

CHAPTER THREE

An analysis of the structure and vitality of a community's economy is fundamental to develop a strategic plan for economic development and for future land use planning. Studies of the structure of the existing local economy identify the important economic activities within the community. The extent of economic activity and the population supported by such activity influences future economic development. The health and growth of the local economy is a key determinant of how rapidly land will be converted to various land uses and can be gauged by its stability and balance. Stability is the ability to withstand fluctuations in the regional and national economies. Balance is the degree to which diversification allows the local economy to withstand fluctuations in a particular sector of the economy.

This chapter of the comprehensive plan focuses upon Adair County and the City of Columbia but also contains information on the Adair County Labor Market for comparative purposes. The Adair County Labor Market includes the 11 Kentucky Counties of Adair, Barren, Casey, Clinton, Cumberland, Green, Marion, Metcalfe, Pulaski, Russell, and Taylor.



City of Columbia



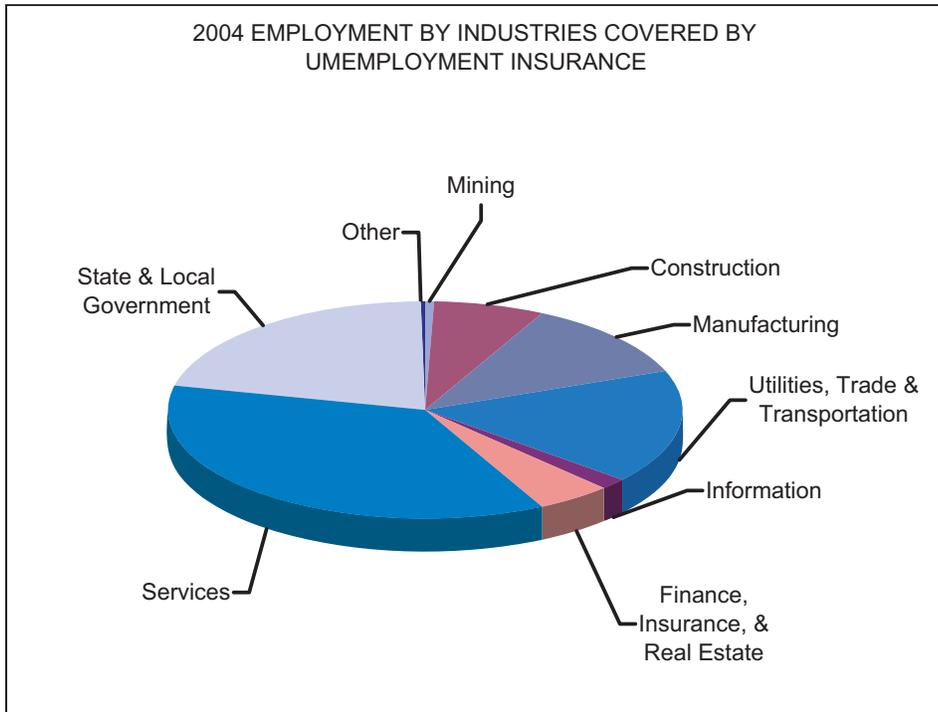
EMPLOYMENT BY INDUSTRY

Employment information at the county level is available for industries covered by unemployment insurance. This generally includes all workers except self-employed individuals, unpaid family members, some student workers, agricultural workers, domestic workers, rail workers, employees of certain religious organizations and certain government employees. A summary of employment in industries covered by unemployment insurance for the period of 2001 to 2004 is shown in Figure 3-1.

Adair County had a net decrease of 204 jobs (-4.65%) from 2001 to 2004. As of 2004, the “Services” sector provided the largest number of jobs in Adair County accounting for 36.2% of the jobs in the county covered by unemployment insurance. The sector providing the second largest number of jobs was “State and Local Government”. Decreases in employment occurred in the “Construction”, “Utilities, Trade & Transportation”, “Finance, Insurance, & Real Estate”, and “Other” sectors of the local economy. The “Service” industry experienced the largest decrease (281 employees) in employment during this same time period.

Figure 3-2 shows the average weekly wages for industries in Adair County covered by unemployment insurance from 2001 to 2004. According to these statistics, “State and Local Government” jobs are the highest paying with jobs with the “Finance, Insurance, Real Estate” sector ranking a close second. In 2004, jobs classified as “Information” were the lowest paying with weekly wages averaging only \$333.33. The second lowest paying jobs were in the “Mining” sector with average weekly wages of \$383.60. Figure 3-2 also shows that the overall average weekly from 2001 to 2004 increased by \$60.40 or 14.63%. However it is also important to note that the overall average weekly wages (\$473) in Adair County for all industries was significantly lower than the average for the state overall (\$631.23) in 2004.

FIGURE 3-1
EMPLOYMENT TRENDS IN ADAIR COUNTY 2001-2004



INDUSTRY			% CHANGE
	2001	2004	2001-2004
Mining	0	29	0.00%
Construction	294	287	-2.38%
Manufacturing	452	482	6.64%
Utilities, Trade & Transportation	737	710	-3.66%
Information	53	68	28.30%
Finance, Insurance, & Real Estate	155	199	28.39%
Services	1,797	1,516	-15.64%
State & Local Government	879	888	1.02%
Other	14	7	-50.00%
TOTAL	4,390	4,186	-4.65%

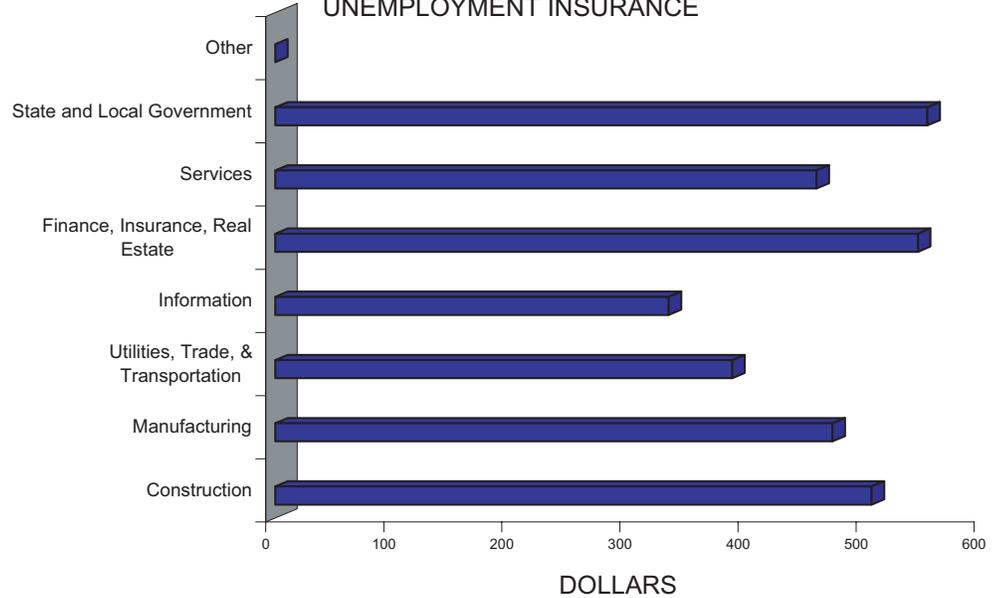
Source: 2000, 2004 Kentucky Deskbook of Economic Statistics, Kentucky Cabinet for Economic Development.

City of Columbia



FIGURE 3-2
AVERAGE WEEKLY WAGES IN ADAIR COUNTY 2001-2004

2004 AVERAGE WEEKLY WAGES IN INDUSTRIES COVERED BY
UNEMPLOYMENT INSURANCE



INDUSTRY			% CHANGE
	2001	2004	2001-2004
Mining	*	383.60	*
Construction	461.31	505.22	9.52%
Manufacturing	477.94	472.09	-1.22%
Utilities, Trade, & Transportation	340.45	387.13	13.71%
Information	357.47	333.33	-6.75%
Finance, Insurance, Real Estate	491.73	544.46	10.72%
Services	365.79	458.52	25.35%
State and Local Government	512.60	552.43	7.77%
Other	199.22	*	*
All industries	412.97	473.37	14.63%

Source: 2002, 2004 Kentucky Deskbook of Economic Statistics, Kentucky Cabinet for Economic Development.

MANUFACTURING

In Kentucky, there are two main sources that document major manufacturing firms, their products, and employment rates. The first source is the Kentucky Cabinet for Economic Development, Division of Research, which publishes its list on their website by community. This list was last updated on October 14, 2005. The second source for information on manufacturing firms is the *Kentucky Directory of Manufacturers* which was last released March 4, 2005. Table 3-1 lists the manufacturing firms in Columbia using a combination of both sources. All information provided in bold lettering was generated from the *2005 Kentucky Directory of Manufacturers*. From reviewing these two sources, it is estimated that there are a total of 18 manufacturing firms in Adair County, all of which are in Columbia with total employment of approximately 479. It is important to note that several locally identified firms, Printing Creations and Ballou's, were not mentioned in either source. The reason for these omissions may be that the firms did not qualify as a manufacturing firm under the standard definition, or that they are not normally associated with Cabinet programs and do not complete annual survey forms. It is also important to note that the *Kentucky Directory of Manufacturers* does not list firms with less than ten employees.

It is important to note that the manufacturing sector of the economy has declined in some areas of Kentucky. This trend was reflected as part of the last comprehensive plan update when Columbia lost its largest manufacturer, Oshkosh B-Gosh, in 1996. From 2001 to 2004, employment in the manufacturing sector has slightly increased by 30 jobs or 6.64%. According to the U.S. Department of Labor, Bureau of Labor Statistics, this sector accounted for 11.5% of all jobs in Adair County in 2004, which is significantly lower than the labor market area where manufacturing accounts for 25% of all jobs. Manufacturing jobs are some of the highest paying in Adair County with an average weekly wage of \$472.09 (2004). However, it is important to note that the average weekly wage for the manufacturing sector in Adair County is significantly lower than the state average of \$732 and U.S. average of \$827 (2004).

City of Columbia



Economic Conditions

TABLE 3-1
ADAIR COUNTY MANUFACTURING FIRMS 2004

LOCATION/ FIRM & ADDRESS	PRODUCT	DATE ESTABLISHED	EMPLOYMENT
COLUMBIA			
Adair Progress 98 Grant Lane Columbia, KY 42728	Newspaper publishing	1987	26
FABCO Inc. 505 Fairgrounds Street Columbia, KY 42728	Machine shop: arc & gas welding, drilling, boring, cutting, honing; structural steel fabricating	1980	9
Farmland Publications 316 Public Square Columbia, KY 42728	Newspaper publishing	1989	5
Gaddie-Shamrock LLC U.S. Hwy. 55 South Columbia, KY 42728	Crushed limestone and asphalt products	1938	87
Green River Window & Door Company 504 Fairgrounds Street Columbia, KY 42728	Wooden windows & doors for log homes	1991	12
Hancock Furniture Inc. 109 Fairgrounds Street Columbia, KY 42728	Wooden bedroom & dining room furniture. Custom furniture-designing and building.	1979	4
Garry Humphress & Sons Inc. 2153 Hovious Ridge Rd. Columbia, KY 42728	Antique reproduction furniture	1974	2
Image Analysis Inc. 1380 Burkesville Road Columbia, KY 42728	Medical devices	1992	10
Imo Pump Inc. 211 Industrial Park Rd. Columbia, KY 42728	Hydraulic pumps, fuel system pumps.	1974	91
J Downey & Son Lumber 1301 Greensburg Road Columbia, KY 42728	Heading: hardwood, rough & dimension lumber sawing	1975	45
Kentucky Tile & Lumber US Hwy. 80 E. Columbia, KY 42728	Hardwood lumber & pallet materials	1958	70

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Long's Precision Die Machining 584 C Long Road Columbia, KY 42728	Machine shop: surface, centerless, & cylindrical grinding, MIG welding, drilling, boring, cutting, honing, mill and lathe work.	1988	2
McCammich Manufacturing Co. 132 Industrial Park Road Columbia, KY 42728	Furniture	1997	43
Northeastern Products Corp. Highway 61 S Columbia, KY 42728	Sawdust processing: animal bedding and smoking sawdust	1986	14
Old Craftsman Furniture Shop 3511 Holmes Bend Road Columbia, KY 42728	Cherry bedroom furniture	1980	3
Pyles Concrete Inc. 2576 Campbellsville Rd. Columbia, KY 42728	Precast & ready-mixed concrete	1962	20
South Central Printing Inc 426 Wain Street Columbia, KY 42728	Offset & letterpress printing: calendars, book composing, business forms and cards, tags & labels, side & saddle stitch binding, process color printing	1979	21
WH Sandusky & Son Inc 178 Joe R. Barbee St. Columbia, KY 42728	Sawing, planing mill: hardwood, rough, dimension, grade lumber & millwork	1925	15
		TOTAL	479

Source: Kentucky Cabinet for Economic Development (10/14/05)

Source: Kentucky Directory of Manufacturers, 2005

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Comprehensive Plan

WHOLESALE AND RETAIL TRADE

The U.S. Department of Commerce periodically conducts a census of sales of retail and service industries, manufacturing, and wholesale trade sectors of the economy. The latest available census was conducted in 2002 and was published mid-2005. It is important to note that prior to 1997, the U.S. Standard Industrial Classification (SIC) was used for reporting and delineating business types. However, in 1997 the U.S. Census Bureau adopted the North American Industry Classification System (NAICS). The NAICS was developed jointly by the U.S., Canada, and Mexico in order to provide new comparability in statistics about business activity in North America. The adoption of this new classification system breaks time series since the data collected using the new definitions and codes are not identical to those used in previous economic censuses. While some categories under NAICS correlate to the previously used SIC codes, many have no direct correlation. Although, time series data needs to be maintained for comparability, the U.S. Census Bureau has determined that accurate comparisons cannot be made until previous census data are reclassified. As of the writing of the comprehensive plan, this reclassification has not occurred and is not available. Therefore, this section only compares data summarized in the 1997 and 2002 Economic Censuses as shown in detail on Table 3-2.

In 1997, it was reported that there were 16 wholesale establishments in Adair County with sales of \$29,385,000 and 131 paid employees. By the year 2002, the number of wholesale establishments had decreased to 12 with specific sales and employment data being withheld to avoid the disclosure of individual companies. The number of paid employees was given a range of 20-99.

In 1997, there were 65 retail establishments in Adair County with total sales of \$83,024,000 and 525 paid employees with an annual payroll of \$6,271,000. As of 2002, the number of retail establishments was reported to be 67, with an increase of total sales to \$106,552,000. The number of employees also increased to 570 with an annual payroll of \$8,146,000.

OTHER U.S. ECONOMIC CENSUS CATEGORIES

As described in previous sections the Department of Commerce conducted a Census of the Service Industry as a whole with several category listings using SIC codes until recently. In 1997, the classification of this sector of the economy was broken down into separate categories (NAICS codes) as shown in Table 3-2. Although this reclassification makes it difficult to compare with earlier 1987 or 1992 Census Data, the 2002 U.S. Economic Census data has recently been released. Therefore, the 1997 and 2002 census information on the separate sectors can be compared for the remaining sectors, most of which were previously listed under the “Service” Industry. It is important to note that Economic Census information is not available at the county level for the following sectors: Mining, Manufacturing, Utilities, Construction, Transportation and Warehousing, Finance and Insurance, and Management of Companies and Enterprises.

Table 3-2 shows data for all sectors of the Adair County economy for which the 1997 and 2002 U.S. Census Information is available at the county level. From reviewing the chart it can be seen that the number of establishments for each separate sector have increased except in the areas of “Wholesale Trade”, and “Administrative & Support, Waste Management and Remediation”. However where information is available, it can be seen that “Accommodation, & Food Service” industry has decreased in Sales, Receipts and Annual Payroll and the number of employees. The only other sector that declined in the number of paid employees was “Wholesale Trade”.

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TABLE 3-2
SUMMARY OF U.S. ECONOMIC CENSUS
FOR ADAIR COUNTY

	# of Establishments		Sales, Receipts, Etc. (\$1,000)		Annual Payroll (\$1,000)		Paid Employees	
	1997	2002	1997	2002	1997	2002	1997	2002
Manufacturing	NA	NA	NA	NA	NA	NA	NA	NA
Wholesale Trade	16	12	29,385	D	3,635	D	131	(20-99)
Retail Trade	65	67	83,024	106,552	6,271	8,146	525	570
Information	N	6	N	N	N	970	N	62
Real Estate & Rental & Leasing	10	12	1,529	2,056	223	419	31	41
Professional, Scientific, & Technical Services	16	18	1,948	3,294	630	1,074	28	53
Administrative & Support & Waste Management & Remediation	5	4	104	430	39	233	9	21
Educational Services (Taxable & Exempt listed together)	1	2	D	D	D	D	(1-19)	(20-99)
Health Care & Social Assistance (Taxable & Exempt listed together)	23	36	14,727	42,998	7,597	21,349	353	900
Arts, Entertainment & Recreation (Taxable & Exempt listed together)	2	3	D	D	D	D	(1-19)	(1-19)
Accommodation & Food Services	19	22	7,269	7,143	2,006	1,793	221	200
Other Services (except public administration)	13	17	2,294	D	616	D	31	(20-99)

Sources: 1997 and 2002 U.S. Economic Census*

D - Withheld to avoid disclosing data of individual companies; data are included in higher level totals

N - Not available

AGRICULTURE

According to estimates released by the Kentucky Workforce Development Cabinet, Department for Employment Services, there were approximately 694 persons employed in the Adair County agricultural industry in 2004. This represents approximately 14% of the total available labor in the county but higher than reported in 1994 when there were 652 persons employed in this industry. Although agricultural activity and employment have declined somewhat as the county becomes more urbanized, agriculture continues to be important to the county's economy and rural character.

Table 3-4 presents agricultural statistics for Adair County. According to the Kentucky Agricultural Statistics Service, there were 210 (13.1%) less farms in Adair County in 2002 as compared to 1982. Over this same time period, the number of acres in farms has also slightly decreased from 173,510 acres in 1982 to 170,407 acres in 2002. However, it is important to note that the number of harvested cropland actually increased by 6,386 acres (15.3%) from 1982 to 2002. These numbers can be attributed to the fact that many farm operations are consolidating as farmers sell out to other farmers or developers. Therefore, active agricultural operations are declining in number but harvesting more crops. Table 3-4 also presents statistics on major crop and livestock production in the county for 2003-2004. In 2003, Adair County ranked second in the state out of 120 counties for milk production, tenth for all cattle and calves, and eleventh for beef cows.

The 2002 Census of Agriculture currently reports that there were 1,395 farms in Adair County with 170,407 acres of land in farms. In 2002, the average estimated value of all land and building per farm is \$191,623 with an estimated average value of all machinery and equipment being \$32,367. The total market value of agricultural products sold are \$31,288,000 with a \$22,429 average per farm. Farm size and value of sales varied as follows:

TABLE 3-3 - FARMS BY SIZE IN 2002

ACREAGE	NUMBER
1 to 9 acres	67
10 to 49 acres	373
50 to 179 acres	693
180 to 499 acres	221
500 to 999 acres	37
1,000 acres or more	4

City of Columbia



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FARMS BY VALUE OF SALES IN 2002

	NUMBER
Less than \$2,500	497
\$2,500 to \$4,999	189
\$5,000 to \$9,999	243
\$10,000 to \$24,999	263
\$25,000 to \$49,999	93
\$50,000 to \$99,999	43
\$100,000 or more	67

As can be seen from the information presented above, most farms in Adair County are between 50 and 179 acres. In addition, many farms have sales less than \$2,500 with most ranging from \$5,000 to \$25,000. In 2002 there were approximately 67 farms that had sales over \$100,000.

TABLE 3-4
ADAIR COUNTY AGRICULTURAL INFORMATION

YEAR	# OF FARMS	# OF FARM ACRES	HARVESTED CROPLAND
1982	1,605	173,510	41,704
1987	1,491	174,127	44,223
1992	1,482	177,858	45,175
1997	1,486	165,725	45,108
2002	1,395	170,407	48,090

2003 CROPS	ACRES HARVESTED	YIELD	PRODUCTION	KY RANK
CORN FOR GRAIN (BU)	4,500	83	373,500	45
SOYBEANS (BU)	1,900	40	76,000	58
WHEAT FOR GRAIN (BU)	*	*	*	*
GRAIN SORGHUM (BU)	*	*	*	*
BURLEY TOBACCO (LBS)	1,150	1,725	1,985,000	39
DK FIRED TOBACCO (LBS)	*	*	*	*
DK AIR TOBACCO (LBS)	*	*	*	*
ALFALFA HAY (TONS)	2,600	5.3	13,780	22
ALL OTHER HAY (TONS)	41,000	2.7	110,700	7
BARLEY FOR GRAIN (BU)	*	*	*	*

LIVESTOCK & MILK	NUMBER	KY RANK
JANUARY 1, 2004: ALL CATTLE & CALVES	47,000	10
JANUARY 1, 2003=4: BEEF COWS	21,000	11
2003 MILK PRODUCTION (000) lbs	90,000	2

2003 CASH RECIEPTS	DOLLARS	KY RANK
CROPS	\$6,585,000	65
LIVESTOCK	\$25,851,000	19
TOTAL CASH RECIEPTS	\$32,436,000	33

* None or no estimate available

Source: 2003-2004 Kentucky Agricultural Statistics, Kentucky Agricultural Statistics Service.
December 2004

TOURISM

The Kentucky Department of Travel Development analyzes the economic impact of Kentucky's tourism and travel industry. Two key areas analyzed at the county level are travel expenditures and tourism industry employment. Tourism and travel industry employment for Adair County, the Southern Kentucky Lakes and the State of Kentucky are shown in Figure 3-3 for the years 1993, 1998, and 2003. Over the last ten years, tourism and travel industry employment has significantly increased (55.5%) in Adair County while the increases for the Southern Lakes Region, and Kentucky have only moderately increased.

Figure 3-4 shows travel expenditures for the same period. Travel expenditures in Adair County and Southern Lakes Region has also significantly increased despite a statewide decrease of -16.40% over this same period. From 1993 to 2003 travel expenditures increased by 86.49% for Adair County and 58.25% for the Southern Lakes Region.

CIVILIAN LABOR FORCE

The civilian labor force is defined as the sum of both employed and unemployed persons 16 years of age and older, excluding armed forces personnel and persons in penal and mental institutions, sanitariums and homes for the aged, infirm, and needy. Persons "not in the labor force" include those not classified as employed or unemployed and include:

- retired persons,
- persons engaged in their own housework,
- persons not working while attending school,
- persons unable to work because of a long term illness
- persons discouraged from seeking work because of personal or job market factors, and
- persons who are voluntarily idle.

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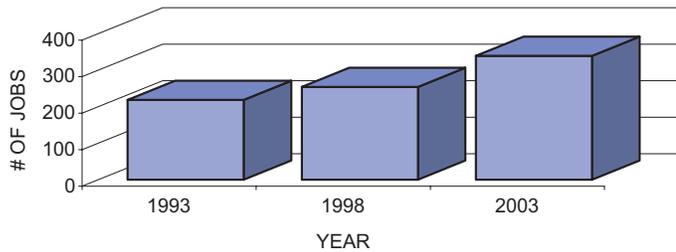


The Adair County labor market includes the adjoining counties of Barren, Casey, Clinton, Cumberland, Green, Marion, Metcalfe, Pulaski, Russell, and Taylor. The labor force characteristics of Adair County and the labor market area as a whole are shown in Table 3-5. In 2004, Adair County had a civilian labor force of 8,509 with 8,081 persons being employed and 428 being unemployed. At this time the unemployment rate was 5.1%. By August of 2005, the U.S. Department of Labor Statistics show that there were 8,591 persons in the civilian labor force with a lowered unemployed rate of 4.4% for the county. This trend is also seen in the labor market area. In 2004, there was a civilian labor force of 108,491 persons, Of this number, 103,425 were employed and 5,526 were unemployed with an unemployment rate of 5.1%. However, by August of 2005, the number of persons in labor market area labor force had also increased by 1,264 or 1.2% with a reduction in unemployed persons of 337 or 6%, From 2004 to August 2005, the unemployment rate also decreased from 5.1% to 4.7% in the labor market area.

UNEMPLOYMENT

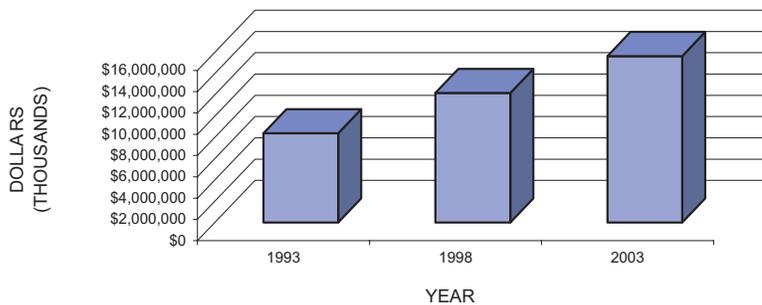
Figure 3-5 shows the annual unemployment rates for the U.S., Kentucky, Labor Market Area, and Adair County over the past five years. From this chart it can be seen that unemployment rates for Adair County and its labor market area have typically been higher than the U.S. and state of Kentucky. However, while the unemployment rates for the nation and state have been increasing since 2000, they have been fluctuating for Adair County and the labor market. While Adair County's unemployment rate has been slightly above the U.S. and the state of Kentucky in the past, it has always been lower than the labor market area. As of 2004, the unemployment rate for Adair County was lower than the U.S., Kentucky, and Labor Market Area. It is important to note the unemployment rate for Adair County has significantly decreased since the update of the last plan when unemployment had reached 15.7% due to the closing of several major manufacturers in the region.

**FIGURE 3-3
TOURISM AND TRAVEL INDUSTRY EMPLOYMENT
ADAIR COUNTY 1993-2003**



	1993	1998	2003	% CHANGE 1993-2003
ADAIR COUNTY	218	254	339	55.50%
S. LAKES REGION	6,686	7,470	7,973	19.25%
KENTUCKY	142,518	148,041	162,000	13.67%

**FIGURE 3-4
DIRECT TRAVEL EXPENDITURES
ADAIR COUNTY 1993-2003**



	1993	1998	2003	%CHANGE 1993-2003
ADAIR COUNTY	\$8,394,240	\$12,185,508	\$15,654,513	86.49%
S. LAKES REGION	\$234,058,920	\$308,897,927	\$370,401,785	58.25%
KENTUCKY	\$6,787,945,251	\$4,861,286,073	\$5,674,778,799	-16.40%

Source: Kentucky Department of Travel, Development Division of Marketing and Advertising
"Economic Impact of Kentucky's Tourism and Travel Industry"

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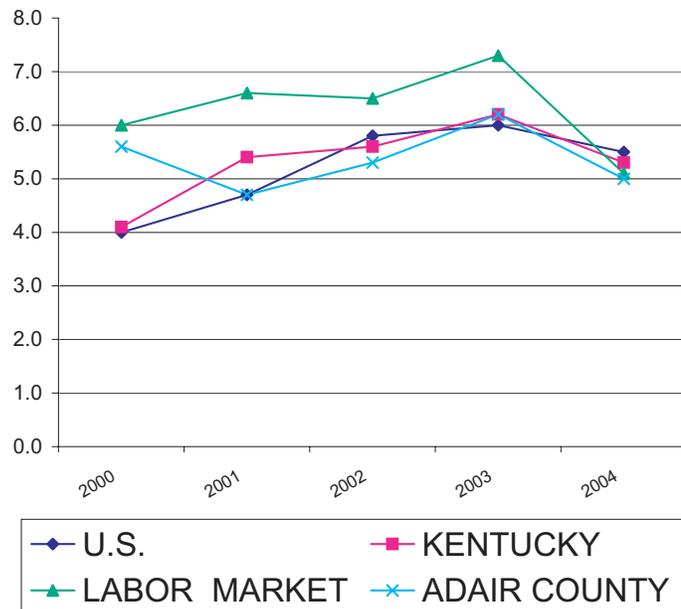
Economic Conditions

TABLE 3-5
CIVILIAN LABOR FORCE ESTIMATES
ADAIR COUNTY LABOR MARKET
2004

COUNTY	CIVILIAN LABOR FORCE	EMPLOYED	UNEMPLOYED	UNEMPLOYMENT RATE
Adair	8,509	8,081	428	5.0%
Labor Market Area Totals	108,951	105,026	5,189	5.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics

FIGURE 3-5
ANNUAL UNEMPLOYMENT RATES



Source: U.S. Department of Commerce, Bureau of Labor Statistics

YEAR	U.S.	KENTUCKY	LABOR MARKET	ADAIR COUNTY
2000	4.0	4.1	6.0	5.6
2001	4.7	5.4	6.6	4.7
2002	5.8	5.6	6.5	5.3
2003	6.0	6.2	7.3	6.2
2004	5.5	5.3	5.1	5.0

TABLE 3-6
EMPLOYED PERSONS 16 AND OVER BY INDUSTRY, 2000
FOR ADAIR COUNTY AND THE CITY OF COLUMBIA

INDUSTRY	ADAIR COUNTY	PERCENTAGE	CITY OF COLUMBIA	PERCENTAGE
Agriculture, forestry, fishing and hunting, mining	625	8.5%	16	1.0%
Construction	641	8.7%	130	8.3%
Manufacturing	1,393	19.0%	198	12.7%
Wholesale Trade	224	3.1%	50	3.2%
Retail Trade	715	9.8%	158	10.1%
Transportation and warehousing, and utilities	328	4.5%	71	4.5%
Information	121	1.7%	40	2.6%
Finance, insurance, real estate, and rental and leasing	347	4.7%	130	8.3%
Professional, scientific, management, administrative	192	2.6%	0	0.0%
Educational, health and social services	1,813	24.7%	574	36.7%
Arts, entertainment, recreation, accommodation, foodsvc	299	4.1%	75	4.8%
Other services (except public administration)	373	5.1%	76	4.9%
Public Administration	260	3.5%	46	2.9%
TOTAL EMPLOYED	7,331	100.0%	1,564	100.0%

Source: 2000 U.S. Census

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EMPLOYMENT OF ADAIR COUNTY RESIDENTS

The civilian labor force of Adair County and the City of Columbia is employed in a wide range of industries as shown in Table 3-6. This information is obtained from the U.S. Census and does not reflect the location of employment. As of 2000, more residents (24.7%) of Adair County were employed in the “Educational, Health, and Social Services” sector of the economy. Manufacturing employment ranked second with 19% of Adair County residents being employed in this sector. Retail Trade was the third largest sector of employment with 9.8% of county residents being employed in this sector. The civilian labor force in the City of Columbia is very similar to that of Adair County with the most residents (36.7%) also being employed in “Educational, Health, and Social Services”. Manufacturing ranked second in terms of employment of city residents with Retail trade being ranked third.

The employment of Adair County and Columbia residents has changed somewhat since the 1990 U.S. Census. At that time, the majority of county residents were employed in Manufacturing (35%), Retail Trade (13%) and Agriculture, Forestry and Fisheries (11%). In Columbia, residents were employed in Manufacturing (24%), Retail Trade (21%) and Educational Services (13%).

COMMUTING PATTERNS

Table 3-7 details the commuting patterns of Adair County residents in 2000 according to the U.S. Census. As of the year 2000, there were 7,222 workers who lived in Adair County. Of this number, the majority (62.3%) of workers lived and worked in the county. Of the 5,431 workers who work in the county, 17.1% commute into the county from elsewhere.

**TABLE 3-7
ADAIR COUNTY
COMMUTING PATTERNES**

WORKERS WHO LIVE IN THE COUNTY

4,500	62.3% Live and work in the County
2,722	37.7% Live in the county, work elsewhere
7,222	Total workers who live in the county

WORKERS WHO WORK IN THE COUNTY

4,500	82.9% Work and live in the county
931	17.1% Work in the county, live elsewhere
5,431	Total workers who work in the county

Table 3-8 examines the commuting patterns of workers residing in Adair County. The majority of Adair County residents commute into other counties in Kentucky while only 52 commute out-of-state. It is interesting to note that the Kentucky State Data Center ranked counties by the percent of workers commuting to work outside of their resident County. Out of 120 Kentucky Counties, Spencer County was ranked number 1 with 77.9% of its residents commuting out of the county to work. Jefferson County was ranked 120th with only 7.7% of its residents commuting out the county to work. By comparison, Adair County ranked 69th with 37.7% of its residents commuting elsewhere.

**TABLE 3-8
PRIMARY AREAS THAT ADAIR COUNTY
RESIDENTS COMMUTE TO:**

KENTUCKY	TOTAL 7,170
Taylor County	688 workers
Russell County	605 workers
Metcalf County	231 workers
Barren County	230 workers
Casey County	148 workers
Cumberland County	112 workers
Green County	105 workers
Jefferson County	102 workers

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Economic Conditions

OTHER STATES	TOTAL 52
Davidson, TN	14 workers
White, IN	9 workers
Franklin, OH	9 workers
Clark, OH	8 workers
Oklahoma, OK	7 workers
Guilford, NC	5 workers

**TABLE 3-9
PRIMARY AREAS THAT ADAIR COUNTY
WORKERS COMMUTE FROM:**

KENTUCKY	TOTAL 5,417
Russell County	272 workers
Taylor County	265 workers
Green County	136 workers
Metcalf County	30 workers
Pulaski County	30 workers
Casey County	29 workers

OTHER STATES	TOTAL 14
San Francisco, CA	7 workers
Wayne, WV	5 workers
Sumner, TN	2 workers

Table 3-9 shows the primary areas that Adair County workers, not living in the county, commute from. As can be seen from reviewing the table the largest number of workers come from adjacent counties in the Adair County Labor Market area. Only 14 workers commute from other states.

As reported by the 2000 U.S. Census for Adair County, the preferred method of transportation to work is by car, truck, or van with 5,603 residents (77.6%) driving alone and 887 (12.3%) residents carpooling. A total of 97 residents used public transportation. Approximately 189 residents (2.6%) indicated that they walked to work. A total of 75 (1%) used other means to get to work. In 2000, the mean travel time to work was for county residents as 25 minutes. Residents working at home accounted for 5.1%.

Commuting statistics for the residents of the City of Columbia were similar to that of Adair County. In Columbia, the preferred method of transportation to work is by car, truck, or van with 1,256 residents (80.5%) driving to work alone and 113 (7.2%) carpooling. A total of 2 (0.4%) of Columbia residents used public transportation. An additional 80 (5.1%) indicated that they walked to work. A total of 8 (0.5%) persons indicated that they use other means to commute to work. In 2000, the mean travel time to work was 19.2 minutes. Residents working at home accounted for 6.2% of workers.

MONETARY INCOME

There are two methods of determining per capita income. The first is on the basis of monetary income alone. This is the method used by the U.S. Census Bureau. Total monetary income includes wages and salaries, net farm and non-farm self-employment, interest dividends, net rental income, social security and all other regularly received income such as pensions, unemployment compensation and alimony. Receipts not counted include various “lump sum” payments such as capital gains and inheritance. The total represents the amount of income received before deductions. Table 3-10 shows the per capita income and median household incomes for Kentucky, Adair County, and the City of Columbia according to the U.S. Census Bureau based on monetary income.

**TABLE 3-10
CENSUS INCOME DATA 1999**

Jurisdiction	1989 Per Capita Income	1999 Per Capita Income	% Change
Kentucky	\$11,153	\$18,093	62.3%
Adair County	\$ 8,596	\$14,937	73.8%
City of Columbia	\$10,614	\$17,836	68.0%

Jurisdiction	1989 Median Household	1999 Median Household Income	% Change
Kentucky	\$22,534	\$33,672	49.4%
Adair County	\$15,809	\$24,055	52.2%
City of Columbia	\$13,396	\$22,861	70.7%

In both 1989 and 1999, the per capita income and median household income of the City of Columbia was higher than Adair County but slightly less than that of the State of Kentucky. However, the median household income for Columbia was lower than that of county and state. Between 1989 and 1999, the per capita income for Columbia residents increased by 68%. The median household income also rose significantly during this same time period. In 1999, the median household income had increased from \$13,396 to \$22,861 or 70.7% for those residing in the city.

City of Columbia



Economic Conditions

PERSONAL INCOME

The second method of calculating per capita income is more inclusive and is termed per capital income. Personal per capita income includes income received from all sources such as wages and salaries, other labor income (employer contributions to private pension funds, jury and witness fees, etc.) proprietor's income, rental income, dividend and interest earnings by individuals and transfer payments not for services rendered (such as food stamps and welfare payments). Personal contributions for social security are deducted. Personal per capita incomes for Kentucky, Adair County and the Labor Market Area are shown below:

**TABLE 3-11
PERSONAL PER CAPITA INCOME**

	1992	2002	% Change
KENTUCKY	\$17,278	\$25,494	47.6%
Adair County	\$13,552	\$19,192	41.6%
Barren County	\$16,252	\$22,491	38.4%
Casey County	\$11,881	\$18,276	53.8%
Clinton County	\$11,205	\$19,031	69.8%
Cumberland County	\$13,394	\$18,328	36.8%
Green County	\$13,053	\$18,091	38.6%
Marion County	\$14,074	\$21,105	49.9%
Metcalfe County	\$12,626	\$17,761	40.7%
Pulaski County	\$14,557	\$21,986	51.0%
Russell County	\$14,249	\$19,139	34.3%
Taylor County	\$15,444	\$20,391	32.0%

Source: U.S. Bureau of Economic Analysis, Regional Accounts Data, Local Area Personal Income

Table 3-11 shows that the personal per capita income for Adair County and its labor market area have been moderately lower than the state overall. In 1992 and 2002, Barren County had the highest personal per capital incomes in the labor market area with Pulaski County ranking second in 2002. However, Clinton County had the highest percentage increase (69.8) during this ten year period with Casey County ranking second (53.3%). It is important to note that the personal per capita income for the state of Kentucky was significantly higher than all counties within the market area in 1992 and 2002.

POVERTY RATE

Poverty level is considered to be the minimum level of monetary income adequate for families of different sizes in consideration of American consumption patterns. These levels are determined by comparing individual or family income with annual income thresholds. The poverty levels are adjusted annually by the U.S. Government. The poverty rate is the percentage of individuals or families with incomes below the poverty level. Table 3-12 shows the percent of persons, children, and seniors in poverty for Kentucky, Adair County and the labor market area.

**TABLE 3-12
POVERTY RATES FOR PERSONS, CHILDREN, & SENIORS**

PERCENT PERSONS IN POVERTY			
	1989	1999	% Change
KENTUCKY	19.0	15.8	-16.8%
Adair County	25.1	24.0	- 4.4%
Barren County	21.5	15.6	-27.4%
Casey County	29.4	25.5	-13.3 %
Clinton County	38.1	23.8	-32.3%
Cumberland County	31.6	23.8	-24.7%
Green County	21.6	18.4	-14.8%
Marion County	25.6	18.6	-27.3%
Metcalf County	27.9	23.6	-15.4%
Pulaski County	22.7	19.1	-15.9%
Russell County	25.6	24.3	- 5.1%
Taylor County	19.5	17.5	-10.3%

City of Columbia



Economic Conditions

PERCENT OF RELATED CHILDREN IN POVERTY

	1989	1999	% Change
KENTUCKY	24.5	20.4	-16.7%
Adair County	31.4	29.6	- 5.7%
Barren County	26.1	20.3	-22.2%
Casey County	33.1	32.1	- 3.0 %
Clinton County	45.0	31.8	-29.3%
Cumberland County	36.0	30.3	-15.8%
Green County	23.1	23.1	0.0%
Marion County	28.9	21.8	-24.6%
Metcalf County	36.1	29.2	-19.1%
Pulaski County	28.5	26.9	-5.6%
Russell County	30.0	30.8	2.7%
Taylor County	22.4	23.7	5.8%

PERCENT OF SENIORS (65+) IN POVERTY

	1989	1999	% Change
KENTUCKY	20.6	14.2	-31.1%
Adair County	35.4	21.7	- 38.7%
Barren County	28.9	19.1	-33.9%
Casey County	37.9	29.6	- 21.9%
Clinton County	41.0	29.9	-27.1%
Cumberland County	42.5	33.0	- 22.4%
Green County	35.5	18.5	-47.9%
Marion County	35.8	17.9	-50.0%
Metcalf County	33.2	27.9	-16.0%
Pulaski County	29.7	16.6	-44.1%
Russell County	35.2	27.3	-22.4%
Taylor County	27.2	18.3	-32.7%

Source: 1990 Census of Population and Housing, Summary Tape File 3, and 2000 Demographic Profiles from the 2000 Census of Population and Housing

From reviewing Table 3-12 it can be seen that all counties, with the exception of Barren County, within the Adair County Labor Market Area had

a higher percentage of persons in poverty than the state overall. Of the labor market area, Casey County has the highest percentage (25.5%) of persons in poverty and Barren County the lowest at 15.6%. The percent of persons in poverty in Adair County decreased from 25.1% in 1989 to 24.0% in 1999. This was the lowest percentage decrease in the labor market area.

In 1999, the percent of related children in poverty for all counties, with the exception of Barren County, in the labor market area exceeded the state. Casey County had the highest percentage (32.1%) of children in poverty while Barren County had the lowest (20.3%). It is important to note that the percentage of children in poverty for Green County remained unchanged from 1989 while this percentage actually increased for Russell and Taylor Counties; 2.7% and 5.8% respectively. In Adair County, the percentage of children in poverty decreased from 31.4% in 1989 to 29.6% in 1999.

The most significant changes in poverty levels for the state and the labor market area occurred in the senior (aged 65 or over) demographic. The percentage of seniors in poverty significantly declined from 1989 to 1999. In the state overall, the percent of seniors in poverty declined by 31.1%. In the labor market area, the highest percentage decrease occurred in Marion County where the number of seniors in poverty decreased by 50.0% from 1989 to 1999. In Adair County the percentage of seniors in poverty decreased by 38.7% during this same time period.

LOCAL COMMUNITY ECONOMIC DEVELOPMENT ACTIVITIES

A component to the overall economic condition of an area or region is the extent to which the community engages in economic development activities in order to promote the area and maintain a diversified economy. The following organizations are dedicated to assisting Adair County and the City of Columbia in local economic development activities.

City of Columbia



COLUMBIA/ADAIR COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

The Columbia-Adair County Industrial Development Authority, Inc. is a non-profit organization dedicated to economic development. The Industrial Development Authority is run by a six member board. All board members are volunteers. The Industrial Development Authority employs a Director of Economic Development to oversee daily operations. The primary goals of this organization are business retention, business recruitment and workforce development. The Authority actively pursues these goals by working in cooperation with various state, regional and local agencies, as well as directly contacting suppliers and distributing promotional materials about the area.

The Columbia-Adair County Industrial Development Authority is actively marketing the Green River Commerce Park located on highway 55 north of Columbia. The park consists of 327 acres within the limits of the City of Columbia. The current infrastructure includes a 300,000 gallon capacity elevated water storage tank, 4 inch twin sewer lines, a 12 inch water line, a gas regulator station, and a 6 inch gas line. Electricity is served to the park through Taylor County RECC. The Authority is currently working with Alltel to provide high-speed internet access to the site.

The Industrial Development Authority continually works with Adair County Adult Education, the Cumberland Workforce Investment Network and the Columbia-Adair County Chamber of Commerce among other organizations to provide training programs for the unemployed and underemployed. The Authority is also currently working on a wage and benefit survey for industries.

COLUMBIA-ADAIR COUNTY CHAMBER OF COMMERCE

The Columbia-Adair County Chamber of Commerce is a volunteer organization consisting of individuals and businesses that seek to advance the commercial, financial, industrial, and civic interests of the community. The organization is governed by a Board of Directors who are elected by the Chamber membership. For the first time in several years, the Chamber has an Executive Director who is hired by the Board of Directors. The President of the Chamber is elected by the Board of Directors and works cooperatively

with the Executive Director.

The Board of Directors meets every second Tuesday and the full Chamber meets every third Tuesday. The Chamber of Commerce currently has over 200 members. The stated purpose of the organization is, “To promote and enhance the business, cultural, educational, and civic well being of Columbia, Adair County, and the Region.” More specifically, Chamber of Commerce goals are as follows:

- Promote business and community growth and development by sponsoring economic programs which are designed to strengthen and expand the income potential of all businesses within the City of Columbia and Adair County.
- Provide opportunities for the local business community to participate in all retail businesses within the City of Columbia and Adair County.
- Work with and support the efforts of agricultural agencies and groups within the county that support the expansion and diversification of agricultural products and marketing.
- Provide opportunities within the Chamber that create an atmosphere for networking, leadership, and outreach for Chamber members.
- Promote cooperative efforts between business and education and continue to promote improvement of the community’s public education.
- Promote an improved understanding of the health care system in our community and its importance as an economic asset.
- Assist the Industrial Foundation, where appropriate, in recruitment to develop a positive labor climate in the community.
- Recruit and maintain an active membership base that provides needed resources for undertaking a program of work that meets the needs of our community.
- Assist the Tourism Commission, where appropriate, in promoting the City and County, attracting tourism to our area, and stressing the importance of tourism as an economic asset.
- Promote public policy development relative to issues of importance to the County and City and encourage unity of purpose of public organizations in guiding the future development of Columbia and Adair County.

City of Columbia



Economic Conditions

In addition to achieving these goals, the Chamber of Commerce facilitates a variety of other programs and events in the community. A major project of the Chamber was the completion of the new Training and Development Center in 2000. The Center houses the Chamber of Commerce, Tourism Commission, and the Industrial Authority. Within the Center is a computer lab and meeting rooms which are available to the public. A variety of computer classes are held for local businesses to meet the training needs of their employees along with computer training for other interested adults. The Chamber also conducts workshops and training programs for businesses and other persons in a wide range of subjects such as small business seminars, training for frontline workers, how to start your own business, home based businesses, CPR, First Aid, leadership development, management, etc. In addition, 221 community groups have used the Chamber's facilities for meetings, workshops, training, and other various events.

A website has been developed and can be found at www.columbia-adaircounty.com. A brochure entitled, "Discover Columbia-Adair County" was also published for the purpose of providing information to people who want to relocate to Adair County.

In addition to economic development activities, the Chamber also actively sponsors social and cultural events within the community. Such events include "Folklore of the Old West Festival" held in June, "Christmas in Columbia" with the parade "Under The Lights", "Buy, Swap, Sell, and Trade Day", a big flea market held on Labor Day, and a golf tournament held in April at the Pinewood County Club.

COLUMBIA-ADAIR COUNTY TOURISM COMMISSION

The Columbia Tourism Commission became the Columbia-Adair County Tourism Commission in July 2002 as a result of an Adair County Fiscal Court Meeting. The Columbia-Adair County Tourism Commission consists

of seven commissioners appointed by the Mayor and County Judge Executive. The following is a breakdown of the appointed membership:

- Three commissioners shall be appointed from a list of six or more names submitted by the local hotel and motel association.
- One commissioner from a list of three or more submitted from the local restaurants association.
- One commissioner from the Chamber of Commerce.
- One commissioner from the Mayor.
- One commissioner selected by the County Judge/Executive.

The Commission now produces its own brochures, advertising, promotion of tourist attractions and cooperates with the Southern and Eastern Kentucky Tourism Association (SEKTDA) in hosting journalists and other activities in the promotion of Columbia and Adair County. In the past three years, the Commission has hosted over 100 journalists from throughout the United States who have written articles about the tourist attractions in Adair County and appeared in magazines throughout the Country.

SUMMARY

While the number of manufacturing jobs has recently decreased in the region, these jobs are still an important sector of the economy to residents and the community overall. In contrast to the recent change in the manufacturing sector of the local economy, the service industry and retail sectors are growing rapidly. While the need for these services is high, the jobs created in these sectors tend to be lowest paying. The increase in retail and service industries is due in large part to the increase in population and the growth in the tourism related business. For this reason tourism has also become increasingly important to the local economy. The travel and tourism sector is also considered to be an area of potential growth for the county and the city due to their location to the rivers, numerous historic resources, and higher educational facilities.

City of Columbia



Economic Conditions

In consideration of these factors, the City of Columbia and Adair County should continue to implement its current overall economic development plan and develop a strategic approach to replacing manufacturing jobs recently lost in the region. Several recommendations to enhance the local economy are as follows:

1. Continue to work with the Columbia/Adair County Industrial Authority, Chamber of Commerce, and Tourism Commission to develop programs to assist in the retention of existing businesses and industry.
2. Upgrade infrastructure (including basic and advanced technology infrastructure) to facilitate the development of professional offices, industrial properties, and high tech businesses as recruited.
3. Study ways in which to maximize the benefit of the travel and tourism industry in Adair County. Develop and implement a long range marketing plan to market Columbia's local resources.
4. Cultivate and promote cultural and historic attractions of the region.