



Summary Impact Report



ONE REGION  Opportunities
Roadmap | for All

DRAFT



DRAFT | JANUARY 2022

DRAFT

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Community Members,

Thank you for your interest in **One Region Roadmap: Opportunities for All**. This draft summary impact report is the result of nine months of research, information gathering, and community input.

As you will see, One Region has worked to identify strategies that will make a difference in people's lives. We are reporting back to you what we've heard and learned and are seeking your input to prioritize which strategies are most important for implementation.

This Roadmap – built on action and outcomes – will outline a pathway to economic security, stability, and opportunities for all in our three county region.

Public input is critical in creating the most comprehensive plan our region has ever seen. Each of us is responsible for moving our community forward.

My hope is to create an actionable roadmap that will lead to measurable results in making our region one of the most livable communities in the country and the world. We want you to help us identify the top priorities to focus on and determine what success will look like in Berkeley, Charleston, and Dorchester Counties. This plan is different than anything else we have done in the past not only in its comprehensive and inclusive approach, but in its emphasis on action and accountability.

I am honored to serve as the chair of the One Region initiative. I have spent my career working in and studying state and local government, public engagement, and I am passionate about inclusive and equitable approaches to addressing community challenges.

I look forward to hearing your thoughts and ideas on how we can make the One Region Roadmap a success.

Sincerely,



DR. KENDRA STEWART, PH.D.
DIRECTOR OF THE RILEY CENTER FOR LIVABLE COMMUNITIES

One Region Chair

ONE REGION Roadmap | Opportunities for All

ONE REGION – A REGIONAL PARTNERSHIP

One Region is a regional partnership formed to strengthen our economy and produce opportunities for all residents by delivering strategies and actions that make a difference in all people's lives.

ONE REGION ROADMAP: OPPORTUNITIES FOR ALL

One Region Roadmap: Opportunities for All is an economic recovery and resiliency plan for the Berkeley-Charleston-Dorchester region. It is guided by input from residents, and the Roadmap's ultimate success will lie in its ability to create real change.

We are each responsible for moving our community forward. This plan will challenge us to ensure the region's economic prosperity is inclusive and that all residents have the opportunity to participate and thrive.

This effort is made possible through a U.S. Economic Development Administration grant secured by the Berkeley-Charleston-Dorchester Council of Governments, with additional support from partner agencies.

Regional prosperity is linked to an area's ability to prevent, withstand, and quickly recover from major impacts to its economy. As diverse and dynamic as the Berkeley-Charleston-Dorchester region is, our economy was not immune to the impacts of COVID-19. As our people and businesses continue to recover, our region needs a robust, proactive, and actionable roadmap to economic prosperity, stability, and equitable opportunities for all.

ECONOMIC RECOVERY VARIES ACROSS THE REGION

The pandemic exposed economic risks few could have predicted at the start of 2020. In the immediate months following March 2020, employment disruptions severely impacted families living paycheck to paycheck. Unemployment spiked as industries closed their doors. Businesses grappled with how to implement new social distancing best practices. And we all got more familiar with our homes.

In the nearly 2-years following, ongoing questions linger. Labor force participation is at a 10-year low nationally. Global supply chain disruptions and shifting consumer preferences plague manufacturers. And a virus that refuses to wane continues to impact the tourism industry.

One Region Roadmap is an initiative focused on the implementation of tangible strategies to accelerate recovery from the pandemic and safeguard against future economic disruptions. In discussions with regional stakeholders, one thing is clear: the impacts of the pandemic continue to be felt differently across the region. Where some communities describe the economy as 'robust' or 'resilient,' others describe their community as 'on life support.'

WHO DOES THIS PLAN PRIORITIZE?

800,000+
PEOPLE

304,000
HOUSEHOLDS

385,100
WORKERS

20,300
BUSINESSES

27
MUNICIPALITIES

THREE
COUNTIES

ONE
REGION

HOW OUR REPRESENTATIVES DESCRIBE THE REGION TODAY:

-  POSITIVELY ADJUSTING.
-  RESILIENT.
-  MAKING IT HAPPEN.
-  VAXXED AND BACK.
-  ROBUST.
-  VIGILANT.
-  CAUTIOUSLY OPTIMISTIC.
-  HOPEFULLY IMPROVING.
-  READY FOR TAKEOFF.
-  ON LIFE SUPPORT.
-  UNSETTLED.
-  WEARY. WARY.
-  WATCHFUL.

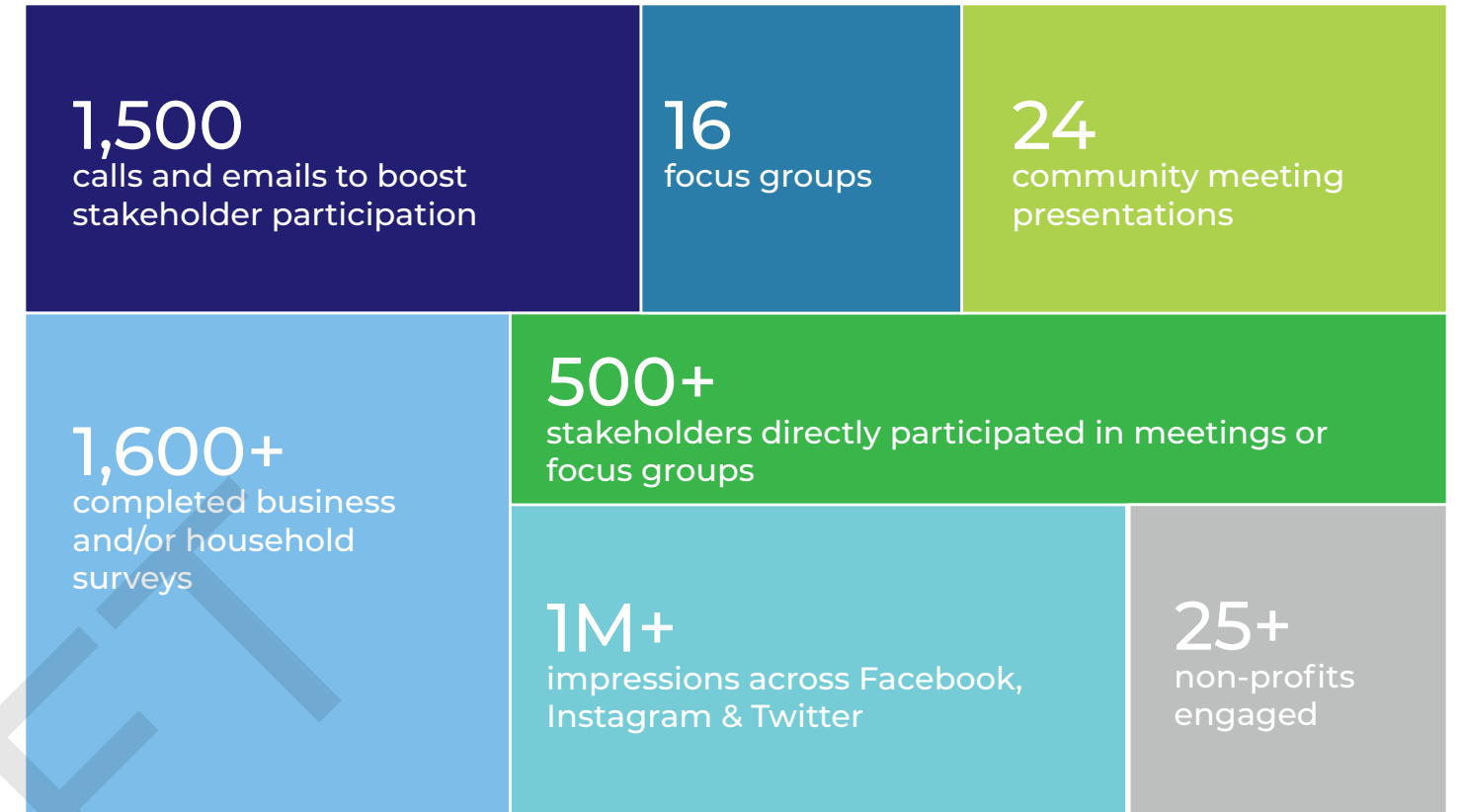
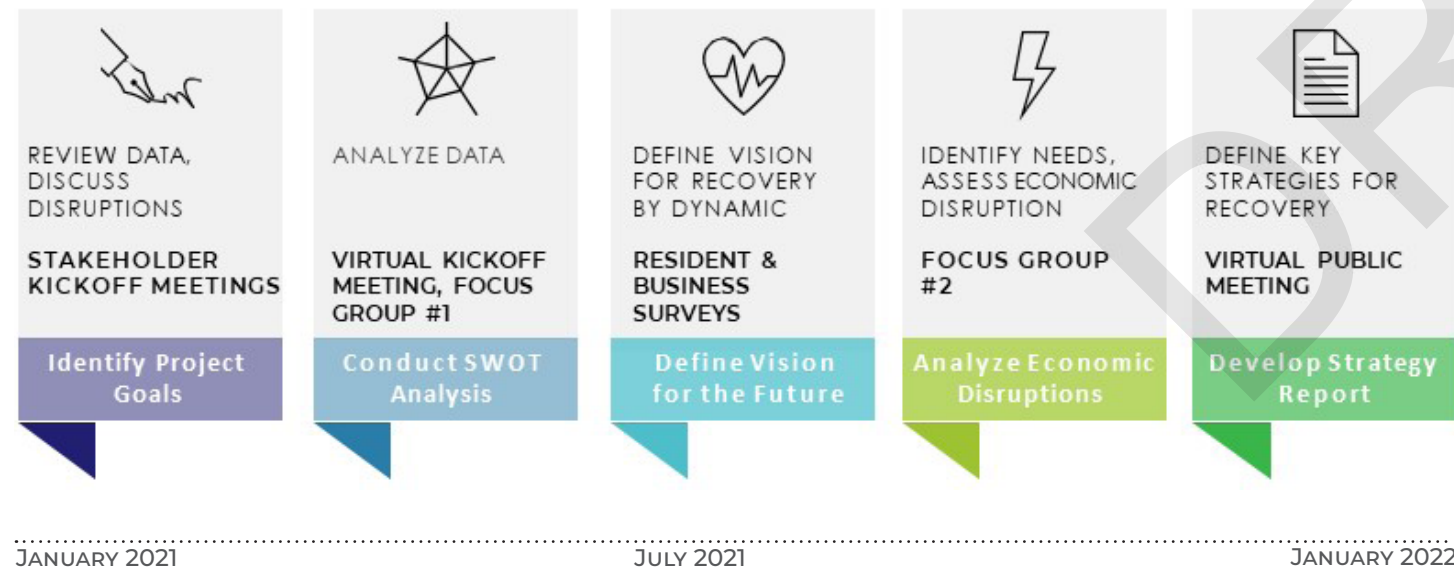
BUILDING THE ROADMAP

BALANCING ANALYSIS AND OUTREACH

One Region Roadmap is built on a combination of analysis and engagement. Our approach began with an assessment of the existing conditions and identification of current and future economic disruptions. Quantitative analysis focused on key economic clusters and topics that arose in discussions with stakeholders. Data informing the strategic plan was collected from the Census, Bureau of Labor Statistics, Household Pulse Survey tables, CoStar, Charleston Trident Association of REALTORS®, and EMSI, among other sources.

VOICES WITHIN THE PLAN

The process to identify strategic priorities for economy recovery and resiliency included multiple touchpoints with stakeholders and the community. Initial discussions with stakeholder groups – including the Council of Governments, Chambers of Commerce, Charleston Regional Development Alliance, and more – were used to discuss initial implications of the pandemic on households and businesses. A first round of focus groups followed the initial meetings. Each focus group conducted a strengths-weaknesses-opportunities-threats assessment on a specific topic area. Household and business surveys were distributed to solicit feedback from a broader audience. Surveys were distributed virtually and in-person at community centers such as libraries and churches. Following a second round of focus groups, One Region Roadmap will solicit feedback from the public again through a virtual public meeting. Throughout the entire process, representatives from One Region Roadmap have attended community meetings to raise awareness around the strategic planning process.



VISION FOR THE FUTURE

Picture a thriving economy with equitable opportunities for all to lead productive, fulfilling lives; a region where all residents, regardless of economic status, have quality housing choices, lifelong education opportunities and access to diverse well-paying careers. That's the vision of a healthy Charleston community.

One Region Roadmap is organized around 8 Regional Dynamics from the original One Region Plan. Regional dynamics are split into two categories: **Themes & Action Areas**. Equity and Economic Momentum are overarching themes interwoven throughout analysis and strategies in the plan.

Each regional dynamic along with a vision for the future in Our Region is included below:

THEMES



EQUITY

A region where all residents have equitable access to high-quality education, jobs and housing



ECONOMIC MOMENTUM

A diverse and resilient regional economy that facilitates job growth and delivers opportunities for all

ACTION AREAS



AFFORDABILITY

A region with diverse and attainable housing choices for all residents



GLOBAL FLUENCY

A globally connected region welcoming to multinational businesses and international residents and visitors



INFRASTRUCTURE

A region with modern infrastructure that contributes to a high quality of life and a competitive local economy



INNOVATION & ENTREPRENEURSHIP

A region propelled by innovation, small business growth and entrepreneurship



QUALITY OF PLACE

A region with future development which preserves character and natural environments while improving access and transportation



TALENT

A regional workforce prepared for current and future career opportunities





ECONOMIC MOMENTUM

2021 was a year of opportunity and challenge in the Charleston region. Some businesses flourished while others struggled to survive during a year of uncertainty and ongoing disruption driven by the COVID-19 pandemic. In the decade leading up to 2020, the Charleston region experienced rapid population and job growth. This growth continued through 2020, but felt different. How we work changed. Where we work changed. And for many – priorities changed. These changes will have implications for decades to come and the economy has already begun adapting to meet this new reality.

A diverse and resilient regional economy that facilitates job growth and delivers opportunities for all

THE ECONOMY IN THE CHARLESTON METRO IS DEFINED BY RESILIENCY. Following the 1995 closing of the Charleston Naval Base & Shipyard, the region charted a new course rooted in economic diversity and resiliency to guard against the substantial impact from future economic disruptions. Over the past decade, its economy has seen growth across the economic landscape: from jobs in manufacturing, to tourism and entertainment, to knowledge creation.

FOUR ECONOMIC CLUSTERS PROPEL GROWTH WITHIN THE REGION. In a decade of nearly universal job growth, four economic clusters continue to attract increasing attention as high-growth, high-opportunity, high-wage clusters: aerospace, automotive, life sciences, and information technology. Collectively, these four clusters are 'Priority Clusters' for focusing regional economic development efforts. From 2010 to 2021 – a period of widespread growth in the region – the four Priority Clusters increased from accounting for 9% of all traded cluster jobs to 15% of all traded cluster jobs. The outsized employment growth in Priority Clusters is attributable to an attractive business climate,

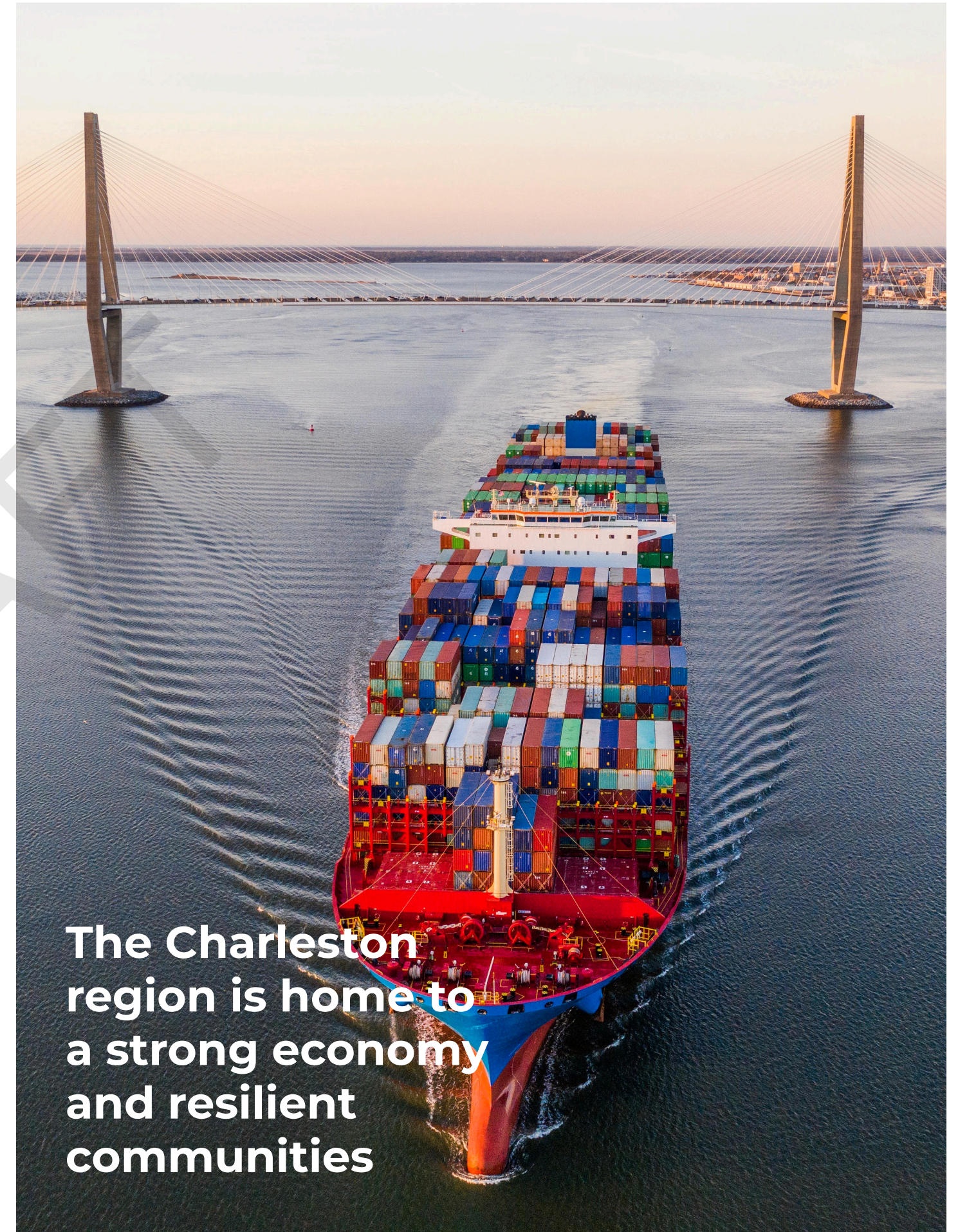
regional investments in infrastructure, and talent development and corporate partners committed to expanding the presence of each industry.

THE TALENT SHORTAGE WAS A LIMITING FACTOR FOR GROWTH PRE-COVID. From 2010-2019, regional employment grew by nearly 30%. At the end of 2019, total employment was at an all-time high of over 400,000 workers while unemployment was at an impressive low of 2.3%. A decade of growth across the economy was pivoting discussions from a focus on economic development to workforce development, attraction and retention. The low unemployment rate combined with frequent corporate expansion and relocation announcements made it increasingly evident the region could only grow as quickly as the workforce could meet awaiting employment opportunities.

COVID ACCELERATED ECONOMIC PINCH-POINTS BUT DID NOT STOP MOMENTUM. The long-term economic impact of COVID-19 remains unseen, however initial indicators suggest the Charleston region economy merely slowed – never stopped. Throughout the pandemic, the Charleston region consistently reported lower unemployment than the national average; averaging at 6.0% in 2020. As of September 2021, regional unemployment had nearly recovered at 2.9%. In responding to One Region Roadmap surveys, 42% of businesses reported they continue to slowly recover from the pandemic, while 56% already recovered, were never affected or reported growth. Companies that indicated ongoing recovery noted that labor shortages, COVID-related behavior changes, supply chain shortages and other factors continue to inhibit a full return to business as normal.

QUICK FACTS

- 1 400,000**
employees across all sectors, a 30% increase from 2010
- 2 2.9%**
regional unemployment rate in September 2021, nearly recovered to pre-COVID unemployment
- 3 \$19**
median hourly wage in the Charleston Metro in May 2020
- 4 56%**
business survey respondents have recovered, grown, or were never affected by the pandemic
- 5 22%**
household survey respondents report 2021 income earnings will be lower due to COVID

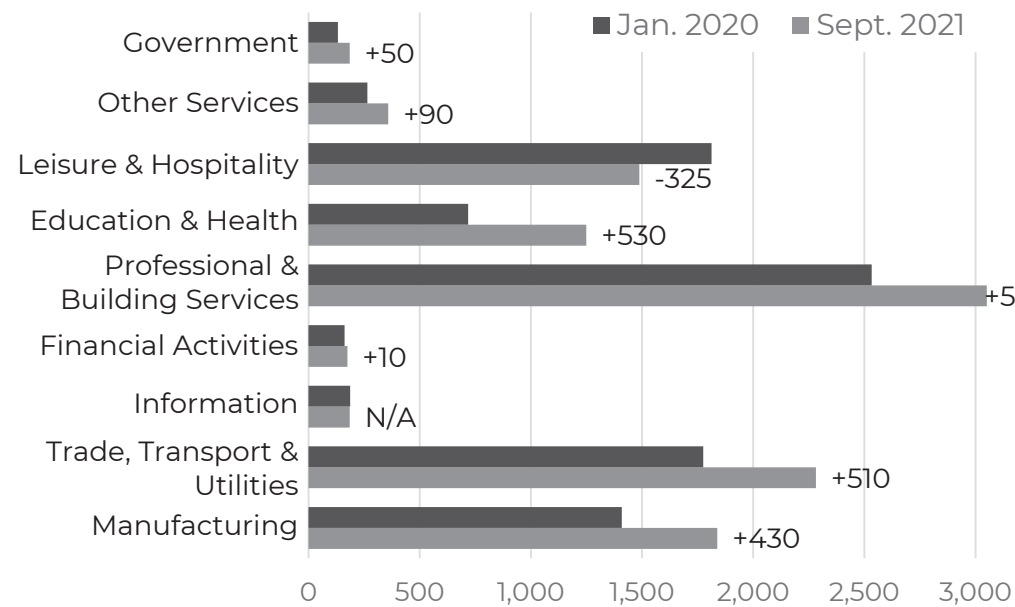


The Charleston region is home to a strong economy and resilient communities

ECONOMIC RECOVERY IN THE CHARLESTON REGION HAS OUTPACED THE NATION

Unemployment in the Charleston region is regularly below the national average. Throughout the pandemic, the region regularly outperformed the national rate of recovery (e.g., 2.9% September 2021 unemployment rate compared to 4.8% nationally). Current unemployment is highest in Professional & Business Services sectors. Sectors including Professional & Business Services, Education & Health Services, and Trade, Transportation & Utilities reported the greatest increase in unemployment counts from January 2020 to September 2021.

PRE-PANDEMIC AND CURRENT UNEMPLOYMENT BY SECTOR



2.9%
Charleston Region
September
Unemployment Rate

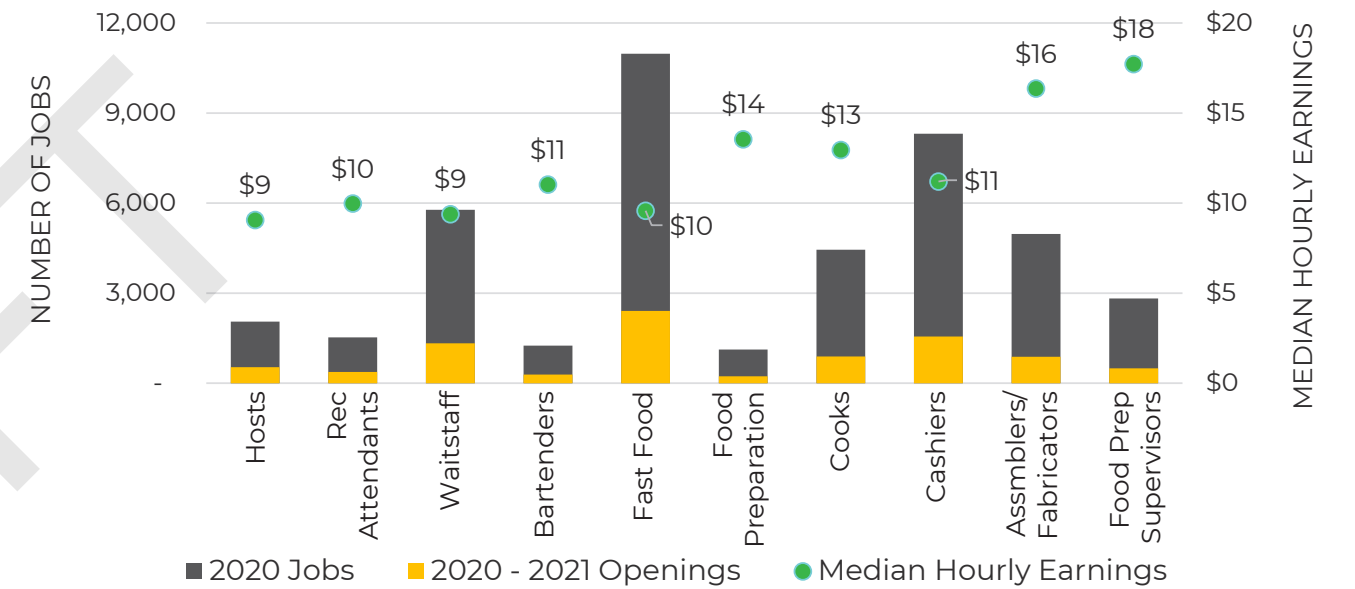
4.8%
National
September
Unemployment Rate

Sources: BLS, EMSI, SB Friedman

A QUICK RECOVERY HAS LED TO LABOR MARKET SHORTAGES; INCREASING FOCUS ON WAGES

While reported unemployment remains high for workers within retail and service industries, so do the job postings. High employment occupations – those with more than 1,000 jobs in the region – that have the highest number of job openings are all within service and retail sectors. The majority of these high-turnover positions also report earnings below the median hourly wage of \$19 per hour.

WAGES IN OCCUPATIONS WITH THE MOST JOB POSTINGS



Sources: BLS, EMSI, SB Friedman



EXISTING ECONOMIC COMPOSITION: TRADED CLUSTERS

The region has a diverse economy. Economic growth is often evaluated through analysis of Traded Clusters. 'Traded clusters' are groups of related industries that serve markets beyond the region within which they are located. Within the Charleston region, four clusters have been identified as 'high impact' clusters: Aerospace, Automotive, Life Sciences and Information Technology. Each of the four High Impact Clusters were selected as regional

priorities due to the higher-wage jobs offered, a multiplier impact on the economy, an existing locational advantage, or potential for tremendous growth.

Beyond the High Impact Clusters, all segments of the economy continued to excel over the past 10-years. Manufacturing clusters had the strongest performance. However knowledge creation, business services, and tourism also reported growth.

CLUSTER CATEGORIES

TRANSITIONING: Clusters that are downsizing. Jobs are declining and there is a low location quotient*

MATURE: Strong and stable clusters. There is a high location quotient but limited job growth.

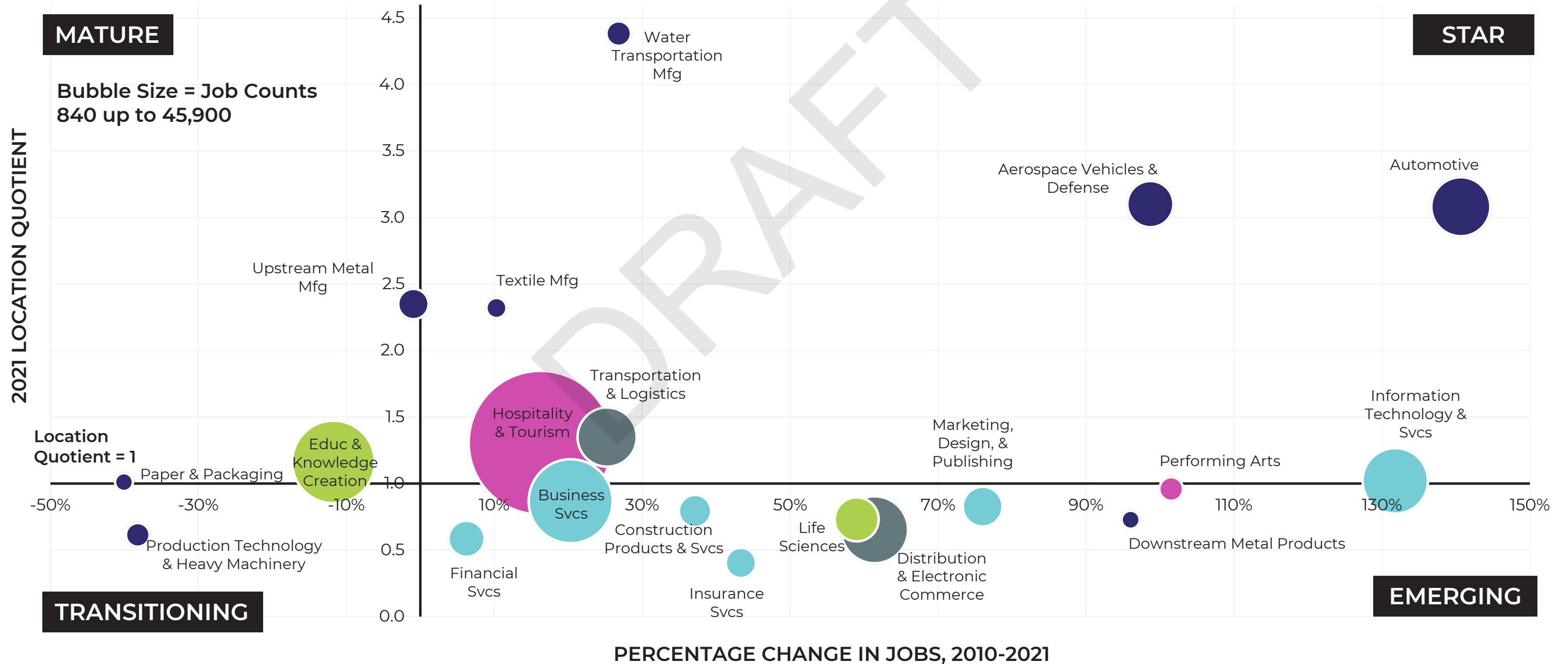
EMERGING: Clusters with strong growth but no locational advantage. These sectors could become 'Star' sectors.

STAR: Clusters with high growth and a high location quotient.

* Location quotient is a measure of a region's specialization in an industry. It measures a region's share of jobs in an industry relative to the share of jobs in that industry nationwide.

- KNOWLEDGE CREATION
- BUSINESS OR PROFESSIONAL SERVICES
- MANUFACTURING
- TOURISM & ENTERTAINMENT
- LOGISTICS

REGIONAL ECONOMIC COMPOSITION



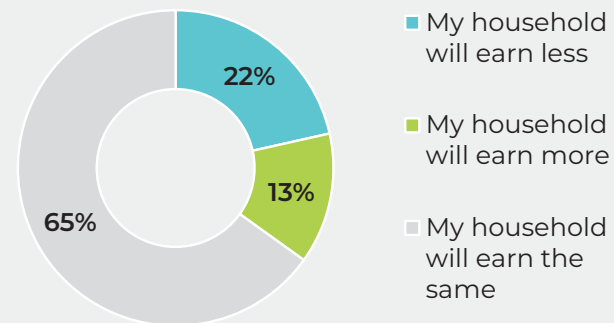
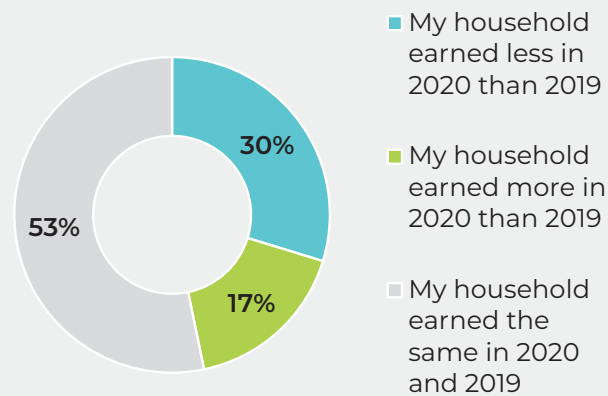
WHAT WE HEARD

Survey responses indicate that households and businesses experienced a wide range of pandemic-driven impacts. Initially, over 30% of households reported earning less in 2020 than in 2019. As of 2021, 22% of households still expected a continued decline in earnings as a result of the pandemic; however, a growing share of survey respondents indicated their incomes had returned to normal. Businesses reported similar variation. The majority of survey respondents reported their business was either continuing to slowly recover (42%) or had already recovered (32%).

How did COVID impact your 2020 household earnings? (Excluding federal stimulus payments)

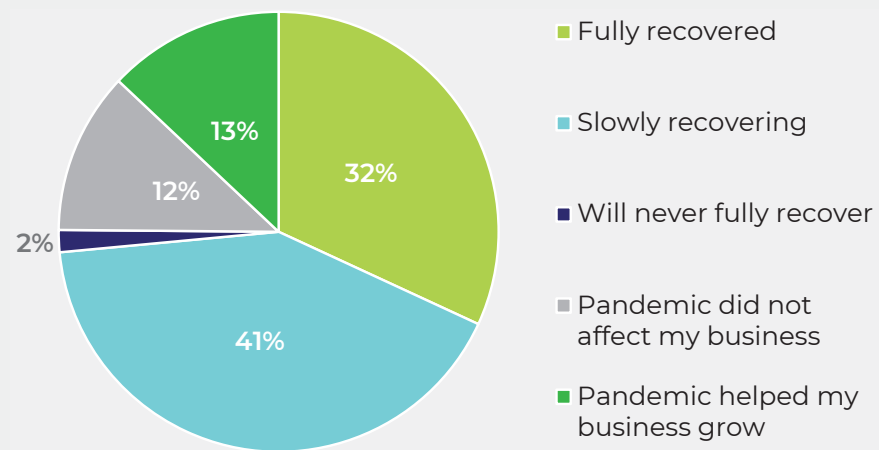
How do you expect COVID to impact your 2021 household earnings?

HOUSEHOLDS



Which statement best describes your business:

BUSINESSES



41%
OF BUSINESSES REPORTED THEY ARE SLOWLY RECOVERING

2%
OF BUSINESSES STATED THEY WILL NEVER FULLY RECOVER

57%
OF BUSINESSES REPORTED HAVING RECOVERED, NEVER BEEN AFFECTED, OR GROWN

SURVEY WRITE-IN RESPONSES FOCUSED ON AN ECONOMY THAT WORKS FOR ALL

Example survey responses:

“ Increased wages Affordable housing
Competitive, innovative, inclusive ”

ECONOMIC MOMENTUM SWOT STAKEHOLDER FEEDBACK

STRENGTHS

- ▶ Diverse business clusters
- ▶ Rich network of organizations focus on economic development
- ▶ Rich history
- ▶ Quality of place, natural beauty
- ▶ Workforce training programs through the Metro Chamber, Council of Governments and Technical College
- ▶ Growth in manufacturing
- ▶ Major infrastructure - including recent port improvements
- ▶ Quality of life

WEAKNESSES

- ▶ Stress on region's infrastructure from high growth, including traffic congestion and strain on natural environment
- ▶ Housing affordability - lack of coordinated effort to develop enough housing for all residents
- ▶ Negative attitudes towards growth, transportation, and affordable housing
- ▶ Community engagement on shared problems

OPPORTUNITIES

- ▶ Lead the state in public transit
- ▶ Vehicle electrification and supportive infrastructure
- ▶ Disruption to global manufacturing could bolster demand for local manufacturing
- ▶ Treating broadband as a utility
- ▶ Develop traditional office-oriented areas into more balanced live-work area
- ▶ Rebrand as a remote work hub

THREATS

- ▶ Flooding, natural disasters, and rising sea levels
- ▶ Remote work leading to a higher rate of population growth, unsustainable for local governments
- ▶ NIMBY (not in my backyard) attitude to development
- ▶ Balancing growth with conservation and retaining what makes the Charleston region unique
- ▶ Retention of talent across all demographics
- ▶ Inequitable growth across the region
- ▶ Lack of affordable housing for service sector



EQUITY

The Charleston region thrives when all residents regardless of race, gender or other socioeconomic characteristic receive a high-quality education, obtain living wage jobs, live in housing they can afford, maintain good health, benefit the region's economy, and enjoy the area's place-based assets. The 2019 regional population profile is 64% white, 25% Black and 11% other people of color. Currently, the region's Black residents, making up the majority of the minority population, are outpaced by white residents in the areas of educational attainment, household wealth creation, employment levels, and business ownership. Improving equitable outcomes within each metric is a key goal for the Charleston region.

A region where all residents have equitable access to high-quality education, jobs and housing.

There is both a moral charge and a strong business case for cultivating more equitable outcomes for people living in the Charleston region, particularly for Black residents. This is not news to many as there are already regional efforts underway to implement and champion Diversity, Equity, and Inclusion (DEI) strategies within the private, public and non-profit sectors. Despite these efforts, gaps remain in establishing a shared understanding of key equity issues, tracking and reporting equity metrics, and enhancing coordination across different sectors. Additionally, COVID-related shocks disproportionately impacted socially vulnerable populations across the region, due to underlying levels of poverty, lack of broadband access, employment in service sector jobs, and high housing cost burden.

A LARGE GAP IN EDUCATIONAL ATTAINMENT EXISTS BETWEEN WHITE AND BLACK RESIDENTS IN THE REGION. 47.5% of white residents in the region have a bachelor's degree or higher, versus 20% of Black residents who have obtained a four-year degree (2019, US Census). This gap challenges

efforts to strengthen the regional workforce and puts less-educated job seekers at a disadvantage when competing for the region's well-paying jobs.

INCOME LEVELS FOR MINORITY HOUSEHOLDS LAG BEHIND NON-MINORITY HOUSEHOLDS. Even when education levels are held equal, there is a persistent wealth gap between Black and Latinx Americans and white Americans. The COVID pandemic shone a spotlight on this gap as low-income, lower-earning households had less savings to offset pandemic-driven job and income losses.

LOCAL BUSINESS OWNERSHIP IN THE REGION REMAINS PREDOMINANTLY WHITE. 82% of business owners identify as white or non-minority (2017 US Census, American Business Survey). Female- and minority-owned businesses were also hit particularly hard by the impacts of COVID, exacerbating existing disparities in business ownership. Many impacted Black- and Latinx-owned enterprises and businesses also reported difficulty accessing federal relief funds, like the Paycheck Protection Program, compounding business losses and closures in Black and Brown communities.

QUICK FACTS

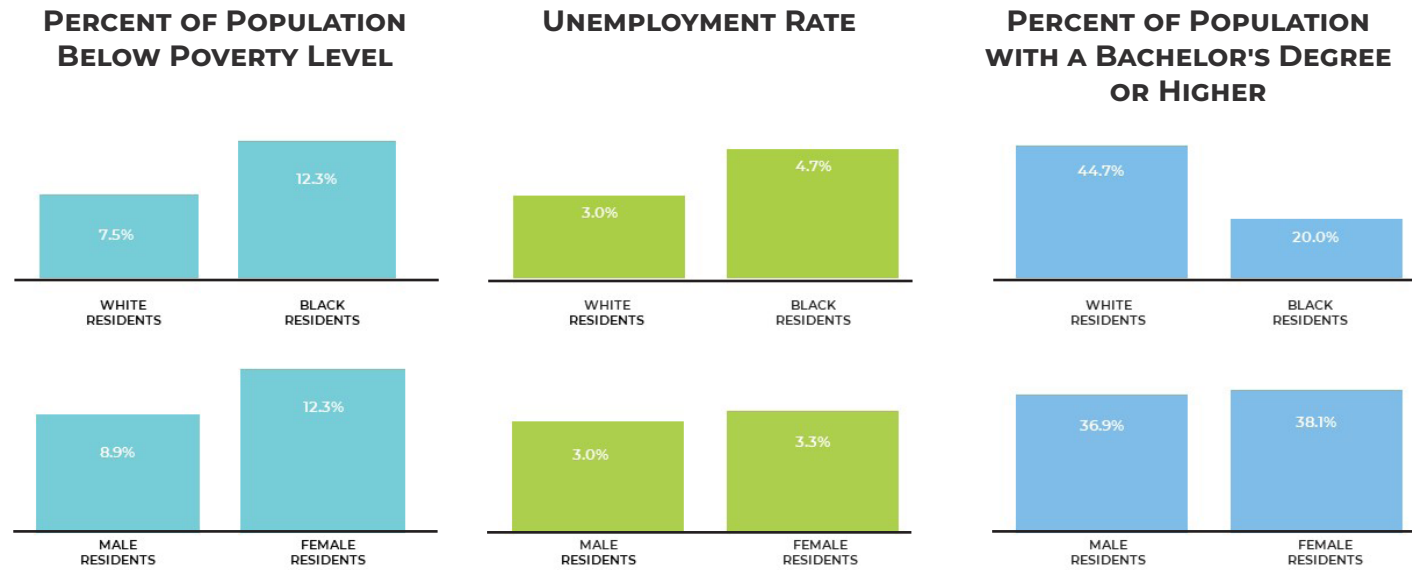
- 1 28%** minority residents live in Census tracts with a high social vulnerability index
- 2 2x** Black residents are twice as likely to live below the Poverty Level
- 3 1.6x** unemployment for Black residents was 1.6x greater than white residents in 2019
- 4 19%** decrease in low wage jobs in Charleston County in August 2021 compared to January 2020



Equity is one of five critical components to achieving a 'Healthy Charleston' region

CHARLESTON REGION ECONOMIC OUTCOMES BY RACE AND SEX

Economic outcomes vary for different demographic groups in the Charleston region, including between Black and white residents and male and female residents. Both Black residents and women report a higher percentage of the population below the respective White and male counterparts. Unemployment is over 50% higher for Black residents than white.

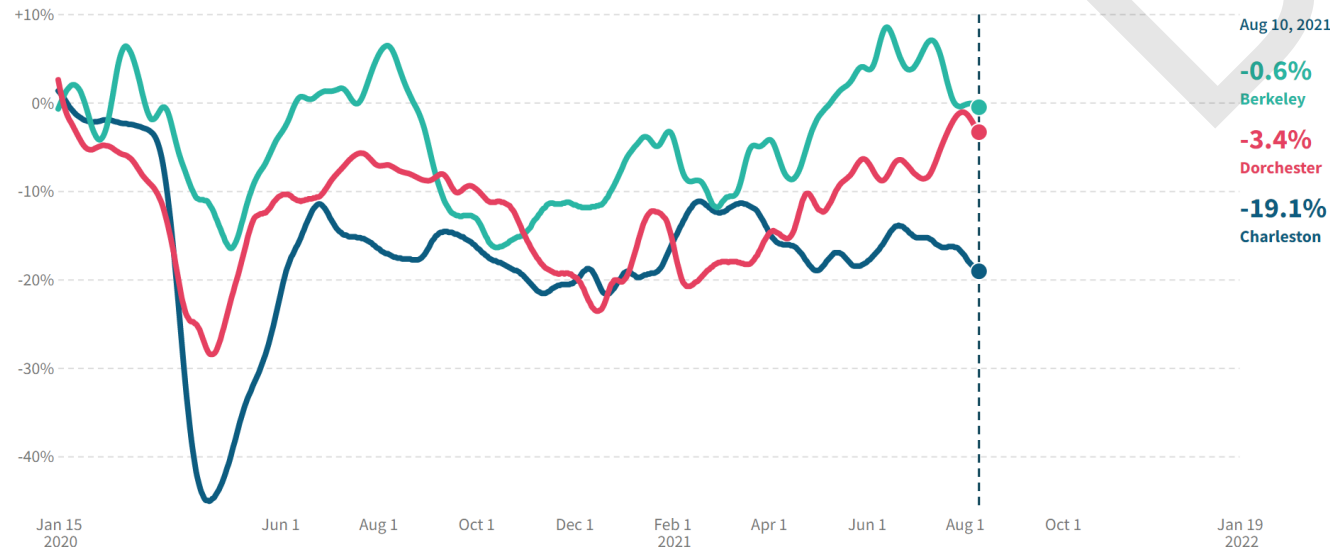


Source: American Community Survey, Census 2019, SB Friedman

INEQUITABLE JOB AND INCOME LOSSES

Employment disruptions throughout the pandemic have been felt most acutely by workers earning the lowest wages. Employment for lower-wage jobs declined by over 40% at the height of the pandemic in Charleston County. Berkeley and Dorchester counties were similarly impacted, with reductions of 12% and 28% respectively in April 2020. Despite overall employment exceeding pre-pandemic levels in all counties in August 2021, low-wage employment data still shows substantial declines. Some of the employment decline is attributable to employees choosing to exit the workforce or opt pursue higher-paying positions rather than return to low-wage work.

PERCENT CHANGE IN REGIONAL LOW WAGE JOBS⁽¹⁾ BY COUNTY, COMPARED TO JAN. 2020



⁽¹⁾ Low wage jobs defined as <\$27K/Year. Change in employment not seasonally adjusted, indexed to January 4-31, 2020. Sources: U.S. Census American Community Survey 1-Year Estimates, Opportunity Insights, Quarterly Census of Employment and Wages, SB Friedman

PANDEMIC IMPACTS MAY BE MORE SEVERE FOR SOCIALLY VULNERABLE POPULATIONS

Social vulnerability refers to the potential negative effects on communities caused by external stresses on human health. Reducing social vulnerability supports healthier communities and mitigates against economic loss. The Social Vulnerability Index is a composite of metrics within four themes:

- ▶ Socioeconomic status
- ▶ Household composition
- ▶ Race, ethnicity, language
- ▶ Housing and transportation

Within the Charleston Region, census tracts with a low social vulnerability index form a ring around higher-employment centers. High social vulnerability census tracts are generally located along the I-26 corridor and on the periphery of the region in more rural zones with lower access to jobs and transportation.

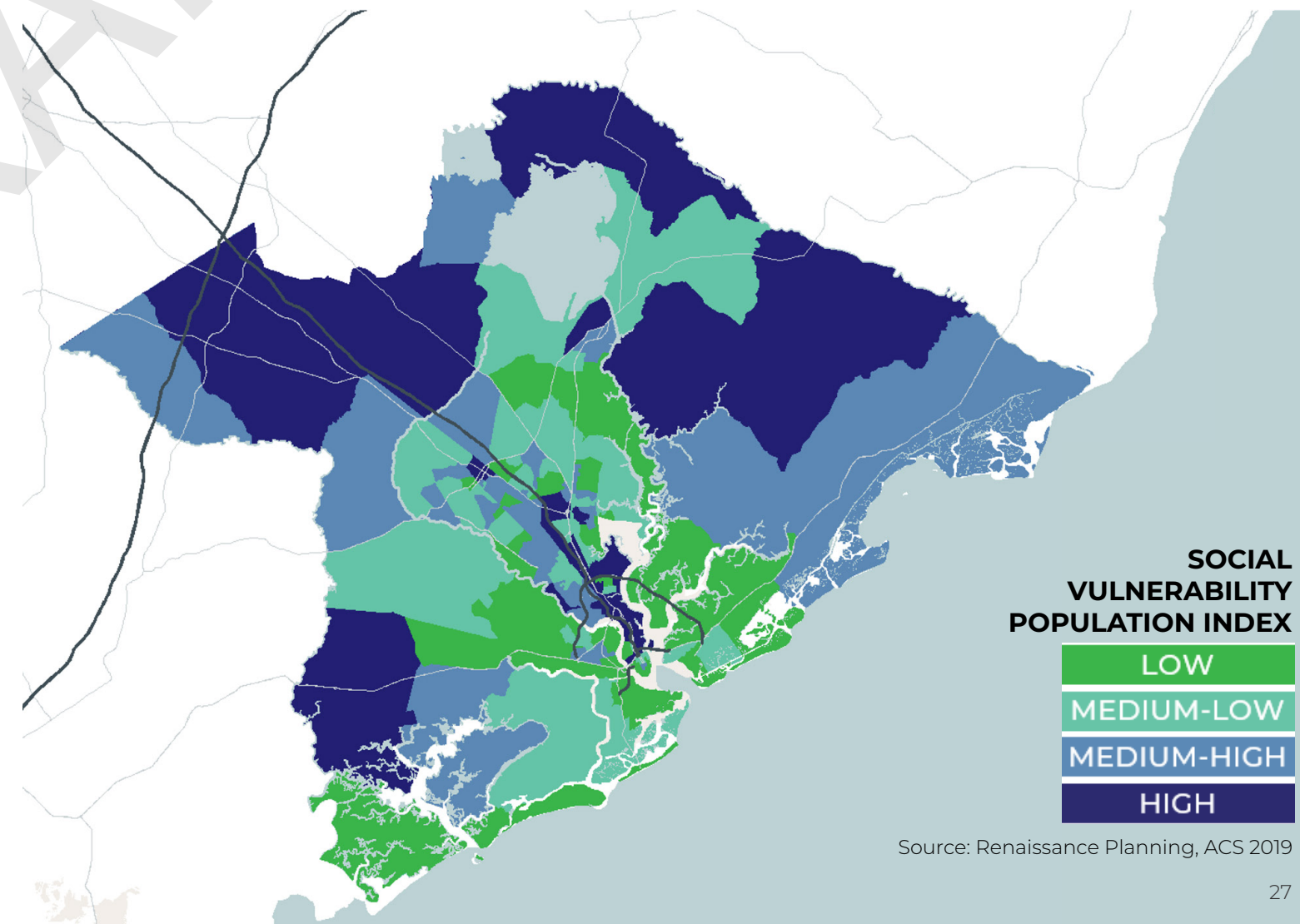
Minority residents are nearly twice as likely to live in high social vulnerability census tracts than non-minority residents. Overall, 19% of residents live in high-vulnerability tracts, 28% of all minority residents.

19%

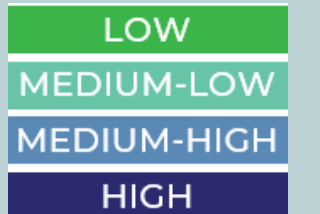
RESIDENTS LIVE IN HIGH-VULNERABILITY TRACTS

28%

MINORITY RESIDENTS LIVE IN HIGH-VULNERABILITY TRACTS



SOCIAL VULNERABILITY POPULATION INDEX



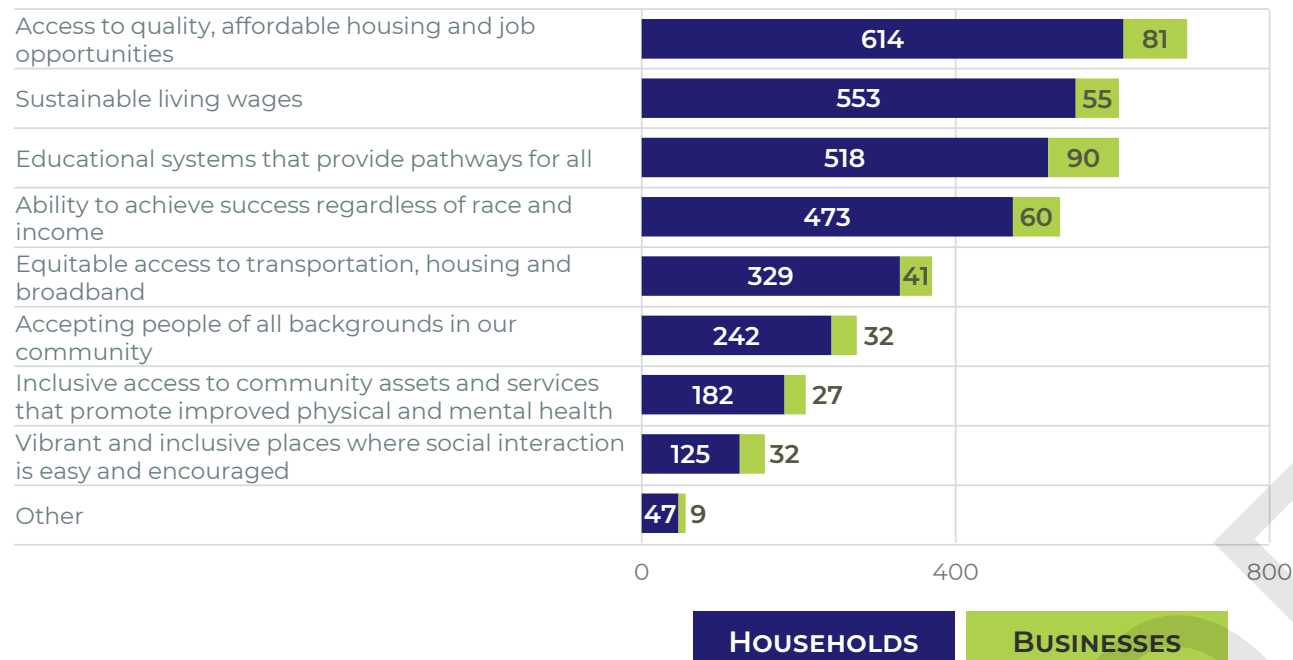
Source: Renaissance Planning, ACS 2019

WHAT WE HEARD

Survey feedback from both household and business respondents emphasized the desire for an equitable economic recovery. When asked to select essential components to a healthy Charleston from a defined list, respondents prioritized equity, affordable housing, access to jobs, educational systems and sustainable wages. Similar themes rose to the top in write-in responses. The terms 'affordable,' 'housing,' 'education,' and 'inclusive' were in the top five most frequent responses for both households and businesses when asked "what words, concepts or phrases would you use to describe a 'Healthy Charleston?'".

EQUITY, HOUSING, JOBS, EDUCATION AND WAGES ESSENTIAL TO SURVEY RESPONDENTS.

Which of the following components do you see as essential to achieving a 'Healthy Charleston?' (select your top three)



BUSINESSES AND HOUSEHOLDS AGREE ON DESCRIPTION OF A HEALTHY CHARLESTON.

What three words, concepts or phrases would you use to describe a "Healthy Charleston" region from your perspective?



EQUITY SWOT STAKEHOLDER FEEDBACK

STRENGTHS

- Regional economic growth, including growth in women-owned and small businesses
- Collaboration between public entities to increase internet accessibility
- Donor community is supportive of nonprofits
- Training programs available through Trident Technical College
- Local talent and existing organizations

WEAKNESSES

- Lack of small business resources, especially for startups and minority and women entrepreneurs
- Pandemic presented challenges: small businesses struggled to process PPP Loans, small business owners used personal funds to keep businesses afloat
- Jobs to housing are not in balance in many areas across the region
- Limited resource availability
- Lack of partnerships between institutions and financial organizations
- Pandemic reduced availability of education and technical training opportunities

OPPORTUNITIES

- Relationship building between businesses, lenders, nonprofits, education/training institutions, government
- Initiatives to expand broadband access; leverage federal programs focused on rural broadband
- Build on collaborations built during the pandemic
- Engage political leadership
- Provide resources to non-profits offering training services in rural areas

THREATS

- Displacement and gentrification driven by economic prosperity
- Lack of affordable housing
- Enrollment in education/training programs is declining despite significant job demand
- Uneven economic recovery across region
- Increase in homelessness
- Nonprofits closing their doors
- Lack of capital and access to resources for minority and women-owned businesses
- Stagnant infrastructure
- Decrease in youth programming



AFFORDABILITY

Especially in the past 18-months, our homes are where we spend the majority of time and where we feel most safe. Housing attainability is indisputably a top priority in the region – housing is the single greatest expenditure for nearly all households. Housing is particularly critical because of the ripple effects housing choice has on so many other facets of life: where our children go to school, where we work, where we shop, how much we shop. A decade of population growth in the region has strained the housing market and was driving up housing prices pre-pandemic. Over the past year, the ongoing surge in new households combined with individual income losses and financial uncertainty renewed the sense of urgency around the need to meaningfully address housing attainability.

A region with diverse and attainable housing choices for all residents.

Housing attainability is a critical component to quality of life for our residents and economic competitiveness for our businesses.

AFFORDABILITY WAS A TOP PRIORITY IN THE TRI-COUNTY PRIOR TO THE PANDEMIC AND CONTINUES TO BE ONE OF THE MOST PRESSING CHALLENGES FACING THE REGION.

From 2010 to 2020, the overall population in the Charleston region increased by over 130,000 people, and now exceeds 800,000. This period of population growth was paired with a decade of declining affordability, particularly for renters. Housing cost burden is a useful metric to understand housing affordability, indicative of a household who spends more than 30% of their income on housing annually. From 2010 to 2019, the number of renters who reported being cost burdened increased by about 7,000 households, an 18% increase. Lower-income households have a substantially higher likelihood to be housing cost burdened: 7 out of every 10 households earning less than \$35k annually report housing cost burden.

THE COVID-19 PANDEMIC COMPOUNDED THE EXISTING HOUSING AFFORDABILITY CRISIS. For households living paycheck-to-paycheck and already housing cost burdened, COVID-19 employment disruptions

continue to be a tremendous challenge. Preliminary data on deployment of emergency rental assistance funds available to Charleston and Berkeley county residents indicate that over 2,500 households have received assistance to cover late rent payments resulting from the pandemic, collectively receiving over \$13 million in assistance. Despite the assistance, 30% of South Carolina residents late on rental payments indicated they are at least 'somewhat likely' to be evicted on an October Census Pulse Survey. Due to rental assistance and eviction moratoriums, evictions still remain below pre-pandemic monthly averages. However, temporary federal COVID relief programs are beginning to lapse, and housing affordability is a lingering concern.

HOUSING ATTAINABILITY HAS REPERCUSSIONS ON THE BROADER ECONOMY. Housing affordability is a constraining factor for both existing residents and potential newcomers. Over 30% of existing resident respondents indicated they disagree with the notion they 'can afford to live in the type of home and location' they prefer on surveys. Countless previously affordable neighborhoods throughout the region have experienced substantial price changes in recent years as the influx of residents continues. Businesses also echo concerns over housing affordability – over 60% indicating on surveys that housing prices negatively affect their ability to attract new hires. A fundamental aspect to daily life, it is evident that declining housing attainability is top-of-mind for all.

QUICK FACTS

- 1 89,600**
estimated households experiencing housing cost burden in 2019; (30% of Charleston region)
- 2 \$13.0 MILLION**
emergency rental assistance granted to 2,500 households within Charleston and Berkeley counties
- 3 +17%**
Increase in median home sale price from January to September 2021
- 4 32%**
household survey respondents report they cannot afford to live in their preferred housing
- 5 62%**
business survey respondents report affordability negatively impacts their ability to attract new hires

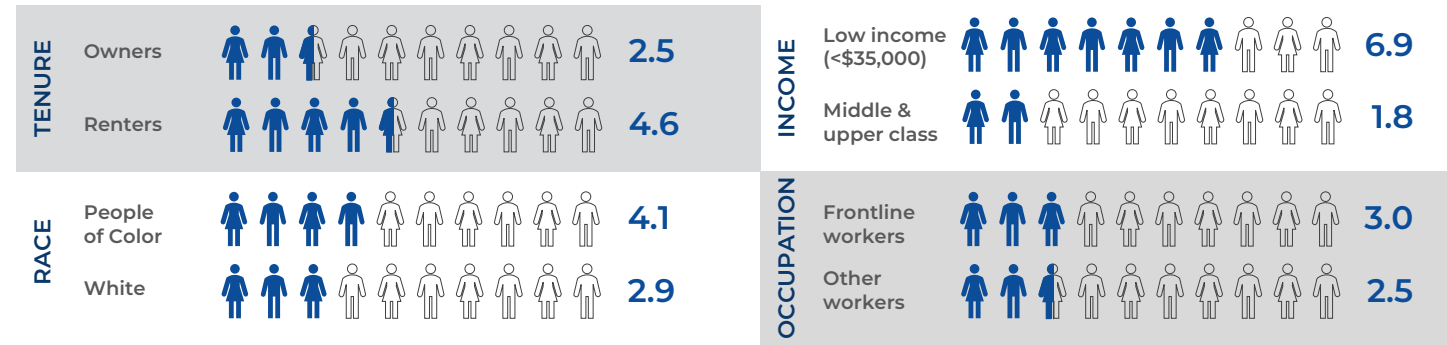


Housing attainability is a top priority in the Charleston region

HOUSING COSTS IMPACT SOME RESIDENTS MORE THAN OTHERS

Overall, the number of cost burdened households in the Charleston region increased by 10,000 households in the past 10-years. Households experience housing affordability differently. Renters, low income, people of color, and frontline workers are disproportionately likely to experience housing cost burden.

COST-BURDENED HOUSEHOLDS FOR EVERY 10 HOUSEHOLDS IN THE CHARLESTON REGION (2019)



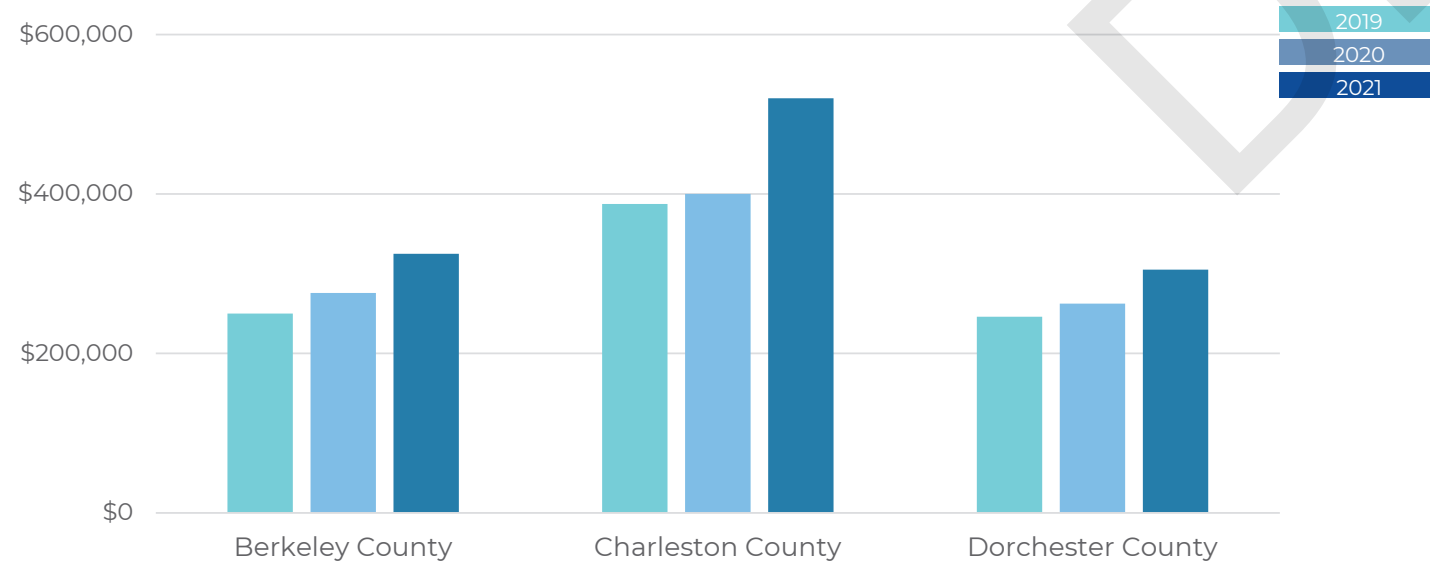
Sources: US Census ACS 2018 5-Year Estimates, SB Friedman

SINGLE-FAMILY HOME PRICES HAVE INCREASED SHARPLY

Single family home prices have increased across the region. In a year-over-year comparison of sales in August 2019, 2020, and 2021 all three counties reported over a 25% increase in the median sale price.

In 2021 alone, the median sale price increased 17% from January through September. The Charleston Trident Association of REALTORS® reported a 52% year-to-date decline in homes listed as active for sale. Limited supply during a period of rapid population growth continues to impact pricing regionwide.

MEDIAN SINGLE-FAMILY HOME SALE PRICE

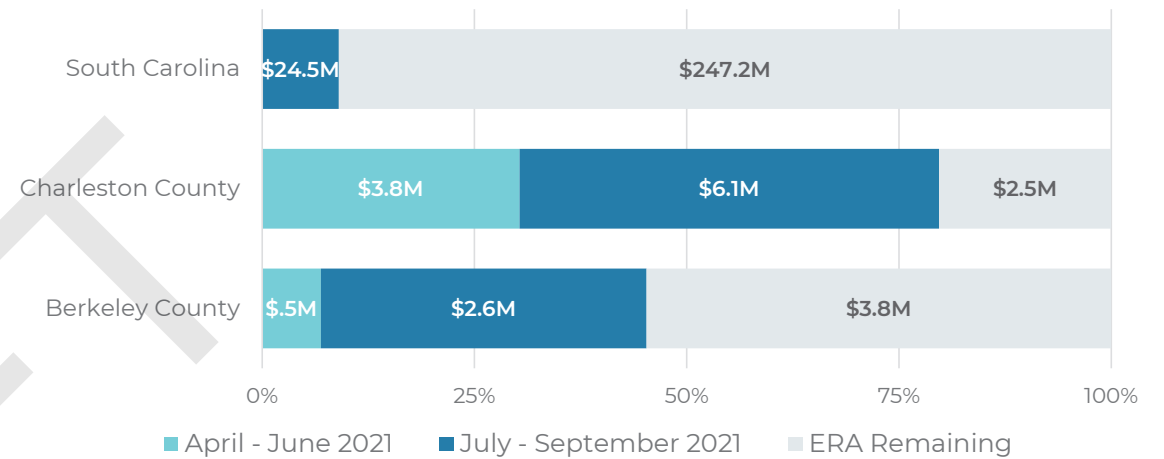


Sources: Charleston Trident Association of REALTORS®, SB Friedman

EMERGENCY RENTAL ASSISTANCE PROGRAMS VITAL TO HOUSEHOLDS HARD-HIT BY THE PANDEMIC

Charleston and Berkeley counties received a collective \$19.3M in direct emergency rental assistance funds through the Department of Treasury. Through September 31, 2021, \$13.0M were distributed to over 2,500 households across the region. Dorchester County did not receive a direct allocation of ERA funds, however residents are eligible for state funding through SC Housing.

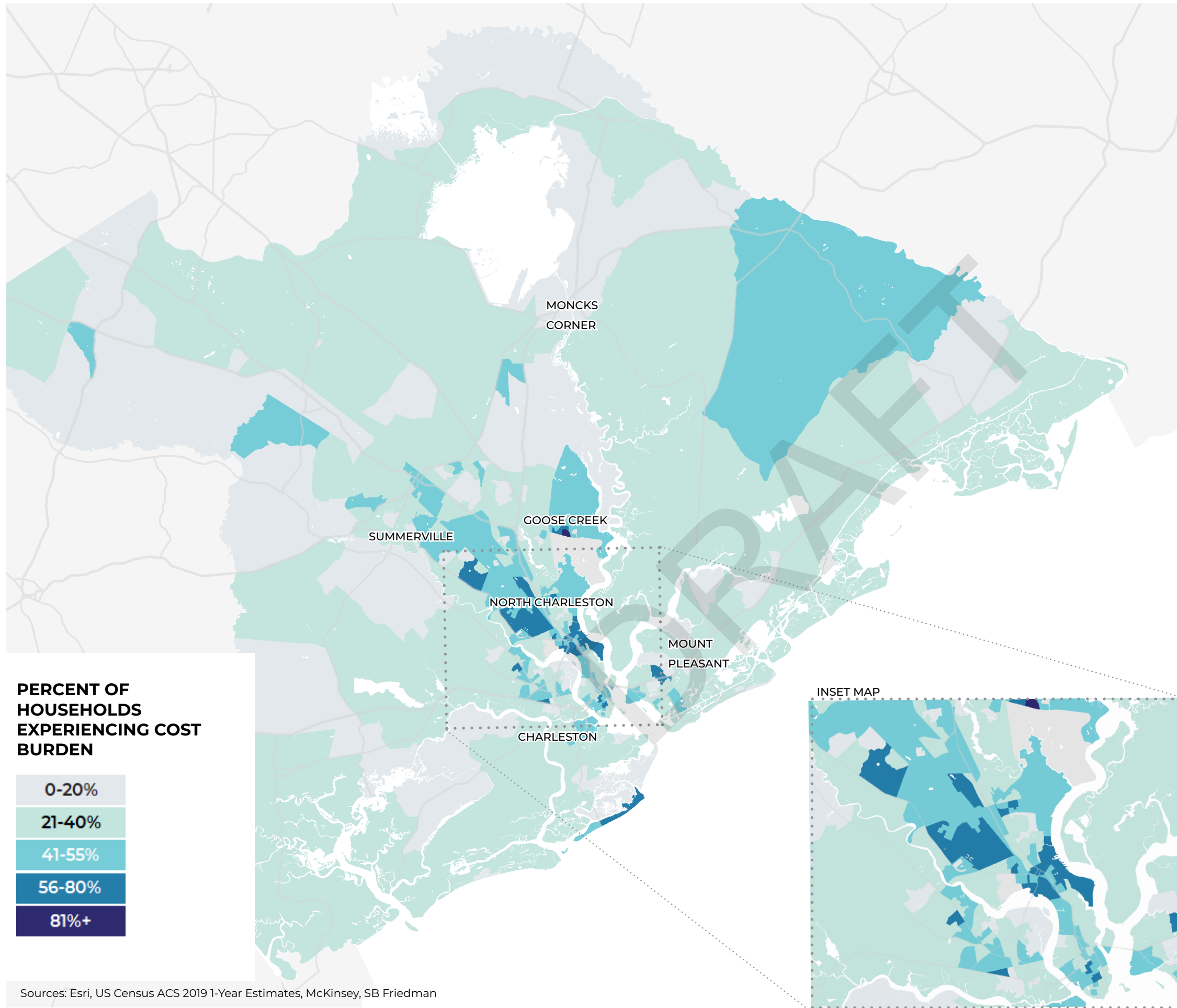
HOUSEHOLD EMERGENCY RENTAL ASSISTANCE (ERA) THROUGH SEPTEMBER 2021



Note: Dorchester County did not receive a direct allocation of Emergency Rental Assistance funds. Dorchester County residents are eligible to request assistance through the state.

Sources: Department of Treasury, SB Friedman

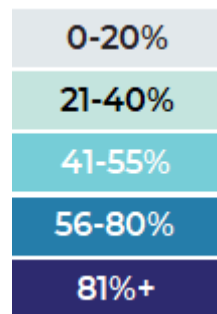




HOUSEHOLDS ACROSS THE REGION GRAPPLE WITH HOUSING COST BURDEN

Housing cost burden is a product of both high costs and economic marginalization. Areas with high Housing cost burden is highest near the urban core where demand for housing has driven up prices for long-standing residents and newcomers alike. Very few communities across the region don't report a high percentage (20%+) of households reporting cost burden. In certain neighborhoods, there has been a substantial increase in housing cost over the past decade as traffic worsened and there became an increased desire to live closer to job centers in highly walkable neighborhoods.

PERCENT OF HOUSEHOLDS EXPERIENCING COST BURDEN



89,600
REGIONAL HOUSEHOLDS HOUSING COST-BURDENED IN 2019

21%
REGIONAL OWNER HOUSEHOLDS HOUSING COST-BURDENED

46%
REGIONAL RENTER HOUSEHOLDS HOUSING COST-BURDENED

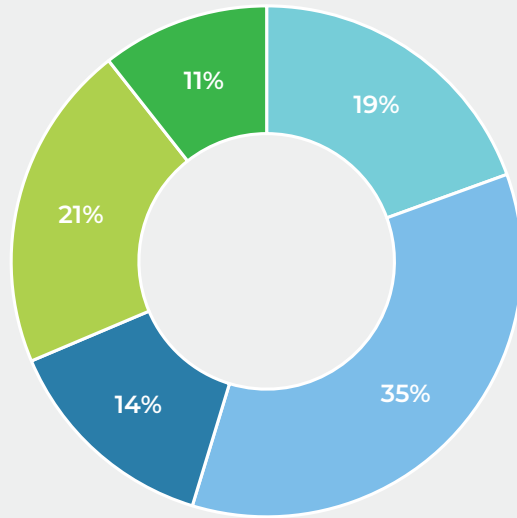
Sources: Esri, US Census ACS 2019 1-Year Estimates, McKinsey, SB Friedman

WHAT WE HEARD

Both household and business surveys indicated housing continues to be a challenge within the Tri-County. Nearly 1 in 3 household respondents indicated they cannot afford to live in their preferred housing. The housing crisis was reflected in business responses, with over 60% of respondents indicating that housing prices negatively impact their ability to attract new hires.

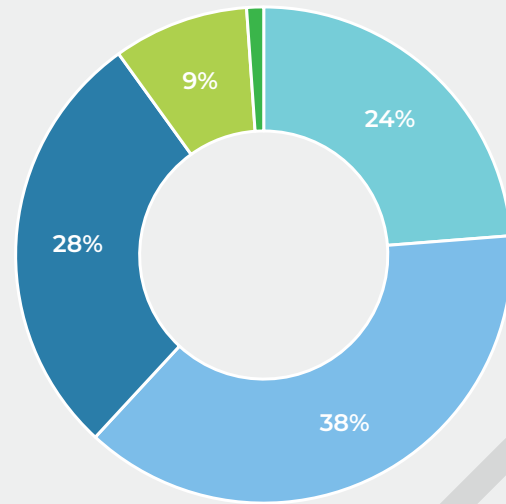
HOUSEHOLDS

How do you feel about the following statement: **"I can afford to live in the type of home and location I prefer."**



BUSINESSES

How do you feel about the following statement: **"Housing prices negatively affect my ability to attract new hires."**



STRONGLY DISAGREE

DISAGREE

NEUTRAL

AGREE

STRONGLY AGREE

SURVEY WRITE-IN RESPONSES EMPHASIZED THE NEED FOR AFFORDABLE HOUSING

Example survey responses:

We need a regional approach to affordable housing.

Much more affordable housing--and not just for the middle class

Housing is out of control.

Affordable housing please, there is low income housing or housing that is expensive. I'm a teacher, it's hard to find a place I'd like to live that I can afford.

AFFORDABILITY SWOT STAKEHOLDER FEEDBACK

STRENGTHS

- ▶ Regional collaboration and unity around the urgent need for housing
- ▶ Existing homeownership programs available through local and state providers
- ▶ Active community loan funds
- ▶ Nonprofit initiatives
- ▶ Emergency rental assistance programs

WEAKNESSES

- ▶ Lack of diverse housing options, including those which allow seniors to age in place
- ▶ Increasing land prices
- ▶ Negative public perception of affordable housing; lack of public consensus around affordable housing priorities
- ▶ Construction cost increases
- ▶ Limited local affordable housing developer expertise
- ▶ Lack of public funding sources available

OPPORTUNITIES

- ▶ Educational programs to increase awareness of affordable housing solutions
- ▶ Preserve existing naturally occurring affordable housing
- ▶ Streamline development regulations to increase overall housing inventory
- ▶ Better communication of existing affordable housing programs available to increase community awareness
- ▶ Explore use of local tax incentives (e.g., TIF, tax abatements) to build affordable housing
- ▶ Develop a shared regional approach to attainable housing

THREATS

- ▶ Rapidly growing population is far outpacing affordable housing development and decreasing affordability of existing units
- ▶ Continued supply chain disruptions and increasing inflation, rising land prices and construction costs
- ▶ Limited land for new construction housing
- ▶ Lateral housing moves due to lack of inventory increases demand for lower-cost housing



GLOBAL FLUENCY

International trade inherently connects the Charleston region to the global marketplace. As a region known for southern hospitality and small-town charm, global fluency is a focus not only around international trade. It is also about being an inclusive community well-prepared to welcome international visitors who make the region their home. The region is home to over 180 foreign-owned businesses and nearly 42,000 foreign-born residents.

Global business necessitates that high-skill international workers at these companies periodically spend time working here in the Charleston region. Additional international visitors are driven by the historic charm and educational institutions. 2020 was a year with unprecedented disruption to the global economy and travel patterns. The need to welcome global travelers, new residents and visitors alike is ever prevalent. On both an individual and economic basis, the region will always benefit from being an inclusive, welcoming place; attractive to a diverse international community.

A globally connected region welcoming to multinational businesses and international residents and visitors

The Charleston region is globally connected through the businesses and residents who call the region home. Global fluency is about ensuring there are supports and resources for our multinational businesses, neighbors and visitors.

THE INTERNATIONAL COMMUNITY IN CHARLESTON CONTINUES TO GROW. The Charleston region is home to more than 180 international companies and 41,600 residents born abroad. Businesses with foreign-owned parent companies come from 25 different countries and represent over 10% of the total business count (excluding retail). The top five countries with businesses in the region are Germany, United Kingdom, France, Japan and the Netherlands. The majority of residents born abroad were born in Latin America (46%), followed by Asia (27%) and Europe (19%). From 2010 to 2019 the regional population born abroad grew by nearly 10,000 residents. During this period the Charleston region had the fastest growing foreign-born population of all metro areas nationally.

RISK AND REWARD IN THE GLOBAL MARKETPLACE.

Global trade became increasingly complex in 2020 due to labor shortages, plant closures, supply chain disruptions, price increases and more. 18 months of continued disruptions have led to discussions around shifting the supply chain priority from designing 'just-in-time' to resilient trade networks. Focus group participants described a collaborative effort between private companies, SC Ports, SC Commerce, the CRDA and others to identify creative solutions to the ongoing production delays over the past year. Stakeholders also discussed two key mechanisms to prevent future disruptions of such a scale: (1) expand port capacity to prevent logjams and (2) onshore essential components of the supply chain to limit exposure to global risks. Given the 2021 opening of the Hugh K Leatherman Terminal, the focus regionally is on the latter.

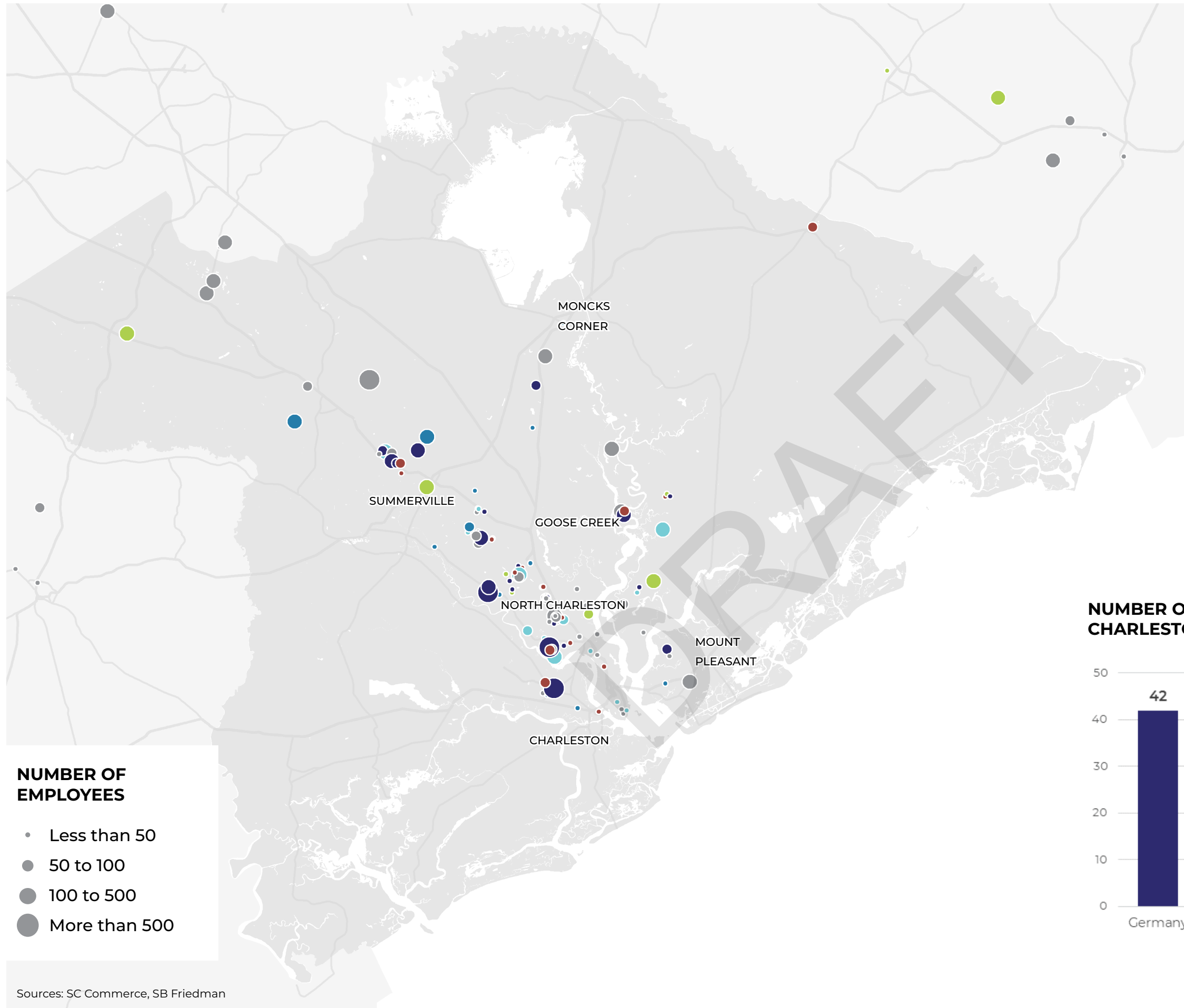
BUILDING CONNECTIONS WITHIN THE INTERNATIONAL COMMUNITY. The Charleston region is rich in history and a vibrant place for young families and retirees alike. In 2018 focus groups, international residents described their choice to move to the region, in part, as a result of Google searches revealing beautiful ocean views and charming historic neighborhoods. Despite existing initiatives to welcome new residents, stakeholders described existing gaps in the support system for welcoming new residents – particularly after the initial weeks. The past year has been especially isolating for international residents. International travel to the United States fell by 91% from March onward in 2020 compared to 2019. Providing more opportunities for international residents to build a community and local support system are especially critical in a time with limited international travel.

QUICK FACTS

- 180+** foreign-owned businesses operating in the region
- 42,000** regional residents born abroad, the largest share from Latin America or Central America
- 70%** Port of Charleston imports and exports carry cargo between the region and Asian markets
- 25%** foreign born residents entered the US in 2010 or later
- 91%** decline in international travel to the US in 2020

The Charleston Region is a global gateway



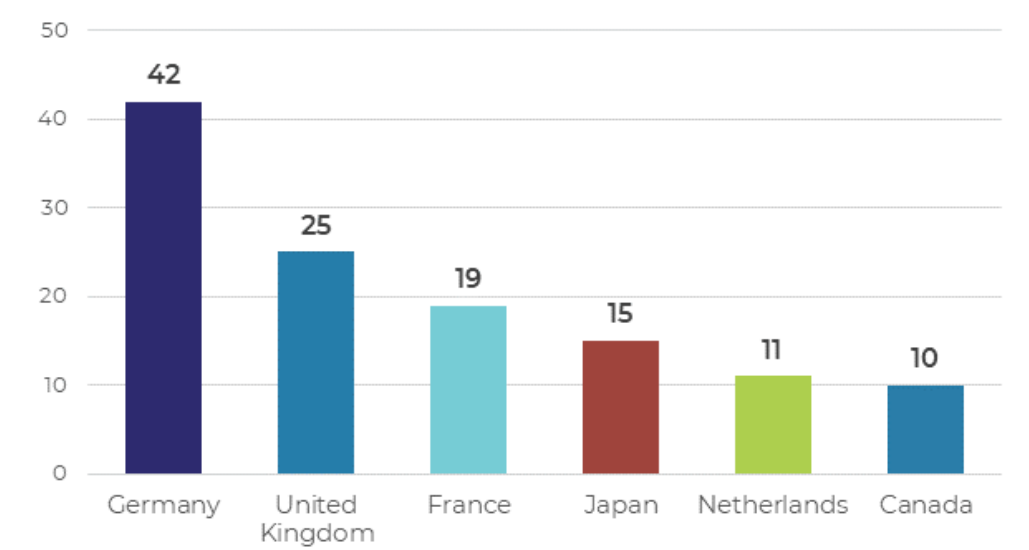


FOREIGN-OWNED COMPANIES ARE A MAJOR CONTRIBUTOR TO THE REGIONAL ECONOMY

South Carolina is home to over 1,200 foreign-owned businesses, over 180 operating in the Charleston region. Companies with a foreign parent company of origin account for over 10% of non-retail businesses in the region. The top five countries with companies represented include Germany, the United Kingdom, France, Japan and the Netherlands. Nearly half of the regions international companies are located within North Charleston.

The majority of international companies are performing manufacturing (39%) or warehousing and distribution operations (27%). Manufacturing entities work within a wide variety of industries, but predominately automotive. The majority of warehousing and distribution companies specialize in logistics.

NUMBER OF INTERNATIONAL FIRMS IN CHARLESTON REGION BY COUNTRY OF ORIGIN

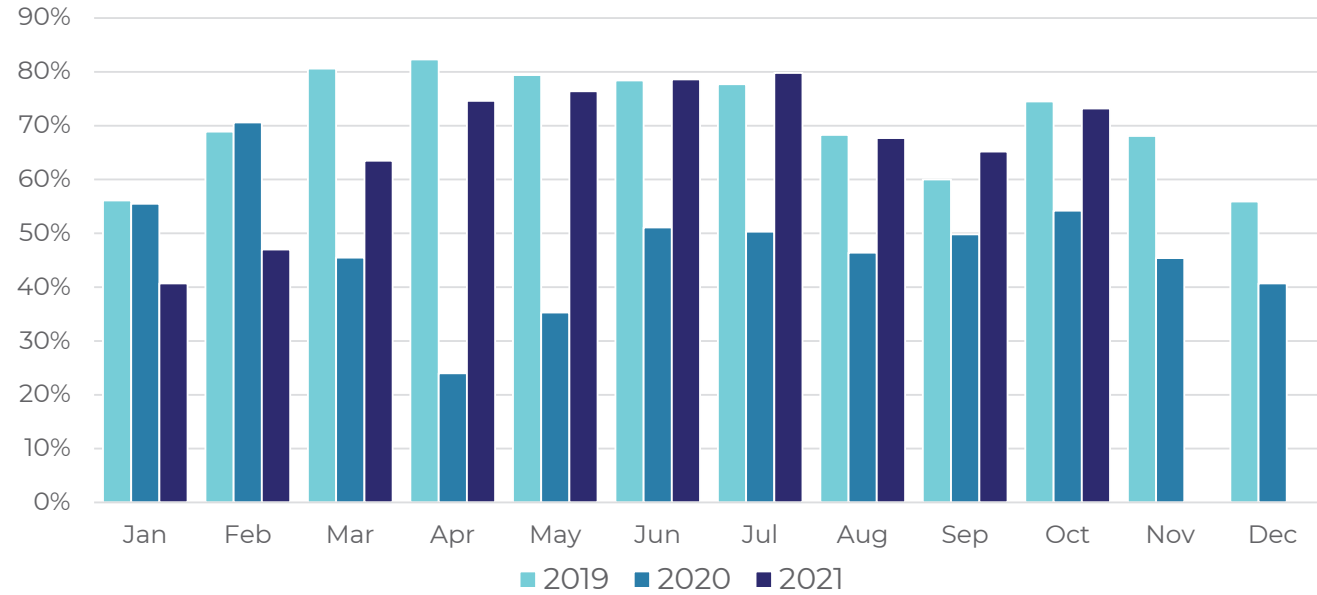


Sources: SC Commerce, SB Friedman

HOSPITALITY INDUSTRY REACHING PRE-COVID LEVELS

Prior to the pandemic, annual hotel occupancy in the Charleston region regularly ranged from 70-75% on average. The pandemic disrupted travel, resulting in unprecedented occupancy rates. In 2020, the annual average occupancy dropped below 50%. However, every month in 2021 from March onward has substantially outperformed 2020 performance. In the most recent quarter, the hospitality industry appears to have fully recovered – reporting occupancy rates and revenue per room nearly meeting or exceeding 2019 monthly averages.

HOTEL OCCUPANCY BY MONTH

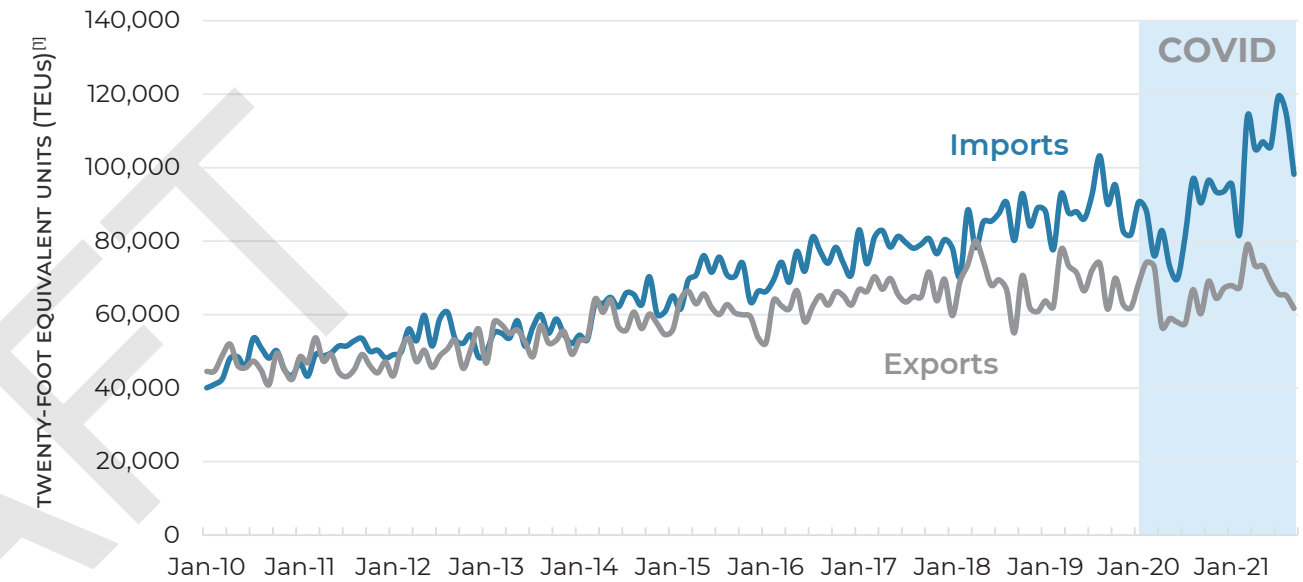


Sources: CoStar, SB Friedman

THE PANDEMIC'S EFFECT ON TRADE HAS ALTERED PORT TRAFFIC

The Port of Charleston spurs a substantial share of the economic activity within the region. According to SC Ports the fastest growing business sectors include automotive manufacturing, customer goods distribution, refrigerated/frozen exports, transloading resin & grain, and tire manufacturing & distribution. Top trade destinations for carriers at the port include northeast Asia, northern Europe, and southeast Asia. Global disruptions in the supply chain resulted in nearly six months of lower-than average port throughput. However, increased demand for products and the recent port expansion resulted in record throughput for imports in 2021.

IMPORT AND EXPORT TEU VOLUME THROUGH THE PORT OF CHARLESTON



Sources: South Carolina Ports, SB Friedman

[1] TEUs are an exact unit of measurement used to determine cargo capacity for container ships and terminals



GLOBAL FLUENCY SWOT STAKEHOLDER FEEDBACK

STRENGTHS

- ▶ Diversity of economy
- ▶ International/cosmopolitan feel
- ▶ Unique urban and southern environment that is attractive to all
- ▶ Hospitable, welcoming community
- ▶ Regional focus on resiliency and global fluency

WEAKNESSES

- ▶ Limited mass transit - majority of existing transit routes provide infrequent service
- ▶ Education system performance; equity gap in education based on zip codes
- ▶ Housing affordability; the housing cost to income ratio exceeds peer communities overseas
- ▶ Limited affordable housing close to urban centers
- ▶ Lack of international community
- ▶ Foreign language education
- ▶ High turnover in overseas employees

OPPORTUNITIES

- ▶ Build on survey of international residents to assess needs post-COVID
- ▶ Using apps and other technologies to connect people
- ▶ Provide resources to local firms to grow their businesses internationally
- ▶ Assist international students and employees in navigating different life stages as new Americans
- ▶ Advocacy around immigration reform
- ▶ Create welcome teams for international companies visiting the region
- ▶ Amplify existing programs through technology & social media

THREATS

- ▶ High cost of transportation
- ▶ Volatile immigration process/environment
- ▶ Cost of living limits ability to implement global communities concept
- ▶ Need to create a more welcoming environment where people want to stay
- ▶ Climate change; sea level rise & flooding

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INFRASTRUCTURE

A growing region has increased the burden on our infrastructure over the past decade. In the middle of a national push to modernize the nation's infrastructure including broadband, interstates, bridges and rapid transit - COVID-19 substantially changed infrastructure demand. More people than ever before are working and learning from home. Many are, at least temporarily, more apprehensive of transit alternatives. The supply chain continues to feel ripple effects from global product shortages and high demand. Shifting infrastructure needs resulting from COVID-19 are only the beginning of other changes to come - which will include vehicle electrification, automation, smart cities and more. Without the luxury of time to see how these disruptions unfold, we must focus our energy on regional cohesion and creativity to stay one step ahead of our growing economy.

A region with modern infrastructure that contributes to a high quality of life and a competitive local economy

A DECADE OF GROWTH IN TRAFFIC CONGESTION.

Sustained population growth in the Charleston region from 2010-onward is in part responsible for rising congestion. In 2019, over 80% of regional workers reported driving alone to work. Less than 5% of the workforce commuted via walking, biking or public transportation. In the absence of adopting transit and multimodal alternatives, the region's highly auto-oriented workforce saw a 7% increase in the share of commuters traveling more than 30 minutes to work daily from 2010 to 2019. To address this regional auto-dependence the region is advancing the Lowcountry Rapid Transit (LCRT).

REMOTE WORK ALLEVIATES SOME INFRASTRUCTURE PRESSURE.

At the start of the pandemic, only 6% of the workforce indicated they work from home according to 2019 Census Estimates. However, households' and businesses' work from home patterns are likely to change long-term: over 35% of both household and business survey respondents indicated their workforce could continue to work remotely at least two days a week post-pandemic.

BROADBAND A LIMITING FACTOR TO CONNECTIVITY

REGIONWIDE. The pandemic placed a spotlight on the need for in-home connectivity across the region. In 2019, 82% of regional households reported a paid subscription to broadband internet. The likelihood a household has access to high-speed internet increases as income increases: only 3% of households earning more than \$75,000 reported no internet subscription, while 34% of households earning less than \$35,000 per year reported no access. Household surveys indicated broadband affordability is also a pressing challenge, with nearly 50% of respondents indicating they have internet access but it is difficult to afford. In-home connectivity is also limited by access to computing devices. In 2019, over 8% of households reported no computing devices (desktop, tablet, smartphone) within their home. Access to reliable, affordable broadband is not only important for personal use, but for businesses. The majority of business survey respondents indicated access to broadband is a limiting factor for continuing work-from-home policies long-term.

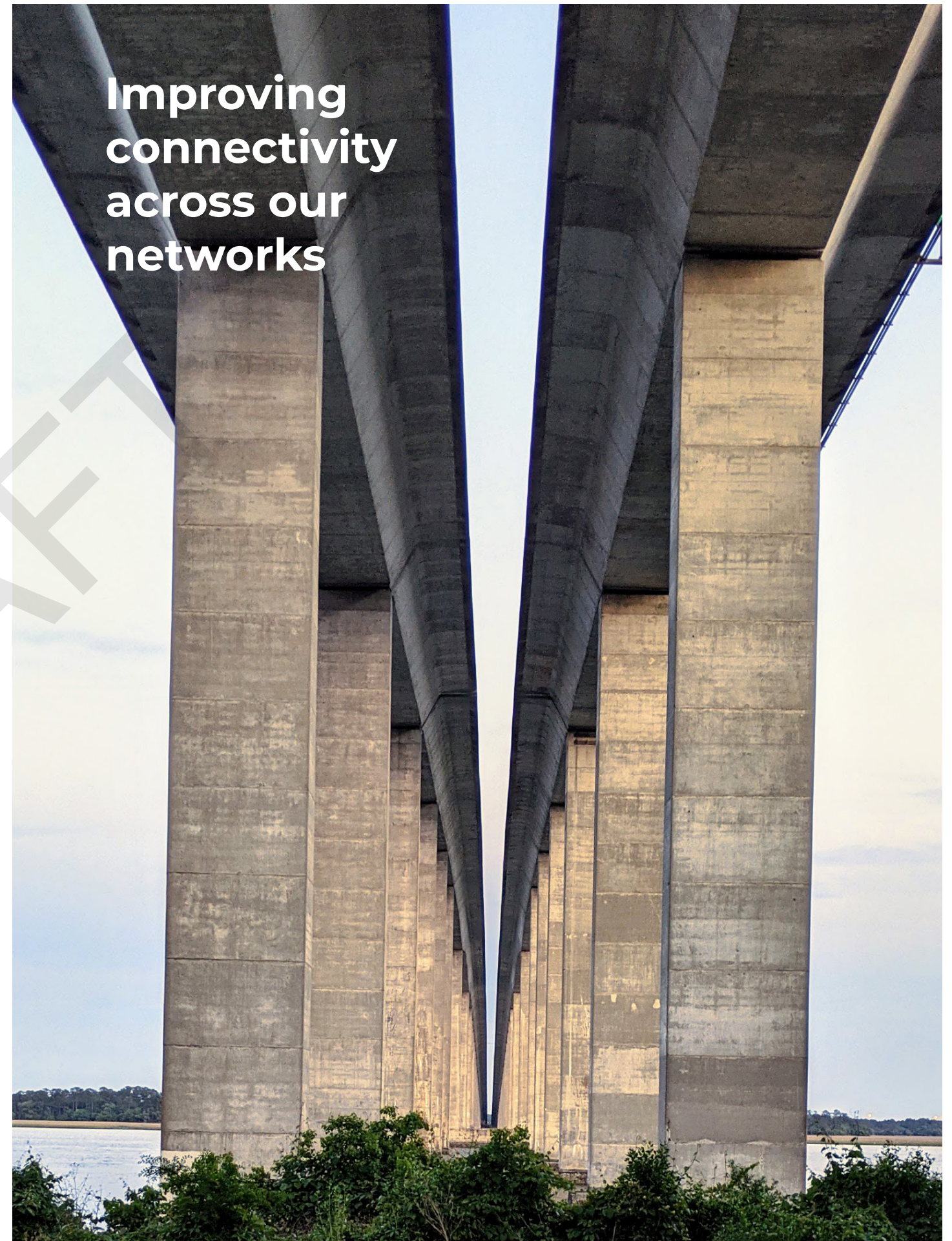
INFRASTRUCTURE NEEDS TO CONTINUE TO EVOLVE.

Technology advancements will continue to evolve infrastructure needs. In the past five years, micro-mobility transportation alternatives (e.g., electric scooters and e-bikes) have been widely adopted across the nation. These micro-mobility devices are already resulting in pinch points on infrastructure networks unprepared for multimodal use. On top of micro-mobility solutions, the automotive industry is on the brink of substantial changes to how we interface with vehicles. Vehicle electrification alone is anticipated to result in substantial new infrastructure needs: requiring both electric grid enhancements and universal charging stations.

QUICK FACTS

- 1 80%** regional workers primarily commute to work by car alone
- 2 7%** increase in the share of commuters traveling more than 30 minutes to work between 2010 and 2019
- 3 6%** regional workforce worked from home prior to the pandemic
- 4 50%** business survey respondents plan to allow some degree of remote work long-term
- 5 18%** regional households did not have paid access to broadband in 2019

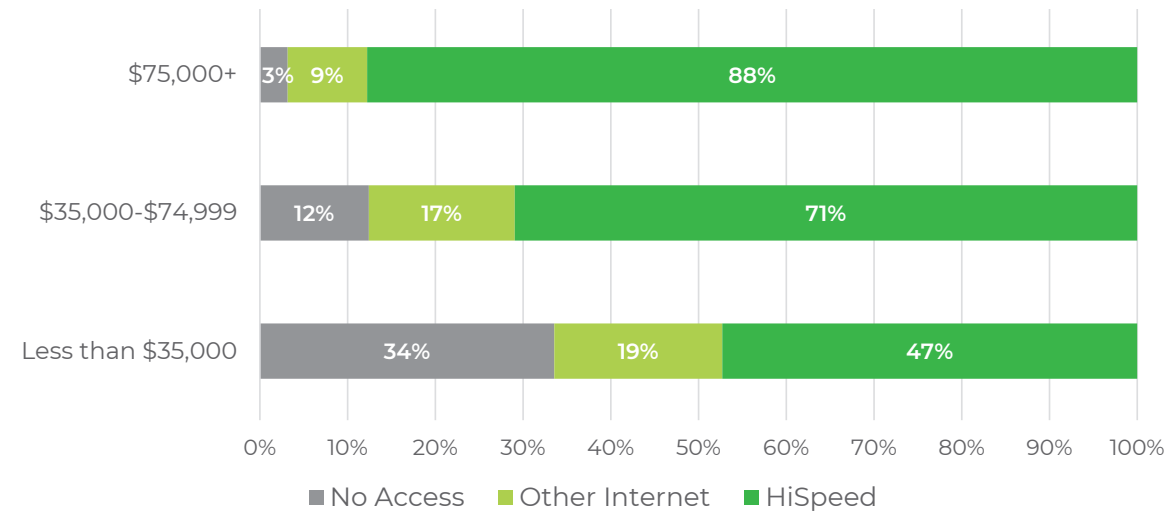
Improving connectivity across our networks



LOW-INCOME HOUSEHOLDS HAVE GREATER DIFFICULTY ACCESSING HOME INTERNET

Regionwide, approximately 18% of households did not have access to paid broadband in their homes in 2019. Access to the internet varies greatly by income. One third of lower-income households (<\$35,000) lack access to paid internet compared to just 3% of higher-income households (>\$75,000). In-home access to education and work opportunities also requires expensive devices. In 2019, 8% of households did not have computing devices within their home.

PAID ACCESS TO THE INTERNET BY INCOME

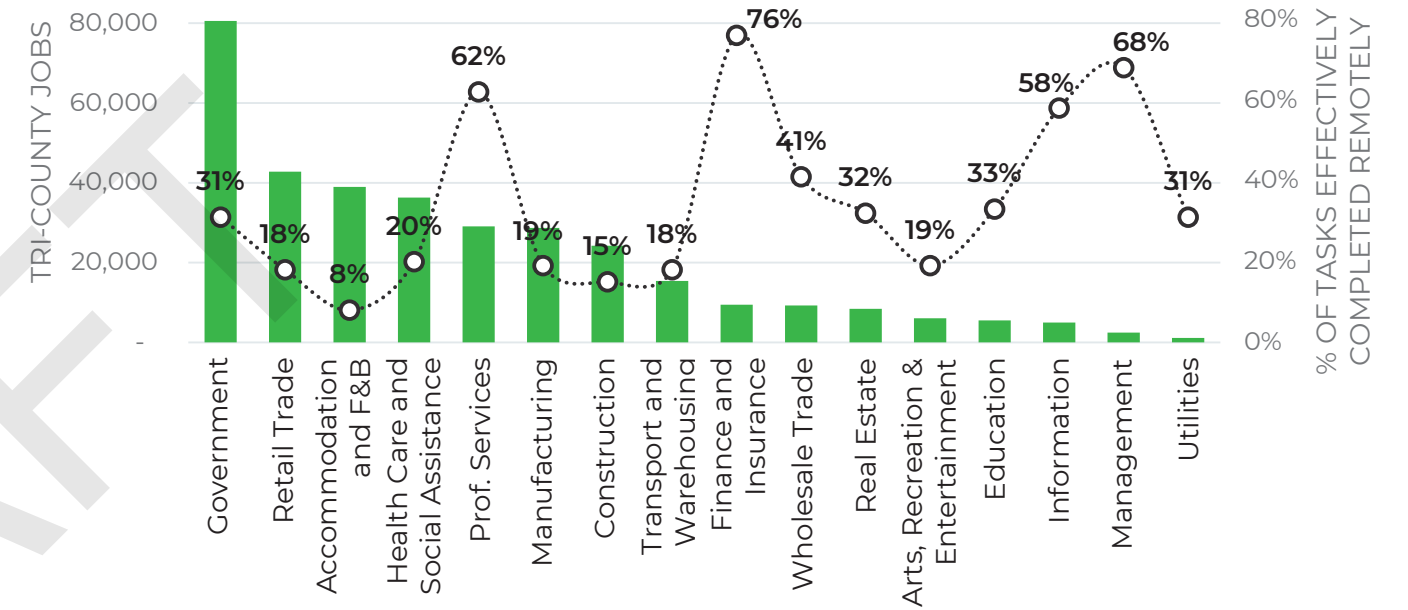


Sources: US Census Public Use Microdata 2015-2019, SB Friedman

REMOTE WORK COULD DRAMATICALLY ALTER EMPLOYMENT IN CERTAIN SECTORS

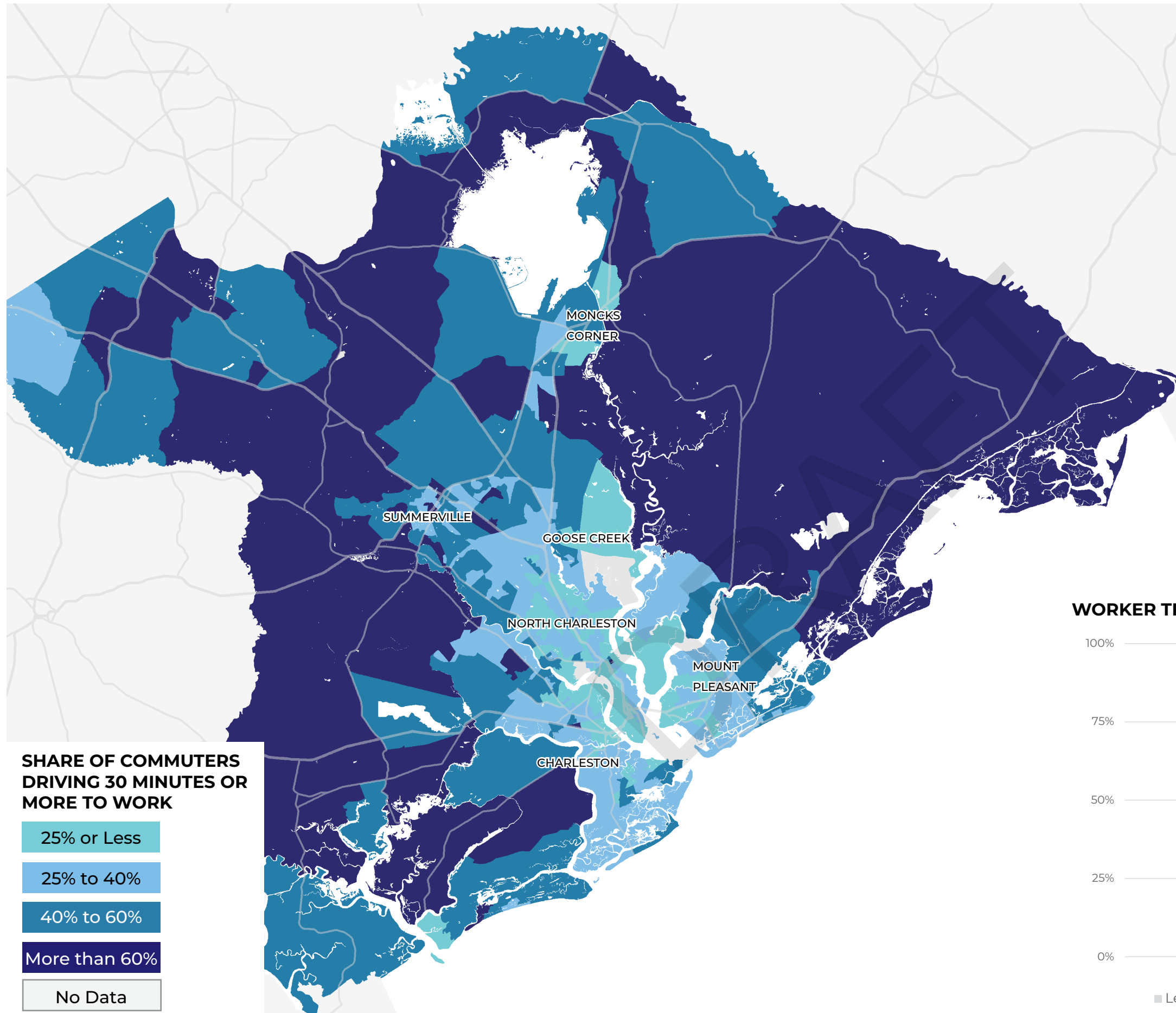
In lieu of major infrastructure improvements, increasing remote workers in the region has the potential to slow rising congestion. McKinsey conducted an analysis estimating the percentage of tasks by sector that could be completed in a remote location. Higher-employment sectors within the region that have a relatively high share of remote-friendly work include government, professional services, and finance and insurance.

REMOTE WORK POTENTIAL



Sources: EMSI, McKinsey, SB Friedman





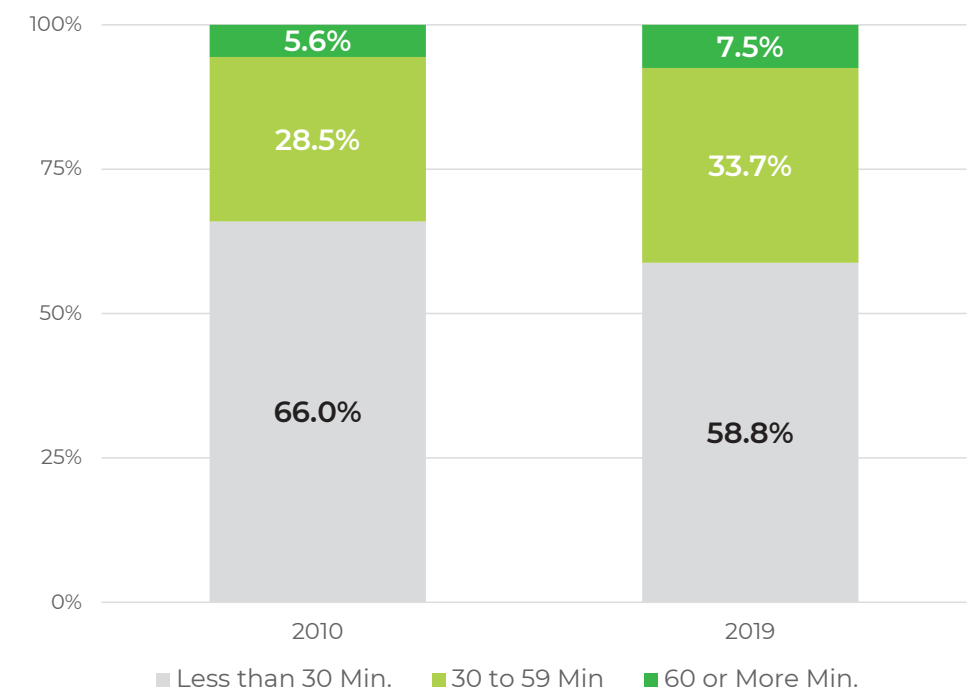
Sources: Esri, US Census ACS 2019 5-Year Estimates, McKinsey, SB Friedman

ACCESS TO EMPLOYMENT IS BEST IN URBAN CENTERS AND ALONG THE I-26 CORRIDOR

Commute times have been increasing within the region due to the rising population and new development farther from job centers. Since 2010, the share of commuters spending more than 30 minutes commuting to work increased by 7%. Congestion is especially challenging to mitigate given the region's natural geography which places constraints on road building and expansion. There are few bridges available to workers traveling from their homes to work across various bodies of water. Very few employees live and work in the same community. In Charleston County alone, over a hundred thousand workers commute in daily from Berkeley and Dorchester counties.

Residents on the peninsula and near I-26 spend the least amount of time commuting daily. These areas have stronger access to jobs but also tend to be more expensive than communities on the region's periphery. Improving mobility and working to provide affordable housing in areas with existing infrastructure are important steps in maintaining quality of life.

WORKER TRAVEL TIME TO WORK

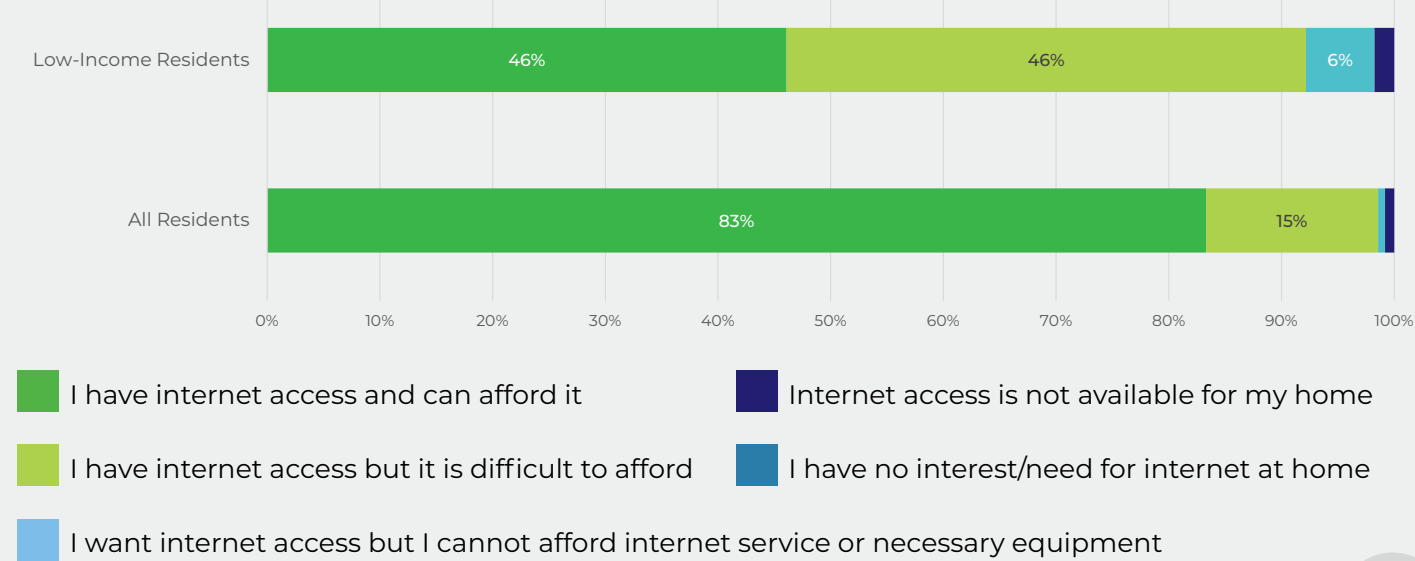


Sources: US Census American Community Survey 1-Year Estimates, SB Friedman

WHAT WE HEARD

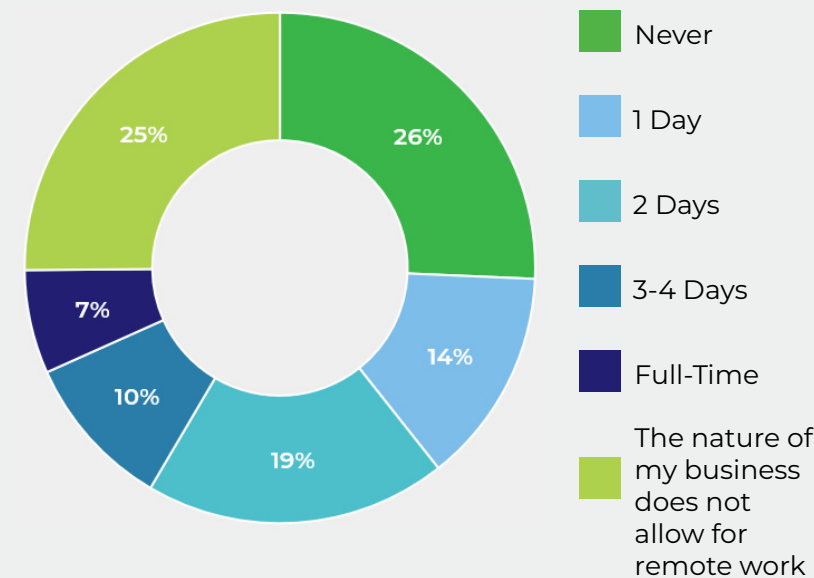
Household surveys further validated Census data indicating internet access and affordability is an ongoing challenge for low-income residents. Approximately 6% of lower-income respondents indicated they want internet access but cannot afford the service or necessary equipment. Another 46% of lower-income respondents reported they currently have access, but it is difficult to afford. Business survey respondents opposed to providing work-from-home policies indicated concerns over access to reliable employee internet at home is a key consideration.

REGIONAL RESIDENTS CONTINUE TO REPORT VARIED ACCESS TO INTERNET BY INCOME



MAJORITY OF BUSINESSES PLAN TO INCORPORATE REMOTE-WORK LONG-TERM

As COVID precautions are eased, how many days a week do you anticipate employees will work remotely?



SURVEY WRITE-IN RESPONSES CALLED FOR MULTIMODAL INFRASTRUCTURE AND TRANSIT ALTERNATIVES

Example survey responses:

- “ Build bike lanes, enable higher degrees of walkability
- Rapid transit service
- Less traffic
- Improved infrastructure, responsible development

INFRASTRUCTURE SWOT STAKEHOLDER FEEDBACK

STRENGTHS

- ▶ Availability of resources for infrastructure projects
- ▶ Presence of firms and supply chains connected to vehicle electrification
- ▶ Nonprofits and initiatives working on bridging digital divide
- ▶ Port of Charleston, including recent expansions
- ▶ High quality airport attractive to logistics companies and Department of Defense

WEAKNESSES

- ▶ Lack of electric vehicle charging stations
- ▶ Lack of coordination among organizations working on digital divide
- ▶ Challenging geography (bridges/ivers) complicated by increased flooding
- ▶ Limited broadband access in outlying communities
- ▶ Increasing housing costs in areas well-served by infrastructure pushes development outward

OPPORTUNITIES

- ▶ Emergency broadband resources
- ▶ Federal funding for broadband expansion
- ▶ Investments in the Port have a direct impact on the economy
- ▶ Federal fleet adopting electric vehicles
- ▶ Uptick in remote work slowed congestion
- ▶ Leverage incentives to accelerate adoption of clean-energy alternatives
- ▶ Diversify supply chain network; focus on equitable hiring, infrastructure investments and workforce development
- ▶ Desire to nearshore supply chains may lead to additional infrastructure funding

THREATS

- ▶ Supply chain delays
- ▶ Reliability of power grid during severe weather events
- ▶ Flooding
- ▶ Use of gas tax to fund road and construction projects; gas usage likely to decline following electric vehicle adoption
- ▶ Base closure
- ▶ Transit investments need to be widely adopted to show evidence for further need
- ▶ Absence of coordinated effort between organizations
- ▶ Rapidly changing technologies



INNOVATION AND ENTREPRENEURSHIP

Innovation has never been more important than it is today. While there is little certainty in what the future will bring, one thing we can know for certain is that we cannot rely on actions of the past to bring us success long-term. Innovators and entrepreneurs in the Charleston region are the drivers of change and long-term prosperity. While abrupt, the disruption of COVID-19 necessitated innovation in industries the region was prepared to excel in: life sciences, advanced manufacturing and information technology. Up for the challenge presented, the region recorded a year of unprecedented patent activity and business applications in 2020. Historically known globally for being a predominately production-based economy, innovation activity in the region is on the brink of reshaping the narrative to a both a production and a knowledge-based economy.

A region propelled by innovation, small business growth and entrepreneurship

ECONOMIC GROWTH IS PREDOMINATELY DRIVEN BY INNOVATION. Knowledge-based economies leverage existing intellectual property – processes, products or otherwise – to evolve ideas, attract other innovators, and grow the economy. Innovation rarely occurs in a vacuum; therefore, innovative economies tend to prosper in highly collaborative regions where there is an understanding that creative spaces and sharing of ideas ultimately benefits all.

COLLABORATION AS A SHARED PRINCIPLE. During initial stakeholder meetings, when asked why the Charleston region is a good place to do business, the second most popular response was due to the collaborative community, only topped by an attractive climate. The mid-sized nature of the metro region allows for more connectivity amongst the innovation and entrepreneurship community than typical – there is relatively strong awareness of existing accelerator programs, investors, testing facilities and other resources essential to idea generation and commercialization. However, the limited size also exposes a weakness to larger markets with greater access to capital and larger universities attractive to talent.

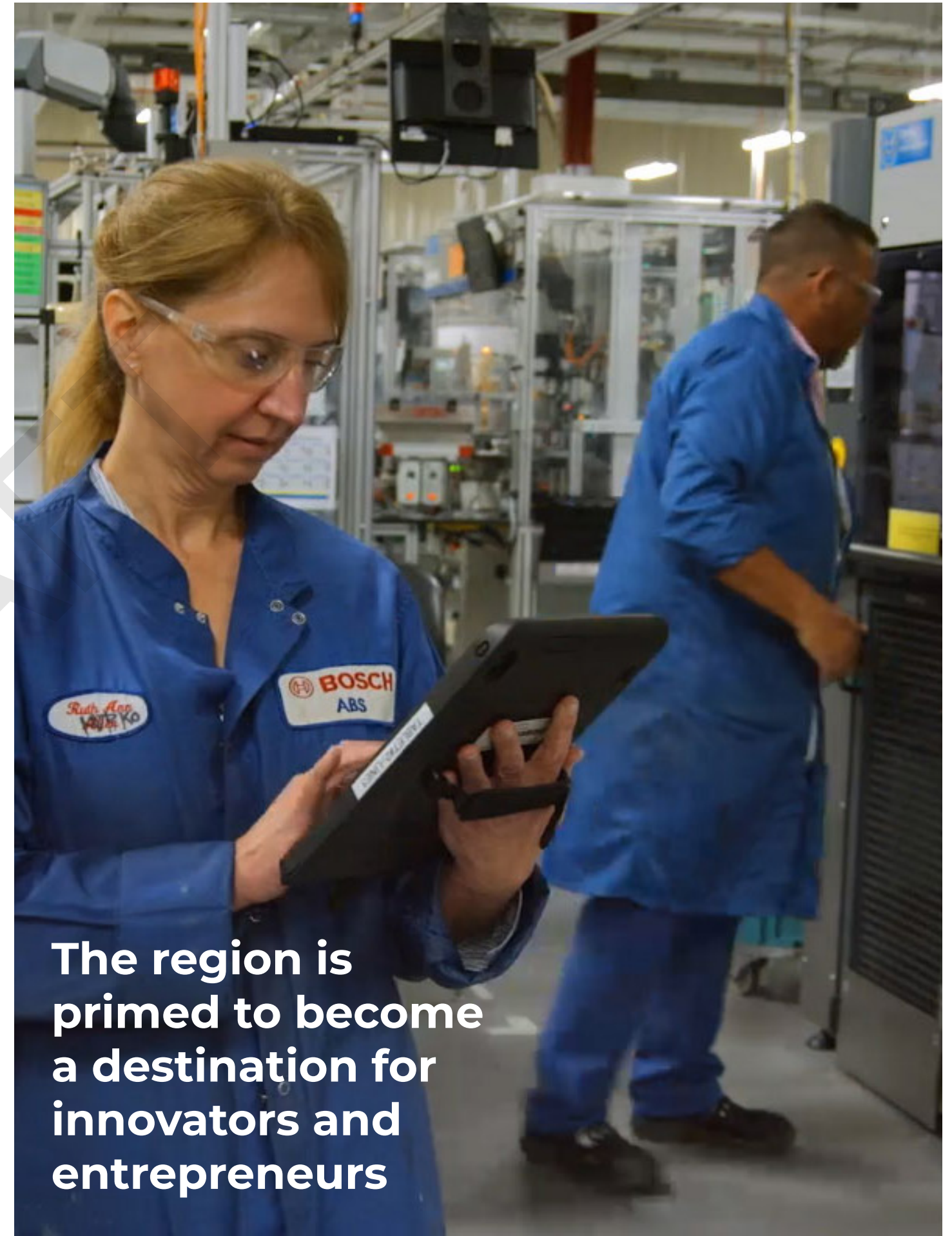
INNOVATION ON THE RISE. Historic strengths within the region – port access, a low-cost workforce, low cost

of living, high quality of life, and more – have resulted in substantial economic growth in the past decade. While a share of the growth can be directly attributed to production center expansions and announcements (e.g., Boeing, Volvo, Mercedes), the growing population and accompanying talent pool driven by decades of strategic economic development has opened the door to additional opportunities. Major manufacturers and institutional anchors fuel innovation within the regional supplier network; particularly those seeking to benefit from contracting opportunities specific to future technologies such as autonomous transport, vehicle electrification, drones, neurological research, etc. Institutional strongholds (e.g., Joint Base Charleston and the Medical University of South Carolina) continue to advance technologies in their respective fields. With innovation resources and partnerships on the rise, the region saw unprecedented patent activity in the past five years, particularly within the Priority Clusters where the region is strongest suited.

FROM ECONOMIC DISRUPTION TO ECONOMIC OPPORTUNITY. As COVID-19 spiked in 2020, so too did business applications in the Charleston region. The number of business applications within the region increased by nearly 40% from 2019 to 2020 despite a year full of uncertainty. While it is not uncommon for economic recessions to result in additional entrepreneurship activity, the spike in business formation activity within the region also exceeded the national increase. Stakeholders indicated a critical element to innovation and entrepreneurship activity growth moving forward will be maintaining the entrepreneurship spirit driven by the pandemic while bringing back the financial and networking support systems absent in the past year.

QUICK FACTS

- 52%**
increase in knowledge based employment from 2010 to 2021
- 36%**
regional patent production occurred within priority clusters
- 50%**
existing jobs at risk of automation using presently available technologies
- 2,000**
life sciences and IT entrepreneurs within the region, over a 35% increase from 2010
- 40%**
increase in business applications from 2019 to 2020



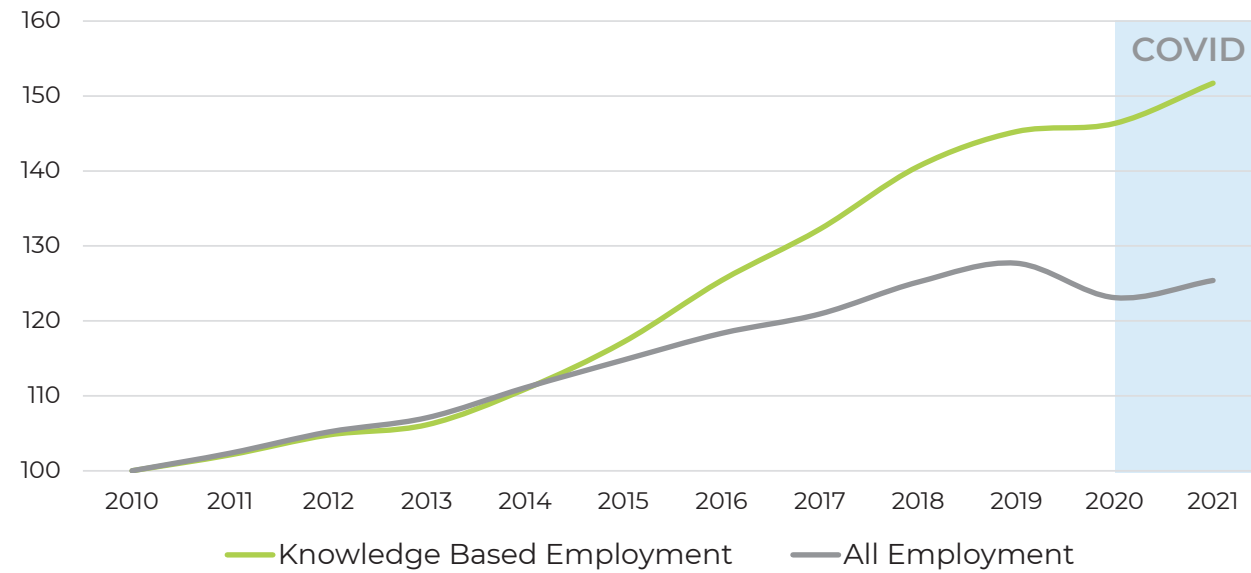
The region is primed to become a destination for innovators and entrepreneurs



GROWTH IN KNOWLEDGE JOBS OUTPACING OVERALL EMPLOYMENT

Knowledge-based workers are a rapidly growing segment of the regional employment base. Knowledge workers are those who generate value through using or generating knowledge, historically referred to as 'white collar' workers. The number of knowledge-based workers in the region grew by 50% from 2010 to 2021, double the growth rate employment overall. Knowledge workers were also less likely to be impacted by the pandemic, as work is more easily transferrable to a remote environment.

KNOWLEDGE BASED JOBS^[1] VS. TOTAL EMPLOYMENT, INDEXED TO 2010



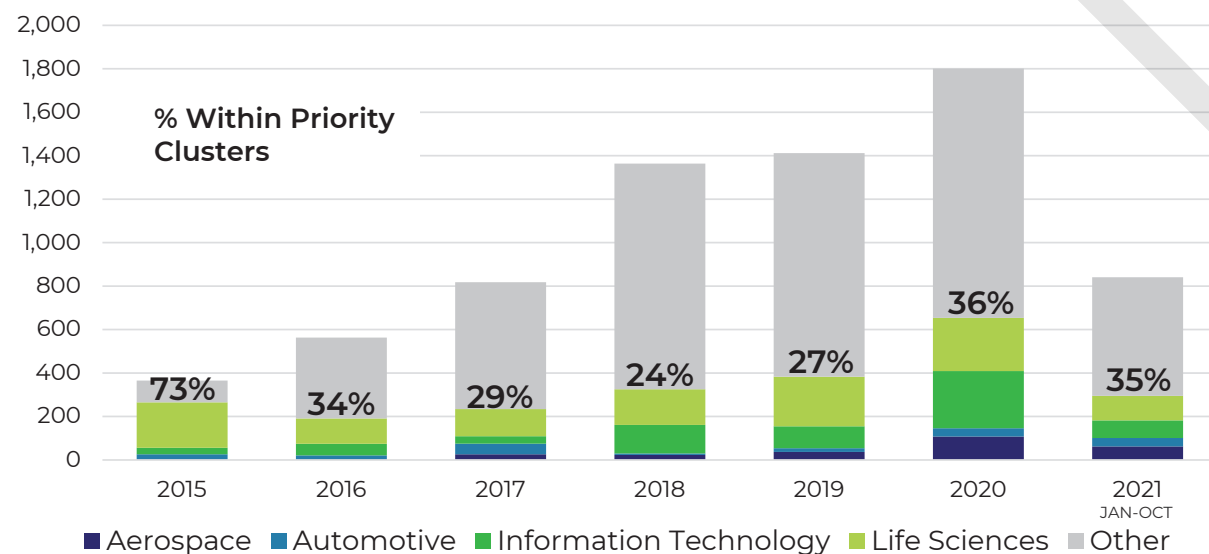
Sources: EMSI, SB Friedman

[1] Majority of Knowledge-Based Jobs are within Professional, Scientific & Technical Services Sector

INCREASING SHARE OF PATENT ACTIVITY IN PRIORITY CLUSTERS

The number of patents recorded in the region increased annually between 2015 and 2020, from under 400 to over 1,800. Each year, the share of patents that are classified under one of the four Priority Clusters increases – up to 36% of the total patent count in 2020. Life sciences and IT account for the greatest share of patents within the priority clusters.

TOTAL PATENTS BY CLUSTER

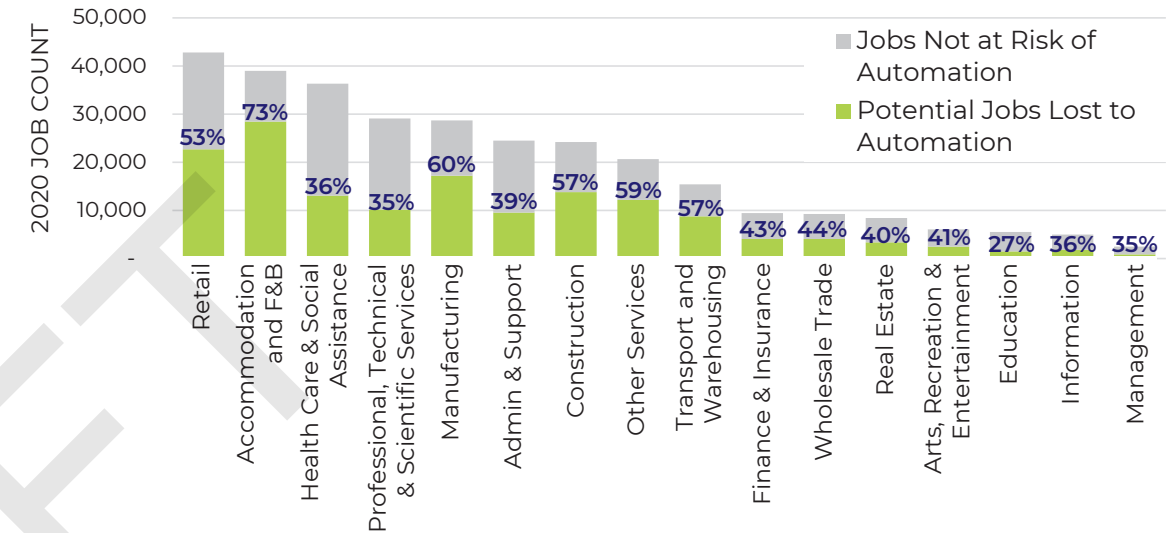


Sources: USPTO PatentsView, SB Friedman

AUTOMATION AND AI THREATEN JOBS IN MANY SECTORS

Studies indicate automation and AI technology currently exists to replace up to 50% of jobs within the region. Corporate adoption of technologies has historically lagged behind capability due to the cost of equipment. However, companies increasingly turned to automation alternatives to the workforce in 2020 due to ongoing labor shortages. This acceleration of automation is anticipated to have the greatest impact on lower-wage jobs in the retail, accommodation & food services, and manufacturing workers.

2020 JOB COUNTS AND POTENTIAL JOB LOSS TO AUTOMATION

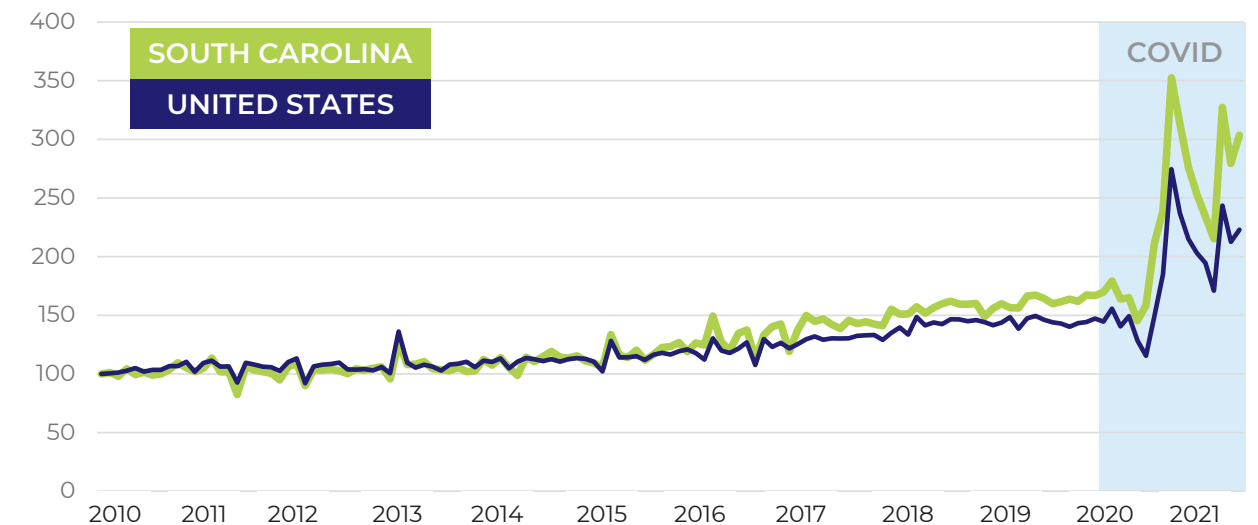


Sources: EMSI, McKinsey, SB Friedman

COVID SPIKED ENTREPRENEURSHIP NATIONALLY

The rate of business application growth in South Carolina exceeded the national average from 2015 onward. Business applications typically spike during periods of high unemployment as people identify sole-proprietorship alternatives to traditional employment. Within the Charleston region, entrepreneurs submitted for over 14,000 business permits in 2020. The 2020 business applications were 36% greater than the 2019 total of 10,500 applications.

MONTHLY BUSINESS APPLICATIONS INDEXED TO JANUARY 2010, SEASONALLY ADJUSTED



Sources: US Census - US Business Formation Statistics, SB Friedman

INNOVATION & ENTREPRENEURSHIP SWOT STAKEHOLDER FEEDBACK

STRENGTHS

- ▶ Existing incubators and accelerators including Charleston Digital Corridor and Harbor Entrepreneurship Center
- ▶ Public private partnerships to develop entrepreneurship spaces (e.g., Charleston Tech Center, West Edge)
- ▶ Small business development centers
- ▶ Nonprofit support network
- ▶ Vibrant tech ecosystem that leverages social media to stay engaged
- ▶ Strong university and medical system
- ▶ Resolve of community
- ▶ Collaborative community

WEAKNESSES

- ▶ Limited corporate headquarters, R&D centers, and wet labs in region
- ▶ Insufficient venture capital in the state
- ▶ Not enough resources focused on minority owned businesses; systemic economic challenges facing minority entrepreneurs
- ▶ A capital-first versus people-first approach to the economy
- ▶ Low wages which are not attractive to national talent base

OPPORTUNITIES

- ▶ Onshoring; especially for pharmaceuticals
- ▶ Connect small business vendors to major manufacturers
- ▶ Invest in technologies to support electric vehicle adoption
- ▶ Federal funding for broadband improvements
- ▶ Cross sector collaboration
- ▶ Increase awareness of existing opportunities to the emerging workforce

THREATS

- ▶ Limited connectivity between small businesses and investor community
- ▶ Competition from other regions
- ▶ Research network in region relatively small compared to institutions in larger cities
- ▶ Limited access for companies outside of university system to access university research centers
- ▶ Delay in funding for pandemic recovery
- ▶ Economic disruptions disproportionately impact minority entrepreneurs

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QUALITY OF PLACE

The Charleston region is known for its distinctive sense of place. Historic walkable centers, newer suburban areas and rural communities combine with water-related natural and cultural resources of international recognition. This attracts tourists year-round and remains a strong selling point to new businesses, residents and retirees who continue to flock to the region. However, these place-based assets are at risk. Growth is bringing with it increasing congestion, housing affordability challenges, loss of open space, and new development that lacks a uniquely Charleston identity. Therefore, the challenge for the region is to continue growing without losing the very assets fueling that growth.

A region with future development which preserves character and natural environments while improving access and transportation

ENCOURAGING GROWTH THAT REINFORCES A STRONG SENSE OF PLACE, RETAINS NATURAL RESOURCES, AND PROVIDES FOR A WIDE RANGE OF TRANSPORTATION AND HOUSING CHOICES IS A KEY GOAL FOR THE REGION. The One Region Roadmap envisions future development and land use strategies which preserve the character of the region and its natural environments while improving transportation options.

In 2012, the region created Our Region, Our Plan, which presented a framework for sustainable growth. This plan encourages new homes and jobs to locate in areas already served by infrastructure through redevelopment and infill. It also calls for the creation of great new communities with more compact, mixed-use centers that make it easier for people to use transit, walk or bike instead of using a car for every trip. While elements of this regional vision have been realized, the area is suffering from increases in congestion, a worsening housing

affordability crisis, and a loss of open space. New development is consuming land at a rapid pace, and the region is remaining auto-dependent.

COMMUTE TIMES ARE INCREASING. Between 2010 and 2019, commuters traveling 30-59 minutes to work each day increased from 28.5% to 33.7%. Commuters traveling 60 minutes or more to work each day increased from 5.6% in 2010 to 7.5% in 2019. Meanwhile, households with commute times less than 30 minutes declined 7% since 2010.

DESIRE FOR MORE TRANSIT OPTIONS AND WALKABLE COMMUNITIES. Median home values in the regions most walkable and transit-accessible locations (downtown Charleston; Daniel Island) continue to increase year-over-year. 32% of all household survey respondents reported not being able to afford to live in the type of home and location they prefer; this increases to 70% for lower-income residents (earning <\$35,000 or less, annually).

DESIRE FOR A RANGE OF COMMUNITY TYPES. Nearly half of survey respondents want to live in a city, town center, close to work, or close to activities. However, 21% of respondents also prefer a suburban location, 9% prefer a rural setting, and 26% want to be close to a park, green, or open space.



QUICK FACTS

- 1 27%** increase in population within the Charleston region from 2010 to 2021
- 2 65** million square feet of commercial development since 2010
- 3 17** million square feet of commercial development currently proposed or under construction
- 4 73%** survey respondents want to live near a park, green space or natural area
- 5 20%** total home sales in 2021 classified as new construction

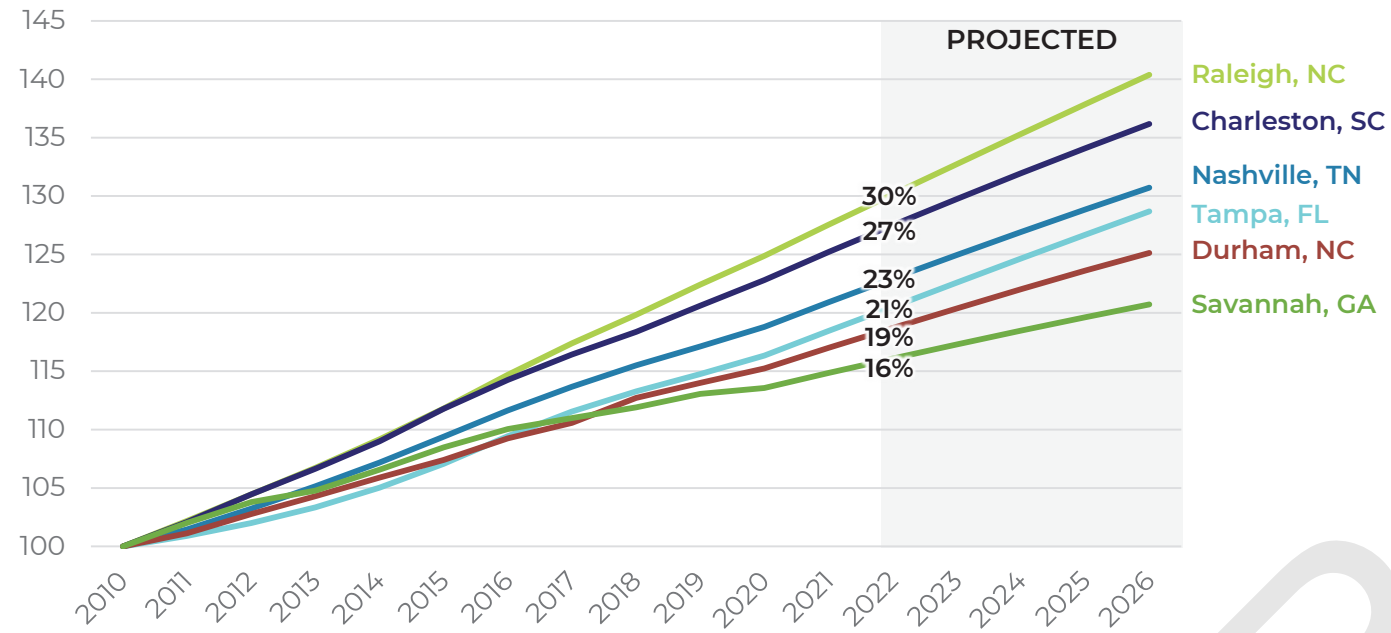


The region's challenge is to continue growing without losing the very assets fueling growth

MID-SIZE SOUTHEAST METROS GROWING RAPIDLY

Mid-size metropolitan areas across the southeast grew rapidly from 2010-onward. Even among peer communities, the Charleston region experienced a faster growth rate than typical. The Charleston region grew by 27% from 2010 to 2021, a pace faster than peer communities including Tampa (FL), Nashville (TN), Durham-Chapel Hill (NC) and Savannah (GA). Population growth has occurred alongside employment growth. Over the same period, employment in the Charleston region increased by 26% - comparable to employment change in peer communities.

POPULATION GROWTH (2010 = 100) BY METROPOLITAN STATISTICAL AREA

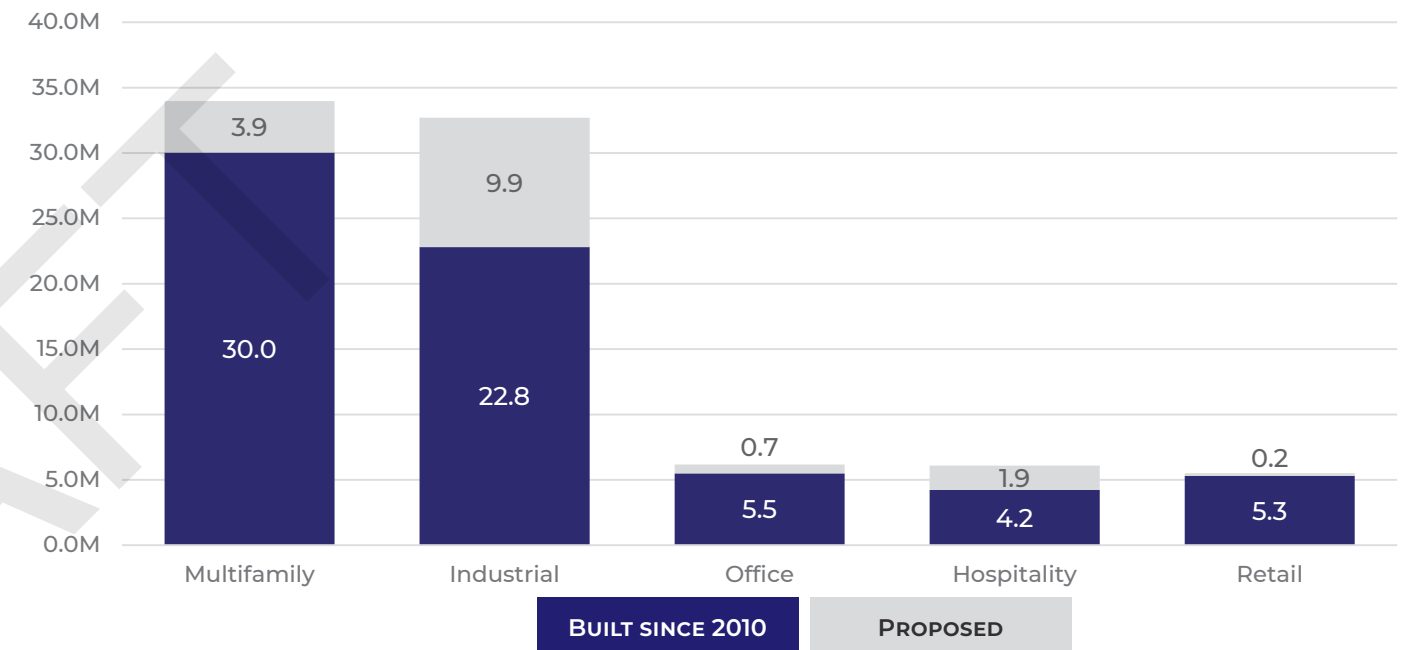


Source: EMSI, SB Friedman

AN ACTIVE COMMERCIAL REAL ESTATE MARKET

The Charleston region added over 65 million square feet of commercial real estate since 2010 and another 17 million square feet is currently proposed or under construction. Commercial multifamily development was the fastest growing property type, adding 30 million square feet in the last 11-years. Nearly two-thirds of the development currently proposed or under construction is industrial property. Commercial development across all asset classes is indicative of an active jobs, housing and tourism market. Maintaining quality of place is challenging in a region with the quick pace of development presently underway.

COMMERCIAL SQUARE FEET DEVELOPED OR PROPOSED SINCE 2010



Source: CoStar, SB Friedman

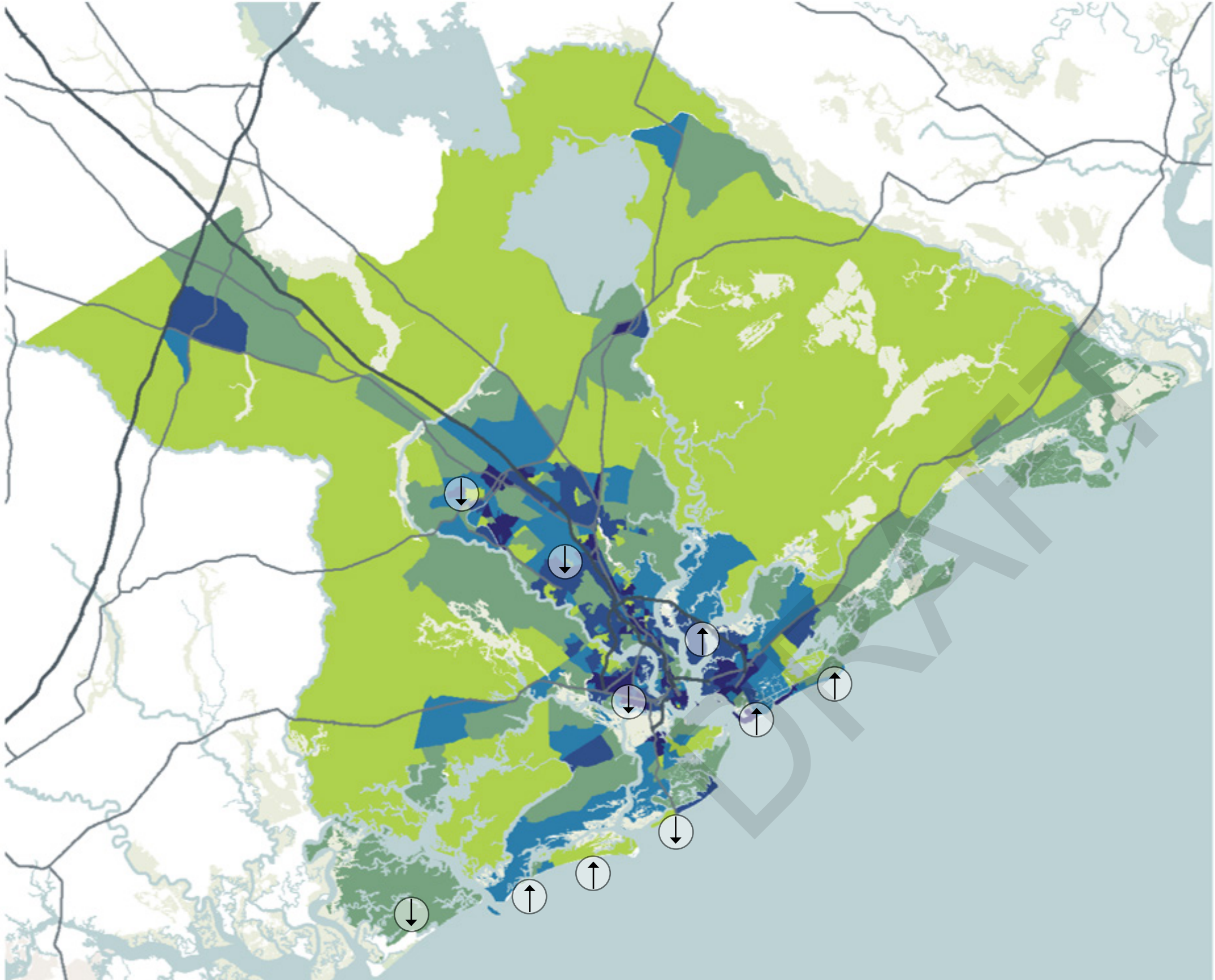


WALKABILITY & REAL ESTATE

Walkability in the Charleston region varies substantially from community to community. Communities closer to the urban core have a much higher walkability index relative to newer suburban and rural communities on the periphery of the region. Walkability is reported by a 'National Walkability Index' available through the United States Environmental Protection Agency. A higher walkability index is indicative of a greater diversity of employment and housing alternatives, a higher street intersection density, and transit availability.

The highest walkability scores within the region are attributed to census block groups on the Peninsula, throughout North Charleston, downtowns in Summerville and Mount Pleasant, and within island communities that also include a commercial node. Many of these highly walkable island communities with access to open space also reported the greatest change in median sales prices from 2020 to 2021. Sullivan's Island, Isle of Palms, Seabrook Island, Kiawah and Daniel Island all reported an increase in the median home sales price of over 25% in a 12-month period.

Strong market performance in the top five areas is not attributable to new construction. Regionwide, new construction accounted for nearly 20% of all home sales in the region in 2021. Communities with the highest share of sales attributable to new construction generally report lower walkability scores (e.g., Greater Summerville, Goose Creek / Moncks Corner, Wando / Cainhoy and John's Island).



Walkability Index	5.3 - 6.7
Score (regional quantiles)	6.8 - 7.8
1.5 - 5.2 (Least Walkable)	7.9 - 9.2

Top 5 Areas: Change in Median Sales Price from 2020 ↑

- ▶ Sullivan's Island (+32.7%)
- ▶ Isle of Palms (+32.6%)
- ▶ Seabrook Island (+30.6%)
- ▶ Kiawah (+29.3%)
- ▶ Daniel Island (+28.6%)

Bottom 5 Areas: Change in Median Sales Price from 2020 ↓

- ▶ Greater North Charleston (+14.0%)
- ▶ Folly Beach (+13.3%)
- ▶ Greater Summerville Area (+13.3%)
- ▶ James Island (+12.7%)
- ▶ Edisto Area (+6.4%)

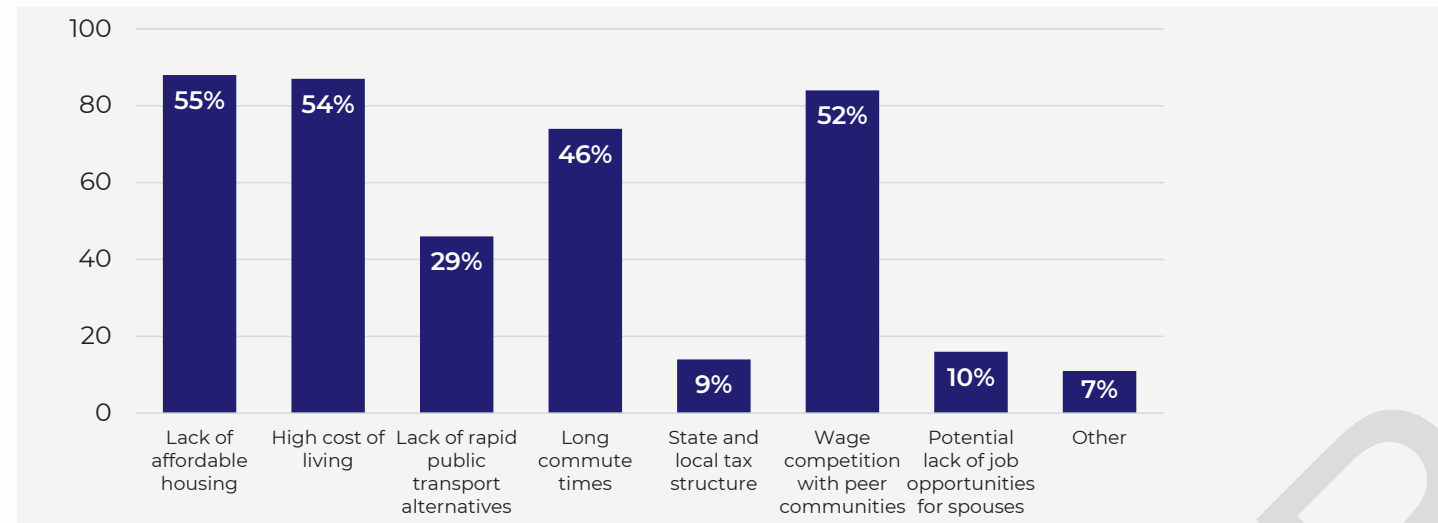
Source: Charleston Trident Association of REALTORS®, SB Friedman, Renaissance Planning Group

WHAT WE HEARD

Residents and businesses alike value the existing quality of place within the region but acknowledge increasing challenges. Business respondents indicated key quality of place metrics – including affordable housing and traffic congestion – are negatively impacting their ability to attract and retain employees in the region. Despite differences between the desire to live in urban versus rural places, over 70% of resident respondents indicated a desire to live near parks, green space and/or natural areas.

HOUSING COST AND LONG COMMUTES ARE NEGATIVELY IMPACTING REGIONAL COMPETITIVENESS

Have any of these factors challenges your ability to attract and retain employees? (Check all that apply)



RESIDENTS HAVE VARYING COMMUNITY PREFERENCES WHICH DRIVE HOUSING CHOICE

Presently, which of these statements describes where you want to live? (Check all that apply)

28% I want to live in a city or town center

26% I want to live in a rural area

52% I want to be able to walk to shopping, community centers, social activities and entertainment

46% I want to live close to my job

73% I want to live close to a park, green space and/or natural area

SURVEY WRITE-IN RESPONSES CALLED FOR PRESERVATION OF THE EXISTING QUALITY OF PLACE

EXAMPLE SURVEY RESPONSES:

Clean environment

Sense of community

Equity

Improved infrastructure, responsible development

QUALITY OF PLACE SWOT STAKEHOLDER FEEDBACK

STRENGTHS

- ▶ Natural amenities and protected open spaces
- ▶ Vibrant urban core and smaller main street nodes
- ▶ Willingness to collaborate across jurisdictions to address open space needs

WEAKNESSES

- ▶ Imbalance in development patterns across the region
- ▶ Lack of urgency in addressing quality of place challenges
- ▶ Limited land availability to absorb increasing demand
- ▶ Lack of a clear, unifying vision for land use planning
- ▶ Negative perception of density

OPPORTUNITIES

- ▶ Infill opportunities
- ▶ Transitioning from highway-centric to walkable, multi-modal transit networks
- ▶ Making planning more inclusive
- ▶ Ongoing dialogue about a cohesive growth strategy will add clarity for both public and private sector
- ▶ Include more voices in the planning process

THREATS

- ▶ Dangerous transportation systems
- ▶ Displacement from highway building
- ▶ Land constraints
- ▶ Need for growth strategy with more efficient land use
- ▶ Negative perception of density



TALENT

In a region rich with opportunity, developing, attracting and retaining talent are critical elements to sustaining growth long-term. Local talent development is realized in our public schools, workforce development programs, technical colleges and universities. Educational providers have been working overtime to adapt to health constraints on the classroom, technology advancements unlocking learning opportunities, and employer in-demand skills. More than ever, there is an increased opportunity to attract national talent. The region has catapulted onto the national stage as a lower cost, high quality of place, high opportunity market. We have the opportunity to harness energy within the economy to both provide exciting opportunities attractive to the workforce and leverage that workforce to spur continued growth.

A regional workforce prepared for current and future career opportunities

THE REGIONAL WORKFORCE IS GETTING SMARTER AND OLDER. Mirroring national trends, the Charleston region is seeing the fastest growth rates in young-senior and senior age cohorts – those most likely to retire in the near term. Despite population growth in all age segments, the share of the workforce under the age of 54 decreased by nearly 6% from 2010 to 2019. Over the same period, the percentage of adults without a high school diploma reduced by 3% and the percent of adults with an associate's degree or greater increased by nearly 7%. While educational attainment in the region is steadily increasing, near-term Baby Boomer retirements from the workforce is a looming concern that increases the urgency to prepare a talented, diverse workforce.

LABOR FORCE PARTICIPATION IS AT A 10-YEAR LOW. Labor force participation is a metric used to measure the share of the working age population who choose to be within the workforce. The labor force participation rate has declined in the region every year since 2010, from a high of 67.2% in 2010 to a 65.2% in 2019. COVID accelerated the labor

force exit for many. In 2021, the monthly average labor force participation rate was down to a low of 60.6%. Household survey respondents who indicated they are no longer in the workforce attributed the change to a wide array of reasons: retirement, health concerns, new childcare responsibilities and lifestyle changes.

RELATIONSHIP BETWEEN WAGES AND LABOR AVAILABILITY. In 2020, employers in traditionally lower-wage occupations (e.g., retail salespersons, waiters, cooks) sought the highest number of employees. Lower-wage service occupations also reported the highest job posting ratio – the number of job postings relative to total employment within the occupation. A high ratio is indicative of high turnover and ongoing employee demand. Occupations in Priority Clusters have relatively lower job posting ratios and higher reported hourly earnings. Focus group participants attributed the absence of workers to fill service jobs to shifting workers preferences – for more flexible jobs that allow for more social distance and opportunity to increase earnings over time. Many of these higher-paying, flexible jobs are within Priority Clusters.

Across all interviews, focus groups and survey responses, participants indicated a desire to identify collaborative solutions to better develop, attract and retain talent to address current and future shortages in the region.



QUICK FACTS

- 1 **36%** regional population over the age of 25 with a bachelor's degree or higher
- 2 **8,400** college graduates in 2020 across the region
- 3 **7%** decline in the labor force participation rate from 2010 to 2020
- 4 **236,800** people over the age of 55 within the regional workforce at risk of retirement
- 5 **29%** business survey respondents interested in working with technical colleges to improve hiring



MEDICAL UNIVERSITY OF SOUTH CAROLINA



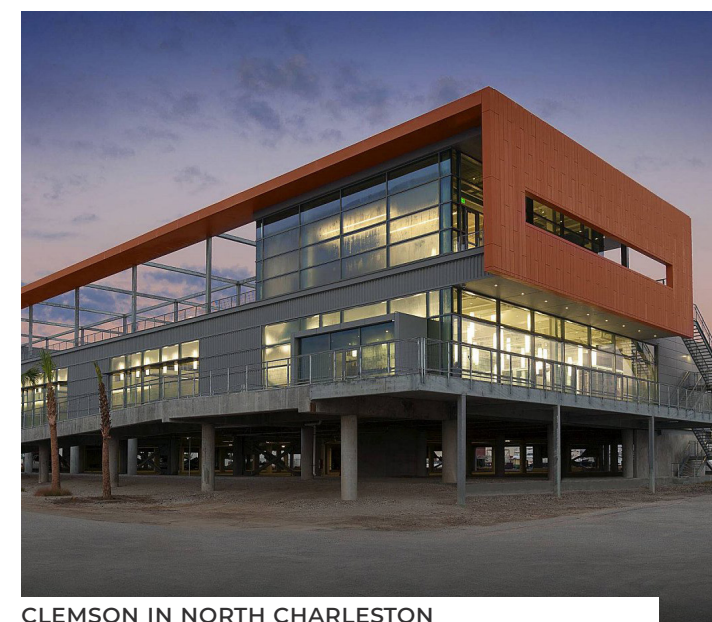
CITADEL MILITARY COLLEGE OF SOUTH CAROLINA



COLLEGE OF CHARLESTON



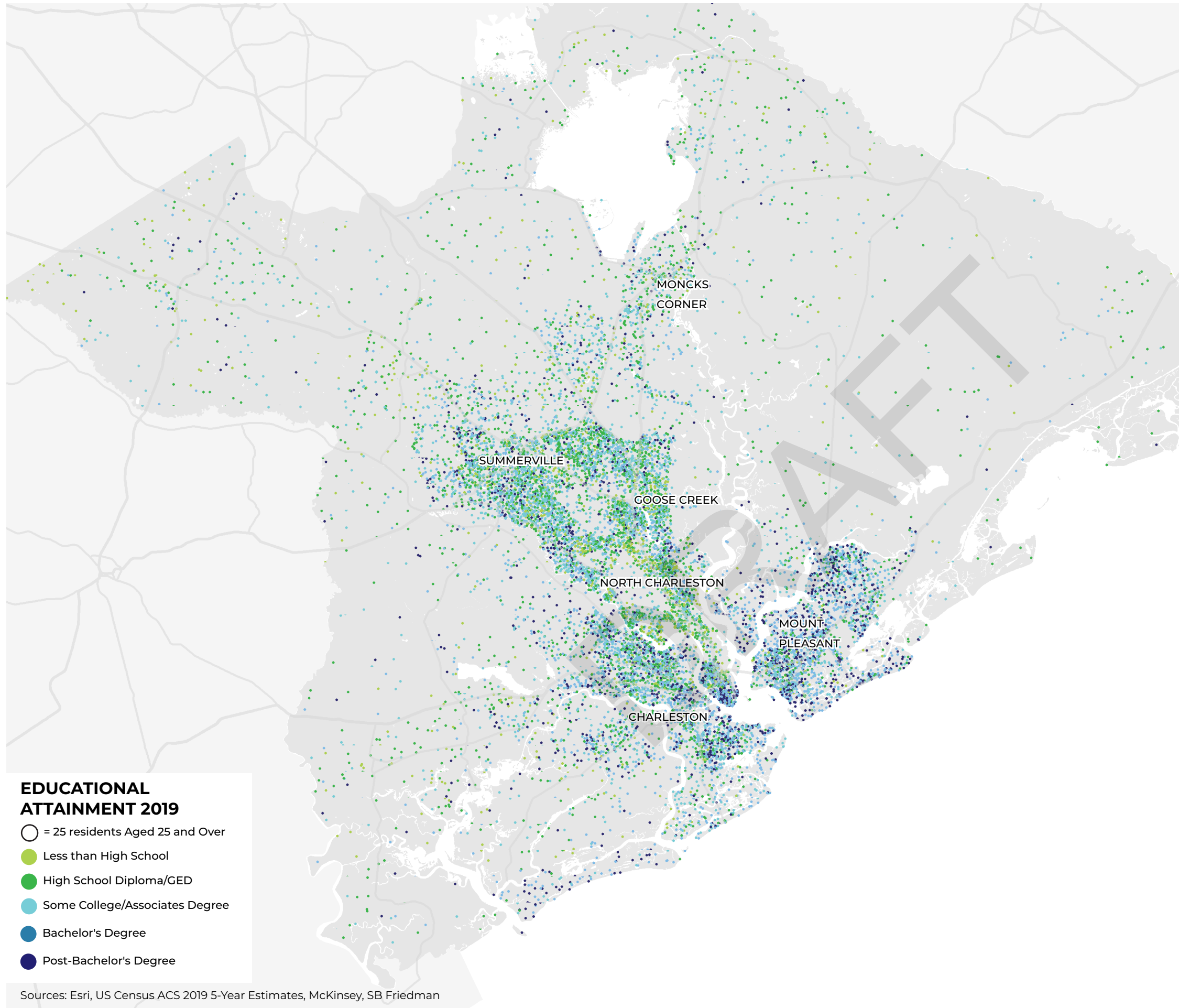
TRIDENT TECHNICAL COLLEGE



CLEMSON IN NORTH CHARLESTON



CHARLESTON SOUTHERN UNIVERSITY



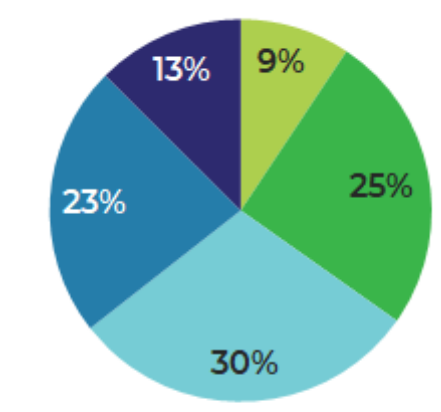
EDUCATIONAL ATTAINMENT VARIES ACROSS THE REGION

Expanding access to educational opportunities is essential in a region so full of economic opportunity, particularly given the threat of automation to lower-skill jobs. In 2019, 36% of the population over the age of 25 had a bachelor's degree. While recent graduates are not guaranteed to work within the region, existing universities are an invaluable tool for talent attraction and retention. The number of degree conferrals among existing universities has declined annually since 2015, from a high of nearly 10,000 graduates in 2015 to 8,300 in 2020. The majority of college graduates are within health professions, business management, biological & biomedical sciences, and culinary, entertainment, and personal services programs.

EDUCATIONAL ATTAINMENT 2019

- = 25 residents Aged 25 and Over
- Less than High School
- High School Diploma/GED
- Some College/Associate's Degree
- Bachelor's Degree
- Post-Bachelor's Degree

REGIONAL EDUCATIONAL ATTAINMENT



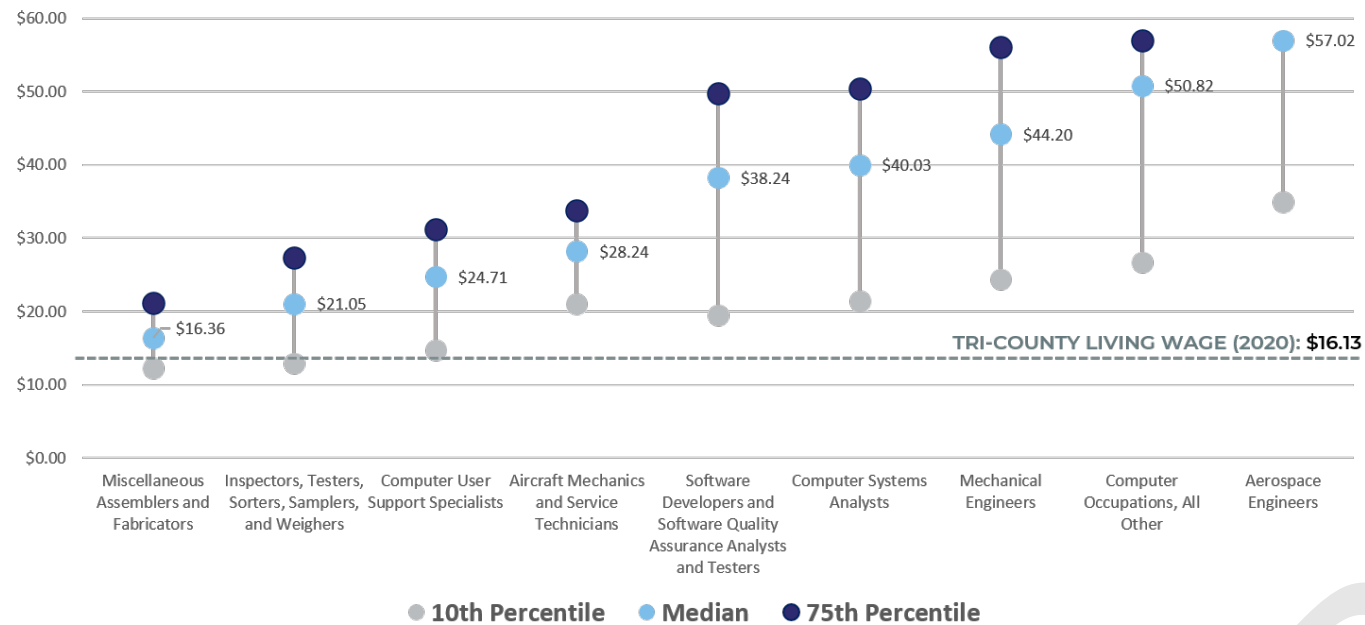
- Less than High School
- High School Diploma/GED
- Some College/Associate's Degree
- Bachelor's Degree
- Master's Degree and Higher

Sources: Esri, US Census ACS 2019 5-Year Estimates, McKinsey, SB Friedman

WAGES WITHIN PRIORITY CLUSTERS OVER THE 'LIVING WAGE'

Median hourly wages for the high impact clusters are generally well above the estimated 'living wage' of \$16 per hour for the metro region. Fast growing, higher-wage occupations are attractive to both a local and national workforce. While many occupations require advanced degrees, the top earners in some occupations do not require college degrees and also provide wages in excess of \$20 per hour.

HOURLY WAGE RANGE BY OCCUPATION

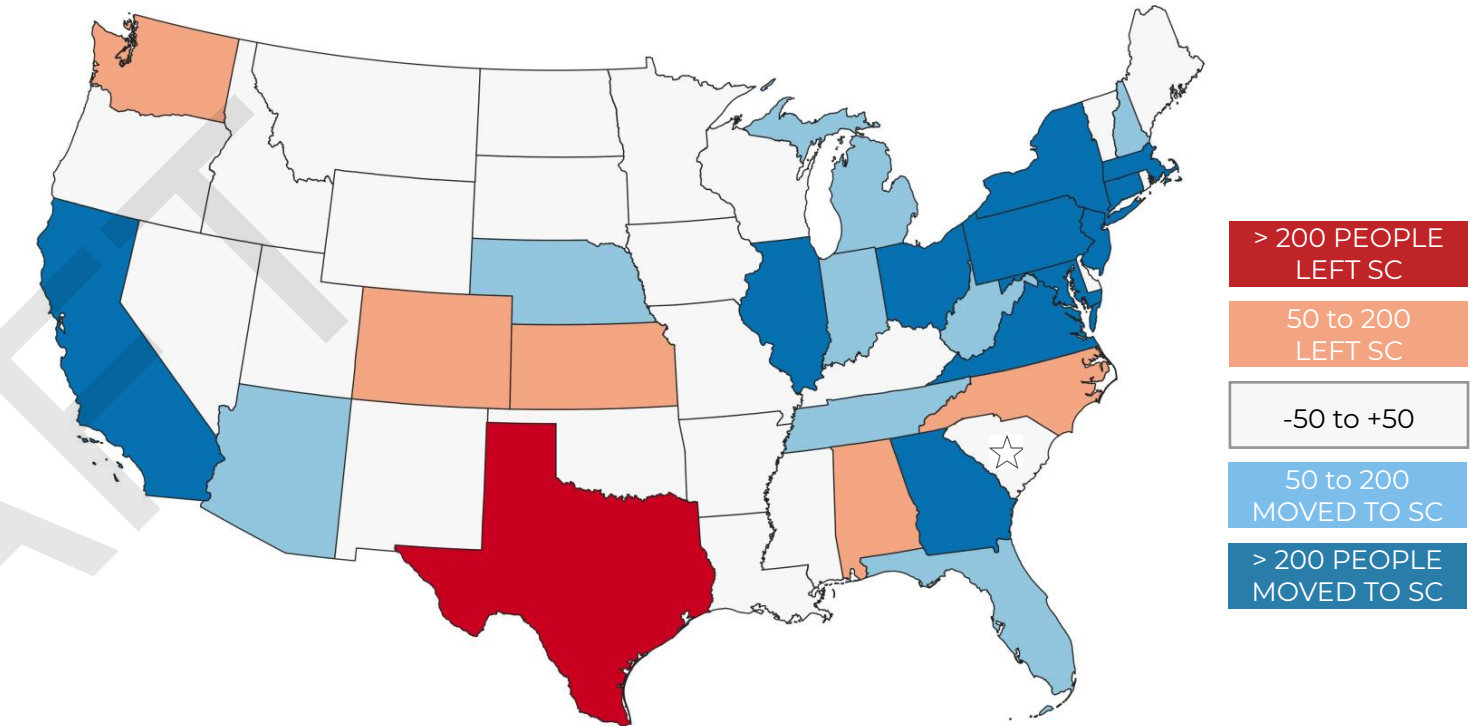


Sources: BLS, MIT Living Wage Calculator, SB Friedman

TALENT SHORTAGES REQUIRE NATIONAL ATTRACTION APPROACH

Much of the population growth over the past 10-years is attributable to the high quality of life, low cost of living and economic opportunities within the region. Migration data on new taxpayers to the region indicates the majority of new residents are moving from northeast states including New York, Pennsylvania, and New Jersey. Newer residents to the region account for an increasing share of the workforce in highly technical occupations such as mechanical engineering and software development. At the same time, the region is leaking talent to emerging markets and those with similar job opportunities such as Texas, Kansas, and Alabama.

2019 NET WORKFORCE MIGRATION TO SOUTH CAROLINA BY STATE

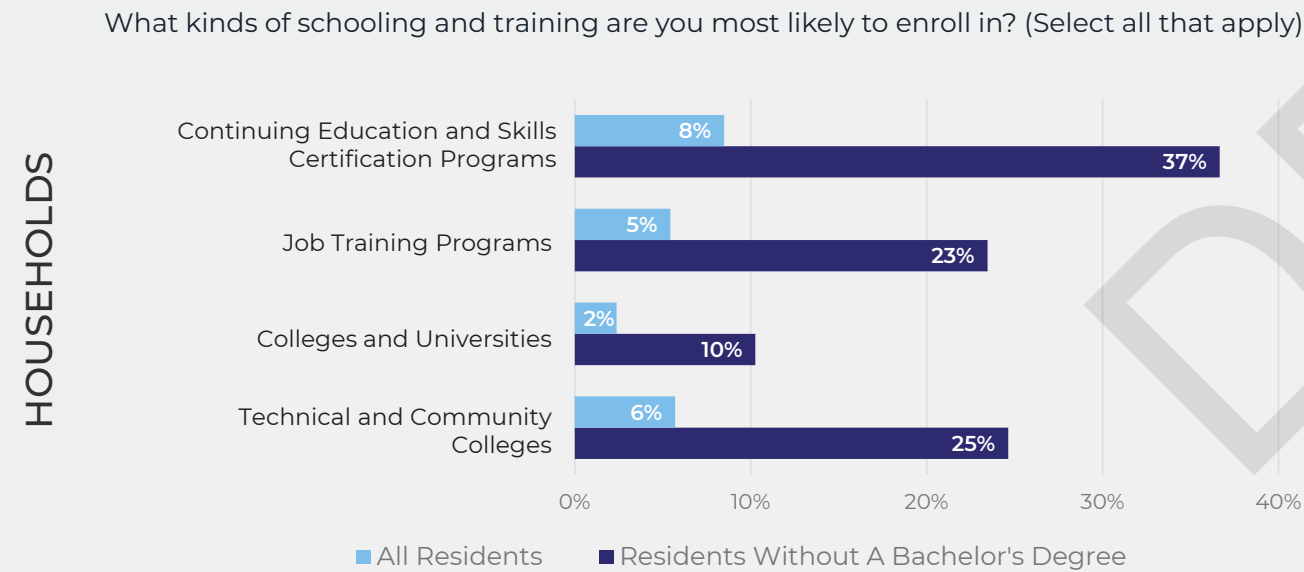
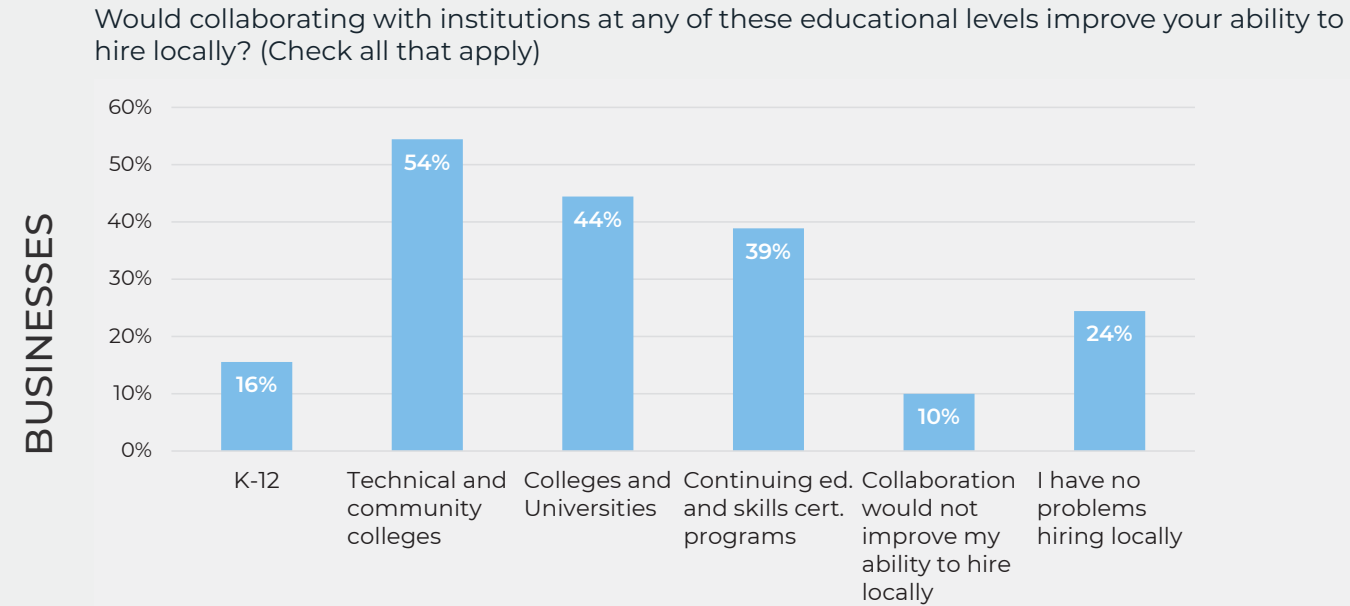


Sources: EMSI, SB Friedman



WHAT WE HEARD

Both businesses and residents believe technical colleges, universities, and continuing education and certification programs provide affordable opportunities to access more gainful employment. Residents without a Bachelor's degree indicated a much higher willingness to engage in new continuing education programs made available.



SURVEY WRITE-IN RESPONSES WANT A CHARLESTON REGION WHERE EVERYBODY HAS THE OPPORTUNITY TO ADVANCE

EXAMPLE SURVEY RESPONSES:

- “ Accessibility, never feeling you lack the resources to progress
- Every person having the opportunity to do what they were born to do
- We no longer see disparities by race, everyone has a job that supports their quality of life ”

TALENT SWOT STAKEHOLDER FEEDBACK

STRENGTHS

- ▶ Universities and advanced degree programs
- ▶ Technical college system
- ▶ Public libraries
- ▶ Creative programming for job seekers
- ▶ Apprenticeship programs
- ▶ STEM opportunities within K-12 schools
- ▶ Grow with Google

WEAKNESSES

- ▶ Rise in non-career ready graduates
- ▶ Lack of K-12 student exposure to local job opportunities
- ▶ Limited public interest in low cost technical college and continuing education programs
- ▶ Low degree completion
- ▶ Lack of Tier 1 Research University

OPPORTUNITIES

- ▶ Build skills and connections for the region's youth
- ▶ Provide opportunities to residents to build leadership and other soft skills
- ▶ Expose youth and young adults to in-demand skills and professions
- ▶ Implement strategies to close equity gap on college campuses
- ▶ Additional diversity, equity and inclusion training for employers
- ▶ Facilitate joint conversations between students and employers

THREATS

- ▶ Poor K-12 student outcomes; ongoing segregation of public school districts
- ▶ Lack of collaboration, especially in nonprofit sector
- ▶ Isolated actions rather than programmatic approaches to systemic issues

DRAFT



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