	1.6%	3.4%
Louisville	11,970	27,933	133%	1.3%	2.7%
Omaha	14,875	34,296	131%	2.3%	4.8%
Birmingham	9,141	20,875	128%	1.1%	2.3%
Kansas City	35,488	80,539	127%	2.2%	4.5%
Richmond	22,518	44,899	99%	2.6%	4.5%
Columbus	35,879	71,417	99%	2.7%	4.6%
Jacksonville	30,394	59,586	96%	3.4%	5.4%
Cincinnati	27,600	42,089	52%	1.8%	2.6%
Dayton	17,214	22,096	28%	1.8%	2.3%

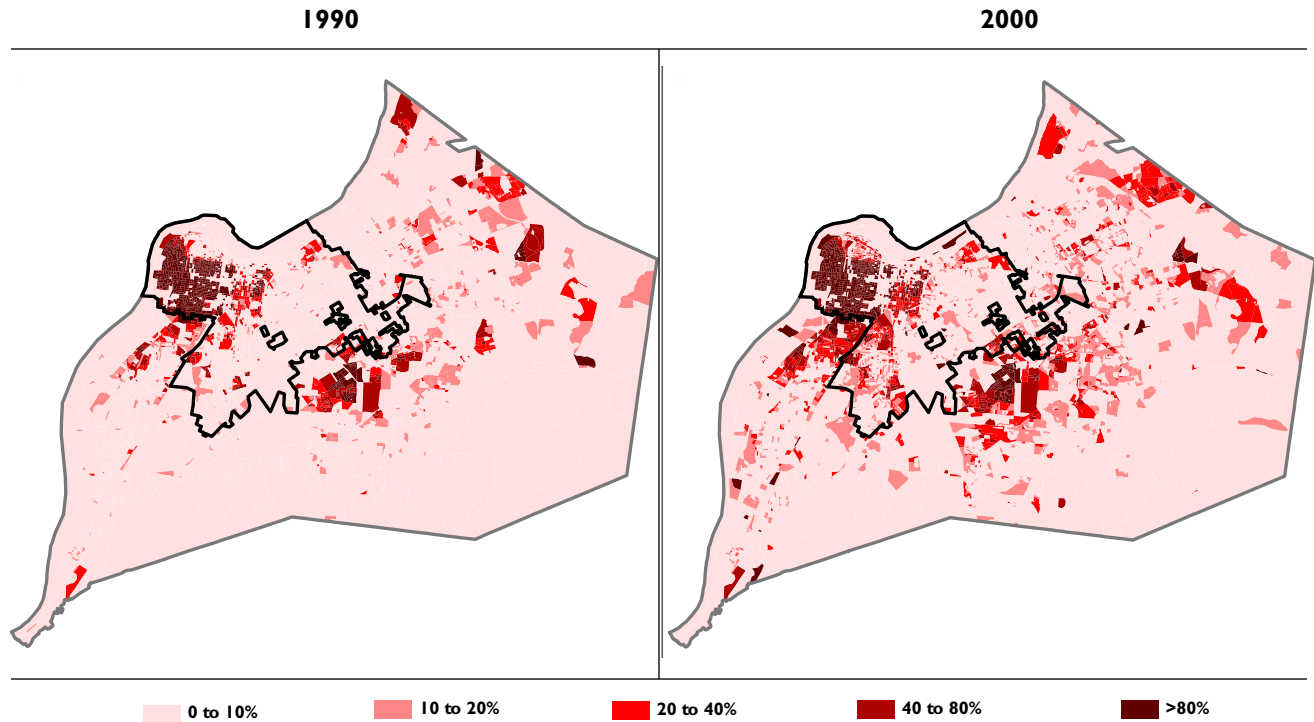
Source: U.S. Census Bureau

Minority residents are geographically concentrated in the Regional City, especially in the former city of Louisville. Four times as many non-white residents live in the Regional City (by percentage) as in the outer counties. Furthermore, 56 percent of the metro region's nonwhite population resides in the central city of Louisville. There, the mostly black minority population accounted for 38 percent of the population in 2000, up from

31 percent in 1990, due in part to the departure of white residents. And the concentration of blacks has grown even more pronounced downtown, so that 70 percent of the population is now African American. Other large concentrations of minority households in the Regional City exist in communities just south of the city line and in small areas along the eastern county border.

Black			Asian/Pacific Islander			Other		
1990	2000	% Change	1990	2000	% Change	1990	2000	% Change
121,790	141,745	16%	5,426	11,217	107%	2,030	15,480	663%
8,839	11,742	33%	798	1,431	79%	639	4,091	540%
112,951	130,003	15%	4,628	9,786	111%	1,391	11,389	719%
79,451	84,011	6%	1,934	3,777	95%	683	5,037	637%
33,500	45,992	37%	2,694	6,009	123%	708	6,352	797%

**THE NEW REGIONAL CITY OF LOUISVILLE:
NONWHITE RESIDENTS AS A PERCENTAGE OF TOTAL POPULATION
BY CENSUS BLOCK**



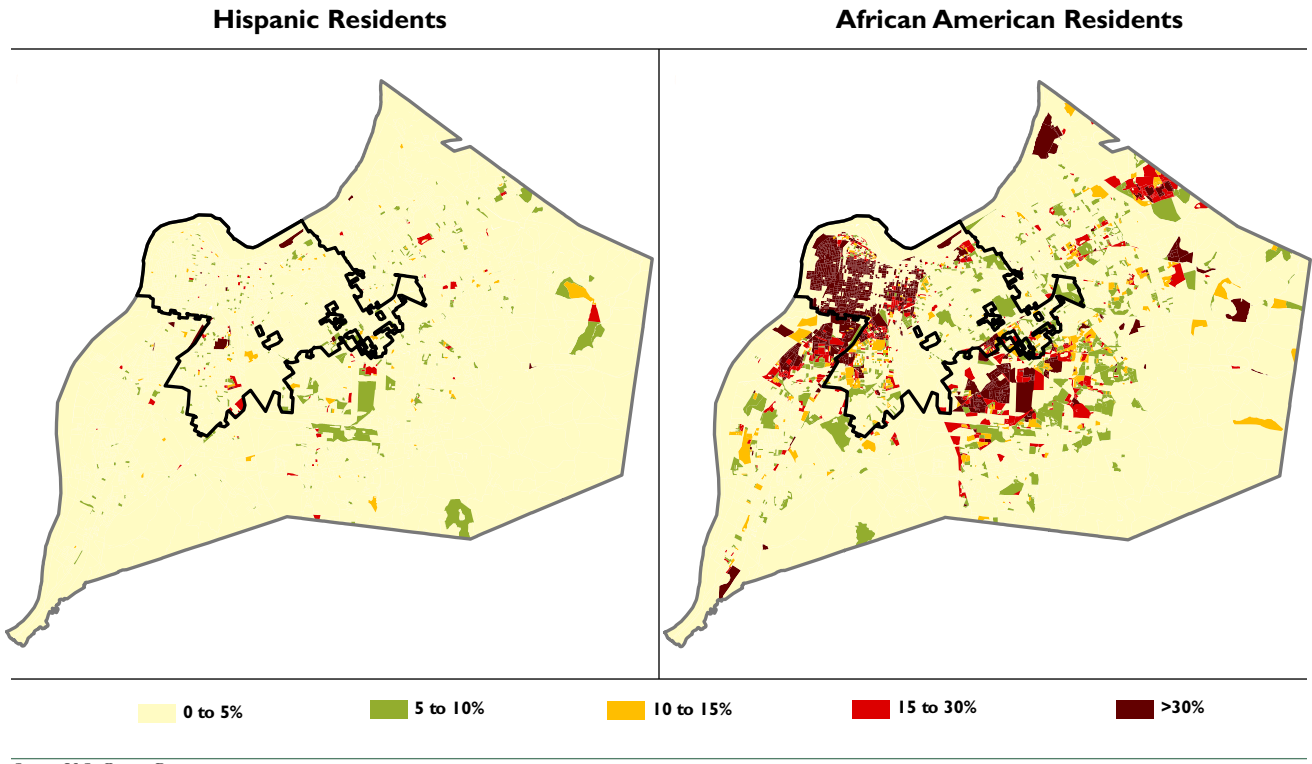
Source: U.S. Census Bureau

WHAT THIS MEANS:

The Louisville metro area remains highly segregated by race, despite recent declines in segregation levels. The Louisville metro area remains “hypersegregated” by conventional standards.²² One indicator of this division is the “index of dissimilarity,” which measures the percentage of African Americans who would have to move in order to

achieve an even distribution of blacks across the entire metropolitan area. For the Louisville metro area, this index has fallen from 81 in 1970 to 64 in 2000, where 60 rates a community as “highly” segregated. Still, the Louisville metropolitan area remains by this measure the 52nd most segregated metropolitan area in the country out of 272 regions.

**THE NEW REGIONAL CITY OF LOUISVILLE:
HISPANIC AND AFRICAN AMERICAN RESIDENTS
AS A PERCENTAGE OF TOTAL POPULATION BY CENSUS BLOCK, 2000**



Source: U.S. Census Bureau

METRO LOUISVILLE REMAINS HIGHLY SEGREGATED

Metro Area	Black-White Disimilarity Index (2000)
Cincinnati	0.742
Dayton	0.710
Indianapolis	0.699
Birmingham	0.696
Kansas City	0.683
Memphis	0.660
Omaha	0.647
Louisville	0.640
Columbus	0.617
Nashville	0.554
Greensboro	0.545
Jacksonville	0.530
Charlotte	0.503
Raleigh	0.423
Richmond	0.370

Source: U.S. Census Bureau

Despite its racial separation, the region may be more divided by economic class than by race.

As the map of the residential distribution of non-whites in the Regional City shows, African Americans, Latinos, and other communities of color live in concentrated areas in the west and southwest and in more dispersed areas across the core county. This pattern differs from that revealed by maps of income and social distress (including female-headed households), which find poor and working poor families living primarily in the western half of the Regional City. This underscores the fact that not all low-income residents are persons of color and not all middle- and upper-income households are white. The suburb of Hickory Hill, for instance, boasts a median household income of \$65,000 and is 20 percent minority. Worthington Hill enjoys a median household income of \$56,250 and is home to 39 percent nonwhite households.

The region's growing diversity has important implications for schools and the provision of other services in the Regional City.

Not surprisingly, a more diverse population requires a more diverse mix of goods and services. For one thing, Latino and Asian families tend to have larger families than do whites, with more children and multiple generations living in the same households. For that reason, an increasingly multicultural population promises more children in the school systems, and a more diverse student body for whom English is a second language. But diversity will also require enhanced—and diversified—health-care programs and other social services. And it may require additional rental apartments and affordable homes suitable for larger families throughout the Regional City.



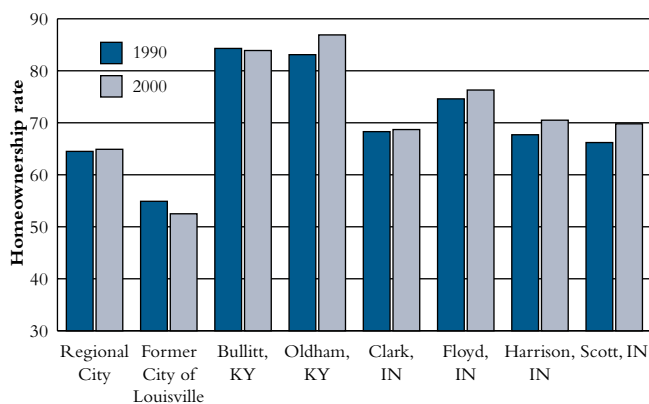
8. HOUSING

THE TREND: One of the region's hallmarks is housing value and affordability, but disturbing trends are affecting minority homeownership and the location of publicly subsidized low-income housing.

Affordable housing remains a key asset of most of the Regional City of Louisville and the metro area. For both homeownership and rental housing, the region's housing market compares favorably to competing metropolitan areas on affordability measures. In mid-2001, the median price of homes sold in the seven-county Louisville metro area was \$123,000, which was affordable for three-quarters of all households²³

Homeownership rates in the region—already robust—rose slightly in the 1990s; but they declined in the former central city. Specifically, homeownership increased half a percentage point in

HOMEOWNERSHIP RATES ARE RELATIVELY HIGH IN MOST PARTS OF THE LOUISVILLE REGION



Source: U.S. Census Bureau

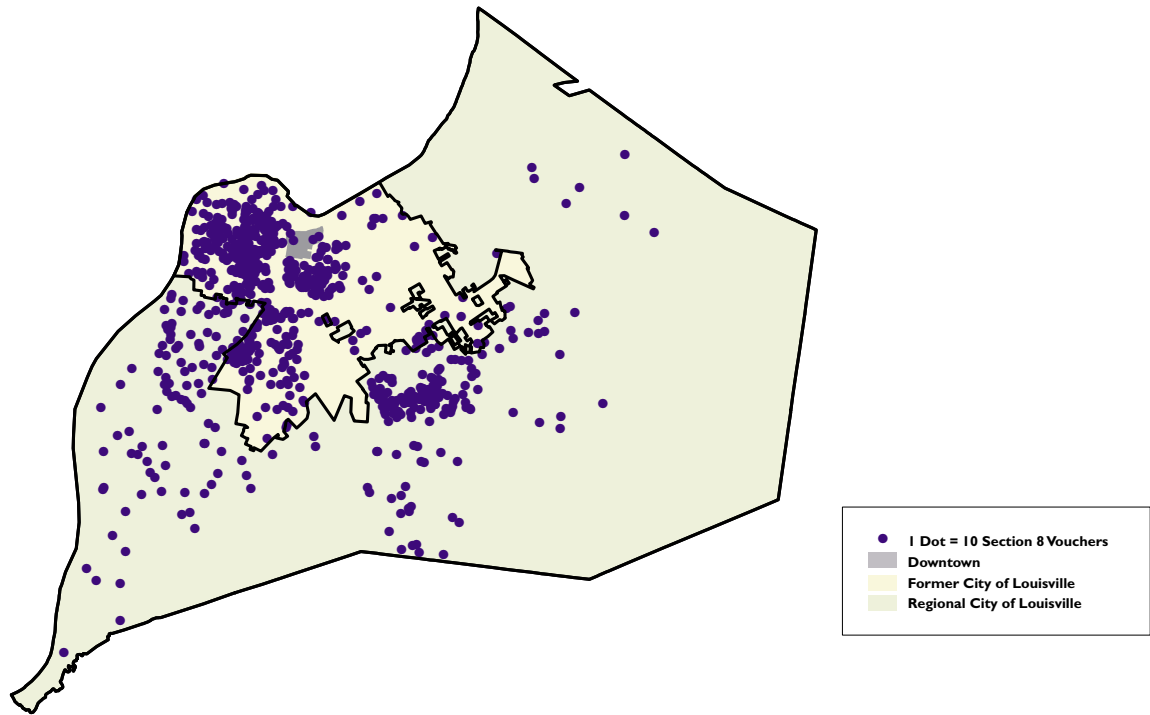
the Regional City, to reach 65 percent, and went up 1.1 percentage points in the seven-county metro area to hit 68.6 percent. The regional increase resulted in part from the extremely high rates of homeownership exhibited in such outer jurisdictions as Harrison (71 percent), Bullitt (84 percent), and Oldham (87 percent) counties. However, the homeownership rate in the former city of Louisville, the lowest in the region, declined by 2 percent over the decade.

Affordable housing, meanwhile, remains out of reach for many of the Regional City's low-income workers. Even though rents are relatively low in the new Regional City, they exceed the reach of many of the region's low-wage workers. A full-time worker would need to earn \$10.87 per hour in order to afford a two-bedroom apartment—more than 200 percent of the minimum wage.²⁴

Much of the Regional City's federally assisted affordable housing, moreover, is available only in concentrated areas to the west and south.

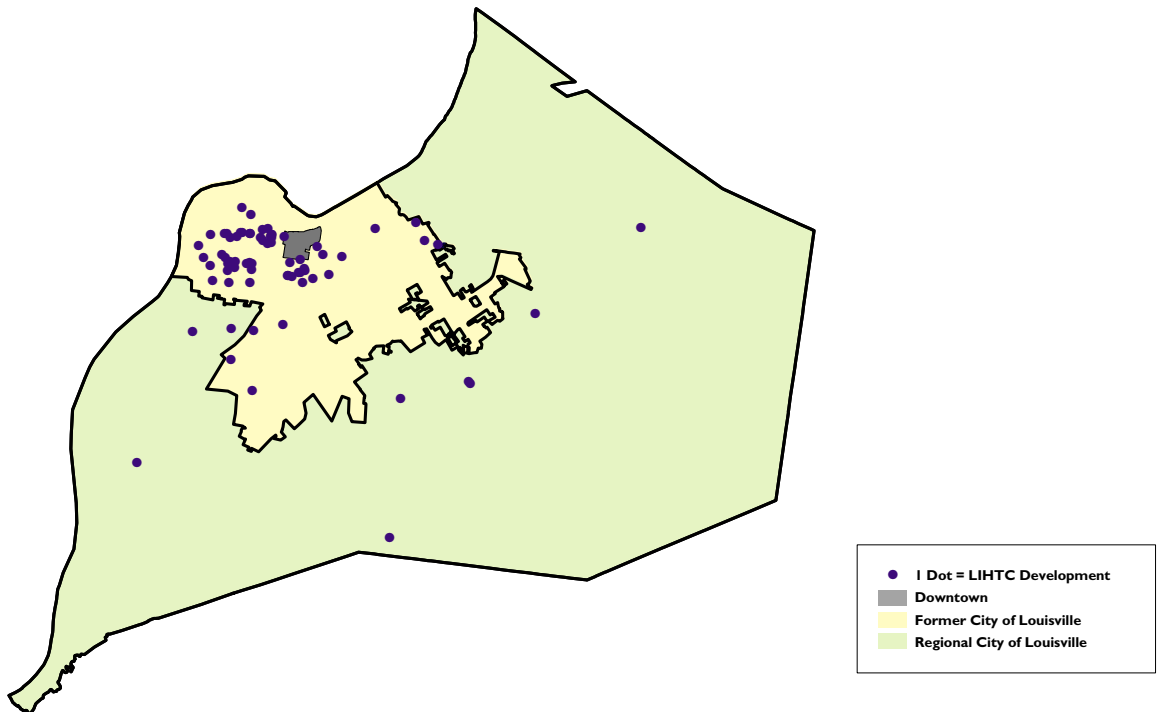
Families receiving federal Section 8 housing vouchers, for example, cluster most prominently in neighborhoods in the western portion of the former central city and along and beyond its southeastern border. Production of affordable housing units supported by low-income housing tax credits also concentrates in the western portion of the Regional City.

THE REGIONAL CITY LOCATION OF SECTION 8 RECIPIENTS BY CENSUS TRACT, 2002



Source: Jefferson County

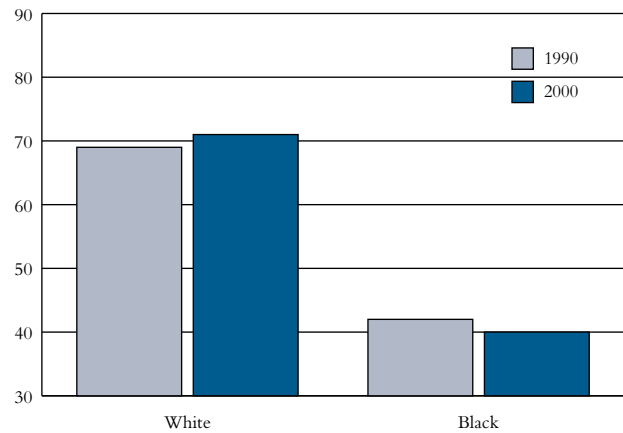
THE REGIONAL CITY LOCATION OF LOW INCOME HOUSING TAX CREDIT DEVELOPMENTS



Source: U.S. Department of Housing and Urban Development

Homeownership rates among African American residents of the new Regional City slumped from 42 percent to 40 percent during the 1990s. This occurred as the homeownership rate for white residents increased from 69 percent to 71 percent. This trend is of particular concern because both home-mortgage lending and homeownership rates increased markedly for black citizens in most other metropolitan communities.

HOMEOWNERSHIP AMONG AFRICAN AMERICANS LIVING IN THE REGIONAL CITY SLIPPED DURING THE 1990S



Source: U.S. Census Bureau

Finally, racial segregation may also be impeding black residents' build-up of home equity and wealth. Studies have shown that African American homeowners accumulate less equity in their homes because they often own homes in segregated neighborhoods.²⁵ In 1990, the average black homeowner in the Louisville metro area had an income of \$30,800 and owned a home worth \$40,600. For every dollar of income, the average black homeowner owned \$1.32 in housing value. White homeowners, by contrast, enjoyed average incomes of \$42,300 and owned much more expensive homes, so that for each dollar of income, white homeowners had \$1.70 worth of house. Thus, for each dollar of income, blacks owned homes worth 22 percent less than whites in 1990. This disparity in potential equity growth was higher in the Regional City than in all of the comparison metropolitan areas.

WHAT THIS MEANS:

The geographic distribution of subsidized housing is concentrating distress and separating low-income residents from areas of opportunity. Concentrations of subsidized housing in the central city pose problems because they entrench the region's concentrations of poverty. Such clustering may further isolate low-income residents from the region's increasing numbers of suburban service and retail jobs.

The persistent segregation of black neighborhoods in the greater Louisville area has hindered the ability of African American households to build wealth. While the Louisville region has seen its degree of racial segregation drop in the last two decades, it still remains high. The result for black homeowners is that their home values do not appreciate as rapidly as those of white homeowners, widening the wealth gap. Reducing this gap requires achieving stable neighborhoods that are economically diverse and racially balanced throughout the metropolitan area.

“While the Louisville region has seen its degree of racial segregation drop in the last two decades, it still remains high.”
