

## Officials see potential for economic growth in 2011 Local economy experienced ups, downs in 2010

Sunday, January 9, 2011 – *The Kentucky Standard*

By Frank Johnson

The local economy experienced the addition of new jobs and business while also enduring factory lay-offs in 2010, but local officials say Nelson County is poised for growth in 2011.

Nelson County Economic Development Agency Director Kim Huston said the completion of the streetscape project will spur development downtown while several new restaurants and retail establishments have expressed interest in coming to Nelson County.

“We are already looking for several good things in 2011,” Huston said.

For 2010, the year’s biggest economic news came from the opening of a customer service call center in Kentucky Home Square in Bardstown by SYKES Enterprises. The Florida-based company hired approximately 450 new employees.

Bardstown also benefited from the closure of a plant in Ohio when packaging manufacturer Polyair Corporation moved its operations there to its facility here, expanding the factory and adding 19 new jobs.

New small businesses continued to emerge as the Bardstown-Nelson County Chamber of Commerce celebrated 23 ribbon cuttings and added 63 businesses to its membership.

The news was a bright spot after years of steady job declines in Nelson County. According to the Quarterly Census of Employment and Wages from the Kentucky Education and Workforce Development Cabinet, the area shed a net of 663 jobs from 2006 to 2009. Larger combined losses in the construction and manufacturing sectors — 451 and 316, respectively — were offset by growth in retail trade, health care services and administrative and waste services.

Huston said with the national economy impacting Nelson County’s blue-collar industries, small businesses have been the area’s biggest growth sector.

“Many are started by people who have lost jobs, and they are looking to do their own thing and not work for other people,” she said.

In some cases, these cuts are beginning to slowly reverse as automakers seem to turn a corner and the national economic picture grows brighter. Huston said a few local factories have begun to add back staff that was previously laid off.

Auto parts manufacturer NPR has started “inching” workers back on and greeting card maker American Greetings has hired 60 people back in the last two months, according to Huston. American Fuji Seal is also expected to be in a position to add more workers.

One of the area’s hardest hit manufacturers, Mitsuba, laid off more than 100 employees during 2010. The auto parts producer still has 100 employees and Huston said it will remain in the area for at least the next two years.

Huston expects the economic recovery to pick up steam in 2011 as business owners and consumers grow more confident.

“People have been so hesitant over the last few years because of the national economy,” Huston said. “I think there is a confidence among our businesses and our residents. They are ready to spend and buy again.”

The optimistic outlook for 2011 is aided by the strong holiday season experienced by local retailers. At Mary’s owner Mary Carey said her sales surged this year, up 10 percent over 2009.

“It was a slow start because of all the construction, but once it cleared out of the way we did really well,” Carey said, adding that she thinks the majority of downtown establishments did well.

The multi-million dollar Streetscape project to reshape downtown began in May and caused inconveniences for businesses in the area as sidewalks were torn up, parking limited and streets repaved. Carey said the initial chaos of the construction was difficult, but the pain was worth the gain.

“Our town is absolutely gorgeous right now,” she said.

The good holiday season was also a much-needed boost.

“If you ask most of the businesses, last year was a hard year all over,” Carey said.

Unemployment remains in

double-digits

Like most of the country, despite the positive economic indicators, the unemployment rate remains stubbornly high in Nelson County. According to information from the Kentucky Office of Employment and Training, the average unemployment rate for 2010 fell, but not enough to pull Nelson County out of double-digits. It came in at approximately 11.5 percent in Nelson County in 2010, down from 2009’s 12.5 percent.

Throughout the year, the rate jumped around, rising as high as 15 percent in February and falling to 9.9 percent in October. The rate picked up again as the year ended, rising to 11.3 percent in November. Rates for December were unavailable.

The data shows the lowered rate was a result of rising employment and falling unemployment in Nelson County. From January to November 2010, the number of employed individuals rose from 19,079 to 19,604 and peaked in June at 19,915. In the same time period, the number of unemployed people fell from 2,915 to 2,504.

Unemployment rate calculations include only individuals who are currently looking for a job and not so-called “discouraged” workers who have given up the search, so the actual figure may be higher.

Bourbon industry leads tourism growth

Although the economic indicator used to gauge the overall impact of tourism on the Nelson County industry is not yet available for 2010, Kentucky Bourbon Festival President Linda Harrison said the annual celebration of Kentucky’s signature beverage experienced larger crowds this year.

According to KBF’s estimates, 50,000 people from 43 states and 13 countries attended the event, up from 45,000 last year. Harrison said the estimates are based on ticket sales from the individual events and observations of crowds on the Spalding Hall Lawn.

“We were very pleased, and the vendors were pleased,” Harrison said. “Overall, I think everyone was very happy.”

Harrison attributed the increased attendance to the publicity efforts made by KBF, the media coverage it received and positive word-of-mouth buzz.

In 2009, the Bardstown-Nelson County Tourist and Convention Commission estimated the economic impact of visitors to Nelson County was up by 12 percent, in large part due to the growth of the bourbon industry.

“People are really interested in the educational aspects of the bourbon trail and the bourbon industry. The tours for the bourbon industry are up all over,” Harrison said.

In other tourism areas, Huston said attendance had been flat in 2010 with local hotel revenue also not experiencing any significant growth. One exception was the Nelson County Arts and Crafts Festival, which had its “biggest year ever,” Huston said.