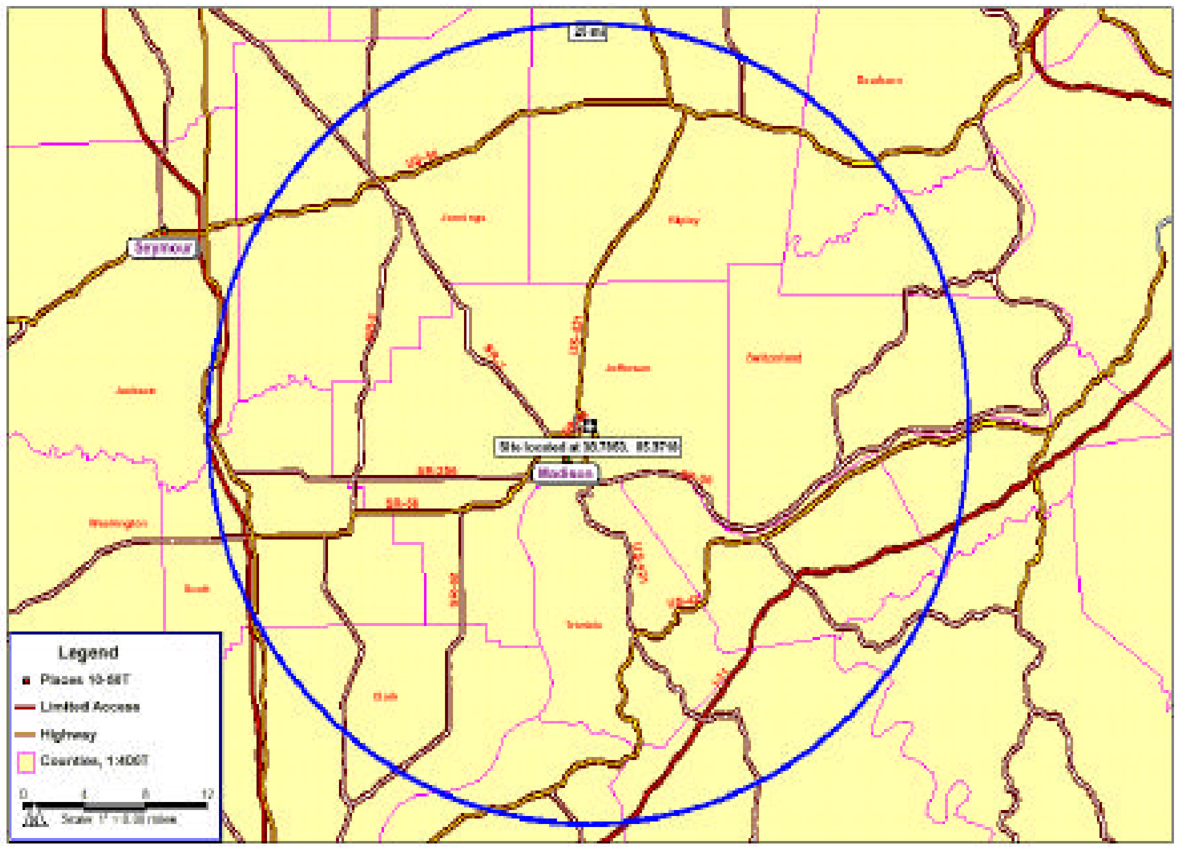
III. SOCIOECONOMIC CHARACTERISTICS AND TRENDS

The socioeconomic characteristics of the trade area's population offer insights about the overall health of the market (e.g., recent and projected population growth, etc.) and also about the consumers who will comprise a majority of potential Jefferson County shoppers. Prospective businesses rely greatly on socioeconomic data to assess how likely their goods or services will appeal to residents of the immediate area. For instance, businesses that cater to a price-sensitive market will have a greater chance for success in an area where households have limited disposable incomes.



The trade area for this research is defined by a 25-mile radius from the intersection of Highway 62 and US 421, a map of which is shown to the right. The delineation of the trade area is not meant to suggest that prospective customers of Jefferson County businesses will be drawn only from the trade area. Because of Jefferson County's location, historic attributes and potential of attracting a variety of businesses, it is expected that prospective customers, especially tourists, will also be drawn from outside of the trade area. The following analyzes the demographic and economic characteristics of trade area residents for the 1990-2006 timeframe.

A. Population and Household Growth

Exhibit S-1.1 shows that the Jefferson County trade area population was estimated at 136,015 in 2001, representing an average annual increase of 1,596 persons per year or a 1.35% average annual rate of increase. Forecasts for 2001-2006 show a slight slowing in the rate of population growth to 1.25%. Numerically, population growth will increase to 1,701 persons per year.

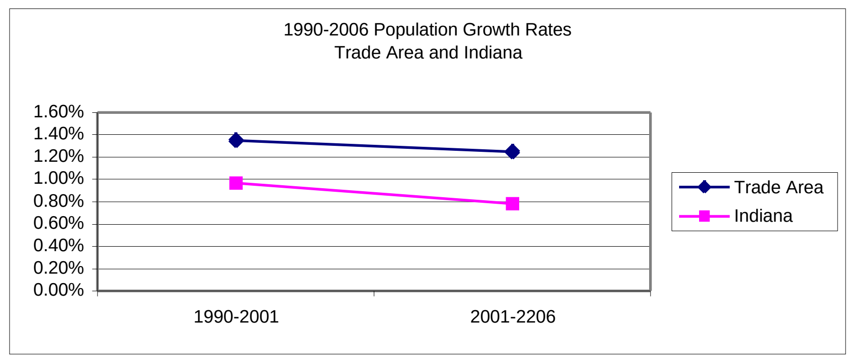
From 1990-2001, the household growth rate within the trade area was above the population growth rate, increasing by 1.88% per year annually. The household growth rate is expected to continue to exceed the population growth rate during the 2001-2006 period, with a projected annual growth rate of 1.85%.

Within Jefferson County, population increased at a slower pace than the trade area from 1990 to 2000, from 29,797 to 31,705. This change represents an average annual growth rate of 0.64%. Population within the city of Madison remained almost unchanged during this period (from 12,006 to 12,004) while the township of Madison increased by 659 persons (from 16,117 to 16,770). The township of Hanover experienced a relatively rapid rate of increase during the 1990s, partially fueled by increased enrollment at the College, from 3,610 to 5,409, representing an average annual growth rate of 5%.

EXHIBIT S-1.1

POPULATION GROWTH
Trade Area
1990-2006

			Avg. Ann. Change 1990-2001			Avg. Ann. Change 2001-2006	
	1990	2001 (Estimate)	Number	Percent	2006 (Forecast)	Number	Percent
Trade Area							
Population	118,461	136,015	1,596	1.35%	144,522	1,701	1.25%
Households	43,050	51,932	807	1.88%	56,732	960	1.85%
Avg. Household Size	2.67	2.56	-0.010		2.49	-0.014	
Indiana							
Population	5,544,159	6,138,368	54,019	0.97%	6,378,238	47,974	0.78%
Households	2,064,246	2,373,483	28,112	1.36%	2,535,608	32,425	1.37%
Avg. Household Size	2.62	2.51	-0.010		2.45	-0.012	



Source: ESRI BIS 2002

According to 2000 Census data, within the trade area population growth was strongest between 1990 and 2000 in counties that run between Louisville and Cincinnati, particularly in Trimble County where population increased 3.3%

annually (Exhibit S-1.2). Switzerland also experienced strong growth where the population expanded at an average annual rate of 1.7%. Development pressures have been pushing to the northeast from Louisville where farmland is reportedly being lost to accommodate growth. This trend is expected to continue, especially along I-71.

Between the years 1990-2001, the population of the State of Indiana increased at an estimated average annual rate of 0.97%, below the trade area rate of 1.35%. Households increased at an annual rate of 1.36%. Numerically, it is estimated that the State population grew by 54,019 persons per year during this period to 6,138,368. From 2001-2006 statewide population is expected to grow at an average annual rate of only 0.78%, below the trade area rate of 1.25%.

In the past few decades, household size declined nationally due to a decrease in fertility rates, increasing divorces and single person households and a rise in the elderly population. Exhibit S-1.1 shows a continuation of this trend in the Jefferson County trade area. In 1990, average household size within the trade area was 2.67 persons per household. By 2006, household size is expected to decrease to 2.49 persons.

B. Age Distribution

Relative to the State of Indiana, the trade area population is slightly "older" but generally comparable to the State of Indiana. In 2001 the estimated median age of trade area residents was 36.3 years compared to a statewide median age of 35.5 years.

Exhibit S-2 shows that within the trade area, the proportion of the population under the age of 15 in 2001 was 21%, the same as the statewide proportion. The proportion of the trade area population age 15 to 24 was 13% in 2001 and prime consumer age categories, 25 to 64,

Exhibit S-1.2

POPULATION GROWTH
Primary Counties within the Trade Area
1990-2000

County	1990	2000		
	Population	Population	Annual Growth (Number)	Annual Growth (Percent)
Carroll	9,292	10,155	86	0.9%
Clark	87,777	96,472	870	1.0%
Jefferson	29,797	31,705	191	0.6%
Jennings	23,661	27,554	389	1.6%
Ripley	24,616	26,523	191	0.8%
Scott	20,991	22,960	197	0.9%
Switzerland	7,738	9,065	133	1.7%
Trimble	6,090	8,125	204	3.3%

Source: U.S. Bureau of the Census

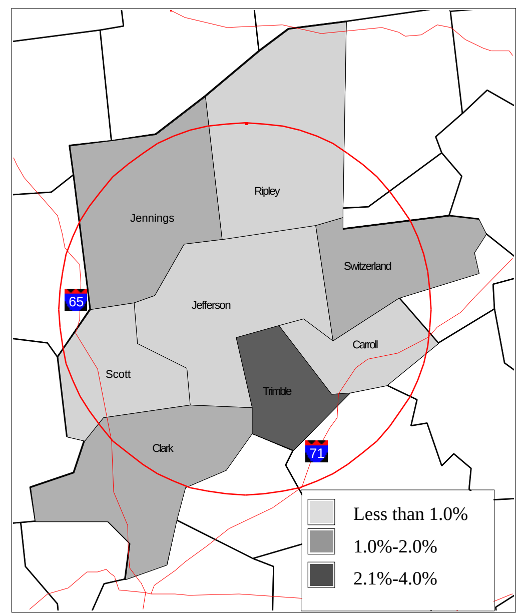
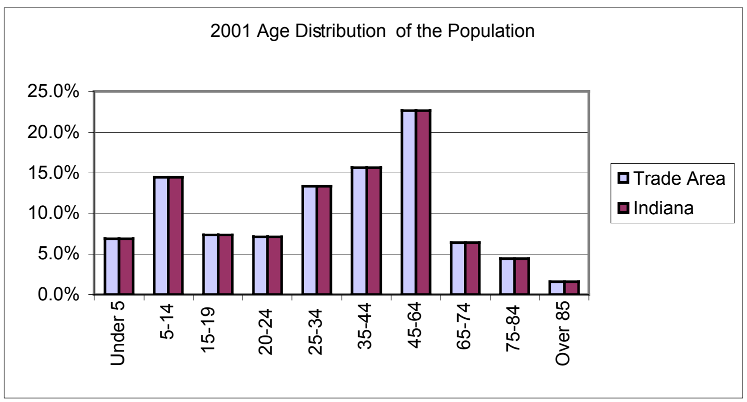


EXHIBIT S-2

POPULATION BY AGE
Trade Area
2001

Age Category	Trade Area		Indiana	
	Number	Percent	Number	Percent
Under 5	9,136	6.7%	422,990	6.9%
5-14	19,811	14.6%	887,080	14.5%
15-19	9,815	7.2%	453,225	7.4%
20-24	8,474	6.2%	437,813	7.1%
25-34	18,002	13.2%	821,491	13.4%
35-44	21,484	15.8%	960,080	15.6%
45-64	32,790	24.1%	1,392,702	22.7%
65-74	9,041	6.6%	395,245	6.4%
75-84	5,499	4.0%	270,650	4.4%
Over 85	1,963	1.4%	97,092	1.6%
Total	136,015	100.0%	6,138,368	100.0%
Median Age	36.3		35.5	



Source: ESRI BIS 2002

made up 53% of the trade area population. Statewide these proportions were 15% and 52%, respectively. Twelve percent (12%) of trade area residents were over 65 years of age, the same as the State proportion.

C. Household Income Distribution

Trade area residents are generally less affluent than households within the State. In 2001 the estimated median income for trade area households was $33,407 (ESRI BIS), far below the statewide median household of $41,567 in 1999 (Census 2000).

Exhibit S-3 on the next page shows the income distribution for households residing within the trade area. In 2001, an estimated 37% of trade area households had annual incomes of less than $25,000, above an estimated 29% in the State of Indiana in 2000. Thirty-three percent (33%) of households in the trade area had incomes from $25,000 to $49,999, slightly above the 2000 statewide proportion (32%). Twenty-five percent (25%) of trade area households had annual incomes between $50,000 and $99,999, compared to 31% statewide. An estimated 5% of trade area households had incomes exceeding $100,000, almost one-half of the proportion statewide (9%).

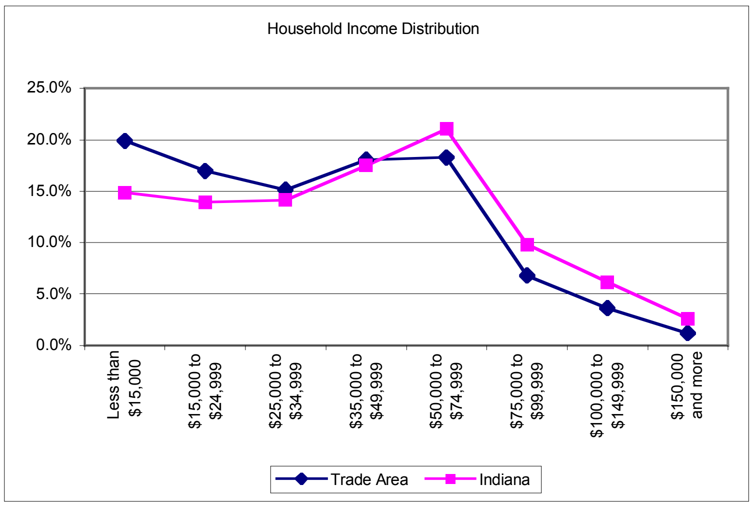
D. Racial Composition

The 2001 estimated racial distribution for the trade area reveals a large majority of the population is white (97.3%). Exhibit S-4 on the following page shows that in 2001 less than 1% (0.8%) of the population was black or African American, 0.2% was American Indian, 1.0% was Asian/Pacific Islander and 1.3% fell into “other” racial groups.

EXHIBIT S-3

HOUSEHOLD INCOME
Trade Area
2001

Income	Trade Area		Indiana	
	Number	Percent	Number	Percent
Less than $15,000	10,341	19.9%	352,763	14.9%
$15,000 to $24,999	8,818	17.0%	330,477	13.9%
$25,000 to $34,999	7,870	15.2%	336,072	14.2%
$35,000 to $49,999	9,390	18.1%	415,260	17.5%
$50,000 to $74,999	9,496	18.3%	499,353	21.0%
$75,000 to $99,999	3,524	6.8%	232,641	9.8%
$100,000 to $149,999	1,876	3.6%	145,708	6.1%
$150,000 and more	617	1.2%	61,209	2.6%
Total	51,932	100.0%	2,373,483	100.0%



Source: ESRI BIS 2002

Within the state, the population is slightly more racially diverse. In 2001, 87% of the population was white, 8% was black or African American, 1% was Asian/Pacific Islander and 3% fell into “other” racial or ethnic groups.

An estimated 1.2% of the trade area population was Hispanic in 2001, below the state proportion of 3.8%. While the proportion of Hispanic residents within the trade area is comparatively low, numerically the number of Hispanic residents has increased more than threefold since 1990.

Exhibit S-4

RACIAL COMPOSITION
Trade Area
2001

Race	Trade Area		Indiana	
	Number	Percent	Number	Percent
White	132,349	97.3%	5,355,603	87.2%
African-American or Black	1,134	0.8%	518,394	8.4%
Asian/Pacific Islander	419	0.3%	64,101	1.0%
Other Races	2,113	1.6%	200,270	3.3%
Total	136,015	100.0%	6,138,368	100.0%
Hispanic (any race)	1,617	1.2%	231,865	3.8%

Source: ESRI BIS 2002

E. Lifestyle Characteristics

ACORN – A Classification of Residential Neighborhoods – categorizes neighborhoods throughout the nation into specific consumer groups or market segments. Neighborhoods are geographically defined by Census blocks, which are analyzed and sorted by over 60 characteristics including income, occupation, household type, age and other determinants of consumer behavior. People who share the same demographic characteristics may have widely divergent desires and preferences

Households within the trade area have been grouped into clusters or segments that bear descriptive names meant to convey a type of neighborhood or lifestyle group. Exhibit S-5 identifies the primary lifestyle groups within which trade area households fall. The characteristics of each of these groups are provided in the following summaries.

1. Middle America: 34% of Trade Area Households

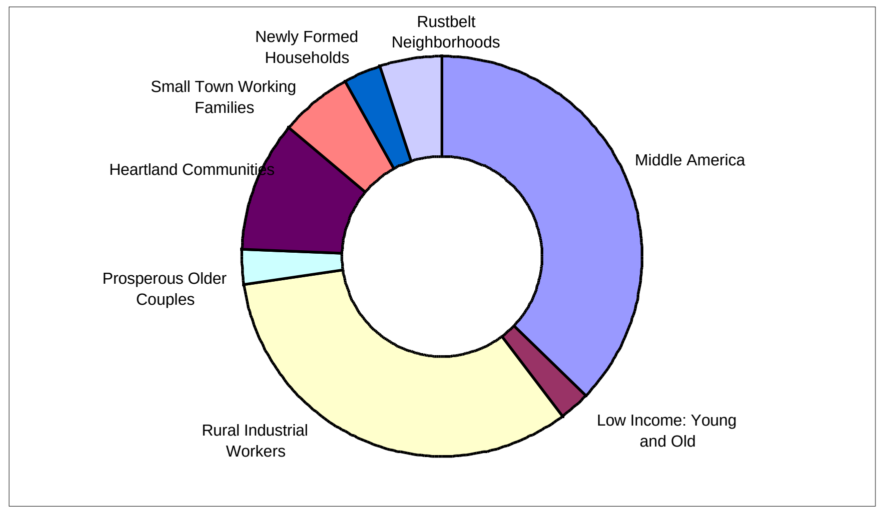
Socioeconomic

- Middle America households are representative of the nation – just a little older, more family-oriented and predominantly white.
- Large group, representing almost 8% of the U.S. population.
- Over two-thirds (70%) are married couples – compared to 55% nationwide – but children

EXHIBIT S-5

HOUSEHOLDS BY PRIMARY LIFESTYLE GROUP
Trade Area
2001

Lifestyle Group	Number	Percent of Households (51,932)
Middle America	17,757	34.2%
Rural Industrial Workers	15,790	30.4%
Heartland Communities	5,028	9.7%
Small Town Working Families	2,913	5.6%
Rustbelt Neighborhoods	2,450	4.7%
Newly Formed Households	1,350	2.6%
Prosperous Older Couples	1,296	2.5%
Low Income: Young and Old	1,279	2.5%
Total	47,863	92.1%



Note: The above information includes 92% of the households located in the trade area because the remaining 8% of the households are grouped into categories that are less than 2% of total households, and therefore, considered negligible.

Source: ESRI BIS 2002

are fewer in number as household size is equal to the rest of the nation (3.1 persons per household).
- The median age is 36.8 years, slightly above the national median, with more households age 45 to 64 than under 35 years old.
- Income is slightly above the national average.
- Labor force participation is average with many working in the manufacturing or farming sectors.

Residential
- Typically live in single-family homes, 15% of which are mobile homes – twice the national proportion.
- Most of the homes were built after 1970.
- Homes are valued at approximately 20% below the national average.

Preferences
- This group tends to center their purchases and entertainment activities around the home and outdoors.
- Outdoor activities include hunting, fishing and gardening.
- Indoor activities include reading (especially family and hunting magazines), needlework and listening to country music.
- Like taking domestic car trips.
- Buy home improvement goods, chain saws and other tools, children's apparel and toys, shoes, videos, gardening supplies and camping equipment.
- Own powerboats, satellite dishes, campers and pets.

2. Rural Industrial Workers: 30% of Trade Area Households

Socioeconomic
- Stable, older families that have likely lived in the same state or even county their entire lives.
- Most have school age or adult children living at home.
- Median age of 36.6 years.
- While frequently employed in manufacturing and farming jobs, unemployment rates are above average.
- Almost one-half (45%) have not earned a high school diploma.
- Median income is low, 30% below the national median.
- Often commute long distances to work.

Residential

- Live in single family and mobile homes.
- More than two-thirds (70%) own their home.
- Below-average home values.

Preferences

- Enjoy "country-living" activities such as hunting, fishing and listening to country and gospel music as well as more urban activities such as taking out fast food and renting videos.
- Own pets, satellite dishes, powerboats and chain saws.
- Buy household appliances, cameras, jewelry and toys.

3. Heartland Communities: 10% of Trade Area Households

Socioeconomic

- Older households with few, if any, children living at home.
- Median age is 41 years compared to 35.5 nationwide.
- Predominantly families but the proportion of singles and married couples without children living at home is increasing.
- Retirement and lack of opportunity contribute to a below-average labor force participation rate.
- Many of these households are self-employed, including farming.
- Median household income is 68% of the national median, with over 40% of households receiving Social Security income.
- Predominantly white households.

Residential

- Older, owner-occupied, single family homes predominate.
- Sixty-percent (60%) own their home.
- Median home value is below the national average.
- Located in rural communities and towns outside of metropolitan areas.

Preferences

- Outdoor-oriented households who enjoy gardening as well as hunting, fishing and camping.

- Also enjoy listening to country music, reading outdoor magazines, needlework, casino gambling, taking domestic trips and spending time with their pets.
- Major expenditures include campers, satellite dishes, outboard motors, 'Made in America' larger model cars and chain saws and other tools.
- Purchase from mail order catalogues, particularly clothes and shoes.

4. Small Town Working Families: 6% of Trade Area Households

Socioeconomic
- Similar to the US population, but above-average proportion of persons age 75 and older and families with school age children.
- Median age is slightly above the national median: 36.1 compared to 35.5 years.
- Income is slightly below the national average.
- Labor force participation is average, with jobs that range from professional to laborer.
- Predominantly white.

Residential
- Most likely to live in modest, older, owner-occupied, single family homes.
- Homes valued below the national average.

Preferences
- Enjoy small-town living that includes hunting, fishing, four-wheel drive vehicles and trucks.
- Above average spending on groceries but are likely to diet.
- Active in their communities, including voting, volunteering and participating in local games.

5. Rustbelt Neighborhoods: 5% of Trade Area Households

Socioeconomic
- Stable but aging households – younger members leave the area as older residents stay behind.
- Mix of married couples – some with adult children still living at home – and singles.
- While the median age is slightly above average (39.6 years), 20% are 65 years or older compared to 14% nationwide.

- Labor force participation is below average, with many individuals already retired.
- Blue collar, skilled, unskilled and service occupations predominate.
- Median income is 17% below the national levels.

Residential
- While usually live in single family, owner-occupied homes, townhouses and row houses are also common.
- Median home values are below average.

Preferences
- Like sedate activities such as needlework, watching TV and reading magazines.
- Purchases are representative of their age, including denture cleaners, bifocals, over-the-counter prescriptions, lottery tickets and tabloid newspapers.

6. Newly Formed Households: 3% of Trade Area Households

Socioeconomic
- Young, newly formed households with a mix of single person, single parent and shared household types.
- Median age is low (33.9 years) with a large number of persons age 20 to 34.
- Slightly below average income.
- One-half of the workforce is employed in manufacturing and services jobs.

Residential
- Tend to live in older, single-family homes and duplexes.
- Homes are valued below the national average.
- Paying below average rents and mortgage payments.

Preferences
- Tastes and preferences are not extravagant.
- Enjoy visiting zoos, using tobacco products, playing cards, gambling (casino and lottery) and camping.
- Like bowling, billiards and fast food.
- Spending is centered on the home – home furnishings and improvements.

7. Prosperous Older Couples: 3% of Trade Area Households

Socioeconomic

- Financially secure older households.
- Median age of 43.2 years but over one-half are over 55 years old.
- Most are married and some have adult children still living at home.
- Median income is above average.
- Retirement is frequent but not dominant.
- If not yet retired, may be saving for retirement.
- More than one-half of households receive income from interest, dividends and rental properties.
- Racially homogenous – more than 90% of the population is white.

Residential

- Live in owner-occupied, single-family homes with above average values.
- Neighborhoods are older, established communities, which are typically suburban.

Preferences

- While members of this group buy luxury cars and are active investors, they also use coupons.
- Enjoy golf, gardening, needlework, reading magazine, listening to talk radio and gambling.

8. Low Income: Young and Old: 3% of Trade Households

Socioeconomic

- Younger (under 35) and older households (over 65), almost one-half of which are single parent or single person.
- Low income with a median income of only 57% of the national level.
- Poverty and unemployment rates at twice above the national average.
- Racially diverse.

Residential

- Live in communities with higher than average vacancy rates.
- Single family homes, duplexes and quads predominate.
- The proportion of renters and owners are divided.

Preferences

- Due to the extremes in age, the types of goods these households purchase range from baby products to denture cleansers.
- Buy necessities but also spend on household kitchen appliances and baby products such as soap, oils, lotions and wipes as well as fast food and takeout food.

The eight lifestyle groups summarized above account for 92% of trade area households. While the characteristics of each of the groups vary, generally households within the trade area are middle age and older families, frequently with school age children but also with children that have moved out of the house (i.e., "empty nesters"). Incomes tend to be average or below average with manufacturing and farming as the predominate occupations. While these groups demand a range of products and services, purchases tend to be centered on the home and outdoors. It is important to note that 34% of trade area households fall within the *Middle America* lifestyle group and 30% are categorized as *Rural Industrial Workers*. As such, the characteristics of both of these groups should be closely evaluated.

To provide a snapshot of the characteristics of all trade area households, the Exhibit S-6 summarizes the housing preferences and socioeconomic characteristics of the eight primary lifestyle groups as well as those groups within which the remainder of households fall.

EXHIBIT S-6

HOUSEHOLDS BY LIFESTYLE GROUP AND TYPE
Trade Area
2001

Lifestyle Group	Number	Percent of HHs	Socio-Econ Rank (1-40)	Housing Type	Household Type	Median Age
Affluent Families	***464***	***0.9%***				
Semirural Lifestyle	464	0.9%	7	Single-Family	Married w/Children	36.8
Upscale Households	***867***	***1.7%***				
Urban Professional Couples	474	0.9%	8	Single-Family	Married Couples	37.8
Older, Settled Married Couples	393	0.8%	15	Single-Family	Married Couples	37.2
Retirement Styles	***1,550***	***3.1%***				
Prosperous Older Couples	1,296	2.6%	11	Single-Family	Married, No Children	43.2
Rural Resort Dwellers	254	0.5%	23	Seasonal Units	Married, No Children	41.1
City Dwellers	***2,629***	***5.2%***				
Newly Formed Households	1,350	2.7%	19	Single-Family	Family HH	33.9
Low Income: Young and Old	1,279	2.5%	36	Duplex & Quad	Mixed Types	31.8
Factory and Farm Communities	***44,838***	***89.1%***				
Middle America	17,757	35.3%	18	Single-Family	Married Couples	36.8
Young, Frequent Movers	628	1.2%	22	Mobile Homes	Married w/ Children	33.0
Rural Industrial Workers	15,790	31.4%	32	Mobile Homes	Married Couples	36.2
Prairie Farmers	272	0.5%	20	Single-Family	Married Couples	37.2
Small Town Working Families	2,913	5.8%	24	Single-Family	Married Couples	35.8
Rustbelt Neighborhoods	2,450	4.9%	26	Single-Family	Married Couples	39.6
Heartland Communities	5,028	10.0%	31	Single-Family	Family Households	41.0
Total	50,348	100.0%				

Source: CACI Marketing Systems

F. Employment Trends

Statewide

The Indiana Department of Workforce Development is predicting that between 1998 and 2008, 23,012 jobs will be created annually statewide which represents a growth rate of 0.8% (Exhibit S-7). Within the 1998-2008 period, statewide employment is expected to increase in all of the major employment sectors but mining. The strongest employment growth will occur in the services sector (2.4% annually), which will continue to account for the largest share of jobs among all sectors (33% in 2008). This is in-line with national trends as the economy continues to shift from a goods-producing to service-producing economy. Within the services sector, business services, social services and engineering and management services are expected to make the largest gains. Trade and service industries together will account for 56% of all jobs in 2008. While manufacturing's share of jobs will decline from 23% to 22%, actual jobs will increase by 0.5% annually. Agricultural will be the second fastest growing sector but will account for only 1% of jobs.

Region 9

Region 9 is defined by eleven counties in the east central and southeast portion of Indiana, including Dearborn, Decatur, Fayette, Franklin, Jefferson, Ohio, Ripley, Rush, Switzerland, Union and Wayne Counties. The population within this area was 288,026 in 2000 (2000 Census), increasing by 0.6% between 1990 and 2000. While region 9's population grew at a rate below the state during the 1990s, an annual increase of 0.6% was welcomed after a loss in population during the 1980s. Today, Region 9 is home to over 6,000 businesses that generate over 114,000 jobs.

During the 1990s, all but one of the major industrial sector (wholesale trade) within Region 9 experienced growth. Over the past ten years manufacturing has maintained its position as a leading industry, accounting for 29% of jobs in 1998 (Exhibit S-7). Services grew to be the largest employer, providing 32% of all jobs in the region in 1998, followed by retail trade (18%). Only 5% of Region 9 jobs are within the government sector with most at the local level.

Projections show that 1,162 jobs will be created within Region 9 from 1998-2008, representing an average annual growth rate of 1.0%, above the statewide projected rate of 0.8%. The services sector is expected to continue to be the largest employer in the region as well as one of the fastest growing sectors (1.7% annually) with business services, engineering and management services and auto repair services and parking growing the most rapidly. Although much smaller employers, the agricultural and construction sectors are expected to undergo strong growth during the 1998-2008 period. Manufacturing and retail are expected to remain primary employers within the region, although growth within each will be moderate. Only one major industrial sector – Transportation, Communications and Utilities (TCU) – will experience a loss of employment from 1998-2008, decreasing by 0.2% annually.

Exhibit S-7

Employment Projections
Region 9 and State of Indiana
1998-2008

Industry	Region 9						State of Indiana					
	1998		2008		1998-2008		1998		2008		1998-2008	
	#	%	#	%	Avg. Annual Change		#	%	#	%	Avg. Annual Change	
Agricultural Services	410	0%	560	0%	15	3.7%	25,920	1%	31,610	1%	569	2.2%
Mining	170	0%	180	0%	1	0.6%	6,810	0%	5,920	0%	-89	-1.3%
Construction	3,820	3%	4,670	4%	85	2.2%	145,340	5%	174,760	5%	2,942	2.0%
Manufacturing	33,400	29%	35,710	28%	231	0.7%	683,960	23%	717,120	22%	3,316	0.5%
TCU	4,830	4%	4,710	4%	-12	-0.2%	161,410	5%	177,800	6%	1,639	1.0%
Wholesale Trade	3,480	3%	3,480	3%	0	0.0%	142,970	5%	154,120	5%	1,115	0.8%
Retail Trade	20,580	18%	22,220	18%	164	0.8%	545,880	18%	593,920	18%	4,804	0.9%
FIRE	3,500	3%	3,810	3%	31	0.9%	138,490	5%	156,580	5%	1,809	1.3%
Services	36,310	32%	42,470	34%	616	1.7%	868,380	29%	1,072,460	33%	20,408	2.4%
Hotels & Lodging	***830***	***1%***	***880***	***1%***	***5***	***0.6%***	***23,340***	***1%***	***26,530***	***1%***	***319***	***1.4%***
Personal Services	***720***	***1%***	***870***	***1%***	***15***	***2.1%***	***28,130***	***1%***	***30,580***	***1%***	***245***	***0.9%***
Business Services	***6,340***	***6%***	***8,100***	***6%***	***176***	***2.8%***	***140,990***	***5%***	***209,100***	***6%***	***6,811***	***4.8%***
Auto Repair, Services & Parking	***750***	***1%***	***990***	***1%***	***24***	***3.2%***	***25,850***	***1%***	***34,290***	***1%***	***844***	***3.3%***
Misc. Repair Services	***330***	***0%***	***360***	***0%***	***3***	***0.9%***	***8,520***	***0%***	***9,530***	***0%***	***101***	***1.2%***
Motion Pictures	***270***	***0%***	***340***	***0%***	***7***	***2.6%***	***8,380***	***0%***	***10,780***	***0%***	***240***	***2.9%***
Amusements & Rec Services	***4,390***	***4%***	***4,300***	***3%***	***-9***	***-0.2%***	***37,160***	***1%***	***39,410***	***1%***	***225***	***0.6%***
Health Services	***10,400***	***9%***	***12,540***	***10%***	***214***	***2.1%***	***253,670***	***8%***	***310,180***	***10%***	***5,651***	***2.2%***
Legal Services	***290***	***0%***	***360***	***0%***	***7***	***2.4%***	***12,650***	***0%***	***16,000***	***0%***	***335***	***2.6%***
Educational Services	***8,720***	***8%***	***9,540***	***8%***	***82***	***0.9%***	***215,830***	***7%***	***236,100***	***7%***	***2,027***	***0.9%***
Social Services	***1,780***	***2%***	***2,490***	***2%***	***71***	***4.0%***	***47,500***	***2%***	***66,580***	***2%***	***1,908***	***4.0%***
Museums	***0***	***0%***	***0***	***0%***	***0***	***0.0%***	***1,500***	***0%***	***1,840***	***0%***	***34***	***2.3%***
Membership Organizations	***870***	***1%***	***920***	***1%***	***5***	***0.6%***	***24,060***	***1%***	***27,490***	***1%***	***343***	***1.4%***
Engineering & Management Services	***470***	***0%***	***630***	***1%***	***16***	***3.4%***	***37,140***	***1%***	***50,020***	***2%***	***1,288***	***3.5%***
Private Households	***150***	***0%***	***150***	***0%***	***0***	***0.0%***	***3,310***	***0%***	***3,530***	***0%***	***22***	***0.7%***
Misc Services	***0***	***0%***	***0***	***0%***	***0***	***0.0%***	***350***	***0%***	***500***	***0%***	***15***	***4.3%***
Government	5,400	5%	5,760	5%	36	0.7%	141,360	***5%***	147,730	5%	637	0.5%
Federal	***130***	***0%***	***110***	***0%***	***-2***	***-1.5%***	***21,910***	***1%***	***19,470***	***1%***	***-244***	***-1.1%***
State	***1,400***	***1%***	***1,530***	***1%***	***13***	***0.9%***	***37,000***	***1%***	***40,440***	***1%***	***344***	***0.9%***
Local	***3,870***	***3%***	***4,120***	***3%***	***25***	***0.6%***	***82,450***	***3%***	***87,820***	***3%***	***537***	***0.7%***
Business Not Disclosed	2,450	***2%***	2,400	2%	-5	-0.2%	174,040	6%	37,460	1%	-13,658	-7.8%
Total Employment	114,350	99%	125,970	99%	1,162	1.0%	3,001,830	100%	3,231,950	100%	23,012	0.8%

Note:
Confidential data are excluded and are grouped together as "Businesses not Disclosed."
"TCU" represents the Transportation, Communications and Utilities sector.
"FIRE" represents the Finance, Investment and Real Estate sector

Source: Indiana Department of Workforce Development

Trade Area

Employment within trade area is displayed in Exhibit S-8. Almost 43,000 workers are employed within this 25-mile area in 4,347 businesses. Of these workers, 32% (13,778) are employed in the services sect or, primarily in education, hotel & lodging, social services and health services. The second largest employer in the trade area is the manufacturing sector, employing 11,400 workers. Twenty percent (20%) of trade area workers are employed in retail trade, particularly at eating and drinking establishments and food businesses. Six percent (6%) of workers are employed in the public administration sector.

In terms of total businesses, services account for the largest share (36%) followed by retail trade (24%). While manufacturing is a major employer, this sector accounts for only 5% of businesses. Construction and public administration employers each comprise 8% of trade area businesses.

Jefferson County

Similar to the state, region and trade area, the services sector is the largest employer in Jefferson County, providing 25% of jobs in 2000 (Exhibit S-9). Manufacturing is a close second with a 24% share of jobs, followed by retail trade. Between 1997 and 2000, the total number of jobs in Jefferson County decreased by 30 annually, from 12,945 to 12,722. Retail and wholesale trade were the only sectors to experience a loss of jobs during this period.

EXHIBIT S-8

BUSINESS AND EMPLOYMENT OVERVIEW
Trade Area

Industry	Businesses		Employees	
	#	%	#	%
Agriculture & Mining	112	2.6%	269	0.6%
Construction	349	8.0%	1,552	3.6%
Manufacturing	235	5.4%	11,400	26.5%
Transportation, Communication, Electric & Sanitary Services	208	4.8%	1,847	4.3%
Wholesale Trade	167	3.8%	1,551	3.6%
Finance, Insurance & Real Estate	211	4.9%	1,093	2.5%
Retail Trade				
Home Improvement & Mobile Homes	97	2.2%	1,212	2.8%
General Merchandise	30	0.7%	1,309	3.0%
Food	131	3.0%	1,430	3.3%
Auto Dealers & Gas Stations	148	3.4%	960	2.2%
Apparel & Accessories	30	0.7%	104	0.2%
Furniture & Home Furnishings	88	2.0%	270	0.6%
Eating & Drinking Establishments	203	4.7%	2,372	5.5%
Miscellaneous Retail	312	7.2%	919	2.1%
Subtotal	1,039	23.9%	8,576	20.0%
Services				
Hotel & Lodging	62	1.4%	2,116	4.9%
Personal	227	5.2%	606	1.4%
Business	153	3.5%	645	1.5%
Automotive Repair, Services, Parking	174	4.0%	1,017	2.4%
Miscellaneous Repair Services	73	1.7%	137	0.3%
Motion Picture	8	0.2%	16	0.0%
Amusement & Recreation	69	1.6%	1,729	4.0%
Health	72	1.7%	1,386	3.2%
Education	105	2.4%	3,304	7.7%
Social	139	3.2%	1,782	4.1%
Museums, Art Galleries, Botanical, Zoo	2	0.0%	8	0.0%
Membership Organizations	449	10.3%	973	2.3%
Engineering, Accounting, Research, Management	29	0.7%	58	0.1%
Services NEC	1	0.0%	1	0.0%
Subtotal	1,563	36.0%	13,778	32.1%
Public Administration	329	7.6%	2,665	6.2%
Nonclassifiable Establishments	134	3.1%	209	0.5%
Total	4,347	100%	42,940	100%

Source: ESRI BIS 2002

Exhibit S-9

Employment Growth
Jefferson County
1997-2000

	1997		2000		1997-2000 Change	
	Number	Percent	Number	Percent	Number	Percent
Agriculture	49	0%	74	1%	3	6%
Construction	344	3%	419	3%	8	2%
Manufacturing	2,774	21%	3,057	24%	31	1%
TCU	157	1%	170	1%	1	1%
Wholesale Trade	182	1%	133	1%	-5	-3%
Retail Trade	2,770	21%	2,612	21%	-18	-1%
FIRE	232	2%	281	2%	5	2%
Services	3,155	24%	3,134	25%	-2	0%
Government	402	3%	453	4%	6	1%
Not Disclosed	2,880	22%	2,389	19%	-55	-2%
TOTAL	12,945	100%	12,722	100%	30	-0.2%

Employment categories within which there are few jobs are accounted for in total employment but not by individual sector to ensure confidentiality.

Source: Indiana Department of Workforce Development

Commuting Patterns

The Indiana Department of Workforce Development reports that 84% of Jefferson County's workforce is employed by businesses within the county with the remaining 16% commute to jobs outside of the county, primarily in Kentucky, Jennings, Scott, Bartholomew and Clark Counties (Exhibit S-10). Most of the counties to which Jefferson County residents commute are located in the northwest and southwest portion of the trade area.

Eighty-seven percent (87%) of jobs in Jefferson County are held by county residents. Of the 2,528 jobs held by non-county residents, most commute from Clark County, Switzerland County, Kentucky, Scott County and Floyd County.

Exhibit S-10

Jefferson County Commuting Patterns
2000

Commute INTO Jefferson County	
Clark County	501
Switzerland County	322
Kentucky	320
Scott County	273
Floyd County	270
Total	1,686

Commute OUT OF Jefferson County	
Kentucky	1,101
Jennings County	436
Scott County	350
Bartholomew	223
Clark County	199
Total	2,309

Source: Indiana Department of Workforce Development