

# CHARLOTTE

## A Defense Industry Magnet

**CLEARLY, CHARLOTTE HAS BECOME A MAGNET** for defense related industries. In recent years several new defense related companies have moved to Charlotte and the surrounding area. This new growth, along with a focus by traditional industries on defense contracts, has created an emerging defense related cluster in Charlotte.

Four of the nation's top ten defense contractors have facilities in Charlotte. Locally, 891 contracts were awarded in 2010 totaling over \$250 million. In the past three years alone, over \$1 billion in defense contracts have been issued to Mecklenburg County firms.

Companies receiving these contracts include Bank of America, Barrday, Curtiss-Wright Controls, General Dynamics, Goodrich Corporation, Ingersoll-Rand, Michelin Aircraft, Microsoft Corporation, Northrop Grumman Space & Technology and Tessera Digital Optics. These Charlotte-area operations include headquarters, manufacturing and research and development facilities.

**IN THE PAST THREE YEARS,  
\$1.1 BILLION IN DEFENSE  
CONTRACTS WERE ISSUED TO  
MECKLENBURG COUNTY FIRMS.**

### Success Breeds Success

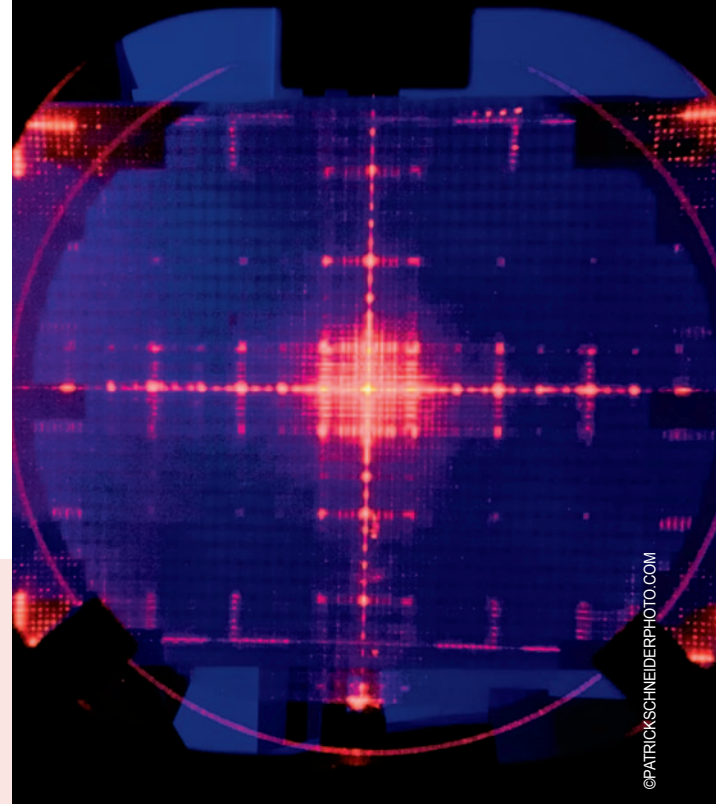
In the past ten years, Charlotte has attracted 6,790 new companies which have added 56,338 new jobs to this market. In addition, they have invested more than \$11 billion in new facilities. Along with these new companies, an additional 3,676 local companies have expanded their operation by adding 71,808 new employees and investing \$7.6 billion in new facilities. During 2010, 912 firms created 10,781 new jobs.

Charlotte's economic growth successes are due in part to the diversity of the local economy. Of the nearly 28,000 businesses located here, virtually every major business sector is represented. Charlotte has seven of the nation's *Fortune* 500 companies headquartered here, more than all but eight other U.S. cities. In total, 273 of the *Fortune* 500 companies have facilities in Charlotte.

In addition, 3,464 companies with a million or more dollars in revenue have facilities in Charlotte. Of these, 25 reported sales exceeding \$1 billion.

### Partnering for R&D

Boeing Aerospace, Caterpillar, General Dynamics and Tessera Digital Optics have all formed successful partnerships in the past with the University of North Carolina Charlotte to research and develop new products — its Charlotte Research Institute was formed as an umbrella



©PATRICKSCHNEIDERPHOTO.COM

### Why Defense Contractors Choose Charlotte

- ▶ Growing concentration of defense related companies call Charlotte home including Curtiss-Wright Controls, General Dynamics, Goodrich and Northrop Grumman.
- ▶ A national university that focuses on precision metrology, optoelectronics, microelectronics and information technology.
- ▶ Ranked third nationally in its ability to attract young educated workers — with over 6,930 engineers employed locally.
- ▶ Center of nation's fourth largest manufacturing concentration with more than 1,770 manufacturers employing 65,800 productive workers in the Charlotte MSA, yet the lowest unionization rate in the nation.
- ▶ Pro-business state and local and federal government officials.
- ▶ High quality of life with below average cost of living.
- ▶ Ninth nationally in number of headquartered *Fortune* 500 companies — 25 additional companies exceed \$1 billion in annual sales.

©PATRICKSCHNEIDERPHOTO.COM

## Charlotte Mecklenburg's Million Dollar Corporations 2011

Rank	Classification	# of Firms
1	Services	1,340
2	Construction	583
3	Wholesale Trade	477
4	Manufacturing	350
5	Finance, Insurance, Real Estate	280
6	Retail Trade	265
7	Transportation, Comm., Utilities	160
8	Other	9
<b>Total</b>		<b>3,464</b>

**Source:** Hoover's, a Dun & Bradstreet Company

## Engineers in Charlotte MSA

Type	Number	Average Hourly Wage
Chemical	120	\$38.00
Civil	1,620	36.47
Computer	200	45.96
Electrical	610	37.31
Electronic	800	39.99
Environmental	390	39.06
Health & Safety	140	35.26
Industrial	850	35.49
Materials	80	32.15
Mechanical	1,450	38.37
Other	790	43.06

**Source:** N.C. Employment Security Commission 2011

organization to accelerate research, commercialize technology innovations and foster economic development in the Charlotte region. The Institute focuses on three major research areas through its research centers for precision metrology, visualization and optoelectronics.

A new multi-million dollar facility will house the Institute, funded in part by a \$92 million state bond referendum, and will occupy 100 acres on the UNC Charlotte campus.

### Strategic Location

Charlotte offers convenient access to major national and international markets. Charlotte is the largest city in the nation's sixth largest urban region and the center of the nation's fourth largest manufacturing region. Charlotte itself is a midsize city with a population of 750,124. It services a regional population of over 7.1 million within a 100 mile radius. As a result, Charlotte has emerged as a financial, distribution, transportation, health care, energy and cultural hub of the southeast.

### A Growing Productive Workforce

Since 2001, Charlotte has experienced an 18 percent increase in its labor force. During the same period, employment has grown by 4 percent compared to U.S. growth of 3 percent. The U.S. Census has ranked the Charlotte metro area as having the seventh fastest growing rate in the nation and fifth highest in-migration of young, educated professionals — the population between 25 to 39 years of age. This in-migration is fueling the demand for future productive workers. Annually more than 50,000 people move to Charlotte.

Of the top 20 industrialized states, North Carolina ranks third most productive. For each dollar of labor cost, \$5.04 of value added is produced by North Carolina labor. As a right-to-work state, North Carolina has the lowest union

membership in the nation at 2.9 percent. Cost of labor has historically been a factor for economic growth in the region. The region continues to have a labor cost below the national average.

### Affordable Location

Lower living cost, lower construction cost, lower labor cost and lower rental cost all add up to a more affordable location. With a construction cost of 80 percent of the national average, buildings are less expensive. With cost of living at 93 percent of the national average, and the 16th lowest tax rate in the country, the cost of doing business is less.

### Available Incentives

Both Charlotte and the State of North Carolina have financial programs to assist defense-related industries in relocating or expanding in the area.

The City of Charlotte and Mecklenburg County have incentive grant policies that award companies a cash grant over a five year period based on the project's net new capital investment and job creation. Larger projects may be extended for up to eight years.

The State of North Carolina offers cash incentives to larger impact projects as well as customized workforce training for new and expanding companies.

