

# Labor, Training and Other Assets of the NESA Region of South Carolina



Submitted by:

The North Eastern Strategic Alliance (NESA)  
Post Office Box 100547  
Florence, South Carolina 29501-0547  
843-661-4669

## **Introduction to the NESASouth Carolina's Business Corner Region**

South Carolina and the NESASouth Carolina's Business Corner Region have a strong history of manufacturing excellence and have been successful in recruiting world class companies such as Hoffman La Roche, BMW, Boeing, GE Healthcare, Michelin, Firestone, Honda, Johnson Controls and others to the area. With one of the most productive workforces in the nation, South Carolina excels at manufacturing everything from luxury vehicles, to highly advanced medical equipment, to all terrain vehicles, to pharmaceuticals and is an ideal location for your facility. These world class companies have had no difficulty finding, recruiting and retaining talented production workers, technicians, and management employees.

South Carolina is highly engaged in research and development activities, many of which have private sector companies involved. South Carolina leads the nation in hydrogen fuel cell research via a collaborative effort through the University of South Carolina. The Clemson University International Center for Automotive Research (ICAR) is a one of a kind facility that partners with companies such as Michelin and BMW on automotive research and development projects. The Southeastern Institute of Manufacturing and Technology (SiMT) is located in the heart of the NESASouth Carolina's Business Corner Region and is an excellent workforce training and research and development resource and includes an advanced manufacturing center with private partners such as EMCO. Ongoing research at the Savannah River Site, one of the nation's foremost nuclear research laboratories guarantees that South Carolina will continue to lead the nation in nuclear research and power generation for decades to come. Such organizations across the state are eager to partner with private businesses on research and development projects and will gladly entertain the possibility of working with your company in this regard.

The highly concentrated number of skilled workers who are employed by these industries and research initiatives, like many other highly educated professionals in the state, creates a mindset of educational achievement that continues to grow. This mindset has demonstrated the ability to embrace new technologies as they come on line, making the workforce of the NESASouth Carolina's Business Corner Region all the more productive. Numerous excellent state assistance programs are designed to encourage the adaptation of these new technologies.

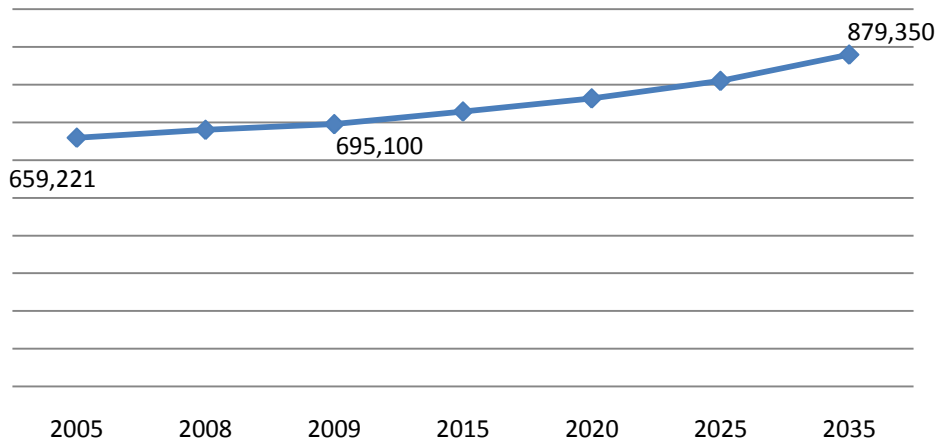
South Carolina and the NESASouth Carolina's Business Corner Region are leading the nation in advanced manufacturing and research and development initiatives, making our region an ideal location for a company that is focused on the future. The NESASouth Carolina's Business Corner Region is open for business.

## Available Workforce

### Population Growth of the NESA Region

The NESA region has a desirable quality of life which attracts people from all over the world. The population of the NESA Region is projected to grow 26.51% from 2009-2035. According to 2008 data from ESRI, there are 1,074,279 people within 30 miles of the City of Florence, the geographic center of the NESA Region. By 2013, this number is expected to increase to 1,125,442.

### NESA Region Population Growth

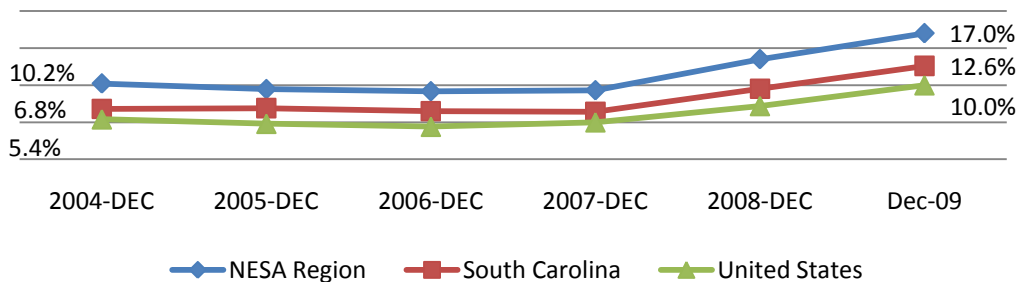


Source: US Census Bureau

### Unemployment in the NESA Region

The NESA Region's unemployment rate is historically higher than that found in the state and the nation. Over the past several years, the region has been working to bridge the gap between the region and the state and, up until the recent recession, the gap was shrinking. The recession has had more profound impacts on the NESA Region than on the state as a whole. As of December 2009, there were 49,537 unemployed people in the region.

### Unemployment Rates in the NESA Region



Source: South Carolina Employment Security Commission; US Department of Labor

## Overview of the Labor Force

The labor force in the NESAS Region continues to grow exponentially in proportion with the increasing population of the region. As of December 2009, the NESAS Region had a labor force of nearly 325,000 people. Given population growth estimates, we anticipate the labor force to increase even more in coming years.

World-class companies such as Johnson Controls, Sonoco, Roche, Honda, General Electric, ESAB, Mohawk, Kyocera and others presently have facilities in the NESAS Region and all are pleased with their skilled workforces. The Employment Security Commissions and ReadySC are statewide agencies that will work with your company to identify, screen, and train a workforce for your location in South Carolina. NESAS is committed to creating jobs within our region works with local and state officials to aggressively pursue economic development opportunities.

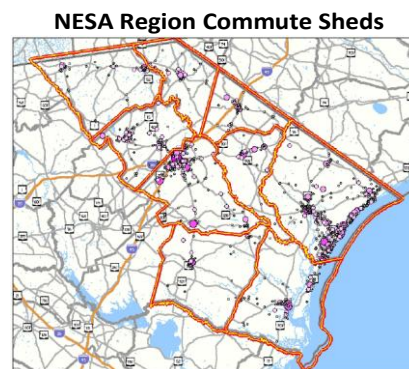
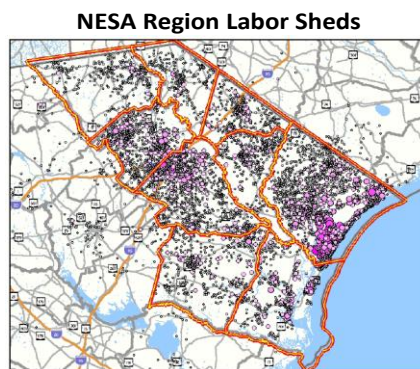
Manufacturing has always been a major source of gainful employment for the people of the NESAS Region. According to data from the SC Department of Commerce’s Workforce Division, there are 33,690 people currently employed in manufacturing occupations in the NESAS Region. A 2009 Pathfinders labor study revealed that there are 44,300 people who are underemployed and who have manufacturing experience. Additionally, the study revealed that there are 25,500 unemployed people who have manufacturing experience. The chart below shows the number of people who are currently employed in manufacturing occupations within 30, 60, and 90 mile radiuses of the City of Florence.

30 miles	60 miles	90 miles
22,007	77,933	201,083

Source: ESRI, 2008

## Intertwined Labor and Commute Sheds

With superior transportation infrastructure, having a regional network of intertwined labor and commute sheds is possible, making it feasible for people to cross multiple county lines in search of employment opportunities. The chart on the left shows where workers live and the chart on the right shows employment clusters. According to the US Census Bureau, the average commute time in the NESAS Region is 23.2 minutes.



Source: US Census Bureau, LED Origin-Destination Database, 2006

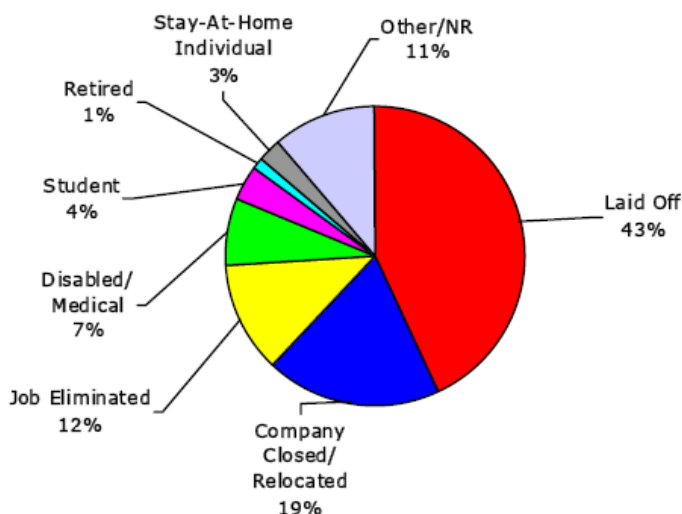
### Characteristics of Unemployed Workers

The current recession has resulted in more than 46,000 people becoming unemployed in the NESASouth Carolina's Region. There are an additional 10,500 potential workers who are not actively seeking employment and are thus not counted in the total unemployment of the region who would consider reentering the workforce if desirable job opportunities present themselves. Therefore, the NESASouth Carolina's Region has an available labor pool of 56,900 people who are experienced workers. As the chart below indicates, nearly 74% of these workers lost their jobs through no fault of their own as a result of economic conditions. The median desired wage rate for these workers is \$10.75.

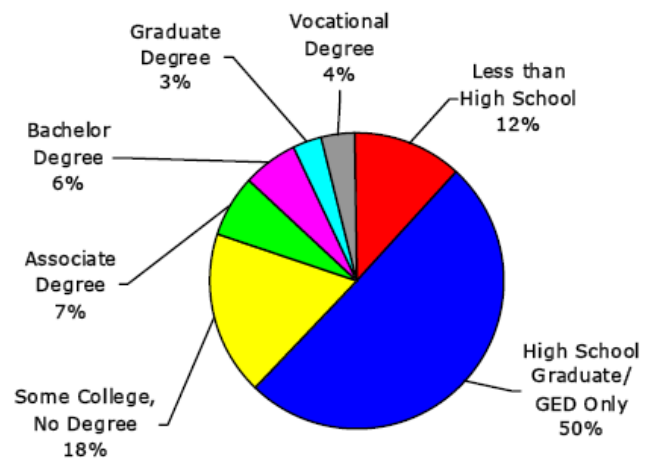
**EXPERIENCE AND SKILLS OF UNEMPLOYED INDIVIDUALS WHO ARE  
ACTIVELY SEEKING WORK  
46,400 Workers**

Experience Category	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Customer Service	27,400	59%	7
Manufacturing/Assembly/Fabrication	25,500	55%	8
Warehouse/Distribution/Transportation	21,800	47%	7
Office Operations	17,200	37%	6
Maintenance/Installation/Repair	15,300	33%	11
Information Technology	13,500	29%	8
Medical/Health Sciences	10,200	22%	6
Call Center	7,400	16%	5

**REASONS FOR UNEMPLOYMENT**



**EDUCATION**



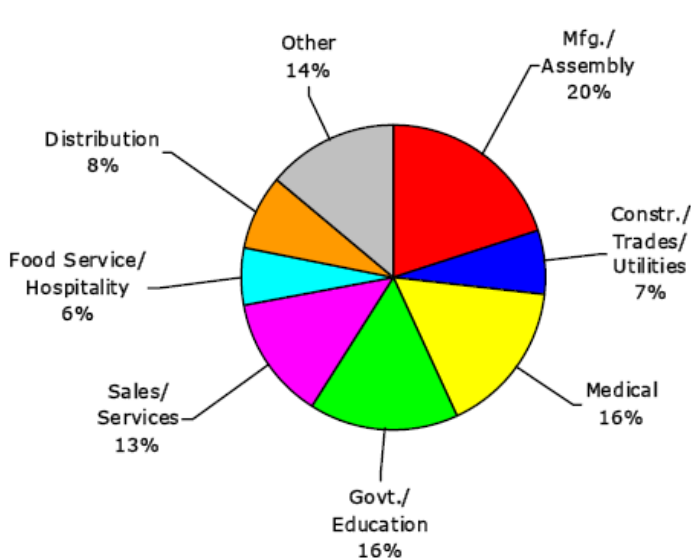
**Labor Force Utilization**

Of the NESA Region's 330,000 strong labor force, 83,600 workers are classified as "underemployed" based on their skill sets compared to their actual occupation. Many of the 83,600 underemployed workers in the NESA Region possess the skills, educational attainment and work experience coveted by companies seeking to establish a presence in northeastern South Carolina. These workers would be willing to be employed by other firms and have a desired median pay rate of \$15.14 per hour.

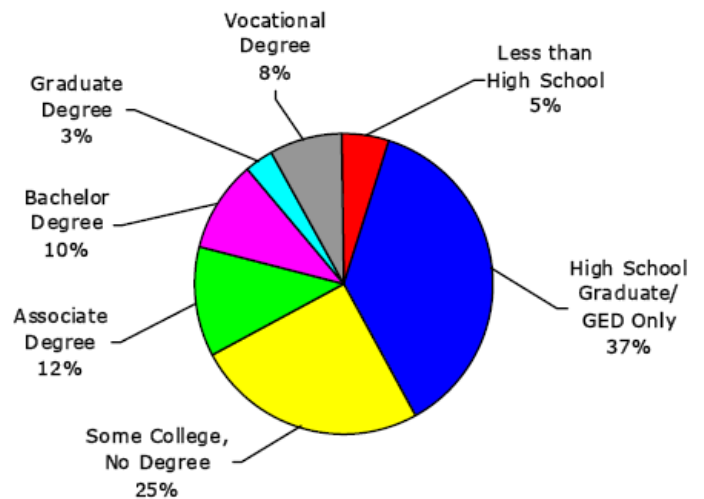
**EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS**  
83,600 Underemployed Workers

Experience Category	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Office Operations	52,700	63%	11
Customer Service	51,800	62%	11
Warehouse/Distribution/Transportation	45,100	54%	8
Manufacturing/Assembly/Fabrication	44,300	53%	11
Maintenance/Installation/Repair	25,900	31%	9
Information Technology	24,200	29%	9
Medical/Health Sciences	21,700	26%	10
Call Center	13,400	16%	7

**CURRENT AREA OF EMPLOYMENT**



**EDUCATION**



## Workforce Training Assets

### **Technology, Training, and Research**

The NESA region is home to the *Southeastern Institute of Manufacturing and Technology* (SiMT), which is the first facility of its kind in the United States. SiMT is located on the campus of Florence Darlington Technical College. SiMT is an 189,000 square foot advanced manufacturing center that provides the support needed by area industry and future industry, advancing the region's ability to provide a highly trained workforce. SiMT exists to partner with businesses and industry to provide training and manufacturing technology solutions. The facility contains an Advanced Manufacturing Center, 3-D/Virtual Reality Center, National Robotics Center, and offers open-enrollment, on-site, and customized training. SiMT also offers manufacturing startup assistance and consulting services.

An example of how SiMT has collaborated with industries in the area is its development of a 200 hour CNC operator training program that was specifically designed to meet the needs of ESAB Welding and Cutting Products. Classes were offered after normal business hours and all of the participants who completed the program were offered jobs at ESAB, indicating that the company was pleased with the program. Another example is SiMT's ongoing relationship with Honda. SiMT hosted the NH Circle Conference which brought more than 300 Honda associates from eight countries to the facility.

SiMT has numerous partnerships with several major equipment manufacturers and acts as an authorized retailer for some of them. Some of SiMT's partners include:

- EMCO – industrial equipment manufacturing company
- Weiler – lathes
- OMAX – abrasive water jet systems
- Kennametal – metal cutting and high speed tooling solutions
- Sodick – EDM machines
- Mastercam – software for CAD/CAM applications
- Xspect Solutions - CMMs



Exterior of the Southeastern Institute of Manufacturing and Technology

## ReadySC



For more than 50 years the state of South Carolina's workforce training program, **ReadySC**, which works together with the South Carolina Technical College System to prepare SC's workforce to meet the needs of businesses locating in the state. It develops, implements, and manages custom workforce training programs to support smooth, rapid startup of operations. It is a pre-employment training program provided at no cost to employers and is 100% customized to fit the needs of new and existing businesses.

Working in partnership with industry, ReadySC screens, recruits, and trains employees to meet the demands of individual companies, ensure a trained workforce on the first day of operations. Instruction takes place at either the job site or at one of the region's five technical colleges.

### Value of Workforce Training

- **Collaborative Effort** - ReadySC will collaborate with state agencies including the Employment Security Commission (ESC) and the Technical College System to recruit, screen, and train potential employees for companies who locate in South Carolina. After several screenings by ESC and other job services, client companies select which workers will be trained. The ultimate goal of the program is to provide five (5) qualified candidates for every one (1) job that the company plans to immediately create.
- **Motivated Employment Pool** - The program is voluntary for workers and all workers sign a document certifying that they understand that training does not necessarily mean that they will be employed at the company; this means that your company will have the benefit of having an available pool of self-motivated workers to select for employment. However, the company is not legally obligated to hire people who go through the program but does reap substantial financial benefits from having an applicant pool of trained workers.
- **Service Throughout the Process** - ReadySC can offer workforce training and assistance during any phase of the employee recruitment process including but not limited to advertising, pre-screening, assessment and selection of trainees. Additionally, pre-employment and/or on-the-job training are available through ReadySC. Fast track degree programs are also available. As has been the case with Roche and other more technically oriented employers, ReadySC will customize a training program for a specific type of worker for a specific company; this is not a "one size fits all" approach.

All of this world class training will be offered to you at **no cost** to your company.

*"FDTC (Florence-Darlington Technical College) and the welding training department played an integral role in the successful start up of the Honda South Carolina Manufacturing, Inc. facility by providing initial welding training classes through ReadySC. Even after ReadySC finished its program, FDTC has continued to provide support to Honda of South Carolina through their welding training programs." - John Blauch, Honda South Carolina Manufacturing, Inc.*

## **Other Assets of the NESAS Region**

### **NESAS Support**

As an organization, NESAS will support your company by serving as a one stop interface, acting as a liaison between your company and various community groups and state and local agencies that are necessary to beginning a competitive and profitable operation in the region.

### **Available Business Incentives**

- Job Development Credits – discretionary performance based incentive offered based on job creation; results in a rebate of new employees' withholding taxes
- Job Tax Credits – can offset up to 50% of a company's state corporate income tax for 5 years; credits can be carried forward up to 15 years.
- Fee in Lieu of Property Taxes – a discretionary incentive offered by the NESAS counties; protects the company from property tax increases for up to 20 years by locking the millage rate on the property.
- Corporate Income Tax Moratorium - 100% elimination of state corporate income taxes for up to 15 years based on job creation; only available in Marion, Marlboro, and Williamsburg counties.

### **State Legislative Support**

The NESAS Region is fortunate to be served by some of the most powerful state and federal legislative delegations in the nation. NESAS's Executive Committee includes legislators such as Senator Hugh K. Leatherman who is the Chairman of the SC Senate Finance Committee and Senator J. Yancey McGill, NESAS Chairman and member of the SC Senate Finance Committee. Our state legislators feel that it is of the utmost importance to provide support for our industrial community by offering opportunities for fast track state permitting processes and facilitating state agency cooperation toward operating efficiency.

### **Federal Legislative Support**

The NESAS Region receives a tremendous amount of federal legislative support through our ongoing relationships with Senator Lindsey Graham, Congressman Jim Clyburn (Majority Whip), Congressman Henry Brown and Congressman John Spratt. All of these members of Congress are dedicated to supporting economic development in this region. A prime example of this is Congressman Clyburn's recent support of Softie Supreme, a diaper manufacturing company that announced its intentions to open a facility in Marion County and create more than 250 jobs. Other examples of collaboration with our state and federal delegations to support regional infrastructure projects and job creation opportunities include:

- Support for the construction of I-73
- Energy Initiatives on the federal level
- Support for a regional international airport feasibility study
- Support for a international trade and convention center in Myrtle Beach
- Support for numerous other infrastructure projects
- Federal permitting assistance