

# CHARLOTTE

## Balanced Economy — Broad Opportunity

**HISTORICALLY, CHARLOTTE HAS BEEN PERCEIVED** as a textile center and more recently a banking center. While Charlotte is justifiably proud of the industries with which it has been linked over the years, narrow characterizations sell this city's economy short. Charlotte enjoys a vibrant, balanced economy that encompasses many sectors, as well as companies that range in size from multinational to microbusiness.

That variety helps make Charlotte's economy one of the healthiest and strongest in the nation. Diverse business interests shelter the city from problems that can result from slowdowns in certain sectors, corporate mergers and buy-outs, plant closures and other economic challenges. The solid base also facilitates exceptionally strong growth during economic upswings.

While the economy's strength is certainly a plus, companies considering a relocation to Charlotte will find other

**IN RECENT DECADES  
CHARLOTTE HAS  
TRANSITIONED TO A CENTER  
OF APPLIED TECHNOLOGY.**

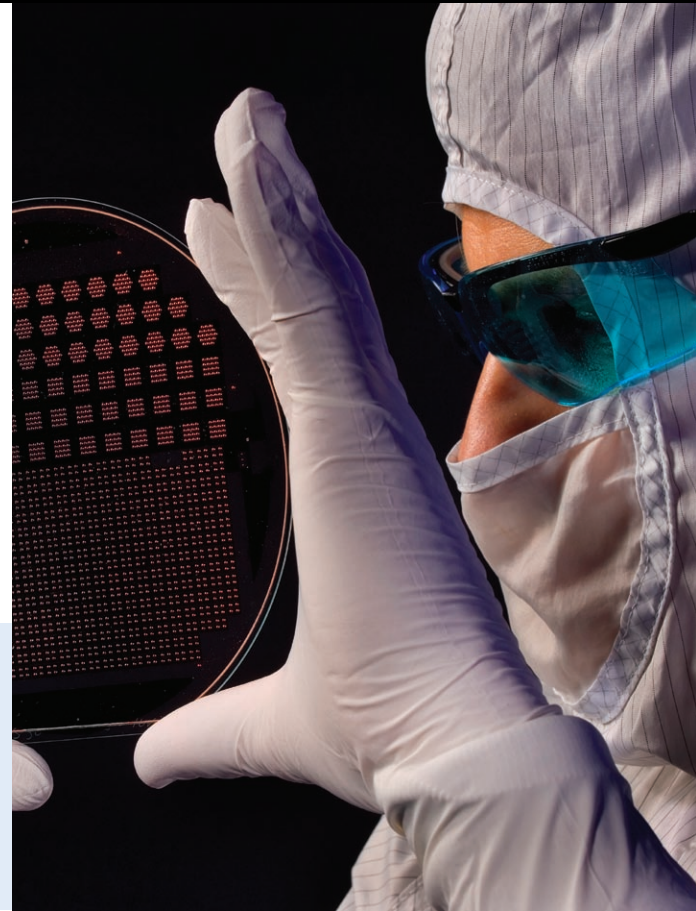
advantages in this broad-based economy. For example, suppliers and services are abundant and convenient. Employers' costs for wages, benefits and labor overhead, such as worker's compensation, unemployment and health insurance coverage, are significantly lower than in other regions. And Charlotte-Mecklenburg offers an unusually rich quality of life, with ample opportunity for companies and executives who wish to actively participate in making this city an even better place to live and work.

### Well-Distributed Employment

According to 2008 Employment Security Commission figures, employment in Mecklenburg County is well distributed among all major business sectors. Of the 566,904 persons employed in the county, there are 51,471 in finance and insurance, 58,149 in retail trade, 36,165 in wholesale trade, 34,349 in manufacturing and 18,886 in information.

Mecklenburg County has more than 63 percent of total employment in the Charlotte region. The Charlotte MSA claims 775,610 jobs, with more than 120,574 of those created since 1998.

Charlotte-Mecklenburg's largest employers represent many sectors, including health care, government services, education, banking and finance, transportation, retail, telecommunications and manufacturing. The city boasts many corporate headquarters, including Bank of America, Duke



Energy, Sonic Automotive, SPX, Nucor and Goodrich Corp. Lowe's and Family Dollar are also headquartered locally. Charlotte ranks seventh nationally in number of Fortune 500 headquartered companies. It also is home to operations for 326 companies listed in the Fortune 500.

In addition, 957 companies in Mecklenburg County are included in the 2007 Dun & Bradstreet Million Dollar Listing, with sales over \$10 million including 31 companies which exceed \$1 billion in sales. Of these 957 companies, 525 are headquartered here. The firms represent a broad range of industry sectors, the largest being wholesale trade, manufacturing, finance, insurance and real estate.

Small and medium-size companies are equally important to Charlotte's economy. The city has been cited by Entrepreneur and Fortune magazine as one of the nation's best large cities for entrepreneurs to start and run a small business. Of the 25,600 companies with operations in Charlotte, 23,826 employ fewer than 50 workers and 1,672 employ between 50 and 500 workers. Only 102 firms employ more than 500 workers.

### Growing Manufacturing Base

To outside observers, Charlotte's strength as a manufacturing center may come as a surprise. In fact, this city has long been a leader in manufacturing. Mecklenburg County is home to 1,373 manufacturing firms — more than any



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## MANUFACTURING IS STILL A MAJOR SEGMENT OF THE CHARLOTTE ECONOMY.

other county in the Carolinas. Charlotte ranks second only to Dallas in the number of new factories opened during the 1990s and is among the nation's top five cities in expansions of existing facilities.

Manufacturing has long been a key element of Charlotte's economy. Textiles led the way early this century when the cotton industry moved south from New England to establish Charlotte as a textile center. Today, Charlotte manufacturers work in many different fields, including nonelectrical and electrical machinery, metalworking and chemicals. Manufacturers in Charlotte-Mecklenburg represent every major NAICS category. Today, Charlotte has manufacturing clusters in medical and dental equipment, plastics, optical technology and the defense industry.

As we move through the 21st century, the region is placing even greater emphasis on high-tech, bio-tech and other knowledge based industries. Charlotte has several research organizations that support this changing emphasis. The Electric Power Research Institute and the Polymers Center of Excellence are headquartered here. The Charlotte Research Institute at UNC Charlotte partners with local firms to help develop innovative new products and technologies.

Manufacturing firms who locate operations in Charlotte-Mecklenburg will find a low-cost labor environment. According to the U.S. Department of Labor, the MSA's average earnings of production workers in June 2008 was \$16.18 per hour — lower than the national average.

Helping keep labor costs low is North Carolina's status as a right-to-work state. The state has the lowest unionization rate in the nation; less than four percent of Charlotte's work force is

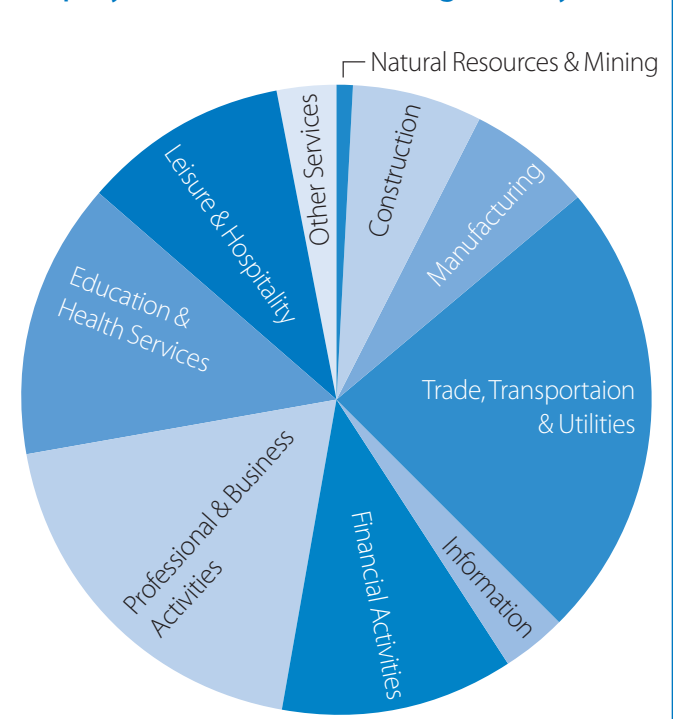
unionized. North Carolina also has one of the nation's lowest unemployment insurance tax rates, as well as worker's compensation rates that rank among the lowest in the nation.

Worker productivity, however, is exceptionally high. Studies show that N.C. workers produce more output per wage dollar than their counterparts do nationally.

### Superior Distribution And Transportation

Thanks to its prime location at the intersection of I-77 and I-85, as well as its manufacturing strength, Charlotte-Mecklenburg is one of the nation's leading distribution centers. According to *Site*

Employment in Mecklenburg County, 2008



*Selection* magazine, Charlotte ranks fifth in the nation for new and expanded distribution operations, with 192 facilities since 1990.

The city is home to distribution operations for such diverse companies as Family Dollar, Black & Decker, General Motors, Lucent Technologies and TJ Maxx.

The city's extensive transportation network facilitates distribution. Charlotte Douglas International (CLT) Airport is the nation's eighth largest in total operations and 31st busiest in the world in terms of total passengers. The airport, the largest hub for US Airways, averages nearly 640 flights daily to more than 179 cities nationwide and around the world.

The airport's cargo service is equally busy, handling over 132,100 tons of domestic and international cargo in 2008. The Charlotte Air Cargo Center, which includes 500,000 square feet of facilities and 50 acres of aircraft ramp space, is served by 20 cargo airlines and 46 freight forwarders.

Not surprisingly, the airport also is a major employment center. The employers who maintain staffs on site have nearly 18,000 workers. Of these, nearly 5,000 are employed by US Airways, with nearly 13,000 additional workers employed by other airlines, tenants, other businesses and the City of Charlotte's Aviation Division.

A well-established network of ground transportation and other services complements Charlotte's air service. The Charlotte region is the center of the country's largest consolidated rail system. Norfolk Southern Railway and CSX Transportation link 43,200 miles of rail between Charlotte and 23 Eastern states. Charlotte also is the nation's 12th largest trucking center, with more than 265 firms operating here and employing 9,780 workers.

## Broad-Based International Business

Charlotte-Mecklenburg has seen steady and impressive growth in international business. The presence of foreign-owned firms in Mecklenburg County dates back to 1925, when Sandoz Corp. moved to Charlotte. By 1970, 60 foreign firms were located here.

In 2009, that number had grown to 565 — an increase of 842 percent over the 39-year period. Charlotte also ranks number one on *Site Selection* magazine's list of top 10 U.S. cities for foreign investment.

Foreign-owned companies with operations in Charlotte-Mecklenburg in 2009 represent 39 nations. Germany leads the list with 130, followed by Great Britain, 65; Japan, 59; Switzerland, 38; and Canada, 48.

The companies also represent a wide variety of business specialties. The 565 foreign-owned businesses in operation in 2009 represent 16 of the 19 major industry classifications (NAICS). Categories with major representation include wholesale trade of durable or nondurable goods, chemicals and allied products, rubber and miscellaneous plastic products, industrial and commercial machinery and computer equipment, transportation services and business services.

## Unparalleled Financial Services

Because of its position as the nation's second largest banking center, financial services may be the most widely recognized sector of Charlotte's economy. Of the 51,471 employees in finance and insurance, 39,904 are employed in commercial banking and 11,567 are employed by insurance carriers.

The insurance industry is well represented in Charlotte. The city is home to 54 companies with more than 50 employees. Seven employ 500 or more. Transamerica and the Equitable have national operations centers in the city.

**CHARLOTTE  
LEADS THE NATION IN  
FOREIGN INVESTMENTS.**





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# CHARLOTTE ENJOYS A VIBRANT, BALANCED ECONOMY THAT ENCOMPASSES MANY SECTORS.

According to new and expanded business indicators, Charlotte saw \$2.3 billion in business investment during 2008. More than 12,165 new jobs were created by the 1,337 firms making the investment.

## Shaping The Future

Charlotte's balanced economy didn't just happen. For decades, this city's business and civic leaders have actively sought to lay the foundation to encourage this economic success.

Today, Charlotte's leaders are in the process of shaping the city's future again. This time, they are studying where the city needs to head in order to be successful well into the 21st century.

The Charlotte Chamber has taken a leading role in this effort with a strategic planning process designed to maintain and expand the balanced economy this city enjoys now. The goal of the process is to develop initiatives that will support existing businesses as they expand and mature, as well as attract new businesses.

The process has shown that Charlotte-Mecklenburg would be ideally positioned as a "global knowledge center," in which highly skilled workers apply the latest in technology to create products and services for a diversified global market. Specifically, the city is particularly well suited to host operations for a number of focus industries, including precision metrology/optoelectronics, bio-sciences, security technology as well as traditional industries related to information, financial services, transportation and manufacturing.

Clearly, Charlotte-Mecklenburg enjoys a strong economy with a breadth and depth that is virtually unparalleled in any other U.S. market. Charlotte's business and civic leaders are committed to maintaining that advantage. As the 21st century moves forward, Charlotte is poised to create and nurture an economic sustainable advantage as powerful as the one it currently has. That will help ensure that companies working in and relocating to Charlotte-Mecklenburg will continue to enjoy all the benefits of this city's healthy, well-balanced economy.

In recent years, the city has expanded its move into the investment industry, attracting national customer service and operations centers for Vanguard Group and TIAA-CREF.

The abundance of financial resources in Charlotte is certainly an advantage for companies who seek a ready source of capital, money management and investment advice services. The city ranks second nationwide in terms of banking assets headquartered here (\$2.3 trillion, behind only New York) and is headquarters for Bank of America, the nation's largest bank holding company. Forbes ranks each of these banks within their top 35 most powerful worldwide companies.

In addition, five of the nation's top 25 banks have operations in Charlotte, as do more than 348 mortgage bankers, more than 51 commercial finance and factoring firms, and 13 leasing companies. The city is also home to a branch of the Federal Reserve.

## Long-Term Growth Continues

Perhaps most importantly, Charlotte's robust economy is not a new phenomenon. This city has enjoyed extraordinary growth for the past decade in terms of new-business development.

From 1999 to 2008, according to Chamber statistics, 7,309 new businesses created more than 65,214 jobs and absorbed 119.0 million square feet of floor area, representing a total investment of \$12 billion.

Investments ranged from downtown office towers to regional retail centers, manufacturing facilities to N.F.L. and N.B.A. expansion teams.

