

Economy & Employment

Labor Force Characteristics

According to the **Kentucky Cabinet for Economic Development**, labor market counties are composed of counties which significantly exist within the sixty (60) minute driving range of the originating county's seat.

Exhibit 3-M1: Labor Market Area for Daviess County

Exhibit 3-M1 illustrates the labor market area for Daviess County.

A county will be included within the radius if the centroid point of a county (a point representing the center of the geographic area of a county) falls within the drive zone.



Exhibit 3-T1 – Civilian Labor Force

	Daviess County		Labor Market Area	
	2017	2020	2017	2020
Civilian Labor Force	46,646	48,383	237,384	242,344
Employed Persons	44,957	44,957	226,640	228,785
Unemployed Persons	1,689	1,689	10,744	7,721
Unemployment Rate	3.6	3.6	4.5	3.3

Source: U.S. Department of Labor, Bureau of Labor Statistics as reported at <http://thinkkentucky.com/EDIS/cmnty/Workforce.aspx?cw=044#CLF>

Exhibit 3-T1 shows the civilian labor force and unemployment rate as compared to the Labor Market Area based on 2017 and 2020 figures.

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Since the adoption of the previous Comprehensive Plan in 2011, the economy has begun to recover from a profound recession, which is reflected in the decline of the unemployment rate over the past few years.

Exhibit 3- T2 – Unemployment Rates % - 2012 through 2020

Year	Daviess County	Labor Market Area	Kentucky	U.S.
2012	6.7	7.4	8.2	8.1
2013	6.8	7.1	8.3	7.4
2014	5.7	5.8	6.5	6.2
2015	4.7	4.7	5.4	5.3
2016	4.5	4.5	5.0	4.9
2023	3.9	3.6	3.8	3.5

Source: U.S. Department of Labor, Bureau of Labor Statistics as reported at <http://thinkkentucky.com/EDIS/cmnty/Workforce.aspx?cw=044#CLF>

Labor Force Participation Rates

The labor force participation rate is defined as the total civilian labor force divided by the total population 16 years and older (PR = CLF / Pop. 16 years and older).

Exhibit 3-T3: Labor Force Participation

Year	Civilian Labor Force	Total Population 16 years & over	Participation Rate
1970 ¹	31,213	52,963	58.9
1980 ²	39,665	63,383	62.6
1990 ³	42,196	66,029	64.9
2000 ⁴	45,627	70,811	64.4
2010 ⁵	49,135	74,454	65.9
2020	48,383	78,657	61.5

¹ 1970 Census, Table 85 - Employment Status by Sex for Areas and Places, Vol. 1 Part 19 pg. 19-269.

² 1980 Census for population 16 years and older and Labor Area Summary for CLF, April 1980.

³ U.S. Census Bureau DP-3 Labor Force Status and Employment Characteristics 1990 for Daviess County, Kentucky State Data Center for population 16 years and older

⁴ U.S. Census Bureau DP-3 Labor Force Status and Employment Characteristics, 2000, Kentucky State Data Center for population 16 years and older

⁵ Kentucky State Data Center population projection 2010 for total population aged 16 and over., U.S. Department of Labor, Bureau of Labor Statistics data for civilian labor force 2010

The participation rate increased steadily until 1990 then remained steady at about 61% through 2020.

ECONOMY AND EMPLOYMENT

Employment Distribution by Industry

Exhibit 3 - T4 - Total Full Time and Part-time employment by NAICS Industry, Daviess County

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022
FARM EMPLOYMENT	1,023	1,062	1,001	1,033	1,024	1,001	1,001	1,002	1,017
NON-FARM EMPLOYMENT	56,269	57,208	58,225	58,545	58,582	57,985	56,153	57,927	59,698
TOTAL EMPLOYMENT	57,292	58,270	59,226	59,578	59,606	58,986	57,154	58,929	60,715
Forestry, Fishing and Related	131 *	*	*	*	*	*	*	*	*
% of TOTAL	0.2%	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Mining	760	861	763	549	381	364	346 *	*	*
% of TOTAL	1.3%	1.5%	1.3%	0.9%	0.6%	0.6%	0.6%	#VALUE!	#VALUE!
Utilities	189	189	184	178	172	168	162	161	159
% of TOTAL	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Construction	2,834	2,872	2,916	3,106	3,027	2,996	2,954	3,055	3,217
% of TOTAL	4.9%	4.9%	4.9%	5.2%	5.1%	5.1%	5.2%	5.2%	5.3%
Manufacturing	6,177	6,286	6,505	6,741	6,393	6,100	6,109	6,767	7,209
% of TOTAL	10.8%	10.8%	11.0%	11.3%	10.7%	10.3%	10.7%	11.5%	11.9%
Wholesale Trade	1,817	1,874	1,773	1,779	1,836	1,870	1,781	1,774	1,819
% of TOTAL	3.2%	3.2%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	3.0%
Retail Trade	6,816	6,938	7,254	7,134	6,959	6,744	6,545	6,658	6,780
% of TOTAL	11.9%	11.9%	12.2%	12.0%	11.7%	11.4%	11.5%	11.3%	11.2%
Transportation and Warehousing	2,079	2,142	2,078	1,847	1,967	2,217	2,492	2,719	2,836
% of TOTAL	3.6%	3.7%	3.5%	3.1%	3.3%	3.8%	4.4%	4.6%	4.7%
Information	524 *		536 *		414	445	366	401	443
% of TOTAL	0.9%	#VALUE!	0.9%	#VALUE!	0.7%	0.8%	0.6%	0.7%	0.7%
Finance and Insurance	3,739	3,748	3,878	3,957	3,902	3,651	3,664	3,582	3,398
% of TOTAL	6.5%	6.4%	6.5%	6.6%	6.5%	6.2%	6.4%	6.1%	5.6%
Real Estate, Rental and Leasing	2,066	2,114	2,225	2,335	2,433	2,368	2,599	2,941	3,232
% of TOTAL	3.6%	3.6%	3.8%	3.9%	4.1%	4.0%	4.5%	5.0%	5.3%
Professional, Scientific and Tech Services	1,734	1,830	1,817	1,993	2,229	2,083	2,028	1,951	1,993
% of TOTAL	3.0%	3.1%	3.1%	3.3%	3.7%	3.5%	3.5%	3.3%	3.3%
Management of companies & Enterprises	160	131	138	148 *	*		152	111	99
% of TOTAL	0.3%	0.2%	0.2%	0.2%	#VALUE!	#VALUE!	0.3%	0.2%	0.2%
Admin and Waste Management Services	3,191	3,134	3,438	3,521	4,079	4,125	3,426	3,410	3,509
% of TOTAL	5.6%	5.4%	5.8%	5.9%	6.8%	7.0%	6.0%	5.8%	5.8%
Educational Services	1,082	1,102	1,082	1,088	1,019	1,031	989	1,025	1,089
% of TOTAL	1.9%	1.9%	1.8%	1.8%	1.7%	1.7%	1.7%	1.7%	1.8%
Health Care and Social Assistance	8,539	8,898	9,076	9,102	9,157	9,200	9,157	9,215	9,423
% of TOTAL	14.9%	15.3%	15.3%	15.3%	15.4%	15.6%	16.0%	15.6%	15.5%
Arts, Entertainment, and Recreation	787	766 *		774	841	786 *		725	754
% of TOTAL	1.4%	1.3%	#VALUE!	1.3%	1.4%	1.3%	#VALUE!	1.2%	1.2%
Accommodations and Food Services	4,529	4,494	4,710	4,851	4,715	4,807	4,206	4,474	4,607
% of TOTAL	7.9%	7.7%	8.0%	8.1%	7.9%	8.1%	7.4%	7.6%	7.6%
Other Services, except Public Admin	3,027	3,041	2,991	2,944	2,981	3,006	2,845	2,973	2,957
% of TOTAL	5.3%	5.2%	5.1%	4.9%	5.0%	5.1%	5.0%	5.0%	4.9%
Government and Government Enterprises	6,088	6,132	5,976	5,924	5,780	5,751	5,536	5,529	5,664
% of TOTAL	10.6%	10.5%	10.1%	9.9%	9.7%	9.7%	9.7%	9.4%	9.3%

Source: United States Bureau of Economic Analysis <http://www.bea.gov/Table>, last updated November 16, 2023

* indicates that the value is not shown to avoid confidential information, but the estimates for this item are included in the totals

The estimates for employment for 2011-2006 are based on the 2002 North American Classification System (NAICS)

The estimate for employment for 2007 forward are based on the NAICS

ECONOMY AND EMPLOYMENT

Exhibit 3-T4 illustrates the distribution of employment in Daviess County by NAICS industry. Industries with the highest number of employees in Daviess County are Health Care and Social Assistance at 15.5%, Manufacturing at 11.9%, Retail Trade at 11.2%, Government at 9.3%, , and Accommodations and Food Service at 7.6%. All services, which include health care and accommodations and food services, comprise approximately 50% of all employment, an increase over 2008 figures of about 7%. Health Care and Social Assistance jumped from 9.6% in 2011 to 14.9% in 2012 largely due to the new hospital opening in 2013.

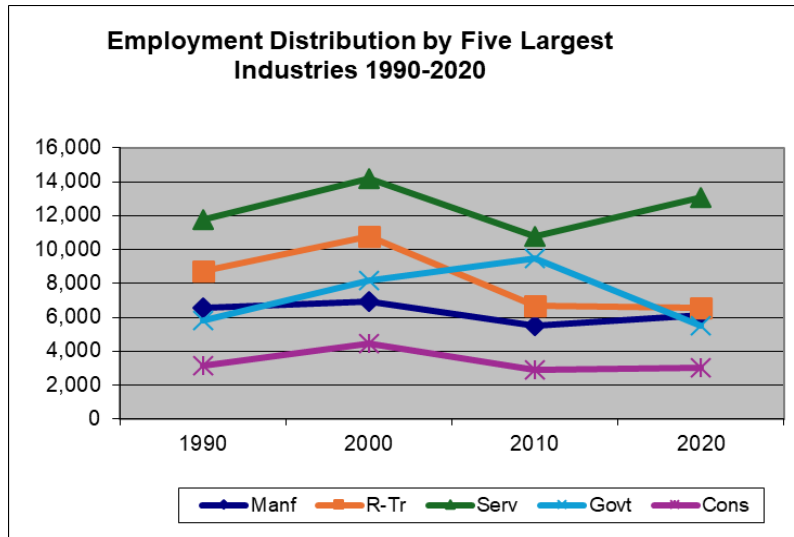
Until 1998, the Standard Industrial Classification (SIC) system was utilized for reporting purposes for industry employment and wages. This system classified an industry as a group of establishments primarily engaged in producing or handling the same product or group of products or in rendering the same services. Because the SIC was used by many other federal government statistical programs, it was possible for users to assemble a comprehensive statistical picture of any industry. The SIC system has changed a number of times since its development in the 1930's to reflect the economy's changing industrial composition. Despite these revisions, the system received criticism about its ability to handle rapid changes in the economy. The United States Bureau of Labor Statistics reports that developments in information services, new forms of health care provision, expansion of services and high tech manufacturing are examples of industrial changes that cannot be studied under the SIC system.

The North American Industry Classification System (NAICS) was developed using a production-oriented conceptual framework, grouping establishments into industries based on the activity in which they are primarily engaged. Industries that do similar things in similar ways are now grouped together. NAICS provides a tool that ensures that economic statistics reflect our changing economy. Every sector of the economy has been structured and defined. Because of this change in industry classification systems, statistical comparisons cannot accurately be made between current data sets and those data sets preceding 1998. However, general comparisons in employment trends through the decades can be made.

In the 1970s manufacturing comprised the largest share of the employment market. The manufacturing numbers steadily declined until 1990. The decade between 1990 and 2000 saw an increase in manufacturing employment of 5.7%. From 2001 to 2010, manufacturing employment again declined. Construction employment in Daviess County rose from 1970 steadily through 2000 and then began to decline through 2010. Services category has continued to rise from 1970s forward, with an enormous rise from 2001 to 2010. The exhibits below demonstrate the employment distribution trends by industry from 1970 through 2010 and from 2011 compared to the latest available data from the United States Bureau of Economic Analysis.

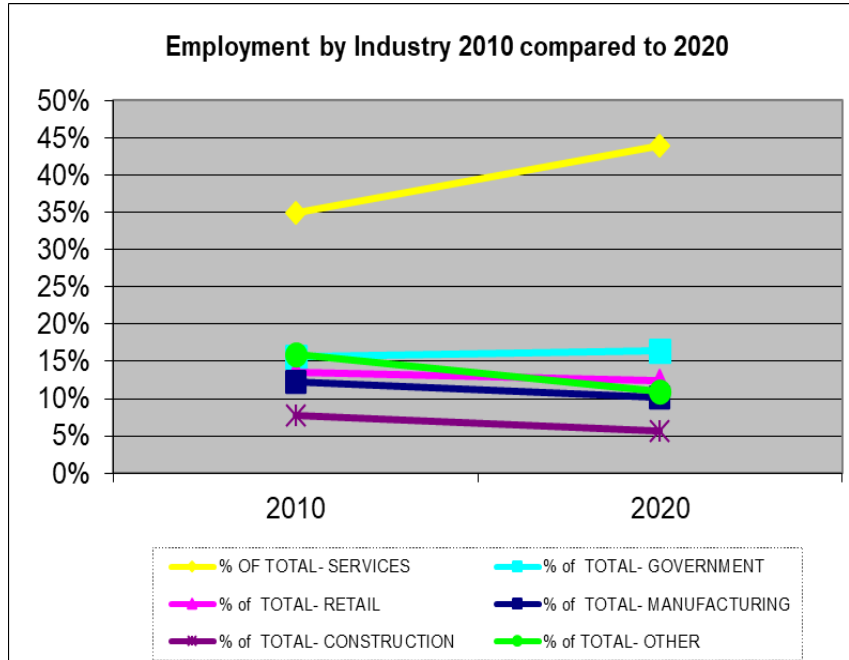
ECONOMY AND EMPLOYMENT

Exhibit 3-G1



This chart shows the trends in employment numbers from 1990 to 2020 in the five largest identified industries. Retail and Construction employment increased from 1990-2000 and then decreased from 2000-2010. Manufacturing employment has steadily declined since 1990. Government and Services employment has increased since 1970, with the Service industry facing huge growth between 2000 and 2010.

Exhibit 3-G2



This chart shows comparison between the 2010 and 2020 data in percentage of employment by industry in Daviess County. Services includes Information, Finance & Insurance, Real Estate, Professional, Scientific & Tech Services, Management, Admin & Waste Management, Educational, Health Care & Social, Arts, entertainment & Recreation, Accommodations and Food Services, and Other services. Other category includes Forestry, Fishing & related, Mining, Quarrying, & Oil & Gas Extraction, Utilities, Wholesale, Transportation and Warehousing.

Source: Data from Bureau of Economic Analysis, Regional Economic Information System

ECONOMY AND EMPLOYMENT

Exhibit 3 - T - Total Compensation of Employees by NAICS Industry, Daviess County (Thousands of Dollars)									
Description	2014	2015	2016	2018	2018	2019	2020	2021	2022
TOTAL COMPENSATION (Thousands of Dollars)	3,809,985	3,971,608	3,941,257	4,057,275	4,135,699	4,345,266	4,792,290	5,135,546	5,076,400
TOTAL AVERAGE COMP PER JOB (Dollars)	38,475	39,630	39,067	39,993	40,562	42,280	46,351	49,792	49,179
Forestry, Fishing and Related	6,491 *	*	*	**	*	*	*	*	*
% of TOTAL	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Mining	14,862	11,857	8,304	8,892	10,146	11,426	10,920 *	*	*
% of TOTAL	0.5%	0.6%	0.5%	0.5%	0.6%	0.5%	0.5%	0.6%	0.5%
Utilities	19,465	19,467	20,295	19,790	19,268	19,996	20,447	20,392	19,761
% of TOTAL	1.4%		1.1%	1.2%	1.2%	1.2%	0.9%	0.9%	0.9%
Construction	106,163	110,652	111,049	136,220	121,655	145,247	157,451	163,424	175,495
% of TOTAL	10.4%	9.6%	8.6%	7.3%	7.0%	6.8%	5.3%	5.2%	4.7%
Manufacturing	287,919	291,958	318,049	328,646	329,518	352,304	357,282	354,443	326,545
% of TOTAL	24.5%	24.3%	25.6%	25.9%	25.0%	25.5%	19.3%	18.3%	16.6%
Wholesale Trade	109,953	115,476	115,740	121,298	128,641	136,148	132,719	143,215	151,121
% of TOTAL	8.1%	7.3%	7.2%	7.3%	7.3%	7.0%	5.9%	5.7%	5.3%
Retail Trade	186,930	194,905	202,820	200,751	200,771	200,252	213,394	234,713	240,220
% of TOTAL	11.1%	10.8%	10.6%	10.7%	10.8%	10.8%	8.4%	8.0%	8.0%
Transportation and Warehousing	132,640	146,057	144,865	136,379	148,448	158,281	164,727	174,316	179,658
% of TOTAL	7.1%		6.5%	6.4%	6.7%	6.8%	5.4%	5.8%	5.9%
Information	25,761 *		30,752 *		19,183	21,120	19,138	22,196	21,530
% of TOTAL	1.8%		1.8%		1.6%	1.6%	1.3%	1.2%	1.1%
Finance and Insurance	168,974	183,668	194,142	201,835	208,221	209,410	227,084	236,484	218,121
% of TOTAL	4.9%	5.6%	5.7%	5.6%	5.6%	5.8%	4.7%	4.7%	5.5%
Real Estate, Rental and Leasing	37,788	37,726	43,201	43,275	45,482	47,443	46,050	60,116	61,367
% of TOTAL	1.0%	1.1%	1.2%	1.1%	1.0%	1.0%	0.8%	0.8%	0.9%
Professional, Scientific and Tech Services	78,108	84,136	86,578	99,189	107,913	105,519	106,951	105,892	111,922
% of TOTAL			3.0%	2.7%	2.6%	2.5%	2.0%	2.2%	2.3%
Management of Co & Enterprises	11,988	9,305	8,877	7,783 *	*		8,175	9,061	9,648
% of TOTAL			0.3%	0.6%	0.7%	0.5%	0.4%	0.8%	0.8%
Health and Waste Management Services	75,499	79,400	81,346	90,217	109,330	112,330	110,983	120,500	131,747
% of TOTAL	2.7%	2.9%	2.9%	2.8%	2.8%	2.9%	2.4%	2.5%	2.8%
Educational Services	30,609	30,545	32,390	31,500	30,717	32,138	33,091	37,358	37,691
% of TOTAL	1.7%	1.7%	1.7%	1.8%	1.6%	1.6%	1.2%	1.3%	1.4%
Health Care and Social Assistance	454,663	502,497	519,139	524,113	545,853	576,222	617,386	631,372	650,857
% of TOTAL	12.3%	12.7%	13.5%	13.5%	14.0%	14.5%	11.3%	10.4%	10.5%
Arts, Entertainment, and Recreation	8,635	8,534 *		8,610	9,261	9,665 *		10,532	12,990
% of TOTAL	0.5%	0.7%	0.6%	0.6%	0.7%	0.9%	0.7%	0.7%	0.6%
Accommodations and Food Services	92,610	95,391	97,400	96,849	97,578	108,202	97,150	118,604	119,431
% of TOTAL	3.7%	4.1%	4.5%	4.6%	4.8%	4.7%	3.6%	3.5%	3.5%
Other Services, except Public Admin	115,424	109,961	110,618	106,107	108,553	111,358	102,773	111,482	114,777
% of TOTAL	3.8%	4.0%	3.9%	5.1%	5.3%	4.9%	3.8%	4.2%	3.8%
TOTAL SERVICES	258,190	279,243	300,392	324,900	348,461	365,647	383,627	389,152	389,923
% of TOTAL	22.0%	23.3%	24.2%	25.6%	26.5%	26.5%	20.7%	20.0%	19.9%
Government and Government Enterprises	320,491	325,868	314,805	310,569	322,667	332,194	334,615	334,050	349,486
% of TOTAL	24.9%	25.7%	25.9%	27.3%	27.9%	27.1%	21.9%	22.6%	24.6%

Source: United States Bureau of Economic Analysis <http://www.bea.gov/iTable>, last updated November 16, 2023

* indicates that the value is not shown to avoid confidential information, but the estimates for this item are included in the totals

The estimates of compensation for 2001-2006 are based on the 2002 North American Classification System (NAICS)

Industries with the highest employment compensation include manufacturing, government and government employees, and total services. The high employee compensation in services category is heavily weighted by the health care and social assistance category which is more than double the next highest service category compensation of finance and insurance. The average compensation per job in Daviess County in 2022 was \$49,179

ECONOMY AND EMPLOYMENT

Average Wages

According to the community statistical summary on the Kentucky Cabinet for Economic Development website, the average weekly wage in 2015 for Daviess County was \$757 as compared to \$799 in the Labor Market area and \$1,018 in the United States.

Personal Income

According to the **United States Department of Commerce, Bureau of Economic Analysis**, Daviess County had a per capita personal income (PCPI) of \$49,179 in 2022. According to the United States Census Bureau online Fact Finder, the median household income for Daviess County in 2022 was \$54,881, while according to community statistical summary on the Kentucky Cabinet for Economic Development website, the median home price in 2022 was \$143,500. The table below illustrates the change from 2011 income.

Exhibit 3-T6 Change in Personal Income

	2016	2022	% Change
Daviess County	\$39,641	\$49,179	24.1%
Kentucky	\$38,926	\$51,921	33.4%
United States	\$49,246	\$65,470	32.9%

Economic Reports

Regional Vision 2001

In January 1997 the Owensboro-Daviess County Chamber of Commerce published a report entitled ***Regional Vision 2001***. The report defines the region as Daviess, Hancock, Henderson, McLean, Ohio, and Muhlenberg counties in Kentucky and Spencer County, Indiana. The report's vision statement says that by the year 2001 the region will **think like a region, work together as a region, undertake regional projects and tasks and increase the region's growth rates.**

State of the Workforce Report for the Green River Area Development District 2005

The Green River Area Development District's Workforce Investment Board commissioned the ***State of the Workforce Report*** to gain a comprehensive understanding of the workforce opportunities and challenges that face our region for many years.

The study addresses challenges in the local landscape including implications of education and literacy, need for high-skilled workers with post-secondary education and training, aging of the workforce, development of skill ladders and lattices, increased reliance on technology, youth flight, globalization of the workforce and diversity of the workforce.

This is further intensified by the education levels of the region being below the national average. Daviess County fares better in this category than most other counties in the region, but is still below the national average for both associate and bachelor degree holders.

ECONOMY AND EMPLOYMENT

The Greater Owensboro Economic Development Corporation conducted a *Wage and Benefit Survey* in 2016. A committee of local HR professionals reviewed past data and identified current needs and trends for 2016. The survey was offered to 352 employers and eighteen companies responded to the survey. Results can be viewed on GEOEDC website at <http://edc.owensboro.com>.

Economic & Employment Projections

The primary purpose of these projections is to assure that adequate acreage is provided in the land use plan to accommodate the future needs of existing and new businesses, industries, and workers.

The labor force participation rate gradually increased to about 65% in 1990. Since 1990 the participation rate has held relatively stable at approximately 65%. Historically, persons in the 16-24 and 65+ age cohorts have participated in the labor force to a lesser degree than 25-64 year olds. Also, some females choose not to work for child rearing or other reasons. Therefore, 65% appears to be a reasonable cap on the labor force participation rate for the purposes of our economic forecasting. Although the recent past has held slightly lower unemployment rates than are usual, for projection purposes we will apply a 5% unemployment rate to the CLF and assume that non-agricultural employment will capture the same 98% of total employment as it did in 2016 and that the population over 16 years old will be about 80% of the total population.

Exhibit 3-T8: Total Employment Projections

PROJECTIONS			
	2020	2030	2040
Pop. 16+	81,626	85,341	88,103
Partic. Rate (%)	65.0	65.0	65.0
Civ. Labor Force	53,057	55,472	57,267
Unemployed	2,653	2,774	2,863
Unempl. Rate	5.0	5.0	5.0
Total Employ.	50,404	52,698	54,404
Non-Agri Employ.	49,396	51,644	53,316
<small>Based on Population Projections from KY State Data Center 2016, assumed 5% unemployment rate based on historic unemployment rate, 98% non-agricultural employment based on 2016 percentage of non-agricultural employment, 80% of population over 16 years old</small>			

Forecasting Methods

Actual numbers of employment by industry classifications in Daviess County, Kentucky exceed the civilian labor force as reported for 2016. This is attributable to factors such as commuting patterns of workers coming into Daviess County to seek work, and the inclusion of non-civilian labor in the reporting per industry classification. Because of the difference in the reported civilian labor force of the county and the actual numbers of employees reported per industry classification, the civilian labor force projections for total employment are low. For projection purposes, the growth rate of total employees over the last eight years will be used to determine total employment numbers as a base for projections and that will determine the control for non-agricultural employment. The growth rate in total employment calculates to 0.175% per year. This rate was applied to the total reported employment in 2016 and projected until 2040 as the projected base total employment on which projections per industry were made. Projections per industry were then made based on the percent of the total employment for each industry classification held in 2016 applied to the total projected wage and salary employment for future years. This method assumes that percentages by industry will remain stable going forward. In reality, percentages held by each industry are subject to change.

ECONOMY AND EMPLOYMENT

Employment Projections

Exhibit 3-T9 – Employment Projections by Industry

Daviess County Employment Projections

	PROJECTIONS											
	2008		2016		# Change 2008-2016	% of Total Change	2020		2030		2040	
	#	%	#	%			#	%	#	%	#	%
Non-Agri Employ	52223	100.0	54500	100.0	2277	4.4	57767	100.0	60738	100.0	63708	100.0
Services	20907	40.0	24392	44.8	3485	16.7	25854	44.8	27184	44.8	28513	44.8
Retail Trade	7244	13.9	6898	12.7	-346	-4.8	7312	12.7	7688	12.7	8063	12.7
Manufacturing	6586	12.6	5651	10.4	-935	-14.2	5990	10.4	6298	10.4	6606	10.4
Government	8367	16.0	9157	16.8	790	9.4	9706	16.8	10205	16.8	10704	16.8
Transportation, Utilities	2207	4.2	2307	4.2	100	4.5	2445	4.2	2571	4.2	2697	4.2
Construction	4189	8.0	3143	5.8	-1046	-25.0	3331	5.8	3503	5.8	3674	5.8
Wholesale Trade	2175	4.2	1876	3.4	-299	-13.7	1988	3.4	2091	3.4	2193	3.4
Mining	449	0.9	951	1.7	502	111.8	1008	1.7	1060	1.7	1112	1.7
Fishing/Forestry	99	0.2	125	0.2	26	26.3	132	0.2	139	0.2	146	0.2