

Balanced Economy — Broad Opportunity

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

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

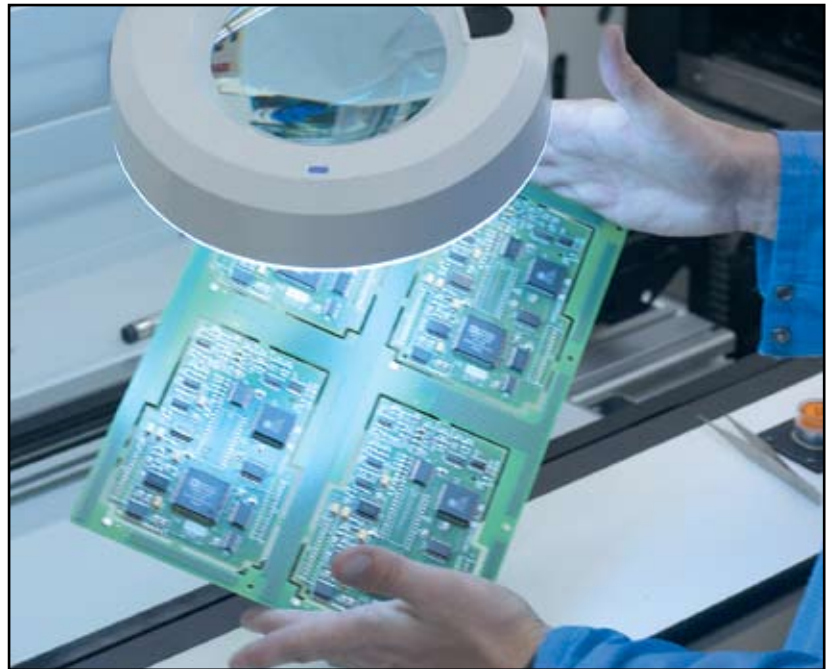
Well-Distributed Employment

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Mecklenburg County has more than 63 percent of total employment in the Charlotte region. The Charlotte MSA claims 789,928 jobs, with more than 63,015 of those created since 1998.

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and finance; transportation; retail; telecommunications; and manufacturing. The city boasts many corporate headquarters, including Bank of America, Wachovia, Duke Energy, Sonic



Automotive, SPX, Nucor and Goodrich Corp. Lowe's and Family Dollar are also headquartered locally. Charlotte ranks 6th nationally in number of *Fortune* 500 headquartered companies. It also is home to operations for 322 companies listed in the *Fortune* 500.

In addition, 947 companies in Mecklenburg County are included in the 2006 Dun & Bradstreet Million Dollar Listing, with sales over \$10 million including 26 companies which exceed \$1 billion in sales. Of these 947 companies, 438 are headquartered here. The firms represent a broad range of industry sectors, the largest being wholesale trade, manufacturing, finance, insurance and real estate.

Small and medium-size companies are equally important to Charlotte's economy. The city has been cited by *Entrepreneur* magazine as one of the nation's best large cities for entrepreneurs to start and run a small business. Of the 24,953 companies with operations in Charlotte, 23,196 employ fewer than 50 workers and 1,708 employ between 50 and 500 workers. Only 111 firms employ more than 500 workers.

In recent decades Charlotte has transitioned to a center of applied technology.

Manufacturing

To outside observers, Charlotte's strength as a manufacturing center may come as a surprise. In fact, this city has long been a leader in manufacturing. Mecklenburg County is home to nearly 1,000 manufacturing firms - more than any other county in the Carolinas. Charlotte ranks second only to Dallas in the number of new factories opened during the 1990s and is among the nation's top five cities in expansions of existing facilities.

Manufacturing has long been a key element of Charlotte's economy. Textiles led the way early this century when the cotton industry moved south from New England to establish Charlotte as a textile center. Today, Charlotte manufacturers work in many different fields, including nonelectrical and electrical machinery, metalworking and chemicals. Manufacturers in Charlotte-Mecklenburg represent every major NAICS category. The city's manufacturers include Lance, Okuma America as well as new industries like Digital Optics.



Manufacturing is still a major segment of the Charlotte economy.

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

Manufacturing firms who locate operations in Charlotte-Mecklenburg will find a low-cost labor environment. According to the U.S. Department

of Labor, the MSA's average earnings of production workers in January 2006 was \$14.83 per hour — lower than the national average.

Helping keep labor costs low is North Carolina's status as a right-to-work state. The state has the lowest unionization rate in the nation; less than 4 percent of Charlotte's work force is unionized. North Carolina also has one of the nation's lowest unemployment insurance tax rates, as well as worker's compensation rates that rank among the lowest in the nation.

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

Distribution And Transportation

Thanks to its prime location at the intersection of I-77 and I-85, as well as its manufacturing strength, Charlotte-Mecklenburg is one of the nation's leading distribution centers. According to *Site Selection* magazine, Charlotte ranks No. 5 in the nation for new and expanded distribution operations, with 192 facilities since 1990. The city is home to distribution operations for such diverse companies as Family Dollar, Black & Decker, General Motors, Lucent Technologies and TJ Maxx.

The city's extensive transportation network facilitates distribution. Charlotte/Douglas International Airport is the nation's 14th largest in total operations and 38th busiest in the world in terms of total passengers. The airport, the largest hub for US Airways, averages nearly 575 flights



daily to more than 155 cities nationwide and around the world.

The airport's cargo service is equally busy, handling over 180,000 tons of domestic and international cargo in 2005. The Charlotte Air Cargo Center, which includes 600,000 square feet of facilities and 50 acres of aircraft ramp space, is served by 20 cargo airlines and 70 freight forwarders.

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

A well-established network of ground transportation and other services complements Charlotte's air service. The Charlotte region is the center of the country's largest consolidated rail system. Norfolk Southern Railway and CSX Transportation link 44,800 miles of rail between Charlotte and 23 Eastern states. Charlotte also is the nation's 12th largest trucking center, with more than 284 firms operating here and employing 9,255 workers.

International Business

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

In 2005, that number had grown to 431 - an increase of 618 percent over the 35-year period. Charlotte also ranks No. 1 on *Site Selection* magazine's list of top 10 U.S. cities for foreign investment.

Foreign-owned companies with operations in Charlotte-Mecklenburg in 2005 represent 37 nations. Germany leads the list with 111, followed by Great Britain, 49; Japan, 48; Italy, 34; Switzerland, 32; and Canada, 25.

The companies also represent a wide variety of business specialties according to NAICS codes. The 431 foreign-owned businesses in 2005 represent 16 of the 19 major two-digit NAICS codes. Categories with major representation include wholesale trade of durable or nondurable goods, chemicals and allied products, rubber and miscellaneous plastic products, industrial and commercial machinery and computer equipment, transportation services and business services.

Financial Services

Because of its position as the nation's 2nd largest banking center, financial services may be the most widely recognized sector of Charlotte's economy. Of the 82,676 employees in finance and insurance, 46,361 are employed in commercial banking and 17,377 are employed by insurance carriers.

The insurance industry is well represented in Charlotte. The city is home to over 30 companies with more than 50 employees. Three employ 1,000 or more. Transamerica and the Equitable have national operations centers in the city.

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

The abundance of financial resources in Charlotte is certainly an advantage for companies who seek a ready source of capital, money management and investment advice services. The city ranks second nationwide in terms of banking assets headquartered here (\$1.8 trillion, behind only New York) and hosts headquarters for Bank of America and Wachovia, two of the nation's largest bank holding companies. *Forbes* ranks each of these banks within their top 35 most powerful world-wide companies.

In addition, four of the nation's top 15 banks have operations in Charlotte, as do more than 354 mortgage bankers, more than 59 commercial finance and factoring firms, and 15 leasing com-

Charlotte leads the nation in foreign investments.

Charlotte is the second largest financial center in the nation.





Charlotte is positioned as a "global knowledge" center.

panies. The city is also home to a branch of the Federal Reserve.

Long-Term Growth

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

From 1996 to 2005, according to Chamber statistics, 8,076 new businesses created more than 74,898 jobs and absorbed 103.8 million square feet of floor area, representing a total investment of \$9.9 billion.

Investments ranged from downtown office towers to regional retail centers, manufacturing facilities to NFL and NBA expansion teams.

According to new and expanded business indicators, Charlotte saw \$1.3 billion in business investment during 2005. More than 13,418 new jobs were created by the 964 firms making the investment.

Shaping The Future

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

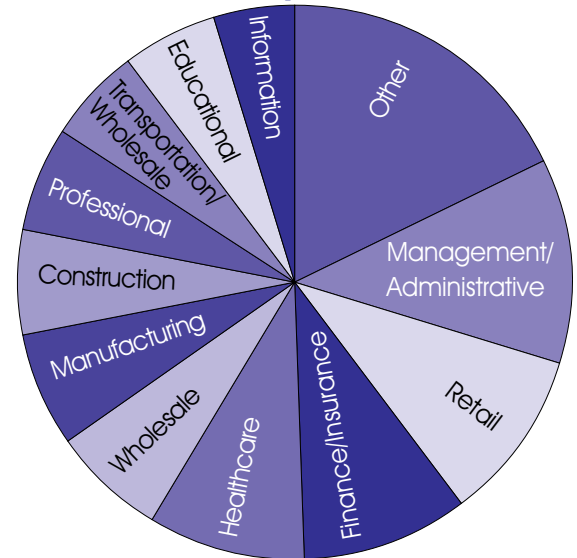
Today, Charlotte's leaders are in the process of shaping the city's future again. This time, they are studying where the city needs to head in order to be successful well into the 21st century.

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

The process has shown that Charlotte-

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

Employment Mecklenburg County, 2005



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



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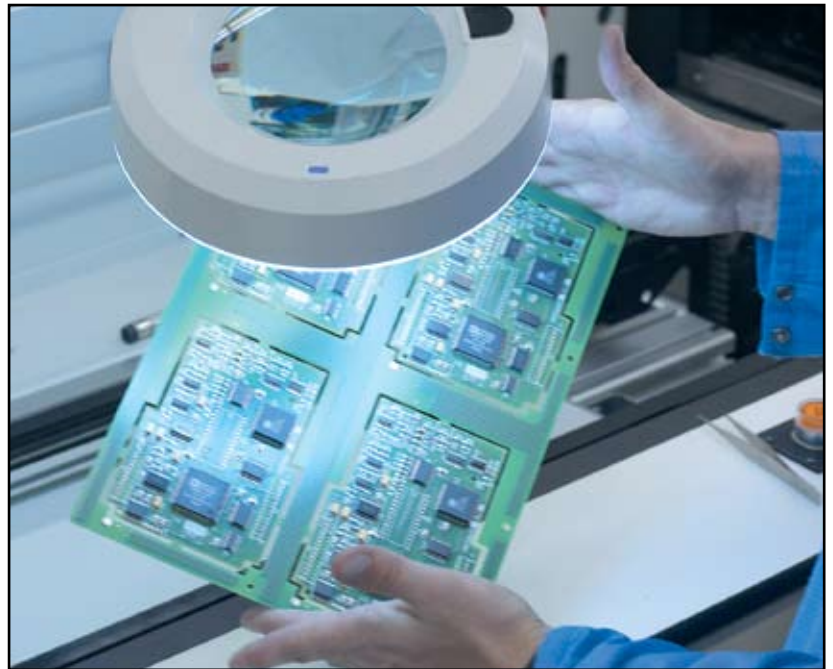
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