



CHARLOTTE  
REGIONAL BUSINESS  
ALLIANCE

# GROWTH REPORT

Q4, 2020



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Q4, 2020

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# QUARTER 4 REVIEW

44,867



**Net New  
Job Change**  
Q4, 2020

5.9%



**Unemployment  
Rate**  
NOVEMBER 2020

85



**Announced  
Projects**  
Q1 - Q4, 2020

\$2.9B



**Capital  
Investment**  
Q1 - Q4, 2020

# AS ECONOMY STALLS, THE REGION RETOOLS

Despite the many challenges presented in 2020, the Charlotte Region continued to grow. Several transformational economic development projects were announced during the year, surpassing capital investment numbers from 2019.

The region ended the year on a high note, adding 44,867 jobs (3.5% growth) in Q4, outpacing national growth of 2.3%. December job growth in the Charlotte Region remained positive while national rates declined.

The Charlotte Region's recovery continued in Q4 2020, with particularly strong growth in the Transportation and Warehousing, Government, and Retail Trade sectors. In its second quarter of recovery, the region has added back more than half of the jobs lost in the first two quarters of the year. If the pace of growth continues, largely dependent on the pace and reach of the COVID-19 vaccine roll-out, the region could be back to pre-pandemic jobs levels by Q4 2021.

While about 900 fewer new planned jobs announced in 2020 compared to 2019, investments more than doubled as long-rumored projects like Charlotte Pipe and Foundry's move to Stanly County and the Carolina Panthers headquarters buildout in York County broke ground. In Q3, the region's largest jobs announcement in over two decades came from Fortune 50 health care company Centene when they announced a \$1 billion investment in their East Coast headquarters, which will employ more than 3,000 in the region.

Another transformative announcement came in Q4, when British electrical vehicle producer Arrival announced it would open a bus microfactory in York County and its North

American headquarters in the SouthEnd neighborhood of Charlotte. Arrival, which raised \$118 million in venture capital from BlackRock, is valued at more than \$5 billion, according to Reuters. Arrival taps into existing regional strengths in automotive parts, advanced material and energy advantages, highlighted in the [CLT Alliance's Manufacturing Sector Study](#), also released in Q4. The company joins other manufacturers who have tapped into the region's varied talent pools by establishing headquarters in the urban core and manufacturing facilities in outlying counties.

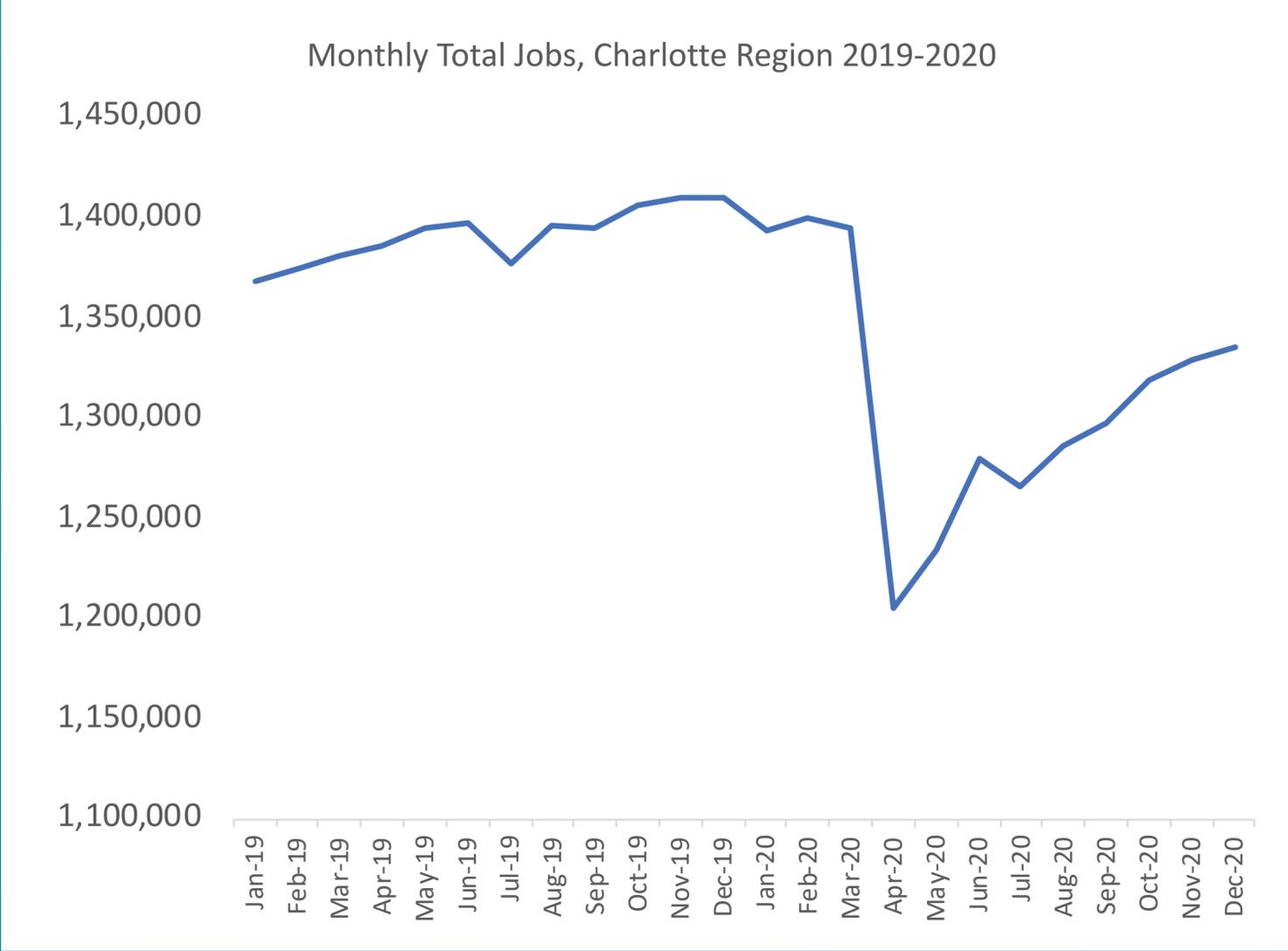
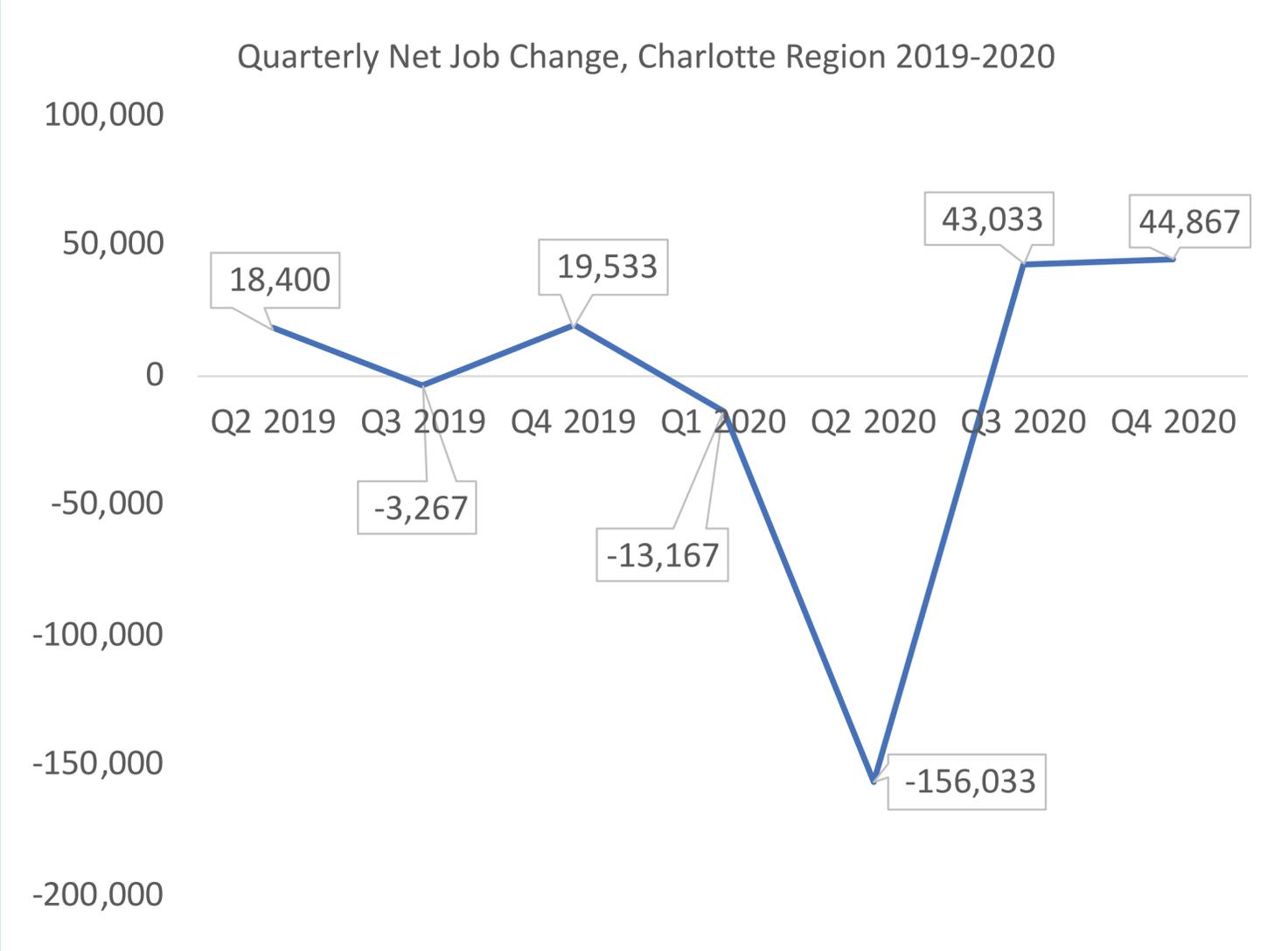
Other major manufacturing announcements included Taiji USA's announcement of a 374-job expansion in Lincoln County, where the company makes masks and respirators. Fuji Seal in Catawba County announced it would locate in Hickory, bringing 101 jobs and \$53 million in capital investment. In Chesterfield County, Conbraco Industries announced a 65-job expansion at its industrial-valve-making facility.

Office announcements continued as well. Continental Tire said it would hire 200 and expand its headquarters operation in Lancaster County. In Charlotte, International Capital Group, a home mortgage service company, announced a 500-job expansion.

The Charlotte Region's status as a financial services hub should serve to strengthen its recovery heading into 2021. The financial services and headquarters sectors were the only two sectors that added jobs during the pandemic. With the growth of mobile banking, the region's FinTech sector is benefiting as well.

The outlook for 2021 is bright. If trends continue, the region could return to pre-pandemic employment levels by the end of the year.

# NET JOB CHANGE, CHARLOTTE REGION



Overall, the region experienced a 5.8% job loss in 2020, spurred by the COVID-19 pandemic, particularly in the leisure and hospitality industry. Though expansion and relocation announcements indicate continued confidence that the region will quickly recover. The Charlotte Region has recovered nearly 88,000 of the jobs it lost in the first and second quarters.

Despite national declines in jobs numbers, December was the fifth straight month of job gains in the Charlotte Region. Employment in the region grew by about 0.5% over the month, compared to a loss of 0.2% nationwide. An increase in COVID-19 cases during the holiday season slowed down growth toward the end of the quarter. Regional jobs grew by nearly 2% in October and 1% in November. Rising vaccination rates and warmer temperatures should ease COVID-19 cases.

Source: US Bureau of Labor Statistics, Current Employment Survey (Charlotte, NC-SC and Hickory, NC Metropolitan Statistical Areas)

# JOB CHANGES BY INDUSTRY

## Q4, 2020

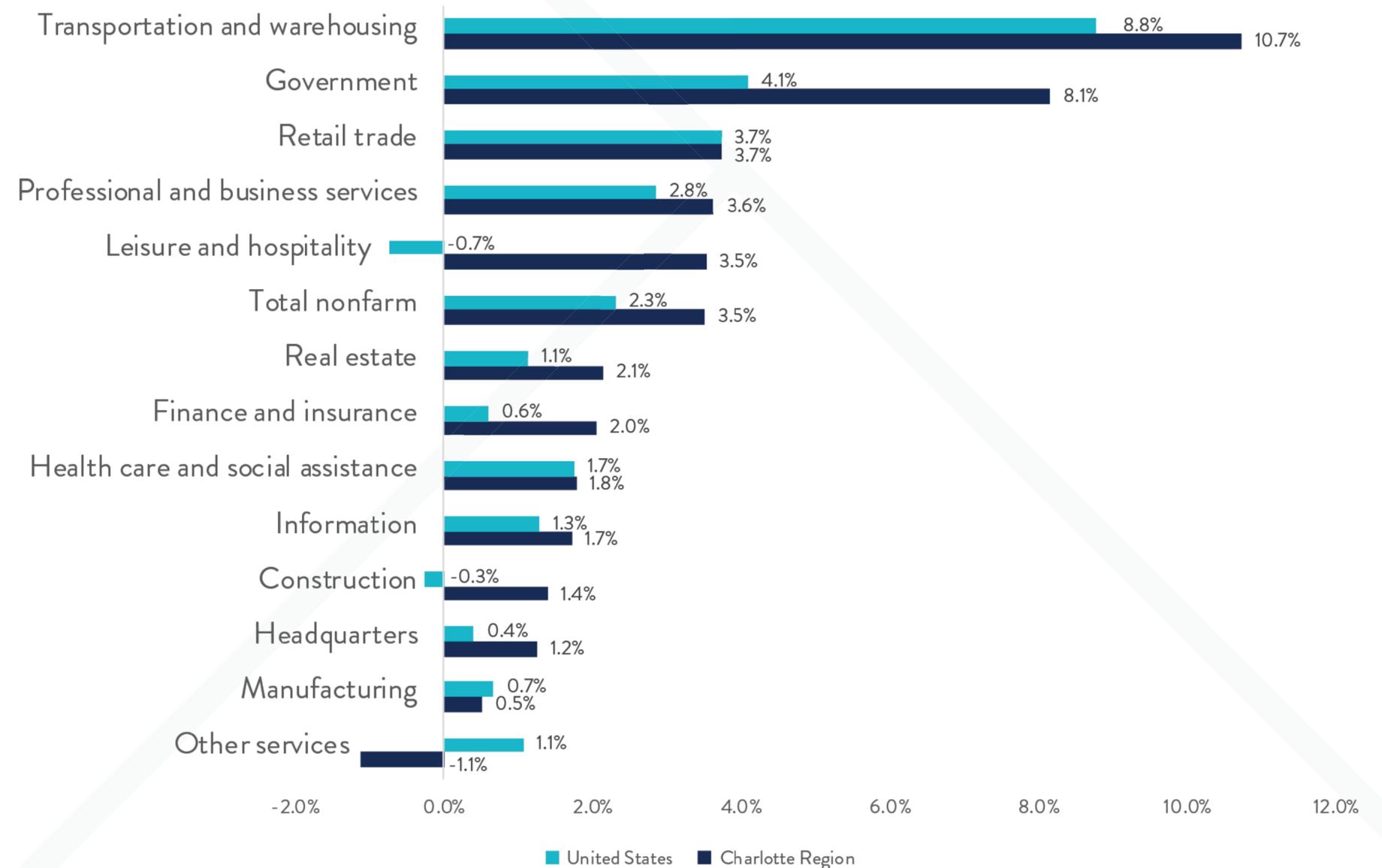
Fourth-quarter job growth in the Charlotte Region beat national growth in nearly every sector. Noteworthy increases were seen in:

- Transportation and warehousing, driven by the move to e-commerce shopping during the holiday season.
- National airport traffic by about 22%, peaking at more than 1 million daily passengers late in the quarter\*.
- Local and state government employment, partially due to the temporary return of in-person K-12 schooling in many districts throughout the region during the quarter.
- Construction, particularly in residential and industrial. Despite the pandemic, the Carolinas continued to add population, though at a slower pace than in previous years.
- The manufacturing sector by a little under 1%. It took a positive turn in the fourth quarter as engineering-dependent sectors such as advanced materials, machinery, and energy balanced out losses in legacy industries like furniture and textiles.
- Leisure and hospitality employment, despite nationwide declines. The region avoided the steep COVID-19 case increases that colder-weather markets felt early in the quarter. That growth had begun to slow by mid-December and cases and restrictions could weigh on employment gains in Q1-2021, depending on the availability of vaccinations and case declines.

In addition, knowledge-based sectors all continued to strengthen due to remote work environments, including: Professional Services, Headquarters and Finance, and Insurance

\*Source: Transportation Security Administration data

### Job Changes by Industry, Q4 2020



Source: US Bureau of Labor Statistics, Current Employment Survey (Charlotte, NC-SC and Hickory, NC Metropolitan Statistical Areas)

# JOB CHANGES BY INDUSTRY

## Q4, 2019 - Q4, 2020

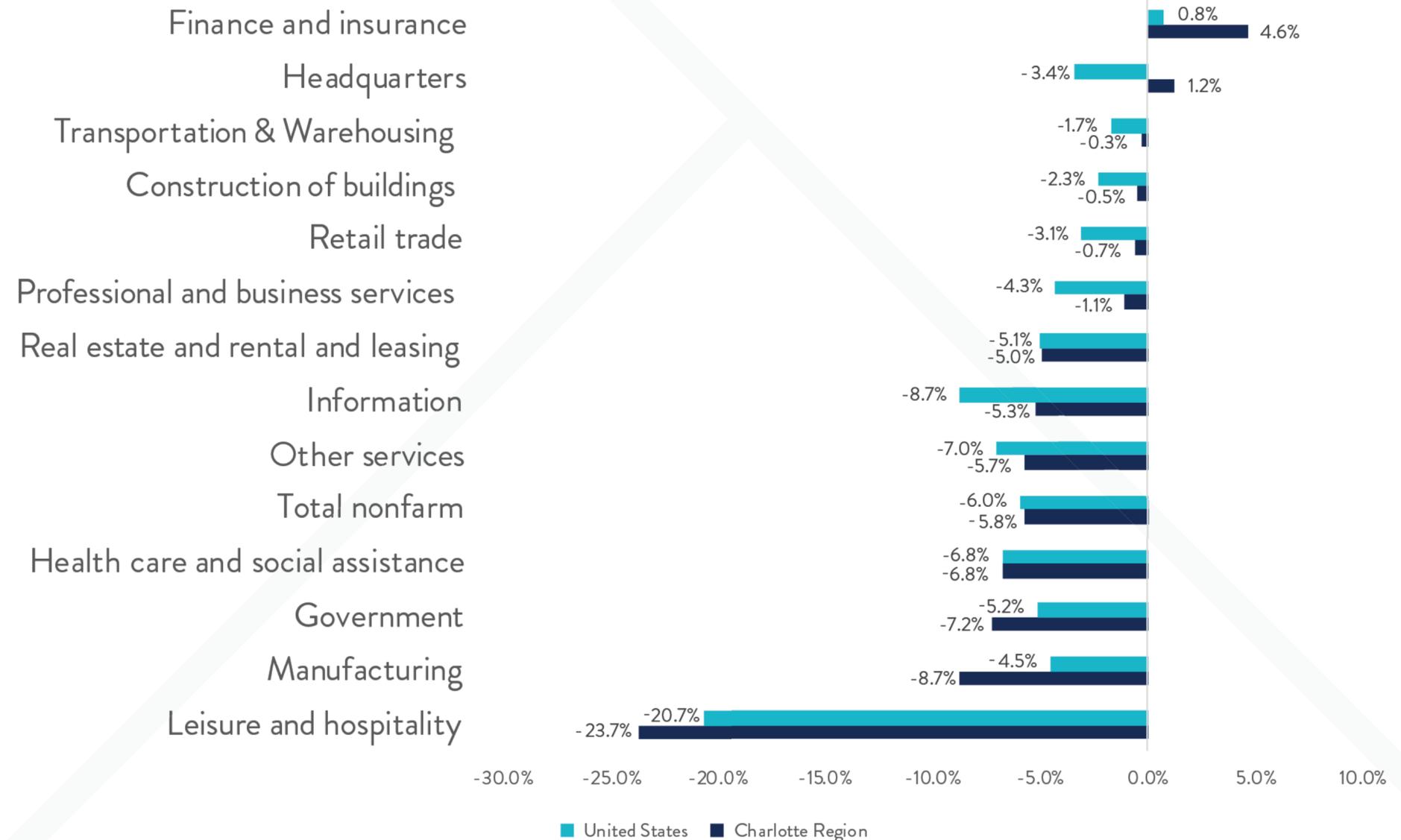
The Charlotte Region's strengths in financial services, insurance and headquarters operations carried the economy in 2020. Overall employment was down 5.8% throughout the region, slightly better than national decline of 6%.

Regional employment in financial services was up nearly 5% over the year, outpacing the national trend of 1% growth. While headquarters employment was down 3.4% nationwide, Charlotte Region headquarters added about 600 net jobs to grow by 1.2%. Headquarters and Finance and Insurance were the only two sectors to add jobs through the year, but their strong performance stemmed job losses in supportive sectors like professional services, retail, and construction, all of which outperformed national trends.

Employment in the leisure and hospitality sector remains down about 24% in the region, higher than the national average. The leisure and hospitality subsectors in arts and entertainment and food services have been especially hard hit, while accommodation employment remains down only 19% compared to 32% nationwide. The region's reliance on business travel may be a factor in this trend. While essential business travel is still occurring, the ancillary entertainment activities that accompany conventions are restricted due to continuing public health concerns.

Manufacturing also ended the year with steeper declines, an 8.7% drop compared to 4.5% nationwide. Losses were heavily concentrated in legacy industries such as textiles (down 20%) and furniture (down 30%), which employ a considerably larger portion of the regional manufacturing workforce.

Job Changes by Industry, Q4 2019 - Q4, 2020



Source: US Bureau of Labor Statistics, Current Employment Survey (Charlotte, NC-SC and Hickory, NC Metropolitan Statistical Areas)

# SELECTED ANNOUNCEMENTS

**01** Arrival, 240 jobs (microfactory), \$46 million investment, New

**02** Arrival, 150 jobs (headquarters), \$3 million investment, New

**03** Intercontinental Capital Group, 500 jobs, \$5.8 million investment, Expansion

**04** Taiji USA, 374 jobs, \$15.6 million investment, Expansion

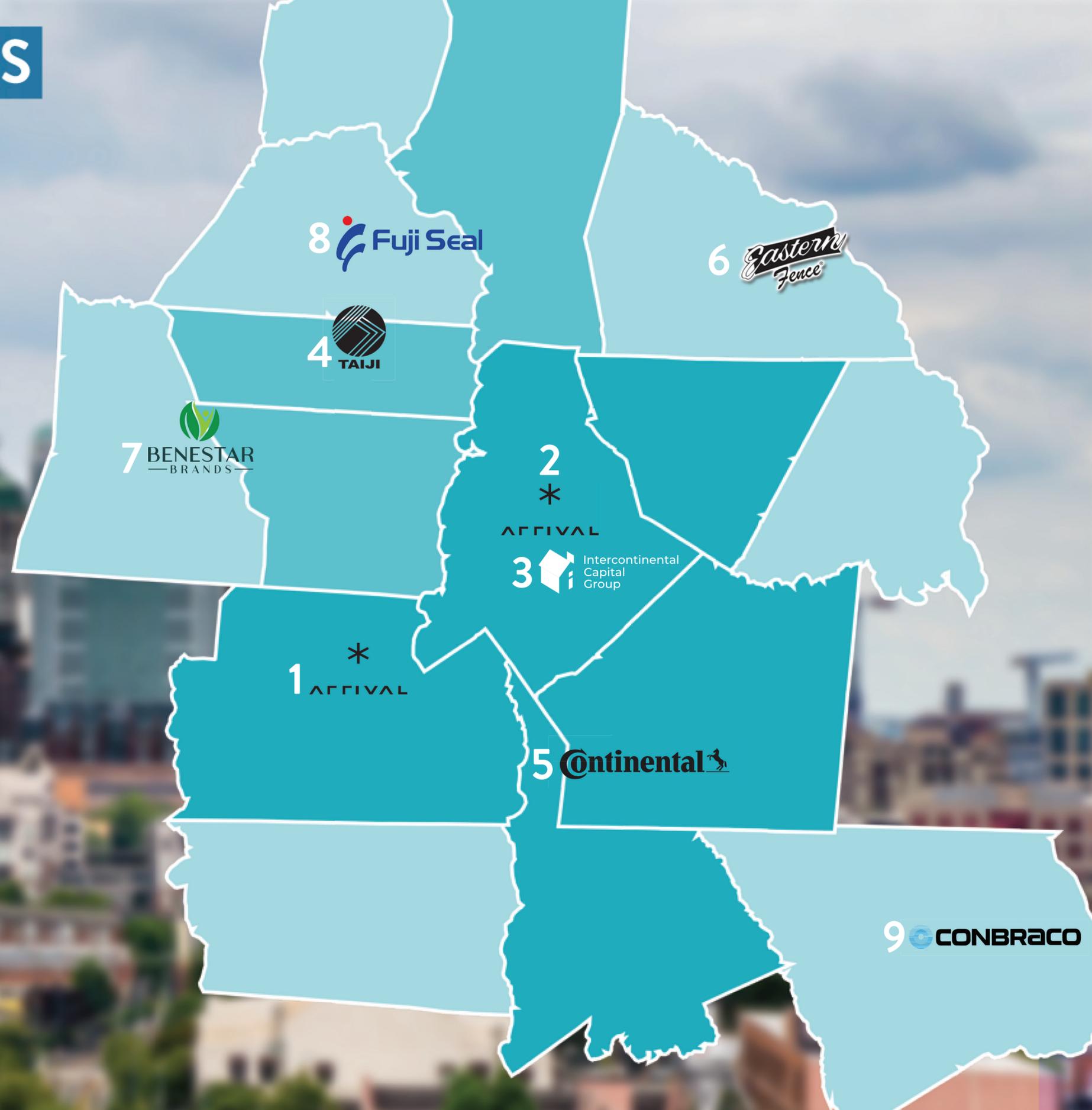
**05** Continental Tire, 200 Jobs, \$20 million investment, Expansion

**06** Eastern Wholesale Fence, 142 jobs, \$17.5 million investment, New

**07** Benestar Brands, 129 jobs, \$24 million investment, New

**08** Fuji Seal, 101 jobs, \$52 million investment, New

**09** Conbraco Industries, 65 jobs, \$775,000 investment, New



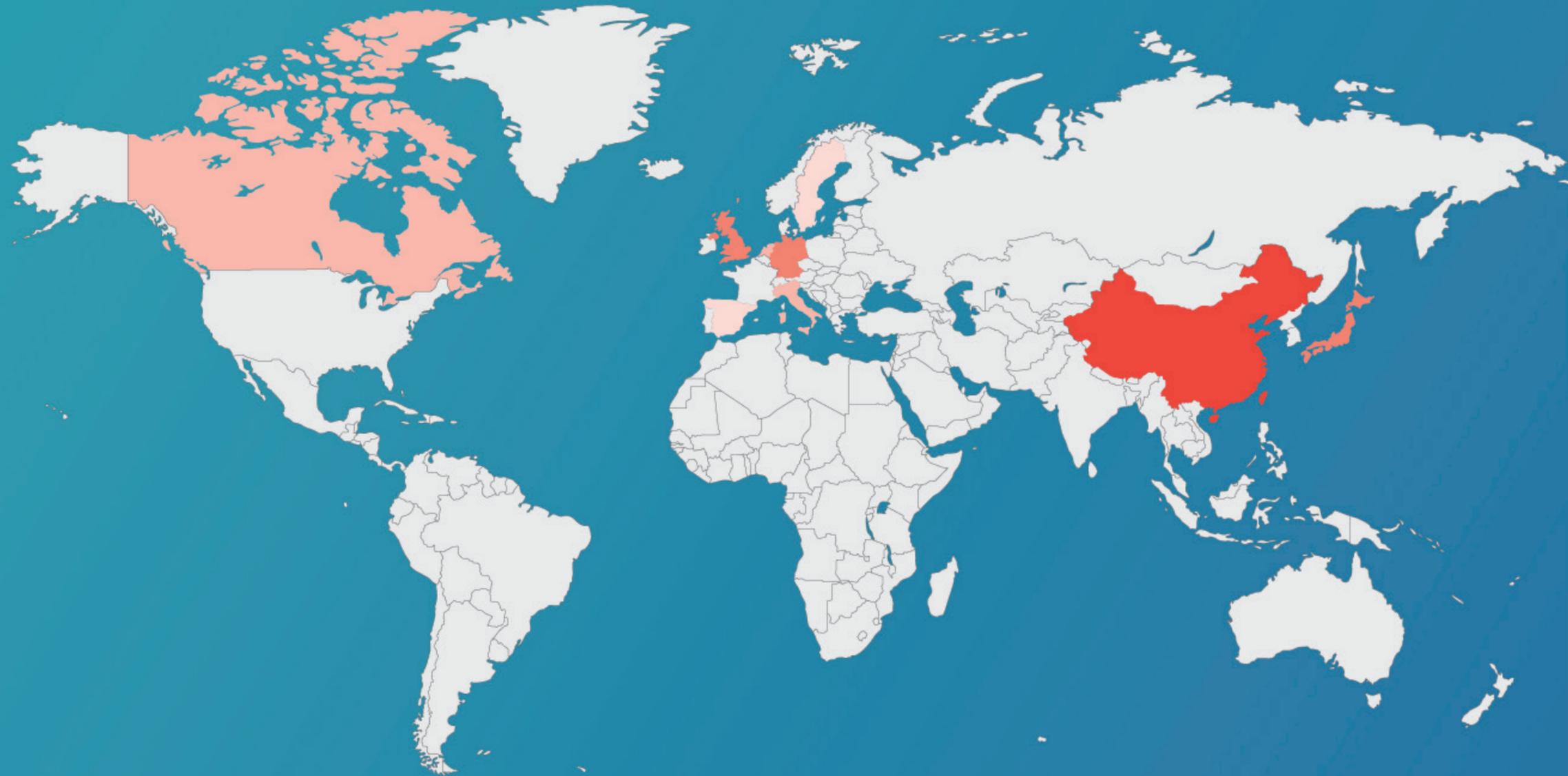
# FOREIGN DIRECT INVESTMENT ANNOUNCEMENTS, 2020

**12** projects

**1,949** jobs

**\$412.5** million

Country	Jobs	Investment
China	631	\$ 101,600,000
United Kingdom	390	\$ 49,000,000
Germany	270	\$ 50,700,000
Netherlands	148	\$ 68,700,000
Japan	146	\$ 75,900,000
Italy	144	\$ 25,600,000
UAE	100	\$ 3,700,000
Canada	49	\$ 7,000,000
Spain	48	\$ 26,300,000
Israel	16	\$ 4,000,000
Denmark	5	TBA
Sweden	2	TBA
<b>Total</b>	<b>1949</b>	<b>\$ 412,500,000</b>



# ANNOUNCED INVESTMENT ACTIVITY

2019 - 2020



	2020	2019	Change
Projects	85	92	-7%
Jobs Announced	10,089	10,989	-8.2%
Capital Investment Announced (in \$ million)	\$2,982	\$1,385.7	115.1%

Quarter	Projects	Jobs Announced	Capital Investment Announced (in \$ millions)
1Q 2020	23	769	\$305.9
2Q 2020	22	2,651	\$1,168.4
3Q 2020	16	4,497	\$1,221.9
4Q 2020	24	2,145	\$285.9
4-quarter total	85	10,089	\$2,982

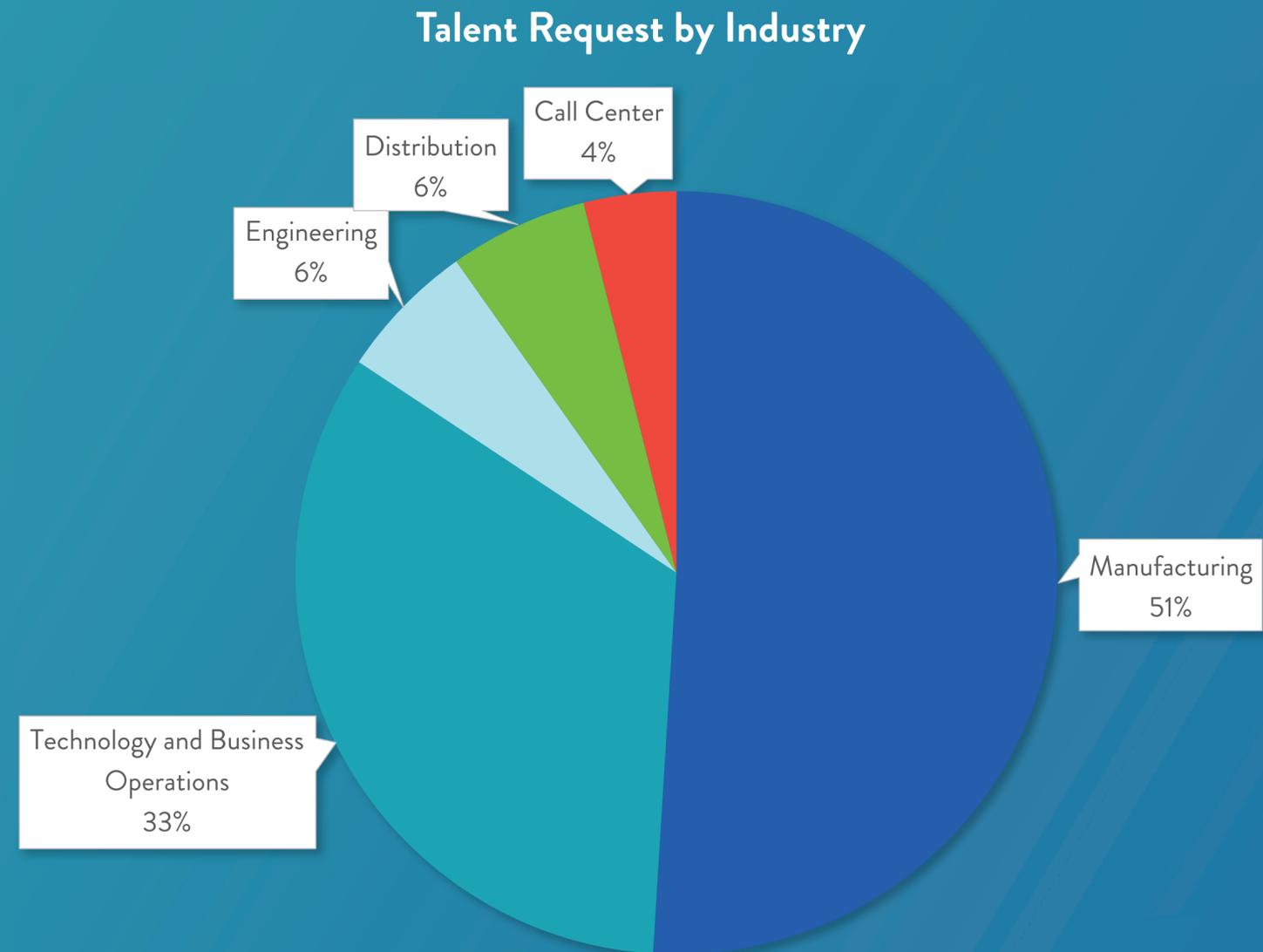
# TALENT TRENDS

Traditionally, office culture and business factors dominated regional recruitment strategies. In 2020, the COVID-19 pandemic made working from home a necessity for many organizations. As many office-based sectors continued to work from home, regional amenities and lifestyle factors have become a top factor in attracting talent, more so than company culture. Though talent attraction has always been an important aspect of business recruitment, it is now top-of-mind for regions like Charlotte.

## Regional Recruitment Talent Requests

In 2020, prospective companies were most interested in talent for production and engineering roles. Supervisors, machine operators, and assemblers were most common among the production roles while industrial engineers, mechanical engineers, and electrical engineers were most common among the engineering occupations.

For higher-wage skillsets within corporate offices and tech-centric operations, prospective companies leveraged qualitative information gleaned from interviews and surveys among existing companies in the region and staffing agencies. Technology skillsets remain crucial to many of these location decisions.



# MANUFACTURING TRENDS AND TALENT SUPPLY/DEMAND

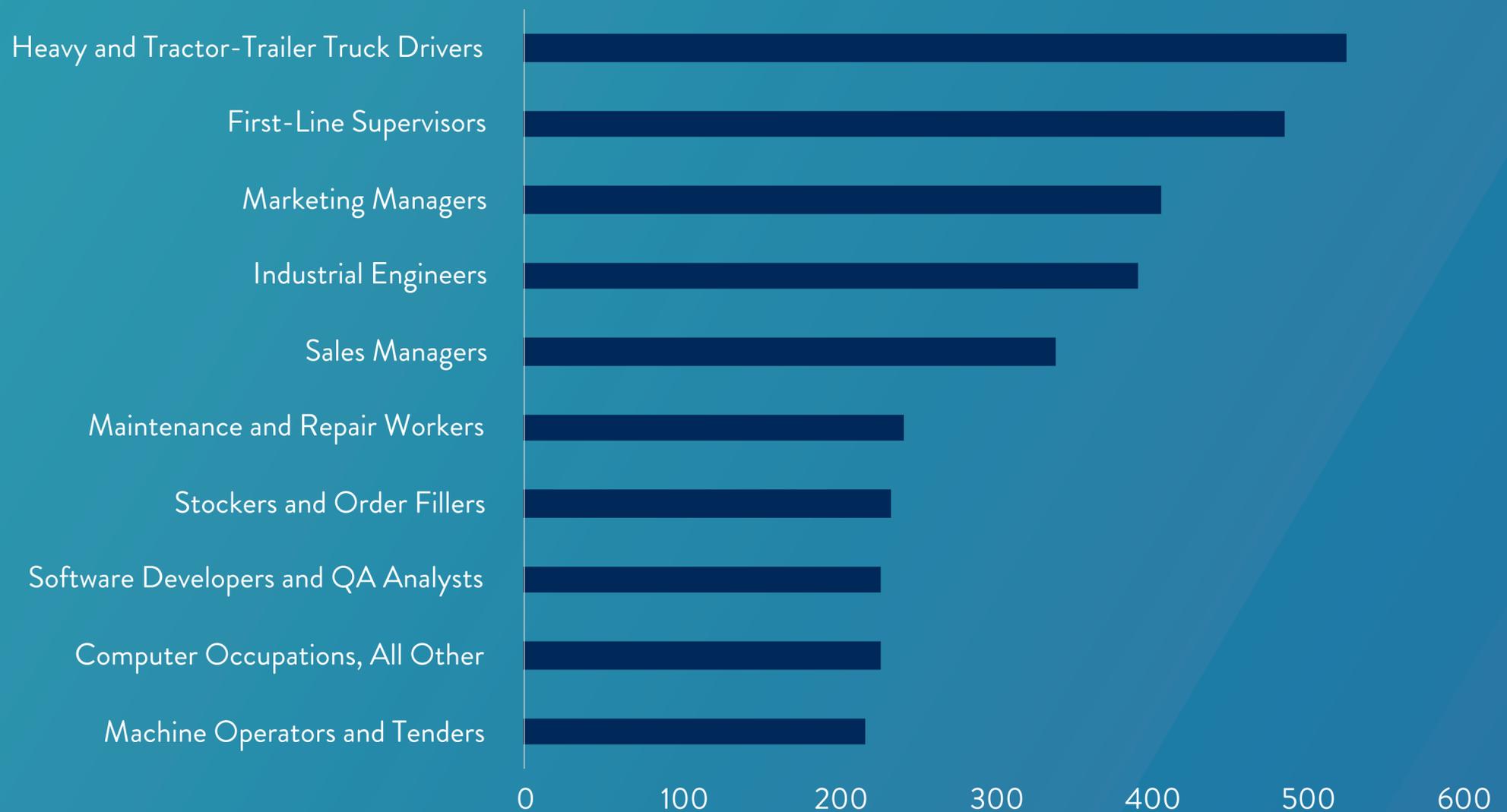
**Drivers:** Factory activity improved throughout 2020 as consumer spending shifted from services to goods. December was the seventh straight month of growth and factory activity reached its highest levels since September 2014\*. Hiring increased in Q4 as well, with the total number of job listings up 10% since Q2, and time-to-hire declined from 52 days to 34 days. Demand for distribution talent is growing as manufacturers posted more jobs for truck drivers than any other position. Tech and engineering talent remain highly sought after.

**Drawbacks:** Supply chain challenges caused by shutdowns due to global increases in coronavirus cases in December caused headwinds for international trade. According to the PMI Index, new export and import orders for manufactured goods declined in December. Prices for raw materials increased at the fastest rate since May 2018.

\*Source: Institute of Supply Chain Management's PMI index

	Unique Postings	Days to Hire
Q1 2020	11,380	48
Q2 2020	9,355	52
Q3 2020	10,195	47
Q4 2020	10,236	34

**Top 10 Jobs Posted in Manufacturing Industry in the Charlotte Region, Q4 2020**



# HEALTH CARE TRENDS AND TALENT SUPPLY/DEMAND

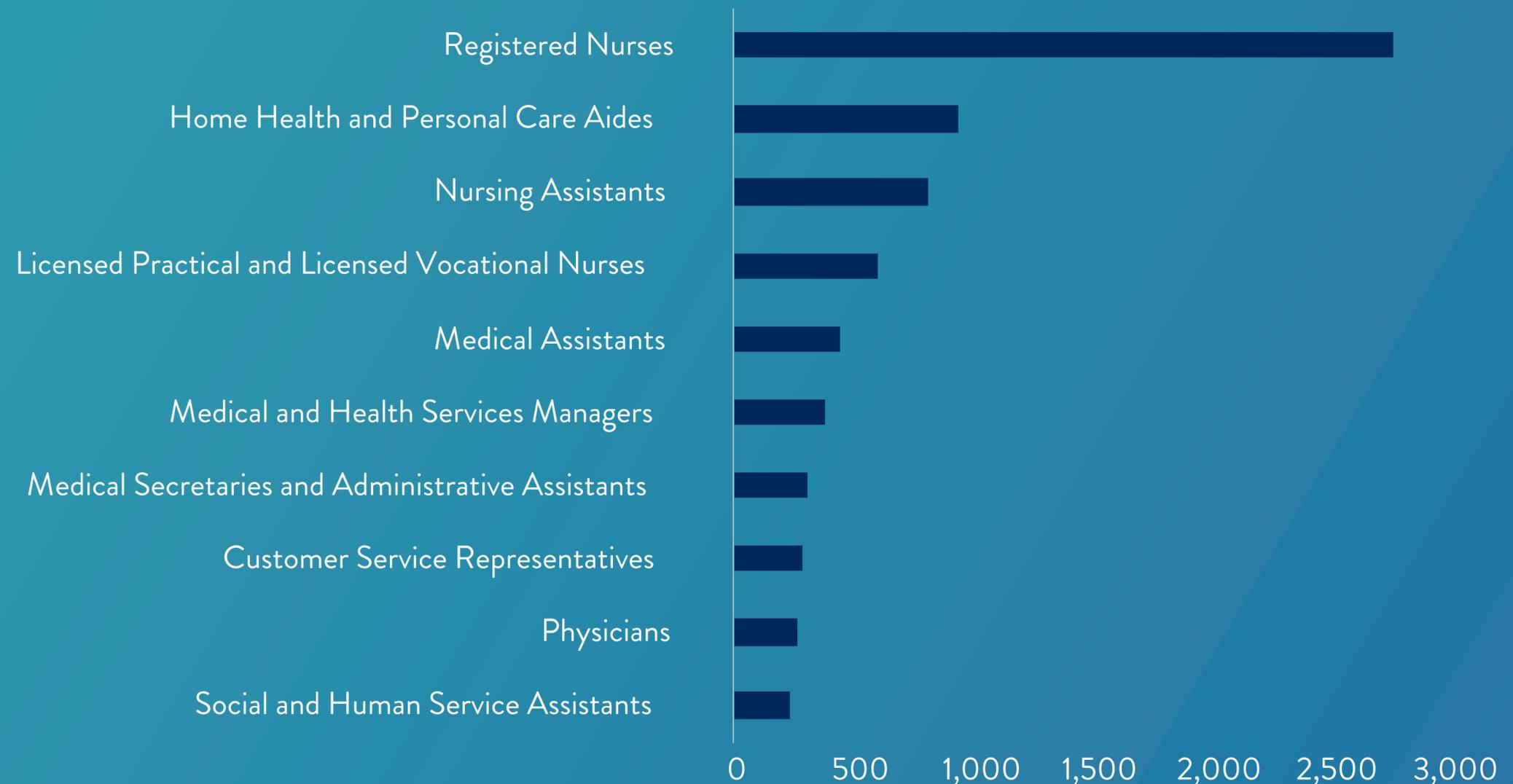
**Drivers:** As healthcare providers worked to contain COVID-19, the industry also sought to innovate. Funding for healthcare startups hit a new global record in 2020, with more than 5,000 deals raising more than \$80.6 billion globally, according to CBInsights. Charlotte Region-based health tech startup Troy Medicare raised \$10 million in Series B funding from AXA Venture Partners to expand its tech platform for Medicare recipients in rural North Carolina counties.

In the Charlotte Region, talent demand focused on front-line providers, including an increase in listings for Home Health Care professionals. Hiring continued in Q4 at a slightly slower rate than Q3, but still 11% higher than in Q2. Continued growth will depend on the speed and comprehensiveness of the vaccine rollout.

**Drawbacks:** New caseloads of the coronavirus reached their highest levels of the pandemic in December. Staff turnover and burnout remain the biggest challenges for providers, though optimism grew as front-line professionals began receiving vaccines.

	Unique Postings	Days to Hire
Q1 2020	13,774	48
Q2 2020	12,781	45
Q3 2020	14,927	38
Q4 2020	14,210	36

## Top 10 Job Postings in Health Care Sector, Charlotte Region Q4 2020



# TRANSPORTATION AND LOGISTICS TRENDS AND TALENT SUPPLY/DEMAND

**Drivers:** The transportation and logistics industry adapted to many challenges this year. While dramatic surges in e-commerce sales caused the demand for delivery and warehousing functions to soar, leisure and business travel plunged, leaving airlines and personal transportation services to struggle.

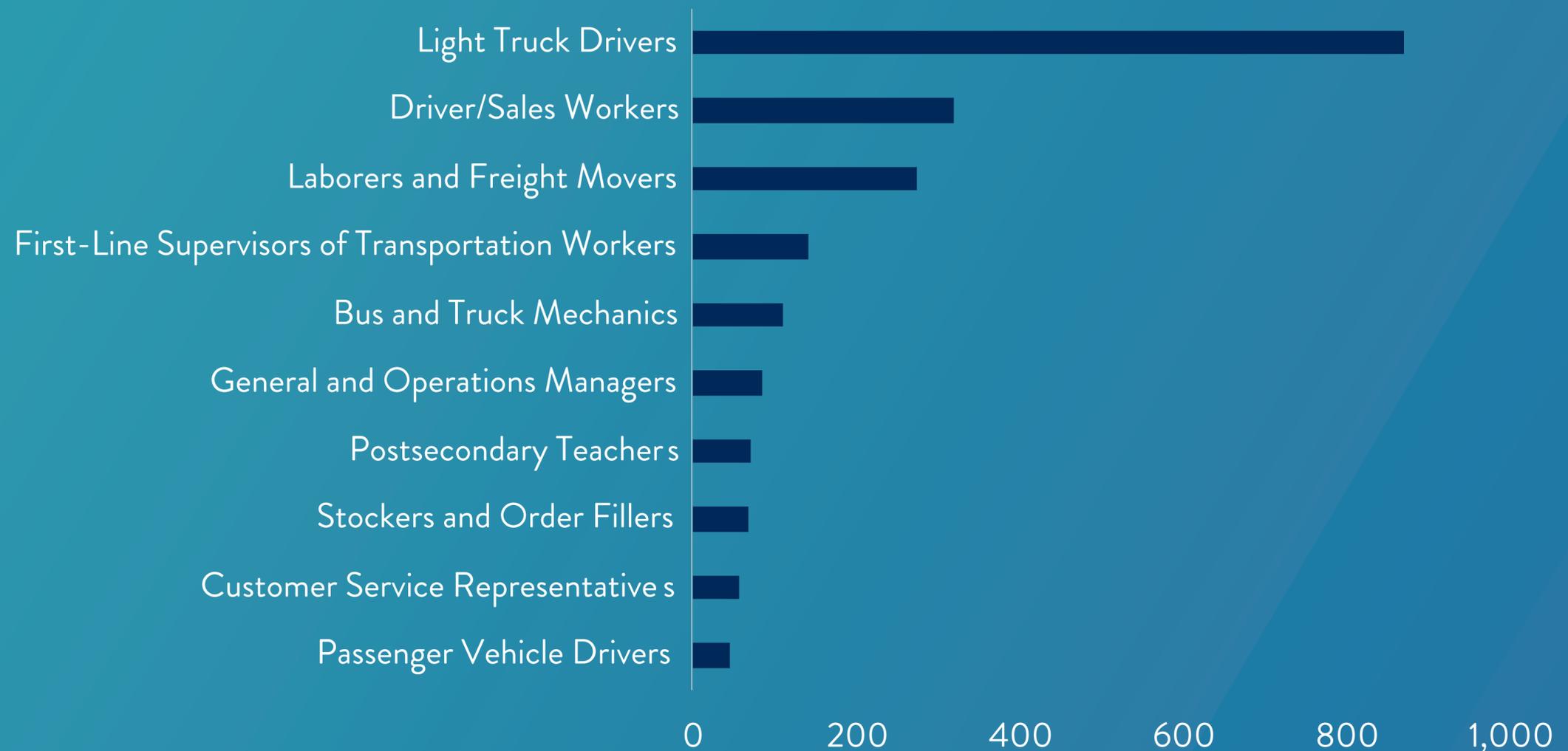
For delivery and warehouses to meet these increased demands, job listings grew by 32% between Q2 and Q4. The speed of hiring tripled to an average of 15 days for full-time positions, largely to fulfill increased holiday deliveries.

For the airlines, in December, \$15 billion in federal aid helped bring furloughed employees back to work. Moving into 2021, the availability and distribution of the COVID-19 vaccine will help this industry bounce back.

**Drawbacks:** International supply chain challenges continued late in the quarter and logistics providers expect continued rises in last-mile freight costs.

	Unique Postings	Days to Hire
Q1 2020	14,639	45
Q2 2020	13,234	28
Q3 2020	14,449	24
Q4 2020	17,409	15

**Top 10 Jobs Posted in Transportation and Logistics Sector in the Charlotte Region, Q4 2020**



# FINANCIAL SERVICES TRENDS AND TALENT SUPPLY/DEMAND

**Drivers:** The shift to remote services in 2020 was a boon for mobile banking, and historically low interest rates drove a wave of mortgage refinancing. These two trends drove employment growth in financial services, making it the only sector to add jobs through the pandemic. Expansion of payment automation and mortgage processing has benefitted Charlotte’s FinTech sector and pushed larger banks to continue hiring tech talent. For the second quarter in a row, Software Developers and QA Testers were the most in-demand jobs listed in the financial services sector. Loan Officers and Information Security Analysts also cracked the top 10 most in-demand jobs in Q4.

**Drawbacks:** While financial services jobs continued to grow throughout 2020, some signs point to a slowdown in hiring activity going into 2021. Financial services job listings were down in Q4 compared to Q2. Loan and rent forbearance programs are likely to come to an end in 2021, which could increase loan delinquency rates. As companies reconsider future commercial real estate needs due to the increases in remote work, projected loan generation remains uncertain.

	Unique Postings	Days to Hire
Q1 2020	17,762	35
Q2 2020	12,568	34
Q3 2020	11,260	47
Q4 2020	9,609	30

**Top 10 Jobs Posted in Financial Services Sector in the Charlotte Region, Q4 2020**



# TECHNOLOGY TRENDS AND TALENT SUPPLY/DEMAND

**Drivers:** Large companies across all industries sought digital transformation in 2020, leading to an increase in demand for tech and cloud services. Digital acceleration in the manufacturing space was especially prominent in the region. Examples of this trend included the announcement of Arrival’s automotive microfactory in York County and headquarters in Charlotte, and Rowan County’s Integro Technologies, a machine vision technology company that announced a 30-job expansion in Q4.

Charlotte’s FinTech and Health Tech companies continue to attract venture investment. Charlotte-based Amicus.io, a FinTech serving philanthropic organizations, announced an \$8.7 million Series B funding round in November.

Hiring in the industry picked up in Q4 and is up 15% since Q2, with Software Developers and Marketers topping the list of in-demand jobs.

**Drawbacks:** While the overall outlook for technology looks solid, general uncertainty has some smaller companies putting large-scale IT systems purchases on hold.

	Unique Postings	Days to Hire
Q1 2020	11,066	39 days
Q2 2020	8,235	40 days
Q3 2020	8,945	42 days
Q4 2020	9,469	31 days

Top 10 Jobs Posted in Technology Industry in the Charlotte Region, Q4 2020



# THANK YOU TO THE ECONOMIC RESEARCH FUND SPONSORS



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## RESEARCH SERVICES

Demographic and Economic Trend Research  
Industry Insights and Deep Dives  
Economic Impact Analyses  
Site Selection Mapping and Analysis  
Custom Reporting

## TESTIMONIALS

“We wanted to have a better understanding of the economic impact of the Charlotte-Mecklenburg Schools 2017 Bond Program. Commissioning the research not only identified the number of jobs created as a result of the bond, but also the tax contribution to the Mecklenburg County economy, overall spend with minority and women owned businesses and annual impact of the CMS supplier diversity program. This analysis clearly quantified the return on investment for the taxpayers in Mecklenburg County to provide quality education environments for our students.”

### **Chiquitha Lloyd**

Director of Diversity and Inclusion  
Charlotte Mecklenburg Schools