ECONOMIC INDICATORS

According to the Federal Reserve Bank of Atlanta, Lexington has a dynamic economy; it is in the medium-high quartile in the Federal Reserve Bank of Atlanta’s key economic indicators ranking, which includes demographic, economic, human capital, and infrastructure information. From 2005 to 2014, the population grew more than 10% and employment also increased by almost 13%, according to their analysis. This section examines key economic indicators in greater depth and provides context, including GDP per capita over time, occupation mix, degree attainment, household income, unemployment, poverty rates, and business growth.
**GDP Per Capita**

From an economic productivity standpoint, Lexington continues to experience steady growth in the post-recession era and is outperforming the national figures and some of its benchmark cities. The graph below shows GDP per capita for a group of benchmark cities. Lexington is trending with a number of cities on this metric. As Lexington’s population continues to grow, its economic productivity outpaces that growth. For comparison, the United States’ real GDP per capita in 2015 was $49,844 according to the Bureau of Economic Analysis. Lexington’s real GDP per capita in 2015 was $51,607.
Unemployment Rate
Considering unemployment rates over time, Lexington has been fairly consistent compared to its benchmarks. For example, Louisville has experienced a roughly 3.5%, from a high of 7.8% to a low of 4.2%, swing in its unemployment rate from 2013 to 2015, but Lexington has hovered around 5% during that period. Lexington’s highest unemployment rate was 5.3%, and its lowest in this period was 4.5%. From 2014 to 2015, Lexington experienced a slight uptick in unemployment. However, the metropolitan area outperformed the national rate of 6.3%, according to 2015 U.S. Census data. Nationally, the rate has continued to fall from 8.4% in 2013.

Postsecondary Degree Attainment
The figure below showcases postsecondary degree attainment as of 2015. In Ann Arbor, the majority of adults over 25 have at least an associate’s degree. In Lexington, that figure is approaching half of all adults over 25. Overall, we have higher rates of postsecondary degree attainment than Chattanooga, San Antonio, Nashville, Louisville, Charlotte, Cincinnati, and Columbus. Breaking down degree attainment by type, Lincoln has the highest percentage of associate’s degree holders and Ann Arbor also has the highest share of graduate or professional degree holders.
Source: U.S. Census, 2015
**Occupation Mix**

Like citizens in many of its benchmark cities, Lexingtonians are employed in a variety of vocations. In 2015, over a third of employees were in management, business, science, and art occupations. Ann Arbor had the largest share of citizens in this category, with over half of its employees in working in that capacity. For comparison, overall 37.1% of employed Americans work in these professions.

**Median Household Income**

Lexington has overtaken Louisville in median household income from 2013 to 2015. However, there are a number of cities in this cohort that have seen greater changes in this span. For instance, both San Antonio and Nashville have seen greater volatility in a relatively short time frame. Columbus seems to be experiencing the steadiest growth in median household income.
Median Household Income Over Time

Source: U.S. Census
**Poverty Rate**
Illustrated in the graph below, poverty rates are relatively high in Lexington compared to its benchmarks. The average poverty rate in 2015 for this group of cities was 13.9%. Lexington is hovering around 18.7%. Most of its cohort falls between nearly 11% and 15%.

![Poverty Rates Over Time](image)

*Source: U.S. Census*

**Job Growth and Business Dynamics**
According to data recently released by the U.S. Census, Lexington is creating more jobs than it is losing. More establishments are entering the market than leaving; Lexington is outperforming several of its benchmarks especially in the establishment birth rate. This includes some cities, like Madison, that have higher median household incomes than Lexington does. Lexington businesses are also creating new jobs at a rate that is outpacing job elimination. On the net, the job creation rate was 3.2% in 2014.

Looking at Lexington over time, the establishment exit rate, or the rate at which businesses close their doors, has trended downward slightly since 2009, when it hit a 10-year high of 9.1%. During the same
period, the rate at which new businesses have been created has also trended upwards. In 2014, the city was at roughly the same place, hovering around a 10 percent establishment birth rate, as it was in the mid-2000’s, prior to the recession. Net job creation has stabilized, after hitting a 10-year high in 2012 of 4.9%.

Source: US Census

The Lexington-Fayette Urban County Government, in conjunction with the state government, has undertaken several ambitious initiatives to grow business and increase access to well-paying jobs for its citizens. The Lexington Jobs Fund in particular is designed to increase the number of jobs that pay more than the current median Lexington salary. This economic development report is designed to illustrate the progress that some of these initiatives have made.