



Building a better
working world

CHATTANOOGA CLIMBS HIGHER

Strategic planning summary report

DRAFT

Prepared by

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Commerce

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Photo credit:
Chattanooga Area Chamber

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Introduction

Positioning Chattanooga to climb

Chattanooga has a long history of envisioning a brighter future, building a collaborative plan to get there, and making bold investments to shape its destiny. Beginning with the Vision 2000 process in 1984, continuing with Revision 2000 in 1993, and reenergized with Velocity 2040 in 2019, public and private leaders in Hamilton County combined efforts to invest in critical infrastructure, amenities and education that helped attract new employers, build a vibrant entrepreneurial ecosystem and equip residents with skills for rewarding careers. These and other efforts led to the Tennessee Aquarium, Enterprise South Industrial Park, the INCubator, and The Gig, which among other achievements, helped Chattanooga build its reputation as a highly desired place to live, visit, work and operate a business.

The results of these efforts reflect the power of intentional planning and investment to transform the economic future of Hamilton County. Without them, Chattanooga would be a different place today, shaped more by outside forces than by the collective vision of its residents. National manufacturing declines in the 1980s may have continued to shift local jobs overseas. Local air and water may have continued to suffer from pollution that degraded the county's natural beauty, which is notably one of Chattanooga's greatest assets today. Advanced automotive companies may not have found space to build facilities that employ thousands of residents in high-paying careers, and Chattanooga may not have offered the level internet connectivity that allows pioneering entrepreneurs to explore quantum computing and other future technologies.

Similar forward-thinking and intentional investment will be important as Chattanooga moves further into the 21st century. Hamilton County is growing slowly but has many high growth neighbors. Nashville, Atlanta, Huntsville, and Charlotte have all experienced their own renaissances, and if Chattanooga does not consider how it wants to climb higher, change coming from outside may shape it in ways that are not desired.

Shaping Chattanooga's place in the Southeast

Many of the fastest growing cities and counties of the United States are located in the Southeast. As urban areas boom with economic and population growth, the lines between them begin to blur. Thousands of workers cross county and state lines each day when commuting from their homes to places of work. Logistics and supply chains are increasingly intertwined, and planners have begun to identify megaregions that encompass multiple metropolitan areas across numerous states.

Chattanooga sits at the intersection of three interstates between four metropolitan statistical areas (MSAs) that are all growing faster than Hamilton County (Birmingham, Nashville, Knoxville, and Atlanta MSAs). Two of these, Nashville and Atlanta, are among the fastest growing in the country. As these areas (along with Huntsville) grow, their economies and populations will become increasingly intertwined with Chattanooga's.

Notably, Chattanooga is the only Tennessee metropolitan area included in what some planners see as an emerging megaregion, sometimes called the Piedmont Atlantic Megaregion (PAM) that includes municipalities and metro areas in Georgia, Alabama, Tennessee, North Carolina and South Carolina. Chattanooga and other locations in this region share many industries, including manufacturing, logistics and transportation, finance, information technology and professional services, but they also offer competing and differing economic assets, including research universities, industrial parks, office space, workforce training programs, incentives, housing, transportation, and broadband service.

Understanding how Chattanooga's assets affect its opportunities within this region can help intentionally direct investment towards areas that will enhance competitive strengths and address challenges to achieving a sustainable, inclusive economy for all its residents.

The Piedmont Atlantic Megaregion



Source: Megaregions and America's Future and EY

A pivotal (and pivoting) moment

Alongside regional growth, global economic trends, technological innovation and robust new federal investments are also shaping Chattanooga's future. Expanding opportunities and challenges created by remote work, vehicle electrification, manufacturing onshoring, and green technologies create an important moment to consider what comes next. This includes looking at the short-term needs of businesses and residents in Hamilton County today and the long-term potential of emerging industries.

For decades Chattanooga has led a shift from traditional to advanced manufacturing but what industries will follow? EPB's investments in broadband infrastructure and local partnerships exploring smart cities, quantum computing and other emerging technologies are laying the foundation for the next shift. Pittsburgh has emerged as a leading center of robotics, software, life sciences and other innovation, but this did not happen overnight. Investments in computer science and robotics research and education in the 1970s and 1980s laid the foundation for an innovation and entrepreneurial ecosystem that took flight decades later as steel and iron industries began to decline. With the right economic development support, similar investments at EPB, the University of Tennessee Chattanooga, and other public and private institutions could build Chattanooga's position as a leading innovation hub, as the Gig continues to do today.

As industrial real estate becomes less available in Hamilton County, manufacturing growth may shift towards surrounding regional counties. Alongside new redevelopment efforts and planning downtown, this presents opportunities for Chattanooga to expand focus on developing professional services, design and other white collar business sectors.

Chattanooga climbing higher

Launched in 2019, the Chattanooga Climbs economic development strategy has accomplished many of its goals by attracting new employers, supporting existing businesses, spurring innovation, facilitating site development, advancing talent attraction and workforce development, and addressing barriers to inclusive opportunity. These efforts have brought over \$1.3 billion in capital investment and over 4,000 new jobs and contributed to the employment of nearly 7,000 individuals.

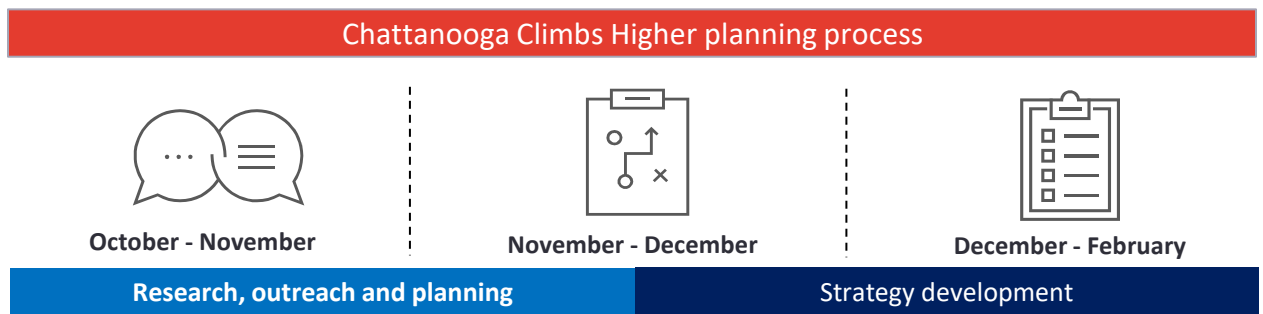
This success is tremendous for Chattanooga, but many peer cities continue to outperform in overall growth, wage growth, research and innovation, and educational attainment. Achieving a more inclusive economy also remains a persistent challenge, with many Chattanooga residents facing varying barriers to education and economic opportunity that may be related to race or ethnicity, household income, geographic location, and other factors.

In October 2022, the Chattanooga Area Chamber of Commerce (the Chamber) engaged Ernst & Young (EY) to assist in creating a new five-year economic development strategic plan. This plan builds on the gains achieved by Chattanooga Climbs while also identifying new ways to accelerate emerging opportunities and address persistent challenges. This strategic plan, titled “**Chattanooga Climbs Higher,**” is outlined in this report.

About the planning process

Chattanooga Climbs Higher was developed through a collaborative process in which EY worked with the Chamber, City of Chattanooga (the City), Hamilton County (the County), private businesses, educational institutions, utility providers, other public and private partner organizations and residents to better understand current strengths, challenges, and opportunities and to develop a strategic plan for 2024 through 2029.

In the initial phase of the engagement, EY began research, outreach and planning by conducting inclusive stakeholder engagement in the form of interviews and focus groups with community and business representatives, an electronic business survey administered by the Chamber, meetings with regional economic development organizations, and workshops with a steering committee.



Concurrently, EY conducted quantitative research to better understand Chattanooga’s competitive positions relative to peer communities. Research included an analysis of target industries, population growth and workforce availability, and other economic factors.

The insights gathered throughout this process were shared with the steering committee and other stakeholders to facilitate the development of this strategy. This included identifying strategic priorities, actionable goals, key objectives and tactics to help guide economic development efforts for the next five years.

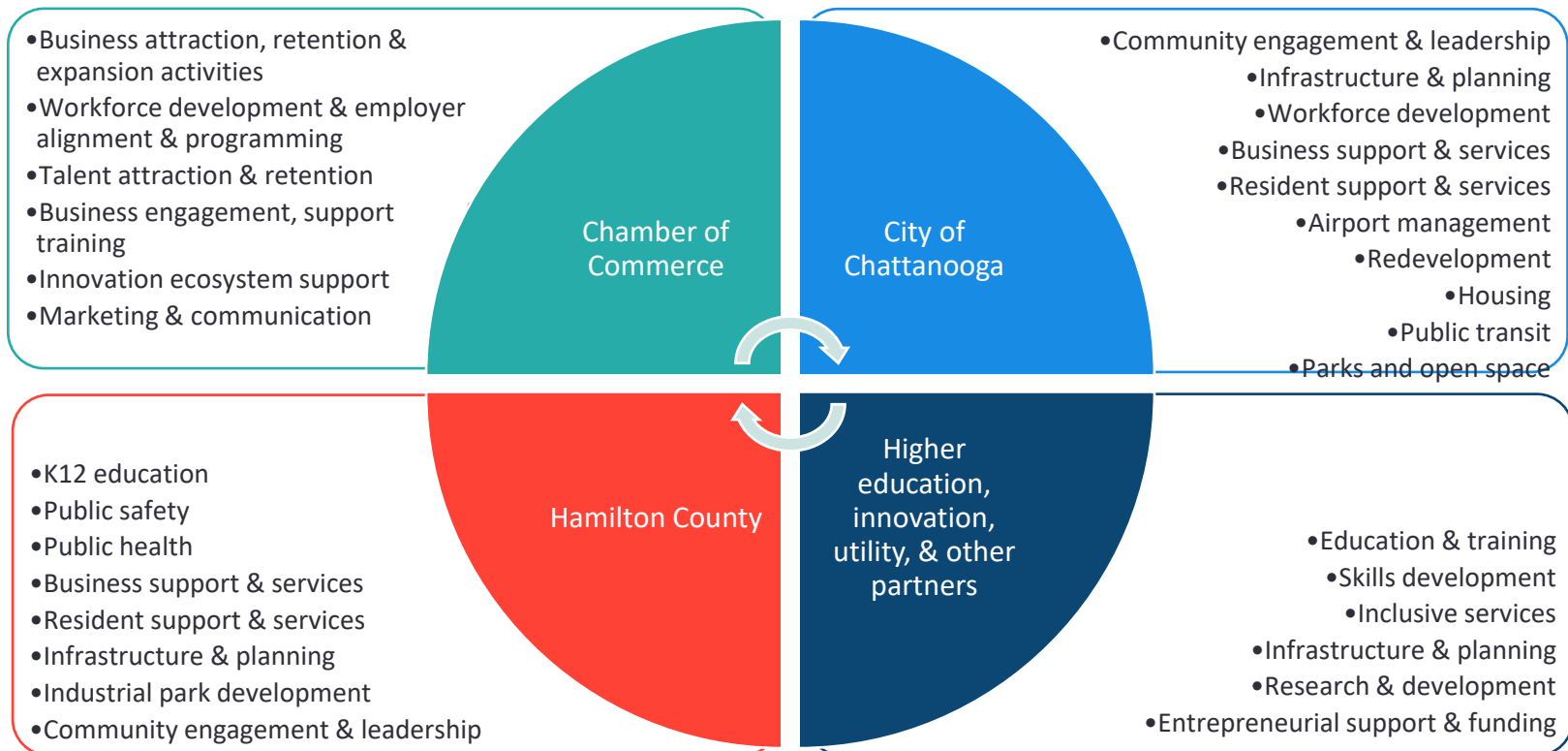
Aligned efforts

This strategy was developed through the collaboration of many individuals and organizations that contributed their voices, funding, time, and other resources. The process was facilitated by EY with input from residents, private businesses, public organizations, non-profits, elected officials and regional partners. Over 1,300 individuals directly contributed through steering committee meetings, interviews, focus groups, and the business survey and all have a role to play in a thriving, integrated economic development ecosystem.

This plan is primarily focused on activities led by the Chamber, which serves as the core economic development organization for the region, but it also shows where the Chamber’s work can support important aligned initiative led by the City, the County, educational institutions, non-profits and other key partners in building Chattanooga’s economic future. This alignment is essential, because these efforts complement and propel each other. For example, as the Chamber focuses on its roles as outlined in this strategy, their success will partially be determined by aligned efforts at the City to address housing and at the County to address education.

The illustration below outlines potential roles for partners in an integrated economic development ecosystem.

Roles in an integrated economic development ecosystem



About this report

This strategic planning report represents the culmination of months of research, stakeholder engagement and planning and outlines the Chattanooga Climbs Higher Economic Development Strategy. It includes a strategic framework that aligns three interrelated priorities, specific goals, detailed objectives and tactics, and performance metrics related to each area. The report also includes a section on implementation with suggestions for activation, communication and resourcing.

The Strategic Plan is divided into four additional sections and four appendices:

1. Introduction

2. Economic development positioning

This section describes key findings about Chattanooga and Hamilton County's economic development position today. These findings were developed through extensive research and stakeholder engagement conducted during the planning process and directly shape the resulting strategic framework, goals, and strategies.

3. Strategic framework

This section outlines a strategic framework for Chattanooga Climbs Higher that supports movement towards a common vision shared by stakeholders in the planning process and through Velocity2040. It describes the key priorities that this effort aims to achieve and the guiding principles that underly these efforts.

4. Goals, objectives and tactics

This section describes specific goals, objectives and tactics designed to advance Chattanooga's top priorities. It includes explanations for each goal and objectives, suggested metrics to track progress, and potential tactical actions for each objective.

5. Implementation

Effective strategic implementation of Chattanooga Climbs Higher will require collaboration and investment from the Chamber and other partners across Chattanooga and Hamilton County. The final section of this report provides suggestions on how to translate this plan into action and the potential resources required to support its activities.

Appendix 1: Detailed data

This appendix contains extended economic and demographic data collected by EY during the Chattanooga Climbs Higher planning process. This data is shown in charts that provide a baseline perspective on recent trends and conditions in Hamilton County relative to benchmark communities.

Appendix 2: Survey results

This appendix includes results of the business survey.

Appendix 3: KPI & Metrics

Sent as a separate attachment

Appendix 4: Implementation Tables

Sent as a separate attachment



Economic development positioning

Introduction

To begin the planning process, EY conducted extensive economic and demographic research, engaged with stakeholders across the region, and analyzed findings considering trends and leading practices observed through our experience assisting regions and states across the country with their economic development initiatives. This section first describes how quantitative research and stakeholder engagement were conducted. Detailed data findings and full results of the business survey are included as appendices of this report.

The section then describes five narratives that summarize relevant findings about Chattanooga's economic development position. These narratives are not intended to be exhaustive descriptions of all current economic and demographic conditions but instead represent the qualified integration of key themes heard from stakeholders and discovered through research. They directly inform the strategic framework, goals, and tactical actions later in the report.

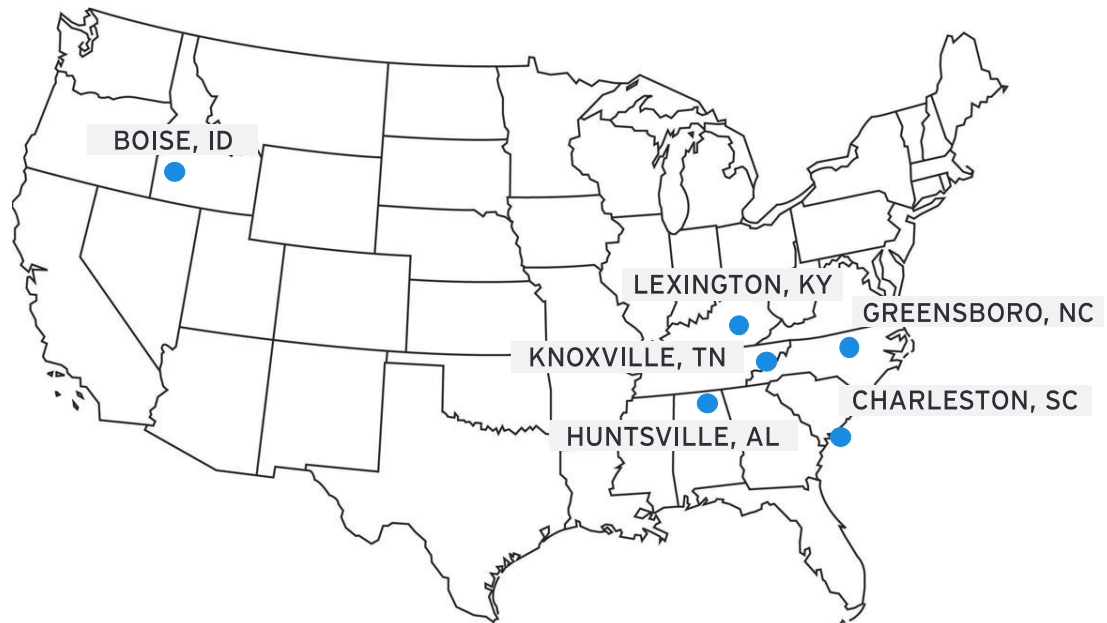
Benchmarking Chattanooga to peer cities

To better understand Chattanooga and Hamilton County’s competitive economic development position, EY conducted an extensive demographic and benchmarking exercise. This compared Chattanooga and Hamilton County to six benchmark communities in addition to Tennessee and the United States. The benchmarks were identified in consultation with the Chamber and steering committee. The benchmarks include aspirational communities that are high growth, innovative centers developing industries similar to Chattanooga. Others are regional peers that offer insight into how Chattanooga’s performance compares to those with similar geography and governmental structure. Through comparison, all communities offer insights into Chattanooga and Hamilton County’s current position and potential opportunities.

To assist analysis in the planning process, EY compared Hamilton County statistics to the primary county centering each of these benchmark communities. For simplicity, this report refers to each community by their primary city name. For example, in the following narrative and charts, Chattanooga represents Hamilton County and Huntsville represents Madison County. The chosen benchmarks were Boise, ID; Charleston, SC; Greensboro, NC; Huntsville, AL; Knoxville, TN; and Lexington, KY.

Each benchmark community is similar in size to Hamilton County, and while they may share some demographic and economic characteristics, there are distinctions as well. These choices were made with intention, because when combined, their similarities and differences offer insights that help us understand what makes Chattanooga and Hamilton County unique.

Chattanooga Climbs Higher benchmarks



Stakeholder engagement process

Stakeholder engagement serves multiple purposes for an economic development strategy. It helps to identify key priorities and goals for the strategy, and it also helps planners understand how the economic development ecosystem is performing, including the context that contributes to strengths and challenges. Stakeholder engagement also helps raise awareness of economic development efforts and identify new opportunities for collaboration, alignment and partnership.

The EY team took 3 trips to Chattanooga in the planning process to conduct interviews and focus groups with stakeholders, tour the County, facilitate workshops with the steering committee and present to leadership. EY also conducted virtual stakeholder engagement meetings and presentations throughout the course of the planning process. The Chamber also administered a business survey, the results of which were analyzed by the EY team and incorporated into the findings.

Stakeholders engaged included local business, education, government, nonprofit, neighborhood and other community leaders. The steering committee, was established to review findings and provide input to the planning process. EY facilitated workshops with this group three times during the engagement to share findings, solicit guidance, and workshop strategic ideas.

Throughout the strategic planning process, EY and the Chamber strived for representative diversity in the steering committee, interviews, focus groups, and survey. This included inclusive efforts to meet people where they are located and provide a variety of safe, transparent means to share perspectives.

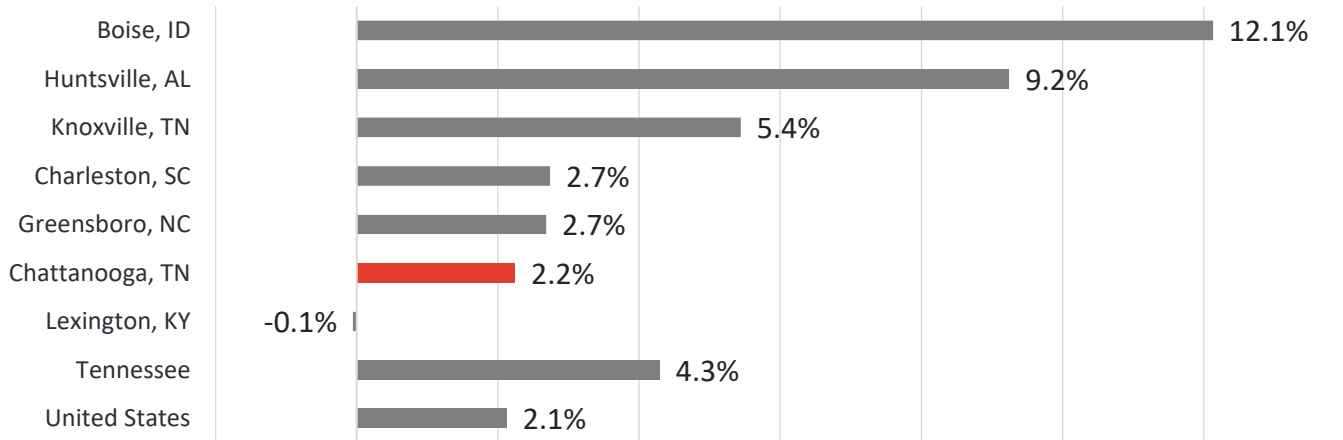
In total, EY heard from over 1,400 stakeholders from across Hamilton County and the surrounding region.

Interviews	Focus groups	Steering Committee	Community Survey
<ul style="list-style-type: none">• 25 people• Interviewees included community and business leaders, education and non-profit partners and utility providers	<ul style="list-style-type: none">• 114 people• Groups included economic development practitioners, neighborhood representatives, educators	<ul style="list-style-type: none">• 70 members• Representatives from diverse public and private organizations across Hamilton County	<ul style="list-style-type: none">• 1,196 responses

Narrative 1: Chattanooga is growing, but not as rapidly as many of its peers

Growth is considered a primary indicator of a community's economic health. It indicates that they are attracting and retaining businesses, people and investment, which expand the tax base and create jobs and business opportunities for people.

Population growth, 2017 – 2021*



Source: US Census Population Estimates & EY | *Note: These numbers represent the core county. Regional population growth mirrors these trends with the exception of Charleston, which is growing more rapidly outside the core county.

Chattanooga has experienced steady population, employment and gross domestic product growth for the past decade, but **growth has been outpaced by nearly all benchmark communities**. In fact, population growth slowed in recent years. From 2017 to 2021, Hamilton County's population grew 2.2%, down from the 3.4% growth seen from 2013 to 2017. Local employment grew 2.1% from 2017 to 2021, just above the US average but below Tennessee (4.3%), Boise (13.4% growth), Huntsville (7.8%) and Knoxville (2.5%).

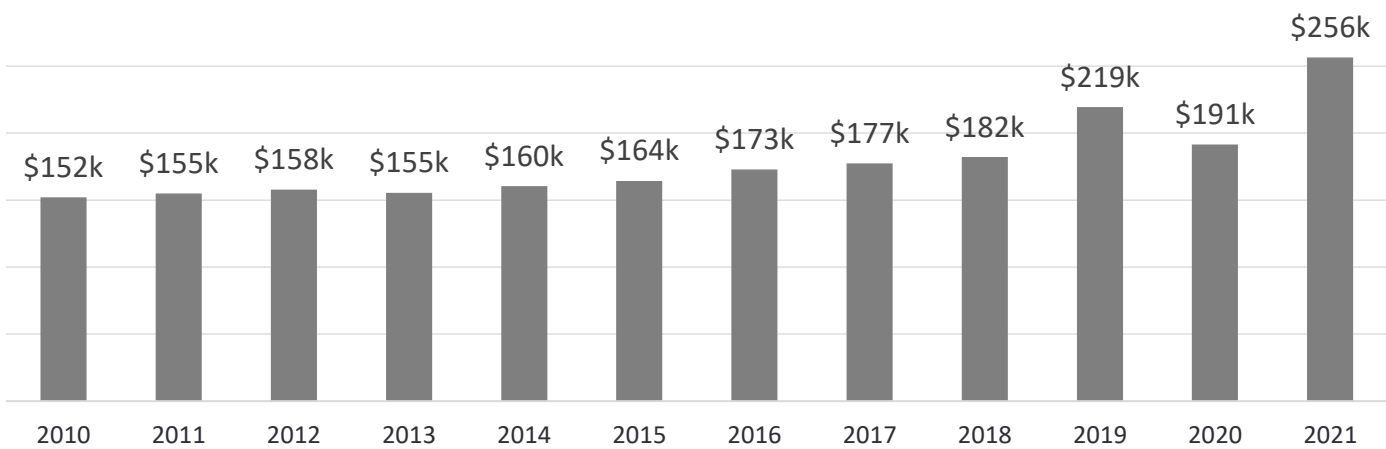
This does not capture the entire picture, however, because Chattanooga experienced a significant loss of jobs in retail, entertainment and hospitality at the start of the COVID-19 pandemic. Notably, **all the Chamber's target industries grew significantly faster than the US and state averages**. Prior to the pandemic, Chattanooga was experiencing significant job growth, with total employment rising 8.2% from 2015 to 2019. Jobs were able to grow almost twice as fast as population, because as of 2019, nearly 44% of local jobs were filled by workers who lived outside of Hamilton County, a share that has held relatively steady for the past decade.

Employers noted that finding talent is one of their top concerns, and without increased population growth, both in Hamilton County and in the surrounding counties, it may continue to be a challenge.

Narrative 2: Growth brings challenges

When a community is growing, it often strains infrastructure. If housing, transportation networks, utility capacity and other services do not keep pace, residents and businesses may face increased affordability and mobility challenges. These strains can be seen in Chattanooga.

Median value of owner-occupied homes, Hamilton County, 2010 - 2021



Source: US Census American Community Survey & EY

Housing availability and affordability were top concerns cited by stakeholders. According to US Census data, in 2021, the median home value in Hamilton County reached \$256,300, a 45% increase from 2017. Notably, this was the second highest increase in home values among the benchmarks, second only to Boise, which saw an 81% increase. In contrast, median household income grew 29% over this same period, the second highest rate among the benchmark communities (second only to Boise again) but not enough to keep up with rising housing costs. Compared to many communities, Chattanooga remains relatively affordable, but this means little to existing residents struggling to keep up.

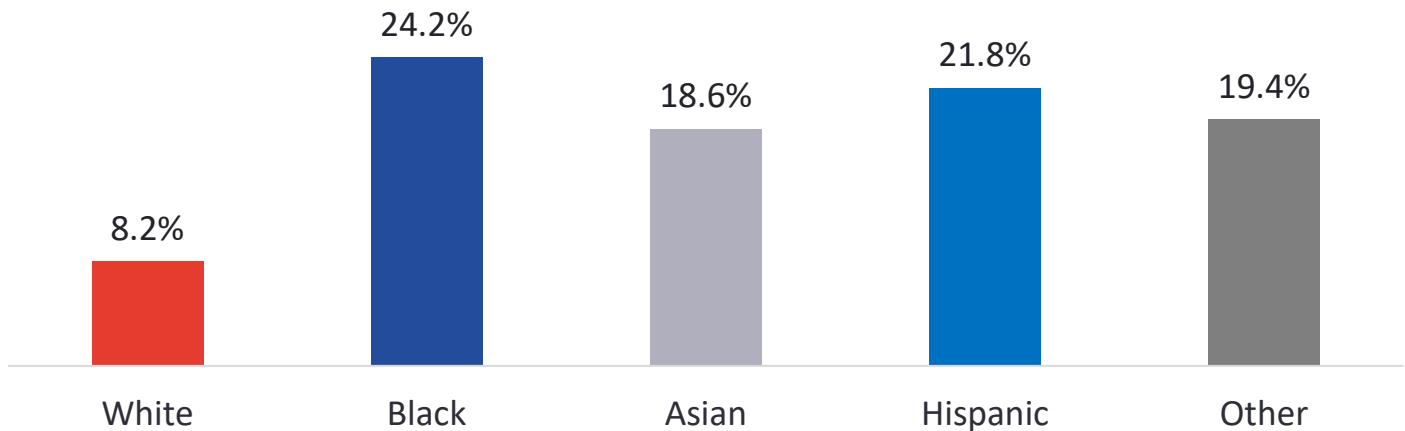
Traffic and lack of alternative transportation options were also cited as a significant concern and barrier for many in accessing education, employment and other services. These are issues that most growing communities are experiencing. Congestion times may be less severe in Chattanooga than benchmarks but for residents and businesses experiencing them in Chattanooga, they are a top concern.

These and other growing pains can affect a community's ability to attract and retain businesses and talent. Advocating for related investment and supporting partners like the City and County in addressing them is therefore an important role for the Chamber.

Narrative 3: Stakeholders reinforce the importance of building a more inclusive economy

An inclusive economy is commonly considered one in which residents, regardless of race or ethnicity, income level, geographic location and other factors benefit from economic growth, through access to opportunities and resources.

Poverty rate by race, Hamilton County, 2021



Source: US Census American Community Survey & EY

Building a more inclusive economy was a foundational goal of Chattanooga Climbs, and while the community has made progress, it remains a top concern for both residents and employers. This is important to note, because economic inclusion is not just a moral priority, but an economic one as well. When segments of the population are unable to access education and employment opportunities at an early age, this has profound, well-researched negative impacts on their short- and long-term well-being, but it also makes it difficult for employers to connect them to openings. When a large share of a community’s population lacks the services and support necessary to thrive economically, this can raise concerns. Many large employers noted the need to better address disparities in Chattanooga to support their own operations.

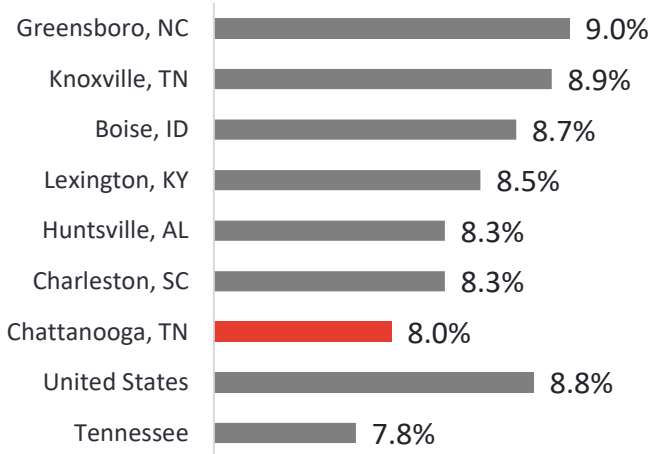
Economic inclusion is also important for business recruitment. Global corporations are increasingly focused on Environmental, Social and Governance (ESG) goals that dictate where they make investments. According to NAVEX, in 2020, 88% of publicly traded companies had ESG initiatives in place. Chattanooga checks many boxes for environmental priorities, but there are many social concerns that could deter future investment, especially among employers in targeted industries.

Although Chattanooga is majority White today (69% in 2021), all population growth is among communities of color, and these communities face disparity economic conditions, whether measured in education, income or poverty.

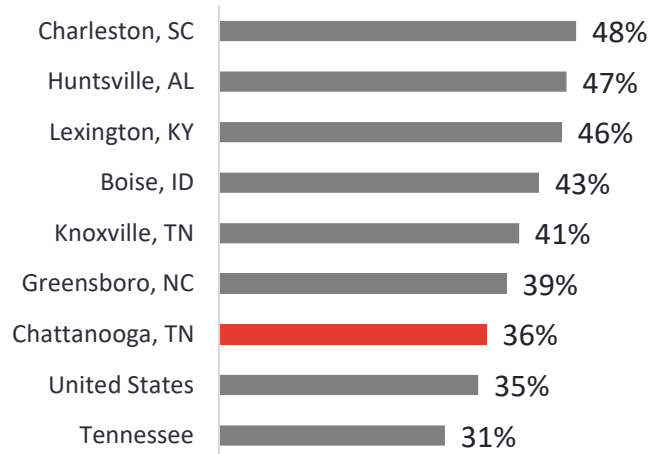
Narrative 4: Education and talent remain top concerns

Talent is commonly cited as the top concern for businesses in our current economy. This usually refers to the ability of businesses to hire and retain employees with the skills required to perform in-demand occupations. These skills increasingly require training beyond a high school degree for an entry level position. Talent also refers to needing a growing labor force to support future business expansion.

Share of population over 25: With an associate degree



With a bachelor's degree or higher



Source: US Census American Community Survey & EY

Both dimensions of talent are top concerns in Chattanooga. Before the pandemic, Hamilton County's prime working age (25-64) labor force was growing steadily, but from 2019 to 2021, over 2,000 net workers left the local labor force. This was likely due to several factors, including workers moving outside Hamilton County, retirement and service industry workers leaving the labor force during the pandemic.

Chattanooga has made gains in educational attainment since 2017, but skills availability and education systems were brought up in nearly all conversations with stakeholders. This relates to blue collar and white-collar sectors alike. When compared to benchmarks, Chattanooga has the lowest share of population over 25 years old with associate degrees and bachelor's degrees or higher.

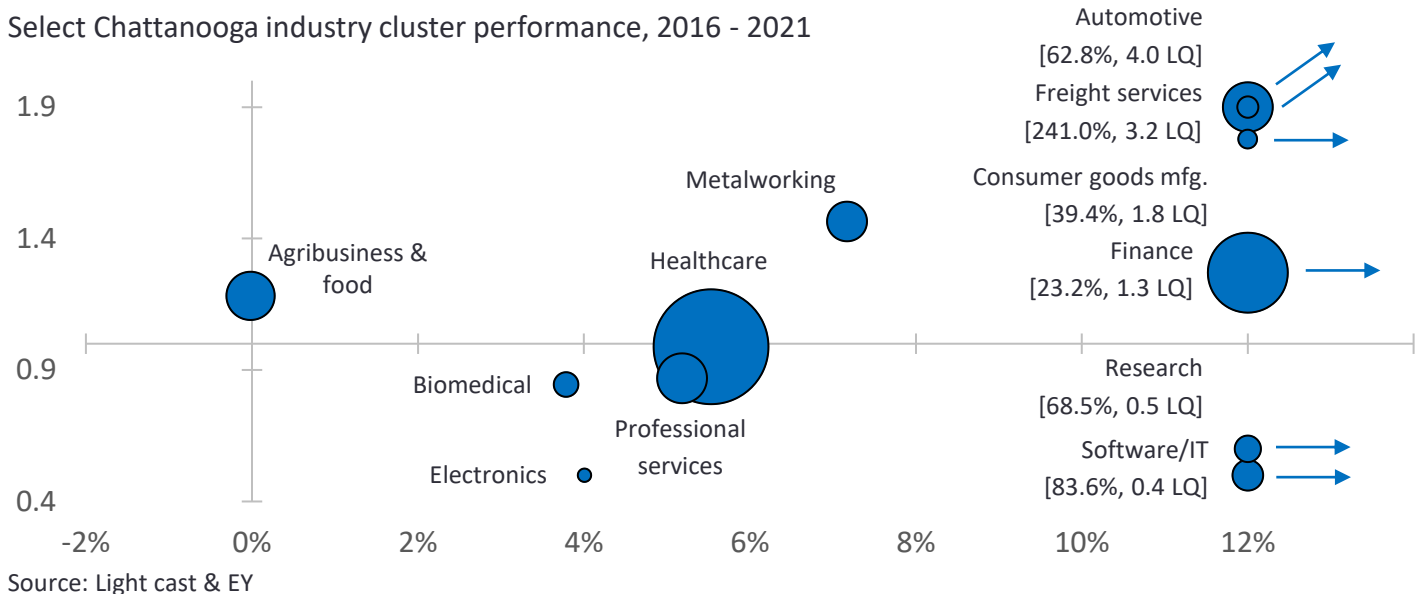
Chattanooga also has the lowest share of residents with a high school degree among benchmarks, and Hamilton County Schools were raised as a serious issue for developing local talent and attracting new workers and businesses.

Continuing efforts to improve schools and align higher education programming to the needs of employers will be critical to supporting current business operations and future growth. Addressing talent requires more than alignment, however; successful talent development efforts often focus on connecting students to education programs and local employers, supporting internships and apprenticeships, upskilling for workers and addressing barriers to education, such as cost, transportation and childcare.

Narrative 5: Diverse economic opportunities lie ahead

Creating jobs in new, higher-paying industry sectors (and connecting all residents to these sectors) is a critical component of building a more inclusive, thriving economy. Retail and service sector jobs rarely offer advancing career pathways or pay wages that support generational wealth creation. Building a more diverse economy also helps a community build resilience by insulating from shocks to one industry.

Select Chattanooga industry cluster performance, 2016 - 2021



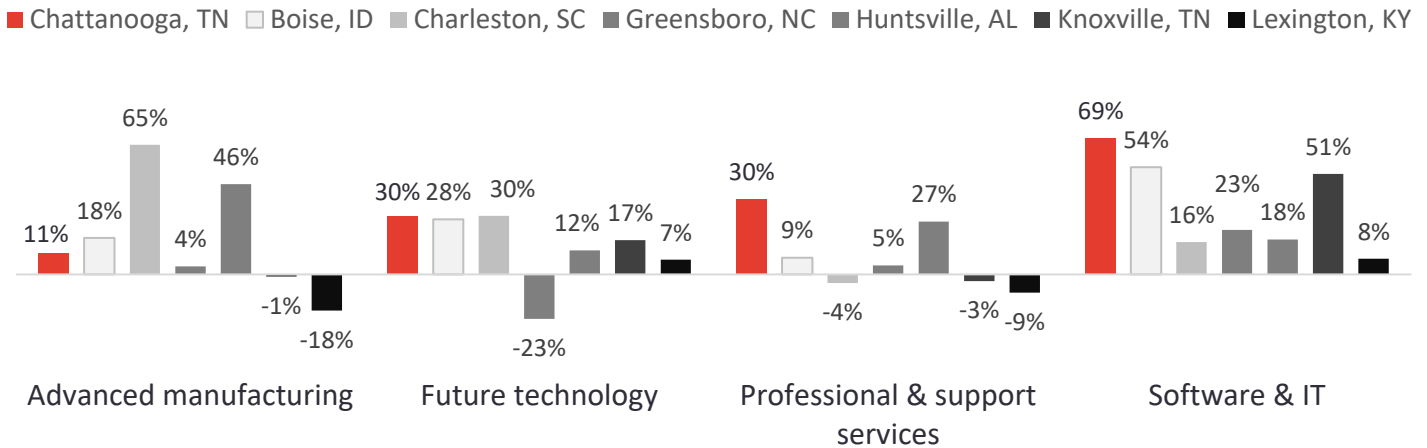
Chattanooga's economy is experiencing rapid growth in these more advanced, higher-wage sectors and is poised for more with the right support. The bubble chart above shows the performance of a key group of industry clusters selected from the full landscape analyzed in the appendix. Freight services is the fastest growing cluster in Chattanooga, and Automotive, the most concentrated cluster, continues to grow rapidly, along with Finance, Consumer Goods Manufacturing and Metalworking. Less concentrated but rapidly growing emerging sectors include Research, Software/IT, Professional Services, Electronics and Biomedical.

Alongside Healthcare and Agribusiness, these sectors all present tremendous opportunities for Chattanooga. In addition to work being done by the Chamber and others to support their local growth, many businesses in these sectors are poised to benefit from new federal investments within the Inflation Reduction Act (IRA), the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act and the Infrastructure Investment and Jobs Act (IIJA) direct significant money towards incentives, infrastructure, innovation and workforce to support economic competitiveness.

Chattanooga has an exciting trajectory for growth in these and other areas, but success is not guaranteed. Concerns about affordability, inclusion and especially talent remain top of mind for many employers.

It is worth noting that for all of Chattanooga’s target industries, except Advanced Manufacturing, Hamilton County saw either the first or second highest job growth rates among the benchmark communities from 2017 to 2021. Over this time period, Software & IT grew 69% locally, followed by Professional & Support Services at 38%, Future Technology at 30%, and Advanced Manufacturing at 11%. The rapid growth in non-manufacturing highlights a trend likely to continue as Chattanooga’s economy becomes more diverse and shifts towards higher growth in white collar sectors.

Chattanooga Climbs target industry job growth, 2017 - 2021



Source: Lightcast & EY

Based on trends in the local economy, new assets being developed, federal investments and shifting global markets, Chattanooga could consider shifting some of its business development focus towards more promising sub-sectors. Initial suggestions are highlighted below, utilizing the existing Primary Targets and Investment Targets categories from Chattanooga Climbs.

Primary targets

Advanced manufacturing

- Electric vehicles
- Machinery manufacturing
- Outdoor products
- Specialty food

Professional services

- Freight services
- Headquarters
- Back office
- Creative media

Software & Information Technology

Investment targets

Future technology

- Quantum computing
- Biomedical devices
- Circular economy / clean tech
- Smart city technology
- Industrial design, engineering & robotics



Strategic framework

Introduction

This section outlines a suggested strategic framework for Chattanooga Climbs Higher. This includes identifying three priority areas of focus for local economic development over the next five years. These priorities build on the narratives shared in the previous section and input provided by the steering committee and other stakeholders across Hamilton County.

Within each priority area, EY assisted the steering committee in developing a specific goal statement for focus within the priority. These and related objectives are shared at a high level in this section and examined in greater detail in the following section, along with tactical actions supporting each.

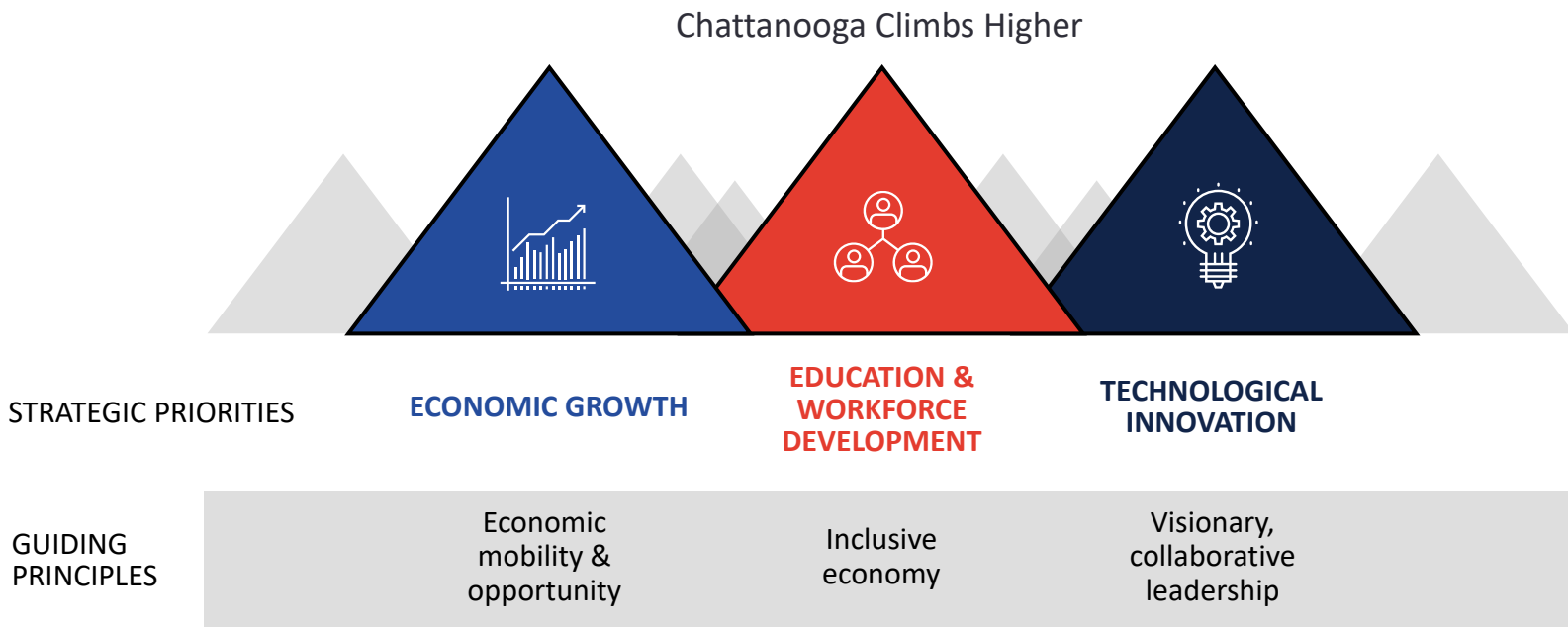
Like Chattanooga Climbs, all priorities, goals and objectives remain focused on the economic component of the Velocity2040 vision, which describes a future in which every resident of Chattanooga and Hamilton County is thriving economically in 2040.

Chattanooga Climbs Higher expands on successful activities from the past five years and identifies new economic development strategies for the next five to keep Chattanooga moving towards this vision, innovating and investing as new opportunities emerge and addressing the concerns of businesses and residents.

This section also describes guiding principles that underly and inform all activities. These principles were identified by the steering committee and other stakeholders as critical values within the community that support overall economic success and should be considered when assessing opportunities, making investments and working with residents, businesses and strategic partners.

Strategic framework

The Chattanooga Climbs Higher strategy is focused on three priority areas for the next five years of economic development activity in Chattanooga: Economic growth, education and workforce development and technological innovation.



Goals and objectives

Economic growth

Creating accessible, high-quality jobs for all Chattanoogaans

Goal: Chattanooga is a premier location for businesses at all stages of growth and provides an array of sustainable career opportunities for all residents.

OBJECTIVES

1. Enhance business recruitment efforts for target industries.
2. Strengthen business retention and expansion activities and support for small businesses and minority- and women-owned businesses.
3. Encourage diversified industrial site, office and infrastructure development to meet the needs of businesses in a variety of industries.
4. Leverage economic development projects to support efforts to expand housing, improve transportation networks, expand parks and enhance quality of life
5. Encourage and invest in efforts to expand air service at Chattanooga Metropolitan Airport.

Education and workforce development

Connecting our residents with the skills they need to thrive

Goal: Chattanooga is a welcoming and supportive community that educates, attracts, and retains a diverse and skilled workforce.

OBJECTIVES

1. Facilitate greater alignment between employers and educational institutions.
2. Enhance collaborative efforts to reduce hiring barriers and expand work-based learning opportunities.
3. Expand talent attraction and retention efforts to fill skills gaps and grow the local workforce.
4. Establish a remote worker program to welcome, convene and integrate this population into the community.
5. Support Hamilton County Schools' Opportunity 2030 plan and its connection to the business community.

Technological innovation

Capitalizing on our creative spirit to build the industries and businesses of the future

Goal: Chattanooga facilitates technology-based innovation, entrepreneurship and partnerships that accelerate economic development.

OBJECTIVES

1. Reinvest in entrepreneurial assets, facilities and programming.
2. Amplify Chattanooga's "Gig City" profile on the national and international level and support Smart City policies and programs.
3. Foster collaborative partnerships between innovative legacy companies and high-tech entrepreneurial firms.
4. Increase access to capital in collaboration with local, regional and national funding partners.
5. Explore opportunities to increase research and development activities in Chattanooga.

Guiding principles

Complementing the priorities are guiding principles, which can be thought of as core economic and community development values. These principles convey important considerations that were expressed by the steering committee and during conversations with stakeholders across sectors. These are foundational to the strategy and can be integrated into all activities and messaging throughout implementation.

Economic mobility and opportunity

- Fostering an environment for economic movement based on the aspirations of residents, entrepreneurs and companies.
- Advancing the growth of higher-wage jobs and careers that align with a variety of skills, abilities and interests.

Inclusive economy

- Valuing the demographic differences and unique skills and experiences of workers and residents, as well as the contributions of businesses of various sizes and growth trajectories.
- Expanding access to quality education, employment, capital and other essentials for full economic participation.

Visionary, collaborative leadership

- Embracing a bold, future-oriented sense of possibility for the local economy and community
- Cultivating partnerships across industries and sectors to realize the economic potential of Chattanooga and Hamilton County.



4 Goals, objectives and tactics

Introduction

This section of the report provides greater detail and explanation surrounding Chattanooga Climbs Higher goals and objectives. Under each priority area, EY shares a goal statement developed in collaboration with the steering committee and explanation of the priority. Objectives and tactics are divided between those that the Chamber will **Lead** by directly performing the work described and those that they will **Champion** through communication, research, convening and other support. EY also describes a **potential game changer** within the priority area. These game changers are transformations within the priority area that would significantly impact Chattanooga's economic development trajectory. **These potential game changers will require community efforts and not all are led by the Chamber directly.** They are also described in more detail within the objectives and tactical actions that follow and support each goal.

Each goal also includes a list of key performance indicators and metrics that can be used to track economic development activities and progress towards achieving each goal. **Key performance indicators** (KPI's) help measure overall progress toward each priority and goal. Economic development activities and their associated impact can be difficult to measure so these KPI's are only reflective of the Chamber's activity.

Alongside the KPI's, we provide **metrics** that will help measure Chattanooga's progress toward each goal. These metrics do not measure the Chamber's activities and success but are reliable statistics to track overall progress towards the goals. Keep in mind, these metrics are usually only available for the previous year, so they lag actual activity. Despite the lag, they offer insight into whether Chattanooga's economy is trending in the right direction.

KPI's and Metrics can be tracked in the supplemental document prepared for the Chamber: Appendix 3 – Chattanooga Climbs Higher 5-year KPIs and Metrics.

Priority: Economic growth

Creating accessible, high-quality jobs for all Chattanoogaans

Goal: Chattanooga is a premier location for businesses at all stages of growth and provides an array of sustainable career opportunities for all residents.

Chattanooga is recognized as top destination for advanced manufacturing and freight services and is seeing a rapid shift towards white collar opportunities in professional services, software and future technology sectors. With the right assets and support, these sectors present a new chapter in Chattanooga's economic story. Targeted business attraction efforts are recognized as highly successful, but through the planning process, stakeholders expressed a desire for additional focus on small- to mid-sized businesses and minority and women-owned businesses (MWBs). They also emphasized the importance of fostering industry sectors that offer sustainable career pathways accessible to all residents. The objectives and tactics shared below support this goal through enhancement and expansion of business recruitment and business retention and expansion (BR&E) activities. They also outline how the Chamber can support other partners in developing the real estate and infrastructure required for desired growth.

Potential game changer

A transformative investment in the quality of air service at Chattanooga Municipal Airport could help Chattanooga become a true contender for headquarters and large professional services operations.

Key performance indicators

- Prospect visits
- Number of new jobs announced
- Business retention visits
- Capital investment of announced projects
- Average wage for announced jobs
- MWBE participation in Financial Literacy program
- Revenues generated by participants of minority procurement program
- Number of announced target industry projects

Metrics

- Total employment
- Average wage
- New industrial and office space developed
- Cities served by direct flights
- Number of seats on Chattanooga Airport flights
- Number of direct flights per day



Source: Chattanooga Area Chamber of Commerce

Lead: Objectives and tactics

Objective 1: Enhance business recruitment efforts for target industries.

The Chamber currently has a robust business recruitment team and an increasingly well-known and respected brand throughout the southeast. This has driven continued success with business recruitment, but the Chamber could refine their outreach to site selectors, international businesses and specific target industries to continue to bring businesses of all sizes to Chattanooga. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Enhance digital marketing and media relations with paid social media, to promote Chattanooga to national and international audiences.
- Update business development and marketing materials to clarify focus and value propositions for attracting advanced manufacturing, technology companies, professional services, corporate headquarters and other projects that generate higher wage jobs and robust capital investment.
- Host at least four inbound visits from site selectors to the Greater Chattanooga (GCEP) region
- Continue to work with existing employers to identify customers, suppliers and other businesses within their supply chains to target for recruitment.
- Play an active role in business and talent recruitment during Chattanooga’s signature business and outdoor conferences and events such as Future of Freight and Head of the Hooch rowing regatta.
- Lead and coordinate at least four annual recruiting trips through GCEP regional partnership
- Work with City and County to develop incentive program specifically targeting technology and office projects



Objective 2: Strengthen business retention and expansion activities and support for small businesses and minority- and women-owned businesses.

Chattanooga continues to have tremendous success attracting new businesses, but stakeholders consistently noted a desire for enhanced businesses retention and expansion activities and greater support for small businesses and minority- and women-owned businesses within the community. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Deepen engagement with established businesses and develop new relationships with companies not currently connected to the Chamber, to better understand market needs and opportunities.
- Transition some current Chamber councils to be aligned with target industries and high growth companies.
- Share case studies on how existing businesses were assisted and the successful outcomes that resulted.
- Conduct regular surveys of area businesses to better understand challenges facing Chattanooga's business community
- Host small business financial literacy program for MWBEs



Source: Chattanooga Area Chamber of Commerce

Objective 3: Encourage diversified industrial site, office and infrastructure development to meet the needs of businesses in a variety of industries.

Since the launch of Chattanooga Climbs, area partners have advanced several site development and redevelopment objectives to create more space for businesses. For example, the the recent tax increment financing (TIF) district created to redevelop the 88-acre North River Commerce Center will open significant space for new commercial and industrial development. Nonetheless, industrial space availability is in high demand, and supply is limited. While there is plentiful existing office space across the county, much of the existing space is dated relative to competitor markets and lacks proximity to amenities such as housing, entertainment and transportation that is commonly desired by white collar operations in the current market. As Chattanooga begins to shift target industry development towards more of these operations, increased investment in existing and new office space, infrastructure, amenities, and transportation may be required. Although not the lead organization for many of these investments, the Chamber can play an important role in communicating their need and facilitating alignment between partners, such as private developers, the City, the County, River City Company, and Chattanooga Area Regional Transportation Authority (CARTA). Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Work with Hamilton County on planning, rezoning and infrastructure engineering and development at McDonald Farm.
- Collaborate with the City of Chattanooga, Hamilton County, and local developers to further greenfield, brownfield and commercial real estate projects to meet the site demand of existing and future businesses.
- Explore incentives that can spur development in historically underinvested communities to create closer proximity, and greater connectivity, between residents and jobs. Use this strategy to replicate projects like the Construction Career Center and the Nippon Paint project in East Chattanooga.
- Support efforts by the City and Hamilton County to inventory and leverage City-owned properties for redevelopment to address commercial and residential needs including housing.
- Support incentives such as tax increment financing for mixed-use development in Chattanooga’s urban core that add housing and amenity density.



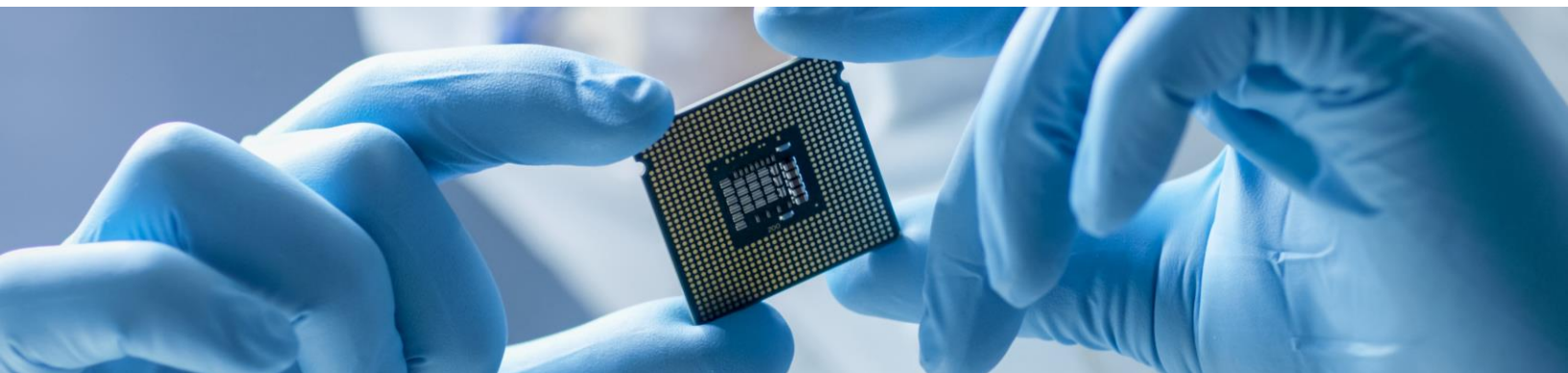
- Work with River City Company and other partners to continue expanded investment in downtown Chattanooga.
- Continue to collaborate with regional economic development partners through the Greater Chattanooga Economic Partnership (GCEP) to include expanded site offerings and advance regional competitiveness.

Objective 4: Leverage economic development projects to support efforts to expand housing, improve transportation networks, expand parks and enhance quality of life

Quality of life is drawing people to Chattanooga, but without continued investment, population growth can put pressures on the factors that contribute to quality of life, such as housing, transportation networks and other amenities and services. The Chamber's ability to successfully achieve other objectives in this priority are partially dependent on work in these areas performed by other public sector partners, including the City, County, CARTA, and River City Company. The Chamber can play an important role in supporting these efforts by coordinating the business community and communicating the importance of investments for supporting talent and business recruitment and retention. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Continue to meet regularly with City, County, RPA, and other public sector entities to share economic development and business perspectives on relevant topics of discussion.
- Identify ways to align activities to support One Chattanooga and other partner plans with shared objectives.
- Encourage housing development in topographically challenged portions of Chattanooga and Hamilton County including Enterprise South and McDonald Farm.
- Leverage economic development projects to achieve community development goals outlined in the One Chattanooga plan



Objective 5: Encourage and invest in efforts to expand air service at Chattanooga Metropolitan Airport.

Chattanooga Metropolitan Airport currently only offers eight direct locations. Business and community leaders cited this as a major concern. In a global economy, limited direct air service affects the ability of businesses to operate and causes many to consider expansions in other locations with better air transportation options. This issue also directly impacts Chattanooga's ability to attract new businesses and talent.

Community stakeholders and business leaders expressed a strong desire for more direct flights to help business and talent attraction. Improving airport service and quality could have a significant positive impact on the community and begin to put Chattanooga on a global stage. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Using community and business leader input, create a business case to expand the Chattanooga Metropolitan Airport's service area and flight offerings.
- Create an Air-service Committee comprised of community and business leaders to advise the airport board and leadership on potential growth strategies. The committee could explore a potential air service fund as well as creation and dissemination of data on market loss and primary destinations for travel.
- In collaboration with Chattanooga Airport, explore recruitment of a business lounge to Chattanooga Airport such as an Escape Lounge in the Greenville-Spartanburg airport or the Business Travelers Center at the Dayton Airport.
- Chamber leadership and newly-formed Air-service Committee can meet with airlines employees and leadership to present the business case for expanding air service at the Chattanooga Metropolitan Airport and explore opportunities for partnership and private investment.



Economic Growth leading practices

Air service

Dayton Airport Business Travelers Center

The Dayton Area Chamber of Commerce has created a highly sought after benefit for their members, especially those who travel frequently for business. The [Business Travelers Center \(BTC\)](#) at the Dayton Airport is a free lounge for all Dayton Area Chamber of Commerce members, their employees and any military personnel. The BTC has been recently renovated and expanded and offers areas for working and relaxation, including conference rooms available for reservation. Visitors also have private access to food service via the adjoining The Wright Stuff dining space.

Business retention and expansion

Savannah Business Retention Action Team

Led by [Savannah Economic Development Authority \(SEDA\)](#), the [Business Retention Action Team \(BRAT\)](#) is a coalition of partners committed to serving and strengthening Savannah businesses. The initiative is a partnership made up of 11 organizations that provide the necessary services, information, solutions, and contacts to facilitate local business success and growth in the Savannah area. The organizations that make up the partnership include the Savannah Economic Development Authority, Savannah Area Chamber of Commerce, Georgia Department of Labor, Georgia Tech Enterprise Innovation Institute, University of Georgia Small Business Development Center, City of Savannah, the Georgia Department of Economic Development, Georgia Center of Innovation for Logistics, Worksource Coastal, Georgia QuickStart, Savannah Technical College and Georgia Power Company. Additionally, BRAT encourages business partnerships with local schools, which in turn strengthens the community through career education and job placement of area school graduates. The program is seen as a model across the state for how economic development partners can work together to grow local industry. SEDA is Site Selection Magazine's No. 1 Top Metro (Tier 2) for 2020.

SkillUp, Ohio

Launched in 2017, [SkillUp](#) is a free business advisory service offered by the Cuyahoga County, OH Department of Economic Development that helps companies identify business problems, create solutions and drive business results. Their team of workforce and training development professionals help businesses build a unique Training Plan to upskill current or new employees. Their goal is to give employers the tools and expertise to grow their employee skill sets that, in turn, allows their business to be more productive and profitable. The service is recognized by the Brookings Institution's Metropolitan Policy Program as a best practice when it comes to helping employers produce a highly skilled workforce that aligns with business and industry needs. SkillUp provides services such as organizational needs assessments, market research, training process management and employer incentives.

Priority: Education and workforce development

Connecting our residents with the skills they need to thrive

Goal: Chattanooga is a welcoming and supportive community that educates, attracts, and retains a diverse and skilled workforce.

People are the foundation of successful economic development. Economic growth is a priority to serve the people in a community by creating high-quality jobs they can access and increasing capital investment that generates tax revenues that are reinvested in services and infrastructure for residents. People are also driving the location decisions of businesses today as their ability to operate and grow is increasingly dependent on access to talent.

Many stakeholders shared a love and sense of pride for Chattanooga. There is a shared appreciation for the community's history, natural beauty and high quality of life, but as expressed by many stakeholders, there are still "Two Chattanooga's," with deep and persistent economic disparities between populations. Education is one of the greatest determiners of future economic success, and this goal focuses on activities to improve these educational outcomes for all residents and develop a workforce that matches the needs of businesses.

Potential game changer

Transformation of Hamilton County Schools through the Opportunity 2030 plan and robust business community support for new investments and programming.

Key performance indicators

- Participation in registered apprenticeship programs
- Employers offering registered apprenticeships and work-based-learning programs
- Talent attraction campaign metrics
- Number of corporate partnerships with education institutions

Metrics

- Total population growth
- Prime working age labor force growth
- High school graduation rates
- Post-secondary degree/certificate attainment rates
- Bachelors' degrees awarded
- Computer science and engineering degrees awarded
- Educational achievement by race & gender



Source: Chattanooga Area Chamber of Commerce

Lead: Objectives and tactics

Objective 1: Facilitate greater alignment between employers and educational institutions.

With strong relationships across the public and private sector, the Chamber plays a crucial role in connecting local businesses with educational institutions. Continued work to bring employers and educators together will help make tailor training programs to better match current and future local business needs. With the Chamber effectively playing this role, educational offerings can be more tailored to current and future local business needs. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Continue ongoing efforts to facilitate educator-employer alignment.
- Elevate role as a conduit of information and insights between businesses and educational institutions (middle and high schools and higher education institutions) to help better align curriculum and work-based learning programs with employer needs and to engage employers as active stakeholders within the education sector.
- Utilize an array of communication methods, including community committees and forums, digital content, and personal introductions to match employers to educational institutions
- Utilize financing tools including education funding from PILOTs and TIFs to support and enhance Future Ready Institutes and other workforce development efforts in schools.
- Continue to support Future Ready Institutes and career centers focused on specific sectors, like the recently completed Construction Career Center to help prepare students for local jobs and connect them to career pathways.
- Support Chattanooga 2.0 in developing ten career pathways and pilot programs for transformative change including pathways in IT, advanced manufacturing and logistics.



Objective 2: Enhance collaborative efforts to reduce hiring barriers and expand work-based learning opportunities.

Chattanooga Climbs identified a range of strategies to reducing barriers to education and employment, but based on stakeholder feedback and analysis of data, there remains room for improvement. This objective focuses on ways to enhance existing efforts and identifies new strategies to address hiring barriers and expand other workforce opportunities. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Work with Project Return employers and training partners to increase opportunities for ex-offenders, high school dropouts and other individuals struggling to find living wage jobs. Actions to accomplish this include assisting with housing opportunities and expanding networks to the employer base.
- Build upon the success of work-based learning partnerships between employers and schools, including apprenticeships and internships and programs such as the Construction Career Center and Future Ready Institute, by scaling impact and developing new collaborative efforts.
- Support Hamilton County Schools efforts to enhance the ability of students to access work-based learning, mentorships, internships and apprenticeships through technology and other means, as well as employer engagement in these areas.
- With a high demand for welders, there is an opportunity to help facilitate the creation of a welding program in an underserved area of the county as a career pathway opportunity.
- Continue to facilitate connections between businesses and the Silverdale Detention Center for their HCSO re-entry program. Explore future opportunities to expand this program to meet high-demand industry needs such as coding.

Chattanooga 2.0

Chattanooga 2.0 will work across sectors- business, K-12, higher education, non-profit- to identify and build career pathways linked to economic prosperity that prepare our students for and intentionally connect them to the thriving wage careers of today and tomorrow in our community. Over the next three years, Chattanooga 2.0 will create at least 10 viable pathways to prosperity. Viable pathways to prosperity are intentionally designed with the following characteristics.

- Link to a thriving wage starting job with opportunities for advancement and a clear career pathway.
- Require training beyond high school whether that be a degree, credential, non-credit training, etc.
- Involve local employers who commit to help build and support the pathway and students.
- Include intentional exploration and inspiration opportunities in elementary, middle and high school so students and their families are connected and informed.
- Remove barriers to entry and completion by providing wraparound supports as needed.

Objective 3: Expand talent attraction and retention efforts to fill skills gaps and grow the local workforce.

With beautiful scenery, strategic location, business and employment opportunities and a great quality of life, Chattanooga is a desirable place to live, work and do business. The Chamber currently has some programs focused on talent attraction and retention, and these could be re-energized to further communicate Chattanooga’s welcoming environment especially to minority populations and younger professionals. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Hire new staff member to focus on talent attraction and remote worker initiatives
- Review, update and align talent attraction and retention resources (such as the Chattanooga Calling website) to enhance audience value and outcomes related to employability, mobility and community connectivity for current and future residents.
- Integrate talent attraction and retention offerings into elevated business attraction efforts. Consider coordinated marketing and branding with Visit Chattanooga.
- Explore strategies to support employers when recruiting employees to the Chattanooga area. Assess key issues and needs affecting recruitment that can be communicated to partners and addressed through strategic intervention.
- Create events or other avenues to foster a welcoming environment for professionals of color and other underrepresented individuals in the workplace and the community. This could include opportunities to connect diverse university students to existing employers.
- Continue to build out database of minority firms in Hamilton County
- Explore partnership with La Paz to support small, Hispanic-owned businesses and entrepreneurs
- Explore offering discounted chamber memberships to minority entrepreneurs that participate in the Chamber’s small business financial literacy and minority procurement programs



Objective 4: Establish a remote worker program to welcome, convene and integrate this population into the community.

Anecdotally, stakeholders have observed a rise in remote workers living in Chattanooga, but it is difficult to fully assess how many have moved into the community since the COVID-19 pandemic led to a major shift in national work patterns. Whether current residents embrace or reject this trend, remote workers are probably here to stay. Chattanooga's high quality of life and digital connectivity will likely continue to attract remote workers, the question then becomes, how can Chattanooga leverage them as an economic development asset? Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Reimagine Chattanooga program to focus on remote technology workers and talent attraction and explore potential for this to replace an existing Chamber council.
- Conduct outreach to remote workers in the Chattanooga area to understand needs and offer ways to support and integrate them into the community. Outreach methods could include discussions at events, one-on-one meetings and a survey. Where possible gather information on their occupations, industries in which they operate, and current employers.
- Share information with remote workers on local entrepreneurial organizations, resources and programs. Share invitations with them to participate in events like Startup Week.
- Explore creating a new category of Chamber membership for remote workers who may be interested in attending events, meeting local employers and being connected to the community.



Champion: Objectives and tactics

Objective 5: Support Hamilton County Schools' Opportunity 2030 plan and its connection to the business community.

Quality public schools are critical to providing a community's youth with the skills necessary to pursue future economic opportunities. They are also one of the top characteristics examined by employers when evaluating locations for their operations. It affects both workforce pipeline and their ability to attract and retain employees. Hamilton County Schools continue to improve, but they are perceived by many as one of the most challenging assets in the community and a significant deterrent to economic and population growth. The Chamber can continue to play an important role supporting efforts to improve public schools and fostering student connectivity to local career opportunities. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Support Hamilton County's education goals, including addressing facilities challenges, increasing access to career and technical education programs and working to build paths to college and/or a career upon graduation.
- Serve as a conduit between the business community and the Hamilton County School Facilities Working Group to achieve their goal of evaluating the needs and future opportunities for the school system.
- Maintain regular communication with education partners to share success stories with the business community and identify opportunities to bring business perspectives to the table during education policy discussions.



Education and Workforce Development leading practices

Funding for education and priority projects

Georgia E-SPLOST

In the past, the primary source of local revenue available to most school systems, for renovating and modifying existing educational facilities and the construction of new schools, was property tax. Due to limited funding options and restrictions, Georgia created an eSPLOST for education which translates to a one-cent sales tax on all retail purchases. The school systems may use the SPLOST for capital improvement projects, to retire general obligation bond debt or issue new General Obligation Bond for SPLOST capital projects.

Oklahoma City MAPs Program

After the City experienced challenges recruiting and retaining their workers and residents in the early 1990's, the City decided to approve a new tax on themselves which they now call the MAPs program. Every time someone buys something in Oklahoma City, one penny for every dollar spent goes to the MAPS program. MAPs programs are initiatives that go to improving the quality of life in Oklahoma City. The original MAPS program in 1993 funded many city revitalization projects and raised over \$309 million, plus an extra \$54 million in interest also used to fund construction. After seeing how successful the MAP's program was, there was still work needing to be done in the public school system. MAPS for Kids was created to fund improvements to every public-school serving students from Oklahoma City, including 70 new or renovated school buildings. Funds went to construction, transportation and technology projects. Of the \$700 million raised by the program, about \$470 million was used for construction projects, \$52 million for technology projects, \$9 million for bus fleet replacement and \$153 million for projects in 23 suburban districts serving OKC students.

Since Maps for Kids, Oklahoma City has also completed MAPS 3 and is now working on MAPS 4 which will fund many projects including parks, transit, homelessness and other factors that will make Oklahoma a more desirable place to live.

The Philadelphia Education Fund

The Philadelphia Education Fund (PEF) was founded in 1985 to drive exceptional student outcomes by developing great teachers and building paths to college and career success. Their goal is to elevate opportunities, unlock potential, improve the city and the community and change lives—one student at a time. In 2021, the PEF gave out over \$550,000 in scholarships to 112 students. In addition to scholarships, the PEF provides college and career resources, consulting services, education conversations and STEM education program curriculum.

PEF inspires students' interest in STEM education by exposing them to diverse and compelling careers. They also support teachers interested in deepening the connection between the content they teach and their students' understanding of STEM careers.

Education and Workforce Development leading practices

Talent attraction and retention

MaconWorks

Like many cities across the country, Macon struggles to find the professional talent they need. The Greater Macon Chamber of Commerce launched **MaconWorks** as a talent attraction and retention tool. MaconWorks showcases the city's employment opportunities, industry's, relocation services and quality of life aspects. This was launched because the Chamber believed in a proactive talent attraction campaign to help local businesses and future industry prospects source the talent they will need. Macon Works will create a defined workforce pipeline in Macon-Bibb County in which partners and stakeholders are aligned to coordinate and secure resources. Macon Works strategically aligns with the focus areas of the Greater Macon Chamber of Commerce: connect, educate, advocate, and accelerate.

Funding for the talent attraction campaign was partly secured through a capital campaign and The Peyton Anderson Foundation who came forward with a generous lead grant with designated funds to create and implement a talent attraction plan. The Greater Macon Chamber contracted with **Development Counsellors International** for the creation and implementation of MaconWorks.

The Indiana Brain Gain Initiative

The Indiana Brain Gain Initiative was created to reduce "brain drain" or the emigration of highly trained workers to another location. The Indiana Brain Gain Initiative is driven by a partnership between universities and TMAP, an Indiana startup founded by a Purdue alumnus, to connect alumni of state institutions, and others, with business opportunities in the state in hopes to retain local graduates and place them in local jobs. Purdue University served as the incubator for the program under former governor and university president, Mitch Daniels' leadership. After the pilot program, more than 220 people were interested in exploring professional opportunities in Indiana.

On Ball State University's Brain Gain webpage, interested parties complete an online form to be connected to potential career opportunities in the state. Social media (LinkedIn in particular) has been essential for targeting individuals with specific skillsets with prior connections to Indiana communities.

Priority: Technological innovation

Capitalizing on our creative spirit to build the industries and businesses of the future

Goal: Chattanooga facilitates technology-based innovation, entrepreneurship and partnerships that accelerate economic development.

The Gig put Chattanooga on the map as an entrepreneurial center and has been a foundational driver for local software and information technology cluster development. The local innovation ecosystem has continued to expand with support from organizations and programs such as the INCubator, Launch Chattanooga and Co.Lab, but local entrepreneurs and startups still struggle to access funding and skilled information technology talent. EPB continues to explore new research and business partnerships that build on its advanced infrastructure, but the lack of a major research and development center remains a limitation for Chattanooga relative to other innovative regions.

Potential game changer

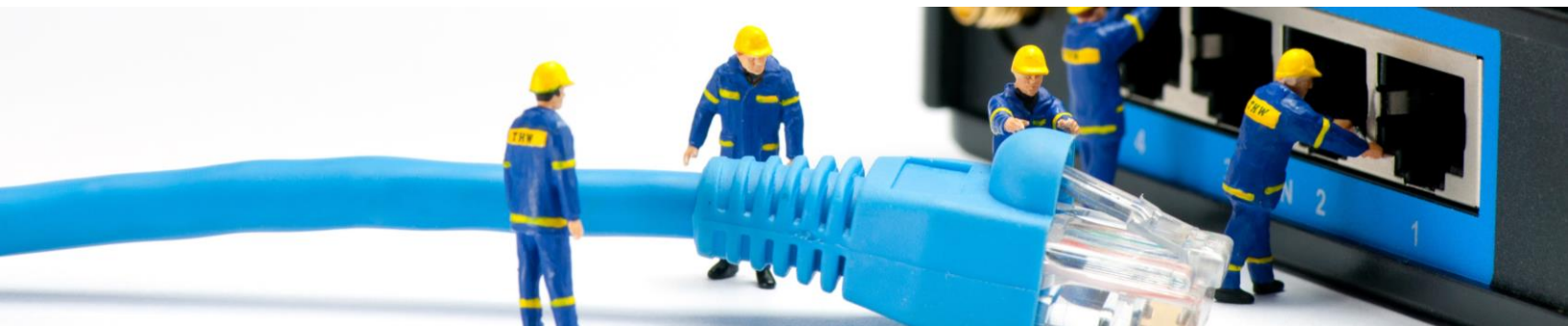
Redevelop and potentially expand Business Development Center/INCubator to create a first in class incubation facility.

Key performance indicators

- Number of new INCubator clients
- Number of new INCubator graduates
- Number of diverse INCubator founders
- Number of entrepreneurial ecosystem events held at the INCubator
- Marketing campaign impressions
- Number of local articles focused on INCubator clients and tech startups
- Number of followers on INCubator social media channels

Metrics

- University research & development funding
- Local patent filings
- Number of business permits issued
- Venture capital and seed awards
- Number of small and medium-sized businesses
- New minority and women-owned small and medium-sized businesses
- Dollars secured for technology research, education and programming



Lead: Objectives and tactics

Objective 1: Reinvest in entrepreneurial assets, facilities and programming.

Chattanooga is home to a variety of entrepreneurial programs and organizations that have served the community well as it built the ecosystem from scratch. Some of these facilities are beginning to show their age and could benefit from reinvestment to ensure they are globally competitive, accessible to diverse populations and reflective of the community's aspirations.

Tactics

- Partner with Hamilton County to study options and reinvest in the INCubator. Consider leading practice incubators and accelerators from other communities to identify new opportunities for facilities and programming.
- Explore using TIF, local, state or federal funding to expand the INCubator program so serve more early-stage, high potential startups, including those founded by people of color and women.
- Use TIF to explore synergy between the INCubator and Procurement (Supplier Diversity) initiative to strengthen the impact of both efforts.

Objective 2: Amplify Chattanooga's "Gig City" profile on the local, national and international level and support Smart City policies and programs.

The Chamber should continue supporting the City and Hamilton County in their Smart City policies and programs. Support from the Chamber on this objective could include enhanced marketing and communication not just to the broader community but also nationally and internationally. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Make the Chattanooga's Gig City (and Smart City) brand a central feature of business and talent attraction efforts and include in national and global marketing campaigns.
- Increase local PR initiatives to highlight technology startups, increasing their potential of hiring local talent and increasing their visibility in the community.



Source: Chattanooga Area Chamber of Commerce

- Partner with EPB on a paid media campaign to showcase the work that has been done and the future of quantum computing
- Conduct targeted marketing with paid social media to large innovative companies' employees as well as tech-based entrepreneurial firms and their founders to continue to attract these companies and employees.
- Continue to support initiatives such as the Smart Cities and Smart Corridor+ by raising awareness and celebrating progress.

Objective 3: Foster collaborative partnerships between innovative legacy companies and high-tech entrepreneurial firms.

As a key convener in the community, the Chamber has an opportunity to continue fostering collaborative partnerships between Chattanooga's innovative legacy companies and high-tech start-ups to continue advancing support for the entrepreneurial ecosystem. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Engage local businesses and ecosystem partners to design and implement programming at the INCubator and other initiatives to help elevate the content and facilitate connections.
- Identify entrepreneurial companies in INCubator and Procurement programs that serve large, established companies (particularly those in target industries) and provide introductions to potential commercial clients, as well as guidance and resources for navigating these kinds of business partnerships. Also, collaborate with partner entrepreneurship programs to assist their participants with business-to-business connections based on an agreed upon criteria.
- Give special attention to identifying MWBEs locally that have the potential to do business with legacy companies.
- Include these companies in BR&E outreach and factor their feedback into updates to education, workforce development and government partners.



Objective 4: Increase access to capital in collaboration with local, regional and national funding partners.

Through strategic partnerships, the Chamber plays a unique role in increasing access to capital for small businesses and entrepreneurs especially in the technology sector. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Create a strategic partnership with Venture South’s new angel investing chapter to increase funding for early-stage startups in the market.
- Partner with ChaTech Council and leverage awards events, such as TechX and the StartUp Awards, as opportunities to invite venture capitalists, angel investors and innovative companies from across the country and globe to learn about what Chattanooga has to offer and foster new partnerships. This engagement could also be used to bring more attention to the Innovation District as a potential destination for business relocations and expansions.
- Collaborate with partners in efforts to attract additional federal, state and philanthropic funding for technology research, education and programming.



Champion: Objectives and tactics

Objective 5: Explore opportunities to increase research and development activities in Chattanooga.

Foundational research and development plays an important role in an innovation ecosystem. Groundbreaking technologies are often first developed in university and other public sector labs and are then licensed and commercialized by entrepreneurs and existing businesses. Sometimes professors conducting research are themselves the entrepreneurs, and graduates from research focused university programs are highly sought after by companies working in related fields. Research and development funding at the University of Tennessee Chattanooga (UTC) has grown significantly in recent years (76% increase from 2017 to 2021) but is a fraction of that occurring in larger research universities in Lexington, Knoxville, Charleston and Huntsville, not to mention Atlanta or Nashville. Continued efforts to establish a large research and development center in Chattanooga could significantly impact technological innovation and business growth. Specific tactics the Chamber could take to advance this objective are included below.

Tactics

- Continue to work with Tennessee legislators and UTC leadership to expand research and development activities in Chattanooga.
- Work with advanced manufacturing and related firms to explore partnership opportunities to invest in and expand engineering research and development activities.
- Work with EPB to explore partnerships with private businesses and external universities that could establish unique research and development centers in Chattanooga focused on existing and emerging local sector strengths, such as quantum computing, smart cities, energy resiliency and advanced mobility.



Technological Innovation leading practices

The IBM Services Center: Baton Rouge

In 2013, IBM broke ground on a \$55 million urban development in downtown Baton Rouge that would be home to the new [IBM Services Center: Baton Rouge](#) upon its completion in mid-2015. The project was anticipated to create 800 new direct jobs, and LED estimates the project will result in an additional 542 new indirect jobs, for a total of more than 1,300 new permanent jobs in the Capital Region of Louisiana. The project included innovative, public-private partnerships to expand higher-education programs related to computer science and to construct a major new riverfront development that would accelerate the revitalization of downtown Baton Rouge. The center employs a broad range of college graduates and experienced professionals with backgrounds in computer science and other quantitative-intensive fields, such as engineering, mathematics and science. In 2019, IBM was getting close to hiring its [300th LSU student](#).

Boise State's Quantum DNA (qDNA) Research Group

The Quantum DNA (qDNA) group at Boise State pioneers the use of DNA as a programmable architecture to organize dye molecules for quantum information systems. The group received a [Phase II renewal grant](#) of \$5 million from the Department of Energy Basic Energy Science's (BES) Established Program to Stimulate Competitive Research (EPSCOR) as part of a broader announcement of funded energy-related research projects. Their specific quantum mechanical research may have applications in energy, such as solar, medical diagnostics for both humans and animal, and much faster and more capable computers that operate at reduced power consumption.

Arkansas State University Innovation System

The mission of [A-State Innovate](#) is to foster innovation and entrepreneurship and expand the innovative mindset so that communities reach their maximum potential and entrepreneurs thrive in the area. They encourage dreams and equip the dreamers with the tools they need to succeed. By integrating innovation, support for start-ups, technology transfer, and a portfolio of partnerships with businesses and communities, A-State Innovate offers opportunities for entrepreneurs interested in connecting to business resources and helps bring ideas to the marketplace. A-State Innovate has 3 campuses, two of which are on Arkansas State University's campus. The locations have maker-space, co-working space, office space and wet-labs. Partners in the project include Arkansas Economic Development Commission-Arkansas Manufacturing Solutions, Jonesboro Regional Chamber of Commerce, Accelerate Jonesboro, and many more.



Implementation

Introduction

Developing a strategic plan is an important part of a community's economic development cycle. This process provides a current assessment of past work, current conditions and new opportunities and helps the community establish renewed focus on goals and objectives for the next five years. More important than the plan itself, however; is the implementation.

Chattanooga Climbs Higher primarily focuses on Chamber-led activities, but successful implementation will require collaboration with individuals and organizations throughout Hamilton County and across the region, state and nation.

This section outlines specific steps the Chamber can take to support successful implementation of the plan, including suggestions for communication and resourcing.

This report is also accompanied by implementation tables (Appendix 4) that summarize objectives and tactics in a single spreadsheet with timelines and partners included to facilitate tracking of progress.

Initial tasks

- Build out internal and external dashboard to report progress on KPIs and general information on metrics
- Continue to host regular Chattanooga Climbs Higher calls with investors to report on progress

Communication

The Chamber is currently addressing many different priorities within economic development, including economic growth, workforce development, inclusive economy and community development. During the planning process, it became clear that many stakeholders were not aware of all the work on which the Chamber is engaged, how it relates to economic development, or the associated positive impact it is having for local businesses and the overall community.

Alongside enhanced external marketing efforts described in this report, the Chamber could also consider expanded internal communication to help tell the Chattanooga Climbs Higher story to local stakeholders. These efforts could include local, regional and state partners across the public, private and non-profit sectors to amplify the message and demonstrate authenticity in the message. Its often better when somebody else tells your story than when you do yourself.

More directly, the Chamber can focus on socializing the strategy through direct meetings with partner organizations and key stakeholders and earned media marketing. These efforts should include messaging that shares how important topics like public education and air service relate to the economic health of the community and support shared goals.

Resources

Implementing this strategy will require additional staff, funding and community support to achieve its bold objectives. For Chattanooga Climbs, investors took the even bolder step and contributed nearly \$3.3 million annually to fund initiatives that resulted in over \$1.3 billion in new investment, over 4,500 new jobs and numerous successful education and social programs across Hamilton County.

Chattanooga Climbs Higher looks to go beyond bold and achieve transformation. To achieve its objectives, EY suggests the following resource tiers:

Staying Bold (\$3.75 million in annual economic development funding)

- Continuation of existing Chattanooga Climbs staffing and programming adjusting for inflation and the need to recruit and retain top talent
- Updating all marketing and business development materials and campaigns to reflect new conditions, assets and opportunities, such as quantum computing
- Hire talent recruitment and attraction staff to oversee all talent attraction and remote worker attraction efforts
- Conducting research, outreach and collaborative communications to influence expanded air service, public school improvements, and research and development center initiatives.

Transformational (\$4 million in annual economic development funding)

- All “Staying Bold” activities
- Collaborative paid media campaigns for talent attraction and business recruitment
- An additional economic development staff member focused on new and expanded objectives, including air service recruitment, technology and inclusive economy initiatives

KPI targets

The chart below shows KPI targets from Chattanooga Climbs and suggested new target numbers for Chattanooga Climbs Higher.

Key performance indicator	Chattanooga Climbs	Chattanooga Climbs Higher
Prospect visits	100	100
Number of new jobs announced	5,000	5,000
Business retention visits	100	500
Capital investment of announced projects	\$1 billion	\$1.5 billion
Average wage for announced jobs	\$55,000	\$60,000
MWBE participation in Financial Literacy & Procurement programs	n/a	100
Revenue generated by participants in minority procurement programs	n/a	\$1 million
Number of announced target industry projects	20	20
New registered apprenticeship programs	n/a	50
Employers offering registered apprenticeship programs	250	250
Corporate partnerships with local education institutions	n/a	10
Participation in Chattanewbies programs (transition to remote worker KPI?)	n/a	Tbd
Career pathways developed through Chattanooga 2.0	n/a	10
Number of new INCubator clients	100	75
Number of new INCubator graduates	100	75
Number of followers on social media channels	n/a	tbd
Number of local articles focused on INCubator clients and tech startups	n/a	50
Number of diverse INCubator founders	10	20
Number of entrepreneurial ecosystem events held at the INCubator	n/a	tbd
Number of Brickyard portfolio companies retained	n/a	10
Venture Capital awarded to Chattanooga startups	\$75 million	\$100 million

Appendix 1: detailed data

Introduction

This data appendix contains extended economic and demographic data collected by EY during the strategic planning process. Data in this appendix provides a baseline understanding of recent trends and conditions in Chattanooga and Hamilton County.

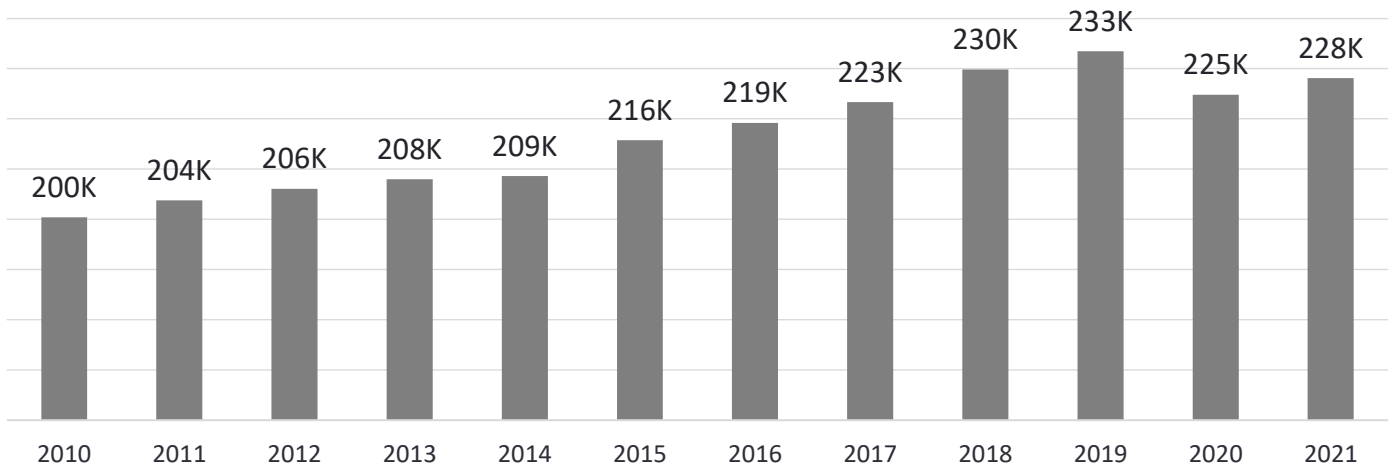
To assist analysis in the planning process, EY compared Hamilton County statistics to the primary county centering each of these benchmark communities. To assist communication, the data and charts in this section refer to each by their primary city name. The benchmarks are as follows:

- Boise, Idaho – Ada County
- Charleston, South Carolina – Charleston County
- Chattanooga, Tennessee – Hamilton County
- Greensboro, North Carolina – Guilford County
- Huntsville, Alabama – Madison County
- Knoxville, Tennessee – Knox County
- Lexington, Kentucky – Fayette County

Much of the data shared in this appendix is from publicly available data sources, including the US Census and US Bureau of Economic Analysis. Detailed employment data was purchased from Lightcast, an industry and workforce data modelling company. In all contexts, the data is the most recently available at the time of this report's production.

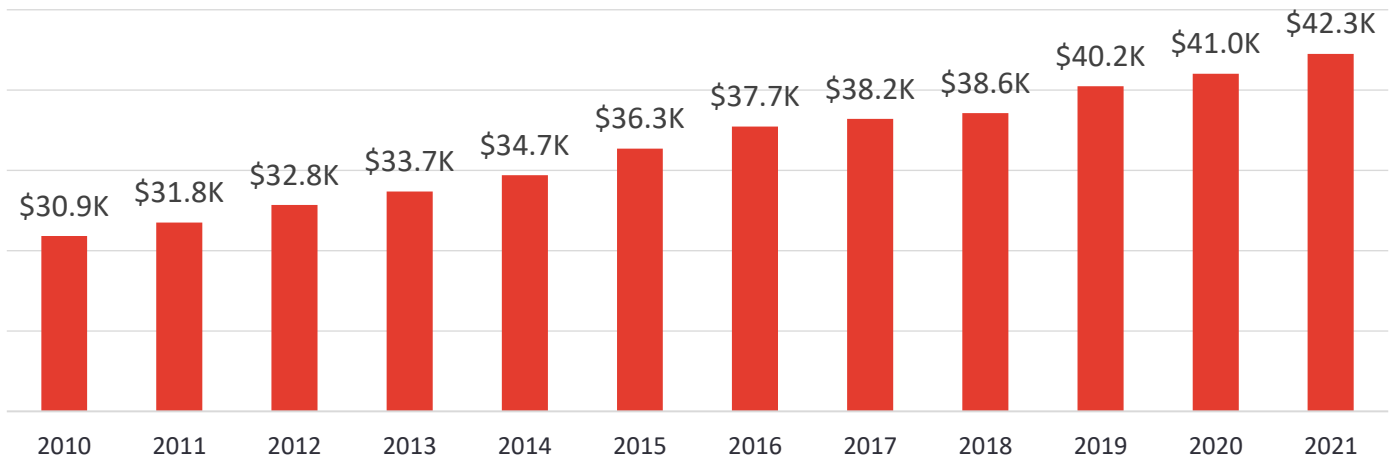
County employment and wages

Total employment, Chattanooga, 2010-2021



Source:
Lightcast and EY

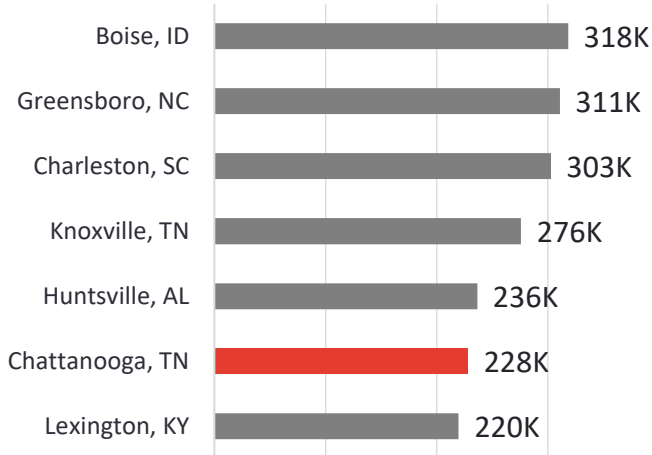
Average annual wage, Chattanooga, 2010-2021



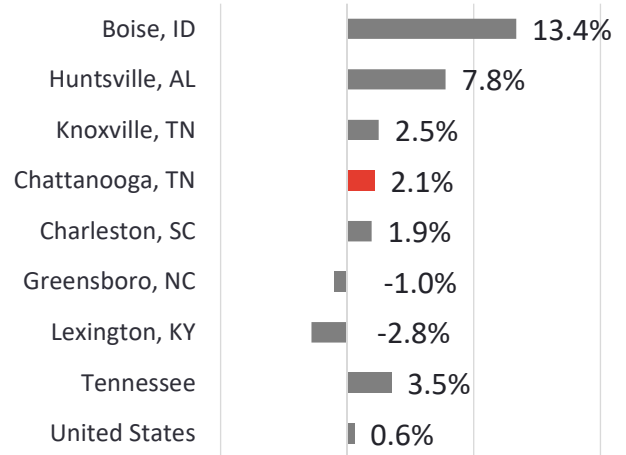
Source:
Lightcast and EY

Regional employment and wages

Total employment, 2021

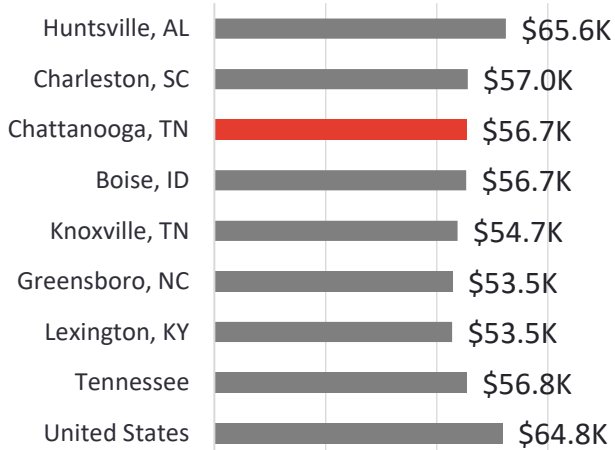


Employment growth, 2017 – 2021

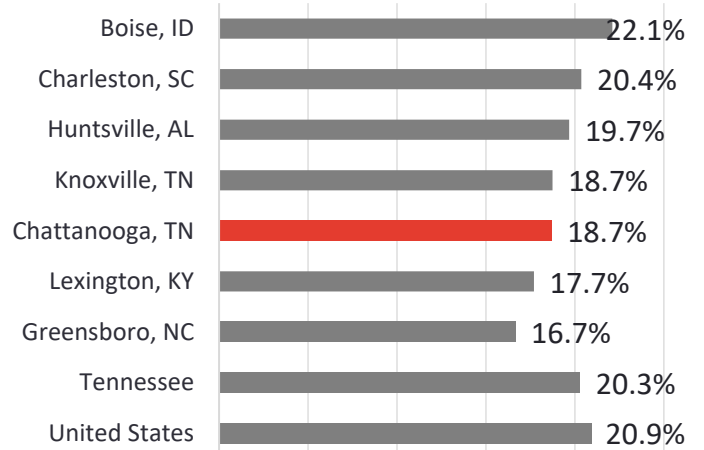


Source:
Lightcast and EY

Average annual wages, 2021



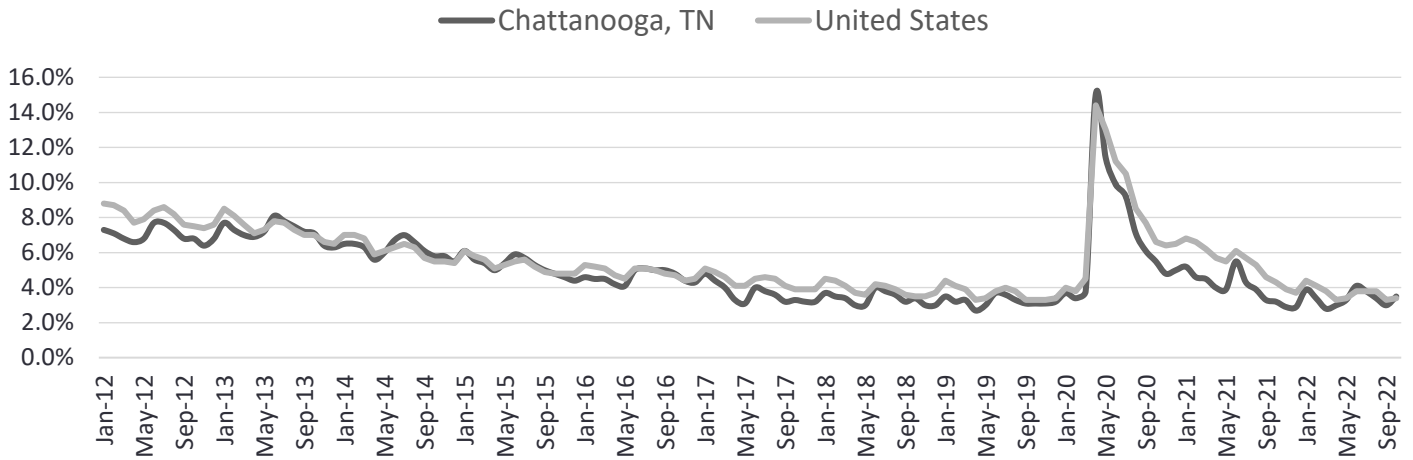
Average wage growth, 2017 – 2021



Source:
Lightcast and EY

Unemployment

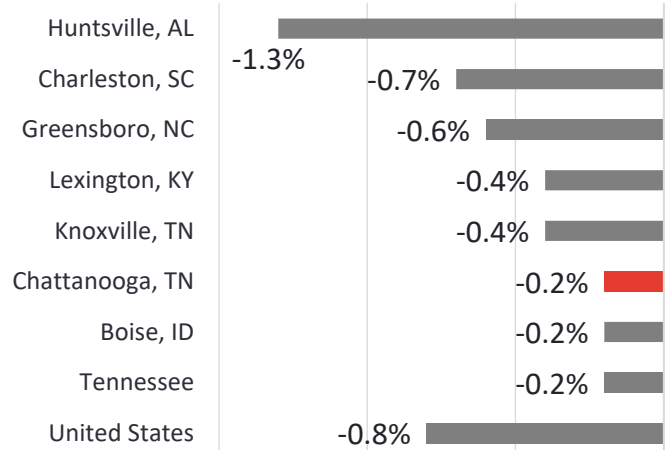
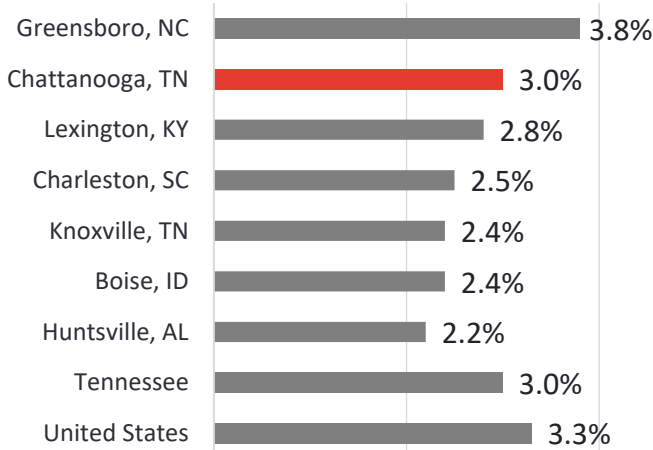
Monthly unemployment rate (not seasonally adjusted), 2012 - 2022



Source:
US BLS and EY

Unemployment rate, September 2022

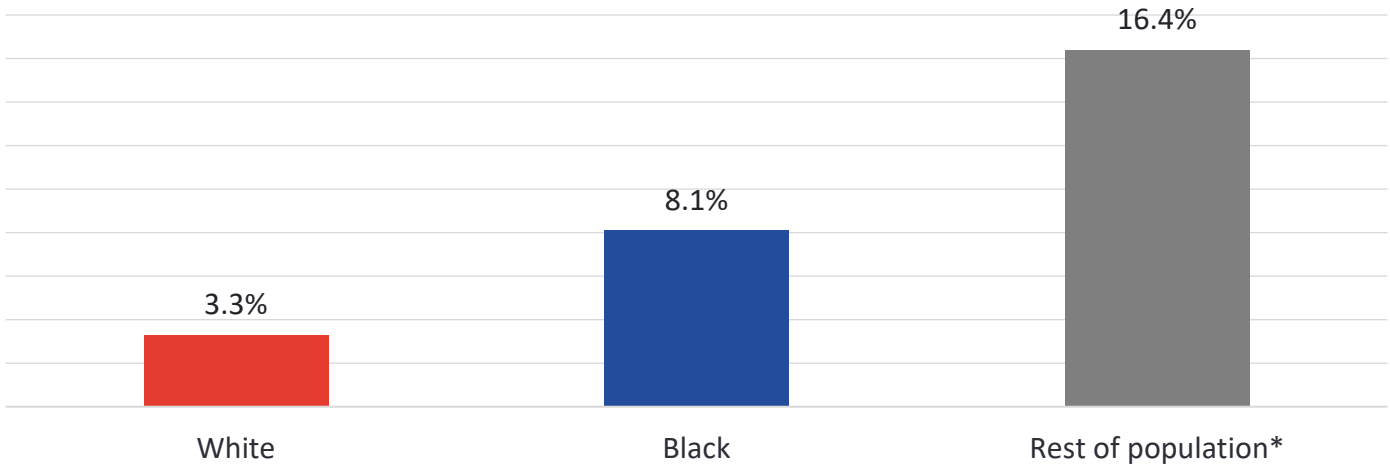
Percentage point change in unemployment rate, September 2017 – September 2022



Source:
US BLS and EY

Unemployment

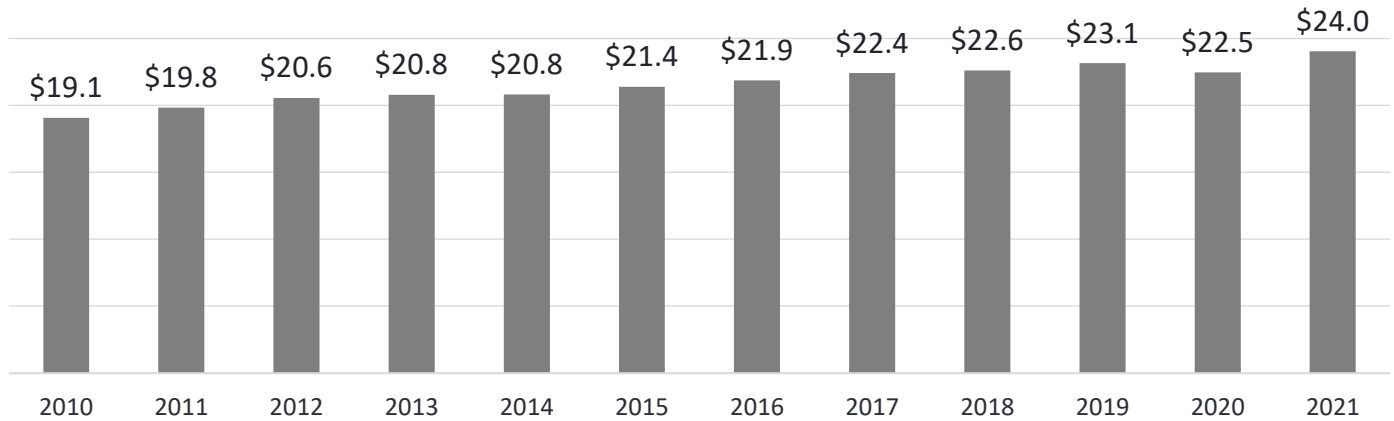
Civilian working age unemployment rate by race, Hamilton County, 2021



Source:
US Census American Community Survey and EY
*More detailed breakdowns are not yet available for 2021

Gross domestic product (GDP)

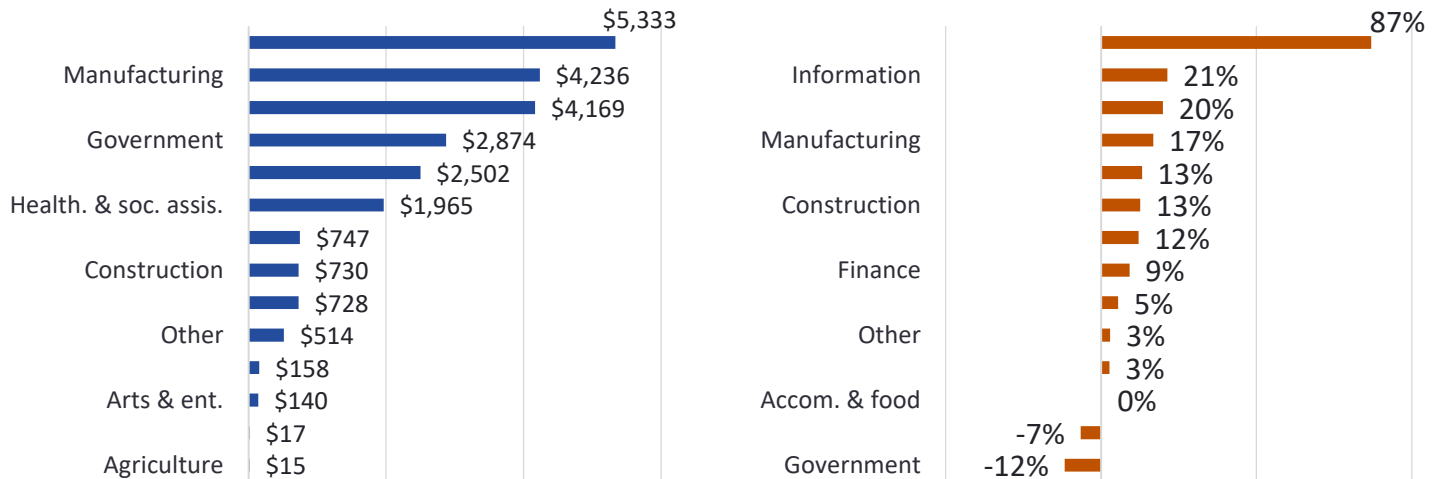
Gross domestic product (\$ billions), Chattanooga, 2010 - 2021



Source:
US Bureau of Economic Analysis and EY

GDP growth by industry, Chattanooga, 2015 – 2020

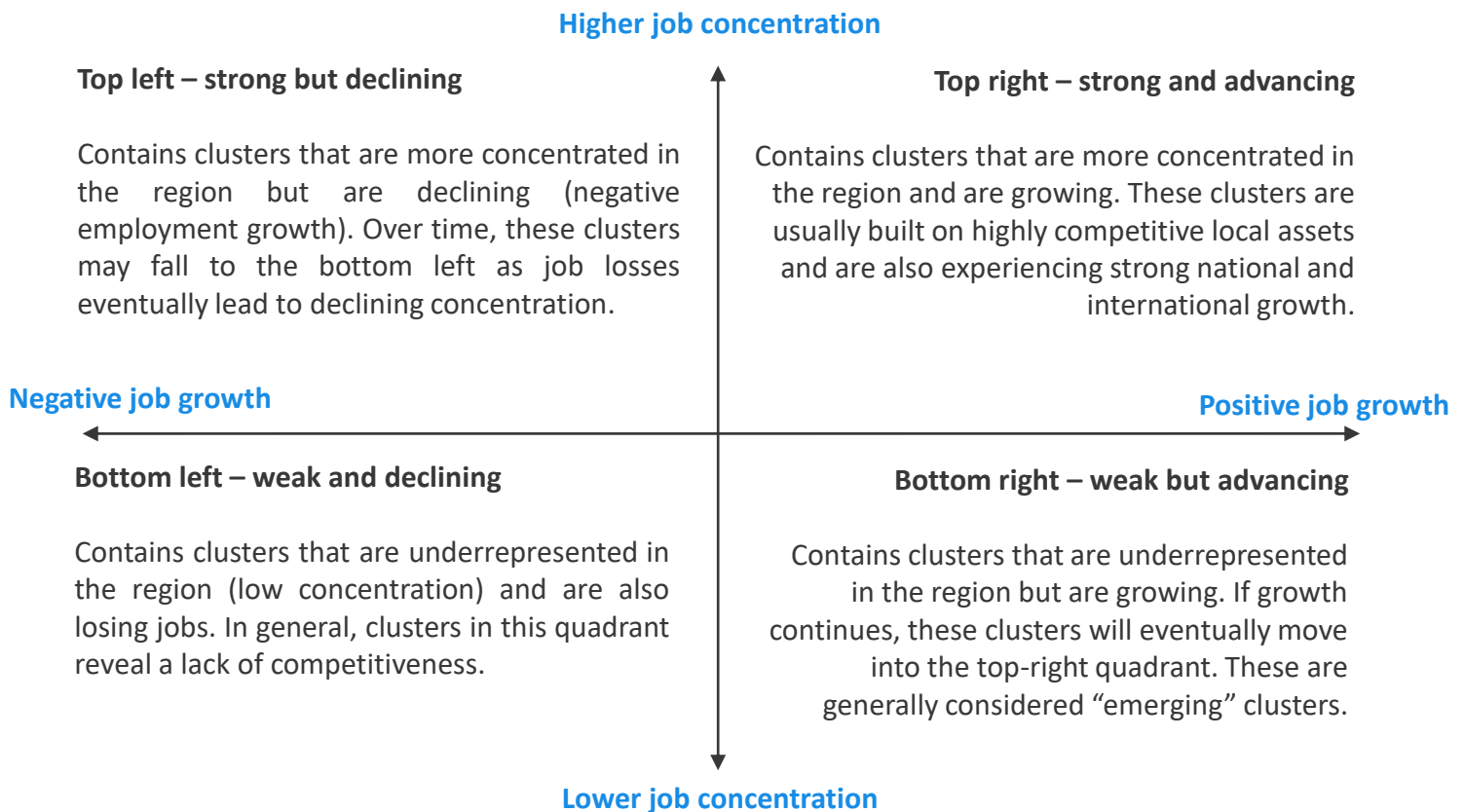
GDP (\$ millions) by industry, Chattanooga, 2020



Source:
US Bureau of Economic Analysis and EY

Industry cluster analysis: bubble chart

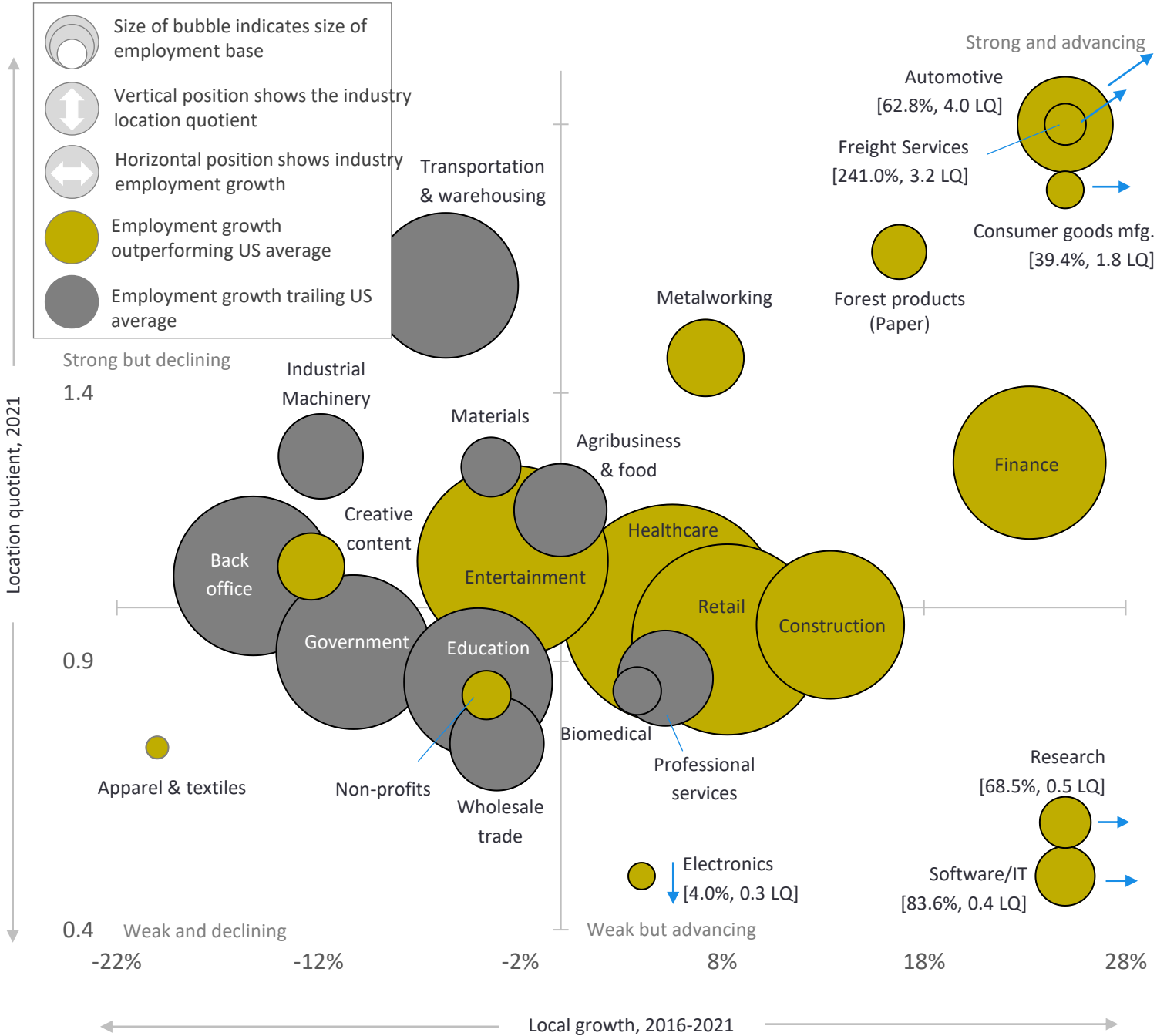
The “bubble chart” on the following page combines location quotients (LQs), growth and relative size to illustrate a snapshot of Hamilton County’s industry cluster performance. A location quotient is the relative concentration or density of a specific cluster in a region compared to the US average. For example, a 1.5 LQ indicates that the location has 50% more jobs as a share of the overall economy than the US. This usually indicates local competitive strengths in that cluster. The horizontal axis displays employment growth of each cluster from 2016 through 2021. The vertical axis shows the LQ. The size of each bubble indicates the number of local jobs in the cluster. Clusters can generally be grouped in four categories, as described in the map below.



The pages following the bubble chart display the same data in table format for Hamilton County.

Industry cluster analysis: bubble chart

Chattanooga industry cluster performance, 2016-2021



Source: Lightcast and EY



Industry cluster table: Chattanooga

Chattanooga industry cluster performance, 2016-2021

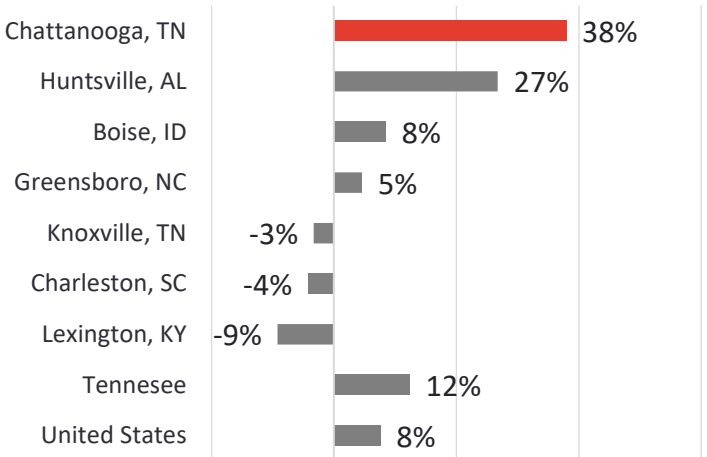
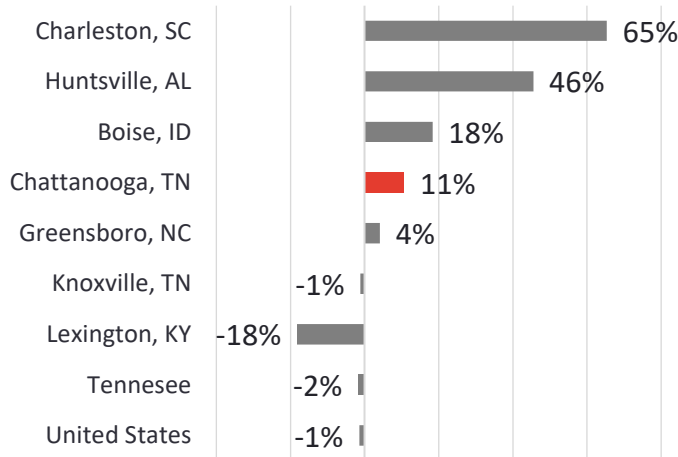
Cluster	Employment (2021)	Employment growth (2016–2021)	Location quotient (2021)
Aerospace	131	-	0.2
Agribusiness & Food	5,207	0.0%	1.2
Apparel & Textiles	327	-22.0%	0.7
Automotive	5,521	62.8%	4.0
Back Office	15,228	-15.2%	1.1
Biomedical	1,425	3.8%	0.8
Construction	13,146	13.4%	1.0
Consumer Goods Mftg	868	39.4%	1.8
Creative Content	2,727	-12.4%	1.1
Education	13,213	-4.1%	0.9
Electronics	459	4.0%	0.3
Energy	183	32.0%	0.1
Entertainment	21,787	-2.4%	1.1
Finance	13,993	23.2%	1.3
Forest Products (Paper)	1,832	16.8%	1.7
Freight Services	1,071	241.0%	3.2
Furniture	128	-15.9%	0.2
Government	14,272	-10.3%	0.9
Healthcare	28,603	5.5%	1.0
Industrial Machinery	4,358	-11.9%	1.3
Materials	2,157	-3.5%	1.3
Metalworking	3,585	7.2%	1.5
Mining & Logging	96	0.0%	0.5
Non-Profits	1,461	-3.7%	0.8
Professional Services	5,523	5.2%	0.9
Research	1,621	68.5%	0.5
Retail	21,844	8.3%	0.9
Software / Info. Tech.	2,168	83.6%	0.4
Telecom Services	221	-80.0%	0.2
Transp. & Warehousing	12,649	-5.7%	1.6
Wholesale Trade	5,352	-3.2%	0.7
Total	40,139	3.8%	1.0

Source:
Lightcast and EY

Target industry performance

Professional and support services growth, 2017 - 2021

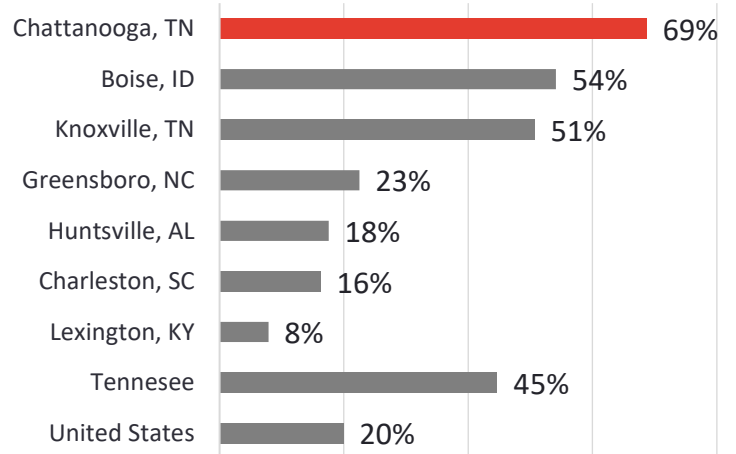
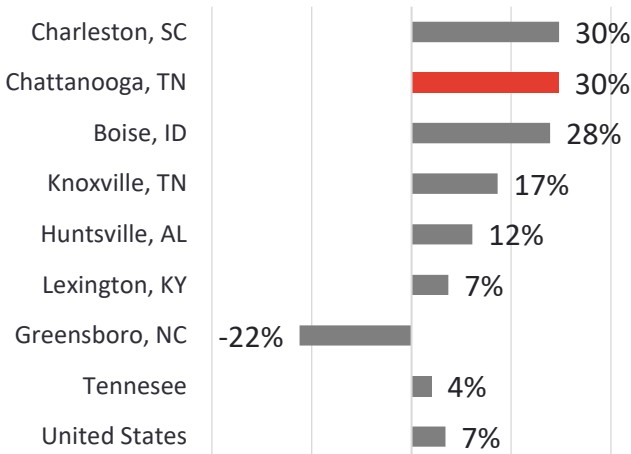
Advanced manufacturing growth, 2017 - 2021



Source:
Lightcast and EY

Future technology growth, 2017 - 2021

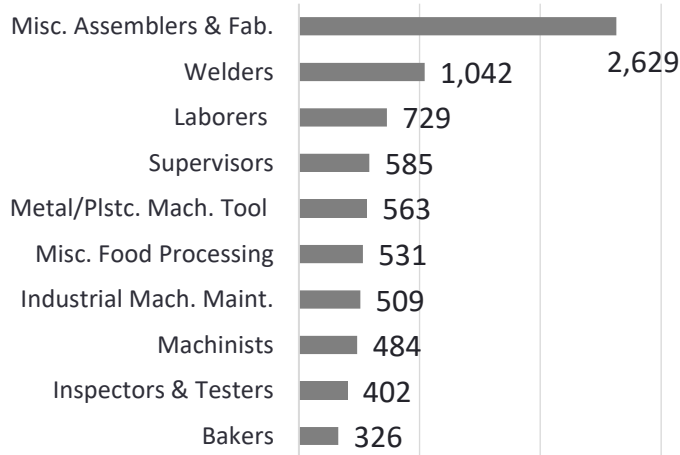
Software & information technology growth, 2017 - 2021



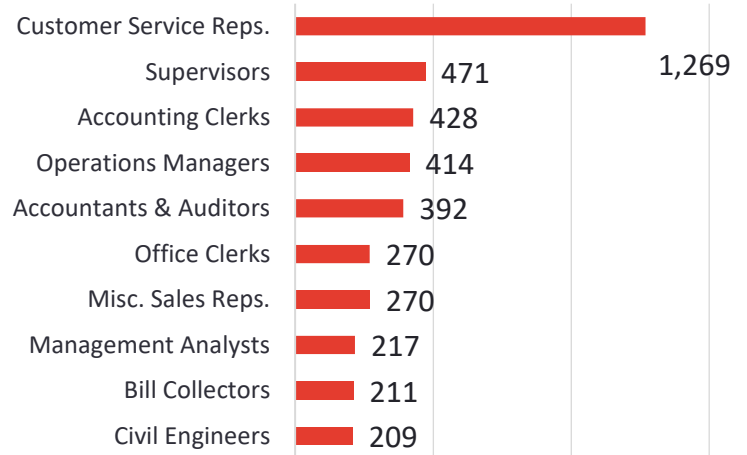
Source:
Lightcast and EY

Target industry staffing patterns

Largest advanced manufacturing occupations, Chattanooga, 2021

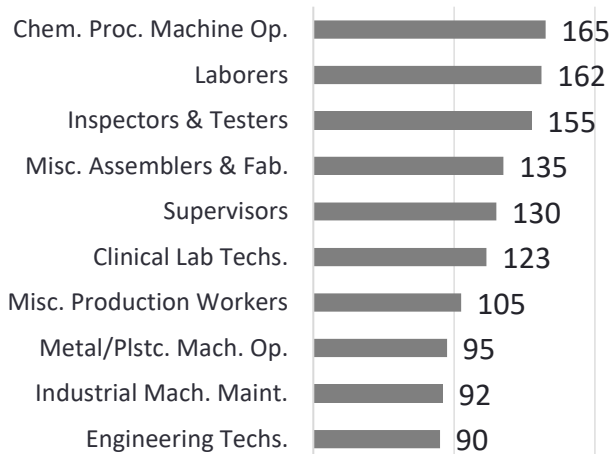


Largest professional and support services occupations, Chattanooga, 2021

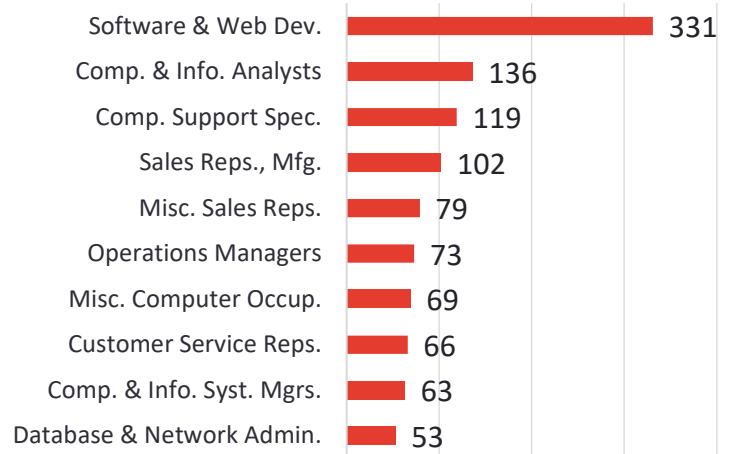


Source:
Lightcast and EY

Largest future technology occupations, Chattanooga, 2021



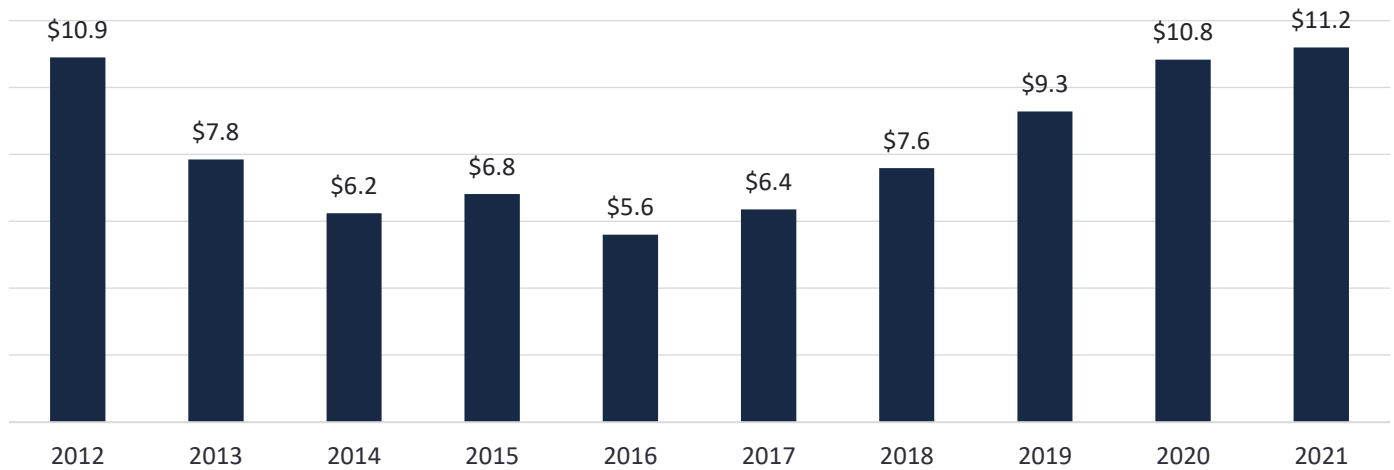
Largest software & information technology occupations, Chattanooga, 2021



Source:
Lightcast and EY

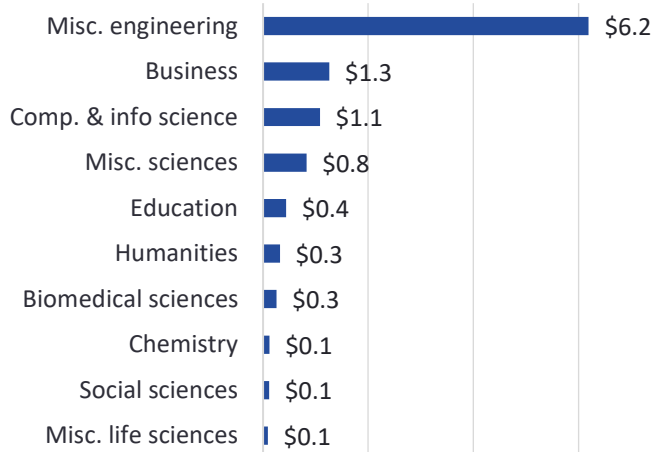
University research and development activity

University research and development expenditures (\$ millions), University of Tennessee - Chattanooga, 2012 - 2021

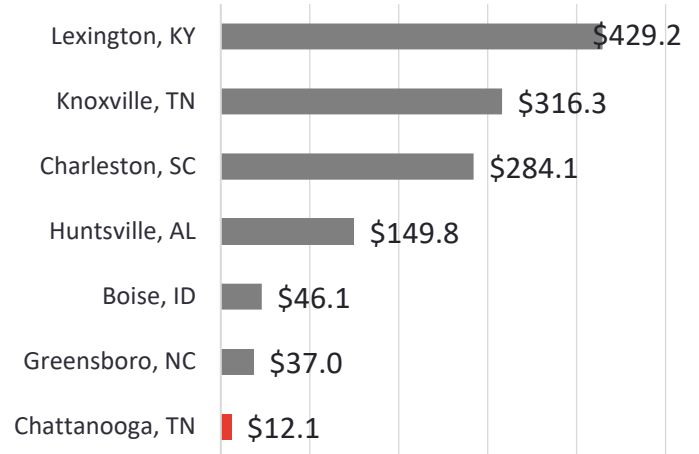


Source:
National Science Foundation and EY

Top 10 research fields (\$ millions) at the University of Tennessee Chattanooga, 2021



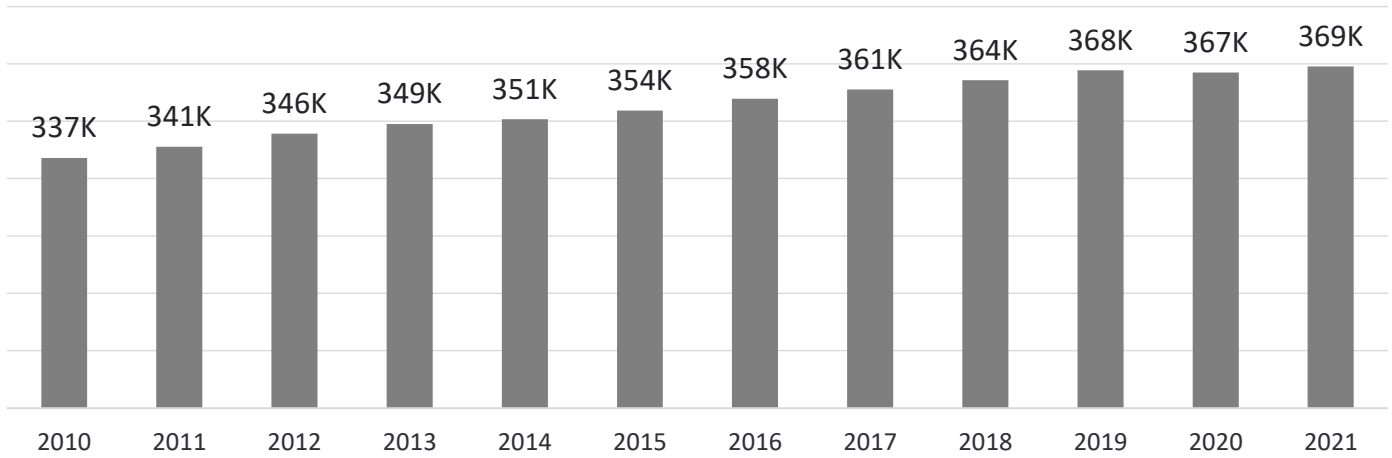
University research and development expenditures (\$ millions), 2021



Source:
National Science Foundation and EY

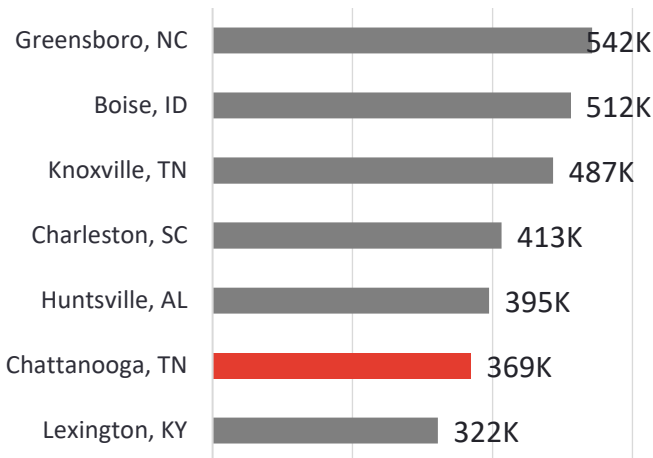
Population trends

Total population, Chattanooga, 2010 - 2021

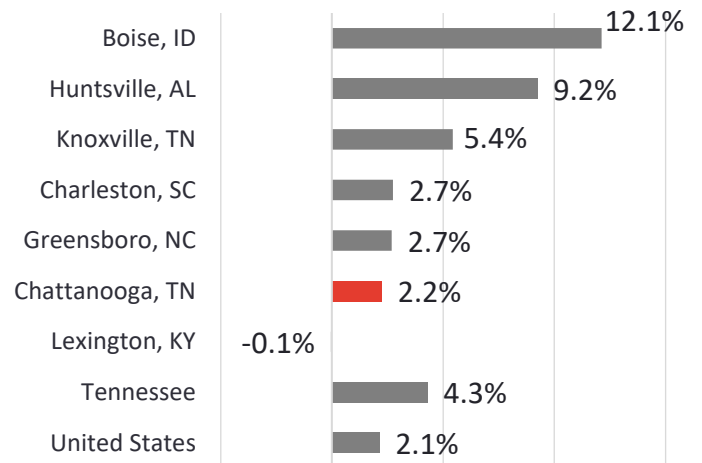


Source:
US Census Population Estimates and EY

Total population, 2021



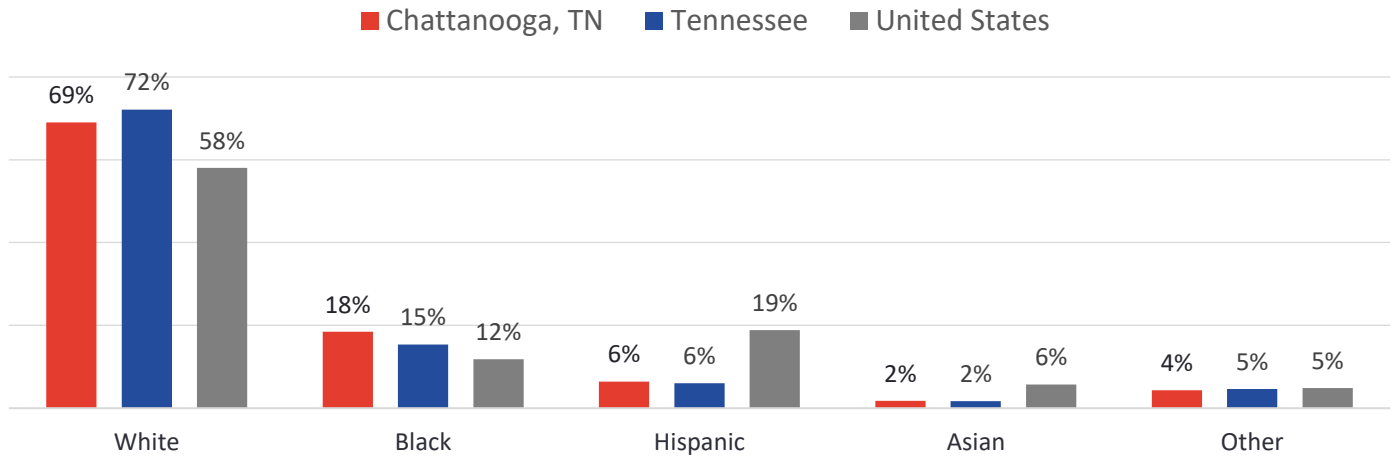
Population growth, 2017 – 2021



Source:
US Census Population Estimates and EY

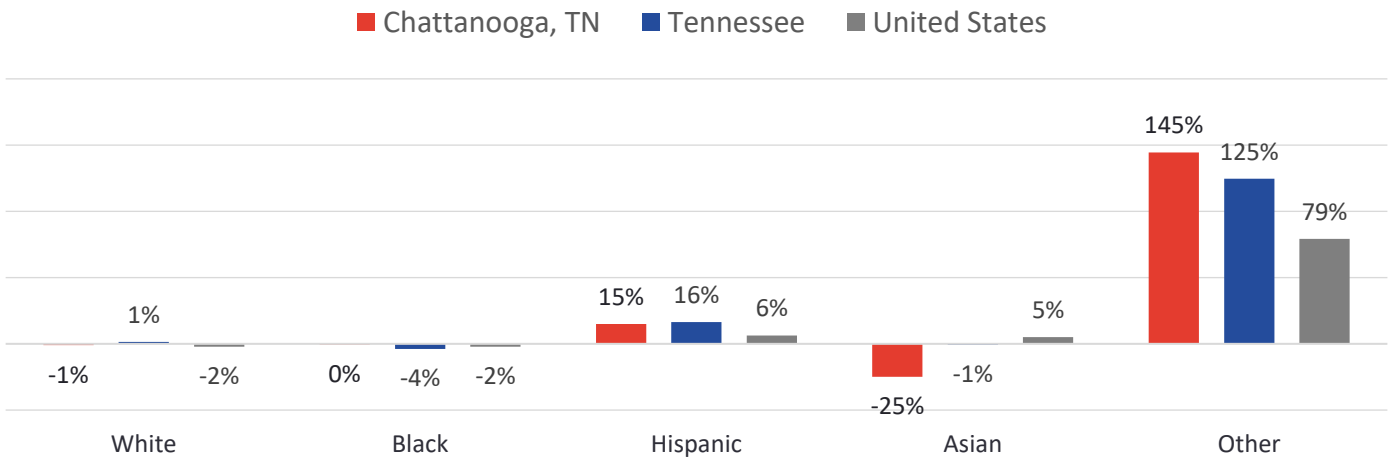
Racial diversity

Share of population by race, 2021



Source:
US Census American Community Survey and EY

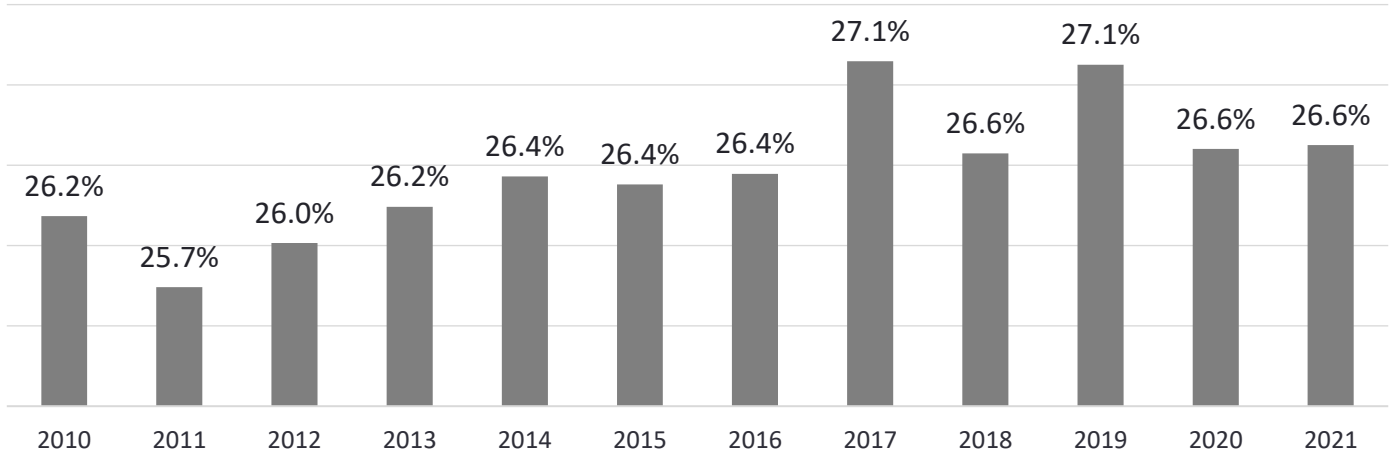
Population growth by race, 2017 to 2021



Source:
US Census American Community Survey and EY

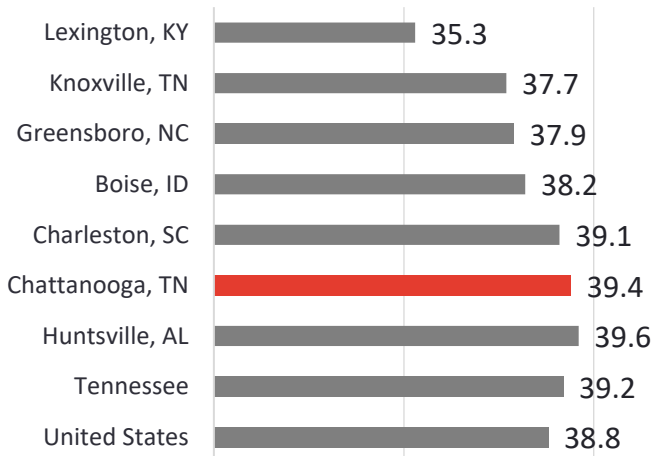
Age distribution

Share of population aged 25 - 44 years in Chattanooga, 2010 - 2021

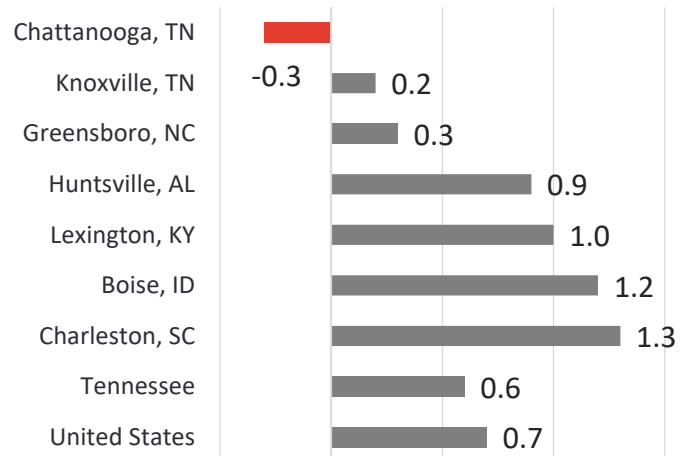


Source:
US Census American Community Survey and EY

Median age, 2021



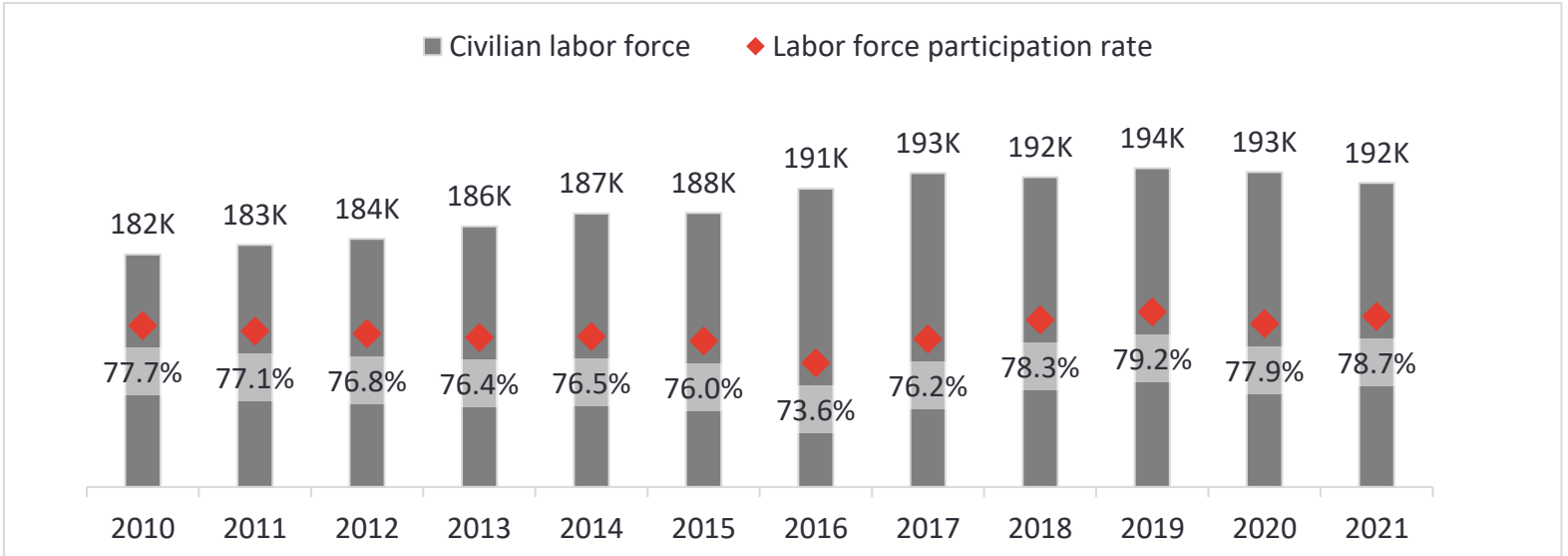
Change in median age, 2017 - 2021



Source:
US Census American Community Survey and EY

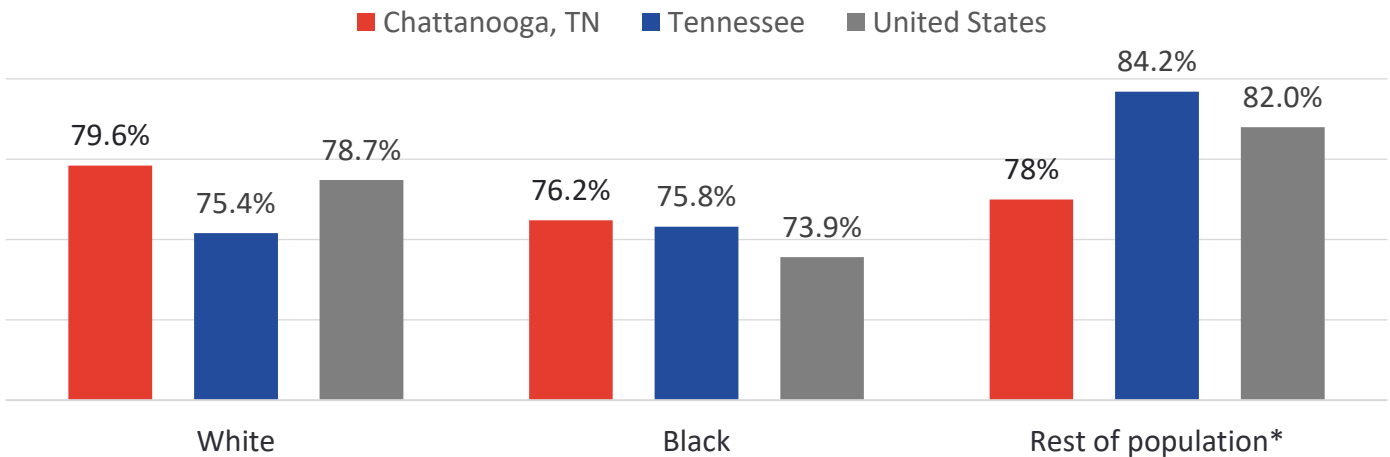
Labor force participation

Civilian prime working age (25-64) labor force and participation rate, Chattanooga, 2010 - 2021



Source:
US Census American Community Survey and EY

Civilian prime working age labor force participation rate by race, 2021

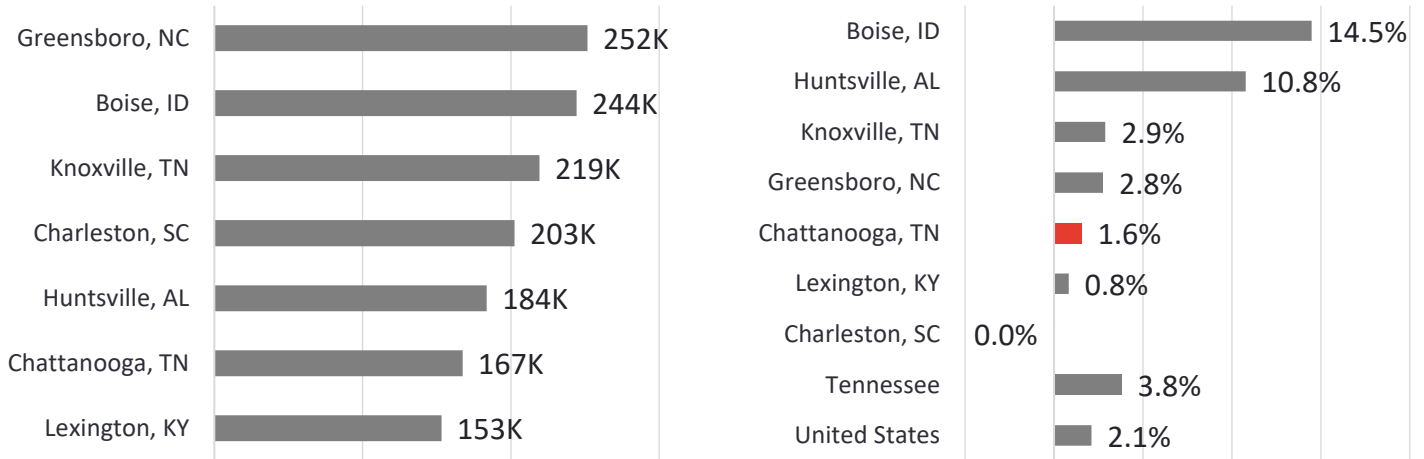


Source:
US Census American Community Survey and EY
*More detailed breakdowns are not yet available for 2021



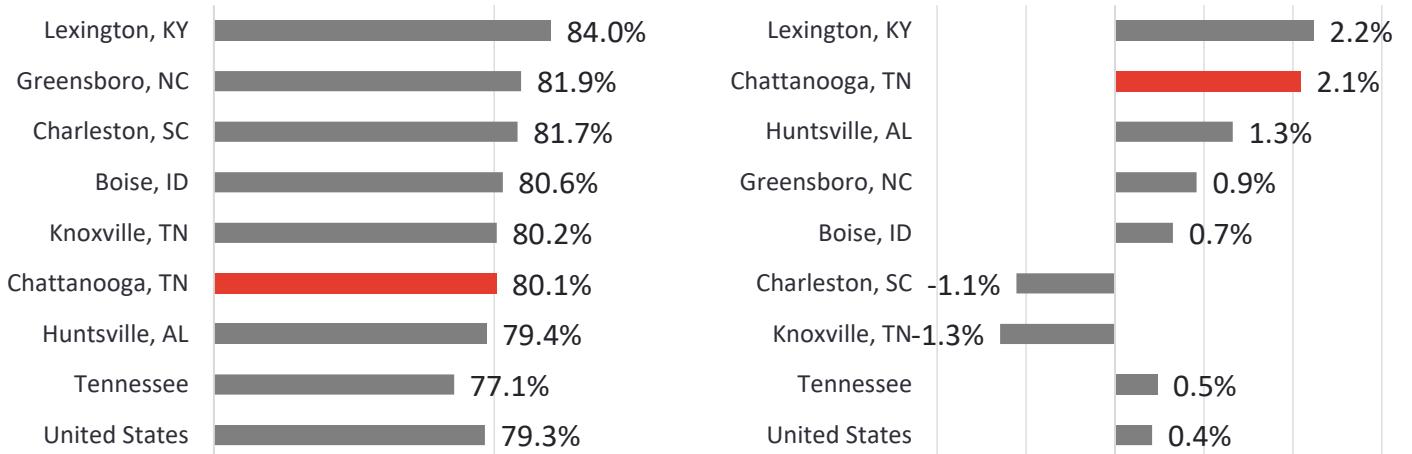
Labor force participation

Size of civilian prime working age labor force, 2021 Growth in civilian prime working age labor force, 2017-2021



Source:
US Census American Community Survey and EY

Civilian prime working age labor force participation rate, 2021 Percentage point change in civilian prime working age labor force participation rate, 2017-2021

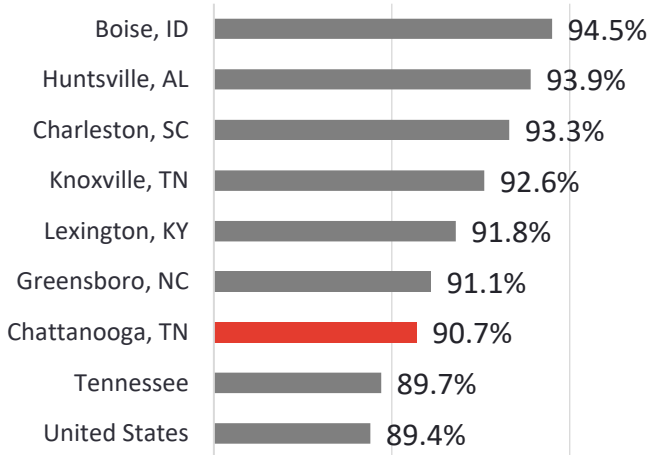


Source:
US Census American Community Survey and EY

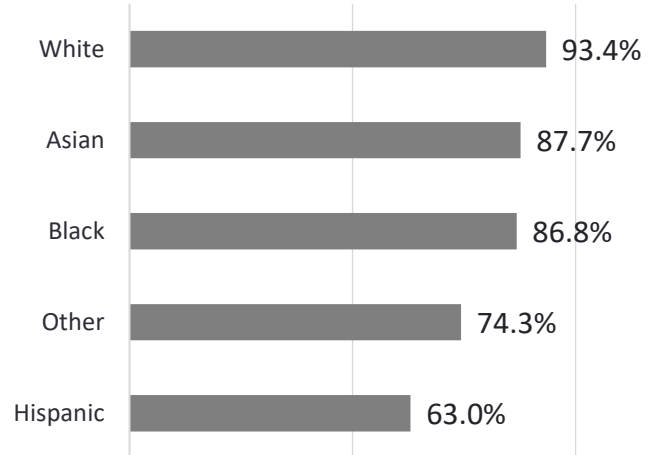


Educational attainment

Share of population over 25 with a high school degree, 2021

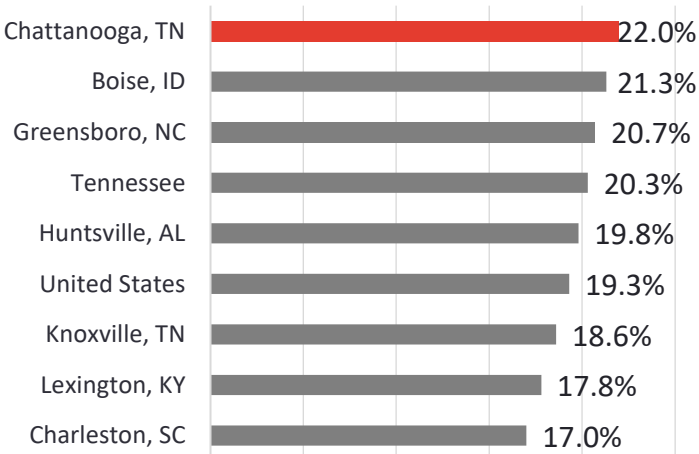


Share of population over 25 with a high school degree by race, Chattanooga, 2021

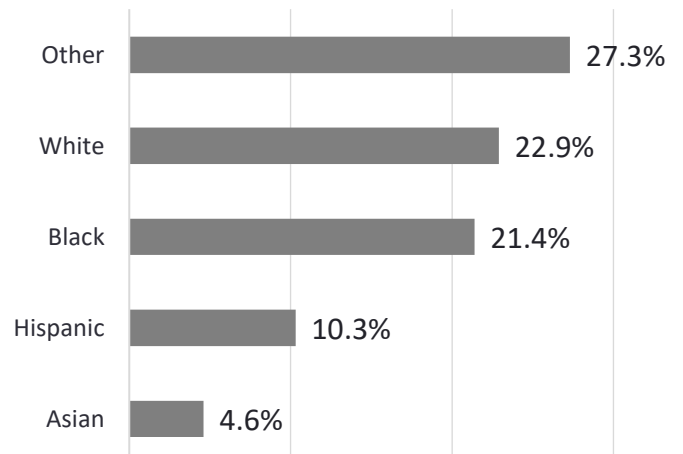


Source:
US Census American Community Survey and EY

Share of population over 25 with some college but no degree, 2021



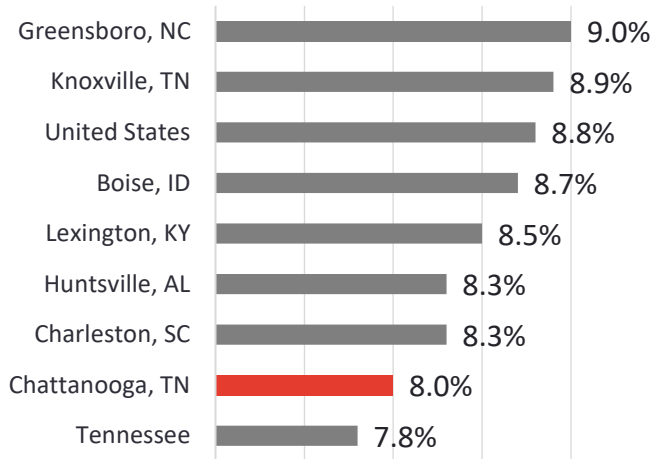
Share of population over 25 with some college but no degree by race, Chattanooga, 2021



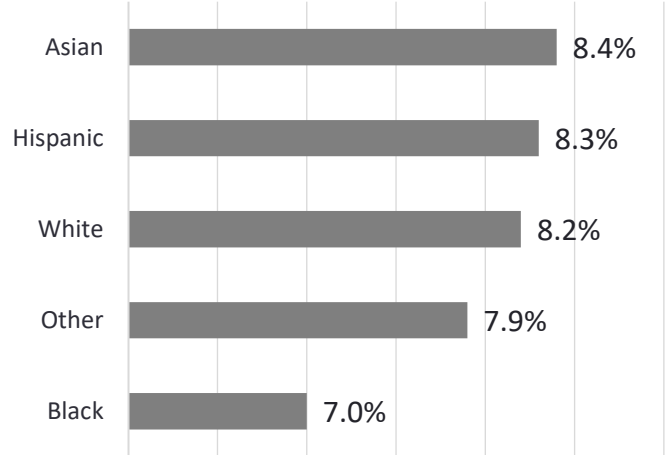
Source:
US Census American Community Survey and EY

Educational attainment

Share of population over 25 with an associate degree, 2021

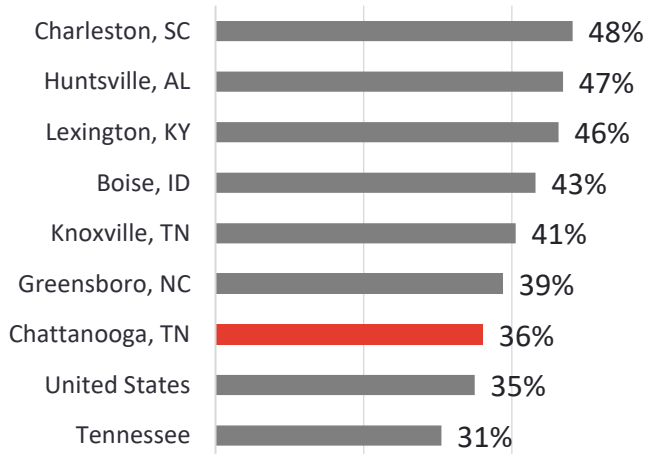


Share of population over 25 with an associate degree by race, Chattanooga, 2021

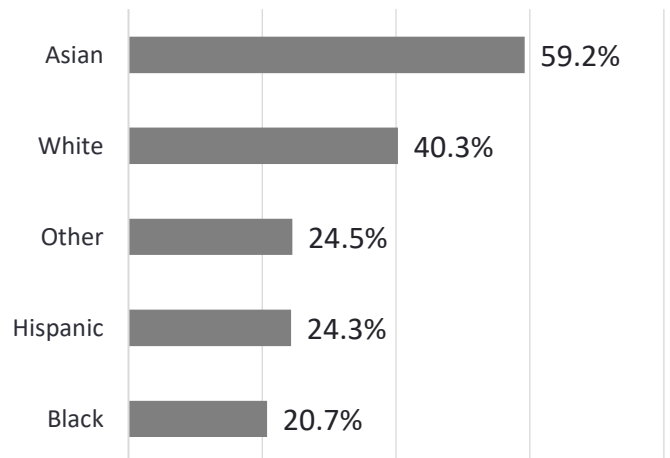


Source:
US Census American Community Survey and EY

Share of population over 25 with a bachelors degree or higher, 2021



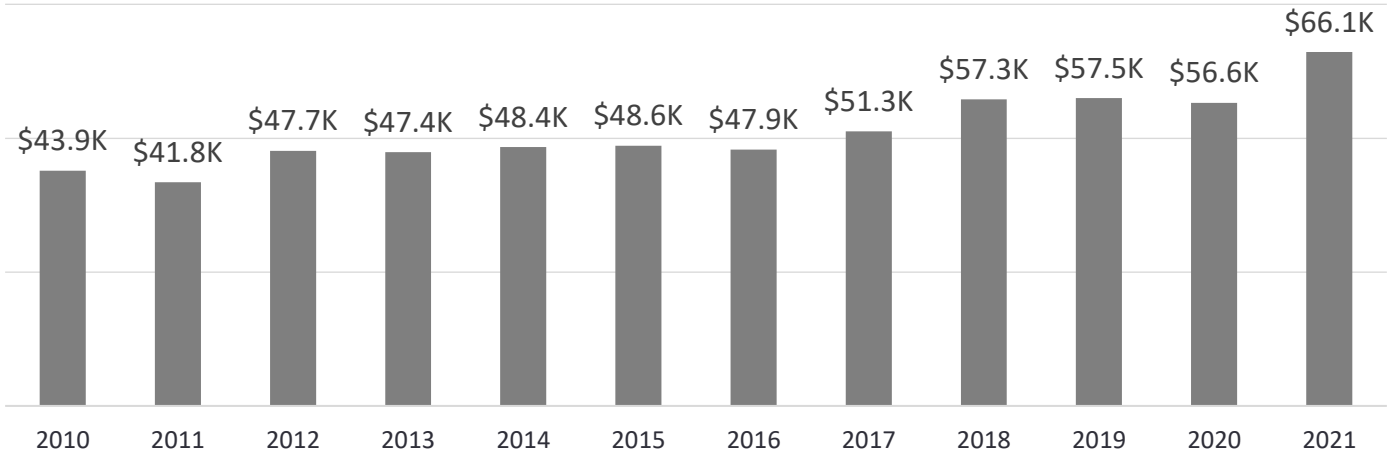
Share of population over 25 with a bachelors degree or higher by race, Chattanooga, TN, 2021



Source:
US Census American Community Survey and EY

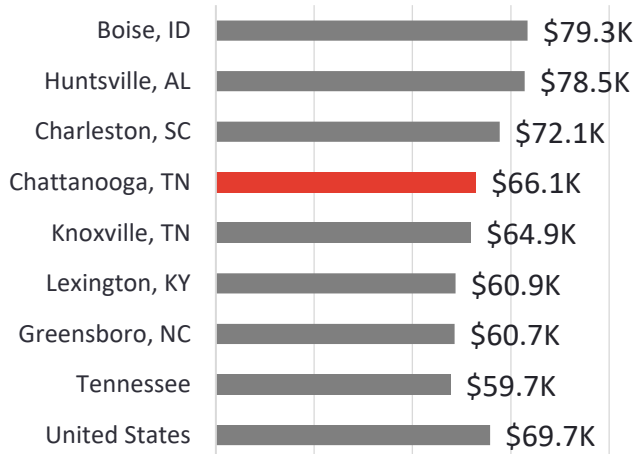
Income

Median household income, Chattanooga, TN, 2010 - 2021

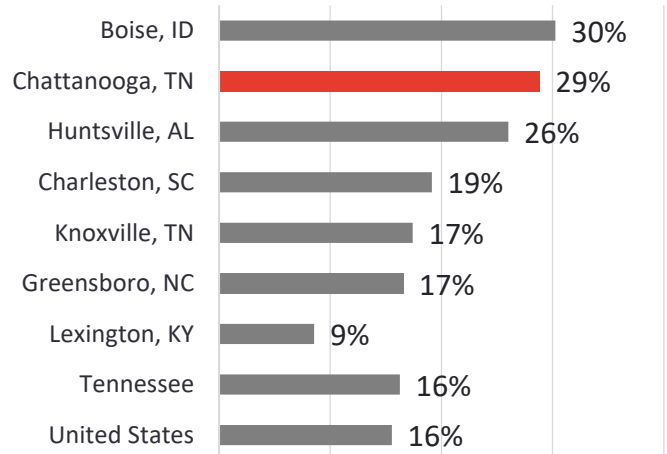


Source:
US Census American Community Survey and EY

Median household income, 2021



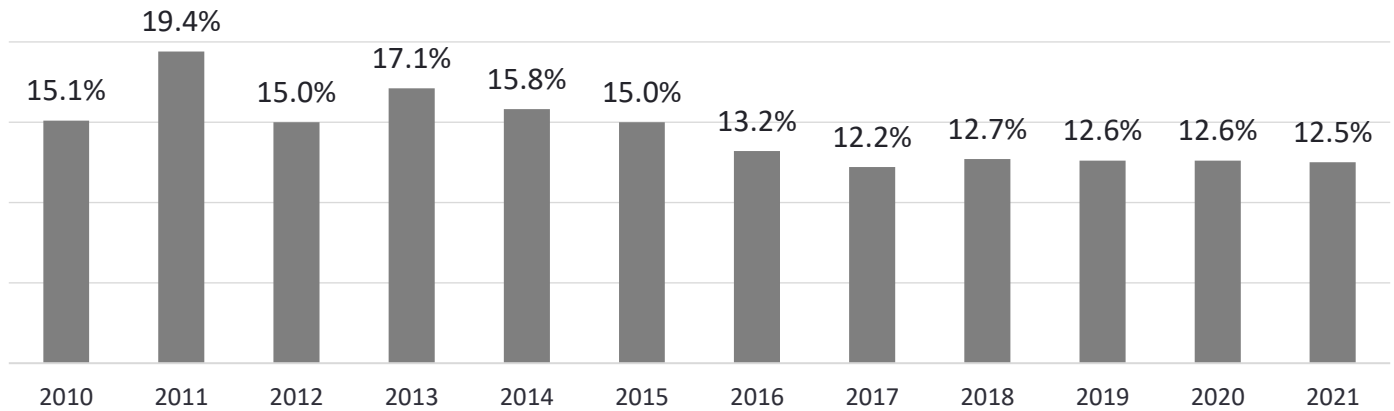
Median household income growth, 2017 - 2021



Source:
US Census American Community Survey and EY

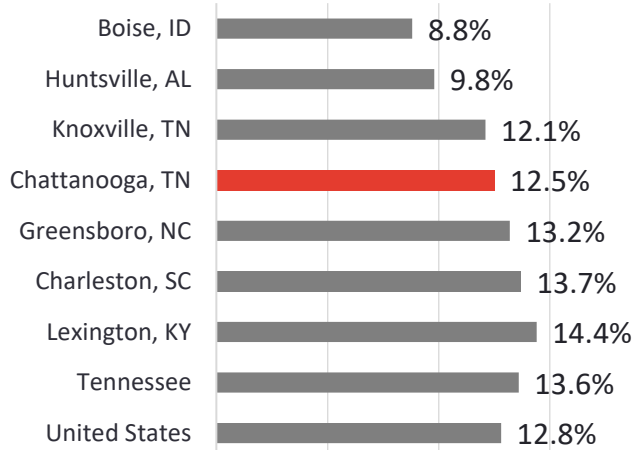
Poverty

Poverty rate, Chattanooga, TN, 2010 - 2021

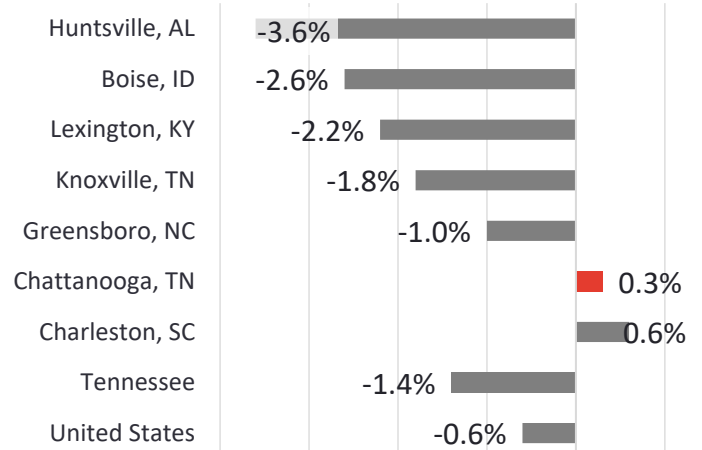


Source:
US Census American Community Survey and EY

Poverty rate, 2021



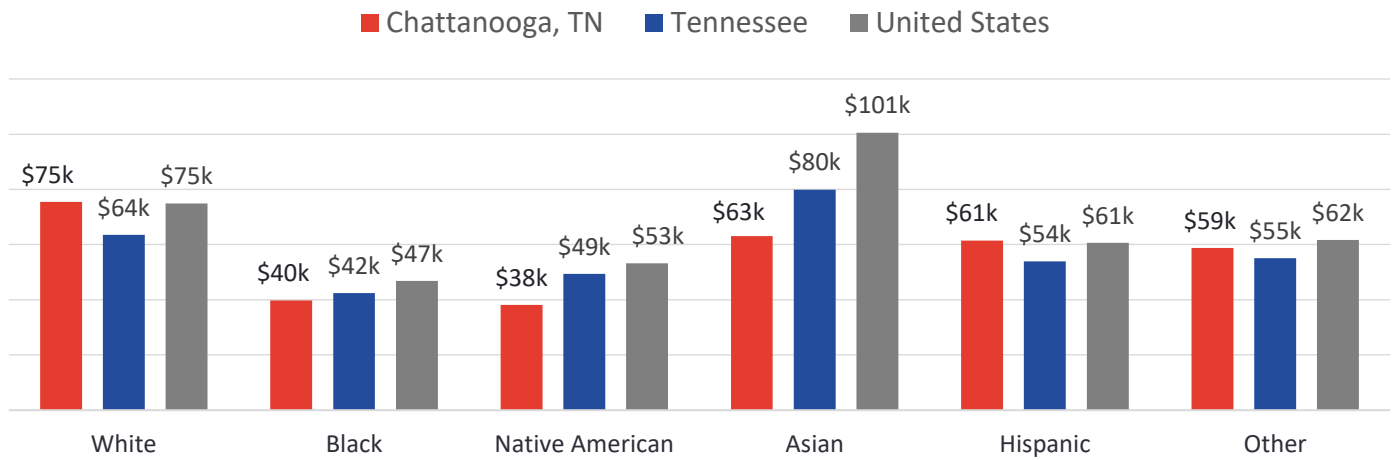
Percentage point change in poverty rate, 2017 - 2021



Source:
Lightcast and EY

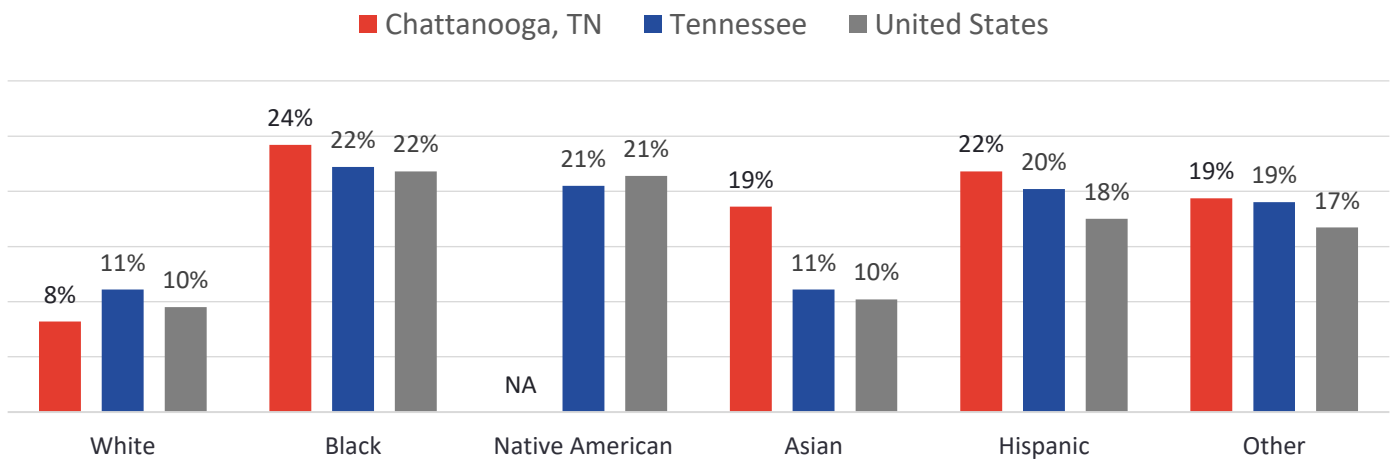
Poverty and income by race

Median household income by race, 2020



Source:
US Census Bureau Population Estimates and EY

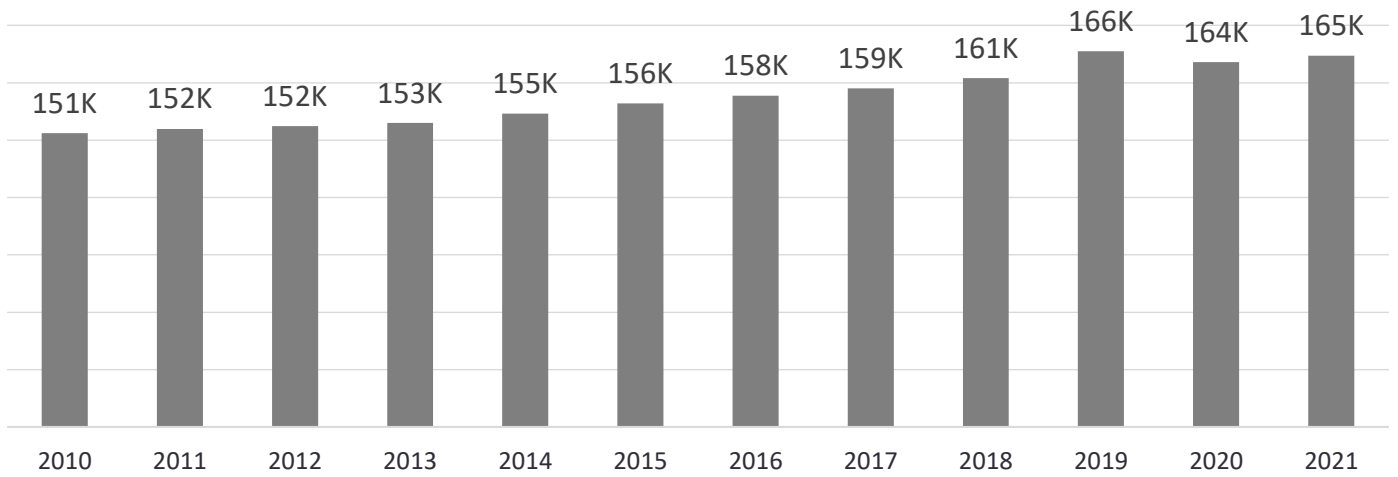
Poverty rate by race, 2020



Source:
US Census Bureau Population Estimates and EY

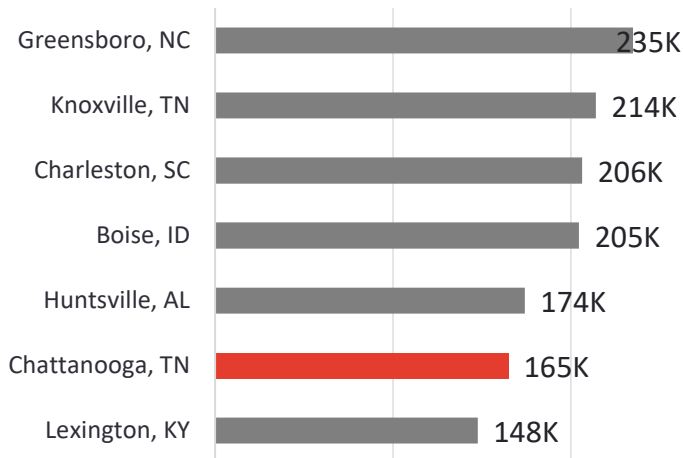
Housing units

Total housing units, Chattanooga, TN, 2010 - 2021

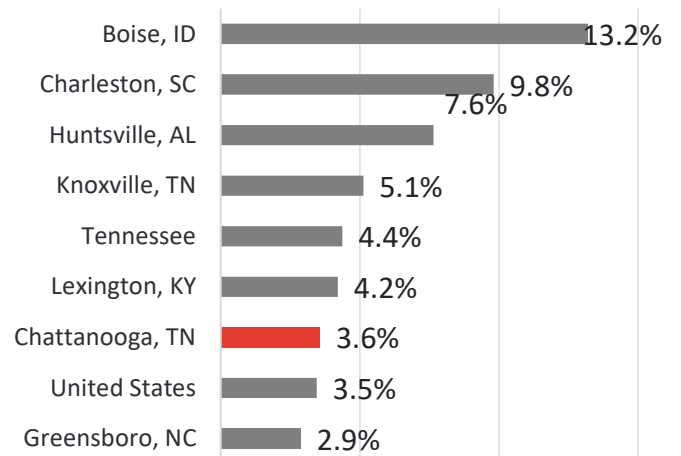


Source:
US Census American Community Survey and EY

Total housing units, 2021



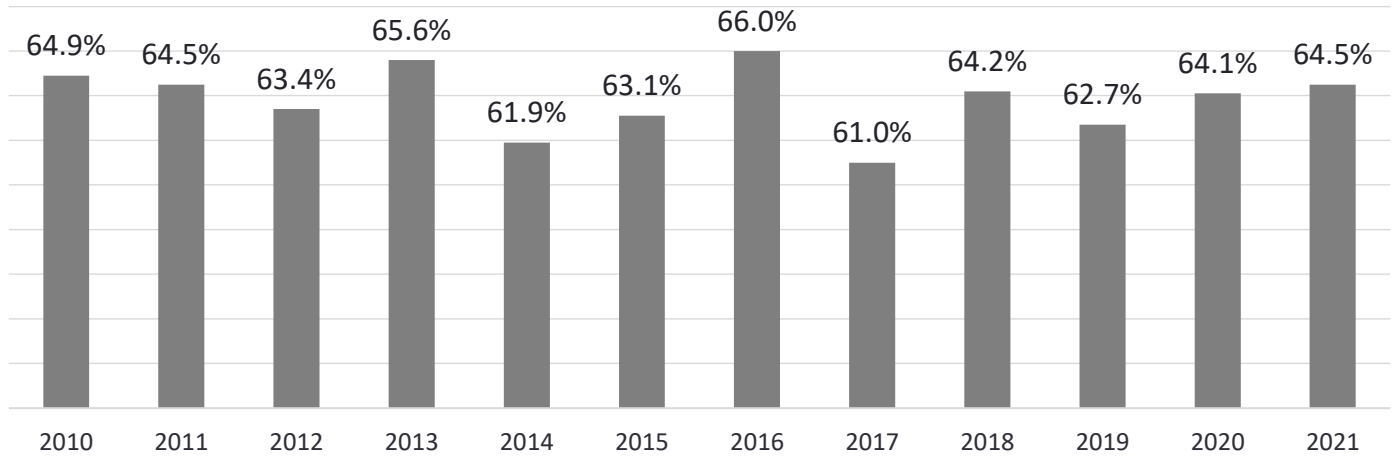
Growth in housing units, 2017-2021



Source:
US Census American Community Survey and EY

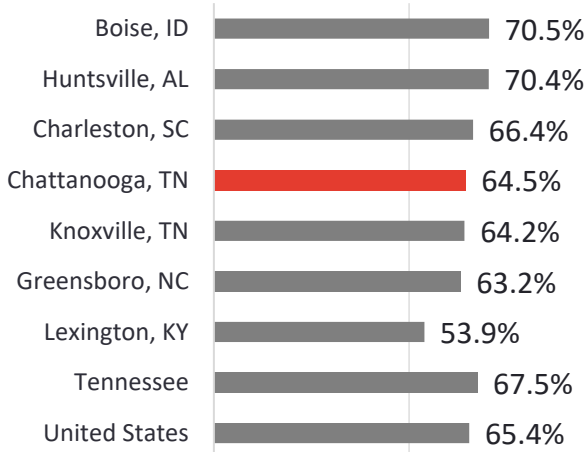
Owner-occupied units

Share of owner-occupied housing, Chattanooga, 2010 - 2021

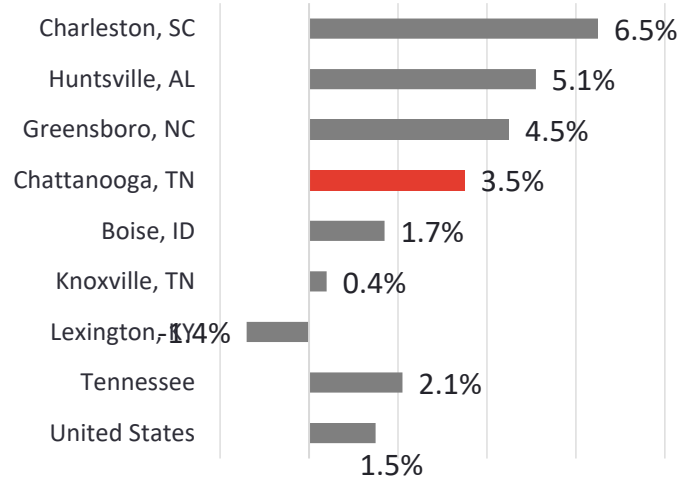


Source:
US Census American Community Survey and EY

Share of owner-occupied housing, 2021



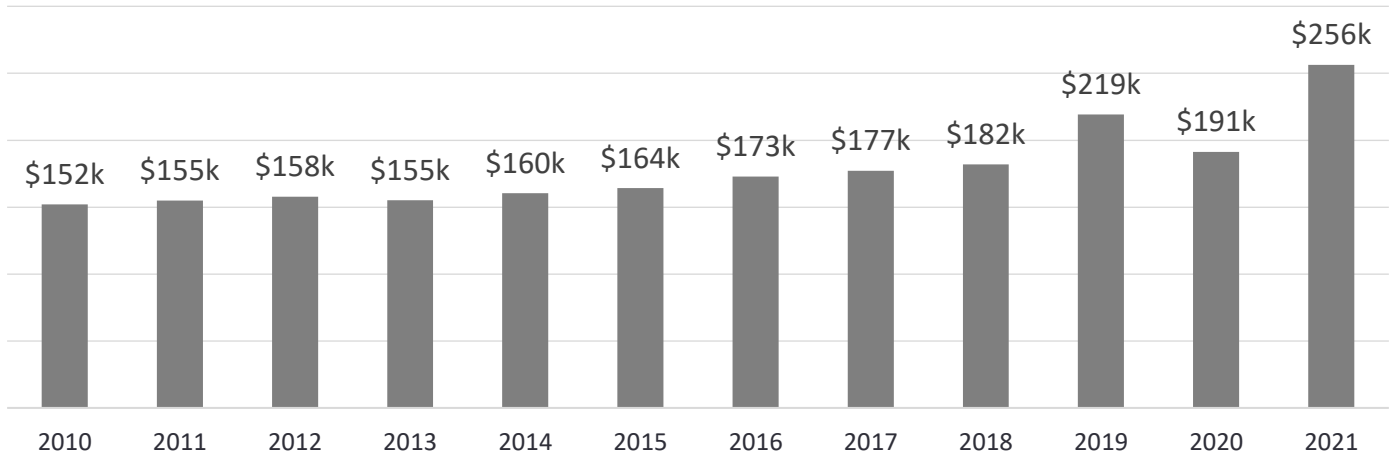
Percentage point change in owner-occupied housing, 2017 - 2021



Source:
US Census American Community Survey and EY

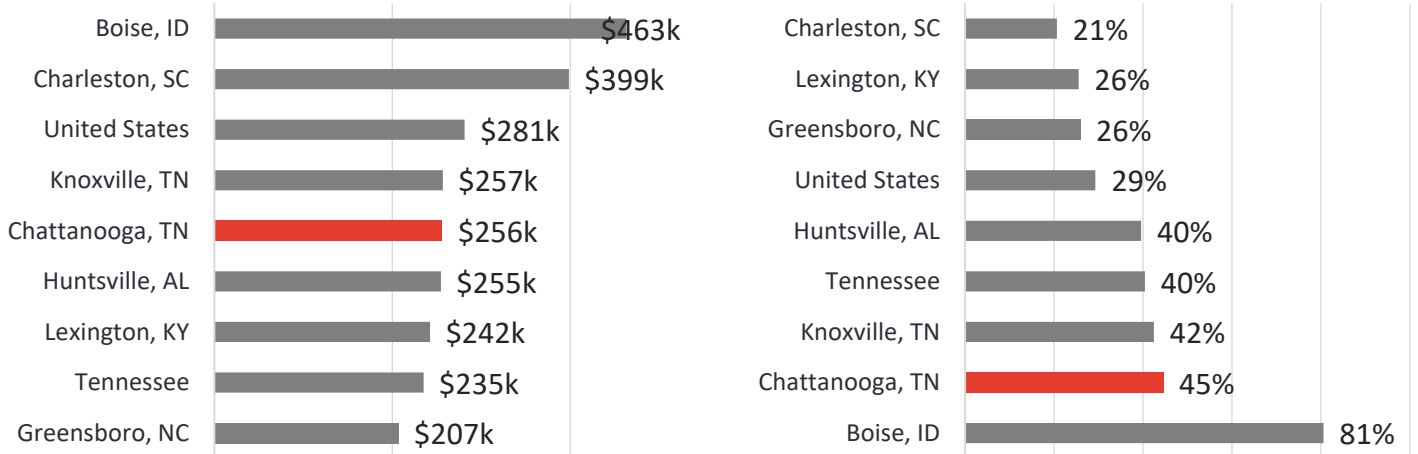
Home values

Median value of owner-occupied homes, Chattanooga, 2010 - 2021



Source:
US Census American Community Survey and EY

Median value of owner-occupied homes, 2021 Change in median value of owner-occupied homes, 2017 - 2021

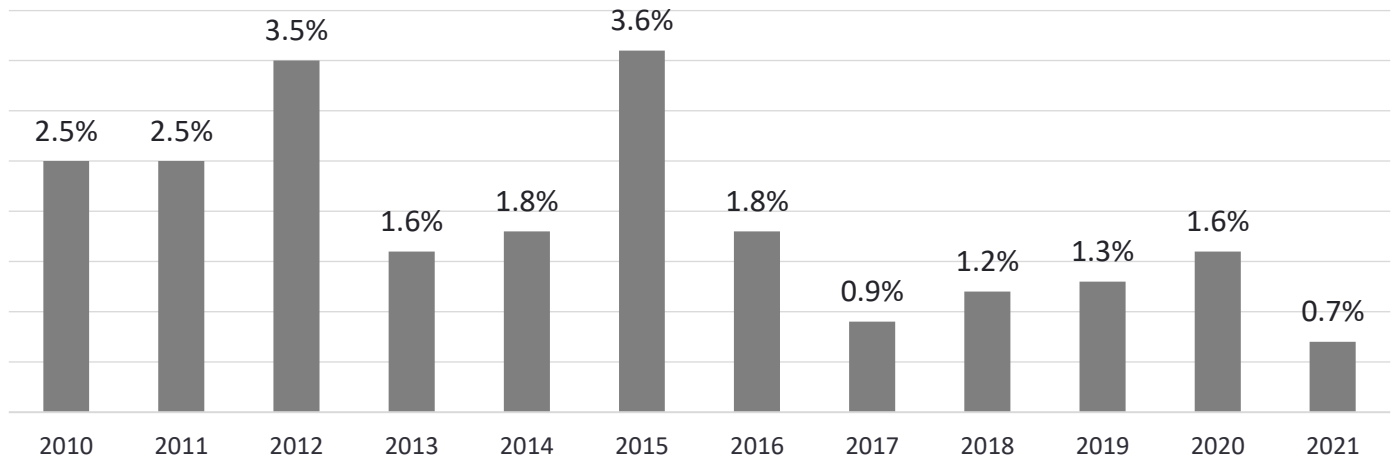


Source:
US Census American Community Survey and EY



Homeowner vacancy rate

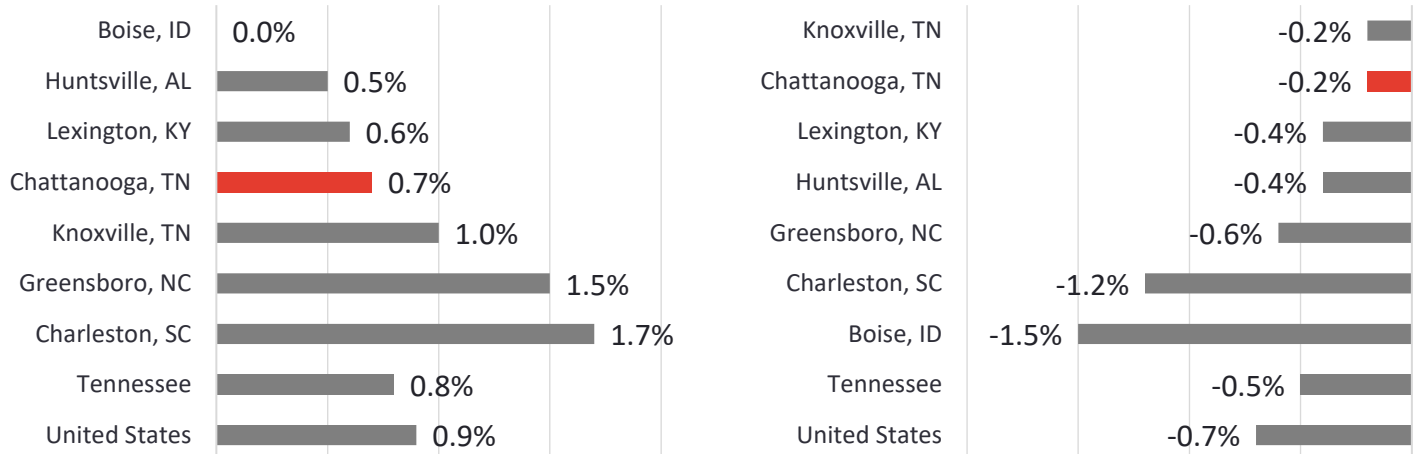
Homeowner vacancy rate, Chattanooga, TN, 2010 - 2021



Source:
US Census American Community Survey and EY

Homeowner vacancy rate, 2021

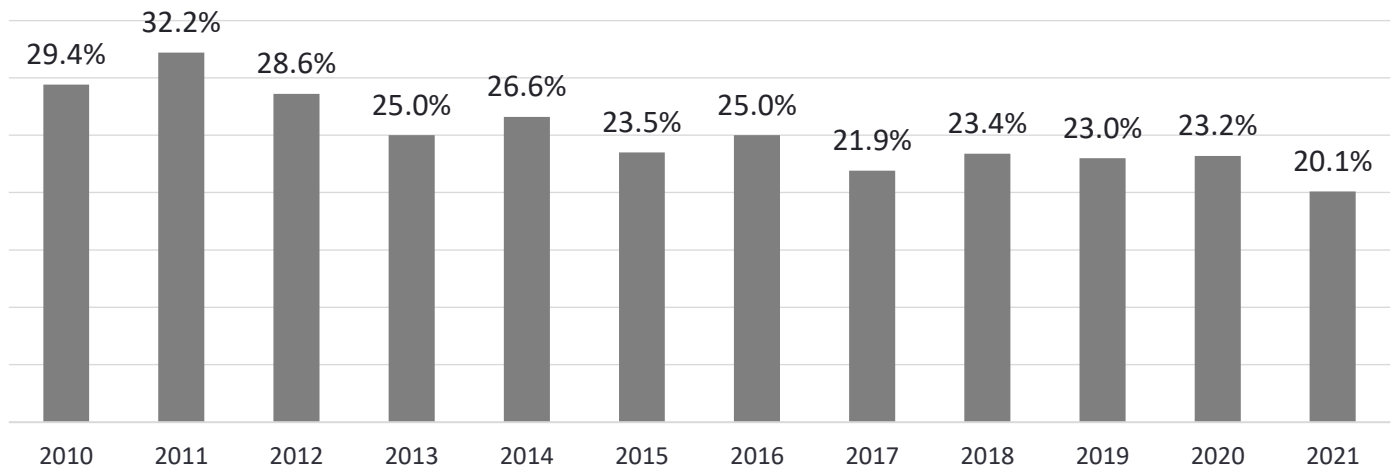
Percentage point change in homeowner vacancy rate, 2017 - 2021



Source:
US Census American Community Survey and EY

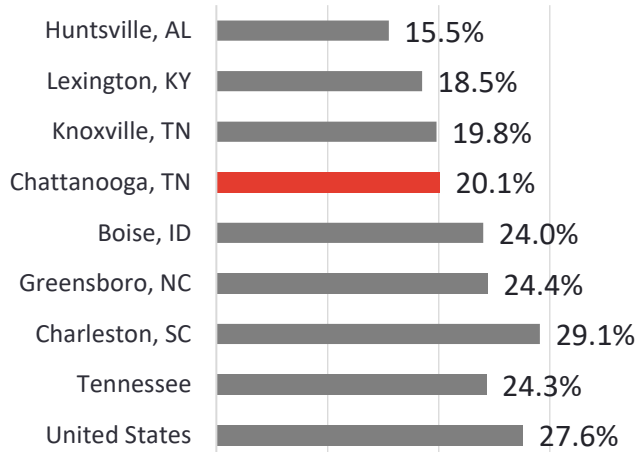
Owner-occupied unit affordability

Share of owner-occupied housing that is unaffordable*, INCOG region, 2010 - 2020

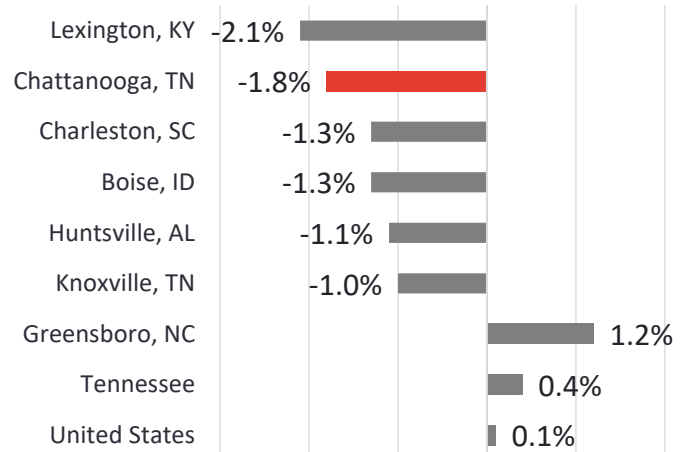


Source:
US Census American Community Survey and EY
*Unaffordable is measured as 30% or more of income spent on mortgage

Share of owner-occupied housing that is unaffordable*, 2021



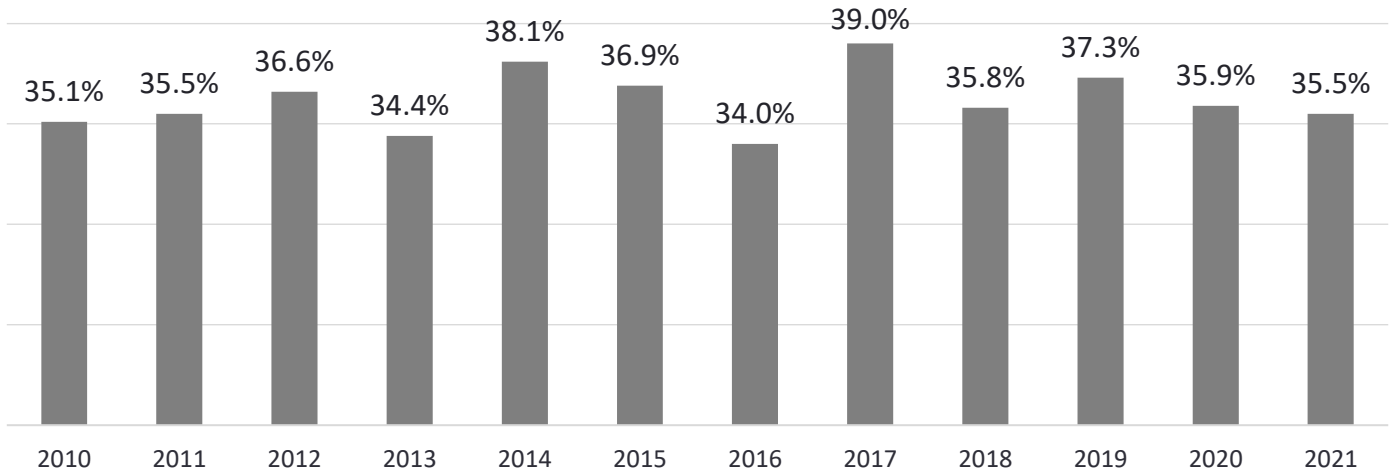
Percentage point change in share of owner-occupied housing that is unaffordable*, 2017 - 2021



Source:
US Census American Community Survey and EY
*Unaffordable is measured as 30% or more of income spent on mortgage

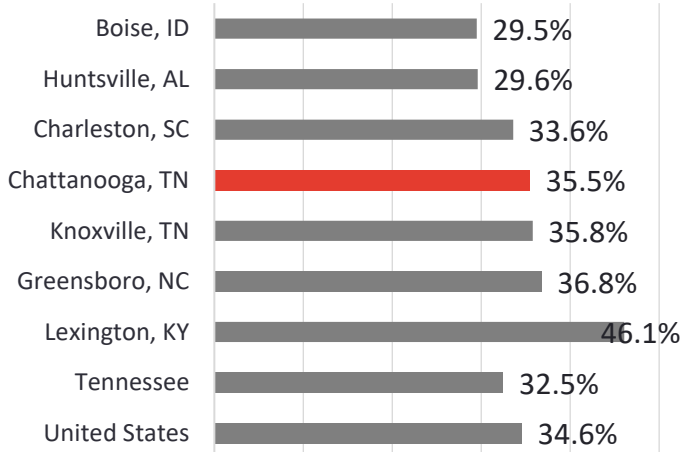
Renter-occupied units

Share of renter-occupied housing, Chattanooga, TN, 2010 - 2021

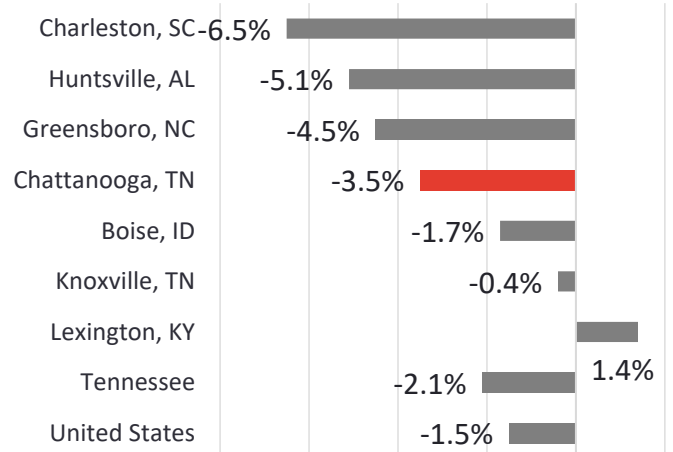


Source:
US Census American Community Survey and EY

Share of renter-occupied housing, 2021



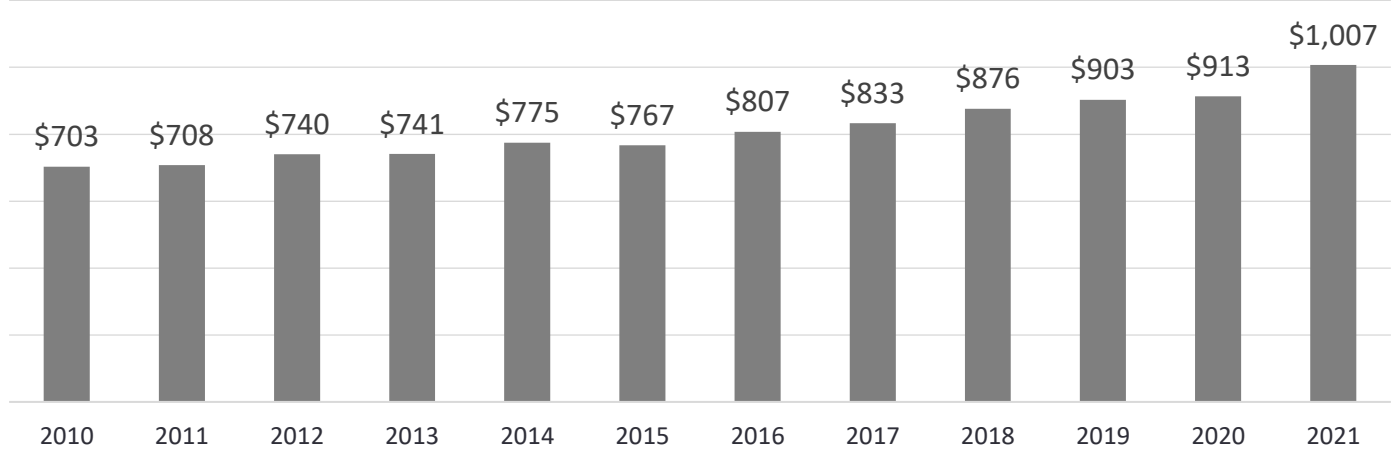
Percentage point change in renter-occupied housing, 2017 - 2021



Source:
US Census American Community Survey and EY

Rental rates

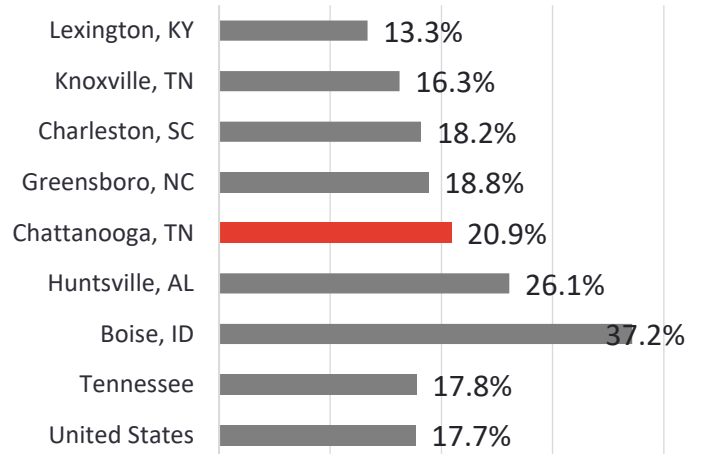
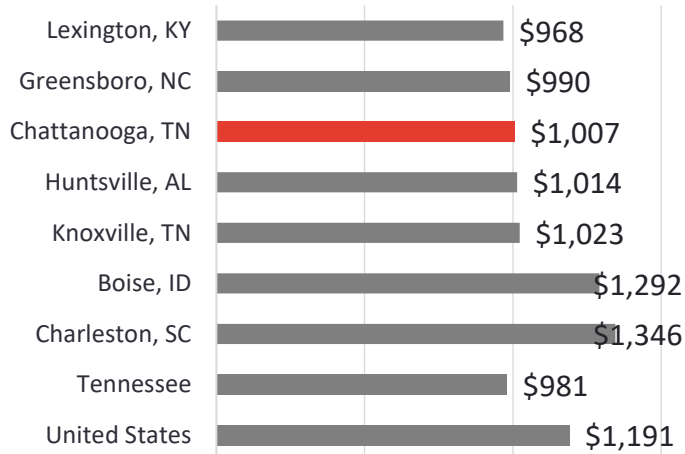
Median rent, Chattanooga, TN, 2010 - 2021



Source:
US Census American Community Survey and EY

Median rent, 2021

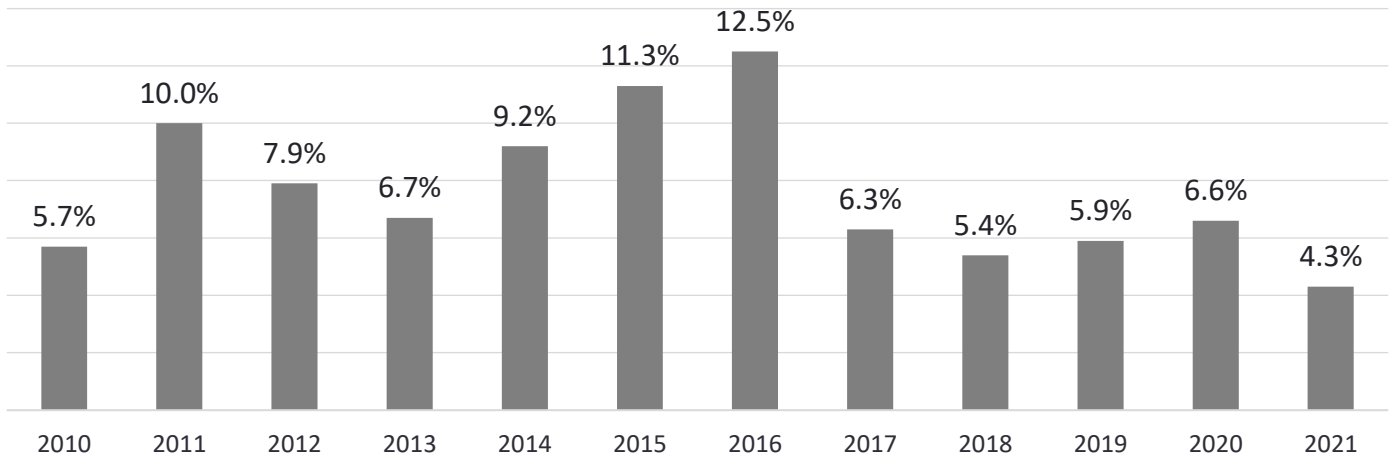
Change in median rent, 2017 - 2021



Source:
US Census American Community Survey and EY

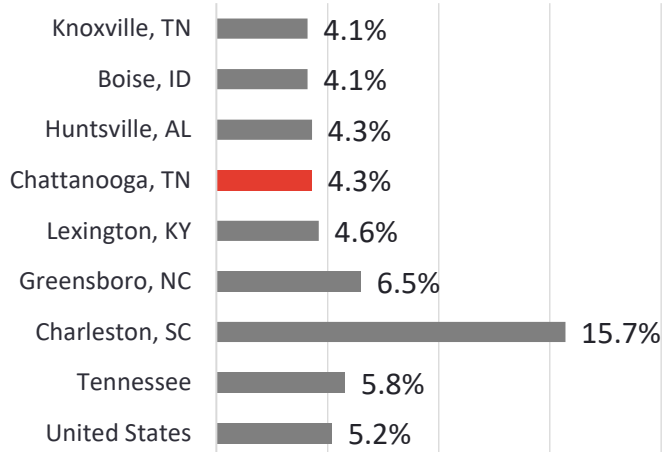
Rental vacancy rate

Rental vacancy rate, Chattanooga, TN, 2010 - 2021

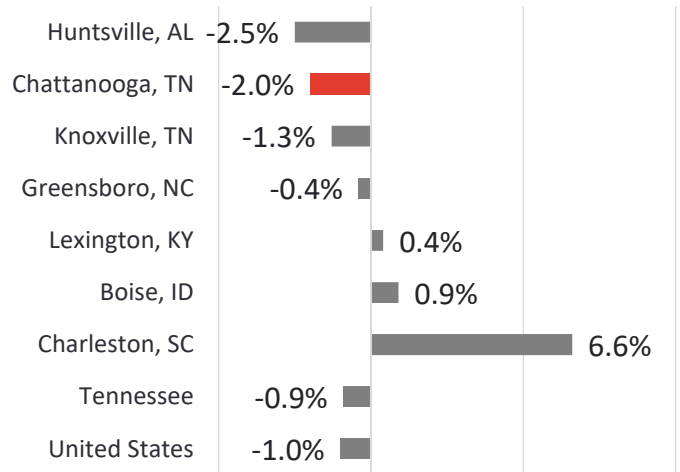


Source:
US Census American Community Survey and EY

Rental vacancy rate, 2021



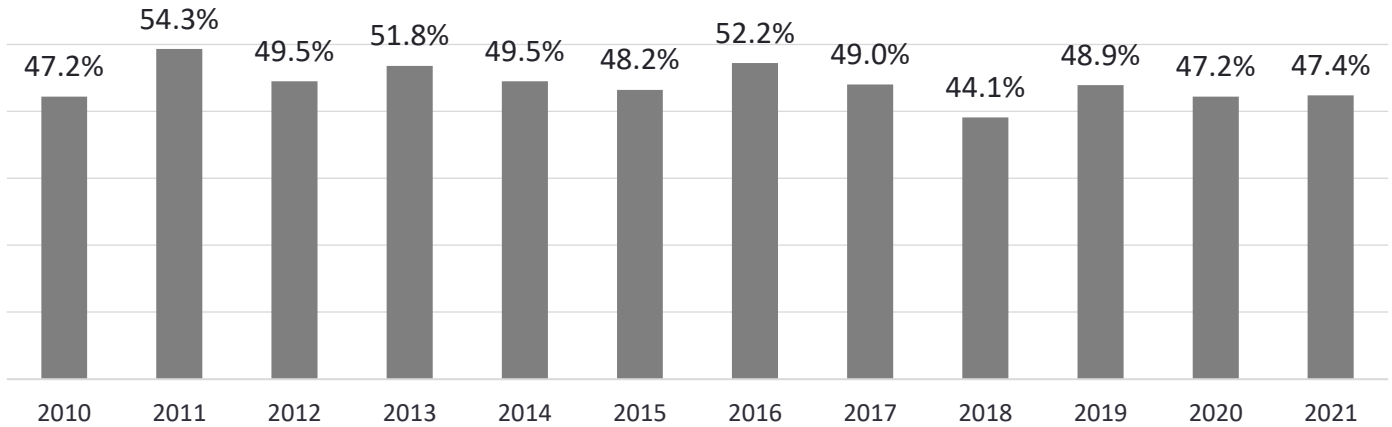
Percentage point change in rental vacancy rate, 2017 - 2021



Source:
US Census American Community Survey and EY

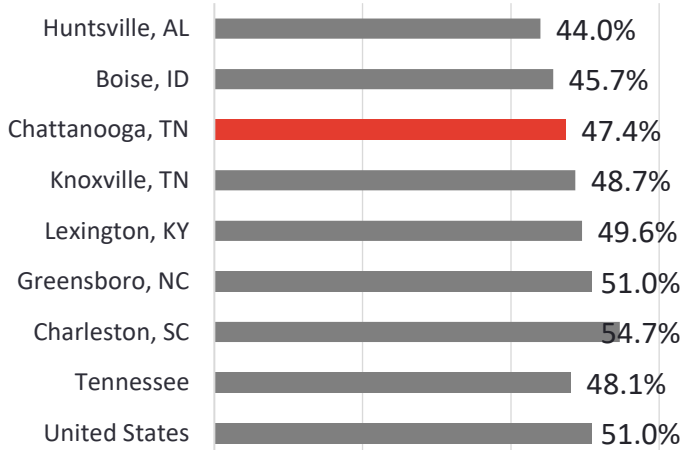
Renter-occupied unit affordability

Share of renter-occupied housing that is unaffordable*, Chattanooga, TN, 2010 - 2021

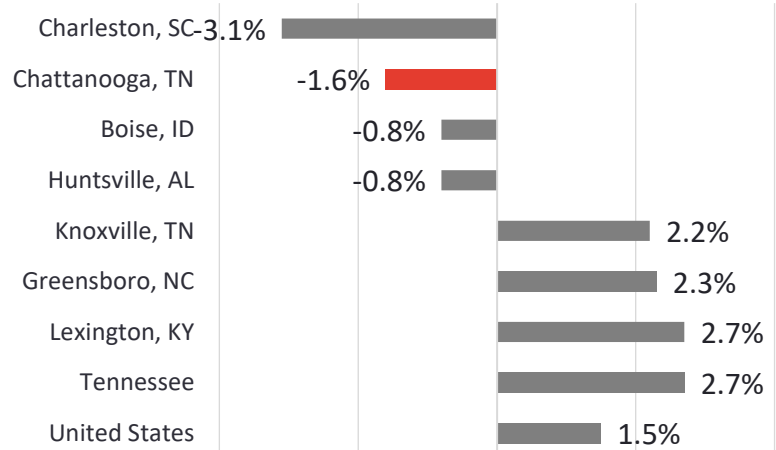


Source:
US Census American Community Survey and EY
*Unaffordable is measured as 30% or more of income spent on rent

Share of renter-occupied housing that is unaffordable*, 2021



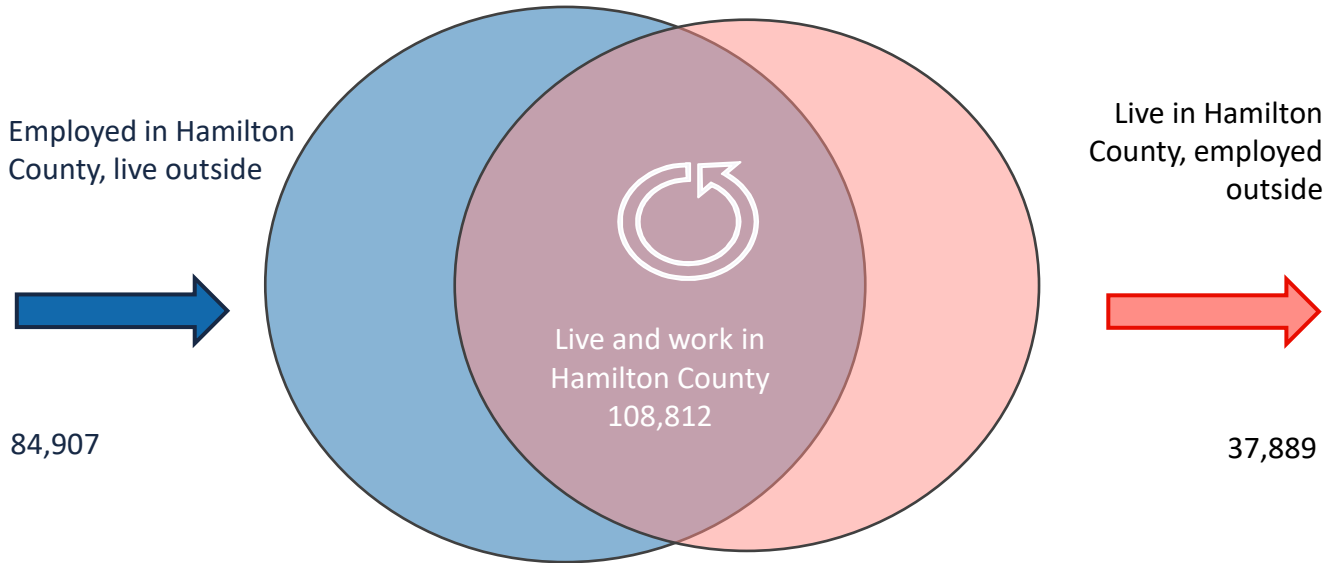
Percentage point change in share of renter-occupied housing that is unaffordable*, 2017 - 2021



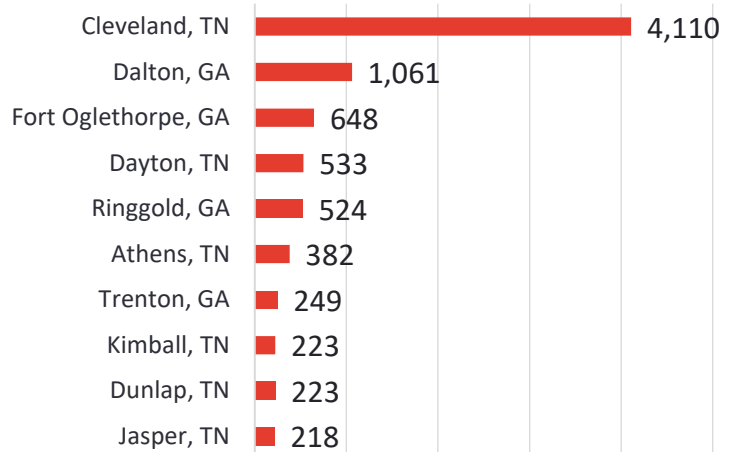
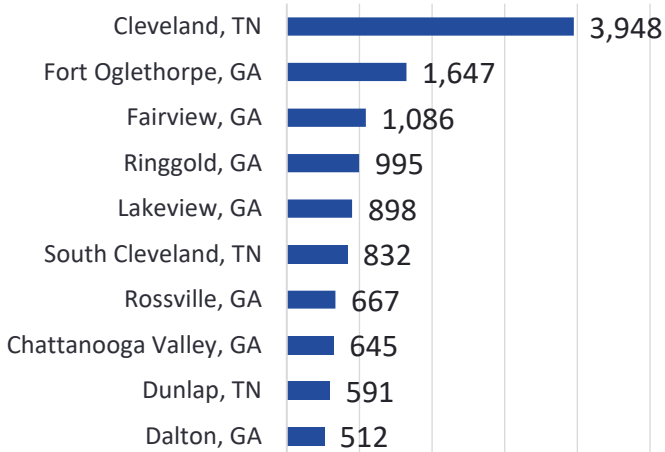
Source:
US Census American Community Survey and EY
*Unaffordable is measured as 30% or more of income spent on rent

Commute patterns

Workforce inflow/outflow dynamics, Hamilton County, 2019



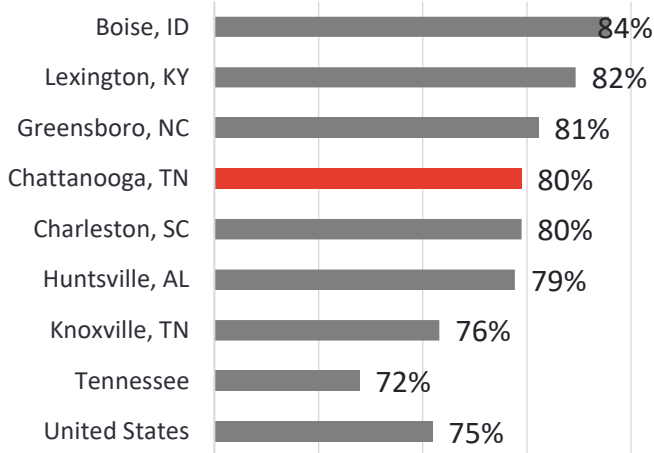
Top 10 locations Hamilton County workers live outside the county, 2019 | Top 10 locations Hamilton County residents work outside the county, 2019



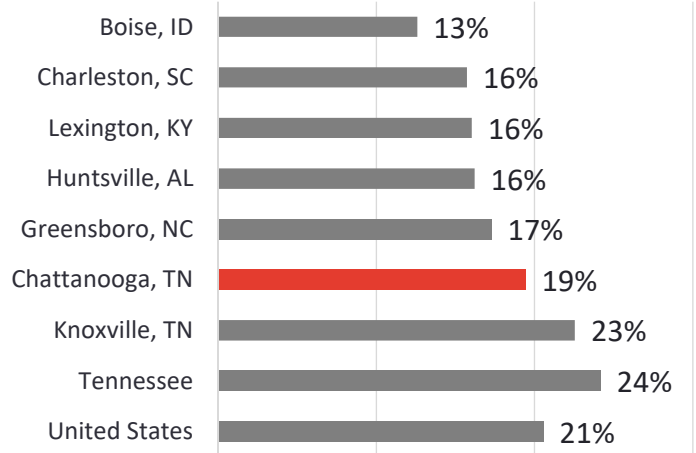
Source: Census Bureau, Longitudinal Employer-Household Dynamics, OnTheMap application and EY

Digital access

Share of households with broadband service, 2021

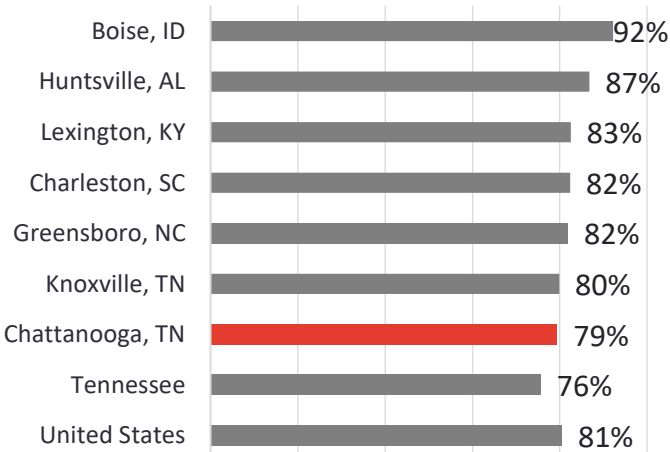


Share of households without internet (excluding cellular phone connections), 2021

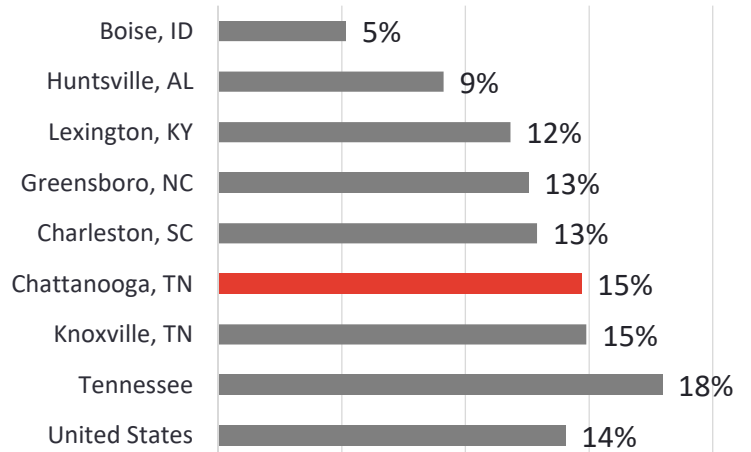


Source:
US Census American Community Survey and EY

Share of households with a desktop or laptop, 2021



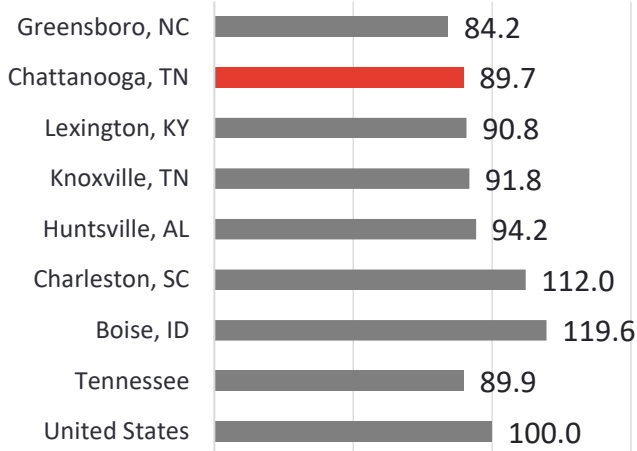
Share of households without a computer (excluding cellular phones), 2021



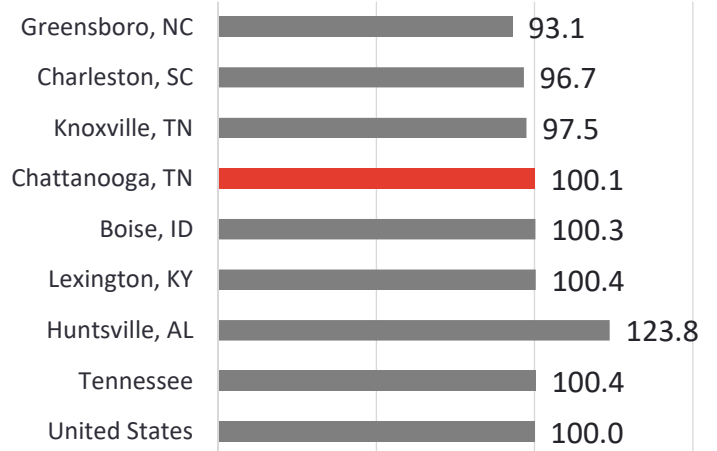
Source:
US Census American Community Survey and EY

Cost of living

Overall cost of living index rating, 2022

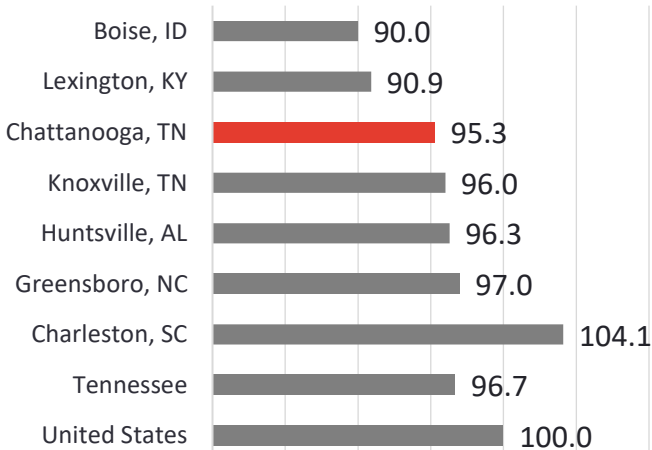


Health cost of living index rating, 2022

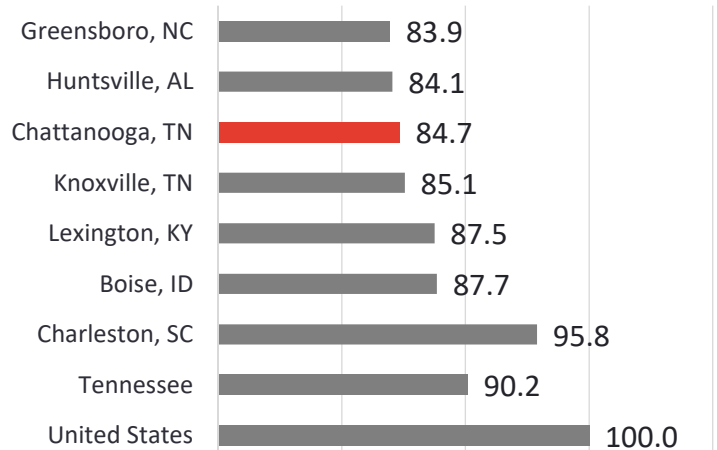


Source:
Sperling's Best Places and EY

Utilities cost of living index rating, 2022



Transportation cost of living index rating, 2022



Source:
Sperling's Best Places and EY





Appendix 2: survey results

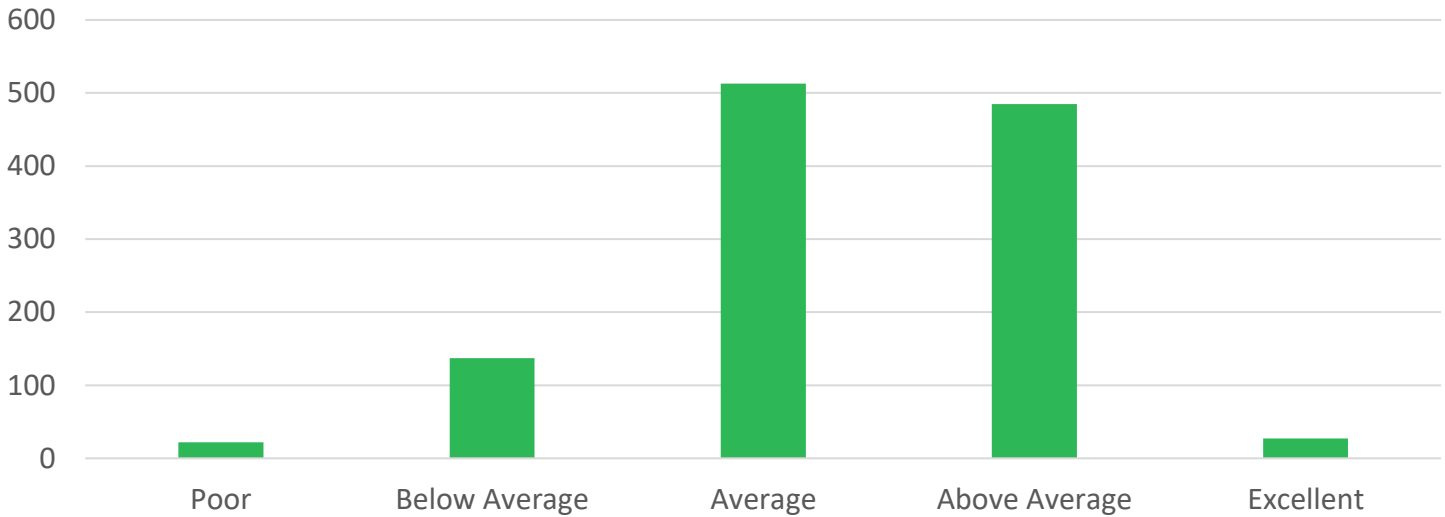
Introduction

This appendix includes a selection of answers from the Chattanooga Area Chamber of Commerce. While open, 1196 individuals responded to the survey. Respondents of the survey included City of Chattanooga and Hamilton County residents, workers, community and business leaders.

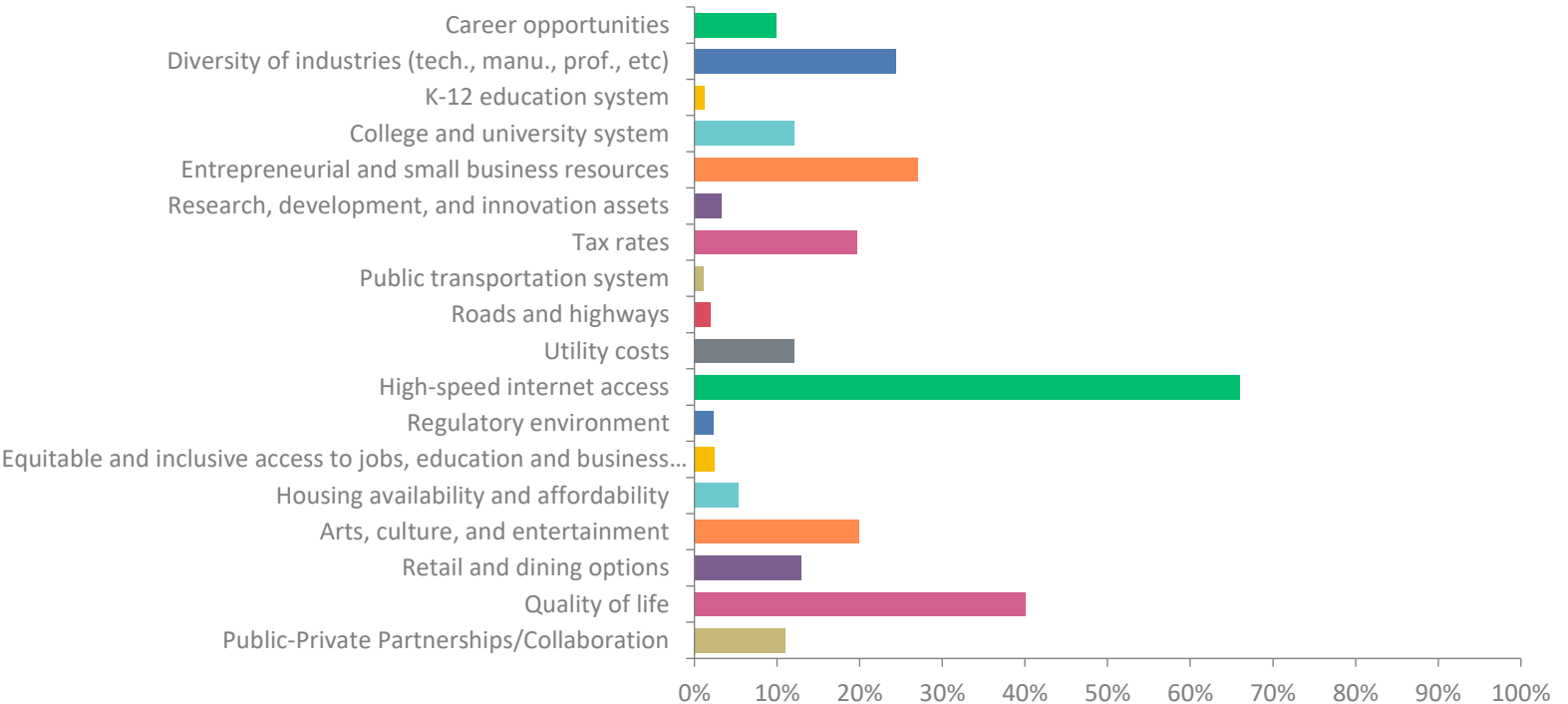
On the following pages, you will find charts that provide a summary of some of the responses to the survey.

Survey results

How would you grade the health of Chattanooga's (Hamilton County's) economy?

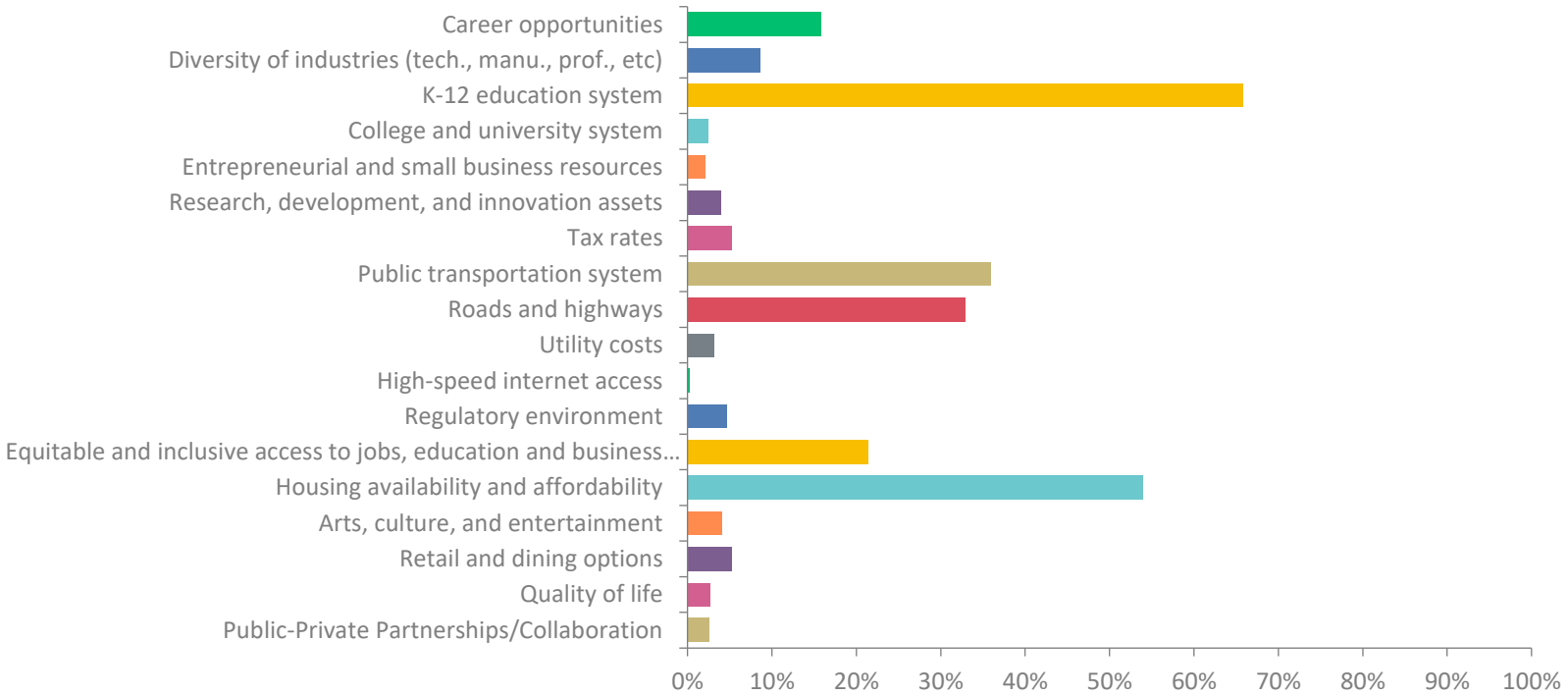


What do you consider the strongest components of Chattanooga's (Hamilton County's) economy?(Please pick up to 3)

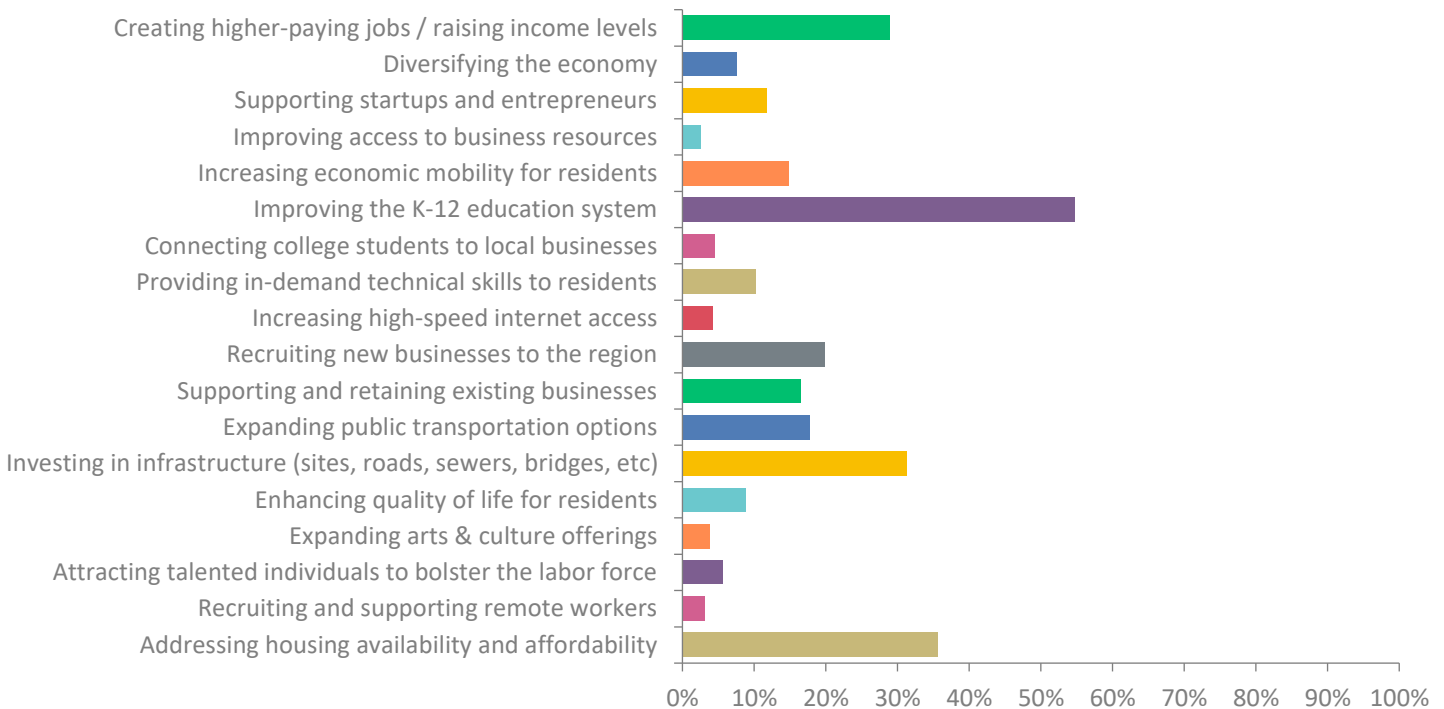


Survey results contd.

What do you consider the weakest components of Chattanooga's (Hamilton County's) economy? (Please pick up to 3)



What do you see as Chattanooga's (Hamilton County's) top economic development priorities? (Please pick 3)



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