

Capacity and Performance
of
Philanthropy, Charitable Giving, and the Public Sector in
Owensboro-Daviess County, Kentucky



a research report for
The Hager Educational Foundation

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EXECUTIVE SUMMARY

The Hager Educational Foundation was formed to improve opportunities for children and families in the Owensboro area. It has invested over one million dollars in direct support for programs and projects during the last decade. Its founder believes in the power of good information to improve public awareness and the quality of decision-making: The community will ultimately be better if it has a better understanding of its cultural, demographic, economic and political environment. The Hager Educational Foundation has become increasingly concerned about the apparent decline in resources available locally to support traditional educational and cultural assets, like the libraries, colleges, and the arts, but also to address social problems like illiteracy, drug abuse, domestic violence, and broken families. The decline in the stock market since 2000 has reduced the liquid wealth of area households. Several major corporations have moved their management teams out of Owensboro. Job growth in the region has been healthy over the last decade, but earnings per job have not kept pace. And the population has aged relative to that of the nation.

This study was commissioned to investigate some of these environmental factors and to quantify the findings. In particular, we were charged with evaluating the capacity and performance of Owensboro for philanthropy and other charitable giving, including that of the public sector. We agreed that the findings would be most useful if data were simultaneously gathered for other similar sized markets. Ten other small metropolitan areas were used as a reference. These were chosen based on population size, and screened from a national list to eliminate metros that are state capitals, college towns, or on interstate highways.

This resulted in ten peer metros: Albany GA, Danville VA, Dubuque IA, Elmira NY, Jonesboro AR, Kokomo IN, Lewiston ME, Pine Bluff AR, Sumter, SC, Victoria TX. We also gathered data for Bowling Green and Paducah, as these are the other two cities in western Kentucky that have a population base and economic circumstance similar to that of Owensboro.



There is no single and precise measurement of charitable giving available for cities and counties. We took the approach that many relevant indicators should be assembled, and that important patterns would become evident in the data. We assembled a large database on these thirteen communities. The data include demographic information from the last two decennial censuses, household income by type and level, jobs and earnings by industry, IRS data on charitable giving by individuals, assets of charitable organizations by type, contributions to United Way programs, and information about the tax structures of the various local governments.

We find that Owensboro is very typical of other similarly sized communities in the structure and amount of charitable giving. Owensboro is not especially wealthy or poor. Household incomes and home values are moderate. Charitable contributions by individuals are typical of those in the comparison communities. The number of charitable organizations and the value of their assets are also in line with the other cities.



However, Owensboro differed from the comparison communities in several respects.

1. Owensboro-Daviess County posted the greatest gain in median household income over the past decade, presumably a reflection of the large number of retirees and rising investment income from the strong stock market. Average earnings per job did not keep up with the growth seen in the other cities, however, reflecting the mediocre industrial performance and the relatively low rates of college attainment of residents.
2. Owensboro's economy has changed dramatically over the past twenty-five years, with a loss of many high paying manufacturing jobs accompanied by a gain in lower paying retail and service jobs. Daviess County ranked only eleventh among the thirteen comparison counties in manufacturing's share of all jobs. It also ranks eleventh in the average annual earnings per job across all industries.
3. Nonprofit organizations in Owensboro had the second highest combined asset valuation among the comparison communities, trailing only Lewistown Maine. Seven health and educational foundations accounted for 75 percent of all assets owned by the 383 tax-exempt organizations in Daviess County. However, the asset data include the real estate owned by hospital and colleges, and is therefore not a clear indication of the amount of financial wealth available to support local social services. Owensboro also has a relatively large number of establishments classified as religious organizations.
4. Owensboro-Daviess County is characterized by low (local government) taxation. Property tax rates are among the lowest studied here, as is characteristic of most local jurisdictions in Kentucky – a state with relatively high

state-level taxation and spending. However, Owensboro also has low rates of taxation on payrolls and net profits compared to Bowling Green and Paducah. Owensboro collects much less in the way of tax revenues per capita than does its two comparison Kentucky cities.

What does this all mean for charitable giving and the capacity to take care of community needs in the Owensboro area? This report provides solid quantitative information to begin such a discussion, but does not provide a full and tidy assessment. It seems clear that Owensboro is faced with very similar circumstances as other small cities off the interstate grid. It is not wealthy or poor, booming or stagnant. Its residents are as generous as those elsewhere. So, from the point of view of philanthropic capacity and performance, Owensboro seems to be 'average'.

There does appear to be room for more local public sector activity. Local tax rates and collections are low compared to the other communities. Low tax rates can be an economic development attraction to businesses and people, but on the other hand so are publicly provided physical assets and community services. This issue is complicated for Owensboro, given that unlike many of the other comparison communities, it is located in a state with quite high state-level taxes and responsibility for local services. We estimate that Daviess County generates about \$65 million more in Kentucky taxes than it receives back in state expenditures each year. The fiscal leakage is primarily due to relatively low state funding of roads, colleges, and parks in Daviess County. Obtaining a better return of state funds is a strategy worth considering in the same discussion as one considering a stronger effort to raise local public revenue.



COMPARISON COMMUNITIES

We have chosen to compare Owensboro to twelve other communities. Our intent is to reveal some important features about Owensboro by seeing where it ranks against other similar places. Cities, counties, and metropolitan areas are alike only by degrees. All have their own special topographies, histories, industrial structures, and political arrangements. However, it has been our experience that if one chooses a few good criteria, one can select comparison communities that have enough demographic and economic similarities to be considered 'peers'. Thus a detailed comparative study of philanthropy can tell us something about Owensboro's relative capacity and performance. This in turn provides a good foundation for policy discussions.

The table below lists the comparison cities and counties, providing basic data on land area, number of residents, and population density. Ten of the comparison communities were chosen by scanning the list of all 300 metropolitan areas that existed at the time of the last census, picking those with populations between 60,000 and 120,000, and then eliminating those on an interstate highway, and those that are college towns or state capitals. (Jonesboro, does however, have a campus of Arkansas State University, with enrollment of about 10,000.)

These metros are all named after their principal city, and most metros included only one county. We added Bowling Green and Paducah to the list because they are of similar size and also in

Cities, Counties: Size and Density

City (County), State	Principal City			County Containing Principal City			Principal City's Share of County Population	Principal City's Share of County Land Area
	Population, 2000 Census	Land Area, square miles	Population Density (persons per sq. mi.)	Population, 2000 Census	Land Area, square miles	Population Density (persons per sq. mi.)		
Albany (Dougherty), Georgia	76,947	55.5	1,385.7	96,065	329.7	291.4	80.1%	16.8%
Bowling Green (Warren), Kentucky	49,296	35.4	1,392.1	92,522	545.2	169.7	53.3%	6.5%
Danville city plus Pittsylvania County, Virginia	48,411	43.1	1,124.3	110,156	1,014.0	108.6	43.9%	4.2%
Dubuque (Dubuque), Iowa	57,686	26.5	2,178.5	89,143	608.2	146.6	64.7%	4.4%
Elmira (Chemung), New York	30,940	7.3	4,226.8	91,070	408.2	223.1	34.0%	1.8%
Jonesboro (Craighead), Arkansas	55,515	79.6	697.1	82,148	710.8	115.6	67.6%	11.2%
Kokomo (Howard), Indiana	46,113	16.2	2,846.5	84,964	293.1	289.9	54.3%	5.5%
Lewiston (Androscoggin), Maine	35,690	34.1	1,046.9	103,793	470.3	220.7	34.4%	7.2%
Owensboro (Daviess), Kentucky	54,067	17.4	3,103.7	91,545	462.4	198.0	59.1%	3.8%
Paducah (McCracken), Kentucky	26,307	19.5	1,350.5	65,514	251.1	260.9	40.2%	7.8%
Pine Bluff (Jefferson), Arkansas	55,085	45.6	1,207.7	84,278	884.8	95.3	65.4%	5.2%
Sumter (Sumter), South Carolina	39,643	26.6	1,490.9	104,646	665.5	157.2	37.9%	4.0%
Victoria (Victoria), Texas	60,603	33.0	1,838.1	84,088	882.6	95.3	72.1%	3.7%
Owensboro's rank (of 13)	6th	11th	2nd	6th	8th	6th	6th	12th

Source: US Census Bureau



western Kentucky.¹ Note that both Bowling Green and Paducah are located on an interstate highway. Bowling Green, in particular, has benefited by its location along Interstate 65, a major north-south thoroughfare. Bowling Green is home to Western Kentucky University, with its 16,000 students and large annual state subsidy. The interstate and the university give Bowling Green two strong economic advantages over Owensboro.

While most of the measures reported here refer to the county containing the principal city, we will usually label the data by the city name, as that is most familiar to people. In most cases, the city drives the county statistics, as the city boundaries historically have encompassed the greatest concentration of people and economic activity in the counties². The City of Owensboro has a small geographic footprint relative to the other cities, however. With only seventeen square miles, it is the third smallest (after Elmira and Kokomo) in size, despite being sixth largest in population. Owensboro accounts for only three percent of the land area of Daviess County, while accounting for 59 percent of the County's population. Land area is not necessarily an important factor in these discussions, though, since county

boundaries were typically defined as large rural jurisdictions for legal and historical reasons that had little to do with population and economic activity. Owensboro's small municipal footprint does suggest that the City has not annexed all the subdivisions that have developed on the edge of the city's boundaries.

The reader can get a good idea of how similar these communities are by browsing the accompanying table summarizing key demographic and economic data on the thirteen counties. Owensboro-Daviess County falls in the middle of comparison communities in terms of total population, median age, and per capita income. It ranks near the top in terms of high school attainment, population growth, and percentage of the population that is white. It ranks near the bottom in terms of annual earnings per job, and manufacturing's share of all jobs.

The Danville Virginia area stands out with its relatively older population, low educational attainment, low per capita income, and low earnings per job. Less than four in ten residents of Dougherty County, Georgia are white; and the county has the youngest population as well as the highest poverty rate of the peers. Howard County, home to Kokomo, has easily the greatest concentration of manufacturing jobs, the highest earnings per job, and the second highest per capita income. Dubuque is the least diverse racially, has the highest educational attainment and the least poverty. Warren County has the highest college attainment rates, buoyed by the presence of Western Kentucky University. Warren County also had a high rate of population growth over the last decade, second only to the Jonesboro, Arkansas area. McCracken County had the highest per capita income among the thirteen counties, the second oldest population, and the third highest average earnings per job.

¹ In June of 2003, Bowling Green was declared to be a metropolitan statistical area, and includes Warren and Edmondson counties. Paducah was named a micropolitan statistical area, and includes McCracken, Massac, Ballard, and Livingston counties. Also, most existing metros were redefined, based on new criteria and demographic and commuting results from the 2000 Census. An appendix to this report provides the new definitions. Note that the Owensboro MSA now includes Hancock and McLean Counties.

² The one exception is Danville Virginia. Virginia treats cities as independent of counties. Here we combine data on the City of Danville with the County of Pittsylvania which surrounds it. This combination corresponds to what is considered a county jurisdiction in the rest of the US.



Summary Demographic and Economic Data, Thirteen Counties

City (County), State	Demographic						Economic				
	Number of Residents, 2001	Population Growth Rate, 1991 to 2001	Median Age, 2000 Census	Percent white, 2000	Percent of Adults with High School Degree	Percent of Adults with College Degree	Per Capita Income, 2001	Percent of Families below Federal Poverty Level, 1999	Percent Job Growth, 1991-2001	Manufacturing Jobs as Percent of Total, 2001	Average Annual Earnings per Job, All Industries, 2001
Albany (Dougherty), Georgia	95,787	-1.2%	32.2	37.8%	73.7%	17.8%	\$24,350	19.6%	10.5%	12.4%	\$32,537
Bowling Green (Warren), Kentucky	93,603	15.6%	32.3	87.0%	80.3%	24.7%	\$25,077	10.8%	26.0%	14.5%	\$29,008
Danville city plus Pittsylvania County, Virginia	109,708	0.2%	40.0	65.7%	67.8%	11.3%	\$21,280	11.6%	8.3%	25.0%	\$25,483
Dubuque (Dubuque), Iowa	89,046	2.3%	36.5	97.1%	85.2%	21.3%	\$26,889	4.9%	10.2%	16.2%	\$29,167
Elmira (Chemung), New York	90,704	-4.7%	37.9	91.0%	82.1%	18.6%	\$25,638	9.1%	7.9%	15.2%	\$29,009
Jonesboro (Craighead), Arkansas	83,107	16.0%	33.0	89.3%	77.3%	20.9%	\$22,147	11.6%	29.9%	15.8%	\$25,945
Kokomo (Howard), Indiana	85,022	3.6%	37.1	89.7%	83.3%	18.1%	\$28,307	6.6%	9.8%	31.0%	\$41,105
Lewiston-Auburn (Androscoggin), Maine	104,064	-0.9%	37.2	97.0%	79.8%	14.4%	\$25,752	7.5%	18.1%	12.4%	\$28,356
Owensboro (Davies), Kentucky	91,652	4.2%	36.8	93.7%	80.7%	17.0%	\$25,095	9.4%	16.7%	11.9%	\$27,703
Paducah (McCracken), Kentucky	64,888	2.3%	39.2	86.8%	80.3%	18.1%	\$30,050	11.4%	19.8%	8.3%	\$31,949
Pine Bluff (Jefferson), Arkansas	83,790	-2.2%	35.1	48.5%	74.8%	15.7%	\$20,387	16.0%	4.9%	18.0%	\$28,566
Sumter (Sumter), South Carolina	104,280	1.6%	33.4	50.1%	74.3%	15.8%	\$21,009	13.1%	14.4%	21.3%	\$28,066
Victoria (Victoria), Texas	84,673	10.5%	34.2	74.2%	76.2%	16.2%	\$27,158	10.5%	20.3%	6.4%	\$29,624
Owensboro's rank (of 13)	6th	4th	6th	3rd	3rd	8th	7th	9th	6th	11th	11th
United States	285,317,559	11.3%	35.3	75.1%	80.4%	24.4%	\$30,413	9.2%	20.8%	10.2%	\$37,258

Source: US Census Bureau; and US Bureau of Economic Analysis, *Regional Economic Information System, 1969-2001*, June 2003.

Population and per capita income are on a place of residence basis; jobs and earnings are on a place of work basis.



Demographic characteristics

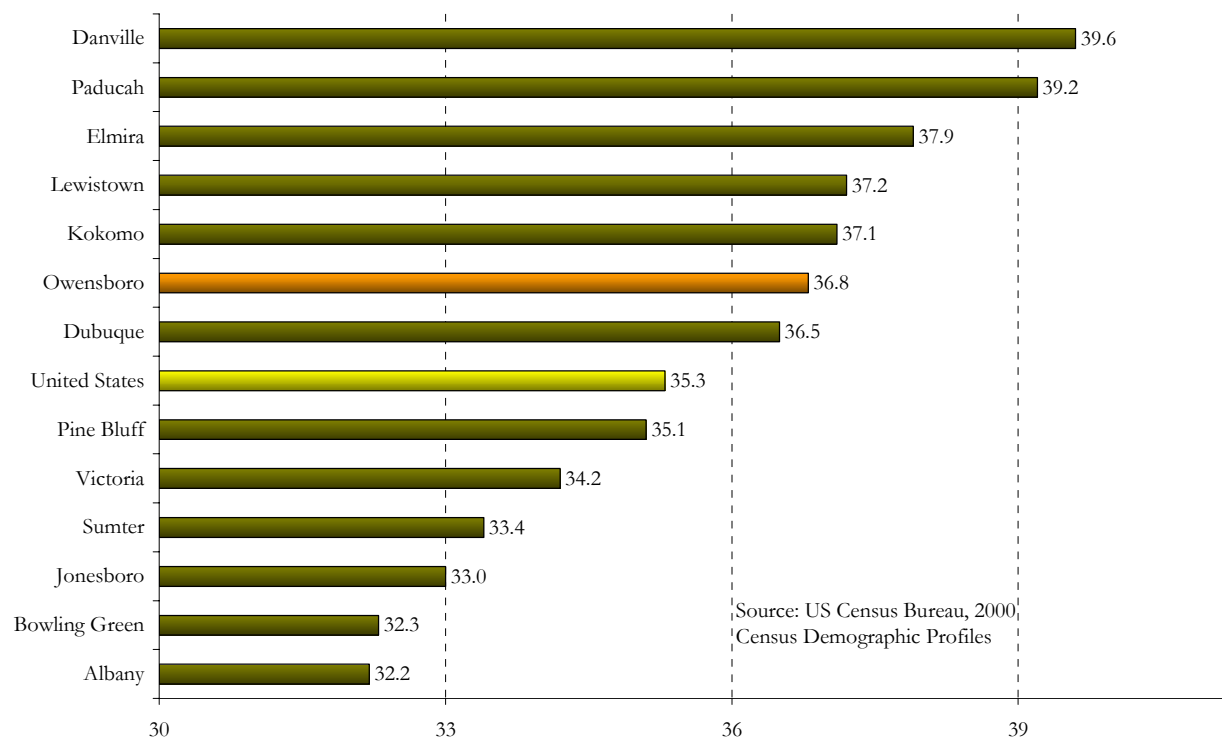
Owensboro-Daviess County had 92,000 residents as of the 2000 Census. Of those, 86,000 were white, 4,000 were black, with the remainder made up of people of other races. Only about 900 County residents were born outside the United States, and of those only 400 were naturalized citizens. With only one percent of its population foreign-born, Daviess County has one of the lowest rates in the US among metropolitan areas - the national average is over ten percent. Nearly eighty percent of County residents were born in Kentucky.

Fifty-nine percent of Daviess County's population (aged 15 and older) is married, and twelve percent are divorced. This compares to national averages of 56 percent, and ten percent, respectively.

Daviess County adults (aged 25 and older) are more likely to have complete high school (81 percent), but less likely to have completed college (17 percent) than their national counterparts.

Owensboro's population is slightly older than the comparison group, with a county-wide median age in 2000 of 36.8 years. Danville VA and Paducah have the oldest county populations, with their median ages approaching 40 years old. Albany GA and Bowling Green are the youngest, with a county median age four years younger than Owensboro's. About fourteen percent of Daviess County's population is aged 65 or older, and twenty-six percent are younger than 18.

Median Age of County Population, 2000



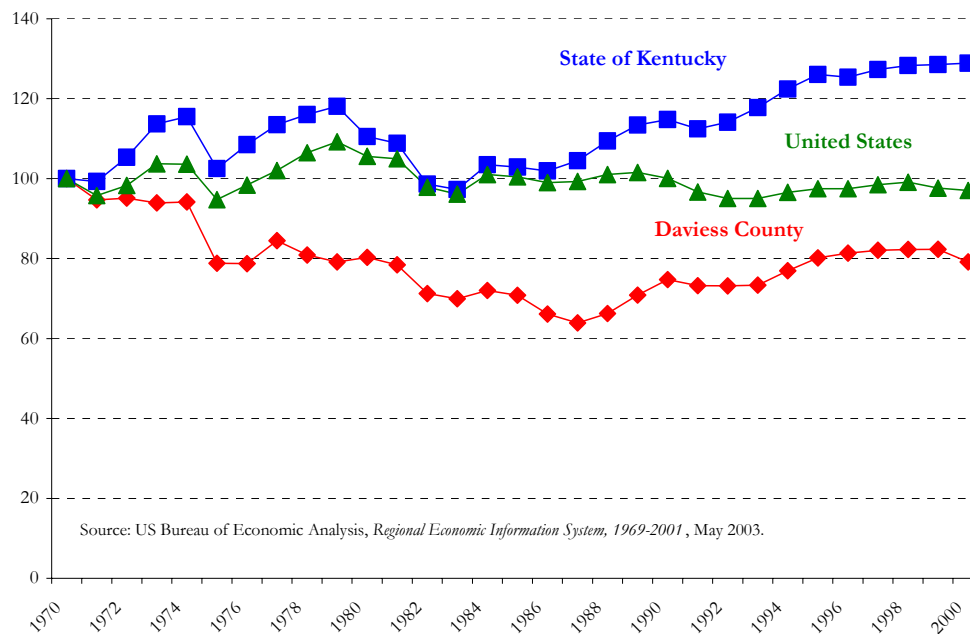


Economic characteristics

The economy of the Owensboro area has changed dramatically over the past quarter century. Once home to a core of high paying manufacturing jobs, the city and county now relies more on health services and retail to employ residents. Thousands of County residents continue to commute to the Evansville and Hawesville areas to obtain better paying industrial jobs, though these too have dwindled of late. At the beginning of the last recession, Daviess County had about 7,000 manufacturing jobs, paying on average about \$39,000 per year. In 1970, Daviess County had around 8,800 manufacturing jobs. The decline over the past thirty years is in contrast to the solid growth that occurred for the state of Kentucky as a whole. Most of the growth in manufacturing employment statewide has occurred around and between Interstate highways 65 and 75, particularly below Louisville and in the greater Lexington area. Owensboro's failure to get on the interstate highway grid has had dire economic consequences. As Japanese investments accelerated and the 'automobile alley' moved south from Michigan, Ohio, and Indiana to Kentucky, Tennessee, and Alabama, it blessed many smaller communities along the interstate highways with assembly and parts producing plants.

The next table provides a summary of the industrial distribution of jobs in the thirteen comparison communities and the United States as whole. Owensboro's decline in manufacturing is evident in these data, too. The county ranks thirteenth in manufacturing's share of all jobs. It also ranks low in health care, state government, and federal government employment shares. Daviess County ranks high in local government, agriculture,

Manufacturing Employment Growth since 1970



mining, and utilities, and in transportation, wholesale trade, and warehousing.

Some explanation is required about the data on health care and local government, however. We believe that employment at the Owensboro Medical Health System, which until recently had been owned by the City and County governments, is unfortunately classified by BEA under local government and not health care. The hospital is the largest employer in the Owensboro region, with around 2,500 jobs. The BEA data show Daviess County with only 4,400 jobs in the health care and social assistance industries, and with 6,700 jobs in local government. An



alternative data source, *County Business Patterns*, shows Daviess County with 6,500 jobs in the comparable health care category, and we believe it is more accurate. Unfortunately, the BEA data distort the picture, implying that Owensboro has a low concentration in health care and a high concentration in local government, when the opposite is true.

Industrial Concentration of Jobs in Thirteen Comparison Counties, 2001

City (County), State	Agriculture, Mining, Utilities, Construction	Manufacturing	Transportation, Wholesale Trade, Warehousing	Information, Finance, Real Estate, Professional Services, Management	Retail Trade, Administrative Services, Educational Services, Arts, Hospitality, Personal Services	Health Care	Federal Government	State Government	Local Government
Albany (Dougherty), Georgia	6.3%	12.4%	8.4%	10.9%	32.6%	11.8%	5.6%	4.1%	8.1%
Bowling Green (Warren), Kentucky	10.9%	14.5%	5.8%	12.0%	31.8%	10.6%	1.7%	6.6%	6.1%
Danville plus Pittsylvania County, Virginia	8.5%	25.0%	5.4%	8.3%	30.6%	10.2%	1.2%	2.2%	8.6%
Dubuque (Dubuque), Iowa	9.3%	16.2%	6.0%	13.0%	36.1%	12.4%	1.1%	0.4%	5.5%
Elmira (Chemung), New York	5.7%	15.2%	6.7%	11.7%	32.2%	13.6%	1.2%	3.5%	10.1%
Jonesboro (Craighead), Arkansas	10.0%	15.8%	6.2%	10.8%	30.9%	13.2%	1.7%	5.6%	5.8%
Kokomo (Howard), Indiana	6.0%	31.0%	3.0%	9.0%	32.5%	7.2%	1.1%	2.0%	8.4%
Lewiston-Auburn (Androscoggin), Maine	11.1%	12.4%	5.6%	12.3%	34.3%	14.4%	1.4%	1.0%	7.4%
Owensboro (Daviess), Kentucky	12.2%	11.9%	7.5%	11.7%	33.3%	8.0%	1.1%	1.9%	12.3%
Paducah (McCracken), Kentucky	7.3%	8.3%	10.5%	12.3%	36.5%	14.4%	2.0%	2.8%	5.9%
Pine Bluff (Jefferson), Arkansas	7.8%	18.0%	5.9%	7.7%	28.5%	12.4%	4.7%	7.8%	7.2%
Sumter (Sumter), South Carolina	9.0%	21.3%	3.2%	7.4%	28.0%	7.7%	12.2%	3.5%	7.8%
Victoria (Victoria), Texas	16.4%	6.4%	5.8%	12.6%	34.2%	10.8%	0.9%	0.6%	12.3%
Owensboro's rank (of 13)	2nd	11th	3rd	5th	5th	11th	11th	10th	2nd
United States	9.1%	10.2%	7.0%	18.0%	32.6%	9.3%	2.9%	3.0%	7.9%

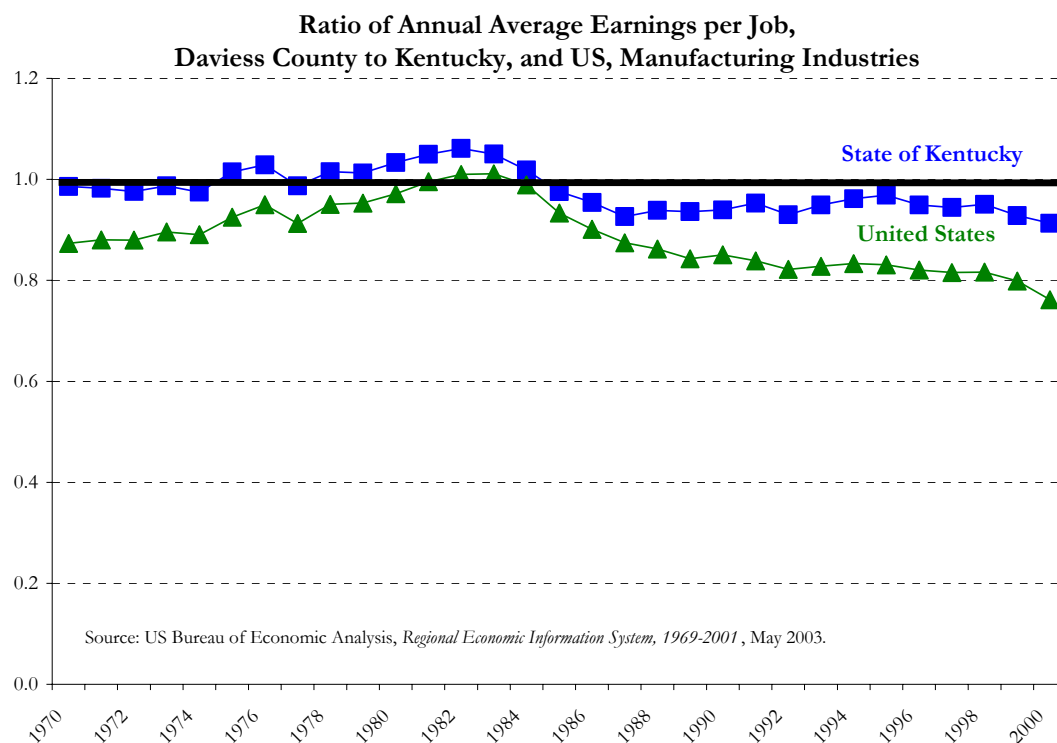
Source: US Bureau of Economic Analysis, *Regional Economic Information System, 1969-2001*, May 2003.



A further distressing manufacturing story has to do with pay per job. As the number of jobs fell, Daviess County was not able to retain or capture its share of the higher paying jobs in manufacturing, and this has hurt overall incomes and wealth in the community. On the strength of many high paying jobs at the two General Electric plants, Daviess County was able to move above the statewide and national averages in the late 1970s. However, with GE's exit, relative manufacturing pay per job has fallen steadily since. As of the end of the last decade, manufacturing jobs in Owensboro paid nine percent less than the state average and twenty-four percent less than the national average. With few other sources of export-based payroll for the community, it is hard exaggerate the importance of this fact in a discussion of financial support for community needs.

Since 1970, Owensboro-Daviess County has added on net around 20,000 jobs. Three-fourths of the net growth occurred in just three industries: retail trade, services, and local government. The remaining one-fourth were generated in the agricultural services, construction, transportation, utilities, wholesale trade, finance, insurance, real estate, and state government sectors. Agriculture, mining and manufacturing all reduced employment over the last three decades.

Retail jobs in the county average only \$15,000 pay annually, while service industry jobs average less than \$25,000. Local government jobs, including public school teachers, averaged about \$33,000 at the end of the last decade – still \$5,000 below the average pay in manufacturing.





PHILANTHROPIC CAPACITY: INCOME AND WEALTH

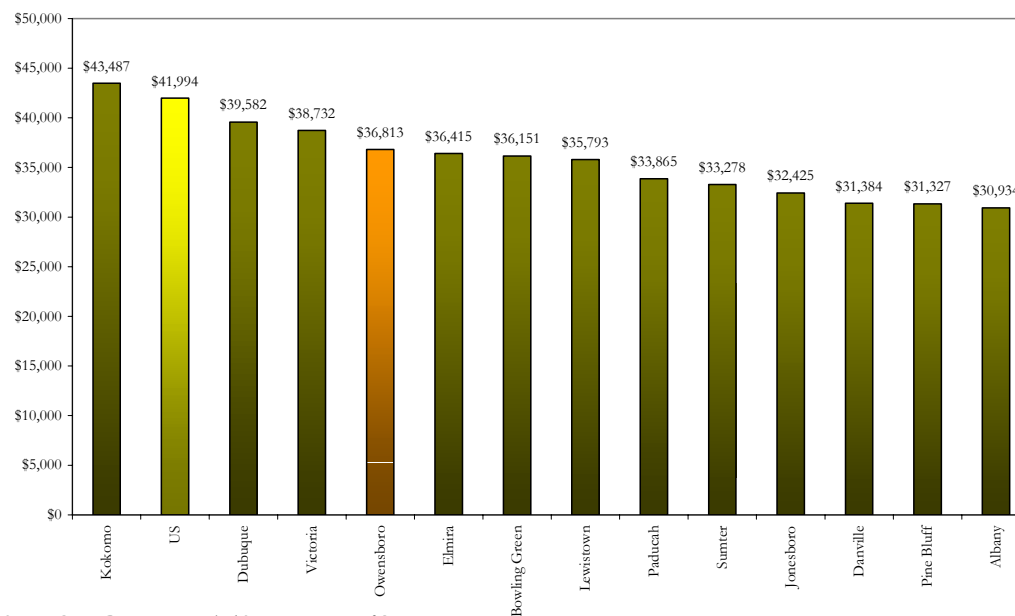
In this section we organize the latest data available on personal income and wealth in Owensboro and its peer cities. We examine measures of income by type, growth in income, property and intangible wealth. It appears that Owensboro is similar to the other places in terms of household income levels and distribution, highest in growth of household income over the last decade, but low in the recent growth of wage and salary income. Home values are similar to those in the comparison communities, though Owensboro-Daviess County homeowners have relatively low mortgage payments.

The 2000 Census provides the latest detailed information on household makeup, sources of income, and particularly the distribution of income. There were 36,000 Daviess County households reporting income in the last calendar year, 1999. The combined income from all sources for persons living in these households was \$1.7 billion. Wages, salaries, and proprietors' income accounted for over three-fourths of all income. Social Security payments accounted for seven percent of all household income, while income from retirement plans accounted for six percent. Supplemental Security income and public assistance payments accounted for less than one percent of all income.

The median household income was \$36,800, meaning that half of the households reported less and half reported more income. Owensboro-

Daviess County ranks near the middle among the comparison communities. Kokomo is easily the top ranked place, with a median of household income of over \$43,000. Albany, Pine Bluff, and Danville are at the bottom of the ranking.

Median Household Income, 1999



Source: Census Bureau 2000, United States Department of Commerce



The following table summarizes the distribution of income in the thirteen comparison counties. The reader can see that Owensboro is fairly similar to the other cities. Over sixty percent of households report income of less than \$50,000, and over eighty percent had income of less than \$75,000. Only two percent of households had incomes above \$150,000. Albany and Pine Bluff had the greatest concentration of households in the lowest income bracket. Dubuque and Victoria have the greatest concentration in higher income brackets.

The reader may also be interested in the absolute number of high-income households. Daviess County had 552 households reporting incomes above \$200,000. This is fourth highest of the comparison communities. Interestingly, Bowling Green-Warren County, with the same population base, had more very high-income households than Daviess County. Presumably, this reflects a number of dual-income professional careers at Western Kentucky University.

Distribution of Household Income
Results of 2000 Census, using 1999 Income

City (County), State	Less than \$25,000	\$25,000 to \$50,000	\$50,000 to \$75,000	\$75,000 to \$100,000	\$100,000 to \$150,000	above \$150,000
Albany (Dougherty), Georgia	42%	29%	15%	7%	5%	3%
Bowling Green (Warren), Kentucky	35%	30%	19%	8%	5%	3%
Danville plus Pittsylvania County, Virginia	40%	32%	17%	6%	3%	2%
Dubuque (Dubuque), Iowa	16%	36%	28%	11%	6%	4%
Elmira (Chemung), New York	33%	33%	19%	8%	4%	2%
Jonesboro (Craighead), Arkansas	39%	31%	16%	7%	4%	2%
Kokomo (Howard), Indiana	27%	28%	22%	12%	8%	3%
Lewiston-Auburn (Androscoggin), Maine	34%	33%	20%	8%	3%	2%
Owensboro (Daviess), Kentucky	34%	31%	20%	9%	4%	2%
Paducah (McCracken), Kentucky	38%	30%	17%	8%	5%	3%
Pine Bluff (Jefferson), Arkansas	42%	30%	16%	8%	4%	2%
Sumter (Sumter), South Carolina	37%	33%	18%	7%	3%	2%
Victoria (Victoria), Texas	32%	31%	19%	10%	6%	3%
United States	29%	29%	19%	10%	8%	5%

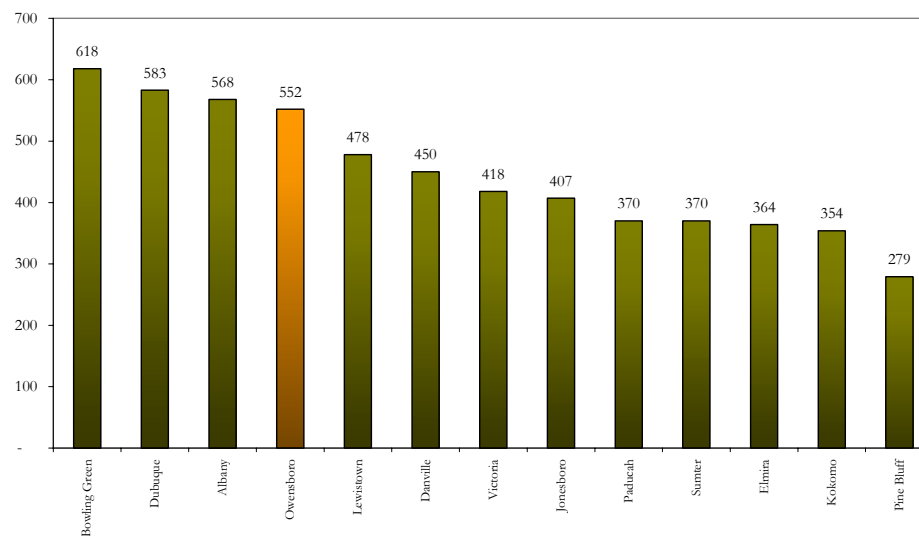
U.S. Census Bureau, 2000 Census, DP-3 profiles



Kokomo, the community with the highest median household income, had the second lowest number of households with incomes above \$200,000. This apparent anomaly is simply a reflection of the high concentration of upper middle income households in Kokomo. That is, there are not many affluent people there, just a large number of people making \$50,000 and \$75,000 per year – a reflection of its large manufacturing base.

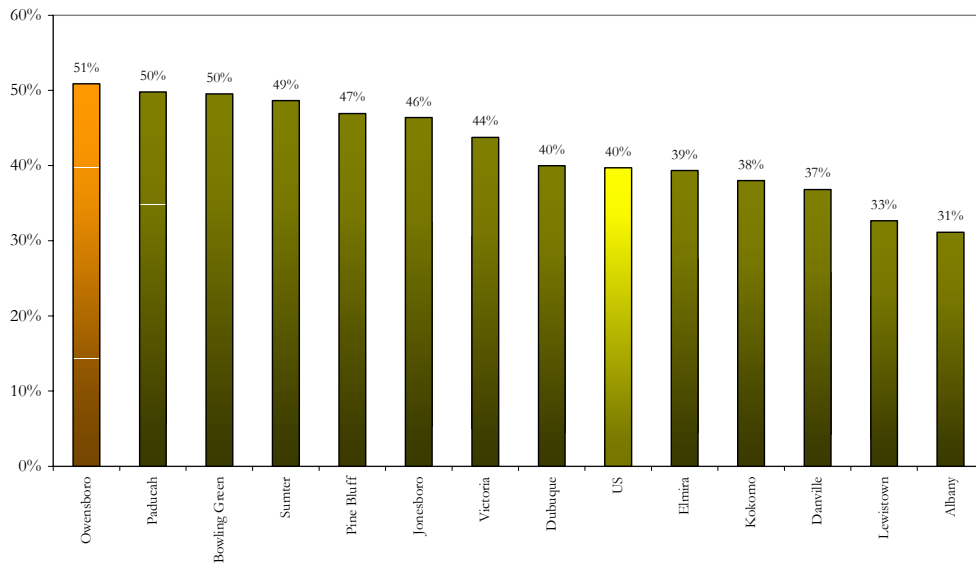
One piece of good statistical news is that Daviess County posted the greatest percentage gain over the last decade in median household income among the comparison communities. We believe this is a reflection of the tremendous bull market in equities during the nineties and Owensboro's concentration of retired persons owning stocks. Note that Paducah and Bowling Green are ranked second and third, respectively, in growth.

Number of Households with 1999 income of \$200,000 or more



Source: Census Bureau, Census 2000, United States Department of Commerce

Growth in Median Household Income, 1989 to 1999



Source: Census Bureau 2000, United States Department of Commerce



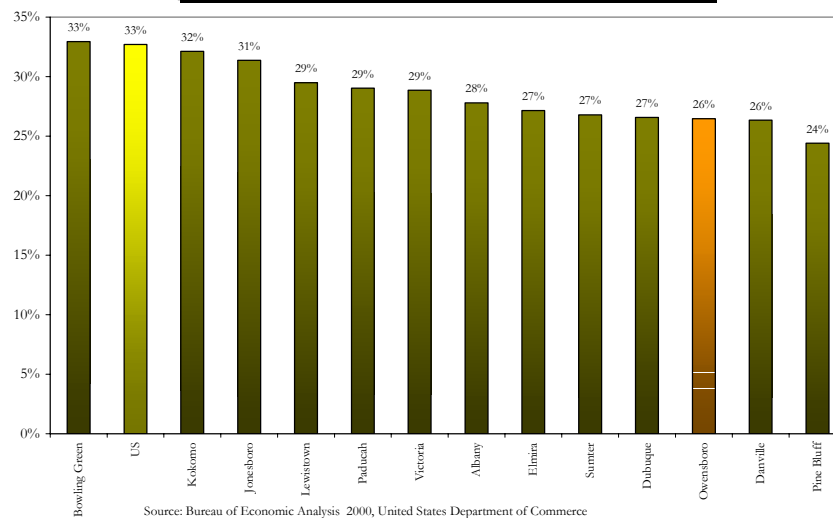
Note that wage and salary earnings per job did not grow swiftly in Owensboro over the decade, a reflection of the loss of higher paying manufacturing jobs without a compensating gain in service sector jobs. Bowling Green on the other hand, posted the greatest gain in earnings per job.

the last decade. With a growth over 52 percent, Daviess County ranked seventh of thirteen, but

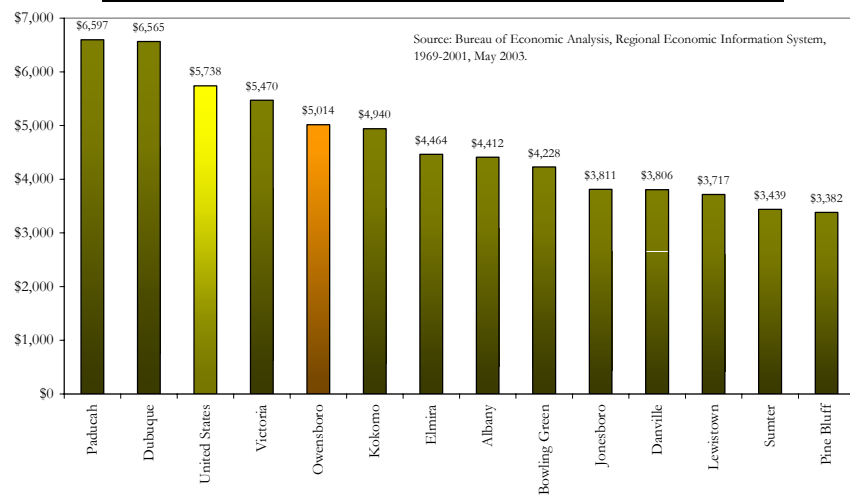
There are no direct measures of financial wealth available at the local level. However, we can draw some inferences using indirect measures. The US Bureau of Economic Analysis uses IRS income tax information to make annual estimates of personal income from dividends, interest and rent at the county level. The latest estimates, for 2001, show that Daviess County residents earned on average over \$5,000 in income from their wealth. This is fourth highest among the thirteen comparison communities, behind Paducah, Dubuque, and Victoria.

Owensboro-Daviess County was in the middle of the rankings for growth in dividends, interest, and rent income per capita over

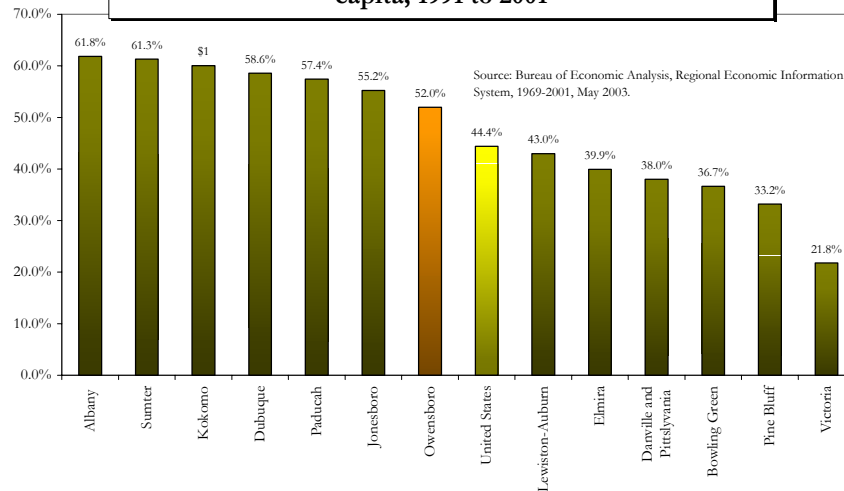
**Growth in Average Wage and Salary Income Per Job
1990 to 2000**



Income from Dividends, Interest, and Rent, per capita, 2001



Growth in Income from Dividends, Interest, and Rent, per capita, 1991 to 2001

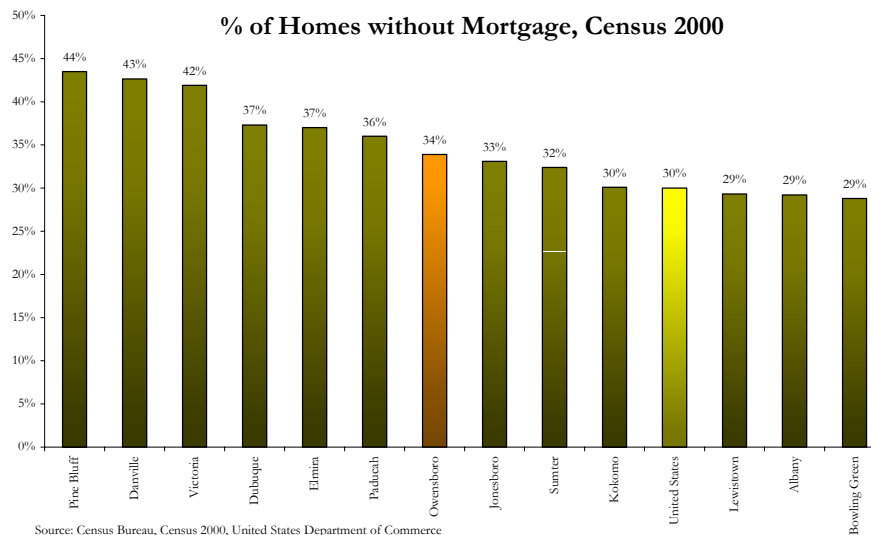




well ahead of the national average of 44 percent. Presumably, this reflects Owensboro's higher concentration of retired persons and their ability to share in the stock market boom of the nineties.

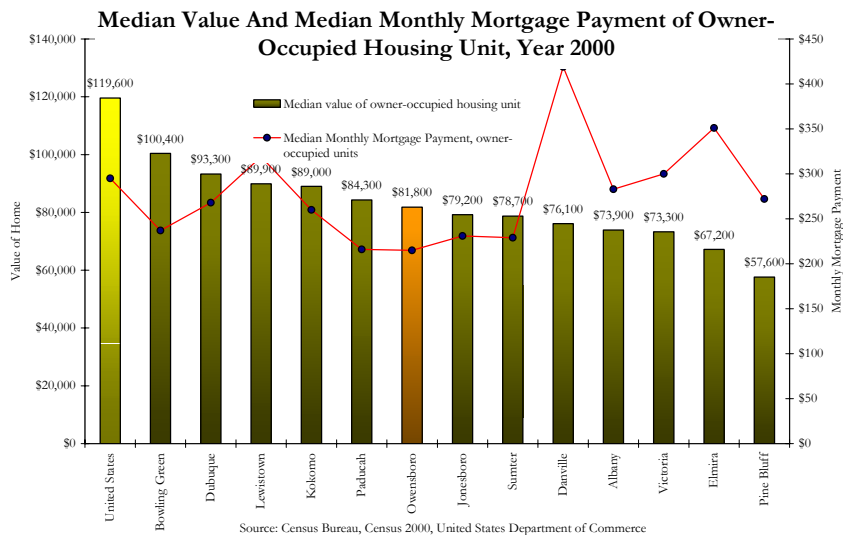
Real estate is another important form of wealth. We know from the recent Census that just over 70 percent of occupied housing units in Daviess County were owned by their occupiers, with the remainder rented. The home ownership rate is four percentage points higher than the national average. Moreover, over one-third of Daviess County homeowners were mortgage free, in line with the comparison communities and well above the national average.

Over one-half of owner-occupied housing units in Daviess County were valued at between \$50,000 and \$100,000, and only about five percent of homes were valued above \$200,000. Nationally, 21 percent of homes were valued at



Source: Census Bureau, Census 2000, United States Department of Commerce

above \$200,000. The median value of homes in Daviess County was nearly \$82,000, squarely in the middle of the distribution of home values for the comparison communities. Mortgage payments in Daviess County were among the lowest of the communities, reflecting the relatively moderate home values and high personal equity in homes.



Source: Census Bureau, Census 2000, United States Department of Commerce

These data, available only from decennial censuses, tell us that generally the households in Owensboro-Daviess County are not particularly wealthy in terms of real estate, but that they are also not overly mortgaged. There is not a thick layer of expensive homes in Owensboro, reflecting both the low cost of land and the lack of wealth in the community. Bowling Green and Paducah both have higher home values and higher mortgages.



PHILANTHROPIC PERFORMANCE: ORGANIZATIONS, GIVING

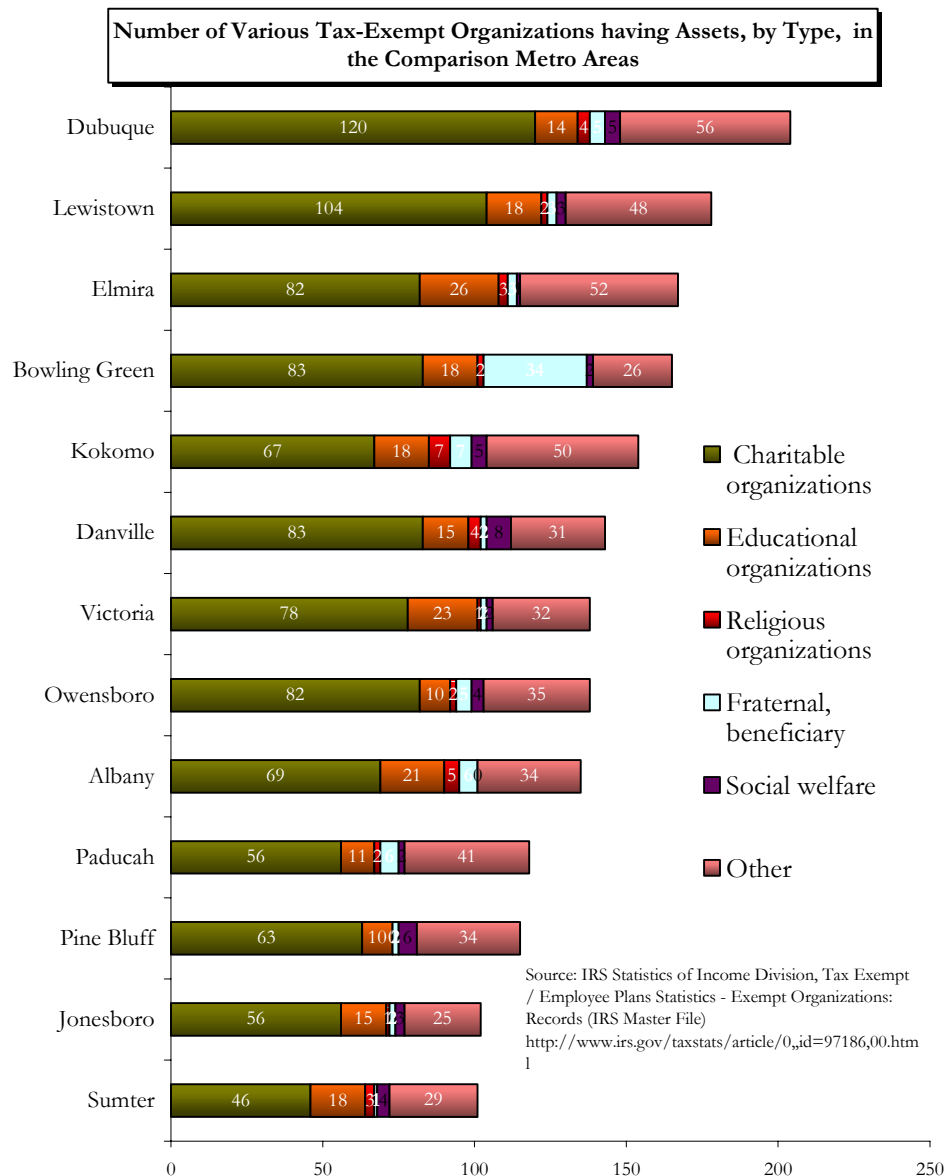
In this section we examine public data on charitable organizations and charitable giving. We find that Daviess County has nearly four hundred tax-exempt organizations, with combined assets of \$600 million, second highest among the comparison communities. Owensboro area residents appear typical in their contributions to charities, based on their federal income tax deductions and their donations to United Way.

Charitable organizations

We have identified two sources of data on charitable organizations. A rich dataset is generated by the filings of tax-exempt organizations, from IRS Form 990. Most nonprofit tax-exempt organizations, classified under IRS code sections 501, must file an income tax report with the IRS each year if their gross receipts are more than \$25,000. Generally, churches, church-run schools, and political organizations do not have to file.

Among other things, the report reveals the type of activity engaged in by the organization, its assets, and income. IRS makes this information available publicly over the internet, and data are revealed for individual nonprofit organizations.

We have captured the latest data on all the organizations in the thirteen communities that filed, and organized it by type of activity. We attempted to correct errors in the database, but cannot be sure it is now completely accurate. For example, there were many instances when the city name 'Owensboro' was





misspelled in the address field. Given that we searched for city names to compile the information for this study, such misspellings could result in incomplete listings. We did also search under relevant zip codes, and this should have mitigated the problem, but we cannot be sure. The file for Kentucky has 17,000 organizations listed.

The database includes financial information on many types of tax-exempt organizations. The most common, and most important in terms of dollars, are those classified as “Charitable, Religious, Educational, Scientific, etc Organizations”, or

501(c)(3)s. Other subsection organizations appear, for example credit unions (subsection 14), social and recreation clubs (subsection 7), veterans’ associations (subsection 19), and business leagues (subsection 6), but with a few exceptions these do not report much in way of assets or income.

In the table below, we have listed the top fifty tax-exempt organizations in Owensboro, ranked by asset values. One can quickly see that 501(c)(3)s, and in fact a few organizations, dominate the total. The largest, Owensboro Mercy Health Care

50 LARGEST TAX-EXEMPT ORGANIZATIONS IN OWENSBORO, RANKED BY ASSET AMOUNTS

IRS subs ecti	rank	on organization	Asset Amount	Income Amount	IRS subs ectio	rank	n organization	Asset Amount	Income Amount
	1	3 OWENSBORO MERCY HEALTH SYSTEM INC	\$336,379,372	\$186,916,158	29	3 UNITED WAY OF HENDERSON COUNTY	\$1,892,852	\$666,953	
	2	3 MERCY HEALTH PARTNERS-KENTUCKY- INDIANA	\$37,465,112	\$5,825,648	30	3 LINCOLNSHIRE NORTH APARTMENTS INC	\$1,638,377	\$587,428	
	3	3 KENTUCKY WESLEYAN COLLEGE	\$32,894,039	\$24,465,261	31	3 WESTERN KENTUCKY REGIONAL BLOOD CENTER INC	\$1,527,349	\$2,106,175	
	4	3 BRESCIA UNIVERSITY INC	\$24,889,186	\$14,411,685	32	3 LINCOLNSHIRE APARTMENTS INC	\$1,370,103	\$512,734	
	5	3 COOPERATIVE HEALTH SERVICES INC	\$12,686,738	\$3,417,862	33	3 OWENSBORO SYMPHONY ORCHESTRA FOUNDATION	\$1,316,431	\$666,311	
	6	3 GREEN RIVER REGIONAL MENTAL HEALTH MENTAL RETARDATION BOARD INC	\$12,464,955	\$22,397,250	34	3 HOSPICE ASSOCIATION INC	\$1,281,197	\$2,645,112	
	7	3 WENDELL FOSTER CENTER INC	\$11,973,696	\$8,609,332	35	3 HABITAT FOR HUMANITY INTERNATIONAL INC	\$1,269,562	\$242,481	
	8	3 MARILYN AND WILLIAM YOUNG CHARITABLE FOUNDATION INC	\$10,555,906	\$2,849,704	36	3 OWENSBORO FAMILY YMCA ENDOWMENT FUND INC	\$1,122,578	\$480,846	
	9	3 JOHN B AND BROWNIE YOUNG MEMORIAL FUND	\$7,676,999	\$1,912,091	37	3 DANIEL PITTINO SHELTER INC	\$1,024,652	\$493,551	
	10	3 OWENSBORO-DAVISS COUNTY HOSPITAL	\$7,033,158	\$928,960	38	3 RIVERPARK CENTER INC	\$1,011,810	\$1,714,501	
	11	14 TEXAS GAS EMPLOYEES CREDIT UNION INCORPORATED	\$6,910,116	\$551,050	39	7 WINDRIDGE COUNTRY CLUB INC	\$968,167	\$890,514	
	12	3 GREATER OWENSBORO SENIOR CITIZENS UNION LABOR HOUSING CORPORATI	\$5,620,216	\$2,581,925	40	3 BOY SCOUTS OF AMERICA COUNCIL	\$934,722	\$1,802,683	
	13	3 PUBLIC LIFE FOUNDATION OF OWENSBORO INC	\$5,441,135	\$193,883	41	3 BOULWARE CENTER MISSION	\$893,916	\$796,645	
	14	7 OWENSBORO COUNTRY CLUB	\$4,543,112	\$2,717,980	42	3 OWENSBORO AREA SPOUSE ABUSE AND INFORMATION CENTER I	\$853,860	\$1,518,118	
	15	3 FAMILY Y OF OWENSBORO DAVIESS COUNTY INC	\$4,343,993	\$1,449,145	43	19 AMERICAN VETERANS OF WORLD WAR II KOREA & VIETNAM	\$717,770	\$253,266	
	16	3 LESTER E YEAGER CHARITABLE TRUST B	\$4,220,150	\$358,367	44	3 UNITED WAY OF THE OHIO VALLEY INC	\$696,189	\$767,519	
	17	3 INTERNATIONAL BLUEGRASS MUSIC MUSEUM INC	\$3,917,209	\$130,445	45	3 JOANNE FIELD FOUNDATION	\$684,681	\$308,969	
	18	3 RIVERPARK CENTER FOUNDATION INC	\$3,754,970	\$1,399,640	46	3 GREEN RIVER HOUSING CORPORATION	\$673,141	\$717,580	
	19	3 CARMELITE SISTERS OF DIVINE HEART OF JESUS OF MISSOURI CARMEL HOME	\$3,481,651	\$3,514,463	47	3 GREEN RIVER INDEPENDENT LIVING III INC	\$654,920	\$155,399	
	20	3 AUDUBON AREA COMMUNITY SERVICES INC	\$3,470,867	\$25,876,357	48	3 WENDELL FOSTER CENTER ENDOWMENT FOUNDATION INC	\$632,191	\$771,873	
	21	2 CIGAR FACTORY COMPLEX INC	\$3,326,763	\$1,212,790	49	7 CAMPBELL CLUB INC	\$574,300	\$690,698	
	22	3 UNITED WAY OF OWENSBORO DAVIESS COUNTY INC	\$2,638,044	\$1,970,641	50	3 DAVIESS COUNTY LIONS CLUB FAIR INC	\$571,672	\$180,370	
	23	3 OWENSBORO MUSEUM OF FINE ART INC	\$2,513,388	\$542,559		SUBTOTAL, TOP 50	\$558,897,097	\$317,109,025	
	24	3 LAWRENCE & AUGUSTA HAGER EDUCATIONAL FOUNDATION INC	\$2,345,718	\$129,711		REMAINING 300 ORGANIZATIONS	\$35,258,463	\$37,880,045	
	25	6 OWENSBORO-DAVISS COUNTY INDUSTRIAL FOUNDATION INC	\$2,166,037	\$287,203					
	26	3 OWENSBORO AREA MUSEUM OF SCIENCE AND HISTORY INC	\$2,140,557	\$1,141,111					
	27	3 OWENSBORO MUSEUM OF FINE ART FOUNDATION INC	\$2,079,992	\$223,509					
	28	3 B J KILLIAN FOUNDATION	\$1,964,018	\$1,094,295		TOTAL, ALL ORGANIZATIONS	\$594,155,560	\$354,989,070	

Source: IRS filings, tax year varies, but for most organizations ends in 2001.



System and Mercy Health Partners, account for over one-half of all assets and income. Kentucky Wesleyan College and Brescia University are the next largest in terms of assets, followed by three more health-related organizations. Together, these seven health and educational foundations account for three-fourths of all assets and income in the Owensboro area. Assets include the value of real estate at the hospital and colleges, and annual income includes revenues from patients and students. So this data

is not a clear indication of the amount of financial resources available locally to support social services. Two hundred of the organizations listed in the IRS database report no assets or income. (Also, note that the United Way of Henderson County is shown in the top fifty for Owensboro. This reflects the fact that their finances are reported through the United Way of Ohio Valley, based in Owensboro.)

Tax-Exempt Organizations in Daviess, McCracken, and Warren Counties

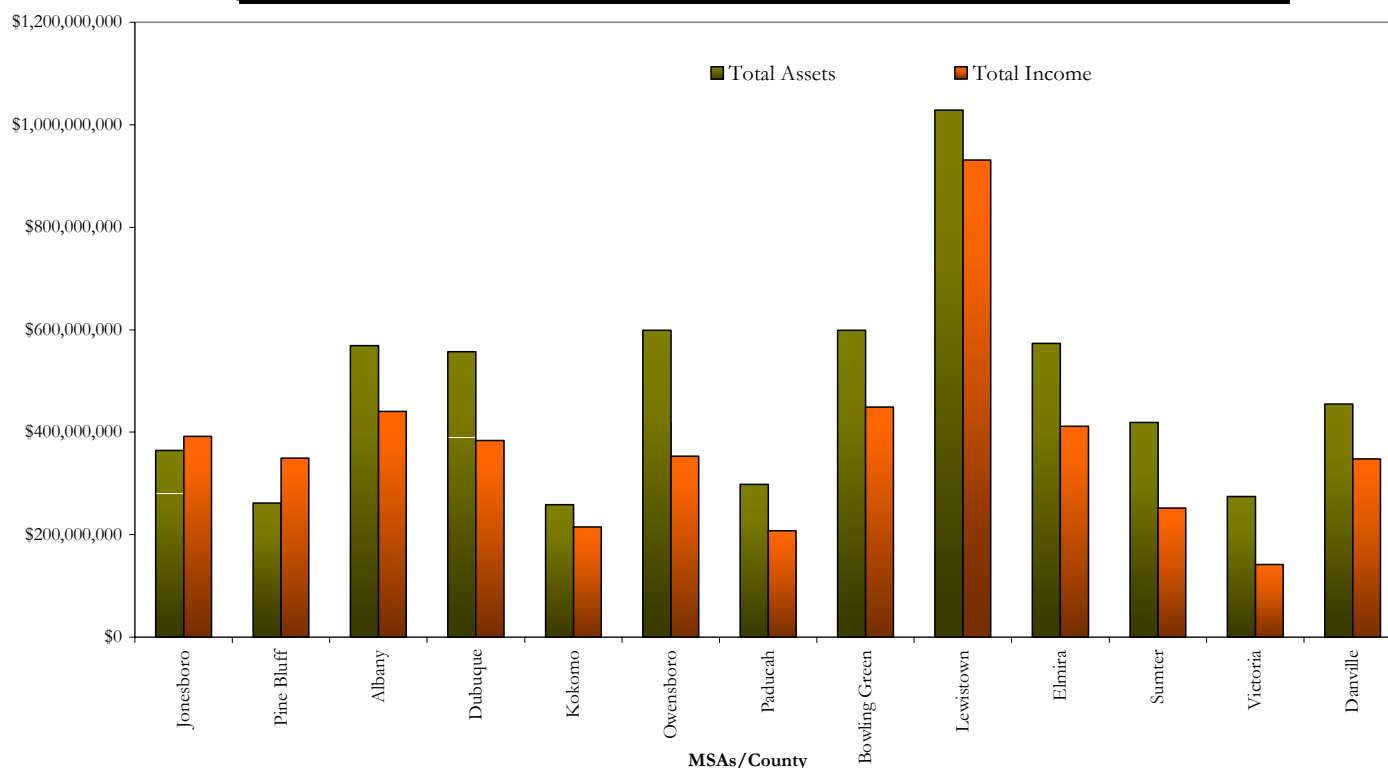
Code	Organization Type	Daviess County			McCracken County			Warren County		
		#	Assets	Income	#	Assets	Income	#	Assets	Income
021	Title-Holding Corporation	2	\$3,568,985	\$1,251,643	1	\$0	\$0	2	\$254,669	\$135,431
031	Charitable Organization	163	\$529,331,959	\$313,093,433	109	\$160,752,144	\$143,048,964	169	\$339,520,672	\$315,690,113
032	Educational Organization	41	\$39,900,279	\$27,377,902	31	\$33,784,929	\$11,871,510	49	\$30,289,729	\$8,974,815
034	Organization to Prevent Cruelty to Animals							2	\$153,690	\$217,148
035	Organization to Prevent Cruelty to Children							1	\$20,097	\$39,026
037	Religious Organization	39	\$131,941	\$193,868	38	\$367,341	\$824,154	30	\$1,988,940	\$1,934,730
038	Scientific Organization							1		
041	Civic League	11	\$0	\$0	11	\$111,041	\$178,071	12	\$312,456	\$734,667
042	Local Association of Employees	2	\$0	\$0	1	\$0	\$0			
043	Social Welfare Organization	13	\$390,470	\$290,412	20	\$145,556	\$217,028	20	\$84,960	\$123,916
051	Agricultural Organization	3	\$237,140	\$228,705	4	\$962,217	\$774,798	3	\$413,336	\$178,153
053	Labor Organization	18	\$1,895,181	\$1,359,663	29	\$8,101,467	\$6,245,791	10	\$593,902	\$893,014
061	Board of Trade	7	\$615,269	\$285,235	8	\$9,776,071	\$1,861,576	8	\$8,989,176	\$897,676
062	Business League	11	\$883,408	\$1,278,498	17	\$1,275,250	\$571,026	18	\$23,479,053	\$7,107,488
063	Chamber of Commerce	3	\$2,675,845	\$1,053,052				4	\$4,746,552	\$1,348,243
064	Real Estate Board	1	\$337,578	\$224,481						
071	Pleasure, Recreational, or Social Club	16	\$5,890,374	\$4,371,356	12	\$6,012,319	\$4,709,078	53	\$6,308,515	\$4,383,966
081	Fraternal Beneficiary Society, Order or Association	33	\$391,430	\$615,462	31	\$1,683,747	\$1,405,678	59	\$4,972,405	\$521,802
091	Voluntary Employees' Beneficiary Association (Non-Govt. Emps.)	1	\$0	\$0	2			2	\$515,040	\$1,529,887
092	Voluntary Employees' Beneficiary Association (Govt. Emps.)				1					
101	Domestic Fraternal Societies and Associations	7	\$237,738	\$210,658	7	\$562,073	\$737,612	3		
124	Organization Like Those on Three Preceding Lines				1	\$70,958,091	\$33,922,918	1	\$113,675,462	\$94,546,805
131	Burial Association	3	\$0	\$0	1			3	\$0	\$0
132	Cemetery Company	1	\$0	\$0	4	\$0	\$0	3		
141	Credit Union	1	\$11,124,007	\$794,948	2	\$3,409,041	\$274,753	1	\$59,026,300	\$5,705,606
151	Mutual Insurance Company or Assoc. Other Than Life or Marine							1	\$0	\$0
191	Post or Organization of War Veterans	6	\$1,192,468	\$649,558	8	\$660,452	\$731,890	5	\$206,820	\$2,770,393
251	Title Holding Co. for Pensions, etc.				1	\$0	\$0			
921	4947(a)(1) - Private Foundation (Form 990PF Filer)	1	\$50,046	\$13,969				5	\$3,480,753	\$1,065,941
		383	\$598,854,118	\$353,292,843	339	\$298,561,739	\$207,374,847	465	\$599,032,527	\$448,798,820



One can see in the preceding table that Daviess County has 383 tax-exempt organizations (including those with no financial activity). One-third are classified as charitable, one-third are classified as educational, religious, fraternal, or social, and one-third fall into other categories. The number and makeup of

organizations in Owensboro appears to be similar to that of the other comparison communities, ranking in the middle for number of charitable organizations and the number of total tax-exempt organizations. Daviess County stands out in its large assets base among charitable organizations,

Total Amount of All Assets and Income of Tax-Exempt Organizations in Comparison Metros Areas



Source: IRS Statistics of Income Division, Tax Exempt / Employee Plans Statistics - Exempt Organizations: Records (IRS Master File)



but they do not report quite the annual income as similarly classified organizations in Bowling Green-Warren County. Warren stands out in its relatively high number of organizations, their assets, and their annual income. Note the large entry for 'credit union', with one organization there having assets of \$59 million.

Organizations in Owensboro-Daviess County do appear to have a relatively large asset base, valued at around \$600 million.

Owensboro is tied with Bowling Green for second place in the asset value ranking, behind only Lewistown Maine. Nearly ninety percent of the assets are held by organizations classified as 'charitable'. Owensboro falls to seventh place in terms of annual income for its organizations.

Given that so much of the asset base is the value of land and buildings, and that so much of the income is made up of health care income and tuition payments, it is hard to draw strong

Top Ten Tax-Exempt Organizations, Ranked by Assets, in Selected Cities

Lewistown, Maine			Dubuque, Iowa		
	Assets	Income		Assets	Income
PRES & TRUSTEES OF BATES COLLEGE	\$536,021,622	\$305,166,484	LORAS COLLEGE	\$100,733,539	\$55,045,967
CENTRAL MAINE HEALTHCARE CORPORATION	\$103,973,323	\$54,160,078	THE FINLEY HOSPITAL	\$93,471,995	\$64,451,193
CENTRAL MAINE MEDICAL CENTER	\$78,903,224	\$199,593,679	UNIVERSITY OF DUBUQUE	\$54,149,470	\$35,314,089
ST MARYS REGIONAL MEDICAL CENTER INC	\$64,570,509	\$84,761,816	CLARKE COLLEGE	\$44,107,743	\$23,242,944
MID-MAINE WASTE ACTION CORPORATION	\$32,014,048	\$6,892,589	WARTBURG THEOLOGICAL SEMINARY	\$35,958,782	\$11,858,021
MAINE PUBLIC BROADCASTING CORPORATION	\$23,081,093	\$15,894,840	DUBUQUE RACING ASSOCIATION LTD	\$28,396,439	\$23,546,830
SISTERS OF CHARITY HEALTH SYSTEM INC	\$16,490,159	\$37,814,755	DUBUQUE COUNTY HISTORICAL SOCIETY	\$16,761,747	\$6,062,435
ST MARGUERITE D YOUVILLE PAVILION	\$11,522,077	\$17,526,119	EMMAUS BIBLE COLLEGE	\$15,595,195	\$5,736,096
ANDROSCOGGIN HOME HEALTH SERVICES INC	\$9,795,621	\$18,665,665	STONEHILL FRANCISCAN SERVICES	\$14,414,258	\$10,755,472
JOHN F MURPHY HOMES INC	\$9,114,477	\$12,966,596	STONEHILL BENEVOLENT FOUNDATION	\$6,924,099	\$4,176,252
Danville, Virginia			Bowling Green, Kentucky		
DANVILLE REGIONAL MEDICAL CENTER	\$149,303,793	\$121,344,196	BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL	\$161,059,244	\$160,843,495
AVERETT UNIVERSITY	\$44,169,833	\$29,620,183	WARREN RURAL ELECTRIC COOPERATIVE CORPORATION	\$94,546,805	\$94,354,577
E STUART JAMES GRANT CHARITABLE TR	\$41,477,206	\$28,054,959	COMMONWEALTH HEALTH CORPORATION INC	\$30,241,529	\$29,878,586
ALEXANDER BERKELEY CARRINGTON JR RUTH S CARRINGT	\$17,171,526	\$687,884	WESTERN KENTUCKY UNIVERSITY FOUNDATION	\$24,213,130	\$9,444,058
ROMAN EAGLE MEMORIAL HOME INC	\$14,547,841	\$12,362,175	LIFESKILLS INC	\$21,459,249	\$21,459,249
AMERICAN ARMoured FOUNDATION INC	\$13,993,380	\$421,658	HEALTH ENDOWMENT PROPERTIES INC	\$21,332,630	\$10,901,886
DANVILLE REGIONAL HEALTH SYSTEM	\$12,571,107	\$6,365,205	WKU STUDENT LIFE FOUNDATION INC	\$10,832,773	\$10,832,773
DPC COMMUNITY FOUNDATION	\$10,125,368	\$4,715,170	MEDICAL CENTER AT FRANKLIN INC	\$9,342,811	\$9,304,622
HUGHES MEMORIAL HOME	\$6,292,964	\$722,015	SERVICE ONE CREDIT UNION INC	\$5,705,606	\$5,660,333
MEMORIAL PROPERTIES INC	\$5,588,931	\$51,798	NATIONAL CORVETTE MUSEUM FOUNDATION INC	\$5,149,964	\$3,788,760
Albany, Georgia			Paducah, Kentucky		
PHOEBE PUTNEY MEMORIAL HOSPITAL INC	\$313,486,081	\$292,418,298	UNITED STATES CATHOLIC CONFERENCE	\$99,158,490	\$99,158,490
PHOEBE PUTNEY HEALTH SYSTEMS INC	\$104,058,282	\$21,709,445	JACKSON PURCHASE ENERGY CORPORATION	\$33,922,918	\$33,922,918
ALBANY FEDERAL EMPLOYEES CREDIT UNION INC	\$15,316,210	\$1,323,256	MERCY MEDICAL VENTURES INC	\$11,201,382	\$0
UNITED PARENTS INC	\$13,021,211	\$4,688,527	FOUR RIVERS CENTER FOR THE PERFORMING ARTS INC	\$9,652,361	\$9,553,541
GEORGIA FEDERAL-STATE SHIPPING POINT INSPECTION SE	\$9,811,479	\$9,910,364	WESTERN KENTUCKY REGIONAL MENTAL HEALTH AND MEN	\$8,478,079	\$8,478,079
ALBANY TOMORROW INC	\$7,679,942	\$6,366,689	PADUCAH JUNIOR COLLEGE CORP	\$5,389,704	\$2,631,859
PHOEBE FOUNDATION INC	\$6,595,375	\$1,078,571	MERCY REGIONAL EMERGENCY MEDICAL SYSTEM LLC	\$3,140,865	\$3,131,582
DOUBLEGATE COUNTRY CLUB LTD	\$6,427,585	\$3,916,285	COUNTRY CLUB OF PADUCAH	\$2,888,683	\$2,572,063
YOUNG MENS CHRISTIAN ASSOCIATION OF ALBANY INC	\$5,340,689	\$2,472,643	INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPAC	\$2,688,022	\$2,688,022
ALBANY AREA PRIMARY HEALTH CARE INC	\$4,380,074	\$9,948,474	EASTER SEALS WEST KENTUCKY INC	\$1,965,982	\$1,802,472



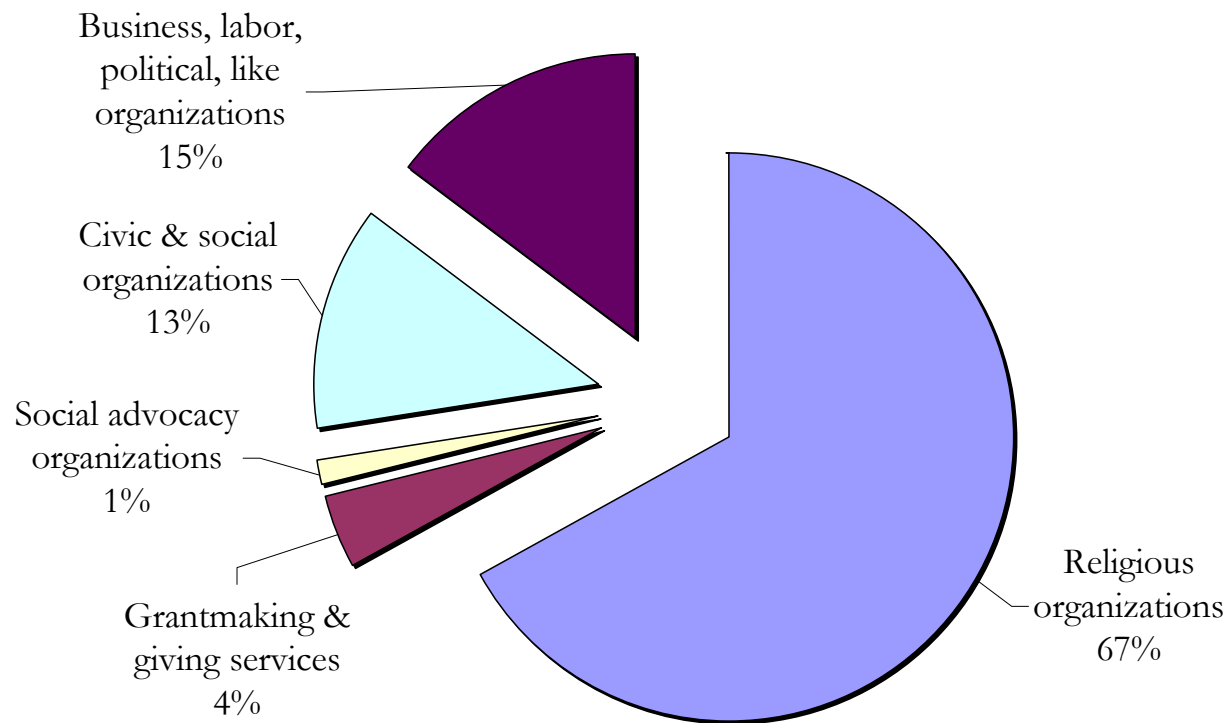
conclusions about the relative rankings for Owensboro.

We examined the database to determine what specific kinds of organizations accounted for the most assets in the other cities. We display summary information for the top ten organizations, in terms of assets, for several cases in the accompanying table. In most cities, the lists are dominated by colleges and hospitals. There are some interesting exceptions though - public broadcasting foundation, country clubs, and racing associations.

We have also assembled data from *County Business Patterns* on establishments classified as religious, grantmaking, civic, professional and like organizations. *County Business*

Patterns is an annual summary of filings from enterprises, primarily based on social security payroll tax payments for employees. It organizes data by industrial classification on the number of establishments, jobs, and payroll. Unlike the IRS data just discussed, it does not

Distribution of 142 Religious, Grantmaking, Civic, Professional and Like Organizations in Daviess County, 2000



Source: US Census Bureau, *County Business Patterns, 2000*. Data for SICs 8131, 8132, 8133, 8134, 8139.

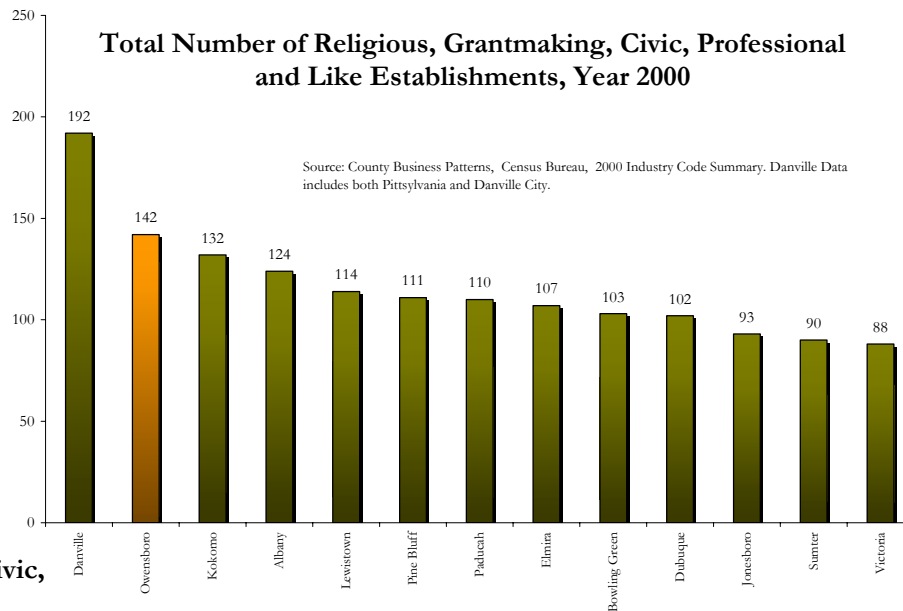


disclose information on individual organizations.

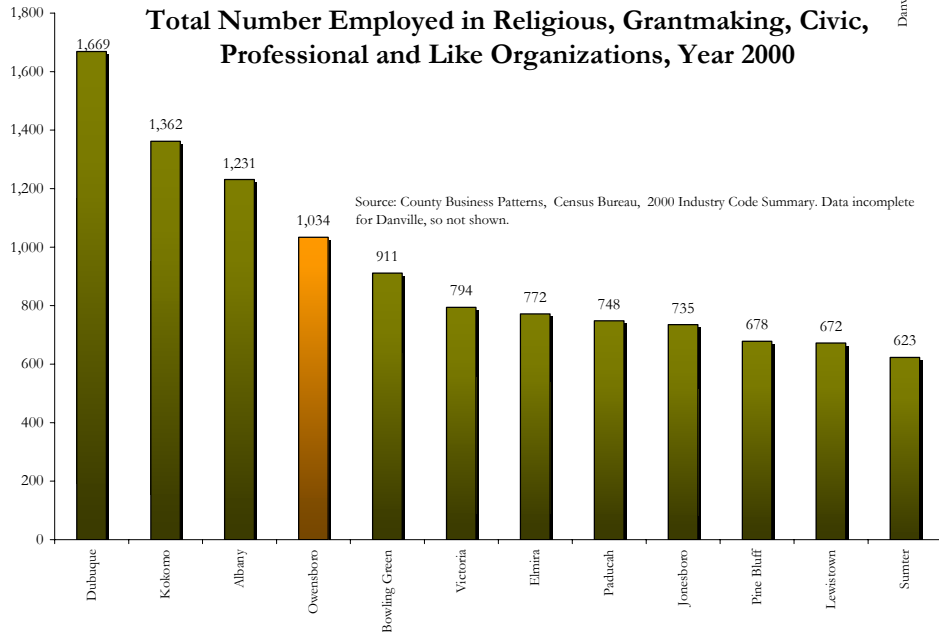
There were 142 establishments in Daviess County so classified in 2000. The group as a whole supported just over one thousand jobs, with an annual payroll of \$12 million. Two-thirds were religious organizations, and they also accounted for a comparable share of jobs (690) and annual payrolls (\$7.8 million). Civic and social organizations accounted for most of the remainder.

Daviess County reported the second highest number of establishments, and the fourth highest number of jobs and payrolls, among the thirteen comparison communities. Due to the large number of part-time workers, average earnings

Total Number of Religious, Grantmaking, Civic, Professional and Like Establishments, Year 2000



Total Number Employed in Religious, Grantmaking, Civic, Professional and Like Organizations, Year 2000



per job are very low in this industry – only around \$12,000 per year.

Dubuque Iowa topped the list in all categories. A more detailed examination reveals that Dubuque status is due to the large number of religious organizations there, with roughly twice the religious establishments, jobs, and payroll as Owensboro. For example, the annual payroll of religious organizations in Dubuque was \$19.8 million, compared to Owensboro's \$7.8 million.



Charitable deductions on federal income tax returns

The *Chronicle of Philanthropy* recently released a study of charitable deductions claimed on federal income tax returns. The study tapped a database on 1997 tax returns by zip code, and aggregated the results to counties and metropolitan areas. Fortunately, they released estimates for all the comparison communities in this study.

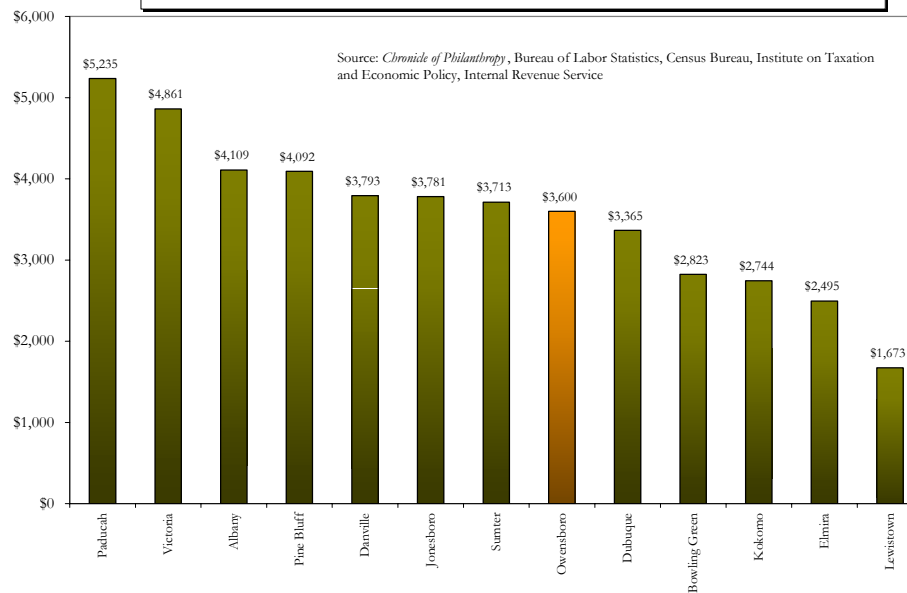
Owensboro-Daviess County ranks eighth among the thirteen communities, with an average of \$3,600 in charitable donations claimed as deductions on Schedule A of residents' tax returns. Paducah and Victoria were easily the highest in terms of average contributions, with Lewistown and Elmira the lowest.

The methodology is more complicated than just implied, and the estimates are probably less precise than one might suspect. The *Chronicle* actually conducted two studies and blended the results to estimate the how 'much people in each of the nation's more than 3,000 counties give as a percentage of their discretionary income'. Discretionary income is measured as income minus the amount people are estimated to spend on housing, taxes, food, transportation, and clothing. Charitable giving is calculated from the IRS returns, using the Schedule A entry for taxpayers who reported incomes above \$50,000 and who itemized deductions. On average, three-quarters of those with incomes above \$50,000 itemize deductions on their federal returns.

The second part of the study has to do with adjusting people's income for cost of living differences around the country. Housing costs were computed directly from Census data

on mortgage payments, real estate taxes, and utilities paid by people with incomes over \$50,000 in each zip code. For other costs, they used the US Bureau of Labor Statistics survey of household spending patterns. This is based on a survey of 7,500 households, who are asked to keep spending diaries for a year. However, the small sample size meant that living cost differentials can only be differentiated among four regions of the country, by size of metropolitan area, and by urban versus rural settings. These household spending patterns were applied to counties based upon its location and population size.

Average Charitable Donations by People with Earnings of at least \$50,000 Annually and with Itemized Deductions on their Federal Income Tax Returns





There appear to be at least four sources of measurement error in these estimates, though we do not know the magnitude of the errors nor how sensitive the rankings are to the various measurement problems.

1. Charitable giving by those who do not itemize on their federal tax return is omitted.
2. Housing costs obtained by zip code from the Census are actually based on a sample of one in twenty households, not a complete count, and hence are subject to normal sampling errors.
3. Only real estate taxes are counted as part of the living costs calculation, even though income and sales taxes are much more important in many parts of the country, especially Kentucky. Hence, discretionary incomes are probably lower in Daviess, McCracken, and Warren counties than are estimated by the study. If so, then charitable giving as a percentage of discretionary income is higher in the Kentucky counties than in places where high real estate taxes pay for more public services.
4. Applying regional consumer expenditure patterns to all counties in each region glosses over the wide range of cost differentials around a region. For example, Kentucky is in the same region as Florida. A household in Owensboro has a much lower energy bill and a much higher tax bill than a household in a similarly sized county in Florida.

Another problem has to do with the nonlinear relation between income and charitable deductions. That is, a taxpayer with \$200,000 income may give more than twice as much to charity than a taxpayer with a \$100,000 income. Hence, counties with a greater proportion of very high income households are likely to

report much higher average charitable giving as a

Distribution of Catholics in Kentucky

<u>Kentucky county</u>	<u>Catholic adherents</u>	<u>share of state total</u>
Jefferson	156,307	42.8%
Kenton	38,341	10.5%
Campbell	26,288	7.2%
Fayette	22,299	6.1%
Daviess	18,728	5.1%
Boone	9,395	2.6%
Nelson	8,938	2.4%
Marion	8,736	2.4%
Hardin	5,785	1.6%
McCracken	4,759	1.3%
Bullitt	3,985	1.1%
Washington	3,817	1.0%
Union	3,606	1.0%
Meade	3,591	1.0%
Henderson	3,461	0.9%
Warren	2,700	0.7%
rest of state	44,489	12.2%
Total Kentucky	365,225	100.0%

Source: "Churches and Church Membership in the United States, 1990", by Martin Bradley, Norman Green, and Dale Jones, Glenmary Research Center, 1992.



county with the same proportion of households with income over \$50,000. This is where median giving would be more interesting than average giving. However, the study does not provide the estimates on a median basis.

Finally, the estimates can be affected by the number of parochial school students in a county. Catholic families tend to send their kids to the parish school for grades K through 8. They pay for this in the form of contributions to the church, and then deduct those contributions on Schedule A of their individual income tax returns. Other private and religious schools do not offer this tax advantage because their schools are not typically joined financially with their churches. Hence, a county like Daviess that is one-fourth to one-fifth Catholic will report high 'charitable giving' per capita relative to a county like Warren with few Catholic schools. This suggests that Owensboro residents are less generous than the above chart indicates, as much of the \$3,600 in average charitable deductions actually reflect payments to send kids to Catholic elementary schools. (We understand that the practice of deducting payments to parochial schools has been phased out in Owensboro, but do not know how prevalent it was in the 1997 tax year, or how prevalent it is in other comparable counties).



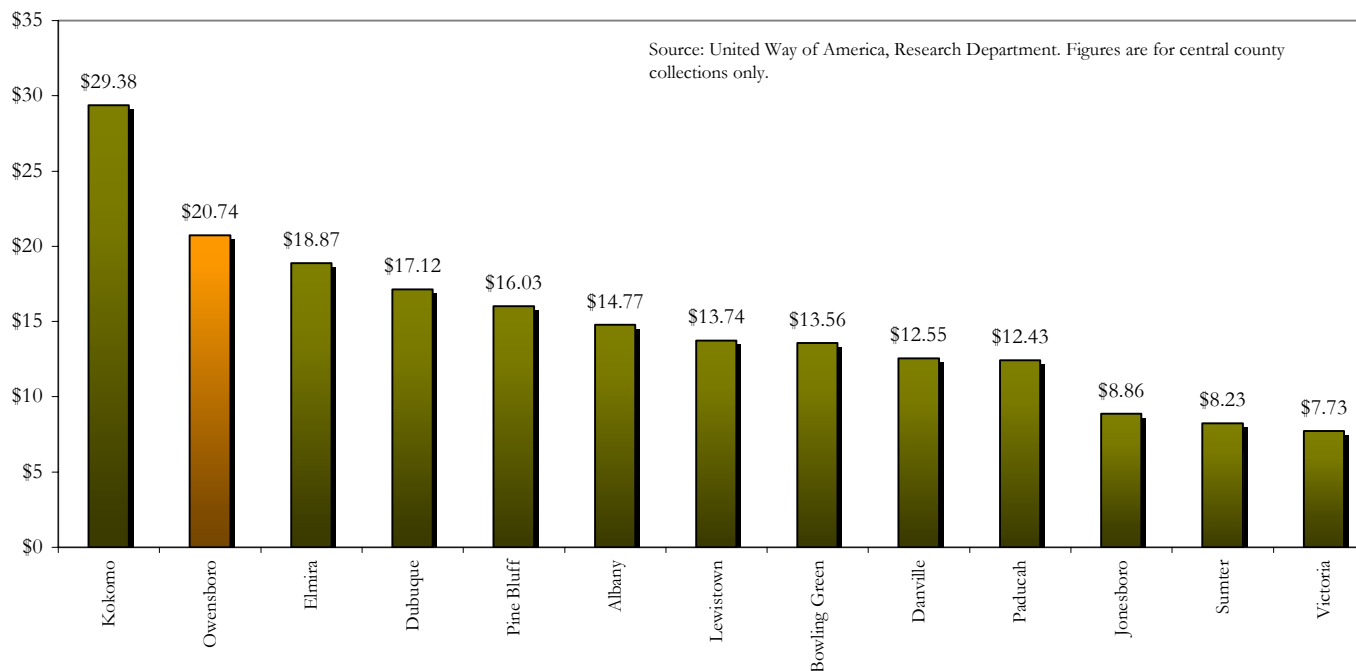
United Way contributions

Another indication of charitable giving is aggregate contributions to annual United Way fund drives. Owensboro's United Way organization raised slightly about \$1.9 million in Daviess County during 2001. This contribution rate is second highest among the comparison communities. Kokomo reported fifty percent more contributions per capita as any other communities. And Sumter and Victoria reported as less than one-half the average contribution as Owensboro. These data reflect both personal and corporate giving.

the complete contribution areas for each comparison community. The rankings do not change greatly under the broader geographic definition. Kokomo remains the highest, Victoria the lowest, and Owensboro is fourth highest among the thirteen organizations covered.

The data shown in the chart reflect contributions raised in the central counties of each area. However, most United Way organizations are multi-county in both their funding sources and service areas. Technically, the full Owensboro organization reaches over seven counties – Daviess, Hancock, McLean, Ohio, Union, and Webster – with a total population of 163,000. We have examined data on

United Way Contributions Per Capita, 2001





PUBLIC SECTOR

In this section, we provide summary data on the tax structures of the local governments, as well as data on the federal and state dollars flowing to the communities for government retirement and safety net programs. We find that Owensboro has low rates of *local* taxation, and that residents receive an above average amount of social security income, but a below average amount from other safety net programs.

The communities considered here are governed by a wide array of local and state governments. Owensboro, Bowling Green, and Paducah of course all face the same Kentucky state tax laws and distribution formulae. Kentucky is characterized by relatively high state-level individual income taxes, low property tax rates, and a high degree of state responsibility for local services. City and county governments in Kentucky rely disproportionately upon occupational taxes and insurance premiums taxes. K-12 public school districts are funded heavily by state-level taxes, and property taxes are a relatively minor source of revenues for most cities, counties, and schools.

At perhaps the other extreme is Victoria, Texas, where there is no state income tax, and property and local sales taxes are used more to finance local public services. The city levies a 1.5 percent sales tax, the county levies a .5 percent tax, on top of the state of Texas 6.75 percent sales tax rate. Most other communities fall in between, with lower state income tax burdens, higher property taxes, and more local responsibility for financing local services.

We have examined many of the city and county budget documents made available from governments in these communities, a large database on local government finances produced by the Census Bureau, as well as other data sources. Consider first property taxes collected by city and county governments (not school districts). According to the Census Bureau, Owensboro and Daviess County collected about \$12.6 million in property taxes in fiscal year 2000. These include taxes on individual and commercial real estate, as well as property taxes on motor vehicles and other tangible personal property of businesses. Note that Owensboro-Daviess County ranked tenth among the thirteen comparison counties in total property tax collections, and eleventh in per capita terms. Clearly, given that Owensboro ranks in the middle in terms of home values,

Property Tax Revenues , City and County Governments, Fiscal Year 2000

City (County), State	Property Taxes			Collections per Capita
	City (000)	County (000)	Total (000)	
Albany (Dougherty), Georgia	\$12,621	\$24,202	\$36,823	\$383
Bowling Green (Warren), Kentucky	\$8,143	\$7,289	\$15,432	\$167
Danville plus Pittsylvania County, Virginia	\$20,669		\$20,669	\$188
Dubuque (Dubuque), Iowa	\$16,708	\$15,372	\$32,080	\$360
Elmira (Chemung), New York		\$23,329	\$23,329	\$256
Jonesboro (Craighead), Arkansas	\$2,412	\$5,128	\$7,540	\$92
Kokomo (Howard), Indiana	\$17,636	\$24,159	\$41,795	\$492
Lewiston-Auburn (Androscoggin), Maine	\$39,862	\$4,811	\$44,673	\$430
Owensboro (Daviess), Kentucky	\$5,714	\$6,934	\$12,648	\$138
Paducah (McCracken), Kentucky	\$4,358	\$5,816	\$10,174	\$155
Pine Bluff (Jefferson), Arkansas	\$2,962	\$6,446	\$9,408	\$112
Sumter (Sumter), South Carolina	\$5,760	\$12,730	\$18,490	\$177
Victoria (Victoria), Texas	\$12,849	\$12,604	\$25,453	\$303
Owensboro rank (of 13)	10th	8th	10th	11th

Source: US Census Bureau; data not available for the City of Elmira or Pittsylvania County.



property tax rates are relatively low. Bowling Green and Paducah are also near the bottom of the ranking.

Effective Property Tax Rates on Real Estate

Place name	Number of owner-occupied units	Average value of units	Effective tax rate per \$1,000 of value
Albany city	12,192	\$85,836	\$11.97
Auburn city	4,305	\$99,773	\$20.10
Bowling Green city	7,588	\$126,891	\$6.90
Danville city	10,803	\$84,950	\$6.64
Dubuque city	13,412	\$104,989	\$12.71
Elmira city	4,792	\$58,073	\$33.07
Jonesboro city	11,442	\$111,319	\$6.12
Kokomo city	11,413	\$84,136	\$9.69
Lewiston city	5,314	\$94,971	\$20.43
Owensboro city	13,053	\$89,390	\$8.62
Paducah city	5,844	\$89,717	\$8.07
Pine Bluff city	10,270	\$65,210	\$7.58
Sumter city	6,939	\$98,214	\$4.81
Victoria city	12,023	\$87,055	\$18.37
Owensboro's rank	2nd	9th	8th

Source: Paul Emrath, National Association of Home Builders

A recent compilation by the National Association of Home Builders reinforces this statement. Analysts captured local responses to detailed housing questions from the 2000 Census, and computed effective property tax rates on real estate. The estimates for cities include reported tax levies by the county government, school districts, and any other jurisdiction containing the city. The three Kentucky cities rank near the

bottom, along with Sumter, Danville, and the two Arkansas cities. Northeastern cities top the list, with rates for Elmira, Lewiston, and Auburn all over twice those in Owensboro. Victoria, Dubuque, and Albany also have significantly higher property tax rates.

The 2002 levies for the three Kentucky cities and counties are provided in the next table. A resident of the City of Owensboro, owning a home valued at \$100,000 would pay \$254 to the City, \$213 to Daviess County, and \$664 to the City of Owensboro Public School District (assuming they lived in the OPSD). This pattern is similar to the city-county levies in Bowling Green and Paducah, where such a homeowner would pay between \$391 and \$518 per year to the City and County for basic public services - like police protection, streets and roads, and sanitation - and about the same again for schools.

Owensboro's combined real estate property tax rate is higher than that for Bowling Green and Paducah, though the difference amounts to less than \$80 per year in annual tax liability on a \$100,000 home. It should be pointed out that the Warren County public school district also levies an occupational tax rate of .5 percent on wages, salaries, and net profits earned in its jurisdiction. This is a large school district, with about 10,000 students, and it raises over \$4 million annually through the local occupational tax. This allows the Warren County school district to keep property tax rates lower than the Daviess and McCracken systems (which do not levy an occupational tax). Only eight of Kentucky's 176 school districts have chosen to levy a local occupational tax.

Occupational taxes are a more important source of revenues to Kentucky local governments than property taxes. Statewide,



occupational taxes generate over twice the local government revenues as do property taxes. This is partly due to House Bill 44, which limits the growth in property tax receipts to four percent annually, inducing regular reductions in property tax rates to remain under the cap as real estate appreciates. Local governments have reacted to the property tax limitations by levying more and higher occupational tax rates, and levying essentially a sales tax on insurance premium payments by residents and businesses in their jurisdictions.

The next table shows the contribution of the major taxes by the three Kentucky cities in fiscal year 2001. Note that property tax receipts are much lower than that from occupational license taxes, and in the case of Paducah not much larger than the insurance premiums tax. The City of Bowling Green just raised its occupational license tax from 1.5% to 2.0%, so the discrepancy with property taxes will get more pronounced over time.

Owensboro has the lowest occupational license tax rate of the three cities, and no such tax is levied in the rest of Daviess County. Paducah, with only one-half the population of Owensboro,

generates almost as much total tax revenue.

Property Tax Rates on Real Estate, 2002
(per \$1,000 of assessed value)

	Bowling Green - Warren County	Owensboro - Daviess County	Paducah - McCracken County
City government	\$2.64	\$2.54	\$3.00
County general	\$1.27	\$1.28	\$1.09
County health department		\$0.35	\$0.24
County libraries		\$0.41	\$0.48
County extension service		\$0.09	\$0.06
County mental health			\$0.09
County junior college			\$0.22
County government - Total	\$1.27	\$2.13	\$2.18
subtotal City & County, excluding schools	\$3.91	\$4.67	\$5.18
City public school district	\$6.67	\$6.64	\$5.98
County public school district	\$3.32	\$5.07	\$3.96
Total - City resident	\$10.58	\$11.31	\$11.16
Total - County resident outside central city	\$4.59	\$7.20	\$6.14

Source: Commonwealth of Kentucky, Revenue Cabinet, *Property Tax Rates, 2002* (<http://revenue.state.ky.us/pdf/ratebook2002.pdf>)

Note that City residents pay property taxes to both the City and County governments, plus the City school district; and County residents pay property taxes to the County government, plus the County public school district. The city school districts do not necessarily coincide with the boundaries of the City governments.

Other municipal jurisdictions include Whitesville (\$.85) in Daviess County; Lone Oak (\$4.14) in McCracken County; and Smiths Grove (\$.93) and Woodburn (\$3.00) in Warren County.

McCracken County residents outside of Paducah also pay for fire protection, between \$.40 and \$.80 per \$1000, depending upon place of residence.



Clearly, on a per capita basis, the cities of Bowling Green and Paducah generate more local tax receipts than does the City of Owensboro. However, the City of Owensboro receives about \$5 million annually in profits and payments in lieu of taxes from its operation of Owensboro Municipal Utilities, and this partly explains how the City is able to function with lower tax rates than Bowling Green and Paducah.

Major Sources of Tax Revenues, City Governments, Fiscal Year 2001

	Property Taxes	Insurance Premiums Tax	Occupational License Payroll Taxes	Occupational License Net Profits Tax	Sum of Major Taxes
Bowling Green	\$6,754,514	\$1,692,335	\$16,547,093	\$2,444,562	\$27,438,504
Owensboro	\$6,152,071	\$2,944,977	\$10,205,456	\$1,829,965	\$21,132,469
Paducah	\$4,224,974	\$3,416,875	\$9,603,106	\$0	\$17,244,955

Source: Kentucky Department of Local Government, Uniform Financial Information Reports, through Kentucky League of Cities.

Occupational License Tax Rates

	City Government		County Government	
	Payroll	Net Profits	Payroll	Net Profits
Bowling Green	2.00%	2.00%		
Owensboro	1.33%	1.33%		
Paducah	1.50%	1.50%	1.00%	1.00%

Source: Kentucky Cabinet for Economic Development

McCracken County occupational taxes are not in addition to Paducah levies.

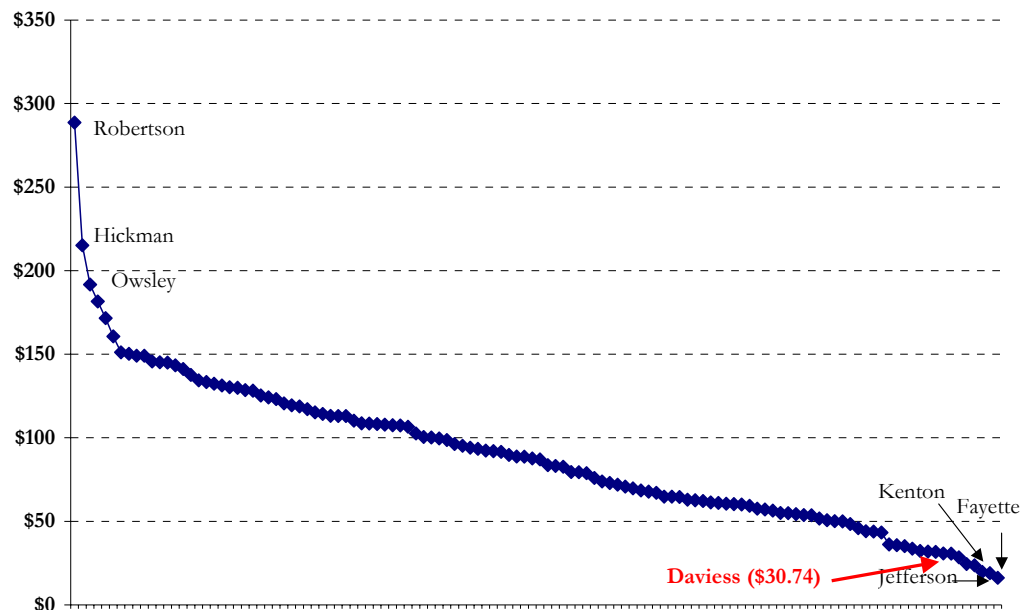


Fiscal position with Kentucky state government

We have previously performed a county-level allocation of all state government revenues and expenditures, first for fiscal year 1991 and then again for fiscal year 1997. In both studies we found that Daviess County was major net loser. In the last analysis, we estimated that Daviess County generated \$160 million in receipts for Kentucky state government, but only received \$107 million in state expenditures. The major winners are sparsely populated counties, particularly those with state assets (regional universities, resort parks, prisons), those qualifying for 80-90 percent state subsidies for their local K-12 schools, and those with a disproportionate number of entitlement program recipients. Given the lack of any significant change to state tax laws and expenditures programs, and the fact that the state budget has grown by over twenty percent since our FY97 study, it is likely that Daviess County's negative net fiscal position with Frankfort is now well over \$65 million annually. This is a tremendous economic drain on Owensboro's economy. McCracken County is hit equally hard, and even Warren County (with WKU) has a negative fiscal position with state government. (We are just beginning an update of the state's fiscal patterns, to bring the estimates up to FY 2003).

Beyond the lack of a state university or resort park, road funding appears to be the primary source of Daviess County's poor fiscal relationship with state government. Under Kentucky's revenue sharing formula, county and municipal governments receive back about one-half of the gasoline tax proceeds generated statewide. Unfortunately, the formula is geared to spend the dollars in

Revenue Sharing Program Funds Per Capita, 2001
Distribution of Kentucky Gasoline Tax Receipts, by County



counties with little traffic or population, ignoring such obvious factors as vehicle miles traveled and lane miles of roads. Daviess County, like all the urbanized parts of the state, is penalized heavily by the formula. See chart.

Kentucky ranks eleventh highest among the fifty states in the degree to which *state* government funds *local* K-12 education. Ninety-five of Kentucky's 176 school districts generate less than one-quarter of their budgets from local taxes, relying instead upon large annual allocations from Frankfort. Many of them have local payrolls and other tax bases, which they choose not tap. This leaves the funding of local education up to a few, primarily



urban, areas that generate most of the state income and sales tax revenues. Owensboro-Daviess County is a slight net loser in this configuration with a net loss of about \$4 million annually – calculated by comparing the County’s share of state education expenditures (2.3%) to its share of state income and sales tax payments (2.5%). On a per pupil basis, the Owensboro Public School district receives more local property tax receipts, and more state and federal subsidies, than the Daviess County school district. This pattern is similar to that for the Bowling Green and Paducah urban school districts. Overall, the Daviess County School District receives 56 percent of its budget from the state, while the City district receives only 46 percent. The state average subsidy per district is 55 percent.

All six public school districts in Daviess, McCracken, and Warren counties levy a 3 percent tax on utility sales, yielding between \$3.4 and \$5.4 million per county. Neither the Owensboro or Daviess

County public school systems levy an occupational/net profits tax on county workers and businesses. Several large urban/suburban school districts (including Jefferson, Fayette, Boone, and Warren) in Kentucky do levy such a tax, and it is a very important source of funds for the schools. By statute, the districts could levy a tax of up to one-half percent on wages and net profits. This would raise several million dollars for public schools in Daviess County. We have not been able to determine the makeup of the ‘Other’ category of Local Revenues in the table – it is calculated as a residual of published figures.

The Owensboro Public School district receives much more federal dollars per pupil than the County district, as it has a much higher proportion of students (61% versus 34%) on the free or reduced lunch program. See the recent study by Dartt and Darrell for details.

Local, State, and Federal Revenues to Local School Districts, FY 2003

	Bowling Green-Warren County			Owensboro-Daviess County			Paducah-McCracken County		
	City	County	Total	City	County	Total	City	County	Total
Students (average daily attendance)	3,182	10,083	13,265	3,561	9,498	13,060	2,708	6,074	8,782
Local	\$10,209,142	\$25,076,541	\$35,285,683	\$11,198,505	\$23,219,027	\$34,417,532	\$7,915,395	\$15,582,505	\$23,497,900
<i>Property taxes</i>	\$4,945,143	\$9,110,208	\$14,055,351	\$7,038,508	\$15,912,786	\$22,951,294	\$4,805,149	\$7,811,797	\$12,616,946
<i>Utility taxes</i>	\$1,563,697	\$3,812,220	\$5,375,917	\$2,014,007	\$2,644,872	\$4,658,879	\$1,586,668	\$1,829,042	\$3,415,710
<i>Occupational taxes</i>		\$4,565,000	\$4,565,000			\$0			\$0
<i>Other</i>	\$3,700,303	\$7,589,113	\$11,289,416	\$2,145,990	\$4,661,369	\$6,807,359	\$1,523,578	\$5,941,666	\$7,465,244
State government	\$13,098,168	\$35,613,617	\$48,711,785	\$15,544,940	\$37,802,510	\$53,347,451	\$11,307,950	\$21,966,473	\$33,274,423
Federal government	\$3,918,836	\$6,223,800	\$10,142,636	\$5,100,775	\$6,045,950	\$11,146,725	\$5,101,192	\$3,938,293	\$9,039,485
Other sources	\$1,112,409	\$3,838,297	\$4,950,706	\$878,587	\$3,620,165	\$4,498,751	\$1,125,463	\$1,788,417	\$2,913,880
Total	\$28,338,555	\$70,752,256	\$99,090,811	\$32,722,807	\$70,687,652	\$103,410,459	\$25,449,999	\$43,275,689	\$68,725,688

Source: totals for local, state, and federal are from the Kentucky Education Department, spreadsheet containing receipts and expenditures by district. Individual tax components from each district's financial reports. Paducah and McCracken details only available for 2002. The category named 'Other sources' includes investment income, gifts.



Government transfer payments to individuals

Next we turn to government transfer payments to individuals in the thirteen counties. Good annual data is available on the amount of cash and in kind payments made by government agencies to residents of each county. Here we examine payments to retirees, regardless of need, and payments made based strictly on a determination of need. Nearly all of the funds discussed here come from the federal and state governments.

Residents of Daviess County received \$173 million in federal payments for old age, survivors, and disability insurance, primarily from the Social Security program, in 2001. This is fourth highest among the thirteen comparison counties, and fifth highest on a per capita basis. County residents also received \$75 million in Medicare benefits in 2001, sixth highest of the group. Recall that Daviess County also had the sixth highest median age of the group, so Owensboro appears to be fairly typical in its concentration of retirees.

Owensboro also falls in the middle of the rankings of payments from safety net programs, those government programs where payments are triggered by demonstrated need rather than simply age. In the next table, we have organized data on the largest such government programs, including Medicaid, Supplemental Security Income, Family Assistance, Food Stamps, and other income maintenance programs. Daviess County residents received a total of \$112 million in benefits from the programs, or about \$1,200 on a per

Social Security other Government Payments for Old Age, Survivors, and Disabilities, 2001

City (County), State	Amount	Per Capita
Albany (Dougherty), Georgia	\$138,728,000	\$1,448
Bowling Green (Warren), Kentucky	\$134,096,000	\$1,433
Danville and Pittslyvania, Virginia	\$227,793,000	\$2,076
Dubuque (Dubuque), Iowa	\$162,913,000	\$1,830
Elmira (Chemung), New York	\$194,045,000	\$2,139
Jonesboro (Craighead), Arkansas	\$121,354,000	\$1,460
Kokomo (Howard), Indiana	\$167,079,000	\$1,965
Lewiston-Auburn (Androscoggin), Maine	\$183,962,000	\$1,768
Owensboro (Daviess), Kentucky	\$172,912,000	\$1,887
Paducah (McCracken), Kentucky	\$142,244,000	\$2,192
Pine Bluff (Jefferson), Arkansas	\$140,515,000	\$1,677
Sumter (Sumter), South Carolina	\$146,743,000	\$1,407
Victoria (Victoria), Texas	\$127,905,000	\$1,511
Owensboro's rank among thirteen counties	4th	5th
United States	\$449,899,000,000	\$1,577

Source: US Bureau of Economic Analysis, *Regional Economic Information System 1969-2001*, May 2003.

capita basis. Owensboro-Daviess falls in the middle in almost every category, particularly for the largest programs.



Payments from Other Government Safety Net Programs to/for County Residents, 2001

City (County), State	Medicaid	Supplemental Security Income	Family Assistance*	Food Stamps	Other Income Maintenance**	Total	Per Capita
Albany (Dougherty), Georgia	\$88,286,000	\$21,201,000	\$9,359,000	\$15,644,000	\$29,774,000	\$164,264,000	\$1,715
Bowling Green (Warren), Kentucky	\$76,984,000	\$12,984,000	\$3,832,000	\$7,599,000	\$9,342,000	\$110,741,000	\$1,183
Danville and Pittslyvania, Virginia	\$82,291,000	\$16,616,000	\$2,518,000	\$8,056,000	\$19,827,000	\$129,308,000	\$1,179
Dubuque (Dubuque), Iowa	\$48,948,000	\$5,616,000	\$3,291,000	\$2,597,000	\$8,011,000	\$68,463,000	\$769
Elmira (Chemung), New York	\$112,949,000	\$14,259,000	\$6,893,000	\$4,513,000	\$20,610,000	\$159,224,000	\$1,755
Jonesboro (Craighead), Arkansas	\$64,291,000	\$10,653,000	\$1,164,000	\$6,056,000	\$10,212,000	\$92,376,000	\$1,112
Kokomo (Howard), Indiana	\$59,844,000	\$7,077,000	\$4,875,000	\$5,125,000	\$10,654,000	\$87,575,000	\$1,030
Lewiston-Auburn (Androscoggin), Maine	\$137,208,000	\$14,129,000	\$11,858,000	\$8,801,000	\$20,692,000	\$192,688,000	\$1,852
Owensboro (Davies), Kentucky	\$79,540,000	\$12,558,000	\$3,280,000	\$7,110,000	\$9,698,000	\$112,186,000	\$1,224
Paducah (McCracken), Kentucky	\$50,611,000	\$9,887,000	\$3,638,000	\$5,790,000	\$6,986,000	\$76,912,000	\$1,185
Pine Bluff (Jefferson), Arkansas	\$63,239,000	\$14,563,000	\$3,955,000	\$13,645,000	\$20,497,000	\$115,899,000	\$1,383
Sumter (Sumter), South Carolina	\$96,358,000	\$18,239,000	\$2,573,000	\$10,985,000	\$29,574,000	\$157,729,000	\$1,513
Victoria (Victoria), Texas	\$66,010,000	\$7,826,000	\$1,983,000	\$4,989,000	\$14,596,000	\$95,404,000	\$1,127
Owensboro's rank among thirteen counties	6th	8th	9th	7th	10th	7th	6th
United States	\$234,693,000,000	\$33,161,000,000	\$19,212,000,000	\$16,006,000,000	\$42,522,000,000	\$345,594,000,000	\$1,211

Source: US Bureau of Economic Analysis, *Regional Economic Information System 1969-2001*, May 2003.

* Temporary assistance for needy families provided under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

** Consists largely of refugee assistance, foster home care, adoption assistance, earned income tax credits, and energy assistance.

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APPENDIX

METROPOLITAN and MICROPOLITAN STATISTICAL AREAS AND COMPONENTS, 2003, WITH GEOCODES

Statistical areas defined by Office of Management and Budget, 6/6/2003

10500	Albany, GA Metropolitan Statistical Area	30340	Lewiston-Auburn, ME Metropolitan Statistical Area
10500	13007 Baker County, GA	30340	23001 Androscoggin County, ME
10500	13095 Dougherty County, GA		
10500	13177 Lee County, GA		
10500	13273 Terrell County, GA		
10500	13321 Worth County, GA		
14540	Bowling Green, KY Metropolitan Statistical Area	36980	Owensboro, KY Metropolitan Statistical Area
14540	21061 Edmonson County, KY	36980	21059 Daviess County, KY
14540	21227 Warren County, KY	36980	21091 Hancock County, KY
		36980	21149 McLean County, KY
19260	Danville, VA Metropolitan Statistical Area	38220	Pine Bluff, AR Metropolitan Statistical Area
19260	51143 Pittsylvania County, VA	38220	05025 Cleveland County, AR
19260	51590 Danville city, VA	38220	05069 Jefferson County, AR
		38220	05079 Lincoln County, AR
20220	Dubuque, IA Metropolitan Statistical Area	44940	Sumter, SC Metropolitan Statistical Area
20220	19061 Dubuque County, IA	44940	45085 Sumter County, SC
21300	Elmira, NY Metropolitan Statistical Area	47020	Victoria, TX Metropolitan Statistical Area
21300	36015 Chemung County, NY	47020	48057 Calhoun County, TX
		47020	48175 Goliad County, TX
		47020	48469 Victoria County, TX
27860	Jonesboro, AR Metropolitan Statistical Area	37140	Paducah, KY-IL Micropolitan Statistical Area
27860	05031 Craighead County, AR	37140	17127 Massac County, IL
27860	05111 Poinsett County, AR	37140	21007 Ballard County, KY
29020	Kokomo, IN Metropolitan Statistical Area	37140	21139 Livingston County, KY
29020	18067 Howard County, IN	37140	21145 McCracken County, KY
29020	18159 Tipton County, IN		