



Growth Report
Q4 - 2022

Table of Contents

3	Introduction
4	Fourth Quarter Review
5	2022 Review
6	Total Employment by Quarter, Region
7	Total Employment by Year, Region
8	Announced Investment Activity, Quarter
9	Announced Investment Activity, 2022
10	Announced Investment Activity, County
11	Announced Investment Activity, International
12	Industry Trends (Manufacturing, Life Sciences/Health, Transportation and Logistics, Financial Services, Innovation Economy)
17	About the Research Team

Introduction

RESILIENCE: KEY TO CONTINUED GROWTH

The region had an employment growth of 1.9% quarter over quarter. Annually, the region saw growth of 4.6% year over year, beating out the nation and both Carolinas. The year wraps up with its fifth consecutive month of employment growth. Supporting this message is the region's unemployment rate of 3.1%.

Key industries reflect cautious behavior moving into 2023. Most of the year was shadowed by headlines describing inflation and recession-related concerns. Such trends are apparent in the region's key industries as 2023 begins with murky conditions and projections.

Q4 ends with 23 projects announcing 1,401 jobs and over \$2.2B in capital investment. This signals a positive reversal in trends from the previous two quarters and contributes to the annual values for 2022: 72 projects, more than 7,400 jobs, and \$4.8B in capital investment. Compared to previous years, 2022 was another record-breaking year in the Charlotte Region, signaling its strength as one of the top places for business.



Fourth Quarter Review

LEADING INDICATORS

1,401

announced jobs

\$2.2B

announced capital investment

1.9%

QoQ employment growth (Q3-Q4)

3.1%

unemployment rate (Dec. 2022)

CURRENT INDICATORS



CHARLOTTE
REGIONAL BUSINESS
ALLIANCE®

Source: Federal Reserve Bank of St. Louis 2023; BLS 2023; CLT Alliance analysis 2023

2022 Review

REGIONAL ANNOUNCEMENTS

7,421

announced
jobs

\$4.8B

announced capital
investment

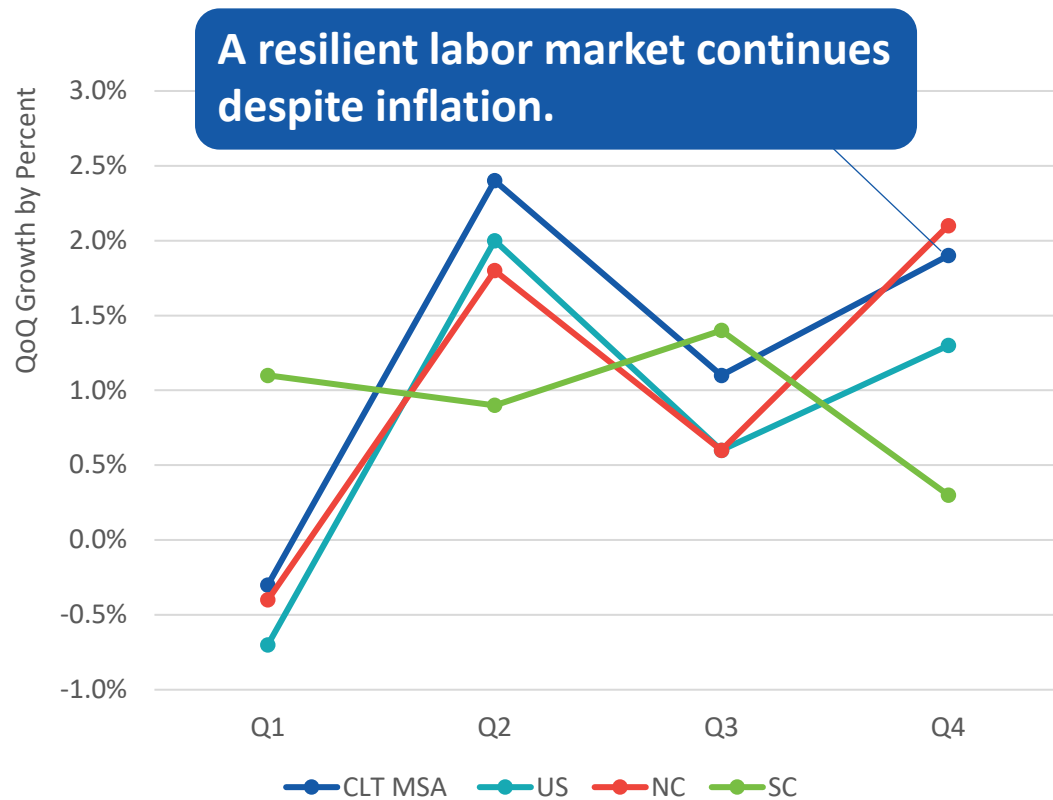
4.6%

YoY employment
growth ('21-'22)

EMPLOYMENT GROWTH

Total Employment by Quarter, Region

QoQ Growth in 2022



The Charlotte area's employment levels continue to climb, with employment ending at 1.3 million and a average quarter over quarter (QoQ) growth of 1.9%*. However, compared to Q2 2022, growth appears to have slowed. Possible causes could be due to concerns about inflation and the odds of a recession. The region's resilient labor market, combined with cooling inflation, will prove to encourage the odds of a soft landing.

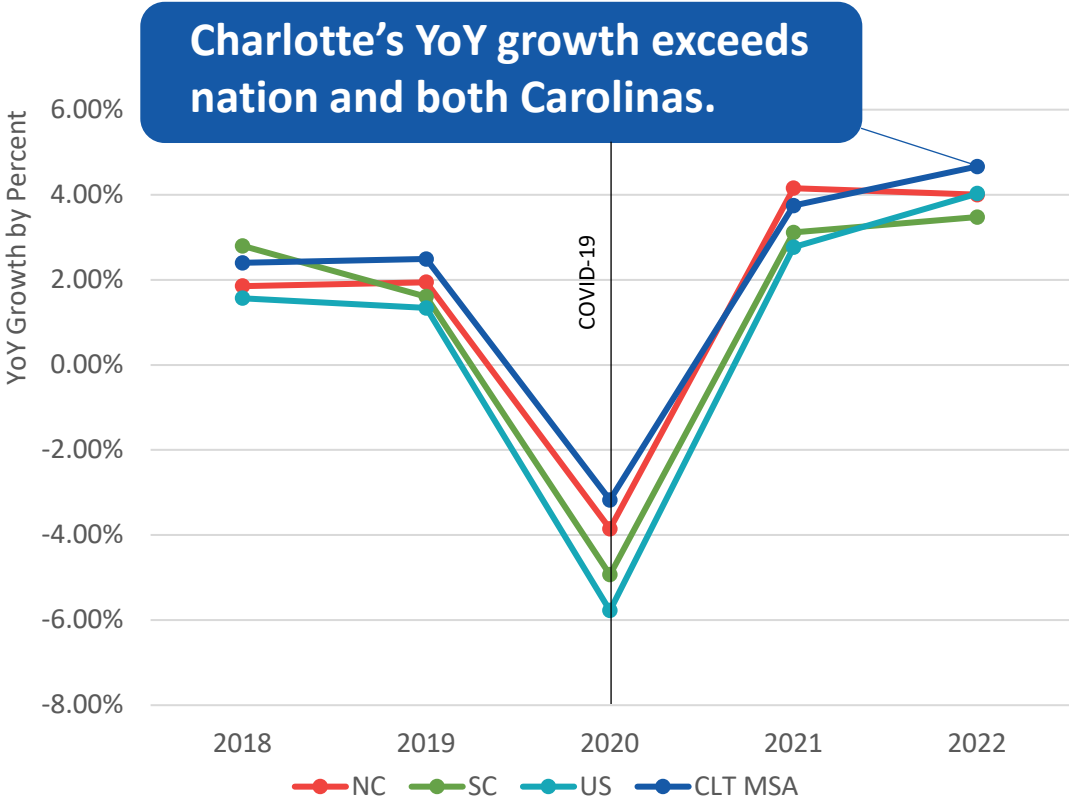
The unemployment rate in both Carolinas is at 3.9%; both states are above the national level at 3.5%. The Charlotte metro's unemployment rate sits at 3.1%.

Source: BLS 2023; CLT Alliance analysis 2023.

*The US had a quarter over quarter growth of 1.3%. North and South Carolina saw a growth of 2.1% and 0.3% respectively.

Total Employment by Year, Region

YoY Growth (2018-2022)



The Charlotte metro's year over year growth (YoY) in employment exceeds both the Carolinas and the nation at 4.67%. North Carolina and South Carolina had a YoY change of 4% and 3.48%, respectively while the U.S. had a rate change of 4.03%.

An influx of announcements contributed to the region's momentum, signaling a recovery from previous, slower quarters.

Source: BLS 2023; CLT Alliance analysis 2023.



Announced Investment Activity, Quarter

	Q4 2022	Q4 2021	Change
Projects	23	26	-12%
Jobs Announced	1,401	1,640	-15%
Capital Investment Announced (\$M)	\$2,285M	\$365M	526%

With 23 projects, the quarter ends with 1,401 jobs announced and a total of \$2.2 billion in capital investment, a return to record levels after a quiet six months. The quarter's largest announcement came from Microsoft which will be investing \$1 billion to build four data centers in Catawba County. Microsoft joins a growing data center cluster in Catawba County which is already the home to Apple and Bed Bath and Beyond data centers.

In addition, Albemarle announced more than \$500 million in two projects to support the rapidly growing clean energy industry. \$200 million will be invested to create an advanced lithium research center in University City, while \$350 million, supported partially by the Bipartisan Infrastructure law seeking to expand domestic EV battery manufacturing, will be invested in Kings Mountain to construct a lithium concentrator facility. The region is in position to benefit from the federal government's push for more domestic manufacturing of EVs given the recent shift of the automotive supply chain to the Southeast, the industry assets in the region, and the manufacturing prowess of the Carolinas.

Announced Investment Activity, 2022

Quarter	Projects	Jobs	Capital Investment
Q1	16	4,680	\$2,182M
Q2	14	985	\$304M
Q3	18	355	\$125M
Q4	23	1,401	\$2,285M
4-quarter total	72	7,421	\$4,896M

With the contribution of Q4, 2022 ends with 72 projects, over 7,400 jobs, and nearly \$5 billion of announced capital investment. That is almost 50% higher than 2021 which saw marquee announcements like the joint Red Bull, Rauch, and Ball beverage production facility (\$1B+), Apple (\$448M), and E&J Gallo Winery (\$423M). As manufacturing companies continue to invest more heavily in automation and more complex machinery, capital investment announcements are likely to increase while job announcements may decline.

Announced Investment Activity, County

Announcement by County	Jobs	Capital Investment (\$ Millions)
Cabarrus	-	\$411M
Ball Corp	-	\$127M
Red Bull/Rauch	-	\$284M
Catawba	60	\$1,011M
Microsoft	50	\$1,000M
Pregis Corporation	10	\$11M
Charlotte-Mecklenburg	444	\$278M
Albemarle	205	\$200M
Armstrong Transport Group	100	
Bosch Rexroth Corporation	24	\$40M
Elnik Systems LLC	55	\$3M
Solve Industrial Motion	60	\$35M
Cleveland	281	\$382M
Albemarle	239	\$350M
Eaton Corporation	12	\$2M
GreenHeck	7	\$29M
IMC Metals America	-	\$1M
Safety Test & Equipment Co	23	\$1M
Slab-Tec	-	\$.25M

Announcement by County	Jobs	Capital Investment (\$ Millions)
Gaston	185	\$135M
Newell Brands	185	\$135M
Iredell	250	-
Jet East	250	-
Lincoln	10	\$15M
Blum	10	\$15M
<i>Cataler North America*</i>	3	\$16,397,801
<i>Kirk & Matz, Ltd.*</i>	3	\$775,000
<i>Race City Steel*</i>	30	\$5,600,000
Rowan	27	\$7M
Fab Con Machinery Development Corp	27	\$7M
Stanly	20	\$4M
New Finish Inc.	20	\$4M
York	124	\$42M
Element Designs	36	\$5M
Hymec	40	\$7M
STIWA US, Inc.	48	\$30M
Grand Total	1,401	\$2,285M

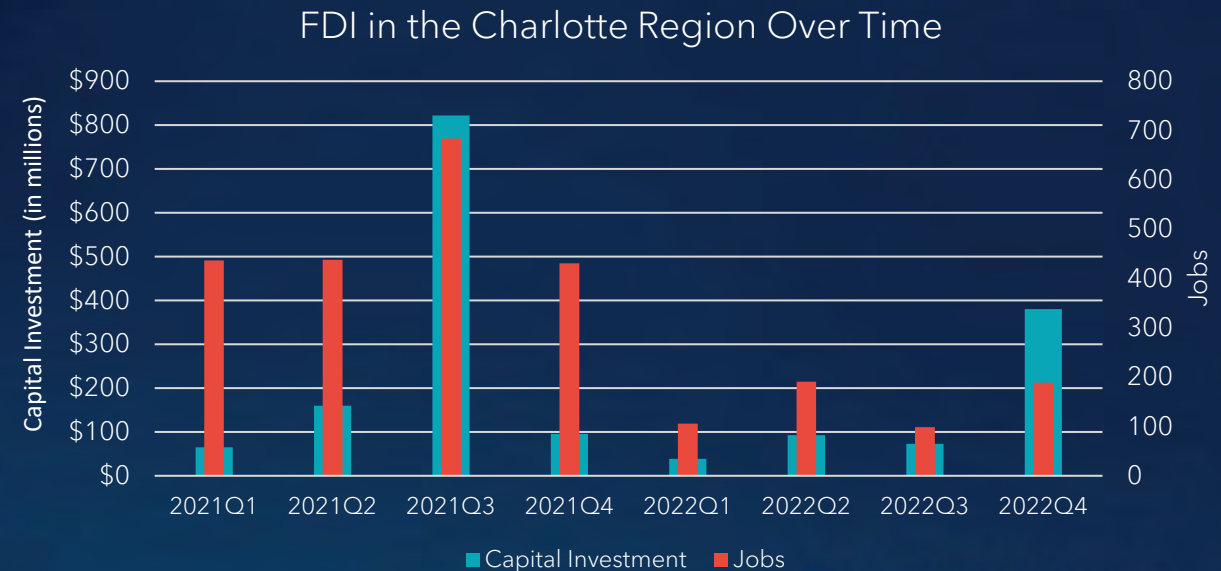
* Announcements were in quarter 3 but were not captured in the Growth Report. They are included here to recognize the investment, but totals are not included in quarter 4 totals.

Announced Investment Activity, International

Q4 saw an uptick in foreign direct investment (FDI) in the Charlotte Region with 189 jobs and \$381M in capital investment announced from seven foreign-owned companies. Compared to 2021, 2022 had about half the number of jobs and capital investment announced. The slow-down coincides with a slowing global economy and uncertainty about economic fortunes in 2023.

For two years in a row, Red Bull and Rauch are responsible for the largest FDI announcement in the region. In 2021, they announced \$740 million for their part of a beverage production facility at the Grounds of Concord. In 2022, another \$284 million in capital investment was announced for the project. In 2022, about 90% of FDI came from companies which already had a presence in the region. Foreign-owned manufacturers who are established in the Charlotte Region community like Blum, Bosch Rexroth, and Cataler all announced expansions in 2022. Those expansions speak to the potential impact of new companies coming to the region as many continue to invest for years beyond their initial investment.

Country	# of Announcements	Jobs	Capital Investment (\$ Millions)
Austria	3	58	\$329M
Germany	2	79	\$43M
Ireland	1	12	\$2M
United Kingdom	1	40	\$7M
Total	7	189	\$381M



Industry Trends: Manufacturing

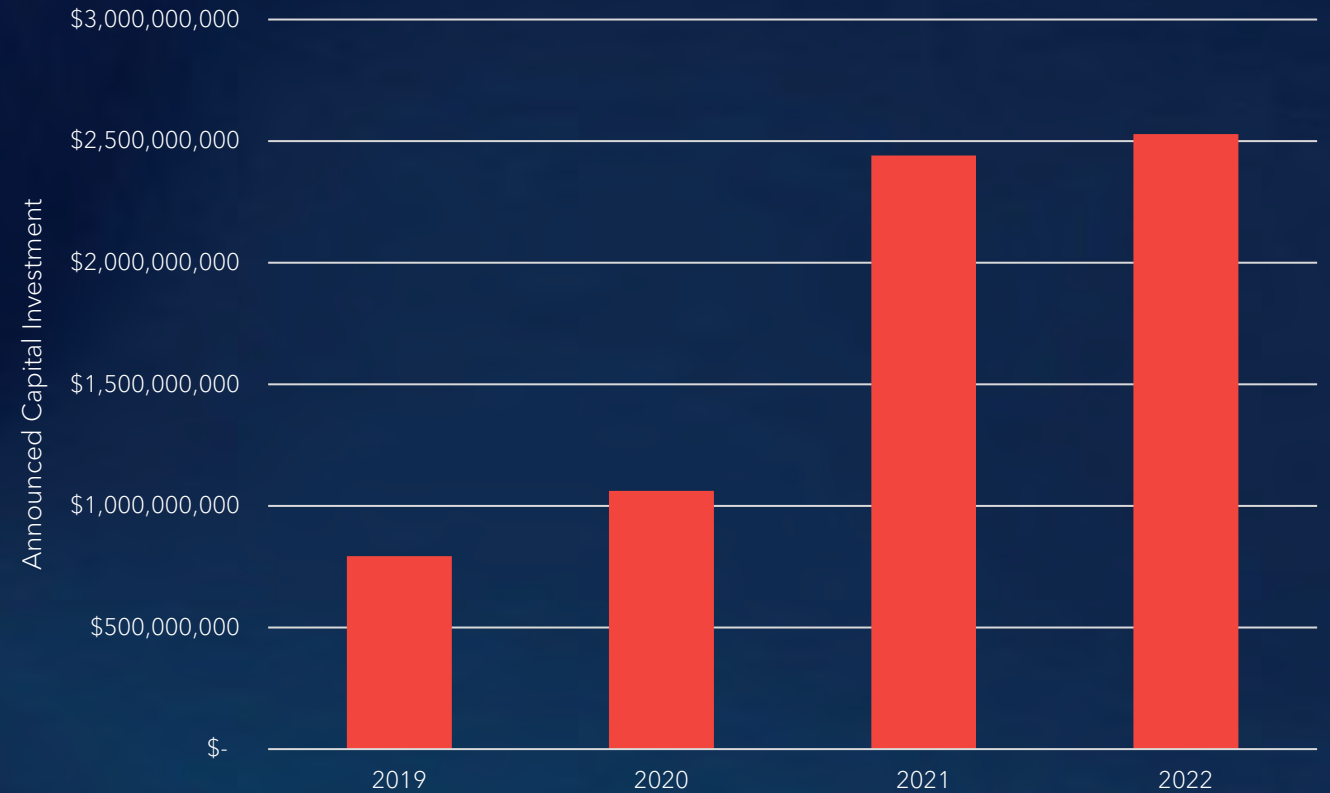
Drivers:

- Manufacturing companies announced about \$2.5 billion in capital investment, surpassing the \$2.4 billion in 2021 and more than doubling 2019 and 2020 totals.
- The influx of large announcements demonstrates confidence in the market going forward, driven by a competitive business environment, strong workforce, and a robust talent pipeline.
- The impact of capital investment is instrumental in funding local government services which rely on property taxes as a key revenue source.

Drawbacks:

- Demand has declined as economic conditions remain murky for 2023.
- Manufacturers are pessimistic that conditions will improve over the next six months.
- Employment remained largely flat in the last six months of the year due to many reasons, one being difficulty in finding labor.
- Nationally, job openings in December 2022 continued to be at near record levels and nearly double pre-COVID values.

Capital Investment from Manufacturing Projects in the Charlotte Region (2019-2022)



Industry Trends: Life Sciences/Health

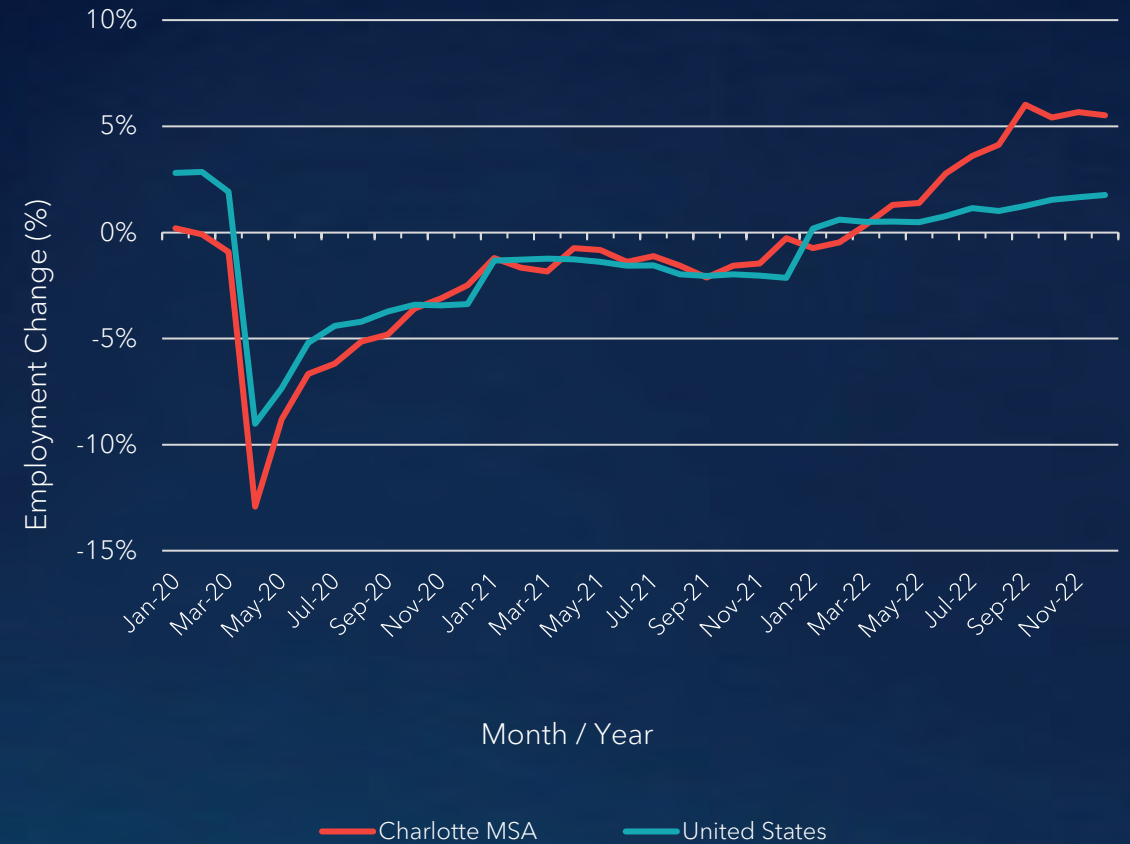
Drivers:

- Health care employment in the Charlotte metro continues to outpace the nation.
- More jobs were added on average at the beginning of Q4, increasing demand for services in occupations related to life sciences, home health/residential assistance, and team-based health care services.
- The sector is projected to create the most jobs out of all industries for the next decade by leveraging advanced technology, analytics, and new clinical workflows in daily management and services.
- Driven by demand for holistic digitalization and the incorporation of ESG, the increased need for services increased life sciences employment by 14% from 2020 to 2022.

Drawbacks:

- Job seekers' recruitment slowed down at the end of the quarter due to macroeconomic uncertainty, rising capital costs, staffing costs, inflation, and layoffs.
- Labor supply for in-demand occupations remains a challenge. Lower-skilled, non-reskilled employees, and job seekers are impacted more.
- More advanced technology is being used to meet demand for new services; however, it is impacting efficient job recruitment, retention, and strategy.

Life Sciences/ Health Employment: % Change since 2019



Industry Trends: Transportation/Logistics

Drivers:

- Continues to be a positive source of economic activity for the Charlotte Region.
- Armstrong Transport Group shared plans for an expansion within the region, adding more than 100 employees to its operations. This signifies versatility in the regional economy and capability of adding to the office footprint.

Drawbacks:

- With the end of the holiday season, seasonal positions meant to meet the increased demands will likely cease.
- Driver shortages remain a key issue as the region has over 16,000 drivers nearing retirement age. A nationwide problem, the industry needs to recruit 1.2 million drivers over the next decade to avoid a driver shortfall. This highlights the region's need to be strategic with creative recruiting and retention.

Transportation and Logistics Employment
% Change Since 2019



Industry Trends: Financial Services

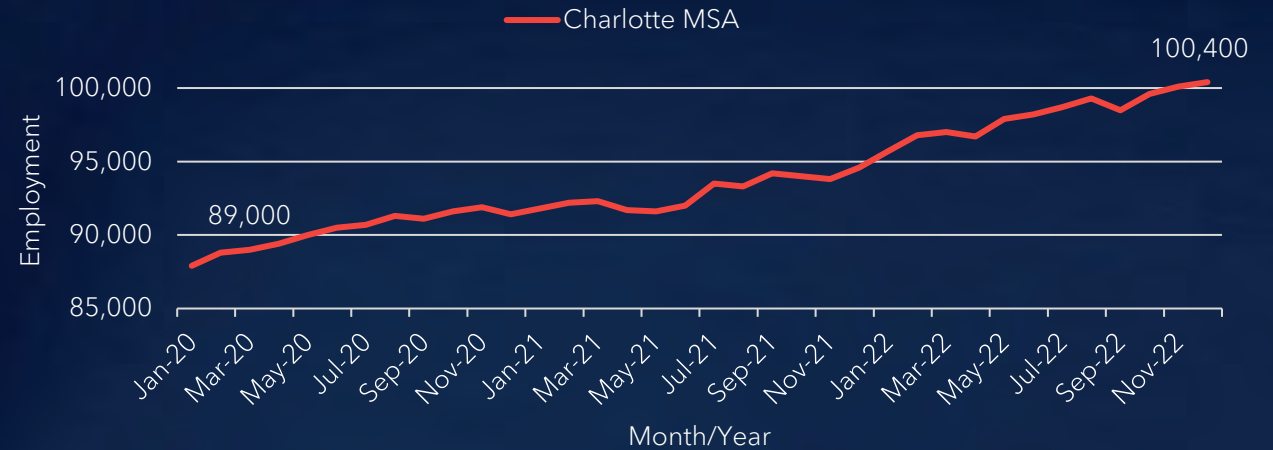
Drivers:

- The region surpassed 100,000 employees in financial services, signaling steady regional growth.
- The region can support its financial services in part due to the talent cultivation from its local universities.

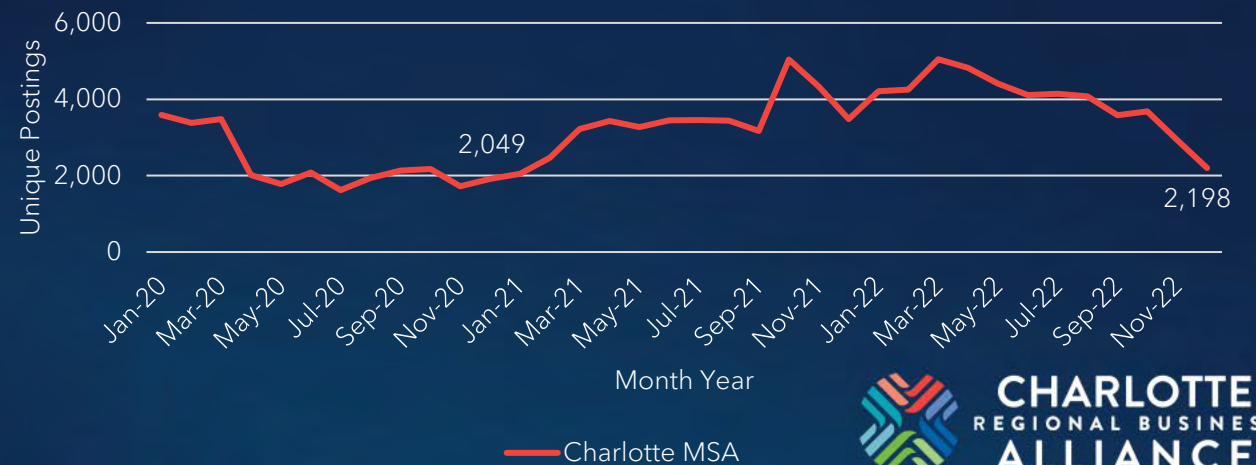
Drawbacks:

- Unique job postings were significantly down in Q4, with just under 2,200 unique job postings in December, the lowest total since January 2021, suggesting a contraction in labor growth.
- Elevated interest rates and speculations about the Federal Reserve's rate hikes may continue to impact hiring decisions, and the labor market.

Financial Services Employment (2020 - Present)



Financial Services Unique Job Postings (2020 - Present)



Industry Trends: Innovation Economy

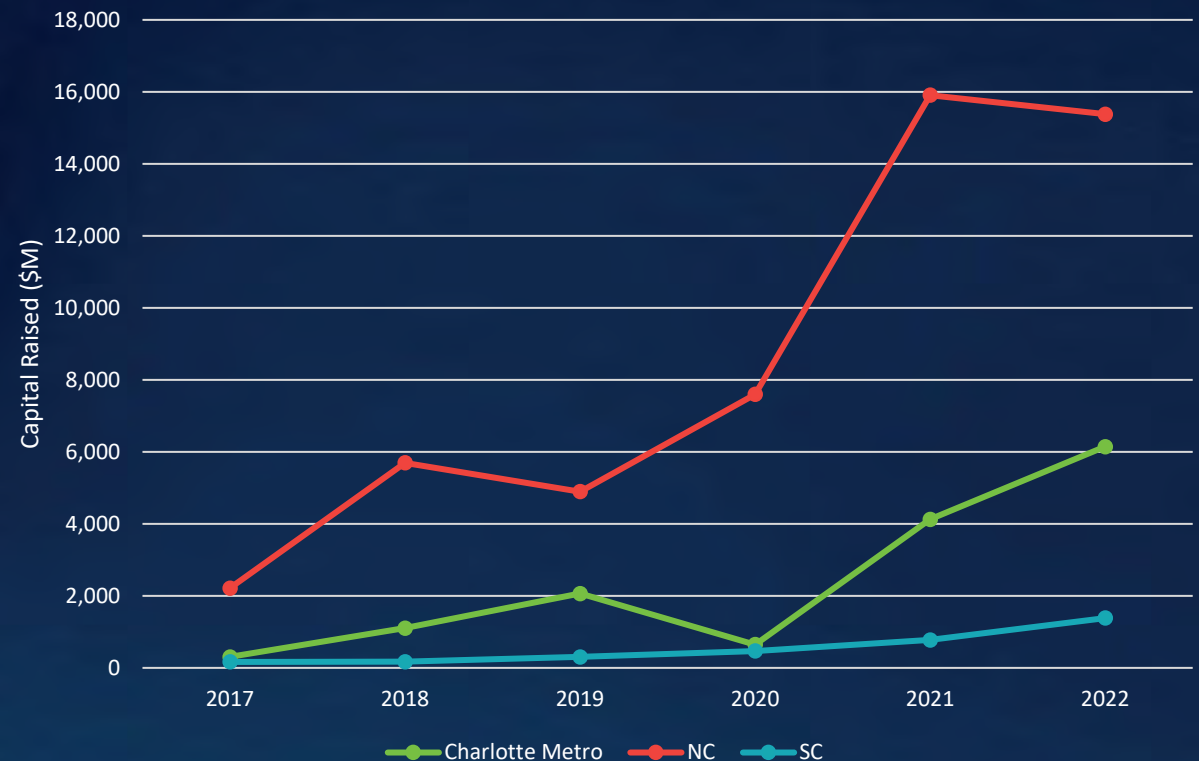
Drivers:

- Capital raised within the Charlotte metro and South Carolina saw a drastic increase, with YoY growth of 49% and 79% respectively.
- Driving sub-industries include fintech, e-commerce, SaaS, and AI and machine learning, based on total capital raised.
- UNC Charlotte's announced 'Center for Entrepreneurship and Innovation' is expected to greatly boost the growing entrepreneurial ecosystem.

Drawbacks:

- Access to funding continues to be an issue when compared to other similar sized cities.
- Startups are seeking 50% to 150% more capital than what has been traditionally supplied due to continued public market volatility and persistent inflation.
- A difficult 2022, combined with the broader area's inclination towards risk-averse industries, has the region's innovation economy off to a rough start in 2023.

Mounting Capital in the Carolinas (2017-2022)



The Research Team

Services include:

Demographic and economic trend research, industry research and deep dives, economic impact analysis, site selection and mapping analysis, and custom reporting.



ADRIENNE HUA
Lead Principal Researcher



ANTONY BURTON
Principal Researcher



COREY CORRELL
Economic Research Associate



AKOFA DOSSOU
Principal Researcher