The Louisville zone of the Federal Reserve comprises southern Indiana and western Kentucky and a total population of approximately 3.4 million people, including the almost 1.3 million who live in the Louisville MSA.

The Louisville Zone Ends the Year with Good Momentum and Improving Optimism

By Kevin L. Kliesen, Business Economist and Research Officer

In a November survey of business contacts, about two-thirds of respondents expect economic conditions to improve in 2015. This is a modest improvement in sentiment compared with three months earlier.

Paced by brisk gains in manufacturing and transportation employment, total nonfarm payroll employment increased at a solid pace in the Louisville MSA in the third quarter of 2014. For the second straight quarter, employment growth was strongest in the Bowling Green MSA.

The Louisville zone’s unemployment rate averaged 6.1 percent in the third quarter of 2014, nearly three-quarters of a percentage point below the previous quarter. Although the Evansville MSA once again had the zone’s lowest unemployment rate (5.2 percent), the largest quarterly declines were seen in the Elizabethtown and Owensboro MSAs.

Residential real estate conditions were mixed in the Louisville zone in the third quarter. The Louisville MSA retail market remained strong.

Growth of per capita personal income accelerated in Indiana and Kentucky in the second quarter. Auto loan balances (per capita) edged lower in the Louisville zone in the third quarter, and delinquency rates remained low.

A November survey of bankers revealed that loan demand is expected to edge slightly higher in the fourth quarter, and similar gains are expected in the first quarter. Asset quality improved at Indiana and Kentucky commercial banks in the third quarter.

Indiana’s soybean crop was nearly 11 percent larger than last year’s crop—though that increase still trailed the U.S. increase (about 18 percent). Kentucky’s coal production increased in the third quarter for the first time in three years.
How to read this report

Unless otherwise noted, city names refer to the metropolitan statistical areas (MSAs), which are geographic areas that include cities and their surrounding suburbs, as defined by the Census Bureau.

Statistics for the Louisville zone are based on data availability and are calculated as weighted averages of either the 88 counties in the zone or the five MSAs. As of 2012, approximately 60 percent of the zone’s labor force was located in an MSA. Specifically: 39 percent in Louisville, 11 percent in Evansville, 4 percent in Bowling Green, 4 percent in Owensboro, and 3 percent in Elizabethtown; 40 percent of the zone’s labor force was located in non-metropolitan areas.

Arrows in the tables are used to identify significant trends in the data. The direction of the arrow indicates the sign (up/down) and the color indicates the economic significance (green = good, red = poor). Arrows appear only when the change from previous quarter is greater than 1 standard deviation. For example, the standard deviation of the change in the US unemployment rate is 0.4 percent. If the US unemployment rate declined from 8.4 percent to 8.2 percent, no arrow would appear; but if it declined from 8.4 percent to 7.9 percent, a green down arrow would appear in the table.

Selected variable definitions are located in the appendix.

Selected quotes from business contacts are generally verbatim, but some are lightly edited to improve readability.

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Join Our Panel of Business Contacts

The anecdotal information in this report was provided by our panel of business contacts, who were surveyed between November 3 and November 14.

If you’re interested in becoming a member of our panel, follow this link to complete a trial survey:

http://research.stlouisfed.org/outlooksurvey

or email us at beigebook@stls.frb.org.

For more information contact the St. Louis office:

Charles Gascon
charles.s.gascon@stls.frb.org

Media inquiries:
mediainquiries@stls.frb.org

Views expressed do not necessarily reflect official positions of the Federal Reserve System.
Broad Employment Gains During the Third Quarter Across Louisville Zone

By Maria A. Arias, Research Associate

"Continued expansion will require more employee hours and wages will increase."
—Louisville area healthcare contact

"There still is a shortage of skilled trade contractors and employees."
—Louisville area construction contact

"The labor market has been overwhelmed by demand from large companies, creating a shortage of skilled labor."
—Louisville area manufacturer

Pace of job growth accelerates in Bowling Green
Percent change from year ago

- Labor market conditions improved throughout the Louisville zone during the third quarter. Four of the five MSAs saw a significant decline in the unemployment rate and a significant increase in employment growth in at least one of the sectors (see table).

- Area business contacts surveyed expect employment levels to remain about the same or increase somewhat through the end of 2014 and into 2015, relative to a year ago: 58 percent of contacts expect employment to remain the same, 37 percent expect employment to be somewhat higher or higher, and the remaining 5 percent expect employment to be slightly lower than it was a year ago.

- Despite employment gains, the unemployment rate in Louisville and Elizabethtown continued to be higher than the national average, and employment growth continued to be slower than in the nation in all MSAs except Bowling Green (see table).

- In Bowling Green, employment in all major sectors grew faster than in the nation (see table) and accelerated relative the second quarter (see figure).

Note: Unless otherwise noted, values are percent change from one year ago. Arrows indicate a significant (± 1 standard deviation) change from the previous quarter. See appendix for notes and sources.
Durable Goods Manufacturing Accelerates in Louisville

By Daniel Eubanks, Research Associate

“Our number of job openings is at the highest level in a really long time. Our recruiters say that the flow of qualified applicants has really dropped off in the past quarter.”

– Louisville area manufacturer

“The trucking industry is experiencing a shortage of drivers, mechanics, and dispatchers. As a result, wages for these positions are increasing at an accelerated rate.”

– Louisville area transportation executive

- Manufacturing employment growth in Louisville far outpaced the national average in the third quarter. Transportation employment growth in Louisville also exceeded the national rate.

- Kentucky showed positive but below-average growth in manufacturing employment. In contrast, Indiana manufacturing employment grew faster than average at 4.6 percent. Kentucky and Indiana both experienced significant increases in growth of transportation employment.

- Strong durable goods employment growth offset weaker nondurable goods growth throughout the zone. In Louisville and Kentucky as a whole, nondurable goods employment contracted even as durable goods employment growth exceeded the national rate (see table).

- Manufacturing exports increased for both Kentucky and Indiana in the third quarter. Manufacturing export growth in both states was led by computer and electronic products; Kentucky received an additional boost from nonmetallic mineral products, and Indiana received a boost from electronic appliances.

- Contacts in the trucking industry in the Louisville zone expressed concern about a shortage of drivers. Similarly, contacts in manufacturing have struggled to find skilled or readily trainable workers. This could contribute to upward wage pressure in the future. The majority of contacts surveyed expect wages and employment to increase in the fourth quarter.

Durable and nondurable goods manufacturing move in opposite directions in Kentucky

Percent change from one year ago

<table>
<thead>
<tr>
<th>Year</th>
<th>Durable goods contribution</th>
<th>Nondurable goods contribution</th>
<th>Total manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-16</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2010</td>
<td>-12</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>-8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: BLS.

Transportation employment (Q3-14)  Louisville  Kentucky  Indiana  US
---  ---  ---  ---
3.9  3.7  ▲  1.8  ▲  3.4

Manufacturing employment (Q3-14)  Louisville  Kentucky  Indiana  US
---  ---  ---  ---
4.1  1.2  ▲  4.6  ▲  1.4

Durable goods  Louisville  Kentucky  Indiana  US
---  ---  ---  ---
6.4  3.7  ▲  5.7  ▲  2.1

Nondurable goods  Louisville  Kentucky  Indiana  US
---  ---  ---  ---
-0.4  -3.0  ▲  1.9  ▲  0.2

Manufacturing exports (Q3-14)  Louisville  Kentucky  Indiana  US
---  ---  ---  ---
--  8.4  ▲  11.5  ▲  3.1

Note: Values are percent change from one year ago. Arrows indicate a significant (± 1 standard deviation) change from the previous quarter; see appendix for notes and sources.
Strong Demand for Retail and Industrial Space in Louisville

By Diana Cooke, Research Associate

“This is the year of speculative commercial construction.”
— Louisville building company executive

“Many companies want a central location in the eastern United States with fast access to overnight air service delivery as well as a good interstate highway system. Louisville matches that requirement.”
— Louisville area realtor

- Residential real estate conditions in the Louisville zone are mixed. In the Louisville MSA, home prices rose 3.5 percent from the same time last year. In Clarksville and Elizabethtown, however, prices have fallen for the fifth consecutive quarter.

- Contacts reported that banks are hesitant to finance new home construction and that material costs are increasing. Contacts suggest that the lack of inventory paired with the increasing demand for homes may be contributing to the rising home prices in the Louisville MSA.

- Residential construction is a weak spot in the real estate market. In two of the four MSAs, the number of single-family permits are below the levels seen last year (see table).

- Louisville continues to attract national retailers not previously in the market. The commercial market in Louisville is strong. Year-over-year growth in asking rents for apartments increased significantly since the second quarter (see figure).

- Market conditions for industrial real estate space in Louisville remain tight. Contacts noted that there are a few speculative construction projects on the horizon, which will likely provide some relief to the tight market conditions.

### Retail market in Louisville tightens

<table>
<thead>
<tr>
<th></th>
<th>Asking Rent ($ per sq. ft)</th>
<th>Vacancy Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-11</td>
<td>16.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Q4-12</td>
<td>16.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Q4-13</td>
<td>15.6</td>
<td>11.0</td>
</tr>
<tr>
<td>Q3-14</td>
<td>15.2</td>
<td>11.0</td>
</tr>
</tbody>
</table>

### Non-residential market (Louisville, Q3-14)

<table>
<thead>
<tr>
<th></th>
<th>Apartment</th>
<th>Office</th>
<th>Retail</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate (%)</td>
<td>5.7 ▲</td>
<td>15.5</td>
<td>9.3</td>
<td>4.9</td>
</tr>
<tr>
<td>Asking rent</td>
<td>3.6 ▲</td>
<td>0.5 ▼</td>
<td>2.3</td>
<td>15.7</td>
</tr>
</tbody>
</table>

Note: Apartment, office, and retail values are from Reis.com. Industrial values are estimates from Cassidy Turley.

### Residential market (Q3-14)

<table>
<thead>
<tr>
<th></th>
<th>Louisville</th>
<th>Clarksville</th>
<th>Elizabethtown</th>
<th>Evansville</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoreLogic Home Price Index</td>
<td>3.5</td>
<td>-3.5 ▼</td>
<td>-4.4</td>
<td>1.5 ▲</td>
<td>6.0 ▼</td>
</tr>
<tr>
<td>Single-family building permits</td>
<td>-8.0</td>
<td>-1.8</td>
<td>27.2</td>
<td>9.2</td>
<td>1.2</td>
</tr>
<tr>
<td>New and existing home sales</td>
<td>-3.1</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>-4.5</td>
</tr>
</tbody>
</table>

Note: Sales and permits data are year-to-date percent change. Prices are percent change from one year ago. Arrows indicate a significant (±1 standard deviation) change from previous quarter. See appendix for notes and sources.
Financial Situation Improves: Deleveraging Slows

By Peter B. McCrory, Research Associate

“Stability of local employers has been a primary factor in maintaining our local economy in the last several quarters. That has helped improve the confidence of local consumers in their own personal finances.”

— Louisville zone banker

“We need more full-time jobs and less part-time. Unemployment numbers improve but wages do not support increased spending.”

— Louisville area banker

Per capita income grew in Kentucky by 3.3 percent relative to one year ago. In Indiana, per capita income grew by 1.4 percent, faster than its growth in the first quarter. Despite this faster rate, Indiana income growth trailed that of Kentucky and the nation by nearly 2 percentage points.

For the first time since early 2009, households increased their credit card debt balances year-over-year, with the largest increase in Kentucky. Households unwound their mortgage debt at a significantly slower rate in the third quarter (-0.8) when compared with the previous quarter (-3.8). A banker noted that consumers are more confident in their own personal finances.

Mortgage and credit card delinquency rates continued to fall even as auto delinquencies grew year over year (see figure). Relative to the nation, households in Louisville are still less delinquent on their debt balances.

Multiple auto dealers in the zone reported that auto sales in the third quarter were up when compared with last year, with much of the growth occurring in the high-end market.

Auto delinquency rate rises; mortgage and credit rates fall

Percentage point change in delinquency rates from one year ago

<table>
<thead>
<tr>
<th></th>
<th>Sep-12</th>
<th>Sep-13</th>
<th>Sep-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: FRBNY Consumer Credit Panel and Equifax.

<table>
<thead>
<tr>
<th></th>
<th>Louisville Zone</th>
<th>Indiana</th>
<th>Kentucky</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita personal income (Q2-14)</td>
<td>--</td>
<td>1.4 ▲</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Per capita debt balances (Q3-14)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td>-0.8 ▲</td>
<td>0.2 ▲</td>
<td>-0.4 ▲</td>
<td>1.3 ▲</td>
</tr>
<tr>
<td>Credit card</td>
<td>0.8 ▲</td>
<td>-0.2 ▲</td>
<td>1.3 ▲</td>
<td>-0.2 ▲</td>
</tr>
<tr>
<td>Auto loan</td>
<td>1.8 ▲</td>
<td>4.9 ▲</td>
<td>4.9 ▲</td>
<td>8.8 ▲</td>
</tr>
<tr>
<td>90+ day delinquency rates (Q3-14) (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td>1.6</td>
<td>2.0</td>
<td>1.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Credit card</td>
<td>5.8</td>
<td>5.9</td>
<td>6.1</td>
<td>7.2</td>
</tr>
<tr>
<td>Auto loan</td>
<td>2.9</td>
<td>3.3</td>
<td>3.1</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Note: Unless otherwise noted, values are percent change from one year ago. Arrows indicate a significant (±1 standard deviation) change from the previous quarter. See appendix for notes and sources.
Conditions Are Improving, but Bankers Are Still Wary

By Michelle Neely, Economist and Hannah Shell, Research Analyst

“Credits are a little weaker due to heavy debt that customers are still getting rid of, and the fact that credit scores are very much top of mind. People have been stung by high health care bills and divorce.”

—Central Kentucky banker

“Farm credit is our strongest competitor and not always the other banks. We are being more aggressive in marketing our business products to prospects and current customers.”

—Southern Indiana banker

“Demand is still dragging. We have seen evidence that some lenders have been relaxing standards to obtain business.”

—Central Kentucky banker

- Most bankers surveyed expect loan demand to be somewhat higher or about the same in the fourth quarter, with only a few expecting lower demand. All bankers surveyed expect loan demand to increase or stay the same in the first quarter.

- Return on average assets (ROA) increased at both Indiana and Kentucky banks in the third quarter. ROA is up 7 basis points from a year ago at Kentucky and District banks and down 6 basis points at Indiana banks.

- The average net interest margin (NIM) continued to increase in the third quarter, rising 4 basis points and 2 basis points, respectively, at Indiana and Kentucky banks (see figure).

- The ratio of nonperforming loans to total loans declined 13 basis points to 1.56 percent at Kentucky banks in the third quarter. Indiana banks experienced a slight increase of 2 basis points, but at 1.26 percent, the state’s average nonperforming loan ratio was well below that of District and U.S. peers (see table).

- Louisville-area bankers expect no change in delinquency rates in the fourth quarter. Most bankers surveyed expect the same conditions in the first quarter of 2015. However, a few expect delinquencies to be somewhat lower: They note that improved collection efforts and more-conservative lending practices have had positive impacts in this area.

### Net interest margins closing in on 4 percent

*Net interest margin at commercial banks, percent*

<table>
<thead>
<tr>
<th>Year</th>
<th>US</th>
<th>Kentucky</th>
<th>Indiana</th>
<th>8th District</th>
<th>US Peer Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>3.4</td>
<td>3.82</td>
<td>3.82</td>
<td>3.82</td>
<td>3.82</td>
</tr>
<tr>
<td>2007</td>
<td>3.6</td>
<td>3.81</td>
<td>3.81</td>
<td>3.81</td>
<td>3.85</td>
</tr>
<tr>
<td>2008</td>
<td>3.8</td>
<td>3.81</td>
<td>3.81</td>
<td>3.81</td>
<td>3.85</td>
</tr>
<tr>
<td>2009</td>
<td>4.0</td>
<td>3.85</td>
<td>3.85</td>
<td>3.85</td>
<td>3.85</td>
</tr>
<tr>
<td>2010</td>
<td>4.2</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2011</td>
<td>4.4</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2012</td>
<td>4.6</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2013</td>
<td>4.8</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2014</td>
<td>5.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Source: FRED.

### Banking performance (Q3-14)

<table>
<thead>
<tr>
<th></th>
<th>Kentucky</th>
<th>Indiana</th>
<th>8th District</th>
<th>US Peer Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average assets</td>
<td>0.96</td>
<td>1.03</td>
<td>1.10</td>
<td>1.01</td>
</tr>
<tr>
<td>Net interest margin</td>
<td>3.82</td>
<td>3.81</td>
<td>3.81</td>
<td>3.85</td>
</tr>
<tr>
<td>Nonperforming loans / total loans</td>
<td>1.56 ▼</td>
<td>1.26</td>
<td>1.40 ▼</td>
<td>1.48</td>
</tr>
<tr>
<td>Loan loss reserve coverage ratio</td>
<td>94.23</td>
<td>111.11</td>
<td>106.43</td>
<td>99.32</td>
</tr>
</tbody>
</table>

Note: Values are percentage points. Arrows indicate a significant (± 1 standard deviation) change from the previous quarter. See appendix for notes and sources.
Bountiful Harvest Drags Down Commodity Prices, Along with Farm Income

By Lowell R. Ricketts, Senior Research Associate

“Low crop prices have led many farmers to hold onto their inventories.”
—Western Kentucky banker

“Several farmers are going to go belly up given the reduced farm income. Cash rents will go down but not as quickly as you would expect. Other farmers will want to step in and rent the land to see if they can make things work.”
—Western Kentucky farmer

While dry growing conditions in parts of western Kentucky diminished production gains in that state, 2014 crop production was largely equal to or greater than production last year (see left table). Indiana had a double-digit increase in soybean production and a slight increase (albeit much smaller than last year) in corn production.

Bountiful harvests have flooded commodity markets with excess supply. Before the harvest, corn prices had rebounded only slightly from the lows seen at the end of 2013. Across states in the zone, corn and soybean prices declined by close to 30 and 18 percent, respectively (see figure).

Contacts have reported that the lower commodity prices will reduce farm income over the near future. Of agricultural bankers surveyed within the zone, close to half expect farm income and capital spending to decline in the fourth quarter as compared with the same time a year ago. Only 29 percent of bankers surveyed expect farmland values to decline in the next quarter. This is potentially the result of sticky prices and cash rents as indicated by a contact (see comments).

Coal production in Kentucky had a significant jump over the third quarter as compared with the same time last year (see left table). According to current estimates, this is this first production increase in the past 3 years. Kentucky is the largest producer of coal among the District states.

<table>
<thead>
<tr>
<th>Natural resources (Q3-14)</th>
<th>Indiana</th>
<th>Kentucky</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and logging employment</td>
<td>3.3</td>
<td>1.7</td>
<td>5.7</td>
</tr>
<tr>
<td>Coal production</td>
<td>-0.9</td>
<td>7.3 ▲</td>
<td>-1.9</td>
</tr>
<tr>
<td>Corn Production (2014)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corn</td>
<td>3.3 ▼</td>
<td>-8.7 ▼</td>
<td>3.5</td>
</tr>
<tr>
<td>Cotton</td>
<td>--</td>
<td>--</td>
<td>27.0 ▲</td>
</tr>
<tr>
<td>Rice</td>
<td>--</td>
<td>--</td>
<td>16.4 ▲</td>
</tr>
<tr>
<td>Sorghum</td>
<td>--</td>
<td>--</td>
<td>4.9</td>
</tr>
<tr>
<td>Soybean</td>
<td>10.9</td>
<td>1.2</td>
<td>17.9</td>
</tr>
</tbody>
</table>

Note: Values are percent change from one year ago. Arrows indicate a significant (± 1 standard deviation) change from the previous quarter or year. See appendix for notes and sources.

<table>
<thead>
<tr>
<th>Louisville zone Ag. bankers’ expectations Q4-14 vs. Q4-13</th>
<th>Lower</th>
<th>Higher</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmland Values</td>
<td>29</td>
<td>0</td>
<td>-29</td>
</tr>
<tr>
<td>Loan demand</td>
<td>17</td>
<td>0</td>
<td>-17</td>
</tr>
<tr>
<td>Available funds</td>
<td>17</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>17</td>
<td>0</td>
<td>-17</td>
</tr>
<tr>
<td>Farm income</td>
<td>43</td>
<td>0</td>
<td>-43</td>
</tr>
<tr>
<td>Capital spending</td>
<td>57</td>
<td>0</td>
<td>-57</td>
</tr>
</tbody>
</table>

Note: Percentage of responses. See appendix for notes and sources.
Appendix

Cover Page

Sources

Bureau of Labor Statistics
Unemployment rate, nonfarm payroll employment.

Labor Markets

Table Sources

Bureau of Labor Statistics
Unemployment rate. Nonfarm employment and contributions by sector.

Notes

Goods-producing sector comprises the manufacturing and natural resources, mining, and construction sectors.

Private service-providing sector includes the following sectors: Trade, Transportation, and Utilities; Information; Financial Activities; Professional and Business Services; Education and Health Services; Leisure and Hospitality; and Other Services.

Unemployment rate data are seasonally adjusted.

Manufacturing and Transportation

Table Sources

Bureau of Labor Statistics
Transportation employment: includes transportation and warehousing industries.

Manufacturing employment: total, durable, and nondurable goods.

World Institute for Strategic Economic Research
Manufacturing exports: dollar value.

Notes

Manufacturing labor input is defined as the average weekly hours worked by production and nonsupervisory employees in the manufacturing industry multiplied by the monthly average of total number of production and nonsupervisory employees in the manufacturing industry.

Transportation employment in Louisville covers transportation, warehousing, and utility industries. About 90 percent of the reported jobs are contributed by transportation and warehousing industries.

Manufacturing exports are defined as the total dollar amount of exports by the manufacturing industries.

Durable goods manufacturing sector is defined by the Bureau of Labor Statistics as industries with a NAICS classification code of 321 (Wood Product Manufacturing); 327 (Nonmetallic Mineral Product Manufacturing); 331 (Primary Metal Manufacturing); 332 (Fabricated Metal Product Manufacturing); 333 (Machinery Manufacturing); 334 (Computer and Electronic Product Manufacturing); 335 (Electrical Equipment, Appliance, and Component Manufacturing); 336 (Transportation Equipment Manufacturing); 337 (Furniture and Related Product Manufacturing); and 339 (Misc. Manufacturing).

Nondurable goods manufacturing sector is defined by the Bureau of Labor Statistics as industries with a NAICS classification code of 311 (Food Manufacturing); 312 (Beverage and Tobacco Product Manufacturing); 313 (Textile Mills); 314 (Textile Product Mills); 315 (Apparel Manufacturing); 316 (Leather and Allied Product Manufacturing); 322 (Paper Manufacturing); 323 (Printing and Related Support Activities); 324 (Petroleum and Coal Products Manufacturing); 325 (Chemical Manufacturing); and 326 (Plastics and Rubber Products Manufacturing).

Real Estate and Construction

Table Sources

CoreLogic
Home price index, including distressed sales.

Census Bureau
Year-to-date single-family building permits.

Greater Louisville Association of Realtors
Year-to-date new and existing home sales.

Notes

Asking rent is the publicized asking rent price. Data are in current dollars.

Vacancy rate is the percentage of total inventory physically vacant as of the survey date, including direct vacant and sublease space.

New and existing home sales consists of single-family home sales.

Household Sector

Table Sources

Equifax based on authors’ calculations
All figures are based on a 5 percent sample of individual credit reports. Balances are geographic averages of various debt categories. The mortgage category includes first mortgages and home equity installment loans, but home equity lines of credit are omitted. Auto loans include those financed by finance company or bank loans. Credit cards are revolving accounts at banks, bankcard companies, national credit card companies, credit unions, and savings and loan associations.

Haver Analytics
Per capita income.

SNAP participation.

Notes

Delinquency rates are calculated as the percentage of payments past due by more than 90 days, weighted by the dollar value of the loan.

Supplemental Nutrition Assistance Program (SNAP) is a welfare program administered by the United States Department of Agriculture that provides nutritional assistance to eligible, low-income individuals and families. It is the largest program in the country’s domestic hunger safety net. Participation is measured as the seasonally adjusted number of persons participating in the program.
Banking and Finance

Table Sources

Federal Financial Institutions Examination Council

- Return on average assets: USL15ROA.
- Net interest margin: USL15NIM.
- Nonperforming loans: USL15NPTL.
- Loan loss reserve/Total loans: USL15LLRTL.
- Net loan losses/Average total loans: USL15LSTL.

Note: The data available in the table can be found in FRED.

Notes

- **Loan loss provisions** are expenses banks set aside as an allowance for bad loans.
- **Nonperforming loans** are those loans managers classify as 90 days or more past due or nonaccrual, which means they are more likely to default.
- **Loan loss coverage ratio** is loan loss reserves divided by nonperforming loans.
- **US peer banks** are those commercial banks with assets of less than $15 billion.

Due to the seasonal nature of bank return on average assets and net interest margin, the arrows in the table denote significant changes from one year ago.

Agriculture and Natural Resources

Table Sources

Federal Reserve Bank of St. Louis Agricultural Finance Monitor

- Agriculture bankers’ expectations of loan demand, available funds, loan repayment rates, farm income, and capital spending are relative to one year ago. Respondents can answer “increase,” “decrease,” or “no change.”

Energy Information Administration (EIA)

- Coal production. Note: Production trends identified in report may be inconsistent with previous reports due to data revisions.

Bureau of Labor Statistics (BLS)

- Mining and logging employment.

United States Department of Agriculture (USDA)

- Crop production and commodity prices.