WAKE
Wake County
Economic Development

METRO *Raleigh* COMPARISON

An independent study commissioned by Wake County Economic Development that contrasts the Raleigh metro area with 32 other comparable metros around the United States. A database of more than 206 comparative metrics was analyzed covering the areas of cost, talent, demographics, innovation, and economic diversity.

2018

INTRO

A diverse economy, highly educated and skilled workforce, strong business climate, world class colleges and universities, and sustained growth have made Wake County and the Raleigh metro a global center for innovation. The study revealed that, although the Raleigh metro is smaller than its competitors, it consistently "punches above its weight," outpacing other larger communities in many of the metrics utilized in the study. A series of five indexes were created to aggregate the indicators and highlight key business growth and site selection decision factors. Through the comparison, the **Raleigh metro came out as the most competitive metro in the U.S.**

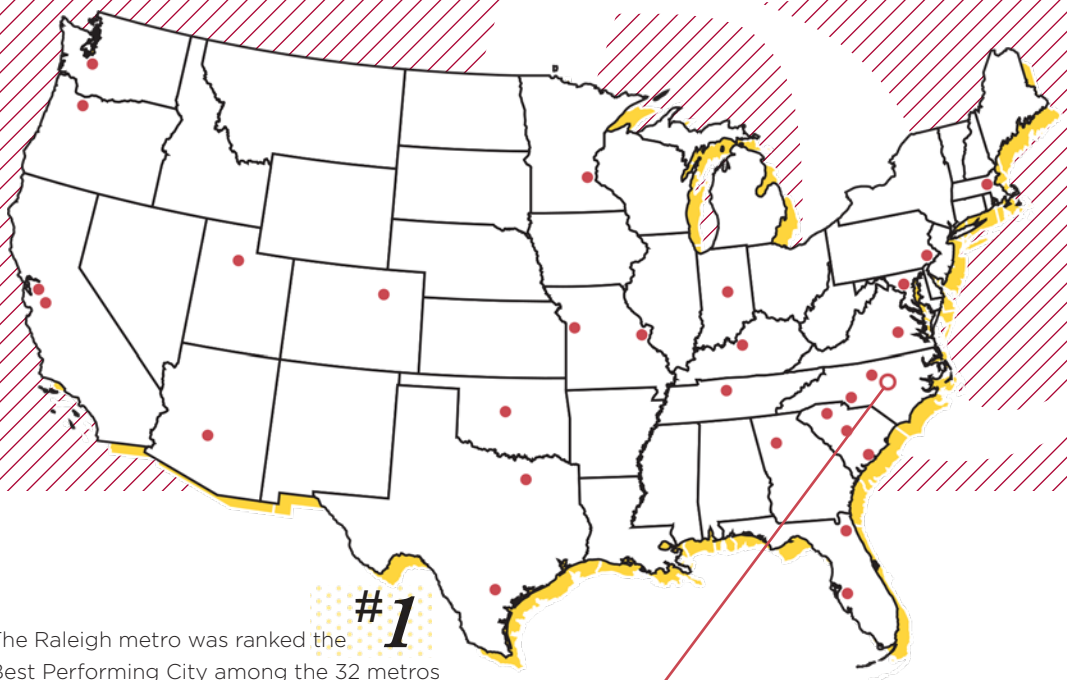
Five indexes revealed the region's strengths as a leading metro:

- Cost of Doing Business
- Talent
- Global
- Momentum
- Future

Overall Index Rating

- Raleigh, NC – 1
- Austin, TX – 2
- Nashville, TN – 5
- San Francisco, CA – 8
- Atlanta, GA – 12
- Boston, MA – 14

Metros Factored Into Comparison



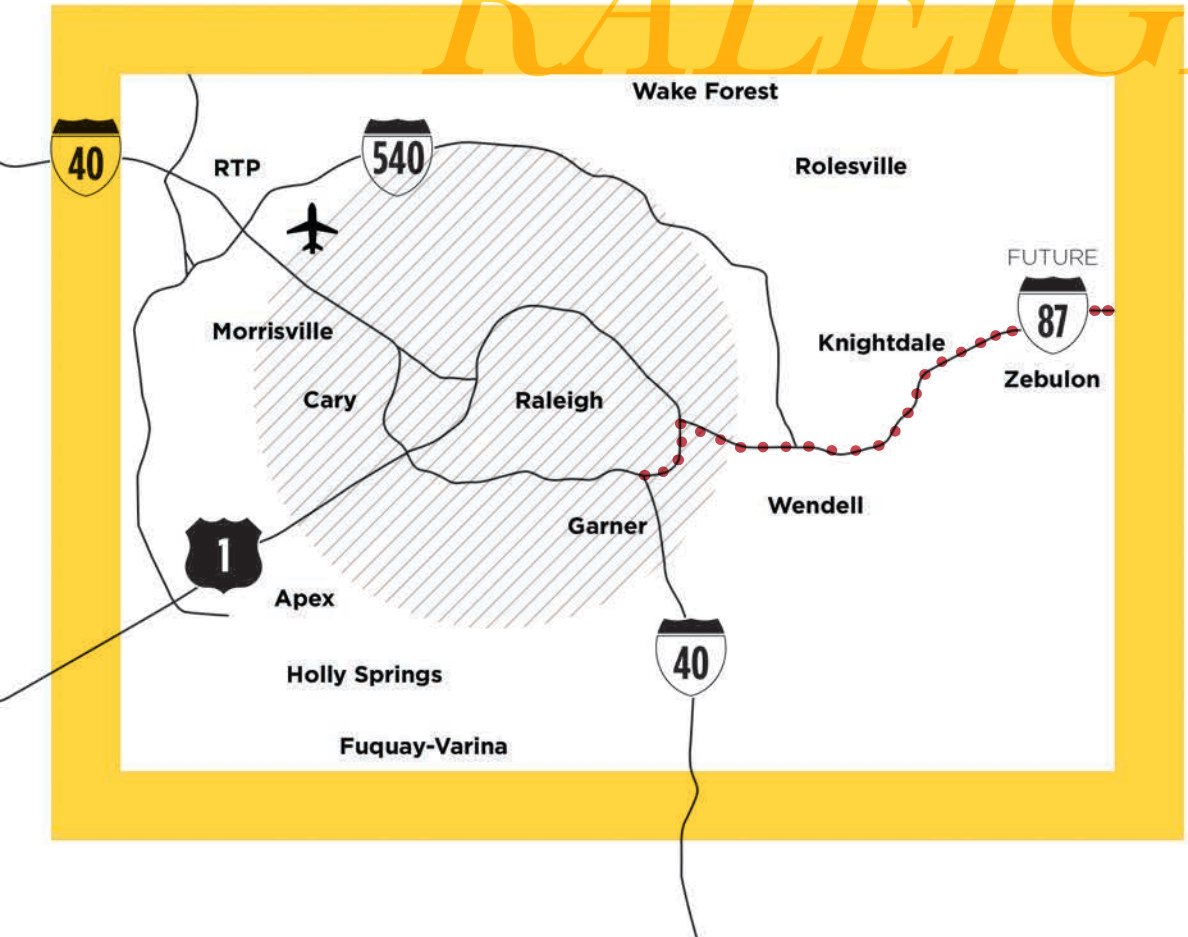
#1

The Raleigh metro was ranked the Best Performing City among the 32 metros evaluated, and was the only metro to score in the top ten on each of the five indexes.

The 32 comparable metros were chosen based on regions the Raleigh metro typically competes against for business and talent.

- RALEIGH, NC
- AUSTIN, TX
- CHARLOTTE, NC
- DALLAS, TX
- NASHVILLE, TN
- PROVO, UT
- SAN JOSE, CA
- SAN FRANCISCO, CA
- SEATTLE, WA
- DENVER, CO
- DURHAM, NC
- ATLANTA, GA
- SALT LAKE CITY, UT
- BOSTON, MA
- CHARLESTON, SC
- PORTLAND, OR
- SAN DIEGO, CA
- WASHINGTON, DC
- INDIANAPOLIS, IN
- MINNEAPOLIS, MN
- COLUMBIA, OH
- OMAHA, NE
- KANSAS CITY, MO
- OKLAHOMA CITY, OK
- NEW YORK, NY
- RICHMOND, VA
- GREENVILLE, SC
- TAMPA, FL
- PITTSBURGH, PA
- JACKSONVILLE, FL
- PHILADELPHIA, PA
- ST. LOUIS, MO

RALEIGH



01 COST OF DOING BUSINESS

This index examines many cost factors including cost of doing business, legal and regulatory environment, and tax climate. A company's decision to grow or locate in a community relies heavily on the business environment. Wake County and the **Raleigh metro is ranked no. 1** as the best overall for the cost of doing business.

Overall Index Rating

Raleigh, NC – 1
Austin, TX – 8
Nashville, TN – 10
Atlanta, GA – 14
Boston, MA – 28
San Francisco, CA – 32

SUMMARY

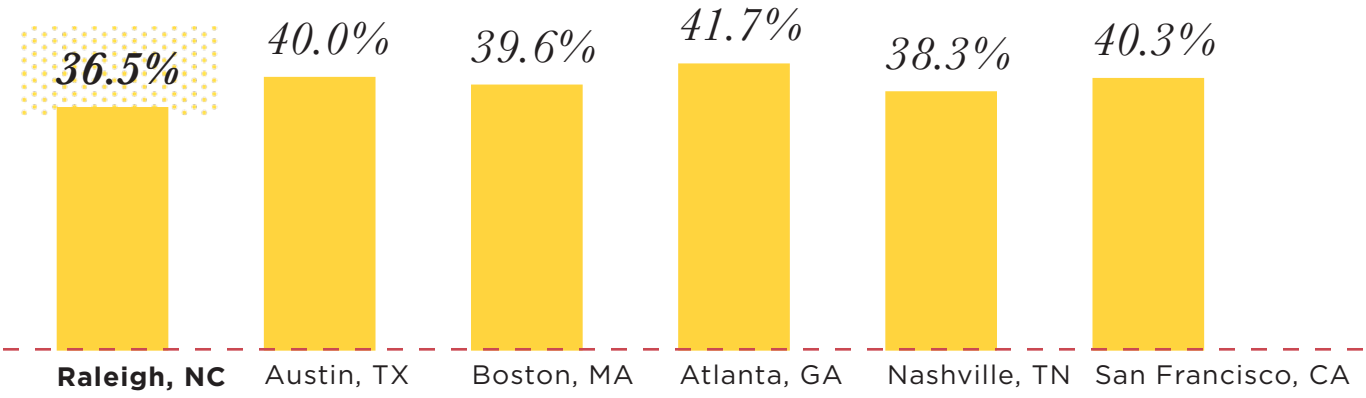
The Raleigh metro is a stable place to do business, with low costs, a low-tax structure, and pro-business regulatory environment. Construction costs, electric rates, overall taxes, and our cost of living are all below the national average. The Raleigh metro business costs fall 18 percent below the national average. Additionally, the state of North Carolina, along with Wake County and the city of Raleigh, have each secured a AAA bond rating for the last 50 years, making North Carolina one of only 10 states to earn this rating.

Raleigh metro's competitive business climate has helped attract employers looking to relocate their operations away from rising rent in other major metros and has helped existing companies grow and thrive. While rents are ever-rising in tech hotspots like Silicon Valley, talent continues to move to new growth markets like the Raleigh metro, which can support lifestyles equally as well for a much lower cost.

RALEIGH METRO RANKED THE NO. 2 BEST PERFORMING ECONOMY AMONG U.S. METROS

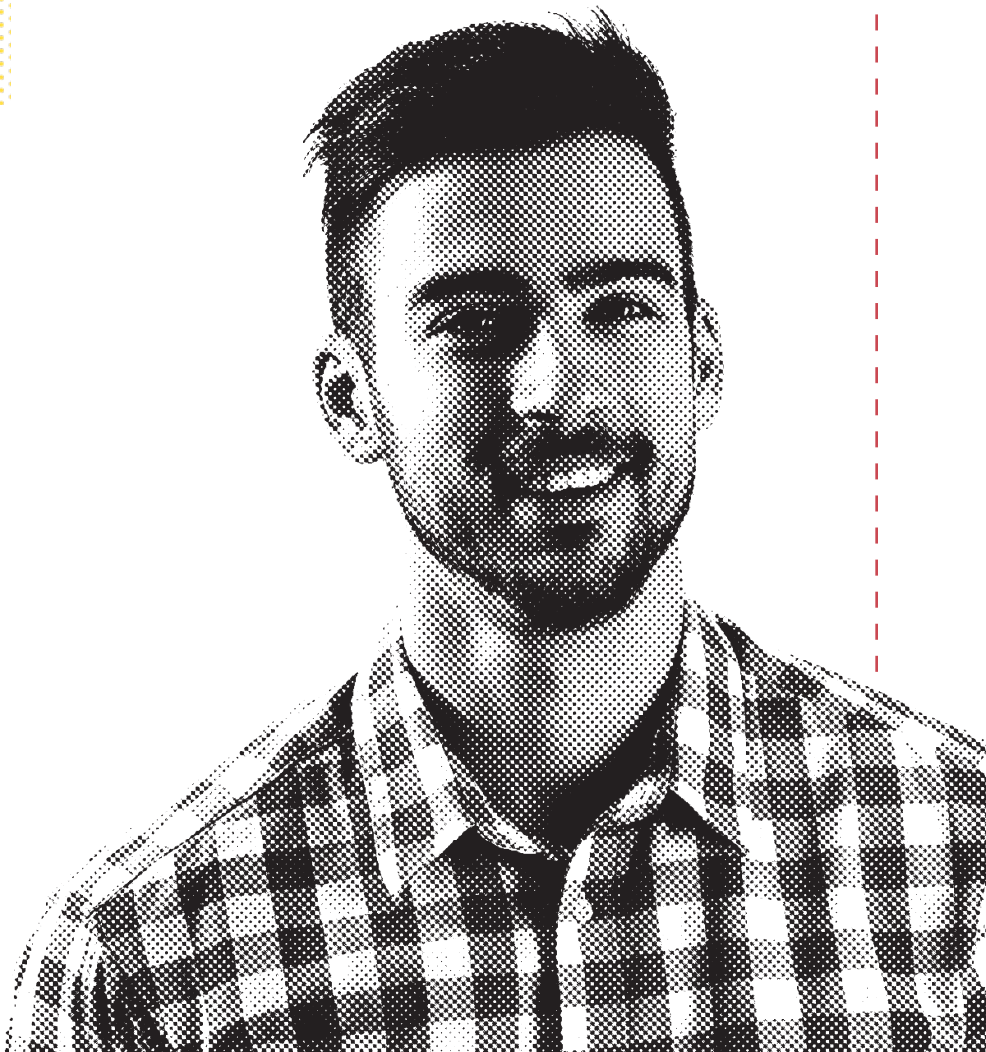
MILKEN INSTITUTE REPORT | JANUARY 2018

RENTERS PAYING MORE THAN 35% OF INCOME TOWARDS RENT



COST OF DOING BUSINESS RANKING

Raleigh, NC	***1st***
Austin, TX	*4th*
Atlanta, GA	*16th*
Nashville, TN	*17th*
San Francisco, CA	*28th*
Boston, MA	*31st*



02

TALENT

The availability of skilled labor continues to be a top priority for both existing companies and those considering the region for relocation or expansion. The Research Triangle region has more than 192,000 students enrolled in higher education with more than 44,000 graduates entering the workforce each year with a bachelor's degree or higher.

Overall Index Rating

Austin, TX: 1

Raleigh, NC: 3

San Francisco, CA: 7

Atlanta, GA: 13

Nashville, TN: 17

Boston, MA: 19

SUMMARY

The Raleigh metro's thriving workforce and tech market are fueled by several components: innovative startups spinning out of the region's many incubators, corporate headquarters and technology centers, the largest research park in North America, partnerships originating in the area's three Tier One research universities and access to the largest community college in the U.S., Wake Technical Community College. Combined with a favorable business climate, excellent quality of life, and entrepreneurial vibe, Raleigh is a robust metro that has something for everyone.

NO. 1 STATE FOR WOMEN IN TECH
NC TECH | 2017

NO. 1 TECH EMPLOYMENT GROWTH
FROM 2011–2016, TOTAL TECH EMPLOYMENT GREW 16.7%
ECONOMIC MODELING SPECIALISTS INTERNATIONAL (EMSI) | 2016

NO. 2 BEST BIG CITY TO LIVE IN
MONEY MAGAZINE | 2017

TOP 4 U.S. TECH HUBS TO WATCH IN 2018
VENTUREBEAT | DECEMBER 2017

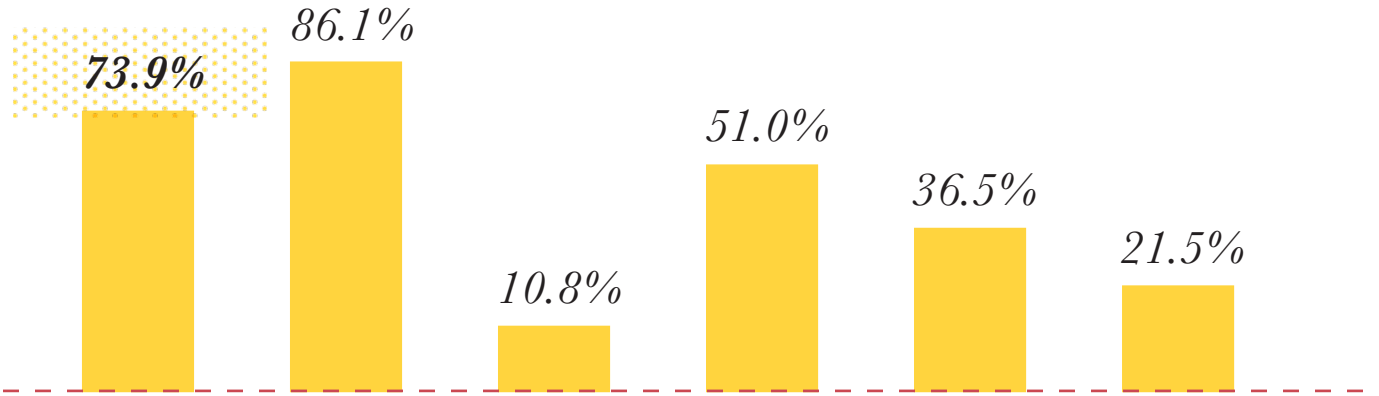
NO. 4 HIGHEST % OF WORKFORCE IN STEM
WALLETHUB | JANUARY 2018

Overall Quality of Life Score

Raleigh, NC (202.88)	***1st***
Austin, TX (171.65)	*6th*
Boston, MA (167.04)	*13th*
San Francisco, CA (152.41)	*14th*
Atlanta, GA (152.25)	*15th*

Supporting Summary: The Raleigh metro has the highest overall quality of life score.

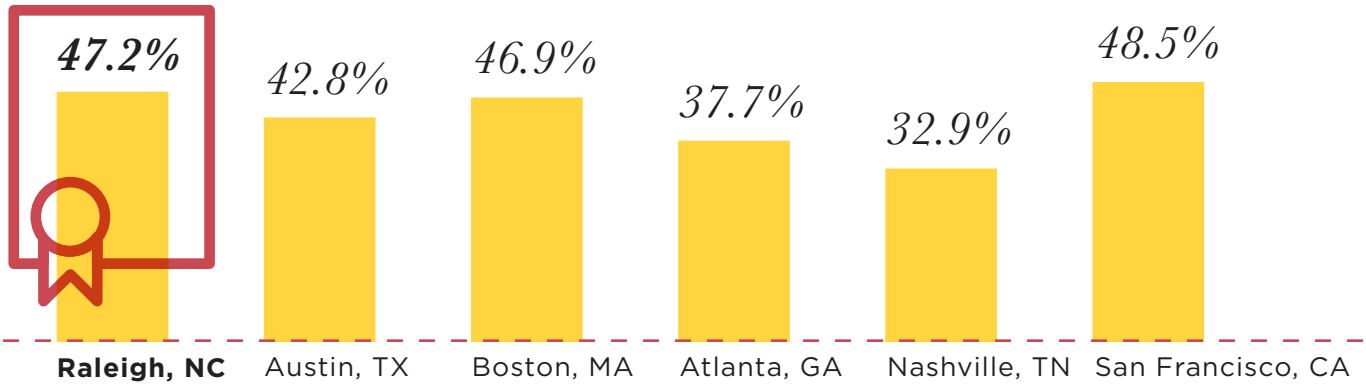
PROJECTED POPULATION GROWTH



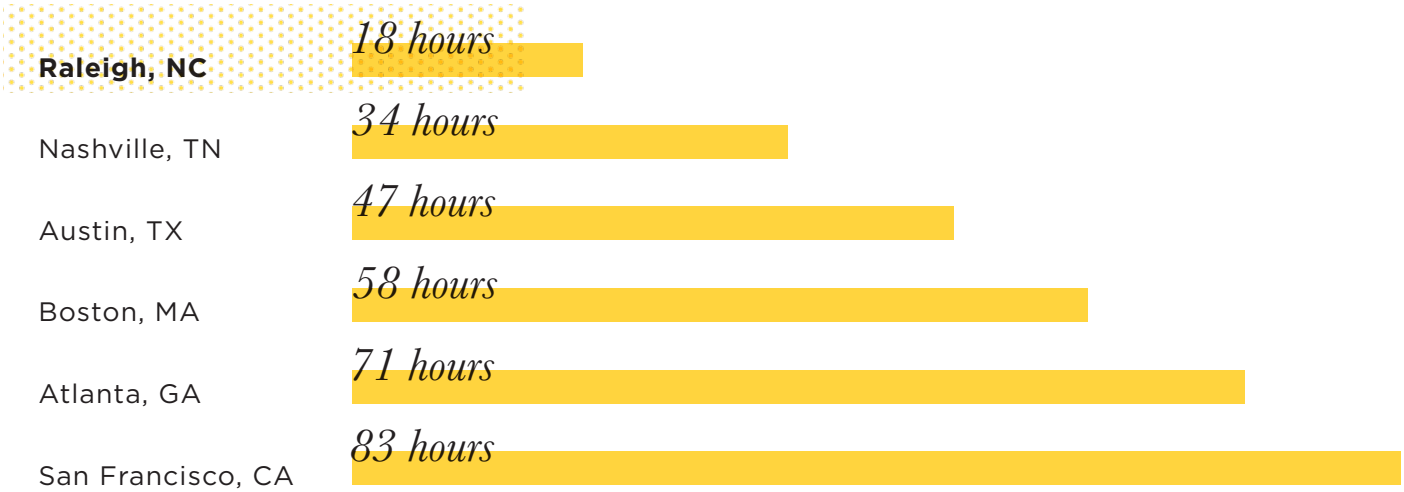
COST OF LIVING INDEX RANKING

Raleigh, NC (94.4)	***14th***
Nashville, TN (95.5)	*16th*
Austin, TX (96.7)	*18th*
Atlanta, GA (98.7)	*19th*
Boston, MA (148.1)	*28th*
San Francisco (177.4)	*30th*

POPULATION OVER AGE 25 WITH BACHELOR'S DEGREE AND/OR ADVANCED DEGREE

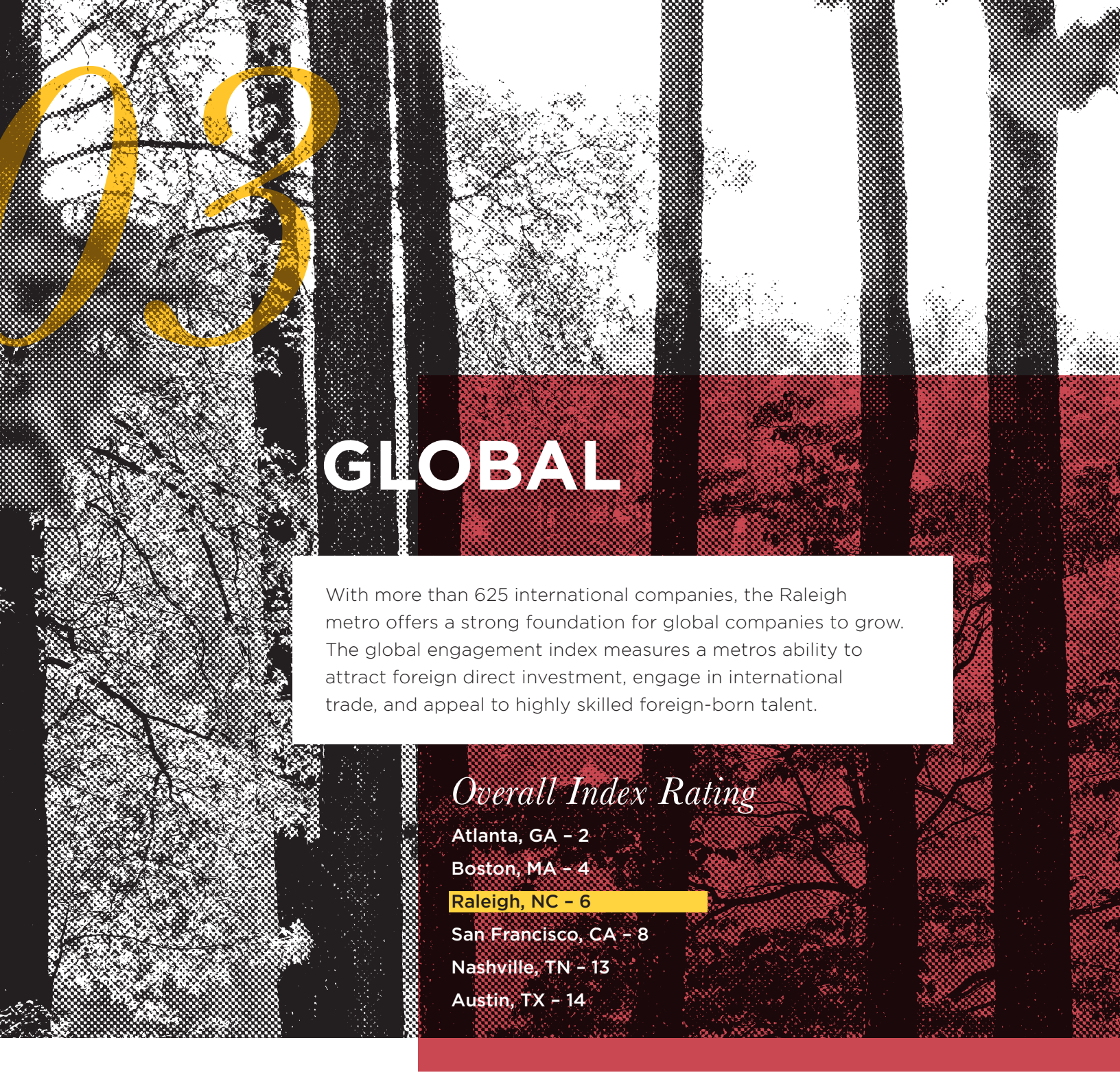


HOURS SPENT IN TRAFFIC PER YEAR



HOURLY WAGE FOR PRIVATE SECTOR JOBS

COST-OF-LIVING NOT ADJUSTED



93

GLOBAL

With more than 625 international companies, the Raleigh metro offers a strong foundation for global companies to grow. The global engagement index measures a metros ability to attract foreign direct investment, engage in international trade, and appeal to highly skilled foreign-born talent.

Overall Index Rating

Atlanta, GA – 2

Boston, MA – 4

Raleigh, NC – 6

San Francisco, CA – 8

Nashville, TN – 13

Austin, TX – 14

SUMMARY

Foreign direct investment in the Raleigh metro is critical to growth, diversity in the workforce, global reach, and the creation of a more dynamic economy. Wake County has benefited tremendously with the growth of international activity and investment. It continues to pursue and market to global companies looking for a strategic location in the U.S. Companies, such as China-based Lenovo, have found long-term success in the Triangle, as have other newer companies, including Credit Suisse and Ajinimoto. The Raleigh metro offers a unique foundation for foreign-born residents and foreign-owned companies with three Tier One research universities, access to a variety of industries, proximity to the Atlantic coast, and an international airport with flights to London, Paris, Toronto, and Cancun, plus more than 54 nonstop flights to various destinations.

MOST DIVERSE SUBURBS IN NC

NICHE | 2017

NO. 2 ZEBULON / NO. 3 KNIGHTDALE / NO. 4 MORRISVILLE

MORRISVILLE, NC WAS NAMED THE MOST LINGUISTICALLY DIVERSE CITY IN NC, AND 28TH IN THE NATION

FIND THE HOME | 2016

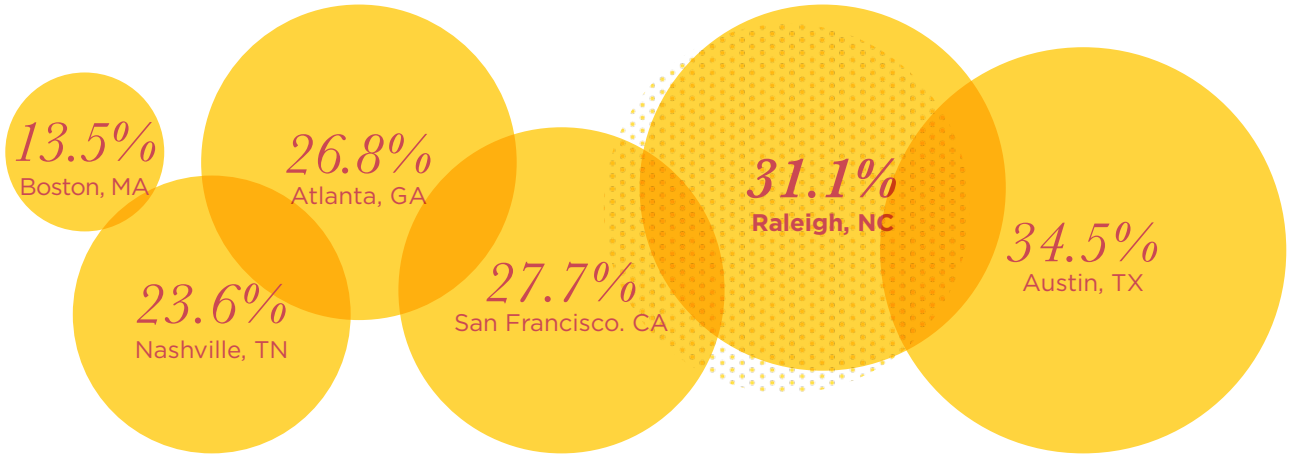
TOP 10 DESTINATION FOR ASIAN (5TH), WHITE (6TH), AND BLACK (7TH) MOVERS

WASHINGTON POST | JANUARY 2018

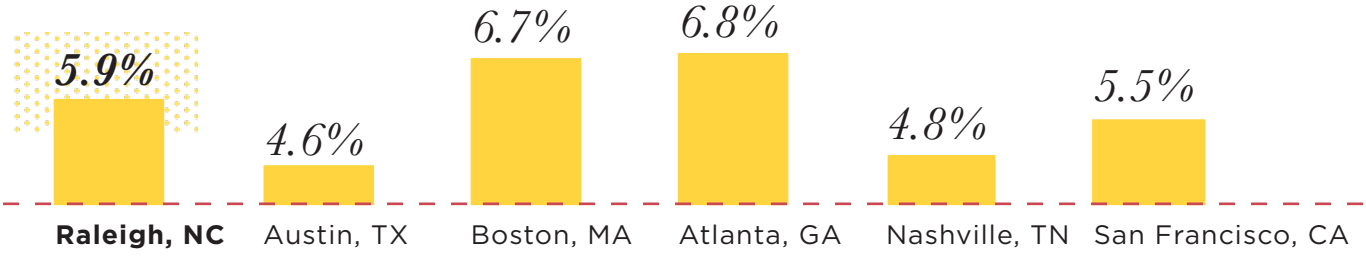
WAKE COUNTY IS GROWING AT A RATE OF 67 PEOPLE PER DAY (47 MOVE HERE, 20 ARE BORN HERE). OF THOSE 47 PEOPLE, 10 ARE COMING FROM OUTSIDE THE U.S.

THE 47 PEOPLE WHO MOVE TO WAKE COUNTY PER DAY, 75% HAVE A BACHELOR'S DEGREE OR HIGHER, MORE THAN DOUBLE THE NATIONAL AVERAGE.

EMPLOYMENT OF U.S. SUBSIDIARIES AS PERCENTAGE OF TOTAL EMPLOYMENT



SHARE OF TOTAL PRIVATE EMPLOYMENT IN FOREIGN OWNED ESTABLISHMENTS



04 MOMENTUM

The Momentum Index measures current economic activity and includes common factors such as population, gross metropolitan product, wages, and productivity. Wake County and the Raleigh metro are rapidly growing, attracting highly skilled talent.

Overall Index Rating

Austin, TX – 1

San Francisco, CA – 3

Nashville, TN – 7

Raleigh, NC – 9

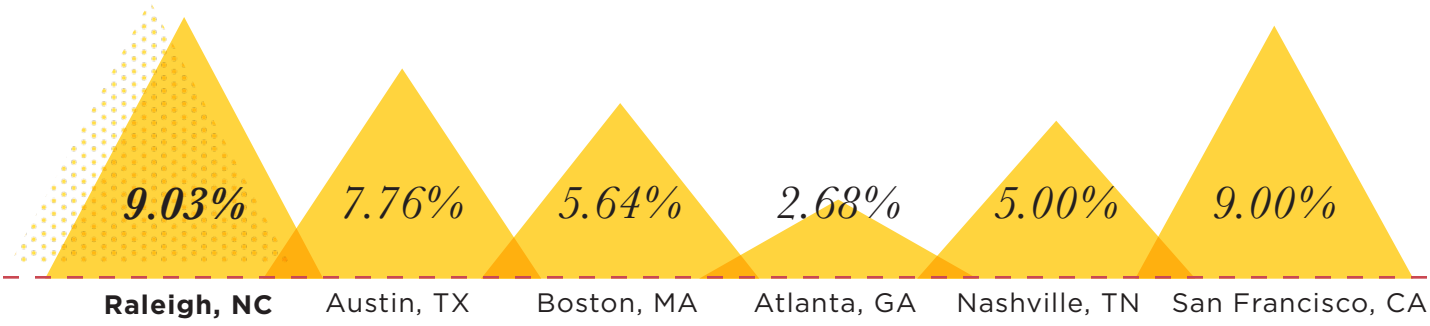
Atlanta, GA – 14

Boston, MA – 14

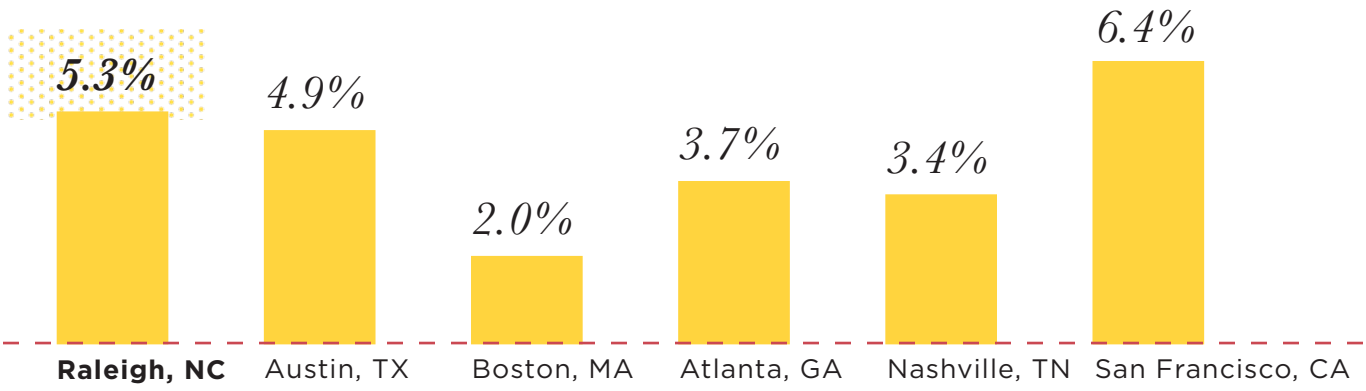
SUMMARY

The Raleigh metro has seen consistent in-migration contribute to the population, with an increase of 12 percent from 2011 – 2016. The region and Raleigh metro have experienced strong job and wage growth and the momentum remains strong. The population in the Raleigh metro is expected to grow 73.9 percent over the next 30 years, which signals a major transformation for the region. Not only is the region expected to grow but has grown 132 percent since 1990. The Raleigh metro is poised for growth and is actively preparing for an influx of people, companies, and a changing national/global economy. By pursuing critical needs of the Raleigh metro community, such as mass transit, focusing on micro-sectors (like precision health), and preserving greenspace (Dorothea Dix Park), the Raleigh metro will preserve the exceptional quality of life in the face of expansion.

ADVANCED INDUSTRY OUTPUT ANNUAL GROWTH

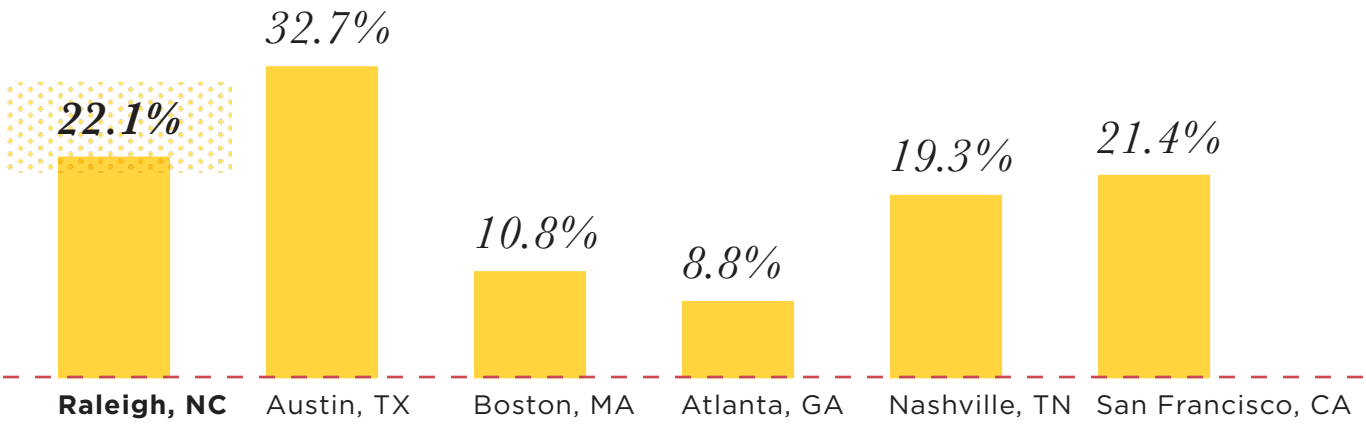


REAL GDP GROWTH RATE



Supporting Summary: The Raleigh metro is among the best performing metros in the U.S.

TOTAL EMPLOYMENT GROWTH RATE



Supporting Summary: The Raleigh metro has experienced strong economic and job growth for more than a decade.

05 FUTURE

The Future Index focuses on ten factors to predict future economic success including overall economic strength and diversity, growth in the industries expected to increase in the coming years, infrastructure demands, and the dependence ratios of the population.

Overall Index Rating

Austin, TX – 1

Raleigh, NC – 2

Nashville, TN – 4

San Francisco, CA – 9

Boston, MA – 15

Atlanta, GA – 19

SUMMARY

The region's economy and viability largely depend on the strength of the business ecosystem and the diversity in industries. The Raleigh metro is twice as concentrated in high-tech industries as the U.S. average. Across the region, universities, businesses, and government entities are known for relying on the skills of the Raleigh metro's high-performing students and world-leading researchers to support new inventions and solve complex problems. Strong infrastructure and transportation will also fuel the success of the region and with funded investments in transportation, our region will remain ranked as having some of the lowest traffic congestion of any major metro in the U.S. The competitive advantages that the Raleigh metro has will boost this region to remain economically viable and prosperous for years to come.

NO. 2 TECH HUB THAT MILLENNIALS PREFER TO SILICON VALLEY

RALEIGH, NC | FORBES | NOVEMBER 2017

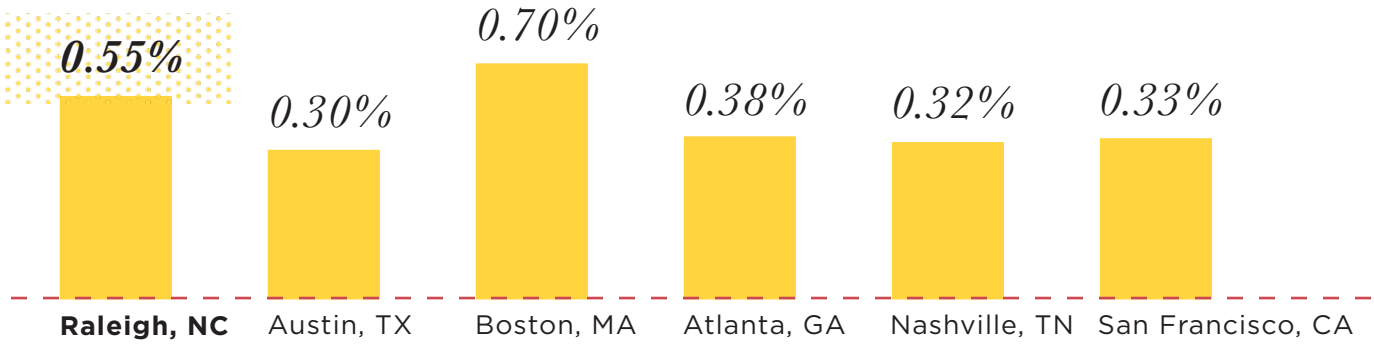
NO. 3 METRO EMBRACING TECHNOLOGY IN THE WORKFORCE

RALEIGH, NC | BROOKINGS INSTITUTION | NOVEMBER 2017

NO. 4 TOP CYBERCITIES

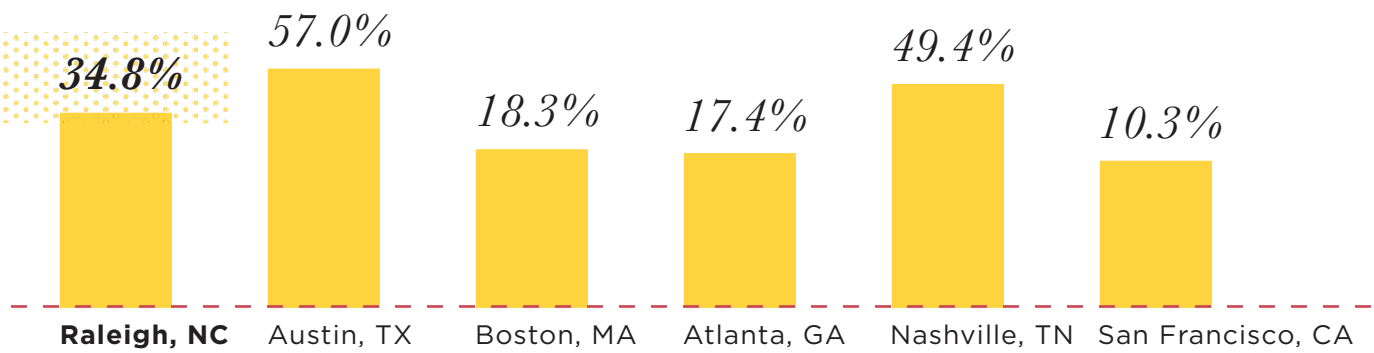
TECH SECTOR EMPLOYMENT CONCENTRATION
RALEIGH, NC | COMPTIA | DECEMBER 2017

HIGHER EDUCATION R&D IN SCIENCE & ENGINEERING FIELDS AS A PERCENTAGE OF GDP



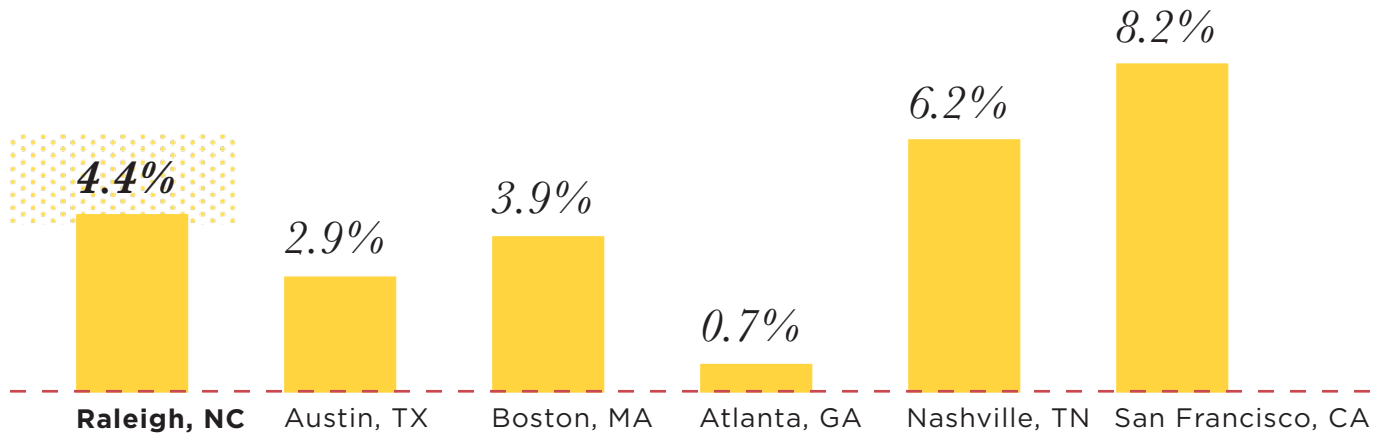
R&D is the driving force behind innovation and sustained economic growth. The ratio of R&D expenditures in STEM-related fields at a state's colleges and universities relative to the size of the state's economy (GDP) measures the intensity of the state's academic R&D and intensity of the state's support. Duke, UNC, and NCSU totaled more than $2.6B in Annual Research Expenditures in 2016. The 2nd highest Metro after Boston, MA.

PERCENT CHANGE IN PROFESSIONAL & BUSINESS SERVICES JOBS



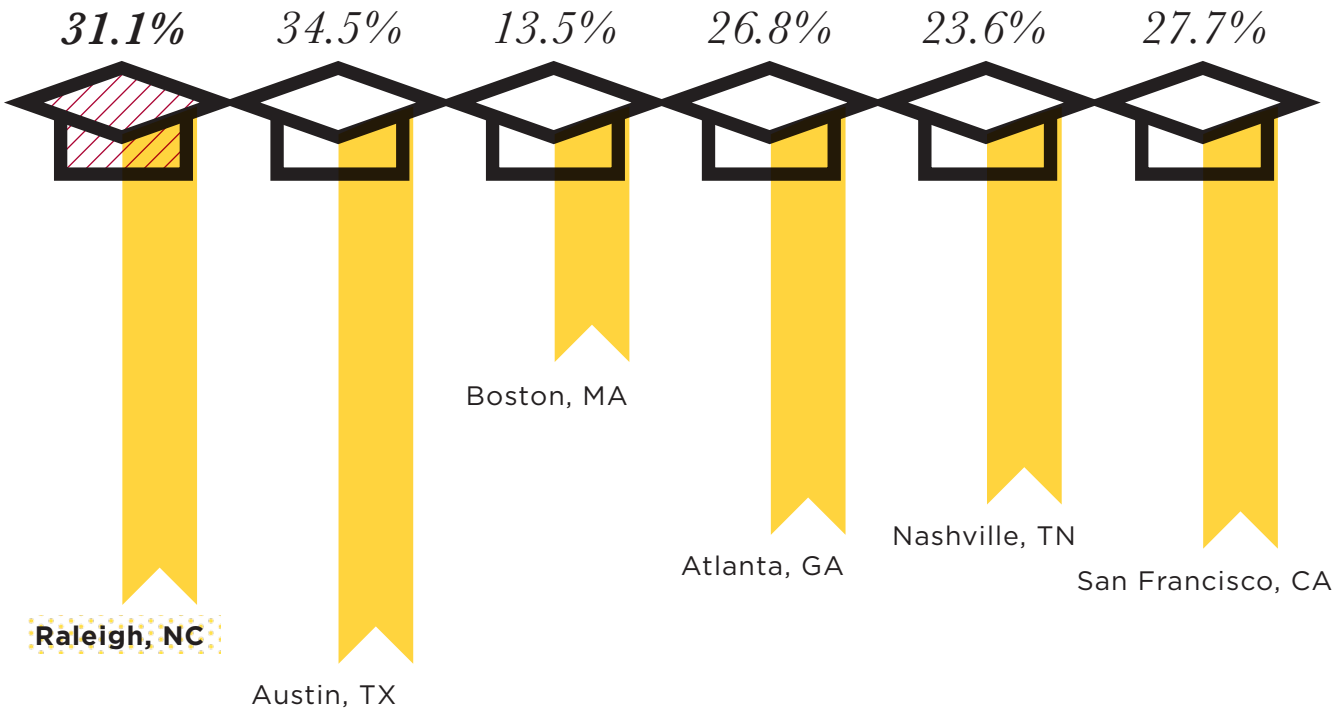
Supporting Summary: The Raleigh metro has a diverse business ecosystem comprised of tech, engineering, science, and professional/business service occupations.

ADVANCED INDUSTRY EMPLOYMENT ANNUAL GROWTH



Supporting Summary: The Raleigh metro has a robust advanced industry ecosystem.

SHARE OF TOTAL STATE SPENDING ON PRIMARY EDUCATION



Supporting Summary: North Carolina strongly supports K-12 education. The state spends more on education than most states.

PERCENTAGE OF ROADS IN POOR CONDITION

Raleigh, NC	9%
Nashville, TN	11%
Austin, TX	15%
Atlanta, GA	21%
Boston, MA	38%
San Francisco, CA	71%

RANKING OF MILKEN HIGH TECH INDUSTRIES WITH LQ >=1

Raleigh, NC	**2nd**
Austin, TX	4th
San Francisco, CA	6th
Nashville, TN	18th
Boston, MA	19th
Atlanta, GA	22nd

Supporting Summary: The Raleigh metro had the 2nd highest LQ of any metro studied.

High-tech location quotients (LQs), which measure the industry's concentration in a particular metro relative to the national average, are included to gauge an area's participation in the knowledge-based economy. We also measure the number of specific high-tech fields (out of a possible 19) whose concentrations in an MSA or MD are higher than the national average.

OVERALL

Overall Index Rating

Raleigh, NC – 1

Austin, TX – 2

Nashville, TN – 5

San Francisco, CA – 8

Atlanta, GA – 12

Boston, MA – 14

Conclusions

This comparison revealed that, despite powerful competition, the Raleigh metro is one of the strongest in the U.S. and is certainly the most competitive. The Raleigh metro sets the bar for how a region can adjust and adapt to changes in the economy and continue to experience incredible regional growth. The area has key strengths that propel a region forward, including talent, top-ranked education options, a strong business community, and a high quality of life. The Raleigh metro is home to a growing population full of small businesses, corporate headquarters, innovative companies, and a variety of cultures, all of which impact the strength of our region.

Growth and change in a region can represent uncertainty and slow progress, but the Raleigh metro is turning the tables on that trend. The region is actively pursuing growth by implementing a plan to support a changing and increasing population:

- **Mobility:** $90 million multi-modal center to open mid-2018 in downtown Raleigh
- **Development:** $1.75 billion in current downtown Raleigh development pipeline and the City of Raleigh recently passed a $206 million transportation bond
- **Workforce Development:** Increased partnership between K-12, universities, and businesses to build a strong talent pipeline
- **Amenities:** Dorothea Dix Park, 308 acres of planned park and greenspace
- **Education:** Continued growth at North Carolina State Centennial Campus, creation of the Innovation & Entrepreneurship Center at Shaw University

Forbes recently ranked the Raleigh metro as the number two best place for business and careers. North Carolina, meanwhile, received the number one ranking for the best state for business. **These rankings by Forbes, combined with the highest index ranking, cement our position as an industry leader and top-competitive metro.**

Perhaps the most telling ranking of all is the growth of the region. The numbers do not lie when you have a population that grows by 67 people each day. There are new people and new businesses that want to call the region home. The Raleigh metro and Wake County are experiencing new successes every day and that momentum will be carried into the future.

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WAKE

Wake County
Economic Development