

Labor Market Intelligence Report

State of the Workforce Summit
March 12, 2024

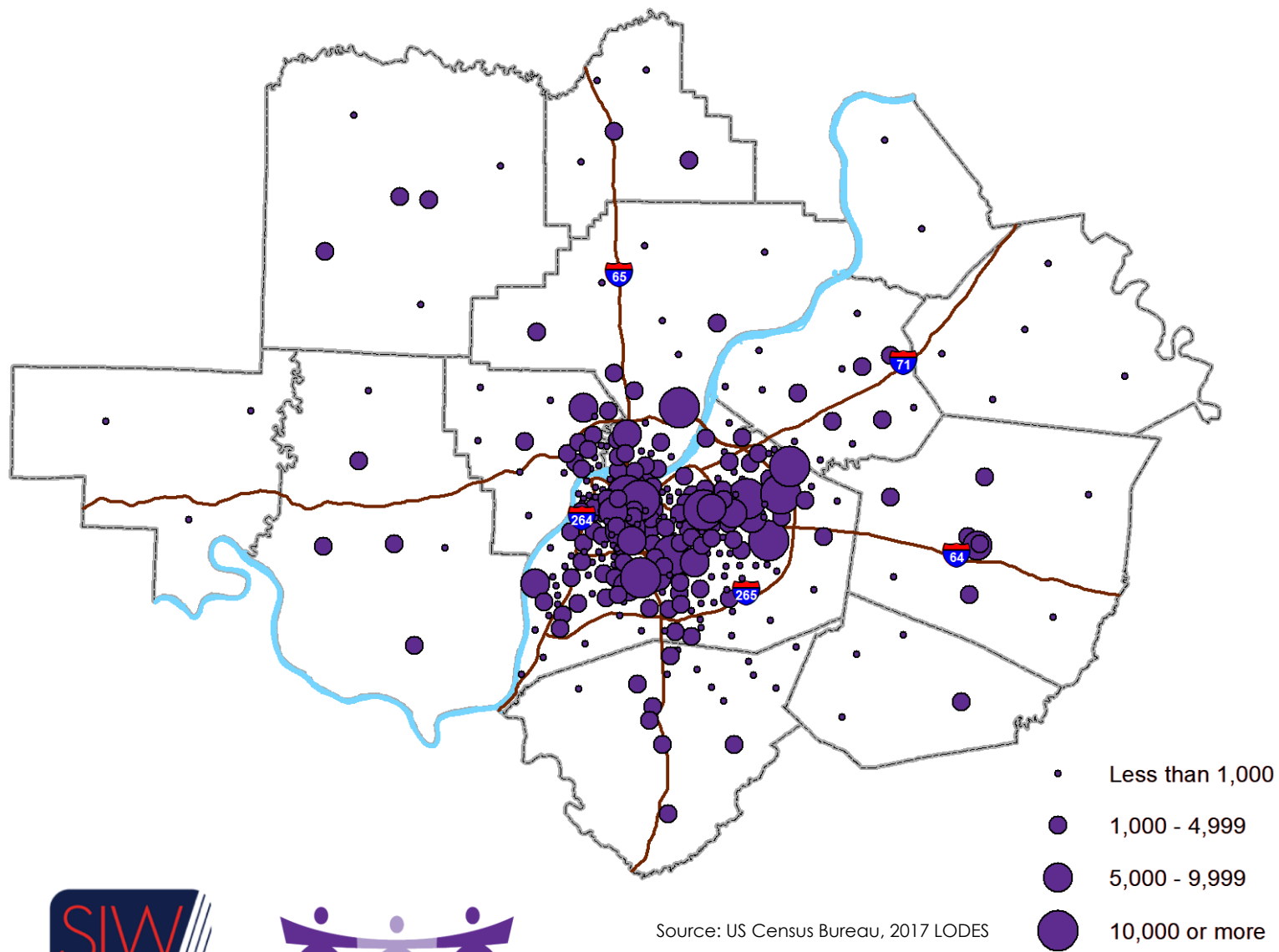


Kentuckiana Bi-State Region



Large employment centers on both sides of the river

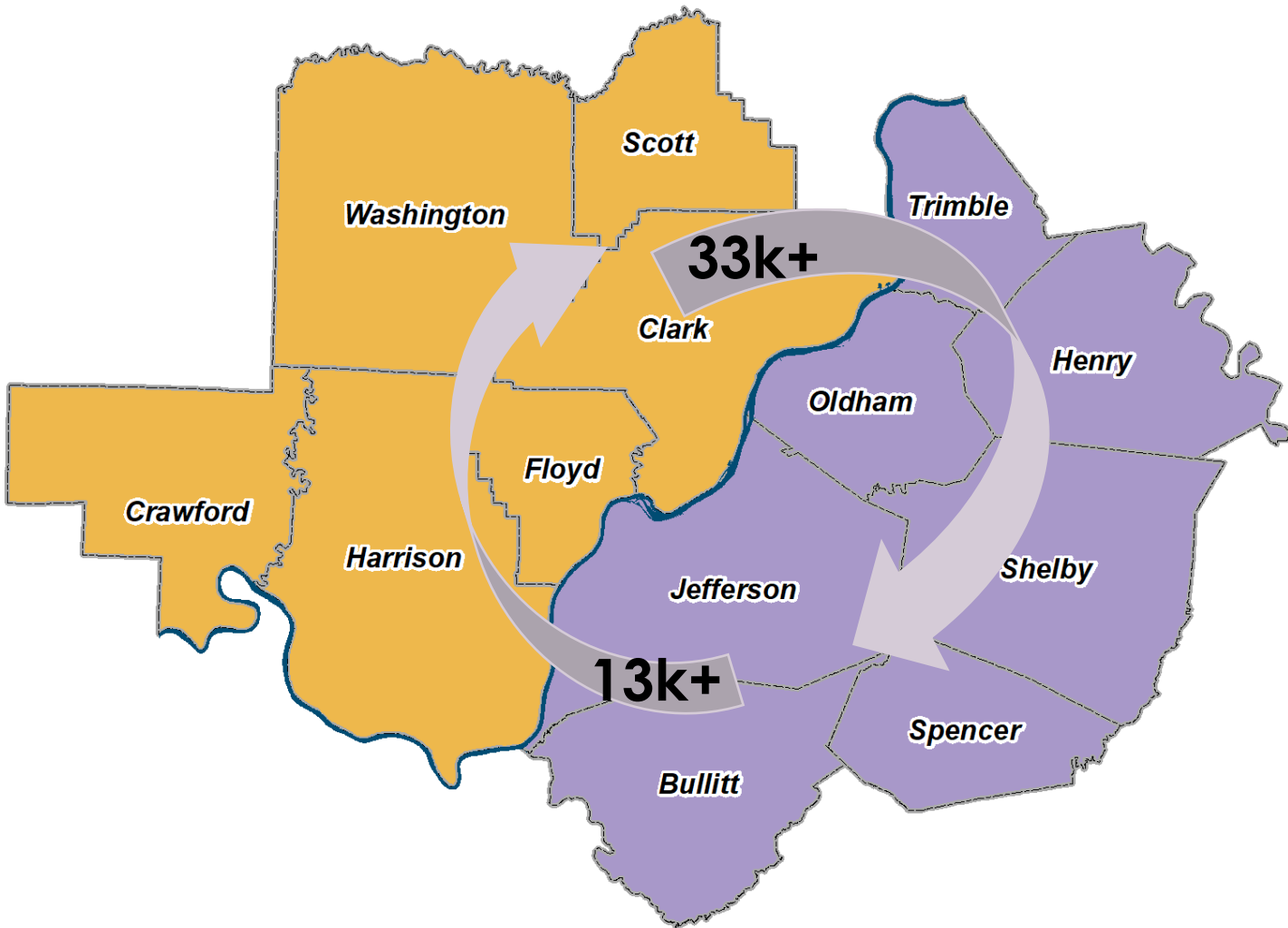
Number of Jobs by Census Tract



Source: US Census Bureau, 2017 LODS



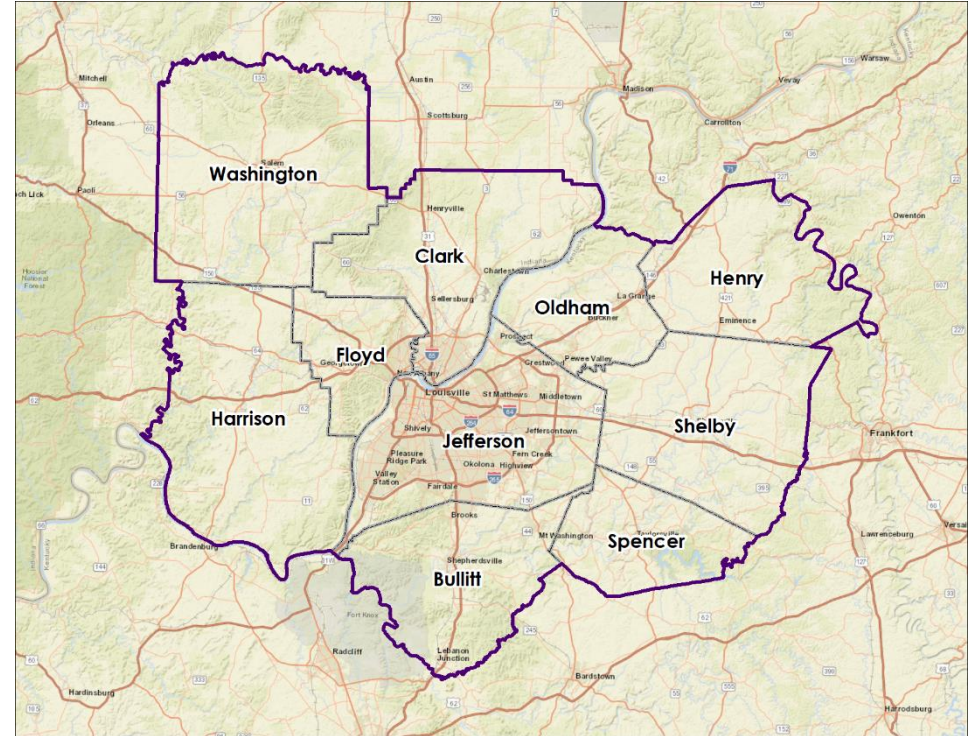
People live and work on both sides of the river



Source: US Census Bureau, 2021 LODES

Louisville MSA

- Louisville Metropolitan Statistical Area (MSA)
- Defined by Federal Office of Management and Budget
- Based on population living in an urban area and commuting patterns

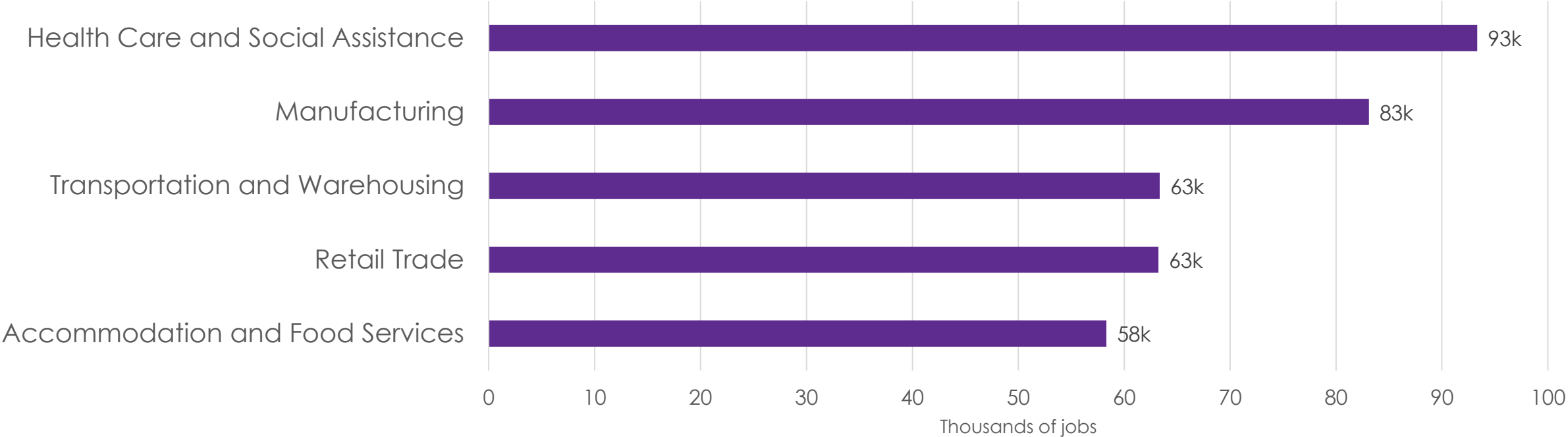


Economic Overview



Five industries account for over half of local private sector jobs.

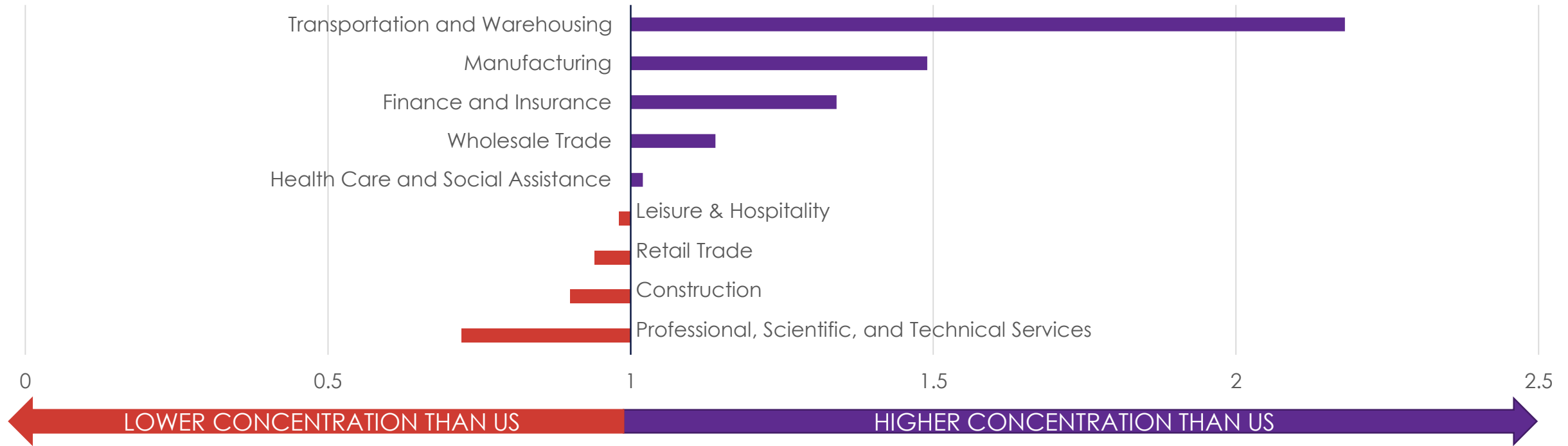
2023 Private Sector Employment by Industry – Kentuckiana Region



Source: Lightcast 2024.1

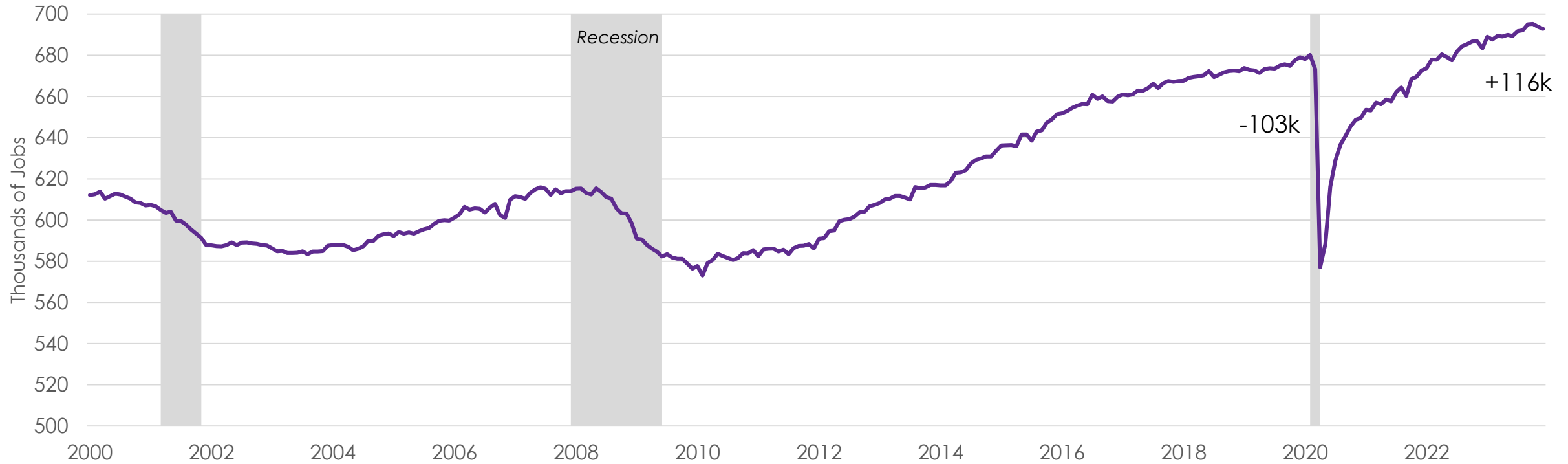
Relative to the US economy, the region has the most concentrated employment in logistics, manufacturing, and insurance.

2023 Location Quotient, Select Industries, Kentuckiana Region



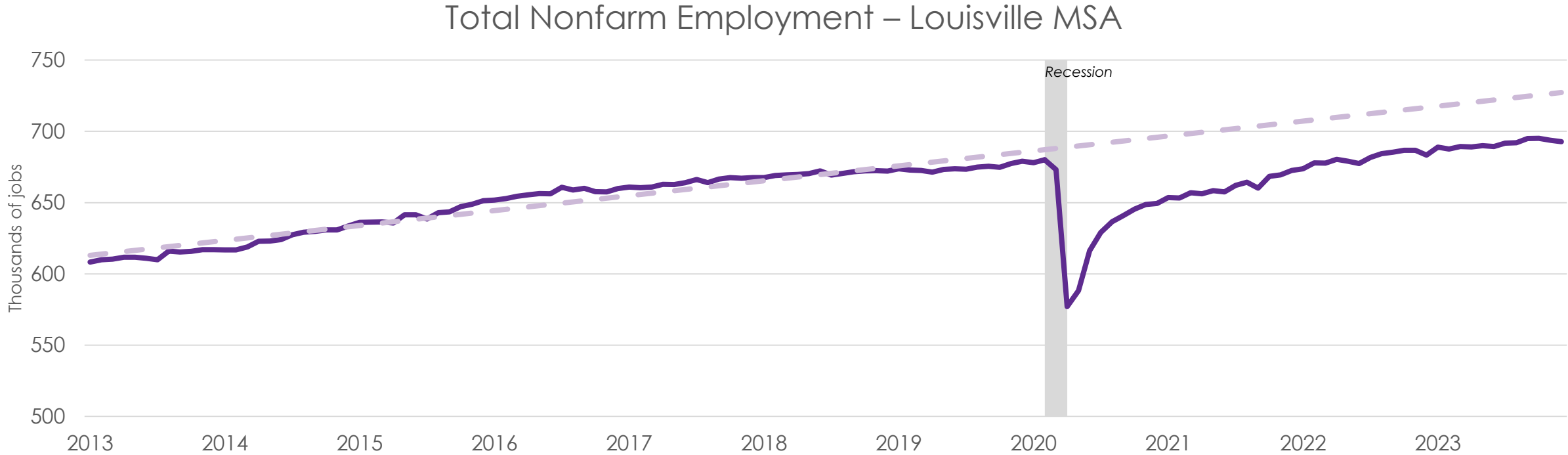
The region has recovered all of the jobs lost during the COVID-19 recession.

Total Nonfarm Employment – Louisville MSA



Source: Bureau of Labor Statistics
Note: Seasonally Adjusted data, Dec. 2023 is preliminary.

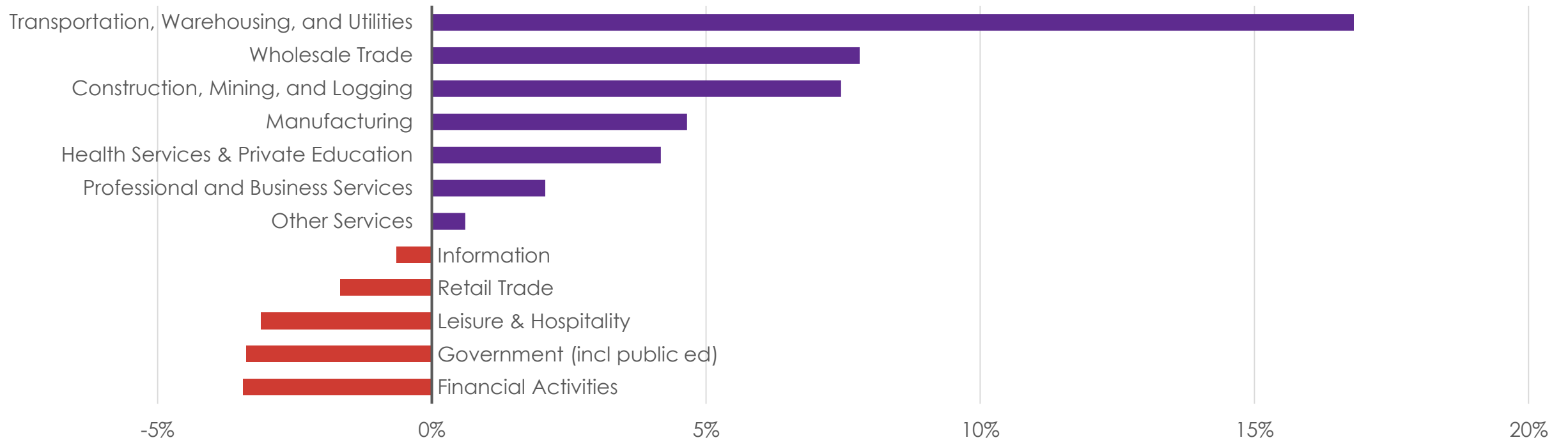
The number of jobs on payrolls increased in 2023, but is still below pre-COVID trend.



Source: Bureau of Labor Statistics
Note: Seasonally Adjusted data, Dec. 2023 is preliminary.

Even though the region recovered the total number of jobs, they are not the same jobs.

Payrolled Employment Change, Louisville MSA, 2019-2023

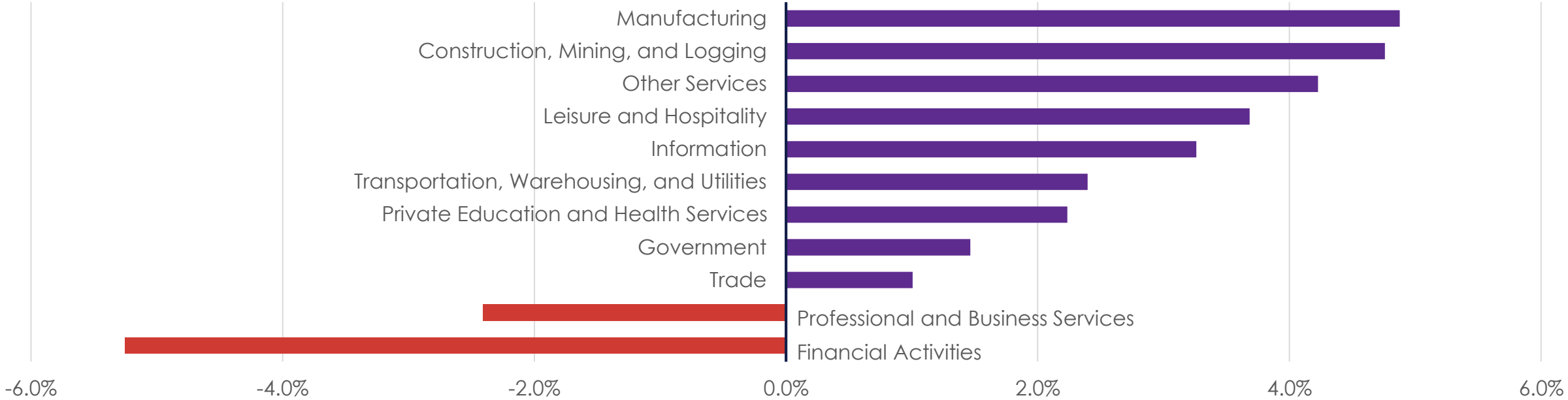


Source: Bureau of Labor Statistics
Note: Non-Seasonally Adjusted data, Dec. 2023 is preliminary.



Manufacturing and Construction realized the fastest job growth between 2022 and 2023.

Payrolled Employment Change, Louisville MSA, 2022-2023

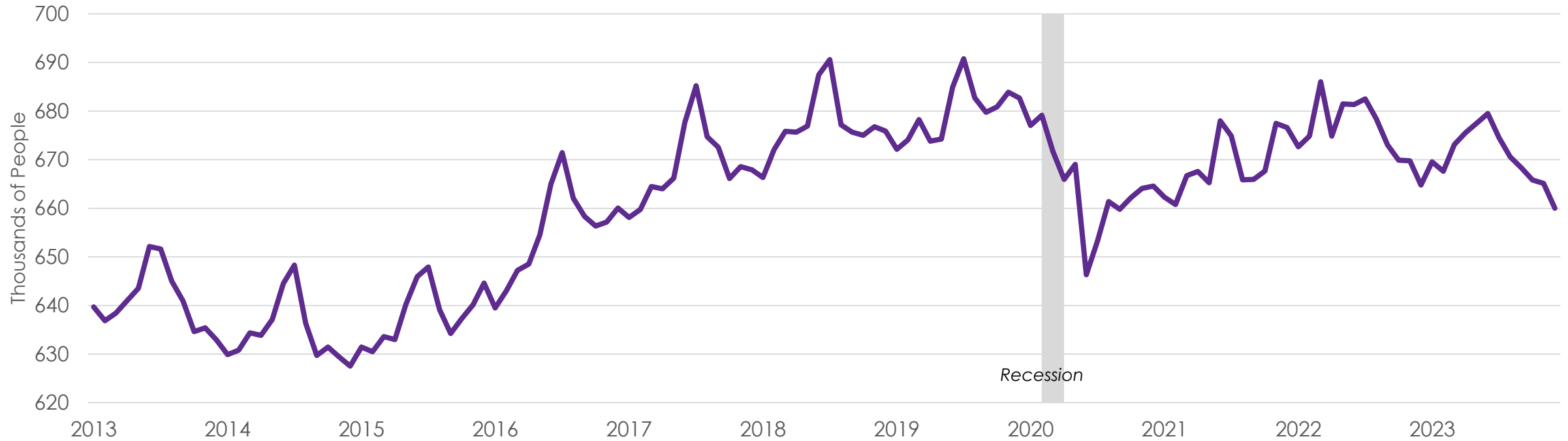


Source: Bureau of Labor Statistics
Note: Non-Seasonally Adjusted data, Dec. 2023 is preliminary.



The average size of the labor force was about 1.5% smaller in 2023 than it was before the pandemic.

Size of the Labor Force – Kentuckiana Region

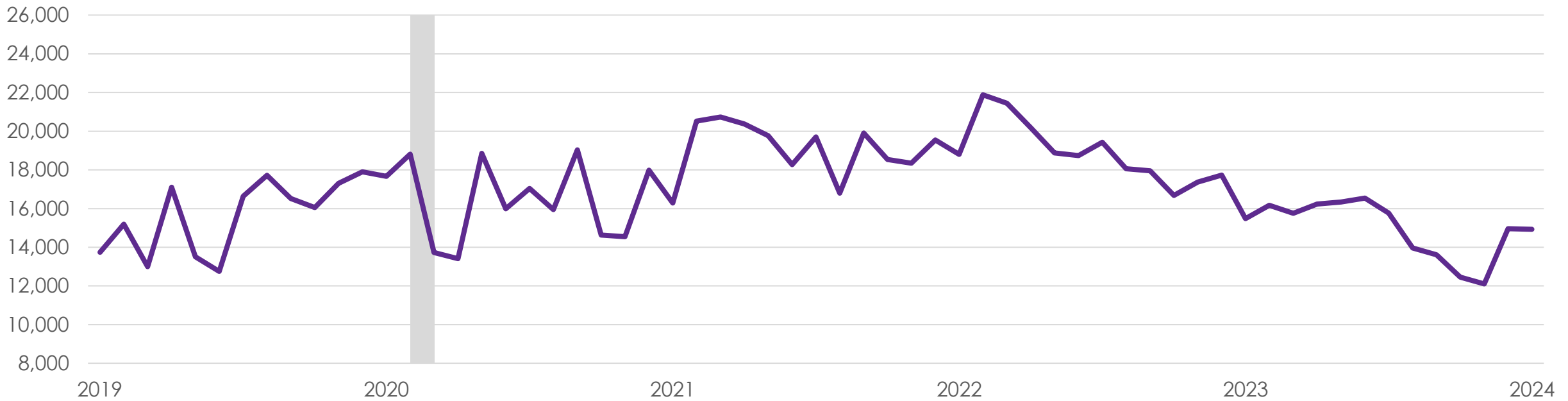


Source: Bureau of Labor Statistics
Note: Non-Seasonally Adjusted data, Dec. 2023 is preliminary.



The number of local online job postings reached record highs last year, but demand is starting to slow.

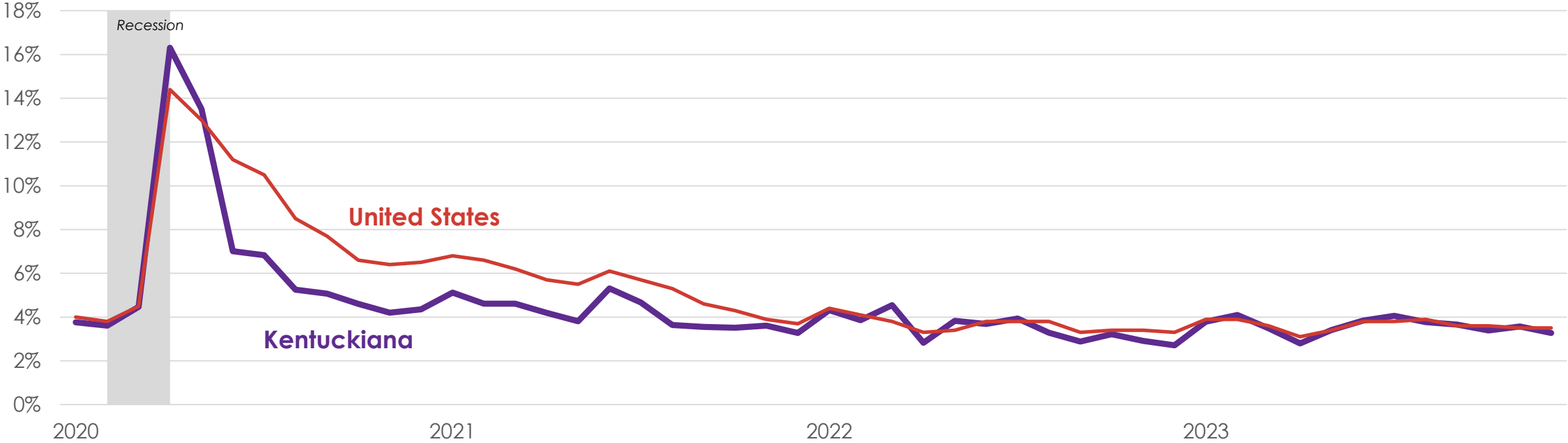
Monthly Online Job Postings – Louisville MSA



Source: Lightcast

The unemployment rate remained low throughout 2023, even though it was slightly higher than the rates experienced in 2022.

Unemployment Rate – Kentuckiana Region



Source: Bureau of Labor Statistics
Note: Non-Seasonally Adjusted data, Dec. 2023 is preliminary.

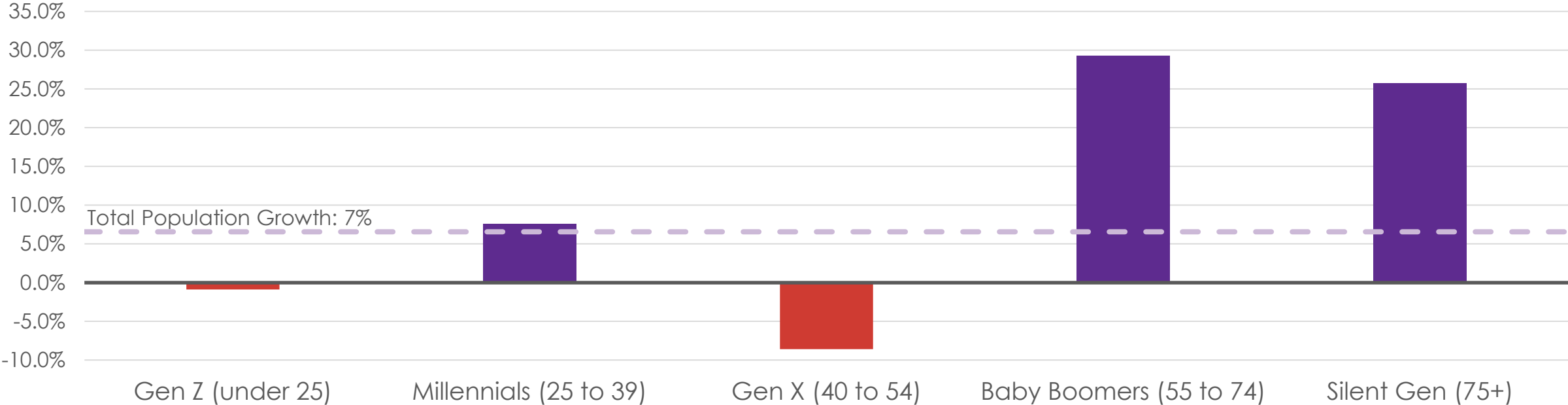


The Population is Aging



The biggest contributor to the region's population growth are people age 55+

Population Change, 2010 – 2022, Kentuckiana Region

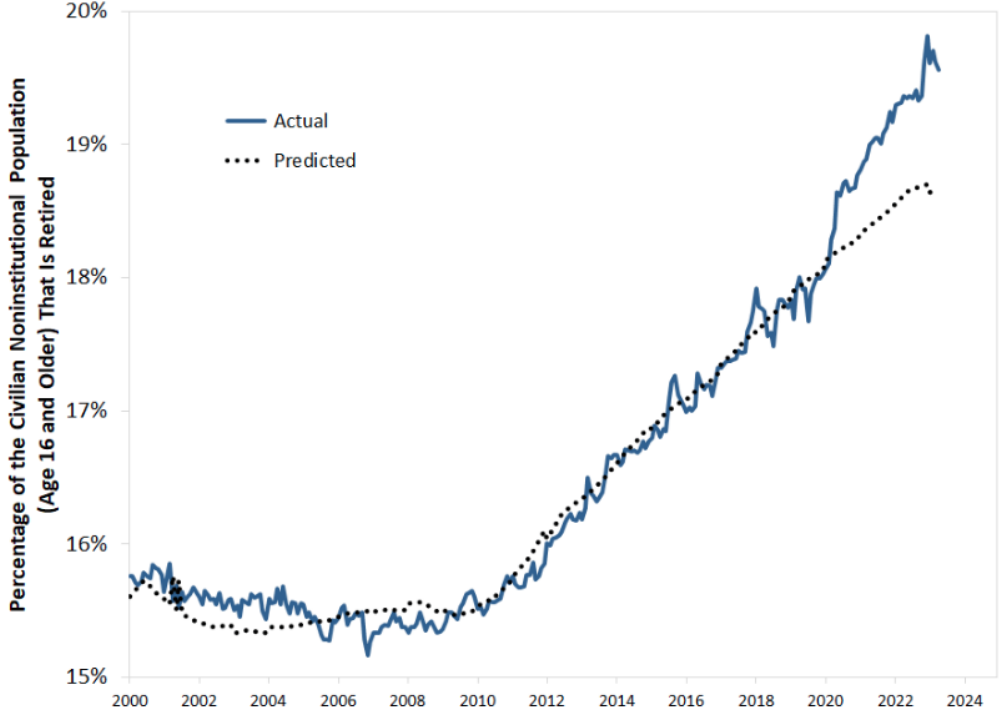


Source: US Census Bureau, 2010 Census, 2022 Population Estimates

Lots of older workers retire

Research from the St. Louis Fed estimates that were 2.4 million “excess retirements” over the retirement trend seen before the pandemic.

Actual Retirements Began to Greatly Surpass the Predicted Trend during the Pandemic



FEDERAL RESERVE BANK OF ST. LOUIS

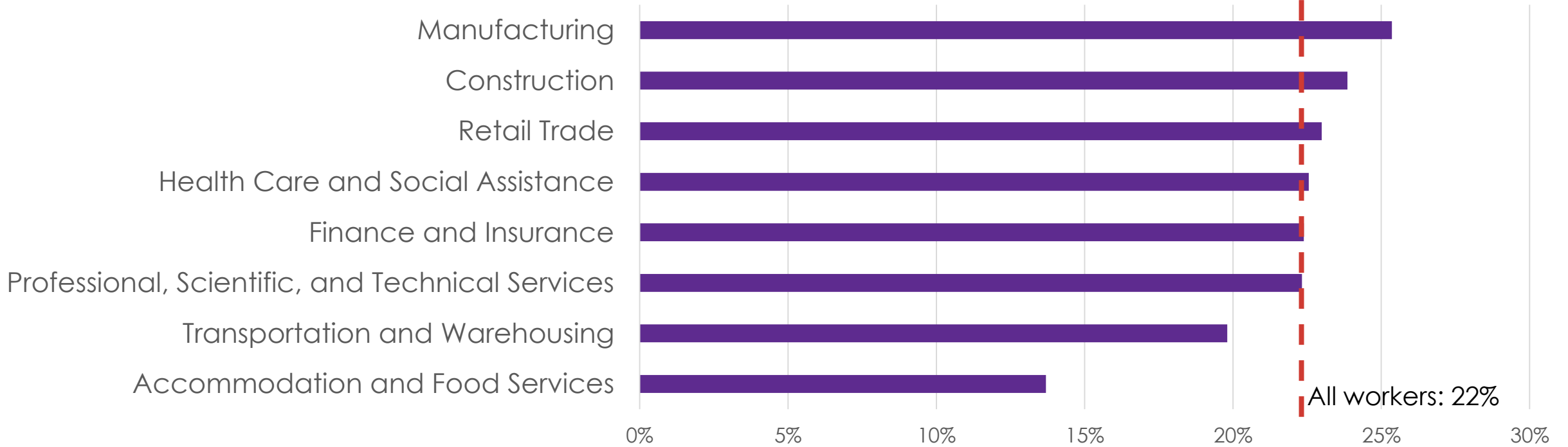
NOTES: The retirement shares are computed using Current Population Survey microdata with weights adjusted for changes in population controls as a result of the 2020 census. The model predicting the retirement share follows Montes, Smith and Dajon, 2022. Data are seasonally adjusted using the X13-ARIMA-SEATS procedure from the Census Bureau.

Source: Castro & Jordan-Wood, “Excess Retirements Continue despite Ebbing COVID-19 Pandemic, June 2023



1-in-5 of the region's workers are age 55+

% Age 55+ Select Industries, Kentuckiana Region



Source: Lightcast 2024.1



Next Generation Talent



Workforce pipeline impacted by youth disconnection

- Across the metro area, **1-in-8** young people ages 16 to 24 were not working or enrolled in school in 2022 – more than 17,500 young adults!
- The region's youth disconnection rate is higher than other nearby metros, including Indianapolis and Cincinnati
- Adverse outcomes from the pandemic may increase disconnection rate
 - Chronic absenteeism, lower college enrollment, poor mental health

Source: ACS PUMS 2022



The economic costs of youth disconnection

INDIVIDUAL

- Lost income
- Poorer health outcomes
- More involvement with the criminal justice system

TAXPAYER

- Lower tax revenue
- Higher government expenditures
 - Police, corrections
 - Public assistance programs

NATION

- Lower economic output
- Higher poverty
- Higher crime



Source: Belfield & Levin, *The Economics of Investing in Opportunity Youth*, (2012)

Opportunities to Engage with Young Adults



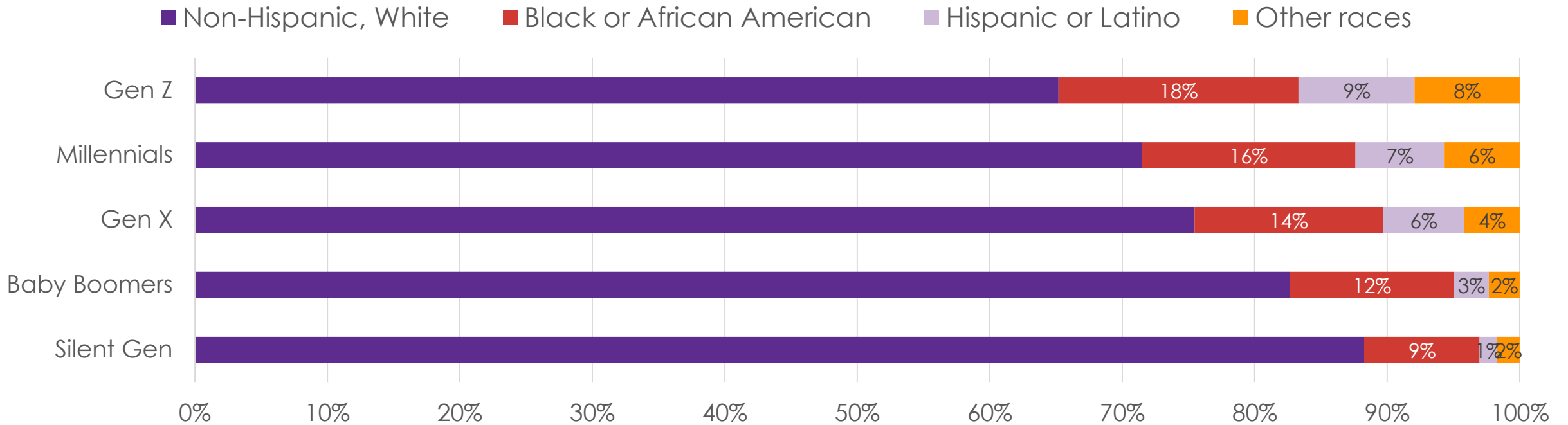
Summer Youth Employment Programs

- Develop social networks
 - Exposure to new possibilities
 - Adult mentors
- Improve soft skills
 - Responsibility
 - Accepting feedback
 - Learning when to seek assistance
 - Punctuality
- Connection between school and work
 - Higher level of school engagement and performance
- Income
- Benefit to businesses too
 - Diversity of perspectives
 - Future workforce



Younger generations are more racially diverse

Age Groups by Race – Kentuckiana Region



Source: US Census Bureau, 2022 Population Estimates



Thank you!

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