



A Competitive Realities Report for Covington, Kentucky

Phase 1 Summary of the
Economic Development Action Plan

April 30, 2019

Revised: June 24, 2019

Prepared for the:



TABLE OF CONTENTS

Acknowledgements	3	Chapter 6: Retail Analysis.....	51
Introduction & Executive Summary	4	Chapter 7: Local Specialization, Competitiveness & Growth	54
Chapter 1: Stakeholder Input.....	6	Major Industry Sector Change	54
Chapter 2: Assets & Challenges Assessment	11	Industry Earnings.....	56
Chapter 3: Dashboard Indicators Summary.....	15	Major Occupational Change.....	58
Chapter 4: Demographic & Community Trends.....	24	Occupational Earnings.....	60
Population Trends.....	24	Major Industry Sector Specialization & Growth.....	63
Age	26	Industry Competitiveness	65
Diversity	29	Occupational Specialization & Growth	67
New Residents	30	Chapter 8: Nontraditional Data & Measures	69
Educational Attainment.....	31		
Secondary School Performance.....	32	Appendices	
Household Income.....	33	A: Focus Group & Interview Participants	72
Personal Income	35	B: Focus Group Summary	73
Per Capita Income.....	36	C: Survey Responses.....	78
Poverty.....	36	D: Assets & Challenges Endnotes	85
Crime.....	37	E: Industry Details	88
Cost of Living.....	38	F: Occupation Details	91
Chapter 5: Economic Dynamics & Employment Trends	39		
Labor Force Participation.....	39		
Labor Force Participation—Families.....	40		
Labor Force Draw.....	41		
College Enrollment & Degrees Granted.....	42		
Commuting Patterns.....	44		
Major Industry Sector Composition.....	46		
Estimated Annual Wages.....	47		
Self-Employment	48		
Broadband Availability.....	49		

ACKNOWLEDGMENTS

This project is possible due to the support of the following:

Mayor: Joseph U. Meyer

Commissioners: Michelle Williams

Denny Bowman

Tim Downing

Shannon Smith

City Manager: David Johnston

Steering Committee: Casey Barach

Karen Finan

Steve Frank

Al Haehnle

Jeanne Schroer

Thomas Tilmes

Michelle Williams

Economic Development Director: Tom West

Economic Development Staff: Suzann Gettys

Ross Patten

INTRODUCTION & EXECUTIVE SUMMARY

In December 2018, the City of Covington, Kentucky (City), retained Garner Economics, LLC to help create a multiyear, citywide economic development strategy that takes into account the dynamics of the Covington market and propels the City into more high-value economic growth.



The focus of this engagement is for the City and its economic development department to understand the product improvement, marketing, and potential organizational changes it must make to ensure that the City strengthens its competitive position and is able to attract and retain the types of businesses that will continue to create jobs and opportunities for the population.

Specifically, the scope of services for the overall project includes:

- A comprehensive and holistic assessment of key forces driving the economy and its shifting dynamics;
- An Assets & Challenges Assessment (A&C) of the City from the perspective of a site-location consultant that facilitates investment decisions;
- Recommendations for business targets suitable for the City and its partners to pursue, based on our research and analysis; and finally,
- A set of implementable recommendations that the leadership in the City can utilize to enhance the economic well-being of the area and make the City desirable for business and talent while sustaining and enhancing its quality of place.

This Competitive Realities Report (CRR) is the first of two reports. It documents the work elements of the project scope and summarizes the findings of Phase I.

Methodology

The CRR is a compilation of local facts and data points with quantitative analysis and some subjective opinions noted in the Assets & Challenges Assessment. Together, the Assets & Challenges Assessment, Community Engagement Summary, and the Economic and Labor Analysis inform this process, upon which the final strategy report and its recommendations will ultimately be built, scheduled for late July 2019.

This CRR offers no recommendations. The final strategy report will consist of the business target recommendations along with conclusions and recommendations for how the City and its partners can align business development, community development, entrepreneurship, and hospitality promotion efforts (City visitors) and optimize the community's competitive position.

PROJECT PHASES

PHASE I: DISCOVERY

Evaluate the City's competitive position from an economic development perspective:

- Demographic & economic analysis
- Labor market & cluster analysis
- Community Assets & Challenges Assessment (A&C)
- Compare Covington to the Cincinnati Metro, the Tri-ED region, the State of Kentucky, the nation, and the two benchmark communities of Asheville, North Carolina, and Chattanooga, Tennessee (selected by the City).

Publish the **Competitive Realities Report** (a summary of Phase I).

PHASES II AND III: STRATEGY AND IMPLEMENTATION RECOMMENDATIONS

- Business retention and growth
- Product improvement (asset development)
- Entrepreneurship
- Business recruitment and marketing
- Workforce needs
- Organizational recommendations

Present the final report.

Assets & Challenges Assessment

Our approach to creating the CRR began with the consulting team conducting an Assets & Challenges Assessment of the City. This was done through a windshield tour of the area and against a predetermined list of 44 criteria used to evaluate the area from a site-selection perspective. Garner Economics assessed the City based on the qualities, elements, and infrastructure that a business will look for when considering the City as a place for its operations.

The assessment is both an objective and subjective evaluation of the area. We applied many of the same criteria to assess the City that we use when engaged by a corporate client to evaluate communities for possible investment. The assessment allows us to document challenges that exist in the City that constitute potential barriers for successful economic development to occur. By knowing what challenges or gaps exist, the City and its partners can take the steps necessary to mitigate the situation, strengthen its overall “product,” and be a more attractive business location. Likewise, by knowing its strengths, the City and its economic development department can better leverage them in its efforts to attract businesses.

Stakeholder Input

As a complement to the assessment of the physical and regulatory structure of the City against its benchmarked peers, Garner Economics conducted four focus groups of key stakeholders in the area and distributed an electronic survey to reach the City’s broader stakeholders. The purpose of both exercises was to solicit a variety of perceptions of the City’s business climate, brand perceptions, and areas for improvement from community stakeholders.



The following chapters describe our findings within a cohesive assessment of the City’s current state and potential. It sets the groundwork for developing strategies and recommendations to assist the City in providing excellent economic development service delivery within the scope of its mission. The resulting strategy and implementation recommendations will be documented in the final report.

CHAPTER 1: STAKEHOLDER INPUT



Community input is a vital part of the strategic planning process. Feedback from stakeholders provides a context around the data accumulated in Phase I and is a way to validate conclusions made therein. Similarly, the input often raises issues or nuances that are critical to understanding the community. These insights may or may not be discernible through desktop research and on-site tours.

Given this, Garner Economics undertook three community engagement streams to better understand the issues facing Covington's business climate.

- Focus groups
- Interviews
- Stakeholder Survey

Together, the feedback from the focus groups, interviews, and survey will validate data and perceptions in the Discovery Phase (Phase 1) and inform the work to identify business targets and build an economic development strategy to drive the City's economic development efforts in the coming years.

Focus Groups and Individual Interviews

Garner Economics held four focus group sessions on February 26, 2019, with economic development stakeholders in Covington, Kentucky, to solicit their perceptions and opinions of the City's business climate and economic competitiveness. Garner Economics used the feedback to create an electronic survey, which was distributed to a broader set of stakeholders (see below). Additionally, five one-on-one interviews occurred with local leaders, and three interviews were conducted with the economic development staff.

Additional interviews were conducted with REDI Cincinnati as the regional investment promotion arm of the 16-county area.

Forty-one people participated in the four groups. The focus groups were organized into the following categories: Large Employers, Entrepreneurs and Smaller-company Employers, Government/Academia/Nonprofits, and Real Estate Developers. Participants were invited by the City's Economic Development Office.

The below summarizes the key themes emerging from the discussions. Appendix A provides the list of focus group participants. Appendix B provides more detail on the focus group discussions.

(Editor's Note: The comments listed are specifically from focus group respondents. Garner Economics recognizes that they may not necessarily be statements of fact, but opinions or perceptions.)

Key Themes

Among the focus groups, some key themes emerged:

Strengths and Weaknesses

All of the focus groups noted the unique character of Covington, noting the community's resurgence and tenacity. Participants in the focus groups described the City as innovative in its approach to diversify its economy and meet business needs. Participants also noted the City's history and protection of historic assets, as well as the importance of its geography and position along a river. Negative perceptions center around the large concentration of social services in the City's core, which impact sensitivities of public safety and stretch the City's resources. Several participants noted the need to invest more in the City's aging infrastructure and aesthetics. Other participants noted the challenge of the City being landlocked. Lastly, several participants

noted the great asset the City has in being on the river but note that the City has not fully leveraged the river. Plans for the Riverfront Commons park will help address this.

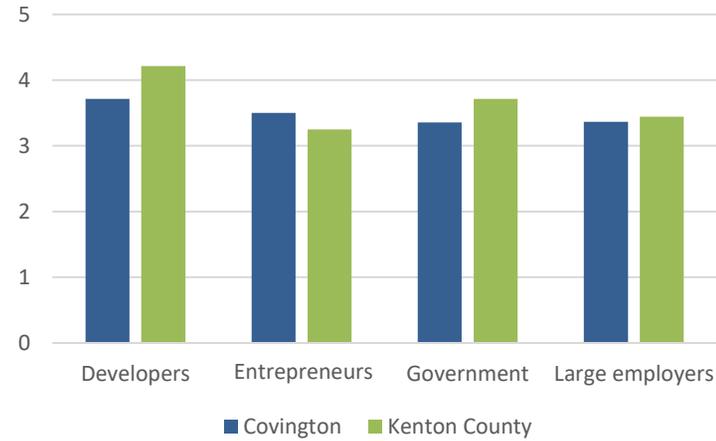
When asked what assets and initiatives set Covington apart from others with whom they compete for business, participants noted the opportunity posed by the soon-to-be vacant IRS facility. They also touted the gains made by Renaissance Covington in reinvigorating the core. They also praised the efforts of UpTech and Innovation Alley in supporting the existing entrepreneurs and attracting new entrepreneurs to the City.

Conversely, participants noted the area’s aging infrastructure, the need to focus on social services (and, hence, lack of resources for other initiatives), and lack of a consensus vision as detriments to attracting business. Participants also noted that there is often a lack of direction from the City as to regulations or guidance. While the participants report that the City has been helpful once the issue is identified, there is no one place to go for information. Recent efforts by the City to communicate better are helpful, and participants hope they continue.

Business Climate

Participants were asked to score the business climate in the City and for Kenton County on a scale from 1–5, with 5 being the strongest. Business climate was defined as those policies and laws enacted by the City and/or the County that have an impact on local businesses. The four groups scored the City and the County above average, with scores of 3.48 and 3.66, respectively (with 3.0 being average and 5.0 being the best). Among the groups, the developers gave the City and County the highest scores (3.71 and 4.21, respectively). Entrepreneurs and smaller companies ranked the County the lowest (though still above average) with a score of 3.25, while the Government, Academia, and Nonprofit and Large Employers groups gave the City the lowest score (still above average); each ranking the City 3.36 on the 1–5 scale (Figure 1.1).

FIGURE 1.1: BUSINESS CLIMATE SCORES



Participants ranking the business climate highly pointed to the improvements they have seen through the years and the willingness of the City to find solutions. Some noted the recent proactive communications initiatives. Others noted that the small size of the City has allowed their companies to engage directly with the staff that can assist them; they appreciate the accessibility to the City staff. Participants in the focus groups were neutral in their assessment of the County. They report that the County tends to be more focused on industrial sites outside the City’s core.

When providing the rationale for the business climate scores given, those with a more negative opinion noted that the lack of resources within the City to attract new business, support existing ones, or invest in initiatives to “clean up” areas of need.

“It’s like the Wild West: There are few stated policies or regulations. In some ways, that’s a good thing.”

—Focus Group Participant

Aging Infrastructure

When asked about the area’s infrastructure, participants most frequently noted the aging infrastructure and lack of green space in the City’s core. They also reiterated the need to focus on the City’s overall aesthetics and gateway signage. Two of the focus groups noted the need for another bridge to Cincinnati to ease congestion and traffic flow.

Labor

When asked to comment on the current labor situation in the area, the focus groups noted that it is difficult to compete with Cincinnati for talent. They mentioned that the labor market for skilled workers is very tight, but that there is ample creative talent. Participants remarked that it is becoming increasingly difficult to find professional talent and that retention has become more difficult.

Participants also noted that there are several programs and partnerships in place to “skill-up” talent.

Potential Business Sectors for Covington

When asked what business sectors the City should work to attract, participants suggested high-tech industries that build on the surrounding universities’ strengths and ones that have a small footprint that could leverage the City’s assets. Participants also suggested targeting companies related to the existing base, including flavorings, health informatics, and coding.

Initiatives to Emulate and Future Goals

Participants were asked what programs they have seen in other areas of the country or around the globe that should be attempted in Covington. Responses centered on ways to enhance the City’s quality of place including more parks and green space in the core development along the river, signage, beautification efforts, and public art. Several participants suggested that the City needs to decide on a clearer vision for its future and make quality of place investments in the City that reinforce that vision.

When asked what they would do to Covington if they did not have to worry about money or politics, the most frequently provided answers included:

- Addressing the social needs in the City, so resources are freed up to address other needs;
- Identifying ways to give the City capacity for strategic planning (current staff must address day-to-day operations and does not have the bandwidth to implement the various strategies or initiatives that have been built);
- Offering stronger support for the K–12 system, so all residents gain more opportunity to succeed; and
- Leveraging the river as an asset.

“Covington lacks a unified vision that everyone can buy into and support. We are too small a community to divide ourselves and work only on individual goals.”

—Focus Group Participant

Economic Development in the Region

Within the general discussions on the work of the various economic development groups in the region, the focus groups reported a positive relationship with the City that has improved over time. One suggestion is for the City to continue with increased efforts at communications.

When thinking about the other economic development entities in the region, participants note that there are many; however, there is no common message or brand. Participants also noted that Tri-ED appears to be more focused on large industrial projects outside the City. Participants noted that the Chamber (Covington Business Council) is helpful to existing businesses.

Interviews

Additionally, five one-on-one interviews were held with local leaders, and three interviews were conducted with the economic development staff. Additional interviews were conducted with REDI Cincinnati as the regional investment promotional arm of the 16-county area.

Stakeholder Survey

For the most part, responses from survey participants tracked with the above sentiments provided by focus group and interview participants. Survey respondents appreciate the City's authentic character and the ease of working with the City. Survey respondents were more vocal in terms of the perception of competition with Cincinnati and the need to invest in the City's aesthetics.

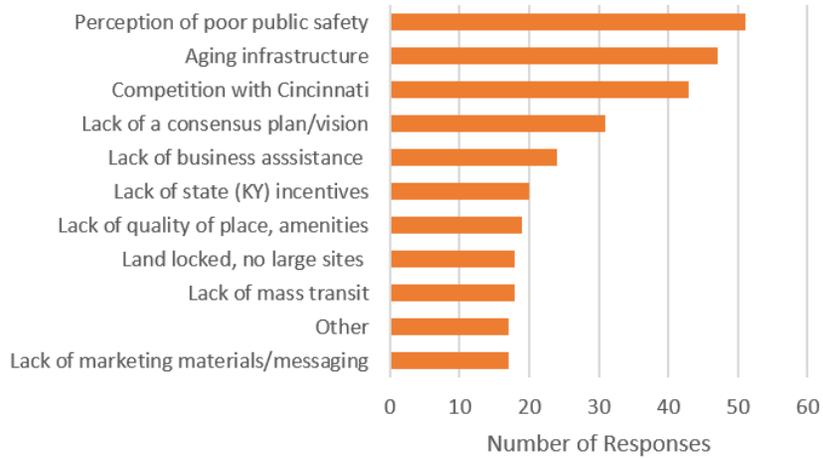
Figure 1.2 on the following page describes the perspectives of survey respondents. Appendix C provides the feedback from the 117 survey respondents.

“Covington’s Economic Development Department doesn’t have the same tools that groups across the river have. We lack strong incentives.”

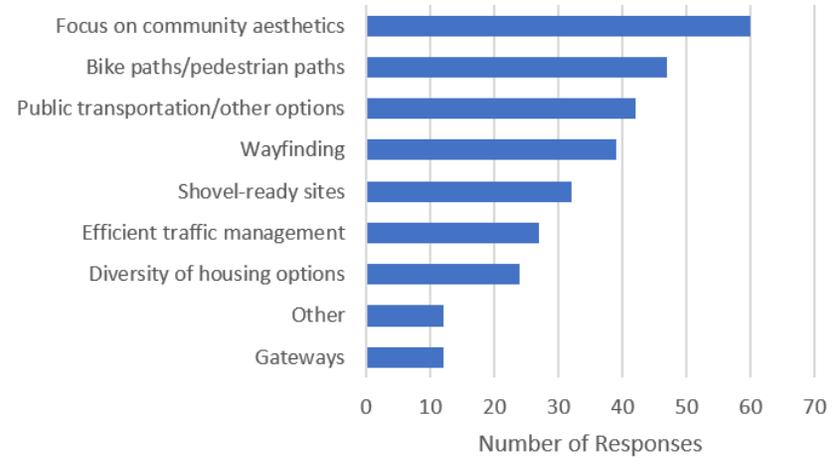
—Focus Group Participant

FIGURE 1.2: SAMPLE OF SURVEY RESPONSES

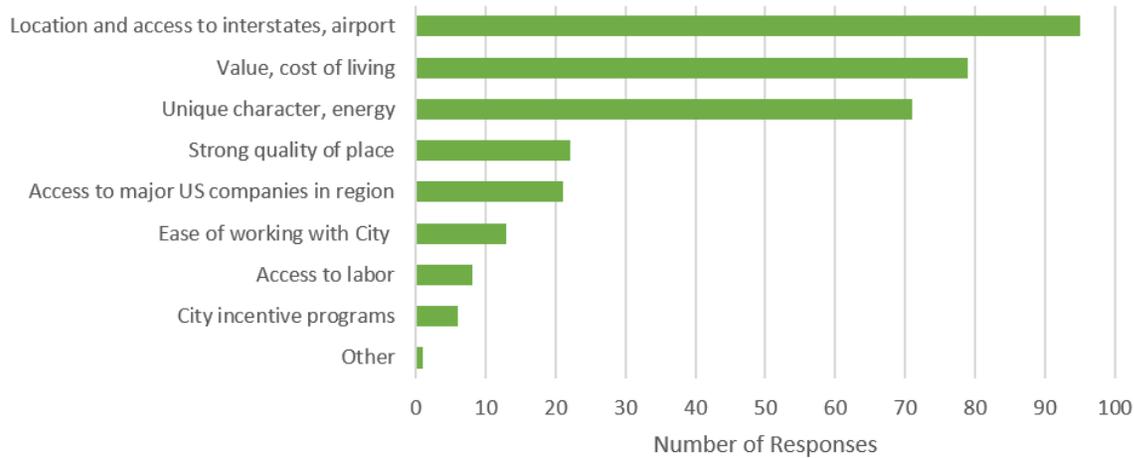
What do you think are some of the biggest obstacles that inhibit the region in its ability to attract, expand, or retain businesses and investment?



What hard or soft infrastructure is weak or missing in the area?*



What do you see as the community's strengths?



*For the purposes of the question, hard infrastructure is defined as the physical networks such as roadways, sewer, broadband internet, airports, etc.; soft infrastructure refers to institutions or places that support the economic, health, and cultural climate of a place such as the education system, the health care system, system of government, and/or parks.

CHAPTER 2: ASSETS & CHALLENGES ASSESSMENT

The City of Covington offers a strong mix of assets for businesses that are contemplating a startup, relocation, or expansion. Our approach in conducting the Assets & Challenges Assessment (A&C) is to employ the same criteria and methodology we use when we conduct a community evaluation for our corporate clients when exploring locations for investment. By understanding its assets and challenges from a location-strategy perspective, we believe the City will be better positioned to compete more effectively and to resolve challenges that are likely inhibitors to investment projects. By recognizing and understanding strengths and opportunities, the City will continue to determine the proper target audience of companies to which it should effectively communicate the area's assets and competitiveness as a business location.

Garner Economics analyzed 43 community factors as part of the assessment. Ratings were identified by evaluating the City's position for each of the factors against the Cincinnati Metro, Tri-ED region, the State of Kentucky, the nation, and two benchmark communities, where possible or relevant. The two benchmark communities selected by the City were Asheville, North Carolina, and Chattanooga, Tennessee.

We define a Neutral rating as normal (or average) in the realm of economic development opportunity and competitiveness. An Asset rating indicates a positive feature of the City that would be evaluated and rated as a competitive strength versus the benchmark locations. A Challenge rating identifies a factor that is considered a relative deficiency compared to other locations (or from the perspective of the consultants), which should be addressed. If the challenge is not addressed, it may become an impediment to successful economic development at any time.

Of the 43 variables analyzed, 22 are considered an Asset for the community and 9 are considered a Challenge (12 are rated as Neutral). The ratio of 22 Assets to 9 Challenges is considered a positive assessment. However, any of the 9 factors rated as Challenges (especially product inventory) and the 12 rated as a Neutral can deter or disqualify an investment decision for the community. The goal in the future will be for those policymakers engaged in local economic development to move the Neutral rankings from Neutral to Asset, mitigate the 9 Challenge rankings, and sustain and continue to nurture and support those elements with an Asset ranking.

To enable a summary overview of the A&C's main findings, the set of dashboard icons below is presented. Each finding has an accompanying icon to assist with interpretation. Readers are encouraged to review the supporting data behind each ranking in Appendix D to gain a more complete understanding of those areas.

REPORT DASHBOARD

-  Indicates the City is better (more positive) compared to a majority of the benchmark geographies or points to a positive trend or asset within the City.
-  Indicates Covington is neutral or normal, neither positive nor negative. Indicator may represent an observation or be in the middle of the benchmark geographies.
-  Indicates the City has a worse rating for that particular factor compared to a majority of the benchmark geographies or points to a negative trend or challenge within the City.

Labor

Of the eight variables rated, two are rated as a challenge: the cost of labor versus the benchmarks and the availability of skilled production (manufacturing) workers. Assets include the availability of labor in the financial sector and management occupations, and the City’s close proximity to four universities.

Attribute	Rank
Availability of skilled Production occupations	 1
Availability of Office and Administrative Support occupations	 2
Availability of Business and Financial Operations occupations	 3
Availability of Computer and Mathematical occupations	 4
Availability of Management occupations	 5
Cost of labor	 6
Availability of post-secondary vocational training	 7
Within 1/2 hour of major university/college	 8

Access to Space

Access to space is a potential Achilles’ heel for Covington. Class A & B office space has a dangerously low vacancy of 4.3 percent and 3.3 percent respectively. Industrial flex space is equally concerning with 3.4 percent vacant or a paltry 128,000 sq. ft.

Attribute	Rank
Availability of fully served and attractive flex sites and buildings	 9
Availability of fully served and attractive office space and sites (Class A and B)	 10

Access to Capital

Smaller communities and, in many instances, larger ones are in the difficult position of not being able to offer venture or early stage capital, loans for small businesses, or tax-exempt financing to qualified entrepreneurs or projects. Covington ranks as an Asset in all variables measured within this category. The City has a generous industrial revenue bond policy that allows commercial and residential projects. Grants and loans are offered to those qualifying for rent subsidies and façade improvements, and other forms of business loans and grants are provided by the City.

Attribute	Rank
Availability of tax-exempt financing for qualified investment projects	 11
Availability of low-interest loans or grants for small business	 12
Availability of venture capital from local sources for business startups or early-stage funding	 13

Access to Markets

Location, location, location—the old real estate adage about how valuable a real estate investment may be. In the case of Covington, the City is fortunate to have a positive geographic location with both natural and man-made assets. Thus, all eight variables are rated as an Asset. Its geographic location and interstate access (with Interstates 71 and 275 and nearby I-75 and I-74) allow the City to be within 500 miles and a day’s drive to nearly 123 million people. Foreign Trade Zone #47 serves Northern Kentucky, and the region is serviced by two Class I railroads and one short line. The Cincinnati/Northern Kentucky International Airport (CVG) served 8.9 million passengers in 2018. The City is serviced with fast broadband internet speeds, which is a necessity to compete in today’s global markets.

Attribute	Rank
Centrally located for major regional market	 14
Centrally located for national market	 15
Well positioned to serve international markets	 16
Interstate highways	 17
Rail service	 18
Port facilities (inland and/or water)	 19
Within 1 hour of commercial air passenger service	 20
Broadband availability and speeds	 21

City’s Economic Development Department²²

The City’s economic development office is actually a hybrid of economic development programs, such as promoting entrepreneurship, business retention, and new business development. But it also includes planning and zoning and historic preservation functions. As such, it is structured to be everything economic development as well as program responsibilities that are not necessarily identified or considered “economic development.”

Attribute	Rank
Adequate level of professional staff	 23
Involvement of both public and private sectors	 24
Local economic development organization (city economic development department) has a strategic plan	 25
Level of cooperation between various organizations involved in economic development activity	 26
Level of awareness of community regarding economic development	 27
Level of funding for local economic development program	 28

Government Impact on Business

Of the five categories evaluated, four are a Challenge: the condition of local streets (based on stakeholder feedback and our own observations); ACT test scores for the Covington Independent District compared to the benchmarks; business permitting procedures and cost, based on business feedback, and local (COV) payroll tax, which are among the highest payroll taxes in Kentucky. There is also a net profit tax of 2.50 percent. The availability and diversity of local incentives provided by the City are considered an Asset.

Attribute	Rank
Condition and maintenance of local streets	 29
Availability and type of local incentives	 30
Test scores for the local school system (public)	 31
Business permitting procedures and costs	 32
Local taxes	 33

Quality of Place

Quality of Place is a key consideration in attracting talent, which is the new currency based on limited skilled labor in many geographic markets. With the 11 variables evaluated in this important category, one is considered a Challenge (general appearance of the community), six are considered Neutral (availability of executive-level and moderate-income housing, availability of apartments, crime levels as compared to the benchmarks, medical facilities, and the general appearance of the central business district (CBD). Four Assets include a low cost of living (compared to the benchmarks), recreational opportunities, the availability of four- or five-diamond AAA-rated hotels (Hotel Covington), and the variety of local restaurants.

Attribute	Rank
Availability of executive-level housing	 34
Availability of moderate-cost housing	 35
Availability of apartments	 36
Cost-of-living index	 37
Level of crime	 38
Availability of recreational opportunities	 39
General appearance of the community	 40
Availability of adequate medical facilities	 41
Availability of four- or five-diamond/star rated hotels, motels, and resorts	 42
Variety of local restaurants	 43
Appearance of the Central Business District(s)	 43

CHAPTER 3: DASHBOARD INDICATORS SUMMARY

The following analysis examines the economic position and competitiveness of Covington located in northern Kentucky, across the Ohio River from downtown Cincinnati. Covington is part of the 16-county Cincinnati Metro which spans into Ohio and Indiana as well as Kentucky. The City is also a part of the three-county Tri-ED economic development region which includes Boone, Campbell, and Kenton Counties.

For analysis, the City of Covington was utilized for most demographic and economic indicators. A handful of data points were only available at the metropolitan level or at the zip code level (Industry and Occupational measures). Zip codes included in the analysis are 41011, 41014, and 41015.

For context, this report compares the City of Covington to itself over time, the Cincinnati Metro, the Tri-ED region, the State of Kentucky, the nation, and two benchmark communities. The benchmark cities of Asheville, North Carolina and Chattanooga, Tennessee, were selected by Covington’s economic development strategy steering committee for their aspirational or inspirational qualities.*



This analysis relies heavily on raw, objective data collected by governmental or impartial third-party agencies. In all cases, the original and most currently available data for all geographies (as of February 2019) is used. Garner Economics conducted all unique calculations and computations from the original data.

Benchmark Notes

- *Asheville and Chattanooga have had great success in developing quality of place assets with an emphasis on urban revitalization.
- Both had high vacancy rates of downtown store fronts in the '70's and '80's. Visible improvement began to occur in the 1990's. Both cities have near 0% vacancy rates today in their CBD's (central business district).
- Both have a long history of successful sustainability efforts.
- Both have taken eyesore, brownfield sites and have turned them into successful economic generators, e.g. New Belgium Brewery in Asheville; the Tennessee Aquarium in Chattanooga.
- Both have successful entrepreneurial eco systems that are a public/private partnership.
- Both have had amazing achievements in the hospitality sector as part of their economic model.
- Chattanooga has had significant success as one of the first "Gig Cities" in the U.S., and they have worked successfully to attract tech-based companies as a result of their high speed, inexpensive gig service.
- Both have rivers (Tennessee River in Chattanooga and the French Broad River in Asheville), that are now being properly used for commerce/hospitality. The French Broad is not a commercially navigable waterway but offers recreational assets.
- Chattanooga is part of the TN/North Georgia MSA and as such, competes with GA on projects. Both states have different incentive policies and approaches to economic development, e.g. KY/OH. Asheville has the same issue, but on a smaller scale competing with its neighbor in SC (Greenville).

Measurements

- Population Trends
- Age Distribution
- Diversity
- New Residents
- Educational Attainment
- Secondary School Performance
- Household & Individual Income
- Per Capita Income
- Poverty
- Crime Rate
- Cost of Living
- Labor Force Draw
- Labor Force Participation
- Commuting Patterns
- Enrollment & Degrees Granted
- Industry Sector Composition
- Estimated Average Annual Wage
- New Firms Startups
- Self-Employment
- Broadband Access
- Retail Demand & Leakage
- Major Industry Sector Change
- Industry Earnings
- Occupational Change
- Occupational Earnings
- Local Specialization, Competitiveness & Growth



Demographic & Community Trends		
Population Change		Covington has experienced several growth and loss cycles in population in the past ten years. As a smaller city, minor ripples can affect this population picture. The current flat population growth rate for a five-year period is a challenge, and, paired with a net loss over a 10-year period is a negative factor for the City. All other benchmarks and comparative geographies grew for both the five- and 10-year period with Asheville showing the most dramatic increase of 7.8 percent from 2012–2017.
Age Distribution		The median age of Covington is 35.8, reflecting a younger population, and is the youngest of all benchmarks. Although the current population has a younger feel to it, the national trend is an aging population. The change between 2012 and 2017 has mixed results with three categories dropping slightly—two in the younger age groups—and the remainder have a very modest growth for this period.

Demographic & Community Trends *(continued)*

<p>New Residents</p>		<p>Covington gained most of its new residents through domestic migration—equal parts from another county within the same state and from a different state (48.5 percent) (Table 5.4, Figure 5.8). The percentages of the sources for new residents were not significantly different at the local, state, and national level.</p> <p>Covington gained nearly 4,000 new residents (who had reported moving in the past year), which represented 9.9 percent of the entire population, the highest among benchmarks.</p>
<p>Educational Attainment</p>		<p>Educational attainment among Covington’s population ages 25 and over is lower than the nation, the metro, and other community benchmarks (Figure 5.10). Kentucky has a similar educational profile as Covington. Approximately 52 percent of the City’s population has received some higher education experience.</p>
<p>Secondary School Performance</p>		<p>The four-year graduation rate for Covington experienced several years of decline in 2016 and 2017, but the latest rate shows an 8-point increase. Even with this higher score in 2018, Covington is below all benchmarks. Covington Independent School District had an average composite score of 16.6 in 2018, which was lower than the state, nation, and comparative benchmarks (Table 4.8). Overall, Covington’s school district has consistently performed below all benchmarks remaining several points below all comparatives.</p>
<p>Household Income</p>		<p>Covington’s median household income in 2017 was \$38,346, below all benchmarks. The Tri-ED region and the Cincinnati Metro had the highest median household incomes among all comparisons.</p> <p>Covington did see a sizable increase (4.2 percent) among those households making \$100,000–\$150,000 dollars from 2012–2017. For the latest figures in 2017, however, Covington has the highest share of households in the bottom tier of income groups</p>
<p>Personal Income</p>		<p>Covington’s average individual earnings of \$47,610 ranks below all benchmarks (Table 4.10). This average income falls behind the state, nation, and local benchmarks, and grew at a rate of 7.7 percent in the past five years, which underperforms when compared to the growth of the other geographies in this study. The 2017 personal income distribution for Covington shows strength in mid-range levels with the highest concentration in the \$35,000–\$49,999 range, as illustrated in Figure 4.13.</p>

Demographic & Community Trends *(continued)*

Per Capita Income		Covington's 2017 per capita income was lower than all benchmarks and grew at a rate behind all other comparatives.
Poverty		The measurement of poverty in the City helps to evaluate the well-being of the citizens and the state of the economy. Covington has a high poverty rate of 24.7 percent for the entire population and 38.3 percent for <i>Children Under 18</i> . Both indicators are higher than all comparative geographies.
Crime Rate		Covington's <i>Property Crime Rate</i> is moderate with 3,283 crimes reported per 100,000 persons. This rate fares much better than its urban benchmarks of Asheville and Chattanooga, but higher than larger geographic comparatives with less population density. The <i>Violent Crime Rate</i> , 452.9 crimes reported per 100,000 persons, is again lower than the other benchmark cities but higher than regional, metro, state, and national rates.
Cost of Living		The composite Cost-of-Living Index for Covington is 87 compared to 101 for Asheville, 91 for Chattanooga, and 89 for Cincinnati. The state of Kentucky was estimated to have an index of 89. Covington ranked below national levels for most measures with the exception of <i>Transportation</i> and <i>Goods & Services</i> . Covington had the lowest <i>Housing</i> index (59 compared to 100 average).

Labor Market Analysis & Employment Trends

Labor Force Participation		<p>Covington is the only geography analyzed that experienced an increase (2 percent) in labor force participation between 2012 and 2017. The national trend has been a general decline in participation, which makes Covington's departure from this trend a very positive indicator.</p> <p>Among all families in Covington, 33.1 percent are <i>Dual Income Families</i>, which is the biggest sector of families participating in the labor force (Table 5.2, Figure 5.2). Covington has the highest share of <i>Single Adults in Labor Force</i> at 29.8 percent. Overall, the participation rate of families in Covington is 78.4 percent, which is on par with the nation, but higher than the state and all other benchmarks except the Tri-ED region and the Cincinnati Metro.</p>
---------------------------	---	--

Labor Market Analysis & Employment Trends (*continued*)

<p>Labor Draw</p>		<p>Using a 45-minute drive-time analysis from Covington, the estimated 2017 population is 1,913,171. The drive-time analysis greatly enhances the existing labor force in Covington of approximately 19,000. The drive-time workforce is diverse with 15 percent employed in <i>Health Care & Social Services</i>, 14 percent in <i>Manufacturing</i>, and 11 percent in <i>Retail</i>.</p>
<p>College Enrollment & Degrees Granted</p>		<p>Within the Cincinnati Metro area, there are nearly 40 colleges, universities, and training institutes with 140,000 students enrolled as of the 2016–2017 school year. These higher education assets provide a boost to the workforce pipeline and offer training programs with a variety of concentrations. In the three-county Tri-ED region alone, there are nearly 27,000 students attending eight schools.</p> <p>Larger schools within the Cincinnati Metro include the University of Cincinnati, Miami University, and Northern Kentucky University. Certificates and degrees awarded by colleges and universities in the metro area number nearly 30,000 for 2017 among many disciplines. The top fields of study include <i>Health Professions</i> and <i>Business Management</i>. Nearly half of the awards were bachelor’s level.</p>
<p>Commuting Patterns</p>		<p>The City of Covington serves as an employment center to many workers; however, there are relatively few who both live and work in the city limits. The commuting patterns show there was a net job outflow of more than 400 people reported in 2015. Employers in the City pull in about 15,600 employees from outside city limits, and 2,200 workers who live and work in Covington.</p> <p>Of those who live in the city limits, those 2,200 workers represent only 12 percent of the resident workforce. The remainder, roughly 16,000 workers, leave the City for work.</p> <p>Over the past five years, the composition of the commuting pattern has changed with more workers commuting and fewer employees commuting into Covington. The net result is a move from a surplus of employees in the City (1,375 in 2010) to a net outflow of residents leaving the City for work (-428 in 2015).</p>

Labor Market Analysis & Employment Trends (*continued*)

<p>Major Industry Composition</p>		<p>Covington’s largest sector of employment in 2018 was <i>Finance & Insurance</i>, with 16.1 percent of the total employment. Total employment includes covered and uncovered employment and self-employed and therefore would include military personnel. Covington also has the highest level of <i>Accommodation & Food Services</i> employment at 12.9 percent.</p> <p>The City’s next largest employment sectors are <i>Government</i> and <i>Health Care & Social Assistance</i> with 13.7 percent and 11.4 percent respectively. Covington also ranks highly with <i>Professional, Scientific and Technical Services</i> at 9.8 percent, greater than any other geography.</p>
<p>Average Wage</p>		<p>Covington’s average annual wage is the highest among the benchmark geographies except for the national average wage (Figure 5.8). Adjusted for inflation, Covington’s average annual wages grew at a steady pace in the past 10 years (Figure 5.9).</p>
<p>Self-Employment</p>		<p>As of 2017, 6.2 percent of workers in Covington were self-employed. The proportion is well below the national and state self-employment levels as well as the benchmark communities (Table 5.10).</p> <p>Of those self-employed, a much higher share is in the category of <i>Not Incorporated and Unpaid Family Workers</i> for all geographies versus <i>Incorporated</i> ventures (Figure 5.13). All benchmark geographies had modest growth or declined in self-employment over the past five years, with Covington losing 0.2 percent of self-employed from 2012 to 2017.</p>
<p>Broadband</p>		<p>Covington has no issue gaining internet access for almost all of its citizens. Service with speeds of 100 megabytes per second (Mbps) is universally accessible and speeds of 250 or more are widely available. More impressive is the fact that 73.7 percent of Covington has the opportunity to get gigabit service.</p> <p>In fact, Covington has a much higher rate of availability compared to the metro, state, and nation at all levels. Covington performs better than Asheville for internet access; however, it is behind Chattanooga—which was one of the first Gig Cities in the nation.</p> <p>According to BroadbandNow, a national aggregator of broadband access, Covington has an average download speed of 44.56 Mbps. This is in the middle of the speeds reported for benchmarks—behind Chattanooga, Cincinnati Metro, and the nation. Speeds recorded in Covington are impressive with one carrier showing consistent high speeds over the past 12 months.</p>

Retail Analysis

<p>Retail Gap</p>		<p>Covington’s 2017 retail sales were estimated to be \$435.8 million for retail trades, food, and drink sales. The City has a Retail Gap of \$16.7 million dollars. This is the difference between retail demand, or the “Retail Potential,” and actual retail sales. This means that Covington is sufficient in generating retail sales, but deeper analysis may offer opportunity.</p> <p>A review of 13 major retail categories reveals that several categories out-sell local demand and the City is attracting retail buyers in these categories. Major areas that sell more than estimated demand include <i>Food & Beverage Stores</i> and <i>Food Services & Drinking Places</i>.</p> <p><i>Motor Vehicle & Parts Dealers</i> and <i>General Merchandise Stores</i> have a high leakage factor with both categories having more than a \$50 million retail gap each.</p>
-------------------	---	---

Local Specialization, Competitiveness & Growth

Below are general observations from an in-depth analysis of industry sectors and occupational groups. This information is not benchmarked.

<p>Major Industry Sector Change</p>	<ul style="list-style-type: none"> ✓ The largest absolute industry job gains in Covington between 2012 and 2017 came from <i>Finance & Insurance</i>, increasing by 536 jobs. This is followed by <i>Accommodation & Food Services</i> (+302 jobs) and <i>Professional, Scientific & Technical Services</i> (+158 Jobs) (Table 7.1, Figure 7.1). Overall, Covington shows a net increase of 844 jobs taking into consideration covered, non-covered, and self-employed individuals. ✓ Gains were made in most industry categories with the exception of <i>Government</i>, which lost 355 jobs; <i>Administration, Support, Waste Management & Remediation</i> (-235 jobs); and <i>Educational Services</i> (-31 jobs).
<p>Industry Earnings</p>	<ul style="list-style-type: none"> ✓ A comparison of Covington’s average industry earnings to national averages offers insights into areas of unique expertise and cost-saving opportunities. ✓ Overall, the average earnings per job in Covington is \$54,862 which is 2 percent above the national average of \$53,676. ✓ Earnings in the City are below national averages for all major employment sectors (Table 7.2 and Figure 7.2) except <i>Wholesale Trade</i>, which is 11 percent above the national average.

Local Specialization, Competitiveness & Growth <i>(continued)</i>	
Major Occupational Change	<ul style="list-style-type: none"> ✓ Over the last five years, a majority of occupational categories in Covington added jobs. The strongest job gains were in <i>Management</i>, gaining 213 jobs (Figure 7.3, Table 7.3). ✓ Other occupational groups that saw sizable increases were <i>Business and Financial Operations</i> (+138 jobs), <i>Food Preparation & Serving Related</i> (+134 jobs), and <i>Computer & Mathematical</i> (+110 jobs). ✓ A handful of occupational groups lost jobs over the past five years. These include <i>Education, Training & Library</i> (-78 jobs), <i>Office & Administrative Support</i> (-36 jobs), and <i>Legal</i> occupations (-30).
Occupational Earnings	<ul style="list-style-type: none"> ✓ A comparison of the same-occupation average hourly earnings for Covington to the national median wage revealed five occupations that were higher than the national average: <i>Healthcare Support</i>; <i>Sales & Related</i>; <i>Office & Administrative Support</i>; <i>Installation, Maintenance & Repair</i>; and <i>Transportation and Material Moving</i> (Table 7.4, Figure 7.4). ✓ The national average wage is only 11 cents lower per hour than the all-occupation average in Covington. The average wage for all occupations in Covington was \$23.98 compared to \$23.87 for the national average hourly wage.
Major Industry Sector Specialization & Growth	<ul style="list-style-type: none"> ✓ Major industry sector specialization focuses on the geographic concentrations of similarly classified industries. For many industry sectors there exist interconnections between suppliers, occupations, and associated supporting institutions. ✓ Five industries sectors have a local specialization above 1 and experienced job growth in the past five years in Covington. These comprise the <i>Competitive</i> category and are: <ul style="list-style-type: none"> • <i>Finance & Insurance</i> (4.0 LQ) • <i>Accommodation & Food Services</i> (1.5 LQ) • <i>Professional, Scientific & Technical Services</i> (1.5 LQ) • <i>Real Estate, Rental & Leasing</i> (1.1 LQ) • <i>Management of Companies & Enterprises</i> (2.8 LQ) ✓ Industries with local specialization below 1 but with job growth within the City over the past five years belong in the <i>Emerging</i> category (Table 7.5; Figure 7.5). There are nine sectors with this classification. ✓ Four sectors are classified as <i>Declining</i> due to job loss and low local specialization: <i>Mining</i>; <i>Wholesale Trade</i>; <i>Transportation and Warehousing</i>; and <i>Educational Services</i>.

Local Specialization, Competitiveness & Growth (continued)					
<p>Industry Competitiveness</p>	<ul style="list-style-type: none"> ✓ By the Competitiveness measure, <i>Construction</i> and <i>Accommodation & Food Services</i> are the sectors with both local and national growth (Table 7.6; Figure 7.6) ✓ Five other industries have local growth with the most significant sector being <i>Finance & Insurance</i>. ✓ Seven industry sectors had positive industry effect with national growth but experienced local job loss. ✓ This analysis suggests the City’s least competitive sectors are <i>Mining, Retail Trade, Wholesale Trade, Other Services and Government</i>. 				
<p>Major Occupational Sector Specialization and Growth</p>	<ul style="list-style-type: none"> ✓ Nine occupational groups have location quotients over 1, experienced some employment growth recently, and are considered <i>Competitive</i>: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • <i>Business and Financial Operations</i> • <i>Food Preparation and Serving Related</i> • <i>Management</i> • <i>Community and Social Service</i> • <i>Computer and Mathematical</i> </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • <i>Arts, Design, Entertainment, Sports, and Media</i> • <i>Architecture and Engineering</i> • <i>Life, Physical, and Social Science</i> • <i>Personal Care and Service</i> </td> </tr> </table> ✓ Five occupational categories saw modest employment gains over the past five years but have concentrations (LQs) under 1. These <i>Emerging</i> sectors are: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • <i>Sales and Related</i> • <i>Installation, Maintenance, and Repair</i> • <i>Healthcare Practitioners and Technical</i> </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • <i>Construction and Extraction</i> • <i>Production</i> </td> </tr> </table> ✓ Due to recent job loss, some occupations with LQs above 1 are <i>At-Risk</i>. <i>Legal</i> occupations and <i>Office & Administrative Support</i> are the two biggest employment groups on this list. ✓ The remaining occupational groups (6) are classified as <i>Declining</i> or having employment loss/no change along with local specialization under 1. 	<ul style="list-style-type: none"> • <i>Business and Financial Operations</i> • <i>Food Preparation and Serving Related</i> • <i>Management</i> • <i>Community and Social Service</i> • <i>Computer and Mathematical</i> 	<ul style="list-style-type: none"> • <i>Arts, Design, Entertainment, Sports, and Media</i> • <i>Architecture and Engineering</i> • <i>Life, Physical, and Social Science</i> • <i>Personal Care and Service</i> 	<ul style="list-style-type: none"> • <i>Sales and Related</i> • <i>Installation, Maintenance, and Repair</i> • <i>Healthcare Practitioners and Technical</i> 	<ul style="list-style-type: none"> • <i>Construction and Extraction</i> • <i>Production</i>
<ul style="list-style-type: none"> • <i>Business and Financial Operations</i> • <i>Food Preparation and Serving Related</i> • <i>Management</i> • <i>Community and Social Service</i> • <i>Computer and Mathematical</i> 	<ul style="list-style-type: none"> • <i>Arts, Design, Entertainment, Sports, and Media</i> • <i>Architecture and Engineering</i> • <i>Life, Physical, and Social Science</i> • <i>Personal Care and Service</i> 				
<ul style="list-style-type: none"> • <i>Sales and Related</i> • <i>Installation, Maintenance, and Repair</i> • <i>Healthcare Practitioners and Technical</i> 	<ul style="list-style-type: none"> • <i>Construction and Extraction</i> • <i>Production</i> 				

CHAPTER 4: DEMOGRAPHIC & COMMUNITY TRENDS



This chapter focuses on the residents of Covington, Kentucky, exploring population demographics, new residents, educational attainment, and secondary school performance. Income for households and individuals, per capita income, and poverty rates are key indicators of residents' economic standing and are assessed. Also included in this chapter are several indicators affecting residents' quality of life and opportunity, such as crime rates and cost of living.

Population Trends

Population growth can be a significant factor in local economic health and is often a key consideration in business expansion and site-selection decisions. Population declines, very slow growth rates, or significant domestic out-migration cause companies to be wary of an area, favoring those locations that are dynamic and growing.

Covington has experienced several growth and loss cycles in population in the past decade. As a smaller city, minor ripples can affect this population picture. The current flat population growth rate for a five-year period is a challenge, and paired with a net loss over a 10-year period is a negative factor for the City (Table 4.1, Figure 4.1). All other benchmarks and comparative geographies grew for both the five- and 10-year period with Asheville showing the most dramatic increase of 7.8 percent from 2012–2017 (Figure 4.2).

Table 4.1
Net Population Change
Highest Growth Rate Shaded

Geography	2017	Change 2012–17	% Change 2012–17	Change 2007–17	% Change 2007–17
Covington	40,455	-8	0.0%	-855	-2.1%
Asheville	91,902	6,626	7.8%	10,670	13.1%
Chattanooga	179,139	5,502	3.2%	16,438	10.1%
Tri-ED Region	388,615	13,422	3.6%	30,765	8.6%
Cincinnati Metro	2,179,082	50,976	2.4%	45,404	2.1%
Kentucky	4,454,189	70,516	1.6%	197,517	4.6%
United States	325,719,178	11,725,906	3.7%	24,487,971	8.1%

Source: U.S. Census Bureau, Garner Economics

Figure 4.1
Population Growth in Covington

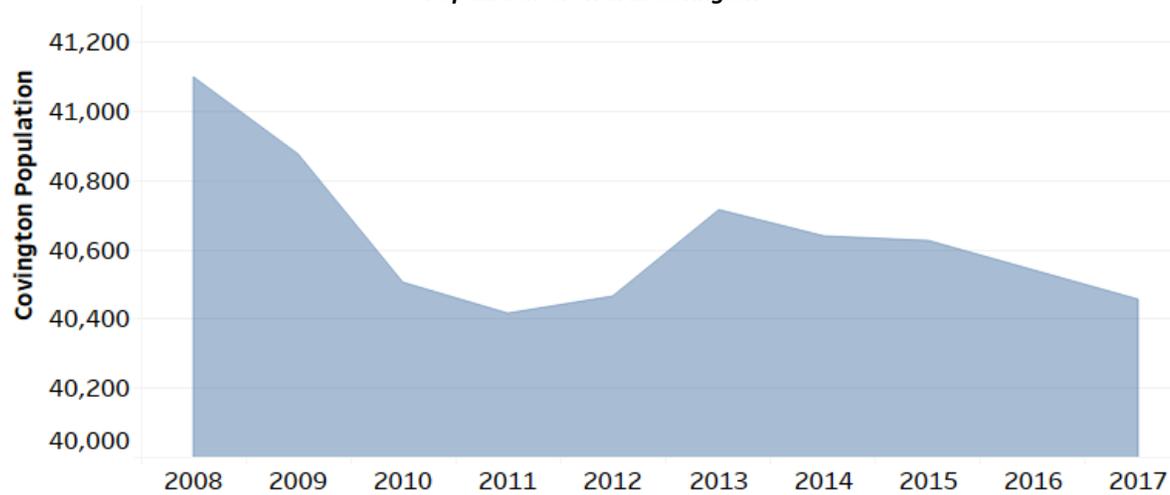
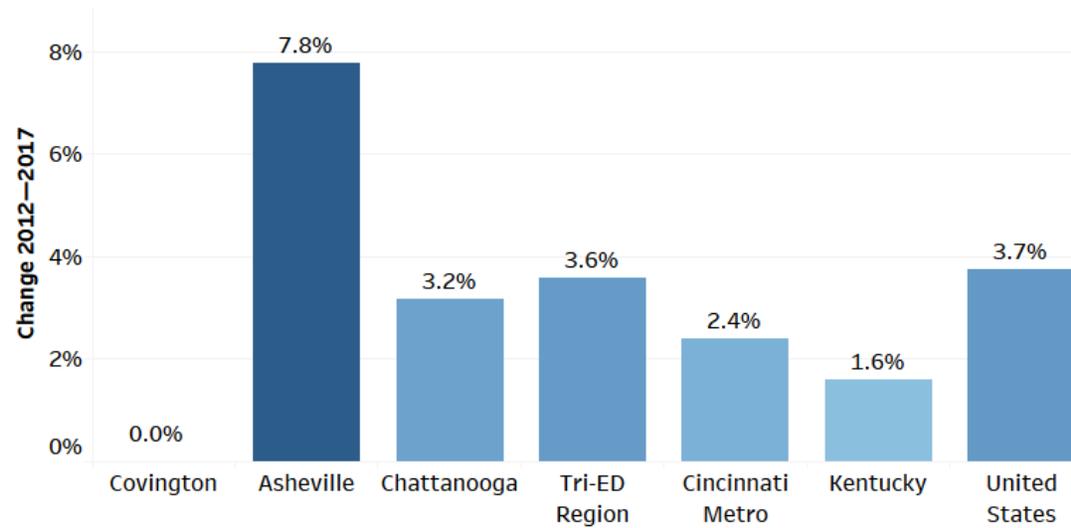


Figure 4.2
Population Growth 2012–2017



Source: U.S. Census Bureau, Garner Economics

Age

The age composition of a local population can be an important determinant in business decisions and competitiveness. The lack or underrepresentation of younger workers may deter firms from considering some communities for their long-term plans. Low proportions of middle-aged workers may prevent firms from initiating expansions requiring quick startup operations. A high proportion of older workers may indicate certain incumbent skills or the need to replace

soon-to-retire workers. With the current focus on retaining and attracting talent, an existing pool of younger people for both current and future workforce participation is essential in making a community attractive for companies and people alike.

The median age of Covington is 35.8, reflecting a younger population and is the youngest of all benchmarks (Figure 4.3).

Table 4.2
Population Distribution Among Age Groups, 2017
Highest Percentage Shaded

Geography	<10 yrs	10–19 yrs	20–29 yrs	30–39 yrs	40–49 yrs	50–59 yrs	60–9 yrs	70–79 yrs	80+ yrs
Covington	14.5%	9.8%	15.4%	15.5%	12.4%	14.9%	9.4%	4.7%	3.3%
Asheville	10.1%	9.8%	16.5%	15.9%	12.3%	12.0%	11.7%	6.4%	5.3%
Chattanooga	11.7%	12.0%	16.4%	13.6%	11.5%	13.3%	10.9%	6.0%	4.7%
Tri-ED Region	13.5%	13.2%	13.3%	13.6%	13.4%	13.9%	10.5%	5.6%	3.0%
Cincinnati Metro	13.0%	13.6%	13.4%	12.6%	13.0%	14.1%	11.0%	5.7%	3.6%
Kentucky	12.6%	12.9%	13.5%	12.6%	13.0%	14.1%	11.4%	6.4%	3.5%
United States	12.6%	13.1%	14.0%	13.1%	12.8%	13.6%	11.0%	6.2%	3.7%

Figure 4.3
Median Age, 2017
Youngest Age Underlined

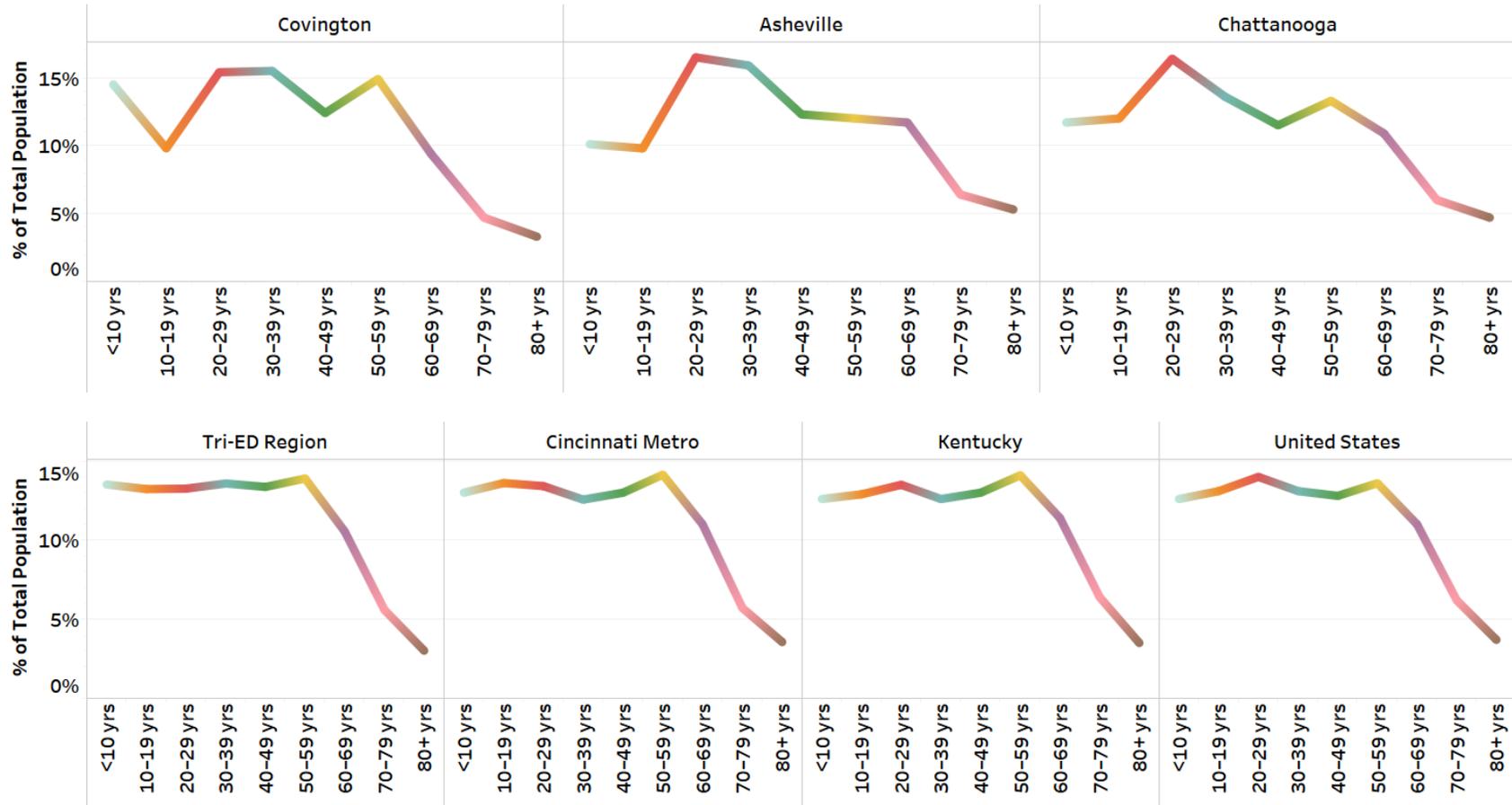


Source: U.S. Census Bureau, Garner Economics

Covington shows strong concentrations in younger age groups (Under 10 years) and the highest among all benchmarks of 50 to 59-year-olds (Table 4.2). The City follows a similar pattern to the benchmarks of Asheville and Chattanooga with a spike in younger ages but a dip in the 40–49 years

group (Figure 4.4). Larger geographical areas that comprise a variety of urban, suburban, and rural options seem to have a more evenly distributed age distribution.

Figure 4.4
Population Distribution Among Age Groups, 2017

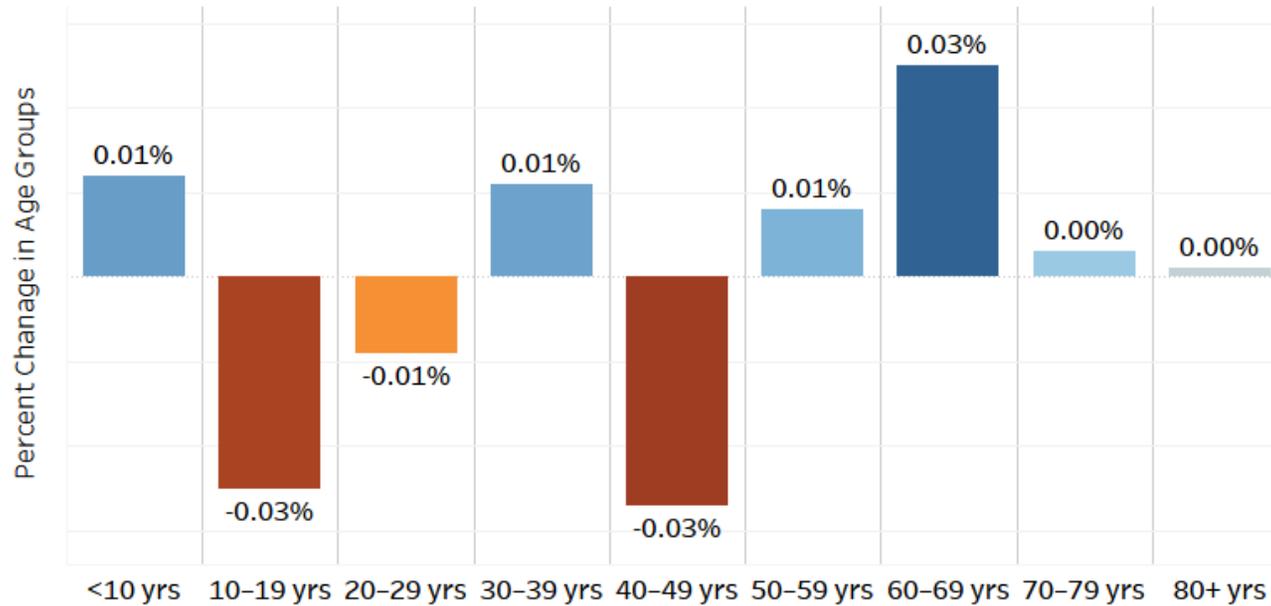


Source: U.S. Census Bureau, Garner Economics

Although the current population has some younger feel to it, the national trend is an aging population. The change between 2012 and 2017 has mixed results with three categories dropping slightly—two in the younger

age groups—and the remainder have a very modest growth for this period (Figure 4.5).

Figure 4.5
Population Change in Age Groups
Covington, 2012–2017



Source: U.S. Census Bureau, Garner Economics

Diversity

By itself, racial diversity is not a determining factor in local economic competitiveness, although some firms may prefer higher rates of diversity to attract and retain certain workers. This is particularly true for multinational firms looking to attract workers from outside the United States. As talent attraction and retention are key factors in economic development today, there is a rising awareness by some companies with strong corporate cultures regarding diversity to seek areas that reflect or support inclusiveness and tolerance among many groups of people.

Covington is primarily comprised of those who identify themselves as *White*, with 80.9 percent of the total population (Table 4.3). The City has the highest percentage of individuals who identify themselves as being of *Two or More Races* (4.1 percent). Chattanooga was the most racially diverse among local benchmarks.

Table 4.3
Population Diversity, 2017
Highest Percentage Shaded

Geography	% White	% Black or African American	% Asian	% Two or More Races	% Other	% Hispanic or Latino of Any Race
Covington	80.9%	11.4%	0.6%	4.1%	2.9%	5.0%
Asheville	82.9%	12.0%	2.0%	2.4%	0.8%	5.9%
Chattanooga	61.0%	33.3%	2.4%	2.1%	1.1%	5.6%
Tri-ED Region	91.5%	3.7%	1.5%	2.1%	1.1%	3.1%
Cincinnati Metro	82.1%	12.2%	2.4%	2.3%	1.1%	3.0%
Kentucky	87.3%	8.0%	1.3%	2.2%	1.2%	3.4%
United States	73.0%	12.7%	5.4%	3.1%	5.8%	17.6%

Source: U.S. Census Bureau, Garner Economics

New Residents

Attracting new residents from a diversity of outside locations can reflect the City’s broader appeal and provide an indicator of economic dynamism. This measure of new residents reflects the population that has moved within the past year **and does not show net migration, only incoming residents.**

Covington gained most of its new residents through domestic migration—equal parts from another county within the same state and from a different state (48.5 percent) (Table 4.4, Figure 4.6). The percentages of the sources for new residents was not significantly different at the local, state, and national level.

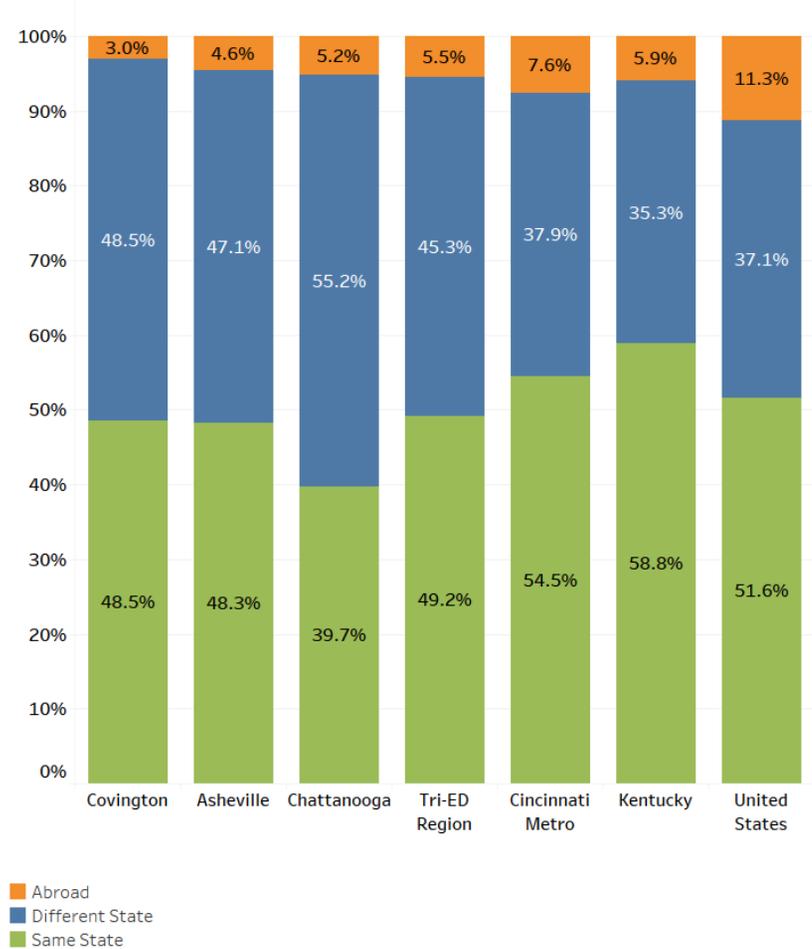
Covington gained nearly 4,000 new residents (who had reported moving in the past year), which represented 9.9 percent of the entire population, the highest among benchmarks. This data shows new residents at the local level, however, for Kentucky and the U.S., this shows those who moved in the past year with the exception of international migration.

Table 4.4
New Residents, 2017
Highest Percentage Shaded

	% New Residents in 2017	# Total New Residents 2017	Same State	Different State	Abroad
Covington	9.9%	3,951	48.5%	48.5%	3.0%
Asheville	8.7%	7,711	48.3%	47.1%	4.6%
Chattanooga	5.8%	10,090	39.7%	55.2%	5.2%
Tri-ED Region	7.9%	29,809	49.2%	45.3%	5.5%
Cincinnati Metro	6.6%	140,669	54.5%	37.9%	7.6%
Kentucky	6.8%	297,318	58.8%	35.3%	5.9%
United States	6.2%	19,669,410	51.6%	37.1%	11.3%

Source: U.S. Census Bureau, Garner Economics

Figure 4.6
Sources of New Residents, 2017



Source: U.S. Census Bureau, Garner Economics

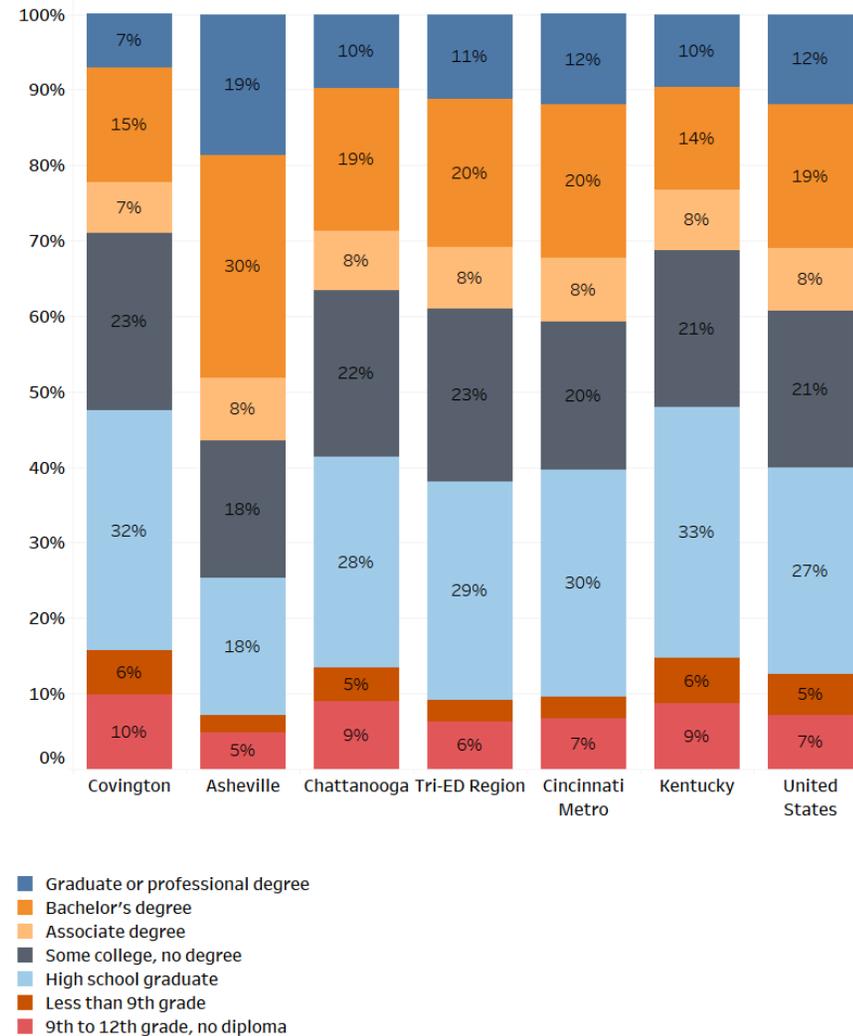
Educational Attainment

The level of education of the community’s population is often a decisive factor in economic competitiveness. Firms understand the need to operate in areas with a sufficient supply of workers that meet or exceed their demands. They also know that the lack of an educated workforce can significantly affect business performance.

Educational attainment among Covington’s population ages 25 and over is lower than the nation, the metro, and other community benchmarks (Figure 4.7). Kentucky has a similar educational profile as Covington. Approximately 52 percent of the City’s population has received some higher education experience.

Asheville has the highest educational attainment with 30 percent of its population holding a bachelor’s degree.

Figure 4.7
Educational Attainment, 2017



Source: U.S. Census Bureau, Garner Economics

Secondary School Performance

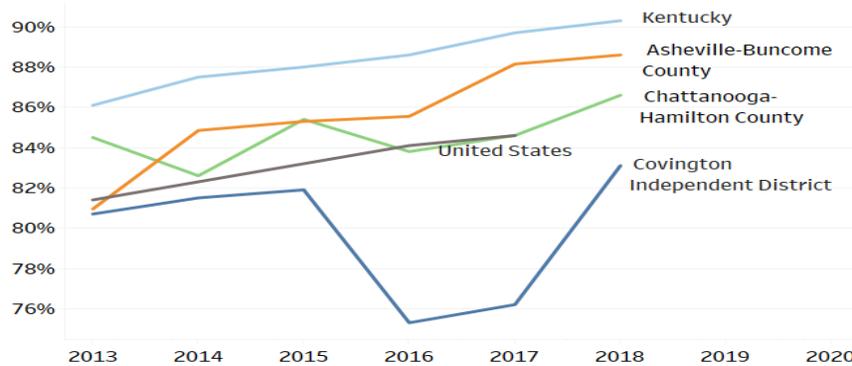
The share of high school students that graduate within four years of beginning 9th grade is an important measure of the performance of local public school districts.

The four-year graduation rate for Covington experienced several years of decline in 2016 and 2017, but the latest rate shows an 8 point increase (Table 4.5, Figure 4.9). Even with this higher score in 2018, Covington is below all benchmarks.

Table 4.5
4-Year Cohort High School Graduation Rates
Highest Rate Shaded

	2014	2015	2016	2017	2018
Covington Independent District	81.5%	81.9%	75.3%	76.2%	83.1%
Asheville-Buncombe County	84.9%	85.3%	85.6%	88.2%	88.6%
Chattanooga-Hamilton County	82.6%	85.4%	83.8%	84.6%	86.6%
Kentucky	87.5%	88.0%	88.6%	89.7%	90.3%
United States	82.3%	83.2%	84.1%	84.6%	n/a

Figure 4.9
Graduation Rates



Standardized testing is another comparative tool to reflect the performance of secondary schools. The ACT exam is a standardized test for college admissions in the United States and is a widely accepted measure of education quality. Scores are especially relevant to businesses because they provide a measure of the “final product” of public schools and the educational quality.

Covington Independent School District had an average composite score of 16.6 in 2018, which was lower than the state, nation, and comparative benchmarks (Table 4.6). Overall, Covington’s school district has consistently performed below all benchmarks, remaining several points below all comparatives.

Table 4.6
Composite ACT Scores
Highest Score Shaded

	2014	2015	2016	2017	2018
Covington Independent District	16.7	16.8	17.1	17.1	16.6
Asheville-Buncombe County	20.4	20.2	20.0	20.2	19.9
Chattanooga-Hamilton County	19.0	18.9	19.4	19.9	19.9
Kentucky	19.4	19.4	19.5	19.8	19.3
United States	21.0	21.0	20.8	21.0	20.5

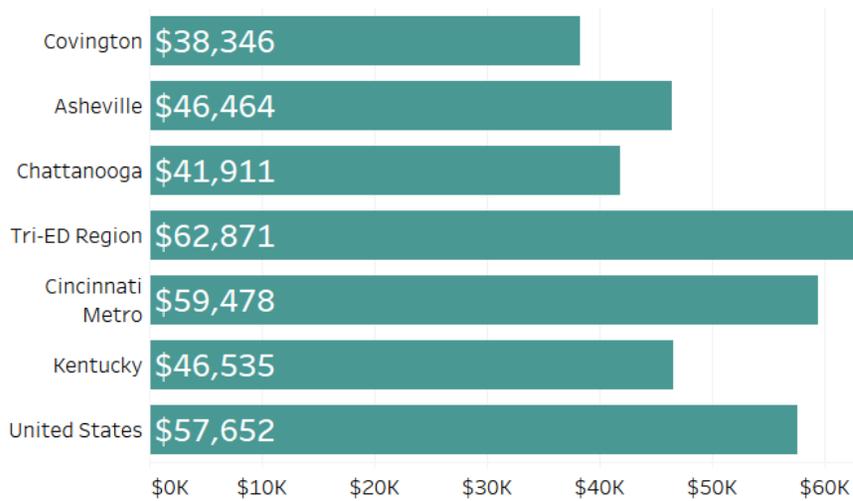
Sources: Kentucky, North Carolina & Tennessee Departments of Education; ACT, Garner Economics

National Graduation Rates not yet released for 2018

Household Income

Household income reflects income for residents regardless of where they work. Covington’s median household income in 2017 was \$38,346, below all benchmarks (Figure 4.8). The Tri-ED region and the Cincinnati Metro had the highest median household incomes among all comparisons.

Figure 4.8
Median Household Income 2017



Source: U.S. Census Bureau, Garner Economics

Covington did see a sizable increase (4.2 percent) among those households making \$100,000–\$150,000 dollars from 2012 to 2017 (Figure 4.9). For the latest figures in 2017, however, Covington has the highest share of households in the bottom tier of income groups (Table 4.7).

Figure 4.9
Household Income Distribution Change Covington 2012–2017

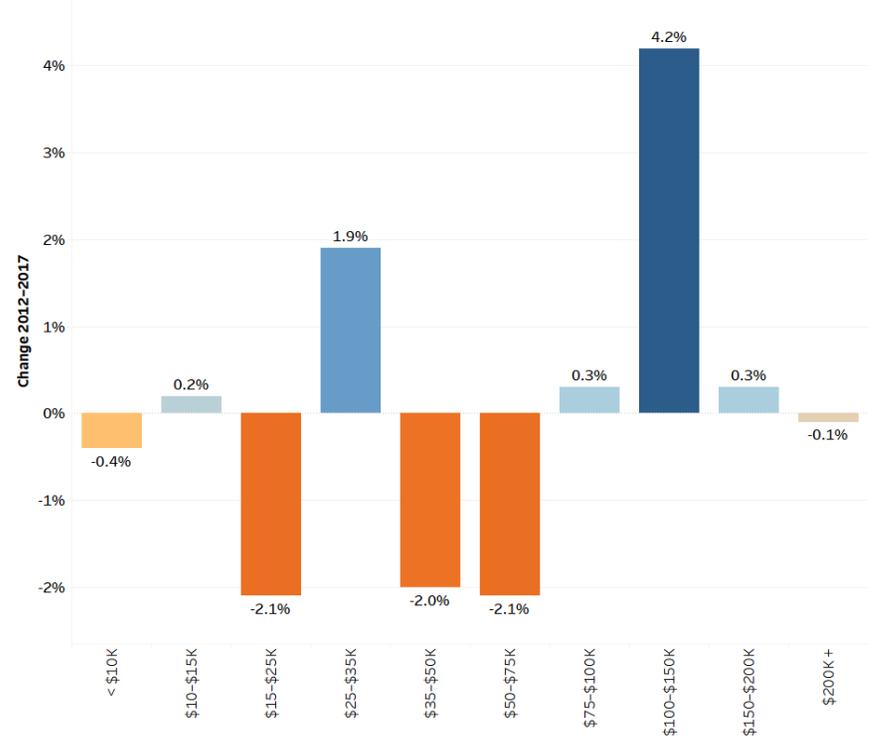
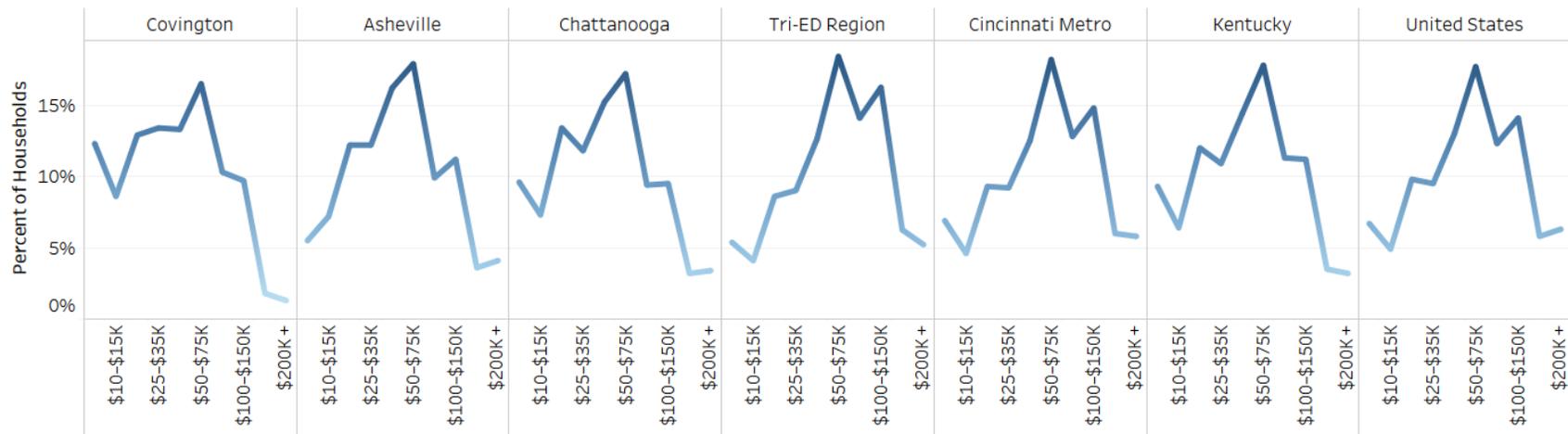


Table 4.7
Household Income Distribution, 2017
Highest Percentage Shaded

Household Income	Covington	Asheville	Chattanooga	Tri-ED Region	Cincinnati Metro	Kentucky	United States
< \$10,000	12.3%	5.5%	9.6%	5.4%	6.9%	9.3%	6.7%
\$10,000 to \$14,999	8.6%	7.2%	7.3%	4.1%	4.6%	6.4%	4.9%
\$15,000 to \$24,999	12.9%	12.2%	13.4%	8.6%	9.3%	12.0%	9.8%
\$25,000 to \$34,999	13.4%	12.2%	11.8%	9.0%	9.2%	10.9%	9.5%
\$35,000 to \$49,999	13.3%	16.2%	15.2%	12.6%	12.5%	14.4%	13.0%
\$50,000 to \$74,999	16.5%	17.9%	17.2%	18.4%	18.2%	17.8%	17.7%
\$75,000 to \$99,999	10.3%	9.9%	9.4%	14.1%	12.8%	11.3%	12.3%
\$100,000 to \$149,999	9.7%	11.2%	9.5%	16.2%	14.8%	11.2%	14.1%
\$150,000 to \$199,999	1.8%	3.6%	3.2%	6.3%	6.0%	3.5%	5.8%
\$200,000 or more	1.3%	4.1%	3.4%	5.2%	5.8%	3.2%	6.3%

Figure 4.10
Household Income Distribution, 2017



Source: U.S. Census Bureau, Garner Economics

Personal Income

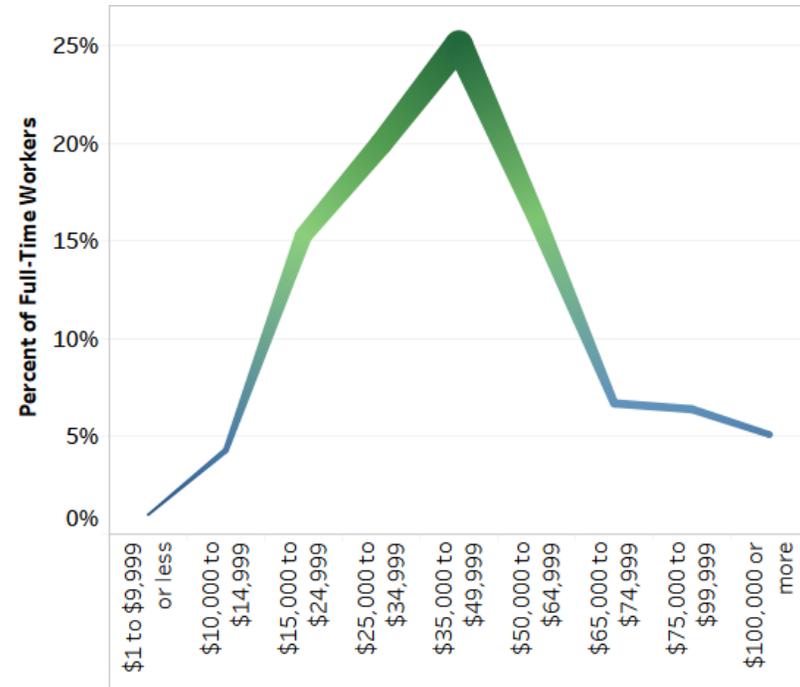
Earnings for individuals reflect the income for residents regardless of where they work or others’ earnings in their household. The data capture individuals ages 16 or over who are full-time, year-round workers with earnings.

Covington’s average individual earnings of \$47,610 rank below all benchmarks (Table 4.8). This average income falls behind the state, nation, and local benchmarks and grew at a rate of 7.7 percent in the past five years, which underperforms when compared to the growth of the other geographies in this study. The 2017 personal income distribution for Covington shows strength in mid-range levels with the highest concentration in the \$35,000 to \$49,999 range, as illustrated in Figure 4.11.

Table 4.8
Average Personal Income
Highest Relative Figure Shaded

	2012	2017	% Change in Personal Income
Covington	\$44,197	\$47,610	7.7%
Asheville	\$48,928	\$53,300	8.9%
Chattanooga	\$48,393	\$53,082	9.7%
Tri-ED Region	\$55,678	\$62,135	11.6%
Cincinnati Metro	\$58,353	\$63,850	9.4%
Kentucky	\$48,726	\$52,939	8.6%
United States	\$57,906	\$62,905	8.6%

Figure 4.11
Personal Income Distribution
Covington, 2017



Source: U.S. Census Bureau, Garner Economics

Per Capita Income

Per capita income is the average annual income computed for every man, woman, and child. It is derived by dividing aggregate income by total population. Per capita income is a measure for all residents regardless of where they work, their age, or whether they derive any income.

Covington’s 2017 per capita income was lower than all benchmarks and grew at a rate behind all other comparatives (Table 4.9).

Poverty

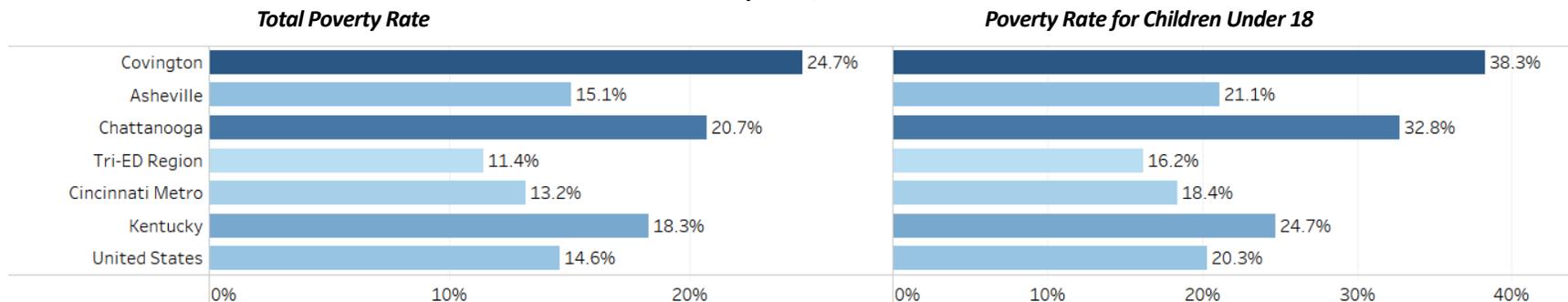
The measurement of poverty in the City helps to evaluate the well-being of the citizens and the state of the economy. Covington has a high poverty rate of 24.7 percent for the entire population and 38.3 percent for *Children Under 18* (Figure 4.12). Both indicators are higher than all comparative geographies.

Table 4.9
Per Capita Income
Highest Relative Figure Shaded

	2012	2017	% Change in Per Capita
Covington	\$20,563	\$22,811	10.9%
Asheville	\$26,993	\$31,075	15.1%
Chattanooga	\$23,804	\$26,730	12.3%
Tri-ED Region	\$27,835	\$31,521	13.2%
Cincinnati Metro	\$28,394	\$31,814	12.0%
Kentucky	\$23,210	\$25,888	11.5%
United States	\$28,051	\$31,177	11.1%

Source: U.S. Census Bureau, Garner Economics

Figure 4.12
Poverty Rates, 2017



Source: U.S. Census Bureau, Garner Economics

Crime

Crime rates may seem outside the typical measures of economic competitiveness, but these represent a widely accepted, objective gauge used by firms. Crime rates may reflect underlying economic conditions and may signal deeper systemic problems more so than standard economic measures show.

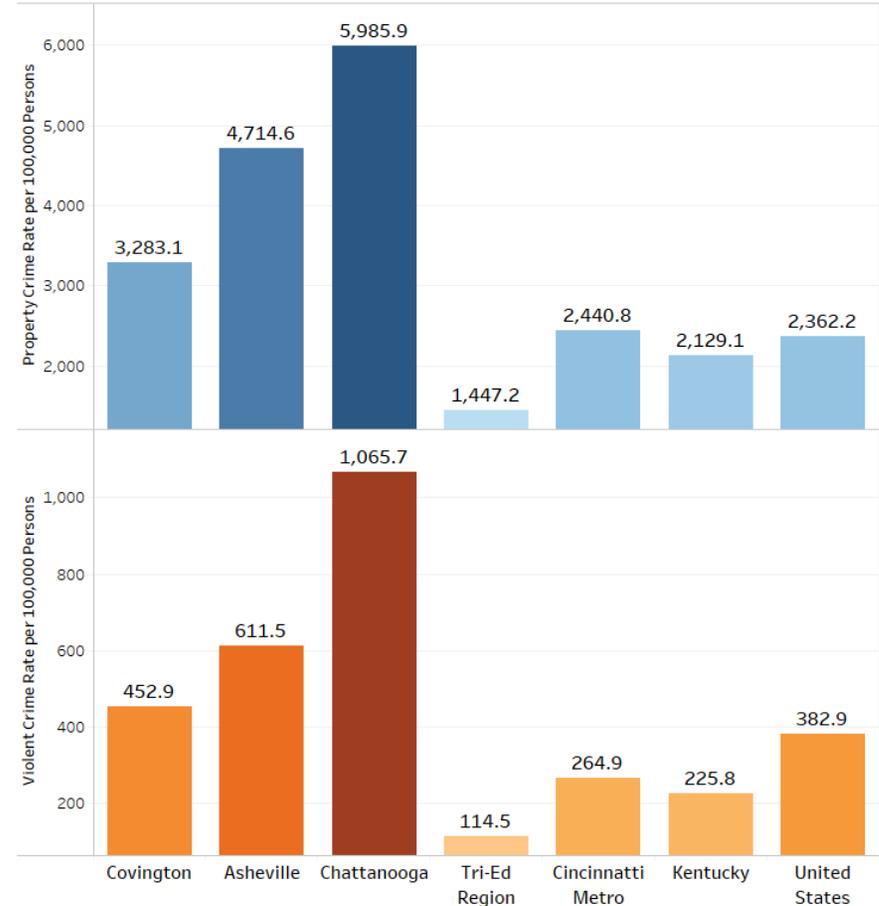
Covington’s *Property Crime Rate* is moderate with 3,283 crimes reported per 100,000 persons. This rate fares much better than its urban benchmarks of Asheville and Chattanooga, but higher than larger geographic comparatives with less population density (Table 4.10, Figure 4.13). The *Violent Crime Rate*, 452.9 crimes reported per 100,000 persons, is again lower than the other benchmark cities but higher than regional, metro, state, and national rates.

For a unilateral view of crime rates, research is based on crimes reported and published in the FBI Uniform Crime Report for 2017.

Table 4.10
Crime Rates, per 100,000 persons
Lowest Rate Shaded

	Property Crime		Violent Crime	
	Crimes Reported	Crime Rate	Crimes Reported	Crime Rate
Covington	1,341	3,283.1	185	452.9
Asheville	4,248	4,714.6	551	611.5
Chattanooga	10,700	5,985.9	1,905	1,065.7
Tri-ED Region	5,624	1,447.2	445	114.5
Cincinnati Metro	53,156	2,440.8	5,770	264.9
Kentucky	94,833	2,129.1	10,056	225.8
United States	7,694,086	2,362.2	1,247,321	382.9

Figure 4.13
Crime Rates, 2017



Sources: Uniform Crime Reports, FBI; Garner Economics

Cost of Living

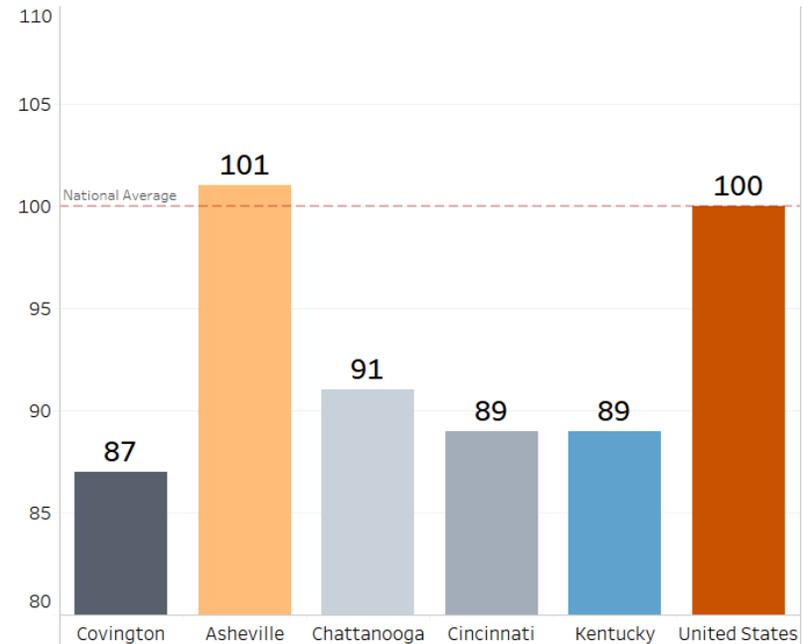
Generally speaking, Covington has an affordable cost of living compared to the other communities in this study. Cost of Living indicators for cities reflect the general cost of mid-management level living in that area. The Cost-of-Living Index uses the national average of 100 for measuring the cost for a set basket of goods and services.

The composite Cost-of-Living Index for Covington is 87 compared to 101 for Asheville, 91 for Chattanooga, and 89 for Cincinnati (Table 4.11, Figure 4.14). The state of Kentucky was estimated to have an index of 89. Covington ranked below national levels for most measures with the exception of *Transportation* and *Goods & Services*. Covington had the lowest *Housing* index (59 compared to 100 average).

Table 4.11
Cost-of-Living Index, 2017
Lowest Figure Shaded

Category	Covington	Asheville	Chattanooga	Cincinnati	Kentucky
Cost of Living	87	101	91	89	89
Goods & Services	102	97	96	102	100
Grocery	91	94	93	91	90
Healthcare	98	101	104	98	93
Housing	59	109	82	67	70
Transportation	101	96	91	101	99
Utilities	95	104	94	95	96

Figure 4.14
Cost-of-Living Index, 2017



Source: AreaVibes.com derived from C2ER Index for 2017, Garner Economics

CHAPTER 5: ECONOMIC DYNAMICS & EMPLOYMENT TRENDS



This chapter focuses on the labor market of Covington, Kentucky, beginning with the residents within the City, then exploring commuting patterns with the surrounding area and the full labor force draw of 45-minute drive time from downtown Covington. The data then transitions to employer-based information, including employment, industry composition, wage comparisons, and additional workplace statistics for those working in Covington.

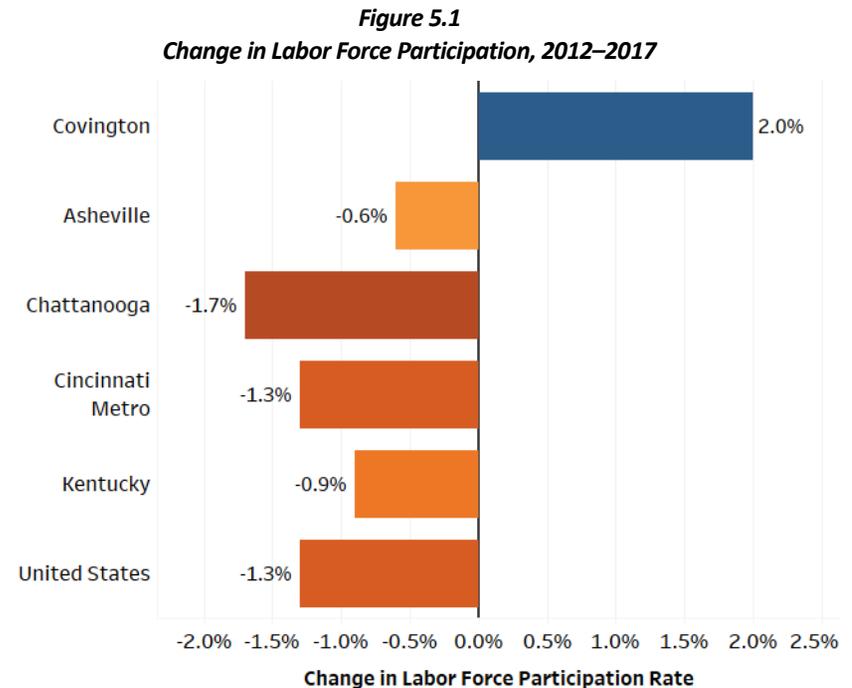
Labor Force Participation

Covington is the only geography analyzed that experienced an increase (2 percent) in labor force participation between 2012 and 2017 (Figure 5.1). The national trend has been a general decline in participation, which makes Covington’s departure from this trend a very positive indicator.

Among residents ages 16 and over in Covington in 2017, 62.4 percent participate in the labor force, a figure below the national rate and all other benchmarks except for the state (Table 5.1).

Table 5.1
Labor Force Participation Rate
Highest Rate Shaded

	2012	2017	2012–2017 Change
Covington	62.4%	64.4%	2.0%
Asheville	65.7%	65.1%	-0.6%
Chattanooga	62.7%	61.0%	-1.7%
Cincinnati Metro	67.1%	65.8%	-1.3%
Kentucky	60.3%	59.4%	-0.9%
United States	64.7%	63.4%	-1.3%



Source: U.S. Census Bureau, Garner Economics

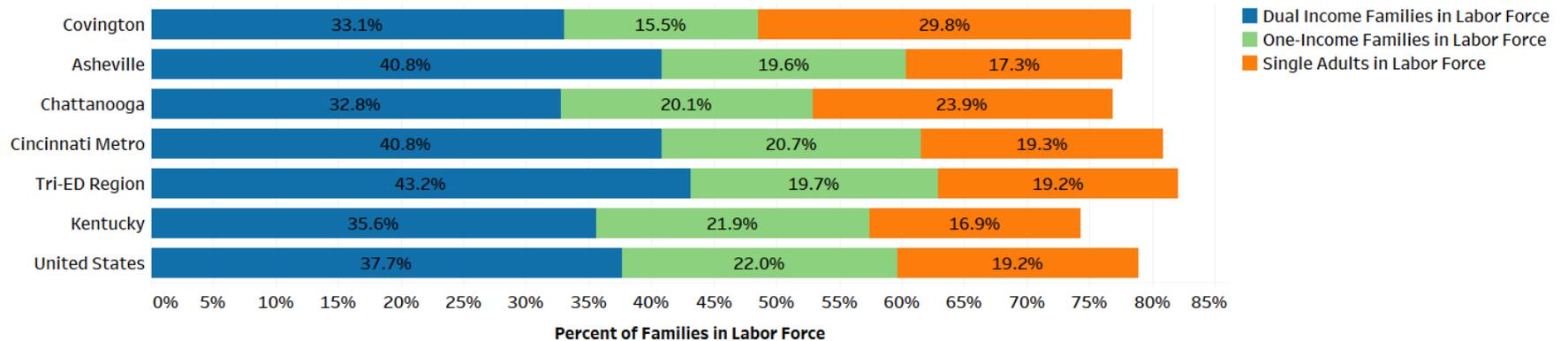
Labor Force Participation—Families

Among all families in Covington, 33.1 percent are *Dual Income Families*, which is the biggest sector of families participating in the labor force (Table 5.2, Figure 5.2). Covington has the highest share of *Single Adults in Labor Force* at 29.8 percent. Overall, the participation rate of families in Covington is 78.4 percent, which is on par with the nation, but higher than the state and all other benchmarks except the Tri-ED region and the Cincinnati Metro.

Table 5.2
Labor Force Participation of Families, 2017
Highest Rate Shaded

	Covington	Asheville	Chattanooga	Tri-ED Region	Cincinnati Metro	Kentucky	United States
Dual Income Families in Labor Force	33.1%	40.8%	32.8%	43.2%	40.8%	35.6%	37.7%
Single Income Families in Labor Force	15.5%	19.6%	20.1%	19.7%	20.7%	21.9%	22.0%
Single Adults in Labor Force	29.8%	17.3%	23.9%	19.2%	19.3%	16.9%	19.2%
Total Families in Labor Force	78.4%	77.7%	76.8%	82.1%	80.9%	74.3%	78.9%

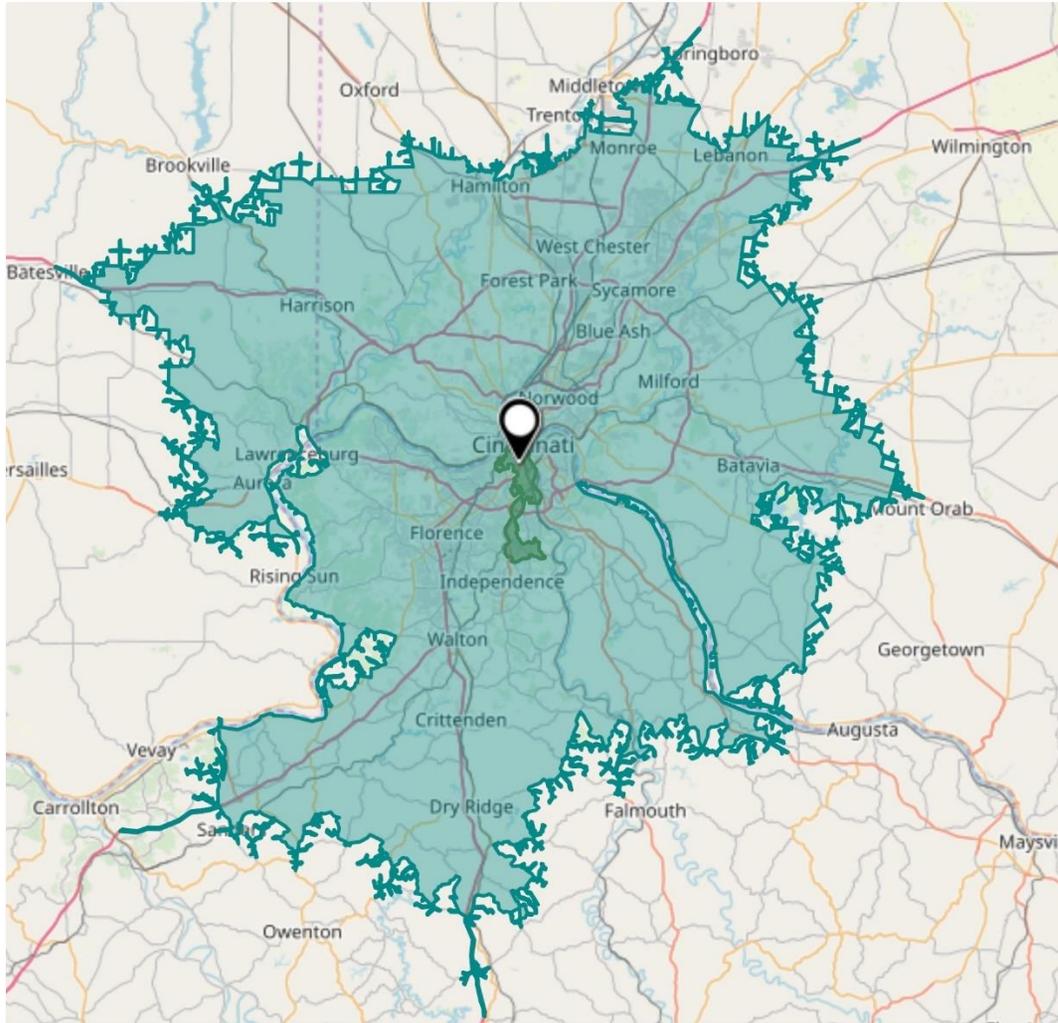
Figure 5.2
Labor Force Participation of Families, 2017



Source: U.S. Census Bureau, Garner Economics

Labor Force Draw

Figure 5.3
Covington Labor Draw
45-Minute Drive-Time Area



The effective labor draw considers the documented labor pool for a location based on the existing residential workforce and local road network. The analysis considers the pool of active workers residing within a representative drive time from a site.

Using a 45-minute drive-time analysis from Covington, the estimated 2017 population is 1,913,171 (Figure 5.3).

The drive-time analysis greatly enhances the existing labor force in Covington of approximately 19,000. The drive-time workforce is diverse with 15 percent employed in *Health Care & Social Services*, 14 percent in *Manufacturing*, and 11 percent in *Retail*.

1,913,171
Population
1,025,705
Labor Force

Source: ESRI, 2017 data; Garner Economics

College Enrollment & Degrees Granted

As important as the existing workforce, those who will join the ranks of the labor force with degrees or certifications enhance the opportunity for companies to relocate or expand in the area. Within the Cincinnati Metro area, there are nearly 40 colleges, universities, and training institutes with 140,000 students enrolled as of the 2016–2017 school year (Figure 5.4). These higher education assets provide a boost to the workforce pipeline and offer training programs with a variety of concentrations. In the three-county Tri-ED region alone, there are nearly 27,000 students attending eight schools (Table 5.3).

Larger schools within the Cincinnati Metro include the University of Cincinnati, Miami University, and Northern Kentucky University. Certificates and degrees awarded by colleges and universities in the metro area number nearly 30,000 for 2017 among many disciplines (Table 5.4). The top fields of study include *Health Professions* and *Business Management*. Nearly half of the awards were bachelor’s level (Table 5.5).

Table 5.3
Tri-ED Region Schools
2017 College Enrollment

Name	City	Enrollment
Northern Kentucky University	Highland Heights	16,475
Gateway Community and Technical College ¹	Florence	5,908
Thomas More College	Crestview Hills	2,571
Beckfield College-Florence	Florence	1,172
Brighton Center's Center for Employment Training	Newport	418
Interactive College of Technology-Newport	Newport	226
Ross Medical Education Center-Erlanger	Erlanger	90
Daymar College-Bellevue	Bellevue	54
Grand Total		26,914

Source: National Center for Educational Statistics, ESRI, Garner Economics

¹ Please note Appendix G beginning on page 96 for more information related to GCTC.

Figure 5.4
Cincinnati Metro/Labor Draw
Colleges and Universities

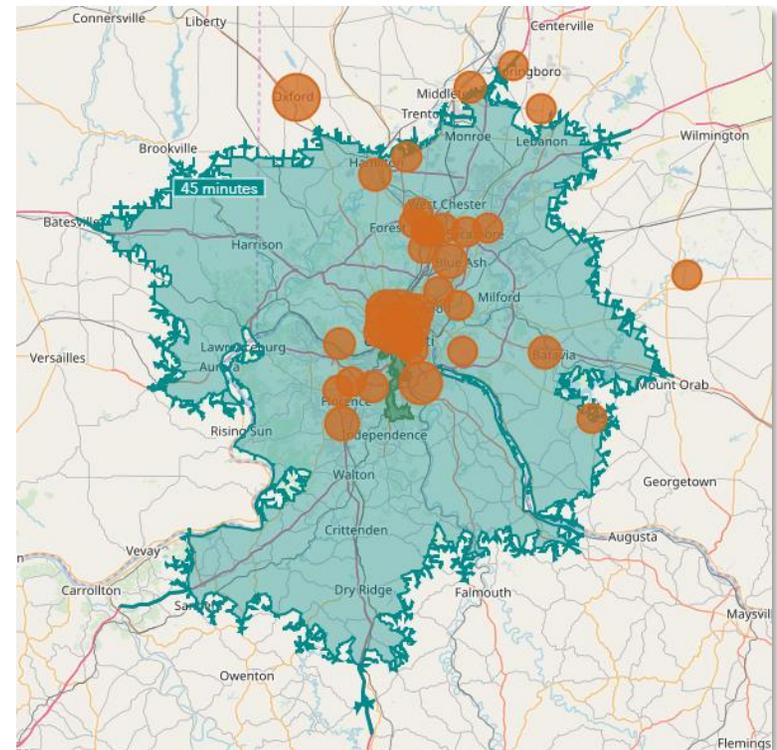


Table 5.4
Cincinnati Metro Colleges & Universities
2017 Degrees & Certificates Granted by Top Areas of Study

Degrees or Certificates Granted, 2017	
Health Professions and Related Programs	4,784
Business, Management, Marketing, and Related Support Services	4,782
Education	1,837
Biological and Biomedical Sciences	1,174
Engineering	1,150
Homeland Security, Law Enforcement, Firefighting, and Related Protective Service	1,145
Psychology	1,112
Visual and Performing Arts	1,053
Communication, Journalism, and Related Programs	1,006
Liberal Arts and Sciences, General Studies and Humanities	998
Computer and Information Sciences and Support Services	886
Social Sciences	745
Public Administration and Social Service Professions	543
Parks, Recreation, Leisure and Fitness Studies	523
Engineering Technologies and Engineering-related Fields	453
Physical Sciences	347
English Language and Literature/Letters	323
Multi/Interdisciplinary Studies	292
Architecture and Related Services	252
Legal Professions and Studies	221
Mathematics and Statistics	221
Total	29,614

Source: National Center for Educational Statistics, Garner Economics

Table 5.5
Cincinnati Metro Colleges & Universities
2017 Degrees & Certificates Granted

Degrees or Certificates Granted, 2017	
Certificate	4,089
Associate degree	4,129
Bachelor's degree	14,436
Graduate degree/professional	6,960
Total	29,614

Commuting Patterns

Worker flows help define the size of a local economy’s labor draw, and trends help describe attraction and regional competition. Worker flows represent both daily commuters and short-term, away-from-home assignments (major construction projects, on-site consulting, etc.).

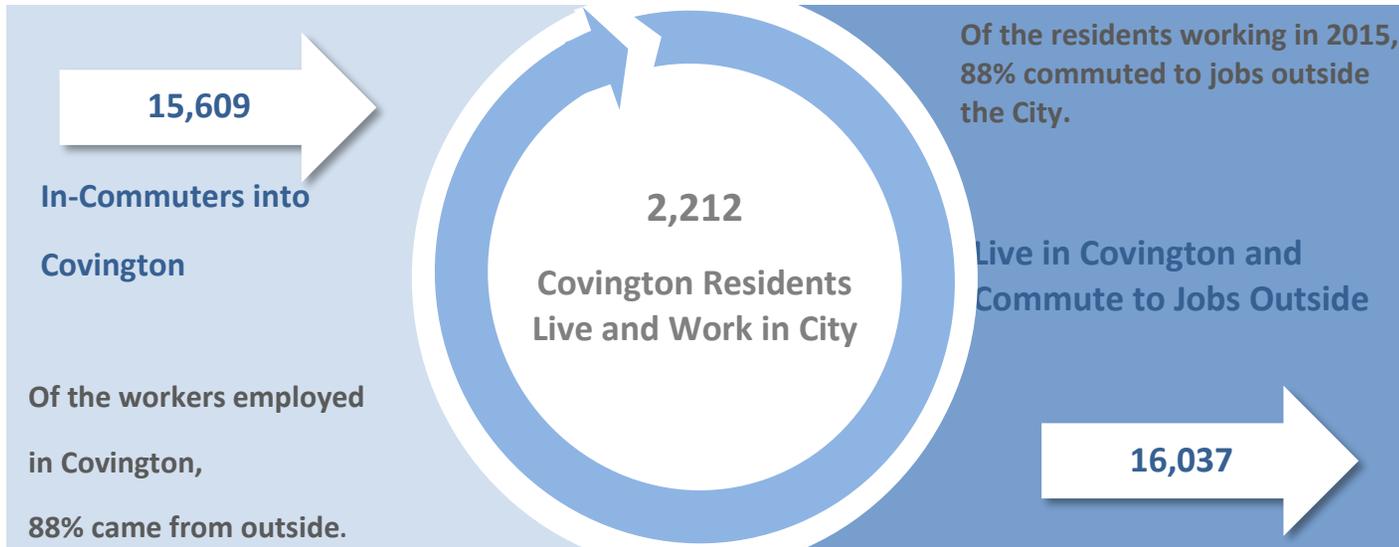
The City of Covington serves as an employment center to many workers; however, there are relatively few who both live and work in the city limits. The commuting patterns show there is a net job outflow of more than 400 people reported in 2015. Employers in the City pull in about 15,600 employees from outside city limits and 2,200 workers who live and work in Covington (Table 5.6, Figure 5.5).

Of those who live in the city limits, those 2,200 workers represent only 12 percent of the resident workforce. The remainder, roughly 16,000 workers, leave the City for work.

Over the past five years, the composition of the commuting pattern has changed with more workers commuting and fewer employees commuting into Covington. The net result is a move from a surplus of employees in the City (1,375 in 2010) to a net outflow of residents leaving the City for work (-428 in 2015).

Covington has a strong commuting connection to neighboring Cincinnati with nearly 3,000 workers commuting across the river to that city. On the flip side, Covington brings in 1,400 workers from Cincinnati; however, it is not enough to overcome the net loss of commuters (Figures 5.6 & 5.7).

Figure 5.5
Covington 2015 Commuting Patterns



**The U.S. Census Bureau counts one primary job per worker.*

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD), Garner Economics

Table 5.6
Covington Commuting Changes 2010–2015

	2010	2015	2010–2015 % Change
Living in Covington	17,796	18,250	2.6%
Employed in Covington	19,171	17,822	-7.0%
Living and Employed in Covington	2,508	2,213	-11.8%
Living in Covington but Employed Outside— Out-Commuters	15,288	16,037	4.9%
Employed in Covington but Living Outside— In-Commuters	16,663	15,609	-6.3%
Net Job Inflow (+) or Outflow (-)	1,375	-428	-131.1%

Figure 5.6
Covington In-Commuters, 2015

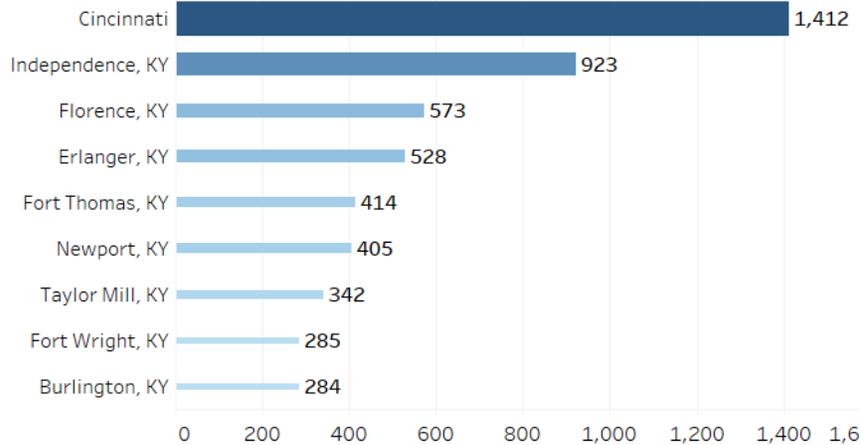
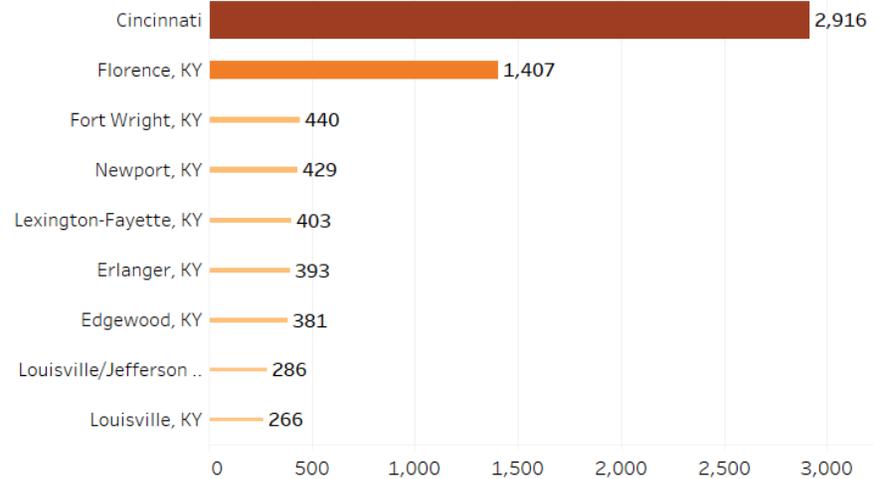


Figure 5.7
Covington Out-Commuters, 2015



*The U.S. Census Bureau counts one primary job per worker.

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD), Garner Economics

Major Industry Sector Composition

A comparison of major industry employment composition provides a broad relative assessment of differences among economies. Covington’s largest sector of employment in 2018 was *Finance & Insurance* with 16.1 percent of the total employment (Table 5.7). Total employment includes covered and uncovered employment and the self-employed and, therefore, would include military personnel. Covington also has the highest level of *Accommodation & Food Services* employment at 12.9 percent.

The City’s next largest employment sectors are *Government* and *Health Care & Social Assistance* with 13.7 percent and 11.4 percent respectively. Covington also ranks highly with *Professional, Scientific and Technical Services* at 9.8 percent, greater than any other geography. A detailed analysis of Covington’s industrial and occupational specialization relative to the nation can be found in *Chapter 7: Local Specialization, Competitiveness & Growth* and in the appendices.

Table 5.7: 2018 Industry Sector Composition—(Highest Relative Figure Shaded)

Description	Covington	Asheville	Chattanooga	Tri-ED Region	Cincinnati Metro	Kentucky	United States
Finance and Insurance	16.1%	2.3%	5.5%	4.4%	5.1%	3.8%	4.0%
Government	13.7%	10.6%	12.3%	11.9%	11.8%	16.6%	15.1%
Accommodation and Food Services	12.9%	12.6%	8.9%	9.6%	8.9%	8.4%	8.6%
Health Care and Social Assistance	11.4%	18.6%	11.7%	10.5%	13.3%	12.1%	12.7%
Professional, Scientific, and Technical Services	9.8%	5.0%	4.4%	4.4%	5.7%	4.1%	6.5%
Retail Trade	7.9%	11.9%	9.0%	9.9%	9.8%	10.6%	10.2%
Administrative and Support and Waste Management and Remediation Services	4.8%	5.6%	8.0%	6.3%	6.0%	6.2%	6.3%
Other Services (except Public Administration)	4.2%	5.4%	4.7%	4.3%	4.5%	4.4%	4.8%
Management of Companies and Enterprises	3.9%	0.6%	0.6%	2.4%	3.3%	0.9%	1.4%
Construction	3.5%	5.3%	5.1%	4.2%	5.0%	4.9%	5.5%
Manufacturing	2.7%	8.5%	12.1%	10.5%	10.4%	12.0%	7.9%
Wholesale Trade	2.5%	2.7%	3.5%	5.8%	4.8%	3.6%	3.7%
Transportation and Warehousing	2.1%	2.6%	7.6%	9.9%	4.2%	5.4%	3.6%
Real Estate and Rental and Leasing	1.9%	1.7%	1.6%	1.3%	1.4%	1.2%	1.7%
Information	1.0%	1.3%	1.6%	0.7%	1.2%	1.1%	1.8%
Arts, Entertainment, and Recreation	0.9%	2.9%	1.4%	1.6%	2.2%	1.2%	1.7%
Educational Services	0.5%	1.8%	1.8%	2.0%	1.9%	1.5%	2.6%
Utilities	0.2%	0.3%	0.1%	0.2%	0.2%	0.3%	0.3%
Agriculture, Forestry, Fishing and Hunting	0.1%	0.3%	0.0%	0.1%	0.2%	1.1%	1.2%
Mining, Quarrying, and Oil and Gas Extraction	0.0%	0.0%	0.0%	0.0%	0.1%	0.5%	0.4%

Source: EMSI, Garner Economics

Estimated Annual Wages

In 2018, the estimated average wage per job in Covington equaled \$54,862 annually (Figure 5.8), or \$1,055 weekly. It should be noted that wage applies only to **employment in Covington** and does not measure wages for those workers who live in Covington but commute outside the area (See Commuting earlier in Chapter 5).

The annual average earnings for all residents, whether they stay in the City for work or out-commute, is \$47,610 for 2018. (See Individual Earnings in Chapter 4).

Covington’s average annual wage is the highest among the benchmark geographies (Figure 5.8). Adjusted for inflation, Covington’s average annual wages grew at a steady pace in the past 10 years (Figure 5.9)

Figure 5.8
Estimated Annual Wages, 2017

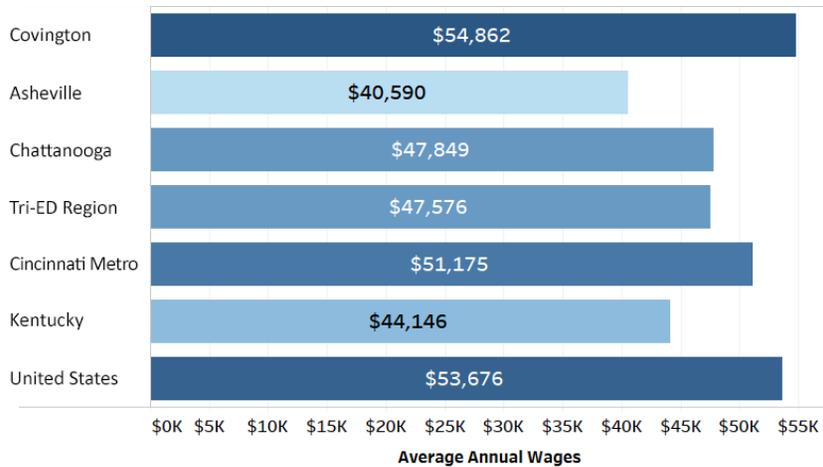
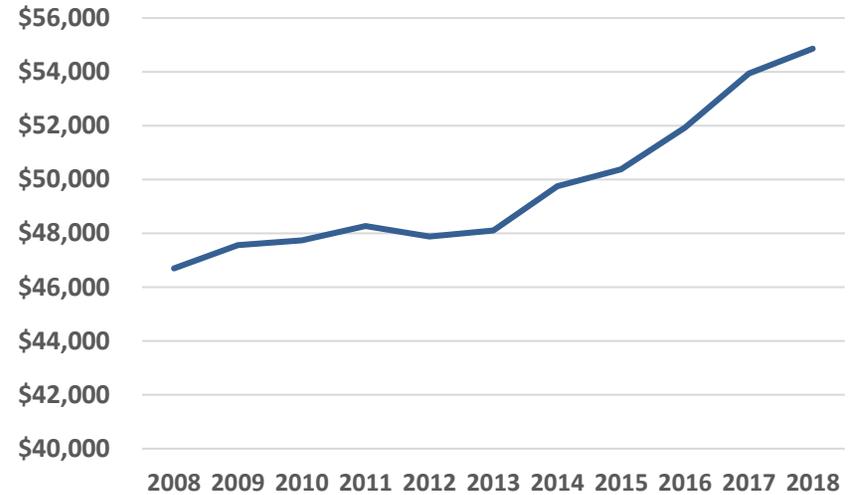


Figure 5.9
Covington Annual Wages Adjusted for Inflation



Source: EMSI, Garner Economics

Self-Employment

Measuring the proportion of persons who are self-employed is a rough means to gauge entrepreneurial activity, which in turn, can provide a view of local risk-taking and economic dynamism.

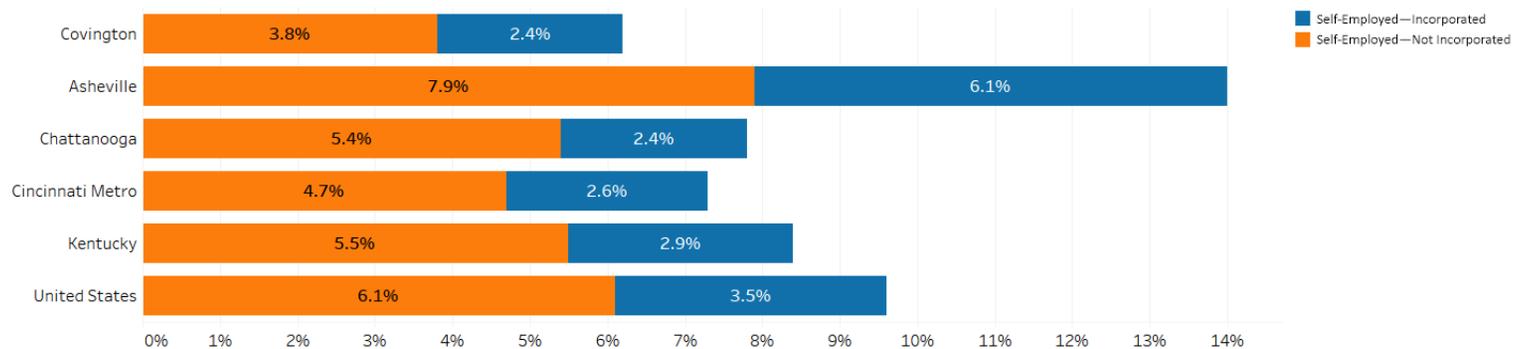
As of 2017, 6.2 percent of workers in Covington were *Self-Employed*. The proportion is well below the national and state self-employment as well as the benchmark communities (Table 5.8).

Of those *Self-Employed*, a much higher share is in the category of *Not Incorporated and Unpaid Family Workers* for all geographies versus *Incorporated* ventures (Figure 5.10). All benchmark geographies had modest growth or declined in self-employment over the past five years, with Covington losing 0.2 percent of *Self-Employed* from 2012 to 2017.

Table 5.8
Self-Employed as a Percentage of Workers 16 Years +
(Highest Relative Number Shaded)

Geography	Self-Employed—2012			Self-Employed—2017			Change in Total Self-Employment 2012-2018
	Incorporated	Not Incorporated & Unpaid Family Workers	Total Self-Employed	Incorporated	Not Incorporated & Unpaid Family Workers	Total Self-Employed	
Covington	1.4%	5.0%	6.4%	2.4%	3.8%	6.2%	-0.2%
Asheville	5.5%	9.5%	15.0%	6.1%	7.9%	14.0%	-1.0%
Chattanooga	2.4%	5.3%	7.7%	2.4%	5.4%	7.8%	0.1%
Cincinnati Metro	2.9%	4.9%	7.8%	2.6%	4.7%	7.3%	0.5%
Kentucky	3.0%	5.9%	8.9%	2.9%	5.5%	8.4%	-0.5%
United States	3.5%	6.4%	9.9%	3.5%	6.1%	9.6%	-0.3%

Figure 5.10
2017 Self-Employed as a Percentage of Workers 16 Years +



Source: U.S. Census Bureau American Community Survey (5-Year Averages compared); Garner Economics

Broadband Availability

Broadband access and speed have a big impact on the local economy in terms of supporting business, entrepreneurship, and educational opportunities.

Covington has no issue gaining internet access for almost all of its citizens. Service with speeds of 100 megabytes per second (Mbps) is universally accessible and speeds of 250 or more are widely available (Table 5.9). More impressive is the fact that 73.7 percent of Covington has the opportunity to get gigabit service.

In fact, Covington has a much higher rate of availability compared to the metro, state, and nation at all levels. Covington performs better than Asheville for internet access; however, it is behind Chattanooga—which was one of the first Gig Cities in the nation.

According to BroadbandNow, a national aggregator of broadband access, the Covington has an average download speed of 44.56 Mbps (Figure 5.11). This is in the middle of the speeds reported for benchmarks—behind Chattanooga, Cincinnati Metro, and the nation. Speeds recorded in Covington are impressive with one carrier showing consistent high speeds over the past 12 months (Figure 5.12).

Table 5.9
2017 Broadband Access & Speed Available
Percent of Population with Access
(Highest Relative Figure Shaded)

Broadband Access	Covington	Asheville	Chattanooga	Cincinnati Metro	Tri-ED Region	Kentucky	United States
100 Mbps or faster	100.0	15.4	98.8	96.9	98.7	81.1	83.2
250 Mbps or faster	73.7	15.4	98.8	62.4	66.5	23.2	49.0
1 Gigabit	73.7	15.4	97.3	60.4	66.5	20.6	12.7

Source: FCC Broadband Map as of June 2017
ADSL, Cable, Fiber, Fixed Wireless, Satellite, Other

Figure 5.11
Average Download Speed

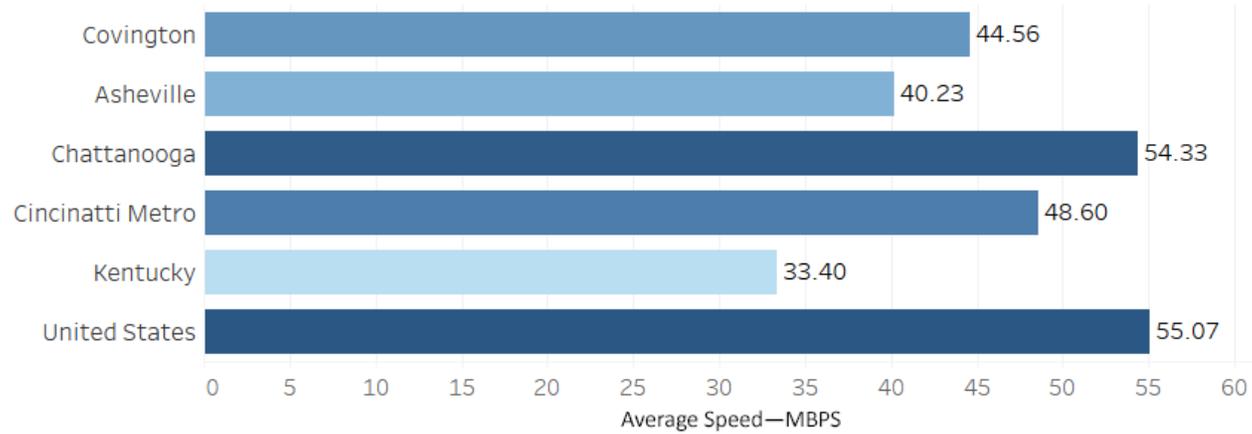
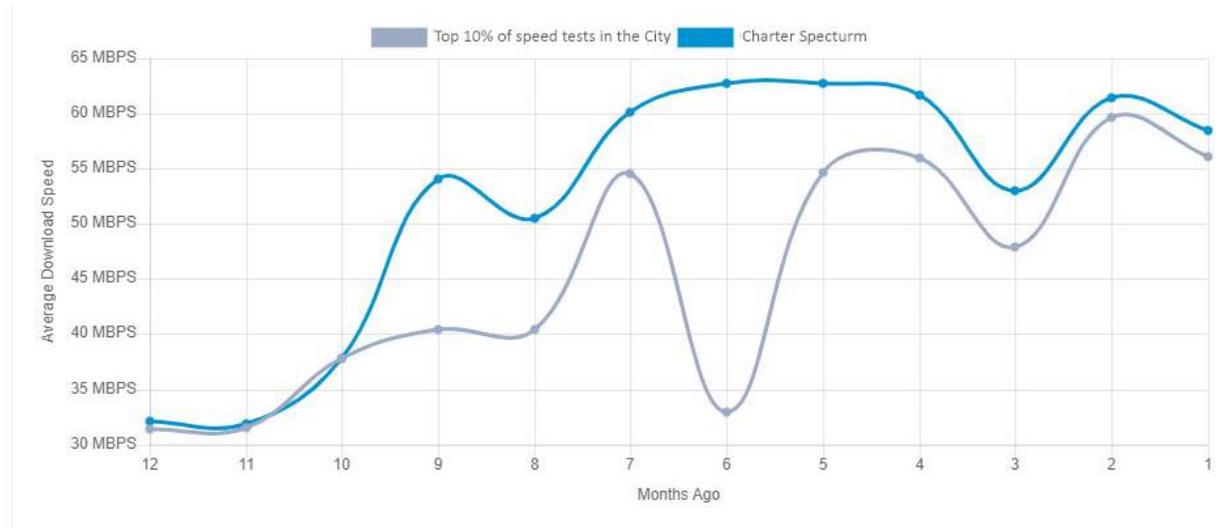


Figure 5.12
Reported Download Speed
Covington, 2018



Source: BroadbandNOW, 2018

CHAPTER 6: RETAIL ANALYSIS



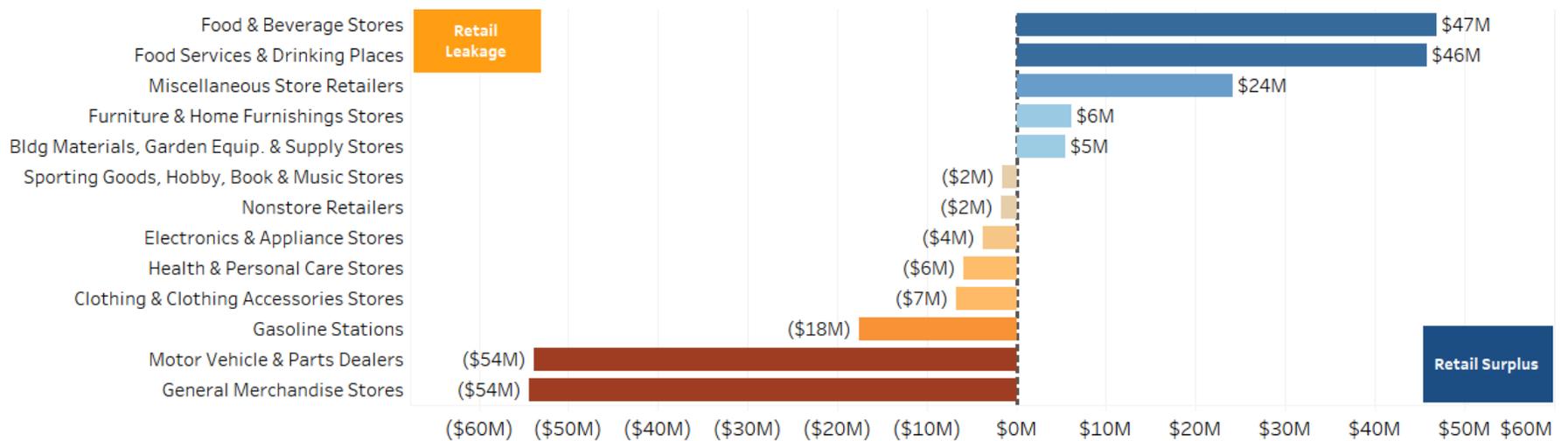
To determine retail potential, a retail gap analysis was conducted. Leakage in an area represents a condition where demand exceeds supply. In other words, retailers outside the market area are fulfilling the local demand for retail products. Demand is therefore "leaking" out of the trade area. If leakage is high, the city could potentially support more businesses in that area.

Covington's 2017 retail sales were estimated to be \$435.8 million for retail trades, food, and drink sales. The City has a Retail Gap of \$16.7 million dollars. This is the difference between retail demand, or the "Retail Potential," and actual retail sales. This means that Covington is sufficient in generating retail sales, but deeper analysis may offer opportunity.

A review of 13 major retail categories reveals that several categories out-sell local demand and the City is attracting retail buyers in these categories. Major areas that sell more than estimated demand include Food & Beverage Stores and Food Services & Drinking Places (Figure 6.1, Table 6.1).

Motor Vehicle & Parts Dealers and General Merchandise Stores have a high leakage factor with both categories having more than a \$50 million retail gap each. Categories with a high leakage factor tend to have fewer retailers in the market, but household demand exists. Nonstore Retail is often the category with leakage, which accounts for digital commerce as internet-based retail continues to thrive.

Figure 6.1
2017 Covington Retail Surplus/Leakage



Source: ESRI Retail MarketPlace Profile, Garner Economics

Table 6.1
Retail Sales and Leakage in Covington, 2017

Industry Group	NAICS	Retail Potential (Demand)	Retail Sales (Supply)	Retail Gap
Motor Vehicle & Parts Dealers	441	\$87,944,259	\$34,136,630	\$53,807,629
Automobile Dealers	4411	\$70,587,472	\$25,317,148	\$45,270,324
Other Motor Vehicle Dealers	4412	\$8,664,689	\$2,536,741	\$6,127,948
Auto Parts, Accessories & Tire Stores	4413	\$8,692,098	\$6,282,741	\$2,409,357
Furniture & Home Furnishings Stores	442	\$12,345,663	\$18,491,676	-\$6,146,013
Furniture Stores	4421	\$7,773,334	\$3,757,796	\$4,015,538
Home Furnishings Stores	4422	\$4,572,329	\$14,733,880	-\$10,161,551
Electronics & Appliance Stores	443	\$9,799,470	\$6,099,176	\$3,700,294
Bldg Materials, Garden Equip. & Supply Stores	444	\$25,841,139	\$31,317,347	-\$5,476,208
Bldg Material & Supplies Dealers	4441	\$24,696,055	\$31,188,019	-\$6,491,964
Lawn & Garden Equip & Supply Stores	4442	\$1,145,084	\$129,328	\$1,015,756
Food & Beverage Stores	445	\$74,033,546	\$120,908,691	-\$46,875,145
Grocery Stores	4451	\$65,282,447	\$92,031,976	-\$26,749,529
Specialty Food Stores	4452	\$2,492,983	\$4,229,110	-\$1,736,127
Beer, Wine & Liquor Stores	4453	\$6,258,116	\$24,647,605	-\$18,389,489
Health & Personal Care Stores	446,4461	\$25,840,182	\$19,987,065	\$5,853,117
Gasoline Stations	447,4471	\$49,955,629	\$32,395,654	\$17,559,975
Clothing & Clothing Accessories Stores	448	\$17,965,941	\$11,281,606	\$6,684,335
Clothing Stores	4481	\$11,411,664	\$9,924,589	\$1,487,075
Shoe Stores	4482	\$3,445,953	\$0	\$3,445,953
Jewelry, Luggage & Leather Goods Stores	4483	\$3,108,324	\$1,357,017	\$1,751,307
Sporting Goods, Hobby, Book & Music Stores	451	\$8,911,534	\$7,278,522	\$1,633,012
Sporting Goods/Hobby/Musical Instr Stores	4511	\$6,948,266	\$6,717,267	\$230,999
Book, Periodical & Music Stores	4512	\$1,963,268	\$561,255	\$1,402,013

Industry Group	NAICS	Retail Potential (Demand)	Retail Sales (Supply)	Retail Gap
General Merchandise Stores	452	\$75,622,609	\$21,279,210	\$54,343,399
Department Stores Excluding Leased Depts.	4521	\$55,500,000	\$10,488,659	\$45,011,341
Other General Merchandise Stores	4529	\$20,122,609	\$10,790,551	\$9,332,058
Miscellaneous Store Retailers	453	\$16,498,443	\$40,614,593	-\$24,116,150
Florists	4531	\$594,275	\$359,106	\$235,169
Office Supplies, Stationery & Gift Stores	4532	\$3,083,965	\$662,869	\$2,421,096
Used Merchandise Stores	4533	\$1,760,290	\$1,184,576	\$575,714
Other Miscellaneous Store Retailers	4539	\$11,059,913	\$38,408,042	-\$27,348,129
Nonstore Retailers	454	\$4,426,340	\$2,779,325	\$1,647,015
Electronic Shopping & Mail-Order Houses	4541	\$2,356,837	\$1,210,579	\$1,146,258
Vending Machine Operators	4542	\$709,103	\$0	\$709,103
Direct Selling Establishments	4543	\$1,360,400	\$1,568,746	-\$208,346
Food Services & Drinking Places	722	\$43,378,348	\$89,224,770	-\$45,846,422
Special Food Services	7223	\$1,157,885	\$6,160,585	-\$5,002,700
Drinking Places - Alcoholic Beverages	7224	\$955,860	\$10,835,052	-\$9,879,192
Restaurants/Other Eating Places	7225	\$41,264,603	\$72,229,133	-\$30,964,530

Source: ESRI Retail MarketPlace Profile, Garner Economics

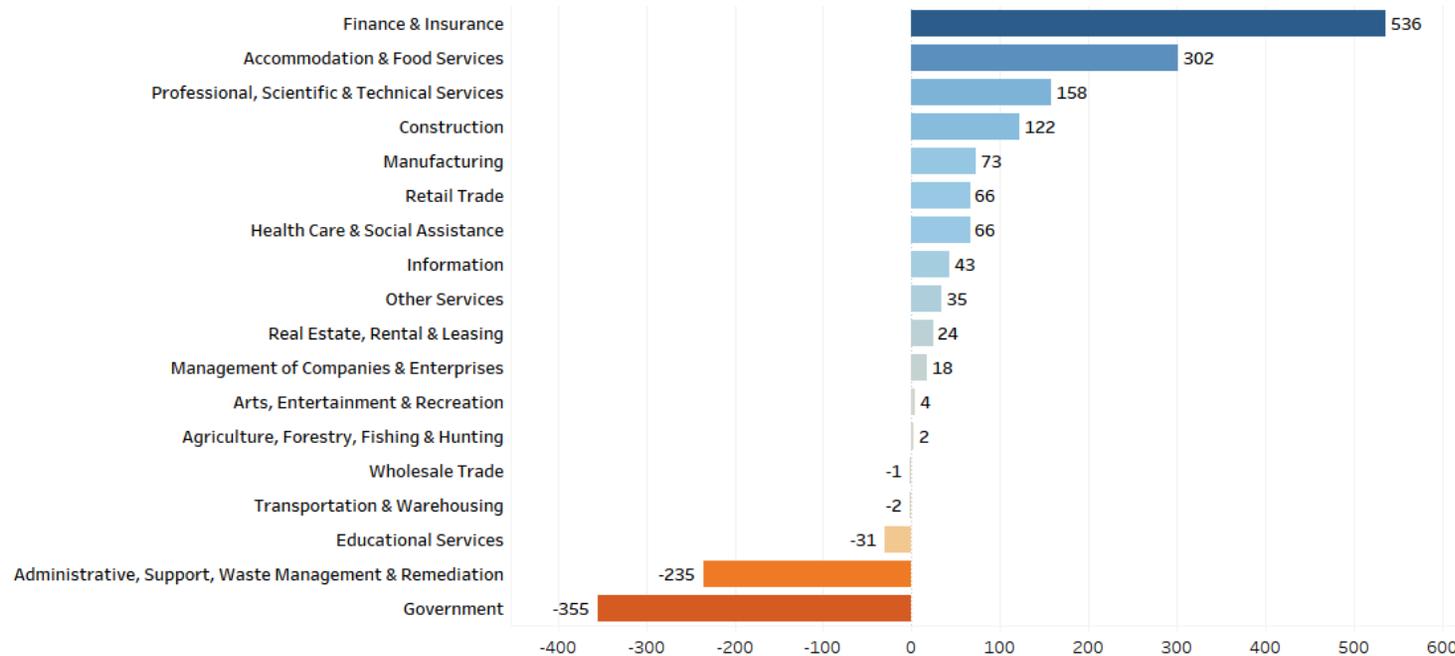
Note: Industries belonging to NAICS 722 (*Food Services and Drinking Places*) have been included as a convenience. Technically, these are not retail industries. Retail leakage is the value of retail goods that shoppers from your region buy from other regions. The "Demand" column represents the total amount that your residents spend on a particular industry, while the "Leakage" column represents how much of that spending happens outside of the region.

CHAPTER 7: LOCAL SPECIALIZATION, COMPETITIVENESS & GROWTH



The following section provides a more detailed and in-depth assessment of the Covington economy. The analysis examines the local economy from several different perspectives, each adding a supporting layer of information. The assessment’s main goals are to provide historical context, reveal areas of unique specialization, gauge competitiveness, and help uncover emerging trends and opportunities. The two main areas of analysis are major industries and occupational groups. For each area, there are relative measures of specialization, growth, local competitiveness, and earnings.

Figure 7.1
2013–2018 Employment Change by Major Industry



Source: ESMI, Garner Economics

Major Industry Sector Change

The largest absolute industry job gains in Covington between 2013 and 2018 came from *Finance & Insurance*, increasing 536 jobs. This is followed by *Accommodation & Food Services (+302 jobs)* and *Professional, Scientific & Technical Services (+158 Jobs)* (Table 7.1, Figure 7.1). Overall, Covington shows a net increase of 844 jobs taking into consideration covered, non-covered, and self-employed individuals.

Gains were made in most industry categories with the exception of *Government*, which lost 355 jobs; *Administration, Support, Waste Management & Remediation (-235 jobs)*; and *Educational Services (-31 jobs)*

Table 7.1
Employment Change by Major Industry 2013–2018
Ranked by Absolute Change

Description	2013 Jobs	2018 Jobs	Job Change 2013–2018	% Change 2013–2018
Finance & Insurance	2,763	3,299	536	19.4%
Accommodation & Food Services	2,336	2,638	302	12.9%
Professional, Scientific & Technical Services	1,850	2,008	158	8.5%
Construction	587	709	122	20.8%
Manufacturing	488	561	73	14.9%
Retail Trade	1,548	1,614	66	4.3%
Health Care & Social Assistance	2,269	2,335	66	2.9%
Information	161	204	43	26.5%
Other Services	820	854	35	4.2%
Utilities	19	45	25	131.2%
Real Estate, Rental & Leasing	370	394	24	6.5%
Management of Companies & Enterprises	789	807	18	2.2%
Arts, Entertainment & Recreation	186	190	4	2.4%
Agriculture, Forestry, Fishing & Hunting	16	18	2	15.1%
Mining, Quarrying, Oil & Gas Extraction	0	0	0	
Unclassified Industry	0	0	0	
Wholesale Trade	514	513	-1	-0.3%
Transportation & Warehousing	426	424	-2	-0.5%
Educational Services	125	94	-31	-24.7%
Administrative, Support, Waste Management & Remediation	1,219	983	-235	-19.3%
Government	3,162	2,808	-355	-11.2%
All Industry Total	20,503	19,659	844	4%

Source: ESMI, Garner Economics

Industry Earnings

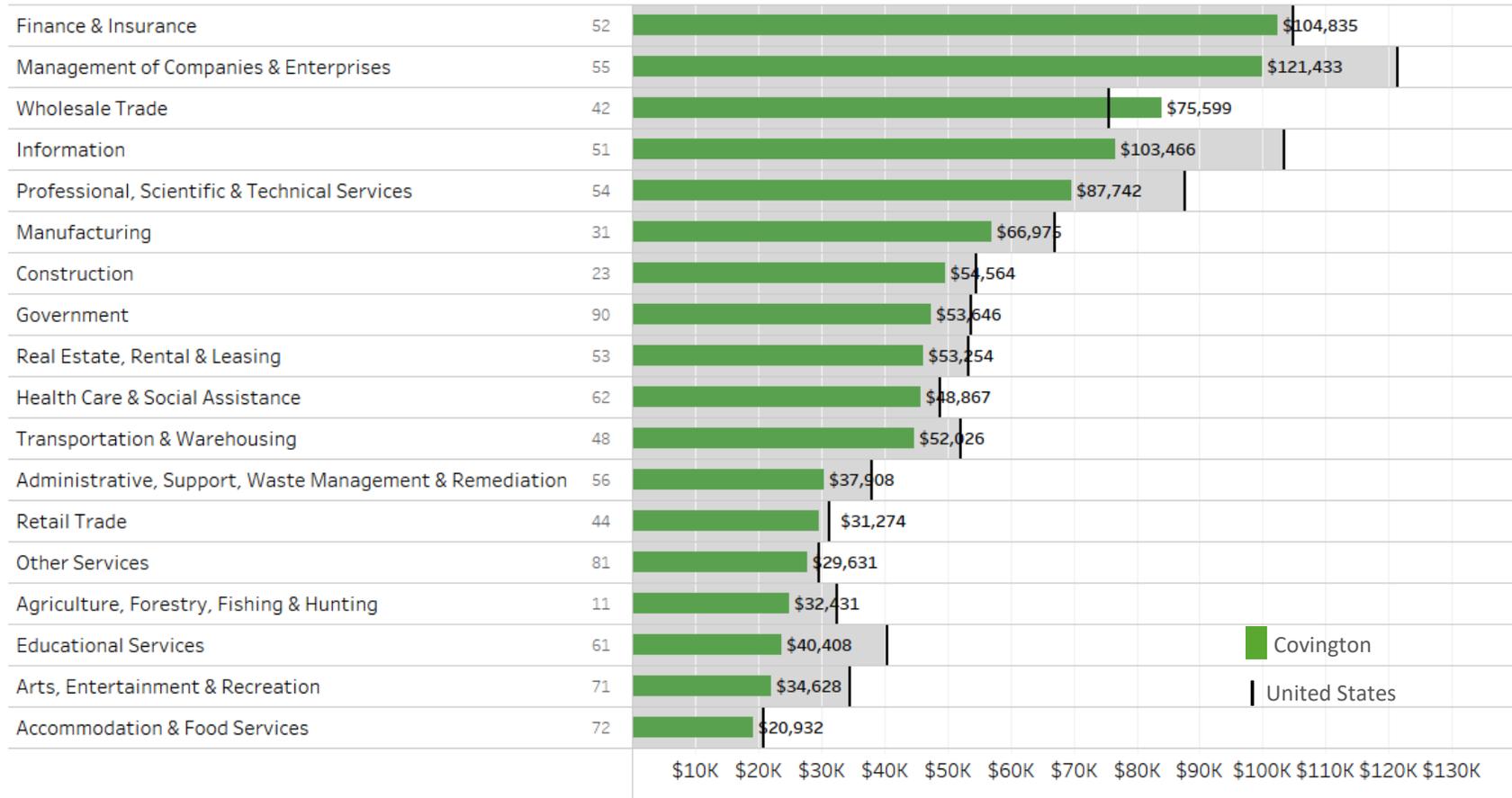
A comparison of Covington’s average industry earnings to national averages offers insights into areas of unique expertise and cost-saving opportunities. Overall, the average earnings per job in Covington is \$54,862, which is 2 percent above the national average of \$53,676. Earnings in the City are below national averages for all major employment sectors (Table 7.2 and Figure 7.2) except *Wholesale Trade*, which is 11 percent above the national average.

Table 7.2
2018 Average Annual Industry Salary Comparison

Description	Covington	United States	Percent Difference
Finance & Insurance	\$102,403	\$104,835	-2%
Utilities	\$101,163	\$106,878	-5%
Management of Companies & Enterprises	\$99,860	\$121,433	-18%
Wholesale Trade	\$84,050	\$75,599	11%
Information	\$76,727	\$103,466	-26%
Professional, Scientific & Technical Services	\$69,766	\$87,742	-20%
Manufacturing	\$56,989	\$66,975	-15%
Construction	\$49,569	\$54,564	-9%
Government	\$47,310	\$53,646	-12%
Real Estate, Rental & Leasing	\$46,135	\$53,254	-13%
Health Care & Social Assistance	\$45,681	\$48,867	-7%
Transportation & Warehousing	\$44,689	\$52,026	-14%
Administrative, Support, Waste Management & Remediation	\$30,358	\$37,908	-20%
Retail Trade	\$29,723	\$31,274	-5%
Other Services	\$27,715	\$29,631	-6%
Agriculture, Forestry, Fishing & Hunting	\$24,934	\$32,431	-23%
Educational Services	\$23,700	\$40,408	-41%
Arts, Entertainment & Recreation	\$22,167	\$34,628	-36%
Accommodation & Food Services	\$19,185	\$20,932	-8%
All Industry Total	\$54,862	\$53,676	2%

Source: ESMI, Garner Economics

Figure 7.2
2017 Average Annual Industry Salary Comparison



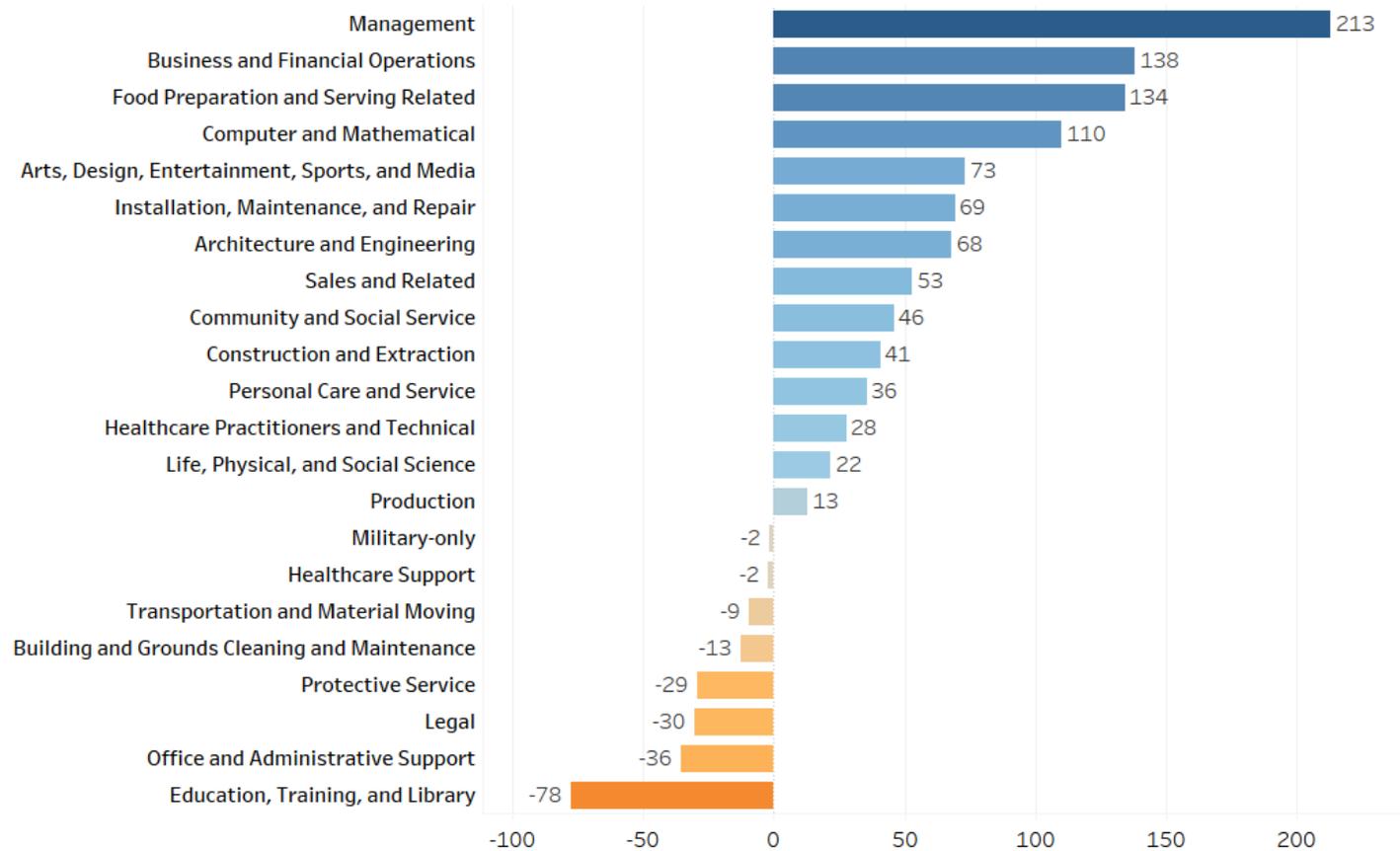
Source: ESMI, Garner Economics

Major Occupational Change

Over the last five years, a majority of occupational categories in Covington added jobs. The strongest job gains were in *Management*, gaining 213 jobs (Figure 7.3, Table 7.3). Other occupations groups that saw sizable increases were *Business and Financial Operations* (+138 jobs), *Food Preparation & Serving Related* (+134 jobs), and *Computer & Mathematical* (+110 jobs).

A handful of occupational groups lost jobs over the past five years. These include *Education, Training & Library* (-78 jobs), *Office & Administrative Support* (-36 jobs), and *Legal* occupations (-30).

Figure 7.3
2013–2018 Employment Change by Occupational Group



Source: ESMI, Garner Economics

Table 7.3
Employment Change by Major Occupational Groups
(Ranked by Absolute Change)

Description	2013 Jobs	2018 Jobs	Difference 2013–2018	% Occupation Change 2013–2018
Management Occupations	1,224	1,437	213	17%
Business and Financial Operations Occupations	1,557	1,696	138	9%
Food Preparation and Serving Related Occupations	2,167	2,302	134	6%
Computer and Mathematical Occupations	555	666	110	20%
Arts, Design, Entertainment, Sports, and Media Occupations	350	423	73	21%
Installation, Maintenance, and Repair Occupations	629	698	69	11%
Architecture and Engineering Occupations	315	383	68	22%
Sales and Related Occupations	1,842	1,895	53	3%
Community and Social Service Occupations	345	391	46	13%
Construction and Extraction Occupations	532	573	41	8%
Personal Care and Service Occupations	868	904	36	4%
Healthcare Practitioners and Technical Occupations	906	934	28	3%
Life, Physical, and Social Science Occupations	164	186	22	13%
Production Occupations	720	733	13	2%
Farming, Fishing, and Forestry Occupations	23	23	0	0%
Military-only occupations	33	31	-2	-5%
Healthcare Support Occupations	540	538	-2	0%
Transportation and Material Moving Occupations	1,000	991	-9	-1%
Building and Grounds Cleaning and Maintenance Occupations	621	608	-13	-2%
Protective Service Occupations	449	419	-29	-7%
Legal Occupations	406	375	-30	-8%
Office and Administrative Support Occupations	3,664	3,629	-36	-1%
Education, Training, and Library Occupations	748	670	-78	-10%
Total	19,659	20,503	844	4%

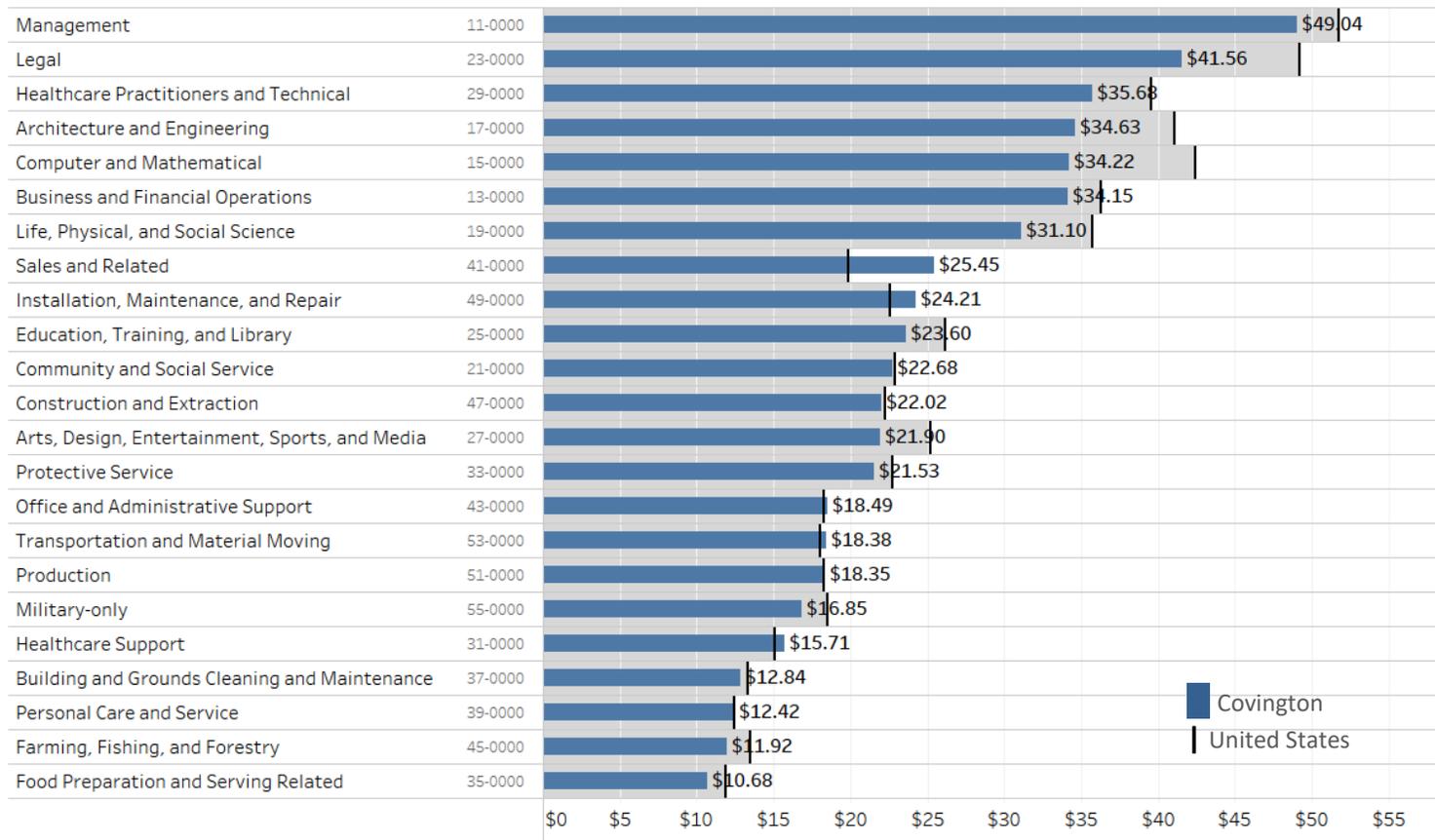
Source: ESMI, Garner Economics

Occupational Earnings

A comparison of the same-occupation average hourly earnings for Covington to the national median wage revealed five occupations that were higher than the national average: *Healthcare Support, Sales & Related, Office & Administrative Support, Installation, Maintenance & Repair, and Transportation and Material Moving* (Table 7.4, Figure 7.4).

The national average wage is only 11 cents lower per hour than the all occupation average in Covington. The average wage for all occupations in Covington was \$23.98 compared to \$23.87 for the national average hourly wage.

Figure 7.4
2018 Average Hourly Occupational Earnings Comparison



Source: ESMI, Garner Economics

Table 7.4
2017 Average Hourly Occupational Earnings Comparison

Description	Covington Avg. Hourly Earnings	US Avg. Hourly Earnings	Percent Difference
Management	\$49.04	\$51.70	-5%
Business and Financial Operations	\$34.15	\$36.29	-6%
Computer and Mathematical	\$34.22	\$42.43	-19%
Architecture and Engineering	\$34.63	\$41.05	-16%
Life, Physical, and Social Science	\$31.10	\$35.72	-13%
Community and Social Service	\$22.68	\$22.91	-1%
Legal	\$41.56	\$49.15	-15%
Education, Training, and Library	\$23.60	\$26.12	-10%
Arts, Design, Entertainment, Sports, and Media	\$21.90	\$25.23	-13%
Healthcare Practitioners and Technical	\$35.68	\$39.55	-10%
Healthcare Support	\$15.71	\$15.03	4%
Protective Service	\$21.53	\$22.76	-5%
Food Preparation and Serving Related	\$10.68	\$11.88	-10%
Building and Grounds Cleaning and Maintenance	\$12.84	\$13.28	-3%
Personal Care and Service	\$12.42	\$12.44	0%
Sales and Related	\$25.45	\$19.83	28%
Office and Administrative Support	\$18.49	\$18.24	1%
Farming, Fishing, and Forestry	\$11.92	\$13.47	-11%
Construction and Extraction	\$22.02	\$22.24	-1%
Installation, Maintenance, and Repair	\$24.21	\$22.54	7%
Production	\$18.35	\$18.26	0%
Transportation and Material Moving	\$18.38	\$18.00	2%
Military-only	\$16.85	\$18.52	-9%
Total	\$23.98	\$23.87	0.4%

Source: ESMI, Garner Economics

The following assessment tools include a series of bubble/scatter charts and tables. Axis and quadrant labels should be read as general guides resulting from purely quantitative analysis, not definitive conclusions. Each chart or table is meant as only one piece of a multiple-part analysis. To assist the reader in interpreting the bubble charts, each axis and quadrant is labeled with broad descriptives.

To measure local specialization, location quotients (LQs) for each occupation or industry are calculated. LQs are ratios of an area's distribution of employment for a specific occupation/industry compared to a reference or base area's distribution. In this analysis, the reference area is the United States. If an LQ is equal to 1, then the industry has the same share of its area employment as it does in the reference area. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the reference area and implies local specialization. LQs are calculated by first dividing local industry employment by the all-industry total of local employment. Second, reference area industry employment is divided by the all-industry total for the reference area. Finally, the local ratio is divided by the reference area ratio.

Chart axis definitions:

- **Specialization:** Measured using location quotient (LQ). Reflects the level of relative concentration of a particular occupation/industry to the nation. In simple terms, a high LQ (above 1.2) indicates what a local economy is good at doing and implies there are unique skills, institutions, raw materials, etc., that support this position.
- **Industry Effect:** The portion of growth/decline attributed to a particular industry nationwide. For example, if hospital employment grew by 5 percent nationwide in 2011, we would expect to see the same percentage increase locally, assuming that the forces driving nationwide growth would have a similar local impact.
- **Local Effect:** The proportion of growth/decline not captured by the industry effect, indicating unique local performance. The local effect measures local activity outside the expected nationwide trend. A consistent positive local competitive effect signals superior local performance.

Chart quadrant label definitions:

At-Risk: Locally specialized and recent local job losses.

Competitive: Locally specialized and recent local job gains.

Declining: Not locally specialized and recent local job losses.

Emerging: Not locally specialized and recent local job gains.

- **Local Decline/National Growth:** Industry or occupation gains nationwide and local losses or gains below nationwide trend.
- **Local Growth/National Growth:** Industry or occupation gains nationwide and positive local gains or losses less than nationwide trend.
- **Local Growth/National Decline:** Industry or occupation losses nationwide and positive local gains or losses less than nationwide trend.
- **Local Decline/National Decline:** Industry or occupation losses nationwide and local losses or gains below nationwide trend.

Detailed industry and occupational information can be found in the Appendices.

Major Industry Sector Specialization & Growth

Table 7.5
Industry Specialization & Growth

Industry Sector	2013–2018 Employment Change	2018 Location Quotient	2018 Jobs
Competitive			
Finance & Insurance	536	4.0	3,299
Accommodation & Food Services	302	1.5	2,638
Professional, Scientific & Technical Services	158	1.5	2,008
Real Estate, Rental & Leasing	24	1.1	394
Management of Companies & Enterprises	18	2.8	807
Emerging			
Construction	122	0.6	709
Manufacturing	73	0.3	561
Retail Trade	66	0.8	1,614
Health Care & Social Assistance	66	0.9	2,335
Information	43	0.5	204
Other Services	35	0.9	854
Utilities	25	0.6	45
Arts, Entertainment & Recreation	4	0.5	190
Agriculture, Forestry, Fishing & Hunting	2	0.1	18
At-Risk			
<i>No Sectors are At-Risk</i>			
Declining			
Mining, Quarrying, Oil & Gas Extraction	0	0.0	0
Wholesale Trade	-1	0.7	513
Transportation & Warehousing	-2	0.6	424
Educational Services	-31	0.2	94

Major industry sector specialization focuses on the geographic concentrations of similarly classified industries. For many industry sectors there exist interconnections between suppliers, occupations, and associated supporting institutions.

Five industry sectors have a local specialization above 1 and experienced job growth in the past five years in Covington. These comprise the *Competitive* category and are:

- *Finance & Insurance (4.0 LQ)*
- *Accommodation & Food Services (1.5 LQ)*
- *Professional, Scientific & Technical Services (1.5 LQ)*
- *Real Estate, Rental & Leasing (1.1 LQ)*
- *Management of Companies & Enterprises (2.8 LQ)*

Industries with local specialization below 1 but with job growth within the City over the past five years belong in the *Emerging* category (Table 7.5, Figure 7.5). There are nine sectors with this classification.

Four sectors are classified as *Declining*, due to job loss and low local specialization: *Mining, Wholesale Trade, Transportation and Warehousing, and Educational Services*.

Source: ESMI, Garner Economics

Figure 7.5
Industry Specialization & Growth
Industries with 2017 Employment of Approximately 250 and Above



Source: ESMI, Garner Economics

Industry Competitiveness

Table 7.6
Industry Relative Components of Growth, 2013–2018

Industry Sector	Local Competitive Effect	Industry Effect	2018 Jobs
Local Growth/National Growth			
Construction	22	54.18	709
Accommodation & Food Services	8	112.70	2,638
Local Growth/National Decline			
Finance & Insurance	344.76	(23.19)	3,299
Manufacturing	50.86	(15.94)	561
Information	34.93	(4.73)	204
Utilities	25.03	(1.14)	45
Agriculture, Forestry, Fishing & Hunting	2.21	(1.06)	18
Local Decline/National Growth			
Arts, Entertainment & Recreation	(22.34)	12.30	190
Educational Services	(41.37)	0.87	94
Professional, Scientific & Technical Services	(58.70)	72.95	2,008
Management of Companies & Enterprises	(66.95)	23.47	807
Transportation & Warehousing	(85.23)	50.07	424
Health Care & Social Assistance	(165.16)	55.17	2,335
Administrative & Support, Waste Management & Remediation	(359.35)	29.71	983
Local Decline/National Decline			
Mining, Quarrying, Oil & Gas Extraction	(1.83)	(0.81)	0
Retail Trade	(8.16)	(45.49)	1,614
Wholesale Trade	(12.42)	(28.94)	513
Other Services	(16.95)	(12.15)	854
Government	(407.34)	(192.93)	2,808

Source: ESMI, Garner Economics

The Competitiveness screen seeks to reveal local competitive advantages (i.e., unique growth beyond predicted industry trends).

- By the Competitiveness measure, *Construction* and *Accommodation & Food Services* are the sectors with both local and national growth (Table 7.6, Figure 7.6)
- Five other industries have local growth with the most significant sectors being *Finance & Insurance* and *Manufacturing*.
- Seven industry sectors had positive industry effect with national growth, but experienced local job loss.
- This analysis suggests the City's least competitive sectors are *Mining, Retail Trade, Wholesale Trade, Other Services, and Government*.

Figure 7.6
2013–2018 Industry Relative Components of Growth
Sectors with 2018 Employment over 250



Source: ESMI, Garner Economics

Occupational Specialization & Growth

Table 7.8
Occupational Specialization and Growth, 2013–2018

Description	2013–2018 Change	2018 Location Quotient	2018 Jobs
Competitive			
Business and Financial Operations	138.14	1.60	1,696
Food Preparation and Serving Related	134.34	1.34	2,302
Management	213.04	1.25	1,437
Community and Social Service	45.97	1.15	391
Computer and Mathematical	110.05	1.12	666
Arts, Design, Entertainment, Sports, and Media	73.13	1.12	423
Architecture and Engineering	68.04	1.10	383
Life, Physical, and Social Science	21.83	1.10	186
Personal Care and Service	35.63	1.03	904
Emerging			
Sales and Related	53.05	0.93	1,895
Installation, Maintenance, and Repair	69.25	0.87	698
Healthcare Practitioners and Technical	27.67	0.82	934
Construction and Extraction	40.62	0.61	573
Production	12.88	0.61	733
At-Risk			
Legal	(30.47)	2.21	375
Office and Administrative Support	(35.56)	1.21	3,629
Declining			
Education, Training, and Library	(77.78)	0.58	670
Military-only	(1.80)	0.29	31
Farming, Fishing, and Forestry	(0.01)	0.15	23
Building and Grounds Cleaning and Maintenance	(12.92)	0.81	608
Transportation and Material Moving	(9.46)	0.71	991
Protective Service	(29.47)	0.91	419

Source: ESMI, Garner Economics

Occupational groupings represent similar skills and educational qualifications, but not necessarily specific industry sectors (Table 7.8, Figure 7.8).

Nine occupational groups have location quotients over 1, experienced some employment growth recently, and are considered *Competitive*:

- *Business and Financial Operations*
- *Food Preparation and Serving Related*
- *Management*
- *Community and Social Service*
- *Computer and Mathematical*
- *Arts, Design, Entertainment, Sports, and Media*
- *Architecture and Engineering*
- *Life, Physical, and Social Science*
- *Personal Care and Service*

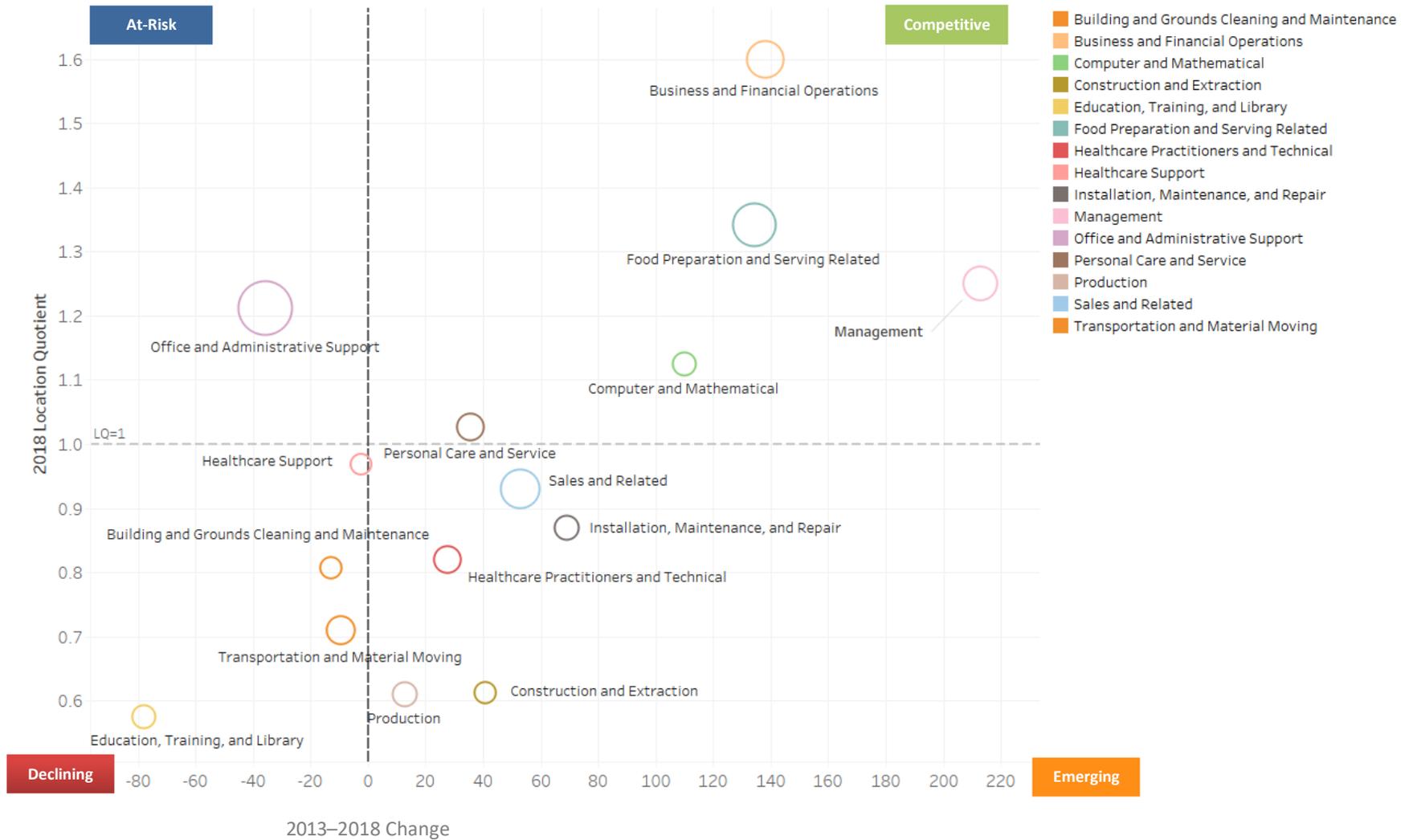
Five occupational categories saw modest employment gains over the past five years but have concentrations (LQs) under 1. These *Emerging* sectors are:

- *Sales and Related*
- *Installation, Maintenance, and Repair*
- *Healthcare Practitioners and Technical*
- *Construction and Extraction*
- *Production*

Due to recent job loss, some occupations with higher than 1 LQs are *At-Risk*. *Legal* occupations and *Office & Administrative Support* are the two biggest employment groups on this list.

The remaining occupational groups (6) are classified as *Declining* or having employment loss/no change along with local specialization under 1.

Figure 7.8
Occupational Specialization & Growth
Occupational Groups with 2017 Employment of Approximately 250 and Above



Source: ESMI, Garner Economics

CHAPTER 8: NONTRADITIONAL DATA & MEASURES

Cost of living, crime, and other measures figure into the evaluation of a community in addition to economic and demographic data. Another way to look at the vibe and attractiveness of an area includes some nontraditional data to measure the livability and welcoming nature of the community. There is a growing recognition that being welcoming leads to prosperity. Below is a review of some third-party rankings and scores offering another view of Covington or the metro area as a whole in subjects from walkability to weirdness.

	Covington	Asheville	Chattanooga	Cincinnati
Average Walk Score (city-level)	Walk Score 44	Walk Score 36	Walk Score 29	Walk Score 50
Average Transit Score (city-level)	Transit Score 34	Transit Score 26	Transit Score 26	Transit Score 44
Average Bike Score (city-level)	Bike Score 35	Bike Score 30	Bike Score 30	Bike Score 35
Human Rights Campaign Municipal Equality Index (city-level)	74	Not listed	45	100
Weirdness Index (metro-level)	101.8 (Cincinnati Metro)	116.9	115.2	101.8
Wallet Hub Diversity Index (city-level) (rank is by city size category)	61.21 (rank 196)	Not listed	65.03 (rank 77)	63.95 (rank 101)

Please see the following two pages for more details on these measures.

Walk Score

Walk Score is a branded measure of the walkability to nearby amenities analyzing walking routes. Amenities within a 5-minute walk (.25 miles) are given maximum points with no points given after a 30-minute walk. Walk Score also measures pedestrian friendliness by analyzing population density and road metrics.²

Covington has a Walk Score of 44, which is a higher score than the benchmarks of Asheville and Chattanooga. For comparison, Cincinnati has a Walk Score of 50, New York—the top-ranked city in this measure—has a Walk Score of 89. Neighborhoods within a city will score differently; however, an overall average will give an indicator of the walkability of the city for those looking for this factor. Scores are from 0 to 100.

Transit Score

Walk Score also compiles the Transit Score, which measures how well a location is served by public transit based on the distance and type of nearby transit lines on a scale from 0 to 100. Transit Score is based on data released in a standard format by public transit agencies. Covington has a Transit Score of 34 which is higher than both Asheville's and Chattanooga's score of 26. Cincinnati Metro has a score of 44 and the number one score in the nation is New York, with a Transit Score of 84. Scores are from 0 to 100.

Bike Score

The Bike Score, another Walk Score ranking, conveys whether a location is good for biking. For a given location, a Bike Score is calculated by measuring bike infrastructure (lanes, trails, etc.), hills, destinations, and road connectivity as well as the number of bike commuters. Component scores are based on data from the USGS, Open Street Map, and the U.S. Census.

Covington has a Bike Score of 35, higher than both Asheville's and Chattanooga's score of 30. Cincinnati Metro also has a Bike Score of 35, and the nation's top score is in Minneapolis at 82. Scores are from 0 to 100.

Municipal Equality Index

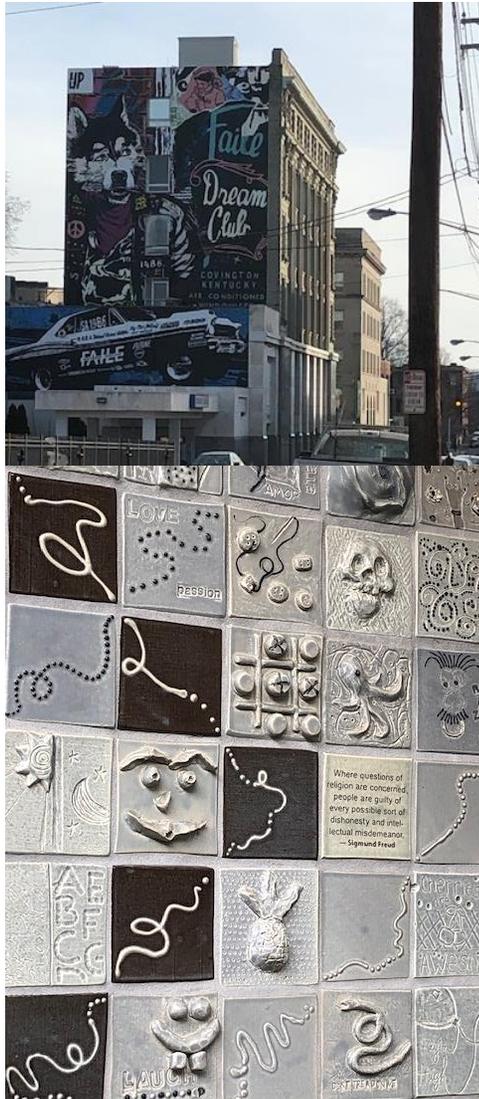
Human Rights Campaign Municipal Equality Index³ rates a city's welcoming environment based on 49 different criteria. The index examines how inclusive municipal laws, policies, and services are of LGBTQ people who live and work there. This includes non-discrimination laws, the municipality as an employer, municipal services, law enforcement, and the city leadership's public position on equality.

The City of Covington's score of 74 reflects inclusive measures such as the Fairness Ordinance. Asheville is not included in this list and Chattanooga has a municipal equality score of 45. Cincinnati has a score of 100 for 2018.

Scores are from 0 to 100, ranking city-level law and policy with 100 standard points and 22 bonus points.

² Walk Score is a part of Redfin. www.walkscore.com

³ Human Rights Campaign 2018 Municipal Equality Index <https://www.hrc.org/mei>



Weirdness

Weirdness Index⁴ measures the extent to which a metropolitan area’s distinctive consumer behavior differs from the national average. This is part of the “Your Distinctive City” measure in the City Vitals 2018 report prepared by CEOs for Cities. This section reviews disposable income expenditures for city residents, creating a consumption pattern.

Variations in these patterns reflect pronounced regional and local preferences. City distinctiveness or weirdness is enumerated from the marketing data on consumption patterns presented. The national average equals 100.

Diversity Index

WalletHub states that economies generally fare better when they openly embrace and capitalize on new ideas. Their Diversity Index⁵ mines U.S. Census Data and the Association of Religion Data Archives’ information for five categories. The total diversity score is made up of these sections: Socioeconomic Diversity, Cultural Diversity, Economic Diversity, Household Diversity, and Religious Diversity.

Covington’s score is 61.21 out of 100 and ranks 196th among small-sized communities. Asheville is not included in the ranking and Chattanooga rates a 65.02 (77th among mid-sized cities). Cincinnati Metro scores 63.95, which is 101st among mid-sized cities. A score of 100 represents the most diversity.

Quality of Place

Many other factors go into a community’s quality of place, some of which are covered in the Assets & Challenges Assessment earlier in this report. Covington has a plethora of murals, public art (some unsanctioned), an eclectic downtown with microbreweries, music venues, and nightlife. These features add to the quirky, authentic Covington quality of life.

⁴ Weirdness Index is part of CityVitals 3.0 published by CEO for Cities

⁵ WalletHub 2018’s Most Diverse Cities in the U.S. <https://wallethub.com/edu/most-diverse-cities/12690/>

APPENDIX A: FOCUS GROUP & INTERVIEW PARTICIPANTS

Large Employers

- Kevin Atwell, Performance Lexus Rivercenter
- Steve Barnett, Indy Honeycomb
- Scott Bray, Carlisle & Bray Enterprises
- Don Corken, Corken Steel
- Erin Eimer, Road iD
- Rick Hall, Fidelity Investments
- Rich Heidrich, Designs Direct
- Brittany Lee, The Madison
- Erin Rolfes, Kroger
- Scott Sedmak, St. Elizabeth
- Brian Wischer, KW Mechanical

Entrepreneurs

- Shannan Boyer, Scooter Media
- Emily Badger, Lisse Steakhouse
- Jay Fossett, Strategic Advisors
- Molly Hartman, Design Details
- Greg Reder, DC Morrison Co.
- Jake Rouse, Braxton Brewing Co.
- Jackie Roberto, Madison Design
- Jessica Starr, Rooted Yoga

Interviews

- Katie Meyer
- Tom Schuh
- Bill Butler
- Keith Bales
- Rich Davis
- Tom West/Ross Patten/Suzann Gettys

Government, Academia, and Nonprofit

- Andrew Aiello, NK Workforce Board/TANK (2 for 1)
- Tom DiBello, Center for Great Neighborhoods
- Fernando Figeroa, Gateway
- Rebekah Gensler, Renaissance Covington
- Nancy Grayson, Horizon Fund
- Pat Frew, Covington Business Council
- Pat O'Donnell, Latonia Business Association
- Mayor Meyer, City of Covington
- Joe Shriver, Kenton County

Real Estate/Developers

- Polly Benzing, RE/MAX
- Chuck Eilerman, Huff Realty
- Deron Kintner, Flaherty & Collins Properties
- Tony Kreuzjans, Orleans Development
- Travis Likes, CBRE
- Christy Martini, MB Custom Construction
- Tobian Moeves, MB Construction
- Christopher Pfeiffer, LEED
- Josh Niederheman, COVCOR
- Lisa Scovic, Northpointe Group
- Daniel Streicher, Created by CURB
- Wayne Tiedge, Planet Properties
- Paul Weckman, Frida

APPENDIX B: FOCUS GROUP SUMMARY

Note: The comments listed below are summarized from the focus group discussions. The responses are reported as they were offered; they may not necessarily be statements of fact but may be opinions or perceptions. The number in parentheses indicates the number of focus groups in which the sentiment was shared if it was mentioned in more than one.

1. What are several words or phrases that describe Covington?

The descriptors given were mostly positive, centering around the City’s unique character. Negative comments centered on the concentration of social services and the resulting strain on resources. Specific responses included:

- Quirky, eclectic, scrappy (4)
- Historic (3)
- Engaged neighborhoods (3)
- Changing, revitalizing (3)
- Diverse (2)
- Innovative, creative (2)
- Not Cincinnati (2)
- River City
- Destination—lots of events/activities
- Sketchy
- Large city
- Underdeveloped
- Wild West—not as much guidelines or rules
- Vibrant
- Central
- Entrepreneurial
- Opinionated
- Proud
- Inclusive
- Connected

2. What do you think are some of the biggest obstacles that inhibit the City in its ability to attract, expand, or retain businesses and investment?

Participants noted a variety of inhibitors, ranging from aging infrastructure, lack of incentives, and a lack of a common vision. Specific responses included:

- Perception (3)
- Lack of state incentives, financial support (3)
- Infrastructure (2)
- Lack of a consensus plan (2)
- Lack of information or guidance from the City (2)
- Landlocked (2)
- Parking
- Public safety
- Lack of mass transit
- Not enough concentration of “cool stuff” to make people notice
- Demographics—income
- Social service density
- Land speculators are banking the land and preventing growth
- Past politics get in the way
- Have to compete with Cincinnati
- Comfortable with the status quo

3. On a scale of 1 to 5, with 5 being best, how would you rate the business climate of Covington *and* Kenton County?

The four groups gave the City and the County above average scores for the area’s business climate. The most frequently noted reason for the high scores was the City and County’s willingness to work with businesses to find solutions. Some participants noted that the County seems too concerned with recruiting big companies and filling industrial sites and does not pay enough attention to smaller companies. Other participants noted the need for incentives/resources to drive the type of growth the City wants.

4. What do you see as the area’s strengths?

Participants reiterated many of the responses given in Question 1 when describing the area, with more emphasis on the City’s renaissance and efforts to attract and retain businesses, as well as its location and proximity to the airport. Specific responses included:

- Unique character, energy (3)
- Ease to work with the City (2)
- Location and access to interstates (2)
- Easy city to navigate, live in (2)
- Younger demographics/leadership
- Breweries
- Momentum
- River
- Size of community/scale
- Only urban place in Northern Kentucky
- Accessibility to airport
- Value
- City incentive programs
- Architecture
- Access to labor
- Access to major U.S. companies
- Creative talent

5. How do you see the current labor situation in the area (both quality and employee attraction and availability)?

Overall, participants recognize that there are gaps in labor in the area. Participants noted the need to continue to find opportunities to train the workforce and offer options to get to the workplace. Specific responses included:

- Lots of creative talent
- Quality and quantity are poor for distribution companies
- Lack of quantity of part-time hospitality workers
- Retention is harder than in the past
- No labor for industrial, manufacturing workers, and trades
- Increasingly hard to find workers in professional services
- Have to compete with Cincinnati for talent
- Low-skilled labor can’t get to their jobs because of lack or limited public transportation
- Mismatch between available labor and skills needed
- Lots of partnerships to skill up labor

6. What infrastructure is missing or unsatisfactory in the area?

Many of the responses given were similar to those provided for the question on inhibitors to attracting business to the region. Specifically, participants noted the aging infrastructure, lack of green space, and lack of alternative options for transportation. Some participants also mentioned the need to focus on beautification and gateways throughout the City. Specific responses include:

- Aesthetics (4)
- We lack a front door (3)
- Sidewalks (3)
- Bike paths/lanes (3)
- Another bridge to Cincinnati (2)
- Green space (2)
- City maintenance of infrastructure, e.g., roads
- Traffic management
- Wayfinding signage
- Transit options
- Design standards
- Parking
- Diverse housing options

7. What would you work to change about the community, not worried about money or politics?

When participants were asked to provide their vision for Covington and/or ideas on what would make the City a more competitive place for business, responses included:

- Educate the current population—give them an opportunity (3)
- Better leverage of the river as an amenity (3)
- Work on a homelessness solution (2)
- Encourage a healthier population
- Replace the bridge to/from CIN
- Work on traffic management
- More green space
- Better marketing of the City for investment attraction
- Leverage the former IRS property
- Enable the City to focus on strategic planning and implementation in addition to day-to-day operations
- Bury utility lines (aesthetics)
- Create more variety in housing
- Encourage private investment in the City
- Develop a solid post-secondary educational institution in the City
- Extend access to healthcare
- Build more resident amenities (shopping, libraries)

8. Give some examples of unique and innovative programs or initiatives that you believe are having a positive impact on increasing the competitiveness of Covington.

Respondents were quite proud of the work done to encourage entrepreneurship and to revitalize the community. Responses included:

- UpTech and Innovation Alley (3)
- Renaissance Covington (2)
- Wi-fi access in the City (2)
- Craft breweries
- Farmer's market
- Mainstrasse Village neighborhood
- Active business association—CBC
- Bike trails economic impact study

9. Are there programs in peer/competitor regions that Covington should consider for the area? If so, give examples.

Most responses focused on communities that have successfully redeveloped tired assets and leveraged their quality of place. Types of programs to emulate include:

- Outdoor gathering spaces or a City square (2)
- Communities that improve public transportation
- Nashville
- Austin for building up their infrastructure
- Cincinnati Center City Development Corp. (3CDC)
- Plano—Residential and retail development
- New Orleans—BID district
- Seattle—Public art
- Chattanooga—River trail
- Lexington—Brand awareness
- Communities that created metro government structures
- Communities that have built a strong identity

10. What types of companies do you think would be a good fit for the area?

Specific responses include:

- Logistics (2)
- Aerospace
- High-tech manufacturing
- Basic trades
- Flavoring
- Biotech
- Healthcare/medical
- Health informatics
- Industries with a low footprint need
- Coding
- Robotics

11. What are your past experiences with, and current perceptions of, the various economic development efforts by group(s) involved in investment attraction, retention, and assisting entrepreneurs? How could these efforts or groups be improved?

Participants were generally supportive of the City's economic development work and noted the improvements in recent years. They note the greater levels of communication. Participants noted that Tri-ED is in a transition and suggested that the past focus of the organization around only industrial recruitment was limiting. Participants also noted that the economic development community could do more to collaborate and define specific roles and responsibilities.

APPENDIX C: SURVEY RESPONSES

Garner Economics conducted an electronic survey based on responses and sentiments provided in the focus groups. The survey was in the field March 12–22 and was completed by 117 respondents.

Of the 117 respondents, 63 live in Covington, 101 work in Covington, and 56 both live and work in Covington.

1. What are several words or phrases that describe Covington? (Select up to 3 responses.)

Response option	# rec'd
Historic	90
River city	56
Quirky, eclectic	47
Revitalized	43
Diverse	34
Central geographic location	25
High transient/homeless population	23
Innovative	8
Other	4

Other responses included:

- Redneck
- Low income
- Art/creative
- Growing

2. What are some of the biggest obstacles that inhibit Covington in its ability to attract, expand, or retain businesses and investment? (Select up to 3 responses.)

Response option	# rec'd
Perception of poor public safety	51
Aging infrastructure	47
Competition with Cincinnati	43
Lack of a consensus plan/vision	31
Lack of information on available programs/assistance for businesses to take advantage of	24
Lack of state (Kentucky) incentives	20
Lack of quality of place, amenities	19
Lack of mass transit	18
Landlocked, lack of large sites for office and manufacturing facilities	18
Lack of marketing materials/messaging	17

Other responses included: Taxes are too high (3), Parking (2), Lack of collaboration with area cities, Neglected properties create negative feel, Lack of focus on long-term businesses, Lack of diversity, Not appealing to millennials as place to work, School system, Lack of commercial space, Sheer complexity of city tax codes, Lack of office space for larger companies, Lack of staffing/point persons focused on supporting existing and potential businesses.

3. On a scale of 1–5, with 5 being “Very Strong,” how would you rate the business climate of Covington and Kenton County (with business climate defined as those policies and laws enacted by the County or City that impact local businesses, either positively or negatively)?

Response option	# rec'd
Covington	
1 - Worst	2
2 - Poor	7
3 - Average	50
4 - Good	52
5 - Best	5

Kenton County	
1 - Worst	2
2 - Poor	6
3 - Average	51
4 - Good	48
5 - Best	7

4. What do you see as the area’s strengths? (Select up to 3 responses.)

Response option	# rec'd
Location and access to interstates, Cincinnati/Northern Kentucky International Airport	95
Value, cost of living	79
Unique character, energy	71
Strong quality of place	22
Access to major U.S. companies within the region	21
Ease of working with the City departments	13
Access to labor	8
City incentive programs	6
Other—Easy Access	1

5. How would you describe the current labor situation in the area in terms of BOTH quality AND availability? (Select up to 3 responses.)

Response option	# rec'd
Shortage of skilled/trade labor	50
Strong competition with Cincinnati to attract labor	46
Mismatch between available labor and skills needed	41
Low-skilled labor needs better transportation options to get to job locations	34
Increasingly difficult to retain workers	32
More difficult to find entry level workers	26
Small pool of professional services talent	23
Strong labor pool of creative talent	16
Other	4

Other responses include:

- Not applicable (3)
- Entry level without a criminal record

6. For the purposes of this question, hard infrastructure is defined as the physical networks such as roadways, sewer, broadband internet, airports, etc.; soft infrastructure refers to institutions or places that support the economic, health, and cultural climate of a place such as the education system, the healthcare system, system of government, and/or parks. What hard or soft infrastructure is missing or unsatisfactory in Covington? (Select up to 3 responses.)

Response option	# rec'd
Focus on community aesthetics	60
Bike paths/pedestrian paths	47
Public transportation/other transportation options	42
Wayfinding	39
Shovel-ready sites	32
Efficient traffic management	27
Diversity of housing options	24
Gateways	12
Other	12

Other responses include:

- Parking (2)
- Schools (2)
- Aging sewers (2)
- Lack of post-secondary training opportunities (2)
- Cost of repairing old buildings
- Alleys
- Lack of close by big retail
- Parks/green space for events

7. Often, economic development change begins with setting forth a vision. Without worrying about money or politics, please indicate the top 5 items you would like to see the City's leadership take on to strengthen its ability to attract and retain quality companies and talent to Covington in the next 5–10 years. Use "1" to indicate the most important item; use "2" to indicate the second most important; "3" to indicate the third most important item; "4" to indicate the fourth most important item; and "5" to indicate the fifth most important item.

	First priority	Second priority	Third priority	Fourth priority	Fifth priority
Improve K–12 education	29	12	16	22	16
Leverage the former IRS property to encourage economic development	27	30	19	14	7
Proactively work to change outdated perceptions of Covington as a place to work and live	19	15	20	17	17
Better leverage the river as an amenity	14	14	18	13	11
Address homelessness and the high-concentration of social services in the core	12	16	10	14	24
Focus on and resource strategic planning in the City's economic development efforts	6	17	15	17	16
Work on traffic management into and within the City	6	12	7	14	12
Encourage a physically healthier population	4	1	12	6	14

8. Give some examples of local unique and innovative programs or initiatives that you believe are having a positive impact on increasing the competitiveness of Covington.

Of the 117 respondents, 58 offered examples. They include:

- Center for Great Neighborhoods/façade improvements (10)
- None (6)
- Renaissance Covington (6)
- Covington Business Council (5)
- Tech community (e.g., UpTech) (3)
- Small grant programs (3)
- Boutique hotels (2)
- Dining and entertainment in Mainstrasse & Madison/Pike area (2)
- The development of quality and affordable rental housing (2)
- Creative placemaking (2)
- Payroll tax reimbursement incentives (2)
- Revitalization/clean-up efforts (2)
- Murals, activations, design (2)
- Catalytic Fund (2)
- RIPPLE Program (2)
- Creative community
- Workforce programs at Hellmann
- Bike sharing program
- Rent subsidy program for small businesses
- Renovated Rivercenter
- Covington Police force
- Braxton Corridor
- Focus on entrepreneur ecosystem
- Outdoor space
- Microbrewery
- Unique, fun quirky programming and events

9. Are there programs in peer/competitor regions that Covington should consider to make this city more competitive? If so, give examples.

Of the 117 respondents, 30 offered examples. They include suggestions of the types of programs to emulate and examples of specific areas:

Community programs

- Business improvement district (e.g., Louisville) (3)
- Leveraged river front (e.g., Newport and Cincinnati) (3)
- Confront homelessness
- Address blighted areas
- Turn city-owned and vacant properties/land into affordable artist studios
- Mixed-use developments
- Proactive communications/marketing of quality of place
- Incentivize quality retail development
- Incentivize employment
- Lower taxes
- Improve aesthetics
- Provide a downtown trolley

Programs to emulate

- 3CDC—Cincinnati Center City Development Corporation (4)
- Newport (3)
- Downtown Lexington Corporation Model
- "Challenge Detroit"
- Greenville, South Carolina (green space)
- Temple, Texas (rec center)
- Asheville, North Carolina
- Smart Cities initiatives
- Blue Ash (redevelopment of outdated real estate)

10. What types of companies do you think would be a good fit for Covington?

Response option	# rec'd
IT/Coding	70
Industries with a low footprint need	67
Health informatics	62
Financial services	51
Logistics	47
Advanced manufacturing	37
Robotics	27
Aviation/avionics	25
Flavoring	7
Other	5

Other responses:

- Local small businesses
- Real estate, Insurance, Retail (HQ/Corporate and brick and mortar stores)
- Education
- Creative services
- Marketing

APPENDIX D: ASSETS & CHALLENGES ENDNOTES

Labor

¹ LQ* of 0.6 with a total of 733 jobs in COV. LQ

* Location quotient (LQ) is a valuable way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation. It can reveal what makes a particular region “unique” in comparison to the national average. An LQ > 1.2 is considered an asset.

² LQ of 1.2 and 3,629 employees

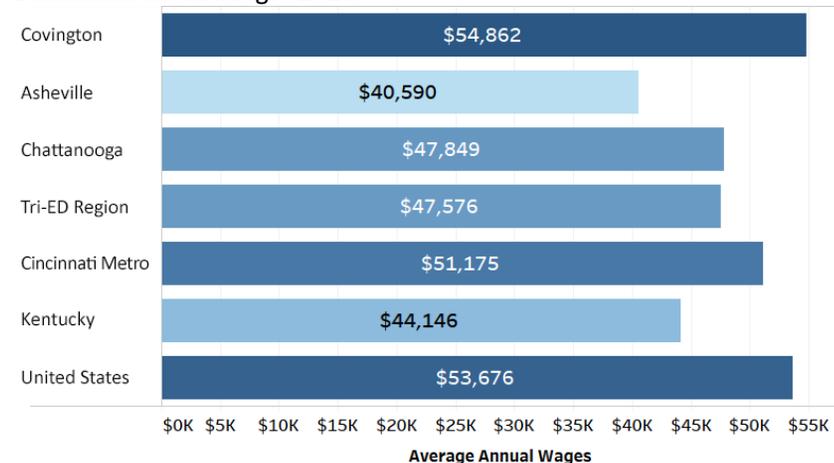
³ LQ of 1.6 and 1,696 employees

⁴ LQ of 1.1 and 666 employees

⁵ LQ of 1.2 and 1,437

⁶ From an employer’s perspective managing the costs to operate.

Estimated Annual Wages 2017:



⁷ Gateway Community and Technical College

⁸ Four universities: Northern Kentucky University, University of Cincinnati, Xavier, and Miami of Ohio.

Access to Space

⁹ According to CoStar, as of 1/9/2019, there is 3.7 million sq. ft. of industrial space in Covington, of which 3.4 percent or 128,000 sq. ft. is currently vacant.

¹⁰ According to CoStar, as of 1/17/2019, there is 2.6 million sq. ft. of existing Class A office space in Covington, of which 4.3 percent or 112,000 sq. ft. is available. Class B has 1.046 million existing sq. ft., of which 3.3 percent or 35,000 sq. ft. is vacant.

ACCESS TO CAPITAL

¹¹ Covington City Ordinance #0-43-18

¹² City of Covington Commercial Rent Subsidy & Façade Improvements loans and grants, COV business loan fund, PACE financing, Payroll incentives, TIF funding. <https://www.covingtonky.gov/business/opportunities/incentives>

¹³ UpTech, Connetic Ventures and Aviatra Accelerators offer venture or early stage capital to individuals or firms that qualify.

ACCESS TO MARKETS

¹⁴ 500-Mile Radius Results

Geography Name	Year	Total Population
Radius Region	2017	122,987,479

Source: U.S. Census Bureau

¹⁵ Ibid

¹⁶ FTZ #47 serves Northern Kentucky.

¹⁷ Interstates 71 and 275 serve Covington. I-75 and I-74 are nearby.

¹⁸ The area is served by two Class I railroads (CSX and Norfolk Southern) and one short line railroad, RailAmerica.

¹⁹ The Ports of Cincinnati & Northern Kentucky

<http://www.northernkentuckyusa.com/site-selection/infrastructure/>

²⁰ CVG <https://www.cvgairport.com/docs/default-source/default-document-library/q4-2018-lpq-update.pdf?sfvrsn=0>

²¹ **2017 Broadband Access & Speed Available, Percent of Population (Highest Relative Figure Shaded)**

Broadband Access	Covington	Cincinnati Metro	Tri-ED Region	Kentucky	United States
100 Mbps or faster	100.0	96.9	98.7	81.1	83.2
250 Mbps or faster	73.7	62.4	66.5	23.2	49.0
1 Gigabit	73.7	60.4	66.5	20.6	12.7

Broadband Access	Covington	Asheville	Chattanooga
100 Mbps or faster	100.0	15.4	98.8
250 Mbps or faster	73.7	15.4	98.8
1 Gigabit	73.7	15.4	97.3

City Economic Development Department

²² The City's Economic Development Department is actually a hybrid of traditional economic development (recruitment, retention, and entrepreneurship) zoning (planning) and historic preservation.

²³ Six full- or part-time equivalents as of 02/2019.

²⁴ Involvement of both elected official and volunteer boards.

²⁵ In process.

²⁶ Based on feedback from both the focus groups respondents and the e-survey.

²⁷ Based on our observations during the focus groups and opinions offered.

²⁸ 2019 general fund budget of \$1.06MM. Additional funding exists from lease fund revenue of approximately \$280,000/annually from the Kentucky Career Center that funds several ED programs and projects, as well as TIF funds (approximately \$900,000/annually but geographically restricted) to complement larger development projects or plans. Total funding in excess of \$2.1MM.

GOVERNMENT IMPACT ON BUSINESS

²⁹ Based on both on our own observations while conducting a windshield tour of the community, and from stakeholder feedback.

³⁰ See endnote #28, including Qualified Opportunity Zones, Payroll Tax rebate, Existing Business Incentive, Vacant Property Rehab, Upper Floor Rehab, Gap Financing, Rent Subsidy.

<https://www.covingtonky.gov/business/opportunities/incentives>
<https://www.covingtonky.gov/business/opportunities/incentives>

³¹ **Composite ACT Scores. Highest Score Shaded**

	2014	2015	2016	2017	2018
Covington Independent District	16.7	16.8	17.1	17.1	16.6
Asheville-Buncombe County	20.4	20.2	20.0	20.2	19.9
Chattanooga-Hamilton County	19.0	18.9	19.4	19.9	19.9
Kentucky	19.4	19.4	19.5	19.8	19.3
United States	21.0	21.0	20.8	21.0	20.5

Sources: Kentucky, North Carolina & Tennessee Departments of Education; ACT; Garner Economics

³² Based on feedback from the small business focus group and from the e-survey.

³³ COV has one of the highest payroll taxes in Kentucky, at 2.45 percent. <http://www.tax-rates.org/kentucky/local-income-taxes>. Covington also has a net profits tax of 2.50 percent. <http://www.covingtonky.gov/forms-documents/tax-rates-fees>; Kenton County has a high median property tax rate compared to the other 119 counties in the state (120 total) <http://www.tax-rates.org/kentucky/property-tax>

QUALITY OF PLACE

³⁴ According to Zillow.com, as of 4/1/2019, there are 56 houses for sale from \$300,000 to no maximum amount within the City.

³⁵ According to Zillow.com, as of 4/1/2019, there are 77 houses for sale from \$150,000 to \$299,999 within the City.

³⁶ According to Apartments.com, as of 4/1/2019, there are 260 apartment units for lease within the City. However, the City notes that 1,150 apartments are currently under construction or in the pipeline.

³⁷ Cost-of-Living Index, 2017

Lowest Figure Shaded

Category	Covington	Asheville	Chattanooga	Cincinnati	Kentucky
Cost of Living	87	101	91	89	89
Goods & Services	102	97	96	102	100
Grocery	91	94	93	91	90
Healthcare	98	101	104	98	93
Housing	59	109	82	67	70
Transportation	101	96	91	101	99
Utilities	95	104	94	95	96

Source: AreaVibes.com derived from C2ER Index for 2017, Garner Economics

³⁸ Crime Rates, per 100,000 persons

Lowest Rate Shaded

	Crimes Reported	Crime Rate	Violent Crime	
			Crimes Reported	Crime Rate
Covington	1,341	3,283.1	185	452.9
Asheville	4,248	4,714.6	551	611.5
Chattanooga	10,700	5,985.9	1,905	1,065.7
Tri-ED Region	5,624	1,447.2	445	114.5
Cincinnati Metro	53,156	2,440.8	5,770	264.9
Kentucky	94,833	2,129.1	10,056	225.8
United States	7,694,086	2,362.2	1,247,321	382.9

³⁹ Diverse options exist: <https://www.covingtonky.gov/visitors/recreation>

⁴⁰ Outside of the CBD, much of the city has a tired and old look to it. According to the U.S. Census, as of 2–17, there are 20,047 housing units in Covington, of which 8,607 are renter occupied.

⁴¹ St. Elizabeth—Covington; no national ranking by U.S. News and World Report. <https://health.usnews.com/best-hospitals/area/ky/st-elizabeth-edgewood-6510110>

⁴² Hotel Covington is a AAA-rated Four Diamond property.

⁴³ Areas of improvement, but still in transition.

APPENDIX E: INDUSTRY DETAILS

Specialized industries are shaded for location quotients greater than 1.20

Main NAICS	NAICS	Description	2018 Jobs	2013–2018 Change	2018 Location Quotient	Annual Wage
11	11	Agriculture, Forestry, Fishing and Hunting	18	2	0.1	\$24,934
22	22	Utilities	45	26	0.6	\$101,163
23	23	Construction	709	122	0.6	\$49,569
	236	Construction of Buildings	110	13	0.4	\$53,574
	238	Specialty Trade Contractors	599	109	0.8	\$48,837
31	31	Manufacturing	561	73	0.3	\$56,989
	311	Food Manufacturing	43	6	0.2	\$38,925
32	322	Paper Manufacturing	80	-26	1.7	\$56,000
	323	Printing and Related Support Activities	11	-33	0.2	\$40,703
	325	Chemical Manufacturing	58	22	0.5	\$63,972
	326	Plastics and Rubber Products Manufacturing	89	71	1.0	\$51,836
33	332	Fabricated Metal Product Manufacturing	44	7	0.2	\$51,552
	333	Machinery Manufacturing	115	31	0.8	\$60,326
	335	Electrical Equipment, Appliance, and Component Manufacturing	53	32	1.1	\$64,393
	336	Transportation Equipment Manufacturing	49	6	0.2	\$75,176
42	42	Wholesale Trade	513	-1	0.7	\$84,050
	423	Merchant Wholesalers, Durable Goods	214	39	0.5	\$62,177
	424	Merchant Wholesalers, Nondurable Goods	174	-16	0.6	\$107,868
	425	Wholesale Electronic Markets and Agents and Brokers	125	-24	1.3	\$88,428
44	44	Retail Trade	1,614	66	0.8	\$29,723
	441	Motor Vehicle and Parts Dealers	129	11	0.5	\$42,004
	442	Furniture and Home Furnishings Stores	26	1	0.4	\$52,771
	443	Electronics and Appliance Stores	49	-1	0.8	\$31,820
	444	Building Material and Garden Equipment and Supplies Dealers	48	-7	0.3	\$46,051
	445	Food and Beverage Stores	566	14	1.4	\$22,391
	446	Health and Personal Care Stores	152	-39	1.1	\$38,323
	447	Gasoline Stations	98	2	0.8	\$21,985
	448	Clothing and Clothing Accessories Stores	109	-6	0.6	\$29,281

Main NAICS	NAICS	Description	2018 Jobs	2013–2018 Change	2018 Location Quotient	Annual Wage
45	451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	79	20	1.0	\$26,781
	452	General Merchandise Stores	83	17	0.2	\$14,198
	453	Miscellaneous Store Retailers	123	10	1.0	\$20,337
	454	Nonstore Retailers	153	45	1.7	\$50,923
48	48	Transportation and Warehousing	424	-2	0.6	\$44,689
	481	Air Transportation	35		0.6	\$49,592
	482	Rail Transportation	35	-4	1.2	\$86,044
	484	Truck Transportation	93	-40	0.4	\$49,256
	485	Transit and Ground Passenger Transportation	209	9	2.5	\$26,096
	488	Support Activities for Transportation	44		0.5	\$88,891
51	51	Information	204	43	0.5	\$76,727
	511	Publishing Industries (except Internet)	79	6	0.8	\$77,630
	512	Motion Picture and Sound Recording Industries	66	18	1.0	\$69,932
	517	Telecommunications	36	13	0.4	\$94,258
	519	Other Information Services	12		0.3	\$46,097
52	52	Finance and Insurance	3,299	536	4.0	\$102,403
	522	Credit Intermediation and Related Activities	421	131	1.2	\$54,692
	523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	2,665	434	20.8	\$112,026
	524	Insurance Carriers and Related Activities	210	-31	0.6	\$76,213
53	53	Real Estate and Rental and Leasing	394	24	1.1	\$46,135
	531	Real Estate	352	36	1.3	\$47,320
	532	Rental and Leasing Services	42	-12	0.6	\$36,099
54	54	Professional, Scientific, and Technical Services	2,008	158	1.5	\$69,766
	541	Professional, Scientific, and Technical Services	2,008	158	1.5	\$69,766
55	55	Management of Companies and Enterprises	807	18	2.8	\$99,860
	551	Management of Companies and Enterprises	807	18	2.8	\$99,860
56	56	Administrative and Support and Waste Management and Remediation Services	983	-236	0.8	\$30,358
	561	Administrative and Support Services	909	-190	0.7	\$28,240
	562	Waste Management and Remediation Services	75	-44	1.3	\$56,137

Main NAICS	NAICS	Description	2018 Jobs	2013–2018 Change	2018 Location Quotient	Annual Wage
61	61	Educational Services	94	-31	0.2	\$23,700
	611	Educational Services	94	-31	0.2	\$23,700
62	62	Health Care and Social Assistance	2,335	66	0.9	\$45,681
	621	Ambulatory Health Care Services	532	120	0.5	\$93,263
	622	Hospitals	299	-77	0.5	\$44,099
	623	Nursing and Residential Care Facilities	880	91	2.1	\$32,762
	624	Social Assistance	623	-69	1.1	\$24,031
71	71	Arts, Entertainment, and Recreation	190	4	0.5	\$22,167
	711	Performing Arts, Spectator Sports, and Related Industries	25	-9	0.2	\$49,406
	713	Amusement, Gambling, and Recreation Industries	163	15	0.7	\$17,771
72	72	Accommodation and Food Services	2,638	302	1.5	\$19,185
	721	Accommodation	493	159	1.9	\$26,187
	722	Food Services and Drinking Places	2,145	142	1.4	\$17,577
81	81	Other Services (except Public Administration)	854	34	0.9	\$27,715
	811	Repair and Maintenance	215	4	1.0	\$36,006
	812	Personal and Laundry Services	215	23	0.8	\$22,826
	813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	354	28	0.9	\$28,752
	814	Private Households	70	-20	0.6	\$11,910
90	90	Government	2,808	-354	0.9	\$47,310
	901	Federal Government	994	-170	1.6	\$56,080
	902	State Government	356	-109	0.5	\$27,172
	903	Local Government	1,458	-76	0.8	\$46,242

Source: ESMI, Garner Economics

APPENDIX F: OCCUPATION DETAILS

Specialized occupations are shaded for location quotients greater than 1.20

Main SOC	SOC	Description	2018 Jobs	2013–2018 Change	2018 Location Quotient	Annual Wages
11	11-0000	Management Occupations	1,437	213	1.2	\$101,995
	11-1000	Top Executives	460	52	1.4	\$120,955
	11-2000	Advertising, Marketing, Promotions, Public Relations, and Sales Managers	150	25	1.6	\$124,967
	11-3000	Operations Specialties Managers	326	62	1.3	\$105,139
	11-9000	Other Management Occupations	501	75	1.1	\$75,260
13	13-0000	Business and Financial Operations Occupations	1,696	139	1.6	\$71,042
	13-1000	Business Operations Specialists	657	68	1.0	\$56,967
	13-2000	Financial Specialists	1,038	70	2.7	\$79,687
15	15-0000	Computer and Mathematical Occupations	666	111	1.1	\$71,182
	15-1100	Computer Occupations	579	94	1.0	\$68,194
	15-2000	Mathematical Science Occupations	86	16	3.5	\$91,179
17	17-0000	Architecture and Engineering Occupations	383	68	1.1	\$72,039
	17-1000	Architects, Surveyors, and Cartographers	42	5	1.5	\$78,415
	17-2000	Engineers	187	37	0.8	\$91,375
	17-3000	Drafters, Engineering Technicians, and Mapping Technicians	154	26	1.6	\$47,586
19	19-0000	Life, Physical, and Social Science Occupations	186	22	1.1	\$64,689
	19-1000	Life Scientists	36	16	0.9	\$83,885
	19-2000	Physical Scientists	28	1	0.8	\$94,199
	19-3000	Social Scientists and Related Workers	30	-12	0.7	\$70,815
	19-4000	Life, Physical, and Social Science Technicians	91	15	1.8	\$47,381
21	21-0000	Community and Social Service Occupations	391	46	1.2	\$47,178
	21-1000	Counselors, Social Workers, and Other Community and Social Service Specialists	320	35	1.2	\$46,649
	21-2000	Religious Workers	71	11	1.2	\$49,574

Main SOC	SOC	Description	2018 Jobs	2013 –2018 Change	2018 Location Quotient	Annual Wages
23	23-0000	Legal Occupations	375	-31	2.2	\$86,447
	23-1000	Lawyers, Judges, and Related Workers	196	-22	1.7	\$115,484
	23-2000	Legal Support Workers	179	-9	3.2	\$54,430
25	25-0000	Education, Training, and Library Occupations	670	-78	0.6	\$49,095
	25-1000	Postsecondary Teachers	180	-32	0.9	\$66,269
	25-2000	Preschool, Primary, Secondary, and Special Education School Teachers	269	-31	0.5	\$50,291
	25-3000	Other Teachers and Instructors	116	-8	0.6	\$33,869
	25-4000	Librarians, Curators, and Archivists	20	-7	0.6	\$44,329
	25-9000	Other Education, Training, and Library Occupations	83	-2	0.4	\$29,874
27	27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	423	73	1.1	\$45,549
	27-1000	Art and Design Workers	195	61	1.7	\$45,600
	27-2000	Entertainers and Performers, Sports and Related Workers	58	-4	0.5	\$44,408
	27-3000	Media and Communication Workers	127	8	1.2	\$46,670
	27-4000	Media and Communication Equipment Workers	45	10	0.9	\$43,884
29	29-0000	Healthcare Practitioners and Technical Occupations	934	28	0.8	\$74,215
	29-1000	Health Diagnosing and Treating Practitioners	493	17	0.7	\$99,232
	29-2000	Health Technologists and Technicians	402	7	1.0	\$44,022
	29-9000	Other Healthcare Practitioners and Technical Occupations	40	6	1.7	\$72,630
31	31-0000	Healthcare Support Occupations	538	-2	1.0	\$32,673
	31-1000	Nursing, Psychiatric, and Home Health Aides	362	-26	1.1	\$29,615
	31-2000	Occupational Therapy and Physical Therapist Assistants and Aides	30	8	1.2	\$52,125
	31-9000	Other Healthcare Support Occupations	147	17	0.7	\$36,542
33	33-0000	Protective Service Occupations	419	-30	0.9	\$44,790
	33-1000	Supervisors of Protective Service Workers	70	-3	1.9	\$68,980
	33-2000	Fire Fighting and Prevention Workers	104	-4	2.4	\$38,887
	33-3000	Law Enforcement Workers	110	-2	0.7	\$55,048
	33-9000	Other Protective Service Workers	136	-20	0.6	\$28,207

Main SOC	SOC	Description	2018 Jobs	2013–2018 Change	2018 Location Quotient	Annual Wages
35	35-0000	Food Preparation and Serving Related Occupations	2,302	135	1.3	\$22,205
	35-1000	Supervisors of Food Preparation and Serving Workers	213	13	1.5	\$34,082
	35-2000	Cooks and Food Preparation Workers	576	27	1.4	\$22,021
	35-3000	Food and Beverage Serving Workers	1,314	85	1.4	\$20,810
	35-9000	Other Food Preparation and Serving Related Workers	199	9	1.1	\$19,181
37	37-0000	Building and Grounds Cleaning and Maintenance Occupations	608	-13	0.8	\$26,711
	37-1000	Supervisors of Building and Grounds Cleaning and Maintenance Workers	66	-5	1.5	\$40,890
	37-2000	Building Cleaning and Pest Control Workers	376	26	0.7	\$24,221
	37-3000	Grounds Maintenance Workers	166	-35	0.9	\$26,692
39	39-0000	Personal Care and Service Occupations	904	36	1.0	\$25,830
	39-1000	Supervisors of Personal Care and Service Workers	47	3	1.4	\$37,837
	39-2000	Animal Care and Service Workers	30	5	0.8	\$20,742
	39-3000	Entertainment Attendants and Related Workers	24	-3	0.3	\$23,192
	39-4000	Funeral Service Workers	23	5	2.8	\$50,164
	39-5000	Personal Appearance Workers	80	4	0.6	\$26,369
	39-6000	Baggage Porters, Bellhops, and Concierges	22	6	2.1	\$28,020
	39-9000	Other Personal Care and Service Workers	675	17	1.2	\$24,368
41	41-0000	Sales and Related Occupations	1,895	53	0.9	\$52,939
	41-1000	Supervisors of Sales Workers	198	1	0.9	\$52,060
	41-2000	Retail Sales Workers	794	11	0.7	\$25,855
	41-3000	Sales Representatives, Services	567	49	1.7	\$83,900
	41-4000	Sales Representatives, Wholesale and Manufacturing	150	-12	0.7	\$85,172
	41-9000	Other Sales and Related Workers	186	4	1.3	\$49,124

Main SOC	SOC	Description	2018 Jobs	2013 –2018 Change	2018 Location Quotient	Annual Wages
43	43-0000	Office and Administrative Support Occupations	3,629	-35	1.2	\$38,457
	43-1000	Supervisors of Office and Administrative Support Workers	238	23	1.2	\$56,643
	43-2000	Communications Equipment Operators	14	-8	1.1	\$26,544
	43-3000	Financial Clerks	427	-14	1.0	\$40,506
	43-4000	Information and Record Clerks	1,086	-23	1.4	\$35,259
	43-5000	Material Recording, Scheduling, Dispatching, and Distributing Workers	383	23	0.7	\$34,910
	43-6000	Secretaries and Administrative Assistants	588	4	1.1	\$48,610
	43-9000	Other Office and Administrative Support Workers	893	-40	1.6	\$31,454
45	45-0000	Farming, Fishing, and Forestry Occupations	23	0	0.1	\$24,802
	45-2000	Agricultural Workers	20	1	0.1	\$24,232
47	47-0000	Construction and Extraction Occupations	573	41	0.6	\$45,799
	47-1000	Supervisors of Construction and Extraction Workers	64	7	0.8	\$59,743
	47-2000	Construction Trades Workers	446	65	0.6	\$43,757
	47-3000	Helpers, Construction Trades	18	-3	0.6	\$47,956
	47-4000	Other Construction and Related Workers	41	-27	0.7	\$42,927
49	49-0000	Installation, Maintenance, and Repair Occupations	698	69	0.9	\$50,348
	49-1000	Supervisors of Installation, Maintenance, and Repair Workers	75	8	1.2	\$66,077
	49-2000	Electrical and Electronic Equipment Mechanics, Installers, and Repairers	57	4	0.6	\$54,061
	49-3000	Vehicle and Mobile Equipment Mechanics, Installers, and Repairers	234	11	1.0	\$44,638
	49-9000	Other Installation, Maintenance, and Repair Occupations	333	48	0.8	\$50,259

Main SOC	SOC	Description	2018 Jobs	2013–2018 Change	2018 Location Quotient	Annual Wages
51	51-0000	Production Occupations	733	13	0.6	\$38,175
	51-1000	Supervisors of Production Workers	43	3	0.5	\$60,260
	51-2000	Assemblers and Fabricators	83	-8	0.4	\$32,236
	51-3000	Food Processing Workers	43	1	0.4	\$28,655
	51-4000	Metal Workers and Plastic Workers	186	46	0.7	\$41,320
	51-5100	Printing Workers	11	-11	0.3	\$34,386
	51-6000	Textile, Apparel, and Furnishings Workers	28	-7	0.3	\$28,093
	51-8000	Plant and System Operators	17	-3	0.4	\$56,842
	51-9000	Other Production Occupations	315	-11	0.9	\$36,366
53	53-0000	Transportation and Material Moving Occupations	991	-9	0.7	\$38,236
	53-1000	Supervisors of Transportation and Material Moving Workers	34	1	0.6	\$69,159
	53-2000	Air Transportation Workers	30	11	0.7	\$99,653
	53-3000	Motor Vehicle Operators	386	-4	0.7	\$37,305
	53-4000	Rail Transportation Workers	18	-4	1.2	\$52,693
	53-6000	Other Transportation Workers	46	9	0.8	\$37,553
	53-7000	Material Moving Workers	474	-11	0.7	\$32,276
55	55-0000	Military-only occupations	31	-2	0.3	\$35,056
	55-9000	Military-only occupations	31	-2	0.3	\$35,056

Source: ESMI, Garner Economics

APPENDIX G: GATEWAY COMMUNITY & TECHNICAL COLLEGE TRENDS

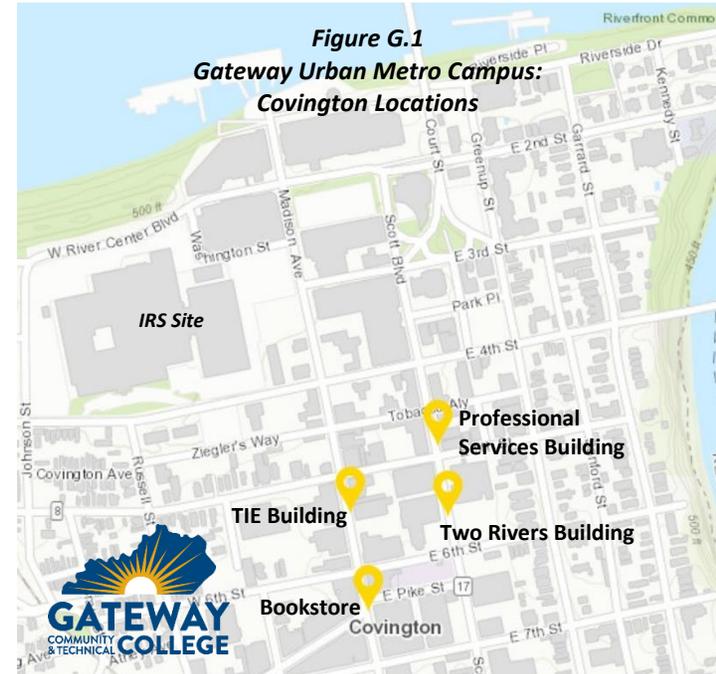
As the only higher education institution with a presence in the city limits of Covington, a more detailed review of Gateway Community & Technical College (Gateway) was conducted. Gateway is part of the Kentucky Community and Technical College System and has campuses in Boone County, Covington, and Edgewood. The Covington presence is included in the Urban Metro Campus along with the Transportation Technology Center located in Fort Wright.

Locations within Covington are in the heart of downtown in four different buildings listed in Table G.1 and shown in Figure G.1. Enrollment measured as an unduplicated headcount for Gateway shows a dramatic decline since 2012 dropping from 7,308 for 2011-2012 school year to a headcount of 5,908 in the 2016-17 school year (Figure G.2).

Another standard count is the official fall enrollment figure. Gateway’s fall enrollment for 2018 was 4,095 which declined from a high of 4,857 in the fall of 2011 (Figure G.3). A majority of Gateway’s students are part-time, 2,890 or approximately 69 percent of the fall 2018 enrollment.

The latest reference to enrollment at the Urban Metro Campus, specifically referred to as “in Covington”, was in the Cincinnati Enquirer. The article ran in April of 2017 and stated there were 1,074 students in the fall of 2016.

System-wide, Gateway granted 2,269 degrees or certificates, or some form of credential, in 2017 (Figure G.4). The number of credentials awarded by the college has grown from 1,340 in 2012. This may include dual enrollment students. For the Gateway system, Computer & Information Sciences was the most popular program with 538 credentials awarded in 2017. Table G.3 and Figure G.5 lists the top ten programs sorted by the number of degrees or certificates granted in 2017.



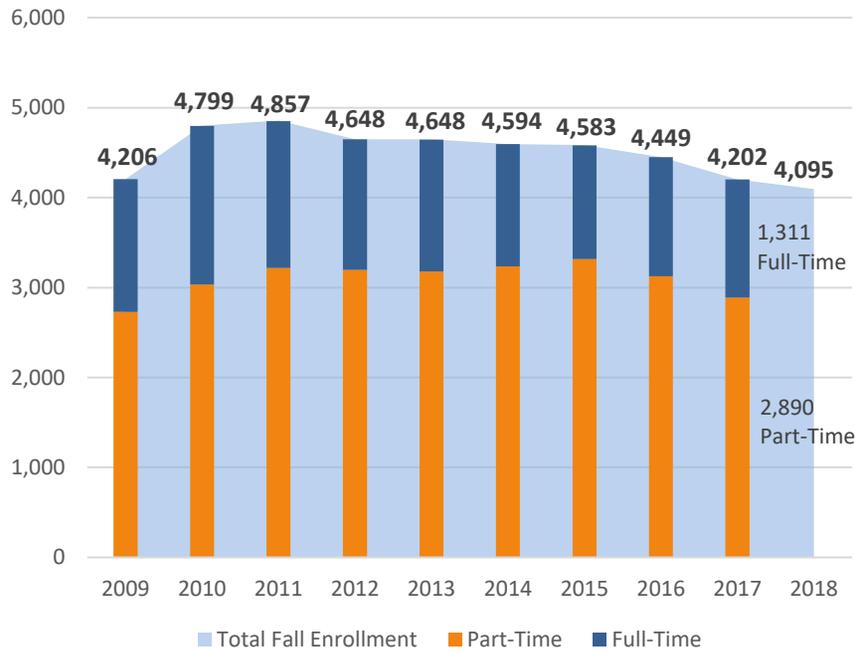
Source: Gateway Community & Technical College, Garner Economics

Table G.1 Gateway Urban Metro Campus: Covington Locations

Gateway Covington Locations	Address	Programs Offered*
Center for Technology, Innovation and Enterprise (TIE)	516 Madison Ave.	Criminal Justice, Computer and Information Technologies, Human Services, Interdisciplinary Early Childhood Education
Professional Services Building	438 Scott Boulevard	Massage & Cosmetology
Two Rivers Building	525 Scott Boulevard	None listed
Urban Metro Campus Bookstore	614 Madison Ave.	Moving this summer to Boone Campus

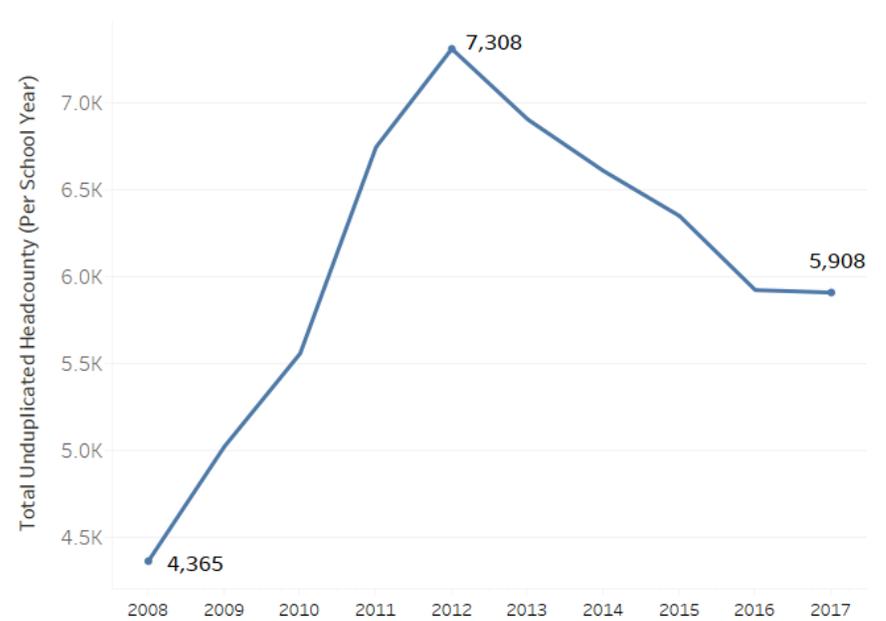
*as presented on Gateway Web site retrieved June 2019. Source: Gateway Community & Technical College web site

Figure G.2
Gateway Fall Enrollment, 2009-2018



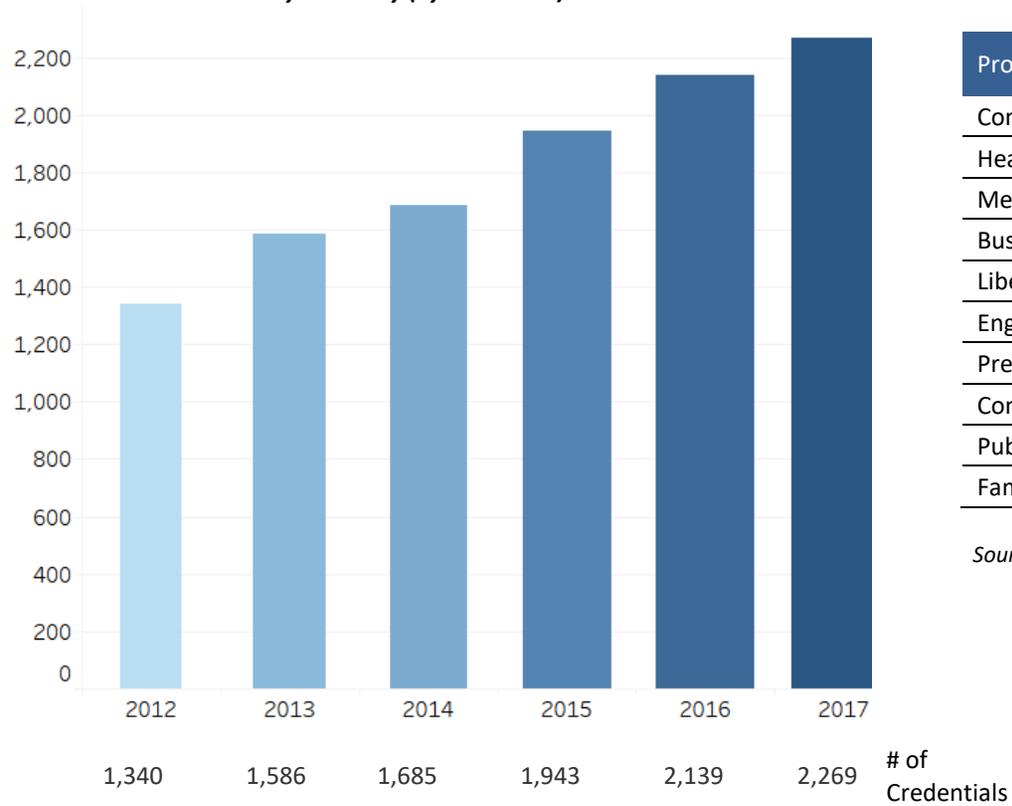
Source: Kentucky Council on Secondary Education, National Center for Education Statistics-IPEDS, Garner Economics

Figure G.3
Gateway Unduplicated Headcount (Full Year), 2008-2017



Source: National Center for Education Statistics-IPEDS, Garner Economics

**Figure G.4 Number of Credentials Awarded
By Gateway (System-wide)**



Source: Kentucky Council on Secondary Education, Garner Economics

**Table G.2 Number of Credentials Awarded
By Gateway, 2017 (System-wide)**

Program/Area of Study	Number of Credentials
Computer & Information Sciences	538
Health Professions & Related Programs	342
Mechanic & Repair Technologies/Technicians	295
Business, Management & Marketing	168
Liberal Arts & Sciences, Humanities	136
Engineering Technologies	133
Precision Production	133
Construction Trades	104
Public Administration & Social Service Professions	67
Family & Consumer Sciences/Human Sciences	65

Source: National Center for Education Statistics-IPEDS, Garner Economics