

Economic Impact of CCED

Driving 30 Years
of Growth and
Expansion in
Charleston County



**CHARLESTON
COUNTY ■ SC**
ECONOMIC DEVELOPMENT





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Executive Summary

The Charleston County Economic Development (CCED) Department was founded in 1993 as an organization dedicated to the transformation of Charleston County into a modern, thriving 21st economy anchored by a diversified and expanding industry base with a strong international reputation. The founding of the CCED was a direct response following the closure of the Charleston Naval Complex in Charleston by the Base Realignment and Closure (BRAC) Commission earlier that same year, which accounted for over 20 percent of the Charleston County economy at the time. Over the past 30 years, the specific focus of the CCED has been on the recruitment of new business, the growth of existing industries, and the general improvement of the Charleston County business climate. To date, the CCED has facilitated more than \$6.9 billion in capital investment for the county along with approximately 39,000 new, direct jobs. Charleston County also now consistently ranks as one of the fastest growing counties of South Carolina for job creation, personal income, and industry diversity.

The purpose of this research effort is to conduct a comprehensive assessment of the CCED's total economic impact on Charleston County. This total economic impact will be measured through the economic contributions that are made by the new business activities across the many firms in the county that the CCED has helped to attract, retain, and expand since 1993.

The key findings of this analysis are as follows:

- ***Over the past 30 years, Charleston, South Carolina has become one of the fastest growing metropolitan areas of the United States – with Charleston County representing the central hub of much of this economic activity across the tri-county region.*** Such growth is largely due to CCED's efforts to support and proactively engage in general business recruitment as well as to specifically target companies in high-growth industry clusters with strong global demand. This has resulted in the significant expansion of the aerospace, automotive, national defense, information technology (IT), life sciences, and logistics industries, among many others.

- ***The economic growth of Charleston County can be specifically observed through consistently high employment gains, wage gains, population gains, and gains in the total number of business establishments.*** The growth of each of these metrics has significantly outpaced that of South Carolina as a whole throughout the 21st century. For example, between 2001 and 2021, employment in Charleston County grew at more than twice the rate of South Carolina – 45.2 percent vs. 20.1 percent.

- ***Despite major demographic and migration changes in South Carolina that are causing the average age of the population to rise, Charleston County has been able to successfully attract and retain younger people – mitigating some of this broader demographic shift.*** Between 2000 and 2020, the prime working age population (ages 25-54) declined by 5.6 percentage points for South Carolina compared to just 1.9 percentage points for Charleston County. Maintaining a large population base within the prime working age is critical for any region looking to grow its industry base, as it helps to ensure a sufficient supply of labor to meet the local demands of business.

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Executive Summary

- **The largest contributor to Charleston County’s employment gains over the past decade has been the Professional, Scientific, & Technical Services industry sector, which generally includes high-wage, professional services that require relatively high levels of post-secondary education or training.** For example, firms specializing in engineering, architecture, medical research, graphic and web design, marketing and public relations, and computer programming are typically classified within this industry sector. This sector, in turn, is part of the larger Professional & Business Services “super sector.”

- **The CCED-affiliated companies that have made capital investment and new job announcements span a variety of product and service categories. However, the largest category is that of Professional & Business Services (at 35.0%). This implies that over one-third of the business investments and operations that the CCED has helped to attract and retain are contained within the sectors of the Charleston County economy principally responsible for having generated the highest rates of growth over the past decade.**

- **To the extent that the CCED-affiliated capital investment and job announcements in Charleston County have been realized, these announcements represent new, recurring economic activity in the county and are estimated to support a total annual economic impact of \$18.2 billion in Charleston County alone.** This represents approximately 24.8 percent of Charleston County’s economy – that is – 24.8 percent of the county’s total GDP.

- **This level of economic activity for Charleston County corresponds to approximately 72,018 jobs and \$6.0 billion in labor income that can be tied (directly or indirectly) to these announcements that would not exist otherwise.** This level of economic activity implies that new business announcements tied directly to CCED-affiliated activities comprise over 27 percent of the county’s employment base.

- **The 72,018 jobs that have been generated through the CCED-affiliated activities (which include all direct and secondary job creation) pay an average wage of \$82,874. This represents a wage premium of 43.3 percent over the average job in Charleston County.** Moreover, among the direct jobs at the companies with which the CCED has worked directly, this wage premium increases further to 66.3 percent.

- **Expanding the area of analysis to the Charleston tri-county region (including Berkeley, Charleston, and Dorchester counties) reveals that the total economic impact of all new business announcements tied directly to CCED-affiliated activities increases to nearly \$20.0 billion annually. This also implies that over 91 percent of the economic impact associated with CCED-affiliated activities is concentrated within Charleston County. Such a high percentage illustrates how the vast majority of all business activity supported by the CCED generates economic impacts that are local and that are benefiting Charleston County directly.**

- **The total annual economic impact of the CCED has been steadily increasing since 1993 as the new, ongoing business activities facilitated by the CCED accumulate over time. For example, the total annual economic impact of all CCED-affiliated activities in Charleston County has increased from approximately \$237.0 million in 1996 to its current annual impact of \$18.2 billion in 2022. In sum, the cumulative impact of all CCED-affiliated business activities between 1993 and 2022 totals over \$179 billion.**

INTRODUCTION

The Charleston County Economic Development (CCED) Department was founded in 1993 as an organization dedicated to the transformation of Charleston County into a modern, thriving 21st economy anchored by a diversified and expanding industry base with a strong international reputation. The founding of the CCED was a direct response following the closure of the Charleston Naval Complex in Charleston by the Base Realignment and Closure (BRAC) Commission earlier that same year, which accounted for over 20 percent of the Charleston County economy at the time. Over the past 30 years, the specific focus of the CCED has been on the recruitment of new business, the growth of existing industries, and the general improvement of the Charleston County business climate. To date, the CCED has facilitated more than \$6.9 billion in capital investment for the county along with approximately 39,000 new jobs. Charleston County also now consistently ranks as one of the fastest growing counties of South Carolina for job creation, personal income, and industry diversity.



Breeze Airways Announcement



Western Star Announcement

Nevertheless, these direct effects do not represent a full accounting of the CCED’s total economic impact on Charleston County. New business activity facilitated by the CCED in the form of capital investment and job creation also leads to secondary economic impacts (also known as economic multiplier effects) – including additional job and income creation across a variety of industry sectors in the county, new tax revenue, and higher rates of long-run economic growth that would not have existed otherwise. This is especially true for manufacturing and R&D-related companies, which typically have the highest multiplier effects among all firms in South Carolina.



Ingevity Groundbreaking

The purpose of this research effort is to conduct a comprehensive assessment of the CCED’s total economic impact on Charleston County. This total economic impact will be measured through the economic contributions that are made by the new business activities across the many firms in the county that the CCED has helped to attract, retain, and expand since 1993.



IEDC Awards Ceremony

This analysis begins by examining the economic growth that Charleston County has experienced over the last 30 years and how this region of South Carolina has outpaced both national and statewide averages. The total economic impact of all businesses with which the CCED has been affiliated and directly supported will then be quantified, highlighting the fact that the CCED has contributed to the growth, expansion, and diversification of business activity that collectively represents a sizable percentage of the economy of Charleston County. Finally, this analysis will conclude with an overview of the broader economic and industry projections for Charleston County and the state of South Carolina over the next decade to provide perspective on which market segments the CCED could consider prioritizing in the coming years in order to continue its successful track record.

THE ECONOMIC SUCCESS OF CHARLESTON COUNTY: GROWTH AND EXPANSION IN THE 21ST CENTURY

Over the past 30 years, Charleston, South Carolina has become one of the fastest-growing metropolitan areas of the United States – with Charleston County representing the central hub of much of this economic activity across the tri-county region. CCED’s efforts to support and proactively engage in general business recruitment and specifically target companies in high-growth industry clusters with strong global demand have catalyzed Charleston County’s success. This has significantly expanded the aerospace, automotive, national defense, information technology (IT), life sciences, and logistics industries. Charleston County is the only county in the world that hosts a wide-bodied aircraft manufacturer and an automotive vehicle manufacturer.



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Additionally, CCED engaging in partnerships with entities that support its mission has resulted in the broader economic development successes that have propelled the community. A sampling of well-known recent economic development that fuels economic success include:

- Establishment of multiple Boeing facilities, including the final assembly and delivery site of the 787 Dreamliner.
- Growth of Mercedes-Benz Vans from an assembly facility to a complete OEM plant. Production of the electric sprinters begins in 2023.
- Founding of Charleston Tech Center and WestEdge to support the entrepreneur and life science ecosystems.
- Capital investment in Charleston ports, including harbor deepening, terminal improvements, and construction.
- Presence of Naval Information Warfare Center (NIWC) Atlantic, which provides systems engineering and acquisition to deliver information warfare capabilities to the naval, joint, coalition, and other national missions, as well as many of their contractors and suppliers.
- Additional air service through the Charleston International Airport and significant airport renovations.
- Establishment and expansion among logistics-related companies in support of the state's export-oriented manufacturing sector and significant resident population growth.
- Growth in the tourism sector with world-class hotels and resorts, top rankings for best destination, and year-round cultural events, including Spoleto Festival USA, the Southeastern Wildlife Exposition, and the Cooper River Bridge Run.

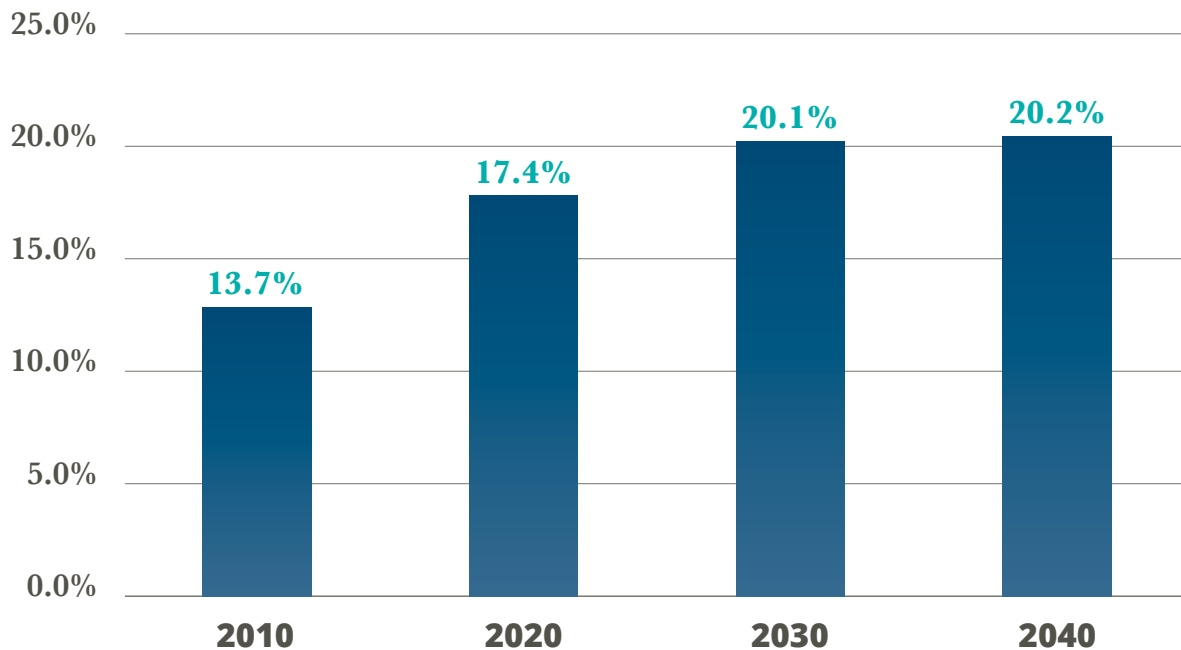
These industry expansions and economic development initiatives have generated substantial results that have transformed the Charleston County economy, which can be observed through the consistently high rates of economic growth as measured by employment gains, wage gains, and population gains. These three variables are all key components representing the strength of a local economy because they provide an approximation of both the relative desirability of a region (population growth) and the extent to which local economic growth is directly benefitting residents (through providing high-quality employment opportunities).



Population Growth and Migration Trends

Throughout the 21st century, South Carolina’s population has been both increasing and aging. These population trends are primarily the result of two factors. First, the United States population as a whole is aging. For example, by the year 2030, all Baby Boomers will have reached the age of 65 – meaning that one out of every five Americans will be of standard retirement age. In South Carolina, the total population is expected to reach more than 6.35 million by the year 2040, with the share of the population over the age of 65 expected to continue to rise at a comparable rate to what has been experienced over the previous decade. As **Figure 1** illustrates, approximately 14 percent of South Carolinians were over the age of 65 in 2010. This increased to 17 percent in 2020 and is expected to rise further to 20 percent by 2030 before leveling out. The median age for South Carolinians is expected to increase from 37.9 in 2010 to 40.1 by 2030.¹

Figure 1 – Percentage of South Carolina Population Aged 65+



¹ University of Virginia Weldon Cooper Center, Demographics Research Group. (2019). National Population Projections. Retrieved from <https://demographics.coopercenter.org/national-population-projections>

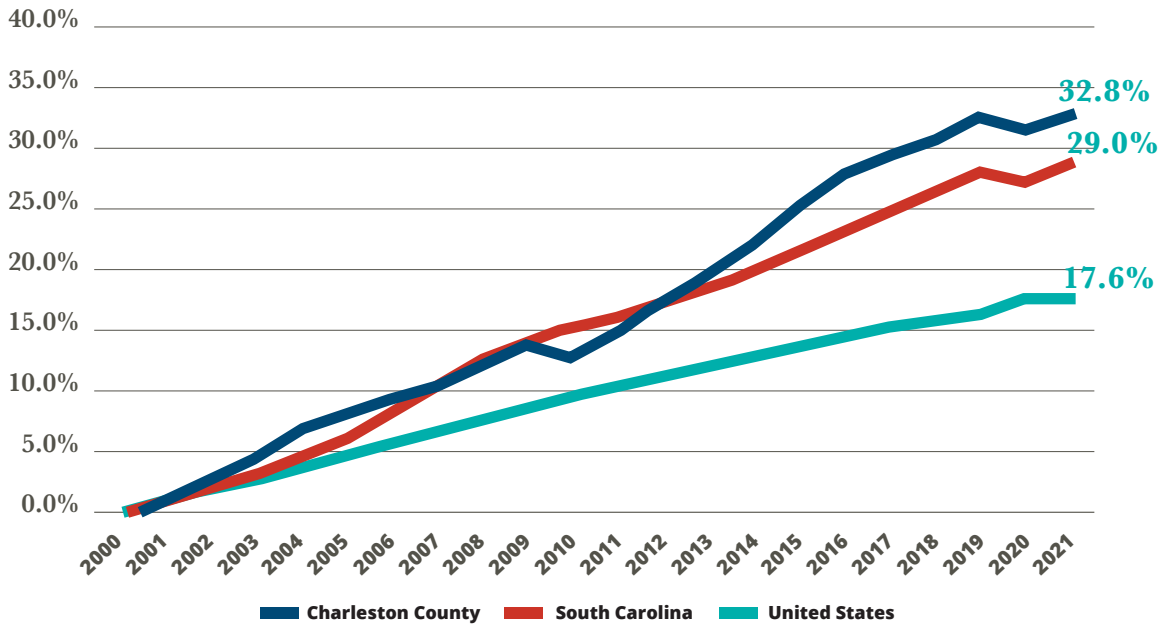


The second factor that is leading to an increase in both the size and age of South Carolina’s population is the general migration patterns of Americans within the United States. In recent decades, the United States population has been generally moving south and west at a relatively steady pace. According to data from the U.S. Census Bureau, South Carolina’s net migration between 2010 and 2019 was approximately 412,521. This means that about 412,521 more people moved into South Carolina than moved out during this nine-year time period. South Carolina has also routinely ranked among the top 15 states in year-over-year in-migration rates during the past decade. South Carolina has long benefitted from a relatively low cost of living, strong job growth, a favorable climate, and other natural amenities that make it a popular destination for new, permanent residents. In addition, South Carolina has a significant military footprint that includes eight major military installations across the state. As a result, the state also benefits from the many military personnel who retire while stationed in South Carolina and then choose to remain in the state for retirement or, in some cases, to begin a second career as a civilian.

Within South Carolina, Charleston County has been one of the primary beneficiaries of this expanding population base. As **Figure 2** below highlights, while South Carolina and Charleston County began to experience higher rates of population growth relative to the U.S. beginning in 2003, Charleston County’s population growth accelerated further in the decade following the Great Recession (2007-2009). Since 2000, Charleston County’s population has grown by a total of 32.8 percent compared to 29.0 percent for South Carolina and just 17.6 percent for the U.S. as a whole.

Figure 2: Cumulative Population Growth (2000-2021)

Source: U.S. Bureau of Labor Statistics





Yet despite a general demographic shift in South Carolina towards an older population base, Charleston County has experienced a slower aging of its population compared to the state as a whole. For example, between 2000 and 2020, the percentage of the resident population base of Charleston County of prime working age (25-54) declined from 43.7 percent to 41.8 percent. However, at the state level, this decline was more dramatic – from 43.3 percent to 37.7 percent. ***Or put another way, between 2000 and 2020 the prime working age population declined three times faster in South Carolina than it did in Charleston County.***

This is critically important for Charleston County, as it suggests that despite major demographic and migration changes in South Carolina that are causing the average age of the population to rise, Charleston County has also been able to successfully attract and retain younger people. Having a large population base within the prime working age is a requirement for any region looking to grow its industry base, as it helps to ensure a sufficient supply of labor to meet the local demands of business. **Figures 3 and 4** summarize the population shifts that have occurred between 2000 and 2020 at both the county and statewide level.

Figure 3: Resident Population Age Distribution: Charleston County

Source: U.S. Bureau of Labor Statistics

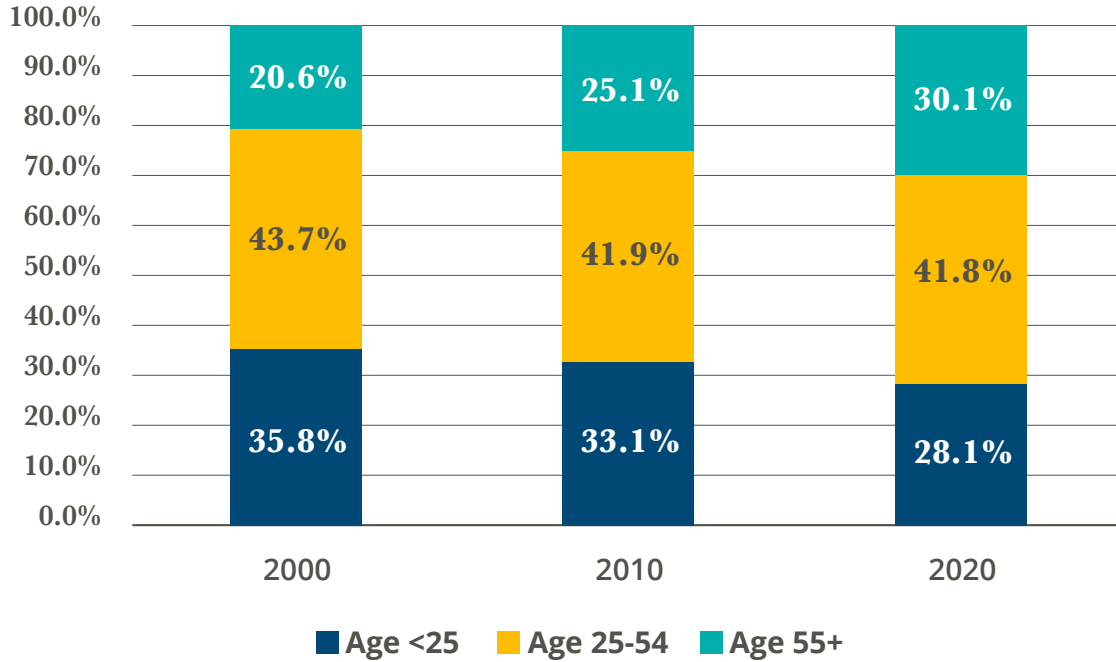
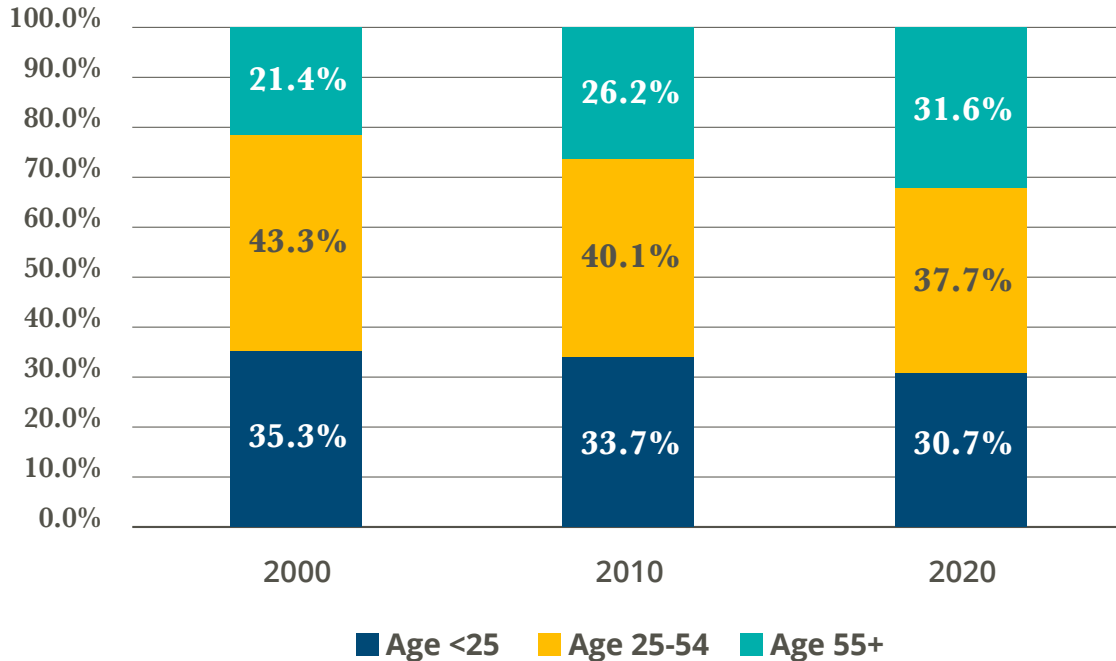


Figure 4: Resident Population Age Distribution: South Carolina

Source: U.S. Bureau of Labor Statistics

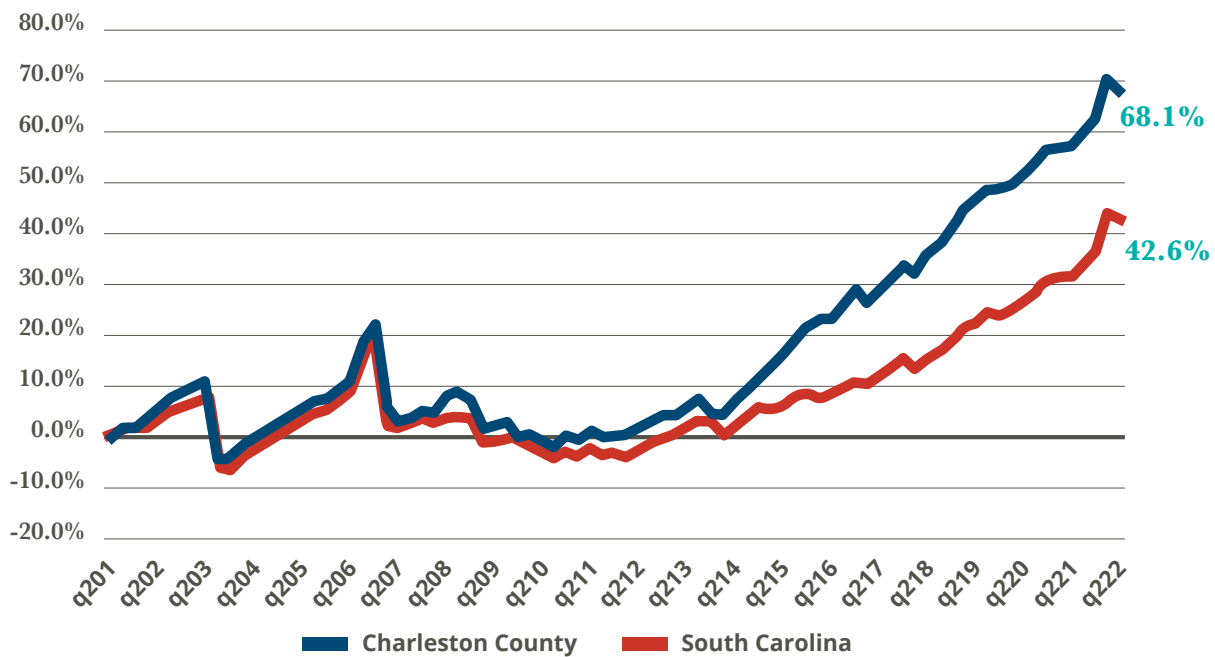


Business Establishment, Employment, and Wage Growth

The relatively large number of residents of prime working age along with proactive efforts by the CCED has also helped Charleston County to attract a large volume of new businesses and jobs. Since 2001, the number of business establishments in Charleston County has grown from 11,612 to 19,514, which represents a total growth rate of 68.1 percent. This contrasts with a total growth rate of just 42.6 percent for the state of South Carolina over the same time period. As with the change in population growth trends previously cited, the significant divergence between the state and county business establishment growth rate began in the aftermath of the Great Recession. This divergence can be observed in **Figure 5**.

Figure 5: Cumulative Establishment Growth Rate: 2001-2022

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





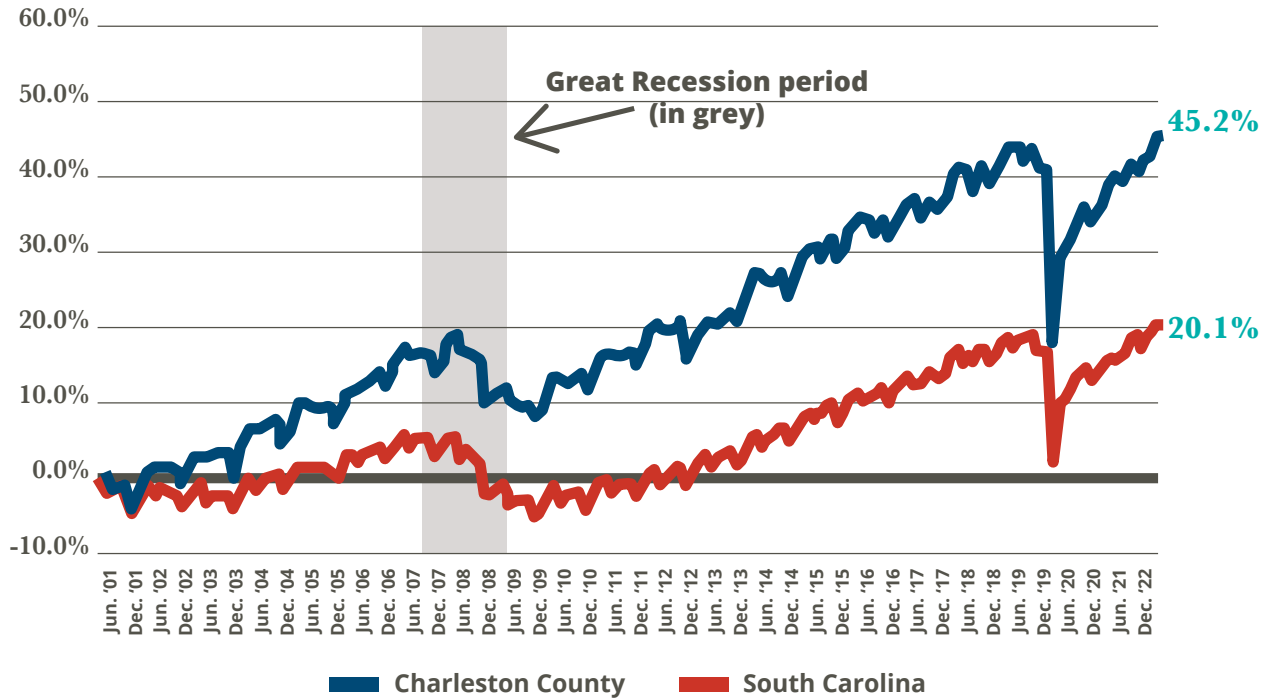
Mercedes-Benz Vans Groundbreaking

The growth in the number of business establishments, in turn, has also helped to generate significant employment growth in Charleston County over the same time period. Between 2001 and 2021, employment in Charleston County grew at more than twice the rate of South Carolina – 45.2 percent vs. 20.1 percent. This is a striking difference that has generated major benefits for Charleston County.

To put this employment growth into perspective, consider the employment losses that were incurred in Charleston County and across the state of South Carolina between 2007 and 2009 that resulted from the Great Recession. For South Carolina and much of the U.S., the Great Recession was so severe that it eliminated all of the jobs that were gained during the preceding economic expansion that took place from 2001 to 2007. By contrast, despite a 10 percent reduction in total employment due to the Great Recession, total employment in Charleston County never dropped below 2001 levels. Moreover, Charleston County also recovered from the Great Recession far more quickly than South Carolina. While statewide employment returned to 2007 levels by mid-2014, Charleston County was able to recover these lost jobs by mid-2012, approximately two years earlier. Each of these trends can be observed in **Figure 6**. Note that the largest contributors to Charleston County’s employment gains came from the Professional, Scientific, & Technical Services sector, which generally includes professional services that require relatively higher levels of post-secondary education or training. For example, firms specializing in engineering, architecture, medical research, graphic and web design, marketing and public relations, and computer programming would all be classified in Professional, Scientific, & Technical Services. This sector’s contributions were then followed by Ambulatory Health Care Services, Food Services and Drinking Places, Specialty Trade Contractors, and Transportation Equipment Manufacturing.

Figure 6: Cumulative Employment Growth Rate: 2001-2022

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



These strong trends in business establishment and employment growth in Charleston County have also helped to support faster wage growth in the region compared to South Carolina. For example, in 2001 South Carolina’s average weekly wage of \$551 was slightly higher than the average weekly wage for Charleston County at \$546. However, by 2022 Charleston County’s average weekly wage has grown to approximately 13.0 percent higher than that of South Carolina, as **Table 1** illustrates.





Table 1: Average Weekly Wage in South Carolina and Charleston County: 2001-2022

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

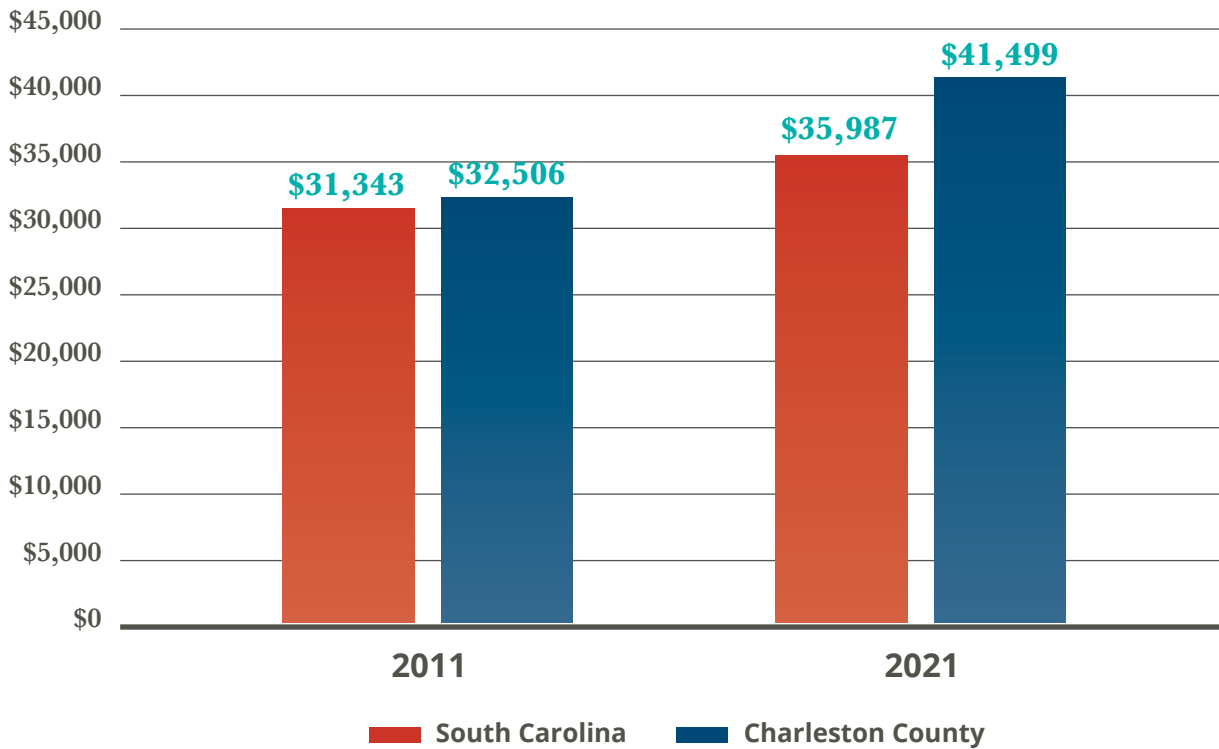
Year	South Carolina	Charleston County	Charleston County Wage Premium
2001	\$551	\$546	-0.9%
2005	\$620	\$633	+2.1%
2010	\$710	\$768	+8.2%
2015	\$782	\$837	+7.0%
2020	\$929	\$1,061	+14.2%
2022	\$1,043	\$1,179	+13.0%

Higher average weekly wages also translate into higher annual earnings for workers in Charleston County compared to South Carolina. Median annual earnings for Charleston County residents totaled \$41,499 in 2021, as compared to \$35,987 statewide.² After adjusting for inflation, median earnings in Charleston County have grown 27.7 percent between 2011 and 2021 compared to 14.8 percent for South Carolina.

² Includes residents aged 16+ with at least some earnings.

Figure 7: Real Median Earnings for Population 16+, 2011 vs. 2021

Source: American Community Survey 1-Year Estimates & CPI, reported in 2021 dollars



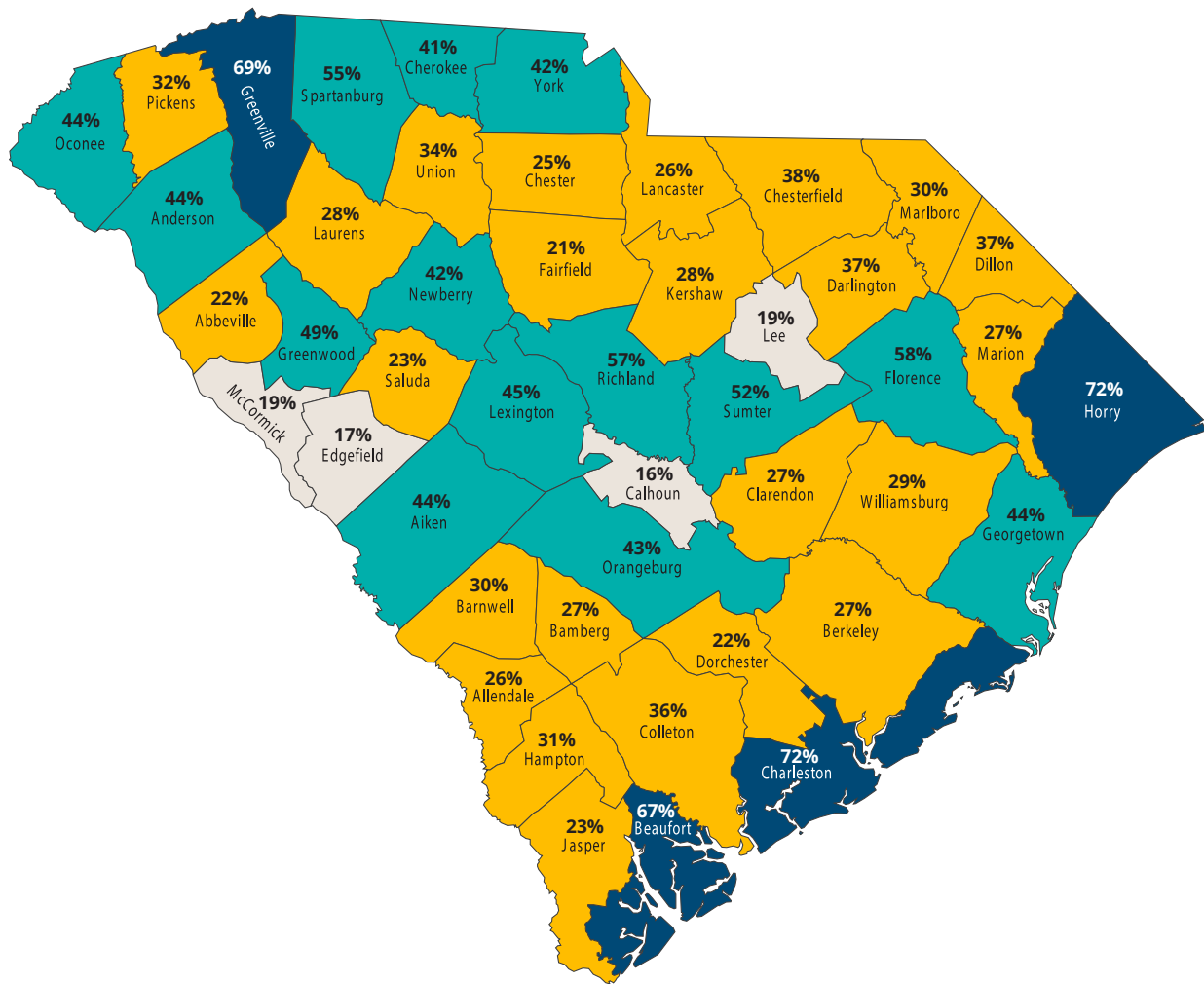
Commuting Patterns

In addition to generating significant income and wage growth, the strong business establishment and employment gains experienced by Charleston County provides additional benefits to residents in the form of commuting patterns. In South Carolina, less than 50 percent of working residents in a given county are employed in their home county. This rate ranges from a low of 16.4 percent to a high of 72.2 percent. Border counties as well as counties with few employers typically have lower rates, while rates in the more urbanized counties and coastal areas tend to be higher. At 72.2 percent, Charleston County is tied for the highest rate in South Carolina with Horry County. **Figure 8** summarizes the percentage of working residents employed in their home county across each of South Carolina’s 46 counties. Note that the Columbia metropolitan region has a significant movement of residents for work between Richland and Lexington counties, which makes their individual rates lower than counties in other major metropolitan regions such as Charleston, Greenville, Beaufort, and Horry.



Figure 8: Percentage of Working Residents Employed in Home County, 2019

Source: U.S. Census Bureau

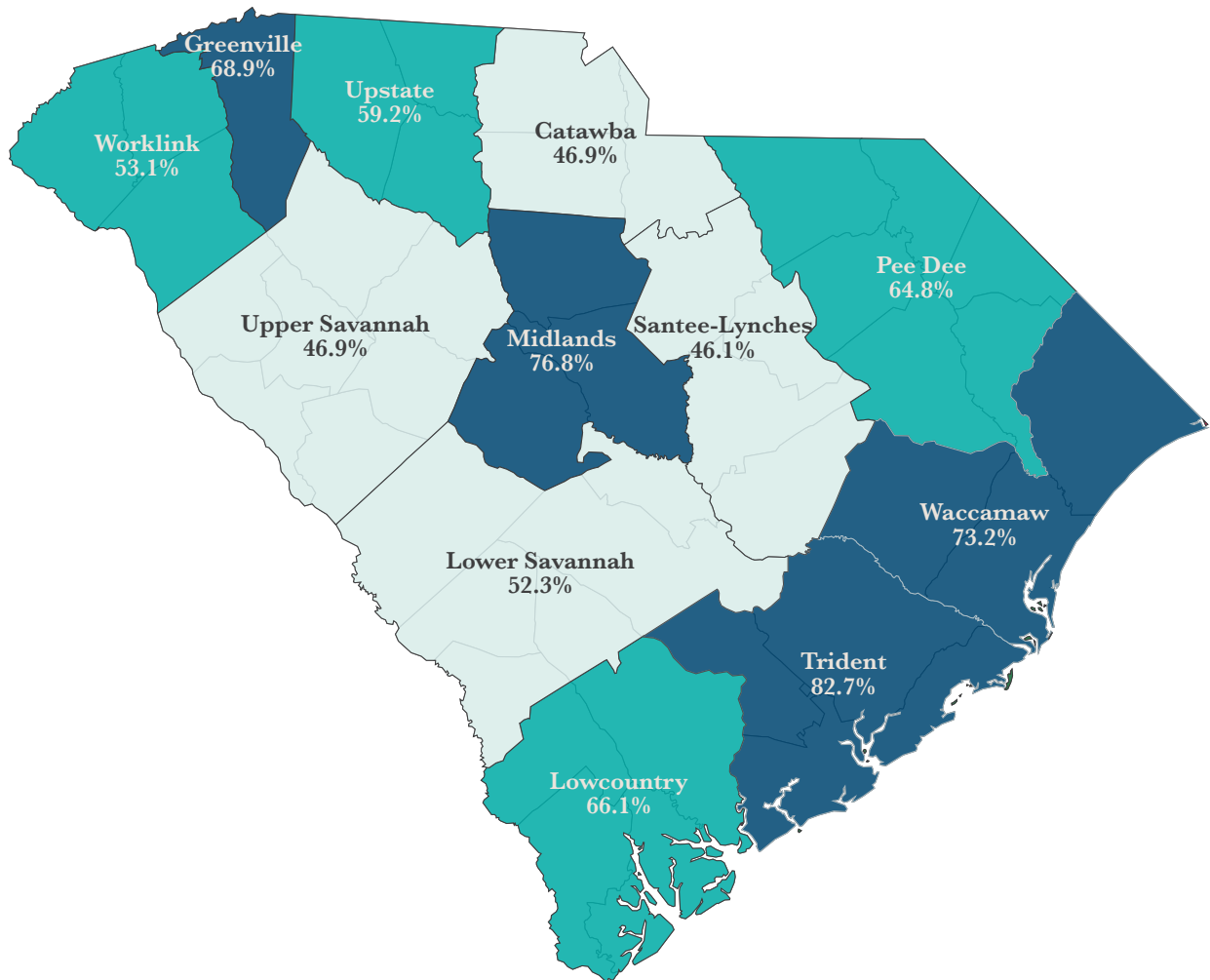


Many of the working residents of surrounding Berkeley and Dorchester counties commute to Charleston County to work. Within the tri-county region, 82.7 percent of residents who work are employed in one of the three counties. This is the highest rate among all Local Workforce Development Areas (LWDAs) in the state, as shown in **Figure 9**.³

³ Note that Local Workforce Development Areas are defined by the South Carolina Department of Employment and Workforce.



Figure 9: Percentage of Working Residents Employed in Home LWDA: 2019



As Charleston County looks ahead to the 2020s, it is important to recognize that one of the key components of economic growth in any region is the active support and engagement of the community and local policymakers. The CCED has successfully garnered this support and the results of the specific activities of the CCED are clear when examining the strong growth trends as outlined above. This analysis now turns to quantifying the specific impacts of the CCED.



THE ECONOMIC IMPACT OF THE CCED

Since 1993, in an effort to proactively attract and retain business activity to the region, the CCED has worked directly with hundreds of companies that – collectively – have facilitated more than 39,000 jobs and more than \$6.9 billion in capital investment for Charleston County. Although these businesses span a variety of product and service categories, more than half are contained within either Professional & Business Services (35.0%) or Transportation Equipment Manufacturing (17.0%). **Table 2** summarizes these business categories.

Table 2: Percentage of CCED-Supported Companies by Business Category

Source: Charleston County Economic Development

Business Category	Pct. of Employment
Prof. & Business Services	35.0%
Trans. Equip. Manufacturing	17.0%
Wholesale Trade	6.9%
Information Services	6.0%
Transportation/Warehousing	5.3%
Electrical Equip. & Component Manufacturing	4.8%
Chemical Manufacturing	3.5%
Misc. Manufacturing	3.5%
Metal and Metal Products Manufacturing	3.2%
Healthcare & Social Assistance	2.3%
All Other	12.6%

Note that manufacturing represents approximately 32% of all CCED-supported companies



In order to determine the current total annual economic impact arising from business activities associated with these CCED-affiliated announcements, detailed structural models (known as input-output models) of South Carolina were utilized. These models contain specific information at the county level on economic linkages between different industries. They provide the means to assess how an initial round of new spending activity by a business (known as the direct effect) can lead to successive rounds of spending (known as the multiplier effect) resulting from both inter-industry linkages between local firms as well as increases in household spending.

The economic impact generated by any new business is primarily a function of the procurement activity that the business undertakes within the local economy in which it is located. Businesses sell products and services, which they have to produce by using a variety of both labor and non-labor inputs. For example, in order to operate continuously, a new manufacturer in Charleston County must hire and retain employees and also purchase various material components from local suppliers. These direct expenditures – that is – the local purchases and wages introduced to the local economy by the business itself – collectively represent an initial change to the local economy, which then generates a series of economic ripple (or multiplier) effects.

The economic ripple effects are comprised of indirect effects and induced effects. The indirect effect represents additional economic impacts arising from inter-industry linkages between firms. For example, the regular demand that the manufacturer cited above experiences would require it to make purchases from its own local suppliers to accommodate this demand. This additional supplier activity would then, in turn, generate further rounds of supplier spending. This iterative process creates input-output relationships in many sectors of the local economy, each of which can be specifically quantified.

The induced effect represents economic impacts resulting from the local spending of household income. For example, employees working at the aforementioned manufacturer will spend a significant portion of their income in the local region on, for example, entertainment and housing. Entertainment and housing-related businesses will see increases in demand for their goods, and employees in these businesses who see additional income will spend a portion of it locally, and so on. Collectively, these multiplier effects make the ultimate impact of a single business in Charleston County far greater and extend it to a wider-range of industries in the local economy.

These successive rounds of indirect and induced effects do not go on forever, which is why a specific value can be calculated for each of them. In each round of spending, money is “leaked out” of the local region for a variety of reasons. For example, workers will save some of their additional income and part of the income they do spend will be spent outside of the region. Firms, too, will necessarily purchase some input materials from outside of the region.



An economic multiplier can be used to determine the total economic impact (direct, indirect, and induced) that results from an initial change in economic activity (the direct effect). In order to ensure that the uniqueness of local economic dynamics is considered, the input-output modeling software IMPLAN is combined with other customized regional forecasting models. This allows for the inclusion of additional local data, industry knowledge, and ongoing economic growth trends. Impact estimates were calculated for each of the three categories – defined below – that summarize the impact of the CCED-affiliated announcements on Charleston County and on South Carolina more broadly, with each category’s estimates broken down into direct, indirect, and induced effects:

- *Total Economic Impact (or Output): the dollar value representing the total contribution to overall economic activity*
- *Employment: the total number of full-time equivalent jobs that are needed to deliver the demand for the goods and services as measured by total economic output*
- *Total Labor Income: the total contribution to wages, salaries, and benefits affiliated with total employment*

The current total annual economic impacts arising from all local business activity associated with the aforementioned business announcements appear in **Tables 3 and 4**.

**Table 3 – Current Annual Economic Impact of CCED-Affiliated Business Announcements:
Charleston County**

Description	Total Employment	Total Labor Income	Total Economic Impact
Direct Effect	39,223	\$3,771,352,976	\$12,148,528,300
Multiplier Effect	32,795	\$2,197,091,924	\$6,060,273,648
Total Impact	72,018	\$5,968,444,900	\$18,208,801,949

**Table 4 – Current Annual Economic Impact of CCED-Affiliated Business Announcements:
Charleston Tri-County Region⁴**

Description	Total Employment	Total Labor Income	Total Economic Impact
Direct Effect	39,223	\$3,771,352,976	\$12,256,078,921
Multiplier Effect	42,778	\$2,786,375,687	\$7,725,745,397
Total Impact	82,001	\$6,557,728,663	\$19,981,824,318

⁴ Includes Berkeley, Charleston, and Dorchester counties



Data provided from the CCED reveal that new business announcements tied directly to CCED-affiliated activities have generated a total of 39,223 jobs in Charleston County since 1993. These jobs represent new, recurring economic activity in the county that would not exist otherwise. As **Table 3** shows, this employment level is estimated to support a total annual economic impact of approximately \$12.1 billion for Charleston County, which is also associated with \$3.8 billion in labor income. In addition to these direct effects, another \$6.1 billion in annual recurring economic activity is also generated as a result of the multiplier effect along with 32,795 jobs and \$2.2 billion in labor income. This multiplier effect is the result of all secondary spending that comes about from the increased demand among local suppliers as well as the additional stimulative effect on local businesses resulting from increased spending on the part of workers. In sum, this analysis estimates that the total annual economic impact on Charleston County resulting from all business announcements tied directly to CCED-affiliated activities is \$18.2 billion annually, which corresponds to 72,018 jobs and \$6.0 billion in labor income for local residents.

In a similar fashion, expanding the region of analysis to the tri-county region reveals that the total economic impact of all new business announcements tied directly to CCED-affiliated activities expands to nearly \$20.0 billion annually, along with 82,001 jobs and over \$6.5 billion in labor income. This level of economic activity includes approximately \$7.7 billion that is generated through the economic multiplier effect – that is – through secondary spending that results from increased demand for local suppliers and the stimulative effects of local spending by workers.

Note also that of the \$20.0 billion in total economic activity in the tri-county region associated with all business announcements directly to CCED-affiliated activities, over 91 percent is concentrated within Charleston County. This illustrates that the vast majority of all business activity supported by the CCED generates economic impacts that are local and that are benefitting Charleston County directly. These results (for Charleston County) can also be broken down by business category, as is shown in **Table 5**.

Of the \$20.0 billion in total economic activity in the tri-county region associated with all business announcements tied directly to CCED-affiliated activities, over 91 percent is concentrated within Charleston County. This illustrates that the vast majority of all business activity supported by the CCED generates economic impacts that are local and that are benefitting Charleston County directly.





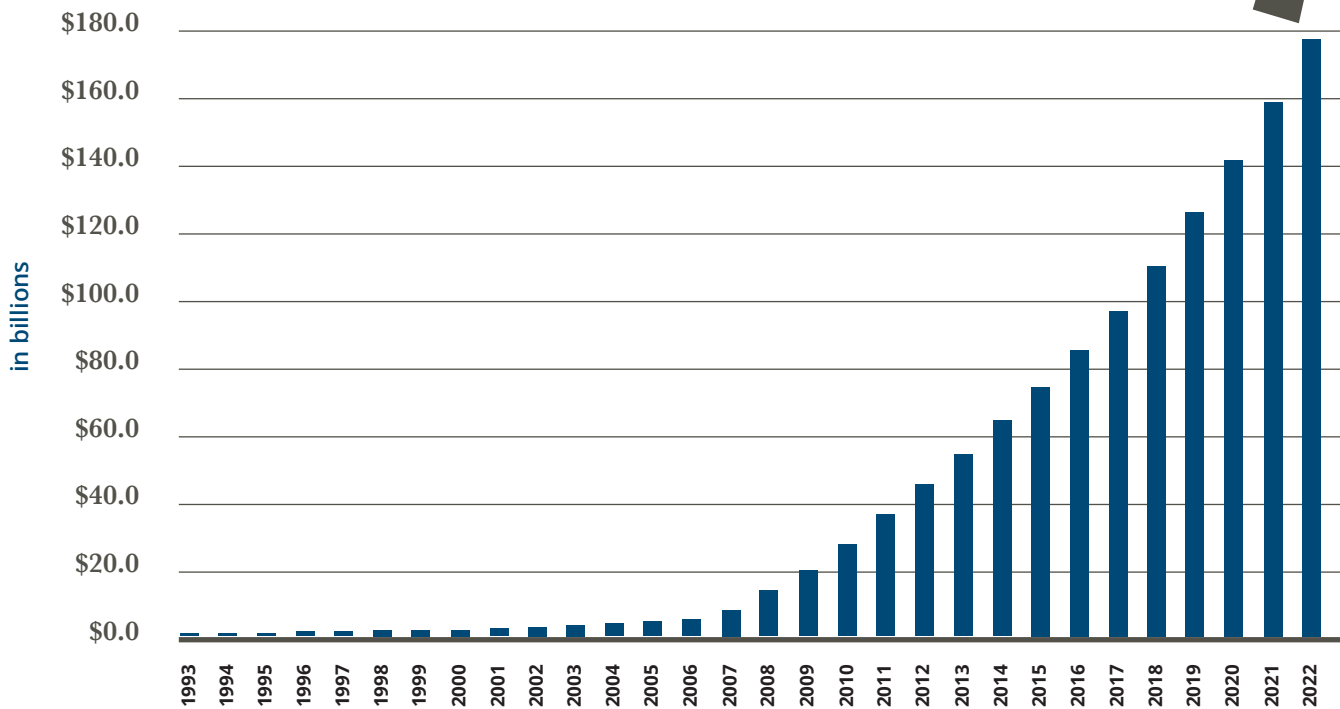
**Table 5 – Current Annual Economic Impact of CCED-Affiliated Business Announcements:
Charleston County, by Business Category**

Business Category	Total Employment	Total Labor Income	Total Economic Impact
Prof. & Business Services	25,172	\$2,086,154,546	\$6,364,534,748
Trans. Equip. Manufacturing	12,259	\$1,015,977,589	\$3,099,590,430
Wholesale Trade	4,987	\$413,270,186	\$1,260,823,396
Information Services	4,295	\$355,943,931	\$1,085,929,861
Transportation/Warehousing	3,808	\$315,554,978	\$962,709,415
Electrical Equip. & Component Manufacturing	3,462	\$286,891,850	\$875,262,648
Chemical Manufacturing	2,525	\$209,240,832	\$638,361,404
Misc. Manufacturing	2,487	\$206,113,945	\$628,821,757
Metal and Metal Products Manufacturing	2,273	\$188,394,921	\$574,763,755
Healthcare & Social Assistance	1,692	\$140,188,752	\$427,694,191
All Other	9,058	\$750,713,371	\$2,290,310,343
TOTALS	72,018	\$5,968,444,900	\$18,208,801,949

All of the economic impact estimates reported thus far in **Tables 3-5** highlight the current annual impacts of the CCED. However, the business operations tied directly to CCED-affiliated activities have been increasing over time as the number of CCED announcements have steadily accumulated. **Figure 10** specifically highlights how, since being established in 1993, the total annual economic impact of the CCED has increased over time. For example, the total annual economic impact of all CCED-affiliated activities in Charleston County has increased from approximately \$237.0 million in 1996 to its current annual impact of \$18.2 billion in 2022. *These results also show that the cumulative economic impact of all CCED-affiliated business activities between 1993 and 2022 totals over \$179 billion.*

\$179 billion
The cumulative economic impact of all CCED-affiliated business activities between 1993 and 2022

Figure 10 – Cumulative Economic Impact of CCED-Affiliated Business Announcements: Charleston County, 1993-2022





There are at least four important takeaways that emerge from these estimates. The first, and primary takeaway is the sheer magnitude of these results. For example, the total employment currently supported by new business announcements tied to CCED-affiliated activities collectively represent 27.1 percent of the employment base in Charleston County.⁵ In other words, to the extent that job announcements in Charleston County since 1993 with which CCED has been directly affiliated have been realized, these jobs comprise over one-quarter of the local employment base. Similarly, the \$18.2 billion in total annual economic activity represents 24.8 percent of Charleston County's economy – that is – 24.8 percent of the county's total GDP.

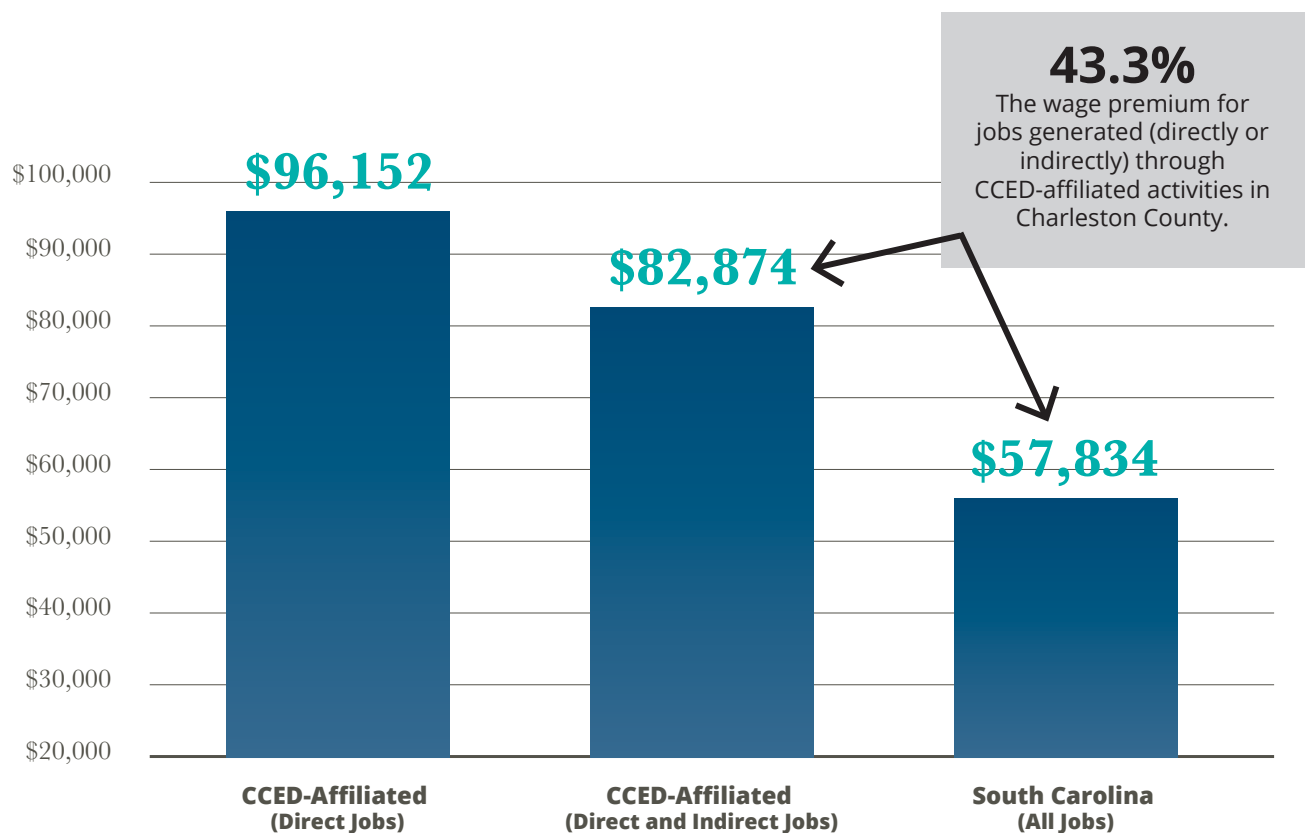
In addition to the overall magnitude, a second important takeaway of these results is the employment multiplier effect itself. **Table 3** specifically reveals that the employment multiplier associated with the CCED in Charleston County is approximately 1.8. This implies that for every 10 jobs that follow the business announcements tied directly to CCED-affiliated activities, an additional 8 jobs are created elsewhere in Charleston County. These multiplier effects are higher than that of the average employer in Charleston County and reflects the CCED's ability to attract and retain a large volume of high-wage, high-skilled professional service firms as well as the many suppliers that directly support the region's sizable export-oriented advanced manufacturing cluster.

⁵ This calculation is based off of Charleston County employment totals from June 2022 as provided by the U.S. BLS, QCEW.

A third major takeaway of these results can be observed by examining the average wage levels across all jobs that have been created through CCED-affiliated activities. The 71,576 jobs that have been generated through the CCED-affiliated activities (which include all direct and secondary job creation) pay an average wage of \$82,874. This represents a wage premium of 43.3 percent over the average job in Charleston County. Moreover, among the direct jobs at the companies with which the CCED has worked, this wage premium increases further to 66.3 percent.

Figure 11 – Charleston County Annual Wage Comparisons

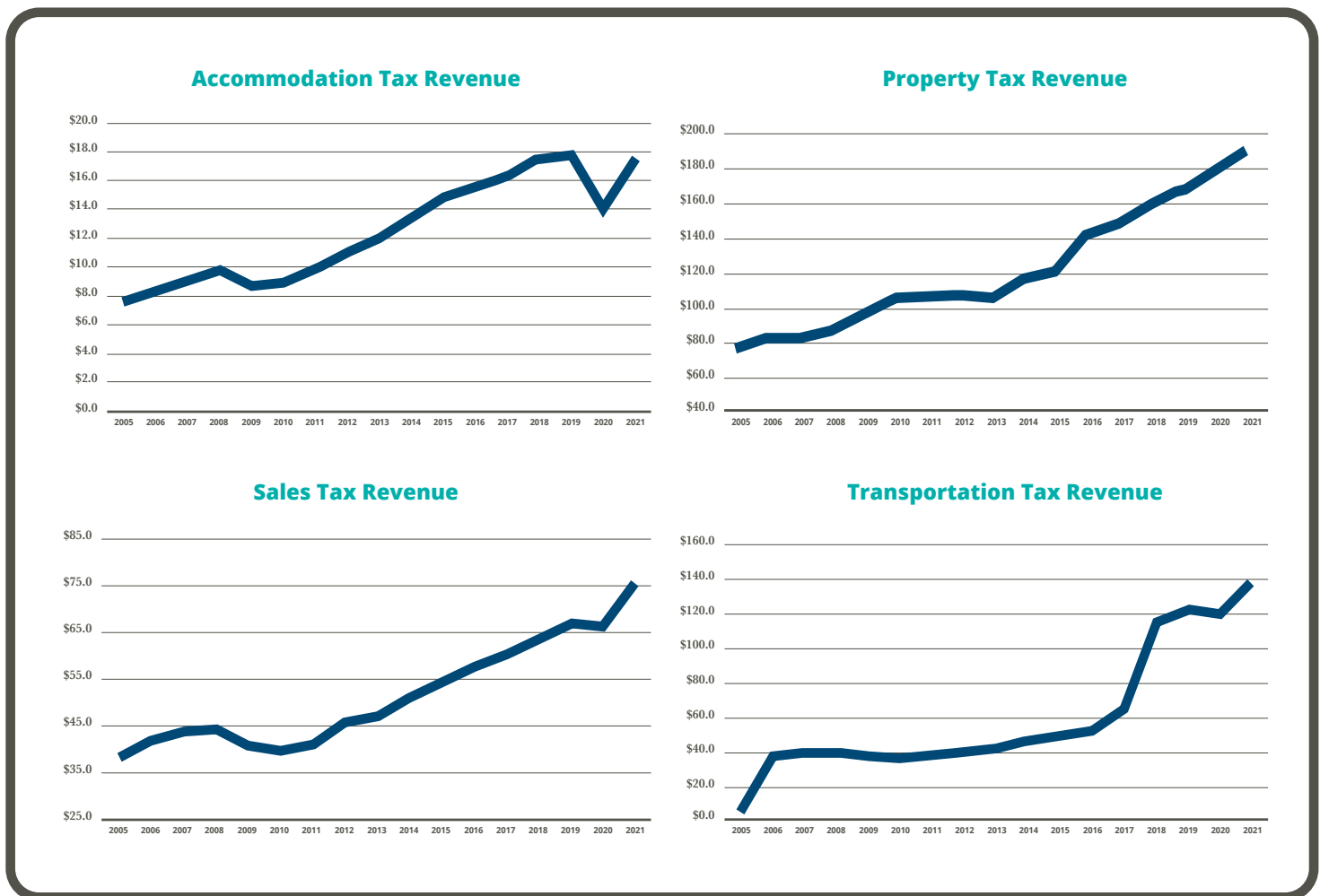
Source: U.S. Bureau of Labor Statistics, CES, NSA



Finally, the fourth major takeaway from these results stems from the benefits the CCED has generated for the Charleston County tax base since its inception. The high levels of economic growth in Charleston County throughout the 21st Century (as previously highlighted) have been mainly due to the ongoing initiatives of the CCED, which directly and indirectly now support nearly one-quarter of Charleston County’s total GDP. This economic growth, in turn, has generated steadily higher levels of accommodation, property, sales, and transportation taxes, which **Figure 12** summarizes. Note that the growth rate across each type of tax revenue has generally increased throughout the previous decade in conjunction with the higher overall rate of growth of the Charleston County economy.

Figure 12 – Charleston County Tax Revenue, in billions of dollars

Source: Charleston County Comprehensive Annual Financial Reports



In this study, to measure the impacts of CCED, property tax growth and revenues present an interesting case study. Growing the tax base and generating “new” revenues is the lifeblood of a public agency, and successful economic development activities “grow the economic pie” and better equip public entities to adequately fund public schools, city and county services, a dynamic park system, and a vibrant technical college.

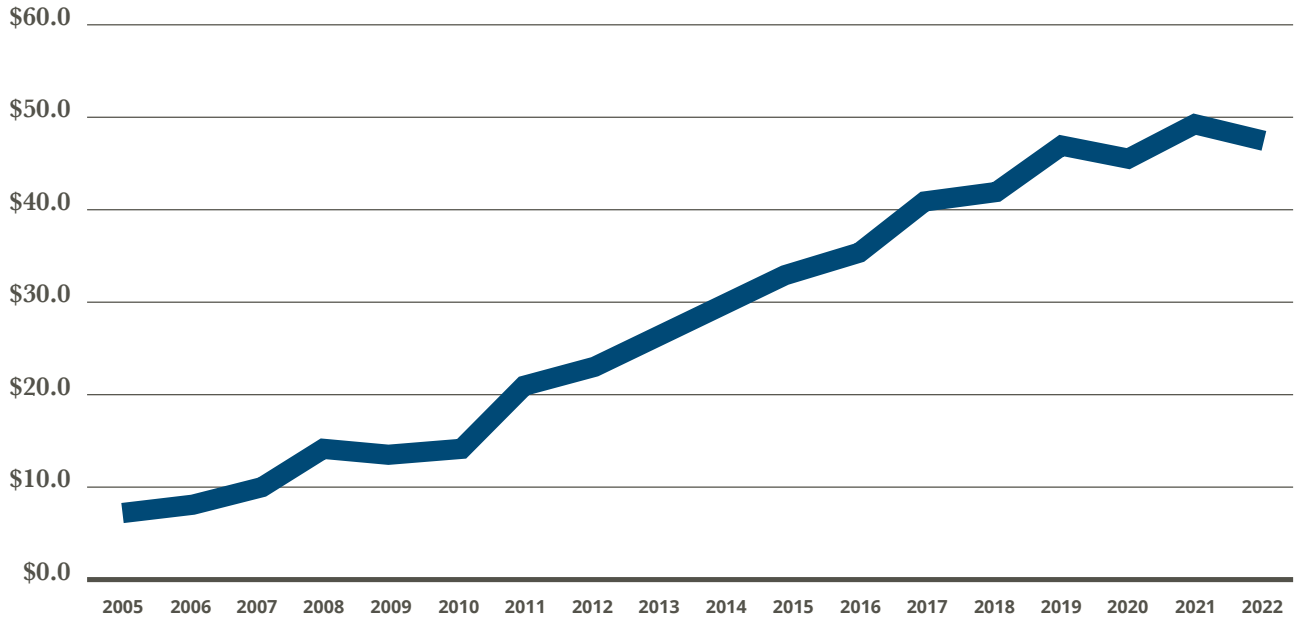
As part of recruiting new companies into the area and helping existing companies expand, CCED utilizes financial incentives where appropriate for leverage. Tax accounts of companies that have benefitted from incentives become part of a “Multi-County Park” (MCIP) fund, and revenues flowing through this MCIP fund benefit the various Charleston County taxing entities. Notably, they also underwrite the CCED’s operations. This unique funding approach means that the cost of economic development activities in Charleston County is not a part of the County’s General Fund budget and is not borne by residential or small business taxpayers. Instead, the CCED budget comes strictly from a portion of revenue from industrial tax accounts from companies incentivized over the past 30 years.

CCED performs taxing, accounting, and incentives compliance activities for these incentivized accounts in the MCIP, and these data were readily available. As substantial as these revenues are, they represent just a portion of the overall tax revenues that have flowed from companies assisted by the CCED. Data for the tax revenues attributable to the remainder of capital investments made by companies that did not receive financial incentives are not readily available.



Figure 13 – New Tax Revenue Generated for Taxing Entities (2005-2022)

Source: CCED



As **Figure 13** reveals, from 2005 to 2022 \$509.7 million in new tax revenues were created and distributed to all taxing entities. **Table 6** summarizes the top taxing entities.

Table 6: Revenue for Top Taxing Entities in Charleston County (2005-2022)

Source: CCED

Taxing Entity	Tax Revenue
Charleston County School District	\$239,429,292
City of North Charleston	\$145,372,622
Charleston County	\$90,990,229
Charleston Parks & Recreation Commission	\$12,305,482
City of Charleston	\$11,724,780
Trident Technical College	\$4,531,802
Town of Mount Pleasant	\$4,416,950

Over the same time period, the return on investment (ROI) to the taxing entities, including Charleston County was substantial. To determine ROI, CCED compares its annual budget to the annual new tax revenues flowing to the taxing entities. CCED averages more than \$11:\$1 ROI to Charleston County.



THE LONG-RUN ECONOMIC OUTLOOK OF CHARLESTON COUNTY

Although Charleston County’s economic growth over the previous decade has been broad-based and driven by a diverse set of industry groups, the largest overall contributions have generally resulted from large segments of the professional service, health care, construction, and retail sectors. As previously noted, according to the U.S. Census Bureau, South Carolina has routinely ranked among the top 15 states in year-over-year in-migration rates throughout the past decade – and Charleston County has experienced a disproportionately large share of these population gains. Such strong population growth has led to a booming construction industry along with additional demand for health care and retail services. In addition, the demographic shift across the U.S. towards an older population – including the population of South Carolina as shown in **Figure 1** – is also leading to increased health care demand in Charleston County. **Table 7** specifically summarizes the industries in Charleston County that have experienced the largest number of job gains over the previous decade as well as the overall contribution of each industry to the county. For example, **Table 7** shows that 5,174 jobs were created within the Construction industry, which represents approximately 13.6 percent of all job creation in Charleston County between 2011 and 2021.

Table 7: Industries Experiencing Large Job Gains in Charleston County, 2011-2021

Source: U.S. Bureau of Labor Statistics

Industry	Job Gains	Pct. Contribution to Charleston County Job Creation
Professional, Scientific, & Technical Services	+6,405	16.9%
Health Care and Social Assistance	+5,664	14.9%
Accommodation and Food Services	+5,269	13.9%
Construction	+5,174	13.6%
Retail Trade	+2,800	7.4%



Notice that the industry segment to experience the highest number of job gains in the previous decade was Professional, Scientific, & Technical Services. As previously described, this industry sector generally includes professional services that require relatively higher levels of post-secondary education or training. For example, firms specializing in engineering, architecture, medical research, graphic and web design, marketing and public relations, and computer programming could all be classified in Professional, Scientific, & Technical Services. Additionally, the growth of military-related contractors that provide support to the Naval Information Warfare Center (NIWC) Atlantic also drives many of the gains in this industry sector.

Note also that Health Care & Social Assistance is the industry segment that has generated the second largest number of jobs over the previous decade. Given this contribution of the health care industry – combined with the fact that the Professional, Scientific, & Technical Services sector contains many firms within various categories of medical research – implies that life sciences and health care collectively represent the largest generator of jobs in Charleston County during the 2010s. Moreover, given that the U.S. population is aging, Charleston County is likely to continue to see demand in these sectors going forward.

Projections for industry growth in Charleston County in the coming decade also highlight continued growth in life sciences and health care. For example, **Table 8** illustrates specific industry growth projections from the South Carolina Department of Employment and Workforce (SCDEW) through the year 2028. Notice that Professional, Scientific, & Technical Services ranks 2nd for the number of absolute job gains and that Ambulatory Health Care Services ranks 4th. The SCDEW projections also rank Transportation Equipment Manufacturing 5th, revealing the continued expectations of local growth in the automotive and aerospace industries and their associated supply chains.

Table 8: Projected Employment Growth in Selected Industries for Charleston County, 2018-2028

Source: South Carolina Department of Employment and Workforce

Industry	Job Gains	Projected Percentage Change
Administrative Support	+6,921	+27.8%
Professional, Scientific, and Technical Services	+6,862	+28.5%
Food Services and Drinking Places	+5,078	+14.2%
Ambulatory Health Care Services	+4,658	+26.8%
Transportation Equipment Manufacturing	+4,561	+34.8%
Wholesale Trade Agents and Brokers	+635	+57.3%
Web Search Portals, Libraries, Archives, and Other Information Services	+440	+109.7%
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	+285	+30.2%





While the advanced manufacturing, logistics, military, and tourism sectors are expected to remain the primary economic drivers for the Charleston tri-county region as a whole over the next decade, within Charleston County itself there are also a variety of professional service sectors that will likely be even more prominent.

In sum, these data reveal an important point about Charleston County’s growth in the coming decade – namely, that while the advanced manufacturing, logistics, military, and tourism sectors are expected to remain the primary economic drivers for the Charleston tri-county region as a whole over the next decade, within Charleston County itself there are also a variety of professional service sectors that will likely be even more prominent. Many of these will be professional service firms that represent components of the supply chain for advanced manufacturing and logistics, while others will be contained within the emerging industry clusters of cybersecurity and life sciences. This type of industry diversification will also be important in helping to protect Charleston County from the impacts of future recessions. Regions that rely on relatively fewer industries for economic growth are generally more susceptible to economic downturns and also often experience more significant economic losses.

CONCLUSION

Charleston, South Carolina has become one of the fastest growing regions of the United States over the past 30 years, with Charleston County serving as the central hub of much of this economic activity over the tri-state region. This growth has largely been the result of the CCED's proactive efforts to support and engage in general business recruitment as well as to target companies in high-growth industry clusters with strong global demand.

To date, the ongoing activities of the CCED have led to the announcement of new jobs and capital investment in Charleston County that is estimated to support a total annual volume of economic activity of \$18.2 billion annually, which corresponds to 72,018 jobs and \$6.0 billion in labor income for local residents. Put into context, to the extent that job announcements in Charleston County since 1993 with which CCED has been directly affiliated have been realized, these jobs comprise over 27 percent of the county's total employment base. Furthermore, the cumulative impact of all CCED-affiliated business activities between 1993 and 2022 totals over \$179 billion.

As Charleston County continues to navigate the ongoing changes to its economy resulting from the COVID-19 pandemic, capital investments and new, sustainable business activities that help to support higher rates of long-run economic growth will become more important than perhaps ever before. The Charleston County investments that have been facilitated by the CCED, in particular, serve to boost long-run rates of economic growth through providing a sizable number of jobs and incomes for local residents. It is these types of sustainable, long-term investments that will help put Charleston County – and the state of South Carolina as a whole – in a position to continue to outpace the nation's economic growth rate in the 2020s as it has over the previous decade.



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