



Forces & Trends

Coordinating Committee
February 21, 2013

Overview

- Snapshots of baseline indicators
 - Full forces and trends to come in written report
 - Benchmarked to Greenville region
- Seven key regional drivers
 - Framing statements
 - Discussion questions
- Objectives of the Discussion Questions:
 - Are we asking the right questions?
 - Do we agree it is an issue best addressed regionally?

Thrive 2055 and Ten at the Top

In the following slides, our Thrive 2055 16-County region has been compared to the Greenville/Spartanburg, North Carolina 10-County Region—called Ten at the Top.

This comparison was made because of several similarities in the two regions:

- A transition from one manufacturing base to another
- Selection of the region by a German auto manufacturer for U.S. production facilities
- Approximately similar growth rates over different 20-year periods (Greenville was where we are 20 years ago)



BASELINE INDICATORS

1 MILLION PEOPLE

3 STATES

4 WORKING GROUPS

16 COUNTIES

40 YEARS

79 MUNICIPALITIES

149 PEOPLE/SQ.MI.

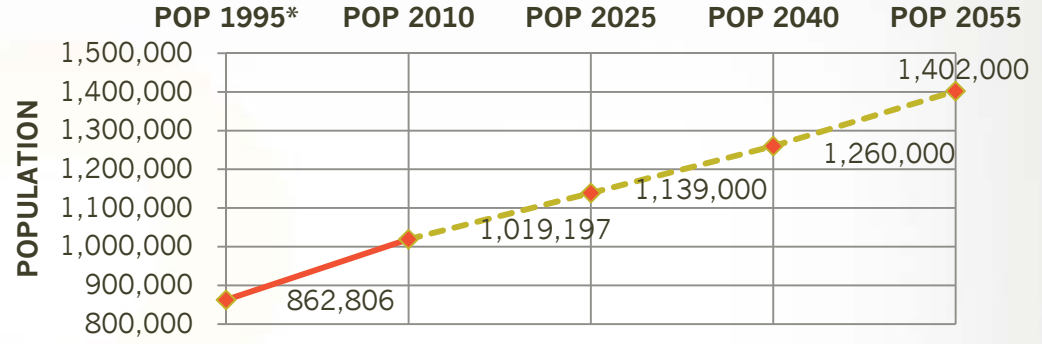
6,648 SQ. MILES

REACHING BEYOND TODAY

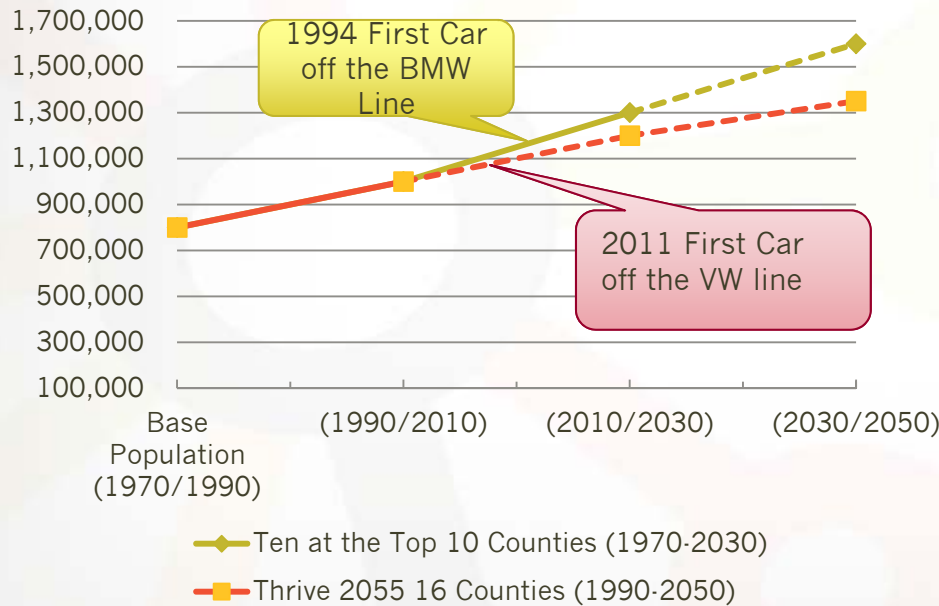
POPULATION GROWTH RATES

The region is forecasted to grow **0.88%** annually for the next 40+ years to reach **1.4 million people by 2055**

Regional Population Growth



Comparison of THRIVE 2055 to the Ten at the Top/Greenville, SC Region (20 year stagger of growth trends.)



In comparison, the Ten at the Top region is projected to grow at an average rate of **1.16%** annually to 2030 (a similar period).

40 years after the first cars

- **1.6 Million** in Ten at the Top Region
- **1.4 Million** in Thrive Region

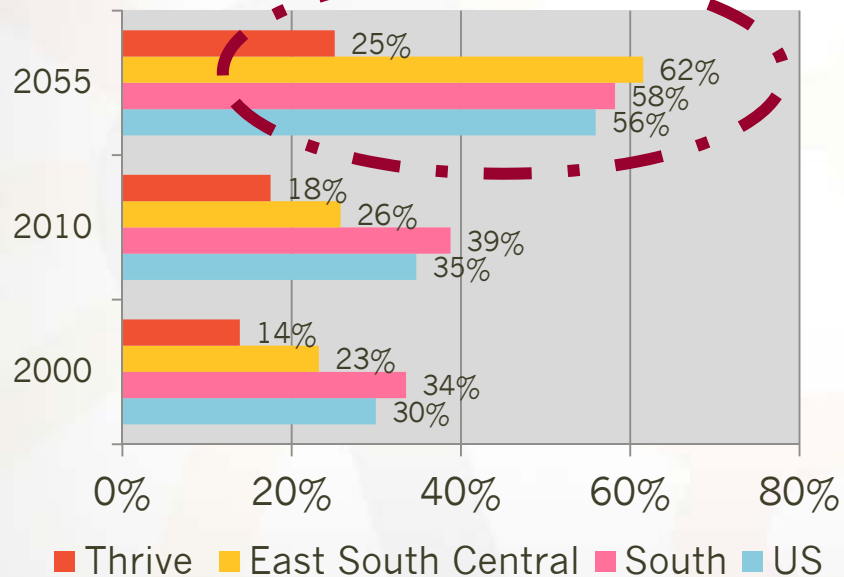
2010 range in county populations from 12,000 in Meigs County to 340,000 in Hamilton County



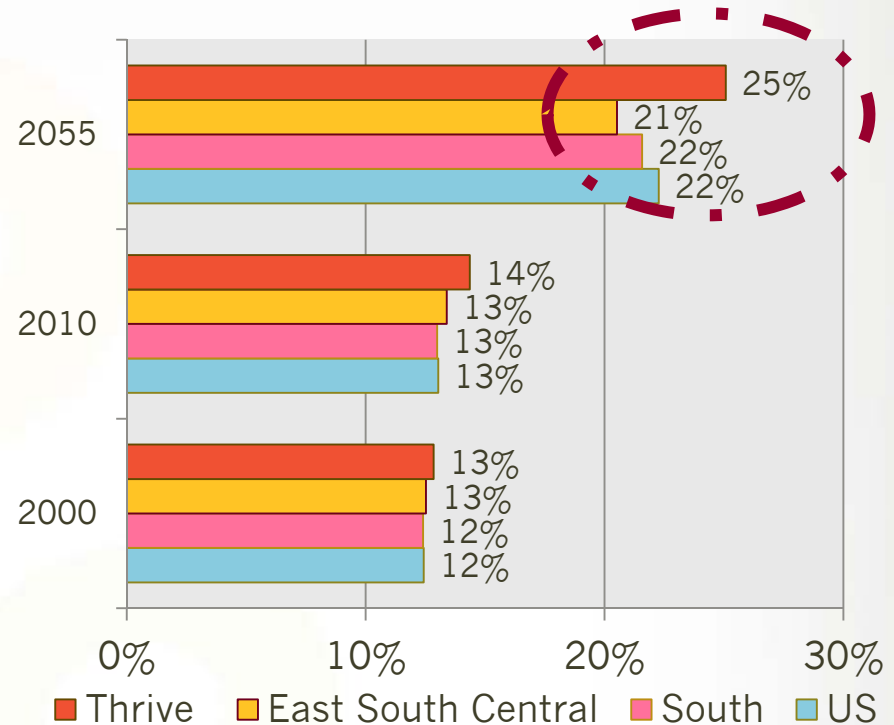
POPULATION DIVERSITY

By 2055 our regional population is projected to be older and only slightly more ethnically diverse than it is today.

Percentage Minority Population



Percentage of Population Over 65

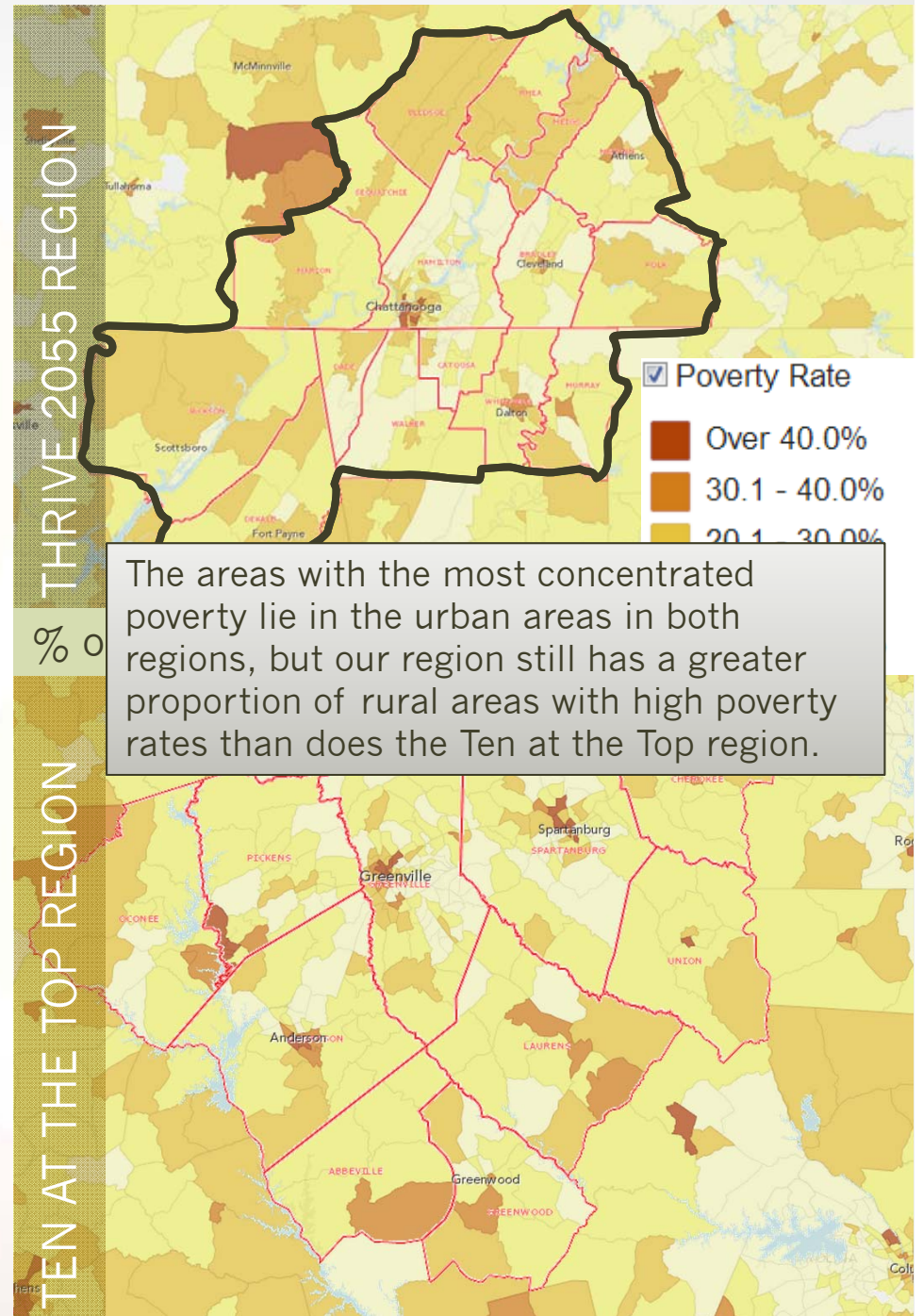
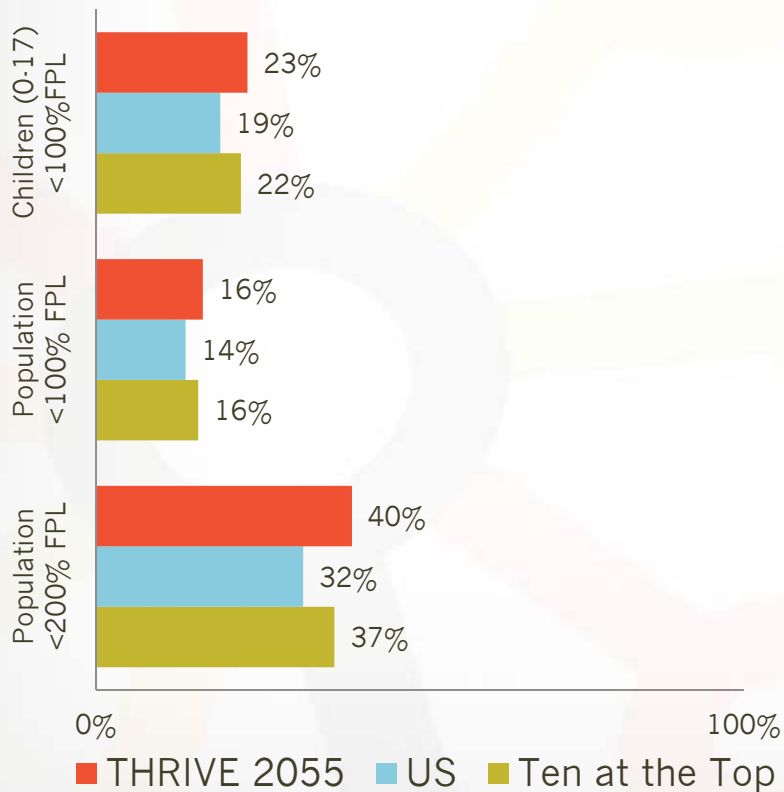


These statistics are significant because both diversity and a young population are indicators present in competitive high-tech regions.



POVERTY RATES

40% of our region's children are living under the federal poverty level and 60% of our enrolled students qualify for reduced or free lunches.



HEALTH INDICATORS

Chattanooga's quality hospital care is ranked 7th in the nation, and is relatively affordable, but our health outcomes are still poor.

The Thrive region eats our vegetables but we are relatively inactive. The regional rate of smoking, diabetes and heart disease are higher than the national benchmarks!

Greenville has:

- A more active population,
- Better health in their MSA than in the region as a whole,
- Slightly higher stroke mortality than our region,
- Higher infant mortality in the region than us, and
- Fewer teen births

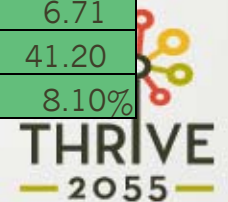
Heart disease mortality, infant mortality and low birth weight are more prevalent in the Chattanooga MSA than our region as a whole.

The teen birth rate in the region is 62/100,000 people--that is 21 more than the US teen births per 100,000 people.

2010 HEALTH INDICATORS

	REGIONS		US
	THRIVE	TEN AT THE TOP	
Risk Behaviors			
Alcohol	9.8%	12.41%	16.61%
Diet	68.1%	81.09%	75.92%
Inactivity	30.3%	25.77%	24.66%
Smoking	22.1%	21.62%	19.27%
Obesity	31.4%	30.23%	27.35%
Disease Outcomes			
Diabetes Prevalence	10.3%	10.06%	8.77%
Heart Disease Mortality	153.00	122.97	135.65
Heart Disease Prevalence	5.34%	4.73%	4.26%
Stroke Mortality	50.64	51.89	41.78
Poor Dental Health	24.3%	20.98%	15.57%
Maternal/Infants			
Infant Mortality	7.95	8.36	6.71
Teen Births	61.96	55.68	41.20
Low Birth Weight	9.5%	9.50%	8.10%

Source: www.chna.org Community Health Needs Assessment



EDUCATIONAL ATTAINMENT

Our adult workforce education rates compare similarly with the 10 at the Top region, but our post secondary education is lagging the national and southern state statistics.

- The value of education starts early and at home.
- Early development is essential to growing innovative local talent to contribute to our local / regional economy.

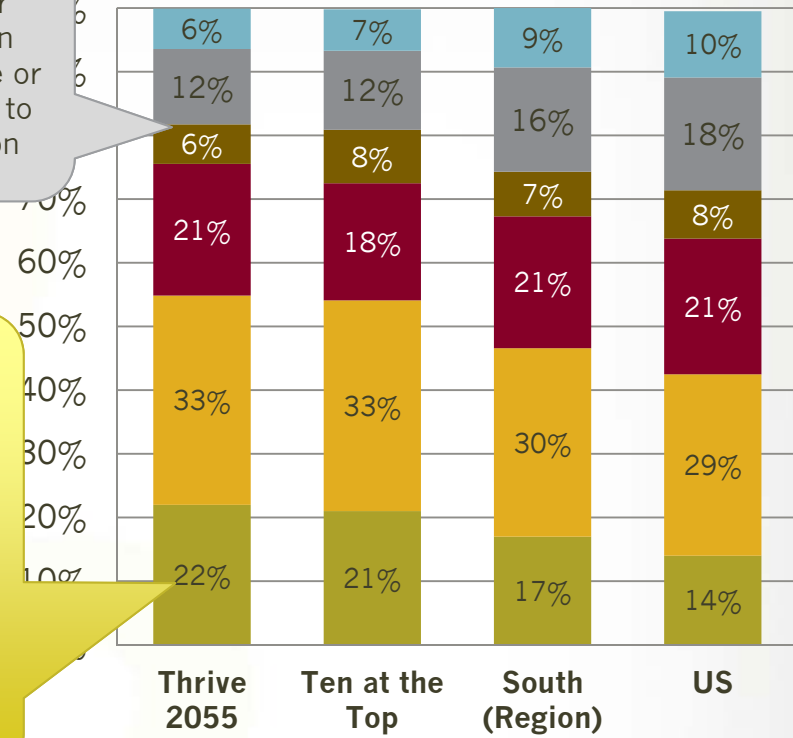
Patents in the 2 Regions

- **10 at the Top- 1/100,000**
- **Thrive- 0.2/100,000**

Only 24% of our workforce has an Associates Degree or higher compared to 36% in the nation

22% of our adult workforce does not have a high school degree or equivalent. That is 8% more than the national rates.

2010 Educational Attainment (Population 25 and Older)



- Graduate Degree
- Bachelors Degree
- Associates Degree
- Some College No Degree
- HS Graduate or Equiv
- No HS Degree

Educational Attainment Range

Counties with Most Post Secondary Degrees

Hamilton Co. 34%
Catoosa Co. 26%
Bradley Co. 25%

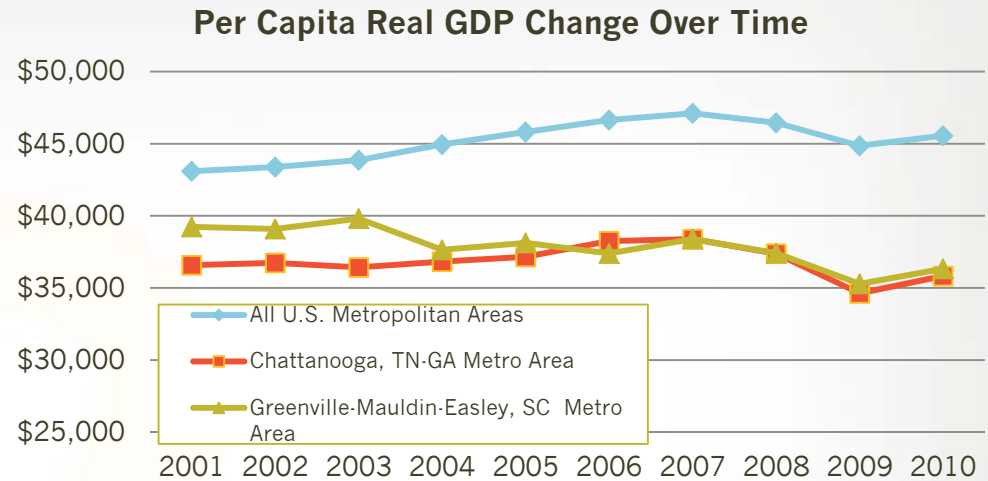
Counties with most adults without HS Degree or equiv.

Murray Co. 34%
Whitfield Co. 33%
DeKalb Co. 32%



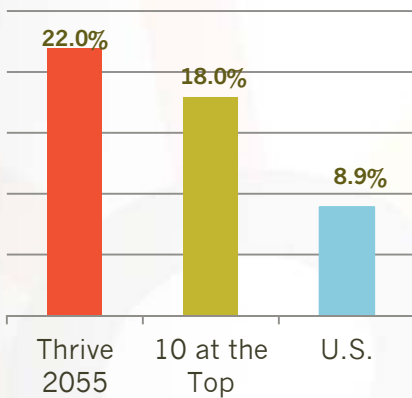
ECONOMIC INDICATORS

Economically we are tracking the same pattern as the nation, but at a significantly lower GDP.



Note: expressed in constant 2005 dollars.
Source: US Department of Commerce, Bureau of Economic Analysis; BAE, 2013.

Percent of Jobs in Manufacturing



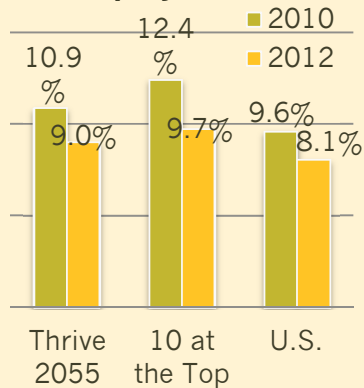
Source: U.S. Census Bureau, Local Employment Dynamics; BAE, 2013.

The percentage of our regional employment in the manufacturing sector is higher than the 10 at the Top Region and significantly higher than the nation.

Total Number of Jobs 2011

- 378,400-Thrive 2055
 - 0.37 jobs/person (total pop)
- 529,611-10 at the Top
 - 0.39 jobs/person (total pop)

Unemployment Rate



Source: U.S. Department of Labor, Bureau of Labor Statistics; BAE, 2013.

Job Growth Rates 2010-2011

THRIVE	0.4% ↑
10 at the Top	0.4% ↓
U.S.	1.6% ↑

Our unemployment rates are lower than the 10 at the Top Region but still lagging the nation.

We gained jobs during the same period 10 at the Top lost jobs neither region meets the national benchmark.



COST OF LIVING & HOUSING INDICATORS

Chattanooga is slightly more affordable than the national average.

In Comparison to Greenville, SC

Price difference in Chattanooga, TN

Groceries	3% less
Housing	15% more
Utilities	5% less
Transportation	4% more
Health Care	10% less

Source: CRE2. 2012/CNN Cost of Living Calculator

THRIVE Region Tax Rates (Range Low-High)

Property Tax Rates per \$1000 of Value	\$15-\$29
Sales Tax Rates	5%-9.75%
Income Tax Rates (AL-5%, GA-6%, TN-N/a, SC-7%)	

	Cost of Living Index	Housing Opportunity Index
Nashville-Franklin, TN	88.9	not available
Greenville, SC	90.3	92.0
Chattanooga, TN	91.1	83.9
Huntsville, AL	91.2	not available
Austin, TX	95.5	73.3
Nationwide Average	100	74.1
Portland, OR	111.3	73.4

- Median family income of \$57,800
- Median home sales price of \$135,000

Median housing affordability is better than the national average.

In comparison to the Greenville region, groceries, utilities, and health care are less expensive in Chattanooga.

Utility costs in this region are significantly lower than in other parts of the country.

There is significant variation within our region in property and sales tax rates.

Sources: C2ER, Arlington, VA, ACCRA Cost of Living Index, Annual Average 2010 (copyright), and NAHB/Wells Fargo Housing Opportunity Index (HOI).



TRANSPORTATION INDICATORS

Our current commute times (23 min) are comparable to national averages (24) but could be on the rise as the population grows and our infrastructure ages.

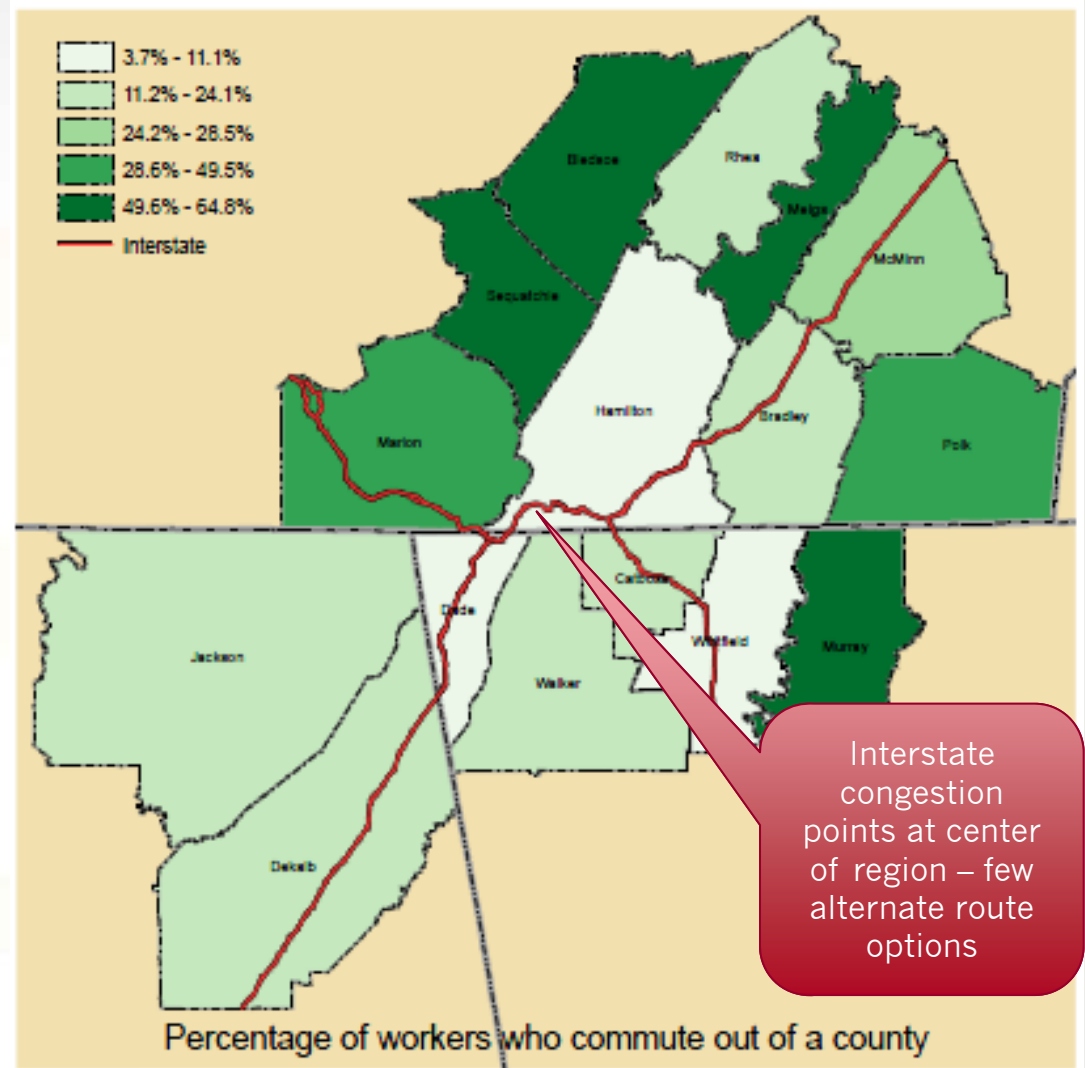
Dependent on highways for mobility – low mass transit use

High freight traffic (highways) – Top 10 nationally, 80% of which is through traffic

Strong freight ties to local economy - 40% of GRP is logistics dependent industries, several large trucking companies

Funding shortfalls expected - \$3.7B in the 3 MPO's

3 MPO's, 2 states, not all counties are included in the MPO's



The majority of workers in the outer Tennessee Counties and Murray County commute to other parts of the region, primarily Hamilton, Whitfield, and Bradley Counties.

BUILT AND NATURAL ENVIRONMENT INDICATORS

Our region has unparalleled biological diversity, but continued growth trends are consuming land at an increasingly rapid rate.

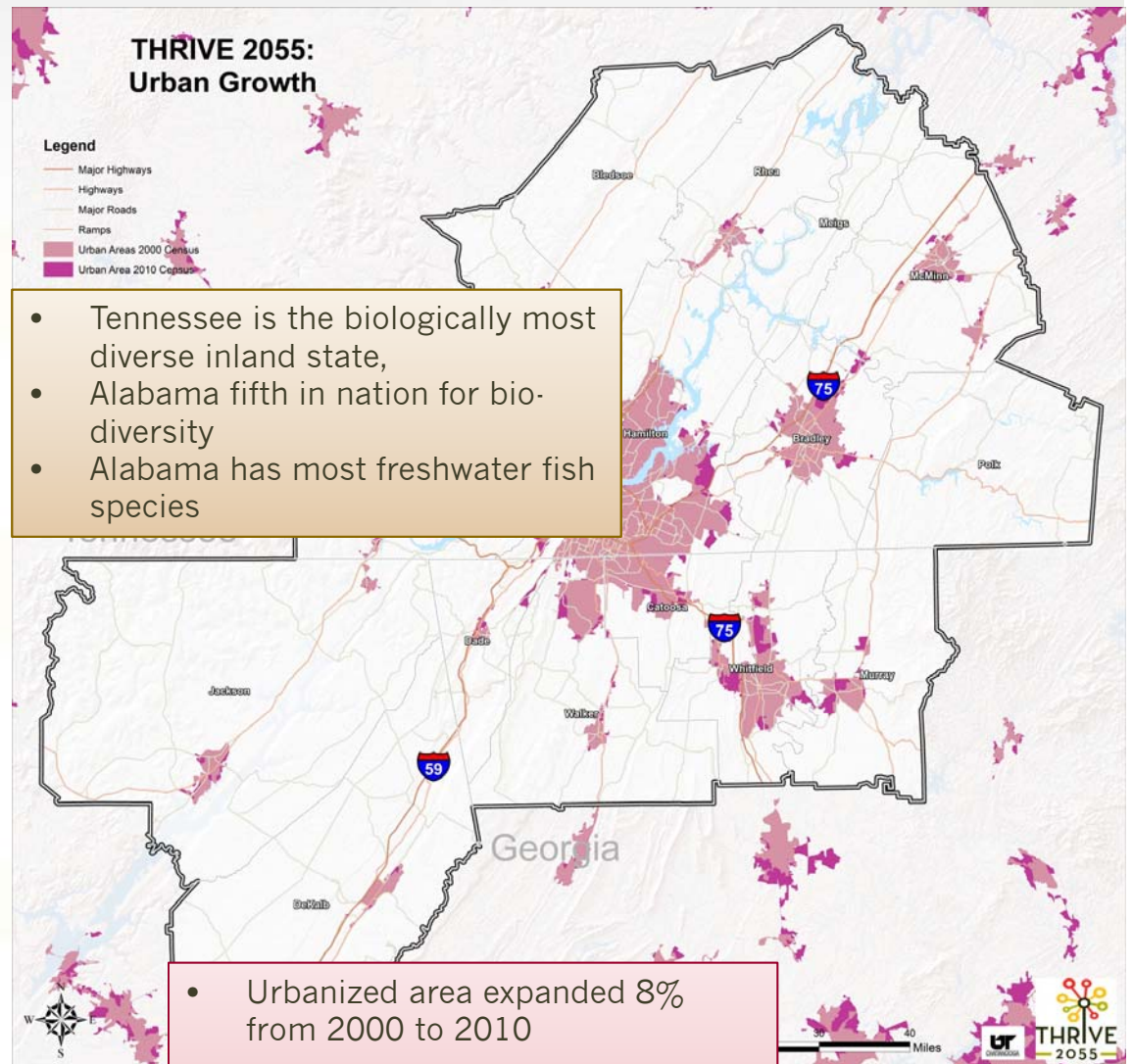
Only a small percentage of region is developed, but that percentage is growing

- Nearly 60% of the region's land area is forested
- Agricultural Land covers an additional 22% of the region's land area
 - 50% is in DeKalb, Jackson, and McMinn Counties

2010 Thrive Housing Inventory

Single-family Detached	300,380
Multi-family Attached	75,200
TOTAL UNITS	375,580

Almost 45,000 new homes have been built in the region since 2001



- Tennessee is the biologically most diverse inland state,
- Alabama fifth in nation for bio-diversity
- Alabama has most freshwater fish species

- Urbanized area expanded 8% from 2000 to 2010
- Approximately 8% of the total land in the region was in urban areas by 2010
- Region had a net loss of 25,000 acres of farmland from 2001-2007





KEY REGIONAL DRIVERS

Education and Workforce Preparedness

Health © Energy

Mobility and Freight Movement

Built and Natural Environment © Regional Vibrancy

Regional Economic Competitiveness

REACHING BEYOND TODAY

EDUCATION AND WORKFORCE PREPAREDNESS

Framing Statement

INDICATORS

- Poverty
- Early childhood readiness
- Diversity
- Educational attainment
- College readiness

- This is a pre-natal, pre-K, primary-school, middle school, high school, post-secondary education, and life long learning issue
- Manufacturing no longer relies on low-skill employment—future employment will require more education and high-skill training
- If firms can't find the workforce they need they will locate or relocate elsewhere
- This region has a disconnect in workforce preparedness and business needs
- There is a correlation between diversity and educational attainment

EDUCATION AND WORKFORCE PREPAREDNESS *Discussion Questions*

- How do we improve educational attainment starting at the earliest ages?
- How do we prepare workers for an economy that increasingly relies on a highly skilled workforce?
- How can we address this across:
 - The urban / rural spectrum?
 - The socioeconomic spectrum?
- How do we approach this across county and state lines?
- Is this an issue that can best be addressed with a regional strategy?

HEALTH

Framing Statement

INDICATORS

- Poverty
- Health Behaviors
- Disease Mortality
- Aging population
- Educational attainment
- Accessibility and quality of health care

- Good and affordable health care service – but very dynamic environment
- Changing rapidly and unpredictably
- Minimal regional coordination in place
- Lag behind nation in most health indicators

HEALTH *Discussion Questions*

- How can we maintain the high quality of our hospital care in a changing environment?
- Is there an immediate role for Thrive 2055 on the health care delivery issue?
- How can we become healthier?
- How do we address the health challenges from childhood to an aging population?
- Is this an issue that can best be addressed with a regional strategy?

ENERGY

Framing Statement

INDICATORS

- Power Supply Sources
- Power Capacity
- Emerging Sources
- Utility Costs (Cost of Living Index)

- Diverse regional supply (nuclear, coal, natural gas, solar, hydro)
- Competitive energy costs is a major economic development factor
- History of affordability, dating back to creation of TVA
- Growing interest and business opportunities in alternative energy industry (i.e. Wacker Chemie, Alstom, EMJ Corp.)

ENERGY

Discussion Questions

- What influence do the current pricing models have on the competitiveness of the region?
- Should the region identify itself as a “renewable energy” region?
- How do natural gas or renewable energy sources (hydro, solar, wind) contribute to a more competitive energy portfolio?
- Is this an issue that can best be addressed with a regional strategy?

MOBILITY AND FREIGHT

Framing Statement

INDICATORS

- Commute Times
- Vehicle Miles Traveled
- Mass Transit Usage
- Tons of Freight
 - THROUGH
 - LOCAL
- Costs/Revenues/Funding Balance

- Dependent on highways for mobility
- Mobility at the core of our region's ability to function (quality of life, economy)
- We commute to central areas but interstate congestion points at center of region – few alternate route options
- Reasonable commute times now but increasing population increases trips on aging network=increased chance of failures and delays
- No overall regional coordination between the 3 MPO's, or all 3 states
- Funding shortfalls expected
- High freight traffic (through) with ties to local economy, external trends pointing to an increase
- Aging locks and dams combined with increased indicators that multi-modal freight will be in play in the future

MOBILITY & FREIGHT

Discussion Questions

- How can we address the funding shortfalls?
- How do we define strategic regional transportation facilities?
- Where does high speed rail fit in?
- How important is it to maintain commute times?
- How do we balance through freight with local priorities?
- How do we get past the 3 MPO/3 state structure and address these issues regionally?
- Is this an issue that can best be addressed with a regional strategy?

BUILT AND NATURAL ENVIRONMENT

Framing Statement

INDICATORS

- Acres in Forest
- Acres In Agriculture
- Acres in Open Space
- Rate of Urbanization
- Number of Species
- Air Quality
- Water Quality
- Housing Starts
- Cost of Living

- Growth is coming, but is not coordinated regionally
- Tremendous natural resources, biodiversity, agriculture, scenic beauty
 - Growth often attracted to same areas with sensitive resources – valleys and coves
- Driven by infrastructure, especially utilities
 - Sewer providers fragmented, market driven, developer funded
- Inefficient growth can cost more to serve with public services
- Strong relationship to transportation and economic development

BUILT ENVIRONMENT

Discussion Questions

- Should growth be guided, encouraged, incentivized in certain areas?
 - Around existing communities?
 - Where services and facilities already exist?
- What barriers exist today that limit our ability to achieve balanced regional growth?
 - Should the market be the sole determinant?
 - What role should/can utility policies play?
- How do we ensure the availability of suitable land for economic development?
- Are these issues best addressed at a regional level?

NATURAL ENVIRONMENT

Discussion Questions

- Should we identify priority resources and establish collaborative strategies to protect them?
- How do we balance growth with the conservation of regional natural resources?
- How do we achieve this without traditional local planning tools?
- How do we avoid this becoming an either/or proposition?
- Is this an issue that can best be addressed with a regional strategy?

REGIONAL VIBRANCY

Framing Statement

INDICATORS

- Annual Arts and Culture Events
- Attendance at Events
- Entertainment/Activities
 - Ecotourism
 - Sporting Events
 - Social Organizations
- Cost of Living v. Quality of Living

- Intangibles contribute to quality of life beyond jobs, commute times, fiscal health, and other tangibles
- Arts, culture, heritage, scenic beauty, and a sense of safety and security
- The things that are difficult to measure that make this place special
- Can also contribute to economic well-being
 - Decisive factor in the VW decision

REGIONAL VIBRANCY

Discussion Questions

- What are those intangibles, what does this region offer that others cannot?
- How do we better the things we love and protect them as we change?
- How do we keep this place special?
- Is this an issue that can best be addressed with a regional strategy?

REGIONAL ECONOMIC COMPETITIVENESS

Framing Statement

INDICATORS

- Population Diversity
- Educational Attainment
- Poverty
- Health Indicators
- Mobility Indicators
- Cost of Living
- Quality of Life factors
- Energy/Infrastructure/Utility Costs
- Rate of Growth

- Capstone issue:
 - Strong places
 - Healthy and educated people
 - Efficient mobility and freight movement
 - Modern and fiscally sustainable infrastructure
 - Competitive energy costs
- The Greenville region had similar successes 20 years ago in attracting outside investment, and they have been able to capitalize to generate positive synergy with far reaching benefits

Regional Economic Competitiveness

Discussion Questions

- How do we capitalize on the direct and indirect long term benefits of our recent successes?
- How do we maximize the “VW Effect”?
- How do we match the economic benefits of attracting outside firms with homegrown innovation?
- How do we cultivate leadership that will take us forward?

Detailed Working Group Issues

- Education and workforce preparedness
- Lifelong Learning
- Land/development site availability
- Regional economic development collaboration
- Entrepreneurship
- Rural economic development
- Communications technology
- Transportation/Mobility
- Water and sewer service
- Energy
- Freight movement
- Growth and development patterns
- Scenic beauty
- Natural resource conservation
- Health and health care service delivery
- Public safety
- Arts
- Cultural heritage
- Recreation
- Tourism
- Leadership

Regional Drivers

- **EDUCATION AND WORKFORCE PREPAREDNESS**
- **HEALTH**
- **ENERGY**
- **MOBILITY AND FREIGHT MOVEMENT**
- **BUILT AND NATURAL ENVIRONMENT**
- **REGIONAL VIBRANCY**
- **REGIONAL ECONOMIC COMPETITIVENESS**