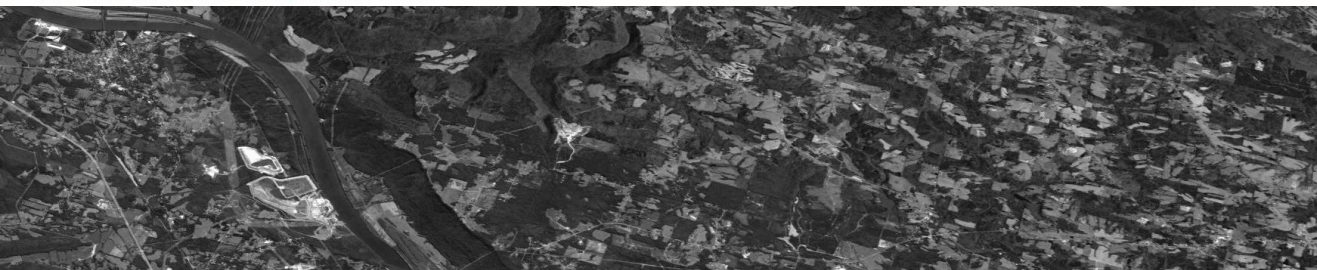


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SOUTHEAST TENNESSEE DEVELOPMENT

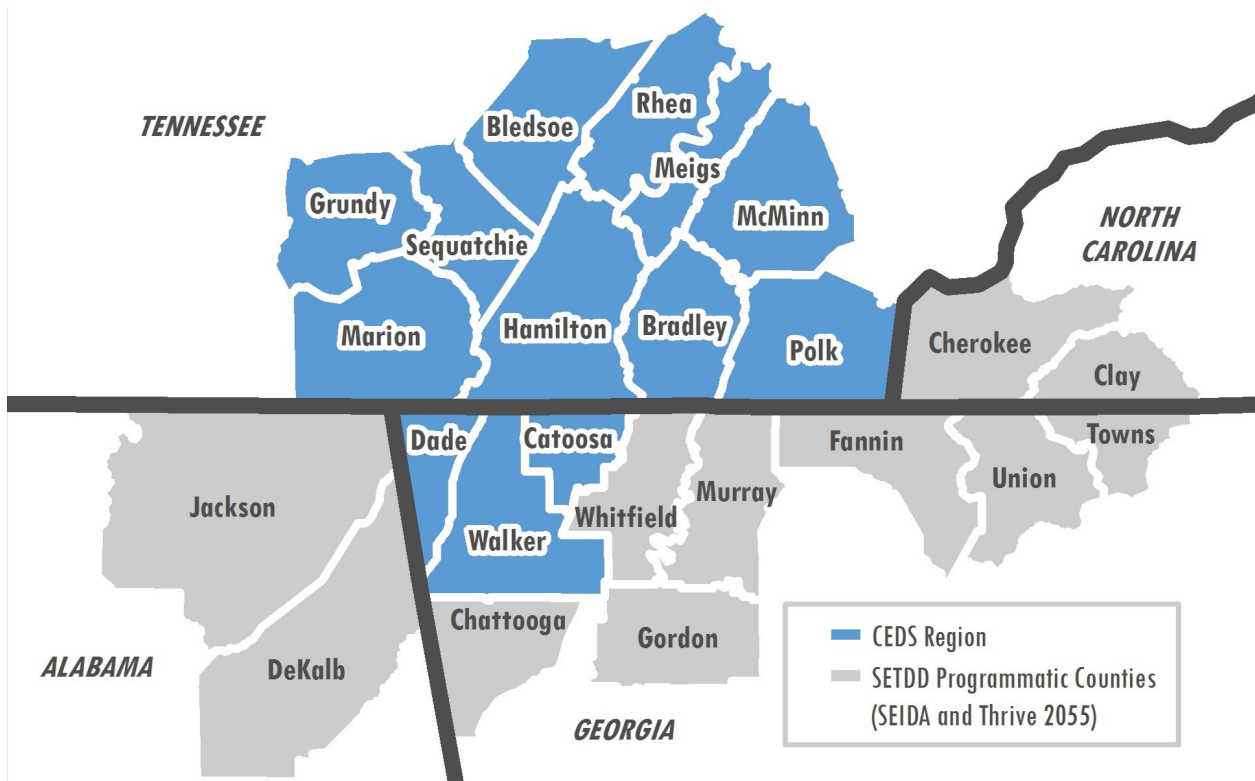
DRIVE TO THE TOP >>>

2016 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



INTRODUCING... OUR REGION

This booklet presents the Comprehensive Economic Development Strategy (CEDS) for the Southeast Tennessee-Northwest Georgia Region. The CEDS outlines a vision for the region and sets forth an ambitious plan to prepare our communities for long-term resilience and prosperity. Updated annually by the CEDS committee and staff at the Southeast Tennessee Development District, the CEDS provides an ongoing opportunity for stakeholder groups to address the challenges and opportunities facing our communities. Input from citizens, private employers, elected officials, planning commissions, service organizations, and other community representatives drives the CEDS process and helps shape its goals and strategies. Progress on the CEDS goals will yield stronger, more resilient communities and a better quality of life for those who live and work in our region.



REGION AT-A-GLANCE

13 counties
54 towns and cities
799,000 population
137,000 people ages 65+
373,000 labor force
318,420 jobs
15,500 employers

156 watersheds
4,700 square miles
560 miles of railroads
15,000 miles of roads and highways
970 square miles of protected lands
3,100 miles of rivers and major streams
1,000+ miles of trails and greenways

16 hospitals
10 airports
250 K-12 schools and 65 public libraries
24 universities, colleges, and seminaries
14 state and national parks/forests
300+ sites on register of historic places
2,600 acres available industrial property

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EXECUTIVE SUMMARY

Despite several years of sustained job growth since the height of the Great Recession, our region today has fewer jobs than it did in 2008. Many of the jobs being created today are high-skill jobs at advanced industries. Equipping workers with the training and skills needed to obtain jobs in these fields is essential if the region expects to sustain growth in these sectors. As presented in previous years' reports, a large number of baby boomers are transitioning into retirement. This will leave numerous openings and opportunities for younger workers to advance in many professional fields. However, educational data reveals that college graduates are not obtaining degrees in fields at rates needed to replace the aging workforce and meet projected growth, especially in technological and health care professions. In addition to concerns about education and aging, the region also has significant challenges with population health and health care.

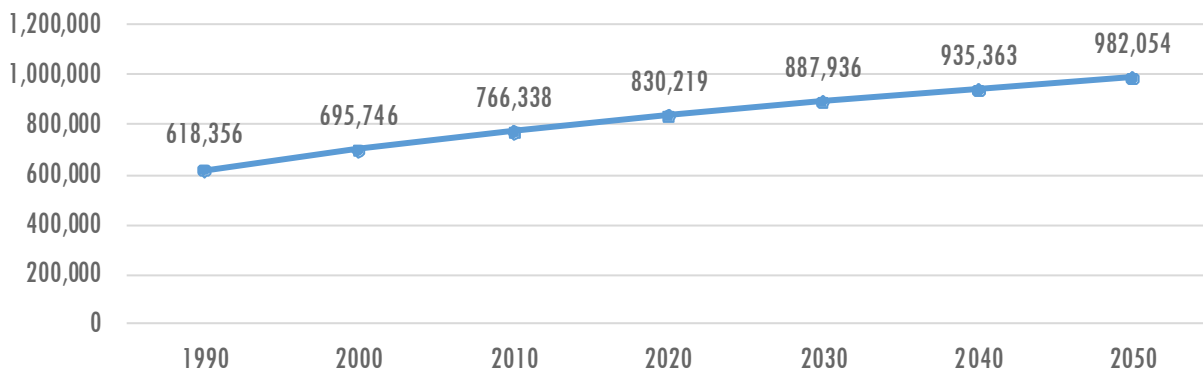
The CEDS proposes a series of priorities and actions under a strategy called DRIVE to the Top. Making progress on these proposals will help the region develop a stronger workforce, more livable communities, and innovative and resilient economy.

Dedicated People	Regional Collaboration	Innovative Solutions	Vibrant Communities	Economic Resilience
1. Promote Civic and Community Engagement	1. Collaborate on Projects of Regional Impact	1. Build a 21st Century Workforce	1. Develop and Revitalize Our Communities	1. Diversify the Economy
2. Improve Population Health	2. Commit to Regional Collaboration	2. Improve Health Care through Innovation and Technology	2. Give Planning a Chance	2. Plan for Workforce Succession
3. Build Leadership Capacity		3. Expand the Innovation Economy	3. Enhance Communities for All Ages	3. Increase Community and Economic Resilience

DRIVE to the Top!

SET FOR GROWTH

REGIONAL POPULATION GROWTH: 1990-2050



The region's population is growing. From 1990 to 2050, the region will have added approximately 364,000 people. According to data projections, the region's population will increase by an average of 16 people per day for at least the next decade. It is worth noting that some communities may undergo periods of population decline—recent census projections suggest that Dade, Grundy, Polk, and Walker Counties are losing population. However, the long-term forecast by the University of Tennessee and the State of Georgia show most counties growing in population. Some of this increase is from natural growth (i.e. babies being born), while some is from migration into the region. Chattanooga and the surrounding region is proving to be a popular retirement destination, and we will likely see an influx of affluent retirees moving here. Others move here to raise families, find a job, or live in an area gifted with many natural features and recreational opportunities.

COUNTY	1990	2000	2010	2020	2030	2040	2050
Bledsoe	9,669	12,367	12,876	13,481	14,554	15,262	15,852
Bradley	73,712	87,965	98,963	109,706	119,644	128,343	136,952
Catoosa	42,464	53,282	63,942	69,484	74,878	79,250	83,210
Dade	13,147	15,154	16,633	16,575	16,353	15,892	15,393
Grundy	13,362	14,332	13,703	14,088	14,135	13,663	13,087
Hamilton	285,536	307,896	336,463	368,666	398,076	426,544	457,189
McMinn	42,383	49,015	52,266	55,724	58,119	59,326	60,167
Marion	24,860	27,776	28,237	30,129	31,227	31,621	31,838
Meigs	8,033	11,086	11,753	12,462	13,748	14,422	14,880
Polk	13,643	16,050	16,825	17,812	18,392	18,537	18,607
Rhea	24,344	28,400	31,809	35,216	38,185	40,450	42,445
Sequatchie	8,863	11,370	14,112	16,943	19,425	21,276	22,872
Walker	58,340	61,053	68,756	69,933	71,200	70,777	69,562

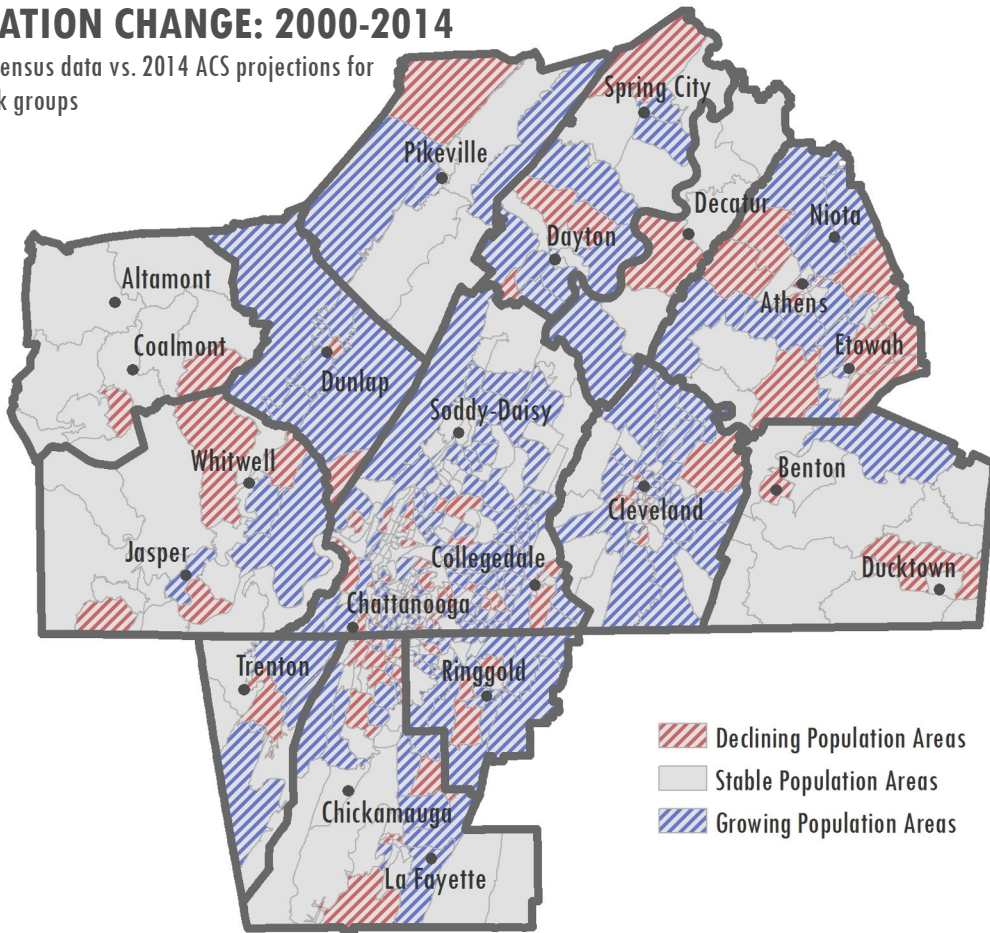
Sources: U.S. Census Bureau, UT Center for Business and Economic Research, Georgia Governor's Office of Planning and Budget

WHERE ARE WE GROWING?

In addition to looking at how much the region's population is growing, it is instructive to look at where this growth is occurring. Are rural areas in fact losing population? What about small towns and cities? We can answer these questions by looking at changes in census areas over time. The map below compares population counts in census block groups from 2000 to 2014. The data illustrates that while large portions of the region have experienced relatively stable populations over the past several years—neither gaining nor losing a significant number of residents—there are areas seeing high growth as well as those experiencing population decline. Much of the growth is concentrated in census areas with established population centers and in areas with close proximity to major transportation corridors. Rural areas, especially those with limited transportation connectivity or no urban anchor, are losing population. As we look at the projections on the previous page and consider the anticipated growth over the next several decades, we can anticipate an uneven distribution of new development. How our region prepares for this growth can have major implications on local governments and efforts to improve community resiliency.

POPULATION CHANGE: 2000-2014

2000 U.S. Census data vs. 2014 ACS projections for census block groups



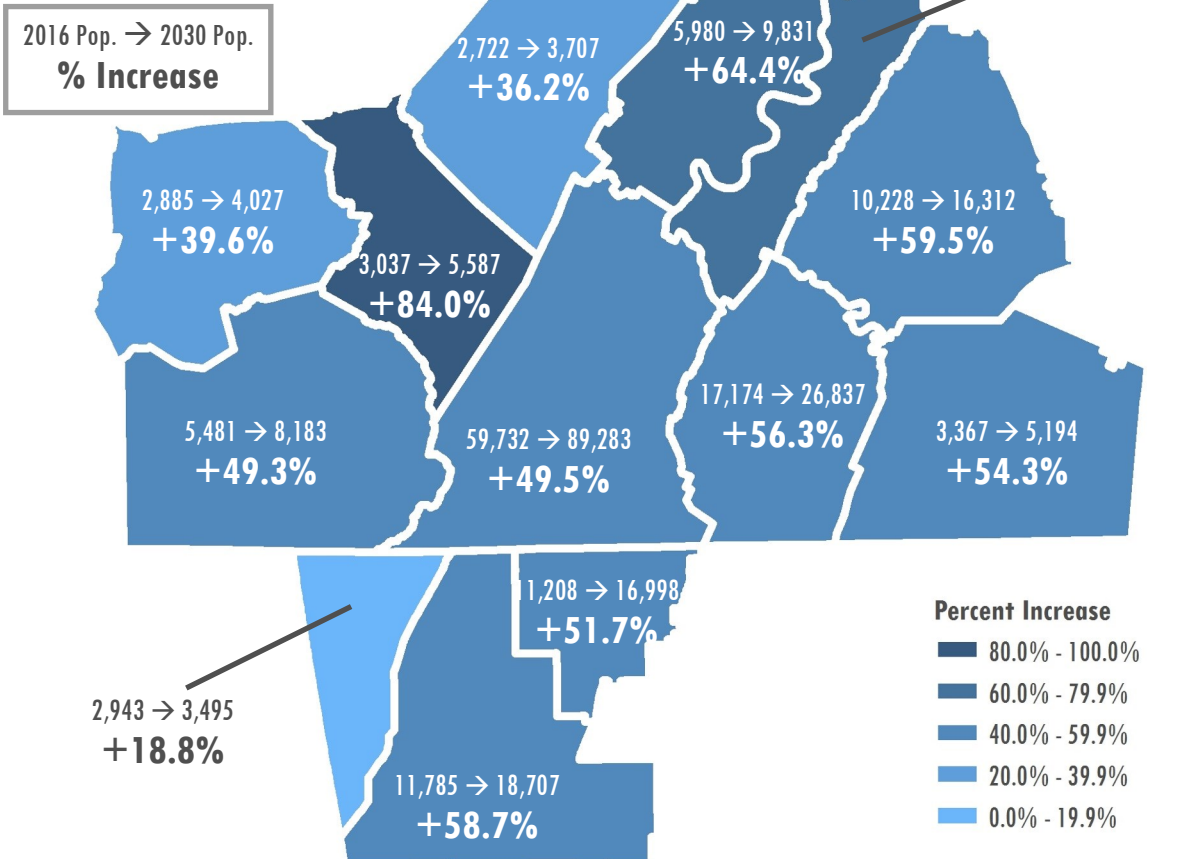
Map notes: Geography based on block groups. 2000-2010 net population change calculated using Thrive 2055 datasets (“Declining” -225 to -25; “Stable” -24 to +250; “Growing” +251 to +2,168). 2010-2014 change calculated using TIGER census files (“Declining” -1,020 to -300; “Stable” -299 to +250; “Growing” +251 to +1,176). Broader ranges in 2010-2014 selected to accommodate margins of error in 2014 ACS projections.

SENIOR BOOM

The population is aging, both within our region and across the United States. Today, in 2016, the senior population (ages 65+) in our region is 137,024. By the time the last baby boomer turns 65 in 2030, that number will increase by over 75,000 to 212,361. With changes in health care, medicine, nutrition, and overall longer life expectancy, the proportion of seniors in our population will climb from historical averages of 10-15% to new levels of 25-30%, with some places seeing even higher rates. Communities that ignore this demographic sea-change will face many challenges in the coming years. Those that acknowledge, embrace, and prepare for this population shift will benefit from retirees moving to their communities, improved health care systems, greater ADA accessibility, and more vibrant and engaged senior populations. Moreover, planning on the front-end will enable older adults to age in place near their families, friends, and neighbors—and live fulfilling lives in their golden years.

INCREASE IN SENIOR CITIZEN POPULATION OVER THE NEXT 15 YEARS

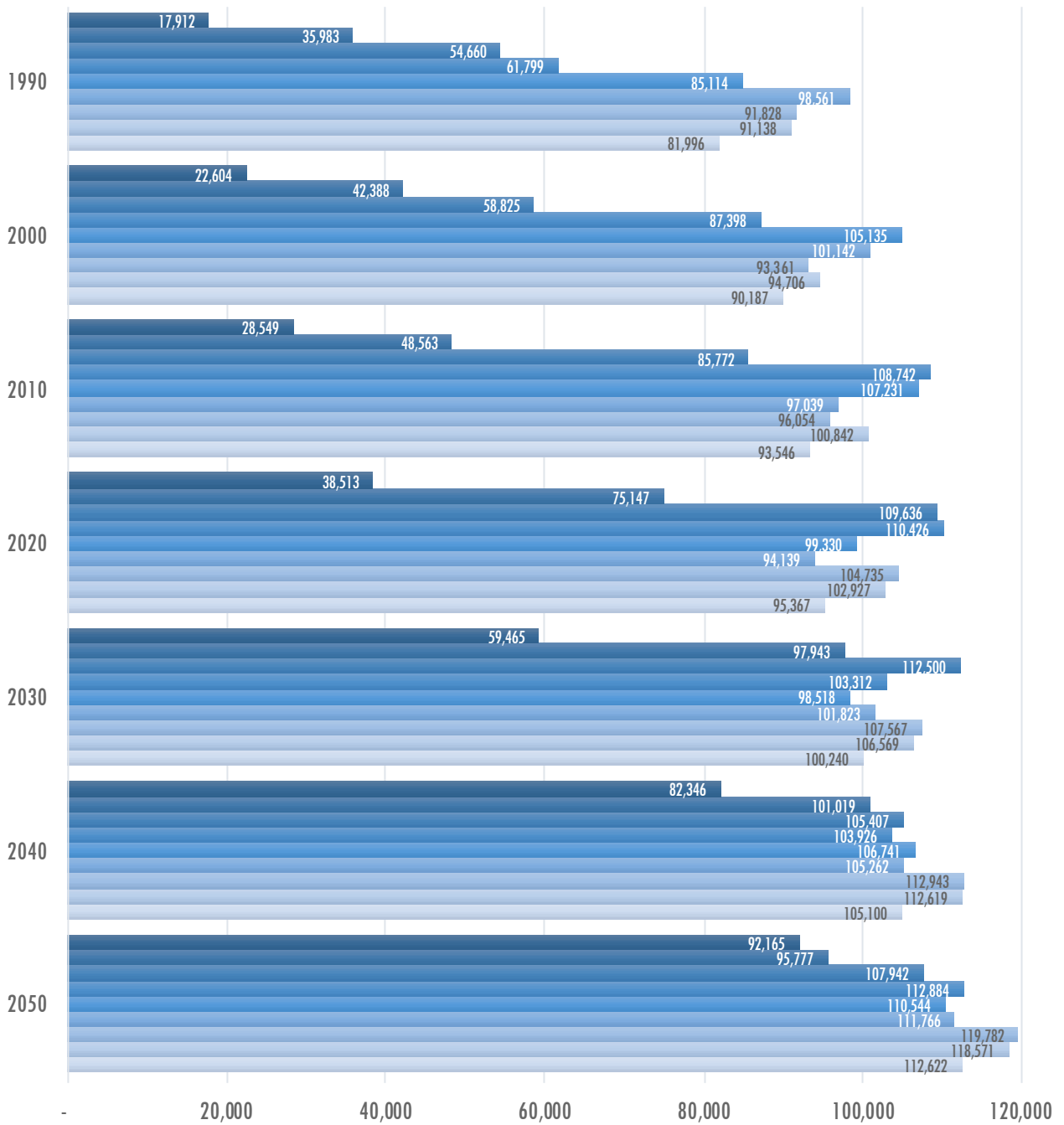
Senior Population (65+) in 2016 vs. 2030



Sources: UT Center for Business and Economic Research, Georgia Governor's Office of Planning and Budget

REGIONAL POPULATION BY AGE GROUP: 1990-2050

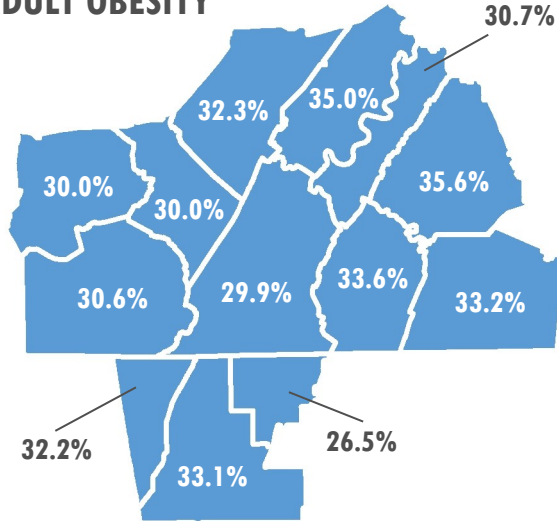
80+ 70-79 60-69 50-59 40-49 30-39 20-29 10-19 0-9



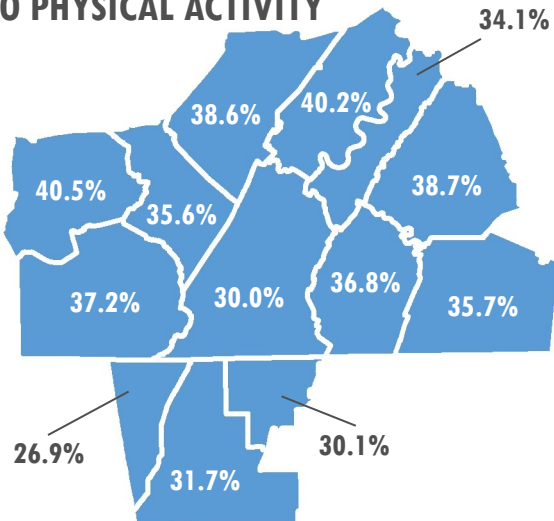
THE BIG THREE PLUS ONE

For a region to thrive, its people must be healthy. A healthy population has fewer chronic diseases, enjoys lower health care costs, misses fewer days of work, and helps build a more engaged and socially connected community. The Tennessee Department of Health has identified the “**Big Three Plus One**”—excessive caloric intake, physical inactivity, tobacco and nicotine addiction, plus other substance abuse disorders—as primary causes of the state’s health crisis. Together, the Big Three Plus One contribute to all 10 of the top 10 leading causes of death in Tennessee and the nation. Doubling down on treatment spending isn’t working; to truly make an impact, we must focus on prevention and instilling healthy lifestyle behaviors.

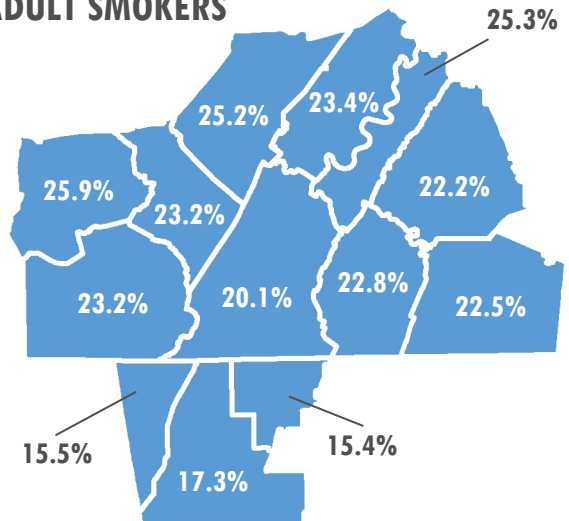
ADULT OBESITY



NO PHYSICAL ACTIVITY



ADULT SMOKERS



Sources: U-Wisconsin 2016 County Health Rankings; TN Dept. of Health

DRUG & SUBSTANCE ABUSE: THE “PLUS ONE”

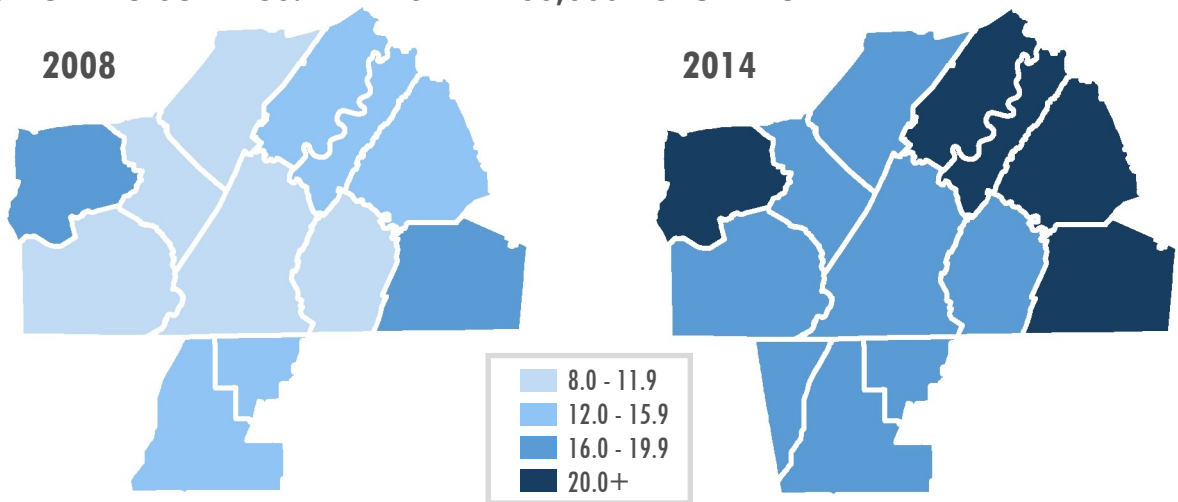
Abuse of prescription medications and other substances is creating unprecedented levels of addiction and dependency throughout our region and across the state. The Tennessee Department of Health calls non-tobacco substance abuse the “Plus One” factor in its explanation of the main underlying causes contributing to the top health ailments in our state. The percent of admissions to publicly funded treatment centers due to prescription opioids has tripled in Tennessee over the past 10 years. According to the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), 212,000 Tennesseans used pain relievers non-medically in the past year. Only 10.6% of individuals with drug dependence or abuse received treatment.

OPIOID PRESCRIPTIONS WRITTEN PER CAPITA: 2015

The Most			The Fewest		
#1	Alabama	1.20 per person	#46	New Jersey	0.55 per person
#2	Tennessee	1.18 per person	#47	Minnesota	0.54 per person
#3	West Virginia	1.13 per person	#48	New York	0.51 per person
#4	Arkansas	1.11 per person	#49	California	0.48 per person
#5	Mississippi	1.07 per person	#50	Hawaii	0.45 per person

Source: Holly Fletcher, “There are more opioid prescriptions than people in Tennessee,” *The Tennessean*, 19 September 2016.

OPIOID POISONINGS: DEATHS PER 100,000 POPULATION



Users have also starting turning to heroin, which is cheaper than many prescription pills. Today’s heroin is often laced with fentanyl and other powerful synthetics, driving a new spike in overdose deaths. But progress is being made. Steps taken by Tennessee are reducing opioid overdoses in some areas: statewide drug databases and smaller prescriptions are reducing the number of pills in circulation; TDMHSAS offers more treatment programs; and recovery courts, introduced in 2013, direct nonviolent offenders to receive treatment. Some police departments now carry naloxone to administer to overdose victims. It is essential for the region to recognize this public health crisis and assist with state and national efforts to reduce opioid abuse.

REGION AT WORK

Abundant rail connectivity and prime location among one of the only navigable waterways connecting the Gulf of Mexico to the Appalachian Region helped propel the region's industrial economy for 100 years. With the decline of coal, the Tennessee Valley Authority worked to keep energy prices low. This energy benefit combined with the region's strong manufacturing labor force, ideal climate, natural beauty, and rail and road connections—along with a bit of luck—have enabled the region's economy to remain strong compared to many industrial communities in the Northeast and Midwest.

Manufacturing still constitutes a significant part of the region's total economy and drives most of the region's export economy (see page 11). However, today other sectors actually employ greater numbers of workers, as evidenced by the table below.

TOP 10 OCCUPATIONS BY TOTAL EMPLOYMENT

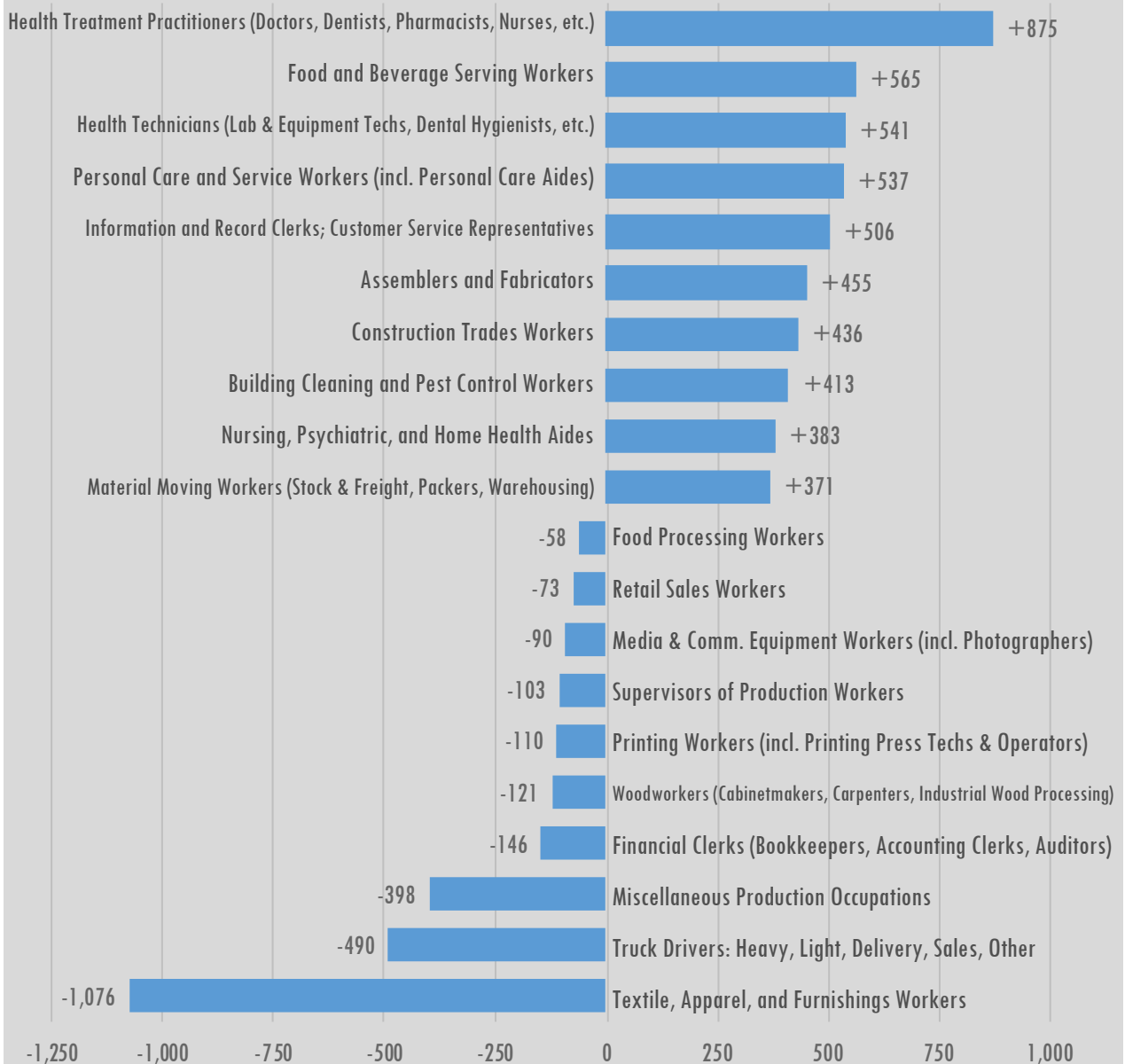
RANK	OCCUPATION	2016 JOBS	MEDIAN WAGE	LQ
1	Retail Sales Workers	19,913	\$10.35/hr	1.00
2	Food and Beverage Serving Workers	17,651	\$9.42/hr	1.08
3	Material Moving Workers (Stock & Freight, Packers, Warehousing)	16,851	\$11.67/hr	1.63
4	Heavy, Light, & Delivery Truck Drivers; Other Motor Vehicle Operators	14,434	\$14.28/hr	1.64
5	Information and Record Clerks; Customer Service Representatives	13,865	\$13.37/hr	1.09
6	Health Treatment Practitioners (Doctors, Dentists, Pharmacists, Nurses, etc.)	11,791	\$39.81/hr	1.02
7	Assemblers and Fabricators	10,185	\$13.84/hr	2.52
8	School Teachers: Preschool, Primary, Secondary, and Special Education	9,245	\$22.81/hr	1.06
9	Dispatching and Distributing Workers; Stock Clerks	8,873	\$15.28/hr	0.98
10	Health Technicians (Lab & Equipment Techs, Dental Hygienists, etc.)	8,779	\$18.30/hr	1.30

Based on 4-digit Standard Occupation Codes. Source: Emsi, Q4 2016

The largest employment sectors are not necessarily those that provide the greatest degree of economic specification or economic output. Instead, they are often the jobs that provide the day-to-day goods and services used and consumed by the region's population. In our region, retail sales and foodservice establishments provide the greatest numbers of jobs, followed by warehousing, distribution, and logistics workers. Some of these occupations require advanced training and education, but many are low-skill and fairly low-wage, often without benefits. Health care professions reported the highest median wages of the top 10 sectors at \$39.81 per hour, followed by school teachers at \$22.81.

Although many rural areas face health challenges, the location quotient for health treatment practitioners (1.02) shows the number of doctors, pharmacists, and other health professionals across our region is proportionately equal to the national average. As the figure on the opposite page illustrates, health care will see the highest growth of any occupation sector in our region over the next 5 years—presumably just to keep up with the needs of a growing and aging population.

TOP 10 OCCUPATIONS FOR PROJECTED JOB GAINS & LOSSES: 2016-2020



Based on 4-digit Standard Occupation Codes. Source: Emsi, Q4 2016

A region can experience growth or decline in an industry due to changes in technology and fluctuations in the national and international economy, among other factors. The table above highlights the top 10 sectors that are projected to either grow or decline based on current trends and assumptions. The data forecasts growth in health care, service industry, and advanced manufacturing occupations, with declines in textile and driver-based transportation.

EXPORT IT!

What sets the region's economy apart from the rest of Tennessee and the United States? One way to answer this question is by looking at location quotient (LQ) values for various industries in our region. LQs compare the proportion of local workers in a given industry to the nation as a whole. LQ scores greater than 1.00 indicate that an industry employs local workers at a rate higher than the national average. Often, the goods and services these industries produce are exported outside the region. The table below shows high LQ scores for occupations in textiles, manufacturing, transportation, and logistics.

TOP 10 EXPORT INDUSTRIES BY LOCATION QUOTIENT

RANK	INDUSTRY	JOBS	2015 EXPORTS	LQ
1	Textile Mills (Incl. Carpeting)	3,428	\$724M	13.51
2	Electrical Equipment, Appliance, and Component Manufacturing	6,143	\$1,651M	7.19
3	Apparel Manufacturing	1,620	\$187M	5.55
4	Truck Transportation	11,575	\$1,687M	3.58
5	Furniture and Related Product Manufacturing	2,760	\$434M	3.19
6	Paper Manufacturing	2,359	\$1,118M	2.84
7	Nonmetallic Mineral Product Manufacturing	2,018	\$640M	2.24
8	Textile Product Mills	524	\$104M	2.02
9	Transportation Equipment Manufacturing	7,119	\$3,169M	1.96
10	Chemical Manufacturing	3,559	\$1,949M	1.94

Based on 4-digit NAICS Codes. Source: Emsi, Q4 2016

This data supports what we know about southeast Tennessee and northwest Georgia's longstanding manufacturing heritage. The goods that these industries produce—carpet, flooring, automotive parts, industrial components, and others—are not all consumed or needed by the local population. Rather, they are exported to other regions and around the world and bring income into our region. The local economy, on the other hand, is comprised of industries that provide services to the local population, including those workers in the region's export industries. The local economy includes occupations such as dentists, teachers, foodservice workers, building cleaners, and other such professions which provide goods and services locally.

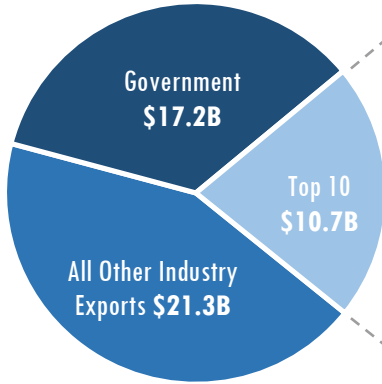
The Risks of Being Too Specialized

When an economy becomes too concentrated in a small number of sectors, it makes the region highly susceptible to fluctuations in the national and international economy as well as changing technologies and market trends. A workforce with a limited skill set also hurts efforts to recruit new businesses. While specialization and economies of scale can make a region more competitive for a particular industry, it is critical that the region diversify its economy and develop communities and workforces that will accommodate new and emerging industries and trends. Attracting a broader class of industries and training workers with new skills will help with economic diversification and make our region more resilient in the long run.

REGIONAL EXPORTS: SALES OUTSIDE THE REGION

Totals reflect 2015 sales to industries and consumers outside the 13-county CEDS region.

TOTAL REGIONAL EXPORTS \$49.2B



Note: Government exports include spending on transportation and public works projects, housing assistance, grants, and other government programs. In our region, it also includes power sales by TVA and other public utilities.

Motor Vehicle Parts Manufacturing	\$1.6B
Insurance Carriers	\$1.6B
Motor Vehicle Manufacturing	\$1.4B
Bakeries Manufacturing	\$1.3B
Household Appliance Manufacturing	\$1.1B
General Freight Trucking	\$938M
Pulp, Paper, and Paperboard Mills	\$752M
Specialized Freight Trucking	\$749M
Synthetic Rubber, Resin, & Fibers Manufacturing	\$690M
Agriculture & Construction Machinery Manufacturing	\$649M

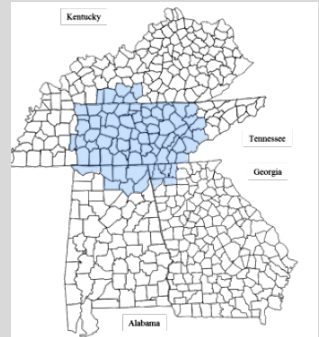
Source: Emsi, Q4 2016

Investing in Manufacturing Communities Partnerships (IMCP)

The CEDS region has been designated as a part of two IMCP regions by the U.S. Economic Development Administration. IMCP designations make technical assistance and many federal resources available to these regions. The Tennessee DRIVE for the Future Manufacturing region recognizes the vital role of automotive industry and parts suppliers in the greater Tennessee Valley region. Automotive manufacturing accounts for more than one-third of advanced industry employment in Tennessee. As of 2014, industries in the automotive supply chain employed more than 90,000 people across the DRIVE region. The Northwest Georgia Manufacturing Community IMCP designation highlights the immense role of flooring and carpet manufacturing in this region, which is known as the “carpet capital of the world.” Northwest Georgia produces more than 70 percent of all carpet manufactured in the United States. The CEDS counties in Tennessee also benefit from the spillover effect; the flooring industry employs more than 4,000 residents in our region.

Source: U.S. Economic Development Administration

Tennessee DRIVE for the Future Manufacturing Community
80 counties in TN, KY, GA, and AL. Includes all CEDS counties.



Northwest Georgia Manufacturing Community
15 counties in GA. Includes all 3 CEDS counties in Georgia.



DEGREES FOR SUCCESS

Many professions require a college degree—which ones will offer the most career opportunities for graduates in our region over the next 10 years? With regards to workforce succession, will we have enough qualified professionals entering these fields to ensure our region remains economically competitive and able to provide the services needed to support our population?

OCCUPATIONS REQUIRING A COLLEGE DEGREE: 10-YEAR FORECAST

OCCUPATION	TYPICAL ENTRY EDUCATION	OPENINGS OVER NEXT 10 YEARS
Registered Nurses	Assoc./Bach.	2,550
K-12 School Teachers, Including Special Ed.	Bachelor's	2,429
General Business and Operations Managers	Bachelor's	1,647
Physicians, Surgeons, Chiropractors, and Other Medical Treatment Specialists	Doctoral	1,243
Accountants and Auditors; Financial Managers	Bachelor's	1,061
Postsecondary Teachers (College Instructors)	Doctoral	507
Medical and Health Services Managers	Bachelor's	350
Human Resources Specialists	Bachelor's	339
Industrial Engineers	Bachelor's	336
Business Operations Specialists	Bachelor's	322
Physical Therapists	Doctoral	321
Nurse Practitioners	Master's	307
Preschool Teachers	Associate's	297
Computer Systems Analysts	Bachelor's	273
Civil Engineers	Bachelor's	266
Mechanical Engineers	Bachelor's	261
Child, Family, and School Social Workers	Bachelor's	250
Software/Application Developers	Bachelor's	220
Pharmacists	Doctoral	200
Dental Hygienists	Associate's	185
Clinical, Counseling, and School Psychologists	Doctoral	66

Source: Emsi, Q4 2016

Our region has 24 colleges, universities, and seminaries offering associate, bachelor, and advanced degree programs in over 200 academic fields. The following tables show the programs with the most degree completions in 2015 as reported by the U.S. Dept. of Education National Center for Education Statistics. In total, 6,674 degrees were awarded in our region in 2015.

REGIONAL DEGREE COMPLETIONS: 2015

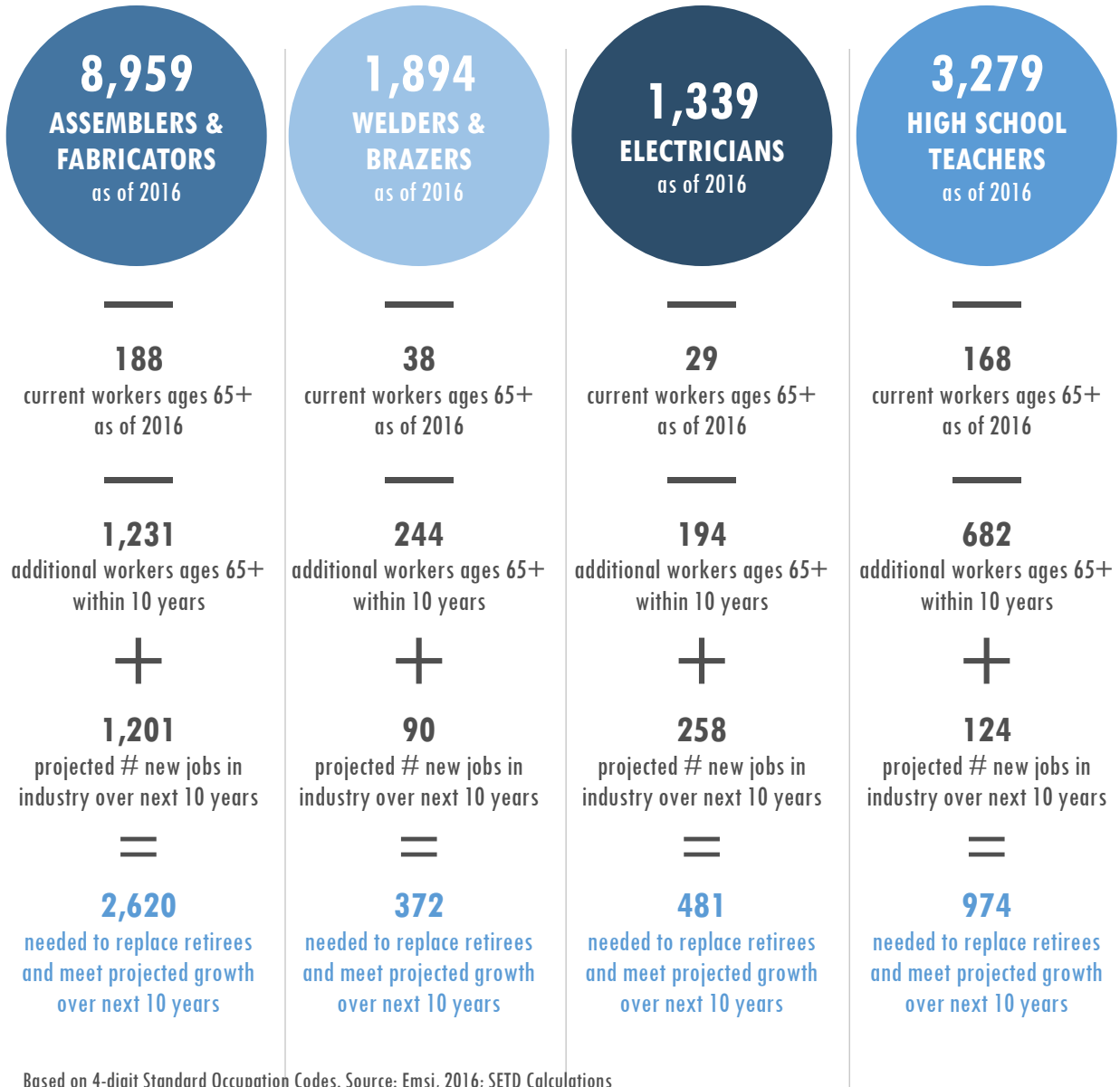
TOP 10 BACHELOR'S DEGREE PROGRAMS	2015 COMPLETIONS
Business	663
Psychology	268
Nursing	257
Kinesiology and Exercise Science	213
Biology	192
Early Childhood Education and Teaching	132
Elementary Education and Teaching	123
English	111
Criminal Justice/Law Enforcement Administration	93
Communications	79

TOP 10 ASSOCIATE'S DEGREE PROGRAMS	2015 COMPLETIONS
Liberal Studies	568
Nursing	266
Business	105
Engineering Technology	84
Medical/Clinical Assistant	61
Health Professions and Related Clinical Sciences	47
Dental Assistant	45
Childhood Development	34
Commercial and Advertising Art	30
Electronic and Communications Engineering Technology	29

Source: Emsi, Q4 2016

WORKFORCE SUCCESSION

As the workforce ages and many baby boomers retire, does the region have workers to fill these positions? Worker shortages can overburden current employees, result in lost business contracts, increase training costs, and potentially force some companies to leave the region. Our educational institutions, economic and workforce development programs, employers, and key stakeholders should direct their programs to ensure we are meeting the region's workforce needs.



Based on 4-digit Standard Occupation Codes. Source: Emsi, 2016; SETD Calculations

About this chart: The number in each circle represents the total employment in each respective field as of 2016. The next two numbers represent the number of workers who are already 65+ or who will be 65+ by the year 2026. For the purposes of this illustration, workers are assumed to retire at age 65 or soon thereafter and are shown leaving the workforce. The third number represents the projected increase in the number of jobs in that field by the year 2026. Following the equation yields the total number of new workers needed to sustain each industry, represented by the final number in each column.



126
current workers ages 65+
as of 2016

234
additional workers ages 65+
within 10 years

+

285
projected # new jobs in
industry over next 10 years

=

675
needed to replace retirees
and meet projected growth
over next 10 years



247
current workers ages 65+
as of 2016

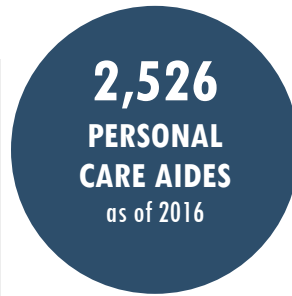
1,351
additional workers ages 65+
within 10 years

+

834
projected # new jobs in
industry over next 10 years

=

2,342
needed to replace retirees
and meet projected growth
over next 10 years



247
current workers ages 65+
as of 2016

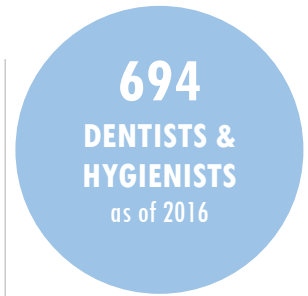
489
additional workers ages 65+
within 10 years

+

709
projected # new jobs in
industry over next 10 years

=

1,445
needed to replace retirees
and meet projected growth
over next 10 years



32
current workers ages 65+
as of 2016

121
additional workers ages 65+
within 10 years

+

124
projected # new jobs in
industry over next 10 years

=

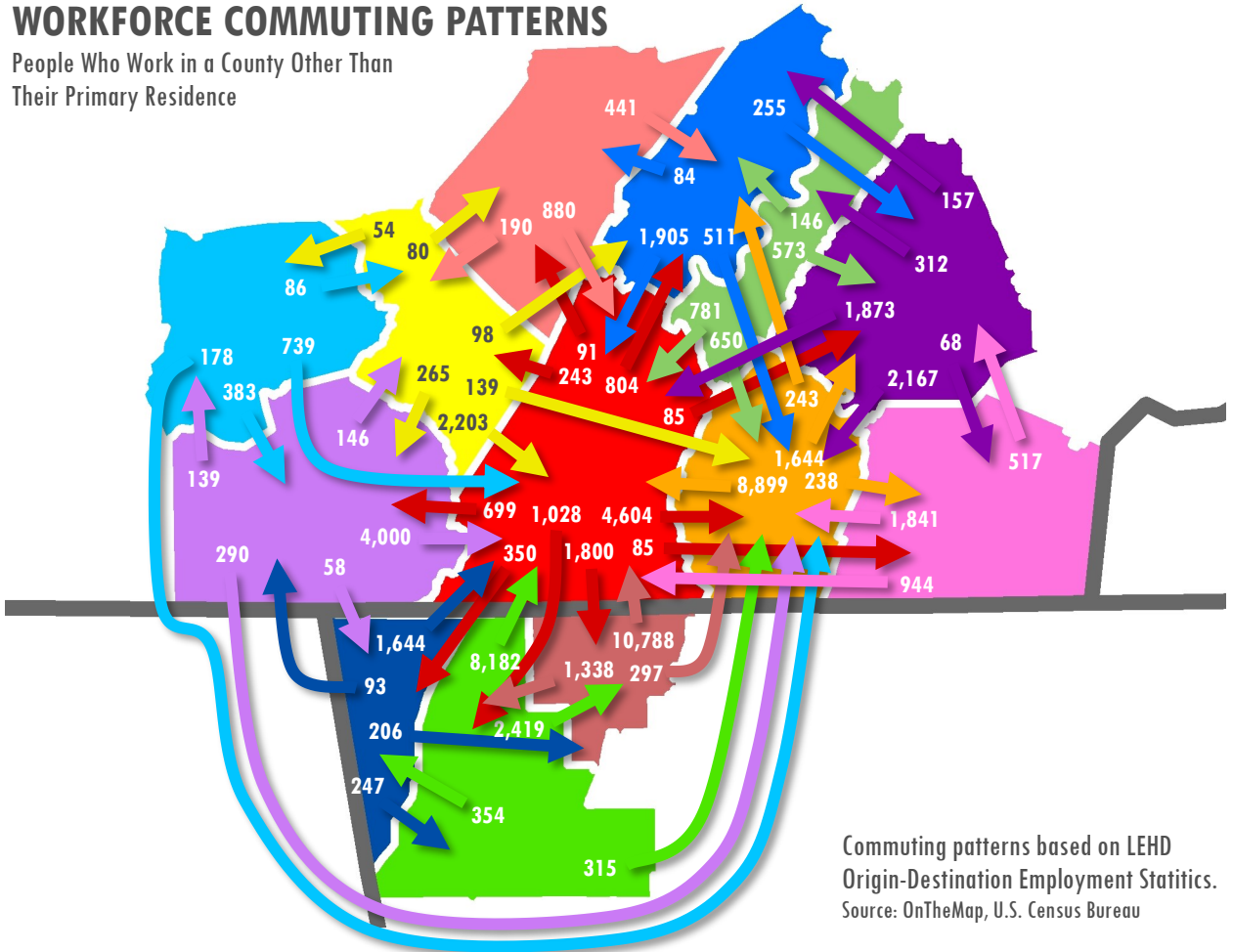
277
needed to replace retirees
and meet projected growth
over next 10 years

REGION ON THE MOVE

Transportation and mobility a major concern for the region. Our economy depends on rapid, safe, and efficient movement of people, goods, and services—a necessity which is threatened by the region’s geographic hurdles, congested bottlenecks, and outdated infrastructure. Our region ranks in the top 10 nationally for volume of freight traffic, 80% of which is pass-through and does not stop in our region. Less than 1% of the region’s population utilizes public transportation. Gentrification is displacing low-income residents with few transportation options. Biking carries significant safety risks in many places. Thrive 2055 has taken a serious look at the region’s transportation challenges. Thrive’s Five-Year Actions and Long-Term Actions urge us to act regionally to develop, prioritize, and implement projects that will improve access and safety, reduce congestion, and increase overall regional mobility. Progress will be seen in fewer collisions, less congestion, and continued economic growth.

WORKFORCE COMMUTING PATTERNS

People Who Work in a County Other Than Their Primary Residence



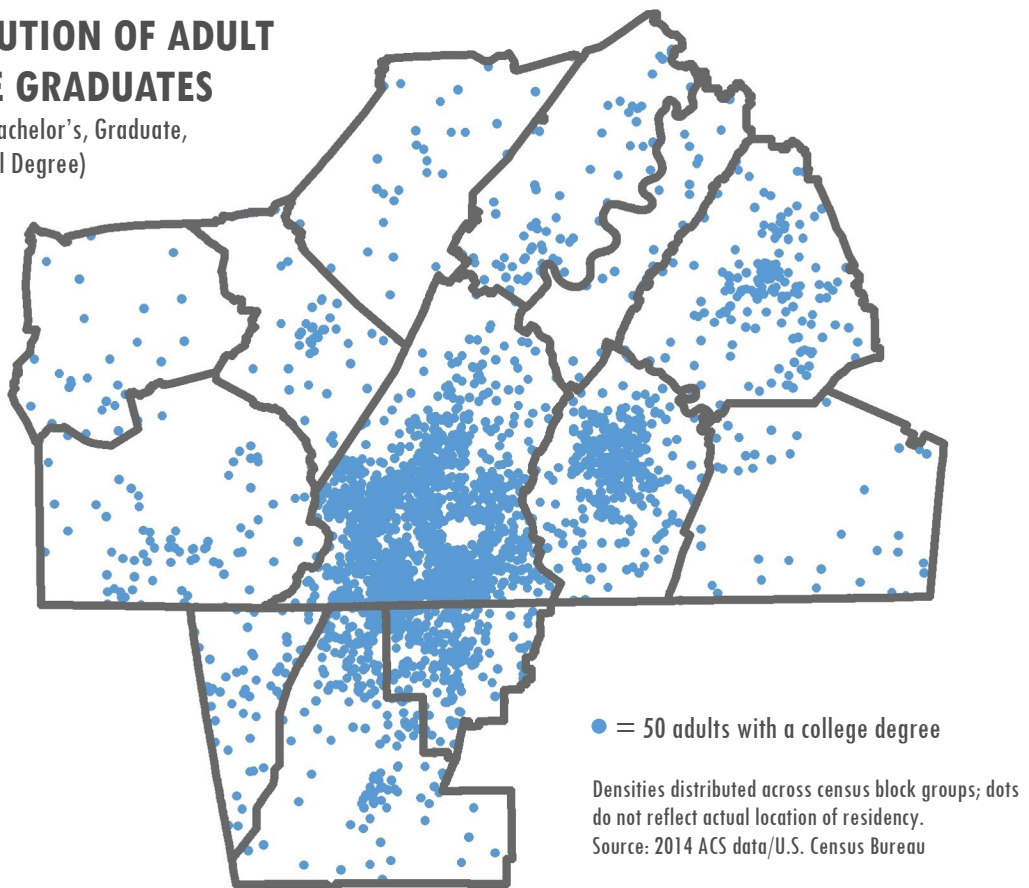
Workforce commuting patterns reveal a region that is on the move: over 146,000 people cross a county line on their way to work. In addition, nearly 40,000 Georgians work in Tennessee, while almost 16,000 Volunteers work in the Peach State.

INNOVATION DESTINATION

Chattanooga has benefitted immensely from its first-in-the-nation gigabit internet service. In addition to this high-speed internet, the Innovation District, Gig Tank, Enterprise Center, INCubator, Business Development Center, ArtSpace, Company Lab (CO.LAB), Library 4th Floor, and other initiatives are creating a culture of innovation, entrepreneurship, and creativity in Chattanooga. Business ideas are nurtured from birth to full-scale operations; entrepreneurs have access to financing, shared workspaces, and business development resources. The innovation economy can help revitalize our small towns and rural communities as well. The Rural Task Force appointed by Governor Haslam has recommended establishing Rural Technology Hubs to provide training, resources, and the intentional commitment needed to bring tech jobs to the state's rural communities. If successful, these tech hubs along with other Task Force recommendations can bring high-paying jobs to the rural parts of our region. Of course, this strategy is contingent on high-speed internet being available and affordable across the entire region.

DISTRIBUTION OF ADULT COLLEGE GRADUATES

(Associate's, Bachelor's, Graduate, or Professional Degree)



Our major population areas have the highest concentrations of adults with college degrees. Expanding broadband can help bring tech jobs and advanced industries across our region and provide more opportunities for graduates outside our urban centers.

SWOT ANALYSIS

STRENGTHS

- **NATURAL BEAUTY** - Our region is beautiful. The mountains, rivers, lakes, forests, and scenic vistas provide a stunning backdrop for everything that happens in our region. People want to move here and live here. These natural features also attract many tourists and outdoor enthusiasts to our communities, driving the tourism economy.
- **STRONG COMMUNITIES** - By and large, people here are proud of their communities. Survey results show that residents support local businesses and civic organizations, feel comfortable talking to their elected leaders, celebrate their cultural heritage, and stand behind efforts to revitalize their communities. Although some face education challenges, quality public schools are a point of pride for many communities. Churches, family values, and neighbors helping neighbors contribute to a strong and supportive social fabric. People are optimistic about the future of their community—and the region.
- **LOCATION, LOCATION, LOCATION** - The region is strategically located along major transportation corridors. With its rail, road, river, and air connections, the region's companies enjoy easy access to the global marketplace. Over 20 million people live within a 180-mile drive of Chattanooga. Inside our region, many residents enjoy the quiet refuge of a rural community with all of the amenities and services of a major urban center within a 1-hour drive.
- **REGIONAL COLLABORATION** - Diverse groups and communities have repeatedly come together to tackle the challenges facing our region. Shared laborsheds, environmental resources, health care systems, and transportation corridors demand we act regionally. This collaboration and regional sense of spirit is often overlooked as one of our greatest strengths.

WEAKNESSES

- **HEALTH CARE ACCESS** - The region's geographical challenges and low rural population densities present numerous challenges to sustainable health delivery models. Some counties face severe shortages of primary care physicians, dentists, mental health treatment, and other specialists. A lack of broadband precludes many technological solutions.
- **BROADBAND** - This “highway of the 21st century” remains unavailable or unaffordable in much of the region. A lack of broadband inhibits health care delivery, education, economic development, and diminishes quality of life.
- **DRUGS AND CRIME** - Epidemic levels of opioid and heroin abuse are devastating our urban and rural communities. Drug-related deaths and crime have become commonplace. Meanwhile, surging gang violence terrorizes residents in poor minority neighborhoods. These societal ills place a heavy, expensive burden on health and emergency services and leave many employers unable to find dependable workers. Criminal records prevent rehabilitated civilians from getting jobs.
- **POOR PLANNING** - Decades of shortsighted planning decisions have resulted in sprawling communities with unmanageable utility networks, strained public services, congested roadways, and poorly connected neighborhoods. Retroactive efforts to address these problems are frequently expensive and take years to implement.
- **HOUSING** - Vacant homes and absentee landlords result in a lack of home maintenance and neighborhood investment. Older adults on fixed incomes must choose between home maintenance or medications. Gentrification has driven low-income residents outside cities to areas where there are few social supports, low-wage service jobs, and no public transit.

Strengths are a region's competitive advantages: these are assets—what the region does well. **Weaknesses**, on the other hand, reveal the region's competitive disadvantages and internal shortcomings. **Opportunities** present real possibilities for regional improvement or progress. **Threats** are internal or external factors that could undermine the region's strengths or eventually contribute to regional decline.

OPPORTUNITIES

- **WORKFORCE DEVELOPMENT** - The past 20 years have been tumultuous for the region's manufacturing economy, but new advanced industries and international companies are creating unprecedented career opportunities for workers in our region. Education and training initiatives to help older workers obtain the proper skill sets, and encouraging students and young workers to pursue these high-paying fields, will improve residents' quality of life and standard of living. Work-based learning programs, LEAP programs, and STEM curricula will introduce and prepare students for today's careers.
- **PLACEMAKING** - Revitalization efforts that build on existing natural and heritage assets can help communities attract visitors, spur investments on Main Street, attract young families, and reverse population decline.
- **CAPACITY-BUILDING & LEADERSHIP DEVELOPMENT** - Local officials should know the basics of community & economic development. Communities also gain capacity when a diverse team of local stakeholders unites around a cohesive vision: this buy-in drives community improvement initiatives which transcend political terms or any one leader.
- **INFILL DEVELOPMENT** - Incentivizing development in areas with existing infrastructure can help rejuvenate vacant downtowns, reduce sprawl, protect farmland, conserve natural areas, and in the long run, save communities money.
- **INNOVATION ECONOMY** - Chattanooga's first-in-the-nation gigabit internet service and Innovation District are attracting tech companies and startups. Expanding broadband can grow this innovation economy throughout our region.

THREATS

- **AGING POPULATION** - Experienced workers are retiring, leaving companies and public agencies without their vast institutional knowledge. An influx of affluent retirees is driving development of natural areas and increasing housing prices in working-class neighborhoods. More and more seniors need help, but funding for services remains stagnant.
- **AGING INFRASTRUCTURE** - Sprawling and aging infrastructure systems are becoming increasingly expensive to fix and maintain. Roads and bridges need repairs. Water and sewer utilities require upgrades and qualified plant operators. Moratoria hinder economic development, while overflows threaten the region's ecosystems and tourism industries.
- **WORKFORCE SUCCESSION** - Our employers require new talent to replace workers who are retiring or leaving, while new industries require an overall larger labor force. Many graduates are not interested in manufacturing, health care, or other fields where there is, or will be, a shortage of employees. These jobs are critical to the region's future.
- **RELIANCE ON LIMITED ECONOMIC SECTORS** - High concentrations of jobs in certain industries such as automotive, logistics, and flooring leaves the region and workforce vulnerable to disruptions in the global marketplace. Many industries are becoming automated. Greater economic diversification is necessary to build long-term economic resilience.
- **RESISTANCE TO CHANGE** - Local leaders face difficult decisions and are often met with opposition by those who prefer the status quo. Bold initiatives to revitalize a community can be difficult to sell, especially if there is a financial component or the proposal would impact property rights. These tensions deter emerging leaders from stepping forward.
- **NATURAL DISASTERS** - Droughts, fires, tornadoes, ice storms, flooding—our region faces many challenges beyond our control. Regional preparedness and collaboration can build resilience and help us bounce back after a major disaster.

DRIVE TO THE TOP!

The unifying force behind this CEDS is **DRIVE: Dedicated People, Regional Collaboration, Innovative Solutions, Vibrant Communities, and Economic Resilience**. Following this framework and the respective strategies under each item will help us to address many of the challenges and concerns raised throughout this report. Get ready to DRIVE TO THE TOP!

DEDICATED PEOPLE

- 1. Promote Civic and Community Engagement**—Thriving, prosperous communities require commitment and buy-in from the people who live there. Businesses, civic groups, churches, and cultural institutions need local support. To grow, communities should celebrate their heritage and invite new people to discover what makes them great.
 - Support local placemaking projects, heritage tourism programs, and community improvement initiatives
 - Work with local leaders on projects that promote civic engagement, volunteerism, and community enrichment
 - Provide resources and assistance to small businesses and entrepreneurs trying to create jobs in their communities
- 2. Improve Population Health**—A healthy population and workforce consists of healthy individuals. Improving the region's health problems requires more than money and new hospitals. Better health requires dedication and commitment by individuals: eating healthy, being active, staying drug-free, and preventative care. Health begins with personal responsibility.
 - Partner with the TN Dept. of Health on efforts to improve regional population health and create healthier communities
 - Encourage schools and employers to implement health improvement programs for students and employees
 - Develop recreational areas, conduct healthy living workshops, and make exercise spaces accessible throughout the region
- 3. Build Leadership Capacity**—Communities need strong leaders who have the knowledge and training necessary to implement projects, direct programs, and organize events. Elected officials should know how to competently run their governments and understand the basics of economic and community development.
 - Provide training to local leaders, elected and otherwise, and equip them with skills to perform their jobs effectively
 - Reform JECDBs and empower communities to implement long-term plans and projects beyond defined political terms
 - Build capacity for future leadership with good schools, jobs that retain talent, and opportunities for civic involvement

REGIONAL COLLABORATION

- 1. Collaborate on Projects of Regional Impact**—Our counties share common laborsheds, water resources, transportation corridors, healthcare networks, and much more. These overlapping features require us to plan and act regionally.
 - Coordinate between local governments and utilities to develop regional water and wastewater treatment solutions
 - Assist rural communities with access and quality concerns as health systems transition to regional models of care
 - Work with planning organizations and funding partners to address the region's major transportation challenges
 - Support efforts by environmental and outdoor recreation groups to preserve the region's natural treasures
- 2. Commit to Continued Regional Collaboration**—Success in our requires collaboration working with multiple state and local governments, plus all of the local agencies, economic development entities, and programmatic regions therein.
 - Continue the proud tradition of regional collaboration that has helped our region achieve so much over the years
 - Engage partners at state and federal agencies to assist with projects that cross political lines to benefit the entire region
 - Promote regional collaboration on economic development projects—jobs in one county actually benefit the entire region
 - When appropriate, conduct forums and workshops to build momentum around regional projects and priorities

INNOVATIVE SOLUTIONS

- 1. Build a 21st Century Workforce**—Advanced industries will play a major role in the future of American manufacturing and our region. The region’s ability to meet the workforce demand for these industries is currently limited. Training workers and students for careers in these advanced, high-paying fields is essential for the region’s economic success.
 - Identify skills gaps in the labor force and align training and workforce development programs to meet employer needs
 - Work to remove the stigma of manufacturing jobs through exploratory career and work-based learning programs
 - Support educational reforms so that graduates are qualified for well-paying jobs at the region’s advanced industries
 - Encourage regional colleges and universities to promote degrees that will help students get good jobs in our region
- 2. Improve Health Care through Innovation and Technology**—Health care in America is changing, leaving many communities with shuttered hospitals, doctor shortages, and uncertain health futures. Finding innovative and affordable solutions is essential to ensure quality health care is available to people in communities across the region.
 - Pursue opportunities for mobile medicine, traveling clinics, and technology-based health solutions
 - Provide rural hospitals and clinics with facility and technology upgrades to improve their treatment capacity
 - Improve access to care by providing incentives for health treatment professionals to locate in distressed communities
- 3. Expand the Innovation Economy**—The region should follow Chattanooga’s lead in growing its innovation economy. New tech jobs and advanced industries will diversify the region’s industries and bring high-paying jobs to distressed communities. Of course, this strategy requires expansion of affordable broadband throughout the entire region.
 - Continue to support regulatory reform and opportunities to expand affordable broadband to all business and residences
 - Support the Rural Task Force’s proposal to introduce tech jobs to rural areas, in addition to other tech initiatives
 - Help local governments improve their own capacity for innovation with new technology, software, and training

VIBRANT COMMUNITIES

- 1. Develop and Revitalize Our Communities**—Much of our region has experienced major transformations over the past few decades. Some towns are distressed with empty main streets. Others grew rapidly with little planning or foresight given to the rampant development. Turning our communities around can spur new investment and result in more quality growth.
 - Support community development initiatives and efforts to improve community character and aesthetics
 - Develop public recreation areas and greenways, which are helping to revitalize towns and cities across the country
 - Experiment with bold and creative ideas to rejuvenate downtowns and revitalize neighborhoods
- 2. Give Planning a Chance**—Concerns over property rights and impeding development sometimes lead decision-makers to abandon well-crafted plans and grant undue variances. Short-sighted planning decisions lead to dangerous and congested roads, distracting visual clutter, and incompatible neighboring uses. Future generations must then address these problems.
 - Update local development regulations to match the vision for your community—then enforce them
 - Provide sufficient areas for new growth and development while also protecting existing neighborhoods and natural areas
 - Ensure regulations provide adequate protections and limit taxpayer liability from actions of private developers

Strategies continue on the next page

VIBRANT COMMUNITIES (CONTINUED)

- 3. Enhance Communities for All Ages**—Local communities should enable older adults to age in place while also providing activities for young kids, teenagers, and families. Developing “lifelong communities” will help the entire region thrive.
- Make communities accessible and provide adequate health care and assistive services for seniors to age in their homes
 - Encourage senior centers, schools, and local groups to organize multigenerational programming and community events
 - Establish youth centers, sports leagues, afterschool programs, and work opportunities for youth enrichment
 - Develop mentoring and support programs for youth dealing with domestic abuse, gang violence, and drug problems

ECONOMIC RESILIENCE

- 1. Diversify the Economy**—The region’s economy remains heavily concentrated in traditional manufacturing, transportation, and logistics. To help insulate the region’s workforce and economy from abrupt changes in these industries and the global marketplace, efforts should be taken to grow other industries and train workers for 21st century jobs.
- Increase employment across multiple sectors by attracting new industries outside of manufacturing and logistics
 - Provide training for dislocated workers to obtain advanced, high-paying jobs, which will help attract additional employers
 - Support tech startups and entrepreneurial enterprises to help build the region’s innovation economy
- 2. Plan for Workforce Succession**—As the workforce ages and many baby boomers retire, there are concerns about having enough workers to step into these roles, especially advanced health care and other professional positions. Our region must ensure its workforce is able to provide essential services for our population and meet industry needs.
- Work with educational institutions to highlight careers with projected growth and advancement
 - Consider offering incentives and support networks to place professionals and provide essential services in rural areas
 - Promote internships, work-based learning programs, and other opportunities to introduce students to high-growth jobs
 - Engage retired professionals to volunteer and become involved in their communities
- 3. Increase Community and Economic Resiliency**—Resiliency means taking proactive steps and preparing our local communities and region as a whole to respond, recover, and get back on track in the event of a major manmade or natural disaster, loss or gain of a large employer, or other unexpected major event. Resilient communities respond better in a crisis, recover more quickly, and often emerge stronger. Making our region more resilient should be a top priority.
- Increase employment at small and medium-sized companies to insulate against losses at large employers
 - Develop utility interconnections and redundant power supplies to ensure continued services during droughts or outages
 - Ensure public officials and emergency personnel have proper training and equipment, and conduct readiness drills
 - Build residential structures to meet basic floodplain regulations, and imbed emergency shelters throughout the region
 - Adopt plans to ensure essential government services are provided in emergency situations

RESOURCES

APPALACHIAN REGIONAL COMMISSION

<http://www.arc.gov/>

CHATTANOOGA-HAMILTON COUNTY REGIONAL PLANNING AGENCY

<http://www.chcrpa.org/>

COUNTY HEALTH RANKINGS & ROADMAPS

<http://www.countyhealthrankings.org>

EMSI

<http://www.economicmodeling.com>

GA GOVERNOR'S OFFICE OF PLANNING & BUDGET

<https://opb.georgia.gov>

GOVERNOR'S RURAL TASK FORCE

<https://www.tn.gov/ecd/section/governors-rural-task-force>

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

<http://www.noad.org/>

NORTHWEST GEORGIA REGIONAL COMMISSION

<http://www.nwgrc.org/>

SOUTHEAST INDUSTRIAL DEVELOPMENT ASSOCIATION

<http://seida.info/>

SOUTHEAST TENNESSEE AREA AGENCY ON AGING & DISABILITY

<http://www.setaad.org/>

SOUTHEAST TENNESSEE DEVELOPMENT (SETD)

<http://www.sedev.org/>

SOUTHEAST TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD - REGION 5

<http://www.sedev.org/www/docs/5/worforce-development>

TENNESSEE COMMISSION ON AGING & DISABILITY

<https://www.tn.gov/aging/>

TENNESSEE DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

<https://www.tn.gov/ecd/>

TENNESSEE DEPARTMENT OF EDUCATION

<https://www.tn.gov/education>

TENNESSEE DEPARTMENT OF HEALTH

<http://www.tn.gov/health>

TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

<https://www.tn.gov/workforce>

TENNESSEE DEPARTMENT OF MENTAL HEALTH & SUBSTANCE ABUSE SERVICES

<https://www.tn.gov/behavioral-health/section/mental-health-services>

THRIVE 2055

<http://thrive2055.com/>

U.S. CENSUS BUREAU

<http://census.gov/>

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

<http://www.eda.gov/>

Download this CEDS report online at <http://www.sedev.org/www/docs/1038>

COMMUNITY DATA

	BLED SOE	BRADLEY	CATOOSA	DADE	GRUNDY	HAMILTON	McMINN
POPULATION (2016 Pop.)	14,851	105,014	66,452	16,222	13,380	357,267	52,764
2030 Population Projection	14,554	119,644	74,878	16,353	14,135	398,076	58,119
2010-2016 Population Change	+15.4%	+5.9%	+3.8%	-2.3%	-2.5%	+5.9%	+1.1%
2015 Median Age	43.7	39.1	40.2	41.2	43.4	39.6	43.1
2016 Senior Population (65+)	2,722	17,174	11,208	2,943	2,885	59,732	10,228
2030 Projected Senior Pop. (65+)	3,707	26,837	16,998	3,495	4,027	89,283	16,312
LABOR FORCE (Current Size)	4,490	51,750	32,241	8,176	4,960	173,290	23,170
Labor Force Particip. Rate (16-64)	55.4%	71.4%	74.7%	70.4%	55.2%	74.1%	67.7%
Seniors in Labor Force (65+)	222	1,900	1,769	548	364	8,915	1,130
2016 vs. 2006 Labor Force	-497	+2,933	-4,120	-554	-3,541	+7,858	-1,788
Sept. 2016 Unemployment Rate	7.0%	4.6%	4.7%	5.1%	6.7%	5.1%	5.8%
JOBS (Total Jobs in County)	1,941	43,968	15,134	3,374	2,068	196,195	17,592
Annual Job Openings	248	3,172	955	248	158	9,303	1,147
Leave Home County for Work	3,361	19,899	20,277	4,292	4,105	34,932	10,119
Outside Workers Entering County	1,275	18,563	8,972	1,958	863	83,043	8,116
INCOME (Median Household)	\$34,948	\$43,065	\$50,728	\$42,953	\$28,086	\$48,380	\$39,528
Per Capita Income	\$21,432	\$39,715	\$31,531	\$28,643	\$27,927	\$44,112	\$32,606
Avg. Hourly Wage (All Jobs)	\$14.63	\$17.77	\$18.91	\$18.55	\$15.23	\$20.15	\$15.25
Cost-of-Living Index (Baseline =100)	85.4	93.8	95.8	94.7	88.2	98.0	90.7
Adults w. H.S. Diploma or Equivalent	78.0%	82.5%	83.3%	80.3%	71.1%	87.0%	82.5%
Adults w. Assoc. Degree or Higher	16.4%	26.9%	28.2%	23.6%	14.4%	35.4%	22.8%
POVERTY RATE (All Ages)	21.6%	19.8%	13.1%	13.7%	29.1%	16.0%	18.5%
Children Living in Poverty	34.9%	29.3%	18.9%	13.7%	40.6%	24.2%	26.5%
Seniors Living in Poverty	18.1%	11.3%	7.2%	9.5%	13.0%	7.9%	11.5%

Sources: U.S. Census Bureau, Bureau of Labor Statistics, Stats America, TN & GA Depts. of Labor, GA Gov. Office of Planning & Budget, UT Center for Business & Eco

MARION	MEIGS	POLK	RHEA	SEQUATCHIE	WALKER	GEORGIA	TENNESSEE	USA	REGION
28,545	11,835	16,775	32,742	14,973	68,115	10,312,350	6,648,112	323,772,974	798,934
31,227	13,748	19,392	38,185	19,425	71,200	12,173,406	7,846,308	359,402,000	881,783
+1.1%	+0.5%	-0.2%	+2.8%	+5.9%	-1.1%	+6.2%	+4.6%	+3.9%	+4.6%
43.2	44.9	44.5	40.9	43.5	41.0	36.3	38.3	37.8	40.6
5,481	2,481	3,367	5,980	3,037	11,785	1,353,363	1,046,364	49,140,714	137,024
8,183	4,199	5,194	9,831	5,587	18,707	2,336,267	1,696,462	72,092,000	212,361
12,210	5,010	7,720	13,490	5,980	30,389	4,918,505	3,175,000	159,636,000	372,926
66.6%	58.7%	65.1%	66.9%	66.8%	68.1%	71.4%	71.5%	73.8%	71.0%
589	297	362	630	423	1,564	220,013	169,525	7,221,516	18,714
-1,184	+79	+281	+170	-126	-3,541	+185,295	+121,733	+7,974,000	-1,616
6.7%	6.9%	5.8%	7.2%	6.1%	5.2%	5.1%	4.6%	5.0%	5.8%
7,340	1,949	2,453	10,738	2,819	12,831	4,271,641	2,883,671	141,897,876	318,420
493	165	146	632	263	626	188,630	125,707	5,716,871	17,556
8,048	3,493	5,462	5,993	4,353	18,542	39,255	15,864	—	146,876
3,875	1,067	1,087	3,743	1,489	5,906	GA→TN	TN→GA	—	139,957
\$40,766	\$34,801	\$36,643	\$37,952	\$44,111	\$39,078	\$46,007	\$41,639	\$50,502	\$44,600
\$33,252	\$33,223	\$30,603	\$30,823	\$32,305	\$28,266	\$25,615	\$24,992	\$28,889	\$37,779
\$17.48	\$16.88	\$16.40	\$17.52	\$17.43	\$18.14	\$21.90	\$20.07	\$23.32	\$19.22
92.3	89.9	90.5	89.5	91.7	94.9	100.4	95.9	113.3	95.1
76.8%	75.1%	77.6%	76.8%	82.0%	79.6%	85.0%	84.9%	86.4%	83.4%
19.7%	13.0%	17.0%	16.4%	21.4%	20.8%	35.3%	30.9%	37.2%	28.3%
20.3%	21.9%	18.9%	22.4%	23.0%	17.4%	18.5%	17.8%	15.6%	17.5%
32.4%	26.3%	26.1%	34.0%	33.9%	21.9%	25.9%	25.8%	21.9%	25.7%
10.0%	11.8%	17.0%	11.5%	9.1%	6.2%	10.8%	10.0%	9.4%	9.2%

conomic Research, Emsi, OnTheMap, SETDD Calculations

SPRING CITY

DECATUR

DAYTON

PIKEVILLE

DUNLAP

SIGNAL MOUNTAIN

GRUETLI-LAAGER

WHITWELL

MONTEAGLE

JASPER

SOUTH PITTSBURG

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REGION FROM ABOVE: 13 COUNTIES AT 100,000 FEET